

**Translation of Japanese Original****FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED JULY 31, 2019(REIT)  
( February 1, 2019 to July 31, 2019)**

September 12, 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/>)

Representative: Keisuke Sato, Executive Director

Asset Management Company: Kenedix Real Estate Fund Management, Inc.

Representative: Masahiko Tajima, CEO and President

Inquiries: Shin Yamamoto, General Manager of Planning Department, Residential REIT Division  
TEL+81-3-5157-6011

Planned submission of semiannual securities report: October 29, 2019

Planned start of distribution payments: October 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 JULY 31, 2019 (15TH FISCAL PERIOD)****(1) Business Results**

(Percentages show period-on-period changes)

|   | Operating Revenues<br>(Millions of Yen) |         | Operating Income<br>(Millions of Yen) |         | Ordinary Income<br>(Millions of Yen) |         | Net Income<br>(Millions of Yen) |          |
|---|---|---------|---------------------------------------|---------|--------------------------------------|---------|---------------------------------|----------|
| The 15th fiscal period ended July 31, 2019    | 8,136                                   | (4.0%)  | 4,358                                 | (3.5%)  | 3,741                                | (4.0%)  | 3,741                           | (4.0%)   |
| The 14th fiscal period ended January 31, 2019 | 7,823                                   | (10.2%) | 4,213                                 | (22.5%) | 3,599                                | (26.6%) | 3,598                           | (-33.6%) |

|   | Net Income per Unit<br>(Yen) | Return on<br>Unitholders' Equity | Ordinary Income<br>to Total Assets | Ordinary Income to<br>Operating Revenues |
|---|------------------------------|----------------------------------|------------------------------------|--|
| The 15th fiscal period ended July 31, 2019    | 4,142                        | 3.2%                             | 1.5%                               | 46.0%                                    |
| The 14th fiscal period ended January 31, 2019 | 4,143                        | 3.4%                             | 1.6%                               | 46.0%                                    |

**(2) Distribution**

|  | Distributions per<br>Unit (Excluding<br>Excess of<br>Earnings )<br>(Yen) | Total Distributions<br>(Excluding Excess<br>of Earnings)<br>(Millions of Yen) | Distributions in<br>Excess of Earnings<br>per Unit (Yen) | Total Distributions<br>in Excess of<br>Earnings<br>(Millions of Yen) | Payout Ratio | Distribution Ratio<br>to Unitholders'<br>Equity |
|--|--|---|--|--|--------------|---|
| The 15th fiscal period ended<br>July 31, 2019    | 4,063  | 3,687   | -  | -  | 98.5%        | 3.1%  |
| The 14th fiscal period ended<br>January 31, 2019 | 4,039  | 3,510   | -  | -  | 97.6%        | 3.2%  |

(Note 1) Total Distributions for the 15th and 14th fiscal periods are 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) Due to issuance of new investment units in the 15th and 14th fiscal periods, Payout Ratio for each fiscal period is calculated as follows.

Payout Ratio = Total Distributions (Excluding Excess of Earnings) / Net income × 100

This is an English-language translation of the key financials in the original Japanese announcement on our Web site released on September 12, 2019. However, no assurance or warranties are given with respect to the accuracy or completeness of this English-language translation. The Japanese original shall prevail in the case of discrepancies between this translation and the Japanese original.

## (3) Financial Position

|                        | Total Assets<br>(Millions of Yen) | Unitholders' Equity<br>(Millions of Yen) | Unitholders' Equity to Total<br>Assets | Unitholders' Equity per Share<br>of Common Stock (Yen) |
|------------------------|-----------------------------------|--|--|--|
| As of July 31, 2019    | 254,965                           | 118,541                                  | 46.5%                                  | 130,630  |
| As of January 31, 2019 | 245,103                           | 111,951                                  | 45.7%                                  | 128,807  |

## (4) Cash Flow Position

|  | Cash Flow from Operating<br>Activities<br>(Millions of Yen) | Cash Flow from Investing<br>Activities<br>(Millions of Yen) | Cash Flow from Financing<br>Activities<br>(Millions of Yen) | Cash and Cash Equivalents at<br>the End of the Period<br>(Millions of Yen) |
|--|---|---|---|--|
| The 15th fiscal period ended<br>July 31, 2019    | 5,947   | -13,427   | 5,601   | 20,199   |
| The 14th fiscal period ended<br>January 31, 2019 | 5,211   | -28,903   | 26,989  | 22,077   |

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

(Percentages show period-on-period changes)

|   | Operating Revenues<br>(Millions of Yen) | Operating Income<br>(Millions of Yen) | Ordinary Income<br>(Millions of Yen) | Net Income<br>(Millions of Yen) | Distributions per<br>Unit Excluding<br>Excess of Earning | Distributions in<br>Excess of Earnings<br>per Unit |
|---|---|---------------------------------------|--------------------------------------|---------------------------------|--|--|
| The 16th fiscal period<br>ending January 31, 2020 | 7,953<br>(-2.3%)                        | 4,144<br>(-4.9%)                      | 3,500<br>(-6.4%)                     | 3,500<br>(-6.4%)                | 4,064  | -  |
| The 17th fiscal period<br>ending July 31, 2020    | 8,067<br>(1.4%)                         | 4,162<br>(0.4%)                       | 3,504<br>(0.1%)                      | 3,504<br>(0.1%)                 | 4,065  | -  |

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

The 16th fiscal period ending January 31, 2020 ¥3,867 The 17th fiscal period ending July 31, 2020 ¥3,875

Distributions per Unit Excluding Excess of Earning are not the same amount as estimated net income per unit for the 16th and 17th fiscal periods since total distributions are calculated with the assumption adding reversal of reserve for temporary difference adjustments, amount including a part of retained earnings carried forward in the previous fiscal year, 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 January 31, 2019: 869,133 units As of July 31, 2019: 907,458 units
- (b) Number of treasury units at the end of the period  
As of January 31, 2019: 0 units As of July 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.

This is an English-language translation of the key financials in the original Japanese announcement on our Web site released on September 12, 2019. However, no assurance or warranties are given with respect to the accuracy or completeness of this English-language translation. The Japanese original shall prevail in the case of discrepancies between this translation and the Japanese original.

## 1. Financial Statements

## (1) Balance Sheets

|   | (in thousands of yen)                          |   |
|---|--|---|
|   | 14th Fiscal Period<br>(As of January 31, 2019) | 15th Fiscal Period<br>(As of July 31, 2019) |
| Assets                                      |  |   |
| Current assets                              |  |   |
| Cash and deposits                           | 12,356,302                                     | 10,296,548                                  |
| Cash and deposits in trust                  | 9,721,629                                      | 9,903,118                                   |
| Operating accounts receivable               | 26,612   | 36,005                                      |
| Prepaid expenses                            | 7,450  | 12,815                                      |
| Consumption taxes receivable                | 338,402  | -   |
| Other                                       | 6,081  | 856   |
| Total current assets                        | 22,456,477                                     | 20,249,344                                  |
| Noncurrent assets                           |  |   |
| Property, plant and equipment               |  |   |
| Land  | 1,798,041                                      | 1,798,041                                   |
| Buildings in trust                          | 95,077,289                                     | 99,911,220                                  |
| Accumulated depreciation                    | -9,123,715                                     | △10,381,143                                 |
| Buildings in trust, net                     | 85,953,573                                     | 89,530,077                                  |
| Structures in trust                         | 947,729  | 1,073,137                                   |
| Accumulated depreciation                    | -161,739                                       | △191,362                                    |
| Structures in trust, net                    | 785,989  | 881,774                                     |
| Machinery and equipment in trust            | 1,429,327                                      | 1,436,362                                   |
| Accumulated depreciation                    | -288,590                                       | △321,177                                    |
| Machinery and equipment in trust, net       | 1,140,736                                      | 1,115,184                                   |
| Tools, furniture and fixtures in trust      | 473,614  | 523,059                                     |
| Accumulated depreciation                    | -51,478  | △65,444                                     |
| Tools, furniture and fixtures in trust, net | 422,136  | 457,614                                     |
| Land in trust                               | 130,189,152                                    | 138,484,736                                 |
| Total property, plant and equipment, net    | 220,289,630                                    | 232,267,430                                 |
| Intangible assets                           |  |   |
| Leasehold right in trust                    | 1,067,058                                      | 1,228,912                                   |
| Other                                       | 6,339  | 5,563                                       |
| Total intangible assets                     | 1,073,398                                      | 1,234,475                                   |
| Investments and other assets                |  |   |
| Investment securities                       | 111,796  | 2,398                                       |
| Lease and guarantee deposits                | 29,097   | 89,097                                      |
| Long-term prepaid expenses                  | 1,059,774                                      | 1,014,728                                   |
| Total investments and other assets          | 1,200,668                                      | 1,106,223                                   |
| Total noncurrent assets                     | 222,563,697                                    | 234,608,129                                 |
| Deferred assets                             |  |   |
| Investment corporation bond issuance costs  | 38,570   | 35,327                                      |
| Investment unit issuance costs              | 45,012   | 72,944                                      |
| Total deferred assets                       | 83,583   | 108,272                                     |
| Total assets                                | 245,103,757                                    | 254,965,747                                 |

KENEDIX RESIDENTIAL NEXT INVESTMENT CORPORATION (3278)

(in thousands of yen)

|  | 14th Fiscal Period<br>(As of January 31, 2019) | 15th Fiscal Period<br>(As of July 31, 2019) |
|--|--|---|
| <b>Liabilities</b>                                 |  |   |
| <b>Current liabilities</b>                         |  |   |
| Operating accounts payable                         | 912,385  | 772,751                                     |
| Short-term loans payable                           | 2,050,000                                      | 2,500,000                                   |
| Current portion of long-term loans payable         | 9,700,000                                      | 13,200,000                                  |
| Accounts payable-other                             | 298,718  | 305,806                                     |
| Accrued expenses                                   | 27,236   | 27,560                                      |
| Income taxes payable                               | 605  | 605   |
| Accrued consumption taxes                          | 11,413   | 21,474                                      |
| Advances received                                  | 1,096,282                                      | 1,148,654                                   |
| Deposits received                                  | 75,292   | 58,742                                      |
| Other  | -  | 10,098                                      |
| <b>Total current liabilities</b>                   | <b>14,171,933</b>                              | <b>18,045,693</b>                           |
| <b>Noncurrent liabilities</b>                      |  |   |
| Investment corporation bonds                       | 5,000,000                                      | 5,000,000                                   |
| Long-term loans payable                            | 106,500,000                                    | 105,200,000                                 |
| Tenant leasehold and security deposits in trust    | 2,682,738                                      | 3,099,642                                   |
| Tenant lump sum deposits in trust                  | 4,405,195                                      | 4,493,753                                   |
| Asset retirement obligations                       | -  | 67,338                                      |
| Other  | 392,732  | 517,915                                     |
| <b>Total noncurrent liabilities</b>                | <b>118,980,667</b>                             | <b>118,378,649</b>                          |
| <b>Total liabilities</b>                           | <b>133,152,600</b>                             | <b>136,424,343</b>                          |
| <b>Net assets</b>                                  |  |   |
| <b>Unitholders' equity</b>                         |  |   |
| Unitholders' capital                               | 93,226,228                                     | 99,731,514                                  |
| <b>Surplus</b>                                     |  |   |
| Capital surplus                                    | 13,187,100                                     | 13,187,100                                  |
| <b>Voluntary retained earnings</b>                 |  |   |
| Reserve for temporary difference adjustments       | *2 2,000,000                                   | *2 1,980,000                                |
| Total voluntary retained earnings                  | 2,000,000                                      | 1,980,000                                   |
| Unappropriated retained earnings (undisposed loss) | 3,875,050                                      | 4,125,881                                   |
| Total surplus                                      | 19,062,150                                     | 19,292,981                                  |
| <b>Total unitholders' equity</b>                   | <b>112,288,379</b>                             | <b>119,024,495</b>                          |
| <b>Valuation and translation adjustments</b>       |  |   |
| Deferred gains or losses on hedges                 | -337,222                                       | -483,092                                    |
| <b>Total valuation and translation adjustments</b> | <b>-337,222</b>                                | <b>-483,092</b>                             |
| <b>Total net assets</b>                            | <b>*1 111,951,157</b>                          | <b>*1 118,541,403</b>                       |
| <b>Total liabilities and net assets</b>            | <b>245,103,757</b>                             | <b>254,965,747</b>                          |

**(2) Statements of Income and Retained Earnings**

(in thousands of yen)

|  | 14th Fiscal Period<br>August 1, 2018 to<br>January 31, 2019 | 15th Fiscal Period<br>February 1, 2019 to<br>July 31, 2019 |
|--|---|--|
| Operating revenues   |   |  |
| Rent revenue-real estate                                   | *1 7,085,174  | *1 7,342,246   |
| Other lease business revenue                               | *1 520,733  | *1 590,778   |
| Gain on sale of real estate property                       | *2 203,178  | *2 203,392   |
| Dividends income   | 14,461  | -  |
| Total operating revenues                                   | 7,823,548   | 8,136,417  |
| Operating expenses   |   |  |
| Expenses related to rent business                          | *1 2,794,762  | *1 2,915,721   |
| Asset management fees                                      | 513,065   | 562,274  |
| Asset custody fees   | 11,985  | 13,404   |
| Administrative service fees                                | 41,723  | 45,950   |
| Directors' compensation                                    | 8,100   | 8,100  |
| Other operating expenses                                   | 240,701   | 231,968  |
| Total operating expenses                                   | 3,610,337   | 3,777,419  |
| Operating income   | 4,213,210   | 4,358,998  |
| Non-operating income                                       |   |  |
| Interest income  | 45  | 38   |
| Dividends and redemption-prescription                      | 313   | 765  |
| Interest on refund   | 3   | 463  |
| Total non-operating income                                 | 362   | 1,268  |
| Non-operating expenses                                     |   |  |
| Interest expenses  | 491,744   | 485,799  |
| Interest expenses on investment corporation bonds          | 9,974   | 13,825   |
| Borrowing expenses   | 101,223   | 100,264  |
| Amortization of investment corporation bond issuance costs | 2,560   | 3,243  |
| Amortization of investment unit issuance costs             | 9,022   | 15,269   |
| Total non-operating expenses                               | 614,525   | 618,402  |
| Ordinary income  | 3,599,047   | 3,741,863  |
| Income before income taxes                                 | 3,599,047   | 3,741,863  |
| Income taxes   |   |  |
| Current  | 605   | 605  |
| Total income taxes   | 605   | 605  |
| Net income   | 3,598,442   | 3,741,258  |
| Retained earnings brought forward                          | 276,608   | 384,622  |
| Unappropriated retained earnings (undisposed loss)         | 3,875,050   | 4,125,881  |

**(3) Statements of Changes in Net Assets**

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      |

KENEDIX RESIDENTIAL NEXT INVESTMENT CORPORATION (3278)

15th Fiscal Period February 1, 2019 to July 31, 2019

(in thousands of yen)

|  | Unitholders' equity  |                 |  |                         |  |               |                           |
|--|----------------------|-----------------|--|-------------------------|--|---------------|---------------------------|
|  | Unitholders' capital | Capital surplus | Surplus                                      |                         |  |               | Total unitholders' equity |
|  |                      |                 | Voluntary reserve                            |                         | Unappropriated retained earnings (undisposed loss) | Total surplus |                           |
|  |                      |                 | Reserve for temporary difference adjustments | Total voluntary reserve |  |               |                           |
| Balance at the beginning of current period               | 93,226,228           | 13,187,100      | 2,000,000                                    | 2,000,000               | 3,875,050  | 19,062,150    | 112,288,379               |
| Changes of items during the period                       |                      |                 |  |                         |  |               |                           |
| Issuance of new investment units                         | 6,505,285            |                 |  |                         |  |               | 6,505,285                 |
| Reversal of reserve for temporary difference adjustments |                      |                 | -20,000                                      | -20,000                 | 20,000   | -             | -                         |
| Dividends from surplus                                   |                      |                 |  |                         | -3,510,428   | -3,510,428    | -3,510,428                |
| Net income   |                      |                 |  |                         | 3,741,258  | 3,741,258     | 3,741,258                 |
| Net changes of items other than unitholders' equity      |                      |                 |  |                         |  |               |                           |
| Total changes of items during the period                 | 6,505,285            | -               | -20,000                                      | -20,000                 | 250,830  | 230,830       | 6,736,116                 |
| Balance at the end of current period                     | * 1 99,731,514       | 13,187,100      | 1,980,000                                    | 1,980,000               | 4,125,881  | 19,292,981    | 119,024,495               |

|  | 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                 | -337,222                              | -337,222                                    | 111,951,157      |
| Changes of items during the period                         |                                       |   |                  |
| Issuance of new investment units                           |                                       |   | 6,505,285        |
| Provision for reserve for temporary difference adjustments |                                       |   | -                |
| Dividends from surplus                                     |                                       |   | -3,510,428       |
| Net income   |                                       |   | 3,741,258        |
| Net changes of items other than unitholders' equity        | -145,870                              | -145,870                                    | -145,870         |
| Total changes of items during the period                   | -145,870                              | -145,870                                    | 6,590,246        |
| Balance at the end of current period                       | -483,092                              | -483,092                                    | 118,541,403      |

**(4) Distributions**

|   | 14th Fiscal Period<br>(From August 1, 2018 to January 31, 2019)   | 15th Fiscal Period<br>(From February 1, 2019 to July 31, 2019)  |
|---|---|---|
| I. Retained earnings at the end of period   | ¥3,875,050,769  | ¥4,125,881,528  |
| II. Reveal of Voluntary reserve<br>Reversal of reserve for temporary<br>difference adjustments *1 | ¥ 20,000,000  | ¥20,000,000   |
| III. Total distributions<br>Distributions per unit  | ¥3,510,428,187<br>¥4,039  | ¥3,687,001,854<br>¥4,063  |
| IV. Retained earnings brought forward to<br>the next period                                       | ¥384,622,582  | ¥458,879,674  |
| 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 ¥3,510,428,187, 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> | <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 ¥3,687,001,854, 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 15th 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)

|   | 14th Fiscal Period<br>August 1, 2018 to<br>January 31, 2019 | 15th Fiscal Period<br>February 1, 2019 to<br>July 31, 2019 |
|---|---|--|
| Net cash provided by (used in) operating activities                     |   |  |
| Income before income taxes  | 3,599,047   | 3,741,863  |
| Depreciation and amortization   | 1,343,939   | 1,392,068  |
| Amortization of investment corporation bond issuance expenses           | 2,560   | 3,243  |
| Amortization of investment unit issuance costs                          | 9,022   | 15,269   |
| Interest income   | -45   | -38  |
| Interest expenses   | 501,719   | 499,624  |
| Decrease (increase) in operating accounts receivable                    | 2,576   | -9,393   |
| Decrease (increase) in consumption taxes refund receivable              | -338,402  | 338,402  |
| Decrease (increase) in prepaid expenses                                 | 3,405   | -5,365   |
| Increase (decrease) in operating accounts payable                       | 117,776   | -109,149   |
| Increase (decrease) in accounts payable-other                           | 15,829  | 7,522  |
| Increase (decrease) in accrued consumption taxes                        | -52,443   | 10,061   |
| Increase (decrease) in advances received                                | 137,469   | 52,372   |
| Decrease (increase) in long-term prepaid expenses                       | -142,793  | 45,046   |
| Decrease in net property, plant and equipment held in trust due to sale | 500,913   | 482,312  |
| Other, net  | 19,148  | -8,827   |
| Subtotal  | 5,719,725   | 6,455,011  |
| Interest income received  | 45  | 38   |
| Interest expenses paid  | -511,560  | -509,888   |
| Income taxes (paid) refund  | 3,769   | 2,074  |
| Net cash provided by (used in) operating activities                     | 5,211,979   | 5,947,236  |
| Net cash provided by (used in) investing activities                     |   |  |
| Purchase of property, plant and equipment in trust                      | -29,866,970   | -13,813,975  |
| Purchase of intangible assets   | -   | -162,428   |
| Purchase of investment securities                                       | -1,832  | -  |
| Proceeds from investment securities                                     | 402,700   | 103,455  |
| Payments of lease and guarantee deposits                                | -   | -60,000  |
| Proceeds from lease and guarantee deposits                              | 10,000  | -  |
| Repayments of tenant leasehold and security deposits in trust           | -133,676  | -141,168   |
| Proceeds from tenant leasehold and security deposits in trust           | 486,208   | 558,072  |
| Repayments of tenant lump sum deposits in trust                         | -103,996  | -79,827  |
| Proceeds from tenant lump sum deposits in trust                         | 304,115   | 168,384  |
| Net cash provided by (used in) investing activities                     | -28,903,451   | -13,427,488  |
| Net cash provided by (used in) financing activities                     |   |  |
| Increase in short-term loans payable                                    | -   | 2,500,000  |
| Decrease in short-term loans payable                                    | -580,000  | -2,050,000   |
| Proceeds from long-term loans payable                                   | 26,700,000  | 4,700,000  |
| Repayments of long-term loans payable                                   | -11,000,000   | -2,500,000   |
| Proceeds from issuance of investment corporation bond                   | 1,981,451   | -  |
| Proceeds from issuance of investment units                              | 13,039,815  | 6,462,083  |
| Dividends paid  | -3,151,284  | -3,510,096   |
| Net cash provided by (used in) financing activities                     | 26,989,982  | 5,601,986  |
| Net increase (decrease) in cash and cash equivalents                    | 3,298,510   | -1,878,264   |
| Cash and cash equivalents at the beginning of period                    | 18,779,421  | 22,077,932   |
| Cash and cash equivalents at the end of period                          | *1 22,077,932   | *1 20,199,667  |

**(6) Notes to the Going Concern**

Not applicable

**(7) Important Accounting Standards**

|   |  |
|---|--|
| <p>1. Evaluation standards and evaluation method of assets</p>                                      | <p>Securities<br/>Other securities<br/>Those with no fair value<br/>Cost method through moving-average method<br/>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>  |
| <p>2. Depreciation of fixed assets</p>  | <p>(1) Property, plant and equipment (includes trust assets)<br/>The straight-line method is applied.<br/>Useful lives of the assets ranging are as follows:<br/>Buildings: 2 to 69 years<br/>Structures: 3 to 65 years<br/>Machinery and equipment: 8 to 40 years<br/>Tools, furniture and fixtures: 5 to 30 years<br/>(2) Intangible assets(includes trust assets)<br/>The straight-line method is applied.<br/>Land leasehold: Fixed term land leaseholds is amortized over a contractual period under the straight-line method.<br/>(3) Long-term prepaid expenses<br/>The straight-line method is applied.</p>  |
| <p>3. Accounting policies for deferred assets</p>   | <p>(1) Unit issuance costs<br/>Unit issuance costs are amortized over a period of 3 years under the straight-line method.<br/>(2) Investment corporation bond issuance costs<br/>Bond issuance costs are amortized by applying the straight-line method for the entire redemption period.</p>  |
| <p>4. Accounting standards for revenues and expenses</p>  | <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 ¥33,037 thousand and ¥50,824 thousand as of July 31, 2019 and January 31, 2019, respectively.</p>     |
| <p>5. Accounting for hedges</p>   | <p>(1) Hedge accounting method<br/>The deferred hedge method is applied. However, the special treatment is applied for the interest-rate swap agreements that meet the criteria.<br/>(2) Hedging instruments and risks hedged<br/>Hedge instruments<br/>The Investment Corporation enters into interest-rate swap transactions.<br/>Risks hedged<br/>Interest rates on debt.<br/>(3) Hedging policy<br/>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.<br/>(4) Method of evaluating the effectiveness of hedging<br/>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> |
| <p>6. The scope of cash and cash equivalents on statements of cash flows</p>                        | <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>   |
| <p>7. Other significant accounting policies utilized in the preparation of financial statements</p> | <p>(1) Accounting method for trust beneficiary interests in real estate and other assets<br/>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.<br/>Important line items included in accounting for financial assets and liabilities in the Investment Corporation's balance sheet are as follows:<br/>1. Cash and deposits in trust<br/>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<br/>3. Tenant leasehold and security deposits in trust, tenant lump sum deposits in trust<br/>(2) Accounting method for consumption tax<br/>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 January 31, 2019 | As of July 31, 2019 |
|------------------------|---------------------|
| 50,000                 | 50,000              |

\*2. Reserve for temporary difference adjustments

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.

15th Fiscal Period (As of July 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                              | -                         | 20,000                     | 1,980,000                        | Appropriate for distribution    |

\* 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 August 1, 2018<br>to January 31, 2019 | From February 1, 2019<br>to July 31, 2019 |
|---|--|---|
| A. Rental and other operating revenues:                 |  |   |
| Rental revenues   | 6,711,825                                  | 6,964,736                                 |
| Rental revenues from limited proprietary rights of land | 43,749                                     | 43,750                                    |
| Common area charges                                     | 329,599                                    | 333,759                                   |
| Subtotal  | 7,085,174                                  | 7,342,246                                 |
| Others:   |  |   |
| Parking space rental revenues                           | 210,398                                    | 206,653                                   |
| Miscellaneous   | 310,334                                    | 384,125                                   |
| Subtotal  | 520,733                                    | 590,778                                   |
| Total rental and other operating revenues               | 7,605,908                                  | 7,933,025                                 |
| B. Property-related expenses:                           |  |   |
| Property management fees and facility management fees   | 408,364                                    | 425,193                                   |
| Utilities   | 97,432                                     | 95,304                                    |
| Taxes   | 410,483                                    | 476,820                                   |
| Repairs and maintenance                                 | 318,838                                    | 300,657                                   |
| Insurance   | 11,487                                     | 11,671                                    |
| Trust fees  | 53,141                                     | 53,335                                    |
| Depreciation  | 1,343,163                                  | 1,391,292                                 |
| Others  | 151,851                                    | 161,445                                   |
| Total property-related expenses                         | 2,794,762                                  | 2,915,721                                 |
| C. Net operating income (A-B)                           | 4,811,146                                  | 5,017,303                                 |

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

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 |

15th Fiscal Period (February 1, 2019 to July 31, 2019)

(in thousands of yen)

|  |         |
|--|---------|
| KDX Residence Shin-Osaka                     |         |
| Revenue from sale of the investment property | 690,000 |
| Costs of the investment property             | 482,312 |
| Other sales expenses                         | 4,295   |
| Gain on sale of real estate property         | 203,392 |

(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 August 1, 2018<br>to January 31, 2019 | From February 1, 2019<br>to July 31, 2019 |
|---|--|---|
| Total number of authorized investment units             | 10,000,000 units                           | 10,000,000 units                          |
| Total number of investment units issued and outstanding | 869,133 units                              | 907,458 units                             |

## (Notes to Distributions)

## 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.

## 15th Fiscal Period (February 1, 2019 to July 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 15th 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 January 31, 2019 | As of July 31, 2019 |
|----------------------------|------------------------|---------------------|
| Cash and deposits          | 12,356,302             | 10,296,548          |
| Cash and deposits in trust | 9,721,629              | 9,903,118           |
| Cash and cash equivalents  | 22,077,932             | 20,199,667          |

## (Notes to the Lease Transactions)

## Operating lease transactions (Lessee)

## Unearned lease payments

(in thousands of yen)

|                  | As of January 31, 2019 | As of July 31, 2019 |
|------------------|------------------------|---------------------|
| Due in 1 year    | -                      | 12,000              |
| Due after 1 year | -                      | 551,000             |
| Total            | -                      | 563,000             |

## Operating lease transactions (Lessor)

## Unearned lease payments

(in thousands of yen)

|                  | As of January 31, 2019 | As of July 31, 2019 |
|------------------|------------------------|---------------------|
| Due in 1 year    | 2,769,825              | 3,265,232           |
| Due after 1 year | 18,849,702             | 20,920,160          |
| Total            | 21,619,527             | 24,185,392          |

(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 4 months as of July 31, 2019, the end of the 15th 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 January 31, 2019

|  | Carrying amount | Estimated fair value | (in thousands of yen)<br>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.

As of July 31, 2019

(in thousands of yen)

|  | Carrying amount | Estimated fair value | Difference |
|--|-----------------|----------------------|------------|
| (1) Cash and deposits                          | 10,296,548      | 10,296,548           | -          |
| (2) Cash and deposits in trust                 | 9,903,118       | 9,903,118            | -          |
| Total  | 20,199,667      | 20,199,667           | -          |
| (1) Short-term loans payable                   | 2,500,000       | 2,500,000            | -          |
| (2) Current portion of long-term loans payable | 13,200,000      | 13,198,325           | -1,674     |
| (3) Investment corporation bonds               | 5,000,000       | 5,036,600            | 36,600     |
| (4) Long-term loans payable                    | 105,200,000     | 106,075,204          | 875,204    |
| Total  | 125,900,000     | 126,810,130          | 910,130    |
| Derivative transactions                        | -483,092        | -483,092             | -          |

\* 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 January 31, 2019 | As of July 31, 2019 |
|-------------------------|------------------------|---------------------|
| Investment securities * | 111,796                | 2,398               |

\*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 ¥5,942 thousand was recognized in the fiscal period ended July 31, 2019.

Note 3: Redemption schedule for financial assets with maturities

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            | -                                | -                                 | -                                 | -                                 | -                 |

As of July 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          | 10,296,548            | -                                | -                                 | -                                 | -                                 | -                 |
| Cash and deposits in trust | 9,903,118             | -                                | -                                 | -                                 | -                                 | -                 |
| Total                      | 20,199,667            | -                                | -                                 | -                                 | -                                 | -                 |

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

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        |

As of July 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     | 2,500,000             | -                                | -                                 | -                                 | -                                 | -                 |
| Investment corporation bonds | -                     | -                                | 1,000,000                         | -                                 | 1,000,000                         | 3,000,000         |
| Long-term loans payable      | 13,200,000            | 9,450,000                        | 19,650,000                        | 11,550,000                        | 12,800,000                        | 51,750,000        |
| Total                        | 15,700,000            | 9,450,000                        | 20,650,000                        | 11,550,000                        | 13,800,000                        | 54,750,000        |

(Notes to the Derivative Transactions)

(1) Transactions not subject to hedge accounting

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

(2) Transactions subject to hedge accounting

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.

As of July 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 | 56,200,000                            | 48,700,000            | -483,092                         | 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                                    |  |                         | 94,500,000                            | 85,500,000            | -483,092                         |   |

\*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 Related-Party Transactions)

## 1. Parent Company, major corporate unitholders and other

14h Fiscal Period (August 1, 2018 to January 31, 2019) and 15th Fiscal Period (February 1, 2019 to July 31, 2019): Not applicable

## 2. Affiliated companies and other

14h Fiscal Period (August 1, 2018 to January 31, 2019) and 15th Fiscal Period (February 1, 2019 to July 31, 2019): Not applicable

## 3. Fellow subsidiary companies and other

14h Fiscal Period (August 1, 2018 to January 31, 2019) and 15th Fiscal Period (February 1, 2019 to July 31, 2019): Not applicable

## 4. Directors, major individual unitholders and other

14h Fiscal Period (August 1, 2018 to January 31, 2019) and 15th Fiscal Period (February 1, 2019 to July 31, 2019): Not applicable

## (Notes to the Tax-Effect Accounting)

The significant components of deferred tax assets and liabilities:

(in thousands of yen)

|   | As of January 31, 2019 | As of July 31, 2019 |
|---|------------------------|---------------------|
| Deferred tax assets:                                    |                        |                     |
| Valuation difference on other assets acquired by merger | 741,176                | 720,920             |
| Deferred gains or losses on hedges                      | 106,528                | 152,608             |
| Asset retirement obligations                            | -                      | 21,272              |
| Loss on investment securities                           | -                      | 1,872               |
| Amortization of leasehold right in trust                | -                      | 181                 |
| Subtotal deferred tax assets                            | 847,704                | 896,855             |
| Valuation allowance                                     | -847,704               | -896,855            |
| Total deferred tax assets                               | -                      | -                   |
| Net deferred tax assets                                 | -                      | -                   |

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

|                               | From August 1, 2018<br>to January 31, 2019 | From February 1, 2019<br>to July 31, 2019 |
|-------------------------------|--|---|
| Statutory tax rate            | 31.51%                                     | 31.51%                                    |
| Deductible cash distributions | -30.73%                                    | -31.04%                                   |
| Others                        | -0.76%                                     | -0.45%                                    |
| Effective tax rate            | 0.02%                                      | 0.02%                                     |

(Notes to Asset Retirement Obligations)

Asset retirement obligations reported on balance sheets

1. Summary of the asset retirement obligations

KDR has recognized the original state restoration obligations assumed under the general fixed-term land leasehold agreement as the asset retirement obligations in connection with Arute Ishiyagawa on June 3, 2019.

2. Method of calculating asset retirement obligations

Asset retirement obligations are calculated based on a discount rate of 0.54711% after the useful life has been estimated to be 47 years and one month based on the time period from the date of acquisition to the expiration of the agreement.

3. Changes in the amount of applicable asset retirement obligations consisted of the following

|  | (in thousands of yen)                      |   |
|--|--|---|
|  | From August 1, 2018<br>to January 31, 2019 | From February 1, 2019<br>to July 31, 2019 |
| Balance at the beginning of period                   | -  | -   |
| Increase due to acquisition of tangible fixed assets | -  | 67,277                                    |
| Accretion adjustment                                 | -  | 61  |
| Balance at the end of period                         | -  | 67,338                                    |

(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 August 1, 2018<br>to January 31, 2019 | From February 1, 2019<br>to July 31, 2019 |
| Book value                      | Balance at the beginning of period | 193,148,357                                | 221,356,688                               |
|                                 | Changes during the period          | 28,208,331                                 | 12,139,653                                |
|                                 | Balance at the end of period       | 221,356,688                                | 233,496,342                               |
| Fair value at the end of period |                                    | 256,174,000                                | 273,676,000                               |

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 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, and during the 15th fiscal period, the principal increase was the acquisition of real estate trust beneficiary interests in 6 properties totaling ¥13,400,965 thousand, and the principal decrease was the sales of real estate trust beneficiary interests in 1 property totaling ¥482,312 thousand and depreciation of ¥1,391,231 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 January 31, 2019 and July 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 August 1, 2018 to January 31, 2019 and from February 1, 2019 to July 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 August 1, 2018<br>to January 31, 2019 | From February 1, 2019<br>to July 31, 2019 |
|--------------------------|--|---|
| Net asset value per unit | ¥128,807                                   | ¥130,630                                  |
| Net income per unit      | ¥4,143                                     | ¥4,142                                    |

Note 1: The weighted average number of units outstanding of 903,243 and 868,508 were used for the computation of the amount of net income per unit as of July 31, 2019 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: The basis for calculating net income per unit is as follows:

|  | From August 1, 2018<br>to January 31, 2019 | From February 1, 2019<br>to July 31, 2019 |
|--|--|---|
| Net income (in thousands of yen)                                       | 3,598,442                                  | 3,741,258                                 |
| Net income not available to ordinary unitholders (in thousands of yen) | -  | -   |
| Net income available to ordinary unitholders (in thousands of yen)     | 3,598,442                                  | 3,741,258                                 |
| Weighted average number of units during the period (units)             | 868,508                                    | 903,243                                   |

## (Notes to Important Subsequent Events)

Not applicable

**【Reference】 Earnings Performance for the Individual Properties for the 15th Fiscal Period (February 1, 2019 to July 31, 2019) : 181 days ※As of July 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                              | 2.0%                     | 0.8%                 | 0.4%                      | 0.6%                         | 0.3%                     | 1.2%                        | 0.8%  | 0.3%                           | 0.6%                     | 0.5%                               | 1.3%                      | 1.2%                       | 1.0%                        | 0.9%                       |
|  | Net book value (In millions of yen)                        | 4,781                    | 1,708                | 787                       | 1,450                        | 615                      | 2,663                       | 1,798   | 632                            | 1,316                    | 1,109                              | 3,084                     | 2,854                      | 2,238                       | 2,072                      |
|  | Appraisal value at the end of period (In millions of yen)  | 6,200                    | 2,170                | 1,010                     | 1,810                        | 914                      | 3,510                       | 1,840   | 741                            | 1,830                    | 1,450                              | 3,590                     | 3,550                      | 2,530                       | 2,720                      |
|  | Percentage of total appraisal value                        | 2.3%                     | 0.8%                 | 0.4%                      | 0.7%                         | 0.3%                     | 1.3%                        | 0.7%  | 0.3%                           | 0.7%                     | 0.5%                               | 1.3%                      | 1.3%                       | 0.9%                        | 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 (㎡)                                      | 5,271.41                 | 2,268.67             | 1,108.68                  | 2,054.10                     | 1,007.35                 | 6,032.88                    | 3,040.11  | 2,002.50                       | 3,480.11                 | 2,407.67                           | 3,571.56                  | 2,755.49                   | 1,680.79                    | 2,670.76                   |
|  | Occupancy ratio (Note1)                                    |                          |                      |                           |                              |                          |                             |   |                                |                          |                                    |                           |                            |                             |                            |
|  | As of July 31, 2019  | 98.7%                    | 96.4%                | 98.0%                     | 100.0%                       | 95.5%                    | 98.6%                       | 100.0%  | 94.3%                          | 98.1%                    | 96.6%                              | 98.7%                     | 95.4%                      | 100.0%                      | 95.9%                      |
|  | 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%  | 100.0%                         | 98.8%                    | 97.1%                              | 98.8%                     | 98.1%                      | 98.8%                       |                            |
| As of July 31, 2015                                    | 96.6%  | 96.4%                    | 100.0%               | 97.7%                     | 100.0%                       | 97.5%                    | 100.0%                      | 100.0%  | 100.0%                         | 91.9%                    | 98.2%                              | 100.0%                    | 97.8%                      | 97.7%                       |                            |
| 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%                       |                            |
| Profit and Loss Information for the 14th Fiscal Period | Operating periods  | 181days                  | 181days              | 181days                   | 181days                      | 181days                  | 181days                     | 181days   | 181days                        | 181days                  | 181days                            | 181days                   | 181days                    | 181days                     | 181days                    |
|  | ①Rental and other operating revenues (In thousands of yen) | 164,960                  | 58,609               | 28,420                    | 50,856                       | 25,528                   | 103,501                     | 43,750  | 27,206                         | 64,066                   | 49,317                             | 113,143                   | 91,949                     | 65,349                      | 73,631                     |
|  | Rental revenues  | 146,999                  | 54,009               | 26,903                    | 47,814                       | 24,313                   | 92,855                      | 43,750  | 24,826                         | 58,545                   | 45,082                             | 93,927                    | 84,114                     | 62,822                      | 69,822                     |
|  | Other operating revenues                                   | 17,961                   | 4,600                | 1,516                     | 3,041                        | 1,214                    | 10,645                      | -   | 2,380                          | 5,520                    | 4,235                              | 19,216                    | 7,835                      | 2,527                       | 3,808                      |
|  | ②Property-related expenses (In thousands of yen)           | 29,882                   | 11,783               | 5,751                     | 10,730                       | 5,059                    | 24,059                      | 1,354   | 7,295                          | 13,916                   | 12,756                             | 33,466                    | 16,274                     | 10,863                      | 11,988                     |
|  | Property management fees                                   | 11,931                   | 4,155                | 2,161                     | 3,688                        | 2,416                    | 8,443                       | -   | 2,342                          | 3,970                    | 2,923                              | 7,120                     | 6,340                      | 3,928                       | 5,203                      |
|  | Taxes  | 9,831                    | 2,870                | 1,248                     | 2,505                        | 1,235                    | 5,558                       | 1,348   | 1,617                          | 3,753                    | 2,771                              | 8,714                     | 4,788                      | 3,659                       | 3,909                      |
|  | Utilities  | 3,740                    | 510                  | 300                       | 595                          | 256                      | 1,380                       | -   | 409                            | 735                      | 762                                | 13,339                    | 1,520                      | 1,490                       | 470                        |
|  | Repairs and maintenance                                    | 2,414                    | 2,151                | 1,038                     | 1,997                        | 523                      | 5,796                       | -   | 2,367                          | 2,783                    | 4,665                              | 2,191                     | 830                        | 996                         | 1,321                      |
|  | Insurance  | 158                      | 57                   | 27                        | 52                           | 29                       | 141                         | -   | 44                             | 93                       | 61                                 | 115                       | 85                         | 43                          | 67                         |
|  | Trust fees and other expenses                              | 1,805                    | 2,037                | 974                       | 1,890                        | 597                      | 2,737                       | 6   | 514                            | 2,579                    | 1,572                              | 1,985                     | 2,710                      | 743                         | 1,016                      |
|  | ③NOI (=①-②) (In thousands of yen)                          | 135,078                  | 46,826               | 22,668                    | 40,126                       | 20,468                   | 79,442                      | 42,395  | 19,911                         | 50,149                   | 36,561                             | 79,676                    | 75,674                     | 54,485                      | 61,642                     |
| ④Depreciation (In thousands of yen)                    | 17,326   | 10,879                   | 5,269                | 6,526                     | 4,938                        | 21,687                   | -                           | 3,727   | 17,281                         | 7,344                    | 8,656                              | 7,313                     | 3,306                      | 7,052                       |                            |
| ⑤Rental operating income (=③-④) (In thousands of yen)  | 117,752  | 35,947                   | 17,399               | 33,599                    | 15,530                       | 57,754                   | 42,395                      | 16,183  | 32,868                         | 29,217                   | 71,019                             | 68,361                    | 51,178                     | 54,590                      |                            |
| ⑥Capital expenditures (In thousands of yen)            | 1,669  | 1,716                    | 138                  | 272                       | 5,655                        | 2,964                    | -                           | 110   | 426                            | 875                      | 8,454                              | 1,246                     | 1,188                      | 1,841                       |                            |
| ⑦NCF (=⑤-⑥) (In thousands of yen)                      | 133,409  | 45,110                   | 22,530               | 39,853                    | 14,813                       | 76,478                   | 42,395                      | 19,800  | 49,722                         | 35,686                   | 71,221                             | 74,428                    | 53,296                     | 59,801                      |                            |
| Reference  | Expense ratio (=②/①)                                       | 18.1%                    | 20.1%                | 20.2%                     | 21.1%                        | 19.8%                    | 23.2%                       | 3.1%  | 26.8%                          | 21.7%                    | 25.9%                              | 29.6%                     | 17.7%                      | 16.6%                       | 16.3%                      |
|  | Property tax for the year 2019 (In thousands of yen)       | 18,279                   | 5,741                | 2,497                     | 5,010                        | 2,470                    | 11,117                      | 2,696   | 3,234                          | 7,507                    | 5,537                              | 16,324                    | 9,577                      | 7,319                       | 7,818                      |
|  | Assets pledged as collateral                               | -                        | -                    | -                         | -                            | -                        | -                           | -   | -                              | -                        | -                                  | -                         | -                          | -                           | -                          |

**【Reference】 Earnings Performance for the Individual Properties for the 15th Fiscal Period (February 1, 2019 to July 31, 2019) : 181 days ※ As of July 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%                    | 0.6%                        | 0.3%                    | 0.3%                              | 1.4%                              | 0.5%                           | 1.4%                  | 1.0%                         | 0.4%                     | 0.3%                          | 0.5%                        | 0.4%     |
|  | Net book value (In millions of yen)                        | 1,761                    | 1,592                  | 761                     | 1,492                       | 759                     | 638                               | 3,154                             | 1,156                          | 3,236                 | 2,297                        | 996                      | 710                           | 1,276                       | 905      |
|  | Appraisal value at the end of period (In millions of yen)  | 2,370                    | 2,000                  | 1,060                   | 1,900                       | 1,000                   | 844                               | 4,020                             | 1,430                          | 4,090                 | 2,870                        | 1,330                    | 930                           | 1,480                       | 1,120    |
|  | Percentage of total appraisal value                        | 0.9%                     | 0.7%                   | 0.4%                    | 0.7%                        | 0.4%                    | 0.3%                              | 1.5%                              | 0.5%                           | 1.5%                  | 1.0%                         | 0.5%                     | 0.3%                          | 0.5%                        | 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 (㎡)                                      | 2,404.99                 | 1,806.98               | 1,034.27                | 2,310.08                    | 985.10                  | 702.58                            | 5,534.86                          | 1,495.47                       | 4,290.27              | 3,042.46                     | 1,294.19                 | 841.11                        | 2,339.62                    | 987.68   |
|  | Occupancy ratio (Note1)                                    |                          |                        |                         |                             |                         |                                   |                                   |                                |                       |                              |                          |                               |                             |          |
|  | As of July 31, 2019  | 95.9%                    | 97.7%                  | 100.0%                  | 100.0%                      | 100.0%                  | 93.8%                             | 100.0%                            | 97.3%                          | 98.4%                 | 98.1%                        | 96.2%                    | 94.4%                         | 100.0%                      | 96.8%    |
|  | 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%                      |          |
| Profit and Loss Information for the 14th Fiscal Period | Operating periods  | 181days                  | 181days                | 181days                 | 181days                     | 181days                 | 181days                           | 181days                           | 181days                        | 181days               | 181days                      | 181days                  | 181days                       | 181days                     | 181days  |
|  | ①Rental and other operating revenues (In thousands of yen) | 65,707                   | 55,935                 | 27,543                  | 52,255                      | 28,696                  | 22,902                            | 97,662                            | 41,432                         | 111,378               | 79,625                       | 35,721                   | 25,587                        | 42,861                      | 28,984   |
|  | Rental revenues  | 61,095                   | 53,213                 | 25,225                  | 48,036                      | 23,348                  | 19,490                            | 93,188                            | 38,051                         | 103,678               | 70,978                       | 34,073                   | 23,130                        | 38,802                      | 26,669   |
|  | Other operating revenues                                   | 4,611                    | 2,721                  | 2,318                   | 4,219                       | 5,348                   | 3,411                             | 4,473                             | 3,381                          | 7,699                 | 8,646                        | 1,647                    | 2,456                         | 4,059                       | 2,315    |
|  | ②Property-related expenses (In thousands of yen)           | 11,223                   | 12,887                 | 6,199                   | 14,951                      | 5,226                   | 5,258                             | 10,803                            | 8,872                          | 19,226                | 19,959                       | 7,821                    | 5,883                         | 7,758                       | 5,533    |
|  | Property management fees                                   | 4,595                    | 3,329                  | 2,253                   | 3,315                       | 2,019                   | 1,907                             | 1,465                             | 3,569                          | 6,726                 | 8,516                        | 3,256                    | 1,962                         | 3,656                       | 2,169    |
|  | Taxes  | 3,003                    | 2,603                  | 1,494                   | 3,105                       | 1,956                   | 1,159                             | 5,037                             | 1,740                          | 5,561                 | 5,006                        | 1,758                    | 1,029                         | 2,156                       | 1,253    |
|  | Utilities  | 622                      | 501                    | 383                     | 787                         | 225                     | 324                               | 875                               | 478                            | 1,495                 | 960                          | 324                      | 221                           | 363                         | 425      |
|  | Repairs and maintenance                                    | 1,874                    | 5,438                  | 950                     | 6,759                       | 415                     | 1,229                             | 2,299                             | 1,945                          | 3,203                 | 2,944                        | 2,038                    | 1,869                         | 1,032                       | 1,117    |
|  | Insurance  | 60                       | 55                     | 26                      | 64                          | 26                      | 24                                | 134                               | 40                             | 116                   | 128                          | 34                       | 23                            | 56                          | 26       |
|  | Trust fees and other expenses                              | 1,067                    | 960                    | 1,091                   | 919                         | 582                     | 613                               | 991                               | 1,098                          | 2,123                 | 2,402                        | 408                      | 774                           | 493                         | 540      |
|  | ③NOI (=①-②) (In thousands of yen)                          | 54,483                   | 43,047                 | 21,343                  | 37,303                      | 23,470                  | 17,643                            | 86,858                            | 32,560                         | 92,152                | 59,665                       | 27,899                   | 19,704                        | 35,103                      | 23,451   |
| ④Depreciation (In thousands of yen)                    | 5,806  | 6,291                    | 2,765                  | 6,060                   | 1,274                       | 2,806                   | 17,800                            | 6,899                             | 11,784                         | 10,024                | 4,006                        | 3,372                    | 4,733                         | 4,685                       |          |
| ⑤Rental operating income (=③-④) (In thousands of yen)  | 48,676   | 36,756                   | 18,577                 | 31,243                  | 22,195                      | 14,837                  | 69,057                            | 25,660                            | 80,367                         | 49,640                | 23,893                       | 16,332                   | 30,369                        | 18,765                      |          |
| ⑥Capital expenditures (In thousands of yen)            | -  | 48,476                   | -                      | 46,533                  | -                           | 577                     | 1,061                             | 2,397                             | 981                            | 6,328                 | 1,722                        | 133                      | 2,511                         | 2,949                       |          |
| ⑦NCF (=⑤-⑥) (In thousands of yen)                      | 54,483   | △5,428                   | 21,343                 | △9,230                  | 23,470                      | 17,066                  | 85,796                            | 30,162                            | 91,170                         | 53,337                | 26,177                       | 19,570                   | 32,591                        | 20,501                      |          |
| Reference  | Expense ratio (=②/①)                                       | 17.1%                    | 23.0%                  | 22.5%                   | 28.6%                       | 18.2%                   | 23.0%                             | 11.1%                             | 21.4%                          | 17.3%                 | 25.1%                        | 21.9%                    | 23.0%                         | 18.1%                       | 19.1%    |
|  | Property tax for the year 2019 (In thousands of yen)       | 6,006                    | 5,207                  | 2,987                   | 6,210                       | 3,913                   | 2,318                             | 10,074                            | 3,480                          | 11,122                | 10,012                       | 3,517                    | 2,059                         | 4,312                       | 2,506    |
|  | Assets pledged as collateral                               | -                        | -                      | -                       | -                           | -                       | -                                 | -                                 | -                              | -                     | -                            | -                        | -                             | -                           | -        |

**【Reference】 Earnings Performance for the Individual Properties for the 15th Fiscal Period (February 1, 2019 to July 31, 2019) : 181 days ※ As of July 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 Kannai |          |
| 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%                  | 0.5%                          | 0.5%                      | 0.4%                   | 0.3%                        | 0.3%                      | 0.4%                       | 0.3%                          | 0.3%                  | 0.2%                      | 0.2%                          | 0.3%     |
|  | Net book value (In millions of yen)                        | 752                | 695                    | 598                   | 1,241                         | 1,024                     | 1,062                  | 739                         | 766                       | 870                        | 788                           | 599                   | 551                       | 396                           | 776      |
|  | Appraisal value at the end of period (In millions of yen)  | 958                | 864                    | 765                   | 1,450                         | 1,340                     | 1,280                  | 942                         | 1,010                     | 1,060                      | 1,010                         | 767                   | 654                       | 522                           | 985      |
|  | Percentage of total appraisal value                        | 0.4%               | 0.3%                   | 0.3%                  | 0.5%                          | 0.5%                      | 0.5%                   | 0.3%                        | 0.4%                      | 0.4%                       | 0.4%                          | 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 (㎡)                                      | 1,103.82           | 1,012.80               | 829.05                | 2,408.56                      | 1,464.01                  | 2,359.44               | 1,149.94                    | 1,171.41                  | 1,329.79                   | 1,314.91                      | 1,127.58              | 958.14                    | 931.82                        | 1,561.41 |
|  | Occupancy ratio (Note1)                                    |                    |                        |                       |                               |                           |                        |                             |                           |                            |                               |                       |                           |                               |          |
|  | As of July 31, 2019  | 100.0%             | 100.0%                 | 100.0%                | 100.0%                        | 95.9%                     | 100.0%                 | 98.3%                       | 100.0%                    | 100.0%                     | 100.0%                        | 100.0%                | 96.8%                     | 100.0%                        | 97.5%    |
|  | 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%                         |          |
| Profit and Loss Information for the 14th Fiscal Period | Operating periods  | 181days            | 181days                | 181days               | 181days                       | 181days                   | 181days                | 181days                     | 181days                   | 181days                    | 181days                       | 181days               | 181days                   | 181days                       | 181days  |
|  | ①Rental and other operating revenues (In thousands of yen) | 25,741             | 24,079                 | 21,209                | 41,292                        | 39,538                    | 38,418                 | 29,806                      | 29,005                    | 32,983                     | 30,691                        | 24,246                | 20,546                    | 18,663                        | 35,517   |
|  | Rental revenues  | 24,522             | 21,549                 | 20,115                | 41,292                        | 37,537                    | 36,476                 | 27,123                      | 26,012                    | 29,579                     | 28,876                        | 23,107                | 19,232                    | 17,364                        | 32,040   |
|  | Other operating revenues                                   | 1,219              | 2,530                  | 1,093                 | -                             | 2,001                     | 1,941                  | 2,683                       | 2,992                     | 3,403                      | 1,815                         | 1,139                 | 1,313                     | 1,298                         | 3,476    |
|  | ②Property-related expenses (In thousands of yen)           | 6,780              | 4,199                  | 4,645                 | 3,169                         | 8,610                     | 5,819                  | 6,602                       | 7,857                     | 8,516                      | 5,843                         | 5,451                 | 4,795                     | 4,506                         | 8,655    |
|  | Property management fees                                   | 2,576              | 1,497                  | 1,832                 | 371                           | 2,758                     | 2,422                  | 2,613                       | 3,647                     | 2,831                      | 2,828                         | 1,996                 | 1,767                     | 2,138                         | 3,913    |
|  | Taxes  | 1,435              | 1,291                  | 797                   | 2,107                         | 1,933                     | 1,928                  | 1,502                       | 1,290                     | 1,703                      | 1,527                         | 1,236                 | 1,208                     | 1,095                         | 1,658    |
|  | Utilities  | 223                | 412                    | 212                   | -                             | 451                       | 463                    | 380                         | 356                       | 288                        | 313                           | 327                   | 193                       | 192                           | 673      |
|  | Repairs and maintenance                                    | 1,038              | 319                    | 1,040                 | 184                           | 1,791                     | 544                    | 1,144                       | 1,987                     | 3,199                      | 683                           | 958                   | 1,198                     | 347                           | 1,467    |
|  | Insurance  | 29                 | 24                     | 19                    | 46                            | 40                        | 46                     | 35                          | 29                        | 31                         | 36                            | 27                    | 27                        | 24                            | 47       |
|  | Trust fees and other expenses                              | 1,477              | 653                    | 743                   | 460                           | 1,634                     | 414                    | 925                         | 547                       | 461                        | 453                           | 906                   | 400                       | 708                           | 894      |
| ③NOI (=①-②) (In thousands of yen)                      | 18,961   | 19,879             | 16,563                 | 38,122                | 30,927                        | 32,599                    | 23,204                 | 21,147                      | 24,466                    | 24,848                     | 18,794                        | 15,750                | 14,157                    | 26,862                        |          |
| ④Depreciation (In thousands of yen)                    | 3,127  | 2,653              | 2,258                  | 3,375                 | 5,469                         | 4,417                     | 5,909                  | 4,089                       | 3,842                     | 4,537                      | 4,238                         | 3,371                 | 3,782                     | 6,049                         |          |
| ⑤Rental operating income (=③-④) (In thousands of yen)  | 15,833   | 17,226             | 14,305                 | 34,747                | 25,458                        | 28,182                    | 17,294                 | 17,058                      | 20,624                    | 20,311                     | 14,556                        | 12,379                | 10,374                    | 20,812                        |          |
| ⑥Capital expenditures (In thousands of yen)            | 468  | 320                | 758                    | 597                   | 1,094                         | 1,243                     | 421                    | 3,162                       | 33,839                    | 1,550                      | 133                           | 502                   | -                         | 2,006                         |          |
| ⑦NCF (=⑤-⑥) (In thousands of yen)                      | 18,492   | 19,559             | 15,805                 | 37,524                | 29,833                        | 31,355                    | 22,782                 | 17,985                      | △9,372                    | 23,298                     | 18,661                        | 15,248                | 14,157                    | 24,855                        |          |
| Reference  | Expense ratio (=②/①)                                       | 26.3%              | 17.4%                  | 21.9%                 | 7.7%                          | 21.8%                     | 15.1%                  | 22.1%                       | 27.1%                     | 25.8%                      | 19.0%                         | 22.5%                 | 23.3%                     | 24.1%                         | 24.4%    |
|  | Property tax for the year 2019 (In thousands of yen)       | 2,871              | 2,582                  | 1,595                 | 4,214                         | 3,867                     | 3,856                  | 3,005                       | 2,580                     | 3,386                      | 3,054                         | 2,472                 | 2,417                     | 2,190                         | 3,316    |
|  | Assets pledged as collateral                               | -                  | -                      | -                     | -                             | -                         | -                      | -                           | -                         | -                          | -                             | -                     | -                         | -                             | -        |

**【Reference】 Earnings Performance for the Individual Properties for the 15th Fiscal Period (February 1, 2019 to July 31, 2019) : 181 days ※ As of July 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                              | 0.4%                  | 0.8%                    | 0.6%                             | 0.4%                               | 0.2%                    | 0.5%                  | 1.6%                            | 1.1%                | 0.8%                | 1.1%                   | 2.1%             | 0.4%                          | 0.6%                  | 0.9%     |  |
|  | Net book value (In millions of yen)                        | 1,001                 | 1,709                   | 1,339                            | 1,001                              | 560                     | 1,319                 | 3,745                           | 2,575               | 1,833               | 2,638                  | 4,950            | 862                           | 1,380                 | 2,355    |  |
|  | Appraisal value at the end of period (In millions of yen)  | 1,140                 | 2,080                   | 1,690                            | 1,250                              | 682                     | 1,620                 | 4,800                           | 3,340               | 2,370               | 3,310                  | 5,650            | 1,010                         | 1,940                 | 2,510    |  |
|  | Percentage of total appraisal value                        | 0.4%                  | 0.8%                    | 0.6%                             | 0.5%                               | 0.2%                    | 0.6%                  | 1.8%                            | 1.2%                | 0.9%                | 1.2%                   | 2.1%             | 0.4%                          | 0.7%                  | 0.9%     |  |
| 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 (㎡)                                      | 2,337.54              | 3,832.53                | 1,896.33                         | 1,756.27                           | 877.14                  | 1,637.00              | 4,497.84                        | 3,259.00            | 2,311.74            | 3,890.40               | 4,770.77         | 1,254.50                      | 1,784.37              | 3,005.85 |  |
|  | Occupancy ratio (Note1)                                    |                       |                         |                                  |                                    |                         |                       |                                 |                     |                     |                        |                  |                               |                       |          |  |
|  | As of July 31, 2019  | 95.5%                 | 100.0%                  | 93.7%                            | 100.0%                             | 100.0%                  | 100.0%                | 98.0%                           | 98.3%               | 97.4%               | 97.0%                  | 98.3%            | 100.0%                        | 98.6%                 | 95.1%    |  |
|  | As of January 31, 2019                                     | 100.0%                | 100.0%                  | 100.0%                           | 100.0%                             | 100.0%                  | 100.0%                | 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%               | 96.6%               | 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%               | -                      | -                | -                             | -                     |          |  |
| Profit and Loss Information for the 14th Fiscal Period | Operating periods  | 181days               | 181days                 | 181days                          | 181days                            | 181days                 | 181days               | 181days                         | 181days             | 181days             | 181days                | 181days          | 181days                       | 181days               | 181days  |  |
|  | ①Rental and other operating revenues (In thousands of yen) | 37,338                | 65,141                  | 44,100                           | 30,540                             | 20,000                  | 41,375                | 122,275                         | 87,512              | 64,304              | 94,215                 | 135,357          | 23,882                        | 53,316                | 66,336   |  |
|  | Rental revenues  | 33,710                | 56,497                  | 37,487                           | 30,442                             | 19,230                  | 38,893                | 113,152                         | 81,935              | 58,947              | 83,476                 | 120,757          | 23,882                        | 49,095                | 59,175   |  |
|  | Other operating revenues                                   | 3,627                 | 8,644                   | 6,613                            | 97                                 | 769                     | 2,482                 | 9,122                           | 5,576               | 5,357               | 10,738                 | 14,600           | -                             | 4,221                 | 7,160    |  |
|  | ②Property-related expenses (In thousands of yen)           | 7,509                 | 14,901                  | 8,125                            | 4,136                              | 3,608                   | 7,239                 | 20,677                          | 17,938              | 15,068              | 18,434                 | 19,922           | 3,293                         | 12,133                | 12,153   |  |
|  | Property management fees                                   | 2,741                 | 5,321                   | 2,682                            | 1,059                              | 1,639                   | 3,059                 | 7,436                           | 5,552               | 4,890               | 5,168                  | 6,945            | -                             | 3,285                 | 3,503    |  |
|  | Taxes  | 2,084                 | 3,554                   | 2,271                            | 1,580                              | 1,003                   | 1,987                 | 5,593                           | 4,713               | 2,721               | 4,800                  | 7,025            | 1,654                         | 2,418                 | 3,044    |  |
|  | Utilities  | 468                   | 841                     | 608                              | 332                                | 235                     | 335                   | 618                             | 826                 | 557                 | 1,025                  | 1,140            | -                             | 517                   | 2,571    |  |
|  | Repairs and maintenance                                    | 1,587                 | 4,149                   | 1,745                            | 738                                | 297                     | 776                   | 3,269                           | 3,121               | 3,653               | 4,515                  | 2,119            | 1,244                         | 2,721                 | 1,638    |  |
|  | Insurance  | 60                    | 103                     | 68                               | 40                                 | 23                      | 39                    | 137                             | 105                 | 71                  | 112                    | 135              | 34                            | 54                    | 86       |  |
| Trust fees and other expenses                          | 567  | 930                   | 749                     | 385                              | 408                                | 1,042                   | 3,621                 | 3,619                           | 3,173               | 2,811               | 2,555                  | 360              | 3,136                         | 1,309                 |          |  |
| ③NOI (=①-②) (In thousands of yen)                      | 29,828   | 50,239                | 35,974                  | 26,403                           | 16,391                             | 34,135                  | 101,597               | 69,574                          | 49,236              | 75,780              | 115,434                | 20,588           | 41,182                        | 54,182                |          |  |
| ④Depreciation (In thousands of yen)                    | 4,912  | 15,039                | 6,960                   | 4,195                            | 2,243                              | 4,245                   | 17,299                | 12,806                          | 11,115              | 16,608              | 14,785                 | 2,535            | 3,716                         | 8,815                 |          |  |
| ⑤Rental operating income (=③-④) (In thousands of yen)  | 24,916   | 35,200                | 29,014                  | 22,207                           | 14,147                             | 29,890                  | 84,298                | 56,767                          | 38,120              | 59,171              | 100,648                | 18,053           | 37,466                        | 45,366                |          |  |
| ⑥Capital expenditures (In thousands of yen)            | 3,252  | 1,955                 | 2,960                   | 1,530                            | -                                  | 210                     | 3,186                 | 1,566                           | 2,384               | 2,884               | 4,688                  | -                | -                             | 2,989                 |          |  |
| ⑦NCF (=⑤-⑥) (In thousands of yen)                      | 26,576   | 48,284                | 33,014                  | 24,872                           | 16,391                             | 33,925                  | 98,411                | 68,007                          | 46,851              | 72,895              | 110,745                | 20,588           | 41,182                        | 51,193                |          |  |
| Reference  | Expense ratio (=②/①)                                       | 20.1%                 | 22.9%                   | 18.4%                            | 13.5%                              | 18.0%                   | 17.5%                 | 16.9%                           | 20.5%               | 23.4%               | 19.6%                  | 14.7%            | 13.8%                         | 22.8%                 | 18.3%    |  |
|  | Property tax for the year 2019 (In thousands of yen)       | 4,167                 | 7,102                   | 4,543                            | 3,160                              | 2,007                   | 3,854                 | 11,187                          | 9,426               | 5,443               | 9,601                  | 14,051           | 3,309                         | 4,836                 | 6,071    |  |
|  | Assets pledged as collateral                               | -                     | -                       | -                                | -                                  | -                       | -                     | -                               | -                   | -                   | -                      | -                | -                             | -                     | -        |  |

**【Reference】 Earnings Performance for the Individual Properties for the 15th Fiscal Period (February 1, 2019 to July 31, 2019) : 181 days ※As of July 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 Sendaizakka | 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%                    | 0.5%                | 0.5%                    | 1.3%                  | 0.5%                            | 0.5%                  | 0.5%                | 0.3%                | 1.2%                       | 0.5%                      | 0.5%                            | 0.3%                           | 0.2%                         | 0.3%    |
|  | Net book value (In millions of yen)                        | 1,421                   | 1,249               | 1,062                   | 2,994                 | 1,149                           | 1,106                 | 1,191               | 722                 | 2,939                      | 1,170                     | 1,240                           | 806                            | 566                          | 702     |
|  | Appraisal value at the end of period (In millions of yen)  | 1,600                   | 1,560               | 1,400                   | 3,650                 | 1,500                           | 1,300                 | 1,760               | 1,110               | 4,320                      | 1,260                     | 1,710                           | 1,090                          | 834                          | 975     |
|  | Percentage of total appraisal value                        | 0.6%                    | 0.6%                | 0.5%                    | 1.3%                  | 0.5%                            | 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 (㎡)                                      | 2,100.63                | 1,755.82            | 1,899.29                | 4,288.37              | 3,442.34                        | 1,583.32              | 1,180.71            | 1,031.09            | 2,588.22                   | 1,272.06                  | 1,281.12                        | 878.50                         | 788.88                       | 939.89  |
|  | Occupancy ratio (Note1)                                    |                         |                     |                         |                       |                                 |                       |                     |                     |                            |                           |                                 |                                |                              |         |
|  | As of July 31, 2019  | 95.5%                   | 91.0%               | 100.0%                  | 99.4%                 | 98.4%                           | 98.1%                 | 100.0%              | 100.0%              | 97.3%                      | 98.1%                     | 94.3%                           | 100.0%                         | 97.6%                        | 100.0%  |
|  | 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                                 | -  | -                       | -                   | -                       | -                     | -                               | -                     | -                   | -                   | -                          | -                         | -                               | -                              | -                            |         |
| Profit and Loss Information for the 14th Fiscal Period | Operating periods  | 181days                 | 181days             | 181days                 | 181days               | 181days                         | 181days               | 181days             | 181days             | 181days                    | 181days                   | 181days                         | 181days                        | 181days                      | 181days |
|  | ①Rental and other operating revenues (In thousands of yen) | 42,556                  | 41,056              | 40,160                  | 101,348               | 53,371                          | 39,299                | 40,417              | 29,930              | 94,712                     | 33,739                    | 40,538                          | 27,752                         | 21,899                       | 25,046  |
|  | Rental revenues  | 37,867                  | 37,909              | 37,546                  | 89,281                | 46,999                          | 36,814                | 37,175              | 27,557              | 91,487                     | 30,780                    | 37,280                          | 25,961                         | 21,189                       | 23,387  |
|  | Other operating revenues                                   | 4,688                   | 3,147               | 2,614                   | 12,066                | 6,372                           | 2,485                 | 3,242               | 2,372               | 3,224                      | 2,959                     | 3,258                           | 1,791                          | 710                          | 1,658   |
|  | ②Property-related expenses (In thousands of yen)           | 7,769                   | 7,604               | 7,433                   | 17,967                | 12,027                          | 7,329                 | 5,138               | 5,536               | 10,753                     | 7,646                     | 8,102                           | 5,927                          | 5,449                        | 5,822   |
|  | Property management fees                                   | 2,761                   | 2,420               | 2,974                   | 7,420                 | 3,802                           | 2,533                 | 2,390               | 2,240               | 4,216                      | 3,559                     | 2,422                           | 2,708                          | 2,092                        | 1,942   |
|  | Taxes  | 2,793                   | 2,114               | 1,964                   | 4,128                 | 2,548                           | 1,940                 | 1,473               | 1,571               | 3,175                      | 1,642                     | 2,581                           | 1,634                          | 997                          | 1,189   |
|  | Utilities  | 395                     | 379                 | 373                     | 877                   | 609                             | 465                   | 256                 | 393                 | 919                        | 169                       | 557                             | 335                            | 231                          | 336     |
|  | Repairs and maintenance                                    | 1,068                   | 1,572               | 935                     | 2,135                 | 3,159                           | 857                   | 210                 | 187                 | 955                        | 636                       | 1,255                           | 285                            | 1,098                        | 1,140   |
|  | Insurance  | 58                      | 48                  | 48                      | 125                   | 78                              | 42                    | 36                  | 32                  | 83                         | 34                        | 40                              | 26                             | 24                           | 26      |
|  | Trust fees and other expenses                              | 693                     | 1,069               | 1,135                   | 3,280                 | 1,830                           | 1,489                 | 772                 | 1,110               | 1,402                      | 1,604                     | 1,245                           | 938                            | 1,005                        | 1,187   |
|  | ③NOI (=①-②) (In thousands of yen)                          | 34,786                  | 33,452              | 32,727                  | 83,380                | 41,343                          | 31,970                | 35,279              | 24,394              | 83,959                     | 26,093                    | 32,435                          | 21,824                         | 16,450                       | 19,223  |
|  | ④Depreciation (In thousands of yen)                        | 4,671                   | 6,622               | 6,205                   | 21,257                | 7,234                           | 5,703                 | 4,195               | 3,682               | 11,269                     | 4,885                     | 4,109                           | 2,788                          | 2,974                        | 3,129   |
| ⑤Rental operating income (=③-④) (In thousands of yen)  | 30,115   | 26,829                  | 26,521              | 62,122                  | 34,108                | 26,267                          | 31,083                | 20,711              | 72,690              | 21,208                     | 28,326                    | 19,036                          | 13,475                         | 16,093                       |         |
| ⑥Capital expenditures (In thousands of yen)            | 419  | 868                     | 615                 | -                       | 15,241                | 651                             | -                     | -                   | -                   | -                          | 1,334                     | 883                             | -                              | 1,123                        |         |
| ⑦NCF (=⑤-⑥) (In thousands of yen)                      | 34,367   | 32,584                  | 32,111              | 83,380                  | 26,102                | 31,319                          | 35,279                | 24,394              | 83,959              | 26,093                     | 31,101                    | 20,941                          | 16,450                         | 18,099                       |         |
| Reference  | Expense ratio (=②/①)                                       | 18.3%                   | 18.5%               | 18.5%                   | 17.7%                 | 22.5%                           | 18.6%                 | 12.7%               | 18.5%               | 11.4%                      | 22.7%                     | 20.0%                           | 21.4%                          | 24.9%                        | 23.2%   |
|  | Property tax for the year 2019 (In thousands of yen)       | 5,587                   | 4,228               | 3,929                   | 8,256                 | 5,096                           | 3,881                 | 2,947               | 3,142               | 6,351                      | 3,284                     | 5,162                           | 3,268                          | 1,994                        | 2,379   |
|  | Assets pledged as collateral                               | -                       | -                   | -                       | -                     | -                               | -                     | -                   | -                   | -                          | -                         | -                               | -                              | -                            | -       |



**【Reference】 Earnings Performance for the Individual Properties for the 15th Fiscal Period (February 1, 2019 to July 31, 2019) : 181 days ※As of July 31, 2019**

| Property No.   | T-74   | T-75                      | T-76                      | T-77                  | T-78                 | T-79                  | T-80                  | T-81                       | T-82                   | T-83                          | R-2                        | R-3                 | R-4                   | R-5                              |          |
|--|--|---------------------------|---------------------------|-----------------------|----------------------|-----------------------|-----------------------|----------------------------|------------------------|-------------------------------|----------------------------|---------------------|-----------------------|----------------------------------|----------|
| Property Name  | KDX Residence Kamishakujji                                 | KDX Residence Shin-otsuka | KDX Residence Sakurajosui | KDX Residence Ryogoku | KDX Residence Toyosu | KDX Residence Asagaya | KDX Residence Hiyoshi | KDX Residence Kamikitazawa | KDX Residence Kaminoge | KDX Residence Higashi-Asakusa | KDX Jozenji Dori Residence | KDX Izumi Residence | KDX Chihaya Residence | KDX Sakaisuji Hommachi Residence |          |
| Acquisition Date                                       | August 1, 2016   | November 1, 2016          | November 1, 2016          | November 1, 2016      | August 22, 2017      | August 2, 2018        | August 2, 2018        | February 1, 2019           | February 1, 2019       | February 21, 2019             | May 1, 2012                | May 1, 2012         | May 1, 2012           | May 1, 2012                      |          |
| Price Information                                      | Acquisition price (In millions of yen)                     | 648                       | 764                       | 894                   | 842                  | 7,500                 | 1,930                 | 2,635                      | 1,360                  | 1,111                         | 687                        | 1,015               | 1,120                 | 1,080                            | 2,910    |
|  | Percentage of total portfolio                              | 0.3%                      | 0.3%                      | 0.4%                  | 0.4%                 | 3.2%                  | 0.8%                  | 1.1%                       | 0.6%                   | 0.5%                          | 0.3%                       | 0.4%                | 0.5%                  | 0.5%                             | 1.2%     |
|  | Net book value (In millions of yen)                        | 657                       | 775                       | 906                   | 855                  | 7,734                 | 1,964                 | 2,699                      | 1,395                  | 1,141                         | 709                        | 936                 | 1,050                 | 996                              | 2,706    |
|  | Appraisal value at the end of period (In millions of yen)  | 820                       | 993                       | 1,160                 | 1,130                | 7,640                 | 2,170                 | 2,730                      | 1,410                  | 1,230                         | 737                        | 1,320               | 1,380                 | 1,400                            | 3,420    |
|  | Percentage of total appraisal value                        | 0.3%                      | 0.4%                      | 0.4%                  | 0.4%                 | 2.8%                  | 0.8%                  | 1.0%                       | 0.5%                   | 0.4%                          | 0.3%                       | 0.5%                | 0.5%                  | 0.5%                             | 1.2%     |
| Lease Information                                      | Number of leasable residential units                       | 47                        | 40                        | 43                    | 36                   | 242                   | 44                    | 92                         | 39                     | 34                            | 36                         | 92                  | 40                    | 92                               | 160      |
|  | Leasable floor area (㎡)                                    | 1,032.18                  | 872.00                    | 1,227.16              | 1,190.53             | 6,811.38              | 1,996.08              | 6,131.93                   | 1,971.07               | 1,224.87                      | 1,013.40                   | 3,330.15            | 2,798.20              | 2,936.40                         | 6,385.70 |
|  | Leased floor area (㎡)                                      | 1,008.11                  | 872.00                    | 1,176.76              | 1,190.53             | 6,811.38              | 1,952.84              | 5,960.46                   | 1,819.62               | 1,224.87                      | 975.03                     | 2,905.10            | 2,798.20              | 2,750.82                         | 6,130.42 |
|  | Occupancy ratio (Note1)                                    |                           |                           |                       |                      |                       |                       |                            |                        |                               |                            |                     |                       |                                  |          |
|  | As of July 31, 2019  | 97.7%                     | 100.0%                    | 95.9%                 | 100.0%               | 100.0%                | 97.8%                 | 97.2%                      | 92.3%                  | 100.0%                        | 96.2%                      | 87.2%               | 100.0%                | 93.7%                            | 96.0%    |
|  | 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%    |
|  | As of July 31, 2018  | 97.9%                     | 100.0%                    | 100.0%                | 100.0%               | 100.0%                | -                     | -                          | -                      | -                             | -                          | 97.0%               | 92.1%                 | 95.1%                            | 98.5%    |
|  | As of January 31, 2018                                     | 93.8%                     | 100.0%                    | 85.5%                 | 93.4%                | 100.0%                | -                     | -                          | -                      | -                             | -                          | 93.0%               | 94.8%                 | 96.2%                            | 97.0%    |
|  | As of July 31, 2017  | 95.7%                     | 100.0%                    | 100.0%                | 97.9%                | -                     | -                     | -                          | -                      | -                             | -                          | 95.0%               | 97.4%                 | 91.8%                            | 95.0%    |
|  | As of January 31, 2017                                     | 97.8%                     | 100.0%                    | 100.0%                | 87.2%                | -                     | -                     | -                          | -                      | -                             | -                          | 93.4%               | 97.6%                 | 99.2%                            | 94.4%    |
| As of July 31, 2016                                    | -  | -                         | -                         | -                     | -                    | -                     | -                     | -                          | -                      | -                             | 95.7%                      | 97.4%               | 94.8%                 | 88.6%                            |          |
| As of January 31, 2016                                 | -  | -                         | -                         | -                     | -                    | -                     | -                     | -                          | -                      | -                             | 98.0%                      | 89.8%               | 97.3%                 | 91.4%                            |          |
| As of July 31, 2015                                    | -  | -                         | -                         | -                     | -                    | -                     | -                     | -                          | -                      | -                             | 100.0%                     | 85.0%               | 98.9%                 | 97.5%                            |          |
| As of January 31, 2015                                 | -  | -                         | -                         | -                     | -                    | -                     | -                     | -                          | -                      | -                             | 98.2%                      | 100.0%              | 96.4%                 | 93.2%                            |          |
| Profit and Loss Information for the 14th Fiscal Period | Operating periods  | 181days                   | 181days                   | 181days               | 181days              | 181days               | 181days               | 181days                    | 181days                | 181days                       | 161days                    | 181days             | 181days               | 181days                          | 181days  |
|  | ①Rental and other operating revenues (In thousands of yen) | 24,625                    | 22,608                    | 29,996                | 29,691               | 181,058               | 49,108                | 77,800                     | 34,703                 | 26,206                        | 18,914                     | 49,736              | 43,130                | 48,072                           | 107,710  |
|  | Rental revenues  | 22,086                    | 22,248                    | 27,209                | 28,167               | 177,418               | 46,035                | 70,673                     | 31,353                 | 26,130                        | 17,126                     | 44,479              | 35,933                | 43,465                           | 98,626   |
|  | Other operating revenues                                   | 2,539                     | 360                       | 2,787                 | 1,523                | 3,640                 | 3,073                 | 7,127                      | 3,349                  | 76                            | 1,788                      | 5,257               | 7,197                 | 4,606                            | 9,084    |
|  | ②Property-related expenses (In thousands of yen)           | 6,251                     | 1,854                     | 8,002                 | 4,766                | 16,337                | 6,644                 | 12,690                     | 7,941                  | 2,135                         | 3,245                      | 12,040              | 9,185                 | 10,619                           | 27,337   |
|  | Property management fees                                   | 1,830                     | 288                       | 3,593                 | 2,420                | 3,755                 | 2,175                 | 4,925                      | 2,546                  | 1,314                         | 2,167                      | 3,125               | 3,690                 | 3,782                            | 5,957    |
|  | Taxes  | 1,632                     | 1,243                     | 1,487                 | 1,240                | 10,204                | 1,980                 | 4,561                      | 8                      | 8                             | 8                          | 3,241               | 2,408                 | 2,995                            | 7,725    |
|  | Utilities  | 353                       | -                         | 303                   | 224                  | 1,123                 | 406                   | 789                        | 343                    | 150                           | 294                        | 614                 | 260                   | 610                              | 1,389    |
|  | Repairs and maintenance                                    | 1,300                     | -                         | 1,146                 | 312                  | 29                    | 1,254                 | 1,150                      | 3,671                  | 164                           | 395                        | 2,891               | 1,059                 | 1,884                            | 5,708    |
|  | Insurance  | 29                        | 23                        | 34                    | 32                   | 200                   | 52                    | 139                        | 47                     | 30                            | 23                         | 74                  | 64                    | 73                               | 182      |
| Trust fees and other expenses                          | 1,104  | 300                       | 1,437                     | 535                   | 1,023                | 774                   | 1,123                 | 1,324                      | 467                    | 357                           | 2,092                      | 1,702               | 1,272                 | 6,373                            |          |
| ③NOI (=①-②) (In thousands of yen)                      | 18,374   | 20,753                    | 21,993                    | 24,925                | 164,721              | 42,464                | 65,110                | 26,761                     | 24,071                 | 15,669                        | 37,696                     | 33,944              | 37,452                | 80,373                           |          |
| ④Depreciation (In thousands of yen)                    | 3,738  | 3,433                     | 4,116                     | 4,392                 | 28,285               | 4,168                 | 10,329                | 2,594                      | 2,717                  | 2,446                         | 10,417                     | 9,245               | 10,057                | 23,905                           |          |
| ⑤Rental operating income (=③-④) (In thousands of yen)  | 14,635   | 17,319                    | 17,877                    | 20,532                | 136,435              | 38,296                | 54,780                | 24,166                     | 21,353                 | 13,223                        | 27,278                     | 24,698              | 27,394                | 56,467                           |          |
| ⑥Capital expenditures (In thousands of yen)            | 1,932  | -                         | -                         | -                     | 771                  | 347                   | 1,415                 | 1,622                      | 384                    | 320                           | 793                        | -                   | -                     | 1,103                            |          |
| ⑦NCF (=⑤-⑥) (In thousands of yen)                      | 16,441   | 20,753                    | 21,993                    | 24,925                | 163,949              | 42,116                | 63,694                | 25,138                     | 23,687                 | 15,349                        | 36,902                     | 33,944              | 37,452                | 79,269                           |          |
| Reference  | Expense ratio (=②/①)                                       | 25.4%                     | 8.2%                      | 26.7%                 | 16.1%                | 9.0%                  | 13.5%                 | 16.3%                      | 22.9%                  | 8.1%                          | 17.2%                      | 24.2%               | 21.3%                 | 22.1%                            | 25.4%    |
|  | Property tax for the year 2019 (In thousands of yen)       | 3,264                     | 2,486                     | 2,974                 | 2,481                | 20,409                | 3,961                 | 9,123                      | 3,860                  | 3,047                         | 2,294                      | 6,482               | 4,815                 | 5,991                            | 15,447   |
|  | Assets pledged as collateral                               | -                         | -                         | -                     | -                    | -                     | -                     | -                          | -                      | -                             | -                          | -                   | -                     | -                                | -        |

**【Reference】 Earnings Performance for the Individual Properties for the 15th Fiscal Period (February 1, 2019 to July 31, 2019) : 181 days ※ As of July 31, 2019**

| Property No.   | R-7  | R-8                   | R-9                      | R-10                       | R-11                        | R-13                      | R-15                     | R-16                           | R-17                            | R-18                   | R-19                    | R-20               | R-21                | R-22                       |          |
|--|--|-----------------------|--------------------------|----------------------------|-----------------------------|---------------------------|--------------------------|--------------------------------|---------------------------------|------------------------|-------------------------|--------------------|---------------------|----------------------------|----------|
| Property Name  | KDX Takarazuka Residence                                   | KDX Shimizu Residence | KDX Residence Odori Koen | 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 |          |
| Acquisition Date                                       | May 1, 2012  | May 1, 2012           | 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)                     | 1,510                 | 1,680                    | 765                        | 830                         | 445                       | 530                      | 480                            | 2,350                           | 900                    | 840                     | 813                | 440                 | 1,410                      | 1,350    |
|  | Percentage of total portfolio                              | 0.6%                  | 0.7%                     | 0.3%                       | 0.4%                        | 0.2%                      | 0.2%                     | 0.2%                           | 1.0%                            | 0.4%                   | 0.4%                    | 0.3%               | 0.2%                | 0.6%                       | 0.6%     |
|  | Net book value (In millions of yen)                        | 1,353                 | 1,559                    | 779                        | 786                         | 467                       | 503                      | 456                            | 2,248                           | 863                    | 797                     | 780                | 419                 | 1,359                      | 1,281    |
|  | Appraisal value at the end of period (In millions of yen)  | 1,930                 | 2,020                    | 968                        | 1,020                       | 549                       | 706                      | 613                            | 2,540                           | 1,020                  | 1,030                   | 938                | 512                 | 1,650                      | 1,570    |
|  | Percentage of total appraisal value                        | 0.7%                  | 0.7%                     | 0.4%                       | 0.4%                        | 0.2%                      | 0.3%                     | 0.2%                           | 0.9%                            | 0.4%                   | 0.3%                    | 0.2%               | 0.6%                | 0.6%                       |          |
| Lease Information                                      | Number of leasable residential units                       | 80                    | 148                      | 78                         | 84                          | 65                        | 45                       | 40                             | 187                             | 66                     | 95                      | 76                 | 49                  | 118                        | 131      |
|  | Leasable floor area (㎡)                                    | 4,631.16              | 6,255.16                 | 2,762.76                   | 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 |
|  | Leased floor area (㎡)                                      | 4,365.44              | 5,843.57                 | 2,584.14                   | 3,341.86                    | 2,114.76                  | 1,601.33                 | 2,047.88                       | 5,989.08                        | 2,496.61               | 2,614.53                | 2,302.55           | 1,048.23            | 3,310.57                   | 3,711.07 |
|  | Occupancy ratio (Note1)                                    |                       |                          |                            |                             |                           |                          |                                |                                 |                        |                         |                    |                     |                            |          |
|  | As of July 31, 2019  | 94.3%                 | 93.4%                    | 93.5%                      | 97.9%                       | 93.8%                     | 88.1%                    | 94.8%                          | 96.3%                           | 94.0%                  | 96.0%                   | 97.8%              | 95.7%               | 97.7%                      | 97.3%    |
|  | As of January 31, 2019                                     | 100.0%                | 96.2%                    | 89.7%                      | 89.8%                       | 94.0%                     | 85.2%                    | 97.2%                          | 87.7%                           | 92.5%                  | 92.3%                   | 99.1%              | 96.0%               | 96.2%                      | 97.4%    |
|  | As of July 31, 2018  | 96.4%                 | 96.7%                    | 100.0%                     | 90.3%                       | 95.2%                     | 92.4%                    | 95.8%                          | 90.4%                           | 89.5%                  | 96.9%                   | 100.0%             | 96.1%               | 95.5%                      | 97.3%    |
|  | As of January 31, 2018                                     | 100.0%                | 95.9%                    | 97.4%                      | 94.4%                       | 89.1%                     | 97.3%                    | 94.0%                          | 93.0%                           | 95.5%                  | 91.4%                   | 97.0%              | 98.0%               | 97.0%                      | 96.9%    |
|  | As of July 31, 2017  | 99.3%                 | 91.5%                    | 96.1%                      | 92.8%                       | 95.4%                     | 95.4%                    | 89.0%                          | 94.6%                           | 95.5%                  | 96.0%                   | 95.9%              | 100.0%              | 100.0%                     | 97.4%    |
|  | As of January 31, 2017                                     | 97.1%                 | 96.6%                    | 98.7%                      | 100.0%                      | 96.9%                     | 91.6%                    | 97.9%                          | 90.4%                           | 95.5%                  | 92.0%                   | 96.8%              | 94.1%               | 97.7%                      | 95.6%    |
| As of July 31, 2016                                    | 91.4%  | 97.6%                 | 96.1%                    | 100.0%                     | 98.4%                       | 97.3%                     | 92.7%                    | 93.1%                          | 91.0%                           | 97.8%                  | 97.8%                   | 96.2%              | 96.2%               | 95.7%                      |          |
| As of January 31, 2016                                 | 97.1%  | 98.0%                 | 96.1%                    | 97.9%                      | 93.9%                       | 97.3%                     | 94.8%                    | 92.0%                          | 92.5%                           | 97.8%                  | 95.9%                   | 95.7%              | 100.0%              | 97.8%                      |          |
| As of July 31, 2015                                    | 94.3%  | 94.2%                 | 100.0%                   | 94.3%                      | 97.0%                       | 95.3%                     | 92.5%                    | 92.5%                          | 95.5%                           | 98.2%                  | 98.0%                   | 91.8%              | 96.2%               | 96.5%                      |          |
| As of January 31, 2015                                 | 95.7%  | 92.1%                 | 94.9%                    | 91.9%                      | 95.5%                       | 100.0%                    | 92.0%                    | 95.2%                          | 94.0%                           | 96.0%                  | 98.9%                   | 94.2%              | 96.2%               | 95.5%                      |          |
| Profit and Loss Information for the 14th Fiscal Period | Operating periods  | 181days               | 181days                  | 181days                    | 181days                     | 181days                   | 181days                  | 181days                        | 181days                         | 181days                | 181days                 | 181days            | 181days             | 181days                    | 181days  |
|  | ①Rental and other operating revenues (In thousands of yen) | 58,665                | 71,832                   | 31,774                     | 39,506                      | 23,507                    | 25,648                   | 23,065                         | 91,858                          | 37,912                 | 39,734                  | 34,424             | 18,873              | 56,119                     | 54,892   |
|  | Rental revenues  | 54,383                | 63,864                   | 29,354                     | 34,489                      | 21,117                    | 23,490                   | 20,409                         | 83,026                          | 34,150                 | 35,940                  | 31,958             | 16,668              | 51,693                     | 53,320   |
|  | Other operating revenues                                   | 4,282                 | 7,968                    | 2,420                      | 5,016                       | 2,389                     | 2,157                    | 2,655                          | 8,831                           | 3,762                  | 3,793                   | 2,465              | 2,204               | 4,425                      | 1,571    |
|  | ②Property-related expenses (In thousands of yen)           | 11,915                | 19,166                   | 14,349                     | 10,346                      | 7,750                     | 7,974                    | 6,688                          | 32,918                          | 13,834                 | 10,588                  | 7,411              | 5,399               | 11,323                     | 11,545   |
|  | Property management fees                                   | 2,681                 | 4,095                    | 2,745                      | 2,907                       | 2,038                     | 2,428                    | 1,966                          | 10,131                          | 4,315                  | 4,325                   | 1,848              | 1,305               | 2,887                      | 2,922    |
|  | Taxes  | 3,870                 | 5,407                    | 2,653                      | 3,290                       | 2,169                     | 1,854                    | 1,771                          | 5,949                           | 2,651                  | 2,559                   | 2,170              | 970                 | 3,189                      | 3,213    |
|  | Utilities  | 615                   | 680                      | 495                        | 1,092                       | 851                       | 344                      | 317                            | 1,021                           | 507                    | 411                     | 985                | 786                 | 1,587                      | 615      |
|  | Repairs and maintenance                                    | 3,231                 | 6,858                    | 6,014                      | 1,292                       | 775                       | 1,371                    | 1,349                          | 5,771                           | 2,972                  | 2,461                   | 1,552              | 1,241               | 1,022                      | 2,516    |
|  | Insurance  | 96                    | 141                      | 67                         | 59                          | 51                        | 40                       | 43                             | 142                             | 63                     | 61                      | 55                 | 27                  | 73                         | 84       |
|  | Trust fees and other expenses                              | 1,419                 | 1,982                    | 2,373                      | 1,703                       | 1,863                     | 1,935                    | 1,238                          | 9,901                           | 3,324                  | 768                     | 800                | 1,066               | 2,562                      | 2,192    |
| ③NOI (=①-②) (In thousands of yen)                      | 46,749   | 52,666                | 17,425                   | 29,160                     | 15,757                      | 17,674                    | 16,377                   | 58,939                         | 24,078                          | 29,146                 | 27,012                  | 13,474             | 44,795              | 43,346                     |          |
| ④Depreciation (In thousands of yen)                    | 16,576   | 14,237                | 8,043                    | 7,555                      | 4,859                       | 5,083                     | 4,509                    | 17,818                         | 7,021                           | 7,357                  | 6,365                   | 3,861              | 9,990               | 11,819                     |          |
| ⑤Rental operating income (=③-④) (In thousands of yen)  | 30,172   | 38,429                | 9,381                    | 21,604                     | 10,897                      | 12,590                    | 11,867                   | 41,121                         | 17,056                          | 21,788                 | 20,647                  | 9,612              | 34,805              | 31,526                     |          |
| ⑥Capital expenditures (In thousands of yen)            | 1,325  | 1,161                 | 56,991                   | -                          | -                           | 598                       | -                        | 1,102                          | -                               | 640                    | 1,796                   | -                  | 324                 | 420                        |          |
| ⑦NCF (=⑤-⑥) (In thousands of yen)                      | 45,424   | 51,505                | △39,566                  | 29,160                     | 15,757                      | 17,075                    | 16,377                   | 57,837                         | 24,078                          | 28,505                 | 25,215                  | 13,474             | 44,471              | 42,926                     |          |
| Reference  | Expense ratio (=②/①)                                       | 20.3%                 | 26.7%                    | 45.2%                      | 26.2%                       | 33.0%                     | 31.1%                    | 29.0%                          | 35.8%                           | 36.5%                  | 26.6%                   | 21.5%              | 28.6%               | 20.2%                      | 21.0%    |
|  | Property tax for the year 2019 (In thousands of yen)       | 7,734                 | 10,812                   | 5,307                      | 6,580                       | 4,339                     | 3,708                    | 3,543                          | 11,898                          | 5,302                  | 5,117                   | 4,340              | 1,941               | 6,378                      | 6,426    |
|  | Assets pledged as collateral                               | -                     | -                        | -                          | -                           | -                         | -                        | -                              | -                               | -                      | -                       | -                  | -                   | -                          | -        |

**【Reference】 Earnings Performance for the Individual Properties for the 15th Fiscal Period (February 1, 2019 to July 31, 2019) : 181 days ※ As of July 31, 2019**

| Property No.   | R-24   | R-25                          | R-26                    | R-27                    | R-28               | R-29                             | R-30                            | R-32                     | R-33                             | R-34                  | R-35                      | R-36                       | R-37                        | R-38                         |          |
|--|--|-------------------------------|-------------------------|-------------------------|--------------------|----------------------------------|---------------------------------|--------------------------|----------------------------------|-----------------------|---------------------------|----------------------------|-----------------------------|------------------------------|----------|
| Property Name  | KDX Residence Ibaraki I-II                                 | KDX Residence Toyonaka-minami | KDX Residence Moriguchi | KDX Residence Sanmomiya | Ashiya Royal Homes | KDX Residence Funairi Saiwai-cho | KDX Residence Tenjin-higashi II | KDX Residence Nishi Koen | KDX Residence Hiraou Josui-machi | Melody Heim Gotenyama | Leopalace Flat Shin-sakae | KDX Residence Konan Yamate | KDX Residence Hommachibashi | KDX Residence Minami-kusatsu |          |
| 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, 2014        | November 28, 2014         | November 14, 2014          | December 18, 2014           | February 5, 2015             |          |
| Price Information                                      | Acquisition price (In millions of yen)                     | 1,275                         | 740                     | 551                     | 1,080              | 1,360                            | 588                             | 680                      | 763                              | 760                   | 400                       | 3,500                      | 973                         | 3,201                        | 1,974    |
|  | Percentage of total portfolio                              | 0.5%                          | 0.3%                    | 0.2%                    | 0.5%               | 0.6%                             | 0.3%                            | 0.3%                     | 0.3%                             | 0.3%                  | 0.2%                      | 1.5%                       | 0.4%                        | 1.4%                         | 0.8%     |
|  | Net book value (In millions of yen)                        | 1,289                         | 682                     | 518                     | 1,079              | 1,458                            | 553                             | 646                      | 728                              | 738                   | 423                       | 3,496                      | 969                         | 3,157                        | 1,987    |
|  | Appraisal value at the end of period (In millions of yen)  | 1,424                         | 860                     | 666                     | 1,210              | 1,920                            | 703                             | 873                      | 876                              | 913                   | 531                       | 4,490                      | 1,130                       | 3,620                        | 2,410    |
|  | Percentage of total appraisal value                        | 0.5%                          | 0.3%                    | 0.2%                    | 0.4%               | 0.7%                             | 0.3%                            | 0.3%                     | 0.3%                             | 0.3%                  | 0.2%                      | 1.6%                       | 0.4%                        | 1.3%                         | 0.9%     |
| Lease Information                                      | Number of leasable residential units                       | 61                            | 70                      | 28                      | 86                 | 21                               | 64                              | 63                       | 36                               | 24                    | 36                        | 274                        | 55                          | 134                          | 170      |
|  | Leasable floor area (㎡)                                    | 4,701.87                      | 2,024.50                | 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 |
|  | Leased floor area (㎡)                                      | 4,625.13                      | 1,934.41                | 1,882.27                | 2,242.19           | 3,504.86                         | 1,712.01                        | 2,561.22                 | 2,303.08                         | 1,939.08              | 2,297.24                  | 11,589.95                  | 1,923.22                    | 6,285.09                     | 5,735.96 |
|  | Occupancy ratio (Note1)                                    |                               |                         |                         |                    |                                  |                                 |                          |                                  |                       |                           |                            |                             |                              |          |
|  | As of July 31, 2019  | 98.4%                         | 95.6%                   | 96.9%                   | 97.8%              | 87.6%                            | 90.6%                           | 98.4%                    | 91.3%                            | 92.4%                 | 100.0%                    | 100.0%                     | 100.0%                      | 96.5%                        | 100.0%   |
|  | As of January 31, 2019                                     | 98.4%                         | 100.0%                  | 100.0%                  | 98.9%              | 86.9%                            | 100.0%                          | 100.0%                   | 94.9%                            | 96.2%                 | 100.0%                    | 100.0%                     | 98.4%                       | 96.4%                        | 99.0%    |
|  | As of July 31, 2018  | 100.0%                        | 95.8%                   | 96.5%                   | 98.3%              | 100.0%                           | 98.4%                           | 95.2%                    | 94.9%                            | 100.0%                | 94.5%                     | 100.0%                     | 97.4%                       | 98.9%                        | 100.0%   |
|  | As of January 31, 2018                                     | 96.7%                         | 95.6%                   | 100.0%                  | 100.0%             | 100.0%                           | 98.4%                           | 95.2%                    | 91.2%                            | 95.7%                 | 100.0%                    | 100.0%                     | 95.9%                       | 97.7%                        | 95.1%    |
|  | As of July 31, 2017  | 100.0%                        | 95.7%                   | 96.1%                   | 96.7%              | 95.0%                            | 100.0%                          | 98.4%                    | 91.1%                            | 91.6%                 | 97.5%                     | 100.0%                     | 95.2%                       | 97.7%                        | 95.0%    |
|  | As of January 31, 2017                                     | 93.5%                         | 95.8%                   | 96.1%                   | 96.7%              | 100.0%                           | 100.0%                          | 100.0%                   | 82.3%                            | 87.7%                 | 91.8%                     | 100.0%                     | 92.2%                       | 96.3%                        | 98.4%    |
| As of July 31, 2016                                    | 95.1%  | 98.7%                         | 96.2%                   | 92.2%                   | 95.7%              | 100.0%                           | 93.7%                           | 94.5%                    | 92.4%                            | 92.1%                 | 100.0%                    | 98.4%                      | 94.4%                       | 94.7%                        |          |
| As of January 31, 2016                                 | 98.3%  | 97.0%                         | 100.0%                  | 92.2%                   | 100.0%             | 98.5%                            | 98.4%                           | 88.9%                    | 91.9%                            | 94.7%                 | 100.0%                    | 98.4%                      | 95.9%                       | 100.0%                       |          |
| As of July 31, 2015                                    | 95.1%  | 100.0%                        | 89.6%                   | 97.8%                   | 96.1%              | 98.4%                            | 92.1%                           | 92.5%                    | 94.9%                            | 100.0%                | 100.0%                    | 98.4%                      | 95.8%                       | 93.9%                        |          |
| As of January 31, 2015                                 | 95.1%  | 95.4%                         | 100.0%                  | 98.9%                   | 93.0%              | 96.9%                            | 98.4%                           | 100.0%                   | 91.0%                            | 97.3%                 | 100.0%                    | 96.9%                      | 90.2%                       | -                            |          |
| Profit and Loss Information for the 14th Fiscal Period | Operating periods  | 181days                       | 181days                 | 181days                 | 181days            | 181days                          | 181days                         | 181days                  | 181days                          | 181days               | 181days                   | 181days                    | 181days                     | 181days                      | 181days  |
|  | ①Rental and other operating revenues (In thousands of yen) | 54,297                        | 29,855                  | 23,169                  | 39,525             | 65,775                           | 27,230                          | 31,116                   | 31,044                           | 28,341                | 22,126                    | 121,557                    | 32,229                      | 107,699                      | 104,357  |
|  | Rental revenues  | 48,443                        | 28,428                  | 20,993                  | 37,409             | 53,256                           | 24,151                          | 28,152                   | 26,262                           | 25,921                | 18,892                    | 119,525                    | 31,506                      | 99,765                       | 84,909   |
|  | Other operating revenues                                   | 5,853                         | 1,427                   | 2,176                   | 2,116              | 12,518                           | 3,078                           | 2,963                    | 4,782                            | 2,419                 | 3,233                     | 2,031                      | 722                         | 7,933                        | 19,448   |
|  | ②Property-related expenses (In thousands of yen)           | 13,012                        | 6,488                   | 6,145                   | 10,497             | 15,764                           | 5,774                           | 7,694                    | 10,015                           | 4,868                 | 5,462                     | 15,033                     | 7,204                       | 24,347                       | 29,408   |
|  | Property management fees                                   | 2,752                         | 1,498                   | 1,540                   | 2,572              | 6,152                            | 1,634                           | 1,892                    | 2,149                            | 1,686                 | 1,216                     | 3,646                      | 1,768                       | 4,257                        | 5,925    |
|  | Taxes  | 4,611                         | 1,783                   | 1,631                   | 2,567              | 4,815                            | 1,790                           | 1,935                    | 2,269                            | 2,077                 | 1,364                     | 9,253                      | 2,006                       | 8,342                        | 5,743    |
|  | Utilities  | 1,124                         | 393                     | 1,001                   | 410                | 1,285                            | 302                             | 405                      | 527                              | 418                   | 940                       | -                          | 289                         | 1,614                        | 4,543    |
|  | Repairs and maintenance                                    | 3,181                         | 1,745                   | 1,177                   | 2,765              | 1,882                            | 1,291                           | 2,437                    | 3,190                            | 218                   | 1,227                     | 1,326                      | 1,176                       | 5,535                        | 8,450    |
|  | Insurance  | 113                           | 46                      | 51                      | 56                 | 109                              | 42                              | 60                       | 55                               | 46                    | 44                        | 262                        | 49                          | 187                          | 156      |
|  | Trust fees and other expenses                              | 1,229                         | 1,022                   | 743                     | 2,125              | 1,519                            | 713                             | 964                      | 1,822                            | 421                   | 669                       | 545                        | 1,913                       | 4,410                        | 4,589    |
| ③NOI (=①-②) (In thousands of yen)                      | 41,285   | 23,366                        | 17,023                  | 29,027                  | 50,011             | 21,455                           | 23,421                          | 21,029                   | 23,472                           | 16,663                | 106,523                   | 25,025                     | 83,351                      | 74,949                       |          |
| ④Depreciation (In thousands of yen)                    | 6,682  | 5,459                         | 8,120                   | 4,891                   | 5,378              | 6,253                            | 6,401                           | 4,809                    | 2,271                            | 33,321                | 4,921                     | 22,035                     | 18,323                      |                              |          |
| ⑤Rental operating income (=③-④) (In thousands of yen)  | 34,602   | 15,191                        | 11,564                  | 20,907                  | 45,119             | 16,077                           | 17,167                          | 14,627                   | 18,662                           | 14,392                | 73,202                    | 20,104                     | 61,316                      | 56,625                       |          |
| ⑥Capital expenditures (In thousands of yen)            | -  | 415                           | 917                     | 2,884                   | 835                | -                                | 651                             | 991                      | -                                | 123                   | -                         | 1,708                      | 4,102                       | 17,028                       |          |
| ⑦NCF (=⑤-⑥) (In thousands of yen)                      | 41,285   | 22,950                        | 16,105                  | 26,142                  | 49,176             | 21,455                           | 22,770                          | 20,038                   | 23,472                           | 16,540                | 106,523                   | 23,317                     | 79,249                      | 57,920                       |          |
| Reference  | Expense ratio (=②/①)                                       | 24.0%                         | 21.7%                   | 26.5%                   | 26.6%              | 24.0%                            | 21.2%                           | 24.7%                    | 32.3%                            | 17.2%                 | 24.7%                     | 12.4%                      | 22.4%                       | 22.6%                        | 28.2%    |
|  | Property tax for the year 2019 (In thousands of yen)       | 9,219                         | 3,566                   | 3,260                   | 5,135              | 9,627                            | 3,581                           | 3,870                    | 4,539                            | 4,155                 | 2,726                     | 18,502                     | 4,013                       | 16,685                       | 11,483   |
|  | Assets pledged as collateral                               | -                             | -                       | -                       | -                  | -                                | -                               | -                        | -                                | -                     | -                         | -                          | -                           | -                            | -        |

**【Reference】 Earnings Performance for the Individual Properties for the 15th Fiscal Period (February 1, 2019 to July 31, 2019) : 181 days ※As of July 31, 2019**

| Property No.   | R-39   | R-40                       | R-41                  | R-42                          | R-43                   | R-44                    | R-45                          | H-1                   | H-2                          | H-3                | H-4                 | H-5                    | H-6           | H-7            |          |        |
|--|--|----------------------------|-----------------------|-------------------------------|------------------------|-------------------------|-------------------------------|-----------------------|------------------------------|--------------------|---------------------|------------------------|---------------|----------------|----------|--------|
| Property Name  | KDX Residence Ohori Harbor View Tower                      | KDX Residence Minami-sanjo | 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 |          |        |
| Acquisition Date                                       | February 5, 2015   | September 30, 2015         | 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  |          |        |
| Price Information                                      | Acquisition price (In millions of yen)                     | 4,606                      | 915                   | 1,290                         | 617                    | 1,600                   | 2,390                         | 6,884                 | 1,120                        | 1,780              | 3,690               | 1,120                  | 2,940         | 2,630          | 858      |        |
|  | Percentage of total portfolio                              | 2.0%                       | 0.4%                  | 0.6%                          | 0.3%                   | 0.7%                    | 1.0%                          | 3.0%                  | 0.5%                         | 0.8%               | 1.6%                | 0.5%                   | 1.3%          | 1.1%           | 0.4%     |        |
|  | Net book value (In millions of yen)                        | 4,547                      | 919                   | 1,278                         | 643                    | 1,747                   | 2,492                         | 7,263                 | 1,093                        | 1,772              | 3,783               | 1,094                  | 2,857         | 2,576          | 834      |        |
|  | Appraisal value at the end of period (In millions of yen)  | 5,220                      | 1,690                 | 1,580                         | 744                    | 1,690                   | 2,600                         | 7,300                 | 1,120                        | 1,780              | 3,760               | 1,120                  | 2,940         | 2,660          | 857      |        |
|  | Percentage of total appraisal value                        | 1.9%                       | 0.6%                  | 0.6%                          | 0.3%                   | 0.6%                    | 1.0%                          | 2.7%                  | 0.4%                         | 0.7%               | 1.4%                | 0.4%                   | 1.1%          | 1.0%           | 0.3%     |        |
| Lease Information                                      | Number of leasable residential units                       | 212                        | 114                   | 85                            | 51                     | 128                     | 138                           | 239                   | -                            | -                  | -                   | -                      | -             | -              | -        |        |
|  | Leasable floor area (㎡)                                    | 11,855.63                  | 5,269.39              | 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 |        |
|  | Leased floor area (㎡)                                      | 9,106.54                   | 5,269.39              | 2,277.14                      | 1,351.68               | 4,331.38                | 3,680.96                      | 16,504.36             | 2,086.40                     | 3,339.00           | 13,812.27           | 4,385.53               | 8,208.65      | 6,473.60       | 3,140.27 |        |
|  | Occupancy ratio (Note1)                                    |                            |                       |                               |                        |                         |                               |                       |                              |                    |                     |                        |               |                |          |        |
|  | As of July 31, 2019  | 76.8%                      | 100.0%                | 100.0%                        | 100.0%                 | 96.8%                   | 97.2%                         | 93.9%                 | 100.0%                       | 100.0%             | 100.0%              | 100.0%                 | 100.0%        | 100.0%         | 100.0%   | 100.0% |
|  | As of January 31, 2019                                     | 91.6%                      | 95.2%                 | 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% |
|  | As of July 31, 2018  | 90.5%                      | 92.3%                 | 98.7%                         | 88.7%                  | 89.5%                   | -                             | -                     | 100.0%                       | 100.0%             | 100.0%              | 100.0%                 | 100.0%        | 100.0%         | 100.0%   | 100.0% |
|  | As of January 31, 2018                                     | 91.6%                      | 95.4%                 | 96.4%                         | 98.1%                  | 88.6%                   | -                             | -                     | -                            | -                  | -                   | -                      | -             | -              | -        | -      |
|  | As of July 31, 2017  | 93.0%                      | 98.4%                 | 97.5%                         | 98.1%                  | -                       | -                             | -                     | -                            | -                  | -                   | -                      | -             | -              | -        | -      |
|  | As of January 31, 2017                                     | 90.9%                      | 98.3%                 | 97.4%                         | 100.0%                 | -                       | -                             | -                     | -                            | -                  | -                   | -                      | -             | -              | -        | -      |
| As of July 31, 2016                                    | 93.5%  | 95.3%                      | 96.9%                 | -                             | -                      | -                       | -                             | -                     | -                            | -                  | -                   | -                      | -             | -              | -        |        |
| As of January 31, 2016                                 | 88.1%  | 97.1%                      | 54.2%                 | -                             | -                      | -                       | -                             | -                     | -                            | -                  | -                   | -                      | -             | -              | -        |        |
| As of July 31, 2015                                    | 93.2%  | -                          | -                     | -                             | -                      | -                       | -                             | -                     | -                            | -                  | -                   | -                      | -             | -              | -        |        |
| As of January 31, 2015                                 | -  | -                          | -                     | -                             | -                      | -                       | -                             | -                     | -                            | -                  | -                   | -                      | -             | -              | -        |        |
| Profit and Loss Information for the 14th Fiscal Period | Operating periods  | 181days                    | 181days               | 181days                       | 181days                | 181days                 | 181days                       | 181days               | 181days                      | 181days            | 181days             | 181days                | 181days       | 181days        | 181days  |        |
|  | ①Rental and other operating revenues (In thousands of yen) | 189,098                    | 55,623                | 43,356                        | 23,691                 | 57,987                  | 76,283                        | 206,067               | (Note)                       | (Note)             | (Note)              | (Note)                 | (Note)        | (Note)         | (Note)   |        |
|  | Rental revenues  | 139,478                    | 50,414                | 41,421                        | 21,513                 | 46,500                  | 69,636                        | 171,711               | (Note)                       | (Note)             | (Note)              | (Note)                 | (Note)        | (Note)         | (Note)   |        |
|  | Other operating revenues                                   | 49,619                     | 5,208                 | 1,934                         | 2,178                  | 11,486                  | 6,647                         | 34,356                |                              |                    |                     |                        |               |                |          |        |
|  | ②Property-related expenses (In thousands of yen)           | 41,139                     | 17,666                | 11,337                        | 5,458                  | 23,727                  | 15,466                        | 64,357                | 5,530                        | 4,353              | 21,800              | 4,746                  | 6,915         | 8,414          | 3,657    |        |
|  | Property management fees                                   | 9,904                      | 3,579                 | 2,836                         | 1,607                  | 3,002                   | 3,614                         | 12,957                | 360                          | 480                | 600                 | 384                    | 600           | 840            | 420      |        |
|  | Taxes  | 13,389                     | 5,241                 | 2,876                         | 1,670                  | 3,630                   | 5,685                         | 17,690                | 1,594                        | 3,344              | 8,345               | 3,817                  | 5,671         | 6,168          | 2,710    |        |
|  | Utilities  | 1,920                      | 618                   | 371                           | 377                    | 2,300                   | 316                           | 2,579                 | -                            | -                  | -                   | -                      | -             | -              | -        |        |
|  | Repairs and maintenance                                    | 12,138                     | 6,090                 | 1,239                         | 386                    | 10,107                  | 1,868                         | 23,177                | 210                          | -                  | 12,119              | -                      | -             | 787            | -        |        |
|  | Insurance  | 322                        | 136                   | 57                            | 39                     | 102                     | 103                           | 496                   | 43                           | 69                 | 275                 | 84                     | 183           | 157            | 64       |        |
|  | Trust fees and other expenses                              | 3,463                      | 1,999                 | 3,955                         | 1,377                  | 4,584                   | 3,878                         | 7,456                 | 3,323                        | 460                | 461                 | 461                    | 460           | 461            | 461      |        |
| ③NOI (=①-②) (In thousands of yen)                      | 147,959  | 37,957                     | 32,018                | 18,233                        | 34,259                 | 60,817                  | 141,709                       | 27,769                | 44,846                       | 98,576             | 30,301              | 81,200                 | 83,385        | 23,342         |          |        |
| ④Depreciation (In thousands of yen)                    | 42,600   | 11,257                     | 10,156                | 4,756                         | 7,553                  | 14,601                  | 30,313                        | 11,696                | 4,371                        | 28,772             | 9,048               | 30,556                 | 28,051        | 9,189          |          |        |
| ⑤Rental operating income (=③-④) (In thousands of yen)  | 105,358  | 26,700                     | 21,861                | 13,476                        | 26,706                 | 46,215                  | 111,395                       | 16,072                | 40,475                       | 69,803             | 21,252              | 50,643                 | 55,333        | 14,153         |          |        |
| ⑥Capital expenditures (In thousands of yen)            | 1,198  | -                          | -                     | 193                           | 7,414                  | -                       | 78,190                        | 1,201                 | 1,613                        | 121,890            | 266                 | 1,464                  | 1,445         | -              |          |        |
| ⑦NCF (=⑤-⑥) (In thousands of yen)                      | 146,760  | 37,957                     | 32,018                | 18,039                        | 26,845                 | 60,817                  | 63,519                        | 26,567                | 43,232                       | △23,314            | 30,034              | 79,735                 | 81,940        | 23,342         |          |        |
| Reference  | Expense ratio (=②/①)                                       | 21.8%                      | 31.8%                 | 26.1%                         | 23.0%                  | 40.9%                   | 20.3%                         | 31.2%                 | 16.6%                        | 8.8%               | 18.1%               | 13.5%                  | 7.8%          | 9.2%           | 13.5%    |        |
|  | Property tax for the year 2019 (In thousands of yen)       | 26,778                     | 10,467                | 5,753                         | 3,340                  | 7,259                   | 11,370                        | 35,339                | 3,188                        | 6,688              | 16,687              | 7,634                  | 11,343        | 12,330         | 5,419    |        |
|  | 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 15th Fiscal Period (February 1, 2019 to July 31, 2019) : 181 days ※ As of July 31, 2019**

| Property No.   | H-8  | H-9                      | H-10          | H-11                           | H-12                 | H-13                  | H-14                 | H-15             | H-16             | H-17           | H-18           | H-19           | H-20           | H-21                        |          |
|--|--|--------------------------|---------------|--------------------------------|----------------------|-----------------------|----------------------|------------------|------------------|----------------|----------------|----------------|----------------|-----------------------------|----------|
| Property Name  | Izarie Eniwa Building                                      | Sawayaka Sakura Nibankan | 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        | 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)                     | 1,660                    | 989           | 6,560                          | 2,110                | 1,190                 | 971                  | 1,380            | 737              | 3,490          | 2,100          | 2,810          | 1,830          | 1,420                       | 3,057    |
|  | Percentage of total portfolio                              | 0.7%                     | 0.4%          | 2.8%                           | 0.9%                 | 0.5%                  | 0.4%                 | 0.6%             | 0.3%             | 1.5%           | 0.9%           | 1.2%           | 0.8%           | 0.6%                        | 1.3%     |
|  | Net book value (In millions of yen)                        | 1,608                    | 954           | 6,429                          | 2,078                | 1,162                 | 944                  | 1,328            | 761              | 3,557          | 2,096          | 2,827          | 1,843          | 1,422                       | 3,241    |
|  | Appraisal value at the end of period (In millions of yen)  | 1,740                    | 991           | 6,560                          | 2,110                | 1,190                 | 975                  | 1,380            | 780              | 3,630          | 2,170          | 2,810          | 1,870          | 1,440                       | 3,180    |
|  | Percentage of total appraisal value                        | 0.6%                     | 0.4%          | 2.4%                           | 0.8%                 | 0.4%                  | 0.4%                 | 0.5%             | 0.3%             | 1.3%           | 0.8%           | 1.0%           | 0.7%           | 0.5%                        | 1.2%     |
| Lease Information                                      | Number of leasable residential units                       | -                        | -             | -                              | -                    | -                     | -                    | -                | -                | -              | -              | -              | -              | -                           | -        |
|  | Leasable floor area (㎡)                                    | 5,343.33                 | 3,628.51      | 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 |
|  | Leased floor area (㎡)                                      | 5,343.33                 | 3,628.51      | 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 |
|  | Occupancy ratio (Note1)                                    |                          |               |                                |                      |                       |                      |                  |                  |                |                |                |                |                             |          |
|  | As of July 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%         | 100.0%                      | 100.0%   |
|  | 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%         | 100.0%                      | 100.0%   |
|  | As of July 31, 2018  | 100.0%                   | 100.0%        | 100.0%                         | 100.0%               | 100.0%                | 100.0%               | 100.0%           | 100.0%           | -              | -              | -              | -              | -                           | -        |
|  | As of January 31, 2018                                     | -                        | -             | -                              | -                    | -                     | -                    | -                | -                | -              | -              | -              | -              | -                           | -        |
|  | As of July 31, 2017  | -                        | -             | -                              | -                    | -                     | -                    | -                | -                | -              | -              | -              | -              | -                           | -        |
|  | As of January 31, 2017                                     | -                        | -             | -                              | -                    | -                     | -                    | -                | -                | -              | -              | -              | -              | -                           | -        |
| Profit and Loss Information for the 14th Fiscal Period | Operating periods  | 181days                  | 181days       | 181days                        | 181days              | 181days               | 181days              | 181days          | 181days          | 181days        | 181days        | 181days        | 181days        | 181days                     | 181days  |
|  | ①Rental and other operating revenues (In thousands of yen) |                          |               |                                |                      |                       |                      |                  |                  |                |                |                |                |                             |          |
|  | Rental revenues  | (Note)                   | (Note)        | (Note)                         | (Note)               | (Note)                | (Note)               | (Note)           | (Note)           | (Note)         | (Note)         | (Note)         | (Note)         | (Note)                      | (Note)   |
|  | Other operating revenues                                   |                          |               |                                |                      |                       |                      |                  |                  |                |                |                |                |                             |          |
|  | ②Property-related expenses (In thousands of yen)           | 13,495                   | 4,246         | 33,405                         | 4,750                | 10,213                | 3,043                | 4,458            | 2,295            | 10,249         | 6,093          | 7,691          | 8,292          | 7,930                       | 5,421    |
|  | Property management fees                                   | 3,585                    | 510           | 31,67                          | 840                  | 360                   | 360                  | 660              | 360              | 540            | 420            | 420            | 420            | 420                         | 600      |
|  | Taxes  | 4,043                    | 2,413         | 26,482                         | 3,274                | 1,493                 | 1,891                | 2,294            | 1,445            | 7,930          | 5,134          | 6,686          | 5,488          | 5,585                       | 4,288    |
|  | Utilities  | 1,987                    | -             | -                              | -                    | -                     | -                    | -                | -                | -              | -              | -              | -              | -                           | -        |
|  | Repairs and maintenance                                    | 3,211                    | 800           | 2,628                          | 89                   | -                     | 275                  | 965              | -                | 1,163          | -              | -              | 1,842          | 1,373                       | -        |
|  | Insurance  | 203                      | 62            | 665                            | 86                   | 68                    | 55                   | 78               | 29               | 154            | 79             | 124            | 81             | 91                          | 70       |
|  | Trust fees and other expenses                              | 464                      | 460           | 461                            | 459                  | 8,292                 | 460                  | 460              | 460              | 460            | 460            | 460            | 460            | 460                         | 462      |
| ③NOI (=①-②) (In thousands of yen)                      | 51,437   | 28,549                   | 223,334       | 52,999                         | 31,486               | 24,916                | 51,341               | 18,354           | 97,129           | 57,331         | 79,039         | 46,799         | 37,902         | 65,618                      |          |
| ④Depreciation (In thousands of yen)                    | 18,263   | 12,286                   | 61,714        | 11,826                         | 9,982                | 9,525                 | 18,076               | 4,157            | 31,911           | 16,586         | 23,822         | 7,572          | 10,431         | 9,932                       |          |
| ⑤Rental operating income (=③-④) (In thousands of yen)  | 33,173   | 16,262                   | 161,619       | 41,173                         | 21,503               | 15,390                | 33,264               | 14,197           | 65,217           | 40,745         | 55,217         | 39,226         | 27,470         | 55,686                      |          |
| ⑥Capital expenditures (In thousands of yen)            | -  | -                        | 19,742        | 262                            | -                    | -                     | -                    | 540              | -                | -              | -              | 39,016         | -              | -                           |          |
| ⑦NCF (=⑤-⑥) (In thousands of yen)                      | 51,437   | 28,549                   | 203,591       | 52,737                         | 31,486               | 24,916                | 51,341               | 17,814           | 97,129           | 57,331         | 79,039         | 7,783          | 37,902         | 65,618                      |          |
| Reference  | Expense ratio (=②/①)                                       | 20.8%                    | 12.9%         | 13.0%                          | 8.2%                 | 24.5%                 | 10.9%                | 8.0%             | 11.1%            | 9.5%           | 9.6%           | 8.9%           | 15.1%          | 17.3%                       | 7.6%     |
|  | Property tax for the year 2019 (In thousands of yen)       | 8,083                    | 4,823         | 52,961                         | 6,542                | 2,986                 | 3,783                | 4,586            | 2,884            | 15,859         | 10,268         | 13,372         | 10,955         | 11,169                      | 8,576    |
|  | Assets pledged as collateral                               | -                        | -             | -                              | -                    | -                     | -                    | -                | -                | -              | -              | -              | -              | -                           | -        |

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

\* Total: Cost-weighted average o

**【Reference】 Earnings Performance for the Individual Properties for the 15th Fiscal Period (February 1, 2019 to July 31, 2019) : 181 days ※ As of July 31, 2019**

| Property No.   | H-22   | H-23         | H-24             |                         |            |
|--|--|--------------|------------------|-------------------------|------------|
| Property Name  | Tsukui Sun-shine Machida                                   | Serabi Ebisu | Arute Ishiyagawa | Total of 138 Properties |            |
| Acquisition Date                                       | March 1, 2019  | June 3, 2019 | June 3, 2019     |                         |            |
| Price Information                                      | Acquisition price (In millions of yen)                     | 6,934        | 1,690            | 1,061                   | 233,251    |
|  | Percentage of total portfolio                              | 3.0%         | 0.7%             | 0.5%                    | 100.0%     |
|  | Net book value (In millions of yen)                        | 7,187        | 1,720            | 1,201                   | 233,496    |
|  | Appraisal value at the end of period (In millions of yen)  | 7,070        | 1,700            | 1,410                   | 273,676    |
|  | Percentage of total appraisal value                        | 2.6%         | 0.6%             | 0.5%                    | 100.0%     |
| Lease Information                                      | Number of leasable residential units                       | -            | -                | -                       | 8,346      |
|  | Leasable floor area (㎡)                                    | 15,553.33    | 1,557.73         | 3,444.81                | 491,050.34 |
|  | Leased floor area (㎡)                                      | 15,553.33    | 1,557.73         | 3,444.81                | 478,934.86 |
|  | Occupancy ratio (Note1)                                    |              |                  |                         |            |
|  | As of July 31, 2019  | 100.0%       | 100.0%           | 100.0%                  | 97.5%      |
|  | As of January 31, 2019                                     | -            | -                | -                       | 97.7%      |
|  | As of July 31, 2018  | -            | -                | -                       | 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%                   |            |
| Profit and Loss Information for the 14th Fiscal Period | Operating periods  | 153days      | 59days           | 59days                  | 179days*   |
|  | ①Rental and other operating revenues (In thousands of yen) |              |                  |                         | 7,933,005  |
|  | Rental revenues  | (Note)       | (Note)           | (Note)                  | 7,342,246  |
|  | Other operating revenues                                   |              |                  |                         | 590,758    |
|  | ②Property-related expenses (In thousands of yen)           | 1,421        | 373              | 2,314                   | 1,524,150  |
|  | Property management fees                                   | 750          | 193              | 193                     | 425,193    |
|  | Taxes  | 8            | 20               | 17                      | 476,598    |
|  | Utilities  | -            | -                | -                       | 95,274     |
|  | Repairs and maintenance                                    | -            | -                | -                       | 300,657    |
|  | Insurance  | 281          | 12               | 23                      | 11,651     |
| Trust fees and other expenses                          | 381  | 146          | 2,081            | 214,774                 |            |
| ③NOI (=①-②) (In thousands of yen)                      | 142,469  | 12,169       | 14,118           | 6,408,855               |            |
| ④Depreciation (In thousands of yen)                    | 31,883   | 967          | 6,670            | 1,391,292               |            |
| ⑤Rental operating income (=③-④) (In thousands of yen)  | 110,586  | 11,202       | 7,447            | 5,017,562               |            |
| ⑥Capital expenditures (In thousands of yen)            | -  | -            | -                | 612,231                 |            |
| ⑦NCF (=⑤-⑥) (In thousands of yen)                      | 142,469  | 12,169       | 14,118           | 5,796,624               |            |
| Reference  | Expense ratio (=②/①)                                       | 1.0%         | 3.0%             | 14.1%                   | 19.2%      |
|  | Property tax for the year 2019 (In thousands of yen)       | 23,670       | 3,992            | 4,600                   | 991,707    |
|  | Assets pledged as collateral                               | -            | -                | -                       | -          |

Operating period

**【Reference】 Earnings Performance for the Individual Properties for the 15th Fiscal Period (February 1, 2019 to July 31, 2019) : 181 days ※As of July 31, 2019**

| Property No.  |  | R-23                     |         | Total 1 sold of Property | Total of 144 Properties |
|---|--|--------------------------|---------|--------------------------|-------------------------|
| Property Name   |  | KDX Residence Shin-Osaka |         |                          |                         |
| Acquisition Date  |  | August 7, 2013           |         |                          |                         |
| Price Information   | Acquisition price  | ( In millions of yen )   | 510     | 510                      | 233,761                 |
|   | Percentage of total portfolio                                |                          | 100.0%  | 100.0%                   | -                       |
|   | Revenue from sale of the investment property                 | ( In millions of yen )   | 690     | 690                      | -                       |
|   | Costs of the investment property                             | ( In millions of yen )   | 482     | 482                      | -                       |
|   | 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 July 31, 2019  |                          | -       | -                        | -                       |
|   | As of January 31, 2019                                       |                          | 97.7%   | -                        | -                       |
|   | As of July 31, 2018  |                          | 100.0%  | -                        | -                       |
|   | As of January 31, 2018                                       |                          | 97.7%   | -                        | -                       |
|   | As of July 31, 2017  |                          | 90.9%   | -                        | -                       |
|   | As of January 31, 2017                                       |                          | 95.4%   | -                        | -                       |
| As of July 31, 2016   |  | 90.9%                    | -       | -                        |                         |
| As of January 31, 2016  |  | 100.0%                   | -       | -                        |                         |
| As of July 31, 2015   |  | 97.7%                    | -       | -                        |                         |
| As of January 31, 2015  |  | 95.4%                    | -       | -                        |                         |
| Income and Retained Earnings Information for the 14th Fiscal Period | Operating periods  |                          | -       | -                        | 178days                 |
|   | ①Rental and other operating revenues ( In thousands of yen ) |                          | 19      | 19                       | 7,933,025               |
|   | Rental revenues  |                          | -       | -                        | 7,342,246               |
|   | Other operating revenues                                     |                          | 19      | 19                       | 590,778                 |
|   | ②Property-related expenses ( In thousands of yen )           |                          | 279     | 279                      | 1,524,429               |
|   | Property management fees                                     |                          | -       | -                        | 425,193                 |
|   | Taxes  |                          | 222     | 222                      | 476,820                 |
|   | Utilities  |                          | 29      | 29                       | 95,304                  |
|   | Repairs and maintenance                                      |                          | -       | -                        | 300,657                 |
|   | Insurance  |                          | 20      | 20                       | 11,671                  |
| Trust fees and other expenses                                       |  | 6                        | 6       | 214,781                  |                         |
| ③NOI (=①-②) ( In thousands of yen )                                 |  | △259                     | △259    | 6,408,595                |                         |
| ④Depreciation ( In thousands of yen )                               |  | -                        | -       | 1,391,292                |                         |
| ⑤Rental operating income (=③-④) ( In thousands of yen )             |  | △259                     | △259    | 5,017,303                |                         |
| ⑥Capital expenditures ( In thousands of yen )                       |  | -                        | -       | 612,231                  |                         |
| ⑦NCF (=⑤-⑥) ( In thousands of yen )                                 |  | △259                     | △259    | 5,796,364                |                         |
| Reference   | Expense ratio (=②/①)   |                          | 1409.6% | 1409.6%                  | 19.2%                   |
|   | Property tax for the year 2019 ( In thousands of yen )       |                          | -       | -                        | -                       |
|   | Assets pledged as collateral                                 |                          | -       | -                        | -                       |

\*Total : Cost-weighted average operating period

R-23 KDX Residence Shin-Osaka was sold on February 1, 2019.

**(Reference) Borrowings**

Borrowings as of July 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     | 1,250,000                          | -                          | 1,250,000                  | -                            | 0.412%                                  | July 31, 2019             | (Note 4) | Unsecured/<br>Unguaranteed |
|  | Mizuho Bank, Ltd.                       | 800,000                            | -                          | 800,000                    | -                            | 0.412%                                  | July 31, 2019             |          |                            |
|  | Sumitomo Mitsui Banking Corporation     | -                                  | 1,000,000                  | -                          | 1,000,000                    | 0.413%                                  | February 28, 2020         |          |                            |
|  | Sumitomo Mitsui Banking Corporation     | -                                  | 1,000,000                  | -                          | 1,000,000                    | 0.374%                                  | July 31, 2020             |          |                            |
|  | Sumitomo Mitsui Banking Corporation     | -                                  | 500,000                    | -                          | 500,000                      | 0.324%                                  | July 31, 2020             |          |                            |
|  | Sub Total                               | 2,050,000                          | 2,500,000                  | 2,050,000                  | 2,500,000                    |   |                           |          |                            |
| Current Portion of Long-Term Loans Payable | MUFG Bank, Ltd (Note 6)                 | 1,500,000                          | -                          | -                          | 1,500,000                    | 0.689%                                  | November 30, 2019         | (Note 4) | Unsecured/<br>Unguaranteed |
|  | Sumitomo Mitsui Banking Corporation     | 1,000,000                          | -                          | 1,000,000                  | -                            | 0.486%                                  | February 28, 2019         |          |                            |
|  | MUFG Bank, Ltd                          | 500,000                            | -                          | 500,000                    | -                            | 0.486%                                  | 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 Bank, 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                      |   |                           |          |                            |
|  | Shinsei Bank, Limited                   | 1,750,000                          | -                          | -                          | 1,750,000                    |   |                           |          |                            |
|  | Sumitomo Mitsui Banking Corporation     | 1,750,000                          | -                          | -                          | 1,750,000                    | 0.729%                                  | July 29, 2020             |          |                            |
|  | 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                      |   |                           |          |                            |
| Sub Total                                  | 15,700,000                              | -                                  | 2,500,000                  | 13,200,000                 |                              |   |                           |          |                            |
| Long-Term Loans Payable                    | MUFG Bank, Ltd                          | 1,000,000                          | -                          | -                          | 1,000,000                    | 1.109%                                  | January 31, 2021          | (Note 4) | Unsecured/<br>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                    | 0.996%                                  | August 7, 2021            |          |                            |
|  | 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                      | 1.320%                                  | August 7, 2023            |          |                            |
|  | 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                          |                           |          |                            |



| 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/<br>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                  | 0.509%                       |   |                           | August 31, 2022 |                            |
| MUFG Bank, Ltd                          | 400,000                                   | -                                  | -                          | 400,000                    | 0.509%                       |   |                           | August 31, 2022 |                            |
| Development Bank of Japan Inc. (Note 5) | 1,600,000                                 | -                                  | -                          | 1,600,000                  | 0.498%                       |   |                           | August 31, 2022 |                            |

(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 Banking Corporation     | 1,200,000                          | -                          | -                          | 1,200,000                    | 0.592%                                  | August 31, 2023           | (Note 4) | Unsecured/<br>Unguaranteed |
|                         | Aozora Bank, Ltd.                       | 1,000,000                          | -                          | -                          | 1,000,000                    | 0.592%                                  | August 31, 2023           |          |                            |
|                         | MUFG Bank, Ltd                          | 800,000                            | -                          | -                          | 800,000                      | 0.592%                                  | August 31, 2023           |          |                            |
|                         | Sumitomo Mitsui Banking Corporation     | 1,050,000                          | -                          | -                          | 1,050,000                    | 0.914%                                  | February 28, 2027         |          |                            |
|                         | Resona Bank, Limited                    | 500,000                            | -                          | -                          | 500,000                      | 0.914%                                  | February 28, 2027         |          |                            |
|                         | Sumitomo Mitsui Trust Bank, Limited     | 500,000                            | -                          | -                          | 500,000                      | 0.914%                                  | February 28, 2027         |          |                            |
|                         | 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        |          |                            |
|                         | MUFG Bank, Ltd                          | -                                  | 500,000                    | -                          | 500,000                      | 0.438%                                  | August 31, 2020           |          |                            |
|                         | Mizuho Trust & Banking Co., Ltd.        | -                                  | 400,000                    | -                          | 400,000                      | 0.363%                                  | November 30, 2024         |          |                            |
|                         | Mizuho Bank, Ltd.                       | -                                  | 2,000,000                  | -                          | 2,000,000                    | 0.330%                                  | May 31, 2025              |          |                            |
|                         | Shinsei Bank, Limited                   | -                                  | 500,000                    | -                          | 500,000                      | 0.484%                                  | November 30, 2025         |          |                            |
|                         | Shinsei Bank, Limited                   | -                                  | 500,000                    | -                          | 500,000                      | 0.272%                                  | January 31, 2023          |          |                            |
|                         | Mizuho Bank, Ltd.                       | -                                  | 800,000                    | -                          | 800,000                      | 0.299%                                  | July 31, 2023             |          |                            |
|                         | Sub Total                               | 100,500,000                        | 4,700,000                  | -                          | 105,200,000                  |   |                           |          |                            |
|                         | Total                                   | 118,250,000                        | 7,200,000                  | 4,550,000                  | 120,900,000                  |   |                           |          |                            |

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 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 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.