

**Translation of Japanese Original****FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED JULY 31, 2019 (REIT)
(February 1, 2019 to July 31, 2019)**

September 12, 2019

Kenedix Residential Next Investment Corporation is listed on the Tokyo Stock Exchange with the securities code number 3278.

(URL <https://www.kdr-reit.com/en/>)

Representative: Keisuke Sato, Executive Director

Asset Management Company: Kenedix Real Estate Fund Management, Inc.

Representative: Masahiko Tajima, CEO and President

Inquiries: Shin Yamamoto, Head of Planning Division, Residential REIT Department

TEL+81-3-5157-6011

Planned submission of semiannual securities report: October 29, 2019

Planned start of distribution payments: October 15, 2019

Preparing presentation material: Yes

Hold a financial brief meeting: Yes (for analysts and institutional investors)

(Amounts are rounded down to the nearest ¥million)

1. PERFORMANCE FOR THE FISCAL PERIOD ENDED JULY 31, 2019 (15TH FISCAL PERIOD)**(1) Business Results**

(Percentages show period-on-period changes)

	Operating Revenues (Millions of Yen)		Operating Income (Millions of Yen)		Ordinary Income (Millions of Yen)		Net Income (Millions of Yen)	
The 15th fiscal period ended July 31, 2019	8,136	(4.0%)	4,358	(3.5%)	3,741	(4.0%)	3,741	(4.0%)
The 14th fiscal period ended January 31, 2019	7,823	(10.2%)	4,213	(22.5%)	3,599	(26.6%)	3,598	(-33.6%)

	Net Income per Unit (Yen)	Return on Unitholders' Equity	Ordinary Income to Total Assets	Ordinary Income to Operating Revenues
The 15th fiscal period ended July 31, 2019	4,142	3.2%	1.5%	46.0%
The 14th fiscal period ended January 31, 2019	4,143	3.4%	1.6%	46.0%

(2) Distribution

	Distributions per Unit (Excluding Excess of Earnings) (Yen)	Total Distributions (Excluding Excess of Earnings) (Millions of Yen)	Distributions in Excess of Earnings per Unit (Yen)	Total Distributions in Excess of Earnings (Millions of Yen)	Payout Ratio	Distribution Ratio to Unitholders' Equity
The 15th fiscal period ended July 31, 2019	4,063	3,687	-	-	98.5%	3.1%
The 14th fiscal period ended January 31, 2019	4,039	3,510	-	-	97.6%	3.2%

(Note 1) Total Distributions for the 15th and 14th fiscal periods are not the same amount as Net Income because of excluding a part of gain on sale of real estate property and other adjustments from Net Income, and adding reversal of reserve for temporary difference adjustments.

(Note 2) Due to issuance of new investment units in the 15th and 14th fiscal periods, Payout Ratio for each fiscal period is calculated as follows.

Payout Ratio = Total Distributions (Excluding Excess of Earnings)/Net income × 100

This is an English-language translation of the key financials in the original Japanese announcement on our Web site released on September 12, 2019. 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.

(3) Financial Position

	Total Assets (Millions of Yen)	Unitholders' Equity (Millions of Yen)	Unitholders' Equity to Total Assets	Unitholders' Equity per Share of Common Stock (Yen)
As of July 31, 2019	254,965	118,541	46.5%	130,630
As of January 31, 2019	245,103	111,951	45.7%	128,807

(4) Cash Flow Position

	Cash Flow from Operating Activities (Millions of Yen)	Cash Flow from Investing Activities (Millions of Yen)	Cash Flow from Financing Activities (Millions of Yen)	Cash and Cash Equivalents at the End of the Period (Millions of Yen)
The 15th fiscal period ended July 31, 2019	5,947	-13,427	5,601	20,199
The 14th fiscal period ended January 31, 2019	5,211	-28,903	26,989	22,077

2. FORECAST OF RESULTS FOR THE FISCAL PERIOD ENDING JANUARY 31, 2020 (August 1, 2019 to January 31, 2020) AND JULY 31, 2020 (February 1, 2020 to July 31, 2020)

(Percentages show period-on-period changes)

	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 Earning	Distributions in Excess of Earnings per Unit
The 16th fiscal period ending January 31, 2020	7,953 (-2.3%)	4,144 (-4.9%)	3,500 (-6.4%)	3,500 (-6.4%)	4,064	-
The 17th fiscal period ending July 31, 2020	8,067 (1.4%)	4,162 (0.4%)	3,504 (0.1%)	3,504 (0.1%)	4,065	-

(Reference) Estimated net income per unit (Estimated Net Income / Estimated weighted average number of units)

The 16th fiscal period ending January 31, 2020 ¥3,857 The 17th fiscal period ending July 31, 2020 ¥3,861

Distributions per Unit Excluding Excess of Earning are not the same amount as estimated net income per unit for the 16th and 17th fiscal periods since total distributions are calculated with the assumption adding reversal of reserve for temporary difference adjustments, amount including a part of retained earnings carried forward in the previous fiscal year, and deducting gain on market-value-based valuation on interest rate swaps caused by the merger from estimated net income.

(Note) Distributions per unit are calculated based on the number of investment units issued and outstanding totaled 907,458 as of today.

3. 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 Unit Issued and Outstanding (including treasury units)

- (a) Number of investment units issued and outstanding at the end of the period (including treasury units)
As of January 31, 2019: 869,133 units As of July 31, 2019: 907,458 units
- (b) Number of treasury units at the end of the period
As of January 31, 2019: 0 units As of July 31, 2019: 0 units

[Provisional Translation Only]

English translation of the original Japanese document is provided solely for information purposes. Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.

This is an English-language translation of the key financials in the original Japanese announcement on our Web site released on September 12, 2019. 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.

1. Financial Statements**(1) Balance Sheets**

(in thousands of yen)

	14th Fiscal Period (As of January 31, 2019)	15th Fiscal Period (As of July 31, 2019)
Assets		
Current assets		
Cash and deposits	12,356,302	10,296,548
Cash and deposits in trust	9,721,629	9,903,118
Operating accounts receivable	26,612	36,005
Prepaid expenses	7,450	12,815
Consumption taxes receivable	338,402	-
Other	6,081	856
Total current assets	22,456,477	20,249,344
Noncurrent assets		
Property, plant and equipment		
Land	1,798,041	1,798,041
Buildings in trust	95,077,289	99,911,220
Accumulated depreciation	-9,123,715	△10,381,143
Buildings in trust, net	85,953,573	89,530,077
Structures in trust	947,729	1,073,137
Accumulated depreciation	-161,739	△191,362
Structures in trust, net	785,989	881,774
Machinery and equipment in trust	1,429,327	1,436,362
Accumulated depreciation	-288,590	△321,177
Machinery and equipment in trust, net	1,140,736	1,115,184
Tools, furniture and fixtures in trust	473,614	523,059
Accumulated depreciation	-51,478	△65,444
Tools, furniture and fixtures in trust, net	422,136	457,614
Land in trust	130,189,152	138,484,736
Total property, plant and equipment, net	220,289,630	232,267,430
Intangible assets		
Leasehold right in trust	1,067,058	1,228,912
Other	6,339	5,563
Total intangible assets	1,073,398	1,234,475
Investments and other assets		
Investment securities	111,796	2,398
Lease and guarantee deposits	29,097	89,097
Long-term prepaid expenses	1,059,774	1,014,728
Total investments and other assets	1,200,668	1,106,223
Total noncurrent assets	222,563,697	234,608,129
Deferred assets		
Investment corporation bond issuance costs	38,570	35,327
Investment unit issuance costs	45,012	72,944
Total deferred assets	83,583	108,272
Total assets	245,103,757	254,965,747

KENEDIX RESIDENTIAL NEXT INVESTMENT CORPORATION (3278)

(in thousands of yen)

	14th Fiscal Period (As of January 31, 2019)	15th Fiscal Period (As of July 31, 2019)
Liabilities		
Current liabilities		
Operating accounts payable	912,385	772,751
Short-term loans payable	2,050,000	2,500,000
Current portion of long-term loans payable	9,700,000	13,200,000
Accounts payable-other	298,718	305,806
Accrued expenses	27,236	27,560
Income taxes payable	605	605
Accrued consumption taxes	11,413	21,474
Advances received	1,096,282	1,148,654
Deposits received	75,292	58,742
Other	-	10,098
Total current liabilities	14,171,933	18,045,693
Noncurrent liabilities		
Investment corporation bonds	5,000,000	5,000,000
Long-term loans payable	106,500,000	105,200,000
Tenant leasehold and security deposits in trust	2,682,738	3,099,642
Tenant lump sum deposits in trust	4,405,195	4,493,753
Asset retirement obligations	-	67,338
Other	392,732	517,915
Total noncurrent liabilities	118,980,667	118,378,649
Total liabilities	133,152,600	136,424,343
Net assets		
Unitholders' equity		
Unitholders' capital	93,226,228	99,731,514
Surplus		
Capital surplus	13,187,100	13,187,100
Voluntary retained earnings		
Reserve for temporary difference adjustments	*2 2,000,000	*2 1,980,000
Total voluntary retained earnings	2,000,000	1,980,000
Unappropriated retained earnings (undisposed loss)	3,875,050	4,125,881
Total surplus	19,062,150	19,292,981
Total unitholders' equity	112,288,379	119,024,495
Valuation and translation adjustments		
Deferred gains or losses on hedges	-337,222	-483,092
Total valuation and translation adjustments	-337,222	-483,092
Total net assets	*1 111,951,157	*1 118,541,403
Total liabilities and net assets	245,103,757	254,965,747

(2) Statements of Income and Retained Earnings

(in thousands of yen)

	14th Fiscal Period August 1, 2018 to January 31, 2019	15th Fiscal Period February 1, 2019 to July 31, 2019
Operating revenues		
Rent revenue-real estate	*1 7,085,174	*1 7,342,246
Other lease business revenue	*1 520,733	*1 590,778
Gain on sale of real estate property	*2 203,178	*2 203,392
Dividends income	14,461	-
Total operating revenues	7,823,548	8,136,417
Operating expenses		
Expenses related to rent business	*1 2,794,762	*1 2,915,721
Asset management fees	513,065	562,274
Asset custody fees	11,985	13,404
Administrative service fees	41,723	45,950
Directors' compensation	8,100	8,100
Other operating expenses	240,701	231,968
Total operating expenses	3,610,337	3,777,419
Operating income	4,213,210	4,358,998
Non-operating income		
Interest income	45	38
Dividends and redemption-prescription	313	765
Interest on refund	3	463
Total non-operating income	362	1,268
Non-operating expenses		
Interest expenses	491,744	485,799
Interest expenses on investment corporation bonds	9,974	13,825
Borrowing expenses	101,223	100,264
Amortization of investment corporation bond issuance costs	2,560	3,243
Amortization of investment unit issuance costs	9,022	15,269
Total non-operating expenses	614,525	618,402
Ordinary income	3,599,047	3,741,863
Income before income taxes	3,599,047	3,741,863
Income taxes		
Current	605	605
Total income taxes	605	605
Net income	3,598,442	3,741,258
Retained earnings brought forward	276,608	384,622
Unappropriated retained earnings (undisposed loss)	3,875,050	4,125,881

(3) Statements of Changes in Net Assets

14th Fiscal Period August 1, 2018 to January 31, 2019

(in thousands of yen)

	Unitholders' equity						
	Unitholders' capital	Capital surplus	Surplus			Total surplus	Total unitholders' equity
			Reserve for temporary difference adjustments	Total voluntary reserve	Unappropriated retained earnings (undisposed loss)		
Balance at the beginning of current period	80,132,379	13,187,100	-	-	5,428,676	18,615,776	98,748,155
Changes of items during the period							
Issuance of new investment units	13,093,849					-	13,093,849
Provision for reserve for temporary difference adjustments			2,000,000	2,000,000	-2,000,000	-	-
Dividends from surplus					-3,152,068	-3,152,068	-3,152,068
Net income					3,598,442	3,598,442	3,598,442
Net changes of items other than unitholders' equity							
Total changes of items during the period	13,093,849	-	2,000,000	2,000,000	-1,553,626	446,373	13,540,223
Balance at the end of current period	* 1 93,226,228	13,187,100	2,000,000	2,000,000	3,875,050	19,062,150	112,288,379

	Valuation and translation adjustments		Total net assets
	Deferred gains and losses on hedges	Total valuation and translation adjustments	
Balance at the beginning of current period	-2,512	-2,512	98,745,643
Changes of items during the period			
Issuance of new investment units			13,093,849
Provision for reserve for temporary difference adjustments			-
Dividends from surplus			-3,152,068
Net income			3,598,442
Net changes of items other than unitholders' equity	-334,709	-334,709	-334,709
Total changes of items during the period	-334,709	-334,709	13,205,513
Balance at the end of current period	-337,222	-337,222	111,951,157

KENEDIX RESIDENTIAL NEXT INVESTMENT CORPORATION (3278)

15th Fiscal Period February 1, 2019 to July 31, 2019

(in thousands of yen)

	Unitholders' equity						
	Unitholders' capital	Capital surplus	Surplus				Total unitholders' equity
			Voluntary reserve		Unappropriated retained earnings (undisposed loss)	Total surplus	
			Reserve for temporary difference adjustments	Total voluntary reserve			
Balance at the beginning of current period	93,226,228	13,187,100	2,000,000	2,000,000	3,875,050	19,062,150	112,288,379
Changes of items during the period							
Issuance of new investment units	6,505,285						6,505,285
Reversal of reserve for temporary difference adjustments			-20,000	-20,000	20,000	-	-
Dividends from surplus					-3,510,428	-3,510,428	-3,510,428
Net income					3,741,258	3,741,258	3,741,258
Net changes of items other than unitholders' equity							
Total changes of items during the period	6,505,285	-	-20,000	-20,000	250,830	230,830	6,736,116
Balance at the end of current period	* 1 99,731,514	13,187,100	1,980,000	1,980,000	4,125,881	19,292,981	119,024,495

	Valuation and translation adjustments		Total net assets
	Deferred gains and losses on hedges	Total valuation and translation adjustments	
Balance at the beginning of current period	-337,222	-337,222	111,951,157
Changes of items during the period			
Issuance of new investment units			6,505,285
Provision for reserve for temporary difference adjustments			-
Dividends from surplus			-3,510,428
Net income			3,741,258
Net changes of items other than unitholders' equity	-145,870	-145,870	-145,870
Total changes of items during the period	-145,870	-145,870	6,590,246
Balance at the end of current period	-483,092	-483,092	118,541,403

(4) Distributions

	14th Fiscal Period (From August 1, 2018 to January 31, 2019)	15th Fiscal Period (From February 1, 2019 to July 31, 2019)
I. Retained earnings at the end of period	¥3,875,050,769	¥4,125,881,528
II. Reveal of Voluntary reserve Reversal of reserve for temporary difference adjustments *1	¥ 20,000,000	¥20,000,000
III. Total distributions Distributions per unit	¥3,510,428,187 ¥4,039	¥3,687,001,854 ¥4,063
IV. Retained earnings brought forward to the next period	¥384,622,582	¥458,879,674
Method of calculating distribution amount	<p>In accordance with the policy described in Article 38-1 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 Special Taxation Measures Law, and shall not exceed its accounting profits as the maximum amount. Following this policy, the Investment Corporation has decided that it shall distribute ¥3,510,428,187, which is the amount deducted a part of gain on sale of real estate property and other adjustments from net income and added reversal of reserve for temporary difference adjustments, as the distribution of earnings.</p> <p>Procedures for the distribution of amounts exceeding distributable income are outlined in Article 38-2 of the Investment Corporation's Articles of Incorporation. In the 14th fiscal period, the Investment Corporation has decided not to distribute cash in excess of distributable profit.</p>	<p>In accordance with the policy described in Article 38-1 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 Special Taxation Measures Law, and shall not exceed its accounting profits as the maximum amount. Following this policy, the Investment Corporation has decided that it shall distribute ¥3,687,001,854, which is the amount deducted a part of gain on sale of real estate property and other adjustments from net income and added reversal of reserve for temporary difference adjustments, as the distribution of earnings.</p> <p>Procedures for the distribution of amounts exceeding distributable income are outlined in Article 38-2 of the Investment Corporation's Articles of Incorporation. In the 15th fiscal period, the Investment Corporation has decided not to distribute cash in excess of distributable profit.</p>

(5) Statements of Cash Flows

(in thousands of yen)

	14th Fiscal Period August 1, 2018 to January 31, 2019	15th Fiscal Period February 1, 2019 to July 31, 2019
Net cash provided by (used in) operating activities		
Income before income taxes	3,599,047	3,741,863
Depreciation and amortization	1,343,939	1,392,068
Amortization of investment corporation bond issuance expenses	2,560	3,243
Amortization of investment unit issuance costs	9,022	15,269
Interest income	-45	-38
Interest expenses	501,719	499,624
Decrease (increase) in operating accounts receivable	2,576	-9,393
Decrease (increase) in consumption taxes refund receivable	-338,402	338,402
Decrease (increase) in prepaid expenses	3,405	-5,365
Increase (decrease) in operating accounts payable	117,776	-109,149
Increase (decrease) in accounts payable-other	15,829	7,522
Increase (decrease) in accrued consumption taxes	-52,443	10,061
Increase (decrease) in advances received	137,469	52,372
Decrease (increase) in long-term prepaid expenses	-142,793	45,046
Decrease in net property, plant and equipment held in trust due to sale	500,913	482,312
Other, net	19,148	-8,827
Subtotal	5,719,725	6,455,011
Interest income received	45	38
Interest expenses paid	-511,560	-509,888
Income taxes (paid) refund	3,769	2,074
Net cash provided by (used in) operating activities	5,211,979	5,947,236
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment in trust	-29,866,970	-13,813,975
Purchase of intangible assets	-	-162,428
Purchase of investment securities	-1,832	-
Proceeds from investment securities	402,700	103,455
Payments of lease and guarantee deposits	-	-60,000
Proceeds from lease and guarantee deposits	10,000	-
Repayments of tenant leasehold and security deposits in trust	-133,676	-141,168
Proceeds from tenant leasehold and security deposits in trust	486,208	558,072
Repayments of tenant lump sum deposits in trust	-103,996	-79,827
Proceeds from tenant lump sum deposits in trust	304,115	168,384
Net cash provided by (used in) investing activities	-28,903,451	-13,427,488
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	-	2,500,000
Decrease in short-term loans payable	-580,000	-2,050,000
Proceeds from long-term loans payable	26,700,000	4,700,000
Repayments of long-term loans payable	-11,000,000	-2,500,000
Proceeds from issuance of investment corporation bond	1,981,451	-
Proceeds from issuance of investment units	13,039,815	6,462,083
Dividends paid	-3,151,284	-3,510,096
Net cash provided by (used in) financing activities	26,989,982	5,601,986
Net increase (decrease) in cash and cash equivalents	3,298,510	-1,878,264
Cash and cash equivalents at the beginning of period	18,779,421	22,077,932
Cash and cash equivalents at the end of period	*1 22,077,932	*1 20,199,667

(6) Notes to the 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 anonymous association equity interests, the method of incorporating the amount equivalent to equity interests corresponding to net amount of gain or loss from anonymous association is adopted.</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 69 years</p> <p>Structures: 3 to 65 years</p> <p>Machinery and equipment: 8 to 40 years</p> <p>Tools, furniture and fixtures: 5 to 30 years</p> <p>(2) Intangible assets(includes trust assets)</p> <p>The straight-line method is applied.</p> <p>Land leasehold: Fixed term land leaseholds is amortized over a contractual period 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) Unit issuance costs</p> <p>Unit issuance costs are amortized over a period of 3 years under the straight-line method.</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>Property-related taxes including property taxes, city planning taxes and depreciable property taxes are imposed on properties on a calendar year basis. These taxes are generally charged to operating expenses for the period, for the portion of such taxes corresponding to said period. Under Japanese tax regulations, the seller of the property is liable for these taxes on the property from the date of disposal to the end of the calendar year in which the property is disposed. The seller, however, is reimbursed by the purchaser for these accrued property-related tax liabilities.</p> <p>When the Investment Corporation purchases properties, it typically allocates the portion of the property-related taxes related to the period following the purchase date of each property through the end of the calendar year. The amounts of those allocated portions of the property-related taxes are capitalized as part of the acquisition costs of the related properties. Capitalized property-related taxes amounted to ¥33,037 thousand and ¥50,824 thousand as of July 31, 2019 and January 31, 2019, respectively.</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 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>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>As for the method of assessment of the effectiveness of the hedge in the period from the inception of the hedge to the time of judgment of its effectiveness, the cumulative changes in cash flow of the hedged items and hedging instruments are compared and a judgment is made based on changed amount, etc. However, an assessment of the effectiveness of hedging activities is omitted in the case of interest rate swaps that meet the requirements for special treatment.</p>
6. The scope of cash and cash equivalents on statements of cash flows	<p>Cash and cash equivalents consist of cash on hand, deposits placed with banks and short-term investments which are highly liquid, readily convertible to cash and with insignificant risk of market value fluctuation, with maturities of three months or less from the date of purchase.</p>
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</p> <p>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.</p> <p>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"> 1. Cash and deposits in trust 2. Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust, leasehold right in trust 3. Tenant leasehold and security deposits in trust, tenant lump sum deposits in trust <p>(2) Accounting method for consumption tax</p> <p>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 to the Financial Statements

(Notes to the Balance Sheets)

* 1. Minimum unitholders' equity pursuant to Article 67-4 of the Law Concerning Investment Trusts and Investment Corporations Law

(in thousands of yen)

As of January 31, 2019	As of July 31, 2019
50,000	50,000

*2. Reserve for temporary difference adjustments

14th Fiscal Period (As of January 31, 2019)

The following summarizes reserve for temporary difference adjustments.

(in thousands of yen)

	Initial amount	Balance at the beginning of the period	Reserve during the period	Reversal during the period	Balance at the end of the period	Reason for reserve and reversal
Gain on negative good will*	2,000,000	-	2,000,000	-	2,000,000	Reserve a part of gain on negative good will

* The Investment Corporation has reserved a part of gain on negative goodwill in the 13th fiscal period as reserve for temporary difference adjustments. At least 1% of the initial amount in equal installments over 50 years (100 fiscal periods) will be reversed every fiscal period starting from the next fiscal period after the period, in which the initial amount was reserved.

15th Fiscal Period (As of July 31, 2019)

The following summarizes reserve for temporary difference adjustments.

(in thousands of yen)

	Initial amount	Balance at the beginning of the period	Reserve during the period	Reversal during the period	Balance at the end of the period	Reason for reserve and reversal
Gain on negative good will*	2,000,000	2,000,000	-	20,000	1,980,000	Appropriate for distribution

* The Investment Corporation has reserved a part of gain on negative goodwill in the 13th fiscal period as reserve for temporary difference adjustments. At least 1% of the initial amount in equal installments over 50 years (100 fiscal periods) will be reversed every fiscal period starting from the next fiscal period after the period, in which the initial amount was reserved.

(Notes to the Statements of Income and Retained Earnings)

* 1. Breakdown of real estate rental business profit and loss

(in thousands of yen)

	From August 1, 2018 to January 31, 2019	From February 1, 2019 to July 31, 2019
A. Rental and other operating revenues:		
Rental revenues	6,711,825	6,964,736
Rental revenues from limited proprietary rights of land	43,749	43,750
Common area charges	329,599	333,759
Subtotal	7,085,174	7,342,246
Others:		
Parking space rental revenues	210,398	206,653
Miscellaneous	310,334	384,125
Subtotal	520,733	590,778
Total rental and other operating revenues	7,605,908	7,933,025
B. Property-related expenses:		
Property management fees and facility management fees	408,364	425,193
Utilities	97,432	95,304
Taxes	410,483	476,820
Repairs and maintenance	318,838	300,657
Insurance	11,487	11,671
Trust fees	53,141	53,335
Depreciation	1,343,163	1,391,292
Others	151,851	161,445
Total property-related expenses	2,794,762	2,915,721
C. Net operating income (A-B)	4,811,146	5,017,303

*2. Gain and Loss on sale of real estate property

14th Fiscal Period (August 1, 2018 to January 31, 2019)

(in thousands of yen)

KDX Residence Kotodai	
Revenue from sale of the investment property	730,574
Costs of the investment property	500,913
Other sales expenses	26,481
Gain on sale of real estate property	203,178

15th Fiscal Period (February 1, 2019 to July 31, 2019)

(in thousands of yen)

KDX Residence Shin-Osaka	
Revenue from sale of the investment property	690,000
Costs of the investment property	482,312
Other sales expenses	4,295
Gain on sale of real estate property	203,392

(Notes to the Statements of Changes in Net Assets)

* 1. Total number of authorized investment units and total number of investment units issued and outstanding are as follows:

	From August 1, 2018 to January 31, 2019	From February 1, 2019 to July 31, 2019
Total number of authorized investment units	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	869,133 units	907,458 units

(Notes to Distributions)

14th Fiscal Period (August 1, 2018 to January 31, 2019)

*1. Reserve for temporary difference adjustments

The Investment Corporation has reserved ¥2,000,000,000 as reserve for temporary difference adjustments from gain on negative goodwill in the 13th fiscal period. At least 1% of the initial amount in equal installments over 50 years (100 fiscal periods) will be reversed every fiscal period applied to distribution starting from the 14th fiscal period distribution. It has been decided that ¥20,000,000 shall be reversed and applied to distribution in the 14th fiscal period distribution.

15th Fiscal Period (February 1, 2019 to July 31, 2019)

*1. Reserve for temporary difference adjustments

The Investment Corporation has reserved ¥2,000,000,000 as reserve for temporary difference adjustments from gain on negative goodwill in the 13th fiscal period. At least 1% of the initial amount in equal installments over 50 years (100 fiscal periods) will be reversed every fiscal period applied to distribution starting from the 14th fiscal period distribution. It has been decided that ¥20,000,000 shall be reversed and applied to distribution in the 15th fiscal period distribution.

(Notes to the Statements of Cash Flow)

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

(in thousands of yen)

	As of January 31, 2019	As of July 31, 2019
Cash and deposits	12,356,302	10,296,548
Cash and deposits in trust	9,721,629	9,903,118
Cash and cash equivalents	22,077,932	20,199,667

(Notes to the Lease Transactions)

Operating lease transactions (Lessee)

Unearned lease payments

(in thousands of yen)

	As of January 31, 2019	As of July 31, 2019
Due in 1 year	-	12,000
Due after 1 year	-	551,000
Total	-	563,000

Operating lease transactions (Lessor)

Unearned lease payments

(in thousands of yen)

	As of January 31, 2019	As of July 31, 2019
Due in 1 year	2,769,825	3,265,232
Due after 1 year	18,849,702	20,920,160
Total	21,619,527	24,185,392

(Notes to the Financial Instruments)

(A). Overview

(1) Policy for financial instruments

The Investment Corporation procures funds for asset acquisitions, repairs, payment of distributions, repayment of loans, etc. through loans from financial institutions, issuance of investment corporation bonds, issuance of investment units and other means. With regard to the procurement of interest-bearing debts, the Investment Corporation ensures that it can effectively combine stable long-term funds with flexible short-term funds. Management of surplus funds is undertaken through various bank deposits focusing on safety, liquidity and effectiveness. The Investment Corporation uses derivatives for the purpose of hedging its exposure to changes in interest rates and other risks and does not enter into derivative transactions for speculative or trading purposes.

(2) Types of financial instruments and related risk

Bank deposits are for managing the Investment Corporation's surplus funds and are exposed to credit risk such as the bankruptcy of financial institutions at which funds are deposited. Investment securities represent equity investments in an anonymous association and are exposed to credit risk of the issuer and interest rate fluctuation risk. Borrowings and investment corporation bonds are made primarily for the purpose of procuring funds for the acquisition of real estate and trust beneficiary interests in real estate and have a repayment date of a maximum of 9 years and 4 months as of July 31, 2019, the end of the 15th fiscal period, are exposed to liquidity risk where alternative funds may not be procured by the repayment date. Also, borrowings with floating interest rates are exposed to interest rate fluctuation risk. Derivatives are used for the purpose of hedging interest rate fluctuation risk for a certain portion of the borrowings.

(3) Risk management for financial instruments

a. Credit risk

While bank deposits are exposed to credit risk such as the bankruptcy of financial institutions at which funds are deposited, such risk is monitored by deposits in non-interest bearing ordinary savings accounts or with financial institutions with credit ratings above a certain level. Investment securities represent equity investments in an anonymous association and are exposed to credit risk of the issuer and interest rate fluctuation risk. To manage this credit risk, the Investment Corporation regularly evaluates the results of operations and the financial condition of the issuer, etc. In utilizing derivatives, the Investment Corporation aims to mitigate counterparty risk such as by transacting with financial institutions with favorable ratings.

b. Market risk

While borrowings with floating rates are exposed to interest rate volatility risk, such risk is monitored by adjusting the rate of the balance of borrowings with floating rates against the total borrowings according to the financial environment, interest rate forecasts by continuous monitoring, etc. and by using derivatives, etc. A risk management policy is established with regard to the execution and management of derivatives and such transactions are conducted based on this policy. The Investment Corporation periodically reviews the value of the property and financial condition of the issuer with regard to investment securities.

c. Liquidity risk

Though borrowings are subject to liquidity risk, the Investment Corporation reduces such risk by spreading out payment due dates and by diversifying financial institutions. Liquidity risk is also managed by such means as regularly checking the balance of cash reserves.

(4) Supplementary explanation of the estimated fair value of financial instruments

The fair value of financial instruments is based on their quoted market price, if available. When there is no quoted market price available, fair value is reasonably estimated. Since various assumptions and factors are reflected in estimating the fair value, different assumptions and factors could result in a different fair value.

(B). Estimated Fair Value of Financial Instruments

The carrying value of financial instruments on the balance sheet and estimated fair value are shown in the following table.

As of January 31, 2019

	Carrying amount	Estimated fair value	(in thousands of yen) Difference
(1) Cash and deposits	12,356,302	12,356,302	-
(2) Cash and deposits in trust	9,721,629	9,721,629	-
Total	22,077,932	22,077,932	-
(1) Short-term loans payable	2,050,000	2,050,000	-
(2) Current portion of long-term loans payable	9,700,000	9,702,693	2,693
(3) Investment corporation bonds	5,000,000	4,994,100	-5,900
(4) Long-term loans payable	106,500,000	106,881,219	381,219
Total	123,250,000	123,628,012	378,012
Derivative transactions	-337,222	-337,222	-

* Figures indicate net amount of derivative assets/liabilities derived from derivative transactions, with minus representing net liabilities.

As of July 31, 2019

(in thousands of yen)

	Carrying amount	Estimated fair value	Difference
(1) Cash and deposits	10,296,548	10,296,548	-
(2) Cash and deposits in trust	9,903,118	9,903,118	-
Total	20,199,667	20,199,667	-
(1) Short-term loans payable	2,500,000	2,500,000	-
(2) Current portion of long-term loans payable	13,200,000	13,198,325	-1,674
(3) Investment corporation bonds	5,000,000	5,036,600	36,600
(4) Long-term loans payable	105,200,000	106,075,204	875,204
Total	125,900,000	126,810,130	910,130
Derivative transactions	-483,092	-483,092	-

* Figures indicate net amount of derivative assets/liabilities derived from derivative transactions, with minus representing net liabilities.

Note 1: Methods to determine the estimated fair value of financial instruments and matters related to derivative transactions

Assets

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

Since these items are settled in a short period of time, their carrying amount approximates fair value.

Liabilities

(1) Short-term loans payable

Since these items are settled in a short period of time with floating interest rates, their carrying amount approximates fair value.

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

Among these items, the fair value of loans payable with fixed interest rates is calculated based on the present value, which is the total amount of principal and interest discounted by the estimated interest rate to be applied in the event that the Investment Corporation conducts new borrowings of the same type. As for the fair value of loans payable with floating interest rates, it is based on the carrying amount since market interest rates are reflected in the short term and the fair value is believed to approximate the carrying amount as the credit standing of the Investment Corporation has not changed significantly since the loans were made. (However, the fair value of long-term loans payable subject to the special treatment for interest-rate swaps is based on the present value of the total of principal and interest, accounted for together with the applicable interest-rate swaps, discounted by the estimated interest rate to be applied in the event that the Investment Corporation conducts new borrowings of the same type.)

(3) Investment corporation bonds

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

Derivative transactions

Please refer to "Notes to the Derivative Transactions".

Note 2: Financial instruments whose fair values are extremely difficult to recognize.

(in thousands of yen)

Classification	As of January 31, 2019	As of July 31, 2019
Investment securities *	111,796	2,398

*Fair values of investment securities are not subject to disclosure of fair value as they have no market value and their fair values are extremely difficult to recognize.

Loss on valuation of investment securities of ¥5,942 thousand was recognized in the fiscal period ended July 31, 2019.

Note 3: Redemption schedule for financial assets with maturities

As of January 31, 2019

(in thousands of yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Cash and deposits	12,356,302	-	-	-	-	-
Cash and deposits in trust	9,721,629	-	-	-	-	-
Total	22,077,932	-	-	-	-	-

As of July 31, 2019

(in thousands of yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Cash and deposits	10,296,548	-	-	-	-	-
Cash and deposits in trust	9,903,118	-	-	-	-	-
Total	20,199,667	-	-	-	-	-

Note 4: Redemption schedule for loans payable and investment corporation bonds

As of January 31, 2019

(in thousands of yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Short-term loans payable	2,050,000	-	-	-	-	-
Investment corporation bonds	-	-	1,000,000	-	1,000,000	3,000,000
Long-term loans payable	9,700,000	9,600,000	13,000,000	17,750,000	11,800,000	54,350,000
Total	11,750,000	9,600,000	14,000,000	17,750,000	12,800,000	57,350,000

As of July 31, 2019

(in thousands of yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Short-term loans payable	2,500,000	-	-	-	-	-
Investment corporation bonds	-	-	1,000,000	-	1,000,000	3,000,000
Long-term loans payable	13,200,000	9,450,000	19,650,000	11,550,000	12,800,000	51,750,000
Total	15,700,000	9,450,000	20,650,000	11,550,000	13,800,000	54,750,000

(Notes to the Derivative Transactions)

(1) Transactions not subject to hedge accounting

As of January 31, 2019 and as of July 31, 2019: Not applicable

(2) Transactions subject to hedge accounting

As of January 31, 2019

Hedge accounting method	Type of derivative transactions	Hedged items	Contract amount (in thousands of yen)		Fair value (in thousands of yen)	Calculation method for applicable fair value
				Maturing after 1 year		
Accounting method, in principle	Interest rate swap transaction: Receive/floating and pay/fixed	Long-term loans payable	52,500,000	52,500,000	-337,222	Based on the amount provided by counterparty financial institutions
Special treatment of interest-rate swaps	Interest rate swap transaction: Receive/floating and pay/fixed	Long-term loans payable	38,300,000	36,800,000	*	-
Total			90,800,000	89,300,000	-337,222	

*Interest rate swaps for which the special treatment is applied are accounted for together with the underlying hedged item. As a result, their fair value is included in the fair value of the hedged long-term debt.

As of July 31, 2019

Hedge accounting method	Type of derivative transactions	Hedged items	Contract amount (in thousands of yen)		Fair value (in thousands of yen)	Calculation method for applicable fair value
				Maturing after 1 year		
Accounting method, in principle	Interest rate swap transaction: Receive/floating and pay/fixed	Long-term loans payable	56,200,000	48,700,000	-483,092	Based on the amount provided by counterparty financial institutions
Special treatment of interest-rate swaps	Interest rate swap transaction: Receive/floating and pay/fixed	Long-term loans payable	38,300,000	36,800,000	*	-
Total			94,500,000	85,500,000	-483,092	

*Interest rate swaps for which the special treatment is applied are accounted for together with the underlying hedged item. As a result, their fair value is included in the fair value of the hedged long-term debt.

(Notes to the Related-Party Transactions)

1. Parent Company, major corporate unitholders and other

14h Fiscal Period (August 1, 2018 to January 31, 2019) and 15th Fiscal Period (February 1, 2019 to July 31, 2019): Not applicable

2. Affiliated companies and other

14h Fiscal Period (August 1, 2018 to January 31, 2019) and 15th Fiscal Period (February 1, 2019 to July 31, 2019): Not applicable

3. Fellow subsidiary companies and other

14h Fiscal Period (August 1, 2018 to January 31, 2019) and 15th Fiscal Period (February 1, 2019 to July 31, 2019): Not applicable

4. Directors, major individual unitholders and other

14h Fiscal Period (August 1, 2018 to January 31, 2019) and 15th Fiscal Period (February 1, 2019 to July 31, 2019): Not applicable

(Notes to the Tax-Effect Accounting)

The significant components of deferred tax assets and liabilities:

(in thousands of yen)

	As of January 31, 2019	As of July 31, 2019
Deferred tax assets:		
Valuation difference on other assets acquired by merger	741,176	720,920
Deferred gains or losses on hedges	106,528	152,608
Asset retirement obligations	-	21,272
Loss on investment securities	-	1,872
Amortization of leasehold right in trust	-	181
Subtotal deferred tax assets	847,704	896,855
Valuation allowance	-847,704	-896,855
Total deferred tax assets	-	-
Net deferred tax assets	-	-

The significant differences between the statutory tax rate and the effective tax rate:

	From August 1, 2018 to January 31, 2019	From February 1, 2019 to July 31, 2019
Statutory tax rate	31.51%	31.51%
Deductible cash distributions	-30.73%	-31.04%
Others	-0.76%	-0.45%
Effective tax rate	0.02%	0.02%

(Notes to Asset Retirement Obligations)

Asset retirement obligations reported on balance sheets

1. Summary of the asset retirement obligations

KDR has recognized the original state restoration obligations assumed under the general fixed-term land leasehold agreement as the asset retirement obligations in connection with Arute Ishiyagawa on June 3, 2019.

2. Method of calculating asset retirement obligations

Asset retirement obligations are calculated based on a discount rate of 0.54711% after the useful life has been estimated to be 47 years and one month based on the time period from the date of acquisition to the expiration of the agreement.

3. Changes in the amount of applicable asset retirement obligations consisted of the following

	(in thousands of yen)	
	From August 1, 2018 to January 31, 2019	From February 1, 2019 to July 31, 2019
Balance at the beginning of period	-	-
Increase due to acquisition of tangible fixed assets	-	67,277
Accretion adjustment	-	61
Balance at the end of period	-	67,338

(Notes to the Investment and Rental Properties)

The Investment Corporation owns real estate for rental purposes in the Tokyo Metropolitan Area and other regional areas for the purpose of generating rental revenues.

The book value and fair value concerning the above real estate for rental purposes are as follows.

		(in thousands of yen)	
		From August 1, 2018 to January 31, 2019	From February 1, 2019 to July 31, 2019
Book value	Balance at the beginning of period	193,148,357	221,356,688
	Changes during the period	28,208,331	12,139,653
	Balance at the end of period	221,356,688	233,496,342
Fair value at the end of period		256,174,000	273,676,000

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

Note 2: Among changes in the amount of real estate for rental purposes that occurred during the 14th fiscal period, the principal increase was the acquisition of real estate trust beneficiary interests in 10 properties totaling ¥29,437,871 thousand, and the principal decrease was the sales of real estate trust beneficiary interests in 1 property totaling ¥500,913 thousand and depreciation of ¥1,343,163 thousand, and during the 15th fiscal period, the principal increase was the acquisition of real estate trust beneficiary interests in 6 properties totaling ¥13,400,965 thousand, and the principal decrease was the sales of real estate trust beneficiary interests in 1 property totaling ¥482,312 thousand and depreciation of ¥1,391,231 thousand.

Note 3: The fair value is the appraisal value or the survey value determined by outside appraisers. In addition, the fair value at the end of 14th fiscal period of KDX Residence Shin-Osaka, which was sold on February 1, 2019, is based on the sales prices (¥690,000 thousand) under the trust beneficiary interest sales contracts entered into on January 18, 2019.

Income and loss for real estate rental business in the fiscal periods ended January 31, 2019 and July 31, 2019 for real estate for rental purposes is listed in "Notes to the Statements of Income and Retained Earnings".

(Notes to the Segment Information)

Segment information for the periods from August 1, 2018 to January 31, 2019 and from February 1, 2019 to July 31, 2019 is as follows:

(A) Segment information

Disclosure is omitted because the real estate leasing business is the Investment Corporation's sole business and it has no reportable segment subject to disclosure.

(B) Related information

(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 revenue on the statement of income and retained earnings.

(2) Information about each geographic area

(a) Net sales

Disclosure is omitted because net sales to external customers in Japan account for over 90% of the operating revenue on the statement of income and retained earnings.

(b) 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 revenue on the statement of income and retained earnings.

(Notes to Per Unit Information)

	From August 1, 2018 to January 31, 2019	From February 1, 2019 to July 31, 2019
Net asset value per unit	¥128,807	¥130,630
Net income per unit	¥4,143	¥4,142

Note 1: The weighted average number of units outstanding of 903,243 and 868,508 were used for the computation of the amount of net income per unit as of July 31, 2019 and January 31, 2019, respectively. Net income per unit after adjusting for residual units is not included because there were no residual investment units.

Note 2: The basis for calculating net income per unit is as follows:

	From August 1, 2018 to January 31, 2019	From February 1, 2019 to July 31, 2019
Net income (in thousands of yen)	3,598,442	3,741,258
Net income not available to ordinary unitholders (in thousands of yen)	-	-
Net income available to ordinary unitholders (in thousands of yen)	3,598,442	3,741,258
Weighted average number of units during the period (units)	868,508	903,243

(Notes to Important Subsequent Events)

Not applicable

【Reference】 Earnings Performance for the Individual Properties for the 15th Fiscal Period (February 1, 2019 to July 31, 2019) : 181 days ※As of July 31, 2019

Property No.		T-1	T-3	T-4	T-5	T-6	T-7	T-9	T-10	T-11	T-12	T-13	T-15	T-16	T-17
Property Name		KDX Daikanyama Residence	KDX Odemma Residence	KDX Iwamoto-cho Residence	KDX Bunkyo Sengoku Residence	KDX Azumabashi Residence	KDX Shimura Sakau Residence	Cosmo Heim Motosumiyoshi (Land with leasehold interest)	KDX Musashi Nakahara Residence	KDX Chiba Chuo Residence	KDX Kawaguchi Saiwai-cho Residence	KDX Residence Shirokane I	KDX Residence Shirokane II	KDX Residence Minami-aoyama	KDX Residence Minami-azabu
Acquisition Date		May 1, 2012	May 1, 2012	May 1, 2012	May 1, 2012	May 1, 2012	May 1, 2012	April 26, 2012	May 1, 2012	May 1, 2012	May 1, 2012	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013
Price Information	Acquisition price (In millions of yen)	4,700	1,775	822	1,488	650	2,830	1,750	637	1,480	1,150	3,000	2,800	2,230	2,080
	Percentage of total portfolio	2.0%	0.8%	0.4%	0.6%	0.3%	1.2%	0.8%	0.3%	0.6%	0.5%	1.3%	1.2%	1.0%	0.9%
	Net book value (In millions of yen)	4,781	1,708	787	1,450	615	2,663	1,798	632	1,316	1,109	3,084	2,854	2,238	2,072
	Appraisal value at the end of period (In millions of yen)	6,200	2,170	1,010	1,810	914	3,510	1,840	741	1,830	1,450	3,590	3,550	2,530	2,720
	Percentage of total appraisal value	2.3%	0.8%	0.4%	0.7%	0.3%	1.3%	0.7%	0.3%	0.7%	0.5%	1.3%	1.3%	0.9%	1.0%
Lease Information	Number of leasable residential units	86	54	36	77	41	85	-	35	106	61	50	85	20	62
	Leasable floor area (㎡)	5,338.99	2,353.23	1,131.24	2,054.10	1,054.83	6,117.48	3,040.11	2,123.46	3,546.91	2,491.66	3,617.32	2,889.66	1,680.79	2,785.42
	Leased floor area (㎡)	5,271.41	2,268.67	1,108.68	2,054.10	1,007.35	6,032.88	3,040.11	2,002.50	3,480.11	2,407.67	3,571.56	2,755.49	1,680.79	2,670.76
	Occupancy ratio (Note1)														
	As of July 31, 2019	98.7%	96.4%	98.0%	100.0%	95.5%	98.6%	100.0%	94.3%	98.1%	96.6%	98.7%	95.4%	100.0%	95.9%
	As of January 31, 2019	100.0%	100.0%	100.0%	100.0%	95.5%	98.8%	100.0%	100.0%	97.7%	95.3%	98.8%	96.6%	100.0%	97.4%
	As of July 31, 2018	100.0%	96.1%	100.0%	97.6%	90.7%	95.1%	100.0%	94.3%	93.4%	96.6%	97.6%	98.9%	95.8%	96.7%
	As of January 31, 2018	98.2%	100.0%	98.0%	100.0%	100.0%	100.0%	100.0%	94.3%	95.5%	98.3%	98.8%	98.8%	70.8%	98.0%
	As of July 31, 2017	98.9%	96.2%	90.9%	100.0%	95.4%	96.6%	100.0%	97.2%	95.1%	95.9%	97.2%	95.8%	95.8%	92.7%
	As of January 31, 2017	100.0%	96.2%	100.0%	100.0%	97.7%	92.9%	100.0%	97.2%	87.9%	95.2%	100.0%	97.8%	100.0%	100.0%
As of July 31, 2016	96.5%	94.5%	96.4%	93.4%	97.7%	97.5%	100.0%	94.3%	97.2%	97.1%	97.5%	97.8%	97.7%	98.6%	
As of January 31, 2016	99.4%	98.2%	94.4%	100.0%	97.7%	94.2%	100.0%	100.0%	100.0%	98.8%	97.1%	98.8%	98.1%	98.8%	
As of July 31, 2015	96.6%	96.4%	100.0%	97.7%	100.0%	97.5%	100.0%	100.0%	100.0%	91.9%	98.2%	100.0%	97.8%	97.7%	
As of January 31, 2015	90.6%	96.4%	100.0%	98.7%	95.5%	97.6%	100.0%	97.2%	88.9%	81.2%	97.3%	97.5%	90.9%	95.2%	
Profit and Loss Information for the 14th Fiscal Period	Operating periods	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days
	①Rental and other operating revenues (In thousands of yen)	164,960	58,609	28,420	50,856	25,528	103,501	43,750	27,206	64,066	49,317	113,143	91,949	65,349	73,631
	Rental revenues	146,999	54,009	26,903	47,814	24,313	92,855	43,750	24,826	58,545	45,082	93,927	84,114	62,822	69,822
	Other operating revenues	17,961	4,600	1,516	3,041	1,214	10,645	-	2,380	5,520	4,235	19,216	7,835	2,527	3,808
	②Property-related expenses (In thousands of yen)	29,882	11,783	5,751	10,730	5,059	24,059	1,354	7,295	13,916	12,756	33,466	16,274	10,863	11,988
	Property management fees	11,931	4,155	2,161	3,688	2,416	8,443	-	2,342	3,970	2,923	7,120	6,340	3,928	5,203
	Taxes	9,831	2,870	1,248	2,505	1,235	5,558	1,348	1,617	3,753	2,771	8,714	4,788	3,659	3,909
	Utilities	3,740	510	300	595	256	1,380	-	409	735	762	13,339	1,520	1,490	470
	Repairs and maintenance	2,414	2,151	1,038	1,997	523	5,796	-	2,367	2,783	4,665	2,191	830	996	1,321
	Insurance	158	57	27	52	29	141	-	44	93	61	115	85	43	67
	Trust fees and other expenses	1,805	2,037	974	1,890	597	2,737	6	514	2,579	1,572	1,985	2,710	743	1,016
	③NOI (=①-②) (In thousands of yen)	135,078	46,826	22,668	40,126	20,468	79,442	42,395	19,911	50,149	36,561	79,676	75,674	54,485	61,642
④Depreciation (In thousands of yen)	17,326	10,879	5,269	6,526	4,938	21,687	-	3,727	17,281	7,344	8,656	7,313	3,306	7,052	
⑤Rental operating income (=③-④) (In thousands of yen)	117,752	35,947	17,399	33,599	15,530	57,754	42,395	16,183	32,868	29,217	71,019	68,361	51,178	54,590	
⑥Capital expenditures (In thousands of yen)	1,669	1,716	138	272	5,655	2,964	-	110	426	875	8,454	1,246	1,188	1,841	
⑦NCF (=⑤-⑥) (In thousands of yen)	133,409	45,110	22,530	39,853	14,813	76,478	42,395	19,800	49,722	35,686	71,221	74,428	53,296	59,801	
Reference	Expense ratio (=②/①)	18.1%	20.1%	20.2%	21.1%	19.8%	23.2%	3.1%	26.8%	21.7%	25.9%	29.6%	17.7%	16.6%	16.3%
	Property tax for the year 2019 (In thousands of yen)	18,279	5,741	2,497	5,010	2,470	11,117	2,696	3,234	7,507	5,537	16,324	9,577	7,319	7,818
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-

【Reference】 Earnings Performance for the Individual Properties for the 15th Fiscal Period (February 1, 2019 to July 31, 2019) : 181 days ※ As of July 31, 2019

Property No.	T-18	T-19	T-20	T-21	T-22	T-23	T-24	T-25	T-26	T-27	T-28	T-29	T-30	T-31	
Property Name	KDX Residence Shiba Koen	KDX Residence Azabu East	KDX Residence Takanawa	KDX Residence Nishihara	KDX Residence Daikanyama II	KDX Residence Sendagaya	KDX Residence Nihombashi Suitengu	KDX Residence Nihombashi Hakozaki	KDX Residence Higashi-shinjuku	KDX Residence Yotsuya	KDX Residence Nishi-shinjuku	KDX Residence Kagurazaka	KDX Residence Futako Tamagawa	KDX Residence Komazawa Koen	
Acquisition Date	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	
Price Information	Acquisition price (In millions of yen)	1,781	1,560	770	1,450	730	650	3,240	1,147	3,270	2,260	1,000	720	1,250	920
	Percentage of total portfolio	0.8%	0.7%	0.3%	0.6%	0.3%	0.3%	1.4%	0.5%	1.4%	1.0%	0.4%	0.3%	0.5%	0.4%
	Net book value (In millions of yen)	1,761	1,592	761	1,492	759	638	3,154	1,156	3,236	2,297	996	710	1,276	905
	Appraisal value at the end of period (In millions of yen)	2,370	2,000	1,060	1,900	1,000	844	4,020	1,430	4,090	2,870	1,330	930	1,480	1,120
	Percentage of total appraisal value	0.9%	0.7%	0.4%	0.7%	0.4%	0.3%	1.5%	0.5%	1.5%	1.0%	0.5%	0.3%	0.5%	0.4%
Lease Information	Number of leasable residential units	64	76	27	39	17	16	79	60	179	42	54	34	38	32
	Leasable floor area (㎡)	2,507.52	1,849.00	1,034.27	2,310.08	985.10	748.96	5,534.86	1,537.38	4,358.43	3,101.16	1,345.92	890.93	2,339.62	1,020.18
	Leased floor area (㎡)	2,404.99	1,806.98	1,034.27	2,310.08	985.10	702.58	5,534.86	1,495.47	4,290.27	3,042.46	1,294.19	841.11	2,339.62	987.68
	Occupancy ratio (Note1)														
	As of July 31, 2019	95.9%	97.7%	100.0%	100.0%	100.0%	93.8%	100.0%	97.3%	98.4%	98.1%	96.2%	94.4%	100.0%	96.8%
	As of January 31, 2019	96.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	97.9%	96.9%	95.1%	100.0%	94.7%	100.0%
	As of July 31, 2018	98.3%	97.7%	95.6%	97.6%	100.0%	100.0%	100.0%	100.0%	95.0%	100.0%	91.5%	100.0%	100.0%	97.8%
	As of January 31, 2018	97.5%	98.9%	97.4%	100.0%	100.0%	100.0%	100.0%	98.7%	96.8%	100.0%	98.0%	97.2%	100.0%	95.5%
	As of July 31, 2017	98.4%	100.0%	100.0%	91.3%	100.0%	100.0%	100.0%	98.7%	100.0%	98.1%	96.6%	97.2%	97.6%	100.0%
	As of January 31, 2017	98.4%	97.7%	100.0%	100.0%	100.0%	100.0%	100.0%	95.5%	100.0%	100.0%	96.4%	97.2%	94.7%	100.0%
As of July 31, 2016	93.4%	98.9%	92.5%	95.9%	100.0%	100.0%	100.0%	97.3%	97.5%	95.9%	100.0%	100.0%	97.1%	100.0%	
As of January 31, 2016	94.6%	97.7%	100.0%	93.7%	100.0%	100.0%	100.0%	98.4%	97.9%	93.7%	100.0%	100.0%	100.0%	100.0%	
As of July 31, 2015	93.7%	97.7%	97.4%	97.5%	100.0%	87.6%	100.0%	97.1%	98.0%	100.0%	98.5%	97.2%	92.1%	97.8%	
As of January 31, 2015	93.3%	100.0%	100.0%	97.9%	100.0%	100.0%	100.0%	91.4%	99.0%	93.9%	98.2%	94.3%	100.0%	100.0%	
Profit and Loss Information for the 14th Fiscal Period	Operating periods	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days
	①Rental and other operating revenues (In thousands of yen)	65,707	55,935	27,543	52,255	28,696	22,902	97,662	41,432	111,378	79,625	35,721	25,587	42,861	28,984
	Rental revenues	61,095	53,213	25,225	48,036	23,348	19,490	93,188	38,051	103,678	70,978	34,073	23,130	38,802	26,669
	Other operating revenues	4,611	2,721	2,318	4,219	5,348	3,411	4,473	3,381	7,699	8,646	1,647	2,456	4,059	2,315
	②Property-related expenses (In thousands of yen)	11,223	12,887	6,199	14,951	5,226	5,258	10,803	8,872	19,226	19,959	7,821	5,883	7,758	5,533
	Property management fees	4,595	3,329	2,253	3,315	2,019	1,907	1,465	3,569	6,726	8,516	3,256	1,962	3,656	2,169
	Taxes	3,003	2,603	1,494	3,105	1,956	1,159	5,037	1,740	5,561	5,006	1,758	1,029	2,156	1,253
	Utilities	622	501	383	787	225	324	875	478	1,495	960	324	221	363	425
	Repairs and maintenance	1,874	5,438	950	6,759	415	1,229	2,299	1,945	3,203	2,944	2,038	1,869	1,032	1,117
	Insurance	60	55	26	64	26	24	134	40	116	128	34	23	56	26
	Trust fees and other expenses	1,067	960	1,091	919	582	613	991	1,098	2,123	2,402	408	774	493	540
	③NOI (=①-②) (In thousands of yen)	54,483	43,047	21,343	37,303	23,470	17,643	86,858	32,560	92,152	59,665	27,899	19,704	35,103	23,451
	④Depreciation (In thousands of yen)	5,806	6,291	2,765	6,060	1,274	2,806	17,800	6,899	11,784	10,024	4,006	3,372	4,733	4,685
⑤Rental operating income (=③-④) (In thousands of yen)	48,676	36,756	18,577	31,243	22,195	14,837	69,057	25,660	80,367	49,640	23,893	16,332	30,369	18,765	
⑥Capital expenditures (In thousands of yen)	-	48,476	-	46,533	-	577	1,061	2,397	981	6,328	1,722	133	2,511	2,949	
⑦NCF (=⑤-⑥) (In thousands of yen)	54,483	△5,428	21,343	△9,230	23,470	17,066	85,796	30,162	91,170	53,337	26,177	19,570	32,591	20,501	
Reference	Expense ratio (=②/①)	17.1%	23.0%	22.5%	28.6%	18.2%	23.0%	11.1%	21.4%	17.3%	25.1%	21.9%	23.0%	18.1%	19.1%
	Property tax for the year 2019 (In thousands of yen)	6,006	5,207	2,987	6,210	3,913	2,318	10,074	3,480	11,122	10,012	3,517	2,059	4,312	2,506
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-

【Reference】 Earnings Performance for the Individual Properties for the 15th Fiscal Period (February 1, 2019 to July 31, 2019) : 181 days ※ As of July 31, 2019

Property No.	T-32	T-33	T-34	T-35	T-36	T-37	T-38	T-39	T-40	T-41	T-42	T-43	T-44	T-45	
Property Name	KDX Residence Mishuku	KDX Residence Yoga	KDX Residence Shimouma	Raffine Minami-magome	KDX Residence Yukigaya Otsuka	KDX Residence Denen Chofu	KDX Residence Tamagawa	KDX Residence Monzennakacho	KDX Residence Okachimachi	KDX Residence Moto-asakusa	KDX Residence Itabashi Honcho	KDX Residence Azusawa	KDX Residence Tobu Nerima	KDX Residence Yokohama Kannai	
Acquisition Date	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	
Price Information	Acquisition price (In millions of yen)	760	700	600	1,250	1,050	1,000	776	773	850	800	620	550	420	800
	Percentage of total portfolio	0.3%	0.3%	0.3%	0.5%	0.5%	0.4%	0.3%	0.3%	0.4%	0.3%	0.3%	0.2%	0.2%	0.3%
	Net book value (In millions of yen)	752	695	598	1,241	1,024	1,062	739	766	870	788	599	551	396	776
	Appraisal value at the end of period (In millions of yen)	958	864	765	1,450	1,340	1,280	942	1,010	1,060	1,010	767	654	522	985
	Percentage of total appraisal value	0.4%	0.3%	0.3%	0.5%	0.5%	0.3%	0.3%	0.4%	0.4%	0.3%	0.2%	0.2%	0.4%	
Lease Information	Number of leasable residential units	39	38	29	56	72	36	52	49	51	44	46	39	37	72
	Leasable floor area (㎡)	1,103.82	1,012.80	829.05	2,408.56	1,526.98	2,359.44	1,170.40	1,171.41	1,329.79	1,314.91	1,127.58	989.82	931.82	1,602.16
	Leased floor area (㎡)	1,103.82	1,012.80	829.05	2,408.56	1,464.01	2,359.44	1,149.94	1,171.41	1,329.79	1,314.91	1,127.58	958.14	931.82	1,561.41
	Occupancy ratio (Note1)														
	As of July 31, 2019	100.0%	100.0%	100.0%	100.0%	95.9%	100.0%	98.3%	100.0%	100.0%	100.0%	100.0%	96.8%	100.0%	97.5%
	As of January 31, 2019	90.5%	97.5%	100.0%	100.0%	98.7%	97.2%	98.2%	100.0%	98.1%	95.9%	100.0%	100.0%	100.0%	98.8%
	As of July 31, 2018	100.0%	100.0%	100.0%	100.0%	97.3%	91.7%	94.5%	97.5%	100.0%	98.4%	100.0%	96.8%	100.0%	94.2%
	As of January 31, 2018	97.7%	90.0%	100.0%	100.0%	98.7%	100.0%	98.1%	95.9%	100.0%	95.9%	96.1%	100.0%	100.0%	97.0%
	As of July 31, 2017	100.0%	100.0%	96.8%	100.0%	100.0%	100.0%	98.1%	100.0%	100.0%	98.5%	98.1%	100.0%	96.6%	93.1%
	As of January 31, 2017	94.1%	100.0%	93.7%	100.0%	98.7%	94.4%	98.3%	100.0%	98.0%	92.4%	96.1%	97.9%	94.4%	88.0%
As of July 31, 2016	96.0%	100.0%	100.0%	100.0%	95.7%	91.7%	96.5%	93.7%	98.2%	97.4%	94.0%	90.2%	94.9%	90.8%	
As of January 31, 2016	95.3%	100.0%	96.7%	100.0%	100.0%	97.2%	100.0%	100.0%	100.0%	98.4%	95.8%	100.0%	97.3%	98.8%	
As of July 31, 2015	97.7%	100.0%	97.0%	100.0%	98.4%	97.2%	96.4%	96.2%	100.0%	92.4%	96.1%	94.1%	100.0%	97.2%	
As of January 31, 2015	100.0%	100.0%	100.0%	100.0%	100.0%	97.2%	100.0%	97.5%	100.0%	94.3%	93.9%	90.9%	97.8%	89.2%	
Profit and Loss Information for the 14th Fiscal Period	Operating periods	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days
	①Rental and other operating revenues (In thousands of yen)	25,741	24,079	21,209	41,292	39,538	38,418	29,806	29,005	32,983	30,691	24,246	20,546	18,663	35,517
	Rental revenues	24,522	21,549	20,115	41,292	37,537	36,476	27,123	26,012	29,579	28,876	23,107	19,232	17,364	32,040
	Other operating revenues	1,219	2,530	1,093	-	2,001	1,941	2,683	2,992	3,403	1,815	1,139	1,313	1,298	3,476
	②Property-related expenses (In thousands of yen)	6,780	4,199	4,645	3,169	8,610	5,819	6,602	7,857	8,516	5,843	5,451	4,795	4,506	8,655
	Property management fees	2,576	1,497	1,832	371	2,758	2,422	2,613	3,647	2,831	2,828	1,996	1,767	2,138	3,913
	Taxes	1,435	1,291	797	2,107	1,933	1,928	1,502	1,290	1,703	1,527	1,236	1,208	1,095	1,658
	Utilities	223	412	212	-	451	463	380	356	288	313	327	193	192	673
	Repairs and maintenance	1,038	319	1,040	184	1,791	544	1,144	1,987	3,199	683	958	1,198	347	1,467
	Insurance	29	24	19	46	40	46	35	29	31	36	27	27	24	47
	Trust fees and other expenses	1,477	653	743	460	1,634	414	925	547	461	453	906	400	708	894
③NOI (=①-②) (In thousands of yen)	18,961	19,879	16,563	38,122	30,927	32,599	23,204	21,147	24,466	24,848	18,794	15,750	14,157	26,862	
④Depreciation (In thousands of yen)	3,127	2,653	2,258	3,375	5,469	4,417	4,089	3,842	4,537	4,238	4,371	3,782	3,782	6,049	
⑤Rental operating income (=③-④) (In thousands of yen)	15,833	17,226	14,305	34,747	25,458	28,182	17,294	17,058	20,624	20,311	14,556	12,379	10,374	20,812	
⑥Capital expenditures (In thousands of yen)	468	320	758	597	1,094	1,243	421	3,162	33,839	1,550	133	502	-	2,006	
⑦NCF (=⑤-⑥) (In thousands of yen)	18,492	19,559	15,805	37,524	29,833	31,355	22,782	17,985	△9,372	23,298	18,661	15,248	14,157	24,855	
Reference	Expense ratio (=②/①)	26.3%	17.4%	21.9%	7.7%	21.8%	15.1%	22.1%	27.1%	25.8%	19.0%	22.5%	23.3%	24.1%	24.4%
	Property tax for the year 2019 (In thousands of yen)	2,871	2,582	1,595	4,214	3,867	3,856	3,005	2,580	3,386	3,054	2,472	2,417	2,190	3,316
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-

【Reference】 Earnings Performance for the Individual Properties for the 15th Fiscal Period (February 1, 2019 to July 31, 2019) : 181 days ※ As of July 31, 2019

Property No.	T-46	T-47	T-48	T-49	T-50	T-51	T-52	T-53	T-54	T-55	T-56	T-57	T-58	T-59	
Property Name	KDX Residence Miyamaedaira	KDX Residence Machida	KDX Residence Kinshicho	KDX Residence Nihombashi Hamacho	KDX Residence Nihombashi Ningyocho	KDX Residence Jiyugaoka	KDX Residence Togoshi	KDX Residence Shinagawa Seaside	KDX Residence Ojima	KDX Residence Oyama	KDX Residence Hanzomon	B-Site Akihabara	KDX Residence Kagurazaka Dori	KDX Residence Sendagi	
Acquisition Date	August 7, 2013	August 7, 2013	March 28, 2014	August 7, 2014	August 7, 2014	August 7, 2014	August 7, 2014	August 7, 2014	August 7, 2014	August 7, 2014	February 5, 2015	February 5, 2015	February 5, 2015	February 5, 2015	
Price Information	Acquisition price (In millions of yen)	999	1,800	1,350	996	530	1,268	3,745	2,593	1,857	2,679	4,832	850	1,360	2,200
	Percentage of total portfolio	0.4%	0.8%	0.6%	0.4%	0.2%	0.5%	1.6%	1.1%	0.8%	1.1%	2.1%	0.4%	0.6%	0.9%
	Net book value (In millions of yen)	1,001	1,709	1,339	1,001	560	1,319	3,745	2,575	1,833	2,638	4,950	862	1,380	2,355
	Appraisal value at the end of period (In millions of yen)	1,140	2,080	1,690	1,250	682	1,620	4,800	3,340	2,370	3,310	5,650	1,010	1,940	2,510
	Percentage of total appraisal value	0.4%	0.8%	0.6%	0.5%	0.2%	0.6%	1.8%	1.2%	0.9%	1.2%	2.1%	0.4%	0.7%	0.9%
Lease Information	Number of leasable residential units	40	52	33	28	27	48	144	127	117	145	85	52	70	40
	Leasable floor area (㎡)	2,448.27	3,832.53	2,024.81	1,756.27	877.14	1,637.00	4,591.76	3,314.75	2,372.67	4,009.07	4,854.23	1,254.50	1,809.84	3,159.89
	Leased floor area (㎡)	2,337.54	3,832.53	1,896.33	1,756.27	877.14	1,637.00	4,497.84	3,259.00	2,311.74	3,890.40	4,770.77	1,254.50	1,784.37	3,005.85
	Occupancy ratio (Note1)														
	As of July 31, 2019	95.5%	100.0%	93.7%	100.0%	100.0%	100.0%	98.0%	98.3%	97.4%	97.0%	98.3%	100.0%	98.6%	95.1%
	As of January 31, 2019	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.3%	97.1%	95.7%	92.0%	98.8%	100.0%	100.0%	97.8%
	As of July 31, 2018	94.7%	100.0%	96.9%	100.0%	100.0%	92.8%	100.0%	99.1%	95.7%	98.1%	97.3%	100.0%	95.8%	100.0%
	As of January 31, 2018	97.5%	100.0%	100.0%	100.0%	100.0%	97.7%	96.7%	97.1%	100.0%	95.3%	100.0%	100.0%	100.0%	100.0%
	As of July 31, 2017	100.0%	95.8%	100.0%	100.0%	96.8%	97.9%	98.9%	98.6%	96.6%	94.4%	97.2%	100.0%	100.0%	100.0%
	As of January 31, 2017	89.8%	100.0%	96.9%	100.0%	96.8%	98.6%	95.5%	100.0%	97.4%	93.2%	97.0%	100.0%	100.0%	95.0%
As of July 31, 2016	95.1%	87.0%	100.0%	100.0%	95.4%	95.1%	95.9%	97.5%	99.1%	95.3%	97.7%	100.0%	100.0%	99.0%	
As of January 31, 2016	95.3%	95.8%	96.8%	100.0%	100.0%	91.6%	98.4%	100.0%	99.1%	93.5%	98.8%	100.0%	100.0%	100.0%	
As of July 31, 2015	95.3%	100.0%	96.9%	100.0%	100.0%	87.9%	98.2%	93.4%	98.3%	91.3%	94.6%	100.0%	100.0%	100.0%	
As of January 31, 2015	90.0%	94.5%	97.3%	100.0%	90.9%	87.7%	97.0%	89.4%	100.0%	91.2%	-	-	-	-	
Profit and Loss Information for the 14th Fiscal Period	Operating periods	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days
	①Rental and other operating revenues (In thousands of yen)	37,338	65,141	44,100	30,540	20,000	41,375	122,275	87,512	64,304	94,215	135,357	23,882	53,316	66,336
	Rental revenues	33,710	56,497	37,487	30,442	19,230	38,893	113,152	81,935	58,947	83,476	120,757	23,882	49,095	59,175
	Other operating revenues	3,627	8,644	6,613	97	769	2,482	9,122	5,576	5,357	10,738	14,600	-	4,221	7,160
	②Property-related expenses (In thousands of yen)	7,509	14,901	8,125	4,136	3,608	7,239	20,677	17,938	15,068	18,434	19,922	3,293	12,133	12,153
	Property management fees	2,741	5,321	2,682	1,059	1,639	3,059	7,436	5,552	4,890	5,168	6,945	-	3,285	3,503
	Taxes	2,084	3,554	2,271	1,580	1,003	1,987	5,593	4,713	2,721	4,800	7,025	1,654	2,418	3,044
	Utilities	468	841	608	332	235	335	618	826	557	1,025	1,140	-	517	2,571
	Repairs and maintenance	1,587	4,149	1,745	738	297	776	3,269	3,121	3,653	4,515	2,119	1,244	2,721	1,638
	Insurance	60	103	68	40	23	39	137	105	71	112	135	34	54	86
Trust fees and other expenses	567	930	749	385	408	1,042	3,621	3,619	3,173	2,811	2,555	360	3,136	1,309	
③NOI (=①-②) (In thousands of yen)	29,828	50,239	35,974	26,403	16,391	34,135	101,597	69,574	49,236	75,780	115,434	20,588	41,182	54,182	
④Depreciation (In thousands of yen)	4,912	15,039	6,960	4,195	2,243	4,245	17,299	12,806	11,115	16,608	14,785	2,535	3,716	8,815	
⑤Rental operating income (=③-④) (In thousands of yen)	24,916	35,200	29,014	22,207	14,147	29,890	84,298	56,767	38,120	59,171	100,648	18,053	37,466	45,366	
⑥Capital expenditures (In thousands of yen)	3,252	1,955	2,960	1,530	-	210	3,186	1,566	2,384	2,884	4,688	-	-	2,989	
⑦NCF (=⑤-⑥) (In thousands of yen)	26,576	48,284	33,014	24,872	16,391	33,925	98,411	68,007	46,851	72,895	110,745	20,588	41,182	51,193	
Reference	Expense ratio (=②/①)	20.1%	22.9%	18.4%	13.5%	18.0%	17.5%	16.9%	20.5%	23.4%	19.6%	14.7%	13.8%	22.8%	18.3%
	Property tax for the year 2019 (In thousands of yen)	4,167	7,102	4,543	3,160	2,007	3,854	11,187	9,426	5,443	9,601	14,051	3,309	4,836	6,071
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-

【Reference】 Earnings Performance for the Individual Properties for the 15th Fiscal Period (February 1, 2019 to July 31, 2019) : 181 days ※ As of July 31, 2019

Property No.	T-60	T-61	T-62	T-63	T-64	T-65	T-66	T-67	T-68	T-69	T-70	T-71	T-72	T-73	
Property Name	KDX Residence Seijo	KDX Residence Akihabara	KDX Residence Iriya	KDX Residence Tachikawa	KDX Residence Tsurumi	KDX Residence Morishita Chitose	KDX Residence Akasaka	KDX Residence Kanda	KDX Residence Ebisu	KDX Residence Nishi-magome	KDX Residence Nishi-azabu	KDX Residence Azabu Sendaizakka	KDX Residence Waseda Tsurumaki	KDX Residence Bunkyo Yushima	
Acquisition Date	February 5, 2015	February 5, 2015	February 5, 2015	February 5, 2015	February 5, 2015	June 1, 2015	September 30, 2015	September 30, 2015	October 30, 2015	August 30, 2016	August 1, 2016	August 1, 2016	August 1, 2016	August 1, 2016	
Price Information	Acquisition price (In millions of yen)	1,400	1,250	1,062	3,026	1,050	1,100	1,150	700	2,845	1,130	1,224	792	561	695
	Percentage of total portfolio	0.6%	0.5%	0.5%	1.3%	0.5%	0.5%	0.5%	0.3%	1.2%	0.5%	0.5%	0.3%	0.2%	0.3%
	Net book value (In millions of yen)	1,421	1,249	1,062	2,994	1,149	1,106	1,191	722	2,939	1,170	1,240	806	566	702
	Appraisal value at the end of period (In millions of yen)	1,600	1,560	1,400	3,650	1,500	1,300	1,760	1,110	4,320	1,260	1,710	1,090	834	975
	Percentage of total appraisal value	0.6%	0.6%	0.5%	1.3%	0.5%	0.5%	0.6%	0.4%	1.6%	0.5%	0.6%	0.4%	0.3%	0.4%
Lease Information	Number of leasable residential units	38	32	57	174	59	65	28	30	65	47	33	30	39	38
	Leasable floor area (㎡)	2,198.56	1,929.61	1,899.29	4,314.87	3,499.84	1,614.28	1,180.71	1,031.09	2,659.66	1,297.27	1,357.88	878.50	808.54	939.89
	Leased floor area (㎡)	2,100.63	1,755.82	1,899.29	4,288.37	3,442.34	1,583.32	1,180.71	1,031.09	2,588.22	1,272.06	1,281.12	878.50	788.88	939.89
	Occupancy ratio (Note1)														
	As of July 31, 2019	95.5%	91.0%	100.0%	99.4%	98.4%	98.1%	100.0%	100.0%	97.3%	98.1%	94.3%	100.0%	97.6%	100.0%
	As of January 31, 2019	100.0%	95.2%	100.0%	94.3%	98.4%	96.2%	96.4%	96.9%	99.0%	89.1%	100.0%	100.0%	100.0%	100.0%
	As of July 31, 2018	93.2%	90.9%	100.0%	95.4%	98.4%	98.7%	100.0%	100.0%	100.0%	100.0%	96.9%	96.2%	97.6%	97.8%
	As of January 31, 2018	97.5%	97.0%	98.6%	92.6%	100.0%	97.4%	96.6%	100.0%	100.0%	96.1%	97.3%	100.0%	100.0%	100.0%
	As of July 31, 2017	97.5%	100.0%	100.0%	98.8%	100.0%	96.8%	96.4%	100.0%	92.1%	91.1%	96.9%	94.0%	92.4%	97.8%
	As of January 31, 2017	93.8%	100.0%	95.7%	94.9%	98.5%	98.7%	100.0%	100.0%	97.1%	36.2%	100.0%	100.0%	100.0%	100.0%
As of July 31, 2016	100.0%	85.8%	97.1%	92.1%	96.8%	98.7%	93.1%	100.0%	97.3%	-	-	-	-	-	
As of January 31, 2016	88.5%	87.9%	100.0%	95.9%	98.5%	96.8%	100.0%	97.4%	58.3%	-	-	-	-	-	
As of July 31, 2015	89.8%	97.0%	98.6%	96.1%	98.4%	96.2%	-	-	-	-	-	-	-	-	
As of January 31, 2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Profit and Loss Information for the 14th Fiscal Period	Operating periods	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days
	①Rental and other operating revenues (In thousands of yen)	42,556	41,056	40,160	101,348	53,371	39,299	40,417	29,930	94,712	33,739	40,538	27,752	21,899	25,046
	Rental revenues	37,867	37,909	37,546	89,281	46,999	36,814	37,175	27,557	91,487	30,780	37,280	25,961	21,189	23,387
	Other operating revenues	4,688	3,147	2,614	12,066	6,372	2,485	3,242	2,372	3,224	2,959	3,258	1,791	710	1,658
	②Property-related expenses (In thousands of yen)	7,769	7,604	7,433	17,967	12,027	7,329	5,138	5,536	10,753	7,646	8,102	5,927	5,449	5,822
	Property management fees	2,761	2,420	2,974	7,420	3,802	2,533	2,390	2,240	4,216	3,559	2,422	2,708	2,092	1,942
	Taxes	2,793	2,114	1,964	4,128	2,548	1,940	1,473	1,571	3,175	1,642	2,581	1,634	997	1,189
	Utilities	395	379	373	877	609	465	256	393	919	169	557	335	231	336
	Repairs and maintenance	1,068	1,572	935	2,135	3,159	857	210	187	955	636	1,255	285	1,098	1,140
	Insurance	58	48	48	125	78	42	36	32	83	34	40	26	24	26
	Trust fees and other expenses	693	1,069	1,135	3,280	1,830	1,489	772	1,110	1,402	1,604	1,245	938	1,005	1,187
	③NOI (=①-②) (In thousands of yen)	34,786	33,452	32,727	83,380	41,343	31,970	35,279	24,394	83,959	26,093	32,435	21,824	16,450	19,223
④Depreciation (In thousands of yen)	4,671	6,622	6,205	21,257	7,234	5,703	4,195	3,682	11,269	4,885	4,109	2,788	2,974	3,129	
⑤Rental operating income (=③-④) (In thousands of yen)	30,115	26,829	26,521	62,122	34,108	26,267	31,083	20,711	72,690	21,208	28,326	19,036	13,475	16,093	
⑥Capital expenditures (In thousands of yen)	419	868	615	-	15,241	651	-	-	-	-	1,334	883	-	1,123	
⑦NCF (=⑤-⑥) (In thousands of yen)	34,367	32,584	32,111	83,380	26,102	31,319	35,279	24,394	83,959	26,093	31,101	20,941	16,450	18,099	
Reference	Expense ratio (=②/①)	18.3%	18.5%	18.5%	17.7%	22.5%	18.6%	12.7%	18.5%	11.4%	22.7%	20.0%	21.4%	24.9%	23.2%
	Property tax for the year 2019 (In thousands of yen)	5,587	4,228	3,929	8,256	5,096	3,881	2,947	3,142	6,351	3,284	5,162	3,268	1,994	2,379
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-

【Reference】 Earnings Performance for the Individual Properties for the 15th Fiscal Period (February 1, 2019 to July 31, 2019) : 181 days ※ As of July 31, 2019

Property No.	T-74	T-75	T-76	T-77	T-78	T-79	T-80	T-81	T-82	T-83	R-2	R-3	R-4	R-5	
Property Name	KDX Residence Kamishakujji	KDX Residence Shin-otsuka	KDX Residence Sakurajosui	KDX Residence Ryogoku	KDX Residence Toyosu	KDX Residence Asagaya	KDX Residence Hiyoshi	KDX Residence Kamikitazawa	KDX Residence Kaminoge	KDX Residence Higashi-Asakusa	KDX Jozenji Dori Residence	KDX Izumi Residence	KDX Chihaya Residence	KDX Sakaisuji Hommachi Residence	
Acquisition Date	August 1, 2016	November 1, 2016	November 1, 2016	November 1, 2016	August 22, 2017	August 2, 2018	August 2, 2018	February 1, 2019	February 1, 2019	February 21, 2019	May 1, 2012	May 1, 2012	May 1, 2012	May 1, 2012	
Price Information	Acquisition price (In millions of yen)	648	764	894	842	7,500	1,930	2,635	1,360	1,111	687	1,015	1,120	1,080	2,910
	Percentage of total portfolio	0.3%	0.3%	0.4%	0.4%	3.2%	0.8%	1.1%	0.6%	0.5%	0.3%	0.4%	0.5%	0.5%	1.2%
	Net book value (In millions of yen)	657	775	906	855	7,734	1,964	2,699	1,395	1,141	709	936	1,050	996	2,706
	Appraisal value at the end of period (In millions of yen)	820	993	1,160	1,130	7,640	2,170	2,730	1,410	1,230	737	1,320	1,380	1,400	3,420
	Percentage of total appraisal value	0.3%	0.4%	0.4%	0.4%	2.8%	0.8%	1.0%	0.5%	0.4%	0.3%	0.5%	0.5%	0.5%	1.2%
Lease Information	Number of leasable residential units	47	40	43	36	242	44	92	39	34	36	92	40	92	160
	Leasable floor area (㎡)	1,032.18	872.00	1,227.16	1,190.53	6,811.38	1,996.08	6,131.93	1,971.07	1,224.87	1,013.40	3,330.15	2,798.20	2,936.40	6,385.70
	Leased floor area (㎡)	1,008.11	872.00	1,176.76	1,190.53	6,811.38	1,952.84	5,960.46	1,819.62	1,224.87	975.03	2,905.10	2,798.20	2,750.82	6,130.42
	Occupancy ratio (Note1)														
	As of July 31, 2019	97.7%	100.0%	95.9%	100.0%	100.0%	97.8%	97.2%	92.3%	100.0%	96.2%	87.2%	100.0%	93.7%	96.0%
	As of January 31, 2019	97.8%	100.0%	93.0%	100.0%	100.0%	100.0%	93.6%	-	-	-	97.0%	90.0%	96.2%	94.4%
	As of July 31, 2018	97.9%	100.0%	100.0%	100.0%	100.0%	-	-	-	-	-	97.0%	92.1%	95.1%	98.5%
	As of January 31, 2018	93.8%	100.0%	85.5%	93.4%	100.0%	-	-	-	-	-	93.0%	94.8%	96.2%	97.0%
	As of July 31, 2017	95.7%	100.0%	100.0%	97.9%	-	-	-	-	-	-	95.0%	97.4%	91.8%	95.0%
	As of January 31, 2017	97.8%	100.0%	100.0%	87.2%	-	-	-	-	-	-	93.4%	97.6%	99.2%	94.4%
As of July 31, 2016	-	-	-	-	-	-	-	-	-	-	95.7%	97.4%	94.8%	88.6%	
As of January 31, 2016	-	-	-	-	-	-	-	-	-	-	98.0%	89.8%	97.3%	91.4%	
As of July 31, 2015	-	-	-	-	-	-	-	-	-	-	100.0%	85.0%	98.9%	97.5%	
As of January 31, 2015	-	-	-	-	-	-	-	-	-	-	98.2%	100.0%	96.4%	93.2%	
Profit and Loss Information for the 14th Fiscal Period	Operating periods	181days	181days	181days	181days	181days	181days	181days	181days	181days	161days	181days	181days	181days	181days
	①Rental and other operating revenues (In thousands of yen)	24,625	22,608	29,996	29,691	181,058	49,108	77,800	34,703	26,206	18,914	49,736	43,130	48,072	107,710
	Rental revenues	22,086	22,248	27,209	28,167	177,418	46,035	70,673	31,353	26,130	17,126	44,479	35,933	43,465	98,626
	Other operating revenues	2,539	360	2,787	1,523	3,640	3,073	7,127	3,349	76	1,788	5,257	7,197	4,606	9,084
	②Property-related expenses (In thousands of yen)	6,251	1,854	8,002	4,766	16,337	6,644	12,690	7,941	2,135	3,245	12,040	9,185	10,619	27,337
	Property management fees	1,830	288	3,593	2,420	3,755	2,175	4,925	2,546	1,314	2,167	3,125	3,690	3,782	5,957
	Taxes	1,632	1,243	1,487	1,240	10,204	1,980	4,561	8	8	8	3,241	2,408	2,995	7,725
	Utilities	353	-	303	224	1,123	406	789	343	150	294	614	260	610	1,389
	Repairs and maintenance	1,300	-	1,146	312	29	1,254	1,150	3,671	164	395	2,891	1,059	1,884	5,708
	Insurance	29	23	34	32	200	52	139	47	30	23	74	64	73	182
Trust fees and other expenses	1,104	300	1,437	535	1,023	774	1,123	1,324	467	357	2,092	1,702	1,272	6,373	
③NOI (=①-②) (In thousands of yen)	18,374	20,753	21,993	24,925	164,721	42,464	65,110	26,761	24,071	15,669	37,696	33,944	37,452	80,373	
④Depreciation (In thousands of yen)	3,738	3,433	4,116	4,392	28,285	4,168	10,329	2,594	2,717	2,446	10,417	9,245	10,057	23,905	
⑤Rental operating income (=③-④) (In thousands of yen)	14,635	17,319	17,877	20,532	136,435	38,296	54,780	24,166	21,353	13,223	27,278	24,698	27,394	56,467	
⑥Capital expenditures (In thousands of yen)	1,932	-	-	-	771	347	1,415	1,622	384	320	793	-	-	1,103	
⑦NCF (=⑤-⑥) (In thousands of yen)	16,441	20,753	21,993	24,925	163,949	42,116	63,694	25,138	23,687	15,349	36,902	33,944	37,452	79,269	
Reference	Expense ratio (=②/①)	25.4%	8.2%	26.7%	16.1%	9.0%	13.5%	16.3%	22.9%	8.1%	17.2%	24.2%	21.3%	22.1%	25.4%
	Property tax for the year 2019 (In thousands of yen)	3,264	2,486	2,974	2,481	20,409	3,961	9,123	3,860	3,047	2,294	6,482	4,815	5,991	15,447
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-

【Reference】 Earnings Performance for the Individual Properties for the 15th Fiscal Period (February 1, 2019 to July 31, 2019) : 181 days ※ As of July 31, 2019

Property No.	R-7	R-8	R-9	R-10	R-11	R-13	R-15	R-16	R-17	R-18	R-19	R-20	R-21	R-22	
Property Name	KDX Takarazuka Residence	KDX Shimizu Residence	KDX Residence Odori Koen	KDX Residence Kikusui Yojo	KDX Residence Toyohira Koen	KDX Residence Ichiban-cho	KDX Residence Izumi Chuo	KDX Residence Higashi-sakura I	KDX Residence Higashi-sakura II	KDX Residence Jingumae	KDX Residence Nishi-oji	KDX Residence Sain	KDX Residence Namba	KDX Residence Namba-minami	
Acquisition Date	May 1, 2012	May 1, 2012	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	
Price Information	Acquisition price (In millions of yen)	1,510	1,680	765	830	445	530	480	2,350	900	840	813	440	1,410	1,350
	Percentage of total portfolio	0.6%	0.7%	0.3%	0.4%	0.2%	0.2%	0.2%	1.0%	0.4%	0.4%	0.3%	0.2%	0.6%	0.6%
	Net book value (In millions of yen)	1,353	1,559	779	786	467	503	456	2,248	863	797	780	419	1,359	1,281
	Appraisal value at the end of period (In millions of yen)	1,930	2,020	968	1,020	549	706	613	2,540	1,020	1,030	938	512	1,650	1,570
	Percentage of total appraisal value	0.7%	0.7%	0.4%	0.4%	0.2%	0.3%	0.2%	0.9%	0.4%	0.4%	0.3%	0.2%	0.6%	0.6%
Lease Information	Number of leasable residential units	80	148	78	84	65	45	40	187	66	95	76	49	118	131
	Leasable floor area (㎡)	4,631.16	6,255.16	2,762.76	3,413.06	2,253.81	1,818.09	2,159.25	6,221.83	2,655.31	2,724.19	2,353.55	1,094.81	3,387.30	3,813.31
	Leased floor area (㎡)	4,365.44	5,843.57	2,584.14	3,341.86	2,114.76	1,601.33	2,047.88	5,989.08	2,496.61	2,614.53	2,302.55	1,048.23	3,310.57	3,711.07
	Occupancy ratio (Note1)														
	As of July 31, 2019	94.3%	93.4%	93.5%	97.9%	93.8%	88.1%	94.8%	96.3%	94.0%	96.0%	97.8%	95.7%	97.7%	97.3%
	As of January 31, 2019	100.0%	96.2%	89.7%	89.8%	94.0%	85.2%	97.2%	87.7%	92.5%	92.3%	99.1%	96.0%	96.2%	97.4%
	As of July 31, 2018	96.4%	96.7%	100.0%	90.3%	95.2%	92.4%	95.8%	90.4%	89.5%	96.9%	100.0%	96.1%	95.5%	97.3%
	As of January 31, 2018	100.0%	95.9%	97.4%	94.4%	89.1%	97.3%	94.0%	93.0%	95.5%	91.4%	97.0%	98.0%	97.0%	96.9%
	As of July 31, 2017	99.3%	91.5%	96.1%	92.8%	95.4%	95.4%	89.0%	94.6%	95.5%	96.0%	95.9%	100.0%	100.0%	97.4%
	As of January 31, 2017	97.1%	96.6%	98.7%	100.0%	96.9%	91.6%	97.9%	90.4%	95.5%	92.0%	96.8%	94.1%	97.7%	95.6%
As of July 31, 2016	91.4%	97.6%	96.1%	100.0%	98.4%	97.3%	92.7%	93.1%	91.0%	97.8%	97.8%	96.2%	96.2%	95.7%	
As of January 31, 2016	97.1%	98.0%	96.1%	97.9%	93.9%	97.3%	94.8%	92.0%	92.5%	97.8%	95.9%	95.7%	100.0%	97.8%	
As of July 31, 2015	94.3%	94.2%	100.0%	94.3%	97.0%	95.3%	92.5%	92.5%	95.5%	98.2%	98.0%	91.8%	96.2%	96.5%	
As of January 31, 2015	95.7%	92.1%	94.9%	91.9%	95.5%	100.0%	92.0%	95.2%	94.0%	96.0%	98.9%	94.2%	96.2%	95.5%	
Profit and Loss Information for the 14th Fiscal Period	Operating periods	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days
	①Rental and other operating revenues (In thousands of yen)	58,665	71,832	31,774	39,506	23,507	25,648	23,065	91,858	37,912	39,734	34,424	18,873	56,119	54,892
	Rental revenues	54,383	63,864	29,354	34,489	21,117	23,490	20,409	83,026	34,150	35,940	31,958	16,668	51,693	53,320
	Other operating revenues	4,282	7,968	2,420	5,016	2,389	2,157	2,655	8,831	3,762	3,793	2,465	2,204	4,425	1,571
	②Property-related expenses (In thousands of yen)	11,915	19,166	14,349	10,346	7,750	7,974	6,688	32,918	13,834	10,588	7,411	5,399	11,323	11,545
	Property management fees	2,681	4,095	2,745	2,907	2,038	2,428	1,966	10,131	4,315	4,325	1,848	1,305	2,887	2,922
	Taxes	3,870	5,407	2,653	3,290	2,169	1,854	1,771	5,949	2,651	2,559	2,170	970	3,189	3,213
	Utilities	615	680	495	1,092	851	344	317	1,021	507	411	985	786	1,587	615
	Repairs and maintenance	3,231	6,858	6,014	1,292	775	1,371	1,349	5,771	2,972	2,461	1,552	1,241	1,022	2,516
	Insurance	96	141	67	59	51	40	43	142	63	61	55	27	73	84
	Trust fees and other expenses	1,419	1,982	2,373	1,703	1,863	1,935	1,238	9,901	3,324	768	800	1,066	2,562	2,192
	③NOI (=①-②) (In thousands of yen)	46,749	52,666	17,425	29,160	15,757	17,674	16,377	58,939	24,078	29,146	27,012	13,474	44,795	43,346
	④Depreciation (In thousands of yen)	16,576	14,237	8,043	7,555	4,859	5,083	4,509	17,818	7,021	7,357	6,365	3,861	9,990	11,819
⑤Rental operating income (=③-④) (In thousands of yen)	30,172	38,429	9,381	21,604	10,897	12,590	11,867	41,121	17,056	21,788	20,647	9,612	34,805	31,526	
⑥Capital expenditures (In thousands of yen)	1,325	1,161	56,991	-	-	598	-	1,102	-	640	1,796	-	324	420	
⑦NCF (=⑤-⑥) (In thousands of yen)	45,424	51,505	△39,566	29,160	15,757	17,075	16,377	57,837	24,078	28,505	25,215	13,474	44,471	42,926	
Reference	Expense ratio (=②/①)	20.3%	26.7%	45.2%	26.2%	33.0%	31.1%	29.0%	35.8%	36.5%	26.6%	21.5%	28.6%	20.2%	21.0%
	Property tax for the year 2019 (In thousands of yen)	7,734	10,812	5,307	6,580	4,339	3,708	3,543	11,898	5,302	5,117	4,340	1,941	6,378	6,426
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-

【Reference】 Earnings Performance for the Individual Properties for the 15th Fiscal Period (February 1, 2019 to July 31, 2019) : 181 days ※ As of July 31, 2019

Property No.	R-24	R-25	R-26	R-27	R-28	R-29	R-30	R-32	R-33	R-34	R-35	R-36	R-37	R-38	
Property Name	KDX Residence Ibaraki I-II	KDX Residence Toyonaka-minami	KDX Residence Moriguchi	KDX Residence Sanmomiya	Ashiya Royal Homes	KDX Residence Funairi Saiwai-cho	KDX Residence Tenjin-higashi II	KDX Residence Nishi Koen	KDX Residence Hiraou Josui-machi	Melody Heim Gotenyama	Leopalace Flat Shin-sakae	KDX Residence Konan Yamate	KDX Residence Hommachibashi	KDX Residence Minami-kusatsu	
Acquisition Date	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2014	November 28, 2014	November 14, 2014	December 18, 2014	February 5, 2015	
Price Information	Acquisition price (In millions of yen)	1,275	740	551	1,080	1,360	588	680	763	760	400	3,500	973	3,201	1,974
	Percentage of total portfolio	0.5%	0.3%	0.2%	0.5%	0.6%	0.3%	0.3%	0.3%	0.3%	0.2%	1.5%	0.4%	1.4%	0.8%
	Net book value (In millions of yen)	1,289	682	518	1,079	1,458	553	646	728	738	423	3,496	969	3,157	1,987
	Appraisal value at the end of period (In millions of yen)	1,424	860	666	1,210	1,920	703	873	876	913	531	4,490	1,130	3,620	2,410
	Percentage of total appraisal value	0.5%	0.3%	0.2%	0.4%	0.7%	0.3%	0.3%	0.3%	0.3%	0.2%	1.6%	0.4%	1.3%	0.9%
Lease Information	Number of leasable residential units	61	70	28	86	21	64	63	36	24	36	274	55	134	170
	Leasable floor area (㎡)	4,701.87	2,024.50	1,942.78	2,292.72	3,999.01	1,889.53	2,602.53	2,522.16	2,098.68	2,297.24	11,589.95	1,923.22	6,511.88	5,735.96
	Leased floor area (㎡)	4,625.13	1,934.41	1,882.27	2,242.19	3,504.86	1,712.01	2,561.22	2,303.08	1,939.08	2,297.24	11,589.95	1,923.22	6,285.09	5,735.96
	Occupancy ratio (Note1)														
	As of July 31, 2019	98.4%	95.6%	96.9%	97.8%	87.6%	90.6%	98.4%	91.3%	92.4%	100.0%	100.0%	100.0%	96.5%	100.0%
	As of January 31, 2019	98.4%	100.0%	100.0%	98.9%	86.9%	100.0%	100.0%	94.9%	96.2%	100.0%	100.0%	98.4%	96.4%	99.0%
	As of July 31, 2018	100.0%	95.8%	96.5%	98.3%	100.0%	98.4%	95.2%	94.9%	100.0%	94.5%	100.0%	97.4%	98.9%	100.0%
	As of January 31, 2018	96.7%	95.6%	100.0%	100.0%	100.0%	98.4%	95.2%	91.2%	95.7%	100.0%	100.0%	95.9%	97.7%	95.1%
	As of July 31, 2017	100.0%	95.7%	96.1%	96.7%	95.0%	100.0%	98.4%	91.1%	91.6%	97.5%	100.0%	95.2%	97.7%	95.0%
	As of January 31, 2017	93.5%	95.8%	96.1%	96.7%	100.0%	100.0%	100.0%	82.3%	87.7%	91.8%	100.0%	92.2%	96.3%	98.4%
As of July 31, 2016	95.1%	98.7%	96.2%	92.2%	95.7%	100.0%	93.7%	94.5%	92.4%	92.1%	100.0%	98.4%	94.4%	94.7%	
As of January 31, 2016	98.3%	97.0%	100.0%	92.2%	100.0%	98.5%	98.4%	88.9%	91.9%	94.7%	100.0%	98.4%	95.9%	100.0%	
As of July 31, 2015	95.1%	100.0%	89.6%	97.8%	96.1%	98.4%	92.1%	92.5%	94.9%	100.0%	100.0%	98.4%	95.8%	93.9%	
As of January 31, 2015	95.1%	95.4%	100.0%	98.9%	93.0%	96.9%	98.4%	100.0%	91.0%	97.3%	100.0%	96.9%	90.2%	-	
Profit and Loss Information for the 14th Fiscal Period	Operating periods	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days
	①Rental and other operating revenues (In thousands of yen)	54,297	29,855	23,169	39,525	65,775	27,230	31,116	31,044	28,341	22,126	121,557	32,229	107,699	104,357
	Rental revenues	48,443	28,428	20,993	37,409	53,256	24,151	28,152	26,262	25,921	18,892	119,525	31,506	99,765	84,909
	Other operating revenues	5,853	1,427	2,176	2,116	12,518	3,078	2,963	4,782	2,419	3,233	2,031	722	7,933	19,448
	②Property-related expenses (In thousands of yen)	13,012	6,488	6,145	10,497	15,764	5,774	7,694	10,015	4,868	5,462	15,033	7,204	24,347	29,408
	Property management fees	2,752	1,498	1,540	2,572	6,152	1,634	1,892	2,149	1,686	1,216	3,646	1,768	4,257	5,925
	Taxes	4,611	1,783	1,631	2,567	4,815	1,790	1,935	2,269	2,077	1,364	9,253	2,006	8,342	5,743
	Utilities	1,124	393	1,001	410	1,285	302	405	527	418	940	-	289	1,614	4,543
	Repairs and maintenance	3,181	1,745	1,177	2,765	1,882	1,291	2,437	3,190	218	1,227	1,326	1,176	5,535	8,450
	Insurance	113	46	51	56	109	42	60	55	46	44	262	49	187	156
Trust fees and other expenses	1,229	1,022	743	2,125	1,519	713	964	1,822	421	669	545	1,913	4,410	4,589	
③NOI (=①-②) (In thousands of yen)	41,285	23,366	17,023	29,027	50,011	21,455	23,421	21,029	23,472	16,663	106,523	25,025	83,351	74,949	
④Depreciation (In thousands of yen)	6,682	5,459	8,120	4,891	5,378	6,253	6,401	4,809	2,271	33,321	4,921	22,035	18,323		
⑤Rental operating income (=③-④) (In thousands of yen)	34,602	15,191	11,564	20,907	45,119	16,077	17,167	14,627	18,662	14,392	73,202	20,104	61,316	56,625	
⑥Capital expenditures (In thousands of yen)	-	415	917	2,884	835	-	651	991	-	123	-	1,708	4,102	17,028	
⑦NCF (=⑤-⑥) (In thousands of yen)	41,285	22,950	16,105	26,142	49,176	21,455	22,770	20,038	23,472	16,540	106,523	23,317	79,249	57,920	
Reference	Expense ratio (=②/①)	24.0%	21.7%	26.5%	26.6%	24.0%	21.2%	24.7%	32.3%	17.2%	24.7%	12.4%	22.4%	22.6%	28.2%
	Property tax for the year 2019 (In thousands of yen)	9,219	3,566	3,260	5,135	9,627	3,581	3,870	4,539	4,155	2,726	18,502	4,013	16,685	11,483
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-

【Reference】 Earnings Performance for the Individual Properties for the 15th Fiscal Period (February 1, 2019 to July 31, 2019) : 181 days ※As of July 31, 2019

Property No.	R-39	R-40	R-41	R-42	R-43	R-44	R-45	H-1	H-2	H-3	H-4	H-5	H-6	H-7	
Property Name	KDX Residence Ohori Harbor View Tower	KDX Residence Minami-sanjo	Serenite Kita-kyujoji	Serenite Nishinomiya Hommachi	KDX Residence Nishijin	Serenite Kobe Motomachi	KDX Residence Shukugawa Hills	Irise Kamata /Yuseien	Nichii Home Nakano Minamidai	Joy Stage Hachioji	Yuimaru Hijirigaoka	Nichii Home Tama Plaza	Ten	Irise Nishioka	
Acquisition Date	February 5, 2015	September 30, 2015	October 27, 2015	December 1, 2016	August 1, 2017	August 2, 2018	August 2, 2018	March 1, 2018	March 1, 2018	March 1, 2018	March 1, 2018	March 1, 2018	March 1, 2018	March 1, 2018	
Price Information	Acquisition price (In millions of yen)	4,606	915	1,290	617	1,600	2,390	6,884	1,120	1,780	3,690	1,120	2,940	2,630	858
	Percentage of total portfolio	2.0%	0.4%	0.6%	0.3%	0.7%	1.0%	3.0%	0.5%	0.8%	1.6%	0.5%	1.3%	1.1%	0.4%
	Net book value (In millions of yen)	4,547	919	1,278	643	1,747	2,492	7,263	1,093	1,772	3,783	1,094	2,857	2,576	834
	Appraisal value at the end of period (In millions of yen)	5,220	1,690	1,580	744	1,690	2,600	7,300	1,120	1,780	3,760	1,120	2,940	2,660	857
	Percentage of total appraisal value	1.9%	0.6%	0.6%	0.3%	0.6%	1.0%	2.7%	0.4%	0.7%	1.4%	0.4%	1.1%	1.0%	0.3%
Lease Information	Number of leasable residential units	212	114	85	51	128	138	239	-	-	-	-	-	-	-
	Leasable floor area (㎡)	11,855.63	5,269.39	2,277.14	1,351.68	4,472.72	3,787.85	17,575.39	2,086.40	3,339.00	13,812.27	4,385.53	8,208.65	6,473.60	3,140.27
	Leased floor area (㎡)	9,106.54	5,269.39	2,277.14	1,351.68	4,331.38	3,680.96	16,504.36	2,086.40	3,339.00	13,812.27	4,385.53	8,208.65	6,473.60	3,140.27
	Occupancy ratio (Note1)														
	As of July 31, 2019	76.8%	100.0%	100.0%	100.0%	96.8%	97.2%	93.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of January 31, 2019	91.6%	95.2%	94.2%	98.1%	96.6%	98.6%	93.3%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of July 31, 2018	90.5%	92.3%	98.7%	88.7%	89.5%	-	-	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of January 31, 2018	91.6%	95.4%	96.4%	98.1%	88.6%	-	-	-	-	-	-	-	-	-
	As of July 31, 2017	93.0%	98.4%	97.5%	98.1%	-	-	-	-	-	-	-	-	-	-
	As of January 31, 2017	90.9%	98.3%	97.4%	100.0%	-	-	-	-	-	-	-	-	-	-
As of July 31, 2016	93.5%	95.3%	96.9%	-	-	-	-	-	-	-	-	-	-	-	
As of January 31, 2016	88.1%	97.1%	54.2%	-	-	-	-	-	-	-	-	-	-	-	
As of July 31, 2015	93.2%	-	-	-	-	-	-	-	-	-	-	-	-	-	
As of January 31, 2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Profit and Loss Information for the 14th Fiscal Period	Operating periods	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days
	①Rental and other operating revenues (In thousands of yen)	189,098	55,623	43,356	23,691	57,987	76,283	206,067	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)
	Rental revenues	139,478	50,414	41,421	21,513	46,500	69,636	171,711	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)
	Other operating revenues	49,619	5,208	1,934	2,178	11,486	6,647	34,356							
	②Property-related expenses (In thousands of yen)	41,139	17,666	11,337	5,458	23,727	15,466	64,357	5,530	4,353	21,800	4,746	6,915	8,414	3,657
	Property management fees	9,904	3,579	2,836	1,607	3,002	3,614	12,957	360	480	600	384	600	840	420
	Taxes	13,389	5,241	2,876	1,670	3,630	5,685	17,690	1,594	3,344	8,345	3,817	5,671	6,168	2,710
	Utilities	1,920	618	371	377	2,300	316	2,579	-	-	-	-	-	-	-
	Repairs and maintenance	12,138	6,090	1,239	386	10,107	1,868	23,177	210	-	12,119	-	-	787	-
	Insurance	322	136	57	39	102	103	496	43	69	275	84	183	157	64
Trust fees and other expenses	3,463	1,999	3,955	1,377	4,584	3,878	7,456	3,323	460	461	461	460	461	461	
③NOI (=①-②) (In thousands of yen)	147,959	37,957	32,018	18,233	34,259	60,817	141,709	27,769	44,846	98,576	30,301	81,200	83,385	23,342	
④Depreciation (In thousands of yen)	42,600	11,257	10,156	4,756	7,553	14,601	30,313	11,696	4,371	28,772	9,048	30,556	28,051	9,189	
⑤Rental operating income (=③-④) (In thousands of yen)	105,358	26,700	21,861	13,476	26,706	46,215	111,395	16,072	40,475	69,803	21,252	50,643	55,333	14,153	
⑥Capital expenditures (In thousands of yen)	1,198	-	-	193	7,414	-	78,190	1,201	1,613	121,890	266	1,464	1,445	-	
⑦NCF (=⑤-⑥) (In thousands of yen)	146,760	37,957	32,018	18,039	26,845	60,817	63,519	26,567	43,232	△23,314	30,034	79,735	81,940	23,342	
Reference	Expense ratio (=②/①)	21.8%	31.8%	26.1%	23.0%	40.9%	20.3%	31.2%	16.6%	8.8%	18.1%	13.5%	7.8%	9.2%	13.5%
	Property tax for the year 2019 (In thousands of yen)	26,778	10,467	5,753	3,340	7,259	11,370	35,339	3,188	6,688	16,687	7,634	11,343	12,330	5,419
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note: We have not obtained consent from the tenant(s) to release this information.

【Reference】 Earnings Performance for the Individual Properties for the 15th Fiscal Period (February 1, 2019 to July 31, 2019) : 181 days ※ As of July 31, 2019

Property No.	H-8	H-9	H-10	H-11	H-12	H-13	H-14	H-15	H-16	H-17	H-18	H-19	H-20	H-21	
Property Name	Izarie Eniwa Building	Sawayaka Sakura Nibankan	Activa Biwa	Sompo Care LAVIERE Kobe Tarumi	Granda Mondo Yakujin	Excellent Nishinomiya	Gran Hills Ogawarako	Excellent Kitano	Anesis Teradacho	Rococo-riha	Orage Suma	Canadian Hill	Anesis Hyogo	Plaisant Grand Ota tamagawa	
Acquisition Date	March 1, 2018	March 1, 2018	March 1, 2018	March 1, 2018	March 1, 2018	March 1, 2018	March 1, 2018	July 6, 2018	August 2, 2018	August 2, 2018	August 2, 2018	August 2, 2018	August 2, 2018	September 28, 2018	
Price Information	Acquisition price (In millions of yen)	1,660	989	6,560	2,110	1,190	971	1,380	737	3,490	2,100	2,810	1,830	1,420	3,057
	Percentage of total portfolio	0.7%	0.4%	2.8%	0.9%	0.5%	0.4%	0.6%	0.3%	1.5%	0.9%	1.2%	0.8%	0.6%	1.3%
	Net book value (In millions of yen)	1,608	954	6,429	2,078	1,162	944	1,328	761	3,557	2,096	2,827	1,843	1,422	3,241
	Appraisal value at the end of period (In millions of yen)	1,740	991	6,560	2,110	1,190	975	1,380	780	3,630	2,170	2,810	1,870	1,440	3,180
	Percentage of total appraisal value	0.6%	0.4%	2.4%	0.8%	0.4%	0.4%	0.5%	0.3%	1.3%	0.8%	1.0%	0.7%	0.5%	1.2%
Lease Information	Number of leasable residential units	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Leasable floor area (㎡)	5,343.33	3,628.51	39,649.84	4,493.35	3,287.80	2,685.48	4,180.28	1,339.58	7,856.64	3,860.29	5,995.74	3,731.26	4,415.16	3,175.15
	Leased floor area (㎡)	5,343.33	3,628.51	39,649.84	4,493.35	3,287.80	2,685.48	4,180.28	1,339.58	7,856.64	3,860.29	5,995.74	3,731.26	4,415.16	3,175.15
	Occupancy ratio (Note1)														
	As of July 31, 2019	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of January 31, 2019	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of July 31, 2018	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	-	-	-	-
	As of January 31, 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	As of July 31, 2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	As of January 31, 2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit and Loss Information for the 14th Fiscal Period	Operating periods	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days
	①Rental and other operating revenues (In thousands of yen)	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)
	Rental revenues														
	Other operating revenues														
	②Property-related expenses (In thousands of yen)	13,495	4,246	33,405	4,750	10,213	3,043	4,458	2,295	10,249	6,093	7,691	8,292	7,930	5,421
	Property management fees	3,585	510	3,167	840	360	360	660	360	540	420	420	420	420	600
	Taxes	4,043	2,413	26,482	3,274	1,493	1,891	2,294	1,445	7,930	5,134	6,686	5,488	5,585	4,288
	Utilities	1,987	-	-	-	-	-	-	-	-	-	-	-	-	-
	Repairs and maintenance	3,211	800	2,628	89	-	275	965	-	1,163	-	-	1,842	1,373	-
	Insurance	203	62	665	86	68	55	78	29	154	79	124	81	91	70
	Trust fees and other expenses	464	460	461	459	8,292	460	460	460	460	460	460	460	460	462
③NOI (=①-②) (In thousands of yen)	51,437	28,549	223,334	52,999	31,486	24,916	51,341	18,354	97,129	57,331	79,039	46,799	37,902	65,618	
④Depreciation (In thousands of yen)	18,263	12,286	61,714	11,826	9,982	9,525	18,076	4,157	31,911	16,586	23,822	7,572	10,431	9,932	
⑤Rental operating income (=③-④) (In thousands of yen)	33,173	16,262	161,619	41,173	21,503	15,390	33,264	14,197	65,217	40,745	55,217	39,226	27,470	55,686	
⑥Capital expenditures (In thousands of yen)	-	-	19,742	262	-	-	-	540	-	-	-	39,016	-	-	
⑦NCF (=⑤-⑥) (In thousands of yen)	51,437	28,549	203,591	52,737	31,486	24,916	51,341	17,814	97,129	57,331	79,039	7,783	37,902	65,618	
Reference	Expense ratio (=②/①)	20.8%	12.9%	13.0%	8.2%	24.5%	10.9%	8.0%	11.1%	9.5%	9.6%	8.9%	15.1%	17.3%	7.6%
	Property tax for the year 2019 (In thousands of yen)	8,083	4,823	52,961	6,542	2,986	3,783	4,586	2,884	15,859	10,268	13,372	10,955	11,169	8,576
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note: We have not obtained consent from the tenant(s) to release this information.

* Total: Cost-weighted average o

【Reference】 Earnings Performance for the Individual Properties for the 15th Fiscal Period (February 1, 2019 to July 31, 2019) : 181 days ※ As of July 31, 2019

Property No.	H-22	H-23	H-24		
Property Name	Tsukui Sun-shine Machida	Serabi Ebisu	Arute Ishiyagawa	Total of 138 Properties	
Acquisition Date	March 1, 2019	June 3, 2019	June 3, 2019		
Price Information	Acquisition price (In millions of yen)	6,934	1,690	1,061	233,251
	Percentage of total portfolio	3.0%	0.7%	0.5%	100.0%
	Net book value (In millions of yen)	7,187	1,720	1,201	233,496
	Appraisal value at the end of period (In millions of yen)	7,070	1,700	1,410	273,676
	Percentage of total appraisal value	2.6%	0.6%	0.5%	100.0%
Lease Information	Number of leasable residential units	-	-	-	8,346
	Leasable floor area (㎡)	15,553.33	1,557.73	3,444.81	491,050.34
	Leased floor area (㎡)	15,553.33	1,557.73	3,444.81	478,934.86
	Occupancy ratio (Note1)				
	As of July 31, 2019	100.0%	100.0%	100.0%	97.5%
	As of January 31, 2019	-	-	-	97.7%
	As of July 31, 2018	-	-	-	97.6%
	As of January 31, 2018	-	-	-	97.0%
	As of July 31, 2017	-	-	-	96.9%
	As of January 31, 2017	-	-	-	96.2%
	As of July 31, 2016	-	-	-	95.9%
As of January 31, 2016	-	-	-	96.0%	
As of July 31, 2015	-	-	-	96.3%	
As of January 31, 2015	-	-	-	95.8%	
Profit and Loss Information for the 14th Fiscal Period	Operating periods	153days	59days	59days	179days*
	①Rental and other operating revenues (In thousands of yen)				7,933,005
	Rental revenues	(Note)	(Note)	(Note)	7,342,246
	Other operating revenues				590,758
	②Property-related expenses (In thousands of yen)	1,421	373	2,314	1,524,150
	Property management fees	750	193	193	425,193
	Taxes	8	20	17	476,598
	Utilities	-	-	-	95,274
	Repairs and maintenance	-	-	-	300,657
	Insurance	281	12	23	11,651
Trust fees and other expenses	381	146	2,081	214,774	
③NOI (=①-②) (In thousands of yen)	142,469	12,169	14,118	6,408,855	
④Depreciation (In thousands of yen)	31,883	967	6,670	1,391,292	
⑤Rental operating income (=③-④) (In thousands of yen)	110,586	11,202	7,447	5,017,562	
⑥Capital expenditures (In thousands of yen)	-	-	-	612,231	
⑦NCF (=⑤-⑥) (In thousands of yen)	142,469	12,169	14,118	5,796,624	
Reference	Expense ratio (=②/①)	1.0%	3.0%	14.1%	19.2%
	Property tax for the year 2019 (In thousands of yen)	23,670	3,992	4,600	991,707
	Assets pledged as collateral	-	-	-	-

*operating period

【Reference】 Earnings Performance for the Individual Properties for the 15th Fiscal Period (February 1, 2019 to July 31, 2019) : 181 days ※As of July 31, 2019

Property No.		R-23		Total 1 sold of Property	Total of 144 Properties
Property Name		KDX Residence Shin-Osaka			
Acquisition Date		August 7, 2013			
Price Information	Acquisition price	(In millions of yen)	510	510	233,761
	Percentage of total portfolio		100.0%	100.0%	-
	Revenue from sale of the investment property	(In millions of yen)	690	690	-
	Costs of the investment property	(In millions of yen)	482	482	-
	Gain / Loss on sale of real estate	(In millions of yen)	203	203	-
Lease Information	Number of leasable residential units		-	-	-
	Leasable floor area	(㎡)	-	-	-
	Leased floor area	(㎡)	-	-	-
	Occupancy ratio				
	As of July 31, 2019		-	-	-
	As of January 31, 2019		97.7%	-	-
	As of July 31, 2018		100.0%	-	-
	As of January 31, 2018		97.7%	-	-
	As of July 31, 2017		90.9%	-	-
	As of January 31, 2017		95.4%	-	-
As of July 31, 2016		90.9%	-	-	
As of January 31, 2016		100.0%	-	-	
As of July 31, 2015		97.7%	-	-	
As of January 31, 2015		95.4%	-	-	
Income and Retained Earnings Information for the 14th Fiscal Period	Operating periods		-	-	178days
	①Rental and other operating revenues	(In thousands of yen)	19	19	7,933,025
	Rental revenues		-	-	7,342,246
	Other operating revenues		19	19	590,778
	②Property-related expenses	(In thousands of yen)	279	279	1,524,429
	Property management fees		-	-	425,193
	Taxes		222	222	476,820
	Utilities		29	29	95,304
	Repairs and maintenance		-	-	300,657
	Insurance		20	20	11,671
Trust fees and other expenses		6	6	214,781	
③NOI (=①-②)	(In thousands of yen)	△259	△259	6,408,595	
④Depreciation	(In thousands of yen)	-	-	1,391,292	
⑤Rental operating income (=③-④)	(In thousands of yen)	△259	△259	5,017,303	
⑥Capital expenditures	(In thousands of yen)	-	-	612,231	
⑦NCF (=⑤-⑥)	(In thousands of yen)	△259	△259	5,796,364	
Reference	Expense ratio (=②/①)		1409.6%	1409.6%	19.2%
	Property tax for the year 2019	(In thousands of yen)	-	-	-
	Assets pledged as collateral		-	-	-

*Total : Cost-weighted average operating period

R-23 KDX Residence Shin-Osaka was sold on February 1, 2019.

(Reference) Borrowings

Borrowings as of July 31, 2019 are as follows:

(in thousands of yen)

Classification	Lender	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note 1) (Note 2)	Payment due date (Note 3)	Use	Remarks
Short-Term Loan payable	Sumitomo Mitsui Banking Corporation	1,250,000	-	1,250,000	-	0.412%	July 31, 2019	(Note 4)	Unsecured/ Unguaranteed
	Mizuho Bank, Ltd.	800,000	-	800,000	-	0.412%	July 31, 2019		
	Sumitomo Mitsui Banking Corporation	-	1,000,000	-	1,000,000	0.413%	February 28, 2020		
	Sumitomo Mitsui Banking Corporation	-	1,000,000	-	1,000,000	0.374%	July 31, 2020		
	Sumitomo Mitsui Banking Corporation	-	500,000	-	500,000	0.324%	July 31, 2020		
	Sub Total	2,050,000	2,500,000	2,050,000	2,500,000				
Current Portion of Long-Term Loans Payable	MUFG Bank, Ltd (Note 6)	1,500,000	-	-	1,500,000	0.689%	November 30, 2019	(Note 4)	Unsecured/ Unguaranteed
	Sumitomo Mitsui Banking Corporation	1,000,000	-	1,000,000	-	0.486%	February 28, 2019		
	MUFG Bank, Ltd	500,000	-	500,000	-	0.486%	February 28, 2019		
	Sumitomo Mitsui Trust Bank, Limited	500,000	-	500,000	-	0.362%	July 31, 2019		
	Shinsei Bank, Limited	500,000	-	500,000	-	0.362%	July 31, 2019		
	Sumitomo Mitsui Banking Corporation	1,500,000	-	-	1,500,000	0.437%	January 31, 2020		
	MUFG Bank, Ltd	1,400,000	-	-	1,400,000				
	Mizuho Bank, Ltd.	900,000	-	-	900,000				
	Shinsei Bank, Limited	500,000	-	-	500,000				
	Resona Bank, Limited	400,000	-	-	400,000				
	Sumitomo Mitsui Trust Bank, Limited	300,000	-	-	300,000				
	Mizuho Trust & Banking Co., Ltd.	300,000	-	-	300,000				
	Aozora Bank, Ltd.	200,000	-	-	200,000				
	The Bank of Fukuoka, Ltd.	200,000	-	-	200,000				
	Shinsei Bank, Limited	1,750,000	-	-	1,750,000				
	Sumitomo Mitsui Banking Corporation	1,750,000	-	-	1,750,000	0.729%	July 29, 2020		
	MUFG Bank, Ltd	1,000,000	-	-	1,000,000				
	Mizuho Bank, Ltd.	500,000	-	-	500,000				
	Resona Bank, Limited	500,000	-	-	500,000				
	Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000				
Sub Total	15,700,000	-	2,500,000	13,200,000					
Long-Term Loans Payable	MUFG Bank, Ltd	1,000,000	-	-	1,000,000	1.109%	January 31, 2021	(Note 4)	Unsecured/ Unguaranteed
	Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	1.221%	July 31, 2021		
	Aozora Bank, Ltd.	1,350,000	-	-	1,350,000	1.183%	March 31, 2021		
	Sumitomo Mitsui Banking Corporation	2,000,000	-	-	2,000,000	1.267%	April 30, 2022		
	Aozora Bank, Ltd.	1,500,000	-	-	1,500,000	1.267%	April 30, 2022		
	MUFG Bank, Ltd	1,000,000	-	-	1,000,000	1.267%	April 30, 2022		
	Resona Bank, Limited	1,000,000	-	-	1,000,000	1.267%	April 30, 2022		
	Sumitomo Mitsui Banking Corporation	1,100,000	-	-	1,100,000	0.916%	August 7, 2021		
	MUFG Bank, Ltd	1,100,000	-	-	1,100,000				
	Mizuho Bank, Ltd.	600,000	-	-	600,000				
	Aozora Bank, Ltd.	350,000	-	-	350,000				
	Resona Bank, Limited	300,000	-	-	300,000				
	Mizuho Trust & Banking Co., Ltd.	300,000	-	-	300,000				
	Development Bank of Japan Inc. (Note 5)	1,000,000	-	-	1,000,000	0.996%	August 7, 2021		
	Sumitomo Mitsui Banking Corporation	400,000	-	-	400,000	1.254%	August 7, 2023		
	MUFG Bank, Ltd	400,000	-	-	400,000				
	Mizuho Bank, Ltd.	300,000	-	-	300,000				
	Resona Bank, Limited	200,000	-	-	200,000				
	Mizuho Trust & Banking Co., Ltd.	200,000	-	-	200,000				
	Aozora Bank, Ltd.	150,000	-	-	150,000				
	Development Bank of Japan Inc. (Note 5)	500,000	-	-	500,000	1.320%	August 7, 2023		
	Sumitomo Mitsui Banking Corporation	600,000	-	-	600,000	0.945%	August 31, 2021		
	MUFG Bank, Ltd	600,000	-	-	600,000	0.945%	August 31, 2021		
	Aozora Bank, Ltd.	500,000	-	-	500,000	0.945%	August 31, 2021		
	Mizuho Bank, Ltd.	950,000	-	-	950,000	1.083%	November 30, 2022		
	Sumitomo Mitsui Banking Corporation	2,000,000	-	-	2,000,000	0.804%	November 30, 2020		
	Sumitomo Mitsui Banking Corporation	1,200,000	-	-	1,200,000	0.875%	January 31, 2022		
	MUFG Bank, Ltd	1,200,000	-	-	1,200,000	1.105%	January 31, 2024		
	Aozora Bank, Ltd.	2,000,000	-	-	2,000,000	0.875%	April 30, 2022		
	Resona Bank, Limited	1,500,000	-	-	1,500,000	0.987%	April 30, 2023		
	MUFG Bank, Ltd	2,000,000	-	-	2,000,000	1.100%	April 30, 2024		
	Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	1.265%	April 30, 2025		

Classification	Lender	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note 1) (Note 2)	Payment due date (Note 3)	Use	Remarks
Long-Term Loans Payable	Shinsei Bank, Limited	1,100,000	-	-	1,100,000	1.115%	July 29, 2022	(Note 4)	Unsecured/ Unguaranteed
	Sumitomo Mitsui Banking Corporation	1,100,000	-	-	1,100,000				
	MUFG Bank, Ltd	1,000,000	-	-	1,000,000				
	Mizuho Bank, Ltd.	300,000	-	-	300,000				
	Sompo Japan Nipponkoa Insurance Inc.	1,000,000	-	-	1,000,000				
	Aozora Bank, Ltd.	300,000	-	-	300,000	0.678%	August 31, 2020		
	Resona Bank, Limited	1,100,000	-	-	1,100,000	0.923%	August 31, 2022		
	Mizuho Trust & Banking Co., Ltd.	700,000	-	-	700,000	0.923%	August 31, 2022		
	Sumitomo Mitsui Trust Bank, Limited	950,000	-	-	950,000	1.047%	August 31, 2023		
	MUFG Bank, Ltd	1,700,000	-	-	1,700,000	1.169%	August 31, 2024		
	Mizuho Bank, Ltd.	950,000	-	-	950,000	1.169%	August 31, 2024		
	Sumitomo Mitsui Banking Corporation	2,000,000	-	-	2,000,000	1.345%	August 31, 2025		
	Development Bank of Japan Inc. (Note 5)	1,000,000	-	-	1,000,000	1.193%	August 31, 2024		
	MUFG Bank, Ltd	300,000	-	-	300,000	0.624%	October 27, 2020		
	MUFG Bank, Ltd	1,000,000	-	-	1,000,000	1.156%	April 27, 2025		
	MUFG Bank, Ltd	1,000,000	-	-	1,000,000	0.819%	April 28, 2025		
	Sumitomo Mitsui Banking Corporation	2,500,000	-	-	2,500,000	0.903%	April 30, 2026		
	MUFG Bank, Ltd (Note 5)	1,000,000	-	-	1,000,000	0.660%	July 31, 2025		
	Mizuho Bank, Ltd. (Note 5)	1,500,000	-	-	1,500,000	0.816%	August 31, 2026		
	Aozora Bank, Ltd.	1,000,000	-	-	1,000,000	0.713%	August 31, 2024		
	Sumitomo Mitsui Trust Bank, Limited	1,000,000	-	-	1,000,000	0.797%	August 31, 2025		
	Resona Bank, Limited	500,000	-	-	500,000	0.797%	August 31, 2025		
	MUFG Bank, Ltd (Note 5)	2,000,000	-	-	2,000,000	0.670%	August 31, 2025		
	Mizuho Trust & Banking Co., Ltd. (Note 5)	500,000	-	-	500,000	0.751%	August 31, 2025		
	Sumitomo Mitsui Banking Corporation	3,000,000	-	-	3,000,000	0.906%	August 31, 2026		
	Development Bank of Japan Inc. (Note 5)	1,000,000	-	-	1,000,000	0.773%	October 31, 2025		
	Resona Bank, Limited	1,000,000	-	-	1,000,000	0.900%	August 22, 2027		
	Sumitomo Mitsui Trust Bank, Limited	1,000,000	-	-	1,000,000	0.900%	August 22, 2027		
	Shinsei Bank, Limited	1,000,000	-	-	1,000,000	0.900%	August 22, 2027		
	Mizuho Trust & Banking Co., Ltd. (Note 5)	1,200,000	-	-	1,200,000	0.928%	August 22, 2027		
	Development Bank of Japan Inc. (Note 5)	1,000,000	-	-	1,000,000	0.928%	August 22, 2027		
	Mizuho Bank, Ltd. (Note 5)	500,000	-	-	500,000	0.928%	August 22, 2027		
	The Bank of Fukuoka, Ltd. (Note 5)	500,000	-	-	500,000	0.928%	August 22, 2027		
	Sumitomo Mitsui Banking Corporation	1,500,000	-	-	1,500,000	0.501%	February 28, 2023		
	MUFG Bank, Ltd	1,500,000	-	-	1,500,000	0.501%	February 28, 2023		
	Aozora Bank, Ltd.	1,500,000	-	-	1,500,000	0.582%	February 29, 2024		
	Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	0.582%	February 29, 2024		
	MUFG Bank, Ltd	1,000,000	-	-	1,000,000	0.582%	February 29, 2024		
	Mizuho Bank, Ltd.	500,000	-	-	500,000	0.624%	August 31, 2024		
	Mizuho Trust & Banking Co., Ltd. (Note 5)	500,000	-	-	500,000	0.661%	August 31, 2024		
	Sumitomo Mitsui Banking Corporation	1,500,000	-	-	1,500,000	0.665%	February 28, 2025		
	Resona Bank, Limited	1,000,000	-	-	1,000,000	0.749%	February 28, 2026		
	Sumitomo Mitsui Trust Bank, Limited	1,000,000	-	-	1,000,000	0.749%	February 28, 2026		
	Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	0.409%	July 31, 2021		
	Shinsei Bank, Limited	1,000,000	-	-	1,000,000	0.409%	July 31, 2021		
	MUFG Bank, Ltd	500,000	-	-	500,000	0.409%	July 31, 2021		
	Mizuho Bank, Ltd.	500,000	-	-	500,000	0.409%	July 31, 2021		
	Nippon Life Insurance Company (Note 5)	500,000	-	-	500,000	0.900%	January 30, 2027		
	Sumitomo Mitsui Banking Corporation	1,500,000	-	-	1,500,000	0.799%	February 2, 2026		
	MUFG Bank, Ltd	1,400,000	-	-	1,400,000				
Mizuho Bank, Ltd.	900,000	-	-	900,000					
Development Bank of Japan Inc.	500,000	-	-	500,000					
Nippon Life Insurance Company	500,000	-	-	500,000					
Resona Bank, Limited	400,000	-	-	400,000					
Shinsei Bank, Limited	400,000	-	-	400,000					
Sumitomo Mitsui Trust Bank, Limited	400,000	-	-	400,000					
Mizuho Trust & Banking Co., Ltd.	400,000	-	-	400,000					
Aozora Bank, Ltd.	300,000	-	-	300,000					
The Bank of Fukuoka, Ltd.	300,000	-	-	300,000					
Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	0.509%			August 31, 2022	
MUFG Bank, Ltd	400,000	-	-	400,000	0.509%			August 31, 2022	
Development Bank of Japan Inc. (Note 5)	1,600,000	-	-	1,600,000	0.498%			August 31, 2022	

(in thousands of yen)

Classification	Lender	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note 1) (Note 2)	Payment due date (Note 3)	Use	Remarks
Long-Term Loans Payable	Sumitomo Mitsui Banking Corporation	1,200,000	-	-	1,200,000	0.592%	August 31, 2023	(Note 4)	Unsecured/ Unguaranteed
	Aozora Bank, Ltd.	1,000,000	-	-	1,000,000	0.592%	August 31, 2023		
	MUFG Bank, Ltd	800,000	-	-	800,000	0.592%	August 31, 2023		
	Sumitomo Mitsui Banking Corporation	1,050,000	-	-	1,050,000	0.914%	February 28, 2027		
	Resona Bank, Limited	500,000	-	-	500,000	0.914%	February 28, 2027		
	Sumitomo Mitsui Trust Bank, Limited	500,000	-	-	500,000	0.914%	February 28, 2027		
	Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000	0.914%	February 28, 2027		
	Mizuho Bank, Ltd.	250,000	-	-	250,000	0.914%	February 28, 2027		
	Development Bank of Japan Inc. (Note 5)	1,400,000	-	-	1,400,000	0.884%	February 28, 2027		
	MUFG Bank, Ltd (Note 5)	800,000	-	-	800,000	0.825%	February 28, 2027		
	Nippon Life Insurance Company (Note 5)	700,000	-	-	700,000	0.920%	September 30, 2026		
	Shinsei Bank, Limited	1,000,000	-	-	1,000,000	1.031%	September 30, 2028		
	Sumitomo Mitsui Trust Bank, Limited	800,000	-	-	800,000	1.031%	September 30, 2028		
	Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000	1.031%	September 30, 2028		
	MUFG Bank, Ltd	-	500,000	-	500,000	0.438%	August 31, 2020		
	Mizuho Trust & Banking Co., Ltd.	-	400,000	-	400,000	0.363%	November 30, 2024		
	Mizuho Bank, Ltd.	-	2,000,000	-	2,000,000	0.330%	May 31, 2025		
	Shinsei Bank, Limited	-	500,000	-	500,000	0.484%	November 30, 2025		
	Shinsei Bank, Limited	-	500,000	-	500,000	0.272%	January 31, 2023		
	Mizuho Bank, Ltd.	-	800,000	-	800,000	0.299%	July 31, 2023		
	Sub Total	100,500,000	4,700,000	-	105,200,000				
	Total	118,250,000	7,200,000	4,550,000	120,900,000				

Note 1: All debts except for the following Note 5 are borrowing at a floating rate.

Note 2: Average interest rates are the weighted average during the period and figures are rounded to the nearest third decimal place. Also, with regard to borrowings for which interest rate swap transactions were implemented in order to hedge the interest rate volatility risk, the weighted average interest rates taking into consideration the effects of the interest rate swaps are indicated.

Note 3: All the repayment methods of debt financing are lump-sum repayments on the due date.

Note 4: All debts were used as the funds for acquiring real estate properties or trust beneficiary interest in real estate (additional expenses are included) and repayment of debts.

Note 5: Borrowings at a fixed rate.

Note 6: Borrowings listed in the current portion of long-term payable were listed in long-term payable in the previous fiscal period.