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(REIT)2026 Fiscal Period Ended July 31, 2026
Financial Results

September 16, 2026

REIT Securities Issuer: Kasumigaseki Hotel REIT Investment Corporation
Stock Exchange Listing: Tokyo Stock Exchange
Securities Code: 401A URL https://www.kasumigaseki-hotel-reit.co.jp/en/
Representative: Masaya Sato, Executive Director
Asset Management Company: Kasumigaseki REIT Advisors Co., Ltd.
Representative: Masaya Sato, President and Representative Director
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Scheduled date to file securities report: October 29, 2026
Scheduled date to commence distribution payment: October 23, 2026

Preparation of supplementary materials for financial results: Yes
Holding of financial results briefing session: Yes (for institutional investors and analysts)

(Figures are rounded down to the nearest million yen)

1. Status of operation and assets for fiscal period ended July 31, 2026
(February 1, 2026 to July 31, 2026)

(1) Operating results
(Percentage figures show changes from previous fiscal period)

	Operating revenue		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Ended July.2026	1,655	3.6	1,105	(5.5)	840	11.1	839	11.2
Ended January.2026	1,597	-	1,169	-	756	-	754	-

	Net income per unit	Return on unitholder's equity	Ordinary income to total assets	Ordinary income to operating revenue
	yen	%	%	%
Ended July.2026	2,921	2.9	1.6	50.7
Ended January.2026	4,626	5.9	3.2	47.3

(Note 1) The accounting period of Kasumigaseki Hotel REIT Investment Corporation (hereinafter, the "Investment Corporation") for the fiscal period ended January 31, 2026 was 306 days from April 1, 2025 to January 31, 2026. However, the actual asset management period was 171 days from August 14, 2025, the acquisition date of the new properties.

(Note 2) Net income per unit is calculated by dividing net income for the period by the weighted average number of investment units (163,123 units). Net income per unit calculated using the weighted average number of investment units (160,550 units), assuming August 14, 2025, the actual commencement date of asset management, as the beginning of the period, was 4,700 yen.

(2) Distributions

	Distributions per unit (excluding distributions in excess of earnings)	Total distributions (excluding distributions in excess of earnings)	Distributions in excess of earnings per units	Total distributions in excess of earnings	Distributions per unit (including distributions in excess of earnings)	Total distributions (including distributions in excess of earnings)	Payout ratio	Distribution on net assets
	yen	million yen	yen	million yen	yen	million yen	%	%
Ended July, 2026	2,921	839	224	64	3,145	903	100.0	5.9
Ended January, 2026	2,626	754	352	101	2,978	855	100.0	5.3

(Note 1) As new investment units were issued during the period, resulting in fluctuations in the number of investment units during the period, the payout ratio is calculated using the following formula and rounded to one decimal place:

Payout Ratio = Total distributions (excluding distributions excess of earnings) / Net income for the Period × 100

(Note 2) The total amount of distributions in excess of earnings for the fiscal period ended July 31, 2026 represents a return of capital corresponding to a distribution of reduction in capital for tax purposes.

(Note 3) The ratio of decrease in surplus, etc. resulting from the distributions of excess of earnings (return of capital corresponding to a distribution of reduction in capital for tax purposes) for the fiscal period ended July 31, 2026 was 0.003. The calculation of the decrease in surplus, etc. was conducted in accordance with Article 23, Paragraph 1, Item 5 of the Order for Enforcement of the Corporation Tax Act (Cabinet Order No. 97 of 1965, as amended).

(3) Financial Position

	Total assets	Net assets	Unitholder's equity to total assets ratio	Net assets per unit
	million yen	million yen	%	yen
Ended July, 2026	51,349	28,468	55.4	99,089
Ended January, 2026	54,078	28,484	52.7	99,146

(4) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Ended July, 2026	3,308	(77)	(3,287)	1,641
Ended January, 2026	(1,156)	(49,839)	52,693	1,697

2. Operating forecast for the Fiscal Period Ending January 31, 2027 (August 1, 2026 to January 31, 2027) and the Fiscal Period Ending July 31, 2027 (February 1, 2027 to July 31, 2027)

(Percentage figures show changes from previous fiscal period)

	Operating revenue:		Operating income:		Ordinary income:		Net income:		Distribution per unit (excluding distribution in excess of earnings)	Distribution in excess of earnings per unit	"Distributions per unit (distribution in excess of earnings)
	million yen	%	million yen	%	million yen	%	million yen	%	yen	yen	yen
Ended January, 2027	1,738	5.0	1,182	7.0	925	10.2	924	10.2	3,218	225	3,443
Ended July, 2027	1,688	(2.9)	1,122	(5.1)	846	(8.6)	845	(8.6)	2,942	225	3,167

Reference:
Forecasted net income per unit for the fiscal period ending January 31, 2027: 3,218 yen
Forecasted net income per unit for the fiscal period ending July 31, 2027: 2,942 yen

※ Other

(1). Changes in accounting policies, changes in accounting estimates, and restatement of financial statements for prior period after error corrections

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: No Change
(ii) Changes in accounting policies due to other reasons than above (i): No change
(iii) Changes in accounting estimates: No change
(iv) Restatement of financial statements for prior period after error corrections: No change

(2). Total number of issued investment units

(i) Total number of issued investment units at the end of the period (including treasury units):

Fiscal period ended July 31, 2026:	287,300units
Fiscal period ended January 31, 2026:	287,300units

(ii) Number of treasury investment units at the end of the period:

Fiscal period ended July 31, 2026:	0 units
Fiscal period ended January 31, 2026:	0 units

(Note) For the number of investment units used as the basis for calculating net income per unit, please refer to “Notes on per unit information” on page 23.

※ This financial report is not subject to audit by a certified public accountant or an audit firm.

※ Explanation regarding the appropriate use of forecasts and other special notes

The management status outlook and other forward-looking statements contained in this document are based on information that is currently available and certain assumptions that are deemed reasonable. Accordingly, the actual management status, etc. may differ materially due to various factors. In addition, the forecast is not guaranteed of the number of distributions. For the assumptions underlying the forecasts and notes regarding the use of such forecasts, please refer to “Assumptions for the forecast of investment performance for the Fiscal Period Ending January 2027 (August 1, 2026 to January 31, 2027) and the Fiscal Period Ending July 2027 (February 1, 2027, to July 31, 2027)” on page 5.

End -

Table of Contents

1. Operating results····· 2
(1) Investment Performance····· 2
(2) Investment Risks····· 8
2. Financial Statements····· 9
(1)Balance sheet····· 9
(2)Statement of income····· 11
(3)Statement of changes in unitholders' equity····· 12
(4)Statement of distributions····· 14
(5)Statement of cash flows····· 15
(6)Notes on going concern assumption····· 16
(7)Notes on significant accounting policies····· 16
(8)Notes to financial statements····· 17
(9)Changes in total number of issued investment units····· 24
3. Reference information····· 25
(1)Information on prices of managed assets, etc.····· 25
(2)Status of capital expenditures····· 28

1. Operating results

(1) Investment performance

(Overview for the fiscal period ended July 31, 2026)

(i) Brief history and principal activities of the Investment Corporation

The Investment Corporation was established on April 1, 2025, with capital of 160 million yen (1,600 investment units), pursuant to the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended; hereinafter the “Investment Trust Act”), with Kasumigaseki REIT Advisors Co., Ltd. (hereinafter the “Asset Management Company”) as the organizer. Registration with the Kanto Local Finance Bureau pursuant to Article 187 of the Investment Trust Act was completed on April 24, 2025 (Registration No. 176, Director-General of the Kanto Local Finance Bureau).

Subsequently, the Investment Corporation conducted a public offering of new investment units (285,700 units) with a payment date of August 12, 2025, and was listed on the Real Estate Investment Trust Securities Market of the Tokyo Stock Exchange, Inc. (hereinafter the “Tokyo Stock Exchange”) on August 13, 2025 (Securities Code: 401A). As a result, the total number of issued investment units as of the end of the fiscal period (January 31, 2026) was 287,300 units. In addition, on August 14, 2025, the day following the listing date, new properties were acquired, bringing the total number of managed properties to 15, with an aggregate acquisition price of 49,210 million yen.

During the fiscal period under review, there were no acquisitions or transfers of properties, nor any additional issuance of investment units.

(ii) Operating environment

During the fiscal period under review (the fiscal period ended July 2026), the Japanese economy has been on a moderate recovery track, supported by factors such as growing global demand related to AI, although some weakness has been observed partly due to the impact of the situation in the Middle East. Personal consumption has also remained solid, supported by strong sales of high-end goods driven by the wealth effect from rising stock prices.

Regarding the domestic accommodation market, according to the Japan National Tourism Organization (JNTO), the number of visitors to Japan in the first half of 2026 (January to June) totaled approximately 21.08 million, down 2.0% year on year, mainly due to the slowdown in the Chinese market. For July alone, the number of visitors reached approximately 3.44 million (up 0.1% year on year), with 17 markets—including South Korea, Indonesia and Mexico—recording their highest-ever figures for the month of July, indicating variation across markets.

In addition, according to the Japan Tourism Agency's "Accommodation Survey," the total number of guest nights (overall) from January to June 2026 was 2.96 million, down 4.7% year on year, of which guest nights by Japanese travelers were 2.13 million, down 3.0% year on year, and guest nights by foreign travelers were 830 thousand, down 8.8% year on year.

The Investment Corporation is Japan’s first developer-sponsored hotel-focused listed REIT, with Kasumigaseki Capital Co., Ltd., a developer (Note 1), as its sponsor (Note 2). Under these circumstances, the Investment Corporation aims to achieve sustainable growth and enhance unitholder value by leveraging the development and operational capabilities of the Kasumigaseki Capital Group (Note 3), its sponsor, to invest in multi-occupancy hotels, where supply is insufficient in the domestic hotel market, throughout Japan, thereby contributing to Japan’s development as a tourism-oriented nation.

(Note 1) “Developer” refers to an entity whose principal business is the acquisition of land and/or buildings and the development or redevelopment of acquired real estate. The same shall apply hereinafter.

(Note 2) “Hotel-focused listed REIT” refers to a listed real estate investment corporation (hereinafter “J-REIT”) in which hotels account for more than 90% of its total held assets on an acquisition price basis (based on the latest securities reports, securities registration statements, timely disclosures and other publicly disclosed materials of each J-REIT as of the end of January 2026). Among hotel-focused listed REITs, those sponsored by a developer are referred to as “developer-sponsored hotel-focused listed REITs.”

(Note 3) “Kasumigaseki Capital group” refers to the corporate group consisting of Kasumigaseki Capital Co., Ltd. and its subsidiaries and affiliates. It may also be referred to as the “Sponsor group.” The same shall apply hereinafter.

(iii) Investment performance

The Investment Corporation has continued to operate the 15 properties (acquisition price: ¥49,210 million) acquired on August 14, 2025. As of the end of the fiscal period under review, the gross leasable area of the 15 properties held was 46,481.92 m², the gross leased area was 46,481.92 m², and the occupancy rate was 100.0%.

(iv) Status of financing

(Equity Financing)

During the interim period, the Investment Corporation issued new investment units (285,700 units) through a public offering with a payment date of August 12, 2025, and raised ¥27,570 million. There has been no equity finance since then.

(Debt Financing)

During the prior period, on August 14, 2025, the Investment Corporation borrowed ¥25,069 million through a syndicated loan arranged by Mizuho Bank, Ltd., from Mizuho Bank, Ltd., MUFG Bank, Ltd., Aozora Bank, Ltd., The Tokyo Star Bank, Limited., San ju san Bank, Ltd., Kansai Mirai Bank, Limited., The Shiga Bank, Ltd., The Shizuoka Bank, Ltd., Daishi Hokuetsu Bank, Ltd., The Chiba Bank, Ltd., The Chugoku Bank, Ltd., The Nishi-Nippon City Bank, Ltd., The Yamanashi Chuo Bank, Ltd., and The Higo Bank, Ltd. During the fiscal period under review, the Investment Corporation repaid consumption tax loans totaling ¥2,433 million. In addition, with the aim of expanding its lender base, on July 31, 2026, the Investment Corporation prepaid borrowings of ¥2,136 million from Mizuho Bank, Ltd., MUFG Bank, Ltd., The Chiba Bank, Ltd. and The Nishi-Nippon City Bank, Ltd. prior to their maturity. To fund this repayment, on the same date, the Investment Corporation newly borrowed the same amount from Mizuho Bank, Ltd., MUFG Bank, Ltd., The Chiba Bank, Ltd., The Nishi-Nippon City Bank, Ltd., The Bank of Iwate, Ltd. and The 77 Bank, Ltd. As a result, the balance of interest-bearing debt as of the end of the fiscal period under review (July 31, 2026) was ¥22,636 million, and the ratio of interest-bearing debt to total assets (the "LTV") was 44.1%.

(v) Credit rating

On December 25, 2025, the Investment Corporation newly obtained a credit rating from Japan Credit Rating Agency, Ltd. (JCR) of “A-” (Long-term Issuer Rating; Outlook: Stable).

(vi)Summary of results

For the fiscal period, operating revenue was ¥1,655 million, operating income was ¥1,105 million, ordinary income was ¥840 million, and net income for the period was ¥839 million.

With respect to distributions, in accordance with the distribution policy set forth in the Articles of Incorporation of the Investment Corporation, the special tax treatment for investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation) will be applied, and the entire amount of unappropriated retained earnings for the current fiscal period, excluding fractional amounts of less than one yen per investment unit, was distributed. As a result, the distribution per investment unit is ¥2,921.

In addition, as part of its cash management strategy, the Investment Corporation has decided to make distributions in excess of earnings for the current fiscal period (hereinafter referred to as “Distributions in excess of earnings”). Accordingly, an amount of ¥64 million, which is approximately equivalent to 25% of depreciation expenses, was distributed as excess of earnings. As a result, the amount of distributions in excess of earnings per unit is ¥224.

(Note) After comprehensively considering the current economic environment, trends in the real estate market and the real estate investment trust securities market, as well as the financial condition of the Investment Corporation, the Investment Corporation has determined that the above distributions in excess of earnings per unit, as one of its strategic cash management measures, are within a range that maintains sound financial stability and has therefore decided to implement them.

(Outlook)

(i) Outlook for overall management

(A)External growth strategy

The Investment Corporation aims to expand its asset size based on the following strategies:

a. Acquisition of properties from the Sponsor

The Asset Management Company shall secure stable and continuous acquisition opportunities for properties held by Kasumigaseki Capital Co., Ltd. or its group companies (including properties held by funds in which the sponsor or its group companies invest or are involved in development), entrusted properties, and properties for which the sponsor or its group companies receive information from third parties regarding planned sales.

b. Property acquisitions

The Asset Management Company shall primarily acquire hotels expected to generate stable earnings over the medium to long term at reasonable price levels, utilizing its proprietary information-gathering and property evaluation capabilities. In making acquisitions, the Investment Corporation will premise long-term holding, select individual properties based on thorough due diligence to maintain and improve portfolio quality, and aim to build a portfolio that enhances asset value and expands earnings.

(B) Internal growth strategy

Based on the following strategies, the Investment Corporation aims to enhance earnings stability and profitability through appropriate asset management and thereby maximize unitholder value.

The Asset Management Company will manage assets from a medium- to long-term perspective to maximize portfolio value. It will select appropriate tenants for each property (provided that, where deemed appropriate in light of the specific circumstances of a property and subject to compliance with the tenant selection policy and the related-party transaction rules of the Asset Management Company, FHG Hotels Co., Ltd. (which changed its trade name from fav hospitality group Co., Ltd. on September 1, 2026) or other group companies of Kasumigaseki Capital Co., Ltd. may be selected as tenants), appoint property management companies, and provide instructions and supervision to such PM companies, with the aim of maximizing cash flow from individual properties based primarily on the following objectives:

・To build, maintain, and enhance relationships with tenants and improve tenant satisfaction through tenant engagement, thereby maintaining and increasing rent levels.

・To reduce property management and other expenses through efficient management and operations and appropriately control expenditures.

(C) Financial strategy

With respect to debt financing, the Investment Corporation aims to diversify repayment dates, extend borrowing periods, and lower and fix interest rates. The upper limit for LTV is set at 60% in principle, and under normal conditions, it intends to manage LTV within a target range of 40% to 50%.

The Investment Corporation plans to stabilize its financial base by establishing a diversified lender formation centered on major banks.

(ii) Significant events after the end of the fiscal period

There are no applicable matters.

(iii) Forecast of investment performance

The Investment Corporation forecasts the following operating results for the fiscal period ending January 2027 (August 1, 2026 to January 31, 2027) and the fiscal period ending July 2027 (February 1, 2027 to July 31, 2027):

	Operating Revenue	Operating Income	Ordinary Income	Net Income	Distributions per unit (including distributions in excess of earnings)	Distributions per unit (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit
	million yen	million yen	million yen	million yen	yen	yen	yen
Ended January, 2027	1,738	1,182	925	924	3,443	3,218	225
Ended July, 2027	1,688	1,122	846	845	3,167	2,942	225

For the assumptions underlying these forecasts, please refer to “Assumptions for the forecast of investment performance for the Fiscal Period Ending January 2027 (August 1, 2026 to January 31, 2027) and the Fiscal Period Ending July 2027 (February 1, 2027 to July 31, 2027)” below.

(Note) The above forecasts are current as of today and were calculated based on certain assumptions. Actual operating revenue, operating income, ordinary income, net income, distribution per unit, and excess distribution per unit may vary due to changes in circumstances. These forecasts do not guarantee the amount of distributions.

Assumptions for the forecast of investment performance for the Fiscal Period Ending January 2027 (August 1, 2026 to January 31, 2027) and the Fiscal Period Ending July 2027 (February 1, 2027 to July 31, 2027)

<table>
<tr><th>Item</th><th>Assumptions</th></tr>
<tr><td>Accounting Period</td><td>・Fiscal period ending January 2027 (3rd fiscal period): August 1, 2026 to January 31, 2027 (184 days)
・Fiscal period ending July 2027 (4th fiscal period): February 1, 2027 to July 31, 2027 (181 days)</td></tr>
<tr><td>Assets under management</td><td>・It is assumed that the real estate trust beneficiary interests in the 15 properties currently held as of the date hereof (hereinafter the “held assets”) will continue to be held through the end of the fiscal period ending July 2027 that there will be no acquisition of new properties otherwise.
・In actual practice, the assets under management may vary due to the acquisition of new properties other than the held assets, the disposition of portfolio properties, etc.</td></tr>
<tr><td>Operating revenue</td><td>・Investment Corporation expects rental revenue as follows:
(Unit: millions of yen)
<table>
<tr><th></th><th>Fiscal period ended January, 2027</th><th>Fiscal period ended July, 2027</th></tr>
<tr><td colspan="2">Total rental revenue</td><td></td><td></td></tr>
<tr><td></td><td>Fixed rent (including minimum guaranteed rent)</td><td>1,275</td><td>1,275</td></tr>
<tr><td></td><td>Variable rent</td><td>462</td><td>413</td></tr>
</table>
・Rental revenue of the held assets is calculated by taking into account various factors, such as lease agreements, market trends and the competitiveness of the properties.
・Investment Corporation is scheduled to implement a fixed rent period for four properties among the properties (seven x seven ITOSHIMA, FAV LUX NAGASAKI, seven x seven ISHIGAKI and FAV LUX KAGOSHIMA TENMONKAN (hereinafter, the “Fixed-Rent Properties”)) in order to set the full amount of rent as fixed rent until the time when it considers that hotel revenue and profitability stabilize (however, if stable operation is achieved during the fixed rent period, the Investment Corporation may switch to variable rent (with minimum guaranteed rent)). For all of the above four properties, the fiscal periods ending January 2027 and July 2027 fall under the fixed rent period, so the stipulated amount of fixed rent is used for the calculation of rental business revenue.
・The Investment Corporation has introduced variable rent (with minimum guaranteed rent) for the held assets except for the above four properties (hereinafter referred to as the "Variable-Rent Properties"), where leasing revenue is linked to the performance of the hotels. For these 11 properties, rental revenues are calculated using the amount of variable rent, taking into account the assumed factors causing fluctuation in hotel performance.Variable rents are affected by accommodation demand affected by seasonal factors. Generally, revenues are higher during the Year-end, New Year holidays, and major holidays, but each property has its own individual circumstances. Based on the fiscal periods of the Investment Corporation, accommodation demand during the fiscal period ending January (August to January) is generally higher than in the fiscal period ending July (February to July). As a result, rental revenue for the fiscal period ending January tends to exceed that of the fiscal period ending July each year.
・In the above table, the column titled “Fixed rent (including minimum guaranteed rent)” shows the total amount of fixed rent for the Fixed-Rent Properties and the minimum guaranteed rent for the Variable-Rent Properties. The column titled “Variable rent” shows the amount of variable rent for the Variable-Rent Properties, net of the minimum guaranteed rent.
・The assumption is that there will be no delinquent or unpaid rent by tenants.</td></tr>
</table>

<table>
<tr><td>Operating expenses</td><td>・Of operating expenses, the main components are as follows:
(Unit: millions of yen)
<table>
<tr><th></th><th>Ended January, 2027</th><th>Ended July, 2027</th></tr>
<tr><td colspan="2">Total rental expenses</td><td>474</td><td>457</td></tr>
<tr><td></td><td>Maintenance and management expenses</td><td>84</td><td>80</td></tr>
<tr><td></td><td>Repair expenses</td><td>11</td><td>8</td></tr>
<tr><td></td><td>Taxes and dues</td><td>72</td><td>72</td></tr>
<tr><td></td><td>Insurance expenses</td><td>17</td><td>17</td></tr>
<tr><td></td><td>Depreciation</td><td>261</td><td>261</td></tr>
<tr><td></td><td>Other expenses</td><td>26</td><td>16</td></tr>
<tr><td colspan="2">Total non-rental business expenses</td><td>81</td><td>108</td></tr>
<tr><td></td><td>Asset management fees</td><td>26</td><td>51</td></tr>
</table>
・Among the expenses related to rental business, which are the main operating expenses, the expenses other than depreciation are calculated, taking into consideration the assumed factors causing fluctuations in expenses and actual data for the fiscal period.
・Depreciation expenses are calculated by the straight-line method.
・In general, fixed asset tax, city planning tax, etc. are calculated on a pro-rata basis and reimbursed at the time of property acquisition with the current owner upon transactions of real estate, etc. At the Investment Corporation, the amount equivalent to the reimbursement is included in the cost of acquisition and thus not expensed in the fiscal period in which the property acquisition date falls in the case of the properties for which such reimbursement is made at the time of transaction.
・Repair expenses for buildings are the amount estimated based on medium- to long term repair plans formulated by Kasumigaseki REIT Advisors Co., Ltd. the asset management company of Investment Corporation, (hereinafter, the “Asset Manager”). However, repair expenses may possibly increase or additionally arise due to unforeseeable factors, resulting in the amount differing materially from the forecast amount.</td></tr>
<tr><td>Non-operating expenses</td><td>・Of Non-operating expenses, the main components are as follows:
(Unit: millions of yen)
<table>
<tr><th></th><th>Ended January, 2027</th><th>Ended July, 2027</th></tr>
<tr><td colspan="2">Total non-operating expenses</td><td>258</td><td>277</td></tr>
<tr><td></td><td>Interest expenses and other financing-related expenses</td><td>235</td><td>254</td></tr>
<tr><td></td><td>Amortization of organization expenses of the Investment Corporation</td><td>5</td><td>5</td></tr>
<tr><td></td><td>Expenses related to the issuance of new investment units and listing of investment units</td><td>17</td><td>17</td></tr>
</table>
・As interest expenses, etc., 209 million yen is expected for the fiscal period ending January 2027, 216 million yen for the fiscal period ending July 2027.</td></tr>
<tr><td>Interest-bearing Debt</td><td>・Total interest-bearing debt is assumed to be 22,636 million yen as of the end of the fiscal period ending January 2027 and end of the fiscal period ending July 2027.
・LTV is projected to be 44.1% as of the end of the fiscal period ending January 2027 and the end of the fiscal period ending July 2027. LTV is calculated using the following formula, with figures rounded to the nearest second decimal place:
LTV = Total interest-bearing debt ÷ Total assets × 100</td></tr>
</table>

Investment units	・The forecast assumes 287,300 issued and outstanding investment units as of the date hereof. ・Distributions per unit (excluding distributions in excess of earnings) and excess distributions per unit are calculated based on the forecasted number of issued and outstanding investment units of 287,300 at the end of the fiscal periods ending January 2027 and July 2027.
Distributions per unit (excluding distributions in excess of earnings)	・Distributions per unit (excluding distributions in excess of earnings) are calculated based on the assumption that distributions will be made in accordance with the distribution policy set forth in the Articles of Incorporation of the Investment Corporation. ・Distribution per unit (excluding distributions in excess of earnings) may fluctuate due to various factors, including changes in managed assets, changes in the business environment of hotel tenants or changes in tenants, fluctuations in rental revenue, or the occurrence of unexpected repairs.
Distributions in excess of earnings per unit	・Distributions in excess of earnings per unit are calculated in accordance with the policies set forth in the Articles of Incorporation of the Investment Corporation and the management guidelines prescribed by Kasumigaseki REIT Advisors Co., Ltd., the Investment Corporation's asset management company. Specifically, pursuant to the Articles of Incorporation and such management guidelines, the Investment Corporation may, for each fiscal period, taking into consideration economic conditions, trends in the real estate market, leasing market and real estate investment trust securities market, and the impact of asset acquisitions and financing on distribution per unit, distribute an amount determined by the Investment Corporation as cash in distributions in excess of earnings per unit (hereinafter "excess distribution"), within the limits prescribed by laws and regulations (including the rules of the Investment Trusts Association, Japan), if the Investment Corporation determines such distribution to be appropriate or if it is able to reduce its corporate tax burden. ・Total excess distributions are expected to be 64 million yen for the fiscal period ending January 2027 and 64 million yen for the fiscal period ending July 2027. ・It is assumed that there is currently no specific risk of significant deterioration in the external economic environment, real estate market conditions, or the financial condition of the Investment Corporation. ・However, depending on economic conditions, real estate market trends, domestic hotel market conditions, the status of the Held Assets, and other financial conditions of the Investment Corporation, the Investment Corporation may decide not to make excess distributions, or the amount may decrease significantly from the amount currently anticipated.
Other	・It is assumed that there will be no amendments to laws and regulations, tax systems, accounting standards, the listing rules of the Tokyo Stock Exchange, or the rules of the Investment Trusts Association, Japan that would affect the above forecast figures. ・It is assumed that there will be no unforeseen material changes in general economic trends, real estate market conditions, or the business environment of the hotel industry.

(2)Investment Risks

There have been no material changes to the "Investment Risks" as described in the Securities Registration Statement (filed on July 9, 2025, including any subsequent amendments thereto), and therefore disclosure is omitted.

3. Financial Statements

(1) Balance Sheet

(Unit: thousands of yen)

	Fiscal Period Ended January 31, 2026	Fiscal Period Ended July 31, 2026
Assets		
Current assets		
Cash and deposits	1,326,618	1,535,595
Cash and deposits in trust	371,039	106,356
Operating accounts receivable	40,935	57,143
Prepaid expenses	67,551	52,702
Accounts receivable	-	58
Consumption taxes receivable	2,406,029	-
Total current assets	4,212,174	1,751,856
Non-current assets		
Property and Equipment		
Tools, furniture and fixtures	2,700	12,305
Accumulated depreciation	(39)	(546)
Tools, furniture and fixtures, net	2,660	11,758
Buildings in trust	24,245,250	24,270,001
Accumulated depreciation	(249,371)	(503,289)
Buildings in trust, net	23,995,878	23,766,712
Structures in trust	433,996	436,850
Accumulated depreciation	(6,020)	(12,123)
Structures in trust, net	427,975	424,727
Land in trust	25,189,099	25,189,099
Total property and equipment	49,615,614	49,392,297
Intangible assets		
Software	9,060	8,080
Total intangible assets	9,060	8,080
Investments and other assets		
Long-term prepaid expenses	99,026	77,910
Deferred tax assets	27	13
Leasehold and guarantee deposits	10,000	10,000
Total investments and other assets	109,053	87,923
Total non-current assets	49,733,728	49,488,300
Deferred Assets		
Organization expenses	43,614	38,381
Investment unit issuance costs	88,498	70,798
Total deferred assets	132,113	109,179
Total Assets	54,078,015	51,349,337

(Unit: thousands of yen)

	Fiscal Period Ended January 31, 2026	Fiscal Period Ended July 31, 2026
Liabilities		
Current Liabilities		
Operating accounts payable	65,545	44,670
Short-term loans payable	4,569,700	2,136,000
Accounts payable	46,644	56,559
Accrued expenses	1,137	-
Income taxes payable	1,512	684
Accrued consumption taxes	-	140,474
Advances received	233,778	-
Other	175,035	2,623
Total current liabilities	5,093,353	2,381,013
Non-current Liabilities		
Long-term loans payable	20,500,000	20,500,000
Total non-current liabilities	20,500,000	20,500,000
Total Liabilities	25,593,353	22,881,013
Net Assets		
Unitholders' Equity		
Total unitholders' capital	27,730,050	27,730,050
Deduction from unitholders' capital	-	(101,129)
Unitholders' capital, net	27,730,050	27,628,920
Surplus		
Unappropriated retained earnings (or unappropriated loss (△) for the period)	754,612	839,403
Total surplus	754,612	839,403
Total unitholders' equity	28,484,662	28,468,324
Total Net Assets	※1 28,484,662	※1 28,468,324
Total Liabilities and Net Assets	54,078,015	51,349,337

(2) Statement of Income

(Unit: thousands of yen)

	For the Fiscal Period from April 1, 2025 to January 31, 2026	For the Fiscal Period from February 1, 2026 to July 31, 2026
Operating Revenue		
Rental revenue	※1 1,597,744	※1 1,655,824
Other rental revenues	-	96
Total operating revenue	1,597,744	1,655,920
Operating Expense		
Rental business expense	※1 348,935	※1 453,804
Asset management fee	23,054	26,816
Asset custody and administrative service fees	4,993	7,840
Directors' remuneration	10,000	6,000
Other operating expenses	40,807	56,025
Total operating expenses	427,791	550,486
Operating Income	1,169,952	1,105,434
Non-operating Income		
Interest income	387	1,319
Other	-	25
Total non-operating income	387	1,345
Non-operating Expenses		
Interest expenses	181,531	200,088
Financing-related expenses	206,229	43,616
Amortization of investment unit issuance costs	17,699	17,699
Amortization of organization expenses	8,722	5,233
Total non-operating expenses	414,183	266,638
Ordinary income	756,157	840,140
Income before income taxes	756,157	840,140
Income taxes – current	1,572	885
Income taxes – deferred	(27)	13
Total income taxes	1,545	899
Net income for the period	754,612	839,241
Retained earnings (deficit) brought forward	-	162
Unappropriated retained earnings (or unappropriated loss (△) for the period)	754,612	839,403

(3) Statement of Changes in Unitholders' Equity

For the Fiscal Period from April 1, 2025 to January 31, 2026

(Unit: thousands of yen)

	Unitholders' Equity		
	Unitholders' capital Surplus		
	Total unitholders' capital	Deduction from unitholders' capital	Unitholders' capital, net
Balance at beginning of period	-	-	-
Changes of items during the period			
Issuance of new investment units	27,730,050	-	27,730,050
Dividends of surplus	-	-	-
Distributions in excess of earnings	-	-	-
Net income for the period	-	-	-
Total changes during the period	27,730,050	-	27,730,050
Balance at end of period	27,730,050	-	27,730,050

(Unit: thousands of yen)

	Unitholders' Equity			Total net assets
	Surplus		Total unitholders' equity	
	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of period	-	-	-	-
Changes of items during the period				
Issuance of new investment units	-	-	27,730,050	27,730,050
Dividends of surplus	-	-	-	-
Distributions in excess of earnings	-	-	-	-
Net income for the period	754,612	754,612	754,612	754,612
Total changes during the period	754,612	754,612	28,484,662	28,484,662
Balance at end of period	754,612	754,612	28,484,662	28,484,662

For the Fiscal Period from February 1, 2026 to July 31, 2026

(Unit: thousands of yen)

	Unitholders' Equity		
	Unitholders' capital Surplus		
	Total unitholders' capital	Deduction from unitholders' capital	Unitholders' capital, net
Balance at beginning of period	27,730,050	-	27,730,050
Changes of items during the period			
Issuance of new investment units	-	-	-
Dividends of surplus	-	-	-
Distributions in excess of earnings	-	(101,129)	(101,129)
Net income for the period	-	-	-
Total changes during the period	-	(101,129)	(101,129)
Balance at end of period	27,730,050	(101,129)	27,628,920

(Unit: thousands of yen)

	Unitholders' Equity			Total net assets
	Surplus		Total unitholders' equity	
	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of period	754,612	754,612	28,484,662	28,484,662
Changes of items during the period				
Issuance of new investment units	-	-	-	-
Dividends of surplus	(754,449)	(754,449)	(754,449)	(754,449)
Distributions in excess of earnings	-	-	(101,129)	(101,129)
Net income for the period	839,241	839,241	839,241	839,241
Total changes during the period	84,791	84,791	(16,337)	(16,337)
Balance at end of period	839,403	839,403	28,468,324	28,468,324

(4) Statement of Distributions

(Unit: yen)

	For the Fiscal Period from April 1, 2025 to January 31, 2026	For the Fiscal Period from February 1, 2026 to July 31, 2026
I. Unappropriated Retained Earnings for the Period	754,612,155	839,403,914
II. Distributions in excess of retained earnings	101,129,600	64,355,200
Of which, deduction from unitholder's capital		
III. Total Distributions	855,579,400	903,558,500
(Distribution per unit)	[2,978]	[3,145]
Of which, earnings distribution	754,449,800	839,203,300
(Distribution per unit from earnings)	[2,626]	[2,921)
Of which, excess of earnings distribution	101,129,600	64,355,200
(Excess of earnings distribution per unit)	[352)	[224]
IV. Retained Earnings Carried Forward to the Next Period	162,355	200,614

Method for Calculating the Distribution Amount	In accordance with the distribution policy set forth in the Articles of Incorporation of the Investment Corporation, distributions for the fiscal period was defined by Article 67-15 of the Act on Special Measures Concerning Taxation and distributing the entire amount of unappropriated retained earnings for the period, excluding any fractional amount of less than one yen per investment unit. As a result, distributions per unit (earnings distribution) amounted to ¥2,626. In addition, as part of its cash management, the Investment Corporation decided to make distributions in excess of earnings for the fiscal period. Accordingly, an amount of ¥101,129,600, which is approximately equivalent to 40% of depreciation expenses, was distributed as distributions in excess of earnings. As a result, distributions in excess of earnings per unit amounted to ¥352.	In accordance with the distribution policy set forth in the Articles of Incorporation of the Investment Corporation, distributions for the fiscal period was defined by Article 67-15 of the Act on Special Measures Concerning Taxation and distributing the entire amount of unappropriated retained earnings for the period, excluding any fractional amount of less than one yen per investment unit. As a result, distributions per unit (earnings distribution) amounted to ¥2,921. In addition, as part of its cash management, the Investment Corporation decided to make distributions in excess of earnings for the fiscal period. Accordingly, an amount of ¥64,355,200, which is approximately equivalent to 25% of depreciation expenses, was distributed as distributions in excess of earnings. As a result, distributions in excess of earnings per unit amounted to ¥224.

(5) Statement of Cash Flows

(Unit: thousands of yen)

	For the Fiscal Period from April 1, 2025 to January 31, 2026	For the Fiscal Period from February 1, 2026 to July 31, 2026
Cash Flows from Operating Activities		
Income before income taxes	756,157	840,140
Depreciation	256,172	261,506
Amortization of investment unit issuance costs	17,699	17,699
Amortization of organization expenses	8,722	5,233
Interest income	(387)	(1,319)
Interest expenses	181,531	200,088
Decrease (increase) in operating accounts receivable	(40,935)	(16,208)
Decrease (increase) in prepaid expenses	(67,551)	14,849
Decrease (increase) in consumption taxes receivable	(2,406,029)	2,406,029
Increase (decrease) in accrued consumption taxes	-	140,474
Decrease (increase) in long-term prepaid expenses	(99,026)	21,116
Increase (decrease) in operating accounts payable	16,686	16,589
Increase (decrease) accounts payable	43,744	10,590
Increase (decrease) in advances received	233,778	(233,778)
Payments for organization expenses	(52,337)	-
Other	175,035	(172,412)
Subtotal	(976,740)	3,510,602
Interest received	387	1,319
Interest paid	(180,393)	(201,283)
Income taxes paid	(59)	(1,714)
Net cash provided by (used in) operating activities	(1,156,806)	3,308,922
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	-	(6,594)
Purchase of property and equipment in trust	(49,822,187)	(68,079)
Purchase of intangible assets	(6,900)	(2,900)
Payments of leasehold and guarantee deposits	(10,000)	-
Net cash provided by (used in) investing activities	(49,839,087)	(77,573)
Cash Flows from Financing Activities		
Proceeds from short-term borrowings	4,569,700	2,136,000
Repayments of short-term borrowings	-	(4,569,700)
Proceeds from long-term borrowings	20,500,000	-
Proceeds from issuance of investment units	27,623,851	-
Distributions paid	-	(853,353)
Net cash provided by (used in) financing activities	52,693,551	(3,287,053)
Net increase (decrease) in cash and cash equivalents	1,697,657	(55,705)
Cash and cash equivalents at beginning of period	-	1,697,657
Cash and cash equivalents at end of period	※1 1,697,657	※1 1,641,952

(6) Notes on Going Concern Assumption

There are no applicable matters.

(7) Notes on Significant Accounting Policies

1. Method of depreciation and amortization of noncurrent assets	(1) Property and equipment (including trust assets) The straight-line method is adopted. The useful lives of major property and equipment are as follows: Buildings: 8 to 72 years Structures: 20 to 40 years Tools, furniture and fixtures: 5 to 15 years (2) Intangible assets The straight-line method is adopted. The useful life of major intangible assets is as follows: Software: 5 years (2) Long-term prepaid expenses The straight-line method is adopted.
2.Amortization of deferred assets	(1) Organization expenses Amortized over five years using the straight-line method. (2) Investment unit issuance costs Amortized over three years using the straight-line method.
3.Revenue and expense recognition	Treatment of property taxes Property taxes on property and depreciable asset taxes related to real estate held or trust beneficiary interests in real estate are recognized as rental expenses in the amount corresponding to the applicable fiscal period out of the assessed tax amount. With respect to the amount of property taxes for the fiscal year including the acquisition date that is borne by the Investment Corporation upon acquisition of real estate or trust beneficiary interests in real estate, such amount is not expensed but is included in the acquisition cost of the relevant real estate, etc. The amount equivalent to fixed asset tax, etc. included in the cost of acquisition of real estate, etc. was 49,148 thousand yen in the previous fiscal period and not applicable in the current fiscal period.
4.Accounting method for hedge transactions	(1) Hedge accounting method Special accounting treatment is applied to interest rate swaps. (2) Hedging instruments and hedged items Hedging instrument: Interest rate swap transactions Hedged item: Interest on borrowings (3) Hedging policy In accordance with its financial policy, the Investment Corporation conducts interest rate swap transactions for the purpose of hedging risks stipulated in its Articles of Incorporation. (4)Method for assessing hedge effectiveness As the interest rate swaps meet the requirements for special treatment, the assessment of hedge effectiveness is omitted.
5.Scope of funds (cash and cash equivalents) in the statement of cash flows	Cash and cash equivalents consist of cash on hand and cash in trust, readily-available bank deposits, readily-available bank deposits in trust and short-term investments that are liquid and realizable with a maturity of three months or less when purchased and that are subject to an insignificant risk of changes in value.

6.Other significant matters forming the basis for preparation of the financial statements	(1)Accounting treatment of beneficiary right of real estate in trust As to beneficiary rights of real estate in trust, all accounts of assets and liabilities for assets in trust as well as the related income generated and expenses incurred are recorded in the relevant balance sheet and statement of income accounts. The following significant trust assets are shown separately on the balance sheets. (i) Cash and deposits in trust (ii)Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust and land leasehold interests in trust (2)Treatment of Non-deductible Consumption Taxes, etc. Non-deductible consumption taxes related to the acquisition of assets are included in the acquisition cost of each asset.

(8) Notes to the Financial Statements

[Notes to the Balance Sheet]

※1.Minimum net assets amount stipulated in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations

(Unit: thousands of yen)

Fiscal Period Ended January 31, 2026	Fiscal Period Ended July 31, 2026
50,000	50,000

[Notes to the Statement of Income]

※1.Breakdown of Income (Loss) from real estate rental business

(Unit: thousands of yen)

	For the fiscal period from April 1, 2025 to January 31, 2026		For the Fiscal Period from February 1, 2026 to July 31, 2026	
A. Property-related revenue				
Rental revenues				
Rental revenue	1,597,744	1,597,744	1,655,824	1,655,824
Other rental revenues				
Other	-	-	96	96
Total property-related leasing revenue	1,597,744	1,597,744	1,655,920	1,655,920
B. Property-related expenses				
Rental expenses				
Property and facility management fees	69,099		76,662	
Taxes and dues	19		71,959	
Repairs and maintenance	1,766		21,085	
Casualty insurance	16,517		17,469	
Trust fees	5,671		6,100	
Depreciation	255,432		260,526	
Other rental expenses	429	348,935	-	453,804
Total property-related expenses		348,935		453,804
C. Operating income from property leasing (A – B)		1,248,809		1,202,116

[Notes to the Statement of Changes in Unitholders' Equity]

※1. total number of investment units authorized and issued

	For the fiscal period from April 1, 2025 to January 31, 2026	For the Fiscal Period from February 1, 2026 to July 31, 2026
Total number of investment units authorized:	10,000,000 units	10,000,000 units
Total number of investment units issued:	287,300 units	287,300 units

[Notes to the Statement of Cash Flows]

※1.Relationship between the closing balance of cash and cash equivalents and the amounts presented in the balance sheet

(Unit: thousands of yen)

	For the fiscal period from April 1, 2025 to January 31, 2026	For the Fiscal Period from February 1, 2026 to July 31, 2026
Cash and deposits	1,326,618	1,535,595
Cash and deposits in trust	371,039	106,356
Cash and cash equivalents	1,697,657	1,641,952

[Notes on lease transactions]

Operating lease transactions (lessor side)

Future lease payments receivable under non-cancelable operating leases

(Unit: thousands of yen)

	For the fiscal period from April 1, 2025 to January 31, 2026	For the Fiscal Period from February 1, 2026 to July 31, 2026
Within one year	2,550,312	2,550,312
Over one year	16,316,327	15,041,171
Total	18,866,639	17,591,483

[Notes on Financial Instruments]

1. Matters concerning the status of financial instruments

A. Policies on financial instruments

The Investment Corporation raises funds to be used for the acquisition of assets, repayment of borrowings and other purposes through borrowings from financial institutions, the issuance of investment corporation bonds, or the issuance of new investment units.

When conducting borrowings from financial institutions or issuing investment corporation bonds, the Investment Corporation determines the method of financing after taking into consideration interest rate trends, financing costs, the structure of interest payments (floating or fixed rates), borrowing periods, repayment dates and other relevant factors.

In the case of borrowings, lenders are limited to qualified institutional investors as defined in Article 2, Paragraph 3, Item 1 of the Financial Instruments and Exchange Act (limited to institutional investors as provided in Article 67-15 of the Special Taxation Measures Act).

Borrowings are, in principle, unsecured and unguaranteed; however, depending on the financing environment and economic conditions, the Investment Corporation's assets may be pledged as collateral. In addition, for the purpose of enabling flexible procurement of funds necessary for the operation of the Investment Corporation, such as funds required for asset acquisitions or the return of security deposits and guarantee deposits, the Investment Corporation may enter into agreements to establish borrowing limits in advance, including revolving credit facility agreements, commitment line agreements or similar arrangements, or agreements for borrowings on an as-needed basis.

The issuance of new investment units will be determined based on the financial environment,

taking into consideration factors such as the LTV ratio, potential dilution of the rights of existing unitholders, and possible declines in the trading price of investment units, with the aim of expanding the scale of managed assets and improving profitability.
In addition, temporary surplus funds may be invested in various types of deposits or similar instruments for the purpose of efficient fund management.
Furthermore, the Investment Corporation may enter into derivative transactions for the purpose of hedging interest rate fluctuation risks and other risks arising from liabilities of the Investment Corporation; however, speculative transactions will not be conducted.

B. Description of financial instruments and associated risks, and the risk management system
Borrowings are primarily used to procure funds for asset acquisitions and the repayment of liabilities. Such borrowings are exposed to risks including the inability to refinance upon maturity and the risk of rising interest rates. However, these risks will be mitigated by diversifying funding sources and staggering repayment maturities, as well as by considering balanced financing measures such as the issuance of investment units. In addition, the Investment Corporation will closely monitor interest rate trends and manage the impact of rising interest rates on its operations through appropriate control of LTV.
Variable interest rate borrowings are exposed to the risk of interest rate fluctuations. Derivative transactions are utilized for certain borrowings as hedges by Investment Corporation to mitigate this risk. See “(iv) Hedge accounting method” above under “Summary of Significant Accounting Policies” for details about the hedging instruments, hedged items, hedging policy, and method of assessing hedge effectiveness, etc. in hedge accounting.

C. Description of financial instruments
Fair value of financial instruments comprises value based on market prices or rationally calculated value in the case the market prices are not available. As certain assumptions are applied in performing calculations of such value, the value may differ if different assumptions are used.

2.Matters concerning the fair value of financial instruments
The carrying amounts on the balance sheet, fair values, and differences thereof as of January 31, 2026 are as follows.
“Cash and deposits,” “Cash and deposits in trust,” and “Short-term loans payable” are omitted as their fair values approximate their book values due to their short settlement periods.

(Unit: thousands of yen)

	Carrying Amount	Fair Value	Difference
(1)Long-term loans payable	20,500,000	20,190,118	(309,881)
Total liabilities	20,500,000	20,190,118	(309,881)
Derivative transactions	-	-	-

The carrying amounts on the balance sheet, fair values, and differences thereof as of July 31, 2026 are as follows.
“Cash and deposits,” “Cash and deposits in trust,” and “Short-term loans payable” are omitted as their fair values approximate their book values due to their short settlement periods.

(Unit: thousands of yen)

	Carrying Amount	Fair Value	Difference
(1)Long-term loans payable	20,500,000	20,054,640	(445,359)
Total liabilities	20,500,000	20,054,640	(445,359)
Derivative transactions	-	-	-

(Note 1) Method for calculating fair value of financial instruments

Liabilities

(1) Long-term loans payable

For long-term loans payable with floating interest rates, as market interest rates are reflected within a short period, the fair value is deemed to approximate the book value and thus the book value is used. However, for long-term loans payable with floating interest rates subject to special treatment of interest rate swaps (see “Notes on Derivative Transactions” below) and l long-term loans payable with fixed interest rates, the fair value is calculated as the present value of future cash flows discounted by a rate reflecting the remaining term and credit risk.

Derivative transactions

See “Notes on Derivative Transactions” below.

(Note 2) Scheduled repayment amounts of borrowings and investment corporation bonds after the fiscal year-end (January 31, 2026)

(Unit: thousands of yen)

Category	Within 1 year	Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 4 years	Over 4 years to 5 years
long-term loans payable	-	-	9,500,000	7,000,000	4,000,000
Total	-	-	9,500,000	7,000,000	4,000,000

Scheduled repayment amounts of borrowings and investment corporation bonds after the fiscal year-end (July 31, 2026)

(Unit: thousands of yen)

Category	Within 1 year	Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 4 years	Over 4 years to 5 years
long-term loans payable	-	-	9,500,000	7,000,000	4,000,000
Total	-	-	9,500,000	7,000,000	4,000,000

[Notes on Securities]

There are no applicable matters.

[Notes on Derivative Transactions]

1.Derivatives not subject to hedge accounting

There are no applicable matters.

2.Derivatives subject to hedge accounting

Fiscal Period Ended January 31, 2026

(Unit: thousands of yen)

Hedge accounting method	Type of derivative transaction	Major hedged item	Contract amount	Of which over 1 year	Fair value	Method of calculating fair value
Special treatment of interest rate swaps	Interest rate swap (receive floating / pay fixed)	long-term loans payable	8,750,000	8,750,000	(Note)	-

(Note) Interest rate swaps subject to special treatment are accounted for together with the related long-term loans payable; therefore, their fair value is included in the fair value of the corresponding long-term loans payable (see “Notes on Financial Instruments,” 2. Matters concerning the fair value of financial instruments, (Note 1) (1) long-term loans payable above).

Fiscal Period Ended July 31, 2026

(Unit: thousands of yen)

Hedge accounting method	Type of derivative transaction	Major hedged item	Contract amount	Of which over 1 year	Fair value	Method of calculating fair value
Special treatment of interest rate swaps	Interest rate swap (receive floating / pay fixed)	long-term loans payable	8,750,000	8,750,000	(Note)	-

(Note) Interest rate swaps subject to special treatment are accounted for together with the related long-term loans payable; therefore, their fair value is included in the fair value of the corresponding long-term loans payable (see “Notes on Financial Instruments,” 2. Matters concerning the fair value of financial instruments, (Note 1) (1) long-term loans payable above).

[Notes on equity method investment income]

There are no applicable matters.

[Notes on asset retirement obligations]

There are no applicable matters.

[Notes on investment and rental properties]

The Investment Corporation owns hotels (real estate primarily used for accommodation facilities and related facilities; the same shall apply hereinafter) for the purpose of earning rental income.

The carrying amounts on the balance sheet, changes during the period, and fair values of such investment and rental properties are as follows:

(Unit: thousands of yen)

		For the fiscal period from April 1, 2025 to January 31, 2026	For the Fiscal Period from February 1, 2026 to July 31, 2026
Carrying amount on balance sheet			
	Beginning balance	-	49,615,614
	Increase (decrease) during the period	49,615,614	(223,317)
	Ending balance	49,615,614	49,392,297
Fair value at end of period		55,250,000	55,510,000

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

(Note 2) Major increase during the previous period was acquisition of 15 new properties (¥49,210,000 thousand); major decrease was depreciation (¥255,432 thousand). Major decrease during the current period was depreciation (¥260,526 thousand)

(Note 3) Fair value at the end of the period is based on appraisal values prepared by external real estate appraisers. The appraisal date is July 31, 2026.

Income and loss relating to investment and rental properties are described in “Notes to the Statement of Income.”

[Notes on Revenue recognition]

1. Disaggregation of revenue from contracts with customers

For the fiscal period from April 1, 2025 to January 31, 2026

(Unit: thousands of yen)

	Revenue from contracts with customers (Note)	Net sales to external customers
Sale of real estate, etc.	-	-
Other	-	1,597,744

(Note) Rental business revenue, etc. subject to Accounting Standard No. 13 “Accounting Standard for Lease Transactions” is outside the scope of the revenue recognition accounting standard and is therefore not included in “Revenue from contracts with customers.”

For the Fiscal Period from February 1, 2026 to July 31, 2026

(Unit: thousands of yen)

	Revenue from contracts with customers (Note)	Net sales to external customers
Sale of real estate, etc.	-	-
Other	-	1,655,824

(Note) Rental business revenue, etc. subject to Accounting Standard No. 13 “Accounting Standard for Lease Transactions” is outside the scope of the revenue recognition accounting standard and is therefore not included in “Revenue from contracts with customers.”

2. Information necessary to understand revenue amounts for the current and subsequent fiscal periods

Transaction price allocated to remaining performance obligations

For the fiscal period from April 1, 2025 to January 31, 2026

As described in the Notes on Significant Accounting Policies

For the Fiscal Period from February 1, 2026 to July 31, 2026

As described in the Notes on Significant Accounting Policies

[Notes on Segment Information, etc.]

1. Segment information

As the Investment Corporation has a single segment of real estate leasing business, disclosure is omitted.

2. Related information

For the fiscal period from April 1, 2025 to January 31, 2026

(1) Information by product and service

As revenue from a single product/service category to external customers accounts for more than 90% of operating revenue in the statement of income, disclosure is omitted.

(2) Information by geographic area

(i)Operating revenue

As operating revenue from external customers in Japan accounts for more than 90% of operating revenue in the statement of income, disclosure is omitted.

(ii)Property, plant and equipment

As the amount of property, plant and equipment located in Japan accounts for more than 90% of the amount of property, plant and equipment on the balance sheet, disclosure is omitted.

(3) Information by major customer

(Unit: thousands of yen)

Name of customer	Operating revenue	Related segment
FHG Hotels Co., Ltd.	1,597,740	Real estate leasing business

(Note) FHG Hotels Co., Ltd. changed its trade name from fav hospitality group Co., Ltd. on September 1, 2026

For the fiscal period from February 1, 2026 to July 31, 2026

(1) Information by product and service

As revenue from a single product/service category to external customers accounts for more than 90% of operating revenue in the statement of income, disclosure is omitted.

(2) Information by geographic area

(i)Operating revenue

As operating revenue from external customers in Japan accounts for more than 90% of operating revenue in the statement of income, disclosure is omitted.

(ii)Property, plant and equipment

As the amount of property, plant and equipment located in Japan accounts for more than 90% of the amount of property, plant and equipment on the balance sheet, disclosure is omitted.。

(3) Information by major customer

(Unit: thousands of yen)

Name of customer	Operating revenue	Related segment
FHG Hotels Co., Ltd.	1,655,824	Real estate leasing business

(Note) FHG Hotels Co., Ltd. changed its trade name from fav hospitality group Co., Ltd. on September 1, 2026

[Notes on per unit information]

(Unit: yen)

	For the Fiscal Period from April 1, 2025 to January 31, 2026	For the Fiscal Period from February 1, 2026 to July 31, 2026
Net assets per unit	99,146	99,089
Net income per unit	4,626	2,921

(Note 1) Net income per unit is calculated by dividing net income for the period by the weighted average number of investment units outstanding during the period. Diluted net income per unit is not presented as there are no potential investment units.

(Note 2) Basis for calculation of net income per unit is as follows:

	For the fiscal period from April 1, 2025 to January 31, 2026	For the Fiscal Period from February 1, 2026 to July 31, 2026
Net income for the period (thousand yen)	754,612	839,241
Amount not attributable to common unitholders (thousand yen)	-	-
Net income attributable to common investment units (thousand yen)	754,612	839,241
Weighted average number of investment units outstanding (units)	163,123	287,300

[Notes on Significant Subsequent Events]

There are no applicable matters.

[Omission of Disclosure]

Disclosure of notes regarding transactions with related parties, accounting for tax effects, and retirement benefits is omitted as it is considered not to be of significant necessity in this earnings report.

(9) Changes in the total number of issued investment units

The changes in total unitholders' capital and the total number of issued investment units from the establishment of the Investment Corporation to the end of the fiscal period (July 31, 2026) are as follows.

Date	Description	Unitholders' Capital (thousand yen)		Number of Issued Investment Units (units)		Remarks
		Increase/Decrease	Balance	Increase/Decrease	Balance	
April 1, 2025	Private placement at establishment	160,000	160,000	1,600	1,600	(Note 1)
August 12, 2025	Public offering	27,570,050	27,730,050	285,700	287,300	(Note 2)
April 24, 2026	Distributions in excess of earnings (refund of capital)	(101,129)	27,628,920	-	287,300	(Note 3)

(Note 1) The Investment Corporation was established on April 1, 2025. The subscriber for the investment units at the time of establishment was Kasumigaseki Capital Co., Ltd.

(Note 2) New investment units were issued through a public offering at an issue price of 100,000 yen per unit (issue value: 96,500 yen).

(Note 3) At the Board of Directors meeting held on March 19, 2026, the Investment Corporation resolved to pay distributions in excess of earnings (refund of capital) of 352 yen per unit as a dividend of surplus for the 1st fiscal period (ended January 2026) and commenced payment thereof on April 24, 2026.

3. Reference Information

（1） Information on the prices of managed assets, etc.

(i)Investment status

Type of Asset	Use	Region	Number of Properties	For the Fiscal Period As of July 31, 2026	
				Total Amount Held (million yen) (Note 1)	Ratio to Total Assets (%) (Note 2)
Property and equipment in trust	Hotel	Hokkaido	1	1,369	2.7
		Tohoku	-	-	-
		Kanto	2	3,295	6.4
		Chubu	2	3,408	6.6
		Kinki	1	1,743	3.4
		Chugoku	2	3,399	6.6
		Shikoku	1	1,417	2.8
		Kyushu	5	16,056	31.3
		Okinawa	1	18,702	36.4
Subtotal				49,392	96.2
Deposits and other assets				1,956	3.8
Total assets				51,349	100.0

(Note 1) “Total amount held” is based on the balance sheet as of July 31, 2026 (for property and equipment in trust, the book value after depreciation) and is rounded down to the nearest million yen.

(Note 2) “Ratio to total assets” is rounded to the nearest second decimal place.

	For the Fiscal Period As of July 31, 2026	
	Amount (million yen) (Note 1)	Ratio to Total Assets (%) (Note 2))
Total liabilities	22,881	44.6
Total net assets	28,468	55.4
Total assets	51,349	100.0

（Note 1) The amounts for total liabilities, total net assets and total assets are based on the amounts recorded in the balance sheet as of July 31, 2026, rounded down to the nearest million yen.

(Note 2) “Ratio to total assets” is rounded to the nearest second decimal place.

(ii)Investment Assets

As of July 31, 2026, the assets held by the Investment Corporation (real estate or property and equipment in trust; hereinafter collectively referred to as the "held assets") are as follows:

Property No.	Property Name	Acquisition Price (million yen) (Note 1)	Investment Ratio (%) (Note 2)	Appraisal Value (million yen) (Note 3))	book values (million yen)	Leased Area (m²) (Note 4)	Leasable Area (m²) (Note 5)	Occupancy Rate (%) (Note 6)	Acquisition Date (Note 7)
1	fav TAKAMATSU	1,410	2.9	1,620	1,417	1,984.69	1,984.69	100.0	Aug 14, 2025
2	fav HIDA TAKAYAMA	1,080	2.2	1,520	1,091	1,702.48	1,702.48	100.0	Aug 14, 2025
3	fav ISE	1,740	3.5	2,140	1,743	1,216.00	1,216.00	100.0	Aug 14, 2025
4	fav KUMAMOTO	2,720	5.5	3,020	2,734	2,956.55	2,956.55	100.0	Aug 14, 2025
5	fav HIROSHIMA STADIUM	1,360	2.8	1,600	1,372	1,296.25	1,296.25	100.0	Aug 14, 2025
6	fav HAKODATE	1,360	2.8	1,620	1,369	1,380.15	1,380.15	100.0	Aug 14, 2025
7	fav TOKYO NISHINIPPORI	1,710	3.5	2,030	1,728	772.40	772.40	100.0	Aug 14, 2025
8	fav HIROSHIMA HEIWAODORI	2,010	4.1	2,500	2,026	2,500.33	2,500.33	100.0	Aug 14, 2025
9	fav KAGOSHIMA CHUO	1,360	2.8	2,060	1,369	2,226.33	2,226.33	100.0	Aug 14, 2025
10	fav TOKYO RYOGOKU	1,550	3.1	1,720	1,566	729.97	729.97	100.0	Aug 14, 2025
11	FAV LUX HIDA TAKAYAMA	2,300	4.7	2,600	2,316	2,907.58	2,907.58	100.0	Aug 14, 2025
12	seven x seven ITOSHIMA	5,230	10.6	5,620	5,241	3,785.33	3,785.33	100.0	Aug 14, 2025
13	FAV LUX NAGASAKI	3,300	6.7	3,540	3,318	2,552.05	2,552.05	100.0	Aug 14, 2025
14	seven x seven ISHIGAKI	18,700	38.0	20,300	18,702	17,001.39	17,001.39	100.0	Aug 14, 2025
15	FAV LUX KAGOSHIMA TENMONKAN	3,380	6.9	3,620	3,394	3,470.42	3,470.42	100.0	Aug 14, 2025
Total / Average		49,210	100.0	55,510	49,392	46,481.92	46,481.92	100.0	-

Notes

(1) "Acquisition price" represents the purchase price stated in the sale and purchase agreement for each Held Asset (excluding consumption tax, local consumption tax and other acquisition costs), rounded down to the nearest million yen.

(2) "Investment ratio" represents the ratio of each property's acquisition price to the total acquisition price.

(3) "Appraisal value" represents the appraisal value as of July 31, 2026 stated in the appraisal reports obtained from Nihon Fudosan Kenkyusho, CBRE K.K., Daiwa Real Estate Appraisal Co., Ltd., and Tanizawa Sōgō Appraisal Co., Ltd.

(4) "Leased area" represents the area stated in the lease agreement effective as of July 31, 2026 or indicated in the building drawings. In some cases, leased (or leasable) area may exceed the total floor area because certain portions not included in the total floor area may be included in the leased area in lease agreements.

(5) "Leasable area" represents the area of each Held Asset that the Investment Corporation considers leasable as of July 31, 2026.

(6) "Occupancy rate" represents the occupancy rate as of July 31, 2026 (ratio of leased area to leasable area).

(7) "Acquisition date" represents the acquisition date of each real estate property or trust beneficiary interest as stated in the sale and purchase agreement.

(8) FF&E associated with the properties is also included in the Held Assets.

(iii) Summary of appraisal report

The Investment Corporation has obtained real estate appraisal reports for its portfolio assets from Nihon Fudosan Kenkyusho, CBRE K.K., Daiwa Real Estate Appraisal Co., Ltd., and Tanizawa Sōgō Appraisal Co., Ltd., with July 31, 2026 as the appraisal date. A summary of these appraisal reports is as follows. The real estate appraisal reports represent the judgments and opinions of the respective appraisal institutions as of a certain point in time, and do not guarantee the validity or accuracy of their contents, nor the possibility that transactions can be conducted at the appraised values. In addition, Nihon Fudosan Kenkyusho, CBRE K.K., Daiwa Real Estate Appraisal Co., Ltd., and Tanizawa Sōgō Appraisal Co., Ltd., which conducted the real estate appraisals, have no special interests with the Investment Corporation or its asset management company.

Property No.	Property Name	Appraisal Agency (Note 1)	Appraisal Value (million yen)	income value					
				Direct Capitalization Value (million yen)	Cap Rate (%)	DCF Value (million yen)	Discount Rate (%)	Terminal Cap Rate (%)	Appraisal Net Operating Income (million yen) (Note 2)
1	fav TAKAMATSU	T	1,620	1,650	4.8	1,600	4.9 (Y 1-9) 5.0 (Y 10)	5.0	84
2	fav HIDA TAKAYAMA	C	1,520	1,530	4.9	1,520	4.7	5.0	84
3	fav ISE	C	2,140	2,160	4.9	2,140	4.7	5.0	114
4	fav KUMAMOTO	T	3,020	3,080	4.8	2,990	4.9 (Y 1-9) 5.0 (Y 10)	5.0	157
5	fav HIROSHIMA STADIUM	N	1,600	1,610	4.8	1,590	4.6	4.9	83
6	fav HAKODATE	N	1,620	1,630	5.1	1,610	4.9	5.2	88
7	fav TOKYO NISHINIPPORI	D	2,030	2,060	4.1	2,010	3.9	4.3	89
8	fav HIROSHIMA HEIWAODORI	N	2,500	2,510	4.8	2,480	4.6	4.9	130
9	fav KAGOSHIMA CHUO	T	2,060	2,110	4.8	2,040	4.9 (Y 1-9) 5.0 (Y 10)	5.0	107
10	fav TOKYO RYOGOKU	D	1,720	1,750	4.3	1,710	4.1	4.5	80
11	FAV LUX HIDA TAKAYAMA	C	2,600	2,630	4.8	2,600	4.6	4.9	139
12	seven x seven ITOSHIMA	C	5,620	5,690	4.9	5,620	4.7	5.0	302
13	FAV LUX NAGASAKI	T	3,540	3,640	4.7	3,500	4.8 (Y 1-9) 4.9 (Y 10)	4.9	180
14	seven x seven ISHIGAKI	N	20,300	20,400	4.9	20,200	4.7	5.0	1,041
15	FAV LUX KAGOSHIMA TENMONKAN	T	3,620	3,710	4.7	3,580	4.8 (Y 1-9) 4.9 (Y 10)	4.9	185
Total	—	—	55,510	56,160	—	55,190	—	—	2,863

(Note 1) Under “Appraisal agency,” the letters indicate the appraisers for the properties as follows:

Appraisal agency	
N	Nihon Fudosan Kenkyusho (Japan Real Estate Institute)
C	CBRE K.K.
D	DAIWA REAL ESTATE APPRAISAL CO., LTD.
T	The Tanizawa Sōgō Appraisal Co., Ltd.

(Note 2) “Appraisal NOI” refers to the Net Operating Income stated in the appraisal report, calculated as operating revenues minus operating expenses, and represents income before depreciation. It differs from NCF (Net Cash Flow), which is calculated by deducting items such as income from the investment of security deposits and capital expenditures from the appraisal NOI. The above NOI is based on the direct capitalization method. In addition, appraisal NOI figures are presented by rounding down to the nearest million yen; therefore, the sum of the appraisal NOI for individual properties may not match the portfolio total.

（2）Status of capital expenditures

(i)Planned Capital Expenditures

The major items of capital expenditures associated with repair works and other projects currently planned for the portfolio assets are as follows.

The scheduled construction amounts shown below include portions that will be classified as expenses for accounting purposes.

Name of property (Location)	Purpose	Schedule	Estimated construction costs (million yen)		
			Total amount	Paid amount during this fiscal period	Total amount paid
fav ISE (Ichinoki, Ise City, Mie Prefecture)	Replace of tatami mats	From August 2026 to September 2026	4	-	-
Total			4	-	-

(ii)Capital expenditures during the period

The major construction works classified as capital expenditures conducted for the portfolio assets during the current fiscal period are summarized below. Capital expenditures for the current fiscal period amounted to 37 million, and together with 21 million in repair expenses recorded as period expenses, construction works totaling 58 million were carried out during the period.

Name of property (Location)	Purpose	Schedule	Construction costs (million yen)
FAV LUX NAGASAKI (Matsugaecho, Nagasaki City, Nagasaki Prefecture)	Sauna renovation	From February 2026 To February 2026	3
Other capital expenditure			33
Total			37