

**Translation of Japanese Original****FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED JANUARY 31, 2019 (REIT)
(August 1, 2018 to January 31, 2019)**

March 14, 2019

Kenedix Residential Next Investment Corporation is listed on the Tokyo Stock Exchange with the securities code number 3278.

(URL <https://www.kdr-reit.com/en/>)

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Planned submission of semiannual securities report: April 25, 2019

Planned start of distribution payments: April 15, 2019

Preparing presentation material: Yes

Hold a financial brief meeting: Yes (for analysts and institutional investors)

(Amounts are rounded down to the nearest ¥million)

1. PERFORMANCE FOR THE FISCAL PERIOD ENDED JANUARY 31, 2019 (14TH FISCAL PERIOD)**(1) Business Results**

(Percentages show period-on-period changes)

	Operating Revenues (Millions of Yen)		Operating Income (Millions of Yen)		Ordinary Income (Millions of Yen)		Net Income (Millions of Yen)	
The 14th fiscal period ended January 31, 2019	7,823	(10.2%)	4,213	(22.5%)	3,599	(26.6%)	3,598	(-33.6%)
The 13th fiscal period ended July 31, 2018	7,097	(24.9%)	3,439	(19.0%)	2,842	(20.8%)	5,416	(130.2%)

	Net Income per Unit (Yen)	Return on Unitholders' Equity	Ordinary Income to Total Assets	Ordinary Income to Operating Revenues
The 14th fiscal period ended January 31, 2019	4,143	3.4%	1.6%	46.0%
The 13th fiscal period ended July 31, 2018	7,036	6.0%	1.5%	40.0%

(2) Distribution

	Distributions per Unit (Excluding Excess of Earnings) (Yen)	Total Distribution (Excluding Excess of Earnings) (Millions of Yen)	Distributions in Excess of Earnings per Unit (Yen)	Total Distributions in Excess of Earnings (Millions of Yen)	Payout Ratio	Distribution Ratio to Unitholders' Equity
The 14th fiscal period ended January 31, 2019	4,039	3,510	0	0	97.6%	3.2%
The 13th fiscal period ended July 31, 2018	4,026	3,152	0	0	58.2%	3.3%

(Note 1) Total Distribution for the 14th fiscal period is not the same amount as Net Income because of excluding a part of gain on sale of real estate property and other adjustments from Net Income, and adding reversal of reserve for temporary difference adjustments.

(Note 2) Total Distribution for the 13th fiscal period is not the same amount as Net Income because of mainly excluding gain on negative goodwill and other adjustments from Net Income.

(Note 3) Due to issuance of new investment units in the 14th fiscal period and investment unit split in the 13th fiscal period, Payout Ratio for each fiscal period is calculated as follows.

$$\text{Payout Ratio} = \text{Total Distributions (Excluding Excess of Earnings)} / \text{Net income} \times 100$$

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(3) Financial Position

	Total Assets (Millions of Yen)	Unitholders' Equity (Millions of Yen)	Unitholders' Equity to Total Assets	Unitholders' Equity per Share of Common Stock (Yen)
As of January 31, 2019	245,103	111,951	45.7%	128,807
As of July 31, 2018	213,558	98,745	46.2%	126,123

(4) Cash Flow Position

	Cash Flow from Operating Activities (Millions of Yen)	Cash Flow from Investing Activities (Millions of Yen)	Cash Flow from Financing Activities (Millions of Yen)	Cash and Cash Equivalents at the End of the Period (Millions of Yen)
The 14th fiscal period ended January 31, 2019	5,211	-28,903	26,989	22,077
The 13th fiscal period ended July 31, 2018	4,894	-552	-2,709	18,779

2. FORECAST OF RESULTS FOR THE FISCAL PERIOD ENDING JULY 31, 2019 (February 1, 2019 to July 31, 2019) AND JANUARY 31, 2020 (August 1, 2019 to January 31, 2020)

(Percentages show period-on-period changes)

	Operating Revenues (Millions of Yen)	Operating Income (Millions of Yen)	Ordinary Income (Millions of Yen)	Net Income (Millions of Yen)	Distribution per Unit Excluding Excess of Earning	Distribution in Excess of Earnings per Unit
The 15th fiscal period ending July 31, 2019	8,072 (3.2%)	4,263 (1.2%)	3,643 (1.2%)	3,643 (1.2%)	4,030	0
The 16th fiscal period ending January 31, 2020	7,926 (-1.8%)	4,086 (-4.1%)	3,446 (-5.4%)	3,445 (-5.4%)	3,813	0

(Reference) Estimated net income per unit (Estimated Net Income / Estimated weighted average number of units)

The 15th fiscal period ending January 31, 2019 ¥4,033 The 16th fiscal period ending July 31, 2019 ¥3,796

Distribution per Unit Excluding Excess of Earning is not the same amount as estimated net income per unit for the 15th fiscal period and the 16th fiscal period since total distribution is calculated with the assumption adding reversal of reserve for temporary difference adjustments and deducting gain on market-value-based valuation on interest rate swaps caused by the merger from estimated net income.

(Note) Distributions per unit are calculated based on the number of investment units issued and outstanding totaled 907,458 as of today.

3. OTHER**(1) Changes in Accounting Policies/Changes in Accounting Estimate/Retrospective Restatement**

- (a) Changes concerning accounting policy accompanying amendments to accounting standards: No
- (b) Changes other than (a): No
- (c) Changes in accounting estimate: No
- (d) Retrospective restatement: No

(2) Number of Investment Unit Issued and Outstanding (including treasury units)

- (a) Number of investment units issued and outstanding at the end of the period (including treasury units)
As of July 31, 2018: 782,928 units As of January 31, 2019: 869,133 units
- (b) Number of treasury units at the end of the period
As of July 31, 2018: 0 units As of January 31, 2019: 0 units

[Provisional Translation Only]**English translation of the original Japanese document is provided solely for information purposes. Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.**

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1. Financial Statements

(1) Balance Sheets

	(in thousands of yen)	
	13th Fiscal Period (As of July 31, 2018)	14th Fiscal Period (As of January 31, 2019)
Assets		
Current assets		
Cash and deposits	10,029,598	12,356,302
Cash and deposits in trust	8,749,823	9,721,629
Operating accounts receivable	29,188	26,612
Prepaid expenses	10,855	7,450
Consumption taxes receivable	-	338,402
Other	11,033	6,081
Total current assets	18,830,499	22,456,477
Noncurrent assets		
Property, plant and equipment		
Land	1,798,041	1,798,041
Buildings in trust	84,656,776	95,077,289
Accumulated depreciation	-7,901,681	-9,123,715
Buildings in trust, net	76,755,095	85,953,573
Structures in trust	722,432	947,729
Accumulated depreciation	-133,503	-161,739
Structures in trust, net	588,929	785,989
Machinery and equipment in trust	1,360,078	1,429,327
Accumulated depreciation	-256,856	-288,590
Machinery and equipment in trust, net	1,103,222	1,140,736
Tools, furniture and fixtures in trust	400,899	473,614
Accumulated depreciation	-39,156	-51,478
Tools, furniture and fixtures in trust, net	361,742	422,136
Land in trust	111,474,267	130,189,152
Total property, plant and equipment, net	192,081,298	220,289,630
Intangible assets		
Leasehold right in trust	1,067,058	1,067,058
Other	7,115	6,339
Total intangible assets	1,074,174	1,073,398
Investments and other assets		
Investment securities	512,263	111,796
Lease and guarantee deposits	39,097	29,097
Long-term prepaid expenses	916,981	1,059,774
Other	81,989	-
Total investments and other assets	1,550,331	1,200,668
Total noncurrent assets	194,705,805	222,563,697
Deferred assets		
Investment corporation bond issuance costs	22,583	38,570
Investment unit issuance costs	-	45,012
Total deferred assets	22,583	83,583
Total assets	213,558,887	245,103,757

(in thousands of yen)

	13th Fiscal Period (As of July 31, 2018)	14th Fiscal Period (As of January 31, 2019)
Liabilities		
Current liabilities		
Operating accounts payable	609,170	912,385
Short-term loans payable	2,630,000	2,050,000
Current portion of long-term loans payable	13,500,000	9,700,000
Accounts payable-other	284,251	298,718
Accrued expenses	26,489	27,236
Income taxes payable	605	605
Accrued consumption taxes	63,856	11,413
Advances received	958,812	1,096,282
Deposits received	54,159	75,292
Other	13	-
Total current liabilities	18,127,358	14,171,933
Noncurrent liabilities		
Investment corporation bonds	3,000,000	5,000,000
Long-term loans payable	87,000,000	106,500,000
Tenant leasehold and security deposits in trust	2,330,206	2,682,738
Tenant lump sum deposits in trust	4,205,076	4,405,195
Other	150,601	392,732
Total noncurrent liabilities	96,685,885	118,980,667
Total liabilities	114,813,244	133,152,600
Net assets		
Unitholders' equity		
Unitholders' capital	80,132,379	93,226,228
Surplus		
Capital surplus	13,187,100	13,187,100
Voluntary retained earnings		
Reserve for temporary difference adjustments	-	*2 2,000,000
Total voluntary retained earnings	-	2,000,000
Unappropriated retained earnings (undisposed loss)	5,428,676	3,875,050
Total surplus	18,615,776	19,062,150
Total unitholders' equity	98,748,155	112,288,379
Valuation and translation adjustments		
Deferred gains or losses on hedges	-2,512	-337,222
Total valuation and translation adjustments	-2,512	-337,222
Total net assets	*1 98,745,643	*1 111,951,157
Total liabilities and net assets	213,558,887	245,103,757

(2) Statements of Income and Retained Earnings

(in thousands of yen)

	13th Fiscal Period		14th Fiscal Period	
	February 1, 2018 to		August 1, 2018 to	
	July 31, 2018		January 31, 2019	
Operating revenues				
Rent revenue-real estate	*1	6,152,086	*1	7,085,174
Other lease business revenue	*1	503,250	*1	520,733
Gain on sale of real estate property	*2	436,817	*2	203,178
Dividends income		5,164		14,461
Total operating revenues		7,097,319		7,823,548
Operating expenses				
Expenses related to rent business	*1	2,554,551	*1	2,794,762
Asset management fees		413,158		513,065
Asset custody fees		11,583		11,985
Administrative service fees		41,201		41,723
Directors' compensation		7,500		8,100
Merger expenses		395,984		-
Other operating expenses		233,938		240,701
Total operating expenses		3,657,918		3,610,337
Operating income		3,439,400		4,213,210
Non-operating income				
Interest income		15		45
Dividends and redemption-prescription		293		313
Interest on refund		56		3
Total non-operating income		364		362
Non-operating expenses				
Interest expenses		441,829		491,744
Interest expenses on investment corporation bonds		7,593		9,974
Borrowing expenses		145,787		101,223
Amortization of investment corporation bond issuance costs		1,878		2,560
Amortization of investment unit issuance costs		421		9,022
Other		108		-
Total non-operating expenses		597,619		614,525
Ordinary income		2,842,146		3,599,047
Extraordinary gain				
Gain on negative good will		2,574,896		-
Total extraordinary gain		2,574,896		-
Income before income taxes		5,417,042		3,599,047
Income taxes				
Current		605		605
Total income taxes		605		605
Net income		5,416,437		3,598,442
Retained earnings brought forward		12,239		276,608
Unappropriated retained earnings (undisposed loss)		5,428,676		3,875,050

(3) Statements of Changes in Net Assets

13th Fiscal Period February 1, 2018 to July 31, 2018

(in thousands of yen)

	Unitholders' equity				
	Unitholders' capital	Surplus			Total unitholders' equity
		Capital surplus	Unappropriated retained earnings (undisposed loss)	Total surplus	
Balance at the beginning of current period	80,132,379	-	2,437,011	2,437,011	82,569,390
Changes of items during the period					
Increase by merger		13,187,100		13,187,100	13,187,100
Dividends from surplus			-2,424,772	-2,424,772	-2,424,772
Net income			5,416,437	5,416,437	5,416,437
Net changes of items other than unitholders' equity					
Total changes of items during the period	-	13,187,100	2,991,665	16,178,765	16,178,765
Balance at the end of current period	* 1 80,132,379	13,187,100	5,428,676	18,615,776	98,748,155

	Valuation and translation adjustments		Total net assets
	Deferred gains and losses on hedges	Total valuation and translation adjustments	
Balance at the beginning of current period	80,743	80,743	82,650,134
Changes of items during the period			
Increase by merger			13,187,100
Dividends from surplus			-2,424,772
Net income			5,416,437
Net changes of items other than unitholders' equity	-83,255	-83,255	-83,255
Total changes of items during the period	-83,255	-83,255	16,095,509
Balance at the end of current period	-2,512	-2,512	98,745,643

14th Fiscal Period August 1, 2018 to January 31, 2019

(in thousands of yen)

	Unitholders' equity						
	Unitholders' capital	Capital surplus	Voluntary reserve		Unappropriated retained earnings (undisposed loss)	Total surplus	Total unitholders' equity
			Reserve for temporary difference adjustments	Total voluntary reserve			
Balance at the beginning of current period	80,132,379	13,187,100	-	-	5,428,676	18,615,776	98,748,155
Changes of items during the period							
Issuance of new investment units	13,093,849					-	13,093,849
Provision for reserve for temporary difference adjustments			2,000,000	2,000,000	-2,000,000	-	-
Dividends from surplus					-3,152,068	-3,152,068	-3,152,068
Net income					3,598,442	3,598,442	3,598,442
Net changes of items other than unitholders' equity							
Total changes of items during the period	13,093,849	-	2,000,000	2,000,000	-1,553,626	446,373	13,540,223
Balance at the end of current period	* 1 93,226,228	13,187,100	2,000,000	2,000,000	3,875,050	19,062,150	112,288,379

	Valuation and translation adjustments		Total net assets
	Deferred gains and losses on hedges	Total valuation and translation adjustments	
Balance at the beginning of current period	-2,512	-2,512	98,745,643
Changes of items during the period			
Issuance of new investment units			13,093,849
Provision for reserve for temporary difference adjustments			-
Dividends from surplus			-3,152,068
Net income			3,598,442
Net changes of items other than unitholders' equity	-334,709	-334,709	-334,709
Total changes of items during the period	-334,709	-334,709	13,205,513
Balance at the end of current period	-337,222	-337,222	111,951,157

(4) Distributions

	13th Fiscal Period (From February 1, 2018 to July 31, 2018)	14th Fiscal Period (From August 1, 2018 to January 31, 2019)
I. Retained earnings at the end of period	¥5,428,676,864	¥3,875,050,769
II. Reveal of Voluntary reserve Reversal of reserve for temporary difference adjustments *1	¥ -	¥ 20,000,000
III. Total distributions Distributions per unit	¥3,152,068,128 ¥4,026	¥3,510,428,187 ¥4,039
IV. Voluntary reserve Provision for reserve for temporary difference adjustments *1	¥2,000,000,000	¥ -
V. Retained earnings brought forward to the next period	¥276,608,736	¥384,622,582
Method of calculating distribution amount	<p>In accordance with the policy described in Article 38-1 of its Articles of Incorporation, the Investment Corporation determines that the amount of distribution shall exceed the amount equivalent to 90% of its distributable profit as stipulated in Article 67-15 of the Special Taxation Measures Law, and shall not exceed its accounting profits as the maximum amount. Following this policy, the Investment Corporation has decided that it shall distribute ¥3,152,068,128, which is the amount deducting a part of gain on negative goodwill, a part of gain on sale of real estate property and other adjustments from net income, as the distribution of earnings.</p> <p>Procedures for the distribution of amounts exceeding distributable income are outlined in Article 38-2 of the Investment Corporation's Articles of Incorporation. In the 13th fiscal period, the Investment Corporation has decided not to distribute cash in excess of distributable profit.</p>	<p>In accordance with the policy described in Article 38-1 of its Articles of Incorporation, the Investment Corporation determines that the amount of distribution shall exceed the amount equivalent to 90% of its distributable profit as stipulated in Article 67-15 of the Special Taxation Measures Law, and shall not exceed its accounting profits as the maximum amount. Following this policy, the Investment Corporation has decided that it shall distribute ¥3,510,428,187, which is the amount deducted a part of gain on sale of real estate property and other adjustments from net income and added reversal of reserve for temporary difference adjustments, as the distribution of earnings.</p> <p>Procedures for the distribution of amounts exceeding distributable income are outlined in Article 38-2 of the Investment Corporation's Articles of Incorporation. In the 14th fiscal period, the Investment Corporation has decided not to distribute cash in excess of distributable profit.</p>

(5) Statements of Cash Flows

(in thousands of yen)

	13th Fiscal Period February 1, 2018 to July 31, 2018	14th Fiscal Period August 1, 2018 to January 31, 2019
Net cash provided by (used in) operating activities		
Income before income taxes	5,417,042	3,599,047
Depreciation and amortization	1,144,883	1,343,939
Gain on negative goodwill	-2,574,896	-
Amortization of investment corporation bond issuance expenses	1,878	2,560
Amortization of investment unit issuance costs	421	9,022
Interest income	-15	-45
Interest expenses	449,423	501,719
Decrease (increase) in operating accounts receivable	-3,782	2,576
Decrease (increase) in consumption taxes refund receivable	9,464	-338,402
Decrease (increase) in prepaid expenses	-713	3,405
Increase (decrease) in operating accounts payable	-28,792	117,776
Increase (decrease) in accounts payable-other	-102,769	15,829
Increase (decrease) in accrued consumption taxes	62,160	-52,443
Increase (decrease) in advances received	15,122	137,469
Decrease (increase) in long-term prepaid expenses	-1,198	-142,793
Decrease in net property, plant and equipment held in trust due to sale	953,749	500,913
Other, net	18,303	19,148
Subtotal	<u>5,360,283</u>	<u>5,719,725</u>
Interest income received	15	45
Interest expenses paid	-459,405	-511,560
Income taxes (paid) refund	-6,005	3,769
Net cash provided by (used in) operating activities	<u>4,894,888</u>	<u>5,211,979</u>
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment in trust	-1,053,115	-29,866,970
Purchase of intangible assets	-7,762	-
Purchase of investment securities	-111,529	-1,832
Proceeds from investment securities	12,232	402,700
Proceeds from lease and guarantee deposits	-	10,000
Repayments of tenant leasehold and security deposits in trust	-134,277	-133,676
Proceeds from tenant leasehold and security deposits in trust	161,089	486,208
Repayments of tenant lump sum deposits in trust	-44,212	-103,996
Proceeds from tenant lump sum deposits in trust	625,414	304,115
Net cash provided by (used in) investing activities	<u>-552,161</u>	<u>-28,903,451</u>
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	2,630,000	-
Decrease in short-term loans payable	-3,630,000	-580,000
Proceeds from long-term loans payable	4,500,000	26,700,000
Repayments of long-term loans payable	-3,500,000	-11,000,000
Proceeds from issuance of investment corporation bond	-	1,981,451
Proceeds from issuance of investment units	-	13,039,815
Dividends paid	-2,709,508	-3,151,284
Net cash provided by (used in) financing activities	<u>-2,709,508</u>	<u>26,989,982</u>
Net increase (decrease) in cash and cash equivalents	<u>1,633,218</u>	<u>3,298,510</u>
Cash and cash equivalents at the beginning of period	<u>10,479,684</u>	<u>18,779,421</u>
Increase in cash and cash equivalents resulting from merger	<u>6,666,519</u>	<u>-</u>
Cash and cash equivalents at the end of period	<u>*1 18,779,421</u>	<u>*1 22,077,932</u>

(6) Notes to the Going Concern

Not applicable

(7) Important Accounting Standards

1. Evaluation standards and evaluation method of assets	<p>Securities Other securities Those with no fair value Cost method through moving-average method Concerning anonymous association equity interests, the method of incorporating the amount equivalent to equity interests corresponding to net amount of gain or loss from anonymous association is adopted.</p>
2. Depreciation of fixed assets	<p>(1) Property, plant and equipment (includes trust assets) The straight-line method is applied. Useful lives of the assets ranging are as follows: Buildings: 2 to 69 years Structures: 3 to 57 years Machinery and equipment: 8 to 35 years Tools, furniture and fixtures: 5 to 30 years</p> <p>(2) Intangible assets The straight-line method is applied.</p> <p>(3) Long-term prepaid expenses The straight-line method is applied.</p>
3. Accounting policies for deferred assets	<p>(1) Unit issuance costs Unit issuance costs are amortized over a period of 3 years under the straight-line method.</p> <p>(2) Investment corporation bond issuance costs Bond issuance costs are amortized by applying the straight-line method for the entire redemption period.</p>
4. Accounting standards for revenues and expenses	<p>Property-related taxes including property taxes, city planning taxes and depreciable property taxes are imposed on properties on a calendar year basis. These taxes are generally charged to operating expenses for the period, for the portion of such taxes corresponding to said period. Under Japanese tax regulations, the seller of the property is liable for these taxes on the property from the date of disposal to the end of the calendar year in which the property is disposed. The seller, however, is reimbursed by the purchaser for these accrued property-related tax liabilities.</p> <p>When the Investment Corporation purchases properties, it typically allocates the portion of the property-related taxes related to the period following the purchase date of each property through the end of the calendar year. The amounts of those allocated portions of the property-related taxes are capitalized as part of the acquisition costs of the related properties. Capitalized property-related taxes amounted to ¥50,824 thousand and ¥1,215 thousand as of January 31, 2019 and July 31, 2018, respectively.</p>
5. Accounting for hedges	<p>(1) Hedge accounting method The deferred hedge method is applied. However, the special treatment is applied for the interest-rate swap agreements that meet the criteria.</p> <p>(2) Hedging instruments and risks hedged Hedge instruments The Investment Corporation enters into interest-rate swap transactions. Risks hedged Interest rates on debt.</p> <p>(3) Hedging policy The Investment Corporation enters into derivative transactions based on its risk management policies with the objective of hedging risks in accordance with its Articles of Incorporation.</p> <p>(4) Method of evaluating the effectiveness of hedging As for the method of assessment of the effectiveness of the hedge in the period from the inception of the hedge to the time of judgment of its effectiveness, the cumulative changes in cash flow of the hedged items and hedging instruments are compared and a judgment is made based on changed amount, etc. However, an assessment of the effectiveness of hedging activities is omitted in the case of interest rate swaps that meet the requirements for special treatment.</p>
6. The scope of cash and cash equivalents on statements of cash flows	<p>Cash and cash equivalents consist of cash on hand, deposits placed with banks and short-term investments which are highly liquid, readily convertible to cash and with insignificant risk of market value fluctuation, with maturities of three months or less from the date of purchase.</p>
7. Other significant accounting policies utilized in the preparation of financial statements	<p>(1) Accounting method for trust beneficiary interests in real estate and other assets The assets and liabilities as well as revenues and expenses of financial assets held in the form of trust beneficiary interests in real estate and other assets are recorded in full in the Investment Corporation's balance sheets and statements of income. Important line items included in accounting for financial assets and liabilities in the Investment Corporation's balance sheet are as follows: 1. Cash and deposits in trust 2. Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust, leasehold right in trust 3. Tenant leasehold and security deposits in trust, tenant lump sum deposits in trust</p> <p>(2) Accounting method for consumption tax Consumption taxes are separately recorded. Non-deductible consumption taxes applicable to the acquisition of assets are included in the cost of acquisition for each asset.</p>

(8) Notes to the Financial Statements

(Notes to the Balance Sheets)

* 1. Minimum unitholders' equity pursuant to Article 67-4 of the Law Concerning Investment Trusts and Investment Corporations Law

(in thousands of yen)	
As of July 31, 2018	As of January 31, 2019
50,000	50,000

*2. Reserve for temporary difference adjustments

13th Fiscal Period (As of July 31, 2018)

Not applicable

14th Fiscal Period (As of January 31, 2019)

The following summarizes reserve for temporary difference adjustments.						(in thousands of yen)
	Initial amount	Balance at the beginning of the period	Reserve during the period	Reversal during the period	Balance at the end of the period	Reason for reserve and reversal
Gain on negative good will*	2,000,000	-	2,000,000	-	2,000,000	Reserve a part of gain on negative good will

* The Investment Corporation has reserved a part of gain on negative goodwill in the 13th fiscal period as reserve for temporary difference adjustments. At least 1% of the initial amount in equal installments over 50 years (100 fiscal periods) will be reversed every fiscal period starting from the next fiscal period after the period, in which the initial amount was reserved.

(Notes to the Statements of Income and Retained Earnings)

* 1. Breakdown of real estate rental business profit and loss

	(in thousands of yen)	
	From February 1, 2018 to July 31, 2018	From August 1, 2018 to January 31, 2019
A. Rental and other operating revenues:		
Rental revenues	5,800,000	6,711,825
Rental revenues from limited proprietary rights of land	43,750	43,749
Common area charges	308,336	329,599
Subtotal	6,152,086	7,085,174
Others:		
Parking space rental revenues	182,436	210,398
Miscellaneous	320,814	310,334
Subtotal	503,250	520,733
Total rental and other operating revenues	6,655,337	7,605,908
B. Property-related expenses:		
Property management fees and facility management fees	402,111	408,364
Utilities	89,714	97,432
Taxes	413,717	410,483
Repairs and maintenance	290,404	318,838
Insurance	10,386	11,487
Trust fees	48,958	53,141
Depreciation	1,144,236	1,343,163
Others	155,022	151,851
Total property-related expenses	2,554,551	2,794,762
C. Net operating income (A-B)	4,100,786	4,811,146

*2. Gain and Loss on sale of real estate property

13th Fiscal Period (February 1, 2018 to July 31, 2018)

(in thousands of yen)

KDX Shimmachi Residence	
Revenue from sale of the investment property	1,420,000
Costs of the investment property	953,749
Other sales expenses	29,433
Gain on sale of real estate property	436,817

14th Fiscal Period (August 1, 2018 to January 31, 2019)

(in thousands of yen)

KDX Residence Kotodai	
Revenue from sale of the investment property	730,574
Costs of the investment property	500,913
Other sales expenses	26,481
Gain on sale of real estate property	203,178

(Notes to the Statements of Changes in Net Assets)

* 1. Total number of authorized investment units and total number of investment units issued and outstanding are as follows:

	From February 1, 2018 to July 31, 2018	From August 1, 2018 to January 31, 2019
Total number of authorized investment units	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	782,928 units	869,133 units

(Notes to Distributions)

13th Fiscal Period (February 1, 2018 to July 31, 2018)

*1. Reserve for temporary difference adjustments

The Investment Corporation has reserved ¥2,000,000,000 as reserve for temporary difference adjustments from gain on negative goodwill in the 13th fiscal period. At least 1% of the initial amount in equal installments over 50 years (100 fiscal periods) will be reversed every fiscal period applied to distribution starting from the 14th fiscal period distribution.

14th Fiscal Period (August 1, 2018 to January 31, 2019)

*1. Reserve for temporary difference adjustments

The Investment Corporation has reserved ¥2,000,000,000 as reserve for temporary difference adjustments from gain on negative goodwill in the 13th fiscal period. At least 1% of the initial amount in equal installments over 50 years (100 fiscal periods) will be reversed every fiscal period applied to distribution starting from the 14th fiscal period distribution. It has been decided that ¥20,000,000 shall be reversed and applied to distribution in the 14th fiscal period distribution.

(Notes to the Statements of Cash Flow)

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

(in thousands of yen)

	As of July 31, 2018	As of January 31, 2019
Cash and deposits	10,029,598	12,356,302
Cash and deposits in trust	8,749,823	9,721,629
Cash and cash equivalents	18,779,421	22,077,932

2. Important contents of the non-cash transaction

The summary of assets and liabilities succeeded from Japan Senior Living Investment Corporation by merger in the 13th fiscal period is as follows. The increase amount of capital surplus is ¥13,187,100 thousand as a result of merger.

	(in thousands of yen)	
	From February 1, 2018 to July 31, 2018	From August 1, 2018 to January 31, 2019
Current assets	6,674,104	-
Non-current assets	29,237,279	-
Total assets	35,911,384	-
Current liabilities	5,108,546	-
Non-current liabilities	15,040,841	-
Total liabilities	20,149,388	-

(Notes to the Lease Transactions)

Operating lease transactions (Lessor)

Unearned lease payments

	(in thousands of yen)	
	As of July 31, 2018	As of January 31, 2019
Due in 1 year	1,942,856	2,769,825
Due after 1 year	12,086,289	18,849,702
Total	14,029,145	21,619,527

(Notes to the Financial Instruments)

(A). Overview

(1) Policy for financial instruments

The Investment Corporation procures funds for asset acquisitions, repairs, payment of distributions, repayment of loans, etc. through loans from financial institutions, issuance of investment corporation bonds, issuance of investment units and other means. With regard to the procurement of interest-bearing debts, the Investment Corporation ensures that it can effectively combine stable long-term funds with flexible short-term funds. Management of surplus funds is undertaken through various bank deposits focusing on safety, liquidity and effectiveness. The Investment Corporation uses derivatives for the purpose of hedging its exposure to changes in interest rates and other risks and does not enter into derivative transactions for speculative or trading purposes.

(2) Types of financial instruments and related risk

Bank deposits are for managing the Investment Corporation's surplus funds and are exposed to credit risk such as the bankruptcy of financial institutions at which funds are deposited. Investment securities represent equity investments in an anonymous association and are exposed to credit risk of the issuer and interest rate fluctuation risk. Borrowings and investment corporation bonds are made primarily for the purpose of procuring funds for the acquisition of real estate and trust beneficiary interests in real estate and have a repayment date of a maximum of 9 years and 10 months as of January 31, 2019, the end of the 14th fiscal period, are exposed to liquidity risk where alternative funds may not be procured by the repayment date. Also, borrowings with floating interest rates are exposed to interest rate fluctuation risk. Derivatives are used for the purpose of hedging interest rate fluctuation risk for a certain portion of the borrowings.

(3) Risk management for financial instruments

a. Credit risk

While bank deposits are exposed to credit risk such as the bankruptcy of financial institutions at which funds are deposited, such risk is monitored by deposits in non-interest bearing ordinary savings accounts or with financial institutions with credit ratings above a certain level. Investment securities represent equity investments in an anonymous association and are exposed to credit risk of the issuer and interest rate fluctuation risk. To manage this credit risk, the Investment Corporation regularly evaluates the results of operations and the financial condition of the issuer, etc. In utilizing derivatives, the Investment Corporation aims to mitigate counterparty risk such as by transacting with financial institutions with favorable ratings.

b. Market risk

While borrowings with floating rates are exposed to interest rate volatility risk, such risk is monitored by adjusting the rate of the balance of borrowings with floating rates against the total borrowings according to the financial environment, interest rate forecasts by continuous monitoring, etc. and by using derivatives, etc. A risk management policy is established with regard to the execution and management of derivatives and such transactions are conducted based on this policy. The

Investment Corporation periodically reviews the value of the property and financial condition of the issuer with regard to investment securities.

c. Liquidity risk

Though borrowings are subject to liquidity risk, the Investment Corporation reduces such risk by spreading out payment due dates and by diversifying financial institutions. Liquidity risk is also managed by such means as regularly checking the balance of cash reserves.

(4) Supplementary explanation of the estimated fair value of financial instruments

The fair value of financial instruments is based on their quoted market price, if available. When there is no quoted market price available, fair value is reasonably estimated. Since various assumptions and factors are reflected in estimating the fair value, different assumptions and factors could result in a different fair value.

(B). Estimated Fair Value of Financial Instruments

The carrying value of financial instruments on the balance sheet and estimated fair value are shown in the following table.

As of July 31, 2018

	(in thousands of yen)		
	Carrying amount	Estimated fair value	Difference
(1) Cash and deposits	10,029,598	10,029,598	-
(2) Cash and deposits in trust	8,749,823	8,749,823	-
Total	18,779,421	18,779,421	-
(1) Short-term loans payable	2,630,000	2,630,000	-
(2) Current portion of long-term loans payable	13,500,000	13,463,182	-36,817
(3) Investment corporation bonds	3,000,000	2,978,000	-22,000
(4) Long-term loans payable	87,000,000	87,203,230	203,230
Total	106,130,000	106,274,413	144,413
Derivative transactions*	-2,512	-2,512	-

* Figures indicate net amount of derivative assets/liabilities derived from derivative transactions, with minus representing net liabilities.

As of January 31, 2019

	(in thousands of yen)		
	Carrying amount	Estimated fair value	Difference
(1) Cash and deposits	12,356,302	12,356,302	-
(2) Cash and deposits in trust	9,721,629	9,721,629	-
Total	22,077,932	22,077,932	-
(1) Short-term loans payable	2,050,000	2,050,000	-
(2) Current portion of long-term loans payable	9,700,000	9,702,693	2,693
(3) Investment corporation bonds	5,000,000	4,994,100	-5,900
(4) Long-term loans payable	106,500,000	106,881,219	381,219
Total	123,250,000	123,628,012	378,012
Derivative transactions	-337,222	-337,222	-

* Figures indicate net amount of derivative assets/liabilities derived from derivative transactions, with minus representing net liabilities.

Note 1: Methods to determine the estimated fair value of financial instruments and matters related to derivative transactions

Assets

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

Since these items are settled in a short period of time, their carrying amount approximates fair value.

Liabilities

(1) Short-term loans payable

Since these items are settled in a short period of time with floating interest rates, their carrying amount approximates fair value.

(2) Current portion of long-term loans payable and (4) Long-term loans payable

Among these items, the fair value of loans payable with fixed interest rates is calculated based on the present value, which is the total amount of principal and interest discounted by the estimated interest rate to be applied in the event that the Investment Corporation conducts new borrowings of the same type. As for the fair value of loans payable with floating interest rates, it is based on the carrying amount since market interest rates are reflected in the short term and the fair value is believed to approximate the carrying amount as the credit standing of the Investment Corporation has not changed significantly since the loans were made. (However, the fair value of long-term loans payable subject to the special treatment for interest-rate swaps is based on the present value of the total of principal and interest, accounted for together with the applicable interest-rate swaps, discounted by the estimated interest rate to be applied in the event that the Investment Corporation conducts new borrowings of the same type.)

(3) Investment corporation bonds

The fair value of investment corporation bonds is based on market prices.

Derivative transactions

Please refer to “Notes to the Derivative Transactions”.

Note 2: Financial instruments whose fair values are extremely difficult to recognize.

(in thousands of yen)

Classification	As of July 31, 2018	As of January 31, 2019
Investment securities *	512,263	111,796

*Fair values of investment securities are not subject to disclosure of fair value as they have no market value and their fair values are extremely difficult to recognize.

Loss on valuation of investment securities of ¥21,981 thousand was recognized in the fiscal period ended July 31, 2018.

Note 3: Redemption schedule for financial assets with maturities

As of July 31, 2018

(in thousands of yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Cash and deposits	10,029,598	-	-	-	-	-
Cash and deposits in trust	8,749,823	-	-	-	-	-
Total	18,779,421	-	-	-	-	-

As of January 31, 2019

(in thousands of yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Cash and deposits	12,356,302	-	-	-	-	-
Cash and deposits in trust	9,721,629	-	-	-	-	-
Total	22,077,932	-	-	-	-	-

Note 4: Redemption schedule for loans payable and investment corporation bonds

As of July 31, 2018

(in thousands of yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Short-term loans payable	2,630,000	-	-	-	-	-
Investment corporation bonds	-	-	-	1,000,000	-	2,000,000
Long-term loans payable	13,500,000	7,500,000	8,950,000	19,650,000	7,250,000	43,650,000
Total	16,130,000	7,500,000	8,950,000	20,650,000	7,250,000	45,650,000

As of January 31, 2019

(in thousands of yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Short-term loans payable	2,050,000	-	-	-	-	-
Investment corporation bonds	-	-	1,000,000	-	1,000,000	3,000,000
Long-term loans payable	9,700,000	9,600,000	13,000,000	17,750,000	11,800,000	54,350,000
Total	11,750,000	9,600,000	14,000,000	17,750,000	12,800,000	57,350,000

(Notes to the Derivative Transactions)

(1) Transactions not subject to hedge accounting

As of July 31, 2018 and as of January 31, 2019: Not applicable

(2) Transactions subject to hedge accounting

As of July 31, 2018

Hedge accounting method	Type of derivative transactions	Hedged items	Contract amount (in thousands of yen)		Fair value (in thousands of yen)	Calculation method for applicable fair value
				Maturing after 1 year		
Accounting method, in principle	Interest rate swap transaction: Receive/floating and pay/fixed	Long-term loans payable	43,000,000	43,000,000	-2,512	Based on the amount provided by counterparty financial institutions
Special treatment of interest-rate swaps	Interest rate swap transaction: Receive/floating and pay/fixed	Long-term loans payable	46,300,000	38,300,000	*	-
Total			89,300,000	81,300,000	-2,512	

*Interest rate swaps for which the special treatment is applied are accounted for together with the underlying hedged item. As a result, their fair value is included in the fair value of the hedged long-term debt.

As of January 31, 2019

Hedge accounting method	Type of derivative transactions	Hedged items	Contract amount (in thousands of yen)		Fair value (in thousands of yen)	Calculation method for applicable fair value
				Maturing after 1 year		
Accounting method, in principle	Interest rate swap transaction: Receive/floating and pay/fixed	Long-term loans payable	52,500,000	52,500,000	-337,222	Based on the amount provided by counterparty financial institutions
Special treatment of interest-rate swaps	Interest rate swap transaction: Receive/floating and pay/fixed	Long-term loans payable	38,300,000	36,800,000	*	-
Total			90,800,000	89,300,000	-337,222	

*Interest rate swaps for which the special treatment is applied are accounted for together with the underlying hedged item. As a result, their fair value is included in the fair value of the hedged long-term debt.

(Notes to the Tax-Effect Accounting)

The significant components of deferred tax assets and liabilities:

(in thousands of yen)

	As of July 31, 2018	As of January 31, 2019
Deferred tax assets:		
Valuation difference on other assets acquired by merger	762,851	741,176
Deferred gains or losses on hedges	26,694	106,528
Loss on investment securities	6,926	-
Subtotal deferred tax assets	796,472	847,704
Valuation allowance	-796,472	-847,704
Total deferred tax assets	-	-
Net deferred tax assets	-	-

The significant differences between the statutory tax rate and the effective tax rate:

	From February 1, 2018 to July 31, 2018	From August 1, 2018 to January 31, 2019
Statutory tax rate	31.74%	31.51%
Deductible cash distributions	-16.44	-30.73
Gain on negative goodwill	-15.09	-
Others	-0.20	-0.76
Effective tax rate	0.01%	0.02%

(Notes to the Related-Party Transactions)

1. Parent Company, major corporate unitholders and other

13h Fiscal Period (February 1, 2018 to July 31, 2018) and 14th Fiscal Period (August 1, 2018 to January 31, 2019): Not applicable

2. Affiliated companies and other

13h Fiscal Period (February 1, 2018 to July 31, 2018) and 14th Fiscal Period (August 1, 2018 to January 31, 2019): Not applicable

3. Fellow subsidiary companies and other

13h Fiscal Period (February 1, 2018 to July 31, 2018) and 14th Fiscal Period (August 1, 2018 to January 31, 2019): Not applicable

4. Directors, major individual unitholders and other

13h Fiscal Period (February 1, 2018 to July 31, 2018) and 14th Fiscal Period (August 1, 2018 to January 31, 2019): Not applicable

(Notes to Business Combination)

13th Fiscal Period (February 1, 2018 to July 31, 2018)

Business Combination through Acquisition

1. Overview of Business combination

(1) Name and Business Description of Acquiree

Name of acquiree : Japan Senior Living Investment Corporation (“JSL”)

Business description : Real estate investment trust

(2) Main Reason for Business Combination

The Investment Corporation and JSL believe that, as a result of the Merger, they will achieve the benefits of (i) an increase in liquidity resulting from greater asset scale and market capitalization that will enable them to capture more growth opportunities, (ii) greater earnings stability stemming from asset type diversification and enhanced ability to pursue external growth and (iii) improvement in asset management efficiency together with enhanced financial health, and further believe that the potential to reap these benefits constitutes the major significance of the Merger. The Investment Corporation has therefore entered into the merger agreement on November 10, 2017.

(3) Date of Business Combination

March 1, 2018

(4) Legal Framework of Business Combination

An absorption-type merger with the Investment Corporation as the surviving corporation and JSL as the dissolving corporation

(5) Name of the Investment Corporation after Business Combination

Kenedix Residential Next Investment Corporation

(The Investment Corporation changed its name from Kenedix Residential Investment Corporation to Kenedix Residential Next Investment Corporation on March 1, 2018)

(6) Main Reasons for Determining Acquiring Company

It is determined that the Investment Corporation is the acquiring company based on the accounting standards for business combinations and other regulations with comprehensively taking various factors into consideration, such as the size of total assets, net income and other indexes, the ratio of unitholders' voting rights, the members of board of directors and other managerial factors.

2. Operating Period of Acquiree Included in the Statement of Income and Retained Earnings

From March 1, 2018 to July 31, 2018

3. Acquisition Cost of Acquiree and the Breakdown

Acquisition cost

Market value of the Investment Corporation's investment units allotted on the date of business combination

¥13,187,100 thousand

Principal Direct Cost for Acquisition

Merger fees ¥292,085 thousand

4. Exchange Ratio, Method of Calculation and Number of Investment Units Allotted as for the Acquisition

(1) Exchange Ratio of Investment Units

1 unit of the Investment Corporation was allotted 1 unit of JSL through the Merger. The Investment Corporation implemented a 2-for-1 investment unit split with February 28, 2018 as the record date before the Merger.

(2) Method of Calculation

The Investment Corporation appointed SMBC Nikko Securities Inc. as a financial advisor ("FA"), and also JSL appointed Nomura Securities Co., Ltd. They requested the FAs to perform a financial analysis of the merger ratio. Each FA calculated the merger ratio based on the valuation method of investment unit market value, discount dividends model, and other valuation, respectively. After careful discussions and negotiations as well as comprehensive considerations of various factors, including the merger ratio performed by the FAs, the Investment Corporation and JSL determined that the above mentioned merger ratio was appropriate.

(3) Number of Investment Units Allotted

84,750 units

5. Treatment of Acquisition Cost

(1) Breakdown of Assets Acquired and Liabilities Assumed on the Date of Business Combination

In thousand yen	
Current assets	6,674,104
Non-current assets	29,237,279
Total assets	35,911,384
Current liabilities	5,108,546
Non-current liabilities	15,040,841
Total liabilities	20,149,388

(2) Amount and Reason for Negative Goodwill

Negative Goodwill : ¥2,574,896 thousand

Reason : The Investment Corporation recognized the difference as Negative Goodwill, which is the amount that JSL net fair value of net assets on the date of business combination exceeds the acquisition cost.

Accounting Treatment: All of the amount was recognized as extraordinary gain in 13th fiscal period.

6. Estimated Impact on the Statement of Income and Retained Earnings for the 13th fiscal period

Calculation Method of Estimated Impact and Assumption:

Japanese GAAP requires the acquiring company to estimate the impact on the statement of income and retained earnings as if the business combination were completed at the beginning of the 13th fiscal period.

Impact on the Statement of Income and Retained Earnings in the 13th Fiscal Period:

Operating Income	¥162,634 thousand
Ordinary Income	¥37,588 thousand
Net Income	¥37,419 thousand

14th Fiscal Period (August 1, 2018 to January 31, 2019)

Not applicable

(Notes to the Investment and Rental Properties)

The Investment Corporation owns real estate for rental purposes in the Tokyo Metropolitan Area and other regional areas for the purpose of generating rental revenues. The book value and fair value concerning the above real estate for rental purposes are as follows.

(in thousands of yen)

		From February 1, 2018 to July 31, 2018	From August 1, 2018 to January 31, 2019
Book value	Balance at the beginning of period	165,040,946	193,148,357
	Changes during the period	28,107,411	28,208,331
	Balance at the end of period	193,148,357	221,356,688
Fair value at the end of period		223,857,000	256,174,000

Note 1: Book value excludes accumulated depreciation from acquisition costs.

Note 2: Among changes in the amount of real estate for rental purposes that occurred during the 13th fiscal period, the principal increase was the acquisition of real estate trust beneficiary interests in 14 properties totaling ¥28,998,000 thousand by merger with Japan Senior Living Investment Corporation and the acquisition of real estate trust beneficiary interests in 1 property totaling ¥770,418 thousand, and the principal decrease was the sales of real estate trust beneficiary interests in 1 property totaling ¥953,749 thousand and depreciation of ¥1,144,236 thousand, and during the 14th fiscal period, the principal increase was the acquisition of real estate trust beneficiary interests in 10 properties totaling ¥29,437,871 thousand, and the principal decrease was the sales of real estate trust beneficiary interests in 1 property totaling ¥500,913 thousand and depreciation of ¥1,343,163 thousand.

Note 3: The fair value is the appraisal value or the survey value determined by outside appraisers. In addition, the fair value at the end of 14th fiscal period of KDX Residence Shin-Osaka, which was sold on February 1, 2019, is based on the sales prices (¥690,000 thousand) under the trust beneficiary interest sales contracts entered into on January 18, 2019.

Income and loss for real estate rental business in the fiscal periods ended July 31, 2018 and January 31, 2019 for real estate for rental purposes is listed in "Notes to the Statements of Income and Retained Earnings".

(Notes to the Segment Information)

Segment information for the periods from February 1, 2018 to July 31, 2018 and from August 1, 2018 to January 31, 2019 is as follows:

(A) Segment information

Disclosure is omitted because the real estate leasing business is the Investment Corporation's sole business and it has no reportable segment subject to disclosure.

(B) Related information

(1) Information about each product and service

Disclosure is omitted because net sales to external customers for a single product/service category account for over 90% of the operating revenue on the statement of income and retained earnings.

(2) Information about each geographic area

(a) Net sales

Disclosure is omitted because net sales to external customers in Japan account for over 90% of the operating revenue on the statement of income and retained earnings.

(b) Property, plant and equipment

Disclosure is omitted because the amount of property, plant and equipment located in Japan accounts for over 90% of the amount of property, plant and equipment on the balance sheet.

(3) Information about each major customer

Disclosure is omitted because net sales to a single external customer account for less than 10% of the operating revenue on the statement of income and retained earnings.

(Notes to Per Unit Information)

	From February 1, 2018 to July 31, 2018	From August 1, 2018 to January 31, 2019
Net asset value per unit	¥126,123	¥128,807
Net income per unit	¥7,036	¥4,143

Note 1: The weighted average number of units outstanding of 769,818 and 868,508 were used for the computation of the amount of net income per unit for the periods ended July 31, 2018 and January 31, 2019, respectively. Net income per unit after adjusting for residual units is not included because there were no residual investment units.

Note 2: A 2-for-1 split of investment units was implemented with February 28, 2018 as the record date and March 1, 2018 as the effective date. Net assets value per unit and net income per unit are calculated based on the assumption that the split of investment unit was implemented at the beginning of the fiscal period ended July 31, 2018.

Note 3: The basis for calculating net income per unit is as follows:

	From February 1, 2018 to July 31, 2018	From August 1, 2018 to January 31, 2019
Net income (in thousands of yen)	5,416,437	3,598,442
Net income not available to ordinary unitholders (in thousands of yen)	-	-
Net income available to ordinary unitholders (in thousands of yen)	5,416,437	3,598,442
Weighted average number of units during the period (units)	769,818	868,508

(Notes to Important Subsequent Events)

13th Fiscal Period (February 1, 2018 to July 31, 2018)

Issuance of New Investment Units

On July 13, 2018 and July 24, 2018, the Board of Directors of the Investment Corporation resolved to issue new investment units as the funds for acquiring specified assets and other use. Payments for the issuance of new investment units through public offering and through third-party allotment have been completed on August 1, 2018 and August 29, 2018, respectively.

As a result of the issuance of new investment units, the Investment Corporation had total unitholders' capital of ¥93,226,228,903 with 869,133 investment units outstanding as of August 29, 2018.

(Issuance of New Investment Units through Public Offering)

Issuance of new investment units	: 82,100 units
Issue price (Offer price)	: ¥157,047 per unit
Aggregate issue price (Total offer price)	: ¥12,893,558,700
Issue amount (Paid-in value)	: ¥151,892 per unit
Total issue amount (Aggregate paid-in value)	: ¥12,470,333,200
Payment date	: August 1, 2018

(Issuance of New Investment Units through Third-Party Allotment)

Issuance of new investment units	: 4,105 units
Issue amount (Paid-in value)	: ¥151,892 per unit
Total issue amount (Aggregate paid-in value)	: ¥623,516,660
Payment date	: August 29, 2018
Allottee	: SMBC Nikko Securities Inc.

14th Fiscal Period (August 1, 2018 to January 31, 2019)

Issuance of New Investment Units

On February 4, 2019 and February 13, 2019, the Board of Directors of the Investment Corporation resolved to issue new investment units as the funds for acquiring specified assets and other use. Payments for the issuance of new investment units through public offering and through third-party allotment have been completed on February 20, 2019 and March 11, 2019, respectively.

As a result of the issuance of new investment units, the Investment Corporation had total unitholders' capital of ¥99,731,514,403 with 907,458 investment units outstanding as of March 11, 2019.

(Issuance of New Investment Units through Public Offering)

Issuance of new investment units	: 36,500 units
Issue price (Offer price)	: ¥175,500 per unit
Aggregate issue price (Total offer price)	: ¥6,405,750,000
Issue amount (Paid-in value)	: ¥169,740 per unit
Total issue amount (Aggregate paid-in value)	: ¥6,195,510,000
Payment date	: February 20, 2019

(Issuance of New Investment Units through Third-Party Allotment)

Issuance of new investment units	: 1,825 units
Issue amount (Paid-in value)	: ¥169,740 per unit
Total issue amount (Aggregate paid-in value)	: ¥309,775,500
Payment date	: March 11, 2019
Allottee	: SMBC Nikko Securities Inc.

【Reference】

Earnings Performance for the Individual Properties for the 14th Fiscal Period (August 1, 2018 to January 31, 2019) : 184 days ※As of January 31, 2019

Property No.	T-1	T-3	T-4	T-5	T-6	T-7	T-9	T-10	T-11	T-12	T-13	T-15	T-16	T-17	
Property Name	KDX Daikanyama Residence	KDX Odemma Residence	KDX Iwamoto-cho Residence	KDX Bunkyo Sengoku Residence	KDX Azumabashi Residence	KDX Shimura Sakau Residence	Cosmo Heim Motosumiyoshi (Land with leasehold interest)	KDX Musashi Nakahara Residence	KDX Chiba Chuo Residence	KDX Kawaguchi Saiwai-cho Residence	KDX Residence Shirokane I	KDX Residence Shirokane II	KDX Residence Minami-aoyama	KDX Residence Minami-azabu	
Acquisition Date	May 1, 2012	May 1, 2012	May 1, 2012	May 1, 2012	May 1, 2012	May 1, 2012	April 26, 2012	May 1, 2012	May 1, 2012	May 1, 2012	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	
Price Information	Acquisition price (In millions of yen)	4,700	1,775	822	1,488	650	2,830	1,750	637	1,480	1,150	3,000	2,800	2,230	2,080
	Percentage of total portfolio	2.1%	0.8%	0.4%	0.7%	0.3%	1.3%	0.8%	0.3%	0.7%	0.5%	1.4%	1.3%	1.0%	0.9%
	Net book value (In millions of yen)	4,797	1,717	792	1,456	614	2,682	1,798	636	1,333	1,115	3,084	2,860	2,240	2,077
	Appraisal value at the end of period (In millions of yen)	5,830	2,100	977	1,780	896	3,420	1,800	728	1,790	1,410	3,490	3,400	2,530	2,580
	Percentage of total appraisal value	2.3%	0.8%	0.4%	0.7%	0.3%	1.3%	0.7%	0.3%	0.7%	0.6%	1.4%	1.3%	1.0%	1.0%
Lease Information	Number of leasable residential units	86	54	36	77	41	85	-	35	106	61	50	85	20	62
	Leasable floor area (㎡)	5,338.99	2,353.23	1,131.24	2,054.10	1,054.83	6,117.48	3,040.11	2,123.46	3,546.91	2,491.66	3,617.32	2,889.66	1,680.79	2,785.42
	Leased floor area (㎡)	5,338.99	2,353.23	1,131.24	2,054.10	1,007.35	6,044.68	3,040.11	2,123.46	3,463.71	2,373.61	3,494.57	2,889.66	1,680.79	2,713.44
	Occupancy ratio (Note1)														
	As of January 31, 2019	100.0%	100.0%	100.0%	100.0%	95.5%	98.8%	100.0%	100.0%	97.7%	95.3%	96.6%	100.0%	100.0%	97.4%
	As of July 31, 2018	100.0%	96.1%	100.0%	97.6%	90.7%	95.1%	100.0%	94.3%	93.4%	96.6%	97.6%	98.9%	95.8%	96.7%
	As of January 31, 2018	98.2%	100.0%	98.0%	100.0%	100.0%	100.0%	100.0%	94.3%	95.5%	98.3%	98.8%	98.8%	70.8%	98.0%
	As of July 31, 2017	98.9%	96.2%	90.9%	100.0%	95.4%	96.6%	100.0%	97.2%	95.1%	95.9%	97.2%	95.8%	95.8%	92.7%
	As of January 31, 2017	100.0%	96.2%	100.0%	100.0%	97.7%	92.9%	100.0%	97.2%	87.9%	95.2%	100.0%	97.8%	100.0%	100.0%
	As of July 31, 2016	96.5%	94.5%	96.4%	93.4%	97.7%	97.5%	100.0%	94.3%	97.2%	97.1%	97.5%	97.8%	97.7%	98.6%
As of January 31, 2016	99.4%	98.2%	94.4%	100.0%	97.7%	94.2%	100.0%	100.0%	98.8%	97.1%	98.8%	98.1%	94.8%	98.8%	
As of July 31, 2015	96.6%	96.4%	100.0%	97.7%	100.0%	97.5%	100.0%	100.0%	91.9%	98.2%	100.0%	97.8%	97.7%	96.0%	
As of January 31, 2015	90.6%	96.4%	100.0%	98.7%	95.5%	97.6%	100.0%	97.2%	88.9%	81.2%	97.3%	97.5%	90.9%	95.2%	
As of July 31, 2014	98.2%	92.2%	96.4%	99.0%	100.0%	96.4%	100.0%	100.0%	90.6%	91.7%	96.1%	96.0%	92.9%	90.2%	
Profit and Loss Information for the 14th Fiscal Period	Operating periods	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days
	①Rental and other operating revenues (In thousands of yen)	160,673	58,358	28,022	49,462	24,274	109,170	43,749	25,735	60,706	47,497	111,573	92,589	64,064	72,746
	Rental revenues	145,886	53,527	26,367	46,107	22,961	92,919	43,749	24,700	55,561	43,685	92,203	85,791	62,228	68,530
	Other operating revenues	14,787	4,830	1,655	3,354	1,313	16,250	-	1,034	5,144	3,812	19,369	6,798	1,836	4,215
	②Property-related expenses (In thousands of yen)	37,049	12,994	6,480	12,120	6,158	21,564	1,324	5,016	15,866	12,776	33,604	16,397	12,240	13,941
	Property management fees	10,336	4,901	2,544	3,930	2,933	7,042	-	2,285	3,813	2,965	7,737	6,052	4,503	6,119
	Taxes	8,987	2,835	1,244	2,478	1,240	5,554	1,318	1,617	3,773	2,767	7,881	4,673	3,503	3,842
	Utilities	3,730	599	308	618	270	1,395	-	410	781	752	13,270	1,572	1,302	477
	Repairs and maintenance	11,390	2,698	917	2,655	844	4,039	-	142	3,640	3,669	2,601	1,989	1,492	2,186
	Insurance	161	58	28	52	30	143	-	45	95	62	117	87	44	69
Trust fees and other expenses	2,442	1,900	1,436	2,384	839	3,389	6	513	3,762	2,558	1,994	2,022	1,393	1,246	
③NOI (=①-②) (In thousands of yen)	123,624	45,364	21,541	37,342	18,116	87,605	42,425	20,718	44,840	34,721	77,969	76,192	51,823	58,804	
④Depreciation (In thousands of yen)	16,443	10,809	5,268	6,523	4,907	21,642	-	3,726	17,270	7,313	8,581	7,297	3,265	7,000	
⑤Rental operating income (=③-④) (In thousands of yen)	107,180	34,554	16,272	30,818	13,208	65,963	42,425	16,992	27,569	27,408	69,387	68,895	48,558	51,803	
⑥Capital expenditures (In thousands of yen)	103,955	3,571	-	-	697	5,609	-	-	432	756	316	315	2,500	2,909	
⑦NCF (=③-⑥) (In thousands of yen)	19,669	41,792	21,541	37,342	17,418	81,995	42,425	20,718	44,408	33,964	77,652	75,877	49,322	55,894	
Reference	Expense ratio (=②/①)	23.1%	22.3%	23.1%	24.5%	25.4%	19.8%	3.0%	19.5%	26.1%	26.9%	30.1%	17.7%	19.1%	19.2%
	Property tax for the year 2018 (In thousands of yen)	17,975	5,671	2,489	4,957	2,480	11,108	2,637	3,235	7,546	5,539	15,763	9,346	7,007	7,685
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-

【Reference】

Earnings Performance for the Individual Properties for the 14th Fiscal Period (August 1, 2018 to January 31, 2019) : 184 days ※As of January 31, 2019

Property No.	T-18	T-19	T-20	T-21	T-22	T-23	T-24	T-25	T-26	T-27	T-28	T-29	T-30	T-31	
Property Name	KDX Residence Shiba Koen	KDX Residence Azabu East	KDX Residence Takanawa	KDX Residence Nishihara	KDX Residence Daikanyama II	KDX Residence Sendagaya	KDX Residence Nihombashi Suitengu	KDX Residence Nihombashi Hakozaki	KDX Residence Higashi-shinjuku	KDX Residence Yotsuya	KDX Residence Nishi-shinjuku	KDX Residence Kagurazaka	KDX Residence Futako Tamagawa	KDX Residence Komazawa Koen	
Acquisition Date	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	
Price Information	Acquisition price (In millions of yen)	1,781	1,560	770	1,450	730	650	3,240	1,147	3,270	2,260	1,000	720	1,250	920
	Percentage of total portfolio	0.8%	0.7%	0.3%	0.7%	0.3%	0.3%	1.5%	0.5%	1.5%	1.0%	0.5%	0.3%	0.6%	0.4%
	Net book value (In millions of yen)	1,766	1,550	764	1,452	760	640	3,171	1,160	3,247	2,301	998	714	1,278	906
	Appraisal value at the end of period (In millions of yen)	2,360	1,910	1,050	1,870	952	815	3,900	1,370	4,090	2,740	1,330	924	1,440	1,120
	Percentage of total appraisal value	0.9%	0.7%	0.4%	0.7%	0.4%	0.3%	1.5%	0.5%	1.6%	1.1%	0.5%	0.4%	0.6%	0.4%
Lease Information	Number of leasable residential units	64	76	27	39	17	16	79	60	179	42	54	34	38	32
	Leasable floor area (㎡)	2,507.52	1,849.00	1,034.27	2,310.08	985.10	748.96	5,534.86	1,537.38	4,358.43	3,101.16	1,345.92	890.93	2,339.62	1,020.18
	Leased floor area (㎡)	2,421.63	1,849.00	1,034.27	2,310.08	985.10	748.96	5,534.86	1,537.38	4,268.82	3,006.24	1,279.90	890.93	2,215.20	1,020.18
	Occupancy ratio (Note1)														
	As of January 31, 2019	96.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	97.9%	96.9%	95.1%	100.0%	94.7%	100.0%
	As of July 31, 2018	98.3%	97.7%	95.6%	97.6%	100.0%	100.0%	100.0%	100.0%	95.0%	100.0%	91.5%	100.0%	100.0%	97.8%
	As of January 31, 2018	97.5%	98.9%	97.4%	100.0%	100.0%	100.0%	100.0%	98.7%	96.8%	100.0%	98.0%	97.2%	100.0%	95.5%
	As of July 31, 2017	98.4%	100.0%	100.0%	91.3%	100.0%	100.0%	100.0%	98.7%	100.0%	98.1%	96.6%	97.2%	97.6%	100.0%
	As of January 31, 2017	98.4%	97.7%	100.0%	100.0%	100.0%	100.0%	100.0%	95.5%	100.0%	100.0%	96.4%	97.2%	94.7%	100.0%
	As of July 31, 2016	93.4%	98.9%	92.5%	95.9%	100.0%	100.0%	100.0%	97.3%	97.5%	95.9%	100.0%	100.0%	97.1%	100.0%
As of January 31, 2016	94.6%	97.7%	100.0%	93.7%	100.0%	100.0%	100.0%	98.4%	97.9%	93.7%	100.0%	100.0%	100.0%	100.0%	
As of July 31, 2015	93.7%	97.7%	97.4%	97.5%	100.0%	87.6%	100.0%	97.1%	98.0%	100.0%	98.5%	97.2%	92.1%	97.8%	
As of January 31, 2015	93.3%	100.0%	100.0%	97.9%	100.0%	100.0%	100.0%	91.4%	99.0%	93.9%	98.2%	94.3%	100.0%	100.0%	
As of July 31, 2014	94.0%	94.3%	91.0%	97.6%	90.9%	100.0%	100.0%	95.3%	97.9%	89.1%	96.8%	100.0%	100.0%	100.0%	
Profit and Loss Information for the 14th Fiscal Period	Operating periods	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days
	①Rental and other operating revenues (In thousands of yen)	66,135	56,455	28,949	52,320	28,255	24,440	97,271	40,886	110,080	79,918	34,309	25,701	42,911	28,324
	Rental revenues	60,864	52,841	25,798	47,114	23,300	20,340	93,188	37,748	101,656	71,564	32,267	23,216	38,891	26,787
	Other operating revenues	5,270	3,614	3,151	5,206	4,954	4,100	4,083	3,138	8,424	8,354	2,042	2,484	4,019	1,536
	②Property-related expenses (In thousands of yen)	11,895	10,859	6,144	11,037	5,074	4,234	10,525	8,301	27,300	29,507	8,716	5,168	9,280	5,063
	Property management fees	5,200	4,114	2,672	4,317	2,070	2,328	1,577	3,723	7,086	7,366	3,714	1,899	3,437	2,018
	Taxes	2,957	2,559	1,485	3,070	1,913	1,145	5,020	1,733	5,511	4,947	1,732	1,025	2,152	1,252
	Utilities	621	519	389	808	205	320	861	495	1,486	1,348	342	245	389	441
	Repairs and maintenance	1,950	1,961	505	2,248	274	37	1,936	1,273	10,367	14,414	1,909	1,131	2,705	707
	Insurance	61	55	27	65	27	25	136	41	118	130	35	24	56	26
	Trust fees and other expenses	1,104	1,649	1,063	525	583	377	991	1,034	2,730	1,300	982	842	538	616
③NOI (=①-②) (In thousands of yen)	54,240	45,595	22,805	41,283	23,181	20,206	86,746	32,585	82,780	50,410	25,593	20,533	33,630	23,260	
④Depreciation (In thousands of yen)	5,801	6,195	2,765	5,927	1,267	2,804	17,786	6,881	11,629	9,532	3,961	3,335	4,658	4,670	
⑤Rental operating income (=③-④) (In thousands of yen)	48,438	39,400	20,040	35,355	21,913	17,402	68,959	25,704	71,150	40,878	21,631	17,197	28,971	18,589	
⑥Capital expenditures (In thousands of yen)	863	696	-	6,696	743	-	1,198	-	17,709	57,563	2,730	4,178	6,303	257	
⑦NCF (=⑤-⑥) (In thousands of yen)	53,377	44,899	22,805	34,586	22,437	20,206	85,547	32,585	65,071	7,152	22,862	16,354	27,326	23,003	
Reference	Expense ratio (=②/①)	18.0%	19.2%	21.2%	21.1%	18.0%	17.3%	10.8%	20.3%	24.8%	36.9%	25.4%	20.1%	21.6%	17.9%
	Property tax for the year 2018 (In thousands of yen)	5,915	5,118	2,971	6,141	3,826	2,290	10,025	3,466	11,023	9,895	3,464	2,050	4,305	2,504
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-

【Reference】

Earnings Performance for the Individual Properties for the 14th Fiscal Period (August 1, 2018 to January 31, 2019) : 184 days ※As of January 31, 2019

Property No.	T-32	T-33	T-34	T-35	T-36	T-37	T-38	T-39	T-40	T-41	T-42	T-43	T-44	T-45	
Property Name	KDX Residence Mishuku	KDX Residence Yoga	KDX Residence Shimouma	Raffine Minami-magome	KDX Residence Yukigaya Otsuka	KDX Residence Denen Chofu	KDX Residence Tamagawa	KDX Residence Monzennakacho	KDX Residence Okachimachi	KDX Residence Moto-asakusa	KDX Residence Itabashi Honcho	KDX Residence Azusawa	KDX Residence Tobu Nerima	KDX Residence Yokohama Kamai	
Acquisition Date	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	
Price Information	Acquisition price (In millions of yen)	760	700	600	1,250	1,050	1,000	776	773	850	800	620	550	420	800
	Percentage of total portfolio	0.3%	0.3%	0.3%	0.6%	0.5%	0.5%	0.4%	0.3%	0.4%	0.4%	0.3%	0.2%	0.2%	0.4%
	Net book value (In millions of yen)	754	697	600	1,244	1,028	1,065	744	767	840	791	603	554	400	780
	Appraisal value at the end of period (In millions of yen)	926	845	765	1,480	1,340	1,230	921	995	1,040	987	760	652	508	981
	Percentage of total appraisal value	0.4%	0.3%	0.3%	0.6%	0.5%	0.5%	0.4%	0.4%	0.4%	0.3%	0.3%	0.2%	0.2%	0.4%
Lease Information	Number of leasable residential units	39	38	29	56	72	36	52	49	51	44	46	39	37	72
	Leasable floor area (㎡)	1,103.82	1,012.80	829.05	2,408.56	1,526.98	2,359.44	1,170.40	1,171.41	1,329.79	1,314.91	1,127.58	989.82	931.82	1,602.16
	Leased floor area (㎡)	998.52	987.48	829.05	2,408.56	1,506.50	2,293.90	1,149.80	1,171.41	1,304.93	1,260.84	1,127.58	989.82	931.82	1,582.32
	Occupancy ratio (Note1)														
	As of January 31, 2019	90.5%	97.5%	100.0%	100.0%	98.7%	97.2%	98.2%	100.0%	98.1%	95.9%	100.0%	100.0%	100.0%	98.8%
	As of July 31, 2018	100.0%	100.0%	100.0%	100.0%	97.3%	91.7%	94.5%	97.5%	100.0%	98.4%	100.0%	96.8%	100.0%	94.2%
	As of January 31, 2018	97.7%	90.0%	100.0%	100.0%	98.7%	100.0%	98.1%	95.9%	100.0%	95.9%	96.1%	100.0%	100.0%	97.0%
	As of July 31, 2017	100.0%	100.0%	96.8%	100.0%	100.0%	100.0%	98.1%	100.0%	100.0%	98.5%	98.1%	100.0%	96.6%	93.1%
	As of January 31, 2017	94.1%	100.0%	93.7%	100.0%	98.7%	94.4%	98.3%	100.0%	98.0%	92.4%	96.1%	97.9%	94.4%	88.0%
	As of July 31, 2016	96.0%	100.0%	100.0%	100.0%	95.7%	91.7%	96.5%	93.7%	98.2%	97.4%	94.0%	90.2%	94.9%	90.8%
As of January 31, 2016	95.3%	100.0%	96.7%	100.0%	100.0%	97.2%	100.0%	100.0%	100.0%	98.4%	95.8%	100.0%	97.3%	98.8%	
As of July 31, 2015	97.7%	100.0%	97.0%	100.0%	98.4%	97.2%	96.4%	96.2%	100.0%	92.4%	96.1%	94.1%	100.0%	97.2%	
As of January 31, 2015	100.0%	100.0%	100.0%	100.0%	100.0%	97.2%	100.0%	97.5%	100.0%	94.3%	93.9%	90.9%	97.8%	89.2%	
As of July 31, 2014	100.0%	100.0%	95.5%	100.0%	97.3%	100.0%	98.2%	95.5%	100.0%	97.5%	97.7%	90.9%	96.6%	90.9%	
Profit and Loss Information for the 14th Fiscal Period	Operating periods	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days
	①Rental and other operating revenues (In thousands of yen)	27,082	23,523	21,313	41,292	38,311	37,078	28,507	27,348	30,100	29,895	24,212	20,018	17,578	34,897
	Rental revenues	25,491	21,609	20,037	41,292	36,422	34,444	26,653	26,407	29,354	28,431	23,531	18,637	16,826	31,930
	Other operating revenues	1,590	1,913	1,275	-	1,889	2,634	1,854	940	745	1,463	681	1,380	752	2,967
	②Property-related expenses (In thousands of yen)	6,527	6,192	5,340	3,032	9,637	8,350	7,451	4,790	6,089	6,234	5,318	5,500	5,570	8,915
	Property management fees	2,182	1,403	1,981	426	3,137	3,307	2,383	1,986	2,606	2,327	2,071	2,301	1,917	3,920
	Taxes	1,434	1,269	793	2,098	1,936	1,918	1,506	1,282	1,679	1,520	1,233	1,210	1,095	1,654
	Utilities	210	426	222	-	465	486	374	362	296	324	317	209	202	688
	Repairs and maintenance	1,884	2,682	1,346	-	1,711	1,947	1,837	580	1,014	1,442	1,088	1,117	1,136	1,624
	Insurance	29	25	19	47	41	47	36	29	31	37	27	27	24	48
	Trust fees and other expenses	786	385	977	460	2,344	642	1,313	547	462	582	580	633	1,193	979
	③NOI (=①-②) (In thousands of yen)	20,554	17,330	15,972	38,259	28,674	28,728	21,056	22,557	24,010	23,661	18,893	14,517	12,007	25,982
④Depreciation (In thousands of yen)	3,115	2,635	2,255	3,363	5,460	4,365	5,898	4,038	3,790	4,524	4,218	3,366	3,778	6,031	
⑤Rental operating income (=③-④) (In thousands of yen)	17,439	14,694	13,717	34,896	23,213	24,362	15,157	18,518	20,220	19,136	14,675	11,151	8,228	19,951	
⑥Capital expenditures (In thousands of yen)	795	980	183	378	366	5,474	270	2,403	432	295	1,482	398	374	1,069	
⑦NCF (=⑤-⑥) (In thousands of yen)	19,759	16,349	15,789	37,881	28,308	23,254	20,786	20,153	23,578	23,365	17,411	14,118	11,633	24,912	
Reference	Expense ratio (=②/①)	24.1%	26.3%	25.1%	7.3%	25.2%	22.5%	26.1%	17.5%	20.2%	20.9%	22.0%	27.5%	31.7%	25.5%
	Property tax for the year 2018 (In thousands of yen)	2,868	2,539	1,586	4,197	3,873	3,837	3,012	2,565	3,358	3,040	2,466	2,421	2,190	3,308
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-

【Reference】

Earnings Performance for the Individual Properties for the 14th Fiscal Period (August 1, 2018 to January 31, 2019) : 184 days ※As of January 31, 2019

Property No.	T-46	T-47	T-48	T-49	T-50	T-51	T-52	T-53	T-54	T-55	T-56	T-57	T-58	T-59	
Property Name	KDX Residence Miyamaedaira	KDX Residence Machida	KDX Residence Kinshicho	KDX Residence Nihombashi Hamacho	KDX Residence Nihombashi Ningyocho	KDX Residence Jiyugaoka	KDX Residence Togoshi	KDX Residence Shinagawa Seaside	KDX Residence Ojima	KDX Residence Oyama	KDX Residence Hanzomon	B-Site Akihabara	KDX Residence Kagurazaka Dori	KDX Residence Sendagi	
Acquisition Date	August 7, 2013	August 7, 2013	March 28, 2014	August 7, 2014	August 7, 2014	August 7, 2014	August 7, 2014	August 7, 2014	August 7, 2014	August 7, 2014	February 5, 2015	February 5, 2015	February 5, 2015	February 5, 2015	
Price Information	Acquisition price (In millions of yen)	999	1,800	1,350	996	530	1,268	3,745	2,593	1,857	2,679	4,832	850	1,360	2,200
	Percentage of total portfolio	0.5%	0.8%	0.6%	0.5%	0.2%	0.6%	1.7%	1.2%	0.8%	1.2%	2.2%	0.4%	0.6%	1.0%
	Net book value (In millions of yen)	1,003	1,722	1,343	1,003	562	1,323	3,759	2,586	1,842	2,652	4,960	865	1,384	2,361
	Appraisal value at the end of period (In millions of yen)	1,130	2,030	1,670	1,220	666	1,580	4,730	3,260	2,260	3,240	5,560	985	1,880	2,450
	Percentage of total appraisal value	0.4%	0.8%	0.7%	0.5%	0.3%	0.6%	1.8%	1.3%	0.9%	2.2%	0.4%	0.7%	1.0%	
Lease Information	Number of leasable residential units	40	52	33	28	27	48	144	127	117	145	85	52	70	40
	Leasable floor area (㎡)	2,448.27	3,832.53	2,024.81	1,756.27	877.14	1,637.00	4,591.76	3,314.75	2,372.67	4,009.07	4,854.23	1,254.50	1,809.84	3,159.89
	Leased floor area (㎡)	2,448.27	3,832.53	2,024.81	1,756.27	877.14	1,532.44	4,558.58	3,218.99	2,271.22	3,687.15	4,796.86	1,254.50	1,809.84	3,089.82
	Occupancy ratio (Note1)														
	As of January 31, 2019	100.0%	100.0%	100.0%	100.0%	100.0%	93.6%	99.3%	97.1%	95.7%	92.0%	98.8%	100.0%	100.0%	97.8%
	As of July 31, 2018	94.7%	100.0%	96.9%	100.0%	100.0%	92.8%	100.0%	99.1%	95.7%	98.1%	97.3%	100.0%	95.8%	100.0%
	As of January 31, 2018	97.5%	100.0%	100.0%	100.0%	100.0%	97.7%	96.7%	97.1%	100.0%	95.3%	100.0%	100.0%	100.0%	100.0%
	As of July 31, 2017	100.0%	95.8%	100.0%	100.0%	96.8%	97.9%	98.9%	98.6%	94.4%	94.4%	97.2%	100.0%	100.0%	100.0%
	As of January 31, 2017	89.8%	100.0%	96.9%	100.0%	96.8%	98.6%	95.5%	100.0%	97.4%	93.2%	97.0%	100.0%	100.0%	95.0%
	As of July 31, 2016	95.1%	87.0%	100.0%	100.0%	95.4%	95.1%	95.9%	97.5%	99.1%	95.3%	97.7%	100.0%	100.0%	99.0%
As of January 31, 2016	95.3%	95.8%	96.8%	100.0%	100.0%	91.6%	98.4%	100.0%	99.1%	93.5%	98.8%	100.0%	100.0%	100.0%	
As of July 31, 2015	95.3%	100.0%	96.9%	100.0%	100.0%	87.9%	98.2%	93.4%	98.3%	91.3%	94.6%	100.0%	100.0%	100.0%	
As of January 31, 2015	90.0%	94.5%	97.3%	100.0%	90.9%	87.7%	97.0%	89.4%	100.0%	91.2%	-	-	-	-	
As of July 31, 2014	92.1%	94.0%	87.4%	-	-	-	-	-	-	-	-	-	-	-	
Profit and Loss Information for the 14th Fiscal Period	Operating periods	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days
	①Rental and other operating revenues (In thousands of yen)	36,628	65,092	44,662	30,509	19,907	38,527	122,168	85,282	61,912	91,654	131,051	23,938	51,933	65,717
	Rental revenues	33,730	57,550	37,648	30,442	18,428	37,047	115,039	79,558	56,967	82,458	120,936	23,882	48,748	60,360
	Other operating revenues	2,898	7,542	7,014	66	1,478	1,480	7,129	5,724	4,944	9,195	10,115	56	3,184	5,357
	②Property-related expenses (In thousands of yen)	9,076	13,810	11,390	4,176	5,784	8,089	18,203	19,300	15,946	16,651	19,131	4,646	9,984	11,853
	Property management fees	3,270	4,733	2,805	1,019	2,089	2,969	6,761	5,462	4,583	4,326	6,419	-	3,105	3,328
	Taxes	2,075	3,526	2,275	1,570	995	1,896	5,565	4,682	2,728	4,805	6,909	1,629	2,394	3,019
	Utilities	474	902	635	344	237	362	636	856	564	984	1,141	-	523	2,794
	Repairs and maintenance	2,179	3,595	4,875	814	1,217	1,348	2,418	4,708	4,820	4,619	2,494	2,622	1,630	1,869
	Insurance	61	105	69	41	23	39	139	106	72	114	137	35	55	88
Trust fees and other expenses	1,014	948	729	385	1,220	1,473	2,682	3,484	3,177	1,800	2,028	360	2,272	753	
③NOI (=①-②) (In thousands of yen)	27,552	51,281	33,272	26,332	14,122	30,437	103,965	65,982	45,965	75,003	111,919	19,291	41,948	53,863	
④Depreciation (In thousands of yen)	4,851	15,009	6,929	4,176	2,242	4,233	17,232	12,793	11,076	16,599	14,727	2,533	3,709	8,790	
⑤Rental operating income (=③-④) (In thousands of yen)	22,700	36,272	26,342	22,156	11,880	26,203	86,733	53,189	34,888	58,403	97,192	16,757	38,239	45,073	
⑥Capital expenditures (In thousands of yen)	2,543	3,126	1,353	1,103	109	2,074	5,300	246	2,266	-	4,666	171	833	897	
⑦NCF (=⑤-⑥) (In thousands of yen)	25,008	48,155	31,919	25,229	14,013	28,363	98,665	65,736	43,698	75,003	107,253	19,119	41,115	52,966	
Reference	Expense ratio (=②/①)	24.8%	21.2%	25.5%	13.7%	29.1%	21.0%	14.9%	22.6%	25.8%	18.2%	14.6%	19.4%	18.0%	
	Property tax for the year 2018 (In thousands of yen)	4,151	7,057	4,550	3,141	1,990	3,792	11,130	9,365	5,456	9,611	13,819	3,258	4,789	6,038
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-

【Reference】

Earnings Performance for the Individual Properties for the 14th Fiscal Period (August 1, 2018 to January 31, 2019) : 184 days ※As of January 31, 2019

Property No.	T-60	T-61	T-62	T-63	T-64	T-65	T-66	T-67	T-68	T-69	T-70	T-71	T-72	T-73	
Property Name	KDX Residence Seijo	KDX Residence Akihabara	KDX Residence Iriya	KDX Residence Tachikawa	KDX Residence Tsurumi	KDX Residence Morishita Chitose	KDX Residence Akasaka	KDX Residence Kanda	KDX Residence Ebisu	KDX Residence Nishi-magome	KDX Residence Nishi-azabu	KDX Residence Azabu Sendaiyaka	KDX Residence Waseda Tsurumaki	KDX Residence Bunkyo Yushima	
Acquisition Date	February 5, 2015	February 5, 2015	February 5, 2015	February 5, 2015	February 5, 2015	June 1, 2015	September 30, 2015	September 30, 2015	October 30, 2015	August 30, 2016	August 1, 2016	August 1, 2016	August 1, 2016	August 1, 2016	
Price Information	Acquisition price (In millions of yen)	1,400	1,250	1,062	3,026	1,050	1,100	1,150	700	2,845	1,130	1,224	792	561	695
	Percentage of total portfolio	0.6%	0.6%	0.5%	1.4%	0.5%	0.5%	0.5%	0.3%	1.3%	0.5%	0.6%	0.4%	0.3%	0.3%
	Net book value (In millions of yen)	1,425	1,255	1,068	3,015	1,141	1,111	1,195	725	2,950	1,174	1,243	808	569	704
	Appraisal value at the end of period (In millions of yen)	1,560	1,500	1,370	3,560	1,460	1,250	1,650	1,090	4,090	1,230	1,600	1,040	813	939
	Percentage of total appraisal value	0.6%	0.6%	0.5%	1.4%	0.6%	0.5%	0.6%	0.4%	1.6%	0.5%	0.6%	0.4%	0.3%	0.4%
Lease Information	Number of leasable residential units	38	32	57	174	59	65	28	30	65	47	33	30	39	38
	Leasable floor area (㎡)	2,198.56	1,929.61	1,899.29	4,314.87	3,499.84	1,614.28	1,180.71	1,031.09	2,659.66	1,297.27	1,357.88	878.50	808.54	939.89
	Leased floor area (㎡)	2,198.56	1,837.92	1,899.29	4,069.04	3,442.34	1,552.36	1,138.74	999.53	2,632.62	1,155.99	1,357.88	878.50	808.54	939.89
	Occupancy ratio (Note1)														
	As of January 31, 2019	100.0%	95.2%	100.0%	94.3%	98.4%	96.2%	96.4%	96.9%	99.0%	89.1%	100.0%	100.0%	100.0%	100.0%
	As of July 31, 2018	93.2%	90.9%	100.0%	95.4%	98.4%	98.7%	100.0%	100.0%	100.0%	100.0%	96.9%	96.2%	97.6%	97.8%
	As of January 31, 2018	97.5%	97.0%	98.6%	92.6%	100.0%	97.4%	96.6%	100.0%	100.0%	96.1%	97.3%	100.0%	100.0%	100.0%
	As of July 31, 2017	97.5%	100.0%	100.0%	98.8%	100.0%	96.8%	96.4%	100.0%	92.1%	91.1%	96.9%	94.0%	92.4%	97.8%
	As of January 31, 2017	93.8%	100.0%	95.7%	94.9%	98.5%	98.7%	100.0%	100.0%	97.1%	36.2%	100.0%	100.0%	100.0%	100.0%
	As of July 31, 2016	100.0%	85.8%	97.1%	92.1%	96.8%	98.7%	93.1%	100.0%	97.3%	-	-	-	-	-
As of January 31, 2016	88.5%	87.9%	100.0%	95.9%	98.5%	96.8%	100.0%	97.4%	58.3%	-	-	-	-	-	
As of July 31, 2015	89.8%	97.0%	98.6%	96.1%	98.4%	96.2%	-	-	-	-	-	-	-	-	
As of January 31, 2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
As of July 31, 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Profit and Loss Information for the 14th Fiscal Period	Operating periods	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days
	①Rental and other operating revenues (In thousands of yen)	39,979	41,000	39,596	97,114	52,823	39,113	39,050	27,670	94,368	30,479	37,768	26,796	22,018	24,682
	Rental revenues	36,437	34,911	37,353	87,855	47,714	36,736	37,290	25,811	91,695	29,058	34,400	25,213	21,078	23,975
	Other operating revenues	3,541	6,089	2,242	9,258	5,109	2,376	1,759	1,859	2,672	1,420	3,367	1,583	940	707
	②Property-related expenses (In thousands of yen)	8,204	13,734	7,302	16,080	9,980	9,081	5,369	6,682	10,911	7,387	12,462	7,129	5,353	5,116
	Property management fees	2,446	3,300	3,019	6,703	3,169	2,481	2,317	2,056	3,612	2,772	3,136	2,779	2,199	1,632
	Taxes	2,754	2,102	1,955	4,144	2,549	1,942	1,449	1,561	3,146	1,654	2,549	1,603	996	1,186
	Utilities	389	410	361	901	635	498	250	405	1,017	180	620	324	239	337
	Repairs and maintenance	866	4,776	1,024	2,538	2,453	2,750	552	853	1,368	1,309	2,810	793	745	1,083
	Insurance	59	49	49	127	79	42	36	32	85	35	40	26	24	27
Trust fees and other expenses	1,687	3,094	892	1,663	1,092	1,366	762	1,772	1,681	1,436	3,305	1,601	1,148	849	
③NOI (=①-②) (In thousands of yen)	31,774	27,265	32,293	81,034	42,843	30,031	33,681	20,988	83,456	23,091	25,305	19,666	16,664	19,566	
④Depreciation (In thousands of yen)	4,665	6,611	6,199	21,251	7,084	5,694	4,195	3,682	11,269	4,885	3,981	2,706	2,974	3,121	
⑤Rental operating income (=③-④) (In thousands of yen)	27,109	20,654	26,094	59,783	35,758	24,337	29,485	17,305	72,187	18,205	21,324	16,959	13,689	16,445	
⑥Capital expenditures (In thousands of yen)	1,052	1,348	248	989	9,786	113	-	-	-	-	1,762	1,732	-	140	
⑦NCF (=⑤-⑥) (In thousands of yen)	30,722	25,917	32,045	80,045	33,056	29,918	33,681	20,988	83,456	23,091	23,543	17,933	16,664	19,426	
Reference	Expense ratio (=②/①)	20.5%	33.5%	18.4%	16.6%	18.9%	23.2%	13.7%	24.1%	11.6%	24.2%	33.0%	26.6%	24.3%	20.7%
	Property tax for the year 2018 (In thousands of yen)	5,509	4,204	3,911	8,285	5,100	3,884	2,899	3,122	6,292	3,308	5,098	3,207	1,993	2,372
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-

【Reference】

Earnings Performance for the Individual Properties for the 14th Fiscal Period (August 1, 2018 to January 31, 2019) : 184 days ※As of January 31, 2019

Property No.	T-74	T-75	T-76	T-77	T-78	T-79	T-80	R-2	R-3	R-4	R-5	R-7	R-8	R-9	
Property Name	KDX Residence Kamishakujii	KDX Residence Shin-otsuka	KDX Residence Sakurajosui	KDX Residence Ryogoku	KDX Residence Toyosu	KDX Residence Asagaya	KDX Residence Hiyoshi	KDX Jozenji Dori Residence	KDX Izumi Residence	KDX Chihaya Residence	KDX Sakaisuji Hommachi Residence	KDX Takarazuka Residence	KDX Shimizu Residence	KDX Residence Odori Koen	
Acquisition Date	August 1, 2016	November 1, 2016	November 1, 2016	November 1, 2016	August 22, 2017	August 2, 2018	August 2, 2018	May 1, 2012	May 1, 2012	May 1, 2012	May 1, 2012	May 1, 2012	May 1, 2012	August 7, 2013	
Price Information	Acquisition price (In millions of yen)	648	764	894	842	7,500	1,930	2,635	1,015	1,120	1,080	2,910	1,510	1,680	765
	Percentage of total portfolio	0.3%	0.3%	0.4%	0.4%	3.4%	0.9%	1.2%	0.5%	0.5%	0.5%	1.3%	0.7%	0.8%	0.3%
	Net book value (In millions of yen)	659	778	910	859	7,761	1,968	2,708	946	1,060	1,006	2,729	1,369	1,572	730
	Appraisal value at the end of period (In millions of yen)	801	968	1,130	1,100	7,640	2,120	2,720	1,290	1,350	1,380	3,330	1,870	2,000	952
	Percentage of total appraisal value	0.3%	0.4%	0.4%	0.4%	3.0%	0.8%	1.1%	0.5%	0.5%	1.3%	0.7%	0.8%	0.4%	
Lease Information	Number of leasable residential units	47	40	43	36	242	44	92	92	40	92	160	80	148	78
	Leasable floor area (㎡)	1,032.18	872.00	1,227.16	1,190.53	6,811.38	1,996.08	6,131.93	3,330.15	2,798.20	2,936.40	6,385.70	4,631.16	6,255.16	2,762.76
	Leased floor area (㎡)	1,009.63	872.00	1,141.12	1,190.53	6,811.38	1,996.08	5,740.26	3,231.46	2,518.38	2,823.78	6,027.99	4,631.16	6,015.58	2,477.50
	Occupancy ratio (Note1)														
	As of January 31, 2019	97.8%	100.0%	93.0%	100.0%	100.0%	100.0%	93.6%	97.0%	90.0%	96.2%	94.4%	100.0%	96.2%	89.7%
	As of July 31, 2018	97.9%	100.0%	100.0%	100.0%	100.0%	-	-	97.0%	92.1%	95.1%	98.5%	96.4%	96.7%	100.0%
	As of January 31, 2018	93.8%	100.0%	85.5%	93.4%	100.0%	-	-	93.0%	94.8%	96.2%	97.0%	100.0%	95.9%	97.4%
	As of July 31, 2017	95.7%	100.0%	100.0%	97.9%	-	-	-	95.0%	97.4%	91.8%	95.0%	99.3%	91.5%	96.1%
	As of January 31, 2017	97.8%	100.0%	100.0%	87.2%	-	-	-	93.4%	97.6%	99.2%	94.4%	97.1%	96.6%	98.7%
	As of July 31, 2016	-	-	-	-	-	-	-	95.7%	97.4%	94.8%	88.6%	91.4%	97.6%	96.1%
As of January 31, 2016	-	-	-	-	-	-	-	98.0%	89.8%	97.3%	91.4%	97.1%	98.0%	96.1%	
As of July 31, 2015	-	-	-	-	-	-	-	100.0%	85.0%	98.9%	97.5%	94.3%	94.2%	100.0%	
As of January 31, 2015	-	-	-	-	-	-	-	98.2%	100.0%	96.4%	93.2%	95.7%	92.1%	94.9%	
As of July 31, 2014	-	-	-	-	-	-	-	96.4%	95.0%	100.0%	92.9%	90.0%	94.2%	96.1%	
Profit and Loss Information for the 14th Fiscal Period	Operating periods	184days	184days	184days	184days	184days	183days	183days	184days	184days	184days	184days	184days	184days	184days
	①Rental and other operating revenues (In thousands of yen)	23,419	22,608	29,824	29,473	180,581	49,037	73,855	51,506	41,163	48,768	106,394	59,054	72,543	32,706
	Rental revenues	21,638	22,248	28,997	28,141	177,418	46,424	68,485	45,593	34,203	43,774	96,687	55,102	65,314	30,307
	Other operating revenues	1,780	360	826	1,332	3,163	2,612	5,369	5,913	6,959	4,993	9,706	3,951	7,229	2,398
	②Property-related expenses (In thousands of yen)	6,448	1,772	4,698	4,488	17,000	3,886	6,286	14,880	9,892	12,465	29,461	10,480	13,321	8,184
	Property management fees	1,819	240	2,318	2,323	3,394	2,333	3,463	3,826	3,606	4,229	5,761	3,046	3,617	2,131
	Taxes	1,638	1,248	1,490	1,254	10,391	8	8	3,242	2,405	2,995	7,658	3,888	5,397	2,627
	Utilities	357	-	276	228	1,145	363	750	653	309	950	1,454	661	741	452
	Repairs and maintenance	1,138	-	230	217	841	559	1,447	4,555	2,066	2,577	7,007	1,167	2,314	1,512
	Insurance	29	23	34	33	204	53	141	75	65	74	185	98	144	68
Trust fees and other expenses	1,465	260	347	430	1,023	568	475	2,527	1,438	1,637	7,395	1,618	1,106	1,391	
③NOI (=①-②) (In thousands of yen)	16,970	20,835	25,126	24,984	163,581	45,150	67,568	36,626	31,271	36,302	76,932	48,573	59,222	24,522	
④Depreciation (In thousands of yen)	3,622	3,433	4,116	4,392	28,253	4,162	10,304	10,382	9,200	10,041	23,869	16,548	14,227	7,940	
⑤Rental operating income (=③-④) (In thousands of yen)	13,348	17,401	21,009	20,591	135,328	40,988	57,263	26,243	22,070	26,261	53,063	32,025	44,995	16,582	
⑥Capital expenditures (In thousands of yen)	969	-	-	-	288	-	2,391	237	2,371	1,299	2,073	194	1,439	1,710	
⑦NCF (=⑤-⑥) (In thousands of yen)	16,001	20,835	25,126	24,984	163,292	45,150	65,177	36,388	28,899	35,003	74,859	48,379	57,782	22,811	
Reference	Expense ratio (=②/①)	27.5%	7.8%	15.8%	15.2%	9.4%	7.9%	8.5%	28.9%	24.0%	25.6%	27.7%	17.7%	18.4%	25.0%
	Property tax for the year 2018 (In thousands of yen)	3,276	2,497	2,980	2,509	20,783	3,909	9,196	6,485	4,812	5,991	15,319	7,782	10,802	5,255
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-

【Reference】

Earnings Performance for the Individual Properties for the 14th Fiscal Period (August 1, 2018 to January 31, 2019) : 184 days ※As of January 31, 2019

Property No.	R-10	R-11	R-13	R-15	R-16	R-17	R-18	R-19	R-20	R-21	R-22	R-23	R-24	R-25	
Property Name	KDX Residence Kikusui Yojo	KDX Residence Toyohira Koen	KDX Residence Ichiban-cho	KDX Residence Izumi Chuo	KDX Residence Higashi-sakura I	KDX Residence Higashi-sakura II	KDX Residence Jingumae	KDX Residence Nishi-oji	KDX Residence Sain	KDX Residence Namba	KDX Residence Namba-minami	KDX Residence Shin-Osaka	KDX Residence Ibaraki I-II	KDX Residence Toyonaka-minami	
Acquisition Date	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	
Price Information	Acquisition price (In millions of yen)	830	445	530	480	2,350	900	840	813	440	1,410	1,350	510	1,275	740
	Percentage of total portfolio	0.4%	0.2%	0.2%	0.2%	1.1%	0.4%	0.4%	0.4%	0.2%	0.6%	0.6%	0.2%	0.6%	0.3%
	Net book value (In millions of yen)	794	472	507	460	2,265	870	804	785	423	1,368	1,292	482	1,296	690
	Appraisal value at the end of period (In millions of yen)	1,040	547	693	602	2,520	1,010	1,010	917	512	1,620	1,550	578	1,440	869
	Percentage of total appraisal value	0.4%	0.2%	0.3%	0.2%	1.0%	0.4%	0.4%	0.4%	0.2%	0.6%	0.6%	0.2%	0.6%	0.3%
Lease Information	Number of leasable residential units	84	65	45	40	187	66	95	76	49	118	131	43	61	70
	Leasable floor area (㎡)	3,413.06	2,253.81	1,818.09	2,159.25	6,221.83	2,655.31	2,724.19	2,353.55	1,094.81	3,387.30	3,813.31	1,321.04	4,701.87	2,024.50
	Leased floor area (㎡)	3,064.72	2,117.90	1,548.80	2,099.02	5,456.60	2,456.91	2,513.60	2,333.42	1,051.18	3,259.40	3,712.51	1,290.94	4,625.13	2,024.50
	Occupancy ratio (Note1)														
	As of January 31, 2019	89.8%	94.0%	85.2%	97.2%	87.7%	92.5%	92.3%	99.1%	96.0%	96.2%	97.4%	97.7%	98.4%	100.0%
	As of July 31, 2018	90.3%	95.2%	92.4%	95.8%	90.4%	89.5%	96.9%	100.0%	96.1%	95.5%	97.3%	100.0%	100.0%	95.8%
	As of January 31, 2018	94.4%	89.1%	97.3%	94.0%	93.0%	95.5%	91.4%	97.0%	98.0%	97.0%	96.9%	97.7%	96.7%	95.6%
	As of July 31, 2017	92.8%	95.4%	95.4%	89.0%	94.6%	95.5%	96.0%	95.9%	100.0%	100.0%	97.4%	90.9%	100.0%	95.7%
	As of January 31, 2017	100.0%	96.9%	91.6%	97.9%	90.4%	95.5%	92.0%	96.8%	94.1%	97.7%	95.6%	95.4%	93.5%	95.8%
	As of July 31, 2016	100.0%	98.4%	97.3%	92.7%	93.1%	91.0%	97.8%	97.8%	96.2%	96.2%	95.7%	90.9%	95.1%	98.7%
As of January 31, 2016	97.9%	93.9%	97.3%	94.8%	92.0%	92.5%	97.8%	95.9%	95.7%	100.0%	97.8%	100.0%	98.3%	97.0%	
As of July 31, 2015	94.3%	97.0%	95.3%	92.5%	92.5%	95.5%	98.2%	98.0%	91.8%	96.2%	96.5%	97.7%	95.1%	100.0%	
As of January 31, 2015	91.9%	95.5%	100.0%	92.0%	95.2%	94.0%	96.0%	98.9%	94.2%	96.2%	95.5%	95.4%	95.1%	95.4%	
As of July 31, 2014	100.0%	96.9%	91.9%	95.0%	95.2%	97.0%	96.5%	95.0%	98.1%	99.2%	97.8%	97.7%	95.1%	97.1%	
Profit and Loss Information for the 14th Fiscal Period	Operating periods	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days
	①Rental and other operating revenues (In thousands of yen)	36,952	22,530	24,927	23,497	90,616	36,248	38,416	33,877	19,219	57,563	54,731	21,766	57,942	29,897
	Rental revenues	32,080	20,781	23,374	21,570	82,588	33,886	35,859	31,238	16,708	52,408	52,366	20,299	47,569	28,387
	Other operating revenues	4,871	1,749	1,552	1,927	8,027	2,362	2,557	2,639	2,511	5,155	2,365	1,467	10,372	1,510
	②Property-related expenses (In thousands of yen)	11,405	7,326	8,012	6,358	26,053	10,285	9,039	7,088	5,160	10,079	12,906	5,124	15,617	5,431
	Property management fees	3,172	1,996	1,968	1,668	8,267	3,362	3,369	1,883	1,169	2,516	2,998	1,301	2,642	1,517
	Taxes	3,282	2,145	1,847	1,779	5,912	2,641	2,562	2,160	962	3,184	3,207	1,309	4,585	1,785
	Utilities	935	759	364	310	1,049	548	552	1,012	784	1,639	662	398	1,201	413
	Repairs and maintenance	1,632	759	2,218	1,862	4,110	886	1,536	1,077	1,406	1,587	3,516	1,164	5,379	488
	Insurance	60	52	41	44	144	64	62	56	28	74	86	29	115	47
	Trust fees and other expenses	2,321	1,612	1,571	692	6,569	2,782	955	897	809	1,077	2,434	921	1,692	1,179
	③NOI (=①-②) (In thousands of yen)	25,547	15,204	16,914	17,139	64,562	25,963	29,377	26,788	14,059	47,484	41,825	16,641	42,324	24,465
④Depreciation (In thousands of yen)	7,554	4,859	5,054	4,508	17,811	7,021	7,335	6,344	3,861	9,981	11,796	5,212	6,656	8,172	
⑤Rental operating income (=③-④) (In thousands of yen)	17,992	10,344	11,860	12,630	46,750	18,941	22,041	20,444	10,198	37,503	30,029	11,429	35,668	16,293	
⑥Capital expenditures (In thousands of yen)	129	-	966	238	459	-	1,474	-	-	621	1,635	-	5,295	186	
⑦NCF (=⑤-⑥) (In thousands of yen)	25,417	15,204	15,947	16,900	64,103	25,963	27,902	26,788	14,059	46,862	40,189	16,641	37,029	24,278	
Reference	Expense ratio (=②/①)	30.9%	32.5%	32.1%	27.1%	28.8%	28.4%	23.5%	20.9%	26.8%	17.5%	23.6%	23.5%	27.0%	18.2%
	Property tax for the year 2018 (In thousands of yen)	6,565	4,292	3,695	3,558	11,825	5,283	5,124	4,321	1,925	6,369	6,415	2,618	9,176	3,571
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-

【Reference】

Earnings Performance for the Individual Properties for the 14th Fiscal Period (August 1, 2018 to January 31, 2019) : 184 days ※As of January 31, 2019

Property No.	R-26	R-27	R-28	R-29	R-30	R-32	R-33	R-34	R-35	R-36	R-37	R-38	R-39	R-40		
Property Name	KDX Residence Moriguchi	KDX Residence Sannomiya	Ashiya Royal Homes	KDX Residence Funairi Saiwai-cho	KDX Residence Tenjin-higashi II	KDX Residence Nishi Koen	KDX Residence Hirao Josui-machi	Melody Heim Gotenyama	Leopalace Flat Shin-sakae	KDX Residence Konan Yamate	KDX Residence Hommachi-bashi	KDX Residence Minami-kusatsu	KDX Residence Ohori Harbor View Tower	KDX Residence Minami-sanjo		
Acquisition Date	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2014	November 28, 2014	November 14, 2014	December 18, 2014	February 5, 2015	February 5, 2015	September 30, 2015		
Price Information	Acquisition price (In millions of yen)	551	1,080	1,360	588	680	763	760	400	3,500	973	3,201	1,974	4,606	915	
	Percentage of total portfolio	0.2%	0.5%	0.6%	0.3%	0.3%	0.3%	0.3%	0.2%	1.6%	0.4%	1.4%	0.9%	2.1%	0.4%	
	Net book value (In millions of yen)	522	1,084	1,462	558	652	734	743	425	3,530	972	3,175	1,989	4,589	931	
	Appraisal value at the end of period (In millions of yen)	662	1,310	1,760	678	887	875	903	518	4,390	1,120	3,550	2,370	5,220	1,660	
Lease Information	Percentage of total appraisal value	0.3%	0.5%	0.7%	0.3%	0.3%	0.3%	0.4%	0.2%	1.7%	0.4%	1.4%	0.9%	2.0%	0.6%	
	Number of leasable residential units	28	86	21	64	63	36	24	36	274	55	134	170	212	114	
	Leasable floor area (㎡)	1,942.78	2,292.72	3,999.01	1,889.53	2,602.53	2,522.16	2,098.68	2,297.24	11,589.95	1,923.22	6,511.88	5,735.96	11,855.63	5,269.39	
	Leased floor area (㎡)	1,942.78	2,267.46	3,475.03	1,889.53	2,602.53	2,392.76	2,017.93	2,297.24	11,589.95	1,893.35	6,274.65	5,679.96	10,859.63	5,016.78	
	Occupancy ratio (Note1)															
	As of January 31, 2019	100.0%	98.9%	86.9%	100.0%	100.0%	94.9%	96.2%	100.0%	100.0%	98.4%	96.4%	99.0%	91.6%	95.2%	
	As of July 31, 2018	96.5%	98.3%	100.0%	98.4%	95.2%	94.9%	100.0%	94.5%	100.0%	97.4%	98.9%	100.0%	90.5%	92.3%	
	As of January 31, 2018	100.0%	100.0%	100.0%	98.4%	95.2%	91.2%	95.7%	100.0%	100.0%	95.9%	97.7%	95.1%	91.6%	95.4%	
	As of July 31, 2017	96.1%	96.7%	95.0%	100.0%	98.4%	91.1%	91.6%	97.5%	100.0%	95.2%	97.7%	95.0%	93.0%	98.4%	
	As of January 31, 2017	96.1%	96.7%	100.0%	100.0%	100.0%	82.3%	87.7%	91.8%	100.0%	92.2%	96.3%	98.4%	90.9%	98.3%	
As of July 31, 2016	96.2%	92.2%	95.7%	100.0%	93.7%	94.5%	92.4%	92.1%	100.0%	98.4%	94.4%	94.7%	93.5%	95.3%		
As of January 31, 2016	100.0%	92.2%	100.0%	98.5%	98.4%	88.9%	91.9%	94.7%	100.0%	98.4%	95.9%	100.0%	88.1%	97.1%		
As of July 31, 2015	89.6%	97.8%	96.1%	98.4%	92.1%	97.3%	92.5%	94.9%	100.0%	98.4%	95.8%	93.9%	93.2%	-		
As of January 31, 2015	100.0%	98.9%	93.0%	96.9%	98.4%	100.0%	91.0%	97.3%	100.0%	96.9%	90.2%	-	-	-		
As of July 31, 2014	100.0%	100.0%	88.7%	96.8%	98.4%	94.9%	95.3%	-	-	-	-	-	-	-		
Profit and Loss Information for the 14th Fiscal Period	Operating periods	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	
	①Rental and other operating revenues (In thousands of yen)	24,312	38,399	64,528	27,326	29,913	30,399	29,450	22,290	121,557	32,351	107,546	100,031	175,759	54,488	
	Rental revenues	21,552	36,385	58,615	24,899	27,667	27,176	26,420	18,681	119,525	31,588	100,605	83,665	151,795	49,142	
	Other operating revenues	2,759	2,013	5,912	2,426	2,246	3,222	3,029	3,609	2,031	763	6,940	16,365	23,964	5,345	
	②Property-related expenses (In thousands of yen)	5,282	12,768	20,303	5,522	6,778	5,552	5,738	5,890	13,677	7,198	19,087	26,183	35,335	13,565	
	Property management fees	1,407	2,254	5,920	1,824	1,865	1,950	1,895	1,252	3,646	1,876	4,161	5,303	10,502	3,616	
	Taxes	1,635	2,563	4,812	1,790	1,932	2,260	2,058	1,362	9,219	2,008	8,298	5,834	13,409	5,247	
	Utilities	1,010	649	1,408	324	425	532	454	974	-	301	1,700	4,038	2,030	722	
	Repairs and maintenance	510	5,514	6,862	759	1,533	312	754	1,454	-	979	2,186	6,623	4,270	1,205	
	Insurance	52	57	110	42	61	56	47	44	266	49	190	158	327	139	
Trust fees and other expenses	666	1,729	1,188	780	960	438	527	801	543	1,983	2,549	4,224	4,795	2,633		
③NOI (=①-②) (In thousands of yen)	19,029	25,630	44,225	21,803	23,135	24,847	23,711	16,400	107,880	25,153	88,459	73,847	140,424	40,922		
④Depreciation (In thousands of yen)	5,449	7,787	4,847	5,377	6,241	6,389	4,808	2,269	33,318	4,915	21,987	18,264	42,581	11,247		
⑤Rental operating income (=③-④) (In thousands of yen)	13,580	17,843	39,377	16,426	16,893	18,457	18,903	14,131	74,561	20,237	66,471	55,582	97,842	29,675		
⑥Capital expenditures (In thousands of yen)	-	△40,388	6,463	124	299	556	167	-	201	-	778	905	1,763	1,088		
⑦NCF (=③-⑥) (In thousands of yen)	19,029	14,757	37,761	21,679	22,835	24,290	23,544	16,400	107,679	25,153	87,680	72,941	138,661	39,834		
Reference	Expense ratio (=②/①)	21.7%	33.3%	31.5%	20.2%	22.7%	18.3%	19.5%	26.4%	11.3%	22.3%	17.7%	26.2%	20.1%	24.9%	
	Property tax for the year 2018 (In thousands of yen)	3,273	5,126	9,625	3,582	3,864	4,521	4,117	2,726	18,439	4,016	16,596	11,669	26,819	10,496	
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

【Reference】

Earnings Performance for the Individual Properties for the 14th Fiscal Period (August 1, 2018 to January 31, 2019) : 184 days ※As of January 31, 2019

Property No.	R-41	R-42	R-43	R-44	R-45	H-1	H-2	H-3	H-4	H-5	H-6	H-7	H-8	H-9	
Property Name	Serenite Kita-kyuhoji	Serenite Nishinomiya Hommachi	KDX Residence Nishijin	Serenite Kobe Motomachi	KDX Residence Shukugawa Hills	Irise Kamata /Yuseien	Nichii Home Nakano Minamidai	Joy Stage Hachioji	Yuimaru Hijirigaoka	Nichii Home Tama Plaza	Ten	Irise Nishioka	Izarie Eniwa Building	Sawayaka Sakura Nibankan	
Acquisition Date	October 27, 2015	December 1, 2016	August 1, 2017	August 2, 2018	August 2, 2018	March 1, 2018	March 1, 2018	March 1, 2018	March 1, 2018	March 1, 2018	March 1, 2018	March 1, 2018	March 1, 2018	March 1, 2018	
Price Information	Acquisition price (In millions of yen)	1,290	617	1,600	2,390	6,884	1,120	1,780	3,690	1,120	2,940	2,630	858	1,660	989
	Percentage of total portfolio	0.6%	0.3%	0.7%	1.1%	3.1%	0.5%	0.8%	1.7%	0.5%	1.3%	1.2%	0.4%	0.8%	0.4%
	Net book value (In millions of yen)	1,288	647	1,747	2,506	7,215	1,103	1,775	3,690	1,103	2,886	2,603	843	1,626	966
	Appraisal value at the end of period (In millions of yen)	1,540	742	1,670	2,580	7,300	1,120	1,780	3,740	1,120	2,940	2,640	855	1,680	990
	Percentage of total appraisal value	0.6%	0.3%	0.7%	1.0%	2.9%	0.4%	0.7%	1.5%	0.4%	1.1%	1.0%	0.3%	0.7%	0.4%
Lease Information	Number of leasable residential units	85	51	128	138	239	-	-	-	-	-	-	-	-	-
	Leasable floor area (㎡)	2,277.14	1,351.68	4,472.72	3,787.85	17,575.39	2,086.40	3,339.00	13,812.27	4,385.53	8,208.65	6,473.60	3,140.27	5,343.33	3,628.51
	Leased floor area (㎡)	2,145.68	1,326.37	4,318.84	3,735.29	16,390.89	2,086.40	3,339.00	13,812.27	4,385.53	8,208.65	6,473.60	3,140.27	5,343.33	3,628.51
	Occupancy ratio (Note1)														
	As of January 31, 2019	94.2%	98.1%	96.6%	98.6%	93.3%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of July 31, 2018	98.7%	88.7%	89.5%	-	-	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of January 31, 2018	96.4%	98.1%	88.6%	-	-	-	-	-	-	-	-	-	-	-
	As of July 31, 2017	97.5%	98.1%	-	-	-	-	-	-	-	-	-	-	-	-
	As of January 31, 2017	97.4%	100.0%	-	-	-	-	-	-	-	-	-	-	-	-
	As of July 31, 2016	96.9%	-	-	-	-	-	-	-	-	-	-	-	-	-
As of January 31, 2016	54.2%	-	-	-	-	-	-	-	-	-	-	-	-	-	
As of July 31, 2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
As of January 31, 2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
As of July 31, 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Profit and Loss Information for the 14th Fiscal Period	Operating periods	184days	184days	184days	183days	183days	184days	184days	184days	184days	184days	184days	184days	184days	184days
	①Rental and other operating revenues (In thousands of yen)	42,276	21,917	56,059	73,637	203,133									
	Rental revenues	41,188	19,724	46,506	68,893	173,438	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)
	Other operating revenues	1,088	2,192	9,553	4,744	29,694									
	②Property-related expenses (In thousands of yen)	8,618	6,730	15,691	7,193	41,791	5,660	11,464	21,566	4,782	6,977	8,186	3,806	13,156	3,793
	Property management fees	2,622	1,806	2,864	2,923	11,927	360	480	600	384	600	840	420	3,585	510
	Taxes	2,894	1,691	3,585	8	68	1,602	3,306	8,378	3,853	5,671	6,194	2,764	4,064	2,436
	Utilities	381	399	2,443	317	2,462	-	-	-	-	-	-	-	1,610	-
	Repairs and maintenance	841	327	2,879	904	21,882	328	7,147	11,849	-	60	532	90	3,211	324
	Insurance	58	39	104	104	502	43	70	279	85	186	160	66	220	64
Trust fees and other expenses	1,819	2,465	3,813	2,935	4,948	3,326	460	459	459	459	460	466	464	459	
③NOI (=①-②) (In thousands of yen)	33,658	15,186	40,368	66,444	161,341	27,639	37,735	101,525	30,265	81,138	83,613	23,193	51,777	29,002	
④Depreciation (In thousands of yen)	10,155	4,746	7,453	14,601	28,138	11,675	4,315	27,675	9,040	30,528	27,927	9,180	18,259	12,286	
⑤Rental operating income (=③-④) (In thousands of yen)	23,502	10,440	32,915	51,842	133,203	15,963	33,419	73,850	21,224	50,610	55,686	14,012	33,518	16,716	
⑥Capital expenditures (In thousands of yen)	220	-	2,824	-	164,803	415	2,046	44,855	-	2,054	23,676	2,246	272	-	
⑦NCF (=⑤-⑥) (In thousands of yen)	33,437	15,186	37,544	66,444	3,461	27,224	35,688	56,669	30,265	79,084	59,936	20,946	51,505	29,002	
Reference	Expense ratio (=②/①)	20.4%	30.7%	28.0%	9.8%	20.6%	17.0%	23.3%	17.5%	13.6%	7.9%	8.9%	14.1%	20.3%	11.6%
	Property tax for the year 2018 (In thousands of yen)	5,772	3,365	7,172	11,598	35,179	3,205	6,613	16,758	7,706	11,343	12,372	5,532	8,130	4,877
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note: We have not obtained consent from the tenant(s) to release this information.

【Reference】 Earnings Performance for the Individual Properties for the 14th Fiscal Period (August 1, 2018 to January 31, 2019) : 184 days ※As of January 31, 2019

Property No.	H-10	H-11	H-12	H-13	H-14	H-15	H-16	H-17	H-18	H-19	H-20	H-21	Total of 138 Properties	
Property Name	Activa Biwa	Sompo Care LAVIERE Kobe Tarumi	Granda Mondo Yakujin	Excellent Nishinomiya	Gran Hills Ogawarako	Excellent Kitano	Anesis Teradacho	Rococo-riha	Orage Suma	Canadian Hill	Anesis Hyogo	Plaisant Grand Ota tamagawa		
Acquisition Date	March 1, 2018	March 1, 2018	March 1, 2018	March 1, 2018	March 1, 2018	July 6, 2018	August 2, 2018	August 2, 2018	August 2, 2018	August 2, 2018	August 2, 2018	September 28, 2018		
Price Information	Acquisition price (In millions of yen)	6,560	2,110	1,190	971	1,380	737	3,490	2,100	2,810	1,830	1,420	3,057	220,916
	Percentage of total portfolio	3.0%	1.0%	0.5%	0.4%	0.6%	0.3%	1.6%	1.0%	1.3%	0.8%	0.6%	1.4%	100.0%
	Net book value (In millions of yen)	6,471	2,089	1,172	953	1,346	765	3,589	2,112	2,851	1,812	1,432	3,250	221,356
	Appraisal value at the end of period (In millions of yen)	6,560	2,110	1,190	973	1,380	785	3,630	2,180	2,820	1,870	1,430	3,130	256,062
	Percentage of total appraisal value	2.6%	0.8%	0.5%	0.4%	0.5%	0.3%	1.4%	0.9%	1.1%	0.7%	0.6%	1.2%	100.0%
Lease Information	Number of leasable residential units	-	-	-	-	-	-	-	-	-	-	-	-	8,280
	Leasable floor area (㎡)	39,649.84	4,493.35	3,287.80	2,685.48	4,180.28	1,339.58	7,856.64	3,860.29	5,995.74	3,731.26	4,415.16	3,175.15	467,606.17
	Leased floor area (㎡)	39,649.84	4,493.35	3,287.80	2,685.48	4,180.28	1,339.58	7,856.64	3,860.29	5,995.74	3,731.26	4,415.16	3,175.15	456,669.90
	Occupancy ratio (Note1)													
	As of January 31, 2019	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	97.7%
	As of July 31, 2018	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	-	-	-	-	97.6%
	As of January 31, 2018	-	-	-	-	-	-	-	-	-	-	-	-	97.0%
	As of July 31, 2017	-	-	-	-	-	-	-	-	-	-	-	-	96.9%
	As of January 31, 2017	-	-	-	-	-	-	-	-	-	-	-	-	96.2%
	As of July 31, 2016	-	-	-	-	-	-	-	-	-	-	-	-	95.9%
As of January 31, 2016	-	-	-	-	-	-	-	-	-	-	-	-	96.0%	
As of July 31, 2015	-	-	-	-	-	-	-	-	-	-	-	-	96.3%	
As of January 31, 2015	-	-	-	-	-	-	-	-	-	-	-	-	95.8%	
As of July 31, 2014	-	-	-	-	-	-	-	-	-	-	-	-	95.9%	
Profit and Loss Information for the 14th Fiscal Period	Operating periods	184days	184days	184days	184days	184days	184days	183days	183days	183days	183days	183days	126days	183days*
	①Rental and other operating revenues (In thousands of yen)													7,586,852
	Rental revenues	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	7,067,317
	Other operating revenues													519,535
	②Property-related expenses (In thousands of yen)	38,194	5,936	10,286	8,173	7,112	848	1,158	1,538	1,934	965	1,275	785	1,446,108
	Property management fees	3,167	840	360	360	660	360	537	417	417	417	417	410	406,869
	Taxes	26,552	3,296	1,516	1,915	2,330	0	8	8	8	8	8	11	408,771
	Utilities	-	-	-	-	-	-	-	-	-	-	-	-	96,755
	Repairs and maintenance	7,337	1,252	50	5,381	3,381	-	-	574	925	-	300	-	318,058
	Insurance	677	88	69	56	80	29	156	80	125	82	92	48	11,433
Trust fees and other expenses	460	459	8,290	459	660	457	456	456	456	456	456	315	204,220	
③NOI (=①-②) (In thousands of yen)	219,956	51,813	31,968	22,508	48,693	19,806	104,120	61,950	84,584	53,839	44,655	47,758	6,140,743	
④Depreciation (In thousands of yen)	61,430	11,820	9,972	9,525	18,076	4,150	31,911	16,586	23,822	7,208	10,431	8,276	1,338,693	
⑤Rental operating income (=③-④) (In thousands of yen)	158,526	39,993	21,995	12,983	30,617	15,655	72,209	45,364	60,761	46,630	34,223	39,481	4,802,050	
⑥Capital expenditures (In thousands of yen)	15,632	771	431	-	-	-	-	-	-	-	-	-	613,749	
⑦NCF (=⑤-⑥) (In thousands of yen)	204,323	51,042	31,536	22,508	48,693	19,806	104,120	61,950	84,584	53,839	44,655	47,758	5,526,994	
Reference	Expense ratio (=②/①)	14.8%	10.3%	24.3%	26.6%	12.7%	4.1%	1.1%	2.4%	2.2%	1.8%	2.8%	1.6%	19.1%
	Property tax for the year 2018 (In thousands of yen)	53,106	6,595	3,033	3,831	4,644	2,479	15,310	9,665	12,530	11,009	11,215	3,886	943,213
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-

Note: We have not obtained consent from the tenant(s) to release this information.

* Total: Cost-weighted average operating period

【Reference】 Earnings Performance for the Individual Properties for the 14th Fiscal Period (August 1, 2018 to January 31, 2019) : 184 days ※As of January 31, 2019

Property No.		R-14	Total 1 sold of Property	Total of 139 Properties
Property Name		KDX Residence Kotodai		
Acquisition Date		August 7, 2013		
Price Information	Acquisition price	(In millions of yen) 520	520	221,436
	Percentage of total portfolio	100.0%	100.0%	-
	Revenue from sale of the investment property	(In millions of yen) 730	730	-
	Costs of the investment property	(In millions of yen) 500	500	-
	Gain / Loss on sale of real estate	(In millions of yen) 203	203	-
Lease Information	Number of leasable residential units	-	-	-
	Leasable floor area	(㎡)	-	-
	Leased floor area	(㎡)	-	-
	Occupancy ratio			
	As of January 31, 2019	-	-	-
	As of July 31, 2018	88.9%	-	-
	As of January 31, 2018	100.0%	-	-
	As of July 31, 2017	96.4%	-	-
	As of January 31, 2017	88.9%	-	-
	As of July 31, 2016	96.2%	-	-
As of January 31, 2016	100.0%	-	-	
As of July 31, 2015	92.5%	-	-	
As of January 31, 2015	100.0%	-	-	
As of July 31, 2014	88.9%	-	-	
Income and Retained Earnings Information for the 14th Fiscal Period	Operating periods	176days	176days	183days
	①Rental and other operating revenues (In thousands of yen)	19,056	19,056	7,605,908
	Rental revenues	17,857	17,857	7,085,174
	Other operating revenues	1,198	1,198	520,733
	②Property-related expenses (In thousands of yen)	5,489	5,489	1,451,598
	Property management fees	1,494	1,494	408,364
	Taxes	1,712	1,712	410,483
	Utilities	676	676	97,432
	Repairs and maintenance	779	779	318,838
	Insurance	54	54	11,487
	Trust fees and other expenses	772	772	204,992
	③NOI (=①-②) (In thousands of yen)	13,566	13,566	6,154,310
	④Depreciation (In thousands of yen)	4,470	4,470	1,343,163
⑤Rental operating income (=③-④) (In thousands of yen)	9,096	9,096	4,811,146	
⑥Capital expenditures (In thousands of yen)	788	788	614,537	
⑦NCF (=⑤-⑥) (In thousands of yen)	12,778	12,778	5,539,772	
Reference	Expense ratio (=②/①)	28.8%	28.8%	19.1%
	Property tax for the year 2018 (In thousands of yen)	-	-	-
	Assets pledged as collateral	-	-	-

*Total : Cost-weighted average operating period

R-14 KDX Residence Kotodai was sold on January 24, 2019.

(Reference) Borrowings

KENEDIX RESIDENTIAL NEXT INVESTMENT CORPORATION (3278)

Borrowings as of January 31, 2019 are as follows:

(in thousands of yen)

Classification	Lender	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note 1) (Note 2)	Payment due date (Note 3)	Use	Remarks
Short-Term Loan Payable	Sumitomo Mitsui Banking Corporation (Note 7)	1,830,000	-	580,000	1,250,000	0.412%	July 31, 2019	(Note 4)	Unsecured/ Unguaranteed
	Mizuho Bank, Ltd.	800,000	-	-	800,000	0.412%	July 31, 2019		
	Sub Total	2,630,000	-	580,000	2,050,000				
Current Portion of Long-Term Loans Payable	Sumitomo Mitsui Banking Corporation	3,250,000	-	3,250,000	-	1.052%	August 31, 2018	(Note 4)	Unsecured/ Unguaranteed
	MUFG Bank, Ltd	2,000,000	-	2,000,000	-				
	Aozora Bank, Ltd.	1,000,000	-	1,000,000	-				
	Resona Bank, Limited	500,000	-	500,000	-				
	Sumitomo Mitsui Trust Bank, Limited	500,000	-	500,000	-				
	Mizuho Trust & Banking Co., Ltd.	500,000	-	500,000	-				
	Mizuho Bank, Ltd.	250,000	-	250,000	-				
	Development Bank of Japan Inc. (Note 5)	3,000,000	-	3,000,000	-	1.088%	August 31, 2018		
	MUFG Bank, Ltd (Note 6)	1,500,000	-	-	1,500,000	0.689%	November 30, 2019		
	Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	0.487%	February 28, 2019		
	MUFG Bank, Ltd	500,000	-	-	500,000	0.487%	February 28, 2019		
	Sumitomo Mitsui Trust Bank, Limited	500,000	-	-	500,000	0.362%	July 31, 2019		
	Shinsei Bank, Limited	500,000	-	-	500,000	0.362%	July 31, 2019		
	Sumitomo Mitsui Banking Corporation	-	1,500,000	-	1,500,000	0.437%	January 31, 2020		
	MUFG Bank, Ltd	-	1,400,000	-	1,400,000				
	Mizuho Trust & Banking Co., Ltd.	-	900,000	-	900,000				
	Shinsei Bank, Limited	-	500,000	-	500,000				
	Resona Bank, Limited	-	400,000	-	400,000				
	Sumitomo Mitsui Trust Bank, Limited	-	300,000	-	300,000				
	Mizuho Trust & Banking Co., Ltd.	-	300,000	-	300,000				
Aozora Bank, Ltd.	-	200,000	-	200,000					
The Bank of Fukuoka, Ltd.	-	200,000	-	200,000					
Sub Total	15,000,000	5,700,000	11,000,000	9,700,000					
Long-Term Loans Payable	MUFG Bank, Ltd	1,000,000	-	-	1,000,000	1.109%	January 31, 2021	(Note 4)	Unsecured/ Unguaranteed
	Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	1.221%	July 31, 2021		
	Aozora Bank, Ltd.	1,350,000	-	-	1,350,000	1.183%	March 31, 2021		
	Sumitomo Mitsui Banking Corporation	2,000,000	-	-	2,000,000	1.267%	April 30, 2022		
	Aozora Bank, Ltd.	1,500,000	-	-	1,500,000	1.267%	April 30, 2022		
	MUFG Bank, Ltd	1,000,000	-	-	1,000,000	1.267%	April 30, 2022		
	Resona Bank, Limited	1,000,000	-	-	1,000,000	1.267%	April 30, 2022		
	Sumitomo Mitsui Banking Corporation	1,100,000	-	-	1,100,000	0.916%	August 7, 2021		
	MUFG Bank, Ltd	1,100,000	-	-	1,100,000				
	Mizuho Bank, Ltd.	600,000	-	-	600,000				
	Aozora Bank, Ltd.	350,000	-	-	350,000				
	Resona Bank, Limited	300,000	-	-	300,000				
	Mizuho Trust & Banking Co., Ltd.	300,000	-	-	300,000				
	Development Bank of Japan Inc. (Note 5)	1,000,000	-	-	1,000,000				
	Sumitomo Mitsui Banking Corporation	400,000	-	-	400,000	1.254%	August 7, 2023		
	MUFG Bank, Ltd	400,000	-	-	400,000				
	Mizuho Bank, Ltd.	300,000	-	-	300,000				
	Resona Bank, Limited	200,000	-	-	200,000				
	Mizuho Trust & Banking Co., Ltd.	200,000	-	-	200,000				
	Aozora Bank, Ltd.	150,000	-	-	150,000				
	Development Bank of Japan Inc. (Note 5)	500,000	-	-	500,000				
	Sumitomo Mitsui Banking Corporation	600,000	-	-	600,000	0.945%	August 31, 2021		
	MUFG Bank, Ltd	600,000	-	-	600,000	0.945%	August 31, 2021		
	Aozora Bank, Ltd.	500,000	-	-	500,000	0.945%	August 31, 2021		
	Mizuho Bank, Ltd.	950,000	-	-	950,000	1.083%	November 30, 2022		
	Sumitomo Mitsui Banking Corporation	2,000,000	-	-	2,000,000	0.804%	November 30, 2020		
	Sumitomo Mitsui Banking Corporation	1,200,000	-	-	1,200,000	0.875%	January 31, 2022		
	MUFG Bank, Ltd	1,200,000	-	-	1,200,000	1.105%	January 31, 2024		
	Aozora Bank, Ltd.	2,000,000	-	-	2,000,000	0.875%	April 30, 2022		
	Resona Bank, Limited	1,500,000	-	-	1,500,000	0.987%	April 30, 2023		
	MUFG Bank, Ltd	2,000,000	-	-	2,000,000	1.100%	April 30, 2024		
	Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	1.265%	April 30, 2025		
Shinsei Bank, Limited	1,750,000	-	-	1,750,000	0.729%	July 29, 2020			
Sumitomo Mitsui Banking Corporation	1,750,000	-	-	1,750,000					
MUFG Bank, Ltd	1,000,000	-	-	1,000,000					
Mizuho Bank, Ltd.	500,000	-	-	500,000					
Resona Bank, Limited	500,000	-	-	500,000					
Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000					

KENEDIX RESIDENTIAL NEXT INVESTMENT CORPORATION (3278)

(in thousands of USD)

Classification	Lender	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note 1) (Note 2)	Payment due date (Note 3)	Use	Remarks
Long-Term Loans Payable	Shinsei Bank, Limited	1,100,000	-	-	1,100,000	1.115%	July 29, 2022	(Note 4)	Unsecured/ Unguaranteed
	Sumitomo Mitsui Banking Corporation	1,100,000	-	-	1,100,000				
	MUFG Bank, Ltd	1,000,000	-	-	1,000,000				
	Mizuho Bank, Ltd.	300,000	-	-	300,000				
	Sompo Japan Nipponkoa Insurance Inc.	1,000,000	-	-	1,000,000				
	Aozora Bank, Ltd.	300,000	-	-	300,000	0.678%	August 31, 2020		
	Resona Bank, Limited	1,100,000	-	-	1,100,000	0.923%	August 31, 2022		
	Mizuho Trust & Banking Co., Ltd.	700,000	-	-	700,000	0.923%	August 31, 2022		
	Sumitomo Mitsui Trust Bank, Limited	950,000	-	-	950,000	1.047%	August 31, 2023		
	MUFG Bank, Ltd	1,700,000	-	-	1,700,000	1.169%	August 31, 2024		
	Mizuho Bank, Ltd.	950,000	-	-	950,000	1.169%	August 31, 2024		
	Sumitomo Mitsui Banking Corporation	2,000,000	-	-	2,000,000	1.345%	August 31, 2025		
	Development Bank of Japan Inc. (Note 5)	1,000,000	-	-	1,000,000	1.193%	August 31, 2024		
	MUFG Bank, Ltd	300,000	-	-	300,000	0.624%	October 27, 2020		
	MUFG Bank, Ltd	1,000,000	-	-	1,000,000	1.156%	April 27, 2025		
	MUFG Bank, Ltd	1,000,000	-	-	1,000,000	0.819%	April 28, 2025		
	Sumitomo Mitsui Banking Corporation	2,500,000	-	-	2,500,000	0.903%	April 30, 2026		
	MUFG Bank, Ltd (Note 5)	1,000,000	-	-	1,000,000	0.660%	July 31, 2025		
	Mizuho Bank, Ltd. (Note 5)	1,500,000	-	-	1,500,000	0.816%	August 31, 2026		
	Aozora Bank, Ltd.	1,000,000	-	-	1,000,000	0.713%	August 31, 2024		
	Sumitomo Mitsui Trust Bank, Limited	1,000,000	-	-	1,000,000	0.797%	August 31, 2025		
	Resona Bank, Limited	500,000	-	-	500,000	0.797%	August 31, 2025		
	MUFG Bank, Ltd (Note 5)	2,000,000	-	-	2,000,000	0.670%	August 31, 2025		
	Mizuho Trust & Banking Co., Ltd. (Note 5)	500,000	-	-	500,000	0.751%	August 31, 2025		
	Sumitomo Mitsui Banking Corporation	3,000,000	-	-	3,000,000	0.906%	August 31, 2026		
	Development Bank of Japan Inc. (Note 5)	1,000,000	-	-	1,000,000	0.773%	October 31, 2025		
	Resona Bank, Limited	1,000,000	-	-	1,000,000	0.900%	August 22, 2027		
	Sumitomo Mitsui Trust Bank, Limited	1,000,000	-	-	1,000,000	0.900%	August 22, 2027		
	Shinsei Bank, Limited	1,000,000	-	-	1,000,000	0.900%	August 22, 2027		
	Mizuho Trust & Banking Co., Ltd. (Note 5)	1,200,000	-	-	1,200,000	0.928%	August 22, 2027		
	Development Bank of Japan Inc. (Note 5)	1,000,000	-	-	1,000,000	0.928%	August 22, 2027		
	Mizuho Bank, Ltd. (Note 5)	500,000	-	-	500,000	0.928%	August 22, 2027		
	The Bank of Fukuoka, Ltd. (Note 5)	500,000	-	-	500,000	0.928%	August 22, 2027		
	Sumitomo Mitsui Banking Corporation	1,500,000	-	-	1,500,000	0.501%	February 28, 2023		
	MUFG Bank, Ltd	1,500,000	-	-	1,500,000	0.501%	February 28, 2023		
	Aozora Bank, Ltd.	1,500,000	-	-	1,500,000	0.582%	February 29, 2024		
	Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	0.582%	February 29, 2024		
	MUFG Bank, Ltd	1,000,000	-	-	1,000,000	0.582%	February 29, 2024		
	Mizuho Bank, Ltd.	500,000	-	-	500,000	0.624%	August 31, 2024		
	Mizuho Trust & Banking Co., Ltd. (Note 5)	500,000	-	-	500,000	0.661%	August 31, 2024		
	Sumitomo Mitsui Banking Corporation	1,500,000	-	-	1,500,000	0.665%	February 28, 2025		
	Resona Bank, Limited	1,000,000	-	-	1,000,000	0.749%	February 28, 2026		
	Sumitomo Mitsui Trust Bank, Limited	1,000,000	-	-	1,000,000	0.749%	February 28, 2026		
	Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	0.409%	July 31, 2021		
	Shinsei Bank, Limited	1,000,000	-	-	1,000,000	0.409%	July 31, 2021		
	MUFG Bank, Ltd	500,000	-	-	500,000	0.409%	July 31, 2021		
	Mizuho Bank, Ltd.	500,000	-	-	500,000	0.409%	July 31, 2021		
	Nippon Life Insurance Company (Note 5)	500,000	-	-	500,000	0.900%	January 30, 2027		
	Sumitomo Mitsui Banking Corporation	-	1,500,000	-	1,500,000	0.799%	February 2, 2026		
	MUFG Bank, Ltd	-	1,400,000	-	1,400,000				
Mizuho Bank, Ltd.	-	900,000	-	900,000					
Development Bank of Japan Inc.	-	500,000	-	500,000					
Nippon Life Insurance Company	-	500,000	-	500,000					
Resona Bank, Limited	-	400,000	-	400,000					
Shinsei Bank, Limited	-	400,000	-	400,000					
Sumitomo Mitsui Trust Bank, Limited	-	400,000	-	400,000					
Mizuho Trust & Banking Co., Ltd.	-	400,000	-	400,000					
Aozora Bank, Ltd.	-	300,000	-	300,000					
The Bank of Fukuoka, Ltd.	-	300,000	-	300,000					
Sumitomo Mitsui Banking Corporation	-	1,000,000	-	1,000,000					
MUFG Bank, Ltd	-	400,000	-	400,000					
Development Bank of Japan Inc. (Note 5)	-	1,600,000	-	1,600,000					
Sumitomo Mitsui Banking Corporation	-	1,200,000	-	1,200,000					
Aozora Bank, Ltd.	-	1,000,000	-	1,000,000					
MUFG Bank, Ltd	-	800,000	-	800,000					
Sumitomo Mitsui Banking Corporation	-	1,050,000	-	1,050,000					
Resona Bank, Limited	-	500,000	-	500,000					

KENEDIX RESIDENTIAL NEXT INVESTMENT CORPORATION (3278)

(in thousands of yen)

Classification	Lender	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note 1) (Note 2)	Payment due date (Note 3)	Use	Remarks
Long-Term Loans Payable	Sumitomo Mitsui Trust Bank, Limited	-	500,000	-	500,000	0.914%	February 28, 2027	(Note 4)	Unsecured/ Unguaranteed
	Mizuho Trust & Banking Co., Ltd.	-	500,000	-	500,000	0.914%	February 28, 2027		
	Mizuho Bank, Ltd.	-	250,000	-	250,000	0.914%	February 28, 2027		
	Development Bank of Japan Inc. (Note 5)	-	1,400,000	-	1,400,000	0.884%	February 28, 2027		
	MUFG Bank, Ltd (Note 5)	-	800,000	-	800,000	0.825%	February 28, 2027		
	Nippon Life Insurance Company (Note 5)	-	700,000	-	700,000	0.920%	September 30, 2026		
	Shinsei Bank, Limited	-	1,000,000	-	1,000,000	1.031%	September 30, 2028		
	Sumitomo Mitsui Trust Bank, Limited	-	800,000	-	800,000	1.031%	September 30, 2028		
	Mizuho Trust & Banking Co., Ltd.	-	500,000	-	500,000	1.031%	September 30, 2028		
Sub Total	85,500,000	21,000,000	-	106,500,000					
Total	103,130,000	26,700,000	11,580,000	118,250,000					

Note 1: All debts except for the following Note 5 are borrowing at a floating rate.

Note 2: Average interest rates are the weighted average during the period and figures are rounded to the nearest third decimal place. Also, with regard to borrowings for which interest rate swap transactions and other derivative transactions were implemented in order to hedge the interest rate volatility risk, the weighted average interest rates taking into consideration the effects of the interest rate swaps and other derivatives are indicated.

Note 3: All the repayment methods of debt financing are lump-sum repayments on the due date.

Note 4: All debts were used as the funds for acquiring real estate properties or trust beneficiary interest in real estate (additional expenses are included) and repayment of debts.

Note 5: Borrowings at a fixed rate.

Note 6: Borrowings listed in the current portion of long-term payable were listed in long-term payable in the previous fiscal period.

Note 7: Partial prepayment of 580,000 thousand yen was made on November 30, 2018.