

SUMMARY OF FINANCIAL RESULTS (REIT) For the Fiscal Period Ended April 30, 2018

June 15, 2018

Name of REIT Issuer: Invesco Office J-REIT, Inc. Stock Exchange Listing: TSE
 Securities Code: 3298 URL <http://www.invesco-reit.co.jp/>
 Representative: (Title) Executive Director (Name) Yugo Minemura
 Name of Asset Manager: Invesco Global Real Estate Asia Pacific, Inc.
 Representative: (Title) Representative in Japan (Name) Yasuyuki Tsuji
 Contact: (Title) Head of Portfolio Management Department (Name) Hiroto Kai
 TEL +81-3-6447-3395

Scheduled date to file securities report: July 30, 2018 Scheduled date to commence distribution payments: July 20, 2018
 Supplementary materials for financial results: Yes
 Holding of financial results briefing session: Yes (For institutional investors and analysts)

(Values are rounded down to the nearest million yen)

1. Financial Results for the Fiscal Period Ended April 30, 2018 (November 1, 2017 to April 30, 2018)

(1) Operating Results

(Percentages indicate change from the previous period)

| Period Ended | Operating Revenues | | Operating Income | | Ordinary Income | | Net Income | |
|------------------|--------------------|-------|------------------|--------|-----------------|--------|-----------------|--------|
| | Millions of Yen | % | Millions of Yen | % | Millions of Yen | % | Millions of Yen | % |
| April 30, 2018 | 6,397 | 3.7 | 3,076 | 11.0 | 2,590 | 8.2 | 2,588 | 8.1 |
| October 31, 2017 | 6,171 | (5.7) | 2,772 | (16.6) | 2,394 | (19.3) | 2,393 | (19.3) |

| Period Ended | Net Income per Unit | Return on Unitholders' Equity | Ratio of Ordinary Income to Total Assets | Ratio of Ordinary Income to Operating Revenues |
|------------------|---------------------|-------------------------------|--|--|
| | Yen | % | % | % |
| April 30, 2018 | 400 | 3.2 | 1.4 | 40.5 |
| October 31, 2017 | 369 | 2.9 | 1.3 | 38.8 |

(Note 1) The Investment Corporation implemented an eight-for-one unit split with February 28, 2018 as the record date and March 1, 2018 as the effective date. Net income per unit in the above table shows pro forma per unit information which has been adjusted to reflect the unit split as if it had been effective at the beginning of the fiscal period ended October 31, 2017.

(Note 2) Net income per unit for the period is calculated by dividing the net income by the day-weighted average number of investment units.

(Note 3) Return on Unitholders' equity was calculated using the following formula and rounded to one decimal place.

Return on Unitholders' equity = Net income / [(total net assets at the beginning of the period + total net assets at the end of the period) / 2] × 100.

(Note 4) The ratio of ordinary income to total assets was calculated using the following formula and rounded to one decimal place.

The ratio of ordinary income to total assets = Ordinary income / [(total assets in the beginning of the period + total assets in the end of the period) / 2] × 100.

(Note 5) Percentages for operating revenues, operating income, ordinary income and net income indicate period-on-period changes.

(2) Distributions

| Period Ended | Distributions per Unit (excluding Distributions in Excess of Earnings) | Total Distributions (excluding Distributions in Excess of Earnings) | Distributions in Excess of Earnings per Unit | Total Distributions in Excess of Earnings | Payout Ratio | Ratio of Distributions to Net Assets |
|------------------|--|---|--|---|--------------|--------------------------------------|
| | Yen | Millions of Yen | Yen | Millions of Yen | % | % |
| April 30, 2018 | 400 | 2,585 | 0 | 0 | 100.0 | 3.2 |
| October 31, 2017 | 2,962 | 2,393 | 0 | 0 | 100.0 | 3.0 |

(Note 1) The Investment Corporation implemented an eight-for-one unit split with February 28, 2018 as the record date and March 1, 2018 as the effective date. Distributions per unit which has been adjusted to reflect the unit split as if it had been effective at the beginning of the fiscal period ended October 31, 2017 was 370 yen.

(Note 2) Due to the acquisition and retirement of own investment units during the fiscal period ended October 31, 2017, the payout ratio for the fiscal period ended October 31, 2017 was calculated using the following formula and rounded to one decimal place.

Payout ratio = Total distributions (excluding distributions in excess of earnings) ÷ Net income × 100.

(Note 3) The ratio of distributions to net assets was calculated using the following formula and rounded to one decimal place.

Distributions per unit (excluding distributions in excess of earnings) / [(Net assets per unit at beginning of period + Net assets per unit at end of period) / 2] × 100.

(3) Financial Position

| | Total Assets | Net Assets | Ratio of Unitholders' Equity to Total Assets | Net Asset per Unit |
|------------------|-----------------|-----------------|--|--------------------|
| Period Ended | Millions of Yen | Millions of Yen | % | Yen |
| April 30, 2018 | 179,295 | 80,789 | 45.1 | 12,499 |
| October 31, 2017 | 178,721 | 80,586 | 45.1 | 12,468 |

(Note) The Investment Corporation implemented an eight-for-one unit split with February 28, 2018 as the record date and March 1, 2018 as the effective date. Net asset per unit in the above table shows pro forma per unit information which has been adjusted to reflect the unit split as if it had been effective at the beginning of the fiscal period ended October 31, 2017.

(4) Cash Flows

| | Cash Flows from Operating Activities | Cash Flows from Investing Activities | Cash Flows from Financing Activities | Cash and Cash Equivalents at the End of the Fiscal Period |
|------------------|--------------------------------------|--------------------------------------|--------------------------------------|---|
| Period Ended | Millions of Yen | Millions of Yen | Millions of Yen | Millions of Yen |
| April 30, 2018 | 5,575 | (575) | (2,431) | 8,784 |
| October 31, 2017 | 3,316 | (248) | (3,879) | 6,216 |

2. Earnings Forecast for the Fiscal Period Ending October 31, 2018 (May 1, 2018 to October 31, 2018)

(Percentages indicate change from the previous period)

| Period Ending | Operating Revenues | | Operating Income | | Ordinary Income | | Net Income | | Distributions per Unit (excluding Distributions in Excess of Earnings) | Distributions in Excess of Earnings per Unit |
|------------------|--------------------|------|------------------|------|-----------------|------|-----------------|------|--|--|
| | Millions of Yen | % | Millions of Yen | % | Millions of Yen | % | Millions of Yen | % | Yen | Yen |
| October 31, 2018 | 8,506 | 33.0 | 4,218 | 37.1 | 3,683 | 42.2 | 3,682 | 42.3 | 426 | 0 |

(Reference) Forecasted net income per unit = Forecasted net income / Number of total investment units forecasted for the end of the period
Forecasted net income per unit for the fiscal period ending October 31, 2018: 425 yen

* Other

(1) Changes in Accounting Policies, Accounting Estimates or Restatements

- (a) Changes in Accounting Policies due to revisions to Accounting Standards and/or other Regulations: None
- (b) Changes in Accounting Policies due to other reasons: None
- (c) Changes in Accounting Estimates: None
- (d) Restatements: None

(2) Number of Investment Units Issued and Outstanding

- (i) Number of investment units issued and outstanding at the end of the period (including own investment units):
- (ii) Number of own investment units at the end of the period:

| | | | |
|----------------------|-----------------|------------------------|---------------|
| As of April 30, 2018 | 6,463,256 units | As of October 31, 2017 | 807,907 units |
| As of April 30, 2018 | Nil units | As of October 31, 2017 | Nil units |

(Note) The Investment Corporation implemented an eight-for-one unit split with February 28, 2018 as the record date and March 1, 2018 as the effective date. Please refer to "Notes to Per Unit Information" on page 30 for the number of investment units used as the basis for calculating net income per unit.

* Status of audit procedures

At the time of this financial report disclosure, the audit procedures for the financial statements pursuant to the Financial Instruments and Exchange Act of Japan are incomplete.

* Explanation regarding the Appropriate Use of the Forecast of Results and Other Matters of Special Consideration

The forward-looking statements in this material are based on information currently available to us and certain assumptions that we believe to be reasonable. Actual operating performance may differ substantially from the forward-looking statements due to various factors. Furthermore, the forward-looking statements shall not be deemed as a guarantee or a commitment of the amount of future distributions. Please refer to "Assumptions for the Forecast of Investment Management Performance for the Fiscal Period Ending October 31, 2018" on page 12 for assumptions relating to the forward-looking statements.

Table of Contents

| | |
|--|----|
| I. Related Parties | 2 |
| II. Management Policies and Operating Conditions | 2 |
| A. Management Policies | 2 |
| B. Operating Results | 2 |
| 1. Summary of operating results for the fiscal period ended April 30, 2018 | 2 |
| a) Historical background of the Investment Corporation | 2 |
| b) Investment Environment and Business Performance | 2 |
| c) Overview of Financing Activities | 3 |
| d) Overview of Financial Results and Cash Distribution | 4 |
| 2. Outlook for the Next Fiscal Period | 5 |
| a) Future Management Policy and Other Issues | 5 |
| b) Significant Events after the Balance Sheet Date | 7 |
| c) Investment Management Performance Outlook | 11 |
| C. Investment Risks | 13 |
| III. Financial Statements | 14 |
| A. Balance Sheets | 14 |
| B. Statements of Income | 16 |
| C. Statements of Changes in Net Assets | 17 |
| D. Statements of Cash Distributions | 19 |
| E. Statements of Cash Flows | 20 |
| F. Notes on Assumption of Going Concern | 21 |
| G. Notes on Significant Accounting Policies | 21 |
| H. Notes to Financial Statements | 22 |
| I. Changes in Numbers of Issued and Outstanding Investment Units | 34 |
| IV. Changes in Officers | 35 |
| V. Reference Information | 36 |
| A. Status of Investment | 36 |
| B. Investment Assets | 36 |
| 1. Major Investment in Securities | 36 |
| 2. Investment Properties | 36 |
| 3. Other Major Investment Assets | 37 |
| a) Price and Investment Percentage | 37 |
| b) Overview of Buildings and Leases | 38 |
| c) Summary of Trust Beneficiary Interests in Real Estate | 39 |
| d) Summary of Real Estate Appraisal Report | 40 |
| e) Overview of Engineering Reports | 41 |
| f) Summary of Earthquake Risk Analysis | 42 |
| g) Major Real Estate Properties | 42 |
| h) Leasing to Major Tenants | 42 |
| i) Information Concerning Top 10 Tenants Based on Leased Area | 43 |
| j) Capital Expenditure | 44 |
| k) Reserved Amount for Long-Term Repairs Plan | 45 |
| l) Income and Expenditure of Individual Entrusted Real Estate | 46 |
| m) Security | 49 |

I. Related Parties

Disclosure is omitted as there have been no significant changes to the structure of Invesco Office J-REIT, Inc. (hereinafter referred to as the “Investment Corporation”) as described in the most recent Securities Report (submitted on January 29, 2018).

II. Management Policies and Operating Conditions

A. Management Policies

Disclosure is omitted as there have been no significant changes in the Investment Policies, Investment Targets and Distribution Policies as described in the most recent Securities Report (submitted on January 29, 2018).

B. Operating Results

1. Summary of operating results for the fiscal period ended April 30, 2018

a) Historical background of the Investment Corporation

The Investment Corporation was established on February 27, 2014 by Invesco Global Real Estate Asia Pacific, Inc. as the organizer under the Act on Investment Trusts and Investment Corporations of Japan (hereinafter referred to as the “Investment Trust Act”). The Investment Corporation was listed on the Real Estate Investment Trust Securities Market of the Tokyo Stock Exchange (Securities code: 3298) on June 5, 2014.

The Investment Corporation is managed by Invesco Global Real Estate Asia Pacific, Inc. (hereinafter referred to as the “Asset Management Company”). The Asset Management Company belongs to the Invesco Group, one of the world’s leading independent asset management companies. The Investment Corporation aims to provide investors with opportunities to invest in office buildings in Japan with a strong focus on large-scale office buildings (see Note 1) located in Japan’s major metropolitan areas (see Note 2). These assets will be selected by experienced investment management specialists belonging to the Asset Management Company with the view to maximize investor value.

(Note 1) “Large-scale office buildings” refers to real estate related assets (real estate related assets which are defined in Article 28, Paragraph 1 of the Investment Corporation’s Articles of Incorporation (hereinafter referred to as the “Articles of Incorporation”)) are buildings or mortgage-backed securities for which the underlying assets are buildings which have scale that meets the following standards and therefore regarded as “large-scale” and are used primarily as office space.

Tokyo Metropolitan Area: Total floor area of 10,000 m² or greater with a standard exclusive floor area on one floor covering at least 600 m².

Other regions: Total floor area of 7,000 m² or greater with a standard exclusive floor area on one floor covering at least 400 m².

(Note 2) The Investment Corporation defines “major metropolitan areas” as the Tokyo Metropolitan Area (Tokyo, Yokohama-shi, Kawasaki-shi, Saitama-shi, and Chiba-shi), Osaka-shi, Nagoya-shi and Fukuoka-shi; and sets this as its focused investment target area.

b) Investment Environment and Business Performance

During the fiscal period under review, domestic demand stagnated and economic expansion slowed down. Supported by the trend of depreciation of the Japanese yen, exports including inbound consumption showed steady growth. However, GDP growth turned negative for the first time in 9 fiscal periods due to the rise in oil price, as well as the slower growth of domestic individual consumption and investments.

As for the domestic office leasing market, demand for office space remains firm as a result of the corporate sector’s stable performance. On the other hand, although the building owners whose properties are scheduled to be completed this year are successfully finding tenant candidates in Tokyo metropolitan area, there remain concerns over the timing of tenants moving in or potential vacant spaces due to tenants moving in to new buildings. In regional areas where new supply is relatively

small, the cycle of occupancy rates and rent increases remains.

With regard to real estate transactions, investment demand remains firm. Acquisitions by listed J-REITs increased due to the recovery of J-REIT unit market prices, and the fact that private J-REITs are still aggressive buyers, which resulted in the recovery trends in transaction volume.

Under such environment, the Investment Corporation disposed of a 40% co-ownership interest of trust beneficiary interest related to the “Sendai Honcho Building” (Sendai-shi, Miyagi; disposition price of 2,452 million yen) on April 18, 2018. For such transaction, the Investment Corporation considered its main portfolio composition policy which focuses more on investing in Tokyo metropolitan area, as well as the intention to make distributions from the gain on sale of the property for two consecutive fiscal periods.

The fiscal period under review ended with the ownership of real estate trust beneficiary interests relating to the fourteen (14) properties (total acquisition price: 159,962 million yen) that have a total leasable area of 209,216.00sqm.

Regarding property management, the occupancy rate of the entire portfolio was 99.6% as of the end of the fiscal period under review. Along with improvement in occupancy rate, the Investment Corporation pursued to improve earnings of the entire portfolio by seeking the possibility to increase rent on lease renewals.

(Reference)

The Investment Corporation acquired trust beneficiary interests of five (5) properties; “Nishi-Shinjuku Prime Square” (Shinjuku-ku, Tokyo; acquisition price of 34,835 million yen), “Kojimachi Crystal City” (Chiyoda-ku, Tokyo; acquisition price of 6,405 million yen), “Prime Tower Shin-Urayasu” (Urayasu-shi, Chiba; acquisition price of 11,860 million yen), and Techno Wave 100 (Yokohama-shi, Kanagawa; acquisition price of 6,900 million yen) on May 1, 2018 and IBF Planning Building (Shibuya-ku, Tokyo; acquisition price of 3,500 million yen) on May 18, 2018. Furthermore, the Investment Corporation disposed of 60% co-ownership interest of the trust beneficiary interest related to Sendai Honcho Building (Sendai-shi, Miyagi; disposition price of 3,678 million yen) on May 17, 2018. For further details, please refer to “2. Outlook for the Next Fiscal Period/ b) Significant Events after the Balance Sheet Date/ (2) Asset Acquisition” and “(3) Asset Disposition” below.

c) Overview of Financing Activities

The fundamental policy of the Investment Corporation is to conduct stable and sound financial management to secure stable income over the medium to long term together with steady growth in asset value. Financing activities in the fiscal period under review were as follows.

For the purpose of refinancing a loan of 5,500 million yen which came due on January 31, 2018, the Investment Corporation issued the 3rd series unsecured investment corporation bonds (special pari passu conditions among investment corporation bonds) for retail investors on January 26, 2018. By using the proceeds of issuing investment corporation bonds, the Investment Corporation repaid the loan of 5,500 million yen which came due on January 31, 2018.

As a result, the outstanding amount of interest-bearing debt as of the end of the fiscal period under review totaled 89,000 million yen; 80,100 million yen for long term loans (including loans which will be repaid within one (1) year for 17,500 million yen) and 8,900 million yen for investment corporation bonds (no investment corporation bonds to be repaid within one (1) year). The ratio of total interest-bearing debt (the total amount of loans, investment corporation bonds and short-term investment corporation bonds) to total assets (i.e., the loan-to-value or “LTV”) was at 49.6% at the end of the fiscal period under review.

Also, the Investment Corporation implemented an eight-for-one unit split with February 28, 2018 as the record date and March 1, 2018 as the effective date. As of the end of the fiscal period under review, unitholders' equity, net totaled 78,113 million yen and the number of issued and outstanding investment units was 6,463,256.

(Credit Rating)

As of the end of the fiscal period under review, credit ratings of the Investment Corporation were as follows.

| Rating Agency | Rating | Rating Outlook |
|---|-----------------------------|----------------|
| Japan Credit Rating Agency, Ltd. (JCR) | Long-term Issuer Rating: A+ | Stable |
| | Bonds : A+ (Note) | - |

(Note) Mentioned herein is the rating for the 1st series Unsecured Investment Corporation Bonds, the 2nd series Unsecured Investment Corporation Bonds and the 3rd series Unsecured Investment Corporation Bonds.

(Shelf Registration Statement regarding investment corporation bonds)

The Investment Corporation filed a shelf registration statement regarding investment corporation bonds (excluding short-term investment corporation bonds) on February 27, 2017. The details of the statement are as follows.

| | |
|----------------------------|---|
| Amount to be issued | 50,000 million yen |
| Planned period of issuance | From March 7, 2017 to March 6, 2019 |
| Use of proceeds | Acquisition of specific assets (as defined under Article 2, Paragraph 1 of the Investment Trust Act), debt repayment, redemption of investment corporation bonds (including short-term investment corporation bonds), refund of tenant security deposit, payment of repairs and maintenance expenses, working capital, etc. |

Based on the shelf registration statement mentioned above, the Investment Corporation issued the 1st series Unsecured Investment Corporation Bonds of 1,800 million yen and the 2nd series Unsecured Investment Corporation Bonds of 1,600 million yen on April 20, 2017. Also, on January 26, 2018, the Investment Corporation issued the 3rd series Unsecured Investment Corporation Bonds of 5,500 million yen based on the registration statement described above, which was partially amended by the amendment to the shelf registration statement on January 5, 2018.

(Reference)

The Investment Corporation issued 2,128,200 new investment units on May 1, 2018 through a public offering to raise part of the funds, as well as the related expenses, for acquiring the trust beneficiary interests in real estate pertaining to the properties described in “b) Investment Environment and Business Performance / (Reference)” (excluding “IBF Planning Building”) above. Also, the Investment Corporation issued 51,900 investment units on May 23, 2018 through a third party allocation for the future acquisition of specified assets or the repayment of borrowings. In addition, the Investment Corporation borrowed 34,800 million yen on May 1, 2018 to acquire the trust beneficiary interests in real estate pertaining to the properties described in “b) Investment Environment and Business Performance / (Reference)” (excluding “IBF Planning Building”) above. For further details, please refer to “2. Outlook for the Next Fiscal Period/ b) Significant Events after the Balance Sheet Date/ (1) Issuance of New Investment Units” and “(4) Debt Financing” below.

d) Overview of Financial Results and Cash Distribution

As a result of the above, operating revenue amounted to 6,397 million yen, operating income amounted to 3,076 million yen, ordinary income amounted to 2,590 million yen, and net income amounted to 2,588 million yen for the fiscal period under review.

It was decided that all retained earnings would be distributed, except a fraction of less than one (1) yen

per investment unit, with the aim to maximum the tax deductible expense of the profit distribution that is allowed under the special provisions for taxation (Article 67-15 of the Act on Special Measures Concerning Taxation). Consequently, distributions per investment unit amounted to 400 yen.

2. Outlook for the Next Fiscal Period

a) Future Management Policy and Other Issues

The future growth of the Japanese economy is expected to stay in the slow recovery trend. However, it is necessary to remain cautious about the global economy's future, volatility in resource prices, the status of domestic corporations' profitability and impact from price increases. Also, there is a need to pay attention to the monetary easing policy by Bank of Japan going forward.

In the office leasing market, the potential demand for newly-built offices and corporate expansion remains steady. However, it is expected that cyclical expansion will slow down. In the Tokyo metropolitan area, depending on vacant spaces caused by the huge and concentrated supply in this area, it is likely that the market is expected to be loosened and the rent level will turn down. As for the real estate transaction market, in case the investment demand and the favorable financing environment continue to be steady, it is probable to expect the transaction volume and price to increase for the short-term. However, in the mid-term, it is necessary to be prepared for real estate prices to head downward by further adjustments in the capital market.

In view of the market environment described above, the Investment Corporation recognizes that it is crucial to pursue external growth through the acquisition of properties that will help enhance portfolio quality and profitability. This will be achieved by making maximum use of the investment expertise the Asset Management Company has accumulated over the past nineteen (19) years in Japan and the close relationships it has built with various market players as an independent asset manager. The Investment Corporation also needs to quickly achieve regional and tenant diversification in relation to the managed assets to secure stable earnings across its entire portfolio. Furthermore, the Investment Corporation considers it necessary to pursue internal growth through improvement in the profitability of managed properties, as rents in the office lease market are currently trending upward.

Based on the recognition of the issues described above, the Investment Corporation has been aiming to provide stable profit and to enhance the portfolio quality by investing mainly in large-scale office buildings in metropolitan areas such as the Tokyo area and steadily operating them, and it has been conducting its asset management for the purpose of improving both DPU amount and investors' value. However, as the current real estate investment market is fiercely competitive and it is necessary to sustainably secure and increase opportunities to acquire assets in order to maximize investor value through external growth, the Investment Corporation has determined to broaden the type of investable assets which it may invest, into the assets other than office building subject to certain limitations. By broadening the type of investable assets and assessing appropriate investment timing to make rigorously selected investments in various assets, the Investment Corporation aims to realize sustainable external growth. As a result of expanding the size of the portfolio, diversification of both asset and tenants is expected to be furthered. Portfolio sustainability is also expected to be improved by combining assets having different cash flow characteristics.

Also, for the purpose of securing the long to mid-term sustainable profitability by diversifying opportunities to gain profit, the Investment Corporation amended part of the Articles of Incorporation that allows the Investment Corporation to invest in Real Estate-Related Loan Assets (as defined in the amended Articles of Incorporation) upon the resolution at the general meeting of the unitholders of the Investment Corporation held on January 10, 2018. Accordingly, the asset management guideline of the Asset Management Company was also amended.

(1) Investment Policy / External Growth Strategy

Japan's economic activities are extremely concentrated in major urban areas, which serve as the base

for business and consumption. Office buildings located in major urban areas offer a wealth of investment opportunities and relatively high rental demand can be expected. In addition, due to the concentration of economic activity, demand for office buildings as the site for economic activity and essential infrastructure is also likely to increase. Given the potential for growth driven by the scale of economic activity and population in these districts, office buildings located in major urban areas are likely to remain attractive investment targets.

Rents of office buildings in the Tokyo Metropolitan Area and other major urban areas show an upward trend, especially large office buildings. Rents in these areas can expect to rise ahead of other rents in a recovery phase, which may offer upside revenue potential through increased rents and higher occupancy rates. In addition, such office buildings are generally occupied by blue-chip companies with strong lease payment capacity. Depending on the equipment specifications, these office buildings can promise stable rents that are relatively high compared to other office buildings. Furthermore, relatively strong tenant demand can be expected in the areas in which such office buildings are located and it may also be possible to maintain high occupancy rates through tenant diversification and flexibility when setting rents.

From this perspective, the Investment Corporation will continue to place its focus on large-scale office buildings (investment ratio of 70% or more) located in major metropolitan areas as its investment targets.

At the same time, in the current fiercely competitive real estate investment market, the Investment Corporation believes it is necessary to sustain and expand opportunities for acquiring assets. Therefore, the Investment Corporation plans to invest in investable assets other than large-scale office buildings, such as middle-scale offices, retail facilities, residential properties, hotels, logistics and others. The investment ratio of these assets is to be limited to less than 30% of the total portfolio. The Investment Corporation expects this investment policy to lead to an increase in opportunities to acquire assets worth improving the quality and profitability of the portfolio, and continuous external growth. Furthermore, it is expected that the diversification of both assets and tenants and the profitability of the portfolio improve by combing the assets with different types of profit characteristics.

Also, the Investment Corporation may selectively invest in Real Estate-Related Loan Assets within the range of less than 5% of total assets. However, in case of investing in Real Estate-Related Loan Assets, such investments are limited to the case where the principal and interests of Real Estate Related Loan and Other Monetary Claims (as defined in the amended Articles of Incorporation) are subject to low risk of default, and the properties which are pledged to such loans meet the investment standards of the Investment Corporation.

(2) Management Policy / Internal Growth Strategy

The Investment Corporation will endeavor to (i) maintain and improve tenant satisfaction through meticulous property management services, (ii) maintain and improve rental income and occupancy rates, (iii) perform appropriate management and repairs, and (iv) promote rationalization and efficiency of management costs.

In its tenant leasing activities, the Investment Corporation will set appropriate rent conditions based upon its assessment and understanding of market trends and consideration of real estate characteristics for each managed asset. It will also fully utilize property management companies (hereinafter referred to as the “PM Companies”) to select high-quality tenants. Through leasing activities with consideration of tenant diversification, the Investment Corporation promotes early lease up and maintains and improves the occupancy rate, and secures the stable income of not only each individual property but also the portfolio as a whole.

Since existing tenants are important clients, the Investment Corporation will make regular contact with them through the PM Companies to quickly identify tenant trends. Such trends include tenants that are considering increasing or decreasing leased space and tenants who are dissatisfied or are considering termination. At such time, the Investment Corporation will take appropriate and swift action.

The Investment Corporation will prepare a repair and maintenance plan along with a capital expenditure plan as part of the annual management review for each managed asset. The Investment Corporation will systematically carry out necessary repairs, maintenance and capital expenditures to improve the market competitiveness of the managed assets and to improve tenant satisfaction.

(3) Financing Strategy

In line with the fundamental policy of conducting steady and sound financial management to ensure stable income over the medium-to-long term and to support continuous growth in asset value, the Investment Corporation, paying careful attention to financial market trends, raises funds as follows.

Decisions on equity financing will be made on a comprehensive basis taking into account such matters as (i) the timing of new real property-related asset acquisitions, (ii) the specific LTV on each asset, (iii) the repayment schedules, (iv) the terms of the interest-bearing debt, and (v) the market environment. This will all be viewed while giving consideration to the possible dilution of the interests of existing investors and any resulting decrease in the trading price of investment units.

In debt financing, the Investment Corporation aims to keep LTV levels within the range of 40% to 50% to maintain stable leverage control. However, there may be times when those LTV levels are temporarily exceeded. The Investment Corporation will seek stable financial management through repayment dates, diversification of lenders and the use of long-term fixed debt. At the same time, the Investment Corporation will take into account borrowing costs. In regard to lenders, the Investment Corporation will build a stable bank foundation centered on leading Japanese financial institutions.

Furthermore, for the purpose of improving capital efficiency and returning profit to unitholders, as a part of financial and capital policy, the Investment Corporation will examine acquisition and retirement of its own investment units. In such examination, improving investors' value in mid- to long-term is prioritized and the decision whether to conduct such acquisition is based on the prudent assessments of level of investment unit price, situation of cash in hand, financial situation, and market environment.

b) Significant Events after the Balance Sheet Date

(1) Issuance of New Investment Units

The Investment Corporation's board members reached a resolution to issue new investment units at its Board of Directors meetings held on April 9, 2018 and April 16, 2018. As such, the issuance of new investment units through a public offering was completed on May 1, 2018 and the payment for such new investment units was received on the same day. In addition, new investment units were issued through a third party allocation and the payment was completed on May 23, 2018.

(a) Issue of New Investment Units through Public Offering

| | |
|-------------------------------------|---|
| Number of offered investment units: | 2,128,200 units (Domestic public offering: 1,136,775 units International offering: 991,425 units) |
| Amount of payment: | 13,030 yen (per unit) |
| Total amount of payment: | 27,730,446,000 yen |
| Offer price (per unit): | 13,473 yen (per unit) |
| Aggregate offer price: | 28,673,238,600 yen |
| Date of payment: | May 1, 2018 |

Use of proceeds: For the acquisition and related costs of “Nishi-Shinjuku Prime Square”, “Kojimachi Crystal City”, “Prime Tower Shin-Urayasu”, and “Techno Wave 100” as set forth in “(2) Asset Acquisition” below.

(b) Issue of New Investment Units through Third Party Allocation

Number of offered investment units: 51,900 units
 Amount of payment: 13,030 yen (per unit)
 Total amount of payment: 676,257,000 yen
 Date of payment: May 23, 2018
 Allottee: SMBC Nikko Securities Inc.
 Use of proceeds: The funds are to be used for part of a future acquisition of specified assets or the repayment of debt borrowings.

(2) Asset Acquisition

The Investment Corporation acquired trust beneficiary interests of five (5) properties as stated below.

| Property Name | Location | Name of Seller | Acquisition Price (Millions of Yen) (Note) | Acquisition Date |
|-----------------------------|-------------------------|-------------------------------|--|------------------|
| Nishi-Shinjuku Prime Square | Shinjuku-ku, Tokyo | Owl Tokutei Mokuteki Kaisha | 34,835 | May 1, 2018 |
| Kojimachi Crystal City | Chiyoda-ku, Tokyo | Godo Kaisha Swallow Property | 6,405 | May 1, 2018 |
| Prime Tower Shin-Urayasu | Urayasu-city, Chiba | Godo Kaisha Marine Property | 11,860 | May 1, 2018 |
| Techno Wave 100 | Yokohama-city, Kanagawa | Godo Kaisha Bay Star Property | 6,900 | May 1, 2018 |
| IBF Planning Building | Shibuya-ku, Tokyo | Godo Kaisha KRF70 | 3,500 | May 18, 2018 |

(Note) “Acquisition Price” represents the purchase price shown on the Sale and Purchase Agreement pertaining to each asset, rounded down to the nearest million yen. The purchase price does not include national and regional consumption tax, adjustment of fixed asset tax and city planning tax, and expenses incurred on the acquisition of the respective properties.

(3) Asset Disposition

The Investment Corporation disposed of a trust beneficiary interest of “Sendai Honcho Building” (60% co-ownership interest) on May 17, 2018.

| | |
|--|---|
| Type of Disposed Asset | Trust beneficiary interest in entrusted real estate in Japan (60% co-ownership interest) (Note 1) |
| Name of Asset | Sendai Honcho Building |
| Location | Sendai-shi, Miyagi |
| Disposition Price (Note 2) | 3,678 million yen |
| Purchaser | Not disclosed (Note 3) |
| Date of execution of sale and purchase agreement | March 14, 2018 |
| Date of Disposition | May 17, 2018 |

(Note 1) The Investment Corporation disposed of 40% co-ownership interest of the trust beneficiary interest related to “Sendai Honcho Building” on April 18, 2018.

(Note 2) “Disposition price” does not include disposition-related costs, adjustment amount of property tax and city planning tax, and consumption tax etc.

(Note 3) The purchaser is a domestic special purpose company. The name, etc. of purchaser are not disclosed as its approval for disclosure has not been obtained. The purchaser is not a related person of the Investment Corporation.

(4) Debt Financing

The Investment Corporation executed borrowings as stated below to procure funds for purposes of acquiring trust beneficiary interests of the properties as set forth in above “(2) Asset Acquisition” (excluding “IBF Planning Building”) including related costs.

(Unit: Millions of Yen)

| Classification | Lender | Date of Borrowing | Borrowing Amount | Interest Rate (Note 1) | Maturity Date | Purpose of Borrowing | Security |
|-------------------------------------|-------------------------------------|--|------------------|--|------------------|----------------------|----------------------------|
| Short-term | Sumitomo Mitsui Banking Corporation | May 1, 2018 | 4,750 | Base Rate (Note 2) plus 0.20% | April 30, 2019 | (Note 7) | Unsecured and Unguaranteed |
| | MUFG Bank, Ltd. | | 500 | | | | |
| | Sumitomo Mitsui Trust Bank, Ltd. | | 1,750 | | | | |
| Long-term | Sumitomo Mitsui Banking Corporation | | 1,800 | Base Rate (Note 3) plus 0.25% (Note 4) | April 30, 2021 | | |
| | MUFG Bank, Ltd. | | 500 | | | | |
| | Sumitomo Mitsui Trust Bank, Ltd. | | 1,300 | | | | |
| | The Nishi-Nippon City Bank, Ltd. | | 1,000 | 0.37% | April 30, 2021 | | |
| | Citibank, N.A., Tokyo Branch | | 1,700 | Base Rate (Note 3) plus 0.40% (Note 5) | October 31, 2022 | | |
| | Sumitomo Mitsui Banking Corporation | | 1,250 | | | | |
| | MUFG Bank, Ltd. | | 3,500 | | | | |
| | Sumitomo Mitsui Trust Bank, Ltd. | | 1,150 | | | | |
| | Shinsei Bank, Limited | | 2,700 | | | | |
| | Aozora Bank, Ltd. | | 2,500 | | | | |
| | The Nishi-Nippon City Bank, Ltd. | | 1,500 | | | | |
| | Resona Bank, Ltd. | | 700 | | | | |
| The Bank of Fukuoka, Ltd. | 500 | | | | | | |
| Citibank, N.A., Tokyo Branch | 1,700 | 0.52% | October 31, 2022 | | | | |
| Sumitomo Mitsui Banking Corporation | 900 | Base Rate (Note 3) plus 0.45% (Note 6) | April 28, 2023 | | | | |
| MUFG Bank, Ltd. | 1,400 | | | | | | |
| Sumitomo Mitsui Trust Bank, Ltd. | 800 | | | | | | |
| Shinsei Bank, Limited | 800 | 0.57% | April 28, 2023 | | | | |
| Aozora Bank, Ltd. | 500 | | | | | | |
| Citibank, N.A., Tokyo Branch | 1,600 | | | | | | |
| Total | | | 34,800 | - | - | - | - |

(Note 1) Financing commissions to be paid to the lenders are not included in the “Interest Rate”.

(Note 2) The “Base Rate” applicable to the period for the calculation of the interest payable on an interest payment date is the one-month Japanese yen Tokyo Interbank Offered Rate (TIBOR) published by the Japanese Bankers Association (“JBA”) TIBOR Administration as of the date two business days prior to the most recent interest payment date of each interest payment date. The base rate will be revised on every payment date. However, if there is no base rate that corresponds to an interest calculation period, the base rate corresponding to the period as calculated by the formula set forth in the loan agreements will apply. The same shall apply to (Note 3) below.

(Note 3) The “Base Rate” applicable to the period for the calculation of the interest payable on an interest payment date is the three-month Japanese yen TIBOR published by JBA TIBOR Administration as of the date two business days prior to the most recent interest payment date of each interest payment date.

(Note 4) The interest rate of the borrowing mentioned above is floating. For the purpose of avoiding the interest-rate risk, the Investment Corporation concluded an interest rate swap agreement and the interest rate are effectively fixed at 0.3578%.

- (Note 5) The interest rate of the borrowing mentioned above is floating. For the purpose of avoiding the interest-rate risk, the Investment Corporation concluded an interest rate swap agreement and the interest rate are effectively fixed at 0.5685%.
- (Note 6) The interest rate of the borrowing mentioned above is floating. For the purpose of avoiding the interest-rate risk, the Investment Corporation concluded an interest rate swap agreement and the interest rate are effectively fixed at 0.6245%.
- (Note 7) “Purpose of Borrowing” is to use the funds to acquire the trust beneficiary interests in real estate, including related acquisition costs.

(Reference)

(1) Refinancing

The Investment Corporation executed borrowings as stated below for the purpose of refinancing the existing loan of 12,000 million yen which came due on June 6, 2018.

(Unit: Millions of Yen)

| Classification | Lender | Date of Borrowing | Borrowing Amount | Interest Rate (Notes 1 and 2) | Maturity Date | Purpose of Borrowing | Security |
|----------------|-------------------------------------|-------------------|------------------|-------------------------------|----------------|----------------------|----------------------------|
| Long-term | Sumitomo Mitsui Banking Corporation | June 6, 2018 | 1,200 | Base Rate plus 0.35% (Note 3) | April 28, 2022 | (Note 5) | Unsecured and Unguaranteed |
| | MUFG Bank, Ltd. | | 1,500 | | | | |
| | Mizuho Bank, Ltd. | | 750 | | | | |
| | Sumitomo Mitsui Trust Bank, Ltd. | | 750 | | | | |
| | Resona Bank, Ltd. | | 750 | | | | |
| | Development Bank of Japan Inc. | | 750 | | | | |
| | Nippon Life Insurance Company | | 300 | 0.50% | | | |
| | Sumitomo Mitsui Banking Corporation | | 800 | Base Rate plus 0.45% (Note 4) | April 28, 2023 | | |
| | MUFG Bank, Ltd. | | 1,500 | | | | |
| | Mizuho Bank, Ltd. | | 750 | | | | |
| | Sumitomo Mitsui Trust Bank, Ltd. | | 750 | | | | |
| | Resona Bank, Ltd. | | 750 | | | | |
| | Development Bank of Japan Inc. | | 750 | | | | |
| | Nippon Life Insurance Company | | 700 | 0.60% | | | |
| | Total | | | 12,000 | - | | |

- (Note 1) Financing commissions to be paid to the lenders are not included in the “Interest rate”.
- (Note 2) The “Base Rate” applicable to the period for the calculation of the interest payable on an interest payment date is the three-month Japanese yen Tokyo Interbank Offered Rate (TIBOR) published by the Japanese Bankers Association (“JBA”) TIBOR Administration as of the date two business days prior to the most recent interest payment date of each interest payment date. The base rate will be revised on every payment date. However, if there is no base rate that corresponds to an interest calculation period, the base rate corresponding to the period as calculated by the formula set forth in the loan agreements will apply.
- (Note 3) The interest rate of the borrowing mentioned above is floating. For the purpose of avoiding the interest-rate risk, the Investment Corporation concluded an interest rate swap agreement and the interest rate are effectively fixed at 0.4945%.
- (Note 4) The interest rate of the borrowing mentioned above is floating. For the purpose of avoiding the interest-rate risk, the Investment Corporation concluded an interest rate swap agreement and the interest rate are effectively fixed at 0.6245%.
- (Note 5) “Purpose of Borrowing” is to refinance the existing loan of 12,000 million yen which came due on June 6, 2018.

(2) Prepayment

The Investment Corporation determined to prepay a portion of existing short-term loans in the amount of 2,500 million yen in total by using cash in hands on June 29, 2018. The outstanding amount of interest-bearing debt after the refinance described in “(1) Refinancing” above and the prepayment described herein is expected to be 121,300 million yen in total; short-term loan of 4,500 million yen, long-term loan of 107,900 million yen (including long-term loan to be repaid within one year of 5,500 million yen) and investment corporation bonds of 8,900 million yen (there is no investment corporation bonds to be repaid within one year).

c) Investment Management Performance Outlook

The forecast for the fiscal period ending October 31, 2018 (from May 1, 2018 to October 31, 2018) is as follows. The figures below are calculated as of the date hereof based on the assumptions set forth in “Assumptions for the Forecast of Investment Management Performance for the Fiscal Period Ending October 31, 2018” below.

The forecast for the Fiscal Period Ending October 31, 2018 (from May 1, 2018 to October 31, 2018) (Ninth Fiscal Period):

| | | |
|--|-------|-------------|
| Operating Revenues | 8,506 | million yen |
| Operating Income | 4,218 | million yen |
| Ordinary Income | 3,683 | million yen |
| Net Income | 3,682 | million yen |
| Distributions per Unit | 426 | yen |
| Distributions in Excess of Earnings per Unit | 0 | yen |

(Note) The forecast above was calculated based on assumptions as of the date hereof. Accordingly, actual operating revenues, operating income, ordinary income, net income, distributions per unit and distributions in excess of earnings per unit may differ from the forecasted figures. In addition, the forecast above does not guarantee the amount of the distributions.

- Assumptions for the Forecast of Investment Management Performance
for the Fiscal Period Ending October 31, 2018

| Items | Assumptions |
|--------------------|--|
| Calculation period | - Fiscal Period Ending October 31, 2018 (Ninth Fiscal Period) (from May 1, 2018 to October 31, 2018) (184 days) |
| Assets managed | <ul style="list-style-type: none"> - Based on the assumption of eighteen properties (including “Nishi-Shinjuku Prime Square”, “Kojimachi Crystal City”, “Prime Tower Shin-Urayasu” and “Techno Wave 100” which the Investment Corporation acquired on May 1, 2018 as well as “IBF Planning Building” which the Investment Corporation acquired on May 18, 2018 and excluding “Sendai Honcho Building” which the Investment Corporation disposed on May 17, 2018, hereinafter, the “owned assets”, also, “Nishi-Shinjuku Prime Square”, “Kojimachi Crystal City”, “Prime Tower Shin-Urayasu”, “Techno Wave 100”, and “IBF Planning Building” are referred to as the “Newly Acquired Assets” hereinafter.) and there will be no change to the number of assets until the end of the fiscal period ending October 31, 2018 (Ninth Fiscal Period). - In fact, however, there is the possibility of fluctuations depending on changes in managed assets. |
| Operating revenues | <ul style="list-style-type: none"> - Based on the operating revenues from owned assets. The revenues from the leasing business for the owned assets are calculated, considering the lease agreements that are effective as of the date of this document, tenant circumstances, market circumstances, etc., and based on the assumption that no tenants will fail to pay or default on rents. - The gain from the sale of 60% co-ownership interest in trust beneficiary interest of Sendai Honcho Building is estimated to be 413 million yen. |
| Operating expenses | <ul style="list-style-type: none"> - Among the expenses for the leasing business, which is a major operating expense, the expenses other than the depreciation expenses are calculated reflecting variable factors of expenses based on the past actual figures for owned assets. - The depreciation expenses are calculated including any incidental expenses, etc. according to the straight-line method. The estimates are 900 million yen for the fiscal period ending October 31, 2018 (Ninth Fiscal Period). - The estimated fixed asset tax and city planning tax are expected to be 535 million yen for the fiscal period ending October 31, 2018 (Ninth Fiscal Period). Generally, in sales and purchases of real estate, etc., the fixed asset tax and the city planning tax, among others, are adjusted with the current owners etc. by calculation on a pro-rata basis for the relevant period upon the acquisition of the relevant real estate, etc. However, the Investment Corporation will not record the relevant adjusted amounts for the fixed asset tax, the city planning tax and other taxes under the expenses for the fiscal period during which the acquisition occurs because the said adjusted amounts will be included in the acquisition cost. Accordingly, the fixed asset tax, the city planning tax and other taxes of the Newly Acquired Assets which the Investment Corporation acquired in the fiscal period ending October 31, 2018 will not be recorded as expenses for the fiscal period ending October 31, 2018 (Ninth Fiscal Period). (If the fixed asset tax, the city planning tax and other taxes regarding the Newly Acquired Assets were recorded as expenses on a full-year basis, the estimated amount would be 157 million yen). The estimated total amount of fixed asset tax, city planning tax and other taxes to be included in the acquisition cost of the Newly Acquired Assets is estimated to be 210 million yen. - In terms of repair costs, the asset management company records the estimated cost amounts for each property as expenses. However, an increase in repair costs or additional repair costs may arise due to unpredictable causes, and thus the actual costs may differ substantially from the estimated costs. |
| Non-operating | - The estimated interest expenses and other loan-related costs are expected to be 502 |

| | |
|--|---|
| expenses | <p>million yen for the fiscal period ending October 31, 2018 (Ninth Fiscal Period).</p> <ul style="list-style-type: none"> - Temporary expenses of 31 million yen are expected to arise pertaining to the issue of investment units as set forth in the “2. Outlook for the Next Fiscal Period/ b) Significant Events after the Balance Sheet Date/ (1) Issuance of New Investment Units”. |
| Loans | <ul style="list-style-type: none"> - The Investment Corporation has a balance of borrowings amounting to 123,800 million yen as of the date of this document. However, the Investment Corporation intends to prepay certain portion of the existing short-term loans (in the amount of 2,500 million yen) on June 29, 2018. Therefore, the outstanding debt amount is estimated to be 121,300 million yen and the amount will not change until the end of the fiscal period ending October 31, 2018 (Ninth Fiscal Period). - Based on the assumption above, the LTV is estimated at approximately 49.8% as the end of the fiscal period ending October 31, 2018 (Ninth Fiscal Period). The LTV ratio is calculated according to the following formula: $\text{LTV} = \frac{\text{total amount of interest-bearing debt (as of the end of the Ninth Fiscal Period)}}{\text{total amount of assets (as of the end of the Ninth Fiscal Period)}} \times 100$ <ul style="list-style-type: none"> * Total amount of assets (as of the Ninth Fiscal Period) = total assets as of April 30, 2018 (the end of the Eighth Fiscal Period) + funds raised to acquire Newly Acquired Assets + security deposits related to the Newly Acquired Assets – security deposits related to 60% co-ownership interest of Sendai Honcho Building |
| Investment units | <ul style="list-style-type: none"> - Based on the assumption of 8,643,356 units which are issued as of today, and it is assumed that there will be no additional issue or acquisition and retirement of investment units until October 31, 2018 (Ninth Fiscal Period). |
| Distributions per unit (excluding distributions in excess of earnings) | <ul style="list-style-type: none"> - The distributions per unit (excluding distributions in excess of earnings) are calculated based on the monetary distribution policy provided for under the Articles of Incorporation of the Investment Corporation. - The distributions per unit may change due to various reasons, including a change in managed assets, a change in rent revenues arising from a change in tenants or unexpected repairs. |
| Distributions in excess of earnings per unit | <ul style="list-style-type: none"> - Currently, the distribution of money arising from sources in excess of net income is not scheduled. |
| Other | <ul style="list-style-type: none"> - Based on the assumption that there will be no revisions to laws, regulations, the tax system, accounting standards, listing rules, rules of the Investment Trusts Association, Japan, etc. that will affect the estimated figures described above. - Based on the assumption that there will be no unexpected material changes in general economic trends, real estate market circumstances, etc. |

C. Investment Risks

Disclosure is omitted since there are no significant changes from the investment risks described in the Securities Registration Statement submitted on April 9, 2018.

III. Financial Statements
A. Balance Sheets

(Unit: Thousands of Yen)

| | Previous Fiscal Period As of October 31, 2017 | Current Fiscal Period As of April 30, 2018 |
|--|--|---|
| ASSETS | | |
| Current assets: | | |
| Cash and cash deposits | 3,090,066 | 5,881,414 |
| Entrusted cash and entrusted cash deposits | 10,596,926 | 10,442,475 |
| Accounts receivables - operating | 456,838 | 486,664 |
| Accounts receivables | - | 147,830 |
| Consumption tax receivable | 35,654 | - |
| Short-term prepaid expenses | 281,385 | 257,464 |
| Advance payments | - | 50,000 |
| Deferred tax assets | 19 | 119 |
| Other current assets | 1,518 | 1,518 |
| Total current assets | 14,462,409 | 17,267,487 |
| Fixed assets: | | |
| Property and equipment | | |
| Entrusted buildings | 41,795,823 | 41,855,146 |
| Accumulated depreciation | (3,715,638) | (4,435,152) |
| Entrusted buildings, net | 38,080,184 | 37,419,994 |
| Entrusted building improvements | 319,541 | 331,590 |
| Accumulated depreciation | (93,211) | (111,170) |
| Entrusted building improvements, net | 226,329 | 220,420 |
| Entrusted machineries | 31,443 | 40,063 |
| Accumulated depreciation | (4,053) | (5,748) |
| Entrusted machineries, net | 27,390 | 34,314 |
| Entrusted furniture and equipment | 106,167 | 168,248 |
| Accumulated depreciation | (26,070) | (37,473) |
| Entrusted furniture and equipment, net | 80,096 | 130,775 |
| Entrusted land | 124,928,377 | 123,241,382 |
| Entrusted construction in progress | 20,024 | 41,252 |
| Total property and equipment | 163,362,402 | 161,088,139 |
| Intangible assets: | | |
| Other intangible assets | 4,889 | 3,769 |
| Total intangible assets | 4,889 | 3,769 |
| Investment and other assets: | | |
| Security deposits and guarantee deposits | 10,088 | 10,088 |
| Long-term prepaid expenses | 358,151 | 300,365 |
| Derivative assets | 115,701 | 127,734 |
| Others | 386,154 | 442,350 |
| Total investment and other assets | 870,096 | 880,539 |
| Total fixed assets | 164,237,388 | 161,972,448 |
| Deferred assets: | | |
| Investment corporation bonds issuance expenses | 21,755 | 56,057 |
| Total deferred assets | 21,755 | 56,057 |
| TOTAL ASSETS | 178,721,552 | 179,295,993 |

(Unit: Thousands of Yen)

| | Previous Fiscal Period As of October 31, 2017 | Current Fiscal Period As of April 30, 2018 |
|--|--|---|
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable - operating | 533,084 | 490,886 |
| Current portion of long-term loans | 17,500,000 | 17,500,000 |
| Accounts payable - other | 373,832 | 612,589 |
| Accrued expenses | 78,755 | 85,780 |
| Income taxes payable | 1,005 | 2,455 |
| Consumption tax payable | - | 121,265 |
| Rent received in advance | 567,962 | 556,905 |
| Other current liabilities | 73,108 | 56,495 |
| Total current liabilities | 19,127,750 | 19,426,378 |
| Non-current liabilities: | | |
| Investment corporation bonds | 3,400,000 | 8,900,000 |
| Long-term loans | 68,100,000 | 62,600,000 |
| Entrusted tenant leasehold and security deposits | 7,470,893 | 7,539,497 |
| Deferred tax liabilities | 36,550 | 40,351 |
| Total non-current liabilities | 79,007,443 | 79,079,848 |
| TOTAL LIABILITIES | 98,135,193 | 98,506,226 |
| NET ASSETS | | |
| Unitholders' equity: | | |
| Unitholders' capital | 78,913,658 | 78,913,658 |
| Deduction from unitholders' capital | (799,984) | (799,984) |
| Unitholders' capital, net | 78,113,673 | 78,113,673 |
| Surplus: | | |
| Retained earnings | 2,393,534 | 2,588,710 |
| Total surplus | 2,393,534 | 2,588,710 |
| Total Unitholders' equity | 80,507,207 | 80,702,384 |
| Valuation and translation adjustments: | | |
| Deferred income on hedges | 79,151 | 87,382 |
| Total valuation and translation adjustments | 79,151 | 87,382 |
| TOTAL NET ASSETS | *1 80,586,359 | *1 80,789,767 |
| TOTAL LIABILITIES AND NET ASSETS | 178,721,552 | 179,295,993 |

B. Statements of Income

(Unit: Thousands of Yen)

| | Previous Fiscal Period From May 1, 2017 to October 31, 2017 | Current Fiscal Period From November 1, 2017 to April 30, 2018 |
|---|---|---|
| Operating revenues | | |
| Rental revenues | * ₁ 5,565,513 | * ₁ 5,550,498 |
| Other rental revenues | * ₁ 606,368 | * ₁ 568,745 |
| Gain on sales of real estate properties | - | * ₂ 277,915 |
| Total operating revenues | 6,171,882 | 6,397,159 |
| Operating expenses | | |
| Property-related expenses | * ₁ 2,805,901 | * ₁ 2,688,593 |
| Asset management fees | 510,363 | 512,616 |
| General administration and custodian fees | 16,575 | 22,298 |
| Compensation for directors | 3,000 | 3,700 |
| Other operating expenses | 63,698 | 93,599 |
| Total operating expenses | 3,399,539 | 3,320,806 |
| Operating income | 2,772,342 | 3,076,352 |
| Non-operating revenues | | |
| Interest income | 44 | 46 |
| Refund of unpaid distributions | - | 1,386 |
| Interest income on tax refund | 11 | 193 |
| Other non-operating revenues | 965 | 360 |
| Total non-operating revenues | 1,021 | 1,987 |
| Non-operating expenses | | |
| Interest expense | 253,808 | 245,979 |
| Interest expense on investment corporation bonds | 7,046 | 13,599 |
| Amortization of investment corporation bonds issuance costs | 2,067 | 4,619 |
| Public offering costs | - | 111,562 |
| Financing costs | 114,263 | 110,439 |
| Other non-operating expenses | 1,934 | 1,580 |
| Total non-operating expenses | 379,119 | 487,780 |
| Ordinary income | 2,394,243 | 2,590,560 |
| Net income before income taxes | 2,394,243 | 2,590,560 |
| Current income taxes | 1,012 | 2,463 |
| Deferred tax expenses | (13) | (99) |
| Total income taxes | 999 | 2,363 |
| Net income | 2,393,243 | 2,588,196 |
| Retained earnings at beginning of period | 290 | 513 |
| Retained earnings at the end of period | 2,393,534 | 2,588,710 |

C. Statements of Changes in Net Assets

Previous Fiscal Period: From May 1, 2017 to October 31, 2017

(Unit: Thousands of Yen)

| | Unitholders' Equity | | | | | | |
|---|----------------------|-------------------------------------|---------------------------|-------------------|---------------|----------------------|---------------------------|
| | Unitholders' Capital | Deduction from Unitholders' Capital | Unitholders' Capital, net | Surplus | | Own Investment Units | Total Unitholders' Equity |
| | | | | Retained Earnings | Total Surplus | | |
| Balance at the beginning of the period | 78,913,658 | - | 78,913,658 | 2,967,250 | 2,967,250 | - | 81,880,908 |
| Changes during the period: | | | | | | | |
| Cash distribution declared | - | - | - | (2,966,959) | (2,966,959) | - | (2,966,959) |
| Net income | - | - | - | 2,393,243 | 2,393,243 | - | 2,393,243 |
| Acquisition of own investment units | - | - | - | - | - | (799,984) | (799,984) |
| Retirement of own investment units | - | (799,984) | (799,984) | - | - | 799,984 | - |
| Net changes of items other than unitholders' equity | - | - | - | - | - | - | - |
| Total changes during the period | - | (799,984) | (799,984) | (573,716) | (573,716) | - | (1,373,700) |
| Balance at the end of the period | *1 78,913,658 | (799,984) | 78,113,673 | 2,393,534 | 2,393,534 | - | 80,507,207 |

| | Valuation and translation adjustments | | Total Net Assets |
|---|---------------------------------------|---|------------------|
| | Deferred income on hedges | Total valuation and translation adjustments | |
| Balance at the beginning of the period | 54,708 | 54,708 | 81,935,617 |
| Changes during the period: | | | |
| Cash distribution declared | - | - | (2,966,959) |
| Net income | - | - | 2,393,243 |
| Acquisition of own investment units | - | - | (799,984) |
| Retirement of own investment units | - | - | - |
| Net changes of items other than unitholders' equity | 24,442 | 24,442 | 24,442 |
| Total changes during the period | 24,442 | 24,442 | (1,349,258) |
| Balance at the end of the period | 79,151 | 79,151 | 80,586,359 |

Current Fiscal Period: From November 1, 2017 to April 30, 2018

(Unit: Thousands of Yen)

| | Unitholders' Equity | | | | | |
|---|----------------------|-------------------------------------|---------------------------|-------------------|---------------|---------------------------|
| | Unitholders' Capital | Deduction from Unitholders' Capital | Unitholders' Capital, net | Surplus | | Total Unitholders' Equity |
| | | | | Retained Earnings | Total Surplus | |
| Balance at the beginning of the period | 78,913,658 | (799,984) | 78,113,673 | 2,393,534 | 2,393,534 | 80,507,207 |
| Changes during the period: | | | | | | |
| Cash distribution declared | - | - | - | (2,393,020) | (2,393,020) | (2,393,020) |
| Net income | - | - | - | 2,588,196 | 2,588,196 | 2,588,196 |
| Net changes of items other than unitholders' equity | - | - | - | - | - | - |
| Total changes during the period | - | - | - | 195,176 | 195,176 | 195,176 |
| Balance at the end of the period | *1 78,913,658 | (799,984) | 78,113,673 | 2,588,710 | 2,588,710 | 80,702,384 |

| | Valuation and translation adjustments | | Total Net Assets |
|---|---------------------------------------|---|------------------|
| | Deferred income on hedges | Total valuation and translation adjustments | |
| Balance at the beginning of the period | 79,151 | 79,151 | 80,586,359 |
| Changes during the period: | | | |
| Cash distribution declared | - | - | (2,393,020) |
| Net income | - | - | 2,588,196 |
| Net changes of items other than unitholders' equity | 8,231 | 8,231 | 8,231 |
| Total changes during the period | 8,231 | 8,231 | 203,407 |
| Balance at the end of the period | 87,382 | 87,382 | 80,789,767 |

D. Statements of Cash Distributions

| | Previous Fiscal Period From May 1, 2017 to October 31, 2017 | Current Fiscal Period From November 1, 2017 to April 30, 2018 |
|---|--|--|
| I. Unappropriated retained earnings | 2,393,534,091 yen | 2,588,710,483 yen |
| II. Distributions | 2,393,020,534 yen | 2,585,302,400 yen |
| (Distributions per unit) | (2,962 yen) | (400 yen) |
| III. Retained earnings carried forward | 513,557 yen | 3,408,083 yen |
| Calculation method of distribution amount | <p>Pursuant to the distribution policy as defined in Article 35, Paragraph 1 of the Articles of Incorporation of the Investment Corporation, the amount of distributions shall be the amount that does not exceed the amount of profits but exceeds 90% of the distributable profit as defined in Article 67-15 of the Act on Special Measures Concerning Taxation. Based on the distribution policy, the Investment Corporation declared a distribution amount of 2,393,020,534 yen, which does not exceed retained earnings and is the greatest value among integral multiples of 807,907 units, which is the number of investment units issued. Note that the Investment Corporation has not paid any portion of the amount that exceeds the profits defined in Article 35, Paragraph 2 of the Articles of Incorporation of the Investment Corporation.</p> | <p>Pursuant to the distribution policy as defined in Article 35, Paragraph 1 of the Articles of Incorporation of the Investment Corporation, the amount of distributions shall be the amount that does not exceed the amount of profits but exceeds 90% of the distributable profit as defined in Article 67-15 of the Act on Special Measures Concerning Taxation. Based on the distribution policy, the Investment Corporation declared a distribution amount of 2,585,302,400 yen, which does not exceed retained earnings and is the greatest value among integral multiples of 6,463,256 units, which is the number of investment units issued. Note that the Investment Corporation has not paid any portion of the amount that exceeds the profits defined in Article 35, Paragraph 2 of the Articles of Incorporation of the Investment Corporation.</p> |

E. Statements of Cash Flows

(Unit: Thousands of Yen)

| | Previous Fiscal Period From May 1, 2017 to October 31, 2017 | Current Fiscal Period From November 1, 2017 to April 30, 2018 |
|---|---|---|
| Cash flows from operating activities: | | |
| Net income before income taxes | 2,394,243 | 2,590,560 |
| Depreciation expenses | 768,739 | 786,966 |
| Amortization of investment corporation bonds issuance costs | 2,067 | 4,619 |
| Public offering costs | - | 111,562 |
| Financing costs | 114,263 | 110,439 |
| Interest income | (44) | (46) |
| Interest expense | 260,854 | 259,579 |
| (Increase) decrease in accounts receivables - operating | (54,815) | (29,826) |
| (Increase) decrease in accounts receivables | - | (147,830) |
| (Increase) decrease in consumption tax receivable | 148,228 | 35,654 |
| (Increase) decrease in income taxes receivable | 2,251 | - |
| (Increase) decrease in short-term prepaid expenses | (18,171) | (2,597) |
| (Increase) decrease in advance payments | - | (50,000) |
| (Increase) decrease in long-term prepaid expenses | 14,197 | (26,134) |
| (Increase) decrease in other current assets | (17,833) | (56,196) |
| Increase (decrease) in accounts payable - operating | 98,039 | (98,432) |
| Increase (decrease) in accounts payable - other | (16,251) | 128,416 |
| Increase (decrease) in consumption taxes payable | - | 121,265 |
| Increase (decrease) in rental received in advance | (25,870) | (11,057) |
| Decrease in entrusted property and equipment held due to sale | - | 2,119,842 |
| Increase (decrease) in other current liabilities | (87,819) | (17,690) |
| Sub-total | <u>3,582,079</u> | <u>5,829,093</u> |
| Interest received | 44 | 46 |
| Interest expenses paid | (265,037) | (252,864) |
| Income taxes paid | (652) | (1,013) |
| Net cash provided by (used in) operating activities | <u>3,316,433</u> | <u>5,575,262</u> |
| Cash flows from Investing activities: | | |
| Purchase of entrusted property and equipment | (248,591) | (575,192) |
| Net cash provided by (used in) investing activities | <u>(248,591)</u> | <u>(575,192)</u> |
| Cash flows from Financing activities: | | |
| Repayments of long-term borrowings | (13,000,000) | (5,500,000) |
| Proceeds from long-term borrowings | 13,000,000 | - |
| Payment of financing costs | (113,895) | - |
| Proceeds from issuance of investment corporation bonds | - | 5,500,000 |
| Payment of investment corporation bonds issuance costs | - | (38,922) |
| Payment of own investment units acquisition | (799,984) | - |
| Distribution to unitholders | (2,965,743) | (2,392,855) |
| Net cash provided by (used in) financing activities | <u>(3,879,623)</u> | <u>(2,431,777)</u> |
| Net change in cash and cash equivalents | <u>(811,782)</u> | <u>2,568,292</u> |
| Cash and cash equivalents at the beginning of period | 7,027,882 | 6,216,100 |
| Cash and cash equivalents at the end of period | *1 <u>6,216,100</u> | *1 <u>8,784,392</u> |

F. Notes on Assumption of Going Concern

Not applicable.

G. Notes on Significant Accounting Policies

| | | | | | | | | | |
|--|---|---------------------|---------------|---------------------------------|---------------|-----------------------|---------------|-----------------------------------|---------------|
| 1. Method of Depreciation of Fixed Assets | <p>(1) Property and equipment The straight-line method is used. The useful lives of property and equipment are listed below.</p> <table style="margin-left: 20px;"> <tr> <td>Entrusted buildings</td> <td style="text-align: right;">2 to 46 years</td> </tr> <tr> <td>Entrusted building improvements</td> <td style="text-align: right;">4 to 20 years</td> </tr> <tr> <td>Entrusted machineries</td> <td style="text-align: right;">2 to 17 years</td> </tr> <tr> <td>Entrusted furniture and equipment</td> <td style="text-align: right;">4 to 15 years</td> </tr> </table> <p>(2) Intangible fixed assets The straight-line method is used.</p> <p>(3) Long-term prepaid expenses The straight-line method is used.</p> | Entrusted buildings | 2 to 46 years | Entrusted building improvements | 4 to 20 years | Entrusted machineries | 2 to 17 years | Entrusted furniture and equipment | 4 to 15 years |
| Entrusted buildings | 2 to 46 years | | | | | | | | |
| Entrusted building improvements | 4 to 20 years | | | | | | | | |
| Entrusted machineries | 2 to 17 years | | | | | | | | |
| Entrusted furniture and equipment | 4 to 15 years | | | | | | | | |
| 2. Accounting Method for Deferred Assets | <p>(1) Public offering costs: All public offering costs are expensed when incurred.</p> <p>(2) Investment corporation bonds issuance costs: Bond issuance costs are amortized by applying the straight-line method for the entire redemption period.</p> | | | | | | | | |
| 3. Recognition of Revenue and Expenses | <p>Accounting treatment of fixed asset tax and other property-related taxes: For fixed asset tax, city planning tax, depreciable asset tax, etc., the amount of tax levied on real properties held corresponds to the accounting period and is recorded as property-related expenses. The amount equivalent to fixed asset tax to be paid by the Investment Corporation in the first year of acquisition relating to the real properties or trust beneficiary interests in real estate is not recorded as an expense, but included in the acquisition cost for the related properties. There was no fixed asset tax included in acquisition costs for properties in the previous fiscal period and in the fiscal period under review.</p> | | | | | | | | |
| 4. Method of Hedge Accounting | <p>(1) Method of hedge accounting: Deferred hedge accounting is generally used for interest rate swaps. Special treatment is applied for interest rate swaps which satisfy the requirements for special treatment.</p> <p>(2) Hedge instruments and hedged items: Hedge instruments: Interest rate swap transactions Hedged items: Interest on borrowings</p> <p>(3) Hedging policy: The Investment Corporation conducts derivative transactions for the purpose of hedging risks provided for in the Articles of Incorporation of the Investment Corporation pursuant to the regulations that stipulate the basic policy of risk management.</p> <p>(4) Method of assessing hedge effectiveness: The effectiveness of hedging is measured by comparing the cumulative total cash flow fluctuation of the hedged items and that of the hedging instruments and verifying the ratio of differences in the amount of changes from both the hedged items and the hedging instruments. The assessment of hedge effectiveness is omitted for the interest rate swaps which satisfy the requirements for special treatment.</p> | | | | | | | | |
| 5. Scope of Cash and Cash Equivalents in the Statement of Cash Flows | <p>Cash and cash equivalents in the statement of cash flows include cash on hand, entrusted cash, demand deposits, entrusted cash deposits, and highly liquid short-term investments that are readily convertible, bear little risk in price fluctuations, and mature within three months from the date of acquisition.</p> | | | | | | | | |
| 6. Other Significant Information for Preparation of Financial Statements | <p>(1) Accounting policy for trust beneficiary interests in real estate: With regard to trust beneficiary interests in real estate, all assets and liabilities as well as all revenue and expense items associated with all entrusted assets are accounted for under the respective account item of the balance sheet and statement of income and retained earnings. Of the entrusted assets accounted for under the respective account item, the following significant items are separately indicated on the balance sheet:</p> <ol style="list-style-type: none"> i) Entrusted cash and entrusted cash deposits; ii) Entrusted buildings, entrusted building improvements, entrusted machineries, entrusted furniture and equipment, entrusted land and entrusted construction in progress; and iii) Entrusted tenant leasehold and security deposits. <p>(2) Accounting policy for consumption tax: All amounts in the accompanying financial statements exclude consumption tax.</p> | | | | | | | | |

H. Notes to Financial Statements

Disclosure of notes to operating lease transactions, securities, retirement benefits, transactions with related parties and asset retirement obligations are omitted in the Notes to Financial Statements, as their disclosure in this report is not material.

Notes to Balance Sheets

*1. Minimum net assets as provided in Article 67, paragraph 4, of the Act on Investment Trusts and Investment Corporations

| | (Unit: Thousands of Yen) | |
|---|--|---|
| | Previous Fiscal Period As of October 31, 2017 | Current Fiscal Period As of April 30, 2018 |
| Statutory Minimum Net Assets under Article 67 | 50,000 | 50,000 |

Notes to Statements of Income

*1. Breakdown of net operating income (loss)

| | (Unit: Thousands of yen) | |
|--|---|---|
| | Previous Fiscal Period From May 1, 2017 to October 31, 2017 | Current Fiscal Period From November 1, 2018 to April 30, 2018 |
| A. Rental and other operating revenues: | | |
| Rental revenues | | |
| Rental revenues | 4,275,839 | 4,279,277 |
| Common area service fee | 980,013 | 968,825 |
| Other rental revenues | 309,660 | 302,395 |
| Total rental revenues | 5,565,513 | 5,550,498 |
| Other rental-related revenues | | |
| Other rental-related revenues | 606,368 | 568,745 |
| Total other rental-related revenues | 606,368 | 568,745 |
| Total rental and other related revenues | 6,171,882 | 6,119,243 |
| B. Property-related expenses: | | |
| Property management fees | 649,134 | 641,082 |
| Utility expenses | 657,846 | 564,516 |
| Insurance | 15,288 | 15,035 |
| Repair and maintenance | 150,644 | 134,840 |
| Other taxes | 499,321 | 491,089 |
| Depreciation expenses | 767,620 | 785,847 |
| Other rental-related expenses | 66,045 | 56,181 |
| Total property-related expenses | 2,805,901 | 2,688,593 |
| C. Net operating income (A-B) | 3,365,980 | 3,430,650 |

*2. Breakdown of gain on sales of real estate properties

Previous Fiscal Period (From May 1, 2017 to October 31, 2017)
Not applicable.

Current Fiscal Period (From November 1, 2017 to April 30, 2018)

(Unit: Thousands of yen)

| | | |
|--|-----------|---------|
| Sendai Honcho Building (40% co-ownership interest) | | |
| Revenue from sales of real estate properties | 2,452,000 | |
| Cost of property | 2,119,842 | |
| Other related expenses | 54,241 | |
| Gain on sales of real estate properties | | 277,915 |

Notes to Statement of Changes in Net Assets

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

| | Previous Fiscal Period From May 1, 2017 to October 31, 2017 | Current Fiscal Period From November 1, 2017 to April 30, 2018 |
|---|---|---|
| Total number of authorized investment units | 10,000,000 units | 80,000,000 units |
| Total number of investment units issued | 807,907units | 6,463,256units |

Notes to Statements of Cash Flows

*1. Reconciliation between cash and cash equivalents at end of period and relevant amount on the balance sheets

(Units: Thousands of Yen)

| | Previous Fiscal Period From May 1, 2017 to October 31, 2017 | Current Fiscal Period From November 1, 2017 to April 30, 2018 |
|--|---|---|
| Cash and deposits | 3,090,066 | 5,881,414 |
| Entrusted cash and entrusted cash deposits | 10,596,926 | 10,442,475 |
| Entrusted cash deposits with restrictions (Note) | (7,470,893) | (7,539,497) |
| Cash and cash equivalents | 6,216,100 | 8,784,392 |

(Note) Entrusted cash deposits with restrictions are retained for the refund of tenants' leasehold and security deposits.

Notes to Financial Instruments

1. Qualitative information about financial instruments

(a) Policy for financial instruments

The Investment Corporation's basic policy is to conduct stable and sound financial management to contribute to the continuous growth of assets under management and their efficient and appropriate management. The Investment Corporation procures funds by borrowing, issuing investment corporation bonds (including short-term investment corporation bonds; same shall apply hereinafter), and issuing investment units for the purpose of acquiring assets, paying repair, maintenance and other management expenses, making distributions, and funding the Investment Corporation's operations including necessary working capital and debt repayments.

Temporary surpluses and entrusted tenant leasehold and security deposits are also invested in bank deposits considering the safety of the investment and convertibility into cash.

Derivative transactions are carried out only to hedge the risk of fluctuations in interest rates associated with borrowings and other risks.

(b) Content and risks of financial instruments and risk management system

Proceeds from borrowings and issuing investment corporation bonds are received mainly for the purpose of acquiring real estate and trust beneficiary interests in real estate.

Proceeds from borrowings and issuing investment corporation bonds are exposed to liquidity risk on due dates. However, the Investment Corporation manages this risk mainly by appropriately managing the LTV (loan-to-value) ratio to limit the impact of higher market interest rates on the Investment Corporation's operations and endeavoring to maintain and strengthen its ability to raise capital from capital markets through capital increases. Also, management constantly monitors on-hand liquidity by preparing monthly cash flow projections and formulates fund raising plans at an early stage to maintain required capital.

Floating-rate loans are exposed to the risk of fluctuations in interest rates. However, the Investment Corporation manages this risk mainly by adjusting the ratio of outstanding floating-rate loans to total borrowing depending on the finance environment.

Furthermore, these risks are managed through derivative transactions (interest rate swaps) as hedging instruments in certain floating-rate loans in order to fix interest rate payments and hedge the risk of fluctuations in interest rates. The hedge effectiveness of the interest rate swaps is assessed by comparing the cumulative changes in the cash flows of the hedging instruments and the hedged items and based on the respective amount of changes; provided, however, that the assessment of hedge effectiveness is omitted for those interest rate swaps that satisfy the requirements for special treatment.

Derivative transactions are conducted and managed in accordance with the internal regulations that specify the basic policy of risk management.

The surplus funds deposited to the financial institutions are exposed to the financial institutions' credit risk. However, the risks are managed through our selection of financial institutions with certain creditworthiness and by limiting the term of the deposit to short term.

Entrusted tenant leasehold and security deposits are deposits provided by tenants under lease agreements. This is exposed to liquidity risk due to the cancellation of the lease agreement before the original term. The risks are managed by monitoring liquidity on hand.

(c) Supplementary remarks on fair value of financial instruments

The fair value of financial instruments is based on market prices or reasonably calculated value if there is no market price available. As certain assumptions are used in calculating these values, these values may vary in the event different assumptions are used.

2. Matters regarding fair value of financial instruments

Balance sheet carrying amounts, fair values, and the difference between the two values are shown below.

Financial instruments whose fair value is considered to be extremely difficult to determine are not included in the table below (Note 2).

Previous Fiscal Period (as of October 31, 2017)

(Unit: Thousands of Yen)

| | Balance Sheet Carrying Amount (Note1) | Fair Value (Note1) | Difference |
|--|---|-----------------------|------------|
| (1) Cash and deposits | 3,090,066 | 3,090,066 | - |
| (2) Entrusted cash and entrusted cash deposits | 10,596,926 | 10,596,926 | - |
| Total assets | 13,686,993 | 13,686,993 | - |
| (3) Current portion of long-term loans | 17,500,000 | 17,539,743 | 39,743 |
| (4) Investment corporation bonds | 3,400,000 | 3,386,120 | (13,880) |
| (5) Long-term loans | 68,100,000 | 68,439,898 | 339,898 |
| Total liabilities | 89,000,000 | 89,365,762 | 365,762 |
| (6) Derivative transactions | 115,701 | 115,701 | - |

Current Fiscal Period (as of April 30, 2018)

(Unit: Thousands of Yen)

| | Balance Sheet Carrying Amount (Note1) | Fair Value (Note1) | Difference |
|--|---|-----------------------|------------|
| (1) Cash and deposits | 5,881,414 | 5,881,414 | - |
| (2) Entrusted cash and entrusted cash deposits | 10,442,475 | 10,442,475 | - |
| Total assets | 16,323,890 | 16,323,890 | - |
| (3) Current portion of long-term loans | 17,500,000 | 17,508,921 | 8,921 |
| (4) Investment corporation bonds | 8,900,000 | 8,892,550 | (7,450) |
| (5) Long-term loans | 62,600,000 | 62,968,217 | 368,217 |
| Total liabilities | 89,000,000 | 89,369,689 | 369,689 |
| (6) Derivative transactions | 127,734 | 127,734 | - |

(Note 1) Measurement of fair values of financial instruments:

(1) Cash and deposits and (2) Entrusted cash and entrusted cash deposits

The book value is used as the fair value of these assets, given that the fair value is equivalent to the amount of the book value, as it is settled in a short time.

(3) Current portion of long-term loans and (5) Long-term loans

Because the interest rates of long-term loans carrying floating interest rates are to be revised periodically and thus their fair value is essentially the same as the book value, the book value is used as the fair value of these liabilities. The fair value of long-term loans carrying fixed interest rates is calculated by discounting the total of principal and interest at the rate assumed when a new, similar loan corresponding to the remaining period is made. The fair values for interest rate swaps, to which special treatment is applied, are included in the fair value of long-term loans as the hedged item.

Some current portion of long-term loans and long-term loans are cancellable loans with a clause on early cancellation through exercise of early cancellation rights (i.e., compounded financial instruments), and these are included in the fair value of the current portion of long-term loans and long-term loans.

(4) Investment corporation bonds

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

(6) Derivative transactions

Please refer to "Notes to Derivative Transactions" described below.

(Note 2) Balance sheet carrying amounts of financial instruments whose fair value is considered to be extremely difficult to determine:

Entrusted tenant leasehold and security deposits, which are deposited by lessees of rental properties, are not subject to fair value disclosure because there are no market prices to compare. It is not possible to reasonably estimate future cash flows because, even if a lease agreement period is specified, there is the possibility of midterm cancellation, renewal or re-contract and it is impossible to estimate the real deposit term, and therefore it is considered to be extremely difficult to determine their fair values.

(Unit: Thousands of Yen)

| | Previous Fiscal Period From May 1, 2017 to October 31, 2017 | Current Fiscal Period From November 1, 2017 to April 30, 2018 |
|--|---|---|
| Entrusted tenant leasehold and security deposits | 7,470,893 | 7,539,497 |

(Note 3) Redemption schedule for monetary claims after the balance sheet date
Previous Fiscal Period (as of October 31, 2017)

(Unit: Thousands of Yen)

| | Due within One (1) Year |
|--|-------------------------|
| Cash and deposits | 3,090,066 |
| Entrusted cash and entrusted cash deposits | 10,596,926 |
| Total | 13,686,993 |

Current Fiscal Period (as of April 30, 2018)

(Unit: Thousands of Yen)

| | Due within One (1) Year |
|--|-------------------------|
| Cash and deposits | 5,881,414 |
| Entrusted cash and entrusted cash deposits | 10,442,475 |
| Total | 16,323,890 |

(Note 4) Expected amount of repayments of loans and investment corporation bonds after the balance sheet date
Previous Fiscal Period (As of October 31, 2017)

(Unit: Thousands of Yen)

| | Due within 1 year | Due after 1 to 2 years | Due after 2 to 3 years | Due after 3 to 4 years | Due after 4 to 5 years | Due after 5 years |
|------------------------------|----------------------|---------------------------|---------------------------|---------------------------|---------------------------|----------------------|
| Investment corporation bonds | - | - | - | - | 1,800,000 | 1,600,000 |
| Long-term loans | 17,500,000 | 17,500,000 | 23,950,000 | 19,150,000 | 7,500,000 | - |

Current Fiscal Period (As of April 30, 2018)

(Unit: Thousands of Yen)

| | Due within 1 year | Due after 1 to 2 years | Due after 2 to 3 years | Due after 3 to 4 years | Due after 4 to 5 years | Due after 5 years |
|------------------------------|----------------------|---------------------------|---------------------------|---------------------------|---------------------------|----------------------|
| Investment corporation bonds | - | - | - | 1,800,000 | 5,500,000 | 1,600,000 |
| Long-term loans | 17,500,000 | 25,350,000 | 17,200,000 | 20,050,000 | - | - |

Notes to Derivative Transactions

1. Derivative transactions not applying hedge accounting:

Previous Fiscal Period (As of October 31, 2017)

Not applicable.

Current Fiscal Period (As of April 30, 2018)

Not applicable.

2. Derivative transactions applying hedge fund accounting:

The following table shows the contracted amount or principal equivalent amount as set forth in the contract as of the balance sheet date for each hedge accounting method.

Previous Fiscal Period (As of October 31, 2017)

(Unit: Thousands of Yen)

| Hedge Accounting Method | Type of Derivative Transaction | Major Hedged Item | Contracted Amount | | Fair Value | Measurement Method for Fair Value |
|---|---|-------------------|-------------------|--------------------------|------------|---|
| | | | | Portion Due after 1 Year | | |
| Standard method | Interest rate swap transaction Payment: fixed interest rate Receipt: floating interest rate | Long-term loans | 39,100,000 | 39,100,000 | 115,701 | The fair value is based on the price presented by the correspondent financial institutions. |
| Special treatment for interest rate swaps | Interest rate swap transaction Payment: fixed interest rate Receipt: floating interest rate | Long-term loans | 23,800,000 | 14,800,000 | (Note) | - |
| Total | | | 62,900,000 | 53,900,000 | 115,701 | - |

(Note) Fair value for interest rate swaps with this special treatment is included in the fair value of “(5) Long-term loans” in “Notes to Financial Instruments / 2. Matters regarding fair value of financial instruments” described above, as it is accounted for as a single unit with the hedged long-term loan

Current Fiscal Period (As of April 30, 2018)

(Unit: Thousands of Yen)

| Hedge Accounting Method | Type of Derivative Transaction | Major Hedged Item | Contracted Amount | | Fair Value | Measurement Method for Fair Value |
|---|---|-------------------|-------------------|--------------------------|------------|---|
| | | | | Portion Due after 1 Year | | |
| Standard method | Interest rate swap transaction Payment: fixed interest rate Receipt: floating interest rate | Long-term loans | 39,100,000 | 39,100,000 | 127,734 | The fair value is based on the price presented by the correspondent financial institutions. |
| Special treatment for interest rate swaps | Interest rate swap transaction Payment: fixed interest rate Receipt: floating interest rate | Long-term loans | 23,800,000 | 14,800,000 | (Note) | - |
| Total | | | 62,900,000 | 53,900,000 | 127,734 | - |

(Note) Fair value for interest rate swaps with this special treatment is included in the fair value of “(5) Long-term loans” in “Notes to Financial Instruments / 2. Matters regarding fair value of financial instruments” described above, as it is accounted for as a single unit with the hedged long-term loan

Notes to Deferred Tax Accounting

1. Significant components of deferred tax assets and liabilities

(Unit: Thousands of Yen)

| | Previous Fiscal Period As of October 31, 2017 | Current Fiscal Period As of April 30, 2018 |
|---|--|---|
| Deferred tax assets: | | |
| Accrued business office taxes, currently not deductible | 19 | 119 |
| Total deferred tax assets | 19 | 119 |
| Deferred tax liabilities: | | |
| Deferred income on hedges | 36,550 | 40,351 |
| Total deferred tax liabilities | 36,550 | 40,351 |
| Net deferred tax assets (liabilities) | (36,530) | (40,231) |

2. Reconciliation of significant differences between the normal effective statutory tax rate and the effective tax rate

(Unit: %)

| | Previous Fiscal Period As of October 31, 2017 | Current Fiscal Period As of April 30, 2018 |
|---|--|---|
| Normal effective statutory tax rate | 31.74 | 31.74 |
| Adjustments: | | |
| Distributions paid included as tax deductible | (31.72) | (31.68) |
| Other | 0.02 | 0.03 |
| Effective tax rate after application of deferred tax accounting | 0.04 | 0.09 |

Notes to Investment and Rental Properties

The Investment Corporation holds large office buildings in major metropolitan areas. The balance sheet carrying amounts, changes during the period, and fair values of these rental properties are as follows:

(Unit: Thousands of Yen)

| | Previous Fiscal Period From May 1, 2017 to October 31, 2017 | Current Fiscal Period From November 1, 2017 to April 30, 2018 |
|--------------------------------|---|---|
| Balance sheet carrying amounts | | |
| Balance at beginning of period | 163,841,681 | 163,362,402 |
| Changes during the period | (479,279) | (2,274,263) |
| Balance at end of period | 163,362,402 | 161,088,139 |
| Fair value at end of period | 181,288,000 | 181,585,000 |

(Note 1) The balance sheet carrying amount is the acquisition cost (including incidental expenses associated with acquisition) less accumulated depreciation. Intangible fixed assets (totaling 4,889 thousand yen at the end of the previous fiscal period and 3,769 thousand yen at the end of the current fiscal period) are not included.

(Note 2) Relating to the changes during the previous fiscal period, the increase is mainly due to capital expenditures (288,340 thousand yen), while the decrease is principally attributable to depreciation (767,620 thousand yen). In the current fiscal period, the increase is mainly due to capital expenditures (631,426 thousand yen), while the decrease is principally attributable to disposition of the asset (2,119,842 thousand yen) and depreciation (785,847 thousand yen).

(Note 3) The fair value at the end of the period is the appraisal value provided by an independent real estate appraiser. With regards to Sendai Honcho Building (60% co-ownership), the fair value is based on the asset disposition price (3,678,000 thousand yen) indicated in the sales agreement as of March 14, 2018.

The profit or loss concerning investment and rental properties is indicated under “Notes to Statements of Income”.

Notes to Segment Information

1. Segment Information

Disclosure is omitted as the Investment Corporation is comprised of a single reportable segment engaged in the real estate rental business.

2. Related information

Previous Fiscal Period (From May 1, 2017 to October 31, 2017)

(a) Information about products and services

Disclosure is omitted as operating revenues from external customers of products and services within a single segment exceeds 90% of operating revenues on the Statements of Income.

(b) Information about geographical area

i) Operating revenues

Disclosure is omitted since operating revenues from external customers in Japan exceeds 90% of operating revenues on the Statements of Income.

ii) Property and equipment

Disclosure is omitted since the amount of property and equipment located in Japan exceeds 90% of property and equipment on the Balance Sheets.

(c) Information about major customers

Disclosure is omitted as there is no external customer whose operating income accounts for 10% or more of total operating revenues on the Statements of Income.

Current Fiscal Period (From November 1, 2017 to April 30, 2018)

(a) Information about products and services

Disclosure is omitted as operating revenues from external customers of products and services within a single segment exceeds 90% of operating revenues on the Statements of Income.

(b) Information about geographical area

i) Operating revenues

Disclosure is omitted since operating revenues from external customers in Japan exceeds 90% of operating revenues on the Statements of Income.

ii) Property and equipment

Disclosure is omitted since the amount of property and equipment located in Japan exceeds 90% of property and equipment on the Balance Sheets.

(c) Information about major customers

Disclosure is omitted as there is no external customer whose operating income accounts for 10% or more of total operating revenues on the Statements of Income.

Notes to Per Unit Information

| | Previous Fiscal Period From May 1, 2017 to October 31, 2017 | Current Fiscal Period From November 1, 2017 to April 30, 2018 |
|---------------------|---|---|
| Net assets per unit | 12,468 yen | 12,499 yen |
| Net income per unit | 369 yen | 400 yen |

(Note 1) The Investment Corporation executed an eight-for-one unit split with February 28, 2018 as the record date and March 1, 2018 as the effective date. Net asset per unit and net income per unit in the above table shows pro forma per unit information which has been adjusted to reflect the unit split as if it had been effective in the beginning of the previous fiscal period ended October 31, 2017.

(Note 2) Net income per unit is calculated by dividing net income by the day-weighted average number of investment units for the period. Fully diluted net income per investment unit is not presented, as there is no potential dilutive investment unit.

(Note 3) The basis for calculating net income per unit is as follows:

| | Previous Fiscal Period From May 1, 2017 to October 31, 2017 | Current Fiscal Period From November 1, 2017 to April 30, 2018 |
|---|---|---|
| Net income (Thousands of Yen) | 2,393,243 | 2,588,196 |
| Amount not attributable to common unitholders (Thousands of Yen) | - | - |
| Net income attributable to common investment units (Thousands of Yen) | 2,393,243 | 2,588,196 |
| Average number of investment units for the period (Units) | 6,481,813 | 6,463,256 |

Notes to Significant Subsequent Events

1. Issuance of New Investment Units

The Investment Corporation's board members reached a resolution to issue new investment units at its Board of Directors meetings held on April 9, 2018 and April 16, 2018. As such, a public offering was completed on May 1, 2018 and the payment for such new investment units was received on the same day. In addition, new investment units were issued through a third party allocation and the payment was completed on May 23, 2018.

(a) Issue of New Investment Units through Public Offering

| | |
|-------------------------------------|---|
| Number of offered investment units: | 2,128,200 units (Domestic public offering: 1,136,775 units International offering: 991,425 units) |
| Amount of payment: | 13,030 yen (per unit) |
| Total amount of payment: | 27,730,446,000 yen |
| Offer price (per unit): | 13,473 yen (per unit) |
| Aggregate offer price: | 28,673,238,600 yen |
| Date of payment: | May 1, 2018 |
| Use of proceeds: | For the acquisition and related costs of "Nishi-Shinjuku Prime Square", "Kojimachi Crystal City", "Prime Tower Shin-Urayasu", and "Techno Wave 100" as set forth in "2. Asset Acquisition" below. |

(b) Issue of New Investment Units through Third Party Allocation

| | |
|-------------------------------------|--|
| Number of offered investment units: | 51,900 units |
| Amount of payment: | 13,030 yen (per unit) |
| Total amount of payment: | 676,257,000 yen |
| Date of payment: | May 23, 2018 |
| Use of proceeds: | The funds are to be used for part of a future acquisition of specified assets or the repayment of debt borrowings. |

2. Asset Acquisition

The Investment Corporation acquired trust beneficiary interests of five (5) properties as stated below.

| Property Name | Location | Name of Seller | Acquisition Price (Millions of Yen) (Note) | Acquisition Date |
|-----------------------------|----------------------------|----------------------------------|--|------------------|
| Nishi-Shinjuku Prime Square | Shinjuku-ku, Tokyo | Owl Tokutei Mokuteki Kaisha | 34,835 | May 1, 2018 |
| Kojimachi Crystal City | Chiyoda-ku, Tokyo | Godo Kaisha Swallow Property | 6,405 | May 1, 2018 |
| Prime Tower Shin-Urayasu | Urayasu-city, Chiba | Godo Kaisha Marine Property | 11,860 | May 1, 2018 |
| Techno Wave 100 | Yokohama-city, Kanagawa | Godo Kaisha Bay Star Property | 6,900 | May 1, 2018 |
| IBF Planning Building | Shibuya-ku, Tokyo | Godo Kaisha KRF70 | 3,500 | May 18, 2018 |

(Note) “Acquisition Price” represents the purchase price shown on the Sale and Purchase Agreement pertaining to each managed asset, rounded down to the nearest million yen. The purchase price does not include national and regional consumption tax, adjustment of fixed asset tax and city planning tax, and expenses incurred on the acquisition of the respective properties.

3. Asset Disposition

The Investment Corporation disposed of a trust beneficiary interest of “Sendai Honcho Building” (60% co-ownership interest) on May 17, 2018.

| | |
|--|---|
| Type of Disposed Asset | Trust beneficiary interest in entrusted real estate in Japan (60% co-ownership interest) (Note 1) |
| Name of Asset | Sendai Honcho Building |
| Location | Sendai-shi, Miyagi |
| Disposition Price (Note 2) | 3,678 million yen |
| Purchaser | Not disclosed (Note 3) |
| Date of execution of sale and purchase agreement | March 14, 2018 |
| Date of Disposition | May 17, 2018 |

(Note 1) The Investment Corporation disposed of 40% co-ownership interest of the trust beneficiary interest related to “Sendai Honcho Building” on April 18, 2018.

(Note 2) “Disposition price” does not include disposition-related costs, adjustment amount of property tax and city planning tax, and consumption tax etc.

(Note 3) The purchaser is a domestic special purpose company. The name, etc. of purchaser are not disclosed as its approval for disclosure has not been obtained. The purchaser is not a related person of the Investment Corporation.

4. Debt Financing

The Investment Corporation executed borrowings as stated below to procure funds for purposes of acquiring trust beneficiary interests of the properties as set forth in above “(2) Asset Acquisition” (excluding “IBF Planning Building”) including related costs.

(Unit: Millions of Yen)

| Classification | Lender | Date of Borrowing | Borrowing Amount | Interest Rate (Note 1) | Maturity Date | Purpose of Borrowing | Security |
|----------------------------------|-------------------------------------|-------------------|--|--|------------------|----------------------|----------------------------|
| Short-term | Sumitomo Mitsui Banking Corporation | May 1, 2018 | 4,750 | Base Rate (Note 2) plus 0.20% | April 30, 2019 | (Note 7) | Unsecured and Unguaranteed |
| | MUFG Bank, Ltd. | | 500 | | | | |
| | Sumitomo Mitsui Trust Bank, Ltd. | | 1,750 | | | | |
| Long-term | Sumitomo Mitsui Banking Corporation | | 1,800 | Base Rate (Note 3) plus 0.25% (Note 4) | April 30, 2021 | | |
| | MUFG Bank, Ltd. | | 500 | | | | |
| | Sumitomo Mitsui Trust Bank, Ltd. | | 1,300 | | | | |
| | The Nishi-Nippon City Bank, Ltd. | | 1,000 | | | | |
| | Citibank, N.A., Tokyo Branch | | 1,700 | 0.37% | April 30, 2021 | | |
| | Sumitomo Mitsui Banking Corporation | | 1,250 | Base Rate (Note 3) plus 0.40% (Note 5) | October 31, 2022 | | |
| | MUFG Bank, Ltd. | | 3,500 | | | | |
| | Sumitomo Mitsui Trust Bank, Ltd. | | 1,150 | | | | |
| | Shinsei Bank, Limited | | 2,700 | | | | |
| | Aozora Bank, Ltd. | | 2,500 | | | | |
| | The Nishi-Nippon City Bank, Ltd. | | 1,500 | | | | |
| | Resona Bank, Ltd. | | 700 | | | | |
| | The Bank of Fukuoka, Ltd. | 500 | | | | | |
| | Citibank, N.A., Tokyo Branch | 1,700 | 0.52% | October 31, 2022 | | | |
| | Sumitomo Mitsui Banking Corporation | 900 | Base Rate (Note 3) plus 0.45% (Note 6) | April 28, 2023 | | | |
| MUFG Bank, Ltd. | 1,400 | | | | | | |
| Sumitomo Mitsui Trust Bank, Ltd. | 800 | | | | | | |
| Shinsei Bank, Limited | 800 | | | | | | |
| Aozora Bank, Ltd. | 500 | | | | | | |
| Citibank, N.A., Tokyo Branch | 1,600 | 0.57% | April 28, 2023 | | | | |
| Total | | | 34,800 | - | - | - | - |

(Note 1) Financing commissions to be paid to the lenders are not included in the “Interest Rate”.

(Note 2) The “Base Rate” applicable to the period for the calculation of the interest payable on an interest payment date is the one-month Japanese yen Tokyo Interbank Offered Rate (TIBOR) published by the Japanese Bankers Association (“JBA”) TIBOR Administration as of the date two business days prior to the most recent interest payment date of each interest payment date. The base rate will be revised on every payment date. However, if there is no base rate that corresponds to an interest calculation period, the base rate corresponding to the period as calculated by the formula set forth in the loan agreements will apply. The same shall apply to (Note 3) below.

(Note 3) The “Base Rate” applicable to the period for the calculation of the interest payable on an interest payment date is the three-month Japanese yen TIBOR published by JBA TIBOR Administration as of the date two business days prior to the most recent interest payment date of each interest payment date.

(Note 4) The interest rate of the borrowing mentioned above is floating. For the purpose of avoiding the interest-rate risk, the Investment Corporation concluded an interest rate swap agreement and the interest rate are effectively fixed at 0.3578%.

(Note 5) The interest rate of the borrowing mentioned above is floating. For the purpose of avoiding the interest-rate

risk, the Investment Corporation concluded an interest rate swap agreement and the interest rate are effectively fixed at 0.5685%.

(Note 6) The interest rate of the borrowing mentioned above is floating. For the purpose of avoiding the interest-rate risk, the Investment Corporation concluded an interest rate swap agreement and the interest rate are effectively fixed at 0.6245%.

(Note 7) “Purpose of Borrowing” is to use the funds to acquire the trust beneficiary interests in real estate, including related acquisition costs.

I. Changes in Numbers of Issued and Outstanding Investment Units

Changes to Total Unitholders' Equity, net from the establishment of the Investment Corporation through the end of the fiscal period under review are as follows:

| Date | Event | Total Number of Investment Units Issued and Outstanding (Units) | | Total Unitholders' Equity, net (Note1) (Millions of Yen) | | Notes |
|-------------------|--|---|-----------|--|---------|-----------|
| | | Change | Balance | Change | Balance | |
| February 27, 2014 | Incorporation through private placement | 1,500 | 1,500 | 150 | 150 | (Note 2) |
| June 4, 2014 | Capital increase through public offering | 411,000 | 412,500 | 40,851 | 41,001 | (Note 3) |
| June 25, 2014 | Capital increase through third-party allotment | 20,180 | 432,680 | 2,005 | 43,007 | (Note 4) |
| May 26, 2015 | Capital increase through public offering | 104,300 | 536,980 | 10,364 | 53,371 | (Note 5) |
| June 24, 2015 | Capital increase through third-party allotment | 5,230 | 542,210 | 519 | 53,891 | (Note 6) |
| May 31, 2016 | Capital increase through public offering | 261,500 | 803,710 | 23,939 | 77,830 | (Note 7) |
| June 29, 2016 | Capital increase through third-party allotment | 11,837 | 815,547 | 1,083 | 78,913 | (Note 8) |
| August 10, 2017 | Retirement | (7,640) | 807,907 | (799) | 78,113 | (Note 9) |
| March 1, 2018 | Unit split | 5,655,349 | 6,463,256 | - | 78,113 | (Note 10) |

(Note 1) "Unitholders' Equity, net" represents the amount of the "Unitholders' Equity" after deduction of the "Deduction from Unitholders' Equity".

(Note 2) At the incorporation of the Investment Corporation, investment units were issued with an issue price per unit of 100,000 yen.

(Note 3) New investment units were issued through a public offering with an issue price per unit of 103,000 yen (issue value: 99,395 yen).

(Note 4) New investment units were issued through a third-party allotment accompanying a capital increase through a public offering with an issue price per unit of 99,395 yen.

(Note 5) New investment units were issued through a public offering with an issue price per unit of 102,960 yen (issue value: 99,369 yen).

(Note 6) New investment units were issued through a third-party allotment accompanying a capital increase through a public offering with an issue price per unit of 99,369 yen.

(Note 7) New investment units were issued through a public offering with an issue price per unit of 94,672 yen (issue value: 91,545 yen).

(Note 8) New investment units were issued through a third-party allotment accompanying a capital increase through a public offering with an issue price per unit of 91,545 yen.

(Note 9) Based on the discretionary transaction contract with a security company, the Investment Corporation acquired own investment units from June 13, 2017 to July 10, 2017. The Investment Corporation resolved the retirement of all the acquired own investment units (7,640 units) at a meeting of the board of directors of the Investment Corporation which was held on July 27, 2017 and the acquired own investment units were retired on August 10, 2017.

(Note 10) The Investment Corporation implemented an eight-for-one unit split with February 28, 2018 as the record date and March 1, 2018 as the effective date.

IV. Changes in Officers

(1) Changes in Officers of the Investment Corporation

There have been no changes in officers of the Investment Corporation described in “Officers” in the Securities Report submitted on January 29, 2018. Changes in officers will be disclosed in a timely manner when determined.

(2) Changes in Officers of the Asset Management Company

There have been no changes in officers of the Investment Corporation described in “Officers” in the Securities Report submitted on January 29, 2018. Changes in officers will be disclosed in a timely manner when determined.

V. Reference Information

A. Status of Investment

| Type of Assets | Region | | Previous Fiscal Period As of October 31, 2017 | | Current Fiscal Period As of April 30, 2018 | | |
|-----------------------------------|--------------------------------------|----------------------------------|--|--|--|--|------|
| | | | Total Amount Held (Millions of Yen) (Note 1) | Percentage to Total Assets (%) (Note 2) | Total Amount Held (Millions of Yen) (Note 1) | Percentage to Total Assets (%) (Note 2) | |
| Entrusted Real Estate (Note 3) | Major Metropolitan Areas (Note 4) | Tokyo Metropolitan Area (Note 5) | Tokyo 23 Wards | 108,455 | 60.7 | 108,456 | 60.5 |
| | | | Tokyo Metropolitan Area Outside the 23 Wards | 28,855 | 16.1 | 28,804 | 16.1 |
| | | | Other Major Metropolitan Areas | 20,730 | 11.6 | 20,615 | 11.5 |
| | Other Investment Target Regions | | 5,319 | 3.0 | 3,179 | 1.8 | |
| Total Entrusted Real Estate | | | 163,362 | 91.4 | 161,056 | 89.8 | |
| Deposits and Other Assets | | | 15,359 | 8.6 | 18,239 | 10.2 | |
| Total Assets | | | 178,721 | 100.0 | 179,295 | 100.0 | |

(Note 1) Total amount held is based on the balance sheet carrying amount (book value less depreciation in the case of entrusted real estate).

(Note 2) Percentage to total assets is rounded to one decimal place.

(Note 3) All entrusted real estate is used primarily as offices.

(Note 4) “Major Metropolitan Areas” refer to Tokyo Metropolitan Area, Osaka-shi, Nagoya-shi, and Fukuoka-shi.

(Note 5) “Tokyo Metropolitan Area” refers to Tokyo, Yokohama-shi, Kawasaki-shi, Saitama-shi, and Chiba-shi.

| | Previous Fiscal Period As of October 31, 2017 | | Current Fiscal Period As of April 30, 2018 | |
|-------------------|--|--|--|--|
| | Balance Sheet Carrying Amount (Millions of Yen) | Percentage to Total Assets (%) (Note) | Balance Sheet Carrying Amount (Millions of Yen) | Percentage to Total Assets (%) (Note) |
| Total Liabilities | 98,135 | 54.9 | 98,506 | 54.9 |
| Total Net Assets | 80,586 | 45.1 | 80,789 | 45.1 |
| Total Assets | 178,721 | 100.0 | 179,295 | 100.0 |

(Note) “Percentage to Total Assets” is rounded to one decimal place.

B. Investment Assets

1. Major Investment in Securities

Not applicable.

2. Investment Properties

Not applicable.

3. Other Major Investment Assets

The table below shows the Investment Corporation's entrusted real estate as of the end of the fiscal period under review.

a) Price and Investment Percentage

| Region | Property Name | Location | Acquisition Price (Millions of Yen) (Note 1) | Book Value at End of Period (Millions of Yen) | Assessed Value at End of Period (Millions of Yen) (Note 2) | Investment Percentage (%) (Note 3) | Acquisition Date |
|--|-------------------------------------|------------------------|--|---|--|------------------------------------|--------------------|
| Tokyo 23 Wards | Ebisu Prime Square | Shibuya-ku, Tokyo | 25,014 | 25,425 | 27,587 | 15.6 | June 6, 2014 |
| | CS Tower/CS Tower Annex | Taito-ku, Tokyo | 13,700 | 13,752 | 17,200 | 8.6 | June 6, 2014 |
| | Tokyo Nissan Nishi-Gotanda Building | Shinagawa-ku, Tokyo | 6,700 | 6,889 | 7,410 | 4.2 | May 11, 2015 |
| | Nishi-Shinjuku KF Building | Shinjuku-ku, Tokyo | 6,600 | 6,845 | 7,080 | 4.1 | June 30, 2015 |
| | Shinagawa Seaside East Tower | Shinagawa-ku, Tokyo | 25,066 | 25,126 | 26,600 | 15.7 | June 1, 2016 |
| | Akiba CO Building | Chiyoda-ku, Tokyo | 8,078 | 8,299 | 9,580 | 5.0 | June 1, 2016 |
| | Sun Towers Center Building | Setagaya-ku, Tokyo | 6,615 | 6,742 | 7,100 | 4.1 | June 1, 2016 |
| | Kinshicho Prime Tower | Koutou-ku, Tokyo | 15,145 | 15,375 | 16,100 | 9.5 | January 20, 2017 |
| Tokyo Metropolitan Area Outside Tokyo 23 Wards | Queen's Square Yokohama | Yokohama-shi, Kanagawa | 16,034 | 15,949 | 19,100 | 10.0 | September 30, 2014 |
| | ORTO Yokohama | Yokohama-shi, Kanagawa | 13,000 | 12,855 | 14,400 | 8.1 | June 1, 2015 |
| Other Major Metropolitan Areas | Nagoya Prime Central Tower | Nagoya-shi, Aichi | 14,600 | 14,120 | 19,000 | 9.1 | June 6, 2014 |
| | Hakata Prime East | Fukuoka-shi, Fukuoka | 4,500 | 4,535 | 4,720 | 2.8 | June 1, 2016 |
| | Aqua Dojima East | Osaka-shi, Osaka | 1,910 | 1,959 | 2,030 | 1.2 | March 31, 2017 |
| Other Areas | Sendai Honcho Building (Note 4) | Sendai-shi, Miyagi | 3,000 | 3,179 | 3,192 | 1.9 | June 1, 2016 |
| Total | | | 159,962 | 161,056 | 181,099 | 100.0 | - |

(Note 1) "Acquisition Price" represents the purchase price shown on the sale and purchase agreement pertaining to each managed asset, rounded down to the nearest million yen. The purchase price does not include national and regional consumption tax and expenses incurred on the acquisition of each property.

(Note 2) "Assessed Value at End of Period" represents the appraisal value shown on the appraisal report of property as of the valuation date of the last day of the fiscal period under review rounded down to the nearest million yen. For the summary of appraisal, please refer to "d) Summary of Real Estate Appraisal Report" described below.

(Note 3) "Investment Percentage" is calculated by dividing the acquisition price of each property by the total acquisition price of all managed assets, and is rounded to one decimal place.

(Note 4) Regarding "Sendai Honcho Building", the Investment Corporation disposed of 40% co-ownership interest of the trust beneficiary interests related to the property on April 18, 2018 and 60% co-ownership interest on May 17, 2018. For the purpose of describing the details as of the end of the fiscal period under review, the numbers shown above represents 60% co-ownership interest.

b) Overview of Buildings and Leases

| Name of Property | Completion Date (Note 1) | Real Estate Rental Revenues (Millions of Yen) (Note 2) (Note 3) | Percentage to Total Real Estate Rental Revenues (%) (Note 3) | Total Number of Tenants (Note 4) | Leased Area (m ²) (Note 5) | Leasable Area (m ²) (Note 6) | Occupancy Rate (%) (Note 7) |
|-------------------------------------|--------------------------|---|--|----------------------------------|--|--|-----------------------------|
| Ebisu Prime Square | January 1997 | 801 | 13.1 | 100 | 17,317.92 | 17,354.67 | 99.8 |
| CS Tower/CS Tower Annex | August 1991 | 553 | 9.0 | 25 | 19,948.51 | 19,998.31 | 99.8 |
| Queen's Square Yokohama | June 1997 | 956 | 15.6 | 94 | 41,737.81 | 41,954.39 | 99.5 |
| Nagoya Prime Central Tower (Note 8) | March 2009 | Not Applicable | Not Applicable | 51 | 16,938.35 | 17,117.10 | 99.0 |
| Tokyo Nissan Nishi-Gotanda Building | April 1990 | 249 | 4.1 | 8 | 8,522.42 | 8,522.42 | 100.0 |
| ORTO Yokohama | November 2000 | 551 | 9.0 | 23 | 23,593.92 | 23,593.92 | 100.0 |
| Nishi-Shinjuku KF Building | January 1993 | 192 | 3.1 | 17 | 6,189.86 | 6,287.78 | 98.4 |
| Shinagawa Seaside East Tower | August 2004 | 875 | 14.3 | 20 | 27,892.63 | 27,892.63 | 100.0 |
| Akiba CO Building | May 2000 | Not Applicable | Not Applicable | 1 | 5,514.42 | 5,514.42 | 100.0 |
| Sun Towers Center Building | June 1992 | 234 | 3.8 | 12 | 7,788.95 | 7,788.95 | 100.0 |
| Sendai Honcho Building (Note 9) | November 1984 | 185 | 3.0 | 42 | 5,256.91 | 5,377.58 | 97.8 |
| Hakata Prime East | April 1992 | 161 | 2.6 | 19 | 7,018.05 | 7,018.05 | 100.0 |
| Kinshicho Prime Tower | August 1994 | 518 | 8.5 | 16 | 17,606.11 | 17,606.11 | 100.0 |
| Aqua Dojima East | April 1993 | 82 | 1.4 | 17 | 3,028.26 | 3,189.68 | 94.9 |
| Total | | 6,119 | 100.0 | 445 | 208,354.11 | 209,216.00 | 99.6 |

(Note 1) "Completion Date" represents the construction date according to the register. With regards to Tokyo Nissan Nishi-Gotanda Building, date mentioned herein is the date of examined building certificate, as completion date is not stated in the register,

(Note 2) "Real Estate Rental Revenues" represent real estate rental revenues (real estate rental revenues from the acquisition date) during the fiscal period under review.

(Note 3) Information is not disclosed for some properties because the tenant's authorization has not been obtained.

(Note 4) Unless otherwise specified, "Total Number of Tenants" represents the number of tenants under the lease agreement indicated in the relevant lease agreement pertaining to each managed asset as of the end of the fiscal period under review. If pass-through-type master lease agreements under which rents from end tenants are received intact, in principle, (hereinafter referred to as "pass-through-type master lease agreement(s)") are concluded with respect to managed assets, "Total Number of Tenants" represents the total number of end tenants. "Total Number of Tenants" is calculated taking one tenant that leases multiple leased spaces as one tenant if the leased spaces are the same property and as multiple tenants if the leased spaces are spread across multiple properties.

(Note 5) Unless otherwise specified, "Leased Area" represents the part of the total leased area stated in the relevant lease agreement pertaining to each managed asset as of the end of the fiscal period under review, which is the area equal to the Investment Corporation's interest. If a pass-through-type contract is concluded with respect to the managed asset, "Leased Area" represents the part of the total leased area according to the lease agreement with the end tenant which is the area equal to the Investment Corporation's interest, and if a fixed-type master lease agreement under which the Investment Corporation receives constant rent regardless of fluctuations in end tenant's rent, "Leased Area" represents the part of the leased area according to the master lease agreement that is the area equal to the Investment Corporation's interest.

(Note 6) Unless otherwise specified, "Leasable Area" is part of the total area that is available for lease in accordance with the relevant lease agreement or architectural drawing pertaining to each managed asset as of the end of the fiscal period under review that is the area equal to the Investment Corporation's interest.

(Note 7) "Occupancy Rate" represents the ratio of leased area to leasable area pertaining to each managed asset as of the last day of the fiscal period under review unless otherwise specified, rounded to one decimal place. Total section shows the ratio of total leased area to total leasable area pertaining to each managed asset, rounded to one decimal place.

(Note 8) Regarding "Nagoya Prime Central Tower", the Investment Corporation holds sectional ownership as well as an interest of bylaw common elements and housing complex common elements, but the master lease agreement

stipulates that the master lease company shall add together the rents for the entire office building and parking lot building (office building common areas) so that distributions can be received based exclusively on owned area percentage. Consequently, Leased Area and Leasable Area represent the part of each area of the entire building that is the area equal to the Investment Corporation's exclusively owned area percentage, and Total Number of Tenants and Occupancy Rate represent the total number of tenants and occupancy rate for the entire building.

(Note 9) Regarding "Sendai Honcho Building", the Investment Corporation disposed of 40% co-ownership interest of the trust beneficiary interests related to the property on April 18, 2018 and 60% co-ownership interest on May 17, 2018. Real Estate Rental Revenue represents the total amount of 100% of the rental revenue until the disposition date of 40% co-ownership and 60% of the rental revenue after the disposition date. Leased Area and Leasable Area represent the 60% of each area of the entire building and Total Number of Tenants represents the total number of tenants for the entire building.

(Note 10) "Leased Area" and "Occupancy Rate" represent the leased area and occupancy rate pursuant to the lease agreement that is in effect as of the end of the fiscal period under review, and does not take into account situations where the lease agreement pertaining to an end tenant is to be cancelled, to be terminated or in the event of non-payment of rents.

c) Summary of Trust Beneficiary Interests in Real Estate

| Property name | Trustee | Trust Maturity Date |
|-------------------------------------|--|-----------------------|
| Ebisu Prime Square | Mizuho Trust & Banking Co., Ltd. | End of April, 2024 |
| CS Tower/CS Tower Annex | Mitsubishi UFJ Trust and Banking Corporation | End of June, 2024 |
| Queen's Square Yokohama | Sumitomo Mitsui Trust Bank, Limited | End of February, 2024 |
| Nagoya Prime Central Tower | Sumitomo Mitsui Trust Bank, Limited | End of June, 2024 |
| Tokyo Nissan Nishi-Gotanda Building | Mitsubishi UFJ Trust and Banking Corporation | End of May, 2025 |
| ORTO Yokohama | Sumitomo Mitsui Trust Bank, Limited | End of June, 2025 |
| Nishi-Shinjuku KF Building | Sumitomo Mitsui Trust Bank, Limited | End of June, 2025 |
| Shinagawa Seaside East Tower | Mitsubishi UFJ Trust and Banking Corporation | End of June, 2026 |
| Akiba CO Building | Mitsubishi UFJ Trust and Banking Corporation | End of June, 2026 |
| Sun Towers Center Building | Mitsubishi UFJ Trust and Banking Corporation | End of June, 2026 |
| Sendai Honcho Building | Sumitomo Mitsui Trust Bank, Limited | End of June, 2026 |
| Hakata Prime East | Mitsubishi UFJ Trust and Banking Corporation | End of June, 2026 |
| Kinshicho Prime Tower | Mitsubishi UFJ Trust and Banking Corporation | End of January, 2027 |
| Aqua Dojima East | Sumitomo Mitsui Trust Bank, Limited | End of March, 2027 |

d) Summary of Real Estate Appraisal Report

The Investment Corporation has obtained a real estate appraisal report for each entrusted real estate from Japan Real Estate Institute, JLL Morii Valuation & Advisory K.K. and The Tanizawa Sōgō Appraisal Co., Ltd. The appraisal value for each asset represents the appraisal value as of the valuation date at the end of the fiscal period under review. In addition, there is no conflict of interest between the appraisal agency and the Investment Corporation or the Asset Management Company. A summary of the real estate appraisal report for each entrusted real estate is shown as follows.

| Property Name | Appraisal Agency | Appraisal Value (Millions of Yen) (Note 1) | Summary of Real Estate Appraisal Report | | | | | | |
|-------------------------------------|---------------------------------------|--|---|-------------------------|----------------|-------------------|----------------------------------|---|--------------------------------|
| | | | Income Approach Value (Millions of Yen) | | | | | Integrated Value (Millions of Yen) (Note 1) | NOI (Millions of Yen) (Note 2) |
| | | | Direct Capitalization Method | | DCF Method | | | | |
| | | | Value (Note 1) | Capitalization Rate (%) | Value (Note 1) | Discount rate (%) | Terminal Capitalization rate (%) | | |
| Ebisu Prime Square | Japan Real Estate Institute | 27,587 | 28,126 | 3.5 | 26,999 | 3.3 | 3.7 | 25,235 | 1,052 |
| CS Tower/CS Tower Annex | | 17,200 | 17,300 | 4.4 | 17,000 | 4.1 | 4.6 | 11,500 | 836 |
| Queen's Square Yokohama | | 19,100 | 19,300 | 4.4 | 18,800 | 4.1 | 4.7 | 18,000 | 954 |
| Nagoya Prime Central Tower | | 19,000 | 19,200 | 4.4 | 18,800 | 4.1 | 4.6 | 15,100 | 857 |
| Tokyo Nissan Nishi-Gotanda Building | | 7,410 | 7,490 | 4.0 | 7,320 | 3.7 | 4.2 | 7,510 | 335 |
| Sun Towers Center Building | | 7,100 | 7,200 | 4.2 | 6,990 | 3.9 | 4.4 | 7,370 | 326 |
| Sendai Honcho Building (Note 3) | | 3,192 | 3,246 | 4.7 | 3,138 | 4.5 | 4.9 | 3,270 | 167 |
| ORTO Yokohama | JLL Morii Valuation & Advisory K.K. | 14,400 | 14,700 | 4.8 | 14,000 | 4.6 | 5.0 | 13,900 | 755 |
| Shinagawa Seaside East Tower | | 26,600 | 27,000 | 3.9 | 26,200 | 3.7 | 4.1 | 27,000 | 1,116 |
| Hakata Prime East | | 4,720 | 4,760 | 4.7 | 4,670 | 4.5 | 4.9 | 3,160 | 238 |
| Aqua Dojima East | | 2,030 | 2,130 | 4.2 | 1,980 | 4.0 | 4.4 | 2,700 | 101 |
| Nishi-Shinjuku KF Building | The Tanizawa Sōgō Appraisal Co., Ltd. | 7,080 | 7,250 | 3.7 | 7,000 | 3.8 | 3.9 | 7,600 | 282 |
| Akiba CO Building | | 9,580 | 9,890 | 3.5 | 9,450 | 3.6 | 3.7 | 13,000 | 352 |
| Kinshicho Prime Tower | | 16,100 | 16,200 | 4.2 | 16,000 | 4.2 | 4.4 | 20,200 | 723 |
| Total | | 181,099 | 183,792 | - | 178,347 | - | - | 175,545 | 8,094 |

(Note 1) Unless otherwise specified, "Appraisal Value", "Value based on Direct Capitalization Method", "Value based on DCF Method" and "Integrated Value" are amounts equal to the Investment Corporation's interest out of the total appraisal value described in the real estate appraisal report, rounded down to the nearest million yen.

(Note 2) "NOI" (Net Operating Income) is defined as Net Operating Income based on the direct capitalization method stated in the real estate appraisal report and the NOI above shows the amounts equal to the Investment Corporation's interest, rounded down to the nearest million yen.

(Note 3) Regarding "Sendai Honcho Building", the Investment Corporation disposed of 40% co-ownership interest of the trust beneficiary interests related to the property on April 18, 2018 and 60% co-ownership interest on May 17, 2018. Appraisal Value and other details shown above represent the equivalent of 60% co-ownership interest.

e) Overview of Engineering Reports

The Investment Corporation engages engineering companies below to investigate the status of the building (hereinafter referred to as the “Engineering Report”) and obtains an Engineering Report from the company for each entrusted real estate. The Engineering Report provides a mere opinion of the engineering company with no guarantee provided as to the accuracy of the opinion. An overview of the Engineering Report for each entrusted real estate is shown as follows.

| Property Name | Date of Research | Engineering Company | Urgent/ Short-Term Repair Costs (Thousands of Yen) (Note 1) | Long-Term Repair Costs (Annual Average) (Thousands of Yen) (Note 2) |
|-------------------------------------|------------------|--|--|---|
| Ebisu Prime Square | January 2014 | Hai Kokusai Consultant Ltd. | 6,012 | 93,531 |
| CS Tower/CS Tower Annex | March 2014 | Deloitte Tohmatsu Property Risk Solution Co., Ltd. | - | 119,350 |
| Queen’s Square Yokohama | March 2014 | Nikken Sekkei Construction Management, Inc. | 153,903 | 163,858 |
| Nagoya Prime Central Tower | March 2014 | ERI SOLUTION CO., LTD. | 2,458 | 20,098 |
| Tokyo Nissan Nishi-Gotanda Building | April 2015 | Earth-Appraisal Co., Ltd. | 52,068 | 56,120 |
| ORTO Yokohama | March 2015 | Earth-Appraisal Co., Ltd. | 113,665 | 77,421 |
| Nishi-Shinjuku KF Building | June 2015 | ERI SOLUTION CO., LTD. | 2,180 | 23,485 |
| Shinagawa Seaside East Tower | February 2016 | Hai Kokusai Consultant Ltd. | 4,440 | 100,596 |
| Akiba CO Building | February 2016 | ERI SOLUTION CO., LTD. | - | 13,148 |
| Sun Towers Center Building | February 2016 | Hai Kokusai Consultant Ltd. | 2,520 | 38,821 |
| Sendai Honcho Building (Note 3) | February 2016 | ERI SOLUTION CO., LTD. | - | 37,076 |
| Hakata Prime East | October 2015 | Tokio Marine & Nichido Risk Consulting Co, Ltd. | - | 23,558 |
| Kinshicho Prime Tower | May 2016 | Deloitte Tohmatsu Property Risk Solution Co., Ltd. | - | 74,891 |
| Aqua Dojima East | February 2017 | Hai Kokusai Consultant Ltd. | 1,085 | 18,842 |
| Total | | | 338,331 | 860,795 |

(Note1) “Urgent/Short-term Repair Costs” states the amount of the Investment Corporation’s costs in proportion to its equity interests for repair and replacements that are necessary immediately or within approximately one (1) year and as indicated in the report on research on the conditions of buildings, rounded down to the nearest thousand yen.

(Note2) “Long-term Repair Costs” states the amount of the Investment Corporation’s costs in proportion to its equity interest in an annual average amount of the estimated costs for repair and replacements for the following twelve (12) years as indicated in the report on research on the conditions of the buildings, rounded down to the nearest thousand yen.

(Note3) Regarding “Sendai Honcho Building”, the Investment Corporation disposed of 40% co-ownership interest of the trust beneficiary interests related to the property on April 18, 2018 and 60% co-ownership interest on May 17, 2018. Long-Term Repair Cost shown above represents those for the entire building.

f) Summary of Earthquake Risk Analysis

The Investment Corporation engages Sampo Risk Management & Health Care, Inc. to assess the probable maximum loss (“PML”) of each entrusted real estate and that of the portfolio, and obtains an Engineering Report from the company. The Engineering Report provides a mere opinion of the assessment company with no guarantee provided as to the accuracy of the opinion. The PML of each entrusted real estate and that of the portfolio are shown as follows.

| Property Name | PML (%) (Note) |
|-------------------------------------|----------------|
| Ebisu Prime Square | 2.35 |
| CS Tower/CS Tower Annex | 3.21 |
| Queen’s Square Yokohama | 2.96 |
| Nagoya Prime Central Tower | 3.61 |
| Tokyo Nissan Nishi-Gotanda Building | 7.14 |
| ORTO Yokohama | 4.94 |
| Nishi-Shinjuku KF Building | 5.03 |
| Shinagawa Seaside East Tower | 4.94 |
| Akiba CO Building | 6.18 |
| Sun Towers Center Building | 0.96 |
| Sendai Honcho Building | 2.66 |
| Hakata Prime East | 1.56 |
| Kinshicho Prime Tower | 2.79 |
| Aqua Dojima East | 7.37 |
| Total | 2.32 |

(Note) The “PML” means the extent of the damage that would be incurred due to the largest earthquake (a great earthquake with the likelihood of occurring once in 475 years = a great earthquake with a 10% likelihood of occurring once in 50 years) foreseen during the assumed useful life (50 years being the usual useful life of a building) as a ratio (%) of the replacement value for the foreseeable restoration costs of the damage. The figure stated in the section “Total” is the PML (portfolio PML) for the entire Investment Corporation’s entrusted real estate in the “Report on evaluation of seismic PML for portfolio” dated March 2017 by Sampo Risk Management & Health Care, Inc.

g) Major Real Estate Properties

Ebisu Prime Square, Queens Square Yokohama and Shinagawa Seaside East Tower are the real estate and entrusted real estate held by the Investment Corporation as of the end of the fiscal period under review which correspond to major real estate (refers to buildings and facilities pertaining to land considered to be used as a single unit and whose real estate rental revenues account for 10 percent or more of total real estate rental revenues). Please refer to “b) Overview of Buildings and Leases” above for details of the real estate rental revenues, total number of tenants, leased area and leasable area of each managed real estate and entrusted real estate.

h) Leasing to Major Tenants

In relation to the real estate and entrusted real estate held by the Investment Corporation as of the end of the fiscal period under review, there are no tenants whose leased area accounts for 10 percent or more of the total leased area. (In case one tenant leases area in several different assets then the leased area is aggregated.)

i) Information Concerning Top 10 Tenants Based on Leased Area

The following table shows the top 10 tenants ranked based on leased area of real estate and entrusted real estate held by the Investment Corporation as of the end of the fiscal period under review.

| | Name of Tenant | Name of Property | Leased Area (m ²) (Note 1) | Percentage to Total Leased Area (%) (Note 2) |
|----------------------|--------------------------------------|-------------------------------------|---|--|
| 1 | FUJITSU LIMITED | ORTO Yokohama | 13,989.74 | 6.7 |
| 2 | Tokyu Hotels Co., Ltd. | Queen's Square Yokohama | 13,506.72 | 6.5 |
| 3 | Sotetsu Hotel Management Co., Ltd. | Shinagawa Seaside East Tower | 9,237.18 | 4.4 |
| 4 | Yachiyo Engineering Co., Ltd. | CS Tower/CS Tower Annex | 8,533.78 | 4.1 |
| 5 | Minatomirai Tokyu Square Corporation | Queen's Square Yokohama | 6,395.39 | 3.1 |
| 6 | Marvelous Inc. | Shinagawa Seaside East Tower | 6,225.70 | 3.0 |
| 7 | Good Smile Company, Inc. | Akiba CO Building | 5,514.42 | 2.6 |
| 8 | Tokyu Corporation | Queen's Square Yokohama | 5,512.59 | 2.6 |
| 9 | Not Applicable (Note 3) | Kinshicho Prime Tower | 3,234.82 | 1.6 |
| 10 | FUJISASH CO., LTD. | Tokyo Nissan Nishi-Gotanda Building | 2,864.37 | 1.4 |
| Top 10 tenants total | | | 75,014.71 | 36.0 |

(Note 1) Unless otherwise stated, "Leased Area" represents the part of the total leased area stated in the relevant lease agreement pertaining to each managed real estate and entrusted real estate as of the end of the fiscal period under review that is the part equal to the Investment Corporation's interest.

(Note 2) "Percentage to Total Leased Area" represents the percentage of each tenant's leased area to the total leased area of all managed real estate and entrusted real estate, rounded to one decimal place.

(Note 3) Information is not disclosed as the tenant's authorization has not been obtained.

j) Capital Expenditure

(1) Future Plan for Capital Expenditure

The following table summarizes the major capital expenditure plan associated with renovation scheduled as of the end of the fiscal period under review for real estate and entrusted real estate held by the Investment Corporation as of the said date. Estimated construction cost includes the amounts to be expensed for accounting purpose.

| Name of Property | Location | Purpose | Planned Period | Estimated Construction Cost (Thousands of Yen) (Note) | | |
|-------------------------------------|------------------------|---|----------------------------------|---|------------------------|-------------------|
| | | | | Total Amount | Paid During the Period | Total Amount Paid |
| Ebisu Prime Square | Shibuya-ku, Tokyo | Renewal of variable air volume system | From May 2018 to September 2018 | 15,514 | - | - |
| | | Countermeasure construction of ceiling fall prevention | From August 2018 to October 2018 | 10,615 | - | - |
| CS Tower/CS Tower Annex | Taito-ku, Tokyo | Renewal of common area (2 floors) | From June 2018 to October 2018 | 30,350 | - | - |
| | | Renewal of fire-alarm equipment etc. | From June 2018 to October 2018 | 51,459 | - | - |
| Queen's Square Yokohama | Yokohama-shi, Kanagawa | Replacement of automatic fire alarms in retail area | From April 2018 to March 2019 | 33,200 | - | - |
| | | Replacement of automatic fire alarms in hotel area | From April 2019 to March 2020 | 39,291 | - | - |
| | | Replacement of broadcast facilities in office and retail area | From April 2020 to March 2021 | 43,921 | - | - |
| Tokyo Nissan Nishi-Gotanda Building | Shinagawa-ku, Tokyo | Renewal of fire and smoke protection shutters | From June 2018 to October 2018 | 13,803 | - | - |
| ORTO Yokohama | Yokohama-shi, Kanagawa | Renewal of toilet booths in ladies rooms in the office tower | From May 2018 to October 2018 | 12,500 | - | - |
| Shinagawa Seaside East Tower | Shinagawa-ku, Tokyo | Repair of external wall (Period I) | From May 2018 to October 2018 | 17,826 | - | - |
| | | Internal parts replacement of high low pressure switchboard in the power receiving and transforming equipment | From May 2018 to May 2018 | 11,564 | - | - |
| Kinshicho Prime Tower | Koto-ku, Tokyo | Renewal of air conditioning system | From May 2018 to October 2018 | 70,750 | - | - |

(Note) "Estimated Construction Cost" represents the amount equal to the Investment Corporation's interest that was actually borne by the Investment Corporation.

(2) Capital Expenditure Incurred

The following table summarizes the major construction to real estate and entrusted real estate held as of the end of the fiscal period under review by the Investment Corporation that resulted in capital expenditures for the current period. Capital expenditures for the current period amounted to 631,426 thousand yen. The total construction costs amounted to 766,266 thousand yen; including repair and maintenance of 134,840 thousand yen that was accounted for as an expense in the current period.

| Name of Property | Location | Purpose | Period | Construction Costs (Thousands of Yen) (Note) |
|-------------------------------------|------------------------|---|------------------------------------|--|
| Ebisu Prime Square | Shibuya-ku, Tokyo | Renewal of filtration equipment | From February 2018 to March 2018 | 10,296 |
| | | Renewal of fire-prevention equipment (fire alarm box etc.) | From October 2017 to March 2018 | 46,050 |
| CS Tower/CS Tower Annex | Taito-ku, Tokyo | Repair of external wall (west and south side) | From January 2018 to April 2018 | 31,865 |
| Queen's Square Yokohama | Yokohama-shi, Kanagawa | Renewal of accounting system | From April 2017 to March 2018 | 28,943 |
| | | Replacement of automatic fire alarms in office area | From June 2017 to March 2018 | 28,360 |
| | | Replacement of broadcast facilities in hotel area | From June 2017 to March 2018 | 19,941 |
| | | Renewal of integrated network system | From June 2017 to February 2018 | 16,336 |
| Tokyo Nissan Nishi-Gotanda Building | Shinagawa-ku, Tokyo | Renewal of high pressure electrical substation equipment | From October 2017 to January 2018 | 10,398 |
| | | Renewal of exterior floor tiles on the 1st floor (Period I) | From December 2017 to March 2018 | 11,586 |
| Shinagawa Seaside East Tower | Shinagawa-ku, Tokyo | Replacement of gondola equipment | From April 2018 to April 2018 | 10,655 |
| | | Implementation of LED lighting in common spaces | From April 2018 to April 2018 | 12,574 |
| Sun Towers Center Building | Setagaya-ku, Tokyo | Renewal of cold and hot water generator (Period I) | From December 2017 to April 2018 | 57,620 |
| Kinshicho Prime Tower | Koto-ku, Tokyo | Vibration and noise control on the 1st floor | From October 2017 to December 2017 | 23,280 |
| Aqua Dojima East | Osaka-shi, Osaka | Renewal of wall through air conditioning system (4 floors) | From October 2017 to December 2017 | 16,430 |

(Note) "Construction Costs" represents the amount equal to the Investment Corporation's interest that was actually borne by the Investment Corporation.

k) Reserved Amount for Long-Term Repairs Plan

The Investment Corporation formulates long-term repair plans for each real estate and entrusted real estate, and allocates a portion of its cash flows generated during the period to a reserve for repairs to meet large-scale repair projects over the medium-to-long terms. The following amount has been transferred to the reserve from period cash flows.

(Unit: Millions of Yen)

| | Fourth Fiscal Period From November 1, 2015 to April 30, 2016 | Fifth Fiscal Period From May 1, 2016 to October 31, 2016 | Sixth Fiscal Period From November 1, 2016 to April 30, 2017 | Seventh Fiscal Period From May 1, 2017 to October 31, 2017 | Eighth Fiscal Period From November 1, 2017 to April 30, 2018 |
|--|---|---|--|---|---|
| Reserve at the beginning of the period | 29 | 34 | 129 | 129 | 41 |
| Reserve for the fiscal period under review | 5 | 94 | - | - | 21 |
| Reversal of reserve for the fiscal period under review | - | - | - | 87 | 38 |
| Reserve brought forward to the next period | 34 | 129 | 129 | 41 | 24 |

1) Income and Expenditure of Individual Entrusted Real Estate

(Unit: Millions of Yen)

| Property Number | 1 | | 3 | |
|---|---|--|---|--|
| Property Name | Ebisu Prime Square | | CS Tower/CS Tower Annex | |
| Fiscal Period | Previous Fiscal Period Ended October 31, 2017 | Current Fiscal Period Ended April 30, 2018 | Previous Fiscal Period Ended October 31, 2017 | Current Fiscal Period Ended April 30, 2018 |
| Number of Days | 184 days | 181 days | 184 days | 181 days |
| Rental revenues | 645 | 702 | 509 | 507 |
| Other rental revenues | 89 | 99 | 56 | 45 |
| (i) Total real estate rental revenues | 735 | 801 | 566 | 553 |
| Expenses for management and operation | 69 | 60 | 55 | 55 |
| Utility expenses | 110 | 101 | 45 | 41 |
| Insurance expenses | 1 | 1 | 1 | 1 |
| Repair and maintenance | 26 | 24 | 9 | 6 |
| Taxes and dues | 69 | 65 | 39 | 37 |
| Depreciation | 67 | 70 | 73 | 74 |
| Other property-related expenses | 9 | 13 | 1 | 1 |
| (ii) Total property-related expenses | 354 | 337 | 226 | 217 |
| (iii) Income (loss) from real estate rental business ((i)-(ii)) | 380 | 464 | 339 | 335 |
| NOI ((iii)+Depreciation) | 448 | 535 | 413 | 410 |

(Unit: Millions of Yen)

| Property Number | 4 | | 5 | |
|---|---|--|---|--|
| Property Name | Queen's Square Yokohama | | Nagoya Prime Central Tower | |
| Fiscal Period | Previous Fiscal Period Ended October 31, 2017 | Current Fiscal Period Ended April 30, 2018 | Previous Fiscal Period Ended October 31, 2017 | Current Fiscal Period Ended April 30, 2018 |
| Number of Days | 184 days | 181 days | 184 days | 181 days |
| Rental revenues | 821 | 815 | Not Applicable (Note) | Not Applicable (Note) |
| Other rental revenues | 155 | 141 | | |
| (i) Total real estate rental revenues | 977 | 956 | | |
| Expenses for management and operation | 132 | 133 | | |
| Utility expenses | 165 | 143 | | |
| Insurance expenses | 3 | 3 | | |
| Repair and maintenance | 16 | 17 | | |
| Taxes and dues | 117 | 118 | | |
| Depreciation | 135 | 139 | | |
| Other property-related expenses | 27 | 19 | | |
| (ii) Total property-related expenses | 599 | 576 | | |
| (iii) Income (loss) from real estate rental business ((i)-(ii)) | 378 | 380 | 248 | 239 |
| NOI ((iii)+Depreciation) | 514 | 520 | 394 | 385 |

(Note) Information is not disclosed as the tenant's authorization has not been obtained.

Invesco Office J-REIT, Inc. (3298)
Summary of Financial Results (REIT) for the Fiscal Period Ended April 30, 2018

(Unit: Millions of Yen)

| Property Number | 6 | | 7 | |
|---|---|--|---|--|
| Property Name | Tokyo Nissan Nishi-Gotanda Building | | ORTO Yokohama | |
| Fiscal Period | Previous Fiscal Period Ended October 31, 2017 | Current Fiscal Period Ended April 30, 2018 | Previous Fiscal Period Ended October 31, 2017 | Current Fiscal Period Ended April 30, 2018 |
| Number of Days | 184 days | 181 days | 184 days | 181 days |
| Rental revenues | 234 | 234 | 552 | 551 |
| Other rental revenues | 17 | 14 | - | - |
| (i) Total real estate rental revenues | 251 | 249 | 552 | 551 |
| Expenses for management and operation | 20 | 20 | 62 | 57 |
| Utility expenses | 27 | 23 | - | - |
| Insurance expenses | 1 | 1 | 2 | 2 |
| Repair and maintenance | 7 | 5 | 17 | 0 |
| Taxes and dues | 24 | 24 | 50 | 43 |
| Depreciation | 25 | 26 | 87 | 88 |
| Other property-related expenses | 0 | 0 | 0 | 0 |
| (ii) Total property-related expenses | 107 | 102 | 220 | 192 |
| (iii) Income (loss) from real estate rental business ((i)-(ii)) | 143 | 146 | 331 | 359 |
| NOI ((iii)+Depreciation) | 169 | 172 | 418 | 447 |

(Unit: Millions of Yen)

| Property Number | 8 | | 9 | |
|---|---|--|---|--|
| Property Name | Nishi-Shinjuku KF Building | | Shinagawa Seaside East Tower | |
| Fiscal Period | Previous Fiscal Period Ended October 31, 2017 | Current Fiscal Period Ended April 30, 2018 | Previous Fiscal Period Ended October 31, 2017 | Current Fiscal Period Ended April 30, 2018 |
| Number of Days | 184 days | 181 days | 184 days | 181 days |
| Rental revenues | 177 | 177 | 812 | 753 |
| Other rental revenues | 15 | 15 | 124 | 121 |
| (i) Total real estate rental revenues | 192 | 192 | 936 | 875 |
| Expenses for management and operation | 14 | 14 | 81 | 82 |
| Utility expenses | 13 | 13 | 131 | 105 |
| Insurance expenses | 0 | 0 | 1 | 1 |
| Repair and maintenance | 2 | 6 | 13 | 15 |
| Taxes and dues | 17 | 16 | 72 | 71 |
| Depreciation | 14 | 14 | 102 | 104 |
| Other property-related expenses | 0 | 0 | 1 | 1 |
| (ii) Total property-related expenses | 63 | 66 | 404 | 384 |
| (iii) Income (loss) from real estate rental business ((i)-(ii)) | 129 | 125 | 532 | 491 |
| NOI ((iii)+Depreciation) | 144 | 140 | 634 | 595 |

(Unit: Millions of Yen)

| Property Number | 10 | | 11 | |
|---|---|--|---|--|
| Property Name | Akiba CO Building | | Sun Towers Center Building | |
| Fiscal Period | Previous Fiscal Period Ended October 31, 2017 | Current Fiscal Period Ended April 30, 2018 | Previous Fiscal Period Ended October 31, 2017 | Current Fiscal Period Ended April 30, 2018 |
| Number of Days | 184 days | 181 days | 184 days | 181 days |
| Rental revenues | | | 210 | 217 |
| Other rental revenues | | | 17 | 16 |
| (i) Total real estate rental revenues | | | 228 | 234 |
| Expenses for management and operation | | | 28 | 30 |
| Utility expenses | Not Applicable (Note) | Not Applicable (Note) | 28 | 24 |
| Insurance expenses | | | 0 | 0 |
| Repair and maintenance | | | 10 | 1 |
| Taxes and dues | | | 19 | 19 |
| Depreciation | | | 19 | 20 |
| Other property-related expenses | | | 5 | 0 |
| (ii) Total property-related expenses | | | 111 | 96 |
| (iii) Income (loss) from real estate rental business ((i)-(ii)) | 151 | 151 | 116 | 137 |
| NOI ((iii)+Depreciation) | 162 | 162 | 136 | 158 |

(Note) Information is not disclosed as the tenant's authorization has not been obtained.

(Unit: Millions of Yen)

| Property Number | 12 | | 13 | |
|---|---|--|---|--|
| Property Name | Sendai Honcho Building (Note) | | Hakata Prime East | |
| Fiscal Period | Previous Fiscal Period Ended October 31, 2017 | Current Fiscal Period Ended April 30, 2018 | Previous Fiscal Period Ended October 31, 2017 | Current Fiscal Period Ended April 30, 2018 |
| Number of Days | 184 days | 181 days | 184 days | 181 days |
| Rental revenues | 171 | 165 | 148 | 150 |
| Other rental revenues | 20 | 19 | 14 | 11 |
| (i) Total real estate rental revenues | 192 | 185 | 163 | 161 |
| Expenses for management and operation | 19 | 19 | 19 | 20 |
| Utility expenses | 20 | 18 | 12 | 10 |
| Insurance expenses | 0 | 0 | 0 | 0 |
| Repair and maintenance | 10 | 1 | 3 | 3 |
| Taxes and dues | 19 | 20 | 9 | 10 |
| Depreciation | 24 | 24 | 20 | 20 |
| Other property-related expenses | 0 | 3 | 0 | 0 |
| (ii) Total property-related expenses | 94 | 87 | 67 | 66 |
| (iii) Income (loss) from real estate rental business ((i)-(ii)) | 97 | 97 | 95 | 94 |
| NOI ((iii)+Depreciation) | 121 | 121 | 115 | 115 |

(Note) Regarding "Sendai Honcho Building", the Investment Corporation disposed of 40% co-ownership interest of the trust beneficiary interests related to the property on April 18, 2018 and 60% co-ownership interest on May 17, 2018. The figures for Current Fiscal Period represents the total amount of 100% of the rental revenue until the disposition date of 40% co-ownership and 60% of the rental revenue of the properties after the disposition date.

(Unit: Millions of Yen)

| Property Number | 14 | | 15 | |
|---|---|--|---|--|
| Property Name | Kinshicho Prime Tower | | Aqua Dojima East | |
| Fiscal Period | Previous Fiscal Period Ended October 31, 2017 | Current Fiscal Period Ended April 30, 2018 | Previous Fiscal Period Ended October 31, 2017 | Current Fiscal Period Ended April 30, 2018 |
| Number of Days | 184 days | 181 days | 184 days | 181 days |
| Rental revenues | 478 | 472 | 69 | 71 |
| Other rental revenues | 42 | 45 | 18 | 11 |
| (i) Total real estate rental revenues | 520 | 518 | 87 | 82 |
| Expenses for management and operation | 51 | 49 | 13 | 13 |
| Utility expenses | 49 | 37 | 11 | 9 |
| Insurance expenses | 0 | 0 | 0 | 0 |
| Repair and maintenance | 7 | 31 | 7 | 2 |
| Taxes and dues | 0 | 0 | 0 | 5 |
| Depreciation | 34 | 36 | 5 | 6 |
| Other property-related expenses | 4 | 0 | 1 | 1 |
| (ii) Total property-related expenses | 148 | 155 | 39 | 38 |
| (iii) Income (loss) from real estate rental business ((i)-(ii)) | 371 | 362 | 47 | 44 |
| NOI ((iii)+Depreciation) | 406 | 398 | 53 | 50 |

m) Security

Not applicable.