



Semi-Annual Report
for the 20th Fiscal Period
February 1, 2020 to July 31, 2020



For a Superior Level of
Living Comfort
COMFORIA





For a Superior Level of Living Comfort

COMFORIA is the name we have given to the urban rental residences produced by the Tokyu Land Corporation. The word COMFORIA is a compound that we coined from "comfort," and "ia," a Latin suffix meaning "place."

The idea that residences are not just containers has given birth to our COMFORIA series of rental residences made specifically for people who wish to live freely and affluently in urban communities.

We invest in and manage the urban exclusive rental residence COMFORIA series, which Tokyu Land Corporation has produced, to maximize our unitholders' value.



I. Overview of the Investment Corporation



Greetings

We would like to express our deepest sympathies to those affected by COVID-19 infections, as well as our sincere hope for their earliest possible recovery.

We are pleased to inform you that Comforia Residential REIT, Inc (the "Investment Corporation") successfully closed all accounts for the 20th Fiscal Period (from February 1, 2020 to July 31, 2020). We would like to thank all of our unitholders and stakeholders for their continued support and cooperation. We would also like to express our deepest gratitude to a number of unitholders for exercising their voting rights via documents at the 6th General Meeting of Unitholders held on April 22, 2020.

We hereby report on the asset management overview and results for the 20th Fiscal Period. During the 20th Fiscal Period, we acquired COMFORIA HIGASHISHINJUKU STATION FRONT and five other properties between February and March 2020 through a public offering, conducted for the seventh consecutive year since listing, as well as borrowings. Furthermore, we acquired COMFORIA NISHIMAGOME HILLSIDE in March 2020 through borrowings as well as COMFORIA Ikebukuro Deux and another property in June 2020 through borrowings, in an effort to improve the quality of our portfolio. Although the future of the economy seems uncertain due to the COVID-19 pandemic, the impact of the pandemic on the Investment Corporation is limited and we have also achieved solid operations in the 20th Fiscal Period.

As a result, our portfolio as of the end of the 20th Fiscal Period stood at 135 properties, with a total acquisition price of ¥245.9 billion. The average occupancy rate for the 20th Fiscal Period remained high at 95.9%. The Investment Corporation had ¥9,028 million in operating revenue, ¥4,081 million in operating profit, and ¥3,523 million in profit, which exceeded our forecasts, resulting in a distribution per unit (DPU) of ¥5,309.

Furthermore, after the end of the 20th Fiscal Period, we additionally acquired COMFORIA TOYOCHO and three other properties located in the Tokyo 23 wards in September 2020 through borrowings, resulting in an asset size of 139 properties with a total acquisition price of ¥253.7 billion (as of September 30, 2020). We intend to continue to make selective investments in high-quality properties mainly in the Tokyo 23 wards.

Under our basic policies of "investments in residential properties with stable earnings and high growth potential" and "utilization of the Tokyu Fudosan Holdings Group," we are carrying out investment in and management of rental residences, mainly in the Tokyo metropolitan area, targeting singles and small families, based on the concept and know-how of the urban rental residence Comforia series, which Tokyu Land Corporation has produced. In the next fiscal period onward, we will continue to aim to achieve stable earnings and ensure the steady growth of our managed assets based on medium- and long-term perspectives to maximize unitholders' value. Your continued support and cooperation are highly appreciated.



Comforia Residential REIT, Inc

Takehiro Izawa
Executive Director (center)

Koji Yamamoto
Supervisory Director (left)

Masamichi Ohshima
Supervisory Director (right)

Financial Highlights

Operating revenue	¥ 9,028 million	Number of properties	135 properties
Operating profit	¥ 4,081 million	Acquisition price	¥ 2,459 billion
Profit	¥ 3,523 million	Appraisal value	¥ 3,011 billion
Distribution per unit (DPU)	¥ 5,309	Occupancy rate at the 20th Fiscal Period-end	95.0 %
Total loan to value (LTV)	50.4 %	Average occupancy rate	95.9 %

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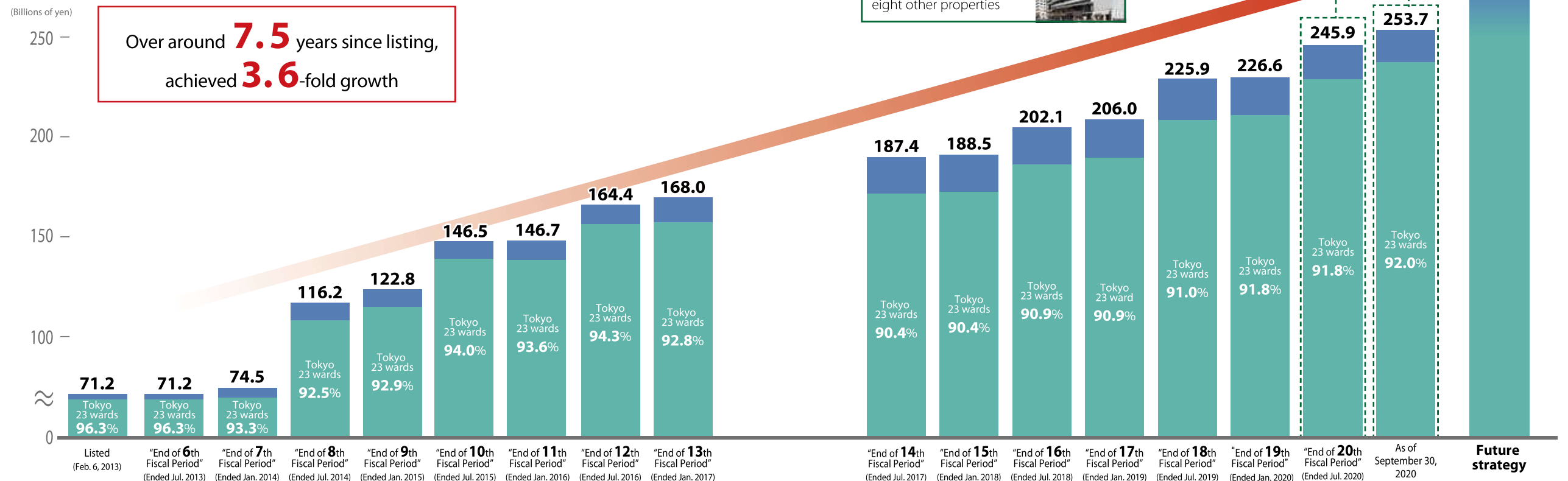
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During the 20th Fiscal Period, a public offering was implemented in February 2020, conducted for the seventh consecutive year since listing, and six properties were acquired with funds procured through the public offering as well as borrowings. Furthermore, the Investment Corporation acquired a total of three properties in March and June through the sponsor group and the Asset Management Company's original information routes. In addition, after entering the 21st Fiscal Period, it acquired four properties in September.

The Investment Corporation will keep promoting external growth by continuing to invest selectively in high-quality properties mainly in Tokyo 23 wards, focusing on the collaboration with our sponsor group, as well as original sourcing by TLC REIT Management Inc., while seeking expansion of the asset size and stable distribution levels.

Selective Investments Mainly in Tokyo 23 Wards (As of September 30, 2020)

Historical Asset Size



Credit Rating

A+ (Stable)

A+ (Positive)

AA- (Stable)

Inclusion in Indices

June 2018 FTSE EPRA/NAREIT Global Real Estate Index Series - Asia

May 2019 MSCI Japan ESG Select Leaders Index

June 2020 Tokyo Stock Exchange REIT Core Index

Distribution per Unit (DPU) (Note 1)	¥4,051	¥4,203	¥4,268	¥4,296	¥4,403	¥4,339	¥4,487	¥4,549
Occupancy Rate at End of Period	95.9%	96.2%	94.8%	95.2%	95.5%	96.2%	96.3%	96.5%

	¥4,681	¥4,788	¥4,985	¥5,180	¥5,180	¥5,295	¥5,309	Aim to improve DPU (ongoing basis)
	96.1%	96.7%	96.6%	96.4%	97.0%	96.7%	95.0%	Consistently stable occupancy rate

(Note 1) Since a four-for-one split of investment units was carried out effective August 1, 2014, the figures for DPU prior to the split are divided by four and rounded off to the nearest whole number.
 (Note 2) Ratio of Tokyo 23 wards denotes ratio among rental residences.

Backed by strong rental demand mainly in Tokyo 23 wards, steady rent increases have been realized recently, while maintaining stable occupancy rates.

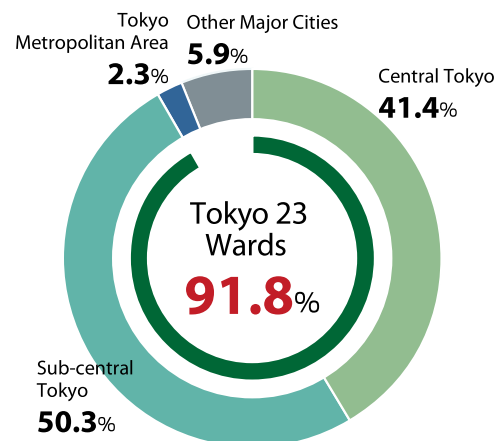
Portfolio Focusing on “Tokyo 23 Wards” and “Near Stations”

With “in Tokyo 23 wards” and “near stations” as the focus, the Investment Corporation continues to acquire rental residences developed by sponsors and to use its Asset Management Company’s original property acquisition channels to selectively invest in high-quality properties.

Asset Size (Acquisition price basis)
135 properties / ¥ **245.9** billion

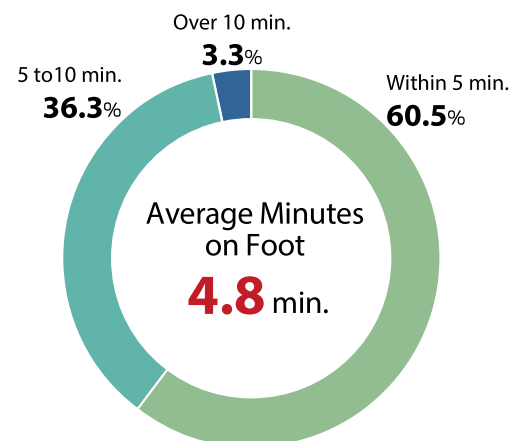
Investment Area (Rental Residence)

(As of the end of 20th FP)



Average Minutes on Foot from Nearest Stations (Rental Residence)

(As of the end of 20th FP)

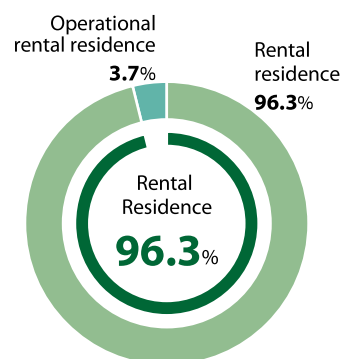


Primarily Tokyo 23 Wards

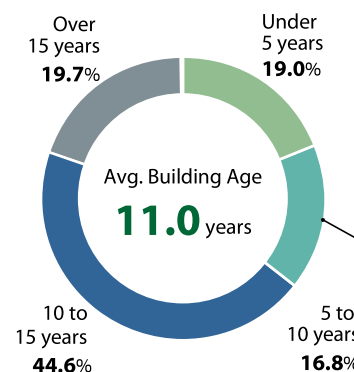


Primarily properties near station

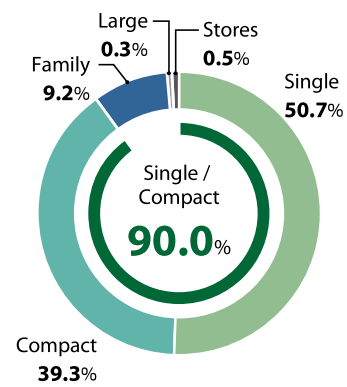
Investment Target



Building Age



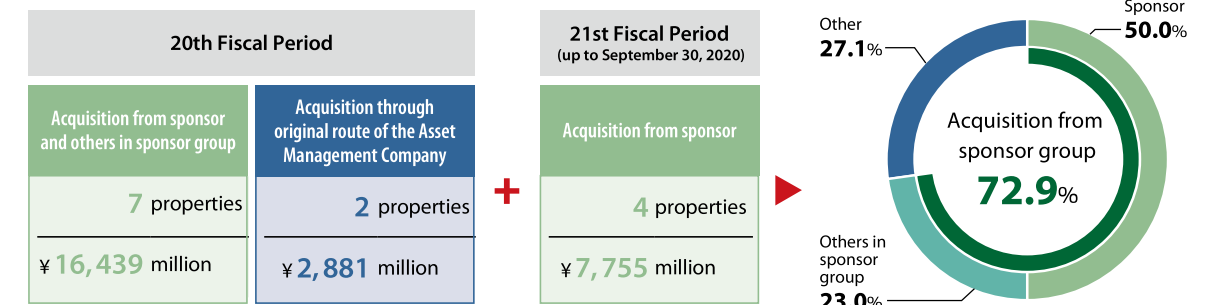
Unit Type (Rental residence)



Diversified Property Acquisition Channels Centering on Sponsor Group

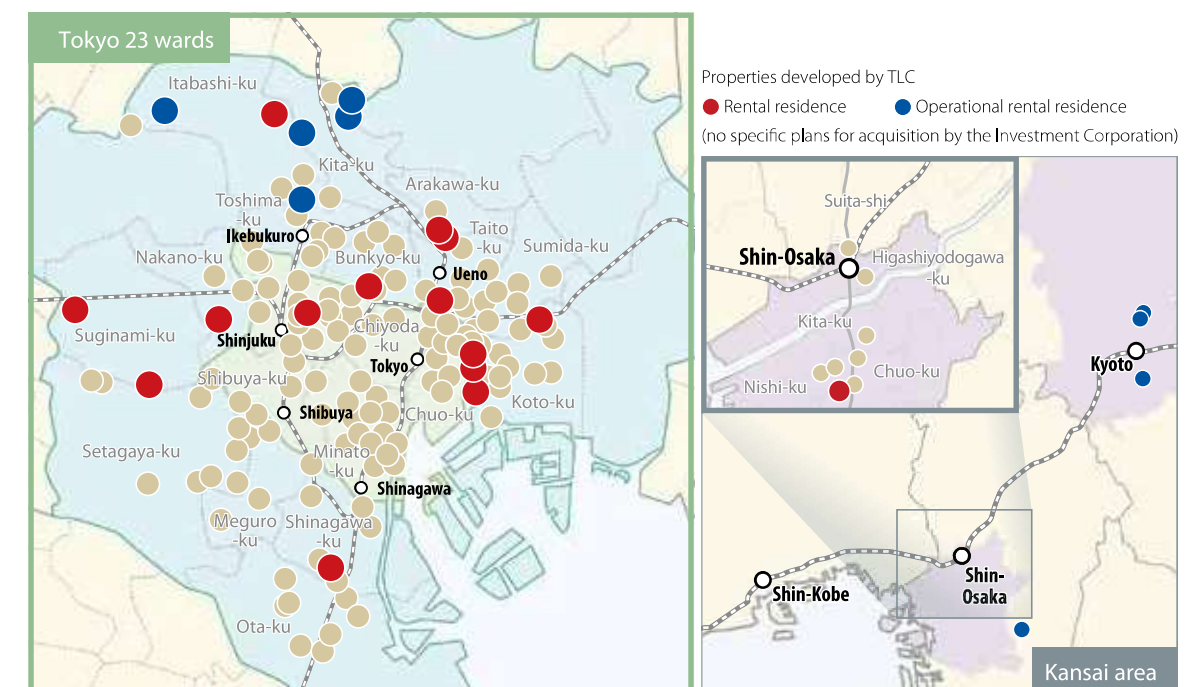
The Investment Corporation promotes steady growth of asset size centered on the acquisition of assets from the sponsor group, in particular Tokyu Land Corporation. In addition, we strive to reinforce our property acquisition channels through the Asset Management Company’s original information routes.

Ratio of Acquired Assets by Seller (As of September 30, 2020)



Property Development by Tokyu Land Corporation (As of September 17, 2020)

There is a pipeline of 24 properties containing 3,049 units located primarily within Tokyo 23 wards.



	Number of properties	Number of units
Tokyo 23 wards	19	2,219
Tokyo metropolitan area	—	—
Other major cities	5	830
Total	24	3,049
(Completed)	14	1,380

During the 20th Fiscal Period, the Investment Corporation acquired six properties from the sponsor at the time of the public offering, acquired one property through original route of the Asset Management Company in March 2020, and acquired one property from the sponsor group and one property through original route of the Asset Management Company in June.

During the 21st Fiscal Period, the Investment Corporation acquired COMFORIA TOYOCHO and other three properties from the sponsor in September.

Along with these efforts, the Investment Corporation aimed to improve the quality of its portfolio such as increasing the investment ratio in Tokyo 23 wards.



Properties Acquired in 20th Fiscal Period

Sponsor developed Sponsor-developed properties **Sponsor group-developed** Sponsor group-developed properties **Warehousing** Warehousing properties by sponsors **Original Route** Acquisition through original route of the Asset Management Company

135 COMFORIA HIGASHISHINJUKU STATION FRONT Central Tokyo

 <div>Property acquired at the time of PO</div>			Address	7-27-12 Shinjuku, Shinjuku-ku, Tokyo
			Nearest station/ Distance (on foot)	1-minute walk from Higashi-shinjuku Station on the Tokyo Metro Fukutoshin Line and the Toei Oedo Line, 9-minute walk from Shinjuku-sanchome Station on the Tokyo Metro Marunouchi Line, etc.
			Ownership	Ownership
			Completion date	March 2017
			Rentable units	104 units
			Acquisition date	February 3, 2020
			Acquisition price	¥5,540 million

134 COMFORIA TAKINOGAWA Sub-central Tokyo



Sponsor developed

Property acquired at the time of PO

Address	7-48-2 Takinogawa, Kita-ku, Tokyo
Nearest station/ Distance (on foot)	6-minute walk from Nishi-sugamo Station on the Toei Mita Line
Ownership	Land: Ownership (land ownership interest 87.91%) Building: Ownership (sectional ownership interests)
Completion date	September 2018
Rentable units	112 units
Acquisition date	February 3, 2020
Acquisition price	¥3,430 million



Sponsor developed

Property acquired at the time of PO

Address	19-13 Hiroshibacho, Suita-shi, Osaka
Nearest station/ Distance (on foot)	7-minute walk from Esaka Station on the Osaka Metro Midosuji Line
Ownership	Ownership
Completion date	July 2017
Rentable units	99 units
Acquisition date	February 3, 2020
Acquisition price	¥1,700 million

137 COMFORIA KIBASHINSUIKOEN Sub-central Tokyo

 <div>Warehousing</div>	Address	3-11-13 Kiba, Koto-ku, Tokyo
	Nearest station/ Distance (on foot)	9-minute walk from Kiba Station on the Tokyo Metro Tozai Line
	Ownership	Ownership
	Completion date	December 2014
	Rentable units	54 units
	Acquisition date	March 2, 2020
	Property acquired at the time of PO	
Acquisition price	¥1,294 million	

 <div>Warehousing</div>	Address	2-16-29 Nakaochiai, Shinjuku-ku, Tokyo
	Nearest station/ Distance (on foot)	6-minute walk from Shimo- ochiai Station on the Seibu Shinjuku Line
	Ownership	Ownership
	Completion date	March 2011
	Rentable units	62 units
	Acquisition date	March 2, 2020
	Property acquired at the time of PO	
Acquisition price	¥1,489 million	

136 COMFORIA ESAKAHIROSHIBACHO Other major cities

Sponsor developed




Address	19-13 Hiroshibacho, Suita-shi, Osaka
Nearest station/ Distance (on foot)	7-minute walk from Esaka Station on the Osaka Metro Midousuji Line
Ownership	Ownership
Completion date	July 2017
Rentable units	99 units
Acquisition date	February 3, 2020
Acquisition price	¥1,700 million

Property acquired at the time of PO

138 COMFORIA NAKAOCHIAI Central Tokyo

Warehousing



Address	2-16-29 Nakaochiai, Shinjuku-ku, Tokyo
Nearest station/ Distance (on foot)	6-minute walk from Shimo-ochiai Station on the Seibu Shinjuku Line
Ownership	Ownership
Completion date	March 2011
Rentable units	62 units
Acquisition date	March 2, 2020
Acquisition price	¥1,489 million

Property acquired at the time of PO

139 COMFORIA WASEDA DEUX Central Tokyo



Warehouse

Property acquired at the time of PO

Address	173 Bentencho, Shinjuku-ku, Tokyo
Nearest station/ Distance (on foot)	4-minute walk from Ushigome-yanagicho Station on the Toei Oedo Line
Ownership	Ownership
Completion date	March 2000
Rentable units	50 units
Acquisition date	March 2, 2020
Acquisition price	¥1,056 million

140 COMFORIA NISHIMAGOME HILLSIDE Sub-central Tokyo





Address	1-30-8 Nishimagome, Ota-ku, Tokyo
Nearest station/ Distance (on foot)	4-minute walk from Nishimagome Station on the Toei Asakusa Line
Ownership	Ownership
Completion date	July 2015
Rentable units	47 units
Acquisition date	March 30, 2020
Acquisition price	¥1,330 million

Properties Acquired in 21st Fiscal Period

143 COMFORIA SHIN-OKACHIMACHI Sub-central Tokyo

Sponsor developed



Address	2-18-8 Misuji, Taito-ku, Tokyo
Nearest station/ Distance (on foot)	4-minute walk from Shin-Okachimachi Station on the Toei-Oedo Line and 1 other line
Ownership	Ownership
Completion date	August 2019
Rentable units	27 units
Acquisition date	September 29, 2020
Acquisition price	¥1,237 million

145 COMFORIA TOYOCHO Sub-central Tokyo

Sponsor developed



Address	2-26-11 Minamisuna, Koto-ku, Tokyo
Nearest station/ Distance (on foot)	13-minute walk from Minami-Sunamachi Station and 14-minute walk from Toyocho Station on the Tokyo Metro Tozai Line
Ownership	Ownership
Completion date	February 2020
Rentable units	140 units
Acquisition date	September 29, 2020
Acquisition price	¥3,674 million

141 COMFORIA IKEBUKURO DEUX Sub-central Tokyo




Sponsor group-developed

Address	2-19-14 Minami-Ikebukuro, Toshima-ku, Tokyo
Nearest station/ Distance (on foot)	4-minute walk from Ikebukuro Station on the JR Yamanote Line, Tokyo Metro Marunouchi Line and other 6 lines, 5-minute walk from Higashi-Ikebukuro Station on the Tokyo Metro Yurakucho Line
Ownership	Ownership
Completion date	February 2011
Rentable units	56 units
Acquisition date	June 26, 2020
Acquisition price	¥1,930 million

142 COMFORIA NARIMASU Sub-central Tokyo


Original Route



Address	3-18-13 Asahi-cho, Nerima-ku, Tokyo
Nearest station/ Distance (on foot)	6-minute walk from Chikatetsu-Narimasu Station on the Tokyo Metro Yurakucho Line and 1 other line, 9-minute walk from Narimasu Station on the Tobu Tojo Line
Ownership	Ownership
Completion date	February 2020
Rentable units	61 units
Acquisition date	June 26, 2020
Acquisition price	¥1,551 million

144 COMFORIA MORISHITA WEST Sub-central Tokyo

Sponsor developed



Address	1-3-5 Shin-Ohashi, Koto-ku, Tokyo
Nearest station/ Distance (on foot)	3-minute walk from Morishita Station on the Toei-Shinjuku Line and Toei-Oedo Line
Ownership	Ownership
Completion date	December 2017
Rentable units	46 units
Acquisition date	September 29, 2020
Acquisition price	¥1,222 million

146 COMFORIA FUDOMAE Sub-central Tokyo

Sponsor developed



Address	5-1-12 Nishigotanda, Shinagawa-ku, Tokyo
Nearest station/ Distance (on foot)	2-minute walk from Fudomae Station on the Tokyu Meguro Line, 11-minute walk from Gotanda Station on the Tokyu Ikegami Line and 2 other lines
Ownership	Ownership
Completion date	February 2020
Rentable units	46 units
Acquisition date	September 29, 2020
Acquisition price	¥1,622 million

Investment Ratio by Area

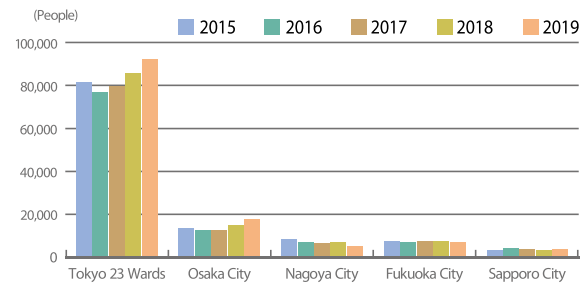
	End of 19th FP	End of 20th FP	After acquisition of new properties (September 2020)
Central Tokyo	39.7 %	39.9 %	38.7 %
Sub-central Tokyo	50.6 %	50.5 %	52.0 %
Tokyo metropolitan area	4.3 %	3.9 %	3.8 %
Other major cities	5.4 %	5.7 %	5.5 %
Ratio of Tokyo 23 wards (Rental Residence)	91.8 %	91.8 %	92.0 %

With the portfolio strategy focused on Tokyo 23 wards, steady rent increases have been realized recently, while maintaining stable occupancy rates.

Continuous Inflow of Younger Generations and Limited Supply of Rental Residences in Tokyo 23 Wards

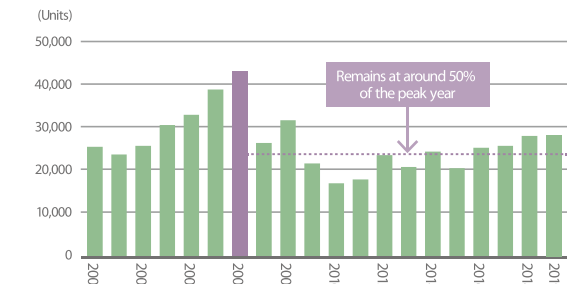
While the net migration of younger generations (age 15 to 39 years old) in Tokyo 23 wards is significantly larger than that of other cities, the number of construction starts of rental residences remains at a low level compared to its peak.

Net Migration of Younger Generations (Age 15-39 years old)



(Source) Compiled by the Asset Management Company from "Basic Resident Register Population Transfer Report" by the Statistics Bureau, Ministry of Internal Affairs and Communications

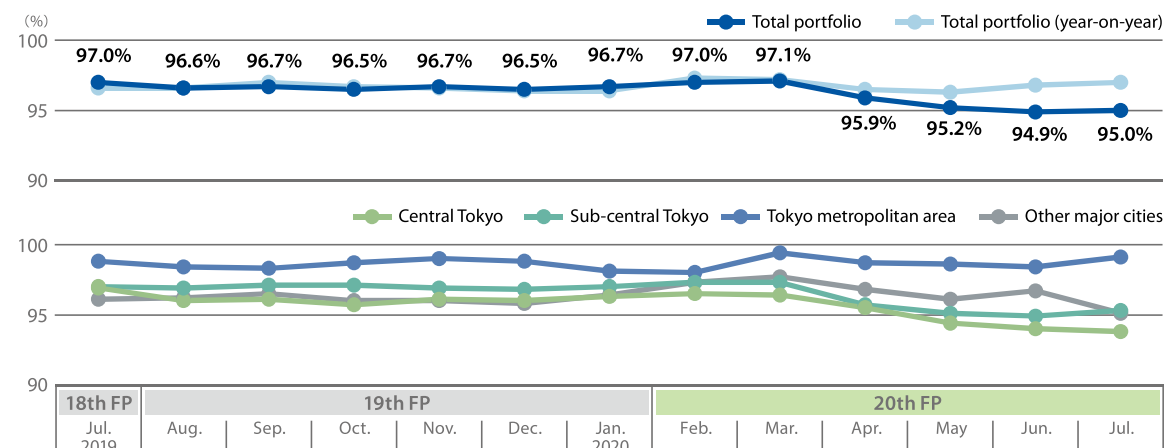
Construction Starts of Rental Residences in Tokyo 23 Wards



(Source) Compiled by the Asset Management Company from "Statistics on residence starts" by Policy Bureau, the Ministry of Land, Infrastructure, Transport and Tourism

Occupancy Rates

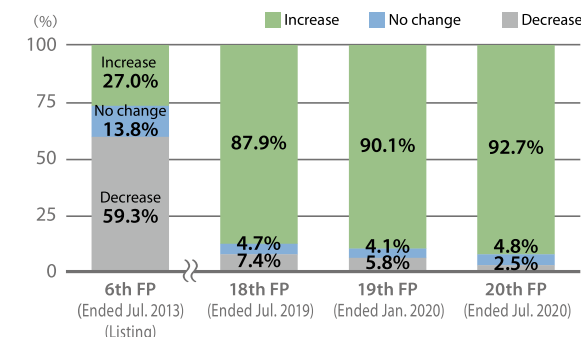
The average occupancy rate for the 20th Fiscal Period remained stable at 95.9%.



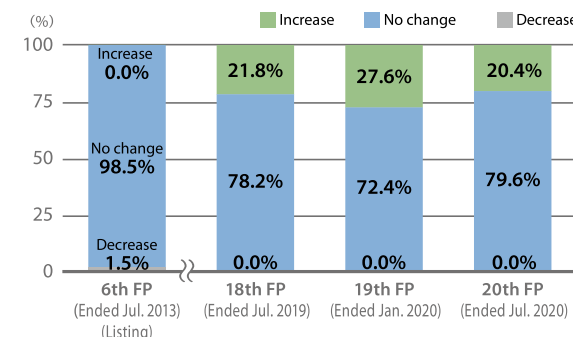
Impact of Rent Increases on Tenant Turnover/Lease Renewals

The rate of rent increase in the 20th Fiscal Period on both tenant turnover and lease renewals were continuously strong.

Tenant Turnover



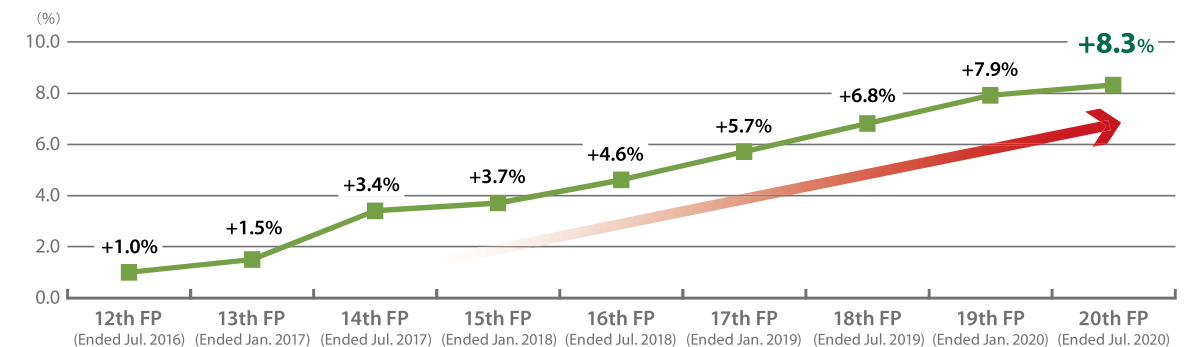
Lease Renewals



Rent Change Upon Tenant Turnover (Total Portfolio)

The rate of rent change upon tenant turnover for the 20th Fiscal Period marked a record high of +8.3%.

Rates of Rent Change Upon Tenant Turnover (Total Portfolio)



Although tenant recruitment activities stagnated from April to June due to COVID-19, rent level is increasing continuously

I would like to express deepest sympathies to those affected by COVID-19 infections, as well as sincere hope for their earliest possible recovery.

Backed by strong rental demand in Tokyo 23 wards, the Investment Corporation has been achieving steady rent increases recently, while maintaining high occupancy rates. However, due to the impact of COVID-19, the market is recently showing activity that is different from previous trends.

In particular, tenant recruitment activities were limited due to the travel restrictions during the state of emergency declaration that was issued for seven prefectures including Tokyo from April to June when the voluntary restriction on traveling across prefectures was relaxed.

Generally, tenants of rental residences tend to change mainly in March and April, the period of personnel reshuffle, and the peak season of tenant recruitment continued until around the holidays in

May. However, as tenant recruitment activities were restricted during this peak season, the number of newly attracted tenants during the period from April to June decreased by 35% year-on-year. We would like to focus on tenant recruitment activities from now on, while recruitment activities are gradually resumed as restrictions on transportation of people are on a relaxing trend after the beginning of July.

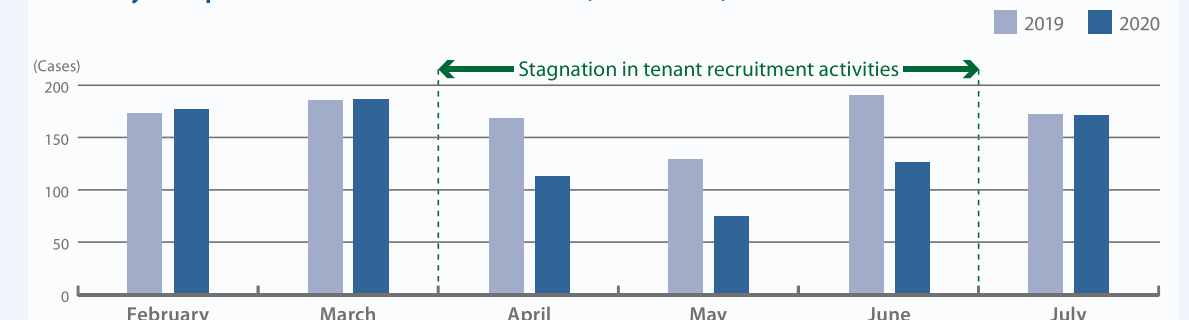
On the other hand, the rent levels of new tenants are continuously increasing. As shown in the graph above, rent change upon tenant turnover marked a record high of +8.3%, showing that the rent level is continuously increasing even during the COVID-19 pandemic.

The impact of COVID-19 on property management is mostly uncertain, and we need to watch future trends closely. We would like to make daily efforts to continuously obtain a high reputation from our unit-holders.



TLC REIT Management Inc.
Masaaki Tachihara
Manager
Asset Management Department,
Comforia Management Division
Hobby: View phalaenopsis
orchids in newly opened
facilities

Monthly Comparison of No. of New Contracts (2019-2020)



The Investment Corporation will carry out equity financing (additional issuance of investment units) and debt financing (borrowings of funds and issuance of investment corporation bonds) while paying attention to financial soundness and earnings stability. Furthermore, the Investment Corporation will control its balance sheets by maintaining an LTV (interest-bearing debt) (%) level to secure funds.

Issuance of Investment Corporation Bonds (Green Bonds)

	The 8th unsecured investment corporation bonds (green bonds)
Date of issuance	July 30, 2020
Total amount of issuance	¥ 1.5 billion
Term	10.0 years
Annual rate	0.550% per annum

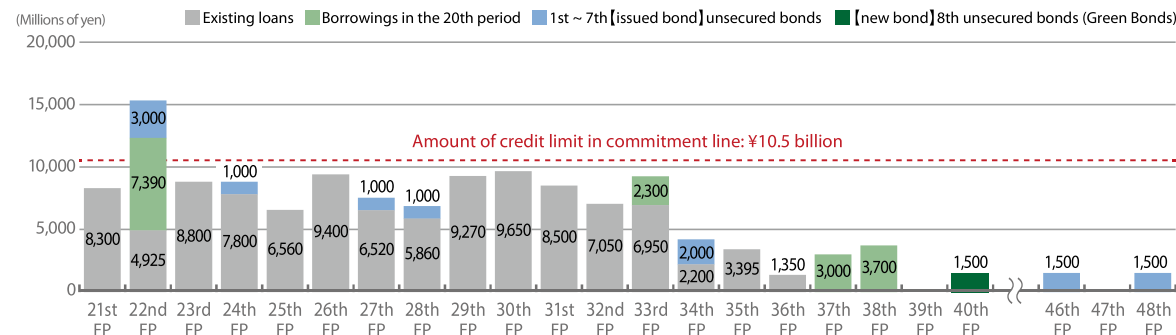
Interest-Bearing Debt

	End of 20th Fiscal Period (ended July 31, 2020)
LTV (Note)	50.4%
Long-term debt ratio	82.6%
Fixed-interest debt ratio	90.4%
Average maturity	4.0 years
Weighted avg. interest rate	0.58%

(Note) Interest-bearing debt balance/total assets

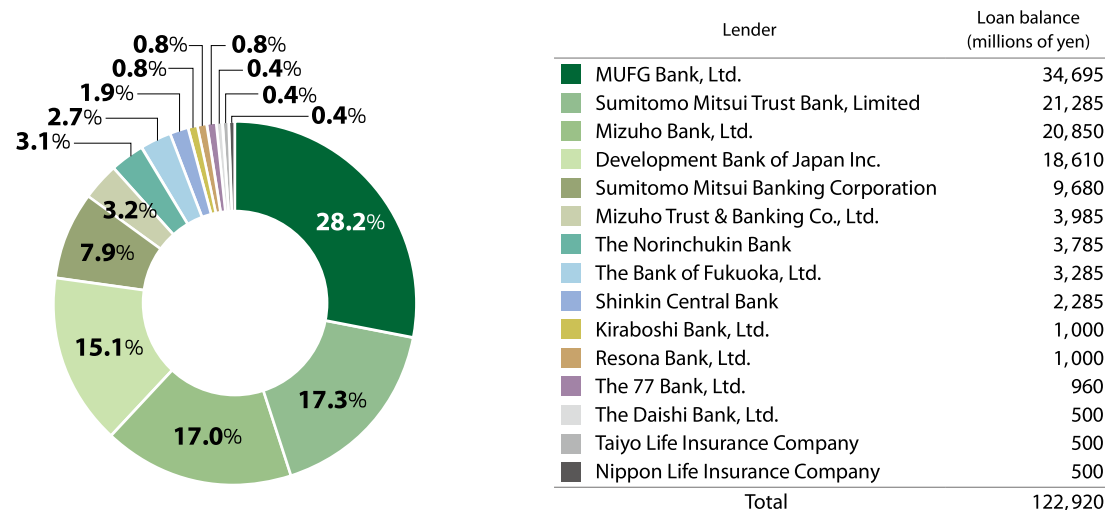
Diversification of Repayment Dates

The expected repayments of debt and investment corporation bonds as of July 31, 2020 are as follows:



Loan Balances

The Investment Corporation's loan balances as of July 31, 2020 are as follows:



Credit Rating (As of July 31, 2020)

Rating agency	Rating category	Rating	Outlook
Japan Credit Rating Agency, Ltd.	Long-term issuer rating	AA-	Stable

MSCI Japan ESG Select Leaders Index

2020 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

The Investment Corporation acquired "A" in the MSCI ESG rating, and was included in the MSCI Japan ESG Select Leaders Index.

Establishment of Sustainability Policies

The Asset Management Company of the Investment Corporation established its Sustainability Policy as its basic approach towards contributing to the development of sustainable society.

From this vast theme, the Asset Management Company has identified key issues as priority (the "Materiality") which are related to our business such as environmental and energy saving measures, coexistence with the local community, and governance. Furthermore, the Asset Management Company strives to contribute to Sustainable Development Goals (SDGs).



Green Bonds

As part of its efforts to contribute to the development of sustainable society, the Investment Corporation has issued the Green Bonds. The Investment Corporation aims to further promote its sustainability initiatives through issuance of green bonds, and invite new investors to its investment corporation bonds by stimulating demand among investors that have interest in ESG investment.

Green Bond Framework

■ Use of Proceeds

- Allocated to acquire the existing or new buildings that meet the following Eligibility Criteria A.
- Allocated to refurbishments that meet the following Eligibility Criteria B or to refinance the existing loan/investment corporation bonds which have been allocated to Eligible Green Projects or refurbishments.

■ Eligibility Criteria

A. Eligible Green Projects

Buildings that have achieved or are scheduled to achieve the following third-party certifications

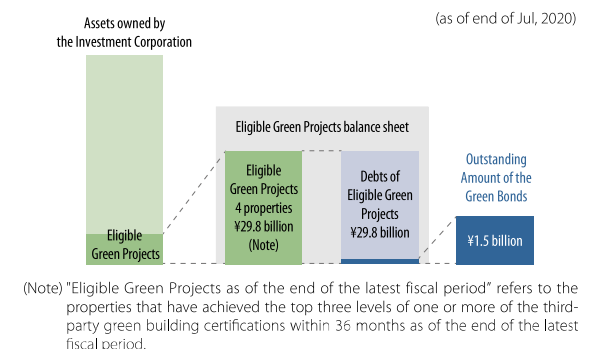
- B+, A or S Rank under CASBEE
- 3, 4 or 5 Stars under DBJ Green Building Certification Program
- 3, 4 or 5 Stars under BELS

B. Refurbishments

- Refurbishments with more than 20% reduction in energy consumption and water consumption.
- Newly achieve the top three levels of green building certifications listed above Eligibility Criteria A or more than one level of star/rank improvement in the green building certifications.

■ Management of Proceeds

We will monitor to ensure that the total amount of outstanding green bonds does not exceed the sum of Debts of Eligible Green Projects and green bond proceeds allocated to refurbishments.



■ Reporting

The Investment Corporation will disclose on its website the total amount of outstanding green bonds, etc. and Impact reporting (Energy consumption and Water consumption) on a regular basis.

List of the Investment Corporation Green Eligible Projects

Property no	Property name	DBJ Green Building Certification	Book value at the end of the period
98	COMFORIA SHINJUKU EASTSIDE TOWER	★★★★★	¥ 12,886 million
107	COMFORIA KAMATA	★★★★★	¥ 5,764 million
125	COMFORIA SHIBUYA WEST	★★★★★	¥ 5,481 million
135	COMFORIA HIGASHISHINJUKU STATION FRONT	★★★★★	¥ 5,696 million
Total Eligible Green Projects			¥ 29,828 million

(Note 1) Listed are the buildings that have achieved the top three levels of one or more of the third-party green building certifications/recertifications within 36 months prior to July 31, 2020.

(Note 2) "Book value at the end of the period" is the book value for each asset as of July 31, 2020.

Environment

Relevant SDG Goals

Goal 7: Affordable and Clean Energy



Goal 12: Responsible Consumption and Production



Status/Initiatives

Initiatives in Improvement in Energy Efficiency

In conformity to the Act on the Rational Use of Energy (Energy Conservation Law), we set an annual average cutting target of 1% in energy use intensity for the entire portfolio and also for each property in the medium- to long-term.

Switching To Led Lights in Common Areas/ Replacing Air Conditioners In Exclusive Areas

The Investment Corporation is making progress in reduction of power consumption and environmental impact.



Implementation of LED lighting

Green-lease Provisions

From the perspective of environmental friendliness, to reduce environmental load in collaboration with residents, we insert green-lease provisions in lease agreements, which are related to energy use and appropriate disposal of waste.

Green Procurement Standards

The Investment Corporation will promote the reduction of the environmental load in cooperation with suppliers, etc. by establishing the Green Procurement Standards which are related to the procurement of environment-friendly materials, etc.

Initiatives for Renewable Energy

The Investment Corporation utilizes renewable energy from solar power.



COMFORIA NAKAOCHIAI

Initiatives in Improving Waste Management

The Investment Corporation reduces environmental impact at properties through separate disposal of waste in cooperation with the management company. It is also making every effort to improve resident satisfaction by taking measures to reduce odor at garbage collection points.

Environmental Certification

GRESB Real Estate Assessment

The Investment Corporation has participated in the assessment since 2018 and acquired "Green Star," the highest rating, for two consecutive years.



DBJ Green Building Certification

COMFORIA SHINJUKU EASTSIDE TOWER has acquired "5 Stars."

COMFORIA KAMATA, COMFORIA SHIBUYA WEST and COMFORIA HIGASHISHINJUKU STATION FRONT have acquired "4 Stars."



Social

Relevant SDG Goals

Goal 11: Sustainable Cities and Communities



Goal 12: Responsible Consumption and Production



Status/Initiatives

Initiatives at COMFORIA SHINJUKU EASTSIDE TOWER

Hold Tenant Participation Events

Services taking tenant needs into consideration are provided, including an exercising event utilizing rooftop pool and a concert event inviting a popular artist.



Pool events



Concert event

Initiatives in Local Communities

Installation of Donation-type Vending Machines

We have installed disaster response vending machines at some of the properties owned by the Investment Corporation. These machines can provide drinks to victims of large-scale disasters.



Disaster Provision Warehouse and Manhole Toilets

Established a disaster provision warehouse and manhole toilets for neighboring residents and workers in preparation for a disaster.



Security of the Local Community

There is a police box contributing to the security of the local community.

Open Space

Used as a walkway for neighboring residents and commuters.



Initiatives to Improve Tenant Satisfaction

Conduct Tenant Satisfaction Survey

Every year we carry out a questionnaire survey of the residents of the Comforia series, on the residents' satisfaction and requests. Based on the opinions and requests of residents, we take action with the aim of providing better services.

Governance

Relevant SDG Goals

Goal 12: Responsible Consumption and Production



Goal 16: Peace, Justice and Strong Institutions



Status/Initiatives

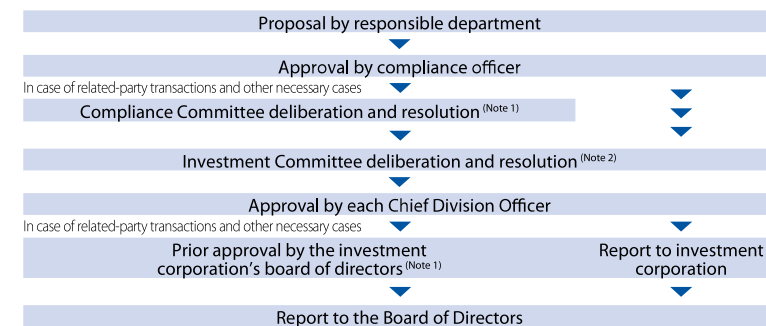
Change in Asset Management Fee System

Introduced incentives for further improvement of unitholder value and enhanced linkage with the interests of unitholders.

	Current	After change	
Management fee I (fee linked to total assets)	Total assets at the end of previous fiscal period × 0.3% (annual rate)	Total assets at the end of previous fiscal period × 0.2% (annual rate)	Enhancing the linkage between the interests of unitholders and asset management fees through rebalancing
Management fee II (fee linked to profit)	Ordinary CF × 3.0%	Ordinary CF × 5.4%	
Management fee III (acquisition and disposition fee)	Property acquisition/disposition price × 1.0% (0.5% in the case of transactions with related parties)	Property acquisition/disposition price × 1.0% (0.5% in the case of transactions with related parties (excluding warehousing))	Strengthening incentives for growth of AUM and distributions
Newly established Management fee V (incentive)	—	Ordinary CF × growth rate of ordinary CF per unit × 10% However, no fee will occur when the value is negative	

Decision-making Flow in Acquisition of Assets

The asset management company of the Investment Corporation has built a governance framework that gives priority to compliance and is pouring its efforts in prevention of conflict of interest, risk management and legal compliance.



(Note 1) Deliberation and resolution by the Compliance Committee as well as prior approval by the Investment Corporation's board of directors will be required for acquiring assets, etc. in case of related-party transactions and other necessary cases.

(Note 2) If the candidate acquisition asset is a healthcare facility, advisory from external experts related to healthcare facilities shall be sought. Furthermore, discussions shall be held upon receiving a report on the content of reports, etc. created by external experts related to healthcare facilities and, if necessary, the Investment Committee shall be attended by the concerned external experts as observers and their opinions shall be heard.

Aligning Interests Between Unitholders and the Sponsor

In the public offering held in Feb. 2020, the sponsor acquired 3,079 units, which is 10% of the number of issuing units.

Even in terms of capital relationship, the Investment Corporation aims to make a strong relationship with the sponsor and to achieve mutual interests improvement by aligning the interests of the unitholders to that of the sponsor.

Sponsor's investment ratio

8.95%

(as of July 31, 2020)

We intend to further promote sustainability initiatives through the issuance of green bonds, leading to the improvement of the rating of the Investment Corporation.

Green bonds are bonds issued to procure funds specializing in initiatives in the environmental field, and are generally issued in line with the Green Bond Principles (GBP) formulated by International Capital Market Association (ICMA).



In the GBP, requirements on the use and management of procured funds as well as information disclosure, etc. are stipulated from the viewpoint of securing high transparency, and bonds will be issued after receiving certification from third-party organizations with regard to conformity with the principles. Upon the issuance this time, we have received certification on the eligibility of the Green

Bond Framework from Sustainalytics, which is an ESG rating agency.

We believe that the issuance of green bonds may lead not only to the improvement of the medium- to long-term ESG rating of the Investment Corporation but also to the reinforcement of the fund procurement base through the establishment of relationships with new investors that have interest in ESG investment. In the issuance this time, seven investors including new investors declared their intention to invest in the bonds.

We intend to continue to further promote sustainability initiatives, and strive to achieve continuous improvement of the rating of the Investment Corporation.



TLC REIT Management Inc.
Kana Kiuchi
Assistant Manager
Finance & Accounting Department,
Corporate Management Division
Hobby: Mahjong (online)

The Investment Corporation manages assets with superb accessibility located mainly in the Tokyo 23 wards.

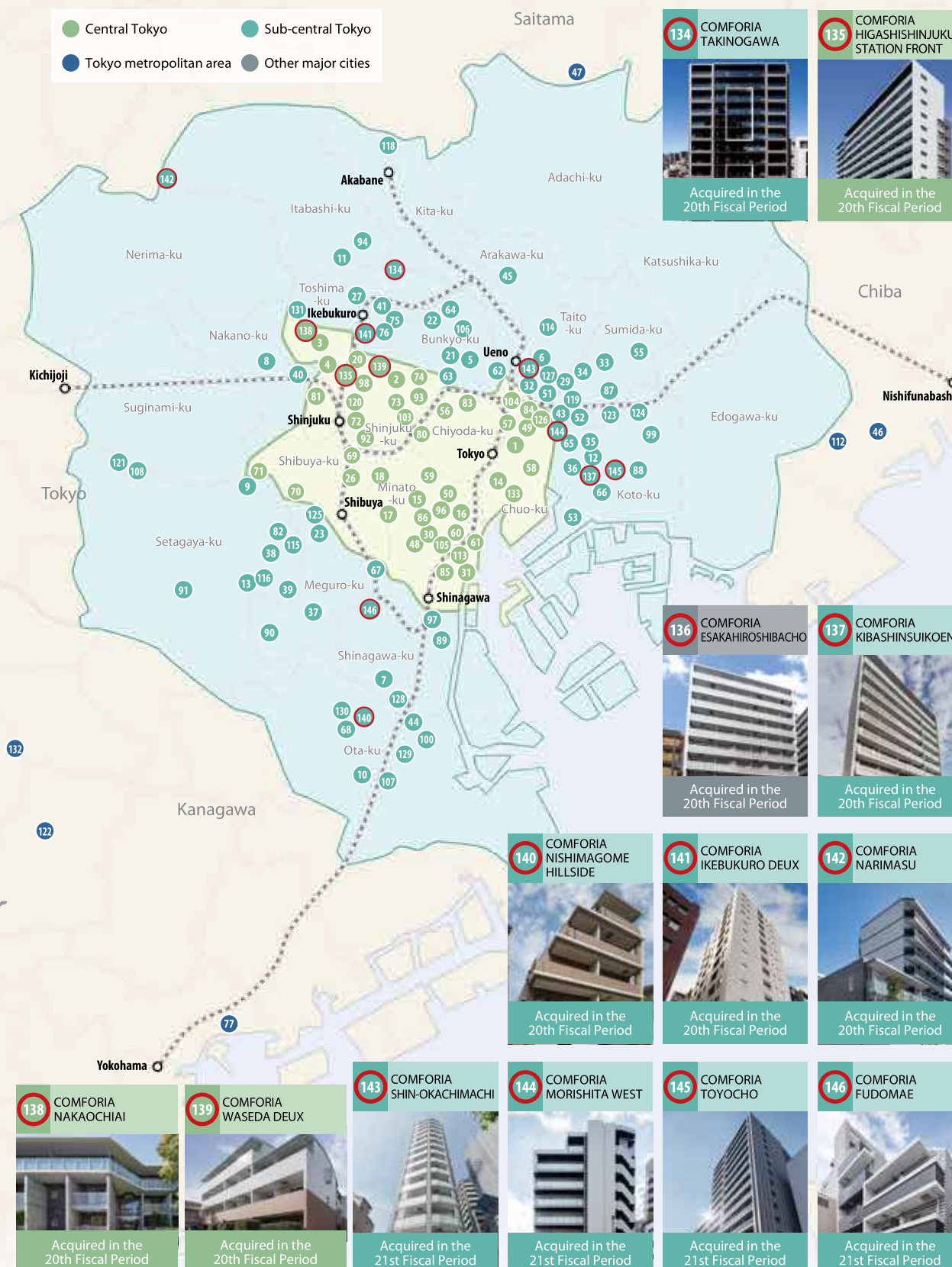
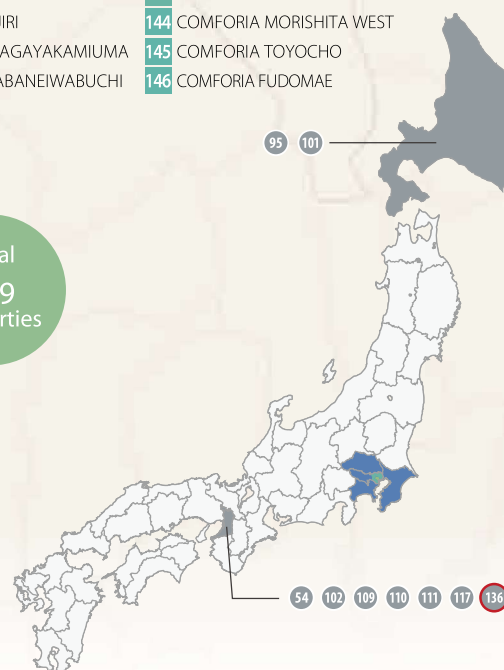
Central Tokyo				48 properties
1 COMFORIA NIHONBASHI NINGYOCHO	31 COMFORIA SHIBAURA BOWHOUSE	71 COMFORIA SASAZUKA	96 COMFORIA AZABU EAST	
2 COMFORIA WASEDA	48 COMFORIA SHIROKANETAKANAWA	72 COMFORIA SHINJUKUGYOEN II	98 COMFORIA SHINJUKU EASTSIDE TOWER	
3 COMFORIA SHIMOOCHIAI	49 COMFORIA NIHONBASHI NINGYOCHO EAST	73 COMFORIA ICHIGAYAYANAGICHO	103 COMFORIA ICHIGAYAYAKUJOI	
4 COMFORIA HIGASHINAKANO	50 COMFORIA ATAGO	74 COMFORIA KAGURAZAKA	104 COMFORIA AKIHABARA EAST	
14 COMFORIA GINZA EAST	56 COMFORIA KUDAN	80 COMFORIA NIBANCHO	105 COMFORIA MITA TROIS	
15 COMFORIA AZABUDAI	57 COMFORIA NIHONBASHI NINGYOCHO NORTH	81 COMFORIA NISHISHINJUKU	113 COMFORIA SHIBAURA	
16 COMFORIA SHIBAKOEN	58 COMFORIA SHINKAWA	83 COMFORIA KANDAJINBOCHO	120 COMFORIA SHINJUKU	
17 COMFORIA NISHIAZABU	59 COMFORIA AKASAKA	84 COMFORIA NIHONBASHI	126 COMFORIA HIGASHINIHOHONBASHI	
18 COMFORIA MINAMIAOYAMA	60 COMFORIA MITA EAST	85 COMFORIA TAMACHI	133 COMFORIA GINZA EAST NIBANKAN	
20 COMFORIA NISHIWASEDA	61 COMFORIA SHIBAURA CANAL	86 COMFORIA AZABUJUBAN	135 COMFORIA HIGASHISHINJUKU STATION FRONT	
26 COMFORIA HARAJYUKU	69 COMFORIA KITASANDO	92 COMFORIA SHINJUKUGYOEN I	138 COMFORIA NAKAOCHIAI	
30 COMFORIA MITA NORTH	70 COMFORIA YOYOGIUEHARA	93 COMFORIA KAGURAZAKA DEUX	139 COMFORIA WASEDA DEUX	

Sub-central Tokyo				76 properties
5 COMFORIA BUNKYOKASUGA	37 COMFORIA HIMONYA	75 COMFORIA HIGASHIIEBUKURO EAST	119 COMFORIA RYOGOKU TROIS	
6 COMFORIA ASAKUSAMATSUGAYA	38 COMFORIA Misyuku	76 COMFORIA HIGASHIIEBUKURO	121 COLLEGE SQUARE HACHIMANYAMA	
7 COMFORIA NISHIOI	39 COMFORIA GAKUGEIDAIGAKU	82 COMFORIA KOMABA	123 COMFORIA KINSHICHO DEUX	
8 COMFORIA NAKANO	40 COMFORIA HIGASHINAKANO DEUX	87 COMFORIA KINSHICHO	124 COMFORIA KAMEIDO SOUTH	
9 COMFORIA SHIMOKITAZAWA	41 COMFORIA HIGASHIIEBUKURO WEST	88 COMFORIA MINAMISUNAMACHI	125 COMFORIA SHIBUYA WEST	
10 COMFORIA NISHIKAMATA	43 COMFORIA RYOGOKU DEUX	89 COMFORIA HIGASHISHINAGAWA	127 COMFORIA ASAKUSAKOMAGATA	
11 COMFORIA OYAMA	44 COMFORIA OMORI DEUX	90 COMFORIA MEGUROYAKUMO	128 COMFORIA OMORIKASHIMA	
12 COMFORIA KIYOSUMISHIRAKAWA SOUTH	45 COMFORIA MACHIYA	91 COMFORIA YOGA	129 COMFORIA OMORIMACHI	
13 COMFORIA KOMAZAWA	51 COMFORIA ASAKUSABASHI	94 COMFORIA ITABASHINAKAJUKU	130 COMFORIA KAMIKEDAI	
21 COMFORIA KOISHIKAWA	52 COMFORIA RYOGOKU SOUTH	97 COMFORIA SHINAGAWA EAST	131 CAMPUS VILLAGE SHIINAMACHI	
22 COMFORIA SENGOKU	53 COMFORIA TOYOSU	99 COMFORIA OJIMA	134 COMFORIA TAKINOGAWA	
23 COMFORIA DAIKANYAMA AOBADAI	55 COMFORIA SUMIDA-TACHIBANA	100 COMFORIA OMORI TROIS	137 COMFORIA KIBASHINSUIKOEN	
27 COMFORIA IEBUKURO	62 COMFORIA UENOHIROKOJI	106 COMFORIA BUNKYOHAKUSAN	140 COMFORIA NISHIMAGOME HILLSIDE	
29 COMFORIA RYOGOKUISHIWARA	63 COMFORIA KASUGATOMISAKA	107 COMFORIA KAMATA	141 COMFORIA IEBUKURO DEUX	
32 COMFORIA ASAKUSABASHI DEUX	64 COMFORIA HONKOMAGOME	108 COLLEGE COURT HACHIMANYAMA	142 COMFORIA NARIMASU	
33 COMFORIA OSHIAGE	65 COMFORIA MORISHITA	114 COMFORIA UENOIRIYA	143 COMFORIA SHIN-OKACHIMACHI	
34 COMFORIA HONJOAZUMABASHI	66 COMFORIA KIBAKOEN	115 COMFORIA IKEJIRI	144 COMFORIA MORISHITA WEST	
35 COMFORIA KIYOSUMISHIRAKAWA TROIS	67 COMFORIA MEGURO CHOJAMARU	116 COMFORIA SETAGAYAKAMIUMA	145 COMFORIA TOYOCHO	
36 COMFORIA MONZENNAKACHO	68 COMFORIA NISHIMAGOME	118 COMFORIA AKABANEIWABUCHI	146 COMFORIA FUDOMAE	

Tokyo metropolitan area		6 properties
46 COMFORIA ICHIKAWAMYODEN	112 COMFORIA GYOTOKU	
47 COMFORIA YATSUKA	122 GRANCREEPER CENTER-MINAMI	
77 COMFORIA SHINKOYASU	132 COMFORIA TAMA-PLAZA	

Other major cities		9 properties
54 COMFORIA SHIN-OSAKA	110 COMFORIA KYOMACHIBORI	
95 COMFORIA KITASANJO	111 COMFORIA AWAZA	
101 COMFORIA SAPPORO SHOKUBUTSUEN	117 COMFORIA KITAHAMA	
102 COMFORIA OGIMACHI	136 COMFORIA ESAKAHIROSHIBACHO	
109 COMFORIA SHINSAIBASHI EAST		

Total
139
properties



Selected Portfolio Properties

COMFORIA Series near stations (within 1-minute walk from closest station)

135 COMFORIA HIGASHISHINJUKU STATION FRONT



5 COMFORIA BUNKYOKASUGA



13 COMFORIA KOMAZAWA



64 COMFORIA HONKOMAGOME



65 COMFORIA MORISHITA



76 COMFORIA HIGASHIIEBUKURO



80 COMFORIA NIBANCHO



93 COMFORIA KAGURAZAKA DEUX



11 COMFORIA OYAMA



Basic Policies

We invest intensively in rental residences for singles and small families, mainly in the Tokyo metropolitan area, based on our basic policies of "investments in residential properties with stable earnings and high growth potential" and "utilization of the Tokyu Fudosan Holdings Group," with the aim of ensuring stable earnings over the medium and long term and maximizing our unitholders' value.

COMFORIA Series

We will invest in and manage rental residences, fully utilizing the concept and expertise of the urban rental residence COMFORIA series, which Tokyu Land Corporation has produced.

For a Superior Level of Living Comfort

COMFORIA is the name we have given to the urban rental residences produced by the Tokyu Land Corporation. The word COMFORIA is a compound that we coined from "comfort," and "ia," a Latin suffix meaning "place." The idea that residences are not just containers has given birth to our "COMFORIA" series of rental residences made specifically for people who wish to live freely and affluently in urban communities. COMFORIA offers living comfort beyond expectation and surpasses the level of mere convenience in many ways.

Four Advantages COMFORIA Offers

Location

COMFORIA knows how valuable time is.

Quality

COMFORIA knows what high quality feels like.

Safety

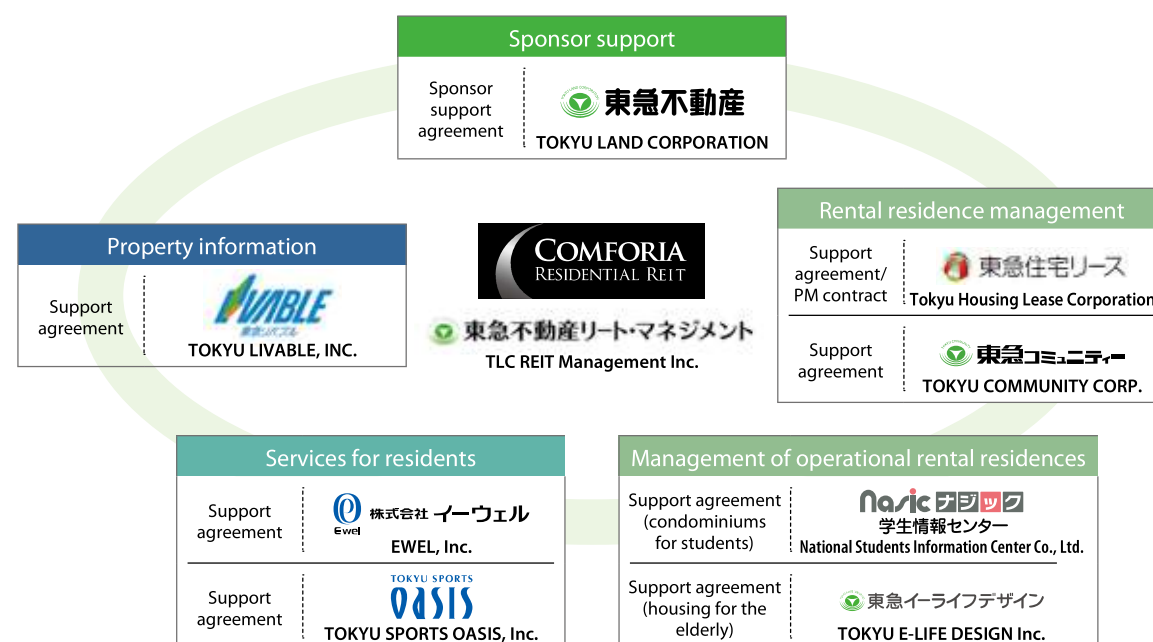
COMFORIA knows where peace of mind comes from.

Service

COMFORIA knows how residents feel.

Value Chain of the Tokyu Fudosan Holdings Group

We have concluded sponsor support agreements, support agreements and property management agreements for managed assets with the Asset Management Company and the Tokyu Fudosan Holdings Group companies to fully utilize the value chain and expertise of the Tokyu Fudosan Holdings Group. With the support of the Tokyu Fudosan Holdings Group companies through such agreements, we aim to expand our asset size (external growth), and maintain and increase asset value (internal growth).



Overview of the Investment Corporation and Asset Management Company



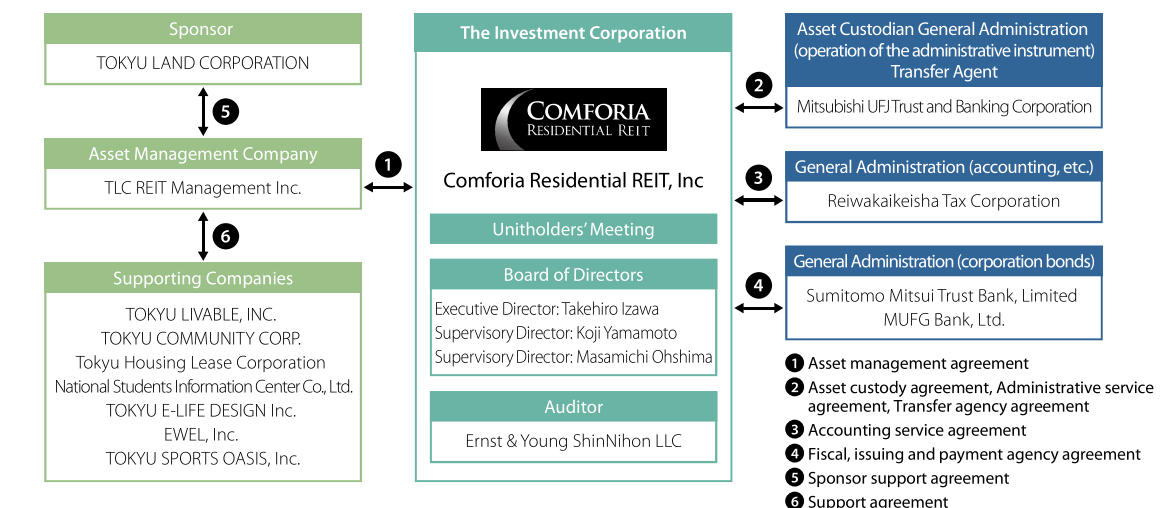
Overview of the Investment Corporation (As of July 31, 2020)

Name of the investment corporation	Comforia Residential REIT, Inc	Inquiries	TLC REIT Management, Inc. Tel: +81-3-6455-3388
Representative	Takehiro Izawa, Executive Director	Fiscal period-end	January 31 and July 31 of each year
Address	21-1 Dogenzaka 1-chome, Shibuya-ku, Tokyo 150-0043, Japan		

History

June 8, 2010	Registration of incorporation, and foundation under Article 166 of the Act on Investment Trusts and Investment Corporations
June 30, 2010	Implementation of registration by the prime minister under Article 187 of the Act on Investment Trusts and Investment Corporations (registration number: Director of Kanto Finance Bureau No. 71)
February 6, 2013	Listed on the Real Estate Investment Trust Securities Market of the Tokyo Stock Exchange

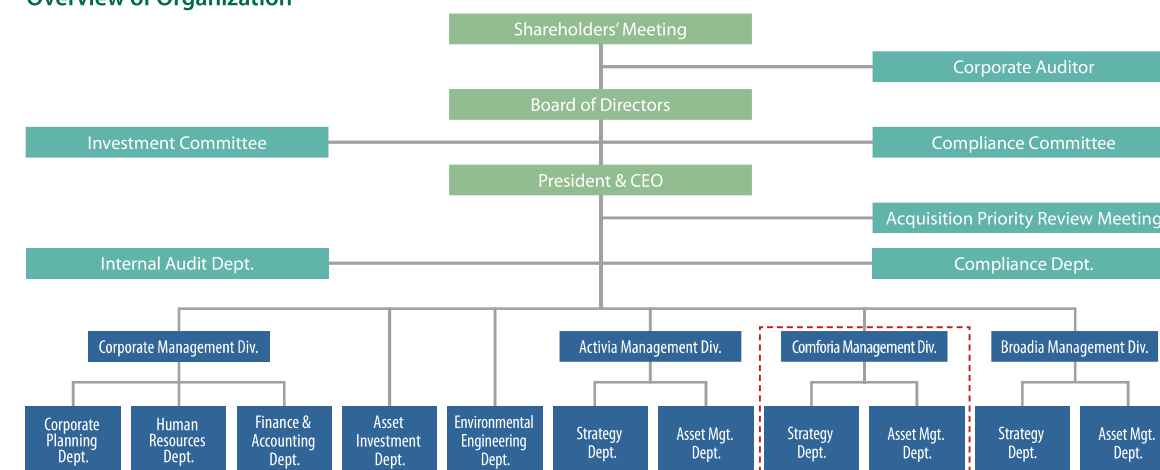
Structure



Overview of the Asset Management Company (As of August 1, 2020)

Trade name	TLC REIT Management Inc.	Shareholder	Tokyu Land Corporation 100%
Representative	Hiroyuki Tohmata, President & CEO	Registrations/ Licenses	Financial Instruments Business Firm, granted by the Director of the Kanto Regional Finance Bureau (Financial Instruments) Registration No. 2370 Discretionary Transaction Agent granted by the Minister of Land, Infrastructure, Transport and Tourism, Registration No. 65 Building Lots and Building Transactions Business License, granted by the Governor of Tokyo (3) No. 91139
Address	21-1 Dogenzaka 1-chome, Shibuya-ku, Tokyo 150-0043, Japan		
Established	October 2009		
Capital	¥200 million		

Overview of Organization



Asset Management Report for the 20th Fiscal Period (Semi-Annual Report)

From February 1, 2020 to July 31, 2020

Comforia Residential REIT, Inc
21-1 Dogenzaka 1-chome, Shibuya-ku,
Tokyo 150-0043, Japan

II.	Asset Management Report
III.	Financial Section
	Balance Sheets
	Statements of Income
	Statements of Changes in Unitholders' Equity
	Statements of Cash Distributions
	Statements of Cash Flows
	Notes
	Supplementary Schedules
	Independent Auditor's Report

II. Asset Management Report

Overview of Asset Management

1. Performance of the Investment Corporation

Fiscal period		16th Fiscal Period	17th Fiscal Period	18th Fiscal Period	19th Fiscal Period	20th Fiscal Period
Business period		From Feb. 1, 2018 to Jul. 31, 2018	From Aug. 1, 2018 to Jan. 31, 2019	From Feb. 1, 2019 to Jul. 31, 2019	From Aug. 1, 2019 to Jan. 31, 2020	From Feb. 1, 2020 to Jul. 31, 2020
Operating revenue	(millions of yen)	8,147	8,128	8,652	8,790	9,028
[Rent revenue - real estate]	(millions of yen)	[7,771]	[7,869]	[8,484]	[8,579]	[9,028]
Operating expenses	(millions of yen)	4,444	4,425	4,673	4,683	4,947
[Expenses related to rent business]	(millions of yen)	[3,745]	[3,687]	[3,928]	[3,862]	[4,092]
Operating profit	(millions of yen)	3,703	3,702	3,978	4,106	4,081
Ordinary profit	(millions of yen)	3,204	3,178	3,453	3,568	3,529
Profit	(millions of yen)	3,191	3,172	3,448	3,562	3,523
Total assets	(millions of yen)	219,211	223,829	246,498	246,861	268,935
[Period-on-period change]	(%)	[6.3]	[2.1]	[10.1]	[0.1]	[8.9]
Net assets	(millions of yen)	103,043	103,289	117,928	118,172	128,204
[Period-on-period change]	(%)	[5.9]	[0.2]	[14.2]	[0.2]	[8.5]
Unitholders' capital	(millions of yen)	99,814	99,814	114,045	114,045	123,947
Number of investment units issued	(units)	586,994	586,994	640,834	640,834	671,624
Net assets per unit	(yen)	175,544	175,964	184,023	184,403	190,886
Total distributions	(millions of yen)	2,926	3,040	3,319	3,393	3,565
Distribution per unit	(yen)	4,985	5,180	5,180	5,295	5,309
[Earnings distribution per unit]	(yen)	[4,985]	[5,180]	[5,180]	[5,295]	[5,309]
[Distribution in excess of earnings per unit]	(yen)	[—]	[—]	[—]	[—]	[—]
Return on assets	(Note 1) (%)	1.5	1.4	1.5	1.4	1.4
Return on unitholders' equity	(Note 2) (%)	3.2	3.1	3.1	3.0	2.9
Unitholders' equity ratio	(Note 3) (%)	47.0	46.1	47.8	47.9	47.7
[Period-on-period change]	(%)	[-0.2]	[-0.9]	[1.7]	[0.0]	[-0.2]
Interest-bearing debt	(millions of yen)	111,730	116,030	123,530	123,530	135,420
Interest-bearing debt ratio (LTV)	(Note 4) (%)	51.0	51.8	50.1	50.0	50.4
Payout ratio	(Note 5) (%)	91.6	95.8	96.2	95.2	101.1
Number of properties	(properties)	117	117	126	126	135
Total leasable area	(m ²)	318,999.87	336,786.72	358,677.21	357,279.84	377,108.20
Occupancy rate at end of period	(%)	96.6	96.4	97.0	96.7	95.0
Depreciation	(millions of yen)	1,200	1,223	1,288	1,296	1,341
Capital expenditure	(millions of yen)	281	279	509	417	310
NOI	(Note 6) (millions of yen)	5,227	5,405	5,843	6,012	6,277

(Note 1) Ordinary profit ÷ [(Total assets at beginning of period + Total assets at end of period) ÷ 2] × 100

(Note 2) Profit ÷ [(Net assets at beginning of period + Net assets at end of period) ÷ 2] × 100

(Note 3) Net assets at end of period ÷ Total assets at end of period × 100

(Note 4) Interest-bearing debt at end of period ÷ Total assets at end of period × 100

(Note 5) Total distributions ÷ Profit × 100

Payout ratio is rounded down to the first decimal place.

(Note 6) Income from real estate rental business+ Depreciation

(Note 7) The Investment Corporation applied the Partial Amendments to Accounting Standard for Tax Effect Accounting (The Accounting Standards Board of Japan Statement No. 28 issued on February 16, 2018) from the beginning of the 17th Fiscal Period, and the reclassified amount due to the change was reflected to the total assets for the 16th Fiscal Period. Furthermore, the application poses no impact on the financial indicators.

2. Asset Management Status for the 20th Fiscal Period

(1) History of the Investment Corporation

Comforia Residential REIT, Inc (the “Investment Corporation”) was established on June 8, 2010 as an investment corporation that invests mainly in residential properties in accordance with the “Act on Investment Trusts and Investment Corporations” of Japan (Act No. 198 of 1951, as revised; hereinafter referred to as the “Investment Trusts Act”), with registration by the prime minister completed as of June 30, 2010 under Article 187 of the Investment Trusts Act (registration number: Director of Kanto Finance Bureau No. 71). Investments by the Investment Corporation commenced in August 2010. The Investment Corporation issued new investment units through a public offering on February 6, 2013 and was listed on the real estate investment trust market of the Tokyo Stock Exchange, Inc. (securities code: 3282).

Managed assets of the Investment Corporation at the commencement of operations totaled 11 properties, acquired for a total of ¥15,508 million. As a result of additional acquisition and sale of properties under the basic policy of asset management (to manage assets with the aim of achieving stable earnings and ensuring the steady growth of our managed assets based on medium- to long-term perspectives to maximize our unitholders’ value) stipulated in the regulations of the Investment Corporation, the portfolio (the “Acquired Assets”) owned as of the end of the 20th Fiscal Period includes 135 properties, acquired for a total of ¥245,991 million.

(2) Investment performance

(i) Investment environment

During the 20th Fiscal Period, the Japanese economy fell into a harsh situation as socio-economic activities were stagnated under the influence of the novel coronavirus infection (COVID-19). Under such circumstances, the residential rental market saw the occupancy rate drift on a somewhat weak note as a result of leasing activities temporarily stalled in the face of the government’s request for self-restraint on moving across prefectures. In the real estate investment market, on the other hand, the level of transaction prices continues to stay at a high price range amid an ongoing low interest rate environment resulting from the fiscal policies of the government and monetary policies of the Bank of Japan (BOJ).

(ii) Acquisition of assets

During the 20th Fiscal Period, the Investment Corporation acquired COMFORIA HIGASHISHINJUKU STATION FRONT and two other properties in February 2020, followed by the acquisition of COMFORIA NAKAOCHIAI and three other properties in March 2020 as well as the acquisition of COMFORIA Ikebukuro Deux and another property in June 2020. As a result, assets owned by the Investment Corporation as of the end of the 20th Fiscal Period totaled 135 properties with a total acquisition price of ¥245,991 million.

(iii) Operation management of assets owned by the Investment Corporation

The Investment Corporation consigns property management operations mainly to Tokyu Housing Lease Corporation, which has an extensive track record in managing the Comforia series of properties. Under the Comforia series, the Investment Corporation promotes unified management and strives to improve operational efficiency and shorten periods of vacancy.

(3) Overview of funding

During the 20th Fiscal Period, the Investment Corporation undertook additional issuance of investment units (¥9,901 million) and borrowing of funds (¥9,090 million) for the acquisition of COMFORIA HIGASHISHINJUKU STATION FRONT and six other properties conducted in February and March 2020 and for the repayment of borrowings (¥2,300 million) made in March 2019. Subsequently, the Investment Corporation borrowed funds (¥7,300 million) in June 2020 to be appropriated for the acquisition of COMFORIA Ikebukuro Deux and another property and for the repayment funds (¥3,700 million) for borrowings made in June 2014. Moreover, in July 2020, the Investment Corporation issued its first green bonds (unsecured investment corporation bonds) totaling ¥1,500 million to be appropriated for the repayment funds (¥1,770 million) for borrowings made in February 2020, in order to further promote its initiatives on sustainability and expand the investor base by stimulating demand from new investors who are interested in ESG investment.

Consequently, as of the end of the 20th Fiscal Period (July 31, 2020), unitholders’ capital was ¥123,947 million, interest-bearing debt was ¥135,420 million, the ratio of interest-bearing debt to total assets (LTV) was 50.4%, the average maturity of interest-bearing debt was 4.0 years, the ratio of long-term debt was 82.6%, and the fixed rate ratio was 90.4%. Moreover, the Investment Corporation executed a Line of Credit Loan Master Agreement (on an uncommitted basis) as of February 7, 2020, in case the need for funding arises to purchase assets for future investments or other purposes.

The Investment Corporation obtained the following rating as of the end of the 20th Fiscal Period.

Name of credit rating agency	Rating	Outlook
Japan Credit Rating Agency, Ltd. (JCR)	AA-	Stable

(4) Overview of performance and distributions

As a result of investment during the 20th Fiscal Period, the Investment Corporation posted operating revenue of ¥9,028 million, operating profit of ¥4,081 million, ordinary profit of ¥3,529 million, and profit of ¥3,523 million. The Investment Corporation carries out distributions so that the Special Provisions for Taxation on Investment Corporations (Article 67-15 of the Act on Special Measures Concerning Taxation [Act No. 26 of 1957, as revised; hereinafter referred to as the “Act on Special Measures Concerning Taxation”]) would be applied. For the 20th Fiscal Period, the Investment Corporation decided to deliver the entire amount obtained by adding the reversal of reserve for reduction entry (¥42 million), which was reserved in application to the Special Provisions on Taxation in the case of advance acquisition of land and such in 2009 and 2010 (Article 66-2 of the Act on Special Measures Concerning Taxation), to unappropriated retained earnings. As a result, the distribution per unit (DPU) was ¥5,309 for the period.

3. Capital Increases

Date	Type	Number of investment units issued (units)		Unitholders’ capital (millions of yen)		Remarks
		Change	Balance	Change	Balance	
June 8, 2010	Establishment through private placement	200	200	100	100	(Note 1)
August 30, 2010	Capital increase through private placement	7,800	8,000	3,900	4,000	(Note 2)
March 18, 2011	Capital increase through private placement	24,270	32,270	11,840	15,840	(Note 3)
February 2, 2012	Capital increase through private placement	16,400	48,670	8,200	24,040	(Note 4)
February 5, 2013	Capital increase through public offering	18,691	67,361	9,935	33,975	(Note 5)
February 3, 2014	Capital increase through public offering	31,900	99,261	21,960	55,936	(Note 6)
February 26, 2014	Capital increase through third-party allotment	1,401	100,662	964	56,900	(Note 7)
August 1, 2014	Investment unit split	301,986	402,648	–	56,900	(Note 8)
February 2, 2015	Capital increase through public offering	70,000	472,648	18,025	74,926	(Note 9)
February 27, 2015	Capital increase through third-party allotment	1,156	473,804	297	75,224	(Note 10)
February 1, 2016	Capital increase through public offering	37,800	511,604	7,159	82,383	(Note 11)
February 26, 2016	Capital increase through third-party allotment	1,900	513,504	359	82,743	(Note 12)
February 1, 2017	Capital increase through public offering	47,800	561,304	11,251	93,995	(Note 13)
February 22, 2017	Capital increase through third-party allotment	2,390	563,694	562	94,557	(Note 14)
February 1, 2018	Capital increase through public offering	22,190	585,884	5,006	99,563	(Note 15)
February 15, 2018	Capital increase through third-party allotment	1,110	586,994	250	99,814	(Note 16)
February 1, 2019	Capital increase through public offering	51,270	638,264	13,551	113,366	(Note 17)
February 20, 2019	Capital increase through third-party allotment	2,570	640,834	679	114,045	(Note 18)
February 3, 2020	Capital increase through public offering	29,330	670,164	9,432	123,477	(Note 19)
February 19, 2020	Capital increase through third-party allotment	1,460	671,624	469	123,947	(Note 20)

(Note 1) Established at an issue price of ¥500,000 per investment unit.

(Note 2) Issued privately placed investment units at an issue price of ¥500,000 per investment unit to fund the acquisition of new properties.

(Note 3) Issued privately placed investment units at an issue price of ¥500,000 (subscription price of ¥487,852) per investment unit to fund the acquisition of new properties and repay loans.

(Note 4) Issued privately placed investment units at an issue price of ¥500,000 per investment unit to fund the acquisition of new properties and repay loans.

(Note 5) Issued investment units at an issue price of ¥550,000 (subscription price of ¥531,575) per investment unit to fund the acquisition of new properties and repay loans.

(Note 6) Issued investment units at an issue price of ¥712,530 (subscription price of ¥688,413) per investment unit to fund the acquisition of new properties and repay loans.

(Note 7) Issued investment units with Mizuho Securities Co., Ltd. as allottee at an issue value of ¥688,413 per investment unit.

(Note 8) Carried out a four-for-one-split of investment units effective as of August 1, 2014, with July 31, 2014 as the record date.

(Note 9) Issued investment units at an issue price of ¥266,253 (subscription price of ¥257,514) per investment unit to fund the acquisition of new properties and repay loans.

(Note 10) Issued investment units with Mizuho Securities Co., Ltd. as allottee at an issue value of ¥257,514 per investment unit.

(Note 11) Issued investment units at an issue price of ¥195,828 (subscription price of ¥189,400) per investment unit to fund the acquisition of new properties and repay loans.

(Note 12) Issued investment units with Mizuho Securities Co., Ltd. as allottee at an issue value of ¥189,400 per investment unit.

(Note 13) Issued investment units at an issue price of ¥243,252 (subscription price of ¥235,393) per investment unit to fund the acquisition of new properties and repay loans.

(Note 14) Issued investment units with Mizuho Securities Co., Ltd. as allottee at an issue value of ¥235,393 per investment unit.

(Note 15) Issued investment units at an issue price of ¥233,132 (subscription price of ¥225,600) per investment unit to fund the acquisition of new properties and to repay loans.

(Note 16) Issued investment units with Mizuho Securities Co., Ltd. as allottee at an issue value of ¥225,600 per investment unit.

- (Note 17) Issued investment units at an issue price of ¥273,146 (subscription price of ¥264,321) per investment unit to fund the acquisition of new properties and repay loans.
- (Note 18) Issued investment units with Mizuho Securities Co., Ltd. as allottee at an issue value of ¥264,321 per investment unit.
- (Note 19) Issued investment units at an issue price of ¥332,328 (subscription price of ¥321,591) per investment unit to fund the acquisition of new properties and repay loans.
- (Note 20) Issued investment units with Mizuho Securities Co., Ltd. as allottee at an issue value of ¥321,591 per investment unit.

[Fluctuation in market price of the investment securities]

The highest and lowest prices (closing price) in the real estate investment trust market of the Tokyo Stock Exchange, Inc., where the Investment Corporation is listed, by fiscal period are as follows.

Fiscal period	16th Fiscal Period	17th Fiscal Period	18th Fiscal Period	19th Fiscal Period	20th Fiscal Period
Closing month/year	Jul. 2018	Jan. 2019	Jul. 2019	Jan. 2020	Jul. 2020
Highest	¥267,300	¥298,000	¥332,500	¥360,500	¥355,500
Lowest	¥228,000	¥258,000	¥280,100	¥322,500	¥198,100

4. Performance of Distributions

The Investment Corporation pays out distributions per unit (DPUs) with the intent of including the maximum amount of earnings distributions in deductible expenses by applying special measures concerning taxation (Article 67-15 of the Act on Special Measures Concerning Taxation). For the 20th Fiscal Period, the Investment Corporation decided to distribute the entire amount obtained by adding the reversal of reserve for reduction entry (¥42 million) to unappropriated retained earnings. As a result, the DPU for the 20th Fiscal Period was ¥5,309.

Fiscal period	16th Fiscal Period	17th Fiscal Period	18th Fiscal Period	19th Fiscal Period	20th Fiscal Period
Business period	From Feb. 1, 2018 to Jul. 31, 2018	From Aug. 1, 2018 to Jan. 31, 2019	From Feb. 1, 2019 to Jul. 31, 2019	From Aug. 1, 2019 to Jan. 31, 2020	From Feb. 1, 2020 to Jul. 31, 2020
Unappropriated retained earnings	¥3,191,695 thousand	¥3,172,709 thousand	¥3,448,336 thousand	¥3,562,889 thousand	¥3,523,532 thousand
Retained earnings	¥285,330 thousand	¥149,557 thousand	¥149,456 thousand	¥172,904 thousand	¥— thousand
Total distributions	¥2,926,165 thousand	¥3,040,628 thousand	¥3,319,520 thousand	¥3,393,216 thousand	¥3,565,651 thousand
[Distribution per unit (DPU)]	[¥4,985]	[¥5,180]	[¥5,180]	[¥5,295]	[¥5,309]
Of which, total earnings distributions	¥2,926,165 thousand	¥3,040,628 thousand	¥3,319,520 thousand	¥3,393,216 thousand	¥3,565,651 thousand
[Earnings distribution per unit]	[¥4,985]	[¥5,180]	[¥5,180]	[¥5,295]	[¥5,309]
Of which, total return on unitholders' capital	¥— thousand	¥— thousand	¥— thousand	¥— thousand	¥— thousand
[Return on unitholders' capital per unit]	[¥—]	[¥—]	[¥—]	[¥—]	[¥—]
Of the total return on unitholders' capital, the total distribution payments from the allowance for temporary difference adjustment	¥— thousand	¥— thousand	¥— thousand	¥— thousand	¥— thousand
[Of the return on unitholders' capital per unit, the distribution payment from the allowance for temporary difference adjustment per unit]	[¥—]	[¥—]	[¥—]	[¥—]	[¥—]
Of the total return on unitholders' capital, the total distribution payments from investments and other decreased distribution under tax laws	¥— thousand	¥— thousand	¥— thousand	¥— thousand	¥— thousand
[Of the total return on unitholders' capital per unit, the distribution payments from investments and other decreased distribution under tax laws]	[¥—]	[¥—]	[¥—]	[¥—]	[¥—]

(Note) Figures above are rounded down to the nearest unit.

5. Future Investment Policy and Issues to Address

Founded on our basic policies of investment management, the Investment Corporation acquired 9 properties during the 20th Fiscal Period, and has carried out investment and management based on the concept and expertise incorporated into the urban rental residence Comforia series, which Tokyu Land Corporation (hereinafter referred to as “Tokyu Land”) has been producing. Going forward, we aim to achieve medium- to long-term growth by continuing to carry out investment and management based on our basic policies.

(1) External growth strategy

The Investment Corporation aims to acquire higher quality assets and expand the asset size, fully utilizing the support of the Tokyu Fudosan Holdings Group, primarily the sponsor support of Tokyu Land, and original information from TLC REIT Management Inc., its asset management company (hereinafter referred to as the “Asset Management Company”). Specifically, we will acquire properties developed by our sponsor, Tokyu Land, using the sponsor support agreement the Asset Management Company entered into with Tokyu Land, and continually and steadily acquire quality residential properties that are under stable operation. In addition, we intend to utilize real estate brokerage capabilities through the vast information network of Tokyu Fudosan Holdings Group companies, who are not our sponsors, to acquire quality residential properties, achieve stable operation and enhance profitability. Based on this perspective, the Asset Management Company has entered into a support agreement with each of the seven support companies of the Tokyu Fudosan Holdings Group companies (Tokyu Livable, Inc., Tokyu Community Corp., Tokyu Housing Lease Corporation, National Students Information Center Co., Ltd., Tokyu E-Life Design Inc., Ewel Inc. and Tokyu SportsOasis, Inc.) for managed assets of the Investment Corporation.

(2) Internal growth strategy

With the aim of maximizing portfolio value and cash flows from individual properties from a medium- to long-term perspective and to make the most of the experience and comprehensive strength of the Tokyu Fudosan Holdings Group in property management, we will consign property management operations mainly to Tokyu Fudosan Holdings Group companies, which have extensive experience in the management of J-REITs and the Comforia series. In addition, we will strive for efficient management by examining the adequacy of building management specifications and costs. Furthermore, we will actively utilize the expertise of Tokyu Fudosan Holdings Group in asset and fund management to achieve higher-quality overall management of the Investment Corporation. Moreover, as we believe that endeavors on the issues of environmental and social considerations and reinforced governance, among other matters, should contribute to the progress of a sustainable society, we will aim to achieve growth over a medium to long term by conducting asset management based on such thinking. In the 20th Fiscal Period and onwards, we will continue to aim to maintain and improve occupancy rates by closely monitoring the property management situation, as we did in the 19th Fiscal Period.

(3) Financial strategy

In consideration of addressing future interest rate risk and refinance risk, we will carry out funding activities by paying attention to financial soundness and earnings stability. With regard to debt, we will efficiently combine short-term funding that focuses on agility with long-term stable funding. Furthermore, we will consider the issuance of new investment units in accordance with financing needs for property acquisition and the financial situation of the Investment Corporation, while paying attention to the market development and distribution level, with the upper limit of the ratio of interest-bearing debt to total assets (LTV) at around 60%.

6. Significant Subsequent Events

Not applicable

(Reference Information)

The Investment Corporation plans to acquire the following properties:

Property name	Type of specified asset	Location	Planned acquisition price (thousands of yen) (Note)	Main usage	Acquisition date
COMFORIA SHIN-OKACHIMACHI	Property in trust	Taito-ku, Tokyo	1,237,000	Apartment building	September 29, 2020
COMFORIA MORISHITA WEST	Property in trust	Koto-ku, Tokyo	1,222,000	Apartment building	September 29, 2020
COMFORIA TOYOCHO	Property in trust	Koto-ku, Tokyo	3,674,000	Apartment building	September 29, 2020
COMFORIA FUDOMAE	Property in trust	Shinagawa-ku, Tokyo	1,622,000	Apartment building	September 29, 2020

(Note) The planned acquisition price does not include miscellaneous expenses required for the acquisition of each property, fixed property tax, city planning tax, consumption tax and local consumption tax.

1. Unitholders' Capital

		16th Fiscal Period	17th Fiscal Period	18th Fiscal Period	19th Fiscal Period	20th Fiscal Period
		As of Jul. 31, 2018	As of Jan. 31, 2019	As of Jul. 31, 2019	As of Jan. 31, 2020	As of Jul. 31, 2020
Total number of authorized investment units	(units)	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Total number of investment units issued	(units)	586,994	586,994	640,834	640,834	671,624
Unitholders' capital	(millions of yen)	99,814	99,814	114,045	114,045	123,947
Number of unitholders	(people)	6,847	5,845	5,674	5,096	5,352

2. Matters concerning Investment Units

Major unitholders as of July 31, 2020 are as follows.

Name	Number of investment units owned (units)	Ratio to the total number of investment units issued (%) ^(Note)
Custody Bank of Japan, Ltd. (trust account)	132,078	19.66
The Master Trust Bank of Japan, Ltd. (trust account)	117,176	17.44
Tokyu Land Corporation	60,127	8.95
The Nomura Trust & Banking Co., Ltd. (trust account)	31,997	4.76
Custody Bank of Japan, Ltd. (securities trust investment account)	16,679	2.48
Custody Bank of Japan, Ltd. (taxable trust money account)	13,190	1.96
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	12,329	1.83
Mitsubishi UFJ Trust and Banking Corporation (Standing proxy: The Master Trust Bank of Japan, Ltd.)	11,457	1.70
Mizuho Securities Co., Ltd.	10,801	1.60
The State Street Bank West Client—Treaty 505234 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	9,210	1.37
Total	415,044	61.79

(Note) The ratio of investment units owned to the total number of investment units issued is rounded down to the second decimal place.

3. Matters concerning Directors, etc.

(1) Name of directors, etc.

The names of directors, etc. during the 20th Fiscal Period are as follows.

Position	Name of director, etc.	Main concurrent posts	Total amount of remuneration paid during the period (thousands of yen)
Executive Director (Note 1)	Takehiro Izawa	Executive Director, Chief Division Officer of Comforia Management Division, TLC REIT Management Inc.	—
Supervisory Director (Note 1)	Yoshihiro Kataoka (Note 2)	Head of Kataoka & Kobayashi Outside Audit & Supervisory Board Member, The Higo Bank, Ltd.	1,200
Supervisory Director (Note 1)	Koji Yamamoto	Partner, WAKABA PARTNERS Law and Accounting Office	1,800
Supervisory Director (Note 1)	Masamichi Ohshima (Note 2)	Kataoka & Kobayashi	600
Independent Auditor	Ernst & Young ShinNihon LLC (Note 3)	—	16,490

(Note 1) None of the Executive Director or Supervisory Directors own investment units in the Investment Corporation, either in their own name or in someone else's name. Furthermore, although Supervisory Directors may be officers of a corporation other than those mentioned above, neither one has an interest in the Investment Corporation.

(Note 2) Yoshihiro Kataoka resigned as Supervisory Director on May 31, 2020, and Masamichi Ohshima was appointed as a new Supervisory Director on June 1, 2020.

(Note 3) The amount includes the fees pertaining to the production of an "Auditor's Comfort Letter to Lead Underwriting Firm" related to the issuance of investment corporation bonds conducted in July 2020.

(2) Policy for decisions on dismissal or non-reappointment of Independent Auditor

The Board of Directors shall, with the consent of all its members, dismiss the Independent Auditor if it is deemed that it falls under any of the grounds set forth in each item of Paragraph 1 of Article 105 of the Investment Trusts Act, and when it is determined that there is no hope for improvement.

In addition, when it is determined that an Independent Auditor is not fit for his or her role, upon comprehensive examination of their execution of duties as the Independent Auditor and other various circumstances, the Board of Directors shall dismiss or not reappoint said Independent Auditor with the consent of all of its members, and forward a proposal for the appointment of a new Independent Auditor to the unitholders' meeting.

4. Asset Management Company, Asset Custodian and General Administration

The asset management company, asset custodian and general administration as of July 31, 2020 are as follows.

Consignment segment	Name
Asset management company	TLC REIT Management Inc.
Asset custodian	Mitsubishi UFJ Trust and Banking Corporation
General administration (unitholder registry administration)	Mitsubishi UFJ Trust and Banking Corporation
General administration (accounting service)	Reiwakaikisha Tax Corporation (Note)
General administration (administrative service)	Mitsubishi UFJ Trust and Banking Corporation
General administration (corporation bond service)	Sumitomo Mitsui Trust Bank, Limited, MUFG Bank, Ltd.

1. Composition of Assets of the Investment Corporation

Type of asset	Area	19th Fiscal Period (as of January 31, 2020)		20th Fiscal Period (as of July 31, 2020)	
		Total amount owned (millions of yen) (Note 1)	Percentage of total assets (%) (Note 2)	Total amount owned (millions of yen) (Note 1)	Percentage of total assets (%) (Note 2)
Real estate	Central Tokyo	1,130	0.5	1,127	0.4
	Sub-central Tokyo	4,896	2.0	7,999	3.0
Properties in trust	Central Tokyo	88,340	35.8	96,225	35.8
	Sub-central Tokyo	109,306	44.3	115,794	43.1
	Tokyo metropolitan area	9,866	4.0	9,901	3.7
	Other major cities	12,371	5.0	14,073	5.2
Subtotal		225,911	91.5	245,122	91.1
Deposits and other assets		20,950	8.5	23,812	8.9
Total assets		246,861	100.0	268,935	100.0

(Note 1) "Total amount owned" indicates the amount posted on the balance sheets as of the closing of accounts (the book value after depreciation for real estate and properties in trust).

(Note 2) The sum may not total 100.0% since figures are rounded to the first decimal place.

2. Major Assets Owned

The overview of major assets owned by the Investment Corporation (top 10 properties in terms of period-end book value) is as follows.

Property name	Book value (millions of yen)	Rentable area (m ²)	Rented area (m ²)	Occupancy rate (%)	Ratio to total rental revenues (%)	Main usage
COMFORIA SHINJUKU EASTSIDE TOWER	12,886	48,267.61	44,496.00	92.2	17.2	Apartment building
COMFORIA KAMATA	5,764	6,027.98	5,774.56	95.8	1.8	Apartment building
COMFORIA HIGASHISHINJUKU STATION FRONT	5,696	4,080.10	4,026.37	98.7	1.4	Apartment building
COMFORIA SHIBUYA WEST	5,481	4,278.52	3,941.46	92.1	1.5	Apartment building
COMFORIA KOMABA	5,126	5,342.38	4,849.54	90.8	1.5	Apartment building
COMFORIA MINAMISUNAMACHI	4,639	6,141.98	5,929.10	96.5	1.5	Apartment building
COMFORIA AKIHABARA EAST	4,452	4,582.07	4,381.29	95.6	1.4	Apartment building
GRANCREER CENTER-MINAMI	4,232	18,235.67	18,235.67	100.0	1.3	Homes for the elderly
COMFORIA KITASANDO	4,161	4,963.81	4,606.44	92.8	1.5	Residence
COMFORIA ITABASHINAKAJUKU	3,887	6,965.57	6,573.83	94.4	1.4	Apartment building
Total	56,329	108,885.69	102,814.26	94.4	30.6	

3. Statement of Properties Incorporated in the Portfolio

The overview of assets under management of the Investment Corporation as of July 31, 2020 is as follows.

Area	Property name	Address	Ownership form	Appraisal value at end of period (millions of yen) (Note 1)	Book value (millions of yen) (Note 2)
Central Tokyo	COMFORIA NIHONBASHI NINGYOCHO	3-5-10 Nihonbashi Ningyocho, Chuo-ku, Tokyo	Beneficial interest in real estate trust	2,340	1,496
	COMFORIA WASEDA	147 Bentencho, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	2,690	1,841
	COMFORIA SHIMOOCHIAI	2-7-10 Nakaochiai, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	1,720	1,129
	COMFORIA HIGASHINAKANO	4-34-2 Kita-Shinjuku, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	751	537
	COMFORIA GINZA EAST	1-3-1 Irifune, Chuo-ku, Tokyo	Beneficial interest in real estate trust	4,440	2,922
	COMFORIA AZABUDAI	3-4-4 Azabudai, Minato-ku, Tokyo	Beneficial interest in real estate trust	865	547
	COMFORIA SHIBAKOEN	2-2-15 Shibakoen, Minato-ku, Tokyo	Beneficial interest in real estate trust	1,950	1,359
	COMFORIA NISHIAZABU	4-1-10 Nishiazabu, Minato-ku, Tokyo	Beneficial interest in real estate trust	1,070	718
	COMFORIA MINAMIAOYAMA	4-1-12 Minami-Aoyama, Minato-ku, Tokyo	Beneficial interest in real estate trust	1,630	1,091
	COMFORIA NISHIWASEDA	1-5-19 Takadanobaba, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	2,310	1,571
	COMFORIA HARAJYUKU	3-61-3 Sendagaya, Shibuya-ku, Tokyo	Beneficial interest in real estate trust	5,430	3,527
	COMFORIA MITA NORTH	2-7-16 Mita, Minato-ku, Tokyo	Beneficial interest in real estate trust	1,130	848
	COMFORIA SHIBAURA BOWHOUSE	3-13-12 Kaigan, Minato-ku, Tokyo	Beneficial interest in real estate trust	3,690	2,519
	COMFORIA SHIROKANETAKANAWA	5-1-21 Mita, Minato-ku, Tokyo	Beneficial interest in real estate trust	1,830	1,289
	COMFORIA NIHONBASHI NINGYOCHO EAST	3-6-3 Nihonbashi Ningyocho, Chuo-ku, Tokyo	Beneficial interest in real estate trust	2,730	2,039
	COMFORIA ATAGO	3-23-7 Toranomon, Minato-ku, Tokyo	Beneficial interest in real estate trust	1,040	832
	COMFORIA KUDAN	2-6-12 Kudan Minami, Chiyoda-ku, Tokyo	Beneficial interest in real estate trust	1,650	1,301
	COMFORIA NIHONBASHI NINGYOCHO NORTH	1-1-6 Nihonbashi Horidomecho, Chuo-ku, Tokyo	Beneficial interest in real estate trust	1,420	1,057
	COMFORIA SHINKAWA	2-15-5 Shinkawa, Chuo-ku, Tokyo	Beneficial interest in real estate trust	2,300	1,768
	COMFORIA AKASAKA	2-17-63 Akasaka, Minato-ku, Tokyo	Beneficial interest in real estate trust	2,860	1,897
	COMFORIA MITA EAST	4-18-1 Shiba, Minato-ku, Tokyo	Beneficial interest in real estate trust	4,130	3,045
	COMFORIA SHIBAURA CANAL	3-1-9 Kaigan, Minato-ku, Tokyo	Beneficial interest in real estate trust	1,980	1,539
	COMFORIA KITASANDO	4-5-10 Sendagaya, Shibuya-ku, Tokyo	Beneficial interest in real estate trust	5,220	4,161

Area	Property name	Address	Ownership form	Appraisal value at end of period (millions of yen) (Note 1)	Book value (millions of yen) (Note 2)
Central Tokyo	COMFORIA YOYOGIUEHARA	2-31-5 Uehara, Shibuya-ku, Tokyo	Beneficial interest in real estate trust	1,950	1,583
	COMFORIA SASAZUKA	1-59-10 Sasazuka, Shibuya-ku, Tokyo	Beneficial interest in real estate trust	2,400	1,733
	COMFORIA SHINJUKUGYOEN II	1-13-3 Shinjuku, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	2,270	1,742
	COMFORIA ICHIGAYAYANAGICHO	18-2 Ichigaya Yanagicho, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	2,050	1,606
	COMFORIA KAGURAZAKA	26-1 Iwatocho, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	938	709
	COMFORIA NIBANCHO	4-8 Nibancho, Chiyoda-ku, Tokyo	Beneficial interest in real estate trust	2,110	1,628
	COMFORIA NISHISHINJUKU	1-20-12 Kita-Shinjuku, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	1,880	1,679
	COMFORIA KANDAJINBOCHO	1-42-2 Kanda Jinbocho, Chiyoda-ku, Tokyo	Beneficial interest in real estate trust	1,810	1,473
	COMFORIA NIHONBASHI	1-2-2 Nihonbashi Bakurocho, Chuo-ku, Tokyo	Beneficial interest in real estate trust	2,350	2,008
	COMFORIA TAMACHI	4-5-13 Shibaura, Minato-ku, Tokyo	Beneficial interest in real estate trust	4,000	3,347
	COMFORIA AZABUJUBAN	1-2-15 Mita, Minato-ku, Tokyo	Beneficial interest in real estate trust	1,680	1,454
	COMFORIA SHINJUKUGYOEN I	1-10-4 Shinjuku, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	1,560	1,396
	COMFORIA KAGURAZAKA DEUX	7-3 Iwatocho, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	1,470	1,236
	COMFORIA AZABU EAST	2-29-1 Higashi-Azabu, Minato-ku, Tokyo	Beneficial interest in real estate trust	3,420	1,901
	COMFORIA SHINJUKU EASTSIDE TOWER	(Tower Building) 6-27-29 Shinjuku, Shinjuku-ku, Tokyo (Annex Building) 6-27-28 Shinjuku, Shinjuku-ku, Tokyo (Gate Building) 6-27-14 Shinjuku, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	16,900	12,886
	COMFORIA ICHIGAYAYAKUOJI	74-23 Ichigayayakuojimachi, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	1,000	977
	COMFORIA AKIHABARA EAST	2-9-19 Higashikanda, Chiyoda-ku, Tokyo	Beneficial interest in real estate trust	5,100	4,452
	COMFORIA MITA TROIS	3-43-6 Shiba, Minato-ku, Tokyo	Beneficial interest in real estate trust	962	927
	COMFORIA SHIBAURA	2-3-33 Shibaura, Minato-ku, Tokyo	Real estate	1,170	1,127
	COMFORIA SHINJUKU	5-8-20 Shinjuku, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	2,380	2,267
	COMFORIA HIGASHINIHONBASHI	3-6-4 Higashi-Nihonbashi, Chuo-ku, Tokyo	Beneficial interest in real estate trust	1,300	1,259
	COMFORIA GINZA EAST NIBANKAN	2-1-8 Minato, Chuo-ku, Tokyo	Beneficial interest in real estate trust	2,510	2,523
	COMFORIA HIGASHISHINJUKU STATION FRONT	7-27-12 Shinjuku, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	5,700	5,696
	COMFORIA NAKAOCHIAI	2-16-29 Nakaochiai, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	1,510	1,577
	COMFORIA WASEDA DEUX	173 Bentencho, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	1,090	1,112
	Subtotal			124,686	97,352

Area	Property name	Address	Ownership form	Appraisal value at end of period (millions of yen) (Note 1)	Book value (millions of yen) (Note 2)
Sub-central Tokyo	COMFORIA BUNKYOKASUGA	1-15-12 Nishikata, Bunkyo-ku, Tokyo	Beneficial interest in real estate trust	2,170	1,352
	COMFORIA ASAKUSAMATSUGAYA	1-11-5 Matsugaya, Taito-ku, Tokyo	Beneficial interest in real estate trust	1,300	814
	COMFORIA NISHIOI	6-6-1 Nishi-Oi, Shinagawa-ku, Tokyo	Beneficial interest in real estate trust	1,120	856
	COMFORIA NAKANO	2-40-12 Kamitakada, Nakano-ku, Tokyo	Beneficial interest in real estate trust	1,130	885
	COMFORIA SHIMOKITAZAWA	1-9-14 Hanegi, Setagaya-ku, Tokyo	Beneficial interest in real estate trust	3,600	2,352
	COMFORIA NISHIKAMATA	6-37-3 Nishi-Kamata, Ota-ku, Tokyo	Beneficial interest in real estate trust	2,240	1,419
	COMFORIA OYAMA	4-4 Oyamacho, Itabashi-ku, Tokyo	Beneficial interest in real estate trust	2,530	1,904
	COMFORIA KIYOSUMISHIRAKAWA SOUTH	3-2-13 Miyoshi, Koto-ku, Tokyo	Beneficial interest in real estate trust	1,020	672
	COMFORIA KOMAZAWA	2-1-5 Komazawa, Setagaya-ku, Tokyo	Beneficial interest in real estate trust	1,800	1,253
	COMFORIA KOISHIKAWA	2-17-27 Koishikawa, Bunkyo-ku, Tokyo	Beneficial interest in real estate trust	712	545
	COMFORIA SENGOKU	4-3-20 Sengoku, Bunkyo-ku, Tokyo	Beneficial interest in real estate trust	1,820	1,241
	COMFORIA DAIKANYAMAAOBADAI	2-1-7 Aobadai, Meguro-ku, Tokyo	Beneficial interest in real estate trust	1,490	907
	COMFORIA IKEBUKURO	2-57-1 Ikebukuro, Toshima-ku, Tokyo	Beneficial interest in real estate trust	724	554
	COMFORIA RYOGOKUISHIWARA	1-36-1 Ishiwarara, Sumida-ku, Tokyo	Beneficial interest in real estate trust	867	602
	COMFORIA ASAKUSABASHI DEUX	5-24-10 Asakusabashi, Taito-ku, Tokyo	Beneficial interest in real estate trust	1,090	826
	COMFORIA OSHIAGE	4-7-2 Narihira, Sumida-ku, Tokyo	Beneficial interest in real estate trust	900	677
	COMFORIA HONJOAZUMABASHI	2-11-12 Honjo, Sumida-ku, Tokyo	Beneficial interest in real estate trust	1,010	726
	COMFORIA KIYOSUMISHIRAKAWA TROIS	3-5-14 Shirakawa, Koto-ku, Tokyo	Beneficial interest in real estate trust	1,120	818
	COMFORIA MONZENNAKACHO	16-8 Fuyuki, Koto-ku, Tokyo	Beneficial interest in real estate trust	3,430	2,478
	COMFORIA HIMONYA	2-3-3 Himonya, Meguro-ku, Tokyo	Beneficial interest in real estate trust	1,660	1,158
	COMFORIA MISYUKU	3-23-2 Ikejiri, Setagaya-ku, Tokyo	Beneficial interest in real estate trust	2,550	1,770
	COMFORIA GAKUGEIDAIGAKU	6-46-6 Shimouma, Setagaya-ku, Tokyo	Beneficial interest in real estate trust	1,670	1,100
	COMFORIA HIGASHINAKANO DEUX	4-2-19 Higashi-Nakano, Nakano-ku, Tokyo	Beneficial interest in real estate trust	1,200	788
	COMFORIA HIGASHI Ikebukuro WEST	3-22-21 Higashi-Ikebukuro, Toshima-ku, Tokyo	Beneficial interest in real estate trust	5,580	3,668
	COMFORIA RYOGOKU DEUX	1-2-10 Chitose, Sumida-ku, Tokyo	Beneficial interest in real estate trust	1,430	991

Area	Property name	Address	Ownership form	Appraisal value at end of period (millions of yen) (Note 1)	Book value (millions of yen) (Note 2)
Sub-central Tokyo	COMFORIA OMORI DEUX	3-4-2 Omorikita, Ota-ku, Tokyo	Beneficial interest in real estate trust	1,500	1,199
	COMFORIA MACHIYA	5-51-7 Arakawa, Arakawa-ku, Tokyo	Beneficial interest in real estate trust	953	616
	COMFORIA ASAKUSABASHI	2-20-10 Yanagibashi, Taito-ku, Tokyo	Beneficial interest in real estate trust	3,680	2,517
	COMFORIA RYOGOKU SOUTH	2-14-8 Chitose, Sumida-ku, Tokyo	Beneficial interest in real estate trust	1,700	1,168
	COMFORIA TOYOSU	1-4-12 Edagawa, Koto-ku, Tokyo	Beneficial interest in real estate trust	3,900	2,913
	COMFORIA SUMIDA-TACHIBANA	5-18-5 Tachibana, Sumida-ku, Tokyo	Beneficial interest in real estate trust	1,040	919
	COMFORIA UENOHIROKOJI	3-17-4 Ueno, Taito-ku, Tokyo	Beneficial interest in real estate trust	1,340	1,065
	COMFORIA KASUGATOMISAKA	1-11-18 Kasuga, Bunkyo-ku, Tokyo	Beneficial interest in real estate trust	3,820	2,797
	COMFORIA HONKOMAGOME	2-29-24 Honkomagome, Bunkyo-ku, Tokyo	Beneficial interest in real estate trust	1,800	1,340
	COMFORIA MORISHITA	3-6-8 Shin-Ohashi, Koto-ku, Tokyo	Beneficial interest in real estate trust	1,810	1,443
	COMFORIA KIBAKOEN	2-17-7 Kiba, Koto-ku, Tokyo	Beneficial interest in real estate trust	1,200	905
	COMFORIA MEGURO CHOJAMARU	2-6-25 Kami-Osaki, Shinagawa-ku, Tokyo	Beneficial interest in real estate trust	2,580	1,944
	COMFORIA NISHIMAGOME	2-35-8 Nishi-Magome, Ota-ku, Tokyo	Beneficial interest in real estate trust	1,110	956
	COMFORIA HIGASHIIEBUKURO EAST	2-8-1 Higashi-Ikebukuro, Toshima-ku, Tokyo	Beneficial interest in real estate trust	2,580	1,629
	COMFORIA HIGASHIIEBUKURO	4-3-5 Higashi-Ikebukuro, Toshima-ku, Tokyo	Beneficial interest in real estate trust	1,500	1,120
	COMFORIA KOMABA	4-8-25 Ikejiri, Setagaya-ku, Tokyo	Beneficial interest in real estate trust	5,810	5,126
	COMFORIA KINSHICHO	3-8-6 Taihei, Sumida-ku, Tokyo	Beneficial interest in real estate trust	1,290	1,030
	COMFORIA MINAMISUNAMACHI	4-4-20 Minamisuna, Koto-ku, Tokyo	Beneficial interest in real estate trust	4,920	4,639
	COMFORIA HIGASHISHINAGAWA	3-22-11 Higashi-Shinagawa, Shinagawa-ku, Tokyo	Beneficial interest in real estate trust	1,850	1,522
	COMFORIA MEGUROYAKUMO	1-12-10 Yakumo, Meguro-ku, Tokyo	Beneficial interest in real estate trust	934	842
	COMFORIA YOGA	3-24-3 Yoga, Setagaya-ku, Tokyo	Beneficial interest in real estate trust	1,150	1,079
	COMFORIA ITABASHINAKAJUKU	62-2 Nakajuku, Itabashi-ku, Tokyo	Beneficial interest in real estate trust	4,450	3,887
	COMFORIA SHINAGAWA EAST	1-20-8 Kitashinagawa, Shinagawa-ku, Tokyo	Beneficial interest in real estate trust	1,640	1,452
	COMFORIA OJIMA	4-8-10 Ojima, Koto-ku, Tokyo	Real estate	2,300	2,212
	COMFORIA OMORI TROIS	3-36-7 Omorikita, Ota-ku, Tokyo	Real estate	1,010	907
	COMFORIA BUNKYO HAKUSAN	1-3-2 Honkomagome, Bunkyo-ku, Tokyo	Beneficial interest in real estate trust	1,460	1,430

Area	Property name	Address	Ownership form	Appraisal value at end of period (millions of yen) (Note 1)	Book value (millions of yen) (Note 2)
Sub-central Tokyo	COMFORIA KAMATA	4-21-2 Kamata, Ota-ku, Tokyo	Beneficial interest in real estate trust	6,850	5,764
	COLLEGE COURT HACHIMANYAMA	1-15-1 Kamitakaido, Suginami-ku, Tokyo	Beneficial interest in real estate trust	1,270	1,256
	COMFORIA UENOIRIYA	2-6-8 Ryusen, Taito-ku, Tokyo	Beneficial interest in real estate trust	2,390	2,206
	COMFORIA IKEJIRI	2-31-18 Ikejiri, Setagaya-ku, Tokyo	Beneficial interest in real estate trust	1,440	1,388
	COMFORIA SETAGAYAKAMIUMA	3-6-11 Kamiuma, Setagaya-ku, Tokyo	Beneficial interest in real estate trust	2,840	2,659
	COMFORIA AKABANEIWABUCHI	26-11 Iwabuchimachi, Kita-ku, Tokyo	Beneficial interest in real estate trust	2,650	2,758
	COMFORIA RYOGOKU TROIS	1-5-15 Kamezawa, Sumida-ku, Tokyo	Real estate	1,720	1,758
	COLLEGE SQUARE HACHIMANYAMA	1-15-2 Kamitakaido, Suginami-ku, Tokyo	Beneficial interest in real estate trust	910	900
	COMFORIA KINSHICHO DEUX	2-10-20 Mori, Koto-ku, Tokyo	Beneficial interest in real estate trust	2,300	2,263
	COMFORIA KAMEIDO SOUTH	6-25-5 Kameido, Koto-ku, Tokyo	Beneficial interest in real estate trust	2,180	2,098
	COMFORIA SHIBUYA WEST	4-4-5 Aobadai, Meguro-ku, Tokyo	Beneficial interest in real estate trust	6,050	5,481
	COMFORIA ASAKUSAKOMAGATA	2-4-7 Komagata, Taito-ku, Tokyo	Beneficial interest in real estate trust	1,350	1,319
	COMFORIA OMORIKASHIMA	6-20-10 Oi, Shinagawa-ku, Tokyo	Beneficial interest in real estate trust	890	911
	COMFORIA OMORIMACHI	4-11-5 Omori-nishi, Ota-ku, Tokyo	Beneficial interest in real estate trust	1,200	1,186
	COMFORIA KAMIIKEDAI	5-7-22 Kamiikedai, Ota-ku, Tokyo	Beneficial interest in real estate trust	2,010	1,987
	CAMPUS VILLAGE SHIINAMACHI	3-2-19 Nagasaki, Toshima-ku, Tokyo	Beneficial interest in real estate trust	2,860	2,793
	COMFORIA TAKINOGAWA	7-48-2 Takinogawa, Kita-ku, Tokyo	Beneficial interest in real estate trust	3,620	3,546
	COMFORIA KIBASHINSUIKOEN	3-11-13 Kiba, Koto-ku, Tokyo	Beneficial interest in real estate trust	1,330	1,381
	COMFORIA NISHIMAGOME HILLSIDE	1-30-8 Nishimagome, Ota-ku, Tokyo	Real estate	1,400	1,443
	COMFORIA Ikebukuro Deux	2-19-14 Minami-Ikebukuro, Toshima-ku, Tokyo	Beneficial interest in real estate trust	1,960	1,973
	COMFORIA NARIMASU	3-18-13 Asahi-cho, Nerima-ku, Tokyo	Real estate	1,580	1,678
Subtotal				150,290	123,794
Tokyo metropolitan area	COMFORIA ICHIKAWAMYODEN	1-9-10 Shioyaki, Ichikawa-shi, Chiba	Beneficial interest in real estate trust	766	589
	COMFORIA YATSUKA	3-38-3 Sezaki, Soka-shi, Saitama	Beneficial interest in real estate trust	739	640
	COMFORIA SHINKOYASU	2-216-2 Koyasudori, Kanagawa-ku, Yokohama-shi, Kanagawa	Beneficial interest in real estate trust	1,280	1,018
	COMFORIA GYOTOKU	2-1-13 Gyotokuekimae, Ichikawa-shi, Chiba	Beneficial interest in real estate trust	1,070	1,028
	GRANCREER CENTER-MINAMI	40-3 Chigasaki Chuo, Tsuzuki-ku, Yokohama-shi, Kanagawa	Beneficial interest in real estate trust	4,220	4,232
	COMFORIA TAMA-PLAZA	2-12-1 Utsukushigaoka, Aoba-ku, Yokohama-shi, Kanagawa	Beneficial interest in real estate trust	2,270	2,392
Subtotal				10,345	9,901

Area	Property name	Address	Ownership form	Appraisal value at end of period (millions of yen) (Note 1)	Book value (millions of yen) (Note 2)
Other major cities	COMFORIA SHIN-OSAKA	1-21-24 Higashi-Nakajima, Higashi-Yodogawa-ku, Osaka-shi, Osaka	Beneficial interest in real estate trust	2,960	2,238
	COMFORIA KITASANJO	2-2-51 Kita-Sanjo Higashi, Chuo-ku, Sapporo-shi, Hokkaido	Beneficial interest in real estate trust	1,030	649
	COMFORIA SAPPORO SHOKUBUTSUEN	10-1-6 Kitanijo-Nishi, Chuo-ku, Sapporo-shi, Hokkaido	Beneficial interest in real estate trust	1,370	1,280
	COMFORIA OGIMACHI	3-7-15 Tenjinbashi, Kita-ku, Osaka-shi, Osaka	Beneficial interest in real estate trust	1,560	1,490
	COMFORIA SHINSAIBASHI EAST	2-6-8 Bakumomachi, Chuo-ku, Osaka-shi, Osaka	Beneficial interest in real estate trust	2,070	2,003
	COMFORIA KYOMACHIBORI	1-16-14 Kyomachibori, Nishi-ku, Osaka-shi, Osaka	Beneficial interest in real estate trust	1,740	1,579
	COMFORIA AWAZA	1-5-5 Enokojima, Nishi-ku, Osaka-shi, Osaka	Beneficial interest in real estate trust	1,440	1,301
	COMFORIA KITAHAMA	2-1-14 Imabashi, Chuo-ku, Osaka-shi, Osaka	Beneficial interest in real estate trust	1,870	1,746
	COMFORIA ESAKAHIROSHIBACHO	19-13 Hiroshibacho, Suita-shi, Osaka	Beneficial interest in real estate trust	1,740	1,783
	Subtotal			15,780	14,073
	Total			301,101	245,122

(Note 1) "Appraisal value at end of period" indicates the appraisal value by a real estate appraiser (based on real estate appraisal reports or research reports prepared by the Japan Real Estate Institute, Daiwa Real Estate Appraisal Co., Ltd., The Tanizawa Sōgō Appraisal Co., Ltd., JLL Morii Valuation & Advisory K.K. and Japan Valuers Co., Ltd., with the account closing date as the date of value estimate), pursuant to the method of asset appraisal stipulated in the Articles of Incorporation of the Investment Corporation as well as the "Ordinance on Accountings of Investment Corporations" (Cabinet Office Ordinance No. 47 of 2006).

(Note 2) "Book value" indicates the acquisition price (including miscellaneous expenses related to the acquisition) as of the end of the 20th Fiscal Period (July 31, 2020) minus accumulated depreciation.

The overview of the rental business by assets under management of the Investment Corporation is as follows.

Area	Property name	19th Fiscal Period (from August 1, 2019 to January 31, 2020)				20th Fiscal Period (From February 1, 2020 to July 31, 2020)			
		Total number of tenants (at end of period) (Note 1)	Occupancy rate (at end of period) (%) (Note 2)	Rental revenue (during period) (thousands of yen)	Ratio to total rental revenues (%)	Total number of tenants (at end of period) (Note 1)	Occupancy rate (at end of period) (%) (Note 2)	Rent revenue (during period) (thousands of yen)	Ratio to total rental revenues (%)
Central Tokyo	COMFORIA NIHONBASHI NINGYOCHO	1	93.6	58,446	0.7	1	100.0	60,534	0.7
	COMFORIA WASEDA	1	95.9	68,177	0.8	1	97.9	68,091	0.8
	COMFORIA SHIMOOCHIAI	1	94.6	47,161	0.5	1	95.5	47,530	0.5
	COMFORIA HIGASHINAKANO	1	91.3	22,138	0.3	1	94.5	21,700	0.2
	COMFORIA GINZA EAST	1	97.8	119,580	1.4	1	96.7	119,982	1.3
	COMFORIA AZABUDAI	1	89.0	22,165	0.3	1	100.0	22,778	0.3
	COMFORIA SHIBAKOEN	1	98.4	50,739	0.6	1	98.3	51,276	0.6
	COMFORIA NISHIAZABU	1	95.8	27,319	0.3	1	100.0	27,152	0.3
	COMFORIA MINAMIAOYAMA	1	100.0	43,960	0.5	1	93.8	44,932	0.5
	COMFORIA NISHIWASEDA	1	98.6	60,951	0.7	1	87.9	62,270	0.7
	COMFORIA HARAJOYUKU	1	96.3	128,786	1.5	1	87.4	124,561	1.4
	COMFORIA MITA NORTH	1	96.2	30,716	0.4	1	93.4	29,543	0.3
	COMFORIA SHIBAURA BOWHOUSE	1	100.0	99,169	1.2	1	92.0	100,639	1.1
	COMFORIA SHIROKANETAKANAWA	1	89.7	46,555	0.5	1	97.4	48,415	0.5
	COMFORIA NIHONBASHI NINGYOCHO EAST	1	96.4	69,010	0.8	1	93.8	68,727	0.8
	COMFORIA ATAGO	1	100.0	29,086	0.3	1	95.0	30,109	0.3
	COMFORIA KUDAN	1	100.0	40,015	0.5	1	96.7	41,679	0.5
	COMFORIA NIHONBASHI NINGYOCHO NORTH	1	94.5	35,574	0.4	1	97.2	38,993	0.4
	COMFORIA SHINKAWA	1	98.3	61,001	0.7	1	93.3	61,196	0.7
	COMFORIA AKASAKA	1	95.0	66,928	0.8	1	97.5	68,315	0.8
	COMFORIA MITA EAST	1	95.8	103,425	1.2	1	94.1	104,435	1.2
	COMFORIA SHIBAURA CANAL	1	99.0	54,875	0.6	1	98.9	56,475	0.6
	COMFORIA KITASANDO	1	94.5	135,841	1.6	1	92.8	136,027	1.5
	COMFORIA YOYOGIUEHARA	1	98.2	51,923	0.6	1	90.4	49,771	0.6
	COMFORIA SASAZUKA	1	100.0	68,717	0.8	1	99.0	68,168	0.8
	COMFORIA SHINJUKUGYOEN II	1	96.8	58,167	0.7	1	93.7	58,679	0.6
	COMFORIA ICHIGAYAYANAGICHO	1	98.7	52,727	0.6	1	92.5	51,967	0.6
	COMFORIA KAGURAZAKA	1	97.0	24,062	0.3	1	91.4	23,539	0.3
	COMFORIA NIBANCHO	1	100.0	51,121	0.6	1	91.2	51,396	0.6
	COMFORIA NISHISHINJUKU	1	91.8	46,267	0.5	1	94.4	45,651	0.5
	COMFORIA KANDAJINBOCHO	1	97.6	44,779	0.5	1	97.7	44,721	0.5
	COMFORIA NIHONBASHI	1	97.1	65,469	0.8	1	97.0	65,429	0.7
	COMFORIA TAMACHI	1	98.5	102,376	1.2	1	93.1	99,803	1.1
	COMFORIA AZABUJUBAN	1	98.2	43,255	0.5	1	90.9	45,732	0.5
	COMFORIA SHINJUKUGYOEN I	1	98.3	44,170	0.5	1	91.5	46,184	0.5
	COMFORIA KAGURAZAKA DEUX	1	94.1	41,891	0.5	1	94.0	41,296	0.5
	COMFORIA AZABU EAST	1	96.7	76,853	0.9	1	100.0	77,766	0.9
	COMFORIA SHINJUKU EASTSIDE TOWER	1	95.5	1,537,891	17.9	1	92.2	1,551,528	17.2
	COMFORIA ICHIGAYAYAKUOJI	1	91.9	23,673	0.3	1	100.0	27,139	0.3
	COMFORIA AKIHABARA EAST	1	94.7	119,216	1.4	1	95.6	129,605	1.4
	COMFORIA MITA TROIS	1	100.0	25,410	0.3	1	96.9	24,948	0.3
	COMFORIA SHIBAURA	1	100.0	28,013	0.3	1	93.1	27,265	0.3
	COMFORIA SHINJUKU	1	97.2	56,191	0.7	1	90.2	59,449	0.7
	COMFORIA HIGASHINIHONBASHI	1	98.2	35,443	0.4	1	94.1	35,624	0.4
	COMFORIA GINZA EAST NIBANKAN	1	93.8	35,140	0.4	1	91.2	50,796	0.6
	COMFORIA HIGASHISHINJUKU STATION FRONT	—	—	—	—	1	98.7	130,765	1.4
	COMFORIA NAKAOCHIAI	—	—	—	—	1	87.3	30,180	0.3
	COMFORIA WASEDA DEUX	—	—	—	—	1	94.5	21,205	0.2
	Subtotal	1	96.3	4,054,390	47.3	1	93.8	4,293,989	47.6

Area	Property name	19th Fiscal Period (from August 1, 2019 to January 31, 2020)				20th Fiscal Period (From February 1, 2020 to July 31, 2020)			
		Total number of tenants (at end of period) (Note 1)	Occupancy rate (at end of period) (%) (Note 2)	Rental revenue (during period) (thousands of yen)	Ratio to total rental revenues (%)	Total number of tenants (at end of period) (Note 1)	Occupancy rate (at end of period) (%) (Note 2)	Rent revenue (during period) (thousands of yen)	Ratio to total rental revenues (%)
Sub-central Tokyo	COMFORIA BUNKYOKASUGA	1	97.3	60,320	0.7	1	94.5	64,030	0.7
	COMFORIA ASAKUSAMATSUGAYA	1	91.5	45,565	0.5	1	95.0	46,629	0.5
	COMFORIA NISHIOI	1	93.2	31,828	0.4	1	98.3	32,760	0.4
	COMFORIA NAKANO	1	85.0	31,070	0.4	1	92.3	32,307	0.4
	COMFORIA SHIMOKITAZAWA	1	97.7	98,759	1.2	1	97.4	95,059	1.1
	COMFORIA NISHIKAMATA	1	97.4	65,628	0.8	1	99.1	68,576	0.8
	COMFORIA OYAMA	1	95.8	79,314	0.9	1	94.6	79,789	0.9
	COMFORIA KIYOSUMISHIRAKAWA SOUTH	1	93.3	28,358	0.3	1	97.8	28,421	0.3
	COMFORIA KOMAZAWA	1	97.9	42,455	0.5	1	97.6	43,888	0.5
	COMFORIA KOISHIKAWA	1	100.0	20,616	0.2	1	97.4	22,812	0.3
	COMFORIA SENGOKU	1	97.9	56,091	0.7	1	100.0	57,356	0.6
	COMFORIA DAIKANYAMAAOBADAI	1	97.4	36,131	0.4	1	96.0	37,947	0.4
	COMFORIA Ikebukuro	1	100.0	23,525	0.3	1	89.2	22,826	0.3
	COMFORIA RYOGOKUISHIWARA	1	100.0	26,715	0.3	1	100.0	25,597	0.3
	COMFORIA ASAKUSABASHI DEUX	1	97.2	30,786	0.4	1	91.1	30,087	0.3
	COMFORIA OSHIAGE	1	95.4	26,172	0.3	1	94.3	27,314	0.3
	COMFORIA HONJOAZUMABASHI	1	98.2	28,906	0.3	1	98.2	28,493	0.3
	COMFORIA KIYOSUMISHIRAKAWA TROIS	1	98.1	31,639	0.4	1	100.0	32,557	0.4
	COMFORIA MONZENNAKACHO	1	98.6	93,519	1.1	1	97.2	95,390	1.1
	COMFORIA HIMONYA	1	95.1	43,712	0.5	1	95.6	42,764	0.5
	COMFORIA MISYUKU	1	94.8	66,882	0.8	1	98.4	67,667	0.7
	COMFORIA GAKUGEIDAIGAKU	1	97.3	40,669	0.5	1	90.9	41,708	0.5
	COMFORIA HIGASHINAKANO DEUX	1	94.1	30,902	0.4	1	87.9	29,796	0.3
	COMFORIA HIGASHIIEBUKURO WEST	1	98.1	164,969	1.9	1	92.7	170,487	1.9
	COMFORIA RYOGOKU DEUX	1	95.5	37,855	0.4	1	94.0	38,567	0.4
	COMFORIA OMORI DEUX	1	100.0	40,808	0.5	1	100.0	42,391	0.5
	COMFORIA MACHIYA	1	100.0	27,537	0.3	1	87.8	26,430	0.3
	COMFORIA ASAKUSABASHI	1	96.9	102,936	1.2	1	94.8	103,752	1.1
	COMFORIA RYOGOKU SOUTH	1	97.8	49,179	0.6	1	95.7	49,750	0.6
	COMFORIA TOYOSU	1	92.4	102,330	1.2	1	96.9	105,491	1.2
	COMFORIA SUMIDA-TACHIBANA	1	92.3	31,704	0.4	1	93.9	32,025	0.4
	COMFORIA UENOHIROKOJI	1	93.1	34,961	0.4	1	88.3	34,695	0.4
	COMFORIA KASUGATOMISAKA	1	97.6	93,071	1.1	1	99.4	96,524	1.1
	COMFORIA HONKOMAGOME	1	97.3	46,407	0.5	1	100.0	46,521	0.5
	COMFORIA MORISHITA	1	96.2	49,685	0.6	1	98.7	50,727	0.6
	COMFORIA KIBAKOEN	1	96.7	33,363	0.4	1	96.7	34,268	0.4
	COMFORIA MEGURO CHOJAMARU	1	94.6	73,539	0.9	1	93.7	71,380	0.8
	COMFORIA NISHIMAGOME	1	97.6	31,944	0.4	1	100.0	34,225	0.4
	COMFORIA HIGASHIIEBUKURO EAST	1	94.0	69,358	0.8	1	95.5	70,510	0.8
	COMFORIA HIGASHIIEBUKURO	1	95.7	37,085	0.4	1	95.3	37,870	0.4
	COMFORIA KOMABA	1	95.6	139,200	1.6	1	90.8	132,374	1.5
	COMFORIA KINSHICHO	1	100.0	35,890	0.4	1	96.3	36,583	0.4
	COMFORIA MINAMISUNAMACHI	1	97.4	133,063	1.6	1	96.5	137,388	1.5
	COMFORIA HIGASHISHINAGAWA	1	100.0	53,842	0.6	1	98.2	52,286	0.6
	COMFORIA MEGUROYAKUMO	1	94.2	26,930	0.3	1	94.7	26,254	0.3
	COMFORIA YOGA	1	100.0	30,470	0.4	1	97.8	32,613	0.4
	COMFORIA ITABASHINAKAJUKU	1	97.0	125,144	1.5	1	94.4	126,555	1.4
	COMFORIA SHINAGAWA EAST	1	99.1	76,303	0.9	1	90.7	75,911	0.8

Area	Property name	19th Fiscal Period (from August 1, 2019 to January 31, 2020)				20th Fiscal Period (From February 1, 2020 to July 31, 2020)			
		Total number of tenants (at end of period) (Note 1)	Occupancy rate (at end of period) (%) (Note 2)	Rental revenue (during period) (thousands of yen)	Ratio to total rental revenues (%)	Total number of tenants (at end of period) (Note 1)	Occupancy rate (at end of period) (%) (Note 2)	Rent revenue (during period) (thousands of yen)	Ratio to total rental revenues (%)
Sub-central Tokyo	COMFORIA OJIMA	1	97.0	58,993	0.7	1	96.0	60,613	0.7
	COMFORIA OMORI TROIS	1	88.7	24,872	0.3	1	92.1	26,582	0.3
	COMFORIA BUNKYOHAKUSAN	1	98.5	38,874	0.5	1	87.7	38,119	0.4
	COMFORIA KAMATA	1	96.4	163,071	1.9	1	95.8	163,073	1.8
	COLLEGE COURT HACHIMANYAMA	1	100.0	30,222	0.4	1	100.0	30,222	0.3
	COMFORIA UENOIRIYA	1	96.3	63,849	0.7	1	93.0	64,389	0.7
	COMFORIA IKEJIRI	1	100.0	35,284	0.4	1	95.7	35,175	0.4
	COMFORIA SETAGAYAKAMIUMA	1	100.0	73,462	0.9	1	98.9	74,253	0.8
	COMFORIA AKABANEIWABUCHI	1	96.1	70,239	0.8	1	96.3	71,867	0.8
	COMFORIA RYOGOKU TROIS	1	97.3	42,707	0.5	1	91.6	40,087	0.4
	COLLEGE SQUARE HACHIMANYAMA	1	100.0	20,976	0.2	1	100.0	20,976	0.2
	COMFORIA KINSHICHO DEUX	1	99.0	60,793	0.7	1	91.8	59,772	0.7
	COMFORIA KAMEIDO SOUTH	1	100.0	58,436	0.7	1	100.0	58,168	0.6
	COMFORIA SHIBUYA WEST	1	97.5	134,620	1.6	1	92.1	138,674	1.5
	COMFORIA ASAKUSAKOMAGATA	1	100.0	35,167	0.4	1	94.9	37,724	0.4
	COMFORIA OMORIKASHIMA	1	97.2	24,885	0.3	1	91.2	26,061	0.3
	COMFORIA OMORIMACHI	1	100.0	30,777	0.4	1	92.0	30,528	0.3
	COMFORIA KAMIKEDAI	1	100.0	52,614	0.6	1	95.1	55,094	0.6
	CAMPUS VILLAGE SHIINAMACHI	1	100.0	63,228	0.7	1	100.0	66,178	0.7
	COMFORIA TAKINOGAWA	—	—	—	—	1	98.1	88,819	1.0
	COMFORIA KIBASHINSUIKOEN	—	—	—	—	1	96.3	25,620	0.3
	COMFORIA NISHIMAGOME HILLSIDE	—	—	—	—	1	94.1	21,308	0.2
	COMFORIA Ikebukuro DEUX	—	—	—	—	1	96.0	9,703	0.1
	COMFORIA NARIMASU	—	—	—	—	1	82.0	6,221	0.1
	Subtotal	3	97.0	3,770,234	43.9	3	95.3	3,968,614	44.0
Tokyo metropolitan area	COMFORIA ICHIKAWAMYODEN	1	95.4	24,522	0.3	1	97.8	24,042	0.3
	COMFORIA YATSUKA	1	96.8	27,677	0.3	1	96.8	28,010	0.3
	COMFORIA SHINKOYASU	1	94.7	39,210	0.5	1	100.0	41,322	0.5
	COMFORIA GYOTOKU	1	89.6	27,669	0.3	1	96.6	29,410	0.3
	GRANCREER CENTER-MINAMI	1	100.0	120,300	1.4	1	100.0	120,300	1.3
	COMFORIA TAMA-PLAZA	1	94.8	53,285	0.6	1	95.6	54,655	0.6
	Subtotal	2	98.1	292,665	3.4	2	99.1	297,742	3.3
Other major cities	COMFORIA SHIN-OSAKA	1	96.6	91,451	1.1	1	98.3	92,019	1.0
	COMFORIA SHINSAKAE (Note 3)	—	—	43,914	0.5	—	—	—	—
	COMFORIA KITASANJO	1	98.9	36,496	0.4	1	92.3	36,901	0.4
	COMFORIA SAPPORO SHOKUBUTSUEN	1	92.9	40,831	0.5	1	92.9	42,694	0.5
	COMFORIA OGIMACHI	1	92.9	42,943	0.5	1	95.0	43,121	0.5
	COMFORIA SHINSAIBASHI EAST	1	97.6	61,706	0.7	1	96.6	61,442	0.7
	COMFORIA KYOMACHIBORI	1	97.6	47,877	0.6	1	92.8	47,390	0.5
	COMFORIA AWAZA	1	98.6	42,946	0.5	1	95.1	42,715	0.5
	COMFORIA KITAHAMA	1	95.4	53,863	0.6	1	91.1	52,558	0.6
	COMFORIA ESAKAHIROSHIBACHO	—	—	—	—	1	98.3	49,489	0.5
	Subtotal	1	96.4	462,030	5.4	1	95.1	468,333	5.2
	Total	4	96.7	8,579,321	100.0	4	95.0	9,028,680	100.0

(Note 1) “Total number of tenants” indicates the total number of tenants under a direct lease relationship with the Investment Corporation or the trustee (including tenants planned to have lease relationships). Therefore, in cases where the Investment Corporation or trustee comprehensively leases all of the apartments for rent from each managed property to the master lease company (hereinafter referred to as the “introduction of a master lease”), and said master lease company subleases each room for rent to end tenants, the total number of tenants will be shown as “1,” and will not include the number of end tenants related to the said sublease. Tokyu Housing Lease Corporation, MAINICHICOMNET Co., Ltd., Tokyu Land Corporation and Sigma Japan are the four master lease companies hired by the Investment Corporation for its assets under management; therefore, the sum of the total number of tenants is set as “4,” which is the total number of master lease companies. Even for managed assets where a master lease is introduced, end tenants who do not accept the introduction of a master lease will be under a direct lease relationship with the Investment Corporation or trustee. However, the number of said end tenants is not included in the total number of tenants.

(Note 2) “Occupancy rate” is the percentage of rented area vs. the rentable area of each managed asset.

(Note 3) This property was sold to a third party as of December 25, 2019.

4. Statement of Renewable Energy Power Generation Facilities

Not applicable

5. Statement of Operational License of Public Facilities

Not applicable

6. Statement of Securities Incorporated in the Portfolio

Not applicable

7. Details of Specified Transactions

The amount of specified derivative transactions entered into by the Investment Corporation and fair value as of July 31, 2020 are as follows.

Segment	Type	Contract amount (millions of yen)		Fair value (millions of yen) (Note 2)
		(Note 1)	Over 1 year	
Over-the-counter transactions	Receive floating, pay fixed interest-rate swap transactions	50,970	40,545	—
Total		50,970	40,545	—

(Note 1) The contract amount of the interest-rate swap transactions is based on the notional principal.

(Note 2) The fair value was calculated by the counterparty of the relevant transaction based on the actual market interest rate. The fair value is omitted for transactions that meet the requirements for special treatment pursuant to the Accounting Standard for Financial Instruments.

8. Other Assets

Trust beneficial interests in properties owned by the Investment Corporation are listed on the aforementioned “3. Statement of Properties Incorporated in the Portfolio.” As of the end of the 20th Fiscal Period, there is no incorporation in particular of specified assets as principal investment targets by the Investment Corporation, other than assets in the aforementioned “3. Statement of Properties Incorporated in the Portfolio,” “4. Statement of Renewable Energy Power Generation Facilities,” “5. Statement of Operational License of Public Facilities” and “6. Statement of Securities Incorporated in the Portfolio.”

9. Ownership of Assets by Country and Region

Not applicable for countries and regions other than Japan

Capital Expenditure for Properties Owned

1. Expected Capital Expenditure

Major capital expenditure that accompanies repair work currently planned for assets already acquired (includes assets under management that were acquired after the account closing date) is as follows. The following expected amount of construction work includes portions that are separately accounted under expenses.

Property name (location)	Purpose	Scheduled period	Expected amount of construction work (thousands of yen)		
			Total amount	Payment for the period	Total amount already paid
COMFORIA SHIBAURA BOWHOUSE (Minato-ku, Tokyo)	Large-scale repair work	From Feb. 2021 to Jul. 2021	74,800	—	—
COMFORIA AKABANEIWABUCHI (Kita-ku, Tokyo)	Large-scale repair work	From Feb. 2021 to Jul. 2021	68,000	—	—
COMFORIA KANDAJINBOCHO (Chiyoda-ku, Tokyo)	Large-scale repair work	From Feb. 2021 to Jul. 2021	53,300	—	—
COMFORIA RYOGOKUISHIWARA (Sumida-ku, Tokyo)	Large-scale repair work	From Feb. 2021 to Jul. 2021	40,400	—	—
COMFORIA NISHIAZABU (Minato-ku, Tokyo)	Large-scale repair work	From Feb. 2021 to Jul. 2021	34,500		
COMFORIA IKEBUKURO (Toshima-ku, Tokyo)	Large-scale repair work	From Feb. 2021 to Jul. 2021	34,000		

2. Capital Expenditure during the Period

The overview of main construction work corresponding to capital expenditure that took place in the 20th Fiscal Period for the managed assets owned as of the end of the period is as follows. Capital expenditure during the 20th Fiscal Period was ¥310,684 thousand. Together with repair expenses of ¥385,794 thousand that were classified as expenses for the 20th Fiscal Period, construction work totaling ¥696,479 thousand was carried out.

Property name (location)	Purpose	Period	Construction cost (thousands of yen)
COMFORIA KAMIIKEDAI (Ota-ku, Tokyo)	Large-scale repair work	From Jan. 2020 to Jul. 2020	52,846
COMFORIA KOMAZAWA (Setagaya-ku, Tokyo)	Large-scale repair work	From Dec. 2019 to Jul. 2020	50,623
COMFORIA YATSUKA (Soka-shi, Saitama)	Large-scale repair work	From Jan. 2020 to Jun. 2020	45,800
COMFORIA TAMA-PLAZA (Yokohama-shi, Kanagawa)	Large-scale repair work	From Jan. 2020 to Jul. 2020	36,861
COMFORIA OMORIMACHI (Ota-ku, Tokyo)	Large-scale repair work	From Feb. 2020 to Jun. 2020	30,972
Other properties, etc.	Replacement of air conditioners, etc.	From Feb. 2020 to Jul. 2020	93,581
Total			310,684

3. Funding Reserved for Long-Term Repair Plans

From the cash flows during the fiscal period, the Investment Corporation sets aside reserves for repairs, which are to be appropriated for repairs in the medium to long term.

(Thousands of yen)

Fiscal period	16th Fiscal Period	17th Fiscal Period	18th Fiscal Period	19th Fiscal Period	20th Fiscal Period
	From Feb. 1, 2018 to Jul. 31, 2018	From Aug. 1, 2018 to Jan. 31, 2019	From Feb. 1, 2019 to Jul. 31, 2019	From Aug. 1, 2019 to Jan. 31, 2020	From Feb. 1, 2020 to Jul. 31, 2020
Balance of reserves at the beginning of period	328,884	357,243	396,925	398,483	386,748
Amount of reserves during period	508,774	477,118	624,729	559,814	921,967
Reversal of reserves during period	480,415	437,436	623,170	571,549	669,566
Amount carried forward to next period	357,243	396,925	398,483	386,748	639,150

1. Statement of Expenses Related to Investments

(Thousands of yen)

Item	19th Fiscal Period From Aug. 1, 2019 to Jan. 31, 2020	20th Fiscal Period From Feb. 1, 2020 to Jul. 31, 2020
Asset management fee (Note)	522,018	525,333
Asset custody fee	8,395	8,405
Administrative service fees	26,312	27,584
Directors' compensation	3,600	3,600
Other expenses	260,436	290,016
Total	820,762	854,939

(Note) In addition to the amount stated above, asset management fees came to ¥23,800 thousand and ¥111,005 thousand in the 19th Fiscal Period and 20th Fiscal Period, respectively, related to the acquisition of property that were incorporated in the book value of each property and asset management fees came to ¥18,700 thousand in the 19th Fiscal Period related to the sale of property.

2. Loan Status

The status of loans as of July 31, 2020 is as follows.

Type	Lender	Drawdown date	Balance at the beginning of current period (millions of yen)	Balance at the end of current period (millions of yen)	Average interest rate (%) (Note 2)	Maturity date	Repayment method	Use of funds	Remarks
Long-term loans (Note 1)	MUFG Bank, Ltd.	Feb. 4, 2014	2,000	2,000	0.88240	Jan. 31, 2021	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.		1,000	1,000					
	Mizuho Bank, Ltd.		1,000	1,000					
	Sumitomo Mitsui Trust Bank, Limited		1,000	1,000					
	Sumitomo Mitsui Banking Corporation		500	500					
	MUFG Bank, Ltd.	Jun. 30, 2014	1,340	-	0.60150	Jun. 30, 2020	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.		670	-					
	Mizuho Bank, Ltd.		670	-					
	Sumitomo Mitsui Trust Bank, Limited		670	-					
	Sumitomo Mitsui Banking Corporation		350	-					
	MUFG Bank, Ltd.	Jun. 30, 2014	1,820	1,820	0.90100	Jun. 30, 2022	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.		910	910					
	Mizuho Bank, Ltd.		910	910					
	Sumitomo Mitsui Trust Bank, Limited		910	910					
	Sumitomo Mitsui Banking Corporation		450	450					
	MUFG Bank, Ltd.	Feb. 3, 2015	1,200	1,200	0.69250	Jan. 31, 2022	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.		600	600					
	Mizuho Bank, Ltd.		600	600					
	Sumitomo Mitsui Trust Bank, Limited		600	600					
	Sumitomo Mitsui Banking Corporation		300	300					
	MUFG Bank, Ltd.	Feb. 3, 2015	1,240	1,240	0.79875	Jan. 31, 2023	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.		620	620					
	Mizuho Bank, Ltd.		620	620					
	Sumitomo Mitsui Trust Bank, Limited		620	620					
	Sumitomo Mitsui Banking Corporation		310	310					
	MUFG Bank, Ltd.	Feb. 3, 2015	1,240	1,240	1.04200	Jan. 31, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.		620	620					
	Mizuho Bank, Ltd.		620	620					
	Sumitomo Mitsui Trust Bank, Limited		620	620					
	Sumitomo Mitsui Banking Corporation		310	310					

Type	Lender	Drawdown date	Balance at the beginning of current period (millions of yen)	Balance at the end of current period (millions of yen)	Average interest rate (%) (Note 2)	Maturity date	Repayment method	Use of funds	Remarks
Long-term loans (Note 1)	MUFG Bank, Ltd.	Feb. 2, 2016	720	720	0.58430	Mar. 31, 2023	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.		360	360					
	Mizuho Bank, Ltd.		360	360					
	Sumitomo Mitsui Trust Bank, Limited		360	360					
	Sumitomo Mitsui Banking Corporation		200	200					
	MUFG Bank, Ltd.	Feb. 2, 2016	840	840	0.62460	Aug. 31, 2023	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.		420	420					
	Mizuho Bank, Ltd.		420	420					
	Sumitomo Mitsui Trust Bank, Limited		420	420					
	Sumitomo Mitsui Banking Corporation		230	230					
	MUFG Bank, Ltd.	Feb. 2, 2016	980	980	0.67745	Feb. 29, 2024	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.		490	490					
	Mizuho Bank, Ltd.		490	490					
	Sumitomo Mitsui Trust Bank, Limited		490	490					
	Sumitomo Mitsui Banking Corporation		220	220					
	Development Bank of Japan Inc.	Mar. 23, 2016	1,570	1,570	0.27125	Mar. 31, 2021	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		1,570	1,570					
	Kiraboshi Bank, Ltd.		1,000	1,000					
	Sumitomo Mitsui Trust Bank, Limited	Mar. 23, 2016	785	785	0.61950	Mar. 31, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.		2,000	2,000					
	MUFG Bank, Ltd.		2,000	2,000					
	Sumitomo Mitsui Trust Bank, Limited	Aug. 1, 2016	1,000	1,000	0.46655	Jul. 31, 2024	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		1,160	1,160					
	Development Bank of Japan Inc.		580	580					
	Mizuho Bank, Ltd.		580	580					
	Sumitomo Mitsui Trust Bank, Limited		580	580					
	Sumitomo Mitsui Banking Corporation	Aug. 1, 2016	290	290	0.65518	Jul. 31, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		1,800	1,800					
	Development Bank of Japan Inc.		900	900					
	Mizuho Bank, Ltd.		900	900					
	Sumitomo Mitsui Trust Bank, Limited		900	900					
	Sumitomo Mitsui Banking Corporation	Jan. 31, 2017	450	450	0.46691	Jan. 31, 2022	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Trust & Banking Co., Ltd.		2,000	2,000					
	The Norinchukin Bank		1,500	1,500					
	The Bank of Fukuoka, Ltd.		1,000	1,000					
	The 77 Bank, Ltd.		500	500					
	The Daishi Bank, Ltd.	Feb. 2, 2017	500	500	0.62938	Jan. 31, 2024	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		1,160	1,160					
	Development Bank of Japan Inc.		580	580					
	Mizuho Bank, Ltd.		580	580					
	Sumitomo Mitsui Trust Bank, Limited		580	580					
	Sumitomo Mitsui Banking Corporation	Feb. 2, 2017	290	290	0.79571	Jan. 30, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		1,820	1,820					
	Development Bank of Japan Inc.		910	910					
	Mizuho Bank, Ltd.		910	910					
	Sumitomo Mitsui Trust Bank, Limited		910	910					
	Sumitomo Mitsui Banking Corporation	Sep. 29, 2017	450	450	0.49054	Sep. 30, 2022	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		1,140	1,140					
	Development Bank of Japan Inc.		570	570					
	Mizuho Bank, Ltd.		570	570					
	Sumitomo Mitsui Trust Bank, Limited		570	570					

Type	Lender	Drawdown date	Balance at the beginning of current period (millions of yen)	Balance at the end of current period (millions of yen)	Average interest rate (%) (Note 2)	Maturity date	Repayment method	Use of funds	Remarks
Long-term loans (Note 1)	MUFG Bank, Ltd.	Sep. 29, 2017	1,140	1,140	0.77571	Sep. 30, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.		570	570					
	Mizuho Bank, Ltd.		570	570					
	Sumitomo Mitsui Trust Bank, Limited		570	570					
	Sumitomo Mitsui Banking Corporation		300	300					
	MUFG Bank, Ltd.	Feb. 2, 2018	1,040	1,040	0.65428	Jan. 31, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.		520	520					
	Mizuho Bank, Ltd.		520	520					
	Sumitomo Mitsui Trust Bank, Limited		520	520					
	Sumitomo Mitsui Banking Corporation		260	260					
	Shinkin Central Bank	Mar. 30, 2018	1,300	1,300	0.45804	Mar. 31, 2023	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	The Norinchukin Bank		1,300	1,300					
	The Bank of Fukuoka, Ltd.		1,300	1,300					
	Mizuho Trust & Banking Co., Ltd.		1,000	1,000					
	MUFG Bank, Ltd.	Mar. 30, 2018	2,700	2,700	0.62188	Mar. 31, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		1,350	1,350					
	Sumitomo Mitsui Banking Corporation		600	600					
	Nippon Life Insurance Company	Aug. 31, 2018	500	500	0.55126	Jan. 31, 2024	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Taiyo Life Insurance Company		500	500					
	Resona Bank, Ltd.	Aug. 31, 2018	1,000	1,000	0.73497	Aug. 31, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	Sep. 25, 2018	550	550	0.85667	Mar. 31, 2027	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		550	550					
	Development Bank of Japan Inc.		550	550					
	MUFG Bank, Ltd.		275	275					
	Sumitomo Mitsui Banking Corporation	Jan. 31, 2019	275	275	0.43105	Jul. 31, 2023	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		550	550					
	Mizuho Bank, Ltd.		550	550					
	Sumitomo Mitsui Trust Bank, Limited		550	550					
	Development Bank of Japan Inc.	Jan. 31, 2019	550	550	0.39950	Jan. 31, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Banking Corporation		300	300					
	MUFG Bank, Ltd.		670	670					
	Mizuho Bank, Ltd.		670	670					
	Sumitomo Mitsui Trust Bank, Limited	Jan. 31, 2019	670	670	0.49994	Jan. 31, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Banking Corporation		320	320					
	Development Bank of Japan Inc.	Jan. 31, 2019	670	670	0.54500	Sep. 30, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	Apr. 5, 2019	700	700					
	Sumitomo Mitsui Trust Bank, Limited		700	700					
	MUFG Bank, Ltd.		350	350					
	Sumitomo Mitsui Banking Corporation	Apr. 5, 2019	350	350	0.57826	Sep. 30, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.		700	700					
	MUFG Bank, Ltd.	Mar. 25, 2019	800	800	0.20128	Sep. 30, 2020	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		800	800					
	Sumitomo Mitsui Trust Bank, Limited		800	800					
	Sumitomo Mitsui Banking Corporation	Mar. 25, 2019	400	400	0.24628	Mar. 31, 2022	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		800	800					
	Mizuho Bank, Ltd.		800	800					
	Sumitomo Mitsui Trust Bank, Limited		800	800					
	Sumitomo Mitsui Banking Corporation	Mar. 25, 2019	400	400	0.24628	Mar. 31, 2022	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		800	800					
	Mizuho Bank, Ltd.		800	800					
	Sumitomo Mitsui Trust Bank, Limited		800	800					

Type	Lender	Drawdown date	Balance at the beginning of current period (millions of yen)	Balance at the end of current period (millions of yen)	Average interest rate (%) (Note 2)	Maturity date	Repayment method	Use of funds	Remarks
Long-term loans (Note 1)	MUFG Bank, Ltd.	Mar. 25, 2019	1,000	1,000	0.45215	Sep. 30, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		1,000	1,000					
	Sumitomo Mitsui Trust Bank, Limited		1,000	1,000					
	Sumitomo Mitsui Banking Corporation		500	500					
	MUFG Bank, Ltd.	Mar. 25, 2019	970	970	0.60810	Sep. 30, 2027	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		970	970					
	Sumitomo Mitsui Trust Bank, Limited		970	970					
	Sumitomo Mitsui Banking Corporation		485	485					
	Mizuho Trust & Banking Co., Ltd.	Mar. 20, 2019	525	525	0.42850	Mar. 31, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	The Norinchukin Bank		525	525					
	The Bank of Fukuoka, Ltd.		525	525					
	Shinkin Central Bank		525	525					
	Mizuho Trust & Banking Co., Ltd.	Mar. 20, 2019	2,300	-	0.26909	Mar. 31, 2020	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.	Sep. 30, 2019	1,350	1,350	0.54693	Mar. 31, 2028	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	Feb. 3, 2020	-	590	0.26556	Feb. 26, 2021	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		-	590					
	MUFG Bank, Ltd.		-	295					
	Sumitomo Mitsui Banking Corporation		-	295					
	Mizuho Bank, Ltd.	Mar. 2, 2020	-	210	0.26710	Mar. 31, 2021	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		-	210					
	MUFG Bank, Ltd.		-	100					
	Sumitomo Mitsui Banking Corporation		-	100					
	Development Bank of Japan Inc.	Mar. 2, 2020	-	750	0.47366	Aug. 31, 2028	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		-	750					
	Sumitomo Mitsui Trust Bank, Limited		-	750					
	MUFG Bank, Ltd.		-	375					
	Sumitomo Mitsui Banking Corporation	Mar. 30, 2020	-	1,400	0.26514	Mar. 31, 2021	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		-	460					
	The 77 Bank, Ltd.		-	460					
	Shinkin Central Bank		-	460					
	The Norinchukin Bank	Mar. 31, 2020	-	460	0.46156	Sep. 30, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	The Bank of Fukuoka, Ltd.		-	460					
Mizuho Trust & Banking Co., Ltd.	-		460						
Mizuho Bank, Ltd.	-		660						
Sumitomo Mitsui Trust Bank, Limited	Jun. 26, 2020	-	660	0.26143	Jul. 31, 2021	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed	
MUFG Bank, Ltd.		-	330						
Mizuho Bank, Ltd.		-	780						
Sumitomo Mitsui Trust Bank, Limited	Jun. 26, 2020	-	780	0.26143	Jul. 31, 2021	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed	
MUFG Bank, Ltd.		-	390						
Development Bank of Japan Inc.		-	820						
Mizuho Bank, Ltd.	Jun. 30, 2020	-	820	0.67532	Jun. 30, 2029	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed	
Sumitomo Mitsui Trust Bank, Limited		-	820						
MUFG Bank, Ltd.		-	820						
Sumitomo Mitsui Banking Corporation		-	420						
Total			112,530	122,920					

(Note 1) Long-term loans include the current portion of long-term loans payable.

(Note 2) Average interest rates consist of the borrowing rates for each loan agreement rounded to the fifth decimal place. Furthermore, the stated rate for loans for which interest-rate swap transactions were carried out to avoid interest rate risk takes into account the effect of the interest-rate swap.

(Note 3) The use of funds includes purchasing properties in trust and the repayment of existing borrowings.

3. Investment Corporation Bonds

The status of investment corporation bonds as of July 31, 2020 is as follows.

Issue	Issue date	Balance at the beginning of current period (millions of yen)	Balance at the end of current period (millions of yen)	Coupon rate (%)	Maturity date	Repayment method	Use of funds	Security
1st Unsecured Bond (Note 1)	Jul. 30, 2014	3,000	3,000	0.64000	Jul. 30, 2021	Lump-sum repayment	(Note 2)	Unsecured
2nd Unsecured Bond (Note 1)	Jul. 18, 2017	1,000	1,000	0.23000	Jul. 15, 2022	Lump-sum repayment	(Note 2)	Unsecured
3rd Unsecured Bond (Note 1)	Jul. 18, 2017	2,000	2,000	0.52000	Jul. 16, 2027	Lump-sum repayment	(Note 2)	Unsecured
4th Unsecured Bond (Note 1)	Jun. 14, 2018	1,000	1,000	0.23000	Dec. 14, 2023	Lump-sum repayment	(Note 2)	Unsecured
5th Unsecured Bond (Note 1)	Jun. 14, 2018	1,500	1,500	0.95000	Jun. 14, 2033	Lump-sum repayment	(Note 2)	Unsecured
6th Unsecured Bond (Note 1)	Jul. 18, 2019	1,000	1,000	0.23000	Jul. 18, 2024	Lump-sum repayment	(Note 2)	Unsecured
7th Unsecured Bond (Note 1)	Jul. 18, 2019	1,500	1,500	0.90000	Jul. 18, 2034	Lump-sum repayment	(Note 2)	Unsecured
8th Unsecured Bond (Green Bonds) (Note 1)	Jul. 30, 2020	-	1,500	0.55000	Jul. 30, 2030	Lump-sum repayment	(Note 2)	Unsecured
Total		11,000	12,500					

(Note 1) The bonds are subject to the *pari passu* clause among specified investment corporation bonds.

(Note 2) The funds are primarily appropriated to the acquisition of real estate in trust and the repayment of some of the existing borrowings.

4. Short-Term Investment Corporation Bonds

Not applicable

5. Investment Unit Acquisition Rights

Not applicable

1. Purchase and Sale of Properties and Asset Backed Securities

Property name	Acquisition		Sale			
	Acquisition date	Acquisition price (millions of yen)	Sale date	Sale price (millions of yen)	Book value (millions of yen)	Gain on sale (millions of yen)
COMFORIA TAKINOGAWA	Feb. 3, 2020	3,430	—	—	—	—
COMFORIA HIGASHISHINJUKU STATION FRONT	Feb. 3, 2020	5,540	—	—	—	—
COMFORIA ESAKAHIROSHIBACHO	Feb. 3, 2020	1,700	—	—	—	—
COMFORIA KIBASHINSUIKOEN	Mar. 2, 2020	1,294	—	—	—	—
COMFORIA NAKAOCHIAI	Mar. 2, 2020	1,489	—	—	—	—
COMFORIA WASEDA DEUX	Mar. 2, 2020	1,056	—	—	—	—
COMFORIA NISHIMAGOME HILLSIDE	Mar. 30, 2020	1,330	—	—	—	—
COMFORIA IKEBUKURO DEUX	Jun. 26, 2020	1,930	—	—	—	—
COMFORIA NARIMASU	Jun. 26, 2020	1,551	—	—	—	—
Total	—	19,320	—	—	—	—

(Note) The acquisition price and sale price do not include miscellaneous expenses required for the acquisition or sale of said property, fixed property tax, city planning tax, consumption tax and local consumption tax.

2. Purchase and Sale of Other Assets

Main assets other than the above properties and asset backed securities are bank deposits or bank deposits within trust assets.

3. Appraisals of Specified Assets

(1) Real estate, etc.

Acquisition or sale	Type of asset	Property name	Acquisition or sale date	Acquisition price or sale price (millions of yen) (Note 1)	Real estate appraisal		
					Appraisal value (millions of yen) (Note 2)	Appraisal company (Note 3)	Date of valuation
Acquisition	Beneficial interest in real estate trust	COMFORIA TAKINOGAWA	Feb. 3, 2020	3,430	3,540	(1)	Oct. 31, 2019
Acquisition	Beneficial interest in real estate trust	COMFORIA HIGASHISHINJUKU STATION FRONT	Feb. 3, 2020	5,540	5,700	(2)	Oct. 31, 2019
Acquisition	Beneficial interest in real estate trust	COMFORIA ESAKAHIROSHIBACHO	Feb. 3, 2020	1,700	1,740	(2)	Oct. 31, 2019
Acquisition	Beneficial interest in real estate trust	COMFORIA KIBASHINSUIKOEN	Mar. 2, 2020	1,294	1,320	(1)	Oct. 31, 2019
Acquisition	Beneficial interest in real estate trust	COMFORIA NAKAOCHIAI	Mar. 2, 2020	1,489	1,500	(1)	Oct. 31, 2019
Acquisition	Beneficial interest in real estate trust	COMFORIA WASEDA DEUX	Mar. 2, 2020	1,056	1,090	(3)	Oct. 31, 2019
Acquisition	Real estate	COMFORIA NISHIMAGOME HILLSIDE	Mar. 30, 2020	1,330	1,400	(1)	Jan. 1, 2020
Acquisition	Beneficial interest in real estate trust	COMFORIA IKEBUKURO DEUX	Jun. 26, 2020	1,930	1,960	(3)	May 31, 2020
Acquisition	Real estate	COMFORIA NARIMASU	Jun. 26, 2020	1,551	1,580	(2)	May 31, 2020

(Note 1) The acquisition price and sale price do not include miscellaneous expenses required for the acquisition or sale of said property, fixed property tax, city planning tax, consumption tax and local consumption tax.

(Note 2) Appraisal value indicates appraisal value or investigated value.

(Note 3) The real estate appraisers handling the real estate appraisal or research reports of each property are: (1) Japan Real Estate Institute, (2) Daiwa Real Estate Appraisal Co., Ltd. and (3) Japan Valuers Co., Ltd.

(2) Other

Of the transactions carried out by the Investment Corporation, there were no other transactions than those shown in the aforementioned “(1) Real estate, etc.” that were deemed to require an appraisal pursuant to the provisions of Article 201 of the Investment Trusts Act.

4. Transactions with Related Parties

(1) Information on transaction

Category	Purchase and sales amount	
	Purchase amount	Sales amount
Total amount	¥19,320,000 thousand	¥— thousand
Breakdown of transactions between related parties		
Tokyu Land Corporation	¥10,670,000 thousand (55.2%)	¥— thousand (—%)
Godo Kaisha Residence 5	¥3,839,000 thousand (19.9%)	¥— thousand (—%)
Tokyu Housing Lease Corporation	¥1,930,000 thousand (10.0%)	
Total	¥16,439,000 thousand (85.1%)	¥— thousand (—%)

(Note) The term “Related parties” refers to related parties defined in Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations as well as related parties of the Asset Management Company prescribed in Article 26, Paragraph 1, Item 27 of the Regulations Concerning Investment Reports of Investment Trusts and Investment Corporations issued by the Investment Trusts Association, Japan. Descriptions are included with regard to related parties that fall under any of these and that had transactions or paid commissions, etc. during the 20th Fiscal Period. (The same shall apply in “(2) Amount of commission paid” and “(3) Major payments to other related parties” below.)

(2) Amount of commission paid

Category	Total amount of commission paid (A) (thousands of yen)	Breakdown of transaction with related parties		Percentage of total amount (B/A) (%)
		Payee	Amount of payment (B) (thousands of yen)	
Property management entrustment costs	722,535	Tokyu Housing Lease Corporation	470,157	65.1
		Community One Co., Ltd.	35,811	5.0
		Tokyu Community Corp.	3,808	0.5
Utilities expenses	110,118	Tokyu Community Corp.	56,037	50.9
Marketing-related expenses	169,330	Tokyu Livable, Inc.	1,953	1.2
Other expenses related to rent business	162,047	Tokyu Sports Oasis, Inc.	9,546	5.9
		Community One Co., Ltd.	1,294	0.8
Warehousing fees (Note)	127,199	Godo Kaisha Residence 5	127,199	100.0

(Note) “Warehousing fees” represent the amount exclusive of the acquisition price, such as due diligence expenses and brokerage fees, agreed on and determined with Godo Kaisha Residence 5 upon acquiring the relevant properties.

(3) Major payments to other related parties

Tokyu Livable, Inc.	¥1,953 thousand (brokerage fees, etc.)
Ewel Inc.	¥1,827 thousand (system usage, etc.)
Tokyu Community Corp.	¥ 616 thousand (repair work, etc.)

5. Transactions with Asset Management Company related to Concurrent Operations Carried Out by the Asset Management Company

The Asset Management Company is not concurrently engaged in type I financial instruments business, type II financial instruments business, realty business or specified real estate cooperative business.

Accounting Status

1. Assets, Liabilities, Principal and Profit/Loss

Please refer to “1. Balance Sheets,” “2. Statements of Income,” “3. Statements of Changes in Unitholders’ Equity,” “4. Statements of Cash Distributions,” “5. Statements of Cash Flows,” and “6. Notes.”

2. Changes in the Calculation Method of Depreciation

Not applicable

3. Changes in the Appraisal Method of Real Estate, etc.

Not applicable

Other

1. Beneficiary Certificates of Investment Trusts Established by the Investment Corporation

Not applicable

2. Notices

(1) Unitholders’ Meeting

The 6th Unitholders’ Meeting of the Investment Corporation was held on April 22, 2020. The overview of matters approved at the Unitholders’ Meeting are as follows.

Proposal	Overview
Proposal 1: Partial Amendments to the Articles of Incorporation	Amendments were made to the Articles of Incorporation regarding to the following matters. (1) The head office of the Investment Corporation shall be relocated from Minato-ku, Tokyo to Shibuya-ku, Tokyo on the date for relocating the head office that will be determined at the meeting of the Board of Directors to be held by July 31, 2020. (2) With regard to the asset management fee system for the Asset Management Company, the Investment Corporation shall review the balance of the type 1 management fee (based on total assets) and the type 2 management fee (based on ordinary cash flow), lower the maximum rate of the type 1 management fee from 0.3% to 0.2% and raise the maximum rate of the type 2 management fee from 3% to 5.4% as well as newly establish the type 5 management fee (based on ordinary cash flow per unit). In addition, the Articles shall be amended to require that, upon the acquisition of properties from third parties, based on the fact that the effect of transactions and the actual obtainment of information are acquisitions from third parties, it must be clearly stipulated that the fee rate for the acquisition from third parties will be applied. (3) Since the calculation method of the new asset management fee described in (2) above will be introduced from August 1, 2020, the first day of the Investment Corporation’s operating period for the 21st fiscal period, necessary provisions on the effective date of the amendments of the Articles of Incorporation will be established in the supplementary provision. (4) The notation of calendar year in the Articles of Incorporation shall be changed to the Gregorian calendar year from the current Japanese calendar in order to avoid the impact of the change in the Japanese era name used in Japanese calendar.
	Proposal 2: Appointment of One (1) Executive Director Takehiro Izawa was appointed Executive Director.
	Proposal 3: Appointment of One (1) Alternate Executive Director Kentaro Yoshikawa was appointed Alternate Executive Director.
	Proposal 4: Appointment of Two (2) Supervisory Directors Koji Yamamoto and Masamichi Ohshima were appointed Supervisory Directors.
	Proposal 5: Appointment of One (1) Alternate Supervisory Director Hiroko Chiba was appointed Alternate Supervisory Director.

(2) Board of Directors of the Investment Corporation

The main overviews of the major conclusion and change of contracts that were approved by the Board of Directors of the Investment Corporation during current period are as follows.

Approval date	Matter	Overview
April 24, 2020	Comprehensive resolution for issuance of investment corporation bonds and entrustment of general administrative duties	A comprehensive resolution for the issuance of investment corporation bonds with an aggregate maximum amount of issuance of ¥25 billion and a period of issuance from May 9, 2020 to May 8, 2021 was resolved. To entrust the administrative duties concerned in offering investment corporation bonds and general administrative duties, including issuing, financial and paying agent, a candidate company was approved and other necessary matters to be decided were left to the discretion of the Executive Director.
June 17, 2020	Amendments to the asset management agreement and conclusion of a memorandum regarding asset management fees	As amendments to the Articles of Incorporation regarding asset management fees were approved by the 6th Unitholders' Meeting of the Investment Corporation, it was approved to partially amend the asset management agreement (as amended) concluded between the Investment Corporation and the Asset Management Company as of June 14, 2010.

(3) Other

Based on the resolution made by its board of directors' meeting held on April 24, 2020, the Investment Corporation relocated its headquarters to 21-1 Dogenzaka 1-chome, Shibuya-ku, Tokyo as of May 1, 2020.

3. Disclosure on Overseas Property-Owning Corporations

Not applicable

4. Disclosure on Real Estate Owned by Overseas Property-Owning Corporations

Not applicable

5. Other

Figures in this document are rounded down (values) and rounded to the nearest decimal place (percentages) unless otherwise indicated.

III. Financial Section

1. Balance Sheets

	(Thousands of yen)	
	19th Fiscal Period (As of January 31, 2020)	20th Fiscal Period (As of July 31, 2020)
Assets		
Current assets		
Cash and deposits	10,360,147	12,443,042
Cash and deposits in trust	7,750,633	8,371,202
Operating accounts receivable	7,828	9,128
Prepaid expenses	391,121	428,911
Consumption taxes receivable	–	63,680
Other	10	7,194
Total current assets	18,509,741	21,323,159
Non-current assets		
Property, plant and equipment		
Buildings	1,875,340	2,742,924
Accumulated depreciation	(127,013)	(152,660)
Buildings, net	1,748,327	2,590,263
Structures	22,374	65,937
Accumulated depreciation	(4,610)	(5,783)
Structures, net	17,763	60,153
Machinery and equipment	17,687	17,687
Accumulated depreciation	(2,010)	(2,284)
Machinery and equipment, net	15,677	15,403
Tools, furniture and fixtures	3,179	3,179
Accumulated depreciation	(1,403)	(1,658)
Tools, furniture and fixtures, net	1,775	1,520
Land	4,243,040	6,459,597
Buildings in trust	99,268,657	103,786,264
Accumulated depreciation	(12,770,889)	(13,978,934)
Buildings in trust, net	86,497,767	89,807,329
Structures in trust	1,244,370	1,306,663
Accumulated depreciation	(374,764)	(407,671)
Structures in trust, net	869,606	898,992
Machinery and equipment in trust	1,572,740	1,677,915
Accumulated depreciation	(322,400)	(351,832)
Machinery and equipment in trust, net	1,250,340	1,326,083
Tools, furniture and fixtures in trust	425,184	466,331
Accumulated depreciation	(173,630)	(208,229)
Tools, furniture and fixtures in trust, net	251,554	258,102
Land in trust	129,857,804	142,556,041
Total property, plant and equipment	224,753,657	243,973,486
Intangible assets		
Leasehold rights in trust	1,157,744	1,149,179
Other	10,568	8,153
Total intangible assets	1,168,313	1,157,333
Investments and other assets		
Lease and guarantee deposits	1,525,188	1,525,188
Long-term prepaid expenses	803,617	840,239
Other	–	2,392
Total investments and other assets	2,328,805	2,367,819
Total non-current assets	228,250,776	247,498,639
Deferred assets		
Investment unit issuance expenses	44,252	47,456
Investment corporation bond issuance costs	56,890	66,236
Total deferred assets	101,143	113,692
Total assets	246,861,660	268,935,492

	(Thousands of yen)	
	19th Fiscal Period (As of January 31, 2020)	20th Fiscal Period (As of July 31, 2020)
Liabilities		
Current liabilities		
Operating accounts payable	804,874	812,357
Current portion of investment corporation bonds	–	3,000,000
Current portion of long-term loans payable	14,300,000	20,615,000
Accounts payable - other	23,619	55,353
Accrued expenses	181,018	191,785
Income taxes payable	5,924	5,925
Accrued consumption taxes	93,021	–
Advances received	1,376,835	1,422,850
Other	2,443	1,387
Total current liabilities	16,787,736	26,104,660
Non-current liabilities		
Investment corporation bonds	11,000,000	9,500,000
Long-term loans payable	98,230,000	102,305,000
Tenant leasehold and security deposits	29,015	40,405
Tenant leasehold and security deposits in trust	2,541,118	2,679,231
Asset retirement obligations	98,184	98,796
Other	3,589	3,279
Total non-current liabilities	111,901,909	114,626,713
Total liabilities	128,689,645	140,731,373
Net assets		
Unitholders' equity		
Unitholders' capital	114,045,421	123,947,208
Surplus		
Voluntary retained earnings		
Reserve for reduction entry	563,704	733,377
Total voluntary retained earnings	563,704	733,377
Unappropriated retained earnings (undisposed loss)	3,562,889	3,523,532
Total surplus	4,126,593	4,256,910
Total unitholders' equity	118,172,015	128,204,118
Total net assets	*1 118,172,015	*1 128,204,118
Total liabilities and net assets	246,861,660	268,935,492

2. Statements of Income

(Thousands of yen)

	19th Fiscal Period (From August 1, 2019 to January 31, 2020)	20th Fiscal Period (From February 1, 2019 to July 31, 2020)
Operating revenue		
Lease business revenue	*1 8,268,232	*1 8,637,606
Other lease business revenue	*1 311,089	*1 391,073
Gain on sales of real estate properties	*2 211,086	—
Total operating revenue	8,790,408	9,028,680
Operating expenses		
Expenses related to rent business	*1 3,862,940	*1 4,092,317
Asset management fee	522,018	525,333
Directors' compensations	3,600	3,600
Audit fee	14,490	14,490
Asset custody fee	8,395	8,405
Administrative service fees	26,312	27,584
Other operating expenses	245,946	275,526
Total operating expenses	4,683,703	4,947,257
Operating profit	4,106,704	4,081,423
Non-operating income		
Interest income	82	81
Gain on forfeiture of unclaimed dividends	738	184
Other	13	133
Total non-operating income	833	399
Non-operating expenses		
Interest expenses	341,368	349,571
Borrowing related expenses	144,250	150,192
Interest expenses on investment corporation bonds	32,161	32,123
Amortization of investment corporation bond issuance costs	5,417	5,540
Amortization of investment unit issuance expenses	15,823	15,234
Total non-operating expenses	539,020	552,663
Ordinary profit	3,568,518	3,529,159
Profit before income taxes	3,568,518	3,529,159
Income taxes - current	5,936	5,937
Income taxes - deferred	(308)	(310)
Total income taxes	5,628	5,627
Profit	3,562,889	3,523,532
Retained earnings brought forward	—	—
Unappropriated retained earnings (undisposed loss)	3,562,889	3,523,532

3. Statements of Changes in Unitholders' Equity

19th Fiscal Period (From August 1, 2019 to January 31, 2020)

(Thousands of yen)

	Unitholders' equity						Total net assets
	Unitholders' capital	Surplus				Total unitholders' equity	
		Voluntary retained earnings		Unappropriated retained earnings (undisposed loss)	Total surplus		
		Reserve for reduction entry	Total voluntary retained earnings				
Balance at beginning of current period	114,045,421	434,888	434,888	3,448,336	3,883,224	117,928,645	117,928,645
Changes of items during period							
Reserve for reduction entry		149,456	149,456	(149,456)	—	—	—
Reversal of reserve for reduction entry		(20,640)	(20,640)	20,640	—	—	—
Dividends of surplus				(3,319,520)	(3,319,520)	(3,319,520)	(3,319,520)
Profit				3,562,889	3,562,889	3,562,889	3,562,889
Total changes of items during period	—	128,816	128,816	114,553	243,369	243,369	243,369
Balance at end of current period	*1 114,045,421	563,704	563,704	3,562,889	4,126,593	118,172,015	118,172,015

20th Fiscal Period (From February 1, 2020 to July 31, 2020)

(Thousands of yen)

	Unitholders' equity						Total net assets
	Unitholders' capital	Surplus				Total unitholders' equity	
		Voluntary retained earnings		Unappropriated retained earnings (undisposed loss)	Total surplus		
		Reserve for reduction entry	Total voluntary retained earnings				
Balance at beginning of current period	114,045,421	563,704	563,704	3,562,889	4,126,593	118,172,015	118,172,015
Changes of items during period							
Issuance of new investment units	9,901,786					9,901,786	9,901,786
Reserve for reduction entry		172,904	172,904	(172,904)	—	—	—
Reversal of reserve for reduction entry		(3,231)	(3,231)	3,231	—	—	—
Dividends of surplus				(3,393,216)	(3,393,216)	(3,393,216)	(3,393,216)
Profit				3,523,532	3,523,532	3,523,532	3,523,532
Total changes of items during period	9,901,786	169,673	169,673	(39,357)	130,316	10,032,103	10,032,103
Balance at end of current period	*1 123,947,208	733,377	733,377	3,523,532	4,256,910	128,204,118	128,204,118

4. Statements of Cash Distributions

Category	19th Fiscal Period (From August 1, 2019 to January 31, 2020)	20th Fiscal Period (From February 1, 2020 to July 31, 2020)
I. Unappropriated retained earnings	¥3,562,889,656	¥3,523,532,301
II. Reversal of Voluntary retained earnings		
Reversal of reserve for reduction entry	¥3,231,017	¥42,119,515
III. Distributions	¥3,393,216,030	¥3,565,651,816
[Distribution per unit]	[¥5,295]	[¥5,309]
IV. Voluntary retained earnings		
Provision of reserve for reduction entry	¥172,904,643	¥-
V. Retained earnings carried forward	¥0	¥0
Method for calculating distributions	<p>The Investment Corporation will make cash distributions up to the amount of accounting profit based on the distribution policy outlined in Article 35-1 of the Investment Corporation's Articles of Incorporation, in an amount that exceeds 90% of the "amount of distributable profit" of the Investment Corporation as set forth in Article 67-15 of the Act on Special Measures Concerning Taxation.</p> <p>Based on this policy, the Investment Corporation has determined to pay out ¥3,393,216,030 as the total amount of dividends for the period under review, which is equivalent to the entire amount of unappropriated retained earnings after adding reversal of reserve for reduction entry and deducting the provision of reserve for reduction entry pursuant to Article 66-2 of the Act on Special Measures Concerning Taxation.</p> <p>Furthermore, the Investment Corporation does not pay out dividends that exceed accounting profit as outlined in Article 35-2 of the Investment Corporation's Articles of Incorporation.</p>	

5. Statements of Cash Flows

	(Thousands of yen)	
	19th Fiscal Period (From August 1, 2019 to January 31, 2020)	20th Fiscal Period (From February 1, 2020 to July 31, 2020)
Cash flows from operating activities		
Profit before income taxes	3,568,518	3,529,159
Depreciation	1,299,833	1,343,923
Borrowing related expenses	144,250	150,192
Amortization of investment corporation bond issuance costs	5,417	5,540
Amortization of investment unit issuance expenses	15,823	15,234
Interest income	(82)	(81)
Gain on forfeiture of unclaimed dividends	(738)	(184)
Interest expenses	373,529	381,695
Decrease (increase) in operating accounts receivable	2,405	(1,300)
Decrease (increase) in prepaid expenses	30,660	(31,604)
Decrease (increase) in consumption taxes receivable	-	(63,680)
Increase (decrease) in accrued consumption taxes	92,836	(93,021)
Increase (decrease) in operating accounts payable	(83,148)	120,152
Increase (decrease) in accounts payable - other	(24,196)	(2,136)
Increase (decrease) in accrued expenses	7,211	7,488
Increase (decrease) in advances received	16,870	46,015
Decrease (increase) in long-term prepaid expenses	5,368	6,205
Decrease in property, plant and equipment in trust due to sales	1,636,630	-
Other, net	4,795	(8,240)
Subtotal	7,095,983	5,405,360
Interest income received	82	81
Interest expenses paid	(373,493)	(381,696)
Income taxes paid	(5,966)	(5,936)
Net cash provided by (used in) operating activities	6,716,606	5,017,808
Cash flows from investing activities		
Purchase of property, plant and equipment	(551)	(3,108,043)
Purchase of property, plant and equipment in trust	(2,848,365)	(17,516,262)
Proceeds from tenant leasehold and security deposits	4,101	15,344
Repayments of tenant leasehold and security deposits	(4,408)	(3,280)
Proceeds from tenant leasehold and security deposits in trust	242,841	367,449
Repayments of tenant leasehold and security deposits in trust	(226,752)	(234,674)
Other, net	-	(1,989)
Net cash provided by (used in) investing activities	(2,833,135)	(20,481,455)
Cash flows from financing activities		
Proceeds from long-term loans payable	1,308,105	16,206,289
Repayments of long-term loans payable	(1,350,000)	(6,000,000)
Proceeds from issuance of investment corporation bonds	-	1,489,954
Payments for investment corporation bond issuance costs	(749)	-
Proceeds from issuance of investment units	-	9,874,925
Dividends paid	(3,319,921)	(3,393,031)
Other, net	(10,884)	(11,025)
Net cash provided by (used in) financing activities	(3,373,450)	18,167,111
Net increase (decrease) in cash and cash equivalents	510,020	2,703,464
Cash and cash equivalents at beginning of period	17,600,759	18,110,780
Cash and cash equivalents at end of period	*1 18,110,780	*1 20,814,244

6. Notes

<Summary of Significant Accounting Policies>

1. Method of depreciation and amortization of non-current assets	<p>(1) Property, plant and equipment (including trust assets) Property, plant and equipment are depreciated by the straight-line method over the estimated useful lives as follows:</p> <table> <tr> <td>Buildings</td><td>2–70 years</td></tr> <tr> <td>Structures</td><td>2–69 years</td></tr> <tr> <td>Machinery and equipment</td><td>10–38 years</td></tr> <tr> <td>Tools, furniture and fixtures</td><td>2–15 years</td></tr> </table> <p>(2) Intangible assets (including assets in trust) Intangible assets are amortized by the straight-line method.</p> <p>(3) Long-term prepaid expenses Long-term prepaid expenses are amortized by the straight-line method.</p>	Buildings	2–70 years	Structures	2–69 years	Machinery and equipment	10–38 years	Tools, furniture and fixtures	2–15 years
Buildings	2–70 years								
Structures	2–69 years								
Machinery and equipment	10–38 years								
Tools, furniture and fixtures	2–15 years								
2. Accounting policies for deferred assets	<p>(1) Investment corporation bond issuance costs Investment corporation bond issuance costs are amortized by the straight-line method over the redemption periods.</p> <p>(2) Investment unit issuance expenses Investment unit issuance expenses are amortized by the straight-line method over three years.</p>								
3. Accounting standards for revenues and expenses	<p>Accounting treatment of property tax, city planning tax, and depreciable asset tax For property tax, city planning tax, and depreciable asset tax (“property tax”) for real estate properties held, the amounts to be paid for the current fiscal period are expensed as expenses related to rent business out of the tax amounts decided to be levied. Of the amounts paid for the acquisition of real estate property or beneficial interests in real estate trust, the amounts equivalent to property tax settled with the seller of the property are capitalized as part of the acquisition cost of the relevant property rather than being charged as expenses.</p>								
4. Method of hedge accounting	<p>(1) Method of hedge accounting The deferred hedge method is applied. However, the special accounting treatment is applied for interest-rate swap transactions that meet certain criteria.</p> <p>(2) Hedging instruments and hedged items Hedging instruments: Interest rate swap transactions Hedged items: Interest expenses on loans payable</p> <p>(3) Hedging policy The Investment Corporation enters into derivative transactions based on its investment management guidelines with the objective of hedging interest rate fluctuation risks and other risks pertaining to borrowings, etc.</p> <p>(4) Method of evaluating the effectiveness of hedging As for the method of assessing the effectiveness of the hedge, the cumulative changes in cash flow of the hedged items and hedging instruments are compared and a judgment is made by verifying the ratio of the changed amount. However, an assessment of the effectiveness of hedging activities is omitted in the case of interest-rate swap transactions that meet the requirements for the special treatment.</p>								
5. Scope of funds (cash and cash equivalents) on the Statements of Cash Flows	<p>The funds (cash and cash equivalents) on the Statements of Cash Flows consist of cash on hand and cash in trust, deposits and deposits in trust that are readily available, and short-term investments with maturities of three months or less from the date of purchase which are readily convertible to cash and with insignificant risk of market value fluctuation.</p>								

6. Other significant accounting policies applied in the preparation of financial statements	<p>(1) Accounting method for beneficial interests in real estate trust and other assets Regarding trust beneficiary interests in real estate, all assets and liability accounts of entrusted properties as well as revenue and expense accounts generated by the property in trust are recorded in relevant accounts on the Balance Sheets and Statements of Income. Important line items included in accounting for financial assets and liabilities in the Investment Corporation’s Balance Sheets are as follows: (i) Cash and deposits in trust (ii) Buildings in trust; structures in trust; machinery and equipment in trust; tools, furniture and fixtures in trust; land in trust; construction in progress in trust; and leasehold rights in trust (iii) Tenant leasehold and security deposits in trust</p> <p>(2) Accounting method for consumption taxes Revenues and expenses in the Statements of Income do not include consumption taxes. Non-deductible consumption taxes applicable to the acquisition of non-current assets, etc. are included in the cost of acquisition for each asset.</p>
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<Notes to the Balance Sheets>

*1. Minimum net assets pursuant to Article 67-4 of the Act on Investment Trusts and Investment Corporations

	19th Fiscal Period (As of January 31, 2020)	20th Fiscal Period (As of July 31, 2020)
	50,000	50,000

2. Commitment line agreement

The Investment Corporation has commitment line contracts with three of the banks (as of January 31, 2020) and three of the banks (as of July 31, 2020), respectively.

	19th Fiscal Period (As of January 31, 2020)	20th Fiscal Period (As of July 31, 2020)
Credit limit	10,500,000	10,500,000
Outstanding debt	-	-
Unused commitment line	10,500,000	10,500,000

<Notes to the Statements of Income>

*1. Breakdown of real estate rental revenues and expenses

(Thousands of yen)				
	19th Fiscal Period (From August 1, 2019 to January 31, 2020)		20th Fiscal Period (From February 1, 2020 to July 31, 2020)	
A. Real estate rental revenue				
Lease business revenue				
(Rental revenues and common service charges)	8,112,015		8,485,088	
(Parking revenues)	156,216	8,268,232	152,517	8,637,606
Other lease business revenue				
(Key money and contract renewal fees)	171,831		251,961	
(Other revenues)	139,258	311,089	139,112	391,073
Total real estate rental revenues		8,579,321		9,028,680
B. Real estate rental expenses				
Expenses related to rent business				
(Property management fees and facility management fees)	654,679		722,535	
(Repairs and maintenance)	293,954		385,794	
(Land rent)	707,193		707,285	
(Tax and public dues)	424,540		436,009	
(Insurance)	6,635		6,821	
(Utilities)	116,606		110,118	
(Marketing-related expenses)	143,078		169,330	
(Trust fees)	48,542		49,708	
(Depreciation)	1,296,283		1,341,509	
(Other expenses related to rent business)	171,424		163,205	
Total real estate rental expenses		3,862,940		4,092,317
C. Income from real estate rental business (A - B)		4,716,381		4,936,362

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

19th Fiscal Period (From August 1, 2019 to January 31, 2020)			
(Thousands of yen)			
(1) COMFORIA SHINSAKAE			
Revenue from sales of real estate properties			1,870,000
Cost of sales of real estate properties	1,636,630		
Other sales expenses	22,283		1,658,913
Gain on sales of real estate properties			211,086

20th Fiscal Period (From February 1, 2020 to July 31, 2020)

Not applicable.

<Notes to the Statements of Changes in Unitholders' Equity>

	19th Fiscal Period (From August 1, 2019 to January 31, 2020)	20th Fiscal Period (From February 1, 2020 to July 31, 2020)
*1. Total number of authorized investment units and total number of investment units issued and outstanding		
Total number of authorized investment units	8,000,000 units	8,000,000 units
Total number of investment units issued and outstanding	640,834 units	671,624 units

<Notes to the Statements of Cash Flows>

*1. Reconciliation of balance sheets items to cash and cash equivalents at end of period in the Statements of Cash Flows

(Thousands of yen)		
	19th Fiscal Period (From August 1, 2019 to January 31, 2020)	20th Fiscal Period (From February 1, 2020 to July 31, 2020)
Cash and deposits	10,360,147	12,443,042
Cash and deposits in trust	7,750,633	8,371,202
Cash and cash equivalents	18,110,780	20,814,244

<Notes to lease transactions>

1. Operating lease transactions (Lessee)

Future minimum lease payments under non-cancelable operating lease transactions

(Thousands of yen)		
	19th Fiscal Period (As of January 31, 2020)	20th Fiscal Period (As of July 31, 2020)
Due within 1 year	1,382,628	1,382,904
Due after 1 year	78,671,533	77,995,785
Total	80,054,161	79,378,689

2. Operating lease transactions (Lessor)

Future minimum lease payments receivable under non-cancelable operating lease transactions

(Thousands of yen)		
	19th Fiscal Period (As of January 31, 2020)	20th Fiscal Period (As of July 31, 2020)
Due within 1 year	798,321	825,936
Due after 1 year	5,860,245	5,617,704
Total	6,658,566	6,443,641

<Notes to financial instruments>

1. Status of financial instruments

(1) Policies for financial instruments

With a focus on stability, flexibility and efficiency as the basis of its financial policy, the Investment Corporation procures funds through borrowings as well as the issuance of investment corporation bonds (including short-term investment corporation bonds; the same shall apply hereinafter) and investment units among other means with the aim of growing its investment assets through their acquisition.

The Investment Corporation may enter into derivatives transactions, which shall be executed solely for the purpose of hedging against interest-rate fluctuations and other risks pertaining to borrowings, etc.

(2) Characteristics and risk profile of each financial instrument and risk management system

The funds from borrowings and investment corporation bonds are mainly appropriated for the acquisition of investment assets and repayment of borrowings, etc. With regard to liquidity and interest rate fluctuation risks associated with these financing activities, the Investment Corporation endeavors to manage and limit them by considering and implementing multifaceted funding methods including the utilization of surplus funds and raising funds, etc. from capital markets through issuance of investment units, etc. while diversifying funding sources. Although loans with floating interest rates are exposed to a risk of fluctuation in interest rate, the Investment Corporation employs derivative transactions (interest-rate swap transactions) as hedging instruments in order to avoid interest rate fluctuation risks and fix payment of interest expenses. For more detailed information on the method of hedge accounting, hedging instruments, hedged items, hedging policy and the evaluation method for hedge effectiveness, please refer to the previous section "6. Notes: Summary of significant accounting policies, 4. Method of hedge accounting."

(3) Supplementary note regarding fair value of financial instruments

The fair values of financial instruments presented in this report is based on their market value, and in cases where market value is not available, reasonably estimated values are presented. Since the estimation of fair value is based on certain assumptions, fair value could differ depending on the assumptions used.

2. Fair value of financial instruments

The carrying value of financial instruments on the balance sheet, their fair value and the differences between them as of January 31, 2020 are as follows.

(Thousands of yen)

	Carrying value (Note 1)	Fair value (Note 1)	Difference
(1) Cash and deposits	10,360,147	10,360,147	—
(2) Cash and deposits in trust	7,750,633	7,750,633	—
(3) Current portion of investment corporation bonds	—	—	—
(4) Current portion of long-term loans payable	(14,300,000)	(14,340,060)	40,060
(5) Investment corporation bonds	(11,000,000)	(11,184,614)	184,614
(6) Long-term loans payable	(98,230,000)	(99,449,777)	1,219,777
(7) Derivative transactions	—	—	—

The carrying value of financial instruments on the balance sheet, their fair value and the differences between them as of July 31, 2020 are as follows.

(Thousands of yen)

	Carrying value (Note 1)	Fair value (Note 1)	Difference
(1) Cash and deposits	12,443,042	12,443,042	—
(2) Cash and deposits in trust	8,371,202	8,371,202	—
(3) Current portion of investment corporation bonds	(3,000,000)	(3,017,824)	17,824
(4) Current portion of long-term loans payable	(20,615,000)	(20,636,383)	21,383
(5) Investment corporation bonds	(9,500,000)	(9,684,812)	184,812
(6) Long-term loans payable	(102,305,000)	(103,457,314)	1,152,314
(7) Derivative transactions	—	—	—

(Note 1) Figures in parentheses indicate liabilities.

(Note 2) Methods to determine the fair value of financial instruments:

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

Due to their short tenors, the carrying values of these assets are reasonable approximations of their present value and hence are used as their fair value.

(3) Current portion of Investment corporation bonds and (5) Investment corporation bonds

The fair value of investment corporation bonds is measured based upon the present value obtained by discounting the total amount of principal and interest at a rate that takes into account the term to maturity and credit risk.

(4) Current portion of long-term loans payable and (6) Long-term loans payable

For loans with floating interest rates, since the interest rates on such loans reflect market rates reasonably well over the short term and their carrying values are good approximations of their fair value, the carrying values are presented as their fair value. However, the fair value of floating-rate long-term loans payable and current portion of long-term loans payable hedged by interest-rate swap transactions subject to special accounting treatment (refer to the following section entitled "Notes to derivative transactions") are calculated by discounting the aggregated principal and interest on such loans, after taking into account the effect of said interest-rate swap transactions, using reasonable estimates of the rates that would be applicable in a similar borrowing.

(7) Derivative transactions

Please refer to the following section entitled "Notes to derivative transactions."

(Note 3) Carrying value of financial instruments whose fair value cannot be reliably measured

(Thousands of yen)

	19th Fiscal Period (As of January 31, 2020)	20th Fiscal Period (As of July 31, 2020)
(1) Tenant leasehold and security deposits	(29,015)	(40,405)
(2) Tenant leasehold and security deposits in trust	(2,541,118)	(2,679,231)

(1)(2) Fair values of tenant leasehold and security deposits and leasehold and security deposits in trust are not subject to disclosure of fair value, as these items have no market value and their future cash flows are difficult to reasonably estimate given the fact that although a predetermined period for each lease contract exists, the actual deposit period cannot be calculated due to possible contract termination, renewal or extension.

(3) Figures in parentheses indicate liabilities.

(Note 4) Redemption schedule for monetary claims (Thousands of yen)

19th Fiscal Period (As of January 31, 2020)

	Due within 1 year or less
Deposits	10,360,147
Deposits in trust	7,750,633
Total	18,110,780

20th Fiscal Period (As of July 31, 2020)

	Due within 1 year or less
Deposits	12,443,042
Deposits in trust	8,371,202
Total	20,814,244

(Note 5) Repayment and redemption schedule for loans payable and investment corporation bonds (Thousands of yen)

19th Fiscal Period (As of January 31, 2020)

	Due within 1 year or less	Due after 1 year to 2 years	Due after 2 years to 3 years	Due after 3 years to 4 years	Due after 4 years to 5 years	Due after 5 years
Current portion of long-term loans payable	14,300,000	—	—	—	—	—
Long-term loans payable	—	13,725,000	14,360,000	15,920,000	15,130,000	39,095,000
Investment corporation bonds	—	3,000,000	1,000,000	1,000,000	1,000,000	5,000,000
Total	14,300,000	16,725,000	15,360,000	16,920,000	16,130,000	44,095,000

20th Fiscal Period (As of July 31, 2020)

	Due within 1 year or less	Due after 1 year to 2 years	Due after 2 years to 3 years	Due after 3 years to 4 years	Due after 4 years to 5 years	Due after 5 years
Current portion of long-term loans payable	20,615,000	—	—	—	—	—
Long-term loans payable	—	16,600,000	15,960,000	12,380,000	18,920,000	38,445,000
Current portion of investment corporation bonds	3,000,000	—	—	—	—	—
Investment corporation bonds	—	1,000,000	—	2,000,000	—	6,500,000
Total	23,615,000	17,600,000	15,960,000	14,380,000	18,920,000	44,945,000

<Notes to investment securities>

19th Fiscal Period (As of January 31, 2020)

Not applicable

20th Fiscal Period (As of July 31, 2020)

Not applicable

<Notes to derivative transactions>

1. Transactions not subject to hedge accounting

19th Fiscal Period (As of January 31, 2020)

Not applicable

20th Fiscal Period (As of July 31, 2020)

Not applicable

2. Transactions subject to hedge accounting

19th Fiscal Period (As of January 31, 2020)

Hedge accounting method	Type of derivative transactions	Hedged items	Contract amount		Fair value	Calculation method for applicable fair value
				Maturing after 1 year		
Special treatment of interest-rate swap transactions	Receive floating, pay fixed interest-rate swap transactions	Long-term loans payable (*1)	54,670,000	45,470,000	(*)2	—
Total			54,670,000	45,470,000	—	—

20th Fiscal Period (As of July 31, 2020)

Hedge accounting method	Type of derivative transactions	Hedged items	Contract amount		Fair value	Calculation method for applicable fair value
				Maturing after 1 year		
Special treatment of interest-rate swap transactions	Receive floating, pay fixed interest-rate swap transactions	Long-term loans payable (*1)	50,970,000	40,545,000	(*)2	—
Total			50,970,000	40,545,000	—	—

*1 Long-term loans payable include the current portion of long-term loans payable.

*2 Interest-rate swap transactions for which the special treatment is applied are accounted for together with long-term loans payable and the underlying hedged items. As a result, their fair value is included in the fair value of items listed under "(4) Current portion of long-term loans payable" and "(6) Long-term loans payable" in the section entitled "2. Fair value of financial instruments" under the "Notes to financial instruments."

<Notes to retirement benefits>

19th Fiscal Period (As of January 31, 2020)

The disclosure of relevant information is omitted since the Investment Corporation does not have a retirement benefit program.

20th Fiscal Period (As of July 31, 2020)

The disclosure of relevant information is omitted since the Investment Corporation does not have a retirement benefit program.

<Notes to deferred tax accounting>

1. Components of deferred tax assets and liabilities

	19th Fiscal Period (As of January 31, 2020)	20th Fiscal Period (As of July 31, 2020)
Deferred tax assets		
Non-deductible enterprise tax payable	450	450
Amortization of leasehold rights	23,709	26,672
Asset retirement obligations	33,971	34,183
Subtotal of deferred tax assets	58,131	61,306
Valuation allowance	(57,681)	(60,856)
Total deferred tax assets	450	450
Deferred tax liabilities		
Property, plant and equipment corresponding to asset retirement obligations	(4,040)	(3,729)
Total deferred tax liabilities	(4,040)	(3,729)
Deferred tax assets (liabilities), net	(3,589)	(3,279)

2. Significant differences between the statutory tax rate and the effective tax rate

	19th Fiscal Period (As of January 31, 2020)	20th Fiscal Period (As of July 31, 2020)
Statutory tax rate	34.60	34.60
(Adjustments)		
Deductible cash distributions	(32.90)	(34.96)
Provision of reserve for reduction entry	(1.68)	—
Other	0.13	0.52
Effective tax rate	0.16	0.16

<Notes to equity in net earnings (losses) of affiliated companies>

19th Fiscal Period (As of January 31, 2020)

The disclosure of relevant information is omitted since the Investment Corporation does not have affiliated companies.

20th Fiscal Period (As of July 31, 2020)

The disclosure of relevant information is omitted since the Investment Corporation does not have affiliated companies.

<Notes to related-party transactions>

1. Parent company, major corporate unitholders and other

19th Fiscal Period (As of January 31, 2020)

Not applicable

20th Fiscal Period (As of July 31, 2020)

Not applicable

2. Affiliated companies and other

19th Fiscal Period (As of January 31, 2020)

Not applicable

20th Fiscal Period (As of July 31, 2020)

Not applicable

3. Fellow subsidiary companies and other

19th Fiscal Period (As of January 31, 2020)

Not applicable

20th Fiscal Period (As of July 31, 2020)

Not applicable

4. Directors, major individual unitholders and other

19th Fiscal Period (As of January 31, 2020)

Not applicable

20th Fiscal Period (As of July 31, 2020)

Not applicable

<Notes to asset retirement obligations>

1. Overview of asset retirement obligations

The Investment Corporation has concluded fixed-term lease contracts with certain landlords, and recognizes asset retirement obligations concerning the duty of restoration upon the expiry of the lease period with regard to some of these assets.

2. Calculation of the amount of asset retirement obligations

Asset retirement obligations are calculated based on the remaining period of the fixed-term lease (52 years) as the expected period of use and 1.2% as the discount rate.

3. Changes in the total amount of asset retirement obligations

	19th Fiscal Period (From August 1, 2019 to January 31, 2020)	20th Fiscal Period (From February 1, 2020 to July 31, 2020)
Balance at beginning of period	97,576	98,184
Increase due to purchase of property, plant and equipment	—	—
Adjustment due to passage of time	608	611
Balance at end of period	98,184	98,796

<Notes to investment and rental properties>

The Investment Corporation owns real estate for rental purposes (including land) in the Tokyo metropolitan area and other regional areas. The book value, changes during the period and fair value regarding the above real estate for rental purposes are as follows.

(Thousands of yen)

	19th Fiscal Period (From August 1, 2019 to January 31, 2020)	20th Fiscal Period (From February 1, 2020 to July 31, 2020)
Book value		
Balance at beginning of period	225,905,543	225,911,402
Changes during period	5,858	19,211,263
Balance at end of period	225,911,402	245,122,666
Fair value at end of period	279,308,000	301,101,000

(Note 1) The book value excludes accumulated depreciation from acquisition cost. The book value does not include construction in progress and construction in progress in trust.

(Note 2) Among changes in the book value of real estate for rental purposes that occurred during the 19th Fiscal Period, the principal increase consisted of the acquisition of a property (COMFORIA GINZA EAST NIBANKAN: ¥2,520,269 thousand), while the principal decrease consisted of the disposition of a property (COMFORIA SHINSAKAE: ¥1,636,630 thousand) and depreciation of ¥1,295,675 thousand. During the 20th Fiscal Period, the principal increase consisted of the acquisition of 9 properties (COMFORIA HIGASHISHINJUKU STATION FRONT and other 8 properties; ¥20,241,476 thousand), while the principal decrease consisted of depreciation of ¥1,340,897 thousand.

(Note 3) The fair value at end of period is the appraisal value or the survey value determined by outside appraisers.

Income and loss related to real estate for rental purposes, etc. for the 19th Fiscal Period (From August 1, 2019 to January 31, 2020) and 20th Fiscal Period (From February 1, 2020 to July 31, 2020) are listed in “Notes to the Statements of Income.”

<Notes to segment information>

(Segment information)

Disclosure is omitted because the property leasing business is the Investment Corporation’s sole business, with no reportable segment subject to disclosure.

(Related information)

19th Fiscal Period (From August 1, 2019 to January 31, 2020)

- 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 revenues on the Statements of Income.
- Information about each geographic area
 - Net sales
Disclosure is omitted because net sales to external customers in Japan account for over 90% of the operating revenues on the Statements of Income.
 - 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.
- Information about each major customer
Disclosure is omitted because there is no single external customer whose net sales account for 10% or more of operating revenues on the Statements of Income.

20th Fiscal Period (From February 1, 2020 to July 31, 2020)

- Information about each product and service
Disclosure is omitted because net sales to external customers of a single product/service category account for over 90% of the operating revenues on the Statements of Income.
- Information about each geographic area
 - Net sales
Disclosure is omitted because net sales to external customers in Japan account for over 90% of the operating revenues on the Statement of Income.
 - 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.
- Information about each major customer
Disclosure is omitted because there is no single external customer whose net sales account for 10% or more of operating revenues on the Statements of Income.

<Notes to per unit information>

	19th Fiscal Period (From August 1, 2019 to January 31, 2020)	20th Fiscal Period (From February 1, 2020 to July 31, 2020)
Net assets per unit	¥184,403	¥190,886
Profit per unit	¥5,559	¥5,249

(Note 1) Profit per unit was calculated by dividing profit for the period by the daily weighted average number of investment units issued and outstanding. Profit per unit after adjusting for diluted units is not included because there were no diluted investment units.

(Note 2) The basis for calculating profit per unit is as follows:

	19th Fiscal Period (From August 1, 2019 to January 31, 2020)	20th Fiscal Period (From February 1, 2020 to July 31, 2020)
Profit (thousands of yen)	3,562,889	3,523,532
Amount not attributable to common unitholders (thousands of yen)	—	—
Profit attributable to common investment units (thousands of yen)	3,562,889	3,523,532
Average number of investment units for the period (units)	640,834	671,157

<Note to significant subsequent events>

Not applicable

7. Supplementary schedules

- (i) Supplementary schedule of investment securities
Not applicable

- (ii) Information on contract amount and fair value of derivative transactions and forward exchange contracts
Information on derivative transactions and forward exchange contracts entered into by the Investment Corporation as of July 31, 2020 is as follows.

(Thousands of yen)

Classification	Type	Contract amount ^(Note 1)		Fair value ^(Note 2)
			Maturing after 1 year	
Over-the-counter transactions	Receive floating, pay fixed interest-rate swap transactions	50,970,000	40,545,000	—
Total		50,970,000	40,545,000	—

(Note 1) The contract amount of interest-rate swap transactions is based on the notional principal.

(Note 2) Fair value is evaluated based on the value calculated by the counterparty of the contract using market interest rate, etc. Disclosure of fair value is omitted for the transactions that meet the requirements for special treatment pursuant to the Accounting Standard for Financial Instruments.

- (iii) Condensed supplementary schedule of real estate properties

(Thousands of yen)

Asset type	Balance at beginning of current period	Increase during period	Decrease during period	Balance at end of current period	Accumulated depreciation or amortization		Net balance at end of current period	Remarks
					at end of current period	Depreciation or amortization during period		
Property, plant and equipment	Buildings	1,875,340	867,583	—	2,742,924	152,660	25,647	2,590,263 (Note)
	Structures	22,374	43,562	—	65,937	5,783	1,173	60,153 (Note)
	Machinery and equipment	17,687	—	—	17,687	2,284	274	15,403
	Tools, furniture and fixtures	3,179	—	—	3,179	1,658	255	1,520
	Land	4,243,040	2,216,557	—	6,459,597	—	—	6,459,597 (Note)
	Buildings in trust	99,268,657	4,517,607	—	103,786,264	13,978,934	1,208,045	89,807,329 (Note)
	Structures in trust	1,244,370	62,292	—	1,306,663	407,671	32,906	898,992 (Note)
	Machinery and equipment in trust	1,572,740	105,174	—	1,677,915	351,832	29,431	1,326,083 (Note)
	Tools, furniture and fixtures in trust	425,184	41,146	—	466,331	208,229	34,598	258,102
	Land in trust	129,857,804	12,698,237	—	142,556,041	—	—	142,556,041 (Note)
	Total	238,530,380	20,552,161	—	259,082,541	15,109,055	1,332,331	243,973,486
Intangible assets	Leasehold rights in trust	1,226,269	—	—	1,226,269	77,089	8,565	1,149,179
	Other	35,496	—	—	35,496	27,342	2,414	8,153
	Total	1,261,765	—	—	1,261,765	104,432	10,980	1,157,333

(Note) Increases and decreases during the 20th Fiscal Period are due primarily to the acquisition and sale of rental residences. The details are as follows.

(Thousands of yen)

Property name	Increase during period	Decrease during period
COMFORIA TAKINOGAWA	3,558,843	—
COMFORIA HIGASHISHINJUKU STATION FRONT	5,710,224	—
COMFORIA ESAKAHIROSHIBACHO	1,792,313	—
COMFORIA KIBASHINSUIKOEN	1,384,581	—
COMFORIA NAKAOCHIAI	1,580,697	—
COMFORIA WASEDA DEUX	1,113,132	—
COMFORIA NISHIMAGOME HILLSIDE	1,447,154	—
COMFORIA Ikebukuro DEUX	1,974,194	—
COMFORIA NARIMASU	1,680,333	—

- (iv) (Supplementary schedule of other specified assets
Not applicable

- (v) Supplementary schedule of investment corporation bonds

(Thousands of yen)

Bond name	Issuance date	Balance at beginning of current period	Increase during period	Decrease during period	Balance at end of current period	Coupon rate (%)	Redemption date	Use of funds	Security
The Investment Corporation 1st unsecured bonds ^(Note 1)	July 30, 2014	3,000,000	—	—	3,000,000 ^(Note 3)	0.64000	July 30, 2021	(Note 2)	Unsecured
The Investment Corporation 2nd unsecured bonds ^(Note 1)	July 18, 2017	1,000,000	—	—	1,000,000	0.23000	July 15, 2022	(Note 2)	Unsecured
The Investment Corporation 3rd unsecured bonds ^(Note 1)	July 18, 2017	2,000,000	—	—	2,000,000	0.52000	July 16, 2027	(Note 2)	Unsecured
The Investment Corporation 4th unsecured bonds ^(Note 1)	June 14, 2018	1,000,000	—	—	1,000,000	0.23000	December 14, 2023	(Note 2)	Unsecured
The Investment Corporation 5th unsecured bonds ^(Note 1)	June 14, 2018	1,500,000	—	—	1,500,000	0.95000	June 14, 2033	(Note 2)	Unsecured
The Investment Corporation 6th unsecured bonds ^(Note 1)	July 18, 2019	1,000,000	—	—	1,000,000	0.23000	July 18, 2024	(Note 2)	Unsecured
The Investment Corporation 7th unsecured bonds ^(Note 1)	July 18, 2019	1,500,000	—	—	1,500,000	0.90000	July 18, 2034	(Note 2)	Unsecured
The Investment Corporation 8th unsecured bonds (Green Bonds) ^(Note 1)	July 30, 2020	—	1,500,000	—	1,500,000	0.55000	July 30, 2030	(Note 2)	Unsecured
Total		11,000,000	1,500,000	—	12,500,000				

(Note 1) The bonds are subject to the pari passu clause among specified investment corporation bonds.

(Note 2) The funds are appropriated to the acquisition of real estate in trust and the repayment of some of the existing borrowings.

(Note 3) The bonds are shown as current portion of investment corporation bonds in the balance sheets.

(Note 4) The total amount of redemption of investment corporation bonds for each year during the five years following the balance sheet date is as shown below.

(Thousands of yen)

Due within 1 year or less	Due after 1 year to 2 years	Due after 2 years to 3 years	Due after 3 years to 4 years	Due after 4 years to 5 years	Due after 5 years
3,000,000	1,000,000	—	2,000,000	—	6,500,000

(vi) Supplementary schedule of borrowings

Information on the Investment Corporation's borrowings as of July 31, 2020 is as follows:

Classification	Balance at beginning of current period (thousands of yen)	Increase during period (thousands of yen)	Decrease during period (thousands of yen)	Balance at end of current period (thousands of yen)	Average interest rate (%) (Note 2)	Maturity date	Repayment method	Use of funds	Remarks
Lender									
MUFG Bank, Ltd.	2,000,000	-	-	2,000,000	0.88240	January 31, 2021	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
Development Bank of Japan Inc.	1,000,000	-	-	1,000,000					
Mizuho Bank, Ltd.	1,000,000	-	-	1,000,000					
Sumitomo Mitsui Trust Bank, Limited	1,000,000	-	-	1,000,000					
Sumitomo Mitsui Banking Corporation	500,000	-	-	500,000					
MUFG Bank, Ltd.	1,340,000	-	1,340,000	-	0.60150	June 30, 2020	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
Development Bank of Japan Inc.	670,000	-	670,000	-					
Mizuho Bank, Ltd.	670,000	-	670,000	-					
Sumitomo Mitsui Trust Bank, Limited	670,000	-	670,000	-					
Sumitomo Mitsui Banking Corporation	350,000	-	350,000	-					
MUFG Bank, Ltd.	1,820,000	-	-	1,820,000	0.90100	June 30, 2022	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
Development Bank of Japan Inc.	910,000	-	-	910,000					
Mizuho Bank, Ltd.	910,000	-	-	910,000					
Sumitomo Mitsui Trust Bank, Limited	910,000	-	-	910,000					
Sumitomo Mitsui Banking Corporation	450,000	-	-	450,000					
MUFG Bank, Ltd.	1,200,000	-	-	1,200,000	0.69250	January 31, 2022	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
Development Bank of Japan Inc.	600,000	-	-	600,000					
Mizuho Bank, Ltd.	600,000	-	-	600,000					
Sumitomo Mitsui Trust Bank, Limited	600,000	-	-	600,000					
Sumitomo Mitsui Banking Corporation	300,000	-	-	300,000					
MUFG Bank, Ltd.	1,240,000	-	-	1,240,000	0.79875	January 31, 2023	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
Development Bank of Japan Inc.	620,000	-	-	620,000					
Mizuho Bank, Ltd.	620,000	-	-	620,000					
Sumitomo Mitsui Trust Bank, Limited	620,000	-	-	620,000					
Sumitomo Mitsui Banking Corporation	310,000	-	-	310,000					
MUFG Bank, Ltd.	1,240,000	-	-	1,240,000	1.04200	January 31, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
Development Bank of Japan Inc.	620,000	-	-	620,000					
Mizuho Bank, Ltd.	620,000	-	-	620,000					
Sumitomo Mitsui Trust Bank, Limited	620,000	-	-	620,000					
Sumitomo Mitsui Banking Corporation	310,000	-	-	310,000					
MUFG Bank, Ltd.	720,000	-	-	720,000	0.58430	March 31, 2023	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
Development Bank of Japan Inc.	360,000	-	-	360,000					
Mizuho Bank, Ltd.	360,000	-	-	360,000					
Sumitomo Mitsui Trust Bank, Limited	360,000	-	-	360,000					
Sumitomo Mitsui Banking Corporation	200,000	-	-	200,000					
MUFG Bank, Ltd.	840,000	-	-	840,000	0.62460	August 31, 2023	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
Development Bank of Japan Inc.	420,000	-	-	420,000					
Mizuho Bank, Ltd.	420,000	-	-	420,000					
Sumitomo Mitsui Trust Bank, Limited	420,000	-	-	420,000					
Sumitomo Mitsui Banking Corporation	230,000	-	-	230,000					
MUFG Bank, Ltd.	980,000	-	-	980,000	0.67745	February 29, 2024	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
Development Bank of Japan Inc.	490,000	-	-	490,000					
Mizuho Bank, Ltd.	490,000	-	-	490,000					
Sumitomo Mitsui Trust Bank, Limited	490,000	-	-	490,000					
Sumitomo Mitsui Banking Corporation	220,000	-	-	220,000					

Classification	Balance at beginning of current period (thousands of yen)	Increase during period (thousands of yen)	Decrease during period (thousands of yen)	Balance at end of current period (thousands of yen)	Average interest rate (%) (Note 2)	Maturity date	Repayment method	Use of funds	Remarks
Lender									
Development Bank of Japan Inc.	1,570,000	-	-	1,570,000	0.27125	March 31, 2021	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
MUFG Bank, Ltd.	1,570,000	-	-	1,570,000					
Kiraboshi Bank, Ltd.	1,000,000	-	-	1,000,000					
Sumitomo Mitsui Trust Bank, Limited	785,000	-	-	785,000					
Development Bank of Japan Inc.	2,000,000	-	-	2,000,000	0.61950	March 31, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
MUFG Bank, Ltd.	2,000,000	-	-	2,000,000					
Sumitomo Mitsui Trust Bank, Limited	1,000,000	-	-	1,000,000					
MUFG Bank, Ltd.	1,160,000	-	-	1,160,000					
Development Bank of Japan Inc.	580,000	-	-	580,000	0.46655	July 31, 2024	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
Mizuho Bank, Ltd.	580,000	-	-	580,000					
Sumitomo Mitsui Trust Bank, Limited	580,000	-	-	580,000					
Sumitomo Mitsui Banking Corporation	290,000	-	-	290,000					
MUFG Bank, Ltd.	1,800,000	-	-	1,800,000	0.65518	July 31, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
Development Bank of Japan Inc.	900,000	-	-	900,000					
Mizuho Bank, Ltd.	900,000	-	-	900,000					
Sumitomo Mitsui Trust Bank, Limited	900,000	-	-	900,000					
Sumitomo Mitsui Banking Corporation	450,000	-	-	450,000	0.46691	January 31, 2022	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
Mizuho Trust & Banking Co., Ltd.	2,000,000	-	-	2,000,000					
The Norinchukin Bank	1,500,000	-	-	1,500,000					
The Bank of Fukuoka, Ltd.	1,000,000	-	-	1,000,000					
The 77 Bank, Ltd.	500,000	-	-	500,000	0.62938	January 31, 2024	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
The Daishi Bank, Ltd.	500,000	-	-	500,000					
MUFG Bank, Ltd.	1,160,000	-	-	1,160,000					
Development Bank of Japan Inc.	580,000	-	-	580,000					
Mizuho Bank, Ltd.	580,000	-	-	580,000	0.79571	January 30, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank, Limited	580,000	-	-	580,000					
Sumitomo Mitsui Banking Corporation	290,000	-	-	290,000					
MUFG Bank, Ltd.	1,820,000	-	-	1,820,000					
Development Bank of Japan Inc.	910,000	-	-	910,000	0.49054	September 30, 2022	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
Mizuho Bank, Ltd.	910,000	-	-	910,000					
Sumitomo Mitsui Trust Bank, Limited	910,000	-	-	910,000					
Sumitomo Mitsui Banking Corporation	450,000	-	-	450,000					
MUFG Bank, Ltd.	1,140,000	-	-	1,140,000	0.77571	September 30, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
Development Bank of Japan Inc.	570,000	-	-	570,000					
Mizuho Bank, Ltd.	570,000	-	-	570,000					
Sumitomo Mitsui Trust Bank, Limited	570,000	-	-	570,000					
Sumitomo Mitsui Banking Corporation	300,000	-	-	300,000	0.77571	September 30, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
MUFG Bank, Ltd.	1,140,000	-	-	1,140,000					
Development Bank of Japan Inc.	570,000	-	-	570,000					
Mizuho Bank, Ltd.	570,000	-	-	570,000					
Sumitomo Mitsui Trust Bank, Limited	570,000	-	-	570,000	0.77571	September 30, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
Sumitomo Mitsui Banking Corporation	300,000	-	-	300,000					
MUFG Bank, Ltd.	1,140,000	-	-	1,140,000					
Development Bank of Japan Inc.	570,000	-	-	570,000					
Mizuho Bank, Ltd.	570,000	-	-	570,000	0.77571	September 30, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank, Limited	570,000	-	-	570,000					
Sumitomo Mitsui Banking Corporation	300,000	-	-	300,000					
MUFG Bank, Ltd.	1,140,000	-	-	1,140,000					

	Classification	Balance at beginning of current period (thousands of yen)	Increase during period (thousands of yen)	Decrease during period (thousands of yen)	Balance at end of current period (thousands of yen)	Average interest rate (%) (Note 2)	Maturity date	Repayment method	Use of funds	Remarks
	Lender									
Long-term loans payable (Note 1)	MUFG Bank, Ltd.	1,040,000	-	-	1,040,000	0.65428	January 31, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.	520,000	-	-	520,000					
	Mizuho Bank, Ltd.	520,000	-	-	520,000					
	Sumitomo Mitsui Trust Bank, Limited	520,000	-	-	520,000					
	Sumitomo Mitsui Banking Corporation	260,000	-	-	260,000					
	Shinkin Central Bank	1,300,000	-	-	1,300,000	0.45804	March 31, 2023	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	The Norinchukin Bank	1,300,000	-	-	1,300,000					
	The Bank of Fukuoka, Ltd.	1,300,000	-	-	1,300,000					
	Mizuho Trust & Banking Co., Ltd.	1,000,000	-	-	1,000,000					
	MUFG Bank, Ltd.	2,700,000	-	-	2,700,000	0.62188	March 31, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	1,350,000	-	-	1,350,000					
	Sumitomo Mitsui Banking Corporation	600,000	-	-	600,000					
	Nippon Life Insurance Company	500,000	-	-	500,000	0.55126	January 31, 2024	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Taiyo Life Insurance Company	500,000	-	-	500,000					
	Resona Bank, Ltd.	1,000,000	-	-	1,000,000	0.73497	August 31, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	550,000	-	-	550,000	0.85667	March 31, 2027	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	550,000	-	-	550,000					
	Development Bank of Japan Inc.	550,000	-	-	550,000					
	MUFG Bank, Ltd.	275,000	-	-	275,000					
	Sumitomo Mitsui Banking Corporation	275,000	-	-	275,000	0.43105	July 31, 2023	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	550,000	-	-	550,000					
	Mizuho Bank, Ltd.	550,000	-	-	550,000					
	Sumitomo Mitsui Trust Bank, Limited	550,000	-	-	550,000					
	Development Bank of Japan Inc.	550,000	-	-	550,000					
	Sumitomo Mitsui Banking Corporation	300,000	-	-	300,000	0.39950	January 31, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	670,000	-	-	670,000					
	Mizuho Bank, Ltd.	670,000	-	-	670,000					
	Sumitomo Mitsui Trust Bank, Limited	670,000	-	-	670,000					
	Sumitomo Mitsui Banking Corporation	320,000	-	-	320,000	0.49994	January 31, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.	670,000	-	-	670,000					
	Mizuho Bank, Ltd.	700,000	-	-	700,000					
	Sumitomo Mitsui Trust Bank, Limited	700,000	-	-	700,000					
	MUFG Bank, Ltd.	350,000	-	-	350,000	0.54500	September 30, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Banking Corporation	350,000	-	-	350,000					
	Development Bank of Japan Inc.	700,000	-	-	700,000	0.57826	September 30, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	800,000	-	-	800,000	0.20128	September 30, 2020	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	800,000	-	-	800,000					
	Sumitomo Mitsui Trust Bank, Limited	800,000	-	-	800,000					
	Sumitomo Mitsui Banking Corporation	400,000	-	-	400,000					

	Classification	Balance at beginning of current period (thousands of yen)	Increase during period (thousands of yen)	Decrease during period (thousands of yen)	Balance at end of current period (thousands of yen)	Average interest rate (%) (Note 2)	Maturity date	Repayment method	Use of funds	Remarks
	Lender									
Long-term loans payable (Note 1)	MUFG Bank, Ltd.	800,000	-	-	800,000	0.24628	March 31, 2022	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	800,000	-	-	800,000					
	Sumitomo Mitsui Trust Bank, Limited	800,000	-	-	800,000					
	Sumitomo Mitsui Banking Corporation	400,000	-	-	400,000					
	MUFG Bank, Ltd.	1,000,000	-	-	1,000,000	0.45215	September 30, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	1,000,000	-	-	1,000,000					
	Sumitomo Mitsui Trust Bank, Limited	1,000,000	-	-	1,000,000					
	Sumitomo Mitsui Banking Corporation	500,000	-	-	500,000					
	MUFG Bank, Ltd.	970,000	-	-	970,000	0.60810	September 30, 2027	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	970,000	-	-	970,000					
	Sumitomo Mitsui Trust Bank, Limited	970,000	-	-	970,000					
	Sumitomo Mitsui Banking Corporation	485,000	-	-	485,000					
	Mizuho Trust & Banking Co., Ltd.	525,000	-	-	525,000	0.42850	March 31, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	The Norinchukin Bank	525,000	-	-	525,000					
	The Bank of Fukuoka, Ltd.	525,000	-	-	525,000					
	Shinkin Central Bank	525,000	-	-	525,000					
	Mizuho Trust & Banking Co., Ltd.	2,300,000	-	2,300,000	-	0.26909	March 31, 2020	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.	1,350,000	-	-	1,350,000	0.54693	March 31, 2028	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	-	590,000	-	590,000	0.26556	February 26, 2021	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	-	590,000	-	590,000					
	MUFG Bank, Ltd.	-	295,000	-	295,000					
	Sumitomo Mitsui Banking Corporation	-	295,000	-	295,000					
	Mizuho Bank, Ltd.	-	210,000	-	210,000	0.26710	March 31, 2021	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	-	210,000	-	210,000					
	MUFG Bank, Ltd.	-	100,000	-	100,000					
	Sumitomo Mitsui Banking Corporation	-	100,000	-	100,000					
	Development Bank of Japan Inc.	-	750,000	-	750,000	0.47366	August 31, 2028	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	-	750,000	-	750,000					
	Sumitomo Mitsui Trust Bank, Limited	-	750,000	-	750,000					
	MUFG Bank, Ltd.	-	375,000	-	375,000					
	Sumitomo Mitsui Banking Corporation	-	375,000	-	375,000	0.26514	March 31, 2021	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	-	1,400,000	-	1,400,000					
	The 77 Bank, Ltd.	-	460,000	-	460,000					
	Shinkin Central Bank	-	460,000	-	460,000					
	The Norinchukin Bank	-	460,000	-	460,000	0.46156	September 30, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	The Bank of Fukuoka, Ltd.	-	460,000	-	460,000					
	Mizuho Trust & Banking Co., Ltd.	-	460,000	-	460,000					
	Mizuho Bank, Ltd.	-	660,000	-	660,000					
	Sumitomo Mitsui Trust Bank, Limited	-	660,000	-	660,000	0.26143	July 31, 2021	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	-	330,000	-	330,000					
	Mizuho Bank, Ltd.	-	780,000	-	780,000	0.26143	July 31, 2021	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	-	780,000	-	780,000					
	MUFG Bank, Ltd.	-	390,000	-	390,000					
	Development Bank of Japan Inc.	-	820,000	-	820,000	0.67532	June 30, 2029	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	-	820,000	-	820,000					

	Classification	Balance at beginning of current period (thousands of yen)	Increase during period (thousands of yen)	Decrease during period (thousands of yen)	Balance at end of current period (thousands of yen)	Average interest rate (%) (Note 2)	Maturity date	Repayment method	Use of funds	Remarks
	Lender									
Long-term loans payable (Note 1)	Sumitomo Mitsui Trust Bank, Limited	-	820,000	-	820,000	0.67532	June 30, 2029	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	-	820,000	-	820,000					
	Sumitomo Mitsui Banking Corporation	-	420,000	-	420,000					
	Subtotal	112,530,000	16,390,000	6,000,000	122,920,000					
Total		112,530,000	16,390,000	6,000,000	122,920,000					

- (Note 1) Long-term loans payable include the current portion of long-term loans payable.
 (Note 2) The average interest rate is the interest rate for each loan contract rounded to the fifth decimal place. As for the borrowings hedged by interest-rate swap transactions in order to avoid interest rate fluctuation risk, the interest rates reflect the effect of interest-rate swap transactions.
 (Note 3) The use of funds is mainly for the acquisition of real estate in trust and repayment of existing borrowings, etc.
 (Note 4) The total amount of repayment of long-term loans payable for each year during the five years following the balance sheet date is as shown below.

(Thousands of yen)

Due within 1 year or less	Due after 1 year to 2 years	Due after 2 years to 3 years	Due after 3 years to 4 years	Due after 4 years to 5 years	Due after 5 years
20,615,000	16,600,000	15,960,000	12,380,000	18,920,000	38,445,000



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Independent Auditor's Report

The Board of Directors
 Comforia Residential REIT, Inc.

Opinion

We have audited the accompanying financial statements of Comforia Residential REIT, Inc. (the Investment Corporation), which comprise the balance sheets as at July 31, 2020, and the statements of income, changes in unitholders' equity, cash distributions and cash flows for the six-month period then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Investment Corporation as at July 31, 2020, and its financial performance and its cash flows for the six-month period then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

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

Responsibilities of Management, the Supervisory Directors for the Financial Statements

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

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

Supervisory Directors are responsible for overseeing the Investment Corporation's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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



Ernst & Young ShinNihon LLC
Tokyo, Japan

October 21, 2020

鈴木 理 

Makoto Suzuki
Designated Engagement Partner
Certified Public Accountant

新居 幹也 

Mikiya Arai
Designated Engagement Partner
Certified Public Accountant