

20th Semi-Annual Report

2021.8.1- 2022.1.31

KENEDIX

Residential NEXT Investment Corporation

Securities code: 3278



I Overview of KDR



1 R-39 KDX Residence Ohori Harbor View Tower 2 T-100 KDX Residence Kamishakujii II

Adopted property on the cover: 3 H-6 Ten 4 H-27 Grapes Kawasaki Shimmachi 5 T-102 KDX Residence Yokohama Momijizaka

To our unitholders

We would like to express our sincere gratitude to all unitholders and stakeholders for their continued support and cooperation.

We are pleased to inform you that Kenedix Residential Next Investment Corporation (KDR) successfully closed all accounts for the 20th fiscal period (from August 1, 2021 to January 31, 2022). We hereby report on the asset management overview and results for the 20th Fiscal Period.

For the 20th fiscal period, operating revenue was ¥ 9,143 million, operating income was ¥ 4,840 million, ordinary income was ¥ 4,119 million, and net income was ¥ 4,119 million, resulting in a distribution per unit of ¥ 4,101.

During the fiscal period under review, KDR acquired 3 properties of rental housing and 2 healthcare facilities and sold 1 rental housing. As a result, at the end of January 2022, our AUM amounted to 165 properties and ¥ 277.5 billion (total acquisition price).

In the management of owned properties, the occupancy rate of the portfolio at the end of the fiscal period was 97.3%, which recovered to the level prior to the spread of the COVID-19 pandemic and continued to maintain a high occupancy rate.

Residential property occupancy rate were temporarily sluggish in the central Tokyo area in response to demographic changes but its recovery has been robust and occupancy rate in other Tokyo area remains stable. Consequently, occupancy rate of residential portfolio recovered to the pre-pandemic level.

As for rents, although the rate of rent increase is decreasing due to the impact of the COVID-19 pandemic, an upward trend has continued. On the other hand, healthcare facilities and accommodation facilities contributed to maintaining the profit stability of portfolio through long-term lease contracts.

In terms of finance, the credit rating of KDR was upgraded to AA (-Outlook: Stable) in January 2022 thanks to the improvement of creditworthiness backed by its stable management performance and the new support structure provided by SMFL Group.



KDR raised approximately ¥9.2 billion through the issuance of new investment units in February and March 2022, respectively and acquired 2 healthcare facilities. In addition, KDR plans to acquire 4 properties of rental housing and 1 healthcare facility. As a result, the size of our AUM as of June 2022 is expected to be 172 properties valued at ¥289.8 billion.

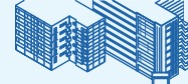
Based on an accurate understanding of social and economic changes, we will pursue with flexibility investment and revenue opportunities that we believe are the most attractive. We will dynamically invest and manage our portfolio by gathering information and making decisions swiftly. By using this approach, we aim to maximize the unitholder's value.

Your continued support and cooperation are highly appreciated.

Executive Director,

Tetsu Kawashima

Kenedix Residential Next Investment Corporation

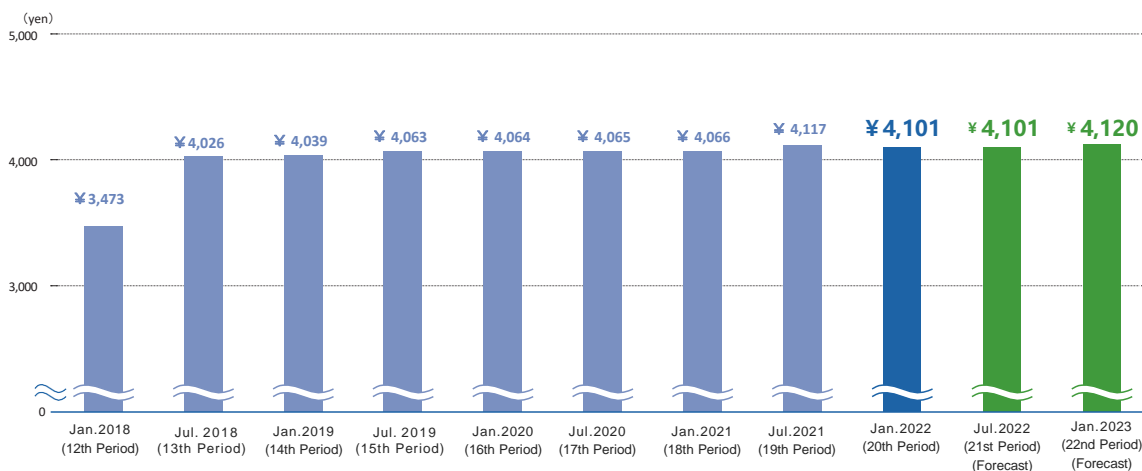


Distribution per Unit

(Note) Distribution per unit for 21st fiscal period and 22nd fiscal period is estimated based on certain assumptions as of March 16, 2022

20th (Ended January 2022) Actual	21st (Ending July 2022) Forecast
¥4,101	¥4,101
	22nd (Ending January 2023) Forecast
	¥4,120

Trend in DPU (note)



(Note) KDR implemented a two-for-one split of the investment units as of the record date of February 28, 2018 (Effective date on March 1, 2018). Before the period ended January 2018 (12th fiscal period), the figures for the distribution per unit are those taking into account the split of the investment units.

(million yen)

	Operating revenues	Operating Income	Ordinary Income	Net Income
20nd Fiscal Period	9,143	4,840	4,119	4,119
19th Fiscal Period	9,195	4,822	4,147	4,146

Portfolio Overview

<p>Total Number of Properties 165</p> <p>Residential Properties 135</p> <p>Healthcare Facilities 28</p> <p>Accommodation Facilities 2</p>	<p>Total Acquisition Price (unit: bln yen) 277.5</p> <p>Residential Properties 210.9</p> <p>Healthcare Facilities 61.6</p> <p>Accommodation Facilities 4.9</p>	<p>Occupancy Rates (at the end of 20th Fiscal Period) 97.3 %</p> <p>Residential Properties 96.1 %</p> <p>Healthcare Facilities 99.9 %</p> <p>Accommodation Facilities 100.0 %</p>
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**Kai Oki**

Joined in 2021 (New graduate)
Asset Management Division, Residential REIT Department, which is in charge of property management and operation

Kotaro Nakada

Joined in 2020 (New graduate)
Acquisition Department in charge of acquisition and sale of properties

Ryusuke Ota

Joined in 2021 (New graduate)
Strategic Planning Department in charge of IR and equity finance

Kenedix Real Estate Fund Management, Inc. ("KFM"), the asset management company of Kenedix Residential Next Investment Corporation ("KDR"), aims to maximize unitholder value through cooperation between multiple departments, including the Asset Management Division of each REIT Department, as well as the Acquisition Department and the Strategic Planning Department. While a large number of experienced personnel are assigned to the management of each investment corporation, Kenedix, Inc. (KDX), the parent company of KFM, has continuously hired new graduates as employees since 2005. At KFM, several of these employees are diligently working to manage each investment corporation and improving their knowledge on a daily basis. Below, three employees who were hired as new graduates and are in their first and second years with the company talk about KDR's operations and KFM's workplace environment.

Understanding the work of new employees at KDR

▶ What kind of work are you responsible for normally?

Nakada: My daily work is focused on preparing various surveys when investing in properties, negotiating terms with sellers, and closing deals, including the compilation of contracts. I also focus on reviewing potential opportunities introduced by brokers and developers and developing new information channels.

Oki: Currently, as an asset manager (AM), I am engaged in leasing and property management for 17 properties, mainly in the Tokyo and Kansai areas.

Ota: As regular work, I am in charge of IR, such as the preparation of disclosure materials, including press releases and financial materials, as well as arrangement of IR meetings with investors.

▶ You are already in charge of managing 17 properties! What are you doing to perform that task with care?

Oki: As of last May, I was in charge of 6 properties, but as I've gradually learned my work, the number of properties I am in charge of has increased.

In leasing, which is one of our important tasks, I do not rely solely on past track records, but rather make decisions based on the flow of the entire market and the current situation of each property grasped through meeting with property managers. Currently, the COVID-19 pandemic is having a major impact on leasing, so in my work I carefully check whether the details of rent offers do not deviate from the market and constantly consider modification of conditions that would lead to improved earnings while trying to balance the occupancy rate and rents.

Currently, properties in the suburbs of central Tokyo and those with larger unit types such as family units are performing well, and we have also achieved an increase in rent while maintaining a high occupancy rate. (Table 1)

At first, there were many things I couldn't do, but because I was surrounded by superiors who are professionals in real estate management, I experienced playing a part in not only the leasing business but also property sales-related operations and construction for value enhancement, as well as KDR's project for capital increase through public offering which was resolved in February this year. Through these, I have been able to realize growth in my daily work.

As for the work related to the public offering, I was involved in drafting the budgets for KDX Residence Mizonokuchi and KDX Residence Hachioji Otsuka. Following the acquisition of the properties, I will work to conduct appropriate leasing and building management based on the budgets to ensure stable profits.

	Overall portfolio	3 prefectures Surrounding Tokyo	Family
Occupancy Rates	95.9%	96.1%	97.3%
Increase/Decline of Rent	0.2%	3.1%	2.4%

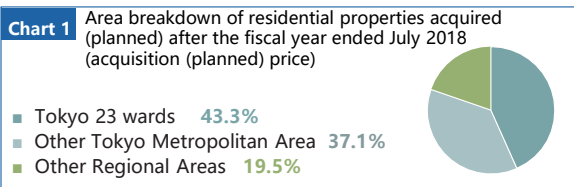
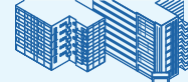
Note 1: Calculated for residential units under pass-through contracts (excluding rental of whole building).

Note 2: "Three prefectures surrounding Tokyo" refers to Kanagawa, Saitama and Chiba prefectures.

▶ The public offering was mentioned. Mr. Nakada, Mr. Ota, what kind of work were you responsible for in this project?

Nakada: I was in charge of closing deals for several of the newly acquired properties, including KDX Residence Mizonokuchi and KDX Residence Hachioji Otsuka, which Mr. Oki just mentioned. In terms of cultivating new information channels mentioned in my daily work, we were able to establish a relationship with National Students Information Center Co., Ltd., an operator of student dormitories, through the project for KDX Residence Tsudanuma, KDR's first student dormitory (Note: T-101 changed its name from "Hulic Residence Tsudanuma" as of April 1, 2022) This led to our subsequent investment in KDX Residence Hachioji Otsuka.

Being able to develop a new channel to acquire a property on our own as an asset management company was a great accomplishment for us. I also felt that I was able to demonstrate KDR's strengths in securing acquisition opportunities through building good relationships with business partners. Moreover, we acquired KDX Residence Mizonokuchi through a proprietary channel of KFM and by utilizing its sourcing capabilities. This property was introduced to us by a broker who regularly provides property information. The property offers great living convenience with a drugstore on the ground floor as well as excellent access to urban centers. It achieved a high occupancy rate prior to its acquisition by KDR.

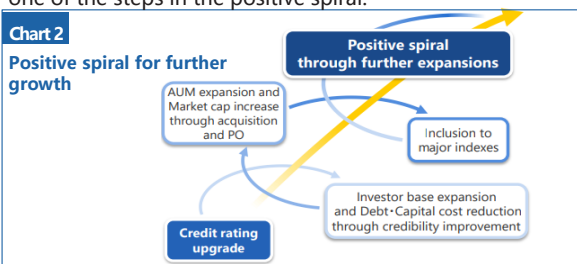


Note 1: "Other Tokyo Metropolitan Area" includes Tokyo other than the 23 wards of Tokyo, Kanagawa, Saitama and Chiba.
 Note 2: "Other Regional Areas" include government-designed municipalities and other regional cities.

Working from home has been an option for us from the moment we joined the company. Considering there is a trend where living needs are becoming decentralized from urban centers to surrounding areas due to the popularization of telecommuting and other factors, we have considered acquiring properties in areas such as Mizonokuchi. (Chart1) At present, investment yields are tight, so we are in a tough acquisition environment for REITs. Instead of giving up immediately, I try to engage myself in acquisition work while thinking about how to acquire properties that will contribute to the growth of KDR.

Ota: I was mainly in charge of preparing press releases on property acquisition and issuance resolution, etc. and contracts and documentation necessary for public offering. The Strategic Planning Department also provided support for the preparation of securities registration statements and prospectuses under repeated discussions with related parties in order to communicate the significance of the public offering and KDR's future growth strategy to investors accurately and easily. This task involves not content but rather design, and I felt happy that my proposals were adopted. One of the ideas I proposed is the diagram representing the "positive spiral" that KDR is aiming at. Originally, the design was simple, but I modified it to convey in a more visual manner that KDR will grow further in the future while riding a virtuous cycle starting from improvement of credit rating. (Chart2)

KDR's credit rating was upgraded to "AA-" in January this year on the back of its stable management performance and a new support structure from SMFL Group. We believe that our investor base will expand and our capital and debt costs will decrease in the future. In addition, the investment corporation aims to realize a virtuous cycle in which it further reduces funding costs and pursues continuous growth by enhancing liquidity of investment units through further expansion of asset size and market capitalization and becoming a component of a major index. My next task will be to arrange IR meetings to explain our financial results for the 20th fiscal period and the management status of our properties. We plan to conduct proactive IR activities so that we can realize the expansion of our investor base, which is one of the steps in the positive spiral.



Reason for joining the company and KFM's work environment

▶ Please tell us your reasons for joining the company.

Oki: I was originally interested in investment in financial instruments such as stocks and bonds, but in my time searching for a job I became strongly attracted to fund management, the investment target of which is real estate as a real asset.

Currently, as an AM for KDR, I feel that I can be involved in the work that is unique to real estate, which is a real asset.

Ota: Conversely, I was interested in urban development and was looking in the real estate industry, focusing on developers. In the end I was attracted by KDX's business, which also has a financial aspect. In this sense, I was also involved in the public offering as a member of the Strategic Planning Department. I find this finance-related work to be truly fulfilling.

Nakada: KDX is the largest independent real estate asset management company (Note: as of April 2020) and owns a wide variety of assets, public REITs, including KDR, private REITs, and private funds, so I thought that I would be able to experience a wide range of operations related to real estate and investment.

▶ In terms of operations, it seems that you have all been able to steadily accumulate experience quickly after joined the company, but how is KFM's workplace environment?

Nakada: I feel that the company has a corporate culture of delegating tasks to younger employees, and I also feel that it is an environment in which everyone is friendly and cooperative. My superiors also advise me in an easy-to-understand and polite manner. As I mentioned above, there are some acquired properties for which I was also in charge as my main role as a new employee, and I feel fulfilled by the job I was able to conduct with the cooperation of my boss. One of the most impressive jobs I've been a part of so far is the acquisition of KDX Residence Ichikawa. This was the first property I was the lead on, and carrying out the investment was very difficult. On the other hand, I was involved in a transaction with an amount of 840 million yen, so I felt a sense of accomplishment. I was also pleased that I was able to contribute to the growth of KDR.

Oki: Other than what we've talked about so far, everyone is friendly when asking questions or talking, and I think the KFM office features a very quiet working environment. It was a bit of a surprise at first, but now I can concentrate closely on my work.

Ota: It may sound cliché, but the office is clean and well equipped, so it offers a pleasant work environment. I also like the scenery of Hibiya Park. As Mr. Nakada and Mr. Oki said, even new employees can gain a lot of experience. In addition, our superiors come from a variety of backgrounds and support us, so we are able to operate the REIT appropriately.

Message to investors

▶ Please give a few words to our investors.

Oki: While my immediate goal is to become a full-fledged professional of asset management, I would like to conduct my work in consideration of maximizing the profitability of properties with the aim of increasing unitholder value.

Nakada: With the impact of the COVID-19 pandemic, changes in the social and economic structure these days have been remarkable. We will continue to flexibly grasp the needs of society and work diligently to grow into an investment corporation that is needed by society and that can maximize the interests of our unitholders.

Ota: As a member of the department that delivers information on KDR to unitholders through IR, financial materials, and press releases, I will strive to further convey the information that unitholders seek and the attractiveness of KDR. I appreciate your continued support.

Thank you for reading!



Introduction of Newly Acquired Properties

Feature

T-102 KDX Residence Yokohama Momijizaka



Location	Yokohama, Kanagawa
Acquisition Price	¥ 5,000 mil
Completion	February 2021



A newly built luxury rental residence that connects the history of both new and old Yokohama

The is a newly built property targeting families, completed in February 2021. In March 2021, it started to be rented out. The property features luxurious condo-style apartments with floor plans ranging from 2LDK to 3LDK. In addition to stable rental demand from married couples and families who commute to urban centers, rental demand from people with new lifestyles that emphasize the number of rooms is also expected due to the popularization of working from home.

Achieving a balance between quiet location and convenient connectivity

The property is located in a prestigious neighborhood with scarce, well-balanced locality providing a quiet residential area, heritage sites such as the Ruins of



Statue of Naosuke Ii (Kamonyama Park)

Kanagawa Magistrate's Office and Kamonyama Park and excellent connectivity to the Minato Mirai area in the heart of Yokohama at within walking distance.

Important cultural facilities offer an excellent living environment.

These facilities include the Kanagawa Prefectural Library, Kanagawa Prefectural Music Hall and Yokohama Noh Theater, etc. in addition to nursery schools, elementary schools, parks, as well as convenient facilities such as supermarkets and restaurants in the surrounding area.

Convenient access to major stations and Haneda airport

From the nearest station, Sakuragicho on the JR line, it takes about 3 minutes to Yokohama Station, about 40 minutes to Tokyo Station, and similarly, 31 minutes at the earliest from Minatomirai Station on the Minatomirai Line to Shibuya Station without changing train. Accordingly, it has excellent access to urban centers. The Yokohama City Air Terminal (YCAT), located near Yokohama Station,

provides access to Haneda Airport in 24 minutes at the earliest via airport limousine bus. The location is highly convenient for domestic and overseas travel.



Others

■ Residential properties ■ Healthcare facilities

T-100 KDX Residence Kamishakujii II



Location	Nerima, Tokyo
Acquisition Price	¥ 3,087 mil
Completion	October 2020

T-101 KDX Residence Tsudanuma



Location	Funabashi, Chiba
Acquisition Price	¥ 1,150 mil
Completion	March 2012

H-27 Grapes Kawasaki Shimmachi

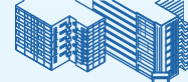


Location	Kawasaki, Kanagawa
Acquisition Price	¥ 1,470 mil
Completion	March 2015
Operator	SOMPO care

H-28 Grapes Fujimino



Location	Fujimino, Saitama
Acquisition Price	¥ 1,520 mil
Completion	October 2013
Operator	SOMPO care



T-105 KDX Residence Hachioji Otsuka



Location	Hachioji, Tokyo
Acquisition Price	¥ 1,490 mil
Completion	February 2022

The operator is National Students Information Center Co., Ltd., which has a wealth of experience in management of student accommodations.



A newly built student dormitory with excellent access to multiple universities

This property is a student dormitory that newly opened in March 2022. In addition to studio-type rooms, it is equipped with common facilities such as a dining hall and a lounge and offers a comfortable living environment with a full range of services including the provision of meals. It is located about 5 minutes on foot from the nearest station, Otsuka-Teikyo-Daigaku Station on the Tama Toshi Monorail Line. The area around the property boasts proximity to supermarkets and restaurants. In addition, it has excellent transportation convenience with Tama-Center Station and Tachikawa-Minami Station at 4 minutes and 18 minutes away, respectively, providing multi-directional transportation access. There are several universities in the vicinity, including Teikyo University, Chuo University, and Meisei University, and stable rental demand from students studying at nearby campuses is expected.

Attractiveness of investing in student dormitories

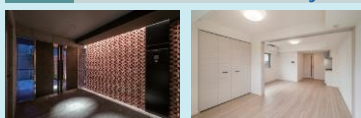
- The student population is expected to remain stable in the future in response to factors such as the desire to acquire an academic background taking root over the long term, increase in the number of female students and foreign students, as well as increase in the number of universities and graduate schools. In addition, demand for student accommodations is also expected to be robust due to the high demand for security and student-to-student connections.
- It is a solid and defensive asset type that is less susceptible to economic fluctuations given strong demand from students backed by the presence of the universities. In addition, by entering into long-term, fixed-rent building lease contracts with operators, stable returns are ensured.

Others for 21st fiscal period (planned)

■ Residential properties ■ Healthcare facilities

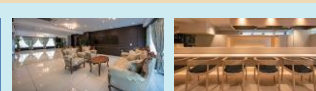


T-103 KDX Residence Umejima



Location	Adachi, Tokyo
Acquisition Price(planned)	¥ 2,373 mil
Completion	September 2021

H-31 Excellent Takarazuka Garden Hills



Location	Takarazuka, Hyogo
Acquisition Price(planned)	¥ 2,340 mil
Completion	June 2021
Operator	Excellent care system

T-104 KDX Residence Mizonokuchi



Location	Kawasaki, Kanagawa
Acquisition Price(planned)	¥ 2,781 mil
Completion	March 2021

R-47 Serenite Koshien Plie



Location	Nishinomiya, Hyogo
Acquisition Price(planned)	¥ 770 mil
Completion	July 2021

H-29 Irise Kobe Rokko



Location	Kobe, Hyogo
Acquisition Price	¥ 1,200 mil
Completion	February 2017
Operator	HITOWA care service

H-30 Excellent Hanayashiki Garden Hills



Location	Takarazuka, Hyogo
Acquisition Price	¥ 1,287 mil
Completion	April 2017
Operator	Excellent care system

Initiatives for Environment

DBJ Green Building Certification (Note 1)

12 residential properties are certificated. (Obtained reassessment for 3 properties in December 2021 and January 2022)

**Serenite Kobe
Motomachi**
Reacquisition
Dec. 2021

**KDX Residence
Shukugawa Hills**
Reacquisition
Dec. 2021

**KDX Residence
Ebisu**
Reacquisition
Jan. 2022



KDX Residence Toyosu	2020	KDX Residence Ohori Harbor View Tower	2019
KDX Residence Yotsuya	2020	KDX Sakaisuji Hommachi Residence	2019
Ashiya Royal Homes	2020	KDX Residence Hommachibashi	2019
KDX Daikanyama Residence	2019	KDX Residence Hanzomon	2018
KDX Residence Higashi - Sakura I	2019		

CASBEE certification (Note 2)

KDX Residence Toyosu acquired the CASBEE Real Estate Evaluation Certification "S Rank" in December 2021.



Note 1: "DBJ Green Building Certification" is a system established by Development Bank of Japan to support real estate that meets environmental and social conditions.

Note 2: CASBEE is an evaluation system for rating the environmental performance of buildings developed by Institute for Building Environment and Energy Conservation. The system rates the overall environmental performance of buildings from the following perspectives: evaluation of environmental quality and performance of buildings themselves and the external environmental load of buildings.

Note 3: TCFD is an international initiative established by the Financial Stability Board ("FSB") for the purpose of discussing the disclosures of climate-related financial information and the responses by financial institutions.

Initiatives for Social

Social impact investment

In Healthcare facilities

Lack of healthcare facilities is now one of the major social issues facing Japanese "super-aging" society. REIT as a buyer and as a long-term investor is expected to lead market supply. The Investment Corporation continues to fulfill this societal duty by acquiring the healthcare facilities.

In Childcare facility

The social demand for childcare facilities is increasing to promote birth-rate increase. KDR contributes to solve fertility decline issue, investing in the childcare facilities.



Grapes Kawasaki Shimmachi
(The ground floor of the Property hosts daycare)

In student dormitory project

We believe that student accommodations which offer safe living environment and provide mental health support contribute to the society, developing the next generation.



KDX Residence Tsudanuma
(Student Accommodation)

GRESB Real Estate Assessment

The Investment Corporation participates in GRESB Real Estate Assessment and acquired "Green Star" rating for four consecutive years and "2 Stars" rating in 2021.



GRESB (Ex Global Real Estate Sustainability Benchmark) is a benchmark to evaluate sustainability performance of private and listed real estate portfolio, etc. from environmental and social perspectives.

Support for TCFD recommendation and affiliation to the local consortium (Note 3)

KFM has declared support for the TCFD and its recommendations and Joined TCFD Consortium of Japan since October 2021.



Initiatives for Governance

Organizational Change

Corresponding to the diversification of J-REIT Management

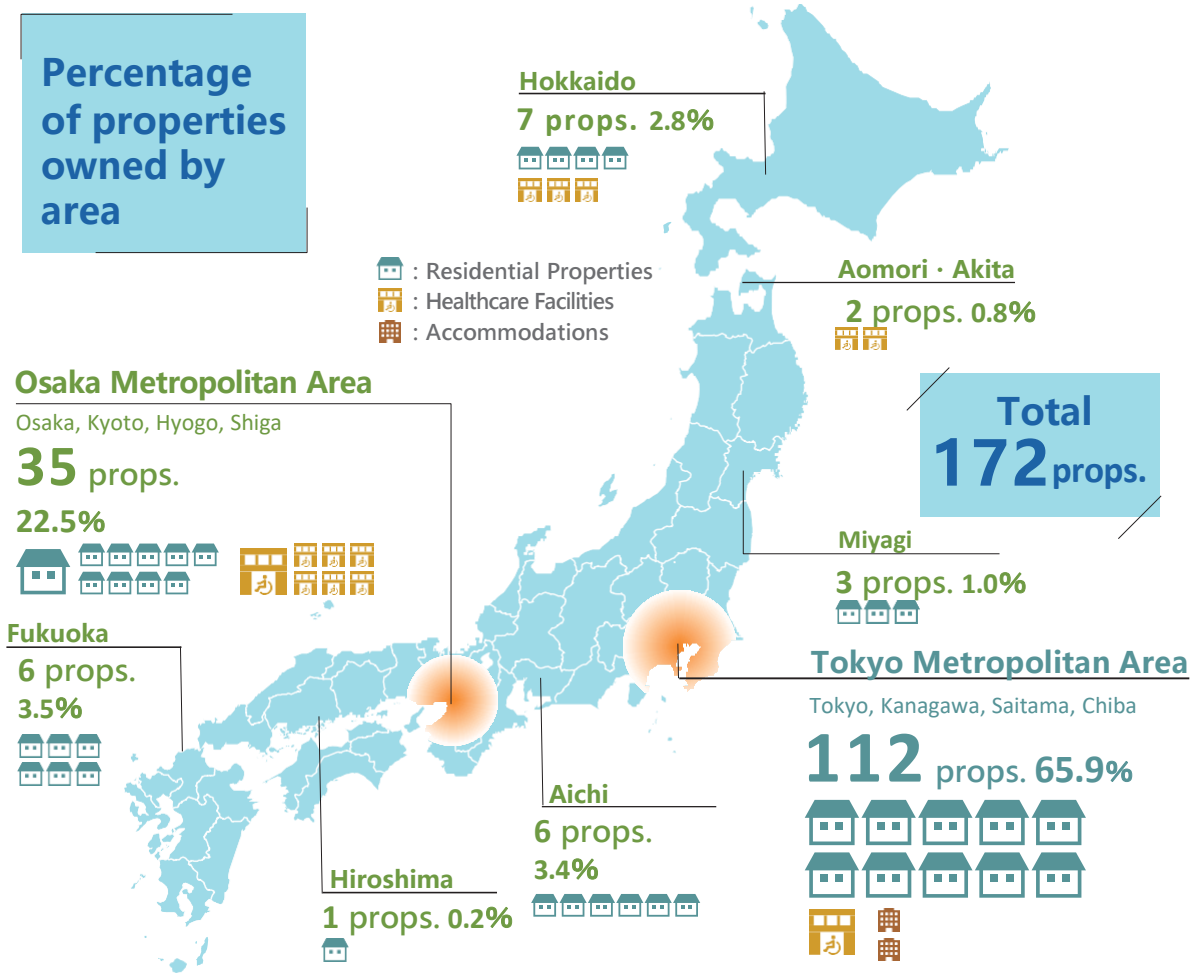
- The Asset Management Company integrated the Asset Investment Division and investment teams in the Investment Management Division and Planning Division at each REIT department into the Acquisition Department and Strategic Planning Department, which are common to the REIT departments.
- The Asset Management Company aims for further growth of the investment corporation, responding to ever-diversifying J-REIT management by promoting effective human resources development and allocation and increasing the efficiency of the overall business structure.

Newly developed corporate Sustainability and ESG structure

- In order to build a system that can respond more effectively and efficiently to increasingly important **ESG and sustainability issues** through cross-organizational efforts by KFM, KFM will newly create Sustainability Office in the Strategic Planning Department.
- Attritionary, KFM newly created Sustainability Committee, which are common to the Departments and chaired by the President and Representative Director of KFM, as an advisory organ regarding matters relating to sustainability and ESG of KDR and KFM, in order to enhance our business management system further by the Organizational Change

Overview of Portfolio

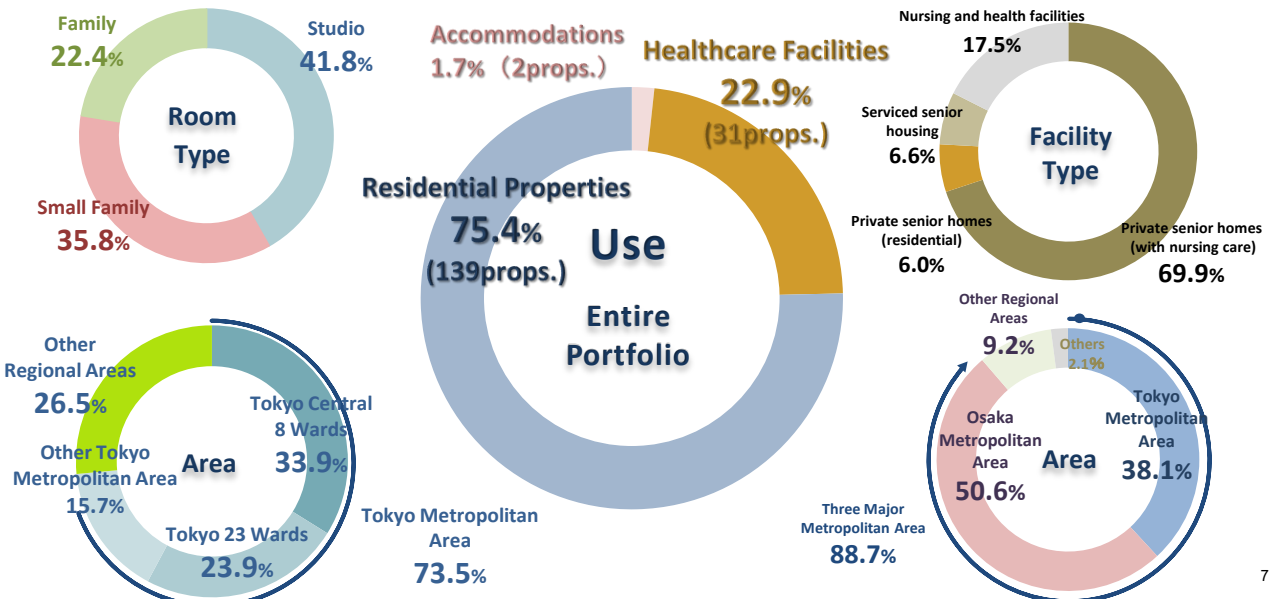
Percentage of properties owned by area



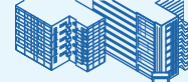
Portfolio breakdown

Residential Properties

Healthcare Facilities

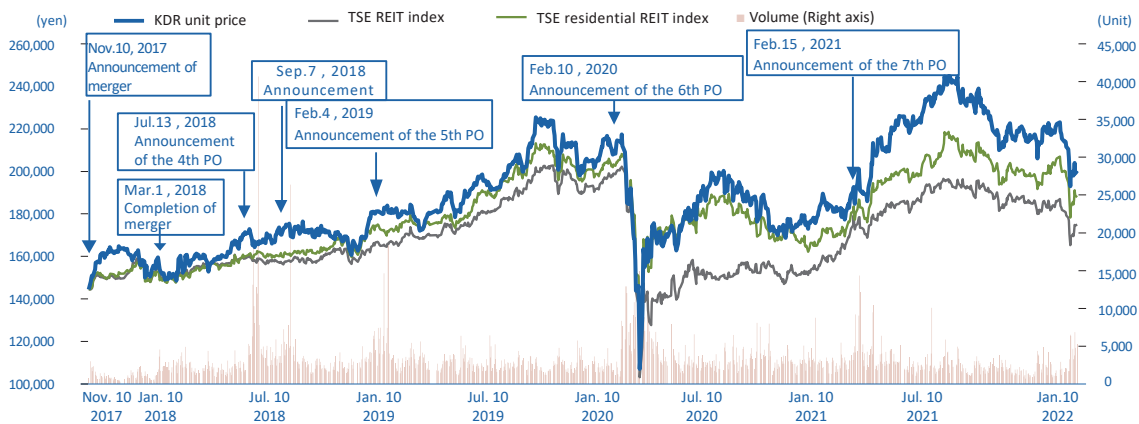


(Note) The percentages are based on the acquisition price including assets to be acquired as of April 15, 2022.



Investment Unit Price (After Announcement of the Merger)

As of January 31, 2022



Note 1: KDR investment unit price and TSE Residential REIT index are based on the closing price. For the TSE Residential REIT index, an index based on the November 10, 2017 closing prices of this index and KDR investment units is used.

Note 2: KDR implemented a two-for-one split of the investment units as of the record date of February 28, 2018 (Effective date on March 1, 2018). The above figures for the unit price before the split are those calculated by dividing the actual unit price by two.

Composition of Unitholders (based on number of units)

■ Individuals and others ■ Financial institutions ■ Foreign companies ■ Other domestic companies ■ Security firms

Fiscal Period	Individuals and others	Financial institutions	Foreign companies	Other domestic companies	Security firms
20th Fiscal Period 995,883 units	6.7%	67.0%	17.9%	4.1%	4.3%
19th fiscal Period 995,883 units	6.6%	69.1%	16.8%	4.1%	3.5%



The Investment Corporation discloses a variety of information on its website, including press releases, financial results, property information and IR event information. The Investment Corporation will continue to make efforts to provide information to its unitholders in a timely manner.

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

Unitholders benefit programs



Haseko Senior Well Design Co., Ltd. ⁽¹⁾	
Benefits	・ One-day facility site-visit (with lunch) free of charge
Eligible Person	Unitholder and his / her spouses and his / her relatives (within the second degree) ※A resident of the requested healthcare facility and a use in conjunction with other discount systems are ineligible
Facilities Available	All of the private seior homes with nursing care and serviced housing for the elderly operated by Haseko Senior Well Design Co., Ltd. as of January 31, 2022.
The No. of Facilities	35 facilities
Area	Tokyo, Saitama, Kanagawa, Chiba, Shizuoka, Aichi, Kyoto, Hyogo, Osaka
Contact No.	+81-120-580-731
Property owned by KDR	N/A
Homepage	https://www.haseko-senior.co.jp/

SENIOR LIFE COMPANY

Benefits	<ul style="list-style-type: none"> ・ «On the condition of limp sum payment» Discount on one-time payment for resident (¥ 300,000 discount) ・ Trial residence free of charge (1-night, 2-day stay, with dinner and breakfast) ・ Same-day facility site-visit (with lunch) free of charge
Eligible Person	Unitholder and his / her spouses and his / her relatives (within the second degree) ※A resident of the requested healthcare facility and a use in conjunction with other discount systems are ineligible
Facilities Available	All of the private senior homes with nursing care and serviced senior housing operated by CENTURY LIFE CORPORATION as of January 31, 2022.
The No. of Facilities	5 facilities
Area	Tokyo, Fukuoka
Contact No.	+81-120-678-723
Property owned by KDR	N/A
Homepage	https://www.felio.life/



Excellent Care System Co., Ltd.

Benefits	・ One-day facility site-visit(with lunch) free of charge
Eligible Person	Unitholder and his / her spouses and his / her relatives (within the second degree) ※A resident of the requested healthcare facility and a use in conjunction with other discount systems are ineligible.
Facilities Available	All of the private senior homes with nursing care operated by Excellent Care System Co., Ltd. as of January 31, 2022.
The No. of Facilities	19 facilities
Area	Tokyo, Kanagawa, Kyoto, Hyogo, Tokushima
Contact No.	+81-44-819-5107
Property owned by KDR	Excellent Nishinomiya, Excellent Kitano, Excellent Hanayashiki Garden Hills
Homepage	https://www.excare.co.jp/



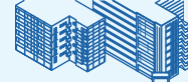
Sompo Care Inc.

Benefits	<p>I. Sompo Care LAVIERE</p> <ul style="list-style-type: none"> ・ « On the condition of lump sum payment » 3% discount from the initial lump sum payment for resident ・ « On the condition of monthly payment » 3% discount of the amount equivalent to the rent out of the monthly payment (Until the contract ends) <p>II. Sompo Care Sompo no ie, Sompo no ie S, Sompo no ie GH, Private senior homes (residential), Serviced senior housing, Group homes</p> <ul style="list-style-type: none"> ・ 3% discount of the amount equivalent to the rent out of the monthly payment or of the rent (Until the contract ends)
Eligible Person	Unitholder and his / her spouses and his / her relatives (within the second degree) ※A user who has inquired this benefit through agencies, a resident of the requested healthcare facility and a use in conjunction with other discount systems are ineligible.
Facilities Available	<p>I. Sompo Care LAVIERE operated by Sompo Care Inc as of January 31, 2022. (Excluding short-term use)</p> <p>II. Sompo Care Sompo no ie, Sompo no ie S, Sompo no ie GH, Private senior homes (residential), Serviced senior housing, Group homes operated by Sompo Care Inc. as of January 31, 2022. (Facilities for short-term use and Facilities operated by its franchisees and operating partners are excluded.)</p>
The No. of Facilities	433 facilities
Area	Hokkaido, Iwate, Miyagi, Akita, Saitama, Chiba, Tokyo, Kanagawa, Shizuoka, Aichi, Kyoto, Osaka, Hyogo, Nara, Okayama, Hiroshima, Fukuoka, Kumamoto
Contact No.	+81-120-37-1865
Property owned by KDR	Sompo Care LAVIERE Kobe Tarumi, Grapes Kawasaki Shimmachi, Grapes Fujimino
Homepage	https://www.sompocare.com/



HITOWA Care Service Co., Ltd.

Benefits	・ Discount on usage charge for two-month equivalent
Eligible Person	Unitholder and his / her spouses and his / her relatives (within the second degree) ※A resident of the requested healthcare facility and an application through agencies are ineligible
Facilities Available	All of the private senior homes with nursing care operated by HITOWA Care Service Co., Ltd as of January 31, 2022.
The No. of Facilities	117 facilities
Area	Hokkaido, Miyagi, Saitama, Chiba, Tokyo, Kanagawa, Nagano, Aichi, Shiga, Hyogo, Okinawa
Contact No.	+81-120-12-2943
Property owned by KDR	Irise Kamata/Yuseien, Irise Nishioka, Izarie Eniwa Building, Irise Kobe Rokko
Homepage	https://www.irs.jp/



Nichii Carepalace Company	
Benefits	<ul style="list-style-type: none"> Discount on initial move-in costs Nichii home: ¥ 100,000, Iris Garden: ¥ 50,000 (tax included)
Eligible Person	Unitholder and his / her spouses and his / her relatives (within the third degree) ※A user who has inquired this benefit through agencies, a resident of the requested healthcare facility of Nichii home or Iris garden, and an use in conjunction with other discount systems are ineligible.
Facilities Available	All of the private senior homes with nursing care operated by Nichii Carepalace Company as of January 31, 2022. ※Excluding facilities that are no longer operated by Nichii Carepalace Company due to a change in operator after January 31, 2022
The No. of Facilities	81 facilities
Area	Tokyo, Saitama, Chiba, Kanagawa, Shizuoka
Contact No.	+81-120-555-800
Property owned by KDR	Nichii Home Nakano-Minamidai, Nichii Home Tama Plaza
Homepage	http://www.nichii-carepalace.co.jp/

CARE TWENTYONE CORPORATION	
Benefits	<ul style="list-style-type: none"> One-day facility site-visit(with lunch) free of charge
Eligible Person	Unitholder and his / her spouses and his / her relatives (within the second degree) ※A resident of the requested healthcare facility is ineligible and a use in conjunction with other discount systems are unavailable.
Facilities Available	All of the private senior homes with nursing care operated by Care twenty one Corporation as of January 31, 2022.
The No. of Facilities	45 facilities
Area	Miyagi, Tokyo, Saitama, Chiba, Kanagawa, Aichi, Kyoto, Osaka, Hyogo, Hiroshima, Fukuoka
Contact No.	+81-120-944-821
Property owned by KDR	Plaisant Grand Ota tamagawa
Homepage	https://www.care21.co.jp/



ジョイステージ
八王子

Sawayaka Club Corporation	
Benefits	<ul style="list-style-type: none"> 10% discount on usage charge for the first monthly payment. Trial residence free of charge (1-night, 2-day stay, with dinner and breakfast) One-day facility site-visit(with lunch) free of charge
Eligible Person	Unitholder and his / her spouses and his / her relatives (within the second degree) ※A resident of the requested healthcare facility and a use in conjunction with other discount systems are ineligible.
Facilities Available	All of the private senior homes with nursing care operated by Sawayaka Club Corporation as of January 31, 2022.
The No. of Facilities	74 facilities
Area	Hokkaido, Akita, Tochigi, Saitama, Chiba, Kanagawa, Niigata, Shizuoka, Aichi, Mie, Kyoto, Osaka, Hyogo, Ehime, Wakayama, Fukuoka, Oita
Contact No.	+81-120-958-490
Property owned by KDR	Sawayaka Sakura Nibankan
Homepage	http://www.sawayakaclub.jp/

NM LIFE Co., Ltd.	
Benefits	<ul style="list-style-type: none"> Discount on lump sum payment for resident (¥ 200,000 discount) Trial residence free of charge, up to three times (1-night, 2-day stay, with dinner and breakfast) Same-day facility site-visit(with lunch) free of charge (up to three times)
Eligible Person	Unitholder and his / her spouses and his / her relatives (within the second degree) ※A resident of the requested healthcare facility and a use in conjunction with other discount systems are ineligible.
Facilities Available	Joy Stage Hachioji
The No. of Facilities	1 facility
Area	Tokyo
Contact No.	+81-120-38-0161
Property owned by KDR	Joy Stage Hachioji
Homepage	https://joystage.com/

(Note1) CENTURY LIFE CORPORATION and Seikatsu Kagaku Un-Ei Co., Ltd. merged with the parent company, Haseko Senior Holdings Co., Ltd. as of October 1, 2021 and the company name was changed to Haseko Senior Well Design Co., Ltd.

(Note 2) The area and the number of facilities are as of January 31, 2022.

(Note 3) There may be restrictions on trial residence and facility tour due to the operating condition of operators.

(Note 4) In the case of private senior homes with nursing care, those who are not required for nursing care may not be able to use this Unitholder Benefits Program.

(Note 5) It may be necessary to consult with a care manager and take a medical checkup before trial residence.

Unitholders benefit programs

Through the utilization of the Unitholders' Benefit Program, KDR hope that the unitholders and their families will be able to realize healthy longevity.

General Outline of the Unitholder Benefit Program

1	Eligible Unitholder	Unitholders stated or recorded on the unitholders' register of the Investment Corporation as of January 31, 2022 are eligible for the unitholder benefit program.
2	Contents	Unitholders owing more than 1 unit will be entitled to the benefits as described previous page.
3	Method for the Use of Benefits	Please present Semi-annual Report for the fiscal period ended January 2022 (20th fiscal period) and the paper setting forth the name, address, etc. of the unitholder or dividend receipts, which are enclosed in the Semi-annual Report, to the healthcare facility.
4	Validity Period	October 31, 2022

Q&A

About Benefit program	Q	At which facilities will I be eligible for benefit programs?
	A	Facilities offering programs are shown on the list, but applicable facility types vary depending on each operator. Please call the operator to find out which facilities offer benefit programs.
	Q	How can I check the details of benefit programs?
	A	Details of benefit programs vary depending on each operator. Moreover, there may be some restrictions to benefit programs due to the operational status of facilities and such. Please call the operator to find out the details of the benefit programs.
How to use	Q	What are the procedures required to use the program?
	A	Please call and tell the operator that you wish to use the "Unitholder Benefit Program." You will be provided with detailed information on necessary procedures.
	Q	What do I need to bring when using the program?
	A	Please bring the document enclosed with this Semi-annual Report affixed with your address, name and other information. Some operators or facilities may require additional confirmation documents. Please confirm the details with the relevant operator.
	Q	Can I go directly to a facility when I want to see the facility or do a trial residence?
	A	If you visit a facility without prior notice, they may not be able to respond to your request depending on the operational status or vacancy status. Please call the operator in advance and receive instructions before a visit.

II. Asset Management Report

1. Outline of Asset Management Operation

(1) Operating Result and Financial Position

	Fiscal period	Unit	16th	17th	18th	19th	20th
			From Aug. 1, 2019 to Jan. 31, 2020	From Feb 1, 2020 to Jul. 31, 2020	From Aug. 1, 2020 to Jan. 31, 2021	From Feb. 1, 2021 to Jul. 31, 2021	From Aug. 1, 2021 to Jan. 31, 2022
Operating result	Operating revenues	mil.yen	8,066	8,374	8,382	9,195	9,143
	(Rental revenues)	mil.yen	8,027	8,289	8,382	8,758	8,962
	Operating expenses	mil.yen	3,806	3,904	4,038	4,373	4,302
	(Expenses related to rent business)	mil.yen	2,911	3,005	3,060	3,333	3,257
	Operating income	mil.yen	4,260	4,469	4,344	4,822	4,840
	Ordinary income	mil.yen	3,614	3,808	3,632	4,147	4,119
Net income	mil.yen	3,613	3,808	3,631	4,146	4,119	
Asset	Total asset	mil.yen	256,665	272,960	283,172	293,176	302,410
	(period to period change)	%	(+ 0.7)	(+ 6.3)	(+ 3.7)	(+ 3.5)	(+ 3.1)
	Interest-bearing debt	mil.yen	127,650	135,050	145,220	146,920	155,820
	Unitholders' equity	mil.yen	118,500	127,457	127,132	135,218	135,790
(period to period change)	%	(-0.0)	(+ 7.6)	(-0.3)	(+ 6.4)	(+ 0.4)	
Unitholders' capital	mil.yen	99,731	108,550	108,550	116,322	116,322	
Distribution per unit	Total distribution	mil.yen	3,687	3,866	3,867	4,100	4,084
	Dividend payout ratio ^(Note 2)	%	102.1	101.5	106.5	98.9	99.1
	Number of investment units issued and outstanding	unit	907,458	951,258	951,258	995,883	995,883
	Net income per unit ^(Note 3)	yen	3,981	4,028	3,817	4,189	4,136
	Unitholders' equity per unit	yen	130,584	133,988	133,646	135,777	136,352
	Distribution per unit	yen	4,064	4,065	4,066	4,117	4,101
	Profit distribution	yen	4,064	4,065	4,066	4,117	4,101
	Distribution in excess of profit	yen	—	—	—	—	—
Financial indicator	Return on assets ^(Note 4)	%	1.4	1.4	1.3	1.4	1.4
	Annualized ^(Note 5)	%	2.8	2.9	2.6	2.9	2.7
	Return on net assets ^(Note 6)	%	3.0	3.1	2.9	3.2	3.0
	Annualized ^(Note 5)	%	6.0	6.2	5.7	6.4	6.0
	Net asset ratio	%	46.2	46.7	44.9	46.1	44.9
	(period to period change)	%	(-0.3)	(+ 0.5)	(-1.8)	(+ 1.2)	(-1.2)
	Interest-bearing debt ratio on assets ^(Note 7)	%	49.7	49.5	51.3	50.1	51.5
	FFO ^(Note 8) (Funds from Operation)	mil.yen	5,023	5,218	5,165	5,291	5,556
	FFO per unit ^(Note 9)	yen	5,536	5,486	5,430	5,313	5,579
	Leasing NOI ^(Note 10) (Net Operating Income)	mil.yen	6,545	6,751	6,825	6,971	7,295
	Annualized NOI yield ^(Note 5,11)	%	5.5	5.4	5.2	5.3	5.2
	Leasing NCF ^(Note 12) (Net Cash Flow)	mil.yen	5,888	6,235	6,347	6,346	6,655
Annualized NCF yield ^(Note 5,13)	%	5.0	5.0	4.9	4.8	4.8	
Reference	Number of properties	properties	144	151	157	161	165
	Leased units (Residential)	unit	8,148	8,319	8,755	9,027	9,250
	Total leasable floor area ^(Note 14)	m ²	490,988.55	503,721.25	516,871.89	525,995.20	543,473.29
	Occupancy ratio ^(Note 14)	%	97.6	96.8	96.2	97.4	97.3
	Depreciation expenses	mil.yen	1,428	1,467	1,504	1,546	1,589
	Capital expenditures	mil.yen	656	515	478	625	639

(Note 1) Figures are rounded down to the nearest unit. Ratios are rounded off to one decimal place

(Note 2) Dividend payout ratio = Total distribution(excluding Distribution in excess of profit)/Net income×100

- (Note 3) "Net income per unit" are calculated by dividing the net income with weighted average unit based on days.
- (Note 4) $\text{Return on assets} = \text{Net income} / \{(\text{Total assets at the beginning of period} + \text{Total assets at the end of period})/2\} \times 100$
- (Note 5) Annualized values for the 16th fiscal period are calculated based on a period of 184 days, 182 days for 17th fiscal period, 184 days for 18th fiscal period, 181 days for 19th fiscal period, 184days for 20th fiscal period.
- (Note 6) $\text{Return on net assets} = \text{Net income} / \{(\text{Total net assets at the beginning of period} + \text{Total net assets at the end of period})/2\} \times 100$
- (Note 7) $\text{Interest-bearing debt ratio of assets} = \text{Interest-bearing debt at the end of period} / \text{Total assets at the end of period} \times 100$
- (Note 8) $\text{FFO} = \text{Net income} + \text{Depreciation expenses} + \text{Amortization of deferred assets} - \text{Gain on sale of real estate property} + \text{Loss on sale of real estate property}$.
- (Note 9) $\text{FFO per unit} = \text{FFO} / \text{Number of investment units issued and outstanding (rounded down to unit)}$
- (Note 10) $\text{Leasing NOI} = \text{Rental revenues} - \text{Expenses related to rent business} + \text{Depreciation expenses}$
- (Note 11) $\text{Annualized NOI yield} = \text{Annualized NOI} / \text{Total acquisition prices of properties} \times 100$
- (Note 12) $\text{Leasing NCF} = \text{Leasing NOI} - \text{Capital expenditures}$
- (Note 13) $\text{Annualized NCF yield} = \text{Annualized NCF} / \text{Total acquisition prices of properties} \times 100$
- (Note 14) Figure and ratio include for land with leasehold interest.

(2) Outline of Asset Management Operation for the 20th Fiscal Period

(i) Outline of the History of the Investment Corporation

Kenedix Residential Next Investment Corporation (the “Investment Corporation”) was established on November 15, 2011 under the Act on Investment Trusts and Investment Corporations of Japan (“the Investment Trust Act”). On April 26, 2012, the Investment Corporation was listed on the Real Estate Investment Trust Market of the Tokyo Stock Exchange (Securities Code: 3278).

The Investment Corporation subsequently issued new investment units through three public offering and by way of third-party allotment to steadily grow its asset size through continuous investment in rental housing, which is its primary investment target.

Moreover, seeking further growth opportunities, the Investment Corporation conducted an absorption type merger (“the Merger”) with the Investment Corporation as the surviving corporation and Japan Senior Living Investment Corporation (“JSL”) as the absorbed corporation on March 1, 2018, and changed its name from Kenedix Residential Investment Corporation to Kenedix Residential Next Investment Corporation. (Following the merger, the Investment Corporation implemented a 2-for-1 investment unit split with an effective date of March 1, 2018.)

Even after the merger, the Investment Corporation procured funds on a regular basis and pursue sustainable growth opportunities by investing in rental housing, senior homes, hotels, etc. As of the end of the 20th fiscal period, the Investment Corporation owns a total of 165 real estate properties (total acquisition price: 277,569 million yen ^(Note)) consisting of 135 residential properties such as rental housings, 28 healthcare facilities such as private senior homes with nursing care and 2 accommodation facilities such as hotels and the total number of investment units issued and outstanding is 995,883 units. Most recently, the Investment Corporation procured funds by issuing new investment units in February and March and achieved further increase of market capitalization and steady growth of AUM.

The Investment Corporation entrusts the asset management to Kenedix Real Estate Fund Management, Inc. (the “Asset Management Company”), a company that was formed with personnel from Kenedix, Inc. and adheres to the core philosophies of Kenedix, Inc. The Asset Management Company provides real estate investment management services with flexibility and agility by flexibly pursuing optimal investment opportunities and income opportunities and agilely investing and managing based on swift information gathering and decision-making while accurately grasping real estate-related trends.

(Note) “Acquisition price” is the sales price of each trust beneficiary interest or real estate indicated in each trust beneficiary interest sales contract and real estate sales contract concerning the owned assets (excluding acquisition costs, adjustment in property tax and city-planning tax, and consumption tax) and is rounded down to the nearest million yen. The appraisal value as of March 1, 2018 is indicated as the acquisition price for assets succeeded by JSL due to the merger. The same applies hereinafter.

(ii) Investment Environment

During the 20th fiscal period, the Japanese economy experienced a weakening private consumption due to the spreading of the COVID-19 at the beginning of the period, as well as a decline in automobile production and exports affected by supply constraints due to the global shortage of semiconductors. However, since the lifting of the state of emergency declaration, there have been signs of improvement, including a turnaround to positive GDP growth. As for the economy going forward, various government policies to stimulate the economy are expected in parallel with thorough measures to prevent the spread of infection and promote vaccination. However, it is still necessary to keep a cautious and close watch on the trends of the global economy which has been affected by the spread of the COVID-19, soaring resource prices and the emergence of geopolitical risks, as well as the possibility of future volatility in the financial and capital markets, including the U.S. Federal Reserve's shift to a tighter monetary policy. With regard to residential properties, one of the main investment targets of the Investment Corporation, the flow of people from other regional areas to Tokyo metropolitan area has declined due to the spread of the COVID-19. Within the Tokyo metropolitan area, the introduction of teleworking and other measures by companies has led to a shift in residential needs from being heavily concentrated in central Tokyo to being dispersed over a wider area, and this is changing the rental market. As a result of these changes in the market environment, occupancy rates for some rental housing in central Tokyo remained sluggish, but are now gradually regaining strength. On the other hand, occupancy rates of some rental housing in the suburbs of central Tokyo and other regional areas are higher than before the COVID-19 pandemic. As for the rental housing market in general, the impact of the COVID-19 pandemic has been minimal, and occupancy rates have remained steady. Regarding the rent, although the rate of rent increase is decreasing, rents still continue to increase for properties especially in the suburbs of central Tokyo and for properties with larger unit types.

Concerning the environment surrounding healthcare facilities, with one of the longest average life expectancies for both men and women, Japan now has a super-aging society ^(Note) which no other country has ever experienced, and the “aging,” or the increase in the ratio of the elderly population against total population and the increase in elderly population itself, is expected to continue going forward. In response to such trends, the number of senior care facilities such as private senior homes with nursing care and serviced senior housing has been on the rise in recent years. The Investment Corporation believes that demand for senior care facilities, including nursing care facilities, will continue to increase. Even under the circumstances of the spread of the COVID-19, stable facility operations have continued with infection prevention measures taken by the operators of each facility.

Demand for accommodation facilities has decreased substantially due to restrictions on entry into Japan from overseas and restrictions on movement within Japan in order to prevent the spread of the COVID-19. Toward the end of last year, the lifting of the state of emergency declaration led to a temporary recovery in demand for accommodation, but the number of cases of COVID-19 is on the rise again, accommodation facility operators continue to face a difficult operating environment. As the impact of the new coronavirus infection gradually eases, accommodation demand is expected to recover, but it will take a certain amount of time to return to the situation before the coronavirus disaster.

In the real estate investment market, some investors initially took a cautious stance toward real estate investment due to the spread of the new coronavirus infection, but investors' willingness to invest in real estate is recovering against the backdrop of accommodative monetary policies in Japan and overseas, and active transactions are currently taking place. Expected yields on rental housing, which is the main investment target of the Investment Corporation, remain low, and the environment for property acquisitions is expected to remain difficult.

(Note) “Super-aging society” refers to a society with a population aging rate (ratio of the elderly population aged 65 or over against total population) exceeding 21%, as defined by the World Health Organization and the United Nations.

(iii) Operating Results

(A) Acquisition and Sale of Assets

The Investment Corporation comprehensively taking into account the composition of the entire portfolio, earnings power in the future, etc., and the Investment Corporation acquired 5 properties in total (total acquisition price: 12,227 million yen), which includes acquisitions of 3 residential properties (total acquisition price: 9,237 million yen) and 2 healthcare facilities (total acquisition price: 2,990 million yen), and sold 1 residential property (acquisition price: 420 million yen / sale price: 580 million yen). In addition, the Investment Corporation acquired a silent partnership interest (107 million yen) of GK Trinity 1 which manages total of 3 properties composed of 2 residential properties and a healthcare facility with aim to keep the opportunity for flexible growth and additional revenues in the future.

< Acquired assets >

Property number	Property name	Acquisition price (million yen) ^(Note)
T-100	KDX Residence Kamishakujii II	3,087
T-101	Hulic Residence Tsudanuma	1,150
T-102	KDX Residence Yokohama Momijisaka	5,000
Residential	Subtotal	9,237
H-27	Grapes Kawasaki Shimmachi	1,470
H-28	Grapes Fujimino	1,520
Healthcare	Subtotal	2,990
	Total	12,227

< Sold asset >

Property number	Property name	Sale price (million yen) ^(Note)
T-44	KDX Residence Tobu Nerima	580

(Note) “Acquisition Price” and “Sale Price” are the purchase or sales amount of each trust beneficiary interest (excluding acquisition or sale costs, property tax, city planning tax or consumption tax, etc.) indicated in each trust beneficiary interest purchase or sales contract concerning the acquired assets and sold assets, and are rounded down to the nearest million yen.

As a result of the above, as of the end of the 20th fiscal period, the Investment Corporation owned a total of 165 properties (total acquisition price: 277,596million yen), which consist of 135 residential properties (acquisition

price: 210,999 million yen), 28 healthcare facilities (acquisition price: 61,610 million yen) and 2 accommodation facilities (acquisition price: 4,960 million yen).

(B) Management and Operation of Assets

With respect to residential, the Investment Corporation managed our real estate holdings with the aim of achieving stable and optimal performance by working with a property management company (“PM Company”) that operates and manages properties, which were selected through a multifaceted approach of taking into consideration the region, location and city, rent range, tenant type (corporate or individual) and other various characteristics.

Moreover, the Investment Corporation strove to partner with leading real estate companies with a strong local presence and bolster the PM Company’s efficient leasing activity. We also ensured that soliciting conditions took into consideration the characteristics and occupancy levels of individual properties; carried out efficient advertising efforts utilizing the power of the KDX Residence brand; utilized leasing agents; and implemented flexible sales activities attuned to the characteristics of each of the properties in accordance with plans.

Specific measures that contributed to improvement in revenue at the rental business are as follows: with respect to properties with stable and robust occupancy conditions, the Investment Corporation strove to raise rent levels for and obtain key money from new tenants; raise rents when leases were renewed; increase revenue associated with auxiliary facilities; and improve the parking contract rate; and as measures to slash rental business expenses, we reduced utility bills by switching the electricity supplier for common areas; changed the lighting in common areas to LED; and reviewed the contracts for auxiliary facilities, as well as solicitation costs, etc., in order to improve income and expenditures.

Moreover, with the aim of maintaining and/or improving the market competitiveness of our portfolio assets, the Investment Corporation undertook planned major renovation work at five properties, updating work in common areas as well as value-increasing work and facility updates in individually-owned areas.

The Investment Corporation continued to introduce LED lighting to common areas as part of our environmental efforts and obtained 12 properties of DBJ Green Building Certification from external rating agencies in the end of the 20th fiscal period (January 31, 2022).

As a result of the above, the occupancy rate for residential facilities was 96.1% as of the end of the 20th fiscal period (January 31, 2022). The average occupancy rate for residential facilities during the 20th fiscal period was 96.3%.

As a specific measure contributing to the maintenance and improvement of revenue at the rental business for healthcare facilities, the Investment Corporation usually visits facilities to confirm their operating status, including revenues, expenditures, and occupancy rates, but the Asset Management Company minimized opportunities for onsite visits to the facilities out of consideration for the spread of COVID-19 in this period too, and continued to monitor operations of the managers by all possible means including online interviews about business conditions, future management policies, etc.

The Investment Corporation implemented necessary repair works with taking prevention measure for COVID-19 infection.

As a result of the above, the average occupancy rate for healthcare facilities was 99.9% and the occupancy rate as of the end of 20th fiscal period (January 31, 2022) was 99.9%. The occupancy rate for the entire portfolio was 97.3% as of the end of 20th fiscal period (January 31, 2022).

With regard to the hotels, the Investment Corporation will continue to operate them while keeping a close eye on future economic trends, as the spread of the novel coronavirus has led to a significant decline in demand for lodging both on business and vacation.

(C) Financing

The Investment Corporation procures funds with the aim of medium- to long-term stable earnings and sustained growth of portfolio assets, taking into consideration the balance between financial stability and financing costs.

(Borrowing)

The Investment Corporation borrowed 9,900 million yen as funds for acquiring properties and 8,750 million yen as funds for repaying borrowings due during the 20th fiscal period.

As a result of the foregoing, the balance of borrowings was 148,120 million yen, the balance of the interest-bearing debt including the investment corporation bond was 155,820 million yen at the end of 20th period (January 31, 2022) and the average remaining term of interest-bearing debt ^(Note 1) was 4.1 years, and the average interest rate at the end of 20th fiscal period ^(Note 2) was 0.89%. The long-term debt ratio ^(Note 3) came to 85.7%, the fixed interest-rate ratio ^(Note 4) was 97.0%, and the loan to value ratio (LTV) came to 51.5%.

(Note 1) It is calculated by weighting and averaging the remaining term of each interest-bearing debt according to the balance of each interest-bearing debt and rounded off to decimal place.

(Note 2) The average interest rate of each interest-bearing debt was calculated taking into account the upfront fee (per annum) and interest rate swaps, etc., and the weighted average was calculated in accordance with the balance of each interest-bearing debt.

(Note 3) Long-term debt ratio = (balance of long-term borrowings (excluding long-term borrowings to be repaid within one year) + balance of investment corporation bonds (excluding investment corporation bonds to be repaid within one year)) ÷ (balance of borrowings + balance of investment corporation bonds)

The long-term debt ratio that includes long-term borrowings and investment corporation bonds to be repaid within one year is 100%.

(Note 4) The fixed interest-rate ratio = (balance of fixed interest-rate borrowings (including borrowings for which interest rates are substantially fixed through interest rate swap transactions, etc.) + balance of investment corporation bonds) ÷ (balance of borrowings + balance of investment corporation bonds)

(Credit Ratings)

The status of the credit ratings as of the end of the 20th fiscal period (January 31, 2022).

Credit Rating Agency	Type	Rating
Japan Credit Rating Agency, Ltd.(JCR)	Long-term issuer rating	AA-(Outlook : Positive)
	Bond rating	AA-

(Shelf Registration)

The Investment Corporation filed a shelf registration statement regarding investment corporation bonds (excluding short-term investment corporation bonds) on June 26, 2020 with the following overview.

Planned issuance amount	100,000 million yen
Planned issuance period	From July 6, 2020 to July 5, 2022
Use of proceeds	Funds for acquiring specified assets (having the meaning as set forth in the Act on Investment Trusts and Investment Corporations, Article 2, Paragraph 1); funds for repaying borrowings; funds for redeeming investment corporation bonds (including short-term investment corporation bonds); funds for returning deposits; funds for paying for repairs and maintenance, etc.; operating capital, etc.

The Investment Corporation issued 1,700 million yen of the Seventh Series Bonds (Social Bond) on May 31, 2021 based on the above shelf registration.

(iv) Overview of Financial Results and Cash Distribution

As a result of these management efforts, the Investment Corporation reported total operating revenues was 9,143 million yen, operating income was 4,840 million yen, ordinary income was 4,119 million yen and net income was 4,119 million yen for the 20th fiscal period.

In regard to profit distributions for the 20th fiscal period, pursuant to the distribution policy in the Investment Corporation's articles of incorporation, the Investment Corporation has decided to apply special provisions of the tax system for investment corporations (Act on Special Measures Concerning Taxation (Act No. 26 of 1957; as amended) ("Act on Special Measures Concerning Taxation"), Article 67-15) and to distribute 4,084,116,183 yen as profit distribution from unappropriated retained earnings for the 20th fiscal period, which is the amount of the net income excluding a part of gain on sale of real estate property, etc., plus the reversal of reserve for temporary difference adjustment.

In the event that a gain on the sale of real estate, etc. occurs, the necessity of retaining the gain on the sale shall be

considered.

(3) Changes in Unitholders' Capital

The changes in unitholders' capital and number of investment units issued and outstanding for last five years are as follows.

Date	Capital transaction	Number of investment units Issued and outstanding		Unitholders' capital (Million yen)		Remark
		Increase	Balance	Increase	Balance	
March 1, 2018	Investment unit split	349,089	698,178	—	80,132	(Note 1)
March 1, 2018	Merger	84,750	782,928	—	80,132	(Note 2)
August 1, 2018	Public offering	82,100	865,028	12,470	92,602	(Note 3)
August 29, 2018	Third-party allotment	4,105	869,133	623	93,226	(Note 4)
February 20, 2019	Public offering	36,500	905,633	6,195	99,421	(Note 5)
March 11, 2019	Third-party allotment	1,825	907,458	309	99,731	(Note 6)
February 26, 2020	Public offering	43,800	951,258	8,818	108,550	(Note 7)
February 25, 2021	Public offering	42,500	993,758	7,402	115,952	(Note 8)
March 9, 2021	Third-party allotment	2,125	995,883	370	116,322	(Note 9)

(Note 1) The Investment Corporation investment units was split 2-for-1 on the reference date as of February 28, 2018 and the effective date as of March 1, 2018.

(Note 2) In connection with the Merger, the Investment Corporation unit following the Investment Unit Split was allocated to every JSL unit with 84,750 JSL units newly issued on March 1, 2018.

(Note 3) New investment units were issued at a price of ¥157,047 per unit (subscription price of ¥151,892 per unit) through a public offering in order to raise funds for acquiring new properties.

(Note 4) New investment units were issued at a price of ¥151,892 per unit through the third-party allotment in order to raise funds for future acquisitions of specified assets and repayment of borrowings.

(Note 5) New investment units were issued at a price of ¥175,500 per unit (subscription price of ¥169,740 per unit) through a public offering in order to raise funds for acquiring new properties.

(Note 6) New investment units were issued at a price of ¥169,740 per unit through the third-party allotment in order to raise funds for future acquisitions of specified assets.

(Note 7) New investment units were issued at a price of ¥208,065 per unit (subscription price of ¥201,342 per unit) through a public offering in order to raise funds for acquiring new properties.

(Note 8) New investment units were issued at a price of ¥179,985 per unit (subscription price of ¥174,170 per unit) through a public offering in order to raise funds for acquiring new properties.

(Note 9) New investment units were issued at a price of ¥174,170 per unit through the third-party allotment in order to raise funds for acquiring new properties.

【Changes in Unit Price at Tokyo Stock Exchange】

The highest and lowest closing prices of the investment units listed on J-REIT section of the Tokyo Stock Exchange for each fiscal period are as follows.

Fiscal period For the fiscal period ended	16th Fiscal period January 31, 2020	17th Fiscal period July 31, 2020	18th Fiscal period January 31, 2021	19th Fiscal period July 31, 2021	20th Fiscal period January 31, 2022
Highest price	225,500	217,400	198,000	244,800	239,000
Lowest price	191,400	106,900	168,600	177,300	192,900

(4) Distributions

The Investment Corporation intends to apply the corporate income taxation special provision (Act on Special Measures Concerning Taxation, Article 67-15) that specifies deduction of an amount equivalent to profit distributions as deductible expenses from an investment corporation's taxable income, and in accordance with the distribution policy set forth in the Investment Corporation's certificate of incorporation, Article 38 (1), has decided to distribute 4,084,116 thousand yen as profit distribution from unappropriated retained earnings for the 20th fiscal period, which is the amount of the net income excluding a part of gain on sale of real estate property, etc., plus the reversal of reserve for temporary difference adjustment.

As a result, distributions per unit for the 20th fiscal period amounted to 4,101 yen.

Fiscal period	16th From Aug.1, 2019 to Jan.31, 2020	17th From Feb.1, 2020 to Jul.31, 2020	18th From Aug.1, 2020 to Jan.31, 2021	19th From Feb.1, 2021 to Jul.31, 2021	20th From Aug.1, 2021 to Jan.31, 2022

Unappropriated retained earnings	(Thousand yen)	4,072,277	4,212,398	3,997,276	4,296,284	4,335,589
Retained earnings	(Thousand yen)	404,367	365,534	149,461	216,234	271,473
Total distribution	(Thousand yen)	3,687,909	3,866,863	3,867,815	4,100,050	4,084,116
(Distribution per unit)	(Yen)	(4,064)	(4,065)	(4,066)	(4,117)	(4,101)
Profit distribution	(Thousand yen)	3,687,909	3,866,863	3,867,815	4,100,050	4,084,116
(Profit distribution per unit)	(Yen)	(4,064)	(4,065)	(4,066)	(4,117)	(4,101)
Unitcapital refunds	(Thousand yen)	–	–	–	–	–
(Unitcapital refunds per unit)	(Yen)	(–)	(–)	(–)	(–)	(–)
Unitcapital refund from retained earnings for temporary difference adjustment	(Thousand yen)	–	–	–	–	–
(Unitcapital refund from retained earnings for temporary difference adjustment per unit)	(Yen)	(–)	(–)	(–)	(–)	(–)
Unitcapital refunds from deduction of unitcapital under tax rules	(Thousand yen)	–	–	–	–	–
(Unitcapital refunds from deduction of unitcapital under tax rules per unit)	(Yen)	(–)	(–)	(–)	(–)	(–)

(5) Management Policy and Issues to Be Addressed

Outlook for Asset Management

The Investment Corporation primarily invests in residential facilities mainly such as rental housing, etc., and healthcare facilities such as private senior homes with nursing care, based on the three core strategies: “Consistent External Growth by Making Use of Good Judgment,” “Efficient Profit Management” and “Challenge to New Business Opportunities.”

Going forward, the Investment Corporation will continue to seek maximization of unitholder value by evolving into a REIT capable of adapting to change in social/economical structures and improving its “stability” and “ability to pursue growth,” through diversified investment in “spaces where people live and stay” encompassing residential facilities and healthcare facilities.

Based on the above two principal investment targets, the Investment Corporation newly added child-care facilities as an investment target on September 12, 2019. As “spaces where people live and stay” they are considered to have close affinity with the residential facilities of the Investment Corporation. In addition, from the perspective of achieving long-term stable rental revenues and steady growth in asset size, we changed the positioning of lodging facilities, which we have come to recognize as having relatively high earnings fluctuation risk due to the deterioration of the operating environment triggered by the spread of the new coronavirus infection, to a secondary investment target in our portfolio construction policy as of October 27, 2021.

(A) New Property Acquisitions

The Investment Corporation will invest primarily in residential and healthcare properties “spaces where people live and stay” as its target investments. In making investments, the Investment Corporation will stringently select real estate etc. where stable demand from tenants and users and long-term stable revenue flows can be projected on the basis of an individual analysis of the attributes of a particular property, as well as regional analysis taking into account location, etc.

In residential facilities, the Investment Corporation focuses on the potential earnings power of land and use “location prestige,” “location convenience” and “whether there is a special market” and other metrics to determine investment opportunities providing rental income with medium- to long-term stability, and invests also in rental residential facilities and other residential facilities located mainly in greater Tokyo and in Other Regional Areas

(government-designed municipalities and other regional cities. The same applies hereinafter.) by discerning room types where stable rent demand can be expected, in accordance with the locational characteristics after analyzing the attractiveness of the land in detail.

In healthcare facilities and accommodations, the Investment Corporation judges investment opportunity considering scale and characteristic of market, regional financial affairs and status of competitive facilities, etc. and examines investment mainly in three major metropolitan area.

The Investment Corporation believes that it will be possible to acquire properties steadily by utilizing the “judgment capabilities” cultivated as a real estate investment management professional to select excellent investment opportunities from a wide range of investment targets.

As a property acquisition channel, the Investment Corporation use not only the pipeline from Kenedix, Inc and Kenedix Investment Partners, Inc. pursuant to the Memorandum of Understanding concerning Real Estate Information Provisions dated October 1, 2013 (including the change after the date and calls “Support Line MOU”. This Support Line MOU was used for i) residential properties, ii) healthcare facilities as a main target, and iii) accommodations iv) child-care facilities as a second target and Residential REIT department is applied for those having a priority consideration right to responsible for the asset management of the Investment Corporation) but also leverage the Asset Management Company’s own network, including Jyukyo Holdings Co., Ltd., with which a support agreement was executed on June 15, 2017 and Shinsei Bank, Limited, HASEKO Corporation, and Mitsubishi UFJ Trust and Banking Corporation, with which a support agreement was executed on November 10, 2017 by the Merger, for flexible property acquisitions. In October 2021, through an extension of the capital and business alliance with Kenedix, the parent company of the Asset Management Company, the Asset Management Company entered into a support agreement between Sumitomo Mitsui Finance and Leasing Company, Limited. and SMFL Mirai Partners Company, Limited.

We also plan to control property acquisition timing in order to acquire properties at an advantageous timing in accordance with the future market and financing climates, and we are considering investment in silent partnership equities and real estate-backed securities (preferred securities, etc.).

(B) Management of Owned Assets

As residential facilities, with the goal of securing a rental income with medium- to long-term stability, PM companies and the Asset Management Company work together to formulate leasing strategies in accordance with individual property characteristics, and by closely allying with leading real estate companies experienced in regional rental markets, seek to maintain or improve occupancy rates and rent levels.

The Investment Corporation will also take into account the operation statuses of the properties and movements of competing properties and seek to maintain or improve occupancy rates, raise rent levels at the time of tenant changes, increase rent at the time of lease renewals, receive key money, reduce the time of vacancy, maintain or improve lease renewal rates, and secure parking revenue and other auxiliary revenue and other income opportunities to secure rent income.

The Investment Corporation will respond to requests from some tenants to reduce rents due to the Covid-19 appropriately, taking into account individual circumstances.

The Investment Corporation will further strive to cut down on restoration and other repair and maintenance expenses, review the electricity provider for common areas in connection with the liberalization of the electricity market, cut costs through the use of LED lighting for common areas, and reduce tenant solicitation and other costs.

The Investment Corporation will carry out strategic work to update common areas and enhance the value of leased areas of the properties and continue implementing appropriate, major repairs, as necessary, while it seek to maintain or enhance the market competitiveness of its assets.

As healthcare facilities, the Investment Corporation continues to monitor properly operational status of facilities it owns and business status of operators by information about them and companies from operators, inspection of operating status and interview by visiting them and interview with managements in operating company, etc.

Considering results of monitoring, the Investment Corporation proposes to improve buildings, facilities and operation and examines changing operators in case important issue occurs in succession of management in operators. The Investment Corporation contracts Back-up operation conclusion with operators and support

companies in preparation of changing operators.

The Investment Corporation will manage to make internal growth by deepening relation with operators such as value-ups based on proposal from operators and cooperation for resolving issues in operation.

The Investment Corporation will continue to monitor the impact of the Covid-19 on the lodging business, and will take appropriate measures in consultation with operators to ensure the best possible outcome from a long-term perspective.

(C) Financing

The Investment Corporation will continue to pay close attention to changes in interest rates and other developments in the financing environment and will consider various options and choose optimal financing means in order to achieve the optimal balance between financial stability and financing costs, and seek to build an appropriate financial base.

(D) Disclosure of Information

The Investment Corporation's basic policy for disclosure is to engage in proactive investor relations activities to provide a broad range of information to investors and concerned parties and to quickly disclose accurate information to the extent possible. Specifically, we practice appropriate disclosure through the Tokyo Stock Exchange (TDnet registration and press releases) and through our website (<https://www.kdr-reit.com/en>).

(E) Conflicts of Interest

The Asset Management Company has established related-party transaction rules of the Residential REIT Department and conducts management based on said rules upon transactions with related parties in the management of assets of the Investment Corporation. The Asset Management Company is also entrusted with management of other REITs of Kenedix group, and which may compete against the Investment Corporation in the acquisition of investment properties. The Asset Management Company has established a department that obtains information for sales of real estate and preferentially considers acquisition thereof. For this reason, the Asset Management Company prepared a rule on "Right of first consideration" based on type and scale of properties and determines the order of consideration within the Asset Management Company in advance, in addition to setting up internal "pipeline meetings" with a compliance officer in attendance, implementing operation in accordance with certain rules. By doing so, the Asset Management Company prevents arbitrary distribution of real estate sales information and thereby prevents conflicts of interest from arising among the investment corporations whose assets it manages and strives to implement proper measures to address conflicts of interest.

(6) Important Subsequent Events

Issuance of New Investment Units

The Investment Corporation resolved at the Board of Directors' meeting on February 14, 2022 and February 17, 2022 to issue new investment units to apply the funds toward payment for the acquisition of specified assets.

The payment for the issuance of new investment units through public offering has been completed on February 24, 2022, and the payment for the issuance of new investment units by third-party allotment has been completed on March 10, 2022.

As a result, Unitholders' capital came to 125,564,617,378 yen and Number of investment units issued and outstanding came to 1,045,758 units as of March 10, 2022.

(Issuance of New Investment Units through Public Offering)

Total number of units to be offered	: 47,500 unit
Issue price (offer price)	: 191,490 yen per unit
Total amount issue price (offer price)	: 9,095,775,000 yen

Purchase price (Amount to be paid in) : 185,303 yen per units
Total amount purchase price (Amount to be paid in) : 8,801,892,500 yen
Payment date : February 24, 2022

(Issuance of New Investment Units by Third-Party Allotment)

Total number of units to be issued : 2,375 units
Purchase price (Amount to be paid in) : 185,303 yen per unit
Total amount purchase price (Amount to be paid in) : 440,094,625 yen
Payment date : March 10, 2022
Allottee : SMBC Nikko Securities Inc.

(Reference)

Acquisition of Assets

a. The Investment Corporation acquired the following trust beneficiary interest in real estate.

Date of Acquisition	Property number	Property Name	Location	Previous Owner	Acquisition Price (mil.yen) (Note 2)	Appraisal value (mil.yen) (Note 3)
March 1, 2022	H-29	Irise Kobe Rokko	Kobe-shi, Hyogo	SMFL Mirai Partners Company, Ltd.	1,200	1,320
March 1, 2022	H-30	Excellent Hanayashiki Garden Hills	Takarazuka-shi, Hyogo	SMFL Mirai Partners Company, Ltd.	1,287	1,370
Total					2,487	2,690

(Note 1) “Acquisition Price” is the sales amount of each trust beneficiary interest (excluding acquisition costs, property tax, city planning tax or consumption tax, etc.) indicated in each trust beneficiary interest sales contract concerning the to-be acquired assets and is rounded down to the nearest million yen.

(Note 2) “Appraisal date” is November 30, 2021.

b. The Investment Corporation executed trust beneficiary interest sales contract concerning the following trust beneficiary interest in real estate on February 14, 2022.

Date of to-be acquired	Property number	Property Name	Location	Previous Owner	Acquisition Price (scheduled) (mil.yen) (Note 2)	Appraisal value (mil.yen) (Note 3)
April 1, 2022	T-103	KDX Residence Umejima ^(Note 1)	Adachi-ku Tokyo	GK Trinity One	2,373	2,590
April 1, 2022	R-47	Serenite Koshien Plie ^(Note 1)	Nishinomiya-shi Hyogo	GK Trinity One	770	808
April 1, 2022	H-31	Excellent Hanayashiki Garden Hills ^(Note 1)	Takarazuka-shi Hyogo	GK Trinity One	2,340	2,420
April 15, 2022	T-104	KDX Residence Mizonokuchi ^(Note 1)	Kawasaki-shi, Kanagawa	Not disclosed	2,781	3,000
June 1, 2022	T-105	KDX Residence Hachioji Otsuka ^(Note 1)	Hachioji-shi, Tokyo	Not disclosed	1,490	1,570
Total					9,754	10,388

(Note 1) The trust beneficiary interest sales contract associated with the to be acquired assets fall under the forward commitments, etc. by the Investment Corporation as specified in the Financial Services Agency “Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.”

(Note 2) “Acquisition Price” is the sales amount of each trust beneficiary interest (excluding acquisition costs, property tax, city planning tax or consumption tax, etc.) indicated in each trust beneficiary interest sales contract concerning the to-be acquired assets and is rounded down to the nearest million yen.

(Note 3) “Appraisal Date” is December 1, 2021.

(Note 4) Not disclosed according to seller’s intention

2. Overview of the Investment Corporation

(1) Unitholders' Capital

Fiscal period	16th As of January 31, 2020	17th As of July 31, 2020	18th As of January 31, 2021	19th As of July 31, 2021	20th As of January 31, 2022
Total number of authorized investment units (Unit)	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total number of investment units issued and outstanding (Unit)	907,458	951,258	951,258	995,883	995,883
Unitholders' capital (Million yen)	99,731	108,550	108,550	116,322	116,322
Number of unitholders (People)	10,390	11,005	11,317	10,522	10,422

(2) Matters Concerning Investment Units

Major unitholders as of January 31, 2022 are as follows.

Name	Address	Number of investment units held (Units)	Ratio (%) (Note1)
Custody Bank of Japan, Ltd. (Trust Acct.)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	242,396	24.33
The Master Trust Bank of Japan Ltd. (Trust Acct.)	11-3, Hamamatsu-cho 2-chome, Minato-ku, Tokyo	213,885	21.47
The Nomura Trust Banking Co., Ltd. (Trust Acct.)	2-2, Otemachi 2-chome, Chiyoda-ku, Tokyo	51,714	5.19
Kenedix, Inc.	1-6 Uchisaiwai-cho 2-chome, Chiyoda-ku, Tokyo	29,515	2.96
Custody Bank of Japan, Ltd. (Securities Investment Trust Acct.)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	22,540	2.26
Mitsubishi UFJ Trust and Banking Corporation	11-3, Hamamatsu-cho 2-chome, Minato-ku, Tokyo Standing proxy: The Master Trust Bank of Japan, Ltd.	18,813	1.88
STATE STREET BANK WEST CLIENT-TREATY 505234	Shinagawa Intercity Tower A 15-1, 2-chome, Kohnan, Minato-ku, Tokyo Standing proxy: Mizuho Bank, Ltd.	16,631	1.66
Japan Securities Finance Co., Ltd.	2-10, Nihonbashi Kayabacho 1-chome, Chuo-ku, Tokyo	12,261	1.23
SMBC Nikko Securities Inc.	3-3-1, Marunouchi, Chiyoda-ku, Tokyo	12,077	1.21
The Gunma Bank, Ltd.	194, Motosojamachi, Maebashi-shi, Gunma	10,904	1.09
Total		630,736	63.33

(Note) Ratio of number of investment units owned to total number of investment units issued is calculated by being rounded down to two decimal places

(3) Matters Concerning Directors and Auditor

(i) The Executive Directors, Supervisory Directors and the Independent Auditor During the 20th Fiscal Period are as Follows.

Position	Name	Other concurrent title	Total amount of fees paid during the period (thousand yen)
Executive Director (Note1)	Katsue Okuda	Ogata Appraisal Corporation, Director Lecturer in Meiji University's Graduate School of Global Business Kudan Ogata Holdings Corporation, Representative director Kudan Urban Appraisal Co., Ltd., Director CERESPO CO., LTD., Auditor Sankei Building Asset Management Co., Ltd., Investment Committee, External committee member Fiscal System Council, Ministry of Finance, committee member Maruha Nichiro Corporation, Outside Director CRE, Inc., Outside Director	900
	Shin Yamamoto	Kenedix Real Estate Fund Management, Inc. Head of Planning Division, Residential REIT Department	-
	Tetsu Kawashima	Kenedix Real Estate Fund Management, Inc. Director & COO, Head of Residential REIT Department	-
Supervisory Director (Note 2) (Note 3)	Osamu Chiba	Akebono Law Office, Attorney Maruzen Foods Corporation, Outside Auditor IMAGICA GROUP Inc., Outside Director	1,500
	Satoshi Ogawa	Ogawa CPA Office, CPA GK Mercury Consulting, Representative Partner Oedo-Onsen Monogatari Co., Ltd, Auditor Ooedo Onsen Monogatari Hotels & Resorts Co., Ltd. Auditor	1,500
	Soichiro Iwao	Hungarian Medical Universities, Director National Federation of Industrial Health Organization, Director Iwao Consultant Office, Director Japan Society for Dying with Dignity, President	750
	Osamu Utsunomiya	Visiting Professor, Keio University School of Medicine Vice President, Medical Corporation KEN-IKU KAI Director, Japan Association of Rehabilitation Hospital and Institution Director, Japan Architectural Hygiene Management Education Center	750
Independent auditor	Ernst & Young ShinNihon LLC	-	13,050

(Note 1) Keisuke Sato retired as executive director on July 31, 2021 and Shin Yamamoto assumed the office of executive director, furthermore, Katsue Okuda and Shin Yamamoto retired as executive director on October 31, 2021 and Tetsu Kawashima assumed the office of executive director on November 1, 2022. The information of other concurrent title, etc., regarding Katsue Okuda and Shin Yamamoto is as of the date of their retirement.

(Note 2) Soichiro Iwao retired as supervisory director on October 31, 2021, and Osamu Utsunomiya assumed the office of supervisory director on November 1, 2021. The information regarding Soichiro Iwao's other concurrent title, etc., is as of the date of his retirement.

(Note 3) Supervisory Director may be an officer of corporations other than mentioned above, but there is no interest in relation to the Investment Corporation

(ii) Policy on Decisions to Terminate or Not Reappoint the Accounting Auditor

Dismissal of an independent auditor will be made in accordance with the Act on Investment Trusts and Investment Corporations, and a decision not to re-appoint an independent auditor will be considered by comprehensively taking into account the audit quality, compensation and other various circumstances by the board of directors of the Investment Corporation.

(4) Matters Concerning Directors and Officers Liability Insurance Policy

Classification	Summary of Insurance Policy
All of Executive Directors and Supervisory Directors	<p>(Outline of the insured accident to be covered)</p> <p>The Investment Corporation has concluded a directors' liability insurance policy as set forth in Article 116-3, Paragraph 1 of the Act on Investment Trust and Investment Corporation, with an insurance company and the Investment Corporation shall compensate for damages, litigation expenses, and other damages incurred by the insured as a result of receiving a claim for damages arising from an act performed by the insured in connection with its business as a director of the Investment Corporation to a certain extent under the insurance contract.</p> <p>(Burden ratio of insurance premiums)</p> <p>Premiums for all insured persons is wholly paid by the Investment Corporation.</p> <p>(Measures to ensure that the appropriateness of the execution of duties by directors is not impaired)</p> <p>There is no deductible for a series of liability for damages, but the maximum amount payable is 1 billion yen.</p>

(5) Asset Management Company, Custodian and General Administrators

The asset management company, custodian and general administrators as of the end of the 20th fiscal period are as follows.

Classification	Name
Asset manager	Kenedix Real Estate Fund Management, Inc.
Custodian	Mizuho Trust & Banking Co., Ltd.
General administrator (Unitholder registry)	Sumitomo Mitsui Trust Bank, Limited
General administrator (Regarding bookkeeping)	Mizuho Trust & Banking Co., Ltd.
General administrator (Administration)	Mizuho Trust & Banking Co., Ltd.
General administrator (Regarding investment corporation bonds)	Sumitomo Mitsui Trust Bank, Limited MUFG Bank, Ltd.

3. Status on Investment Properties

(1) Component of Assets

Classification of assets	Use	Area	19th As of July 31, 2021		20th As of January 31, 2022	
			Total amount held (mil.yen) (Note 4)	Composition ratio (%) (Note 5)	Total amount held (mil.yen) (Note 4)	Composition ratio (%) (Note 5)
Trust beneficiary interest in real estate ^(Note 6)	Residential	Tokyo Metropolitan Area ^(Note 1)	146,148	49.8	155,097	51.3
		Other Regional Area ^(Note 2)	55,219	18.8	54,887	18.1
	Healthcare	Tokyo Metropolitan Area ^(Note 1)	22,396	7.6	25,421	8.4
		Other Regional Area ^(Note 2)	33,919	11.6	33,799	11.2
		Other ^(Note 3)	1,263	0.4	1,245	0.4
	Accommodation	Tokyo Metropolitan Area ^(Note 1)	5,085	1.7	5,071	1.7
Total (Trust beneficiary interest in real estate)			264,032	90.1	275,522	91.1
Real estate ^(Note 6)	Healthcare	Other Regional Area ^(Note 2)	172	0.1	173	0.1
Total (Real estate)			172	0.1	173	0.1
Silent partnership interest ^(Note 7)			—	—	109	0.0
Bank deposits and other assets			28,972	9.9	26,605	8.8
Total assets			293,176	100.0	302,410	100.0

(Note 1) “Tokyo Metropolitan Area” means major cities in Tokyo, Kanagawa, Saitama and Chiba.

(Note 2) “Other regional areas” include government-designed municipalities and other regional cities.

(Note 3) “Other” means cities except Tokyo Metropolitan Area and Other regional areas.

(Note 4) “Total amount held” means carrying amounts on the balance sheet (amounts of Trust beneficiary interests in real property and real property are book values net of depreciation) at the end of fiscal period and rounded off to one dismal place.

(Note 5) “Composition ratio” means the ratio of carrying amounts of each classified assets to total assets on balance sheet and rounded off to one dismal place.

(Note 6) Rehabili-home Granda Mondoyakujin consists of both trust beneficiary interest in real estate and real estate, therefore, they are remarked in each category of use distinctively.

(Note 7) The operator of the silent partnership is GK Trinity One.

(2) Major Assets Owned

The overview of major assets owned by the Investment Corporation (Top 10 properties in net book value as of January 31, 2022) are as follows.

No.	Name of property	Book value (Million yen)	Leasable area (m ²) ^(Note 1)	Leased area (m ²) ^(Note 2)	Occupancy Rate (%) (Note 3)	Ratio of rental revenue to total rental revenue (%) ^(Note 4)	Major use
T-78	KDX Residence Toyosu	7,594	6,811.38	6,811.38	100.0	2.0	Residential
R-45	KDX Residence Shukugawa Hills	7,245	17,575.39	17,110.15	97.4	2.5	Residential
H-22	Tsukui Sun-shine Machida	7,002	15,553.33	15,553.33	100.0	Non-Disclosure (Note 5)	Healthcare
H-10	Activa Biwa	6,348	39,649.84	39,649.84	100.0	Non-Disclosure (Note 5)	Healthcare
T-102	KDX Residence Yokohama Momijizaka	5,207	4,795.16	4,596.39	95.9	0.4	Residential
T-56	KDX Residence Hanzomon	4,926	4,854.23	4,669.42	96.2	1.4	Residential
T-1	KDX Daikanyama Residence	4,717	5,338.99	5,089.36	95.3	1.8	Residential
R-39	KDX Residence Ohori Harbor View Tower	4,352	11,855.63	10,686.19	90.1	2.0	Residential
H-3	Joy Stage Hachioji	3,746	13,812.27	13,812.27	100.0	Non-Disclosure (Note 5)	Healthcare
T-52	KDX Residence Togoshi	3,680	4,591.76	4,486.29	97.7	1.4	Residential

Total	54,820	124,837.98	122,464.62	-	17.6
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(Note 1) "Leasable area" is the floor area of each portfolio asset for which the building is leasable (if a portfolio asset has more than one building, the total floor area of leasable buildings) that is set forth in a lease agreement as of January 31, 2022.

(Note 2) "Leased area" is the floor space set forth in a lease agreement that has been executed with an end tenant and leased as of January 31, 2022.

(Note 3) "Occupancy rate" = "leased area" / "leasable area" × 100

(Note 4) The ratio of rental revenue to total rental revenue = each property's real estate lease business revenue / total for all properties.

(Note 5) The Investment Corporation has not obtained consent from the tenant to release this information.

(3) Overview of the Portfolio

(Detail of Real Estate Portfolio Assets)

The overview of assets under management of the Investment Corporation as of the end of the 20th fiscal period

Use	Area	No.	Name of property	Location	Form of ownership (Note4)	Book value (Million yen)	Appraisal value at the end of the fiscal period (Million yen) (Note 1)
Residential Facilities	Tokyo Metropolitan Area	T-1	KDX Daikanyama Residence	7-1, Sarugakuchō, Shibuya-ku, Tokyo	TBI	4,717	7,210
		T-3	KDX Odemma Residence	3-10, Nihombashi-Odenmachō, Chuo-ku, Tokyo	TBI	1,663	2,600
		T-4	KDX Iwamoto-cho Residence	16-12, Iwamotocho 2-chome, Chiyoda-ku, Tokyo	TBI	763	1,160
		T-5	KDX Bunkyo Sengoku Residence	3-2, Honkomagome 6-chome, Bunkyo-ku, Tokyo	TBI	1,430	2,030
		T-6	KDX Azumabashi Residence	9-8, Azumabashi 1-chome, Sumida-ku, Tokyo	TBI	595	1,100
		T-7	KDX Shimura Sakaue Residence	16-5, Higashi-Sakashia 1-chome, Itabashi-ku, Tokyo	TBI	2,578	3,940
		T-9	Cosmo Heim Motosumiyoshi	5-1, Kizukigioncho, Nakahara-ku, Kawasaki-shi, Kanagawa	TBI	2,155	2,460
		T-10	KDX Musashi Nakahara Residence	18-22, Shimokodanaka 4-chome, Nakahara-ku, Kawasaki-shi, Kanagawa	TBI	642	796
		T-11	KDX Chiba Chuo Residence	2-17, Shindencho, Chuo-ku, Chiba-shi, Chiba	TBI	1,242	1,870
		T-12	KDX Kawaguchi Saiwai-cho Residence	14-24, Saiwaicho 2-chome, Kawaguchi-shi, Saitama	TBI	1,164	1,630
		T-13	KDX Residence Shirokane I	7-8, Shirokanedai 4-chome, Minato-ku, Tokyo	TBI	3,069	4,080
		T-15	KDX Residence Shirokane II	7-8, Shirokanedai 4-chome, Minato-ku, Tokyo	TBI	2,849	4,050
		T-16	KDX Residence Minami-aoyama	4-8, Minami-Aoyama 3-chome, Minato-ku, Tokyo	TBI	2,256	2,710
		T-17	KDX Residence Minami-azabu	3-22, Minami-Azabu 2-chome, Minato-ku, Tokyo	TBI	2,123	3,060
		T-18	KDX Residence Shiba Koen	4-16, Shiba 3-chome, Minato-ku, Tokyo	TBI	1,790	2,610
		T-19	KDX Residence Azabu East	25-2, Higashi-Azabu 1-chome, Minato-ku, Tokyo	TBI	1,570	2,320
		T-20	KDX Residence Takanawa	15-7, Takanawa 3-chome, Minato-ku, Tokyo	TBI	785	1,250
		T-21	KDX Residence Nishihara	37-4, Nishihara 1-chome, Shibuya-ku, Tokyo	TBI	1,482	2,110
		T-22	KDX Residence Daikanyama II	11-22, Ebisu Nishi 2-chome, Shibuya-ku, Tokyo	TBI	791	1,120
		T-24	KDX Residence Nihombashi Suitengu	41-6 Nihombashi Hakozaicho, Chuo-ku, Tokyo	TBI	3,140	4,420
		T-25	KDX Residence Nihombashi Hakozaiki	38-1 Nihombashi Hakozaicho, Chuo-ku, Tokyo	TBI	1,131	1,520
		T-26	KDX Residence Higashi-shinjuku	1-9 Okubo 2-chome, Shinjuku-ku, Tokyo	TBI	3,191	4,680
		T-27	KDX Residence Yotsuya	22-50 Arakicho, Shinjuku-ku, Tokyo	TBI	2,300	3,350
		T-28	KDX Residence Nishi-shinjuku	18-15, Nishi-Shinjuku 7-chome, Shinjuku-ku, Tokyo	TBI	1,012	1,570
		T-29	KDX Residence Kagurazaka	8-10, Tsukijicho, Shinjuku-ku, Tokyo	TBI	697	1,060
		T-30	KDX Residence Futako Tamagawa	31-29, Seta 2-chome, Setagaya-ku, Tokyo	TBI	1,266	1,680
		T-31	KDX Residence Komazawa Koen	21-6 Komazawa 5-chome, Setagaya-ku, Tokyo	TBI	893	1,290
		T-32	KDX Residence Mishuku	37-13, Mishuku 2-chome, Setagaya-ku, Tokyo	TBI	781	1,080
		T-33	KDX Residence Yoga	34-21, Seta 5-chome, Setagaya-ku, Tokyo	TBI	717	999
		T-34	KDX Residence Shimouma	21-8, Shimouma 1-chome, Setagaya-ku, Tokyo	TBI	626	860
		T-35	Raffine Minami-magome	24-8, Minami-Magome 5-chome, Ota-ku, Tokyo	TBI	1,233	1,530
		T-36	KDX Residence Yukigaya Otsuka	15-13, Minami-Yukigaya 2-chome, Ota-ku, Tokyo	TBI	1,043	1,460
		T-37	KDX Residence Denenchofu	40-14, Denenchofu Honmachi, Ota-ku, Tokyo	TBI	1,060	1,380
		T-38	KDX Residence Tamagawa	9-17, Tamagawa 1-chome, Ota-ku, Tokyo	TBI	712	1,060
		T-39	KDX Residence Monzennakacho	6-7, Kiba 3-chome, Koto-ku, Tokyo	TBI	779	1,100
		T-40	KDX Residence Okachimachi	28-4, Taito 2-chome, Taito-ku, Tokyo	TBI	856	1,200
		T-41	KDX Residence Moto-asakusa	8-10, Motoasakusa 4-chome, Taito-ku, Tokyo	TBI	799	1,120
		T-42	KDX Residence Itabashi Honcho	13-16, Yamatocho, Itabashi-ku, Tokyo	TBI	579	877

Use	Area	No.	Name of property	Location	Form of ownership (Note4)	Book value (Million yen)	Appraisal value at the end of the fiscal period (Million yen) (Note 1)
		T-43	KDX Residence Azusawa	7-13, Azusawa 1-chome, Itabashi-ku, Tokyo	TBI	538	729
		T-45	KDX Residence Yokohama Kannai	5-9, Bandaicho 3-chome, Naka-ku, Yokohama-shi, Kanagawa	TBI	750	1,100
		T-46	KDX Residence Miyamaedaira	14-3, Miyamaedaira 3-chome, Miyamae-ku, Kawasaki-shi, Kanagawa	TBI	991	1,250
		T-47	KDX Residence Machida	13-32, Kamitsurumahoncho, Minami-ku, Sagami-hara-shi, Kanagawa	TBI	1,721	2,350
		T-48	KDX Residence Kinshicho	24-13, Midori 4-chome, Sumida-ku, Tokyo	TBI	1,328	1,930
		T-49	KDX Residence Nihombashi Hamacho	33-4, Nishimbashi-Hamacho 3-chome, Chuo-ku, Tokyo	TBI	1,029	1,480
		T-50	KDX Residence Nihombashi Ningyocho	8-5, Nihombashi-Horidomecho 1-chome, Chuo-ku, Tokyo	TBI	556	757
		T-51	KDX Residence Jiyugaoka	11-27, Yakumo 3-chome, Meguro-ku, Tokyo	TBI	1,318	1,790

Use	Area	No.	Name of property	Location	Form of ownership (Note4)	Book value (Million yen)	Appraisal value
							at the end of the fiscal period (Million yen) (Note 1)
Residential Facilities	Tokyo Metropolitan Area	T-52	KDX Residence Togoshi	1-1, Togoshi 5-chome, Shinagawa-ku, Tokyo	TBI	3,680	5,290
		T-53	KDX Residence Shinagawa Seaside	6-7, Higashi-Shinagawa 3-chome, Shinagawa-ku, Tokyo	TBI	2,522	3,560
		T-54	KDX Residence Ojima	8-4, Ojima 4-chome, Koto-ku, Tokyo	TBI	1,780	2,720
		T-55	KDX Residence Oyama	8-8, Oyamakanaimachi, Itabashi-ku, Tokyo	TBI	2,560	3,660
		T-56	KDX Residence Hanzomon	12-1, Kojimachi 2-chome, Chiyoda-ku, Tokyo	TBI	4,926	6,340
		T-57	KDX Residence Akihabara II (Note2)	7, Kanda-Sudacho 1-chome, Chiyoda-ku, Tokyo	TBI	853	1,200
		T-58	KDX Residence Kagurazaka Dori	120-1, Yaraicho, Shinjuku-ku, Tokyo	TBI	1,364	2,390
		T-59	KDX Residence Sendagi	43-17, Sendagi 3-chome, Bunkyo-ku, Tokyo	TBI	2,315	2,700
		T-60	KDX Residence Seijo	16-25, Seijyo 4-chome, Setagaya-ku, Tokyo	TBI	1,446	1,760
		T-61	KDX Residence Akihabara	13-7, Taito Higashi 2-chome, Taito-ku, Tokyo	TBI	1,227	1,750
		T-62	KDX Residence Iriya	10-7, Iriya 1-chome, Taito-ku, Tokyo	TBI	1,035	1,530
		T-63	KDX Residence Tachikawa	28-29, Akebonocho 2-chome, Tachikawa-shi, Tokyo	TBI	2,977	3,980
		T-64	KDX Residence Tsurumi	10, Mukaicho 1-chome, Tsurumi-ku, Yokohama-shi, Kanagawa	TBI	1,145	1,640
		T-65	KDX Residence Morishita Chitose	5-3, Chitose 1-chome, Sumida-ku, Tokyo	TBI	1,083	1,470
		T-66	KDX Residence Akasaka	13-11, Akasaka 6-chome, Minato-ku, Tokyo	TBI	1,171	2,130
		T-67	KDX Residence Kanda	8-2, Uchikanda 2-chome, Chiyoda-ku, Tokyo	TBI	704	1,260
		T-68	KDX Residence Ebisu	11-16, Ebisu Minami 1-chome, Shibuya-ku, Tokyo	TBI	2,885	4,980
		T-69	KDX Residence Nishi-magome	4-4, Minami-Magome 6-chome, Ota-ku, Tokyo	TBI	1,145	1,390
		T-70	KDX Residence Nishi-azabu	5-10, Nishi-Azabu 3-chome, Minato-ku, Tokyo	TBI	1,229	1,870
		T-71	KDX Residence Azabu Sendaizaka	1-7, Minami-Azabu 3-chome, Minato-ku, Tokyo	TBI	797	1,230
		T-72	KDX Residence Waseda Tsurumaki	574-25, Waseda-Tsurumakimachi, Shinjuku-ku, Tokyo	TBI	552	888
		T-73	KDX Residence Bunkyo Yushima	29-2, Yushima 2-chome, Bunkyo-ku, Tokyo	TBI	690	1,020
		T-74	KDX Residence Kamishakujii	18-5, Kamishakujii 1-chome, Nerima-ku, Tokyo	TBI	642	888
		T-75	KDX Residence Shin-otsuka	44-16, Higashi-Ikebukuro 5-chome, Toshima-ku, Tokyo	TBI	758	1,190
		T-76	KDX Residence Sakurajosui	26-14, Shimotakaido 1-chome, Suginami-ku, Tokyo	TBI	886	1,270
		T-77	KDX Residence Ryogoku	19-13, Kamesawa 2-chome, Sumida-ku, Tokyo	TBI	833	1,310
		T-78	KDX Residence Toyosu	2-33, Toyosu 1-chome, Koto-ku, Tokyo	TBI	7,594	7,910
		T-79	KDX Residence Asagaya	1-47-24, Asagayaminami, Suginami-ku, Tokyo	TBI	1,967	2,400
		T-80	KDX Residence Hiyoshi	7-17-35, Hiyoshi, Kohoku-ku, Yokohama-shi, Kanagawa	TBI	2,674	2,880
		T-81	KDX Residence Kamikitazawa	4-23-15, Kamikitazawa, Setagaya-ku, Tokyo	TBI	1,394	1,540
		T-82	KDX Residence Kaminoge	3-2-11, Noge, Setagaya-ku, Tokyo	TBI	1,127	1,350
T-83	KDX Residence Higashi-Asakusa	1-9-8 Higashi-Asakusa, Taito-ku, Tokyo	TBI	699	790		
T-84	KDX Residence Nishi-Funabashi	413-1 Hongo-cho, Funabashi-shi, Chiba	TBI	1,010	1,100		
T-85	KDX Residence Hatagaya	2-24-7 Hatagaya Shibuya-ku, Tokyo	TBI	2,623	2,840		
T-86	KDX Residence Asagaya II	3-31-5 Asagaya-minami, Suginami-ku, Tokyo	TBI	975	1,040		
T-87	KDX Residence Gakugeidaigaku	2-4-3 Takaban, Meguro-ku, Tokyo	TBI	772	829		
T-88	KDX Residence Kamata-minami	3-9-2 Minami-Rokugo, Ota-ku, Tokyo	TBI	1,962	2,260		
T-89	KDX Residence Kichijoji	1-23-20, Kichijoji-Higashimachi, Musashino-shi, Tokyo	TBI	653	650		
T-90	KDX Residence Mitaka	4-15-31, Shimorenjaku, Mitaka-shi, Tokyo	TBI	2,679	3,040		
T-91	KDX Residence Nakanobu	6-6-1, Nakanobu, Shinagawa-ku, Tokyo	TBI	848	910		
T-92	KDX Residence Ichikawa	2-6-12, Ichikawa, Ichikawa-shi, Chiba	TBI	877	916		

Use	Area	No.	Name of property	Location	Form of ownership (Note4)	Book value (Million yen)	Appraisal value at the end of the fiscal period (Million yen) (Note 1)
		T-93	KDX Residence Hatchobori	1-8-5, Irifune, Chuo-ku, Tokyo	TBI	3,211	3,590
		T-94	KDX Residence Nakaitabashi	68-11, Yayoicho, Itabashi-ku, Tokyo	TBI	1,854	1,930
		T-95	KDX Residence Shonandai	2-9-10, Shonandai, Fujisawa-shi, Kanagawa	TBI	1,559	1,640
		T-96	KDX Residence Ikebukuro West	2-6, Nakamarucho, Itabashi-ku, Tokyo	TBI	2,347	2,570
		T-97	KDX Residence Tennocho	1-30-2, Tennocho, Hodogaya-ku, Yokohama-shi, Kanagawa	TBI	905	936
		T-98	KDX Residence Kawasaki	1-1-12, Nakajima Kawasaki-ku., Kawasaki-shi, Kanagawa	TBI	950	1,020
		T-99	KDX Residence Kamata-minami II	3-9-13, Minami-rokugo, Ota-ku, Tokyo	TBI	812	883
		T-100	KDX Residence Kamishakujii II	2-18-5, Kamishakujii, Nerima-ku, Tokyo	TBI	3,227	3,340
		T-101	Hulic Residence Tsudanuma	4-13-35, Maehara-nishi, Funabashi-shi, Chiba	TBI	1,214	1,320
		T-102	KDX Residence Yokohama Momijizaka	6-1, Momijigaoka, Nishi-ku Yokohama-shi, Kanagawa	TBI	5,207	5,350
	Other Regional Area	R-2	KDX Jozenjidori Residence	3-25, Kasugamachi, Aoba-ku, Sendai-shi, Miyagi	TBI	889	1,390
		R-3	KDX Izumi Residence	24-28, Izumi 2-chome, Higashi-ku, Nagoya-shi, Aichi	TBI	1,012	1,530
		R-4	KDX Chihaya Residence	49-6, Shinsakae 1-chome, Naka-ku, Nagoya-shi, Aichi	TBI	954	1,520
		R-5	KDX Sakaisuji Hommachi Residence	7-15, Kawaracho 1-chome, Chuo-ku, Osaka-shi, Osaka	TBI	2,614	3,940
		R-7	KDX Takarazuka Residence	2-43, Sakaemachi 3-chome, Takarazuka-shi, Hyogo	TBI	1,282	2,140
		R-8	KDX Shimizu Residence	21-27, Shimizu 1-chome, Minami-ku, Fukuoka-shi, Fukuoka	TBI	1,495	2,220
		R-9	KDX Residence Odori Koen	1000-4, Minami 2-jo 40-chome, Chuo-ku, Sapporo-shi, Hokkaido	TBI	742	1,080
		R-10	KDX Residence Kikusui Yojo	2-35, Kikusui 4-jo 3-chome, Shiroishi-ku, Sapporo-shi, Hokkaido	TBI	832	1,120
		R-11	KDX Residence Toyohira Koen	4-16, Hiragishi 4-jo 3-chome, Toyohira-ku, Sapporo-shi, Hokkaido	TBI	446	621
		R-13	KDX Residence Ichiban-cho	15-42, Ichibancho 1-chome, Aoba-ku, Sendai-shi, Miyagi	TBI	480	739
R-16	KDX Residence Higashi-sakura I	13-22, Higashi-sakura 2-chome, Higashi-ku, Nagoya-shi, Aichi	TBI	2,175	2,630		
R-17	KDX Residence Higashi-sakura II	5-10, Higasi-sakura 1-chome, Higashi-ku, Nagoya-shi, Aichi	TBI	834	1,100		
R-18	KDX Residence Jingumae	4-27, Yokota 2-chome, Atsuta-ku, Nagoya-shi, Aichi	TBI	772	1,090		
R-19	KDX Residence Nishi-oji	40-3, Nishi 7-jo Kakekoshicho, Shimogyo-ku, Kyoto-shi, Kyoto	TBI	752	960		
R-20	KDX Residence Saiin	30-2, Saiintakadacho, Ukyo-ku, Kyoto-shi, Kyoto	TBI	403	533		

Use	Area	No.	Name of property	Location	Form of ownership (Note4)	Book value (Million yen)	Appraisal value at the end of the fiscal period (Million yen) (Note 1)
Residential Facilities	Other Regional Area	R-21	KDX Residence Namba	6-16, Inari 1-chome, Naniwa-ku, Osaka-shi, Osaka	TBI	1,319	1,820
		R-22	KDX Residence Namba-minami	11-9, Shiokusa 3-chome, Naniwa-ku, Osaka-shi, Osaka	TBI	1,230	1,750
		R-24	KDX Residence Ibaraki I・II (Note 3)	9-11, 9-12, Takehashicho, Ibaragi-shi, Osaka	TBI	1,266	1,527
		R-25	KDX Residence Toyonaka-minami	7-22, Shonaihigashicho 2-chome, Toyonaka-shi, Osaka	TBI	647	992
		R-26	KDX Residence Moriguchi	12-12, Dainichihigasimachi, Moriguchi-shi, Osaka	TBI	492	718
		R-27	KDX Residence Sannomiya	8-10, Ninomiyacho 4-chome, Chuo-ku, Kobe-shi, Hyogo	TBI	1,039	1,320
		R-28	Ashiya Royal Homes	20-10, Oharacho, Ashiya-shi, Hyogo	TBI	1,498	2,010
		R-29	KDX Residence Funairi Saiwai-cho	10-5, Funairisaiwaicho, Naka-ku, Hiroshima-shi, Hiroshima	TBI	527	779
		R-30	KDX Residence Tenjin-higashi II	6-22, Chikukohomachi, Hakata-ku, Fukuoka-shi, Fukuoka	TBI	623	1,000
		R-32	KDX Residence Nishi Koen	5-7, Minato 3-chome, Chuo-ku, Fukuoka-shi, Fukuoka	TBI	702	980
		R-33	KDX Residence Hirao Josui-machi	10-17, Hiraojyosumachi, Chuo-ku, Fukuoka-shi, Fukuoka	TBI	724	1,010
		R-35	Leopalace Flat Shin-sakae	5-31, Shinsakae 1-chome, Naka-ku, Nagoya-shi, Aichi	TBI	3,332	4,630
		R-36	KDX Residence Konan Yamate	9-3, Moriminamimachi 1-chome, Higashinada-ku, Kobe-shi, Hyogo	TBI	946	1,240
		R-37	KDX Residence Hommachihashi	2-14, Hommachihashi, Chuo-ku, Osaka-shi, Osaka	TBI	3,073	3,910
		R-38	KDX Residence Minami-kusatsu	1-8, Minamikusatsu 1-chome, Kusatsu-shi, Shiga	TBI	1,919	2,550
		R-39	KDX Residence Ohori Harbor View Tower	2-18, Minato 1-chome, Chuo-ku, Fukuoka-shi, Fukuoka	TBI	4,352	5,220
		R-40	KDX Residence Minami-sanjo	3-2, Minami 3-jo Nishi 8-chome, Chuo-ku, Sapporo-shi, Hokkaido	TBI	869	1,820
		R-41	Serenite Kita-kyuhoji	3-15, Kitakyuhojicho 1-chome, Chuo-ku, Osaka-shi, Osaka	TBI	1,227	1,720
		R-42	Serenite Nishinomiya Hommachi	5-26, Hommachi, Nishinomiya-shi, Hyogo	TBI	619	750
		R-43	KDX Residence Nishijin	24-30, Nishijin 2-chome, Sawara-ku, Fukuoka-shi, Fukuoka	TBI	1,723	1,810
R-44	Serenite Kobe Motomachi	1-22, Kaigandori 3-chome, Chuo-ku, Kobe-shi, Hyogo	TBI	2,419	2,680		
R-45	KDX Residence Shukugawa Hills	7-1, Hinoikecho, Nishinomiya-shi, Hyogo	TBI	7,245	7,430		
R-46	KDX Residence Sendaieki-higashi	2-13 Teppocho-nihsi, Miyagino-ku, Sendai-shi, Miyagi	TBI	1,395	1,490		
Subtotal						209,985	275,947
Healthcare Facilities	Tokyo Metropolitan Area	H-1	Irise Kamata/Yuseien	2-15-21 Kitakojjiya, Ota-ku, Tokyo	TBI	1,072	1,050
		H-2	Nichii Home Nakano-Minamidai	3-26-24 Minamidai, Nakano-ku, Tokyo	TBI	1,757	1,970
		H-3	Joy Stage Hachioji	924-2 Yokokawamachi, Hachioji-shi, Tokyo	TBI	3,746	3,890
		H-4	Yuimaru Hijirigaoka ^(Note 3)	2-22-4 Hijirigaoka, Tama-shi, Tokyo (Building A) 2-20-6 Hijirigaoka, Tama-shi, Tokyo (Building B) 2-21-2 Hijirigaoka, Tama-shi, Tokyo (Building C)	TBI	1,050	1,140
		H-5	Nichii Home Tama Plaza	2-23-6, Inukura, Miyamae-ku, Kawasaki-shi, Kanagawa	TBI	2,749	3,050
		H-21	Plaisant Grand Ota tamagawa	2-19-4 Tamagawa, Ota-ku, Tokyo	TBI	3,191	3,280
		H-22	Tsukui Sun-shine Machida ^(Note3)	1-11-7 Oyamagaoka Machida-shi, Tokyo (West Tower) 1-11-8 Oyamagaoka Machida-shi, Tokyo (East Tower)	TBI	7,002	7,260
		H-23	Serabi Ebisu	2-10-20, Mita, Meguro-ku, Tokyo	TBI	1,712	1,700
		H-27	Grapes Kawasaki Shimmachi	2-3-2, Odasakae, Kawasaki-ku, Kanagawa	TBI	1,539	1,520
		H-28	Grapes Fujimino	1-15-12, Minamidai, Fujimino-shi, Saitama	TBI	1,599	1,550
	Other Regional Area	H-6	Ten	6-3-1 Tsukisamuchuodori, Toyohira-ku, Sapporo-shi, Hokkaido	TBI	2,524	2,660
		H-7	Irise Nishioka	13-7-10 Nishioka Sanjo, Toyohira-ku, Sapporo-shi, Hokkaido	TBI	789	838
		H-8	Izarie Eniwa Building	1-8-1 Aioimachi, Eniwa-shi, Hokkaido	TBI	1,517	1,760
H-9		Sawayaka Sakura Nibankan	1-10-3 Oroshimachi, Akita-shi, Akita	TBI	898	990	

Use	Area	No.	Name of property	Location	Form of ownership (Note4)	Book value (Million yen)	Appraisal value at the end of the fiscal period (Million yen) (Note 1)
		H-10	Activa Biwa ^(Note 3)	6-16-16 Ogoto, Otsu-shi, Shiga 6-11-8 Ogoto, Otsu-shi, Shiga 6-17-17 Ogoto, Otsu-shi, Shiga	TBI	6,348	6,480
		H-11	Sompo Care LAVIERE Kobe Tarumi	285 Sarukura, Myodanicho, Tarumi-ku, Kobe-shi, Hyogo	TBI	2,029	2,110
		H-12	Rehabili-home Granda Mondo Yakujin	10-10 Hayashidacho, Nishinomiya-shi, Hyogo	TBI and RE	1,178	1,300
		H-13	Excellent Nishinomiya	2-4-3 Sumiredai, Nishinomiya-shi, Hyogo	TBI	902	917
		H-15	Excellent Kitano	10 Kitanohigashi, kobaicho, kita-ku, Kyoto-shi, Kyoto	TBI	742	782
		H-16	Anesis Teradacho	1-4-24, Hayashiji, Ikuno-ku, Osaka-shi, Osaka	TBI	3,403	3,640
		H-17	Rococo-riha	6-7 Hozan-cho, Toyonaka-shi, Osaka	TBI	2,014	2,170
		H-18	Orage Suma	3-622-11, Wakakusa-cho, Suma-ku, Kobe-shi, Hyogo	TBI	2,712	2,810

Use	Area	No.	Name of property	Location	Form of ownership (Note 4)	Book value (Million yen)	Appraisal value at the end of the fiscal period (Million yen) (Note 1)
Healthcare Facilities	Other Regional Area	H-19	Canadian Hill	2-3-1 Nagamedai, Nada-ku, Kobe-shi, Hyogo	TBI	1,807	1,870
		H-20	Anesis Hyogo	1-8-21, Yoshida-cho, Hyogo-ku, Kobe-shi, Hyogo	TBI	1,377	1,430
		H-24	Arute Ishiyagawa	1-10-13, Mikage tsuka-machi, Higashi nada-ku, Kobe-shi, Hyogo	TBI	1,102	1,360
		H-25	Medical-home Granda Kurakuen	6-6, Okuhata, Nishinomiya-shi, Hyogo	TBI	2,828	2,820
		H-26	Rehabili-home Granda Kobe Kitano	4-12-1, Kitano-cho, Chuo-ku, Kobe-shi, Hyogo	TBI	1,793	1,880
	Others	H-14	Gran Hills Ogawarako	57-2 Tachino Oura-aza, Tohokumachi-Oaza, Kamikita-gun, Aomori	TBI	1,245	1,340
Subtotal						60,638	63,567
Accommodation Facilities	Tokyo Metropolitan Area	A-1	Hotel LiVEMAX Tokyo-Otsuka-Ekimae	3-44-12 Minami-Otsuka, Toshima-ku, Tokyo	TBI	2,442	2,370
		A-2	Hotel LiVEMAX Yokohamaeki-Nishiguchi	2-10-32 Kitasaiwai, Nishi-ku, Yokohama-shi, Kanagawa	TBI	2,628	2,600
Subtotal						5,071	4,970
Total						275,695	344,484

(Note 1) “Appraisal value at the end of the fiscal period” is the appraisal value in a real property appraisal prepared, pursuant to the asset appraisal techniques and standards in the Investment Corporation’s certificate of incorporation and the rules of the Investment Trusts Association, Japan, by Japan Real Estate Institute, Daiwa Real Estate Appraisal Co., Ltd., JLL Morii Valuation & Advisory K.K. or Tanizawa Sogo Appraisal Co., Ltd.

(Note 2) The name of property was changed from “B-site Akihabara” on February 5, 2022. The same shall apply hereinafter.

(Note 3) R-24 and H-22 consist of two buildings and H-4, H-10 consist of three buildings, book value and appraisal value are total amount of each value of the properties.

(Note 4) “TBI” represents trust beneficiary interest in real estate and “RE” represents real estate.

The overview of the rental business for the Individual Properties owned by the Investment Corporation are as follows.

Use	Area	No.	Name of property	19th (From February 1, 2021 to July 31, 2021)				20th (From August 1, 2021 to January 31, 2022)			
				Number of tenants at the end of period (Note 1)	Occupancy rate at the end of period (%) (Note 2)	Rental and other operating revenues (million yen) (Note 3)	Ratio of rental revenue to total rental revenues (%)	Number of tenants at the end of period (Note 1)	Occupancy rate at the end of period (%) (Note 2)	Rental and other operating revenues (million yen) (Note 3)	Ratio of rental revenue to total rental revenues (%)
Residential Facilities	Tokyo Metropolitan Area	T-1	KDX Daikanyama Residence	1	90.9	154	1.8	1	95.3	159	1.8
		T-3	KDX Odemma Residence	1	98.2	54	0.6	1	100.0	60	0.7
		T-4	KDX Iwamoto-cho Residence	1	90.9	27	0.3	1	91.7	27	0.3
		T-5	KDX Bunkyo Sengoku Residence	1	94.8	51	0.6	1	97.8	49	0.6
		T-6	KDX Azumabashi Residence	1	93.2	26	0.3	1	95.5	25	0.3
		T-7	KDX Shimura Sakaue Residence	1	100.0	108	1.2	1	98.9	108	1.2
		T-9	Cosmo Heim Motosumiyoshi	1	93.9	77	0.9	1	92.2	70	0.8
		T-10	KDX Musashi Nakahara Residence	1	100.0	27	0.3	1	97.2	26	0.3
		T-11	KDX Chiba Chuo Residence	1	98.1	65	0.7	1	96.9	63	0.7
		T-12	KDX Kawaguchi Saiwai-cho Residence	1	98.3	50	0.6	1	95.4	49	0.6
		T-13	KDX Residence Shirokane I	1	98.6	112	1.3	1	100.0	114	1.3
		T-15	KDX Residence Shirokane II	1	95.2	90	1.0	1	97.2	88	1.0
		T-16	KDX Residence Minami-aoyama	1	73.1	50	0.6	1	62.9	43	0.5
		T-17	KDX Residence Minami-azabu	1	93.7	73	0.8	1	96.1	72	0.8
		T-18	KDX Residence Shiba Koen	1	93.5	62	0.7	1	92.6	64	0.7
		T-19	KDX Residence Azabu East	1	94.3	55	0.6	1	98.9	55	0.6
		T-20	KDX Residence Takanawa	1	91.1	27	0.3	1	88.5	27	0.3
		T-21	KDX Residence Nishihara	1	97.9	51	0.6	1	100.0	53	0.6
		T-22	KDX Residence Daikanyama II	1	79.7	25	0.3	1	84.5	26	0.3
		T-23	KDX Residence Sendagaya (Note 4)	-	-	0	0.0	-	-	-	-
		T-24	KDX Residence Nihombashi Suitengu	1	100.0	106	1.2	1	100.0	105	1.2
		T-25	KDX Residence Nihombashi Hakozaeki	1	94.3	39	0.4	1	97.3	40	0.4
		T-26	KDX Residence Higashi-shinjuku	1	97.0	111	1.3	1	97.4	111	1.2
		T-27	KDX Residence Yotsuya	1	97.8	83	1.0	1	100.0	82	0.9
		T-28	KDX Residence Nishi-shinjuku	1	94.5	36	0.4	1	98.4	36	0.4
		T-29	KDX Residence Kagurazaka	1	97.1	24	0.3	1	91.5	24	0.3
		T-30	KDX Residence Futako Tamagawa	1	97.5	44	0.5	1	100.0	44	0.5
		T-31	KDX Residence Komazawa Koen	1	100.0	29	0.3	1	95.6	28	0.3
		T-32	KDX Residence Mishuku	1	90.7	26	0.3	1	93.0	24	0.3
		T-33	KDX Residence Yoga	1	97.5	24	0.3	1	100.0	24	0.3
		T-34	KDX Residence Shimouma	1	96.9	21	0.3	1	93.9	20	0.2
		T-35	Raffine Minami-magome	1	100.0	41	0.5	1	100.0	41	0.5
		T-36	KDX Residence Yukigaya Otsuka	1	93.2	38	0.4	1	96.0	38	0.4
		T-37	KDX Residence Denenchofu	1	97.2	38	0.4	1	97.2	38	0.4
		T-38	KDX Residence Tamagawa	1	96.5	29	0.3	1	92.7	27	0.3
		T-39	KDX Residence Monzennakacho	1	96.1	27	0.3	1	98.0	26	0.3
		T-40	KDX Residence Okachimachi	1	100.0	33	0.4	1	100.0	30	0.3
		T-41	KDX Residence Moto-asakusa	1	92.5	30	0.3	1	97.5	29	0.3
		T-42	KDX Residence Itabashi Honcho	1	92.3	23	0.3	1	94.2	23	0.3

Use	Area	No.	Name of property	19th (From February 1, 2021 to July 31, 2021)				20th (From August 1, 2021 to January 31, 2022)			
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				T-43	KDX Residence Azusawa	1	95.1	20	0.2	1	97.9
T-44	KDX Residence Tobu Nerima (Note 4)	1	100.0	18	0.2	–	–	13	0.2		
T-45	KDX Residence Yokohama Kannai	1	97.5	35	0.4	1	91.7	34	0.4		
T-46	KDX Residence Miyamaedaira	1	100.0	37	0.4	1	95.6	36	0.4		
T-47	KDX Residence Machida	1	98.1	66	0.8	1	96.1	64	0.7		
T-48	KDX Residence Kinshicho	1	100.0	46	0.5	1	100.0	47	0.5		
T-49	KDX Residence Nihombashi Hamacho	1	94.0	34	0.4	1	94.0	34	0.4		
T-50	KDX Residence Nihombashi Ningyocho	1	96.8	20	0.2	1	96.8	18	0.2		
T-51	KDX Residence Jiyugaoka	1	100.0	38	0.4	1	97.2	40	0.5		

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Residential Facilities	Tokyo Metropolitan Area	T-52	KDX Residence Togoshi	1	94.6	122	1.4	1	97.7	122	1.4
		T-53	KDX Residence Shinagawa Seaside	1	94.5	84	1.0	1	95.9	83	0.9
		T-54	KDX Residence Ojima	1	94.9	65	0.7	1	92.3	64	0.7
		T-55	KDX Residence Oyama	1	98.6	94	1.1	1	95.1	91	1.0
		T-56	KDX Residence Hanzomon	1	96.3	134	1.5	1	96.2	128	1.4
		T-57	B-Site Akihabara	1	100.0	24	0.3	1	100.0	24	0.3
		T-58	KDX Residence Kagurazaka Dori	1	100.0	51	0.6	1	94.4	51	0.6
		T-59	KDX Residence Sendagi	1	100.0	68	0.8	1	100.0	68	0.8
		T-60	KDX Residence Seijo	1	100.0	44	0.5	1	100.0	44	0.5
		T-61	KDX Residence Akihabara	1	97.6	42	0.5	1	97.6	41	0.5
		T-62	KDX Residence Iriya	1	97.3	39	0.4	1	97.1	38	0.4
		T-63	KDX Residence Tachikawa	1	96.0	101	1.2	1	93.2	98	1.1
		T-64	KDX Residence Tsurumi	1	100.0	55	0.6	1	100.0	55	0.6
		T-65	KDX Residence Morishita Chitose	1	92.2	38	0.4	1	93.4	37	0.4
		T-66	KDX Residence Akasaka	1	93.1	40	0.5	1	100.0	41	0.5
		T-67	KDX Residence Kanda	1	93.9	30	0.4	1	95.0	28	0.3
		T-68	KDX Residence Ebisu	1	97.2	92	1.1	1	96.8	96	1.1
		T-69	KDX Residence Nishi-magome	1	89.1	33	0.4	1	91.1	29	0.3
		T-70	KDX Residence Nishi-azabu	1	91.3	38	0.4	1	93.9	37	0.4
		T-71	KDX Residence Azabu Sendaizaka	1	97.1	27	0.3	1	97.1	27	0.3
		T-72	KDX Residence Waseda Tsurumaki	1	95.2	21	0.2	1	100.0	21	0.2
		T-73	KDX Residence Bunkyo Yushima	1	95.6	25	0.3	1	95.7	25	0.3
		T-74	KDX Residence Kamishakujii	1	93.7	23	0.3	1	95.8	22	0.3
		T-75	KDX Residence Shin-otsuka	1	100.0	28	0.3	1	100.0	25	0.3
		T-76	KDX Residence Sakurajosui	1	95.9	29	0.3	1	96.5	28	0.3
		T-77	KDX Residence Ryogoku	1	85.8	29	0.3	1	100.0	28	0.3
		T-78	KDX Residence Toyosu	1	100.0	180	2.1	1	100.0	182	2.0
		T-79	KDX Residence Asagaya	1	100.0	51	0.6	1	93.8	51	0.6
		T-80	KDX Residence Hiyoshi	1	98.1	80	0.9	1	96.4	79	0.9
		T-81	KDX Residence Kamikitazawa	1	100.0	38	0.4	1	100.0	38	0.4
T-82	KDX Residence Kaminogoe	1	100.0	26	0.3	1	100.0	26	0.3		
T-83	KDX Residence Kaminogoe	1	95.1	21	0.2	1	90.0	18	0.2		
T-84	KDX Residence Nishi-Funabashi	1	98.3	31	0.4	1	91.6	27	0.3		
T-85	KDX Residence Hatagaya	1	92.9	61	0.7	1	93.3	60	0.7		
T-86	KDX Residence Asagaya II	1	96.9	23	0.3	1	91.3	23	0.3		
T-87	KDX Residence Gakugeidaigaku	1	91.4	16	0.2	1	96.3	17	0.2		
T-88	KDX Residence Kamata-minami	1	100.0	50	0.6	1	98.2	50	0.6		
T-89	KDX Residence Kichijoji	1	90.1	15	0.2	1	83.0	14	0.2		
T-90	KDX Residence Mitaka	1	97.7	64	0.7	1	98.7	68	0.8		
T-91	KDX Residence Nakanobu	1	95.2	21	0.2	1	94.6	23	0.3		
T-92	KDX Residence Ichika	1	97.9	22	0.3	1	97.9	23	0.3		
T-93	KDX Residence Hatchobori	1	95.8	42	0.5	1	92.1	76	0.9		
T-94	KDX Residence Nakaitabashi	1	98.7	40	0.5	1	96.1	44	0.5		

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Other Regional Area		T-95	KDX Residence Shonandai	1	98.0	47	0.5	1	99.1	47	0.5
		T-96	KDX Residence Ikebukuro West	1	100.0	41	0.5	1	100.0	55	0.6
		T-97	KDX Residence Tennocho	1	97.8	20	0.2	1	95.6	21	0.2
		T-98	KDX Residence Kawasaki	1	100.0	13	0.2	1	100.0	24	0.3
		T-99	KDX Residence Kamata-minami II	1	100.0	6	0.1	1	100.0	20	0.2
		T-100	KDX Residence Kamishakujii II	-	-	-	-	1	100.0	82	0.9
		T-101	Hulic Residence Tsudanuma	-	-	-	-	1	100.0	15	0.2
		T-102	KDX Residence Yokohama Momijizaka	-	-	-	-	1	95.9	34	0.4
		R-2	KDX Jozenji Dori Residence	1	93.6	52	0.6	1	97.8	52	0.6
		R-3	KDX Izumi Residence	1	92.9	41	0.5	1	87.4	41	0.5
		R-4	KDX Chihaya Residence	1	97.5	48	0.6	1	93.9	47	0.5
		R-5	KDX Sakaisuji Hommachi Residence	1	95.3	111	1.3	1	93.2	109	1.2
		R-7	KDX Takarazuka Residence	1	94.3	60	0.7	1	97.1	57	0.6
		R-8	KDX Shimizu Residence	1	97.9	75	0.9	1	96.5	74	0.8
		R-9	KDX Residence Odori Koen	1	96.2	34	0.4	1	92.3	34	0.4
		R-10	KDX Residence Kikusui Yojo	1	99.0	39	0.4	1	100.0	39	0.4
		R-11	KDX Residence Toyohira Koen	1	95.3	23	0.3	1	97.0	24	0.3
		R-13	KDX Residence Ichiban-cho	1	93.5	27	0.3	1	98.0	27	0.3
		R-16	KDX Residence Higashi-sakura I	1	89.8	90	1.0	1	92.5	89	1.0
	R-17	KDX Residence Higashi-sakura II	1	94.0	37	0.4	1	92.5	35	0.4	
	R-18	KDX Residence Jingumae	1	94.4	39	0.5	1	95.5	38	0.4	
	R-19	KDX Residence Nishi-oji	1	97.9	35	0.4	1	94.0	33	0.4	

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Residential Facilities	Other Regional Area	R-20	KDX Residence Saiin	1	96.0	19	0.2	1	100.0	17	0.2
		R-21	KDX Residence Namba	1	99.2	57	0.7	1	95.5	55	0.6
		R-22	KDX Residence Namba-minami	1	98.5	54	0.6	1	97.3	55	0.6
		R-24	KDX Residence Ibaraki I・II	1	98.3	54	0.6	1	100.0	54	0.6
		R-25	KDX Residence Toyonaka-minami	1	97.0	29	0.3	1	97.4	30	0.3
		R-26	KDX Residence Moriguchi	1	100.0	24	0.3	1	100.0	24	0.3
		R-27	KDX Residence Sannomiya	1	94.5	38	0.4	1	91.1	38	0.4
		R-28	Ashiya Royal Homes	1	83.8	58	0.7	1	88.3	63	0.7
		R-29	KDX Residence Funairi Saiwai-cho	1	100.0	28	0.3	1	100.0	28	0.3
		R-30	KDX Residence Tenjin-higashi II	1	96.8	31	0.4	1	95.2	31	0.3
		R-32	KDX Residence Nishi Koen	1	92.2	31	0.4	1	94.5	32	0.4
		R-33	KDX Residence Hirao Josui-machi	1	87.8	27	0.3	1	100.0	29	0.3
		R-35	Leopalace Flat Shin-sakae	1	100.0	121	1.4	1	100.0	121	1.4
		R-36	KDX Residence Koman Yamate	1	100.0	33	0.4	1	98.4	33	0.4
		R-37	KDX Residence Hommachibashi	1	99.1	108	1.2	1	98.6	110	1.2
		R-38	KDX Residence Minami-kusatsu	1	95.6	101	1.2	1	94.6	99	1.1
		R-39	KDX Residence Ohori Harbor View Tower	1	92.3	179	2.0	1	90.1	177	2.0
		R-40	KDX Residence Minami-sanjo	1	97.7	56	0.7	1	98.3	57	0.6
		R-41	Serenite Kita-kyuhoji	1	91.5	42	0.5	1	89.9	41	0.5
		R-42	Serenite Nishinomiya Hommachi	1	92.5	23	0.3	1	100.0	22	0.3
R-43	KDX Residence Nishijin	1	91.2	57	0.7	1	92.7	54	0.6		
R-44	KDX Residence Hiyoshi	1	100.0	79	0.9	1	97.6	78	0.9		
R-45	KDX Residence Shukugawa Hills	1	98.1	217	2.5	1	97.4	225	2.5		
R-46	KDX Residence Sendaieki-higashi	1	93.2	40	0.5	1	89.8	39	0.4		
Subtotal				133	96.2	6,863	78.4	133	96.1	7,012	78.2
Healthcare Facilities	Tokyo Metropolitan Area	H-1	Irise Kamata/Yuseien	1	100.0	Non-disclosure (Note5)	Non-disclosure (Note5)	1	100.0	Non-disclosure (Note5)	Non-disclosure (Note5)
		H-2	Nichii Home Nakano-Minamidai	1	100.0			1	100.0		
		H-3	Joy Stage Hachioji	1	100.0			1	100.0		
		H-4	Yuimaru Hijirigaoka	1	100.0			1	100.0		
		H-5	Nichii Home Tama Plaza	1	100.0			1	100.0		
		H-21	Plaisant Grand Ota tamagawa	1	100.0			1	100.0		
		H-22	Tsukui Sun-shine Machida	1	100.0			1	100.0		
		H-23	Serabi Ebisu	1	100.0			1	100.0		
		H-27	Grapes Kawasaki Shimmachi	—	—			1	100.0		
		H-28	Grapes Fujimino	—	—			1	100.0		
		H-6	Ten	1	100.0			1	100.0		
		H-7	Irise Nishioka	1	100.0			1	100.0		
		H-8	Izarie Eniwa Building	1	100.0			1	96.6		
		H-9	Sawayaka Sakura Nibankan	1	100.0			1	100.0		
H-10	Activa Biwa	1	100.0	1	100.0						
H-11	Sompo Care LAVIERE Kobe Tarumi	1	100.0	1	100.0						
H-12	Rehabili-home Granda	1	100.0	1	100.0						

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			Mondo Yakujin								
		H-13	Excellent Nishinomiya	1	100.0			1	100.0		
		H-15	Excellent Kitano	1	100.0			1	100.0		
		H-16	Anesis Teradacho	1	100.0			1	100.0		
		H-17	Rococo-riha	1	100.0			1	100.0		
		H-18	Orage Suma	1	100.0			1	100.0		
		H-19	Canadian Hill	1	100.0			1	100.0		

Use	Area	No.	Name of property	19th (From February 1, 2021 to July 31, 2021)				20th (From August 1, 2021 to January 31, 2022)			
				Number of tenants at the end of period (Note 1)	Occupancy rate at the end of period (%) (Note 2)	Rental and other operating revenues (million yen) (Note 3)	Ratio of rental revenue to total rental revenues (%)	Number of tenants at the end of period (Note 1)	Occupancy rate at the end of period (%) (Note 2)	Rental and other operating revenues (million yen) (Note 3)	Ratio of rental revenue to total rental revenues (%)
Healthcare Facilities	Other Regional Area	H-20	Anesis Hyogo	1	100.0	Non-disclosure (Note5)	Non-disclosure (Note5)	1	100.0	Non-disclosure (Note5)	Non-disclosure (Note5)
		H-24	Arute Ishiyagawa	1	100.0			1	100.0		
		H-25	Medical-home Granda Kurakuen	1	100.0			1	100.0		
		H-26	Rehabili-home Granda Kobe Kitano	1	100.0			1	100.0		
	Other	H-14	Gran Hills Ogawarako	1	100.0			1	100.0		
Subtotal				26	100.0	1,767	20.2	28	99.9	1,828	20.4
Accommodation Facilities	Tokyo Metropolitan Area	A-1	Hotel LiVEMAX Tokyo-Otsuka-Ekimaie	1	100.0	Non-disclosure (Note5)	Non-disclosure (Note5)	1	100.0	Non-disclosure (Note5)	Non-disclosure (Note5)
		A-2	Hotel LiVEMAX Yokohamaeki-Nishiguchi	1	100.0			1	100.0		
	Subtotal				2			100.0	2		
Total				161	97.4	8,758	100.0	165	97.3	8,962	100.0

(Note1) Regarding residential, in the “number of tenants” column, if a master lease agreement has been executed with a master lease company, 1 is entered as the number of tenants. As of January 31, 2022, master lease agreements had been executed for all investment assets of the Investment Corporation except for Raffine Minami-magome; the “total” for the “number of tenants” is the sum of the master lease agreements for the properties (running number); and for the properties with no master lease agreement, the number of end tenants is entered. For reference, the total number of master lease companies is 12.

“Total number of tenants” of the healthcare facility and accommodation facility lists the total number of tenants of the master lease contract pertaining to each asset effective as of the end of January 2022.

(Note2) The “occupancy rate” = leased area / leasable area x 100. The “total” for the “occupancy rate” column is the occupancy rate for the portfolio as a whole.

(Note3) “Rental and other operating revenues” is the sum of a property’s rental business income for each fiscal period.

(Note4) (T-23) KDX Residence Sendagaya was sold on February 5, 2021. (T-44) KDX Residence Tobu Nerima was sold as well on December 16, 2022.

(Note5) The Investment Corporation has not obtained consent from the tenant to release this information.

(Details of investment securities)

Investment securities as of January 31, 2021 are as follows.

Name of assets	Type	Unit	Book value (Million yen)		Assessed value (Million yen) (Note 2)		Gain (Loss) on valuation (Million yen)	Remarks
			Unit value	Value	Unit value	Value		
Equity interests in TK property fund with G.K. Trinity One as operator (Note 1)	Silent partnership equity interest	—	—	109	—	109	—	—
Total		—	—	109	—	109	—	—

(Note 1) TK property fund owns trust beneficiary interests in real estate for “Serenite Koshien Plie”, “KDX Residence Umejima” and “Excellent Takarazuka Garden Hills”.

(Note 2) Assessed value indicates book value.

(4) Details of Specified Transaction

The details of specified transaction at the end of 20th fiscal period are as follows.

Classification	Transaction	Contract amount (million yen)		Fair value (million yen) (Note 2) (Note 3)
		(Note 1)	Over 1 year (Note 1)	
Over-the-counter transactions	Interest rate swap (Floating-rate to fixed- rate interest)	115,520	98,870	65
Total	—	115,520	98,870	65

(Note 1) The interest rate swap contract amount, etc. is based on the assumed principal.

(Note 2) With respect to those meeting the requirements for special treatment under the accounting standards for financial products, the fair value is not listed.

(Note 3) Appraised at the price presented by the financial institution that is the other party in the transaction.

(5) Other Assets

Real estate properties as well as beneficiary interests having real estate properties as major trust assets are all set forth in (3) Details of portfolio assets above. There are not any other specified assets the Investment Corporation owns at the end of 20th fiscal period except for those mentioned in (3) above.

(6) Asset Ownership per Country or Region

There is no relevant information for countries and regions other than Japan.

4. Capital Expenditures for Property

(1) Planned Capital Expenditures

The table below shows major capital expenditures for renovations, repairs and other projects that are planned for the 21th fiscal period ending July 31, 2022. These expenditures are for real estate owned by the Investment Corporation and real estate in trusts in which the Investment Corporation owns trust beneficiary rights. These planned projects may include some expenditure that will be recorded as expenses rather than capital expenditures for accounting purposes.

No.	Name of property	Location	Purpose	Scheduled	Planned amount of capital expenditure (million yen)		
					Total	Payment for the period	Total of advanced payment
T-53	KDX Residence Shinagawa Seaside	Shinagawa-ku, Tokyo	Major renewal construction	From February 2022 To July 2022	75	–	–
T-11	KDX Chiba chuo Residence	Chiba-shi, Chiba	Major renewal construction	From February 2022 To July 2022	61	–	–
T-35	KDX Bunkyo Sengoku Residence	Bunkyo-ku, Tokyo	Major renewal construction	From February 2022 To July 2022	60	–	–
H-3	Joystage Hachioji	Hachioji-shi, Tokyo	Hot water supply pipe replacement construction	From February 2022 To July 2022	50	–	–
R-28	Ashiya Royal Homes	Ashiya-shi, Hyogo	Major renewal construction	From February 2022 To July 2022	45	–	–
T-57	KDX Residence Akihabara II	Chiyodaku, Tokyo	Major renewal construction	From February 2022 To July 2022	40	–	–

(2) Capital Expenditures During the 20th Fiscal Period

The table below shows major capital expenditures for renovations, repairs and other projects in the 20th fiscal period ended January 2022. The construction cost for the period amounted to 956 million yen, consisting of 639 million yen of capital expenditures and 316 million yen of repair and maintenance expenses.

No.	Name of property	Location	Purpose	Term	Capital expenditures (million yen)
H-10	Activa Biwa	Otsu-shi, Shiga	Hot water supply pipe replacement construction for residence Bldg. (No.1-8)	From March 2021 To October 2021	160
T-47	KDX Residence Machida	Sagamihara-shi, Kanagawa	Major renewal construction	From September 2021 To January 2022	75
T-33	KDX Residence Yoga	Setagaya-ku, Tokyo	Major renewal construction	From September 2021 To December 2021	33
R-28	Ashiya Royal Homes	Ashiya-shi, Hyogo	Elevator equipment replacement construction	From January 2022 To January 2022	20
Other					350
Total					639

(3) Reserved Funds for Long-term Maintenance Plan

In accordance with its long-term repair and maintenance plan for each property, the Investment Corporation sets aside, from the cash flow during the 20th fiscal period, repair and maintenance reserves designed to finance payment of future medium- to long-term major repair and maintenance work.

(million yen)

Term	16th From Aug. 1, 2019 to Jan. 31, 2020	17th From Feb. 1, 2020 to Jul. 31, 2020	18th From Aug. 1, 2020 to Jan. 31, 2021	19th From Feb. 1, 2021 to Jul. 31, 2021	20th From Aug.1, 2021 to Jan. 31, 2021
Reserve balance at the beginning of the period	898	921	953	982	1,015
Amount of reserve during the period	36	41	29	37	50
Reversal of reserves during the period	12	9	—	4	29
Amount carried forward to the next period	921	953	982	1,015	1,036

5. Expenditures and Liabilities

(1) Details of Asset Management Expenses

(in thousands of yen)

Item	19th From February 1, 2021 to July 31, 2021	20th From August 1, 2021 to January 31, 2022
(i) Asset management fees ^(Note)	668,991	684,755
(ii) Asset custody fees	15,034	15,460
(iii) Administrative service fees	50,368	51,082
(iv) Directors' compensation	8,100	5,400
(v) Other operating expenses	297,440	288,082
Total	1,039,935	1,044,781

(Note) There are other asset management fees in addition to the amount set forth above, and asset management fees pertaining to property acquisitions (19th fiscal period: 69,632 thousand yen and 20th fiscal period: 122,270 thousand yen) and sold fee pertaining to property sold (19th fiscal period: 5,550 thousand yen and 20th fiscal period: 2,900 thousand yen).

(2) Status of Interest-bearing Debt

Borrowings as of January 31, 2022 are as follows.

Classification	Lender	Drawdown Date	Balance at the beginning of period (mil. yen)	Balance at the end of period (mil. yen)	Average interest rate ^(Note 1) _(Note 2)	Payment due date	Debt Financing Method	Use	Remarks
Short-term loans	Sumitomo Mitsui Banking Corporation	December 10, 2021	-	500	0.385	April 30, 2022	Repayment of principal in full on maturity date	(Note 4)	Unsecured/ Unguaranteed
	Sumitomo Mitsui Banking Corporation	January 31, 2021	-	2,000	0.375	April 30, 2022			
	Subtotal		-	2,500					
Current portion of long-term borrowings	Sumitomo Mitsui Banking Corporation	August 7, 2014	1,000	-	0.916	August 7, 2021	Repayment of principal in full on maturity date	(Note 4)	Unsecured/ Unguaranteed
	MUFG Bank, Ltd.		1,100	1,100					
	Mizuho Bank, Ltd.		600	600					
	Aozora Bank, Ltd.		350	350					
	Resona Bank, Ltd.		300	300					
	Mizuho Trust & Banking Co., Ltd.		300	300					
	Development Bank of Japan Inc. ^(Note 3)	August 7, 2014	1,000	-	0.996	August 7, 2021			
	Sumitomo Mitsui Banking Corporation	August 29, 2014	600	-	0.945	August 31, 2021			
	MUFG Bank, Ltd.	August 29, 2014	600	-	0.945	August 31, 2021			
	Aozora Bank, Ltd.	August 29, 2014	500	-	0.945	August 31, 2021			
	Sumitomo Mitsui Banking Corporation	February 5, 2015	1,200	-	0.875	January 31, 2022			
	Sumitomo Mitsui Banking Corporation	January 29, 2021	800	-	0.432	January 31, 2022			
	Sumitomo Mitsui Banking Corporation	April 30, 2014	2,000	2,000	1.267	April 30, 2022			
	Aozora Bank, Ltd.	April 30, 2014	1,500	1,500	1.267	April 30, 2022			
	MUFG Bank, Ltd.	April 30, 2014	1,000	1,000	1.267	April 30, 2022			
	Resona Bank, Ltd.	April 30, 2014	1,000	1,000	1.267	April 30, 2022			
	Aozora Bank, Ltd.	April 30, 2015	2,000	2,000	0.875	April 30, 2022			
	Shinsei Bank, Ltd.	July 29, 2015	1,100	1,100	1.115	July 29, 2022			
	Sumitomo Mitsui Banking Corporation		1,100	1,100					
	MUFG Bank, Ltd.		1,000	1,000					
	Mizuho Bank, Ltd.		300	300					
	Sompo Japan Insurance Inc.		1,000	1,000					
	Sumitomo Mitsui Banking Corporation	February 26, 2021	-	1,000	0.432	February 28, 2022			
Sumitomo Mitsui Banking Corporation	February 26, 2021	-	500	0.432	February 28, 2022				
Mizuho Bank, Ltd. ^(Note 5)	November 14, 2014	950	950	1.083	November 30, 2022				
Resona Bank, Ltd. ^(Note 5)	August 31, 2015	1,100	1,100	0.923	August 31, 2022				
Mizuho Trust & Banking Co., Ltd. ^(Note 5)	August 31, 2015	700	700	0.923	August 31, 2022				
Sumitomo Mitsui Banking Corporation ^(Note 5)	August 31, 2018	1,000	1,000	0.509	August 31, 2022				
MUFG Bank, Ltd. ^(Note 5)	August 31, 2018	400	400	0.509	August 31, 2022				

Classification	Lender	Drawdown Date	Balance at the beginning of period (mil. yen)	Balance at the end of period (mil. yen)	Average interest rate (Note 1) (Note 2)	Payment due date	Debt Financing Method	Use	Remarks
	Development Bank of Japan Inc. (Note 3)(Note 5)	August 31, 2018	1,600	1,600	0.498	August 31, 2022			
	Shinsei Bank, Ltd. (Note 5)	July 31, 2019	500	500	0.272	January 31, 2023			
	Subtotal		28,200	19,750					

Classification	Lender	Drawdown Date	Balance at the beginning of period (mil. yen)	Balance at the end of period (mil. yen)	Average interest rate (Note 1) (Note 2)	Payment due date	Debt Financing Method	Use	Remarks
	Sumitomo Mitsui Banking Corporation	August 7, 2014	400	400	1.254	August 7, 2023			
	MUFG Bank, Ltd.		400	400					
	Mizuho Bank, Ltd.		300	300					
	Resona Bank, Ltd.		200	200					
	Mizuho Trust & Banking Co., Ltd.		200	200					
	Aozora Bank, Ltd.		150	150					
	Development Bank of Japan Inc. (Note 3)	August 7, 2014	500	500	1.320	August 7, 2023			
	MUFG Bank, Ltd.	February 5, 2015	1,200	1,200	1.105	January 31, 2024			
	Resona Bank, Ltd.	April 30, 2015	1,500	1,500	0.987	April 30, 2023			
	MUFG Bank, Ltd.	April 30, 2015	2,000	2,000	1.100	April 30, 2024			
	Sumitomo Mitsui Banking Corporation	April 30, 2015	1,000	1,000	1.265	April 30, 2025			
	Sumitomo Mitsui Trust Bank, Limited.	August 31, 2015	950	950	1.047	August 31, 2023			
	MUFG Bank, Ltd.	August 31, 2015	1,700	1,700	1.169	August 31, 2024			
	Mizuho Bank, Ltd.	August 31, 2015	950	950	1.169	August 31, 2024			
	Sumitomo Mitsui Banking Corporation	August 31, 2015	2,000	2,000	1.345	August 31, 2025			
	Development Bank of Japan Inc. (Note 3)	August 31, 2015	1,000	1,000	1.193	August 31, 2024			
	MUFG Bank, Ltd.	October 27, 2015	1,000	1,000	1.156	April 27, 2025			
	MUFG Bank, Ltd.	April 28, 2016	1,000	1,000	0.819	April 28, 2025			
	Sumitomo Mitsui Banking Corporation	April 28, 2016	2,500	2,500	0.903	April 30, 2026			
	MUFG Bank, Ltd. (Note 3)	August 1, 2016	1,000	1,000	0.660	July 31, 2025			
	Mizuho Bank, Ltd. (Note 3)	August 30, 2016	1,500	1,500	0.816	August 31, 2026			
	Aozora Bank, Ltd.	August 31, 2016	1,000	1,000	0.713	August 31, 2024			
	Sumitomo Mitsui Trust Bank, Limited.	August 31, 2016	1,000	1,000	0.797	August 31, 2025			
	Resona Bank, Ltd.	August 31, 2016	500	500	0.797	August 31, 2025			

Classification	Lender	Drawdown Date	Balance at the beginning of period (mil. yen)	Balance at the end of period (mil. yen)	Average interest rate (Note 1) (Note 2)	Payment due date	Debt Financing Method	Use	Remarks			
Long-term borrowings	MUFG Bank, Ltd. (Note 3)	August 31, 2016	2,000	2,000	0.670	August 31, 2025	Repayment of principal in full on maturity date	(Note 4)	Unsecured/Unguaranteed			
	Mizuho Trust & Banking Co., Ltd. (Note 3)	August 31, 2016	500	500	0.751	August 31, 2025						
	Sumitomo Mitsui Banking Corporation	August 31, 2016	3,000	3,000	0.906	August 31, 2026						
	Development Bank of Japan Inc. (Note 3)	November 1, 2016	1,000	1,000	0.773	October 31, 2025						
	Resona Bank, Ltd.	August 22, 2017	1,000	1,000	0.900	August 22, 2027						
	Sumitomo Mitsui Trust Bank, Limited.	August 22, 2017	1,000	1,000	0.900	August 22, 2027						
	Shinsei Bank, Ltd.	August 22, 2017	1,000	1,000	0.900	August 22, 2027						
	Mizuho Trust & Banking Co., Ltd. (Note 3)	August 22, 2017	1,200	1,200	0.928	August 22, 2027						
	Development Bank of Japan Inc. (Note 3)	August 22, 2017	1,000	1,000	0.928	August 22, 2027						
	Mizuho Bank, Ltd. (Note 3)	August 22, 2017	500	500	0.928	August 22, 2027						
	THE BANK OF FUKUOKA, LTD. (Note 3)	August 22, 2017	500	500	0.928	August 22, 2027						
	Sumitomo Mitsui Banking Corporation	August 31, 2017	1,500	1,500	0.501	February 28, 2023						
	MUFG Bank, Ltd.	August 31, 2017	1,500	1,500	0.501	February 28, 2023						
	Aozora Bank, Ltd.	August 31, 2017	1,500	1,500	0.582	February 29, 2024						
	Sumitomo Mitsui Banking Corporation	August 31, 2017	1,000	1,000	0.582	February 29, 2024						
	MUFG Bank, Ltd.	August 31, 2017	1,000	1,000	0.582	February 29, 2024						
	Mizuho Bank, Ltd.	August 31, 2017	500	500	0.624	August 31, 2024						
	Mizuho Trust & Banking Co., Ltd. (Note 3)	August 31, 2017	500	500	0.661	August 31, 2024						
	Sumitomo Mitsui Banking Corporation	August 31, 2017	1,500	1,500	0.665	February 28, 2025						
	Resona Bank, Ltd.	August 31, 2017	1,000	1,000	0.749	February 28, 2026						
	Sumitomo Mitsui Trust Bank, Limited.	August 31, 2017	1,000	1,000	0.749	February 28, 2026						
	Nippon Life Insurance Company (Note 3)	July 30, 2018	500	500	0.900	January 30, 2027						
	Sumitomo Mitsui Banking Corporation	August 2, 2018	1,500	1,500	0.799	February 2, 2026						
	MUFG Bank, Ltd.		1,400	1,400								
	Mizuho Bank, Ltd.		900	900								
	Development Bank of Japan Inc.		500	500								
	Nippon Life Insurance Company		500	500								
	Resona Bank, Ltd.		400	400								
	Shinsei Bank, Ltd.		400	400								
	Sumitomo Mitsui Trust Bank, Limited.		400	400								
	Mizuho Trust & Banking Co., Ltd.		400	400								
	Aozora Bank, Ltd.		300	300								
	THE BANK OF FUKUOKA, LTD.		300	300								
	Sumitomo Mitsui Banking Corporation		August 31, 2018	1,200						1,200	0.592	August 31, 2023
	Aozora Bank, Ltd.		August 31, 2018	1,000						1,000	0.592	August 31, 2023
	MUFG Bank, Ltd.	August 31, 2018	800	800	0.592	August 31, 2023						
	Sumitomo Mitsui Banking Corporation	August 31, 2018	1,050	1,050	0.914	February 28, 2027						
	Resona Bank, Ltd.	August 31, 2018	500	500	0.914	February 28, 2027						
	Sumitomo Mitsui Trust Bank, Limited.	August 31, 2018	500	500	0.914	February 28, 2027						
	Mizuho Trust & Banking Co., Ltd.	August 31, 2018	500	500	0.914	February 28, 2027						
Mizuho Bank, Ltd.	August 31, 2018	250	250	0.914	February 28, 2027							
Development Bank of Japan Inc. (Note 3)	August 31, 2018	1,400	1,400	0.884	February 28, 2027							
MUFG Bank, Ltd. (Note 3)	August 31, 2018	800	800	0.825	February 28, 2027							

Classification	Lender	Drawdown Date	Balance at the beginning of period (mil. yen)	Balance at the end of period (mil. yen)	Average interest rate (Note 1) (Note 2)	Payment due date	Debt Financing Method	Use	Remarks
Long-term borrowings	Nippon Life Insurance Company (Note 3)	September 28, 2018	700	700	0.920	September 30, 2026	Repayment of principal in full on maturity date	(Note 4)	Unsecured/Unguaranteed
	Shinsei Bank, Ltd.	September 28, 2018	1,000	1,000	1.031	September 30, 2028			
	Sumitomo Mitsui Trust Bank, Limited.	September 28, 2018	800	800	1.031	September 30, 2028			
	Mizuho Trust & Banking Co., Ltd.	September 28, 2018	500	500	1.031	September 30, 2028			
	Mizuho Trust & Banking Co., Ltd.	June 3, 2019	400	400	0.363	November 30, 2024			
	Mizuho Bank, Ltd. (Note 3)	June 3, 2019	2,000	2,000	0.330	May 31, 2025			
	Shinsei Bank, Ltd.	June 3, 2019	500	500	0.484	November 30, 2025			
	Mizuho Bank, Ltd.	July 31, 2019	800	800	0.299	July 31, 2023			
	Sumitomo Mitsui Banking Corporation	September 17, 2019	1,000	1,000	0.572	August 31, 2026			
	MUFG Bank, Ltd.	October 29, 2019	500	500	0.325	April 30, 2023			
	Resona Bank, Ltd.	October 29, 2019	450	450	0.336	April 30, 2024			
	MUFG Bank, Ltd.	November 29, 2019	1,500	1,500	0.600	November 30, 2026			
	Shinsei Bank, Ltd.	January 31, 2020	500	500	0.329	July 31, 2023			
	Mizuho Trust & Banking Co., Ltd.	January 31, 2020	300	300	0.329	July 31, 2023			
	Sumitomo Mitsui Trust Bank, Limited.	January 31, 2020	300	300	0.329	July 31, 2023			
	THE BANK OF FUKUOKA, LTD.	January 31, 2020	200	200	0.329	July 31, 2023			
	Mizuho Bank, Ltd.	March 2, 2020	500	500	0.259	February 29, 2024			
	Sumitomo Mitsui Trust Bank, Limited.	March 2, 2020	500	500	0.259	February 29, 2024			
	Sumitomo Mitsui Banking Corporation	March 2, 2020	500	500	0.464	February 28, 2027			
	Mizuho Bank, Ltd.	March 2, 2020	500	500	0.414	February 28, 2027			
	Resona Bank, Ltd.	March 2, 2020	500	500	0.414	February 28, 2027			
	Mizuho Trust & Banking Co., Ltd.	March 2, 2020	500	500	0.414	February 28, 2027			
	THE BANK OF FUKUOKA, LTD.	March 2, 2020	400	400	0.414	February 28, 2027			
	MUFG Bank, Ltd. (Note 3)	March 2, 2020	400	400	0.450	February 28, 2027			
	Aozora Bank, Ltd.	March 2, 2020	200	200	0.531	February 29, 2028			
	MUFG Bank, Ltd. (Note 3)	March 13, 2020	600	600	0.300	February 29, 2024			
	Sumitomo Mitsui Trust Bank, Limited.	June 30, 2020	1,000	1,000	0.646	June 30, 2028			
	Shinsei Bank, Ltd.	June 30, 2020	800	800	0.646	June 30, 2028			
	Development Bank of Japan Inc. (Note 3)	June 30, 2020	500	500	0.616	June 30, 2028			
	Sumitomo Mitsui Banking Corporation	July 29, 2020	1,750	1,750	0.691	July 31, 2028			
	Shinsei Bank, Ltd.	July 29, 2020	1,750	1,750	0.641	July 31, 2028			
	MUFG Bank, Ltd.	July 29, 2020	1,000	1,000	0.641	July 31, 2028			
	Mizuho Bank, Ltd.	July 29, 2020	500	500	0.641	July 31, 2028			
	Resona Bank, Ltd.	July 29, 2020	500	500	0.641	July 31, 2028			
	Mizuho Trust & Banking Co., Ltd.	July 29, 2020	500	500	0.641	July 31, 2028			
	Sumitomo Mitsui Banking Corporation	July 31, 2020	1,000	1,000	0.686	July 31, 2028			
	Mizuho Trust & Banking Co., Ltd.	August 3, 2020	800	800	0.637	July 31, 2028			
	MUFG Bank, Ltd.	August 31, 2020	500	500	0.640	August 31, 2028			
	Aozora Bank, Ltd.	August 31, 2020	300	300	0.690	August 31, 2028			
	Sumitomo Mitsui Banking Corporation	September 24, 2020	840	840	0.648	September 30, 2028			
	Sumitomo Mitsui Banking Corporation	September 30, 2020	900	900	0.658	September 30, 2028			
	Mizuho Bank, Ltd.	September 30, 2020	800	800	0.658	September 30, 2028			
	Mizuho Bank, Ltd.	September 30, 2020	1,330	1,330	0.658	September 30, 2028			
	Resona Bank, Ltd.	September 30, 2020	500	500	0.558	September 30, 2028			
	Mizuho Trust & Banking Co., Ltd.	September 30, 2020	400	400	0.608	September 30, 2028			
	MUFG Bank, Ltd. (Note 3)	September 30, 2020	800	800	0.550	September 30, 2028			
	MUFG Bank, Ltd.	October 27, 2020	300	300	0.637	October 31, 2027			
	Mizuho Bank, Ltd.	November 2, 2020	500	500	0.478	April 30, 2025			
	Mizuho Trust & Banking Co., Ltd.	November 2, 2020	1,000	1,000	0.585	October 31, 2027			
	Sumitomo Mitsui Banking Corporation	November 30, 2020	2,000	2,000	0.617	November 30, 2027			
MUFG Bank, Ltd.	January 29, 2021	1,000	1,000	0.599	January 31, 2028				
Mizuho Bank, Ltd.	January 29, 2021	1,200	1,200	0.409	January 31, 2025				

Classification	Lender	Drawdown Date	Balance at the beginning of period (mil. yen)	Balance at the end of period (mil. yen)	Average interest rate (Note 1) (Note 2)	Payment due date	Debt Financing Method	Use	Remarks
	Mizuho Trust & Banking Co., Ltd.	January 29, 2021	1,100	1,100	0.359	January 31, 2025			
	Aozora Bank, Ltd.	March 31, 2021	1,350	1,350	0.677	March 31, 2029			
	Shinsei Bank, Ltd.	July 30, 2021	1,000	1,000	0.252	July 31, 2024			
	Daiishi Hokuetsu Bank, Ltd. (Note 3)	July 30, 2021	500	500	0.350	January 31, 2027			
	The Bank of Yokohama, Ltd.	July 30, 2021	1,000	1,000	0.467	July 31, 2029			
	Sumitomo Mitsui Banking Corporation	July 30, 2021	1,400	1,400	0.598	January 31, 2030			
	MUFG Bank, Ltd. (Note 3)	July 30, 2021	1,000	1,000	0.575	January 31, 2030			
	Nippon Life Insurance Company (Note 3)	July 30, 2021	1,000	1,000	0.700	January 31, 2030			
	The Yamaguchi Bank, Ltd.	August 2, 2021	-	800	0.358	February 28, 2027			
	The Chugoku Bank, Ltd.	August 2, 2021	-	500	0.358	February 28, 2027			
	The 77 Bank, Ltd.	August 2, 2021	-	500	0.358	February 28, 2027			
	Mizuho Bank, Ltd.	August 10, 2021	-	500	0.282	February 28, 2023			
	Mizuho Trust & Banking Co., Ltd.	August 10, 2021	-	200	0.232	February 28, 2023			
	Aozora Bank, Ltd.	August 10, 2021	-	350	0.533	February 28, 2029			
	Resona Bank, Ltd.	August 10, 2021	-	300	0.433	February 28, 2029			
	Sumitomo Mitsui Banking Corporation	August 10, 2021	-	1,200	0.585	February 28, 2030			
	MUFG Bank, Ltd. (Note 3)	August 10, 2021	-	1,200	0.575	February 28, 2030			
	Development Bank of Japan Inc. (Note 3)	August 10, 2021	-	1,000	0.638	August 31, 2031			
	Aozora Bank, Ltd.	August 31, 2021	-	500	0.540	February 28, 2029			
	MUFG Bank, Ltd. (Note 3)	August 31, 2021	-	600	0.525	February 28, 2029			
	Sumitomo Mitsui Banking Corporation	August 31, 2021	-	600	0.602	February 28, 2030			
	The Chiba Bank, Ltd. (Note 3)	November 31, 2021	-	600	0.325	November 30, 2026			
	The Musashino Bank, Ltd (Note 3)	November 31, 2021	-	500	0.325	November 30, 2026			
	THE BANK OF FUKUOKA, LTD.	December 10, 2021	-	800	0.230	November 30, 2023			
	The Hyakugo Bank, Ltd.	December 10, 2021	-	500	0.314	November 30, 2025			
	THE HACHIJUNI BANK, LTD.	December 10, 2021	-	500	0.314	November 30, 2025			
	The Shizuoka Bank, Ltd.	December 10, 2021	-	200	0.314	November 30, 2025			
	Aozora Bank, Ltd. (Note 3)	December 10, 2021	-	1,000	0.529	May 31, 2029			
	THE NISHI-NIPPON CITY BANK, LTD.	December 10, 2021	-	500	0.561	November 30, 2029			
	The Yamanashi Chuo Bank, Ltd.	December 10, 2021	-	500	0.561	November 30, 2029			
	The Yamaguchi Bank, Ltd.	December 10, 2021	-	1,000	0.631	November 30, 2030			
	The Bank of Yokohama, Ltd.	December 10, 2021	-	700	0.631	November 30, 2030			
	Kansai Mirai Bank, Limited	December 10, 2021	-	500	0.703	November 30, 2031			
	The Bank of Kyoto, Ltd.	December 10, 2021	-	300	0.703	November 30, 2031			
	Subtotal		110,020	125,870					
	Total		138,220	148,120					

(Note 1) All debts except for the following Note 3 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 places. Also, with regard to borrowings for which interest rate swap transactions and other derivative 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 and other derivatives are indicated.

(Note 3) Borrowings is applied at a fixed rate.

(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) Debts classified in current portion of long-term loans payable from the 20th fiscal period, therefor included in long-term loans payable in the previous fiscal period.

(3) Investment Corporation Bonds

Outstanding Investment corporation bonds as of January 31, 2022 are as follows.

Series	Date of issue	Balance at the beginning of period	Balance at the end of period (mil. yen)	Interest rate (%)	Repayment date	Repayment method	Use	Remarks
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		(mil. Yen)						
First Series Unsecured Investment Corporation Bonds	August 30, 2016	1,000	-	0.200	August 30, 2021	Repayment of principal in full on maturity date	(Note 1)	(Note 3)
Second Series Unsecured Investment Corporation Bonds	August 30, 2016	1,000	1,000	0.540	August 28, 2026			
Third Series Unsecured Investment Corporation Bonds	August 30, 2016	1,000	1,000	0.800	August 30, 2028			
Fourth Series Unsecured Investment Corporation Bonds	November 30, 2018	1,000	1,000	0.410	November 30, 2023		(Note 2)	
Fifth Series Unsecured Investment Corporation Bonds	November 30, 2018	1,000	1,000	0.850	November 30, 2028			
Sixth Series Unsecured Investment Corporation Bonds (Social Bond)	December 20, 2019	2,000	2,000	0.750	December 20, 2029			
Seventh Series Unsecured Investment Corporation Bonds (Social Bond)	May 31, 2021	1,700	1,700	0.720	May 30, 2031			
Total		7,000	7,700					

(Note 1) Investment corporation bonds were used as the funds for acquiring real estate properties or trust beneficiary interest in real estate and repayment of debts.

(Note 2) Funds for acquisition of assets eligible for social finance or funds for repayment of borrowings procured with the aim of allocation to funds for acquisition of assets eligible for social finance.

(Note 3) Ranking pari passu among the specified investment corporation bonds.

(4) Status of Short-Term Investment Corporation Bonds

Not applicable

(5) Investment Unit Warrants

Not applicable

6. Acquisitions and Sales during the 20th Fiscal Period

(1) Acquisitions and Sales of Real Estate Properties and Asset-backed Securities, etc., Infrastructure Assets and Infrastructure-related Assets

Type	No.	Name	Acquisition		Sale			
			Acquisition date	Acquisition price (million yen) (Note 1)	Sales date	Sale price (million yen) (Note 1)	Book value (in millions) (million yen) (Note 2)	Gain and loss (million yen) (Note 2)
Trust Beneficiary Interest	T-100	KDX Residence Kamishakujii II	August 2, 2021	3,087	-	-	-	-
Trust Beneficiary Interest	T-101	Hulic Residence Tsudanuma	November 30, 2021	1,150	-	-	-	-
Trust Beneficiary Interest	T-102	KDX Residence Yokohama Momijizaka	December 10, 2021	5,000				
Trust Beneficiary Interest	H-27	Grapes Kawasaki Shimmachi	December 10, 2021	1,470	-	-	-	-
Trust Beneficiary Interest	H-28	Grapes Fujimino	December 10, 2021	1,520	-	-	-	-
Trust Beneficiary Interest	T-44	KDX Residence Tobu Nerima	-	-	December 16, 2021	580	379	180
Silent Partnership Interest	-	Equity interests in TK property fund with G.K. Trinity One as operator	August 26, September 30, November 30, 2021	107	-	-	-	-

(Note 1) "Acquisition price" and "Sale price" are the amount identified in the purchase or sale agreement of each trust beneficiary interest (excluding expenses required for the acquisition or sale, property tax, city planning tax or consumption tax, etc.), rounded down to the nearest whole million yen.

(Note 2) "Book value" and "Gain and loss" are rounded down to the nearest whole million yen.

(2) Acquisitions and Sales of Other Assets

Other than the foregoing real estate properties, asset-backed securities, infrastructure assets and other infrastructure-related assets, major assets in general are bank deposits or bank deposits within trust assets.

(3) Appraisals of Specified Assets

(i) Real Estate, etc.

Transaction	Type	No.	Property name	Date of acquisition or sale	Acquisition price or Sale price (million yen) (Note 1)	Appraisal value (million yen) (Note 2)	Appraiser	As of Appraisal date
Acquisition	Trust Beneficiary Interest	T-100	KDX Residence Kamishakujii II	August 2, 2021	3,087	3,280	The Tanizawa Sōgō Appraisal Co., Ltd.	July 31, 2021
Acquisition	Trust Beneficiary Interest	T-101	Hulic Residence Tsudanuma	November 30, 2021	1,150	1,320	DAIWA REAL ESTATE APPRAISAL CO., LTD.	October 1, 2021
Acquisition	Trust Beneficiary Interest	T-102	KDX Residence Yokohama Momijizaka	December 10, 2021	5,000	5,170	Japan Real Estate Institute	October 1, 2021
Acquisition	Trust Beneficiary Interest	H-27	Grapes Kawasaki Shimmachi	December 10, 2021	1,470	1,520	DAIWA REAL ESTATE APPRAISAL CO., LTD.	October 1, 2021
Acquisition	Trust Beneficiary Interest	H-28	Grapes Kawasaki Fujimino	December 10, 2021	1,520	1,550	DAIWA REAL ESTATE APPRAISAL CO., LTD.	October 1, 2021
Sale	Trust Beneficiary Interest	T-44	KDX Residence Tobu Nerima	December 16, 2021	580	565	Japan Real Estate Institute	July 31, 2021

(Note 1) “Acquisition price or Sale price” are the amount identified in the purchase or sale agreement of each trust beneficiary interest (excluding expenses required for the acquisition or sale, property tax, city planning tax or consumption tax, etc.), rounded down to the nearest whole million yen.

(Note 2) “Appraisal value” of specific assets above was calculated in accordance with the guideline of “Real Estate Appraisal Standards, Chapter 3, Appraisal of Securitized Real Estate.”

(ii) Investment securities or others

Transaction	Product name	Date of acquisition	Acquisition price (million yen)(Note)	Assessment price of specific asset (million yen)
Acquisition	Equity interests in TK property fund with G.K. Trinity One as operator	August 26/September 30/November 30	107	115

(Note) “Acquisition price” are the contribution amount identified in the silent partnership agreement or other related documents (excluding related expenses required for the investment.), rounded down to the nearest whole million yen.

(iii) Others

With regard to transactions and contracts entered by the Investment Corporation whose values shall be investigated based on the Act on Investment Trusts and Investment Corporations, Ernst & Young ShinNihon LLC performs an investigation of the transactions. For the fiscal period from August 1, 2021 to January 31, 2022, the transactions subject to such investigation were a transaction for acquisition of silent partnership interest and fifteen interest rate swap transactions, for which the Investment Corporation received reports from Ernst & Young ShinNihon LLC. With regard to the acquisition of the silent partnership interest, the Investment Corporation commissioned an investigation of matters concerning the operating assets related to the silent partnership contract, details of the silent partnership contract and transactions and other details of the acquisition of the silent partnership interest, and with regard to interest rate swap transaction, investigation was performed with respect to details of the interest swap contracts, such as the name of counter parties, contract amounts, the period of transactions or other matters related to the details of the relevant OTC derivative transactions.

This survey is not a part of the audit for financial statements, and there is no guarantee of fairness of the price and internal management system.

(4) Transactions with Related-Party

(i) Transactions

Category	Transaction price (million yen)			
	Acquisition price ^(Note 2)		Sale price ^(Note 2)	
Total amount	12,227 million yen		580 million yen	
Transaction with related party				
GK RF2	5,000 million yen	(40.9%)	–	(–%)
GK KRF96	3,087 million yen	(25.2%)	–	(–%)
GK KSLF10	2,990 million yen	(24.5%)	–	(–%)
Total	11,077 million yen	(90.6%)	–	(–%)

(ii) Amounts of Fees Paid

Category	Total amount of fee paid (A)	Transaction with related party		(B) / (A)
		Payment recipient	Fee amount (B)	
Brokerage fee	34 million yen	Kenedix Inc.	17 million yen	49.8%

(Note 1) A related-party, etc. is defined as a related-party, etc. of the asset management company having executed an asset management entrustment agreement with the Investment Corporation provided in Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations and Article 26, Item 27 of Rules on asset management reports, pertaining to investment trusts and investment corporations of the Investment Trusts Association, Japan.

(Note 2) The “Acquisition price” and the “Sale price” don’t include the related cost to the transaction, tax and dues reimbursement, consumption tax, etc.

(Note 3) The amount of payments including expenses for repair work of which orders were placed to related-party, etc. during the 20th fiscal period other than the above paid fees is as follows.

Kenedix Engineering, Inc.

Construction costs recorded as capital expenditure: 30 million yen Repair costs: 2 million yen

(5) Transactions with Asset Management Company Related to Concurrent Operations Carried Out by the Asset Management Company

There is no transaction with the Asset Management Company, KFM, regarding to the Type II Financial Instruments Business, and Building Lots and Buildings Transaction Business. Furthermore, KFM does not concurrently engage in any of Type I Financial Instruments Business, Real Estate Specified Joint Business.

7. Accounting

(1) Assets, Liabilities, Principal and Profit/Loss

Please see the Balance Sheet, the Statement of Income and Retained Earnings, the Statement of Unitholders' Equity, Notes and the Calculation pertaining to Distributions below.

(2) Change to Calculation of Depreciation Amount

Not applicable

(3) Change to Real Estate and Other Infrastructure Assets Appraisal Method

Not applicable

(4) Disclosure Pertaining to Investment Trust Beneficial Right Securities, etc.

The status of investment units held by the Asset management Company of the Investment Corporation (Kenedix Real Estate Fund Management, Inc) is as follows.

(i) Acquisitions

Date of acquisition	Number of units	Number of disposal units	Number of units held
March 1, 2018 ^(Note)	1	-	1
Accumulated total	1	-	1

(Note) The Asset Management Company acquired one investment unit of Japan Senior Living Investment Corporation on July 21, 2015. Following the merger with the Investment Corporation, the Asset Management Company acquired its investment units on March 1, 2018, which is the effective date of the merger.

(ii) Ownership

	Number of units held at end of fiscal period (Unit)	Asset held at the end of fiscal period (million yen)	Ratio to total number of units issued (%)
13th Fiscal Period From February 1, 2018 to July 31, 2018	1	0	0.0
14th Fiscal Period From August 1, 2018 to January 31, 2019	1	0	0.0
15th Fiscal Period From February 1, 2019 to July 31, 2019	1	0	0.0
16th Fiscal Period From August 1, 2019 to January 31, 2020	1	0	0.0
17th Fiscal Period From February 1, 2020 to July 31, 2020	1	0	0.0
18th Fiscal Period From August 1, 2020 to January 31, 2021	1	0	0.0
19th Fiscal Period From February 1, 2021 to July 31, 2021	1	0	0.0
20th Fiscal Period From August 1, 2021 to January 31, 2022	1	0	0.0

(5) Disclosure Pertaining to Overseas Real Estate Holding Corporations

Not applicable

(6) Disclosure Pertaining to Real Estate Held by Overseas Real Estate Holding Corporations

Not applicable

8. Other

(1) General Information

(i) Unitholders' General Meeting

The 7th General Meeting of Unitholders of the Investment Corporation was held on October 27, 2021.

The main outlines of the matters approved by the unitholders' general meeting are as follows.

Agenda	Overview
Agenda No. 1: Partial Changes to Articles of Incorporation	<p>The partial changes to the Articles of Incorporation are as follows.</p> <p>(1) From the perspective of selecting the most appropriate investment targets in light of the investment policy of the Investment Corporation aiming to gain stable rental income and to achieve steady growth in the asset size, we will revise the provisions regarding the investment posture in order to limit the main use of the real estate-related assets, in which the Investment Corporation mainly invests, to residential facilities and healthcare facilities (Article 30, Paragraph 1 of the current Articles of Incorporation).</p> <p>(2) We will revise the relevant provisions in accordance with the changes to the fair valuation method for the securities and the rights pertaining to derivative transactions due to the publication of ASBJ Statement No. 30 "Accounting Standard for Fair Value Measurement" and ASBJ Statement No. 10 "Accounting Standard for Financial Instruments" (including newly established or amended accounting standards, guidelines, etc. relating thereto) and other reasons (Article 35, Paragraph 1, Item 6 and Item 9 of the current Articles of Incorporation).</p> <p>(3) In addition to the above, expressions, and words and phrases will be modified and revised for the preparation of provisions, clarification of the contents of provisions or otherwise.</p>
Agenda No. 2: Election of Two (2) Executive Directors	Two executive directors, Tetsu Kawashima were appointed. The term of office shall be two years beginning from November 1, 2021.
Agenda No. 3: Election of One (1) Alternative Executive Director	One alternative executive director, Shin Yamamoto was appointed. The effective term shall be from November 1, 2021, on which the executive directors will be appointed pursuant to Proposal No. 2, until October 31, 2023 on which the term of office of the executive directors will expire.
Agenda No. 4: Election of Three (3) Supervisory Directors	Three supervisory directors, Osamu Chiba, Satoshi Ogawa and Osamu Utsunomiya were appointed. The term of office shall be two years beginning from November 1, 2021.

(ii) Board of directors' Meeting

The following is an outline of the major agreements and changes approved by the Investment Corporation's Board of Directors during the 20th fiscal period.

Date of approval	Items	Overview
October 26, 2021	Regarding the conclusion of a memorandum of amendment to an asset management agreement	The Investment Corporation entered into a memorandum of agreement with asset management company for the amendment of the asset management agreement on October 27, 2021, in order to clarify that the Investment Corporation pure focuses on residential properties and healthcare facilities as main investment targets.

The following is an outline of the major agreements and changes approved by the Investment Corporation's Board of Directors after the end of 20th fiscal period.

Date of approval	Items	Overview
February 14, 2022	Conclusion of new investment unit underwriting agreement	Entrusted administrative work related to solicitation of investment units to be issued to underwriters (SMBC Nikko Securities Co., Ltd., Mizuho Securities Co., Ltd., Nomura Securities Co., Ltd., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., Daiwa Securities Co. Ltd, Tokai Tokyo Securities Co., Ltd.).

(2) Other

Unless otherwise specified, amounts are rounded down, and ratios are rounded off.

[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.

Financial Statements

(20th Fiscal Period: From August 1, 2021 to January 31, 2022)

Independent Auditor's Report

Balance Sheet

Statement of Income and Retained Earnings

Statement of Changes in Net Assets

Statement of Cash Flows

Notes to Financial Statements

Independent Auditor's Report

The Board of Directors
Kenedix Residential Next Investment Corporation

Opinion

We have audited the accompanying financial statements of Kenedix Residential Next Investment Corporation (the Company), which comprise the balance sheet as at January 31, 2022, and the statements of income and retained earnings, changes in net assets, and cash flows for the six-month period then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2022, and its financial performance and its cash flows for the six-month period ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Supervisory Director for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Supervisory Director is responsible for overseeing the Company's financial reporting process

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Executive Director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Executive Director with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

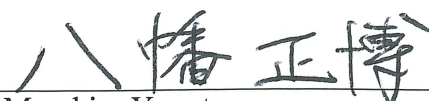
Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC
Tokyo, Japan

April 26, 2022



Naohiko Sawabe
Designated Engagement Partner
Certified Public Accountant



Masahiro Yawata
Designated Engagement Partner
Certified Public Accountant

KENEDIX RESIDENTIAL NEXT INVESTMENT CORPORATION

Balance Sheet

As of January 31, 2022

	20th Fiscal Period as of January 31, 2022	19th Fiscal Period as of July 31, 2021
(in thousands of yen)		
ASSETS		
Current assets		
Cash and deposits (Notes 9)	¥13,828,613	¥16,724,647
Cash and deposits in trust (Notes 9)	11,153,990	10,811,226
Operating accounts receivable	236,109	168,096
Prepaid expenses	10,310	15,823
Other	5,272	25,296
Total current assets	25,234,296	27,745,090
Noncurrent assets		
Property, plant and equipment (Notes 18 and 23)		
Land	173,018	172,666
Buildings in trust	115,859,756	111,119,141
Accumulated depreciation	(17,273,700)	(15,847,746)
Buildings in trust, net	98,586,055	95,271,394
Structures in trust	1,335,781	1,249,509
Accumulated depreciation	(354,077)	(319,090)
Structures in trust, net	981,703	930,419
Machinery and equipment in trust	1,545,362	1,501,150
Accumulated depreciation	(486,797)	(452,582)
Machinery and equipment in trust, net	1,058,565	1,048,567
Tools, furniture and fixtures in trust	1,054,703	941,780
Accumulated depreciation	(176,789)	(147,578)
Tools, furniture and fixtures in trust, net	877,913	794,202
Land in trust	172,904,875	164,872,506
Total property, plant and equipment, net	274,582,133	263,089,757
Intangible assets		
Leasehold right in trust (Notes 18 and 23)	1,113,305	1,115,030
Other	1,681	2,458
Total intangible assets	1,114,987	1,117,488
Investments and other assets		
Investment securities (Notes 12 and 22)	109,688	
Lease and guarantee deposits	89,381	89,381
Long-term prepaid expenses	1,016,936	998,658
Other	166,099	12,758
Total investments and other assets	1,382,104	1,100,798
Total noncurrent assets	277,079,225	265,308,044
Deferred assets		
Investment corporation bond issuance costs	48,069	52,037
Investment unit issuance costs	48,750	71,778
Total deferred assets	96,819	123,816
Total assets	¥302,410,342	¥293,176,951

	20th Fiscal Period as of January 31, 2022	19th Fiscal Period as of July 31, 2021
	(in thousands of yen)	
LIABILITIES		
Current liabilities		
Operating accounts payable	¥655,849	¥671,687
Short-term loans payable (Notes 25)	2,500,000	-
Current portion of investment corporation bonds (Notes 11 and 24)	-	1,000,000
Current portion of long-term loans payable (Notes 11, 14 and 25)	19,750,000	21,950,000
Accounts payable-other	409,744	424,095
Accrued expenses	54,800	49,510
Income taxes payable	605	605
Accrued consumption taxes	31,944	66,020
Advances received	1,263,949	1,203,553
Deposits received	71,603	76,116
Other	6,636	12,261
Total current liabilities	24,745,132	25,453,849
Noncurrent liabilities		
Investment corporation bonds (Notes 11 and 24)	7,700,000	7,700,000
Long-term loans payable (Notes 11, 14 and 25)	125,870,000	116,270,000
Tenant leasehold and security deposits in trust	3,464,769	3,396,104
Tenant lump sum deposits in trust	4,671,456	4,570,534
Asset retirement obligations (Note 17)	68,264	68,078
Other	100,012	499,957
Total noncurrent liabilities	141,874,503	132,504,674
Total liabilities	166,619,636	157,958,524
NET ASSETS		
Unitholders' equity		
Unitholders' capital	116,322,630	116,322,630
Surplus		
Capital surplus	13,187,100	13,187,100
Voluntary retained earnings		
Reserve for temporary difference adjustments (Note 5)	1,880,000	1,900,000
Total voluntary retained earnings	1,880,000	1,900,000
Unappropriated retained earnings	4,335,589	4,296,284
Total surplus	19,402,689	19,383,384
Total unitholders' equity	135,725,319	135,706,015
Valuation and translation adjustments		
Deferred gains or losses on hedges (Notes 11 and 14)	65,386	(487,588)
Total valuation and translation adjustments	65,386	(487,588)
Total net assets (Note 4)	135,790,706	135,218,427
Total liabilities and net assets	¥302,410,342	¥293,176,951

See accompanying notes to the financial statements.

KENEDIX RESIDENTIAL NEXT INVESTMENT CORPORATION

Statement of Income and Retained Earnings

For the period from August 1, 2021 to January 31, 2022

	20th Fiscal Period from August 1, 2021 to January 31, 2022	19th Fiscal Period from February 1, 2021 to July 31, 2021
(in thousands of yen)		
Operating revenues		
Rent revenue-real estate (Note 7)	¥8,434,013	¥8,145,546
Other lease business revenue (Note 7)	528,925	612,776
Gain on sales of real estate property (Note 7)	180,124	437,537
Total operating revenues	9,143,063	9,195,861
Operating expenses		
Expenses related to rent business (Note 7)	3,257,431	3,333,440
Asset management fees	684,755	668,991
Asset custody fees	15,460	15,034
Administrative service fees	51,082	50,368
Directors' compensation	5,400	8,100
Other operating expenses	288,082	297,440
Total operating expenses	4,302,212	4,373,375
Operating income	4,840,850	4,822,485
Non-operating income		
Interest income	42	43
Gain on forfeiture of unclaimed dividends	141	397
Consumption taxes refund	-	43,287
Interest on refund	-	76
Total non-operating income	184	43,805
Non-operating expenses		
Interest expenses	533,039	529,613
Interest expenses on investment corporation bonds	26,994	23,359
Borrowing expenses	134,043	130,855
Amortization of investment corporation bond issuance costs	3,968	4,505
Amortization of investment unit issuance costs	23,027	30,528
Total non-operating expenses	721,074	718,862
Ordinary income	4,119,960	4,147,428
Income before income taxes	4,119,960	4,147,428
Income taxes (Note 16)		
Current	605	605
Total income taxes	605	605
Net income	4,119,355	4,146,823
Retained earnings brought forward	216,234	149,461
Unappropriated retained earnings	¥4,335,589	¥4,296,284

See accompanying notes to the financial statements.

KENEDIX RESIDENTIAL NEXT INVESTMENT CORPORATION

Statement of Changes in Net Assets

For the period from August 1, 2021 to January 31, 2022

	Unitholders' equity							Total unitholders' equity
	Surplus						Total surplus	
	Unitholders' capital	Capital surplus	Voluntary retained earnings		Unappropriated retained earnings	Total surplus		
Reserve for temporary difference adjustments			Total voluntary retained earnings					
(in thousands of yen)								
Balance as of January 31, 2021 (Note 8)	¥108,550,294	¥13,187,100	¥1,920,000	¥1,920,000	¥3,997,276	¥19,104,376	¥127,654,670	
Changes of items during the period								
Issuance of new investment units	7,772,336						7,772,336	
Reversal of reserve for temporary difference adjustments			(20,000)	(20,000)	20,000	-	-	
Dividends from surplus					(3,867,815)	(3,867,815)	(3,867,815)	
Net income					4,146,823	4,146,823	4,146,823	
Net changes of items other than unitholders' equity								
Total changes of items during the period	7,772,336	-	(20,000)	(20,000)	299,008	279,008	8,051,344	
Balance as of July 31, 2021 (Note 8)	¥116,322,630	¥13,187,100	¥1,900,000	¥1,900,000	¥4,296,284	¥19,383,384	¥135,706,015	
Changes of items during the period								
Reversal of reserve for temporary difference adjustments			(20,000)	(20,000)	20,000	-	-	
Dividends from surplus					(4,100,050)	(4,100,050)	(4,100,050)	
Net income					4,119,355	4,119,355	4,119,355	
Net changes of items other than unitholders' equity								
Total changes of items during the period	-	-	(20,000)	(20,000)	39,304	19,304	19,304	
Balance as of January 31, 2022 (Note 8)	¥116,322,630	¥13,187,100	¥1,880,000	¥1,880,000	¥4,335,589	¥19,402,689	¥135,725,319	

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
	(in thousands of yen)		
Balance as of January 31, 2021 (Note 8)	¥(522,600)	¥(522,600)	¥127,132,070
Changes of items during the period			
Issuance of new investment units			7,772,336
Reversal of reserve for temporary difference adjustments			-
Dividends from surplus			(3,867,815)
Net income			4,146,823
Net changes of items other than unitholders' equity	35,012	35,012	35,012
Total changes of items during the period	35,012	35,012	8,086,357
Balance as of July 31, 2021 (Note 8)	¥(487,588)	¥(487,588)	¥135,218,427
Changes of items during the period			
Reversal of reserve for temporary difference adjustments			-
Dividends from surplus			(4,100,050)
Net income			4,119,355
Net changes of items other than unitholders' equity	552,974	552,974	552,974
Total changes of items during the period	552,974	552,974	572,279
Balance as of January 31, 2022 (Note 8)	¥65,386	¥65,386	¥135,790,706

See accompanying notes to the financial statements.

KENEDIX RESIDENTIAL NEXT INVESTMENT CORPORATION

Statement of Cash Flows

For the period from August 1, 2021 to January 31, 2022

	20th Fiscal Period from August 1, 2021 to January 31, 2022	19th Fiscal Period from February 1, 2021 to July 31, 2021
(in thousands of yen)		
Net cash provided by (used in) operating activities		
Income before income taxes	¥4,119,960	¥4,147,428
Depreciation and amortization	1,590,604	1,547,032
Amortization of investment corporation bond issuance costs	3,968	4,505
Amortization of investment unit issuance costs	23,027	30,528
Interest income	(42)	(43)
Interest expenses	560,034	552,973
Decrease (increase) in operating accounts receivable	(68,012)	(77,134)
Decrease (increase) in prepaid expenses	5,512	(6,246)
Increase (decrease) in operating accounts payable	73,023	(60,583)
Increase (decrease) in accounts payable-other	(13,861)	85,956
Increase (decrease) in accrued consumption taxes	(34,076)	30,091
Increase (decrease) in advances received	60,395	56,116
Decrease (increase) in long-term prepaid expenses	(18,277)	57,754
Decrease in net property, plant and equipment held in trust due to sale	379,169	631,984
Other, net	15,389	(145,674)
Subtotal	6,696,814	6,854,688
Interest income received	42	43
Interest expenses paid	(560,700)	(559,047)
Income taxes (paid) refund	(604)	(605)
Net cash provided by (used in) operating activities	6,135,552	6,295,079
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(351)	-
Purchase of property, plant and equipment in trust	(13,548,175)	(7,895,245)
Payments for lease and guarantee deposits	(109,688)	-
Repayments of tenant leasehold and security deposits in trust	(126,302)	(179,176)
Proceeds from tenant leasehold and security deposits in trust	194,966	400,972
Repayments of tenant lump sum deposits in trust	(129,873)	(190,257)
Proceeds from tenant lump sum deposits in trust	230,795	141,861
Net cash provided by (used in) investing activities	(13,488,628)	(7,721,844)
Net cash provided by (used in) financing activities		
Proceeds from short-term loans payable	2,500,000	-
Repayments of short-term loans payable	-	(2,000,000)
Proceeds from long-term loans payable	15,850,000	8,750,000
Repayments of long-term loans payable	(8,450,000)	(6,750,000)
Proceeds from issuance of investment corporation bonds	-	1,684,522
Redemption of investment corporation bonds	(1,000,000)	-
Proceeds from issuance of investment units	-	7,728,578
Dividends paid	(4,100,193)	(3,867,656)
Net cash provided by (used in) financing activities	4,799,806	5,545,445
Net increase (decrease) in cash and cash equivalents	(2,553,270)	4,118,679
Cash and cash equivalents at the beginning of period	27,535,874	23,417,194
Cash and cash equivalents at the end of period (Note 9)	¥24,982,604	¥27,535,874

See accompanying notes to the financial statements.

KENEDIX RESIDENTIAL NEXT INVESTMENT CORPORATION

Notes to Financial Statements

For the period from August 1, 2021 to January 31, 2022

1. ORGANIZATION AND BASIS OF PRESENTATION

Organization

Kenedix Residential Next Investment Corporation (“the Investment Corporation”) was established on November 15, 2011 under the Act on Investment Trusts and Investment Corporations of Japan (“the Investment Trust Act”). On April 26, 2012, the Investment Corporation was listed on the Real Estate Investment Trust Market of the Tokyo Stock Exchange (Securities Code: 3278). The Investment Corporation implemented a 2-for-1 split of its investment units held by unitholders set forth or recorded in the final unitholder registry on February 28, 2018 with March 1, 2018 as the effective date. And also on March 1, 2018, the Investment Corporation conducted an absorption-type merger (“the Merger”) whereby the Investment Corporation was the surviving corporation and Japan Senior Living Investment Corporation (“JSL”) was the dissolving corporation.

After “the Merger”, the Investment Corporation raised funds through four public offerings and three third-party allotment. As of January 31, 2022, the end of the 20th fiscal period, the number of investment units issued and outstanding totaled 995,883 units.

The Investment Corporation is externally managed by Kenedix Real Estate Fund Management, Inc. (“the Asset Management Company”), a company that was formed with personnel from Kenedix, Inc. and adheres to the core philosophies of Kenedix, Inc., that is, to provide management services from the perspective of real estate investors a real estate management company. As the asset manager, the Asset Management Company shall provide flexible and speedy real estate investment and management services based on the strategies of the Investment Corporation: “Flexible pursuit for appropriate investment and profit opportunities with comprehension of the real estate market trends” and “Speedy execution based on expeditious information collection and judgement.”

During the 20th fiscal period, the Investment Corporation acquired 3 residential properties (total acquisition price of ¥9,237 million) and 2 healthcare properties (total acquisition price of ¥2,990 million) and sold 1 residential property (acquisition price of ¥420 million, disposition price of ¥580 million). As a result, the Investment Corporation has a portfolio comprised of 165 properties (total acquisition price of ¥277,569 million) as of January 31, 2022, the end of the 20th fiscal period. The portfolio consists of 135 residential properties (total acquisition price of ¥210,999 million), 28 healthcare properties (total acquisition price of ¥61,610 million) and 2 accommodation properties (total acquisition price of ¥4,960 million).

The occupancy rates of the overall portfolio were 97.4% and 97.3% as of the end of the 19th and 20th fiscal period, respectively. Furthermore, the average occupancy rates of the properties for residential and healthcare were 96.1% and 99.9% as of the end of the 20th fiscal period.

During the 19th and 20th fiscal period, the Investment Corporation made borrowings of ¥8,750 million and ¥8,450 million for the repayment of debt matured. During the 20th fiscal period, the Investment Corporation made new borrowings of ¥9,900 million upon acquiring properties. As a result, the balance of borrowings as of the end of the 19th and 20th fiscal period stood at ¥138,220 million and ¥148,120 million, respectively. The balance of interest-bearing debt including investment corporation bonds as of the end of the 19th and 20th periods, was ¥146,920 million and ¥155,820 million, respectively.

Basis of Presentation

The Investment Corporation maintains its accounting records and prepares its financial statements in accordance with accounting principles generally accepted in Japan (Japanese GAAP), including provisions set forth in the Investment Trust Act, the Companies Act of Japan, the Financial Instruments and Exchange Act of Japan and related regulations, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

The accompanying financial statements are a translation of the audited financial statements of the Investment Corporation, which were prepared in accordance with Japanese GAAP and were presented in the Securities Report of the Investment Corporation filed with the Kanto Local Finance Bureau. In preparing the accompanying financial statements, certain reclassifications and modifications have been made to the financial statements issued domestically in order to present them in a format that is more familiar to readers outside Japan. In addition, the notes to financial statements include certain information that might not be required under Japanese GAAP but is presented herein as additional information.

The Investment Corporation fiscal period is a six-month period which ends at the end of January or July. The Investment Corporation does not prepare consolidated financial statements because it has no subsidiaries.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) Securities

Non-marketable securities classified as other securities are carried at cost. Cost of securities sold is determined by the moving average method. Concerning silent partnership (tokumei kumiai, "TK") interests, the method of incorporating the amount of equity equivalent to the portion that corresponds to the net gain or loss of the TK is adopted.

(B) Property and Equipment (including trust assets)

Property and equipment are stated at cost. Depreciation of property and equipment is calculated on a straight-line basis over the estimated useful lives of the assets ranging as stated below:

	From August 1, 2021 to January 31, 2022	From February 1, 2021 to July 31, 2021
Buildings	2-69 years	2-69 years
Structures	3-65 years	3-65 years
Machinery and equipment	3-40 years	3-40 years
Tools, furniture and fixtures	2-30 years	2-30 years

(C) Intangible Assets (including trust assets)

Intangible assets are amortized by the straight-line method. Fixed-term leaseholds are amortized by the straight-line method based on the contract period.

(D) Long-term Prepaid Expenses

Long-term prepaid expenses are amortized by the straight-line method.

(E) Unit Issuance Costs

Unit issuance costs are amortized over a period of 3 years under the straight-line method.

(F) Investment Corporation Bond Issuance Costs

Investment corporation bond issuance costs are amortized over a maturity period under the straight-line method.

(G) Accounting Treatment of Trust Beneficiary Interests in Real Estate

For trust beneficiary interests in real estate, which are commonly utilized in the ownership of commercial properties in Japan, all relevant assets and liabilities in trust are recorded on the balance sheet and the statement of income and retained earnings.

(H) Revenue Recognition

Operating revenues consist of rental revenues including base rents, common area charges and other operating revenues, which include utility charge reimbursement, parking space rental revenues and other miscellaneous revenues. Rental revenues are generally recognized on an accrual basis over the life of each lease. Utility charge reimbursements are recognized when earned and their amounts can be reasonably estimated. Reimbursements from tenants including utility charge reimbursements are recorded on a gross basis and such amounts are recorded both as revenues and expenses during the fiscal period.

(I) Taxes on Property and Equipment

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 generally reimbursed by the purchaser for these accrued property-related tax liabilities.

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 ¥31,508 thousand and ¥7,873 thousand as of July 31, 2021 and January 31, 2022, respectively.

(J) Accounting for revenues

The main content of the performance obligation regarding the revenue from contracts with the customers of the Investment Corporation and the normal point of time when satisfying the said performance obligation (normal point of time when recognizing revenue) are as follows.

1. Sale of real estate property

For the revenue from sale of real estate, etc., revenue is recorded when the buyer who is a customer gains control of the real estate by performing the obligation of handover stipulated in the contract for real estate sales.

2. Utility charge reimbursements

For utility charge reimbursement, revenue is recorded in accordance with the supply of electricity, tap water, etc. to the lessee who is a customer based on the lease agreement of real estate, etc. and the content of agreement incidental to it.

Of the utility charge reimbursement, for those that are determined to fall under the category of an agent by the Investment Corporation, the net amount obtained by deducting the amount paid to other related parties supplying electricity, gas, etc. from the amount received as the fee of electricity, gas, etc. is recognized as revenue.

(K) Income Taxes

Deferred tax assets and liabilities are computed based on the difference between the financial statements and income tax bases of assets and liabilities using the statutory tax rates.

(L) Consumption Taxes

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes. Non-deductible consumption taxes applicable to the acquisition of assets are included in the cost of acquisition for each asset.

(M) Derivative Financial Instruments

The Investment Corporation enters into derivative transactions to hedge risks prescribed in its Articles of Incorporation based on its risk management policies. The Investment Corporation hedges interest rate volatility risk of its interest payments on its borrowings by utilizing interest rate swap as hedging instruments.

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 and other derivatives that meet the requirements for special treatment.

(N) Cash and Cash Equivalents

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.

(O) Presentation of Amounts

Amounts of less than one thousand yen are truncated in the Japanese financial statements prepared in accordance with Japanese GAAP and filed with regulatory authorities in Japan. Unless otherwise noted, amounts are rounded down and ratios are rounded off in the accompanying financial statements. Totals shown in the accompanying financial statements do not necessarily agree with the sums of the individual amounts.

3. CHANGES IN ACCOUNTING POLICIES

1. Application of Accounting Standard for Revenue Recognition, etc.

The Investment Corporation applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29 issued on March 31, 2020. "the Revenue Recognition Accounting Standard"), etc. from the beginning of the current calculation period, and recognize revenue based on the amount which is expected to be received in exchange for the promised goods and services when the control of such goods and services is transferred to customers. This has minimal impact on the financial statement for the current calculation period.

Moreover, in accordance with the transitional treatment stipulated in Paragraph 89-3 of the Revenue Recognition Accounting Standard, the notes "related to revenue recognition" for the previous calculation period are not indicated.

2. Application of Accounting Standard for Fair Value Measurement, etc.

The Investment Corporation applied the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30 issued on July 4, 2019. "the Fair Value Measurement Accounting Standard"), etc. from the beginning of the current calculation period, and apply the new accounting policy stipulated in the Fair Value Measurement Accounting Standard, etc. over the future in accordance with the transitional treatment stipulated in Paragraph 19 of the Fair Value Measurement Accounting Standard and Paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10 issued on July 4, 2019). This has minimal impact on the financial statement for the current calculation period. Furthermore, pursuant to the provisions of Supplementary Provisions Article 2, Paragraph 5 of the Cabinet Office Order to Partially Amend Regulation on Terminology, Forms, and Preparation Methods of Financial Statements (Cabinet Office Order No. 61 dated September 24, 2021), descriptions are omitted for the matters listed in Article 8-6-2, Paragraph 1, Item 3 of the revised Regulation on Terminology, Forms, and Preparation Methods of Financial Statements.

4. NET ASSETS

The Investment Corporation issues only non-par value units in accordance with the Investment Trust Act. The entire amount of the issue price of new units is designated as stated capital. The Investment Corporation is required to maintain net assets of at least ¥50,000 thousand as required by the Investment Trust Act.

5. RESERVE FOR TEMPORARY DIFFERENCE ADJUSTMENTS

As of January 31, 2022

The following summarizes reserve for temporary difference adjustments.

	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
(in thousands of yen)						
Gain on negative goodwill ¹	¥2,000,000	¥1,900,000	¥ -	¥20,000	¥1,880,000	Appropriation for cash distribution

* The Investment Corporation reserved part of gain on negative goodwill incurred 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 fiscal period, in which the initial amount was reserved.

As of July 31, 2021

The following summarizes reserve for temporary difference adjustments.

	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
(in thousands of yen)						
Gain on negative goodwill ¹	¥2,000,000	¥1,920,000	¥ -	¥20,000	¥1,900,000	Appropriation for cash distribution

* The Investment Corporation reserved part of gain on negative goodwill incurred 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 fiscal period, in which the initial amount was reserved.

6. COMMITMENT LINE CONTRACTS

KDR has commitment line contracts with the following financial institutions

	As of January 31, 2022	As of July 31, 2021
	(in thousands of yen)	
Total amount of commitment line contracts	¥4,500,000	¥4,500,000
Balance of loans payable outstanding	-	-
Remaining amount	¥4,500,000	¥4,500,000

7. BREAKDOWN OF RENTAL AND OTHER OPERATING REVENUES, PROPERTY-RELATED EXPENSES AND GAIN ON SALES OF REAL ESTATE PROPERTY

Rental and other operating revenues and property-related expenses for the periods from August 1, 2021 to January 31, 2022 and from February 1, 2021 to July 31, 2021 consist of the following:

	From August 1, 2021 to January 31, 2022	From February 1, 2021 to July 31, 2021
	(in thousands of yen)	
A. Rental and other operating revenues:		
Rental revenues	¥8,059,188	¥7,783,762
Common area charges	374,825	361,784
Subtotal	¥8,434,013	¥8,145,546
Others:		
Parking space rental revenues	211,358	209,493
Miscellaneous	317,566	403,283
Subtotal	528,925	612,776
Total rental and other operating revenues	¥8,962,938	¥8,758,323
B. Property-related expenses:		
Property management fees and facility management fees	¥ 461,343	¥482,452
Utilities	105,032	93,519
Taxes	532,192	533,686
Repairs and maintenance	316,759	365,133
Insurance	15,603	13,681
Trust fees	59,827	58,580
Depreciation	1,589,828	1,546,256
Others	176,844	240,128
Total property-related expenses	¥3,257,431	¥3,333,440
C. Net operating income from real estate rental business (A-B)	¥5,705,506	¥5,424,883

Gain on sales of real estate property:

From August 1, 2021 to January 31, 2022

(in thousands of yen)

KDX Residence Tobu Nerima	
Revenue from sale of real estate property	¥580,000
Cost of real estate property	379,169
Other sales expenses	20,705
Gain on sales of real estate property	¥180,124

From February 1, 2021 to July 31, 2021

(in thousands of yen)

KDX Residence Sendagaya	
Revenue from sale of real estate property	¥1,110,000
Cost of real estate property	631,984
Other sales expenses	40,478
<u>Gain on sales of real estate property</u>	<u>¥437,537</u>

8. UNITHOLDERS' EQUITY

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

	From August 1, 2021 to January 31, 2022	From February 1, 2021 to July 31, 2021
Total number of authorized investment units	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	995,883 units	995,883 units

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following as of January 31, 2022 and July 31, 2021:

	As of January 31, 2022	As of July 31, 2021
	(in thousands of yen)	
Cash and deposits	¥13,828,613	¥16,724,647
Cash and deposits in trust	11,153,990	10,811,226
<u>Cash and cash equivalents</u>	<u>¥24,982,604</u>	<u>¥27,535,874</u>

10. LEASES

The Investment Corporation, as lessee, has entered into Fixed-term lease contract whereby fixed monthly rents are due in advance. The future minimum rental expenses under existing non-cancelable operating leases as of January 31, 2022 and July 31, 2021 are as follows:

	As of January 31, 2022	As of July 31, 2021
	(in thousands of yen)	
Due in 1 year	¥12,000	¥12,000
Due after 1 year	521,000	527,000
<u>Total</u>	<u>¥533,000</u>	<u>¥539,000</u>

The Investment Corporation, as lessor, has entered into leases whereby fixed monthly rents are due in advance with a lease term of generally two years for residential properties. The future minimum rental revenues under existing non-cancelable operating leases as of January 31, 2022 and July 31, 2021 are as follows:

	As of January 31, 2022	As of July 31, 2021
	(in thousands of yen)	
Due in 1 year	¥5,941,594	¥6,078,634
Due after 1 year	14,709,787	13,592,410
<u>Total</u>	<u>¥20,651,381</u>	<u>¥19,671,045</u>

11. 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, risk of fluctuation of value of its property 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 10 months for borrowings and also have a redemption date of a maximum of 9 years and 4 months for investment corporation bonds as of January 31, 2022, the end of the 20th 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. While investment securities, which are equity investments in an anonymous association, are exposed to credit risk of the issuer and property value fluctuation risk, the Investment Corporation periodically reviews the value of the property and financial condition of the issuer with regard to these investment securities. A risk management policy is established with regard to the execution and management of derivatives, and such transactions are entered into based on this policy.

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

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. Investments in TK (Note 2) are excluded from the table below. Disclosure of cash and deposits, cash and deposits in trust and Short-term loans payable are omitted because the book value of these assets is deemed a reasonable approximation of the fair value as they are cash or with short maturities.

As of January 31, 2022

	Carrying amount	Estimated fair value	Difference
	(in thousands of yen)		
(1) Current portion of investment corporation bonds	¥ -	¥ -	¥ -
(2) Current portion of long-term loans payable	19,750,000	19,745,024	(4,975)
(3) Investment corporation bonds	7,700,000	7,658,870	(41,130)
(4) Long-term loans payable	125,870,000	126,071,920	201,920
Subtotal	153,320,000	153,475,815	155,815
Derivative transactions*	¥65,386	¥65,386	¥ -

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

As of July 31, 2021

	Carrying amount	Estimated fair value	Difference
	(in thousands of yen)		
(1) Current portion of investment corporation bonds	¥1,000,000	¥999,800	¥ (200)
(2) Current portion of long-term loans payable	21,950,000	21,965,460	15,460
(3) Investment corporation bonds	7,700,000	7,691,110	(8,890)
(4) Long-term loans payable	116,270,000	116,667,820	397,820
Subtotal	146,920,000	147,324,190	404,190
Derivative transactions*	¥(487,588)	¥(487,588)	¥ -

* 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.

Liabilities

(1) Current portion of investment corporation bonds and (3) Investment corporation bonds

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

(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.)

Derivative transactions

Please refer to Note 14 "DERIVATIVE TRANSACTIONS".

Note 2: Investment in TK

For Investment in TK, notes relating to the matters stipulated in Paragraph 4, item 1 of the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (Accounting Standards Board of Japan Guidance No. 19 revised on March 31, 2020) are omitted as the Investment Corporation applies the treatment stipulated in Paragraph 27 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (Accounting Standards Board of Japan Guidance No. 31 issued on July 4, 2019). The net book values of equity interests in silent partnership are ¥109,688 thousand as of January 31, 2022.

Note 3: Redemption schedule for loans payable and investment corporation bonds

As of January 31, 2022

	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
	(in thousands of yen)					
Investment corporation bonds	¥ -	¥ 1,000,000	¥ -	¥ -	¥ 1,000,000	¥5,700,000
Long-term loans payable	19,750,000	15,900,000	16,900,000	16,700,000	21,300,000	55,070,000
Total	¥19,750,000	¥16,900,000	¥16,900,000	¥16,700,000	¥22,300,000	¥60,770,000

As of July 31, 2021

	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
	(in thousands of yen)					
Investment corporation bonds	¥1,000,000	¥ -	¥1,000,000	¥ -	¥-	¥6,700,000
Long-term loans payable	21,950,000	13,350,000	15,850,000	16,350,000	19,000,000	51,720,000
Total	¥22,950,000	¥13,350,000	¥16,850,000	¥16,350,000	¥19,000,000	¥58,420,000

12. INVESTMENT SECURITIES

19th Fiscal Period (February 1, 2021 to July 31, 2021): Not applicable

20th Fiscal Period (August 1, 2021 to January 31, 2022):

Based on Article 8-6-2, paragraph 3 of the Regulations on Financial Statements, note disclosures defined in item 2 of the said paragraph for equity interests in silent partnerships (Book value: 109,688 thousand yen) are omitted.

13. REVENUE RECOGNITION

1. Information on the breakdown of revenue from contracts with customers

20th Fiscal Period (August 1, 2021 to January 31, 2022)

	Revenue from contracts with customers *1	Net sales to external customers
Revenue from sale of real estate, etc.	580,000 thousand yen	*2 180,124 thousand yen
Utility charge reimbursement	43,262 thousand yen	43,262 thousand yen
Other	- thousand yen	8,919,676 thousand yen
Total	623,262 thousand yen	9,143,063 thousand yen

*1 The rental revenues, etc. subject to the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13) and the sale of real estate, etc. subject to the "Practical Guidelines on Accounting by Transferors for Securitization of Real Estate Using Special Purpose Companies" (Accounting System Committee Report No. 15 of the Japanese Institute of Certified Public Accountants) are not included in the above amounts as they are excluded from revenue recognition accounting standards. Moreover, the main revenue from contracts with customers are revenue from sale of real estate, etc. and utility charge reimbursement.

*2 As proceeds from sale of real estate property are recorded as gain on sale of real estate property in the statements of income and retained earnings, the amount calculated by deducting the cost of real estate property sales and other sales expenses from proceeds from sale of real estate property is indicated.

2. Information utilized as the base for understanding revenue from contracts with customers

20th Fiscal Period (August 1, 2021 to January 31, 2022)

The information is as described in the notes on important accounting standards.

3. Information on relationship of fulfillment of performance obligations based on contracts with customers with cashflow generated from said contracts and amount and period of revenue expected to be recognized in the next calculation period or thereafter from contracts with customers existing at the end of the current calculation period

(1) Balance of contract assets and contract liabilities, etc.

	20th Fiscal Period (August 1, 2021 to January 31, 2022)
Receivables from contracts with generated from contracts with customers (balance at beginning of fiscal year)	3,830 thousand yen
Receivables from contracts with generated from contracts with customers (balance at end of fiscal year)	2,969 thousand yen
Contract assets (balance at beginning of fiscal year)	- yen
Contract assets (balance at end of fiscal year)	- yen
Contract liabilities (balance at beginning of fiscal year)	- yen
Contract liabilities (balance at end of fiscal year)	- yen

(2) Transaction value allocated to remaining performance obligations

Not applicable.

With regard to utility charge reimbursements, as the Investment Corporation has the right to receive from customers an amount directly corresponding to the value for the lessees, or customers, of sections for which performance is complete by the end of the fiscal period, the amount it has the right to claim is recognized as revenue in accordance with Paragraph 19 of the Implementation Guidance on Accounting Standard for Revenue Recognition. Accordingly, such is not included in the note on transaction value allocated to remaining performance obligations through application of the provisions of Paragraph 80-22 (2) of the Accounting Standard for Revenue Recognition.

14. DERIVATIVE TRANSACTIONS

The contract amount and the fair value of interest-rate swap transactions as of January 31, 2022 are shown in the following table.

(1) Transactions not subject to hedge accounting

Not applicable

(2) Transactions subject to hedge accounting

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
			Total	Maturing after 1 year		
Accounting method, in principle	Interest rate swap transaction: Receive/floating and pay/fixed	Long-term loans payable	¥91,320,000	¥84,920,000	¥65,386	Based on the amount provided by counterparty financial institutions
Special treatment for interest-rate swaps	Interest rate swap transaction: Receive/floating and pay/fixed	Long-term loans payable	24,200,000	13,950,000	*	-
Total			¥115,520,000	¥98,870,000	¥65,386	-

*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 loans payable.

The contract amount and the fair value of interest-rate swap transactions as of July 31, 2021 are shown in the following table.

(1) Transactions not subject to hedge accounting

Not applicable

(2) Transactions subject to hedge accounting

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
			Total	Maturing after 1 year		
Accounting method, in principle	Interest rate swap transaction: Receive/floating and pay/fixed	Long-term loans payable	¥82,870,000	¥78,370,000	¥(487,588)	Based on the amount provided by counterparty financial institutions
Special treatment for interest-rate swaps	Interest rate swap transaction: Receive/floating and pay/fixed	Long-term loans payable	30,850,000	16,700,000	*	-
Total			¥113,720,000	¥95,070,000	¥(487,588)	-

*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 loans payable.

15. RELATED-PARTY TRANSACTIONS

1. Parent Company, major corporate unitholders and other

20th Fiscal Period (August 1, 2021 to January 31, 2022) and 19th Fiscal Period (February 1, 2021 to July 31, 2021): Not applicable

2. Affiliated companies and other

20th Fiscal Period (August 1, 2021 to January 31, 2022) and 19th Fiscal Period (February 1, 2021 to July 31, 2021): Not applicable

3. Fellow subsidiary companies and other

20th Fiscal Period (August 1, 2021 to January 31, 2022) and 19th Fiscal Period (February 1, 2021 to July 31, 2021): Not applicable

4. Directors, major individual unitholders and other

20th Fiscal Period (August 1, 2021 to January 31, 2022) and 19th Fiscal Period (February 1, 2021 to July 31, 2021): Not applicable

16. INCOME TAXES

The Investment Corporation is subject to corporate income taxes at a regular statutory rate of approximately 32%. However, the Investment Corporation may deduct from its taxable income amounts distributed to its unitholders, provided the requirements under the Special Taxation Measures Law of Japan are met, including a requirement that it currently distributes in excess of 90% of its net income for the fiscal period in order to be able to deduct such amounts. If the Investment Corporation does not satisfy all of the requirements, the entire taxable income of the Investment Corporation will be subject to regular corporate income taxes. Since the Investment Corporation distributed in excess of 90% of its distributable income in the form of cash distributions totaling ¥4,084 million and ¥4,100 million for the periods ended January 31, 2022 and July 31, 2021, respectively, the distributions were treated as deductible distributions for purposes of corporate income taxes. The effective tax rates on the Investment Corporation's income were 0.01% for the periods ended January 31, 2022 and July 31, 2021. The following table summarizes the significant differences between the statutory tax rate and the effective tax rate.

	From August 1, 2021 to January 31, 2022	From February 1, 2021 to July 31, 2021
Statutory tax rate	31.46%	31.46%
Deductible cash distributions	(31.10)	(31.09)
Others	(0.35)	(0.36)
Effective tax rate	0.01%	0.01%

The significant components of deferred tax assets and liabilities as of January 31, 2022 and July 31, 2021 are as follows:

	As of January 31, 2022	As of July 31, 2021
	(in thousands of yen)	
Deferred tax assets:		
Valuation difference on assets acquired by merger	¥628,384	¥644,993
Deferred gains or losses on hedges	31,684	157,409
Asset retirement obligations	21,476	21,417
Amortization of leasehold right in trust	2,894	2,351
Other	20	20
Subtotal deferred tax assets	684,459	826,192
Valuation allowance	(684,459)	(826,192)
Total deferred tax assets	¥ -	¥ -
Net deferred tax assets	¥ -	¥ -

17. ASSET RETIREMENT OBLIGATIONS

Asset retirement obligations reported on balance sheets

1. Summary of the asset retirement obligations

The Investment corporation 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 acquired on June 3, 2019.

2. Method of calculating asset retirement obligations

Asset retirement obligations are calculated based on a discount rate of 0.54711% and 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

	From August 1, 2021 to January 31, 2022	From February 1, 2021 to July 31, 2021
	(in thousands of yen)	
Balance at the beginning of period	¥68,078	¥67,892
Accretion adjustment	186	185
Balance at the end of period	¥68,264	¥68,078

18. 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.

	20th Fiscal Period from August 1, 2021 to January 31, 2022	19th Fiscal Period from February 1, 2021 to July 31, 2021
	(in thousands of yen)	
Book value		
Balance at the beginning of period	¥264,204,787	¥258,384,330
Changes during the period	11,490,651	5,820,457
Balance at the end of period	275,695,438	264,204,787
Fair value at the end of period	¥344,484,000	¥323,918,000

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 20th fiscal period, the principal increase was the acquisition of real estate trust beneficiary interests in 5 properties totaling ¥12,816,688 thousand, and the principal decrease was the sales of real estate trust beneficiary interests in 1 property totaling ¥379,169 thousand and depreciation of ¥1,589,641 thousand, and during the 19th fiscal period, the principal increase was the acquisition of real estate trust beneficiary interests in 5 properties totaling ¥7,340,422 thousand, and the principal decrease was the sales of real estate trust beneficiary interests in 1 property totaling ¥631,984 thousand and depreciation of ¥1,546,070 thousand.

Income and loss in the fiscal periods ended January 31, 2022 and July 31, 2021 for real estate for rental purposes is listed in Note 7 "BREAKDOWN OF RENTAL AND OTHER OPERATING REVENUES, PROPERTY-RELATED EXPENSES AND GAIN ON SALES OF REAL ESTATE PROPERTY".

19. SEGMENT AND RELATED INFORMATION

Segment and related information for the period ended from August 1, 2021 to January 31, 2022 and from February 1, 2021 to July 31, 2021 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.

20. PER UNIT INFORMATION

	From August 1, 2021 to January 31, 2022	From February 1, 2021 to July 31, 2021
Net asset value per unit	¥136,352	¥135,777
Net income per unit	¥4,136	¥4,189
Weighted average number of units (units)	995,883	989,825

The weighted average number of units outstanding of 995,883 and 989,825 were used for the computation of the amount of net income per unit as of January 31, 2022 and July 31, 2021, respectively.

Net income per unit after adjusting for residual units is not included because there were no residual investment units.

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

	From August 1, 2021 to January 31, 2022	From February 1, 2021 to July 31, 2021
Net income (in thousands of yen)	¥4,119,355	¥4,146,823
Net income not available to ordinary unitholders (in thousands of yen)	-	-
Net income available to ordinary unitholders (in thousands of yen)	¥4,119,355	¥4,146,823
Weighted average number of units during the period (units)	995,883	989,825

21. SIGNIFICANT SUBSEQUENT EVENTS

Issuance of New Investment Units

On February 14, 2022 and February 17, 2022, the Board of Directors of the Investment Corporation resolved to issue new investment units as the funds for acquiring specified assets and other use. Payments for the issuance of new investment units through public offering and third-party allotment have been completed on February 24, 2022 and March 10, 2022, respectively.

As a result of the issuance of new investment units, the Investment Corporation had total unitholders' capital of ¥125,564,617,378 with 1,045,758 investment units outstanding as of March 10, 2022.

(Issuance of New Investment Units through Public Offering)

Issuance of new investment units	:	47,500 units
Issue price (Offer price)	:	¥191,490 per unit
Aggregate issue price (Total offer price)	:	¥9,095,775,000
Issue amount (Paid-in value)	:	¥185,303 per unit
Total issue amount (Aggregate paid-in value)	:	¥8,801,892,500
Payment date	:	February 24, 2022

(Issuance of New Investment Units through Third-Party Allotment)

Issuance of new investment units	:	2,375 units
Issue amount (Paid-in value)	:	¥185,303 per unit
Total issue amount (Aggregate paid-in value)	:	¥440,094,625
Payment date	:	March 10, 2022
Allottee	:	SMBC Nikko Securities Inc.

22. SECURITIES PORTFOLIO

Securities portfolio consists of the following as of January 31, 2022

- (1) Stock Not applicable
- (2) Securities other than shares

Type	Name	Face value total	Book value	Accrued interest	Prepaid accrued interest	Assessed value (Note 2)	Gain (Loss) on valuation	Remarks
(in thousands of yen)								
Silent Partnership Equity Interests	Equity interests in TK property fund with G.K. Trinity 1 as operator (Note 1)	-	109,688	-	-	109,688	-	
Total		-	109,688	-	-	109,688	-	

Note 1: TK property fund owns trust beneficiary interests in real estate for "Serenite Koshien Plie" , "KDX Residence Umejima" and "Excellent Takarazuka Garden Hills".

Note 2: The assessed value is stated at the book value.

Securities portfolio consists of the following as of July 31, 2021

- (1) Stock Not applicable
- (2) Securities other than shares Not applicable

23. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASETS

Property, plant and equipment consist of the following as of January 31, 2022:

Type of asset	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Depreciation		Net balance at end of the period	Remarks
					Accumulated depreciation	Depreciation for the period		
(in thousands of yen)								
Land	¥172,666	¥ 351	¥ -	¥173,018	¥ -	¥ -	¥173,018	
Sub total	172,666	351	-	173,018	-	-	173,018	
Buildings in trust	111,119,141	4,972,427	231,812	115,859,756	17,273,700	1,488,852	98,586,055	Notes 1 and 2
Structures in trust	1,249,509	87,220	949	1,335,781	354,077	35,616	981,703	
Machinery and equipment in trust	1,501,150	44,212	-	1,545,362	486,797	34,214	1,058,565	
Tools, furniture and fixtures in trust	941,780	113,155	232	1,054,703	176,789	29,233	877,913	
Land in trust	164,872,506	8,242,093	209,724	172,904,875	-	-	172,904,875	Notes 1 and 2
Sub total	279,684,088	13,459,110	442,719	292,700,479	18,291,364	1,587,916	274,409,114	
Total	279,856,754	13,459,462	442,719	292,873,498	18,291,364	1,587,916	274,582,133	
Intangible assets								
Leasehold right in trust	1,122,504	-	-	1,122,504	9,199	1,724	1,113,305	
Other	7,762	-	-	7,762	6,080	776	1,681	
Total	¥1,130,267	¥ -	¥ -	¥1,130,267	¥15,280	¥2,501	¥1,114,987	

Note 1: The amount of increase during the period is primarily attributable to the acquisition of the real estate properties and capital expenditures.

Note2: The amount of decrease during the period is primarily attributable to the sales of the real estate property.

Property, plant and equipment consist of the following as of July 31, 2021:

Type of asset	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Depreciation		Net balance at end of the period	Remarks
					Accumulated depreciation	Depreciation for the period		
(in thousands of yen)								
Land	¥172,666	¥ -	¥ -	¥172,666	¥ -	¥ -	¥172,666	
Sub total	172,666	-	-	172,666	-	-	172,666	
Buildings in trust	108,177,749	3,112,405	171,014	111,119,141	15,847,746	1,450,106	95,271,394	Notes 1 and 2
Structures in trust	1,175,676	75,269	1,436	1,249,509	319,090	34,603	930,419	
Machinery and equipment in trust	1,493,742	11,715	4,307	1,501,150	452,582	33,830	1,048,567	
Tools, furniture and fixtures in trust	798,111	145,367	1,698	941,780	147,578	25,805	794,202	
Land in trust	160,714,888	4,653,754	496,137	164,872,506	-	-	164,872,506	Notes 1 and 2
Sub total	272,360,169	7,998,512	674,593	279,684,088	16,766,997	1,544,345	262,917,090	
Total	272,532,836	7,998,512	674,593	279,856,754	16,766,997	1,544,345	263,089,757	
Intangible assets								
Leasehold right in trust	1,122,504	-	-	1,122,504	7,474	1,724	1,115,030	
Other	7,762	-	-	7,762	5,304	776	2,458	
Total	¥1,130,267	¥ -	¥ -	¥1,130,267	¥12,779	¥2,501	¥1,117,488	

Note 1: The amount of increase during the period is primarily attributable to the acquisition of the real estate properties and capital expenditures.

Note2: The amount of decrease during the period is primarily attributable to the sales of the real estate property.

24. INVESTMENT CORPORATION BONDS

Outstanding Investment corporation bonds as of January 31, 2022 are as follows.

Series	Date of issue	Balance at the beginning of period	Decrease during the period	Balance at the end of period	Interest rate	Repayment date	Use	Remarks
		(in thousands of yen)						
First series of unsecured investment corporation bonds (Note 1)	August 30, 2016	¥1,000,000	¥1,000,000-	¥-	0.200%	August 30,2021		
Second series of unsecured investment corporation bonds (Note 1)	August 30, 2016	1,000,000	-	1,000,000	0.540%	August 28,2026		
Third series of unsecured investment corporation bonds (Note 1)	August 30, 2016	1,000,000	-	1,000,000	0.800%	August 30,2028	(Note2)	Unsecured
Fourth series of unsecured investment corporation bonds (Note 1)	November 30, 2018	1,000,000	-	1,000,000	0.410%	November 30,2023		
Fifth series of unsecured investment corporation bonds (Note 1)	November 30, 2018	1,000,000	-	1,000,000	0.850%	November 30,2028		
Sixth series of unsecured investment corporation bonds(Social bond) (Note 1)	December 20, 2019	2,000,000	-	2,000,000	0.750%	December 20,2029	(Note3)	Unsecured
Seventh series of unsecured investment corporation bonds(Social bond) (Note 1)	May 31, 2021	1,700,000	-	1,700,000	0.720%	May 30, 2031	(Note4)	Unsecured
Total		¥8,700,000	¥ -	¥ 7,700,000				

Note 1: Ranking pari passu among the specified investment corporation bonds.

Note 2: Investment corporation bonds were used as the funds for acquiring real estate properties or trust beneficiary interest in real estate and repayment of debts.

Note 3: Investment corporation bonds were used as the funds for repayment of borrowings procured for the purpose of appropriating funds for the acquisition of social eligible assets.

Note 4: Investment corporation bonds were used as the funds for the acquisition of social eligible assets.

Note 5: Annual repayments of investment corporation bonds scheduled for the next five years after the balance sheet date are as follows.

	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
	(in thousands of yen)				
Investment corporation bonds	¥ -	¥ 1,000,000	¥ -	¥ -	¥1,000,000

Outstanding Investment corporation bonds as of July 31, 2021 are as follows.

Series	Date of issue	Balance at the beginning of period	Decrease during the period	Balance at the end of period	Interest rate	Repayment date	Use	Remarks
		(in thousands of yen)						
First series of unsecured investment corporation bonds (Note 1)	August 30, 2016	¥1,000,000	¥ -	¥1,000,000	0.200%	August 30,2021		
Second series of unsecured investment corporation bonds (Note 1)	August 30, 2016	1,000,000	-	1,000,000	0.540%	August 28,2026		
Third series of unsecured investment corporation bonds (Note 1)	August 30, 2016	1,000,000	-	1,000,000	0.800%	August 30,2028	(Note2)	Unsecured
Fourth series of unsecured investment corporation bonds (Note 1)	November 30, 2018	1,000,000	-	1,000,000	0.410%	November 30,2023		
Fifth series of unsecured investment corporation bonds (Note 1)	November 30, 2018	1,000,000	-	1,000,000	0.850%	November 30,2028		
Sixth series of unsecured investment corporation bonds(Social bond) (Note 1)	December 20, 2019	2,000,000	-	2,000,000	0.750%	December 20,2029	(Note3)	Unsecured
Seventh series of unsecured investment corporation bonds(Social bond) (Note 1)	May 31, 2021	-	-	1,700,000	0.720%	May 30,2031	(Note4)	Unsecured
Total		¥7,000,000	¥ -	¥ 8,700,000				

Note 1: Ranking pari passu among the specified investment corporation bonds.

Note 2: Investment corporation bonds were used as the funds for acquiring real estate properties or trust beneficiary interest in real estate and repayment of debts.

Note 3: Investment corporation bonds were used as the funds for repayment of borrowings procured for the purpose of appropriating funds for the acquisition of social eligible assets.

Note 4: Investment corporation bonds were used as the funds for the acquisition of social eligible assets.

Note 5: Annual repayments of investment corporation bonds scheduled for the next five years after the balance sheet date are as follows.

	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
(in thousands of yen)					
Investment corporation bonds	¥1,000,000	¥ -	¥1,000,000	¥ -	¥ -

25. SHORT-TERM DEBT AND LONG-TERM DEBT

Short-term debt and long-term debt consist of the following as of January 31, 2022

Classification		Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note 3) (Note 4)	Payment due date (Note 7)	Use	Remarks
Lender									
(in thousands of yen)									
Short-term loans payable	Sumitomo Mitsui Banking Corporation	¥-	¥500,000	¥-	¥500,000	0.385%	April 30, 2022	(Note 6)	Unsecured/Unguaranteed
	Sumitomo Mitsui Banking Corporation	-	2,000,000	-	2,000,000	0.375%	April 30, 2022		
	Sub total	-	2,500,000	-	2,500,000				
Current portion of long-term loans payable	Sumitomo Mitsui Banking Corporation	1,100,000	-	1,100,000	-			(Note 6)	Unsecured/Unguaranteed
	MUFG Bank, Ltd.	1,100,000	-	1,100,000	-				
	Mizuho Bank, Ltd.	600,000	-	600,000	-				
	Aozora Bank, Ltd.	350,000	-	350,000	-	0.916%	August 7, 2021		
	Resona Bank, Limited	300,000	-	300,000	-				
	Mizuho Trust & Banking Co., Ltd.	300,000	-	300,000	-				
	Development Bank of Japan Inc.	1,000,000	-	1,000,000	-	0.996% (Note 5)	August 7, 2021		
	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		
	Sumitomo Mitsui Banking Corporation	1,200,000	-	1,200,000	-	0.875%	January 31, 2022		
	Sumitomo Mitsui Banking Corporation	800,000	-	800,000	-	0.432%	January 31, 2022		
	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		
	Aozora Bank, Ltd.	2,000,000	-	-	2,000,000	0.875%	April 30, 2022		
	Shinsei Bank, Limited	1,100,000	-	-	1,100,000				
	Sumitomo Mitsui Banking Corporation	1,100,000	-	-	1,100,000				
	MUFG Bank, Ltd.	1,000,000	-	-	1,000,000	1.115%	July 29, 2022		
	Mizuho Bank, Ltd.	300,000	-	-	300,000				
	Sompo Japan Insurance Inc.	1,000,000	-	-	1,000,000				
	Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	0.432%	February 28, 2022		
	Sumitomo Mitsui Banking Corporation	500,000	-	-	500,000	0.432%	February 28, 2022		
	Mizuho Bank, Ltd. (Note 2)	950,000	-	-	950,000	1.083%	November 30, 2022		
	Resona Bank, Limited (Note 2)	1,100,000	-	-	1,100,000	0.923%	August 31, 2022		
	Mizuho Trust & Banking Co., Ltd. (Note 2)	700,000	-	-	700,000	0.923%	August 31, 2022		
Sumitomo Mitsui Banking Corporation (Note 2)	1,000,000	-	-	1,000,000	0.509%	August 31, 2022			
MUFG Bank, Ltd (Note 2)	400,000	-	-	400,000	0.509%	August 31, 2022			
Development Bank of Japan Inc. (Note 2)	1,600,000	-	-	1,600,000	0.498% (Note 5)	August 31, 2022			
Shinsei Bank, Limited (Note 2)	500,000	-	-	500,000	0.272%	January 31, 2023			
Sub total	28,200,000	-	8,450,000	19,750,000					

Classification	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note 3) (Note 4)	Payment due date (Note 7)	Use	Remarks
Lender	(in thousands of yen)							
Sumitomo Mitsui Banking Corporation	400,000	-	-	400,000				
MUFG Bank, Ltd	400,000	-	-	400,000				
Mizuho Bank, Ltd.	300,000	-	-	300,000				
Resona Bank, Limited	200,000	-	-	200,000	1.254%	August 7, 2023		
Mizuho Trust & Banking Co., Ltd.	200,000	-	-	200,000				
Aozora Bank, Ltd.	150,000	-	-	150,000				
Development Bank of Japan Inc.	500,000	-	-	500,000	1.320% (Note 5)	August 7, 2023		
MUFG Bank, Ltd.	1,200,000	-	-	1,200,000	1.105%	January 31, 2024		
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		
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.	1,000,000	-	-	1,000,000	1.193% (Note 5)	August 31, 2024		
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.	1,000,000	-	-	1,000,000	0.660% (Note 5)	July 31, 2025		
Mizuho Bank, Ltd.	1,500,000	-	-	1,500,000	0.816% (Note 5)	August 31, 2026	(Note 6)	Unsecured/ Unguaranteed
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.	2,000,000	-	-	2,000,000	0.670% (Note 5)	August 31, 2025		
Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000	0.751% (Note 5)	August 31, 2025		
Sumitomo Mitsui Banking Corporation	3,000,000	-	-	3,000,000	0.906%	August 31, 2026		
Development Bank of Japan Inc.	1,000,000	-	-	1,000,000	0.773% (Note 5)	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.	1,200,000	-	-	1,200,000	0.928% (Note 5)	August 22, 2027		
Development Bank of Japan Inc.	1,000,000	-	-	1,000,000	0.928% (Note 5)	August 22, 2027		
Mizuho Bank, Ltd.	500,000	-	-	500,000	0.928% (Note 5)	August 22, 2027		
The Bank of Fukuoka, Ltd.	500,000	-	-	500,000	0.928% (Note 5)	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		

Classification	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note 3) (Note 4)	Payment due date (Note 7)	Use	Remarks
Lender	(in thousands of yen)							
Mizuho Bank, Ltd.	500,000	-	-	500,000	0.624%	August 31, 2024		
Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000	0.661% (Note 5)	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		
Nippon Life Insurance Company	500,000	-	-	500,000	0.900% (Note 5)	January 30, 2027		
Sumitomo Mitsui Banking Corporation	1,500,000	-	-	1,500,000				
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	0.799%	February 2, 2026		
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	1,200,000	-	-	1,200,000	0.592%	August 31, 2023		
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	(Note 6)	Unsecured/Unguaranteed
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.	1,400,000	-	-	1,400,000	0.884% (Note 5)	February 28, 2027		
MUFG Bank, Ltd.	800,000	-	-	800,000	0.825% (Note 5)	February 28, 2027		
Nippon Life Insurance Company	700,000	-	-	700,000	0.920% (Note 5)	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		
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% (Note 5)	May 31, 2025		
Shinsei Bank, Limited	500,000	-	-	500,000	0.484%	November 30, 2025		
Mizuho Bank, Ltd.	800,000	-	-	800,000	0.299%	July 31, 2023		
Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	0.572%	August 31, 2026		
MUFG Bank, Ltd.	500,000	-	-	500,000	0.325%	April 30, 2023		
Resona Bank, Limited	450,000	-	-	450,000	0.336%	April 30, 2024		
MUFG Bank, Ltd.	1,500,000	-	-	1,500,000	0.600%	November 30, 2026		

Classification	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note 3) (Note 4)	Payment due date (Note 7)	Use	Remarks
Lender	(in thousands of yen)							
Shinsei Bank, Limited	500,000	-	-	500,000	0.329%	July 31, 2023		
Mizuho Trust & Banking Co., Ltd.	300,000	-	-	300,000	0.329%	July 31, 2023		
Sumitomo Mitsui Trust Bank, Limited	300,000	-	-	300,000	0.329%	July 31, 2023		
The Bank of Fukuoka, Ltd.	200,000	-	-	200,000	0.329%	July 31, 2023		
Mizuho Bank, Ltd.	500,000	-	-	500,000	0.259%	February 29, 2024		
Sumitomo Mitsui Trust Bank, Limited	500,000	-	-	500,000	0.259%	February 29, 2024		
Sumitomo Mitsui Banking Corporation	500,000	-	-	500,000	0.464%	February 28, 2027		
Mizuho Bank, Ltd.	500,000	-	-	500,000	0.414%	February 28, 2027		
Resona Bank, Limited	500,000	-	-	500,000	0.414%	February 28, 2027		
Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000	0.414%	February 28, 2027		
The Bank of Fukuoka, Ltd.	400,000	-	-	400,000	0.414%	February 28, 2027		
MUFG Bank, Ltd.	400,000	-	-	400,000	0.450% (Note 5)	February 28, 2027		
Aozora Bank, Ltd.	200,000	-	-	200,000	0.531%	February 29, 2028		
MUFG Bank, Ltd.	600,000	-	-	600,000	0.300% (Note 5)	February 29, 2024		
Sumitomo Mitsui Trust Bank, Limited	1,000,000	-	-	1,000,000	0.646%	June 30, 2028		
Shinsei Bank, Limited	800,000	-	-	800,000	0.646%	June 30, 2028		
Development Bank of Japan Inc.	500,000	-	-	500,000	0.616% (Note 5)	June 30, 2028		
Sumitomo Mitsui Banking Corporation	1,750,000	-	-	1,750,000	0.691%	July 31, 2028		
Shinsei Bank, Limited	1,750,000	-	-	1,750,000	0.641%	July 31, 2028	(Note 6)	Unsecured/Unguaranteed
MUFG Bank, Ltd.	1,000,000	-	-	1,000,000	0.641%	July 31, 2028		
Mizuho Bank, Ltd.	500,000	-	-	500,000	0.641%	July 31, 2028		
Resona Bank, Limited	500,000	-	-	500,000	0.641%	July 31, 2028		
Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000	0.641%	July 31, 2028		
Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	0.686%	July 31, 2028		
Mizuho Trust & Banking Co., Ltd.	800,000	-	-	800,000	0.637%	July 31, 2028		
MUFG Bank, Ltd.	500,000	-	-	500,000	0.640%	August 31, 2028		
Aozora Bank, Ltd.	300,000	-	-	300,000	0.690%	August 31, 2028		
Sumitomo Mitsui Banking Corporation	840,000	-	-	840,000	0.648%	September 30, 2028		
Sumitomo Mitsui Banking Corporation	900,000	-	-	900,000	0.658%	September 30, 2028		
Mizuho Bank, Ltd.	800,000	-	-	800,000	0.658%	September 30, 2028		
Mizuho Bank, Ltd.	1,330,000	-	-	1,330,000	0.658%	September 30, 2028		
Resona Bank, Limited	500,000	-	-	500,000	0.558%	September 30, 2028		
Mizuho Trust & Banking Co., Ltd.	400,000	-	-	400,000	0.608%	September 30, 2028		
MUFG Bank, Ltd.	800,000	-	-	800,000	0.550% (Note 5)	September 30, 2028		
MUFG Bank, Ltd.	300,000	-	-	300,000	0.637%	October 31, 2027		
Mizuho Bank, Ltd.	500,000	-	-	500,000	0.478%	April 30, 2025		
Mizuho Trust & Banking Co., Ltd.	1,000,000	-	-	1,000,000	0.585%	October 31, 2027		
Sumitomo Mitsui Banking Corporation	2,000,000	-	-	2,000,000	0.617%	November 30, 2027		

Classification	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note 3) (Note 4)	Payment due date (Note 7)	Use	Remarks
Lender	(in thousands of yen)							
MUFG Bank, Ltd	1,000,000	-	-	1,000,000	0.599%	January 31, 2028		
Mizuho Bank, Ltd.	1,200,000	-	-	1,200,000	0.409%	January 31, 2025		
Mizuho Trust & Banking Co., Ltd.	1,100,000	-	-	1,100,000	0.359%	January 31, 2025		
Aozora Bank, Ltd.	1,350,000	-	-	1,350,000	0.677%	March 31, 2029		
Shinsei Bank, Limited	1,000,000	-	-	1,000,000	0.252%	July 31, 2024		
Daishi Hokuetsu Bank, Ltd.	500,000	-	-	500,000	0.350% (Note 5)	January 31, 2027		
The Bank of Yokohama, Ltd.	1,000,000	-	-	1,000,000	0.467%	July 31, 2029		
Sumitomo Mitsui Banking Corporation	1,400,000	-	-	1,400,000	0.598%	January 31, 2030		
MUFG Bank, Ltd	1,000,000	-	-	1,000,000	0.575% (Note 5)	January 31, 2030		
Nippon Life Insurance Company	1,000,000	-	-	1,000,000	0.700% (Note 5)	January 31, 2030		
The Yamaguchi Bank, Ltd	-	800,000	-	800,000	0.358%	February 28, 2027		
The Chugoku Bank, Ltd.	-	500,000	-	500,000	0.358%	February 28, 2027		
The 77 Bank, Ltd.	-	500,000	-	500,000	0.358%	February 28, 2027		
Mizuho Bank, Ltd.	-	500,000	-	500,000	0.282%	February 28, 2023		
Mizuho Trust & Banking Co., Ltd	-	200,000	-	200,000	0.232%	February 28, 2023		
Aozora Bank, Ltd.	-	350,000	-	350,000	0.533%	February 28, 2029		
Resona Bank, Limited	-	300,000	-	300,000	0.433%	February 28, 2029		
Sumitomo Mitsui Banking Corporation	-	1,200,000	-	1,200,000	0.585%	February 28, 2030		
MUFG Bank, Ltd.	-	1,200,000	-	1,200,000	0.575% (Note 5)	February 28, 2030		
Development Bank of Japan Inc.	-	1,000,000	-	1,000,000	0.638% (Note 5)	August 31, 2031	(Note 6)	Unsecured/Unguaranteed
Aozora Bank, Ltd.	-	500,000	-	500,000	0.540%	February 28, 2029		
MUFG Bank, Ltd.	-	600,000	-	600,000	0.525% (Note 5)	February 28, 2029		
Sumitomo Mitsui Banking Corporation	-	600,000	-	600,000	0.602%	February 28, 2030		
The Chiba Bank, Ltd.	-	600,000	-	600,000	0.325% (Note 5)	November 30, 2026		
The Musashino Bank, Ltd.	-	500,000	-	500,000	0.325% (Note 5)	November 30, 2026		
The Bank of Fukuoka, Ltd.	-	800,000	-	800,000	0.230%	November 30, 2023		
The Hyakugo Bank, Ltd.	-	500,000	-	500,000	0.314%	November 30, 2025		
THE HACHIJUNI BANK, LTD.	-	500,000	-	500,000	0.314%	November 30, 2025		
The Shizuoka Bank, Ltd.	-	200,000	-	200,000	0.314%	November 30, 2025		
Aozora Bank, Ltd	-	1,000,000	-	1,000,000	0.529% (Note 5)	May 31, 2029		
THE NISHI-NIPPON CITY BANK, LTD.	-	500,000	-	500,000	0.561%	November 30, 2029		
The Yamanashi Chuo Bank, Ltd.	-	500,000	-	500,000	0.561%	November 30, 2029		
The Yamaguchi Bank, Ltd.	-	1,000,000	-	1,000,000	0.631%	November 30, 2030		
The Bank of Yokohama, Ltd.	-	700,000	-	700,000	0.631%	November 30, 2030		
Kansai Mirai Bank, Limited	-	500,000	-	500,000	0.703%	November 30, 2031		
The Bank of Kyoto, Ltd.	-	300,000	-	300,000	0.703%	November 30, 2031		
Sub total	110,020,000	15,850,000	-	125,870,000				
Total	¥138,220,000	¥18,350,000	¥8,450,000	¥148,120,000				

Note 1: Annual repayments of long-term loans payable (except for current portion of long-term loans payable) scheduled for the next five

years after the balance sheet date are as follows:

	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
	(in thousands of yen)				
Long-term loans payable	¥ 15,900,000	¥ 16,900,000	¥ 16,700,000	¥ 21,300,000	¥ 55,070,000

Note 2: Borrowings listed in the current portion of long-term loans payable were listed in long-term loans payable in the previous fiscal period.

Note 3: All debts except for the following Note 5 are borrowing at a floating rate.

Note 4: 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 5: Borrowings is applied at a fixed rate.

Note 6: 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 7: All the repayment methods of debt financing are lump-sum repayments on the due date.

Short-term debt and long-term debt consist of the following as of July 31, 2021

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 3) (Note 4)	Payment due date (Note 7)	Use	Remarks		
(in thousands of yen)											
Short-term loans payable	Sumitomo Mitsui Banking Corporation	¥1,000,000	¥-	¥1,000,000	¥-	0.428%	February 28, 2021	(Note 6)	Unsecured/Unguaranteed		
	Sumitomo Mitsui Banking Corporation	500,000	-	500,000	-	0.428%	February 28, 2021				
	Sumitomo Mitsui Banking Corporation	500,000	-	500,000	-	0.381%	July 31, 2021				
	Sub total	2,000,000	-	2,000,000	-						
Current portion of long-term loans payable	Sumitomo Mitsui Banking Corporation	1,000,000	-	1,000,000	-	1.221%	July 31, 2021	(Note 6)	Unsecured/Unguaranteed		
	Aozora Bank, Ltd.	1,350,000	-	1,350,000	-	1.183%	March 31, 2021				
	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				
	MUFG Bank, Ltd.	900,000	-	900,000	-	0.456%	July 31, 2021				
	Mizuho Bank, Ltd.	500,000	-	500,000	-	0.456%	July 31, 2021				
	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.	1,000,000	-	-	1,000,000					0.996% (Note 5)	August 7, 2021
	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
	Sumitomo Mitsui Banking Corporation	1,200,000	-	-	1,200,000	0.875%	January 31, 2022				
	Sumitomo Mitsui Banking Corporation	800,000	-	-	800,000	0.431%	January 31, 2022				
	Sumitomo Mitsui Banking Corporation (Note 2)	2,000,000	-	-	2,000,000	1.267%	April 30, 2022				
	Aozora Bank, Ltd. (Note 2)	1,500,000	-	-	1,500,000	1.267%	April 30, 2022				
	MUFG Bank, Ltd. (Note 2)	1,000,000	-	-	1,000,000	1.267%	April 30, 2022				
	Resona Bank, Limited (Note 2)	1,000,000	-	-	1,000,000	1.267%	April 30, 2022				
	Aozora Bank, Ltd. (Note 2)	2,000,000	-	-	2,000,000	0.875%	April 30, 2022				
	Shinsei Bank, Limited (Note 2)	1,100,000	-	-	1,100,000	1.115%	July 29, 2022				
	Sumitomo Mitsui Banking Corporation (Note 2)	1,100,000	-	-	1,100,000						
	MUFG Bank, Ltd. (Note 2)	1,000,000	-	-	1,000,000						
	Mizuho Bank, Ltd. (Note 2)	300,000	-	-	300,000						
	Sompo Japan Insurance Inc. (Note 2)	1,000,000	-	-	1,000,000						
	Sumitomo Mitsui Banking Corporation	-	1,000,000	-	1,000,000					0.432%	February 28, 2022
	Sumitomo Mitsui Banking Corporation	-	500,000	-	500,000					0.432%	February 28, 2022
Sub total	27,200,000	1,500,000	6,750,000	21,950,000							
Long-term loans payable	Sumitomo Mitsui Banking Corporation	400,000	-	-	400,000			1.254%	August 7, 2023	(Note 6)	Unsecured/Unguaranteed
	MUFG Bank, Ltd.	400,000	-	-	400,000						
	Mizuho Bank, Ltd.	300,000	-	-	300,000						
	Resona Bank, Limited	200,000	-	-	200,000						

Classification	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note 3) (Note 4)	Payment due date (Note 7)	Use	Remarks
Lender	(in thousands of yen)							
Mizuho Trust & Banking Co., Ltd.	200,000	-	-	200,000				
Aozora Bank, Ltd.	150,000	-	-	150,000				
Development Bank of Japan Inc.	500,000	-	-	500,000	1.320% (Note 5)	August 7, 2023		
Mizuho Bank, Ltd.	950,000	-	-	950,000	1.083%	November 30, 2022		
MUFG Bank, Ltd.	1,200,000	-	-	1,200,000	1.105%	January 31, 2024		
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		
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.	1,000,000	-	-	1,000,000	1.193% (Note 5)	August 31, 2024		
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.	1,000,000	-	-	1,000,000	0.660% (Note 5)	July 31, 2025		
Mizuho Bank, Ltd.	1,500,000	-	-	1,500,000	0.816% (Note 5)	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	(Note 6)	Unsecured/ Unguaranteed
MUFG Bank, Ltd.	2,000,000	-	-	2,000,000	0.670% (Note 5)	August 31, 2025		
Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000	0.751% (Note 5)	August 31, 2025		
Sumitomo Mitsui Banking Corporation	3,000,000	-	-	3,000,000	0.906%	August 31, 2026		
Development Bank of Japan Inc.	1,000,000	-	-	1,000,000	0.773% (Note 5)	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.	1,200,000	-	-	1,200,000	0.928% (Note 5)	August 22, 2027		
Development Bank of Japan Inc.	1,000,000	-	-	1,000,000	0.928% (Note 5)	August 22, 2027		
Mizuho Bank, Ltd.	500,000	-	-	500,000	0.928% (Note 5)	August 22, 2027		
The Bank of Fukuoka, Ltd.	500,000	-	-	500,000	0.928% (Note 5)	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.	500,000	-	-	500,000	0.661% (Note 5)	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		

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 3) (Note 4)	Payment due date (Note 7)	Use	Remarks
		(in thousands of yen)							
	Sumitomo Mitsui Trust Bank, Limited	1,000,000	-	-	1,000,000	0.749%	February 28, 2026		
	Nippon Life Insurance Company	500,000	-	-	500,000	0.900% (Note 5)	January 30, 2027		
	Sumitomo Mitsui Banking Corporation	1,500,000	-	-	1,500,000				
	MUFG Bank, Ltd.	1,400,000	-	-	1,400,000	0.799%	February 2, 2026		
	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	0.799%	February 2, 2026		
	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.	1,600,000	-	-	1,600,000	0.498% (Note 5)	August 31, 2022		
	Sumitomo Mitsui Banking Corporation	1,200,000	-	-	1,200,000	0.592%	August 31, 2023		
	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		
Long-term loans payable	Sumitomo Mitsui Trust Bank, Limited	500,000	-	-	500,000	0.914%	February 28, 2027	(Note 6)	Unsecured/Unsecured
	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.	1,400,000	-	-	1,400,000	0.884% (Note 5)	February 28, 2027		
	MUFG Bank, Ltd.	800,000	-	-	800,000	0.825% (Note 5)	February 28, 2027		
	Nippon Life Insurance Company	700,000	-	-	700,000	0.920% (Note 5)	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		
	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% (Note 5)	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		
	Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	0.572%	August 31, 2026		
	MUFG Bank, Ltd.	500,000	-	-	500,000	0.325%	April 30, 2023		
	Resona Bank, Limited	450,000	-	-	450,000	0.336%	April 30, 2024		
	MUFG Bank, Ltd.	1,500,000	-	-	1,500,000	0.600%	November 30, 2026		
	Shinsei Bank, Limited	500,000	-	-	500,000	0.329%	July 31, 2023		
	Mizuho Trust & Banking Co., Ltd.	300,000	-	-	300,000	0.329%	July 31, 2023		
	Sumitomo Mitsui Trust Bank, Limited	300,000	-	-	300,000	0.329%	July 31, 2023		
	The Bank of Fukuoka, Ltd.	200,000	-	-	200,000	0.329%	July 31, 2023		
	Mizuho Bank, Ltd.	500,000	-	-	500,000	0.259%	February 29, 2024		

Classification	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note 3) (Note 4)	Payment due date (Note 7)	Use	Remarks
Lender	(in thousands of yen)							
Sumitomo Mitsui Trust Bank, Limited	500,000	-	-	500,000	0.259%	February 29, 2024		
Sumitomo Mitsui Banking Corporation	500,000	-	-	500,000	0.464%	February 28, 2027		
Mizuho Bank, Ltd.	500,000	-	-	500,000	0.414%	February 28, 2027		
Resona Bank, Limited	500,000	-	-	500,000	0.414%	February 28, 2027		
Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000	0.414%	February 28, 2027		
The Bank of Fukuoka, Ltd.	400,000	-	-	400,000	0.414%	February 28, 2027		
MUFG Bank, Ltd.	400,000	-	-	400,000	0.450% (Note 5)	February 28, 2027		
Aozora Bank, Ltd.	200,000	-	-	200,000	0.531%	February 29, 2028		
MUFG Bank, Ltd.	600,000	-	-	600,000	0.300% (Note 5)	February 29, 2024		
Sumitomo Mitsui Trust Bank, Limited	1,000,000	-	-	1,000,000	0.646%	June 30, 2028		
Shinsei Bank, Limited	800,000	-	-	800,000	0.646%	June 30, 2028		
Development Bank of Japan Inc.	500,000	-	-	500,000	0.616% (Note 5)	June 30, 2028		
Sumitomo Mitsui Banking Corporation	1,750,000	-	-	1,750,000	0.691%	July 31, 2028		
Shinsei Bank, Limited	1,750,000	-	-	1,750,000	0.641%	July 31, 2028		
MUFG Bank, Ltd.	1,000,000	-	-	1,000,000	0.641%	July 31, 2028		
Mizuho Bank, Ltd.	500,000	-	-	500,000	0.641%	July 31, 2028		
Resona Bank, Limited	500,000	-	-	500,000	0.641%	July 31, 2028		
Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000	0.641%	July 31, 2028		
Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	0.686%	July 31, 2028		
Mizuho Trust & Banking Co., Ltd.	800,000	-	-	800,000	0.637%	July 31, 2028	(Note 6)	Unsecured/ Unguaranteed
MUFG Bank, Ltd.	500,000	-	-	500,000	0.640%	August 31, 2028		
Aozora Bank, Ltd.	300,000	-	-	300,000	0.690%	August 31, 2028		
Sumitomo Mitsui Banking Corporation	840,000	-	-	840,000	0.648%	September 30, 2028		
Sumitomo Mitsui Banking Corporation	900,000	-	-	900,000	0.658%	September 30, 2028		
Mizuho Bank, Ltd.	800,000	-	-	800,000	0.658%	September 30, 2028		
Mizuho Bank, Ltd.	1,330,000	-	-	1,330,000	0.658%	September 30, 2028		
Resona Bank, Limited	500,000	-	-	500,000	0.558%	September 30, 2028		
Mizuho Trust & Banking Co., Ltd.	400,000	-	-	400,000	0.608%	September 30, 2028		
MUFG Bank, Ltd.	800,000	-	-	800,000	0.550% (Note 5)	September 30, 2028		
MUFG Bank, Ltd.	300,000	-	-	300,000	0.637%	October 31, 2027		
Mizuho Bank, Ltd.	500,000	-	-	500,000	0.478%	April 30, 2025		
Mizuho Trust & Banking Co., Ltd.	1,000,000	-	-	1,000,000	0.585%	October 31, 2027		
Sumitomo Mitsui Banking Corporation	2,000,000	-	-	2,000,000	0.617%	November 30, 2027		
MUFG Bank, Ltd.	1,000,000	-	-	1,000,000	0.599%	January 31, 2028		
Mizuho Bank, Ltd.	1,200,000	-	-	1,200,000	0.409%	January 31, 2025		
Mizuho Trust & Banking Co., Ltd.	1,100,000	-	-	1,100,000	0.359%	January 31, 2025		
Aozora Bank, Ltd.	-	1,350,000	-	1,350,000	0.677%	March 31, 2029		
Shinsei Bank, Limited	-	1,000,000	-	1,000,000	0.252%	July 31, 2024		
Daishi Hokuetsu Bank, Ltd.	-	500,000	-	500,000	0.350% (Note 5)	January 31, 2027		
The Bank of Yokohama, Ltd.	-	1,000,000	-	1,000,000	0.467%	July 31, 2029		

Classification	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note 3) (Note 4)	Payment due date (Note 7)	Use	Remarks
Lender	(in thousands of yen)							
Long-term loans payable	Sumitomo Mitsui Banking Corporation	-	1,400,000	-	1,400,000	0.598%	January 31, 2030	
	MUFG Bank, Ltd	-	1,000,000	-	1,000,000	0.575% (Note 5)	January 31, 2030	(Note 6)
	Nippon Life Insurance Company	-	1,000,000	-	1,000,000	0.700% (Note 5)	January 31, 2030	Unsecured/Unguaranteed
	Sub total	109,020,000	7,250,000	-	116,270,000			
Total	¥138,220,000	¥8,750,000	¥8,750,000	¥138,220,000				

Note 1: Annual repayments of long-term loans payable (except for current portion of long-term loans payable) scheduled for the next five years after the balance sheet date are as follows:

	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
	(in thousands of yen)				
Long-term loans payable	¥ 13,350,000	¥ 15,850,000	¥ 16,350,000	¥ 19,000,000	¥ 51,720,000

Note 2: Borrowings listed in the current portion of long-term loans payable were listed in long-term loans payable in the previous fiscal period.

Note 3: All debts except for the following Note 5 are borrowing at a floating rate.

Note 4: 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 5: Borrowings is applied at a fixed rate.

Note 6: 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 7: All the repayment methods of debt financing are lump-sum repayments on the due date.

26. DISTRIBUTIONS

	20th Fiscal Period (From August 1, 2021 to January 31, 2022)	19th Fiscal Period (From February 1, 2021 to July 31, 2021)
I. Retained earnings at the end of period	¥4,335,589,580	¥4,296,284,882
II. Reversal of voluntary retained earnings		
Reversal of reserve for temporary difference adjustments (Note 1)	¥20,000,000	¥20,000,000
III. Total distributions	¥4,084,116,183	¥4,100,050,311
Distributions per unit	¥4,101	¥4,117
IV. Retained earnings brought forward to the next period	¥271,473,397	¥216,234,571
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 ¥4,084,116,183, 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 19th 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 ¥4,100,050,311, 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 19th fiscal period, the Investment Corporation has decided not to distribute cash in excess of distributable profit.</p>

Note 1: Reserve for temporary difference adjustments

20th Fiscal Period (August 1, 2021 to January 31, 2022)

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 20th fiscal period distribution.

19th Fiscal Period (February 1, 2021 to July 31, 2021)

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 19th fiscal period distribution.