The following is a summary English language translation of the original Asset Management Report available in Japanese on our website. No assurance or warranties are given with respect to the accuracy or completeness of this summary English language translation. The Japanese original shall prevail in the case of any discrepancies between this summary English language translation and the Japanese original.

Hulic Reit, Inc.

Asset Management Report

Fiscal period ended August 31, 2025 (March 1, 2025 to August 31, 2025)

I. To Our Unitholders

Firstly, I would like to convey my sincere appreciation to you, our unitholders, for your continued support of Hulic Reit, Inc.

Hulic Reit, Inc. (“Investment Corporation”) was listed on the Real Estate Investment Trust Securities Market (J-REIT Market) of the Tokyo Stock Exchange in February 2014, and we have steadily built a track record of asset management since then. We have now successfully completed our 23rd fiscal period (fiscal period ended August 31, 2025). This was made possible entirely thanks to the strong support of our unitholders, and for this, I would like to express my heartfelt gratitude.

I am pleased to report here an overview of our asset management and our operating results for the 23rd fiscal period (fiscal period ended August 31, 2025).

In the 23rd fiscal period, the Investment Corporation announced in April 2025 its “Three Basic Measures” to continue strengthening returns to unitholders: “Progress in Asset Replacement,” “NOI Growth,” and “Utilizing Financial Leverage.” As part of “Progress in Asset Replacement,” one of these measures, the Investment Corporation conducted exchange transactions with Hulic Co., Ltd. involving Hulic Shinjuku Building (quasi co-ownership interest: 41.0%) and Hulic Kamiyacho Building (quasi co-ownership interest: 35.0%) in June 2025, and in the 24th fiscal period (fiscal period ending February 28, 2026), involving Asakusa View Hotel and Hulic Kamiyacho Building (quasi co-ownership interest: 56.0%) in September 2025. Through these asset replacements (exchange), we are continually promoting improvement of “Profitability,” “Upside,” and “Quality” of portfolio and the enhancement of unitholder returns.

Regarding internal growth, against a robust office rental market, we achieved early filling of vacancies in our office properties. In the case of tenant replacements, we achieved rent increases for approximately 67% of office spaces targeted for tenant replacement (based on the number of contracts), and in the case of rent revisions, we achieved rent increases for approximately 27% of the office spaces targeted for rent revision (based on the number of contracts).

As a result, we recorded operating revenues of ¥12.7 billion, operating profit of ¥6.9 billion and profit of ¥6.0 billion, and distributions per unit came to ¥4,000 for the reporting period. In addition, the number of owned properties as of the end of the reporting period was 67, and the asset size (total acquisition price) was ¥416.5 billion (rounded to the nearest ¥100 million). The occupancy rate of the portfolio has remained at a high level of 99.1%.

Looking at initiatives related to ESG (Environment, Society, Governance), in the GRESB Real Estate Assessment conducted in 2025, the Investment Corporation was awarded “4 Stars” of GRESB Rating. At the same time, the Investment Corporation also received a “Green Star” for the ninth consecutive year and the rating of “A,” the highest possible score in the “GRESB Public Disclosure” for the seventh consecutive year. In addition, we have been working to reduce the greenhouse gas emissions of our owned properties. As of the end of the 23rd fiscal period (fiscal period ended August 31, 2025), we have converted 32 properties to electricity from renewable energy sources.

We will work to maximize unitholder value by maintaining and growing profits over the medium to long term and increasing the size and value of our portfolio through the support of the Hulic Group.

We ask for the continued support of our unitholders.

Hulic Reit, Inc.

Kazuaki Chokki, Executive Officer

(Reference)

Composition of Unitholders

(As of the end of the 23rd fiscal period (fiscal period ended August 31, 2025))

Category	Individuals	Financial institutions	Securities firms	Other domestic corporations	Foreign corporations and individuals	Total
Number of Unitholders by Type (persons)	11,800	136	16	315	237	12,504
Percentage (Note) (%)	94.4	1.1	0.1	2.5	1.9	100.0
Number of Investment Units by Unitholder Type (units)	82,442	903,788	31,636	234,046	188,088	1,440,000
Percentage (Note) (%)	5.7	62.8	2.2	16.3	13.1	100.0

(Note) Percentages shown are rounded to one decimal place.

II. Asset Investment Report

1. Summary of Asset Management

(1) Changes in investment performance, etc. of the Investment Corporation

Fiscal period	Unit	19th fiscal period (From March 1, 2023 to August 31, 2023)	20th fiscal period (From September 1, 2023 to February 29, 2024)	21st fiscal period (From March 1, 2024 to August 31, 2024)	22nd fiscal period (From September 1, 2024 to February 28, 2025)	23rd fiscal period (From March 1, 2025 to August 31, 2025)
Operating revenues	Millions of yen	11,222	11,323	11,504	12,456	12,782
[Of the above, real estate leasing business revenues]	Millions of yen	[10,856]	[10,955]	[11,074]	[11,183]	[11,435]
Operating expenses	Millions of yen	5,339	5,363	5,438	5,668	5,839
[Of the above, expenses related to real estate leasing business]	Millions of yen	[3,990]	[3,981]	[4,052]	[4,067]	[4,079]
Operating profit	Millions of yen	5,882	5,960	6,066	6,787	6,942
Ordinary profit	Millions of yen	5,099	5,160	5,257	5,929	6,016
Profit	Millions of yen	5,063	5,160	5,256	5,928	6,015
Total assets	Millions of yen	401,942	409,823	410,384	429,116	423,653
[Change from the previous fiscal period]	%	[+0.4]	[+2.0]	[+0.1]	[+4.6]	[(1.3)]
Net assets	Millions of yen	200,290	200,440	200,537	201,204	201,460
[Change from the previous fiscal period]	%	[+0.0]	[+0.1]	[+0.0]	[+0.3]	[+0.1]
Unitholders' capital (Note 1)	Millions of yen	194,754	194,754	194,754	194,754	194,754
Total number of investment units issued	Units	1,440,000	1,440,000	1,440,000	1,440,000	1,440,000
Net assets per unit	Yen	139,090	139,194	139,262	139,725	139,902
Total distributions	Millions of yen	5,011	5,159	5,261	5,760	5,760
Payout ratio (Note 2)	%	98.9	99.9	100.0	97.1	95.7
Basic earnings per unit (Note 3)	Yen	3,516	3,583	3,650	4,117	4,177
Distributions per unit	Yen	3,480	3,583	3,654	4,000	4,000
[Of the above, distributions of earnings per unit]	Yen	[3,480]	[3,583]	[3,654]	[4,000]	[4,000]
[Of the above, distributions in excess of earnings per unit]	Yen	[–]	[–]	[–]	[–]	[–]
Equity ratio [Change from the previous fiscal period] (Note 4)	%	49.8 [(0.2)]	48.9 [(0.9)]	48.9 [(0.0)]	46.9 [(2.0)]	47.6 [+0.7]
Return on equity [Annualized] (Note 5)	%	2.5 [5.0]	2.6 [5.2]	2.6 [5.2]	3.0 [6.0]	3.0 [5.9]
[Other reference information]						
Number of properties	Properties	66	67	67	67	67
Total leasable area	m^2	360,406.32	364,920.50	363,615.59	395,190.49	363,205.86
Occupancy rate at end of period	%	99.0	99.7	99.5	99.5	99.1

(Note 1) "Unitholders' capital" does not take into consideration changes in unitholders' capital in connection with the implementation of distributions in excess of earnings related to allowance for temporary difference adjustments.

(Note 2) Payout ratio is calculated with the following formula and rounded down to one decimal place.

Payout ratio = total distributions (excluding distributions in excess of earnings) / profit × 100

(Note 3) Basic earnings per unit is calculated by dividing profit by the average number of investment units for the period.

Average number of investment units is 1,440,000 units for the 19th fiscal period, 1,440,000 units for the 20th fiscal period, 1,440,000 units for the 21st fiscal period, 1,440,000 units for the 22nd fiscal period, and 1,440,000 units for the 23rd fiscal period.

(Note 4) Equity ratio is calculated with the following formula:

Equity ratio = net assets at end of period / total assets at end of period × 100

(Note 5) Return on equity is calculated with the following formula:

Return on equity (profit to net assets ratio) = profit / [(net assets at beginning of period + net assets at end of period) / 2] × 100

The value in brackets of return on equity is the value calculated with number of business days (19th fiscal period: 184 days; 20th fiscal period: 182 days; 21st fiscal period: 184 days; 22nd fiscal period: 181 days; 23rd fiscal period: 184 days) converted into annual values.

(2) Transition of the Investment Corporation for the reporting period

The Investment Corporation was established on November 7, 2013, with Hulic Reit Management Co., Ltd. (hereinafter referred to as the "Asset Manager"), which is entrusted with the management of the assets of the Investment Corporation, as the organizer under the Act on Investment Trusts and Investment Corporations of Japan (hereinafter referred to as the "Investment Trust Act"). On November 25, 2013, the Investment Corporation was registered with the Director-General of the Kanto Local Finance Bureau (registration number: Director-General of the Kanto Local Finance Bureau No. 88). The Investment Corporation issued new investment units through a public offering with the payment date on February 6, 2014, which were listed on the Real Estate Investment Trust Securities (J-REIT) Market of Tokyo Stock Exchange, Inc. (Securities code: 3295) on February 7, 2014. New investment units were issued through a third-party allotment on March 7, 2014. The Investment Corporation recently carried out capital increases through its eighth public offering after its listing on October 27, 2021 and a third-party allotment on November 22, 2021. As a result, the number of investment units issued as of August 31, 2025 (hereinafter, the "end of the reporting period") was 1,440,000.

The Investment Corporation primarily invests in and manages office buildings and retail facilities.

i) Investment environment and investment performance

Investment environment: During the reporting period, business and economic conditions in Japan have been recovering gradually, although there have been impacts, particularly on the automobile industry, due to U.S. trade policy and other factors. In the rental office market, supported by steady office demand, there is an improving trend in the vacancy rate, and rent, which has continued to show a rising trend, is expected to continue recovering gradually. Furthermore, performance in retail properties and hotels has remained strong mainly due to inbound demand.

Investment performance: During the reporting period, the Investment Corporation conducted an exchange transaction in June 2025 involving the Hulic Shinjuku Building (quasi co-ownership interest: 41.0%, acquisition price: ¥26,350 million) and the Hulic Kamiyacho Building (quasi co-ownership interest: 35.0%, transfer price: ¥23,450 million), and transferred Chiba Network Center (transfer price: ¥7,950 million) in March 2025. As a result, the number of properties held by the Investment Corporation as of the end of the reporting period was 67, and the total acquisition price was ¥416,461 million (rounded to the nearest ¥1 million). The occupancy rate of the entire portfolio has remained at a high level of 99.1% as of the end of the reporting period.

Based on the belief that consideration for the environment, society and governance leads to the maximization of medium- to long-term unitholder value, the Asset Manager formulated the "Sustainability Policy" in March 2016 and has implemented initiatives to reduce environmental impact, improve tenants' satisfaction and contribute to local communities.

The Investment Corporation has participated in the Real Estate Assessment of GRESB (Note 1) from the fiscal period ended August 31, 2016. In the GRESB Real Estate Assessment conducted in 2025, the Investment Corporation was awarded "4 Stars" of GRESB Rating, for its initiatives in environmental awareness and sustainability, having received strong recognition in both the areas of "Management Component" and "Performance Component." At the same time, the Investment Corporation also received a "Green Star" for the ninth consecutive year. Furthermore, the Investment Corporation's information disclosure on its environmental consideration and sustainability initiatives was assessed as particularly impressive, and was given a rating of “A,” the highest of five possible scores, in the GRESB Public Disclosure, introduced in fiscal 2017, for the seventh consecutive year. Furthermore, the Investment Corporation has been working on obtaining external certification relating to energy conservation and environmental performance of its owned properties, and as of the end of the reporting period, it has obtained external certification for a total of 54 properties, as follows. Concerning DBJ Green Building Certification (Note 2), the Investment Corporation has acquired certification for seven properties, with Ochanomizu Sola City and Hulic Asakusabashi Building obtaining the highest ranking among those properties. As for BELS (Note 3), the Investment Corporation has acquired certification for 19 properties, with HULIC &New SHIBUYA and Hulic Shimura-sakaue obtaining the highest ranking among those properties. Concerning the real estate evaluation certification CASBEE (Note 4), the Investment Corporation has acquired certification for 23 properties (Note 5), with Hulic Kamiyacho Building, Toranomon First Garden, Hulic Kandabashi Building, Hulic Kakigaracho Building, Ochanomizu Sola City, Hulic Higashi Ueno 1 Chome Building, Hulic Jimbocho Building, Hulic Kojimachi Building, Hulic Kobunacho Building, Oimachi Redevelopment Building (#2)/(#1), Hulic Jingu-Mae Building and Hulic Mejiro obtaining the highest ranking among those properties. Concerning CASBEE-Wellness Office evaluation certification (Note 6), the Investment Corporation has obtained the highest ranking for Hulic Toranomon Building. Furthermore, the Investment Corporation has acquired certification for four properties, including Charm Suite Shinjukutoyama and Granda Gakugei Daigaku, from the Japan Habitat Evaluation and Certification Program (JHEP) (Note 7).

In addition, having recognized the importance of disclosing climate-related financial information, the Asset Manager expressed its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in July 2021 and has joined the TCFD Consortium, which is an organization in Japan for companies that support the recommendations. Based on the four items (governance, strategy, risk management, and metrics and targets) of the TCFD recommendations, the Asset Manager analyzes the business risks and opportunities brought about in response to climate change and has been disclosing information concerning its initiatives since April 2022.

Furthermore, the Investment Corporation formulated targets for reducing greenhouse gas (hereinafter referred to as “GHG”) emissions, and acquired certification from the Science Based Targets initiative (hereinafter referred to as the “SBTi”) (Note 8) in November 2024 as these targets are considered to be aligned with the levels required by the Paris Agreement and based on scientific evidence. At the time of acquiring the certification, the Investment Corporation was the first J-REIT to acquire the certification from the SBTi through the so-called “standard version” of the application process, instead of the small to medium-sized enterprise version (Note 9).

(Note 1) GRESB is an annual benchmark assessment used to evaluate environmental, social and governance (ESG) considerations of real estate companies and funds, as well as the name of the organization which runs the assessment. It was established in 2009 primarily by major European pension fund groups, which led the Principles for Responsible Investment.

(Note 2) The “DBJ Green Building Certification” is a certification system created by Development Bank of Japan Inc. in April 2011 to support real estate properties with environmental and social awareness (“Green Building”). The certification system is said to evaluate and certify real estate properties in terms of their desirability for society and the economy based on a comprehensive evaluation, which includes not only environmental performance, but also responsiveness to various stakeholder needs such as consideration for emergency preparedness and the community, and to support these efforts.

(Note 3) The “BELS” is a building energy-efficiency labeling system that was started with the aim of having third-party institutions implement accurate evaluation and labeling of energy-conservation performance of buildings in accordance with the guidelines set forth in October 2013 by the Ministry of Land, Infrastructure, Transport and Tourism in “Evaluation Guidelines for Energy-efficiency Labeling for Non-residential Buildings (2013).”

(Note 4) “CASBEE” (Comprehensive Assessment System for Built Environment Efficiency) is a method for evaluating and rating the environmental performance of buildings. CASBEE is a system that comprehensively evaluates the quality of buildings by giving consideration not only to the environment in regard to the use of materials that have good energy conservation and small environmental loads, but also to the comfort inside the buildings and to the landscapes. Institute for Building Environment and Energy Conservation (IBEC) promotes the adoption of the system and operates the assessment and certification. The real estate evaluation certification CASBEE evaluates the environmental performance of existing buildings with one or more years of use after completion.

(Note 5) Oimachi Redevelopment Building (#2)/(#1) are recorded as a single building as they obtained certification as a combined building.

(Note 6) The “CASBEE-Wellness Office evaluation certification” is a method for evaluating specifications, performance and approaches of buildings that support maintenance and enhancement of the health and comfort of building users. The system evaluates not only the direct impact on the health and comfort of workers who inhabit offices in the building but also other performance factors such as contribution to intellectual productivity improvement as well as security and safety. IBEC promotes the adoption of the system and operates the assessment and certification.

(Note 7) The Japan Habitat Evaluation and Certification Program (JHEP) is based on the habitat evaluation procedures (HEP) developed by the U.S. Department of the Interior in the 1970s and 1980s to quantitatively evaluate habitats, focused on habitats where living creatures live. JHEP, which was developed and is managed by Ecosystem Conservation Society-Japan, evaluates and certifies initiatives that contribute to the conservation and restoration of biodiversity.

(Note 8) SBTi is an international initiative jointly operated by the CDP, United Nations Global Compact (UNGC), World Resources Institute (WRI), and World Wide Fund for Nature (WWF). Science Based Targets (SBT; emissions reduction targets based on scientific evidence) refers to targets for reducing GHG emissions set by companies which are aligned with the levels required by the Paris Agreement (aiming to hold the global temperature rise to a level well below 2°C above pre-industrial levels, and limit it to 1.5°C), and the SBTi gives certification to companies that set SBT.

(Note 9) In applying for obtaining the certification, since the Investment Corporation does not fall under the category of small to medium-sized enterprise in the company classification established by the SBTi, the Investment Corporation formulated GHG emissions reduction targets, made an application, and acquired the certification in a way that meets the so-called “standard version” of certification criteria of SBT.

ii) Status of financing

During the reporting period, the Investment Corporation made an early repayment of the partial amount of long-term borrowings on March 3, 2025 using the proceeds from a transfer of assets and cash reserves, and refinanced ¥9,770 million in long-term borrowings and ¥2,000 million in investment corporation bonds for which repayments were due on August 29, 2025.

As a result, as of the end of the reporting period, interest-bearing debt totaled ¥198,716 million (comprising ¥3,000 million in current portion of investment corporation bonds, ¥33,608 million in current portion of long-term borrowings, ¥15,000 million in investment corporation bonds and ¥147,108 million in long-term borrowings), resulting in a loan-to-value (LTV) ratio of 46.9%.

Issuer credit ratings of the Investment Corporation as of the end of the reporting period are as follows:

Credit rating agency	Contents of credit rating
Japan Credit Rating Agency, Ltd.	Long-term issuer rating: AA, Rating outlook: Stable

iii) Overview of financial results and distributions

As a result of the above asset management, operating revenues for the reporting period were ¥12,782 million (up 2.6% compared with the previous fiscal period), operating profit was ¥6,942 million (up 2.3% compared with the previous fiscal period), ordinary profit after deducting interest expenses for borrowings, etc. was ¥6,016 million (up 1.5% compared with the previous fiscal period), and profit was ¥6,015 million (up 1.5% compared with the previous fiscal period).

Furthermore, in accordance with the distribution policy set forth in the Investment Corporation’s Articles of Incorporation, the Investment Corporation has applied special measures for the taxation system for investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation) and decided to pay distributions of earnings of an amount of ¥5,760 million, which was derived by deducting a provision of reserve for tax purpose reduction entry as stipulated in the special provisions for taxation in cases of replacement of certain assets (Article 65-7 of the Act on Special Measures Concerning Taxation), and internal reserves from unappropriated retained earnings for the reporting period, with the aim of including distributions of earnings in tax-deductible expenses. Consequently, distributions per unit came to ¥4,000.

(3) Status of capital increase, etc.

Capital increase, etc. over the most recent five calendar years until the end of the reporting period is shown as below.

Date	Event	Total number of investment units issued (Units)		Total unitholders' capital (Millions of yen)		Remarks
		Change	Balance	Change	Balance	
April 7, 2021	Capital increase through public offering	39,000	1,351,000	6,336	180,115	(Note 1)
April 27, 2021	Capital increase through third-party allotment	2,000	1,353,000	324	180,440	(Note 2)
October 27, 2021	Capital increase through public offering	82,800	1,435,800	13,623	194,063	(Note 3)
November 22, 2021	Capital increase through third-party allotment	4,200	1,440,000	691	194,754	(Note 4)

(Note 1) New investment units were issued through public offering with an issue price per unit of ¥167,895 (issue value: ¥162,470) in order to supplement cash reserves by amount of decrease arising from its allocation for a portion of the purchase price for new properties, etc.

(Note 2) New investment units were issued through a private placement allocated to Mizuho Securities Co., Ltd. with an issue value per unit of ¥162,470.

(Note 3) New investment units were issued through public offering with an issue price per unit of ¥169,942 (issue value: ¥164,538) in order to raise funds for the acquisition of new properties, etc.

(Note 4) New investment units were issued through a private placement allocated to Mizuho Securities Co., Ltd. with an issue value per unit of ¥164,538.

(Note 5) Changes in total unitholders' capital in connection with the implementation of distributions in excess of earnings related to allowance for temporary difference adjustments have not been taken into consideration.

<Changes in market price of investment unit>

The highest and lowest unit prices (closing price) of the investment securities of the Investment Corporation by fiscal period on the J-REIT Market of the Tokyo Stock Exchange are as follows:

Highest and lowest unit prices by fiscal period (Closing price)	Fiscal period	19th fiscal period ended August 31, 2023	20th fiscal period ended February 29, 2024	21st fiscal period ended August 31, 2024	22nd fiscal period ended February 28, 2025	23rd fiscal period ended August 31, 2025
	Highest (Yen)	167,300	164,400	153,900	149,500	170,200
	Lowest (Yen)	144,500	144,900	135,000	129,300	138,600

(4) Distributions, etc.

Pursuant to the distribution policy prescribed in Article 35, Paragraph 1 of the Investment Corporation's Articles of Incorporation, distributions for the fiscal period under review (23rd fiscal period) came to ¥4,000 per unit. Furthermore, based on this policy, the Investment Corporation decided to pay distributions of earnings of an amount of ¥5,760 million, which was derived by deducting a provision of reserve for tax purpose reduction entry as stipulated in the special provisions for taxation in cases of replacement of certain assets (Article 65-7 of the Act on Special Measures Concerning Taxation), and internal reserves from unappropriated retained earnings.

Fiscal period	19th fiscal period (From March 1, 2023 to August 31, 2023)	20th fiscal period (From September 1, 2023 to February 29, 2024)	21st fiscal period (From March 1, 2024 to August 31, 2024)	22nd fiscal period (From September 1, 2024 to February 28, 2025)	23rd fiscal period (From March 1, 2025 to August 31, 2025)
Total unappropriated retained earnings	¥5,540,065 thousand	¥5,689,258 thousand	¥5,786,566 thousand	¥6,453,800 thousand	¥6,536,011 thousand
Accumulated earnings	¥528,865 thousand	¥529,738 thousand	¥524,806 thousand	¥693,800 thousand	¥776,011 thousand
Total amount of cash distributions	¥5,011,200 thousand	¥5,159,520 thousand	¥5,261,760 thousand	¥5,760,000 thousand	¥5,760,000 thousand
(Distributions per unit)	(¥3,480)	(¥3,583)	(¥3,654)	(¥4,000)	(¥4,000)
Of the above, total amount of distributions of earnings	¥5,011,200 thousand	¥5,159,520 thousand	¥5,261,760 thousand	¥5,760,000 thousand	¥5,760,000 thousand
(Distributions of earnings per unit)	(¥3,480)	(¥3,583)	(¥3,654)	(¥4,000)	(¥4,000)
Of the above, total amount of refunds of unitholders' capital	–	–	–	–	–
(Refunds of unitholders' capital per unit)	(–)	(–)	(–)	(–)	(–)
Of the total amount of refunds of unitholders' capital, total amount of distributions from allowance for temporary difference adjustments	–	–	–	–	–
(Of the refunds of unitholders' capital per unit, distributions from allowance for temporary difference adjustments per unit)	(–)	(–)	(–)	(–)	(–)
Of the total amount of refunds of unitholders' capital, total amount of distributions from distributions on reduction of unitholders' capital for taxation purposes	–	–	–	–	–
(Of the refunds of unitholders' capital per unit, distributions from distributions on reduction of unitholders' capital for taxation purposes)	(–)	(–)	(–)	(–)	(–)

(5) Future investment policies and issues to address

Looking forward, we can expect business and economic conditions in Japan to gradually recover, supported by improvements in the employment and income environment and the effects of various governmental measures. However, we believe that there is a risk of weakening business conditions in Japan mainly due to the impact made by the continuously rising cost of goods through a downturn in consumer confidence, etc. on consumer spending, and the impact of U.S. trade policy and other factors. In addition, it remains important to continue paying close attention to the impact of fluctuations in financial capital markets and other factors. Regarding the rental office market amid these conditions, while the market is supported by steady demand, the Investment Corporation will continue to pay close attention to changes in office needs, such as consolidation and relocation of offices and increases in floor space in buildings. Furthermore, in retail properties and hotels, although inbound tourism demand and other factors are expected to continue to be strong, it is necessary to ascertain the business conditions of tenants and respond appropriately.

Against this backdrop, the portfolio strategy of the Investment Corporation transitioned to “progress in asset replacement strategy aimed at improving quality or growth potential, etc.,” shifting from an emphasis on stability up to this point to a focus on improving growth potential.

Specifically, “Office and Retail Properties” mainly in the Tokyo area, where recovery and growth are expected after the COVID-19 pandemic, will continue to be priority targets for investment with an investment ratio of approximately 70% (±10 points) (Note), and the investment ratio for “Hotels” has been set at approximately 20% (±10 points) (Note) given the recent strong inbound tourism demand and the expected steady demand in Japan. On the other hand, “private nursing homes,” “network centers,” etc., which are assets with mainly fixed rents and for which stable earnings are expected over the medium to long term, have been set as “Assets for Other Uses,” with an investment ratio of approximately 10% (±10 points) (Note).

As part of these efforts to maximize unitholder value over the medium to long term, the Investment Corporation will implement efforts combining the Asset Manager’s own measures to drive external and internal growth while using the support of the Hulic Group. The Investment Corporation will maintain and grow profits over the medium to long term and increase the size and value of the asset portfolio.

In terms of financing strategy, the Investment Corporation will seek to maintain the LTV ratio at an appropriate level and shift to loans with longer terms and staggered repayment dates, etc., in order to maintain a stable and healthy financial position. With respect to the interest rate options, the Investment Corporation will consider some refinancing through borrowings with fluctuating interest rates while mainly using fixed interest rates in consideration of the financial environment, impact on the current unitholders and other factors.

(Note) The figures are based on the acquisition prices and do not include consumption tax, local consumption tax, commission fees, etc. incurred on acquisition. Note that the investment ratio can differ from these ratios when the individual specific assets are acquired by the Investment Corporation and due to other factors.

(6) Significant events after the reporting period

Not applicable.

(Reference information)

(A) Transfer of properties

The Investment Corporation transferred the below-mentioned real estate trust beneficiary rights (2 properties; total transfer price: ¥5,700 million). The transfer price provided does not include expenses incurred on the transfer of such transferred asset (including transfer expenses, settlement of fixed asset tax and city planning tax, and consumption taxes), and is equal to the transfer price stated in the purchase and sale agreement for the trust beneficiary rights.

Property name	Location	Date of transfer	Transfer price (Millions of yen)	Transferee
Ikebukuro Network Center	Toshima-ku, Tokyo	September 8, 2025	5,350	Hulic Co., Ltd.
Nagano Network Center	Nagano-shi, Nagano	September 8, 2025	350	Hulic Co., Ltd.
Total	–	–	5,700	–

(B) Exchange of properties

<Overview of the exchange>

- Exchange counterparty:
  Hulic Co., Ltd.
- Difference arising from the exchange:
  The difference arising from the exchange (¥480 million), which is the difference between the acquisition price of Asakusa View Hotel and the transfer price of Hulic Kamiyacho Building (quasi co-ownership interest: 56.0%), was paid to Hulic Co., Ltd., the exchange counterparty, on the exchange date. The payment was made with cash on hand.
- Reduction entry:
  For the assets acquired (land), we plan to apply the provision of Article 50 of the Corporation Tax Act, "Inclusion in Deductible Expenses of the Depreciated Amount of Assets Acquired through Exchange," and perform a reduction entry, with plans to record the exchange gain.

<Assets acquired by the exchange>

The Investment Corporation acquired the real estate trust beneficiary rights as mentioned below (1 property; acquisition price: ¥38,000 million). The acquisition price provided does not include expenses incurred on the acquisition of such acquired asset (including acquisition expenses, settlement of fixed asset tax and city planning tax, and consumption taxes), and reflects the exchange price stated in the trust beneficiary right quasi co-ownership interest exchange agreement.

Property name	Location	Date of acquisition	Quasi co-ownership interest in trust beneficiary rights acquired	Acquisition price (Millions of yen)
Asakusa View Hotel	Taito-ku, Tokyo	September 30, 2025	100.0%	38,000

<Assets transferred by the exchange>

The Investment Corporation transferred the real estate trust beneficiary rights as mentioned below (1 property; transfer price: ¥37,520 million). The transfer price provided does not include expenses incurred on the transfer of such transferred asset (including transfer expenses, settlement of fixed asset tax and city planning tax, and consumption taxes), and reflects the exchange price stated in the trust beneficiary right quasi co-ownership interest exchange agreement.

Property name	Location	Date of transfer	Quasi co-ownership interest in trust beneficiary rights transferred	Transfer price (Millions of yen)
Hulic Kamiyacho Building	Minato-ku, Tokyo	September 30, 2025	56.0%	37,520

(C) Early repayment of borrowings

The Investment Corporation made an early repayment of ¥4,700 million of the borrowing listed below on September 10, 2025, which was funded by the transfer price received from the transferee in the transfer of properties stated in (A) above in addition to funds in hand.

Lender	Borrowing amount (Millions of yen)	Interest rate	Drawdown date	Repayment date	Repayment method	Remarks
Mizuho Bank, Ltd.	11,100 (Note)	Base rate of interest (JBA one-month Japanese Yen TIBOR) +0.25%	December 24, 2024	March 31, 2026	Lump-sum repayment	Unsecured and unguaranteed

(Note) The amount stated is the outstanding balance after previous partial early repayments of borrowings were made on January 31 and March 3, 2025. Of the above-stated borrowing amount, ¥4,700 million was repaid, and the outstanding balance after this early repayment was ¥6,400 million.

2. Overview of the Investment Corporation

(1) Status of unitholders' capital

	19th fiscal period As of August 31, 2023	20th fiscal period As of February 29, 2024	21st fiscal period As of August 31, 2024	22nd fiscal period As of February 28, 2025	23rd fiscal period As of August 31, 2025
Total number of authorized investment units	20,000,000 units	20,000,000 units	20,000,000 units	20,000,000 units	20,000,000 units
Total number of investment units issued	1,440,000 units	1,440,000 units	1,440,000 units	1,440,000 units	1,440,000 units
Unitholders' capital (Note)	¥194,754 million	¥194,754 million	¥194,754 million	¥194,754 million	¥194,754 million
Number of unitholders	9,718	10,128	10,962	11,982	12,504

(Note) Changes in unitholders' capital in connection with the implementation of distributions in excess of earnings related to allowance for temporary difference adjustments have not been taken into consideration.

(2) Matters regarding investment units

The top ten unitholders based on the percentage of investment units owned to total investment units issued as of the end of the reporting period are as follows:

Name	Number of investment units owned (Units)	Percentage of investment units owned to total investment units issued (%)
Custody Bank of Japan, Ltd. (Trust account)	435,371	30.23
The Master Trust Bank of Japan, Ltd. (Trust account)	230,502	16.00
Hulic Co., Ltd.	208,800	14.50
The Nomura Trust and Banking Co., Ltd. (Investment trust account)	67,259	4.67
Meiji Yasuda Life Insurance Company	22,203	1.54
STATE STREET BANK WEST CLIENT - TREATY 505234	20,637	1.43
JP MORGAN CHASE BANK 385781	18,385	1.27
STATE STREET BANK AND TRUST COMPANY 505001	17,160	1.19
STATE STREET BANK AND TRUST COMPANY 505103	14,987	1.04
The Joyo Bank, Ltd.	13,723	0.95
Total	1,049,027	72.84

(Note) Percentage of investment units owned to total investment units issued is rounded down to two decimal places. The same applies hereinafter.

(3) Matters relating to officers, etc.

i) Executive Officers, Supervisory Officers and Independent Auditor for the reporting period are as follows:

Title and post	Name	Major concurrent post, etc.	Total amount of compensation for each position during the reporting period
Executive Officer	Kazuaki Chokki	President and CEO of Hulic Reit Management Co., Ltd.	¥– thousand
Supervisory Officer (Note 1)	Rika Nakamura	Director of Tokyo SPC Services Co., Ltd.	¥3,000 thousand
	Takayuki Tomioka	Partner of Shimada Hamba and Osajima (law firm)	¥3,000 thousand
	Noriko Kinoshita	Representative Director of Minato City Appraisal Co., Ltd.	¥3,000 thousand
Independent Auditor	Ernst & Young ShinNihon LLC	–	¥18,830 thousand (Note 2)

(Note 1) Although the Supervisory Officers may be officers in corporations other than the ones indicated above, there is no conflict of interest between the Investment Corporation and such corporations, including those indicated above.

(Note 2) Compensation paid to the Independent Auditor includes ¥1,800 thousand for compensation for auditing English financial statements and ¥5,230 thousand for compensation for third-party verification services. In addition, the amount of compensation based on non-auditing services paid to firms that belong to the same network as the Independent Auditor was ¥11,025 thousand.

ii) Policy regarding the dismissal or non-reappointment of the Independent Auditor

Dismissal or non-reappointment of the Independent Auditor shall be examined at the Investment Corporation’s Board of Directors, pursuant to the provisions of the Investment Trust Act in the case of dismissal, or in light of a comprehensive consideration of quality of auditing, amount of compensation for auditing and various other circumstances in the case of non-reappointment.

(4) Matters regarding directors and officers liability insurance policy

The directors and officers liability insurance policy that the Investment Corporation entered into for the reporting period is as follows.

Scope of insureds	Summary of the policy
All of Executive Officers and Supervisory Officers	<u>Summary of insurance incidents covered</u> The policy will cover losses, litigation expenses, etc. within a certain range incurred in cases where an insured receives a claim for damages arising from improper acts carried out by the insured as an officer of the Investment Corporation. <u>Portion of insurance premiums borne</u> The insurance policy contains a clause related to unitholder derivative suits and, the full amount of the insurance premiums for this clause is borne by the Investment Corporation. <u>Measures to ensure that the proper execution of duties is not impaired</u> Losses, etc. incurred by an insured due to acts, such as criminal acts and acts committed by the insured while in full knowledge that they violate laws and regulations, are not covered by the policy.

(5) Asset Manager, Asset Custodian and Administrative Agents

The names of the Asset Manager, Asset Custodian, and Administrative Agents at the end of the reporting period are as follows:

Consignment classification	Name
Asset Manager	Hulic Reit Management Co., Ltd.
Asset Custodian	Mizuho Trust & Banking Co., Ltd.
Administrative Agents (administration of the unitholders' registry, etc.)	Mizuho Trust & Banking Co., Ltd.
Administrative Agents (accounting work, etc.)	Mizuho Trust & Banking Co., Ltd.
Administrative Agents (administration related to institutional management)	Mizuho Trust & Banking Co., Ltd.
Administrative Agents (administration of investment corporation bonds)	Mizuho Bank, Ltd.

3. Status of Portfolio of the Investment Corporation

(1) Composition of the assets of the Investment Corporation

Type of assets	Category	Region (Note 1)	22nd fiscal period (As of February 28, 2025)		23rd fiscal period (As of August 31, 2025)	
			Total amount held (Millions of yen) (Note 2)	Percentage to total assets (%) (Note 3)	Total amount held (Millions of yen) (Note 2)	Percentage to total assets (%) (Note 3)
Real estate	Office and Retail Properties	Six central wards of Tokyo	¥ 3,575	0.8	¥ 3,566	0.8
		Other wards of Tokyo	–	–	–	–
		Other	–	–	–	–
		Total	¥ 3,575	0.8	¥ 3,566	0.8
	Hotels	Six central wards of Tokyo	¥ –	–	¥ –	–
		Other wards of Tokyo	–	–	–	–
		Other	–	–	–	–
		Total	¥ –	–	¥ –	–
	Assets for Other Uses	Six central wards of Tokyo	¥ –	–	¥ –	–
		Other wards of Tokyo	–	–	–	–
		Other	–	–	–	–
		Total	¥ –	–	¥ –	–
	Total real estate		¥ 3,575	0.8	¥ 3,566	0.8
Real estate in trust	Office and Retail Properties	Six central wards of Tokyo	¥ 210,367	49.0	¥ 213,332	50.4
		Other wards of Tokyo	53,982	12.6	53,692	12.7
		Other	16,708	3.9	16,673	3.9
		Total	¥ 281,057	65.5	¥ 283,698	67.0
	Hotels	Six central wards of Tokyo	¥ 27,562	6.4	¥ 27,470	6.5
		Other wards of Tokyo	5,892	1.4	5,872	1.4
		Other	27,056	6.3	27,039	6.4
		Total	¥ 60,511	14.1	¥ 60,382	14.3
	Assets for Other Uses	Six central wards of Tokyo	¥ 6,088	1.4	¥ 6,059	1.4
		Other wards of Tokyo	38,681	9.0	38,588	9.1
		Other	17,305	4.0	10,667	2.5
		Total	¥ 62,075	14.5	¥ 55,316	13.1
	Total real estate in trust		¥ 403,644	94.1	¥ 399,396	94.3
Total real estate and real estate in trust			¥ 407,220	94.9	¥ 402,963	95.1
Deposits and other assets			¥ 21,895	5.1	¥ 20,689	4.9
Total assets			¥ 429,116	100.0	¥ 423,653	100.0

(Note 1) Six central wards of Tokyo refer to Chiyoda ward (Chiyoda-ku), Chuo ward (Chuo-ku), Minato ward (Minato-ku), Shinjuku ward (Shinjuku-ku), Shibuya ward (Shibuya-ku) and Shinagawa ward (Shinagawa-ku).

(Note 2) Total amount held represents the balance sheet carrying amount (for real estate and real estate in trust, book value less depreciation expenses), rounded down to the nearest million yen.

(Note 3) Percentage to total assets represents the ratio of each asset held to total assets, rounded to one decimal place.

(2) Major assets held

An overview of the major assets held by the Investment Corporation as of the end of the reporting period (top ten properties by book value at the end of the reporting period) is as follows:

Property name	Book value (Millions of yen)	Leasable area (m^2) (Note 1)	Leased area (m^2) (Note 2)	Occupancy rate (%) (Note 3)	Percentage to total real estate leasing business revenues (%) (Note 4)	Primary asset class
Hulic Kamiyacho Building (Note 5)	¥ 35,844	21,116.59	19,400.20	91.9	10.3	Office property
Ochanomizu Sola City (Note 5)	35,412	13,923.42	13,822.09	99.3	(Note 6)	Office property
Grand Nikko Tokyo Bay Maihama (Note 5)	27,039	33,744.31	33,744.31	100.0	(Note 6)	Hotel
Hulic Shinjuku Building (Note 5)	22,466	2,723.84	2,723.84	100.0	1.4	Office property
Hulic Toranomon Building	17,444	8,574.65	8,574.65	100.0	4.2	Office property
Hulic Kojimachi Building (Note 5)	12,471	5,380.17	5,380.17	100.0	2.5	Office property
Hulic Kudan Building (Land)	11,191	3,351.07	3,351.07	100.0	2.3	Office property
Sotetsu Fresa Inn Ginza 7 Chome	11,161	6,984.32	6,984.32	100.0	3.4	Hotel
Hulic Kobunacho Building (Note 5)	10,970	7,781.30	7,781.30	100.0	2.8	Office property
Sotetsu Fresa Inn Tokyo-Roppongi	9,615	4,816.89	4,816.89	100.0	2.4	Hotel
Total	¥193,619	108,396.56	106,578.84	98.3	–	

(Note 1) Leasable area is equivalent to gross leasable space, based on the lease agreements or floor plans of buildings of each asset held. With respect to properties of which ownership is only for land, leasable area is the leasable area of the land as described in the applicable land lease agreements or land plans.

(Note 2) Leased area is equivalent to total floor area of leased space set out in the relevant lease agreements for buildings of each asset held. For the portion for which there is a Pass-through Master Lease Agreement, under which rents are directly received from end-tenants in principle, the actual total area leased under each sublease agreement entered into with end-tenants corresponding to that portion is provided; and for the portion for which there is a Fixed-type Master Lease Agreement, under which a certain amount of rent is received regardless of fluctuations in rents for end-tenants, the total area corresponding to that portion is provided. For the property of which ownership is only for land, the area of the land is provided.

(Note 3) Occupancy rate is calculated with the following formula, rounded to one decimal place: leased area ÷ leasable area × 100

(Note 4) Percentage to total real estate leasing business revenues shows the percentage obtained by dividing the real estate leasing business revenues of each property by the aggregate amount for all properties.

(Note 5) For Hulic Kamiyacho Building, the leasable area and leased area show figures equivalent to the trust beneficiary right quasi co-ownership interest of property held by the Investment Corporation (65.0%).For Ochanomizu Sola City, the leasable area and leased area show figures equivalent to the trust beneficiary right quasi co-ownership interest of property held by the Investment Corporation (21.7%). For Grand Nikko Tokyo Bay Maihama, the leasable area and leased area show figures equivalent to the trust beneficiary right quasi co-ownership interest of property held by the Investment Corporation (50.0%). For Hulic Shinjuku Building, the leasable area and leased area show figures equivalent to the trust beneficiary right quasi co-ownership interest of property held by the Investment Corporation (41.0%). For Hulic Kojimachi Building and Hulic Kobunacho Building, the leasable area and leased area show figures equivalent to the trust beneficiary right quasi co-ownership interest of property held by the Investment Corporation (90.0%).

(Note 6) The Investment Corporation has not obtained permission from the end-tenant or other relevant party of these properties to disclose the relevant information.

(3) Details of assets incorporated into the portfolio, such as real estate

An overview of real estate and beneficial interests in real estate trust invested in by the Investment Corporation as of the end of the reporting period is as follows:

Category		Property name	Location (Note 1)	Asset type	Book value at end of period (Millions of yen)	Assessed value at end of period (Millions of yen) (Note 2)
Office and Retail Properties	Office properties	Hulic Kamiyacho Building	4-3-13 Toranomon, Minato-ku, Tokyo	Real estate trust beneficiary rights	¥ 35,844	¥ 41,700
		Hulic Kudan Building (Land)	1-13-5 Kudankita, Chiyoda-ku, Tokyo	Real estate trust beneficiary rights	11,191	14,100
		Toranomon First Garden	1-7-12 Toranomon, Minato-ku, Tokyo	Real estate trust beneficiary rights	7,753	12,100
		Rapiros Roppongi	6-1-24 Roppongi, Minato-ku, Tokyo	Real estate trust beneficiary rights	6,564	10,300
		Hulic Takadanobaba Building	3-19-10 Takada, Toshima-ku, Tokyo	Real estate trust beneficiary rights	3,644	5,300
		Hulic Kanda Building	1-16-5 Kandasudacho, Chiyoda-ku, Tokyo	Real estate trust beneficiary rights	3,504	4,260
		Hulic Kandabashi Building	1-21-1 Kandanishikicho, Chiyoda-ku, Tokyo	Real estate trust beneficiary rights	2,395	2,970
		Hulic Kakigaracho Building	1-28-5 Nihonbashikakigaracho, Chuo-ku, Tokyo	Real estate trust beneficiary rights	2,098	2,770
		Ochanomizu Sola City	4-6-1 Kanda Surugadai, Chiyoda-ku, Tokyo	Real estate trust beneficiary rights	35,412	46,655
		Hulic Higashi Ueno 1 Chome Building	1-7-15 Higashi Ueno, Taito-ku, Tokyo	Real estate trust beneficiary rights	2,707	3,160
		Tokyo Nishi Ikebukuro Building	1-7-7 Nishi Ikebukuro, Toshima-ku, Tokyo	Real estate trust beneficiary rights	1,549	2,120
		Hulic Toranomon Building	1-1-18 Toranomon, Minato-ku, Tokyo	Real estate trust beneficiary rights	17,444	22,300
		Hulic Shibuya 1 chome Building	1-3-9 Shibuya, Shibuya-ku, Tokyo	Real estate trust beneficiary rights	5,044	5,940
		Hulic Jimbocho Building	2-2-31 Kanda Jimbocho, Chiyoda-ku, Tokyo	Real estate trust beneficiary rights	1,533	1,760
		Hulic Gotanda Yamate-dori Building	1-21-8 Nishigotanda, Shinagawa-ku, Tokyo	Real estate	3,566	3,450
		Bancho House	29-1 Ichibancho, Chiyoda-ku, Tokyo	Real estate trust beneficiary rights	2,766	3,600
		Ebisu Minami Building	2-12-18 Ebisuminami, Shibuya-ku, Tokyo	Real estate trust beneficiary rights	2,414	2,640
		Hulic Iidabashi Building	2-6-6 Iidabashi, Chiyoda-ku, Tokyo	Real estate trust beneficiary rights	1,560	1,420
		Hulic Asakusabashi Building	1-22-16 Asakusabashi, Taito-ku, Tokyo	Real estate trust beneficiary rights	4,095	4,800
		Hulic Ebisu Building	3-15-7 Higashi, Shibuya-ku, Tokyo	Real estate trust beneficiary rights	1,283	1,550
		Hulic Ryogoku Building	4-31-11 Ryogoku, Sumida-ku, Tokyo	Real estate trust beneficiary rights	5,308	6,030
		Hulic Asakusabashi Edo-dori	1-30-9 Asakusabashi, Taito-ku, Tokyo	Real estate trust beneficiary rights	5,229	5,895

Category		Property name	Location (Note 1)	Asset type	Book value at end of period (Millions of yen)	Assessed value at end of period (Millions of yen) (Note 2)
Office and Retail Properties	Office properties	Hulic Nakano Building	4-44-18 Honcho, Nakano-ku, Tokyo	Real estate trust beneficiary rights	3,194	3,690
		Hulic Ueno Building	3-16-5 Ueno, Taito-ku, Tokyo, etc.	Real estate trust beneficiary rights	4,105	4,626
		Hulic Kojimachi Building	3-2-10 Kojimachi, Chiyoda-ku, Tokyo	Real estate trust beneficiary rights	12,471	13,500
		Kichijoji Fuji Building	2-2-13 Kichijojihoncho, Musashino-shi, Tokyo	Real estate trust beneficiary rights	5,138	6,410
		Hulic Hachioji Building	15-3 Yokoyamacho, Hachioji-shi, Tokyo, etc.	Real estate trust beneficiary rights	4,718	5,256
		Hulic Kobe Building	1-3-1 Sannomiyacho, Chuo-ku, Kobe-shi, Hyogo	Real estate trust beneficiary rights	6,815	6,960
		Hulic Gotanda Building	1-27-2 Nishigotanda, Shinagawa-ku, Tokyo	Real estate trust beneficiary rights	6,208	6,460
		Hulic Oji Building	1-10-17, Oji, Kita-ku, Tokyo	Real estate trust beneficiary rights	5,237	5,490
		Hulic Kobunacho Building	8-1, Nihonbashikobunacho, Chuo-ku, Tokyo	Real estate trust beneficiary rights	10,970	11,800
		Hulic Komagome Building	6-1-1 Honkomagome, Bunkyo-ku, Tokyo	Real estate trust beneficiary rights	1,931	1,989
		Kameido Fuji Building	1-39-10 Kameido, Koto-ku, Tokyo	Real estate trust beneficiary rights	3,021	3,375
		Hulic Shinjuku Building	3-25-1 Shinjuku, Shinjuku-ku, Tokyo	Real estate trust beneficiary rights	22,466	28,290
	Retail properties	Oimachi Redevelopment Building (#2)	5-20-1 Higashi-Oi, Shinagawa-ku, Tokyo	Real estate trust beneficiary rights	9,421	12,100
		Oimachi Redevelopment Building (#1)	5-18-1 Higashi-Oi, Shinagawa-ku, Tokyo	Real estate trust beneficiary rights	6,351	7,340
		Hulic Jingu-Mae Building	5-17-9 Jingumae, Shibuya-ku, Tokyo	Real estate trust beneficiary rights	2,684	3,620
		Hulic Todoroki Building	3-5-2 Todoroki, Setagaya-ku, Tokyo	Real estate trust beneficiary rights	1,181	1,450
		HULIC &New SHIBUYA	31-1 Udagawa-cho, Shibuya-ku, Tokyo	Real estate trust beneficiary rights	3,027	3,615
		HULIC &New SHINBASHI	2-11-10 Shinbashi, Minato-ku, Tokyo	Real estate trust beneficiary rights	2,917	3,440
		Hulic Shimura-sakaue	3-20-1 Maeno-cho, Itabashi-ku, Tokyo, etc.	Real estate trust beneficiary rights	6,976	7,470
		Hulic Mejiro	3-4-11 Mejiro, Toshima-ku, Tokyo	Real estate trust beneficiary rights	5,508	6,550
Hotels		Sotetsu Fresa Inn Ginza 7 Chome	7-11-12 Ginza, Chuo-ku, Tokyo	Real estate trust beneficiary rights	11,161	14,700
		Sotetsu Fresa Inn Tokyo-Roppongi	3-10-1 Roppongi, Minato-ku, Tokyo	Real estate trust beneficiary rights	9,615	10,900
		Hulic Tsukiji 3 Chome Building	3-3-1 Tsukiji, Chuo-ku, Tokyo	Real estate trust beneficiary rights	6,693	7,350
		Hulic Kaminarimon Building	2-16-11 Kaminarimon, Taito-ku, Tokyo	Real estate trust beneficiary rights	5,872	6,340
		Grand Nikko Tokyo Bay Maihama	1-7 Maihama, Urayasu-shi, Chiba	Real estate trust beneficiary rights	27,039	29,250

Category		Property name	Location (Note 1)	Asset type	Book value at end of period (Millions of yen)	Assessed value at end of period (Millions of yen) (Note 2)
Assets for Other Uses	Private nursing homes	Aria Matsubara	5-34-6 Matsubara, Setagaya-ku, Tokyo	Real estate trust beneficiary rights	3,067	4,560
		Trust Garden Yoganomori	1-3-1 Yoga, Setagaya-ku, Tokyo	Real estate trust beneficiary rights	5,155	7,160
		Trust Garden Sakurashinmachi	2-11-1 Tsurumaki, Setagaya-ku, Tokyo	Real estate trust beneficiary rights	2,739	3,830
		Trust Garden Suginami Miyamae	2-11-10 Miyamae, Suginami-ku, Tokyo	Real estate trust beneficiary rights	2,634	3,700
		Trust Garden Tokiwamatsu	4-4-10 Higashi, Shibuya-ku, Tokyo	Real estate trust beneficiary rights	2,812	3,570
		SOMPO Care La vie Re Kita-Kamakura	2713-2 Aza Takano, Ofuna, Kamakura-shi, Kanagawa	Real estate trust beneficiary rights	1,596	1,900
		Charm Suite Shinjukutoyama	7-26-48 Shinjuku, Shinjuku-ku, Tokyo	Real estate trust beneficiary rights	3,247	3,720
		Charm Suite Shakujiikoen	5-13-7 Takanodai, Nerima-ku, Tokyo	Real estate trust beneficiary rights	3,074	3,430
		Hulic Chofu	1-14-3 Kojimacho, Chofu-shi, Tokyo	Real estate trust beneficiary rights	3,278	3,740
		Aristage Kyodo	3-20-22 Kyodo, Setagaya-ku, Tokyo	Real estate trust beneficiary rights	8,933	10,070
		Granda Gakugei Daigaku	1-13-3 Takaban, Meguro-ku, Tokyo	Real estate trust beneficiary rights	2,205	2,430
		Charm Premier Den-en-Chofu	1-9-10 Tamagawa Denenchofu, Setagaya-ku, Tokyo	Real estate trust beneficiary rights	2,573	2,710
		Sonare Shakujii	1-2-32, Sekimachiminami, Nerima-ku, Tokyo	Real estate trust beneficiary rights	2,425	2,570
	Network centers	Ikebukuro Network Center	4-30-17 Kami-Ikebukuro, Toshima-ku, Tokyo	Real estate trust beneficiary rights	4,442	5,330
		Tabata Network Center	6-2-8 Tabata, Kita-ku, Tokyo	Real estate trust beneficiary rights	1,336	1,560
		Hiroshima Network Center	2-6-6 Hikari-machi, Higashi-ku, Hiroshima-shi, Hiroshima	Real estate trust beneficiary rights	988	1,160
		Atsuta Network Center	20-1 Hatano-cho, Atsuta-ku, Nagoya-shi, Aichi	Real estate trust beneficiary rights	926	1,020
		Nagano Network Center	1600-12, Oaza Tsuruga Aza Naemahira, Nagano-shi, Nagano	Real estate trust beneficiary rights	285	344
		Sapporo Network Center	2-4-1, Kita 9 Jonishi, Kita-ku, Sapporo-shi, Hokkaido	Real estate trust beneficiary rights	2,441	2,540
		Keihanna Network Center	113-1, Kizu Kumomura, Kizugawa-shi, Kyoto	Real estate trust beneficiary rights	1,149	1,360
Total					¥402,963	¥483,495

(Note 1) “Location” shows the property’s street address in principle. However, in cases where the property does not yet have a street address, the building’s location as registered in the property registry has been provided (in cases of multiple buildings, only one location has been provided).

(Note 2) The figures for assessed value at end of period show the appraisal price stated on the real estate appraisal report created by the real estate appraisers of Daiwa Real Estate Appraisal Co., Ltd., Japan Real Estate Institute, CBRE K.K. and The Tanizawa Sōgō Appraisal Co., Ltd. based on the methods and standards for asset appraisal set forth in the Investment Corporation’s Articles of Incorporation and the rules set forth by The Investment Trusts Association, Japan.

The trends of the leasing business by real estate and beneficial interests in real estate trust invested in by the Investment Corporation are as follows:

Category		Property name	22nd fiscal period (From September 1, 2024 to February 28, 2025)				23rd fiscal period (From March 1, 2025 to August 31, 2025)			
			Number of tenants at end of period (Tenants) (Note 1)	Occupancy rate at end of period (%) (Note 2)	Real estate leasing business revenues during the period (Thousands of yen) (Note 3)	Percentage to total real estate leasing business revenues (%)	Number of tenants at end of period (Tenants) (Note 1)	Occupancy rate at end of period (%) (Note 2)	Real estate leasing business revenues during the period (Thousands of yen) (Note 3)	Percentage to total real estate leasing business revenues (%)
Office and Retail Properties	Office properties	Hulic Kamiyacho Building	1	98.3	¥1,361,532	12.2	1	91.9	¥1,178,061	10.3
		Hulic Kudan Building (Land)	1	100.0	265,002	2.4	1	100.0	265,002	2.3
		Toranomon First Garden	1	100.0	289,675	2.6	1	100.0	293,497	2.6
		Rapiros Roppongi	1	100.0	341,956	3.1	1	80.5	311,796	2.7
		Hulic Takadanobaba Building	1	100.0	150,607	1.3	1	100.0	144,486	1.3
		Hulic Kanda Building	1	100.0	155,001	1.4	1	100.0	154,033	1.3
		Hulic Kandabashi Building	1	100.0	92,195	0.8	1	100.0	91,946	0.8
		Hulic Kakigaracho Building	1	100.0	108,356	1.0	1	100.0	107,819	0.9
		Ochanomizu Sola City	1	96.6	(Note 4)	(Note 4)	1	99.3	(Note 4)	(Note 4)
		Hulic Higashi Ueno 1 Chome Building	1	100.0	93,974	0.8	1	100.0	100,019	0.9
		Tokyo Nishi Ikebukuro Building	1	100.0	56,902	0.5	1	100.0	56,902	0.5
		Hulic Toranomon Building	1	100.0	451,372	4.0	1	100.0	482,822	4.2
		Hulic Shibuya 1 chome Building	1	100.0	135,872	1.2	1	100.0	135,716	1.2
		Hulic Jimbocho Building	1	100.0	43,071	0.4	1	100.0	46,055	0.4
		Hulic Gotanda Yamate-dori Building	1	71.2	106,295	1.0	1	100.0	89,474	0.8
		Bancho House	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
		Ebisu Minami Building	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
		Hulic Iidabashi Building	1	100.0	46,327	0.4	1	100.0	46,125	0.4
		Hulic Asakusabashi Building	1	100.0	283,349	2.5	1	100.0	276,067	2.4
		Hulic Ebisu Building	1	100.0	38,694	0.3	1	100.0	42,239	0.4
		Hulic Ryogoku Building	1	100.0	153,015	1.4	1	100.0	158,749	1.4
		Hulic Asakusabashi Edo-dori	1	100.0	147,159	1.3	1	100.0	146,908	1.3
		Hulic Nakano Building	1	100.0	97,058	0.9	1	100.0	95,616	0.8
		Hulic Ueno Building	1	100.0	121,910	1.1	1	100.0	120,577	1.1
		Hulic Kojimachi Building	1	100.0	281,640	2.5	1	100.0	281,114	2.5
		Kichijoji Fuji Building	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
		Hulic Hachioji Building	1	100.0	157,243	1.4	1	100.0	155,781	1.4
		Hulic Kobe Building	1	97.4	212,011	1.9	1	100.0	211,774	1.9
		Hulic Gotanda Building	1	100.0	152,491	1.4	1	100.0	168,998	1.5
		Hulic Oji Building	1	100.0	150,367	1.3	1	100.0	149,406	1.3
		Hulic Kobunacho Building	1	100.0	321,923	2.9	1	100.0	318,424	2.8
		Hulic Komagome Building	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
		Kameido Fuji Building	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
		Hulic Shinjuku Building	–	–	–	–	1	100.0	157,550	1.4

Category		Property name	22nd fiscal period (From September 1, 2024 to February 28, 2025)				23rd fiscal period (From March 1, 2025 to August 31, 2025)			
			Number of tenants at end of period (Tenants) (Note 1)	Occupancy rate at end of period (%) (Note 2)	Real estate leasing business revenues during the period (Thousands of yen) (Note 3)	Percentage to total real estate leasing business revenues (%)	Number of tenants at end of period (Tenants) (Note 1)	Occupancy rate at end of period (%) (Note 2)	Real estate leasing business revenues during the period (Thousands of yen) (Note 3)	Percentage to total real estate leasing business revenues (%)
Office and Retail Properties	Retail properties	Oimachi Redevelopment Building (#2)	1	100.0	312,000	2.8	1	100.0	312,000	2.7
		Oimachi Redevelopment Building (#1)	1	100.0	218,931	2.0	1	100.0	218,931	1.9
		Dining Square Akihabara Building	–	–	(Note 4)	(Note 4)	–	–	–	–
		Hulic Jingu-Mae Building	1	100.0	87,376	0.8	1	93.4	87,751	0.8
		Hulic Todoroki Building	1	100.0	54,621	0.5	1	100.0	54,248	0.5
		HULIC &New SHIBUYA	1	100.0	71,447	0.6	1	100.0	70,395	0.6
		HULIC &New SHINBASHI	1	100.0	84,166	0.8	1	100.0	83,166	0.7
		Hulic Shimura-sakaue	1	100.0	247,949	2.2	1	100.0	246,483	2.2
		Hulic Mejiro	1	100.0	150,773	1.3	1	100.0	149,687	1.3
Hotels		Sotetsu Fresa Inn Ginza 7 Chome	1	100.0	240,000	2.1	1	100.0	391,674	3.4
		Sotetsu Fresa Inn Tokyo-Roppongi	1	100.0	216,000	1.9	1	100.0	270,040	2.4
		Hulic Tsukiji 3 Chome Building	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
		Hulic Kaminarimon Building	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
		Grand Nikko Tokyo Bay Maihama	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
Assets for Other Uses	Private nursing homes	Aria Matsubara	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
		Trust Garden Yoganomori	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
		Trust Garden Sakurashinmachi	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
		Trust Garden Suginami Miyamae	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
		Trust Garden Tokiwamatsu	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
		SOMPO Care La vie Re Kita-Kamakura	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
		Charm Suite Shinjukutoyama	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
		Charm Suite Shakujiikoen	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
		Hulic Chofu	1	100.0	95,195	0.9	1	100.0	94,322	0.8
		Aristage Kyodo	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
		Granda Gakugei Daigaku	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
		Charm Premier Den-en-Chofu	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)
		Sonare Shakujii	1	100.0	(Note 4)	(Note 4)	1	100.0	(Note 4)	(Note 4)

Category		Property name	22nd fiscal period (From September 1, 2024 to February 28, 2025)				23rd fiscal period (From March 1, 2025 to August 31, 2025)			
			Number of tenants at end of period (Tenants) (Note 1)	Occupancy rate at end of period (%) (Note 2)	Real estate leasing business revenues during the period (Thousands of yen) (Note 3)	Percentage to total real estate leasing business revenues (%)	Number of tenants at end of period (Tenants) (Note 1)	Occupancy rate at end of period (%) (Note 2)	Real estate leasing business revenues during the period (Thousands of yen) (Note 3)	Percentage to total real estate leasing business revenues (%)
Assets for Other Uses	Network centers	Ikebukuro Network Center	1	100.0	130,176	1.2	1	100.0	130,176	1.1
		Tabata Network Center	1	100.0	43,285	0.4	1	100.0	43,285	0.4
		Hiroshima Network Center	1	100.0	42,091	0.4	1	100.0	42,091	0.4
		Atsuta Network Center	1	100.0	35,273	0.3	1	100.0	35,273	0.3
		Nagano Network Center	1	100.0	16,708	0.1	1	100.0	16,708	0.1
		Chiba Network Center	1	100.0	214,687	1.9	–	–	2,404	0.0
		Sapporo Network Center	1	100.0	80,358	0.7	1	100.0	80,358	0.7
		Keihanna Network Center	1	100.0	45,166	0.4	1	100.0	45,166	0.4
Total			67	99.5	¥11,183,003	100.0	67	99.1	¥11,435,021	100.0

(Note 1) Number of tenants is stated as 1 when a master lease agreement has been entered with a master lease company. Moreover, the number of tenants is stated as 1 for Hulic Kudan Building (Land).

(Note 2) Occupancy rate is calculated with the following formula, rounded to one decimal place: leased area ÷ leasable area × 100

(Note 3) Real estate leasing business revenues during the period shows the sum total of the real estate leasing business revenues during the period for each real estate, etc.

(Note 4) Real estate leasing business revenues during the period and percentage to total real estate leasing business revenues are not disclosed because the Investment Corporation has not obtained permission from the end-tenant or other relevant party of these properties to disclose the relevant information.

(4) Status of outstanding contracted amount and fair value of specified transactions

The status of the contracted amount and fair value of specified transactions outstanding for the Investment Corporation as of the end of the reporting period is as follows:

Category	Type	Contracted amount (Millions of yen) (Note 1)	Portion due after 1 year (Note 1)	Fair value (Millions of yen) (Note 2)
Off-market-transaction	Interest rate swap transaction Payment: fixed interest rate / Receipt: floating interest rate	¥ 67,563	¥ 49,943	¥ –
Total		¥ 67,563	¥ 49,943	¥ –

(Note 1) Contracted amount for interest rate swap transaction is shown based on the notional amount.

(Note 2) Of these transactions, the statement of the fair value has been omitted for those transactions that satisfy requirements of special treatment based on accounting standards for financial instruments.

(5) Status of other assets

Real estate trust beneficiary rights, etc. owned by the Investment Corporation are stated together in “(3) Details of assets incorporated into the portfolio, such as real estate” above.

There are no major specified assets incorporated into the portfolio that are a major investment target by the Investment Corporation other than those listed in the aforementioned “(3),” as of the end of the reporting period.

(6) Status of asset holding by country and region

Not applicable for countries and regions other than Japan.

4. Capital Expenditures for Properties Held

(1) Schedule of capital expenditures

For each asset held by the Investment Corporation as of the end of the reporting period, the main capital expenditures for renovation work, etc. scheduled as of August 31, 2025 (the end of the 23rd fiscal period) are as below. Estimated capital expenditure for work mentioned below includes that which is charged to expenses.

Property name	Location	Purpose	Scheduled period	Estimated capital expenditure for work (Millions of yen)		
				Total amount	Payment during the period	Total amount paid
Hulic Kobunacho Building	Chuo-ku, Tokyo	Renewal work for air-conditioning heat source equipment	From September 2025 to April 2026	¥ 331	–	–
Hulic Kojimachi Building	Chiyoda-ku, Tokyo	Maintenance work for rental facilities	From May 2026 to July 2026	136	–	–
Grand Nikko Tokyo Bay Maihama	Urayasu-shi, Chiba	Renewal work for cold and hot water risers	From March 2026 to August 2026	100	–	–
Rapiros Roppongi	Minato-ku, Tokyo	Maintenance work for rental facilities	From September 2025 to December 2025	98	–	–
Hulic Kamiyacho Building	Minato-ku, Tokyo	Maintenance work for rental facilities (air-conditioning equipment)	From August 2025 to September 2025	89	–	–
Hulic Kanda Building	Chiyoda-ku, Tokyo	Renovation work for air-conditioning equipment	From December 2025 to April 2026	70	–	–
Hulic Kakigaracho Building	Chuo-ku, Tokyo	Maintenance work for rental facilities	From April 2026 to June 2026	70	–	–
Hulic Asakusabashi Building	Taito-ku, Tokyo	Work for LED performance lighting	From August 2026 to August 2026	69	–	–
Oimachi Redevelopment Building (#2)	Shinagawa-ku, Tokyo	Renewal work for air conditioners	From September 2025 to February 2026	60	–	–
Hulic Higashi Ueno 1 Chome Building	Taito-ku, Tokyo	Renovation work for external wall and rooftop waterproofing	From December 2025 to March 2026	60	–	–
Rapiros Roppongi	Minato-ku, Tokyo	Renewal work for restrooms	From March 2026 to August 2026	57	–	–
Hulic Kakigaracho Building	Chuo-ku, Tokyo	Work for subdivision of rental room area	From January 2026 to March 2026	37	–	–
Hulic Kakigaracho Building	Chuo-ku, Tokyo	Renewal work for elevator control	From September 2025 to February 2026	34	–	–
Hulic Kakigaracho Building	Chuo-ku, Tokyo	Renewal work for the entrance	From November 2025 to January 2026	25	–	–
SOMPO Care La vie Re Kita-Kamakura	Kamakura-shi, Kanagawa	Renovation work involving rooftop waterproofing	From December 2025 to February 2026	20	–	–
SOMPO Care La vie Re Kita-Kamakura	Kamakura-shi, Kanagawa	Renewal work for commercial hot-water supply equipment	From November 2025 to January 2026	18	–	–

(2) Capital expenditures during the period

An overview of the construction work corresponding to capital expenditures during the reporting period is as below. Capital expenditures during the reporting period were ¥550,192 thousand and repair expenses were ¥150,420 thousand. In aggregate, construction work in the amount of ¥700,612 thousand was carried out during the period.

Property name	Location	Purpose	Period	Capital expenditure for work (Millions of yen)
Ochanomizu Sola City	Chiyoda-ku, Tokyo	Work for LED lighting	From April 2025 to June 2025	¥ 86
Hulic Iidabashi Building	Chiyoda-ku, Tokyo	Renovation work for air-conditioning equipment	From May 2025 to August 2025	80
Hulic Kanda Building	Chiyoda-ku, Tokyo	Renovation work for air-conditioning equipment	From April 2025 to August 2025	77
Other				305
Total				¥ 550

(3) Money accumulated for long-term repair plan

Not applicable.

5. Status of Expenses and Liabilities

(1) Details of expenses relating to asset management, etc.

Item	22nd fiscal period (From September 1, 2024 to February 28, 2025)	23rd fiscal period (From March 1, 2025 to August 31, 2025)
(a) Asset management fees	¥1,344,278 thousand	¥1,433,155 thousand
(b) Asset custody fees	¥14,658 thousand	¥15,080 thousand
(c) Administrative service fees	¥47,252 thousand	¥48,878 thousand
(d) Remuneration for directors (and other officers)	¥9,000 thousand	¥9,000 thousand
(e) Other operating expenses	¥186,107 thousand	¥253,864 thousand
Total	¥1,601,298 thousand	¥1,759,979 thousand

(Note) Other than the amount stated above, asset management fees includes the portion of compensations associated with a property acquisition factored into the book value of the individual properties (the 22nd fiscal period: ¥67,500 thousand; the 23rd fiscal period: ¥65,875 thousand) and the portion of compensations associated with a property transfer deducted from gain on sale of real estate properties of the individual properties (the 22nd fiscal period: ¥11,125 thousand; the 23rd fiscal period: ¥78,500 thousand).

(2) Status of borrowings

Status of borrowings of the Investment Corporation as of the end of the reporting period is as follows:

Category	Lender	Loan execution date	Balance at beginning of period (Millions of yen)	Balance at end of period (Millions of yen)	Average interest rate (Note 1)	Repayment date	Repayment method	Use	Remarks
Long-term borrowings	Mizuho Bank, Ltd.	August 31, 2017	1,531	–	0.7246%	August 29, 2025	Lump-sum repayment	(Note 3)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation		1,267	–					
	MUFG Bank, Ltd.		577	–					
	Mizuho Trust & Banking Co., Ltd.		475	–					
	Development Bank of Japan Inc.		410	–					
	Aozora Bank, Ltd.		280	–					
	Meiji Yasuda Life Insurance Company		230	–					
	Nippon Life Insurance Company		230	–					
	Mizuho Bank, Ltd.	February 7, 2019	500	–	0.5700%	August 29, 2025			
	Development Bank of Japan Inc.		1,200	–					
	Aozora Bank, Ltd.		600	–					
	Mizuho Bank, Ltd.	February 28, 2020	170	–	0.2845%	August 29, 2025			
	Sumitomo Mitsui Banking Corporation		150	–					
	MUFG Bank, Ltd.		100	–					
	Mizuho Trust & Banking Co., Ltd.		120	–					
	The Norinchukin Bank		780	–					
	Shinkin Central Bank		550	–					
	SBI Shinsei Bank, Limited		390	–					
	Mitsui Sumitomo Insurance Company, Limited		210	–					
	Mizuho Bank, Ltd.	February 7, 2019	2,910	2,910	0.4800%	February 27, 2026			
	Sumitomo Mitsui Banking Corporation		1,700	1,700					
	MUFG Bank, Ltd.		850	850					
	Mizuho Trust & Banking Co., Ltd.		1,100	1,100					
	Sumitomo Mitsui Trust Bank, Limited		700	700					
	The Norinchukin Bank		1,410	1,410					
	Resona Bank, Limited		880	880					
	SBI Shinsei Bank, Limited		450	450					
	Mizuho Bank, Ltd. (Note 2) (Note 4)	December 24, 2024	17,800	11,100	0.8622%	March 31, 2026			
	Mizuho Bank, Ltd.	February 7, 2019	3,420	3,420	0.5840%	August 31, 2026			
	Sumitomo Mitsui Banking Corporation		2,700	2,700					
	MUFG Bank, Ltd.		1,600	1,600					
	Mizuho Trust & Banking Co., Ltd.		1,050	1,050					
	Sumitomo Mitsui Trust Bank, Limited		300	300					
	The Norinchukin Bank		1,000	1,000					

Category		Loan execution date	Balance at beginning of period (Millions of yen)	Balance at end of period (Millions of yen)	Average interest rate (Note 1)	Repayment date	Repayment method	Use	Remarks
	Lender								
Long-term borrowings	Mizuho Bank, Ltd. (Note 2)	February 29, 2024	500	500	0.9457%	August 31, 2026	Lump-sum repayment	(Note 3)	Unsecured and unguaranteed
	The Norinchukin Bank (Note 2)		569	569					
	Mizuho Trust & Banking Co., Ltd. (Note 2)		600	600					
	Sumitomo Mitsui Trust Bank, Limited (Note 2)		569	569					
	Development Bank of Japan Inc. (Note 2)		200	200					
	Mizuho Bank, Ltd.	February 27, 2015	150	150	1.7500%	February 26, 2027			
	Sumitomo Mitsui Banking Corporation		75	75					
	MUFG Bank, Ltd.		75	75					
	Mizuho Bank, Ltd.	August 30, 2019	1,000	1,000	0.4225%	February 26, 2027			
	Sumitomo Mitsui Banking Corporation		960	960					
	The Norinchukin Bank		600	600					
	MUFG Bank, Ltd.		550	550					
	Sumitomo Mitsui Trust Bank, Limited		500	500					
	SBI Shinsei Bank, Limited		300	300					
	Mizuho Trust & Banking Co., Ltd.		300	300					
	Shinkin Central Bank		200	200					
	Resona Bank, Limited		170	170					
	Mizuho Bank, Ltd.	February 28, 2020	980	980	0.3920%	February 26, 2027			
	Sumitomo Mitsui Banking Corporation		400	400					
	MUFG Bank, Ltd.		340	340					
	Mizuho Trust & Banking Co., Ltd.		330	330					
	The Norinchukin Bank		1,280	1,280					
	Resona Bank, Limited		140	140					
	Shinkin Central Bank		930	930					
	SBI Shinsei Bank, Limited		510	510					
	Mitsui Sumitomo Insurance Company, Limited		290	290					
	Sumitomo Mitsui Banking Corporation	February 28, 2023	2,000	2,000	0.5979%	February 26, 2027			
	MUFG Bank, Ltd.		1,510	1,510					
	Mizuho Bank, Ltd.	February 28, 2020	1,795	1,795	0.4430%	August 31, 2027			
	Sumitomo Mitsui Banking Corporation		1,260	1,260					
	MUFG Bank, Ltd.		150	150					
	Mizuho Trust & Banking Co., Ltd.		610	610					
	The Norinchukin Bank		1,140	1,140					
	Shinkin Central Bank		820	820					
	SBI Shinsei Bank, Limited		600	600					
	MUFG Bank, Ltd.	February 28, 2020	490	490	0.4430%	August 31, 2027			
	Sumitomo Mitsui Banking Corporation	August 31, 2020	1,000	1,000	0.4787%	August 31, 2027			
	Resona Bank, Limited	March 31, 2022	1,200	1,200	0.5199%	August 31, 2027			

Category	Lender	Loan execution date	Balance at beginning of period (Millions of yen)	Balance at end of period (Millions of yen)	Average interest rate (Note 1)	Repayment date	Repayment method	Use	Remarks
Long-term borrowings	Mizuho Bank, Ltd.	February 28, 2023	850	850	0.7822%	August 31, 2027	Lump-sum repayment	(Note 3)	Unsecured and unguaranteed
	Mizuho Trust & Banking Co., Ltd.		980	980					
	Sumitomo Mitsui Trust Bank, Limited		645	645					
	Shinkin Central Bank		141	141					
	Sompo Japan Insurance Inc.		500	500					
	Mitsui Sumitomo Insurance Company, Limited (Note 2)	August 30, 2024	500	500	0.9507%	August 31, 2027			
	The Nishi-Nippon City Bank, Ltd. (Note 2)		300	300					
	Sumitomo Mitsui Banking Corporation	February 8, 2021	1,950	1,950	0.4520%	January 31, 2028			
	Mitsui Sumitomo Insurance Company, Limited		1,000	1,000					
	Mizuho Bank, Ltd.	August 31, 2020	1,240	1,240	0.5325%	February 29, 2028			
	Mizuho Trust & Banking Co., Ltd.		290	290					
	Sumitomo Mitsui Trust Bank, Limited		700	700					
	The Norinchukin Bank		400	400					
	Resona Bank, Limited		500	500					
	Mizuho Trust & Banking Co., Ltd.	August 31, 2022	699	699	0.5899%	February 29, 2028			
	Resona Bank, Limited		275	275					
	Resona Bank, Limited	October 28, 2022	500	500	0.6033%	February 29, 2028			
	SBI Shinsei Bank, Limited		500	500					
	Aozora Bank, Ltd.		500	500					
	Mizuho Bank, Ltd.	February 28, 2023	2,000	2,000	0.8363%	February 29, 2028			
	The Norinchukin Bank		645	645					
	Resona Bank, Limited		393	393					
	Aozora Bank, Ltd.		141	141					
	Mitsui Sumitomo Insurance Company, Limited		500	500					
	Mizuho Bank, Ltd. (Note 2)	February 29, 2024	1,000	1,000	0.9507%	February 29, 2028			
	Mizuho Bank, Ltd. (Note 2)	February 28, 2025	500	500	0.9507%	February 29, 2028			
	The Norinchukin Bank (Note 2)		300	300					
	Mizuho Trust & Banking Co., Ltd. (Note 2)		300	300					
	Sumitomo Mitsui Trust Bank, Limited (Note 2)		300	300					
	Resona Bank, Limited (Note 2)		100	100					
	SBI Shinsei Bank, Limited (Note 2)		100	100					
	Shinkin Central Bank (Note 2)		140	140					
	Development Bank of Japan Inc.	August 31, 2020	1,000	1,000	0.6346%	August 31, 2028			
	Aozora Bank, Ltd.		900	900					
	Sumitomo Mitsui Banking Corporation	August 31, 2021	1,790	1,790	0.4220%	August 31, 2028			
	Mitsui Sumitomo Insurance Company, Limited	November 1, 2021	1,000	1,000	0.5100%	August 31, 2028			
	The Bank of Fukuoka, Ltd.		500	500					

Category	Lender	Loan execution date	Balance at beginning of period (Millions of yen)	Balance at end of period (Millions of yen)	Average interest rate (Note 1)	Repayment date	Repayment method	Use	Remarks
Long-term borrowings	Sumitomo Mitsui Trust Bank, Limited	August 31, 2023	1,210	1,210	0.7775%	August 31, 2028	Lump-sum repayment	(Note 3)	Unsecured and unguaranteed
	Mizuho Bank, Ltd. (Note 2)	August 30, 2024	2,000	2,000	0.9707%	August 31, 2028			
	Mizuho Bank, Ltd.	August 31, 2020	1,600	1,600	0.6540%	February 28, 2029			
	Mizuho Trust & Banking Co., Ltd.		270	270					
	Mizuho Bank, Ltd.	February 8, 2021	500	500	0.5900%	February 28, 2029			
	Sumitomo Mitsui Trust Bank, Limited		1,660	1,660					
	Resona Bank, Limited		970	970					
	Shinkin Central Bank		1,000	1,000					
	SBI Shinsei Bank, Limited		500	500					
	The 77 Bank, Ltd.		500	500					
	The Nishi-Nippon City Bank, Ltd.		500	500					
	The Gunma Bank, Ltd.		500	500					
	The Higo Bank, Ltd.		500	500					
	Sumitomo Mitsui Banking Corporation	February 28, 2022	1,785	1,785	0.6289%	February 28, 2029			
	Mizuho Trust & Banking Co., Ltd.		872	872					
	Resona Bank, Limited		200	200					
	Resona Bank, Limited (Note 2)	February 29, 2024	1,000	1,000	0.7100%	February 28, 2029			
	Mizuho Trust & Banking Co., Ltd. (Note 2)	August 30, 2024	722	722	0.9807%	February 28, 2029			
	Sumitomo Mitsui Trust Bank, Limited (Note 2)		610	610					
	Resona Bank, Limited (Note 2)		215	215					
	SBI Shinsei Bank, Limited (Note 2)		140	140					
	Shinkin Central Bank (Note 2)		500	500					
	The 77 Bank, Ltd. (Note 2)		500	500					
	The Nishi-Nippon City Bank, Ltd. (Note 2)		200	200					
	The Norinchukin Bank	February 8, 2021	1,000	1,000	0.6900%	August 31, 2029			
	Development Bank of Japan Inc.		600	600					
	Aozora Bank, Ltd.		1,200	1,200					
	Mizuho Bank, Ltd.	August 31, 2021	1,330	1,330	0.5421%	August 31, 2029			
	Mizuho Trust & Banking Co., Ltd.		630	630					
	SBI Shinsei Bank, Limited		260	260					
	Aozora Bank, Ltd.		260	260					
	Resona Bank, Limited	November 1, 2021	400	400	0.6300%	August 31, 2029			
	Shinkin Central Bank		1,000	1,000					
	SBI Shinsei Bank, Limited		1,000	1,000					
	The 77 Bank, Ltd.		500	500					
	The Higo Bank, Ltd.		400	400					
	Mizuho Bank, Ltd.	February 28, 2022	535	535	0.6960%	August 31, 2029			
	The Norinchukin Bank		500	500					
	Sumitomo Mitsui Trust Bank, Limited		1,528	1,528					

Category	Lender	Loan execution date	Balance at beginning of period (Millions of yen)	Balance at end of period (Millions of yen)	Average interest rate (Note 1)	Repayment date	Repayment method	Use	Remarks
Long-term borrowings	Mizuho Bank, Ltd.	August 31, 2022	300	300	0.7575%	August 31, 2029	Lump-sum repayment	(Note 3)	Unsecured and unguaranteed
	MUFG Bank, Ltd.		910	910					
	Mizuho Trust & Banking Co., Ltd.		300	300					
	The Norinchukin Bank	June 28, 2024	500	500	1.0254%	August 31, 2029			
	SBI Shinsei Bank, Limited (Note 2)		500	500	0.9507%				
	The 77 Bank, Ltd. (Note 2)		500	500	1.0007%				
	The Higo Bank, Ltd. (Note 2)		500	500					
	The Gunma Bank, Ltd. (Note 2)		500	500					
	Development Bank of Japan Inc.	August 29, 2025	–	1,610	1.5500%	August 31, 2029			
	Mizuho Bank, Ltd.	February 8, 2021	3,060	3,060	0.7200%	February 28, 2030			
	Mizuho Trust & Banking Co., Ltd.		1,050	1,050					
	Development Bank of Japan Inc.	November 1, 2021	500	500	0.6900%	February 28, 2030			
	Aozora Bank, Ltd.		1,000	1,000					
	The Norinchukin Bank	February 28, 2022	1,000	1,000	0.7630%	February 28, 2030			
	Resona Bank, Limited		100	100					
	SBI Shinsei Bank, Limited		200	200					
	Aozora Bank, Ltd.		200	200					
	Sumitomo Mitsui Trust Bank, Limited	February 28, 2022	2,000	2,000	0.7630%	February 28, 2030			
	Nippon Life Insurance Company	March 31, 2022	1,000	1,000	0.5200%	February 28, 2030			
	Nippon Life Insurance Company	February 29, 2024	1,000	1,000	1.0238%	February 28, 2030			
	Mizuho Bank, Ltd. (Note 2)	February 28, 2025	500	500	0.9907%	February 28, 2030			
	The Norinchukin Bank (Note 2)		550	550					
	Mizuho Trust & Banking Co., Ltd. (Note 2)		620	620					
	Sumitomo Mitsui Trust Bank, Limited (Note 2)		580	580					
	Resona Bank, Limited (Note 2)		255	255					
	SBI Shinsei Bank, Limited (Note 2)		190	190					
	Mizuho Bank, Ltd. (Note 2)	August 29, 2025	–	1,000	0.9727%	February 28, 2030			
	Sumitomo Mitsui Banking Corporation (Note 2)		–	417					
	Mizuho Trust & Banking Co., Ltd. (Note 2)		–	400					
	SBI Shinsei Bank, Limited (Note 2)		–	390					
	Shinkin Central Bank (Note 2)		–	700					
	Mitsui Sumitomo Insurance Company, Limited (Note 2)		–	210					
	MUFG Bank, Ltd.	May 31, 2023	2,190	2,190	0.9025%	May 31, 2030			
	Mizuho Bank, Ltd.	August 31, 2021	1,000	1,000	0.6646%	August 30, 2030			
	The Norinchukin Bank	August 31, 2022	859	859	0.9038%	August 30, 2030			
	Sumitomo Mitsui Trust Bank, Limited		859	859					

Category	Lender	Loan execution date	Balance at beginning of period (Millions of yen)	Balance at end of period (Millions of yen)	Average interest rate (Note 1)	Repayment date	Repayment method	Use	Remarks
Long-term borrowings	Mizuho Bank, Ltd.	August 31, 2023	2,000	2,000	1.0650%	August 30, 2030	Lump-sum repayment	(Note 3)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation		2,250	2,250					
	MUFG Bank, Ltd.		1,520	1,520					
	Mizuho Trust & Banking Co., Ltd.		800	800					
	MUFG Bank, Ltd.	August 29, 2025	–	1,000	1.5575%	August 30, 2030			
	The Norinchukin Bank		–	1,000					
	Mizuho Bank, Ltd.	February 28, 2022	2,000	2,000	0.8290%	August 31, 2030			
	Mizuho Bank, Ltd.	August 31, 2023	1,440	1,440	1.1554%	February 28, 2031			
	The Norinchukin Bank		500	500					
	Mizuho Trust & Banking Co., Ltd.		660	660					
	Resona Bank, Limited		300	300					
	SBI Shinsei Bank, Limited		140	140					
	Mizuho Bank, Ltd. (Note 2)	February 29, 2024	500	500	1.1007%	February 28, 2031			
	Sumitomo Mitsui Banking Corporation (Note 2)		1,977	1,977					
	MUFG Bank, Ltd.	February 29, 2024	1,719	1,719	1.1450%	February 28, 2031			
	Development Bank of Japan Inc.		609	609					
	MUFG Bank, Ltd.	February 28, 2025	1,007	1,007	1.4838%	February 28, 2031			
	Development Bank of Japan Inc.		1,979	1,979					
	Development Bank of Japan Inc.	August 8, 2022	2,450	2,450	0.9579%	August 29, 2031			
	Sumitomo Mitsui Banking Corporation	August 31, 2022	500	500	1.0488%	August 29, 2031			
	Development Bank of Japan Inc.		414	414					
	Mizuho Bank, Ltd.	August 30, 2024	1,504	1,504	1.1775%	August 29, 2031			
	Sumitomo Mitsui Banking Corporation		1,268	1,268					
	MUFG Bank, Ltd.		955	955					
	The Norinchukin Bank		520	520					
	Development Bank of Japan Inc.		1,900	1,900					
	MUFG Bank, Ltd.	August 29, 2025	–	987	1.7525%	August 29, 2031			
	Aozora Bank, Ltd.		–	880					
	Mizuho Bank, Ltd.	August 31, 2022	1,494	1,494	1.1215%	February 27, 2032			
	MUFG Bank, Ltd.	February 7, 2024	1,000	1,000	1.3674%	February 27, 2032			
	Mizuho Bank, Ltd.	February 28, 2025	1,425	1,425	1.5260%	February 27, 2032			
	Sumitomo Mitsui Banking Corporation		1,453	1,453					
	Sumitomo Mitsui Banking Corporation (Note 2)	February 28, 2025	2,000	2,000	1.1007%	February 27, 2032			
	Mizuho Bank, Ltd.	August 29, 2025	–	1,201	1.0927%	August 31, 2032			
	Sumitomo Mitsui Banking Corporation		–	1,000					
	The Norinchukin Bank		–	780					
	Mizuho Trust & Banking Co., Ltd.		–	195					
Total			¥ 185,416	¥ 180,716					

(Note 1) Average interest rate shows the weighted average rate during the period or for the lender, and the amount has been rounded to four decimal places. Moreover, for borrowings hedged using interest rate swaps to avoid interest rate fluctuation risks, an interest rate that considers the effect of the interest rate swap is shown.

(Note 2) These borrowings carry floating interest rates. Other borrowings carry fixed interest rates (including borrowings where the interest rate is fixed by using interest rate swaps).

(Note 3) The borrowings were funds to purchase real estate trust beneficiary rights, etc. (including ancillary expenses) and repay borrowings.

(Note 4) The Investment Corporation made a partial early repayment of the amount on March 3, 2025.

(3) Investment corporation bonds

Issuance of investment corporation bonds of the Investment Corporation as of the end of the reporting period is as follows:

Bond name	Issuance date	Balance at beginning of period (Millions of yen)	Balance at end of period (Millions of yen)	Interest rate (%)	Repayment date	Repayment method	Use	Remarks
First Series Unsecured Investment Corporation Bond	August 31, 2015	¥ 2,000	¥ –	0.950	August 29, 2025	Lump-sum repayment	(Note 1)	Unsecured (Note 2)
Third Series Unsecured Investment Corporation Bond	December 13, 2016	1,000	1,000	0.490	December 11, 2026	Lump-sum repayment	(Note 1)	Unsecured (Note 2)
Fourth Series Unsecured Investment Corporation Bond	August 30, 2018	7,000	7,000	0.770	August 30, 2028	Lump-sum repayment	(Note 1)	Unsecured (Note 2)
Fifth Series Unsecured Investment Corporation Bond	December 11, 2019	2,000	2,000	0.570	December 11, 2029	Lump-sum repayment	(Note 1)	Unsecured (Note 2)
Sixth Series Unsecured Investment Corporation Bond (Green Bond)	October 29, 2020	3,000	3,000	0.270	October 29, 2025	Lump-sum repayment	(Note 1)	Unsecured (Note 2)
Seventh Series Unsecured Investment Corporation Bond (Green Bond)	May 24, 2022	2,000	2,000	0.330	May 24, 2027	Lump-sum repayment	(Note 1)	Unsecured (Note 2)
Eighth Series Unsecured Investment Corporation Bond	August 15, 2024	3,000	3,000	0.831	August 15, 2029	Lump-sum repayment	(Note 1)	Unsecured (Note 2)
Total		¥ 20,000	¥ 18,000					

(Note 1) The use of the proceeds is repayment of borrowings, etc.

(Note 2) Corporation bond with pari passu conditions among specified investment corporations.

(4) Short-term investment corporation bonds

Not applicable.

(5) Investment unit options

Not applicable.

6. Status of Trading During the Period

(1) Status of trading, etc. of real estate, etc., asset-backed securities, etc., infrastructure assets, etc., and infrastructure-related assets

Type of assets	Property name	Acquisition		Transfer			
		Acquisition date	Acquisition price (Millions of yen) (Note 1)	Transfer date	Transfer price (Millions of yen) (Note 1)	Book value (Millions of yen) (Note 2)	Gain (loss) on transfer (Millions of yen) (Note 3)
Real estate trust beneficiary rights	Hulic Shinjuku Building	June 27, 2025	¥ 26,350	–	¥ –	¥ –	¥ –
Real estate trust beneficiary rights	Chiba Network Center	–	–	March 3, 2025	7,950	6,570	1,347
Real estate trust beneficiary rights	Hulic Kamiyacho Building (Note 4)	–	–	June 27, 2025	23,450	19,298	–
Total		–	¥ 26,350	–	¥31,400	¥25,869	¥ 1,347

(Note 1) Acquisition price and transfer price shows the amount that does not include expenses incurred on the acquisition or transfer of the said real estate, etc., which is equivalent to the trading price stated on the purchase and sales agreements.

(Note 2) Book value shows the amount at the time of the sale.

(Note 3) Gain (loss) on transfer shows the transfer price of the property less book value, any transfer-related expenses, and the amount of reduction entry of noncurrent assets.

(Note 4) Transfer price and book value for this property show the amounts equivalent to 35.0% quasi co-ownership interest related to the transfer.

(2) Status of trading, etc. of other assets

The main other assets outside the above-mentioned real estate, etc., asset-backed securities, etc., infrastructure assets, etc., and infrastructure-related assets, are mostly bank deposits and bank deposits within assets in trust.

(3) Investigation of the prices, etc. of specified assets

i) Real estate, etc.

Acquisition / Transfer	Type of assets	Property name	Transaction date	Acquisition price / transfer price (Millions of yen) (Note 1)	Appraisal value (Millions of yen) (Note 2)	Appraisal agency	Valuation date
Acquisition	Real estate trust beneficiary rights	Hulic Shinjuku Building	June 27, 2025	¥ 26,350	¥ 28,290 (Note 3)	Japan Real Estate Institute	June 1, 2025
Transfer	Real estate trust beneficiary rights	Chiba Network Center	March 3, 2025	7,950	7,720	Japan Real Estate Institute	August 31, 2024
Transfer	Real estate trust beneficiary rights	Hulic Kamiyacho Building	June 27, 2025	23,450	23,205 (Note 4)	Daiwa Real Estate Appraisal Co., Ltd.	February 28, 2025
Total				¥ 57,750	¥ 59,215	–	–

(Note 1) "Acquisition price / transfer price" shows the amount that does not include expenses incurred on the acquisition or transfer of the said real estate, etc., which is equivalent to the trading price stated on the purchase and sales agreements.

(Note 2) The real estate appraisal is conducted by applying Real Property Appraisal Standards Practical Theory Chapter 3: Appraisal of the Prices of Securitized Properties. In addition, the appraisal value is presented by rounding the price corresponding to the quasi co-ownership interest of the subject of acquisition or transfer to the nearest million yen.

(Note 3) The value shows an amount calculated by multiplying the appraisal value of the overall property by the trust beneficiary right quasi co-ownership interest (41.0%) of the subject of acquisition.

(Note 4) The value shows an amount calculated by multiplying the appraisal value of the overall property by the trust beneficiary right quasi co-ownership interest (35.0%) of the subject of transfer.

ii) Other

Not applicable.

(4) Status of transactions with interested person, etc.

i) Status of transactions

Category	Transaction amount (Note)	
	Purchase price	Sale price
Total	¥26,350 million	¥31,400 million
Breakdown of transactions with interested person, etc.		
Hulic Co., Ltd.	¥26,350 million (100.0%)	¥31,400 million (100.0%)
Total	¥26,350 million (100.0%)	¥31,400 million (100.0%)

(Note) Transaction amount is rounded to the nearest million yen.

ii) Amount of service fees, etc. paid

Category	Total amount of service fees paid (A) (Thousands of yen)	Transactions with interested person, etc.		Percentage to total amount B/A (%)
		Payee	Payment amount (B) (Thousands of yen)	
Property management fees	¥ 649,108	Hulic Building Management Co., Ltd.	¥ 161,158	24.8
		Tokyo Fudosan Kanri Co., Ltd.	¥ 111,920	17.2
		Heiwa Kanzai Co., Ltd.	¥ 31,073	4.8
		Hulic Hotel Management Co., Ltd.	¥ 600	0.1
Other expenses related to leasing business	¥ 285,144	Hulic Building Management Co., Ltd.	¥ 17,511	6.1
		Tokyo Fudosan Kanri Co., Ltd.	¥ 1,987	0.7
		Heiwa Kanzai Co., Ltd.	¥ 413	0.1

(Note 1) Interested person, etc. are the interested person, etc. of the asset management company that have entered into an asset management agreement with the Investment Corporation as prescribed under Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations of Japan and Article 26, Item 27 of the Regulations for Asset Investment Reports by Investment Trusts and Investment Corporations of the Investment Trusts Association, Japan.

(Note 2) Other than the above service fees, etc. paid, payment amounts concerning repairs, etc. ordered to interested person, etc. during the reporting period are as follows:

Tokyo Fudosan Kanri Co., Ltd.	¥17,151 thousand
Hulic Build Co., Ltd.	¥10,466 thousand
Hulic Building Management Co., Ltd.	¥5,585 thousand
Heiwa Kanzai Co., Ltd.	¥1,374 thousand

(5) Transactions with Asset Manager pertaining to its business other than asset management

There are no applicable transactions because the Asset Manager of the Investment Corporation (Hulic Reit Management Co., Ltd.) does not engage in any other businesses, such as Type I Financial Instruments Business, Type II Financial Instruments Business, Real Estate Brokerage Business (excluding a real estate brokerage business directly related to the investment management business that was commissioned by the investment corporation), or Real Estate Specified Joint Enterprise.

7. Financial Information

(1) Assets, liabilities, principal, and profit and loss

Please refer to “Balance Sheets,” “Statements of Income and Retained Earnings,” “Statements of Changes in Net Assets” and “Notes to Financial Statements” below.

(2) Changes in the calculation method of depreciation expenses

Not applicable.

(3) Changes in the evaluation method of real estate, etc., and infrastructure assets, etc.

Not applicable.

(4) Beneficiary certificates of investment trusts, etc. set up by the Corporation

Not applicable.

(5) Disclosure regarding corporation holding overseas real estate

Not applicable.

(6) Disclosure regarding real estate owned by corporation holding overseas real estate

Not applicable.

8. Other

(1) Announcements

i) General Meeting of Unitholders

The Seventh General Meeting of Unitholders of the Investment Corporation was held on May 28, 2025.

The outline of the matters approved at the General Meeting of Unitholders is as follows:

Proposals	Outline
Proposal 1: Partial Amendment of the Articles of Incorporation	The Articles of Incorporation were amended as originally proposed, as follows. (1) The numbers of executive officers and supervisory officers were amended to set an upper limit in order to strike a balance between the number of officers necessary for the proper operation of the Investment Corporation and the burden resulting from an increase in the number of officers, taking into account the profitability of the Investment Corporation's portfolio and the number of officers at other listed investment corporations. (2) Amendments were made to adjust the wording in line with the amendments described above. (3) When the Investment Corporation receives loans from credit unions and shinkin banks, it is required to make the necessary contributions to such credit unions and shinkin banks based on the Small and Medium-Sized Enterprise Cooperatives Act and the Shinkin Bank Act. In order to make these contributions, the Investment Corporation added them to its investment targets and adjusted the number of clauses accordingly.
Proposal 2: Appointment of One Executive Officer	Kazuaki Chokki was appointed as Executive Officer as originally proposed.
Proposal 3: Appointment of One Substitute Executive Officer	Hiroshi Machiba was appointed as substitute Executive Officer as originally proposed.
Proposal 4: Appointment of Three Supervisory Officers	Rika Nakamura, Takayuki Tomioka and Noriko Kinoshita were each appointed as Supervisory Officer as originally proposed.

ii) Meeting of Board of Directors of the Investment Corporation

The outline of conclusions or amendments to major agreements, etc. approved at meetings of the Board of Directors of the Investment Corporation during the reporting period is as follows:

Date of Board of Directors meeting	Approved items	Outline
June 5, 2025	Comprehensive resolution on issuance of investment corporation bonds and associated consignment of general administrative duties	The Board of Directors made a comprehensive resolution relating to the issuance of investment corporation bonds with a total issue amount to be within ¥15,000 million and an issuance period from June 30, 2025 to December 31, 2025. The Board of Directors approved candidate companies for consignment of administrative duties relating to offering the investment corporation bonds as well as administrative duties relating to receiving requests relating to exercise of rights of investment corporation bonds and other applications from investment corporation bondholders, and operations during the term of the investment corporation bonds (including duties of the fiscal agent, issuing agent and paying agent). The Board of Directors delegated selection of the consignee for general administrative duties relating to the investment corporation bonds and decision making on the scope and the specific consignment conditions of consignment of general administrative duties, and all the necessary matters related to the consignment of administrative operations to the Executive Officer.

(2) Others

Unless otherwise stated, monetary amounts have been rounded down and percentage figures have been rounded off to the nearest indicated unit in this report.

9. Risk Factors

An investment in our units involves significant risks. The principal risks with respect to investment in Hulic Reit, Inc. are as follows.

Property and Business Risks

- Any adverse conditions in the Japanese economy, including those resulting from inflation, changes in monetary policy and interest rates and banking sector instability and liquidity issues in some major economies, could adversely affect our business.
- We may not be able to acquire properties to execute our growth and investment strategy in a manner that is accretive to earnings.
- We may not be able to close future acquisitions of properties after they are announced.
- Illiquidity in the real estate market may limit our ability to grow or adjust our portfolio.
- The past experience of Hulic Co., Ltd. in the Japanese real estate market is not an indicator or guarantee of our future results.
- Our reliance on Hulic Co., Ltd. and other Hulic Group companies could have a material adverse effect on our business.
- We may not be able to successfully acquire the properties for which Hulic Co., Ltd. has granted us preferential negotiation rights, particularly where other private REITs have preferential negotiation rights for the same properties that may be superior to the rights granted to us.
- There are potential conflicts of interest between us and certain Hulic Group companies, including the Asset Manager.
- We may decide to acquire our own units on the market but there can be no assurance that we will successfully acquire such units to the extent planned or at all or be able to cancel or dispose of any such units in a manner beneficial to us.
- We face significant competition in seeking tenants and it may be difficult to find replacement tenants.
- Increases in prevailing market interest rates may increase our interest expense and may result in a decline in the market price of our units.
- We may suffer large losses if any of our properties incurs damage from a natural or man-made disaster or from the social situation, such as epidemics, wars and terrorism.
- Most of the properties in our portfolio are concentrated in Tokyo and the surrounding areas.
- Investments in hotels, private nursing homes and network centers expose us to risks that are not associated with other real estate classes.
- The recent addition of hotels as an investment target exposes us to new risks associated with the hotel industry, such as revenue volatility and potentially high capital expenditure and maintenance requirements.
- Any inability to obtain financing for future acquisitions could adversely affect the growth of our portfolio.
- Liquidity and other limitations on our activities under debt financing arrangements may adversely affect our business, financial condition and results of operations.
- A high LTV ratio may increase our exposure to changes in interest rates and have a material adverse effect on our results of operations.
- We may suffer impairment losses relating to our properties.
- Decreases in tenant leasehold deposits and/or security deposits may increase our funding costs.
- Our lack of control over operating costs may adversely affect our business.

- We may lose rental revenues in the event of lease terminations, decreased lease renewals, or the default of a tenant as a result of financial difficulty or insolvency, and are exposed to the risk of careless or imprudent management of properties by tenants.
- Master lease agreements expose us to the risk of becoming an unsecured creditor of Hulic Co., Ltd. as our master lessee in the event of its insolvency.
- Our cost of complying with regulations applicable to our properties could adversely affect the results of our operations.
- Any property defect or failure of our properties to conform to contractual or other requirements may adversely affect our financial condition and results of operations.
- We rely on expert appraisals and engineering, environmental and seismic reports, which are subject to significant uncertainties.
- We rely on industry and market data that are subject to significant uncertainties.
- Our buildings may violate earthquake resistance or other building codes, and any such buildings may collapse in even minor earthquakes or may be required to be strengthened or demolished by us at significant expense.
- The environmental assessments of our properties made prior to our ownership may not uncover all environmental liabilities, and Japanese laws subject property owners to strict environmental liabilities.
- Entering into forward commitment contracts or contracts to purchase properties under development may expose us to contractual penalties and market risks.
- We may be exposed to regulatory and financial risks related to climate change.
- Our success depends on the performance of service providers to which we are required to assign various key functions.
- Our performance depends on the efforts of key personnel of the Asset Manager.
- J-REITs and their asset managers are subject to tight supervision by the regulatory authorities.

Taxation Risks

- Our failure to satisfy a complex series of requirements pursuant to Japanese tax regulations would disqualify us from certain taxation benefits and significantly reduce our cash distributions to our unitholders.
- If the Japanese tax authorities disagree with our interpretations of the Japanese tax laws and regulations for prior periods, we may be forced to pay additional taxes for those periods.
- We may not be able to benefit from reductions in certain real estate taxes enjoyed by qualified J-REITs.
- Changes in Japanese tax laws may significantly increase our tax burden.
- We expect to be treated as a “passive foreign investment company” for U.S. federal income tax purposes.
- Unitholders may be subject to U.S. Foreign Account Tax Compliance Act (FATCA) withholding tax after 2016.

Legal and Regulatory Risks

- Any failure by the officers and employees of the Asset Manager to comply with insider trading regulations may damage our reputation and harm the interest of our unitholders.
- Our ownership rights in some of our properties may be declared invalid or limited.
- We may lose our rights in a property if the purchase of the property is recharacterized as a secured financing.

- Our leasehold or subleasehold rights may be terminated or may not be asserted against a third party in some cases.
- Our properties for which third parties hold leasehold interests in the land but own the buildings thereupon may subject us to various risks.
- We lease certain properties from third parties and sublease such properties to one or more tenants, which subjects us to various risks relating to these lease arrangements.
- We co-lease parts of our properties with third parties to one or more tenants, which subjects us to various risks relating to these co-lease arrangements.
- Some of our properties are held in the form of partial ownership (*kubun shoyū*), and our rights relating to such properties may be affected by the intentions of other owners.
- Some of our properties are held in the form of a property or trust co-ownership interest, and our rights relating to such properties may be affected by the intentions of other owners.
- We may hold interests in some properties through preferred shares of special purpose companies (*tokutei mokuteki kaisha*) in the future, and illiquidity in the market for such shares may limit our ability to sell our interest, and our rights relating to the properties held by such special purpose companies may be limited.
- Some of our properties are subject to preferential negotiation rights of others.
- We may hold interests in some properties through Japanese anonymous association (*tokumei kumiai*) agreements, and our rights relating to such properties may be limited.
- We own all of our properties through trust beneficiary interests and may suffer losses as a trust beneficiary.
- There are important differences regarding the rights of unitholders in a J-REIT compared to those of shareholders in a corporation.
- Our distributions may decrease if we are required to apply our profit to the reversal of the allowance for temporary difference adjustments.
- The AIFMD may negatively affect our ability to market our units in the EEA and increase our compliance costs associated with the marketing of our units in the EEA.
- Our units may be deemed to constitute "plan assets" for ERISA purposes, which may lead to the rescission of certain of our transactions, tax or fiduciary liability and our being held in violation of ERISA requirements.

Independent Auditor's Report

The Board of Directors
Hulic Reit, Inc.

The Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Hulic Reit, Inc. (the Company), which comprise the balance sheet as at August 31, 2025, and the statements of income and retained earnings, changes in net assets, and cash flows for the six-month period then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2025, and its financial performance and its cash flows for the six-month period then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Asset Management Report that contains audited financial statements, but does not include the financial statements and our auditor's report thereon. Management is responsible for preparation and disclosure of the other information. The Supervisory Director is responsible for overseeing the Company's reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Supervisory Director for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Supervisory Director is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Executive Director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Executive Director with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

Fee-related Information

The fees for the audits of the financial statements of the Company and other services provided by us and other EY member firms for the six-month period ended August 31, 2025 are presented in paragraph (3) titled “Matters relating to officers, etc.” in Section 2 “Overview of the Investment Corporation” included in the Asset Management Report for the six-month period ended August 31, 2025, of the Company.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC
Tokyo, Japan

November 20, 2025

Hideaki Sato
Designated Engagement Partner
Certified Public Accountant

Teruyo Okubo
Designated Engagement Partner
Certified Public Accountant

III. Financial Statements

(1) Balance Sheets

(Unit: thousands of yen)

	Reporting period (As of August 31, 2025)	Previous period (As of February 28, 2025)
Assets		
Current assets		
Cash and deposits (Note 4)	8,976,920	10,874,536
Cash and deposits in trust (Note 4)	10,082,688	9,335,947
Operating accounts receivable	220,213	6,116
Prepaid expenses	47,087	47,932
Consumption taxes refund receivable	–	238,490
Other	9,457	1,486
Total current assets	19,336,367	20,504,510
Noncurrent assets		
Property, plant and equipment (Note 5)		
Buildings	758,871	755,882
Accumulated depreciation	(130,873)	(119,069)
Buildings, net	627,998	636,812
Structures	435	–
Accumulated depreciation	(3)	–
Structures, net	431	–
Tools, furniture and fixtures	4,529	4,529
Accumulated depreciation	(1,212)	(832)
Tools, furniture and fixtures, net	3,316	3,696
Land	589,293	589,293
Buildings in trust	82,511,282	86,551,871
Accumulated depreciation	(19,004,996)	(19,085,828)
Buildings in trust, net	63,506,285	67,466,043
Structures in trust	470,166	468,716
Accumulated depreciation	(284,254)	(271,474)
Structures in trust, net	185,911	197,242
Machinery and equipment in trust	474,773	470,340
Accumulated depreciation	(336,447)	(323,913)
Machinery and equipment in trust, net	138,325	146,426
Tools, furniture and fixtures in trust	169,883	170,665
Accumulated depreciation	(101,264)	(97,294)
Tools, furniture and fixtures in trust, net	68,619	73,370
Land in trust (Note 21)	331,998,481	332,263,014
Construction in progress in trust	5,850	–
Total property, plant and equipment	397,124,512	401,375,900
Intangible assets (Note 5)		
Leasehold interests in land	2,345,873	2,345,873
Land leasehold interests in trust	3,493,505	3,498,807
Other	167	1,147
Total intangible assets	5,839,546	5,845,829
Investments and other assets		
Leasehold and guarantee deposits	360,076	360,076
Long-term prepaid expenses	948,450	974,578
Total investments and other assets	1,308,526	1,334,654
Total noncurrent assets	404,272,585	408,556,384
Deferred assets		
Investment corporation bond issuance costs	44,905	55,650
Total deferred assets	44,905	55,650
Total assets	423,653,858	429,116,545

(Unit: thousands of yen)

	Reporting period (As of August 31, 2025)	Previous period (As of February 28, 2025)
Liabilities		
Current liabilities		
Operating accounts payable	1,045,321	517,869
Current portion of investment corporation bonds (Notes 8 and 13)	3,000,000	5,000,000
Current portion of long-term borrowings (Notes 7 and 13)	33,608,000	19,770,000
Accounts payable - other	1,677,936	1,593,079
Accrued expenses	26,057	18,335
Income taxes payable	605	605
Accrued consumption taxes	821,857	114,236
Advances received	1,904,696	1,918,317
Deposits received	15,627	20,540
Total current liabilities	42,100,101	28,952,984
Noncurrent liabilities		
Investment corporation bonds (Notes 8 and 13)	15,000,000	15,000,000
Long-term borrowings (Notes 7 and 13)	147,108,000	165,646,000
Leasehold and guarantee deposits received	150,730	94,045
Leasehold and guarantee deposits received in trust	17,544,924	17,929,736
Asset retirement obligations (Notes 6 and 23)	289,786	289,092
Total noncurrent liabilities	180,093,441	198,958,874
Total liabilities	222,193,543	227,911,859
Net assets (Note 9)		
Unitholders' equity (Note 10)		
Unitholders' capital	194,754,822	194,754,822
Deduction from unitholders' capital		
Allowance for temporary difference adjustments (Note 24)	(3,936)	(3,936)
Total deduction from unitholders' capital	(3,936)	(3,936)
Unitholders' capital, net	194,750,886	194,750,886
Surplus		
Voluntary retained earnings		
Reserve for tax purpose reduction entry	173,417	–
Total voluntary retained earnings	173,417	–
Unappropriated retained earnings (Note 11)	6,536,011	6,453,800
Total surplus	6,709,429	6,453,800
Total unitholders' equity	201,460,315	201,204,686
Total net assets (Note 9)	201,460,315	201,204,686
Total liabilities and net assets	423,653,858	429,116,545

See accompanying notes to financial statements.

(2) Statements of Income and Retained Earnings

(Unit: thousands of yen)

	Reporting period (From March 1, 2025 to August 31, 2025)	Previous period (From September 1, 2024 to February 28, 2025)
Operating revenues (Note 20)		
Leasing business revenue (Note 12)	10,782,847	10,524,098
Other leasing business revenues (Note 12)	652,173	658,904
Gain on sale of real estate properties (Note 12)	1,347,116	1,273,317
Total operating revenues	12,782,137	12,456,321
Operating expenses		
Expenses related to leasing business (Note 12)	4,079,791	4,067,611
Asset management fees	1,433,155	1,344,278
Asset custody fees	15,080	14,658
Administrative service fees	48,878	47,252
Remuneration for directors (and other officers)	9,000	9,000
Other operating expenses	253,864	186,107
Total operating expenses	5,839,770	5,668,909
Operating profit	6,942,366	6,787,411
Non-operating income		
Interest income	25,539	9,709
Gain on forfeiture of unclaimed distributions	355	407
Interest on tax refund	537	–
Subsidy income	4,500	–
Total non-operating income	30,932	10,117
Non-operating expenses		
Interest expenses	688,667	597,915
Interest expenses on investment corporation bonds	64,624	64,040
Borrowing related expenses	193,027	194,407
Amortization of investment unit issuance costs	–	984
Amortization of investment corporation bond issuance costs	10,745	10,580
Total non-operating expenses	957,065	867,929
Ordinary profit	6,016,233	5,929,599
Profit before income taxes	6,016,233	5,929,599
Income taxes - current (Note 6)	605	605
Total income taxes (Note 6)	605	605
Profit (Note 18)	6,015,628	5,928,994
Retained earnings brought forward	520,382	524,806
Unappropriated retained earnings	6,536,011	6,453,800

See accompanying notes to financial statements.

(3) Statements of Changes in Net Assets

Reporting period (From March 1, 2025 to August 31, 2025)

(Unit: thousands of yen)

	Unitholders' equity									Total net assets
	Unitholders' capital				Surplus				Total unitholders' equity	
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net	Voluntary retained earnings		Unappro-priated retained earnings	Total surplus		
		Allowance for temporary difference adjustments	Total deduction from unitholders' capital		Reserve for tax purpose reduction entry	Total voluntary retained earnings				
Balance at the beginning of the period	194,754,822	(3,936)	(3,936)	194,750,886	–	–	6,453,800	6,453,800	201,204,686	201,204,686
Changes during the period										
Provision of reserve for tax purpose reduction entry	–	–	–	–	173,417	173,417	(173,417)	–	–	–
Dividends of surplus	–	–	–	–	–	–	(5,760,000)	(5,760,000)	(5,760,000)	(5,760,000)
Profit	–	–	–	–	–	–	6,015,628	6,015,628	6,015,628	6,015,628
Total changes during the period	–	–	–	–	173,417	173,417	82,210	255,628	255,628	255,628
Balance at the end of the period	194,754,822	(3,936)	(3,936)	194,750,886	173,417	173,417	6,536,011	6,709,429	201,460,315	201,460,315

Previous period (From September 1, 2024 to February 28, 2025)

(Unit: thousands of yen)

	Unitholders' equity									Total net assets
	Unitholders' capital				Surplus				Total unitholders' equity	
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net	Voluntary retained earnings		Unappro-priated retained earnings	Total surplus		
		Allowance for temporary difference adjustments	Total deduction from unitholders' capital		Reserve for tax purpose reduction entry	Total voluntary retained earnings				
Balance at the beginning of the period	194,754,822	(3,936)	(3,936)	194,750,886	–	–	5,786,566	5,786,566	200,537,452	200,537,452
Changes during the period										
Dividends of surplus	–	–	–	–	–	–	(5,261,760)	(5,261,760)	(5,261,760)	(5,261,760)
Profit	–	–	–	–	–	–	5,928,994	5,928,994	5,928,994	5,928,994
Total changes during the period	–	–	–	–	–	–	667,234	667,234	667,234	667,234
Balance at the end of the period	194,754,822	(3,936)	(3,936)	194,750,886	–	–	6,453,800	6,453,800	201,204,686	201,204,686

See accompanying notes to financial statements.

(4) Statements of Cash Flows

(Unit: thousands of yen)

	Reporting period (From March 1, 2025 to August 31, 2025)	Previous period (From September 1, 2024 to February 28, 2025)
Cash flows from operating activities		
Profit before income taxes	6,016,233	5,929,599
Depreciation and amortization	1,413,200	1,435,409
Amortization of investment unit issuance costs	–	984
Amortization of investment corporation bond issuance costs	10,745	10,580
Interest income	(25,539)	(9,709)
Interest expenses	753,292	661,955
Decrease (increase) in operating accounts receivable	(214,096)	14,885
Decrease (increase) in consumption taxes refund receivable	238,490	(238,490)
Decrease (increase) in prepaid expenses	845	5,537
Increase (decrease) in operating accounts payable	665,033	(516,340)
Increase (decrease) in accounts payable - other	93,999	231,548
Increase (decrease) in accrued consumption taxes	707,621	(271,865)
Increase (decrease) in advances received	(13,620)	19,185
Increase (decrease) in deposits received	(4,913)	16,262
Decrease (increase) in long-term prepaid expenses	26,127	8,830
Decrease in property, plant and equipment in trust due to sales	6,072,500	3,156,654
Other, net	(4,356)	(4,947)
Subtotal	15,735,563	10,450,080
Interest received	24,754	9,709
Interest paid	(748,755)	(660,852)
Income taxes (paid) refund	(605)	(605)
Net cash provided by (used in) operating activities	15,010,957	9,798,332
Cash flows from investing activities		
Purchase of property, plant and equipment	(23,268)	(25,036)
Purchase of property, plant and equipment in trust	(3,350,998)	(27,422,250)
Refund of leasehold and guarantee deposits received	–	(52,527)
Proceeds from leasehold and guarantee deposits received	56,685	–
Refund of leasehold and guarantee deposits received in trust	(1,276,567)	(275,450)
Proceeds from leasehold and guarantee deposits received in trust	891,755	922,122
Net cash provided by (used in) investing activities	(3,702,392)	(26,853,142)
Cash flows from financing activities		
Proceeds from long-term borrowings	11,770,000	33,299,000
Repayments of long-term borrowings	(16,470,000)	(15,499,000)
Redemption of investment corporation bonds	(2,000,000)	–
Distributions paid	(5,759,439)	(5,261,715)
Net cash provided by (used in) financing activities	(12,459,439)	12,538,284
Net increase (decrease) in cash and cash equivalents	(1,150,875)	(4,516,525)
Cash and cash equivalents at beginning of period	20,210,483	24,727,009
Cash and cash equivalents at end of period (Note 4)	19,059,608	20,210,483

See accompanying notes to financial statements.

(5) Notes to Financial Statements

For the periods from March 1, 2025 to August 31, 2025 and from September 1, 2024 to February 28, 2025

1. Organization

Hulic Reit, Inc. (“the Investment Corporation”) was incorporated by Hulic Reit Management Co., Ltd. (the Investment Corporation’s Asset Manager) on November 7, 2013 with ¥200 million in capital (2,000 units), and registration was approved based on Article 187 of the Act on Investment Trusts and Investment Corporations of Japan (the “Investment Trust Act”) on November 25, 2013 (Registration No. 88 filed with the Director-General of the Kanto Local Finance Bureau). Subsequently, the Investment Corporation issued new investment units through a public offering (617,500 units) on February 6, 2014. Those units were listed on the Real Estate Investment Trust Section of the Tokyo Stock Exchange on February 7, 2014 (Securities Code: 3295). On March 7, 2014, the Investment Corporation further issued new investment units through an allocation to a third-party. Following the recent issuances of new investment units in 2021 through the Investment Corporation’s eighth public offering (82,800 units) after its listing and through the allocation to a third-party (4,200 units), the total number of investment units outstanding was 1,440,000 units as of August 31, 2025.

The Investment Corporation’s real estate portfolio as of August 31, 2025 was comprised of 67 properties under management with a total leasable floor area of 363,205.86 m^2. The Investment Corporation has already invested ¥416,461 million (based on acquisition price) into this portfolio. The occupancy rate as of August 31, 2025 was 99.1%.

2. Basis of Presentation

The financial statements of the Investment Corporation have been prepared in accordance with accounting principles generally accepted in Japan (“Japanese GAAP”), including provisions set forth in the Financial Instruments and Exchange Act of Japan, the Investment Trust Act, the Companies Act of Japan and related regulations, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards (“IFRS”). The accompanying financial statements are basically a translation of the financial statements of the Investment Corporation, which were prepared in accordance with Japanese GAAP and were presented in the Securities Report of the Investment Corporation filed with the Kanto Local Finance Bureau of the Ministry of Finance. In preparing the accompanying financial statements, certain reclassifications have been made to the financial statements issued domestically in order to present them in a format which is more familiar to readers outside Japan. Amounts less than one thousand yen have been rounded down. As a result, the totals shown in the financial statements and notes thereto do not necessarily agree with the sum of the individual amounts. The Investment Corporation does not prepare consolidated financial statements, as the Investment Corporation has no subsidiaries.

3. Summary of Significant Accounting Policies

(1) Property, plant and equipment (including assets in trust) and depreciation

Property, plant and equipment are stated at cost, which includes the purchase price and related costs for acquisition, less accumulated depreciation. Depreciation of property, plant and equipment is calculated on a straight-line basis over the estimated useful lives of the assets ranging as stated below:

Buildings	3 to 64 years
Structures	4 to 20 years
Machinery and equipment	3 to 10 years
Tools, furniture and fixtures	3 to 15 years

(2) Intangible assets

Intangible assets are amortized on a straight-line basis over the estimated useful lives. Software for internal use is amortized over the estimated useful life of five years.

(3) Long-term prepaid expenses

Long-term prepaid expenses are amortized on a straight-line basis over the estimated useful lives.

(4) Investment corporation bond issuance costs

Investment corporation bond issuance costs are amortized on a straight-line basis over the redemption period.

(5) Investment unit issuance costs

Investment unit issuance costs are amortized on a straight-line basis over three years.

(6) Revenue recognition

The content of main performance obligations regarding revenue from contracts with customers and the normal timing when those obligations are satisfied (normal timing when revenue is recognized) is described below.

(a) Sales of real estate properties

For sales of real estate properties, revenue is recognized at the timing that control of the real estate property is acquired by the purchaser, which is the customer, through fulfillment of the delivery obligations stipulated in the contract for the sale of the real estate property.

(b) Utilities revenue

For utilities revenue, revenue is recognized commensurately with the supply of electricity, water, etc., to the lessee, which is the customer, based on the lease agreement of the real estate properties, and details of related agreements. Among the utilities revenue, the revenue from a transaction in which the Investment Corporation is considered to be an agent shall be recognized as the net amount calculated by deducting the amount paid to a third party from the amount received as fee income for the electricity, gas, etc., supplied by that third party.

(7) Accounting for property taxes

For property tax, city planning tax and depreciable asset tax, the Investment Corporation charges the amount of property taxes assessed and determined applicable to the current period to expenses related to leasing business.

Registered owners of properties in Japan as of January 1 are responsible for paying property taxes for the calendar year based on assessments by local governments. Therefore, registered owners who sold properties to the Investment Corporation were liable for property taxes for the calendar year, including the period from the date of the acquisition by the Investment Corporation until the end of the year. The Investment Corporation reimbursed sellers of properties for the equivalent amount of property taxes and included the amount in the acquisition cost of real estate. The amounts equivalent to property taxes included in the cost of acquisition of real estate are ¥57,193 thousand and ¥1,398 thousand for the periods from March 1, 2025 to August 31, 2025 and September 1, 2024 to February 28, 2025, respectively.

(8) Hedge accounting method

(a) Hedge accounting method

Deferred hedge accounting is adopted for interest rate swap transactions. However, special treatment is adopted for interest rate swaps when the requirements for special treatment are fulfilled.

(b) Hedging instruments and hedged items

Hedging instruments:	Interest rate swap transactions
Hedged items:	Interest payments on borrowings

(c) Hedging policy

The Investment Corporation conducts derivative transactions to hedge risks as stipulated in the Investment Corporation's Articles of Incorporation in accordance with the Investment Corporation's risk management policy.

(d) Method for assessing the effectiveness of hedging

An assessment of the effectiveness of hedging is omitted for interest rate swaps because they fulfill the requirements for special treatment.

(9) Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows consist of cash on hand and cash in trust; deposits and deposits in trust that can be withdrawn at any time; and short-term investments with a maturity of three months or less from the date of acquisition, which are readily convertible to cash and bear only an insignificant risk of price fluctuation.

(10) Accounting for beneficial interests in real estate trust

For beneficial interests in real estate trust owned by the Investment Corporation, all accounts of assets and liabilities within the assets in trust as well as all accounts of revenues generated and expenses incurred from the assets in trust are recognized in the relevant accounts of the balance sheets and the statements of income and retained earnings.

The following material items of the assets in trust recognized in the relevant accounts are separately listed on the balance sheet.

(a) Cash and deposits in trust

(b) Buildings in trust; Structures in trust; Machinery and equipment in trust; Tools, furniture and fixtures in trust; Land in trust; and Construction in progress in trust

(c) Land leasehold interests in trust

(d) Leasehold and guarantee deposits received in trust

(11) Non-deductible consumption taxes

Non-deductible consumption taxes related to the acquisition of assets are treated as the acquisition cost of applicable assets.

(12) Accounting standards issued but not yet adopted

Accounting Standard for Leases, Etc.

- Accounting Standard for Leases (ASBJ Statement No. 34, September 13, 2024, Accounting Standards Board of Japan (ASBJ))
- "Implementation Guidance on Accounting Standard for Leases" (ASBJ Guidance No. 33, September 13, 2024, ASBJ), Etc.

(i) Overview

As part of its efforts for ensuring that Japanese GAAP is consistent with international accounting standards, the ASBJ conducted a review, taking into consideration international accounting standards, toward the development of the Accounting Standard for Leases for recognizing assets and liabilities for all leases held by a lessee. Accordingly, the ASBJ issued the Accounting Standard for Leases, etc., which were developed under a basic policy with the aim of being simple and highly convenient by incorporating only the key provisions of IFRS 16 instead of all the provisions, despite being based on the single accounting model of IFRS 16, while also making revisions basically unnecessary even when the provisions of IFRS 16 are applied for non-consolidated financial statements.

Regarding the method for allocating the lessee's lease expenses in the lessee's accounting treatment, a single accounting model is applied for recording the depreciation related to right-of-use assets and the amount equivalent to the interest on lease liabilities for all leases regardless of whether a lease is a finance lease or an operating lease. This is the same as under IFRS 16.

(ii) Effective date

The above standard and guidance are scheduled to be applied from the beginning of the fiscal period ending February 29, 2028.

(iii) Effects of application of the standards

The effects of the application of the above standard and guidance on the financial statements are currently being assessed.

4. Cash and Cash Equivalents

(1) Cash and cash equivalents as of August 31, 2025 and February 28, 2025 consist of the following balance sheet items:

(Unit: thousands of yen)

	Reporting period (As of August 31, 2025)	Previous period (As of February 28, 2025)
Cash and deposits	¥ 8,976,920	¥ 10,874,536
Cash and deposits in trust	10,082,688	9,335,947
Total cash and cash equivalents	¥ 19,059,608	¥ 20,210,483

(2) Significant non-cash transactions

Reporting period (From March 1, 2025 to August 31, 2025)

The Investment Corporation conducted an exchange transaction of noncurrent assets on June 27, 2025. The main non-cash transactions arising from this transaction are as follows.

(Unit: thousands of yen)

Amount of properties acquired through exchange	¥ (26,350,000)
Amount of properties transferred through exchange	23,450,000
Cash received related to the exchange transaction (Displayed as included in "Purchase of property, plant and equipment in trust")	¥ (2,900,000)

Previous period (From September 1, 2024 to February 28, 2025)

Not applicable.

5. Property, Plant and Equipment and Intangible Assets

The following table shows the summary of property, plant and equipment and intangible assets as of August 31, 2025:

(Unit: thousands of yen)

Type of asset		Balance at the beginning of the period	Amount of increase during the period	Amount of decrease during the period	Balance at the end of the period	Accumulated depreciation /Accumulated amortization		Net balance at the end of the period	Remarks
							Depreciation and amortization		
Property, plant and equipment	Buildings	¥ 755,882	¥ 2,988	¥ –	¥ 758,871	¥ 130,873	¥ 11,803	¥ 627,998	
	Structures	–	435	–	435	3	3	431	
	Tools, furniture and fixtures	4,529	–	–	4,529	1,212	380	3,316	
	Land	589,293	–	–	589,293	–	–	589,293	
	Buildings in trust	86,551,871	1,402,708	5,443,298	82,511,282	19,004,996	1,354,702	63,506,285	Acquisition and transfer of properties
	Structures in trust	468,716	4,808	3,359	470,166	284,254	15,969	185,911	
	Machinery and equipment in trust	470,340	4,433	–	474,773	336,447	12,534	138,325	
	Tools, furniture and fixtures in trust	170,665	6,577	7,358	169,883	101,264	10,830	68,619	
	Land in trust	332,263,014	21,596,216	21,860,750	331,998,481	–	–	331,998,481	Acquisition and transfer of properties
	Construction in progress in trust	–	5,850	–	5,850	–	–	5,850	
	Total	¥421,274,313	¥ 23,024,018	¥ 27,314,766	¥416,983,565	¥19,859,052	¥1,406,223	¥397,124,512	
Intangible assets	Leasehold interests in land	¥ 2,345,873	¥ –	¥ –	¥ 2,345,873	¥ –	¥ –	¥ 2,345,873	
	Land leasehold interests in trust	3,554,487	–	–	3,554,487	60,982	5,302	3,493,505	
	Other	9,797	–	–	9,797	9,630	979	167	
	Total	¥ 5,910,158	¥ –	¥ –	¥ 5,910,158	¥ 70,612	¥ 6,282	¥ 5,839,546	

(Note) The amount of increase during the period is due to the acquisition of Hulic Shinjuku Building through an exchange transaction by applying Article 50 (Inclusion in Deductible Expenses of the Depreciated Amount of Assets Acquired through Exchange) of the Corporation Tax Act.

The amount of decrease during the period is due to the transfer of Chiba Network Center and part of Hulic Kamiyacho Building (quasi co-ownership interest: 35.0%).

6. Income Taxes

(1) Significant components of deferred tax assets and deferred tax liabilities

(Deferred tax assets)

(Unit: thousands of yen)

	Reporting period (As of August 31, 2025)	Previous period (As of February 28, 2025)
Excess depreciation	¥ 2,548	¥ 2,260
Asset retirement obligations	91,168	88,687
Total deferred tax assets	93,716	90,948
Valuation allowance	(93,716)	(90,948)
Net deferred tax assets	¥ –	¥ –

(2) Reconciliation of significant differences between the statutory tax rate and the effective tax rate

	Reporting period (As of August 31, 2025)	Previous period (As of February 28, 2025)
Statutory tax rate	31.46%	31.46%
(Adjustments)		
Deductible cash distribution	(30.12)%	(30.56)%
Provision of reserve for tax purpose reduction entry	(1.36)%	(0.92)%
Others	0.03%	0.03%
Effective tax rate	0.01%	0.01%

7. Schedule of Borrowings

Summary information regarding borrowings as of August 31, 2025 is as follows:

Classification	Lender	Balance at the beginning of the period (thousands of yen)	Amount of increase during the period (thousands of yen)	Amount of decrease during the period (thousands of yen)	Balance at the end of the period (thousands of yen)	Average interest rate (%) (Note 1)	Repayment date	Use	Remarks
Long-term borrowings	Mizuho Bank, Ltd.	¥1,531,000	¥ –	¥1,531,000	¥ –	0.7246	August 29, 2025	(Note 3)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	1,267,000	–	1,267,000	–				
	MUFG Bank, Ltd.	577,000	–	577,000	–				
	Mizuho Trust & Banking Co., Ltd.	475,000	–	475,000	–				
	Development Bank of Japan Inc.	410,000	–	410,000	–				
	Aozora Bank, Ltd.	280,000	–	280,000	–				
	Meiji Yasuda Life Insurance Company	230,000	–	230,000	–				
	Nippon Life Insurance Company	230,000	–	230,000	–				
	Mizuho Bank, Ltd.	500,000	–	500,000	–	0.5700	August 29, 2025		
	Development Bank of Japan Inc.	1,200,000	–	1,200,000	–				
	Aozora Bank, Ltd.	600,000	–	600,000	–				
	Mizuho Bank, Ltd.	170,000	–	170,000	–	0.2845	August 29, 2025		
	Sumitomo Mitsui Banking Corporation	150,000	–	150,000	–				
	MUFG Bank, Ltd.	100,000	–	100,000	–				
	Mizuho Trust & Banking Co., Ltd.	120,000	–	120,000	–				
	The Norinchukin Bank	780,000	–	780,000	–				
	Shinkin Central Bank	550,000	–	550,000	–				
	SBI Shinsei Bank, Limited	390,000	–	390,000	–				
	Mitsui Sumitomo Insurance Company, Limited	210,000	–	210,000	–				
	Mizuho Bank, Ltd.	2,910,000	–	–	2,910,000	0.4800	February 27, 2026		
	Sumitomo Mitsui Banking Corporation	1,700,000	–	–	1,700,000				
	MUFG Bank, Ltd.	850,000	–	–	850,000				
	Mizuho Trust & Banking Co., Ltd.	1,100,000	–	–	1,100,000				
	Sumitomo Mitsui Trust Bank, Limited	700,000	–	–	700,000				
	The Norinchukin Bank	1,410,000	–	–	1,410,000				
	Resona Bank, Limited	880,000	–	–	880,000				
	SBI Shinsei Bank, Limited	450,000	–	–	450,000				
	Mizuho Bank, Ltd. (Notes 2, 4)	17,800,000	–	6,700,000	11,100,000	0.8622	March 31, 2026		

Classification	Lender	Balance at the beginning of the period (thousands of yen)	Amount of increase during the period (thousands of yen)	Amount of decrease during the period (thousands of yen)	Balance at the end of the period (thousands of yen)	Average interest rate (%) (Note 1)	Repayment date	Use	Remarks
Long-term borrowings	Mizuho Bank, Ltd.	3,420,000	–	–	3,420,000	0.5840	August 31, 2026		
	Sumitomo Mitsui Banking Corporation	2,700,000	–	–	2,700,000				
	MUFG Bank, Ltd.	1,600,000	–	–	1,600,000			(Note 3)	Unsecured and unguaranteed
	Mizuho Trust & Banking Co., Ltd.	1,050,000	–	–	1,050,000				
	Sumitomo Mitsui Trust Bank, Limited	300,000	–	–	300,000				
	The Norinchukin Bank	1,000,000	–	–	1,000,000				
	Mizuho Bank, Ltd. (Note 2)	500,000	–	–	500,000	0.9457	August 31, 2026		
	The Norinchukin Bank (Note 2)	569,000	–	–	569,000				
	Mizuho Trust & Banking Co., Ltd. (Note 2)	600,000	–	–	600,000				
	Sumitomo Mitsui Trust Bank, Limited (Note 2)	569,000	–	–	569,000				
	Development Bank of Japan Inc. (Note 2)	200,000	–	–	200,000				
	Mizuho Bank, Ltd.	150,000	–	–	150,000	1.7500	February 26, 2027		
	Sumitomo Mitsui Banking Corporation	75,000	–	–	75,000				
	MUFG Bank, Ltd.	75,000	–	–	75,000				
	Mizuho Bank, Ltd.	1,000,000	–	–	1,000,000	0.4225	February 26, 2027		
	Sumitomo Mitsui Banking Corporation	960,000	–	–	960,000				
	The Norinchukin Bank	600,000	–	–	600,000				
	MUFG Bank, Ltd.	550,000	–	–	550,000				
	Sumitomo Mitsui Trust Bank, Limited	500,000	–	–	500,000				
	SBI Shinsei Bank, Limited	300,000	–	–	300,000				
	Mizuho Trust & Banking Co., Ltd.	300,000	–	–	300,000				
	Shinkin Central Bank	200,000	–	–	200,000				
	Resona Bank, Limited	170,000	–	–	170,000				
	Mizuho Bank, Ltd.	980,000	–	–	980,000	0.3920	February 26, 2027		
	Sumitomo Mitsui Banking Corporation	400,000	–	–	400,000				
	MUFG Bank, Ltd.	340,000	–	–	340,000				
	Mizuho Trust & Banking Co., Ltd.	330,000	–	–	330,000				
	The Norinchukin Bank	1,280,000	–	–	1,280,000				
	Resona Bank, Limited	140,000	–	–	140,000				
	Shinkin Central Bank	930,000	–	–	930,000				
	SBI Shinsei Bank, Limited	510,000	–	–	510,000				
	Mitsui Sumitomo Insurance Company, Limited	290,000	–	–	290,000				
	Sumitomo Mitsui Banking Corporation	2,000,000	–	–	2,000,000	0.5979	February 26, 2027		
	MUFG Bank, Ltd.	1,510,000	–	–	1,510,000				
	Mizuho Bank, Ltd.	1,795,000	–	–	1,795,000	0.4430	August 31, 2027		
	Sumitomo Mitsui Banking Corporation	1,260,000	–	–	1,260,000				
	MUFG Bank, Ltd.	150,000	–	–	150,000				
	Mizuho Trust & Banking Co., Ltd.	610,000	–	–	610,000				
	The Norinchukin Bank	1,140,000	–	–	1,140,000				
	Shinkin Central Bank	820,000	–	–	820,000				
	SBI Shinsei Bank, Limited	600,000	–	–	600,000				
	MUFG Bank, Ltd.	490,000	–	–	490,000	0.4430	August 31, 2027		

Classification	Lender	Balance at the beginning of the period (thousands of yen)	Amount of increase during the period (thousands of yen)	Amount of decrease during the period (thousands of yen)	Balance at the end of the period (thousands of yen)	Average interest rate (%) (Note 1)	Repayment date	Use	Remarks
Long-term borrowings	Sumitomo Mitsui Banking Corporation	1,000,000	–	–	1,000,000	0.4787	August 31, 2027		
Long-term borrowings	Resona Bank, Limited	1,200,000	–	–	1,200,000	0.5199	August 31, 2027	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	Mizuho Bank, Ltd.	850,000	–	–	850,000	0.7822	August 31, 2027	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	Mizuho Trust & Banking Co., Ltd.	980,000	–	–	980,000	0.7822	August 31, 2027	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	Sumitomo Mitsui Trust Bank, Limited	645,000	–	–	645,000	0.7822	August 31, 2027	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	Shinkin Central Bank	141,000	–	–	141,000	0.7822	August 31, 2027	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	Sompo Japan Insurance Inc.	500,000	–	–	500,000	0.7822	August 31, 2027	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	Mitsui Sumitomo Insurance Company, Limited (Note 2)	500,000	–	–	500,000	0.9507	August 31, 2027	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	The Nishi-Nippon City Bank, Ltd. (Note 2)	300,000	–	–	300,000	0.9507	August 31, 2027	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	Sumitomo Mitsui Banking Corporation	1,950,000	–	–	1,950,000	0.4520	January 31, 2028	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	Mitsui Sumitomo Insurance Company, Limited	1,000,000	–	–	1,000,000	0.4520	January 31, 2028	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	Mizuho Bank, Ltd.	1,240,000	–	–	1,240,000	0.5325	February 29, 2028	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	Mizuho Trust & Banking Co., Ltd.	290,000	–	–	290,000	0.5325	February 29, 2028	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	Sumitomo Mitsui Trust Bank, Limited	700,000	–	–	700,000	0.5325	February 29, 2028	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	The Norinchukin Bank	400,000	–	–	400,000	0.5325	February 29, 2028	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	Resona Bank, Limited	500,000	–	–	500,000	0.5325	February 29, 2028	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	Mizuho Trust & Banking Co., Ltd.	699,000	–	–	699,000	0.5899	February 29, 2028	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	Resona Bank, Limited	275,000	–	–	275,000	0.5899	February 29, 2028	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	Resona Bank, Limited	500,000	–	–	500,000	0.6033	February 29, 2028	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	SBI Shinsei Bank, Limited	500,000	–	–	500,000	0.6033	February 29, 2028	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	Aozora Bank, Ltd.	500,000	–	–	500,000	0.6033	February 29, 2028	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	Mizuho Bank, Ltd.	2,000,000	–	–	2,000,000	0.8363	February 29, 2028	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	The Norinchukin Bank	645,000	–	–	645,000	0.8363	February 29, 2028	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	Resona Bank, Limited	393,000	–	–	393,000	0.8363	February 29, 2028	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	Aozora Bank, Ltd.	141,000	–	–	141,000	0.8363	February 29, 2028	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	Mitsui Sumitomo Insurance Company, Limited	500,000	–	–	500,000	0.8363	February 29, 2028	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	Mizuho Bank, Ltd. (Note 2)	1,000,000	–	–	1,000,000	0.9507	February 29, 2028	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	Mizuho Bank, Ltd. (Note 2)	500,000	–	–	500,000	0.9507	February 29, 2028	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	The Norinchukin Bank (Note 2)	300,000	–	–	300,000	0.9507	February 29, 2028	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	Mizuho Trust & Banking Co., Ltd. (Note 2)	300,000	–	–	300,000	0.9507	February 29, 2028	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	Sumitomo Mitsui Trust Bank, Limited (Note 2)	300,000	–	–	300,000	0.9507	February 29, 2028	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	Resona Bank, Limited (Note 2)	100,000	–	–	100,000	0.9507	February 29, 2028	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	SBI Shinsei Bank, Limited (Note 2)	100,000	–	–	100,000	0.9507	February 29, 2028	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	Shinkin Central Bank (Note 2)	140,000	–	–	140,000	0.9507	February 29, 2028	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	Development Bank of Japan Inc.	1,000,000	–	–	1,000,000	0.6346	August 31, 2028	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	Aozora Bank, Ltd.	900,000	–	–	900,000	0.6346	August 31, 2028	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	Sumitomo Mitsui Banking Corporation	1,790,000	–	–	1,790,000	0.4220	August 31, 2028	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	Mitsui Sumitomo Insurance Company, Limited	1,000,000	–	–	1,000,000	0.5100	August 31, 2028	(Note 3)	Unsecured and unguaranteed
Long-term borrowings	The Bank of Fukuoka, Ltd.	500,000	–	–	500,000	0.5100	August 31, 2028	(Note 3)	Unsecured and unguaranteed

Classification	Lender	Balance at the beginning of the period (thousands of yen)	Amount of increase during the period (thousands of yen)	Amount of decrease during the period (thousands of yen)	Balance at the end of the period (thousands of yen)	Average interest rate (%) (Note 1)	Repayment date	Use	Remarks
Long-term borrowings	Sumitomo Mitsui Trust Bank, Limited	1,210,000	–	–	1,210,000	0.7775	August 31, 2028		
	Mizuho Bank, Ltd. (Note 2)	2,000,000	–	–	2,000,000	0.9707	August 31, 2028	(Note 3)	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	1,600,000	–	–	1,600,000	0.6540	February 28, 2029		
	Mizuho Trust & Banking Co., Ltd.	270,000	–	–	270,000				
	Mizuho Bank, Ltd.	500,000	–	–	500,000	0.5900	February 28, 2029		
	Sumitomo Mitsui Trust Bank, Limited	1,660,000	–	–	1,660,000				
	Resona Bank, Limited	970,000	–	–	970,000				
	Shinkin Central Bank	1,000,000	–	–	1,000,000				
	SBI Shinsei Bank, Limited	500,000	–	–	500,000				
	The 77 Bank, Ltd.	500,000	–	–	500,000				
	The Nishi-Nippon City Bank, Ltd.	500,000	–	–	500,000				
	The Gunma Bank, Ltd.	500,000	–	–	500,000				
	The Higo Bank, Ltd.	500,000	–	–	500,000				
	Sumitomo Mitsui Banking Corporation	1,785,000	–	–	1,785,000	0.6289	February 28, 2029		
	Mizuho Trust & Banking Co., Ltd.	872,000	–	–	872,000				
	Resona Bank, Limited	200,000	–	–	200,000				
	Resona Bank, Limited (Note 2)	1,000,000	–	–	1,000,000	0.7100	February 28, 2029		
	Mizuho Trust & Banking Co., Ltd. (Note 2)	722,000	–	–	722,000	0.9807	February 28, 2029		
	Sumitomo Mitsui Trust Bank, Limited (Note 2)	610,000	–	–	610,000				
	Resona Bank, Limited (Note 2)	215,000	–	–	215,000				
	SBI Shinsei Bank, Limited (Note 2)	140,000	–	–	140,000				
	Shinkin Central Bank (Note 2)	500,000	–	–	500,000				
	The 77 Bank, Ltd. (Note 2)	500,000	–	–	500,000				
	The Nishi-Nippon City Bank, Ltd. (Note 2)	200,000	–	–	200,000				
	The Norinchukin Bank	1,000,000	–	–	1,000,000	0.6900	August 31, 2029		
	Development Bank of Japan Inc.	600,000	–	–	600,000				
	Aozora Bank, Ltd.	1,200,000	–	–	1,200,000				
	Mizuho Bank, Ltd.	1,330,000	–	–	1,330,000	0.5421	August 31, 2029		
	Mizuho Trust & Banking Co., Ltd.	630,000	–	–	630,000				
	SBI Shinsei Bank, Limited	260,000	–	–	260,000				
	Aozora Bank, Ltd.	260,000	–	–	260,000				
	Resona Bank, Limited	400,000	–	–	400,000	0.6300	August 31, 2029		
	Shinkin Central Bank	1,000,000	–	–	1,000,000				
	SBI Shinsei Bank, Limited	1,000,000	–	–	1,000,000				
	The 77 Bank, Ltd.	500,000	–	–	500,000				
	The Higo Bank, Ltd.	400,000	–	–	400,000				
	Mizuho Bank, Ltd.	535,000	–	–	535,000	0.6960	August 31, 2029		
	The Norinchukin Bank	500,000	–	–	500,000				
	Sumitomo Mitsui Trust Bank, Limited	1,528,000	–	–	1,528,000				
	Mizuho Bank, Ltd.	300,000	–	–	300,000	0.7575	August 31, 2029		
	MUFG Bank, Ltd.	910,000	–	–	910,000				
	Mizuho Trust & Banking Co., Ltd.	300,000	–	–	300,000				

Classifi-cation	Lender	Balance at the beginning of the period (thousands of yen)	Amount of increase during the period (thousands of yen)	Amount of decrease during the period (thousands of yen)	Balance at the end of the period (thousands of yen)	Average interest rate (%) (Note 1)	Repayment date	Use	Remarks
Long-term borrowings	The Norinchukin Bank	500,000	–	–	500,000	1.0254	August 31, 2029	(Note 3)	Unsecured and unguaranteed
	SBI Shinsei Bank, Limited (Note 2)	500,000	–	–	500,000	0.9507			
	The 77 Bank, Ltd. (Note 2)	500,000	–	–	500,000	1.0007			
	The Higo Bank, Ltd. (Note 2)	500,000	–	–	500,000				
	The Gunma Bank, Ltd. (Note 2)	500,000	–	–	500,000				
	Development Bank of Japan Inc.	–	1,610,000	–	1,610,000	1.5500	August 31, 2029		
	Mizuho Bank, Ltd.	3,060,000	–	–	3,060,000	0.7200	February 28, 2030		
	Mizuho Trust & Banking Co., Ltd.	1,050,000	–	–	1,050,000				
	Development Bank of Japan Inc.	500,000	–	–	500,000	0.6900	February 28, 2030		
	Aozora Bank, Ltd.	1,000,000	–	–	1,000,000				
	The Norinchukin Bank	1,000,000	–	–	1,000,000	0.7630	February 28, 2030		
	Resona Bank, Limited	100,000	–	–	100,000				
	SBI Shinsei Bank, Limited	200,000	–	–	200,000				
	Aozora Bank, Ltd.	200,000	–	–	200,000				
	Sumitomo Mitsui Trust Bank, Limited	2,000,000	–	–	2,000,000	0.7630	February 28, 2030		
	Nippon Life Insurance Company	1,000,000	–	–	1,000,000	0.5200	February 28, 2030		
	Nippon Life Insurance Company	1,000,000	–	–	1,000,000	1.0238	February 28, 2030		
	Mizuho Bank, Ltd. (Note 2)	500,000	–	–	500,000	0.9907	February 28, 2030		
	The Norinchukin Bank (Note 2)	550,000	–	–	550,000				
	Mizuho Trust & Banking Co., Ltd. (Note 2)	620,000	–	–	620,000				
	Sumitomo Mitsui Trust Bank, Limited (Note 2)	580,000	–	–	580,000				
	Resona Bank, Limited (Note 2)	255,000	–	–	255,000				
	SBI Shinsei Bank, Limited (Note 2)	190,000	–	–	190,000				
	Mizuho Bank, Ltd. (Note 2)	–	1,000,000	–	1,000,000	0.9727	February 28, 2030		
	Sumitomo Mitsui Banking Corporation (Note 2)	–	417,000	–	417,000				
	Mizuho Trust & Banking Co., Ltd. (Note 2)	–	400,000	–	400,000				
	SBI Shinsei Bank, Limited (Note 2)	–	390,000	–	390,000				
	Shinkin Central Bank (Note 2)	–	700,000	–	700,000				
	Mitsui Sumitomo Insurance Company, Limited (Note 2)	–	210,000	–	210,000				
	MUFG Bank, Ltd.	2,190,000	–	–	2,190,000	0.9025	May 31, 2030		
	Mizuho Bank, Ltd.	1,000,000	–	–	1,000,000	0.6646	August 30, 2030		
	The Norinchukin Bank	859,000	–	–	859,000	0.9038	August 30, 2030		
	Sumitomo Mitsui Trust Bank, Limited	859,000	–	–	859,000				
	Mizuho Bank, Ltd.	2,000,000	–	–	2,000,000	1.0650	August 30, 2030		
	Sumitomo Mitsui Banking Corporation	2,250,000	–	–	2,250,000				
	MUFG Bank, Ltd.	1,520,000	–	–	1,520,000				
	Mizuho Trust & Banking Co., Ltd.	800,000	–	–	800,000				
	MUFG Bank, Ltd.	–	1,000,000	–	1,000,000	1.5575	August 30, 2030		
	The Norinchukin Bank	–	1,000,000	–	1,000,000				

Classification	Lender	Balance at the beginning of the period (thousands of yen)	Amount of increase during the period (thousands of yen)	Amount of decrease during the period (thousands of yen)	Balance at the end of the period (thousands of yen)	Average interest rate (%) (Note 1)	Repayment date	Use	Remarks
Long-term borrowings	Mizuho Bank, Ltd.	2,000,000	–	–	2,000,000	0.8290	August 31, 2030	(Note 3)	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	1,440,000	–	–	1,440,000	1.1554	February 28, 2031		
	The Norinchukin Bank	500,000	–	–	500,000				
	Mizuho Trust & Banking Co., Ltd.	660,000	–	–	660,000				
	Resona Bank, Limited	300,000	–	–	300,000				
	SBI Shinsei Bank, Limited	140,000	–	–	140,000				
	Mizuho Bank, Ltd. (Note 2)	500,000	–	–	500,000	1.1007	February 28, 2031		
	Sumitomo Mitsui Banking Corporation (Note 2)	1,977,000	–	–	1,977,000				
	MUFG Bank, Ltd.	1,719,000	–	–	1,719,000	1.1450	February 28, 2031		
	Development Bank of Japan Inc.	609,000	–	–	609,000				
	MUFG Bank, Ltd.	1,007,000	–	–	1,007,000	1.4838	February 28, 2031		
	Development Bank of Japan Inc.	1,979,000	–	–	1,979,000				
	Development Bank of Japan Inc.	2,450,000	–	–	2,450,000	0.9579	August 29, 2031		
	Sumitomo Mitsui Banking Corporation	500,000	–	–	500,000	1.0488	August 29, 2031		
	Development Bank of Japan Inc.	414,000	–	–	414,000				
	Mizuho Bank, Ltd.	1,504,000	–	–	1,504,000	1.1775	August 29, 2031		
	Sumitomo Mitsui Banking Corporation	1,268,000	–	–	1,268,000				
	MUFG Bank, Ltd.	955,000	–	–	955,000				
	The Norinchukin Bank	520,000	–	–	520,000				
	Development Bank of Japan Inc.	1,900,000	–	–	1,900,000				
	MUFG Bank, Ltd.	–	987,000	–	987,000	1.7525	August 29, 2031		
	Aozora Bank, Ltd.	–	880,000	–	880,000				
	Mizuho Bank, Ltd.	1,494,000	–	–	1,494,000	1.1215	February 27, 2032		
	MUFG Bank, Ltd.	1,000,000	–	–	1,000,000	1.3674	February 27, 2032		
	Mizuho Bank, Ltd.	1,425,000	–	–	1,425,000	1.5260	February 27, 2032		
	Sumitomo Mitsui Banking Corporation	1,453,000	–	–	1,453,000				
	Sumitomo Mitsui Banking Corporation (Note 2)	2,000,000	–	–	2,000,000	1.1007	February 27, 2032		
	Mizuho Bank, Ltd. (Note 2)	–	1,201,000	–	1,201,000	1.0927	August 31, 2032		
	Sumitomo Mitsui Banking Corporation (Note 2)	–	1,000,000	–	1,000,000				
	The Norinchukin Bank (Note 2)	–	780,000	–	780,000				
	Mizuho Trust & Banking Co., Ltd. (Note 2)	–	195,000	–	195,000				
Total		¥185,416,000	¥11,770,000	¥16,470,000	¥180,716,000				

(Note 1) Average interest rate shows the weighted average rate during the period or for the lender, and the amount has been rounded to four decimal places. Moreover, for borrowings hedged using interest rate swaps to avoid interest rate fluctuation risks, an interest rate that considers the effect of the interest rate swap is shown.

(Note 2) These borrowings carry floating interest rates. Other borrowings carry fixed interest rates (including borrowings where the interest rate is fixed by using interest rate swaps).

(Note 3) The borrowings were funds to purchase real estate trust beneficiary rights, etc. (including ancillary expenses) and repay borrowings.

(Note 4) The Investment Corporation made a partial early repayment of the amount on March 3, 2025.

(Note 5) Repayment of long-term borrowings scheduled for each year within 5 years after the date of the balance sheet is as follows:

(Unit: thousands of yen)

	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
Long-term borrowings	¥ 33,608,000	¥ 26,571,000	¥ 23,373,000	¥ 32,007,000	¥ 32,400,000

8. Investment Corporation Bonds

Summary information regarding investment corporation bonds as of August 31, 2025 is as follows:

Issue	Issuance date	Balance at the beginning of the period (thousands of yen)	Decrease during the period (thousands of yen)	Balance at the end of the period (thousands of yen)	Interest rate (%)	Repayment date	Repayment method	Use	Collateral
1st Series Unsecured Investment Corporation Bond	August 31, 2015	¥ 2,000,000	¥ 2,000,000	¥ –	0.950	August 29, 2025	Lump-sum repayment	(Note 1)	None (Note 2)
3rd Series Unsecured Investment Corporation Bond	December 13, 2016	1,000,000	–	1,000,000	0.490	December 11, 2026	Lump-sum repayment	(Note 1)	None (Note 2)
4th Series Unsecured Investment Corporation Bond	August 30, 2018	7,000,000	–	7,000,000	0.770	August 30, 2028	Lump-sum repayment	(Note 1)	None (Note 2)
5th Series Unsecured Investment Corporation Bond	December 11, 2019	2,000,000	–	2,000,000	0.570	December 11, 2029	Lump-sum repayment	(Note 1)	None (Note 2)
6th Series Unsecured Investment Corporation Bond (Green Bond)	October 29, 2020	3,000,000	–	3,000,000	0.270	October 29, 2025	Lump-sum repayment	(Note 1)	None (Note 2)
7th Series Unsecured Investment Corporation Bond (Green Bond)	May 24, 2022	2,000,000	–	2,000,000	0.330	May 24, 2027	Lump-sum repayment	(Note 1)	None (Note 2)
8th Series Unsecured Investment Corporation Bond	August 15, 2024	3,000,000	–	3,000,000	0.831	August 15, 2029	Lump-sum repayment	(Note 1)	None (Note 2)
Total	–	¥ 20,000,000	¥ 2,000,000	¥ 18,000,000	–	–	–	–	–

(Note 1) The use of the proceeds is repayment of borrowings, etc.

(Note 2) Corporation bond with pari passu conditions among specified investment corporations.

(Note 3) Repayment of investment corporation bonds scheduled for each year within 5 years after the date of the balance sheet is as follows:

(Unit: thousands of yen)

	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
Investment corporation bonds	¥ 3,000,000	¥ 3,000,000	¥ 7,000,000	¥ 3,000,000	¥ 2,000,000

9. Net Assets

The Investment Corporation is required to maintain net assets of at least ¥50 million pursuant to the Investment Trust Act.

10. Unitholders' Equity

	Reporting period (From March 1, 2025 to August 31, 2025)	Previous period (From September 1, 2024 to February 28, 2025)
Total number of authorized investment units	20,000,000 units	20,000,000 units
Number of investment units issued	1,440,000 units	1,440,000 units

11. Distributions

Pursuant to the distribution policy prescribed in Article 35, Paragraph 1 of the Investment Corporation's Articles of Incorporation, the distribution amount shall be in excess of an amount equivalent to 90% of earnings available for distributions as defined in Article 67-15 of the Act on Special Measures Concerning Taxation, but not in excess of the amount of earnings. Based on this policy, for the period from March 1, 2025 to August 31, 2025, the Investment Corporation decided to pay distributions of earnings of an amount of ¥5,760,000,000, which was derived by deducting a provision of reserve for tax purpose reduction entry as stipulated in the special provisions for taxation in cases of replacement of certain assets (Article 65-7 of the Act on Special Measures Concerning Taxation), and internal reserves from unappropriated retained earnings. And for the period from September 1, 2024 to February 28, 2025, the Investment Corporation decided to pay distributions of earnings of an amount of ¥5,760,000,000, which was derived by deducting a provision of reserve for tax purpose reduction entry as stipulated in the special provisions for taxation in cases of replacement of certain assets (Article 65-7 of the Act on Special Measures Concerning Taxation), and internal reserves from unappropriated retained earnings.

In addition, the Investment Corporation shall not distribute cash in an amount in excess of earnings prescribed in Article 35, Paragraph 2 of the Investment Corporation's Articles of Incorporation.

(Unit: yen)

		Reporting period (From March 1, 2025 to August 31, 2025)		Previous period (From September 1, 2024 to February 28, 2025)	
I	Unappropriated retained earnings	¥	6,536,011,083	¥	6,453,800,864
II	Distribution amount	¥	5,760,000,000	¥	5,760,000,000
	[Distributions per unit]	[¥	4,000]	[¥	4,000]
III	Voluntary retained earnings				
	Provision of reserve for tax purpose reduction entry	¥	260,053,528	¥	173,417,980
IV	Retained earnings brought forward	¥	515,957,555	¥	520,382,884

(Note) Additional information regarding the provision and reversal of allowance for temporary difference adjustments is as follows:

Reporting period (From March 1, 2025 to August 31, 2025)

Not applicable.

Previous period (From September 1, 2024 to February 28, 2025)

Not applicable.

12. Breakdown of Property-related Revenues and Expenses

(1) Breakdown of property operating profit

(Unit: thousands of yen)

	Reporting period (From March 1, 2025 to August 31, 2025)		Previous period (From September 1, 2024 to February 28, 2025)	
A. Property operating revenues				
Leasing business revenue				
Rent	¥ 9,848,983		¥ 9,528,575	
Land rent	265,031		265,031	
Common area revenue	668,832	10,782,847	730,491	10,524,098
Other leasing business revenues				
Utilities revenue	422,230		484,735	
Other revenue	229,943	652,173	174,169	658,904
Total property operating revenues		¥ 11,435,021		¥ 11,183,003
B. Property operating expenses				
Expenses related to leasing business				
Property management fees	¥ 649,108		¥ 667,384	
Utilities	543,067		549,820	
Property and other taxes	1,023,261		1,006,441	
Insurance premium	16,568		14,663	
Maintenance and repairs	150,420		126,228	
Depreciation	1,412,220		1,434,429	
Other expenses related to leasing business	285,144	4,079,791	268,643	4,067,611
Total property operating expenses		¥ 4,079,791		¥ 4,067,611
C. Property operating profit (A – B)		¥ 7,355,229		¥ 7,115,391

(2) Breakdown of gain on sale of real estate properties

Reporting period (From March 1, 2025 to August 31, 2025)

Chiba Network Center	(Unit: thousands of yen)
Proceeds from sales of real estate properties	¥ 7,950,000
Cost of sales of real estate properties	6,570,828
Other expenses for the sales	32,055
Gain on sale of real estate properties	¥ 1,347,116

Previous period (From September 1, 2024 to February 28, 2025)

Dining Square Akihabara Building	(Unit: thousands of yen)
Proceeds from sales of real estate properties	¥ 4,450,000
Cost of sales of real estate properties	3,156,654
Other expenses for the sales	20,027
Gain on sale of real estate properties	¥ 1,273,317

(3) Breakdown of gain on exchange of real estate properties

Reporting period (From March 1, 2025 to August 31, 2025)

Hulic Kamiyacho Building (Quasi co-ownership interest: 35.0%)	(Unit: thousands of yen)
Consideration for transfer of real estate properties	¥ 23,450,000
Cost of transfer of real estate properties	19,298,353
Other expenses for the transfer	137,286
Amount of reduction entry of noncurrent assets	4,014,359
Gain on exchange of real estate properties	¥ –

Previous period (From September 1, 2024 to February 28, 2025)

Not applicable.

(4) Transactions with major unitholders

(Unit: thousands of yen)

	Reporting period (From March 1, 2025 to August 31, 2025)	Previous period (From September 1, 2024 to February 28, 2025)
From operating transactions		
Leasing business revenue	¥ 796,533	¥ 796,533
Gain on sale of real estate properties	1,347,116	1,273,317

13. Financial Instruments

(1) Overview

(i) Policy for financial instruments

The Investment Corporation procures essential funds for acquiring properties, repairs and repayment of debt mainly through loans from financial institutions, issuance of investment corporation bonds and issuance of investment units and other means. In procuring interest-bearing debt, the Investment Corporation takes into account a balance between flexibility in procurement of funds and financial stability.

Furthermore, the Investment Corporation uses derivatives only for the purpose of hedging fluctuation risk of interest rates for borrowings and others and does not enter into derivative transactions for any speculative purposes.

(ii) Types of financial instruments, related risks, and risk management

Deposits are used for investment of the Investment Corporation's surplus funds. As they are exposed to credit risk such as bankruptcy of the depository financial institutions, deposits are carried out with safety and redeemability taken into consideration and are limited to short-term deposits.

Borrowings and investment corporation bonds are conducted mainly for the purpose of acquiring properties and refinancing of existing borrowings. Of these borrowings, those with floating interest rates are exposed to interest rate fluctuation risk. For some of these borrowings, to avoid this fluctuation risk, the Investment Corporation uses derivative transactions (interest rate swaps) as hedging instruments, which, in effect, converts fluctuating interest rates into fixed interest rates.

For the method of hedge accounting, hedging instruments and hedged items, hedging policy and the method of assessing hedge effectiveness, please refer to "(8) Hedge accounting method" in "3. Summary of Significant Accounting Policies" above.

(iii) Supplemental explanation of the fair value of financial instruments

Since variable factors are reflected in estimating the fair value of financial instruments, different assumptions could result in a different fair value. The contract amounts related to derivatives mentioned in "14. Derivative Transactions" below do not represent the value of the market risk associated with the derivative transactions.

(2) Fair value of financial instruments

The carrying amounts on the balance sheet, fair values, and the differences between the two values as of August 31, 2025 and February 28, 2025 are as follows. As for "cash and deposits" and "cash and deposits in trust," notes are omitted because those items are cash or the fair value of those items approximates the book value due to their settlement within a short period of time. Moreover, notes on fair value for "leasehold and guarantee deposits received" and "leasehold and guarantee deposits received in trust" are omitted due to immateriality.

(Unit: thousands of yen)

	Reporting period (As of August 31, 2025)			Previous period (As of February 28, 2025)		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
(i) Current portion of investment corporation bonds	¥ 3,000,000	¥ 2,997,000	¥ (3,000)	¥ 5,000,000	¥ 4,989,400	¥ (10,600)
(ii) Current portion of long-term borrowings	33,608,000	33,519,202	(88,797)	19,770,000	19,705,645	(64,354)
(iii) Investment corporation bonds	15,000,000	14,670,500	(329,500)	15,000,000	14,654,100	(345,900)
(iv) Long-term borrowings	147,108,000	141,063,026	(6,044,973)	165,646,000	159,528,400	(6,117,599)
Total	¥198,716,000	¥ 192,249,729	¥(6,466,270)	¥205,416,000	¥ 198,877,545	¥(6,538,454)
Derivative transactions	¥ –	¥ –	¥ –	¥ –	¥ –	¥ –

(Note 1) Methods to determine the fair values of financial instruments and matters regarding derivative transactions

Liabilities

(i) Current portion of investment corporation bonds, and (iii) Investment corporation bonds

Fair value has been calculated on the basis of reference quotations of sales-purchase transactions and other such data, as provided by financial institutions and other such entities.

(ii) Current portion of long-term borrowings, and (iv) Long-term borrowings

Since long-term borrowings that carry floating interest rates are reviewed on a short-term interval to reflect market interest rates, and the Investment Corporation’s credit standing did not change significantly after the execution of the loans, their fair value is considered approximate to the carrying amounts. Therefore, the carrying amounts are used as the fair value of these liabilities. (However, for long-term borrowings with floating interest rates to which special treatment for interest rate swaps is applied (Please refer to “14. Derivative Transactions” below.), the fair value is calculated by discounting the sum of principal and interest, which are treated in combination with the said interest rate swap, at a reasonable rate estimated for a similar new loan that is made corresponding to the remaining period.)

The fair value of long-term borrowings carrying fixed interest rates is calculated by discounting the sum of principal and interest at a reasonable rate estimated for a similar new loan that is made corresponding to the remaining period.

(Note 2) Redemption schedule for investment corporation bonds, long-term borrowings and other interest-bearing debt as of August 31, 2025 and February 28, 2025

(Unit: thousands of yen)

As of August 31, 2025	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	¥ 3,000,000	¥ 3,000,000	¥ 7,000,000	¥ 3,000,000	¥ 2,000,000	¥ –
Long-term borrowings	33,608,000	26,571,000	23,373,000	32,007,000	32,400,000	32,757,000
Total	¥ 36,608,000	¥ 29,571,000	¥ 30,373,000	¥ 35,007,000	¥ 34,400,000	¥ 32,757,000

(Unit: thousands of yen)

As of February 28, 2025	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	¥ 5,000,000	¥ 1,000,000	¥ 2,000,000	¥ 7,000,000	¥ 5,000,000	¥ –
Long-term borrowings	19,770,000	43,898,000	27,954,000	23,644,000	28,958,000	41,192,000
Total	¥ 24,770,000	¥ 44,898,000	¥ 29,954,000	¥ 30,644,000	¥ 33,958,000	¥ 41,192,000

14. Derivative Transactions

(1) Derivative transactions not applying hedge accounting

As of August 31, 2025 and February 28, 2025

Not applicable.

(2) Derivative transactions applying hedge accounting

The contracted amount or principal amount equivalent set forth in the contract as of August 31, 2025 and February 28, 2025 for each hedge accounting method is as follows:

(Unit: thousands of yen)

As of August 31, 2025

Hedge accounting method	Type of derivative transaction	Major hedged item	Contracted amount		Fair value	Measurement method for fair value
				Portion due after 1 year		
Special treatment of interest rate swaps	Interest rate swap transaction Payment: fixed interest rate Receipt: floating interest rate	Long-term borrowings	¥ 67,563,000	¥49,943,000	*	–

(Unit: thousands of yen)

As of February 28, 2025

Hedge accounting method	Type of derivative transaction	Major hedged item	Contracted amount		Fair value	Measurement method for fair value
				Portion due after 1 year		
Special treatment of interest rate swaps	Interest rate swap transaction Payment: fixed interest rate Receipt: floating interest rate	Long-term borrowings	¥ 70,033,000	¥58,413,000	*	–

* Interest rate swap transactions to which special treatment is applied are accounted for as an integral part of long-term borrowings, the hedged item. Thus, their fair values are included in the fair value of long-term borrowings. (Please refer to the preceding "13. Financial Instruments, (2) Fair value of financial instruments, (Note 1) Methods to determine the fair values of financial instruments and matters regarding derivative transactions, Liabilities (ii) Current portion of long-term borrowings, and (iv) Long-term borrowings.")

15. Leases

Operating lease transactions (Lessee)

Future minimum lease payments under noncancelable operating lease transactions

(Unit: thousands of yen)

	Reporting period (As of August 31, 2025)	Previous period (As of February 28, 2025)
Due within 1 year	¥ 27,136	¥ 27,136
Due after 1 year	1,040,225	1,053,793
Total	¥ 1,067,361	¥ 1,080,929

Operating lease transactions (Lessor)

Future minimum lease payments under noncancelable operating lease transactions

(Unit: thousands of yen)

	Reporting period (As of August 31, 2025)	Previous period (As of February 28, 2025)
Due within 1 year	¥ 11,962,886	¥ 11,927,983
Due after 1 year	50,085,086	50,834,290
Total	¥ 62,047,972	¥ 62,762,273

16. Investment and Rental Properties

The Investment Corporation owns rental office buildings and other properties in Tokyo and other regions for rent revenue. The balance sheet carrying amounts, changes during the fiscal period under review, and fair values of these rental properties are as follows:

(Unit: thousands of yen)

	Reporting period (From March 1, 2025 to August 31, 2025)	Previous period (From September 1, 2024 to February 28, 2025)
Carrying amount		
Balance at the beginning of the period	¥ 407,220,582	¥ 384,170,229
Changes during period	(4,256,690)	23,050,353
Balance at the end of the period	¥ 402,963,891	¥ 407,220,582
Fair value at the end of the period	¥ 485,114,846	¥ 485,227,000

(Note 1) The balance sheet carrying amount is the acquisition cost less accumulated depreciation.

(Note 2) The main reasons for increases in the investment and rental properties are the acquisition of beneficial interests in real estate trust of one property (¥22,473,826 thousand) in the reporting period and the acquisition of beneficial interests in real estate trust of one property (¥27,084,694 thousand) in the previous period. The decrease during the reporting period is mainly due to transfer of beneficial interests in real estate trust of two properties and depreciation (¥25,869,182 thousand and ¥1,411,526 thousand, respectively). The decrease during the previous period is mainly due to transfer of beneficial interests in real estate trust of one property and depreciation (¥3,156,654 thousand and ¥1,433,737 thousand, respectively).

(Note 3) The fair value at the end of the period is the appraisal value provided by an independent real estate appraiser. Concerning the fair value at the end of the reporting period, the fair value of Hulic Kamiyacho Building therein is based on the total of the transfer price stated on the trust beneficiary right quasi co-ownership interest exchange agreement entered into on September 24, 2025 (quasi co-ownership interest: 56.0%), and the amount equivalent to 9.0% quasi co-ownership interest of the appraisal value. The fair value of Ikebukuro Network Center and Nagano Network Center is based on the transfer price stated on the trust beneficiary right sales agreement entered into on September 4, 2025. Concerning the fair value at the end of the previous period, the fair value of Chiba Network Center therein is based on the transfer price stated on the trust beneficiary right sales agreement entered into on December 18, 2024. The profit or loss for the period concerning investment and rental properties is indicated under “12. Breakdown of Property-related Revenues and Expenses.”

17. Related-Party Transactions

(1) Parent company, major corporate unitholders and other

Reporting period (From March 1, 2025 to August 31, 2025)

Type	Name	Location	Share capital or investments in capital (thousands of yen)	Business or occupation	Percentage of voting rights held	Relationship: Inter-locking officers	Relationship: Business relation-ship	Nature of transaction	Amount of transaction (thousands of yen)	Account item	Balance at the end of the period (thousands of yen)
Major corporate unitholder	Hulic Co., Ltd.	Chuo-ku, Tokyo	¥111,609,853	Real estate business	(directly) 14.50%	–	Rent and manage-ment of real estate	Purchase of beneficial interests in real estate trust	¥26,350,000	–	¥ –
								Transfer of beneficial interests in real estate trust	¥31,400,000	–	¥ –
								Acceptance of leasehold and guarantee deposits in trust	¥ 1,012,052	Leasehold and guarantee deposits received in trust	¥14,743,246
								Repayment of leasehold and guarantee deposits in trust	¥ 1,046,099		
								Earning of rent revenue, etc.	¥ 796,533	Advances received	¥ 141,614

(Note 1) Transaction terms are determined based on current market prices.

(Note 2) Consumption taxes are not included in amount of transaction but are included in balance at the end of the period.

Previous period (From September 1, 2024 to February 28, 2025)

Type	Name	Location	Share capital or investments in capital (thousands of yen)	Business or occupation	Percentage of voting rights held	Relationship		Nature of transaction	Amount of transaction (thousands of yen)	Account item	Balance at the end of the period (thousands of yen)
						Inter-locking officers	Business relation-ship				
Major corporate unitholder	Hulic Co., Ltd.	Chuo-ku, Tokyo	¥111,609,853	Real estate business	(directly) 14.50%	–	Rent and manage-ment of real estate	Purchase of beneficial interests in real estate trust	¥27,000,000	–	¥ –
								Transfer of beneficial interests in real estate trust	¥ 4,450,000	–	¥ –
								Acceptance of leasehold and guarantee deposits in trust	¥ 97,122	Leasehold and guarantee deposits received in trust	¥14,784,127
								Repayment of leasehold and guarantee deposits in trust	¥ 265,996		
								Earning of rent revenue, etc.	¥ 796,533	Advances received	¥ 141,614

(Note 1) Transaction terms are determined based on current market prices.

(Note 2) Consumption taxes are not included in amount of transaction but are included in balance at the end of the period.

(2) Affiliated companies and other

Reporting period (From March 1, 2025 to August 31, 2025) and previous period (From September 1, 2024 to February 28, 2025)

Not applicable.

(3) Fellow subsidiary companies and other

Reporting period (From March 1, 2025 to August 31, 2025)

Type	Name	Location	Share capital or investments in capital (thousands of yen)	Business or occupation	Percentage of voting rights held	Relationship		Nature of transaction	Amount of transaction (thousands of yen)	Account item	Balance at the end of the period (thousands of yen)
						Inter-locking officers	Business relation-ship				
Companies whose majority of voting rights are owned by major (corporate) unitholder	Hulic Reit Manage-ment Co., Ltd.	Chiyoda-ku, Tokyo	¥ 200,000	Asset manage-ment for investment corporations	–	1	Consign-ment of asset manage-ment	Payment of asset manage-ment fees (Note 1)	¥ 1,577,530	Accounts payable - other	¥ 1,576,471

(Note 1) The asset management fees for the reporting period include management fees of ¥65,875 thousand relating to the acquisitions that are capitalized as part of the acquisition cost for the individual real estate properties and ¥78,500 thousand relating to the transfer that is deducted from the gain on sale of the individual real estate properties.

(Note 2) Transaction terms are determined based on current market prices.

(Note 3) Consumption taxes are not included in amount of transaction but are included in balance at the end of the period.

Previous period (From September 1, 2024 to February 28, 2025)

Type	Name	Location	Share capital or investments in capital (thousands of yen)	Business or occupation	Percentage of voting rights held	Relationship		Nature of transaction	Amount of transaction (thousands of yen)	Account item	Balance at the end of the period (thousands of yen)
						Inter-locking officers	Business relation-ship				
Companies whose majority of voting rights are owned by major (corporate) unitholder	Hulic Reit Manage-ment Co., Ltd.	Chiyoda-ku, Tokyo	¥ 200,000	Asset manage-ment for investment corporations	–	1	Consign-ment of asset manage-ment	Payment of asset manage-ment fees (Note 1)	¥ 1,422,903	Accounts payable - other	¥ 1,478,706

(Note 1) The asset management fees for the previous period include management fees of ¥67,500 thousand relating to the acquisitions that are capitalized as part of the acquisition cost for the individual real estate properties and ¥11,125 thousand relating to the transfer that is deducted from the gain on sale of the individual real estate properties.

(Note 2) Transaction terms are determined based on current market prices.

(Note 3) Consumption taxes are not included in amount of transaction but are included in balance at the end of the period.

(4) Directors, major individual unitholders and other

Reporting period (From March 1, 2025 to August 31, 2025) and previous period (From September 1, 2024 to February 28, 2025)

Transactions carried out by Kazuaki Chokki, Executive Officer of the Investment Corporation, as the Representative of a third party (Hulic Reit Management Co., Ltd.) are as shown above in transactions with Hulic Reit Management Co., Ltd. in "(3) Fellow subsidiary companies and other."

18. Per Unit Information

(Unit: yen)

	Reporting period (From March 1, 2025 to August 31, 2025)	Previous period (From September 1, 2024 to February 28, 2025)
Net assets per unit	¥ 139,902	¥ 139,725
Basic earnings per unit	¥ 4,177	¥ 4,117

(Note 1) Basic earnings per unit is calculated by dividing profit by the daily weighted average number of investment units during the period. Fully diluted earnings per unit has not been stated as there are no potentially dilutive investment units.

(Note 2) The following is the basis for calculating basic earnings per unit:

		Reporting period (From March 1, 2025 to August 31, 2025)	Previous period (From September 1, 2024 to February 28, 2025)
Profit	(thousands of yen)	¥ 6,015,628	¥ 5,928,994
Amount not attributable to common unitholders	(thousands of yen)	¥ –	¥ –
Profit attributable to common investment units	(thousands of yen)	¥ 6,015,628	¥ 5,928,994
Average number of investment units during the period	(units)	1,440,000	1,440,000

19. Segment and Related Information

[Segment information]

Disclosure is omitted as the Investment Corporation is comprised of a single reportable segment engaged in the real estate leasing business.

[Related information]

Reporting period (From March 1, 2025 to August 31, 2025)

(1) Information about each product and service

Disclosure is omitted as operating revenues from external customers within a single product/service category accounts for over 90% of operating revenues on the statement of income and retained earnings.

(2) Information about each geographical area

(i) Operating revenues

Disclosure is omitted as operating revenues from external customers in Japan exceeded 90% of operating revenues on the statement of income and retained earnings.

(ii) Property, plant and equipment

Disclosure is omitted as the amount of property, plant and equipment located in Japan exceeded 90% of property, plant and equipment on the balance sheet.

(3) Information about major customers

(Unit: thousands of yen)

Name of tenant	Operating revenues		Related segment
Hulic Group	¥	3,067,437	Real estate leasing business
Mizuho Financial Group, Inc.		1,409,579	Real estate leasing business

Previous period (From September 1, 2024 to February 28, 2025)

(1) Information about each product and service

Disclosure is omitted as operating revenues from external customers within a single product/service category accounts for over 90% of operating revenues on the statement of income and retained earnings.

(2) Information about each geographical area

(i) Operating revenues

Disclosure is omitted as operating revenues from external customers in Japan exceeded 90% of operating revenues on the statement of income and retained earnings.

(ii) Property, plant and equipment

Disclosure is omitted as the amount of property, plant and equipment located in Japan exceeded 90% of property, plant and equipment on the balance sheet.

(3) Information about major customers

(Unit: thousands of yen)

Name of tenant	Operating revenues		Related segment
Hulic Group	¥	2,509,351	Real estate leasing business
Mizuho Financial Group, Inc.		1,565,975	Real estate leasing business

20. Revenue Recognition

(1) Information on disaggregation of revenue from contracts with customers

Reporting period (From March 1, 2025 to August 31, 2025)

(Unit: thousands of yen)

	Revenue from contracts with customers (Note 1)	Sales to external customers
Sales of real estate properties	¥ 31,400,000	(Note 2) ¥ 1,347,116
Utilities revenue	422,230	422,230
Other	–	11,012,790
Total	¥ 31,822,230	¥ 12,782,137

(Note 1) Items such as leasing business revenue, to which “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13) is applied, and transfers of real estate properties to which “Practical Guidelines on the Accounting by Transferors for the Securitization of Real Estate Using Special-Purpose Companies” (ASBJ Transferred Guidance No. 10) is applied, are outside the scope of application of the Accounting Standard for Revenue Recognition and not included in the above amounts. Note that revenue from contracts with customers is mainly proceeds from sales of real estate properties and utilities revenue.

(Note 2) For sales of real estate properties, the revenue is recorded as gain (loss) on sale of real estate properties in the statement of income and retained earnings, and accordingly, the amount stated is calculated by deducting cost of sales of real estate properties, other expenses for the sales, and the amount of reduction entry of noncurrent assets from the proceeds from sales of real estate properties.

Previous period (From September 1, 2024 to February 28, 2025)

(Unit: thousands of yen)

	Revenue from contracts with customers (Note 1)	Sales to external customers
Sales of real estate properties	¥ 4,450,000	(Note 2) ¥ 1,273,317
Utilities revenue	484,735	484,735
Other	–	10,698,268
Total	¥ 4,934,735	¥ 12,456,321

(Note 1) Items such as leasing business revenue, to which “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13) is applied, and transfers of real estate properties to which “Practical Guidelines on the Accounting by Transferors for the Securitization of Real Estate Using Special-Purpose Companies” (ASBJ Transferred Guidance No. 10) is applied, are outside the scope of application of the Accounting Standard for Revenue Recognition and not included in the above amounts. Note that revenue from contracts with customers is mainly proceeds from sales of real estate properties and utilities revenue.

(Note 2) For sales of real estate properties, the revenue is recorded as gain (loss) on sale of real estate properties in the statement of income and retained earnings, and accordingly, the amount stated is calculated by deducting cost of sales of real estate properties and other expenses for the sales from the proceeds from sales of real estate properties.

(2) Basic information for understanding revenue from contracts with customers

Reporting period (From March 1, 2025 to August 31, 2025) and previous period (From September 1, 2024 to February 28, 2025)

Information is as shown in “3. Summary of Significant Accounting Policies.”

(3) Information on relationship between the satisfaction of performance obligations based on contracts with customers and cash flows from the contracts and amounts and timing of revenue expected to be recognized in the following accounting period or later from contracts with customers existing at the end of the current accounting period

Transaction price allocated to remaining performance obligations

Reporting period (From March 1, 2025 to August 31, 2025)

Not applicable.

With regard to utilities revenue, for the portion for which the performance is completed by the end of the period, the Investment Corporation has the right to receive from the customer the amount of consideration corresponding directly to the value to the lessee, who is the customer, and therefore, in accordance with paragraph 19 of the Implementation Guidance on Accounting Standard for Revenue Recognition, revenues are recognized for the amount for which the Investment Corporation holds the right to request payment. Accordingly, by applying the provisions of paragraph 80-22 (2) of the Accounting Standard for Revenue Recognition, utilities are not included in this note to transaction price allocated to remaining performance obligations.

Previous period (From September 1, 2024 to February 28, 2025)

As of February 28, 2025, the total amount of the transaction price allocated to remaining performance obligations pertaining to the sale of real estate, etc. is ¥7,950,000 thousand due to real estate, etc. for which a sales agreement was concluded on December 18, 2024. The Investment Corporation expects to recognize revenue for these performance obligations due to the transfer of said real estate, etc., planned for March 3, 2025.

With regard to utilities revenue, for the portion for which the performance is completed by the end of the period, the Investment Corporation has the right to receive from the customer the amount of consideration corresponding directly to the value to the lessee, who is the customer, and therefore, in accordance with paragraph 19 of the Implementation Guidance on Accounting Standard for Revenue Recognition, revenues are recognized for the amount for which the Investment Corporation holds the right to request payment. Accordingly, by applying the provisions of paragraph 80-22 (2) of the Accounting Standard for Revenue Recognition, utilities are not included in this note to transaction price allocated to remaining performance obligations.

21. Amount of reduction entry of noncurrent assets acquired through exchange

(Unit: thousands of yen)

	Reporting period (As of August 31, 2025)	Previous period (As of February 28, 2025)
Land in trust	¥ 4,014,359	¥ –

22. Commitment Line Contracts

The Investment Corporation has commitment line contracts with banks and other financial institutions.

(Unit: thousands of yen)

	Reporting period (As of August 31, 2025)	Previous period (As of February 28, 2025)
Total amount of commitment line contracts	¥ 13,500,000	¥ 13,500,000
Borrowings outstanding	–	–
Remaining available amount	¥ 13,500,000	¥ 13,500,000

23. Asset Retirement Obligations

Asset retirement obligations reported on balance sheets

(1) Summary of the asset retirement obligations

The Investment Corporation recognizes the original state restoration obligations assumed under the fixed-term business-purpose land sub-leasehold agreement as the asset retirement obligations in connection with Hulic Asakusabashi Building acquired on December 20, 2019.

(2) Method of calculating asset retirement obligations

Asset retirement obligations are calculated based on a discount rate of 0.48% after the useful life has been estimated to be 45 years and 1 month based on the time period from the date of acquisition to the expiration of the agreement.

(3) Changes in the amount of respective asset retirement obligations consisted of the following:

(Unit: thousands of yen)

	Reporting period (From March 1, 2025 to August 31, 2025)	Previous period (From September 1, 2024 to February 28, 2025)
Balance at the beginning of the period	¥ 289,092	¥ 288,400
Addition due to acquisition of property, plant and equipment	–	–
Accretion adjustment	693	692
Balance at the end of the period	¥ 289,786	¥ 289,092

24. Allowance for Temporary Difference Adjustments

Reporting period (As of August 31, 2025)

(1) Reasons for addition and reversal, related assets, and amount of allowance

(Unit: thousands of yen)

Related assets	Reasons for allowance	Initial amount	Balance at the beginning of the period	Amount of additions during the period	Amount of reversals during the period	Balance at the end of the period	Reason for reversal
Buildings in trust	Discrepancies in tax and accounting treatment associated with excess depreciation due to asset retirement obligations	¥ 3,936	¥ 3,936	¥ –	¥ –	¥ 3,936	–

(2) Method of reversal

The corresponding amount is scheduled to be reversed upon retirement of the related assets.

Previous period (As of February 28, 2025)

(1) Reasons for addition and reversal, related assets, and amount of allowance

(Unit: thousands of yen)

Related assets	Reasons for allowance	Initial amount	Balance at the beginning of the period	Amount of additions during the period	Amount of reversals during the period	Balance at the end of the period	Reason for reversal
Buildings in trust	Discrepancies in tax and accounting treatment associated with excess depreciation due to asset retirement obligations	¥ 3,936	¥ 3,936	¥ –	¥ –	¥ 3,936	–

(2) Method of reversal

The corresponding amount is scheduled to be reversed upon retirement of the related assets.

25. Subsequent Events

Not applicable.