



Semi-Annual Report
for the 19th Fiscal Period
From August 1, 2019 to January 31, 2020



For a Superior Level of Living Comfort

COMFORIA



COMFORIA RESIDENTIAL REIT, INC

1-1 Minami-Aoyama 1-chome, Minato-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 are pleased to inform you that Comforia Residential REIT, Inc (the "Investment Corporation") successfully closed all accounts for the 19th Fiscal Period (from August 1, 2019 to January 31, 2020). 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 19th Fiscal Period.

During the 19th Fiscal Period, we acquired COMFORIA GINZA EAST NIBANKAN located in the Tokyo 23 wards with our own funds. Furthermore, we sold COMFORIA SHINSAKAE in December 2019 in an effort to improve the quality of our portfolio.

As a result, our portfolio as of the end of the 19th Fiscal Period stood at 126 properties, with a total acquisition price of ¥226.6 billion. The average occupancy rate for the 19th Fiscal Period remained high at 96.6%. The Investment Corporation had ¥8,790 million in operating revenue, ¥4,106 million in operating profit, and ¥3,562 million in profit, all of which exceeded our forecasts, resulting in a distribution per unit (DPU) of ¥5,295.

Furthermore, after the end of the 19th Fiscal Period, we also acquired COMFORIA HIGASHISHINJUKU STATION FRONT and five other properties between February and March 2020 through a public offering, conducted for the seventh consecutive year since listing, as well as borrowings. Furthermore, we acquired COMFORIA NISHIMAGOME HILLSIDE in March 2020 through borrowings, resulting in an asset size of 133 properties with a total acquisition price of ¥242.5 billion (as of March 31, 2020). We intend to continue to make selective investments in high-quality properties mainly in the Tokyo 23 wards. Under our basic policies of "investments in residential properties with stable earnings and high growth potential" and "utilization of the Tokyu Fudosan Holdings Group," we are carrying out investment in and management of rental residences, mainly in the Tokyo metropolitan area, targeting singles and small families, based on the concept and know-how of the urban rental residence COMFORIA series, which Tokyu Land Corporation has produced. In the next fiscal period onward, we will continue to aim to achieve stable earnings and ensure the steady growth of our managed assets based on medium- and long-term perspectives to maximize unitholders' value. Your continued support and cooperation are highly appreciated.



Comforia Residential REIT, Inc

Takehiro Izawa
Executive Director (center)

Yoshihiro Kataoka
Supervisory Director (left)

Koji Yamamoto
Supervisory Director (right)

Financial Highlights

Operating revenue	¥8,790 million	Number of properties	126 properties
Operating profit	¥4,106 million	Acquisition price	¥226.6 billion
Profit	¥3,562 million	Appraisal value	¥279.3 billion
Distribution per unit (DPU)	¥5,295	Occupancy rate at the 19th Fiscal Period-end	96.7 %
Total loan to value (LTV)	50.0 %	Average occupancy rate	96.6 %

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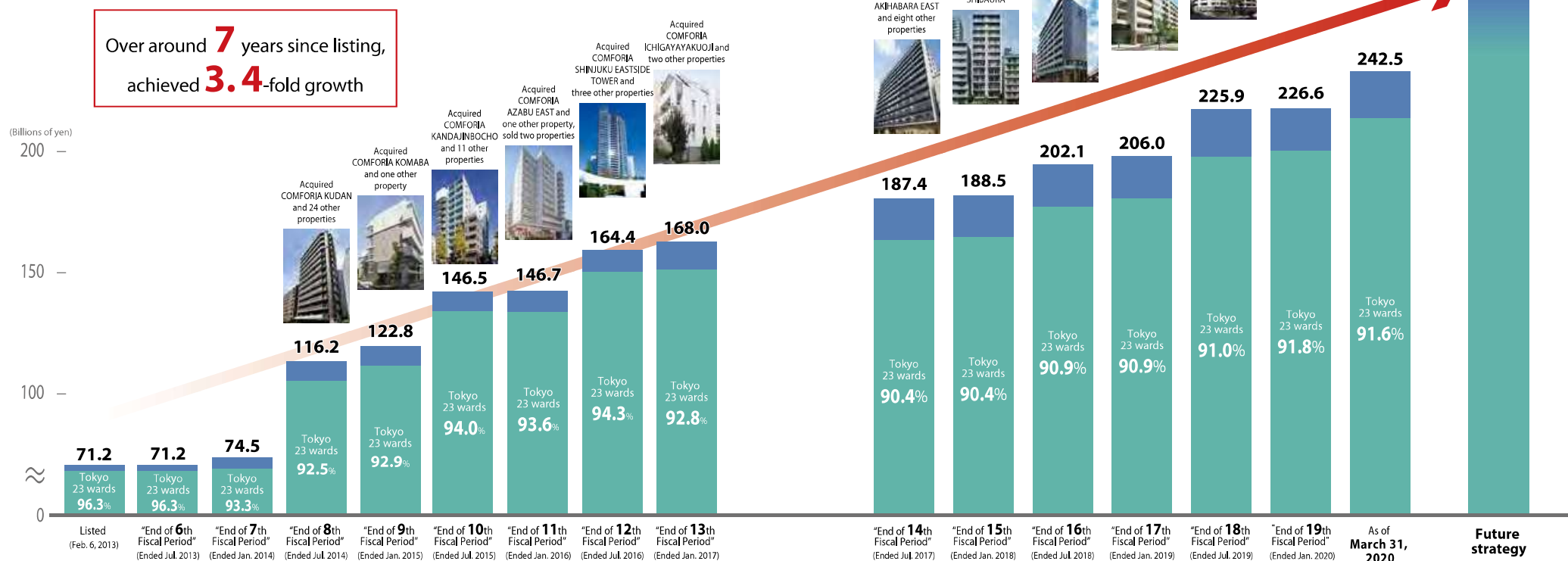
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During the 19th Fiscal Period, the Investment Corporation acquired one property in September 2019 and sold one property in December 2019. Furthermore, after entering the 20th Fiscal Period, a public offering was implemented in February 2020 and six properties were acquired with funds procured through the public offering as well as borrowings. In addition, it acquired one property in March 2020 through borrowings.

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

Selective Investments Mainly in Tokyo 23 Wards (As of March 31, 2020)

Historical Asset Size

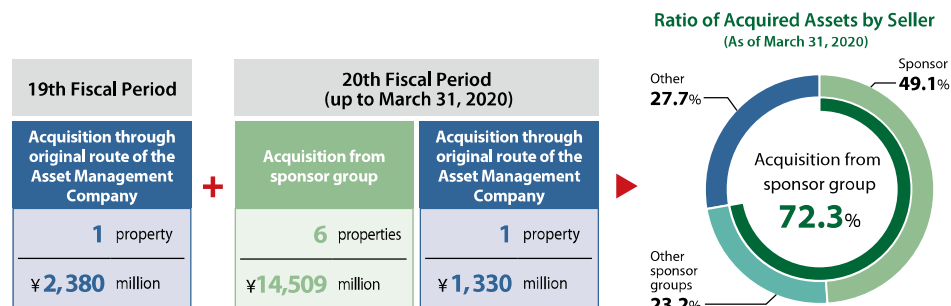


Credit Rating	A+ (Stable)								A+ (Positive)								AA- (Stable)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
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Distribution per Unit (DPU) <small>(Note 1)</small>	¥ 4,051	¥ 4,203	¥ 4,268	¥ 4,296	¥ 4,403	¥ 4,339	¥ 4,487	¥ 4,549																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													

(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.

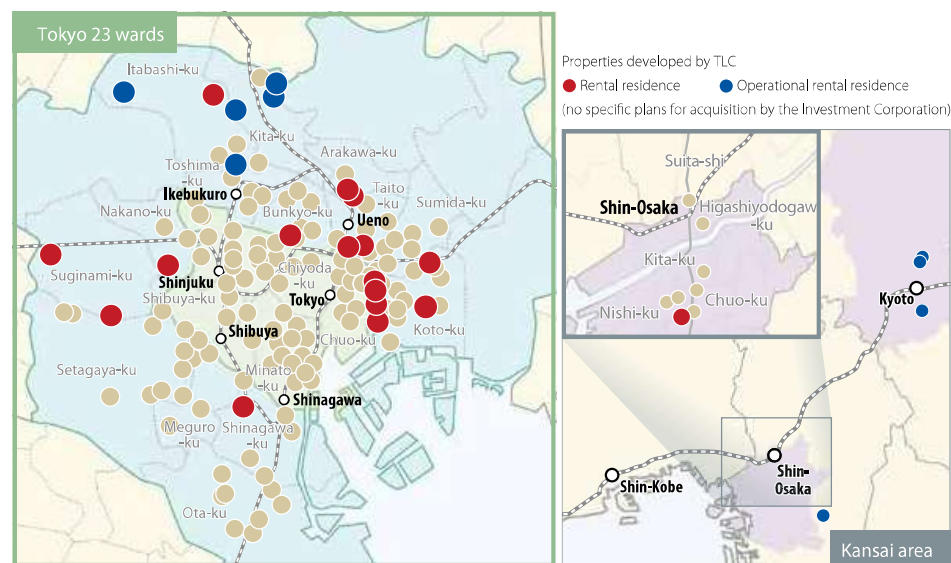
Diversified Property Acquisition Channels Centering on Sponsor Groups

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



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

There is a pipeline of 26 properties containing 2,990 units located primarily within Tokyo 23 wards.



	Number of properties	Number of units
Tokyo 23 wards	21	2,160
Tokyo metropolitan area	—	—
Other major cities	5	830
Total	26	2,990
(Completed)	14	1,467

Improving the Portfolio Stability and Increasing Internal Reserves through Strategic Asset Replacement

Through strategic asset replacement, the Investment Corporation is enhancing stability of its portfolio while striving to improve the quality.

Part of the capital gains of the property sales resulting from the asset replacement will be internally reserved as reserve for reduction entry for a stable cash distribution level, and is planned to be allocated to temporary expenses for large-scale repair works expected to occur in the future.

Change in Portfolio due to Public Offering + Asset Replacement

	15th FP end (Ended Jan. 2018) (1)	5th & 6th Public Offering	Acquisitions in 16th FP (Ended Jul. 2018) and after	Dispositions in 16th FP (Ended Jul. 2018) and after	19th FP end (Ended Jan. 2020) (2)	Differential (2)-(1)
No. of Properties	111	13	7	5	126	15
Asset Size (million yen)	188,536	26,477	15,940	4,282	226,671	38,134
Tokyo 23 Wards Ratio (Rental Residence)	90.4%	92.8%	79.7%	5.8%	91.8%	1.4pt
Avg. Walking Distance (Rental Residence)	4.9min	5.3min	4.5min	5.4min	4.9min	—

Representative Acquisition/Disposition Cases

PO Properties	Acquisitions without PO	Dispositions
COMFORTIA SHIBUYA WEST Meguro-ku, Tokyo 124 units Acquired in Feb. 2019	COMFORTIA GINZA EAST NIBANKAN Chuo-ku, Tokyo 61 units Acquired in Sep. 2019	COMFORTIA KITAHORIE Osaka-shi, Osaka 73 units Disposed in Jul. 2019
		COMFORTIA SHINSAKAE Nagoya-shi, Aichi 144 units Disposed in Dec. 2019

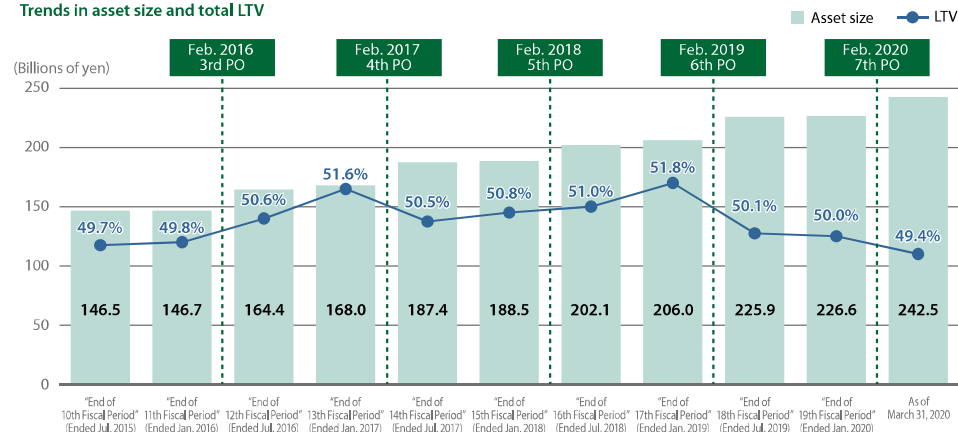
Expansion of Internal Reserve

Total Capital Gains Resulting from Asset Replacement (A)	Unitholder return (A) - (B)
¥1,013 million	Accumulated Internal reserve (B)
	¥733 million

LTV Control with Stability of Financial Base in Mind

Promote external growth with total LTV of around 50% in mind while focusing on stability of financial base.

Trends in asset size and total LTV






External Growth Results

During the 19th Fiscal Period, the Investment Corporation acquired COMFORIA GINZA EAST NIBANKAN located in the Tokyo 23 wards, and sold one of the properties in December.
During the 20th Fiscal Period, the Investment Corporation acquired six properties from the sponsor at the time of the public offering and acquired one property through original route of the Asset Management Company in March 2020. 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.

End of 18th FP	End of 19th FP	As of March 31, 2020
126 properties ¥225.9 billion	126 properties ¥226.6 billion	133 properties / ¥242.5 billion

Properties Acquired in 19th Fiscal Period

Sponsor developed properties		Warehousing	Warehousing properties by sponsors	Original Route	Acquisition through original route of the Asset Management Company
133 COMFORIA GINZA EAST NIBANKAN					
Central Tokyo					
Original Route					
					
Address		2-1-8 Minato, Chuo-ku, Tokyo			
Nearest station/Distance (on foot)		4-minute walk from Hatchobori Station on the Tokyo Metro Hibiya Line and JR Keiyo Line			
Ownership		Ownership			
Completion date		August 2003			
Rentable units		61 units			
Acquisition date		September 30, 2019			
Acquisition price		¥2,380 million			
Appraisal NOI yield		4.3% (as of July 31, 2019)			

Property Sold in 19th Fiscal Period

78	COMFORIA SHINSAKAE	Other major cities
Address	2-28-18 Shinsakae, Naka-ku, Nagoya-shi, Aichi	
Sale price	¥1,870 million	
Appraisal Value	¥1,740 million	
Gain on sale	¥211 million	
Rentable units	144 units	
Completion date	May 2009	

Asset replacement

- Intention to Sell**
- Avoiding risk of decline in market competitiveness
 - Replacing assets with **well-located property in central Tokyo** through original route

- Effect of Replacement**
- Increase in Tokyo 23 wards ratio
 - Internally reserve ¥172 million, a part of the gain on sale

Properties Acquired in 20th Fiscal Period (Through public offering)

Sponsor developed



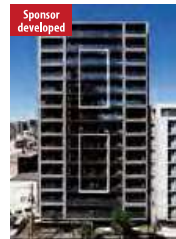
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COMFORIA HIGASHISHINJUKU STATION FRONT

Central Tokyo




Address	7-27-12 Shinjuku, Shinjuku-ku, Tokyo
Nearest station/ Distance (on foot)	1-minute walk from Higashi-shinjuku Station on the Tokyo Metro Fukutoshin Line and the Toei Oedo Line 9-minute walk from Shinjuku-sanchome Station on the Tokyo Metro Marunouchi and other lines
Ownership	Ownership
Completion date	March 2017
Rentable units	104 units
Acquisition date	February 3, 2020
Acquisition price	¥5,540 million
Appraisal NOI yield	4.2% (as of October 31, 2019)


134	COMFORIA TAKINOGAWA	Sub-central Tokyo
	Address	7-48-2 Takinogawa, Kita-ku, Tokyo
	Nearest station/Distance (on foot)	6-minute walk from Nishi-sugamo Station on the Toei Mita Line
	Ownership	Land: Ownership (land ownership interest 87.91%) Building: Ownership (sectional ownership interests)
	Completion date	September 2018
	Rentable units	112 units
	Acquisition date	February 3, 2020
	Acquisition price	¥3,430 million
	Appraisal NOI yield	4.3% (as of October 31, 2019)

136	COMFORIA ESAKAHIROSHIBACHO	Other major cities
	Address	19-13 Hiroshibacho, Suita-shi, Osaka
	Nearest station/Distance (on foot)	7-minute walk from Esaka Station on the Osaka Metro Midosuji Line
	Ownership	Ownership
	Completion date	July 2017
	Rentable units	99 units
	Acquisition date	February 3, 2020
	Acquisition price	¥1,700 million
	Appraisal NOI yield	4.7% (as of October 31, 2019)

137	COMFORIA KIBASHINSUIKOEN	Sub-central Tokyo
	Address	3-11-13 Kiba, Koto-ku, Tokyo
	Nearest station/Distance (on foot)	9-minute walk from Kiba Station on the Tokyo Metro Tozai Line
	Ownership	Ownership
	Completion date	December 2014
	Rentable units	54 units
	Acquisition date	March 2, 2020
	Acquisition price	¥1,294 million
	Appraisal NOI yield	4.3% (as of October 31, 2019)

138	COMFORIA NAKAOCHIAI	Central Tokyo
	Address	2-16-29 Nakaochiai, Shinjuku-ku, Tokyo
	Nearest station/Distance (on foot)	6-minute walk from Shimo-ochiai Station on the Seibu Shinjuku Line
	Ownership	Ownership
	Completion date	March 2011
	Rentable units	62 units
	Acquisition date	March 2, 2020
	Acquisition price	¥1,489 million
	Appraisal NOI yield	4.2% (as of October 31, 2019)

139	COMFORIA WASEDA DEUX	Central Tokyo
	Address	173 Benteicho, Shinjuku-ku, Tokyo
	Nearest station/Distance (on foot)	4-minute walk from Ushigome-yanagicho Station on the Toei Oedo Line
	Ownership	Ownership
	Completion date	March 2000
	Rentable units	50 units
	Acquisition date	March 2, 2020
	Acquisition price	¥1,056 million
	Appraisal NOI yield	4.3% (as of October 31, 2019)

140	COMFORIA NISHIMAGOME HILLSIDE	Sub-central Tokyo
	Address	1-30-8 Nishimagome, Ota-ku, Tokyo
	Nearest station/Distance (on foot)	4-minute walk from Nishi-magome Station on the Toei Asakusa Line
	Ownership	Ownership
	Completion date	July 2015
	Rentable units	47 units
	Acquisition date	March 30, 2020
	Acquisition price	¥1,330 million
	Appraisal NOI yield	4.3% (as of January 1, 2020)

Acquired in 20th Fiscal Period

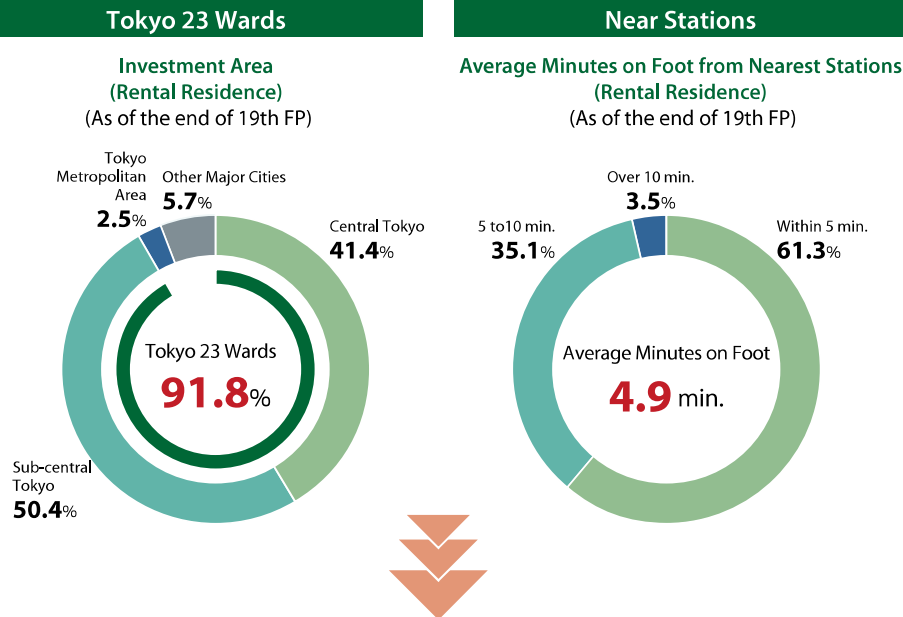
Investment Ratio by Area

	End of 18th FP	End of 19th FP	After acquisition of newly acquired assets (As of March 31, 2020)
Central Tokyo	38.8%	39.7%	40.5%
Sub-central Tokyo	50.7%	50.6%	49.8%
Tokyo metropolitan area	4.3%	4.3%	4.0%
Other major cities	6.2%	5.4%	5.8%
Ratio of Tokyo 23 wards (Rental Residence)	91.0%	91.8%	91.6%

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



Achieved top-class rent increase among residential J-REITs

Rent change on tenant turnover (19th FP) the highest ever **+7.9%** (19th FP)

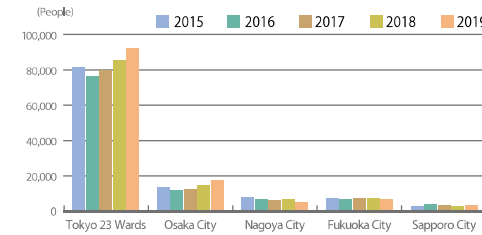
Number of units for which rent increased on tenant turnover the highest ever **90.1%** (19th FP)

Change in average rent per tsubo vs. 18th FP actual **+0.9%** (Properties continuously owned during the 19th FP)

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

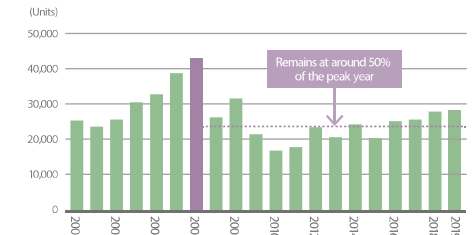
While the net migration of younger generations (age 15 to 39 years old) in Tokyo 23 wards is significantly larger than that of other cities, the number of construction starts of rental residences remains at a low level compared to its peak.

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



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

Construction Starts of Rental Residences in Tokyo 23 Wards



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

Increase in Double-Income Households

The number of double-income households, which generally have tolerance for higher rent burden, is growing especially in Tokyo 23 wards. This is expected to result in heightened demand for high-quality rental residences in Tokyo 23 wards.

Rate of Increase in Double-Income Households (When taking the number of double-income households in 2002 as a base of 100)

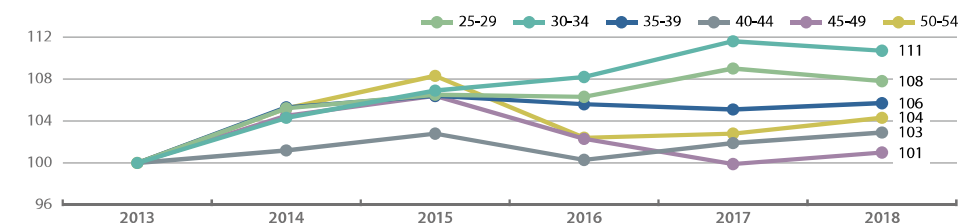


(Source) Compiled by the Asset Management Company from "2002, 2007, 2012 and 2017 Employment Status Survey" by the Statistics Bureau, Ministry of Internal Affairs and Communications

Increase in Income Primarily Among Young People

Rate of increase in income of young people in the age group of late 20s and 30s, the main users of single/compact-type units in which the Investment Corporation makes focused investment, is higher than that of any other age group.

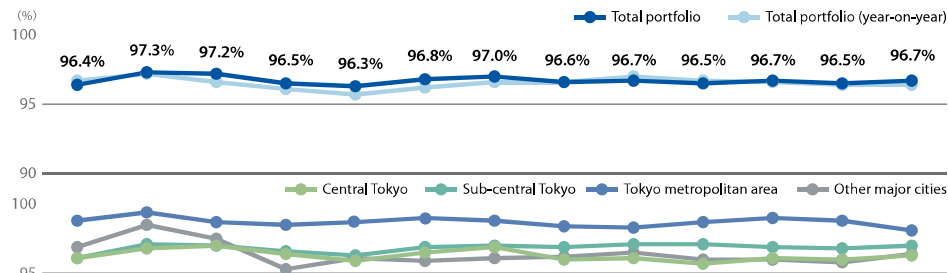
Rate of Increase in Annual Income by Age Group (When taking the annual income in 2013 as a base of 100)



(Source) Compiled by the Asset Management Company from "Basic Survey on Wage Structure" by the Ministry of Health, Labour and Welfare
(Note) Targeting males and females working at a company having 10 or more employees and located in Tokyo. Annual income = Amount of regular monthly salary paid in cash X 12 months + average amount of annual bonus and other special salaries. Calculated by taking the annual income of respective age group in 2013 as a base of 100.

Occupancy Rates

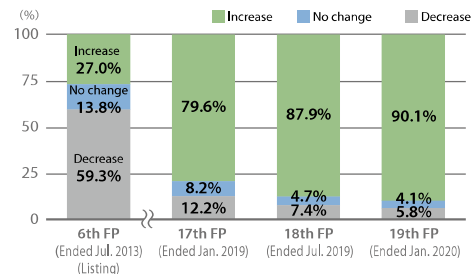
The average occupancy rate for the 19th Fiscal Period **remained high** at 96.6%.



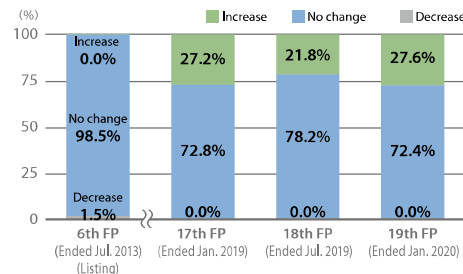
Impact of Rent Increases on Tenant Turnover/Lease Renewals

The rate of rent increase in the 19th Fiscal Period **on both tenant turnover and lease renewals** were continuously **on an increasing trend** on the back of high occupancy rates.

Tenant Turnover



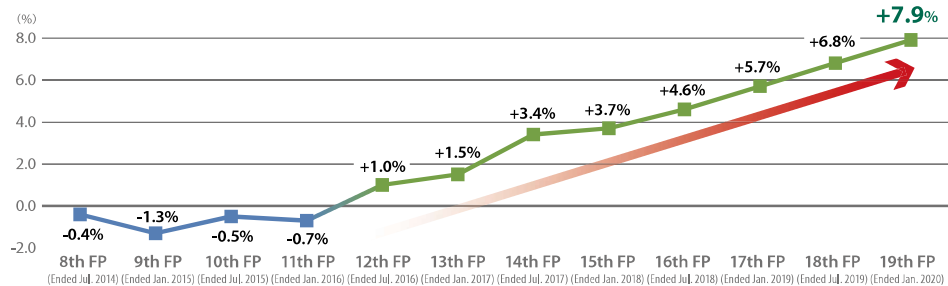
Lease Renewals



Rent Change Upon Tenant Turnover (Total Portfolio)

The rate of rent change upon tenant turnover for the 19th Fiscal Period marked **a record high of +7.9%**.

Rates of Rent Change Upon Tenant Turnover (Total Portfolio)



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.

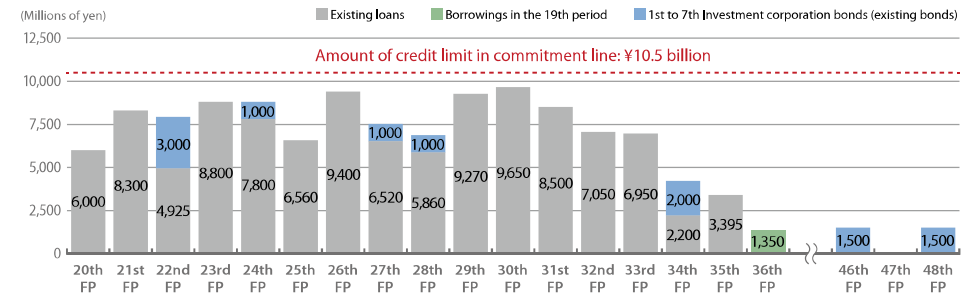
Interest-Bearing Debt

	End of 17th Fiscal Period (ended Jan. 31, 2019)	End of 18th Fiscal Period (ended Jul. 31, 2019)	End of 19th Fiscal Period (ended Jan. 31, 2020)
LTV ^(Note)	51.8%	50.1%	50.0%
Long-term debt ratio	86.2%	94.1%	92.9%
Fixed-interest debt ratio	87.3%	93.6%	93.6%
Average maturity	4.3 years	4.6 years	4.2 years
Weighted avg. interest rate	0.62%	0.60%	0.60%

(Note) Interest-bearing debt balance/total assets

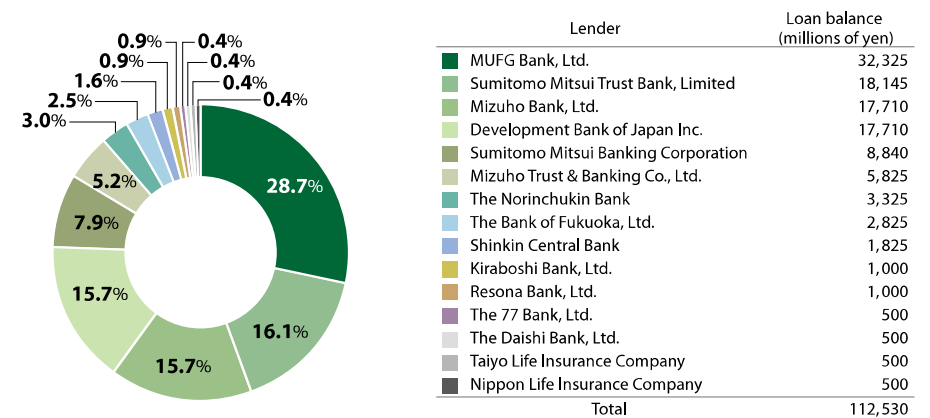
Diversification of Repayment Dates

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



Loan Balances

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



Credit Rating (As of January 31, 2020)

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

Establishment of Sustainability Policies

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

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



Environment	Relevant SDG Goals	Goal 7: Affordable and Clean Energy	Goal 12: Responsible Consumption and Production
Status/Initiatives			

Initiatives in improvement in energy efficiency

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

Switching to LED lights in common areas/Replacing air conditioners in exclusive areas

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



Implementation of LED lighting

Green-lease Provisions

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

Initiatives in improving waste management

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

Monitoring at Sustainability Promotion Council

Environmental Certification

GRESB Real Estate Assessment

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



DBJ Green Building Certification

COMFORIA SHINJUKU EASTSIDE TOWER has acquired "5 Stars." COMFORIA SHIBUYA WEST and COMFORIA KAMATA have acquired "4 Stars."



Social	Relevant SDG Goals	Goal 11: Sustainable Cities and Communities	Goal 12: Responsible Consumption and Production
Status/Initiatives			

Initiatives at COMFORIA SHINJUKU EASTSIDE TOWER

Hold tenant participation events

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



Pool events

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.

Disaster provision warehouse and manhole toilets

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



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.

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.



Inclusion in MSCI Japan ESG Select Leaders Index



The Investment Corporation was selected as a constituent of the MSCI Japan ESG Select Leaders Index in May 2019. We acquired "A" in MSCI ESG rating (as of December 2019).

Governance	Relevant SDG Goals	Goal 12: Responsible Consumption and Production	Goal 16: Peace, Justice and Strong Institutions
Status/Initiatives			

Decision-making flow in acquisition of assets

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



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

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

Aligning interests between unitholders and the sponsor

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

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

Sponsor's investment ratio

9.0%

(as of March 17, 2020)

Aiming for improving objective assessment on the portfolio through acquiring external certification

We are proactively promoting initiatives concerning sustainability, and it is our belief that acquiring objective assessment and certification on such activities from third parties is also important. During the 19th Fiscal Period, two properties under the ownership of the Investment Corporation newly acquired "4 Stars" in DBJ Green Building Certification issued by Development Bank of Japan Inc. (the "DBJ").

DBJ Green Building Certification Program evaluates, certifies and supports properties which are required by society and the economy. It comprehensively assesses properties, while evaluating various factors which range from properties' environmental features to their communication with stakeholders, such as disaster prevention and proper care for the surrounding communities.

We will continuously make progress in the environmental and energy saving measures of properties as well as other factors such as their contribution to the local communities in an aim to improve the asset value of the portfolio.

Investment Corporation's Properties that Acquired External Certification (DBJ Green Building Certification)	
	COMFORIA SHINJUKU EASTSIDE TOWER
	COMFORIA SHIBUYA WEST
	COMFORIA KAMATA
Properties with the best class environmental & social awareness	
Properties with exceptionally high environmental & social awareness	
Certification Acquisition Status	
No. of properties	3
Gross floor area	84,847m ²
Acquisition ratio (on a gross floor area basis)	18.3%
(As of March 31, 2020)	



TLC REIT Management Inc.
Momoko Yoshinaga
Manager, Asset Management Department,
Comforia Management Division
Hobby: Camping

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

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

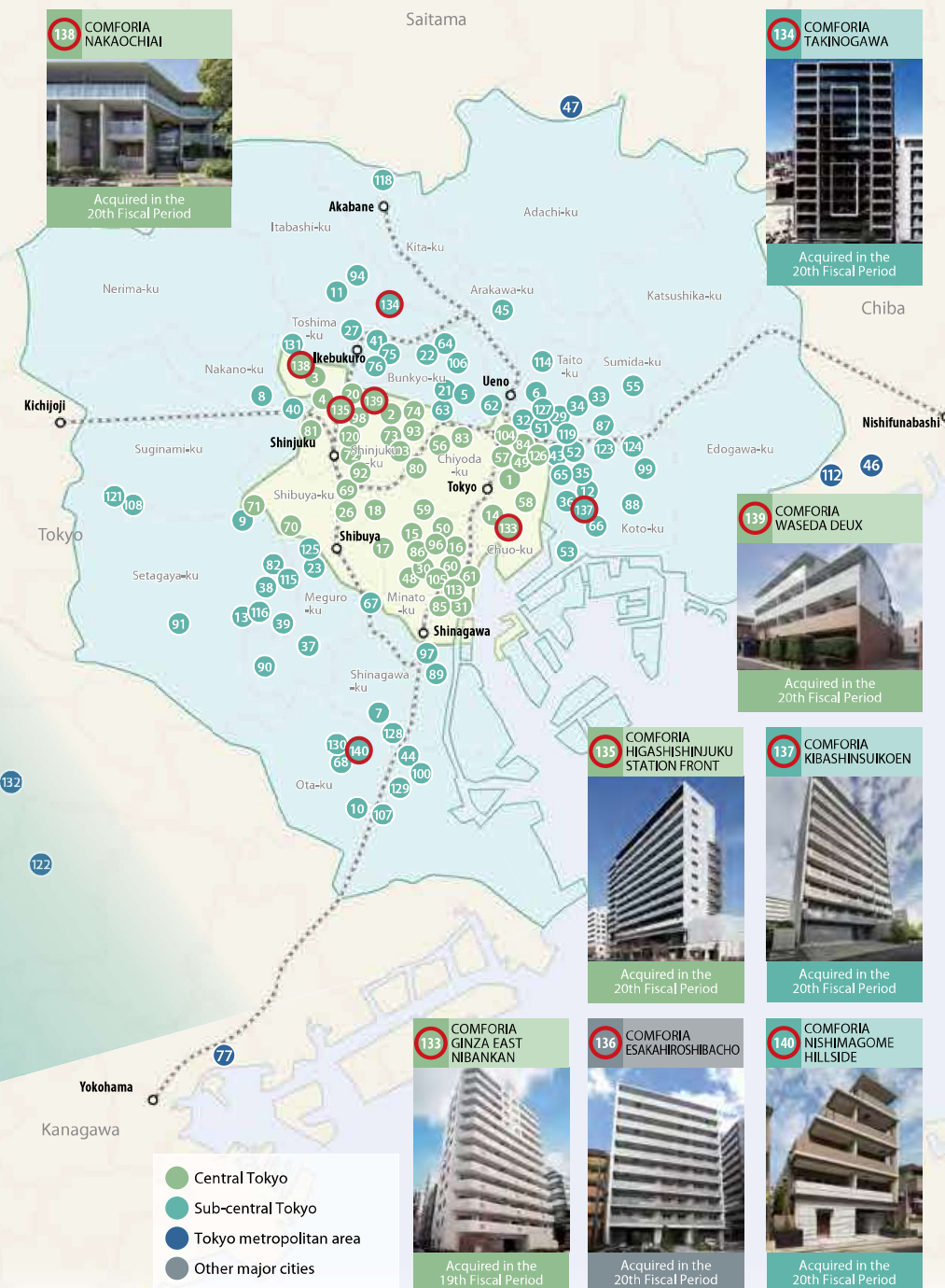
Sub-central Tokyo				70 properties			
5	COMFORIA BUNKYOKASUGA	38	COMFORIA MISYUKU	82	COMFORIA KOMABA	124	COMFORIA KAMEIDO SOUTH
6	COMFORIA ASAKUSAMATSUGAYA	39	COMFORIA GAKUGEIDAIGAKU	87	COMFORIA KINSHICHO	125	COMFORIA SHIBUYA WEST
7	COMFORIA NISHIOI	40	COMFORIA HIGASHINAKANO DEUX	88	COMFORIA MINAMISUNAMACHI	127	COMFORIA ASAKUSAKOMAGATA
8	COMFORIA NAKANO	41	COMFORIA HIGASHIKEBUKURO WEST	89	COMFORIA HIGASHISHINAGAWA	128	COMFORIA OMORIKASHIMA
9	COMFORIA SHIMOKITAZAWA	43	COMFORIA RYOGOKU DEUX	90	COMFORIA MEGUROYAKUMO	129	COMFORIA OMORIMACHI
10	COMFORIA NISHIKAMATA	44	COMFORIA OMORI DEUX	91	COMFORIA YOGA	130	COMFORIA KAMIKEDAI
11	COMFORIA OYAMA	45	COMFORIA MACHIYA	94	COMFORIA ITABASHINAKAJUKU	131	CAMPUS VILLAGE SHINAMACHI
12	COMFORIA KYOSUMISHIRAKAWA SOUTH	51	COMFORIA ASAKUSABASHI	97	COMFORIA SHINAGAWA EAST	134	COMFORIA TAKINOGAWA
13	COMFORIA KOMAZAWA	52	COMFORIA RYOGOKU SOUTH	99	COMFORIA OJIMA	137	COMFORIA KIBASHINSUIKOEN
21	COMFORIA KOISHIKAWA	53	COMFORIA TOYOSU	100	COMFORIA OMORI TROIS	140	COMFORIA NISHIMAGOME HILLSIDE
22	COMFORIA SENGOKU	55	COMFORIA SUMIDA-TACHIBANA	106	COMFORIA BUNKYOHAKUSAN		
23	COMFORIA DAIKANYAMAAOBADAI	62	COMFORIA UENOHIROKOJI	107	COMFORIA KAMATA		
27	COMFORIA IKEBUKURO	63	COMFORIA KASUGATOMISAKA	108	COLLEGE COURT HACHIMANYAMA		
29	COMFORIA RYOGOKUISHIWARA	64	COMFORIA HONKOMAGOME	114	COMFORIA UENOIRIYA		
32	COMFORIA ASAKUSABASHI DEUX	65	COMFORIA MORISHITA	115	COMFORIA IKEJIRI		
33	COMFORIA OSHIAGE	66	COMFORIA KIBAKOEN	116	COMFORIA SETAGAYAKAMIUMA		
34	COMFORIA HONJOAZUMABASHI	67	COMFORIA MEGURO CHOJAMARU	118	COMFORIA AKABANEIWABUCHI		
35	COMFORIA KYOSUMISHIRAKAWA TROIS	68	COMFORIA NISHIMAGOME	119	COMFORIA RYOGOKU TROIS		
36	COMFORIA MONZENNAKACHO	75	COMFORIA HIGASHIKEBUKURO EAST	121	COLLEGE SQUARE HACHIMANYAMA		
37	COMFORIA HIMONYA	76	COMFORIA HIGASHIKEBUKURO	123	COMFORIA KINSHICHO DEUX		

95101















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

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

Total
133
properties



Top 10 by Number of Rentable Units

<div>1</div> <div>COMFORIA SHINJUKU EASTSIDE TOWER</div> <div>Rentable units: 765 units</div>   	<div>2</div> <div>COMFORIA MINAMISUNAMACHI</div> <div>Rentable units: 211 units</div>  	<div>3</div> <div>COMFORIA KAMATA</div> <div>Rentable units: 203 units</div>  	
<div>4</div> <div>CAMPUS VILLAGE SHIINAMACHI</div> <div>Rentable units: 167 units</div> 	<div>5</div> <div>COMFORIA TOYOSU</div> <div>Rentable units: 161 units</div> 	<div>6</div> <div>COMFORIA HIGASHIIEBUKURO WEST</div> <div>Rentable units: 155 units</div> 	
<div>7</div> <div>COMFORIA KITASANDO</div> <div>Rentable units: 144 units</div> 	<div>7</div> <div>COMFORIA MONZENNAKACHO</div> <div>Rentable units: 144 units</div> 	<div>9</div> <div>COMFORIA ASAKUSABASHI</div> <div>Rentable units: 141 units</div> 	<div>10</div> <div>COMFORIA KOMABA</div> <div>Rentable units: 136 units</div> 

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

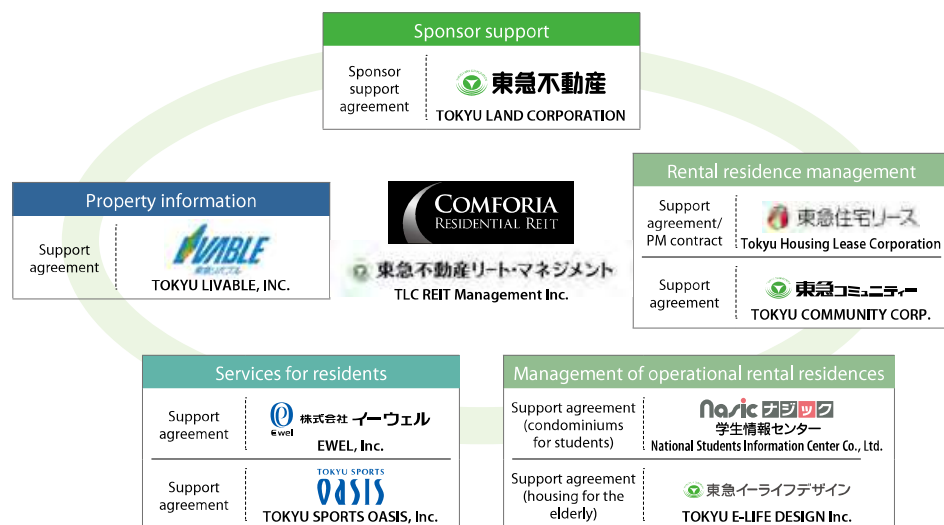
COMFORIA knows where peace of mind comes from.

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



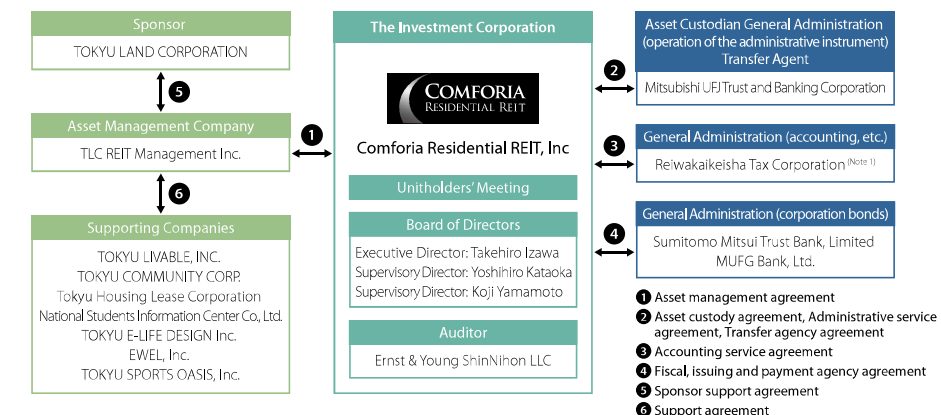
Overview of the Investment Corporation (As of January 31, 2020)

Name of the investment corporation	Comforia Residential REIT, Inc.	Inquiries	TLC REIT Management, Inc. Tel: +81-3-6455-3388
Representative	Takehiro Izawa, Executive Director	Fiscal period-end	January 31 and July 31 of each year
Address	1-1 Minami-Aoyama 1-chome, Minato-ku, Tokyo 107-0062, Japan		

History

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

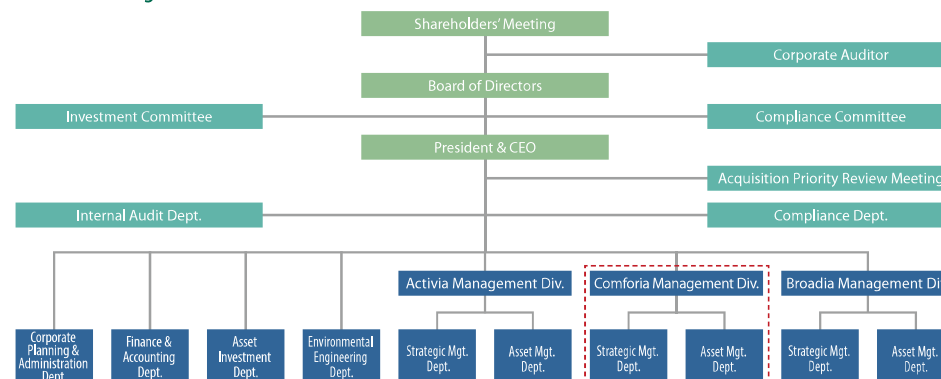
Structure



Overview of the Asset Management Company (As of January 31, 2020)

Trade name	TLC REIT Management Inc.	Shareholder	Tokyu Land Corporation 100%
Representative	Hiroyuki Tohmata, 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		

Overview of Organization



Asset Management Report for the 19th Fiscal Period (Semi-Annual Report)

From August 1, 2019 to January 31, 2020

Comforia Residential REIT, Inc
1-1 Minami-Aoyama 1-chome, Minato-ku,
Tokyo 107-0062, 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		15th Fiscal Period	16th Fiscal Period	17th Fiscal Period	18th Fiscal Period	19th Fiscal Period
Business period		From Aug. 1, 2017 to Jan. 31, 2018	From Feb. 1, 2018 to Jul. 31, 2018	From Aug. 1, 2018 to Jan. 31, 2019	From Feb. 1, 2019 to Jul. 31, 2019	From Aug. 1, 2019 to Jan. 31, 2020
Operating revenue	(millions of yen)	7,357	8,147	8,128	8,652	8,790
[Rent revenue - real estate]	(millions of yen)	[7,357]	[7,771]	[7,869]	[8,484]	[8,579]
Operating expenses	(millions of yen)	4,188	4,444	4,425	4,673	4,683
[Expenses related to rent business]	(millions of yen)	[3,496]	[3,745]	[3,687]	[3,928]	[3,862]
Operating profit	(millions of yen)	3,168	3,703	3,702	3,978	4,106
Ordinary profit	(millions of yen)	2,680	3,204	3,178	3,453	3,568
Profit	(millions of yen)	2,674	3,191	3,172	3,448	3,562
Total assets	(millions of yen)	206,171	219,211	223,829	246,498	246,861
[Period-on-period change]	(%)	[0.5]	[6.3]	[2.1]	[10.1]	[0.1]
Net assets	(millions of yen)	97,294	103,043	103,289	117,928	118,172
[Period-on-period change]	(%)	[0.0]	[5.9]	[0.2]	[14.2]	[0.2]
Unitholders' capital	(millions of yen)	94,557	99,814	99,814	114,045	114,045
Number of investment units issued	(units)	563,694	586,994	586,994	640,834	640,834
Net assets per unit	(yen)	172,601	175,544	175,964	184,023	184,403
Total distributions	(millions of yen)	2,698	2,926	3,040	3,319	3,393
Distribution per unit	(yen)	4,788	4,985	5,180	5,180	5,295
[Earnings distribution per unit]	(yen)	[4,788]	[4,985]	[5,180]	[5,180]	[5,295]
[Distribution in excess of earnings per unit]	(yen)	[—]	[—]	[—]	[—]	[—]
Return on assets (Note 1)	(%)	1.3	1.5	1.4	1.5	1.4
Return on unitholders' equity (Note 2)	(%)	2.7	3.2	3.1	3.1	3.0
Unitholders' equity ratio (Note 3)	(%)	47.2	47.0	46.1	47.8	47.9
[Period-on-period change]	(%)	[-0.2]	[-0.2]	[-0.9]	[1.7]	[0.0]
Interest-bearing debt	(millions of yen)	104,750	111,730	116,030	123,530	123,530
Interest-bearing debt ratio (LTV) (Note 4)	(%)	50.8	51.0	51.8	50.1	50.0
Payout ratio (Note 5)	(%)	100.9	91.6	95.8	96.2	95.2
Number of properties	(properties)	111	117	117	126	126
Total leasable area	(m ²)	304,126.02	318,999.87	336,786.72	358,677.21	357,279.84
Occupancy rate at end of period	(%)	96.7	96.6	96.4	97.0	96.7
Depreciation	(millions of yen)	1,152	1,200	1,223	1,288	1,296
Capital expenditure	(millions of yen)	274	281	279	509	417
NOI (Note 6)	(millions of yen)	5,013	5,227	5,405	5,843	6,012

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

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

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

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

(Note 5) Total distributions ÷ Profit × 100

Payout ratio is rounded down to the first decimal place.

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

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

2. Asset Management Status for the 19th Fiscal Period

(1) History of the Investment Corporation

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

Managed assets of the Investment Corporation at the commencement of operations totaled 11 properties, acquired for a total of ¥15,508 million. As a result of additional acquisition and sale of properties under the basic policy of asset management (to manage assets with the aim of achieving stable earnings and ensuring the steady growth of our managed assets based on medium- to long-term perspectives to maximize our unitholders’ value) stipulated in the regulations of the Investment Corporation, the portfolio (the “Acquired Assets”) owned as of the end of the 19th Fiscal Period includes 126 properties, acquired for a total of ¥226,671 million.

(2) Investment performance

(i) Investment environment

During the 19th Fiscal Period, the Japanese economy remained on a modest recovery trend amid continued improvements in the employment and income environment. Under these circumstances, in the residential rental market, unit rent has shown an upward trend centering on the Tokyo 23 wards while occupancy rate remained high. In the real estate investment market, the level of transaction prices remains stable at a high price range amid an ongoing low interest rate environment resulting from the fiscal policies of the government and monetary policies of the Bank of Japan (BOJ).

(ii) Acquisition and sale of assets

During the 19th Fiscal Period, the Investment Corporation acquired COMFORIA GINZA EAST NIBANKAN in September 2019, followed by the sale of COMFORIA SHINSAKAE in December 2019. As a result, assets owned by the Investment Corporation as of the end of the 19th Fiscal Period totaled 126 properties with a total acquisition price of ¥226,671 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 19th Fiscal Period, the Investment Corporation borrowed funds (¥1,350 million) to be appropriated for the repayment funds (¥1,350 million) for borrowings made in September 2013. Consequently, as of the end of the 19th Fiscal Period (January 31, 2020), unitholders’ capital was ¥114,045 million, interest-bearing debt was ¥123,530 million, the ratio of interest-bearing debt to total assets (LTV) was 50.0%, the average maturity of interest-bearing debt was 4.2 years, the ratio of long-term debt was 88.4%, and the fixed rate ratio was 93.6%. Moreover, the Investment Corporation established a commitment line with a credit limit of ¥10.5 billion with Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Ltd. and MUFG Bank, Ltd. in order to secure flexible and stable funding methods.

The Investment Corporation obtained the following rating as of the end of the 19th 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 19th Fiscal Period, the Investment Corporation posted operating revenue of ¥8,790 million, operating profit of ¥4,106 million, ordinary profit of ¥3,568 million, and profit of ¥3,562 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 19th Fiscal Period, the Investment Corporation retained part (¥172 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), after adding the reversal of reserve for reduction entry (¥3 million) to unappropriated retained earnings. As a result, the distribution per unit (DPU) was ¥5,295 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)

(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.

[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	15th Fiscal Period	16th Fiscal Period	17th Fiscal Period	18th Fiscal Period	19th Fiscal Period
Closing month/year	Jan. 2018	Jul. 2018	Jan. 2019	Jul. 2019	Jan. 2020
Highest	¥250,500	¥267,300	¥298,000	¥332,500	¥360,500
Lowest	¥228,100	¥228,000	¥258,000	¥280,100	¥322,500

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 19th 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), after adding the reversal of reserve for reduction entry (¥3 million) to unappropriated retained earnings. Based on this policy, the Investment Corporation has decided to distribute the entire amount of unappropriated retained earnings after deducting ¥172 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. As a result, the DPU for the 19th Fiscal Period was ¥5,295.

Fiscal period	15th Fiscal Period	16th Fiscal Period	17th Fiscal Period	18th Fiscal Period	19th Fiscal Period
Business period	From Aug. 1, 2017 to Jan. 31, 2018	From Feb. 1, 2018 to Jul. 31, 2018	From Aug. 1, 2018 to Jan. 31, 2019	From Feb. 1, 2019 to Jul. 31, 2019	From Aug. 1, 2019 to Jan. 31, 2020
Unappropriated retained earnings	¥2,674,584 thousand	¥3,191,695 thousand	¥3,172,709 thousand	¥3,448,336 thousand	¥3,562,889 thousand
Retained earnings	¥186 thousand	¥285,330 thousand	¥149,557 thousand	¥149,456 thousand	¥172,904 thousand
Total distributions	¥2,698,966 thousand	¥2,926,165 thousand	¥3,040,628 thousand	¥3,319,520 thousand	¥3,393,216 thousand
[Distribution per unit (DPU)]	[¥4,788]	[¥4,985]	[¥5,180]	[¥5,180]	[¥5,295]
Of which, total earnings distributions	¥2,698,966 thousand	¥2,926,165 thousand	¥3,040,628 thousand	¥3,319,520 thousand	¥3,393,216 thousand
[Earnings distribution per unit]	[¥4,788]	[¥4,985]	[¥5,180]	[¥5,180]	[¥5,295]
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 a property and sold a property during the 19th Fiscal Period, and has carried out investment and management based on the concept and expertise incorporated into the urban rental residence Comforia series, which Tokyu Land Corporation (hereinafter referred to as "Tokyu Land") has been producing. Going forward, we aim to achieve medium- to long-term growth by continuing to carry out investment and management based on our basic policies.

(1) External growth strategy

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

(2) Internal growth strategy

With the aim of maximizing portfolio value and cash flows from individual properties from a medium- to long-term perspective and to make the most of the experience and comprehensive strength of the Tokyu Fudosan Holdings Group in property management, we will consign property management operations mainly to Tokyu Fudosan Holdings Group companies, which have extensive experience in the management of J-REITs and the Comforia series. In addition, we will strive for efficient management by examining the adequacy of building management specifications and costs.

Furthermore, we will actively utilize the expertise of Tokyu Fudosan Holdings Group in asset and fund management to achieve higher-quality overall management of the Investment Corporation. Moreover, as we believe that endeavors on the issues of environmental and social considerations and reinforced governance, among other matters, should contribute to the progress of a sustainable society, we will aim to achieve growth over a medium to long term by conducting asset management based on such thinking.

In the 20th Fiscal Period and onwards, we will continue to aim to maintain and improve occupancy rates by closely monitoring the property management situation, as we did in the 19th Fiscal Period.

(3) Financial strategy

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

6. Significant Subsequent Events

Issuance of New Investment Units

The Investment Corporation resolved at the Board of Directors' meetings held on January 7, 2020 and January 15, 2020 concerning the issuance of new investment units as described below. Based on the resolution, payments completed on February 3, 2020 for the new investment units issued through public offering and on February 19, 2020 for the new investment units offered by way of third-party allotment, respectively. As a result, unitholders' capital increased to ¥123,947,208,062, with the number of investment units issued and outstanding at 671,624 units.

Issuance of New Investment Units through Public Offering (Primary Offering)

Number of investment units issued:	29,330 units
Issue price:	¥332,328 per unit
Total issue amount:	¥9,747,180,240
Paid-in amount (issue value):	¥321,591 per unit
Total paid-in amount (issue value):	¥9,432,264,030
Payment date:	February 3, 2020

Issuance of New Investment Units Offered by Way of Third-Party Allotment

Number of investment units offered:	1,460 units
Paid-in amount (issue value):	¥321,591 per unit
Total paid-in amount (issue value):	¥469,522,860
Payment date:	February 19, 2020
Allottee:	Mizuho Securities Co., Ltd.

(Reference Information)

A. Property Acquisition

The Investment Corporation acquired the following properties:

Property name	Type of specified asset	Location	Acquisition price (thousands of yen) (Note)	Main usage	Acquisition date
COMFORIA TAKINOGAWA	Property in trust	Kita-ku, Tokyo	3,430,000	Residence	February 3, 2020
COMFORIA HIGASHISHINJUKU STATION FRONT	Property in trust	Shinjuku-ku, Tokyo	5,540,000	Apartment building	February 3, 2020
COMFORIA ESAKAHIROSHIBACHO	Property in trust	Suita-shi, Osaka	1,700,000	Apartment building	February 3, 2020
COMFORIA KIBASHINSUIKOEN	Property in trust	Koto-ku, Tokyo	1,294,000	Apartment building	March 2, 2020
COMFORIA NAKAOCHIAI	Property in trust	Shinjuku-ku, Tokyo	1,489,000	Apartment building	March 2, 2020
COMFORIA WASEDA DEUX	Property in trust	Shinjuku-ku, Tokyo	1,056,000	Apartment building	March 2, 2020

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

The Investment Corporation plans to acquire the following property:

Property name	Type of specified asset	Location	Planned acquisition price (thousands of yen) (Note 1)	Main usage	Planned acquisition date
COMFORIA NISHIMAGOME HILLSIDE (Note 2)	Real estate	Ota-ku, Tokyo	1,330,000	Apartment building	March 30, 2020

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

(Note 2) Although the current property name is “CONCIERIA NISHIMAGOME HILLSIDE SQUARE”, the Investment Corporation plans to change the name to “COMFORIA NISHIMAGOME HILLSIDE” in about a month after acquiring it.

B. Borrowing of Funds

The Investment Corporation undertook the following borrowings of funds on February 3, 2020 and March 2, 2020.

Type	Lender	Loan amount (millions of yen)	Applicable interest rate	Drawdown date	Principal repayment date
Long-term loans	Mizuho Bank, Ltd.	1,770	Base rate (Note) +0.20000%	February 3, 2020	February 26, 2021
	Sumitomo Mitsui Trust Bank, Limited				
	MUFG Bank, Ltd.				
	Sumitomo Mitsui Banking Corporation				
Long-term loans	Mizuho Bank, Ltd.	620	Base rate (Note) +0.20000%	March 2, 2020	March 31, 2021
	Sumitomo Mitsui Trust Bank, Limited				
	MUFG Bank, Ltd.				
	Sumitomo Mitsui Banking Corporation				
Long-term loans	Development Bank of Japan Inc.	3,000	0.47366%	March 2, 2020	August 31, 2028
	Mizuho Bank, Ltd.				
	Sumitomo Mitsui Trust Bank, Limited				
	MUFG Bank, Ltd.				
	Sumitomo Mitsui Banking Corporation				

(Note) The base rate applicable to the interest to be paid on interest payment dates is the JBA (Japanese Bankers Association) 1-month Yen TIBOR on the day two business days before the interest payment date immediately preceding each interest payment date.

1. Unitholders' Capital

		15th Fiscal Period	16th Fiscal Period	17th Fiscal Period	18th Fiscal Period	19th Fiscal Period
		As of Jan. 31, 2018	As of Jul. 31, 2018	As of Jan. 31, 2019	As of Jul. 31, 2019	As of Jan. 31, 2020
Total number of authorized investment units	(units)	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Total number of investment units issued	(units)	563,694	586,994	586,994	640,834	640,834
Unitholders' capital	(millions of yen)	94,557	99,814	99,814	114,045	114,045
Number of unitholders	(people)	7,269	6,847	5,845	5,674	5,096

2. Matters concerning Investment Units

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

Name	Number of investment units owned (units)	Ratio to the total number of investment units issued (%) (Note)
Japan Trustee Services Bank, Ltd. (trust account)	133,715	20.86
The Master Trust Bank of Japan, Ltd. (trust account)	115,807	18.07
Tokyu Land Corporation	57,048	8.90
The Nomura Trust & Banking Co., Ltd. (trust account)	25,190	3.93
Trust & Custody Services Bank, Ltd. (securities trust investment account)	19,134	2.98
Mitsubishi UFJ Trust and Banking Corporation (Standing proxy: The Master Trust Bank of Japan, Ltd.)	12,084	1.88
Trust & Custody Services Bank, Ltd. (taxable trust money account)	11,210	1.74
The State Street Bank West Client—Treaty 505234 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	9,399	1.46
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	8,901	1.38
The Gunma Bank, Ltd.	8,166	1.27
Total	400,654	62.52

(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 19th Fiscal Period are as follows.

Position	Name of director, etc.	Main concurrent posts	Total amount of remuneration paid during the period (thousands of yen)
Executive Director (Note 1)	Takehiro Izawa	Executive Director, Chief Division Officer of Comforia Management Division, TLC REIT Management Inc.	—
Supervisory Director (Note 1)	Yoshihiro Kataoka	Head of Kataoka & Kobayashi Outside Audit & Supervisory Board Member, The Higo Bank, Ltd.	1,800
Supervisory Director (Note 1)	Koji Yamamoto	Partner, WAKABA PARTNERS Law and Accounting Office	1,800
Independent Auditor	Ernst & Young ShinNihon LLC (Note 2)	—	17,190

(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 new investment units conducted in February 2020.

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

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

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

4. Asset Management Company, Asset Custodian and General Administration

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

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

(Note) In accordance with the reorganization of Heiseikaikisha Tax Corporation, the assignment was succeeded by Reiwakaikisha Tax Corporation as of September 1, 2019.

1. Composition of Assets of the Investment Corporation

Type of asset	Area	18th Fiscal Period (as of July 31, 2019)		19th Fiscal Period (as of January 31, 2020)	
		Total amount owned (millions of yen) ^(Note 1)	Percentage of total assets (%) ^(Note 2)	Total amount owned (millions of yen) ^(Note 1)	Percentage of total assets (%) ^(Note 2)
Real estate	Central Tokyo	1,131	0.5	1,130	0.5
	Sub-central Tokyo	4,915	2.0	4,896	2.0
Properties in trust	Central Tokyo	86,144	34.9	88,340	35.8
	Sub-central Tokyo	109,701	44.5	109,306	44.3
	Tokyo metropolitan area	9,911	4.0	9,866	4.0
	Other major cities	14,100	5.7	12,371	5.0
Subtotal		225,905	91.6	225,911	91.5
Deposits and other assets		20,592	8.4	20,950	8.5
Total assets		246,498	100.0	246,861	100.0

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

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

2. Major Assets Owned

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

Property name	Book value (millions of yen)	Rentable area (m ²)	Rented area (m ²)	Occupancy rate (%)	Ratio to total rental revenues (%)	Main usage
COMFORIA SHINJUKU EASTSIDE TOWER	13,054	48,267.61	46,075.52	95.5	17.9	Apartment building
COMFORIA KAMATA	5,786	6,027.98	5,809.04	96.4	1.9	Apartment building
COMFORIA SHIBUYA WEST	5,493	4,278.52	4,172.20	97.5	1.6	Apartment building
COMFORIA KOMABA	5,141	5,342.38	5,107.24	95.6	1.6	Apartment building
COMFORIA MINAMISUNAMACHI	4,668	6,141.98	5,981.47	97.4	1.6	Apartment building
COMFORIA AKIHABARA EAST	4,468	4,582.07	4,338.68	94.7	1.4	Apartment building
GRANCREER CENTER-MINAMI	4,253	18,235.67	18,235.67	100.0	1.4	Homes for the elderly
COMFORIA KITASANDO	4,181	4,964.56	4,690.38	94.5	1.6	Residence
COMFORIA ITABASHINAKAJUKU	3,909	6,966.04	6,759.65	97.0	1.5	Apartment building
COMFORIA HIGASHIIEBUKURO WEST	3,689	6,436.14	6,311.33	98.1	1.9	Apartment building
Total	54,645	111,242.95	107,481.18	96.6	32.3	

3. Statement of Properties Incorporated in the Portfolio

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

Area	Property name	Address	Ownership form	Appraisal value at end of period (millions of yen) (Note 1)	Book value (millions of yen) (Note 2)
Central Tokyo	COMFORIA NIHONBASHI NINGYOCHO	3-5-10 Nihonbashi Ningyocho, Chuo-ku, Tokyo	Beneficial interest in real estate trust	2,330	1,506
	COMFORIA WASEDA	147 Bentencho, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	2,680	1,851
	COMFORIA SHIMOOCHIAI	2-7-10 Nakaochiai, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	1,710	1,137
	COMFORIA HIGASHINAKANO	4-3-4 Kita-Shinjuku, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	744	541
	COMFORIA GINZA EAST	1-3-1 Irifune, Chuo-ku, Tokyo	Beneficial interest in real estate trust	4,410	2,939
	COMFORIA AZABUDAI	3-4-4 Azabudai, Minato-ku, Tokyo	Beneficial interest in real estate trust	862	549
	COMFORIA SHIBAKOEN	2-2-15 Shibakoen, Minato-ku, Tokyo	Beneficial interest in real estate trust	1,950	1,367
	COMFORIA NISHIAZABU	4-1-10 Nishiazabu, Minato-ku, Tokyo	Beneficial interest in real estate trust	1,070	722
	COMFORIA MINAMIAOYAMA	4-1-12 Minami-Aoyama, Minato-ku, Tokyo	Beneficial interest in real estate trust	1,630	1,095
	COMFORIA NISHIWASEDA	1-5-19 Takadanobaba, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	2,310	1,581
	COMFORIA HARAJYUKU	3-61-3 Sendagaya, Shibuya-ku, Tokyo	Beneficial interest in real estate trust	5,350	3,541
	COMFORIA MITA NORTH	2-7-16 Mita, Minato-ku, Tokyo	Beneficial interest in real estate trust	1,120	851
	COMFORIA SHIBAURA BOWHOUSE	3-13-12 Kaigan, Minato-ku, Tokyo	Beneficial interest in real estate trust	3,690	2,532
	COMFORIA SHIROKANETAKANAWA	5-1-21 Mita, Minato-ku, Tokyo	Beneficial interest in real estate trust	1,830	1,297
	COMFORIA NIHONBASHI NINGYOCHO EAST	3-6-3 Nihonbashi Ningyocho, Chuo-ku, Tokyo	Beneficial interest in real estate trust	2,730	2,049
	COMFORIA ATAGO	3-23-7 Toranomon, Minato-ku, Tokyo	Beneficial interest in real estate trust	1,040	836
	COMFORIA KUDAN	2-6-12 Kudan Minami, Chiyoda-ku, Tokyo	Beneficial interest in real estate trust	1,650	1,306
	COMFORIA NIHONBASHI NINGYOCHO NORTH	1-1-6 Nihonbashi Horidomecho, Chuo-ku, Tokyo	Beneficial interest in real estate trust	1,420	1,065
	COMFORIA SHINKAWA	2-15-5 Shinkawa, Chuo-ku, Tokyo	Beneficial interest in real estate trust	2,290	1,778
	COMFORIA AKASAKA	2-17-63 Akasaka, Minato-ku, Tokyo	Beneficial interest in real estate trust	2,860	1,904
	COMFORIA MITA EAST	4-18-1 Shiba, Minato-ku, Tokyo	Beneficial interest in real estate trust	4,070	3,063
	COMFORIA SHIBAURA CANAL	3-1-9 Kaigan, Minato-ku, Tokyo	Beneficial interest in real estate trust	1,970	1,547
	COMFORIA KITASANDO	4-5-10 Sendagaya, Shibuya-ku, Tokyo	Beneficial interest in real estate trust	5,170	4,181

Area	Property name	Address	Ownership form	Appraisal value at end of period (millions of yen) (Note 1)	Book value (millions of yen) (Note 2)
Central Tokyo	COMFORIA YOYOGIUEHARA	2-31-5 Uehara, Shibuya-ku, Tokyo	Beneficial interest in real estate trust	1,930	1,589
	COMFORIA SASAZUKA	1-59-10 Sasazuka, Shibuya-ku, Tokyo	Beneficial interest in real estate trust	2,390	1,743
	COMFORIA SHINJUKUGYOEN II	1-13-3 Shinjuku, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	2,240	1,751
	COMFORIA ICHIGAYAYANAGICHO	18-2 Ichigaya Yanagicho, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	2,040	1,615
	COMFORIA KAGURAZAKA	26-1 Iwatocho, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	927	713
	COMFORIA NIBANCHO	4-8 Nibancho, Chiyoda-ku, Tokyo	Beneficial interest in real estate trust	2,090	1,632
	COMFORIA NISHISHINJUKU	1-20-12 Kita-Shinjuku, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	1,880	1,687
	COMFORIA KANDAJINBOCHO	1-42-2 Kanda Jinbocho, Chiyoda-ku, Tokyo	Beneficial interest in real estate trust	1,790	1,477
	COMFORIA NIHONBASHI	1-2-2 Nihonbashi Bakurocho, Chuo-ku, Tokyo	Beneficial interest in real estate trust	2,350	2,019
	COMFORIA TAMACHI	4-5-13 Shibaura, Minato-ku, Tokyo	Beneficial interest in real estate trust	3,970	3,358
	COMFORIA AZABUJUBAN	1-2-15 Mita, Minato-ku, Tokyo	Beneficial interest in real estate trust	1,680	1,461
	COMFORIA SHINJUKUGYOEN I	1-10-4 Shinjuku, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	1,560	1,402
	COMFORIA KAGURAZAKA DEUX	7-3 Iwatocho, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	1,470	1,241
	COMFORIA AZABU EAST	2-29-1 Higashi-Azabu, Minato-ku, Tokyo	Beneficial interest in real estate trust	3,380	1,907
	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	16,500	13,054
	COMFORIA ICHIGAYAYAKUOJI	74-23 Ichigaya-akujomachi, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	1,000	980
	COMFORIA AKIHABARA EAST	2-9-19 Higashikanda, Chiyoda-ku, Tokyo	Beneficial interest in real estate trust	5,080	4,468
	COMFORIA MITA TROIS	3-43-6 Shiba, Minato-ku, Tokyo	Beneficial interest in real estate trust	962	930
	COMFORIA SHIBAURA	2-3-33 Shibaura, Minato-ku, Tokyo	Real estate	1,170	1,130
	COMFORIA SHINJUKU	5-8-20 Shinjuku, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	2,380	2,272
	COMFORIA HIGASHINIHONBASHI	3-6-4 Higashi-Nihonbashi, Chuo-ku, Tokyo	Beneficial interest in real estate trust	1,300	1,261
	COMFORIA GINZA EAST NIBANKAN	2-1-8 Minato, Chuo-ku, Tokyo	Beneficial interest in real estate trust	2,510	2,522
	Subtotal			115,485	89,471

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	2,130	1,361
	COMFORIA ASAKUSAMATSUGAYA	1-11-5 Matsugaya, Taito-ku, Tokyo	Beneficial interest in real estate trust	1,300	821
	COMFORIA NISHIOI	6-6-1 Nishi-Oi, Shinagawa-ku, Tokyo	Beneficial interest in real estate trust	1,120	862
	COMFORIA NAKANO	2-40-12 Kamitakada, Nakano-ku, Tokyo	Beneficial interest in real estate trust	1,110	891
	COMFORIA SHIMOKITAZAWA	1-9-14 Hanegi, Setagaya-ku, Tokyo	Beneficial interest in real estate trust	3,550	2,369
	COMFORIA NISHIKAMATA	6-37-3 Nishi-Kamata, Ota-ku, Tokyo	Beneficial interest in real estate trust	2,230	1,428
	COMFORIA OYAMA	4-4 Oyamacho, Itabashi-ku, Tokyo	Beneficial interest in real estate trust	2,530	1,913
	COMFORIA KIYOSUMISHIRAKAWA SOUTH	3-2-13 Miyoshi, Koto-ku, Tokyo	Beneficial interest in real estate trust	1,010	677
	COMFORIA KOMAZAWA	2-1-5 Komazawa, Setagaya-ku, Tokyo	Beneficial interest in real estate trust	1,790	1,208
	COMFORIA KOISHIKAWA	2-17-27 Koishikawa, Bunkyo-ku, Tokyo	Beneficial interest in real estate trust	712	548
	COMFORIA SENGOKU	4-3-20 Sengoku, Bunkyo-ku, Tokyo	Beneficial interest in real estate trust	1,810	1,245
	COMFORIA DAIKANYAMAAOBADAI	2-1-7 Aobadai, Meguro-ku, Tokyo	Beneficial interest in real estate trust	1,440	908
	COMFORIA IKEBUKURO	2-57-1 Ikebukuro, Toshima-ku, Tokyo	Beneficial interest in real estate trust	723	559
	COMFORIA RYOGOKUIISHIWARA	1-36-1 Ishiwar, Sumida-ku, Tokyo	Beneficial interest in real estate trust	867	606
	COMFORIA ASAKUSABASHI DEUX	5-24-10 Asakusabashi, Taito-ku, Tokyo	Beneficial interest in real estate trust	1,090	832
	COMFORIA OSHIAGE	4-7-2 Narihira, Sumida-ku, Tokyo	Beneficial interest in real estate trust	900	682
	COMFORIA HONJOAZUMABASHI	2-11-12 Honjo, Sumida-ku, Tokyo	Beneficial interest in real estate trust	993	731
	COMFORIA KIYOSUMISHIRAKAWA TROIS	3-5-14 Shirakawa, Koto-ku, Tokyo	Beneficial interest in real estate trust	1,110	823
	COMFORIA MONZENNAKACHO	16-8 Fuyuki, Koto-ku, Tokyo	Beneficial interest in real estate trust	3,420	2,495
	COMFORIA HIMONYA	2-3-3 Himonya, Meguro-ku, Tokyo	Beneficial interest in real estate trust	1,640	1,164
	COMFORIA MISYUKU	3-23-2 Ikejiri, Setagaya-ku, Tokyo	Beneficial interest in real estate trust	2,550	1,779
	COMFORIA GAKUGEIDAIGAKU	6-46-6 Shimouma, Setagaya-ku, Tokyo	Beneficial interest in real estate trust	1,660	1,105
	COMFORIA HIGASHINAKANO DEUX	4-2-19 Higashi-Nakano, Nakano-ku, Tokyo	Beneficial interest in real estate trust	1,180	793
	COMFORIA HIGASHIKEBUKURO WEST	3-22-21 Higashi-Ikebukuro, Toshima-ku, Tokyo	Beneficial interest in real estate trust	5,580	3,689
	COMFORIA RYOGOKU DEUX	1-2-10 Chitose, Sumida-ku, Tokyo	Beneficial interest in real estate trust	1,400	997

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	1,490	1,206
	COMFORIA MACHIYA	5-51-7 Arakawa, Arakawa-ku, Tokyo	Beneficial interest in real estate trust	951	618
	COMFORIA ASAKUSABASHI	2-20-10 Yanagibashi, Taito-ku, Tokyo	Beneficial interest in real estate trust	3,660	2,535
	COMFORIA RYOGOKU SOUTH	2-14-8 Chitose, Sumida-ku, Tokyo	Beneficial interest in real estate trust	1,700	1,176
	COMFORIA TOYOSU	1-4-12 Edagawa, Koto-ku, Tokyo	Beneficial interest in real estate trust	3,850	2,931
	COMFORIA SUMIDA-TACHIBANA	5-18-5 Tachibana, Sumida-ku, Tokyo	Beneficial interest in real estate trust	1,040	926
	COMFORIA UENOHIROKOJI	3-17-4 Ueno, Taito-ku, Tokyo	Beneficial interest in real estate trust	1,340	1,070
	COMFORIA KASUGATOMISAKA	1-11-18 Kasuga, Bunkyo-ku, Tokyo	Beneficial interest in real estate trust	3,810	2,812
	COMFORIA HONKOMAGOME	2-29-24 Honkomagome, Bunkyo-ku, Tokyo	Beneficial interest in real estate trust	1,780	1,349
	COMFORIA MORISHITA	3-6-8 Shin-Ohashi, Koto-ku, Tokyo	Beneficial interest in real estate trust	1,810	1,454
	COMFORIA KIBAKOEN	2-17-7 Kiba, Koto-ku, Tokyo	Beneficial interest in real estate trust	1,180	911
	COMFORIA MEGURO CHOJAMARU	2-6-25 Kami-Osaki, Shinagawa-ku, Tokyo	Beneficial interest in real estate trust	2,560	1,952
	COMFORIA NISHIMAGOME	2-35-8 Nishi-Magome, Ota-ku, Tokyo	Beneficial interest in real estate trust	1,110	962
	COMFORIA HIGASHIKEBUKURO EAST	2-8-1 Higashi-Ikebukuro, Toshima-ku, Tokyo	Beneficial interest in real estate trust	2,550	1,642
	COMFORIA HIGASHIKEBUKURO	4-3-5 Higashi-Ikebukuro, Toshima-ku, Tokyo	Beneficial interest in real estate trust	1,490	1,127
	COMFORIA KOMABA	4-8-25 Ikejiri, Setagaya-ku, Tokyo	Beneficial interest in real estate trust	5,720	5,141
	COMFORIA KINSHICHO	3-8-6 Taihei, Sumida-ku, Tokyo	Beneficial interest in real estate trust	1,290	1,036
	COMFORIA MINAMISUNAMACHI	4-4-20 Minamisuna, Koto-ku, Tokyo	Beneficial interest in real estate trust	4,830	4,668
	COMFORIA HIGASHISHINAGAWA	3-22-11 Higashi-Shinagawa, Shinagawa-ku, Tokyo	Beneficial interest in real estate trust	1,840	1,527
	COMFORIA MEGUROYAKUMO	1-12-10 Yakumo, Meguro-ku, Tokyo	Beneficial interest in real estate trust	933	844
	COMFORIA YOGA	3-24-3 Yoga, Setagaya-ku, Tokyo	Beneficial interest in real estate trust	1,150	1,085
	COMFORIA ITABASHINAKAJUKU	62-2 Nakajuku, Itabashi-ku, Tokyo	Beneficial interest in real estate trust	4,450	3,909
	COMFORIA SHINAGAWA EAST	1-20-8 Kitashinagawa, Shinagawa-ku, Tokyo	Beneficial interest in real estate trust	1,630	1,470
	COMFORIA OJIMA	4-8-10 Ojima, Koto-ku, Tokyo	Real estate	2,300	2,221
	COMFORIA OMORI TROIS	3-36-7 Omorikita, Ota-ku, Tokyo	Real estate	1,010	911
	COMFORIA BUNKYO HAKUSAN	1-3-2 Honkomagome, Bunkyo-ku, Tokyo	Beneficial interest in real estate trust	1,450	1,436

Area	Property name	Address	Ownership form	Appraisal value at end of period (millions of yen) (Note 1)	Book value (millions of yen) (Note 2)
Sub-central Tokyo	COMFORIA KAMATA	4-21-2 Kamata, Ota-ku, Tokyo	Beneficial interest in real estate trust	6,720	5,786
	COLLEGE COURT HACHIMANYAMA	1-15-1 Kamitakaido, Suginami-ku, Tokyo	Beneficial interest in real estate trust	1,270	1,262
	COMFORIA UENOIRIYA	2-6-8 Ryusen, Taito-ku, Tokyo	Beneficial interest in real estate trust	2,390	2,216
	COMFORIA IKEJIRI	2-31-18 Ikejiri, Setagaya-ku, Tokyo	Beneficial interest in real estate trust	1,440	1,391
	COMFORIA SETAGAYAKAMIUMA	3-6-11 Kamiuma, Setagaya-ku, Tokyo	Beneficial interest in real estate trust	2,830	2,668
	COMFORIA AKABANEIWABUCHI	26-11 Iwabuchimachi, Kita-ku, Tokyo	Beneficial interest in real estate trust	2,640	2,767
	COMFORIA RYOGOKU TROIS	1-5-15 Kamezawa, Sumida-ku, Tokyo	Real estate	1,720	1,763
	COLLEGE SQUARE HACHIMANYAMA	1-15-2 Kamitakaido, Suginami-ku, Tokyo	Beneficial interest in real estate trust	910	904
	COMFORIA KINSHICHO DEUX	2-10-20 Mori, Koto-ku, Tokyo	Beneficial interest in real estate trust	2,300	2,271
	COMFORIA KAMEIDO SOUTH	6-25-5 Kameido, Koto-ku, Tokyo	Beneficial interest in real estate trust	2,180	2,106
	COMFORIA SHIBUYA WEST	4-4-5 Aobadai, Meguro-ku, Tokyo	Beneficial interest in real estate trust	6,000	5,493
	COMFORIA ASAKUSAKOMAGATA	2-4-7 Komagata, Taito-ku, Tokyo	Beneficial interest in real estate trust	1,350	1,323
	COMFORIA OMORIKASHIMA	6-20-10 Oi, Shinagawa-ku, Tokyo	Beneficial interest in real estate trust	890	913
	COMFORIA OMORIMACHI	4-11-5 Omori-nishi, Ota-ku, Tokyo	Beneficial interest in real estate trust	1,160	1,158
	COMFORIA KAMIKEDAI	5-7-22 Kamiikedai, Ota-ku, Tokyo	Beneficial interest in real estate trust	2,010	1,940
	CAMPUS VILLAGE SHIINAMACHI	3-2-19 Nagasaki, Toshima-ku, Tokyo	Beneficial interest in real estate trust	2,880	2,803
	Subtotal			139,459	114,202
Tokyo metropolitan area	COMFORIA ICHIKAWAMYODEN	1-9-10 Shioyaki, Ichikawa-shi, Chiba	Beneficial interest in real estate trust	766	593
	COMFORIA YATSUKA	3-38-3 Sezaki, Soka-shi, Saitama	Beneficial interest in real estate trust	738	600
	COMFORIA SHINKOYASU	2-21-2 Koyasudori, Kanagawa-ku, Yokohama-shi, Kanagawa	Beneficial interest in real estate trust	1,270	1,029
	COMFORIA GYOTOKU	2-1-13 Gyotokuekimaie, Ichikawa-shi, Chiba	Beneficial interest in real estate trust	1,070	1,033
	GRANCREER CENTER-MINAMI	40-3 Chigasaki Chuo, Tsuzuki-ku, Yokohama-shi, Kanagawa	Beneficial interest in real estate trust	4,220	4,253
	COMFORIA TAMA-PLAZA	2-12-1 Utsukushigaoka, Aoba-ku, Yokohama-shi, Kanagawa	Beneficial interest in real estate trust	2,270	2,355
	Subtotal			10,334	9,866
Other major cities	COMFORIA SHIN-OSAKA	1-21-24 Higashi-Nakajima, Higashi-Yodogawa-ku, Osaka-shi, Osaka	Beneficial interest in real estate trust	2,960	2,258
	COMFORIA KITASANJO	2-2-51 Kita-Sanjo Higashi, Chuo-ku, Sapporo-shi, Hokkaido	Beneficial interest in real estate trust	1,030	656
	COMFORIA SAPPORO SHOKUBUTSUEN	10-1-6 Kitanijo-Nishi, Chuo-ku, Sapporo-shi, Hokkaido	Beneficial interest in real estate trust	1,360	1,291

Area	Property name	Address	Ownership form	Appraisal value at end of period (millions of yen) (Note 1)	Book value (millions of yen) (Note 2)
Other major cities	COMFORIA OGIMACHI	3-7-15 Tenjinbashi, Kita-ku, Osaka-shi, Osaka	Beneficial interest in real estate trust	1,560	1,497
	COMFORIA SHINSAIBASHI EAST	2-6-8 Bakuromachi, Chuo-ku, Osaka-shi, Osaka	Beneficial interest in real estate trust	2,070	2,014
	COMFORIA KYOMACHIBORI	1-16-14 Kyomachibori, Nishi-ku, Osaka-shi, Osaka	Beneficial interest in real estate trust	1,740	1,587
	COMFORIA AWAZA	1-5-5 Enokojima, Nishi-ku, Osaka-shi, Osaka	Beneficial interest in real estate trust	1,440	1,309
	COMFORIA KITAHAMA	2-1-14 Imabashi, Chuo-ku, Osaka-shi, Osaka	Beneficial interest in real estate trust	1,870	1,754
Subtotal				14,030	12,371
Total				279,308	225,911

(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 Sogo 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 19th Fiscal Period (January 31, 2020) minus accumulated depreciation.

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

Area	Property name	18th Fiscal Period (from February 1, 2019 to July 31, 2019)				19th Fiscal Period (from August 1, 2019 to January 31, 2020)			
		Total number of tenants (at end of period) (Note 1)	Occupancy rate (at end of period) (%) (Note 2)	Rental revenue (during period) (thousands of yen)	Ratio to total rental revenues (%)	Total number of tenants (at end of period) (Note 1)	Occupancy rate (at end of period) (%) (Note 2)	Rental revenue (during period) (thousands of yen)	Ratio to total rental revenues (%)
Central Tokyo	COMFORIA NIHONBASHI NINGYOCHO	1	97.5	61,611	0.7	1	93.6	58,446	0.7
	COMFORIA WASEDA	1	96.9	67,124	0.8	1	95.9	68,177	0.8
	COMFORIA SHIMOOCHIAI	1	98.3	49,510	0.6	1	94.6	47,161	0.5
	COMFORIA HIGASHINAKANO	1	97.6	22,093	0.3	1	91.3	22,138	0.3
	COMFORIA GINZA EAST	1	98.2	118,865	1.4	1	97.8	119,580	1.4
	COMFORIA AZABUDAI	1	100.0	22,356	0.3	1	89.0	22,165	0.3
	COMFORIA SHIBAKOEN	1	100.0	51,120	0.6	1	98.4	50,739	0.6
	COMFORIA NISHIAZABU	1	100.0	26,935	0.3	1	95.8	27,319	0.3
	COMFORIA MINAMIAOYAMA	1	96.8	45,355	0.5	1	100.0	43,960	0.5
	COMFORIA NISHIWASEDA	1	97.2	62,479	0.7	1	98.6	60,951	0.7
	COMFORIA HARAJYUKU	1	100.0	127,935	1.5	1	96.3	128,786	1.5
	COMFORIA MITA NORTH	1	100.0	29,723	0.4	1	96.2	30,716	0.4
	COMFORIA SHIBAURA BOWHOUSE	1	95.8	92,564	1.1	1	100.0	99,169	1.2
	COMFORIA SHIROKANETAKANAWA	1	89.6	45,458	0.5	1	89.7	46,555	0.5
	COMFORIA NIHONBASHI NINGYOCHO EAST	1	98.0	69,005	0.8	1	96.4	69,010	0.8
	COMFORIA ATAGO	1	87.5	28,507	0.3	1	100.0	29,086	0.3
	COMFORIA KUDAN	1	100.0	41,705	0.5	1	100.0	40,015	0.5
	COMFORIA NIHONBASHI NINGYOCHO NORTH	1	100.0	37,684	0.4	1	94.5	35,574	0.4
	COMFORIA SHINKAWA	1	100.0	59,982	0.7	1	98.3	61,001	0.7
	COMFORIA AKASAKA	1	92.5	64,210	0.8	1	95.0	66,928	0.8
	COMFORIA MITA EAST	1	98.6	103,687	1.2	1	95.8	103,425	1.2
	COMFORIA SHIBAURA CANAL	1	97.9	56,838	0.7	1	99.0	54,875	0.6
	COMFORIA KITASANDO	1	96.8	134,069	1.6	1	94.5	135,841	1.6
	COMFORIA YOYOGIUEHARA	1	98.4	51,587	0.6	1	98.2	51,923	0.6
	COMFORIA SASAZUKA	1	97.9	67,546	0.8	1	100.0	68,717	0.8
	COMFORIA SHINJUKUGYOEN II	1	100.0	56,416	0.7	1	96.8	58,167	0.7
	COMFORIA ICHIGAYANAGICHO	1	97.1	50,442	0.6	1	98.7	52,727	0.6
	COMFORIA KAGURAZAKA	1	100.0	25,090	0.3	1	97.0	24,062	0.3
	COMFORIA NIBANCHO	1	100.0	49,960	0.6	1	100.0	51,121	0.6
	COMFORIA NISHISHINJUKU	1	97.8	49,708	0.6	1	91.8	46,267	0.5
	COMFORIA KANDAIINBOCHO	1	96.9	45,068	0.5	1	97.6	44,779	0.5
	COMFORIA NIHONBASHI	1	98.5	64,020	0.8	1	97.1	65,469	0.8
	COMFORIA TAMACHI	1	99.2	99,436	1.2	1	98.5	102,376	1.2
	COMFORIA AZABUJUBAN	1	96.4	44,282	0.5	1	98.2	43,255	0.5
	COMFORIA SHINJUKUGYOEN I	1	95.8	42,226	0.5	1	98.3	44,170	0.5
	COMFORIA KAGURAZAKA DEUX	1	94.9	40,710	0.5	1	94.1	41,891	0.5
	COMFORIA AZABU EAST	1	94.4	76,793	0.9	1	96.7	76,853	0.9
	COMFORIA SHINJUKU EASTSIDE TOWER	1	95.6	1,537,550	18.1	1	95.5	1,537,891	17.9
	COMFORIA ICHIGAYAYAKUOJI	1	89.5	25,633	0.3	1	91.9	23,673	0.3
	COMFORIA AKIHABARA EAST	1	98.8	119,738	1.4	1	94.7	119,216	1.4
	COMFORIA MITA TROIS	1	97.1	25,387	0.3	1	100.0	25,410	0.3
	COMFORIA SHIBAURA	1	95.4	27,537	0.3	1	100.0	28,013	0.3
	COMFORIA SHINJUKU	1	97.2	55,108	0.6	1	97.2	56,191	0.7
	COMFORIA HIGASHINIHONBASHI	1	100.0	25,827	0.3	1	98.2	35,443	0.4
	COMFORIA GINZA EAST NIBANKAN	—	—	—	—	1	93.8	35,140	0.4
	Subtotal	1	96.9	3,998,897	47.1	1	96.3	4,054,390	47.3
Sub-central Tokyo	COMFORIA BUNKYOKASUGA	1	98.1	61,232	0.7	1	97.3	60,320	0.7
	COMFORIA ASAKUSAMATSUGAYA	1	95.8	45,559	0.5	1	91.5	45,565	0.5
	COMFORIA NISHIOI	1	94.9	32,247	0.4	1	93.2	31,828	0.4
	COMFORIA NAKANO	1	95.1	32,510	0.4	1	85.0	31,070	0.4
	COMFORIA SHIMOKITAZAWA	1	98.7	95,235	1.1	1	97.7	98,759	1.2
	COMFORIA NISHIKAMATA	1	97.4	67,406	0.8	1	97.4	65,628	0.8
	COMFORIA OYAMA	1	94.3	79,854	0.9	1	95.8	79,314	0.9
	COMFORIA KIYOSUMISHIRAKAWA SOUTH	1	97.8	28,744	0.3	1	93.3	28,358	0.3

Area	Property name	18th Fiscal Period (from February 1, 2019 to July 31, 2019)				19th Fiscal Period (from August 1, 2019 to January 31, 2020)			
		Total number of tenants (at end of period) (Note 1)	Occupancy rate (at end of period) (%) (Note 2)	Rental revenue (during period) (thousands of yen)	Ratio to total rental revenues (%)	Total number of tenants (at end of period) (Note 1)	Occupancy rate (at end of period) (%) (Note 2)	Rental revenue (during period) (thousands of yen)	Ratio to total rental revenues (%)
Sub-central Tokyo	COMFORIA KOMAZAWA	1	95.1	43,793	0.5	1	97.9	42,455	0.5
	COMFORIA KOISHIKAWA	1	95.3	23,141	0.3	1	100.0	20,616	0.2
	COMFORIA SENGOKU	1	98.3	55,356	0.7	1	97.9	56,091	0.7
	COMFORIA DAIKANYAMAAOBADAI	1	91.0	33,599	0.4	1	97.4	36,131	0.4
	COMFORIA IKEBUKURO	1	100.0	21,910	0.3	1	100.0	23,525	0.3
	COMFORIA RYOGOKUISHIWARA	1	100.0	25,599	0.3	1	100.0	26,715	0.3
	COMFORIA ASAKUSABASHI DEUX	1	96.3	30,617	0.4	1	97.2	30,786	0.4
	COMFORIA OSHIAGE	1	100.0	26,807	0.3	1	95.4	26,172	0.3
	COMFORIA HONJOAZUMABASHI	1	98.2	29,051	0.3	1	98.2	28,906	0.3
	COMFORIA KIYOSUMISHIRAKAWA TROIS	1	100.0	31,937	0.4	1	98.1	31,639	0.4
	COMFORIA MONZENNAKACHO	1	98.6	92,911	1.1	1	98.6	93,519	1.1
	COMFORIA HIMONYA	1	91.8	43,763	0.5	1	95.1	43,712	0.5
	COMFORIA MISOYUKU	1	95.9	65,893	0.8	1	94.8	66,882	0.8
	COMFORIA GAKUGEIDAIGAKU	1	94.7	41,754	0.5	1	97.3	40,669	0.5
	COMFORIA HIGASHINAKANO DEUX	1	100.0	30,468	0.4	1	94.1	30,902	0.4
	COMFORIA HIGASHIIEBUKURO WEST	1	96.1	163,229	1.9	1	98.1	164,969	1.9
	COMFORIA RYOGOKU DEUX	1	96.9	37,742	0.4	1	95.5	37,855	0.4
	COMFORIA OMORI DEUX	1	98.6	40,057	0.5	1	100.0	40,808	0.5
	COMFORIA MACHIYA	1	90.9	26,530	0.3	1	100.0	27,537	0.3
	COMFORIA ASAKUSABASHI	1	96.7	101,799	1.2	1	96.9	102,936	1.2
	COMFORIA RYOGOKU SOUTH	1	97.5	49,604	0.6	1	97.8	49,179	0.6
	COMFORIA TOYOSU	1	96.0	102,762	1.2	1	92.4	102,330	1.2
	COMFORIA SUMIDA-TACHIBANA	1	100.0	33,045	0.4	1	92.3	31,704	0.4
	COMFORIA UENOHIROKOJI	1	96.1	34,889	0.4	1	93.1	34,961	0.4
	COMFORIA KASUGATOMISAKA	1	98.2	92,259	1.1	1	97.6	93,071	1.1
	COMFORIA HONKOMAGOME	1	100.0	46,621	0.5	1	97.3	46,407	0.5
	COMFORIA MORISHITA	1	97.5	48,555	0.6	1	96.2	49,685	0.6
	COMFORIA KIBAKOEN	1	98.3	33,258	0.4	1	96.7	33,363	0.4
	COMFORIA MEGURO CHOJAMARU	1	100.0	71,059	0.8	1	94.6	73,539	0.9
	COMFORIA NISHIMAGOME	1	98.1	33,227	0.4	1	97.6	31,944	0.4
	COMFORIA HIGASHIIEBUKURO EAST	1	95.7	69,213	0.8	1	94.0	69,358	0.8
	COMFORIA HIGASHIIEBUKURO	1	96.3	38,316	0.5	1	95.7	37,085	0.4
	COMFORIA KOMABA	1	94.8	141,508	1.7	1	95.6	139,200	1.6
	COMFORIA KINSHICHO	1	100.0	35,376	0.4	1	100.0	35,890	0.4
	COMFORIA MINAMISUNAMACHI	1	96.0	136,315	1.6	1	97.4	133,063	1.6
	COMFORIA HIGASHISHINAGAWA	1	100.0	53,166	0.6	1	100.0	53,842	0.6
	COMFORIA MEGUROYAKUMO	1	100.0	26,876	0.3	1	94.2	26,930	0.3
	COMFORIA YOGA	1	92.5	32,220	0.4	1	100.0	30,470	0.4
	COMFORIA ITABASHINAKAJUKU	1	99.1	124,635	1.5	1	97.0	125,144	1.5
	COMFORIA SHINAGAWA EAST	1	95.6	79,628	0.9	1	99.1	76,303	0.9
	COMFORIA OJIMA	1	97.0	60,604	0.7	1	97.0	58,993	0.7
	COMFORIA OMORI TROIS	1	98.0	26,094	0.3	1	88.7	24,872	0.3
	COMFORIA BUNKYOHAKUSAN	1	95.6	37,982	0.4	1	98.5	38,874	0.5
	COMFORIA KAMATA	1	98.3	157,898	1.9	1	96.4	163,071	1.9
	COLLEGE COURT HACHIMANYAMA	1	100.0	30,226	0.4	1	100.0	30,222	0.4
	COMFORIA UENOIRIYA	1	98.5	61,051	0.7	1	96.3	63,849	0.7
	COMFORIA IKEJIRI	1	97.8	33,967	0.4	1	100.0	35,284	0.4
	COMFORIA SETAGAYAKAMIUMA	1	98.9	73,597	0.9	1	100.0	73,462	0.9

Area	Property name	18th Fiscal Period (from February 1, 2019 to July 31, 2019)				19th Fiscal Period (from August 1, 2019 to January 31, 2020)			
		Total number of tenants (at end of period) (Note 1)	Occupancy rate (at end of period) (%) (Note 2)	Rental revenue (during period) (thousands of yen)	Ratio to total rental revenues (%)	Total number of tenants (at end of period) (Note 1)	Occupancy rate (at end of period) (%) (Note 2)	Rent revenue (during period) (thousands of yen)	Ratio to total rental revenues (%)
Sub-central Tokyo	COMFORIA AKABANEIWABUCHI	1	92.7	61,769	0.7	1	96.1	70,239	0.8
	COMFORIA RYOGOKU TROIS	1	93.8	41,166	0.5	1	97.3	42,707	0.5
	COLLEGE SQUARE HACHIMANYAMA	1	100.0	20,976	0.2	1	100.0	20,976	0.2
	COMFORIA KINSHICHO DEUX	1	99.0	62,965	0.7	1	99.0	60,793	0.7
	COMFORIA KAMEIDO SOUTH	1	100.0	57,937	0.7	1	100.0	58,436	0.7
	COMFORIA SHIBUYA WEST	1	95.0	133,080	1.6	1	97.5	134,620	1.6
	COMFORIA ASAKUSAKOMAGATA	1	93.2	26,057	0.3	1	100.0	35,167	0.4
	COMFORIA OMORIKASHIMA	1	94.2	17,601	0.2	1	97.2	24,885	0.3
	COMFORIA OMORIMACHI	1	97.7	24,116	0.3	1	100.0	30,777	0.4
	COMFORIA KAMIKEDAI	1	95.1	37,638	0.4	1	100.0	52,614	0.6
	CAMPUS VILLAGE SHINAMACHI	1	100.0	42,771	0.5	1	100.0	63,228	0.7
	Subtotal	3	97.0	3,698,801	43.6	3	97.0	3,770,234	43.9
Tokyo metropolitan area	COMFORIA ICHIKAWAMYODEN	1	95.5	25,214	0.3	1	95.4	24,522	0.3
	COMFORIA YATSUKA	1	96.8	28,337	0.3	1	96.8	27,677	0.3
	COMFORIA SHINKOYASU	1	97.7	39,080	0.5	1	94.7	39,210	0.5
	COMFORIA GYOTOKU	1	98.3	28,995	0.3	1	89.6	27,669	0.3
	GRANCREER CENTER-MINAMI	1	100.0	120,300	1.4	1	100.0	120,300	1.4
	COMFORIA TAMA-PLAZA	1	94.8	39,814	0.5	1	94.8	53,285	0.6
	Subtotal	2	98.8	281,743	3.3	2	98.1	292,665	3.4
Other major cities	COMFORIA SHIN-OSAKA	1	96.7	91,190	1.1	1	96.6	91,451	1.1
	COMFORIA SHINSAKAE (Note 3)	1	91.0	55,098	0.6	—	—	43,914	0.5
	COMFORIA KITAHORIE (Note 4)	—	—	28,402	0.3	—	—	—	—
	COMFORIA KITASANJO	1	100.0	36,549	0.4	1	98.9	36,496	0.4
	COMFORIA SAPPORO SHOKUBUTSUN	1	88.1	42,080	0.5	1	92.9	40,831	0.5
	COMFORIA OGIMACHI	1	100.0	43,611	0.5	1	92.9	42,943	0.5
	COMFORIA SHINSAIBASHI EAST	1	99.2	61,610	0.7	1	97.6	61,706	0.7
	COMFORIA KYOMACHIBORI	1	97.6	49,495	0.6	1	97.6	47,877	0.6
	COMFORIA AWAZA	1	97.7	42,823	0.5	1	98.6	42,946	0.5
	COMFORIA KITAHAMA	1	97.7	54,058	0.6	1	95.4	53,863	0.6
	Subtotal	1	96.1	504,921	6.0	1	96.4	462,030	5.4
	Total	4	97.0	8,484,363	100.0	4	96.7	8,579,321	100.0

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

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

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

(Note 4) This property was sold to a third party as of July 5, 2019.

4. Statement of Renewable Energy Power Generation Facilities

Not applicable

5. Statement of Operational License of Public Facilities

Not applicable

6. Statement of Securities Incorporated in the Portfolio

Not applicable

7. Details of Specified Transactions

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

Segment	Type	Contract amount (millions of yen)		Fair value (millions of yen) (Note 2)
		(Note 1)	Over 1 year	
Over-the-counter transactions	Receive floating, pay fixed interest-rate swap transactions	54,670	45,470	—
Total		54,670	45,470	—

(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 19th 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

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
COMFORTIA SHIBAURA BOWHOUSE (Minato-ku, Tokyo)	Large-scale repair work	From May 2020 to Jan. 2021	73,000	—	—
COMFORTIA AKABANEIWABUCHI (Kita-ku, Tokyo)	Large-scale repair work	From May 2020 to Jan. 2021	68,000	—	—
COMFORTIA YATSUKA (Soka-shi, Saitama)	Large-scale repair work	From Jan. 2020 to Jul. 2020	57,000	—	—
COMFORTIA KAMIIKEDAI (Ota-ku, Tokyo)	Large-scale repair work	From Jan. 2020 to Jul. 2020	55,800	—	—
COMFORTIA KOMAZAWA (Setagaya-ku, Tokyo)	Large-scale repair work	From Dec. 2019 to Jul. 2020	54,100	—	—
COMFORTIA TAMA-PLAZA (Yokohama-shi, Kanagawa)	Large-scale repair work	From Jan. 2020 to Jul. 2020	54,000	—	—
COMFORTIA KANDAJINBOCHO (Chiyoda-ku, Tokyo)	Large-scale repair work	From May 2020 to Jan. 2021	54,000	—	—

2. Capital Expenditure during the Period

The overview of main construction work corresponding to capital expenditure that took place in the 19th Fiscal Period for the managed assets owned as of the end of the period is as follows. Capital expenditure during the 19th Fiscal Period was ¥417,894 thousand. Together with repair expenses of ¥293,954 thousand that were classified as expenses for the 19th Fiscal Period, construction work totaling ¥711,849 thousand was carried out.

Property name (location)	Purpose	Period	Construction cost (thousands of yen)
COMFORTIA NIHONBASHI (Chuo-ku, Tokyo)	Large-scale repair work	From Aug. 2019 to Jan. 2020	75,480
COMFORTIA HONKOMAGOME (Bunkyo-ku, Tokyo)	Large-scale repair work	From Aug. 2019 to Jan. 2020	58,640
COMFORTIA SHIMOOCHIAI (Shinjuku-ku, Tokyo)	Large-scale repair work	From Aug. 2019 to Jan. 2020	52,426
COMFORTIA OMORI DEUX (Ota-ku, Tokyo)	Large-scale repair work	From Aug. 2019 to Jan. 2020	43,817
COMFORTIA ICHIGAYAYANAGICHO (Shinjuku-ku, Tokyo)	Large-scale repair work	From Aug. 2019 to Jan. 2020	40,113
COMFORTIA MACHIYA (Arakawa-ku, Tokyo)	Large-scale repair work	From Aug. 2019 to Jan. 2020	34,335
COMFORTIA YOGA (Setagaya-ku, Tokyo)	Large-scale repair work	From Aug. 2019 to Dec. 2019	31,253
Other properties, etc.	Replacement of air conditioners, etc.	From Aug. 2019 to Jan. 2020	81,828
Total			417,894

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	15th Fiscal Period	16th Fiscal Period	17th Fiscal Period	18th Fiscal Period	19th Fiscal Period
	From Aug. 1, 2017 to Jan. 31, 2018	From Feb. 1, 2018 to Jul. 31, 2018	From Aug. 1, 2018 to Jan. 31, 2019	From Feb. 1, 2019 to Jul. 31, 2019	From Aug. 1, 2019 to Jan. 31, 2020
Balance of reserves at the beginning of period	349,367	328,884	357,243	396,925	398,483
Amount of reserves during period	523,929	508,774	477,118	624,729	559,814
Reversal of reserves during period	544,411	480,415	437,436	623,170	571,549
Amount carried forward to next period	328,884	357,243	396,925	398,483	386,748

1. Statement of Expenses Related to Investments

(Thousands of yen)

Item	18th Fiscal Period From Feb. 1, 2019 to Jul. 31, 2019	19th Fiscal Period From Aug. 1, 2019 to Jan. 31, 2020
Asset management fee (Note)	479,542	522,018
Asset custody fee	7,800	8,395
Administrative service fees	27,302	26,312
Directors' compensation	3,600	3,600
Other expenses	226,567	260,436
Total	744,813	820,762

(Note) In addition to the amount stated above, asset management fees came to ¥115,450 thousand and ¥23,800 thousand in the 18th Fiscal Period and 19th Fiscal Period, respectively, related to the acquisition of property that were incorporated in the book value of each property and asset management fees came to ¥12,000 thousand and ¥18,700 thousand in the 18th Fiscal Period and 19th Fiscal Period, respectively, related to the sale of property.

2. Loan Status

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

Type	Lender	Drawdown date	Balance at the beginning of current period (millions of yen)	Balance at the end of current period (millions of yen)	Average interest rate (%) (Note 2)	Maturity date	Repayment method	Use of funds	Remarks
Long-term loans (Note 1)	Development Bank of Japan Inc.	Sep. 30, 2013	1,350	-	0.90487	Sep. 30, 2019	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	Feb. 4, 2014	2,000	2,000	0.88240	Jan. 31, 2021	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.		1,000	1,000					
	Mizuho Bank, Ltd.		1,000	1,000					
	Sumitomo Mitsui Trust Bank, Limited		1,000	1,000					
	Sumitomo Mitsui Banking Corporation	Jun. 30, 2014	500	500	0.60150	Jun. 30, 2020	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		1,340	1,340					
	Development Bank of Japan Inc.		670	670					
	Mizuho Bank, Ltd.		670	670					
	Sumitomo Mitsui Trust Bank, Limited	Jun. 30, 2014	670	670	0.90100	Jun. 30, 2022	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Banking Corporation		350	350					
	MUFG Bank, Ltd.		1,820	1,820					
	Development Bank of Japan Inc.		910	910					
	Mizuho Bank, Ltd.	Feb. 3, 2015	910	910	0.69250	Jan. 31, 2022	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		910	910					
	Sumitomo Mitsui Banking Corporation		450	450					
	MUFG Bank, Ltd.		1,200	1,200					
	Development Bank of Japan Inc.	Feb. 3, 2015	600	600	0.79875	Jan. 31, 2023	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	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	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	Feb. 3, 2015	310	310					
	MUFG Bank, Ltd.		1,240	1,240					
	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	Feb. 2, 2016	200	200	0.62640	Aug. 31, 2023	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		840	840					
	Development Bank of Japan Inc.		420	420					
	Mizuho Bank, Ltd.		420	420					
	Sumitomo Mitsui Trust Bank, Limited	Feb. 2, 2016	420	420	0.67745	Feb. 29, 2024	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Banking Corporation		230	230					
	MUFG Bank, Ltd.		980	980					
	Development Bank of Japan Inc.		490	490					
	Mizuho Bank, Ltd.	Feb. 2, 2016	490	490	0.27125	Mar. 31, 2021	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		490	490					
	Sumitomo Mitsui Banking Corporation		220	220					
	Development Bank of Japan Inc.		1,570	1,570					
	MUFG Bank, Ltd.	Mar. 23, 2016	1,570	1,570	0.61950	Mar. 31, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Kiraboshi Bank, Ltd.		1,000	1,000					
	Sumitomo Mitsui Trust Bank, Limited		785	785					
	Development Bank of Japan Inc.		2,000	2,000					
	MUFG Bank, Ltd.	Aug. 1, 2016	2,000	2,000	0.46655	Jul. 31, 2024	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,000	1,000					
	MUFG Bank, Ltd.		1,160	1,160					
	Development Bank of Japan Inc.		580	580					
	Mizuho Bank, Ltd.	Aug. 1, 2016	580	580	0.65518	Jul. 31, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		580	580					
	Sumitomo Mitsui Banking Corporation		290	290					
	MUFG Bank, Ltd.		1,800	1,800					
	Development Bank of Japan Inc.	Jan. 31, 2017	900	900	0.46691	Jan. 31, 2022	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		900	900					
	Sumitomo Mitsui Trust Bank, Limited		900	900					
	Sumitomo Mitsui Banking Corporation		450	450					
	Mizuho Trust & Banking Co., Ltd.	Feb. 2, 2017	2,000	2,000	0.62938	Jan. 31, 2024	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	The Norinchukin Bank		1,500	1,500					
	The Bank of Fukuoka, Ltd.		1,000	1,000					
	The 77 Bank, Ltd.		500	500					
	The Daishi Bank, Ltd.	Feb. 2, 2017	500	500	0.79571	Jan. 30, 2026	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	Sep. 29, 2017	580	580	0.49054	Sep. 30, 2022	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Banking Corporation		290	290					
	MUFG Bank, Ltd.		1,820	1,820					
	Development Bank of Japan Inc.		910	910					
	Mizuho Bank, Ltd.	Sep. 29, 2017	910	910					
	Sumitomo Mitsui Trust Bank, Limited		910	910					
	Sumitomo Mitsui Banking Corporation		450	450					
	MUFG Bank, Ltd.		1,140	1,140					
	Development Bank of Japan Inc.	Sep. 29, 2017	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.		2,700	2,700					
	Mizuho Bank, Ltd.	Mar. 30, 2018	1,350	1,350	0.62188	Mar. 31, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Banking Corporation		600	600					
	Nippon Life Insurance Company		500	500					
	Taiyo Life Insurance Company	Aug. 31, 2018	500	500	0.55126	Jan. 31, 2024	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Resona Bank, Ltd.	Aug. 31, 2018	1,000	1,000	0.73497	Aug. 31, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		550	550					
	Sumitomo Mitsui Trust Bank, Limited		550	550					
	Development Bank of Japan Inc.		550	550					
	MUFG Bank, Ltd.		275	275					
	Sumitomo Mitsui Banking Corporation	Sep. 25, 2018	275	275	0.85667	Mar. 31, 2027	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		550	550					
	Mizuho Bank, Ltd.		550	550					
	Sumitomo Mitsui Trust Bank, Limited		550	550					
	Development Bank of Japan Inc.		550	550					
	Sumitomo Mitsui Banking Corporation	Jan. 31, 2019	300	300	0.43105	Jul. 31, 2023	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		670	670					
	Mizuho Bank, Ltd.		670	670					
	Sumitomo Mitsui Trust Bank, Limited		670	670					
	Sumitomo Mitsui Banking Corporation		320	320					
	Development Bank of Japan Inc.	Jan. 31, 2019	670	670	0.39950	Jan. 31, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		700	700					
	Sumitomo Mitsui Trust Bank, Limited		700	700					
	MUFG Bank, Ltd.		350	350					
	Sumitomo Mitsui Banking Corporation		350	350					
	Development Bank of Japan Inc.	Apr. 5, 2019	700	700	0.54500	Sep. 30, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		800	800					
	Mizuho Bank, Ltd.		800	800					
	Sumitomo Mitsui Trust Bank, Limited		800	800					
	Sumitomo Mitsui Banking Corporation		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)	MUFG Bank, Ltd.	Mar. 25, 2019	800	800	0.25193	Mar. 31, 2022	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		800	800					
	Sumitomo Mitsui Trust Bank, Limited		800	800					
	Sumitomo Mitsui Banking Corporation		400	400					
	MUFG Bank, Ltd.		1,000	1,000					
	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					
	Sumitomo Mitsui Banking Corporation		500	500					
	MUFG Bank, Ltd.		970	970					
	Mizuho Bank, Ltd.		970	970					
	Sumitomo Mitsui Trust Bank, Limited		970	970					
	Sumitomo Mitsui Banking Corporation		485	485					
	Mizuho Trust & Banking Co., Ltd.	Mar. 20, 2019	525	525	0.60810	Sep. 30, 2027	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	The Norinchukin Bank		525	525					
	The Bank of Fukuoka, Ltd.		525	525					
	Shinkin Central Bank		525	525					
	Mizuho Trust & Banking Co., Ltd.		525	525					
	Mizuho Trust & Banking Co., Ltd.	Mar. 20, 2019	2,300	2,300	0.42850	Mar. 31, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.	Sep. 30, 2019	-	1,350	0.27193	Mar. 31, 2020	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.	Sep. 30, 2019	-	1,350	0.54693	Mar. 31, 2028	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Total		112,530	112,530					

(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.

3. Investment Corporation Bonds

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

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

(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.

4. Short-Term Investment Corporation Bonds

Not applicable

5. Investment Unit Acquisition Rights

Not applicable

1. Purchase and Sale of Properties and Asset Backed Securities

Property name	Acquisition		Sale			
	Acquisition date	Acquisition price (millions of yen)	Sale date	Sale price (millions of yen)	Book value (millions of yen)	Gain on sale (millions of yen)
COMFORIA GINZA EAST NIBANKAN	Sep. 30, 2019	2,380	—	—	—	—
COMFORIA SHINSAKAE	—	—	Dec. 25, 2019	1,870	1,636	211
Total	—	2,380	—	1,870	1,636	211

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

2. Purchase and Sale of Other Assets

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

3. Appraisals of Specified Assets

(1) Real estate, etc.

Acquisition or sale	Type of asset	Property name	Acquisition or sale date	Acquisition price or sale price (millions of yen) (Note 1)	Real estate appraisal		
					Appraisal value (millions of yen) (Note 2)	Appraisal company (Note 3)	Date of valuation
Acquisition	Beneficial interest in real estate trust	COMFORIA GINZA EAST NIBANKAN	Sep. 30, 2019	2,380	2,450	(1)	Jul. 31, 2019
Sale	Beneficial interest in real estate trust	COMFORIA SHINSAKAE	Dec. 25, 2019	1,870	1,740	(2)	Jul. 31, 2019

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

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

(Note 3) The real estate appraisers handling the real estate appraisal or research reports of each property are: (1) JLL Mori Valuation & Advisory K.K., and (2) Daiwa Real Estate Appraisal Co., Ltd.

(2) Other

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

4. Transactions with Related Parties

(1) Information on transaction

Not applicable

(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	654,679	Tokyu Housing Lease Corporation	413,605	63.2
		Community One Co., Ltd.	35,811	5.5
		Tokyu Community Corp.	3,808	0.6
Utilities expenses	116,606	Tokyu Community Corp.	56,122	48.1
Other expenses related to rent business	170,450	Tokyu Sports Oasis, Inc.	11,114	6.5
		Community One Co., Ltd.	1,462	0.9

(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.

(3) Major payments to other related parties

Ewel Inc. ¥2,129 thousand (system usage, 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

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
August 28, 2019	Conclusion of a memorandum regarding succession of the position as general administration (accounting service)	A memorandum was concluded to have the position as general administration (accounting service) succeeded from Heiseikaikeshisha Tax Corporation to Reiwakaikeshisha Tax Corporation.
January 7, 2020	Conclusion of a new investment unit underwriting contract pertaining to the issuance of new investment units and the secondary offering of investment units, and the conclusion of a new investment unit purchase contract with regard to the Green Shoe option	A new investment unit underwriting contract with Mizuho Securities Co., Ltd. and four other companies (Note) for the issuance of new investment units and the secondary offering of investment units that were approved at the Board of Directors' meetings held on January 7, 2020 and January 15, 2020, as well as a new investment unit purchase contract pertaining to the Green Shoe option with the book runner (Mizuho Securities Co., Ltd.) were concluded as of January 15, 2020, respectively.

(Note) Other than Mizuho Securities Co., Ltd. and SMBC Nikko Securities Inc., which are co-lead managers, the companies are Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., Daiwa Securities Co. Ltd. and Nomura Securities Co., Ltd.

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)

	18th Fiscal Period (As of July 31, 2019)	19th Fiscal Period (As of January 31, 2020)
Assets		
Current assets		
Cash and deposits	9,806,155	10,360,147
Cash and deposits in trust	7,794,604	7,750,633
Operating accounts receivable	10,233	7,828
Prepaid expenses	424,435	391,121
Other	3,007	10
Total current assets	18,038,436	18,509,741
Non-current assets		
Property, plant and equipment		
Buildings	1,874,351	1,875,340
Accumulated depreciation	(106,596)	(127,013)
Buildings, net	1,767,754	1,748,327
Structures	22,374	22,374
Accumulated depreciation	(3,913)	(4,610)
Structures, net	18,460	17,763
Machinery and equipment	17,687	17,687
Accumulated depreciation	(1,736)	(2,010)
Machinery and equipment, net	15,951	15,677
Tools, furniture and fixtures	3,062	3,179
Accumulated depreciation	(1,154)	(1,403)
Tools, furniture and fixtures, net	1,907	1,775
Land	4,243,040	4,243,040
Buildings in trust	99,589,884	99,268,657
Accumulated depreciation	(11,731,213)	(12,770,889)
Buildings in trust, net	87,858,670	86,497,767
Structures in trust	1,262,516	1,244,370
Accumulated depreciation	(346,567)	(374,764)
Structures in trust, net	915,949	869,606
Machinery and equipment in trust	1,628,309	1,572,740
Accumulated depreciation	(304,645)	(322,400)
Machinery and equipment in trust, net	1,323,664	1,250,340
Tools, furniture and fixtures in trust	385,914	425,184
Accumulated depreciation	(142,123)	(173,630)
Tools, furniture and fixtures in trust, net	243,791	251,554
Land in trust	128,350,042	129,857,804
Total property, plant and equipment	224,739,233	224,753,657
Intangible assets		
Leasehold rights in trust	1,166,310	1,157,744
Other	14,118	10,568
Total intangible assets	1,180,428	1,168,313
Investments and other assets		
Lease and guarantee deposits	1,525,188	1,525,188
Long-term prepaid expenses	902,365	803,617
Total investments and other assets	2,427,553	2,328,805
Total non-current assets	228,347,215	228,250,776
Deferred assets		
Investment unit issuance expenses	50,349	44,252
Investment corporation bond issuance costs	62,308	56,890
Total deferred assets	112,657	101,143
Total assets	246,498,308	246,861,660

(Thousands of yen)

	18th Fiscal Period (As of July 31, 2019)	19th Fiscal Period (As of January 31, 2020)
Liabilities		
Current liabilities		
Operating accounts payable	791,399	804,874
Current portion of long-term loans payable	7,350,000	14,300,000
Accounts payable - other	56,748	23,619
Accrued expenses	176,993	181,018
Income taxes payable	5,954	5,924
Accrued consumption taxes	184	93,021
Advances received	1,359,964	1,376,835
Other	521	2,443
Total current liabilities	9,741,767	16,787,736
Non-current liabilities		
Investment corporation bonds	11,000,000	11,000,000
Long-term loans payable	105,180,000	98,230,000
Tenant leasehold and security deposits	28,595	29,015
Tenant leasehold and security deposits in trust	2,517,824	2,541,118
Asset retirement obligations	97,576	98,184
Other	3,898	3,589
Total non-current liabilities	118,827,895	111,901,909
Total liabilities	128,569,663	128,689,645
Net assets		
Unitholders' equity		
Unitholders' capital	114,045,421	114,045,421
Surplus		
Voluntary retained earnings		
Reserve for reduction entry	434,888	563,704
Total voluntary retained earnings	434,888	563,704
Unappropriated retained earnings (undisposed loss)	3,448,336	3,562,889
Total surplus	3,883,224	4,126,593
Total unitholders' equity	117,928,645	118,172,015
Total net assets	*1 117,928,645	*1 118,172,015
Total liabilities and net assets	246,498,308	246,861,660

2. Statements of Income

(Thousands of yen)

	18th Fiscal Period (From February 1, 2019 to July 31, 2019)	19th Fiscal Period (From August 1, 2019 to January 31, 2020)
Operating revenue		
Lease business revenue	*1 8,140,239	*1 8,268,232
Other lease business revenue	*1 344,123	*1 311,089
Gain on sales of real estate properties	*2 168,200	*2 211,086
Total operating revenue	8,652,563	8,790,408
Operating expenses		
Expenses related to rent business	*1 3,928,753	*1 3,862,940
Asset management fee	479,542	522,018
Directors' compensations	3,600	3,600
Audit fee	13,842	14,490
Asset custody fee	7,800	8,395
Administrative service fees	27,302	26,312
Other operating expenses	212,725	245,946
Total operating expenses	4,673,567	4,683,703
Operating profit	3,978,996	4,106,704
Non-operating income		
Interest income	71	82
Gain on forfeiture of unclaimed dividends	688	738
Other	—	13
Total non-operating income	759	833
Non-operating expenses		
Interest expenses	338,753	341,368
Borrowing related expenses	142,133	144,250
Interest expenses on investment corporation bonds	24,704	32,161
Amortization of investment corporation bond issuance costs	4,377	5,417
Amortization of investment unit issuance expenses	15,823	15,823
Total non-operating expenses	525,793	539,020
Ordinary profit	3,453,962	3,568,518
Profit before income taxes	3,453,962	3,568,518
Income taxes - current	5,965	5,936
Income taxes - deferred	(339)	(308)
Total income taxes	5,626	5,628
Profit	3,448,336	3,562,889
Retained earnings brought forward	—	—
Unappropriated retained earnings (undisposed loss)	3,448,336	3,562,889

3. Statements of Changes in Unitholders' Equity

18th Fiscal Period (From February 1, 2019 to July 31, 2019)

(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	99,814,378	302,807	302,807	3,172,709	3,475,517	103,289,895	103,289,895
Changes of items during period							
Issuance of new investment units	14,231,042					14,231,042	14,231,042
Reserve for reduction entry		149,557	149,557	(149,557)	—	—	—
Reversal of reserve for reduction entry		(17,477)	(17,477)	17,477	—	—	—
Dividends of surplus				(3,040,628)	(3,040,628)	(3,040,628)	(3,040,628)
Profit				3,448,336	3,448,336	3,448,336	3,448,336
Total changes of items during period	14,231,042	132,080	132,080	275,626	407,707	14,638,749	14,638,749
Balance at end of current period	*1 114,045,421	434,888	434,888	3,448,336	3,883,224	117,928,645	117,928,645

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

(Thousands of yen)

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

4. Statements of Cash Distributions

Category	18th Fiscal Period (From February 1, 2019 to July 31, 2019)	19th Fiscal Period (From August 1, 2019 to January 31, 2020)
I. Unappropriated retained earnings	¥3,448,336,187	¥3,562,889,656
II. Reversal of Voluntary retained earnings		
Reversal of reserve for reduction entry	¥20,640,632	¥3,231,017
III. Distributions	¥3,319,520,120	¥3,393,216,030
[Distribution per unit]	[¥5,180]	[¥5,295]
IV. Voluntary retained earnings		
Provision of reserve for reduction entry	¥149,456,699	¥172,904,643
V. Retained earnings carried forward	¥0	¥0
Method for calculating distributions	<p>The Investment Corporation will make cash distributions up to the amount of accounting profit based on the distribution policy outlined in Article 35-1 of the Investment Corporation's Articles of Incorporation, in an amount that exceeds 90% of the "amount of distributable profit" of the Investment Corporation as set forth in Article 67-15 of the Act on Special Measures Concerning Taxation.</p> <p>Based on this policy, the Investment Corporation has determined to pay out ¥3,319,520,120 as the total amount of dividends for the period under review, which is equivalent to the entire amount of unappropriated retained earnings after adding reversal of reserve for reduction entry and deducting the provision of reserve for reduction entry pursuant to Article 66-2 of the Act on Special Measures Concerning Taxation.</p> <p>Furthermore, the Investment Corporation does not pay out dividends that exceed accounting profit as outlined in Article 35-2 of the Investment Corporation's Articles of Incorporation.</p>	

5. Statements of Cash Flows

	(Thousands of yen)	
	18th Fiscal Period (From February 1, 2019 to July 31, 2019)	19th Fiscal Period (From August 1, 2019 to January 31, 2020)
Cash flows from operating activities		
Profit before income taxes	3,453,962	3,568,518
Depreciation	1,291,815	1,299,833
Borrowing related expenses	142,133	144,250
Amortization of investment corporation bond issuance costs	4,377	5,417
Amortization of investment unit issuance expenses	15,823	15,823
Interest income	(71)	(82)
Gain on forfeiture of unclaimed dividends	(688)	(738)
Interest expenses	363,458	373,529
Decrease (increase) in operating accounts receivable	(3,373)	2,405
Decrease (increase) in prepaid expenses	(32,276)	30,660
Increase (decrease) in accrued consumption taxes	(11,337)	92,836
Increase (decrease) in operating accounts payable	124,501	(83,148)
Increase (decrease) in accounts payable - other	16,991	(24,196)
Increase (decrease) in accrued expenses	13,686	7,211
Increase (decrease) in advances received	89,382	16,870
Decrease (increase) in long-term prepaid expenses	5,785	5,368
Decrease in property, plant and equipment due to sales	1,017,869	—
Decrease in property, plant and equipment in trust due to sales	—	1,636,630
Other, net	(2,485)	4,795
Subtotal	6,489,556	7,095,983
Interest income received	71	82
Interest expenses paid	(362,978)	(373,493)
Income taxes paid	(5,657)	(5,966)
Net cash provided by (used in) operating activities	6,120,991	6,716,606
Cash flows from investing activities		
Purchase of property, plant and equipment	(167)	(551)
Purchase of property, plant and equipment in trust	(22,182,459)	(2,848,365)
Proceeds from tenant leasehold and security deposits	7,073	4,101
Repayments of tenant leasehold and security deposits	(11,918)	(4,408)
Proceeds from tenant leasehold and security deposits in trust	463,219	242,841
Repayments of tenant leasehold and security deposits in trust	(211,438)	(226,752)
Net cash provided by (used in) investing activities	(21,935,690)	(2,833,135)
Cash flows from financing activities		
Proceeds from long-term loans payable	21,985,917	1,308,105
Repayments of long-term loans payable	(17,195,000)	(1,350,000)
Proceeds from issuance of investment corporation bonds	2,479,375	—
Payments for investment corporation bond issuance costs	—	(749)
Proceeds from issuance of investment units	14,190,707	—
Dividends paid	(3,041,285)	(3,319,921)
Other, net	(10,588)	(10,884)
Net cash provided by (used in) financing activities	18,409,126	(3,373,450)
Net increase (decrease) in cash and cash equivalents	2,594,428	510,020
Cash and cash equivalents at beginning of period	15,006,331	17,600,759
Cash and cash equivalents at end of period	*1 17,600,759	*1 18,110,780

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>10-34 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	10-34 years	Tools, furniture and fixtures	2-15 years
Buildings	2-70 years								
Structures	2-69 years								
Machinery and equipment	10-34 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	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.								

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

(Thousands of yen)

	18th Fiscal Period (As of July 31, 2019)	19th Fiscal Period (As of January 31, 2020)
	50,000	50,000

2. Commitment line agreement

The Investment Corporation has commitment line contracts with three of the banks (as of July 31, 2019) and three of the banks (as of January 31, 2020), respectively.

(Thousands of yen)

	18th Fiscal Period (As of July 31, 2019)	19th Fiscal Period (As of January 31, 2020)
Credit limit	10,500,000	10,500,000
Outstanding debt	-	-
Unused commitment line	10,500,000	10,500,000

<Notes to the Statements of Income>

*1. Breakdown of real estate rental revenues and expenses

	(Thousands of yen)			
	18th Fiscal Period (From February 1, 2019 to July 31, 2019)		19th Fiscal Period (From August 1, 2019 to January 31, 2020)	
A. Real estate rental revenue				
Lease business revenue				
(Rental revenues and common service charges)	7,984,338		8,112,015	
(Parking revenues)	155,901	8,140,239	156,216	8,268,232
Other lease business revenue				
(Key money and contract renewal fees)	204,996		171,831	
(Other revenues)	139,127	344,123	139,258	311,089
Total real estate rental revenues		8,484,363		8,579,321
B. Real estate rental expenses				
Expenses related to rent business				
(Property management fees and facility management fees)	690,840		654,679	
(Repairs and maintenance)	333,441		293,954	
(Land rent)	707,019		707,193	
(Tax and public dues)	402,969		424,540	
(Insurance)	6,486		6,635	
(Utilities)	113,756		116,606	
(Marketing-related expenses)	165,559		143,078	
(Trust fees)	47,751		48,542	
(Depreciation)	1,288,266		1,296,283	
(Other expenses related to rent business)	172,661		171,424	
Total real estate rental expenses		3,928,753		3,862,940
C. Income from real estate rental business (A - B)		4,555,609		4,716,381

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

18th Fiscal Period (From February 1, 2019 to July 31, 2019)		(Thousands of yen)	
(1) COMFORIA KITAHORIE			
Revenue from sales of real estate properties			1,200,000
Cost of sales of real estate properties	1,017,869		
Other sales expenses	13,930		1,031,799
Gain on sales of real estate properties			168,200
19th Fiscal Period (From August 1, 2019 to January 31, 2020)		(Thousands of yen)	
(1) COMFORIA SHINSAKAE			
Revenue from sales of real estate properties			1,870,000
Cost of sales of real estate properties	1,636,630		
Other sales expenses	22,283		1,658,913
Gain on sales of real estate properties			211,086

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

	18th Fiscal Period (From February 1, 2019 to July 31, 2019)	19th Fiscal Period (From August 1, 2019 to January 31, 2020)
*1. Total number of authorized investment units and total number of investment units issued and outstanding		
Total number of authorized investment units	8,000,000 units	8,000,000 units
Total number of investment units issued and outstanding	640,834 units	640,834 units

<Notes to the Statements of Cash Flows>

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

	(Thousands of yen)	
	18th Fiscal Period (From February 1, 2019 to July 31, 2019)	19th Fiscal Period (From August 1, 2019 to January 31, 2020)
Cash and deposits	9,806,155	10,360,147
Cash and deposits in trust	7,794,604	7,750,633
Cash and cash equivalents	17,600,759	18,110,780

<Notes to lease transactions>

1. Operating lease transactions (Lessee)

Future minimum lease payments under non-cancelable operating lease transactions

	(Thousands of yen)	
	18th Fiscal Period (As of July 31, 2019)	19th Fiscal Period (As of January 31, 2020)
Due within 1 year	1,382,628	1,382,628
Due after 1 year	79,362,847	78,671,533
Total	80,745,475	80,054,161

2. Operating lease transactions (Lessor)

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

	(Thousands of yen)	
	18th Fiscal Period (As of July 31, 2019)	19th Fiscal Period (As of January 31, 2020)
Due within 1 year	777,463	798,321
Due after 1 year	6,046,182	5,860,245
Total	6,823,646	6,658,566

<Notes to financial instruments>

1. Status of financial instruments

(1) Policies for financial instruments

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

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

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

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

(3) Supplementary note regarding fair value of financial instruments

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

2. Fair value of financial instruments

The carrying value of financial instruments on the balance sheet, their fair value and the differences between them as of July 31, 2019 are as follows.

(Thousands of yen)

	Carrying value (Note 1)	Fair value (Note 1)	Difference
(1) Cash and deposits	9,806,155	9,806,155	—
(2) Cash and deposits in trust	7,794,604	7,794,604	—
(3) Current portion of long-term loans payable	(7,350,000)	(7,362,645)	12,645
(4) Investment corporation bonds	(11,000,000)	(11,189,615)	189,615
(5) Long-term loans payable	(105,180,000)	(106,464,244)	1,284,244
(6) Derivative transactions	—	—	—

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

(Thousands of yen)

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

(Note 1) Figures in parentheses indicate liabilities.

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

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

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

(3) Current portion of long-term loans payable and (5) Long-term loans payable

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

(4) 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.

(6) Derivative transactions

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

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

	18th Fiscal Period (As of July 31, 2019)	19th Fiscal Period (As of January 31, 2020)
(1) Tenant leasehold and security deposits	(28,595)	(29,015)
(2) Tenant leasehold and security deposits in trust	(2,517,824)	(2,541,118)

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

(3) Figures in parentheses indicate liabilities.

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

18th Fiscal Period (As of July 31, 2019)

	Due within 1 year or less
Deposits	9,806,155
Deposits in trust	7,794,604
Total	17,600,759

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

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

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

18th Fiscal Period (As of July 31, 2019)

	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	7,350,000	—	—	—	—	—
Long-term loans payable	—	13,225,000	16,600,000	15,960,000	12,380,000	47,015,000
Investment corporation bonds	—	3,000,000	1,000,000	—	2,000,000	5,000,000
Total	7,350,000	16,225,000	17,600,000	15,960,000	14,380,000	52,015,000

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

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

<Notes to investment securities>

18th Fiscal Period (As of July 31, 2019)

Not applicable

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

Not applicable

<Notes to derivative transactions>

1. Transactions not subject to hedge accounting

18th Fiscal Period (As of July 31, 2019)

Not applicable

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

Not applicable

2. Transactions subject to hedge accounting

18th Fiscal Period (As of July 31, 2019)

(Thousands of yen)

Hedge accounting method	Type of derivative transactions	Hedged items	Contract amount		Fair value	Calculation method for applicable fair value
				Maturing after 1 year		
Special treatment of interest-rate swap transactions	Receive floating, pay fixed interest-rate swap transactions	Long-term loans payable (*1)	54,670,000	50,970,000	(*)2	—
Total			54,670,000	50,970,000	—	—

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

(Thousands of yen)

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

*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 "(3) Current portion of long-term loans payable" and "(5) Long-term loans payable" in the section entitled "2. Fair value of financial instruments" under the "Notes to financial instruments."

<Notes to retirement benefits>

18th Fiscal Period (As of July 31, 2019)

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

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

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

<Notes to deferred tax accounting>

1. Components of deferred tax assets and liabilities

(Thousands of yen)

	18th Fiscal Period (As of July 31, 2019)	19th Fiscal Period (As of January 31, 2020)
Deferred tax assets		
Non deductible enterprise tax payable	453	450
Amortization of leasehold rights	20,745	23,709
Asset retirement obligations	33,761	33,971
Subtotal of deferred tax assets	54,960	58,131
Valuation allowance	(54,507)	(57,681)
Total deferred tax assets	453	450
Deferred tax liabilities		
Property, plant and equipment corresponding to asset retirement obligations	(4,351)	(4,040)
Total deferred tax liabilities	(4,351)	(4,040)
Deferred tax assets (liabilities), net	(3,898)	(3,589)

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

(%)

	18th Fiscal Period (As of July 31, 2019)	19th Fiscal Period (As of January 31, 2020)
Statutory tax rate	34.60	34.60
(Adjustments)		
Deductible cash distributions	(33.25)	(32.90)
Provision of reserve for reduction entry	(1.50)	(1.68)
Other	0.31	0.13
Effective tax rate	0.16	0.16

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

18th Fiscal Period (As of July 31, 2019)

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

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

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

<Notes to related-party transactions>

1. Parent company, major corporate unitholders and other

18th Fiscal Period (As of July 31, 2019)

Not applicable

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

Not applicable

2. Affiliated companies and other

18th Fiscal Period (As of July 31, 2019)

Not applicable

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

Not applicable

3. Fellow subsidiary companies and other

18th Fiscal Period (As of July 31, 2019)

Not applicable

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

Not applicable

4. Directors, major individual unitholders and other

18th Fiscal Period (As of July 31, 2019)

Not applicable

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

Not applicable

<Notes to asset retirement obligations>

1. Overview of asset retirement obligations

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

2. Calculation of the amount of asset retirement obligations

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

3. Changes in the total amount of asset retirement obligations

(Thousands of yen)

	18th Fiscal Period (From February 1, 2019 to July 31, 2019)	19th Fiscal Period (From August 1, 2019 to January 31, 2020)
Balance at beginning of period	96,972	97,576
Increase due to purchase of property, plant and equipment	—	—
Adjustment due to passage of time	604	608
Balance at end of period	97,576	98,184

<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)

	18th Fiscal Period (From February 1, 2019 to July 31, 2019)	19th Fiscal Period (From August 1, 2019 to January 31, 2020)
Book value		
Balance at beginning of period	205,972,290	225,905,543
Changes during period	19,933,252	5,858
Balance at end of period	225,905,543	225,911,402
Fair value at end of period	272,485,000	279,308,000

(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 18th Fiscal Period, the principal increase consisted of the acquisition of 10 properties (COMFORIA SHIBUYA WEST and other 9 properties: ¥21,735,797 thousand), while the principal decrease consisted of the disposition of a property (COMFORIA KITAHORIE: ¥1,017,869 thousand) and depreciation of ¥1,287,661 thousand. During the 19th Fiscal Period, the principal increase consisted of the acquisition of a property (COMFORIA GINZA EAST NIBANKAN: ¥2,520,269 thousand), while the principal decrease consisted of the disposition of a property (COMFORIA SHINSAKAE: ¥1,636,630 thousand) and depreciation of ¥1,295,675 thousand.

(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 18th Fiscal Period (From February 1, 2019 to July 31, 2019) and 19th Fiscal Period (From August 1, 2019 to January 31, 2020) are listed in "Notes to the Statements of Income."

<Notes to segment information>

(Segment information)

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

(Related information)

18th Fiscal Period (From February 1, 2019 to July 31, 2019)

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

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

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

<Notes to per unit information>

	18th Fiscal Period (From February 1, 2019 to July 31, 2019)	19th Fiscal Period (From August 1, 2019 to January 31, 2020)
Net assets per unit	¥184,023	¥184,403
Profit per unit	¥5,383	¥5,559

(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:

	18th Fiscal Period (From February 1, 2019 to July 31, 2019)	19th Fiscal Period (From August 1, 2019 to January 31, 2020)
Profit (thousands of yen)	3,448,336	3,562,889
Amount not attributable to common unitholders (thousands of yen)	—	—
Profit attributable to common investment units (thousands of yen)	3,448,336	3,562,889
Average number of investment units for the period (units)	640,564	640,834

<Note to significant subsequent events>

Issuance of New Investment Units

The Investment Corporation resolved at the Board of Directors' meetings held on January 7, 2020 and January 15, 2020 concerning the issuance of new investment units as described below. Based on the resolution, payments completed on February 3, 2020 for the new investment units issued through public offering and on February 19, 2020 for the new investment units offered by way of third-party allotment, respectively. As a result, unitholders' capital increased to ¥123,947,208,062, with the number of investment units issued and outstanding at 671,624 units.

Issuance of New Investment Units through Public Offering (Primary Offering)

Number of investment units issued:	29,330 units
Issue price:	¥332,328 per unit
Total issue amount:	¥9,747,180,240
Paid-in amount (issue value):	¥321,591 per unit
Total paid-in amount (issue value):	¥9,432,264,030
Payment date:	February 3, 2020

Issuance of New Investment Units Offered by Way of Third-Party Allotment

Number of investment units offered:	1,460 units
Paid-in amount (issue value):	¥321,591 per unit
Total paid-in amount (issue value):	¥469,522,860
Payment date:	February 19, 2020
Allottee:	Mizuho Securities Co., Ltd.

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 January 31, 2020 is as follows.

(Thousands of yen)

Classification	Type	Contract amount <small>(Note 1)</small>		Fair value <small>(Note 2)</small>
			Maturing after 1 year	
Over-the-counter transactions	Receive floating, pay fixed interest-rate swap transactions	54,670,000	45,470,000	—
Total		54,670,000	45,470,000	—

(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 accumulated amortization at end of current period	Depreciation or amortization during period	Net balance at end of current period	Remarks
Property, plant and equipment	Buildings	1,874,351	989	—	1,875,340	127,013	20,416	1,748,327	
	Structures	22,374	—	—	22,374	4,610	697	17,763	
	Machinery and equipment	17,687	—	—	17,687	2,010	274	15,677	
	Tools, furniture and fixtures	3,062	117	—	3,179	1,403	249	1,775	
	Land	4,243,040	—	—	4,243,040	—	—	4,243,040	
	Buildings in trust	99,589,884	696,634	1,017,861	99,268,657	12,770,889	1,172,911	86,497,767	(Note)
	Structures in trust	1,262,516	522	18,668	1,244,370	374,764	31,861	869,606	(Note)
	Machinery and equipment in trust	1,628,309	—	55,568	1,572,740	322,400	28,776	1,250,340	(Note)
	Tools, furniture and fixtures in trust	385,914	39,759	489	425,184	173,630	31,923	251,554	
	Land in trust	128,350,042	2,200,140	692,379	129,857,804	—	—	129,857,804	(Note)
Total		237,377,183	2,938,164	1,784,967	238,530,380	13,776,723	1,287,110	224,753,657	
Intangible assets	Leasehold rights in trust	1,226,269	—	—	1,226,269	68,524	8,565	1,157,744	
	Other	35,496	—	—	35,496	24,928	3,549	10,568	
	Total	1,261,765	—	—	1,261,765	93,452	12,115	1,168,313	

(Note) Increases and decreases during the 19th 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 GINZA EAST NIBANKAN	2,520,269	—
COMFORIA SHINSAKAE	—	1,636,630

(iv) Supplementary schedule of other specified assets
Not applicable

(iv) 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 <small>(Note 1)</small>	July 30, 2014	3,000,000	—	—	3,000,000	0.64000	July 30, 2021	<small>(Note 2)</small>	Unsecured
The Investment Corporation 2nd unsecured bonds <small>(Note 1)</small>	July 18, 2017	1,000,000	—	—	1,000,000	0.23000	July 15, 2022	<small>(Note 2)</small>	Unsecured
The Investment Corporation 3rd unsecured bonds <small>(Note 1)</small>	July 18, 2017	2,000,000	—	—	2,000,000	0.52000	July 16, 2027	<small>(Note 2)</small>	Unsecured
The Investment Corporation 4th unsecured bonds <small>(Note 1)</small>	June 14, 2018	1,000,000	—	—	1,000,000	0.23000	December 14, 2023	<small>(Note 2)</small>	Unsecured
The Investment Corporation 5th unsecured bonds <small>(Note 1)</small>	June 14, 2018	1,500,000	—	—	1,500,000	0.95000	June 14, 2033	<small>(Note 2)</small>	Unsecured
The Investment Corporation 6th unsecured bonds <small>(Note 1)</small>	July 18, 2019	1,000,000	—	—	1,000,000	0.23000	July 18, 2024	<small>(Note 2)</small>	Unsecured
The Investment Corporation 7th unsecured bonds <small>(Note 1)</small>	July 18, 2019	1,500,000	—	—	1,500,000	0.90000	July 18, 2034	<small>(Note 2)</small>	Unsecured
Total		11,000,000	—	—	11,000,000				

(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
—	3,000,000	1,000,000	1,000,000	1,000,000	5,000,000

(vi) Supplementary schedule of borrowings

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

Classification	Balance at beginning of current period (thousands of yen)	Increase during period (thousands of yen)	Decrease during period (thousands of yen)	Balance at end of current period (thousands of yen)	Average interest rate (%) (Note 2)	Maturity date	Repayment method	Use of funds	Remarks
Lender									
Development Bank of Japan Inc.	1,350,000	-	1,350,000	-	0.90487	September 30, 2019	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
MUFG Bank, Ltd.	2,000,000	-	-	2,000,000					
Development Bank of Japan Inc.	1,000,000	-	-	1,000,000	0.88240	January 31, 2021	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
Mizuho Bank, Ltd.	1,000,000	-	-	1,000,000					
Sumitomo Mitsui Trust Bank, Limited	1,000,000	-	-	1,000,000					
Sumitomo Mitsui Banking Corporation	500,000	-	-	500,000					
MUFG Bank, Ltd.	1,340,000	-	-	1,340,000	0.60150	June 30, 2020	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
Development Bank of Japan Inc.	670,000	-	-	670,000					
Mizuho Bank, Ltd.	670,000	-	-	670,000					
Sumitomo Mitsui Trust Bank, Limited	670,000	-	-	670,000					
Sumitomo Mitsui Banking Corporation	350,000	-	-	350,000					
MUFG Bank, Ltd.	1,820,000	-	-	1,820,000	0.90100	June 30, 2022	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
Development Bank of Japan Inc.	910,000	-	-	910,000					
Mizuho Bank, Ltd.	910,000	-	-	910,000					
Sumitomo Mitsui Trust Bank, Limited	910,000	-	-	910,000					
Sumitomo Mitsui Banking Corporation	450,000	-	-	450,000					
MUFG Bank, Ltd.	1,200,000	-	-	1,200,000	0.69250	January 31, 2022	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
Development Bank of Japan Inc.	600,000	-	-	600,000					
Mizuho Bank, Ltd.	600,000	-	-	600,000					
Sumitomo Mitsui Trust Bank, Limited	600,000	-	-	600,000					
Sumitomo Mitsui Banking Corporation	300,000	-	-	300,000					
MUFG Bank, Ltd.	1,240,000	-	-	1,240,000	0.79875	January 31, 2023	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
Development Bank of Japan Inc.	620,000	-	-	620,000					
Mizuho Bank, Ltd.	620,000	-	-	620,000					
Sumitomo Mitsui Trust Bank, Limited	620,000	-	-	620,000					
Sumitomo Mitsui Banking Corporation	310,000	-	-	310,000					
MUFG Bank, Ltd.	1,240,000	-	-	1,240,000	1.04200	January 31, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
Development Bank of Japan Inc.	620,000	-	-	620,000					
Mizuho Bank, Ltd.	620,000	-	-	620,000					
Sumitomo Mitsui Trust Bank, Limited	620,000	-	-	620,000					
Sumitomo Mitsui Banking Corporation	310,000	-	-	310,000					
MUFG Bank, Ltd.	720,000	-	-	720,000	0.58430	March 31, 2023	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
Development Bank of Japan Inc.	360,000	-	-	360,000					
Mizuho Bank, Ltd.	360,000	-	-	360,000					
Sumitomo Mitsui Trust Bank, Limited	360,000	-	-	360,000					
Sumitomo Mitsui Banking Corporation	200,000	-	-	200,000					
MUFG Bank, Ltd.	840,000	-	-	840,000	0.62460	August 31, 2023	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
Development Bank of Japan Inc.	420,000	-	-	420,000					
Mizuho Bank, Ltd.	420,000	-	-	420,000					
Sumitomo Mitsui Trust Bank, Limited	420,000	-	-	420,000					
Sumitomo Mitsui Banking Corporation	230,000	-	-	230,000					
MUFG Bank, Ltd.	980,000	-	-	980,000	0.67745	February 29, 2024	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
Development Bank of Japan Inc.	490,000	-	-	490,000					
Mizuho Bank, Ltd.	490,000	-	-	490,000					
Sumitomo Mitsui Trust Bank, Limited	490,000	-	-	490,000					
Sumitomo Mitsui Banking Corporation	220,000	-	-	220,000					

Classification	Balance at beginning of current period (thousands of yen)	Increase during period (thousands of yen)	Decrease during period (thousands of yen)	Balance at end of current period (thousands of yen)	Average interest rate (%) (Note 2)	Maturity date	Repayment method	Use of funds	Remarks
Lender									
Development Bank of Japan Inc.	1,570,000	-	-	1,570,000	0.27125	March 31, 2021	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
MUFG Bank, Ltd.	1,570,000	-	-	1,570,000					
Kiraboshi Bank, Ltd.	1,000,000	-	-	1,000,000					
Sumitomo Mitsui Trust Bank, Limited	785,000	-	-	785,000					
Development Bank of Japan Inc.	2,000,000	-	-	2,000,000	0.61950	March 31, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
MUFG Bank, Ltd.	2,000,000	-	-	2,000,000					
Sumitomo Mitsui Trust Bank, Limited	1,000,000	-	-	1,000,000					
MUFG Bank, Ltd.	1,160,000	-	-	1,160,000	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					
The Daiichi Bank, Ltd.	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					

	Classification	Balance at beginning of current period (thousands of yen)	Increase during period (thousands of yen)	Decrease during period (thousands of yen)	Balance at end of current period (thousands of yen)	Average interest rate (%) (Note 2)	Maturity date	Repayment method	Use of funds	Remarks
	Lender									
Long-term loans payable (Note 1)	MUFG Bank, Ltd.	1,040,000	-	-	1,040,000	0.65428	January 31, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.	520,000	-	-	520,000					
	Mizuho Bank, Ltd.	520,000	-	-	520,000					
	Sumitomo Mitsui Trust Bank, Limited	520,000	-	-	520,000					
	Sumitomo Mitsui Banking Corporation	260,000	-	-	260,000					
	Shinkin Central Bank	1,300,000	-	-	1,300,000	0.45804	March 31, 2023	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	The Norinchukin Bank	1,300,000	-	-	1,300,000					
	The Bank of Fukuoka, Ltd.	1,300,000	-	-	1,300,000					
	Mizuho Trust & Banking Co., Ltd.	1,000,000	-	-	1,000,000					
	MUFG Bank, Ltd.	2,700,000	-	-	2,700,000					
	Mizuho Bank, Ltd.	1,350,000	-	-	1,350,000	0.62188	March 31, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Banking Corporation	600,000	-	-	600,000					
	Nippon Life Insurance Company	500,000	-	-	500,000					
	Taiyo Life Insurance Company	500,000	-	-	500,000	0.55126	January 31, 2024	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Resona Bank, Ltd.	1,000,000	-	-	1,000,000					
	Mizuho Bank, Ltd.	550,000	-	-	550,000	0.73497	August 31, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	550,000	-	-	550,000					
	Development Bank of Japan Inc.	550,000	-	-	550,000					
	MUFG Bank, Ltd.	275,000	-	-	275,000					
	Sumitomo Mitsui Banking Corporation	275,000	-	-	275,000					
	MUFG Bank, Ltd.	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					
	Development Bank of Japan Inc.	550,000	-	-	550,000					
	MUFG Bank, Ltd.	275,000	-	-	275,000					
	MUFG Bank, Ltd.	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					
	Development Bank of Japan Inc.	550,000	-	-	550,000					
	Sumitomo Mitsui Banking Corporation	300,000	-	-	300,000					
	MUFG Bank, Ltd.	670,000	-	-	670,000	0.39950	January 31, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	670,000	-	-	670,000					
	Sumitomo Mitsui Trust Bank, Limited	670,000	-	-	670,000					
	Sumitomo Mitsui Banking Corporation	320,000	-	-	320,000					
	Development Bank of Japan Inc.	670,000	-	-	670,000					
	Mizuho Bank, Ltd.	700,000	-	-	700,000	0.49994	January 31, 2025	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					
	MUFG Bank, Ltd.	800,000	-	-	800,000	0.54500	September 30, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	800,000	-	-	800,000					
	Sumitomo Mitsui Trust Bank, Limited	800,000	-	-	800,000					
	Sumitomo Mitsui Banking Corporation	400,000	-	-	400,000					
	Development Bank of Japan Inc.	700,000	-	-	700,000					
	MUFG Bank, Ltd.	800,000	-	-	800,000	0.57826	September 30, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	800,000	-	-	800,000					
	Sumitomo Mitsui Trust Bank, Limited	800,000	-	-	800,000					
	Sumitomo Mitsui Banking Corporation	400,000	-	-	400,000					
	Development Bank of Japan Inc.	700,000	-	-	700,000					
	MUFG Bank, Ltd.	800,000	-	-	800,000	0.20693	September 30, 2020	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	800,000	-	-	800,000					
	Sumitomo Mitsui Trust Bank, Limited	800,000	-	-	800,000					
	Sumitomo Mitsui Banking Corporation	400,000	-	-	400,000					
	Development Bank of Japan Inc.	700,000	-	-	700,000					

	Classification	Balance at beginning of current period (thousands of yen)	Increase during period (thousands of yen)	Decrease during period (thousands of yen)	Balance at end of current period (thousands of yen)	Average interest rate (%) (Note 2)	Maturity date	Repayment method	Use of funds	Remarks
	Lender									
Long-term loans payable (Note 1)	MUFG Bank, Ltd.	800,000	-	-	800,000	0.25193	March 31, 2022	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	800,000	-	-	800,000					
	Sumitomo Mitsui Trust Bank, Limited	800,000	-	-	800,000					
	Sumitomo Mitsui Banking Corporation	400,000	-	-	400,000					
	MUFG Bank, Ltd.	1,000,000	-	-	1,000,000					
	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					
	Sumitomo Mitsui Banking Corporation	500,000	-	-	500,000					
	MUFG Bank, Ltd.	970,000	-	-	970,000					
	Mizuho Bank, Ltd.	970,000	-	-	970,000					
	Sumitomo Mitsui Trust Bank, Limited	970,000	-	-	970,000	0.60810	September 30, 2027	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Banking Corporation	485,000	-	-	485,000					
	Mizuho Trust & Banking Co., Ltd.	525,000	-	-	525,000					
	The Norinchukin Bank	525,000	-	-	525,000					
	The Bank of Fukuoka, Ltd.	525,000	-	-	525,000					
	Shinkin Central Bank	525,000	-	-	525,000	0.42850	March 31, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Trust & Banking Co., Ltd.	2,300,000	-	-	2,300,000					
	Development Bank of Japan Inc.	-	1,350,000	-	1,350,000					
	Subtotal	112,530,000	1,350,000	1,350,000	112,530,000	-	-	-	-	-
	Total	112,530,000	1,350,000	1,350,000	112,530,000	-	-	-	-	-

(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 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
14,300,000	13,725,000	14,360,000	15,920,000	15,130,000	39,095,000



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Independent Auditor's Report

The Board of Directors
Comforia Residential REIT, Inc

We have audited the accompanying financial statements of Comforia Residential REIT, Inc which comprise the balance sheet as at January 31, 2020, and the statements of income, changes in unitholders' equity, cash distributions and cash flows for the six-month period then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility 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 designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. The purpose of an audit of the financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Comforia Residential REIT, Inc as at January 31, 2020, and its financial performance and cash flows for the six-month period then ended in conformity with accounting principles generally accepted in Japan.

Ernst & Young ShinNihon LLC

April 22, 2020
Tokyo, Japan