COMFORIA RESIDENTIAL REIT

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Semi-Annual Report for the 17th Fiscal Period

From August 1, 2018 to January 31, 2019

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.

Greetings

Comforia Residential REIT, Inc
Takehiro Izawa
Executive Director (center)
Yoshihiro Kataoka
Supervisory Director (left)
Koji Yamamoto
Supervisory Director (right)

We are pleased to inform you that Comforia Residential REIT, Inc (the "Investment Corporation") successfully closed all accounts for the 17th Fiscal Period (from August 1, 2018 to January 31, 2019). 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 17th Fiscal Period.

During the 17th Fiscal Period, we additionally acquired GRANCREER CENTER-MINAMI through borrowings as the first home for the elderly to be acquired by the Investment Corporation. Subsequently, we sold one property (COMFORIA MINAMIAOYAMA DEUX) in November 2018 in an effort to improve the quality of our portfolio through selling the small-scale asset.

As a result, our portfolio as of the end of the 17th Fiscal Period stood at 117 properties, with a total acquisition price of ¥206.0 billion. The average occupancy rate for the 17th Fiscal Period remained high at 96.6%. The Investment Corporation had ¥8,128 million in operating revenue, ¥3,702 million in operating profit, and ¥3,172 million in profit, all of which exceeded our forecasts, resulting in a distribution per unit (DPU) of ¥5,180. Furthermore, after the end of the 17th Fiscal Period, we also acquired nine properties in Tokyo 23 wards in February 2019 through a public offering for the sixth consecutive year since listing, as well as borrowings. In addition, we acquired one rental residence in March 2019 using borrowings. The result is an asset size of 127 properties with a total acquisition price of ¥226.9 billion (as of April 5, 2019). 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 the 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.

Financial Highlights

Operating revenue	¥ **8,128** million	Number of properties	**117** properties
Operating profit	¥ **3,702** million	Acquisition price	¥ **206.0** billion
Profit	¥ **3,172** million	Appraisal value	¥ **244.9** billion
Distribution per unit (DPU)	¥ **5,180**	Occupancy rate at the 17th Fiscal Period-end	**96.4** %
Total loan to value (LTV)	**51.8** %	Average occupancy rate	**96.6** %

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Selective Investments through Diversified Property Acquisition Channels

During the 17th Fiscal Period, the Investment Corporation acquired one property in September 2018 and sold one property in November 2018. After entering the 18th Fiscal Period, the Investment Corporation implemented public offering in February 2019 and acquired nine properties with funds procured through the public offering as well as borrowings. Furthermore, it acquired one property in March 2019 with 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 April 5, 2019)

Historical asset size

	Listed (Feb. 6, 2013)	"End of 6th Fiscal Period" (Ended Jul. 2013)	"End of 7th Fiscal Period" (Ended Jan. 2014)	"End of 8th Fiscal Period" (Ended Jul. 2014)	"End of 9th Fiscal Period" (Ended Jan. 2015)	"End of 10th Fiscal Period" (Ended Jul. 2015)	"End of 11th Fiscal Period" (Ended Jan. 2016)	"End of 12th Fiscal Period" (Ended Jul. 2016)	"End of 13th Fiscal Period" (Ended Jan. 2017)	"End of 14th Fiscal Period" (Ended Jul. 2017)	"End of 15th Fiscal Period" (Ended Jan. 2018)	"End of 16th Fiscal Period" (Ended Jul. 2018)	"End of 17th Fiscal Period" (Ended Jan. 2019)	April 2019	Future strategy
Distribution per unit (DPU) (Note 1)	—	¥4,051	¥4,203	¥4,268	¥4,296	¥4,403	¥4,339	¥4,487	¥4,549	¥4,681	¥4,788	¥4,985	¥5,180	Aim to improve DPU (ongoing basis)	
Occupancy rate at end of period	—	95.9%	96.2%	94.8%	95.2%	95.5%	96.2%	96.3%	96.5%	96.1%	96.7%	96.6%	96.4%	Consistently stable occupancy rate	

(Note 1) Since a four-for-one split of investment units was carried out effective August 1, 2014, the figures for DPU prior to the split are divided by four and rounded off to the nearest whole number.

(Note 2) Ratio of Tokyo 23 wards denotes ratio among rental residences.

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.

17th Fiscal Period	18th Fiscal Period (up to April 5, 2019)	
Acquisition from sponsor group	Acquisition from sponsor group	Acquisition through original route of the Asset Management Company
1 property	9 properties	1 property
¥4,150 million	¥18,650 million	¥2,220 million

Ratio of Acquired Assets by Seller
(As of April 5, 2019)

Property Development by Tokyu Land Corporation (As of March 15, 2019)

There is a pipeline of 25 properties containing 2,567 units located primarily within Tokyo 23 wards.

Properties developed by TLC ● Rental residence ● Operational rental residence (no specific plans for acquisition by the Investment Corporation)

External Growth Strategy

During the 17th Fiscal Period, the Investment Corporation acquired GRANCREER CENTER-MINAMI from the sponsor as the first home for the elderly to be acquired by the Investment Corporation, and sold one of the properties. During the 18th Fiscal Period, the Investment Corporation acquired nine 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 2019.

End of 16th FP	End of 17th FP	April 5, 2019
117 properties	117 properties	127 properties / ¥226.9 billion
¥202.1 billion	¥206.0 billion	

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

Property Acquired in 17th Fiscal Period

122 GRANCREER CENTER-MINAMI — Tokyo metropolitan area

Sponsor developed

Address	40-3 Chigasaki Chuo, Tsuzuki-ku, Yokohama-shi, Kanagawa
Nearest station/ Distance (on foot)	3-minute walk from Center-Minami Station on the Yokohama Municipal Subway Blue Line and 1 other line
Ownership	Ownership
Completion date	August 2009
Residential units/ Rentable units	124 rooms/10 units
Acquisition date	September 25, 2018
Acquisition price	¥4,150 million
Appraisal NOI yield	4.8% (as of August 1, 2018)

Properties Acquired in 18th Fiscal Period (Through public offering)

125 COMFORIA SHIBUYA WEST — Sub-central Tokyo

Sponsor developed

Address	4-4-5 Aobadai, Meguro-ku, Tokyo
Nearest station/ Distance (on foot)	10-minute walk from Shibuya Station on the JR Yamanote Line, Tokyu Toyoko Line, Den-en-toshi Line, and four other lines 6-minute walk from Shinsen Station on the Keio Inokashira Line
Ownership	Ownership
Completion date	October 2015
Rentable units	124 units
Acquisition date	February 1, 2019
Acquisition price	¥5,397 million
Appraisal NOI yield	4.3% (as of October 31, 2018)

123 COMFORIA KINSHICHO DEUX — Sub-central Tokyo

Sponsor developed

Address	2-10-20 Mori, Koto-ku, Tokyo
Nearest station/ Distance (on foot)	5-minute walk from Kinshicho Station on the Tokyo Metro Hanzomon Line and JR Sobu Line 5-minute walk from Sumiyoshi Station on the Tokyo Metro Hanzo-mon Line and Toei Shinjuku Line
Ownership	Ownership
Completion date	May 2016
Rentable units	96 units
Acquisition date	February 1, 2019
Acquisition price	¥2,213 million
Appraisal NOI yield	4.4% (as of October 31, 2018)

124 COMFORIA KAMEIDO SOUTH — Sub-central Tokyo

Sponsor developed

Address	6-25-5 Kameido, Koto-ku, Tokyo
Nearest station/ Distance (on foot)	3-minute walk from Kameido Station on the JR Chuo Sobu Local Line and Tobu Kameido Line
Ownership	Ownership
Completion date	January 2018
Rentable units	57 units
Acquisition date	February 1, 2019
Acquisition price	¥2,050 million
Appraisal NOI yield	4.4% (as of October 31, 2018)

126 COMFORIA HIGASHINIHONBASHI — Central Tokyo

Warehousing

Address	3-6-4 Higashi-Nihonbashi, Chuo-ku, Tokyo
Nearest station/ Distance (on foot)	4-minute walk from Higashi-nihon-bashi Station on the Toei Asakusa Line 2-minute walk from Bakuro-yokoyama Station on the Toei Shinjuku Line
Ownership	Ownership
Completion date	September 2006
Rentable units	45 units
Acquisition date	March 20, 2019
Acquisition price	¥1,194 million
Appraisal NOI yield	4.5% (as of October 31, 2018)

127 COMFORIA ASAKUSAKOMAGATA — Sub-central Tokyo

Warehousing

Address	2-4-7 Komagata, Taito-ku, Tokyo
Nearest station/ Distance (on foot)	2-minute walk from Kuramae Station on the Toei Oedo Line/ Asakusa Line 5-minute walk from Asakusa Station on the Tokyo Metro Ginza Line
Ownership	Ownership
Completion date	August 2006
Rentable units	48 units
Acquisition date	March 20, 2019
Acquisition price	¥1,254 million
Appraisal NOI yield	4.6% (as of October 31, 2018)

128 COMFORIA OOMORIKASHIMA — Sub-central Tokyo

Warehousing

Address	6-20-10 Oi, Shinagawa-ku, Tokyo
Nearest station/ Distance (on foot)	8-minute walk from Omori Station on the JR Keihin-Tohoku Line
Ownership	Ownership
Completion date	May 2007
Rentable units	33 units
Acquisition date	March 20, 2019
Acquisition price	¥864 million
Appraisal NOI yield	4.6% (as of October 31, 2018)

129 COMFORIA OOMORIMACHI — Sub-central Tokyo

Warehousing

Address	4-11-5 Ohmori-nishi, Ota-ku, Tokyo
Nearest station/ Distance (on foot)	9-minute walk from Omorimachi Station on the Keikyu Line
Ownership	Ownership
Completion date	February 2007
Rentable units	45 units
Acquisition date	March 20, 2019
Acquisition price	¥1,096 million
Appraisal NOI yield	4.6% (as of October 31, 2018)

130 COMFORIA KAMIIKEDAI — Sub-central Tokyo

Warehousing

Address	5-7-22 Kamiikedai, Ota-ku, Tokyo
Nearest station/ Distance (on foot)	13-minute walk from Magome Station on the Toei Asakusa Line 13-minute walk from Nagahara Station on the Tokyu Ikegami Line
Ownership	Ownership
Completion date	February 2006
Rentable units	43 units
Acquisition date	March 20, 2019
Acquisition price	¥1,842 million
Appraisal NOI yield	4.8% (as of October 31, 2018)

131 CAMPUS VILLAGE SHIINAMACHI — Sub-central Tokyo

Sponsor developed

Address	3-2-19, Nagasaki, Toshima-ku, Tokyo
Nearest station/ Distance (on foot)	7-minute walk from Higashi-nagasaki Station on the Seibu Ikebukuro Line 9-minute walk from Shiinamachi Station on the Seibu Ikebukuro Line
Ownership	Ownership
Completion date	January 2018
Rentable units	167 units
Acquisition date	April 5, 2019
Acquisition price	¥2,740 million
Appraisal NOI yield	4.5% (as of October 31, 2018)

Acquired in the 18th Fiscal Period

132 COMFORIA TAMA-PLAZA — Tokyo metropolitan area

Original Route

Address	2-12-1 Utsukushigaoka, Aoba-ku, Yokohama-shi, Kanagawa
Nearest station/ Distance (on foot)	7-minute walk from Tama-Plaza Station on the Tokyu Den-en-toshi Line
Ownership	Ownership
Completion date	March 2005
Rentable units	73 units
Acquisition date	March 20, 2019
Acquisition price	¥2,220 million
Appraisal NOI yield	4.5% (as of January 31, 2019)

Property sold during the 17th FP

19 COMFORIA MINAMIAOYAMA DEUX — Central Tokyo

Address	4-2-1 Minamiaoyama, Minato-ku, Tokyo
Sale price	¥540 million
Book value	¥255 million
Completion date	February 2003
Rentable units	6 units

Investment Ratio by Area

	End of 16th FP	End of 17th FP	After Public Offering and Acquisition of New Properties (April 2019)
Central Tokyo	42.9%	42.0%	38.6%
Sub-central Tokyo	48.1%	47.2%	50.5%
Tokyo Metropolitan area	1.6%	3.6%	4.3%
Other major cities	7.4%	7.3%	6.6%
Ratio of Tokyo 23 wards (Rental Residence)	90.9%	90.9%	90.6%

External Growth Strategy

The Investment Corporation will promote continuous external growth by utilizing various growth drivers while keeping focusing on the sponsor pipeline.

Diversification of External Growth Opportunities through Investment in Operational Rental Residences Utilizing the Sponsor Groups

Student Apartment

In April 2019, the Investment Corporation acquired a student apartment operated by National Students Information Center, a company under Tokyu Fudosan Holdings Group.

Nasic ナジック 学生情報センター
National Students Information Center Co., Ltd.
- Established: 1988
- Business: Student apartments, student support, and support for social contribution activities
- Operation: 964 facilities/43,271 units (as of October 2018)

CAMPUS VILLAGE SHIINAMACHI

Location	Toshima-ku, Tokyo
Nearest station	7-minute walk from Higashi-nagasaki Station on the Seibu Ikebukuro Line
Appraisal NOI yield	4.5% (as of October 31, 2018)
Rentable units	167 units
Completion date	January 2018
Expiration of the contract (planned)	March 2028 (Rent revision is not allowed until December 2022)

Stable trend in the number of students

The number of students has remained stable due to an increase in the percentage of students entering universities, graduate schools and junior colleges and an increase in the number of foreign students. Stable rental demand for student apartments is expected.

(Source) For the number of students, compiled by the Asset Management Company from "School Basic Survey" by the Ministry of Education, Culture, Sports, Science and Technology. For the number of foreign students, compiled by the Asset Management Company from "Survey on the Presence of Foreign Students" by Japan Student Services Organization.

Senior Residence

In September 2018, the Investment Corporation acquired a senior residence operated by Tokyu E-Life Design Inc., a group company of Tokyu Fudosan Holdings Group.

東急イーライフデザイン
TOKYU E-LIFE DESIGN Inc.
- Established: 2003
- Business: Management, Operation, Commissioned Management, Consulting, etc. for housing for elderly and fee-based nursing home
- Operation: 18 facilities/1,488 rooms (as of April 2019)

GRANCREER CENTER-MINAMI

Location	Tsuzuki-ku, Yokohama-shi, Kanagawa
Nearest station	3-minute walk from Center-minami Station on the Yokohama Municipal Subway Blue Line
Appraisal NOI yield	4.8% (as of August 1, 2018)
Residential units/Rentable units	124 rooms/10 units
Completion date	August 2009
Expiration of the contract (planned)	September 2038 (Rent revision is not allowed until September 2028)

Increase in the senior generation (65 or older)

The number of senior generations (65 years old or older) is expected to increase further in the future.
Therefore the demand for senior residence is expected to increase.

(Source) For the number from 2000 to 2015, compiled by the Asset Management Company from "Demographic Statistics" by the Ministry of Internal Affairs and Communications. For the number after 2020, compiled by the Asset Management Company from "Projected population of Japan by Region (Estimated in 2018)" by National Institute of Population and Social Security Research.

Promote Acquisition of "Operational Rental Residence" as a Driver for Further External Growth

Invest in "Operational Rental Residence" in areas with high demand other than Tokyo 23 wards

Asset Type	Investment Target	Investment Ratio (acquisition price base)	As of April 5, 2019	
			Number of Properties/Acquisition Price	Investment Ratio (acquisition price base)
Residential Property	Rental Residence	80%~100%	123 properties/¥217.9 billion	96.0%
	Operational Rental Residence	0%~20%	4 properties/¥9.0 billion	4.0%

Improving the Portfolio Quality through Promotion of Asset Replacement and Securing Internal Reserves from Gain on Sale

Several assets were replaced in 16th FP (ended Jul. 2018) and 17th FP (ended Jan. 2019)

Acquired Assets

COMFORIA SHINJUKU
Shinjuku-ku, Tokyo
0.0 years

COLLEGE SQUARE HACHIMANYAMA
Setagaya-ku, Tokyo
3.2 years

GRANCREER CENTER-MINAMI
Yokohama-shi, Kanagawa
9.2 years

COMFORIA RYOGOKU TROIS and 2 other properties

Tokyo 23 wards Relatively new property [Acquisition]
Mutual acquisition and sale
[Sale] Tokyo metropolitan area

Tokyo 23 wards Relatively new property [Acquisition]
Replacement
[Sale] Tokyo metropolitan area

Tokyo metropolitan area [Acquisition]
Replacement
[Sale] Tokyo 23 wards

Sold Assets

COMFORIA YOKOHAMAKANNAI
Yokohama-shi, Kanagawa
8.7 years

COMFORIA KOMAE
Komae-shi, Tokyo
28.2 years

COMFORIA MINAMIAOYAMA DEUX
Minato-ku, Tokyo
15.7 years

Intention to Sell/ Effect of Replacement

- Avoiding a risk of decline in market competitiveness
- Increase in Tokyo 23 wards ratio
- Decline in the average building age
- Gain on sale ¥218 million
- Secure internal reserves

▼

Replacing assets with well-located and relatively new properties through original route

- Avoiding risk of increase in repairs and maintenance fees
- Increase in Tokyo 23 wards ratio
- Decline in the average building age
- Gain on sale ¥156 million
- Secure internal reserves

▼

Improving portfolio quality through sale of old property

- Sale of small asset
- Earnings stabilization
- Operational Efficiency
- Gain on sale ¥259 million
- Secure internal reserves

▼

Sold at a price 30% above the appraisal value

(Note) The building ages of the above properties are at the time of acquisition or sale.

Effect of Asset Replacement

- ¥434 million of the total gain on sale of ¥634 million has been set aside as reserve for reduction entry
- Internal reserves secured through well-planned asset replacement will be allocated to temporary increases in expenses for future large-scale repair works, etc., thereby stabilizing distribution level

Total Gain on Sale through Asset Replacement	Internal Reserves through Asset Replacement
¥634 million	¥434 million

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 properties developed by sponsors and to use its Asset Management Company's original property acquisition channels to selectively invest in high-quality properties.

Tokyo 23 Wards

Investment Area (Rental Residence)
(As of the end of 17th FP)

Near Stations

Average Minutes on Foot from Nearest Stations
(Rental Residence) (As of the end of 17th FP)

Achieved top-class rent increase among residential J-REITs

Rent change on tenant turnover
the highest ever **+5.7**% (17th FP)

Average rent per tsubo
the highest-ever level **+0.7**% (17th FP)

Top-class rent increase among residential J-REITs enabled by the Investment Corporation's location strategy

The Investment Corporation has realized record-high rent increase for six consecutive fiscal periods. In Tokyo 23 wards, there is an inflow of many young people every year while supply of rental residences is limited, as shown in the next page. Against the backdrop of this supply and demand environment, occupancy rate remains stable at a high rate and rent has been strongly increasing in recent years. The Investment Corporation has invested under the policy of "selective investments in high-quality properties mainly in Tokyo 23 wards," especially focusing on highly convenient properties near stations. We believe that such location strategy of the Investment Corporation enables top-class rent increases among residential J-REITs under the favorable rental residence market, by building its portfolio centered on properties that are "in Tokyo 23 wards" and "near stations."

Hiroyoshi Akiyama
Manager
Comforia Management Division
Asset Management Department
TLC REIT Management Inc.
Hobby: Field hockey

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 Asset Management Company from "statistics on residence starts" by the Ministry of Land, Infrastructure, Transport and Tourism

Enhancement of Corporate Welfare Programs and Increase in Corporate Contracts

Both the percentage of companies offering housing allowance of ¥60,000 or more per month and the amount of average payment have increased. Also, an increase in the ratio of corporate lessee has been seen in rental residences owned by the Investment Corporation.

Housing Allowance Paid to Single-Person Households

	2013	2016
¥60,000 or more	1.3%	9.0%
¥50,000~¥60,000	2.6%	1.5%
¥40,000~¥50,000	7.9%	10.4%
¥30,000~¥40,000	6.6%	10.5%
¥20,000~¥30,000	21.1%	16.4%
¥10,000~¥20,000	35.6%	28.4%
Less than ¥10,000	25.0%	23.9%
Average	¥18,271	¥22,210

Approx. 7 times

+21.6%

Lessee Type of Rental Residences Owned by the Investment Corporation

(Source) Compiled by the Asset Management Company based on "Rosei Jiho" (No. 3946 (Feb. 23, 2018) and No. 3883 (Feb. 27, 2015)), published by Roumugyousei Co., Ltd.

Occupancy Rates

The average occupancy rate for the 17th Fiscal Period remained high at 96.6%.

Rent Change Upon Tenant Turnover (Total Portfolio)

The rate of rent change upon tenant turnover for the 17th Fiscal Period marked a record high of + 5.7%.

Rates of Rent Change Upon Tenant Turnover (Total Portfolio)

Impact of Rent Increases on Tenant Turnover/Lease Renewals

The rate of rent increase in the 17th Fiscal Period marked record high on both tenant turnover and lease renewals on the back of high occupancy rates.

Tenant Turnover

Lease Renewals

Internal Growth Driven by Location Strategies Focusing on "Tokyo 23 Wards" and "Near Stations"

The rate of rent change upon tenant turnover for the 17th Fiscal Period is on an upward trend mainly in properties in Central Tokyo and those near stations.

Rent Change Upon Tenant Turnover by Type in 17th FP (Total Portfolio)

Rent Change Upon Tenant Turnover by Location (Total Portfolio)

Continuous Increase in Average Rent per Tsubo

The average rent per tsubo for properties continuously owned during 17th FP increased by 0.7% from the end of 16th FP

Average Rent per Tsubo (Properties continuously owned during 17th FP)

Increase in Average Rent per Tsubo for Properties Continuously Owned During Each FP

14th FP (ended Jul. 2017)	15th FP (ended Jan. 2018)	16th FP (ended Jul. 2018)	17th FP (ended Jan. 2019)
+0.5%	+0.5%	+0.7%	+0.7%

Financial Strategy

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 15th Fiscal Period (ended Jan. 31, 2018)	End of 16th Fiscal Period (ended Jul. 31, 2018)	**End of 17th Fiscal Period (ended Jan. 31, 2019)**
LTV (Note)	50.8%	51.0%	**51.8%**
Long-term debt ratio	85.2%	82.0%	**86.2%**
Fixed-interest debt ratio	87.0%	88.7%	**87.3%**
Average maturity	4.2 years	4.4 years	**4.3 years**
Weighted avg. interest rate	0.64%	0.64%	**0.62%**

(Note) Interest-bearing debt balance/total assets

Diversification of Repayment Dates

The expected repayments of debt and investment corporation bonds as of January 31, 2019 are as follows:

Loan Balances

The Investment Corporation's loan balances as of January 31, 2019 are as follows:

Lender	Loan balance (millions of yen)
MUFG Bank, Ltd.	32,325
Sumitomo Mitsui Trust Bank, Limited	18,245
Mizuho Bank, Ltd.	17,710
Development Bank of Japan Inc.	17,010
Sumitomo Mitsui Banking Corporation	8,840
Mizuho Trust & Banking Co., Ltd.	3,000
The Norinchukin Bank	2,800
The Bank of Fukuoka, Ltd.	2,300
Shinkin Central Bank	1,300
Kiraboshi Bank, Ltd.	1,000
Resona Bank, Ltd.	1,000
The 77 Bank, Ltd.	500
The Daishi Bank, Ltd.	500
Taiyo Life Insurance Company	500
Nippon Life Insurance Company	500
Total	107,530

Credit Rating (As of January 31, 2019)

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

Sustainability Initiatives

Initiatives for Environment

Acquisition of "Green Star," the highest rating in the GRESB Real Estate Assessment

The Investment Corporation participated in the GRESB Real Estate Assessment for the first time in 2018 and acquired the highest "Green Star" rating for its initiatives on environmental consideration and sustainability, being evaluated as excellent in "Management & Policy" and "Implementation and Measurement"

Initiatives to improve energy efficiencies of owned properties

The Investment Corporation promotes initiatives to reduce power consumption and environmental impact, including using LEDs in common spaces and replacing air-conditioners in each unit

Implementation of LED lighting

Replacement of air conditioners

Initiatives for Governance Emphasizing Unitholders' Value

Securing objectivity in decision-making process

The Investment Corporation has appointed third-party real estate appraiser to its Investment Committee to secure objectivity in decision-making process for property acquisitions

Aligning interests between unitholders and the sponsor

At the public offering in February 2019, the underwriters sold 5,384 units among the investment units the Investment Corporation newly issued to the sponsor as the party designated as purchaser by the Investment Corporation.

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

Sponsor's investment ratio **8.9**% (after public offering)

(Note 1) If asset acquisitions, etc. are transactions with an interested party, deliberations and resolutions of the Compliance Committee and prior consent based on approval by the Board of Directors of the Investment Corporation are required.

(Note 2) If anticipated acquisition properties are health care facilities, outside experts in health care facilities will provide advice. In addition to receiving reports prepared by outside experts pertaining to healthcare facilities, the Investment Committee shall have such outside experts attend the Investment Committee as observers and hear their opinions as necessary.

Initiatives for Society

Employee satisfaction survey

The Asset Management Company conducts an annual employee satisfaction survey and promotes various measures to improve employees' satisfaction

In-house training system

Regular in-house training sessions for employees and officers of the Asset Management Company with outside instructors with abundant knowledge and experience

Qualification support system

Subsidizing participation in various seminars for acquiring and maintaining qualifications for employees and officers of the Asset Management Company

Number of Asset Management Company's Employees with Certificates (As of the end of January, 2019)

Real Estate Broker	75	First Class Architect	4
ARES Certified Master	43	Tax Accountant	1
Real Estate Appraiser	7	Certified Building Administrator	17
Member of the Securities Analysts Association of Japan	2		

Portfolio Map (As of April 5, 2019)

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

Central Tokyo — 44 properties

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

Sub-central Tokyo — 67 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 HIGASHIIKEBUKURO 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 KAMIIKEDAI
11 COMFORIA OYAMA	45 COMFORIA MACHIYA	94 COMFORIA ITABASHINAKAJUKU	131 CAMPUS VILLAGE SHIINAMACHI
12 COMFORIA KIYOSUMISHIRAKAWA SOUTH	51 COMFORIA ASAKUSABASHI	97 COMFORIA SHINAGAWA EAST	
13 COMFORIA KOMAZAWA	52 COMFORIA RYOGOKU SOUTH	99 COMFORIA OJIMA	
21 COMFORIA KOISHIKAWA	53 COMFORIA TOYOSU	100 COMFORIA OMORI TROIS	
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 KIYOSUMISHIRAKAWA TROIS	68 COMFORIA NISHIMAGOME	119 COMFORIA RYOGOKU TROIS	
36 COMFORIA MONZENNAKACHO	75 COMFORIA HIGASHIIKEBUKURO EAST	121 COLLEGE SQUARE HACHIMANYAMA	
37 COMFORIA HIMONYA	76 COMFORIA HIGASHIIKEBUKURO	123 COMFORIA KINSHICHO DEUX	

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 — 10 properties

54 COMFORIA SHIN-OSAKA	109 COMFORIA SHINSAIBASHI EAST
78 COMFORIA SHINSAKAE	110 COMFORIA KYOMACHIBORI
79 COMFORIA KITAHORIE	111 COMFORIA AWAZA
95 COMFORIA KITASANJO	117 COMFORIA KITAHAMA
101 COMFORIA SAPPORO SHOKUBUTSUEN	
102 COMFORIA OGIMACHI	

Total 127 properties

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, 2019)

Name of the investment corporation	Comforia Residential REIT, Inc
Representative	Takehiro Izawa, Executive Director
Address	1-1 Minami-Aoyama 1-chome, Minato-ku, Tokyo 107-0062, Japan

Inquiries	TLC REIT Management, Inc. Tel: +81-3-3401-1090
Fiscal period-end	January 31 and July 31 of each year

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, 2019)

Trade name	TLC REIT Management Inc.
Representative	Hiroyuki Tohmata, President & CEO
Address	1-1 Minami-Aoyama 1-chome, Minato-ku, Tokyo 107-0062, Japan
Established	October 2009
Capital	¥200 million

Shareholder	Tokyu Land Corporation 100%
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 (2) No. 91139

Overview of Organization

Asset Management Report for the 17th Fiscal Period (Semi-Annual Report)

From August 1, 2018 to January 31, 2019

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
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Notes
Supplementary Schedules
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Overview of Asset Management

1. Performance of the Investment Corporation

Fiscal period		13th Fiscal Period	14th Fiscal Period	15th Fiscal Period	16th Fiscal Period	17th Fiscal Period
Business period		From Aug. 1, 2016 to Jan. 31, 2017	From Feb. 1, 2017 to Jul. 31, 2017	From Aug. 1, 2017 to Jan. 31, 2018	From Feb. 1, 2018 to Jul. 31, 2018	From Aug. 1, 2018 to Jan. 31, 2019
Operating revenue	(millions of yen)	6,674	7,276	7,357	8,147	8,128
[Rent revenue - real estate]	(millions of yen)	[6,674]	[7,276]	[7,357]	[7,771]	[7,869]
Operating expenses	(millions of yen)	3,885	4,178	4,188	4,444	4,425
[Expenses related to rent business]	(millions of yen)	[3,249]	[3,518]	[3,496]	[3,745]	[3,687]
Operating profit	(millions of yen)	2,788	3,098	3,168	3,703	3,702
Ordinary profit	(millions of yen)	2,341	2,613	2,680	3,204	3,178
Profit	(millions of yen)	2,335	2,608	2,674	3,191	3,172
Total assets	(millions of yen)	183,902	205,121	206,171	219,210	223,829
[Period-on-period change]	(%)	[2.2]	[11.5]	[0.5]	[6.3]	[2.1]
Net assets	(millions of yen)	85,171	97,258	97,294	103,043	103,289
[Period-on-period change]	(%)	[0.0]	[14.2]	[0.0]	[5.9]	[0.2]
Unitholders' capital	(millions of yen)	82,743	94,557	94,557	99,814	99,814
Number of investment units issued	(units)	513,504	563,694	563,694	586,994	586,994
Net assets per unit	(yen)	165,863	172,537	172,601	175,544	175,964
Total distributions	(millions of yen)	2,335	2,638	2,698	2,926	3,040
Distribution per unit	(yen)	4,549	4,681	4,788	4,985	5,180
[Earnings distribution per unit]	(yen)	[4,549]	[4,681]	[4,788]	[4,985]	[5,180]
[Distribution in excess of earnings per unit]	(yen)	[－]	[－]	[－]	[－]	[－]
Return on assets (Note 1)	(%)	1.3	1.3	1.3	1.5	1.4
Return on unitholders' equity (Note 2)	(%)	2.7	2.9	2.7	3.2	3.1
Unitholders' equity ratio (Note 3)	(%)	46.3	47.4	47.2	47.0	46.1
[Period-on-period change]	(%)	[-1.0]	[1.1]	[-0.2]	[-0.2]	[-0.9]
Interest-bearing debt	(millions of yen)	94,970	103,620	104,750	111,730	116,030
Interest-bearing debt ratio (LTV) (Note 4)	(%)	51.6	50.5	50.8	51.0	51.8
Payout ratio (Note 5)	(%)	100.0	101.1	100.9	91.6	95.8
Number of properties	(properties)	101	110	111	117	117
Total leasable area	(m^2)	278,745.27	303,025.09	304,126.02	318,999.87	336,786.72
Occupancy rate at end of period	(%)	96.5	96.1	96.7	96.6	96.4
Depreciation	(millions of yen)	1,049	1,137	1,152	1,200	1,223
Capital expenditure	(millions of yen)	112	386	274	281	279
NOI (Note 6)	(millions of yen)	4,474	4,896	5,013	5,227	5,405

(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 17th 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 17th Fiscal Period includes 117 properties, acquired for a total of ¥206,084 million.

(2) Investment performance

(i) Investment environment

During the 17th Fiscal Period, the Japanese economy remained on a modest recovery trend amid improvements in the employment and income environment. Under these circumstances, in the residential rental market, unit rent has shown an upward trend centering on central Tokyo 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 17th Fiscal Period, the Investment Corporation acquired GRANCREER CENTER-MINAMI in September 2018, and subsequently sold COMFORIA MINAMIAOYAMA DEUX in November 2018. As a result, assets owned by the Investment Corporation as of the end of the 17th Fiscal Period totaled 117 properties with a total acquisition price of ¥206,084 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 17th Fiscal Period, the Investment Corporation undertook borrowing of funds (¥2,000 million) in August 2018 for the repayment of existing borrowings (¥2,000 million) that matured in the fiscal period. It also borrowed funds (¥4,300 million) in September 2018 for the acquisition of GRANCREER CENTER-MINAMI. Subsequently, the Investment Corporation borrowed funds (¥5,500 million) in January 2019 to be appropriated for the repayment funds (¥5,500 million) for borrowings made in February 2014. Consequently, as of the end of the 17th Fiscal Period (January 31, 2019), unitholders' capital was ¥99,814 million, interest-bearing debt was ¥116,030 million, the ratio of interest-bearing debt to total assets (LTV) was 51.8%, the average maturity of interest-bearing debt was 4.3 years, the ratio of long-term debt was 86.2%, and the fixed rate ratio was 87.3%. 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 17th 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 17th Fiscal Period, the Investment Corporation posted operating revenue of ¥8,128 million, operating profit of ¥3,702 million, ordinary profit of ¥3,178 million, and profit of ¥3,172 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 17th Fiscal Period, the Investment Corporation retained part (¥149 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 (¥17 million) to unappropriated retained earnings. As a result, the distribution per unit (DPU) was ¥5,180 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)

(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 alottee 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 alottee 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 alottee 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 alottee 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 alottee at an issue value of ¥225,600 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	13th Fiscal Period	14th Fiscal Period	15th Fiscal Period	16th Fiscal Period	17th Fiscal Period
Closing month/year	Jan. 2017	Jul. 2017	Jan. 2018	Jul. 2018	Jan. 2019
Highest	¥262,500	¥261,600	¥250,500	¥267,300	¥298,000
Lowest	¥231,600	¥219,400	¥228,100	¥228,000	¥258,000

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 17th 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 (¥17 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 ¥149 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 17th Fiscal Period was ¥5,180.

Fiscal period	13th Fiscal Period	14th Fiscal Period	15th Fiscal Period	16th Fiscal Period	17th Fiscal Period
Business period	From Aug. 1, 2016 to Jan. 31, 2017	From Feb. 1, 2017 to Jul. 31, 2017	From Aug. 1, 2017 to Jan. 31, 2018	From Feb. 1, 2018 to Jul. 31, 2018	From Aug. 1, 2018 to Jan. 31, 2019
Unappropriated retained earnings	¥2,336,057 thousand	¥2,608,344 thousand	¥2,674,584 thousand	¥3,191,695 thousand	¥3,172,709 thousand
Retained earnings	¥127 thousand	¥17 thousand	¥186 thousand	¥285,330 thousand	¥149,557 thousand
Total distributions	¥2,335,929 thousand	¥2,638,651 thousand	¥2,698,966 thousand	¥2,926,165 thousand	¥3,040,628 thousand
[Distribution per unit (DPU)]	[¥4,549]	[¥4,681]	[¥4,788]	[¥4,985]	[¥5,180]
Of which, total earnings distributions	¥2,335,929 thousand	¥2,638,651 thousand	¥2,698,966 thousand	¥2,926,165 thousand	¥3,040,628 thousand
[Earnings distribution per unit]	[¥4,549]	[¥4,681]	[¥4,788]	[¥4,985]	[¥5,180]
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 17th 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.

In the 18th 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 17th 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, 2019 and January 16, 2019 concerning the issuance of new investment units as described below. Based on the resolution, payments completed on February 1, 2019 for the new investment units issued through public offering and on February 20, 2019 for the new investment units offered by way of third-party allotment, respectively. As a result, unitholders' capital increased to ¥114,045,421,172, with the number of investment units issued and outstanding at 640,834 units.

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

Number of investment units issued:	51,270 units
Issue price:	¥273,146 per unit
Total issue amount:	¥14,004,195,420
Paid-in amount (issue value):	¥264,321 per unit
Total paid-in amount (issue value):	¥13,551,737,670
Payment date:	February 1, 2019

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

Number of investment units offered:	2,570 units
Paid-in amount (issue value):	¥264,321 per unit
Total paid-in amount (issue value):	¥679,304,970
Payment date:	February 20, 2019
Allottee:	Mizuho Securities Co., Ltd.

(Reference Information)

A. Property Acquisition

The Investment Corporation acquired the following property:

Property name	Type of specified asset	Location	Acquisition price (thousands of yen) (Note)	Main usage	Acquisition date
COMFORIA KINSHICHO DEUX	Property in trust	Koto-ku, Tokyo	2,213,000	Apartment building	February 1, 2019
COMFORIA KAMEIDO SOUTH	Property in trust	Koto-ku, Tokyo	2,050,000	Apartment building	February 1, 2019
COMFORIA SHIBUYA WEST	Property in trust	Meguro-ku, Tokyo	5,397,000	Apartment building	February 1, 2019
Total			9,660,000		

(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 properties:

Property name	Type of specified asset	Location	Planned acquisition price (thousands of yen) (Note 1)	Main usage	Planned acquisition date
COMFORIA HIGASHINIHONBASHI	Property in trust	Chuo-ku, Tokyo	1,194,000	Apartment building	March 20, 2019
COMFORIA ASAKUSAKOMAGATA	Property in trust	Taito-ku, Tokyo	1,254,000	Apartment building	March 20, 2019
COMFORIA OMORIKASHIMA	Property in trust	Shinagawa-ku, Tokyo	864,000	Apartment building	March 20, 2019
COMFORIA OMORIMACHI	Property in trust	Ota-ku, Tokyo	1,096,000	Apartment building	March 20, 2019
COMFORIA KAMIIKEDAI	Property in trust	Ota-ku, Tokyo	1,842,000	Apartment building	March 20, 2019
COMFORIA TAMA-PLAZA (Note 2)	Property in trust	Yokohama-shi, Kanagawa	2,220,000	Apartment building	March 20, 2019
CAMPUS VILLAGE SHIINAMACHI	Property in trust	Toshima-ku, Tokyo	2,740,000	Dormitory building	April 5, 2019
Total			11,210,000		

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

(Note 2) Although the current property name is "RICHE TAMA-PLAZA", the Investment Corporation plans to change the name to "COMFORIA TAMA-PLAZA" in about a month after acquiring it.

B. Line of Credit Loan (Uncommitted Basis)

The Investment Corporation executed a Line of Credit Loan Master Agreement (on an uncommitted basis) as of February 7, 2019, as described below, in case it needs to raise funds to purchase assets for future investments and other purposes.

Counter parties	Amount of credit limit (millions of yen)	Repayment date	Repayment method	Use of funds	Collateral
Mizuho Bank, Ltd. Sumitomo Mitsui Trust Bank Limited MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation	9,000	Less than one year from the drawdown date	Lump-sum repayment	To fund new property acquisitions, repayment of existing borrowings, redemption of investment corporation bonds and payment of related expenses	Unsecured Unguaranteed

1. Unitholders' Capital

		13th Fiscal Period	14th Fiscal Period	15th Fiscal Period	16th Fiscal Period	17th Fiscal Period
		As of Jan. 31, 2017	As of Jul. 31, 2017	As of Jan. 31, 2018	As of Jul. 31, 2018	As of Jan. 31, 2019
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)	513,504	563,694	563,694	586,994	586,994
Unitholders' capital	(millions of yen)	82,743	94,557	94,557	99,814	99,814
Number of unitholders	(people)	6,834	7,897	7,269	6,847	5,845

2. Matters concerning Investment Units

Major unitholders as of January 31, 2019 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)	158,731	27.04
The Master Trust Bank of Japan, Ltd. (trust account)	83,356	14.20
Tokyu Land Corporation	51,664	8.80
Trust & Custody Services Bank, Ltd. (securities trust investment account)	18,568	3.16
The Nomura Trust & Banking Co., Ltd. (trust account)	16,906	2.88
Mitsubishi UFJ Trust and Banking Corporation (Standing proxy: The Master Trust Bank of Japan, Ltd.)	10,982	1.87
Trust & Custody Services Bank, Ltd. (taxable trust money account)	10,315	1.75
The State Street Bank West Client—Treaty 505234 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	8,789	1.49
Rakuten General Insurance Co., Ltd.	8,600	1.46
The Gunma Bank, Ltd.	7,880	1.34
Total	375,791	64.01

(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 17th 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 Supervisory Officer, Toshi Saisei Fund Investment Corporation	1,800
Independent Auditor	Ernst & Young ShinNihon LLC (Note 2)	–	16,542

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

(Note 2) The amount includes the fees pertaining to the production of an "Auditor's Comfort Letter to Lead Underwriting Firm" related to the issuance of investment corporation bonds conducted in February 2019.

(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, 2019 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)	Heiseikaikeisha Tax Corporation
General administration (administrative service)	Mitsubishi UFJ Trust and Banking Corporation
General administration (corporation bond service)	Sumitomo Mitsui Trust Bank, Limited, MUFG Bank, Ltd.

1. Composition of Assets of the Investment Corporation

Type of asset	Area	16th Fiscal Period (as of July 31, 2018)		17th Fiscal Period (as of January 31, 2019)	
		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	1,136	0.5	1,134	0.5
	Sub-central Tokyo	4,953	2.3	4,934	2.2
	Other major cities	1,034	0.5	1,026	0.5
Properties in trust	Central Tokyo	85,863	39.2	85,210	38.1
	Sub-central Tokyo	92,248	42.1	91,879	41.0
	Tokyo metropolitan area	3,319	1.5	7,593	3.4
	Other major cities	14,286	6.5	14,193	6.3
Subtotal		202,842	92.5	205,972	92.0
Deposits and other assets		16,368	7.5	17,857	8.0
Total assets		219,211	100.0	223,829	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	13,383	48,267.60	46,061.83	95.4	19.2	Apartment building
COMFORIA KAMATA	5,830	6,027.98	5,973.37	99.1	2.0	Apartment building
COMFORIA KOMABA	5,172	5,342.38	5,265.73	98.6	1.7	Apartment building
COMFORIA MINAMISUNAMACHI	4,732	6,141.98	5,885.84	95.8	1.7	Apartment building
COMFORIA AKIHABARA EAST	4,499	4,582.07	4,496.19	98.1	1.5	Apartment building
GRANCREER CENTER-MINAMI	4,296	18,235.67	18,235.67	100.0	1.1	Homes for the elderly
COMFORIA KITASANDO	4,218	4,966.87	4,657.36	93.8	1.7	Residence
COMFORIA ITABASHINAKAJUKU	3,950	6,966.04	6,619.37	95.0	1.5	Apartment building
COMFORIA HIGASHIIKEBUKURO WEST	3,731	6,436.14	6,128.82	95.2	2.1	Apartment building
COMFORIA HARAJYUKU	3,567	4,528.51	4,286.42	94.7	1.6	Apartment building
Total	53,382	111,495.24	107,610.60	96.5	34.1	

3. Statement of Properties Incorporated in the Portfolio

The overview of assets under management of the Investment Corporation as of January 31, 2019 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	2,210	1,526
	COMFORIA WASEDA	147 Bentencho, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	2,520	1,869
	COMFORIA SHIMOOCHIAI	2-7-10 Nakaochiai, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	1,610	1,100
	COMFORIA HIGASHINAKANO	4-34-2 Kita-Shinjuku, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	697	547
	COMFORIA GINZA EAST	1-3-1 Irifune, Chuo-ku, Tokyo	Beneficial interest in real estate trust	4,120	2,976
	COMFORIA AZABUDAI	3-4-4 Azabudai, Minato-ku, Tokyo	Beneficial interest in real estate trust	788	554
	COMFORIA SHIBAKOEN	2-2-15 Shibakoen, Minato-ku, Tokyo	Beneficial interest in real estate trust	1,820	1,323
	COMFORIA NISHIAZABU	4-1-10 Nishiazabu, Minato-ku, Tokyo	Beneficial interest in real estate trust	968	727
	COMFORIA MINAMIAOYAMA	4-1-12 Minami-Aoyama, Minato-ku, Tokyo	Beneficial interest in real estate trust	1,570	1,064
	COMFORIA NISHIWASEDA	1-5-19 Takadanobaba, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	2,180	1,599
	COMFORIA HARAJYUKU	3-61-3 Sendagaya, Shibuya-ku, Tokyo	Beneficial interest in real estate trust	4,840	3,567
	COMFORIA MITA NORTH	2-7-16 Mita, Minato-ku, Tokyo	Beneficial interest in real estate trust	1,070	859
	COMFORIA SHIBAURA BOWHOUSE	3-13-12 Kaigan, Minato-ku, Tokyo	Beneficial interest in real estate trust	3,420	2,553
	COMFORIA SHIROKANETAKANAWA	5-1-21 Mita, Minato-ku, Tokyo	Beneficial interest in real estate trust	1,670	1,310
	COMFORIA NIHONBASHI NINGYOCHO EAST	3-6-3 Nihonbashi Ningyocho, Chuo-ku, Tokyo	Beneficial interest in real estate trust	2,600	2,071
	COMFORIA ATAGO	3-23-7 Toranomon, Minato-ku, Tokyo	Beneficial interest in real estate trust	984	843
	COMFORIA KUDAN	2-6-12 Kudan Minami, Chiyoda-ku, Tokyo	Beneficial interest in real estate trust	1,560	1,264
	COMFORIA NIHONBASHI NINGYOCHO NORTH	1-1-6 Nihonbashi Horidomecho, Chuo-ku, Tokyo	Beneficial interest in real estate trust	1,340	1,079
	COMFORIA SHINKAWA	2-15-5 Shinkawa, Chuo-ku, Tokyo	Beneficial interest in real estate trust	2,170	1,798
	COMFORIA AKASAKA	2-17-63 Akasaka, Minato-ku, Tokyo	Beneficial interest in real estate trust	2,650	1,920
	COMFORIA MITA EAST	4-18-1 Shiba, Minato-ku, Tokyo	Beneficial interest in real estate trust	3,820	3,100
	COMFORIA SHIBAURA CANAL	3-1-9 Kaigan, Minato-ku, Tokyo	Beneficial interest in real estate trust	1,870	1,568
	COMFORIA KITASANDO	4-5-10 Sendagaya, Shibuya-ku, Tokyo	Beneficial interest in real estate trust	4,890	4,218
	COMFORIA YOYOGIUEHARA	2-31-5 Uehara, Shibuya-ku, Tokyo	Beneficial interest in real estate trust	1,850	1,594
	COMFORIA SASAZUKA	1-59-10 Sasazuka, Shibuya-ku, Tokyo	Beneficial interest in real estate trust	2,250	1,762
	COMFORIA SHINJUKUGYOEN II	1-13-3 Shinjuku, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	2,140	1,769
	COMFORIA ICHIGAYAYANAGICHO	18-2 Ichigaya Yanagicho, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	1,950	1,593
	COMFORIA KAGURAZAKA	26-1 Iwatocho, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	876	721
	COMFORIA NIBANCHO	4-8 Nibancho, Chiyoda-ku, Tokyo	Beneficial interest in real estate trust	1,960	1,640
	COMFORIA NISHISHINJUKU	1-20-12 Kita-Shinjuku, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	1,800	1,702
	COMFORIA KANDAJINBOCHO	1-42-2 Kanda Jinbocho, Chiyoda-ku, Tokyo	Beneficial interest in real estate trust	1,680	1,486
	COMFORIA NIHONBASHI	1-2-2 Nihonbashi Bakurocho, Chuo-ku, Tokyo	Beneficial interest in real estate trust	2,240	1,960
	COMFORIA TAMACHI	4-5-13 Shibaura, Minato-ku, Tokyo	Beneficial interest in real estate trust	3,760	3,382
	COMFORIA AZABUJUBAN	1-2-15 Mita, Minato-ku, Tokyo	Beneficial interest in real estate trust	1,630	1,473
	COMFORIA SHINJUKUGYOEN I	1-10-4 Shinjuku, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	1,530	1,412
	COMFORIA KAGURAZAKA DEUX	7-3 Iwatocho, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	1,440	1,251
	COMFORIA AZABU EAST	2-29-1 Higashi-Azabu, Minato-ku, Tokyo	Beneficial interest in real estate trust	2,960	1,920
	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	15,900	13,383
	COMFORIA ICHIGAYAYAKUOJI	74-23 Ichigayayakuojimachi, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	976	988
	COMFORIA AKIHABARA EAST	2-9-19 Higashikanda, Chiyoda-ku, Tokyo	Beneficial interest in real estate trust	4,850	4,499
	COMFORIA MITA TROIS	3-43-6 Shiba, Minato-ku, Tokyo	Beneficial interest in real estate trust	923	936
	COMFORIA SHIBAURA	2-3-33 Shibaura, Minato-ku, Tokyo	Real estate	1,150	1,134
	COMFORIA SHINJUKU	5-8-20 Shinjuku, Shinjuku-ku, Tokyo	Beneficial interest in real estate trust	2,310	2,284
Subtotal				105,542	86,344

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	2,000	1,378
	COMFORIA ASAKUSAMATSUGAYA	1-11-5 Matsugaya, Taito-ku, Tokyo	Beneficial interest in real estate trust	1,230	833
	COMFORIA NISHIOI	6-6-1 Nishi-Oi, Shinagawa-ku, Tokyo	Beneficial interest in real estate trust	1,070	872
	COMFORIA NAKANO	2-40-12 Kamitakada, Nakano-ku, Tokyo	Beneficial interest in real estate trust	1,040	863
	COMFORIA SHIMOKITAZAWA	1-9-14 Hanegi, Setagaya-ku, Tokyo	Beneficial interest in real estate trust	3,430	2,401
	COMFORIA NISHIKAMATA	6-37-3 Nishi-Kamata, Ota-ku, Tokyo	Beneficial interest in real estate trust	2,140	1,447
	COMFORIA OYAMA	4-4 Oyamacho, Itabashi-ku, Tokyo	Beneficial interest in real estate trust	2,400	1,933
	COMFORIA KIYOSUMISHIRAKAWA SOUTH	3-2-13 Miyoshi, Koto-ku, Tokyo	Beneficial interest in real estate trust	941	689
	COMFORIA KOMAZAWA	2-1-5 Komazawa, Setagaya-ku, Tokyo	Beneficial interest in real estate trust	1,700	1,224
	COMFORIA KOISHIKAWA	2-17-27 Koishikawa, Bunkyo-ku, Tokyo	Beneficial interest in real estate trust	675	523
	COMFORIA SENGOKU	4-3-20 Sengoku, Bunkyo-ku, Tokyo	Beneficial interest in real estate trust	1,730	1,251
	COMFORIA DAIKANYAMAAOBADAI	2-1-7 Aobadai, Meguro-ku, Tokyo	Beneficial interest in real estate trust	1,390	917
	COMFORIA IKEBUKURO	2-57-1 Ikebukuro, Toshima-ku, Tokyo	Beneficial interest in real estate trust	690	568
	COMFORIA RYOGOKUISHIWARA	1-36-1 Ishiwara, Sumida-ku, Tokyo	Beneficial interest in real estate trust	829	614
	COMFORIA ASAKUSABASHI DEUX	5-24-10 Asakusabashi, Taito-ku, Tokyo	Beneficial interest in real estate trust	1,040	845
	COMFORIA OSHIAGE	4-7-2 Narihira, Sumida-ku, Tokyo	Beneficial interest in real estate trust	862	693
	COMFORIA HONJOAZUMABASHI	2-11-12 Honjo, Sumida-ku, Tokyo	Beneficial interest in real estate trust	918	740
	COMFORIA KIYOSUMISHIRAKAWA TROIS	3-5-14 Shirakawa, Koto-ku, Tokyo	Beneficial interest in real estate trust	1,030	834
	COMFORIA MONZENNAKACHO	16-8 Fuyuki, Koto-ku, Tokyo	Beneficial interest in real estate trust	3,100	2,528
	COMFORIA HIMONYA	2-3-3 Himonya, Meguro-ku, Tokyo	Beneficial interest in real estate trust	1,590	1,176
	COMFORIA MISYUKU	3-23-2 Ikejiri, Setagaya-ku, Tokyo	Beneficial interest in real estate trust	2,480	1,799
	COMFORIA GAKUGEIDAIGAKU	6-46-6 Shimouma, Setagaya-ku, Tokyo	Beneficial interest in real estate trust	1,550	1,115
	COMFORIA HIGASHINAKANO DEUX	4-2-19 Higashi-Nakano, Nakano-ku, Tokyo	Beneficial interest in real estate trust	1,110	802

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 HIGASHIIKEBUKURO WEST	3-22-21 Higashi-Ikebukuro, Toshima-ku, Tokyo	Beneficial interest in real estate trust	5,330	3,731
	COMFORIA RYOGOKU DEUX	1-2-10 Chitose, Sumida-ku, Tokyo	Beneficial interest in real estate trust	1,310	1,009
	COMFORIA OMORI DEUX	3-4-2 Omorikita, Ota-ku, Tokyo	Beneficial interest in real estate trust	1,420	1,178
	COMFORIA MACHIYA	5-51-7 Arakawa, Arakawa-ku, Tokyo	Beneficial interest in real estate trust	889	591
	COMFORIA ASAKUSABASHI	2-20-10 Yanagibashi, Taito-ku, Tokyo	Beneficial interest in real estate trust	3,460	2,571
	COMFORIA RYOGOKU SOUTH	2-14-8 Chitose, Sumida-ku, Tokyo	Beneficial interest in real estate trust	1,620	1,192
	COMFORIA TOYOSU	1-4-12 Edagawa, Koto-ku, Tokyo	Beneficial interest in real estate trust	3,670	2,971
	COMFORIA SUMIDA-TACHIBANA	5-18-5 Tachibana, Sumida-ku, Tokyo	Beneficial interest in real estate trust	1,000	939
	COMFORIA UENOHIROKOJI	3-17-4 Ueno, Taito-ku, Tokyo	Beneficial interest in real estate trust	1,270	1,081
	COMFORIA KASUGATOMISAKA	1-11-18 Kasuga, Bunkyo-ku, Tokyo	Beneficial interest in real estate trust	3,590	2,844
	COMFORIA HONKOMAGOME	2-29-24 Honkomagome, Bunkyo-ku, Tokyo	Beneficial interest in real estate trust	1,660	1,306
	COMFORIA MORISHITA	3-6-8 Shin-Ohashi, Koto-ku, Tokyo	Beneficial interest in real estate trust	1,750	1,476
	COMFORIA KIBAKOEN	2-17-7 Kiba, Koto-ku, Tokyo	Beneficial interest in real estate trust	1,120	925
	COMFORIA MEGURO CHOJAMARU	2-6-25 Kami-Osaki, Shinagawa-ku, Tokyo	Beneficial interest in real estate trust	2,430	1,968
	COMFORIA NISHIMAGOME	2-35-8 Nishi-Magome, Ota-ku, Tokyo	Beneficial interest in real estate trust	1,070	972
	COMFORIA HIGASHIIKEBUKURO EAST	2-8-1 Higashi-Ikebukuro, Toshima-ku, Tokyo	Beneficial interest in real estate trust	2,420	1,665
	COMFORIA HIGASHIIKEBUKURO	4-3-5 Higashi-Ikebukuro, Toshima-ku, Tokyo	Beneficial interest in real estate trust	1,380	1,142
	COMFORIA KOMABA	4-8-25 Ikejiri, Setagaya-ku, Tokyo	Beneficial interest in real estate trust	5,510	5,172
	COMFORIA KINSHICHO	3-8-6 Taihei, Sumida-ku, Tokyo	Beneficial interest in real estate trust	1,250	1,048
	COMFORIA MINAMISUNAMACHI	4-4-20 Minamisuna, Koto-ku, Tokyo	Beneficial interest in real estate trust	4,990	4,732
	COMFORIA HIGASHISHINAGAWA	3-22-11 Higashi-Shinagawa, Shinagawa-ku, Tokyo	Beneficial interest in real estate trust	1,720	1,539
	COMFORIA MEGUROYAKUMO	1-12-10 Yakumo, Meguro-ku, Tokyo	Beneficial interest in real estate trust	903	851
	COMFORIA YOGA	3-24-3 Yoga, Setagaya-ku, Tokyo	Beneficial interest in real estate trust	1,120	1,068
	COMFORIA ITABASHINAKAJUKU	62-2 Nakajuku, Itabashi-ku, Tokyo	Beneficial interest in real estate trust	4,310	3,950
	COMFORIA SHINAGAWA EAST	1-20-8 Kitashinagawa, Shinagawa-ku, Tokyo	Beneficial interest in real estate trust	1,590	1,506
	COMFORIA OJIMA	4-8-10 Ojima, Koto-ku, Tokyo	Real estate	2,250	2,240

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 TROIS	3-36-7 Omorikita, Ota-ku, Tokyo	Real estate	940	920
	COMFORIA BUNKYO HAKUSAN	1-3-2 Honkomagome, Bunkyo-ku, Tokyo	Beneficial interest in real estate trust	1,410	1,397
	COMFORIA KAMATA	4-21-2 Kamata, Ota-ku, Tokyo	Beneficial interest in real estate trust	6,250	5,830
	COLLEGE COURT HACHIMANYAMA	1-15-1 Kamitakaido, Suginami-ku, Tokyo	Beneficial interest in real estate trust	1,260	1,274
	COMFORIA UENOIRIYA	2-6-8 Ryusen, Taito-ku, Tokyo	Beneficial interest in real estate trust	2,270	2,236
	COMFORIA IKEJIRI	2-31-18 Ikejiri, Setagaya-ku, Tokyo	Beneficial interest in real estate trust	1,400	1,397
	COMFORIA SETAGAYAKAMIUMA	3-6-11 Kamiuma, Setagaya-ku, Tokyo	Beneficial interest in real estate trust	2,740	2,687
	COMFORIA AKABANEIWABUCHI	26-11 Iwabuchimachi, Kita-ku, Tokyo	Beneficial interest in real estate trust	2,520	2,650
	COMFORIA RYOGOKU TROIS	1-5-15 Kamezawa, Sumida-ku, Tokyo	Real estate	1,680	1,772
	COLLEGE SQUARE HACHIMANYAMA	1-15-2 Kamitakaido, Suginami-ku, Tokyo	Beneficial interest in real estate trust	890	910
Subtotal				115,337	96,814
Tokyo metropolitan area	COMFORIA ICHIKAWAMYODEN	1-9-10 Shioyaki, Ichikawa-shi, Chiba	Beneficial interest in real estate trust	742	599
	COMFORIA YATSUKA	3-38-3 Sezaki, Soka-shi, Saitama	Beneficial interest in real estate trust	708	610
	COMFORIA SHINKOYASU	2-216-2 Koyasudori, Kanagawa-ku, Yokohama-shi, Kanagawa	Beneficial interest in real estate trust	1,220	1,043
	COMFORIA GYOTOKU	2-1-13 Gyotokuekimae, Ichikawa-shi, Chiba	Beneficial interest in real estate trust	1,020	1,043
	GRANCREER CENTER-MINAMI	40-3 Chigasaki Chuo, Tsuzuki-ku, Yokohama-shi, Kanagawa	Beneficial interest in real estate trust	4,200	4,296
Subtotal				7,890	7,593
Other major cities	COMFORIA SHIN-OSAKA	1-21-24 Higashi-Nakajima, Higashi-Yodogawa-ku, Osaka-shi, Osaka	Beneficial interest in real estate trust	2,830	2,297
	COMFORIA SHINSAKAE	2-28-18 Shinsakae, Naka-ku, Nagoya-shi, Aichi	Beneficial interest in real estate trust	1,710	1,659
	COMFORIA KITAHORIE	3-12-2 Kita-Horie, Nishi-ku, Osaka-shi, Osaka	Real estate	1,050	1,026
	COMFORIA KITASANJO	2-2-51 Kita-Sanjo Higashi, Chuo-ku, Sapporo-shi, Hokkaido	Beneficial interest in real estate trust	1,000	669
	COMFORIA SAPPORO SHOKUBUTSUEN	10-1-6 Kitanijo-Nishi, Chuo-ku, Sapporo-shi, Hokkaido	Beneficial interest in real estate trust	1,310	1,314
	COMFORIA OGIMACHI	3-7-15 Tenjinbashi, Kita-ku, Osaka-shi, Osaka	Beneficial interest in real estate trust	1,540	1,513
	COMFORIA SHINSAIBASHI EAST	2-6-8 Bakuromachi, Chuo-ku, Osaka-shi, Osaka	Beneficial interest in real estate trust	2,010	2,036
	COMFORIA KYOMACHIBORI	1-16-14 Kyomachibori, Nishi-ku, Osaka-shi, Osaka	Beneficial interest in real estate trust	1,630	1,604
	COMFORIA AWAZA	1-5-5 Enokojima, Nishi-ku, Osaka-shi, Osaka	Beneficial interest in real estate trust	1,360	1,326
	COMFORIA KITAHAMA	2-1-14 Imabashi, Chuo-ku, Osaka-shi, Osaka	Beneficial interest in real estate trust	1,780	1,770
Subtotal				16,220	15,219
Total				244,989	205,972

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

(Note 2) "Book value" indicates the acquisition price (including miscellaneous expenses related to the acquisition) as of the end of the 17th Fiscal Period (January 31, 2019) minus accumulated depreciation.

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

Area	Property name	16th Fiscal Period (from February 1, 2018 to July 31, 2018)				17th Fiscal Period (from August 1, 2018 to January 31, 2019)			
		Total number of tenants (at end of period) (Note 1)	Occupancy rate (at end of period) (%) (Note 2)	Rental revenue (during period) (thousands of yen)	Ratio to total rental revenues (%)	Total number of tenants (at end of period) (Note 1)	Occupancy rate (at end of period) (%) (Note 2)	Rent revenue (during period) (thousands of yen)	Ratio to total rental revenues (%)
Central Tokyo	COMFORIA NIHONBASHI NINGYOCHO	1	97.7	59,298	0.8	1	100.0	59,328	0.8
	COMFORIA WASEDA	1	97.9	66,810	0.9	1	95.3	66,186	0.8
	COMFORIA SHIMOOCHIAI	1	98.3	48,590	0.6	1	100.0	47,129	0.6
	COMFORIA HIGASHINAKANO	1	92.7	21,634	0.3	1	97.6	22,084	0.3
	COMFORIA GINZA EAST	1	97.5	113,665	1.5	1	98.9	117,252	1.5
	COMFORIA AZABUDAI	1	100.0	20,213	0.3	1	94.3	21,959	0.3
	COMFORIA SHIBAKOEN	1	97.9	50,678	0.7	1	96.7	50,259	0.6
	COMFORIA NISHIAZABU	1	95.7	26,694	0.3	1	95.8	27,368	0.3
	COMFORIA MINAMIAOYAMA	1	95.2	42,856	0.6	1	100.0	42,119	0.5
	COMFORIA MINAMIAOYAMA DEUX (Note 3)	1	63.5	9,806	0.1	—	—	5,275	0.1
	COMFORIA NISHIWASEDA	1	100.0	60,746	0.8	1	100.0	62,958	0.8
	COMFORIA HARAJYUKU	1	98.1	126,607	1.6	1	94.7	126,733	1.6
	COMFORIA MITA NORTH	1	97.1	30,125	0.4	1	96.6	29,398	0.4
	COMFORIA SHIBAURA BOWHOUSE	1	96.3	97,586	1.3	1	91.0	96,136	1.2
	COMFORIA SHIROKANETAKANAWA	1	97.5	45,013	0.6	1	94.7	45,285	0.6
	COMFORIA NIHONBASHI NINGYOCHO EAST	1	98.0	67,962	0.9	1	96.8	68,068	0.9
	COMFORIA ATAGO	1	97.5	28,648	0.4	1	95.0	28,402	0.4
	COMFORIA KUDAN	1	94.3	40,446	0.5	1	93.9	40,903	0.5
	COMFORIA NIHONBASHI NINGYOCHO NORTH	1	100.0	35,615	0.5	1	97.2	36,669	0.5
	COMFORIA SHINKAWA	1	98.3	59,268	0.8	1	100.0	60,894	0.8
	COMFORIA AKASAKA	1	97.5	63,423	0.8	1	97.5	61,824	0.8
	COMFORIA MITA EAST	1	97.2	104,553	1.3	1	95.8	103,783	1.3
	COMFORIA SHIBAURA CANAL	1	97.9	54,495	0.7	1	96.8	53,833	0.7
	COMFORIA KITASANDO	1	96.2	135,576	1.7	1	93.8	133,476	1.7
	COMFORIA YOYOGIUEHARA	1	100.0	51,207	0.7	1	93.5	49,865	0.6
	COMFORIA SASAZUKA	1	97.4	66,891	0.9	1	96.0	66,895	0.9
	COMFORIA SHINJUKUGYOEN II	1	92.3	55,908	0.7	1	95.2	55,039	0.7
	COMFORIA ICHIGAYAYANAGICHO	1	98.6	52,205	0.7	1	96.0	52,411	0.7
	COMFORIA KAGURAZAKA	1	97.1	24,540	0.3	1	97.0	23,810	0.3
	COMFORIA NIBANCHO	1	100.0	51,822	0.7	1	90.4	49,540	0.6
	COMFORIA NISHISHINJUKU	1	95.8	45,918	0.6	1	98.5	47,103	0.6
	COMFORIA KANDAJINBOCHO	1	95.2	44,183	0.6	1	100.0	44,597	0.6
	COMFORIA NIHONBASHI	1	98.6	61,425	0.8	1	94.1	64,482	0.8
	COMFORIA TAMACHI	1	98.7	100,385	1.3	1	95.9	101,900	1.3
	COMFORIA AZABUJUBAN	1	98.2	44,885	0.6	1	96.4	43,884	0.6
	COMFORIA SHINJUKUGYOEN I	1	94.8	42,191	0.5	1	98.2	42,927	0.5
	COMFORIA KAGURAZAKA DEUX	1	88.9	41,234	0.5	1	100.0	41,230	0.5
	COMFORIA AZABU EAST	1	98.7	74,789	1.0	1	95.7	74,546	0.9
	COMFORIA SHINJUKU EASTSIDE TOWER (Note 4)	1	96.4	1,513,295	19.5	1	95.4	1,513,540	19.2
	COMFORIA ICHIGAYAYAKUOJI	1	96.0	26,451	0.3	1	100.0	25,129	0.3
	COMFORIA AKIHABARA EAST	1	97.2	125,829	1.6	1	98.1	118,284	1.5
	COMFORIA MITA TROIS	1	100.0	24,869	0.3	1	97.1	24,497	0.3
	COMFORIA SHIBAURA	1	90.8	24,314	0.3	1	97.7	25,810	0.3
	COMFORIA SHINJUKU	1	91.6	10,863	0.1	1	98.6	49,692	0.6
Subtotal		2	96.8	3,893,537	50.1	1	96.1	3,922,519	49.8
Sub-central Tokyo	COMFORIA BUNKYOKASUGA	1	97.0	61,093	0.8	1	99.0	60,831	0.8
	COMFORIA ASAKUSAMATSUGAYA	1	100.0	45,494	0.6	1	97.9	45,742	0.6
	COMFORIA NISHIOI	1	100.0	32,350	0.4	1	96.6	31,554	0.4
	COMFORIA NAKANO	1	95.0	32,199	0.4	1	95.9	31,822	0.4
	COMFORIA SHIMOKITAZAWA	1	97.1	94,922	1.2	1	95.5	92,926	1.2
	COMFORIA NISHIKAMATA	1	97.2	67,524	0.9	1	97.3	66,031	0.8

Area	Property name	16th Fiscal Period (from February 1, 2018 to July 31, 2018)				17th Fiscal Period (from August 1, 2018 to January 31, 2019)			
		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 OYAMA	1	95.2	78,675	1.0	1	95.8	78,848	1.0
	COMFORIA KIYOSUMISHIRAKAWA SOUTH	1	95.6	28,794	0.4	1	100.0	27,816	0.4
	COMFORIA KOMAZAWA	1	91.9	42,415	0.5	1	100.0	43,098	0.5
	COMFORIA KOISHIKAWA	1	95.0	21,268	0.3	1	95.1	21,858	0.3
	COMFORIA SENGOKU	1	95.1	55,687	0.7	1	94.3	52,011	0.7
	COMFORIA DAIKANYAMAAOBADAI	1	93.4	37,693	0.5	1	95.0	37,113	0.5
	COMFORIA IKEBUKURO	1	93.5	22,841	0.3	1	100.0	22,185	0.3
	COMFORIA RYOGOKUISHIWARA	1	100.0	25,599	0.3	1	100.0	25,590	0.3
	COMFORIA ASAKUSABASHI DEUX	1	96.3	30,027	0.4	1	95.3	30,399	0.4
	COMFORIA OSHIAGE	1	97.4	25,685	0.3	1	97.4	26,181	0.3
	COMFORIA HONJOAZUMABASHI	1	100.0	28,698	0.4	1	96.5	28,845	0.4
	COMFORIA KIYOSUMISHIRAKAWA TROIS	1	100.0	32,330	0.4	1	90.1	31,491	0.4
	COMFORIA MONZENNAKACHO	1	97.2	92,922	1.2	1	98.6	90,307	1.1
	COMFORIA HIMONYA	1	95.6	42,820	0.6	1	90.1	41,693	0.5
	COMFORIA MISYUKU	1	98.3	68,226	0.9	1	96.5	68,404	0.9
	COMFORIA GAKUGEIDAIGAKU	1	92.4	39,750	0.5	1	97.2	39,834	0.5
	COMFORIA HIGASHINAKANO DEUX	1	98.1	30,739	0.4	1	98.1	30,856	0.4
	COMFORIA HIGASHIIKEBUKURO WEST	1	96.0	163,345	2.1	1	95.2	162,710	2.1
	COMFORIA RYOGOKU DEUX	1	100.0	35,213	0.5	1	98.7	37,334	0.5
	COMFORIA OMORI DEUX	1	94.6	37,767	0.5	1	90.4	39,138	0.5
	COMFORIA MACHIYA	1	90.9	25,586	0.3	1	93.9	26,353	0.3
	COMFORIA ASAKUSABASHI	1	98.5	103,463	1.3	1	97.5	101,431	1.3
	COMFORIA RYOGOKU SOUTH	1	97.4	48,640	0.6	1	100.0	48,728	0.6
	COMFORIA TOYOSU	1	97.1	105,919	1.4	1	97.5	101,920	1.3
	COMFORIA SUMIDA-TACHIBANA	1	93.9	32,109	0.4	1	95.4	32,387	0.4
	COMFORIA UENOHIROKOJI	1	94.7	35,238	0.5	1	91.2	34,752	0.4
	COMFORIA KASUGATOMISAKA	1	98.0	90,363	1.2	1	96.6	91,978	1.2
	COMFORIA HONKOMAGOME	1	97.3	46,447	0.6	1	94.4	46,823	0.6
	COMFORIA MORISHITA	1	100.0	49,406	0.6	1	97.6	49,100	0.6
	COMFORIA KIBAKOEN	1	95.0	33,998	0.4	1	100.0	32,971	0.4
	COMFORIA MEGURO CHOJAMARU	1	95.5	71,311	0.9	1	94.9	72,080	0.9
	COMFORIA NISHIMAGOME	1	98.1	33,403	0.4	1	93.3	32,665	0.4
	COMFORIA HIGASHIIKEBUKURO EAST	1	97.9	70,150	0.9	1	95.4	66,439	0.8
	COMFORIA HIGASHIIKEBUKURO	1	100.0	37,030	0.5	1	94.6	36,458	0.5
	COMFORIA KOMABA	1	96.1	134,322	1.7	1	98.6	134,454	1.7
	COMFORIA KINSHICHO	1	98.2	34,356	0.4	1	100.0	35,254	0.4
	COMFORIA MINAMISUNAMACHI	1	95.2	133,750	1.7	1	95.8	133,343	1.7
	COMFORIA HIGASHISHINAGAWA	1	100.0	53,250	0.7	1	100.0	52,914	0.7
	COMFORIA MEGUROYAKUMO	1	97.6	26,211	0.3	1	91.7	26,498	0.3
	COMFORIA YOGA	1	94.5	31,763	0.4	1	100.0	32,849	0.4
	COMFORIA ITABASHINAKAJUKU	1	98.0	124,618	1.6	1	95.0	121,160	1.5
	COMFORIA SHINAGAWA EAST	1	95.4	73,324	0.9	1	96.4	74,244	0.9
	COMFORIA OJIMA	1	99.0	61,624	0.8	1	94.0	57,881	0.7
	COMFORIA OMORI TROIS	1	98.0	26,159	0.3	1	92.6	25,718	0.3

Area	Property name	16th Fiscal Period (from February 1, 2018 to July 31, 2018)				17th Fiscal Period (from August 1, 2018 to January 31, 2019)			
		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 BUNKYOHAKUSAN	1	94.0	36,528	0.5	1	96.1	37,565	0.5
	COMFORIA KAMATA	1	95.9	159,655	2.1	1	99.1	155,382	2.0
	COLLEGE COURT HACHIMANYAMA	1	100.0	30,222	0.4	1	100.0	30,222	0.4
	COMFORIA UENOIRIYA	1	92.6	64,233	0.8	1	95.4	64,323	0.8
	COMFORIA IKEJIRI	1	92.8	30,081	0.4	1	85.1	27,318	0.3
	COMFORIA SETAGAYAKAMIUMA	1	100.0	72,601	0.9	1	95.7	73,156	0.9
	COMFORIA AKABANEIWABUCHI	1	93.3	43,116	0.6	1	87.0	60,629	0.8
	COMFORIA RYOGOKU TROIS	1	97.3	27,023	0.3	1	97.3	40,171	0.5
	COLLEGE SQUARE HACHIMANYAMA	1	100.0	7,785	0.1	1	100.0	20,976	0.3
Subtotal		2	96.7	3,227,789	41.5	2	96.1	3,242,784	41.2
Tokyo metropolitan area	COMFORIA KOMAE (Note 5)	—	—	15,411	0.2	—	—	—	—
	COMFORIA YOKOHAMAKANNAI (Note 6)	—	—	13,980	0.2	—	—	—	—
	COMFORIA ICHIKAWAMYODEN	1	96.2	24,452	0.3	1	97.8	24,855	0.3
	COMFORIA YATSUKA	1	95.2	27,495	0.4	1	98.4	27,033	0.3
	COMFORIA SHINKOYASU	1	94.0	39,933	0.5	1	91.2	37,632	0.5
	COMFORIA GYOTOKU	1	98.3	27,983	0.4	1	96.6	26,782	0.3
	GRANCREER CENTER-MINAMI	—	—	—	—	1	100.0	84,210	1.1
Subtotal		1	95.6	149,256	1.9	2	98.8	200,512	2.5
Other major cities	COMFORIA SHIN-OSAKA	1	98.8	91,162	1.2	1	97.2	91,624	1.2
	COMFORIA SHINSAKAE	1	95.9	58,545	0.8	1	96.5	58,393	0.7
	COMFORIA KITAHORIE	1	93.5	31,459	0.4	1	97.4	31,504	0.4
	COMFORIA KITASANJO	1	87.6	34,153	0.4	1	95.5	33,632	0.4
	COMFORIA SAPPORO SHOKUBUTSUEN	1	95.3	42,563	0.5	1	95.2	41,149	0.5
	COMFORIA OGIMACHI	1	100.0	41,323	0.5	1	95.5	43,123	0.5
	COMFORIA SHINSAIBASHI EAST	1	92.4	59,711	0.8	1	95.1	59,943	0.8
	COMFORIA KYOMACHIBORI	1	97.6	45,562	0.6	1	100.0	48,134	0.6
	COMFORIA AWAZA	1	98.9	42,902	0.6	1	97.8	42,453	0.5
	COMFORIA KITAHAMA	1	98.6	53,946	0.7	1	100.0	53,712	0.7
Subtotal		1	95.9	501,331	6.5	1	96.9	503,671	6.4
Total		3	96.6	7,771,914	100.0	3	96.4	7,869,488	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. and Tokyu Land Corporation are the three master lease companies hired by the Investment Corporation for its assets under management; therefore, the sum of the total number of tenants in the 17th Fiscal Period is set as "3.," 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 November 15, 2018.

(Note 4) The master lease company has been changed from Mitsubishi Real Estate Services Co., Ltd. to Tokyu Housing Lease Corporation as of August 1, 2018.

(Note 5) This property was sold to a third party as of June 20, 2018.

(Note 6) This property was sold to a third party as of March 30, 2018.

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, 2019 are as follows.

Segment	Type	Contract amount (millions of yen) (Note 1)		Fair value (millions of yen) (Note 2)
			Over 1 year	
Over-the-counter transactions	Receive floating, pay fixed interest-rate swap transactions	43,575	43,575	–
Total		43,575	43,575	–

(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 17th Fiscal Period, there is no incorporation in particular of specified assets as principal investment targets by the Investment Corporation, other than assets in the aforementioned "3. Statement of Properties Incorporated in the Portfolio," "4. Statement of Renewable Energy Power Generation Facilities," "5. Statement of Operational License of Public Facilities" and "6. Statement of Securities Incorporated in the Portfolio."

9. Ownership of Assets by Country and Region

Not applicable for countries and regions other than Japan

Capital Expenditure for Properties Owned

1. Expected Capital Expenditure

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

Property name (location)	Purpose	Scheduled period	Expected amount of construction work (thousands of yen)		
			Total amount	Payment for the period	Total amount already paid
COMFORIA AKABANEIWABUCHI (Kita-ku, Tokyo)	Subdivision work	From Aug. 2018 to Jul. 2019	128,665	–	–
COMFORIA NIHONBASHI (Chuo-ku, Tokyo)	Large-scale repair work	From Aug. 2019 to Jan. 2020	74,800	–	–
COMFORIA SHIMOOCHIAI (Shinjuku-ku, Tokyo)	Large-scale repair work	From Aug. 2019 to Jan. 2020	64,200	–	–
COMFORIA SHIBAKOEN (Minato-ku, Tokyo)	Large-scale repair work	From Feb. 2019 to Jul. 2019	59,800	–	–
COMFORIA ICHIGAYAYANAGICHO (Shinjuku-ku, Tokyo)	Large-scale repair work	From Aug. 2019 to Jan. 2020	53,900	–	–

2. Capital Expenditure during the Period

The overview of main construction work corresponding to capital expenditure that took place in the 17th Fiscal Period for the managed assets owned as of the end of the period is as follows. Capital expenditure during the 17th Fiscal Period was ¥279,391 thousand. Together with repair expenses of ¥306,207 thousand that were classified as expenses for the 17th Fiscal Period, construction work totaling ¥585,599 thousand was carried out.

Property name (location)	Purpose	Period	Construction cost (thousands of yen)
COMFORIA MINAMISUNAMACHI (Koto-ku, Tokyo)	Large-scale repair work	From Apr. 2018 to Dec. 2018	103,117
COMFORIA SHIBAURA CANAL (Minato-ku, Tokyo)	Large-scale repair work	From Aug. 2018 to Dec. 2018	42,591
COMFORIA ATAGO (Minato-ku, Tokyo)	Large-scale repair work	From Aug. 2018 to Dec. 2018	29,991
COMFORIA NIBANCHO (Chiyoda-ku, Tokyo)	Replacement of security systems	From Aug. 2018 to Jan. 2019	12,097
COMFORIA SENGOKU (Bunkyo-ku, Tokyo)	Value enhancement work for exclusive areas	From Sep. 2018 to Nov. 2018	4,589
Other properties, etc.	Replacement of air conditioners, etc.	From Aug. 2018 to Jan. 2019	87,003
Total			279,391

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	13th Fiscal Period	14th Fiscal Period	15th Fiscal Period	16th Fiscal Period	17th Fiscal Period
	From Aug. 1, 2016 to Jan. 31, 2017	From Feb. 1, 2017 to Jul. 31, 2017	From Aug. 1, 2017 to Jan. 31, 2018	From Feb. 1, 2018 to Jul. 31, 2018	From Aug. 1, 2018 to Jan. 31, 2019
Balance of reserves at the beginning of period	378,887	377,947	349,367	328,884	357,243
Amount of reserves during period	304,044	311,155	523,929	508,774	477,118
Reversal of reserves during period	304,984	339,736	544,411	480,415	437,436
Amount carried forward to next period	377,947	349,367	328,884	357,243	396,925

Status of Expenses and Liabilities

COMFORIA RESIDENTIAL REIT

1. Statement of Expenses Related to Investments

(Thousands of yen)

Item	16th Fiscal Period From Feb. 1, 2018 to Jul. 31, 2018	17th Fiscal Period From Aug. 1, 2018 to Jan. 31, 2019
Asset management fee (Note)	436,079	464,589
Asset custody fee	7,336	7,679
Administrative service fees	27,843	25,969
Directors' compensation	3,600	3,600
Other expenses	223,700	236,375
Total	698,560	738,214

(Note) In addition to the amount stated above, asset management fees came to ¥111,035 thousand and ¥20,750 thousand in the 16th Fiscal Period and 17th Fiscal Period, respectively, related to the acquisition of property and ¥18,050 thousand and ¥5,400 thousand in the 16th Fiscal Period and 17th Fiscal Period, respectively, related to the sale of property are incorporated in the book value of each property.

2. Loan Status

The status of loans as of January 31, 2019 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)	Mizuho Bank, Ltd.	Mar. 23, 2011	3,570	3,570	0.56196	Mar. 23, 2019	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		3,570	3,570					
	MUFG Bank, Ltd.		3,570	3,570					
	Sumitomo Mitsui Banking Corporation		1,785	1,785					
	MUFG Bank, Ltd.	Sep. 4, 2013	2,000	-	0.79500	Aug. 31, 2018	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.	Sep. 30, 2013	1,350	1,350	0.90487	Sep. 30, 2019	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	Feb. 4, 2014	2,000	-	0.60700	Jan. 31, 2019	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.		1,000	-					
	Mizuho Bank, Ltd.		1,000	-					
	Sumitomo Mitsui Trust Bank, Limited		1,000	-					
	Sumitomo Mitsui Banking Corporation		500	-					
	MUFG Bank, Ltd.	Feb. 4, 2014	2,000	2,000	0.88240	Jan. 31, 2021	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.		1,000	1,000					
	Mizuho Bank, Ltd.		1,000	1,000					
	Sumitomo Mitsui Trust Bank, Limited		1,000	1,000					
	Sumitomo Mitsui Banking Corporation		500	500					
	MUFG Bank, Ltd.	Jun. 30, 2014	1,340	1,340	0.60150	Jun. 30, 2020	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.		670	670					
	Mizuho Bank, Ltd.		670	670					
	Sumitomo Mitsui Trust Bank, Limited		670	670					
	Sumitomo Mitsui Banking Corporation		350	350					
	MUFG Bank, Ltd.	Jun. 30, 2014	1,820	1,820	0.90100	Jun. 30, 2022	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.		910	910					
	Mizuho Bank, Ltd.		910	910					
	Sumitomo Mitsui Trust Bank, Limited		910	910					
	Sumitomo Mitsui Banking Corporation		450	450					
	MUFG Bank, Ltd.	Feb. 3, 2015	1,200	1,200	0.69250	Jan. 31, 2022	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.		600	600					
	Mizuho Bank, Ltd.		600	600					
	Sumitomo Mitsui Trust Bank, Limited		600	600					
	Sumitomo Mitsui Banking Corporation		300	300					
	MUFG Bank, Ltd.	Feb. 3, 2015	1,240	1,240	0.79875	Jan. 31, 2023	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.		620	620					
	Mizuho Bank, Ltd.		620	620					
	Sumitomo Mitsui Trust Bank, Limited		620	620					
	Sumitomo Mitsui Banking Corporation		310	310					
	MUFG Bank, Ltd.	Feb. 3, 2015	1,240	1,240	1.04200	Jan. 31, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.		620	620					
	Mizuho Bank, Ltd.		620	620					
	Sumitomo Mitsui Trust Bank, Limited		620	620					
	Sumitomo Mitsui Banking Corporation		310	310					

Type	Lender	Drawdown date	Balance at the beginning of current period (millions of yen)	Balance at the end of current period (millions of yen)	Average interest rate (%) (Note 2)	Maturity date	Repayment method	Use of funds	Remarks
Long-term loans (Note 1)	MUFG Bank, Ltd.	Feb. 2, 2016	720	720	0.58430	Mar. 31, 2023	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.		360	360					
	Mizuho Bank, Ltd.		360	360					
	Sumitomo Mitsui Trust Bank, Limited		360	360					
	Sumitomo Mitsui Banking Corporation		200	200					
	MUFG Bank, Ltd.	Feb. 2, 2016	840	840	0.62460	Aug. 31, 2023	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.		420	420					
	Mizuho Bank, Ltd.		420	420					
	Sumitomo Mitsui Trust Bank, Limited		420	420					
	Sumitomo Mitsui Banking Corporation		230	230					
	MUFG Bank, Ltd.	Feb. 2, 2016	980	980	0.67745	Feb. 29, 2024	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.		490	490					
	Mizuho Bank, Ltd.		490	490					
	Sumitomo Mitsui Trust Bank, Limited		490	490					
	Sumitomo Mitsui Banking Corporation		220	220					
	Development Bank of Japan Inc.	Mar. 23, 2016	1,570	1,570	0.27125	Mar. 31, 2021	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		1,570	1,570					
	Kiraboshi Bank, Ltd.		1,000	1,000					
	Sumitomo Mitsui Trust Bank, Limited		785	785					
	Development Bank of Japan Inc.	Mar. 23, 2016	2,000	2,000	0.61950	Mar. 31, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		2,000	2,000					
	Sumitomo Mitsui Trust Bank, Limited		1,000	1,000					
	MUFG Bank, Ltd.	Aug. 1, 2016	1,160	1,160	0.46655	Jul. 31, 2024	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.		580	580					
	Mizuho Bank, Ltd.		580	580					
	Sumitomo Mitsui Trust Bank, Limited		580	580					
	Sumitomo Mitsui Banking Corporation		290	290					
	MUFG Bank, Ltd.	Aug. 1, 2016	1,800	1,800	0.65518	Jul. 31, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.		900	900					
	Mizuho Bank, Ltd.		900	900					
	Sumitomo Mitsui Trust Bank, Limited		900	900					
	Sumitomo Mitsui Banking Corporation		450	450					
	Mizuho Trust & Banking, Co., Ltd.	Jan. 31, 2017	2,000	2,000	0.46691	Jan. 31, 2022	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.		500	500					
	MUFG Bank, Ltd.	Feb. 2, 2017	1,160	1,160	0.62938	Jan. 31, 2024	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.		580	580					
	Mizuho Bank, Ltd.		580	580					
	Sumitomo Mitsui Trust Bank, Limited		580	580					
	Sumitomo Mitsui Banking Corporation		290	290					
	MUFG Bank, Ltd.	Feb. 2, 2017	1,820	1,820	0.79571	Jan. 30, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.		910	910					
	Mizuho Bank, Ltd.		910	910					
	Sumitomo Mitsui Trust Bank, Limited		910	910					
	Sumitomo Mitsui Banking Corporation		450	450					
	MUFG Bank, Ltd.	Sep. 29, 2017	1,140	1,140	0.49054	Sep. 30, 2022	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.	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					
	Sumitomo Mitsui Trust Bank, Limited	Feb. 2, 2018	100	100	0.26196	Feb. 28, 2019	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed

Type	Lender	Drawdown date	Balance at the beginning of current period (millions of yen)	Balance at the end of current period (millions of yen)	Average interest rate (%) (Note 2)	Maturity date	Repayment method	Use of funds	Remarks
Long-term loans (Note 1)	MUFG Bank, Ltd.	Feb. 2, 2018	1,040	1,040	0.65428	Jan. 31, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.		520	520					
	Mizuho Bank, Ltd.		520	520					
	Sumitomo Mitsui Trust Bank, Limited		520	520					
	Sumitomo Mitsui Banking Corporation		260	260					
	Shinkin Central Bank	Mar. 30, 2018	1,300	1,300	0.45804	Mar. 31, 2023	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	The Norinchukin Bank		1,300	1,300					
	The Bank of Fukuoka, Ltd.		1,300	1,300					
	Mizuho Trust & Banking, Co., Ltd.		1,000	1,000					
	MUFG Bank, Ltd.	Mar. 30, 2018	2,700	2,700	0.62188	Mar. 31, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		1,350	1,350					
	Sumitomo Mitsui Banking Corporation		600	600					
	Nippon Life Insurance Company	Aug. 31, 2018	-	500	0.55126	Jan. 31, 2024	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Taiyo Life Insurance Company		-	500					
	Resona Bank, Ltd.	Aug. 31, 2018	-	1,000	0.73497	Aug. 31, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	Sep. 25, 2018	-	700	0.26258	Oct. 31, 2019	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		-	700					
	MUFG Bank, Ltd.		-	350					
	Sumitomo Mitsui Banking Corporation		-	350					
	Mizuho Bank, Ltd.	Sep. 25, 2018	-	550	0.85667	Mar. 31, 2027	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		-	550					
	Development Bank of Japan Inc.		-	550					
	MUFG Bank, Ltd.		-	275					
	Sumitomo Mitsui Banking Corporation		-	275					
	MUFG Bank, Ltd.	Jan. 31, 2019	-	550	0.43105	Jul. 31, 2023	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		-	550					
	Sumitomo Mitsui Trust Bank, Limited		-	550					
	Development Bank of Japan Inc.		-	550					
	Sumitomo Mitsui Banking Corporation		-	300					
	MUFG Bank, Ltd.	Jan. 31, 2019	-	670	0.39950	Jan. 31, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		-	670					
	Sumitomo Mitsui Trust Bank, Limited		-	670					
	Sumitomo Mitsui Banking Corporation		-	320					
	Development Bank of Japan Inc.	Jan. 31, 2019	-	670	0.49994	Jan. 31, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
Total			103,230	107,530					

(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, 2019 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
Total		8,500	8,500					

(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

Purchase and Sale during the Period

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)
GRANCREER CENTER-MINAMI	Sep. 25, 2018	4,150	—	—	—	—
COMFORIA MINAMIAOYAMA DEUX	—	—	Nov. 15, 2018	540	255	259
Total	—	4,150	—	540	255	259

(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	GRANCREER CENTER-MINAMI	Sep. 25, 2018	4,150	4,180	(1)	Aug. 1, 2018
Sale	Beneficial interest in real estate trust	COMFORIA MINAMIAOYAMA DEUX	Nov. 15, 2018	540	411	(2)	Jul. 31, 2018

(Note 1) The acquisition price and sale price do not include miscellaneous expenses required for the acquisition or sale of said property, fixed property tax, city planning tax, consumption tax and local consumption tax.
(Note 2) Appraisal value indicates appraisal value or investigated value.
(Note 3) The real estate appraisers handling the real estate appraisal or research reports of each property are: (1) Japan Real Estate Institute and (2) The Tanizawa Sōgō Appraisal Co., Ltd.

(2) Other

Of the transactions carried out by the Investment Corporation that were deemed to require a research on prices, etc. pursuant to the provisions of Article 201 of the Investment Trusts Act, except for those shown in the aforementioned "(1) Real estate, etc.", the research was entrusted to Tokyo Kyodo Accounting Office. Between August 1, 2018 and January 31, 2019, there was a single interest rate swap transaction that was subject to the research. The Investment Corporation received a research report regarding the counterparty's name, currency type, agreed-upon interest rate, transaction period and other details of the relevant swap transaction.

4. Transactions with Related Parties

(1) Information on transaction

Category	Purchase and sales amount	
	Purchase amount	Sales amount
Total amount	¥4,150,000 thousand	¥540,000 thousand
Breakdown of transactions between related parties		
Tokyu Land Corporation	¥4,150,000 thousand (100.0%)	¥－ thousand (－%)
Total	¥4,150,000 thousand (100.0%)	¥－ thousand (－%)

(Note) The term "Related parties" refers to related parties defined in Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations as well as related parties of the Investment Corporation prescribed in Article 26, Paragraph 1, Item 27 of the Regulations Concerning Investment Reports of Investment Trusts and Investment Corporations issued by the Investment Trusts Association, Japan. Descriptions are included with regard to related parties that fall under any of these and that had transactions or paid commissions, etc. during the 17th Fiscal Period. (The same shall apply in "(2) Amount of commission paid" and "(3) Major payments to other related parties" below.)

(2) Amount of commission paid

Category	Total amount of commission paid (A) (thousands of yen)	Breakdown of transaction with related parties		Percentage of total amount (B/A) (%)
		Payee	Amount of payment (B) (thousands of yen)	
Property management entrustment costs	596,837	Tokyu Housing Lease Corporation	368,920	61.8
		Community One Co., Ltd.	27,951	4.7
		Tokyu Community Corp.	4,522	0.8
Utilities expenses	115,084	Tokyu Community Corp.	56,594	49.2
Marketing-related expenses	146,504	Tokyu Livable, Inc.	1,327	0.9
Other expenses related to rent business	159,246	Tokyu Sports Oasis, Inc.	10,572	6.6
		Tokyu Re·design Corporation	2,100	1.3
		Community One Co., Ltd.	1,979	1.2

(3) Major payments to other related parties

Tokyu Livable, Inc. ¥16,260 thousand (brokerage fees)
Ewel Inc. ¥1,275 thousand (system usage, etc.)
Tokyu Community Corp. ¥1,821 thousand (repair work)

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

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

Accounting Status

1. Assets, Liabilities, Principal and Profit/Loss

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

2. Changes in the Calculation Method of Depreciation

Not applicable

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

Not applicable

Other

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

Not applicable

2. Notices

(1) Unitholders' Meeting

Not applicable

(2) Board of Directors of the Investment Corporation

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

Approval date	Matter	Overview
January 7, 2019	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, 2019 and January 16, 2019, 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 16, 2019, respectively.

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

1. Balance Sheets

(Thousands of yen)

	16th Fiscal Period (As of July 31, 2018)	17th Fiscal Period (As of January 31, 2019)
Assets		
Current assets		
Cash and deposits	6,673,896	7,981,322
Cash and deposits in trust	6,814,124	7,025,009
Operating accounts receivable	6,296	6,860
Prepaid expenses	389,506	365,221
Other	142	–
Total current assets	13,883,967	15,378,413
Non-current assets		
Property, plant and equipment		
Buildings	2,546,503	2,547,500
Accumulated depreciation	(139,824)	(168,808)
Buildings, net	2,406,679	2,378,692
Structures	28,301	28,301
Accumulated depreciation	(4,013)	(4,897)
Structures, net	24,288	23,404
Machinery and equipment	17,687	17,687
Accumulated depreciation	(1,188)	(1,462)
Machinery and equipment, net	16,499	16,225
Tools, furniture and fixtures	3,062	3,062
Accumulated depreciation	(623)	(889)
Tools, furniture and fixtures, net	2,438	2,172
Land	4,674,303	4,674,303
Buildings in trust	92,110,382	93,883,874
Accumulated depreciation	(9,484,725)	(10,571,985)
Buildings in trust, net	82,625,656	83,311,888
Structures in trust	1,183,712	1,196,527
Accumulated depreciation	(285,120)	(315,059)
Structures in trust, net	898,592	881,467
Machinery and equipment in trust	1,557,003	1,557,003
Accumulated depreciation	(248,426)	(275,871)
Machinery and equipment in trust, net	1,308,576	1,281,132
Tools, furniture and fixtures in trust	291,661	340,254
Accumulated depreciation	(88,080)	(112,950)
Tools, furniture and fixtures in trust, net	203,581	227,303
Land in trust	109,498,297	111,993,547
Construction in progress in trust	–	7,277
Total property, plant and equipment	201,658,914	204,797,414
Intangible assets		
Leasehold rights in trust	1,183,441	1,174,875
Other	11,739	17,667
Total intangible assets	1,195,181	1,192,543
Investments and other assets		
Lease and guarantee deposits	1,525,188	1,525,188
Long-term prepaid expenses	858,156	854,894
Total investments and other assets	2,383,344	2,380,082
Total non-current assets	205,237,439	208,370,041
Deferred assets		
Investment unit issuance expenses	39,426	36,077
Investment corporation bond issuance costs	49,480	45,311
Total deferred assets	88,907	81,388
Total assets	219,210,314	223,829,843

(Thousands of yen)

	16th Fiscal Period (As of July 31, 2018)	17th Fiscal Period (As of January 31, 2019)
Liabilities		
Current liabilities		
Operating accounts payable	657,356	599,318
Current portion of long-term loans payable	20,095,000	16,045,000
Accounts payable - other	63,919	45,882
Accrued expenses	157,188	159,605
Income taxes payable	8,741	5,646
Accrued consumption taxes	12,063	11,521
Advances received	1,241,403	1,270,582
Other	2,201	–
Total current liabilities	22,237,872	18,137,557
Non-current liabilities		
Investment corporation bonds	8,500,000	8,500,000
Long-term loans payable	83,135,000	91,485,000
Tenant leasehold and security deposits	32,740	33,900
Tenant leasehold and security deposits in trust	2,160,708	2,282,280
Asset retirement obligations	96,372	96,972
Other	4,269	4,237
Total non-current liabilities	93,929,090	102,402,390
Total liabilities	116,166,963	120,539,947
Net assets		
Unitholders' equity		
Unitholders' capital	99,814,378	99,814,378
Surplus		
Voluntary retained earnings		
Reserve for reduction entry	37,277	302,807
Total voluntary retained earnings	37,277	302,807
Unappropriated retained earnings (undisposed loss)	3,191,695	3,172,709
Total surplus	3,228,972	3,475,517
Total unitholders' equity	103,043,351	103,289,895
Total net assets	*1 103,043,351	*1 103,289,895
Total liabilities and net assets	219,210,314	223,829,843

2. Statements of Income

(Thousands of yen)

	16th Fiscal Period (From February 1, 2018 to July 31, 2018)	17th Fiscal Period (From August 1, 2018 to January 31, 2019)
Operating revenue		
Lease business revenue	*1 7,417,674	*1 7,594,821
Other lease business revenue	*1 354,240	*1 274,666
Gain on sales of real estate properties	*2 375,576	*2 259,090
Total operating revenue	8,147,490	8,128,578
Operating expenses		
Expenses related to rent business	*1 3,745,525	*1 3,687,607
Asset management fee	436,079	464,589
Directors' compensations	3,600	3,600
Audit fee	13,842	13,842
Asset custody fee	7,336	7,679
Administrative service fees	27,843	25,969
Other operating expenses	209,858	222,533
Total operating expenses	4,444,086	4,425,821
Operating profit	3,703,404	3,702,757
Non-operating income		
Interest income	65	65
Gain on forfeiture of unclaimed dividends	797	860
Total non-operating income	863	925
Non-operating expenses		
Interest expenses	328,912	342,563
Borrowing related expenses	135,666	140,735
Interest expenses on investment corporation bonds	18,112	24,290
Amortization of investment corporation bond issuance costs	3,385	4,169
Amortization of investment unit issuance expenses	13,589	13,589
Total non-operating expenses	499,666	525,349
Ordinary profit	3,204,601	3,178,333
Profit before income taxes	3,204,601	3,178,333
Income taxes - current	8,751	5,656
Income taxes - deferred	4,341	(32)
Total income taxes	13,092	5,624
Profit	3,191,509	3,172,709
Retained earnings brought forward	186	–
Unappropriated retained earnings (undisposed loss)	3,191,695	3,172,709

3. Statements of Changes in Unitholders' Equity

16th Fiscal Period (From February 1, 2018 to July 31, 2018)

(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	94,557,898	61,846	61,846	2,674,584	2,736,430	97,294,329	97,294,329
Changes of items during period							
Issuance of new investment units	5,256,480					5,256,480	5,256,480
Reversal of reserve for reduction entry		(24,568)	(24,568)	24,568	–	–	–
Dividends of surplus				(2,698,966)	(2,698,966)	(2,698,966)	(2,698,966)
Profit				3,191,509	3,191,509	3,191,509	3,191,509
Total changes of items during period	5,256,480	(24,568)	(24,568)	517,111	492,542	5,749,022	5,749,022
Balance at end of current period	*1 99,814,378	37,277	37,277	3,191,695	3,228,972	103,043,351	103,043,351

17th Fiscal Period (From August 1, 2018 to January 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	37,277	37,277	3,191,695	3,228,972	103,043,351	103,043,351
Changes of items during period							
Reserve for reduction entry		285,330	285,330	(285,330)	–	–	–
Reversal of reserve for reduction entry		(19,800)	(19,800)	19,800	–	–	–
Dividends of surplus				(2,926,165)	(2,926,165)	(2,926,165)	(2,926,165)
Profit				3,172,709	3,172,709	3,172,709	3,172,709
Total changes of items during period	–	265,530	265,530	(18,986)	246,544	246,544	246,544
Balance at end of current period	*1 99,814,378	302,807	302,807	3,172,709	3,475,517	103,289,895	103,289,895

4. Statements of Cash Distributions

Category	16th Fiscal Period (From February 1, 2018 to July 31, 2018)	17th Fiscal Period (From August 1, 2018 to January 31, 2019)
I. Unappropriated retained earnings	¥3,191,695,429	¥3,172,709,313
II. Reversal of Voluntary retained earnings		
Reversal of reserve for reduction entry	¥19,800,000	¥17,477,446
III. Distributions	¥2,926,165,090	¥3,040,628,920
[Distribution per unit]	[¥4,985]	[¥5,180]
IV. Voluntary retained earnings		
Provision of reserve for reduction entry	¥285,330,339	¥149,557,839
V. Retained earnings carried forward	¥0	¥0
Method for calculating distributions	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. Based on this policy, the Investment Corporation has determined to pay out ¥2,926,165,090 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. 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.	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. Based on this policy, the Investment Corporation has determined to pay out ¥3,040,628,920 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. 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.

5. Statements of Cash Flows

(Thousands of yen)

	16th Fiscal Period (From February 1, 2018 to July 31, 2018)	17th Fiscal Period (From August 1, 2018 to January 31, 2019)
Cash flows from operating activities		
Profit before income taxes	3,204,601	3,178,333
Depreciation	1,203,424	1,226,501
Borrowing related expenses	135,666	140,735
Amortization of investment corporation bond issuance costs	3,385	4,169
Amortization of investment unit issuance expenses	13,589	13,589
Interest income	(65)	(65)
Gain on forfeiture of unclaimed dividends	(797)	(860)
Interest expenses	347,025	366,853
Decrease (increase) in operating accounts receivable	(712)	(563)
Decrease (increase) in prepaid expenses	(23,060)	24,094
Increase (decrease) in accrued consumption taxes	(9,341)	(541)
Increase (decrease) in operating accounts payable	91,626	(69,386)
Increase (decrease) in accounts payable - other	2,318	2,114
Increase (decrease) in accrued expenses	6,582	5,077
Increase (decrease) in advances received	64,194	29,178
Decrease (increase) in long-term prepaid expenses	4,598	4,429
Decrease due to sales of property, plant and equipment in trust	1,347,161	255,458
Other, net	(495)	(2,058)
Subtotal	6,389,702	5,177,061
Interest income received	65	65
Interest expenses paid	(344,862)	(366,788)
Income taxes paid	(6,048)	(8,751)
Net cash provided by (used in) operating activities	6,038,856	4,801,588
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,774,048)	(12,426)
Purchase of property, plant and equipment in trust	(14,265,028)	(4,606,483)
Purchase of intangible assets	(358)	(9,743)
Payments for lease and guarantee deposits	(17,965)	–
Proceeds from tenant leasehold and security deposits	10,621	4,746
Repayments of tenant leasehold and security deposits	(2,311)	(3,310)
Proceeds from tenant leasehold and security deposits in trust	359,620	311,187
Repayments of tenant leasehold and security deposits in trust	(244,613)	(197,322)
Net cash provided by (used in) investing activities	(15,934,084)	(4,513,351)
Cash flows from financing activities		
Decrease in short-term loans payable	(1,130,000)	–
Proceeds from long-term loans payable	15,153,173	11,664,923
Repayments of long-term loans payable	(9,690,000)	(7,500,000)
Proceeds from issuance of investment corporation bonds	2,479,210	–
Payments for investment corporation bond issuance costs	–	(749)
Proceeds from issuance of investment units	5,233,574	–
Dividends paid	(2,698,430)	(2,925,030)
Other, net	(8,110)	(9,069)
Net cash provided by (used in) financing activities	9,339,416	1,230,074
Net increase (decrease) in cash and cash equivalents	(555,810)	1,518,310
Cash and cash equivalents at beginning of period	14,043,831	13,488,021
Cash and cash equivalents at end of period	*1 13,488,021	*1 15,006,331

6. Notes

<Summary of Significant Accounting Policies>

1. Method of depreciation and amortization of non-current assets	(1) Property, plant and equipment (including trust assets) Property, plant and equipment are depreciated using the straight-line method over the estimated useful lives as follows: Buildings 2–70 years Structures 2–69 years Machinery and equipment 10–34 years Tools, furniture and fixtures 2–15 years (2) Intangible assets (including assets in trust) Intangible assets are amortized by the straight-line method. (3) Long-term prepaid expenses Long-term prepaid expenses are amortized by the straight-line method.
2. Accounting policies for deferred assets	(1) Investment corporation bond issuance costs Investment corporation bond issuance costs are amortized using the straight-line method over the redemption periods. (2) Investment unit issuance expenses Investment unit issuance expenses are amortized in averaged amount on a monthly basis using the straight-line method over three years.
3. Accounting standards for revenues and expenses	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 fiscal periods are calculated out of the tax amounts decided to be levied and are recorded as expenses related to rent business. 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.
4. Method of hedge accounting	(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. (2) Hedging instruments and hedged items Hedging instruments: Interest rate swap transactions Hedged items: Interest expenses on loans payable (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. (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.
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	(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 (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.

<Notes to Changes in the Presentation >

From the beginning of the 17th fiscal period, 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) and changed the presentation method so that deferred tax assets are classified as investments and other assets and deferred tax liabilities are classified as non-current liabilities. As a result, deferred tax assets amounting to ¥703 thousand which were presented under "Other" in "Current assets" on the balance sheet as of July 31, 2018 have been offset against deferred tax liabilities and included in "Other," which now amounts to ¥4,269 thousand, in "Non-current liabilities."

<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)

16th Fiscal Period (As of July 31, 2018)	17th Fiscal Period (As of January 31, 2019)
50,000	50,000

2. Commitment line agreement

The Investment Corporation has commitment line contracts with three of the banks (as of July 31, 2018) and three of the banks (as of January 31, 2019), respectively.

(Thousands of yen)

	16th Fiscal Period (As of July 31, 2018)	17th Fiscal Period (As of January 31, 2019)
Credit limit	10,000,000	10,500,000
Outstanding debt	-	-
Unused commitment line	10,000,000	10,500,000

<Notes to the Statements of Income>

*1. Breakdown of real estate rental revenues and expenses

(Thousands of yen)

	16th Fiscal Period (From February 1, 2018 to July 31, 2018)		17th Fiscal Period (From August 1, 2018 to January 31, 2019)	
A. Real estate rental revenue				
Lease business revenue				
(Rental revenues and common service charges)	7,262,560		7,444,426	
(Parking revenues)	155,113	7,417,674	150,394	7,594,821
Other lease business revenue				
(Key money and contract renewal fees)	205,098		145,265	
(Other revenues)	149,141	354,240	129,401	274,666
Total real estate rental revenues		7,771,914		7,869,488
B. Real estate rental expenses				
Expenses related to rent business				
(Property management fees and facility management fees)	684,012		596,837	
(Repairs and maintenance)	277,912		306,207	
(Land rent)	703,795		706,671	
(Tax and public dues)	355,794		380,884	
(Insurance)	5,885		6,155	
(Utilities)	109,740		115,084	
(Marketing-related expenses)	196,721		146,504	
(Trust fees)	46,052		45,612	
(Depreciation)	1,200,838		1,223,402	
(Other expenses related to rent business)	164,772		160,246	
Total real estate rental expenses		3,745,525		3,687,607
C. Income from real estate rental business (A - B)		4,026,388		4,181,881

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

16th Fiscal Period (From February 1, 2018 to July 31, 2018)

(Thousands of yen)

(1) COMFORIA KOMAE		
Revenue from sales of real estate properties		605,000
Cost of sales of real estate properties	419,886	
Other sales expenses	28,427	448,314
Gain on sales of real estate properties		156,685
(2) COMFORIA YOKOHAMAKANNAI		
Revenue from sales of real estate properties		1,200,000
Cost of sales of real estate properties	927,275	
Other sales expenses	53,833	981,108
Gain on sales of real estate properties		218,891

17th Fiscal Period (From August 1, 2018 to January 31, 2019)

(Thousands of yen)

(1) COMFORIA MINAMIAOYAMA DEUX		
Revenue from sales of real estate properties		540,000
Cost of sales of real estate properties	255,458	
Other sales expenses	25,451	280,909
Gain on sales of real estate properties		259,090

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

	16th Fiscal Period (From February 1, 2018 to July 31, 2018)	17th Fiscal Period (From August 1, 2018 to January 31, 2019)
*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	586,994 units	586,994 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)

	16th Fiscal Period (From February 1, 2018 to July 31, 2018)	17th Fiscal Period (From August 1, 2018 to January 31, 2019)
Cash and deposits	6,673,896	7,981,322
Cash and deposits in trust	6,814,124	7,025,009
Cash and cash equivalents	13,488,021	15,006,331

<Notes to lease transactions>

1. Operating lease transactions (Lessee)

Future minimum lease payments under non-cancelable operating lease transactions

(Thousands of yen)

	16th Fiscal Period (As of July 31, 2018)	17th Fiscal Period (As of January 31, 2019)
Due within 1 year	1,381,584	1,381,584
Due after 1 year	80,684,505	79,993,713
Total	82,066,089	81,375,297

2. Operating lease transactions (Lessor)

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

(Thousands of yen)

	16th Fiscal Period (As of July 31, 2018)	17th Fiscal Period (As of January 31, 2019)
Due within 1 year	275,991	603,046
Due after 1 year	475,927	5,904,575
Total	751,919	6,507,622

<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 for 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 payable, 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, 2018 are as follows.

(Thousands of yen)

	Carrying value (Note 1)	Fair value (Note 1)	Difference
(1) Cash and deposits	6,673,896	6,673,896	—
(2) Cash and deposits in trust	6,814,124	6,814,124	—
(3) Current portion of long-term loans payable	(20,095,000)	(20,105,449)	10,449
(4) Investment corporation bonds	(8,500,000)	(8,539,553)	39,553
(5) Long-term loans payable	(83,135,000)	(83,578,428)	443,428
(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, 2019 are as follows.

(Thousands of yen)

	Carrying value (Note 1)	Fair value (Note 1)	Difference
(1) Cash and deposits	7,981,322	7,981,322	—
(2) Cash and deposits in trust	7,025,009	7,025,009	—
(3) Current portion of long-term loans payable	(16,045,000)	(16,050,104)	5,104
(4) Investment corporation bonds	(8,500,000)	(8,618,518)	118,518
(5) Long-term loans payable	(91,485,000)	(92,393,251)	908,251
(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)

	16th Fiscal Period (As of July 31, 2018)	17th Fiscal Period (As of January 31, 2019)
(1) Tenant leasehold and security deposits	(32,740)	(33,900)
(2) Tenant leasehold and security deposits in trust	(2,160,708)	(2,282,280)

(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)

16th Fiscal Period (As of July 31, 2018)

	Due within 1 year or less
Deposits	6,673,896
Deposits in trust	6,814,124
Total	13,488,021

17th Fiscal Period (As of January 31, 2019)

	Due within 1 year or less
Deposits	7,981,322
Deposits in trust	7,025,009
Total	15,006,331

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

16th Fiscal Period (As of July 31, 2018)

	Due within 1 year or less	Due after 1 year to 2 years	Due after 2 years to 3 years	Due after 3 years to 4 years	Due after 4 years to 5 years	Due after 5 years
Current portion of long-term loans payable	20,095,000	—	—	—	—	—
Long-term loans payable	—	5,050,000	10,425,000	13,800,000	13,460,000	40,400,000
Investment corporation bonds	—	—	3,000,000	1,000,000	—	4,500,000
Total	20,095,000	5,050,000	13,425,000	14,800,000	13,460,000	44,900,000

17th Fiscal Period (As of January 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	16,045,000	—	—	—	—	—
Long-term loans payable	—	9,200,000	13,725,000	11,560,000	15,920,000	41,080,000
Investment corporation bonds	—	—	3,000,000	1,000,000	1,000,000	3,500,000
Total	16,045,000	9,200,000	16,725,000	12,560,000	16,920,000	44,580,000

<Notes to investment securities>

16th Fiscal Period (As of July 31, 2018)

Not applicable

17th Fiscal Period (As of January 31, 2019)

Not applicable

<Notes to derivative transactions>

1. Transactions not subject to hedge accounting

16th Fiscal Period (As of July 31, 2018)

Not applicable

17th Fiscal Period (As of January 31, 2019)

Not applicable

2. Transactions subject to hedge accounting

16th Fiscal Period (As of July 31, 2018)

(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)	48,745,000	41,245,000	(*2)	—
Total			48,745,000	41,245,000	—	—

17th Fiscal Period (As of January 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)	43,575,000	43,575,000	(*2)	—
Total			43,575,000	43,575,000	—	—

*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>

16th Fiscal Period (As of July 31, 2018)

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

17th Fiscal Period (As of January 31, 2019)

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)

	16th Fiscal Period (As of July 31, 2018)	17th Fiscal Period (As of January 31, 2019)
Deferred tax assets		
Nondeductible enterprise tax payable	703	424
Amortization of leasehold rights	14,818	17,781
Asset retirement obligations	33,344	33,552
Subtotal of deferred tax assets	48,866	51,759
Valuation allowance	(48,163)	(51,334)
Total deferred tax assets	703	424
Deferred tax liabilities		
Property, plant and equipment corresponding to asset retirement obligations	(4,973)	(4,662)
Total deferred tax liabilities	(4,973)	(4,662)
Deferred tax assets (liabilities), net	(4,269)	(4,237)

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

(%)

	16th Fiscal Period (As of July 31, 2018)	17th Fiscal Period (As of January 31, 2019)
Statutory tax rate	34.81	34.60
(Adjustments)		
Deductible cash distributions	(31.79)	(33.10)
Provision of reserve for reduction entry	(3.10)	(1.63)
Other	0.48	0.31
Effective tax rate	0.41	0.18

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

16th Fiscal Period (As of July 31, 2018)

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

17th Fiscal Period (As of January 31, 2019)

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

16th Fiscal Period (As of July 31, 2018)

Not applicable

17th Fiscal Period (As of January 31, 2019)

Not applicable

2. Affiliated companies and other

16th Fiscal Period (As of July 31, 2018)

Not applicable

17th Fiscal Period (As of January 31, 2019)

Not applicable

3. Fellow subsidiary companies and other

16th Fiscal Period (As of July 31, 2018)

Not applicable

17th Fiscal Period (As of January 31, 2019)

Not applicable

4. Directors, major individual unitholders and other

16th Fiscal Period (As of July 31, 2018)

Not applicable

17th Fiscal Period (As of January 31, 2019)

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)

	16th Fiscal Period (From February 1, 2018 to July 31, 2018)	17th Fiscal Period (From August 1, 2018 to January 31, 2019)
Balance at beginning of period	95,775	96,372
Increase due to purchase of property, plant and equipment	—	—
Adjustment due to passage of time	596	600
Balance at end of period	96,372	96,972

<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)

	16th Fiscal Period (From February 1, 2018 to July 31, 2018)	17th Fiscal Period (From August 1, 2018 to January 31, 2019)
Book value		
Balance at beginning of period	189,323,487	202,842,355
Changes during period	13,518,868	3,129,935
Balance at end of period	202,842,355	205,972,290
Fair value at end of period	236,899,000	244,989,000

(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 16th Fiscal Period, the principal increase consisted of the acquisition of eight properties including COMFORIA UENOIRIYA and seven other properties during the 16th Fiscal Period totaling ¥15,785,113 thousand, while the principal decrease consisted of the disposition of two properties including COMFORIA YOKOHAMAKANNAI and one other property during the 16th Fiscal Period totaling ¥1,347,161 thousand and depreciation of ¥1,200,242 thousand. During the 17th Fiscal Period, the principal increase consisted of the acquisition of a property (GRANCREER CENTER-MINAMI.; ¥4,313,592 thousand) during the 17th Fiscal Period, while the principal decrease consisted of the disposition of a property (COMFORIA MINAMIAOYAMA DEUX: ¥255,458 thousand) during the 17th Fiscal Period and depreciation of ¥1,222,802 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 16th Fiscal Period (From February 1, 2018 to July 31, 2018) and 17th Fiscal Period (From August 1, 2018 to January 31, 2019) 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)

16th Fiscal Period (From February 1, 2018 to July 31, 2018)

1. Information about each product and service
   Disclosure is omitted because net sales to external customers for a single product/service category account for over 90% of the operating revenues on the Statements of Income.
2. Information about each geographic area
   (1) 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.
   (2) Property, plant and equipment
   Disclosure is omitted because the amount of property, plant and equipment located in Japan accounts for over 90% of the amount of property, plant and equipment on the Balance Sheet.
3. Information about each major customer
   Disclosure is omitted because there is no single external customer whose net sales account for 10% or more of operating revenues on the Statements of Income.

17th Fiscal Period (From August 1, 2018 to January 31, 2019)

1. 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.
2. Information about each geographic area
   (1) 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.
   (2) Property, plant and equipment
   Disclosure is omitted because the amount of property, plant and equipment located in Japan accounts for over 90% of the amount of property, plant and equipment on the Balance Sheet.
3. Information about each major customer
   Disclosure is omitted because 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>

	16th Fiscal Period (From February 1, 2018 to July 31, 2018)	17th Fiscal Period (From August 1, 2018 to January 31, 2019)
Net assets per unit	¥175,544	¥175,964
Profit per unit	¥5,437	¥5,405

(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:

	16th Fiscal Period (From February 1, 2018 to July 31, 2018)	17th Fiscal Period (From August 1, 2018 to January 31, 2019)
Profit (thousands of yen)	3,191,509	3,172,709
Amount not attributable to common unitholders (thousands of yen)	—	—
Profit attributable to common investment units (thousands of yen)	3,191,509	3,172,709
Average number of investment units for the period (units)	586,908	586,994

<Note to significant subsequent events>

Issuance of New Investment Units

The Investment Corporation resolved at the Board of Directors' meetings held on January 7, 2019 and January 16, 2019 concerning the issuance of new investment units as described below. Based on the resolution, payment completed on February 1, 2019 for the new investment units issued through public offering and on February 20, 2019 for the new investment units offered by way of third-party allotment, respectively. As a result, unitholders' capital increased to ¥114,045,421,172, with the number of investment units issued and outstanding at 640,834 units.

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

1) Number of investment units issued: 51,270 units
2) Issue price: ¥273,146 per unit
3) Total issue amount: ¥14,004,195,420
4) Paid-in amount (issue value): ¥264,321 per unit
5) Total paid-in amount (issue value): ¥13,551,737,670
6) Payment date: February 1, 2019

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

1) Number of investment units offered: 2,570 units
2) Paid-in amount (issue value): ¥264,321 per unit
3) Total paid-in amount (issue value): ¥679,304,970
4) Payment date: February 20, 2019
5) 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, 2019 is as follows.

(Thousands of yen)

Classification	Type	Contract amount (Note 1)		Fair value (Note 2)
			Maturing after 1 year	
Over-the-counter transactions	Receive floating, pay fixed interest-rate swap transactions	43,575,000	43,575,000	—
Total		43,575,000	43,575,000	—

(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	2,546,503	997	—	2,547,500	168,808	28,983	2,378,692	
	Structures	28,301	—	—	28,301	4,897	884	23,404	
	Machinery and equipment	17,687	—	—	17,687	1,462	274	16,225	
	Tools, furniture and fixtures	3,062	—	—	3,062	889	265	2,172	
	Land	4,674,303	—	—	4,674,303	—	—	4,674,303	
	Buildings in trust	92,110,382	1,842,594	69,102	93,883,874	10,571,985	1,100,220	83,311,888	(Note)
	Structures in trust	1,183,712	13,108	293	1,196,527	315,059	30,116	881,467	(Note)
	Machinery and equipment in trust	1,557,003	—	—	1,557,003	275,871	27,444	1,281,132	(Note)
	Tools, furniture and fixtures in trust	291,661	52,408	3,816	340,254	112,950	26,048	227,303	(Note)
	Land in trust	109,498,297	2,691,810	196,560	111,993,547	—	—	111,993,547	(Note)
	Construction in progress in trust	—	7,277	—	7,277	—	—	7,277	
	Total	211,910,916	4,608,195	269,772	216,249,339	11,451,924	1,214,236	204,797,414	
Intangible assets	Leasehold rights in trust	1,226,269	—	—	1,226,269	51,393	8,565	1,174,875	
	Other	32,580	9,026	6,109	35,496	17,828	3,098	17,667	
	Total	1,258,849	9,026	6,109	1,261,765	69,221	11,663	1,192,543	

(Note) Increases and decreases during the 17th Fiscal Period are due primarily to the acquisition and sale of real estate properties. The details are as follows.

(Thousands of yen)

Property name	Increase during period	Decrease during period
GRANCREER CENTER-MINAMI	4,313,592	—
COMFORIA MINAMIAOYAMA DEUX	—	255,458

(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	Redemption method	Use of funds	Security
The Investment Corporation 1st unsecured bonds (Note 1)	July 30, 2014	3,000,000	—	—	3,000,000	0.64000	July 30, 2021	Lump-sum repayment	(Note 2)	Unsecured
The Investment Corporation 2nd unsecured bonds (Note 1)	July 18, 2017	1,000,000	—	—	1,000,000	0.23000	July 15, 2022	Lump-sum repayment	(Note 2)	Unsecured
The Investment Corporation 3rd unsecured bonds (Note 1)	July 18, 2017	2,000,000	—	—	2,000,000	0.52000	July 16, 2027	Lump-sum repayment	(Note 2)	Unsecured
The Investment Corporation 4th unsecured bonds (Note 1)	June 14, 2018	1,000,000	—	—	1,000,000	0.23000	December 14, 2023	Lump-sum repayment	(Note 2)	Unsecured
The Investment Corporation 5th unsecured bonds (Note 1)	June 14, 2018	1,500,000	—	—	1,500,000	0.95000	June 14, 2033	Lump-sum repayment	(Note 2)	Unsecured
Total		8,500,000	—	—	8,500,000					

(Note 1) The bonds are subject to the pari passu clause among specified investment corporation bonds.
(Note 2) The funds are appropriated to acquire of real estate in trust and repayment of certain 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	3,500,000

(vi) Supplementary schedule of borrowings

Information on the Investment Corporation's borrowings as of January 31, 2019 is as follows:

Classification	Lender	Balance at beginning of current period (thousands of yen)	Increase during period (thousands of yen)	Decrease during period (thousands of yen)	Balance at end of current period (thousands of yen)	Average interest rate (%) (Note 2)	Maturity date	Repayment method	Use of funds	Remarks
Long-term loans payable (Note 1)	Mizuho Bank, Ltd.	3,570,000	—	—	3,570,000	0.56196	March 23, 2019	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	3,570,000	—	—	3,570,000					
	MUFG Bank, Ltd.	3,570,000	—	—	3,570,000					
	Sumitomo Mitsui Banking Corporation	1,785,000	—	—	1,785,000					
	MUFG Bank, Ltd.	2,000,000	—	2,000,000	—	0.79500	August 31, 2018	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	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	—	0.60700	January 31, 2019	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.	1,000,000	—	1,000,000	—					
	Mizuho Bank, Ltd.	1,000,000	—	1,000,000	—					
	Sumitomo Mitsui Trust Bank, Limited	1,000,000	—	1,000,000	—					
	Sumitomo Mitsui Banking Corporation	500,000	—	500,000	—					
	MUFG Bank, Ltd.	2,000,000	—	—	2,000,000	0.88240	January 31, 2021	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.	1,000,000	—	—	1,000,000					
	Mizuho Bank, Ltd.	1,000,000	—	—	1,000,000					
	Sumitomo Mitsui Trust Bank, Limited	1,000,000	—	—	1,000,000					
	Sumitomo Mitsui Banking Corporation	500,000	—	—	500,000					
	MUFG Bank, Ltd.	1,340,000	—	—	1,340,000	0.60150	June 30, 2020	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.	670,000	—	—	670,000					
	Mizuho Bank, Ltd.	670,000	—	—	670,000					
	Sumitomo Mitsui Trust Bank, Limited	670,000	—	—	670,000					
	Sumitomo Mitsui Banking Corporation	350,000	—	—	350,000					
	MUFG Bank, Ltd.	1,820,000	—	—	1,820,000	0.90100	June 30, 2022	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.	910,000	—	—	910,000					
	Mizuho Bank, Ltd.	910,000	—	—	910,000					
	Sumitomo Mitsui Trust Bank, Limited	910,000	—	—	910,000					
	Sumitomo Mitsui Banking Corporation	450,000	—	—	450,000					
	MUFG Bank, Ltd.	1,200,000	—	—	1,200,000	0.69250	January 31, 2022	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.	600,000	—	—	600,000					
	Mizuho Bank, Ltd.	600,000	—	—	600,000					
	Sumitomo Mitsui Trust Bank, Limited	600,000	—	—	600,000					
	Sumitomo Mitsui Banking Corporation	300,000	—	—	300,000					
	MUFG Bank, Ltd.	1,240,000	—	—	1,240,000	0.79875	January 31, 2023	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.	620,000	—	—	620,000					
	Mizuho Bank, Ltd.	620,000	—	—	620,000					
	Sumitomo Mitsui Trust Bank, Limited	620,000	—	—	620,000					
	Sumitomo Mitsui Banking Corporation	310,000	—	—	310,000					
	MUFG Bank, Ltd.	1,240,000	—	—	1,240,000	1.04200	January 31, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.	620,000	—	—	620,000					
	Mizuho Bank, Ltd.	620,000	—	—	620,000					
	Sumitomo Mitsui Trust Bank, Limited	620,000	—	—	620,000					
	Sumitomo Mitsui Banking Corporation	310,000	—	—	310,000					
	MUFG Bank, Ltd.	720,000	—	—	720,000	0.58430	March 31, 2023	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.	360,000	—	—	360,000					
	Mizuho Bank, Ltd.	360,000	—	—	360,000					
	Sumitomo Mitsui Trust Bank, Limited	360,000	—	—	360,000					
	Sumitomo Mitsui Banking Corporation	200,000	—	—	200,000					

Classification	Lender	Balance at beginning of current period (thousands of yen)	Increase during period (thousands of yen)	Decrease during period (thousands of yen)	Balance at end of current period (thousands of yen)	Average interest rate (%) (Note 2)	Maturity date	Repayment method	Use of funds	Remarks
Long-term loans payable (Note 1)	MUFG Bank, Ltd.	840,000	—	—	840,000	0.62460	August 31, 2023	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.	420,000	—	—	420,000					
	Mizuho Bank, Ltd.	420,000	—	—	420,000					
	Sumitomo Mitsui Trust Bank, Limited	420,000	—	—	420,000					
	Sumitomo Mitsui Banking Corporation	230,000	—	—	230,000					
	MUFG Bank, Ltd.	980,000	—	—	980,000	0.67745	February 29, 2024	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.	490,000	—	—	490,000					
	Mizuho Bank, Ltd.	490,000	—	—	490,000					
	Sumitomo Mitsui Trust Bank, Limited	490,000	—	—	490,000					
	Sumitomo Mitsui Banking Corporation	220,000	—	—	220,000					
	Development Bank of Japan Inc.	1,570,000	—	—	1,570,000	0.27125	March 31, 2021	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	1,570,000	—	—	1,570,000					
	Kiraboshi Bank, Ltd.	1,000,000	—	—	1,000,000					
	Sumitomo Mitsui Trust Bank, Limited	785,000	—	—	785,000					
	Development Bank of Japan Inc.	2,000,000	—	—	2,000,000	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 Daishi 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					

Classification	Lender	Balance at beginning of current period (thousands of yen)	Increase during period (thousands of yen)	Decrease during period (thousands of yen)	Balance at end of current period (thousands of yen)	Average interest rate (%) (Note 2)	Maturity date	Repayment method	Use of funds	Remarks
Long-term loans payable (Note 1)	MUFG Bank, Ltd.	1,140,000	—	—	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					
	Sumitomo Mitsui Trust Bank, Limited	100,000	—	—	100,000	0.26196	February 28, 2019	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	1,040,000	—	—	1,040,000	0.65428	January 31, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.	520,000	—	—	520,000					
	Mizuho Bank, Ltd.	520,000	—	—	520,000					
	Sumitomo Mitsui Trust Bank, Limited	520,000	—	—	520,000					
	Sumitomo Mitsui Banking Corporation	260,000	—	—	260,000					
	Shinkin Central Bank	1,300,000	—	—	1,300,000	0.45804	March 31, 2023	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	The Norinchukin Bank	1,300,000	—	—	1,300,000					
	The Bank of Fukuoka, Ltd.	1,300,000	—	—	1,300,000					
	Mizuho Trust & Banking Co., Ltd.	1,000,000	—	—	1,000,000					
	MUFG Bank, Ltd.	2,700,000	—	—	2,700,000	0.62188	March 31, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	1,350,000	—	—	1,350,000					
	Sumitomo Mitsui Banking Corporation	600,000	—	—	600,000					
	Nippon Life Insurance Company	—	500,000	—	500,000	0.55126	January 31, 2024	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Taiyo Life Insurance Company	—	500,000	—	500,000					
	Resona Bank, Limited	—	1,000,000	—	1,000,000	0.73497	August 31, 2026	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	—	700,000	—	700,000	0.26258	October 31, 2019	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					
	Mizuho Bank, Ltd.	—	550,000	—	550,000	0.85667	March 31, 2027	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	—	550.000	—	550,000					
	Development Bank of Japan Inc.	—	550,000	—	550,000					
	MUFG Bank, Ltd.	—	275,000	—	275,000					
	Sumitomo Mitsui Banking Corporation	—	275,000	—	275,000					
	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	0.49994	January 31, 2025	Lump-sum repayment	(Note 3)	Unsecured Unguaranteed
	Subtotal	103,230,000	11,800,000	7,500,000	107,530,000	—	—	—	—	—
Total		103,230,000	11,800,000	7,500,000	107,530,000					

(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
16,045,000	9,200,000	13,725,000	11,560,000	15,920,000	41,080,000

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Ernst & Young ShinNihon LLC
Hibiya Mitsui Tower, Tokyo Midtown Hibiya
1-1-2 Yurakucho, Chiyoda-ku
Tokyo 100-0006, Japan

Tel : +81 3 3503 1720
Fax: +81 3 3503 1828
ey.com

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, 2019, 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, 2019, 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, 2019
Tokyo, Japan

A member firm of Ernst & Young Global Limited