

(REIT) Financial Report for the Fiscal Period Ended October 31, 2018

December 17, 2018

REIT Securities Issuer: Tosei Reit Investment Corporation Stock Exchange Listing: Tokyo Stock Exchange
 Securities Code: 3451 URL: <http://www.tosei-reit.co.jp/en/>
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Scheduled date of submission of securities report: January 30, 2019

Scheduled date of commencement of cash distribution payment: January 15, 2019

Preparation of supplementary financial results briefing materials: Yes

Holding of financial results briefing meeting: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest JPY million)

1. Status of Management and Assets for Fiscal Period Ended October 31, 2018 (May 1, 2018 – October 31, 2018)

(1) Management (% figures are the rate of period-on-period increase (decrease))

Fiscal period	Operating revenue		Operating income		Ordinary income		Net income	
	JPY million	%	JPY million	%	JPY million	%	JPY million	%
Ended Oct. 31, 2018	2,051	2.5	981	(2.0)	805	(2.8)	805	(2.8)
Ended Apr. 30, 2018	2,002	22.6	1,001	32.6	828	33.6	828	33.6

Fiscal period	Net income per unit	Ratio of net income to equity	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenue
	JPY	%	%	%
Ended Oct. 31, 2018	3,434	3.3	1.6	39.3
Ended Apr. 30, 2018	3,532	3.8	1.8	41.4

(2) Cash Distributions

Fiscal period	Cash distribution per unit (not including cash distribution in excess of earnings)	Total cash distribution (not including cash distribution in excess of earnings)	Cash distribution in excess of earnings per unit	Total cash distribution in excess of earnings	Cash distribution per unit (including cash distribution in excess of earnings)	Total cash distribution (including cash distribution in excess of earnings)	Payout ratio	Ratio of cash distribution to net assets
	JPY	JPY million	JPY	JPY million	JPY	JPY million	%	%
Ended Oct. 31, 2018	3,435	805	0	0	3,435	805	100.0	3.2
Ended Apr. 30, 2018	3,532	827	0	0	3,532	827	99.9	3.3

(Note 1) Payout ratio is calculated using the following formula and rounded down to one decimal place. Payout ratio = Total cash distribution (not including cash distribution in excess of earnings) / net income × 100

(Note 2) Ratio of cash distribution to net assets is calculated using the following formula and rounded down to one decimal place.

Ratio of cash distribution to net assets = Cash distribution per unit (not including cash distribution in excess of earnings) / {(net assets per unit at the beginning of the fiscal period + net assets per unit at the end of the fiscal period) / 2} × 100

(3) Financial Position

Fiscal period	Total assets	Net assets	Equity ratio	Net assets per unit
	JPY million	JPY million	%	JPY
Ended Oct. 31, 2018	51,537	24,710	47.9	105,421
Ended Apr. 30, 2018	51,272	24,731	48.2	105,510

(4) Cash Flows

Fiscal period	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	JPY million	JPY million	JPY million	JPY million
Ended Oct. 31, 2018	1,505	16	(857)	5,732
Ended Apr. 30, 2018	989	(9,786)	9,693	5,067

2. Forecast for Management Status for Fiscal Period Ending April 30, 2019 (November 1, 2018 – April 30, 2019) and Forecast for Management Status for Fiscal Period Ending October 31, 2019 (May 1, 2019 – October 31, 2019) (% figures are the rate of period-on-period increase (decrease))

Fiscal period	Operating revenue		Operating income		Ordinary income		Net income		Cash distribution per unit (not including cash distribution in excess of earnings)	Cash distribution in excess of earnings per unit
	JPY million	%	JPY million	%	JPY million	%	JPY million	%	JPY	JPY
Ending Apr. 30, 2019	2,656	29.5	1,437	46.4	1,213	50.6	1,170	45.4	3,850	0
Ending Oct. 31, 2019	2,383	(10.3)	1,173	(18.4)	947	(21.9)	946	(19.2)	3,430	0

(Reference) Forecast net income per unit for the fiscal period ending April 30, 2019 is JPY4,135 and the fiscal period ending October 31, 2019 is JPY3,343 (assuming total number of investment units issued and outstanding at end of period of 283,015 units). The difference between forecast net income per unit and forecast cash distribution per unit for the fiscal period ending April 30, 2019 and the fiscal period ending October 31, 2019 is attributable to recording of capital gain on transfer of a portfolio property, internal reserve of a portion of such, recording of income taxes due to the concerned internal reserve, etc.

* Other

(1) Changes in Accounting Policies, Changes in Accounting Estimates and Retrospective Restatement

- ① Changes in accounting policies accompanying amendments to accounting standards, etc.: No
- ② Changes in accounting policies other than ①: No
- ③ Changes in accounting estimates: No
- ④ Retrospective restatement: No

(2) Total Number of Investment Units Issued and Outstanding

- ① Total number of investment units issued and outstanding (including own investment units) at end of period
- ② Number of own investment units at end of period

Fiscal period ended October 31, 2018	234,400 units
Fiscal period ended April 30, 2018	234,400 units
Fiscal period ended October 31, 2018	0 units
Fiscal period ended April 30, 2018	0 units

(Note) For the number of investment units used as the basis for calculating net income per unit, please refer to “Notes on Per Unit Information” on page 30.

* Presentation of the status of implementation of audit procedures

This financial report is exempt from the audit procedures pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) (the “Financial Instruments and Exchange Act”) and, at the time of disclosure of this financial report, audit procedures for financial statements pursuant to the Financial Instruments and Exchange Act have not been completed.

* Explanation of the appropriate use of the forecast for management status, and other matters of special note

The outlook for management status and other forward-looking statements contained in this document is based on information currently available to and certain assumptions deemed reasonable by Tosei Reit, and the actual management status, etc. may differ materially due to various factors. In addition, the forecast is not a guarantee of the amount of cash distribution. For the assumptions for the forecast for management status, please refer to “Assumptions for Outlook for Management Status for Fiscal Period Ending April 30, 2019 and Fiscal Period Ending October 31, 2019” on page 10.

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1. Affiliated Juridical Persons of the Investment Corporation

Disclosure is omitted because there is no significant change from “Structure of the Investment Corporation” in the recent securities report (submitted on July 30, 2018).

2. Management Policy and Management Status

(1) Management Policy

Disclosure is omitted because there is no significant change from “Investment Policy,” “Investment Target” and “Cash Distribution Policy” in the recent securities report (submitted on July 30, 2018).

(2) Management Status

① Overview of the Fiscal Period Under Review

(a) Key Developments of the Investment Corporation

Tosei Reit was incorporated by Tosei Asset Advisors, Inc. (the “Asset Management Company”) as the organizer under the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951; as amended) (the “Investment Trusts Act”) with investments in capital of JPY960 million (9,600 units) on September 4, 2014, and completed registration with the Kanto Local Finance Bureau on September 22, 2014 (Director-General of the Kanto Local Finance Bureau Registration No. 96).

With issuance of new investment units through public offering (86,400 units) on November 26, 2014, Tosei Reit listed on the Tokyo Stock Exchange, Inc. (“Tokyo Stock Exchange”) Real Estate Investment Trust Securities Market (the “J-REIT market” (Note)) (Securities Code: 3451) on November 27, 2014. The total number of investment units issued and outstanding at the end of the fiscal period stands at 234,400 units.

(Note) “J-REIT” refers to a listed real estate investment corporation. In addition, “J-REIT market” refers to the real estate investment trust securities market established by Tokyo Stock Exchange. The same applies hereinafter.

(b) Investment Environment and Management Performance

Investment Environment:

In the fiscal period under review (8th Period: fiscal period ended October 31, 2018), the Japanese economy continued to expand gradually against the backdrop of a highly accommodative financial environment and underpinnings through government spending, among other factors, amid continued steady growth of overseas economies.

In the real estate investment market, with prices continuing to be in the high range, J-REITs and institutional investors proceeded to make selective investment in prime properties in central Tokyo that have the potential to maintain stable cash flows even in times of deteriorating market conditions. As a result, the ratio of investment in the Tokyo metropolitan area (Note 1), particularly the Tokyo 5 central wards (Note 2), continued to remain on the rise. In addition, the appraisal value of assets owned by J-REITs is still on the rise, although the increase margin has been shrinking.

In the real estate leasing market, for offices in the Tokyo 5 central wards, vacancy rates continued to be on a decreasing trend and average rent continued to be on a slightly increasing trend (according to research by Miki Shoji Co., Ltd.). For rental housing in the Tokyo metropolitan area, vacancy rates hovered at a low level and rent unit prices also maintained a high level.

Management Performance:

Under such environment, as of the end of the fiscal period under review, Tosei Reit owns 31 properties with the total acquisition price (Note 3) of JPY45,996 million and the occupancy rate of the assets under management is 98.2%.

(Note 1) “Tokyo metropolitan area” collectively refers to Tokyo, Kanagawa, Saitama, and Chiba prefectures. The same applies hereinafter.

(Note 2) “Tokyo 5 central wards” collectively refers to Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards. The same applies hereinafter.

(Note 3) “Acquisition price” is the sale and purchase price stated in the real estate trust beneficiary right sale and purchase contract. The sale and purchase price is excluding consumption tax, local consumption tax and various expenses required for the acquisition. The same applies hereinafter.

(c) Overview of Fund Procurement

In the procurement of funds for acquisition of assets, Tosei Reit adopts a basic policy of establishing stable and sound financial standing over the medium to long term with securing of revenue and sustainable growth of asset value in mind. During the fiscal period under review, short-term loans of JPY1,600 million were refinanced into long-term loans on October 31, 2018.

As of October 31, 2018, unitholders' capital was JPY23,907 million and interest-bearing debt outstanding was the amount of JPY24,000 million. At the end of the fiscal period under review, the ratio of interest-bearing debt to total assets (LTV) was 46.6%.

(d) Overview of Business Performance and Cash Distribution

As a result of the management described above, business performance in the fiscal period under review was operating revenue of JPY2,051 million (up 2.5% period-on-period) and operating income of JPY981 million (down 2.0% period-on-period), and that after deducting interest expenses on loans and other expenses was ordinary income of JPY805 million (down 2.8% period-on-period) and net income of JPY805 million (down 2.8% period-on-period).

Concerning cash distribution in the fiscal period under review, in accordance with the cash distribution policy provided in the Articles of Incorporation of Tosei Reit and to ensure that the maximum amount of cash distribution of earnings would be included in deductible expenses based on application of special provisions for taxation on investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957; as amended) (the "Special Taxation Measures Act")), Tosei Reit decided to distribute almost the entire amount remaining after subtracting the reversal amount of reserve for temporary difference adjustments from earnings defined in Article 136 Paragraph 1 of the Investment Trusts Act, excluding the portion where cash distribution per investment unit would be less than JPY1. As a result, Tosei Reit declared a cash distribution per investment unit of JPY3,435.

② Outlook for the Next Fiscal Period

Against the backdrop of a highly accommodative financial environment and underpinnings through government spending, among other factors, not only Japanese corporate bodies, including J-REITs, and individual and institutional investors, but also overseas firms, investment funds, etc. are expected to continue investing in Japanese real estate. Thus, for the time being, acquisition competition and the trend of rising real estate transaction prices in the real estate transaction market are likely to continue to a certain degree.

Furthermore, with regard to the real estate leasing market, the gradual expansion trend in economy is continuing. Amid such, the Tokyo metropolitan area office, retail facility and residential property leasing market is believed to continue showing a trend of improvement, albeit moderate, in both occupancy rates and rent unit prices.

Future Management Policy and Challenges to Address

(a) Management Policy:

Tosei Reit engages in management and investment for the purpose of utilization and revitalization of the "vast existing building stock" (Note 1) in Japan's real estate market by leveraging the core competencies of Tosei Corporation (Note 2) (the "Sponsor" or "Tosei") of "good judgment" (Note 2), "leasing capability" (Note 2) and "revitalization capability" (Note 2), by investing primarily in highly advantageous real estate properties located in areas where acquisition competition is relatively low and where high yields can be expected or properties with strong potential regardless of the properties' age.

By leveraging one of the Sponsor's core competencies of good judgement, Tosei Reit acquires those real estate that can call for relatively high cap rate (Note 3) in terms of the area of location and building age of which are properties that can be expected to have high ability to attract tenants, strong rental demand, etc. over the medium to long term. Also, when Tosei Reit acquires assets from the Sponsor as sourcing support, the Sponsor demonstrates its core competencies of leasing capability and revitalization capability during the period that it holds the target properties, allowing Tosei Reit to acquire assets generating stable revenue. In addition, even

in cases where Tosei Reit acquires assets from sources other than the Sponsor, leveraging the leasing capability of not only the Asset Management Company but also the Sponsor allows Tosei Reit to achieve early enhancement of the revenue-generating potential of the held assets under management.

(Note 1) “Existing building stock” collectively refers to building assets which were constructed in the past and still exist at present.

(Note 2) “Core competencies of Tosei” collectively refers to three forms of know-how. Specifically, (a) the know-how to comprehensively assess an investment property based on factors including location, size, age, facilities/specifications and structure, and to assess a property’s competitiveness and potential as a rental property (“good judgment”), (b) the know-how to raise the level of satisfaction among tenants through appropriate management of investment properties, and to improve and/or maintain occupancy rates with leasing activities that match a property’s specific features (“leasing capability”) and (c) the know-how to improve and/or maintain the competitiveness of a property by assessing the property’s current competitiveness in the market, followed by performing any necessary refurbishments or renovations at the appropriate time (“revitalization capability”). The same applies hereinafter.

(Note 3) “Cap rate” refers to the figure arrived at when NOI is divided by the real estate price. In addition, “NOI” refers to net operating income by the direct capitalization method. Please note that NOI is income before depreciation, and the expected cap rate based on income less depreciation would be lower than this. It is also different from net cash flow (NCF), which is NOI plus financial interests on deposits and less capital expenditure.

(b) Expansion of Asset Size (Note 1)

Tosei Reit manages assets totaling 31 properties and amounting to JPY45,996 million as of the end of the fiscal period under review, but early expansion in size is thought to be necessary to realize stable cash distribution to unitholders.

In today’s real estate market in which acquisition competition is fierce, Tosei Reit will aim for external growth through acquisition of carefully-selected properties that can be expected to have relatively high yields, while securing diverse investment opportunities by leveraging the sourcing support of the Sponsor along with also leveraging the Asset Management Company’s own network from its management of private placement funds (Note 2).

(Note 1) “Asset size” refers to the total amount of acquisition price as of the record date.

(Note 2) Tosei Reit concluded sale and purchase contracts for NU Kannai Building, Higashitotsuka West Building, Rising Place Kawasaki No.2, J Palace Sakuradai, Personnage Yokohama and T’s garden Nishihachioji West totaling 6 properties (the “Assets Acquired in the 9th Period”) on October 11, 2018 and acquired the assets on November 2, 2018.

(c) Financial Strategy

At this point in time, given the Bank of Japan’s monetary easing policy and the market interest rate trends, Tosei Reit has put forth efforts to lengthen maturities and fix interest rates. Going forward, Tosei Reit intends to continue to procure funds with fixed interest rates in principle (including interest rate swap agreements), taking into account the future risk of interest rate rise, economic conditions, etc. However, Tosei Reit will not execute interest rate swap agreements under the current negative interest rate policy as interest rate swap accounting and other associated risks cannot be sufficiently excluded.

(d) Outlook for Management Status for Fiscal Period Ending April 30, 2019 and Fiscal Period Ending October 31, 2019

Fiscal period	Operating revenue (JPY million)	Operating income (JPY million)	Ordinary income (JPY million)	Net income (JPY million)	Cash distribution per unit (not including cash distribution in excess of earnings) (JPY)	Cash distribution in excess of earnings per unit (JPY)
Ending Apr. 30, 2019	2,656	1,437	1,213	1,170	3,850	0
Ending Oct. 31, 2019	2,383	1,173	947	946	3,430	0

The outlook is based on information currently available to and certain assumptions deemed reasonable by Tosei Reit, and the actual management status, etc. may differ materially due to various factors. In addition, the forecast is not a guarantee of the amount of cash distribution. For the assumptions for the outlook, please refer to “Assumptions for Outlook for Management Status for Fiscal Period Ending April 30, 2019 and Fiscal Period Ending October 31, 2019” on page 10.

③ Significant Subsequent Events

(a) Acquisition of Assets

Tosei Reit concluded sale and purchase contracts concerning the acquisition of real estate trust beneficiary rights of the following 6 properties on October 11, 2018 and acquired the assets on November 2, 2018.

Type	Property no.	Property name	Location	Acquisition price (JPY million) (Note)
Office	O-11	NU Kannai Building	Yokohama-shi, Kanagawa	3,800
Office	O-12	Higashitotsuka West Building	Yokohama-shi, Kanagawa	2,650
Residential property	Rd-18	Rising Place Kawasaki No.2	Kawasaki-shi, Kanagawa	1,812
Residential property	Rd-19	J Palace Sakuradai	Nerima-ku, Tokyo	1,090
Residential property	Rd-20	Personnage Yokohama	Yokohama-shi, Kanagawa	740
Residential property	Rd-21	T's garden Nishihachioji West	Hachioji-shi, Tokyo	600
Total (6 properties)			—	10,692

(Note) The sale and purchase price excluding trust beneficiary right transaction brokerage fees, property taxes, etc.

(b) Issuance of New Investment Units

Tosei Reit resolved at the Board of Directors meetings held on October 11, 2018 and October 22, 2018 on the following issuance of new investment units, and payment was completed on November 1, 2018 for the issuance of new investment units through public offering and on November 28, 2018 for the issuance of new investment units through third-party allotment. As a result, as of the date of this document, unitholders' capital is JPY29,009 million and the total number of investment units issued and outstanding is 283,015.

(Issuance of new investment units through primary offering (public offering))

Number of new investment units issued: 46,300 units
Issue price (offer price): JPY108,723 per unit
Total issue price (total offer price): JPY5,033,874,900
Issue amount (paid-in amount): JPY104,931 per unit
Total issue amount (total paid-in amount): JPY4,858,305,300
Payment date: November 1, 2018

(Use of funds)

The funds procured from the issuance of new investment units through public offering above were allocated to part of funds for new acquisition of specified assets by Tosei Reit (including acquisition-related expenses, etc.).

(Issuance of new investment units through third-party allotment)

Number of new investment units issued: 2,315 units
Issue amount (paid-in amount): JPY104,931 per unit
Total issue amount (total paid-in amount): JPY242,915,265
Payment date: November 28, 2018
Allottee: Daiwa Securities Co. Ltd.

(Use of funds)

The funds procured from the issuance of new investment units through third-party allotment above are scheduled to be cash on hand to be allocated to part of funds for future new acquisition of specified assets by Tosei Reit (including acquisition-related expenses, etc.) or part of funds for repayment of loans.

(c) Debt Financing

Tosei Reit executed the following debt financing to allocate to part of funds for the acquisition of real estate trust beneficiary rights as presented in “(a) Acquisition of Assets” earlier in this document and related expenses.

Lender	Loan amount (JPY million)	Interest rate	Drawdown date	Maturity date	Repayment method	Security
MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Resona Bank, Limited Shinsei Bank, Limited Aozora Bank, Ltd.	1,000	Base rate (JBA 1 month JPY TIBOR) (Note 2) + 0.35%	November 2, 2018	November 30, 2021	Lump-sum repayment on maturity date	Unsecured
Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Resona Bank, Limited Shinsei Bank, Limited Aozora Bank, Ltd. AEON Bank, Ltd.	1,000	0.98765% (fixed rate)	November 2, 2018	November 30, 2023	Lump-sum repayment on maturity date	Unsecured
MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Resona Bank, Limited Shinsei Bank, Limited Aozora Bank, Ltd. The Bank of Fukuoka, Ltd.	2,000	1.10624% (fixed rate)	November 2, 2018	May 31, 2024	Lump-sum repayment on maturity date	Unsecured
MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Resona Bank, Limited Shinsei Bank, Limited Aozora Bank, Ltd. The Bank of Fukuoka, Ltd.	1,000	1.22503% (fixed rate)	November 2, 2018	November 29, 2024	Lump-sum repayment on maturity date	Unsecured
MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Resona Bank, Limited Shinsei Bank, Limited Aozora Bank, Ltd. The Bank of Fukuoka, Ltd.	1,000	1.34569% (fixed rate)	November 2, 2018	May 30, 2025	Lump-sum repayment on maturity date	Unsecured
Total	6,000	—	—	—	—	—

(Note 1) Figures indicated do not include borrowing related expenses, etc. to be paid to the lenders.

(Note 2) The base rate applicable to the interest rate calculation period for each interest payment date will be determined on the date two business days prior to the interest payment date immediately before each interest payment date (the drawdown date for the first interest payment date). For JBA's JPY TIBOR, please check with the JBA TIBOR Administration's website (<http://www.jbatibor.or.jp/english/rate/>).

Tosei Reit executed the following debt financing to repay JPY2,000 million matured on November 30, 2018.

Lender	Loan amount (JPY million)	Interest rate	Drawdown date	Maturity date	Repayment method	Security
MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Resona Bank, Limited Shinsei Bank, Limited Aozora Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited	1,000	Base rate (JBA 1 month JPY TIBOR) (Note 2) + 0.45%	November 30, 2018	May 31, 2022	Lump-sum repayment on maturity date	Unsecured
MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Resona Bank, Limited Shinsei Bank, Limited Aozora Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited	1,000	0.89102% (fixed rate)	November 30, 2018	May 31, 2023	Lump-sum repayment on maturity date	Unsecured
Total	2,000	—	—	—	—	—

(Note 1) Figures indicated do not include borrowing related expenses, etc. to be paid to the lenders.

(Note 2) The base rate applicable to the interest rate calculation period for each interest payment date will be determined on the date two business days prior to the interest payment date immediately before each interest payment date (the drawdown date for the first interest payment date). For JBA's JPY TIBOR, please check with the JBA TIBOR Administration's website (<http://www.jbatibor.or.jp/english/rate/>).

(d) Transfer of Asset

Tosei Reit concluded a sale and purchase contract concerning the transfer of real estate trust beneficiary rights of the following 1 property on September 28, 2018 and transferred the asset on November 15, 2018.

Type	Property no.	Property name	Location	Buyer	Transfer price (JPY million) (Note 1)
Residential property	Rd-06	MarLandFive	Fujimi-shi, Saitama	Not disclosed (Note 2)	1,150

(Note 1) "Transfer price" represents the transaction price before taxes, not deducting various expenses (such as real estate taxes) required for the transfer of the asset

(Note 2) The buyer is a domestic business corporation but is not disclosed, because consent for disclosure of name, etc. has not been obtained from the buyer.

(e) Prepayment

Tosei Reit executed the following partial loan prepayment on November 30, 2018.

Lender	Loan amount (JPY million)	Prepayment amount (JPY million)	Drawdown date	Maturity date	Repayment method
MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Resona Bank, Limited Shinsei Bank, Limited Aozora Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited	2,000	800	November 17, 2015	May 31, 2019	Lump-sum repayment on maturity date

Assumptions for Outlook for Management Status for
Fiscal Period Ending April 30, 2019 and Fiscal Period Ending October 31, 2019

Item	Assumptions		
Calculation period	<ul style="list-style-type: none"> Fiscal period ending April 30, 2019 (9th Period): November 1, 2018 – April 30, 2019 (181 days) Fiscal period ending October 31, 2019 (10th Period): May 1, 2019 – October 31, 2019 (184 days) 		
Assets under management	<ul style="list-style-type: none"> It is assumed that there will be no change (new property acquisitions, sales of existing properties, etc.) through the end of the fiscal period ending October 31, 2019 (10th Period) to the real estate trust beneficiary rights owned by Tosei Reit as of the date of this document (36 properties in total) (the “Assets under Management”). In practice, they may vary due to acquisition of new properties other than the Assets under Management or sales of the Assets under Management, etc. 		
Operating revenue	<ul style="list-style-type: none"> Rental revenues from the Assets under Management are calculated taking into account lease agreements that are effective as of the date of this document, tenant and market trends, etc. For rental revenues, it is assumed that no rent payments will be behind or declined by tenants. With transfer of the asset to be transferred completed on November 15, 2018, gain on sales of real estate properties is expected to be recorded from the concerned transfer in the amount of JPY284 million for the fiscal period ending April 30, 2019 (9th Period). 		
Operating expenses	<ul style="list-style-type: none"> The following are the major items of operating expenses. 		
		Fiscal period ending April 30, 2019	Fiscal period ending October 31, 2019
	Expenses related to rent business	JPY997 million	JPY995 million
	<i>Of which:</i> Management fee	JPY225 million	JPY220 million
	<i>[Of which:</i> Operational management costs	JPY168 million	JPY168million]
	<i>[Of which:</i> Property management costs	JPY57 million	JPY52 million]
	Repair expenses	JPY61 million	JPY53 million
	Property taxes	JPY173 million	JPY177 million
	Depreciation	JPY280 million	JPY279 million
	Expenses other than expenses related to rent business	JPY220 million	JPY214 million
Operating expenses	<i>Of which:</i> Asset management fee	JPY146 million	JPY145 million
	<ul style="list-style-type: none"> For the expenditure for repair and maintenance (repair expenses) of buildings, the amount expected to be required in the fiscal period is assumed as expenses, based on the amount planned by the asset management company, after considering the amount stated in the engineering report. However, the expenditure for repair and maintenance for the fiscal period could differ significantly from the estimated amount, as expenditures may arise urgently due to damages to buildings and such caused by unexpected factors, and because the variance in amounts generally tends to be significant from year to year and repair maintenance expenses do not arise regularly. For property taxes, upon transactions of real estate and other properties, it is a general practice to calculate and reimburse the pro rata portion of fixed asset taxes, city planning taxes and other public charges based on the number of days of ownership to the previous owner and settle them at the time of acquisition. However, the settled amount is included in the acquisition cost and is not recorded as expenses at the time of acquisition by Tosei Reit. Therefore, concerning the Assets Acquired in the 9th Period totaling 6 properties that were acquired on November 2, 2018, fixed asset taxes, city planning taxes and other public charges in fiscal 2018 will not be recorded as expenses in the fiscal period ending April 30, 2019. The total of fixed asset taxes, city planning taxes and other public charges for the Assets Acquired in the 9th Period to be included in the acquisition cost in the fiscal period ending April 30, 2019 is assumed to be JPY10 million (equivalent to that for 60 days). 		
	<ul style="list-style-type: none"> NOI for the entire portfolio is assumed to be JPY1,654 million for the fiscal period ending April 30, 2019 (9th Period) and JPY1,666 million for the fiscal period ending October 31, 2019 (10th Period). Out of the above, NOI for the Assets Acquired in the 9th Period is assumed to be JPY304 million for the fiscal period ending April 30, 2019 and JPY306 million for the fiscal period ending October 31, 2019. NOI is calculated by using the following calculation method. NOI = Property-related operating revenue—Property-related operating expenses + Depreciation 		
	<ul style="list-style-type: none"> Amortization of expenses for the issuance of investment units is assumed to be JPY11 million for the fiscal period ending April 30, 2019 and JPY11 million for the fiscal period ending October 31, 2019. Interest expenses and borrowing related expenses are assumed to be JPY212 million for the fiscal period ending April 30, 2019 and JPY214 million for the fiscal period ending October 31, 2019. Among the borrowing related expenses, JPY67 million for the fiscal period ending April 30, 2019 and JPY66 million for the fiscal period ending October 31, 2019 are assumed to be the amounts to be amortized in accordance with the borrowing periods. 		
Non-operating expenses			

Item	Assumptions
Debt financing	<ul style="list-style-type: none"> Debt outstanding as of the date of this document is JPY29,200 million. It is assumed that there will be no changes in the debt outstanding through the end of the fiscal period ending October 31, 2019 (10th Period). LTV is assumed to be 46.9% as of the end of the fiscal period ending April 30, 2019 (9th Period) and 46.9% as of the end of the fiscal period ending October 31, 2019 (10th Period). LTV is calculated by using the following calculation method. $LTV = \text{Total interest-bearing debt} \div \text{Total assets} \times 100$
Total number of investment units issued and outstanding	<ul style="list-style-type: none"> It is assumed that the total number of investment units issued and outstanding will be 283,015 units as of the date of this document, and that there will be no changes to this number due to additional issuance of new investment units and such through the end of the fiscal period ending October 31, 2019. Cash distribution per unit is calculated using the forecast total number of investment units issued and outstanding at the end of the fiscal period ending April 30, 2019 and the fiscal period ending October 31, 2019 (283,015 units).
Cash distribution per unit (not including cash distribution in excess of earnings)	<ul style="list-style-type: none"> Cash distribution per unit is calculated on the assumption described in the monetary cash distribution policy stipulated in Tosei Reit's Articles of Incorporation. For the fiscal period ending April 30, 2019 (9th Period), the outlook is that gain on sales of real estate properties will be recorded from the transfer of the asset to be transferred as presented in "Operating revenue" above. In light of such, on the premise of fulfilling conduit requirements in tax laws, JPY79 million out of net income of JPY1,170 million is assumed to be internally reserved. In addition, JPY41 million is assumed as tax expenses for income taxes due to the concerned internal reserve. The actual amount of internal reserve and tax expenses for income taxes due to the concerned internal reserve may change. The policy for the abovementioned JPY79 million internal reserve is its reversal for cash distribution in the fiscal period ending October 31, 2019 (10th Period) onward. The reversal for cash distribution is assumed to be JPY26 million for the fiscal period ending October 31, 2019 (10th Period). Cash distribution per unit for the fiscal period ending April 30, 2019 and the fiscal period ending October 31, 2019 are calculated with the assumption that there is no fluctuation to the fair value of interest rate swaps. It is possible that the cash distribution per unit (not including cash distribution in excess of earnings) could change due to various factors, including changes in the Assets under Management, changes in rental revenue accompanying changes in tenants, etc., and unexpected maintenance and repairs, etc.
Cash distribution in excess of earnings per unit (out of which, reserve for temporary adjustments)	<ul style="list-style-type: none"> It is assumed that, out of cash distribution in excess of earnings defined in Article 136 Paragraph 1 of the Investment Trusts Act, Tosei Reit will make distribution as reserve for temporary difference adjustments, of which amount is to be determined by Tosei Reit as an amount equivalent to net asset deduction items (as defined in Article 2 item 30 (b) of the Ordinance on Accountings of Investment Corporations), considering the impact of net asset deduction items on cash distribution. No cash distribution in excess of earnings (reserve for temporary difference adjustments) is expected for the fiscal periods ending April 30, 2019 and October 31, 2019 as the calculation is made under assumption that there is no fluctuation to the fair value of interest rate swaps.
Cash distribution in excess of earnings per unit (out of which, distribution reducing unitholders' capital for tax purpose)	<ul style="list-style-type: none"> Out of cash distribution in excess of earnings defined in Article 136 Paragraph 1 of the Investment Trusts Act, Tosei Reit does not currently anticipate a return of contribution.
Other	<ul style="list-style-type: none"> Forecasts are based on the assumption revisions will not be made to laws and regulations, tax systems, accounting standards, listing rules, rules of The Investment Trusts Association, Japan that impact forecast figures. Forecasts are based on the assumption there will be no major unforeseen changes to general economic trends in real estate and other market conditions, etc.

(3) Investment Risks

Disclosure is omitted because there is no significant change from "Investment Risks" in the securities registration statement (submitted on October 11, 2018, as amended).

3. Financial Statements

(1) Balance Sheet

(Unit: JPY thousand)

	7th Period (As of Apr. 30, 2018)	8th Period (As of Oct. 31, 2018)
Assets		
Current assets		
Cash and deposits	1,506,719	1,902,037
Cash and deposits in trust	*1 3,561,028	3,830,246
Operating accounts receivable	4,734	3,555
Prepaid expenses	140,762	103,579
Consumption taxes receivable	145,316	—
Total current assets	5,358,560	5,839,418
Non-current assets		
Property, plant and equipment		
Buildings in trust	13,461,265	13,515,395
Accumulated depreciation	(1,024,104)	(1,244,757)
Buildings in trust, net	*1 12,437,161	12,270,638
Structures in trust	143,424	143,424
Accumulated depreciation	(29,583)	(34,091)
Structures in trust, net	*1 113,840	109,332
Machinery and equipment in trust	303,016	303,516
Accumulated depreciation	(70,583)	(84,627)
Machinery and equipment in trust, net	*1 232,432	218,889
Tools, furniture and fixtures in trust	113,824	123,707
Accumulated depreciation	(29,073)	(36,345)
Tools, furniture and fixtures in trust, net	*1 84,750	87,362
Land in trust	*1 32,774,913	32,774,913
Total property, plant and equipment	45,643,098	45,461,135
Investments and other assets		
Long-term prepaid expenses	227,409	204,811
Deferred tax assets	16	10
Lease and guarantee deposits	10,000	10,000
Total investments and other assets	237,425	214,821
Total non-current assets	45,880,524	45,675,957
Deferred assets		
Investment unit issuance expenses	33,907	22,284
Total deferred assets	33,907	22,284
Total assets	51,272,992	51,537,660

(Unit: JPY thousand)

	7th Period (As of Apr. 30, 2018)	8th Period (As of Oct. 31, 2018)
Liabilities		
Current liabilities		
Operating accounts payable	67,315	83,719
Short-term loans payable	*1 1,600,000	—
Current portion of long-term loans payable	*1 2,000,000	4,000,000
Accounts payable – other	89,991	101,450
Income taxes payable	934	814
Accrued consumption taxes	9,976	69,257
Advances received	326,860	451,002
Other	38,523	63,798
Total current liabilities	4,133,601	4,770,042
Non-current liabilities		
Long-term loans payable	*1 20,400,000	20,000,000
Tenant leasehold and security deposits in trust	2,003,360	2,054,450
Other	4,395	2,424
Total non-current liabilities	22,407,755	22,056,875
Total liabilities	26,541,356	26,826,918
Net assets		
Unitholders' equity		
Unitholders' capital	23,907,827	23,907,827
Deduction from unitholders' capital		
Reserve for temporary difference adjustments	*3 (7,694)	*3 (4,219)
Total deduction from unitholders' capital	(7,694)	(4,219)
Unitholders' capital, net	23,900,133	23,903,608
Surplus		
Unappropriated retained earnings (undisposed loss)	835,896	809,558
Total surplus	835,896	809,558
Total unitholders' equity	24,736,030	24,713,166
Valuation and translation adjustments		
Deferred gains or losses on hedges	(4,395)	(2,424)
Total valuation and translation adjustments	(4,395)	(2,424)
Total net assets	*2 24,731,635	*2 24,710,742
Total liabilities and net assets	51,272,992	51,537,660

(2) Statement of Income

(Unit: JPY thousand)

	7th Period (From: Nov. 1, 2017 To: Apr. 30, 2018)	8th Period (From: May 1, 2018 To: Oct. 31, 2018)
Operating revenue		
Rent revenue – real estate	*1 1,818,838	*1 1,852,313
Other lease business revenue	*1 183,688	*1 199,586
Total operating revenue	2,002,526	2,051,900
Operating expenses		
Expenses related to rent business	*1 834,127	*1 880,247
Asset management fee	110,894	120,005
Asset custody fee	1,965	2,447
Administrative service fees	13,910	14,206
Directors' compensations	3,900	3,180
Other operating expenses	36,507	50,206
Total operating expenses	1,001,304	1,070,294
Operating income	1,001,221	981,605
Non-operating income		
Interest income	22	24
Interest on refund	—	418
Miscellaneous income	—	91
Total non-operating income	22	534
Non-operating expenses		
Interest expenses	99,305	102,076
Borrowing related expenses	61,369	62,578
Other	11,622	11,622
Total non-operating expenses	172,297	176,277
Ordinary income	828,946	805,861
Income before income taxes	828,946	805,861
Income taxes – current	937	818
Income taxes – deferred	(1)	5
Total income taxes	936	824
Net income	828,009	805,037
Retained earnings brought forward	7,886	4,520
Unappropriated retained earnings (undisposed loss)	835,896	809,558

(3) Statement of Unitholders' Equity

7th Period (from November 1, 2017 to April 30, 2018)

(Unit: JPY thousand)

	Unitholders' equity				
	Unitholders' capital				Surplus
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net	Unappropriated retained earnings (undisposed loss)
		Reserve for temporary difference adjustments	Total deduction from unitholders' capital		
Balance at beginning of current period	18,745,895	(14,656)	(14,656)	18,731,239	634,430
Changes of items during period					
Issuance of new investment units	5,161,932			5,161,932	
Dividends of surplus					(619,582)
Reversal of reserve for temporary difference adjustments		6,961	6,961	6,961	(6,961)
Net income					828,009
Net changes of items other than unitholders' equity					
Total changes of items during period	5,161,932	6,961	6,961	5,168,894	201,465
Balance at end of current period	*1 23,907,827	(7,694)	(7,694)	23,900,133	835,896

(Unit: JPY thousand)

	Unitholders' equity		Valuation and translation adjustments		Total net assets
	Surplus	Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
	Total surplus				
Balance at beginning of current period	634,430	19,365,669	(7,796)	(7,796)	19,357,873
Changes of items during period					
Issuance of new investment units		5,161,932			5,161,932
Dividends of surplus	(619,582)	(619,582)			(619,582)
Reversal of reserve for temporary difference adjustments	(6,961)	—			—
Net income	828,009	828,009			828,009
Net changes of items other than unitholders' equity			3,401	3,401	3,401
Total changes of items during period	201,465	5,370,360	3,401	3,401	5,373,761
Balance at end of current period	835,896	24,736,030	(4,395)	(4,395)	24,731,635

8th Period (from May 1, 2018 to October 31, 2018)

(Unit: JPY thousand)

	Unitholders' equity				
	Unitholders' capital				Surplus
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net	Unappropriated retained earnings (undisposed loss)
		Reserve for temporary difference adjustments	Total deduction from unitholders' capital		
Balance at beginning of current period	23,907,827	(7,694)	(7,694)	23,900,133	835,896
Changes of items during period					
Dividends of surplus					(827,900)
Reversal of reserve for temporary difference adjustments		3,475	3,475	3,475	(3,475)
Net income					805,037
Net changes of items other than unitholders' equity					
Total changes of items during period	—	3,475	3,475	3,475	(26,338)
Balance at end of current period	*1 23,907,827	(4,219)	(4,219)	23,903,608	809,558

(Unit: JPY thousand)

	Unitholders' equity		Valuation and translation adjustments		Total net assets
	Surplus	Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
	Total surplus				
Balance at beginning of current period	835,896	24,736,030	(4,395)	(4,395)	24,731,635
Changes of items during period					
Dividends of surplus	(827,900)	(827,900)			(827,900)
Reversal of reserve for temporary difference adjustments	(3,475)	—			—
Net income	805,037	805,037			805,037
Net changes of items other than unitholders' equity			1,970	1,970	1,970
Total changes of items during period	(26,338)	(22,863)	1,970	1,970	(20,893)
Balance at end of current period	809,558	24,713,166	(2,424)	(2,424)	24,710,742

(4) Statement of Cash Distributions

(Unit: JPY)

Item	7th Period (From: Nov. 1, 2017 To: Apr. 30, 2018)	8th Period (From: May 1, 2018 To: Oct. 31, 2018)
I. Unappropriated retained earnings	835,896,811	809,558,396
II. Incorporation into unitholders' capital	3,475,200	1,875,200
Out of which, reversal of reserve for temporary difference adjustments	3,475,200	1,875,200
III. Amount of cash distribution	827,900,800	805,164,000
[Amount of cash distribution per investment unit]	(3,532)	(3,435)
IV. Retained earnings carried forward	4,520,811	2,519,196
Method of calculating the amount of cash distribution	<p>Cash distribution per investment unit for the fiscal period under review is JPY3,532 as stated above.</p> <p>Concerning cash distribution of earnings (not including cash distribution in excess of earnings), in order to ensure that the maximum amount of cash distribution of earnings would be included in deductible expenses based on application of special provisions for taxation on investment corporations (Article 67-15 Paragraph 1 the Special Taxation Measures Act), Tosei Reit decided to distribute almost the entire amount remained after subtracting reversal amount of reserve for temporary difference adjustments from earnings defined in Article 136 Paragraph 1 of the Investment Trusts Act, excluding the portion where cash distribution per investment unit would be less than JPY1. As a result, Tosei Reit declared a cash distribution per investment unit (not including cash distribution in excess of earnings) of JPY3,532.</p>	<p>Cash distribution per investment unit for the fiscal period under review is JPY3,435 as stated above.</p> <p>Concerning cash distribution of earnings (not including cash distribution in excess of earnings), in order to ensure that the maximum amount of cash distribution of earnings would be included in deductible expenses based on application of special provisions for taxation on investment corporations (Article 67-15 Paragraph 1 the Special Taxation Measures Act), Tosei Reit decided to distribute almost the entire amount remained after subtracting reversal amount of reserve for temporary difference adjustments from earnings defined in Article 136 Paragraph 1 of the Investment Trusts Act, excluding the portion where cash distribution per investment unit would be less than JPY1. As a result, Tosei Reit declared a cash distribution per investment unit (not including cash distribution in excess of earnings) of JPY3,435.</p>

(5) Statement of Cash Flows

(Unit: JPY thousand)

	7th Period (From: Nov. 1, 2017 To: Apr. 30, 2018)	8th Period (From: May 1, 2018 To: Oct. 31, 2018)
Cash flows from operating activities		
Income before income taxes	828,946	805,861
Depreciation	243,430	246,476
Borrowing related expenses	61,369	62,578
Interest income	(22)	(24)
Interest expenses	99,305	102,076
Decrease (increase) in operating accounts receivable	2,931	1,178
Decrease (increase) in consumption taxes refund receivable	(145,316)	145,316
Increase (decrease) in accrued consumption taxes	(49,881)	59,281
Decrease (increase) in prepaid expenses	(33,132)	32,992
Increase (decrease) in operating accounts payable	(3,539)	5,281
Increase (decrease) in accounts payable – other	13,768	11,458
Increase (decrease) in advances received	63,709	124,141
Other, net	6,104	13,986
Subtotal	1,087,673	1,610,605
Interest income received	22	24
Interest expenses paid	(97,644)	(103,738)
Income taxes paid	(913)	(937)
Net cash provided by (used in) operating activities	989,138	1,505,954
Cash flows from investing activities		
Purchase of property, plant and equipment in trust	(10,009,357)	(53,390)
Proceeds from tenant leasehold and security deposits in trust	316,772	98,257
Repayments of tenant leasehold and security deposits in trust	(93,694)	(28,646)
Net cash provided by (used in) investing activities	(9,786,278)	16,220
Cash flows from financing activities		
Proceeds from short-term loans payable	1,595,967	—
Decrease in short-term loans payable	—	(1,600,000)
Proceeds from long-term loans payable	5,578,557	1,570,261
Repayments of long-term loans payable	(2,000,000)	—
Proceeds from issuance of investment units	5,138,805	—
Dividends paid	(619,582)	(827,900)
Net cash provided by (used in) financing activities	9,693,747	(857,638)
Net increase (decrease) in cash and cash equivalents	896,607	664,535
Cash and cash equivalents at beginning of period	4,171,140	5,067,747
Cash and cash equivalents at end of period	*1 5,067,747	*1 5,732,283

(6) Notes on Going Concern Assumption

Not applicable.

(7) Notes on Matters Concerning Significant Accounting Policies

1. Method of depreciation of non-current assets	<p>(1) Property, plant and equipment (including assets in trust) The straight-line method is adopted. The useful life of principal property, plant and equipment is as follows:</p> <table> <tr> <td>Buildings</td><td>2-62 years</td></tr> <tr> <td>Structures</td><td>2-60 years</td></tr> <tr> <td>Machinery and equipment</td><td>4-35 years</td></tr> <tr> <td>Tools, furniture and fixtures</td><td>2-27 years</td></tr> </table> <p>(2) Long-term prepaid expenses The straight-line method is adopted.</p>	Buildings	2-62 years	Structures	2-60 years	Machinery and equipment	4-35 years	Tools, furniture and fixtures	2-27 years
Buildings	2-62 years								
Structures	2-60 years								
Machinery and equipment	4-35 years								
Tools, furniture and fixtures	2-27 years								
2. Treatment of deferred assets	Investment unit issuance expenses Equally amortized over a period of 3 years.								
3. Standards for revenue and expense recognition	<p>Accounting for fixed asset tax, etc. Accounting for fixed asset tax, city planning tax, depreciable asset tax, etc. on real estate, etc. held is that, of the tax amount assessed and determined, the amount corresponding to the concerned calculation period is expensed as real estate rent expenses. Reimbursement of fixed asset tax, etc. in the fiscal year that includes the acquisition date paid to the seller upon acquisition of real estate, etc. is not recognized as expenses but included in the cost of acquisition of the concerned real estate, etc.</p>								
4. Hedge accounting	<p>(1) Hedge accounting approach for deferred hedges, etc. Deferral hedge accounting is adopted. (2) Hedging instruments and hedged items Hedging instruments: Interest rate swap transactions Hedged items: Interest on loans (3) Hedging policy Tosei Reit conducts derivative transactions for the purpose of hedging the risks provided in the Articles of Incorporation pursuant to the financial policy. (4) Method for assessing the effectiveness of hedging The effectiveness of hedging is assessed by comparing the cumulative change in cash flows of the hedging instruments with the cumulative change in cash flows of the hedged items and verifying the ratio of the amount of change in the two.</p>								
5. Scope of funds in the statement of cash flows (cash and cash equivalents)	The funds in the statement of cash flows (cash and cash equivalents) consist of cash on hand and cash in trust; deposits that can be withdrawn at any time and deposits in trust; and short-term investments with a maturity of 3 months or less from the date of acquisition, which are readily convertible to cash and bear only an insignificant risk of price fluctuation.								
6. Other significant matters serving as basis for preparation of financial statements	<p>(1) Accounting for trust beneficiary rights that have real estate, etc. as assets in trust Concerning trust beneficiary rights that have real estate, etc. as assets in trust held, all accounts of assets and liabilities within assets in trust as well as all accounts of revenue and expenses from the assets in trust are recognized in the relevant account item of the balance sheet and the statement of income. The following material items of the assets in trust recognized in the relevant account item are separately listed on the balance sheet. ① Cash and deposits in trust ② Buildings in trust; structures in trust; machinery and equipment in trust; tools, furniture and fixtures in trust; and land in trust ③ Tenant leasehold and security deposits in trust (2) Accounting method for consumption tax, etc. Consumption tax and local consumption tax are accounted for by excluding from transaction amounts. However, non-deductible consumption tax on non-current assets, etc. is included in the cost of acquisition of the respective non-current assets, etc.</p>								

(8) Notes on Changes in Presentation Methods

[Changes Accompanying Application of “Partial Amendments to Accounting Standard for Tax Effect Accounting”]
 “Partial Amendments to Accounting Standard for Tax Effect Accounting” (Accounting Standards Board of Japan (ASBJ) Statement No. 28 issued on February 16, 2018) is applied, starting from the beginning of the 8th Period. Accordingly, the presentation method for “Deferred tax assets” has been changed to presentation under “Investments and other assets.”

As a result, on the balance sheet for the 7th Period, the JPY16 thousand in “Deferred tax assets” under “Current assets” is presented by including such in the JPY16 thousand in “Deferred tax assets” under “Investments and other assets.”

(9) Notes to Financial Statements

[Notes to Balance Sheet]

*1. Assets pledged as collateral and secured liabilities

The following are the assets pledged as collateral.

(Unit: JPY thousand)

	7th Period (As of Apr. 30, 2018)	8th Period (As of Oct. 31, 2018)
Cash and deposits in trust	3,561,028	—
Buildings in trust	12,437,161	—
Structures in trust	113,840	—
Machinery and equipment in trust	232,432	—
Tools, furniture and fixtures in trust	84,750	—
Land in trust	32,774,913	—
Total	49,204,126	—

The following are the secured liabilities.

(Unit: JPY thousand)

	7th Period (As of Apr. 30, 2018)	8th Period (As of Oct. 31, 2018)
Short-term loans payable	1,600,000	—
Current portion of long-term loans payable	2,000,000	—
Long-term loans payable	20,400,000	—
Total	24,000,000	—

*2. Minimum net assets as provided in Article 67, Paragraph 4 of the Investment Trusts Act

(Unit: JPY thousand)

	7th Period (As of Apr. 30, 2018)	8th Period (As of Oct. 31, 2018)
	50,000	50,000

*3 Reserve for temporary difference adjustments

7th Period (from November 1, 2017 to April 30, 2018)

1. Reasons, related assets and amounts

(Unit: JPY thousand)

Related assets, etc.	Reason	Initial amount	Balance at beginning of 7th Period	Reserve set aside during period	Reversal during period	Balance at end of 7th Period	Reason for reversal
Deferred gains or losses on hedges	Loss on interest-rate swaps	31,234	14,656	—	(6,961)	7,694	Change in fair value of derivative transactions

2. Method of reversal

(1) Deferred gains or losses on hedges

Based on changes in the fair value of derivative transactions used as hedging instruments, the corresponding amount is scheduled to be reversed.

8th Period (from May 1, 2018 to October 31, 2018)

1. Reasons, related assets and amounts

(Unit: JPY thousand)

Related assets, etc.	Reason	Initial amount	Balance at beginning of 8th Period	Reserve set aside during period	Reversal during period	Balance at end of 8th Period	Reason for reversal
Deferred gains or losses on hedges	Loss on interest-rate swaps	31,234	7,694	—	(3,475)	4,219	Change in fair value of derivative transactions

2. Method of reversal

(1) Deferred gains or losses on hedges

Based on changes in the fair value of derivative transactions used as hedging instruments, the corresponding amount is scheduled to be reversed.

[Notes to Statement of Income]

*1. Breakdown of property-related operating income (loss)

(Unit: JPY thousand)

	7th Period (From: Nov. 1, 2017 To: Apr. 30, 2018)	8th Period (From: May 1, 2018 To: Oct. 31, 2018)
A. Property-related operating revenue		
Rent revenue – real estate		
Rental income	1,556,995	1,590,525
Common area maintenance income	175,088	173,781
Parking income	65,376	65,985
Other rental income	21,378	22,021
Total	1,818,838	1,852,313
Other lease business revenue		
Utilities reimbursement	152,254	172,755
Other income	31,433	26,830
Total	183,688	199,586
Total property-related operating revenue	2,002,526	2,051,900
B. Property-related operating expenses		
Expenses related to rent business		
Management fee	183,228	187,518
Trust fee	9,296	9,300
Utilities expenses	151,573	172,964
Insurance premium	3,725	3,765
Repair expenses	56,574	68,834
Property taxes	141,155	154,589
Depreciation	243,430	246,476
Other expenses	45,143	36,800
Total property-related operating expenses	834,127	880,247
C. Property-related operating income (loss) (A–B)	1,168,399	1,171,652

[Notes to Statement of Unitholders' Equity]

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

	7th Period (From: Nov. 1, 2017 To: Apr. 30, 2018)	8th Period (From: May 1, 2018 To: Oct. 31, 2018)
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	234,400 units	234,400 units

[Notes to Statement of Cash Flows]

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

(Unit: JPY thousand)

	7th Period (From: Nov. 1, 2017 To: Apr. 30, 2018)	8th Period (From: May 1, 2018 To: Oct. 31, 2018)
Cash and deposits	1,506,719	1,902,037
Cash and deposits in trust	3,561,028	3,830,246
Cash and cash equivalents	5,067,747	5,732,283

[Notes on Lease Transactions]

Operating lease transactions (as lessor)

Future minimum lease payments under non-cancellable operating leases

(Unit: JPY thousand)

	7th Period (As of Apr. 30, 2018)	8th Period (As of Oct. 31, 2018)
Due within 1 year	516,303	528,500
Due after 1 year	824,437	558,061
Total	1,340,741	1,086,562

[Notes on Financial Instruments]

1. Matters concerning status of financial instruments

(1) Policy for handling financial instruments

Tosei Reit shall procure funds through borrowing from financial institutions, issuance of investment corporation bonds or issuance of new investment units, etc. in a diversified and well-balanced manner based on a basic policy of establishing stable and sound financial standing over the medium to long term.

Issuance of new investment units shall be implemented in a timely manner by taking into consideration such factors as revenue-generating potential of the properties to be acquired upon the issuance, acquisition timing, LTV level and timing of repayment of interest-bearing debt in a comprehensive manner, and also considering for dilution due to the issuance of new investment units. The funds procured through debt financing and issuance of investment corporation bonds shall be used for acquisition of assets, repairs and maintenance, repayment of security and guarantee deposits, payment of cash distribution, payment of expenses of Tosei Reit or repayment of obligations, etc.

In addition, an amount deemed appropriate to meet various capital needs and by taking into account also the status of establishment of lines of credit, etc. shall be held as cash and deposits.

Derivative transactions may be conducted for the purpose of hedging the risk of fluctuations in interest rates on loans, etc. and other risks, but no speculative transactions shall be conducted.

(2) Description of financial instruments and associated risks, and risk management system

Loans and investment corporation bonds shall be for the purpose of primarily procuring funds for acquisition of assets and funds for repayment/redemption of obligations. Loans and investment corporation bonds are exposed to the risk of inability to refinance upon becoming due for repayment, but efforts are made to minimize the risk by considering and executing proposals for well-balanced fund procurement by diversifying fund procurement sources and including fund procurement through issuance of investment units and other means.

In addition, loans with floating interest rates are exposed to the risk of the interest rate payable rising, but a maximum limit is set for LTV in order to limit the impact of interest rate rises on Tosei Reit's operations. In addition, derivative transactions to convert interest expenses to fixed rates (interest rate swap transactions, etc.) are made available as a hedging instrument, taking into account the balance between the concerned risk and the costs involved in converting interest rates to fixed rates.

However, in circumstances where risks of impacts on interest rate swap agreements stemming from current negative interest rate policy cannot be excluded, interest rate swap agreements shall not be conducted.

Deposits, which are those for investing Tosei Reit's surplus funds, are exposed to credit risk, such as failure of the depository financial institutions, but are managed by limiting the deposit period to short term, taking into consideration security and liquidity.

(3) Supplementary explanation of matters concerning fair value, etc. of financial instruments

Not applicable.

2. Matters concerning fair value, etc. of financial instruments

The following is the carrying amount and fair value, and the amount of difference between these.

7th Period (as of April 30, 2018)

(Unit: JPY thousand)

	Carrying amount	Fair value	Amount of difference
(1) Cash and deposits	1,506,719	1,506,719	—
(2) Cash and deposits in trust	3,561,028	3,561,028	—
Total assets	5,067,747	5,067,747	—
(3) Short-term loans payable	1,600,000	1,600,000	—
(4) Current portion of long-term loans payable	2,000,000	2,000,000	—
(5) Long-term loans payable	20,400,000	20,400,375	375
Total liabilities	24,000,000	24,000,375	375
(6) Derivative transactions*	(4,395)	(4,395)	—

8th Period (as of October 31, 2018)

(Unit: JPY thousand)

	Carrying amount	Fair value	Amount of difference
(1) Cash and deposits	1,902,037	1,902,037	—
(2) Cash and deposits in trust	3,830,246	3,830,246	—
Total assets	5,732,283	5,732,283	—
(3) Short-term loans payable	—	—	—
(4) Current portion of long-term loans payable	4,000,000	4,000,000	—
(5) Long-term loans payable	20,000,000	20,003,453	3,453
Total liabilities	24,000,000	24,003,453	3,453
(6) Derivative transactions*	(2,424)	(2,424)	—

(*) Assets and liabilities arising from derivative transactions are offset and presented in the net amount, with the balance shown in parentheses () when in a net liability position.

(Note 1) Method of calculating the fair value of financial instruments, and notes on derivative transactions

(1) Cash and deposits; (2) Cash and deposits in trust; (3) Short-term loans payable

As these are settled within a short period of time, the fair value is approximately the same as the book value and is thus stated at that book value.

(4) Current portion of long-term loans payable; (5) Long-term loans payable

As those long-term loans payable with floating interest rates reflect market interest rates within a short period of time, the fair value is thought to be almost equal to the book value and is thus stated at that book value. In addition, the fair value of long-term debt with fixed interest rates is calculated based on the method of calculating by discounting the sum total amount of principal and interest by the interest rate that is reasonably estimated as being applicable in the event of drawdown of a similar debt financing.

(6) Derivative transactions

Please refer to “Notes on Derivative Transactions” later in this document.

(Note 2) Carrying amount of financial instruments for which fair value is recognized to be extremely difficult to calculate

Tenant leasehold and security deposits in trust that have been deposited from lessees of rental properties are not subject to disclosure of fair value because a reasonable estimation of cash flows is recognized to be extremely difficult due to there being no market price and difficulty of calculating the actual deposit period from when lessees move in to when they move out.

(Unit: JPY thousand)

	7th Period (As of Apr. 30, 2018)	8th Period (As of Oct. 31, 2018)
Tenant leasehold and security deposits in trust	2,038,493	2,107,565

(*) The amount includes current portion of tenant leasehold and security deposits in trust (JPY35,133 thousand for the 7th Period; JPY53,114 thousand for the 8th Period).

(Note 3) Amount of redemption of monetary claims scheduled to be due after the date of settlement of accounts
7th Period (as of April 30, 2018)

(Unit: JPY thousand)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Cash and deposits	1,506,719	—	—	—	—	—
Cash and deposits in trust	3,561,028	—	—	—	—	—
Total	5,067,747	—	—	—	—	—

8th Period (as of October 31, 2018)

(Unit: JPY thousand)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Cash and deposits	1,902,037	—	—	—	—	—
Cash and deposits in trust	3,830,246	—	—	—	—	—
Total	5,732,283	—	—	—	—	—

(Note 4) Amount of repayment of loans scheduled to be due after the date of settlement of accounts
7th Period (as of April 30, 2018)

(Unit: JPY thousand)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Short-term loans payable	1,600,000	—	—	—	—	—
Long-term loans payable	2,000,000	4,000,000	4,800,000	4,600,000	3,800,000	3,200,000
Total	3,600,000	4,000,000	4,800,000	4,600,000	3,800,000	3,200,000

8th Period (as of October 31, 2018)

(Unit: JPY thousand)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Long-term loans payable	4,000,000	4,400,000	4,800,000	4,200,000	5,200,000	1,400,000
Total	4,000,000	4,400,000	4,800,000	4,200,000	5,200,000	1,400,000

[Notes on Securities]

7th Period (as of April 30, 2018)

Not applicable.

8th Period (as of October 31, 2018)

Not applicable.

[Notes on Derivative Transactions]

1. Derivative transactions to which hedge accounting is not applied

7th Period (as of April 30, 2018)

Not applicable.

8th Period (as of October 31, 2018)

Not applicable.

2. Derivative transactions to which hedge accounting is applied

7th Period (as of April 30, 2018)

The following is the contract amount or amount equivalent to the principal provided in the contract as of the date of settlement of accounts for each hedge accounting approach.

(Unit: JPY thousand)

Hedge accounting approach	Type, etc. of derivative transaction	Main hedged item	Contract amount, etc. (Note 1)		Fair value (Note 2)
				Of which, due after 1 year	
Principle accounting	Interest rate swap transaction Pay fixed Receive floating	Interest on long-term loans	4,000,000	2,000,000	(4,395)

(Note 1) Contract amount, etc. is based on notional principal.

(Note 2) Fair value is calculated based on the price quoted by lending financial institutions, etc.

8th Period (as of October 31, 2018)

The following is the contract amount or amount equivalent to the principal provided in the contract as of the date of settlement of accounts for each hedge accounting approach.

(Unit: JPY thousand)

Hedge accounting approach	Type, etc. of derivative transaction	Main hedged item	Contract amount, etc. (Note 1)		Fair value (Note 2)
				Of which, due after 1 year	
Principle accounting	Interest rate swap transaction Pay fixed Receive floating	Interest on long-term loans	4,000,000	2,000,000	(2,424)

(Note 1) Contract amount, etc. is based on notional principal.

(Note 2) Fair value is calculated based on the price quoted by lending financial institutions, etc.

[Notes on Related-Party Transactions]

1. Parent company and major corporate unitholder, etc.
7th Period (from November 1, 2017 to April 30, 2018)
Not applicable.

8th Period (from May 1, 2018 to October 31, 2018)
Not applicable.
2. Affiliated company, etc.
7th Period (from November 1, 2017 to April 30, 2018)
Not applicable.

8th Period (from May 1, 2018 to October 31, 2018)
Not applicable.
3. Fellow subsidiary, etc.
7th Period (from November 1, 2017 to April 30, 2018)
Not applicable.

8th Period (from May 1, 2018 to October 31, 2018)
Not applicable.
4. Director, major individual unitholder, etc.
7th Period (from November 1, 2017 to April 30, 2018)
Not applicable.

8th Period (from May 1, 2018 to October 31, 2018)
Not applicable.

[Notes on Tax-Effect Accounting]

1. Breakdown of main causes for occurrence of deferred tax assets and deferred tax liabilities

(Unit: JPY thousand)

	7th Period (As of Apr. 30, 2018)	8th Period (As of Oct. 31, 2018)
[Deferred tax assets]		
Non-deductible accrued enterprise tax	16	10
Deferred losses on hedges	1,384	764
Subtotal	1,400	774
Valuation allowance	(1,384)	(764)
Total deferred tax assets	16	10
Net deferred tax assets	16	10

2. Breakdown of major items that caused significant differences between the statutory tax rate and the effective income tax rate after application of tax-effect accounting

(Unit: %)

	7th Period (As of Apr. 30, 2018)	8th Period (As of Oct. 31, 2018)
Statutory tax rate	31.74	31.51
[Adjustments]		
Deductible cash distribution payable	(31.70)	(31.48)
Other	0.07	0.07
Effective income tax rate after application of tax-effect accounting	0.11	0.10

[Notes on Retirement Benefits]

7th Period (as of April 30, 2018)

Not applicable.

8th Period (as of October 31, 2018)

Not applicable.

[Notes on Asset Retirement Obligations]

7th Period (as of April 30, 2018)

Not applicable.

8th Period (as of October 31, 2018)

Not applicable.

[Notes on Investment and Rental Properties]

Tosei Reit owns rental office buildings, rental retail facilities, rental residential properties, etc. in the Tokyo metropolitan area for the purpose of earning revenue from leasing. The following is the carrying amount, amount of increase (decrease) during the period and fair value of these investment and rental properties.

(Unit: JPY thousand)

	7th Period (From: Nov. 1, 2017 To: Apr. 30, 2018)	8th Period (From: May 1, 2018 To: Oct. 31, 2018)
Carrying amount (Note 1)		
Balance at beginning of period	35,875,013	45,643,098
Amount of increase (decrease) during period (Note 2)	9,768,084	(181,962)
Balance at end of period	45,643,098	45,461,135
Fair value at end of period (Note 3)	50,866,000	51,869,000

(Note 1) Carrying amount is the amount of acquisition price less accumulated depreciation.

(Note 2) For the 7th Period, the amount of increase is mainly attributable to acquisition of properties, including Chojamachi Duo Building, totaling 8 properties (JPY9,935,390 thousand), while the amount of decrease is mainly attributable to depreciation (JPY243,430 thousand). For the 8th Period, the amount of increase is mainly attributable to acquisition of construction work to update the emergency power generation facilities at JPT Motomachi Building (JPY9,154 thousand), etc., while the amount of decrease is mainly attributable to depreciation (JPY246,476 thousand).

(Note 3) Fair value at the end of the period is the appraisal value or investigated value by an outside real estate appraiser.

The income (loss) for investment and rental properties is as presented in “Notes to Statement of Income” earlier in this document.

[Notes on Segment Information]

Segment Information

Segment information is omitted because Tosei Reit has a single segment, namely the real estate leasing business.

(Related Information)

7th Period (from November 1, 2017 to April 30, 2018)

1. Information on products and services

Information on product and service is omitted because operating revenue to external customers of a single product/service category is more than 90% of the operating revenue on the statement of income.

2. Information on regions

(1) Operating revenue

Information on regions is omitted because operating revenue to external customers in Japan is more than 90% of the operating revenue on the statement of income.

(2) Property, plant and equipment

Information regions is omitted because the amount of property, plant and equipment located in Japan is more than 90% of the amount of property, plant and equipment on the balance sheet.

3. Information on major customers

(Unit: JPY thousand)

Name of customer	Operating revenue	Name of related segment
Tosei Corporation	291,051	Real estate lease business

8th Period (from May 1, 2018 to October 31, 2018)

1. Information on products and services

Information on product and service is omitted because operating revenue to external customers of a single product/service category is more than 90% of the operating revenue on the statement of income.

2. Information on regions

(1) Operating revenue

Information on regions is omitted because operating revenue to external customers in Japan is more than 90% of the operating revenue on the statement of income.

(2) Property, plant and equipment

Information regions is omitted because the amount of property, plant and equipment located in Japan is more than 90% of the amount of property, plant and equipment on the balance sheet.

3. Information on major customers

(Unit: JPY thousand)

Name of customer	Operating revenue	Name of related segment
Tosei Corporation	296,595	Real estate lease business

[Notes on Per Unit Information]

	7th Period (From: Nov. 1, 2017 To: Apr. 30, 2018)	8th Period (From: May 1, 2018 To: Oct. 31, 2018)
Net assets per unit	JPY105,510	JPY105,421
Net income per unit	JPY3,532	JPY3,434

(Note 1) Net income per unit is calculated by dividing net income by the daily weighted average number of investment units.

In addition, diluted net income per unit is not stated because there are no diluted investment units.

(Note 2) The following is the basis for calculating net income per unit.

	7th Period (From: Nov. 1, 2017 To: Apr. 30, 2018)	8th Period (From: May 1, 2018 To: Oct. 31, 2018)
Net income (JPY thousand)	828,009	805,037
Amount not attributable to common unitholders (JPY thousand)	—	—
Net income attributable to common investment units (JPY thousand)	828,009	805,037
Average number of investment units during period (units)	234,400	234,400

[Notes on Significant Subsequent Events]

1. Acquisition of Assets

Tosei Reit concluded sale and purchase contracts concerning the acquisition of real estate trust beneficiary rights of the following 6 properties on October 11, 2018 and acquired the assets on November 2, 2018.

Property name	NU Kannai Building
Type of asset	Trust beneficiary right
Acquisition price (Note)	JPY3,800 million
Seller	Tosei Corporation
Acquisition date	November 2, 2018

Property name	Higashitotsuka West Building
Type of asset	Trust beneficiary right
Acquisition price (Note)	JPY2,650 million
Seller	Tosei Corporation
Acquisition date	November 2, 2018

Property name	Rising Place Kawasaki No.2
Type of asset	Trust beneficiary right
Acquisition price (Note)	JPY1,812 million
Seller	Rising Trust Co., Ltd.
Acquisition date	November 2, 2018

Property name	J Palace Sakuradai
Type of asset	Trust beneficiary right
Acquisition price (Note)	JPY1,090 million
Seller	Tosei Corporation
Acquisition date	November 2, 2018

Property name	Personnage Yokohama
Type of asset	Trust beneficiary right
Acquisition price (Note)	JPY740 million
Seller	Tosei Corporation
Acquisition date	November 2, 2018

Property name	T's garden Nishihachioji West
Type of asset	Trust beneficiary right
Acquisition price (Note)	JPY600 million
Seller	Tosei Corporation
Acquisition date	November 2, 2018

(Note) The sale and purchase price excluding trust beneficiary right transaction brokerage fees, property taxes, etc.

2. Issuance of New Investment Units

Tosei Reit resolved at the Board of Directors meetings held on October 11, 2018 and October 22, 2018 on the following issuance of new investment units, and payment was completed on November 1, 2018 for the issuance of new investment units through public offering and on November 28, 2018 for the issuance of new investment units through third-party allotment. As a result, as of the date of this document, unitholders' capital is JPY29,009 million and the total number of investment units issued and outstanding is 283,015.

(Issuance of new investment units through primary offering (public offering))

Number of new investment units issued:	46,300 units
Issue price (offer price):	JPY108,723 per unit
Total issue price (total offer price):	JPY5,033,874,900
Issue amount (paid-in amount):	JPY104,931 per unit
Total issue amount (total paid-in amount):	JPY4,858,305,300
Payment date:	November 1, 2018

(Use of funds)

The funds procured from the issuance of new investment units through public offering above were allocated to part of funds for new acquisition of specified assets by Tosei Reit (including acquisition-related expenses, etc.).

(Issuance of new investment units through third-party allotment)

Number of new investment units issued:	2,315 units
Issue amount (paid-in amount):	JPY104,931 per unit
Total issue amount (total paid-in amount):	JPY242,915,265
Payment date:	November 28, 2018
Allottee:	Daiwa Securities Co. Ltd.

(Use of funds)

The funds procured from the issuance of new investment units through third-party allotment above are scheduled to be cash on hand to be allocated to part of funds for future new acquisition of specified assets by Tosei Reit (including acquisition-related expenses, etc.) or part of funds for repayment of loans.

3. Debt Financing

Tosei Reit executed the following debt financing to allocate to part of funds for the acquisition of real estate trust beneficiary rights as presented in “1. Acquisition of Assets” earlier in this document and related expenses.

Lender	Loan amount (JPY million)	Interest rate	Drawdown date	Maturity date	Repayment method	Security
MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Resona Bank, Limited Shinsei Bank, Limited Aozora Bank, Ltd.	1,000	Base rate (JBA 1 month JPY TIBOR) (Note 2) + 0.35%	November 2, 2018	November 30, 2021	Lump-sum repayment on maturity date	Unsecured
Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Resona Bank, Limited Shinsei Bank, Limited Aozora Bank, Ltd. AEON Bank, Ltd.	1,000	0.98765% (fixed rate)	November 2, 2018	November 30, 2023	Lump-sum repayment on maturity date	Unsecured
MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Resona Bank, Limited Shinsei Bank, Limited Aozora Bank, Ltd. The Bank of Fukuoka, Ltd.	2,000	1.10624% (fixed rate)	November 2, 2018	May 31, 2024	Lump-sum repayment on maturity date	Unsecured
MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Resona Bank, Limited Shinsei Bank, Limited Aozora Bank, Ltd. The Bank of Fukuoka, Ltd.	1,000	1.22503% (fixed rate)	November 2, 2018	November 29, 2024	Lump-sum repayment on maturity date	Unsecured
MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Resona Bank, Limited Shinsei Bank, Limited Aozora Bank, Ltd. The Bank of Fukuoka, Ltd.	1,000	1.34569% (fixed rate)	November 2, 2018	May 30, 2025	Lump-sum repayment on maturity date	Unsecured
Total	6,000	—	—	—	—	—

(Note 1) Figures indicated do not include borrowing related expenses, etc. to be paid to the lenders.

(Note 2) The base rate applicable to the interest rate calculation period for each interest payment date will be determined on the date two business days prior to the interest payment date immediately before each interest payment date (the drawdown date for the first interest payment date). For JBA's JPY TIBOR, please check with the JBA TIBOR Administration's website (<http://www.jbatibor.or.jp/english/rate/>).

Tosei Reit executed the following debt financing to repay JPY2,000 million matured on November 30, 2018.

Lender	Loan amount (JPY million)	Interest rate	Drawdown date	Maturity date	Repayment method	Security
MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Resona Bank, Limited Shinsei Bank, Limited Aozora Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited	1,000	Base rate (JBA 1 month JPY TIBOR) (Note 2) + 0.45%	November 30, 2018	May 31, 2022	Lump-sum repayment on maturity date	Unsecured
MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Resona Bank, Limited Shinsei Bank, Limited Aozora Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited	1,000	0.89102% (fixed rate)	November 30, 2018	May 31, 2023	Lump-sum repayment on maturity date	Unsecured
Total	2,000	—	—	—	—	—

(Note 1) Figures indicated do not include borrowing related expenses, etc. to be paid to the lenders.

(Note 2) The base rate applicable to the interest rate calculation period for each interest payment date will be determined on the date two business days prior to the interest payment date immediately before each interest payment date (the drawdown date for the first interest payment date). For JBA's JPY TIBOR, please check with the JBA TIBOR Administration's website (<http://www.jbatibor.or.jp/english/rate/>).

4. Transfer of Asset

Tosei Reit concluded a sale and purchase contract concerning the transfer of real estate trust beneficiary rights of the following 1 property on September 28, 2018 and transferred the asset on November 15, 2018.

Type	Property no.	Property name	Location	Buyer	Transfer price (JPY million) (Note 1)
Residential property	Rd-06	MarLandFive	Fujimi-shi, Saitama	Not disclosed (Note 2)	1,150

(Note 1) "Transfer price" represents the transaction price before taxes, not deducting various expenses (such as real estate taxes) required for the transfer of the asset

(Note 2) The buyer is a domestic business corporation but is not disclosed, because consent for disclosure of name, etc. has not been obtained from the buyer.

5. Prepayment

Tosei Reit executed the following partial loan prepayment on November 30, 2018.

Lender	Loan amount (JPY million)	Prepayment amount (JPY million)	Drawdown date	Maturity date	Repayment method
MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Resona Bank, Limited Shinsei Bank, Limited Aozora Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited	2,000	800	November 17, 2015	May 31, 2019	Lump-sum repayment on maturity date

(10) Increase (Decrease) in Total Number of Investment Units Issued and Outstanding

The following is the increase (decrease) in unitholders' capital and the total number of investment units issued and outstanding from the incorporation of Tosei Reit to the end of the fiscal period under review.

Date	Type of issue	Total number of investment units issued and outstanding (units) (Note 7)		Unitholders' capital (JPY million) (Note 8)		Notes
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
September 4, 2014	Private placement for incorporation	9,600	9,600	960	960	(Note 1)
November 26, 2014	Public offering	86,400	96,000	8,565	9,525	(Note 2)
November 16, 2015	Public offering	61,900	157,900	6,662	16,187	(Note 3)
December 16, 2015	Third-party allotment	3,100	161,000	333	16,521	(Note 4)
November 1, 2016	Public offering	22,200	183,200	2,224	18,745	(Note 5)
November 1, 2017	Public offering	51,200	234,400	5,161	23,907	(Note 6)

(Note 1) Upon the incorporation of Tosei Reit, investment units were issued at an issue amount of JPY100,000 per unit.

(Note 2) Investment units were issued through public offering at an issue price of JPY103,000 (issue amount of JPY99,137) per unit for the purpose of procuring funds for acquisition of new properties, etc.

(Note 3) Investment units were issued through public offering at an issue price of JPY111,637 (issue amount of JPY107,629) per unit for the purpose of procuring funds for acquisition of new properties, etc.

(Note 4) Investment units were issued through third-party allotment at an issue amount of JPY107,629 per unit for the purpose of procuring funds for future acquisition of new properties, etc.

(Note 5) Investment units were issued through public offering at an issue price of JPY103,938 (issue amount of JPY100,206) per unit for the purpose of procuring funds for acquisition of new properties, etc.

(Note 6) Investment units were issued through public offering at an issue price of JPY104,462 (issue amount of JPY100,819) per unit for the purpose of procuring funds for acquisition of new properties, etc.

(Note 7) There exist no investment units without voting rights provided in Article 308 Paragraph 2 of the Companies Act which will be applied mutatis mutandis pursuant to Article 94 of the Investment Trusts Act (treasury investment units) or investment units without voting rights provided in Article 160 of the Ordinance for Enforcement of Investment Trusts Act (mutual-holding investment units).

(Note 8) Fluctuation of unitholders' capital in line with implementation of distribution in excess of earnings with reserve for temporary difference adjustments is not considered.

4. Changes in Directors

(1) Directors of the Investment Corporation

During the fiscal period under review, Hisaaki Kuroyama retired from the post of Executive Director on July 31, 2018 upon expiration of the term of office and Takayoshi Kitajima was newly appointed as Executive Director on August 1, 2018.

The following is the status of directors of Tosei Reit as of the date of this document.

Title	Name	Brief career history		Number of investment units owned (units)
Executive Director	Takayoshi Kitajima	Apr. 1985 Dec. 2000	Joined The Sanwa Bank, Limited (currently MUFG Bank, Ltd.) Assigned as General Manager of Product Development Division, Sanwa Securities Co., Ltd. (currently Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)	8
		June 2002	Assigned as General Manager of Real Estate Investment Bank Division, UFJ Tsubasa Securities Co., Ltd. (currently Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)	
		Feb. 2009	Assigned as Mission Director of Corporate Finance Promotion Division, Mitsubishi UFJ Securities Co., Ltd. (currently Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)	
		May 2010	Assigned as Deputy Director of Corporate Supervisory Division, Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	
		June 2013	Assigned Senior Manager of Business Audit Office, Audit Division, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.)	
		Jan. 2015	Seconded to Tosei Corporation Assigned as Deputy Head of REIT Division, Tosei Asset Advisors, Inc.	
		Jan. 2016	Joined Tosei Corporation Assigned as Head of REIT Division, Tosei Asset Advisors, Inc.	
		Feb. 2016	Appointed as Director, Head of REIT Division, Tosei Asset Advisors, Inc.	
		Aug. 2018	Appointed Executive Director of Tosei Reit Investment Corporation (current position)	
		Dec. 2018	Director, Head of REIT Division & General Manager of Investment Management Department, Tosei Asset Advisors, Inc. (current position)	

Title	Name	Brief career history		Number of investment units owned (units)
Supervisory Director	Takako Sugaya	Oct. 2002	Joined Yamada Hideo Law Office (currently, Yamada Ozaki Law Office) (current position)	0
		Apr. 2004	Appointed Working Group Member of The Center for Financial Industry Information Systems, an incorporated foundation (currently incorporated as public interest incorporated foundation under the same name)	
		May 2006	Appointed Executive Auditor of Keywalker, Inc. (current position)	
		June 2006	Appointed Director of Private Placement Services Association of Japan, an incorporated association (currently incorporated as public interest incorporated association under the same name)	
		Apr. 2007	Appointed Visiting Professor at Toin University of Yokohama, Toin Law School, Toin Gakuen Educational Association Appointed Director of Kusuda Scholarship Foundation, an incorporated foundation (currently incorporated as general incorporated foundation under the same name)	
		June 2007	Appointed Audit & Supervisory Board Member of Faith, Inc. (current position)	
		Aug. 2007	Appointed Company Auditor of MEDIASTICK, INC.	
		Mar. 2010	Appointed Managing Director of Kusuda Scholarship Foundation, an incorporated foundation (currently incorporated as general incorporated foundation under the same name) (current position)	
		Apr. 2010	Appointed Associate Professor at Toin University of Yokohama, Toin Law School, Toin Gakuen Educational Association (current position)	
		June 2010	Appointed Audit & Supervisory Board Member of Columbia Music Entertainment Co., Ltd. (currently, Nippon Columbia Co., Ltd.) (current position)	
		Apr. 2014	Appointed Domestic Relations Conciliation Commissioner of the Tokyo Family Court (current position)	
		Sept. 2014	Appointed Supervisory Director of Tosei Reit Investment Corporation (current position)	
		Jan. 2015	Appointed Executive Committee Chairman of Harassment-free Certification Committee of Cuore C3 Co., Ltd.	
		Apr. 2015	Appointed Councilor of Seisen University, an incorporated educational institution (current position)	
		Aug. 2015	Appointed Executive Committee Chairman of Harassment Countermeasures Committee of Cuore C3 Co., Ltd. (current position)	
		June 2016	Appointed Auditor of Nittsu Shoji Co., Ltd. (current position)	
		Dec. 2016	Appointed Councilor of Foundation for preparing establishment of Karuizawa Kazakoshi Gakuen (current position)	
		Apr. 2017	Appointed part-time instructor of Toho University (current position)	
		June 2017	Appointed Director of Japan Gaming Association (current position)	
		Mar. 2018	Appointed Auditor of Circular Economy Organization, a general incorporated association (current position)	
		June 2018	Appointed Outside Director of Haruyama Holdings Inc. (current position)	
		Oct. 2018	Appointed Advisor of Council for the Promotion of Compliance, Ministry of Finance (current position)	

Title	Name	Brief career history		Number of investment units owned (units)
Supervisory Director	Teruhisa Tajima	Oct. 1995	Joined Chuo Audit Corporation	0
		Apr. 2004	Joined SHIMIZU PATENT ATTORNEYS OFFICE	
		June 2004	Appointed Corporate Auditor of The Longreach Group Inc. (current position)	
		Sept. 2006	Appointed Outside Auditor of OCC Corporation	
		Nov. 2007	Appointed Outside Auditor of NIWS Co. HQ Ltd.	
		Feb. 2008	Appointed Outside Corporate Auditor of CYBIRD Holdings Co., Ltd. (currently, CYBIRD Co., Ltd.)	
		Feb. 2010	Opened Tajima Certified Public Accountant Office (current position)	
		Oct. 2010	Appointed External Auditor of SANYO Electric Logistics Co., Ltd. (currently, MITSUI-SOKO LOGISTICS Co., Ltd.)	
		Apr. 2013	Appointed External Auditor of Quantum Biosystems Inc. (current position)	
		June 2013	Appointed Outside Auditor of Eiken Foundation of Japan, a public interest incorporated foundation	
		Nov. 2013	Appointed Outside Corporate Auditor of Via Mechanics, Ltd. (current position)	
		Jan. 2014	Appointed Outside Corporate Auditor of SOL-PLUS CO., LTD. (current position)	
		Feb. 2014	Appointed Outside Company Auditor of Yasuda Inc.	
		Feb. 2014	Appointed Outside Company Auditor of SY HOLDINGS, Inc. (current position)	
		Sept. 2014	Appointed Outside Audit & Supervisory Board Member of PRISM Pharma Co., Ltd. (currently, PRISM BioLab Co., Ltd.) (current position)	
			Appointed Supervisory Director of Tosei Reit Investment Corporation (current position)	
			Appointed External Auditor of OncoTherapy Science, Inc. (current position)	
		Jan. 2015	Appointed Corporate Auditor of Primo Japan Inc.	
		Aug. 2015	Appointed Auditor of Iida Foundation, a general incorporated foundation (current position)	
		Dec. 2015	Incorporated Tajima Accounting Office, Inc.	
			Appointed Representative Director (current position)	
		Jan. 2016	Appointed Outside Corporate Auditor of EDIGENE CORPORATION (current position)	
		Mar. 2016	Appointed Outside Corporate Auditor of Chiome Bioscience Inc.	
			Appointed Outside Corporate Auditor of Rena Therapeutic Inc. (current position)	
			Appointed Accounting Advisor of OiDE CapiSEA Co., Ltd.	
		June 2016	Appointed Outside Corporate Auditor of Wendy's Japan K. K. (current position)	
			Appointed Outside Corporate Auditor of First Kitchen Ltd. (current position)	
		July 2016	Appointed Outside Corporate Auditor of Curadim Pharma Co., Ltd. (current position)	
		Oct. 2016	Appointed Outside Corporate Auditor of Nippon Outsourcing Corporation (currently NOC Outsourcing & Consulting Inc.) (current position)	
		Dec. 2016	Appointed Outside Corporate Auditor of Obunsha Co., Ltd. (current position)	
		Mar. 2017	Appointed Accounting Advisor of OiDE Adjubilee Co., Ltd. (current position)	
		Mar. 2018	Appointed Accounting Advisor of OiDE RYO-UN Co., Ltd. (current position)	
May 2018	Appointed Outside Corporate Director of Kohikan Corporation Ltd.			
	Appointed Corporate Auditor of Kohikan Corporation Ltd. (current position)			
July 2018	Appointed Outside Corporate Director of Primo Japan Inc.			
Sept. 2018	Appointed Liquidator of OiDE CapiSEA Co., Ltd. (current position)			
	Appointed Outside Corporate Auditor of Newgene Pharma Co., Ltd. (current position)			
Oct. 2018	Appointed Outside Corporate Auditor of S'UIMIN Co., Ltd. (current position)			
	Appointed Accounting Advisor of OiDE BetaRevive Co., Ltd. (current position)			

(Note) Kaname Wakabayashi was elected substitute executive director at the unitholders' meeting held on July 20, 2018 to prepare for cases where there is a shortfall in the number of executive directors provided by laws and regulations.

(2) Directors of the Asset Management Company

During the fiscal period under review, Eiji Kouya's position was changed to Director, Deputy Head of Private Fund Division & General Manager of Principal Investment Department, effective June 1, 2018. For details, please refer to "Notice Concerning the Change of Organization and Change in the Position of a Director at the Asset Management Company" dated May 10, 2018.

5. Reference Information

(1) Investment Status

The following is an overview of the investment status as of the date of Tosei Reit's settlement of accounts (October 31, 2018). Real estate that are the assets in trust of the real estate trust beneficiary rights ("real estate trust beneficiary rights") that are the portfolio assets of Tosei Reit are each the building and its site for leasing to tenants.

Type of asset	Geographical area, etc.	Main use	8th Period (As of Oct. 31, 2018)	
			Total amount held (JPY million) (Note 2)	As a percentage of total assets (%) (Note 3)
Real estate trust beneficiary rights	Tokyo metropolitan area	Offices	20,659	40.1
		Retail facilities	5,908	11.5
		Residential properties	18,893	36.7
	Major regional cities (Note 1)	—	—	—
	Total		45,461	88.2
Deposits and other assets			6,076	11.8
Total assets (Note2)			51,537	100.0
Total liabilities (Note 2)			26,826	52.1
Total net assets (Note 2)			24,710	47.9

(Note 1) "Major regional cities" collectively refers to cities that are cities designated by cabinet order and prefectural capitals located outside the Tokyo metropolitan area, or their equivalent. The same applies hereinafter.

(Note 2) "Total amount held," "Total assets," "Total liabilities" and "Total net assets" are the amounts based on the carrying amounts (depreciated book value in the case of real estate trust beneficiary rights) as of October 31, 2018 in accordance with the asset valuation method provided in the Articles of Incorporation.

(Note 3) "As a percentage of total assets" is the carrying amount of the concerned assets expressed as a percentage of total assets.

(2) Investment Assets

(a) Overview of Assets under Management

The following is the type, property name, location, acquisition price, investment ratio, real estate appraisal value, etc. and acquisition date of assets under management as of the date of Tosei Reit's settlement of accounts (October 31, 2018). Property numbers start with the code "O" in the case of offices, "Rt" in the case of retail facilities and "Rd" in the case of residential properties as assigned according to the asset under management's property use type.

Type	Property no.	Property name	Location	Acquisition price (JPY million)	Investment ratio (%) (Note 1)	Real estate appraisal value, etc. (JPY million) (Note 2)	Acquisition date (Note 3)
Offices	O-01	Tama Center Tosei Building	Tama-shi, Tokyo	3,370	7.3	3,660	November 28, 2014
	O-02	KM Shinjuku Building	Shinjuku-ku, Tokyo	2,057	4.5	2,520	November 28, 2014
	O-03	Nihonbashi-Hamacho Building	Chuo-ku, Tokyo	1,830	4.0	2,280	November 28, 2014
	O-04	Kannai Tosei Building II	Yokohama-shi, Kanagawa	4,100	8.9	4,640	November 17, 2015
	O-05	Nishi Kasai Tosei Building	Edogawa-ku, Tokyo	1,710	3.7	1,970	November 17, 2015
	O-06	Shin Yokohama Center Building	Yokohama-shi, Kanagawa	1,364	3.0	1,700	November 17, 2015
	O-07	Nishidai NC Building	Itabashi-ku, Tokyo	1,481	3.2	1,740	August 31, 2016
	O-08	JPT Motomachi Building	Yokohama-shi, Kanagawa	2,377	5.2	2,730	November 2, 2016
	O-09	Hakusan Asanomi Building	Bunkyo-ku, Tokyo	1,380	3.0	1,600	November 2, 2016
	O-10	Chojamachi Duo Building	Yokohama-shi, Kanagawa	1,300	2.8	1,390	November 2, 2017
	Subtotal			—	20,969	45.6	24,230
Retail facilities	Rt-01	Inage Kaigan Building	Chiba-shi, Chiba	2,380	5.2	2,650	November 28, 2014
	Rt-02	Musashi Fujisawa Tosei Building	Iruma-shi, Saitama	1,950	4.2	2,180	November 17, 2015
	Rt-03	Selection Hatsutomi	Kamagaya-shi, Chiba	310	0.7	349	November 2, 2016
	Rt-04	Wako Building	Chiba-shi, Chiba	1,400	3.0	1,410	November 2, 2017
	Subtotal			—	6,040	13.1	6,589
Offices and retail facilities combined subtotal			—	27,009	58.7	30,819	—
Residential properties	Rd-01	T's garden Koenji	Suginami-ku, Tokyo	1,544	3.4	1,990	November 28, 2014
	Rd-02	Live Akabane	Kita-ku, Tokyo	1,227	2.7	1,490	November 28, 2014
	Rd-03	Gekkocho Apartment	Meguro-ku, Tokyo	1,000	2.2	1,190	November 28, 2014
	Rd-04	T's garden Kawasakidaishi	Kawasaki-shi, Kanagawa	980	2.1	1,130	November 28, 2014
	Rd-05	Abitato Kamata	Ota-ku, Tokyo	836	1.8	927	November 28, 2014
	Rd-06	MarLandFive	Fujimi-shi, Saitama	830	1.8	884	November 28, 2014
	Rd-07	Avenir Shirotae	Yokohama-shi, Kanagawa	780	1.7	932	November 28, 2014
	Rd-08	Dormitory Haramachida	Machida-shi, Tokyo	600	1.3	721	November 28, 2014
	Rd-09	SEA SCAPE Chiba Minato	Chiba-shi, Chiba	2,800	6.1	3,070	November 17, 2015
	Rd-10	Prime Garden	Kamagaya-shi, Chiba	600	1.3	625	November 2, 2016
	Rd-11	T's garden Shinkoiwa	Katsushika-ku, Tokyo	670	1.5	726	November 2, 2016
	Rd-12	Twin Avenue	Nerima-ku, Tokyo	1,880	4.1	1,920	November 2, 2017
	Rd-13	Milestone Higashikurume	Higashikurume-shi, Tokyo	1,650	3.6	1,670	November 2, 2017
	Rd-14	Lumiere No. 3	Kawaguchi-shi, Saitama	1,420	3.1	1,530	November 2, 2017
	Rd-15	T's garden Nishifunabashi	Funabashi-shi, Chiba	860	1.9	877	November 2, 2017
	Rd-16	Quest Yamatedai	Yokohama-shi, Kanagawa	710	1.5	746	November 2, 2017
	Rd-17	Sancerre Yonohonmachi	Saitama-shi, Saitama	600	1.3	622	November 2, 2017
	Subtotal			—	18,987	41.3	21,050
Total			—	45,996	100.0	51,869	—

- (Note 1) “Investment ratio” is the ratio of acquisition price for the asset under management to the sum total amount of acquisition price, rounded to one decimal place.
- (Note 2) Appraisal of the property is entrusted to Japan Real Estate Institute, Japan Valuers Co., Ltd. and JLL Morii Valuation & Advisory K.K. “Real estate appraisal value, etc.” is the appraisal value stated in the real estate appraisal report or investigation report (“real estate appraisal report, etc.”) with October 31, 2018 as the effective date of the appraisal (date of value). The same applies hereinafter.
- (Note 3) “Acquisition date” is the acquisition date stated in the real estate trust beneficiary right sale and purchase contract for the asset under management.

(b) Portfolio Composition

The following presents the portfolio composition as of the date of Tosei Reit’s settlement of accounts (October 31, 2018) of assets under management. Real estate that are the assets in trust of the real estate trust beneficiary rights that are the portfolio assets of Tosei Reit are each the building and its site for leasing to tenants.

a. By property type

Property type	Number of properties	Acquisition price (JPY million)	Investment ratio by property type (%) (Note)
Offices	10	20,969	45.6
Retail facilities	4	6,040	13.1
Residential properties	17	18,987	41.3
Total	31	45,996	100.0

(Note) “Investment ratio by property type” is the ratio of the sum total of acquisition price for the concerned property type to the sum total of acquisition price for the asset under management. The same applies hereinafter.

b. By geographical area

Geographical area	Number of properties	Acquisition price (JPY million)	Investment ratio by geographical area (%) (Note)
Tokyo metropolitan area	31	45,996	100.0
Tokyo 5 central wards	2	3,887	8.5
Tokyo 23 wards (excluding Tokyo 5 central wards)	9	11,728	25.5
Tokyo metropolitan area (excluding Tokyo 23 wards)	20	30,381	66.1
Major regional cities	—	—	—
Total	31	45,996	100.0

(Note) “Investment ratio by geographical area” is the ratio of the sum total of acquisition price for the concerned geographical area to the sum total of acquisition price for the asset under management. The same applies hereinafter.

c. Number of investments by acquisition price

Acquisition price	Number of properties
Less than JPY1.0 billion	11
JPY1.0 billion or more, but less than JPY2.0 billion	14
JPY2.0 billion or more, but less than JPY3.0 billion	4
JPY3.0 billion or more	2
Total	31

(c) Overview of Buildings, Etc.

The following is the construction completion, building age, annual rent, security and guarantee deposits, total leased area, total leasable area, occupancy rate and number of tenants of each asset under management.

The form of lease agreement for Tama Center Tosei Building (Note 1), some sections of JPT Motomachi Building (Note 2) and Musashi Fujisawa Tosei Building (Note 3) is pass-through type master lease agreement (the “ML agreement”) and fixed-rent ML agreement, while a pass-through type ML agreement for each property other than said properties (including sections of JPT Motomachi Building which are not under fixed-rent ML agreement).

Type	Property no.	Property name	Construction completion (Note 4)	Building age (years) (Note 5)	Annual rent (JPY million) (Note 6)	Security and guarantee deposits (JPY million) (Note 7)	Total leased area (m ²) (Note 8)	Total leasable area (m ²) (Note 9)	Occupancy rate (%) (Note 10)	Number of tenants (Note 11)
Offices	O-01	Tama Center Tosei Building (Note 1)	July 1989	29.3	328	252	9,737.49	9,737.49	100.0 (89.9)	1 (44)
	O-02	KM Shinjuku Building	September 1991	27.1	156	81	3,403.95	3,403.95	100.0	8
	O-03	Nihonbashi-Hamacho Building	October 1990	28.0	147	104	3,334.40	3,334.40	100.0	8
	O-04	Kannai Tosei Building II	February 1984 (Note 12)	34.7 (Note 12)	285	322	6,919.80	6,919.80	100.0	33
	O-05	Nishi Kasai Tosei Building	January 1994	24.8	125	76	3,187.97	3,187.97	100.0	9
	O-06	Shin Yokohama Center Building	December 1990	27.9	132	94	3,888.28	3,888.28	100.0	12
	O-07	Nishidai NC Building	March 1992	26.6	140	90	3,798.48	3,798.48	100.0	7
	O-08	JPT Motomachi Building (Note 2)	October 1991	27.0	185	145	5,453.13	5,453.13	100.0 (100.0)	7 (8)
	O-09	Hakusan Asanomi Building	July 1993	25.3	84	83	1,860.51	1,860.51	100.0	11
	O-10	Chojamachi Duo Building	July 1993	25.3	83	67	1,970.91	2,204.74	89.4	10
		Subtotal	—	—	1,669	1,318	43,554.92	43,788.75	99.5	106
Retail facilities	Rt-01	Inage Kaigan Building	November 1992	25.9	192	287	5,807.99	5,890.92	98.6	14
	Rt-02	Musashi Fujisawa Tosei Building (Note 3)	August 1997	21.2	144	72	6,089.72	6,089.72	100.0 (94.0)	1 (5)
	Rt-03	Selection Hatsutomi	June 2003	15.4	28	14	1,839.45	1,839.45	100.0	1
	Rt-04	Wako Building	May 1986	32.5	111	73	2,603.55	2,827.26	92.1	24
		Subtotal	—	—	476	446	16,340.71	16,647.35	98.2	40
Offices and retail facilities combined subtotal			—	—	2,146	1,765	59,895.63	60,436.10	99.1	146
Residential properties	Rd-01	T's garden Koenji	January 2011	7.8	102	17	2,123.19	2,169.38	97.9	54
	Rd-02	Live Akabane	March 1989	29.6	98	10	3,876.39	3,876.39	100.0	72
	Rd-03	Gekkocho Apartment	March 2008	10.6	64	14	1,318.46	1,392.13	94.7	16
	Rd-04	T's garden Kawasaki-daishi	January 2009	9.8	66	8	1,989.27	2,067.77	96.2	51
	Rd-05	Abitato Kamata	June 1991	27.4	50	7	1,702.74	1,768.23	96.3	26
	Rd-06	MarLandFive	April 1990	28.5	71	85	2,531.20	2,721.98	93.0	32
	Rd-07	Avenir Shirotae	February 1995	23.7	68	8	2,393.55	2,499.93	95.7	39
	Rd-08	Dormitory Haramachida	July 1992	26.3	55	4	1,807.82	1,866.99	96.8	64
	Rd-09	SEA SCAPE Chiba Minato	March 2008	10.6	211	68	6,409.02	6,758.52	94.8	126
	Rd-10	Prime Garden	February 1995	23.7	58	7	3,687.98	3,687.98	100.0	60
	Rd-11	T's garden Shinkoiwa	March 1998	20.6	48	6	1,652.93	1,652.93	100.0	25
	Rd-12	Twin Avenue	March 1992	26.7	124	29	4,428.76	4,558.96	97.1	48
	Rd-13	Milestone Higashikurume	September 1989	29.1	122	14	3,437.29	3,546.48	96.9	181
	Rd-14	Lumiere No. 3	September 1994	24.1	107	14	5,456.96	5,644.16	96.7	77
	Rd-15	T's garden Nishifunabashi	February 1991	27.7	61	6	2,643.84	2,643.84	100.0	23
	Rd-16	Quest Yamatedai	February 1989	29.7	56	33	2,802.74	2,802.74	100.0	31
	Rd-17	Sancerre Yonohonmachi	November 1990	28.0	46	4	1,340.25	1,418.69	94.5	47
		Subtotal	—	—	1,413	342	49,602.39	51,077.10	97.1	972
Total/Average			—	25.1 (Note 12)	3,559	2,107	109,498.02	111,513.20	98.2	1,118

- (Note 1) For the property, a pass-through type ML agreement was concluded between the trustee and Tosei Community Co., Ltd (“Tosei Community”) on July 31, 2014 and, furthermore, a pass-through type ML agreement was concluded between the company and Tosei on the same date. The pass-through type ML agreement between the company and Tosei was changed to a fixed-rent ML agreement upon acquisition of the property by Tosei Reit and ended on November 27, 2016. Afterward, a new fixed-rent ML agreement which begins on November 28, 2016 and ends on November 30, 2020 was concluded. The same applies hereinafter.
- (Note 2) For the property, a pass-through type ML agreement was concluded on February 29, 2016 between the trustee and Tosei Community. Of which, however, a fixed-rent ML agreement was concluded between the company and Tosei on September 9, 2016 for the second floor (leased area: 919.15 m²) and on September 28, 2016 for some sections on the seventh floor (leased area: 316.04 m²). The same applies hereinafter.
- (Note 3) For the property, a pass-through type ML agreement was concluded between the trustee and Tosei Community on September 30, 2015. In addition, a fixed-rent ML agreement was concluded between Tosei Community and Tosei at the time of acquisition by Tosei Reit. The same applies hereinafter.
- (Note 4) “Construction completion” is the date of new construction in the real estate registry.
- (Note 5) “Building age” is the number of years that has elapsed from the date of new construction in the real estate registry to October 31, 2018. In addition, that in the total/average column is the figure that is the weighted average based on acquisition price.
- (Note 6) “Annual rent” is the amount annualized by multiplying by 12 the monthly rent (limited to the rent of rental units, including common area maintenance charges, but excluding warehouse, signboard, parking lot, etc. usage fees; the same applies hereinafter) for the building indicated in the lease agreement for the asset under management as of October 31, 2018 (limited to those occupied as of the same date) (the sum total amount thereof if the asset under management is under several lease agreements, and excluding consumption tax, etc.; the same applies hereinafter). For the concerned asset under management, it is the amount annualized by multiplying by 12 the monthly rent based on lease agreements concluded with end-tenants in cases where a pass-through type ML agreement has been concluded (if the lessee of the pass-through type ML agreement has concluded a fixed-rent ML agreement, the lessee of the concerned fixed-rent ML agreement is counted as end-tenants; the same applies hereinafter), and it is the amount annualized by multiplying by 12 the monthly rent based on the ML agreement in cases where a fixed-rent ML agreement has been concluded. The same applies hereinafter.
- (Note 7) “Security and guarantee deposits” is the sum total amount of tenant security and guarantee deposits required based on the lease agreement for the asset under management as of October 31, 2018 (limited to those occupied as of the same date). For the concerned asset under management, it is the tenant security and guarantee deposits based on lease agreements concluded with end-tenants in cases where a pass-through type ML agreement has been concluded, and it is the tenant security and guarantee deposits based on the ML agreement in cases where a fixed-rent ML agreement has been concluded. The same applies hereinafter.
- (Note 8) “Total leased area” is the sum total of the leased floor area indicated in the lease agreement for the asset under management as of October 31, 2018. The leased floor area indicated in the lease agreement may differ from the actual measurement value. For the concerned asset under management, it is the sum total of the floor area actually leased under lease agreements concluded with end-tenants in cases where a pass-through type ML agreement has been concluded, and it is the leased floor area based on the ML agreement in cases where a fixed-rent ML agreement has been concluded. The same applies hereinafter.
- (Note 9) “Total leasable area” is the sum total of the floor area of the portion regarded as being available for leasing based on the lease agreement or building drawing, etc. of the building for the asset under management as of October 31, 2018. The same applies hereinafter.
- (Note 10) “Occupancy rate” is the ratio of the total leased area to total leasable area for the asset under management as of October 31, 2018. However, in cases where an ML agreement has been concluded for the concerned asset under management, the occupancy rate in the case of a property under a pass-through type ML agreement is the ratio of the sum total of the floor area actually leased under lease agreements concluded with end-tenants, and the occupancy rate in the case of a property or a section under a fixed-rent ML agreement is the ratio of the leased floor area based on the ML agreement and the occupancy rate that is the ratio of the sum total of the floor area actually leased under lease agreements concluded between the master lease company and end-tenants is shown in parentheses. In addition, that in the subtotal columns, offices and retail facilities combined subtotal column and total/average column is each the ratio of the sum total of total leased area to the sum total of total leasable area for each asset under management in the respective item. The same applies hereinafter.
- (Note 11) “Number of tenants” is the number of tenants for the asset under management based on the lease agreement for the asset under management as of October 31, 2018 (in cases where a tenant has concluded more than one lease agreement, the tenant is counted as one). However, in cases where an ML agreement has been concluded for the concerned asset under management, the number of tenants in the case of a property under a pass-through type ML agreement is the total number of end-tenants, and the number of tenants in the case of a property or a section under a fixed-rent ML agreement is the master lease company alone as tenant and the number of tenants from counting the number of tenants based on lease agreements between the master lease company and end-tenants is shown in parentheses. The same applies hereinafter.
- (Note 12) As to Kannai Tosei Building II, the parking building was constructed in May 1980 and the office building was added at a later date. The construction completion is the date of new construction of the office building, which is the main part of the building, in the real estate registry, and the building age and the average building age of Kannai Tosei Building II are the number of years calculated based on the said date of new construction.

(Note 13) Even if there is a notice of cancellation or termination of lease agreements with end-tenants or unpaid rent or other non-performance of obligations, in the case of agreements that are ongoing as of October 31, 2018, "Annual rent," "Security and guarantee deposits," "Total leased area," "Occupancy rate" and "Number of tenants" are indicated on the basis that the concerned lease agreements with end-tenants are existing and thus based on the concerned lease agreements. The same applies hereinafter.

(d) Changes in Occupancy Rate

a. The following are the changes in the occupancy rate of assets under management at the end of the fiscal period.

	Number of properties	Total leased area (m ²)	Total leasable area (m ²)	Occupancy rate (%)
1st Period (As of April 30, 2015)	12	39,194.32	40,732.76	96.2
2nd Period (As of October 31, 2015)	12	39,713.19	40,734.02	97.5
3rd Period (As of April 30, 2016)	17	65,187.06	67,576.59	96.5
4th Period (As of October 31, 2016)	18	70,012.30	71,369.69	98.1
5th Period (As of April 30, 2017)	23	84,453.10	85,865.29	98.4
6th Period (As of October 31, 2017)	23	84,502.45	85,865.01	98.4
7th Period (As of April 30, 2018)	31	109,532.58	111,513.63	98.2
8th Period (As of October 31, 2018)	31	109,498.02	111,513.20	98.2

b. The following are the changes in the occupancy rate of each asset under management at the end of the fiscal period.

(Unit: %)

Property no.	Property name	1st Period (As of Apr. 30, 2015)	2nd Period (As of Oct. 31, 2015)	3rd Period (As of Apr. 30, 2016)	4th Period (As of Oct. 31, 2016)	5th Period (As of Apr. 30, 2017)
O-01	Tama Center Tosei Building	100.0 (77.9)	100.0 (56.2)	100.0 (66.9)	100.0 (69.6)	100.0 (73.5)
O-02	KM Shinjuku Building	87.5	96.6	100.0	100.0	100.0
O-03	Nihonbashi-Hamacho Building	100.0	100.0	100.0	100.0	100.0
O-04	Kannai Tosei Building II	—	—	97.4	96.7	100.0
O-05	Nishi Kasai Tosei Building	—	—	100.0	100.0	100.0
O-06	Shin Yokohama Center Building	—	—	92.3	100.0	100.0
O-07	Nishidai NC Building	—	—	—	100.0	90.8
O-08	JPT Motomachi Building	—	—	—	—	100.0 (100.0)
O-09	Hakusan Asanomi Building	—	—	—	—	91.7
O-10	Chojamachi Duo Building	—	—	—	—	—
Rt-01	Inage Kaigan Building	100.0	100.0	100.0	100.0	100.0
Rt-02	Musashi Fujisawa Tosei Building	—	—	100.0 (100.0)	100.0 (100.0)	100.0 (100.0)
Rt-03	Selection Hatsutomi	—	—	—	—	100.0
Rt-04	Wako Building	—	—	—	—	—
Rd-01	T's garden Koenji	96.5	98.6	95.6	97.9	98.8
Rd-02	Live Akabane	95.8	95.8	100.0	97.7	97.2
Rd-03	Gekkocho Apartment	86.1	87.7	82.4	87.8	93.1
Rd-04	T's garden Kawasakidaishi	95.2	95.9	98.6	96.2	100.0
Rd-05	Abitato Kamata	92.6	92.6	96.3	100.0	100.0
Rd-06	MarLandFive	89.4	92.3	90.5	97.7	93.0
Rd-07	Avenir Shirotai	100.0	97.9	91.5	95.7	100.0
Rd-08	Dormitory Haramachida	91.2	96.7	95.5	93.7	94.7
Rd-09	SEA SPACE Chiba Minato	—	—	86.4	93.2	95.2
Rd-10	Prime Garden	—	—	—	—	98.3
Rd-11	T's garden Shinkoiwa	—	—	—	—	100.0
Rd-12	Twin Avenue	—	—	—	—	—
Rd-13	Milestone Higashikurume	—	—	—	—	—
Rd-14	Lumiere No. 3	—	—	—	—	—
Rd-15	T's garden Nishifunabashi	—	—	—	—	—
Rd-16	Quest Yamatedai	—	—	—	—	—
Rd-17	Sancerre Yonohonmachi	—	—	—	—	—

(Unit: %)

Property no.	Property name	6th Period (As of Oct. 31, 2017)	7th Period (As of Apr. 30, 2018)	8th Period (As of Oct. 31, 2018)
O-01	Tama Center Tosei Building	100.0 (80.6)	100.0 (87.2)	100.0 (89.9)
O-02	KM Shinjuku Building	100.0	100.0	100.0
O-03	Nihonbashi-Hamacho Building	100.0	100.0	100.0
O-04	Kannai Tosei Building II	100.0	100.0	100.0
O-05	Nishi Kasai Tosei Building	100.0	100.0	100.0
O-06	Shin Yokohama Center Building	100.0	100.0	100.0
O-07	Nishidai NC Building	94.4	100.0	100.0
O-08	JPT Motomachi Building	100.0 (100.0)	100.0 (100.0)	100.0 (100.0)
O-09	Hakusan Asanomi Building	91.7	91.7	100.0
O-10	Chojamachi Duo Building	—	89.4	89.4
Rt-01	Inage Kaigan Building	100.0	100.0	98.6
Rt-02	Musashi Fujisawa Tosei Building	100.0 (87.3)	100.0 (94.0)	100.0 (94.0)
Rt-03	Selection Hatsutomi	100.0	100.0	100.0
Rt-04	Wako Building	—	98.1	92.1
Rd-01	T's garden Koenji	100.0	100.0	97.9
Rd-02	Live Akabane	100.0	95.0	100.0
Rd-03	Gekkocho Apartment	100.0	85.2	94.7
Rd-04	T's garden Kawasakidaishi	97.6	98.6	96.2
Rd-05	Abitato Kamata	100.0	100.0	96.3
Rd-06	MarLandFive	95.4	100.0	93.0
Rd-07	Avenir Shirotae	93.6	97.9	95.7
Rd-08	Dormitory Haramachida	94.3	100.0	96.8
Rd-09	SEA SPACE Chiba Minato	92.6	97.2	94.8
Rd-10	Prime Garden	100.0	98.3	100.0
Rd-11	T's garden Shinkoiwa	96.7	96.7	100.0
Rd-12	Twin Avenue	—	94.3	97.1
Rd-13	Milestone Higashikurume	—	98.3	96.9
Rd-14	Lumiere No. 3	—	95.6	96.7
Rd-15	T's garden Nishifunabashi	—	94.4	100.0
Rd-16	Quest Yamatedai	—	100.0	100.0
Rd-17	Sancerre Yonohonmachi	—	97.2	94.5

(e) Summary of Real Estate Appraisal Reports, Etc.

Tosei Reit and the Asset Management Company have obtained a real estate appraisal report, etc. for each asset under management from Japan Real Estate Institute, Japan Valuers Co., Ltd. and JLL Morii Valuation & Advisory K.K. The following is a summary of each asset under management's real estate appraisal report, etc. obtained by Tosei Reit and the Asset Management Company with October 31, 2018 as the effective date of the appraisal (date of value). Each real estate appraisal or investigation of the respective real estate appraisal report, etc. is no more than the appraiser's judgment and opinion at a certain point in time, and is not a guarantee of the validity or accuracy of the content, possibility of transaction at the concerned appraisal value, etc. and such. In addition, there is no special vested interest between Japan Real Estate Institute, Japan Valuers Co., Ltd. and JLL Morii Valuation & Advisory K.K., which performed the real estate appraisal, etc., and Tosei Reit or the Asset Management Company.

Tosei Reit Investment Corporation (3451) Financial Report for the Fiscal Period Ended October 31, 2018

Type	Property no.	Name of property	Appraisal firm	Acquisition price (JPY million)	Book value at end of period (JPY million) (Note 1)	Estimated value at end of period (Note 2)					
						Appraisal value, etc. (JPY million)	Indicated value by direct capitalization method (JPY million)	Capitalization rate (%)	Indicated value by DCF method (JPY million)	Discount rate (%)	Terminal capitalization rate (%)
Offices	O-01	Tama Center Tosei Building	Japan Real Estate Institute	3,370	3,295	3,660	3,650	5.7	3,660	5.3	5.7
	O-02	KM Shinjuku Building	Japan Real Estate Institute	2,057	2,003	2,520	2,530	4.0	2,500	3.7	4.1
	O-03	Nihonbashi-Hamacho Building	Japan Real Estate Institute	1,830	1,801	2,280	2,310	4.3	2,250	4.1	4.5
	O-04	Kannai Tosei Building II	Japan Valuers Co., Ltd.	4,100	4,011	4,640	4,850	4.8	4,570	4.6	5.0
	O-05	Nishi Kasai Tosei Building	Japan Valuers Co., Ltd.	1,710	1,676	1,970	2,010	4.9	1,920	4.7	5.1
	O-06	Shin Yokohama Center Building	JLL Morii Valuation & Advisory K.K.	1,364	1,358	1,700	1,720	4.7	1,680	4.5	4.9
	O-07	Nishidai NC Building	Japan Real Estate Institute	1,481	1,468	1,740	1,750	4.7	1,720	4.5	4.9
	O-08	JPT Motomachi Building	JLL Morii Valuation & Advisory K.K.	2,377	2,352	2,730	2,770	4.6	2,690	4.4	4.8
	O-09	Hakusan Asanomi Building	Japan Real Estate Institute	1,380	1,381	1,600	1,610	4.2	1,580	4.0	4.4
	O-10	Chojamachi Duo Building	JLL Morii Valuation & Advisory K.K.	1,300	1,308	1,390	1,420	4.6	1,360	4.4	4.8
	Subtotal				20,969	20,659	24,230	24,620	—	23,930	—
Retail facilities	Rt-01	Inage Kaigan Building	Japan Real Estate Institute	2,380	2,269	2,650	2,670	5.1	2,620	4.9	5.3
	Rt-02	Musashi Fujisawa Tosei Building	Japan Real Estate Institute	1,950	1,924	2,180	2,190	5.6	2,170	5.2	5.8
	Rt-03	Selection Hatsutomi	Japan Real Estate Institute	310	315	349	354	5.2	343	5.0	5.5
	Rt-04	Wako Building	Japan Real Estate Institute	1,400	1,397	1,410	1,420	5.2	1,400	5.0	5.4
	Subtotal				6,040	5,908	6,589	6,634	—	6,533	—
Offices and retail facilities combined subtotal				27,009	26,567	30,819	31,254	—	30,463	—	—
Residential properties	Rd-01	T's garden Koenji	Japan Real Estate Institute	1,544	1,521	1,990	2,020	4.0	1,950	3.8	4.2
	Rd-02	Live Akabane	Japan Real Estate Institute	1,227	1,210	1,490	1,510	4.8	1,470	4.6	5.0
	Rd-03	Gekkocho Apartment	Japan Real Estate Institute	1,000	993	1,190	1,200	4.2	1,170	4.0	4.4
	Rd-04	T's garden Kawasakidaishi	Japan Real Estate Institute	980	957	1,130	1,140	4.9	1,110	4.7	5.1
	Rd-05	Abitato Kamata	Japan Real Estate Institute	836	833	927	942	4.7	912	4.5	4.9
	Rd-06	MarLandFive	Japan Real Estate Institute	830	813	884	892	5.8	876	5.6	6.0
	Rd-07	Avenir Shirotae	Japan Real Estate Institute	780	752	932	941	5.0	922	4.8	5.2
	Rd-08	Dormitory Haramachida	Japan Real Estate Institute	600	625	721	728	4.9	714	4.7	5.1
	Rd-09	SEA SPACE Chiba Minato	JLL Morii Valuation & Advisory K.K.	2,800	2,723	3,070	3,100	5.1	3,030	4.9	5.3
	Rd-10	Prime Garden	Japan Valuers Co., Ltd.	600	617	625	624	5.5	626	5.3	5.7
	Rd-11	T's garden Shinkoiwa	Japan Valuers Co., Ltd.	670	672	726	734	4.4	718	4.2	4.6
	Rd-12	Twin Avenue	Japan Real Estate Institute	1,880	1,894	1,920	1,940	4.8	1,900	4.6	5.0
	Rd-13	Milestone Higashikurume	Japan Real Estate Institute	1,650	1,655	1,670	1,690	5.1	1,650	4.9	5.3
	Rd-14	Lumiere No. 3	Japan Valuers Co., Ltd.	1,420	1,431	1,530	1,540	5.1	1,510	4.9	5.3
	Rd-15	T's garden Nishifunabashi	Japan Valuers Co., Ltd.	860	867	877	892	4.9	861	4.7	5.1
	Rd-16	Quest Yamatedai	Japan Valuers Co., Ltd.	710	715	746	752	5.0	739	4.8	5.2
	Rd-17	Sancerre Yonohonmachi	Japan Valuers Co., Ltd.	600	606	622	628	4.9	616	4.7	5.1
	Subtotal				18,987	18,893	21,050	21,273	—	20,774	—
Total				45,996	45,461	51,869	52,527	—	51,237	—	—

(Note 1) "Book value at end of period" is the depreciated book value as of October 31, 2018, rounded down to the nearest JPY million.

(Note 2) "Estimated value at end of period" is the value stated in the real estate appraisal report, etc. prepared by Japan Real Estate Institute, Japan Valuers Co., Ltd. and JLL Morii Valuation & Advisory K.K. with October 31, 2018 as the effective date of the appraisal (date of value) pursuant to the Articles of Incorporation of Tosei Reit and the rules of The Investment Trusts Association, Japan.

(f) Summary of Engineering Reports and Seismic Risk Analyses, Etc.

Tosei Reit has obtained an engineering report concerning building inspection, compliance with applicable laws and regulations, repair expenses valuation, environmental assessment, etc. for each asset under management from Deloitte Tohmatsu Property Risk Solution Co., Ltd., HI International Consultant Co., Ltd., Sompo Risk Management Inc. (Note 1) and Tokio Marine & Nichido Risk Consulting Co., Ltd. The statements in the engineering report are no more than an indication of the opinion of the reporting party, and Tosei Reit does not guarantee the accuracy of the content thereof. There is no special vested interest between Deloitte Tohmatsu Property Risk Solution Co., Ltd., HI International Consultant Co., Ltd., Sompo Risk Management Inc. or Tokio Marine & Nichido Risk Consulting Co., Ltd. and Tosei Reit or the Asset Management Company.

In addition, Tosei Reit has an evaluation of seismic risk analysis conducted by Sompo Risk Management Inc. at its request as part of due diligence upon acquisition of each asset under management. The analysis evaluates a building's seismic performance by an independent structural evaluation method based on structural drawings and structural calculation documents, which is then weighed against the content of structural calculation documents to arrive at the building's final seismic performance evaluation. The building's specific seismic vulnerability based on such evaluation is considered and seismic hazards and ground conditions are factored into for a comprehensive evaluation, based on the results of which a building's seismic probable maximum loss (PML) value is calculated. Each asset under management's building PML value stated in the "seismic PML (re)evaluation report" prepared by said company is presented in the table below. The statements in the seismic PML (re)evaluation report are no more than an indication of the opinion of the reporting party, and Tosei Reit does not guarantee the accuracy of the content thereof. There is no special vested interest between Sompo Risk Management Inc. and Tosei Reit or the Asset Management Company.

Property no.	Name of property	Engineering report prepared by	Engineering report date	Emergency and short-term repair expenses (JPY thousand) (Note 2)	Long-term repair expenses (JPY thousand) (Note 3)	Seismic PML reevaluation report prepared by	Seismic PML reevaluation report date	PML value (%)
O-01	Tama Center Tosei Building	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	June 2014	—	48,865	Sompo Risk Management Inc.	March 2015	4.36
O-02	KM Shinjuku Building	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	June 2014	—	24,322	Sompo Risk Management Inc.	March 2015	5.52
O-03	Nihonbashi-Hamacho Building	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	June 2014	—	24,930	Sompo Risk Management Inc.	March 2015	6.11
O-04	Kannai Tosei Building II	HI International Consultant Co., Ltd.	July 2015	170	27,239	Sompo Risk Management Inc.	July 2015	11.54
O-05	Nishi Kasai Tosei Building	HI International Consultant Co., Ltd.	July 2015	—	17,387 (Note 4)	Sompo Risk Management Inc.	July 2015	3.84
O-06	Shin Yokohama Center Building	Sompo Risk Management Inc.	August 2015	—	19,378	Sompo Risk Management Inc.	July 2015	6.47
O-07	Nishidai NC Building	Sompo Risk Management Inc.	May 2016	—	15,826	Sompo Risk Management Inc.	May 2016	5.25
O-08	JPT Motomachi Building	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	July 2016	—	25,150	Sompo Risk Management Inc.	July 2016	6.06
O-09	Hakusan Asanomi Building	Tokio Marine & Nichido Risk Consulting Co., Ltd.	July 2016	—	10,433	Sompo Risk Management Inc.	July 2016	7.31
O-10	Chojamachi Duo Building	Sompo Risk Management Inc.	August 2017	—	7,768	Sompo Risk Management Inc.	August 2017	3.56
Rt-01	Inage Kaigan Building	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	June 2014	—	24,129	Sompo Risk Management Inc.	March 2015	6.49
Rt-02	Musashi Fujisawa Tosei Building	Sompo Risk Management Inc.	September 2015	120	8,605	Sompo Risk Management Inc.	September 2015	5.85
Rt-03	Selection Hatsutomi	Sompo Risk Management Inc.	July 2016	—	3,103	Sompo Risk Management Inc.	July 2016	7.98
Rt-04	Wako Building	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	August 2017	—	12,963	Sompo Risk Management Inc.	March 2017	9.32
Rd-01	T's garden Koenji	HI International Consultant Co., Ltd.	February 2014	670	2,936	Sompo Risk Management Inc.	March 2015	7.91
Rd-02	Live Akabane	HI International Consultant Co., Ltd.	February 2014	7,370	8,355	Sompo Risk Management Inc.	March 2015	7.45
Rd-03	Gekkocho Apartment	HI International Consultant Co., Ltd.	April 2014	350	3,833	Sompo Risk Management Inc.	March 2015	8.98
Rd-04	T's garden Kawasakidaishi	HI International Consultant Co., Ltd.	February 2014	685	2,475	Sompo Risk Management Inc.	March 2015	7.38
Rd-05	Abitato Kamata	HI International Consultant Co., Ltd.	February 2014	1,890	3,365	Sompo Risk Management Inc.	March 2015	7.82
Rd-06	MarLandFive	HI International Consultant Co., Ltd.	February 2014	3,570	8,500	Sompo Risk Management Inc.	March 2015	4.00
Rd-07	Avenir Shirotae	HI International Consultant Co., Ltd.	March 2014	1,210	7,827	Sompo Risk Management Inc.	March 2015	7.57
Rd-08	Dormitory Haramachida	HI International Consultant Co., Ltd.	February 2014	4,540	9,477	Sompo Risk Management Inc.	March 2015	5.29
Rd-09	SEA SPACE Chiba Minato	Sompo Risk Management Inc.	July 2015	—	13,280	Sompo Risk Management Inc.	July 2015	7.30
Rd-10	Prime Garden	Sompo Risk Management Inc.	July 2016	—	4,954	Sompo Risk Management Inc.	July 2016	9.42

Property no.	Name of property	Engineering report prepared by	Engineering report date	Emergency and short-term repair expenses (JPY thousand) (Note 2)	Long-term repair expenses (JPY thousand) (Note 3)	Seismic PML reevaluation report prepared by	Seismic PML reevaluation report date	PML value (%)
Rd-11	T's garden Shinkoiwa	HI International Consultant Co., Ltd.	August 2016	3,420	5,041	Sompo Risk Management Inc.	July 2016	4.41
Rd-12	Twin Avenue	HI International Consultant Co., Ltd.	March 2017	400	12,449	Sompo Risk Management Inc.	March 2017	5.70
Rd-13	Milestone Higashikurume	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	August 2017	—	12,633	Sompo Risk Management Inc.	August 2017	4.34
Rd-14	Lumiere No. 3	Sompo Risk Management Inc.	August 2017	—	8,157	Sompo Risk Management Inc.	March 2017	2.58
Rd-15	T's garden Nishifunabashi	HI International Consultant Co., Ltd.	July 2017	7,620	7,994	Sompo Risk Management Inc.	August 2017	7.50
Rd-16	Quest Yamatedai	HI International Consultant Co., Ltd.	July 2017	3,780	6,625	Sompo Risk Management Inc.	August 2017	9.66
Rd-17	Sancerre Yonohonmachi	Tokio Marine & Nichido Risk Consulting Co., Ltd.	August 2017	—	4,336	Sompo Risk Management Inc.	July 2017	4.13
Entire portfolio (Note 5)								3.49

(Note 1) Sompo Japan Nipponkoa Risk Management Inc. changed its business name to Sompo Risk Management & Health Care Inc. on April 1, 2016. In addition, Sompo Risk Management & Health Care Inc. changed its business name to Sompo Risk Management Inc. on October 1, 2018. Even if the name of the company was Sompo Japan Nipponkoa Risk Management Inc. or Sompo Risk Management & Health Care Inc. at the time of obtaining the “portfolio seismic PML evaluation report,” etc., the current business name is indicated. The same applies hereinafter.

(Note 2) “Emergency and short-term repair expenses” is the sum total of the expenses stated in the engineering report as expenses in urgent need and repair and renewal expenses required within roughly one year.

(Note 3) “Long-term expenses” is indicated as follows.

- ① It is the amount stated as the average amount per year of the repair and renewal expenses projected for the second to 12th year (11 years) in the engineering report in the case of the properties investigated by HI International Consultant Co., Ltd.
- ② It is the amount stated as the average amount per year of the long-term repair and renewal expenses projected for the next 12 years in the engineering report in the case of the properties investigated by Sompo Risk Management Inc.
- ③ Of properties researched by Deloitte Tohmatsu Property Risk Solution Co., Ltd, it is the amount stated as the total repair and renewal expenses excluding consumption tax projected for the next 12 years in the engineering report for Tama Center Tosei Building, KM Shinjuku Building, Nihonbashi-Hamacho Building and Inage Kaigan Building, and it is the amount stated as the total repair and renewal expenses excluding consumption tax projected for the second to 12th year (11 years) in the engineering report for the other properties, converted into the average amount per year by Tosei Asset Advisors, Inc.
- ④ It is the amount converted into the average amount per year by Tosei Asset Advisors, Inc. of the amount stated as the total of medium- to long-term repair and renewal expenses projected for the next 12 years in the engineering report in the case of the properties investigated by Tokio Marine & Nichido Risk Consulting Co., Ltd.

(Note 4) For the property, construction work to upgrade the air-conditioning was implemented at the expense and under the responsibility of Tosei. Long-term repair expenses after completion of the concerned construction work is JPY11,954 thousand (average amount per year) according to the “follow-up report to the building survey and diagnosis report” prepared by HI International Consultant Co., Ltd.

(Note 5) The value stated in “Entire portfolio” is the PML value concerning the entire portfolio based on the “seismic PML evaluation report” dated August 2017 by Sompo Risk Management Inc.

(g) Designer, Structural Designer, Contractor, Confirmation and Inspection Body and Structural Calculation Confirmation Body for Each Asset under Management

The following is the designer, structural designer, contractor, confirmation and inspection body and structural calculation confirmation body for each asset under management. Tosei Reit has entrusted a third-party expert body HI International Consultant Co., Ltd., Sompoto Risk Management Inc., Deloitte Tohmatsu Property Risk Solution Co., Ltd. or Tokio Marine & Nichido Risk Consulting Co., Ltd. with confirmation and verification of structural calculation documents and structural drawings for the 30 properties excluding Avenir Shirotae, and has obtained from HI International Consultant Co., Ltd., Sompoto Risk Management Inc., Deloitte Tohmatsu Property Risk Solution Co., Ltd. or Tokio Marine & Nichido Risk Consulting Co., Ltd. overall findings that no intentional falsification has been found in any part of the structural calculation documents and that the structural calculation documents and structural drawings are in alignment and that, accordingly, the buildings are deemed to meet the requirements for seismic safety under the standards act at the time of design with the content stated in the structural calculation documents, subject to the condition that they were appropriately constructed according to the structural drawings at the time of construction of the building of each asset under management. On the other hand, concerning Avenir Shirotae, the report on verification of whether or not there was falsification of structural calculation documents has pointed out inconsistencies between the calculation documents after change in the plan and the structural drawings at the time of application for confirmation, but the matter has already been rectified.

Property no.	Property name	Designer	Structural designer	Contractor	Confirmation and inspection body	Structural calculation confirmation body
O-01	Tama Center Tosei Building	Ishimoto Architectural & Engineering Firm, Inc.	Ishimoto Architectural & Engineering Firm, Inc.	Taisei Corporation	Tokyo Metropolitan Government, building official	HI International Consultant Co., Ltd.
O-02	KM Shinjuku Building	Mitsubishi Jisho Sekkei Inc., first-class architect office	Mitsubishi Jisho Sekkei Inc., first-class architect office	Taisei Corporation, Tokyo Branch	Tokyo Metropolitan Government, building official	HI International Consultant Co., Ltd.
O-03	Nihonbashi-Hamacho Building	Ishimoto Architectural & Engineering Firm, Inc.	Ishimoto Architectural & Engineering Firm, Inc.	Toda Corporation	Tokyo Metropolitan Government, building official	HI International Consultant Co., Ltd.
O-04	Kannai Tosei Building II (Note 2)	Takenaka Corporation First Class Licensed Architect Office	Takenaka Corporation First Class Licensed Architect Office	Takenaka Corporation Tokyo Head Office, Mitsui Construction Co., Ltd., Yokohama Branch	City of Yokohama, building official	Sompoto Risk Management Inc.
O-05	Nishi Kasai Tosei Building	Kitayama Architectural Engineering Office, Inc.	Kitayama Architectural Engineering Office, Inc.	Tobishima Corporation Tokyo Branch	Edogawa Ward building official	HI International Consultant Co., Ltd.
O-06	Shin Yokohama Center Building	Nikken Sekkei first-class architect office	Nikken Sekkei first-class architect office	Maeda Corporation	City of Yokohama, building official	Sompoto Risk Management Inc.
O-07	Nishidai NC Building	Nishimatsu Construction Co., Ltd., first-class architect office	Nishimatsu Construction Co., Ltd., first-class architect office	Nishimatsu Construction Co., Ltd., first-class architect office, Tokyo Construction Branch	Tokyo Metropolitan Government, building official	Sompoto Risk Management Inc.
O-08	JPT Motomachi Building	Environment Designing Shimizu Research Laboratory	Structure Design Company Toshio Fujinuma	Kokune Corporation	City of Yokohama, building official	Deloitte Tohmatsu Property Risk Solution Co., Ltd.
O-09	Hakusan Asanomi Building	Takeo Igarashi Architectural Design Office Inc.	Globo First Class Architect Office Inc. (Note 3)	Fujita Corporation, Tokyo Branch	Bunkyo Ward, building official	Tokio Marine & Nichido Risk Consulting Co., Ltd.
O-10	Chojamachi Duo Building	Azusa Sekkei Co., Ltd.	Azusa Sekkei Co., Ltd.	Kumagai Gumi Co., Ltd., Yokohama Branch	City of Yokohama, building official	Sompoto Risk Management Inc.
Rt-01	Inage Kaigan Building	Nikken Sekkei Ltd.	Nikken Sekkei Ltd.	Haseko Corporation	City of Chiba, building official	HI International Consultant Co., Ltd.
Rt-02	Musashi Fujisawa Tosei Building	Matsumura-Gumi Corporation, Tokyo Head Office, first-class architect office	Matsumura-Gumi Corporation, Tokyo Head Office, first-class architect office	Matsumura-Gumi Corporation, Tokyo Head Office	Saitama Prefectural Government, building official	Sompoto Risk Management Inc.
Rt-03	Selection Hatsutomi	Sugioka Design Office Inc.	JTM 1st Class Qualified Architect. Office	SK Build Co., Ltd.	Japan ERI Co., Ltd.	Sompoto Risk Management Inc.
Rt-04	Wako Building	LAND Architect Office	Globo First Class Architect Office Inc. (Note 3)	Nara Construction Co., Ltd.	City of Chiba, building official	Deloitte Tohmatsu Property Risk Solution Co., Ltd.
Rd-01	T's garden Koenji	YOKOHOUSE, Inc., first-class architect office	Yabuki Architecture Office	Maeda Corporation, Tokyo Branch	Houseplus Architectural Inspection, Inc.	HI International Consultant Co., Ltd.
Rd-02	Live Akabane	KK Arte Kenchiku Sekkei Jimusho	HI International Consultant Co., Ltd. (Note 3)	Toda Corporation	Kita Ward, building official	HI International Consultant Co., Ltd.
Rd-03	Gekkocho Apartment	Urban Design System Ltd., first-class architect office	Ove Arup & Partners Japan Limited	Kajima Corporation, Tokyo Architectural Construction Branch	Bureau Veritas Japan Co., Ltd.	HI International Consultant Co., Ltd.
Rd-04	T's garden Kawasakidaishi	Sekisui House, Ltd., Yokohama Kita Sha Maison Branch, first-class architect office	(Note 4)	Sekisui House, Ltd., Yokohama Kita Sha Maison Branch	East Japan House Evaluation Center	HI International Consultant Co., Ltd.
Rd-05	Abitato Kamata	Tokyo Keizairen and KK Zenkoku Nokyō Sekkei	KK Zenkoku Nokyō Sekkei	Tanaka Doken Kogyo Co., Ltd.	Tokyo Metropolitan Government, building official	HI International Consultant Co., Ltd.
Rd-06	MarLandFive	Institute of New Architecture Inc.	Institute of New Architecture Inc.	Tobu Fudosan KK	Saitama Prefectural Government, building official	HI International Consultant Co., Ltd.
Rd-07	Avenir Shirotae	KK San-a Sekkei	Party that prepared the structural calculation document not stated therein.	Toa Corporation, Yokohama Branch Office	City of Yokohama, building official	HI International Consultant Co., Ltd.

Property no.	Property name	Designer	Structural designer	Contractor	Confirmation and inspection body	Structural calculation confirmation body
Rd-08	Dormitory Haramachida	Mitsui Fudosan Kensetsu KK, first-class architect office	Mitsui Fudosan Kensetsu KK	Mitsui Fudosan Kensetsu KK	City of Machida, building official	HI International Consultant Co., Ltd.
Rd-09	SEA SPACE Chiba Minato	Kume Sekkei Co., Ltd.	Kume Sekkei Co., Ltd.	Taisei Corporation, Chiba Branch	UHEC	HI International Consultant Co., Ltd.
Rd-10	Prime Garden	Re-LAND Corporation Co., Ltd.	Kanai Design Inc.	Re-LAND Corporation Co., Ltd.	Chiba Prefectural government, building official	Sompo Risk Management Inc.
Rd-11	T's garden Shinkoiwa	Fumikazu Nakano Design Office Inc.	Kyoei Corporation (Note 3)	Penta-Ocean Corporation Co., Ltd. Tokyo Branch	Katsushika City building official	HI International Consultant Co., Ltd.
Rd-12	Twin Avenue	Uchino Komuten K.K., first-class architect office	Uchino Komuten K.K., first-class architect office	Uchino Komuten K.K.	Nerima Ward, building official	HI International Consultant Co., Ltd.
Rd-13	Milestone Higashikurume	Honma Architectural Design Office, K.K.	HI International Consultant Co., Ltd. (Note 3)	Okumura Corporation	Tokyo Metropolitan Government, building official	Deloitte Tohmatsu Property Risk Solution Co., Ltd.
Rd-14	Lumiere No. 3	Kawaguchi Construction Co., Ltd., first-class architect office	Kawaguchi Construction Co., Ltd., first-class architect office	Kawaguchi Construction Co., Ltd.	City of Kawaguchi, building official	Sompo Risk Management Inc.
Rd-15	T's garden Nishifunabashi	Kumagai Gumi Co., Ltd., Yokohama first-class architect office	HI International Consultant Co., Ltd. (Note 3)	Kumagai Gumi Co., Ltd., Yokohama Branch	City of Funabashi, building official	HI International Consultant Co., Ltd.
Rd-16	Quest Yamatedai	Mitsui Kensetsu Kabushiki Kaisha, first-class architect office	Mitsui Kensetsu Kabushiki Kaisha, first-class architect office	Mitsui Construction Co., Ltd., Yokohama Branch	City of Yokohama, building official	HI International Consultant Co., Ltd.
Rd-17	Sancerre Yonohonmachi	Haseko Corporation	Haseko Corporation	Haseko Corporation	Saitama Prefectural Government, building official	Tokio Marine & Nichido Risk Consulting Co., Ltd.

(Note 1) The name stated above is the name, etc. at the time for the designer, etc. of the property.

(Note 2) As to this building, information on the office building, which is the main part of the building, is provided. The designer and structural designer of the parking building is Ishimoto Architectural & Engineering Firm, Inc., the constructors are Yokohama Elevator Co., Ltd. and the consortium of Obayashi Corporation and Takenaka Corporation for new construction of Bashamichi Building, and the confirmation and inspection body is City of Yokohama, building official. The structural calculation confirmation body is Sompo Risk Management Inc., the same as that for the office building.

(Note 3) The name of the party that reproduced the structural calculation document is stated because the structural calculation document, in whole or in part, is missing or contents thereof cannot be confirmed.

(Note 4) Verification results have been obtained from HI International Consultant Co., Ltd. that the building is judged to have strength compliant with the current Building Standards Act as building materials, structural members, construction techniques and foundations certified with type approval by the Minister of Land, Infrastructure, Transport and Tourism have been employed and have been manufactured and newly constructed by certified type, parts, etc. manufacturers.

(h) Status of Collateral

There are no security rights that Tosei Reit has agreed or committed to establishing for any asset under management as of the date of this document.

(i) Information about Major Real Estate

Of Tosei Reit's assets under management, there are no real estate of which annual rent accounts for 10% or more of the entire portfolio's annual rent as of October 31, 2018.

(j) Information About Major Tenants (those tenants of which the area leased to the concerned tenant accounts for 10% or more of the sum total of total leased area)

The following table lists those tenants of Tosei Reit's assets under management that account for 10% or more of the entire portfolio's total leased area as of the date of settlement of accounts of Tosei Reit (October 31, 2018). In the case of a property under a pass-through type ML agreement, not only the master lease company but also end-tenants are counted as tenants. In addition, in the case of a property under a fixed-rent ML agreement, the master lease company alone is counted as tenants and end-tenants are not counted. For the entirety of Tama Center Tosei Building and Musashi Fujisawa Tosei Building as well as the second floor (leased area: 919.15 m²) and some sections on the seventh floor (leased area: 316.04 m²) of JPT Motomachi Building, as a pass-through type ML agreement has been concluded between the trustee and the master lease company, Tosei Community, and furthermore a fixed-rent ML agreement has been concluded between the company and the sub master lease company Tosei, both the master lease company and the sub master lease company are shown.

Name of tenant	Type of business	Property name	Annual rent (JPY million)	Total leased area (m ²)	Leased area ratio (%) (Note 1)	Contract expiration date (Note 2)	Contract form (Note 3)	Security and guarantee deposits (JPY million)
Tosei Community Co., Ltd. (Note 4)	Property management business	Tama Center Tosei Building KM Shinjuku Building Nihonbashi-Hamacho Building Kannai Tosei Building II Nishi Kasai Tosei Building Shin Yokohama Center Building JPT Motomachi Building Chojamachi Duo Building Inage Kaigan Building Musashi Fujisawa Tosei Building Selection Hatsutomi Wako Building T's garden Koenji Live Akabane Gekkocho Apartment T's garden Kawasakidaishi Abitato Kamata MarLandFive Avenir Shirotae Dormitory Haramachida SEA SPACE Chiba Minato Prime Garden T's Garden Shinkoiwa Milestone Higashikurume T's garden Nishifunabashi Quest Yamatedai Sancerre Yonohonmachi	3,103	93,953.31	85.8	November 30, 2018	Ordinary building lease agreement	1,889
		Nishidai NC Building	140	3,798.48	3.5	August 31, 2019	Ordinary building lease agreement	90
Tosei Corporation	Real estate business	Tama Center Tosei Building JPT Motomachi Building	360	10,972.68	10.0	November 30, 2020	Fixed-term building lease agreement	268
		Musashi Fujisawa Tosei Building	144	6,089.72	5.6	November 30, 2025	Ordinary building lease agreement	72

(Note 1) "Leased area ratio" is the ratio of the leased area indicated in the lease agreement with the concerned tenant to total leased area for the entire portfolio. The same applies hereinafter.

(Note 2) "Contract expiration date" is the contract expiration date indicated in the lease agreement with the concerned tenant as of October 31, 2018. The same applies hereinafter.

(Note 3) "Contract form" is the contract form indicated in the lease agreement with the concerned tenant as of October 31, 2018. The same applies hereinafter.

(Note 4) A pass-through type ML agreement has been concluded between the trustee and Tosei Community as of October 31, 2018 for assets under management excluding Hakusan Asanomi Building, Twin Avenue and Lumiere No.3. Thus, the total leased area indicates the sum total of the floor areas actually leased under lease agreements concluded with end-tenants (Tosei is regarded as the end-tenant when Tosei Community has concluded a fixed-rent ML agreement with Tosei). If both parties of the lease agreement do not express their intent otherwise to each other by one month prior to the expiration date, the agreement shall be renewed for another year under the same terms and conditions, and the same shall apply upon expiration thereafter.

In addition, Tosei Community is a property management company ("PM Company") of assets under management excluding Hakusan Asanomi Building, Twin Avenue and Lumiere No.3, and has concluded a PM agreement with the trustee. If both parties of the PM agreement do not express their intent otherwise to each other by one month prior to the expiration date, the agreement shall be renewed for another year under the same terms and conditions, and the same shall apply upon expiration thereafter.

(k) Top End-Tenants by Leased Area

The following are the end-tenants of Tosei Reit's assets under management ranking in the top ten in terms of leased area of the entire portfolio as of the date of settlement of accounts (October 31, 2018). In the case of a property under a fixed-rent ML agreement, the entries are not concerning end-tenants but the master lease company and based on the lease agreement with the master lease company. In the case of a property under a pass-through type ML agreement, the entries are not concerning the master lease company but end-tenants and based on the lease agreement with end-tenants.

Name of end-tenant	Property name	Total leased area (m ²)	Leased area ratio (%)	Contract expiration date	Contract form
Tosei Corporation	Tama Center Tosei Building	9,737.49	8.9	November 30, 2020	Fixed-term building lease agreement
Tosei Corporation	Musashi Fujisawa Tosei Building	6,089.72	5.6	November 30, 2025	Ordinary building lease agreement
Not disclosed (Note)	Inage Kaigan Building	2,989.01	2.7	November 23, 2018	Ordinary building lease agreement
Not disclosed (Note)	JPT Motomachi Building	1,558.28 293.74 Total: 1,852.02	1.7	January 4, 2019 September 30, 2020	Ordinary building lease agreement
Not disclosed (Note)	Selection Hatsutomi	1,839.45	1.7	June 3, 2023	Ordinary building lease agreement
FUJITSU CoWorCo Limited	Shin Yokohama Center Building	1,822.20	1.7	December 31, 2019	Ordinary building lease agreement
Not disclosed (Note)	Not disclosed (Note)	1,549.35	1.4	August 31, 2020	Ordinary building lease agreement
Not disclosed (Note)	Not disclosed (Note)	1,420.46	1.3	April 16, 2019	Ordinary building lease agreement
Tosei Corporation	JPT Motomachi Building	1,235.19	1.1	November 30, 2020	Fixed-term building lease agreement
HEATWAVE Co., Ltd.	KM Shinjuku Building	447.41 447.41 137.29 Total: 1,032.11	0.9	March 31, 2019 October 31, 2018 June 30, 2020	Ordinary building lease agreement

(Note) The name of the end-tenant and property name is not disclosed because consent for disclosure has not been obtained from the end-tenant.

(I) Overview of Leasing to Related Parties

The following is an overview of leasing of each asset under management where a related party as defined under “related-party transaction rules,” which are internal rules of the Asset Management Company, is the end-tenant (however, in the case of a property under a fixed-rent ML agreement, the concerned master lease company is counted as end-tenants).

Name of end-tenant	Property name	Total leased area (m ²)	Annual rent (JPY million)	Security and guarantee deposits (JPY million)	Contract expiration date	Contract form
Tosei Corporation	Tama Center Tosei Building	9,737.49	328	252	November 30, 2020	Fixed-term building lease agreement
Tosei Corporation	JPT Motomachi Building (Note)	1,235.19	31	15	November 30, 2020	Fixed-term building lease agreement
Tosei Corporation	Musashi Fujisawa Tosei Building	6,089.72	144	72	November 30, 2025	Ordinary building lease agreement

(Note) For JPT Motomachi Building, the figures are the sum total of those under the fixed-rent ML agreement concluded on September 9, 2016 for the second floor (leased area: 919.15 m²) and of those under the fixed-rent ML agreement concluded on September 28, 2016 for some sections on the seventh floor (leased area: 316.04 m²).

(m) Earnings Performance of the Properties

(Reference Information) Earnings Performance of the Properties

8th Period (from May 1, 2018 to October 31, 2018)

(Unit: JPY thousand)

Property no.	(O-01)	(O-02)	(O-03)	(O-04)
Property name	Tama Center Tosei Building	KM Shinjuku Building	Nihonbashi- Hamacho Building	Kannai Tosei Building II
Total property-related operating revenue ①	208,187	92,343	91,942	173,076
Rent revenue – real estate	167,933	83,165	80,419	153,115
Other lease business revenue	40,254	9,178	11,523	19,961
Total property-related operating expenses ②	77,411	28,433	32,626	53,562
Management fee	24,221	6,663	7,874	18,041
Trust fee	300	300	300	300
Utilities expenses	32,501	8,971	11,080	17,252
Insurance premium	447	146	142	266
Repair expenses	1,379	1,205	3,199	1,682
Property taxes	17,492	10,064	8,174	13,468
Other expenses	1,068	1,082	1,855	2,551
NOI ③ ((1)–(2))	130,776	63,910	59,315	119,514
Depreciation ④	17,155	8,893	10,741	20,966
Property-related operating income (loss) ⑤ ((3)–(4))	113,620	55,016	48,574	98,547
Capital expenditures ⑥	1,630	440	2,361	1,014
NCF ⑦ ((3)–(6))	129,146	63,470	56,954	118,499

(Unit: JPY thousand)

Property no.	(O-05)	(O-06)	(O-07)	(O-08)
Property name	Nishi Kasai Tosei Building	Shin Yokohama Center Building	Nishidai NC Building	JPT Motomachi Building
Total property-related operating revenue ①	75,168	75,561	79,432	113,514
Rent revenue – real estate	65,074	70,794	72,962	99,627
Other lease business revenue	10,094	4,767	6,470	13,886
Total property-related operating expenses ②	24,031	22,330	30,432	33,841
Management fee	6,622	7,916	8,963	10,591
Trust fee	300	300	300	300
Utilities expenses	8,036	6,003	10,796	11,741
Insurance premium	115	165	162	201
Repair expenses	812	291	1,055	699
Property taxes	6,503	7,161	8,305	9,533
Other expenses	1,641	491	849	774
NOI ③ ((1)–(2))	51,136	53,231	49,000	79,673
Depreciation ④	9,061	8,204	9,736	12,950
Property-related operating income (loss) ⑤ ((3)–(4))	42,075	45,026	39,264	66,723
Capital expenditures ⑥	710	2,167	—	9,394
NCF ⑦ ((3)–(6))	50,426	51,063	49,000	70,278

(Unit: JPY thousand)

Property no.	(O-09)	(O-10)	(Rt-01)	(Rt-02)
Property name	Hakusan Asanomi Building	Chojamachi Duo Building	Inage Kaigan Building	Musashi Fujisawa Tosei Building
Total property-related operating revenue ①	46,955	51,473	128,938	72,199
Rent revenue – real estate	41,811	45,605	103,192	72,199
Other lease business revenue	5,143	5,868	25,746	—
Total property-related operating expenses ②	16,978	14,857	49,513	7,269
Management fee	7,606	5,207	8,042	1,080
Trust fee	300	300	300	300
Utilities expenses	3,286	4,630	26,480	—
Insurance premium	77	87	230	91
Repair expenses	1,483	495	2,109	—
Property taxes	4,020	1,596	11,479	5,776
Other expenses	204	2,539	871	21
NOI ③ (①—②)	29,976	36,615	79,424	64,930
Depreciation ④	6,250	9,775	20,323	7,747
Property-related operating income (loss) ⑤ (③—④)	23,725	26,840	59,100	57,182
Capital expenditures ⑥	7,778	8,779	4,056	7,023
NCF ⑦ (③—⑥)	22,198	27,836	75,368	57,907

(Unit: JPY thousand)

Property no.	(Rt-03)	(Rt-04)	(Rd-01)	(Rd-02)
Property name	Selection Hatsutomi	Wako Building	T's garden Koenji	Live Akabane
Total property-related operating revenue ①	14,250	67,998	52,704	50,732
Rent revenue – real estate	14,250	57,140	51,167	49,398
Other lease business revenue	—	10,858	1,537	1,334
Total property-related operating expenses ②	3,813	22,565	10,042	18,022
Management fee	1,104	10,006	4,122	4,760
Trust fee	300	300	300	300
Utilities expenses	—	8,697	389	706
Insurance premium	31	115	60	110
Repair expenses	—	793	1,355	5,850
Property taxes	2,250	1,560	2,986	3,354
Other expenses	127	1,091	828	2,940
NOI ③ (①—②)	10,436	45,432	42,661	32,709
Depreciation ④	1,288	10,046	5,781	4,275
Property-related operating income (loss) ⑤ (③—④)	9,148	35,386	36,880	28,433
Capital expenditures ⑥	—	5,495	220	300
NCF ⑦ (③—⑥)	10,436	39,937	42,441	32,409

(Unit: JPY thousand)

Property no.	(Rd-03)	(Rd-04)	(Rd-05)	(Rd-06)
Property name	Gekkocho Apartment	T's garden Kawasaki-daishi	Abitato Kamata	MarLandFive
Total property-related operating revenue ①	34,193	36,726	29,844	39,663
Rent revenue – real estate	32,343	35,545	28,667	36,665
Other lease business revenue	1,850	1,180	1,176	2,998
Total property-related operating expenses ②	10,919	6,793	7,339	14,745
Management fee	3,035	2,658	2,609	3,565
Trust fee	300	300	300	300
Utilities expenses	440	170	546	2,164
Insurance premium	46	54	49	81
Repair expenses	1,289	703	1,629	4,674
Property taxes	2,099	1,981	1,541	2,570
Other expenses	3,707	925	662	1,389
NOI ③ (①–②)	23,273	29,932	22,504	24,918
Depreciation ④	3,447	5,204	3,231	4,877
Property-related operating income (loss) ⑤ (③–④)	19,826	24,728	19,272	20,040
Capital expenditures ⑥	476	—	—	613
NCF ⑦ (③–⑥)	22,797	29,932	22,504	24,304

(Unit: JPY thousand)

Property no.	(Rd-07)	(Rd-08)	(Rd-09)	(Rd-10)
Property name	Avenir Shirotae	Dormitory Haramachida	SEA SCAPE Chiba Minato	Prime Garden
Total property-related operating revenue ①	36,371	31,098	121,544	31,435
Rent revenue – real estate	35,286	29,792	108,333	30,709
Other lease business revenue	1,085	1,305	13,211	725
Total property-related operating expenses ②	9,942	10,585	39,879	12,301
Management fee	3,023	2,689	9,788	3,826
Trust fee	300	300	300	300
Utilities expenses	735	643	10,488	386
Insurance premium	69	65	235	97
Repair expenses	2,472	3,889	6,832	4,372
Property taxes	2,050	2,398	9,211	2,438
Other expenses	1,291	597	3,023	879
NOI ③ (①–②)	26,429	20,513	81,665	19,134
Depreciation ④	6,371	5,142	24,043	3,511
Property-related operating income (loss) ⑤ (③–④)	20,057	15,370	57,621	15,622
Capital expenditures ⑥	500	—	6,340	340
NCF ⑦ (③–⑥)	25,929	20,513	75,325	18,794

(Unit: JPY thousand)

Property no.	(Rd-11)	(Rd-12)	(Rd-13)	(Rd-14)
Property name	T's Garden Shinkoiwa	Twin Avenue	Milestone Higashikurume	Lumiere No. 3
Total property-related operating revenue ①	25,640	62,266	65,098	57,480
Rent revenue – real estate	24,345	61,063	60,895	56,005
Other lease business revenue	1,295	1,202	4,202	1,475
Total property-related operating expenses ②	6,466	17,178	17,102	13,242
Management fee	2,488	3,758	5,328	3,993
Trust fee	300	300	300	300
Utilities expenses	576	873	3,405	540
Insurance premium	50	118	114	144
Repair expenses	1,204	6,955	3,807	3,347
Property taxes	1,450	4,539	2,693	4,087
Other expenses	395	632	1,454	829
NOI ③ (①–②)	19,173	45,088	47,995	44,237
Depreciation ④	2,567	3,729	7,949	6,201
Property-related operating income (loss) ⑤ (③–④)	16,606	41,358	40,045	38,035
Capital expenditures ⑥	577	1,567	—	2,018
NCF ⑦ (③–⑥)	18,596	43,521	47,995	42,219

(Unit: JPY thousand)

Property no.	(Rd-15)	(Rd-16)	(Rd-17)
Property name	T's garden Nishifunabashi	Quest Yamatedai	Sancerre Yonohonmachi
Total property-related operating revenue ①	32,309	29,598	24,148
Rent revenue – real estate	31,963	29,347	23,492
Other lease business revenue	345	250	656
Total property-related operating expenses ②	6,930	6,463	8,148
Management fee	2,782	2,889	2,256
Trust fee	300	300	300
Utilities expenses	473	414	527
Insurance premium	69	69	47
Repair expenses	1,223	1,723	2,298
Property taxes	1,190	952	1,653
Other expenses	891	114	1,065
NOI ③ (①–②)	25,379	23,134	15,999
Depreciation ④	2,265	2,797	1,934
Property-related operating income (loss) ⑤ (③–④)	23,113	20,337	14,065
Capital expenditures ⑥	210	—	500
NCF ⑦ (③–⑥)	25,169	23,134	15,499

(Unit: JPY thousand)

	Offices total	Retail facilities total	Residential properties total	Entire portfolio
Total property-related operating revenue ①	1,007,657	283,386	760,855	2,051,900
Rent revenue – real estate	880,509	246,782	725,021	1,852,313
Other lease business revenue	127,147	36,604	35,834	199,586
Total property-related operating expenses ②	334,505	83,161	216,103	633,771
Management fee	103,708	20,233	63,576	187,518
Trust fee	3,000	1,200	5,100	9,300
Utilities expenses	114,302	35,178	23,483	172,964
Insurance premium	1,811	469	1,484	3,765
Repair expenses	12,301	2,902	53,629	68,834
Property taxes	86,321	21,067	47,200	154,589
Other expenses	13,059	2,111	21,629	36,800
NOI ③ (①—②)	673,152	200,224	544,751	1,418,128
Depreciation ④	113,736	39,406	93,332	246,476
Property-related operating income (loss) ⑤ (③—④)	559,415	160,818	451,419	1,171,652
Capital expenditures ⑥	34,275	16,575	13,662	64,513
NCF ⑦ (③—⑥)	638,876	183,649	531,088	1,353,615