

# TŌSEI



For the Fiscal Period Ended October 31, 2017 (6th Fiscal Period)

# IR Presentation

Securities Code: 3451

**Tosei Reit Investment Corporation**

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# Overview of Financial Results and Earnings Forecast

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# Overview of the 6th Fiscal Period

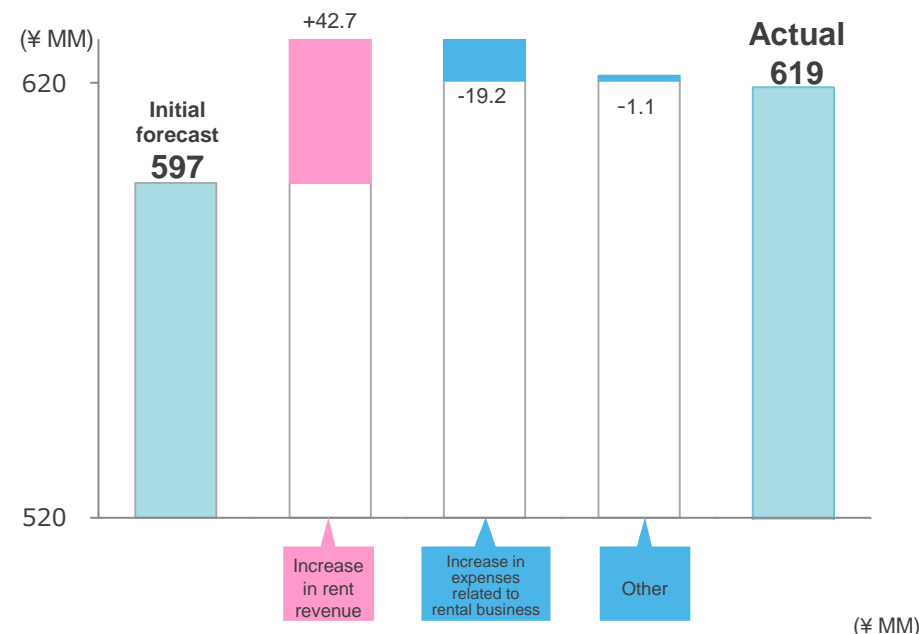
- Compared with initial forecast, operating revenue is +2.7% at ¥1,633 MM and net income is +3.8% at ¥619 MM.
- This is due to the occupancy rate outperforming expectations and the upturn of rent and common service income.

## ■ Results for the 6th Fiscal Period

(¥ MM)

	Period Ended April 30, 2017 (5th Fiscal Period)	Period Ended October 31, 2017 (6th Fiscal Period)		
		Forecast Announced Jun. 15, 2017	Actual result	Difference from Forecast
Days in operation	181	184	184	—
Operating revenue	1,616	1,590	1,633	+2.7%
Operating income	791	734	754	+2.8%
Ordinary income	658	598	620	+3.7%
Net income	657	597	619	+3.8%
Cash distribution per unit (yen)	3,592	3,259	3,382	+3.8%
Total assets	40,291	—	40,351	—
LTV	46.4 %	—	46.3 %	—

## ■ Main Factors of Changes in Net Income (compared with initial forecast)



Increase in rent revenue (of which +¥10.7 was for residential properties, +¥5.8 for offices, +¥2.1 for retail facilities, +¥13.8 for revenue from construction to restore properties to original state, +¥2.7 for revenue from cancellation penalties)	+42.7
Increase in expenses related to rental business (of which -¥2.6 was for increases in PM and BM fees, +¥5.1 for decrease in utility costs (electricity), -¥17.7 for increase in repair costs, +¥0.3 for decrease in taxes and public dues)	-19.2
Other (Increase in depreciation of -¥1.4, increase in G&A expenses of -¥1.5, increase in non-operating income of +¥2.5 and increase in non-operating expenses of -¥0.7)	-1.1

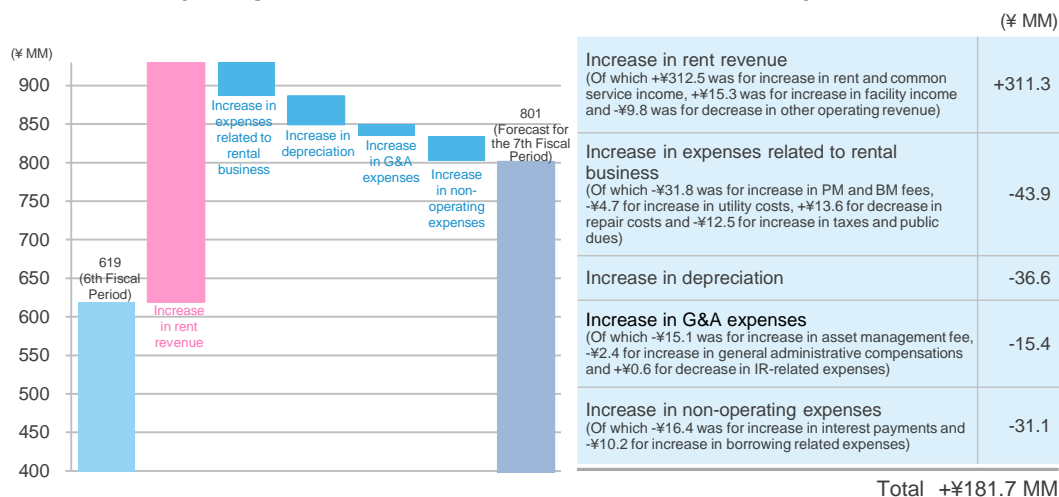
# Earnings Forecast for the 7th and 8th Fiscal Periods

## ■ Earnings Forecast for the 7th and 8th Fiscal Periods

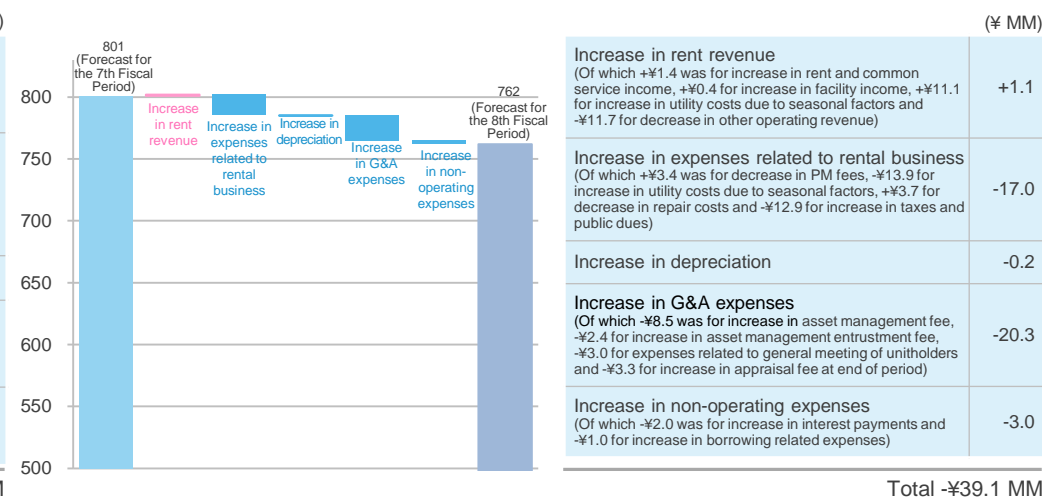
(¥ MM)

	Results for the Period Ended October 31, 2017 (6th Fiscal Period)	Forecast for the Period Ending April 30, 2018 (7th Fiscal Period)				Forecast for the Period Ending October 31, 2018 (8th Fiscal Period)	Compared with 7th period forecast
		Initial forecast (Announced Jun. 15, 2017)	Recent Forecast (Announced Oct. 13, 2017)	Compared with 6th period actual	Compared with initial forecast		
Operating revenue	1,633	1,560	1,944	+19.1%	+24.6%	1,945	+0.1%
Operating income	754	722	970	+28.5%	+34.4%	934	-3.7%
Net income	619	586	801	+29.3%	+36.6%	762	-4.9%
Cash distribution per unit (yen)	3,382	3,202	3,419	+1.1%	+6.8%	3,252	-4.9%

## ■ Main Factors for Change in 7th Fiscal Period Net Income Forecast (compared with 6th Fiscal Period Results)



## ■ Main Factors for Change in 8th Fiscal Period Net Income Forecast (compared with 7th Fiscal Period Forecast)

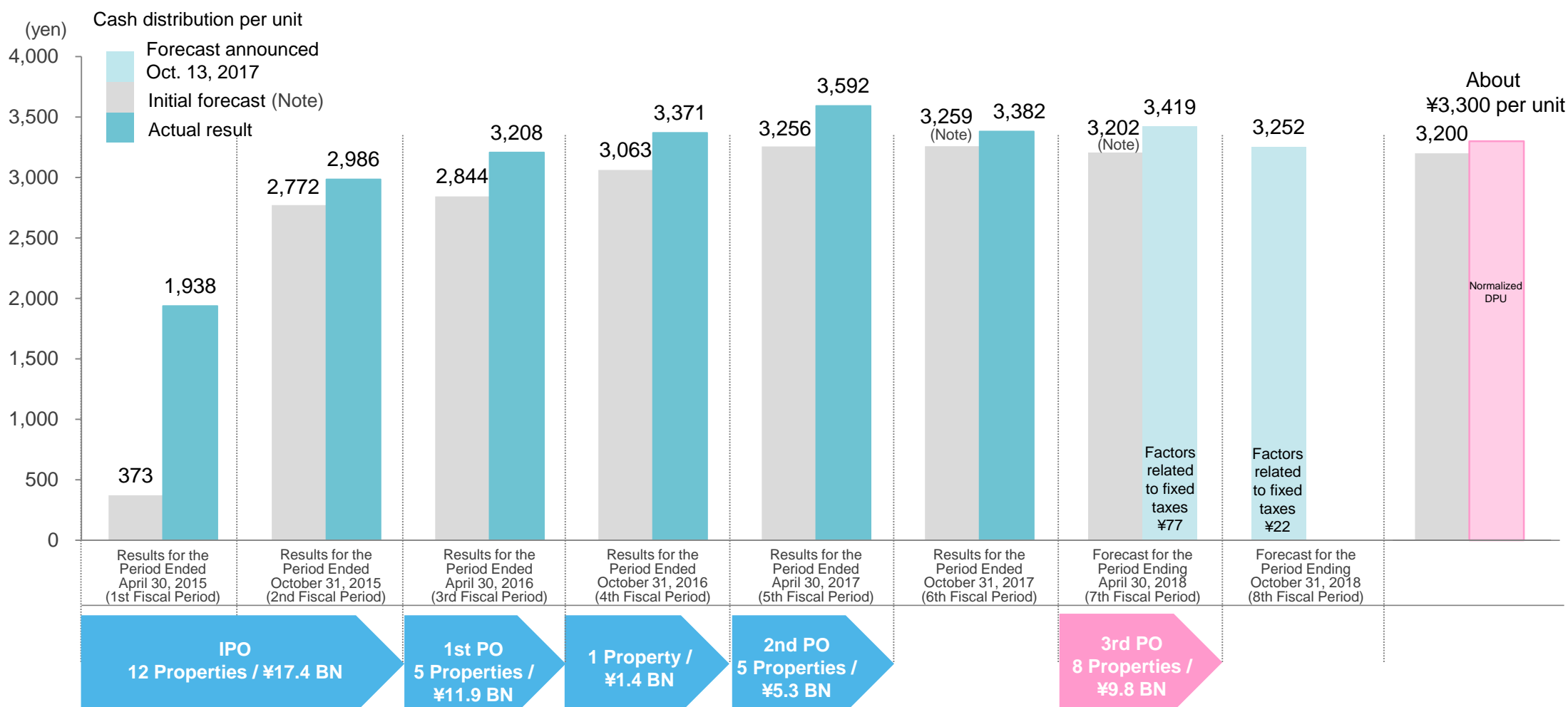


### Notes:

- Cash distributions for the fiscal periods ending April 30, 2018 and October 31, 2018 are forecasts and are subject to change as a result of future acquisitions or sale of real estate, as well as fluctuations in the real estate market environment and other circumstances relevant to Tosei Reit. Moreover, these forecasts do not constitute a guarantee of the amount to be distributed.
- Rent revenue for the fiscal periods ending April 30, 2018 and October 31, 2018, are figures that factor in departures based on the cancellation notices received at the point of announcement for offices, and assume that the offices in question remain empty after departure for the period in question.

# Cash Distribution per Unit

- Actual result for the 6th Fiscal Period was ¥3,382, up ¥123 (+3.8%) from forecasts.
- Forecast cash distributions for the 7th Fiscal Period was adjusted upwards (¥3,202 to ¥3,419) in accordance with property acquisitions.
- Normalized DPU is expected to increase to around ¥3,200 to ¥3,300.



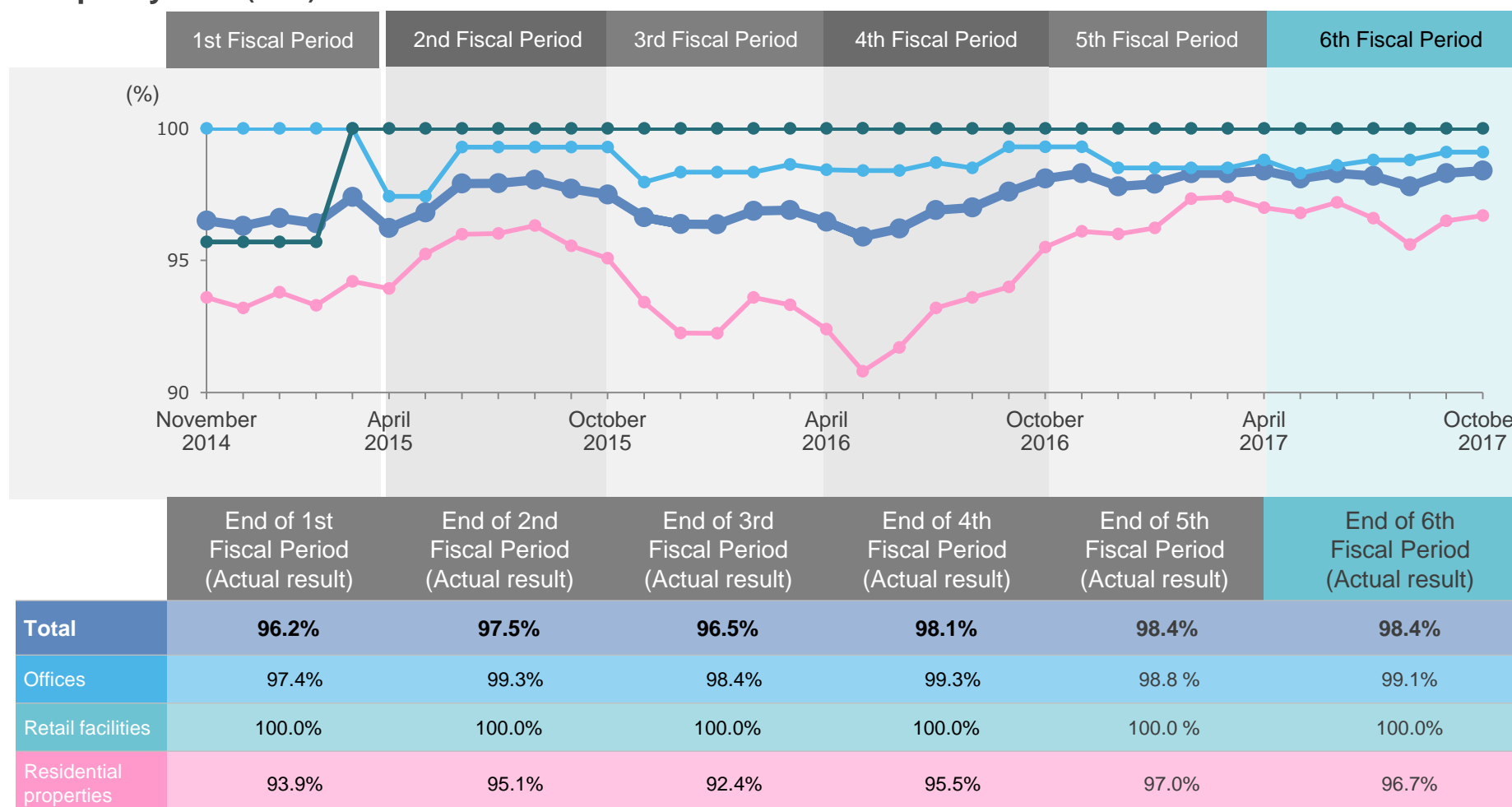
(Note) The figure announced first is listed as the initial forecast. The initial forecasts for the fiscal period ended in October 2017 (6th Fiscal Period) and the fiscal period ending April 2018 (7th Fiscal Period) listed above were released on June 15, 2017.

# Operating Results

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- Occupancy rate at the end of the 6th Fiscal Period maintained a high level of 98.4% with the contribution of the increased occupancy rate of office properties.
- Occupancy rate of residential properties temporarily fell to 95.6% at the end of August but recovered to 96.7% by the end of the period.

## ■ Occupancy Rate (Note)



(Note) The occupancy rate is the ratio of leased area to leasable area.



## ● New / Cancelled Rents

- In the 6th Fiscal Period there were 64 new contracts and 64 cancellations and a difference of +¥0.5 MM in monthly rent.

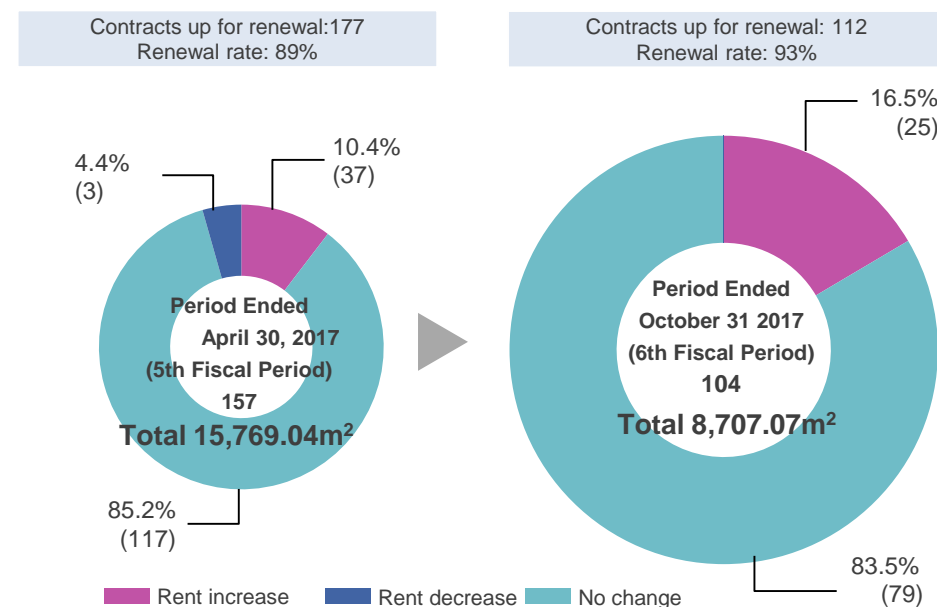
## ● Rent Revision

- In the 6th Fiscal Period, 112 contracts came up for renewal and the renewal rate was 93%. For 25 out of the 112, we succeeded in raising rents.
- The rate of increased rents (based on leased area) rose from 10.4% to 16.5% and the rate of increase also increased from the previous period.

## ■ New / Cancelled Rents (6th Fiscal Period)

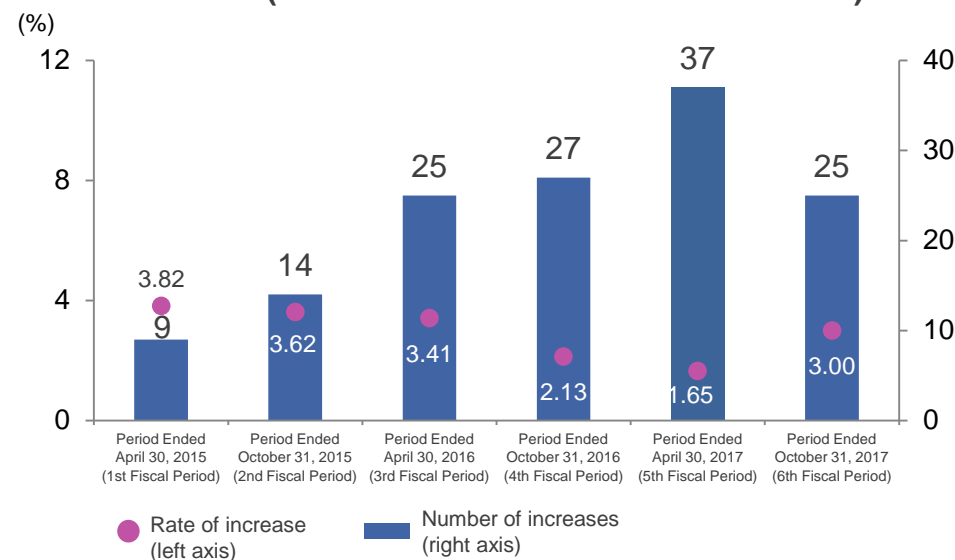
		Offices	Retail facilities	Residential properties	Total
New contracts	Number of contracts	6	1	57	64
	Contracted area (m <sup>2</sup> )	840.97	575.78	2,308.20	3,724.95
	Monthly rent (¥ MM)	2.5	1.4	6.6	10.5
Cancellations	Number of contracts	5	1	58	64
	Contracted area (m <sup>2</sup> )	703.60	575.78	2,396.22	3,675.60
	Monthly rent (¥ MM)	2.1	1.3	6.6	10.0
Change	Number of contracts	1	0	-1	0
	Contracted area (m <sup>2</sup> )	137.37	0	-88.02	49.35
	Monthly rent (¥ MM)	0.4	0.1	0	0.5

## ■ Rent Revision Comparison (leased area basis)



(Note) For the 5th Fiscal Period, figures used exclude renewal of fixed-rent master leases for the Tama-Center Tosei Building.

## ■ Rent Increases (number of increases / rate of increase)



- Initiatives to shorten vacancy periods of vacated spaces through early leasing activities are in place in order to minimize impact of decrease of rent revenue from cancellations
- The occupancy rate of Tama-Center Tosei Building is expected to be around 81.3% at the end of the 7th Fiscal Period.

## ■ Vacancy Period for Tenant Replacements at Major Office Properties

Name of Property	Date of Cancellation	Contract Start Date	Vacancy Period
Kannai Tosei Building (1)	Apr. 30, 2017	Jul. 1, 2017	61 days
Shin Yokohama Center Building	May 14, 2017	Jun. 15, 2017	31 days
Kannai Tosei Building (2)	Jul. 31, 2017	Aug. 1, 2017	0 day
Nishidai NC Building (Part of vacated space)	Jul. 31, 2017	Sep. 1, 2017	31 days
Nihonbashi-Hamacho Building	Oct. 31, 2017	Dec. 1, 2017	30 days

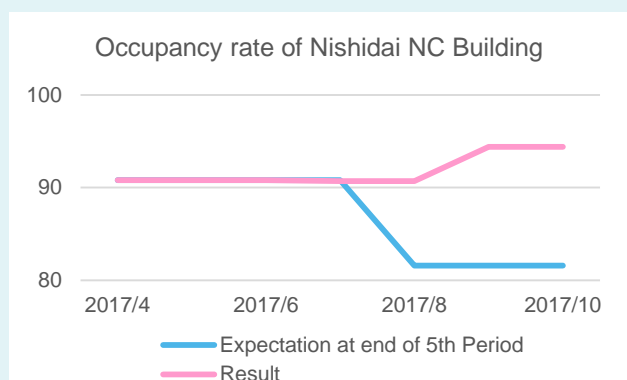
## ■ Main Change in Occupancy Rates

Name of Property	End of 5th Period	End of 6th Period	Change in Leased Area
Gekkocho Apartment	93.1%	100.0%	+95.86
Nishidai NC Building	90.8%	94.4%	+136.67m <sup>2</sup>
Live Akabane	97.2%	100.0%	+109.51m <sup>2</sup>
Hakusan Asanomi Building	91.7%	91.7%	0.00m <sup>2</sup>
Avenir Shirotae	100.0%	93.6%	-159.57m <sup>2</sup>

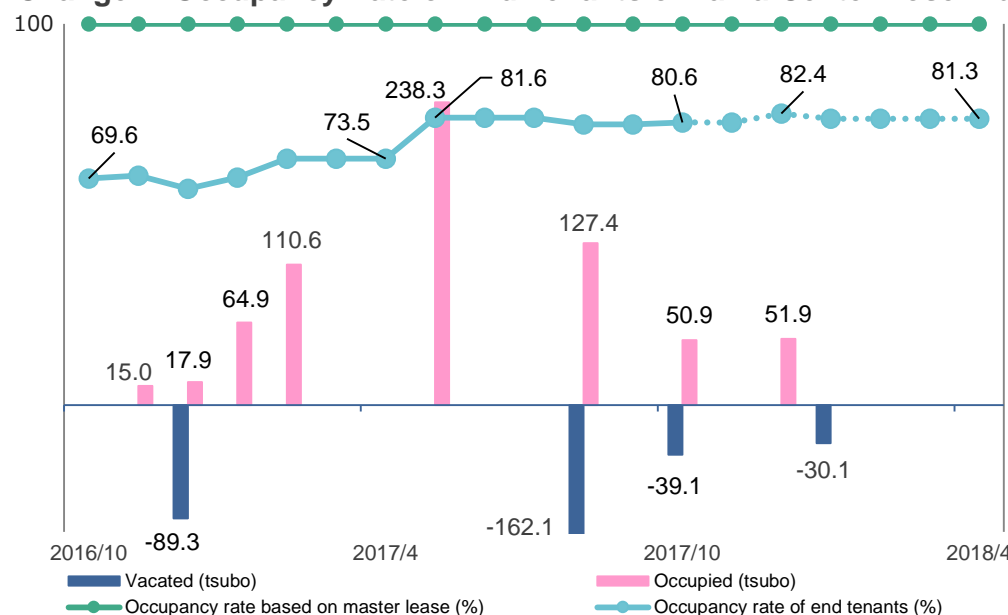
## ■ Nishidai NC Building



Secured occupancy rate exceeding expectation at the end of the 5th Fiscal Period



## ■ Change in Occupancy Rate of End Tenants of Tama-Center Tosei Building



# Investment to Improve Property Value and Occupancy Rate

- Capital expenditure in the 6th Fiscal Period was ¥51.9 MM
- In addition to restoring properties to their original state, some residential rooms were refurbished

## ■ Update to Already-Furnished Offices: **SEA SCAPE Chiba Minato**

Waiting space was newly established. A lease agreement was concluded with a new tenant soon after construction completed as they approved of the design and setup.

after



before



## ■ Indoor Refurbishment: **Prime Garden**

In addition to restoring the property to its original state, refurbishments using accent wallpaper and Ryukyu-style tatami were implemented as well as replacement of plumbing. This contributed to increasing asking rent and maintaining a high occupancy rate.

after



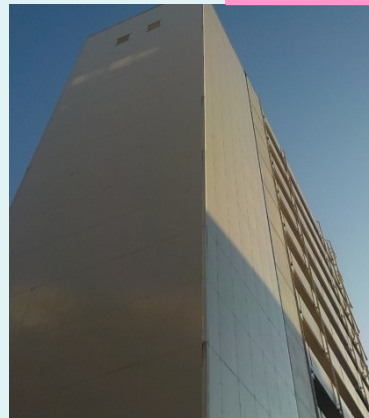
before



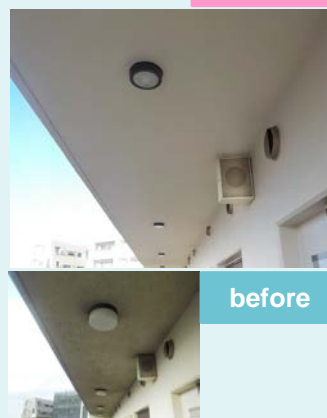
## ■ Large-Scale Repair Work: **Dormitory Haramachida**

Implemented painting of exterior walls, waterproofing and other work and replacement of lighting equipment (to LED lighting).

after



after



before

Period of  
implementation

7th Fiscal Period  
(Work completed in Nov. 2017)

Construction costs: Approx. ¥41 MM

## Capital Expenditure and Amortization (¥ MM)

	1st Fiscal Period	2nd Fiscal Period	3rd Fiscal Period	4th Fiscal Period	5th Fiscal Period	6th Fiscal Period
Capital expenditure	2.3	31.6	32.1	50.4	47.3	51.9
Depreciation	90.5	91.6	159.2	168.4	207.9	204.0

## Breakdown of Capital Expenditure (1st Fiscal Period to 6th Fiscal Period, cumulative ¥ MM)

Details of investment	Value	%
Air-conditioning work	85.4	39.6%
Electrical and other facilities	76.8	35.6%
Mechanical parking facility	23.9	11.1%
Refurbishment / Enhancement work	29.7	13.8%

## ■ Increase of NOI through Change of Power Supplier

- Changed power supplier of one office property in the 6th Fiscal Period

Effect of  
Change  
(6th Period)

Cost reduction of approx. ¥400,000  
(Reduction rate of 12.8%)

- Changed power supplier of all office properties owned as of the end of the 6th Fiscal Period (9 properties).

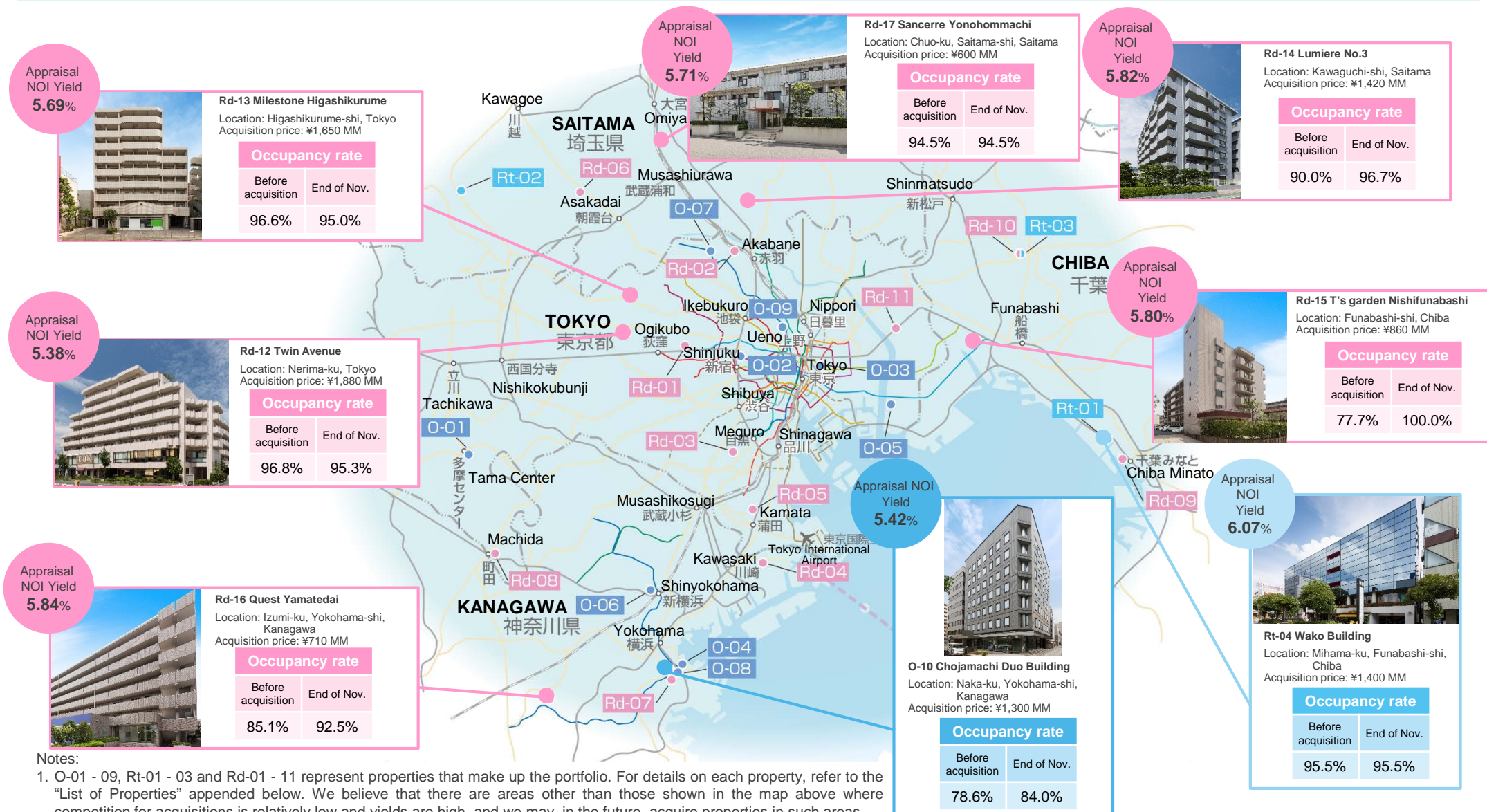
# Portfolio after Public Offering

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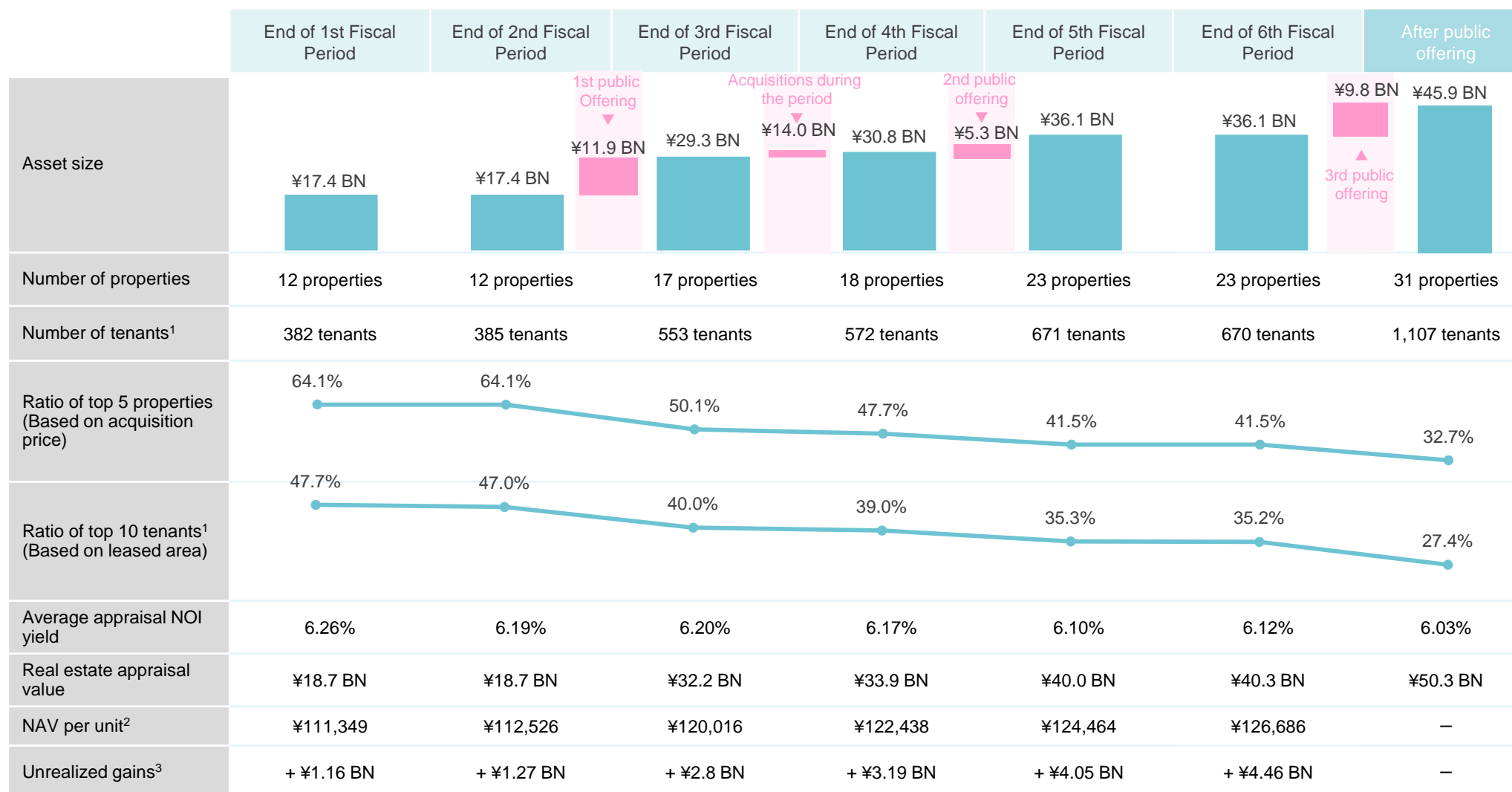
# Acquisition of New Properties (8 Properties/¥9.8 Billion)

- Acquired 8 properties in the Tokyo metropolitan area in the 7th Fiscal Period from the Sponsor for a total of ¥9.8 BN (1 office, 1 retail facility and 6 residential properties)
- The average appraisal NOI yield of the 8 acquired assets is 5.69%



# Changes in Portfolio

- The portfolio's diversification effect made further progress with external growth with public offerings for 3 consecutive years
- Unrealized gain at the end of the 6th Fiscal Period was ¥4.46 BN and NAV per unit was ¥126,686



**Notes:**

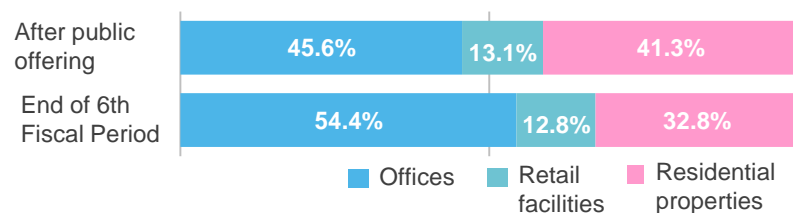
1. "Number of tenants" and "ratio of top 10 tenants" are derived using the number of tenants and leased area based on lease agreements as of October 31, 2017 for the 23 properties owned as of the end of the 6th Fiscal Period and as of November 30, 2017 for the 8 newly acquired properties.

2. NAV per unit is calculated as "NAV ÷ Total number of units issued and outstanding," and NAV is calculated as "Total value of investment units issued + (Total appraisal value - Total book value)."

3. Unrealized gains is calculated as "Total appraisal value of owned assets - Total book value of owned assets" for each period.

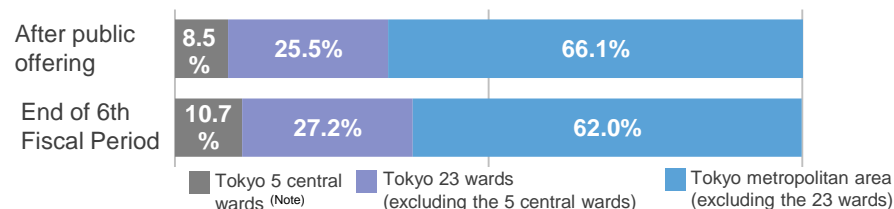
- With property acquisitions, the ratio of retail facilities and residential properties increased slightly while the investment ratio of the top 5 properties fell to 32.7%
- Average appraisal NOI yield continues to maintain a high level

## ■ Portfolio Composition by Property Type (acquisition price basis) ■ Average Appraisal NOI Yield by Property Type



	End of 6th Fiscal Period	After public offering
Offices	6.17%	6.12%
Retail facilities	6.41%	6.33%
Residential properties	5.94%	5.83%

## ■ Portfolio Composition by Area (acquisition price basis)

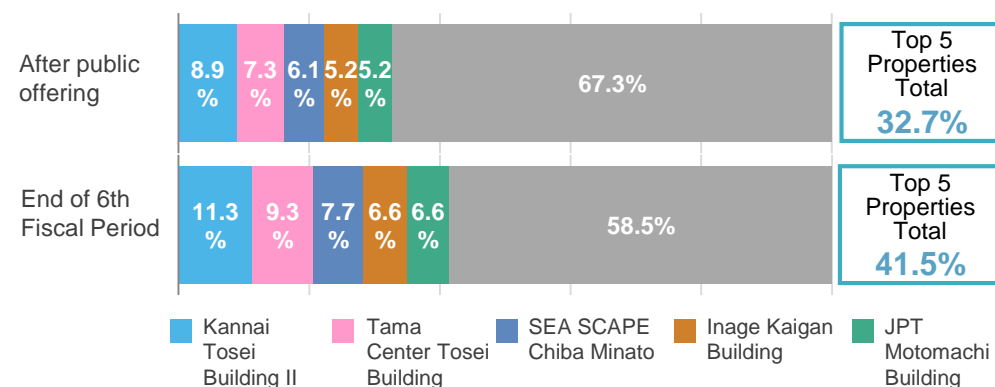


Note: "Tokyo 5 central wards" collectively refers to Chiyoda, Chuo, Minato, Shinjuku, and Shibuya wards. Hereafter the same shall apply.

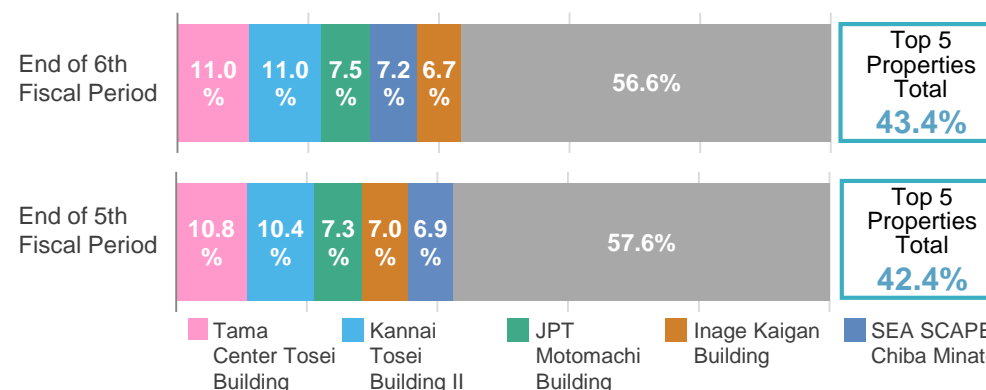
## ■ Average Appraisal NOI Yield by Area

	End of 6th Fiscal Period	After public offering
Tokyo 5 central wards (Note)	5.90%	5.90%
Tokyo 23 wards	5.69%	5.64%
Tokyo metropolitan area	6.35%	6.20%

## ■ Investment Ratio by Property (acquisition price basis)



## ■ NOI Ratio by Property



- Borrowed ¥5.3 BN (¥1.6 BN short term and ¥3.7 BN long term) from the syndicate of banks in November 2017 for property acquisitions.
- Refinanced ¥2 BN borrowed at listing for 3 years at end of November 2017 with a period of 4.9 years.

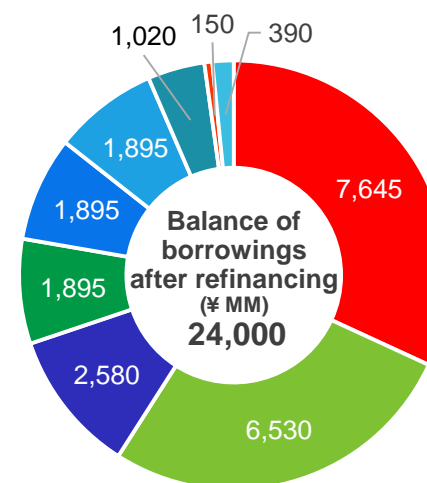
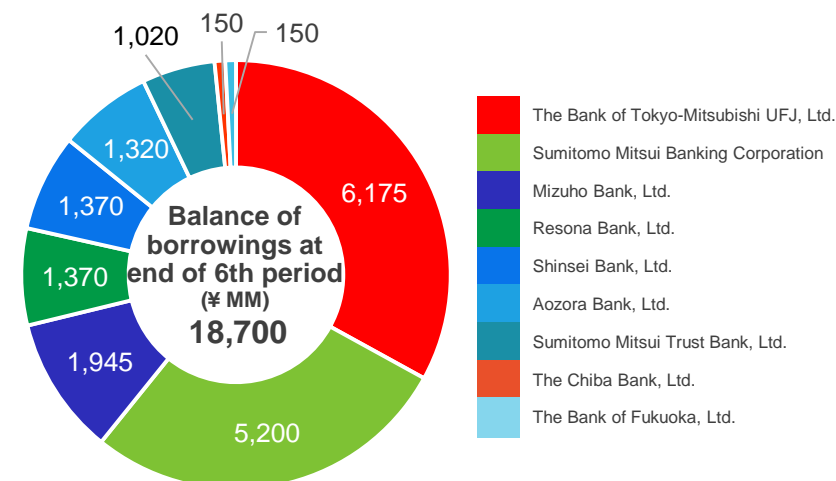
## ■ Details of New Borrowings (executed on Nov. 2, 2017)

Classification		Amount (¥ MM)	Fixed / Floating	Interest rate	Drawdown date	Repayment date
Short term	1.0 years	1,600	Floating	Base rate (JBA 1 month JPY TIBOR) + 0.20%	Nov. 2, 2017	Oct. 31, 2018
Long term	2.6 years	800	Floating	Base rate (JBA 1 month JPY TIBOR) + 0.30%	Nov. 2, 2017	May 29, 2020
Long term	3.1 years	400	Floating	Base rate (JBA 1 month JPY TIBOR) + 0.35%	Nov. 2, 2017	Nov. 30, 2020
Long term	4.0 years	700	Fixed	0.80424%	Nov. 2, 2017	Oct. 29, 2021
Long term	6.0 years	1,800	Fixed	1.16184%	Nov. 2, 2017	Oct. 31, 2023
		5,300	—	—	—	—

## ■ Details of Refinancing (executed on Nov. 30, 2017)

Classification		Amount (¥ MM)	Fixed / Floating	Interest rate	Drawdown date	Repayment date
Long term	4.9 years	2,000	Fixed	0.92671%	Nov. 30, 2017	Oct. 31, 2022
		2,000	—	—	—	—

## ■ Balance of Borrowings (by lender)



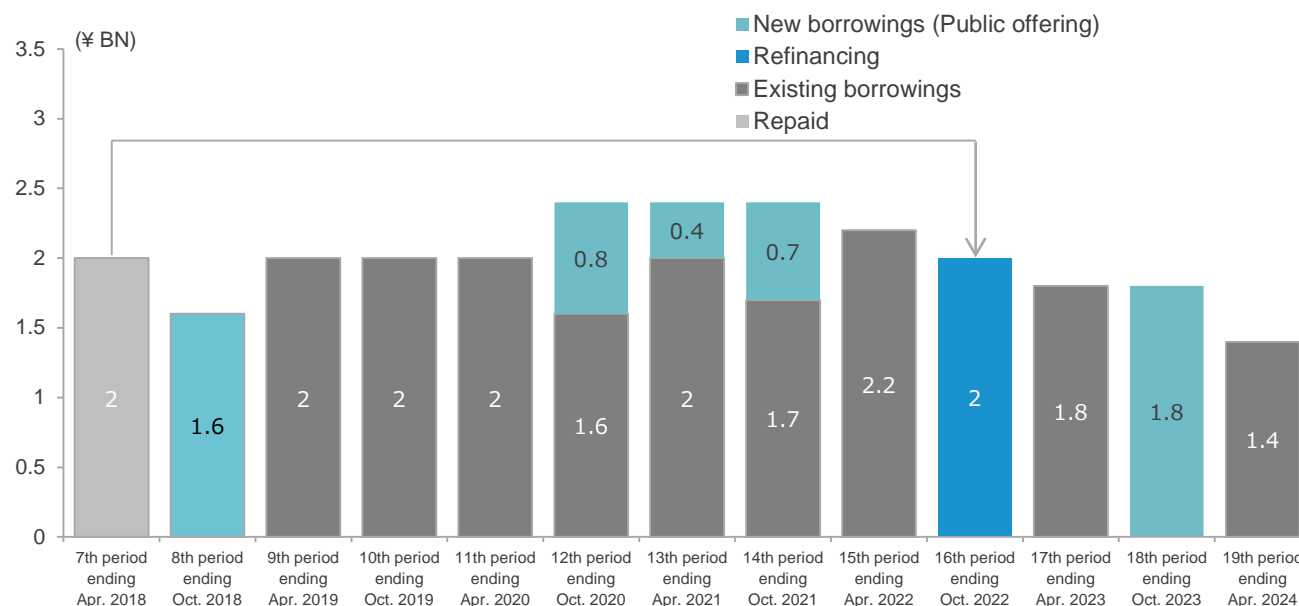


- Maintaining a stable financial foundation by extending borrowing periods and procuring fixed interest rates partly when taking on new borrowings and refinancing
- The base rate increased slightly but the average loan interest rate is flat at 0.84%; The ratio of fixed rates is 62.9%

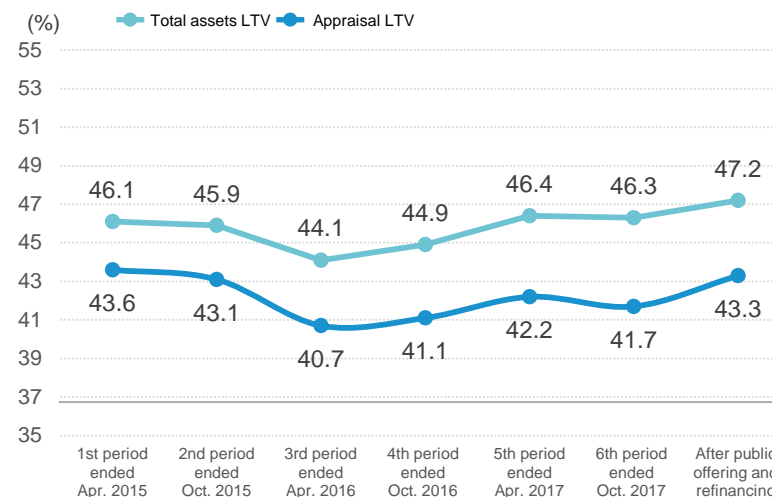
## Financial Indicators

	For the Fiscal Period Ended April 30, 2017 (5th Fiscal Period)		For the Fiscal Period Ended October 31, 2017 (6th Fiscal Period) (A)		After Public Offering and Refinancing (B)	Rate of Change or Difference (B)-(A)
Interest-bearing debt	18,700 ¥ MM	➡	18,700 ¥ MM	➡	24,000 ¥ MM	5,300 ¥ MM
Average loan interest rate	0.84 %	➡	0.84 %	➡	0.84 %	-0.0 %
Average remaining maturity	3.4 years	➡	2.9 years	➡	3.3 years	+0.5 years
Ratio of fixed rates	67.4 %	➡	67.4 %	➡	62.9 %	-4.5 %
Ratio of long-term borrowings	100.0 %	➡	100.0 %	➡	93.3 %	-6.7 %
LTV	46.4 %	➡	46.3 %	➡	47.2 % <sup>1</sup>	0.9 %

## Diversified Repayment Dates



## Total Assets LTV and Appraisal LTV<sup>2</sup>



### Notes:

1. Total assets LTV after the public offering and refinancing is the ratio of interest-bearing debt in the forecast total assets at the end of the 7th Fiscal Period.
2. Appraisal LTV refers to the ratio of interest-bearing debt in the amount arrived at by adding unrealized gains to Tosei Reit's total assets. The figure for after the public offering and refinancing is a forecast figure and may differ from the actual figure.

# Management Policy

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## Target

**Expand asset size and improve the performance of assets under management in an aim to increase DPU and unitholder value**

## External Growth

**Aim for asset size of ¥100 BN in the medium to long term: Continue selective acquisition of properties, no change in target yields (middle to latter half of the 4% range after depreciation)**

As before, the basis will be investment in competitive real estate in the Tokyo metropolitan area utilizing sponsor support



Also pursue properties with relatively high yields in markets that we have yet to engage (major regional cities)

## Internal Growth

**Efforts to maintain and improve property value: Focus on maintaining competitiveness and occupancy rates of aged buildings**

Planned capital expenditure for owned properties

Pursue upside

- Increase occupancy rates of newly acquired properties
- Shorten downtime for tenant departures
- Increase end tenant occupancy rate regarding fixed-rent master leases

Ascertain property performance and make replacements

## Financial Strategy

**Efforts to improve credit strength: Reduce fund procurement costs and increase market awareness**

Efforts for external and internal growth

Remove collateral and increase property value

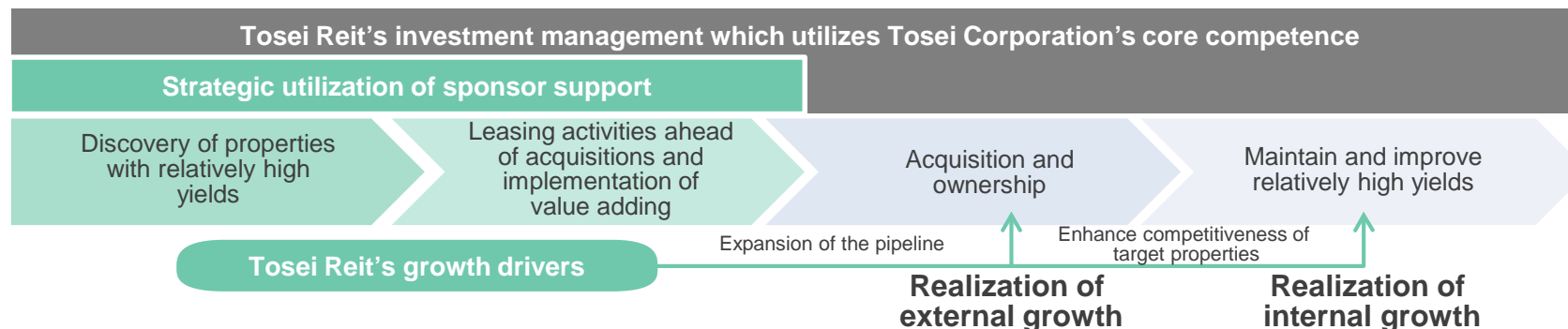
Acquire rating and IR activities

Diversify procurement methods

Reduce procurement costs

Expand investor base

## Sophistication of value chain utilizing sponsor support



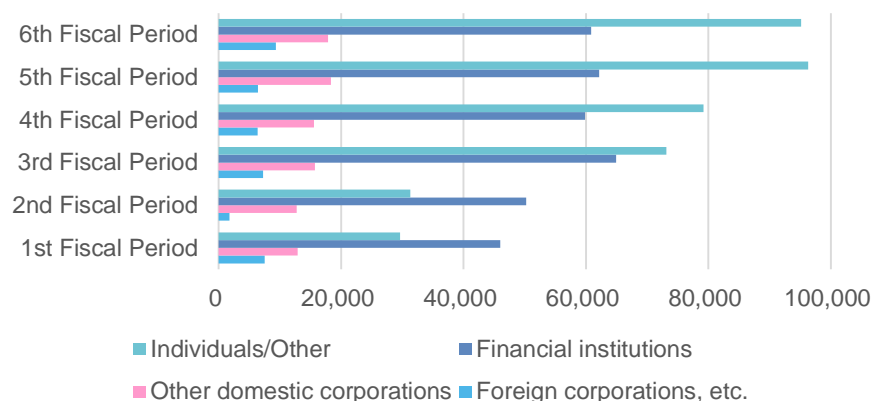
# APPENDIX

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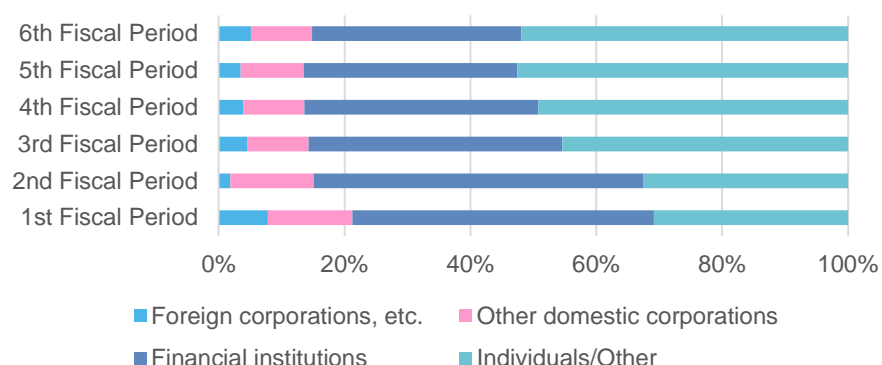
- The number and ratio of units held by foreign investors in the 6th Fiscal Period saw a slight increase from the previous period (3.51% → 5.10%)

## ■ Trends in Units Held

Fluctuations in units held by investor categories



Fluctuations in percentage of units held by investor categories



## ■ IR Activities Targeting Individual Investors (actual)

July 9, 2017	Daiwa J-REIT Festival 2017 (Tokyo)
July 11, 2017	ARES Nationwide J-REIT Popularization Campaign 2017 (Sapporo)
July 13, 2017	Securities Analysts Association of Japan's IR Seminar for Individual Investors (Osaka)

## ■ IR Activities Targeting Individual Investors (planned)

January 28, 2018	SMBC Nikko J-REIT Fair (Tokyo)
March 16, 2018	Daiwa J-REIT Caravan 2017 (Nagoya)



Daiwa J-REIT Festival 2017

- Held explanatory meetings in Osaka and Sapporo in addition to Tokyo upon request from regional individual investors.
- Tosei Reit plans to actively participate in events targeting individual investors in the 7th Fiscal Period onward, including in regional places.

## ■ Implementation of Overseas and Regional IR Activities

- Overseas institutional investors (Asian) that are expected to be interested in small-scale REITs
- Regional institutional investors (Kyushu, Kinki and Tohoku areas)

## Utilization and revitalization of “the vast existing building stock”<sup>1</sup> in Japan’s real estate market

### ■ Investment Targets

- (1) Highly advantageous real estate properties located in areas where acquisition competition is relatively low and where high yields can be expected
- (2) Properties with strong potential regardless of property age

### ■ Portfolio Construction Policy

Diversified J-REIT focused primarily on the Tokyo metropolitan area

**Area**      **Mainly the Tokyo metropolitan area**

Tokyo metropolitan area<sup>2</sup>

**Main target**

Major regional cities<sup>3</sup>

**20% or less<sup>4</sup>**

### ■ Tosei’s Core Competencies



Good Judgment



Leasing Capability



Revitalization Capability

**Property type**

Diversified investment based on the three property types of **offices**, **retail facilities** and **residential properties**, with some investment in **hotels** also possible

Offices

Retail facilities

Collectively **80% or less<sup>4</sup>**

Residential properties

**50% or less<sup>4</sup>**

Hotels

**10% or less<sup>4</sup>**

**Ensures abundant investment opportunities to consider by concentrating on investing in the volume zone of real estate**

**Size**

Investments targeting properties priced up to **¥5 BN<sup>5</sup>** in principle

#### Notes:

1. “Existing building stock” collectively refers to building assets that were constructed in the past and still exist at present. Hereafter the same shall apply.

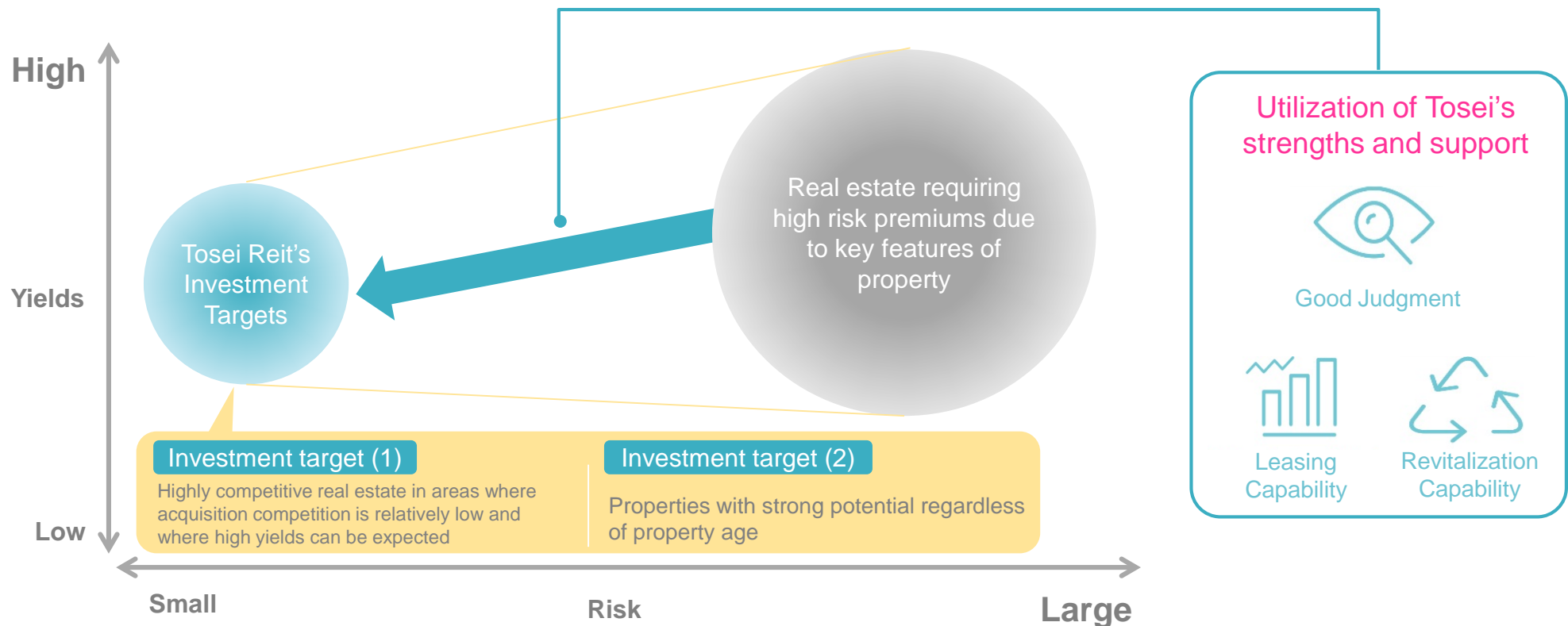
2. “Tokyo metropolitan area” is a general term for Tokyo, Kanagawa Prefecture, Saitama Prefecture, and Chiba Prefecture.

3. “Major regional cities” collectively refers to cities designated by ordinance and prefectural capitals or equivalent cities located outside the Tokyo metropolitan area. Hereafter the same shall apply.

4. Ratio is on an acquisition price basis. In the case of mixed-use properties that combine two or more different property types, the type of use that accounts for the largest proportion of dedicated floor space shall be deemed to be the property type.

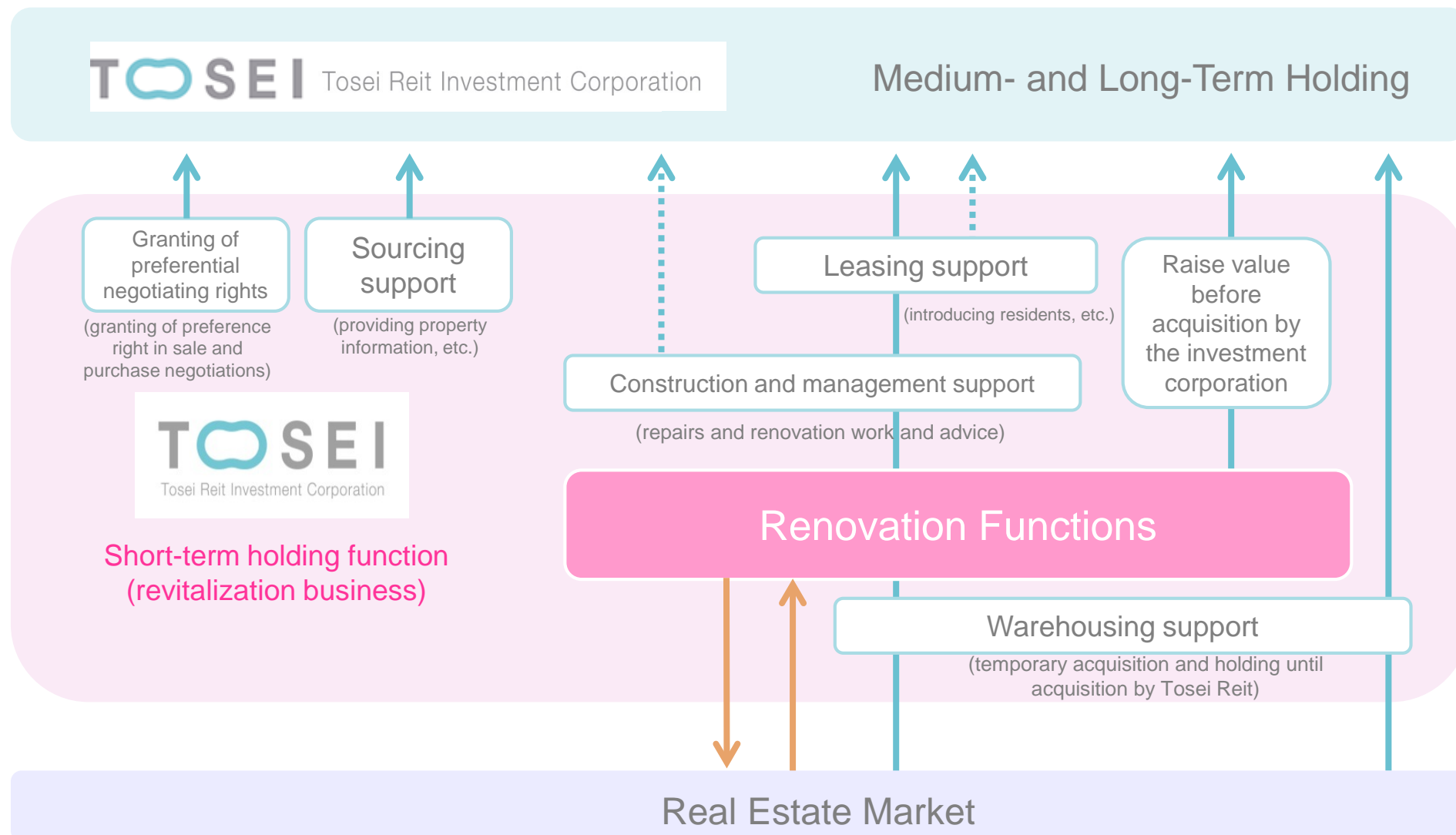
5. Acquisition price basis.

- **Real estate requiring high risk premiums due to key features of property (investment targets (1) and (2))**
  - In general, investment assessments are often not easy to make and the number of potential market participants is limited, so excessive acquisition competition should be avoided.
- **Risk control by utilizing Tosei's strengths and support**
  - Temporary use of the balance sheets of sponsor with high risk capacity, during which time work such as repairs based on tenant needs to raise the property's value, and changes to the leasing scheme, etc., will be made to lower the investment risk to levels that investment corporation can bear.



(Note) The figure above is a graphic display of a general image of investment methods, and there is no guarantee that Tosei Reit can acquire real estate with low risk without lowering returns.

- Secure a pipeline to property supply through Tosei's revitalization business.
- Properties can be acquired without competing with others (for example, granting preferential negotiating rights).



← Real estate process related to Tosei's original business field

← Real estate process related to Tosei Reit

← Support process for real estate held by Tosei Reit



# Balance Sheet

	April 2017 (5th Fiscal Period)	October 2017 (6th Fiscal Period)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	857,771	1,073,276
Cash and deposits in trust	2,986,612	3,097,864
Operating accounts receivable	7,979	7,665
Prepaid expenses	111,366	84,713
Deferred tax assets	12	14
Consumption taxes receivable	57,334	-
Total current assets	4,021,076	4,263,534
<b>Non-current assets</b>		
[Property, plant, and equipment]	[36,027,128]	[35,875,013]
Buildings in trust	11,058,544	11,104,973
Accumulated depreciation	(627,395)	(805,289)
Buildings in trust, net	10,431,149	10,299,684
Structures in trust	122,122	122,122
Accumulated depreciation	(19,849)	(25,075)
Structures in trust, net	102,272	97,047
Machinery and equipment in trust	284,229	284,229
Accumulated depreciation	(44,161)	(56,560)
Machinery and equipment in trust, net	240,068	227,669
Tools, furniture, and fixtures in trust	97,799	99,953
Accumulated depreciation	(17,809)	(22,990)
Tools, furniture, and fixtures in trust, net	79,989	76,963
Land in trust	25,173,648	25,173,648
[Investments and other assets]	[213,042]	[190,273]
Long-term prepaid expenses	203,042	180,273
Lease and guarantee deposits	10,000	10,000
[Total non-current assets]	36,240,171	36,065,287
Investment unit issuance expenses	30,169	22,402
Total deferred assets	30,169	22,402
<b>Total assets</b>	<b>40,291,417</b>	<b>40,351,223</b>

	April 2017 (5th Fiscal Period)	October 2017 (6th Fiscal Period)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Operating accounts payable	67,812	68,696
Current portion of long-term loans payable	2,000,000	2,000,000
Accounts payable	75,132	76,223
Income taxes payable	853	910
Accrued consumption taxes	-	59,857
Advances received	269,591	263,151
Other	42,937	88,860
[Total current liabilities]	2,456,327	2,557,698
<b>Non-current liabilities</b>		
Long-term loans payable	16,700,000	16,700,000
Tenant leasehold and security deposits in trust	1,731,000	1,727,855
Other	14,673	7,796
[Total non-current liabilities]	18,445,673	18,435,651
<b>Total liabilities</b>	<b>20,902,000</b>	<b>20,993,350</b>

(¥ K)

	April 2017 (5th Fiscal Period)	October 2017 (6th Fiscal Period)
<b>Net assets</b>		
<b>Unit-holders' equity</b>		
Unit-holders' capital	18,745,895	18,745,895
Allowance for temporary difference adjustment	(20,608)	(14,656)
Unit-holders' capital, net	18,725,287	18,731,239
Surplus	[678,802]	[634,430]
Unappropriated retained earnings (undisposed loss)	678,802	634,430
[Total unit-holders' equity]	19,404,089	19,365,669
<b>Valuation and translation adjustments</b>		
Deferred gains or losses on hedges	(14,673)	(7,796)
[Total valuation and translation adjustments]	(14,673)	(7,796)
<b>Total net assets</b>	<b>19,389,416</b>	<b>19,357,873</b>
<b>Total liabilities and net assets</b>	<b>40,291,417</b>	<b>40,351,223</b>

# Statement of Income

(¥ K)

	April 2017 (5th Fiscal Period)	October 2017 (6th Fiscal Period)
Operating revenue		
Lease business revenue	1,461,760	1,464,469
Other lease business revenue	154,847	169,070
Total operating revenue	1,616,607	1,633,540
Operating expenses		
Expenses related to rent business	685,099	731,021
Asset management fee	89,830	93,624
Asset custody fee	1,699	1,963
Administrative service fees	11,248	11,219
Directors' compensation	3,900	3,900
Other operating expenses	33,146	37,022
Total operating expenses	824,925	878,751
Operating income	791,682	754,789
Non-operating income		
Interest income	17	18
Compensation for damage	-	2,404
Miscellaneous income	-	94
Total non-operating income	17	2,517
Non-operating expenses		
Interest expenses	75,379	79,503
Borrowing related expenses	49,696	49,490
Other	7,767	7,767
Total non-operating expenses	132,843	136,762
Ordinary income	658,855	620,544
Profit before income taxes	658,855	620,544
Income taxes - current	855	913
Income taxes - deferred	2	(2)
Total income taxes	858	910
Net income	657,996	619,634
Retained earnings brought forward	20,805	14,796
Unappropriated retained earnings (undisposed loss)	678,802	634,430

# Appraisal Value at End of 6th Fiscal Period

## Status at End of 6th Fiscal Period

Appraisal Value	Total Book Value	Unrealized Gains
¥40,338 MM	¥35,875 MM	+¥4,462 MM

## ■ Appraisal Value by Property

(¥ MM)

Property Name	Acquisition Price	Book Value at End of 6th Fiscal Period	Period Ended April 30, 2017 (5th Fiscal Period) (A)		Period Ended October 31, 2017 (6th Fiscal Period) (B)		Difference (B)-(A)	
			Appraisal Value at End of Period	Unrealized Gains (Book Value Basis)	Appraisal Value at End of Period	Unrealized Gains (Book Value Basis)	Appraisal Value at End of Period	Unrealized Gains (Book Value Basis)
O-01 Tama Center Tosei Building	3,370	3,321	3,520	184	3,550	228	30	43
O-02 KM Shinjuku Building	2,057	2,020	2,460	430	2,460	439	0	8
O-03 Nihonbashi-Hamacho Building	1,830	1,820	2,100	271	2,120	299	20	27
O-04 Kannai Tosei Building II	4,100	4,051	4,560	488	4,570	518	10	30
O-05 Nishikasai Tosei Building	1,710	1,693	1,920	217	1,920	226	0	9
O-06 Shin Yokohama Center Building	1,364	1,372	1,590	211	1,620	247	30	35
O-07 Nishidai NC Building	1,481	1,485	1,620	132	1,690	204	70	72
O-08 JPT Motomachi Building	2,377	2,369	2,590	207	2,630	260	40	52
O-09 Hakusan Asanomi Building	1,380	1,383	1,400	13	1,410	26	10	12
Offices subtotal	19,669	19,519	21,760	2,157	21,970	2,450	210	292
Rt-01 Inage Kaigan Building	2,380	2,303	2,530	206	2,540	236	10	29
Rt-02 Musashi Fujisawa Tosei Building	1,950	1,930	2,110	171	2,110	179	0	8
Rt-03 Selection Hatsutomi	310	318	341	23	339	20	(2)	(2)
Retail facilities subtotal	4,640	4,552	4,981	401	4,989	436	8	35
Offices/Retail facilities subtotal	24,309	24,072	26,741	2,559	26,959	2,886	218	327
Rd-01 T's garden Koenji	1,544	1,532	1,940	401	1,940	407	0	5
Rd-02 Live Akabane	1,227	1,218	1,470	247	1,480	261	10	14
Rd-03 Gekkocho Apartment	1,000	999	1,130	127	1,130	130	0	3
Rd-04 T's garden Kawasakidaishi	980	967	1,110	136	1,120	152	10	15
Rd-05 Abitato Kamata	836	840	900	57	900	59	0	2
Rd-06 MarLandFive	830	821	867	39	867	45	0	5
Rd-07 Avenir Shirotae	780	764	898	127	898	133	0	6
Rd-08 Dormitory Haramachida	600	593	685	86	689	95	4	8
Rd-09 SEA SCAPE Chiba Minato	2,800	2,763	3,030	245	3,040	276	10	30
Rd-10 Prime Garden	600	623	618	10	619	(4)	1	(15)
Rd-11 T's garden Shinkoiwa	670	676	694	15	696	19	2	3
Residential properties subtotal	11,867	11,802	13,342	1,496	13,379	1,576	37	79
Total	36,176	35,875	40,083	4,055	40,338	4,462	255	407

# Portfolio List (After Public Offering)

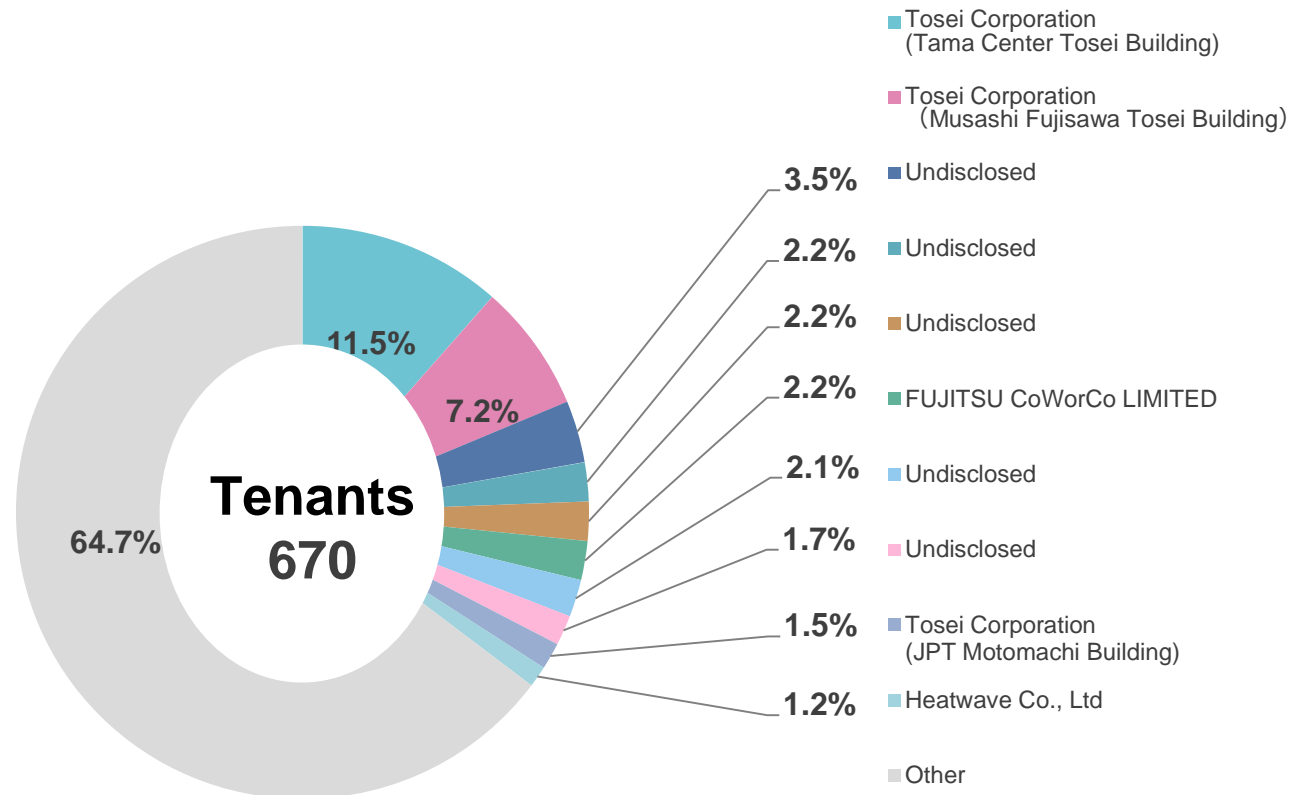
Property No.	Acquired during 7th Fiscal Period	Property Name	Age of Building (years)	Address	Acquisition Price (¥MM)	Investment Ratio (%)	Appraisal Value (¥MM)	Appraisal NOI Yield (%)	Total Leasable Area (m <sup>2</sup> )	Occupancy Rate (%)	PML (%)
O-01		Tama Center Tosei Building	28.3	Tama-shi, Tokyo	3,370	7.3	3,550	6.95	9,737.49	100.0 (80.6)	4.36
O-02		KM Shinjuku Building	26.1	Shinjuku-ku, Tokyo	2,057	4.5	2,460	5.72	3,403.95	100.0	5.52
O-03		Nihonbashi-Hamacho Building	27.0	Chuo-ku, Tokyo	1,830	4.0	2,120	6.10	3,334.40	100.0	6.11
O-04		Kannai Tosei Building II	33.7	Yokohama-shi, Kanagawa	4,100	8.9	4,570	6.03	6,917.72	100.0	11.54
O-05		Nishi Kasai Tosei Building	23.8	Edogawa-ku, Tokyo	1,710	3.7	1,920	6.14	3,187.97	100.0	3.84
O-06		Shin Yokohama Center Building	26.9	Yokohama-shi, Kanagawa	1,364	3.0	1,620	6.78	3,888.28	100.0	6.47
O-07		Nishidai NC Building	25.6	Itabashi-ku, Tokyo	1,481	3.2	1,690	6.23	3,798.48	94.4	5.25
O-08		JPT Motomachi Building	26.0	Yokohama-shi, Kanagawa	2,377	5.2	2,630	6.00	5,453.13	100.0 (100.0)	6.06
O-09		Hakusan Asanomi Building	24.3	Bunkyo-ku, Tokyo	1,380	3.0	1,410	5.07	1,860.51	91.7	7.31
O-10	●	Chojamachi Duo Building	24.3	Yokohama-shi, Kanagawa	1,300	2.8	1,350	5.42	2,204.74	89.4	3.56
Offices subtotal			-	-	20,969	45.6	23,320	6.12	43,786.67	98.6	-
Rt-01		Inage Kaigan Building	24.9	Chiba-shi, Chiba	2,380	5.2	2,540	6.28	5,890.92	100.0	6.49
Rt-02		Musashi Fujisawa Tosei Building	20.2	Iruma-shi, Saitama	1,950	4.2	2,110	6.54	6,089.72	100.0 (87.3)	5.85
Rt-03		Selection Hatsutomi	14.4	Kamagaya-shi, Chiba	310	0.7	339	6.67	1,839.45	100.0	7.98
Rt-04	●	Wako Building	31.5	Chiba-shi, Chiba	1,400	3.0	1,410	6.07	2,827.26	95.5	9.32
Retail facilities subtotal			-	-	6,040	13.1	6,399	6.33	16,647.35	99.2	-
Offices/Retail facilities subtotal			-	-	27,009	58.7	29,719	6.17	60,434.02	98.8	-
Rd-01		T's garden Koenji	6.8	Suginami-ku, Tokyo	1,544	3.4	1,940	5.35	2,169.38	100.0	7.91
Rd-02		Live Akabane	28.6	Kita-ku, Tokyo	1,227	2.7	1,480	6.32	3,876.36	100.0	7.45
Rd-03		Gekkocho Apartment	9.6	Meguro-ku, Tokyo	1,000	2.2	1,130	5.18	1,392.13	100.0	8.98
Rd-04		T's garden Kawasaki-daishi	8.8	Kawasaki-shi, Kanagawa	980	2.1	1,120	5.81	2,067.77	97.6	7.38
Rd-05		Abitato Kamata	26.4	Ota-ku, Tokyo	836	1.8	900	5.52	1,768.23	100.0	7.82
Rd-06		MarLand Five	27.5	Fujimi-shi, Saitama	830	1.8	867	6.81	2,722.73	95.4	4.00
Rd-07		Avenir Shirotae	22.7	Yokohama-shi, Kanagawa	780	1.7	898	6.59	2,499.93	93.6	7.57
Rd-08		Dormitory Haramachida	25.3	Machida-shi, Tokyo	600	1.3	689	6.86	1,867.03	94.3	5.29
Rd-09		SEA SCAPE Chiba Minato	9.6	Chiba-shi, Chiba	2,800	6.1	3,040	6.00	6,758.52	92.6	7.30
Rd-10		Prime Garden	22.7	Kamagaya-shi, Chiba	600	1.3	619	6.21	3,687.98	100.0	9.42
Rd-11		T's garden Shinkoiwa	19.6	Katsushika-ku, Tokyo	670	1.5	696	5.23	1,652.93	96.7	4.41
Rd-12	●	Twin Avenue	25.7	Nerima-ku, Tokyo	1,880	4.1	1,880	5.38	4,558.96	95.3	5.70
Rd-13	●	Milestone Higashikurume	28.1	Higashikurume-shi, Tokyo	1,650	3.6	1,670	5.69	3,546.31	95.6	4.34
Rd-14	●	Lumiere No.3	23.1	Kawaguchi-shi, Saitama	1,420	3.1	1,470	5.82	5,639.56	96.7	2.58
Rd-15	●	T's garden Nishifunabashi	26.7	Funabashi-shi, Chiba	860	1.9	870	5.80	2,643.84	94.4	7.50
Rd-16	●	Quest Yamatedai	28.7	Yokohama-shi, Kanagawa	710	1.5	725	5.84	2,802.74	92.5	9.66
Rd-17	●	Sancerre Yonohommachi	27.0	Saitama-shi, Saitama	600	1.3	603	5.71	1,418.69	95.9	4.13
Residential properties subtotal			-	-	18,987	41.3	20,597	5.83	51,073.09	96.2	-
Total/Average			24.1	-	45,996	100.0	50,316	6.03	111,507.11	97.6	3.49

(Note) The figures in this table are as of the end of October 2017 except for the real estate appraisal values for the eight properties acquired in the 7th Fiscal Period which are as of the end of August 2017. "Occupancy Rate" figures in parentheses are the percentage of the total area for which leases have been concluded between the master lease company and the end tenants, and that are actually being rented. Also, "PML" and the "Total/Average" of "PML" are based on the seismic PML (re)evaluation reports of each property as well as SOMPO Risk Management & Health Care Inc.'s Portfolio Earthquake PML Evaluation Report dated August 2017.

# Distribution of Tenants (at End of 6th Fiscal Period)

## ■ Top 10 Tenants (by leased floor area)

	Name	Leased Area (m <sup>2</sup> )	Tenanted Property	%
1	Tosei Corporation	9,737.49	Tama Center Tosei Building	11.5%
2	Tosei Corporation	6,089.72	Musashi Fujisawa Tosei Building	7.2%
3	Undisclosed	2,989.01	Inage Kaigan Building	3.5%
4	Undisclosed	1,852.02	JPT Motomachi Building	2.2%
5	Undisclosed	1,839.45	Selection Hatsutomi	2.2%
6	FUJITSU CoWorCo LIMITED	1,822.20	Shin Yokohama Center Building	2.2%
7	Undisclosed	1,762.57	Undisclosed	2.1%
8	Undisclosed	1,420.46	Undisclosed	1.7%
9	Tosei Corporation	1,235.19	JPT Motomachi Building	1.5%
10	Heatwave Co., Ltd.	1,032.11	KM Shinjuku Building	1.2%



# Earnings Performance of Properties (1) (at End of 6th Fiscal Period)

(¥ K)

Name	O-01 Tama Center Tosei Building	O-02 KM Shinjuku Building	O-03 Nihonbashi-Hamacho Building	O-04 Kannai Tosei Building II	O-05 Nishikasai Tosei Building	O-06 Shin Yokohama Center Building
Rental and other operating revenue (1)	201,181	91,669	91,202	174,838	74,233	74,403
Lease business revenue	167,917	83,165	76,640	153,716	65,058	69,509
Other lease business revenue	33,264	8,504	14,562	21,121	9,175	4,894
Property-related expenses (2)	79,112	27,066	41,671	53,497	23,436	23,228
Property management fees	24,379	6,663	7,708	17,993	6,623	7,894
Trust fees	300	300	300	300	300	300
Utilities expenses	28,967	8,196	9,414	16,005	7,294	5,772
Insurance premiums	447	146	142	266	115	165
Repair and maintenance expenses	5,873	879	9,340	1,867	1,247	684
Property taxes	17,973	9,816	7,902	13,032	6,339	7,184
Other expenses	1,171	1,065	6,863	4,032	1,514	1,226
NOI (3) [(1)-(2)]	122,068	64,603	49,531	121,340	50,797	51,175
Depreciation (4)	16,823	8,906	10,599	20,839	9,057	8,086
Rental operating income (5) [(3)-(4)]	105,244	55,696	38,931	100,501	41,740	43,088
Capital expenditures (6)	3,259	552	2,806	710	-	2,581
NCF (7) [(3)-(6)]	118,808	64,051	46,725	120,630	50,797	48,594

# Earnings Performance of Properties (2) (at End of 6th Fiscal Period)

(¥ K)

Name	O-07 Nishidai NC Building	O-08 JPT Motomachi Building	O-09 Hakusan Asanomi Building	Rt-01 Inage Kaigan Building	Rt-02 Musashi Fujisawa Tosei Building	Rt-03 Selection Hatsutomi
Rental and other operating revenue (1)	71,910	111,117	46,778	127,335	72,254	14,250
Lease business revenue	63,807	97,715	41,995	103,062	72,254	14,250
Other lease business revenue	8,103	13,402	4,782	24,272	-	-
Property-related expenses (2)	35,876	28,144	13,919	52,977	7,425	2,655
Property management fees	8,801	10,546	4,995	8,239	1,080	1,104
Trust fees	300	300	300	300	300	300
Utilities expenses	9,297	11,031	2,550	28,421	-	-
Insurance premiums	162	201	77	230	91	31
Repair and maintenance expenses	4,807	370	1,558	3,481	-	-
Property taxes	8,364	4,813	3,909	11,541	5,932	1,092
Other expenses	4,143	881	528	762	22	127
NOI (3) [(1)-(2)]	36,034	82,973	32,858	74,357	64,829	11,594
Depreciation (4)	9,653	12,888	5,895	20,190	9,195	1,241
Rental operating income (5) [(3)-(4)]	26,380	70,085	26,963	54,167	55,633	10,353
Capital expenditures (6)	7,546	-	3,269	584	820	2,094
NCF (7) [(3)-(6)]	28,488	82,973	29,589	73,773	64,009	9,499

# Earnings Performance of Properties (3) (at End of 6th Fiscal Period)

(¥ K)

Name	Rd-01 T's garden Koenji	Rd-02 Live Akabane	Rd-03 Gekkocho Apartment	Rd-04 T's garden Kawasakidaishi	Rd-05 Abitato Kamata	Rd-06 MarLandFive
Rental and other operating revenue (1)	52,893	52,843	34,236	35,624	29,055	39,791
Lease business revenue	51,287	51,245	32,898	34,747	27,967	36,535
Other lease business revenue	1,605	1,597	1,337	876	1,087	3,256
Property-related expenses (2)	10,258	11,690	10,014	8,041	8,841	12,422
Property management fees	4,064	5,081	2,912	2,253	2,379	3,647
Trust fees	300	300	300	300	300	300
Utilities expenses	373	669	458	166	531	2,552
Insurance premiums	60	110	46	54	49	81
Repair and maintenance expenses	1,355	1,580	1,624	1,194	2,970	2,507
Property taxes	2,973	3,321	2,090	2,001	1,530	2,571
Other expenses	1,130	627	2,581	2,070	1,080	761
NOI (3) [(1)-(2)]	42,635	41,152	24,222	27,582	20,213	27,369
Depreciation (4)	5,778	4,276	3,336	5,218	3,216	5,036
Rental operating income (5) [(3)-(4)]	36,857	36,875	20,885	22,364	16,997	22,332
Capital expenditures (6)	-	153	-	-	697	-
NCF (7) [(3)-(6)]	42,635	40,998	24,222	27,582	19,515	27,369











# Earnings Performance of Properties (4) (at End of 6th Fiscal Period)









(¥ K)

Name	Rd-07 Avenir Shirotae	Rd-08 Dormitory Haramachida	Rd-09 SEA SCAPE Chiba Minato	Rd-10 Prime Garden	Rd-11 T's garden Shinkoiwa
Rental and other operating revenue (1)	35,647	29,458	116,673	30,738	25,402
Lease business revenue	34,341	28,166	103,414	30,423	24,348
Other lease business revenue	1,305	1,292	13,259	315	1,053
Property-related expenses (2)	12,807	11,037	36,640	9,766	6,477
Property management fees	2,625	2,601	9,782	3,963	2,537
Trust fees	300	300	300	300	300
Utilities expenses	707	670	7,903	488	529
Insurance premiums	69	65	235	97	50
Repair and maintenance expenses	5,237	3,015	4,460	2,922	1,471
Property taxes	2,052	2,414	9,345	1,153	1,439
Other expenses	1,814	1,970	4,612	841	148
NOI (3) [(1)-(2)]	22,839	18,420	80,032	20,972	18,925
Depreciation (4)	6,384	4,872	23,763	6,393	2,357
Rental operating income (5) [(3)-(4)]	16,455	13,548	56,269	14,579	16,567
Capital expenditures (6)	-	-	3,337	22,756	728
NCF (7) [(3)-(6)]	22,839	18,420	76,695	(1,783)	18,197







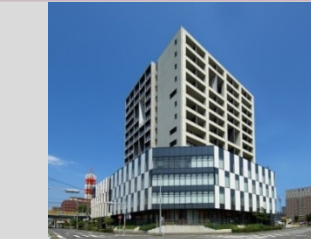

# List of Properties (1) (After Public Offering)

Name	O-01 Tama Center Tosei Building	O-02 KM Shinjuku Building	O-03 Nihonbashi-Hamacho Building	O-04 Kannai Tosei Building II
				
Address	Ochiai, Tama-shi, Tokyo	Kabuki-cho, Shinjuku-ku, Tokyo	Nihonbashihamacho, Chuo-ku, Tokyo	Sumiyoshi-cho, Naka-ku, Yokohama-shi, Kanagawa
Access	Approx. 4-min. walk from Odakyu Tama Center Station, Odakyu Tama Line	Approx. 1-min. walk from Seibu Shinjuku Station, Seibu Shinjuku Line	Approx. 3-min. walk from Hamacho Station, Toei Subway Shinjuku Line	Approx. 3-min. walk from Kannai Station, Yokohama Municipal Subway
Acquisition price	¥3,370 MM	¥2,057 MM	¥1,830 MM	¥4,100 MM
Structure	S, SRC	SRC	SRC, S	SRC
Floors	B1/7F	B1/9F	9F	B1/12F
Floor area	16,212.96m <sup>2</sup>	5,240.41m <sup>2</sup>	4,583.48m <sup>2</sup>	9,383.81m <sup>2</sup>
Name	O-05 Nishikasai Tosei Building	O-06 Shin Yokohama Center Building	O-07 Nishidai NC Building	O-08 JPT Motomachi Building
				
Address	Nishikasai, Edogawa-ku, Tokyo	ShinYokohama, Kohoku-ku, Yokohama-shi, Kanagawa	Takashimadaira, Itabashi-ku, Tokyo	Yamashita-cho, Naka-ku, Yokohama-shi, Kanagawa
Access	Approx. 2-min. walk from Nishikasai Station, Tokyo Metro Tozai Line	Approx. 5-min. walk from Shinyokohama Station, JR Tokaido Shinkansen and Yokohama Line	Approx. 1-min. walk from Nishidai Station, Toei Subway Mita Line	5-min walk from Ishikawa-cho Station, JR Keihin-Tohoku Line/Negishi Line
Acquisition price	¥1,710 MM	¥1,364 MM	¥1,481 MM	¥2,377 MM
Structure	SRC	SRC, RC	S, SRC	S, SRC, RC
Floors	B1/8F	B2/9F	B1/7F	B2/8F
Floor area	4,271.38m <sup>2</sup>	5,809.25m <sup>2</sup>	6,214.11m <sup>2</sup>	7,924.98m <sup>2</sup>

# List of Properties (2) (After Public Offering)








Name	O-09 Hakusan Asanomi Building	O-10 Chojamachi Duo Building	Rt-01 Inage Kaigan Building	Rt-02 Musashi Fujisawa Tosei Building
				
Address	Hakusan, Bunkyo-ku, Tokyo	Chojamachi, Naka-ku, Yokohama-shi, Kanagawa	Takasu, Mihama-ku, Chiba-shi, Chiba	Higashi Fujisawa, Iruma-shi, Saitama
Access	Approx. 1-min. walk from Hakusan Station, Toei Subway Mita Line	Approx. 1-minute walk from Isezaki-Chojamachi Station on the Yokohama Municipal Subway Blue Line	Approx. 1-min. walk from Inagekaigan Station, JR Keiyo Line	Approx. 9-min. walk from Musashi-Fujisawa Station, Seibu Ikebukuro Line
Acquisition price	¥1,380 MM	¥1,300 MM	¥2,380 MM	¥1,950 MM
Structure	S, SRC	Reinforced concrete SC, SRC	SRC	Steel frame structure, galvanized steel
Floors	B1/10F	B1/7F	7F	2F
Floor area	2,374.87m <sup>2</sup>	3,091.23m <sup>2</sup>	7,175.12m <sup>2</sup>	6,131.07m <sup>2</sup>
Name	Rt-03 Selection Hatsutomi	Rt-04 Wako Building	Rd-01 T's garden Koenji	Rd-02 Live Akabane
				
Address	Kita-Hatsutomi, Kamagaya-shi, Chiba	Takasu, Mihama-ku, Chiba-shi, Chiba	Koenjikota, Suginami-ku, Tokyo	Ukima, Kita-ku, Tokyo
Access	Approx. 3-min walk from Kita-Hatsutomi Station, Keisei Railway Shinkeisei Line	Approx. 1-minute walk from Inagekaigan Station on the JR Keiyo Line	Approx. 5-min. walk from Koenji Station, JR Chuo Line	Approx. 4-min. walk from Kita-akabane Station, JR Saikyo Line
Acquisition price	¥310 MM	¥1,400 MM	¥1,544 MM	¥1,227 MM
Structure	S	S	RC	SRC
Floors	2F	B1/5F	6F	12F
Floor area	1,827.75m <sup>2</sup>	4,059.79m <sup>2</sup>	2,445.31m <sup>2</sup>	4,484.24m <sup>2</sup>

# List of Properties (3) (After Public Offering)

Name	Rd-03 Gekkocho Apartment	Rd-04 T's garden Kawasakidaishi	Rd-05 Abitato Kamata	Rd-06 MarLandFive
				
Address	Shimomeguro, Meguro-ku, Tokyo	Ise-cho, Kawasaki-ku, Kawasaki-shi, Kanagawa	Chuo, Ota-ku, Tokyo	Nishimizuhodai, Fujimi-shi, Saitama
Access	Approx. 13-min. walk from Musashi-koyama Station, Tokyu Meguro Line	Approx. 8-min. walk from Suzukicho Station, Keiyo Daishi Line	Approx. 18-min. walk from Kamata Station, JR Keihin Tohoku Line	Approx. 2-min. walk from Mizuhodai Station, Tobu Tojo Line
Acquisition price	¥1,000 MM	¥980 MM	¥836 MM	¥830 MM
Structure	RC	S	RC	SRC
Floors	6F	3F	6F	B1/9F
Floor area	1,547.03m <sup>2</sup>	2,105.59m <sup>2</sup>	2,062.09m <sup>2</sup>	3,688.54m <sup>2</sup>
Name	Rd-07 Avenir Shirotae	Rd-08 Dormitory Haramachida	Rd-09 SEA SCAPE Chiba Minato	Rd-10 Prime Garden
				
Address	Shirotae-cho, Minami-ku, Yokohama-shi, Kanagawa	Haramachida, Machida-shi, Tokyo	Chuominato, Chuo-ku, Chiba-shi, Chiba	Kita-Hatsutomi, Kamagaya-shi, Chiba
Access	Approx. 4-min. walk from Bandobashi Station, Yokohama Municipal Subway Blue Line	Approx. 6-min. walk from Machida Station, JR Yokohama Line	Approx. 1-min. walk from Chibaminato Station, JR Keiyo Line	Approx. 4-min walk from Kita-Hatsutomi Station, Shinkeisei Railway Shinkeisei Line
Acquisition price	¥780 MM	¥600 MM	¥2,800 MM	¥600 MM
Structure	SRC	SRC, S	RC	RC
Floors	11F	B1/12F	B1/13F	6F
Floor area	3,001.81m <sup>2</sup>	2,239.50m <sup>2</sup>	7,571.58m <sup>2</sup>	3,975.87m <sup>2</sup>

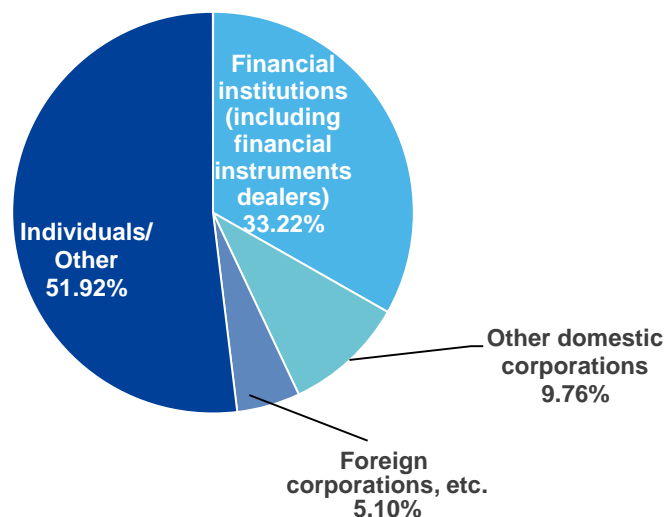


# List of Properties (4) (After Public Offering)

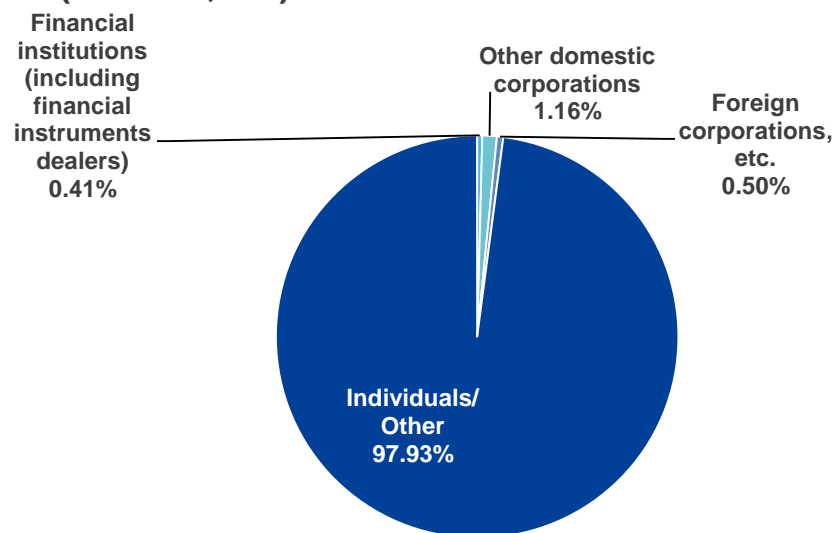
Name	Rd-11 T's garden Shinkoiwa	Rd-12 Twin Avenue	Rd-13 Milestone Higashikurume	Rd-14 Lumiere No.3
				
Address	Nishi-Shinkoiwa, Katsushika-ku, Tokyo	Sekimachikita, Nerima-ku, Tokyo	Higashihoncho Higashikurume-shi, Tokyo	Shiba, Kawaguchi-shi, Saitama
Access	Approx. 4-min. walk from Shinkoiwa Station, JR Sobu Line	Approx. 8-minute walk from Musashi-Seki Station on the Seibu Shinjuku Line	Approx. 5-minute walk from Higashi-Kurume Station on the Seibu Ikebukuro Line	Approx. 16-minute walk from Warabi Station on the JR Keihin Tohoku Line
Acquisition price	¥670 MM	¥1,880 MM	¥1,650 MM	¥1,420 MM
Structure	SRC	SRC	SRC	RC
Floors	10F	8F	10F	7F
Floor area	1,976.90m <sup>2</sup>	4,563.79m <sup>2</sup>	4,374.55m <sup>2</sup>	5,843.16m <sup>2</sup>
Name	Rd-15 T's garden Nishifunabashi	Rd-16 Quest Yamatedai	Rd-17 Sancerre Yonohommachi	
				
Address	Futagocho, Funabashi-shi, Chiba	Nishigaoka, Izumi-ku, Yokohama-shi, Kanagawa	Shimoochiai, Chuo-ku, Saitama-shi, Saitama	
Access	Approx. 10-minute walk from Higashi-Nakayama Station on the Keisei Railway Main Line	Approx. 10-minute walk from Yayoidai Station on the Sotetsu Izumino Line	Approx. 8-minute walk from Yono Station on the JR Keihin Tohoku Line	
Acquisition price	¥860 MM	¥710 MM	¥600 MM	
Structure	RC	RC	RC	
Floors	6F	7F	4F	
Floor area	2,894.04m <sup>2</sup>	2,905.27m <sup>2</sup>	1,998.99m <sup>2</sup>	

# Unit-Holder Composition (at End of 6th Fiscal Period)

## ■ Number of Units by Unit-Holder Type (Number of units issued 183,200)



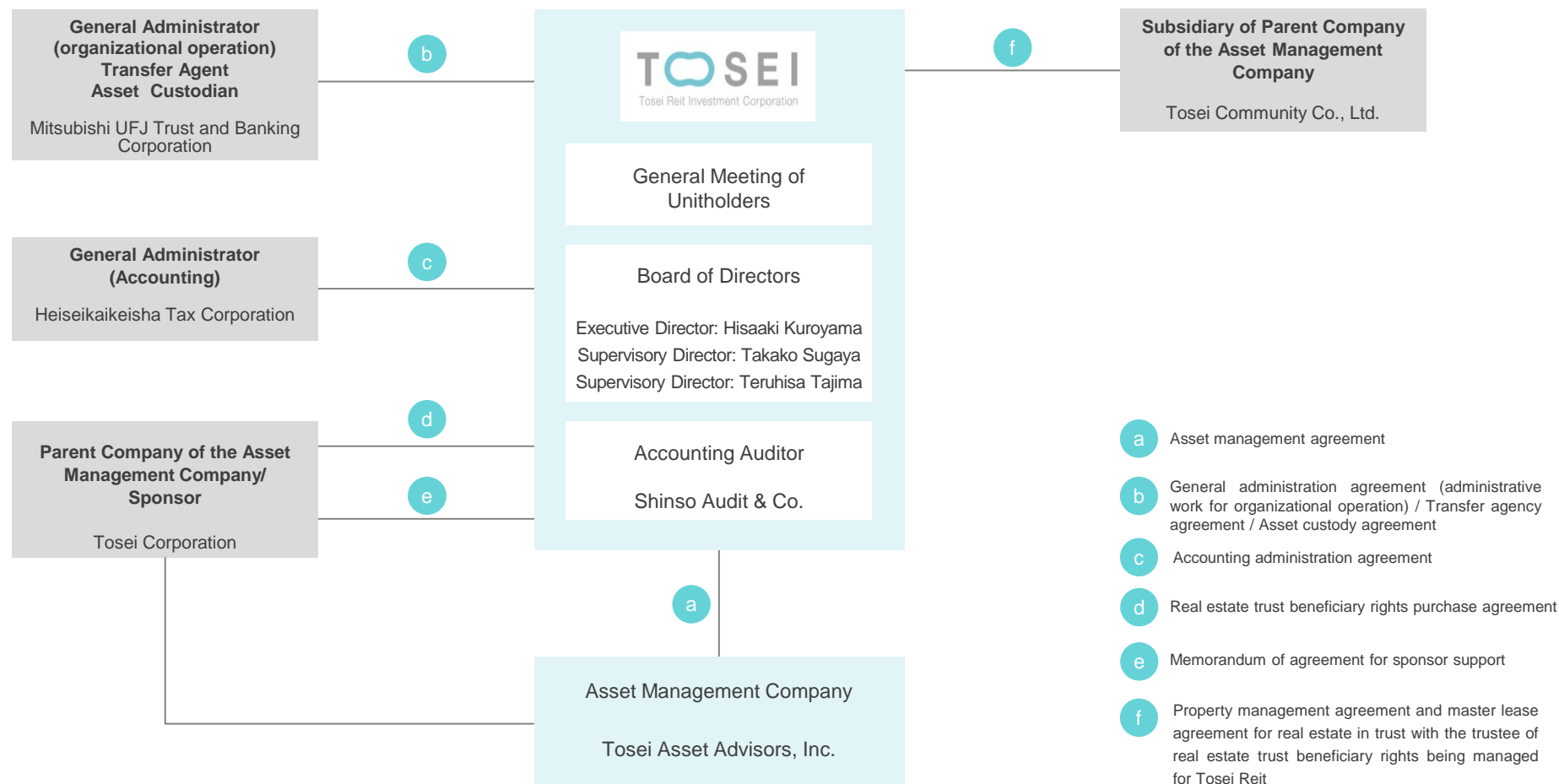
## ■ Number of Unit-Holders by Unit-Holder Type (Total 11,685)



## ■ Top 10 Unit-Holders

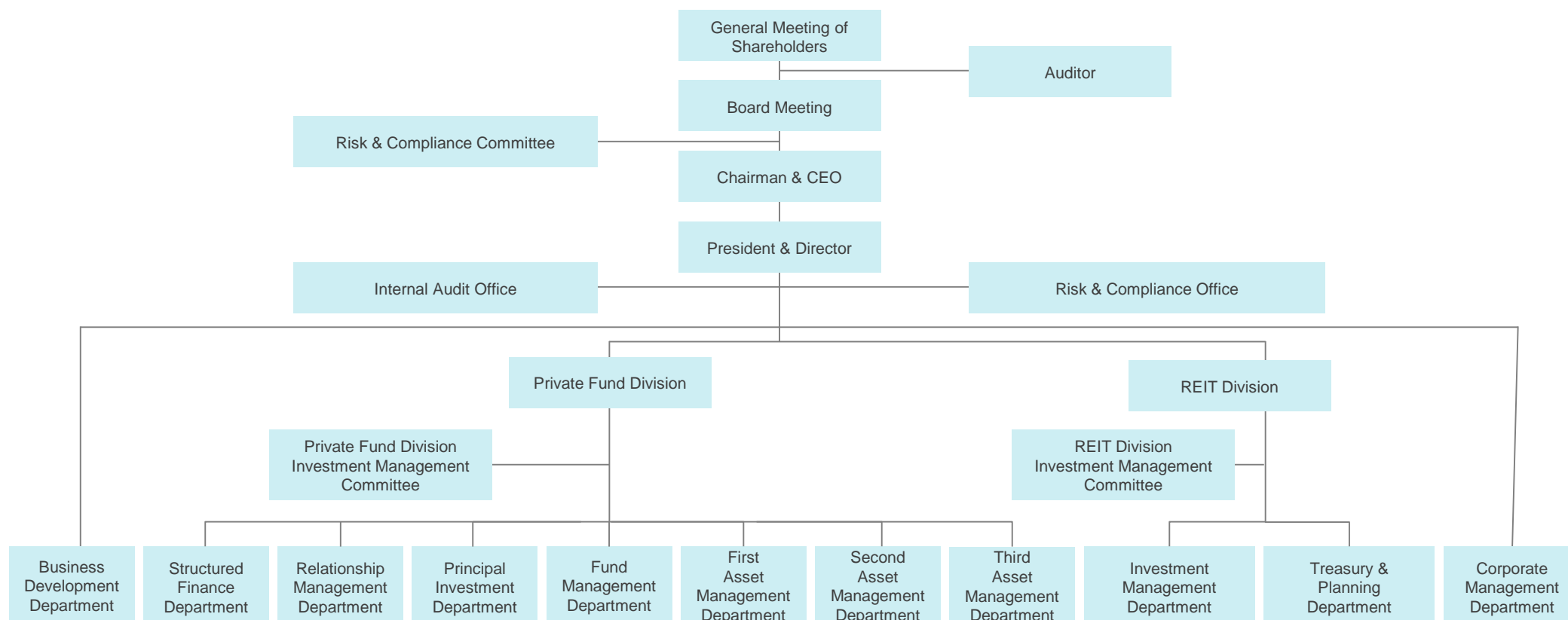
	Name	Number of Investment Units Owned (Units)	Number of Investment Units Owned as a Percentage of Total Number of Investment Units Issued and Outstanding (%)
1	Japan Trustee Services Bank, Ltd. (Trust Account)	15,317	8.36%
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	13,359	7.29%
3	Tosei Corporation	11,820	6.45%
4	Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	7,619	4.15%
5	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	5,518	3.01%
6	Matsui Securities Co., Ltd.	3,438	1.87%
7	Aozora Bank, Ltd.	2,325	1.26%
8	Japan Trustee Services Bank, Ltd. (Trust Account 9)	2,288	1.24%
9	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	2,269	1.23%
10	Sekai Shindokyo Management Division	1,836	1.00%
Total		65,789	35.91%

Note: Based on the unitholder registry as of October 31, 2017. "Number of Investment Units Owned as a Percentage of Total Number of Investment Units Issued and Outstanding" refers to the ratio of the number of investment units owned to the total number of units issued, and figures are rounded down to the second decimal place.



# Profile of Tosei Asset Advisors, Inc.

Company Name	Tosei Asset Advisors, Inc.
Date of Establishment	September 28, 2005
Capital	¥100 MM
Chairman & Representative Director President & Representative Director	Hiroshi Nakamura Akihiko Fujinaga
Licenses/Registrations	Type II Financial Instruments Business, Investment Advisory, and Agency Business Investment Management Business: Director-General of Kanto Local Finance Bureau (Financial Instruments) Registration No. 363 Entrustment-Based Agency Services For Transactions: Minister of Land, Infrastructure, Transport and Tourism, License No. 52 Real Estate Brokerage Business: Governor of Tokyo (3) Registration No. 85736 Real Estate Specified Joint Enterprise License: Commissioner of the Financial Services Agency, Minister of Land, Infrastructure, Transport and Tourism No.70





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