



Semi-Annual Report for the

**22<sup>nd</sup>** Fiscal Period

From February 1, 2021 to July 31, 2021

CRR 3282

For a Superior Level of  
Living Comfort

**COMFORIA**

COMFORIA RESIDENTIAL REIT, INC  
21-1 Dogenzaka 1-chome, Shibuya-ku, Tokyo <https://www.comforia-reit.co.jp/en/>





## 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 22nd Fiscal Period (from February 1, 2021 to July 31, 2021). We would like to thank all of our unitholders and stakeholders for their continued support and cooperation.

We hereby report on the asset management overview and results for the 22nd Fiscal Period. During the 22nd Fiscal Period, we acquired COMFORIA TAITONEGI-SHI and two other properties in February 2021 through a public offering, conducted for the eighth consecutive year since listing, as well as cash on hand. Furthermore, we acquired COMFORIA OMIYA through cash on hand and sold COMFORIA SHIN-OSAKA in March 2021, in an effort to improve the quality of our portfolio.

As a result, our portfolio as of the end of the 22nd Fiscal Period stood at 140 properties, with a total acquisition price of ¥261.5 billion. The average occupancy rate for the 22nd Fiscal Period remained generally stable at 95.5%. The Investment Corporation had ¥10,770 million in operating revenue, ¥5,590 million in operating profit, and ¥4,950 million in profit, all of which exceeded our forecasts, resulting in a distribution per unit (DPU) of ¥5,872.

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	¥ <b>10,770</b> million	Number of properties	<b>140</b> properties
Operating profit	¥ <b>5,590</b> million	Acquisition price	¥ <b>261.5</b> billion
Profit	¥ <b>4,950</b> million	Appraisal value	¥ <b>327.6</b> billion
Distribution per unit (DPU)	¥ <b>5,872</b>	Occupancy rate at the 22nd Fiscal Period-end	<b>95.7</b> %
Total loan to value (LTV)	<b>50.1</b> %	Average occupancy rate	<b>95.5</b> %

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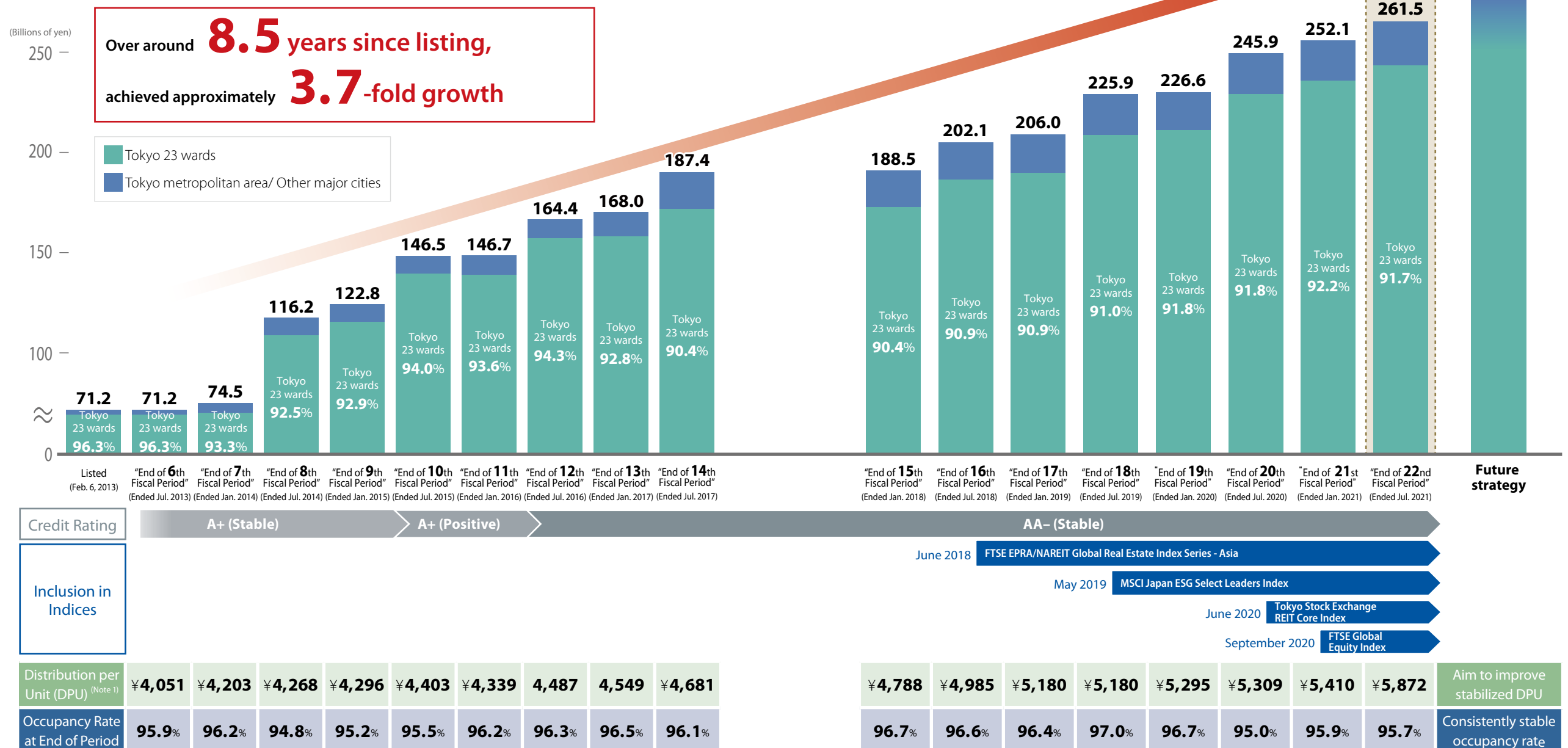
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During the 22nd Fiscal Period, a public offering was implemented in February 2021, conducted for the eighth consecutive year since listing, and three properties were acquired with funds procured through the public offering as well as cash on hand. In addition, it acquired COMFORIA OYAMA through cash on hand and sold COMFORIA SHIN-OSAKA in March 2021.

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. (the "Asset Management Company"), while seeking expansion of the asset size and stable distribution levels.

## Selective Investments Mainly in Tokyo 23 Wards (As of July 31, 2021)

### Historical Asset Size



(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"

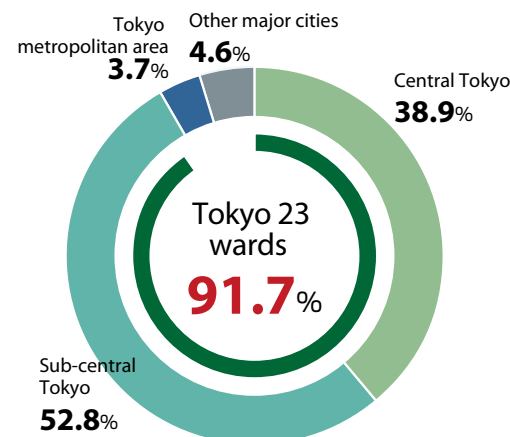
With "in Tokyo 23 wards" and "near stations" as the focus, the Investment Corporation continues to acquire rental residences developed by sponsors and to use its Asset Management Company's original property acquisition channels to selectively invest in high-quality properties.

### Asset Size (Acquisition price basis)

**140** properties / ¥ **261.5** billion

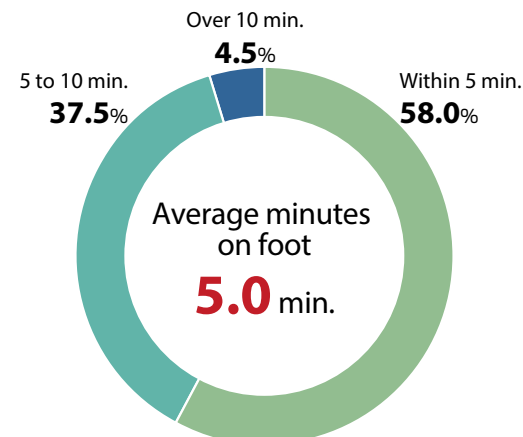
### Investment Area (Rental residence)

(As of the end of 22nd FP)



### Average Minutes on Foot from Nearest Stations (Rental residence)

(As of the end of 22nd FP)

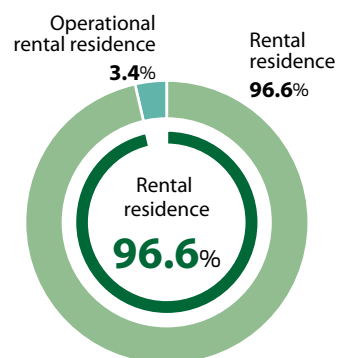


Primarily Tokyo 23 wards

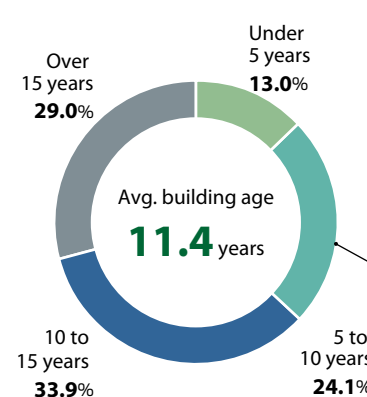


Primarily properties near stations

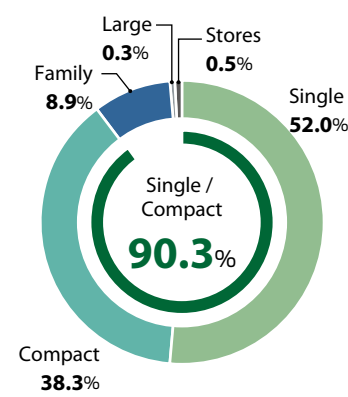
### Investment Target



### Building Age



### Unit Type (Rental residence)

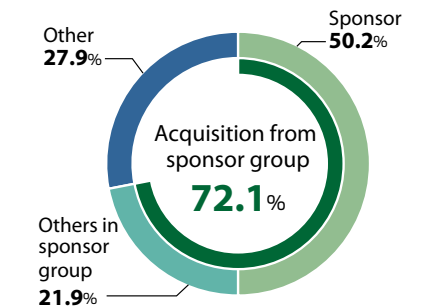


## Diversified Property Acquisition Channels Centering on Sponsor Group

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.

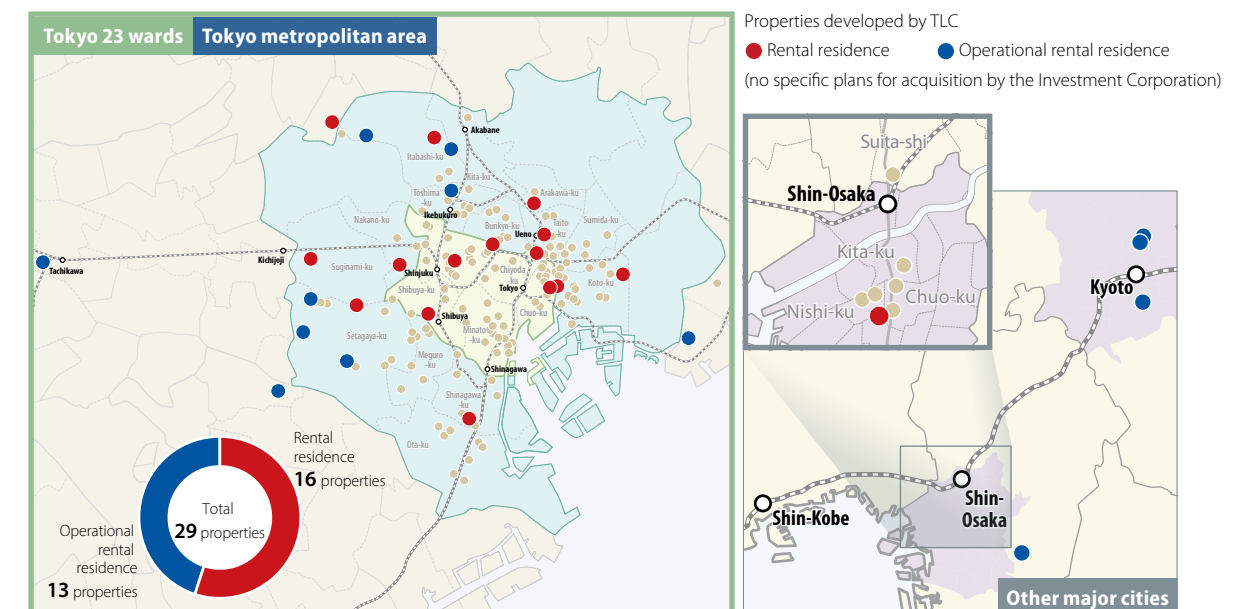
22nd Fiscal Period	
Acquisition from sponsor	Acquisition from others
2 properties	2 properties
¥ 4,459 million	¥ 7,325 million

### Ratio of Acquired Assets by Seller (As of July 31, 2021)



## Property Development by Tokyu Land Corporation (As of September 15, 2021)

There is a pipeline of 29 properties containing 3,661 units located primarily within Tokyo 23 wards.



	Number of properties	Number of units
Tokyo 23 wards	20	2,408
Tokyo metropolitan area	4	423
Other major cities	5	830
<b>Total</b>	<b>29</b>	<b>3,661</b>
(Completed)	16	1,810



During the 22nd Fiscal Period, the Investment Corporation acquired three sponsor-developed properties at the time of the public offering. In March, the Investment Corporation acquired one property through original route of the Asset Management Company, and sold one property.



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 22nd Fiscal Period (Through public offering)

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

147 COMFORIA TAITONEGISHI	Sub-central Tokyo
	
<b>Address</b>	3-18-15 Negishi, Taito-ku, Tokyo
<b>Nearest station/Distance (on foot)</b>	6-minute walk from Iriya Station on the Tokyo Metro Hibiya line
<b>Ownership</b>	Ownership
<b>Completion date</b>	October 2019
<b>Rentable units</b>	90 units
<b>Acquisition date</b>	February 1, 2021
<b>Acquisition price</b>	¥3,031 million

148 COMFORIA MONZENNAKACHO SOUTH	Sub-central Tokyo
	
<b>Address</b>	1-13-6 Botan, Koto-ku, Tokyo
<b>Nearest station/Distance (on foot)</b>	3-minute walk from Monzennakacho Station on the Tokyo Metro Tozai Line and Toei Oedo Line
<b>Ownership</b>	Ownership
<b>Completion date</b>	July 2019
<b>Rentable units</b>	47 units
<b>Acquisition date</b>	February 1, 2021
<b>Acquisition price</b>	¥1,428 million

149 COMFORIA MAGOME	Sub-central Tokyo
	
<b>Address</b>	1-1-4 Nishimagome, Ota-ku, Tokyo
<b>Nearest station/Distance (on foot)</b>	6-minute walk from Magome station on the Toei Asakusa Line
<b>Ownership</b>	Ownership
<b>Completion date</b>	July 2016
<b>Rentable units</b>	111 units
<b>Acquisition date</b>	February 1, 2021
<b>Acquisition price</b>	¥2,905 million

## Property Acquired in 22nd Fiscal Period

150 COMFORIA OMIYA	Tokyo metropolitan area
	
<b>Address</b>	3-36-1 Nakacho, Omiya-ku, Saitama-shi, Saitama
<b>Nearest station/Distance (on foot)</b>	7-minute walk from Omiya Station on the JR Tohoku Shinkansen, Keihin-Tohoku line, Saikyo line and other 7 lines
<b>Ownership</b>	Ownership
<b>Completion date</b>	February 2010
<b>Rentable units</b>	103 units
<b>Acquisition date</b>	March 18, 2021
<b>Acquisition price</b>	¥4,420 million

## Property Sold in 22nd Fiscal Period

54 COMFORIA SHIN-OSAKA	Other major cities
	
<b>Address</b>	1-21-24 Higashinakajima, Higashiyodogawa-ku, Osaka-shi, Osaka
<b>Sale price</b>	¥3,600 million
<b>Appraisal value</b>	¥3,030 million
<b>Gain on sale</b>	¥1,350 million
<b>Rentable units</b>	133 units
<b>Completion date</b>	October 2006

Asset replacement

## Key Points of Asset Replacement

Acquisition	Promote property acquisitions with demographic trends in mind	Disposition	Disposition price exceeds appraisal value by 19%
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## Effect of Asset Replacement

	21st FP end		22nd FP end
<b>Asset size</b>	¥252.1 billion	<b>Acquisition</b>	¥261.5 billion
<b>Tokyo 23 wards ratio (Rental residence)</b>	92.2%	<b>Disposition</b>	91.7%
<b>Avg. building age</b>	11.2 years		11.4 years
<b>Total LTV</b>	51.4%		50.1%

<b>Capital gain from replacement</b>	¥1.35 billion	<b>Internal reserves from replacement<sup>(Note)</sup></b>	¥881 million
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(Note) Reserve for reduction entry of special provisions of replaced property

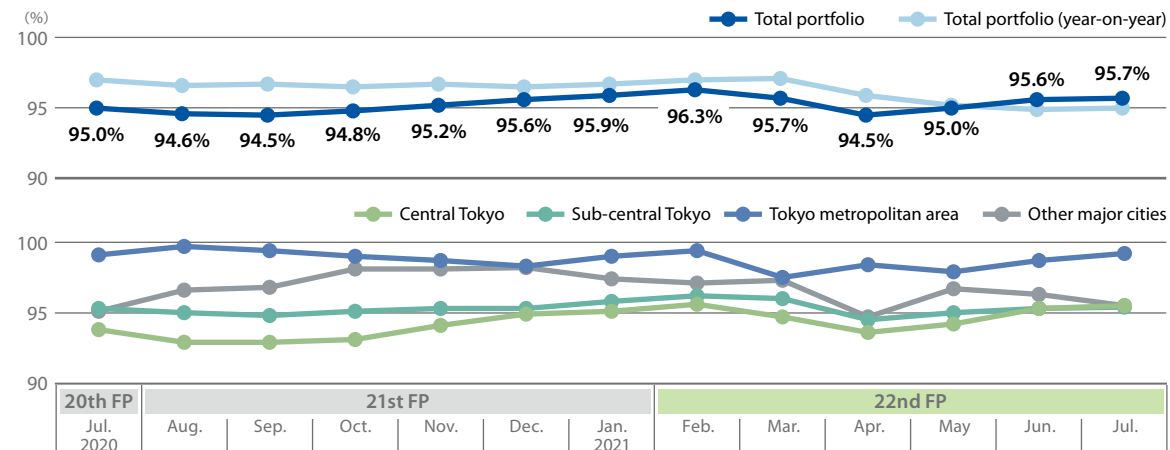
## Investment Ratio by Area

	End of 21st FP	End of 22nd FP	Difference
Central Tokyo	38.9%	37.5%	-1.4pt
Sub-central Tokyo	51.9%	52.9%	+1.0pt
Tokyo metropolitan area	3.6%	5.2%	+1.6pt
Other major cities	5.6%	4.4%	-1.2pt
Ratio of Tokyo 23 wards (Rental residence)	92.2%	91.7%	-0.5pt

With the portfolio strategy focused on Tokyo 23 wards, we are managing steady operations while maintaining stable occupancy rates.

## Occupancy Rates

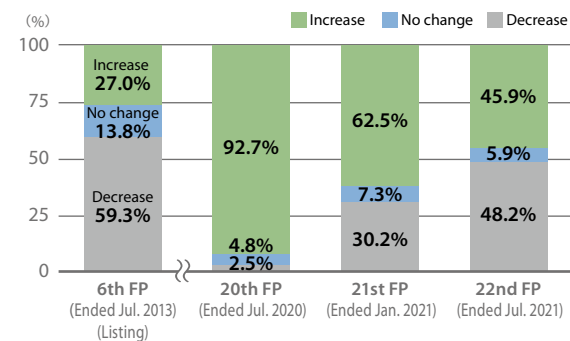
The average occupancy rate for the 22nd Fiscal Period was generally stable at 95.5%



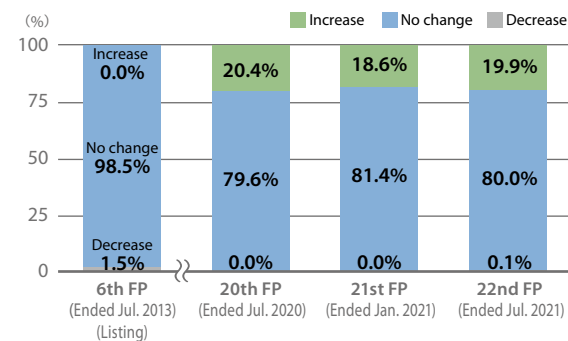
## Impact of Rent Increases on Tenant Turnover/Lease Renewals

The percentage of cases achieving higher contracted rents in the 22nd Fiscal Period was 45.9%.

### Tenant Turnover



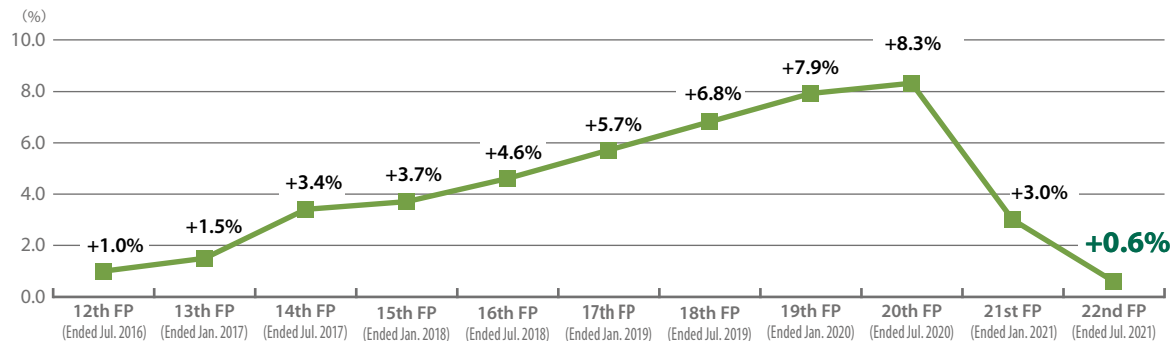
### Lease Renewals



## Trends of Rent Change Upon Tenant Turnover

Realized 11th consecutive period of increase in rent change on tenant turnover.

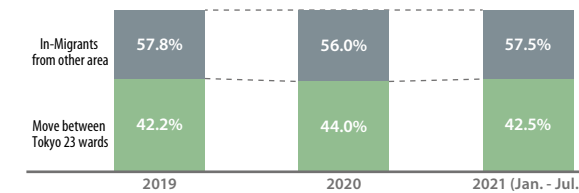
### Rates of Rent Change Upon Tenant Turnover



## Impact of COVID-19 Pandemic Move-Out Questionnaire Results

So far, relocation within Tokyo 23 wards is at a high level and moving out to other areas is trending downwards.

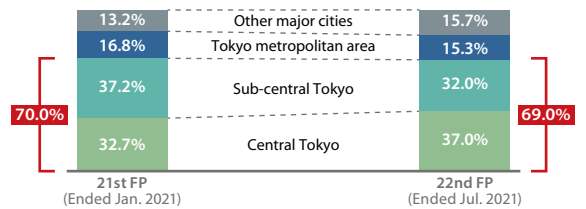
### 1 Breakdown of move-in to Tokyo 23 wards (All Citizen)



(Note) The above questionnaire results show the results of valid responses from tenants who moved out from properties located in Tokyo 23 wards or Tokyo metropolitan area.

Relocation within Tokyo 23 wards is in the 40% range

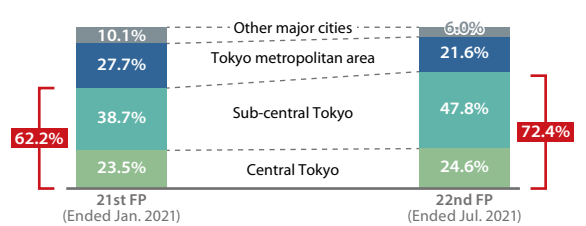
### 2 Previous address before move-in



Approx. 70% of new residents of the Investment Corporation relocating within Tokyo 23 wards

### 3 Reason for move out and New address of move-outs

Reason for move out	21st FP (non busy season)	22nd FP (busy season)
Company reason	346 (33.8%)	476 (39.6%)
Room size/Floor plan/Rent dissatisfaction	250 (24.4%)	306 (25.4%)
Marriage, etc.	103 (10.1%)	74 (6.2%)
Housing purchase	79 (7.7%)	87 (7.2%)
Other	245 (23.9%)	260 (21.6%)
Total	1,023 (100%)	1,203 (100%)



(Note) The above questionnaire results show the results of valid responses from tenants who moved out from properties located in Tokyo 23 wards or Tokyo metropolitan area.

Relocations to suburbs for reasons pertaining to room size, floor plan and rent is limited while relocations to sub-central Tokyo is increasing

Demand for relocations to competitive properties in Tokyo 23 wards continues to be strong and there is a particular preference for sub-central Tokyo

## Value Enhancement Work

Implemented work to divide one room into two based on workplace needs amidst the COVID-19 pandemic

COMFORIA IKEBUKURO is a property standing in a highly prosperous area that is a five-minute walk from Ikebukuro Station, a sub-center of Tokyo. With large retail facilities including department stores as well as restaurants scattered around the station, the property earns a favorable reception from trend sensitive people who hope to enjoy the urban lifestyle to the utmost.

As the building age exceeded 15 years, we implemented work to divide one room into two based on workplace needs amidst the COVID-19 pandemic, rather than simple renovation of residential rooms. My involvement was from the planning stages to decision making on specifications, and I worked closely with the construction arm, property manager and contractors to gain accurate insights on the property features and tenant attributes as well as take into consideration the rental market trends amidst the COVID-19 pandemic.

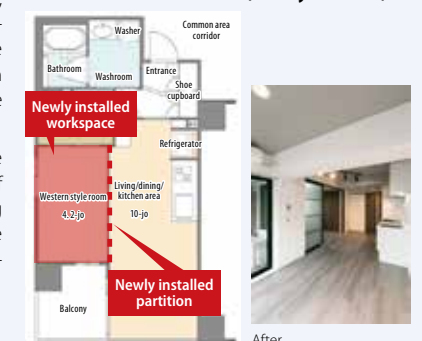
The work took two months, but the rooms received tenancy applications right after completion. Through the ¥2.7 million work, we achieved conclusion of new contracts at rents 23% higher than the previous rents.

Like with this value enhancement work, we will continue to improve property value of Comforia Residential REIT by implementing value enhancement works that meet the needs of potential tenants and exercising ingenuity.



**Yoshitaka Shioya**  
TLC REIT Management Inc.  
Assistant Manager,  
Asset Management Department,  
Comforia Management Division  
Hobby: Volleyball

### COMFORIA IKEBUKURO (16.6 years old)



Details of work	Newly installed partition, newly installed air conditioner, replaced kitchen equipment, replaced wallpaper, etc.
Construction cost	¥2.7 million
Monthly rent	(Before) 1 unit ¥138 thousand (After) 1 unit ¥170 thousand (+32 thousand)

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

	9th	10th (green bonds)	11th
Date of issuance	July 8, 2021		
Total amount of issuance	¥ 2.0 billion	¥ 3.0 billion	¥ 1.6 billion
Term	5 years	10 years	15 years
Coupon rate	0.18% per annum	0.46% per annum	0.73% per annum

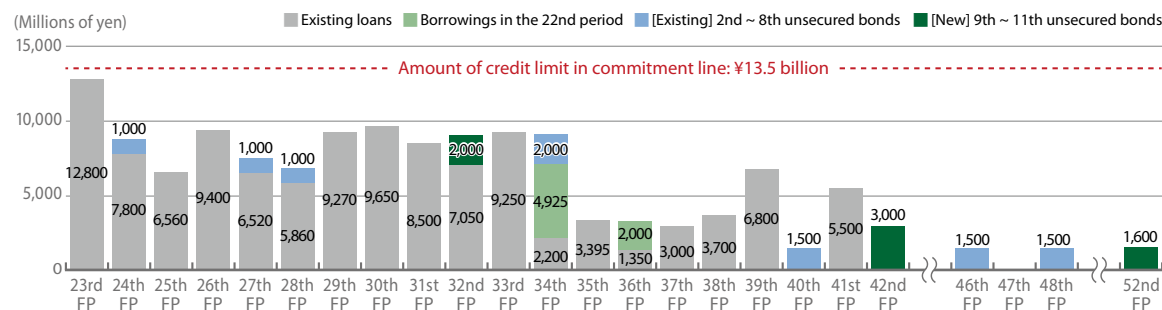
## Interest-Bearing Debt

	End of 22nd FP (July 31, 2021)
LTV <sup>(Note)</sup>	50.1%
Long-term debt ratio	84.7%
Fixed-interest debt ratio	95.2%
Average maturity	4.5 years
Weighted avg. interest rate	0.58%

(Note) Interest-bearing debt balance/total assets

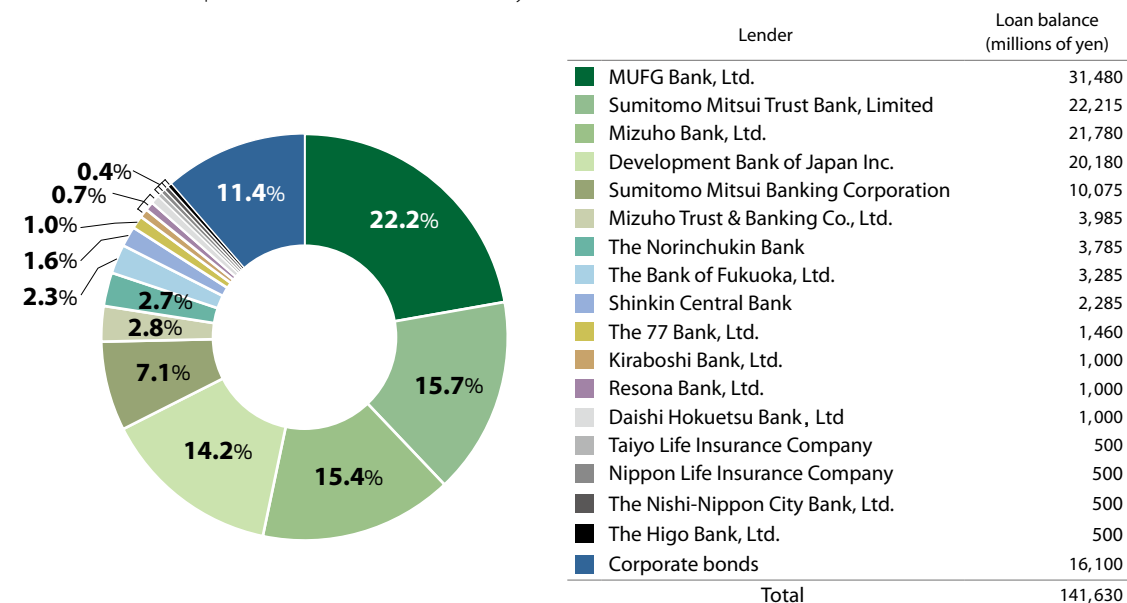
## Diversification of Repayment Dates

The expected repayments of debt and investment corporation bonds as of July 31, 2021 are as follows:



## Loan Balances

The Investment Corporation's loan balances as of July 31, 2021 are as follows:



## Credit Rating (As of April 26, 2021)

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

## Issuance of Sustainability Report

The Investment Corporation has issued a Sustainability Report as a tool to facilitate understanding of stakeholders on our approach to SDGs and sustainability. We will aim for further promotion of ESG through dialogue with our stakeholders.

## External Evaluation of ESG

### Continuously Adopted in MSCI Japan ESG Select Leaders Index

The Investment Corporation has been selected as a constituent of the Index since May 2019 (10 J-REITs have been selected to the Index) and acquired "BBB" on MSCI ESG rating (Nov. 2020~).

### GRESB Real Estate Assessment (2020)

The Investment Corporation has participated in the GRESB Real Estate Assessment since 2018.

2020 CONSTITUENT MSCI JAPAN  
ESG SELECT LEADERS INDEX



## Issuance of Green Bonds

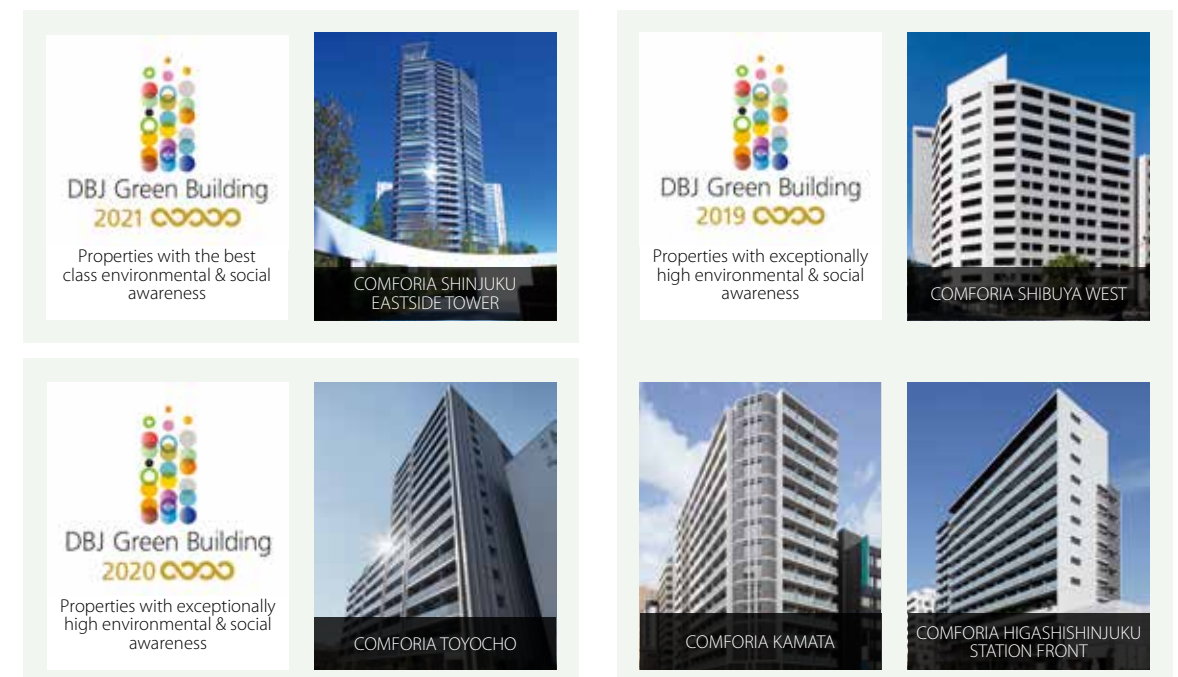
- The Investment Corporation issued green bonds for the second time in July 2021.
- The Investment Corporation intends to broaden its investor base by stimulating investors' demand of ESG investment.

### Summary of the investment corporation bonds (10th unsecured bonds (green bonds))

Total amount of issuance	Coupon rate	Term	Redemption date	ESG rating agency	The number of investors who declared intention
¥ 3.0 billion	0.46% per annum	10 years	July 8, 2031	Sustainalytics	17

## DBJ Green Building Certification

The Investment Corporation updated a certification for COMFORIA SHINJUKU EASTSIDE TOWER in July 2021.





## Environment

Relevant SDG Goals

Goal 7 Affordable and Clean Energy

Goal 12 Responsible Consumption and Production

Status/Initiatives

### Initiatives for 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



Replacing air conditioners

#### 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

### Installation of Electric Power Measuring System

In order to increase the actual electric power consumption coverage rate at owned properties, electric power measuring systems have been installed at two properties (equivalent to 15.3% of the portfolio) as of the end of July 2021. The installation makes it possible to measure power consumption at exclusive areas. Furthermore, activities to raise awareness for energy saving among tenants are being carried out.



## Social

Relevant SDG Goals

Goal 11 Sustainable Cities and Communities

Goal 12 Responsible Consumption and Production

Status/Initiatives

### 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.

#### Building Cleaning (Common Areas)

Survey	2017	2018	2019	2020
Satisfied	73%	68%	72%	73%
Neutral	14%	18%	15%	13%
Unsatisfied	13%	14%	13%	14%

#### Building Management & Service

Survey	2017	2018	2019	2020
Satisfied	68%	67%	69%	68%
Neutral	26%	22%	24%	24%
Unsatisfied	6%	11%	7%	8%

## Governance

Relevant SDG Goals

Goal 12 Responsible Consumption and Production

Goal 16 Peace, Justice and Strong Institutions

Status/Initiatives

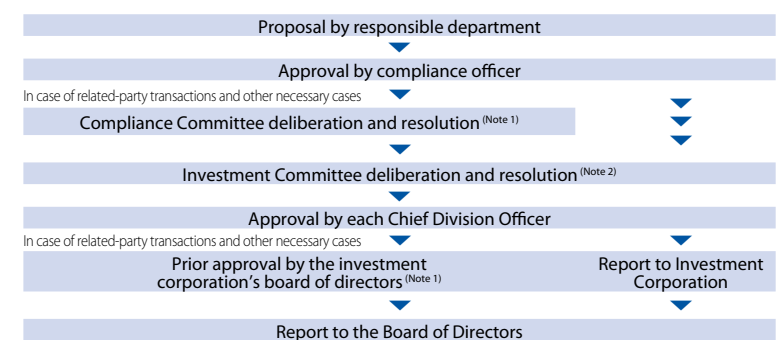
### Change in Asset Management Fee System

Introduce incentives for further improvement of unitholders' value and enhance linkage with the interests of unitholders.

	Calculation method
Management fee I (fee linked to total assets)	Total assets at the end of previous fiscal period × 0.2% (annual rate)
Management fee II (fee linked to profit)	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 (excluding warehousing))
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. 2021, the sponsor acquired 2,137 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

**9.0%**

(as of July 31, 2021)

## Promotion System

### Sustainability Promotion Council

The Sustainability Promotion Council meets regularly with President & CEO as the Chief Sustainability Officer who assumes the ultimate responsibility, and other members from across the organization of the Asset Management Company and among members, it shares relevant information and examine and promote the efforts. External experts are invited to the Council to consult opinions when needed.

### Environment Management System

The Asset Management Company established a unique environment management system (EMS) which applies PDCA cycle to continuously approach to environmental challenges. It is working to continuously reduce environmental impacts in the management operation for the Investment Corporation, through the cycle of four steps; set targets (Plan), assess performance (Do), analyze budget vs. actual (Check), and implement countermeasures for a better performance (Act). The Asset Management Department reviews actual performances in its monthly meeting and reports the results to the management at least once a year, then receives feedbacks and instructions for further improvement for the following year, from the management.



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 ICHIGAYAYAKUOJI	
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 HIGASHINIHONBASHI	
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	

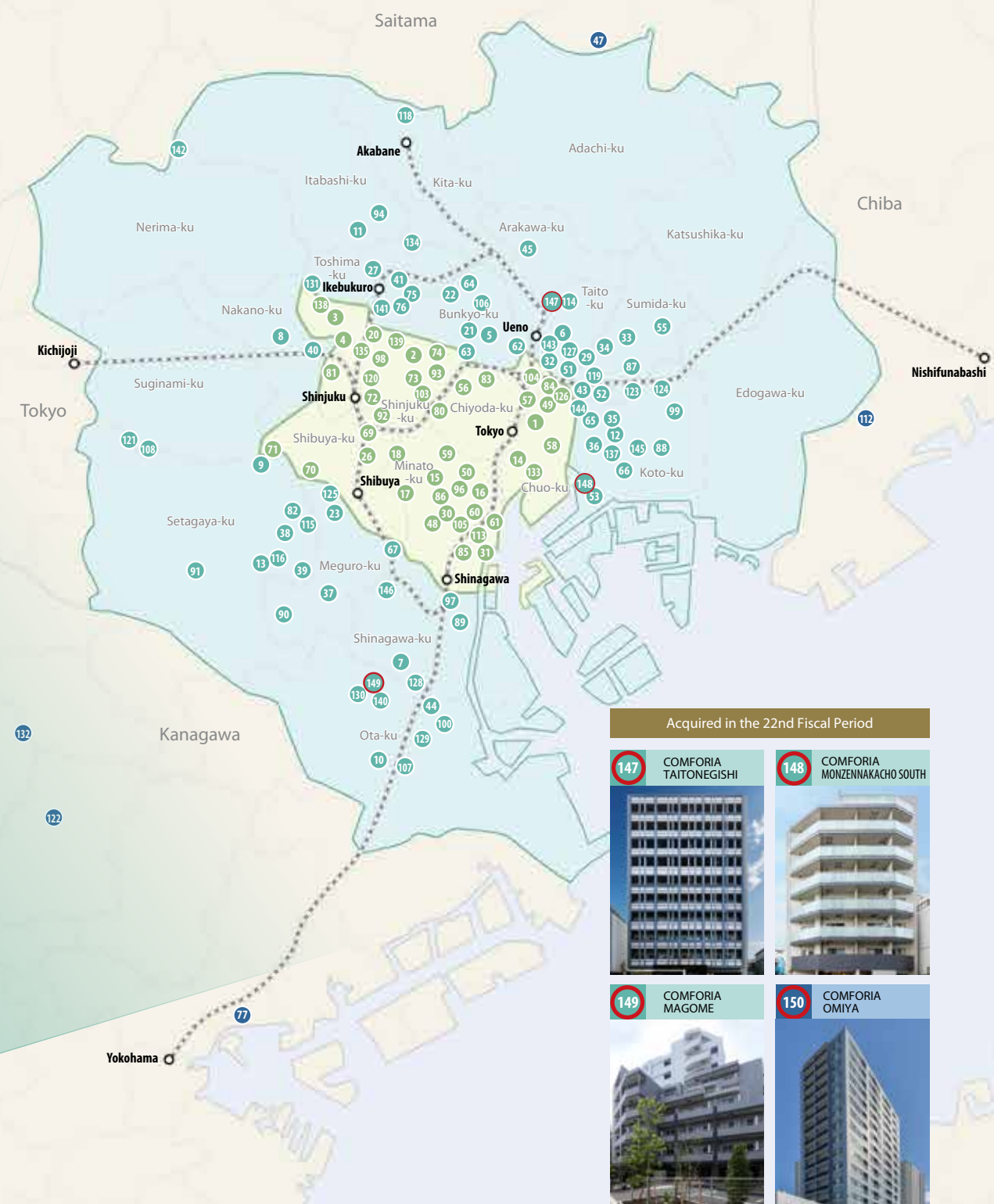
Sub-central Tokyo				78 properties
5 COMFORIA BUNKYOKASUGA	39 COMFORIA GAKUGEIDAIGAKU	89 COMFORIA HIGASHISHINAGAWA	129 COMFORIA OMORIMACHI	
6 COMFORIA ASAKUSAMATSUGAYA	40 COMFORIA HIGASHINAKANO DEUX	90 COMFORIA MEGUROYAKUMO	130 COMFORIA KAMIKEDAI	
7 COMFORIA NISHIOI	41 COMFORIA HIGASHIIBUKURO WEST	91 COMFORIA YOGA	131 CAMPUS VILLAGE SHINAMACHI	
8 COMFORIA NAKANO	43 COMFORIA RYOGOKU DEUX	94 COMFORIA ITABASHINAKAJUKU	134 COMFORIA TAKINOGAWA	
9 COMFORIA SHIMOKITAZAWA	44 COMFORIA OMORI DEUX	97 COMFORIA SHINAGAWA EAST	137 COMFORIA KIBASHINSUIKOEN	
10 COMFORIA NISHIKAMATA	45 COMFORIA MACHIYA	99 COMFORIA OJIMA	140 COMFORIA NISHIMAGOME HILLSIDE	
11 COMFORIA OYAMA	51 COMFORIA ASAKUSABASHI	100 COMFORIA OMORI TROIS	141 COMFORIA IKBUKURO DEUX	
12 COMFORIA KIYOSUMISHIRAKAWA SOUTH	52 COMFORIA RYOGOKU SOUTH	106 COMFORIA BUNKYOHAKUSAN	142 COMFORIA NARIMASU	
13 COMFORIA KOMAZAWA	53 COMFORIA TOYOSU	107 COMFORIA KAMATA	143 COMFORIA SHIN-OKACHIMACHI	
21 COMFORIA KOISHIKAWA	55 COMFORIA SUMIDA-TACHIBANA	108 COLLEGE COURT HACHIMANYAMA	144 COMFORIA MORISHITA WEST	
22 COMFORIA SENGOKU	62 COMFORIA UENOHIROKOJI	114 COMFORIA UENOIRIYA	145 COMFORIA TOYOCHO	
23 COMFORIA DAIKANYAMAAOBADAI	63 COMFORIA KASUGATOMISAKA	115 COMFORIA IKEJIRI	146 COMFORIA FUDOMAE	
27 COMFORIA IKBUKURO	64 COMFORIA HONKOMAGOME	116 COMFORIA SETAGAYAKAMIUMA	147 COMFORIA TAITONEGISHI	
29 COMFORIA RYOGOKUSHIWARA	65 COMFORIA MORISHITA	118 COMFORIA AKABANEIWABUCHI	148 COMFORIA MONZENNAKACHO SOUTH	
32 COMFORIA ASAKUSABASHI DEUX	66 COMFORIA KIBAKOEN	119 COMFORIA RYOGOKU TROIS	149 COMFORIA MAGOME	
33 COMFORIA OSHIAGE	67 COMFORIA MEGURO CHOJAMARU	121 COLLEGE SQUARE HACHIMANYAMA		
34 COMFORIA HONJOAZUMABASHI	75 COMFORIA HIGASHIIBUKURO EAST	123 COMFORIA KINSHICHO DEUX		
35 COMFORIA KIYOSUMISHIRAKAWA TROIS	76 COMFORIA HIGASHIIBUKURO	124 COMFORIA KAMEIDO SOUTH		
36 COMFORIA MONZENNAKACHO	82 COMFORIA KOMABA	125 COMFORIA SHIBUYA WEST		
37 COMFORIA HIMONYA	87 COMFORIA KINSHICHO	127 COMFORIA ASAKUSAKOMAGATA		
38 COMFORIA MISYUKU	88 COMFORIA MINAMISUNAMACHI	128 COMFORIA OMORIKASHIMA		

Tokyo metropolitan area		6 properties
47 COMFORIA YATSUKA	122 GRANCREE CENTER-MINAMI	
77 COMFORIA SHINKOYASU	132 COMFORIA TAMA-PLAZA	
112 COMFORIA GYOTOKU	150 COMFORIA OMIYA	

Other major cities		8 properties
95 COMFORIA KITASANJO	110 COMFORIA KYOMACHIBORI	
101 COMFORIA SAPPORO SHOKUBUTSUEN	111 COMFORIA AWAZA	
102 COMFORIA OGIMACHI	117 COMFORIA KITAHAMA	
109 COMFORIA SHINSAIBASHI EAST	136 COMFORIA ESAKAHIROSHIBACHO	

Total  
140  
properties

- Central Tokyo
- Sub-central Tokyo
- Tokyo metropolitan area
- Other major cities





# Selected Portfolio Properties

## Top 10 by Recent Completion



1

COMFORIA TOYOCHO  
Completion Date: Feb. 2020





1

COMFORIA FUDOMAE  
Completion Date: Feb. 2020




1

COMFORIA NARIMASU  
Completion Date: Feb. 2020




4

COMFORIA TAITONEGISHI  
Completion Date: Oct. 2019




5

COMFORIA SHIN-OKACHIMACHI  
Completion Date: Aug. 2019




6

COMFORIA MONZENNAKACHO SOUTH  
Completion Date: Jul. 2019




7

COMFORIA TAKINOGAWA  
Completion Date: Sep. 2018




8

COMFORIA SHINJUKU  
Completion Date: Mar. 2018




9

CAMPUS VILLAGE SHIINAMACHI  
Completion Date: Jan. 2018



9

COMFORIA KAMEIDO SOUTH  
Completion Date: Jan. 2018





## 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

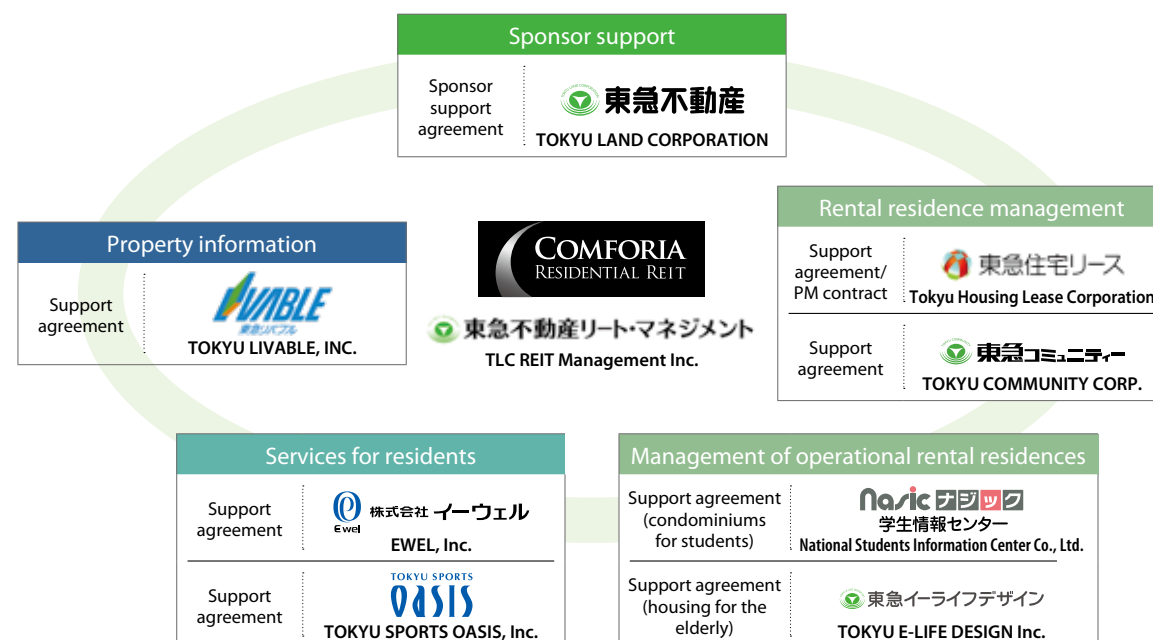
COMFORIA knows where peace of mind comes from.

##### 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



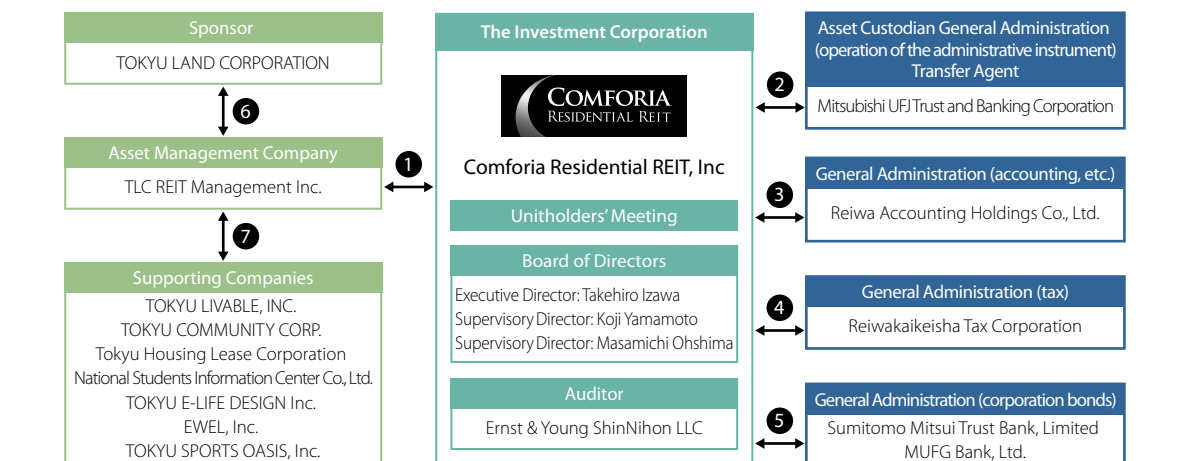
### Overview of the Investment Corporation (As of July 31, 2021)

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

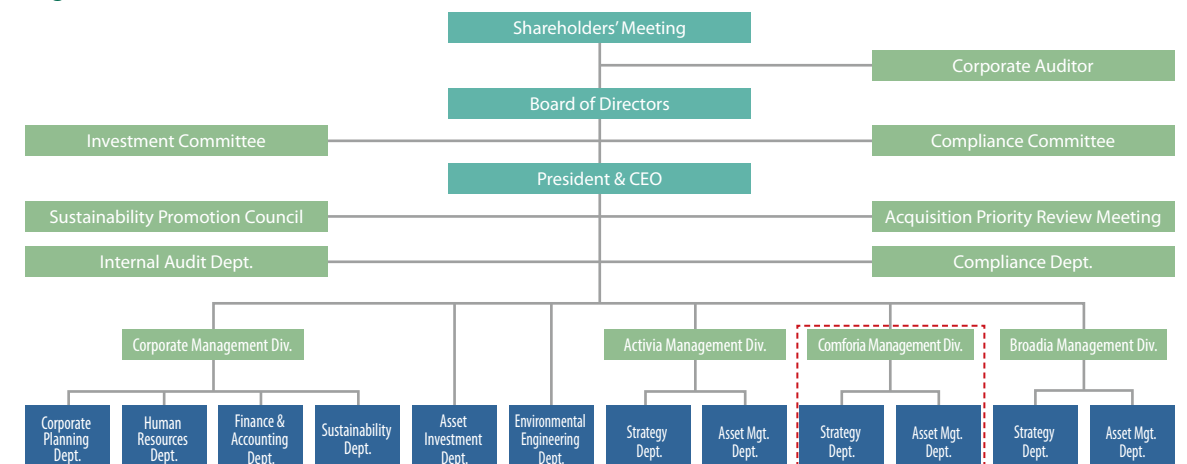


- ① Asset management agreement ② Asset custody agreement, Administrative service agreement, Transfer agency agreement ③ Accounting service agreement  
④ Tax administrative agreement ⑤ Fiscal, issuing and payment agency agreement ⑥ Sponsor support agreement ⑦ Support agreement

### Overview of the Asset Management Company (As of July 31, 2021)

Trade name	TLC REIT Management Inc.	Shareholder	Tokyu Land Corporation 100%
Representative	Masaoki Kanematsu, President & CEO		
Address	21-1 Dogenzaka 1-chome, Shibuya-ku, Tokyo 150-0043, Japan	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
Established	October 2009		
Capital	¥200 million		

#### Organization



## Asset Management Report for the 22nd Fiscal Period (Semi-Annual Report)

From February 1, 2021 to July 31, 2021

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		18th Fiscal Period	19th Fiscal Period	20th Fiscal Period	21st Fiscal Period	22nd Fiscal Period
Business period		From Feb. 1, 2019 to Jul. 31, 2019	From Aug. 1, 2019 to Jan. 31, 2020	From Feb. 1, 2020 to Jul. 31, 2020	From Aug. 1, 2020 to Jan. 31, 2021	From Feb. 1, 2021 to Jul. 31, 2021
Operating revenue	(millions of yen)	8,652	8,790	9,028	9,565	10,770
[Rent revenue - real estate]	(millions of yen)	[8,484]	[8,579]	[9,028]	[9,064]	[9,420]
Operating expenses	(millions of yen)	4,673	4,683	4,947	5,080	5,180
[Expenses related to rent business]	(millions of yen)	[3,928]	[3,862]	[4,092]	[4,176]	[4,263]
Operating profit	(millions of yen)	3,978	4,106	4,081	4,484	5,590
Ordinary profit	(millions of yen)	3,453	3,568	3,529	3,895	4,995
Profit	(millions of yen)	3,448	3,562	3,523	3,889	4,950
Total assets	(millions of yen)	246,498	246,861	268,935	275,495	282,839
[Period-on-period change]	(%)	[10.1]	[0.1]	[8.9]	[2.4]	[2.7]
Net assets	(millions of yen)	117,928	118,172	128,204	128,528	135,689
[Period-on-period change]	(%)	[14.2]	[0.2]	[8.5]	[0.3]	[5.6]
Unitholders' capital	(millions of yen)	114,045	114,045	123,947	123,947	129,791
Number of investment units issued	(units)	640,834	640,834	671,624	671,624	692,994
Net assets per unit	(yen)	184,023	184,403	190,886	191,369	195,802
Total distributions	(millions of yen)	3,319	3,393	3,565	3,633	4,069
Distribution per unit	(yen)	5,180	5,295	5,309	5,410	5,872
[Earnings distribution per unit]	(yen)	[5,180]	[5,295]	[5,309]	[5,410]	[5,872]
[Distribution in excess of earnings per unit]	(yen)	[—]	[—]	[—]	[—]	[—]
Return on assets	(Note 1) (%)	1.5	1.4	1.4	1.4	1.8
Return on unitholders' equity	(Note 2) (%)	3.1	3.0	2.9	3.0	3.7
Unitholders' equity ratio	(Note 3) (%)	47.8	47.9	47.7	46.7	48.0
[Period-on-period change]	(%)	[1.7]	[0.0]	[-0.2]	[-1.0]	[1.3]
Interest-bearing debt	(millions of yen)	123,530	123,530	135,420	141,650	141,630
Interest-bearing debt ratio (LTV)	(Note 4) (%)	50.1	50.0	50.4	51.4	50.1
Payout ratio	(Note 5) (%)	96.2	95.2	101.1	93.4	82.2
Number of properties	(properties)	126	126	135	137	140
Total leasable area	(m <sup>2</sup> )	358,677.21	357,279.84	377,108.20	381,721.10	389,457.28
Occupancy rate at end of period	(%)	97.0	96.7	95.0	95.9	95.7
Depreciation	(millions of yen)	1,288	1,296	1,341	1,374	1,398
Capital expenditure	(millions of yen)	509	417	310	137	406
NOI	(Note 6) (millions of yen)	5,843	6,012	6,277	6,262	6,555

(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



## 2. Asset Management Status for the 22nd 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 Articles of Incorporation of the Investment Corporation, the portfolio (the “Acquired Assets”) owned as of the end of the 22nd Fiscal Period includes 140 properties, acquired for a total of ¥261,534 million.

### (2) Investment performance

#### (i) Investment environment

During the 22nd Fiscal Period, the Japanese economy continued to face a harsh situation due to the government’s two-time declarations of a state of emergency under the re-spread of the novel coronavirus infection (COVID-19). Under such circumstances, the residential rental market saw the supply and demand situation stay on a somewhat weak note, and the occupancy rate of the Investment Corporation’s properties also decreased slightly. However, a recovery trend is observed for the moment. In the real estate investment market, on the other hand, the level of transaction prices continues to stay at a high price range, with investors in and outside Japan showing strong willingness to acquire properties, 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 and sale of assets

During the 22nd Fiscal Period, the Investment Corporation acquired COMFORIA TAITONEGISHI and two other properties in February 2021, followed by the acquisition of COMFORIA OMIYA and the sale of COMFORIA SHIN-OSAKA in March 2021. As a result, assets owned by the Investment Corporation as of the end of the 22nd Fiscal Period totaled 140 properties with a total acquisition price of ¥261,534 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 22nd Fiscal Period, the Investment Corporation undertook additional issuance of investment units (¥5,844 million) in February 2021 for the acquisition of COMFORIA TAITONEGISHI and two other properties. Subsequently, the Investment Corporation borrowed funds (¥6,925 million) in March 2021 to be appropriated for the repayment funds (¥4,925 million and ¥2,020 million) for borrowings made in March 2016 and March 2020, respectively. This was followed by the issuance of investment corporation bonds (¥6,600 million) in July 2021 to be appropriated for the repayment funds (¥3,600 million) for borrowings made in June 2020 and the redemption funds (¥3,000 million) for the 1st unsecured bonds issued in July 2014.

Consequently, as of the end of the 22nd Fiscal Period (July 31, 2021), unitholders’ capital was ¥129,791 million, interest-bearing debt was ¥141,630 million, the ratio of interest-bearing debt to total assets (LTV) was 50.1%, the average maturity of interest-bearing debt was 4.5 years, the ratio of long-term debt was 84.7%, and the fixed rate ratio was 95.2%.

The Investment Corporation obtained the following rating as of the end of the 22nd 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 22nd Fiscal Period, the Investment Corporation posted operating revenue of ¥10,770 million, operating profit of ¥5,590 million, ordinary profit of ¥4,995 million, and profit of ¥4,950 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 22nd Fiscal Period, the Investment Corporation retained part (¥881 million) of gain on sales by applying 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). As a result, the distribution per unit (DPU) was ¥5,872 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)
February 1, 2021	Capital increase through public offering	20,360	691,984	5,568	129,515	(Note 21)
February 17, 2021	Capital increase through third-party allotment	1,010	692,994	276	129,791	(Note 22)

(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.
- (Note 21) Issued investment units at an issue price of ¥282,623 (subscription price of ¥273,492) per investment unit to fund the acquisition of new properties and repay loans.
- (Note 22) Issued investment units with Mizuho Securities Co., Ltd. as allottee at an issue value of ¥273,492 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	18th Fiscal Period	19th Fiscal Period	20th Fiscal Period	21st Fiscal Period	22nd Fiscal Period
Closing month/year	Jul. 2019	Jan. 2020	Jul. 2020	Jan. 2021	Jul. 2021
Highest	¥332,500	¥360,500	¥355,500	¥341,000	¥379,000
Lowest	¥280,100	¥322,500	¥198,100	¥278,400	¥290,700

#### 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 22nd Fiscal Period, the Investment Corporation retained part of gain on sales by applying 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). Based on this policy, the Investment Corporation decided to distribute the entire amount of unappropriated retained earnings after deducting ¥881 million, which is within the scope where the provisions of Article 67-15 of the Act on Special Measures Concerning Taxation are applied, as well as within the limit of reserve for reduction entry stipulated in Article 66-2 of the Act on Special Measures Concerning Taxation, as provision of reserve for reduction entry of special provisions of replaced property. As a result, the DPU for the 22nd Fiscal Period was ¥5,872.

Fiscal period	18th Fiscal Period	19th Fiscal Period	20th Fiscal Period	21st Fiscal Period	22nd Fiscal Period
Business period	From Feb. 1, 2019 to Jul. 31, 2019	From Aug. 1, 2019 to Jan. 31, 2020	From Feb. 1, 2020 to Jul. 31, 2020	From Aug. 1, 2020 to Jan. 31, 2021	From Feb. 1, 2021 to Jul. 31, 2021
Unappropriated retained earnings	¥3,448,336 thousand	¥3,562,889 thousand	¥3,523,532 thousand	¥3,889,688 thousand	¥4,950,436 thousand
Voluntary retained earnings	¥149,456 thousand	¥172,904 thousand	¥— thousand	¥256,202 thousand	¥881,175 thousand
Total distributions	¥3,319,520 thousand	¥3,393,216 thousand	¥3,565,651 thousand	¥3,633,485 thousand	¥4,069,260 thousand
[Distribution per unit (DPU)]	[¥5,180]	[¥5,295]	[¥5,309]	[¥5,410]	[¥5,872]
Of which, total earnings distributions	¥3,319,520 thousand	¥3,393,216 thousand	¥3,565,651 thousand	¥3,633,485 thousand	¥4,069,260 thousand
[Earnings distribution per unit]	[¥5,180]	[¥5,295]	[¥5,309]	[¥5,410]	[¥5,872]
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 4 properties and sold 1 property during the 22nd 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 other than the sponsor, 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 Sports Oasis, 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 23rd 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 22nd 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



## 1. Unitholders' Capital

		18th Fiscal Period	19th Fiscal Period	20th Fiscal Period	21st Fiscal Period	22nd Fiscal Period
		As of Jul. 31, 2019	As of Jan. 31, 2020	As of Jul. 31, 2020	As of Jan. 31, 2021	As of Jul. 31, 2021
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)	640,834	640,834	671,624	671,624	692,994
Unitholders' capital	(millions of yen)	114,045	114,045	123,947	123,947	129,791
Number of unitholders	(people)	5,674	5,096	5,352	5,650	5,320

## 2. Matters concerning Investment Units

Major unitholders as of July 31, 2021 are as follows.

Name	Number of investment units owned (units)	Ratio to the total number of investment units issued (%) <sup>(Note)</sup>
Custody Bank of Japan, Ltd. (trust account)	125,400	18.09
The Master Trust Bank of Japan, Ltd. (trust account)	90,621	13.07
Tokyu Land Corporation	62,264	8.98
STICHTING PGGM DEPOSITARY PGGM LISTED REAL ESTATE PF FUND (Standing proxy: Citibank, N.A., Tokyo Branch)	33,117	4.77
The Nomura Trust & Banking Co., Ltd. (trust account)	26,999	3.89
Custody Bank of Japan, Ltd. (securities trust investment account)	21,605	3.11
Custody Bank of Japan, Ltd. (taxable trust money account)	13,870	2.00
Mitsubishi UFJ Trust and Banking Corporation (Standing proxy: The Master Trust Bank of Japan, Ltd.)	11,457	1.65
Custody Bank of Japan, Ltd. (trust account 7)	10,551	1.52
The State Street Bank West Client—Treaty 505234 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	10,494	1.51
Total	406,378	58.64

(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 22nd 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)	Koji Yamamoto	Partner, WAKABA PARTNERS Law and Accounting Office	1,800
Supervisory Director (Note 1)	Masamichi Ohshima	Kataoka & Kobayashi	1,800
Independent Auditor	Ernst & Young ShinNihon LLC (Note 2)	—	17,138

(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) 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 2021.

### (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. Matters concerning Directors and Officers Liability Insurance Agreement

The Investment Corporation has entered into a directors and officers liability insurance agreement as follows.

Scope of the insured	Overview of agreement
All Executive Director and Supervisory Directors	[Overview of insured event covered by the insurance] The Investment Corporation has concluded a directors and officers liability insurance agreement to cover such losses as compensation payment and dispute costs to be borne by the insured to a certain extent when they receive a claim for compensation for the actions they have taken as an officer of the Investment Corporation.
	[Burden ratio of insurance premium] The insurance agreement contains the special provision concerning the unitholder lawsuit. The Executive Director and the Supervisory Directors shall bear the insurance premium in relation to special provision (10% of all insurance premium), and the Investment Corporation shall bear other insurance premium (90%).
	[Measures to ensure the appropriateness of the execution of duties] When the insured suffers damages by actions which they executed while recognizing that it may constitute criminal act or violate the laws and regulations, the loss is not subject to the protection.

## 5. Asset Management Company, Asset Custodian and General Administration

The asset management company, asset custodian and general administration as of July 31, 2021 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)	Reiwa Accounting Holdings Co., Ltd. (Note)
General administration (tax service)	Reiwakaikeshi 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.

(Note) The entrusted company for accounting and bookkeeping operations was changed from Reiwakaikeshi Tax Corporation to Reiwa Accounting Holdings Co., Ltd. as of April 30, 2021. Reiwakaikeshi Tax Corporation, which had been entrusted with these services, continues to be entrusted with tax operations.

## 1. Composition of Assets of the Investment Corporation

Type of asset	Area	21st Fiscal Period (as of January 31, 2021)		22nd Fiscal Period (as of July 31, 2021)	
		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	1,125	0.4	1,122	0.4
	Sub-central Tokyo	7,970	2.9	7,943	2.8
Properties in trust	Central Tokyo	95,718	34.7	95,370	33.7
	Sub-central Tokyo	122,274	44.4	129,511	45.8
	Tokyo metropolitan area	9,297	3.4	13,880	4.9
	Other major cities	13,983	5.1	11,696	4.1
Subtotal		250,370	90.9	259,524	91.8
Deposits and other assets		25,125	9.1	23,314	8.2
Total assets		275,495	100.0	282,839	100.0

(Note 1) "Total amount owned" indicates the amount posted on the Balance Sheets as of the closing of accounts (the carrying 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 <sup>2</sup> )	Rented area (m <sup>2</sup> )	Occupancy rate (%)	Ratio to total rental revenues (%)	Main usage
COMFORIA SHINJUKU EASTSIDE TOWER	12,552	48,267.61	46,202.56	95.7	16.7	Apartment building
COMFORIA KAMATA	5,720	6,027.98	5,569.47	92.4	1.6	Apartment building
COMFORIA HIGASHISHINJUKU STATION FRONT	5,666	4,080.10	4,001.68	98.1	1.4	Apartment building
COMFORIA SHIBUYA WEST	5,458	4,278.52	4,121.63	96.3	1.5	Apartment building
COMFORIA KOMABA	5,096	5,342.38	4,909.49	91.9	1.5	Apartment building
COMFORIA OMIYA	4,625	6,527.59	6,471.78	99.1	1.0	Apartment building
COMFORIA MINAMISUNAMACHI	4,579	6,141.98	5,862.18	95.4	1.5	Apartment building
COMFORIA AKIHABARA EAST	4,421	4,582.07	4,380.36	95.6	1.3	Apartment building
GRANCREER CENTER-MINAMI	4,190	18,235.67	18,235.67	100.0	1.3	Homes for the elderly
COMFORIA KITASANDO	4,127	4,961.19	4,456.23	89.8	1.4	Residence
Total	56,439	108,445.09	104,211.05	96.1	29.1	

## 3. Statement of Properties Incorporated in the Portfolio

The overview of assets under management of the Investment Corporation as of July 31, 2021 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	2,410	1,476
	COMFORIA WASEDA	147 Bentencho, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	2,710	1,823
	COMFORIA SHIMOOCHIAI	2-7-10 Nakaochiai, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	1,790	1,113
	COMFORIA HIGASHINAKANO	4-34-2 Kita-Shinjuku, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	770	531
	COMFORIA GINZA EAST	1-3-1 Irifune, Chuo-ku, Tokyo	Beneficial interest in real estate trust	4,790	2,888
	COMFORIA AZABUDAI	3-4-4 Azabudai, Minato-ku, Tokyo	Beneficial interest in real estate trust	893	542
	COMFORIA SHIBAKOEN	2-2-15 Shibakoen, Minato-ku, Tokyo	Beneficial interest in real estate trust	2,220	1,343
	COMFORIA NISHIAZABU	4-1-10 Nishiazabu, Minato-ku, Tokyo	Beneficial interest in real estate trust	1,180	743
	COMFORIA MINAMIAOYAMA	4-1-12 Minami-Aoyama, Minato-ku, Tokyo	Beneficial interest in real estate trust	1,890	1,089
	COMFORIA NISHIWASEDA	1-5-19 Takadanobaba, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	2,320	1,554
	COMFORIA HARAJYUKU	3-61-3 Sendagaya, Shibuya-ku, Tokyo	Beneficial interest in real estate trust	5,890	3,499
	COMFORIA MITA NORTH	2-7-16 Mita, Minato-ku, Tokyo	Beneficial interest in real estate trust	1,160	843
	COMFORIA SHIBAURA BOWHOUSE	3-13-12 Kaigan, Minato-ku, Tokyo	Beneficial interest in real estate trust	3,840	2,568
	COMFORIA SHIROKANETAKANAWA	5-1-21 Mita, Minato-ku, Tokyo	Beneficial interest in real estate trust	1,930	1,276
	COMFORIA NIHONBASHI NINGYOCHO EAST	3-6-3 Nihonbashi Ningyocho, Chuo-ku, Tokyo	Beneficial interest in real estate trust	2,850	2,020
	COMFORIA ATAGO	3-23-7 Toranomon, Minato-ku, Tokyo	Beneficial interest in real estate trust	1,090	827
	COMFORIA KUDAN	2-6-12 Kudan Minami, Chiyoda-ku, Tokyo	Beneficial interest in real estate trust	1,770	1,289
	COMFORIA NIHONBASHI NINGYOCHO NORTH	1-1-6 Nihonbashi Horidomecho, Chuo-ku, Tokyo	Beneficial interest in real estate trust	1,480	1,044
	COMFORIA SHINKAWA	2-15-5 Shinkawa, Chuo-ku, Tokyo	Beneficial interest in real estate trust	2,430	1,749
	COMFORIA AKASAKA	2-17-63 Akasaka, Minato-ku, Tokyo	Beneficial interest in real estate trust	3,060	1,881
	COMFORIA MITA EAST	4-18-1 Shiba, Minato-ku, Tokyo	Beneficial interest in real estate trust	4,290	3,008
	COMFORIA SHIBAURA CANAL	3-1-9 Kaigan, Minato-ku, Tokyo	Beneficial interest in real estate trust	2,030	1,518
	COMFORIA KITASANDO	4-5-10 Sendagaya, Shibuya-ku, Tokyo	Beneficial interest in real estate trust	5,410	4,127



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	2,070	1,574
	COMFORIA SASAZUKA	1-59-10 Sasazuka, Shibuya-ku, Tokyo	Beneficial interest in real estate trust	2,450	1,716
	COMFORIA SHINJUKUGYOEN II	1-13-3 Shinjuku, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	2,250	1,724
	COMFORIA ICHIGAYAYANAGICHO	18-2 Ichigaya Yanagicho, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	2,160	1,587
	COMFORIA KAGURAZAKA	26-1 Iwatocho, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	990	701
	COMFORIA NIBANCHO	4-8 Nibancho, Chiyoda-ku, Tokyo	Beneficial interest in real estate trust	2,270	1,619
	COMFORIA NISHISHINJUKU	1-20-12 Kita-Shinjuku, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	1,970	1,664
	COMFORIA KANDAJINBOCHO	1-42-2 Kanda Jinbocho, Chiyoda-ku, Tokyo	Beneficial interest in real estate trust	1,900	1,510
	COMFORIA NIHONBASHI	1-2-2 Nihonbashi Bakurocho, Chuo-ku, Tokyo	Beneficial interest in real estate trust	2,380	1,989
	COMFORIA TAMACHI	4-5-13 Shibaura, Minato-ku, Tokyo	Beneficial interest in real estate trust	4,230	3,323
	COMFORIA AZABUJUBAN	1-2-15 Mita, Minato-ku, Tokyo	Beneficial interest in real estate trust	1,720	1,442
	COMFORIA SHINJUKUGYOEN I	1-10-4 Shinjuku, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	1,590	1,387
	COMFORIA KAGURAZAKA DEUX	7-3 Iwatocho, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	1,550	1,225
	COMFORIA AZABU EAST	2-29-1 Higashi-Azabu, Minato-ku, Tokyo	Beneficial interest in real estate trust	3,430	1,888
	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	16,000	12,552
	COMFORIA ICHIGAYAYAKUOJI	74-23 Ichigayayakuojimachi, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	1,030	972
	COMFORIA AKIHABARA EAST	2-9-19 Higashikanda, Chiyoda-ku, Tokyo	Beneficial interest in real estate trust	5,460	4,421
	COMFORIA MITA TROIS	3-43-6 Shiba, Minato-ku, Tokyo	Beneficial interest in real estate trust	990	921
	COMFORIA SHIBAURA	2-3-33 Shibaura, Minato-ku, Tokyo	Real estate	1,190	1,122
	COMFORIA SHINJUKU	5-8-20 Shinjuku, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	2,390	2,255
	COMFORIA HIGASHINIHONBASHI	3-6-4 Higashi-Nihonbashi, Chuo-ku, Tokyo	Beneficial interest in real estate trust	1,370	1,252
	COMFORIA GINZA EAST NIBANKAN	2-1-8 Minato, Chuo-ku, Tokyo	Beneficial interest in real estate trust	2,570	2,525
	COMFORIA HIGASHISHINJUKU STATION FRONT	7-27-12 Shinjuku, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	5,790	5,666
	COMFORIA NAKAOCHIAI	2-16-29 Nakaochiai, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	1,510	1,570
	COMFORIA WASEDA DEUX	173 Bentecho, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	1,110	1,112
Subtotal				128,573	96,492

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	2,220	1,335
	COMFORIA ASAKUSAMATSUGAYA	1-11-5 Matsugaya, Taito-ku, Tokyo	Beneficial interest in real estate trust	1,290	800
	COMFORIA NISHIOI	6-6-1 Nishi-Oi, Shinagawa-ku, Tokyo	Beneficial interest in real estate trust	1,150	845
	COMFORIA NAKANO	2-40-12 Kamitakada, Nakano-ku, Tokyo	Beneficial interest in real estate trust	1,190	874
	COMFORIA SHIMOKITAZAWA	1-9-14 Hanegi, Setagaya-ku, Tokyo	Beneficial interest in real estate trust	3,710	2,319
	COMFORIA NISHIKAMATA	6-37-3 Nishi-Kamata, Ota-ku, Tokyo	Beneficial interest in real estate trust	2,260	1,400
	COMFORIA OYAMA	4-4 Oyamacho, Itabashi-ku, Tokyo	Beneficial interest in real estate trust	2,440	1,886
	COMFORIA KIYOSUMISHIRAKAWA SOUTH	3-2-13 Miyoshi, Koto-ku, Tokyo	Beneficial interest in real estate trust	1,060	661
	COMFORIA KOMAZAWA	2-1-5 Komazawa, Setagaya-ku, Tokyo	Beneficial interest in real estate trust	1,930	1,237
	COMFORIA KOISHIKAWA	2-17-27 Koishikawa, Bunkyo-ku, Tokyo	Beneficial interest in real estate trust	785	538
	COMFORIA SENGOKU	4-3-20 Sengoku, Bunkyo-ku, Tokyo	Beneficial interest in real estate trust	1,870	1,231
	COMFORIA DAIKANYAMAAOBADAI	2-1-7 Aobadai, Meguro-ku, Tokyo	Beneficial interest in real estate trust	1,570	901
	COMFORIA IKEBUKURO	2-57-1 Ikebukuro, Toshima-ku, Tokyo	Beneficial interest in real estate trust	777	578
	COMFORIA RYOGOKUISHIWARA	1-36-1 Ishiwarra, Sumida-ku, Tokyo	Beneficial interest in real estate trust	910	628
	COMFORIA ASAKUSABASHI DEUX	5-24-10 Asakusabashi, Taito-ku, Tokyo	Beneficial interest in real estate trust	1,160	813
	COMFORIA OSHIAGE	4-7-2 Narihira, Sumida-ku, Tokyo	Beneficial interest in real estate trust	945	668
	COMFORIA HONJOAZUMABASHI	2-11-12 Honjo, Sumida-ku, Tokyo	Beneficial interest in real estate trust	1,080	715
	COMFORIA KIYOSUMISHIRAKAWA TROIS	3-5-14 Shirakawa, Koto-ku, Tokyo	Beneficial interest in real estate trust	1,170	808
	COMFORIA MONZENNAKACHO	16-8 Fuyuki, Koto-ku, Tokyo	Beneficial interest in real estate trust	3,500	2,445
	COMFORIA HIMONYA	2-3-3 Himonya, Meguro-ku, Tokyo	Beneficial interest in real estate trust	1,680	1,147
	COMFORIA MISYUKU	3-23-2 Ikejiri, Setagaya-ku, Tokyo	Beneficial interest in real estate trust	2,590	1,751
	COMFORIA GAKUGEIDAIGAKU	6-46-6 Shimouma, Setagaya-ku, Tokyo	Beneficial interest in real estate trust	1,850	1,091
	COMFORIA HIGASHINAKANO DEUX	4-2-19 Higashi-Nakano, Nakano-ku, Tokyo	Beneficial interest in real estate trust	1,260	779
	COMFORIA HIGASHIIEBUKURO WEST	3-22-21 Higashi-Ikebukuro, Toshima-ku, Tokyo	Beneficial interest in real estate trust	5,720	3,626
	COMFORIA RYOGOKU DEUX	1-2-10 Chitose, Sumida-ku, Tokyo	Beneficial interest in real estate trust	1,500	979

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	1,570	1,183
	COMFORIA MACHIYA	5-51-7 Arakawa, Arakawa-ku, Tokyo	Beneficial interest in real estate trust	1,010	608
	COMFORIA ASAKUSABASHI	2-20-10 Yanagibashi, Taito-ku, Tokyo	Beneficial interest in real estate trust	3,700	2,482
	COMFORIA RYOGOKU SOUTH	2-14-8 Chitose, Sumida-ku, Tokyo	Beneficial interest in real estate trust	1,740	1,153
	COMFORIA TOYOSU	1-4-12 Edagawa, Koto-ku, Tokyo	Beneficial interest in real estate trust	4,080	2,874
	COMFORIA SUMIDA-TACHIBANA	5-18-5 Tachibana, Sumida-ku, Tokyo	Beneficial interest in real estate trust	1,050	907
	COMFORIA UENOHIROKOJI	3-17-4 Ueno, Taito-ku, Tokyo	Beneficial interest in real estate trust	1,400	1,055
	COMFORIA KASUGATOMISAKA	1-11-18 Kasuga, Bunkyo-ku, Tokyo	Beneficial interest in real estate trust	4,050	2,765
	COMFORIA HONKOMAGOME	2-29-24 Honkomagome, Bunkyo-ku, Tokyo	Beneficial interest in real estate trust	1,950	1,323
	COMFORIA MORISHITA	3-6-8 Shin-Ohashi, Koto-ku, Tokyo	Beneficial interest in real estate trust	1,900	1,421
	COMFORIA KIBAKOEN	2-17-7 Kiba, Koto-ku, Tokyo	Beneficial interest in real estate trust	1,260	891
	COMFORIA MEGURO CHOJAMARU	2-6-25 Kami-Osaki, Shinagawa-ku, Tokyo	Beneficial interest in real estate trust	2,640	1,929
	COMFORIA HIGASHIIEBUKURO EAST	2-8-1 Higashi-Ikebukuro, Toshima-ku, Tokyo	Beneficial interest in real estate trust	2,730	1,614
	COMFORIA HIGASHIIEBUKURO	4-3-5 Higashi-Ikebukuro, Toshima-ku, Tokyo	Beneficial interest in real estate trust	1,580	1,106
	COMFORIA KOMABA	4-8-25 Ikejiri, Setagaya-ku, Tokyo	Beneficial interest in real estate trust	6,160	5,096
	COMFORIA KINSHICHO	3-8-6 Taihei, Sumida-ku, Tokyo	Beneficial interest in real estate trust	1,360	1,019
	COMFORIA MINAMISUNAMACHI	4-4-20 Minamisuna, Koto-ku, Tokyo	Beneficial interest in real estate trust	5,090	4,579
	COMFORIA HIGASHISHINAGAWA	3-22-11 Higashi-Shinagawa, Shinagawa-ku, Tokyo	Beneficial interest in real estate trust	1,950	1,509
	COMFORIA MEGUROYAKUMO	1-12-10 Yakumo, Meguro-ku, Tokyo	Beneficial interest in real estate trust	990	836
	COMFORIA YOGA	3-24-3 Yoga, Setagaya-ku, Tokyo	Beneficial interest in real estate trust	1,210	1,067
	COMFORIA ITABASHINAKAJUKU	62-2 Nakajuku, Itabashi-ku, Tokyo	Beneficial interest in real estate trust	4,660	3,848
	COMFORIA SHINAGAWA EAST	1-20-8 Kitashinagawa, Shinagawa-ku, Tokyo	Beneficial interest in real estate trust	1,660	1,416
	COMFORIA OJIMA	4-8-10 Ojima, Koto-ku, Tokyo	Real estate	2,320	2,192
	COMFORIA OMORI TROIS	3-36-7 Omorikita, Ota-ku, Tokyo	Real estate	1,050	898
	COMFORIA BUNKYO HAKUSAN	1-3-2 Honkomagome, Bunkyo-ku, Tokyo	Beneficial interest in real estate trust	1,520	1,419
	COMFORIA KAMATA	4-21-2 Kamata, Ota-ku, Tokyo	Beneficial interest in real estate trust	7,070	5,720

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	COLLEGE COURT HACHIMANYAMA	1-15-1 Kamitakaido, Suginami-ku, Tokyo	Beneficial interest in real estate trust	1,290	1,245
	COMFORIA UENOIRIYA	2-6-8 Ryusen, Taito-ku, Tokyo	Beneficial interest in real estate trust	2,440	2,186
	COMFORIA IKEJIRI	2-31-18 Ikejiri, Setagaya-ku, Tokyo	Beneficial interest in real estate trust	1,490	1,381
	COMFORIA SETAGAYAKAMIUMA	3-6-11 Kamiuma, Setagaya-ku, Tokyo	Beneficial interest in real estate trust	2,970	2,640
	COMFORIA AKABANEIWABUCHI	26-11 Iwabuchimachi, Kita-ku, Tokyo	Beneficial interest in real estate trust	2,880	2,808
	COMFORIA RYOGOKU TROIS	1-5-15 Kamezawa, Sumida-ku, Tokyo	Real estate	1,810	1,748
	COLLEGE SQUARE HACHIMANYAMA	1-15-2 Kamitakaido, Suginami-ku, Tokyo	Beneficial interest in real estate trust	954	894
	COMFORIA KINSHICHO DEUX	2-10-20 Mori, Koto-ku, Tokyo	Beneficial interest in real estate trust	2,400	2,246
	COMFORIA KAMEIDO SOUTH	6-25-5 Kameido, Koto-ku, Tokyo	Beneficial interest in real estate trust	2,270	2,083
	COMFORIA SHIBUYA WEST	4-4-5 Aobadai, Meguro-ku, Tokyo	Beneficial interest in real estate trust	6,460	5,458
	COMFORIA ASAKUSAKOMAGATA	2-4-7 Komagata, Taito-ku, Tokyo	Beneficial interest in real estate trust	1,410	1,311
	COMFORIA OMORIKASHIMA	6-20-10 Oi, Shinagawa-ku, Tokyo	Beneficial interest in real estate trust	914	906
	COMFORIA OMORIMACHI	4-11-5 Omori-nishi, Ota-ku, Tokyo	Beneficial interest in real estate trust	1,240	1,177
	COMFORIA KAMIIKEDAI	5-7-22 Kamiikedai, Ota-ku, Tokyo	Beneficial interest in real estate trust	2,080	1,976
	CAMPUS VILLAGE SHIINAMACHI	3-2-19 Nagasaki, Toshima-ku, Tokyo	Beneficial interest in real estate trust	3,010	2,774
	COMFORIA TAKINOGAWA	7-48-2 Takinogawa, Kita-ku, Tokyo	Beneficial interest in real estate trust	3,820	3,522
	COMFORIA KIBASHINSUIKOEN	3-11-13 Kiba, Koto-ku, Tokyo	Beneficial interest in real estate trust	1,370	1,372
	COMFORIA NISHIMAGOME HILLSIDE	1-30-8 Nishimagome, Ota-ku, Tokyo	Real estate	1,440	1,434
	COMFORIA IKEBUKURO DEUX	2-19-14 Minami-Ikebukuro, Toshima-ku, Tokyo	Beneficial interest in real estate trust	1,980	1,968
	COMFORIA NARIMASU	3-18-13 Asahi-cho, Nerima-ku, Tokyo	Real estate	1,570	1,669
	COMFORIA SHIN-OKACHIMACHI	2-18-8 Misuji, Taito-ku, Tokyo	Beneficial interest in real estate trust	1,360	1,273
	COMFORIA MORISHITA WEST	1-3-5 Shin-Ohashi, Koto-ku, Tokyo	Beneficial interest in real estate trust	1,320	1,259
	COMFORIA TOYOCHO	2-26-11 Minamisuna, Koto-ku, Tokyo	Beneficial interest in real estate trust	3,890	3,783
	COMFORIA FUDOMAE	5-1-12 Nishigotanda, Shinagawa-ku, Tokyo	Beneficial interest in real estate trust	1,830	1,660
	COMFORIA TAITONEGISHI	3-18-15 Negishi, Taito-ku, Tokyo	Beneficial interest in real estate trust	3,230	3,142
	COMFORIA MONZENNAKACHO SOUTH	1-13-6 Botan, Koto-ku, Tokyo	Beneficial interest in real estate trust	1,560	1,481
	COMFORIA MAGOME	1-1-4 Nishimagome, Ota-ku, Tokyo	Beneficial interest in real estate trust	3,080	3,061
Subtotal				171,385	137,455

Area	Property name	Address	Ownership form	Appraisal value at end of period (millions of yen) (Note 1)	Book value (millions of yen) (Note 2)
Tokyo metropolitan area	COMFORIA YATSIKA	3-38-3 Sezaki, Soka-shi, Saitama	Beneficial interest in real estate trust	771	628
	COMFORIA SHINKOYASU	2-216-2 Koyasudori, Kanagawa-ku, Yokohama-shi, Kanagawa	Beneficial interest in real estate trust	1,360	998
	COMFORIA GYOTOKU	2-1-13 Gyotokuekimaie, Ichikawa-shi, Chiba	Beneficial interest in real estate trust	1,130	1,018
	GRANCREER CENTER-MINAMI	40-3 Chigasaki Chuo, Tsuzuki-ku, Yokohama-shi, Kanagawa	Beneficial interest in real estate trust	4,210	4,190
	COMFORIA TAMA-PLAZA	2-12-1 Utsukushigaoka, Aoba-ku, Yokohama-shi, Kanagawa	Beneficial interest in real estate trust	2,270	2,417
	COMFORIA OMIYA	3-36-1 Nakacho, Omiya-ku, Saitama-shi, Saitama	Beneficial interest in real estate trust	4,670	4,625
Subtotal				14,411	13,880
Other major cities	COMFORIA KITASANJO	2-2-51 Kita-Sanjo Higashi, Chuo-ku, Sapporo-shi, Hokkaido	Beneficial interest in real estate trust	969	636
	COMFORIA SAPPORO SHOKUBUTSUEN	10-1-6 Kitanijo-Nishi, Chuo-ku, Sapporo-shi, Hokkaido	Beneficial interest in real estate trust	1,420	1,260
	COMFORIA OGIMACHI	3-7-15 Tenjinbashi, Kita-ku, Osaka-shi, Osaka	Beneficial interest in real estate trust	1,580	1,474
	COMFORIA SHINSAIBASHI EAST	2-6-8 Bakuromachi, Chuo-ku, Osaka-shi, Osaka	Beneficial interest in real estate trust	2,160	1,982
	COMFORIA KYOMACHIBORI	1-16-14 Kyomachibori, Nishi-ku, Osaka-shi, Osaka	Beneficial interest in real estate trust	1,860	1,562
	COMFORIA AWAZA	1-5-5 Enokojima, Nishi-ku, Osaka-shi, Osaka	Beneficial interest in real estate trust	1,560	1,284
	COMFORIA KITAHAMA	2-1-14 Imabashi, Chuo-ku, Osaka-shi, Osaka	Beneficial interest in real estate trust	1,950	1,730
	COMFORIA ESAKAHIROSHIBACHO	19-13 Hiroshibacho, Suita-shi, Osaka	Beneficial interest in real estate trust	1,780	1,764
Subtotal				13,279	11,696
Total				327,648	259,524

(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 22nd Fiscal Period (July 31, 2021) minus accumulated depreciation.

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

Area	Property name	21st Fiscal Period (From August 1, 2020 to January 31, 2021)				22nd Fiscal Period (From February 1, 2021 to July 31, 2021)			
		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)	Rental revenue (during period) (thousands of yen)	Ratio to total rental revenues (%)
Central Tokyo	COMFORIA NIHONBASHI NINGYOCHO	1	93.4	60,726	0.7	1	93.3	60,259	0.6
	COMFORIA WASEDA	1	96.9	64,472	0.7	1	97.2	67,462	0.7
	COMFORIA SHIMOOCHIAI	1	98.3	48,593	0.5	1	96.5	48,830	0.5
	COMFORIA HIGASHINAKANO	1	94.5	21,380	0.2	1	100.0	21,691	0.2
	COMFORIA GINZA EAST	1	97.1	118,552	1.3	1	95.2	116,305	1.2
	COMFORIA AZABUDAI	1	97.1	22,489	0.2	1	91.4	21,106	0.2
	COMFORIA SHIBAKOEN	1	98.4	51,140	0.6	1	98.4	50,831	0.5
	COMFORIA NISHIAZABU	1	80.3	25,881	0.3	1	100.0	27,321	0.3
	COMFORIA MINAMIAOYAMA	1	90.7	39,212	0.4	1	83.5	41,690	0.4
	COMFORIA NISHIWASEDA	1	94.9	56,619	0.6	1	91.0	59,068	0.6
	COMFORIA HARAJOBU	1	98.1	122,542	1.4	1	95.5	131,348	1.4
	COMFORIA MITA NORTH	1	90.0	28,359	0.3	1	96.6	30,260	0.3
	COMFORIA SHIBAURA BOWHOUSE	1	96.0	100,542	1.1	1	97.8	101,893	1.1
	COMFORIA SHIROKANETAKANAWA	1	95.0	46,283	0.5	1	92.2	47,282	0.5
	COMFORIA NIHONBASHI NINGYOCHO EAST	1	96.4	67,812	0.7	1	96.4	63,482	0.7
	COMFORIA ATAGO	1	92.5	28,803	0.3	1	97.5	29,470	0.3
	COMFORIA KUDAN	1	97.2	43,703	0.5	1	100.0	43,069	0.5
	COMFORIA NIHONBASHI NINGYOCHO NORTH	1	97.2	36,940	0.4	1	97.2	36,793	0.4
	COMFORIA SHINKAWA	1	98.3	58,369	0.6	1	98.3	63,612	0.7
	COMFORIA AKASAKA	1	89.9	68,474	0.8	1	92.5	67,649	0.7
	COMFORIA MITA EAST	1	92.6	99,386	1.1	1	92.7	102,302	1.1
	COMFORIA SHIBAURA CANAL	1	93.7	54,402	0.6	1	95.8	53,434	0.6
	COMFORIA KITASANDO	1	94.2	130,674	1.4	1	89.8	130,798	1.4
	COMFORIA YOYOGIUEHARA	1	97.2	50,055	0.6	1	92.9	52,082	0.6
	COMFORIA SASAZUKA	1	97.0	66,411	0.7	1	99.0	68,170	0.7
	COMFORIA SHINJUKUGYOEN II	1	95.8	53,759	0.6	1	94.9	57,637	0.6
	COMFORIA ICHIGAYAYANAGICHO	1	93.0	50,760	0.6	1	93.8	51,378	0.5
	COMFORIA KAGURAZAKA	1	100.0	25,277	0.3	1	91.3	24,056	0.3
	COMFORIA NIBANCHO	1	100.0	49,369	0.5	1	98.0	52,609	0.6
	COMFORIA NISHISHINJUKU	1	98.5	48,219	0.5	1	90.5	48,363	0.5
	COMFORIA KANDAJINBOCHO	1	97.6	44,609	0.5	1	98.4	43,889	0.5
	COMFORIA NIHONBASHI	1	93.1	71,850	0.8	1	91.7	63,355	0.7
	COMFORIA TAMACHI	1	95.8	99,894	1.1	1	99.2	103,251	1.1
	COMFORIA AZABUJUBAN	1	94.5	44,719	0.5	1	85.5	40,533	0.4
	COMFORIA SHINJUKUGYOEN I	1	94.8	41,074	0.5	1	95.8	43,020	0.5
	COMFORIA KAGURAZAKA DEUX	1	97.0	40,729	0.4	1	97.9	40,600	0.4
	COMFORIA AZABU EAST	1	95.9	77,465	0.9	1	97.8	76,314	0.8
	COMFORIA SHINJUKU EASTSIDE TOWER	1	94.4	1,508,507	16.6	1	95.7	1,573,251	16.7
	COMFORIA ICHIGAYAYAKUOJI	1	96.2	25,208	0.3	1	100.0	26,586	0.3
	COMFORIA AKIHABARA EAST	1	94.7	125,301	1.4	1	95.6	119,918	1.3
	COMFORIA MITA TROIS	1	94.0	24,560	0.3	1	90.9	24,481	0.3
	COMFORIA SHIBAURA	1	83.9	27,629	0.3	1	97.7	27,666	0.3
	COMFORIA SHINJUKU	1	97.2	48,441	0.5	1	96.4	51,947	0.6
	COMFORIA HIGASHINIHONBASHI	1	98.2	35,354	0.4	1	95.2	33,627	0.4
	COMFORIA GINZA EAST NIBANKAN	1	94.2	49,829	0.5	1	96.5	51,871	0.6
	COMFORIA HIGASHISHINJUKU STATION FRONT	1	96.0	134,150	1.5	1	98.1	135,670	1.4
	COMFORIA NAKAOCHIAI	1	97.0	34,773	0.4	1	97.8	37,598	0.4
	COMFORIA WASEDA DEUX	1	96.4	24,829	0.3	1	96.4	25,289	0.3
Subtotal		1	95.1	4,198,147	46.3	1	95.5	4,289,143	45.5



Area	Property name	21st Fiscal Period (From August 1, 2020 to January 31, 2021)				22nd Fiscal Period (From February 1, 2021 to July 31, 2021)			
		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)	Rental revenue (during period) (thousands of yen)	Ratio to total rental revenues (%)
Sub-central Tokyo	COMFORIA BUNKYOKASUGA	1	90.3	60,774	0.7	1	99.1	62,765	0.7
	COMFORIA ASAKUSAMATSUGAYA	1	95.7	46,252	0.5	1	92.9	45,348	0.5
	COMFORIA NISHIOI	1	94.9	31,658	0.3	1	96.6	31,879	0.3
	COMFORIA NAKANO	1	100.0	30,098	0.3	1	97.5	32,673	0.3
	COMFORIA SHIMOKITAZAWA	1	96.1	95,666	1.1	1	95.1	94,952	1.0
	COMFORIA NISHIKAMATA	1	93.9	66,939	0.7	1	89.5	63,750	0.7
	COMFORIA OYAMA	1	97.5	79,112	0.9	1	95.4	77,558	0.8
	COMFORIA KIYOSUMISHIRAKAWA SOUTH	1	100.0	28,732	0.3	1	97.8	28,844	0.3
	COMFORIA KOMAZAWA	1	96.0	43,810	0.5	1	93.7	42,422	0.5
	COMFORIA KOISHIKAWA	1	95.0	21,801	0.2	1	97.4	20,935	0.2
	COMFORIA SENGOKU	1	100.0	56,849	0.6	1	95.6	55,206	0.6
	COMFORIA DAIKANYAMAAOBADAI	1	95.4	38,436	0.4	1	100.0	39,195	0.4
	COMFORIA Ikebukuro	1	96.2	21,279	0.2	1	94.0	23,047	0.2
	COMFORIA RYOGOKUISHIWARA	1	100.0	25,590	0.3	1	100.0	25,596	0.3
	COMFORIA ASAKUSABASHI DEUX	1	95.3	31,135	0.3	1	95.3	33,399	0.4
	COMFORIA OSHIAGE	1	97.4	25,095	0.3	1	98.0	25,646	0.3
	COMFORIA HONJOAZUMABASHI	1	94.7	29,375	0.3	1	98.2	29,085	0.3
	COMFORIA KIYOSUMISHIRAKAWA TROIS	1	94.1	31,752	0.4	1	97.9	30,516	0.3
	COMFORIA MONZENNAKACHO	1	97.9	89,870	1.0	1	97.9	91,855	1.0
	COMFORIA HIMONYA	1	97.3	44,001	0.5	1	91.8	44,107	0.5
	COMFORIA MISYUKU	1	98.3	69,677	0.8	1	90.7	69,062	0.7
	COMFORIA GAKUGEIDAIGAKU	1	92.7	39,793	0.4	1	97.4	43,349	0.5
	COMFORIA HIGASHINAKANO DEUX	1	94.1	30,444	0.3	1	95.7	31,550	0.3
	COMFORIA HIGASHIIEBUKURO WEST	1	95.0	160,171	1.8	1	97.6	168,982	1.8
	COMFORIA RYOGOKU DEUX	1	96.1	38,005	0.4	1	91.0	37,394	0.4
	COMFORIA OMORI DEUX	1	95.4	39,657	0.4	1	96.9	39,002	0.4
	COMFORIA MACHIYA	1	97.0	26,992	0.3	1	100.0	27,265	0.3
	COMFORIA ASAKUSABASHI	1	94.5	102,915	1.1	1	95.4	101,361	1.1
	COMFORIA RYOGOKU SOUTH	1	100.0	48,744	0.5	1	97.4	49,670	0.5
	COMFORIA TOYOSU	1	91.9	100,745	1.1	1	97.5	101,972	1.1
	COMFORIA SUMIDA-TACHIBANA	1	100.0	32,297	0.4	1	100.0	32,519	0.3
	COMFORIA UENOHIROKOJI	1	94.8	33,031	0.4	1	100.0	36,122	0.4
	COMFORIA KASUGATOMISAKA	1	97.6	93,672	1.0	1	91.1	93,993	1.0
	COMFORIA HONKOMAGOME	1	94.5	48,031	0.5	1	97.2	48,567	0.5
	COMFORIA MORISHITA	1	93.8	48,580	0.5	1	94.7	48,066	0.5
	COMFORIA KIBAKOEN	1	96.7	31,751	0.4	1	95.0	32,449	0.3
	COMFORIA MEGURO CHOJAMARU	1	93.6	69,819	0.8	1	95.5	73,241	0.8
	COMFORIA NISHIMAGOME (Note 3)	—	—	26,136	0.3	—	—	—	—
	COMFORIA HIGASHIIEBUKURO EAST	1	94.4	70,199	0.8	1	94.6	71,247	0.8
	COMFORIA HIGASHIIEBUKURO	1	97.8	37,458	0.4	1	98.3	39,014	0.4
	COMFORIA KOMABA	1	97.0	134,489	1.5	1	91.9	141,397	1.5
	COMFORIA KINSHICHO	1	98.2	33,693	0.4	1	93.5	35,323	0.4
	COMFORIA MINAMISUNAMACHI	1	96.0	137,067	1.5	1	95.4	136,993	1.5
	COMFORIA HIGASHISHINAGAWA	1	98.2	54,116	0.6	1	98.2	54,955	0.6
	COMFORIA MEGUROYAKUMO	1	94.9	27,085	0.3	1	97.3	26,402	0.3
	COMFORIA YOGA	1	95.6	31,961	0.4	1	97.4	31,585	0.3
	COMFORIA ITABASHINAKAJUKU	1	95.2	123,997	1.4	1	96.5	125,878	1.3

Area	Property name	21st Fiscal Period (From August 1, 2020 to January 31, 2021)				22nd Fiscal Period (From February 1, 2021 to July 31, 2021)			
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Sub-central Tokyo	COMFORIA SHINAGAWA EAST	1	90.1	70,141	0.8	1	93.9	76,079	0.8
	COMFORIA OJIMA	1	95.0	56,866	0.6	1	97.0	56,756	0.6
	COMFORIA OMORI TROIS	1	94.0	26,863	0.3	1	90.0	25,909	0.3
	COMFORIA BUNKYOHAKUSAN	1	94.3	38,886	0.4	1	91.7	37,258	0.4
	COMFORIA KAMATA	1	89.6	152,683	1.7	1	92.4	151,820	1.6
	COLLEGE COURT HACHIMANYAMA	1	100.0	30,222	0.3	1	100.0	30,222	0.3
	COMFORIA UENOIRIYA	1	98.2	64,618	0.7	1	93.6	62,513	0.7
	COMFORIA IKEJIRI	1	95.5	33,314	0.4	1	98.0	33,758	0.4
	COMFORIA SETAGAYAKAMIUMA	1	96.8	71,412	0.8	1	96.7	75,461	0.8
	COMFORIA AKABANEIWABUCHI	1	93.8	72,011	0.8	1	93.1	73,490	0.8
	COMFORIA RYOGOKU TROIS	1	97.3	40,644	0.4	1	87.8	40,892	0.4
	COLLEGE SQUARE HACHIMANYAMA	1	100.0	20,976	0.2	1	100.0	20,976	0.2
	COMFORIA KINSHICHO DEUX	1	96.9	59,363	0.7	1	95.9	61,858	0.7
	COMFORIA KAMEIDO SOUTH	1	100.0	63,756	0.7	1	100.0	57,956	0.6
	COMFORIA SHIBUYA WEST	1	97.1	130,630	1.4	1	96.3	139,481	1.5
	COMFORIA ASAKUSAKOMAGATA	1	93.0	36,169	0.4	1	93.2	34,733	0.4
	COMFORIA OMORIKASHIMA	1	91.1	25,067	0.3	1	91.2	25,234	0.3
	COMFORIA OMORIMACHI	1	98.4	31,425	0.3	1	92.7	31,211	0.3
	COMFORIA KAMIKEDAI	1	93.1	54,736	0.6	1	93.0	52,038	0.6
	CAMPUS VILLAGE SHINAMACHI	1	100.0	66,170	0.7	1	100.0	66,196	0.7
	COMFORIA TAKINOGAWA	1	99.4	98,168	1.1	1	99.4	94,452	1.0
	COMFORIA KIBASHINSUIKOEN	1	94.4	30,555	0.3	1	85.2	29,760	0.3
	COMFORIA NISHIMAGOME HILLSIDE	1	86.4	28,755	0.3	1	96.8	29,985	0.3
	COMFORIA Ikebukuro DEUX	1	96.9	49,821	0.5	1	96.7	50,396	0.5
	COMFORIA NARIMASU	1	98.4	33,066	0.4	1	96.7	36,234	0.4
	COMFORIA SHIN-OKACHIMACHI	1	96.4	19,413	0.2	1	96.2	31,625	0.3
	COMFORIA MORISHITA WEST	1	93.5	19,493	0.2	1	97.8	28,499	0.3
	COMFORIA TOYOCHO	1	98.4	60,554	0.7	1	93.3	90,321	1.0
	COMFORIA FUDOMAE	1	96.1	27,803	0.3	1	94.1	39,614	0.4
	COMFORIA TAITONEGISHI	—	—	—	—	1	95.9	71,662	0.8
	COMFORIA MONZENNAKACHO SOUTH	—	—	—	—	1	94.0	31,727	0.3
	COMFORIA MAGOME	—	—	—	—	1	90.0	70,093	0.7
	Subtotal	3	95.8	4,102,364	45.3	3	95.4	4,354,382	46.2
Tokyo metropolitan area	COMFORIA ICHIKAWAMYODEN (Note 3)	—	—	19,378	0.2	—	—	—	—
	COMFORIA YATSUKA	1	98.4	27,681	0.3	1	98.4	27,761	0.3
	COMFORIA SHINKOYASU	1	97.1	40,734	0.4	1	97.7	40,371	0.4
	COMFORIA GYOTOKU	1	93.0	27,694	0.3	1	96.6	29,579	0.3
	GRANCREER CENTER-MINAMI	1	100.0	120,300	1.3	1	100.0	120,300	1.3
	COMFORIA TAMA-PLAZA	1	97.4	56,914	0.6	1	97.4	56,696	0.6
	COMFORIA OMIYA	—	—	—	—	1	99.1	91,416	1.0
	Subtotal	2	99.0	292,702	3.2	2	99.2	366,124	3.9
Other major cities	COMFORIA SHIN-OSAKA (Note 4)	1	96.9	91,457	1.0	—	—	30,245	0.3
	COMFORIA KITASANJO	1	96.7	36,753	0.4	1	98.9	36,316	0.4
	COMFORIA SAPPORO SHOKUBUTSUEN	1	100.0	44,283	0.5	1	97.7	43,933	0.5
	COMFORIA OGIMACHI	1	98.9	43,331	0.5	1	94.8	43,279	0.5
	COMFORIA SHINSAIBASHI EAST	1	96.6	60,004	0.7	1	93.4	60,476	0.6
	COMFORIA KYOMACHIBORI	1	97.6	48,601	0.5	1	85.7	47,674	0.5
	COMFORIA AWAZA	1	96.3	42,618	0.5	1	97.7	43,499	0.5
	COMFORIA KITAHAMA	1	100.0	54,828	0.6	1	97.5	55,639	0.6
	COMFORIA ESAKAHIROSHIBACHO	1	94.2	49,251	0.5	1	96.3	49,926	0.5

Area	Property name	21st Fiscal Period (From August 1, 2020 to January 31, 2021)				22nd Fiscal Period (From February 1, 2021 to July 31, 2021)			
		Total number of tenants (at end of period) (Note 1)	Occupancy rate (%) (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 (%) (Note 2)	Rental revenue (during period) (thousands of yen)	Ratio to total rental revenues (%)
	Subtotal	1	97.4	471,131	5.2	1	95.5	410,990	4.4
	Total	4	95.9	9,064,345	100.0	4	95.7	9,420,641	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 22, 2020.

(Note 4) This property was sold to a third party as of March 30, 2021.

#### 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, 2021 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	40,545	32,245	—
	Total	40,545	32,245	—

(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 22nd 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 SASAZUKA (Shibuya-ku, Tokyo)	Large-scale repair work	From Oct. 2021 to Apr. 2022	112,000	—	—
COMFORIA ASAKUSAKOMAGATA (Taito-ku, Tokyo)	Large-scale repair work	From Dec. 2021 to May 2022	82,600	—	—
COMFORIA MORISHITA (Koto-ku, Tokyo)	Large-scale repair work	From Nov. 2021 to Apr. 2022	81,000	—	—
COMFORIA NISHIWASEDA (Shinjuku-ku, Tokyo)	Large-scale repair work	From Mar. 2021 to Oct. 2021	62,900	—	—
COMFORIA MISYUKU (Setagaya-ku, Tokyo)	Large-scale repair work	From Apr. 2021 to Oct. 2021	53,600	—	—
COMFORIA MEGURO CHOJAMARU (Shinagawa-ku, Tokyo)	Large-scale repair work	From Oct. 2021 to Apr. 2022	52,600	—	—
COMFORIA SHINKOYASU (Yokohama-shi, Kanagawa)	Large-scale repair work	From Nov. 2021 to Apr. 2022	50,000	—	—

#### 2. Capital Expenditure during the Period

The overview of main construction work corresponding to capital expenditure that took place in the 22nd Fiscal Period for the managed assets owned as of the end of the period is as follows. Capital expenditure during the 22nd Fiscal Period was ¥406,393 thousand. Together with repair expenses of ¥354,094 thousand that were classified as expenses for the 22nd Fiscal Period, construction work totaling ¥760,488 thousand was carried out.

Property name (location)	Purpose	Period	Construction cost (thousands of yen)
COMFORIA SHIBAURA BOWHOUSE (Minato-ku, Tokyo)	Large-scale repair work	From Aug. 2020 to Mar. 2021	75,092
COMFORIA AKABANEIWABUCHI (Kita-ku, Tokyo)	Large-scale repair work	From Oct. 2020 to Feb. 2021	68,460
COMFORIA KANDAJINBOCHO (Chiyoda-ku, Tokyo)	Large-scale repair work	From Nov. 2020 to Apr. 2021	45,532
COMFORIA RYOGOKUISHIWARA (Sumida-ku, Tokyo)	Large-scale repair work	From Sep. 2020 to Feb. 2021	34,986
COMFORIA NISHIAZABU (Minato-ku, Tokyo)	Large-scale repair work	From Oct. 2020 to Apr. 2021	30,840
COMFORIA IKEBUKURO (Toshima-ku, Tokyo)	Large-scale repair work	From Sep. 2020 to Feb. 2021	30,466
Other properties, etc.	Replacement of air conditioners, etc.	From Feb. 2021 to Jul. 2021	121,013
Total			406,393

### 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	18th Fiscal Period	19th Fiscal Period	20th Fiscal Period	21st Fiscal Period	22nd Fiscal Period
	From Feb. 1, 2019 to Jul. 31, 2019	From Aug. 1, 2019 to Jan. 31, 2020	From Feb. 1, 2020 to Jul. 31, 2020	From Aug. 1, 2020 to Jan. 31, 2021	From Feb. 1, 2021 to Jul. 31, 2021
Balance of reserves at the beginning of period	396,925	398,483	386,748	639,150	381,851
Amount of reserves during period	624,729	559,814	921,967	330,220	640,850
Reversal of reserves during period	623,170	571,549	669,566	587,519	528,696
Amount carried forward to next period	398,483	386,748	639,150	381,851	494,005

(Note) For certain managed assets with sectional ownership, the Investment Corporation pays reserves for repairs to the management associations each month, but such amounts are not included in the table above.

## Status of Expenses and Liabilities

### 1. Statement of Expenses Related to Investments

(Thousands of yen)

Item	21st Fiscal Period From Aug. 1, 2020 to Jan. 31, 2021	22nd Fiscal Period From Feb. 1, 2021 to Jul. 31, 2021
Asset management fee (Note)	559,788	587,345
Asset custody fee	8,984	9,156
Administrative service fees	28,660	27,994
Directors' compensation	3,600	3,600
Other expenses	303,139	288,970
Total	904,174	917,066

(Note) In addition to the amount stated above, asset management fees came to ¥38,775 thousand and ¥95,548 thousand in the 21st Fiscal Period and 22nd Fiscal Period, respectively, related to the acquisition of properties that were incorporated in the book value of each property and asset management fees came to ¥20,660 thousand and ¥36,000 thousand in the 21st Fiscal Period and 22nd Fiscal Period, respectively, related to the sale of property.

### 2. Loan Status

The status of loans as of July 31, 2021 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.	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	-	0.27125	Mar. 31, 2021	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		1,570	-					
	Kiraboshi Bank, Ltd.		1,000	-					
	Sumitomo Mitsui Trust Bank, Limited	Mar. 23, 2016	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					
	Daishi Hokuetsu 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					
	Sumitomo Mitsui Banking Corporation		300	300					

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
	Development Bank of Japan Inc.	Sep. 25, 2018	550	550	0.85667	Mar. 31, 2027	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		550	550					
	Sumitomo Mitsui Trust Bank, Limited		550	550					
	MUFG Bank, Ltd.		275	275					
	Sumitomo Mitsui Banking Corporation		275	275					
	Development Bank of Japan Inc.	Jan. 31, 2019	550	550	0.43105	Jul. 31, 2023	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		550	550					
	Sumitomo Mitsui Trust Bank, Limited		550	550					
	MUFG Bank, Ltd.		550	550					
	Sumitomo Mitsui Banking Corporation	Jan. 31, 2019	300	300	0.39950	Jan. 31, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		670	670					
	Sumitomo Mitsui Trust Bank, Limited		670	670					
	MUFG Bank, Ltd.		670	670					
	Sumitomo Mitsui Banking Corporation	Jan. 31, 2019	320	320	0.49994	Jan. 31, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.		670	670					
	Mizuho Bank, Ltd.		700	700					
	Sumitomo Mitsui Trust Bank, Limited		700	700					
	MUFG Bank, Ltd.	Apr. 5, 2019	350	350	0.54500	Sep. 30, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Banking Corporation		350	350					
	Development Bank of Japan Inc.	Apr. 5, 2019	700	700	0.57826	Sep. 30, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	Mar. 25, 2019	800	800	0.26138	Mar. 31, 2022	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		800	800					
	MUFG Bank, Ltd.		800	800					
	Sumitomo Mitsui Banking Corporation		400	400					

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)	Mizuho Bank, Ltd.	Mar. 25, 2019	1,000	1,000	0.45215	Sep. 30, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,000	1,000					
	MUFG Bank, Ltd.		1,000	1,000					
	Sumitomo Mitsui Banking Corporation		500	500					
	Mizuho Bank, Ltd.	Mar. 25, 2019	970	970	0.60810	Sep. 30, 2027	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		970	970					
	MUFG Bank, Ltd.		970	970					
	Sumitomo Mitsui Banking Corporation		485	485					
	Shinkin Central Bank	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					
	Mizuho Trust & Banking Co., Ltd.		525	525					
	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.	Mar. 2, 2020	210	-	0.27818	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	750	0.47366	Aug. 31, 2028	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		750	750					
	Sumitomo Mitsui Trust Bank, Limited		750	750					
	MUFG Bank, Ltd.		375	375					
	Sumitomo Mitsui Banking Corporation	Mar. 30, 2020	375	375	0.27818	Mar. 31, 2021	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		1,400	-					
	The 77 Bank, Ltd.		460	460					
	Shinkin Central Bank		460	460					
	The Norinchukin Bank	Mar. 31, 2020	460	460	0.46156	Sep. 30, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	The Bank of Fukuoka, Ltd.		460	460					
	Mizuho Trust & Banking Co., Ltd.		460	460					
	Mizuho Bank, Ltd.		460	460					
	Mizuho Bank, Ltd.	Jun. 26, 2020	660	-	0.28096	Jul. 31, 2021 (Note 4)	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		660	-					
	MUFG Bank, Ltd.		330	-					
	Mizuho Bank, Ltd.		780	-					
	Sumitomo Mitsui Trust Bank, Limited	Jun. 26, 2020	780	-	0.28096	Jul. 31, 2021 (Note 4)	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		390	-					
	Mizuho Bank, Ltd.		820	820					
	Sumitomo Mitsui Trust Bank, Limited		820	820					
	MUFG Bank, Ltd.	Jun. 30, 2020	820	820	0.67532	Jun. 30, 2029	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Banking Corporation		420	420					
	Mizuho Bank, Ltd.		1,600	1,600					
	Sumitomo Mitsui Trust Bank, Limited		1,600	1,600					
	MUFG Bank, Ltd.	Sep. 29, 2020	800	800	0.28138	Oct. 31, 2021	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed

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)	Development Bank of Japan Inc.	Sep. 29, 2020	1,000	1,000	0.56815	Sep. 29, 2029	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		1,000	1,000					
	Sumitomo Mitsui Trust Bank, Limited		1,000	1,000					
	MUFG Bank, Ltd.		500	500					
	Sumitomo Mitsui Banking Corporation		500	500					
	Mizuho Bank, Ltd.	Sep. 30, 2020	800	800	0.57308	Sep. 30, 2029	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		800	800					
	MUFG Bank, Ltd.		800	800					
	Sumitomo Mitsui Banking Corporation		400	400					
	Development Bank of Japan Inc.		1,220	1,220					
	Mizuho Bank, Ltd.	1,220	1,220						
	Sumitomo Mitsui Trust Bank, Limited	1,220	1,220						
	MUFG Bank, Ltd.	1,220	1,220						
	Sumitomo Mitsui Banking Corporation	620	620						
	Development Bank of Japan Inc.	Mar. 31, 2021	-	1,920	0.40488	Mar. 31, 2027	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		-	1,135					
	Kiraboshi Bank, Ltd.		-	1,000					
	Mizuho Bank, Ltd.		-	350					
	MUFG Bank, Ltd.		-	350					
	Sumitomo Mitsui Banking Corporation		-	170					
The 77 Bank, Ltd.	Mar. 31, 2021	-	500	0.42632	Mar. 31, 2028	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed	
Daishi Hokuetsu Bank, Ltd.		-	500						
The Nishi-Nippon City Bank		-	500						
The Higo Bank, Ltd.		-	500						
Total			129,150	125,530					

(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.

(Note 4) The Investment Corporation made early repayment of the entire amount on July 14, 2021.

## 3. Investment Corporation Bonds

The status of investment corporation bonds as of July 31, 2021 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	-	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	1,500	0.55000	Jul. 30, 2030	Lump-sum repayment	(Note 2)	Unsecured
9th Unsecured Bond (Note 1)	Jul. 8, 2021	-	2,000	0.18000	Jul. 8, 2026	Lump-sum repayment	(Note 2)	Unsecured
10th Unsecured Bond (Green Bonds) (Note 1)	Jul. 8, 2021	-	3,000	0.46000	Jul. 8, 2031	Lump-sum repayment	(Note 2)	Unsecured
11th Unsecured Bond (Note 1)	Jul. 8, 2021	-	1,600	0.73000	Jul. 8, 2036	Lump-sum repayment	(Note 2)	Unsecured
Total		12,500	16,100					

(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	Purchase		Sale			
	Purchase date	Purchase price (millions of yen)	Sale date	Sale price (millions of yen)	Book value (millions of yen)	Gain on sale (millions of yen)
COMFORIA TAITONEGISHI	Feb. 1, 2021	3,031	—	—	—	—
COMFORIA MONZENNAKACHO SOUTH	Feb. 1, 2021	1,428	—	—	—	—
COMFORIA MAGOME	Feb. 1, 2021	2,905	—	—	—	—
COMFORIA OMIYA	Mar. 18, 2021	4,420	—	—	—	—
COMFORIA SHIN-OSAKA	—	—	Mar. 30, 2021	3,600	2,208	1,350
Total	—	11,784	—	3,600	2,208	1,350

(Note) The purchase price and sale price do not include miscellaneous expenses required for the purchase or sale of said property, etc., 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.

Purchase or sale	Type of asset	Property name	Purchase or sale date	Purchase 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
Purchase	Beneficial interest in real estate trust	COMFORIA TAITONEGISHI	Feb. 1, 2021	3,031	3,130	(1)	Oct. 31, 2020
Purchase	Beneficial interest in real estate trust	COMFORIA MONZENNAKACHO SOUTH	Feb. 1, 2021	1,428	1,500	(1)	Oct. 31, 2020
Purchase	Beneficial interest in real estate trust	COMFORIA MAGOME	Feb. 1, 2021	2,905	2,990	(1)	Oct. 31, 2020
Purchase	Beneficial interest in real estate trust	COMFORIA OMIYA	Mar. 18, 2021	4,420	4,520	(1)	Jan. 31, 2021
Sale	Beneficial interest in real estate trust	COMFORIA SHIN-OSAKA	Mar. 30, 2021	3,600	3,030	(2)	Jan. 31, 2021

(Note 1) The purchase price and sale price do not include miscellaneous expenses required for the purchase 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, and (2) JLL Morii Valuation & Advisory K.K.

### (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	¥11,784,300 thousand	¥3,600,000 thousand
Breakdown of transactions between related parties		
Tokyu Land Corporation	¥4,459,000 thousand (37.8%)	¥— thousand (—%)
Total	¥4,459,000 thousand (37.8%)	¥— 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 a related party that falls under any of these and that had transactions or paid commissions, etc. during the 22nd 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	760,938	Tokyu Housing Lease Corporation	487,567	64.1
		Community One Co., Ltd.	37,391	4.9
		Tokyu Community Corp.	2,008	0.3
Utilities expenses	109,658	Tokyu Community Corp.	73,222	66.8
Marketing-related expenses	240,754	Tokyu Livable, Inc.	1,569	0.7
Other expenses related to rent business	157,385	Tokyu Sports Oasis, Inc.	11,024	7.0
		Community One Co., Ltd.	1,954	1.2

##### (3) Major payments to other related parties

Ewel Inc. ¥1,840 thousand (system usage, etc.)  
Tokyu Re・design Corporation ¥1,216 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

Not applicable

##### (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 26, 2021	Conclusion of a memorandum, etc. regarding accounting service agreement and tax service agreement	The Investment Corporation changed the entrusted company for accounting and bookkeeping operations from Reiwakaikeisha Tax Corporation to Reiwa Accounting Holdings Co., Ltd. as of April 30, 2021. Furthermore, of the tax operations, those stipulated in Article 2-1 of the Certified Public Tax Accountant Act continue to be entrusted to Reiwakaikeisha Tax Corporation.
April 26, 2021	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, 2021 to May 8, 2022 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.

#### 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)	
	21st Fiscal Period (As of January 31, 2021)	22nd Fiscal Period (As of July 31, 2021)
<b>Assets</b>		
Current assets		
Cash and deposits	13,900,956	11,890,312
Cash and deposits in trust	8,145,618	8,320,754
Operating accounts receivable	7,037	8,757
Prepaid expenses	421,595	452,856
Other	1,195	-
Total current assets	22,476,404	20,672,680
Non-current assets		
Property, plant and equipment		
Buildings	2,743,141	2,744,823
Accumulated depreciation	(182,377)	(212,127)
Buildings, net	2,560,764	2,532,695
Structures	65,937	65,937
Accumulated depreciation	(7,308)	(8,805)
Structures, net	58,628	57,131
Machinery and equipment	17,687	17,687
Accumulated depreciation	(2,558)	(2,832)
Machinery and equipment, net	15,128	14,854
Tools, furniture and fixtures	3,519	3,519
Accumulated depreciation	(1,935)	(2,219)
Tools, furniture and fixtures, net	1,584	1,300
Land	6,459,597	6,459,596
Buildings in trust	105,651,975	108,330,702
Accumulated depreciation	(15,086,260)	(16,043,097)
Buildings in trust, net	90,565,714	92,287,604
Structures in trust	1,315,310	1,383,068
Accumulated depreciation	(431,797)	(456,344)
Structures in trust, net	883,513	926,724
Machinery and equipment in trust	1,653,856	1,654,748
Accumulated depreciation	(374,300)	(393,484)
Machinery and equipment in trust, net	1,279,556	1,261,264
Tools, furniture and fixtures in trust	515,393	544,110
Accumulated depreciation	(241,490)	(276,031)
Tools, furniture and fixtures in trust, net	273,902	268,079
Land in trust	147,131,485	154,583,365
Total property, plant and equipment	249,229,876	258,392,616
Intangible assets		
Leasehold rights in trust	1,140,613	1,132,048
Other	8,929	7,192
Total intangible assets	1,149,543	1,139,240
Investments and other assets		
Leasehold and security deposits	1,525,246	1,546,456
Long-term prepaid expenses	1,008,892	942,308
Other	4,812	7,233
Total investments and other assets	2,538,951	2,495,998
Total non-current assets	252,918,370	262,027,855
Deferred assets		
Investment unit issuance expenses	40,806	39,792
Investment corporation bond issuance costs	60,080	99,167
Total deferred assets	100,887	138,960
Total assets	275,495,662	282,839,496

	(Thousands of yen)	
	21st Fiscal Period (As of January 31, 2021)	22nd Fiscal Period (As of July 31, 2021)
<b>Liabilities</b>		
Current liabilities		
Operating accounts payable	519,511	524,170
Current portion of investment corporation bonds	3,000,000	1,000,000
Current portion of long-term loans payable	23,345,000	20,600,000
Accounts payable - other	48,404	31,214
Accrued expenses	340,904	372,811
Income taxes payable	5,926	20,942
Accrued consumption taxes	46,916	105,163
Advances received	1,466,325	1,509,947
Other	53	2,807
Total current liabilities	28,773,043	24,167,058
Non-current liabilities		
Investment corporation bonds	9,500,000	15,100,000
Long-term loans payable	105,805,000	104,930,000
Tenant leasehold and security deposits	42,843	42,810
Tenant leasehold and security deposits in trust	2,744,240	2,782,885
Asset retirement obligations	99,412	100,031
Other	2,968	27,081
Total non-current liabilities	118,194,464	122,982,809
Total liabilities	146,967,508	147,149,867
Net assets		
Unitholders' equity		
Unitholders' capital	123,947,208	129,791,732
Surplus		
Voluntary retained earnings		
Reserve for reduction entry	691,258	947,460
Total voluntary retained earnings	691,258	947,460
Unappropriated retained earnings (undisposed loss)	3,889,688	4,950,436
Total surplus	4,580,946	5,897,897
Total unitholders' equity	128,528,154	135,689,629
Total net assets	*1 128,528,154	*1 135,689,629
Total liabilities and net assets	275,495,662	282,839,496

## 2. Statements of Income

(Thousands of yen)

	21st Fiscal Period (From August 1, 2020 to January 31, 2021)	22nd Fiscal Period (From February 1, 2021 to July 31, 2021)
Operating revenue		
Lease business revenue	*1 8,737,566	*1 9,057,604
Other lease business revenue	*1 326,778	*1 363,037
Gain on sales of real estate properties	*2 501,418	*2 1,350,205
Total operating revenue	9,565,763	10,770,846
Operating expenses		
Expenses related to rent business	*1 4,176,676	*1 4,263,478
Asset management fee	559,788	587,345
Directors' compensations	3,600	3,600
Audit fee	14,490	14,490
Asset custody fee	8,984	9,156
Administrative service fees	28,660	27,994
Other operating expenses	288,649	274,480
Total operating expenses	5,080,850	5,180,545
Operating profit	4,484,913	5,590,301
Non-operating income		
Interest income	92	100
Gain on forfeiture of unclaimed dividends	861	137
Other	395	283
Total non-operating income	1,349	521
Non-operating expenses		
Interest expenses	373,551	372,793
Borrowing related expenses	159,678	163,001
Interest expenses on investment corporation bonds	36,325	37,940
Amortization of investment corporation bond issuance costs	6,155	6,366
Amortization of investment unit issuance expenses	15,234	15,214
Total non-operating expenses	590,944	595,315
Ordinary profit	3,895,317	4,995,507
Profit before income taxes	3,895,317	4,995,507
Income taxes - current	5,940	20,957
Income taxes - deferred	(311)	24,112
Total income taxes	5,629	45,070
Profit	3,889,688	4,950,436
Retained earnings brought forward	—	—
Unappropriated retained earnings (undisposed loss)	3,889,688	4,950,436

## 3. Statements of Changes in Unitholders' Equity

21st Fiscal Period (From August 1, 2020 to January 31, 2021)

(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	123,947,208	733,377	733,377	3,523,532	4,256,910	128,204,118	128,204,118
Changes of items during period							
Reversal of reserve for reduction entry		(42,119)	(42,119)	42,119	—	—	—
Dividends of surplus				(3,565,651)	(3,565,651)	(3,565,651)	(3,565,651)
Profit				3,889,688	3,889,688	3,889,688	3,889,688
Total changes of items during period	—	(42,119)	(42,119)	366,155	324,036	324,036	324,036
Balance at end of current period	*1 123,947,208	691,258	691,258	3,889,688	4,580,946	128,528,154	128,528,154

22nd Fiscal Period (From February 1, 2021 to July 31, 2021)

(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	123,947,208	691,258	691,258	3,889,688	4,580,946	128,528,154	128,528,154
Changes of items during period							
Issuance of new investment units	5,844,524					5,844,524	5,844,524
Reserve for reduction entry		256,202	256,202	(256,202)	—	—	—
Dividends of surplus				(3,633,485)	(3,633,485)	(3,633,485)	(3,633,485)
Profit				4,950,436	4,950,436	4,950,436	4,950,436
Total changes of items during period	5,844,524	256,202	256,202	1,060,748	1,316,950	7,161,474	7,161,474
Balance at end of current period	*1 129,791,732	947,460	947,460	4,950,436	5,897,897	135,689,629	135,689,629



#### 4. Statements of Cash Distributions

Category	21st Fiscal Period (From August 1, 2020 to January 31, 2021)	22nd Fiscal Period (From February 1, 2021 to July 31, 2021)
I. Unappropriated retained earnings	¥3,889,688,083	¥4,950,436,649
II. Distributions	¥3,633,485,840	¥4,069,260,768
[Distribution per unit]	[¥5,410]	[¥5,872]
III. Voluntary retained earnings		
Provision of reserve for reduction entry	¥256,202,243	¥-
Reserve for reduction entry of special provisions of replaced property	¥-	¥881,175,881
IV. 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 ¥3,633,485,840 as the total amount of dividends for the period under review, which is equivalent to the entire amount of unappropriated retained earnings after 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>	
	<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 ¥4,069,260,768 as the total amount of dividends for the period under review, which is equivalent to the entire amount of unappropriated retained earnings after deducting the provision of reserve for reduction entry of special provisions of replaced property 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)	
	21st Fiscal Period (From August 1, 2020 to January 31, 2021)	22nd Fiscal Period (From February 1, 2021 to July 31, 2021)
Cash flows from operating activities		
Profit before income taxes	3,895,317	4,995,507
Depreciation	1,376,513	1,400,090
Borrowing related expenses	159,678	163,001
Amortization of investment corporation bond issuance costs	6,155	6,366
Amortization of investment unit issuance expenses	15,234	15,214
Interest income	(92)	(100)
Gain on forfeiture of unclaimed dividends	(861)	(137)
Interest expenses	409,876	410,733
Decrease (increase) in operating accounts receivable	2,090	(1,719)
Decrease (increase) in prepaid expenses	30,601	(30,306)
Decrease (increase) in consumption taxes receivable	63,680	-
Increase (decrease) in accrued consumption taxes	46,916	58,247
Increase (decrease) in operating accounts payable	(92,838)	(6,589)
Increase (decrease) in accounts payable - other	13,285	(17,181)
Increase (decrease) in accrued expenses	146,174	28,125
Increase (decrease) in advances received	43,475	43,621
Decrease (increase) in long-term prepaid expenses	6,639	6,724
Decrease in property, plant and equipment in trust due to sales	1,539,124	2,208,862
Other, net	4,664	3,950
Subtotal	7,665,637	9,284,409
Interest income received	92	100
Interest expenses paid	(405,708)	(411,094)
Income taxes paid	(5,939)	(5,942)
Net cash provided by (used in) operating activities	7,254,081	8,867,473
Cash flows from investing activities		
Purchase of property, plant and equipment	(10,902)	(11,594)
Purchase of property, plant and equipment in trust	(8,374,206)	(12,742,107)
Purchase of intangible assets	-	(2,667)
Payments for leasehold and security deposits	-	(21,210)
Proceeds from tenant leasehold and security deposits	8,160	8,920
Repayments of tenant leasehold and security deposits	(6,448)	(7,675)
Proceeds from tenant leasehold and security deposits in trust	308,927	374,531
Repayments of tenant leasehold and security deposits in trust	(247,958)	(323,344)
Other, net	(2,478)	(2,420)
Net cash provided by (used in) investing activities	(8,324,907)	(12,727,567)
Cash flows from financing activities		
Proceeds from long-term loans payable	15,950,440	6,835,844
Repayments of long-term loans payable	(10,070,000)	(10,545,000)
Proceeds from issuance of investment corporation bonds	-	6,554,546
Redemption of investment corporation bonds	-	(3,000,000)
Proceeds from issuance of investment units	-	5,823,045
Dividends paid	(3,565,184)	(3,632,735)
Other, net	(12,100)	(11,116)
Net cash provided by (used in) financing activities	2,303,155	2,024,585
Net increase (decrease) in cash and cash equivalents	1,232,330	(1,835,507)
Cash and cash equivalents at beginning of period	20,814,244	22,046,575
Cash and cash equivalents at end of period	*1 22,046,575	*1 20,211,067

## 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

	21st Fiscal Period (As of January 31, 2021)	22nd Fiscal Period (As of July 31, 2021)
	50,000	50,000

#### 2. Commitment line agreement

The Investment Corporation has commitment line contracts with three of the banks (as of January 31, 2021) and three of the banks (as of July 31, 2021), respectively.

	21st Fiscal Period (As of January 31, 2021)	22nd Fiscal Period (As of July 31, 2021)
Credit limit	13,500,000	13,500,000
Outstanding debt	—	—
Unused commitment line	13,500,000	13,500,000

<Notes to the Statements of Income>

\*1. Breakdown of real estate rental revenues and expenses

	(Thousands of yen)			
	21st Fiscal Period (From August 1, 2020 to January 31, 2021)		22nd Fiscal Period (From February 1, 2021 to July 31, 2021)	
A. Real estate rental revenue				
Lease business revenue				
(Rental revenues and common service charges)	8,587,082		8,896,044	
(Parking revenues)	150,483	8,737,566	161,559	9,057,604
Other lease business revenue				
(Key money and contract renewal fees)	184,281		212,943	
(Other revenues)	142,497	326,778	150,093	363,037
Total real estate rental revenues		9,064,345		9,420,641
B. Real estate rental expenses				
Expenses related to rent business				
(Property management fees and facility management fees)	719,975		760,938	
(Repairs and maintenance)	326,772		354,094	
(Land rent)	707,331		713,683	
(Tax and public dues)	454,121		469,403	
(Insurance)	7,082		7,167	
(Utilities)	110,495		109,658	
(Marketing-related expenses)	253,334		240,754	
(Trust fees)	51,028		50,820	
(Depreciation)	1,374,621		1,398,353	
(Other expenses related to rent business)	171,911		158,604	
Total real estate rental expenses		4,176,676		4,263,478
C. Income from real estate rental business (A - B)		4,887,669		5,157,163

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

21st Fiscal Period (From August 1, 2020 to January 31, 2021)			
	(Thousands of yen)		
(1) COMFORIA ICHIKAWAMYODEN			
Revenue from sales of real estate properties			805,000
Cost of sales of real estate properties	586,495		
Other sales expenses	10,210		596,705
Gain on sales of real estate properties			208,294
(2) COMFORIA NISHIMAGOME			
Revenue from sales of real estate properties			1,261,000
Cost of sales of real estate properties	952,629		
Other sales expenses	15,246		967,876
Gain on sales of real estate properties			293,123
22nd Fiscal Period (From February 1, 2021 to July 31, 2021)			
	(Thousands of yen)		
(1) COMFORIA SHIN-OSAKA			
Revenue from sales of real estate properties			3,600,000
Cost of sales of real estate properties	2,208,862		
Other sales expenses	40,932		2,249,794
Gain on sales of real estate properties			1,350,205

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

	21st Fiscal Period (From August 1, 2020 to January 31, 2021)	22nd Fiscal Period (From February 1, 2021 to July 31, 2021)
*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	671,624 units	692,994 units

<Notes to the Statements of Cash Flows>

\*1. Reconciliation of balance sheet items to cash and cash equivalents at end of period in the Statements of Cash Flows  
(Thousands of yen)

	21st Fiscal Period (From August 1, 2020 to January 31, 2021)	22nd Fiscal Period (From February 1, 2021 to July 31, 2021)
Cash and deposits	13,900,956	11,890,312
Cash and deposits in trust	8,145,618	8,320,754
Cash and cash equivalents	22,046,575	20,211,067

<Notes to lease transactions>

1. Operating lease transactions (Lessee)

Future minimum lease payments under non-cancelable operating lease transactions

	21st Fiscal Period (As of January 31, 2021)	22nd Fiscal Period (As of July 31, 2021)
Due within 1 year	1,382,904	1,401,960
Due after 1 year	77,304,333	77,668,584
Total	78,687,237	79,070,544

2. Operating lease transactions (Lessor)

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

	21st Fiscal Period (As of January 31, 2021)	22nd Fiscal Period (As of July 31, 2021)
Due within 1 year	798,889	668,105
Due after 1 year	5,307,792	5,031,837
Total	6,106,681	5,699,943

<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 values of financial instruments on the Balance Sheets, their fair values and the differences between them as of January 31, 2021 are as follows.

(Thousands of yen)

	Carrying value (Note 1)	Fair value (Note 1)	Difference
(1) Cash and deposits	13,900,956	13,900,956	—
(2) Cash and deposits in trust	8,145,618	8,145,618	—
(3) Current portion of investment corporation bonds	(3,000,000)	(3,009,559)	9,559
(4) Current portion of long-term loans payable	(23,345,000)	(23,373,968)	28,968
(5) Investment corporation bonds	(9,500,000)	(9,659,656)	159,656
(6) Long-term loans payable	(105,805,000)	(107,000,217)	1,195,217
(7) Derivative transactions	—	—	—

The carrying values of financial instruments on the Balance Sheets, their fair values and the differences between them as of July 31, 2021 are as follows.

(Thousands of yen)

	Carrying value (Note 1)	Fair value (Note 1)	Difference
(1) Cash and deposits	11,890,312	11,890,312	—
(2) Cash and deposits in trust	8,320,754	8,320,754	—
(3) Current portion of investment corporation bonds	(1,000,000)	(1,001,975)	1,975
(4) Current portion of long-term loans payable	(20,600,000)	(20,649,620)	49,620
(5) Investment corporation bonds	(15,100,000)	(15,341,097)	241,097
(6) Long-term loans payable	(104,930,000)	(106,260,760)	1,330,760
(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 values and hence are used as their fair values.

(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 values. However, the fair values 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 values of financial instruments whose fair values cannot be reliably measured.

(Thousands of yen)

	21st Fiscal Period (As of January 31, 2021)	22nd Fiscal Period (As of July 31, 2021)
(1) Tenant leasehold and security deposits	(42,843)	(42,810)
(2) Tenant leasehold and security deposits in trust	(2,744,240)	(2,782,885)

(1)(2) Fair values of tenant leasehold and security deposits and tenant 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)

21st Fiscal Period (As of January 31, 2021)

	Due within 1 year or less
Deposits	13,900,956
Deposits in trust	8,145,618
Total	22,046,575

22nd Fiscal Period (As of July 31, 2021)

	Due within 1 year or less
Deposits	11,890,312
Deposits in trust	8,320,754
Total	20,211,067

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

21st Fiscal Period (As of January 31, 2021)

	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	23,345,000	—	—	—	—	—
Long-term loans payable	—	14,360,000	15,920,000	15,130,000	18,150,000	42,245,000
Current portion of investment corporation bonds	3,000,000	—	—	—	—	—
Investment corporation bonds	—	1,000,000	1,000,000	1,000,000	—	6,500,000
Total	26,345,000	15,360,000	16,920,000	16,130,000	18,150,000	48,745,000

22nd Fiscal Period (As of July 31, 2021)

	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	20,600,000	—	—	—	—	—
Long-term loans payable	—	15,960,000	12,380,000	18,920,000	15,550,000	42,120,000
Current portion of investment corporation bonds	1,000,000	—	—	—	—	—
Investment corporation bonds	—	—	2,000,000	—	2,000,000	11,100,000
Total	21,600,000	15,960,000	14,380,000	18,920,000	17,550,000	53,220,000

<Notes to investment securities>

21st Fiscal Period (As of January 31, 2021)

Not applicable

22nd Fiscal Period (As of July 31, 2021)

Not applicable

<Notes to derivative transactions>

1. Transactions not subject to hedge accounting

21st Fiscal Period (As of January 31, 2021)

Not applicable

22nd Fiscal Period (As of July 31, 2021)

Not applicable

2. Transactions subject to hedge accounting

21st Fiscal Period (As of January 31, 2021)

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)	45,470,000	37,245,000	(*)2	—
Total			45,470,000	37,245,000	—	—

22nd Fiscal Period (As of July 31, 2021)

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)	40,545,000	32,245,000	(*)2	—
Total			40,545,000	32,245,000	—	—

\*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>

21st Fiscal Period (As of January 31, 2021)

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

22nd Fiscal Period (As of July 31, 2021)

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

	21st Fiscal Period (As of January 31, 2021)	22nd Fiscal Period (As of July 31, 2021)
Deferred tax assets		
Non-deductible enterprise tax payable	450	1,824
Amortization of leasehold rights	29,636	32,600
Asset retirement obligations	34,396	34,610
Subtotal of deferred tax assets	64,483	69,035
Valuation allowance	(64,033)	(67,211)
Total deferred tax assets	450	1,824
Deferred tax liabilities		
Property, plant and equipment corresponding to asset retirement obligations	(3,418)	(28,905)
Total deferred tax liabilities	(3,418)	(28,905)
Deferred tax assets (liabilities), net	(2,968)	(27,081)

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

	21st Fiscal Period (As of January 31, 2021)	22nd Fiscal Period (As of July 31, 2021)
Statutory tax rate	34.60	34.60
(Adjustments)		
Deductible cash distributions	(32.27)	(28.18)
Provision of reserve for reduction entry	(2.28)	—
Provision of reserve for reduction entry of special provisions of replaced property	—	(6.10)
Other	0.09	0.59
Effective tax rate	0.14	0.90

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

21st Fiscal Period (As of January 31, 2021)

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

22nd Fiscal Period (As of July 31, 2021)

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

21st Fiscal Period (As of January 31, 2021)

Not applicable

22nd Fiscal Period (As of July 31, 2021)

Not applicable

2. Affiliated companies and other

21st Fiscal Period (As of January 31, 2021)

Not applicable

22nd Fiscal Period (As of July 31, 2021)

Not applicable

3. Fellow subsidiary companies and other

21st Fiscal Period (As of January 31, 2021)

Not applicable

22nd Fiscal Period (As of July 31, 2021)

Not applicable

4. Directors, major individual unitholders and other

21st Fiscal Period (As of January 31, 2021)

Not applicable

22nd Fiscal Period (As of July 31, 2021)

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

	21st Fiscal Period (From August 1, 2021 to January 31, 2021)	22nd Fiscal Period (From February 1, 2021 to July 31, 2021)
Balance at beginning of period	98,796	99,412
Increase due to purchase of property, plant and equipment	—	—
Adjustment due to passage of time	615	619
Balance at end of period	99,412	100,031

<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)

	21st Fiscal Period (From August 1, 2020 to January 31, 2021)	22nd Fiscal Period (From February 1, 2021 to July 31, 2021)
Carrying value		
Balance at beginning of period	245,122,666	250,370,490
Changes during period	5,247,824	9,154,174
Balance at end of period	250,370,490	259,524,665
Fair value at end of period	312,721,000	327,648,000

(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 21st Fiscal Period, the principal increase consisted of the acquisition of 4 properties (COMFORIA TOYOCHO and other 3 properties; ¥8,023,350 thousand), while the principal decrease consisted of the disposition of 2 properties (COMFORIA NISHIMAGOME and another property; ¥1,539,124 thousand) and depreciation of ¥1,374,006 thousand. During the 22nd Fiscal Period, the principal increase consisted of the acquisition of 4 properties (COMFORIA OMIYA and other 3 properties; ¥12,353,252 thousand), while the principal decrease consisted of the disposition of 1 property (COMFORIA SHIN-OSAKA: ¥2,208,862 thousand) and depreciation of ¥1,397,733 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 21st Fiscal Period (From August 1, 2020 to January 31, 2021) and 22nd Fiscal Period (From February 1, 2021 to July 31, 2021) 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)

21st Fiscal Period (From August 1, 2020 to January 31, 2021)

- 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 Sheets.
- 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.

22nd Fiscal Period (From February 1, 2021 to July 31, 2021)

- 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 Sheets.
- 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>

	21st Fiscal Period (From August 1, 2020 to January 31, 2021)	22nd Fiscal Period (From February 1, 2021 to July 31, 2021)
Net assets per unit	¥191,369	¥195,802
Profit per unit	¥5,791	¥7,144

(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:

	21st Fiscal Period (From August 1, 2020 to January 31, 2021)	22nd Fiscal Period (From February 1, 2021 to July 31, 2021)
Profit (thousands of yen)	3,889,688	4,950,436
Amount not attributable to common unitholders (thousands of yen)	—	—
Profit attributable to common investment units (thousands of yen)	3,889,688	4,950,436
Average number of investment units for the period (units)	671,624	692,904

<Notes to significant subsequent events>

Not applicable

<Other Notes >

Breakdown of reserve for reduction entry of special provisions of replaced property defined in Article 2, Paragraph 2, Item 28 of the Regulations on Accounting of Investment Corporations is as follows.

Item	Breakdown	
Relevant properties	COMFORIA HIGASHINAKANO, COMFORIA NISHIOI and COMFORIA NAKANO	
Reason for recognition and amount	Gain on sale of ¥1,350,205 thousand due to sale of COMFORIA SHIN-OSAKA in March 2021	
Policy for reversal	Reversal into retained earnings is made in accordance with tax regulations.	
Description of reversal in the period	Not applicable	
Amount (thousands of yen)	21st Fiscal Period (As of January 31, 2021)	22nd Fiscal Period (As of July 31, 2021)
Balance before provision or reversal in the period	—	—
Reversal in the Statements of Income	—	—
Balance on the Balance Sheets	—	—
Provision in the Statements of Cash Distributions	—	881,175
Reversal in the Statements of Cash Distributions	—	—
Balance after provision or reversal in the period	—	881,175



## 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, 2021 is as follows.

(Thousands of yen)

Classification	Type	Contract amount <sup>(Note 1)</sup>		Fair value <sup>(Note 2)</sup>
			Maturing after 1 year	
Over-the-counter transactions	Receive floating, pay fixed interest-rate swap transactions	40,545,000	32,245,000	—
Total		40,545,000	32,245,000	—

(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	Remark
						at end of current period	Depreciation or amortization during period		
Property, plant and equipment	Buildings	2,743,141	1,681	—	2,744,823	212,127	29,750	2,532,695	
	Structures	65,937	—	—	65,937	8,805	1,496	57,131	
	Machinery and equipment	17,687	—	—	17,687	2,832	274	14,854	
	Tools, furniture and fixtures	3,519	—	—	3,519	2,219	283	1,300	
	Land	6,459,597	—	1	6,459,596	—	—	6,459,596	
	Buildings in trust	105,651,975	4,365,825	1,687,098	108,330,702	16,043,097	1,254,397	92,287,604	(Note)
	Structures in trust	1,315,310	95,172	27,414	1,383,068	456,344	33,115	926,724	(Note)
	Machinery and equipment in trust	1,653,856	37,423	36,530	1,654,748	393,484	29,156	1,261,264	(Note)
	Tools, furniture and fixtures in trust	515,393	42,485	13,767	544,110	276,031	40,692	268,079	(Note)
	Land in trust	147,131,485	8,218,183	766,303	154,583,365	—	—	154,583,365	(Note)
	Total	265,557,904	12,760,772	2,531,116	275,787,560	17,394,943	1,389,168	258,392,616	
Intangible assets	Leasehold rights in trust	1,226,269	—	—	1,226,269	94,220	8,565	1,132,048	
	Other	21,139	—	3,768	17,370	10,178	1,737	7,192	
	Total	1,247,408	—	3,768	1,243,639	104,398	10,302	1,139,240	

(Note) Increases and decreases during the 22nd 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 TAITONEGISHI	3,152,715	—
COMFORIA MONZENNAKACHO SOUTH	1,485,884	—
COMFORIA MAGOME	3,070,936	—
COMFORIA OMIYA	4,643,715	—
COMFORIA SHIN-OSAKA	—	2,208,862

- (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 <sup>(Note 1)</sup>	July 30, 2014	3,000,000	—	3,000,000	—	0.64000	July 30, 2021	(Note 2)	Unsecured
The Investment Corporation 2nd unsecured bonds <sup>(Note 1)</sup>	July 18, 2017	1,000,000	—	—	1,000,000	0.23000	July 15, 2022	(Note 2)	Unsecured
The Investment Corporation 3rd unsecured bonds <sup>(Note 1)</sup>	July 18, 2017	2,000,000	—	—	2,000,000	0.52000	July 16, 2027	(Note 2)	Unsecured
The Investment Corporation 4th unsecured bonds <sup>(Note 1)</sup>	June 14, 2018	1,000,000	—	—	1,000,000	0.23000	December 14, 2023	(Note 2)	Unsecured
The Investment Corporation 5th unsecured bonds <sup>(Note 1)</sup>	June 14, 2018	1,500,000	—	—	1,500,000	0.95000	June 14, 2033	(Note 2)	Unsecured
The Investment Corporation 6th unsecured bonds <sup>(Note 1)</sup>	July 18, 2019	1,000,000	—	—	1,000,000	0.23000	July 18, 2024	(Note 2)	Unsecured
The Investment Corporation 7th unsecured bonds <sup>(Note 1)</sup>	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) <sup>(Note 1)</sup>	July 30, 2020	1,500,000	—	—	1,500,000	0.55000	July 30, 2030	(Note 2)	Unsecured
The Investment Corporation 9th unsecured bonds <sup>(Note 1)</sup>	July 8, 2021	—	2,000,000	—	2,000,000	0.18000	July 8, 2026	(Note 2)	Unsecured
The Investment Corporation 10th unsecured bonds (Green Bonds) <sup>(Note 1)</sup>	July 8, 2021	—	3,000,000	—	3,000,000	0.46000	July 8, 2031	(Note 2)	Unsecured
The Investment Corporation 11th unsecured bonds <sup>(Note 1)</sup>	July 8, 2021	—	1,600,000	—	1,600,000	0.73000	July 8, 2036	(Note 2)	Unsecured
Total		12,500,000	6,600,000	3,000,000	16,100,000				

(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 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
1,000,000	—	2,000,000	—	2,000,000	11,100,000

(vi) Supplementary schedule of borrowings

Information on the Investment Corporation's borrowings as of July 31, 2021 is as follows:

Classification	Lender	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
Long-term loans payable (Note 1)	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					
	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					
	MUFG Bank, Ltd.	2,000,000	-	-	2,000,000	0.61950	March 31, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	1,000,000	-	-	1,000,000					

	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.	1,160,000	-	-	1,160,000	0.46655	July 31 2024	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.	580,000	-	-	580,000					
	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					
	Mizuho Trust & Banking Co., Ltd.	2,000,000	-	-	2,000,000	0.46691	January 31, 2022	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	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					
	Daishi Hokuetsu Bank, Ltd. (Note 5)	500,000	-	-	500,000					
	MUFG Bank, Ltd.	1,160,000	-	-	1,160,000	0.62938	January 31, 2024	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.	580,000	-	-	580,000					
	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.	1,820,000	-	-	1,820,000	0.79571	January 30, 2026	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.	1,140,000	-	-	1,140,000	0.49054	September 30, 2022	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					
	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					
	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					

	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.	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
	Development Bank of Japan Inc.	550,000	-	-	550,000	0.85667	March 31, 2027	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	550,000	-	-	550,000					
	Sumitomo Mitsui Trust Bank, Limited	550,000	-	-	550,000					
	MUFG Bank, Ltd.	275,000	-	-	275,000					
	Sumitomo Mitsui Banking Corporation	275,000	-	-	275,000					
	Development Bank of Japan Inc.	550,000	-	-	550,000	0.43105	July 31, 2023	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	550,000	-	-	550,000					
	Sumitomo Mitsui Trust Bank, Limited	550,000	-	-	550,000					
	MUFG Bank, Ltd.	550,000	-	-	550,000					
	Sumitomo Mitsui Banking Corporation	300,000	-	-	300,000					
	Mizuho Bank, Ltd.	670,000	-	-	670,000	0.39950	January 31, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	670,000	-	-	670,000					
	MUFG Bank, Ltd.	670,000	-	-	670,000					
	Sumitomo Mitsui Banking Corporation	320,000	-	-	320,000					
	Development Bank of Japan Inc.	670,000	-	-	670,000	0.49994	January 31, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	700,000	-	-	700,000	0.54500	September 30, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	700,000	-	-	700,000					
	MUFG Bank, Ltd.	350,000	-	-	350,000					
	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
	Mizuho Bank, Ltd.	800,000	-	-	800,000	0.26138	March 31, 2022	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	800,000	-	-	800,000					
	MUFG Bank, Ltd.	800,000	-	-	800,000					
	Sumitomo Mitsui Banking Corporation	400,000	-	-	400,000					
	Mizuho Bank, Ltd.	1,000,000	-	-	1,000,000	0.45215	September 30, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	1,000,000	-	-	1,000,000					
	MUFG Bank, Ltd.	1,000,000	-	-	1,000,000					
	Sumitomo Mitsui Banking Corporation	500,000	-	-	500,000					
	Mizuho Bank, Ltd.	970,000	-	-	970,000	0.60810	September 30, 2027	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	970,000	-	-	970,000					
	MUFG Bank, Ltd.	970,000	-	-	970,000					
	Sumitomo Mitsui Banking Corporation	485,000	-	-	485,000					



	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)	Shinkin Central Bank	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					
	Mizuho Trust & Banking Co., Ltd.	525,000	-	-	525,000					
	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.	210,000	-	210,000	-	0.27818	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	0.27818	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	0.46156	September 30, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Shinkin Central Bank	460,000	-	-	460,000					
	The Norinchukin Bank	460,000	-	-	460,000					
	The Bank of Fukuoka, Ltd.	460,000	-	-	460,000					
	Mizuho Trust & Banking Co., Ltd.	460,000	-	-	460,000	0.28096	July 31, 2021 (Note 4)	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	660,000	-	660,000	-					
	Sumitomo Mitsui Trust Bank, Limited	660,000	-	660,000	-					
	MUFG Bank, Ltd.	330,000	-	330,000	-					
	Mizuho Bank, Ltd.	780,000	-	780,000	-	0.28096	July 31, 2021 (Note 4)	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					
	Sumitomo Mitsui Trust Bank, Limited	820,000	-	-	820,000					
	MUFG Bank, Ltd.	820,000	-	-	820,000					
	Sumitomo Mitsui Banking Corporation	420,000	-	-	420,000	0.28138	October 31, 2021	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	1,600,000	-	-	1,600,000					
	Sumitomo Mitsui Trust Bank, Limited	1,600,000	-	-	1,600,000					
	MUFG Bank, Ltd.	800,000	-	-	800,000					
	Development Bank of Japan Inc.	1,000,000	-	-	1,000,000	0.56815	September 29, 2029	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					
	MUFG Bank, Ltd.	500,000	-	-	500,000					
	Sumitomo Mitsui Banking Corporation	500,000	-	-	500,000	0.57308	September 30, 2029	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	800,000	-	-	800,000					
	Sumitomo Mitsui Trust Bank, Limited	800,000	-	-	800,000					
	MUFG Bank, Ltd.	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)	Development Bank of Japan Inc.	1,220,000	-	-	1,220,000	0.68068	January 29, 2031	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	1,220,000	-	-	1,220,000					
	Sumitomo Mitsui Trust Bank, Limited	1,220,000	-	-	1,220,000					
	MUFG Bank, Ltd.	1,220,000	-	-	1,220,000					
	Sumitomo Mitsui Banking Corporation	620,000	-	-	620,000					
	Development Bank of Japan Inc.	-	1,920,000	-	1,920,000	0.40488	March 31, 2027	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	-	1,135,000	-	1,135,000					
	Kiraboshi Bank, Ltd.	-	1,000,000	-	1,000,000					
	Mizuho Bank, Ltd.	-	350,000	-	350,000					
	MUFG Bank, Ltd.	-	350,000	-	350,000					
	Sumitomo Mitsui Banking Corporation	-	170,000	-	170,000	0.42632	March 31, 2028	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	The 77 Bank, Ltd.	-	500,000	-	500,000					
	Daishi Hokuetsu Bank, Ltd.	-	500,000	-	500,000					
	The Nishi-Nippon City Bank	-	500,000	-	500,000					
	The Higo Bank, Ltd.	-	500,000	-	500,000					
	Subtotal	129,150,000	6,925,000	10,545,000	125,530,000					
	Total	129,150,000	6,925,000	10,545,000	125,530,000					

(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 Investment Corporation made early repayments of the entire amount on July 14, 2021.

(Note 5) 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
20,600,000	15,960,000	12,380,000	18,920,000	15,550,000	42,120,000



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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 sheet as at July 31, 2021, 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, 2021, 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 and 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 22, 2021

向出 勇治

Yuji Mukaide  
Designated Engagement Partner  
Certified Public Accountant

新居 幹也

Mikiya Arai  
Designated Engagement Partner  
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