

Translation of Japanese Original

## FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED October 31, 2018 (REIT)

(May 1, 2018 to October 31, 2018)

December 12, 2018

Kenedix Office Investment Corporation is listed on the Tokyo Stock Exchange with the securities code number 8972.

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Preparing presentation material:  Yes · NoHold a financial brief meeting:  Yes · No (for institutional investors and analysts)

## 1. PERFORMANCE FOR THE FISCAL PERIOD ENDED October 31, 2018 (May 1, 2018 to October 31, 2018)

## (1) Business Results

(Amounts are rounded down to the nearest one million yen.)

(% indications are increase-decrease rate of period-over-period.)

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the six months ended								
October 31, 2018	15,420	4.0	7,148	4.4	6,109	4.8	6,107	4.8
April 30, 2018	14,823	6.6	6,848	21.1	5,829	27.0	5,828	27.0

	Net Income per unit	Return on Unitholders' Equity	Ordinary Income to Total Assets	Ordinary Income to Operating Revenues
	Yen	%	%	%
For the six months ended				
October 31, 2018	14,373	2.8	1.4	39.6
April 30, 2018	14,396	2.7	1.4	39.3

## (2) Distribution

(Total distributions are rounded down to the nearest one million yen.)

	Distributions per Unit (Excluding Excess of Earnings)	Total Distributions (Excluding Excess of Earnings)	Distributions in Excess of Earnings per Unit	Total Distributions in Excess of Earnings	Payout Ratio	Distribution Ratio to Unitholders' Equity
	Yen	Millions of Yen	Yen	Millions of Yen	%	%
For the six months ended						
October 31, 2018	13,458	5,766	0	0	94.4	2.5
April 30, 2018	12,960	5,247	0	0	90.0	2.5

Note 1: Distributions per unit for the fiscal period ended October 31, 2018 are calculated by dividing the amount remaining after deducting the provision of reserve for reduction entry (340 million yen) from unappropriated retained earnings by the number of investment units issued and outstanding. The main difference between distributions per unit and net income per unit is due to this calculation.

Note 2: With the issuance of new investment units during the fiscal period ended October 31, 2018, the payout ratio is calculated using the following method.  
Payout ratio = Total Distributions (Excluding Excess of Earnings) / Net Income × 100.

Note 3: Distributions per unit for the fiscal period ended April 30, 2018 are calculated by dividing the amount remaining after deducting the provision of reserve for reduction entry (581 million yen) from unappropriated retained earnings by the number of investment units issued and outstanding. The main difference between distributions per unit and net income per unit is due to this calculation.

## (3) Financial Position

(Total assets and net assets are rounded down to the nearest one million yen.)

	Total Assets	Net Assets	Net Assets to Total Assets	Net Assets per Unit
	Millions of Yen	Millions of Yen	%	Yen
For the six months ended				
October 31, 2018	437,221	229,313	52.4	535,141
April 30, 2018	422,993	213,642	50.5	527,661

## (4) Cash Flow Situations

(Amounts are rounded down to the nearest one million yen.)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at Period End
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
For the six months ended				
October 31, 2018	15,635	(20,767)	6,668	23,282
April 30, 2018	17,311	(25,388)	1,188	21,746

This notice is an English-language translation of the original Japanese announcement on our website released on December 12, 2018. However, no assurance or warranties are given with respect to the accuracy or completeness of this English-language translation. The Japanese original shall prevail in the case of discrepancies between this translation and the Japanese original.

2. FORECAST OF RESULTS FOR THE FISCAL PERIOD ENDING April 30, 2019 (November 1, 2018 to April 30, 2019) and October 31, 2019 (May 1, 2019 to October 31, 2019)

(% indications are increase-decrease rate of period-over-period.)

	Operating Revenues (Millions of Yen)		Operating Income (Millions of Yen)		Ordinary Income (Millions of Yen)		Net Income (Millions of Yen)		Distributions per Unit (Excluding Excess of Earnings)	Distributions in Excess of Earnings per Unit
		%		%		%		%	Yen	Yen
For the six months ending										
April 30, 2019	15,246	(1.1)	7,147	(0.0)	6,137	0.5	6,136	0.5	13,620	0
October 31, 2019	14,739	(3.3)	6,546	(8.4)	5,529	(9.9)	5,527	(9.9)	12,900	0

(Reference) Estimated net income per unit for the fiscal period ending April 30, 2019: 14,320 yen

Forecasted number of investment units issued and outstanding as of April 30, 2019: 428,510 units

Forecasted average number of investment units during the fiscal period ending April 30, 2019: 428,510 units

Estimated net income per unit for the fiscal period ending October 31, 2019: 12,900 yen

Forecasted number of investment units issued and outstanding as of October 31, 2019: 428,510 units

Forecasted average number of investment units during the fiscal period ending October 31, 2019: 428,510 units

Note: Distributions per unit for the fiscal period ending April 30, 2019 are calculated by dividing the amount remaining after deducting provision of reserve for reduction entry (299 million yen) from net income by the number of investment units issued and outstanding.

**\*OTHER**

(1) Changes in Accounting Policies • Changes in Accounting Estimate • Retrospective Restatement

(a) Changes concerning accounting policy accompanying amendments to accounting standards: No

(b) Changes other than (a): No

(c) Changes in accounting estimate: No

(d) Retrospective restatement: No

(2) Number of Investment Units Issued and Outstanding

(a) Number of investment units issued and outstanding at period end (including treasury units)

As of October 31, 2018: 428,510 units

As of April 30, 2018: 404,885 units

(b) Number of treasury investment units at period end

As of October 31, 2018: 0 units

As of April 30, 2018: 0 units

Note: Please refer to page 29, "Notes on Information per Unit" for the calculation of net income per unit.

**\*Details concerning actual status of auditing procedures**

As of the disclosure of this financial report, auditing procedures for financial statements based on the Financial Instruments and Exchange Act are underway.

**\*Explanation on the appropriate use of the forecast of results and other matters of special consideration**

Readers are advised that actual operating revenues, operating income, ordinary income, net income and distributions per unit may differ significantly from forecasts due to a variety of factors. Accordingly, the Investment Corporation does not guarantee payment of the forecast distributions per unit. Please refer to page 12, "Preconditions and Assumptions for the Twenty-eighth Fiscal Period Ending April 30, 2019 and for the Twenty-ninth Fiscal Period Ending October 31, 2019" for the preconditions of forecast for the twenty-eighth fiscal period ending April 30, 2019 and for the twenty-ninth fiscal period ending October 31, 2019.

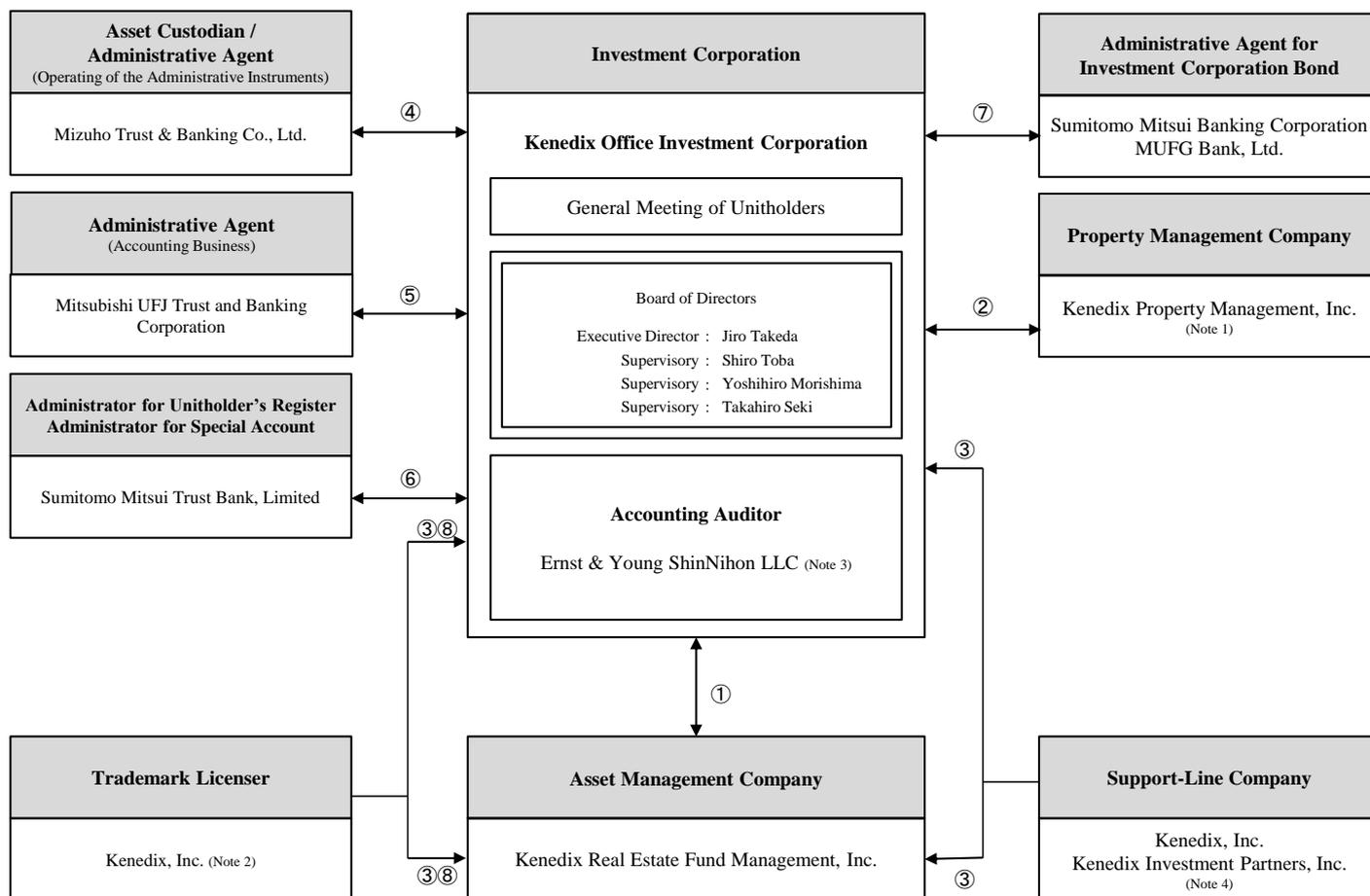
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**1. Basic Structure — Related Companies of the Investment Corporation**

The “Structure of Investment Corporation” as of the date of this document is as follows.



- ① Asset Management Agreement
- ② Property Management Agreement
- ③ Support-Line Memorandum of Understanding
- ④ Asset Custodian Agreement / Administrative Agency Agreement (Operating of the Administrative Instruments)
- ⑤ Administrative Agency Agreement (Accounting Business)
- ⑥ Unitholder Register Administrative Agency Agreement / Special Account Administrative Agency Agreement
- ⑦ Fiscal Agency Agreement
- ⑧ Trademark License Agreement

Note 1: Kenedix Property Management, Inc. is not the property management company for some of the properties.

Note 2: The specified related company of the Investment Corporation (referring to the specified related company stipulated in Article 12, paragraph 3 of the Cabinet Office Ordinance on Disclosure of Information, etc. on Specified Securities (Ordinance of the Ministry of Finance No. 22 of the year 1993, including amendments thereafter)) is Kenedix, Inc. Kenedix, Inc. is the parent company (referring to the parent company stipulated in Article 8, paragraph 3 of Ordinance on Terminology, Forms, and Preparation Methods of Financial Statements, etc. (Ordinance of the Ministry of Finance No.59 of the year 1963, including amendments thereafter)) of the Asset Management Company.

Note 3: Ernst & Young ShinNihon LLC changed its Japanese name on July 1, 2018, but its English name remains the same. The same applies below.

Note 4: Kenedix Investment Partners, Inc. (“KIP”) was added to the party of the Support-Line Memorandum of Understanding on November 1, 2018. The same applies below.

The roles, etc., of KPI are as follows.

Role	Name	Overview of responsibilities
Support-Line Company	Kenedix Investment Partners, Inc.	The Investment Corporation and the Asset Management Company have concluded the Support-Line Memorandum of Understanding (including amendments thereto and addition of parties; the “Support-Line Memorandum”) dated October 1, 2013 with Kenedix, Inc. and KIP.

## 2. Management Policy and Operating Conditions

### (1) Management Policy

There were no major changes to the “Investment Policy,” “Investment Strategy” and “Distribution Policy” from the most recent Securities Report (submitted on July 30, 2018), and accordingly this information has been omitted from this document.

### (2) Operating Conditions

#### ① Operating Conditions for the fiscal period under review

##### A. The Investment Corporation

Kenedix Office Investment Corporation (“the Investment Corporation”) was established on May 6, 2005 in accordance with the Act on Investment Trusts and Investment Corporations (Act No. 198 of the year 1951, including amendments thereafter) (“Investment Trust Act”). On July 21, 2005, the Investment Corporation was listed on the Real Estate Investment Trust Market of the Tokyo Stock Exchange, Inc. (“the Tokyo Stock Exchange”) with a total of 75,400 investment units issued and outstanding (Securities Code: 8972). Subsequently, the Investment Corporation raised funds through public offerings and including seven global offerings. As a result, as of the end of the fiscal period under review, the number of investment units issued and outstanding totaled 428,510 units.

The Investment Corporation entrusts Kenedix Real Estate Fund Management, Inc. (“the Asset Management Company”) with its asset management and strives to maximize unitholder profits by securing stable earnings and sustainable growth of investment assets. To this end, the Investment Corporation adopts the basic policy of conducting flexible and dynamic investment that seeks to respond to the environment and market trends, and endeavors to ensure a timely response to opportunities.

##### B. Investment Environment and Management Performance

###### (a) Investment Environment

During the fiscal period under review (fiscal period ended October 31, 2018), the Japanese economy was impacted by shutdowns of retail stores and factories as well as disrupted logistics network due to natural disasters which occurred in succession, including the earthquake in Hokkaido, torrential rain and typhoon, as well as other factors. As a result, the real GDP growth rate for July to September 2018 (The First Preliminary Estimates) showed an annual decrease of 1.2%.

Although it is necessary to pay close attention to the impact of downward pressure on business sentiment due to external shocks such as the intensification of trade disputes and increase in consumption tax rate, the impacts from natural disasters are expected to be temporary and will thus become smaller. In addition, personal consumption has remained steady while the employment environment continues to be favorable, and capital investment is also expected to remain steady centered on investment for enhancing IT-related capacities as well as various initiatives for investment to save labor. Therefore, the Japanese economy is expected to remain steady although the pace of economic recovery will become gradual.

In terms of the office leasing market, demand for relocations for expanded floor area and better location choice continued to be strong in the five central wards of Tokyo, leading to a continuous decline in the average vacancy rate and rise in the rent level. The average vacancy rate in Tokyo’s five central wards at the end of October 2018 announced by Miki Shoji Co., Ltd. was 2.20%: down 0.82 points year-on-year and down 0.45 points compared with the end of the previous fiscal period (ended April 30, 2018). In addition, the average rent in Tokyo’s five central wards (including newly-built office buildings) has also been increasing for 58 consecutive months since January 2014, reaching 20,597 yen per tsubo for the first time since May 2009. Other major cities across Japan also continued to show a decrease in average vacancy rate and an increase in rent levels.

In the office building transaction market, domestic investors such as listed J-REITs, private REITs and real estate companies, as well as overseas investors continued to show a strong appetite for property acquisitions. Due partially to the ongoing severe competitive acquisition environment for prime properties, cap rates remain at continuously low levels and transaction prices remain high.

###### (b) Management Performance

As of the end of the previous fiscal period (fiscal period ended April 30, 2018), the Investment Corporation owned 97 properties (with a total acquisition price of 407,235 million yen) and equity interest in a Japanese silent partnership (*tokumei kumiai*) (“TK”) (investment amount of 1,107 million yen). During the fiscal period under review (fiscal period ended October 31, 2018), the Investment Corporation acquired one office building (CROSS PLACE Hamamatsucho: acquisition price of 20,700 million yen) and sold one office building (KDX Hamamatsucho Dai-2 Building: acquisition price of 2,200 million yen) and one central urban retail property (Frame Jinnan-zaka (49.0% of quasi co-ownership interest): acquisition price of 4,851 million yen (Note)) (total sale price of 7,297 million yen).

(Note) The acquisition price is an amount equivalent to 49.0% of quasi co-ownership interest in 9,900 million yen, which is the acquisition price of the entire building initially acquired.

As a result, the number of properties owned as of October 31, 2018 (excluding the TK interest, same applies below.) amounts to 97 (with a total acquisition price of 420,884 million yen). Looking at the portfolio distribution by property types, 98.1% was comprised of office buildings, 1.2% of central urban retail properties and 0.7% of others property on an acquisition price basis. The occupancy rate as of the end of the fiscal period under review (ended October 31, 2018) was 99.1% and continuously maintained a high occupancy rate.

#### Operation and Management of Existing Properties

The Investment Corporation entrusts property management services for its entire portfolio as of the end of the fiscal period under review (fiscal period ended October 31, 2018) (excluding ARK Mori Building and Shinjuku 6home Building (Land)) to Kenedix Property Management, Inc. By doing so, the Investment Corporation has strived to unify policies, specifications, procedures, points of contact, etc. for the provision of swift and quality services in the operation and management of properties.

In terms of leasing, in light of the trends of the economy and real estate market, the Investment Corporation proactively attracted new tenants with its close relationships with brokers and absorbed demands to expand floor space by utilizing the close relationships with existing tenants. Moreover, in order to maintain and raise the competitiveness of office buildings, repair of common areas, upgrading of air conditioning systems, renewal of elevators, etc. were implemented according to plan.

Consequently, as of the end of the fiscal period under review (fiscal period ended October 31, 2018), the occupancy rate of office buildings in the Tokyo Metropolitan Area owned by the Investment Corporation stood at 99.2%, while that for all owned office buildings as a whole stood at 99.1%, maintaining high occupancy rates as at the end of the previous fiscal period (April 30, 2018).

#### Stable Management through Large Number of Tenants and Tenant Diversification by Sector

The number of end-tenants for the Investment Corporation's office buildings was 1,123 (Note 1) (Note 2) as of the end of the fiscal period under review (fiscal period ended October 31, 2018), diversifying tenant's stratum further. Furthermore, floor area leased to the top 10 office end-tenants as a proportion of total leased floor area of the entire portfolio was 10.3%. In addition, tenants of office buildings are in various sectors. As a result, we believe the impact by a certain end-tenant vacating the property or sluggish performance in certain sectors would have a relatively limited effect and will be able to maintain stable revenue.

Note 1: When a tenant is leasing more than one property, it is counted as one tenant and the number of tenants is indicated accordingly.

Note 2: The number of end-tenants for the entire portfolio is 1,136 as of the end of the fiscal period (fiscal period ended October 31, 2018).

### C. Capital Financing

#### (a) Issuance of New Investment Units

The Investment Corporation procured funds of 14,067 million yen on May 28, 2018 with additional issuance of investment units (22,500 units) through public offering, and 703 million yen on June 15, 2018 with additional issuance of investment units (1,125 units) through third-party allotment.

#### (b) Status of Borrowings/Investment Corporation Bonds

The Investment Corporation will continue to strive to reduce refinancing risk by diversifying maturity dates for its interest-bearing debt. During the fiscal period under review (fiscal period ended October 31, 2018), the Investment Corporation undertook new borrowings of 10,500 million yen and used 1,000 million yen of cash on hand for the repayment of 11,500 million yen that matured during the fiscal period. In addition, the Investment Corporation redeemed the Fifth Series Unsecured Investment Corporation Bonds (totaling 1,800 million yen and maturing in five years) having reached maturity on September 12, 2018, with cash on hand. The balance of interest-bearing debt as of October 31, 2018 is 183,050 million yen, comprised of 177,050 million yen in borrowings (6,000 million yen in short-term borrowings (Note 1) and 171,050 million yen in long-term borrowings (Note 1)) and 6,000 million yen in investment corporation bonds.

Furthermore, as of the end of fiscal period under review (fiscal period ended October 31, 2018), interest rates for 117,800 million yen of long-term borrowings with floating interest rates, have been practically fixed by utilizing interest-rate swap agreements, etc. in order to hedge risk of rise in the interest rate. In addition, the long-term debt ratio (Note 2) was 96.7% and the long-term fixed interest debt ratio (Note 3) was 96.7%.

As a result of these, the average remaining term of the Investment Corporation's interest-bearing debt (Note 4) was 5.2 years, the average interest rate (Note 4) was 1.06% and the interest-bearing debt ratio (Note 5) was 41.9% at the end of fiscal period under review (fiscal period ended October 31, 2018).

Note 1: Short-term borrowings refer to borrowings with a period of less than or equal to one year from the drawdown date to the repayment date. However, the borrowings whose period until repayment date have surpassed one year because the repayment date one year from the drawdown date is not a business day and for which the repayment date has been moved to the following business day are included in short-term borrowings. Long-term borrowings refer to borrowings with a period of more than one year from the drawdown date to the repayment date. The same classification criteria apply to other borrowings listed below.

Note 2: Long-term debt ratio = (Balance of long-term borrowings + Balance of investment corporation bonds) / (Total borrowings + Balance of investment corporation bonds) × 100

Long-term debt ratio is rounded to the nearest first decimal place.

Note 3: Long-term fixed interest debt ratio = (Balance of long-term fixed interest rate borrowings + Balance of investment corporation bonds) / (Total borrowings + Balance of investment corporation bonds) × 100

The balance of long-term fixed interest rate borrowings includes long-term borrowings with floating interest rates effectively fixed by utilizing interest-rate swap agreements. Long-term fixed interest debt ratio is rounded to the nearest first decimal place.

Note 4: Average remaining terms and average interest rates are the weighted average of the period-end remaining terms and interest rates including upfront fees based on the balance of interest-bearing debt. Average remaining terms are rounded to the nearest first decimal place and average interest rates are rounded to the nearest second decimal place respectively.

Note 5: Interest-bearing debt ratio = Balance of Interest-bearing debt at the end of fiscal period / Total assets at the end of fiscal period × 100

Interest-bearing debt ratio is rounded to the nearest first decimal place.

The balances of borrowings according to financial institutions as of April 30, 2018 and October 31, 2018 are as follows:

Lender	End of Twenty-sixth Fiscal Period (as of April 30, 2018) (Millions of Yen)	End of Twenty-seventh Fiscal Period (as of October 31, 2018) (Millions of Yen)	Ratio as of the End of Twenty-seventh Fiscal Period (%) (Note 6)
Sumitomo Mitsui Banking Corporation	46,200	46,200	26.1
MUFG Bank, Ltd.	34,800	34,800	19.7
Development Bank of Japan Inc.	30,550	30,550	17.3
Sumitomo Mitsui Trust Bank, Limited	19,900	19,900	11.2
Mizuho Bank, Ltd.	11,700	11,700	6.6
Aozora Bank, Ltd.	12,350	11,350	6.4
Resona Bank, Limited	11,250	11,250	6.4
Mizuho Trust & Banking Co., Ltd.	3,800	3,800	2.1
The Bank of Fukuoka, Ltd.	2,500	2,500	1.4
The Nishi-Nippon City Bank, Ltd.	1,700	1,700	1.0
The Hiroshima Bank, Ltd	1,000	1,000	0.6
The 77 Bank, Ltd	1,000	1,000	0.6
The Higashi-Nippon Bank, Limited	800	800	0.5
The Mie Bank, Ltd	500	500	0.3
Total	178,050	177,050	100.0

Note 6: Percentages as of the end of the fiscal period under review are rounded to the first decimal place.

#### (c) Status of Credit Rating

The status of the credit ratings as of the end of fiscal period under review (October 31, 2018) is as follows:

Credit Rating Agency	Details of the Ratings	
Japan Credit Rating Agency, Ltd. (JCR)	Long-Term Issuer Rating	AA- (Outlook: Stable)
	Ratings on Bonds Preliminary Rating of Shelf Registration	AA-

#### (d) Status of Shelf Registration

The Investment Corporation filed a shelf registration statement for investment corporation bonds (excluding short-term investment corporation bonds) on January 30, 2017. Details are as follows.

Planned Issue Amount	100,000 million yen
Planned Issuance Period	February 7, 2017 to February 6, 2019
Use of Funds	Acquisition funds for specified assets that are meant in Article 2-1 of Investment Trust Act, repayment of borrowings, repayment of investment corporation bonds (including short-term investment corporation bonds), refund of lease and guarantee deposits, funds to pay for repairs and maintenance, working capital, etc.

The Eighth Series Unsecured Investment Corporation Bonds of 1,000 million yen and the Ninth Series Unsecured Investment Corporation Bonds of 2,000 million yen were issued based on the above shelf registration statement on July 19, 2017.

#### D. Operating Results and Cash Distribution

As a result of the aforementioned management performance, the Investment Corporation reported operating revenues of 15,420 million yen, operating income of 7,148 million yen, ordinary income of 6,109 million yen and net income of 6,107 million yen for the fiscal period under review (fiscal period ended October 31, 2018).

Concerning the cash distributions for the fiscal period under review, special taxation measures for investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of the year 1957, including amendments thereafter; “the Special Taxation Measures Act”)) are applied based on the cash distribution policies stipulated in the Articles of Incorporation. In addition, the Investment Corporation has decided to use a portion of its unappropriated retained earnings booked as a reserve for reduction entry under internal reserve based on application of the “Special Provisions for Taxation in the Event of Advance Acquisition of Land, etc. in 2009 and 2010” (Article 66-2 of the Special Taxation Measures Act). Based on this policy, the entire amount after deducting 340 million yen that applies within both Article 67-15 and Article 66-2 of the Special Taxation Measures Act as a provision of reserve for reduction entry from unappropriated retained earnings was distributed. Therefore, the distributions per unit resulted in 13,458 yen.

#### ② Outlook for next fiscal period

##### A. Investment Environment

Although future Japanese economy is expected to see a slowdown in growth, the growth of the global market and the bullish trend of domestic demand suggest moderate recovery. On the other hand, careful attention should be paid to uncertainties concerning overseas economies and politics including the rise of policy interest rate in U.S. and trends in the U.S. administration’s policy management and such. Even in Japan, it will be necessary to pay close attention to various events such as the impact of the interest rate hike in the U.S. on domestic interest rates, the trend of the “quantitative and qualitative monetary easing involving control over long- and short-term interest rates” policy that accompanies negative interest rates, and concerns over geopolitical risks.

Concerning the office leasing market, the average vacancy rate in Tokyo’s five central wards at the end of October 31, 2018 announced by Miki Shoji Co., Ltd. was 2.20%, and therefore the vacancy rate shows a downward trend and the demand remains steady. Along with the decline in the vacancy rate, the average rent in Tokyo’s five central wards has been on a rising trend.

In the office building transaction market, although some point out the overheated state, the generally intense acquisition market is forecasted to continue with investors such as listed J-REITs, private REITs, domestic real estate companies and foreign investors bearing a strong appetite for acquisition, backed by the favorable financing environment owing to continuation of the Bank of Japan’s monetary easing measures.

On the other hand, the outstanding bank loans for the real estate industry have reached a record high, and careful attention will need to be paid to changes in bank policies on loans along with future interest rate trends. Although the J-REIT market experienced a trend where the market price struggled to rise due to deterioration in the supply and demand balance brought by frequent public offerings since the start of 2018, the inflow of funds from overseas investors who recognize strong real estate market conditions and stable interest rate levels has been confirmed. However, attention should still be paid to changes in supply and demand trends due to the increase in public offerings against the backdrop of a strong market environment.

##### B. Future Management Policies and Pending Issues

The Investment Corporation adopts the basic policy of conducting flexible and dynamic investment stance that seeks to respond to its environment and market trends, and endeavors to ensure a timely response to opportunities. Based on this policy, the Investment Corporation creates a property investment strategy, management strategy for existing properties, and financial strategy as set forth below and implements them in a flexible and dynamic manner.

###### (a) Investment Strategy for Property Acquisitions and Sales Policy

The Investment Corporation aims for further expansion of its asset size, with the goal of “forming a firm portfolio focusing on mid-sized office buildings” and to become the “No. 1 J-REIT for mid-sized office buildings.” The Investment Corporation will keep mid-sized office buildings in the Tokyo Metropolitan Area as its focus, and with regard to central urban retail properties, invest only in those that have rare value as an alternative to office buildings, are located in busy commercial areas and offer a certain amount of office space. In addition, the Investment Corporation believes that maintaining an investment strategy which aims for a certain degree of regional diversification will be a foundation for constructing a superior portfolio and differentiating the Investment Corporation from others in the business.

Moreover, when acquiring assets, the Investment Corporation will aim for the sound and stable growth of the portfolio by securing continuous opportunities for acquiring properties and flexible acquisition methods in utilizing the networks of the Asset Management Company and the support line of the Kenedix Group (Note) centering on Kenedix, Inc., a parent company of the Asset Management Company, through building multiple pipelines. Furthermore, based on the premise that the Investment Corporation can obtain opportunities for property acquisitions in the future, the Investment Corporation may invest in TK interest, etc., with the Kenedix Group and others on a conjoint basis. In addition, the Investment Corporation seeks to diversify acquisition methods (direct acquisition, equity investment and co-acquisition with the Kenedix Group, mutual transaction with a view of asset reshuffle, etc.) to secure tactful acquisition of properties such as investments in warehousing related TK, etc., in cooperation with the Kenedix Group with consideration to the timing of funding or the consistency of the investment principles.

In selling properties, the Investment Corporation will examine the sale of properties individually in considering the use of funds for asset reshuffles through new property acquisition or fund-type investments. Moreover, The Investment Corporation will decide on the sale individually by considering the revenue and profitability that take into account current and future market trends, building age, area and property size, among other factors, and also in light of the significance of the property's presence in the portfolio.

(Note) Kenedix Group refers to the company group consisting of Kenedix, Inc. and its subsidiaries, related companies, etc. The same applies below.

#### (b) Management Strategy for Existing Properties

Taking into consideration economic and real estate market trends, the Investment Corporation adopts “a tenant-oriented approach which will lead to revenue” for its leasing activities with aims of ensuring a timely and flexible response as well as optimizing tenant satisfaction. Accordingly, the Investment Corporation seeks to aim to maintain / increase cash flow by offering office environments with high tenant satisfaction. Based on the aim to become “the mid-sized office building of the choice,” the Asset Management Company undertakes asset management activities as follows:

- Take measures to maintain and raise competitiveness of properties
- Tailor leasing management according to the market environment
- Apply careful control of management and operating costs by taking advantage of portfolio size
- Ensure appropriate response to relevant laws and regulations
- Develop a proactive response to environmental issues

#### Take measures to maintain and raise competitiveness of properties

The Investment Corporation will implement operation and management in close contact with the actual properties and further enhance the management level. Some specific examples of the operation and management are the installation of boxes of emergency kit, automated external defibrillators (AEDs) and service delivery of public wireless LAN in consideration of business continuity plans (BCP) and its corporate social responsibilities (CSR).

Furthermore, tenants at properties are positioned as important “customers” and the perspective of customer satisfaction (CS) is applied to the management of properties. The Investment Corporation has conducted CS surveys targeting the tenants of its office buildings seven times in cooperation with J.D. Power Japan, Inc., an internationally recognized company that engages in customer satisfaction evaluation (requesting those in charge of general affairs and employees of tenants to complete a questionnaire on the hard aspects such as the building and facilities as well as on the soft aspects such as management and operation, consisting of multiple items for evaluation and open-ended questions). The comprehensive satisfaction rating results for the Seventh CS survey conducted in August 2017 are as follows.

The response of “Satisfied,” “Slightly Satisfied” surpasses the result of the Sixth CS Survey conducted in August 2015.

#### <Comprehensive Satisfaction Rating> (Note 1) (Note 2)

	Satisfied	Slightly Satisfied	Neither	Slightly Dissatisfied	Dissatisfied	Unknown
Seventh CS Survey	28%	48%	17%	5%	1%	0%
Sixth CS Survey	24%	51%	18%	6%	1%	1%

Note 1: Target respondents for the survey are the administration officers of each tenant and tenant employees.

Note 2: Ratios are rounded to the nearest unit.

By conducting such surveys continuously and meeting tenant needs, the Investment Corporation is aiming to improve customer satisfaction while also maintaining and improving the competitiveness and asset value of its properties, and to further enhance profitability.

Tailor leasing management according to the market environment

The characteristics of mid-sized office buildings, which are the primary investment target of the Investment Corporation, are that tenant turnover ratios are relatively high. Therefore, in the leasing aspect, the Investment Corporation implements leasing activities in a timely and flexible manner by adopting the basic policy of endeavoring to maximize revenues for the medium- to long-term through maintaining occupancy rate, while taking into account economic and real estate market trends.

Concerning the solicitation of new tenants, the Investment Corporation strives to shorten the period of vacancy and boost the occupancy rate by implementing flexible and dynamic leasing activities through sharing information closely with leasing brokers, holding of previews, marketing directly to corporations, utilizing guarantee companies and other measures while closely watching market conditions and timing of changes going forward.

Apply careful control of management and operating costs by taking advantage of portfolio size

The Investment Corporation will carefully control the quality of property management and reduce building maintenance and operating costs by taking advantage of the portfolio size through cost reductions of building maintenance, reviews of building maintenance companies, construction bidding and procurement of facilities and equipment, etc., via bulk orders.

Ensure appropriate responses to relevant laws and regulations

The Investment Corporation will gather information on the Building Standards Act (Act No. 201 of the year 1950, including amendments thereafter) and other relevant laws and regulations and any future revisions, in a timely manner and will respond as necessary while considering legal regulations.

Develop a proactive response to environmental issues

The Investment Corporation has established the environmental policies, and promotes environment-friendly investment management operations through proactively participating in GRESB Real Estate Assessment and using certification and assessment systems by external institutions such as DBJ Green Building Certification.

In addition, the Investment Corporation is designated as a specified corporation pursuant to the Act on Rationalizing Energy Use. The Investment Corporation will research on energy saving and environmental friendliness of mid-sized office buildings, develop medium- to long-term energy saving plans and reduction targets, and proactively institute measures in terms of both hardware (buildings and facilities) and soft services (operating and management services) in an aim to ensure the simultaneous pursuit of return on investment and social benefits.

## (c) Financial Strategy (Debt Financing)

The Investment Corporation continuously strives to improve the terms and conditions of existing borrowings, and aims for stable financial management by taking the following measures, etc.

- Reduce refinance risks by diversifying maturities of interest-bearing debts
- Have the procurement ratio of long-term fixed interest borrowings above a certain level
- Control the interest-bearing debt ratio (Note) in a conservative manner (the Investment Corporation will aim to keep the interest-bearing debt ratio to total assets (LTV) at less than 45% level as a rule. However, it will also remain open to the option of increasing LTV to the upper 40% level in the event of debt financing conducted for the purpose of acquiring competitive properties or otherwise.)

Moreover, the Investment Corporation will undertake stable fund procurement based on existing favorable relations with financial institutions, especially major banks, aiming for more robust financial management. In addition, the Investment Corporation aspires to pay attention to the share of each bank and consider as appropriate the introduction of transactions with new banks based on comparison with the conditions with currently transacting banks.

Note: Interest-bearing debt ratio = Balance of interest-bearing debt at the end of fiscal period / Total assets at the end of fiscal period × 100

## (d) Information Disclosure

Consistent with its basic information disclosure policy, the Investment Corporation proactively engages in IR activities with the aim of promptly providing a wide range of relevant information to investors, and make revisions to the information disclosure system when needed. In specific terms, the Investment Corporation provides information through the Timely Disclosure Network System (TDnet), which is a system operated by the Tokyo Stock Exchange, as well as press releases and its website (URL: <https://www.kdo-reit.com/en/>).

## (e) Measures for Conflict of Interest Transactions

Since the Asset Management Company has been entrusted with asset management of several other investment corporations besides the Investment Corporation, there is a possibility that those investment corporations will compete for opportunities for acquiring investment assets. The Asset Management Company has, in order to set an office which prioritizes discussing acquired information on sales of real estate, etc., established rules on priority rights of consideration based on the type, size, and such of properties, to determine the order of discussion priority in advance at the Asset Management Company. Furthermore, it has established a Pipeline Meeting with the Compliance Officer as a member in order to provide asset management services in accordance to said rules, for the purpose of preventing arbitrary allocation of the information about the sale of real estate, etc., and preventing conflicts of interest arising between the investment corporations which consign the management business to the Asset Management Company. As mentioned above, the Asset Management Company is taking appropriate measures for conflict of interest transactions.

## (f) Important Subsequent Events after the Closing Date

Not applicable

## (Reference Information)

## (a) Sale of Property

The Investment Corporation sold the following trust beneficiary interest in real estate on November 1, 2018.

Date of Sale	Type of Specified Asset	Property Name	Location	Buyer	Sale Price (Millions of Yen) (Note 1)	Appraisal Value (Millions of Yen) (Note 2)
November 1, 2018	Trust beneficiary interest in real estate	Frame Jinnan-zaka (51.0% of quasi co- ownership interest)	Shibuya-ku, Tokyo	Not disclosed (Note 3)	5,253	5,661

Note 1: Transfer costs, adjustment of property tax and city-planning tax, and consumption tax, etc., are excluded.

Note 2: Appraisal value as of October 31, 2018 is indicated.

Note 3: Not disclosed due to the buyer's disapproval.

**(3) Risk Factors**

The Asset Management Company has decided to transfer its private placement fund asset management business in order to further strength its expertise in the asset management business of investment corporations by specializing in and focusing on asset management business of investment corporations. Accordingly, on November 1, 2018, the Asset Management Company had KIP succeed the contract related to private placement fund asset management business which the Asset Management Company had conducted. In line with such, risk factors have been partially amended as below concerning investment in investment units of the Investment Corporation and investment corporation bonds ("the Investment Corporation Bonds") issued by the Investment Corporation (Changes from the most recent Securities Report submitted on July 30, 2018 are underlined). Other than the following, there are no major changes to "Investment Risks" described in the most recent Securities Report submitted on July 30, 2018.

(1) Risk concerning Dependence on and Conflicts of Interest with Kenedix, Inc. and Its Group Companies

Kenedix, Inc. owns 100% of the shares of the Asset Management Company of the Investment Corporation and is the primary provider of the Asset Management Company's full-time employees as of the date of this document. Additionally, the Investment Corporation and the Asset Management Company have concluded a support line memorandum of understanding with Kenedix, Inc. and KIP, its wholly owned subsidiary. Furthermore, the Investment Corporation has consigned real estate property management business to Kenedix Property Management, Inc. ("KPM"), the wholly owned subsidiary of Kenedix, Inc., with regards to all properties owned by the Investment Corporation with the exception of ARK Mori Building and Shinjuku 6chome Building (Land), land properties with leasehold, as of the date of this document. Thus, the Investment Corporation and the Asset Management Company maintain close relationships with Kenedix, Inc., KIP and KPM, the wholly owned subsidiary of Kenedix, Inc., that significantly affect the securing of stable earnings and growth potential of the Investment Corporation.

Therefore, if relationships equivalent to the present relationships are no longer able to be maintained among Kenedix, Inc., KIP and KPM, this may have a negative impact on the Investment Corporation.

Furthermore, in the event that the Investment Corporation or the Asset Management Company conducts a transaction with Kenedix, Inc. or one of the funds that KIP manages or provides advice for through asset management activities or the like, acts which conflict with the profit of the Investment Corporation's unitholders or creditors may occur in order to secure profit for Kenedix, Inc. or a fund that KIP manages or provides advice for. In such a case, the interests of the Investment Corporation's unitholders or creditors may be damaged.

- (2) Risk concerning the Asset Management Company being Entrusted with Asset Management of Multiple Investment Corporations, etc.  
An asset management company is not prohibited from being entrusted with asset management of multiple investment corporations, etc. under the Financial Instruments and Exchange Act, and the Asset Management Company is being entrusted with the asset management of Kenedix Residential Next Investment Corporation, Kenedix Retail REIT Corporation and Kenedix Private Investment Corporation in addition to the Investment Corporation.

As the Investment Corporation targets investment in office buildings, central urban retail properties, etc., the investment targets are in competition with the investment corporations.

Therefore, the Asset Management Company has established a Pipeline Meeting and adopted rules on "preferential rights to study property information" along with prohibiting concurrently holding positions as a Head of Departments that manage the investment corporations as of the date of this document. This was done to establish rules to decide which investment corporations shall preferentially consider an acquisition when information on the sale of real estate, etc., is obtained by the Asset Management Company and has stipulated that it shall conduct management in accordance with the concerned rules.

The Investment Corporation and the Asset Management Company expect that there will be only limited instances of competition actually arising over requests for property acquisitions due to the difference in scale of main investment targets between the Investment Corporation and the investment corporations as well as the differences in nature of fund procurement, financial strategies and investment return sought by the investors. However, in cases when competition actually arises over requests for property acquisitions beyond such expectations, the investment corporations may preferentially consider property acquisitions according to the abovementioned rules. In addition, the possibility of considering property acquisitions that go against such rules cannot be denied. Furthermore, such rules are subject to change and the Investment Corporation may not be able to secure the same property acquisition opportunities as of the date of this document due to the concerned changes. In that case, there is a possibility that the building of a portfolio that is considered to be desirable for the Investment Corporation may be difficult to be realized due to a decrease in its property acquisition opportunities and other factors, and, as a result, this may adversely impact profitability or the asset status of the Investment Corporation.

- (3) Risk concerning Quasi Co-ownership of Beneficiary Interests in Trust

In cases where the investment assets are real estate beneficiary interests in trusts that are owned under quasi co-ownership with third parties, there may arise various problems regarding their preservation, use and disposal, etc. that are absent when they are owned independently.

First, management of quasi co-owned interests shall be conducted by a majority of the quasi co-owners in accordance with the value of the interests they own, except if otherwise agreed among such quasi co-owners (Article 252 and 264 of the Civil Code). Therefore, in cases where the Investment Corporation does not own a majority of the quasi co-ownership interests, the Investment Corporation may not be able to reflect its intentions in the directions by the trust beneficiaries with regard to the management and operations of the real estate. Such other quasi co-owners may possibly be Kenedix, Inc. or investment corporations or other funds for which KIP or the Asset Management Company conducts asset management or provides advice. Even so, if such investment corporations or other funds have different intentions (including management policies) from the Investment Corporation regarding management and operation of the real estate, Kenedix, Inc., KIP or the Asset Management Company may be influenced in effect by such intentions or bound by contractual or legal obligations in terms of the relationship with such other investment corporations or funds. As a result, there is a possibility that the Investment Corporation's intentions cannot be reflected in the directions by the trust beneficiaries with regard to the management and operation of the relevant real estate.

Moreover, the general interpretation is that quasi co-ownership can be disposed of freely in the same manner as solely owned real estate but there are cases where a quasi co-owner bears an obligation to provide other quasi co-owners with preferential rights to purchase its quasi co-ownership interest when selling it to a third party. This is done by agreeing to a preferential purchase right for the quasi co-owned portion to be disposed among the quasi co-owners.

Furthermore, the general interpretation is that the right to demand the trust's principal of the quasi co-owners of trust beneficiary interests in real estate over the real estate trustees is an indivisible credit and that their obligation to pay trust expenses, etc. to the real estate trustees is an indivisible obligation. Therefore, a quasi co-owner is subject to possible impact from the credit risk of other quasi co-owners.

In addition, among the quasi co-owners, there are cases where protocols, etc. are concluded among them, agreement is reached among them on the preferential purchase right of quasi co-ownership interests, agreement is reached that the right to demand for sale or purchase will arise under certain conditions, or agreement is reached on the method to make decisions, etc. (content of such is varied) as beneficiaries. In cases when these agreements are made, there is a possibility that disposal of the quasi co-ownership interests owned by the Investment Corporation is restricted, that the Investment Corporation is forced to acquire or transfer quasi co-ownership interests at an unexpected time, or that, regardless of the percentage of its interests, the Investment Corporation's intentions cannot be reflected in the directions by the trust beneficiaries with regard to management and operation of the real estate.

Such restrictions and risks as stated above exist when real estate beneficiary interests in trust are quasi co-owned with third parties, in contrast to cases where they are owned independently. Accordingly, there is a possibility that more time and expenses are required for acquisition and sale of such interests or that factors causing a decrease in prices will increase.

As stated above, even when other quasi co-owners are Kenedix, Inc. or investment corporations or other funds for which KIP or the Asset Management Company conducts asset management or provides advice, if the investment corporations or other funds have intentions that are different from the Investment Corporation's, Kenedix, Inc., KIP or the Asset Management Company may be influenced in effect by such intentions or bound by contractual or legal obligations in terms of the relationship with such other investment corporation or fund. Therefore, such restrictions and risks as stated above that exist when the real estate beneficiary interests in trust are quasi co-owned with third parties cannot necessarily be dissolved or mitigated.

#### (4) Outlook

Forecasts for the twenty-eighth fiscal period (November 1, 2018 to April 30, 2019) and for the twenty-ninth fiscal period (May 1, 2019 to October 31, 2019) are presented as follows.

Twenty-eighth fiscal period (November 1, 2018 to April 30, 2019)

Operating Revenues	15,246 million yen
Operating Income	7,147 million yen
Ordinary Income	6,137 million yen
Net Income	6,136 million yen
Distributions per Unit	13,620 yen
Excess of Earnings	- yen

Twenty-ninth fiscal period (May 1, 2019 to October 31, 2019)

Operating Revenues	14,739 million yen
Operating Income	6,546 million yen
Ordinary Income	5,529 million yen
Net Income	5,527 million yen
Distributions per Unit	12,900 yen
Excess of Earnings	- yen

For preconditions and assumptions of the outlook, please refer to the following “Preconditions and Assumptions for the Twenty-eighth Fiscal Period Ending April 30, 2019 and for the Twenty-ninth Fiscal Period Ending October 31, 2019.”

Note: Forecast figures above are calculated based on certain assumptions. Readers are advised that actual operating revenues, net income and distributions per unit may differ significantly from forecasts due to a variety of reasons. Accordingly, the Investment Corporation does not guarantee payment of the forecasted distributions per unit.

## Preconditions and Assumptions for the Twenty-eighth Fiscal Period Ending April 30, 2019 and for the Twenty-ninth Fiscal Period Ending October 31, 2019

Item	Preconditions and Assumptions
Calculation Period	<ul style="list-style-type: none"> <li>● The twenty-eighth fiscal period: November 1, 2018 to April 30, 2019 (181 days)</li> <li>● The twenty-ninth fiscal period: May 1, 2019 to October 31, 2019 (184 days)</li> </ul>
Property Portfolio	<ul style="list-style-type: none"> <li>● It is assumed that the Investment Corporation owns 96 properties; 97 properties owned by the Investment Corporation as of the end of the current fiscal period (October 31, 2018) minus 1 property (Frame Jinnan-zaka (51.0% of quasi co-ownership interest)) sold on November 1, 2018.</li> <li>● It is assumed that there will be no transfer of assets in the property portfolio (sale of owned properties, acquisition of properties, etc.), other than the above, by the end of the twenty-ninth fiscal period.</li> <li>● The Investment Corporation also holds the TK equity other than above. It assumes the refund of the TK equity will not occur by the end of the twenty-ninth fiscal period.</li> <li>● The actual results may fluctuate due to changes in the property portfolio.</li> </ul>
Operating Revenues	<ul style="list-style-type: none"> <li>● Rental revenues are estimated based on valid leasing agreements as of December 12, 2018 and by considering variable factors, such as seasonal factors against the backdrop of historical performance, as well as leasing conditions, such as the recent real estate market conditions, in addition to the difference in number of operating days due to movements in existing investment assets.</li> <li>● Dividends received of 54 million yen for the twenty-eighth fiscal period and 62 million yen for the twenty-ninth fiscal period have been assumed with regard to the TK equity stated in the above “Property Portfolio.”</li> <li>● Forecasts are based on the assumption that there will be no rent in arrears or non-payments from tenants.</li> <li>● The gain on sale of real estate of 563 million yen is expected to be booked in the twenty-eighth fiscal period due to the sale of Frame Jinnan-zaka (51.0% of quasi co-ownership interest) on November 1, 2018.</li> </ul>
Operating Expenses	<ul style="list-style-type: none"> <li>● Expenses related to rental business other than depreciation are based on the historic expenses, adjusted to reflect expense variables including seasonal factors.</li> <li>● An amount of 1,394 million yen for the twenty-eighth fiscal period and 1,390 million yen for the twenty-ninth fiscal period has been assumed for property and facility management fees (property management and building maintenance fees, etc.).</li> <li>● An amount of 1,223 million yen for the twenty-eighth fiscal period and 1,265 million yen for the twenty-ninth fiscal period has been assumed for taxes and public dues (property tax and city planning tax, etc.). In addition, the property tax and city planning tax, etc. of the properties acquired on and after January 1, 2018 are allocated to the seller and buyer on a pro rata basis at the time of acquisition settlement, and the amount equivalent to the portion allocated to the buyer is included in the acquisition cost of the property. Therefore, only a portion (13 million yen) is recorded as expenses for the twenty-eighth fiscal period. All such taxes will be recorded as expenses in and after the twenty-ninth fiscal period with the expected per-fiscal-period amount of 55 million yen.</li> <li>● An amount of 2,377 million yen for the twenty-eighth fiscal period and 2,413 million yen for the twenty-ninth fiscal period has been assumed for depreciation expense.</li> <li>● An amount of 421 million yen for the twenty-eighth fiscal period and 414 million yen for the twenty-ninth fiscal period has been assumed for repairs, maintenance and renovation expenses. Repairs, maintenance and renovation expenses are estimated based on the amounts budgeted by the Asset Management Company for each property and considered essential for the period. Actual repairs, maintenance and renovation expenses for the fiscal period may, however, differ significantly from estimated amounts due to unforeseen circumstances or emergencies.</li> <li>● In general, property tax and city planning tax are allocated to the seller and purchaser on a pro rata basis at the time of acquisition settlement. In the case of the Investment Corporation, an amount equivalent to the portion allocated to the purchaser is included in the acquisition price of the property.</li> </ul>
Non-Operating Expenses	<ul style="list-style-type: none"> <li>● Interest payable (including financing related expenses etc.) of 974 million yen for the twenty-eighth fiscal period and 1,003 million yen for the twenty-ninth fiscal period is assumed.</li> </ul>
Extraordinary Profit/Loss	<ul style="list-style-type: none"> <li>● Extraordinary profit/loss is not assumed.</li> </ul>
Borrowings and Investment Corporation Bonds	<ul style="list-style-type: none"> <li>● The balance of the borrowings and the investment corporation bonds as of December 12, 2018 is 177,050 million yen and 6,000 million yen, respectively.</li> <li>● Of the borrowings as of December 12, 2018, a total of 8,350 million yen in borrowings is due for repayment during the twenty-eighth fiscal period and a total of 8,200 million yen during the twenty-ninth fiscal period. However, it is assumed that all borrowings will be refinanced.</li> <li>● Of the investment corporation bonds as of December 12, 2018, it is assumed that there are no investment corporation bonds maturing during the twenty-eighth and twenty-ninth fiscal periods.</li> </ul>

Item	Preconditions and Assumptions
Investment Units Issued and Outstanding	<ul style="list-style-type: none"> <li>● The number of investment units issued and outstanding is assumed to be 428,510 units, which is the total number of investment units issued and outstanding as of October 31, 2018.</li> <li>● It is assumed that the number of investment units issued and outstanding will remain unchanged till the end of the twenty-ninth fiscal period.</li> </ul>
Distributions per Unit	<ul style="list-style-type: none"> <li>● Distributions per unit are calculated in accordance with the Cash Distribution Policies outlined in the Investment Corporation's Articles of Incorporation.</li> <li>● Forecasts for the twenty-eighth fiscal period are calculated on the assumption that the amount remaining after deducting provision of reserve for reduction entry of 299 million yen from net income is distributed.</li> <li>● Actual distributions per unit may differ significantly from forecasted figures due to a variety of reasons including movements in investment assets, rental revenues impacted by tenant movements or incidence of major unforeseen renovation expense.</li> </ul>
Distributions in Excess of Earnings per Unit	<ul style="list-style-type: none"> <li>● The Investment Corporation does not currently anticipate distributions in excess of earnings.</li> </ul>
Other	<ul style="list-style-type: none"> <li>● Forecasts are based on the assumption that any revisions to regulatory requirements, taxation, accounting standards, public listing regulations or requirements of the Investment Trusts Association, Japan will not impact forecast figures.</li> <li>● Forecasts are based on the assumption that there will be no major unforeseen changes to economic trends and in real estate and other markets.</li> </ul>

### 3. Financial Statements

#### (1) Balance Sheets

(Thousands of Yen)

	Twenty-sixth Fiscal Period (As of April 30, 2018)	Twenty-seventh Fiscal Period (As of October 31, 2018)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	13,033,326	14,050,532
Cash and deposits in trust	10,444,809	10,973,654
Accounts receivable-trade	308,217	360,261
Prepaid expenses	76,768	111,536
Consumption taxes receivable	166,118	-
Other	17,350	14,606
<b>Total current assets</b>	<b>24,046,590</b>	<b>25,510,591</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
<b>Buildings</b>	<b>17,943,798</b>	<b>17,693,312</b>
Accumulated depreciation	(5,111,557)	(5,316,656)
<b>Buildings, net</b>	<b>12,832,241</b>	<b>12,376,655</b>
<b>Structures</b>	<b>32,618</b>	<b>32,618</b>
Accumulated depreciation	(12,973)	(13,848)
<b>Structures, net</b>	<b>19,645</b>	<b>18,770</b>
<b>Machinery and equipment</b>	<b>411,649</b>	<b>421,857</b>
Accumulated depreciation	(223,927)	(235,745)
<b>Machinery and equipment, net</b>	<b>187,722</b>	<b>186,111</b>
<b>Tools, furniture and fixtures</b>	<b>83,593</b>	<b>86,586</b>
Accumulated depreciation	(51,767)	(54,482)
<b>Tools, furniture and fixtures, net</b>	<b>31,825</b>	<b>32,103</b>
<b>Land</b>	<b>29,504,025</b>	<b>27,520,902</b>
<b>Buildings in trust</b>	<b>118,523,178 *2</b>	<b>122,006,776 *2</b>
Accumulated depreciation	(26,581,425)	(27,897,343)
<b>Buildings in trust, net</b>	<b>91,941,753</b>	<b>94,109,432</b>
<b>Structures in trust</b>	<b>345,717</b>	<b>353,520</b>
Accumulated depreciation	(162,368)	(159,867)
<b>Structures in trust, net</b>	<b>183,349</b>	<b>193,653</b>
<b>Machinery and equipment in trust</b>	<b>1,592,359</b>	<b>1,623,898</b>
Accumulated depreciation	(719,408)	(708,259)
<b>Machinery and equipment in trust, net</b>	<b>872,951</b>	<b>915,639</b>
<b>Tools, furniture and fixtures in trust</b>	<b>466,546</b>	<b>476,862</b>
Accumulated depreciation	(278,421)	(293,197)
<b>Tools, furniture and fixtures in trust, net</b>	<b>188,125</b>	<b>183,665</b>
<b>Land in trust</b>	<b>259,908,839</b>	<b>272,828,051</b>
<b>Construction in progress in trust</b>	<b>83</b>	<b>2,933</b>
<b>Total property, plant and equipment</b>	<b>395,670,563</b>	<b>408,367,919</b>
<b>Intangible assets</b>		
Land leasehold	285,257	285,257
Land leasehold in trust	352,298	351,524
Other	3,501	2,889
<b>Total intangible assets</b>	<b>641,057</b>	<b>639,671</b>
<b>Investments and other assets</b>		
Investment securities	1,090,336	1,114,806
Lease and guarantee deposits	10,000	10,000
Lease and guarantee deposits in trust	122,889	122,889
Long-term prepaid expenses	1,306,980	1,256,374
Other	61,130	113,111

(Thousands of Yen)

	Twenty-sixth Fiscal Period (As of April 30, 2018)	Twenty-seventh Fiscal Period (As of October 31, 2018)
Total investments and other assets	2,591,336	2,617,181
Total noncurrent assets	398,902,957	411,624,771
Deferred assets		
Investment corporation bond issuance costs	44,019	39,860
Investment unit issuance expense	-	45,855
Total deferred assets	44,019	85,715
Total assets	422,993,568	437,221,079
Liabilities		
Current Liabilities		
Accounts payable	1,453,036	1,341,577
Short-term loans payable	6,000,000	6,000,000
Current portion of investment corporation bonds	1,800,000	-
Current portion of long-term loans payable	17,050,000	13,750,000
Accounts payable-other	291,560	775,971
Accrued expenses	79,639	62,766
Income taxes payable	682	795
Accrued consumption taxes	118,583	193,775
Advances received	2,340,180	2,364,110
Deposits received	2,568	2,311
Total current liabilities	29,136,251	24,491,309
Noncurrent liabilities		
Investment corporation bonds	6,000,000	6,000,000
Long-term loans payable	155,000,000	157,300,000
Tenant leasehold and security deposits	2,050,835	1,953,387
Tenant leasehold and security deposits in trust	17,164,250	18,150,520
Other	-	12,281
Total noncurrent liabilities	180,215,086	183,416,189
Total liabilities	209,351,337	207,907,498
Net assets		
Unitholders' equity		
Unitholders' capital	206,199,945	220,970,508
Surplus		
Voluntary reserve		
Reserve for reduction entry	1,552,849	2,134,387
Total voluntary reserve	1,552,849	2,134,387
Unappropriated retained earnings (undisposed loss)	5,828,847	6,107,886
Total surplus	7,381,696	8,242,273
Total unitholders' equity	213,581,642	229,212,781
Valuation and translation adjustments		
Deferred gains or losses on hedges	60,587	100,798
Total valuation and translation adjustments	60,587	100,798
Total net assets	213,642,230 *1	229,313,580 *1
Total liabilities and net assets	422,993,568	437,221,079

**(2) Statements of Income**

(Thousands of Yen)

	Twenty-sixth Fiscal Period November 1, 2017 to April 30, 2018	Twenty-seventh Fiscal Period May 1, 2018 to October 31, 2018
Operating revenues		
Rental revenues	12,351,730 *1	12,730,773 *1
Other rental revenues	1,870,367 *1	2,071,972 *1
Gain on sales of real estate, etc.	550,142 *2	532,490 *2
Dividends income	50,882	85,219
Total operating revenue	14,823,123	15,420,456
Operating expenses		
Property related expenses	6,977,998 *1	7,105,951 *1
Asset management fees	802,855	978,238
Directors' compensation	8,400	8,400
Asset custody fees	22,448	22,689
Administrative service fees	55,699	56,337
Audit fees	11,800	11,800
Other operating expenses	95,549	88,304
Total operating expenses	7,974,751	8,271,721
Operating income	6,848,372	7,148,734
Non-operating income		
Interest income	38	66
Dividends and redemption-prescription	481	788
Interest on refund	232	330
Total non-operating income	752	1,185
Non-operating expenses		
Interest expenses	818,187	833,921
Interest expenses on investment corporation bonds	32,780	30,783
Borrowing related expenses	132,774	133,349
Amortization of investment corporation bond issuance costs	4,506	4,159
Amortization of investment unit issuance expenses	-	9,171
Other	30,930	29,411
Total non-operating expenses	1,019,178	1,040,795
Ordinary income	5,829,946	6,109,124
Income before income taxes	5,829,946	6,109,124
Income taxes-current	1,101	1,240
Income taxes-deferred	(3)	(2)
Total income taxes	1,098	1,238
Net income	5,828,847	6,107,886
Unappropriated retained earnings (undisposed loss)	5,828,847	6,107,886

**(3) Statements of Unitholders' Equity**

Twenty-sixth fiscal period (November 1, 2017 to April 30, 2018)

(Thousands of Yen)

	Unitholders' equity					Valuation and translation adjustments			Total net assets
	Unitholders' capital	Surplus				Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
		Voluntary reserve		Unappropriated retained earnings (undisposed loss)	Total surplus				
		Reserve for reduction entry	Total voluntary reserve						
Balance at the start of current period	206,199,945	2,024,673	2,024,673	4,589,238	6,613,911	212,813,857	37,549	37,549	212,851,406
Changes during the period									
Reversal of reserve for reduction entry		(471,824)	(471,824)	471,824	-	-			-
Distribution from surplus				(5,061,062)	(5,061,062)	(5,061,062)			(5,061,062)
Net income				5,828,847	5,828,847	5,828,847			5,828,847
Items other than unitholders' equity, net							23,038	23,038	23,038
Total changes during the period	-	(471,824)	(471,824)	1,239,609	767,785	767,785	23,038	23,038	790,823
Balance at the end of current period	* 206,199,945	1,552,849	1,552,849	5,828,847	7,381,696	213,581,642	60,587	60,587	213,642,230

Twenty-seventh fiscal period (May 1, 2018 to October 31, 2018)

(Thousands of Yen)

	Unitholders' equity					Valuation and translation adjustments			Total net assets
	Unitholders' capital	Surplus				Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
		Voluntary reserve		Unappropriated retained earnings (undisposed loss)	Total surplus				
		Reserve for reduction entry	Total voluntary reserve						
Balance at the start of current period	206,199,945	1,552,849	1,552,849	5,828,847	7,381,696	213,581,642	60,587	60,587	213,642,230
Changes during the period									
Issuance of new investment units	14,770,562					14,770,562			14,770,562
Provision of reserve for reduction entry		581,538	581,538	(581,538)	-	-			-
Distribution from surplus				(5,247,309)	(5,247,309)	(5,247,309)			(5,247,309)
Net income				6,107,886	6,107,886	6,107,886			6,107,886
Items other than unitholders' equity, net							40,211	40,211	40,211
Total changes during the period	14,770,562	581,538	581,538	279,038	860,576	15,631,139	40,211	40,211	15,671,350
Balance at the end of current period	* 220,970,508	2,134,387	2,134,387	6,107,886	8,242,273	229,212,781	100,798	100,798	229,313,580

**(4) Basis for Calculating Cash Distribution**

(Unit: Yen)

	Twenty-sixth Fiscal Period (November 1, 2017 to April 30, 2018)	Twenty-seventh Fiscal Period (May 1, 2018 to October 31, 2018)
I. Unappropriated retained earnings at the end of fiscal period under review	5,828,847,806	6,107,886,067
II. Total distribution amount (Distributions per unit)	5,247,309,600 (12,960)	5,766,887,580 (13,458)
III. Voluntary reserve (provision) Provision of reserve for reduction entry	581,538,206	340,998,487
IV. Retained earnings brought forward to the next period	-	-
Method of calculating the distribution amount	<p>In accordance with the policy stipulated in Article 35 (1) of its Articles of Incorporation, the Investment Corporation determines that the amount of distribution shall exceed the amount equivalent to 90% of its distributable profit as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation, and shall be up to the amount of its profits as the ceiling. Following this policy, the Investment Corporation has decided that, of the amount remaining after the provision of reserve for reduction entry as stipulated in Article 66-2 of the Act on Special Measures Concerning Taxation is deducted from unappropriated retained earnings, it shall distribute the outstanding 5,247,309,600 yen as profit distribution.</p> <p>In addition, the Investment Corporation decided not to distribute cash in excess of distributable profit, stipulated in Article 35 (2) of its Articles of Incorporation.</p>	<p>In accordance with the policy stipulated in Article 35 (1) of its Articles of Incorporation, the Investment Corporation determines that the amount of distribution shall exceed the amount equivalent to 90% of its distributable profit as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation, and shall be up to the amount of its profits as the ceiling. Following this policy, the Investment Corporation has decided that, of the amount remaining after the provision of reserve for reduction entry as stipulated in Article 66-2 of the Act on Special Measures Concerning Taxation is deducted from unappropriated retained earnings, it shall distribute the outstanding 5,766,887,580 yen as profit distribution.</p> <p>In addition, the Investment Corporation decided not to distribute cash in excess of distributable profit, stipulated in Article 35 (2) of its Articles of Incorporation.</p>

## (5) Statements of Cash Flows

(Thousands of Yen)

	Twenty-sixth Fiscal Period November 1, 2017 to April 30, 2018	Twenty-seventh Fiscal Period May 1, 2018 to October 31, 2018
Net cash provided by (used in) operating activities		
Income before income taxes	5,829,946	6,109,124
Depreciation	2,295,920	2,358,994
Amortization of long-term prepaid expenses	132,517	133,099
Interest income	(38)	(66)
Interest expenses	850,967	864,704
Amortization of investment unit issuance expenses	-	9,171
Amortization of investment corporation bond issuance expenses	4,506	4,159
Decrease (increase) in accounts receivable-trade	6,548	(52,044)
Decrease (increase) in consumption taxes refund receivable	(75,223)	166,118
Decrease (increase) in prepaid expenses	33,815	(34,767)
Increase (decrease) in accounts payable	136,298	(34,206)
Increase (decrease) in accounts payable-other	4,491	322,777
Increase (decrease) in accrued consumption taxes	(34,684)	75,192
Increase (decrease) in advances received	99,644	23,930
Increase (decrease) in deposits received	(29,078)	(257)
Changes in property, plant and equipment from sale	-	2,230,835
Changes in property, plant and equipment held in trust from sale	9,056,075	4,483,951
Decrease (increase) in long-term prepaid expenses	(165,883)	(82,492)
Other	3,823	(61,519)
Subtotal	18,149,649	16,516,704
Interest income received	38	66
Interest expenses paid	(837,734)	(881,064)
Income taxes paid	(766)	(692)
Net cash provided by (used in) operating activities	17,311,186	15,635,014
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	(101,142)	(150,523)
Purchase of property, plant and equipment in trust	(25,402,604)	(21,870,082)
Payments of tenant leasehold and security deposits	(14,666)	(140,072)
Proceeds from tenant leasehold and security deposits	29,581	55,327
Payments of tenant leasehold and security deposits in trust	(553,418)	(213,521)
Proceeds from tenant leasehold and security deposits in trust	1,295,016	1,561,793
Payments of restricted bank deposits in trust	(686,767)	(13,149)
Proceeds from restricted bank deposits in trust	45,721	2,829
Net cash provided by (used in) investment activities	(25,388,281)	(20,767,399)
Net cash provided by (used in) financing activities		
Proceeds from short-term loans payable	4,000,000	2,000,000
Repayment of short-term loans payable	(4,000,000)	(2,000,000)
Proceeds from long-term loans payable	15,000,000	8,500,000
Repayment of long-term loans payable	(8,750,000)	(9,500,000)
Payments of investment corporation bond redemption	-	(1,800,000)
Proceeds of investment unit issuance	-	14,715,536
Dividends paid	(5,061,692)	(5,247,420)
Net cash provided by (used in) financing activities	1,188,307	6,668,115
Net increase (decrease) in cash and cash equivalents	(6,888,787)	1,535,730
Cash and cash equivalents at the beginning of period	28,635,473	21,746,685
Cash and cash equivalents at the end of period	21,746,685 *	23,282,416 *

**(6) Notes on Going Concern**

Not applicable

**(7) Important Accounting Standards**

1. Evaluation standards and evaluation method of assets	<p>Securities</p> <p>Other securities</p> <p>Those with no fair value</p> <p>Cost method through moving-average method</p> <p>Concerning silent partnership (tokumei kumiai) (TK) interests, the method of incorporating the amount of equity equivalent to the portion that corresponds to the net gain or loss of TK is added.</p>
2. Depreciation of fixed assets	<p>(1) Property, plant and equipment (includes trust assets)</p> <p>The straight-line method is applied.</p> <p>Useful lives of the assets ranging are as follows:</p> <p>Buildings: 2 to 49 years</p> <p>Structures: 2 to 45 years</p> <p>Machinery and equipment: 3 to 17 years</p> <p>Tools, furniture and fixtures: 3 to 20 years</p> <p>(2) Intangible assets (includes trust assets)</p> <p>The straight-line method is applied.</p> <p>Land leasehold: Fixed term land leasehold is amortized over a contractual period of 48 years and 9 months under the straight-line method.</p> <p>(3) Long-term prepaid expenses</p> <p>The straight-line method is applied.</p>
3. Accounting policies for deferred assets	<p>(1) Investment unit issuance costs</p> <p>Unit issuance costs are amortized over a period of 3 years.</p> <p>(2) Investment corporation bond issuance costs</p> <p>Bond issuance costs are amortized by applying the straight-line method for the entire redemption period.</p>
4. Accounting standards for revenues and expenses	<p>Accounting method for property tax, etc.</p> <p>Property-related taxes including property taxes and city planning taxes, etc. are imposed on properties on a calendar year basis. These taxes are generally charged to rental expenses for the said fiscal period, for the portion of such taxes corresponding to said period.</p> <p>In connection with the acquisition of real estate or trust beneficiary interests in real estate during the fiscal period under review, the Investment Corporation included its pro rata property portion for the year in each property acquisition cost and not as rental expense. The amount of property taxes included in acquisition cost for the previous fiscal period amounted to 53,876 thousand yen and for the fiscal period under review amounted to 28,631 thousand yen.</p>
5. Accounting for hedges	<p>(1) Hedge accounting method</p> <p>The deferred hedge method is applied. However, the special treatment is applied for the interest-rate swap and interest-rate cap agreements that meet the criteria.</p> <p>(2) Hedging instruments and risks hedged</p> <p>Hedge instruments</p> <p>The Investment Corporation enters into interest-rate swap transactions.</p> <p>The Investment Corporation enters into interest-rate cap transactions.</p> <p>Risks hedged</p> <p>Interest rates on debt.</p> <p>(3) Hedging policy</p> <p>The Investment Corporation enters into derivative transactions based on its risk management policies with the objective of hedging risks in accordance with its Articles of Incorporation.</p> <p>(4) Method of evaluating the effectiveness of hedging</p> <p>During the period from the commencement of hedging to the point at which effectiveness is assessed, the Investment Corporation compares the cumulative total of market changes in the targeted objects of hedging or cash flow changes with the cumulative total of market changes in the hedging instruments or cash flow changes. The Investment Corporation then makes a decision based on the changes and other factors of the two.</p> <p>However, concerning the interest-rate swap and interest-rate cap agreements that meet the criteria for special treatment, the evaluation of effectiveness is omitted.</p>

6. The scope of cash and cash equivalents on statements of cash flows	For the purpose of cash flow statements, cash and cash equivalents consist of cash on hand, deposits received that can be withdrawn on demand, and short-term investments with original maturities of 3 months or less, that are readily convertible to known amounts of cash and present insignificant risk of a change in value.
7. Other significant accounting policies utilized in the preparation of financial statements	<p>(1) Accounting method for trust beneficiary interests in real estate and other assets The assets and liabilities as well as revenues and expenses of financial assets held in the form of trust beneficiary interests in real estate and other assets are recorded in full in the Investment Corporation's balance sheets and statements of income. Important line items included in accounting for financial assets and liabilities in the Investment Corporation's balance sheet are as follows:</p> <ol style="list-style-type: none"> <li>1. Cash and deposits in trust</li> <li>2. Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust and construction in progress in trust</li> <li>3. Land leasehold in trust</li> <li>4. Lease and guarantee deposits in trust</li> <li>5. Tenant leasehold and security deposits in trust</li> </ol> <p>(2) Accounting method for consumption tax Consumption taxes are separately recorded. Non-deductible consumption taxes applicable to the acquisition of assets are included in the cost of acquisition for each asset.</p>

**(8) Notes on Changes in Presentation or Classification**

As the Investment Corporation started application of "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) from the fiscal period under review, changes are made to indicate deferred tax assets under investments and other assets and deferred tax liabilities under noncurrent liabilities.

As a result, 29 thousand yen of deferred tax assets which was included in "other" under "current assets" in the balance sheets of the previous fiscal period is included in "other" under "investments and other assets."

**(9) Notes on Financial Statements**

(Notes on Balance Sheets)

\*1. Minimum unitholders' equity pursuant to Article 67, paragraph 4 of the Act on Investment Trusts and Investment Corporations

(Thousands of Yen)		
	Twenty-sixth Fiscal Period (as of April 30, 2018)	Twenty-seventh Fiscal Period (as of October 31, 2018)
	50,000	50,000

\*2. The amount of advanced depreciation of property, plant and equipment acquired by government subsidy, etc.

(Thousands of Yen)		
	Twenty-sixth Fiscal Period (as of April 30, 2018)	Twenty-seventh Fiscal Period (as of October 31, 2018)
Buildings in trust	26,230	26,230

(Notes on Statements of Income)

	(Thousands of Yen)	
*1. Breakdown of real estate rental business profit and loss	Twenty-sixth Fiscal Period November 1, 2017 to April 30, 2018	Twenty-seventh Fiscal Period May 1, 2018 to October 31, 2018
<b>A. Rental and other operating revenues</b>		
Rental revenues		
Leasing income	10,509,225	10,893,102
Common area charges	1,842,504	1,837,671
Subtotal	12,351,730	12,730,773
Other rental revenues		
Parking space rental revenues	513,392	519,171
Utility charge reimbursement	1,054,416	1,230,853
Miscellaneous	302,558	321,947
Subtotal	1,870,367	2,071,972
Total rental and other operating revenues	14,222,098	14,802,746
<b>B. Rental and other operating expenses</b>		
Property-related expenses		
Property management fees and facility management fees	1,355,289	1,378,278
Utilities	1,102,668	1,241,455
Taxes	1,148,754	1,225,685
Repairs and maintenance costs	767,074	568,517
Insurance	19,318	19,886
Trust fees	32,748	32,791
Others	256,837	280,955
Depreciation	2,295,308	2,358,382
Total rental and other operating expenses	6,977,998	7,105,951
<b>C. Rental operating profit (A – B)</b>	<b>7,244,099</b>	<b>7,696,794</b>

\*2. Gain and loss on sale of real estate, etc.

Twenty-sixth Fiscal Period (November 1, 2017 to April 30, 2018)

		(Thousands of Yen)
(1) KDX Ikejiri-Oohashi Building		
Revenue from sale of real estate, etc.		2,400,000
Cost of real estate, etc. sold		2,353,314
Other sales expenses		35,467
Gain on sale of real estate, etc.		11,217
(2) KDX Shin-Yokohama 214 Building		
Revenue from sale of real estate, etc.		2,430,000
Cost of real estate, etc. sold		2,221,555
Other sales expenses		55,614
Gain on sale of real estate, etc.		152,830
(3) Residence Charmante Tsukishima		
Revenue from sale of real estate, etc.		4,900,000
Cost of real estate, etc. sold		4,481,204
Other sales expenses		32,700
Gain on sale of real estate, etc.		386,094

Twenty-seventh Fiscal Period (May 1, 2018 to October 31, 2018)

		(Thousands of Yen)
(1) KDX Hamamatsucho Dai-2 Building		
Revenue from sale of real estate, etc.		2,250,000
Cost of real estate, etc. sold		2,230,835
Other sales expenses		16,105
Gain on sale of real estate, etc.		3,058
(2) Frame Jinnan-zaka (49.0% of quasi co-ownership interest)		
Revenue from sale of real estate, etc.		5,047,000
Cost of real estate, etc. sold		4,483,951
Other sales expenses		33,616
Gain on sale of real estate, etc.		529,432

(Notes on Statements of Changes in Unitholders' Equity)

\* Total number of authorized investment units and total number of investment units issued and outstanding

	Twenty-sixth Fiscal Period November 1, 2017 to April 30, 2018	Twenty-seventh Fiscal Period May 1, 2018 to October 31, 2018
Total number of authorized investment units	2,000,000 units	2,000,000 units
Total number of investment units issued and outstanding	404,885 units	428,510 units

(Notes on Statements of Cash Flow)

\* Reconciliation of balance sheet items to cash and cash equivalents at end of period in the cash flows statements

		(Thousands of Yen)	
		Twenty-sixth Fiscal Period November 1, 2017 to April 30, 2018	Twenty-seventh Fiscal Period May 1, 2018 to October 31, 2018
Cash and deposits		13,033,326	14,050,532
Cash and deposits in trust		10,444,809	10,973,654
Restricted bank deposits held in trust (Note)		(1,731,450)	(1,741,770)
Cash and cash equivalents		21,746,685	23,282,416

Note: Restricted bank deposits held in trust are retained for repayment of tenant leasehold and security deposits held in trust.

(Notes on Lease Transactions)

Operating lease transactions (Lessor)	Twenty-sixth Fiscal Period (as of April 30, 2018)	Twenty-seventh Fiscal Period (as of October 31, 2018)
Unearned lease payments		
Due within one year	1,446,246	1,621,774
Due after one year	5,943,183	5,956,433
Total	7,389,430	7,578,208

(Notes on Financial Instruments)

## 1. Items with Regard to the Current Status of Financial Instruments

## (1) Action Policy with Regard to Financial Instruments

The Investment Corporation procures essential funds for acquiring properties and undertaking the repayment of loans primarily through bank loans and the issuance of investment corporation bonds and new investment units. The Investment Corporation makes use of derivative instruments primarily as a risk hedge against interest rate fluctuations and to lessen interest-rate payments. In addition, it is company policy to not conduct speculative derivative transactions. Management of surplus funds is undertaken in a prudent manner that considers fully such factors as safety, liquidity, interest rate conditions and cash flows.

## (2) Financial Instruments and Respective Risks

Investment securities are TK interests, which are subject to credit risk of the issuer and risk of fluctuation of value of real estate, etc.

Loans and investment corporation bonds are used primarily for procuring funds necessary for the acquisition of properties and have a redemption date of a maximum of about 10 years following the closing date. Although a certain portion of said liabilities are subject to interest rate fluctuation risks, the Investment Corporation utilizes derivative instruments (interest-rate swap transactions, etc.) in order to hedge against such risks.

Derivative instruments are interest-rate swap and interest-rate cap transactions that are used to hedge against interest rate fluctuation risks. Utilizing interest-rate swap transactions, the Investment Corporation fixed its interest payments for funds procured on a floating interest rate basis or minimizing the risk of interest rate increase. With regard to hedge accounting methods, hedging instruments and hedged items, hedge policy, and the method of evaluation of hedge effectiveness, please refer to "5. Accounting for hedges in notes concerning Important Accounting Standards."

## (3) Risk Management Structure with Regard to Financial Instruments

## A. Management of Market Risk (Risk Associated with Fluctuations in Interest Rates and Others)

The Investment Corporation uses interest-rate swap etc., in order to minimize risks associated with interest payment rate fluctuations on funds procured.

The Investment Corporation will periodically grasp the value of real estate, etc. and financial condition, etc. of the issuer with regard to investment securities.

## B. Management of Liquidity Risk (Risk of Defaulting on Payments by the Due Date) Associated with Funds Procurement

Although loans and other liabilities are subject to liquidity risks, the Investment Corporation reduces such risks by spreading out payment due dates and by using diversified fund procurement methods. Liquidity risk is also managed by such means as regularly checking the balance of cash reserves.

## (4) Supplemental Explanation of Items with Regard to Fair Value of Financial Instruments

Included in the fair value of financial products are market prices, or, in the event market prices are not available, prices that are calculated on a rational basis. Because the factors incorporated into the calculation of these prices are subject to change, differing assumptions are adopted which may alter fair value. Moreover, the contract amounts, etc. of derivative transactions in "2. Items with Regard to Fair Value of Financial Instruments" do not indicate the market risk of derivative transactions.

## 2. Items with Regard to Fair Value of Financial Instruments

The book value per the balance sheet, fair values, as well as their difference are as follows. Furthermore, items whose fair values are recognized to be extremely difficult to grasp are not included in the following table (Refer to Note 2).

Twenty-sixth Fiscal Period (as of April 30, 2018)

(Thousands of Yen)

	Book Value	Fair Value	Difference
(1) Cash and deposits	13,033,326	13,033,326	-
(2) Cash and deposits in trust	10,444,809	10,444,809	-
Total	23,478,136	23,478,136	-
(1) Short-term loans payable	6,000,000	6,000,000	-
(2) Current portion of investment corporation bonds	1,800,000	1,804,644	4,644
(3) Current portion of long-term loans payable	17,050,000	17,088,337	38,337
(4) Investment corporation bonds	6,000,000	6,057,000	57,000
(5) Long-term loans payable	155,000,000	155,280,513	280,513
Total	185,850,000	186,230,495	380,495
Derivative transaction	60,587	60,587	-

Twenty-seventh Fiscal Period (as of October 31, 2018)

(Thousands of Yen)

	Book Value	Fair Value	Difference
(1) Cash and deposits	14,050,532	14,050,532	-
(2) Cash and deposits in trust	10,973,654	10,973,654	-
Total	25,024,186	25,024,186	-
(1) Short-term loans payable	6,000,000	6,000,000	-
(2) Current portion of investment corporation bonds	-	-	-
(3) Current portion of long-term loans payable	13,750,000	13,768,881	18,881
(4) Investment corporation bonds	6,000,000	6,050,100	50,100
(5) Long-term loans payable	157,300,000	157,675,962	375,962
Total	183,050,000	183,494,943	444,943
Derivative transaction	100,798	100,798	-

\* Net claims and liabilities arisen from derivative transactions are shown in the net amount and items that will be liabilities in net when totaled are indicated using parenthesis.

Note 1: Items with regard to the calculation method of financial instrument fair value, investment securities and derivative transactions.

Assets

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

Because these are settled in the short-term, the fair value can be considered as equivalent to the book value; therefore, the book value is used to determine fair value.

Liabilities

## (1) Short-term loans payable

Because these are settled in the short-term, the fair value can be considered as equivalent to the book value; therefore, the book value is used to determine fair value.

## (2) Current portion of investment corporation bonds and (4) investment corporation bonds

The fair value of investment corporation bonds is based on market prices.

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

The fair value of long-term borrowings is calculated based on the present value that discounts the total amount of principal and interest by using the estimated interest rate in the event that the Investment Corporation conducts new borrowings of the same type. Among long-term borrowings with floating interest rates, the said borrowings, which are subject to special treatment of interest-rate swaps or caps, are calculated by discounting the total amount of principal and interest, which is handled together with applicable interest-rate swaps or caps, by the rationally estimated interest rate in the case that the same type of borrowings are undertaken.

Derivative Transactions

Please refer to the following "Notes on Derivative Transactions."

Note 2: Book value of financial instruments for which it is extremely difficult to determine the fair value

(Thousands of Yen)

Classification	Twenty-sixth Fiscal Period (as of April 30, 2018)	Twenty-seventh Fiscal Period (as of October 31, 2018)
Investment securities*	1,090,336	1,114,806

\*Because no quoted market price for TK interests is available and it is extremely difficult to determine the fair value, the above TK interests are not included in the preceding table.

Note 3: Redemption schedule of monetary claims after the closing date

Twenty-sixth Fiscal Period (as of April 30, 2018)

(Thousands of Yen)

	Due within 1 yr.	1-2 yrs.	2-3 yrs.	3-4 yrs.	4-5 yrs.	More than 5 yrs.
Cash and deposits	13,033,326	-	-	-	-	-
Cash and deposits in trust	10,444,809	-	-	-	-	-
Total	23,478,136	-	-	-	-	-

Twenty-seventh Fiscal Period (as of October 31, 2018)

(Thousands of Yen)

	Due within 1 yr.	1-2 yrs.	2-3 yrs.	3-4 yrs.	4-5 yrs.	More than 5 yrs.
Cash and deposits	14,050,532	-	-	-	-	-
Cash and deposits in trust	10,973,654	-	-	-	-	-
Total	25,024,186	-	-	-	-	-

Note 4: Redemption schedule of investment corporation bonds and repayment schedule of loans after the closing date

Twenty-sixth Fiscal Period (as of April 30, 2018)

(Thousands of Yen)

	Due within 1 yr.	1-2 yrs.	2-3 yrs.	3-4 yrs.	4-5 yrs.	More than 5 yrs.
Short-term loans payable	6,000,000	-	-	-	-	-
Investment corporation bonds	1,800,000	-	-	-	1,000,000	5,000,000
Long-term loans payable	17,050,000	14,700,000	19,600,000	21,700,000	10,950,000	88,050,000
Total	24,850,000	14,700,000	19,600,000	21,700,000	11,950,000	93,050,000

Twenty-seventh Fiscal Period (as of October 31, 2018)

(Thousands of Yen)

	Due within 1 yr.	1-2 yrs.	2-3 yrs.	3-4 yrs.	4-5 yrs.	More than 5 yrs.
Short-term loans payable	6,000,000	-	-	-	-	-
Investment corporation bonds	-	-	-	1,000,000	-	5,000,000
Long-term loans payable	13,750,000	18,600,000	21,300,000	17,050,000	9,300,000	91,050,000
Total	19,750,000	18,600,000	21,300,000	18,050,000	9,300,000	96,050,000

(Notes on Derivative Transactions)

1. Items that do not apply hedge accounting

Twenty-sixth Fiscal Period (as of April 30, 2018) and Twenty-seventh Fiscal Period (as of October 31, 2018): Not applicable

2. Items that apply hedge accounting

Twenty-sixth Fiscal Period (as of April 30, 2018)

(Thousands of Yen)

Hedge accounting method	Type of derivative transactions	Main target of risk hedge	Contracted amount		Fair value	Calculation method for applicable fair value
				More than 1 yr.		
Principle method	Interest-rate swap transactions Fixed rate payable · Floating rate receivable	Long-term loans payable	17,900,000	17,900,000	60,587	Based on the quoted price obtained from counterparty financial institutions.
Special treatment of interest-rate swaps	Interest-rate swap transactions Fixed rate payable · Floating rate receivable	Long-term loans payable	97,400,000	88,750,000	*	-
Special treatment of interest-rate caps	Interest-rate cap transactions	Long-term loans payable	500,000	-	*	-
Total			115,800,000	106,650,000	60,587	-

Twenty-seventh Fiscal Period (as of October 31, 2018)

(Thousands of Yen)

Hedge accounting method	Type of derivative transactions	Main target of risk hedge	Contracted amount		Fair value	Calculation method for applicable fair value
				More than 1 yr.		
Principle method	Interest-rate swap transactions Fixed rate payable・Floating rate receivable	Long-term loans payable	23,900,000	23,900,000	100,798	Based on the quoted price obtained from counterparty financial institutions.
Special treatment of interest-rate swaps	Interest-rate swap transactions Fixed rate payable・Floating rate receivable	Long-term loans payable	93,900,000	82,550,000	*	-
Total			117,800,000	106,450,000	100,798	-

\* Special treatment of interest-rate swaps or caps is reported at the fair value of applicable long-term loans payable. This is because such swaps or caps are handled together with hedged long-term loans payable.

(Notes on Segment and Related Information)

## 1. Segment Information

Disclosure is omitted because the Investment Corporation has been engaged in the real estate leasing business as a sole business and it has no reportable segment subject to disclosure.

## 2. Related Information

Twenty-sixth Fiscal Period (November 1, 2017 to April 30, 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 statement 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 net sales to a single external customer account for less than 10% of the operating revenues on the statement of income.

Twenty-seventh Fiscal Period (May 1, 2018 to October 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 statement 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 net sales to a single external customer account for less than 10% of the operating revenues on the statement of income.

## (Notes on Tax-Effect Accounting)

## 1. Significant components of deferred tax assets and liabilities

(Thousands of Yen)

	Twenty-sixth Fiscal Period (as of April 30, 2018)	Twenty-seventh Fiscal Period (as of October 31, 2018)
Deferred tax assets		
Enterprise tax payable	29	30
Amortization of land leasehold in trust	3,628	3,873
Subtotal deferred tax assets	3,657	3,904
Valuation allowance	(3,628)	(3,873)
Total deferred tax assets	29	30

## 2. Significant components causing difference between statutory income tax rate and the effective tax rate after tax effect accounting

(Unit: %)

	Twenty-sixth Fiscal Period (as of April 30, 2018)	Twenty-seventh Fiscal Period (as of October 31, 2018)
Statutory tax rate	31.74	31.51
(Adjustments)		
Deductible cash distributions	(28.57)	(29.74)
Provision amount of reserve for reduction entry	(3.17)	(1.76)
Others	0.02	0.01
Effective tax rate	0.02	0.02

## (Notes on Related-party Transactions)

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

Twenty-sixth Fiscal Period (November 1, 2017 to April 30, 2018) and Twenty-seventh Fiscal Period (May 1, 2018 to October 31, 2018): Not applicable

## 2. Affiliated companies and other

Twenty-sixth Fiscal Period (November 1, 2017 to April 30, 2018) and Twenty-seventh Fiscal Period (May 1, 2018 to October 31, 2018): Not applicable

## 3. Fellow subsidiary companies and other

Twenty-sixth Fiscal Period (November 1, 2017 to April 30, 2018) and Twenty-seventh Fiscal Period (May 1, 2018 to October 31, 2018): Not applicable

## 4. Directors, major individual unitholders and other

Twenty-sixth Fiscal Period (November 1, 2017 to April 30, 2018) and Twenty-seventh Fiscal Period (May 1, 2018 to October 31, 2018): Not applicable

## (Notes on Real Estate for Rental Purposes)

The Investment Corporation owns real estate for rental purposes mainly in the Tokyo Metropolitan Area for the purpose of generating rental revenue.

The book value per balance sheet for the fiscal period under review, changes during the period and fair value concerning the above real estate for rental purposes are as follows.

(Thousands of Yen)

	Twenty-sixth Fiscal Period November 1, 2017 to April 30, 2018	Twenty-seventh Fiscal Period May 1, 2018 to October 31, 2018
Book value		
Balance at the beginning of the period	382,081,158	396,308,119
Changes during the period	14,226,960	12,696,581
Balance at the end of the period	396,308,119	409,004,701
Fair value at the end of period	442,773,000	465,637,000

Note 1: Book value excludes accumulated depreciation from acquisition costs.

Note 2: Fair value at the end of the fiscal period is the appraisal value determined by outside appraisers. Fair values at the end of the previous fiscal period of KDX Hamamatsucho Dai-2 Building and Frame Jinnan-zaka (49.0% of quasi co-ownership interest) sold on July 2, 2018 and of Frame Jinnan-zaka (51.0% of quasi co-ownership interest) sold on November 1, 2018 are calculated based on the sales prices (total of 12,550,000 thousand yen) in the transaction agreements dated May 14, 2018. Fair value at the end of the fiscal period under review of Frame Jinnan-zaka (51.0% of quasi co-ownership interest) sold on November 1, 2018 is also calculated based on the sales price (5,253,000 thousand yen) in the transaction agreement dated May 14, 2018.

Note 3: Among changes in the amount of real estate for rental purposes that occurred during the previous fiscal period, principal increase/decrease factors were the acquisition of trust beneficiary interest in real estate of 2 properties totaling 24,692,691 thousand yen, the sale of trust beneficiary interest in real estate of 3 properties totaling 9,056,075 thousand yen and depreciation amounting in 2,295,308 thousand yen. For the fiscal period under review, principal increase/decrease factors were the acquisition of trust beneficiary interest in real estate of 1 property totaling 20,841,117 thousand yen, the sale of 1 real estate property and trust beneficiary interest in real estate of 1 property totaling 6,714,787 thousand yen and depreciation amounting to 2,358,382 thousand yen.

Income and loss for real estate for rental purposes are listed in "Notes to the Statements of Income."

(Notes on Information per Unit)

	Twenty-sixth Fiscal Period November 1, 2017 to April 30, 2018	Twenty-seventh Fiscal Period May 1, 2018 to October 31, 2018
Net Assets per unit	527,661 yen	535,141 yen
Net income per unit	14,396 yen	14,373 yen

Note 1: Net income per unit is calculated by dividing net income by the weighted average (based on number of days) number of units. Net income per unit after adjusting for diluted investment units is not included because there were no dilutive investment units.

Note 2: The basis of calculation for the net income per unit is as follow.

	Twenty-sixth Fiscal Period November 1, 2017 to April 30, 2018	Twenty-seventh Fiscal Period May 1, 2018 to October 31, 2018
Net income (Thousands of Yen)	5,828,847	6,107,886
Amount not vested in ordinary unitholders (Thousands of Yen)	-	-
Net income for ordinary investment units (Thousands of Yen)	5,828,847	6,107,886
Average number of investment units during the period (unit)	404,885	424,933

(Notes on Important Subsequent Events)

Not applicable

(Omission of Disclosure)

Disclosure of notes on the marketable securities, retirement payment, asset retirement obligations and gains and losses on equity-method, etc. is omitted since the need for disclosure of such is considered low.

**(10) Changes in the Number of Investment Units Issued and Outstanding**

Changes in the number of investment units issued and outstanding and unitholders' capital in the last 5 years from the fiscal period under review are summarized in the following table.

Settlement Date	Particulars	Investment Units Issued and Outstanding (Units)		Unitholders' Capital (Millions of Yen) (Note 9)		Remarks
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
November 13, 2013	Public offering	43,800	330,350	18,198	165,351	(Note 1)
December 10, 2013	Third-party allotment	2,190	332,540	909	166,261	(Note 2)
May 27, 2014	Public offering	21,400	353,940	9,876	176,138	(Note 3)
June 24, 2014	Third-party allotment	1,070	355,010	493	176,632	(Note 4)
November 27, 2014	Public offering	47,685	402,695	28,269	204,901	(Note 5)
December 24, 2014	Third-party allotment	2,190	404,885	1,298	206,199	(Note 6)
May 28, 2018	Public offering	22,500	427,385	14,067	220,267	(Note 7)
June 15, 2018	Third-party allotment	1,125	428,510	703	220,970	(Note 8)

Note 1: The Investment Corporation undertook an additional issue of new investment units (public offering) with the aim of procuring funds for the acquisition of new properties and repayment of borrowings. The offer price was 430,950 yen per unit with an issue price of 415,480 yen per unit.

Note 2: The Investment Corporation undertook an additional issue of new investment units with an issue price of 415,480 yen per unit by way of third-party allotment because cash on hand was allocated as a portion of the funds for the acquisition of new properties, the funds from the issuance of new Investment Units by third-party allotment are allocated as proceeds to compensate for the decrease of cash on hand.

Note 3: The Investment Corporation undertook an additional issue of new investment units (public offering) with the aim of procuring funds for the acquisition of new properties. The offer price was 478,725 yen per unit with an issue price of 461,540 yen per unit.

Note 4: The Investment Corporation undertook an additional issue of new investment units with an issue price of 461,540 yen per unit by way of third-party allotment for the purpose of using as funds for the future acquisition of specified assets or a portion of funds for the repayment of borrowings.

Note 5: The Investment Corporation undertook an additional issue of new investment units (public offering) with the aim of procuring funds for the acquisition of new properties and a portion of funds for the repayment of borrowings. The offer price was 614,250 yen per unit with an issue price of 592,830 yen per unit.

Note 6: The Investment Corporation undertook an additional issue of new investment units with an issue price of 592,830 yen per unit by way of third-party allotment for the purpose of using as funds for the future acquisition of specified assets or a portion of funds for the repayment of borrowings.

Note 7: The Investment Corporation undertook an additional issue of new investment units (public offering) with the aim of procuring a portion of funds for the acquisition of new properties. The offer price was 646,425 yen per unit with an issue price of 625,209 yen per unit.

Note 8: The Investment Corporation undertook an additional issue of new investment units with an issue price of 625,209 yen per unit by way of third-party allotment with the aim of procuring a portion of funds for the acquisition of new properties.

Note 9: The amounts stated in units of 1 million yen are truncated at less than 1 million yen.

**4. Resignation/Appointment of the Director**

(1) Resignation/Appointment of the Director of the Investment Corporation

Not applicable

(2) Resignation/Appointment of the Director of the Asset Management Company

Not applicable

## 5. Reference Information

## (1) Component of Assets

Asset Class	Type	Area	Twenty-sixth Fiscal Period (as of April 30, 2018)		Twenty-seventh Fiscal Period (as of October 31, 2018)	
			Total Amount Held (Millions of Yen) (Note 1)	Ratio (%) (Note 2)	Total Amount Held (Millions of Yen) (Note 1)	Ratio (%) (Note 2)
Real Estate	Office Buildings	Tokyo Metropolitan Area	30,309	7.2	27,968	6.4
		Other Regional Areas	12,551	3.0	12,451	2.8
	Total for Office Buildings		42,860	10.1	40,419	9.2
Total for Real Estate			42,860	10.1	40,419	9.2
Trust Beneficiary Interest in Real Estate	Office Buildings	Tokyo Metropolitan Area	280,441	66.3	300,502	68.7
		Other Regional Areas	60,853	14.4	60,455	13.8
	Total for Office Buildings		341,294	80.7	360,958	82.6
	Central Urban Retail Properties	Tokyo Metropolitan Area	9,179	2.2	4,652	1.1
	Total for Central Urban Retail Properties		9,179	2.2	4,652	1.1
	Others	Tokyo Metropolitan Area	2,973	0.7	2,973	0.7
	Total for Others		2,973	0.7	2,973	0.7
Total of Trust Beneficiary Interests in Real Estate			353,447	83.6	368,584	84.3
Investment Securities (Note 3)			1,090	0.3	1,114	0.3
Bank Deposits and Other Assets			25,595	6.1	27,101	6.2
Total Assets			422,993	100.0	437,221	100.0

Note 1: "Total Amount Held" is the amount allocated in the balance sheets at the end of the fiscal period (figures are on a net book value basis after deducting depreciation), and truncated at less than 1 million yen.

Note 2: "Ratio" is the ratio of the amount allocated in the balance sheets to the total assets, rounded to the first decimal place.

Note 3: Interests in a silent partnership operated by GK. KRF 43 are indicated.

	Twenty-sixth Fiscal Period (as of April 30, 2018)		Twenty-seventh Fiscal Period (as of October 31, 2018)	
	Amount (Millions of Yen)	Ratio (%)	Amount (Millions of Yen)	Ratio (%)
Total Liabilities	209,351	49.5	207,907	47.6
Total Net Assets	213,642	50.5	229,313	52.4
Total Assets	422,993	100.0	437,221	100.0

## (2) Details of Investment Assets

## ① Major components of investment securities

Details of investment assets held by the Investment Corporation as of October 31, 2018 are as follows.

Name	Area	Asset Class	Number of Units	Book Value (Millions of Yen)		Appraisal Value (Millions of Yen) (Note 1)		Ratio (%) (Note 2)	Appraisal profit/loss
				Unit Price	Amount	Unit Price	Amount		
Interests in a silent partnership operated by G.K. KRF 43 (Note 3)	Domestic Area	Interests in a silent partnership	-	-	1,114	-	1,114	0.3	-
Total			-	-	1,114	-	1,114	0.3	-

Note 1: Book value is stated for the evaluation value.

Note 2: "Ratio" is the ratio of the amount allocated in the balance sheets to the total assets, rounded to the first decimal place.

Note 3: The asset under management is the trust beneficiary interest in real estate of Shinjuku Sanei Building.

## ② Properties Roster

## A. The Price of the Investment Properties and the Investment Ratio

(Unit: Millions of Yen)

Type	Area	No.	Property Name	Acquisition Price (Note 1)	Amount on the Balance Sheet (Note 2)	Appraisal Value at the end of Twenty-seventh Fiscal Period					Appraiser (Note 4)	Ratio (%) (Note 5)	
						(Note 3)	Direct Capitalization Method		Discounted Cash Flow Method				
							Value	Overall Capitalization Rate (%)	Value	Discount Rate (%)			Terminal Capitalization Rate (%)
Office Buildings	Tokyo Metropolitan Area	A-1	KDX Nihonbashi 313 Building	5,940	5,789	6,740	7,000	3.9	6,630	3.7	4.1	B	1.4
		A-3	Higashi-Kayabacho Yuraku Building	4,450	4,035	5,170	5,230	4.2	5,100	3.9	4.3	A	1.0
		A-4	KDX Hatchobori Building	3,680	3,260	3,380	3,440	4.2	3,350	4.0	4.4	B	0.8
		A-5	KDX Nakano-Sakaue Building	2,533	2,363	2,500	2,550	4.4	2,480	4.2	4.6	B	0.6
		A-6	Harajuku F.F. Building	2,450	2,397	3,260	3,280	4.6	3,230	4.3	4.7	A	0.5
		A-7	KDX Minami Aoyama Building	2,270	2,213	2,790	2,810	4.1	2,770	3.8	4.2	A	0.5
		A-8	Kanda Kihara Building	1,950	1,767	1,680	1,740	4.2	1,660	4.0	4.4	B	0.4
		A-13	KDX Kojimachi Building	5,950	5,488	5,150	5,190	3.7	5,110	3.4	3.8	A	1.4
		A-14	KDX Funabashi Building	2,252	2,248	2,660	2,670	5.2	2,640	4.9	5.3	A	0.5
		A-16	Toshin 24 Building	5,300	4,822	5,080	5,120	4.4	5,030	4.1	4.5	A	1.2
		A-17	KDX Ebisu Building	4,640	4,369	5,250	5,270	4.0	5,230	3.6	4.1	A	1.1
		A-19	KDX Hamamatsucho Building	3,460	3,051	3,410	3,510	3.9	3,360	3.7	4.1	B	0.8
		A-20	KDX Kayabacho Building	2,780	2,671	2,760	2,770	4.4	2,740	4.0	4.5	A	0.6
		A-21	KDX Shinbashi Building	3,728	3,726	4,950	4,990	3.7	4,900	3.4	3.8	A	0.8
		A-22	KDX Shin-Yokohama Building	2,520	2,252	2,600	2,620	4.9	2,580	4.6	5.0	A	0.5
		A-26	KDX Kiba Building	1,580	1,426	1,220	1,220	4.9	1,210	4.5	4.9	A	0.3
		A-27	KDX Kajicho Building	2,350	2,256	2,270	2,330	4.3	2,240	4.1	4.5	B	0.5
		A-29	KDX Higashi-Shinjuku Building	2,950	2,997	3,950	4,050	4.4	3,900	4.2	4.6	B	0.7
		A-30	KDX Nishi-Gotanda Building	4,200	3,783	3,680	3,750	4.3	3,610	4.1	4.5	A	0.9
		A-31	KDX Monzen-Nakacho Building	1,400	1,297	1,120	1,170	4.8	1,100	4.6	5.0	B	0.3
		A-32	KDX Shiba-Daimon Building	6,090	5,949	5,130	5,170	4.2	5,090	3.9	4.3	A	1.4
		A-33	KDX Okachimachi Building	2,000	2,033	2,020	2,070	4.3	2,000	4.1	4.5	B	0.4
		A-34	KDX Hon-Atsugi Building	1,305	1,117	1,290	1,340	5.5	1,270	5.3	5.7	B	0.3
		A-35	KDX Hachioji Building	1,155	1,209	1,160	1,160	5.2	1,160	5.0	5.4	B	0.2
		A-37	KDX Ochanomizu Building	6,400	6,326	7,090	7,170	4.0	7,010	3.7	4.1	A	1.5
		A-38	KDX Nishi-Shinjuku Building	1,500	1,510	1,480	1,490	4.4	1,470	4.1	4.5	A	0.3
		A-41	KDX Shinjuku 286 Building	2,300	2,349	2,690	2,700	4.0	2,670	3.7	4.1	A	0.5
		A-46	Hiei Kudan-Kita Building	7,600	7,456	7,910	8,090	3.9	7,830	3.7	4.1	B	1.8
		A-48	KDX Kawasaki-Ekimae Hon-cho Building	3,760	3,485	3,130	3,130	4.8	3,120	4.3	4.9	A	0.8
		A-51	KDX Hamacho Nakanohashi Building	2,310	2,240	1,970	1,980	4.5	1,950	4.2	4.6	A	0.5
		A-55	Shin-toshin Maruzen Building	2,110	2,085	1,680	1,690	4.4	1,660	4.0	4.6	A	0.5
		A-56	KDX Jimbocho Building	2,760	2,848	2,420	2,430	4.3	2,410	3.9	4.4	A	0.6
		A-59	KDX Iwamoto-cho Building	1,864	1,636	1,540	1,550	4.4	1,530	4.1	4.5	A	0.4
		A-60	KDX Harumi Building	10,250	8,732	8,510	8,540	4.1	8,470	3.7	4.1	A	2.4
		A-62	Koishikawa TG Building	3,080	2,982	3,460	3,490	4.3	3,430	4.0	4.4	A	0.7
		A-63	KDX Gotanda Building	2,620	2,698	3,300	3,320	4.4	3,270	4.1	4.5	A	0.6
A-64	KDX Nihonbashi 216 Building	2,010	1,828	2,260	2,280	3.9	2,240	3.6	4.0	A	0.4		
A-66	KDX Shinjuku Building	6,800	6,932	9,460	9,560	3.6	9,360	3.3	3.7	A	1.6		
A-67	KDX Ginza Ichome Building	4,300	4,168	5,740	5,890	3.6	5,680	3.4	3.8	B	1.0		
A-68	KDX Nihonbashi Honcho Building	4,000	3,922	4,670	4,800	4.0	4,620	3.8	4.2	B	0.9		
A-71	KDX Idabashi Building	4,670	4,503	5,530	5,680	4.1	5,460	3.9	4.3	B	1.1		
A-72	KDX Higashi-Shinagawa Building	4,590	4,705	4,500	4,610	4.2	4,450	4.0	4.4	B	1.0		
A-73	KDX Hakozaeki Building	2,710	2,668	3,300	3,360	4.4	3,280	4.2	4.6	B	0.6		
A-74	KDX Shin-Nihonbashi Building	2,300	2,035	2,920	2,980	3.8	2,900	3.6	4.0	B	0.5		
A-78	KDX Tachikawa Ekimae Building	1,267	1,323	1,700	1,700	5.0	1,690	4.7	5.1	A	0.3		

Type	Area	No.	Property Name	Acquisition Price (Note 1)	Amount on the Balance Sheet (Note 2)	Appraisal Value at the end of Twenty-seventh Fiscal Period					Appraiser (Note 4)	Ratio (%) (Note 5)	
						(Note 3)	Direct Capitalization Method		Discounted Cash Flow Method				
							Value	Overall Capitalization Rate (%)	Value	Discount Rate (%)			Terminal Capitalization Rate (%)
Office Buildings	Tokyo Metropolitan Area	A-83	KDX Fuchu Building	6,120	5,840	8,250	8,380	4.8	8,190	4.6	5.0	B	1.4
		A-84	KDX Kasuga Building	2,800	2,692	3,730	3,760	4.2	3,690	3.9	4.3	A	0.6
		A-85	KDX Nakameguro Building	1,880	1,855	2,880	2,880	4.4	2,880	4.2	4.6	B	0.4
		A-86	KDX Omiya Building	2,020	2,175	2,950	2,980	5.0	2,930	4.8	5.2	B	0.4
		A-87	Itopia Nihonbashi SA Building	2,200	2,243	2,940	2,970	4.3	2,930	4.1	4.5	B	0.5
		A-88	KDX Shinjuku 6-chome Building	1,900	1,873	3,030	3,090	4.3	3,000	4.1	4.5	B	0.4
		A-89	KDX Takanawadai Building	5,250	5,555	6,480	6,540	4.2	6,420	3.9	4.3	A	1.2
		A-90	KDX Ikebukuro Building	3,900	3,653	4,870	4,970	4.0	4,830	3.8	4.2	B	0.9
		A-91	KDX Mita Building	3,180	3,128	3,460	3,490	4.1	3,430	3.8	4.2	A	0.7
		A-92	KDX Akihabara Building	2,600	2,522	3,090	3,120	4.0	3,060	3.7	4.1	A	0.6
		A-93	KDX Iidabashi Square	4,350	4,895	6,010	6,140	4.0	5,960	3.8	4.2	B	1.0
		A-94	KDX Musashi-Kosugi Building	12,000	11,143	15,800	15,900	4.1	15,700	3.8	4.2	A	2.8
		A-95	KDX Toyosu Grand Square	8,666	8,042	9,540	9,780	4.6	9,430	4.4	4.8	B	2.0
		A-96	KDX Takadanobaba Building	3,650	3,639	4,350	4,390	4.4	4,330	4.1	4.6	B	0.8
		A-99	KDX Ikebukuro West Building	1,934	2,054	2,090	2,140	4.3	2,070	4.1	4.5	B	0.4
		A-101	KDX Yokohama Building	7,210	7,522	8,790	9,150	4.4	8,640	4.2	4.6	B	1.7
		A-102	KDX Yokohama Nishiguchi Building	2,750	2,710	3,150	3,210	4.5	3,130	4.3	4.7	B	0.6
		A-107	KDX Ginza East Building	3,600	3,648	3,830	3,850	4.1	3,800	3.8	4.2	A	0.8
		A-108	Pentel Building	3,350	3,560	3,874	3,978	3.9	3,822	3.7	4.1	B	0.7
		A-109	KDX Hamamatsucho Center Building	3,950	4,026	4,330	4,500	3.8	4,250	3.6	4.0	B	0.9
		A-112	KDX Toranomon 1Chome Building	15,550	15,481	17,800	17,900	3.4	17,600	3.1	3.5	A	3.6
		A-113	KDX Shin-Nihonbashi Ekimae Building	3,829	3,943	4,110	4,150	3.8	4,070	3.5	3.9	A	0.9
		A-114	KDX Nihonbashi Edo-dori Building	1,350	1,387	1,480	1,500	4.2	1,450	3.9	4.3	A	0.3
		A-115	ARK Mori Building	4,169	4,185	4,430	4,600	3.7	4,360	3.5	3.9	B	0.9
A-116	KDX Nishi-Shinbashi Building	8,400	8,520	9,090	9,380	3.5	8,970	3.3	3.7	B	1.9		
A-117	BR Gotanda	2,200	2,303	2,450	2,490	4.3	2,410	3.9	4.5	A	0.5		
A-119	KDX Shibuya Nanpeidai Building	3,500	3,568	3,710	3,880	3.6	3,630	3.2	3.8	B	0.8		
A-120	KDX Yoyogi Building	2,479	2,435	2,250	2,250	4.6	2,250	4.1	4.7	A	0.5		
A-121	Ginza 4chome Tower	9,800	9,533	13,600	13,700	3.3	13,500	3.0	3.4	A	2.3		
A-122	Mitsubishijuku Yokohama Building	14,720	14,746	14,900	15,200	4.0	14,800	3.5	4.2	B	3.4		
A-123	JN Building	9,500	9,818	9,860	10,200	4.2	9,720	4.0	4.4	B	2.2		
A-124	CROSS PLACE Hamamatsucho	20,700	20,790	22,400	23,000	3.5	22,200	3.3	3.7	B	4.9		
Other Regional Areas	A-12	Portus Center Building	5,570	3,965	5,090	5,150	5.6	5,070	5.4	5.8	B	1.3	
	A-42	KDX Karasuma Building	5,400	5,094	5,500	5,650	4.8	5,440	4.6	5.0	B	1.2	
	A-44	KDX Sendai Building	2,100	1,938	1,900	1,910	5.4	1,900	5.4	5.6	B	0.4	
	A-53	KDX Hakata-Minami Building	4,900	4,472	4,500	4,530	5.8	4,460	5.5	5.9	A	1.1	
	A-54	KDX Kitahama Building	2,220	2,049	1,640	1,640	5.2	1,630	4.7	5.3	A	0.5	
	A-58	KDX Nagoya Sakae Building	7,550	6,596	5,290	5,420	4.5	5,240	4.3	4.7	B	1.7	
	A-69	KDX Kobayashi-Doshomachi Building	2,870	2,070	2,700	2,760	7.3	2,640	4.4	9.3	A	0.6	
	A-70	KDX Sapporo Building	2,005	1,919	2,590	2,710	4.9	2,540	4.7	5.1	B	0.4	
	A-79	KDX Nagoya Ekimae Building	7,327	7,972	9,690	9,770	4.1	9,610	3.8	4.2	A	1.7	
	A-82	KDX Higashi Umeda Building	2,770	2,431	3,660	3,740	4.4	3,630	4.2	4.6	B	0.6	
	A-97	KDX Utsunomiya Building	2,350	2,243	2,520	2,510	5.7	2,520	5.5	5.9	B	0.5	
	A-98	KDX Hiroshima Building	1,300	1,382	1,680	1,680	5.4	1,670	5.1	5.5	A	0.3	
	A-100	Senri Life Science Center Building	13,000	12,687	13,500	13,800	4.6	13,400	4.4	4.8	B	3.0	
	A-104	KDX Minami-Honmachi Building	2,200	2,042	3,040	3,060	4.4	3,010	4.1	4.5	A	0.5	
A-106	KDX Sakura-dori Building	5,900	6,191	8,290	8,420	4.6	8,240	4.4	4.8	B	1.4		
A-110	KDX Shin-Osaka Building	4,550	4,553	5,100	5,270	4.1	5,020	3.9	4.3	B	1.0		
A-111	KDX Nagoya Nichigin-mae Building	3,500	3,487	4,200	4,230	4.2	4,160	3.9	4.3	A	0.8		
A-118	KDX Sapporo Kitaguchi Building	1,800	1,805	2,060	2,160	4.8	2,010	4.6	5.0	B	0.4		
Subtotal of Office Buildings (95 properties)				412,955	401,378	456,954	464,768	-	452,532	-	-	-	98.1

Type	Area	No.	Property Name	Acquisition Price (Note 1)	Amount on the Balance Sheet (Note 2)	Appraisal Value at the end of Twenty-seventh Fiscal Period						Appraiser (Note 4)	Ratio (%) (Note 5)
						(Note 3)	Direct Capitalization Method		Discounted Cash Flow Method				
							Value	Overall Capitalization Rate (%)	Value	Discount Rate (%)	Terminal Capitalization Rate (%)		
Central Urban Retail Properties	Tokyo Metropolitan Area	C-1	Frame Jinnan-zaka (Note 6)	5,049	4,652	5,661	5,712	3.7	5,610	3.4	3.8	A	1.1
Subtotal of Central Urban Retail Properties (1 property)				5,049	4,652	5,661	5,712	-	5,610	-	-	-	1.1
Others	Tokyo Metropolitan Area	D-2	Shinjuku 6chome Building (Land)	2,880	2,973	3,430	3,460	3.6	3,420	3.5	3.6	B	0.6
Subtotal of Others Properties (1 property)				2,880	2,973	3,430	3,460	-	3,420	-	-	-	0.6
Total of 97 properties				420,884	409,004	466,045	473,940	-	461,562	-	-	-	100.0

Note 1: Acquisition prices are the purchase prices for trust beneficiary interests or properties acquired by the Investment Corporation (excluding acquisition costs, property tax, city planning tax, consumption tax, etc., rounded down to the nearest million yen.).

Note 2: Figures of less than 1 million are rounded down from the amounts on the balance sheet.

Note 3: Appraisal values at the end of fiscal period are based on the asset valuation method and standards outlined in the Investment Corporation's Articles of Incorporation and regulations formulated by the Investment Trusts Association, Japan. Appraisal values are transcribed from valuation reports prepared by Japan Real Estate Institute and Daiwa Real Estate Appraisal Co., Ltd.

Note 4: Appraisals of the properties were entrusted to two appraisers: Japan Real Estate Institute and Daiwa Real Estate Appraisal Co., Ltd. In the table, the appraisers are referred to as "A" for Japan Real Estate Institute and "B" for Daiwa Real Estate Appraisal Co., Ltd.

Note 5: Figures are the acquisition price of each asset as a percentage of the total acquisition prices for the portfolio rounded down to the nearest first decimal place. The figures entered in the subtotal and total columns are those obtained by dividing the subtotal (total) of acquisition prices of properties corresponding to each subtotal and total column by the total acquisition price of the entire assets (97 properties).

Note 6: As to Frame Jinnan-zaka, 49.0% of its quasi co-ownership interest was sold on July 2, 2018 and the remaining 51.0% on November 1, 2018. Acquisition Price, Amount on the Balance Sheet and Appraisal Value at the end of Twenty-seventh Fiscal Period indicate that equivalent to 51.0% of quasi co-ownership interest which the Investment Corporation owned as of the end of the fiscal period under review.

## B. Property Distribution

## Distribution by Property Types

Type	Number of Properties	Acquisition Price (Millions of Yen)	Ratio (Note) (%)
Office Buildings	95	412,955	98.1
Central Urban Retail Properties	1	5,049	1.1
Others	1	2,880	0.6
Total	97	420,884	100.0

## Geographic Distribution

Area	Number of Properties	Acquisition Price (Millions of Yen)	Ratio (Note) (%)
Tokyo Metropolitan Area	79	343,572	81.6
Other Regional Areas	18	77,312	18.3
Total	97	420,884	100.0

## Property Distribution by Acquisition Price

Acquisition Price (Millions of Yen)	Number of Properties	Acquisition Price (Millions of Yen)	Ratio (Note) (%)
Less than 1,000	-	-	-
1,000 - 2,500	33	64,312	15.2
2,500 - 5,000	38	134,529	31.9
5,000 - 7,500	14	84,306	20.0
7,500 - 10,000	6	51,516	12.2
10,000 - 12,500	2	22,250	5.2
12,500 - 15,000	2	27,720	6.5
15,000 - 17,500	1	15,550	3.6
17,500 - 20,000	-	-	-
20,000 - 22,500	1	20,700	4.9
Total	97	420,884	100.0

Note: "Ratio" refers to the percentage of the acquisition price by each category to the acquisition price of the entire portfolio.

Figures are rounded down to the nearest first decimal place. Accordingly, the sum total of each item may be less than 100%.

## C. Details of Investment Real Estate and Trust Real Estate

## (a) Overview of Investment Real Estate Properties and Trust Real Estate

Type	Area	No.	Property Name	Site Area (m <sup>2</sup> ) (Note 1)	Usage (Note 2)	Total Floor Area (m <sup>2</sup> ) (Note 3)	Type of Structure (Note 4)	Completion Date (Note 5)	PML (%) (Note 6)
Office Buildings	Tokyo Metropolitan Area	A-1	KDX Nihonbashi 313 Building	1,047.72	Offices	8,613.09	SRC B2F9	April 1974	7.32
		A-3	Higashi-Kayabacho Yuraku Building	773.43	Offices	5,916.48	SRC B1F9	January 1987	3.71
		A-4	KDX Hatchobori Building	992.20	Offices	4,800.43	SRC · RC B1F8	June 1993	3.74
		A-5	KDX Nakano-Sakaue Building	1,235.16	Offices, Retail Shops Residence, Garage Storage	6,399.42	SRC B1F11	August 1992	3.72
		A-6	Harajuku F.F. Building	708.35	Retail Shops, Offices Parking	3,812.44	SRC F11	November 1985	5.88
		A-7	KDX Minami Aoyama Building	369.47	Offices, Retail Shops Residence	1,926.98	SRC B1F9	November 1988	6.34
		A-8	Kanda Kihara Building	410.18	Offices	2,393.94	SRC · RC · S B1F8	May 1993	4.26
		A-13	KDX Kojimachi Building	612.17	Offices, Retail Shops	5,323.81	SRC B2F9	May 1994	2.34
		A-14	KDX Funabashi Building	1,180.41	Offices, Retail Shops	5,970.12	SRC B1F8	April 1989	4.17
		A-16	Toshin 24 Building	1,287.16	Offices, Retail Shops Parking	8,483.17	SRC B1F8	September 1984	6.05
		A-17	KDX Ebisu Building	724.22	Offices, Retail Shops	4,394.58	SRC B1F7	January 1992	7.35
		A-19	KDX Hamamatsucho Building	504.26	Offices, Retail Shops Parking	3,592.38	S F9	September 1999	4.86
		A-20	KDX Kayabacho Building	617.17	Offices, Parking	3,804.86	SRC F8	October 1987	4.25
		A-21	KDX Shinbashi Building	536.11	Offices, Retail Shops Parking	3,960.22	SRC · S B1F8	February 1992	4.44
		A-22	KDX Shin-Yokohama Building	705.00	Offices, Retail Shops Parking	6,180.51	S B1F9	September 1990	6.88
		A-26	KDX Kiba Building	922.77	Offices, Parking	2,820.64	RC F5	October 1992	4.70
		A-27	KDX Kajicho Building	526.43	Offices, Retail Shops	3,147.70	SRC B1F8	March 1990	7.11
		A-29	KDX Higashi-Shinjuku Building	1,340.97	Offices Storage, Parking	7,885.40	SRC B1F9	January 1990	6.03
		A-30	KDX Nishi-Gotanda Building	684.41	Offices, Parking	5,192.87	SRC B1F8	November 1992	8.29
		A-31	KDX Monzen-Nakacho Building	580.99	Offices, Retail Shops	2,668.91	SRC F8	September 1986	3.83
		A-32	KDX Shiba-Daimon Building	1,188.28	Offices	7,824.03	SRC B1F9	July 1986	4.58
		A-33	KDX Okachimachi Building	239.72	Offices	1,882.00	S F10	June 1988	4.00
		A-34	KDX Hon-Atsugi Building	724.62	Offices, Retail Shops	3,603.63	SRC F8	May 1995	6.38
		A-35	KDX Hachioji Building	460.62	Offices, Parking Retail Shops	2,821.21	SRC F9	December 1985	7.53
		A-37	KDX Ochanomizu Building	1,515.28	Offices, Storage Retail Shops, Parking Mechanical Room	7,720.08	SRC B1F7	August 1982	5.93
		A-38	KDX Nishi-Shinjuku Building	626.06	Offices, Parking	2,017.63	RC F5	October 1992	10.39
		A-41	KDX Shinjuku 286 Building	421.70	Offices, Parking	3,432.04	SRC · RC B1F9	August 1989	5.92
		A-46	Hiei Kudan-Kita Building	1,844.83	Offices, Retail Shops Office Room Parking, Storage	11,425.31	SRC · S B1F11	March 1988	4.33
		A-48	KDX Kawasaki-Ekimaie Hon-cho Building	1,968.13	Offices	7,420.87	SRC B1F9	February 1985	4.71
		A-51	KDX Hamacho Nakanohashi Building	462.29	Offices	3,280.41	SRC F9	September 1988	3.71
		A-55	Shin-toshin Maruzen Building	457.64	Offices, Retail Shops Parking	3,439.37	SRC B1F8	July 1990	5.99
		A-56	KDX Jimbocho Building	465.92	Offices	3,292.13	SRC B1F8	May 1994	5.14
		A-59	KDX Iwamoto-cho Building	266.86	Offices Residential Complex	1,618.65	S F9	March 2008	5.00
		A-60	KDX Harumi Building	2,230.69	Offices, Retail Shops	12,694.32	S · SRC B1F11	February 2008	7.12
		A-62	Koishikawa TG Building	1,250.42	Offices, Clinic, Parking	5,862.02	SRC B1F8	November 1989	6.61
		A-63	KDX Gotanda Building	582.90	Offices, Garage	4,440.61	SRC B1F9	April 1988	8.30
A-64	KDX Nihonbashi 216 Building	307.77	Offices	1,871.62	SRC F9	October 2006	7.86		
A-66	KDX Shinjuku Building	1,118.12	Offices, Retail Shops Parking	10,348.02	S · RC B4F11	May 1993	2.01		
A-67	KDX Ginza 1chome Building	678.24	Offices, Bank	4,724.62	SRC F9	November 1991	6.80		
A-68	KDX Nihonbashi Honcho Building	583.40	Offices, Parking	5,110.45	SRC B1F9	January 1984	4.48		

Type	Area	No.	Property Name	Site Area (m <sup>2</sup> ) (Note 1)	Usage (Note 2)	Total Floor Area (m <sup>2</sup> ) (Note 3)	Type of Structure (Note 4)	Completion Date (Note 5)	PML (%) (Note 6)		
Office Buildings	Tokyo Metropolitan Area	A-71	KDX Iidabashi Building	967.38	Offices, Parking	5,422.64	SRC B1F8	March 1990	4.49		
		A-72	KDX Higashi-Shinagawa Building	3,115.45	Offices	10,138.65	S · RC B1F5	January 1993	5.13		
		A-73	KDX Hakozaki Building	971.83	Offices, Parking	6,332.48	SRC B1F10	November 1993	4.42		
		A-74	KDX Shin-Nihonbashi Building	444.32	Offices, Retail Shops Parking	3,712.25	S B1F10	November 2002	3.42		
		A-78	KDX Tachikawa Ekimae Building	464.95	Offices	2,896.48	S B1F8	February 1990	2.19		
		A-83	KDX Fuchu Building	2,400.00	Offices, Parking	16,647.00	SRC · S B1F14	March 1996	1.83		
		A-84	KDX Kasuga Building	1,319.24	Offices, Retail Shops Parking	6,444.31	SRC B1F10	June 1992	7.43		
		A-85	KDX Nakameguro Building	730.26	Offices	3,455.90	SRC F7	October 1985	6.50		
		A-86	KDX Omiya Building	775.67	Offices, Retail Shops Parking, Residence	5,055.50	①S · SRC B1F8 ②S F3	April 1993	4.40		
		A-87	Itopia Nihonbashi SA Building	1,193.91	Offices, Residence Parking	7,362.25	SRC B1F10	July 1995	3.64		
		A-88	KDX Shinjuku 6-chome Building	1,072.03	Offices, Retail Shops, Parking	5,907.00	SRC · RC B2F10	March 1990	6.11		
		A-89	KDX Takanawadai Building	2,547.15	Office	9,265.03	SRC B1F9	October 1985	6.17		
		A-90	KDX Ikebukuro Building	472.94	Offices, Retail Shops Parking	3,848.18	S · RC B1F10	March 2009	3.78		
		A-91	KDX Mita Building	548.72	Offices, Retail Shops Garage	5,007.98	S · SRC B3F11	March 1993	4.81		
		A-92	KDX Akihabara Building	374.88	Retail Shops, Office	2,979.14	SRC B1F9	December 1973	4.47		
		A-93	KDX Iidabashi Square	1,341.98	Offices, Parking	6,764.37	SRC B1F8	January 1994	4.48		
		A-94	KDX Musashi-Kosugi Building	3,210.09	Offices, Retail Shops	16,094.14	S B1F11	May 2013	8.11		
		A-95	KDX Toyosu Grand Square	20,403.07	Offices, Retail Shops	63,419.60	S F11	April 2008	3.84		
		A-96	KDX Takadanobaba Building	1,511.58	Offices, Parking	6,576.07	SRC · RC B2F7	October 1988	6.06		
		A-99	KDX Ikebukuro West Building	603.21	Offices, Retail Shops, Parking	3,477.86	SRC F10	July 1988	4.45		
		A-101	KDX Yokohama Building	2,499.38	Offices, Parking	15,894.75	SRC · S B1F11	March 1994	8.44		
		A-102	KDX Yokohama Nishiguchi Building	1,029.45	Offices	6,556.59	SRC B1F9	October 1988	7.59		
		A-107	KDX Ginza East Building	1,216.99	Offices, Parking	6,413.60	SRC B1F9	August 1991	5.95		
		A-108	Pentel Building	2,502.63	Offices, Bank, Residence	18,880.89	S · SRC B3F14	November 1990	6.22		
		A-109	KDX Hamamatsucho Center Building	835.83	Offices, Garage	3,981.69	SRC F7	December 1985	4.21		
		A-112	KDX Toranomon 1Chome Building	1,564.12	Offices, Retail Shops Parking	11,212.05	S · SRC B1F11	October 2013	7.93		
		A-113	KDX Shin-Nihonbashi Ekimae Building	531.64	Offices, Parking	4,254.07	SRC B1F10	May 1992	7.05		
		A-114	KDX Nihonbashi Edo-dori Building	252.89	Offices, Retail Shops	1,722.17	SRC F8	March 1985	4.55		
		A-115	ARK Mori Building	39,602.42	Offices	177,486.95	RC · SRC · S B4F37	March 1986	0.78		
		A-116	KDX Nishi-Shinbashi Building	1,406.56	Offices, Garage	8,851.60	SRC B1F11	August 1992	5.99		
		A-117	BR Gotanda	914.80	Offices, Parking	7,395.72	SRC · S B2F11	September 1991	6.13		
		A-119	KDX Shibuya Nanpeidai Building	1,276.02	Offices	2,832.58	S F4	December 2003	7.64		
		A-120	KDX Yoyogi Building	228.74	Retail Shops, Offices	1,269.06	SRC F8	August 1991	4.55		
		A-121	Ginza 4chome Tower	688.52	Retail Shops, Offices, Parking	6,787.33	S B1F13	November 2008	5.23		
		A-122	Mitsubishijuku Yokohama Building	10,100.58	Offices, Retail Shops	109,472.69	S · SRC B2F34	February 1994	1.27		
		A-123	JN Building	1,687.26	Offices, Parking	15,883.21	S · SRC · RC B2F14	September 2007	3.28		
		A-124	CROSS PLACE Hamamatsucho	1,917.71	Offices	12,280.77	S F10	February 2015	0.68		
		Other Regional Areas		A-12	Portus Center Building	13,936.63	Offices, Retail Shops Storage, Parking	79,827.08	SRC · S B2F25	September 1993	6.70
				A-42	KDX Karasuma Building	1,788.67	Offices	12,632.68	SRC B1F8	October 1982	3.88
				A-44	KDX Sendai Building	987.78	Offices	5,918.30	SRC B1F10	February 1984	2.71
				A-53	KDX Hakata-Minami Building	1,826.25	Offices, Retail Shops Parking	13,238.16	SRC B1F9	June 1973	0.93
				A-54	KDX Kitahama Building	751.92	Offices, Storage Parking	4,652.96	S F10	July 1994	6.32
A-58	KDX Nagoya Sakae Building			1,192.22	Offices, Retail Shops	9,594.00	S F11	April 2009	1.12		
A-69	KDX Kobayashi-Doshomachi Building (Note 7)			1,561.04	Offices, Garage Retail Shops	10,723.83	S · SRC B1F12	July 2009	10.99		
A-70	KDX Sapporo Building			819.44	Offices	5,503.90	SRC B1F9	October 1989	0.41		

Type	Area	No.	Property Name	Site Area (m <sup>2</sup> ) (Note 1)	Usage (Note 2)	Total Floor Area (m <sup>2</sup> ) (Note 3)	Type of Structure (Note 4)	Completion Date (Note 5)	PML (%) (Note 6)
Office Buildings	Other Regional Areas	A-79	KDX Nagoya Ekimae Building	1,354.10	Offices, Retail Shops	13,380.30	S · SRC B2F15	April 1986	8.98
		A-82	KDX Higashi Umeda Building	804.50	Offices, Retail Shops Parking	6,805.76	S · SRC B1F10	July 2009	6.11
		A-97	KDX Utsunomiya Building	1,412.00	Offices, Retail Shops Parking	7,742.18	S · SRC B1F10	February 1999	0.98
		A-98	KDX Hiroshima Building	706.78	Offices, Parking Tower	5,718.83	SRC B1F10	January 1990	6.98
		A-100	Senri Life Science Center Building	5,911.08	Offices, Retail Shops Parking	49,260.78	SRC · S B3F21	June 1992	1.34
		A-104	KDX Minami-Honmachi Building	882.96	Offices, Retail Shops Garage	7,694.03	S · RC B1F12	December 2009	5.31
		A-106	KDX Sakura-dori Building	2,420.43	Offices, Retail Shops Lounge, Storage	19,680.16	S B1F18	August 1992	10.49
		A-110	KDX Shin-Osaka Building	1,016.54	Offices, Parking Retail Shops	7,987.35	SRC B1F11	May 1992	10.28
		A-111	KDX Nagoya Nichigin-mae Building	732.14	Offices	5,862.22	S B1F10	September 2006	9.67
		A-118	KDX Sapporo Kitaguchi Building	782.69	Offices	4,639.44	SRC · RC B1F9	September 1992	0.39
Subtotal of Office Buildings (95 properties)				-	-	-	-	Avg. 22.9 yrs.	-
Central Urban Retail Properties	Tokyo Metropolitan Area	C-1	Frame Jinnan-zaka	1,240.51	Retail Shops, Offices	6,302.58	S · RC · SRC B2F7	March 2005	6.80
Subtotal of Central Urban Retail Properties (1 property)				-	-	-	-	13.5 yrs.	-
Other	Tokyo Metropolitan Area	D-2	Shinjuku 6chome Building (Land)	1,355.13	-	-	-	-	-
Subtotal of Others Properties (1 property)				-	-	-	-	-	-
Total of 97 properties				-	-	-	-	Avg. 22.8 yrs.	2.24

Note 1: Site area data is based on figures recorded in the land register (including relevant figures for land leasehold, if any). Data may not match with the actual current status. In the case of buildings with compartmentalized ownership, the figure indicates the site area of the entire land subject to site rights.

Note 2: Usage is based on data recorded in the land register. For buildings with compartmentalized ownership, the usage type of exclusively-owned area is shown.

Note 3: Total floor area is based on figures recorded in the land register and does not include related structures. The total floor area for the entire building is reported for compartmentalized ownership.

Note 4: Type of structure data is based on data recorded in the land register. For buildings with compartmentalized ownership, the structure and the number of floors of the entire building that includes the compartmentalized ownership is shown. The following abbreviations are used to report data relating to structure and the number of floors:

SRC: Steel-Reinforced Concrete; RC: Reinforced Concrete; S: Steel Frame; B: Below Ground Level; F: Above Ground Level.

For example: B2F9: Two floors below ground level and nine floors above ground level.

Note 5: Completion date is the date of construction completion recorded in the land register. Average age subtotal and total data are calculated using the weighted-average based on acquisition prices as of October 31, 2018, and are rounded down to the first decimal place.

Note 6: Probable Maximum Loss (PML) data is based on a survey provided by Sampo Risk Management Inc. (formerly Sampo Risk Management & Health Care Inc.) as of October 2018.

Note 7: KDX Kobayashi Doshomachi Building includes the fixed term land leasehold with a special agreement to transfer building.

## (b) Capital Expenditure

## ① Planned capital expenditures

Major capital expenditure plans for renovation of properties in which the Investment Corporation holds for the twenty-eighth fiscal period (November 1, 2018 to April 30, 2019) are as follows. Planned capital expenditure may include portions classified into expenses for accounting purposes as a result.

Property Name (Location)	Purpose	Schedule	Planned Amount of Capital Expenditure (Millions of Yen)		
			Total	Paid in the Fiscal Period under Review	Total Amount Previously Paid
KDX Sakura-dori Building (Nagoya, Aichi)	Upgrade of common area, etc.	November 2018 to April 2019	259	-	-
KDX Sapporo Kitaguchi Building (Sapporo, Hokkaido)	Upgrade of common area, etc.	As above	106	-	-
KDX Utsunomiya Building (Utsunomiya, Tochigi)	Upgrade of exclusively-owned area, etc.	As above	83	-	-
KDX Sapporo Building (Sapporo, Hokkaido)	Upgrade of common area, etc.	As above	79	-	-
KDX Kojimachi Building (Chiyoda-ku, Tokyo)	Upgrade of common area, etc.	As above	70	-	-
KDX Hatchobori Building (Chuo-ku, Tokyo)	Upgrade of common area, etc.	As above	57	-	-
KDX Karasuma Building (Kyoto, Kyoto)	Upgrade of common area, etc.	As above	57	-	-
KDX Funabashi Building (Funabashi, Chiba)	Renovation of external wall, etc.	As above	47	-	-
Pentel Building (Chuo-ku, Tokyo)	Upgrade of common area, etc.	As above	40	-	-
KDX Shin-Yokohama Building (Yokohama, Kanagawa)	Upgrade of exclusively-owned area, etc.	As above	37	-	-
KDX Kayabacho Building (Chuo-ku, Tokyo)	Upgrade of elevators, etc.	As above	28	-	-
KDX Nakano-Sakaue Building (Nakano-ku, Tokyo)	Upgrade of security system, etc.	As above	27	-	-
KDX Hon-Atsugi Building (Atsugi, Kanagawa)	Renovation of mechanical parking spaces, etc.	As above	18	-	-

Note: The planned amounts of capital expenditure are truncated at less than 1 million yen.

## ② Capital Expenditures during the Fiscal Period under Review (fiscal period ended October 31, 2018)

The Investment Corporation undertook the following major capital expenditures. In the fiscal period under review (fiscal period ended October 31, 2018), the Investment Corporation completed works across its entire portfolio totaling 925 million yen. The total construction cost amounted to 1,494 million yen including 568 million yen for repairs, maintenance and renovation expenses in the fiscal period under review.

Property Name (Location)	Purpose	Term	Amount of Capital Expenditures (Millions of Yen)
KDX Nishi-Shinbashi Building (Minato-ku, Tokyo)	Upgrade of common area, etc.	May 2018 to October 2018	98
KDX Shinjuku Building (Shinjuku-ku, Tokyo)	Upgrade of common area, etc.	As above	93
KDX Nakano-Sakaue Building (Nakano-ku, Tokyo)	Upgrade of elevators, etc.	As above	50
KDX Ginza East Building (Chuo-ku, Tokyo)	Upgrade of elevators, etc.	As above	45
KDX Ikebukuro West Building (Toshima-ku, Tokyo)	Renewal of air conditioning system, etc.	As above	43
KDX Takadanobaba Building (Toshima-ku, Tokyo)	Upgrade of common area, etc.	As above	38
Other			555
Portfolio Total			925

Note: The amounts of the capital expenditures are truncated at less than 1 million yen.

## ③ Reserved Amount for Long-Term Repairs, Maintenance and Renovation Plans

Not Applicable

## (c) Details of the Tenants

Type	Area	No.	Property Name	Total Leasable Floor Area (m <sup>2</sup> ) (Note 1)	Total Leased Floor Area (m <sup>2</sup> ) (Note 2)	No. of Leasable Residential Units (Note 3)	No. of Leased Residential Units (Note 4)	No. of Tenants (Note 5)	Occupancy Rate (%) (Note 6)	Rental and Other Operating Revenues (Thousands of Yen) (Note 7)	Tenant Leasehold and Security Deposits (Thousands of Yen) (Note 8)	
Office Buildings	Tokyo Metropolitan Area	A-1	KDX Nihonbashi 313 Building	5,777.19	5,777.19	-	-	15	100.0	196,959	262,728	
		A-3	Higashi-Kayabacho Yuraku Building	4,379.66	4,379.66	-	-	7	100.0	141,718	218,272	
		A-4	KDX Hatchobori Building	3,323.14	3,323.14	-	-	4	100.0	110,304	109,783	
		A-5	KDX Nakano-Sakaue Building	4,289.49	4,213.92	18	17	23	98.2	90,452	96,124	
		A-6	Harajuku F.F. Building	3,071.15	3,071.15	-	-	2	100.0	103,019	141,464	
		A-7	KDX Minami Aoyama Building	1,815.19	1,815.19	-	-	8	100.0	83,662	94,463	
		A-8	Kanda Kihara Building	1,948.02	1,948.02	-	-	10	100.0	53,455	85,568	
		A-13	KDX Kojimachi Building	3,719.18	3,719.18	-	-	9	100.0	145,519	205,007	
		A-14	KDX Funabashi Building	3,846.03	3,846.03	-	-	20	100.0	107,721	141,063	
		A-16	Toshin 24 Building	6,621.19	6,233.34	-	-	19	94.1	159,387	247,890	
		A-17	KDX Ebisu Building	3,072.34	3,072.34	-	-	6	100.0	151,338	262,829	
		A-19	KDX Hamamatsucho Building	2,724.35	2,724.35	-	-	9	100.0	100,285	134,211	
		A-20	KDX Kayabacho Building	3,019.93	3,019.93	-	-	7	100.0	90,983	113,407	
		A-21	KDX Shinbashi Building	2,803.96	2,803.96	-	-	8	100.0	120,608	197,392	
		A-22	KDX Shin-Yokohama Building	4,776.90	4,776.90	-	-	22	100.0	92,408	142,870	
		A-26	KDX Kiba Building	2,455.49	2,455.49	-	-	6	100.0	46,323	61,342	
		A-27	KDX Kajicho Building	2,564.79	2,564.79	-	-	10	100.0	75,856	90,614	
		A-29	KDX Higashi-Shinjuku Building	5,859.92	5,859.92	-	-	6	100.0	141,834	125,596	
		A-30	KDX Nishi-Gotanda Building	3,883.04	3,883.04	-	-	12	100.0	116,236	140,325	
		A-31	KDX Monzen-Nakacho Building	2,008.74	2,008.74	-	-	7	100.0	45,103	47,451	
		A-32	KDX Shiba-Daimon Building	5,997.36	5,997.36	-	-	9	100.0	166,723	227,526	
		A-33	KDX Okachimachi Building	1,792.54	1,792.54	-	-	2	100.0	68,722	110,237	
		A-34	KDX Hon-Atsugi Building	2,747.65	2,322.86	-	-	13	84.5	42,978	62,718	
		A-35	KDX Hachioji Building	2,165.20	2,165.20	-	-	10	100.0	51,527	56,738	
		A-37	KDX Ochanomizu Building	5,891.49	5,891.49	-	-	8	100.0	203,758	267,211	
		A-38	KDX Nishi-Shinjuku Building	1,593.59	1,593.59	-	-	9	100.0	50,398	71,431	
		A-41	KDX Shinjuku 286 Building	2,446.12	2,446.12	-	-	7	100.0	81,437	101,809	
		A-46	Hiei Kudan-Kita Building	6,908.96	6,895.86	-	-	13	99.8	249,973	343,705	
		A-48	KDX Kawasaki-Ekimae Hon-cho Building	5,126.69	5,126.69	-	-	1	100.0	105,277	155,622	
		A-51	KDX Hamacho Nakanohashi Building	2,238.01	2,238.01	-	-	9	100.0	68,516	94,693	
		A-55	Shin-toshin Maruzen Building	1,912.25	1,912.25	-	-	6	100.0	54,961	70,905	
		A-56	KDX Jimbocho Building	2,323.44	2,323.44	-	-	6	100.0	75,938	99,675	
		A-59	KDX Iwamoto-cho Building	1,529.79	1,529.79	3	3	9	100.0	47,849	61,543	
		A-60	KDX Harumi Building	9,294.00	8,432.48	-	-	10	90.7	230,992	317,636	
		A-61	KDX Hamamatsucho Dai-2 Building (Note 12)	-	-	-	-	-	-	-	22,094	-
		A-62	Koishikawa TG Building	3,937.42	3,937.42	-	-	4	100.0	130,292	156,671	
		A-63	KDX Gotanda Building	3,157.04	3,157.04	-	-	10	100.0	105,976	135,551	
		A-64	KDX Nihonbashi 216 Building	1,615.20	1,615.20	-	-	8	100.0	62,574	97,938	
		A-66	KDX Shinjuku Building	5,824.24	5,723.65	-	-	21	98.3	249,885	334,626	
		A-67	KDX Ginza 1chome Building	3,573.59	3,573.59	-	-	4	100.0	149,974	193,218	
A-68	KDX Nihonbashi Honcho Building	3,998.39	3,531.16	-	-	7	88.3	135,659	224,176			
A-71	KDX Idabashi Building	4,429.25	4,429.25	-	-	5	100.0	157,675	221,655			
A-72	KDX Higashi-Shinagawa Building	7,117.97	7,117.97	-	-	5	100.0	158,002	221,648			
A-73	KDX Hakozaeki Building	3,992.60	3,992.60	-	-	8	100.0	115,362	157,061			
A-74	KDX Shin-Nihonbashi Building	2,658.79	2,658.79	-	-	8	100.0	89,999	131,648			
A-78	KDX Tachikawa Ekimae Building	1,612.13	1,612.13	-	-	5	100.0	66,378	91,537			
A-83	KDX Fuchu Building	10,151.50	9,964.34	-	-	37	98.2	314,803	375,945			
A-84	KDX Kasuga Building	4,345.13	4,345.13	-	-	14	100.0	128,236	150,693			
A-85	KDX Nakameguro Building	2,726.69	2,726.69	-	-	7	100.0	85,831	164,863			
A-86	KDX Omiya Building	3,814.00	3,814.00	1	1	17	100.0	118,933	184,973			
A-87	Itopia Nihonbashi SA Building	3,106.42	3,106.42	8	8	14	100.0	101,877	123,011			
A-88	KDX Shinjuku 6-chome Building	4,037.44	4,037.44	-	-	7	100.0	106,028	88,091			
A-89	KDX Takanawadai Building	6,967.61	6,967.61	-	-	8	100.0	198,746	268,821			

Type	Area	No.	Property Name	Total Leasable Floor Area (m <sup>2</sup> ) (Note 1)	Total Leased Floor Area (m <sup>2</sup> ) (Note 2)	No. of Leasable Residential Units (Note 3)	No. of Leased Residential Units (Note 4)	No. of Tenants (Note 5)	Occupancy Rate (%) (Note 6)	Rental and Other Operating Revenues (Thousands of Yen) (Note 7)	Tenant Leasehold and Security Deposits (Thousands of Yen) (Note 8)
Office Buildings	Tokyo Metropolitan Area	A-90	KDX Ikebukuro Building	3,110.71	3,110.71	-	-	10	100.0	140,701	208,888
		A-91	KDX Mita Building	3,331.61	3,331.61	-	-	12	100.0	113,403	154,721
		A-92	KDX Akihabara Building	2,289.27	2,289.27	-	-	7	100.0	85,094	97,438
		A-93	KDX Iidabashi Square	4,571.92	4,571.92	-	-	7	100.0	175,495	294,381
		A-94	KDX Musashi-Kosugi Building	12,978.52	12,978.52	-	-	9	100.0	445,354	661,244
		A-95	KDX Toyosu Grand Square	11,797.85	11,797.85	-	-	14	100.0	326,533	475,626
		A-96	KDX Takadanobaba Building	4,595.34	4,595.34	-	-	11	100.0	147,819	166,878
		A-99	KDX Ikebukuro West Building	2,553.96	2,553.96	-	-	7	100.0	74,220	60,667
		A-101	KDX Yokohama Building	10,932.45	10,660.07	-	-	25	97.5	284,623	340,315
		A-102	KDX Yokohama Nishiguchi Building	4,981.87	4,981.87	-	-	14	100.0	123,302	161,238
		A-107	KDX Ginza East Building	4,400.92	4,400.92	-	-	12	100.0	123,335	146,470
		A-108	Pentel Building	4,346.66	4,346.66	5	5	9	100.0	132,909	170,335
		A-109	KDX Hamamatsucho Center Building	3,052.73	3,052.73	-	-	8	100.0	107,891	134,133
		A-112	KDX Toranomon 1Chome Building	8,179.00	8,179.00	-	-	4	100.0	416,440	664,650
		A-113	KDX Shin-Nihonbashi Ekimae Building	3,284.79	3,284.79	-	-	11	100.0	124,580	154,477
		A-114	KDX Nihonbashi Edo-dori Building	1,505.28	1,505.28	-	-	8	100.0	42,212	47,124
		A-115	ARK Mori Building	2,442.60	2,442.60	-	-	1 (Note 9)	100.0	N/A (Note 10)	N/A (Note 10)
		A-116	KDX Nishi-Shinbashi Building	5,734.79	5,734.79	-	-	9	100.0	222,056	325,174
		A-117	BR Gotanda	3,504.75	3,504.75	-	-	6	100.0	109,808	116,754
		A-119	KDX Shibuya Nanpeidai Building	2,205.16	2,205.16	-	-	1	100.0	90,247	68,607
		A-120	KDX Yoyogi Building	1,173.55	1,173.55	-	-	10	100.0	69,770	106,034
		A-121	Ginza 4chome Tower	5,624.23	5,522.70	-	-	3	98.2	314,906	321,559
		A-122	Mitsubishijuko Yokohama Building	13,495.34	13,495.34	-	-	22	100.0	436,758	686,767
		A-123	JN Building	10,075.62	10,075.62	-	-	6	100.0	271,887	232,433
	A-124	CROSS PLACE Hamamatsucho	9,325.18	9,325.18	-	-	15	100.0	350,493	992,246	
	Other Regional Areas	A-12	Portus Center Building	11,582.42	11,582.42	-	-	29	100.0	308,096	368,032
		A-42	KDX Karasuma Building	8,743.96	8,743.96	-	-	40	100.0	217,849	296,587
		A-44	KDX Sendai Building	3,948.03	3,948.03	-	-	31	100.0	95,436	175,781
		A-53	KDX Hakata-Minami Building	10,112.11	9,620.65	-	-	51	95.1	190,732	256,698
		A-54	KDX Kitahama Building	3,995.28	3,995.28	-	-	14	100.0	71,968	96,627
		A-58	KDX Nagoya Sakae Building	6,923.12	6,923.12	-	-	16	100.0	190,607	223,836
		A-69	KDX Kobayashi-Doshomachi Building	7,072.23	7,072.23	-	-	11	100.0	193,887	255,398
		A-70	KDX Sapporo Building	3,786.75	3,786.75	-	-	21	100.0	95,605	118,744
		A-79	KDX Nagoya Ekimae Building	7,903.84	7,903.84	-	-	18	100.0	336,942	515,886
A-82		KDX Higashi Umeda Building	4,994.88	4,994.88	-	-	5	100.0	144,247	117,577	
A-97		KDX Utsunomiya Building	5,306.77	4,720.55	-	-	23	89.0	121,950	128,370	
A-98		KDX Hiroshima Building	3,994.52	3,994.52	-	-	22	100.0	76,640	105,478	
A-100		Senri Life Science Center Building	17,199.45	17,157.17	-	-	61	99.8	733,090	893,199	
A-104		KDX Minami-Honmachi Building	5,285.95	5,094.74	-	-	19	96.4	112,203	153,122	
A-106	KDX Sakura-dori Building	12,318.09	12,318.09	-	-	34	100.0	349,504	460,440		
A-110	KDX Shin-Osaka Building	5,979.39	5,979.39	-	-	17	100.0	150,483	166,378		
A-111	KDX Nagoya Nichigin-mae Building	4,363.17	4,363.17	-	-	15	100.0	100,894	161,870		
A-118	KDX Sapporo Kitaguchi Building	3,319.16	3,319.16	-	-	12	100.0	71,723	81,702		
Subtotal of Office Buildings (95 properties)				467,315.42	463,112.53	35	34	1,191	99.1	14,570,000	19,861,346
Central Urban Retail Properties	Tokyo Metropolitan Area	C-1	Frame Jinnan-zaka (Note 13)	2,370.90	2,370.90	-	-	12	100.0	164,157	185,331
Subtotal of Central Urban Retail Properties (1 property)				2,370.90	2,370.90	-	-	12	100.0	164,157	185,331
Others	Tokyo Metropolitan Area	D-2	Shinjuku 6Chome Building (Land)	1,355.13	1,355.13	-	-	1	100.0	68,588	57,230
Subtotal of Others Properties (1 property)				1,355.13	1,355.13	-	-	1	100.0	68,588	57,230
Total of 97 properties				471,041.45	466,838.56	35	34	1,204 (Note 11)	99.1	14,802,746	20,103,908

Occupancy Rate over the Past Five Years	
April 30, 2014	96.0%
October 31, 2014	95.6%
April 30, 2015	96.5%
October 31, 2015	94.9%
April 30, 2016	96.9%
October 31, 2016	96.9%
April 30, 2017	97.9%
October 31, 2017	99.1%
April 30, 2018	99.0%
October 31, 2018	99.1%

Note 1: Total leasable floor area refers to the leasable floor area for a building (aggregate total of the leasable floor area of each building in the case of more than one building), excluding land (including land for one-story parking) identified in lease agreements or construction completion plans, etc. However, the indicated figure of rentable area for Pentel Building includes rentable area for land stated in the lease agreement. The indicated figure of rentable area for Shinjuku 6chome Building (Land) is rentable area stated in the land lease agreement.

Note 2: Total leased floor area refers to the area identified in lease agreements with end tenants or sub-lease agreements.

Note 3: The number of leasable residential units and the number of leased residential units refers to the portion of the building used for residential purposes.

Note 4: The number of leased residential units refers to the number of residential units among leasable residential units for which lease agreements with end tenants or sub-lease agreements are signed.

Note 5: The number of tenants refers to the actual number of end tenants for each property.

Note 6: Occupancy rate is calculated by dividing leased floor area by total leasable floor area. Figures are rounded to the nearest first decimal place.

Note 7: Rental and other operating revenues refers to the total amount of revenues generated during the fiscal period under review from real estate rental operations including leasing revenues, common charges and parking revenues rounded down to the nearest thousand yen.

Note 8: Tenant leasehold and security deposits refer to the total of the balances of security deposits held (including net security deposits in the case of discount) and guarantee deposits, both identified in lease agreements or sub-lease agreements, with the figure rounded down to the nearest thousand yen.

Note 9: We have concluded a rental guarantee (fixed-rent period: until December 1, 2018) building lease agreement and a property management agreement (term of contract: to December 28, 2026) with Mori Building Co., Ltd., a master lessee, the total number of tenants is indicated as 1.

Note 10: Figures are not disclosed because the company that is a master lessee and a property manager has not given consent.

Note 11: The number presented does not reflect the adjustment for end-tenants who are overlapping in multiple properties.

Note 12: The property was sold on July 2, 2018.

Note 13: 49.0% of quasi co-ownership interest was sold on July 2, 2018 and the remaining 51.0% on November 1, 2018. Total leasable floor area and total leased floor area indicate that equivalent to 51.0% of quasi co-ownership interest which was owned by the Investment Corporation as of the end of the fiscal period under review. Rental and other operating revenues are the sum of (a) entire revenue on and before July 2, 2018 and (b) the amount equivalent to 51.0% of quasi co-ownership interest as of the following day. No. of tenants indicate a figure for the entire property.

(d) Information concerning major real estate properties

There were no major real estate properties with rental and other operating revenues exceeding 10% of total rental and other operating revenues for the fiscal period under review (fiscal period ended October 31, 2018).

(e) Information concerning major tenants

① Tenant which holds more than 10% of the total leased area: Not applicable

② Reference: Major end tenants

(As of October 31, 2018)

	Name of End Tenant	Property Name	Leased Floor Area (m <sup>2</sup> )	Percentage of Total Leased Floor Area (Note 1)
1	Mitsubishi Heavy Industries, Ltd.	Mitsubishijuko Yokohama Building	11,267.43	2.4%
2	N / A (Note 2)	KDX Kawasaki-Ekimae Hon-cho Building	5,126.69	1.1%
3	N / A (Note 2)	KDX Musashi-Kosugi Building, KDX Hiroshima Building	4,856.75	1.0%
4	ADK Arts Inc.	KDX Toranomom 1Chome Building	4,719.91	1.0%
5	JASTECCo., Ltd.	KDX Takanawadai Building	4,312.83	0.9%
Subtotal			30,283.61	6.5%
Total Portfolio			466,838.56	100.0%

Note 1: Percentage of total leased floor area refers to the floor area leased to each end tenant as a proportion of total leased floor area. Figures are rounded to the nearest first decimal place.

Note 2: Not disclosed because the tenants have not given consents.

**[Reference]**

**Earnings Performance for the Individual Properties for the 27th Fiscal Period (May 1, 2018 to October 31, 2018) : 184days ※As of October 31, 2018**

Type		Office Buildings													
Location		Tokyo Metropolitan Area													
Property No.	A001	A003	A004	A005	A006	A007	A008	A013	A014	A016	A017	A019	A020	A021	
Property Name	KDX Nihonbashi 313 Building	Higashi-Kayabacho Yuraku Building	KDX Hatchobori Building	KDX Nakano-Sakaue Building	Harajuku F.F. Building	KDX Minami Aoyama Building	Kanda Kihara Building	KDX Kojimachi Building	KDX Funabashi Building	Toshin 24 Building	KDX Ebisu Building	KDX Hamamatsucho Building	KDX Kayabacho Building	KDX Shinbashi Building	
Acquisition Date	August 1, 2005	August 1, 2005	August 1, 2005	August 1, 2005	August 1, 2005	August 1, 2005	August 1, 2005	November 1, 2005	March 1, 2006	May 1, 2006	May 1, 2006	May 1, 2006	May 1, 2006	May 1, 2006	
Price Information	Acquisition price (millions of yen)	5,940	4,450	3,680	2,533	2,450	2,270	1,950	5,950	2,252	5,300	4,640	3,460	2,780	3,728
	Percentage of total portfolio	1.4%	1.1%	0.9%	0.6%	0.6%	0.5%	0.5%	1.4%	0.5%	1.3%	1.1%	0.8%	0.7%	0.9%
	Net book value (millions of yen)	5,789	4,035	3,260	2,363	2,397	2,213	1,767	5,488	2,248	4,822	4,369	3,051	2,671	3,726
	Appraisal value at the end of period (millions of yen)	6,740	5,170	3,380	2,500	3,260	2,790	1,680	5,150	2,660	5,080	5,250	3,410	2,760	4,950
	Percentage of total appraisal value	1.4%	1.1%	0.7%	0.5%	0.7%	0.6%	0.4%	1.1%	0.6%	1.1%	1.1%	0.7%	0.6%	1.1%
Lease Information	Number of tenants	15	7	4	23	2	8	10	9	20	19	6	9	7	8
	Leasable floor area (㎡)	5,777.19	4,379.66	3,323.14	4,289.49	3,071.15	1,815.19	1,948.02	3,719.18	3,846.03	6,621.19	3,072.34	2,724.35	3,019.93	2,803.96
	Leased floor area (㎡)	5,777.19	4,379.66	3,323.14	4,213.92	3,071.15	1,815.19	1,948.02	3,719.18	3,846.03	6,233.34	3,072.34	2,724.35	3,019.93	2,803.96
	Occupancy rate														
	As of October 31, 2018	100.0%	100.0%	100.0%	98.2%	100.0%	100.0%	100.0%	100.0%	100.0%	94.1%	100.0%	100.0%	100.0%	100.0%
	As of April 30, 2018	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	90.4%	100.0%	100.0%	100.0%	100.0%
	As of October 31, 2017	100.0%	100.0%	100.0%	96.5%	100.0%	100.0%	100.0%	100.0%	91.1%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of April 30, 2017	82.5%	100.0%	100.0%	98.3%	100.0%	100.0%	100.0%	100.0%	100.0%	97.1%	100.0%	100.0%	100.0%	100.0%
	As of October 31, 2016	94.6%	100.0%	100.0%	94.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of April 30, 2016	100.0%	100.0%	100.0%	91.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	83.4%	100.0%	100.0%	100.0%
As of October 31, 2015	100.0%	100.0%	100.0%	94.8%	100.0%	100.0%	100.0%	100.0%	95.6%	100.0%	100.0%	100.0%	100.0%	100.0%	
As of April 30, 2015	100.0%	100.0%	93.1%	96.5%	100.0%	100.0%	88.2%	100.0%	99.8%	97.4%	100.0%	100.0%	84.9%	100.0%	
As of October 31, 2014	100.0%	100.0%	100.0%	95.2%	100.0%	100.0%	76.2%	100.0%	96.5%	94.1%	100.0%	100.0%	84.9%	100.0%	
As of April 30, 2014	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	88.0%	100.0%	88.0%	94.4%	100.0%	100.0%	84.9%	86.8%	
Profit and Loss Information for the 27th Fiscal Period	Operating periods	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days
	①Rental and other operating revenues (thousands of yen)	196,959	141,718	110,304	90,452	103,019	83,662	53,455	145,519	107,721	159,387	151,338	100,285	90,983	120,608
	Rental revenues	177,666	123,497	93,814	76,379	96,080	76,310	48,389	126,282	95,088	134,204	134,430	91,286	81,845	111,762
	Other operating revenues	19,292	18,220	16,489	14,073	6,938	7,351	5,066	19,237	12,632	25,182	16,908	8,998	9,137	8,845
	②Property-related expenses (thousands of yen)	52,782	38,493	35,810	29,370	25,700	20,768	15,961	41,196	35,458	71,239	35,228	25,576	25,302	40,855
	Property management fees	15,345	12,129	10,853	9,253	6,567	5,413	5,046	9,760	13,067	13,349	10,138	7,328	7,289	8,789
	Taxes	22,383	9,470	8,967	7,815	8,542	6,119	4,201	18,253	7,388	12,905	11,652	9,501	6,710	16,992
	Utilities	13,286	10,225	7,307	7,174	4,716	5,857	4,007	10,675	7,581	14,792	9,528	5,477	6,722	6,188
	Repairs and maintenance costs	575	4,944	6,141	3,838	2,727	2,708	1,107	6,933	26,731	2,420	576	2,285	8,222	
	Insurance	224	153	136	170	103	56	59	155	170	259	137	102	106	113
Trust fees and other expenses	967	1,570	2,404	1,118	3,043	612	557	1,244	317	3,200	1,351	2,588	2,188	549	
③NOI (=①-②) (thousands of yen)	144,177	103,224	74,493	61,082	77,318	62,894	37,494	104,322	72,262	88,147	116,110	74,709	65,680	79,752	
④Depreciation (thousands of yen)	28,419	27,146	20,073	17,115	11,001	7,345	8,514	19,778	21,274	39,144	19,882	9,193	17,424	10,530	
⑤Rental operating income (=③-④) (thousands of yen)	115,757	76,078	54,420	43,966	66,316	55,549	28,980	84,544	50,988	49,003	96,228	65,516	48,256	69,222	
⑥Capital expenditures (thousands of yen)	7,234	1,239	800	50,849	4,410	225	995	738	13,293	46,416	7,406	1,310	3,290	-	
⑦NCF (=⑤-⑥) (thousands of yen)	136,942	101,985	73,693	10,232	72,908	62,669	36,499	103,584	58,969	41,730	108,704	73,399	62,390	79,752	
Reference	Expense ratio (=②/①)	26.8%	27.2%	32.5%	32.5%	24.9%	24.8%	29.9%	28.3%	32.9%	44.7%	23.3%	25.5%	27.8%	33.9%
	Property tax for the year 2018 (thousands of yen)	44,910	18,984	17,978	16,028	17,085	12,239	8,403	37,186	14,623	25,811	23,305	19,003	13,509	34,738
	Property management fee (Leasing management fees) of ② (thousands of yen)	6,961	4,998	3,771	3,092	2,990	2,990	1,856	5,098	3,673	5,051	5,458	3,571	3,197	4,089
	Reference: Percentage of rental and other operating revenues	3.5%	3.5%	3.4%	3.4%	3.6%	3.6%	3.5%	3.5%	3.4%	3.2%	3.6%	3.6%	3.5%	3.4%
	Long-term repairs, maintenance and renovation														
Estimated amount of 1st yr to 12th yrs (thousands of yen)	318,440	159,300	141,890	164,530	204,340	97,670	79,020	161,000	180,238	309,328	232,159	163,222	198,294	117,213	
Reference: Amount of yearly avg.	26,536	13,275	11,824	13,710	17,028	8,139	6,585	13,416	15,019	25,777	19,346	13,601	16,524	9,767	

Properties are shown in order of property number with respect to each type and location.

【Reference】

Earnings Performance for the Individual Properties for the 27th Fiscal Period (May 1, 2018 to October 31, 2018) : 184days ※As of October 31, 2018

Type		Office Buildings													
Location		Tokyo Metropolitan Area													
Property No.	A022	A026	A027	A029	A030	A031	A032	A033	A034	A035	A037	A038	A041	A046	
Property Name	KDX Shin-Yokohama Building	KDX Kiba Building	KDX Kajicho Building	KDX Higashi-Shinjuku Building	KDX Nishi-Gotanda Building	KDX Monzen-Nakacho Building	KDX Shiba-Daimon Building	KDX Okachimachi Building	KDX Hon-Atsugi Building	KDX Hachioji Building	KDX Ochanomizu Building	KDX Nishi-Shinjuku Building	KDX Shinjuku 286 Building	Hiei Kudan-Kita Building	
Acquisition Date	May 1, 2006	June 20, 2006	July 3, 2006	September 1, 2006	December 1, 2006	January 19, 2007	March 1, 2007	March 1, 2007	March 1, 2007	March 1, 2007	April 2, 2007	April 2, 2007	June 1, 2007	February 1, 2008	
Price Information	Acquisition price (millions of yen)	2,520	1,580	2,350	2,950	4,200	1,400	6,090	2,000	1,305	1,155	6,400	1,500	2,300	7,600
	Percentage of total portfolio	0.6%	0.4%	0.6%	0.7%	1.0%	0.3%	1.4%	0.5%	0.3%	0.3%	1.5%	0.4%	0.5%	1.8%
	Net book value (millions of yen)	2,252	1,426	2,256	2,997	3,783	1,297	5,949	2,033	1,117	1,209	6,326	1,510	2,349	7,456
	Appraisal value at the end of period (millions of yen)	2,600	1,220	2,270	3,950	3,680	1,120	5,130	2,020	1,290	1,160	7,090	1,480	2,690	7,910
	Percentage of total appraisal value	0.6%	0.3%	0.5%	0.8%	0.8%	0.2%	1.1%	0.4%	0.3%	0.2%	1.5%	0.3%	0.6%	1.7%
Lease Information	Number of tenants	22	6	10	6	12	7	9	2	13	10	8	9	7	13
	Leasable floor area (㎡)	4,776.90	2,455.49	2,564.79	5,859.92	3,883.04	2,008.74	5,997.36	1,792.54	2,747.65	2,165.20	5,891.49	1,593.59	2,446.12	6,908.96
	Leased floor area (㎡)	4,776.90	2,455.49	2,564.79	5,859.92	3,883.04	2,008.74	5,997.36	1,792.54	2,322.86	2,165.20	5,891.49	1,593.59	2,446.12	6,895.86
	Occupancy rate														
	As of October 31, 2018	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	84.5%	100.0%	100.0%	100.0%	100.0%	99.8%
	As of April 30, 2018	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	84.5%	100.0%	100.0%	100.0%	100.0%	97.5%
	As of October 31, 2017	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	77.9%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of April 30, 2017	99.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	90.1%	90.2%	87.8%	100.0%	100.0%
	As of October 31, 2016	89.1%	88.1%	100.0%	100.0%	74.8%	100.0%	100.0%	100.0%	96.7%	85.5%	100.0%	100.0%	100.0%	100.0%
	As of April 30, 2016	78.7%	88.1%	100.0%	100.0%	47.4%	100.0%	100.0%	100.0%	96.7%	85.5%	96.4%	100.0%	100.0%	100.0%
As of October 31, 2015	83.3%	76.1%	93.5%	87.3%	100.0%	84.3%	100.0%	100.0%	96.7%	72.7%	96.4%	100.0%	100.0%	100.0%	
As of April 30, 2015	87.2%	76.1%	97.5%	87.3%	100.0%	100.0%	100.0%	100.0%	94.3%	72.7%	100.0%	100.0%	100.0%	100.0%	
As of October 31, 2014	97.5%	88.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	72.7%	100.0%	77.8%	100.0%	100.0%	
As of April 30, 2014	94.1%	88.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Profit and Loss Information for the 27th Fiscal Period	Operating periods	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days
	①Rental and other operating revenues (thousands of yen)	92,408	46,323	75,856	141,834	116,236	45,103	166,723	68,722	42,978	51,527	203,758	50,398	81,437	249,973
	Rental revenues	79,601	39,194	66,471	124,751	96,709	36,147	151,824	58,613	36,585	41,791	186,727	44,567	69,004	224,755
	Other operating revenues	12,806	7,128	9,384	17,083	19,527	8,956	14,899	10,108	6,392	9,735	17,031	5,831	12,432	25,218
	②Property-related expenses (thousands of yen)	58,495	15,747	20,859	48,569	36,231	14,207	47,276	15,600	21,472	15,956	47,963	14,887	27,250	93,266
	Property management fees	7,891	4,761	6,763	13,204	9,056	4,205	13,987	6,069	5,746	4,956	12,329	4,665	7,054	31,081
	Taxes	6,296	4,717	5,558	13,988	9,283	3,196	11,922	2,875	3,615	4,119	15,843	4,441	8,354	27,092
	Utilities	8,309	4,732	5,893	13,403	11,638	5,792	13,318	4,624	3,693	4,370	13,613	3,702	6,770	18,904
	Repairs and maintenance costs	32,750	774	789	6,363	5,638	701	6,834	374	7,086	1,883	4,782	1,873	3,320	6,495
	Insurance	165	76	85	223	164	72	191	55	106	79	211	62	119	274
Trust fees and other expenses	3,081	685	1,768	1,385	450	239	1,022	1,601	1,223	547	1,182	142	1,631	9,417	
③NOI (=①-②) (thousands of yen)	33,912	30,575	54,996	93,265	80,005	30,896	119,447	53,122	21,505	35,570	155,794	35,511	54,186	156,707	
④Depreciation (thousands of yen)	23,483	11,980	13,054	21,207	29,292	9,908	31,760	8,248	13,058	11,877	28,296	7,118	11,292	17,979	
⑤Rental operating income (=③-④) (thousands of yen)	10,428	18,595	41,942	72,058	50,712	20,988	87,687	44,873	8,446	23,692	127,498	28,392	42,894	138,728	
⑥Capital expenditures (thousands of yen)	22,172	670	21,748	360	550	-	6,432	13,592	-	-	-	600	8,224	25,282	
⑦NCF (=⑤-⑥) (thousands of yen)	11,740	29,905	33,247	92,905	79,455	30,896	113,015	39,530	21,505	35,570	155,794	34,911	45,961	131,425	
Reference	Expense ratio (=②/①)	63.3%	34.0%	27.5%	34.2%	31.2%	31.5%	28.4%	22.7%	50.0%	31.0%	23.5%	29.5%	33.5%	37.3%
	Property tax for the year 2018 (thousands of yen)	12,584	9,434	11,129	27,977	18,563	6,390	23,844	5,745	7,673	8,381	31,687	8,882	16,709	55,111
	Property management fee (Leasing management fees) of ② (thousands of yen)	2,577	1,569	2,670	4,797	4,004	1,551	5,840	2,486	1,315	1,777	7,337	1,753	2,767	8,299
	Reference: Percentage of rental and other operating revenues	2.8%	3.4%	3.5%	3.4%	3.4%	3.4%	3.4%	3.5%	3.1%	3.4%	3.6%	3.5%	3.4%	3.3%
	Long-term repairs, maintenance and renovation														
Estimated amount of 1st yr to 12th yrs (thousands of yen)	111,671	127,183	133,761	93,342	129,945	136,390	323,620	90,133	65,934	85,771	355,880	45,530	94,622	368,772	
Reference: Amount of yearly avg.	9,305	10,598	11,146	7,778	10,828	11,365	26,968	7,511	5,494	7,147	29,656	3,794	7,885	30,731	

**[Reference]**

**Earnings Performance for the Individual Properties for the 27th Fiscal Period (May 1, 2018 to October 31, 2018) : 184days ※As of October 31, 2018**

Type		Office Buildings													
Location		Tokyo Metropolitan Area													
Property No.	A048	A051	A055	A056	A059	A060	A062	A063	A064	A066	A067	A068	A071	A072	
Property Name	KDX Kawasaki-Ekimae Hon-cho Building	KDX Hamacho Nakanohashi Building	Shin-toshin Maruzen Building	KDX Jimbocho Building	KDX Iwamoto-cho Building	KDX Harumi Building	Koishikawa TG Building	KDX Gotanda Building	KDX Nihonbashi 216 Building	KDX Shinjuku Building	KDX Ginza Ichoime Building	KDX Nihonbashi Honcho Building	KDX Iidabashi Building	KDX Higashi-Shinagawa Building	
Acquisition Date	February 1, 2008	February 1, 2008	February 29, 2008	March 31, 2008	May 1, 2008	June 30, 2008	November 18, 2009	November 18, 2009	December 1, 2009	February 18, 2010	November 12, 2010	November 12, 2010	July 22, 2011	July 22, 2011	
Price Information	Acquisition price (millions of yen)	3,760	2,310	2,110	2,760	1,864	10,250	3,080	2,620	2,010	6,800	4,300	4,000	4,670	4,590
	Percentage of total portfolio	0.9%	0.5%	0.5%	0.7%	0.4%	2.4%	0.7%	0.6%	0.5%	1.6%	1.0%	1.0%	1.1%	1.1%
	Net book value (millions of yen)	3,485	2,240	2,085	2,848	1,636	8,732	2,982	2,698	1,828	6,932	4,168	3,922	4,503	4,705
	Appraisal value at the end of period (millions of yen)	3,130	1,970	1,680	2,420	1,540	8,510	3,460	3,300	2,260	9,460	5,740	4,670	5,530	4,500
	Percentage of total appraisal value	0.7%	0.4%	0.4%	0.5%	0.3%	1.8%	0.7%	0.7%	0.5%	2.0%	1.2%	1.0%	1.2%	1.0%
Lease Information	Number of tenants	1	9	6	6	9	10	4	10	8	21	4	7	5	5
	Leasable floor area (㎡)	5,126.69	2,238.01	1,912.25	2,323.44	1,529.79	9,294.00	3,937.42	3,157.04	1,615.20	5,824.24	3,573.59	3,998.39	4,429.25	7,117.97
	Leased floor area (㎡)	5,126.69	2,238.01	1,912.25	2,323.44	1,529.79	8,432.48	3,937.42	3,157.04	1,615.20	5,723.65	3,573.59	3,531.16	4,429.25	7,117.97
	Occupancy rate														
	As of October 31, 2018	100.0%	100.0%	100.0%	100.0%	100.0%	90.7%	100.0%	100.0%	100.0%	98.3%	100.0%	88.3%	100.0%	100.0%
	As of April 30, 2018	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	98.3%	100.0%	100.0%	100.0%	100.0%
	As of October 31, 2017	100.0%	100.0%	83.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	96.4%	100.0%	100.0%	100.0%	100.0%
	As of April 30, 2017	100.0%	100.0%	64.2%	100.0%	100.0%	94.0%	100.0%	100.0%	100.0%	95.5%	100.0%	100.0%	100.0%	100.0%
	As of October 31, 2016	100.0%	100.0%	100.0%	100.0%	100.0%	93.2%	100.0%	100.0%	100.0%	100.0%	98.2%	100.0%	100.0%	100.0%
	As of April 30, 2016	100.0%	100.0%	100.0%	100.0%	100.0%	93.2%	100.0%	100.0%	100.0%	98.3%	98.2%	100.0%	100.0%	88.4%
As of October 31, 2015	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	65.4%	100.0%	100.0%	51.0%	
As of April 30, 2015	100.0%	88.3%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	88.3%	100.0%	100.0%	86.6%	73.5%	
As of October 31, 2014	100.0%	88.3%	100.0%	100.0%	100.0%	90.7%	100.0%	100.0%	100.0%	91.8%	100.0%	100.0%	86.6%	56.7%	
As of April 30, 2014	100.0%	100.0%	100.0%	100.0%	100.0%	72.2%	100.0%	100.0%	100.0%	88.4%	100.0%	100.0%	100.0%	76.7%	
Profit and Loss Information for the 27th Fiscal Period	Operating periods	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days
	①Rental and other operating revenues (thousands of yen)	105,277	68,516	54,961	75,938	47,849	230,992	130,292	105,976	62,574	249,885	149,974	135,659	157,675	158,002
	Rental revenues	93,427	56,496	47,476	67,669	43,712	190,668	107,662	95,547	56,831	215,261	141,188	126,591	140,207	137,823
	Other operating revenues	11,850	12,019	7,485	8,269	4,137	40,323	22,630	10,428	5,743	34,623	8,786	9,067	17,467	20,179
	②Property-related expenses (thousands of yen)	33,020	22,211	18,797	21,692	9,801	101,226	40,581	40,698	14,280	100,680	37,219	38,939	46,296	47,813
	Property management fees	13,288	7,132	6,150	5,551	3,817	32,421	13,992	8,488	5,031	22,001	9,519	8,972	10,396	15,204
	Taxes	7,374	5,746	4,737	7,197	3,069	18,341	10,381	9,018	4,726	28,462	13,444	15,650	10,830	16,210
	Utilities	10,315	4,545	4,629	6,085	2,153	36,816	14,041	8,068	3,264	20,429	6,946	7,004	16,612	13,963
	Repairs and maintenance costs	975	3,751	2,859	2,466	365	8,491	1,060	13,499	630	26,389	2,747	3,491	2,199	939
	Insurance	181	100	70	83	45	355	158	121	55	281	132	130	152	238
Trust fees and other expenses	885	935	350	307	350	4,800	945	1,502	570	3,115	4,428	3,688	6,105	1,257	
③NOI (=①-②) (thousands of yen)	72,257	46,305	36,164	54,246	38,048	129,766	89,711	65,278	48,294	149,204	112,754	96,720	111,379	110,189	
④Depreciation (thousands of yen)	34,140	13,467	8,621	10,174	13,177	78,261	15,614	14,892	11,421	21,639	11,946	10,972	16,301	27,716	
⑤Rental operating income (=③-④) (thousands of yen)	38,116	32,837	27,542	44,071	24,870	51,504	74,097	50,386	36,872	127,565	100,808	85,747	95,078	82,473	
⑥Capital expenditures (thousands of yen)	6,896	5,322	829	976	370	5,900	1,974	12,247	-	93,409	-	187	280	11,735	
⑦NCF (=⑤-⑥) (thousands of yen)	65,360	40,982	35,334	53,270	37,678	123,866	87,737	53,030	48,294	55,795	112,754	96,533	111,099	98,454	
Reference	Expense ratio (=②/①)	31.4%	32.4%	34.2%	28.6%	20.5%	43.8%	31.1%	38.4%	22.8%	40.3%	24.8%	28.7%	29.4%	30.3%
	Property tax for the year 2018 (thousands of yen)	14,753	11,508	9,777	14,723	6,189	36,799	20,763	18,036	9,594	56,921	27,460	31,284	21,661	32,421
	Property management fee (Leasing management fees) of ② (thousands of yen)	3,623	2,343	1,859	2,656	1,753	7,362	4,489	3,495	2,262	8,144	5,361	4,742	5,490	5,473
	Reference: Percentage of rental and other operating revenues	3.4%	3.4%	3.4%	3.5%	3.7%	3.2%	3.4%	3.3%	3.6%	3.3%	3.6%	3.5%	3.5%	3.5%
	Long-term repairs, maintenance and renovation														
Estimated amount of 1st yr to 12th yrs (thousands of yen)	109,804	132,997	53,352	51,129	45,665	242,493	297,050	140,280	75,950	347,300	103,230	172,940	204,780	216,520	
Reference: Amount of yearly avg.	9,150	11,083	4,446	4,260	3,805	20,207	24,754	11,690	6,329	28,941	8,602	14,411	17,065	18,043	

**[Reference]**

Earnings Performance for the Individual Properties for the 27th Fiscal Period (May 1, 2018 to October 31, 2018) : 184days ※As of October 31, 2018

Type		Office Buildings													
Location		Tokyo Metropolitan Area													
Property No.	A073	A074	A078	A083	A084	A085	A086	A087	A088	A089	A090	A091	A092	A093	
Property Name	KDX Hakozaki Building	KDX Shin-Nihonbashi Building	KDX Tachikawa Ekimae Building	KDX Fuchu Building	KDX Kasuga Building	KDX Nakameguro Building	KDX Omiya Building	Itopia Nihonbashi SA Building	KDX Shinjuku 6-chome Building	KDX Takanawadai Building	KDX Ikebukuro Building	KDX Mita Building	KDX Akihabara Building	KDX Idabashi Square	
Acquisition Date	July 22, 2011	July 22, 2011	December 26, 2011	September 21, 2012	September 21, 2012	September 21, 2012	March 26, 2013	August 19, 2013	September 13, 2013	November 19, 2013	November 18, 2013	November 18, 2013	November 19, 2013	January 10, 2014	
Price Information	Acquisition price (millions of yen)	2,710	2,300	1,267	6,120	2,800	1,880	2,020	2,200	1,900	5,250	3,900	3,180	2,600	4,350
	Percentage of total portfolio	0.6%	0.5%	0.3%	1.5%	0.7%	0.4%	0.5%	0.5%	1.2%	0.9%	0.8%	0.6%	1.0%	
	Net book value (millions of yen)	2,668	2,035	1,323	5,840	2,692	1,855	2,175	2,243	1,873	5,555	3,653	3,128	2,522	4,895
	Appraisal value at the end of period (millions of yen)	3,300	2,920	1,700	8,250	3,730	2,880	2,950	2,940	3,030	6,480	4,870	3,460	3,090	6,010
	Percentage of total appraisal value	0.7%	0.6%	0.4%	1.8%	0.8%	0.6%	0.6%	0.6%	0.7%	1.4%	1.0%	0.7%	0.7%	1.3%
Lease Information	Number of tenants	8	8	5	37	14	7	17	14	7	8	10	12	7	7
	Leasable floor area (㎡)	3,992.60	2,658.79	1,612.13	10,151.50	4,345.13	2,726.69	3,814.00	3,106.42	4,037.44	6,967.61	3,110.71	3,331.61	2,289.27	4,571.92
	Leased floor area (㎡)	3,992.60	2,658.79	1,612.13	9,964.34	4,345.13	2,726.69	3,814.00	3,106.42	4,037.44	6,967.61	3,110.71	3,331.61	2,289.27	4,571.92
	Occupancy rate														
	As of October 31, 2018	100.0%	100.0%	100.0%	98.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of April 30, 2018	100.0%	100.0%	100.0%	99.1%	100.0%	100.0%	100.0%	100.0%	100.0%	94.0%	100.0%	100.0%	100.0%	100.0%
	As of October 31, 2017	100.0%	100.0%	100.0%	99.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of April 30, 2017	100.0%	100.0%	100.0%	88.6%	100.0%	100.0%	100.0%	81.9%	100.0%	94.0%	100.0%	100.0%	100.0%	100.0%
	As of October 31, 2016	100.0%	100.0%	100.0%	85.2%	100.0%	100.0%	100.0%	97.0%	100.0%	94.0%	90.3%	100.0%	100.0%	93.6%
	As of April 30, 2016	100.0%	100.0%	100.0%	98.6%	100.0%	85.5%	100.0%	100.0%	100.0%	94.0%	100.0%	90.6%	100.0%	47.7%
	As of October 31, 2015	100.0%	100.0%	100.0%	99.1%	100.0%	100.0%	100.0%	100.0%	90.2%	100.0%	100.0%	87.5%	100.0%	0.0%
As of April 30, 2015	100.0%	100.0%	100.0%	99.1%	100.0%	100.0%	93.8%	100.0%	100.0%	100.0%	100.0%	95.6%	100.0%	100.0%	
As of October 31, 2014	89.3%	100.0%	100.0%	97.6%	100.0%	100.0%	100.0%	98.0%	100.0%	100.0%	100.0%	95.6%	100.0%	100.0%	
As of April 30, 2014	78.6%	100.0%	100.0%	97.6%	100.0%	100.0%	100.0%	81.1%	100.0%	95.7%	100.0%	88.4%	100.0%	100.0%	
Profit and Loss Information for the 27th Fiscal Period	Operating periods	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days
	①Rental and other operating revenues (thousands of yen)	115,362	89,999	66,378	314,803	128,236	85,831	118,933	101,877	106,028	198,746	140,701	113,403	85,094	175,495
	Rental revenues	104,171	81,480	56,779	275,645	113,806	76,251	103,533	90,994	87,990	172,534	126,901	92,441	79,421	160,748
	Other operating revenues	11,191	8,519	9,598	39,158	14,429	9,580	15,400	10,883	18,038	26,212	13,800	20,961	5,673	14,746
	②Property-related expenses (thousands of yen)	37,547	28,624	26,085	99,120	34,295	31,338	33,077	32,756	33,702	71,422	30,706	36,780	19,075	46,488
	Property management fees	7,834	7,181	5,071	29,629	11,643	6,698	9,910	10,286	8,801	15,189	10,269	9,125	5,833	11,755
	Taxes	12,412	7,408	7,684	26,455	11,937	5,944	6,844	7,205	10,917	19,404	7,690	10,115	3,626	14,437
	Utilities	10,306	6,102	4,266	30,251	8,968	3,885	10,459	7,376	9,675	12,993	10,191	10,183	5,833	12,185
	Repairs and maintenance costs	5,687	6,587	8,158	8,062	826	9,545	4,095	6,339	3,225	20,355	1,371	5,539	3,148	4,772
	Insurance	175	100	75	517	206	125	144	138	171	253	98	141	85	192
	Trust fees and other expenses	1,131	1,242	829	4,204	713	5,139	1,623	1,409	911	3,226	1,084	1,675	547	3,146
③NOI (=①-②) (thousands of yen)	77,814	61,375	40,292	215,682	93,940	54,492	85,856	69,121	72,326	127,324	109,995	76,622	66,019	129,006	
④Depreciation (thousands of yen)	23,676	22,245	5,061	43,696	19,462	10,174	15,216	11,274	10,156	17,839	27,275	12,064	11,282	26,818	
⑤Rental operating income (=③-④) (thousands of yen)	54,137	39,130	35,231	171,986	74,477	44,318	70,639	57,846	62,169	109,484	82,719	64,558	54,736	102,187	
⑥Capital expenditures (thousands of yen)	8,967	990	2,152	8,498	2,821	7,768	1,222	4,992	1,957	23,484	-	1,575	658	-	
⑦NCF (=③-⑥) (thousands of yen)	68,847	60,385	38,140	207,184	91,118	46,724	84,633	64,128	70,368	103,840	109,995	75,047	65,361	129,006	
Reference	Expense ratio (=②/①)	32.5%	31.8%	39.3%	31.5%	26.7%	36.5%	27.8%	32.2%	31.8%	35.9%	21.8%	32.4%	22.4%	26.5%
	Property tax for the year 2018 (thousands of yen)	24,864	14,931	15,920	55,070	23,874	11,888	13,686	14,500	21,835	38,808	15,381	20,231	7,571	28,869
	Property management fee (Leasing management fees) of ② (thousands of yen)	3,942	3,089	2,176	10,826	4,534	2,863	4,179	3,489	3,639	6,654	5,116	3,878	3,083	6,214
	Reference: Percentage of rental and other operating revenues	3.4%	3.4%	3.3%	3.4%	3.5%	3.3%	3.5%	3.4%	3.4%	3.3%	3.6%	3.4%	3.6%	3.5%
	Long-term repairs, maintenance and renovation														
Estimated amount of 1st yr to 12th yrs (thousands of yen)	169,820	151,090	99,610	415,708	246,516	177,359	226,566	113,555	148,568	297,223	105,980	219,609	150,390	261,437	
Reference: Amount of yearly avg.	14,151	12,590	8,300	34,642	20,543	14,779	18,880	9,462	12,380	24,768	8,831	18,300	12,532	21,786	

**【Reference】**

**Earnings Performance for the Individual Properties for the 27th Fiscal Period (May 1, 2018 to October 31, 2018) : 184days ※As of October 31, 2018**

Type		Office Buildings													
Location		Tokyo Metropolitan Area													
Property No.	A094	A095	A096	A099	A101	A102	A107	A108	A109	A112	A113	A114	A115	A116	
Property Name	KDX Musashi-Kosugi Building	KDX Toyosu Grand Square	KDX Takadanobaba Building	KDX Ikebukuro West Building	KDX Yokohama Building	KDX Yokohama Nishiguchi Building	KDX Ginza East Building	Pentel Building	KDX Hamamatsucho Center Building	KDX Toranomon Ichome Building	KDX Shin-Nihonbashi Ekimae Building	KDX Nihonbashi Edo-dori Building	ARK Mori Building	KDX Nishi-Shinbashi Building	
Acquisition Date	March 20, 2014	May 30, 2014	May 30, 2014	September 3, 2014	October 29, 2014	December 2, 2014	March 13, 2015	March 26, 2015	September 1, 2015	March 30, 2016	August 2, 2016	August 2, 2016	December 1, 2016	February 1, 2017	
Price Information	Acquisition price (millions of yen)	12,000	8,666	3,650	1,934	7,210	2,750	3,600	3,350	3,950	15,550	3,829	1,350	4,169	8,400
	Percentage of total portfolio	2.9%	2.1%	0.9%	0.5%	1.7%	0.7%	0.9%	0.8%	0.9%	3.7%	0.9%	0.3%	1.0%	2.0%
	Net book value (millions of yen)	11,143	8,042	3,639	2,054	7,522	2,710	3,648	3,560	4,026	15,481	3,943	1,387	4,185	8,520
	Appraisal value at the end of period (millions of yen)	15,800	9,540	4,350	2,090	8,790	3,150	3,830	3,874	4,330	17,800	4,110	1,480	4,430	9,090
	Percentage of total appraisal value	3.4%	2.0%	0.9%	0.4%	1.9%	0.7%	0.8%	0.8%	0.9%	3.8%	0.9%	0.3%	1.0%	2.0%
Lease Information	Number of tenants	9	14	11	7	25	14	12	9	8	4	11	8	1	9
	Leasable floor area (㎡)	12,978.52	11,797.85	4,595.34	2,553.96	10,932.45	4,981.87	4,400.92	4,346.66	3,052.73	8,179.00	3,284.79	1,505.28	2,442.60	5,734.79
	Leased floor area (㎡)	12,978.52	11,797.85	4,595.34	2,553.96	10,660.07	4,981.87	4,400.92	4,346.66	3,052.73	8,179.00	3,284.79	1,505.28	2,442.60	5,734.79
	Occupancy rate														
	As of October 31, 2018	100.0%	100.0%	100.0%	100.0%	97.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of April 30, 2018	100.0%	98.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of October 31, 2017	100.0%	98.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of April 30, 2017	100.0%	95.9%	100.0%	100.0%	97.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	65.8%	100.0%	100.0%
	As of October 31, 2016	100.0%	98.0%	93.1%	100.0%	95.0%	100.0%	100.0%	100.0%	100.0%	100.0%	67.2%	73.7%	-	-
	As of April 30, 2016	100.0%	100.0%	93.1%	100.0%	98.5%	100.0%	100.0%	94.9%	100.0%	100.0%	-	-	-	-
	As of October 31, 2015	100.0%	80.8%	100.0%	100.0%	98.2%	100.0%	100.0%	88.9%	100.0%	-	-	-	-	-
As of April 30, 2015	100.0%	87.0%	100.0%	81.2%	100.0%	100.0%	96.4%	100.0%	-	-	-	-	-	-	
As of October 31, 2014	100.0%	87.0%	100.0%	100.0%	100.0%	-	-	-	-	-	-	-	-	-	
As of April 30, 2014	95.9%	-	-	-	-	-	-	-	-	-	-	-	-	-	
Profit and Loss Information for the 27th Fiscal Period	Operating periods	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days
	①Rental and other operating revenues (thousands of yen)	445,354	326,533	147,819	74,220	284,623	123,302	123,335	132,909	107,891	416,440	124,580	42,212	(Note)	222,056
	Rental revenues	400,306	269,798	117,976	62,982	240,123	104,814	104,861	128,780	98,254	390,864	101,682	39,539	(Note)	194,024
	Other operating revenues	45,047	56,734	29,842	11,238	44,499	18,488	18,473	4,129	9,636	25,576	22,898	2,673	(Note)	28,032
	②Property-related expenses (thousands of yen)	93,187	93,260	57,678	22,634	80,749	47,196	35,183	38,815	25,433	102,075	35,534	12,394	(Note)	95,195
	Property management fees	36,584	20,970	9,978	6,242	28,285	11,702	9,403	24,771	9,576	32,583	8,798	3,040	(Note)	14,786
	Taxes	28,038	21,638	10,112	5,251	19,447	10,475	10,825	13,505	7,956	48,246	13,492	3,531	(Note)	17,736
	Utilities	25,215	36,333	11,624	4,834	23,462	13,339	11,017	-	5,460	18,694	8,465	3,235	(Note)	13,457
	Repairs and maintenance costs	872	4,833	24,927	5,973	5,757	8,874	3,116	15	1,727	1,316	2,038	2,125	(Note)	43,371
	Insurance	465	415	150	102	432	189	188	223	120	342	106	40	(Note)	240
Trust fees and other expenses	2,011	9,068	884	229	3,364	2,615	632	300	591	893	2,632	420	(Note)	5,602	
③NOI (=①-②) (thousands of yen)	352,166	233,273	90,140	51,585	203,873	76,105	88,152	94,093	82,458	314,365	89,046	29,818	(Note)	126,861	
④Depreciation (thousands of yen)	102,246	78,710	16,293	12,739	49,242	16,137	14,768	14,454	9,675	47,471	11,372	3,658	(Note)	14,342	
⑤Rental operating income (=③-④) (thousands of yen)	249,919	154,563	73,847	38,846	154,631	59,967	73,383	79,639	72,782	266,894	77,674	26,159	(Note)	112,519	
⑥Capital expenditures (thousands of yen)	340	7,813	38,186	43,172	450	3,148	45,980	2,827	12,498	-	3,651	11,910	(Note)	98,911	
⑦NCF (=⑤-⑥) (thousands of yen)	351,826	225,459	51,954	8,413	203,423	72,956	42,171	91,266	69,959	314,365	85,394	17,908	(Note)	27,950	
Reference	Expense ratio (=②/①)	20.9%	28.6%	39.0%	30.5%	28.4%	38.3%	28.5%	29.2%	23.6%	24.5%	28.5%	29.4%	(Note)	42.9%
	Property tax for the year 2018 (thousands of yen)	56,071	43,122	20,224	10,491	38,895	20,951	21,881	27,041	15,912	97,789	27,141	7,099	(Note)	35,472
	Property management fee (Leasing management fees) of ② (thousands of yen)	16,275	3,305	4,856	2,567	9,969	4,069	4,316	4,632	3,884	14,914	4,359	1,470	(Note)	7,120
	Reference : Percentage of rental and other operating revenues	3.7%	1.0%	3.3%	3.5%	3.5%	3.3%	3.5%	3.5%	3.6%	3.6%	3.5%	3.5%	(Note)	3.2%
	Long-term repairs, maintenance and renovation														
Estimated amount of 1st yr to 12th yrs (thousands of yen)	233,439	708,370	213,711	187,542	647,152	213,177	242,059	288,245	169,148	118,382	231,210	92,960	137,750	305,494	
Reference : Amount of yearly avg.	19,453	59,030	17,809	15,628	53,929	17,764	24,020	28,825	14,095	9,865	19,267	7,746	11,479	25,457	

Note : Figures are not disclosed because the company that is the master lessee and the property manager has not given consent.

【Reference】

Earnings Performance for the Individual Properties for the 27th Fiscal Period (May 1, 2018 to October 31, 2018) : 184days ※As of October 31, 2018

Type		Office Buildings													
Location		Tokyo Metropolitan Area							Other Regional Areas						
Property No.	A117	A119	A120	A121	A122	A123	A124	A012	A042	A044	A053	A054	A058	A069	
Property Name	BR Gotanda	KDX Shibuya Nanpeidai Building	KDX Yoyogi Building	GINZA 4chome Tower	Mitsubishijuko Yokohama Building	JN Building	CROSS PLACE Hamamatsucho	Portus Center Building	KDX Karasuma Building	KDX Sendai Building	KDX Hakata-Minami Building	KDX Kitahama Building	KDX Nagoya Sakae Building	KDX Kobayashi-Doshomachi Building	
Acquisition Date	April 5, 2017	August 10, 2017	September 30, 2005	August 19, 2013	December 7, 2017	January 31, 2018	July 2, 2018	September 21, 2005	June 1, 2007	June 1, 2007	February 1, 2008	February 1, 2008	July 1, 2009	December 1, 2010	
Price Information	Acquisition price (millions of yen)	2,200	3,500	2,479	9,800	14,720	9,500	20,700	5,570	5,400	2,100	4,900	2,220	7,550	2,870
	Percentage of total portfolio	0.5%	0.8%	0.6%	2.3%	3.5%	2.3%	4.9%	1.3%	1.3%	0.5%	1.2%	0.5%	1.8%	0.7%
	Net book value (millions of yen)	2,303	3,568	2,435	9,533	14,746	9,818	20,790	3,965	5,094	1,938	4,472	2,049	6,596	2,070
	Appraisal value at the end of period (millions of yen)	2,450	3,710	2,250	13,600	14,900	9,860	22,400	5,090	5,500	1,900	4,500	1,640	5,290	2,700
	Percentage of total appraisal value	0.5%	0.8%	0.5%	2.9%	3.2%	2.1%	4.8%	1.1%	1.2%	0.4%	1.0%	0.4%	1.1%	0.6%
Lease Information	Number of tenants	6	1	10	3	22	6	15	29	40	31	51	14	16	11
	Leasable floor area (㎡)	3,504.75	2,205.16	1,173.55	5,624.23	13,495.34	10,075.62	9,325.18	11,582.42	8,743.96	3,948.03	10,112.11	3,995.28	6,923.12	7,072.23
	Leased floor area (㎡)	3,504.75	2,205.16	1,173.55	5,522.70	13,495.34	10,075.62	9,325.18	11,582.42	8,743.96	3,948.03	9,620.65	3,995.28	6,923.12	7,072.23
	Occupancy rate														
	As of October 31, 2018	100.0%	100.0%	100.0%	98.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	95.1%	100.0%	100.0%	100.0%
	As of April 30, 2018	100.0%	100.0%	100.0%	100.0%	100.0%	92.8%	-	100.0%	100.0%	100.0%	99.5%	89.2%	100.0%	100.0%
	As of October 31, 2017	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	100.0%	96.7%	100.0%	99.5%	89.2%	100.0%	100.0%
	As of April 30, 2017	100.0%	-	100.0%	100.0%	100.0%	-	-	100.0%	97.8%	100.0%	95.2%	89.2%	100.0%	100.0%
	As of October 31, 2016	-	-	100.0%	100.0%	100.0%	-	-	96.7%	100.0%	100.0%	97.6%	89.3%	96.6%	100.0%
	As of April 30, 2016	-	-	100.0%	100.0%	100.0%	-	-	97.3%	99.3%	100.0%	97.5%	89.3%	100.0%	100.0%
As of October 31, 2015	-	-	100.0%	100.0%	100.0%	-	-	95.9%	99.2%	100.0%	88.7%	92.8%	100.0%	100.0%	
As of April 30, 2015	-	-	91.7%	100.0%	100.0%	-	-	94.9%	100.0%	96.4%	94.7%	92.8%	100.0%	100.0%	
As of October 31, 2014	-	-	100.0%	100.0%	100.0%	-	-	97.5%	100.0%	94.4%	98.5%	92.8%	99.3%	91.3%	
As of April 30, 2014	-	-	100.0%	100.0%	100.0%	-	-	96.5%	100.0%	91.9%	95.8%	92.8%	100.0%	100.0%	
Profit and Loss Information for the 27th Fiscal Period	Operating periods	184days	184days	184days	184days	184days	184days	122days	184days	184days	184days	184days	184days	184days	184days
	①Rental and other operating revenues (thousands of yen)	109,808	90,247	69,770	314,906	436,758	271,887	350,493	308,096	217,849	95,436	190,732	71,968	190,607	193,887
	Rental revenues	85,210	72,842	60,339	258,240	401,666	237,384	322,381	250,481	186,941	81,126	164,353	58,202	166,105	173,436
	Other operating revenues	24,598	17,404	9,430	56,666	35,092	34,502	28,112	57,615	30,907	14,309	26,379	13,765	24,501	20,451
	②Property-related expenses (thousands of yen)	41,613	29,803	14,592	80,662	146,040	60,235	47,859	124,511	103,873	31,021	55,867	28,144	57,193	95,549
	Property management fees	19,383	7,430	4,125	20,331	38,599	28,766	24,780	69,882	19,796	11,318	15,203	7,163	18,297	15,701
	Taxes	9,584	8,729	4,558	21,301	37,388	0	18	21,330	22,664	6,873	10,556	4,355	20,250	11,336
	Utilities	5,680	11,247	4,580	20,226	60,745	20,502	20,633	24,787	20,324	9,712	24,238	8,675	16,056	15,526
	Repairs and maintenance costs	3,277	1,591	295	17,875	6,987	1,554	175	5,879	38,720	1,262	2,712	809	2,144	2,919
	Insurance	142	65	37	228	726	431	238	1,144	378	173	329	127	260	273
Trust fees and other expenses	3,544	739	995	697	1,593	8,980	2,012	1,485	1,989	1,681	2,827	7,013	184	49,790	
③NOI (=①-②) (thousands of yen)	68,195	60,444	55,177	234,244	290,718	211,651	302,633	183,585	113,975	64,414	134,865	43,823	133,413	98,338	
④Depreciation (thousands of yen)	9,708	7,803	9,372	35,525	39,879	56,192	51,017	52,474	31,830	20,055	38,375	13,917	72,513	53,595	
⑤Rental operating income (=③-④) (thousands of yen)	58,487	52,641	45,805	198,719	250,838	155,459	251,616	131,111	82,145	44,359	96,489	29,906	60,900	44,742	
⑥Capital expenditures (thousands of yen)	-	-	3,202	3,071	15,943	22,810	-	2,157	33,122	4,354	19,233	1,123	340	114	
⑦NCF (=③-⑥) (thousands of yen)	68,195	60,444	51,975	231,172	274,774	188,841	302,633	181,428	80,853	60,060	115,632	42,699	133,073	98,224	
Reference	Expense ratio (=②/①)	37.9%	33.0%	20.9%	25.6%	33.4%	22.2%	13.7%	40.4%	47.7%	32.5%	29.3%	39.1%	30.0%	49.3%
	Property tax for the year 2018 (thousands of yen)	19,168	17,458	9,115	43,271	74,776	53,086	57,107	42,661	45,328	13,746	21,113	8,711	40,504	22,673
	Property management fee (Leasing management fees) of ② (thousands of yen)	3,632	3,075	2,549	11,207	2,840	9,868	13,329	10,034	6,771	3,262	6,644	2,363	6,612	5,963
	Reference: Percentage of rental and other operating revenues	3.3%	3.4%	3.7%	3.6%	0.7%	3.6%	3.8%	3.3%	3.1%	3.4%	3.5%	3.3%	3.5%	3.1%
	Long-term repairs, maintenance and renovation														
Estimated amount of 1st yr to 12th yrs (thousands of yen)	180,148	57,209	47,520	197,767	750,371	124,369	83,362	856,430	375,354	128,121	291,937	131,582	202,897	170,520	
Reference: Amount of yearly avg.	15,012	4,767	3,960	16,480	62,530	10,364	6,946	71,369	31,279	10,676	24,328	10,965	16,908	14,210	

A058 KDX Nagoya Sakae Building: The land portion of KDX Nagoya Sakae Building was acquired on April 25, 2008.

A069 KDX Kobayashi-Doshomachi Building: The rent for land to the land owner (Kobayashi Pharmaceutical Co., Ltd.) is stipulated according to specific terms under the land lease agreement and the annual rent to be paid is 94.3 million yen until the end of August 2019.

**【Reference】**

**Earnings Performance for the Individual Properties for the 27th Fiscal Period (May 1, 2018 to October 31, 2018) : 184days ※ As of October 31, 2018**

Type	Office Buildings												Central Urban Retail Properties	Other	Total of 97 Properties
Location	Other Regional Areas												Tokyo Metropolitan Area	Tokyo Metropolitan Area	
Property No.	A070	A079	A082	A097	A098	A100	A104	A106	A110	A111	A118	C001	D002		
Property Name	KDX Sapporo Building	KDX Nagoya Ekimae Building	KDX Higashi Umeda Building	KDX Utsunomiya Building	KDX Hiroshima Building	Senri Life Science Center Building	KDX Minami-Honmachi Building	KDX Sakura-dori Building	KDX Shin-Osaka Building	KDX Nagoya Nichigin-mae Building	KDX Sapporo Kitaguchi Building	Frame Jinnan-zaka (51.0% of quasi co-ownership interest)	Shinjuku 6home Building (Land)		
Acquisition Date	March 25, 2011	December 26, 2011	March 28, 2012	May 30, 2014	September 1, 2014	October 15, 2014	December 2, 2014	January 9, 2015	September 1, 2015	March 15, 2016	July 20, 2017	August 1, 2005	April 18, 2014		
Price Information	Acquisition price (millions of yen)	2,005	7,327	2,770	2,350	1,300	13,000	2,200	5,900	4,550	3,500	1,800	5,049	2,880	420,884
	Percentage of total portfolio	0.5%	1.7%	0.7%	0.6%	0.3%	3.1%	0.5%	1.4%	1.1%	0.8%	0.4%	1.2%	0.7%	100.0%
	Net book value (millions of yen)	1,919	7,972	2,431	2,243	1,382	12,687	2,042	6,191	4,553	4,652	1,805	4,652	2,973	409,004
	Appraisal value at the end of period (millions of yen)	2,590	9,690	3,660	2,520	1,680	13,500	3,040	8,290	5,100	4,200	2,060	5,661	3,430	466,045
	Percentage of total appraisal value	0.6%	2.1%	0.8%	0.5%	0.4%	2.9%	0.7%	1.8%	1.1%	0.9%	0.4%	1.2%	0.7%	100.0%
Lease Information	Number of tenants	21	18	5	23	22	61	19	34	17	15	12	12	1	1,204
	Leasable floor area (㎡)	3,786.75	7,903.84	4,994.88	5,306.77	3,994.52	17,199.45	5,285.95	12,318.09	5,979.39	4,363.17	3,319.16	2,370.90	1,355.13	471,041.45
	Leased floor area (㎡)	3,786.75	7,903.84	4,994.88	4,720.55	3,994.52	17,157.17	5,094.74	12,318.09	5,979.39	4,363.17	3,319.16	2,370.90	1,355.13	466,838.56
	Occupancy rate														
	As of October 31, 2018	100.0%	100.0%	100.0%	89.0%	100.0%	99.8%	96.4%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.1%
	As of April 30, 2018	97.8%	100.0%	100.0%	89.0%	100.0%	99.8%	98.8%	100.0%	100.0%	96.2%	100.0%	95.2%	100.0%	99.0%
	As of October 31, 2017	100.0%	100.0%	100.0%	95.5%	100.0%	99.8%	100.0%	100.0%	100.0%	100.0%	100.0%	96.5%	100.0%	99.1%
	As of April 30, 2017	92.9%	100.0%	100.0%	100.0%	100.0%	99.8%	93.5%	98.3%	100.0%	94.6%	-	96.5%	100.0%	97.9%
	As of October 31, 2016	100.0%	100.0%	100.0%	100.0%	90.5%	83.3%	92.5%	99.1%	100.0%	92.2%	-	100.0%	100.0%	96.9%
	As of April 30, 2016	100.0%	100.0%	100.0%	100.0%	90.5%	95.7%	100.0%	98.2%	100.0%	89.5%	-	95.5%	100.0%	96.9%
As of October 31, 2015	100.0%	100.0%	100.0%	100.0%	82.3%	97.3%	100.0%	94.6%	96.6%	-	-	95.2%	100.0%	94.9%	
As of April 30, 2015	100.0%	99.0%	100.0%	98.5%	74.0%	99.0%	98.8%	89.9%	-	-	-	98.0%	100.0%	96.5%	
As of October 31, 2014	95.6%	99.0%	100.0%	97.0%	73.3%	99.3%	-	-	-	-	-	93.6%	100.0%	95.6%	
As of April 30, 2014	97.8%	100.0%	100.0%	-	-	-	-	-	-	-	-	96.3%	100.0%	96.0%	
Profit and Loss Information for the 27th Fiscal Period	Operating periods	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	181days
	①Rental and other operating revenues (thousands of yen)	95,605	336,942	144,247	121,950	76,640	733,090	112,203	349,504	150,483	100,894	71,723	164,157	68,588	14,780,651
	Rental revenues	81,077	287,326	113,034	107,720	62,557	434,371	90,127	288,779	133,035	87,044	62,461	147,586	68,584	12,711,195
	Other operating revenues	14,527	49,615	31,212	14,230	14,082	298,719	22,075	60,724	17,448	13,849	9,261	16,571	4	2,069,455
	②Property-related expenses (thousands of yen)	31,219	111,030	44,093	36,288	25,058	362,137	38,899	123,896	51,874	33,244	31,386	47,301	6,672	4,736,054
	Property management fees	9,508	31,670	9,878	15,252	8,826	84,692	10,793	48,477	12,684	8,524	8,859	12,110	-	1,376,768
	Taxes	9,092	40,790	12,223	8,581	6,764	61,835	12,732	37,152	12,586	9,145	6,517	16,029	6,472	1,217,329
	Utilities	10,253	31,710	20,135	9,234	7,268	105,974	14,022	32,165	11,870	7,930	8,096	13,573	-	1,240,181
	Repairs and maintenance costs	1,226	5,034	481	2,324	1,834	31,866	470	1,906	13,966	2,417	2,849	3,102	-	568,253
	Insurance	155	384	198	206	147	1,306	199	542	221	146	112	103	-	19,850
Trust fees and other expenses	983	1,440	1,176	688	217	76,461	680	3,651	545	5,080	4,952	2,382	200	313,670	
③NOI (=①-②) (thousands of yen)	64,385	225,912	100,153	85,661	51,581	370,953	73,304	225,607	98,609	67,649	40,336	116,855	61,916	10,044,596	
④Depreciation (thousands of yen)	17,542	46,134	35,408	26,520	13,766	125,486	24,228	39,975	21,696	27,030	7,482	42,786	-	2,355,790	
⑤Rental operating income (=③-④) (thousands of yen)	46,843	179,778	64,745	59,140	37,815	245,466	49,075	185,632	76,912	40,618	32,854	74,068	61,916	7,688,806	
⑥Capital expenditures (thousands of yen)	5,971	4,663	175	6,639	5,029	40,877	8,494	1,985	24,706	5,796	2,622	280	-	925,783	
⑦NCF (=⑤-⑥) (thousands of yen)	58,414	221,249	99,978	79,022	46,552	330,075	64,809	223,622	73,903	61,853	37,714	116,575	61,916	9,118,813	
Reference	Expense ratio (=⑥/⑤)	32.7%	33.0%	30.6%	29.8%	32.7%	49.4%	34.7%	35.4%	34.5%	33.0%	43.8%	28.8%	9.7%	32.0%
	Property tax for the year 2018 (thousands of yen)	18,186	81,580	24,448	17,682	13,529	123,669	25,467	74,311	26,569	18,290	13,033	32,101	12,944	2,557,241
	Property management fee (Leasing management fees) of ② (thousands of yen)	3,265	11,486	4,987	4,236	2,616	21,072	3,785	11,736	5,083	3,439	2,286	6,099	-	479,466
	Reference: Percentage of rental and other operating revenues	3.4%	3.4%	3.5%	3.5%	3.4%	2.9%	3.4%	3.4%	3.4%	3.4%	3.2%	3.7%	0.0%	3.2%
	Long-term repairs, maintenance and renovation														
Estimated amount of 1st yr to 12th yrs (thousands of yen)	202,570	527,610	219,680	312,190	195,898	1,489,569	111,951	580,570	274,671	132,296	120,720	141,540	-	21,361,610	
Reference: Amount of yearly avg.	16,880	43,967	18,306	26,015	16,324	124,130	9,329	48,380	22,889	11,024	10,060	11,795	-	1,780,134	

C001: The figures of Profit and Loss Information for the 27th Fiscal Period and Reference include those of Frame Jinnan-zaka (49.0% of quasi co-ownership interest) that was sold on July 2, 2018.

\*Total: Cost-weighted average management period (days)

Frame Jinnan-zaka is counted as one of the owned properties as of the end of the 27th fiscal period because the 51.0% of quasi co-ownership interest is owned by the Investment Corporation as of the end of the 27th fiscal period after the sale of 49.0% of quasi co-owners interest on July 2, 2018.

**【Reference】**

**Earnings Performance for the Individual Properties for the 27th Fiscal Period (May 1, 2018 to October 31, 2018) : 184days ※ As of October 31, 2**

Type	Office Buildings	Central Urban Retail Properties	Total 1 Property Sold (Note)	Total of 98 Properties	
Location	Tokyo Metropolitan Area	Tokyo Metropolitan Area			
Property No.	A061	C001			
Property Name	KDX Hamamatsucho Dai-2 Building	Frame Jinnan-zaka (49.0% of quasi co-ownership)			
Acquisition Date	September 1, 2008	August 1, 2005			
Price Information	Acquisition price (millions of yen)	2,200	4,851	7,051	427,935
	Percentage of total portfolio	31.2%	68.8%	100.0%	-
	Revenue from sale of the investment property (millions of yen)	2,250	5,047	7,297	-
	Costs of the investment property (millions of yen)	2,230	4,483	6,714	-
	Gain / Loss on sale of real estate (millions of yen)	3	529	532	-
Lease Information	Number of tenants	-	-	-	-
	Leasable floor area (㎡)	-	-	-	-
	Leased floor area (㎡)	-	-	-	-
	Occupancy rate				
	As of October 31, 2018	-	-	-	-
	As of April 30, 2018	100.0%	95.2%	-	-
	As of October 31, 2017	100.0%	96.5%	-	-
	As of April 30, 2017	100.0%	96.5%	-	-
	As of October 31, 2016	100.0%	100.0%	-	-
	As of April 30, 2016	100.0%	95.5%	-	-
As of October 31, 2015	100.0%	95.2%	-	-	
As of April 30, 2015	100.0%	98.0%	-	-	
As of October 31, 2014	100.0%	93.6%	-	-	
As of April 30, 2014	100.0%	96.3%	-	-	
Profit and Loss Information for the 27th Fiscal Period	Operating periods	62days	62days	62days	179days
	①Rental and other operating revenues (thousands of yen)	22,094		22,094	14,802,746
	Rental revenues	19,578		19,578	12,730,773
	Other operating revenues	2,516		2,516	2,071,972
	②Property-related expenses (thousands of yen)	11,515		11,515	4,747,569
	Property management fees	1,509		1,509	1,378,278
	Taxes	8,355		8,355	1,225,685
	Utilities	1,273		1,273	1,241,455
	Repairs and maintenance costs	264	(Note)	264	568,517
	Insurance	35		35	19,886
Trust fees and other expenses	76		76	313,746	
③NOI (=①-②) (thousands of yen)	10,579		10,579	10,055,176	
④Depreciation (thousands of yen)	2,591		2,591	2,358,382	
⑤Rental operating income (=③-④) (thousands of yen)	7,988		7,988	7,696,794	
⑥Capital expenditures (thousands of yen)	-		-	925,783	
⑦NCF (=③-⑥) (thousands of yen)	10,579		10,579	9,129,393	
Reference	Expense ratio (=②/①)	52.1%		52.1%	32.1%
	Property tax for the year 2018 (thousands of yen)	-		-	-
	Property management fee (Leasing management fees) of ② (thousands of yen)	666		666	480,133
	Reference: Percentage of rental and other operating revenues	3.0%	(Note)	3.0%	3.2%
	Long-term repairs, maintenance and renovation				
Estimated amount of 1st yr to 12th yr (thousands of yen)	-		-	-	
Reference: Amount of yearly avg.	-		-	-	

\*Total: Cost-weighted average management period (days)

KDX Hamamatsucho Dai-2 Building (A061) and Frame Jinnan-zaka (49.0% of quasi co-ownership interest)(C001) were sold on July 2, 2018.

Note: The figures of Profit and Loss Information for the 27th Fiscal Period and Reference are included in the said corresponding area of Frame Jinnan-zaka (51.0% of quasi co-ownership interest).

"Total 1 Property Sold" does not count Frame Jinnan-zaka because the 51.0% of quasi co-ownership interest is owned by the Investment Corporation as of the end of the 27th fiscal period after the sale of 49.0% of quasi co-ownership interest on July 2, 2018.

**(Reference) Status of Borrowings**

Borrowings as of October 31, 2018 are as follows.

Classification	Lender	Drawdown Date	Balance at the Beginning of Period (Thousands of Yen)	Balance at the End of Period (Thousands of Yen)	Average Interest Rate (Note 1) (%)	Last Repayment Date	Payment Method	Usage	Remarks
Short-Term Loans Payable	Sumitomo Mitsui Banking Corporation	July 31, 2017	1,000,000	-	0.354	July 31, 2018	Full on maturity	(Note 2)	Unsecured/ Unguaranteed
	Mizuho Bank, Ltd.	August 31, 2017	1,000,000	-	0.304	August 31, 2018			
	Sumitomo Mitsui Banking Corporation	November 30, 2017	2,000,000	2,000,000	0.357	November 30, 2018			
	Sumitomo Mitsui Trust Bank, Limited	January 31, 2018	500,000	500,000	0.307	January 31, 2019			
	MUFG Bank, Ltd.	January 31, 2018	500,000	500,000	0.357	January 31, 2019			
	Sumitomo Mitsui Banking Corporation	March 30, 2018	1,000,000	1,000,000	0.357	March 29, 2019			
	Sumitomo Mitsui Banking Corporation	July 31, 2018	-	1,000,000	0.361	July 31, 2019			
Mizuho Bank, Ltd.	August 31, 2018	-	1,000,000	0.315	August 31, 2019				
	Sub Total		6,000,000	6,000,000					
Current Portion of Long-Term Loans Payable	Resona Bank, Limited	July 31, 2013	500,000	-	0.569	July 31, 2018	Full on maturity	(Note 2)	Unsecured/ Unguaranteed
	Sumitomo Mitsui Banking Corporation	August 19, 2013	1,000,000	-	0.950	August 19, 2018			
	Aozora Bank, Ltd.	August 19, 2013	1,000,000	-	0.950	August 19, 2018			
	Mizuho Trust & Banking Co., Ltd.	August 19, 2013	500,000	-	0.950	August 19, 2018			
	The Bank of Fukuoka, Ltd.	August 19, 2013	500,000	-	0.950	August 19, 2018			
	The Hiroshima Bank, Ltd.	August 19, 2013	500,000	-	0.969	August 19, 2018			
	The Nishi-Nippon City Bank, Ltd.	August 30, 2013	700,000	-	1.080	August 31, 2018			
	The 77 Bank, Ltd.	August 30, 2013	500,000	-	1.080	August 31, 2018			
	The Higashi-Nippon Bank, Limited	August 30, 2013	300,000	-	1.080	August 31, 2018			
	Aozora Bank, Ltd.	October 31, 2012	2,500,000	-	1.253	October 31, 2018			
	Resona Bank, Limited	October 31, 2013	500,000	-	0.887	October 31, 2018			
	MUFG Bank, Ltd.	October 31, 2016	1,000,000	-	0.357	October 31, 2018			
	Sumitomo Mitsui Trust Bank, Limited	November 12, 2013	1,000,000	1,000,000	0.820	November 12, 2018			
	Mizuho Bank, Ltd.	November 29, 2013	200,000	200,000	0.844	November 30, 2018			
	Sumitomo Mitsui Banking Corporation	March 28, 2012	1,400,000	1,400,000	1.770	March 28, 2019			
	Development Bank of Japan Inc.	March 28, 2012	1,000,000	1,000,000	1.770	March 28, 2019			
	Sumitomo Mitsui Trust Bank, Limited	March 12, 2014	450,000	450,000	0.781	March 31, 2019			
	Sumitomo Mitsui Trust Bank, Limited	March 31, 2014	2,500,000	2,500,000	0.762	March 31, 2019			
	Resona Bank, Limited	March 30, 2016	1,000,000	1,000,000	0.169	March 31, 2019			
	The Hiroshima Bank, Ltd. (Note 3)	July 10, 2014	500,000	500,000	0.640	July 10, 2019			
	MUFG Bank, Ltd. (Note 3)	July 14, 2014	1,000,000	1,000,000	0.682	July 31, 2019			
Sumitomo Mitsui Trust Bank, Limited (Note 3)	July 31, 2014	1,000,000	1,000,000	0.616	July 31, 2019				
Sumitomo Mitsui Trust Bank, Limited (Note 3)	August 29, 2014	1,000,000	1,000,000	0.650	July 31, 2019				
Aozora Bank, Ltd. (Note 3)	September 30, 2013	1,800,000	1,800,000	1.059	September 30, 2019				
MUFG Bank, Ltd. (Note 3)	September 30, 2013	900,000	900,000	1.059	September 30, 2019				
	Sub Total		23,250,000	13,750,000					
Long-Term Loans Payable	Development Bank of Japan Inc.	August 30, 2013	1,500,000	1,500,000	1.420	August 31, 2020	Full on maturity	(Note 2)	Unsecured/ Unguaranteed
	MUFG Bank, Ltd.	November 12, 2013	2,000,000	2,000,000	1.074	November 12, 2020			
	Aozora Bank, Ltd.	November 12, 2013	500,000	500,000	1.074	November 12, 2020			
	MUFG Bank, Ltd.	November 29, 2013	1,000,000	1,000,000	1.122	November 30, 2020			
	Aozora Bank, Ltd.	November 29, 2013	900,000	900,000	1.122	November 30, 2020			
	Sumitomo Mitsui Banking Corporation	January 10, 2014	1,300,000	1,300,000	1.205	January 31, 2021			
	Sumitomo Mitsui Trust Bank, Limited	January 31, 2014	3,700,000	3,700,000	0.932	January 31, 2020			
	Sumitomo Mitsui Banking Corporation	January 31, 2014	2,300,000	2,300,000	1.130	January 31, 2021			
	Sumitomo Mitsui Banking Corporation	March 12, 2014	1,800,000	1,800,000	0.916	March 12, 2020			
	Development Bank of Japan Inc.	March 12, 2014	1,800,000	1,800,000	1.358	March 12, 2023			
	Sumitomo Mitsui Banking Corporation	March 20, 2014	3,000,000	3,000,000	0.912	March 12, 2020			
	MUFG Bank, Ltd.	March 20, 2014	4,000,000	4,000,000	1.013	September 20, 2021			
	Development Bank of Japan Inc.	March 20, 2014	3,000,000	3,000,000	1.199	March 20, 2022			
	Development Bank of Japan Inc.	March 20, 2014	2,000,000	2,000,000	1.349	March 12, 2023			
	Sumitomo Mitsui Banking Corporation	April 22, 2014	2,900,000	2,900,000	0.954	October 31, 2020			
	Mizuho Bank, Ltd.	July 10, 2014	2,000,000	2,000,000	0.903	July 10, 2021			
	The Nishi-Nippon City Bank, Ltd.	July 10, 2014	500,000	500,000	0.903	July 10, 2021			
	Sumitomo Mitsui Banking Corporation	July 31, 2014	2,700,000	2,700,000	0.736	July 31, 2020			
	Resona Bank, Limited	July 31, 2014	300,000	300,000	0.756	October 31, 2020			
	Sumitomo Mitsui Banking Corporation	July 31, 2014	2,200,000	2,200,000	1.014	July 31, 2022			
	Mizuho Trust & Banking Co., Ltd.	September 1, 2014	800,000	800,000	0.885	August 31, 2021			
	The Bank of Fukuoka, Ltd.	September 1, 2014	500,000	500,000	0.885	August 31, 2021			
	MUFG Bank, Ltd.	September 3, 2014	1,000,000	1,000,000	0.979	August 31, 2022			
	Resona Bank, Limited	September 3, 2014	950,000	950,000	0.979	August 31, 2022			
	Sumitomo Mitsui Trust Bank, Limited	September 22, 2014	2,700,000	2,700,000	0.798	September 30, 2020			
	Mizuho Trust & Banking Co., Ltd.	September 30, 2014	1,000,000	1,000,000	0.893	September 30, 2021			
	MUFG Bank, Ltd.	October 31, 2014	3,000,000	3,000,000	0.802	October 31, 2021			
	Resona Bank, Limited	October 31, 2014	2,000,000	2,000,000	1.071	October 31, 2023			
	Development Bank of Japan Inc.	October 31, 2014	1,500,000	1,500,000	1.126	October 31, 2023			
	MUFG Bank, Ltd.	October 31, 2014	1,000,000	1,000,000	1.071	October 31, 2023			
	Sumitomo Mitsui Banking Corporation	October 31, 2014	2,000,000	2,000,000	1.257	October 31, 2024			
	Development Bank of Japan Inc.	October 31, 2014	1,000,000	1,000,000	1.259	October 31, 2024			
	MUFG Bank, Ltd.	January 30, 2015	1,500,000	1,500,000	0.710	January 31, 2021			
	Sumitomo Mitsui Banking Corporation	January 30, 2015	1,500,000	1,500,000	1.161	January 31, 2025			
	Sumitomo Mitsui Trust Bank, Limited	February 18, 2015	1,250,000	1,250,000	0.907	February 28, 2022			
	Aozora Bank, Ltd.	February 18, 2015	350,000	350,000	0.907	February 28, 2022			
	Sumitomo Mitsui Banking Corporation	February 18, 2015	1,700,000	1,700,000	1.157	February 29, 2024			
	Development Bank of Japan Inc.	February 18, 2015	1,250,000	1,250,000	1.314	February 28, 2025			
	MUFG Bank, Ltd.	February 27, 2015	2,100,000	2,100,000	1.153	February 28, 2025			
	Mizuho Bank, Ltd.	March 12, 2015	1,000,000	1,000,000	1.218	February 28, 2025			
	Sumitomo Mitsui Banking Corporation	March 31, 2015	2,500,000	2,500,000	1.266	March 31, 2025			
	Aozora Bank, Ltd.	April 30, 2015	2,300,000	2,300,000	0.825	April 30, 2022			
	Mizuho Bank, Ltd.	August 31, 2015	500,000	500,000	0.872	August 31, 2022			
	The Bank of Fukuoka, Ltd.	August 31, 2015	500,000	500,000	0.872	August 31, 2022			
	The Nishi-Nippon City Bank, Ltd.	August 31, 2015	500,000	500,000	0.872	August 31, 2022			
	The 77 Bank, Ltd.	August 31, 2015	500,000	500,000	0.872	August 31, 2022			
	The Higashi-Nippon Bank, Limited	August 31, 2015	500,000	500,000	0.872	August 31, 2022			
The Mie Bank, Ltd.	August 31, 2015	500,000	500,000	0.872	August 31, 2022				
Sumitomo Mitsui Trust Bank, Limited	September 30, 2015	2,000,000	2,000,000	1.065	September 30, 2024				
MUFG Bank, Ltd.	October 30, 2015	1,000,000	1,000,000	0.989	October 31, 2024				
Mizuho Bank, Ltd.	October 30, 2015	1,500,000	1,500,000	1.114	October 30, 2025				
MUFG Bank, Ltd.	October 30, 2015	2,000,000	2,000,000	1.114	October 30, 2025				

Classification	Lender	Drawdown Date	Balance at the Beginning of Period (Thousands of Yen)	Balance at the End of Period (Thousands of Yen)	Average Interest Rate (Note 1) (%)	Last Repayment Date	Payment Method	Usage	Remarks
Long-Term Loans Payable	Sumitomo Mitsui Banking Corporation	October 30, 2015	2,500,000	2,500,000	1.114	October 30, 2025	Full on maturity	(Note 2)	Unsecured/ Unguaranteed
	Development Bank of Japan Inc.	October 30, 2015	2,500,000	2,500,000	1.121	October 30, 2025			
	Resona Bank, Limited	November 12, 2015	1,000,000	1,000,000	1.173	November 30, 2025			
	MUFG Bank, Ltd	January 29, 2016	2,500,000	2,500,000	0.590	January 31, 2022			
	Sumitomo Mitsui Banking Corporation	January 29, 2016	500,000	500,000	0.640	January 31, 2022			
	Sumitomo Mitsui Banking Corporation	January 29, 2016	2,000,000	2,000,000	1.074	January 29, 2026			
	MUFG Bank, Ltd	January 29, 2016	1,800,000	1,800,000	1.024	January 29, 2026			
	Sumitomo Mitsui Trust Bank, Limited	February 18, 2016	1,000,000	1,000,000	0.998	February 18, 2026			
	Aozora Bank, Ltd.	February 18, 2016	500,000	500,000	0.998	February 18, 2026			
	Resona Bank, Limited	March 31, 2016	1,000,000	1,000,000	0.898	March 31, 2026			
	Development Bank of Japan Inc.	April 28, 2016	2,000,000	2,000,000	0.654	April 30, 2024			
	Development Bank of Japan Inc.	April 28, 2016	2,000,000	2,000,000	0.835	April 30, 2026			
	MUFG Bank, Ltd	April 28, 2016	1,000,000	1,000,000	0.865	April 30, 2026			
	MUFG Bank, Ltd	July 29, 2016	1,500,000	1,500,000	0.613	July 31, 2026			
	Mizuho Bank, Ltd.	August 2, 2016	1,000,000	1,000,000	0.544	July 31, 2026			
	Aozora Bank, Ltd.	October 31, 2016	1,000,000	1,000,000	0.668	October 31, 2024			
	Sumitomo Mitsui Banking Corporation	October 31, 2016	2,500,000	2,500,000	0.876	October 31, 2026			
	MUFG Bank, Ltd	October 31, 2016	1,000,000	1,000,000	0.760	October 31, 2026			
	Development Bank of Japan Inc.	October 31, 2016	4,000,000	4,000,000	0.734	October 31, 2026			
	Sumitomo Mitsui Trust Bank, Limited	October 31, 2016	1,500,000	1,500,000	0.826	October 31, 2026			
	Resona Bank, Limited	December 12, 2016	500,000	500,000	0.982	November 30, 2026			
	Development Bank of Japan Inc.	December 28, 2016	1,500,000	1,500,000	0.950	December 28, 2026			
	Sumitomo Mitsui Trust Bank, Limited	January 16, 2017	500,000	500,000	0.860	January 31, 2027			
	MUFG Bank, Ltd	January 31, 2017	700,000	700,000	0.853	January 31, 2027			
	The Bank of Fukuoka, Ltd.	March 28, 2017	500,000	500,000	0.850	March 31, 2027			
	Resona Bank, Limited	June 30, 2017	1,500,000	1,500,000	0.849	June 30, 2027			
	Mizuho Bank, Ltd.	August 10, 2017	3,500,000	3,500,000	0.800	July 28, 2027			
	Sumitomo Mitsui Banking Corporation	August 31, 2017	1,000,000	1,000,000	0.544	August 31, 2023			
	Sumitomo Mitsui Banking Corporation	September 21, 2017	1,000,000	1,000,000	0.555	March 31, 2024			
	Sumitomo Mitsui Banking Corporation	September 21, 2017	1,500,000	1,500,000	0.680	September 30, 2025			
	Mizuho Bank, Ltd.	September 21, 2017	1,000,000	1,000,000	0.732	March 31, 2027			
	Development Bank of Japan Inc.	September 21, 2017	1,000,000	1,000,000	0.873	September 21, 2027			
	Sumitomo Mitsui Banking Corporation	September 21, 2017	2,500,000	2,500,000	0.851	September 30, 2027			
	MUFG Bank, Ltd	October 31, 2017	2,500,000	2,500,000	0.810	October 31, 2027			
	Development Bank of Japan Inc.	November 13, 2017	3,000,000	3,000,000	0.931	November 13, 2027			
	Sumitomo Mitsui Banking Corporation	December 7, 2017	1,400,000	1,400,000	0.899	November 30, 2027			
	MUFG Bank, Ltd	December 7, 2017	1,200,000	1,200,000	0.820	November 30, 2027			
	Development Bank of Japan Inc.	December 7, 2017	1,000,000	1,000,000	0.969	November 30, 2027			
	Resona Bank, Limited	December 7, 2017	1,000,000	1,000,000	0.939	November 30, 2027			
	Mizuho Trust & Banking Co., Ltd.	December 7, 2017	1,000,000	1,000,000	0.869	November 30, 2027			
	Sumitomo Mitsui Trust Bank, Limited	December 7, 2017	800,000	800,000	0.899	November 30, 2027			
	MUFG Bank, Ltd	December 7, 2017	600,000	600,000	0.869	November 30, 2027			
	The Bank of Fukuoka, Ltd.	December 28, 2017	500,000	500,000	0.744	December 28, 2025			
	Development Bank of Japan Inc.	December 28, 2017	500,000	500,000	0.878	December 28, 2026			
	Mizuho Trust & Banking Co., Ltd.	December 28, 2017	500,000	500,000	0.864	December 28, 2027			
	Aozora Bank, Ltd.	March 12, 2018	1,500,000	1,500,000	0.914	March 31, 2028			
	Sumitomo Mitsui Banking Corporation	March 26, 2018	1,000,000	1,000,000	0.808	March 31, 2027			
	Resona Bank, Limited	March 26, 2018	1,000,000	1,000,000	0.902	March 31, 2028			
	Resona Bank, Limited	July 31, 2018	-	500,000	0.988	July 31, 2028			
	The Hiroshima Bank, Ltd.	August 20, 2018	-	500,000	0.696	August 31, 2025			
	Sumitomo Mitsui Banking Corporation	August 20, 2018	-	1,000,000	1.003	August 31, 2028			
	Aozora Bank, Ltd.	August 20, 2018	-	1,000,000	1.003	August 31, 2028			
	Mizuho Trust & Banking Co., Ltd.	August 20, 2018	-	500,000	1.003	August 31, 2028			
	The Bank of Fukuoka, Ltd.	August 20, 2018	-	500,000	0.966	August 31, 2028			
	The 77 Bank, Ltd.	August 31, 2018	-	500,000	0.700	August 31, 2025			
	The Higashi-Nippon Bank, Limited	August 31, 2018	-	300,000	0.723	August 31, 2025			
	The Nishi-Nippon City Bank, Ltd.	August 31, 2018	-	700,000	1.012	August 31, 2028			
	Aozora Bank, Ltd.	October 31, 2018	-	1,500,000	1.013	October 31, 2028			
	MUFG Bank, Ltd	October 31, 2018	-	1,000,000	0.910	October 31, 2028			
	Resona Bank, Limited	October 31, 2018	-	500,000	1.013	October 31, 2028			
Sub Total			148,800,000	157,300,000					
Total			178,050,000	177,050,000					

Note 1: The average interest rate is the weighted-average interest rate during the fiscal period. Figures for borrowings, for which interest-rate swap transactions were contracted with the aim of minimizing the risk of future increase in interest rates, are listed as weighted-average interest rates considering the effect of interest-rate swap.

Note 2: Funds procured through borrowings are used to acquire real estate or trust beneficiary interests in real estate and to repay borrowings, etc.

Note 3: Borrowings are listed in the current portion of long-term loans payable from the fiscal period under review, listed in long-term loans payable in the previous fiscal period.