



21st

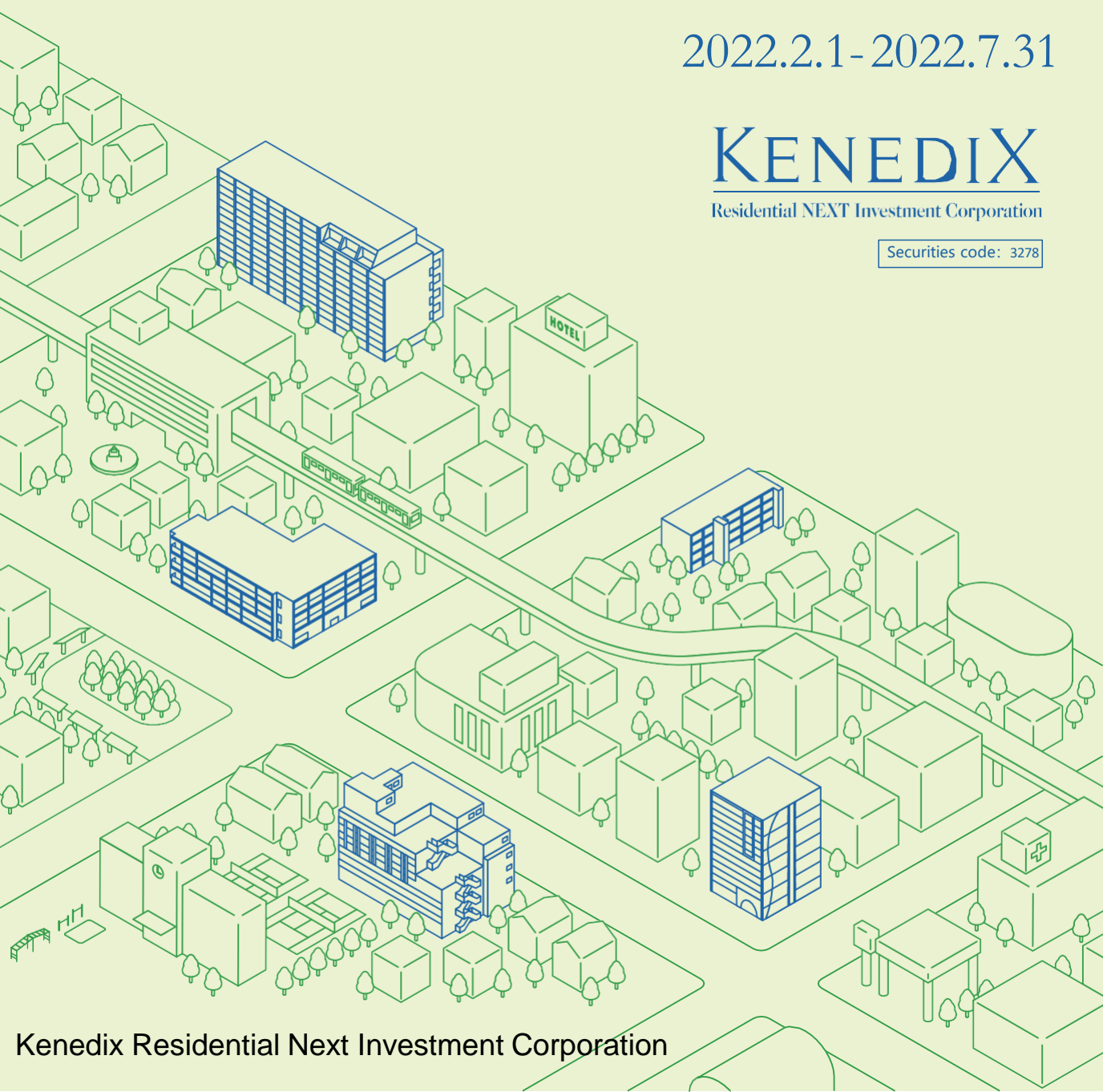
Semi-Annual Report

2022.2.1-2022.7.31

KENEDIX

Residential NEXT Investment Corporation

Securities code: 3278



I Overview of KDR



Adopted property on the cover:

1 T-104 KDX Residence
Mizonokuchi

2 T-103 KDX Residence
Umejima

3 T-105 KDX Residence
Hachioji Otsuka

4 R-47 Serenite Koshien Plie

5 T-106 KDX Residence Tsudanuma II

To our unitholders

We would like to take this opportunity to express our sincere gratitude to our unitholders and stakeholders for their continued support and cooperation to Kenedix Residential Next Investment Corporation (KDR). Thanks to your support, KDR has reported its results of operation for the 21st fiscal period (from February 1, 2022 to July 31, 2022). We hereby report our Semiannual Report for the 21st Fiscal Period.

For the 21st fiscal period, operating revenue was 9,447 million yen, operating income was 4,850 million yen, ordinary income was 4,122 million yen and net income was 4,122 million yen. Accordingly, our distribution per unit was 4,101 yen.

During the fiscal period under review, KDR completed its 8th follow-on offering in February 2022, successfully raising approximately 9.2 billion yen of capital. With the proceeds and borrowings, we acquired 8 properties, including 5 properties of residential properties and 3 healthcare facilities. As a result, KDR owned 173 properties with total acquisition price of 290.7 billion yen as of the end of July 2022.

Our operating performance in the fiscal period remained strong, and maintained a high occupancy rate of 97.5% as of the end of fiscal period. The operating environment for residential properties have changed due to the impact of spread of COVID-19, as preferences residential areas and room layouts have become more diverse. However, the occupancy rates have remained stable with a flexible management, and rents have tended to rise, mainly for larger unit types. On the other hand, long-term lease contracts with operators or healthcare facilities and accommodation facilities contributed to maintain stable profit of the portfolio.

Furthermore, KDR acquired additional 2 healthcare facilities in September 2022. As a result, the asset size grew to 292.7 billion yen (total acquisition price) with 175 properties.

KDR will continue to flexibly pursue investment and profit opportunities that are considered optimal based on an accurate understanding of changes in social and economic structures. We aim to maximize our unitholder value through flexible investment and management based on accurate information and decision making.

We sincerely appreciate your continued support to KDR and look forward to reporting our further progress in the months and years ahead.

Executive Director,
Kenedix Residential Next Investment Corporation

Tetsu Kawashima

Chief Operating Officer (COO) and director, and Head
of Residential REIT Department, Kenedix Real Estate
Fund Management, Inc.



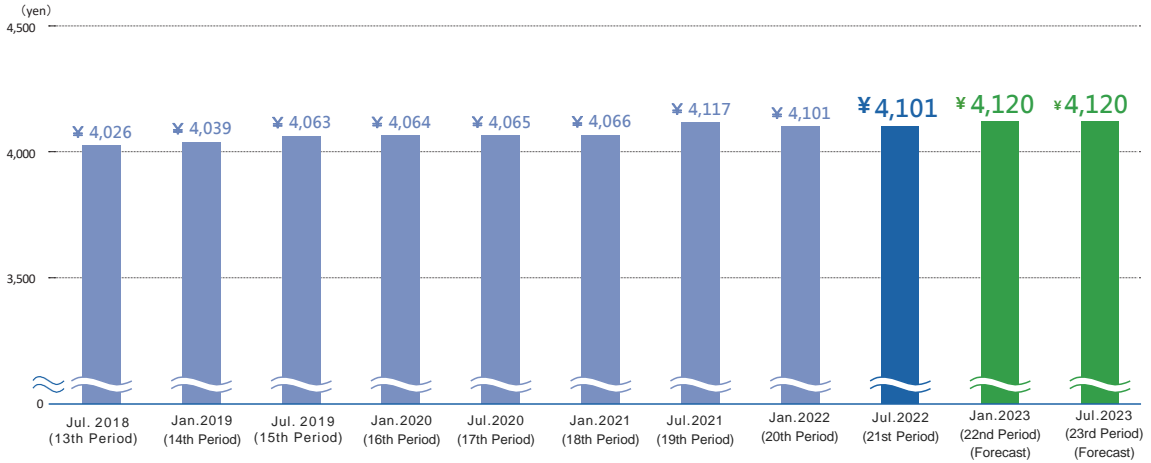


Distribution per Unit

(Note) Distribution per unit for 22nd fiscal period and 23rd fiscal period is estimated based on certain assumptions as of September 13, 2022

21st (Ended July 2022) Actual	22nd (Ending January 2023) Forecast
¥ 4,101	¥ 4,120
	23rd (Ending July 2023) Forecast
	¥ 4,120

Trend in DPU



(million yen)

	Operating revenues	Operating Income	Ordinary Income	Net Income
21st Fiscal Period (Jul.2022)	9,447	4,850	4,122	4,122
20th Fiscal Period (Jan.2022)	9,143	4,840	4,119	4,119

Portfolio Overview

Total Number of Properties 173 Residential Properties 140 Healthcare Facilities 31 Accommodation Facilities 2	Total Acquisition Price (unit: bln yen) 290.7 Residential Properties 219.3 Healthcare Facilities 66.4 Accommodation Facilities 4.9	Occupancy Rates (at the end of 21st Fiscal Period) 97.5 % Residential Properties 96.3 % Healthcare Facilities 99.9 % Accommodation Facilities 100.0 %
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Newly Acquired Properties

Assets acquired in the 21st fiscal period

■ Residential properties ■ Healthcare facilities

T-106 KDX Residence Tsudanuma II



Corp Housing

Suburban area	Small Family
Location	Funabashi-shi Chiba
Acquisition Price	¥920 mil
Appraisal NOI Cap Rate	4.6%
Completion	Sep. 2012
Leasable number of units	51 units

T-103 KDX Residence Umejima



Tokyo 23 wards	Small Family
Location	Adachi-ku Tokyo
Acquisition Price	¥2,373mil
Appraisal NOI Cap Rate	4.4%
Completion	Sep.2021
Leasable number of units	90 units

T-104 KDX Residence Mizonokuchi



Suburban area	Studio
Location	Kawasaki-shi Kanagawa
Acquisition Price	¥2,781mil
Appraisal NOI Cap Rate	4.4%
Completion	Mar.2021
Leasable number of units	97 units (+1 retail unit)

T-105 KDX Residence Hachioji Otsuka



Student Accom.

Suburban area	Studio
Location	Hachioji-shi Tokyo
Acquisition Price	¥1,490mil
Appraisal NOI Cap Rate	4.7%
Completion	Feb.2022
Leasable number of units	110 units

R-47 Serenite Koshien Plie



	Small Family
Location	Nishinomiya-shi Hyogo
Acquisition Price	¥770mil
Appraisal NOI Cap Rate	5.0%
Completion	Jul.2021
Leasable number of units	48 units (+1 retail unit)

H-29 Irise Kobe Rokko



Location	Kobe-shi Hyogo
Operator	HITOWA Care Service Co., Ltd.
Acquisition Price	¥1,200mil
Appraisal NOI Cap Rate	5.2%
Completion	Feb.2017
No. of rooms	53 units

H-30 Excellent Hanayashiki Garden Hills



Location	Takarazuka-shi Hyogo
Operator	Excellent Care System Co., Ltd
Acquisition Price	¥1,287mil
Appraisal NOI Cap Rate	5.2%
Completion	Apl.2017
No. of rooms	87 rooms

H-31 Excellent Takarazuka Garden Hills



Location	Takarazuka-shi Hyogo
Operator	Excellent Care System Co., Ltd
Acquisition Price	¥2,340mil
Appraisal NOI Cap Rate	4.9%
Completion	Jun.2021
No. of rooms	130 rooms

Assets acquired in the 22nd fiscal period

H-32 Tsukui Sun-shine Adachi



Location	Adachi-ku Tokyo
Operator	TSUKUI CORPORATION
Acquisition Price	¥830mil
Appraisal NOI Cap Rate	4.5%
Completion	Dec.2005
No. of rooms	54 rooms
Acquisition Date	Sep.16, 2022

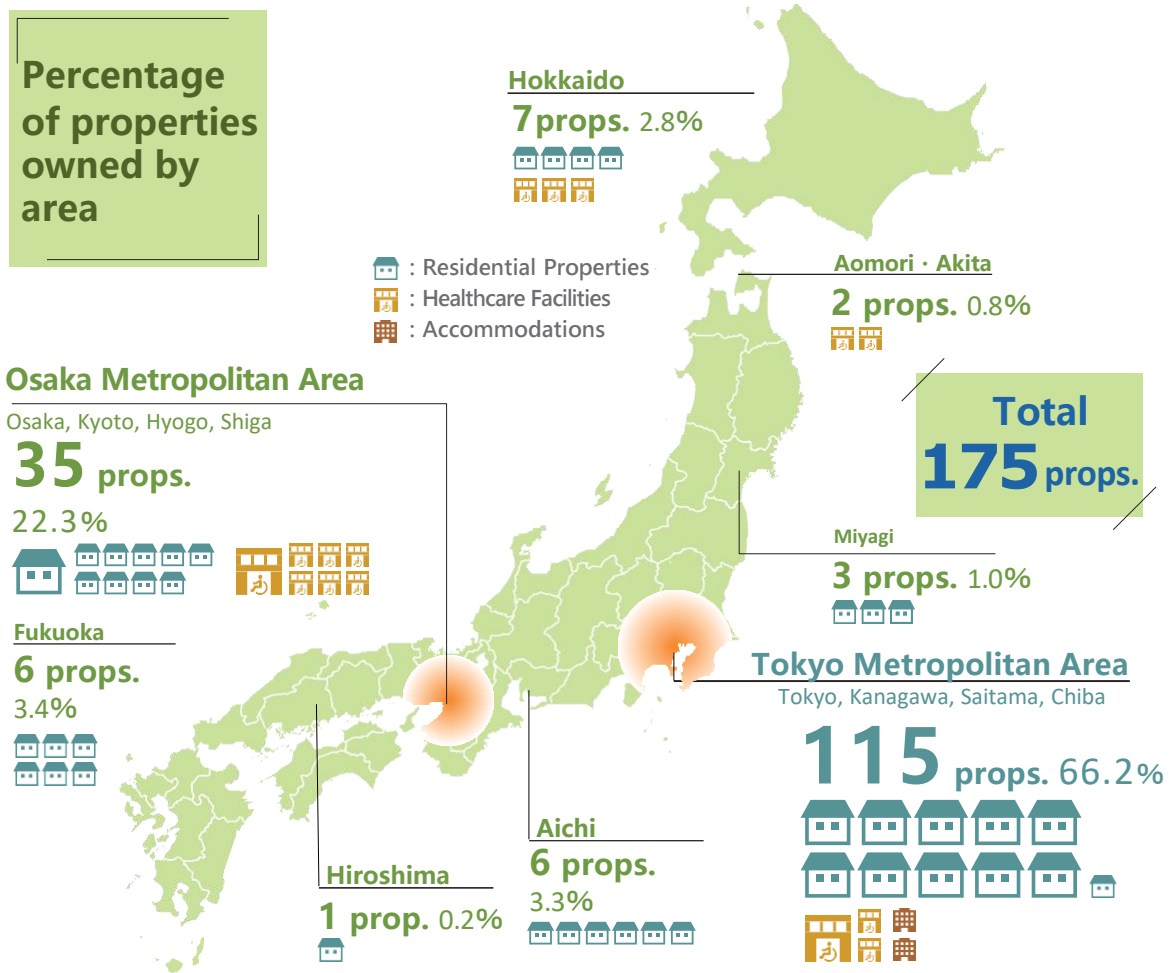
H-33 SOMPO Care LAVIERE Ichinoe



Location	Edogawa-ku Tokyo
Operator	Sompo Care Inc.
Acquisition Price	¥1,184mil
Appraisal NOI Cap Rate	4.2%
Completion	Sep.2009
No. of rooms	60 rooms
Acquisition Date	Sep.28, 2022

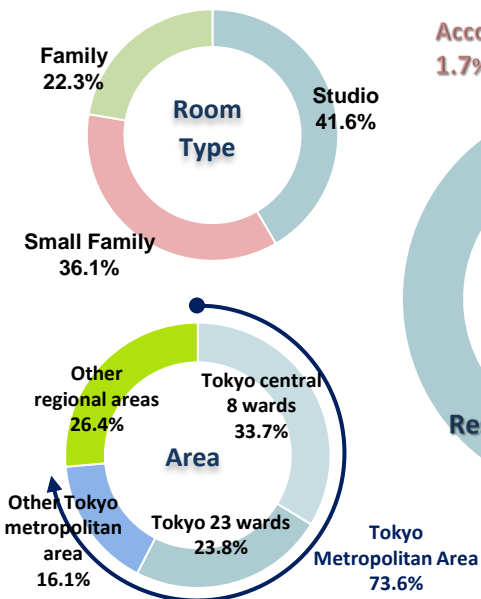


Percentage of properties owned by area

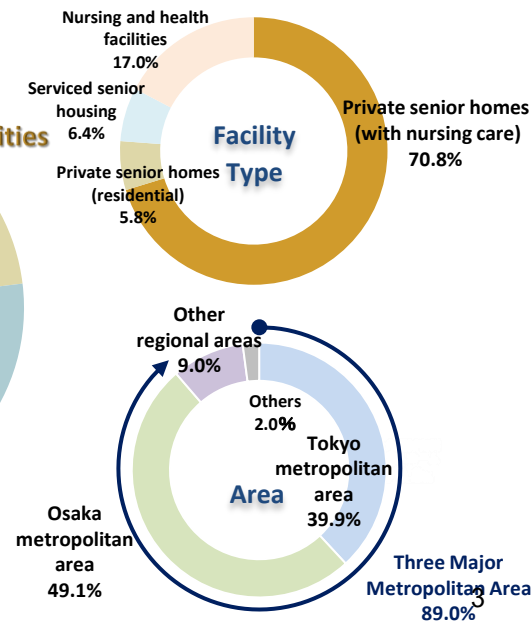


Portfolio breakdown

Residential Properties



Healthcare Facilities



(Note) The percentages are based on the acquisition price of assets acquired as of September 30, 2022.

Initiatives for Environment

Environmental certification

DBJ Green Building (Note1)

7props. | 5props.

KDX Residence Hanzomon
Reacquisition May. 2022



BELS (Note3)

★★★ 1prop.

CASBEE (Note2)

S Rank 2props.

KDX Residence Ohori Harbor View
Tower
Acquisition Mar. 2022



JHEP (Note4)

AA Rank 2props.

GRESB Real Estate Assessment

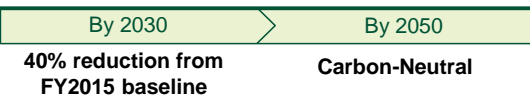
The Investment Corporation participates in GRESB Real Estate Assessment acquired "Green Star" rating for four consecutive years and "2 Stars" rating in 2021.



GRESB (former 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.

GHG emissions reduction target

KDR sets following reduction targets in CO2 emissions from residential common area energy use (Note6)



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: BELS (Building-Housing Energy-efficiency Labeling System) is the third-party certification system to rate houses and buildings in accordance with duty to make effort to label energy saving performance in the Act on Improving Energy Consumption Performance for Architectural Structures.

Note 4: Japan Habitat Evaluation and Certification Program (JHEP) provides a certificate to corporations for nature restoration efforts and nature-friendly development works. The Program reviews the nature restoration efforts based on the contribution for biodiversity protection, the representation of local community, and support toward healthy habitats for wildlife. JHEP was developed and has been administrated by Ecosystem Conservation Society-Japan.

Note 5: 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.

Note 6: Including some retail areas.

Support for TCFD recommendation and affiliation to the local consortium (Note 5)

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



Initiatives for Social

Social Finance

- **KDR became the first JP REIT to issue social bonds in 2019 Dec**
- Fundraised **through 3rd social loan** in Jul. 2022
- Received "Social 1 (F)," the highest rating of the "JCR Social Finance Framework Assessment"
- Providing an opportunity for investors who want to make ESG investments **has attracted a broader range of investors and diversified fund procurement channels**

Contribution to the community

Community revitalization

KDR contributes to local community revitalization by acquiring and operating properties related to revitalization project of station front or former public housing and providing restaurants or multipurpose space for residents around to use.



Izarie Eniwa
(Hokkaido, Eniwa city)



Yuimaru Hijirigaoka
(Tokyo, Tama city)

Bicycle and Electric kickboard sharing service

KDR provides a space for bicycle and electric kickboard station to improve urban mobility, to solve abandoned bicycle issue to reduce GHG emissions, to enhance environmental awareness and to improve health of residents.

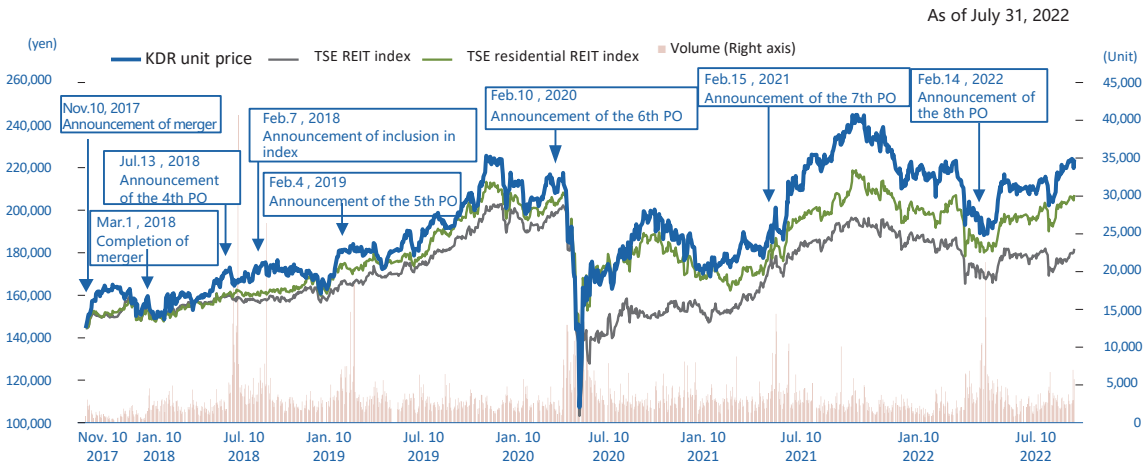


Social finance

Series	Social bonds		Social loan		
	6 th	7 th	55-A	60-D	68-D
(1)Maturity	10yrs	10yrs	3yrs	7.5yrs	5yrs
(2)Amount	¥2bil	¥1.7bil	¥1bil	¥1bil	¥1.1bil
(3)Date	Dec. 2019	May. 2021	Jul. 2021	Dec. 2021	Jul. 2022
(4)Use	To acquire an asset eligible for social finance or to repay loans borrowed for the acquisition of assets eligible for social finance				



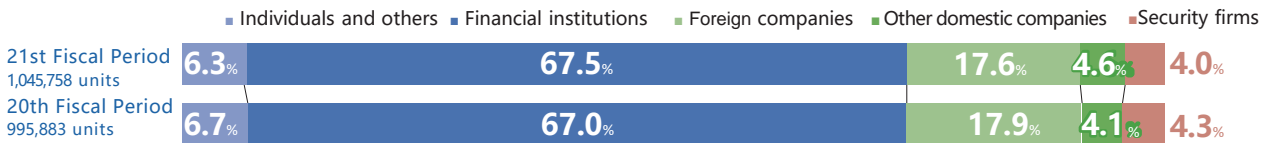
Investment Unit Price (After Announcement of the Merger)



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)



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 (21st fiscal period)



Haseko Senior Well Design Co., Ltd.	
Benefits	・ One-day facility site-visit(lunch included) 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 HASEKO SENIOR WELL DESIGN as of July 31,2022.
Contact No.	+81-120-580-731
Property owned by KDR	N/A
Homepage	https://www.haseko-senior.co.jp/

株式会社シニアライフカンパニー

SENIOR LIFE COMPANY	
Benefits	<ul style="list-style-type: none"> ・ «Lump sum payment plan» Discount for the initial lump sum payment for resident (¥ 300,000 discount) ・ 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 and apartment for the elderly operated by LIXIL SENIOR LIFE COMPANY as of July 31,2022.
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 July 31,2022.
Contact No.	+81-44-819-5107
Property owned by KDR	Excellent Nishinomiya Excellent Kitano Excellent Hanayashiki Garden Hills Excellent Takarazuka Garden Hills
Homepage	https://www.excare.co.jp/



Sompo Care Inc.	
Benefits	<ul style="list-style-type: none"> «Lump sum payment plan»3% discount from the initial lump sum payment for resident «Monthly payment Plan»3% discount of the amount equivalent to the rent out of the monthly payments (The rent for one month is free at some facilities)
Eligible Person	Unitholder and his / her spouses and his / her relatives (within the second degree) ※This benefit is intended for those who are moving into our facility for the first time, a user who has inquired this benefit through agencies, a resident of the requested healthcare facility and a user who wishes to receive services other than occupancy, such as day services, short stays, etc., are excluded. Use in conjunction with other discount systems is ineligible.
Facilities Available	The healthcare facility operated by Sompo Care Inc as of July 31,2022. "Sompo Care LAVIERE" "Sompo Care Sompo no ie" "Sompo Care Sompo no ie S" "Grapes" (serviced housing for the elderly), Adonisplaza (private senior homes (residential)) However, this benefit is available only for the facilities directly managed by Sompo Care Inc. Please contact Sompo Care Inc for availability.
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 July 31,2022.
Contact No.	+81-120-12-2943
Property owned by KDR	Irise Kamata/Yuseien Irise Nishioka Izarie Eniwa Building(Irise Eniwa) 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 July 31,2021. ※Excluding facilities that are no longer operated by Nichii Carepalace Company due to a change in operator after July 31, 2022.
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 ineligible.
Facilities Available	All of the private senior homes with nursing care operated by Care twenty one Corporation as of July 31,2022.
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 July 31,2022.
Contact No.	+81-120-958-490
Property owned by KDR	Sawayaka Sakura Nibankan
Homepage	http://www.sawayakaclub.jp/

株式会社エヌエムライフ	
Benefits	<ul style="list-style-type: none"> Discount on one-time 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 (within the 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
Contact No.	+81-120-38-0161
Property owned by KDR	Joy Stage Hachioji
Homepage	https://joystage.com/

- (Note 1) The record date is July 31, 2022.
 (Note 2) There may be restrictions on trial residence and facility tour due to the operating condition of operators.
 (Note 3) 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 4) 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 July 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 July 2022 (21st 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	April 30, 2023

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	17th	18th	19th	20th	21st
			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	From Feb. 1, 2022 to Jul. 31, 2022
Operating result	Operating revenues	mil.yen	8,374	8,382	9,195	9,143	9,447
	(Rental revenues)	mil.yen	8,289	8,382	8,758	8,962	9,441
	Operating expenses	mil.yen	3,904	4,038	4,373	4,302	4,597
	(Expenses related to rent business)	mil.yen	3,005	3,060	3,333	3,257	3,549
	Operating income	mil.yen	4,469	4,344	4,822	4,840	4,850
Ordinary income	mil.yen	3,808	3,632	4,147	4,119	4,122	
Net income	mil.yen	3,808	3,631	4,146	4,119	4,122	
Asset	Total asset	mil.yen	272,960	283,172	293,176	302,410	315,886
	(period to period change)	%	(+ 6.3)	(+ 3.7)	(+ 3.5)	(+ 3.1)	(+4.5)
	Interest-bearing debt	mil.yen	135,050	145,220	146,920	155,820	159,620
	Unitholders' equity	mil.yen	127,457	127,132	135,218	135,790	145,258
(period to period change)	%	(+ 7.6)	(-0.3)	(+ 6.4)	(+ 0.4)	(+7.0)	
Unitholders' capital	mil.yen	108,550	108,550	116,322	116,322	125,564	
Distribution per unit	Total distribution	mil.yen	3,866	3,867	4,100	4,084	4,288
	Dividend payout ratio ^(Note 2)	%	101.5	106.5	98.9	99.1	104.0
	Number of investment units issued and outstanding	unit	951,258	951,258	995,883	995,883	1,045,758
	Net income per unit ^(Note 3)	yen	4,028	3,817	4,189	4,136	3,966
	Unitholders' equity per unit	yen	133,988	133,646	135,777	136,352	138,902
	Distribution per unit	yen	4,065	4,066	4,117	4,101	4,101
	Profit distribution	yen	4,065	4,066	4,117	4,101	4,101
Distribution in excess of profit	yen	—	—	—	—	—	
Financial indicator	Return on assets ^(Note 4)	%	1.4	1.3	1.4	1.4	1.3
	Annualized ^(Note 5)	%	2.9	2.6	2.9	2.7	2.7
	Return on net assets ^(Note 6)	%	3.1	2.9	3.2	3.0	2.9
	Annualized ^(Note 5)	%	6.2	5.7	6.4	6.0	5.9
	Net asset ratio	%	46.7	44.9	46.1	44.9	46.0
	(period to period change)	%	(+ 0.5)	(-1.8)	(+ 1.2)	(-1.2)	(+1.1)
	Interest-bearing debt ratio on assets ^(Note 7)	%	49.5	51.3	50.1	51.5	50.5
	FFO ^(Note 8) (Funds from Operation)	mil.yen	5,218	5,165	5,291	5,556	5,813
	FFO per unit ^(Note 9)	yen	5,486	5,430	5,313	5,579	5,559
	Leasing NOI ^(Note 10) (Net Operating Income)	mil.yen	6,751	6,825	6,971	7,295	7,557
	Annualized NOI yield ^(Note 5,11)	%	5.4	5.2	5.3	5.2	5.2
Leasing NCF ^(Note 12) (Net Cash Flow)	mil.yen	6,235	6,347	6,346	6,655	6,744	
Annualized NCF yield ^(Note 5,13)	%	5.0	4.9	4.8	4.8	4.7	
Reference	Number of properties	property	151	157	161	165	173
	Leased units (Residential)	unit	8,319	8,755	9,027	9,250	10,039
	Total leasable floor area ^(Note 14)	m ²	503,721.25	516,871.89	525,995.20	543,473.29	568,049.49
	Occupancy ratio ^(Note 14)	%	96.8	96.2	97.4	97.3	97.5
	Depreciation expenses	mil.yen	1,467	1,504	1,546	1,589	1,665
	Capital expenditures	mil.yen	515	478	625	639	812

(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) Return on assets = Net income / {(Total assets at the beginning of period + Total assets at the end of period) / 2} × 100
- (Note 5) Annualized values for the 17th fiscal period are calculated based on a period of 182 days, 184 days for 18th fiscal period, 181 days for 19th fiscal period, 184 days for 20th fiscal period, 181 days for 21st fiscal period.
- (Note 6) Return on net assets = Net income / {(Total net assets at the beginning of period + Total net assets at the end of period) / 2} × 100
- (Note 7) Interest-bearing debt ratio of assets = Interest-bearing debt at the end of period / Total assets at the end of period × 100
- (Note 8) FFO = Net income + Depreciation expenses + Amortization of deferred assets - Gain on sale of real estate property + Loss on sale of real estate property.
- (Note 9) FFO per unit = FFO / Number of investment units issued and outstanding (rounded down to unit)
- (Note 10) Leasing NOI = Rental revenues - Expenses related to rent business + Depreciation expenses
- (Note 11) Annualized NOI yield = Annualized NOI / Total acquisition prices of properties × 100
- (Note 12) Leasing NCF = Leasing NOI - Capital expenditures
- (Note 13) Annualized NCF yield = Annualized NCF / Total acquisition prices of properties × 100
- (Note 14) Figure and ratio include for land with leasehold interest.

(2) Outline of Asset Management Operation for the 21st 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 offerings 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 through public offerings on a regular basis and pursue sustainable growth opportunities by investing in rental housing, senior homes, hotels, etc. As of the end of the 21st fiscal period, the Investment Corporation owns a total of 173 real estate properties (total acquisition price: 290,730 million yen ^(Note)) consisting of 140 residential properties such as rental housings, 31 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 1,045,758 units.

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. (“Kenedix”) and adheres to the core philosophies of Kenedix. 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 21st fiscal period, the Japanese economy showed signs of recovery as the impact of COVID-19 eased, despite the affect of soaring resource prices due to the Ukraine situation.

As for the economy going forward, it is expected to recover as the effects of supply constraints eases, although it will be subject to downward pressure from rising resource prices.

However, uncertainty in the Japanese economy remains extremely high due to trends and impact of infectious diseases in both domestic and overseas, future situation in Ukraine, resource prices, overseas economy and price trends. Under these circumstances, it is necessary to closely monitor trends in financial and foreign exchange markets and their impact on the economy and prices.

The operating environment for residential properties, which are one of the main investment targets of the Investment Corporation, have changed due to the impact of spread of COVID-19, as preferences residential areas and room layouts have become more diverse. However, the occupancy rates have remained stable with a flexible management, and rents have tended to rise, mainly for larger unit types.

With regard to 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 the spread of the COVID-19, and

accommodation facility operators continue to face a difficult operating environment. As the impact of COVID-19 gradually eases, accommodation demand is expected to recover, but it will take a certain amount of time to return to the situation before the pandemic.

In the real estate investment market, investors continue to eager to invest in real estate, 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) Management Performance

The Investment Corporation comprehensively taking into account the composition of the entire portfolio, earnings power in the future, etc., and the Investment Corporation acquired 8 properties in total (total acquisition price: 13,161 million yen), which includes acquisitions of 5 residential properties (total acquisition price: 8,334 million yen) and 3 healthcare facilities (total acquisition price: 4,827 million yen)

< Acquired Assets >

Property number	Property name	Acquisition price (million yen) ^(Note)
T-103	KDX Residence Umejima	2,373
T-104	KDX Residence Mizonokuchi	2,781
T-105	KDX Residence Hachioji Otsuka	1,490
T-106	KDX Residence Tsudanuma II	920
R-47	Serenite Koshien Plie	770
Residential	Subtotal	8,334
H-29	Irise Kobe Rokko	1,200
H-30	Excellent Hanayashiki Garden Hills	1,287
H-31	Excellent Takarazuka Garden Hills	2,340
Healthcare	Subtotal	4,827
	Total	13,161

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

As a result of the above, as of the end of the 21st fiscal period, the Investment Corporation owned a total of 173 properties (total acquisition price: 290,730 million yen), which consist of 140 residential properties (acquisition price: 219,333 million yen), 31 healthcare facilities (acquisition price: 66,437 million yen) and 2 accommodation facilities (acquisition price: 4,960 million yen).

The occupancy rates of properties owned by the Investment Corporation as of the end of the 21st fiscal period (July 31, 2022) are as follows.

		Occupancy rate	
		20th (As of January 31, 2022)	21st (As of July 31, 2022)
Residential	Tokyo Metropolitan Area	96.5%	96.7%
	Other Regional Area	95.6%	95.8%
	Overall	96.1%	96.3%
Healthcare Facilities		99.9%	99.9%
Accommodation		100.0%	100.0%
Overall (portfolio)		97.3%	97.5%

(B) 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.

(Issuance of New Investment Units)

During the 21st fiscal period, the Investment Corporation raised 8,801 million yen in funding by issuing 47,500 new investment units through public offering on February 24, 2022, and 440 million yen by issuing 2,375 new investment units through third party allotments on March 10, 2022, with the aim of allocation to funds for acquisition of specified assets.

As a result, unitholders' capital came to 125,564 million yen as of the end of the 21st fiscal period (July 31, 2022).

(Borrowing)

The Investment Corporation borrowed 3,800 million yen as funds for acquiring properties and 17,500 million yen as funds for repaying borrowings due during the 21st fiscal period.

As a result of the foregoing, the balance of borrowings was 151,920 million yen, the balance of the interest-bearing debt including the investment corporation bond was 159,620 million yen at the end of 21st period (July 31, 2022) and the average remaining term of interest-bearing debt ^(Note 1) was 3.9 years, and the average interest rate at the end of 21st fiscal period ^(Note 2) was 0.82%. The long-term debt ratio ^(Note 3) came to 88.4%, the fixed interest-rate ratio ^(Note 4) was 96.8%, and the loan to value ratio (LTV) came to 50.5%.

(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 97.2%.

(Note 4) The fixed interest-rate ratio = (balance of fixed interest-ratio 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)

(Investment Corporation Bonds)

No new investment corporation bonds were issued during the 21st fiscal period. As of the end of the 21st fiscal period (July 31, 2022), the outstanding balance of investment corporation bonds was 7,700 million yen.

(Credit Ratings)

The status of the credit ratings as of the end of the 21st fiscal period (July 31, 2022).

Credit Rating Agency	Type	Rating
Japan Credit Rating Agency, Ltd.(JCR)	Long-term issuer rating	AA-(Outlook : Stable)
	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 29, 2022 with the following overview.

Planned issuance amount	100,000 million yen
Planned issuance period	From July 7, 2022 to July 6, 2024
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.

(iv) Overview of Financial Results and Cash Distribution

As a result of these management efforts, the Investment Corporation reported total operating revenues was 9,447 million yen, operating income was 4,850 million yen, ordinary income was 4,122 million yen and net income was 4,122 million yen for the 21st fiscal period.

In regard to profit distributions for the 21st 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 make distribution of 4,288,653,558 yen, which is net income plus a portion of profit carried forward from the previous fiscal year and reversal of reserve for temporary difference adjustment, as profit distribution.

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)
February 24, 2022	Public offering	47,500	1,043,383	8,801	125,124	(Note 10)
March 10, 2022	Third-party allotment	2,375	1,045,758	440	125,564	(Note 11)

(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.

(Note 10) New investment units were issued at a price of ¥191,490 per unit (subscription price of ¥185,303 per unit) through a public offering in order to raise funds for acquiring new properties.

(Note 11) New investment units were issued at a price of ¥185,303 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	17th Fiscal period July 31, 2020	18th Fiscal period January 31, 2021	19th Fiscal period July 31, 2021	20th Fiscal period January 31, 2022	21st Fiscal period July 31, 2022
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Highest price	217,400	198,000	244,800	239,000	224,000
Lowest price	106,900	168,600	177,300	192,900	188,000

(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 4,288,653 thousand yen, which is net income plus a portion of profit carried forward from the previous fiscal year and reversal of reserve for temporary difference adjustment, as profit distribution.

As a result, distributions per unit for the 21st fiscal period amounted to 4,101 yen.

Fiscal period		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	21st From Feb.1, 2022 to Jul.31, 2022
Unappropriated retained earnings	(Thousand yen)	4,212,398	3,997,276	4,296,284	4,335,589	4,393,566
Retained earnings	(Thousand yen)	365,534	149,461	216,234	271,473	124,913
Total distribution	(Thousand yen)	3,866,863	3,867,815	4,100,050	4,084,116	4,288,653
(Distribution per unit)	(Yen)	(4,065)	(4,066)	(4,117)	(4,101)	(4,101)
Profit distribution	(Thousand yen)	3,866,863	3,867,815	4,100,050	4,084,116	4,288,653
(Profit distribution per unit)	(Yen)	(4,065)	(4,066)	(4,117)	(4,101)	(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 properties 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 maximize our 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 properties 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 properties 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 properties, 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 properties and other residential properties 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, the Investment Corporation judges investment opportunity considering scale, characteristic of market and tenant (operator), regional financial affairs and status of competitive facilities, etc. and examines investment mainly in three major metropolitan area. (Three major metropolitan area refers to Tokyo metropolitan area, Osaka metropolitan area and Nagoya metropolitan area. Osaka metropolitan area refers to the cities of Osaka, Kyoto, Nara, Hyogo and Shiga. Nagoya metropolitan area refers to the cities of Aichi, Gifu and Mie. The same shall apply hereinafter.)

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 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 properties, 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.

(6) Important Subsequent Events

Not applicable.

(Reference)

Acquisition of Assets

The Investment Corporation executed real estate sales contract concerning the following real estate on June 17, 2022.

Date of Acquisition	Property number	Property Name	Location	Previous Owner	Acquisition Price (mil.yen) (Note 2)	Appraisal value (mil.yen) (Note 3)
September 16, 2022	H-32	Tsukui Sun-shine Adachi (Note 1)	Adachi-ku Tokyo	Undisclosed (Note 4)	830	894

(Note 1) The real estate sales contract associated with the to be acquired asset 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 the real estate (excluding acquisition costs, property tax, city planning tax or consumption tax, etc.) indicated in real estate sales contract concerning the to-be acquired asset and is rounded down to the nearest million yen.

(Note 3) “Appraisal date” is May 1, 2022.

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

2. Overview of the Investment Corporation

(1) Unitholders' Capital

Fiscal period	17th As of July 31, 2020	18th As of January 31, 2021	19th As of July 31, 2021	20th As of January 31, 2022	21st As of July 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)	951,258	951,258	995,883	995,883	1,045,758
Unitholders' capital (Million yen)	108,550	108,550	116,322	116,322	125,564
Number of unitholders (People)	11,005	11,317	10,522	10,422	10,546

(2) Matters Concerning Investment Units

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

Name	Address	Number of investment units held (Units)	Ratio (%) (Note)
Custody Bank of Japan, Ltd. (Trust Acct.)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	302,199	28.89
The Master Trust Bank of Japan Ltd. (Trust Acct.)	11-3, Hamamatsu-cho 2-chome, Minato-ku, Tokyo	210,247	20.10
The Nomura Trust Banking Co., Ltd. (Trust Acct.)	2-2, Otemachi 2-chome, Chiyoda-ku, Tokyo	56,390	5.39
Kenedix, Inc.	1-6 Uchisaiwai-cho 2-chome, Chiyoda-ku, Tokyo	36,640	3.50
Mitsubishi UFJ Trust and Banking Corporation	11-3, Hamamatsu-cho 2-chome, Minato-ku, Tokyo Standing proxy: The Master Trust Bank of Japan, Ltd.	17,563	1.67
STATE STREET BANK WEST CLIENT-TREATY 505234	Shinagawa Intercity Tower A 15-1, 2-chome, Kohnan, Minato-ku, Tokyo Standing proxy: Mizuho Bank, Ltd.	17,088	1.63
SMBC Nikko Securities Inc.	3-3-1, Marunouchi, Chiyoda-ku, Tokyo	15,158	1.44
JP MORGAN CHASE BANK 385781	Shinagawa Intercity Tower A 15-1, 2-chome, Kohnan, Minato-ku, Tokyo Standing proxy: Mizuho Bank, Ltd.	12,972	1.24
SSBTC CLIENT OMNIBUS ACCOUNT	11-1, Nihonbashi 3-chome, Chuo-ku, Tokyo Standing proxy: The Hong Kong and Shanghai Banking Corporation Ltd. Tokyo Branch	11,371	1.08
STATE STREET BANK AND TRUST COMPANY 505103	Shinagawa Intercity Tower A 15-1, 2-chome, Kohnan, Minato-ku, Tokyo Standing proxy: Mizuho Bank, Ltd.	11,251	1.07
Total		690,879	66.06

(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 21st Fiscal Period are as Follows.

Position	Name	Other concurrent title	Total amount of fees paid during the period (thousand yen)
Executive Director	Tetsu Kawashima	Kenedix Real Estate Fund Management, Inc. Director & COO, Head of Residential REIT Department	-
Supervisory Director (Note 1)	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
	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	1,500
Independent auditor (Note 2)	Ernst & Young ShinNihon LLC	-	16,050

(Note 1) Supervisory Director may be an officer of corporations other than mentioned above, but there is no interest in relation to the Investment Corporation.

(Note 2) Independent auditor's fee includes that for comfort letter preparation.

(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	(Outline of the insured accident to be covered) 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. (Burden ratio of insurance premiums) Premiums for all insured persons is wholly paid by the Investment Corporation. (Measures to ensure that the appropriateness of the execution of duties by directors is not impaired) There is no deductible for a series of liability for damages, but the maximum amount payable is 1 billion yen.

(5) Asset Management Company, Custodian and General Administrators

The asset management company, custodian and general administrators as of the end of the 21st 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	20th As of January 31, 2022		21st As of July 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)	155,097	51.3	162,846	51.6
		Other Regional Area ^(Note 2)	54,887	18.1	55,553	17.6
	Healthcare	Tokyo Metropolitan Area ^(Note 1)	25,421	8.4	25,325	8.0
		Other Regional Area ^(Note 2)	33,799	11.2	38,648	12.2
		Other ^(Note 3)	1,245	0.4	1,226	0.4
	Accommodation	Tokyo Metropolitan Area ^(Note 1)	5,071	1.7	5,058	1.6
Total (Trust beneficiary interest in real estate)			275,522	91.1	288,659	91.4
Real estate ^(Note 6)	Healthcare	Other Regional Area ^(Note 2)	173	0.1	173	0.1
Total (Real estate)			173	0.1	173	0.1
Silent partnership interest ^(Note 7)			109	0.0	—	—
Bank deposits and other assets			26,605	8.8	27,053	8.6
Total assets			302,410	100.0	315,886	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 July 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	7,565	6,811.38	6,811.38	100.0	1.9	Residential
R-45	KDX Residence Shukugawa Hills	7,234	17,575.39	16,906.06	96.2	2.4	Residential
H-22	Tsukui Sun-shine Machida	6,965	15,553.33	15,553.33	100.0	Undisclosed ^(Note 5)	Healthcare
H-10	Activa Biwa	6,296	39,649.84	39,649.84	100.0	Undisclosed ^(Note 5)	Healthcare
T-102	KDX Residence Yokohama Momijizaka	5,189	4,795.16	4,472.65	93.3	1.3	Residential
T-56	KDX Residence Hanzomon	4,914	4,854.23	4,796.21	98.8	1.5	Residential
T-1	KDX Daikanyama Residence	4,701	5,338.99	5,200.93	97.4	1.8	Residential
R-39	KDX Residence Ohori Harbor View Tower	4,316	11,855.63	10,859.68	91.6	2.0	Residential
H-3	Joy Stage Hachioji	3,769	13,812.27	13,812.27	100.0	Undisclosed ^(Note 5)	Healthcare
T-52	KDX Residence Togoshi	3,666	4,591.76	4,428.74	96.4	1.3	Residential
Total		54,620	124,837.98	122,491.09	—	18.0	

(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 July 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 July 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 21st fiscal period

Use	Area	No.	Name of property	Location	Form of ownership (Note5)	Book value (Million yen)	Appraisal value at the end of the fiscal period (Million yen) (Note 1)
Residential properties	Tokyo Metropolitan Area	T-1	KDX Daikanyama Residence	7-1, Sarugakuchō, Shibuya-ku, Tokyo	TBI	4,701	7,450
		T-3	KDX Odemma Residence	3-10, Nihombashi-Odenmachō, Chuo-ku, Tokyo	TBI	1,662	2,690
		T-4	KDX Iwamoto-cho Residence	16-12, Iwamotocho 2-chome, Chiyoda-ku, Tokyo	TBI	764	1,220
		T-5	KDX Bunkyo Sengoku Residence	3-2, Honkomagome 6-chome, Bunkyo-ku, Tokyo	TBI	1,426	2,120
		T-6	KDX Azumabashi Residence	9-8, Azumabashi 1-chome, Sumida-ku, Tokyo	TBI	590	1,100
		T-7	KDX Shimura Sakaue Residence	16-5, Higashi-Sakashia 1-chome, Itabashi-ku, Tokyo	TBI	2,563	4,140
		T-9	Cosmo Heim Motsumiyoshi	5-1, Kizukigioncho, Nakahara-ku, Kawasaki-shi, Kanagawa	TBI	2,151	2,520
		T-10	KDX Musashi Nakahara Residence	18-22, Shimokodanaka 4-chome, Nakahara-ku, Kawasaki-shi, Kanagawa	TBI	645	767
		T-11	KDX Chiba Chuo Residence	2-17, Shindencho, Chuo-ku, Chiba-shi, Chiba	TBI	1,303	1,890
		T-12	KDX Kawaguchi Saiwai-cho Residence	14-24, Saiwaicho 2-chome, Kawaguchi-shi, Saitama	TBI	1,166	1,790
		T-13	KDX Residence Shirokane I	7-8, Shirokanedai 4-chome, Minato-ku, Tokyo	TBI	3,063	4,220
		T-15	KDX Residence Shirokane II	7-8, Shirokanedai 4-chome, Minato-ku, Tokyo	TBI	2,848	4,150
		T-16	KDX Residence Minami-aoyama	4-8, Minami-Aoyama 3-chome, Minato-ku, Tokyo	TBI	2,258	2,710
		T-17	KDX Residence Minami-azabu	3-22, Minami-Azabu 2-chome, Minato-ku, Tokyo	TBI	2,126	3,180
		T-18	KDX Residence Shiba Koen	4-16, Shiba 3-chome, Minato-ku, Tokyo	TBI	1,795	2,680
		T-19	KDX Residence Azabu East	25-2, Higashi-Azabu 1-chome, Minato-ku, Tokyo	TBI	1,566	2,390
		T-20	KDX Residence Takanawa	15-7, Takanawa 3-chome, Minato-ku, Tokyo	TBI	783	1,300
		T-21	KDX Residence Nishihara	37-4, Nishihara 1-chome, Shibuya-ku, Tokyo	TBI	1,485	2,170
		T-22	KDX Residence Daikanyama II	11-22, Ebisu Nishi 2-chome, Shibuya-ku, Tokyo	TBI	794	1,280
		T-24	KDX Residence Nihombashi Suitengu	41-6 Nihombashi Hakozakicho, Chuo-ku, Tokyo	TBI	3,124	4,530
		T-25	KDX Residence Nihombashi Hakozaki	38-1 Nihombashi Hakozakicho, Chuo-ku, Tokyo	TBI	1,124	1,520
		T-26	KDX Residence Higashi-shinjuku	1-9 Okubo 2-chome, Shinjuku-ku, Tokyo	TBI	3,180	4,820
		T-27	KDX Residence Yotsuya	22-50 Arakicho, Shinjuku-ku, Tokyo	TBI	2,295	3,480
		T-28	KDX Residence Nishi-shinjuku	18-15, Nishi-Shinjuku 7-chome, Shinjuku-ku, Tokyo	TBI	1,008	1,630
		T-29	KDX Residence Kagurazaka	8-10, Tsukijicho, Shinjuku-ku, Tokyo	TBI	697	1,100
		T-30	KDX Residence Futako Tamagawa	31-29, Seta 2-chome, Setagaya-ku, Tokyo	TBI	1,268	1,730
		T-31	KDX Residence Komazawa Koen	21-6 Komazawa 5-chome, Setagaya-ku, Tokyo	TBI	888	1,330
		T-32	KDX Residence Mishuku	37-13, Mishuku 2-chome, Setagaya-ku, Tokyo	TBI	784	1,120
		T-33	KDX Residence Yoga	34-21, Seta 5-chome, Setagaya-ku, Tokyo	TBI	715	1,020
		T-34	KDX Residence Shimouma	21-8, Shimouma 1-chome, Setagaya-ku, Tokyo	TBI	625	883
T-35	Raffine Minami-magome	24-8, Minami-Magome 5-chome, Ota-ku, Tokyo	TBI	1,230	1,560		
T-36	KDX Residence Yukigaya Otsuka	15-13, Minami-Yukigaya 2-chome, Ota-ku, Tokyo	TBI	1,038	1,510		
T-37	KDX Residence Denenchofu	40-14, Denenchofu Honmachi, Ota-ku, Tokyo	TBI	1,056	1,380		
T-38	KDX Residence Tamagawa	9-17, Tamagawa 1-chome, Ota-ku, Tokyo	TBI	706	1,070		
T-39	KDX Residence Monzennakacho	6-7, Kiba 3-chome, Koto-ku, Tokyo	TBI	775	1,130		
T-40	KDX Residence Okachimachi	28-4, Taito 2-chome, Taito-ku, Tokyo	TBI	853	1,240		
T-41	KDX Residence Moto-asakusa	8-10, Motoasakusa 4-chome, Taito-ku, Tokyo	TBI	795	1,150		

Use	Area	No.	Name of property	Location	Form of ownership (Note5)	Book value (Million yen)	Appraisal value
							at the end of the fiscal period (Million yen) (Note 1)
		T-42	KDX Residence Itabashi Honcho	13-16, Yamatocho, Itabashi-ku, Tokyo	TBI	576	899
		T-43	KDX Residence Azusawa	7-13, Azusawa 1-chome, Itabashi-ku, Tokyo	TBI	536	751
		T-45	KDX Residence Yokohama Kannai	5-9, Bandaicho 3-chome, Naka-ku, Yokohama-shi, Kanagawa	TBI	753	1,120
		T-46	KDX Residence Miyamaedaira	14-3, Miyamaedaira 3-chome, Miyamae-ku, Kawasaki-shi, Kanagawa	TBI	988	1,290
		T-47	KDX Residence Machida	13-32, Kamitsurumahoncho, Minami-ku, Sagami-hara-shi, Kanagawa	TBI	1,706	2,400
		T-48	KDX Residence Kinshicho	24-13, Midori 4-chome, Sumida-ku, Tokyo	TBI	1,328	2,010
		T-49	KDX Residence Nihombashi Hamacho	33-4, Nishimbashi-Hamacho 3-chome, Chuo-ku, Tokyo	TBI	1,024	1,520
		T-50	KDX Residence Nihombashi Ningyocho	8-5, Nihombashi-Horidomecho 1-chome, Chuo-ku, Tokyo	TBI	556	777
		T-51	KDX Residence Jiyugaoka	11-27, Yakumo 3-chome, Meguro-ku, Tokyo	TBI	1,315	1,840

Use	Area	No.	Name of property	Location	Form of ownership (Note5)	Book value (Million yen)	Appraisal value
							at the end of the fiscal period (Million yen) (Note 1)
Residential properties	Tokyo Metropolitan Area	T-52	KDX Residence Togoshi	1-1, Togoshi 5-chome, Shinagawa-ku, Tokyo	TBI	3,666	5,430
		T-53	KDX Residence Shinagawa Seaside	6-7, Higashi-Shinagawa 3-chome, Shinagawa-ku, Tokyo	TBI	2,584	3,620
		T-54	KDX Residence Ojima	8-4, Ojima 4-chome, Koto-ku, Tokyo	TBI	1,770	2,780
		T-55	KDX Residence Oyama	8-8, Oyamakanaimachi, Itabashi-ku, Tokyo	TBI	2,550	3,760
		T-56	KDX Residence Hanzomon	12-1, Kojimachi 2-chome, Chiyoda-ku, Tokyo	TBI	4,914	6,560
		T-57	KDX Residence Akihabara II (Note2)	7, Kanda-Sudacho 1-chome, Chiyoda-ku, Tokyo	TBI	890	1,260
		T-58	KDX Residence Kagurazaka Dori	120-1, Yaraicho, Shinjuku-ku, Tokyo	TBI	1,362	2,510
		T-59	KDX Residence Sendagi	43-17, Sendagi 3-chome, Bunkyo-ku, Tokyo	TBI	2,317	2,820
		T-60	KDX Residence Seijo	16-25, Seijo 4-chome, Setagaya-ku, Tokyo	TBI	1,442	1,800
		T-61	KDX Residence Akihabara	13-7, Taito Higashi 2-chome, Taito-ku, Tokyo	TBI	1,221	1,810
		T-62	KDX Residence Iriya	10-7, Iriya 1-chome, Taito-ku, Tokyo	TBI	1,034	1,590
		T-63	KDX Residence Tachikawa	28-29, Akebonocho 2-chome, Tachikawa-shi, Tokyo	TBI	2,955	4,090
		T-64	KDX Residence Tsurumi	10, Mukaicho 1-chome, Tsurumi-ku, Yokohama-shi, Kanagawa	TBI	1,138	1,720
		T-65	KDX Residence Morishita Chitose	5-3, Chitose 1-chome, Sumida-ku, Tokyo	TBI	1,079	1,470
		T-66	KDX Residence Akasaka	13-11, Akasaka 6-chome, Minato-ku, Tokyo	TBI	1,167	2,210
		T-67	KDX Residence Kanda	8-2, Uchikanda 2-chome, Chiyoda-ku, Tokyo	TBI	700	1,280
		T-68	KDX Residence Ebisu	11-16, Ebisu Minami 1-chome, Shibuya-ku, Tokyo	TBI	2,873	5,150
		T-69	KDX Residence Nishi-magome	4-4, Minami-Magome 6-chome, Ota-ku, Tokyo	TBI	1,141	1,400
		T-70	KDX Residence Nishi-azabu	5-10, Nishi-Azabu 3-chome, Minato-ku, Tokyo	TBI	1,225	1,910
		T-71	KDX Residence Azabu Sendaizaka	1-7, Minami-Azabu 3-chome, Minato-ku, Tokyo	TBI	795	1,270
		T-72	KDX Residence Waseda Tsurumaki	574-25, Waseda-Tsurumakimachi, Shinjuku-ku, Tokyo	TBI	549	907
		T-73	KDX Residence Bunkyo Yushima	29-2, Yushima 2-chome, Bunkyo-ku, Tokyo	TBI	687	1,050
		T-74	KDX Residence Kamishakujii	18-5, Kamishakujii 1-chome, Nerima-ku, Tokyo	TBI	645	911
		T-75	KDX Residence Shin-otsuka	44-16, Higashi-Ikebukuro 5-chome, Toshima-ku, Tokyo	TBI	754	1,190
		T-76	KDX Residence Sakurajosui	26-14, Shimotakaido 1-chome, Suginami-ku, Tokyo	TBI	882	1,290
		T-77	KDX Residence Ryogoku	19-13, Kamesawa 2-chome, Sumida-ku, Tokyo	TBI	828	1,350
		T-78	KDX Residence Toyosu	2-33, Toyosu 1-chome, Koto-ku, Tokyo	TBI	7,565	7,920
		T-79	KDX Residence Asagaya	1-47-24, Asagayaminami, Suginami-ku, Tokyo	TBI	1,963	2,460
		T-80	KDX Residence Hiyoshi	7-17-35, Hiyoshi, Kohoku-ku, Yokohama-shi, Kanagawa	TBI	2,668	3,070
		T-81	KDX Residence Kamikitazawa	4-23-15, Kamikitazawa, Setagaya-ku, Tokyo	TBI	1,393	1,580
		T-82	KDX Residence Kaminoge	3-2-11, Noge, Setagaya-ku, Tokyo	TBI	1,124	1,390
T-83	KDX Residence Higashi-Asakusa	1-9-8 Higashi-Asakusa, Taito-ku, Tokyo	TBI	701	811		
T-84	KDX Residence Nishi-Funabashi	413-1 Hongo-cho, Funabashi-shi, Chiba	TBI	1,005	1,120		
T-85	KDX Residence Hatagaya	2-24-7 Hatagaya Shibuya-ku, Tokyo	TBI	2,619	2,870		
T-86	KDX Residence Asagaya II	3-31-5 Asagaya-minami, Suginami-ku, Tokyo	TBI	972	1,060		
T-87	KDX Residence Gakugeidaigaku	2-4-3 Takaban, Meguro-ku, Tokyo	TBI	775	830		
T-88	KDX Residence Kamata-minami	3-9-2 Minami-Rokugo, Ota-ku, Tokyo	TBI	1,955	2,320		
T-89	KDX Residence Kichijoji	1-23-20, Kichijoji-Higashimachi, Musashino-shi, Tokyo	TBI	650	650		
T-90	KDX Residence Mitaka	4-15-31, Shimorenjaku, Mitaka-shi, Tokyo	TBI	2,671	3,130		
T-91	KDX Residence Nakanobu	6-6-1, Nakanobu, Shinagawa-ku, Tokyo	TBI	846	914		

Use	Area	No.	Name of property	Location	Form of ownership (Note 5)	Book value (Million yen)	Appraisal value	
							at the end of the fiscal period (Million yen) (Note 1)	
		T-92	KDX Residence Ichikawa	2-6-12, Ichikawa, Ichikawa-shi, Chiba	TBI	874	916	
		T-93	KDX Residence Hatchobori	1-8-5, Irifune, Chuo-ku, Tokyo	TBI	3,202	3,650	
		T-94	KDX Residence Nakaitabashi	68-11, Yayoicho, Itabashi-ku, Tokyo	TBI	1,848	1,940	
		T-95	KDX Residence Shonandai	2-9-10, Shonandai, Fujisawa-shi, Kanagawa	TBI	1,551	1,650	
		T-96	KDX Residence Ikebukuro West	2-6, Nakamarucho, Itabashi-ku, Tokyo	TBI	2,339	2,570	
		T-97	KDX Residence Tennocho	1-30-2, Tennocho, Hodogaya-ku, Yokohama-shi, Kanagawa	TBI	902	915	
		T-98	KDX Residence Kawasaki	1-1-12, Nakajima Kawasaki-ku,, Kawasaki-shi, Kanagawa	TBI	946	1,030	
		T-99	KDX Residence Kamata-minami II	3-9-13, Minami-rokugo, Ota-ku, Tokyo	TBI	809	887	
		T-100	KDX Residence Kamishakujii II	2-18-5, Kamishakujii, Nerima-ku, Tokyo	TBI	3,214	3,380	
		T-101	KDX Residence Tsudanuma ^(Note 3)	4-13-35, Maehara-nishi, Funabashi-shi, Chiba	TBI	1,211	1,320	
		T-102	KDX Residence Yokohama Momijizaka	6-1, Momijigaoka, Nishi-ku Yokohama-shi, Kanagawa	TBI	5,189	5,410	
		T-103	KDX Residence Umejima	1-25-19, Umejima, Adachi-ku, Tokyo	TBI	2,484	2,780	
		T-104	KDX Residence Mizonokuchi	3-4-29, Shinsaku, Takatsu-ku, Kawasaki-shi, Kanagawa	TBI	2,949	3,010	
		T-105	KDX Residence Hachioji Otsuka	628-3, Otsuka, Hachioji-shi, Tokyo	TBI	1,616	1,590	
		T-106	KDX Residence Tsudanuma II	4-13-25, Maebaranishi, Funabashi-shi, Chiba	TBI	957	966	
		Other Regional Area	R-2	KDX Jozenjidori Residence	3-25, Kasugamachi, Aoba-ku, Sendai-shi, Miyagi	TBI	879	1,390
			R-3	KDX Izumi Residence	24-28, Izumi 2-chome, Higashi-ku, Nagoya-shi, Aichi	TBI	1,003	1,590
			R-4	KDX Chihaya Residence	49-6, Shinsakae 1-chome, Naka-ku, Nagoya-shi, Aichi	TBI	947	1,610
			R-5	KDX Sakaisuji Hommachi Residence	7-15, Kawaracho 1-chome, Chuo-ku, Osaka-shi, Osaka	TBI	2,593	3,980
			R-7	KDX Takarazuka Residence	2-43, Sakaemachi 3-chome, Takarazuka-shi, Hyogo	TBI	1,268	2,110
R-8	KDX Shimizu Residence		21-27, Shimizu 1-chome, Minami-ku, Fukuoka-shi, Fukuoka	TBI	1,482	2,270		
R-9	KDX Residence Odori Koen		1000-4, Minami 2-jo 40-chome, Chuo-ku, Sapporo-shi, Hokkaido	TBI	745	1,110		
R-10	KDX Residence Kikusui Yojo		2-35, Kikusui 4-jo 3-chome, Shiroishi-ku, Sapporo-shi, Hokkaido	TBI	835	1,140		
R-11	KDX Residence Toyohira Koen		4-16, Hiragishi 4-jo 3-chome, Toyohira-ku, Sapporo-shi, Hokkaido	TBI	451	632		
R-13	KDX Residence Ichiban-cho		15-42, Ichibancho 1-chome, Aoba-ku, Sendai-shi, Miyagi	TBI	476	739		
R-16	KDX Residence Higashi-sakura I		13-22, Higashi-sakura 2-chome, Higashi-ku, Nagoya-shi, Aichi	TBI	2,165	2,640		
R-17	KDX Residence Higashi-sakura II		5-10, Higasi-sakura 1-chome, Higashi-ku, Nagoya-shi, Aichi	TBI	833	1,110		
R-18	KDX Residence Jingumae		4-27, Yokota 2-chome, Atsuta-ku, Nagoya-shi, Aichi	TBI	768	1,090		
R-19	KDX Residence Nishi-oji		40-3, Nishi 7-jo Kakekoshicho, Shimogyo-ku, Kyoto-shi, Kyoto	TBI	747	958		
R-20	KDX Residence Saiin	30-2, Saiintakadacho, Ukyo-ku, Kyoto-shi, Kyoto	TBI	399	533			

Use	Area	No.	Name of property	Location	Form of ownership (Note5)	Book value (Million yen)	Appraisal value at the end of the fiscal period (Million yen) (Note 1)
Residential properties	Other Regional Area	R-21	KDX Residence Namba	6-16, Inari 1-chome, Naniwa-ku, Osaka-shi, Osaka	TBI	1,314	1,860
		R-22	KDX Residence Namba-minami	11-9, Shiokusa 3-chome, Naniwa-ku, Osaka-shi, Osaka	TBI	1,220	1,750
		R-24	KDX Residence Ibaraki I-II (Note 4)	9-11, 9-12, Takehashicho, Ibaragi-shi, Osaka	TBI	1,284	1,557
		R-25	KDX Residence Toyonaka-minami	7-22, Shonaihigashicho 2-chome, Toyonaka-shi, Osaka	TBI	640	1,030
		R-26	KDX Residence Moriguchi	12-12, Dainichihigasihmachi, Moriguchi-shi, Osaka	TBI	487	746
		R-27	KDX Residence Sannomiya	8-10, Ninomiyacho 4-chome, Chuo-ku, Kobe-shi, Hyogo	TBI	1,032	1,350
		R-28	Ashiya Royal Homes	20-10, Oharacho, Ashiya-shi, Hyogo	TBI	1,602	2,090
		R-29	KDX Residence Funairi Saiwai-cho	10-5, Funairisaiwaicho, Naka-ku, Hiroshima-shi, Hiroshima	TBI	523	794
		R-30	KDX Residence Tenjin-higashi II	6-22, Chikukohonmachi, Hakata-ku, Fukuoka-shi, Fukuoka	TBI	625	1,030
		R-32	KDX Residence Nishi Koen	5-7, Minato 3-chome, Chuo-ku, Fukuoka-shi, Fukuoka	TBI	698	1,010
		R-33	KDX Residence Hirao Josui-machi	10-17, Hiraojyosumimachi, Chuo-ku, Fukuoka-shi, Fukuoka	TBI	724	1,040
		R-35	Leopalace Flat Shin-sakae	5-31, Shinsakae 1-chome, Naka-ku, Nagoya-shi, Aichi	TBI	3,320	4,630
		R-36	KDX Residence Konan Yamate	9-3, Moriminamimachi 1-chome, Higashinada-ku, Kobe-shi, Hyogo	TBI	941	1,270
		R-37	KDX Residence Hommachibashi	2-14, Hommachibashi, Chuo-ku, Osaka-shi, Osaka	TBI	3,053	3,990
		R-38	KDX Residence Minami-kusatsu	1-8, Minamikusatsu 1-chome, Kusatsu-shi, Shiga	TBI	1,904	2,560
		R-39	KDX Residence Ohori Harbor View Tower	2-18, Minato 1-chome, Chuo-ku, Fukuoka-shi, Fukuoka	TBI	4,316	5,220
		R-40	KDX Residence Minami-sanjo	3-2, Minami 3-jo Nishi 8-chome, Chuo-ku, Sapporo-shi, Hokkaido	TBI	858	1,870
		R-41	Serenite Kita-kyujoji	3-15, Kitakyujojicho 1-chome, Chuo-ku, Osaka-shi, Osaka	TBI	1,218	1,720
		R-42	Serenite Nishinomiya Hommachi	5-26, Hommachi, Nishinomiya-shi, Hyogo	TBI	615	764
		R-43	KDX Residence Nishijin	24-30, Nishijin 2-chome, Sawara-ku, Fukuoka-shi, Fukuoka	TBI	1,718	1,820
R-44	Serenite Kobe Motomachi	1-22, Kaigandori 3-chome, Chuo-ku, Kobe-shi, Hyogo	TBI	2,404	2,740		
R-45	KDX Residence Shukugawa Hills	7-1, Hinoike-cho, Nishinomiya-shi, Hyogo	TBI	7,234	7,440		
R-46	KDX Residence Sendaieki-higashi	2-13 Teppocho-nihsi, Miyagino-ku, Sendai-shi, Miyagi	TBI	1,387	1,510		
R-47	Serenite Koshien Plie	5-2-6, Naruo-cho, Nishinomiya-shi, Hyogo	TBI	825	840		
Subtotal						218,400	291,387
Healthcare Facilities	Tokyo Metropolitan Area	H-1	Irise Kamata/Yuseien	2-15-21 Kitakojiya, Ota-ku, Tokyo	TBI	1,061	1,070
		H-2	Nichii Home Nakano-Minamidai	3-26-24 Minamidai, Nakano-ku, Tokyo	TBI	1,754	2,020
		H-3	Joy Stage Hachioji	924-2 Yokokawamachi, Hachioji-shi, Tokyo	TBI	3,769	3,960
		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	1,041	1,170
		H-5	Nichii Home Tama Plaza	2-23-6, Inukura, Miyamae-ku, Kawasaki-shi, Kanagawa	TBI	2,719	3,050
		H-21	Plaisant Grand Ota tamagawa	2-19-4 Tamagawa, Ota-ku, Tokyo	TBI	3,181	3,400
		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	6,965	7,490
		H-23	Serabi Ebisu	2-10-20, Mita, Meguro-ku, Tokyo	TBI	1,710	1,700
		H-27	Grapes Kawasaki Shimmachi	2-3-2, Odasakae, Kawasaki-ku, Kanagawa	TBI	1,532	1,520
		H-28	Grapes Fujimino	1-15-12, Minamidai, Fujimino-shi, Saitama	TBI	1,590	1,550
Other Regional	Other	H-6	Ten	6-3-1 Tsukisamuchuodori, Toyohira-ku, Sapporo-shi, Hokkaido	TBI	2,497	2,660
		H-7	Irise Nishioka	13-7-10 Nishioka Sanjo, Toyohira-ku, Sapporo-shi,	TBI	780	860

Use	Area	No.	Name of property	Location	Form of ownership (Note5)	Book value (Million yen)	Appraisal value
							at the end of the fiscal period (Million yen) (Note 1)
				Hokkaido			
		H-8	Izarie Eniwa Building	1-8-1 Aioimachi, Eniwa-shi, Hokkaido	TBI	1,501	1,770
		H-9	Sawayaka Sakura Nibankan	1-10-3 Oroshimachi, Akita-shi, Akita	TBI	886	991
		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	6,296	6,490
		H-11	Sompo Care LAVIERE Kobe Tarumi	285 Sarukura, Myodanicho, Tarumi-ku, Kobe-shi, Hyogo	TBI	2,017	2,150
		H-12	Rehabili-home Granda Mondo Yakujin	10-10 Hayashidacho, Nishinomiya-shi, Hyogo	TBI and RE	1,168	1,340
		H-13	Excellent Nishinomiya	2-4-3 Sumiredai, Nishinomiya-shi, Hyogo	TBI	892	935
		H-15	Excellent Kitano	10 Kitano Higashi, kobaicho, kita-ku, Kyoto-shi, Kyoto	TBI	738	800
		H-16	Anesis Teradacho	1-4-24, Hayashiji, Ikuno-ku, Osaka-shi, Osaka	TBI	3,371	3,640
		H-17	Rococo-riha	6-7 Hozan-cho, Toyonaka-shi, Osaka	TBI	1,997	2,170
		H-18	Orange Suma	3-622-11, Wakakusa-cho, Suma-ku, Kobe-shi, Hyogo	TBI	2,688	2,810

Use	Area	No.	Name of property	Location	Form of ownership (Note 5)	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	1,818	1,870
		H-20	Anesis Hyogo	1-8-21, Yoshida-cho, Hyogo-ku, Kobe-shi, Hyogo	TBI	1,368	1,430
		H-24	Arute Ishiyagawa	1-10-13, Mikage tsuka-machi, Higashi nada-ku, Kobe-shi, Hyogo	TBI	1,083	1,360
		H-25	Medical-home Granda Kurakuen	6-6, Okuhata, Nishinomiya-shi, Hyogo	TBI	2,815	2,820
		H-26	Rehabili-home Granda Kobe Kitano	4-12-1, Kitano-cho, Chuo-ku, Kobe-shi, Hyogo	TBI	1,785	1,940
		H-29	Irise Kobe Rokko	4-6-3, Shinohara Hommachi, Nada-ku, Kobe-shi, Hyogo	TBI	1,261	1,350
		H-30	Excellent Hanayashiki Garden Hills	4-1-6, Hanayashiki Shoen, Takarazuka-shi, Hyogo	TBI	1,373	1,400
		H-31	Excellent Takarazuka Garden Hills	5-4-1, Hirai, Takarazuka-shi, Hyogo	TBI	2,477	2,490
	Others	H-14	Gran Hills Ogawarako	57-2 Tachino Oura-aza, Tohokumachi-Oaza, Kamikita-gun, Aomori	TBI	1,226	1,340
Subtotal						65,374	69,546
Accommodation Facilities	Tokyo Metropolitan Area	A-1	Hotel LiVEMAX Tokyo-Otsuka-Ekimae	3-44-12 Minami-Otsuka, Toshima-ku, Tokyo	TBI	2,436	2,370
		A-2	Hotel LiVEMAX Yokohamaeki-Nishiguchi	2-10-32 Kitasaiwai, Nishi-ku, Yokohama-shi, Kanagawa	TBI	2,621	2,600
Subtotal						5,058	4,970
Total						288,832	365,903

(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 (T-57) was changed from "B-site Akihabara" on February 5, 2022. The same shall apply hereinafter.

(Note 3) The name of property (T-101) was changed from "Hulic Residence Tsudanuma" on April 1, 2022. The same shall apply hereinafter.

(Note 4) 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 5) "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	20th (From August 1, 2021 to January 31, 2022)				21st (From February 1, 2022 to July 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 properties	Tokyo Metropolitan Area	T-1	KDX Daikanyama Residence	1	95.3	159	1.8	1	97.4	165	1.8
		T-3	KDX Odemma Residence	1	100.0	60	0.7	1	94.4	57	0.6
		T-4	KDX Iwamoto-cho Residence	1	91.7	27	0.3	1	98.0	27	0.3
		T-5	KDX Bunkyo Sengoku Residence	1	97.8	49	0.6	1	100.0	52	0.6
		T-6	KDX Azumabashi Residence	1	95.5	25	0.3	1	93.2	25	0.3
		T-7	KDX Shimura Sakaue Residence	1	98.9	108	1.2	1	95.5	109	1.2
		T-9	Cosmo Heim Motosumiyoshi	1	92.2	70	0.8	1	93.8	75	0.8
		T-10	KDX Musashi Nakahara Residence	1	97.2	26	0.3	1	97.2	26	0.3
		T-11	KDX Chiba Chuo Residence	1	96.9	63	0.7	1	98.1	65	0.7
		T-12	KDX Kawaguchi Saiwai-cho Residence	1	95.4	49	0.6	1	94.8	51	0.5
		T-13	KDX Residence Shirokane I	1	100.0	114	1.3	1	95.1	116	1.2
		T-15	KDX Residence Shirokane II	1	97.2	88	1.0	1	99.2	90	1.0
		T-16	KDX Residence Minami-aoyama	1	62.9	43	0.5	1	96.7	52	0.6
		T-17	KDX Residence Minami-azabu	1	96.1	72	0.8	1	97.3	75	0.8
		T-18	KDX Residence Shiba Koen	1	92.6	64	0.7	1	94.8	64	0.7
		T-19	KDX Residence Azabu East	1	98.9	55	0.6	1	94.3	58	0.6
		T-20	KDX Residence Takanawa	1	88.5	27	0.3	1	93.8	27	0.3
		T-21	KDX Residence Nishihara	1	100.0	53	0.6	1	97.5	50	0.5
		T-22	KDX Residence Daikanyama II	1	84.5	26	0.3	1	100.0	29	0.3
		T-24	KDX Residence Nihombashi Suitengu	1	100.0	105	1.2	1	100.0	105	1.1
		T-25	KDX Residence Nihombashi Hakozaeki	1	97.3	40	0.4	1	98.4	40	0.4
		T-26	KDX Residence Higashi-shinjuku	1	97.4	111	1.2	1	97.3	113	1.2
		T-27	KDX Residence Yotsuya	1	100.0	82	0.9	1	96.2	85	0.9
		T-28	KDX Residence Nishi-shinjuku	1	98.4	36	0.4	1	96.5	36	0.4
		T-29	KDX Residence Kagurazaka	1	91.5	24	0.3	1	94.4	23	0.3
		T-30	KDX Residence Futako Tamagawa	1	100.0	44	0.5	1	100.0	44	0.5
		T-31	KDX Residence Komazawa Koen	1	95.6	28	0.3	1	94.0	29	0.3
		T-32	KDX Residence Mishuku	1	93.0	24	0.3	1	95.0	27	0.3
		T-33	KDX Residence Yoga	1	100.0	24	0.3	1	95.0	26	0.3
		T-34	KDX Residence Shimouma	1	93.9	20	0.2	1	96.7	20	0.2
		T-35	Raffine Minami-magome	1	100.0	41	0.5	1	100.0	41	0.4
		T-36	KDX Residence Yukigaya Otsuka	1	96.0	38	0.4	1	97.3	38	0.4
		T-37	KDX Residence Denenchofu	1	97.2	38	0.4	1	100.0	40	0.4
		T-38	KDX Residence Tamagawa	1	92.7	27	0.3	1	94.5	26	0.3
		T-39	KDX Residence Monzennakacho	1	98.0	26	0.3	1	97.9	27	0.3
		T-40	KDX Residence Okachimachi	1	100.0	30	0.3	1	100.0	30	0.3
		T-41	KDX Residence Moto-asakusa	1	97.5	29	0.3	1	95.0	30	0.3
		T-42	KDX Residence Itabashi Honcho	1	94.2	23	0.3	1	86.3	24	0.3

Use	Area	No.	Name of property	20th (From August 1, 2021 to January 31, 2022)				21st (From February 1, 2022 to July 31, 2022)			
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				T-43	KDX Residence Azusawa	1	97.9	20	0.2	1	100.0
T-44	KDX Residence Tobu Nerima (Note4)	–	–	13	0.2	–	–	–	–		
T-45	KDX Residence Yokohama Kannai	1	91.7	34	0.4	1	95.5	34	0.4		
T-46	KDX Residence Miyamaedaira	1	95.6	36	0.4	1	97.5	37	0.4		
T-47	KDX Residence Machida	1	96.1	64	0.7	1	92.8	65	0.7		
T-48	KDX Residence Kinshicho	1	100.0	47	0.5	1	96.9	47	0.5		
T-49	KDX Residence Nihombashi Hamacho	1	94.0	34	0.4	1	100.0	36	0.4		
T-50	KDX Residence Nihombashi Ningyocho	1	96.8	18	0.2	1	100.0	18	0.2		
T-51	KDX Residence Jiyugaoka	1	97.2	40	0.5	1	100.0	40	0.4		

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Residential properties	Tokyo Metropolitan Area	T-52	KDX Residence Togoshi	1	97.7	122	1.4	1	96.4	124	1.3
		T-53	KDX Residence Shinagawa Seaside	1	95.9	83	0.9	1	95.1	84	0.9
		T-54	KDX Residence Ojima	1	92.3	64	0.7	1	92.3	65	0.7
		T-55	KDX Residence Oyama	1	95.1	91	1.0	1	94.2	94	1.0
		T-56	KDX Residence Hanzomon	1	96.2	128	1.4	1	98.8	137	1.5
		T-57	B-Site Akihabara	1	100.0	24	0.3	1	46.1	5	0.1
		T-58	KDX Residence Kagurazaka Dori	1	94.4	51	0.6	1	94.7	52	0.6
		T-59	KDX Residence Sendagi	1	100.0	68	0.8	1	93.1	68	0.7
		T-60	KDX Residence Seijo	1	100.0	44	0.5	1	100.0	43	0.5
		T-61	KDX Residence Akihabara	1	97.6	41	0.5	1	100.0	41	0.4
		T-62	KDX Residence Iriya	1	97.1	38	0.4	1	94.3	39	0.4
		T-63	KDX Residence Tachikawa	1	93.2	98	1.1	1	98.9	101	1.1
		T-64	KDX Residence Tsurumi	1	100.0	55	0.6	1	96.8	55	0.6
		T-65	KDX Residence Morishita Chitose	1	93.4	37	0.4	1	96.8	39	0.4
		T-66	KDX Residence Akasaka	1	100.0	41	0.5	1	96.6	41	0.4
		T-67	KDX Residence Kanda	1	95.0	28	0.3	1	94.9	29	0.3
		T-68	KDX Residence Ebisu	1	96.8	96	1.1	1	93.5	95	1.0
		T-69	KDX Residence Nishi-magome	1	91.1	29	0.3	1	96.1	30	0.3
		T-70	KDX Residence Nishi-azabu	1	93.9	37	0.4	1	91.1	39	0.4
		T-71	KDX Residence Azabu Sendaizaka	1	97.1	27	0.3	1	100.0	27	0.3
		T-72	KDX Residence Waseda Tsurumaki	1	100.0	21	0.2	1	100.0	21	0.2
		T-73	KDX Residence Bunkyo Yushima	1	95.7	25	0.3	1	97.8	24	0.3
		T-74	KDX Residence Kamishakujji	1	95.8	22	0.3	1	95.9	23	0.2
		T-75	KDX Residence Shin-otsuka	1	100.0	25	0.3	1	100.0	25	0.3
		T-76	KDX Residence Sakurajosui	1	96.5	28	0.3	1	84.8	27	0.3
		T-77	KDX Residence Ryogoku	1	100.0	28	0.3	1	92.3	29	0.3
		T-78	KDX Residence Toyosu	1	100.0	182	2.0	1	100.0	182	1.9
		T-79	KDX Residence Asagaya	1	93.8	51	0.6	1	97.8	52	0.6
		T-80	KDX Residence Hiyoshi	1	96.4	79	0.9	1	100.0	83	0.9
		T-81	KDX Residence Kamikitazawa	1	100.0	38	0.4	1	97.4	38	0.4
		T-82	KDX Residence Kaminoge	1	100.0	26	0.3	1	100.0	26	0.3
		T-83	KDX Residence Kaminoge	1	90.0	18	0.2	1	100.0	19	0.2
		T-84	KDX Residence Nishi-Funabashi	1	91.6	27	0.3	1	98.3	28	0.3
T-85	KDX Residence Hatagaya	1	93.3	60	0.7	1	92.7	61	0.7		
T-86	KDX Residence Asagaya II	1	91.3	23	0.3	1	87.4	23	0.2		
T-87	KDX Residence Gakugeidaigaku	1	96.3	17	0.2	1	91.5	18	0.2		
T-88	KDX Residence Kamata-minami	1	98.2	50	0.6	1	100.0	50	0.5		
T-89	KDX Residence Kichijoji	1	83.0	14	0.2	1	82.7	15	0.2		
T-90	KDX Residence Mitaka	1	98.7	68	0.8	1	100.0	68	0.7		
T-91	KDX Residence Nakanobu	1	94.6	23	0.3	1	100.0	23	0.2		
T-92	KDX Residence Ichika	1	97.9	23	0.3	1	100.0	23	0.2		
T-93	KDX Residence Hatchobori	1	92.1	76	0.9	1	100.0	80	0.9		

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Other Regional Area		T-94	KDX Residence Nakaitabashi	1	96.1	44	0.5	1	98.7	44	0.5
		T-95	KDX Residence Shonandai	1	99.1	47	0.5	1	100.0	49	0.5
		T-96	KDX Residence Ikebukuro West	1	100.0	55	0.6	1	100.0	55	0.6
		T-97	KDX Residence Tennocho	1	95.6	21	0.2	1	97.8	23	0.2
		T-98	KDX Residence Kawasaki	1	100.0	24	0.3	1	100.0	24	0.3
		T-99	KDX Residence Kamata-minami II	1	100.0	20	0.2	1	100.0	20	0.2
		T-100	KDX Residence Kamishakujii II	1	100.0	82	0.9	1	96.6	82	0.9
		T-101	KDX Residence Tsudanuma	1	100.0	15	0.2	1	100.0	34	0.4
		T-102	KDX Residence Yokohama Momijizaka	1	95.9	34	0.4	1	93.3	124	1.3
		T-103	KDX Residence Umejima	–	–	–	–	1	100.0	42	0.5
		T-104	KDX Residence Mizonokuchi	–	–	–	–	1	96.6	41	0.4
		T-105	KDX Residence Hachioji Otsuka	–	–	–	–	1	100.0	13	0.1
		T-106	KDX Residence Tsudanuma II	–	–	–	–	1	100.0	9	0.1
		R-2	KDX Jozenji Dori Residence	1	97.8	52	0.6	1	96.4	51	0.6
		R-3	KDX Izumi Residence	1	87.4	41	0.5	1	97.6	42	0.4
		R-4	KDX Chihaya Residence	1	93.9	47	0.5	1	95.9	47	0.5
		R-5	KDX Sakaisuji Hommachi Residence	1	93.2	109	1.2	1	96.4	111	1.2
		R-7	KDX Takarazuka Residence	1	97.1	57	0.6	1	100.0	60	0.6
		R-8	KDX Shimizu Residence	1	96.5	74	0.8	1	96.2	76	0.8
	R-9	KDX Residence Odori Koen	1	92.3	34	0.4	1	94.9	33	0.4	
	R-10	KDX Residence Kikusui Yojo	1	100.0	39	0.4	1	96.9	39	0.4	
	R-11	KDX Residence Toyohira Koen	1	97.0	24	0.3	1	100.0	24	0.3	
	R-13	KDX Residence Ichiban-cho	1	98.0	27	0.3	1	100.0	27	0.3	
	R-16	KDX Residence Higashi-sakura I	1	92.5	89	1.0	1	92.0	88	0.9	
	R-17	KDX Residence Higashi-sakura II	1	92.5	35	0.4	1	85.1	35	0.4	
	R-18	KDX Residence Jingumae	1	95.5	38	0.4	1	92.2	39	0.4	
	R-19	KDX Residence Nishi-oji	1	94.0	33	0.4	1	100.0	34	0.4	

Use	Area	No.	Name of property	20th (From August 1, 2021 to January 31, 2022)				21st (From February 1, 2022 to July 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 properties	Other Regional Area	R-20	KDX Residence Saiin	1	100.0	17	0.2	1	94.0	18	0.2
		R-21	KDX Residence Namba	1	95.5	55	0.6	1	90.2	55	0.6
		R-22	KDX Residence Namba-minami	1	97.3	55	0.6	1	95.3	55	0.6
		R-24	KDX Residence Ibaraki I・II	1	100.0	54	0.6	1	100.0	56	0.6
		R-25	KDX Residence Toyonakaminami	1	97.4	30	0.3	1	92.7	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	91.1	38	0.4	1	93.3	36	0.4
		R-28	Ashiya Royal Homes	1	88.3	63	0.7	1	80.3	56	0.6
		R-29	KDX Residence Funairi Saiwai-cho	1	100.0	28	0.3	1	100.0	29	0.3
		R-30	KDX Residence Tenjin-higashi II	1	95.2	31	0.3	1	95.2	31	0.3
		R-32	KDX Residence Nishi Koen	1	94.5	32	0.4	1	100.0	32	0.3
		R-33	KDX Residence Hirao Josuimachi	1	100.0	29	0.3	1	100.0	29	0.3
		R-35	Leopalace Flat Shin-sakae	1	100.0	121	1.4	1	100.0	121	1.3
		R-36	KDX Residence Koman Yamate	1	98.4	33	0.4	1	98.4	33	0.4
		R-37	KDX Residence Hommachibashi	1	98.6	110	1.2	1	97.1	106	1.1
		R-38	KDX Residence Minami-kusatsu	1	94.6	99	1.1	1	100.0	107	1.1
		R-39	KDX Residence Ohori Harbor View Tower	1	90.1	177	2.0	1	91.6	185	2.0
		R-40	KDX Residence Minami-sanjo	1	98.3	57	0.6	1	96.4	63	0.7
		R-41	Serenite Kita-kyuhoji	1	89.9	41	0.5	1	95.1	41	0.4
		R-42	Serenite Nishinomiya Hommachi	1	100.0	22	0.3	1	92.5	23	0.3
R-43	KDX Residence Nishijin	1	92.7	54	0.6	1	96.1	56	0.6		
R-44	KDX Residence Hiyoshi	1	97.6	78	0.9	1	96.8	77	0.8		
R-45	KDX Residence Shukugawa Hills	1	97.4	225	2.5	1	96.2	223	2.4		
R-46	KDX Residence Sendaieki-higashi	1	89.8	39	0.4	1	95.5	41	0.4		
R-47	Serenite Koshien Plie	-	-	-	-	1	97.9	17	0.2		
Subtotal				135	96.1	7,012	78.2	140	96.3	7,343	77.8
Healthcare Facilities	Tokyo Metropolitan Area	H-1	Irise Kamata/Yuseien	1	100.0	Undisclosed (Note5)	Undisclosed (Note5)	1	100.0	Undisclosed (Note5)	Undisclosed (Note5)
		H-2	Nichii Home Nakano-Minamidai	1	100.0						
		H-3	Joy Stage Hachioji	1	100.0						
		H-4	Yuimaru Hijirigaoka	1	100.0						
		H-5	Nichii Home Tama Plaza	1	100.0						
		H-21	Plaisant Grand Ota tamagawa	1	100.0						
		H-22	Tsukui Sun-shine Machida	1	100.0						
		H-23	Serabi Ebisu	1	100.0						
		H-27	Grapes Kawasaki Shimmachi	1	100.0						
		H-28	Grapes Fujimino	1	100.0						
Other Regional Area	H-6	Ten	1	100.0							
	H-7	Irise Nishioka	1	100.0							
	H-8	Izarie Eniwa Building	1	96.6							
	H-9	Sawayaka Sakura Nibankan	1	100.0							
H-10	Activa Biwa	1	100.0								

Use	Area	No.	Name of property	20th (From August 1, 2021 to January 31, 2022)				21st (From February 1, 2022 to July 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 (%)
		H-11	Sompo Care LAVIERE Kobe Tarumi	1	100.0			1	100.0		
		H-12	Rehabili-home Granda Mondo Yakujin	1	100.0			1	100.0		
		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	20th (From August 1, 2021 to January 31, 2022)				21st (From February 1, 2022 to July 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	Undisclosed (Note5)	Undisclosed (Note5)	1	100.0	Undisclosed (Note5)	Undisclosed (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		
		H-29	Irise Kobe Rokko	–	–	–	–	1	100.0		
		H-30	Excellent Hanayashiki Garden Hills	–	–	–	–	1	100.0		
		H-31	Excellent Takarazuka Garden Hills	–	–	–	–	1	100.0		
	Other	H-14	Gran Hills Ogawarako	1	100.0	Undisclosed (Note5)	Undisclosed (Note5)	1	100.0		
Subtotal				28	99.9	1,828	20.4	31	99.9	1,981	21.0
Accommodation Facilities	Tokyo Metropolitan Area	A-1	Hotel LiVEMAX Tokyo-Otsuka-Ekimae	1	100.0	Undisclosed (Note5)	Undisclosed (Note5)	1	100.0	Undisclosed (Note5)	Undisclosed (Note5)
		A-2	Hotel LiVEMAX Yokohamaeki-Nishiguchi	1	100.0			1	100.0		
	Subtotal				2			100.0	2		
Total				165	97.3	8,962	100.0	173	97.5	9,441	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 July 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 11.

“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 July 2022. For properties with no master lease agreement, the number of direct contractors (tenants) by the trustee is indicated. (As of July 31, 2022, no master lease contracts have been signed in H-27 Grapes Kawasaki Shimmachi and H-28 Grapes Fujimino.)

(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-44) KDX Residence Tobu Nerima was sold on December 16, 2021.

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

(4) Details of Specified Transaction

The details of specified transaction at the end of 21st fiscal period are as follows.

Classification	Transaction	Contact 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)	114,720	102,970	252
Total	–	114,720	102,970	252

(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 21st 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 22nd fiscal period ending January 31, 2023. 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-6	KDX Azumabashi Residence etc. <small>(Note)</small>	Sumida-ku, Tokyo etc.	Intercom facilities exchange construction	From August 2022 To January 2023	198	–	–
R-35	Leopalace Flat Shin-sakae	Nagoya-shi, Aichi	Major renewal construction	From August 2022 To January 2023	111	–	–
T-5	KDX Bunkyo Sengoku Residence	Bunkyo-ku, Tokyo	Major renewal construction	From August 2022 To January 2023	105	–	–
R-40	KDX Residence Minami-sanjo	Sapporo-shi, Hokkaido	Major renewal construction	From August 2022 To January 2023	76	–	–
H-14	Gran Hills Ogawarako	Kamikita-gun, Aomori	Major renewal construction	From August 2022 To January 2023	50	–	–
R-11	KDX Residence Toyohira Koen	Sapporo-shi Hokkaido	Mechanical parking equipment replacement construction	From August 2022 To January 2023	10	–	–
T-73	KDX Residence Bunkyo Yushima	Bunkyo-ku Tokyo	Elevating equipment replacement construction	From August 2022 To January 2023	7	–	–

(Note) Includes properties with number of T-45, R-13, R-16, R-18, R-19, R-20, R-21, R-22, R-25, R-27, R-30 and R-35 as well.

(2) Capital Expenditures During the 21st Fiscal Period

The table below shows major capital expenditures for renovations, repairs and other projects in the 21st fiscal period ended July 2022. The construction cost for the period amounted to 1,211 million yen, consisting of 812 million yen of capital expenditures and 398 million yen of repair and maintenance expenses.

No.	Name of property	Location	Purpose	Term	Capital expenditures (million yen)
T-53	KDX Residence Shinagawa Seaside	Shinagawa-ku Tokyo	Major renewal construction	From February 2022 To July 2022	71
T-11	KDX Chiba Chuo Residence	Chiba-shi Chiba	Major renewal construction	From February 2022 To July 2022	58
H-3	Joy Stage Hachioji	Hachioji-shi Tokyo	Water heater replacement construction	From March 2022 To June 2022	50
T-45	KDX Residence Yokohama Kannai etc. <small>(Note)</small>	Yokohama-shi Kanagawa	Intercom facilities exchange construction	From May 2022 To July 2022	45
R-28	Ashiya Royal Homes	Ashiya-shi Hyogo	Major renewal construction	From February 2022 To June 2022	41
T-57	KDX Residence Akihabara II	Chiyoda-ku Tokyo	Major renewal construction	From November 2021 To February 2022	37
Other					508
Total					812

(Note) Includes properties with number of T-74, R-9, R-10 and R-11 as well.

(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 21st fiscal period, repair and maintenance reserves designed to finance payment of future medium- to long-term major repair and maintenance work.

(million yen)

Term	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	21st From Feb. 1, 2022 to Jul. 31, 2022
Reserve balance at the beginning of the period	921	953	982	1,015	1,036
Amount of reserve during the period	41	29	37	50	20
Reversal of reserves during the period	9	—	4	29	3
Amount carried forward to the next period	953	982	1,015	1,036	1,052

5. Expenditures and Liabilities

(1) Details of Asset Management Expenses

(in thousands of yen)

Item	20th From August 1, 2021 to January 31, 2022	21st From February 1, 2022 to July 31, 2022
(i) Asset management fees ^(Note)	684,755	675,353
(ii) Asset custody fees	15,460	15,846
(iii) Administrative service fees	51,082	52,332
(iv) Directors' compensation	5,400	4,500
(v) Other operating expenses	288,082	299,578
Total	1,044,781	1,047,610

(Note) There are other asset management fees in addition to the amount set forth above, and asset management fees pertaining to property acquisitions (20th fiscal period: 122,270 thousand yen and 21st fiscal period: 131,610 thousand yen) and sold fee pertaining to property sold (20th fiscal period: 2,900 thousand yen).

(2) Status of Interest-bearing Debt

Borrowings as of July 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 payable	Sumitomo Mitsui Banking Corporation	December 10, 2021	500	-	0.379	April 30, 2022	Repayment of principal in full on maturity date	(Note 4)	Unsecured/ Unguarant eed
	Sumitomo Mitsui Banking Corporation	January 31, 2022	2,000	-	0.379	April 30, 2022			
	Sumitomo Mitsui Banking Corporation	February 28, 2022	-	-	0.380	April 30, 2022			
	Mizuho Bank, Ltd.	April 15, 2022	-	2,000	0.327	March 31, 2023			
	Sumitomo Mitsui Banking Corporation	May 20, 2022	-	900	0.326	April 30, 2023			
	Sumitomo Mitsui Banking Corporation	July 29, 2022	-	1,200	0.330	June 30, 2023			
	Mizuho Bank, Ltd.	July 29, 2022	-	300	0.330	June 30, 2023			
	Subtotal		2,500	4,400					
Current portion of long-term borrowings	Sumitomo Mitsui Banking Corporation	April 30, 2014	2,000	-	1.267	April 30, 2022	Repayment of principal in full on maturity date	(Note 4)	Unsecured/ Unguarant eed
	Aozora Bank, Ltd.	April 30, 2014	1,500	-	1.267	April 30, 2022			
	MUFG Bank, Ltd.	April 30, 2014	1,000	-	1.267	April 30, 2022			
	Resona Bank, Ltd.	April 30, 2014	1,000	-	1.267	April 30, 2022			
	Aozora Bank, Ltd.	April 30, 2015	2,000	-	0.875	April 30, 2022			
	Shinsei Bank, Ltd.	July 29, 2015	1,100	-	1.115	July 29, 2022			
	Sumitomo Mitsui Banking Corporation		1,100	-					
	MUFG Bank, Ltd.		1,000	-					
	Mizuho Bank, Ltd.		300	-					
	Sompo Japan Insurance Inc.		1,000	-					
	Sumitomo Mitsui Banking Corporation	February 26, 2021	1,000	-	0.425	February 28, 2022			
	Sumitomo Mitsui Banking Corporation	February 26, 2021	500	-	0.425	February 28, 2022			
	Mizuho Bank, Ltd.	November 14, 2014	950	950	1.083	November 30, 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
	Resona Bank, Ltd.	August 31, 2015	1,100	1,100	0.923	August 31, 2022			
	Mizuho Trust & Banking Co., Ltd.	August 31, 2015	700	700	0.923	August 31, 2022			
	Sumitomo Mitsui Banking Corporation	August 31, 2018	1,000	1,000	0.509	August 31, 2022			
	MUFG Bank, Ltd.	August 31, 2018	400	400	0.509	August 31, 2022			
	Development Bank of Japan Inc.(Note 3)	August 31, 2018	1,600	1,600	0.498	August 31, 2022			
	Shinsei Bank, Ltd.	July 31, 2019	500	500	0.272	January31, 2023			
	Resona Bank, Ltd.(Note 5)	April 30, 2015	1,500	1,500	0.987	April 30, 2023			
	Sumitomo Mitsui Banking Corporation(Note 5)	August 31, 2017	1,500	1,500	0.501	February 28, 2023			
	MUFG Bank, Ltd.(Note 5)	August 31, 2017	1,500	1,500	0.501	February 28, 2023			
	Mizuho Bank, Ltd.(Note 5)	July 31, 2019	800	800	0.299	July 31, 2023			
	MUFG Bank, Ltd.(Note 5)	October 29, 2019	500	500	0.325	April 30, 2023			
	Shinsei Bank, Ltd.(Note 5)	January31, 2020	500	500	0.329	July 31, 2023			
	Mizuho Trust & Banking Co., Ltd.(Note 5)	January31, 2020	300	300	0.329	July 31, 2023			
	Sumitomo Mitsui Trust Bank, Limited(Note 5)	January31, 2020	300	300	0.329	July 31, 2023			
	THE BANK OF FUKUOKA, LTD.(Note 5)	January31, 2020	200	200	0.329	July 31, 2023			
	Mizuho Bank, Ltd.(Note 5)	August 10, 2021	500	500	0.291	February 28, 2023			
	Mizuho Trust & Banking Co., Ltd.(Note 5)	August 10, 2021	200	200	0.241	February 28, 2023			
	Subtotal		27,550	14,050					

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	Sumitomo Mitsui Banking Corporation	August 7, 2014	400	400	1.254	August 7, 2023	Repayment of principal in full on maturity date	(Note 4)	Unsecured/Unguaranteed
	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	January31, 2024			
	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			
	MUFG Bank, Ltd.(Note 3)	August 31, 2016	2,000	2,000	0.670	August 31, 2025			
	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				

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
	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			
	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			

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	Resona Bank, Ltd.	August 31, 2017	1,000	1,000	0.749	February 28, 2026	Repayment of principal in full on maturity date	(Note 4)	Unsecured/Unguaranteed			
	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						
	Nippon Life Insurance Company(Note 3)	September 28, 2018	700	700	0.920	September 30, 2026						
	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						
	Sumitomo Mitsui Banking Corporation	September 17, 2019	1,000	1,000	0.572	August 31, 2026						
	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						
	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							

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	Development Bank of Japan Inc. (Note 3)	June 30,2020	500	500	0.616	June 30,2028	Repayment of principal in full on maturity date	(Note 4)	Unsecured/Unguaranteed
	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.	January29,2021	1,000	1,000	0.599	January31,2028			
	Mizuho Bank, Ltd.	January29,2021	1,200	1,200	0.409	January31,2025			
	Mizuho Trust & Banking Co., Ltd.	January29,2021	1,100	1,100	0.359	January31,2025			
	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			
	Daishi Hokuetsu Bank, Ltd. (Note 3)	July 30,2021	500	500	0.350	January31,2027			
	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	January31,2030			
	MUFG Bank, Ltd.(Note 3)	July 30,2021	1,000	1,000	0.575	January31,2030			
	Nippon Life Insurance Company(Note 3)	July 30,2021	1,000	1,000	0.700	January31,2030			
	The Yamaguchi Bank, Ltd.	August 2,2021	800	800	0.358	February 28,2027			
	The Chugoku Bank, Ltd.	August 2,2021	500	500	0.358	February 28,2027			
	The 77 Bank, Ltd.	August 2,2021	500	500	0.358	February 28,2027			
	Aozora Bank, Ltd.	August 10,2021	350	350	0.533	February 28,2029			
	Resona Bank, Ltd.	August 10,2021	300	300	0.433	February 28,2029			
	Sumitomo Mitsui Banking Corporation	August 10,2021	1,200	1,200	0.585	February 28,2030			
	MUFG Bank, Ltd.(Note 3)	August 10,2021	1,200	1,200	0.575	February 28,2030			
	Development Bank of Japan Inc.(Note 3)	August 10,2021	1,000	1,000	0.638	August 31,2031			
	Aozora Bank, Ltd.	August 31,2021	500	500	0.540	February 28,2029			
	MUFG Bank, Ltd.(Note 3)	August 31,2021	600	600	0.525	February 28,2029			
	Sumitomo Mitsui Banking Corporation	August 31,2021	600	600	0.602	February 28,2030			
	The Chiba Bank, Ltd. (Note 3)	November 30,2021	600	600	0.325	November 30,2026			
	The Musashino Bank, Ltd. (Note 3)	November 30,2021	500	500	0.325	November 30,2026			
	THE BANK OF FUKUOKA, LTD.	December 10,2021	800	800	0.230	November 30,2023			
	The Hyakugo Bank, Ltd.	December 10,2021	500	500	0.314	November 30,2025			
	THE HACHIJUNI BANK, LTD.	December 10,2021	500	500	0.314	November 30,2025			
	The Shizuoka Bank, Ltd.	December 10,2021	200	200	0.314	November 30,2025			
	Aozora Bank, Ltd.(Note 3)	December 10,2021	1,000	1,000	0.529	May 31,2029			
THE NISHI-NIPPON CITY BANK, LTD.	December 10,2021	500	500	0.561	November 30,2029				
The Yamanashi Chuo Bank, Ltd.	December 10,2021	500	500	0.561	November 30,2029				
The Yamaguchi Bank, Ltd.	December 10,2021	1,000	1,000	0.631	November 30,2030				
The Bank of Yokohama, Ltd.	December 10,2021	700	700	0.631	November 30,2030				
Kansai Mirai Bank, Limited	December 10,2021	500	500	0.703	November 30,2031				
The Bank of Kyoto, Ltd.	December 10,2021	300	300	0.703	November 30,2031				
Sumitomo Mitsui Banking Corporation	April 28,2022	-	4,000	0.447	April 30, 2025				
Shinkin central bank	April 28,2022	-	1,500	0.466	October 31,2025				
The Keiyo Bank, Ltd.	April 28,2022	-	500	0.509	October 31,2026				
MUFG Bank, Ltd.(Note 3)	April 28,2022	-	1,000	0.225	October 31,2023				
Aozora Bank, Ltd.	April 28,2022	-	1,000	0.354	October 31,2024				
Daishi Hokuetsu Bank, Ltd.(Note 3)	April 28,2022	-	500	0.350	April 30,2027				
Aozora Bank, Ltd.	April 28,2022	-	1,500	0.632	October 31,2027				
Aozora Bank, Ltd.	April 28,2022	-	1,000	0.681	April 30,2028				
Nippon Life Insurance Company(Note 3)	April 28,2022	-	500	0.610	March 31,2029				
MUFG Bank, Ltd.(Note 3)	June 1,2022	-	300	0.225	November 30,2023				
Sumitomo Mitsui Trust Bank, Limited	June 1,2022	-	300	0.425	May 31,2026				
Mizuho Trust & Banking Co., Ltd.	June 1,2022	-	300	0.425	May 31,2026				
MUFG Bank, Ltd.(Note 3)	July 29,2022	-	900	0.225	January31,2024				
Sompo Japan Insurance Inc.(Note 3)	July 29,2022	-	1,000	0.380	August 31,2025				
Shinsei Bank, Ltd.	July 29,2022	-	1,100	0.550	July 31,2027				
	Subtotal		118,070	133,470					
	Total		148,120	151,920					

- (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 21st fiscal period, therefor included in long-term loans payable in the previous fiscal period.

(3) Investment Corporation Bonds

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

Series	Date of issue	Balance at the beginning of period (mil. Yen)	Balance at the end of period (mil. yen)	Interest rate (%)	Repayment date	Repayment method	Use	Remarks
Second Series Unsecured Investment Corporation Bonds	August 30, 2016	1,000	1,000	0.540	August 28, 2026	Repayment of principal in full on maturity date	(Note 1)	(Note 3)
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			
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		7,700	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 21st 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	H-29	Irise Kobe Rokko	March 1, 2022	1,200	—	—	—	—
Trust Beneficiary Interest	H-30	Excellent Hanayashiki Garden Hills	March 1, 2022	1,287	—	—	—	—
Trust Beneficiary Interest	T-103	KDX Residence Umejima	April 1, 2022	2,373	—	—	—	—
Trust Beneficiary Interest	R-47	Serenite Koshien Plie	April 1, 2022	770	—	—	—	—

Trust Beneficiary Interest	H-31	Excellent Takarazuka Garden Hills	April 1, 2022	2,340	–	–	–	–
Trust Beneficiary Interest	T-104	KDX Residence Mizonokuchi	April 15, 2022	2,781	–	–	–	–
Trust Beneficiary Interest	T-106	KDX Residence Tsudanuma II	May 20, 2022	920	–	–	–	–
Trust Beneficiary Interest	T-105	KDX Residence Hachioji Otsuka	June 1, 2022	1,490	–	–	–	–

(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	H-29	Irise Kobe Rokko	March 1, 2022	1,200	1,320	The Tanizawa Sōgō Appraisal Co., Ltd.	November 30, 2021
Acquisition	Trust Beneficiary Interest	H-30	Excellent Hanayashiki Garden Hills	March 1, 2022	1,287	1,370	The Tanizawa Sōgō Appraisal Co., Ltd.	November 30, 2021
Acquisition	Trust Beneficiary Interest	T-103	KDX Residence Umejima	April 1, 2022	2,373	2,590	Japan Real Estate Institute	December 1, 2021
Acquisition	Trust Beneficiary Interest	R-47	Serenite Koshien Plie	April 1, 2022	770	808	The Tanizawa Sōgō Appraisal Co., Ltd.	December 1, 2021
Acquisition	Trust Beneficiary Interest	H-31	Excellent Takarazuka Garden Hills	April 1, 2022	2,340	2,420	The Tanizawa Sōgō Appraisal Co., Ltd.	December 1, 2021
Acquisition	Trust Beneficiary Interest	T-104	KDX Residence Mizonokuchi	April 15, 2022	2,781	3,000	DAIWA REAL ESTATE APPRAISAL CO., LTD.	December 1, 2021
Acquisition	Trust Beneficiary Interest	T-106	KDX Residence Tsudanuma II	May 20, 2022	920	966	DAIWA REAL ESTATE APPRAISAL CO., LTD.	March 1, 2022
Acquisition	Trust Beneficiary Interest	T-105	KDX Residence Hachioji Otsuka	June 1, 2022	1,490	1,570	DAIWA REAL ESTATE APPRAISAL CO., LTD.	December 1, 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) 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 February 1, 2022 to July 31, 2022, the transactions subject to such investigation were a transaction for nine interest rate swap transactions, for which the Investment Corporation received reports from Ernst & Young ShinNihon LLC. With regard to interest rate swap, 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	13,161 million yen		– million yen	
Transaction with related party				
SMFL Mirai Partners Company	2,487 million yen	(18.9%)	– million yen	(– %)
Total	2,487 million yen	(18.9%)	– million yen	(– %)

(ii) Amounts of Fees Paid

Not applicable

(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.

(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.

The information on the Balance Sheet, the Profit and Loss Statement, the Statement of Unitholders’ Equity, Notes and the Calculation pertaining to Distributions for the 20th fiscal period are for reference only, and are not subject to the audit by the accounting auditor in accordance with the provisions of Article 130 of the Act on Investment Trusts and Investment Corporations in the 21st fiscal period.

In addition, the statement of cash flows is not subject to the audit by the accounting auditor in accordance with the provisions of Section 130 of the Act on Investment Trusts and Investment Corporations. Therefore, it has not been audited by the accounting auditor.

(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
21st Fiscal Period From February 1, 2022 to July 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

Not applicable

(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 21st fiscal period.

Date of approval	Items	Overview
February 17, 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.).
June 28, 2022	Entrustment of general administrative work for the issuance of investment corporation bonds	With respect to the comprehensive resolution on the issuance of investment corporation bonds approved on the same day, the candidate company was approved for the entrustment of general administrative work for the investment corporation bonds, and the decision on other necessary matters was left to the executive directors.

(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

(21st Fiscal Period: From February 1, 2022 to July 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 July 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 July 31, 2022, and its financial performance and its cash flows for the six-month period then 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.

Other Information

The other information comprises the information included in the Semi-annual Reports that contains audited financial statements but does not include the financial statements and our auditor's report thereon. Management is responsible for preparation and disclosure of the other information. The Supervisory Director is responsible for overseeing the Company's reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

October 25, 2022

/s/ Naohiko Sawabe

Naohiko Sawabe
Designated Engagement Partner
Certified Public Accountant

/s/ Masahiro Yawata

Masahiro Yawata
Designated Engagement Partner
Certified Public Accountant

KENEDIX RESIDENTIAL NEXT INVESTMENT CORPORATION

Balance Sheet

As of July 31, 2022

	21st Fiscal Period as of July 31, 2022	20th Fiscal Period as of January 31, 2022
(in thousands of yen)		
ASSETS		
Current assets		
Cash and deposits (Notes 8)	¥14,043,415	¥13,828,613
Cash and deposits in trust (Notes 8)	11,460,934	11,153,990
Operating accounts receivable	57,058	236,109
Prepaid expenses	16,867	10,310
Consumption taxes receivable	9,475	-
Other	8,062	5,272
Total current assets	25,595,814	25,234,296
Noncurrent assets		
Property, plant and equipment (Notes 17 and 22)		
Land	173,018	173,018
Buildings in trust	122,148,745	115,859,756
Accumulated depreciation	(18,830,347)	(17,273,700)
Buildings in trust, net	103,318,397	98,586,055
Structures in trust	1,465,983	1,335,781
Accumulated depreciation	(392,101)	(354,077)
Structures in trust, net	1,073,882	981,703
Machinery and equipment in trust	1,574,807	1,545,362
Accumulated depreciation	(521,625)	(486,797)
Machinery and equipment in trust, net	1,053,181	1,058,565
Tools, furniture and fixtures in trust	1,239,572	1,054,703
Accumulated depreciation	(211,213)	(176,789)
Tools, furniture and fixtures in trust, net	1,028,358	877,913
Land in trust	180,334,732	172,904,875
Total property, plant and equipment, net	286,981,571	274,582,133
Intangible assets		
Leasehold right in trust (Notes 17 and 22)	1,851,176	1,113,305
Other	905	1,681
Total intangible assets	1,852,082	1,114,987
Investments and other assets		
Investment securities (Notes 11 and 21)	-	109,688
Lease and guarantee deposits	89,348	89,381
Long-term prepaid expenses	940,044	1,016,936
Other	324,482	166,099
Total investments and other assets	1,353,875	1,382,104
Total noncurrent assets	290,187,529	277,079,225
Deferred assets		
Investment corporation bond issuance costs	44,100	48,069
Investment unit issuance costs	59,235	48,750
Total deferred assets	103,335	96,819
Total assets	¥315,886,678	¥302,410,342

	21st Fiscal Period as of July 31, 2022	20th Fiscal Period as of January 31, 2022
	(in thousands of yen)	
LIABILITIES		
Current liabilities		
Operating accounts payable	¥786,274	¥655,849
Short-term loans payable (Notes 24)	4,400,000	2,500,000
Current portion of long-term loans payable (Notes 10, 13 and 24)	14,050,000	19,750,000
Accounts payable-other	386,351	409,744
Accrued expenses	59,408	54,800
Income taxes payable	605	605
Accrued consumption taxes	16,126	31,944
Advances received	1,387,348	1,263,949
Deposits received	84,024	71,603
Other	100	6,636
Total current liabilities	21,170,239	24,745,132
Noncurrent liabilities		
Investment corporation bonds (Notes 10 and 23)	7,700,000	7,700,000
Long-term loans payable (Notes 10, 13 and 24)	133,470,000	125,870,000
Tenant leasehold and security deposits in trust	3,731,982	3,464,769
Tenant lump sum deposits in trust	4,414,784	4,671,456
Asset retirement obligations (Note 16)	68,451	68,264
Other	73,051	100,012
Total noncurrent liabilities	149,458,269	141,874,503
Total liabilities	170,628,508	166,619,636
NET ASSETS		
Unitholders' equity		
Unitholders' capital	125,564,617	116,322,630
Surplus		
Capital surplus	13,187,100	13,187,100
Voluntary retained earnings		
Reserve for temporary difference adjustments (Note 4)	1,860,000	1,880,000
Total voluntary retained earnings	1,860,000	1,880,000
Unappropriated retained earnings	4,393,566	4,335,589
Total surplus	19,440,666	19,402,689
Total unitholders' equity	145,005,284	135,725,319
Valuation and translation adjustments		
Deferred gains or losses on hedges (Notes 10 and 13)	252,885	65,386
Total valuation and translation adjustments	252,885	65,386
Total net assets (Note 3)	145,258,169	135,790,706
Total liabilities and net assets	¥315,886,678	¥302,410,342

See accompanying notes to the financial statements.

KENEDIX RESIDENTIAL NEXT INVESTMENT CORPORATION

Statement of Income and Retained Earnings

For the period from February 1, 2022 to July 31, 2022

	21st Fiscal Period from February 1, 2022 to July 31, 2022	20th Fiscal Period from August 1, 2021 to January 31, 2022
	(in thousands of yen)	
Operating revenues		
Rent revenue-real estate (Note 6)	¥8,790,331	¥8,434,013
Other lease business revenue (Note 6)	651,165	528,925
Gain on sales of real estate property (Note 6)	-	180,124
Dividends income	6,207	-
Total operating revenues	9,447,705	9,143,063
Operating expenses		
Expenses related to rent business (Note 6)	3,549,451	3,257,431
Asset management fees	675,353	684,755
Asset custody fees	15,846	15,460
Administrative service fees	52,332	51,082
Directors' compensation	4,500	5,400
Other operating expenses	299,578	288,082
Total operating expenses	4,597,062	4,302,212
Operating income	4,850,642	4,840,850
Non-operating income		
Interest income	46	42
Gain on forfeiture of unclaimed dividends	151	141
Total non-operating income	197	184
Non-operating expenses		
Interest expenses	523,531	533,039
Interest expenses on investment corporation bonds	26,386	26,994
Borrowing expenses	153,526	134,043
Amortization of investment corporation bond issuance costs	3,968	3,968
Amortization of investment unit issuance costs	20,728	23,027
Total non-operating expenses	728,141	721,074
Ordinary income	4,122,698	4,119,960
Income before income taxes	4,122,698	4,119,960
Income taxes (Note 15)		
Current	605	605
Total income taxes	605	605
Net income	4,122,093	4,119,355
Retained earnings brought forward	271,473	216,234
Unappropriated retained earnings	¥4,393,566	¥4,335,589

See accompanying notes to the financial statements.

KENEDIX RESIDENTIAL NEXT INVESTMENT CORPORATION

Statement of Changes in Net Assets

For the period from February 1, 2022 to July 31, 2022

	Unitholders' equity						
	Unitholders' capital	Capital surplus	Surplus		Unappropriated retained earnings	Total surplus	Total unitholders' equity
			Reserve for temporary difference adjustments	Total voluntary retained earnings			
(in thousands of yen)							
Balance as of July 31, 2021 (Note 7)	¥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 7)	¥116,322,630	¥13,187,100	¥1,880,000	¥1,880,000	¥4,335,589	¥19,402,689	¥135,725,319
Changes of items during the period							
Issuance of new investment units	9,241,987						9,241,987
Reversal of reserve for temporary difference adjustments			(20,000)	(20,000)	20,000	-	-
Dividends from surplus					(4,084,116)	(4,084,116)	(4,084,116)
Net income					4,122,093	4,122,093	4,122,093
Net changes of items other than unitholders' equity							
Total changes of items during the period	9,241,987	-	(20,000)	(20,000)	57,977	37,977	9,279,964
Balance as of July 31, 2022 (Note 7)	¥125,564,617	¥13,187,100	¥1,860,000	¥1,860,000	¥4,393,566	¥19,440,666	¥145,005,284

	Valuation and translation adjustments		
	Deferred gains or losses on hedges	Total valuation and translation adjustments	Total net assets
Balance as of July 31, 2021 (Note 7)	¥(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 7)	¥65,386	¥65,386	¥135,790,706
Changes of items during the period			
Issuance of new investment units			9,241,987
Reversal of reserve for temporary difference adjustments			-
Dividends from surplus			(4,084,116)
Net income			4,122,093
Net changes of items other than unitholders' equity	187,499	187,499	187,499
Total changes of items during the period	187,499	187,499	9,467,463
Balance as of July 31, 2022 (Note 7)	¥252,885	¥252,885	¥145,258,169

See accompanying notes to the financial statements.

KENEDIX RESIDENTIAL NEXT INVESTMENT CORPORATION

Statement of Cash Flows

For the period from February 1, 2022 to July 31, 2022

	21st Fiscal Period from February 1, 2022 to July 31, 2022	20th Fiscal Period from August 1, 2021 to January 31, 2022
	(in thousands of yen)	
Net cash provided by (used in) operating activities		
Income before income taxes	¥4,122,698	¥4,119,960
Depreciation and amortization	1,666,611	1,590,604
Amortization of investment corporation bond issuance costs	3,968	3,968
Amortization of investment unit issuance costs	20,728	23,027
Interest income	(46)	(42)
Interest expenses	549,917	560,034
Decrease (increase) in operating accounts receivable	179,050	(68,012)
Decrease (increase) in consumption taxes refund receivable	(9,475)	-
Decrease (increase) in prepaid expenses	(6,556)	5,512
Increase (decrease) in operating accounts payable	(66,422)	73,023
Increase (decrease) in accounts payable-other	(22,584)	(13,861)
Increase (decrease) in accrued consumption taxes	(15,817)	(34,076)
Increase (decrease) in advances received	123,398	60,395
Decrease (increase) in long-term prepaid expenses	76,891	(18,277)
Decrease in net property, plant and equipment held in trust due to sale	-	379,169
Other, net	15,539	15,389
Subtotal	6,637,902	6,696,814
Interest income received	46	42
Interest expenses paid	(551,245)	(560,700)
Income taxes (paid) refund	(2,422)	(604)
Net cash provided by (used in) operating activities	6,084,281	6,135,552
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	-	(351)
Purchase of property, plant and equipment in trust	(13,866,514)	(13,548,175)
Purchase of intangible assets in trust	(739,596)	-
Payments for lease and guarantee deposits	-	(109,688)
Proceeds from investment securities	107,000	-
Payments of lease and guarantee deposits	(120)	-
Proceeds from lease and guarantee deposits	153	-
Repayments of tenant leasehold and security deposits in trust	(146,972)	(126,302)
Proceeds from tenant leasehold and security deposits in trust	414,185	194,966
Repayments of tenant lump sum deposits in trust	(299,494)	(129,873)
Proceeds from tenant lump sum deposits in trust	42,822	230,795
Net cash provided by (used in) investing activities	(14,488,536)	(13,488,628)
Net cash provided by (used in) financing activities		
Proceeds from short-term loans payable	5,900,000	2,500,000
Repayments of short-term loans payable	(4,000,000)	-
Proceeds from long-term loans payable	15,400,000	15,850,000
Repayments of long-term loans payable	(13,500,000)	(8,450,000)
Redemption of investment corporation bonds	-	(1,000,000)
Proceeds from issuance of investment units	9,210,774	-
Dividends paid	(4,084,773)	(4,100,193)
Net cash provided by (used in) financing activities	8,926,001	4,799,806
Net increase (decrease) in cash and cash equivalents	521,746	(2,553,270)
Cash and cash equivalents at the beginning of period	24,982,604	27,535,874
Cash and cash equivalents at the end of period (Note 8)	¥25,504,350	¥24,982,604

See accompanying notes to the financial statements.

KENEDIX RESIDENTIAL NEXT INVESTMENT CORPORATION

Notes to Financial Statements

For the period from February 1, 2022 to July 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 five public offerings and four third-party allotment. As of July 31, 2022, the end of the 21st fiscal period, the number of investment units issued and outstanding totaled 1,045,758 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 21st fiscal period, the Investment Corporation acquired 5 residential properties (total acquisition price of ¥8,334 million) and 3 healthcare properties (total acquisition price of ¥4,827 million). As a result, the Investment Corporation has a portfolio comprised of 173 properties (total acquisition price of ¥290,730 million) as of July 31, 2022, the end of the 21st fiscal period. The portfolio consists of 140 residential properties (total acquisition price of ¥219,333 million), 31 healthcare properties (total acquisition price of ¥66,437 million) and 2 accommodation properties (total acquisition price of ¥4,960 million).

The occupancy rates of the overall portfolio were 97.3% and 97.5% as of the end of the 20th and 21st fiscal period, respectively.

During the 20th and 21st fiscal period, the Investment Corporation made borrowings of ¥8,450 million and ¥17,500 million for the repayment of debt matured. During the 21st fiscal period, the Investment Corporation made new borrowings of ¥3,800 million upon acquiring properties. As a result, the balance of borrowings as of the end of the 20th and 21st fiscal period stood at ¥148,120 million and ¥151,920 million, respectively. The balance of interest-bearing debt including investment corporation bonds as of the end of the 20th and 21st periods, was ¥155,820 million and ¥159,620 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 February 1, 2022 to July 31, 2022	From August 1, 2021 to January 31, 2022
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 ¥7,873 thousand and ¥35,972 thousand as of January 31, 2022 and July 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) Non-deductible 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. 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.

4. RESERVE FOR TEMPORARY DIFFERENCE ADJUSTMENTS

As of July 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	¥1,880,000	¥ -	¥20,000	¥1,860,000	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 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.

5. COMMITMENT LINE CONTRACTS

KDR has commitment line contracts with the following financial institutions

	As of July 31, 2022	As of January 31, 2022
(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

6. 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 February 1, 2022 to July 31, 2022 and from August 1, 2021 to January 31, 2022 consist of the following:

	From February 1, 2022 to July 31, 2022	From August 1, 2021 to January 31, 2022
(in thousands of yen)		
A. Rental and other operating revenues:		
Rental revenues	¥8,402,006	¥8,059,188
Common area charges	388,325	374,825
Subtotal	¥8,790,331	¥8,434,013
Others:		
Parking space rental revenues	216,894	211,358
Miscellaneous	434,271	317,566
Subtotal	651,165	528,925
Total rental and other operating revenues	¥9,441,497	¥8,962,938
B. Property-related expenses:		
Property management fees and facility management fees	¥ 502,201	¥ 461,343
Utilities	117,105	105,032
Taxes	573,379	532,192
Repairs and maintenance	398,804	316,759
Insurance	15,003	15,603
Trust fees	66,844	59,827
Depreciation	1,665,834	1,589,828
Others	210,278	176,844
Total property-related expenses	¥3,549,451	¥3,257,431
C. Net operating income from real estate rental business (A-B)	¥5,892,045	¥5,705,506

Gain on sales of real estate property:

From February 1, 2022 to July 31, 2022: Not applicable

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

7. UNITHOLDERS' EQUITY

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

	From February 1, 2022 to July 31, 2022	From August 1, 2021 to January 31, 2022
Total number of authorized investment units	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	1,045,758 units	995,883 units

8. CASH AND CASH EQUIVALENTS

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

	As of July 31, 2022	As of January 31, 2022
(in thousands of yen)		
Cash and deposits	¥14,043,415	¥13,828,613

Cash and deposits in trust	11,460,934	11,153,990
Cash and cash equivalents	¥25,504,350	¥24,982,604

9. 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 July 31, 2022 and January 31, 2022 are as follows:

	As of July 31, 2022	As of January 31, 2022
	(in thousands of yen)	
Due in 1 year	¥12,000	¥12,000
Due after 1 year	515,000	521,000
Total	¥527,000	¥533,000

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 July 31, 2022 and January 31, 2022 are as follows:

	As of July 31, 2022	As of January 31, 2022
	(in thousands of yen)	
Due in 1 year	¥4,152,082	¥5,941,594
Due after 1 year	18,725,548	14,709,787
Total	¥22,877,631	¥20,651,381

10. 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 4 months for borrowings and also have a redemption date of a maximum of 8 years and 10 months for investment corporation bonds as of July 31, 2022, the end of the 21st 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 July 31, 2022

	Carrying amount	Estimated fair value	Difference
	(in thousands of yen)		
(1) Current portion of long-term loans payable	¥14,050,000	¥14,044,551	¥ (5,448)
(2) Investment corporation bonds	7,700,000	7,667,450	(32,550)
(3) Long-term loans payable	133,470,000	133,463,068	(6,931)
Subtotal	155,220,000	155,175,069	(44,930)
Derivative transactions*	¥252,885	¥252,885	¥ -

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

As of January 31, 2022

	Carrying amount	Estimated fair value	Difference
	(in thousands of yen)		
(1) Current portion of long-term loans payable	¥19,750,000	¥19,745,024	¥ (4,975)
(2) Investment corporation bonds	7,700,000	7,658,870	(41,130)
(3) 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.

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

Liabilities

(1) Current portion of long-term loans payable and (3) 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.)

(2) Investment corporation bonds

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

Derivative transactions

Please refer to Note 13 "DERIVATIVE TRANSACTIONS".

Note 2: Investment in TK

21st Fiscal Period (February 1, 2022 to July 31, 2022): Not applicable

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

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 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.

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

As of July 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	14,050,000	18,850,000	21,350,000	23,300,000	21,500,000	48,470,000
Total	¥14,050,000	¥19,850,000	¥21,350,000	¥23,300,000	¥22,500,000	¥54,170,000

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

11. INVESTMENT SECURITIES

21st Fiscal Period (February 1, 2022 to July 31, 2022): 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.

12. REVENUE RECOGNITION

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

21st Fiscal Period (February 1, 2022 to July 31, 2022)

	Revenue from contracts with customers *	Net sales to external customers
Revenue from sale of real estate, etc.	— thousand yen	— thousand yen
Utility charge reimbursement	49,184 thousand yen	49,184 thousand yen

Other	— thousand yen	9,398,520 thousand yen
Total	49,184 thousand yen	9,447,705 thousand yen

* 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.

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

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.

	21st Fiscal Period (February 1, 2022 to July 31, 2022)	20th Fiscal Period (August 1, 2021 to January 31, 2022)
Receivables from contracts with customers (balance at beginning of fiscal year)	2,969 thousand yen	3,830 thousand yen
Receivables from contracts with customers (balance at end of fiscal year)	4,864 thousand yen	2,969 thousand yen
Contract assets (balance at beginning of fiscal year)	-	-
Contract assets (balance at end of fiscal year)	-	-
Contract liabilities (balance at beginning of fiscal year)	-	-
Contract liabilities (balance at end of fiscal year)	-	-

(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.

13. DERIVATIVE TRANSACTIONS

The contract amount and the fair value of interest-rate swap transactions as of July 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	¥98,020,000	¥90,520,000	¥252,885	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	16,700,000	12,450,000	*	-
	Total		¥114,720,000	¥102,970,000	¥252,885	-

*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 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.

14. RELATED-PARTY TRANSACTIONS

1. Parent Company, major corporate unitholders and other

21st Fiscal Period (February 1, 2022 to July 31, 2022) and 20th Fiscal Period (August 1, 2021 to January 31, 2022): Not applicable

2. Affiliated companies and other

21st Fiscal Period (February 1, 2022 to July 31, 2022) and 20th Fiscal Period (August 1, 2021 to January 31, 2022): Not applicable

3. Fellow subsidiary companies and other

21st Fiscal Period (February 1, 2022 to July 31, 2022) and 20th Fiscal Period (August 1, 2021 to January 31, 2022): Not applicable

4. Directors, major individual unitholders and other

21st Fiscal Period (February 1, 2022 to July 31, 2022) and 20th Fiscal Period (August 1, 2021 to January 31, 2022): Not applicable

15. 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 ¥4,288 million and ¥4,084 million for the periods ended July 31, 2022 and January 31, 2022, 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 July 31, 2022 and January 31, 2022. The following table summarizes the significant differences between the statutory tax rate and the effective tax rate.

	From February 1, 2022 to July 31, 2022	From August 1, 2021 to January 31, 2022
Statutory tax rate	31.46%	31.46%
Deductible cash distributions	(31.08)	(31.10)
Others	(0.37)	(0.35)
Effective tax rate	0.01%	0.01%

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

	As of July 31, 2022	As of January 31, 2022
	(in thousands of yen)	
Deferred tax assets:		
Valuation difference on assets acquired by merger	¥611,183	¥628,384
Deferred gains or losses on hedges	23,013	31,684
Asset retirement obligations	21,534	21,476
Amortization of leasehold right in trust	3,436	2,894
Other	20	20
Subtotal deferred tax assets	659,189	684,459
Valuation allowance	(659,189)	(684,459)
Total deferred tax assets	¥ -	¥ -
Net deferred tax assets	¥ -	¥ -

16. 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 February 1, 2022 to July 31, 2022	From August 1, 2021 to January 31, 2022
	(in thousands of yen)	
Balance at the beginning of period	¥68,264	¥68,078
Accretion adjustment	186	186
Balance at the end of period	¥68,451	¥68,264

17. 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.

	21st Fiscal Period from February 1, 2022 to July 31, 2022	20th Fiscal Period from August 1, 2021 to January 31, 2022
	(in thousands of yen)	
Book value		
Balance at the beginning of period	¥275,695,438	¥264,204,787
Changes during the period	13,137,309	11,490,651
Balance at the end of period	288,832,748	275,695,438
Fair value at the end of period	¥365,903,000	¥344,484,000

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 21st fiscal period, the principal increase was the acquisition of real estate trust beneficiary interests in 8 properties totaling ¥13,990,070 thousand, and the principal decrease was depreciation of ¥1,665,648 thousand and 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.

Note 3: The fair value is the appraisal value or the survey value determined by outside appraisers.

Income and loss in the fiscal periods ended July 31, 2022 and January 31, 2022 for real estate for rental purposes is listed in Note 6 "BREAKDOWN OF RENTAL AND OTHER OPERATING REVENUES, PROPERTY-RELATED EXPENSES AND GAIN ON SALES OF REAL ESTATE PROPERTY"

18. SEGMENT AND RELATED INFORMATION

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

19. PER UNIT INFORMATION

	From February 1, 2022 to July 31, 2022	From August 1, 2021 to January 31, 2022
Net asset value per unit	¥138,902	¥136,352
Net income per unit	¥3,966	¥4,136
Weighted average number of units (units)	1,039,237	995,883

The weighted average number of units outstanding of 1,039,237 and 995,883 were used for the computation of the amount of net income per unit as of July 31, 2022 and January 31, 2022, 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 February 1, 2022 to July 31, 2022	From August 1, 2021 to January 31, 2022
Net income (in thousands of yen)	¥4,122,093	¥4,119,355
Net income not available to ordinary unitholders (in thousands of yen)	-	-
Net income available to ordinary unitholders (in thousands of yen)	¥4,122,093	¥4,119,355
Weighted average number of units during the period (units)	1,039,237	995,883

20. SIGNIFICANT SUBSEQUENT EVENTS

Not applicable

21. SECURITIES PORTFOLIO

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

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

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.

22. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASETS

Property, plant and equipment consist of the following as of July 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	¥173,018	¥ -	¥ -	¥173,018	¥ -	¥ -	¥173,018	
Sub total	173,018	-	-	173,018	-	-	173,018	
Buildings in trust	115,859,756	6,288,988	-	122,148,745	18,830,347	1,556,646	103,318,397	Notes 1 and 2
Structures in trust	1,335,781	130,202	-	1,465,983	392,101	38,024	1,073,882	
Machinery and equipment in trust	1,545,362	29,444	-	1,574,807	521,625	34,828	1,053,181	
Tools, furniture and fixtures in trust	1,054,703	184,869	-	1,239,572	211,213	34,424	1,028,358	
Land in trust	172,904,875	7,429,856	-	180,334,732	-	-	180,334,732	Notes 1 and 2
Sub total	292,700,479	14,063,361	-	306,763,840	19,955,287	1,663,923	286,808,552	
Total	292,873,498	14,063,361	-	306,936,859	19,955,287	1,663,923	286,981,571	
Intangible assets								
Leasehold right in trust	1,122,504	739,596	-	1,862,101	10,924	1,724	1,851,176	
Other	7,762	-	-	7,762	6,857	776	905	
Total	¥1,130,267	¥739,596	¥ -	¥1,869,864	¥17,781	¥2,501	¥1,852,082	

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 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.

23. INVESTMENT CORPORATION BONDS

Outstanding Investment corporation bonds as of July 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)						
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		¥7,700,000	¥ -	¥ 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 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

24. SHORT-TERM DEBT AND LONG-TERM DEBT

Short-term debt and long-term debt consist of the following as of July 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	¥-	0.379%	April 30, 2022		
	Sumitomo Mitsui Banking Corporation	2,000,000	-	2,000,000	-	0.379%	April 30, 2022		
	Sumitomo Mitsui Banking Corporation	-	1,500,000	1,500,000	-	0.380%	April 30, 2022	(Note 6)	Unsecured/ Unguaranteed
	Mizuho Bank, Ltd.	-	2,000,000	-	2,000,000	0.327%	March 31, 2023		
	Sumitomo Mitsui Banking Corporation	-	900,000	-	900,000	0.326%	April 30, 2023		
	Sumitomo Mitsui Banking Corporation	-	1,200,000	-	1,200,000	0.330%	June 30, 2023		
	Mizuho Bank, Ltd.	-	300,000	-	300,000				
	Sub total	2,500,000	5,900,000	4,000,000	4,400,000				
Current Portion of Long-Term Loans Payable	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	-	0.425%	February 28, 2022		
	Sumitomo Mitsui Banking Corporation	500,000	-	500,000	-				
	Mizuho Bank, Ltd.	950,000	-	-	950,000	1.083%	November 30, 2022		
	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 Banking Corporation	1,000,000	-	-	1,000,000	0.509%	August 31, 2022		
	MUFG Bank, Ltd.	400,000	-	-	400,000				
	Development Bank of Japan Inc.	1,600,000	-	-	1,600,000	0.498% (Note 5)	August 31, 2022	(Note 6)	Unsecured/ Unguaranteed
	Shinsei Bank, Limited	500,000	-	-	500,000	0.272%	January 31, 2023		
	Resona Bank, Limited (Note 2)	1,500,000	-	-	1,500,000	0.987%	April 30, 2023		
	Sumitomo Mitsui Banking Corporation (Note 2)	1,500,000	-	-	1,500,000	0.501%	February 28, 2023		
	MUFG Bank, Ltd. (Note 2)	1,500,000	-	-	1,500,000				
	Mizuho Bank, Ltd. (Note 2)	800,000	-	-	800,000	0.299%	July 31, 2023		
MUFG Bank, Ltd. (Note 2)	500,000	-	-	500,000	0.325%	April 30, 2023			
Shinsei Bank, Limited (Note 2)	500,000	-	-	500,000					
Mizuho Trust & Banking Co., Ltd. (Note 2)	300,000	-	-	300,000	0.329%	July 31, 2023			
Sumitomo Mitsui Trust Bank, Limited (Note 2)	300,000	-	-	300,000					
The Bank of Fukuoka, Ltd. (Note 2)	200,000	-	-	200,000					
Mizuho Bank, Ltd. (Note 2)	500,000	-	-	500,000	0.291%				
Mizuho Trust & Banking Co., Ltd. (Note 2)	200,000	-	-	200,000	0.241%	February 28, 2023			
Sub total	27,550,000	-	13,500,000	14,050,000					

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 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		
	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		
	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				
Long-Term Loans Payable	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)			
	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				
	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				
	Mizuho Trust & Banking Co., Ltd.	1,200,000	-	-	1,200,000				
	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				
	The Bank of Fukuoka, Ltd.	500,000	-	-	500,000				
	Aozora Bank, Ltd.	1,500,000	-	-	1,500,000				
	Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	0.582%	February 29, 2024		
	MUFG Bank, Ltd.	1,000,000	-	-	1,000,000				
	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				
	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		

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	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				
Aozora Bank, Ltd.	1,000,000	-	-	1,000,000	0.592%	August 31, 2023		
MUFG Bank, Ltd.	800,000	-	-	800,000				
Sumitomo Mitsui Banking Corporation	1,050,000	-	-	1,050,000				
Resona Bank, Limited	500,000	-	-	500,000				
Sumitomo Mitsui Trust Bank, Limited	500,000	-	-	500,000	0.914%	February 28, 2027		
Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000				
Mizuho Bank, Ltd.	250,000	-	-	250,000				
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)			
Nippon Life Insurance Company	700,000	-	-	700,000	0.920% (Note 5)	September 30, 2026	(Note 6)	Unsecured/ Unguaranteed
Shinsei Bank, Limited	1,000,000	-	-	1,000,000				
Sumitomo Mitsui Trust Bank, Limited	800,000	-	-	800,000	1.031%	September 30, 2028		
Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000				
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		
Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	0.572%	August 31, 2026		
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		
Mizuho Bank, Ltd.	500,000	-	-	500,000				
Sumitomo Mitsui Trust Bank, Limited	500,000	-	-	500,000	0.259%	February 29, 2024		
Sumitomo Mitsui Banking Corporation	500,000	-	-	500,000	0.464%			
Mizuho Bank, Ltd.	500,000	-	-	500,000				
Resona Bank, Limited	500,000	-	-	500,000		February 28, 2027		
Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000	0.414%			
The Bank of Fukuoka, Ltd.	400,000	-	-	400,000				
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				

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)							
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%			
Shinsei Bank, Limited	1,750,000	-	-	1,750,000				
MUFG Bank, Ltd.	1,000,000	-	-	1,000,000				
Mizuho Bank, Ltd.	500,000	-	-	500,000		July 31, 2028		
Resona Bank, Limited	500,000	-	-	500,000	0.641%			
Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000				
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%			
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				
Mizuho Bank, Ltd.	800,000	-	-	800,000	0.658%			
Mizuho Bank, Ltd.	1,330,000	-	-	1,330,000		September 30, 2028		
Resona Bank, Limited	500,000	-	-	500,000	0.558%			
Mizuho Trust & Banking Co., Ltd.	400,000	-	-	400,000	0.608%			
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	(Note 6)	Unsecured/ Unguaranteed
Mizuho Bank, Ltd.	1,200,000	-	-	1,200,000	0.409%			
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)			
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				
The Chugoku Bank, Ltd.	500,000	-	-	500,000	0.358%	February 28, 2027		
The 77 Bank, Ltd.	500,000	-	-	500,000				
Aozora Bank, Ltd.	350,000	-	-	350,000	0.533%			
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		
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		

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)							
The Chiba Bank, Ltd.	600,000	-	-	600,000	0.325% (Note 5)	November 30, 2026		
The Musashino Bank, Ltd.	500,000	-	-	500,000				
The Bank of Fukuoka, Ltd.	800,000	-	-	800,000	0.230%	November 30, 2023		
The Hyakugo Bank, Ltd.	500,000	-	-	500,000				
THE HACHIJUNI BANK, LTD.	500,000	-	-	500,000	0.314%	November 30, 2025		
The Shizuoka Bank, Ltd.	200,000	-	-	200,000				
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				
The Yamaguchi Bank, Ltd.	1,000,000	-	-	1,000,000	0.631%	November 30, 2030		
The Bank of Yokohama, Ltd.	700,000	-	-	700,000				
Kansai Mirai Bank, Limited	500,000	-	-	500,000	0.703%	November 30, 2031		
The Bank of Kyoto, Ltd.	300,000	-	-	300,000			(Note 6)	Unsecured/Unguaranteed
Sumitomo Mitsui Banking Corporation	-	4,000,000	-	4,000,000	0.447%	April 30, 2025		
Shinkin Central Bank	-	1,500,000	-	1,500,000	0.466%	October 31, 2025		
The Keiyo Bank, Ltd	-	500,000	-	500,000	0.509%	October 31, 2026		
MUFG Bank, Ltd	-	1,000,000	-	1,000,000	0.225% (Note 5)	October 31, 2023		
Aozora Bank, Ltd	-	1,000,000	-	1,000,000	0.354%	October 31, 2024		
Daishi Hokuetsu Bank, Ltd.	-	500,000	-	500,000	0.350% (Note 5)	April 30, 2027		
Aozora Bank, Ltd	-	1,500,000	-	1,500,000	0.632%	October 31, 2027		
Aozora Bank, Ltd	-	1,000,000	-	1,000,000	0.681%	April 30, 2028		
Nippon Life Insurance Company	-	500,000	-	500,000	0.610% (Note 5)	March 31, 2029		
MUFG Bank, Ltd.	-	300,000	-	300,000	0.225% (Note 5)	November 30, 2023		
Sumitomo Mitsui Trust Bank, Limited	-	300,000	-	300,000	0.425%	May 31, 2026		
Mizuho Trust & Banking Co., Ltd.	-	300,000	-	300,000				
MUFG Bank, Ltd.	-	900,000	-	900,000	0.225% (Note 5)	January 31, 2024		
Sompo Japan Insurance Inc.	-	1,000,000	-	1,000,000	0.380% (Note 5)	August 31, 2025		
Shinsei Bank, Limited	-	1,100,000	-	1,100,000	0.550%	July 31, 2027		
Sub total	118,070,000	15,400,000	-	133,470,000				
Total	¥148,120,000	¥21,300,000	¥17,500,000	¥151,920,000				

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
Long-term loans payable	¥ 18,850,000	¥ 21,350,000	¥ 23,300,000	¥ 21,500,000	¥ 48,470,000

(in thousands of yen)

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 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.

25. DISTRIBUTIONS

	21st Fiscal Period (From February 1, 2022 to July 31, 2022)	20th Fiscal Period (From August 1, 2021 to January 31, 2022)
I. Retained earnings at the end of period	¥4,393,566,974	¥4,335,589,580
II. Reversal of voluntary retained earnings		
Reversal of reserve for temporary difference adjustments (Note 1)	¥20,000,000	¥20,000,000
III. Total distributions	¥4,288,653,558	¥4,084,116,183
Distributions per unit	¥4,101	¥4,101
IV. Retained earnings brought forward to the next period	¥124,913,416	¥271,473,397
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 ¥4,288,653,558, which is the amount of ¥4,122,093,577 in net income and ¥146,559,981 from retained earnings brought forward and 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 21st 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 ¥4,084,116,183, 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 20th fiscal period, the Investment Corporation has decided not to distribute cash in excess of distributable profit.</p>

Note 1: Reserve for temporary difference adjustments

21st Fiscal Period (February 1, 2022 to July 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 21st fiscal period distribution.

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.