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REIT Financial Report for the 28th Fiscal Period

January 21, 2020

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Stock Code No.:	8976	URL: http://www.daiwa-office.co.jp
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Scheduled date of submission of periodic securities report (<i>yuka shoken hokokusho</i>):	February 18, 2020
Scheduled date of start of distribution payments:	February 14, 2020

Preparing presentation material:	Yes
Holding financial brief meeting:	Yes (for institutional investors and analysts)

[Amounts are rounded down to the nearest million yen, except for per unit figures]

1. Status of Management and Assets for the 28th Fiscal Period

28th Fiscal Period: Fiscal period ended November 2019 (from June 1, 2019 to November 30, 2019)

(1) Management

[% figures show the period-over-period increase (decrease)]

	Operating revenue		Operating income		Ordinary income		Net income	
	28th Period	¥14,094 million	1.9%	¥7,114 million	1.9%	¥6,463 million	2.3%	¥6,462 million
27th Period	¥13,833 million	4.8%	¥6,979 million	6.8%	¥6,320 million	7.1%	¥6,320 million	7.1%

	Net income per unit	Net income to unitholders' equity	Ordinary income to total assets	Ordinary income to operating revenue
28th Period	¥13,139	2.5%	1.3%	45.9%
27th Period	¥12,848	2.5%	1.3%	45.7%

(2) Distributions

	Distribution amount per unit (excluding distribution amount in excess of earnings)	Total distribution amount (excluding distribution amount in excess of earnings)	Distribution amount in excess of earnings per unit	Total distribution amount in excess of earnings	Dividend payout	Distribution amount to net assets
28th Period	¥13,139	¥6,462 million	¥0	¥- million	100.0%	2.5%
27th Period	¥12,559	¥6,177 million	¥0	¥- million	97.8%	2.4%

(Note) Distribution amount per unit for the 27th Fiscal Period is calculated by dividing the amount obtained by deducting provision of reserve for reduction entry (¥142 million) from unappropriated retained earnings by the total number of investment units issued and outstanding. The main difference between distribution amount per unit and net income per unit is due to the calculation.

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(3) Financial Position

	Total assets	Net assets	Unitholders' equity to total assets	Net assets per unit
28th Period	¥486,030 million	¥254,892 million	52.4%	¥518,203
27th Period	¥485,636 million	¥254,460 million	52.4%	¥517,324

(4) Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
28th Period	¥7,243 million	¥196 million	(¥6,202 million)	¥31,380 million
27th Period	¥22,979 million	(¥15,746 million)	(¥400 million)	¥30,143 million

2. Management Status Forecasts for the 29th Fiscal Period and 30th Fiscal Period

29th Fiscal Period: Fiscal period ending May 2020 (from December 1, 2019 to May 31, 2020)

30th Fiscal Period: Fiscal period ending November 2020 (from June 1, 2020 to November 30, 2020)

[% figures show the period-over-period increase (decrease)]

	Operating revenue		Operating income		Ordinary income		Net income	
29th Period	¥14,203 million	0.8%	¥7,241 million	1.8%	¥6,593 million	2.0%	¥6,591 million	2.0%
30th Period	¥14,483 million	2.0%	¥7,369 million	1.8%	¥6,741 million	2.2%	¥6,739 million	2.2%

	Distribution amount per unit (excluding distribution amount in excess of earnings)	Distribution amount in excess of earnings per unit
29th Period	¥13,400	¥0
30th Period	¥13,700	¥0

(Reference) Estimated net income per unit for the 29th Fiscal Period: ¥13,400; 30th Fiscal Period: ¥13,700

3. Other

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

- (i) Changes in accounting policies due to amended accounting standards, etc.: None
- (ii) Changes in accounting policies other than (i): None
- (iii) Changes in accounting estimates: None
- (iv) Retrospective restatement: None

(2) Total Number of Investment Units Issued and Outstanding

- (i) Total number of investment units issued and outstanding at end of period (including treasury units):
28th Fiscal Period: 491,877 units 27th Fiscal Period: 491,877 units
- (ii) Total number of treasury units at end of period:
28th Fiscal Period: – units 27th Fiscal Period: – units

(Note) Please refer to “Notes to Per Unit Information” on page 25 for the number of investment units used as the basis for calculating the net income per unit.

* This financial report (*kessan tanshin*) is exempt from the audit by a certified public accountant or an auditing company.

* Special note

The forecast figures are forward-looking statements based on information currently available to Daiwa Office Investment Corporation and involve uncertainties. Accordingly, the actual operating revenue, operating income, ordinary income, net income and distribution amount per unit may vary due to changes in the status. In addition, the forecast is not a guarantee of the distribution amount. For details on the assumptions underlying the forecast figures above, please refer to “Assumptions for the Management Status Forecasts for the 29th Fiscal Period and 30th Fiscal Period” on page 9.

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1. Management Status

1.1. Management Status

1.1.1. Overview of the Fiscal Period under Review

A. Brief History of the Investment Corporation

Investment Corporation was established on July 11, 2005, in accordance with the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951; including amendments thereto) with Daiwa Real Estate Asset Management Co., Ltd. (former name K.K. daVinci Select) (the “Asset Manager”) as the organizer. After its establishment, the Investment Corporation implemented an additional issuance of investment units through a public offering (99,600 units) on October 18, 2005 and then listed on the Tokyo Stock Exchange, Inc. (TSE) Real Estate Investment Trust Section (stock code: 8976) on the following day.

Though initial assets under management were 79,573 million yen (sum total of acquisition price), subsequent activities, such as additional acquisition of properties and replacement of portfolio properties, resulted in the assets under management amounting to 461,061 million yen as of the last day of November 2019.

The Investment Corporation strives to secure stable revenue and sustained growth of the investment assets based on a clear portfolio development policy of specializing in investment in office buildings, with a particular focus on investment in a total floor area of more than about 2,000 m² situated in downtown Tokyo, as well as through dedicated efforts to heighten tenant satisfaction levels.

B. Investment Environment and Management Performance

a. Investment Environment

The Japanese economy during the fiscal period under review saw real GDP growth rate (Second Preliminary Estimates) for July to September 2019 at an annual rate of 1.8%, falling after a temporary standstill in the recovery trend that had continued for eight consecutive quarters under the ongoing quantitative/qualitative monetary easing policy by the Bank of Japan.

In the office building leasing market in central Tokyo, the vacancy rate took a turn after peaking in June 2013, dropping to 1.56% at the end of November 2019. Led by improvement in the vacancy rate for existing large buildings, the overall vacancy rate that includes small- to medium-sized buildings also continues to be on an improving trend. The drop in the vacancy rate has led to an increase in office rent in some areas, and the market as a whole continues to see increase in rent, albeit slight.

For the office building transaction market, a strong appetite for property acquisitions continued among real estate companies, funds (including J-REITs) and overseas investors with the continuing proactive lending attitude by financial institutions.

b. Management Performance

In view of increasing the ordinary EPS (EPS (net income per unit) after deducting gain on sale from properties) over the medium to long term, the Investment Corporation continued to work on “external growth,” which aims to boost revenue through acquisition of properties, and “internal growth,” which aims to maximize income generating from owned properties.

Concerning external growth, the Investment Corporation acquired “Daiwa Mita 2-Chome Building” (acquisition price: 2,635 million yen) and divested “Daiwa Osaki 3-chome Building” (sale price: 2,685 million yen) through exchange in July 2019. As a result, the Investment Corporation’s assets under management as of the end of the 28th Fiscal Period (November 30, 2019) totaled 59 properties, the sum total of acquisition prices of which amounted to 461,061 million yen.

Concerning internal growth, while the office leasing market remained strong, the Investment Corporation conducted proactive leasing, such as capturing needs for floor expansion within the same property through strengthening relationships with existing tenants and reinforcing collaboration with leasing brokers and property managers. Consequently, the occupancy rate as of the end of the 28th Fiscal Period (November 30, 2019) was 99.1%.

C. Overview of Capital Procurement

a. Procurement of Capital for Repayment of Borrowings and Redemption of Investment Corporation Bonds

In the 28th Fiscal Period, the Investment Corporation made the following borrowings and issuance of investment corporation bonds to fund the repayment of borrowings and redemption of investment corporation bonds.

- (i) The Investment Corporation took out loans of 2,500 million yen in total from Kansai Mirai Bank, Ltd. and MUFG Bank, Ltd. on August 30, 2019, to fund the repayment of 2,500 million yen in total borrowed from the same banks for the same amount that was due for repayment on the same day.
- (ii) The Investment Corporation issued the 5th unsecured investment corporation bonds (1,700 million yen) and 6th unsecured investment corporation bonds (1,300 million yen) on September 12, 2019, to fund redemption of the 3rd unsecured investment corporation bonds (3,000 million yen) due on the same day.
- (iii) The Investment Corporation took out loans of 2,000 million yen in total from Resona Bank, Ltd. on September 30, 2019, to fund the repayment of 2,000 million yen in total borrowed from the same bank due on the same day.

- (iv) The Investment Corporation took out loans of 3,500 million yen in total from Sumitomo Mitsui Trust Bank, Ltd. and Development Bank of Japan Inc. on November 29, 2019, to fund the repayment of 3,500 million yen in total borrowed from the same banks due on the same day.

b. Status of Interest-Bearing Liabilities at End of the Fiscal Period under Review

As a result of the above, the balance of interest-bearing liabilities outstanding as of the end of the 28th Fiscal Period (November 30, 2019) stood at 204,450 million yen in total (short-term loans payable: 5,000 million yen, long-term loans payable: 194,350 million yen; investment corporation bonds: 5,100 million yen). The balance of the current portion of long-term loans payable stood at 28,100 million yen.

The average remaining period of interest-bearing liabilities as of the end of the 28th Fiscal Period stands at 3.9 years.

List of Borrowings in the 28th Fiscal Period

Lender	Loan amount (Millions of yen)	Drawdown date	Repayment date	Loan period
Kansai Mirai Bank, Ltd.	1,500	2019/8/30	2026/8/31	7.0 years
MUFG Bank, Ltd.	1,000	2019/8/30	2026/8/31	7.0 years
Resona Bank, Ltd.	2,000	2019/9/30	2029/9/28	10.0 years
Sumitomo Mitsui Trust Bank, Ltd.	1,300	2019/11/29	2024/11/29	5.0 years
Sumitomo Mitsui Trust Bank, Ltd.	1,200	2019/11/29	2026/11/30	7.0 years
Development Bank of Japan Inc.	1,000	2019/11/29	2028/11/30	9.0 years

Details of the 5th and 6th unsecured investment corporation bonds

Name	Total Issue Amount (Millions of yen)	Issue Date	Redemption Date	Interest Rate (%)
Fifth Series of Unsecured Investment Corporation Bonds	1,700	2019/9/12	2024/9/12	0.220
Sixth Series of Unsecured Investment Corporation Bonds	1,300	2019/9/12	2031/9/12	0.660

Balance of Borrowings from Each Financial Institution (as of November 30, 2019)

Lender	End of the 28th Fiscal Period (Millions of yen)	Share (%) (Note)
Sumitomo Mitsui Banking Corporation	41,400	20.77
Sumitomo Mitsui Trust Bank, Ltd.	24,500	12.29
Development Bank of Japan Inc.	21,750	10.91
MUFG Bank, Ltd.	21,500	10.79
Mizuho Bank, Ltd.	20,400	10.23
Shinsei Bank, Ltd.	14,000	7.02
Resona Bank, Ltd.	12,500	6.27
Mizuho Trust and Banking Co., Ltd.	9,500	4.77
The Bank of Fukuoka, Ltd.	6,500	3.26
Kansai Mirai Bank, Ltd.	5,000	2.51
The Nishi-Nippon City Bank Ltd.	3,000	1.50
The Gunma Bank, Ltd.	2,500	1.25
Aozora Bank, Ltd.	2,000	1.00
The 77 Bank, Ltd.	2,000	1.00
The Musashino Bank, Ltd.	2,000	1.00
Tokio Marine & Nichido Fire Insurance Co., Ltd.	2,000	1.00
The Yamaguchi Bank, Ltd.	2,000	1.00
The Norinchukin Bank	2,000	1.00
Nippon Life Insurance Company	1,300	0.65
The Higashi-Nippon Bank, Ltd.	1,000	0.50
The Hyakugo Bank, Ltd.	1,000	0.50
The Yamanashi Chuo Bank, Ltd.	1,000	0.50
Taiyo Life Insurance Company	300	0.15
Fukoku Mutual Life Insurance Company	200	0.10
Total	199,350	100.00

(Note) Share is rounded to two decimal places.

c. Rating Information (as of November 30, 2019)

Credit rating agency	Rating	Outlook
R&I	AA-	Stable
Japan Credit Rating Agency	AA	Stable

d. Shelf Registration

The Investment Corporation filed a shelf registration statement pertaining to investment corporation bonds on August 7, 2019, as below. The total issuable amount as of the date of this document is 97.0 billion yen.

Investment corporation bonds (excluding short-term investment corporation bonds)	
Planned issue amount	100,000 million yen
Planned issue period	From August 15, 2019 to August 14, 2021
Use of funds	Funds for acquisition of specified assets, repayment of borrowings, redemption of investment corporation bonds (including short-term investment corporation bonds), refund of leasehold and security deposits, payment of repairs, and funds for working capital, etc.

D. Overview of Financial Performance and Distributions

As a result of the management described above, the Investment Corporation posted financial performance for the 28th Fiscal Period of 14,094 million yen in operating revenue, 7,114 million yen in operating income, 6,463 million yen in ordinary income and 6,462 million yen in net income.

Concerning distributions, it is planned that the amount equivalent to distributions from earnings would be included in the amount of tax-deductible expenses based on application of special provisions for taxation of corporation tax (Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957; including amendments thereto) (the "Special Taxation Measures Act")). Accordingly, the Investment Corporation decided to distribute almost the entire amount of unappropriated retained earnings (excluding fractions of the distribution amount per unit that are less than 1 yen), and declared a distribution amount per unit of 13,139 yen.

1.1.2. Outlook for the Next Fiscal Period

A. Investment Environment

The Japanese economy going forward was expected to continue to expand backed by solid trends in personal spending against the backdrop of a favorable employment environment and the improved income environment while the monetary easing policy implemented by Bank of Japan continued. However, it is more likely that the economy will remain sluggish, falling below the potential growth rate. In addition, factors such as policies set out by the U.S. President Donald Trump, the downward swing of the Chinese economy, deterioration of the European economy and rise in the price of crude oil may slow down the Japanese economy, and are thus thought to require attention.

In the Tokyo office building leasing market, the vacancy rate has dropped backed by strong corporate performance. With demand for office floor space projected to continue increasing, rent is expected to continue rising moderately mainly in central Tokyo. In the office building transaction market, backed by the favorable financing environment, among other factors, the property acquisition appetite among overseas investors, real estate companies and funds (including J-REITs) is thought to remain strong.

B. Future Management Policy and Tasks

a. Strategy for Managing Existing Properties

Although some have become cautious towards overall economic trends and the office market, the market in central Tokyo remains strong centering on the Shibuya and Shinjuku areas and vacancy rates have remained low. Under such solid office market trends supported by strong office demand, the Investment Corporation intends to improve its skill in building management by constantly attempting to grasp the latest tenant needs and market conditions, regularly reviewing management systems and such. Consequently, the Investment Corporation will carry out operational management under the following policy with an aim to enhance the competitiveness of existing properties and thereby increase the long-term EPS over the medium to long term.

(i) Maintain and raise occupancy rates

Concerning existing tenants, strive to reduce cancellation risks by improving the quality of buildings, equipment and management system. In addition, concerning new tenants, strive to maintain and raise occupancy rates through the provision of highly satisfactory services from gaining deeper understanding of tenant needs through proactive involvement in the market.

(ii) Maintain and raise profitability

Aim to secure stable revenue over the medium to long term through further strengthening good relationships with existing tenants, as well as proactively tapping the needs of new tenants by discerning the market environment.

(iii) Control operational management costs

Strive to control operational management costs based on maintaining office environments with high tenant satisfaction levels by implementing efficient operational management and reviewing systematic construction work through optimal leveraging of economies of scale achieved from proactively realizing external growth.

b. Strategy for New Property Investments

The Investment Corporation will invest in office buildings that have a total floor area of about 2,000 m² or more based on various external growth strategies, while maintaining a balance with the asset acquisition environment and financing situation. In principle, considerations will focus on Tokyo as the investment target area, but the Investment Corporation will also consider investing in competitive properties in cities other than Tokyo from a viewpoint of territorially-distributed investments.

As pipeline support, in addition to expanding its own information-sourcing channels, the Investment Corporation will continue to search for properties that meet its investment criteria by proactively gathering real estate transaction market information through greater collaboration with the Asset Manager and Sponsor Group and utilizing the Group's extensive network of clients, partners, etc.

Furthermore, in the 28th Fiscal Period, the Investment Corporation acquired "Daiwa Mita 2-Chome Building" located in Tokyo through an exchange for "Daiwa Osaki 3-chome Building." The Investment Corporation believes acquisition of the property will contribute to further stabilization and enhancement of the portfolio. The Investment Corporation will continue to strive to acquire properties in line with the investment strategy described above.

c. Financial Strategy

The Investment Corporation will conduct disciplined financial management of the following basic content.

- (i) Control leverage by keeping the ratio of interest-bearing liabilities to total assets (LTV) within the range of 40% to 50% at maximum, taking into consideration also the LTV, etc. based on appraisal value, as a principle.
- (ii) Diversify repayment deadlines, targeting 30.0 billion yen as the maximum amount of interest-bearing liabilities that shall become due during any single fiscal period as a principle.
- (iii) Aim to have long-term loans account for at least 70% of balance of loans as a principle.
- (iv) Achieve diversification of lenders, which shall mainly be Japanese financial institutions.
- (v) Pursuant to its fund management rules, maintain stability in its financial standing by managing necessary funds, such as the amount equivalent to distributions paid, separately from working capital.

C. Significant Subsequent Events

The Investment Corporation acquired trust beneficial interest in real estate on December 13, 2019, as follows.

Summary of Asset Acquired

Property name	Daiwa Nakano-Sakaue
Type of asset	Trust beneficial interest in domestic real estate
Location	3-31-11 Honcho, Nakano-ku, Tokyo
Acquisition price	2,750 million yen (excluding associated acquisition costs, consumption tax, etc.)
Date of conclusion of purchase agreement	December 9, 2019
Date of delivery	December 13, 2019
Seller	TMK Shine Residence

D. Outlook for Management Status

The Investment Corporation forecasts the following management status for the 29th Fiscal Period (fiscal period ending May 2020 (from December 1, 2019 to May 31, 2020)). For the assumptions underlying the management status forecasts, please refer to the "Assumptions for the Management Status Forecasts for the 29th Fiscal Period and 30th Fiscal Period" on page 9.

29th Fiscal Period (fiscal period ending May 2020 (from December 1, 2019 to May 31, 2020))

Operating revenue	14,203 million yen
Operating income	7,241 million yen
Ordinary income	6,593 million yen
Net income	6,591 million yen
Distribution amount per unit	13,400 yen
Distribution amount in excess of earnings per unit	0 yen

In addition, on the basis that the "Assumptions for the Management Status Forecasts for the 29th Fiscal Period and 30th Fiscal Period" will remain unchanged, the Investment Corporation forecasts the following management status for the 30th Fiscal Period (fiscal period ending November 2020 (from June 1, 2020 to November 30, 2020)).

30th Fiscal Period (fiscal period ending November 2020 (from June 1, 2020 to November 30, 2020))

Operating revenue	14,483 million yen
Operating income	7,369 million yen
Ordinary income	6,741 million yen
Net income	6,739 million yen
Distribution amount per unit	13,700 yen
Distribution amount in excess of earnings per unit	0 yen

(Note) The forecast figures above are the current forecasts calculated based on certain assumptions. Accordingly, the actual operating revenue, operating income, ordinary income, net income, distribution amount per unit and distribution amount in excess of earnings per unit may vary due to changes in the status. Moreover, the forecasts set forth herein should not be construed as a guarantee of distribution amounts.

Assumptions for the Management Status Forecasts for the 29th Fiscal Period and 30th Fiscal Period

Item	Assumptions
Assets under management	<ul style="list-style-type: none"> 29th Fiscal Period: Assets under management are assumed to be the 59 properties owned as of November 30, 2019, plus the 1 property (Daiwa Nakano-Sakaue) acquired in December 2019, totaling 60 properties. 30th Fiscal Period: Assets under management are assumed to be the properties mentioned above. The actual number of properties may vary due to changes in the assets under management other than above.
Operating revenue	<ul style="list-style-type: none"> Rent revenue from existing properties is calculated based on historical data and taking into account variable factors. No gain on sale of real estate is assumed to arise.
Operating expenses	<ul style="list-style-type: none"> Expenses related to rent business, which constitute a major component of operating expenses, are calculated based on historical data and taking into account variable factors. Repair expenses for buildings are recorded as expenses in the amount expected to be necessary in the respective fiscal period based on the medium to long term repair plan established by the Asset Manager. Operating income from property leasing (excluding gain on sale from real estate properties) after deducting expenses related to rent business (including depreciation) is expected to be 8,657 million yen in the 29th Fiscal Period and 8,786 million yen in the 30th Fiscal Period. Consignment expenses are expected to be 977 million yen in the 29th Fiscal Period and 936 million yen in the 30th Fiscal Period. Taxes and dues (fixed property tax, city planning tax, etc.) are expected to be 1,126 million yen in the 29th Fiscal Period and 1,178 million yen in the 30th Fiscal Period. While, in general, fixed property tax, city planning tax, etc. in the transaction of real estate, etc. are calculated on a pro rata basis and reimbursed at the time of acquisition with the current owner, but for the Investment Corporation, the amount equivalent to the reimbursement is included in the cost of acquisition and thus it is not recognized as expenses in the period of acquisition of properties. As such, fixed property tax, city planning tax, etc. for properties acquired will be recorded as expenses starting from the fiscal year following the acquisition year. Depreciation is expected to be 1,840 million yen in the 29th Fiscal Period and 1,845 million yen in the 30th Fiscal Period.
Non-operating expenses	<ul style="list-style-type: none"> Non-operating expenses in the 29th Fiscal Period are expected to be 647 million yen, of which the interest expenses, interest expenses on investment corporation bonds, and borrowing related expenses are expected to be 642 million yen. Non-operating expenses in the 30th Fiscal Period are expected to be 628 million yen, of which the interest expenses, interest expenses on investment corporation bonds, and borrowing related expenses are expected to be 621 million yen.
Interest-bearing liabilities	<ul style="list-style-type: none"> The total amount of interest-bearing liabilities is assumed to be 204,450 million yen at the end of the 29th Fiscal Period and 204,450 million yen at the end of the 30th Fiscal Period In the 29th Fiscal Period, it is assumed that the entire amount of borrowings due for repayment on January 31, 2020 (5,000 million yen), February 28, 2020 (5,500 million yen), and May 29, 2020 (6,000 million yen), is refinanced. In the 30th Fiscal Period, it is assumed that the entire amount of borrowings due for repayment on August 31, 2020 (7,600 million yen), and November 30, 2020 (9,000 million yen), is refinanced.
Total number of investment units issued and outstanding	<ul style="list-style-type: none"> The total number of investment units issued and outstanding is assumed to be 491,877 units as of November 30, 2019. It is assumed that there are no changes to the number of investment units other than stated above until the end of the 30th Fiscal Period through the issuance of new investment units, etc.
Distribution amount per unit	<ul style="list-style-type: none"> The distribution amount per unit is calculated based on the cash distribution policy as set out in the articles of incorporation of the Investment Corporation. The distribution amount per unit may vary depending on a variety of factors, such as changes in the assets under management, changes in the rent revenue due to tenant changes and other causes, and incurrence of unforeseen repairs.
Distribution amount in excess of earnings per unit	<ul style="list-style-type: none"> At present, there is no plan to make any distribution in excess of earnings (distribution amount in excess of earnings per unit).
Other	<ul style="list-style-type: none"> It is assumed that there are no changes to laws and ordinances, the tax system, accounting standards, listing regulations, the rules of Tokyo Stock Exchange, Inc. and The Investment Trusts Association, Japan, etc. that will affect the abovementioned forecast figures. It is assumed that there will be no major unforeseen changes in general economic trends, real estate market conditions, etc.

1.2. Investment Risks

Disclosure is omitted because there are no significant changes from the “Part I: Fund Information; Section 1: Fund Status; 3. Investment Risks” set out in the most recent periodic securities report (*yuka shoken hokokusho*) (submitted on August 22, 2019).

2. Financial Statements

2.1. Balance Sheets

(Unit: Thousands of yen)

	27th Fiscal Period [As of May 31, 2019]	28th Fiscal Period [As of Nov. 30, 2019]
Assets		
Current assets		
Cash and deposits	26,663,769	27,799,432
Cash and deposits in trust	3,479,870	3,581,284
Operating accounts receivable	173,823	187,778
Prepaid expenses	333,048	358,962
Other	65,520	63,165
Total current assets	30,716,033	31,990,623
Noncurrent assets		
Property, plant and equipment		
Buildings	3,267,838	3,269,056
Accumulated depreciation	(2,315,252)	(2,391,317)
Buildings, net	952,585	877,739
Structures	14,344	14,344
Accumulated depreciation	(6,593)	(7,034)
Structures, net	7,750	7,310
Tools, furniture and fixtures	19,917	19,917
Accumulated depreciation	(11,031)	(12,119)
Tools, furniture and fixtures, net	8,885	7,797
Land	12,302,226	12,302,226
Construction in progress	2,846	2,846
Buildings in trust	106,908,695	108,065,984
Accumulated depreciation	(23,140,985)	(24,677,081)
Buildings in trust, net	*1 83,767,710	*1, *2 83,388,902
Structures in trust	767,841	762,104
Accumulated depreciation	(180,115)	(189,819)
Structures in trust, net	587,725	*2 572,285
Machinery and equipment in trust	858,858	876,713
Accumulated depreciation	(439,084)	(471,131)
Machinery and equipment in trust, net	419,773	405,582
Tools, furniture and fixtures in trust	266,040	276,211
Accumulated depreciation	(145,403)	(160,826)
Tools, furniture and fixtures in trust, net	120,637	115,385
Land in trust	352,187,043	*2 352,270,629
Construction in progress in trust	828,644	55,178
Total property, plant and equipment	451,185,830	450,005,885
Intangible assets		
Right of trademark	270	215
Leasehold rights	2,398,275	2,398,275
Leasehold rights in trust	306,884	306,884
Other	19,859	16,405
Total intangible assets	2,725,289	2,721,781

(Unit: Thousands of yen)

	27th Fiscal Period [As of May 31, 2019]	28th Fiscal Period [As of Nov. 30, 2019]
Investments and other assets		
Investment securities	113,684	113,684
Long-term prepaid expenses	791,008	1,123,455
Deferred tax assets	63,978	-
Derivatives	7,486	19,097
Other	21,075	21,055
Total investments and other assets	997,232	1,277,292
Total noncurrent assets	454,908,352	454,004,959
Deferred assets		
Investment corporation bonds issuance costs	11,758	34,852
Total deferred assets	11,758	34,852
Total assets	485,636,144	486,030,435
Liabilities		
Current liabilities		
Operating accounts payable	981,467	701,775
Short-term loans payable	5,000,000	5,000,000
Current portion of investment corporation bonds	3,000,000	-
Current portion of long-term loans payable	19,500,000	28,100,000
Accounts payable – other	567,015	580,867
Income taxes payable	803	886
Accrued consumption taxes	364,984	321,963
Advances received	2,323,112	2,355,146
Other	895,324	479,916
Total current liabilities	32,632,707	37,540,555
Noncurrent liabilities		
Investment corporation bonds	2,100,000	5,100,000
Long-term loans payable	174,850,000	166,250,000
Tenant leasehold and security deposits	19,145,369	19,978,837
Tenant leasehold and security deposits in trust	1,844,488	1,882,398
Deferred tax liabilities	-	3,484
Derivatives liabilities	409,112	193,083
Other	194,297	189,641
Total noncurrent liabilities	198,543,268	193,597,445
Total liabilities	231,175,975	231,138,001
Net Assets		
Unitholders' equity		
Unitholders' capital	251,551,759	251,551,759
Deduction from unitholders' capital	(3,675,523)	(3,675,523)
Unitholders' capital, net	247,876,236	247,876,236
Surplus		
Voluntary retained earnings		
Reserve for reduction entry	567,422	710,209
Total voluntary retained earnings	567,422	710,209
Unappropriated retained earnings (undisposed loss)	6,320,338	6,462,843
Total surplus	6,887,760	7,173,052
Total unitholders' equity	254,763,996	255,049,288
Valuation and translation adjustments		
Deferred gains or losses on hedges	(303,827)	(156,854)
Total valuation and translation adjustments	(303,827)	(156,854)
Total net assets	*3 254,460,169	*3 254,892,434
Total liabilities and net assets	485,636,144	486,030,435

2.2. Statements of Income

(Unit: Thousands of yen)

	27th Fiscal Period [From: Dec. 1, 2018 To: May 31, 2019]		28th Fiscal Period [From: June 1, 2019 To: Nov. 30, 2019]	
Operating revenue				
Rent revenue – real estate	*1	13,628,608	*1	13,916,051
Other lease business revenue	*1	62,035	*1	159,798
Gain on sales of real estate properties	*2	142,474		-
Gain on exchange of real estate properties		-	*3	18,789
Total operating revenue		13,833,118		14,094,639
Operating expenses				
Expenses related to rent business	*1	5,479,166	*1	5,584,803
Asset management fees		1,116,953		1,145,795
Asset custody fees		24,287		24,249
Administrative service fees		74,132		73,635
Trust fees		19,671		18,742
Directors' compensation		7,200		7,200
Other operating expenses		132,496		126,183
Total operating expenses		6,853,907		6,980,610
Operating income		6,979,210		7,114,028
Non-operating income				
Interest income		17		16
Reversal of distribution payable		538		611
Insurance income		2,728		6,517
Miscellaneous income		1,076		1,810
Total non-operating income		4,360		8,955
Non-operating expenses				
Interest expenses		503,464		499,974
Interest expenses on investment corporation bonds		16,892		16,646
Borrowing expenses		137,389		137,997
Other		5,203		4,706
Total non-operating expenses		662,948		659,325
Ordinary income		6,320,622		6,463,659
Income before income taxes		6,320,622		6,463,659
Income taxes – current		804		888
Income taxes – deferred		(302)		(4)
Total income taxes		502		884
Net income		6,320,120		6,462,774
Retained earnings brought forward		217		68
Unappropriated retained earnings (undisposed loss)		6,320,338		6,462,843

2.3. Statements of Unitholders' Equity

27th Fiscal Period (from December 1, 2018 to May 31, 2019)

(Unit: Thousands of yen)

	Unitholders' equity						
	Unitholders' capital			Surplus			
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital, net	Voluntary retained earnings		Unappropriated retained earnings (undisposed loss)	Total Surplus
				Reserve for reduction entry	Total voluntary retained earnings		
Balance at beginning of current fiscal period	251,551,759	(3,675,523)	247,876,236	567,422	567,422	5,901,266	6,468,688
Changes of items during the period							
Dividends from surplus						(5,901,048)	(5,901,048)
Net income						6,320,120	6,320,120
Net changes of items other than shareholders' equity							
Total changes of items during the period	-	-	-	-	-	419,072	419,072
Balance at end of current fiscal period	251,551,759	(3,675,523)	247,876,236	567,422	567,422	6,320,338	6,887,760

	Unitholders' equity	Valuation and translation adjustments		Total net assets
	Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of current fiscal period	254,344,924	(220,645)	(220,645)	254,124,279
Changes of items during the period				
Dividends from surplus	(5,901,048)			(5,901,048)
Net income	6,320,120			6,320,120
Net changes of items other than shareholders' equity		(83,182)	(83,182)	(83,182)
Total changes of items during the period	419,072	(83,182)	(83,182)	335,889
Balance at end of current fiscal period	254,763,996	(303,827)	(303,827)	254,460,169

28th Fiscal Period (from June 1, 2019 to November 30, 2019)

(Unit: Thousands of yen)

	Unitholders' equity						
	Unitholders' capital			Surplus			
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital, net	Voluntary retained earnings		Unappropriated retained earnings (undisposed loss)	Total Surplus
				Reserve for reduction entry	Total voluntary retained earnings		
Balance at beginning of current fiscal period	251,551,759	(3,675,523)	247,876,236	567,422	567,422	6,320,338	6,887,760
Changes of items during the period							
Provision of reserve for reduction entry				142,786	142,786	(142,786)	-
Dividends from surplus						(6,177,483)	(6,177,483)
Net income						6,462,774	6,462,774
Net changes of items other than shareholders' equity							
Total changes of items during the period	-	-	-	142,786	142,786	142,504	285,291
Balance at end of current fiscal period	251,551,759	(3,675,523)	247,876,236	710,209	710,209	6,462,843	7,173,052

	Unitholders' equity	Valuation and translation adjustments		Total net assets
	Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of current fiscal period	254,763,996	(303,827)	(303,827)	254,460,169
Changes of items during the period				
Provision of reserve for reduction entry	-			-
Dividends from surplus	(6,177,483)			(6,177,483)
Net income	6,462,774			6,462,774
Net changes of items other than shareholders' equity		146,973	146,973	146,973
Total changes of items during the period	285,291	146,973	146,973	432,265
Balance at end of current fiscal period	255,049,288	(156,854)	(156,854)	254,892,434

2.4. Statements of Cash Distributions

Item	27th Fiscal Period [From: Dec. 1, 2018 To: May 31, 2019]	28th Fiscal Period [From: June 1, 2019 To: Nov. 30, 2019]
	Amount (yen)	Amount (yen)
I. Unappropriated retained earnings	6,320,338,406	6,462,843,324
II. Distribution amount [Distribution amount per unit]	6,177,483,243 (12,559)	6,462,771,903 (13,139)
III. Voluntary retained earnings Provision of reserve for reduction entry	142,786,780	-
IV. Retained earnings carried forward	68,383	71,421
Method for calculating distribution amount	<p>Pursuant to the policy that “the Investment Corporation shall distribute an amount in excess of the amount equivalent to 90% of its distributable earnings as defined in Article 67-15 of the Act on Special Measures Concerning Taxation” but no more than the amount of earnings as specified in Article 32, Item 1 of the Investment Corporation’s articles of incorporation, the Investment Corporation decided the distributions from earnings that it shall pay out shall be the maximum value of the integral multiple of the total number of units issued and outstanding (491,877 units) in an amount that is not in excess of the amount remained after deducting (i) provision of reserve for reduction entry defined in Article 65-7 of the Act on Special Measures Concerning Taxation and (ii) reserve for reduction entry, which is the correction amount (due to the change in effective statutory tax rate) for deferred tax liabilities, from unappropriated retained earnings. Accordingly, the Investment Corporation declared a distribution amount of 6,177,483,243 yen. Furthermore, the Investment Corporation shall not distribute cash in excess of earnings as stipulated in Article 32, Item 2 of its articles of incorporation.</p>	<p>Pursuant to the policy that “the Investment Corporation shall distribute an amount in excess of the amount equivalent to 90% of its distributable earnings as defined in Article 67-15 of the Act on Special Measures Concerning Taxation” but no more than the amount of earnings as specified in Article 32, Item 1 of the Investment Corporation’s articles of incorporation, the Investment Corporation decided the distributions from earnings that it shall pay out shall be the maximum value of the integral multiple of the total number of units issued and outstanding (491,877 units) in an amount that is not in excess of unappropriated retained earnings. Accordingly, the Investment Corporation declared a distribution amount of 6,462,771,903 yen. Furthermore, the Investment Corporation shall not distribute cash in excess of earnings as stipulated in Article 32, Item 2 of its articles of incorporation.</p>

2.5. Statements of Cash Flows

(Unit: Thousands of yen)

	27th Fiscal Period [From: Dec. 1, 2018 To: May 31, 2019]	28th Fiscal Period [From: June 1, 2019 To: Nov. 30, 2019]
Net cash provided by (used in) operating activities		
Income before income taxes	6,320,622	6,463,659
Depreciation and amortization	1,816,695	1,829,629
Gain on exchange of real estate properties	-	(18,789)
Amortization of investment corporation bonds issuance costs	2,938	2,921
Interest income	(17)	(16)
Interest expenses	520,356	516,621
(Increase) Decrease in operating accounts receivable	27,517	(13,954)
(Increase) Decrease in consumption taxes refund receivable	314,284	-
(Increase) Decrease in prepaid expenses	3,876	(25,913)
Increase (decrease) in operating accounts payable	95,903	(279,143)
Increase (decrease) in accounts payable – other	109,696	14,051
Increase (decrease) in accrued consumption taxes	242,692	(43,021)
Increase (decrease) in advances received	145,422	32,033
(Increase) Decrease in long-term prepaid expenses	93,444	(332,447)
Decrease from sales of property, plant and equipment in trust	13,486,543	-
Other, net	321,158	(387,119)
Subtotal	23,501,134	7,758,511
Interest income received	17	16
Interest expenses paid	(520,264)	(514,073)
Income taxes paid	(991)	(804)
Net cash provided by (used in) operating activities	22,979,896	7,243,648
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(18,363)	(1,218)
Purchase of property, plant and equipment in trust	(15,925,167)	(674,035)
Proceeds from tenant security deposits	1,135,935	1,246,821
Proceeds from tenant security deposits in trust	439,482	191,418
Repayments of tenant security deposits	(1,309,333)	(566,823)
Repayments of tenant security deposits in trust	(68,856)	(37)
Net cash provided by (used in) investing activities	(15,746,304)	196,124
Net cash provided by (used in) financing activities		
Proceeds from short-term loans payable	14,000,000	-
Repayment of short-term loans payable	(9,000,000)	-
Proceeds from long-term loans payable	10,500,000	8,000,000
Repayment of long-term loans payable	(10,000,000)	(8,000,000)
Proceeds from issuance of investment corporation bonds	-	2,973,984
Redemption of investment corporation bonds redeemable	-	(3,000,000)
Dividends paid	(5,900,516)	(6,176,680)
Net cash provided by (used in) financing activities	(400,516)	(6,202,695)
Net increase (decrease) in cash and cash equivalents	6,833,074	1,237,077
Cash and cash equivalents at beginning of period	23,310,565	30,143,640
Cash and cash equivalents at end of period	*1 30,143,640	*1 31,380,717

2.6. Notes to the Going Concern
Not applicable.

2.7. Notes to Significant Accounting Policies

<p>1. Accumulated depreciation method for noncurrent assets</p>	<p>(1) Property, plant and equipment (including trust assets) The straight-line method is adopted. The useful life of primary property, plant and equipment are as follows: Buildings 2~64 years Structures 10~56 years Machinery and equipment 6~23 years Tools, furniture and fixtures 5~15 years</p> <p>(2) Intangible assets The straight-line method is adopted.</p> <p>(3) Long-term prepaid expenses The straight-line method is adopted.</p>
<p>2. Accounting policies for deferred assets</p>	<p>Investment corporation bonds issuance costs Amortized using the straight-line method over the period up to redemption.</p>
<p>3. Accounting standards for recording revenues and expenses</p>	<p>Accounting for fixed property tax, etc. Concerning fixed property tax, city planning tax, depreciated asset tax, etc. for owned real estate in trust, of the tax amount that has been broken down into installments, the method of accounting for the amount corresponding to the concerned fiscal period as expenses related to rent business is adopted. Concerning the amount equivalent to fixed property tax, etc. for the initial fiscal year that shall be borne by the Investment Corporation in correlation with acquisitions of real estate or trust beneficial interest that have real estate as assets in trust, the amount is not expensed but is rather included in the cost of acquisition of the concerned real estate property. The amount equivalent to fixed property tax, etc. that was included in the cost of acquisition of real estate properties is 3,316 thousand yen in the 27th Fiscal Period and 53,974 thousand yen in the 28th Fiscal Period.</p>
<p>4. Hedge accounting approaches</p>	<p>(1) Hedge accounting approach Deferral hedge accounting is adopted. Special accounting is adopted for interest rate swaps that meet the requirements for special accounting.</p> <p>(2) Hedging instruments and hedged items Hedging instruments: Interest rate swap transactions Hedged items: Interest on loans</p> <p>(3) Hedging policy The Investment Corporation conducts derivative transactions to hedge risks stipulated in the Investment Corporation's articles of incorporation in accordance with the Investment Corporation's risk management policy.</p> <p>(4) Method for assessing the effectiveness of hedging The effectiveness of hedging is assessed by the correlation between the change in aggregated amount of cash flow of the hedging instruments and the change in aggregated amount of cash flow of the hedged items. Interest rate swaps that meet the requirements for special accounting are omitted from assessment of the effectiveness.</p>
<p>5. Scope of funds in the statements of cash flows</p>	<p>The funds (cash and cash equivalents) in the statements of cash flows consist of cash on hand and cash in trust; deposits that can be withdrawn at any time and deposits in trust; and short-term investments with a maturity of 3 months or less from the date of acquisition, which are readily convertible to cash and bear only an insignificant risk of price fluctuation.</p>

6. Other significant matters forming basis for preparation of financial statements	<p>(1) Accounting method for trust beneficial interest in real estate, etc. Concerning owned trust beneficial interest that have real estate properties as assets in trust, all accounts of assets and liabilities within assets in trust as well as all accounts of revenues and expenses incurred from the assets in trust are recorded in the relevant account item of the balance sheets and statements of income. The following material items of the assets in trust recorded in the relevant account item are separately listed on the balance sheets.</p> <ul style="list-style-type: none"> (i) Cash and deposits in trust (ii) Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust and construction in progress in trust (iii) Leasehold rights in trust (iv) Lease and guarantee deposits in trust (v) Tenant leasehold and security deposits in trust <p>(2) Accounting method for consumption taxes Consumption tax and local consumption tax are accounted for by the tax-exclusion method and consumption taxes that are not tax-deductible are expensed in the fiscal period under review. The consumption taxes relating to noncurrent assets, etc. that are not tax-deductible are amortized in equal installments over 5 years.</p>
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2.8. Notes to Financial Statements

Concerning notes to lease transactions, securities, retirement benefits, tax-effect accounting and asset retirement obligations, disclosure is omitted because there is no substantial need for such disclosure in the financial report (*kessan tanshin*).

[Notes to Balance Sheets]

*1. Advanced depreciation amount for property, plant and equipment acquired by government subsidies, etc.

27th Fiscal Period [As of May 31, 2019]		28th Fiscal Period [As of November 30, 2019]	
Buildings in trust	32,898 thousand yen	Buildings in trust	32,898 thousand yen

*2. Advanced depreciation amount for property, plant and equipment acquired through exchange

27th Fiscal Period [As of May 31, 2019]		28th Fiscal Period [As of November 30, 2019]	
Buildings in trust	-	Buildings in trust	182,563 thousand yen
Structures in trust	-	Structures in trust	283 thousand yen
Land in trust	-	Land in trust	887,074 thousand yen
Total	-	Total	1,069,921 thousand yen

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

27th Fiscal Period [As of May 31, 2019]		28th Fiscal Period [As of November 30, 2019]	
Minimum net assets	50,000 thousand yen	Minimum net assets	50,000 thousand yen

[Notes to Statements of Income]

*1. Breakdown of operating income (loss) from property leasing

(Unit: Thousands of yen)

	27th Fiscal Period [From: Dec. 1, 2018 To: May 31, 2019]	28th Fiscal Period [From: June 1, 2019 To: Nov. 30, 2019]
A. Property leasing revenue		
Rent revenue – real estate	13,628,608	13,916,051
Other lease business revenue	62,035	159,798
Total property leasing revenue	13,690,644	14,075,850
B. Property leasing expenses		
Consignment expenses	1,062,834	1,010,578
Utilities expenses	1,099,123	1,074,122
Taxes and dues	1,041,049	1,131,152
Non-life insurance expenses	15,289	16,479
Repair expenses	395,024	474,514
Depreciation	1,813,035	1,826,120
Other lease business expenses	52,809	51,836
Total property leasing expenses	5,479,166	5,584,803
C. Operating income (loss) from property leasing [A – B]	8,211,477	8,491,046

*2. Breakdown of gain (loss) on sales of real estate properties (Unit: Thousands of yen)

27th Fiscal Period [From: December 1, 2018 To: May 31, 2019]

Daiwa Onarimon Building

Proceeds from sales of real estate properties	13,700,000
Cost of sales of real estate properties	13,486,543
Other expenses on sales	70,981
Gain on sales of real estate properties	142,474

28th Fiscal Period [From: June 1, 2019 To: November 30, 2019]

Not applicable.

*3. Breakdown of gain on exchange of real estate properties (Unit: Thousands of yen)

27th Fiscal Period [From: December 1, 2018 To: May 31, 2019]

Not applicable.

28th Fiscal Period [From: June 1, 2019 To: November 30, 2019]

Daiwa Osaki 3-chome Building

Divestment price of real estate properties	2,685,000
Cost of divestment of real estate properties	1,581,029
Other expenses for divestment	15,259
Advanced depreciation amount for noncurrent assets	1,069,921
Gain on exchange of real estate properties	18,789

[Notes to Statements of Unitholders' Equity]

	27th Fiscal Period [From: Dec. 1, 2018 To: May 31, 2019]	28th Fiscal Period [From: June 1, 2019 To: Nov. 30, 2019]
Total number of investment units authorized and number of investment units issued and outstanding		
Total number of investment units authorized	2,000,000 units	2,000,000 units
Total number of investment units issued and outstanding	491,877 units	491,877 units

[Notes to Statements of Cash Flows]

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

(Unit: Thousands of yen)

	27th Fiscal Period [From: Dec. 1, 2018 To: May 31, 2019]	28th Fiscal Period [From: June 1, 2019 To: Nov. 30, 2019]
Cash and deposits	26,663,769	27,799,432
Cash and deposits in trust	3,479,870	3,581,284
Cash and cash equivalents	30,143,640	31,380,717

[Notes to Financial Instruments]

(1) Matters Concerning Status of Financial Instruments

(a) Policy for financial instruments

The Investment Corporation raises funds through bank borrowings, issuance of investment corporation bonds and issuance of new investment units, etc. for the acquisition and repair of investment properties, the payments of dividends and the reimbursement of bank borrowings.

As for debt finance, the Investment Corporation focuses on lengthening maturities, fixing interest rates, and dispersing maturity dates in order to secure financial stability and avoid future fluctuation risk of interest rates.

The Investment Corporation manages surplus funds through deposits and safe and highly liquid money claims and securities (in principle, deposits).

Derivative transactions are limited to hedge operations which hedge against interest rate risks attributable to liabilities of the Investment Corporation.

(b) Contents and risk of financial instruments and related risk management

The Investment Corporation uses the proceeds from the financing of debts and investment corporation bonds for the acquisition of investment properties (such as trust beneficial interest in real estate) and the reimbursement of current debts and bonds. While these debts and bonds are exposed to liquidity risk, the Investment Corporation manages the risk by maintaining the LTV ratio at low levels, dispersing maturity dates, maintaining the ratio of long-term debt to total debt at high levels, and diversifying lenders with particular focus on domestic financial institutions.

Bank borrowings etc. with floating interest rates are exposed to interest rate risk and the risk is controlled by using derivative instruments (interest rate swap transaction) for some long-term borrowings to avoid interest rate rise and to fix interest expense.

The effectiveness of hedging is assessed by the correlation between the change in aggregated amount of cash flow of the hedging instruments and the change in aggregated amount of cash flow of the hedged items. Interest rate swaps that meet the requirements for special accounting are omitted from assessment of the effectiveness.

Enforcement and management of derivative transactions are carried out in accordance with the provisions established by the basic policy of risk management. Tenant leasehold and security deposits and tenant leasehold and security deposits in trust are exposed to liquidity risk upon tenants moving out and the Investment Corporation reduces the risk by pooling funds to a certain degree.

Surplus funds by deposits are exposed to credit risk of counterparties (financial institutions and so on) and are managed by limiting the terms to short durations and establishing credit rating level of counterparties (except for checkable deposit), etc.

(c) Supplementary explanation for fair value of financial instruments

The fair value of financial instruments is based on their market price. The fair value of financial instruments with no available market price is determined by using price reasonably estimated. As various factors are incorporated into these calculations, the resulting value may differ if different assumptions are provided. Furthermore, the contractual amounts of derivative transactions do not represent the market risk involved in these derivative transactions.

(2) Matters Concerning Fair Value, etc. of Financial Instruments

The carrying amounts and fair values and their differences are as follows. Please note that the following table does not include those for which discerning of fair value is recognized to be extremely difficult (please refer to (Note 2)).

27th Fiscal Period [As of May 31, 2019]

(Unit: Thousands of yen)

	Carrying amount	Fair value	Difference
(1) Cash and deposits	26,663,769	26,663,769	-
(2) Cash and deposits in trust	3,479,870	3,479,870	-
Total assets	30,143,640	30,143,640	-
(3) Short-term loans payable	5,000,000	5,000,000	-
(4) Current portion of investment corporation bonds	3,000,000	3,001,500	1,500
(5) Current portion of long-term loans payable	19,500,000	19,502,614	2,614
(6) Investment corporation bonds	2,100,000	2,166,780	66,780
(7) Long-term loans payable	174,850,000	174,967,636	117,636
Total liabilities	204,450,000	204,638,530	188,530
Derivative transactions (*)	(443,290)	(443,290)	-

28th Fiscal Period [As of November 30, 2019]

(Unit: Thousands of yen)

	Carrying amount	Fair value	Difference
(1) Cash and deposits	27,799,432	27,799,432	-
(2) Cash and deposits in trust	3,581,284	3,581,284	-
Total assets	31,380,717	31,380,717	-
(3) Short-term loans payable	5,000,000	5,000,000	-
(5) Current portion of long-term loans payable	28,100,000	28,107,557	7,557
(6) Investment corporation bonds	5,100,000	5,115,100	15,100
(7) Long-term loans payable	166,250,000	166,408,056	158,056
Total liabilities	204,450,000	204,630,714	180,714
Derivative transactions (*)	(228,850)	(228,850)	-

(*) The value of receivables and payables arising from derivatives are indicated at net basis. The amount in parentheses represents the net liability position.

(Note 1) Methods to estimate fair value of financial instruments and matters concerning derivative transactions.

Assets

(1) Cash and deposits; (2) Cash and deposits in trust

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

Liabilities

(3) Short-term loans payable; (5) Current portion of long-term loans payable; (7) Long-term loans payable

As those with floating interest rates reflect market interest rates within a short period of time and the Investment Corporation's credit capability does not differ markedly from the execution, the fair value is approximately the same as the book value and thus is stated at that book value. Those with fixed interest rates, on the other hand, are based on the method of calculating by discounting the sum total amount of principal and interest (*) by the reasonably estimated interest rate in the case that the same type of borrowings is undertaken.

(*) For long-term loans payable that are subject to special accounting for interest rate swaps, the interest is handled together with applicable interest rate swaps. (Please refer to [Notes to Derivative Transactions] below.)

(4) Current portion of investment corporation bonds; (6) Investment corporation bonds

The fair value of the investment corporation bonds issued by the Investment Corporation is based on the market price.

Derivative transactions

Please refer to [Notes to Derivative Transactions] below.

(Note 2) Carrying amount of financial products for which it is extremely difficult to estimate fair value

(Unit: Thousands of yen)

	27th Fiscal Period [As of May 31, 2019]	28th Fiscal Period [As of November 30, 2019]
Tenant leasehold and security deposits*	19,145,369	19,978,837
Tenant leasehold and security deposits in trust*	1,844,488	1,882,398
Total	20,989,857	21,861,236

(*) Tenant leasehold and security deposits and tenant leasehold and security deposits in trust that are deposited by lessees of rental properties are not subject to disclosure of fair value because discerning of the fair value is recognized to be extremely difficult as future cash flows cannot be reasonably estimated due to there being no market price and difficulty in calculation of the actual deposit period, which is the period from tenants' move-ins to move-outs.

(Note 3) Redemption schedule for monetary claims due after the settlement of accounts.

27th Fiscal Period [As of May 31, 2019]

(Unit: Thousands of yen)

	Within 1 year	Within 2 years, but over 1 year	Within 3 years, but over 2 years	Within 4 years, but over 3 years	Within 5 years, but over 4 years	Over 5 years
Cash and deposits	26,663,769	-	-	-	-	-
Cash and deposits in trust	3,479,870	-	-	-	-	-
Total	30,143,640	-	-	-	-	-

28th Fiscal Period [As of November 30, 2019]

(Unit: Thousands of yen)

	Within 1 year	Within 2 years, but over 1 year	Within 3 years, but over 2 years	Within 4 years, but over 3 years	Within 5 years, but over 4 years	Over 5 years
Cash and deposits	27,799,432	-	-	-	-	-
Cash and deposits in trust	3,581,284	-	-	-	-	-
Total	31,380,717	-	-	-	-	-

(Note 4) Amount of repayment of short-term loans payable, current portion of long-term loans payable, long-term loans payable, current portion of investment corporation bonds and investment corporation bonds scheduled to be due after the settlement of accounts.

27th Fiscal Period [As of May 31, 2019]

(Unit: Thousands of yen)

	Within 1 year	Within 2 years, but over 1 year	Within 3 years, but over 2 years	Within 4 years, but over 3 years	Within 5 years, but over 4 years	Over 5 years
Short-term loans payable	5,000,000	-	-	-	-	-
Current portion of investment corporation bonds	3,000,000	-	-	-	-	-
Current portion of long-term loans payable	19,500,000	-	-	-	-	-
Investment corporation bonds	-	-	-	-	-	2,100,000
Long-term loans payable	-	33,300,000	21,500,000	30,600,000	23,700,000	65,750,000
Total	27,500,000	33,300,000	21,500,000	30,600,000	23,700,000	67,850,000

28th Fiscal Period [As of November 30, 2019]

(Unit: Thousands of yen)

	Within 1 year	Within 2 years, but over 1 year	Within 3 years, but over 2 years	Within 4 years, but over 3 years	Within 5 years, but over 4 years	Over 5 years
Short-term loans payable	5,000,000	-	-	-	-	-
Current portion of long-term loans payable	28,100,000	-	-	-	-	-
Investment corporation bonds	-	-	-	-	3,800,000	1,300,000
Long-term loans payable	-	24,200,000	31,600,000	26,200,000	24,300,000	59,950,000
Total	33,100,000	24,200,000	31,600,000	26,200,000	28,100,000	61,250,000

[Notes to Derivative Transactions]

(1) Transactions for which hedge accounting is not applied

27th Fiscal Period [As of May 31, 2019]
Not applicable.

28th Fiscal Period [As of November 30, 2019]
Not applicable.

(2) Transactions for which hedge accounting is applied

27th Fiscal Period [As of May 31, 2019]

About derivative transactions for which hedge accounting is applied, the contract amount, amount equivalent to the principal provided in the contract, etc. as of the settlement of accounts for each hedge accounting approach are as follows.

(Unit: Thousands of yen)

Hedge accounting approach	Type, etc. of derivative transaction	Main hedged item	Contract amount, etc.		Fair value	Method of calculation of that fair value
				Of which, over 1 year		
Principle accounting method	Interest rate swap transaction Fixed payable Floating receivable	Long-term loans payable	135,600,000	118,100,000	(443,290)	Based on price quoted by partner financial institution
Special accounting for interest rate swaps	Interest rate swap transaction Fixed payable Floating receivable	Long-term loans payable	3,000,000	3,000,000	(*)	-
Total			138,600,000	121,100,000	(443,290)	-

28th Fiscal Period [As of November 30, 2019]

About derivative transactions for which hedge accounting is applied, the contract amount, amount equivalent to the principal provided in the contract, etc. as of the settlement of accounts for each hedge accounting approach are as follows.

(Unit: Thousands of yen)

Hedge accounting approach	Type, etc. of derivative transaction	Main hedged item	Contract amount, etc.		Fair value	Method of calculation of that fair value
				Of which, over 1 year		
Principle accounting method	Interest rate swap transaction Fixed payable Floating receivable	Long-term loans payable	129,600,000	104,500,000	(228,850)	Based on price quoted by partner financial institution
Special accounting for interest rate swaps	Interest rate swap transaction Fixed payable Floating receivable	Long-term loans payable	3,000,000	1,000,000	(*)	-
Total			132,600,000	105,500,000	(228,850)	-

(*) Since the derivative financial instruments qualifying for the special accounting for interest rate swaps are accounted for as one transaction together with their hedged item, long-term loans payable, the fair value of these derivatives is included in that of related long-term loans payable. (Please refer to “Notes to Financial Instruments (2) Matters Concerning Fair Value, etc. of Financial Instruments (Note 1) Liabilities (5) (7)”).

[Notes to Transactions with Related Parties]

(1) Parent company and major corporate unitholders, etc.

27th Fiscal Period [From: December 1, 2018 To: May 31, 2019]
Not applicable.

28th Fiscal Period [From: June 1, 2019 To: November 30, 2019]
Not applicable.

(2) Affiliated companies, etc.

27th Fiscal Period [From: December 1, 2018 To: May 31, 2019]
Not applicable.

28th Fiscal Period [From: June 1, 2019 To: November 30, 2019]
Not applicable.

(3) Sister companies, etc.

27th Fiscal Period [From: December 1, 2018 To: May 31, 2019]

Category	Name of company, etc.	Location	Capital stock or investments in capital	Business description	Rate of voting rights, etc. held by related party (held in the Investment Corporation)	Relation with Related Parties	Nature of transaction	Transaction amount (Thousands of yen)	Account	Balance at end of period (Thousands of yen)
Subsidiary of other affiliated company	Daiwa Property Co., Ltd.	Chuo-ku, Tokyo	100 million yen	Real estate business	-	Divestment of trust beneficial interest in real estate	Divestment of trust beneficial interest in real estate (Note 1, 2)	13,700,000	-	-

Of amounts indicated above, transaction amount does not include consumption tax, etc.

(Note 1) Transaction terms and conditions were determined based on the market.

(Note 2) Terms and conditions with interested persons were determined according to the regulation concerning conflict of interest in the internal rule of the Asset Manager.

28th Fiscal Period [From: June 1, 2019 To: November 30, 2019]

Not applicable.

(4) Officers and major individual unitholders, etc.

27th Fiscal Period [From: December 1, 2018 To: May 31, 2019]

Not applicable.

28th Fiscal Period [From: June 1, 2019 To: November 30, 2019]

Not applicable.

[Notes to Investment and Rental Properties]

The Investment Corporation has rental office buildings, etc. (including land) in Tokyo and other regions. The carrying amount, amount of increase (decrease) during period and fair value for these rental properties are as follows.

(Unit: Thousands of yen)

	27th Fiscal Period [From: Dec. 1, 2018 To: May 31, 2019]	28th Fiscal Period [From: June 1, 2019 To: Nov. 30, 2019]
Carrying amount		
Balance at beginning of period	453,459,299	453,059,500
Amount of increase (decrease) during period	(399,799)	(406,479)
Balance at end of period	453,059,500	452,653,020
Fair value at end of period	548,130,000	562,730,000

(Note 1) The carrying amount is the amount after accumulated depreciation is deducted from the cost of acquisition.

(Note 2) Of the amount of increase (decrease) for rental properties during the 27th Fiscal Period, the amount of increase is mainly attributable to acquisition of two properties (Sasazuka South Building and Glass City Harumi) (14,200 million yen) and the amount of decrease is mainly attributable to divestment of Daiwa Onarimon Building (13,486 million yen) and depreciation (1,813 million yen). For the 28th Fiscal Period, the amount of increase is mainly attributable to acquisition of Daiwa Mita 2-Chome Building (1,565 million yen) and the amount of decrease is mainly attributable to divestment of Daiwa Osaki 3-chome Building (1,581 million yen) and depreciation (1,826 million yen).

(Note 3) The fair value at end of period presents the appraisal value estimated by external real estate appraisers.

The income (loss) for investment and rental properties are as presented in the aforementioned "Notes to Statements of Income."

[Notes to Segment Information, etc.]

(1) Segment Information

Segment information has been omitted because the Investment Corporation has no segment except the property leasing business.

(2) Related Information

27th Fiscal Period [From: December 1, 2018 To: May 31, 2019]

Information about products and services

Information about products and services has been omitted because net sales to external customers for one segment are in excess of 90% of the operating revenue on statements of income.

Information about geographical areas

A. Net sales

Information about net sales has been omitted because net sales to external customers in Japan are in excess of 90% of the operating revenue on statements of income.

B. Property, plant and equipment

Information about property, plant and equipment has been omitted because the amount of property, plant and equipment located in Japan is in excess of 90% of the amount of property, plant and equipment on balance sheets.

Information about major customers

Information about principal customers has been omitted because each net sales figure to a single external customer accounts for less than 10% of the operating revenue on statements of income.

28th Fiscal Period [From: June 1, 2019 To: November 30, 2019]

Information about products and services

Information about products and services has been omitted because net sales to external customers for one segment are in excess of 90% of the operating revenue on statements of income.

Information about geographical areas

A. Net sales

Information about net sales has been omitted because net sales to external customers in Japan are in excess of 90% of the operating revenue on statements of income.

B. Property, plant and equipment

Information about property, plant and equipment has been omitted because the amount of property, plant and equipment located in Japan is in excess of 90% of the amount of property, plant and equipment on balance sheets.

Information about major customers

Information about principal customers has been omitted because each net sales figure to a single external customer accounts for less than 10% of the operating revenue on statements of income.

[Notes to Per Unit Information]

	27th Fiscal Period [From: Dec. 1, 2018 To: May 31, 2019]	28th Fiscal Period [From: June 1, 2019 To: Nov. 30, 2019]
Net assets per unit	517,324 yen	518,203 yen
Net income per unit	12,848 yen	13,139 yen

(Note 1) Net income per unit is calculated by dividing net income by the average number of investment units during the period. The diluted net income per unit is not stated as there are no diluted investment units.

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

	27th Fiscal Period [From: Dec. 1, 2018 To: May 31, 2019]	28th Fiscal Period [From: June 1, 2019 To: Nov. 30, 2019]
Net income (Thousands of yen)	6,320,120	6,462,774
Amounts not attributable to common unitholders (Thousands of yen)	-	-
Net income attributable to common investment units (Thousands of yen)	6,320,120	6,462,774
Average number of investment units during the period (unit)	491,877	491,877

[Notes to Significant Subsequent Events]

The Investment Corporation acquired trust beneficial interest in real estate on December 13, 2019, as follows.

Summary of Asset Acquired

Property name	Daiwa Nakano-Sakaue
Type of asset	Trust beneficial interest in domestic real estate
Location	3-31-11 Honcho, Nakano-ku, Tokyo
Acquisition price	2,750 million yen (excluding associated acquisition costs, consumption tax, etc.)
Date of conclusion of purchase agreement	December 9, 2019
Date of delivery	December 13, 2019
Seller	TMK Shine Residence

2.9. Increase (Decrease) in Number of Investment Units Issued and Outstanding

Since no capital increase, etc. were conducted in the 28th Fiscal Period, there is no change to unitholders' capital, etc.

The overview of capital increase in the most recent 5 years up to the end of the 28th Fiscal Period is as follows.

Payment date	Description	Number of investment units issued and outstanding (units)		Unitholders' capital (Millions of yen)		Notes
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
June 1, 2015	Capital increase through public offering	41,045	482,045	23,145	242,301	(Note 1)
June 24, 2015	Capital increase by way of third-party allotment	1,955	484,000	1,102	243,403	(Note 2)
August 2, 2016	Capital increase through public offering	12,700	496,700	7,461	250,864	(Note 3)
August 31, 2016	Capital increase by way of third-party allotment	1,169	497,869	686	251,551	(Note 4)
May 31, 2018	Cancellation	(5,992)	491,877	(3,675)	247,876	(Note 5)

(Note 1) The Investment Corporation issued new investment units through public offering at an issue price of 583,050 yen per unit (paid-in price: 563,914 yen) to procure funds for acquisition of properties, repayment of borrowings, etc.

(Note 2) The Investment Corporation issued new investment units by way of a third-party allotment at an issue price of 563,914 yen per unit (paid-in price: 563,914 yen) to procure funds for acquisition of properties, repayment of borrowings, etc.

(Note 3) The Investment Corporation issued new investment units through public offering at an issue price of 607,425 yen per unit (paid-in price: 587,489 yen) to procure funds for repayment of borrowings, etc.

(Note 4) The Investment Corporation issued new investment units by way of a third-party allotment at an issue price of 587,489 yen per unit (paid-in price: 587,489 yen) to procure funds for repayment of borrowings, etc.

(Note 5) In the period from March 1, 2018, to May 18, 2018, the Investment Corporation acquired own investment units through market purchase at the Tokyo Stock Exchange based on a discretionary transaction agreement with a securities company. The Investment Corporation cancelled all of the acquired own investment units (5,992 units) on May 31, 2018, based on the resolution at its Board of Directors meeting held on May 28, 2018.

This translation of the original Japanese financial report (*kessan tanshin*) is provided solely for information purposes. Should there be any discrepancy between this translation and the Japanese original, the latter shall prevail.

3. Reference Information

3.1. Investment Status

Type of asset	Use	Region	28th Fiscal Period (As of November 30, 2019)	
			Total amount owned (Millions of yen) (Note 1)	As a percentage of total assets (%)
Real estate	Office	Five Central Wards of Tokyo (Note 2)	15,593	3.2
Trust beneficial interest in real estate	Office	Five Central Wards of Tokyo (Note 2)	349,719	72.0
		Greater Tokyo (Note 3)	78,163	16.1
		Major Regional Cities (Note 4)	9,176	1.9
Total			452,653	93.1
Deposits and other assets			33,377	6.9
Total amount of assets (Note 5)			486,030	100.0
			[452,653]	[93.1]

(Note 1) “Total amount owned” is the carrying amount (the book value after depreciation in the case of real estate and trust beneficial interest in real estate).

(Note 2) “Five Central Wards of Tokyo” are Chiyoda, Chuo, Minato, Shinjuku and Shibuya Wards.

(Note 3) “Greater Tokyo” is Tokyo, Kanagawa, Chiba and Saitama Prefectures (excluding the Five Central Wards of Tokyo).

(Note 4) “Major Regional Cities” are the Osaka metropolitan area (Osaka, Kyoto and Hyogo Prefectures), Nagoya metropolitan area (Aichi, Mie and Gifu Prefectures), and ordinance-designated cities and core cities set forth in the Local Autonomy Act.

(Note 5) The figures in parentheses [] under “Total amount of assets” shows the portion of the applicable asset that, in effect, corresponds to the holding of real estate properties. The amount of construction in progress (including construction in progress in trust) is not included in the amount of real estate and trust beneficial interest in real estate.

3.2. Investment Real Estate Properties (As of November 30, 2019)

3.2.1. Price and Investment Ratio of Investment Real Estate Properties

Region	Property name	Type of specified asset	Acquisition price (Millions of yen) (Note 1)	Carrying amount (Millions of yen) (Note 2)	Estimated price at end of period (Millions of yen) (Note 3)	Investment ratio (%) (Note 4)
Five Central Wards of Tokyo	Daiwa Ginza	Real estate	14,100	12,852	17,600	3.1
	Daiwa Ginza Annex		3,050	2,740	4,060	0.7
	Daiwa Shibaura	Trust beneficial interest in real estate	8,265	7,957	8,350	1.8
	Daiwa Minami-Aoyama		4,550	4,403	4,840	1.0
	Daiwa Sarugakucho		3,190	3,147	4,230	0.7
	Daiwa A Hamamatsucho (Note 5)		2,865	2,732	3,920	0.6
	Daiwa Jingumae		2,800	2,686	3,100	0.6
	Daiwa Shibadaimon		2,578	2,367	3,560	0.6
	Daiwa Misakicho		2,346	2,117	2,940	0.5
	Daiwa Shimbashi 510		2,080	2,118	2,530	0.5
	Daiwa Tsukijiekimae		1,560	1,259	2,170	0.3
	Daiwa Tsukiji		1,240	1,120	1,660	0.3
	Daiwa Tsukishima		7,840	6,719	10,800	1.7
	Daiwa Nihonbashi Horidomecho		2,520	2,421	2,840	0.5
	Daiwa Azabudai		1,600	1,495	1,940	0.3
	Daiwa Kyobashi		3,460	3,169	3,450	0.8
	Daiwa Kojimachi 4-chome		2,910	2,863	2,910	0.6
	Shinjuku Maynds Tower (Note 5)		66,900	63,984	63,900	14.5
	Daiwa SHIBUYA EDGE		5,900	5,612	5,410	1.3
	Daiwa Kodenmacho		2,460	2,345	2,310	0.5
	Daiwa Jimbocho		4,150	3,943	3,990	0.9
	Daiwa Nishi-Shimbashi		5,000	4,643	7,240	1.1
	Daiwa Kayabacho Building		5,600	5,180	8,210	1.2
	Daiwa Jimbocho 3-chome		3,550	3,314	5,250	0.8
	E SPACE TOWER		24,000	23,471	36,600	5.2
	Daiwa Nihonbashi Hongokucho		1,721	1,554	2,610	0.4
	shinyon curumu		9,650	9,592	16,500	2.1
	Daiwa Akasaka		9,200	10,183	15,500	2.0
	Daiwa Shibuya Miyamasuzaka		7,000	7,339	11,800	1.5
	Daiwa Azabu Terrace		14,000	13,930	17,800	3.0
	Daiwa Ebisu 4-chome		4,135	4,215	6,290	0.9
	LAQUAS Higashi Shinjuku		8,450	8,409	11,200	1.8
	Daiwa Aoyama		9,800	9,977	12,600	2.1
	Shinsen Place		4,800	4,852	6,780	1.0
	Daiwa Shibuya Square		16,000	15,889	21,700	3.5
	Daiwa River Gate	28,000	27,762	33,200	6.1	
	Daiwa Hatchobori ekimae	2,871	2,914	3,470	0.6	
	Daiwa Hatchobori ekimae West	1,647	1,713	1,930	0.4	
	Daiwa Nishi-Shinjuku	13,710	13,972	16,600	3.0	
	Kirin Nihonbashi Building	8,180	8,371	8,350	1.8	
	Daiwa Higashi-nihonbashi	6,370	6,267	7,030	1.4	
	Daiwa Daikanyama	2,280	2,375	3,590	0.5	
	Daiwa Shinjuku West	942	977	1,210	0.2	
	Daiwa Kanda Mikura-cho Building	1,592	1,588	1,800	0.3	
	Daiwa Kanda East	4,200	4,267	5,620	0.9	
	Daiwa Kandasudacho	2,295	2,371	2,810	0.5	
	Daiwa Sasazuka Tower	15,500	16,032	16,300	3.4	
	Daiwa Sasazuka	3,000	3,188	3,470	0.7	
	Daiwa Harumi	11,200	11,295	12,300	2.4	
	Daiwa Mita 2-Chome	2,635	1,599	3,280	0.6	
Total for Five Central Wards of Tokyo (50 Properties)			373,692	365,313	457,550	81.1

Region	Property name	Type of specified asset	Acquisition price (Millions of yen) (Note 1)	Carrying amount (Millions of yen) (Note 2)	Estimated price at end of period (Millions of yen) (Note 3)	Investment ratio (%) (Note 4)
Greater Tokyo	Daiwa Higashi-Ikebukuro	Trust beneficial interest in real estate	2,958	2,609	4,300	0.6
	Daiwa Shinagawa North		7,710	7,087	6,350	1.7
	Daiwa Kamiooka		2,000	1,857	2,900	0.4
	Daiwa Ogikubo Tower		15,220	16,546	22,700	3.3
	Daiwa Meguro Square		5,600	5,471	7,090	1.2
	Daiwa Ogikubo		3,800	3,979	4,730	0.8
	CONCURRED Yokohama (Note 5)		38,100	38,032	41,100	8.3
	Daiwa Shinagawa Gotenyama		2,500	2,579	2,710	0.5
Total for Greater Tokyo (8 properties)			77,888	78,163	91,880	16.9
Major Regional Cities	Daiwa Kitahama	Trust beneficial interest in real estate	9,481	9,176	13,300	2.1
Total for Major Regional Cities (1 property)			9,481	9,176	13,300	2.1
Total (59 properties)			461,061	452,653	562,730	100.0

(Note 1) "Acquisition price" is excluding acquisition costs, fixed property tax, city planning tax, consumption tax and local consumption tax.

(Note 2) "Carrying amount" is the book value after depreciation as of November 30, 2019.

(Note 3) "Estimated price at end of period" is the price as of November 30, 2019, stated in appraisal reports prepared by real estate appraisers of Tanizawa Sogo Appraisal Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd., JLL Morii Valuation & Advisory K.K. and Japan Real Estate Institute in accordance with the articles of incorporation of the Investment Corporation and the rules of The Investment Trusts Association, Japan.

(Note 4) "Investment ratio" is the acquisition price of each property expressed as a percentage of the total amount of acquisition prices, rounded to one decimal place.

(Note 5) For Daiwa A Hamamatsucho Building, Shinjuku Maynds Tower and CONCURRED Yokohama, the figures are those pertaining to the Investment Corporation's ownership interest.

3.2.2. Summary of Building and Leasing of Investment Real Estate

Region	Property name	Structure and number of floors (Note 1)	Construction completion (Note 2)	Leasable floor area (m ²) (Note 3)	Leased floor area (m ²) (Note 4)	Total number of tenants (Note 5)	Occupancy rate (%) (Note 6)	Rent revenue during current period (Thousands of yen) (Note 7)
Five Central Wards of Tokyo	Daiwa Ginza	SRC B3 / 12F	July 1963	8,114.93	8,067.49	25	99.4	431,930
	Daiwa Ginza Annex	SRC B3 / 8F	Aug. 1972	2,032.11	2,032.11	7	100.0	101,678
	Daiwa Shibaura	SRC B1 / 12F	Oct. 1987	9,619.67	9,578.76	55	99.5	267,483
	Daiwa Minami-Aoyama	S / SRC B2 / 5F	Sept. 1990	2,715.54	2,715.54	5	100.0	131,717
	Daiwa Sarugakuchō (Note 8)	SRC 8F	June 1985	3,657.43	3,657.43	2	100.0	(Not disclosed)
	Daiwa A Hamamatsucho	SRC B2 / 10F	July 1993	3,663.38	3,663.38	12	100.0	136,734
	Daiwa Jingumae	RC B1 / 4F	Dec. 1997	2,198.61	2,198.61	5	100.0	88,027
	Daiwa Shibadaimon	SRC / RC B1 / 7F	Nov. 1996	2,386.48	2,386.48	7	100.0	87,788
	Daiwa Misakicho (Note 8)	S 8F	July 1996	2,137.53	2,137.53	1	100.0	(Not disclosed)
	Daiwa Shimbashi 510	SRC B1 / 8F	Apr. 1974	2,595.76	2,595.76	7	100.0	77,996
	Daiwa Tsukijiekimae	SRC 10F	Jan. 1996	2,659.59	2,659.59	6	100.0	67,644
	Daiwa Tsukiji	SRC B1 / 7F	Jan. 1990	1,487.44	1,487.44	6	100.0	49,370
	Daiwa Tsukishima	S 5F	July 1996	8,425.69	8,425.69	4	100.0	279,610
	Daiwa Nihonbashi Horidomecho	SRC B2 / 7F	Apr. 1993	2,850.81	2,850.81	8	100.0	86,180
	Daiwa Azabudai	SRC B2 / 9F	Apr. 1984	1,697.88	1,697.88	11	100.0	55,885
	Daiwa Kyobashi	SRC B1 / 8F	Oct. 1974	3,265.83	3,265.83	10	100.0	105,254
	Daiwa Kojimachi 4-chome	SRC B2 / 9F	Oct. 1987	2,695.31	2,695.31	7	100.0	89,728
	Shinjuku Maynds Tower (Note 9)	S / SRC B3 / 34F	Sept. 1995	22,759.66	21,652.65	38	95.1	1,349,146
	Daiwa SHIBUYA EDGE	RC B1 / 9F	Aug. 2006	2,480.65	2,480.65	5	100.0	130,706
	Daiwa Kodenmachi	SRC 8F	Mar. 1985	2,379.31	2,379.31	8	100.0	67,292
	Daiwa Jimbocho	S B1 / 8F	Mar. 1997	3,164.26	3,164.26	6	100.0	115,503
	Daiwa Nishi-Shimbashi	SRC B1 / 10F	July 1993	4,815.84	4,815.84	11	100.0	185,015
	Daiwa Kayabacho Building (Note 8)	S / SRC B1 / 8F	Apr. 2010	5,899.11	5,899.11	1	100.0	(Not disclosed)
	Daiwa Jimbocho 3-chome	S 9F	Feb. 2010	2,889.34	2,889.34	8	100.0	115,281
	E SPACE TOWER	S / SRC B1 / 15F	Oct. 2002	13,960.87	13,543.72	12	97.0	797,483
	Daiwa Nihonbashi Hongokuchō	S 8F	May 2010	2,143.08	2,013.97	5	93.9	67,838
	shinyon curumu	S / RC B2 / 11F	Jan. 2012	6,751.31	6,751.31	16	100.0	390,235
	Daiwa Akasaka	SRC B2 / 7F	Sept. 1990	8,747.39	8,747.39	17	100.0	375,298
	Daiwa Shibuya Miyamasuzaka	S B1 / 12F	Dec. 1988	6,328.94	6,328.94	9	100.0	310,381
	Daiwa Azabu Terrace	S / RC B1 / 6F	Sept. 2009	13,234.39	13,234.39	12	100.0	485,286
	Daiwa Ebisu 4-chome (Note 8)	SRC B1 / 9F	Dec. 1997	2,951.70	2,951.70	1	100.0	(Not disclosed)
	LAQUAS Higashi Shinjuku	S 10F	Aug. 2010	7,498.33	7,498.33	4	100.0	233,365

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Region	Property name	Structure and number of floors (Note 1)	Construction completion (Note 2)	Leasable floor area (m ²) (Note 3)	Leased floor area (m ²) (Note 4)	Total number of tenants (Note 5)	Occupancy rate (%) (Note 6)	Rent revenue during current period (Thousands of yen) (Note 7)
Five Central Wards of Tokyo	Daiwa Aoyama	S / RC B1 / 7F	Nov. 2001	4,426.10	4,426.10	7	100.0	252,862
	Shinsen Place (Note 8)	RC B1 / 9F	Sept. 2001	2,811.35	2,811.35	1	100.0	(Not disclosed)
	Daiwa Shibuya Square	S / SRC B1 / 11F	Feb. 2004	8,566.73	8,566.73	12	100.0	443,044
	Daiwa River Gate	S / SRC / RC B2 / 20F	Feb. 1994	32,055.85	31,734.83	91	98.9	1,076,615
	Daiwa Hatchobori ekimae	S / SRC B1 / 10F	Feb. 2006	2,622.42	2,622.42	9	100.0	85,172
	Daiwa Hatchobori ekimae West	SRC B1 / 9F	Feb. 1996	1,734.68	1,734.68	8	100.0	47,749
	Daiwa Nishi-Shinjuku	SRC / RC / S B2 / 11F	Aug. 1991	6,967.61	6,309.48	6	90.5	331,501
	Kirin Nihonbashi Building (Note 8)	S / SRC 7F	Feb. 1999	5,630.17	5,630.17	1	100.0	(Not disclosed)
	Daiwa Higashi-nihonbashi Building	S 7F	Mar. 2008	5,015.88	5,015.88	5	100.0	175,163
	Daiwa Daikanyama (Note 8)	S 6F	Mar. 2001	1,642.83	1,642.83	1	100.0	(Not disclosed)
	Daiwa Shinjuku West	RC 4F	Mar. 1989	1,120.58	1,120.58	8	100.0	38,527
	Daiwa Kanda Mikura-cho Building	SRC / S B1 / 7F	Jan. 1991	1,719.51	1,719.51	7	100.0	50,739
	Daiwa Kanda East	S 9F	Feb. 2005	3,980.56	3,980.56	5	100.0	141,050
	Daiwa Kandasudacho	S / RC B1 / 10F	Aug. 1990	2,211.64	2,211.64	9	100.0	64,921
	Daiwa Sasazuka Tower	SRC / RC / S B2 / 18F	Feb. 1993	16,160.25	16,160.25	5	100.0	469,078
	Daiwa Sasazuka	SRC / S B1 / 8F	Dec. 1991	3,828.95	3,550.23	8	92.7	84,889
	Daiwa Harumi	S B1 / 12F	Jan. 2008	11,227.10	11,227.10	7	100.0	153,955
Daiwa Mita 2-Chome (Note 8)	S 8F	Mar. 2017	2,101.61	2,101.61	1	100.0	(Not disclosed)	
Total for Five Central Wards of Tokyo (50 properties)				282,031.99	279,032.50	522	98.9	11,099,458
Greater Tokyo	Daiwa Higashi-Ikebukuro	SRC / S B1 / 9F	June 1993	4,462.28	4,462.28	9	100.0	110,618
	Daiwa Shinagawa North	SRC B1 / 11F	July 1991	6,548.17	6,548.17	11	100.0	202,310
	Daiwa Osaki 3-chome (Note 10)	S / RC B1 / 6F	Sept. 2007	-	-	-	-	11,197
	Daiwa Kamiooka	S / SRC B3 / 7F	May 2011	2,630.30	2,630.30	9	100.0	93,474
	Daiwa Ogikubo Tower (Note 11)	S / SRC B2 / 18F	June 1993	17,778.14	17,778.14	9	100.0	664,086
	Daiwa Meguro Square	S / SRC B2 / 14F	July 2009	3,519.50	3,519.50	16	100.0	166,976
	Daiwa Ogikubo	SRC B1 / 7F	Nov. 1990	3,849.63	3,849.63	12	100.0	128,654
	CONCURRED Yokohama (Note 12)	S / SRC B1 / 20F	Feb. 2008	28,052.98	28,052.98	36	100.0	1,032,006
	Daiwa Shinagawa Gotenyama	SRC / S 8F	July 1992	2,396.96	2,396.96	6	100.0	67,453
Total for Greater Tokyo (9 properties)				69,237.96	69,237.96	108	100.0	2,476,778
Major Regional Cities	Daiwa Kitahama	S / SRC B1 / 16F	Feb. 2008	13,517.62	13,517.62	7	100.0	339,815
Total for Major Regional Cities (1 property)				13,517.62	13,517.62	7	100.0	339,815
Total (60 properties)				364,787.57	361,788.08	637	99.1	13,916,051

(Note 1) "Structure and number of floors" are the entries in the real estate registry of the building of the applicable investment real estate property. "S" refers to steel-framed structure, "RC" refers to reinforced concrete structure, "SRC" refers to steel-framed reinforced concrete structure, "B" refers to floors below ground and "F" refers to floors above ground.

(Note 2) "Construction completion" is the entry in the real estate registry of the building of the applicable investment real estate property.

- (Note 3) “Leasable floor area” represents the floor area of the building of the applicable property that is leasable, not including the leasable area of the land (including level parking space), and is the floor area indicated in the lease contract, etc. as of November 30, 2019.
- (Note 4) “Leased floor area” is the sum total of the floor area that is actually leased based on lease agreements, etc. executed with end-tenants as of November 30, 2019.
- (Note 5) “Total number of tenants” is the number of end-tenants. When there is a tenant occupying multiple buildings, the concerned tenant is counted and stated for each individual building.
- (Note 6) “Occupancy rate” is the figure arrived at when leased floor area is divided by leasable floor area, rounded down to one decimal place.
- (Note 7) “Rent revenue during current period” is rent income, common area charges income, parking lot income and other income generated from the applicable investment real estate property (excluding other lease business revenue) during the 28th Fiscal Period, rounded down to the nearest thousand yen.
- (Note 8) Not shown for such reasons as consent was not obtained from major tenants to disclose the rent revenue during current period for the properties.
- (Note 9) The real estate in trust pertaining to trust beneficial interest held by the Investment Corporation is the co-ownership interest corresponding to three-sevenths of the entire property. Accordingly, leasable floor area and leased floor area are the floor areas corresponding to three-sevenths of the entire building.
- (Note 10) The property was divested on July 1, 2019. This is reflected in the totals for the number of properties and the rent revenue during current period.
- (Note 11) The buildings consist of three registrations. Of these, the details of the major building are shown here.
- (Note 12) The real estate in trust pertaining to trust beneficial interest held by the Investment Corporation is the quasi co-ownership interest corresponding to 75% of the entire property. Accordingly, leasable floor area and leased floor area are the floor areas corresponding to 75% of the entire building.

3.2.3. Capital Expenditures for Assets under Management

A. Scheduled Capital Expenditures for the 28th Fiscal Period

The following are the principal capital expenditures arising from renovation construction work, etc. currently planned for existing portfolio properties. Please note that the expected construction amount includes portions that are expensed as a separate account item of accounting costs.

Name of real estate properties (Location)	Purpose	Scheduled implementation period	Expected construction amount (Millions of yen)		
			Total amount	Amount paid during current period	Total amount already paid
Daiwa Higashi-nihonbashi Building (Chuo-ku, Tokyo)	Upgrading of air-conditioning facilities	From: June 2019 To: May 2020	102	-	-
Shinsen Place (Shibuya-ku, Tokyo)	Upgrading of air-conditioning facilities	From: Sep. 2019 To: Apr. 2020	86	-	-
Daiwa Shibaura (Minato-ku, Tokyo)	Renovation of exterior walls	From: Nov. 2019 To: May 2020	67	-	-
CONCURRED Yokohama (Yokohama-shi, Kanagawa)	Repair of fire-resistant coating on facility balconies	From: Aug. 2019 To: Apr. 2020	49	-	-
Daiwa River Gate (Chuo-ku, Tokyo)	Repair of waterproof treatment for the penthouse floor	From: Dec. 2019 To: May 2020	37	-	-

B. Capital Expenditures during the 28th Fiscal Period

The following summarizes the primary construction work that constitutes capital expenditures implemented during the 28th Fiscal Period. Capital expenditures for the 28th Fiscal Period amounted to 1,351 million yen and, when combined with the 474 million yen in repair expenses charged to the 28th Fiscal Period expenses, totals 1,826 million yen in construction work were implemented.

Name of real estate properties (Location)	Purpose	Period	Construction amount paid (Millions of yen)
Daiwa Ogikubo Tower (Suginami-ku, Tokyo)	Upgrading of air-conditioning system (West side)	From: Jul. 2018 To: Jun. 2019	931
Daiwa Sasazuka (Shibuya-ku, Tokyo)	Renovation of exclusive areas on 8th floor	From: Jun. 2019 To: Nov. 2019	77
Daiwa Kojimachi 4-chome (Chiyoda-ku, Tokyo)	Upgrading of air-conditioning facilities on 3rd to 8th floors	From: Apr. 2019 To: Jul. 2019	53
Other			288
Total			1,351

C. Reserve Amount for Long-Term Repair Plans (Reserve for Repairs)

The Investment Corporation sets aside the following reserve for repairs from cash flows during the fiscal period for the payment of future major repairs.

(Unit: Millions of yen)

Fiscal period	24th Fiscal Period	25th Fiscal Period	26th Fiscal Period	27th Fiscal Period	28th Fiscal Period
	[From: June 1, 2017 To: Nov. 30, 2017]	[From: Dec. 1, 2017 To: May 31, 2018]	[From: June 1, 2018 To: Nov. 30, 2018]	[From: Dec. 1, 2018 To: May 31, 2019]	[From: June 1, 2019 To: Nov. 30, 2019]
Balance of reserve at beginning of current period	1,900	1,839	1,576	1,629	2,089
Amount of reserve in current period	1,417	-	476	460	61
Reversal of reserve in current period	1,478	263	423	-	-
Amount carried forward to next period	1,839	1,576	1,629	2,089	2,150

3.2.4. Summary of Estimated Price at End of Period (As of November 30, 2019)

Property name	Estimated price at end of period (Millions of yen) (Note 1)	Summary of Appraisal Report				
		Direct capitalization method		DCF method		
		Price (Millions of yen)	Cap rate (%)	Price (Millions of yen)	Discount rate (%)	Terminal cap rate (%)
Daiwa Ginza	17,600	17,800	3.4	17,400	3.2	3.6
Daiwa Ginza Annex	4,060	4,110	3.4	4,010	3.2	3.6
Daiwa Shibaura	8,350	8,310	3.9	8,360	3.7	4.1
Daiwa Minami-Aoyama	4,840	4,910	3.7	4,770	3.5	3.9
Daiwa Sarugakucho	4,230	4,290	4.3	4,160	4.1	4.5
Daiwa A Hamamatsucho (Note 2)	3,920	4,000	3.6	3,890	3.4	3.8
Daiwa Jingumae	3,100	3,150	3.7	3,040	3.5	3.9
Daiwa Shibadaimon	3,560	3,570	3.5	3,560	3.3	3.7
Daiwa Misakicho	2,940	2,980	3.8	2,920	3.6	4.0
Daiwa Shimbashi 510	2,530	2,580	4.0	2,480	3.8	4.2
Daiwa Tsukijiekimae (Note 3)	2,170	2,200	4.0	2,160	4.0	4.2
Daiwa Tsukiji	1,660	1,680	3.9	1,650	3.9	4.1
Daiwa Tsukishima	10,800	10,900	4.0	10,700	3.7	4.2
Daiwa Nihonbashi Horidomecho	2,840	2,890	3.9	2,790	3.7	4.1
Daiwa Azabudai	1,940	1,970	3.9	1,900	3.7	4.1
Daiwa Kyobashi	3,450	3,500	4.1	3,390	3.9	4.3
Daiwa Kojimachi 4-chome	2,910	2,960	3.6	2,860	3.4	3.8
Shinjuku Maynds Tower (Note 4)	63,900	152,000	3.1	145,000	2.9	3.3
Daiwa SHIBUYA EDGE	5,410	5,510	3.6	5,310	3.4	3.8
Daiwa Kodenmacho	2,310	2,330	4.1	2,290	3.9	4.3
Daiwa Jimbocho	3,990	4,040	3.7	3,970	3.7	3.9
Daiwa Nishi-Shimbashi	7,240	7,370	3.4	7,190	3.2	3.6
Daiwa Kayabacho Building	8,210	8,340	3.3	8,160	3.1	3.5
Daiwa Jimbocho 3-chome	5,250	5,350	3.3	5,200	3.1	3.5
E SPACE TOWER	36,600	37,300	3.0	35,800	2.8	3.2
Daiwa Nihonbashi Hongokucho	2,610	2,630	3.9	2,600	3.7	4.1
shinyon curumu	16,500	16,800	3.1	16,400	2.9	3.3
Daiwa Akasaka	15,500	15,800	3.1	15,300	2.9	3.3
Daiwa Shibuya Miyamasuzaka	11,800	11,900	3.3	11,600	3.1	3.5
Daiwa Azabu Terrace	17,800	18,100	3.5	17,400	3.3	3.7
Daiwa Ebisu 4-chome	6,290	6,220	3.6	6,320	3.7	3.8
LAQUAS Higashi Shinjuku	11,200	11,500	3.3	11,000	3.1	3.5
Daiwa Aoyama	12,600	12,900	3.1	12,400	2.9	3.3
Shinsen Place	6,780	6,890	3.2	6,730	3.1	3.4
Daiwa Shibuya Square	21,700	21,900	3.3	21,400	3.1	3.5
Daiwa River Gate	33,200	33,300	3.7	33,100	3.4	3.8
Daiwa Hatchobori ekimae	3,470	3,580	3.4	3,420	3.2	3.6
Daiwa Hatchobori ekimae West	1,930	1,980	3.5	1,910	3.3	3.7
Daiwa Nishi-Shinjuku	16,600	16,900	3.2	16,400	3.0	3.4
Kirin Nihonbashi Building	8,350	8,490	3.8	8,210	3.5	3.9
Daiwa Higashi-nihonbashi Building	7,030	7,180	3.8	6,960	3.6	4.0
Daiwa Daikanyama (Note 5)	3,590	3,650	3.2	3,560	3.2	3.4
Daiwa Shinjuku West	1,210	1,220	3.8	1,200	3.6	4.0
Daiwa Kanda Mikura-cho Building	1,800	1,840	3.8	1,780	3.8	4.0

Property name	Estimated price at end of period (Millions of yen) (Note 1)	Summary of Appraisal Report				
		Direct capitalization method		DCF method		
		Price (Millions of yen)	Cap rate (%)	Price (Millions of yen)	Discount rate (%)	Terminal cap rate (%)
Daiwa Kanda East	5,620	5,730	3.4	5,500	3.2	3.6
Daiwa Kandasudacho	2,810	2,890	3.6	2,770	3.6	3.8
Daiwa Sasazuka Tower	16,300	16,900	3.8	16,000	3.6	4.0
Daiwa Sasazuka	3,470	3,600	4.0	3,420	3.8	4.2
Daiwa Harumi	12,300	12,900	3.7	12,000	3.7	3.9
Daiwa Mita 2-Chome	3,280	3,340	3.6	3,220	3.4	3.8
Daiwa Higashi-Ikebukuro	4,300	4,320	4.0	4,290	3.8	4.2
Daiwa Shinagawa North	6,350	6,470	4.1	6,220	3.9	4.3
Daiwa Kamiooka	2,900	2,910	4.4	2,890	4.2	4.6
Daiwa Ogikubo Tower	22,700	22,800	3.6	22,600	3.4	3.8
Daiwa Meguro Square	7,090	7,260	3.5	7,020	3.3	3.7
Daiwa Ogikubo	4,730	4,800	3.8	4,700	3.6	4.0
CONCURRED Yokohama (Note 6)	41,100	42,300	4.2	40,600	4.0	4.4
Daiwa Shinagawa Gotenyama	2,710	2,760	3.9	2,690	3.7	4.1
Daiwa Kitahama	13,300	13,500	3.7	13,200	3.5	3.9
Total	562,730	659,300	-	637,770	-	-

(Note 1) "Estimated price at end of period" is the price as of November 30, 2019, stated in appraisal reports prepared by real estate appraisers of Tanizawa Sogo Appraisal Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd., JLL Morii Valuation & Advisory K.K. and Japan Real Estate Institute in accordance with the articles of incorporation of the Investment Corporation and the rules of The Investment Trusts Association, Japan.

(Note 2) For Daiwa A Hamamatsucho, the prices are those pertaining to the Investment Corporation's ownership interest.

(Note 3) Discount rate for Daiwa Tsukijiekimae is the figure after the 2nd fiscal year (3.9% for the 1st fiscal year).

(Note 4) For Shinjuku Maynds Tower, the estimated price at end of period is the price pertaining to the Investment Corporation's ownership interest, and the price indicated by the direct capitalization method and price indicated by the DCF method are the prices pertaining to the entire Property.

(Note 5) Discount rate for Daiwa Daikanyama is the figure after the 11th fiscal year (3.3% up to the 10th fiscal year).

(Note 6) For CONCURRED Yokohama, Price indicates a price pertaining to the Investment Corporation's ownership interest.

3.2.5. Status of Income (Loss), etc. of Individual Properties

The following table lists the status of income (loss), etc. of each property for the 28th Fiscal Period (from June 1, 2019 to November 30, 2019). Income (loss) information is presented in accordance with “2. Financial Statements; 2.7. Notes to Significant Accounting Policies” outlined earlier.

Region		Five Central Wards of Tokyo				
Property name		Daiwa Ginza	Daiwa Ginza Annex	Daiwa Shibaura	Daiwa Minami-Aoyama	Daiwa Sarugakucho (Note 3)
Acquisition date		Oct. 2005	Oct. 2005	Oct. 2005	Oct. 2005	Oct. 2005
Price information	Acquisition price (Millions of yen)	14,100	3,050	8,265	4,550	3,190
	Investment ratio (%)	3.1	0.7	1.8	1.0	0.7
	Carrying amount (Millions of yen)	12,852	2,740	7,957	4,403	3,147
	Estimated price at end of period (Millions of yen)	17,600	4,060	8,350	4,840	4,230
Leasing information	Total number of tenants (Note 1)	25	7	55	5	2
	Leasable floor area (m ²)	8,114.93	2,032.11	9,619.67	2,715.54	3,657.43
	Leased floor area (m ²)	8,067.49	2,032.11	9,578.76	2,715.54	3,657.43
	Occupancy rate (%)					
	End of Nov. 2017	89.3	100.0	99.1	100.0	100.0
	End of May 2018	95.0	100.0	99.1	84.8	100.0
	End of Nov. 2018	100.0	100.0	98.3	100.0	100.0
End of May 2019	99.6	100.0	99.1	100.0	100.0	
End of Nov. 2019	99.4	100.0	99.5	100.0	100.0	
Income (loss) information	Number of days of asset management	183	183	183	183	183
	Total property leasing revenue (A) (Thousands of yen)	431,930	101,678	268,901	131,717	(Not disclosed)
	Rent revenue – real estate	431,930	101,678	267,483	131,717	(Not disclosed)
	Other lease business revenue	-	-	1,418	-	(Not disclosed)
	Total property leasing expenses (B) (Thousands of yen)	164,920	32,961	98,776	41,291	(Not disclosed)
	Consignment expenses	21,141	6,024	18,461	5,739	(Not disclosed)
	Utilities expenses	25,898	6,731	17,441	6,792	(Not disclosed)
	Taxes and dues	31,731	10,479	20,850	13,017	(Not disclosed)
	Non-life insurance expenses	419	97	381	150	(Not disclosed)
	Repair expenses	2,324	450	10,604	1,067	(Not disclosed)
	Depreciation (C)	68,415	9,178	31,036	14,522	(Not disclosed)
	Other lease business expenses	14,990	-	-	-	(Not disclosed)
	Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	267,009	68,717	170,124	90,426	(Not disclosed)
NOI (E) [(D) + (C)] (Thousands of yen)	335,424	77,895	201,161	104,949	96,632	
Capital expenditures (F) (Thousands of yen)	1,010	208	8,272	4,423	3,140	
NCF [(E) – (F)] (Thousands of yen)	334,414	77,687	192,888	100,525	93,492	
Reference information	Expense rate (%) [(B) ÷ (A)]	38.18	32.42	36.73	31.35	(Not disclosed)
	Annual amount of fixed property tax, etc. for fiscal 2019 (Thousands of yen)	63,419	20,813	41,169	25,575	14,118
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	400,440	80,790	302,630	185,215	96,757

Region		Five Central Wards of Tokyo				
Property name		Daiwa A Hamamatsucho	Daiwa Jingumae	Daiwa Shibadaimon	Daiwa Misakicho (Note 3)	Daiwa Shimbashi 510
Acquisition date		Oct. 2005	Oct. 2005	Oct. 2005	Oct. 2005	Oct. 2005
Price information	Acquisition price (Millions of yen)	2,865	2,800	2,578	2,346	2,080
	Investment ratio (%)	0.6	0.6	0.6	0.5	0.5
	Carrying amount (Millions of yen)	2,732	2,686	2,367	2,117	2,118
	Estimated price at end of period (Millions of yen)	3,920	3,100	3,560	2,940	2,530
Leasing information	Total number of tenants (Note 1)	12	5	7	1	7
	Leasable floor area (m ²)	3,663.38	2,198.61	2,386.48	2,137.53	2,595.76
	Leased floor area (m ²)	3,663.38	2,198.61	2,386.48	2,137.53	2,595.76
	Occupancy rate (%)					
	End of Nov. 2017	100.0	100.0	100.0	100.0	89.4
	End of May 2018	100.0	100.0	100.0	100.0	100.0
	End of Nov. 2018	100.0	78.5	100.0	100.0	100.0
End of May 2019	100.0	100.0	100.0	100.0	100.0	
End of Nov. 2019	100.0	100.0	100.0	100.0	100.0	
Income (loss) information	Number of days of asset management	183	183	183	183	183
	Total property leasing revenue (A) (Thousands of yen)	136,734	88,027	87,788	(Not disclosed)	77,996
	Rent revenue – real estate	136,734	88,027	87,788	(Not disclosed)	77,996
	Other lease business revenue	-	-	-	(Not disclosed)	-
	Total property leasing expenses (B) (Thousands of yen)	70,942	24,806	37,365	(Not disclosed)	30,268
	Consignment expenses	9,631	4,415	12,710	(Not disclosed)	7,769
	Utilities expenses	7,600	4,009	5,659	(Not disclosed)	5,294
	Taxes and dues	9,067	6,894	6,654	(Not disclosed)	6,157
	Non-life insurance expenses	176	82	119	(Not disclosed)	122
	Repair expenses	115	468	1,474	(Not disclosed)	1,712
	Depreciation (C)	14,951	8,928	10,746	(Not disclosed)	9,212
	Other lease business expenses	29,400	7	-	(Not disclosed)	-
	Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	65,792	63,221	50,422	(Not disclosed)	47,728
NOI (E) [(D) + (C)] (Thousands of yen)	80,743	72,149	61,169	48,745	56,940	
Capital expenditures (F) (Thousands of yen)	-	2,091	1,040	818	269	
NCF [(E) – (F)] (Thousands of yen)	80,743	70,057	60,129	47,927	56,671	
Reference information	Expense rate (%) [(B) ÷ (A)]	51.88	28.18	42.56	(Not disclosed)	38.81
	Annual amount of fixed property tax, etc. for fiscal 2019 (Thousands of yen)	17,977	13,789	12,967	10,744	12,286
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	100,430	117,930	150,927	182,856	89,426

Region		Five Central Wards of Tokyo				
Property name		Daiwa Tsukijiekimae	Daiwa Tsukiji	Daiwa Tsukishima	Daiwa Nihonbashi Horidomecho	Daiwa Azabudai
Acquisition date		Jan. 2006	Jan. 2006	Mar. 2006	May 2006	May 2006
Price information	Acquisition price (Millions of yen)	1,560	1,240	7,840	2,520	1,600
	Investment ratio (%)	0.3	0.3	1.7	0.5	0.3
	Carrying amount (Millions of yen)	1,259	1,120	6,719	2,421	1,495
	Estimated price at end of period (Millions of yen)	2,170	1,660	10,800	2,840	1,940
Leasing information	Total number of tenants (Note 1)	6	6	4	8	11
	Leasable floor area (m ²)	2,659.59	1,487.44	8,425.69	2,850.81	1,697.88
	Leased floor area (m ²)	2,659.59	1,487.44	8,425.69	2,850.81	1,697.88
	Occupancy rate (%)					
	End of Nov. 2017	100.0	100.0	100.0	100.0	100.0
	End of May 2018	100.0	100.0	100.0	100.0	100.0
	End of Nov. 2018	100.0	100.0	100.0	100.0	100.0
	End of May 2019	100.0	100.0	100.0	100.0	100.0
End of Nov. 2019	100.0	100.0	100.0	100.0	100.0	
Income (loss) information	Number of days of asset management	183	183	183	183	183
	Total property leasing revenue (A) (Thousands of yen)	67,644	49,370	279,610	86,180	55,885
	Rent revenue – real estate	67,644	49,370	279,610	86,180	55,885
	Other lease business revenue	-	-	-	-	-
	Total property leasing expenses (B) (Thousands of yen)	27,820	19,637	140,696	32,333	32,095
	Consignment expenses	3,963	5,051	12,116	5,103	4,218
	Utilities expenses	4,237	2,240	12,005	3,985	2,947
	Taxes and dues	5,271	4,102	14,992	7,048	5,070
	Non-life insurance expenses	97	62	289	130	73
	Repair expenses	773	577	45,263	667	10,886
	Depreciation (C)	13,459	7,603	56,029	15,398	8,900
	Other lease business expenses	18	-	-	-	-
	Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	39,824	29,733	138,914	53,846	23,789
NOI (E) [(D) + (C)] (Thousands of yen)	53,283	37,337	194,944	69,244	32,689	
Capital expenditures (F) (Thousands of yen)	168	414	676	1,234	716	
NCF [(E) – (F)] (Thousands of yen)	53,115	36,923	194,267	68,010	31,973	
Reference information	Expense rate (%) [(B) ÷ (A)]	41.13	39.78	50.32	37.52	57.43
	Annual amount of fixed property tax, etc. for fiscal 2019 (Thousands of yen)	10,511	8,145	29,984	13,848	10,121
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	120,530	109,848	102,930	234,846	108,280

Region		Five Central Wards of Tokyo				
Property name		Daiwa Kyobashi	Daiwa Kojimachi 4-chome	Shinjuku Maynds Tower	Daiwa SHIBUYA EDGE	Daiwa Kodenmacho
Acquisition date		July 2006	Oct. 2006	July 2007 and Nov. 2007	July 2007	Aug. 2007
Price information	Acquisition price (Millions of yen)	3,460	2,910	66,900	5,900	2,460
	Investment ratio (%)	0.8	0.6	14.5	1.3	0.5
	Carrying amount (Millions of yen)	3,169	2,863	63,984	5,612	2,345
	Estimated price at end of period (Millions of yen)	3,450	2,910	63,900	5,410	2,310
Leasing information	Total number of tenants (Note 1)	10	7	38	5	8
	Leasable floor area (m ²)	3,265.83	2,695.31	22,759.66	2,480.65	2,379.31
	Leased floor area (m ²)	3,265.83	2,695.31	21,652.65	2,480.65	2,379.31
	Occupancy rate (%)					
	End of Nov. 2017	87.9	100.0	96.6	100.0	100.0
	End of May 2018	100.0	100.0	99.8	100.0	100.0
	End of Nov. 2018	100.0	100.0	99.9	100.0	100.0
End of May 2019	100.0	100.0	99.3	100.0	100.0	
End of Nov. 2019	100.0	100.0	95.1	100.0	100.0	
Income (loss) information	Number of days of asset management	183	183	183	183	183
	Total property leasing revenue (A) (Thousands of yen)	105,254	89,728	1,367,036	130,706	67,292
	Rent revenue – real estate	105,254	89,728	1,349,146	130,706	67,292
	Other lease business revenue	-	-	17,889	-	-
	Total property leasing expenses (B) (Thousands of yen)	43,009	66,061	590,779	40,009	25,929
	Consignment expenses	5,785	5,235	82,402	6,860	5,531
	Utilities expenses	8,351	5,765	136,974	7,014	4,847
	Taxes and dues	7,540	16,419	135,846	7,986	3,841
	Non-life insurance expenses	128	141	1,797	104	92
	Repair expenses	1,379	23,427	30,260	1,164	1,078
	Depreciation (C)	19,824	15,072	200,817	16,880	9,715
Other lease business expenses	-	-	2,681	-	822	
Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	62,245	23,666	776,257	90,697	41,362	
NOI (E) [(D) + (C)] (Thousands of yen)	82,069	38,738	977,074	107,577	51,077	
Capital expenditures (F) (Thousands of yen)	284	55,779	27,334	1,696	-	
NCF [(E) – (F)] (Thousands of yen)	81,785	(17,040)	949,740	105,880	51,077	
Reference information	Expense rate (%) [(B) ÷ (A)]	40.86	73.62	43.22	30.61	38.53
	Annual amount of fixed property tax, etc. for fiscal 2019 (Thousands of yen)	14,978	32,593	268,526	15,967	7,682
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	116,200	169,753	5,834,950	62,460	84,051

Region		Five Central Wards of Tokyo				
Property name		Daiwa Jimbocho	Daiwa Nishi-Shimbashi	Daiwa Kayabacho Building (Note 3)	Daiwa Jimbocho 3-chome	E-SPACE TOWER
Acquisition date		Mar. 2010	Aug. 2010	Mar. 2011	Mar. 2011	July 2011
Price information	Acquisition price (Millions of yen)	4,150	5,000	5,600	3,550	24,000
	Investment ratio (%)	0.9	1.1	1.2	0.8	5.2
	Carrying amount (Millions of yen)	3,943	4,643	5,180	3,314	23,471
	Estimated price at end of period (Millions of yen)	3,990	7,240	8,210	5,250	36,600
Leasing information	Total number of tenants (Note 1)	6	11	1	8	12
	Leasable floor area (m ²)	3,164.26	4,815.84	5,899.11	2,889.34	13,960.87
	Leased floor area (m ²)	3,164.26	4,815.84	5,899.11	2,889.34	13,543.72
	Occupancy rate (%)					
	End of Nov. 2017	100.0	100.0	100.0	100.0	92.8
	End of May 2018	100.0	100.0	100.0	100.0	100.0
	End of Nov. 2018	100.0	100.0	100.0	100.0	93.3
	End of May 2019	100.0	100.0	100.0	88.1	89.6
End of Nov. 2019	100.0	100.0	100.0	100.0	97.0	
Income (loss) information	Number of days of asset management	183	183	183	183	183
	Total property leasing revenue (A) (Thousands of yen)	115,503	185,015	(Not disclosed)	115,281	797,483
	Rent revenue – real estate	115,503	185,015	(Not disclosed)	115,281	797,483
	Other lease business revenue	-	-	(Not disclosed)	-	-
	Total property leasing expenses (B) (Thousands of yen)	48,811	79,487	(Not disclosed)	47,837	281,805
	Consignment expenses	6,867	15,773	(Not disclosed)	10,089	57,740
	Utilities expenses	5,734	9,984	(Not disclosed)	7,502	47,900
	Taxes and dues	11,749	16,266	(Not disclosed)	9,940	62,367
	Non-life insurance expenses	134	240	(Not disclosed)	124	644
	Repair expenses	3,020	1,663	(Not disclosed)	321	37,986
	Depreciation (C)	21,266	35,559	(Not disclosed)	19,858	75,095
	Other lease business expenses	40	-	(Not disclosed)	-	72
	Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	66,692	105,528	(Not disclosed)	67,444	515,677
	NOI (E) [(D) + (C)] (Thousands of yen)	87,958	141,087	149,573	87,302	590,772
Capital expenditures (F) (Thousands of yen)	-	460	886	-	4,772	
NCF [(E) – (F)] (Thousands of yen)	87,958	140,627	148,687	87,302	586,000	
Reference information	Expense rate (%) [(B) ÷ (A)]	42.26	42.96	(Not disclosed)	41.50	35.34
	Annual amount of fixed property tax, etc. for fiscal 2019 (Thousands of yen)	23,208	32,228	25,663	19,847	124,697
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	128,200	187,580	125,988	82,470	574,150

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Region		Five Central Wards of Tokyo				
Property name		Daiwa Nihonbashi Hongokuchō	shinyon curumu	Daiwa Akasaka	Daiwa Shibuya Miyamasuzaka	Daiwa Azabu Terrace
Acquisition date		May 2012	Dec. 2012 and Apr. 2013	Aug. 2013	Sept. 2013	July 2014
Price information	Acquisition price (Millions of yen)	1,721	9,650	9,200	7,000	14,000
	Investment ratio (%)	0.4	2.1	2.0	1.5	3.0
	Carrying amount (Millions of yen)	1,554	9,592	10,183	7,339	13,930
	Estimated price at end of period (Millions of yen)	2,610	16,500	15,500	11,800	17,800
Leasing information	Total number of tenants (Note 1)	5	16	17	9	12
	Leasable floor area (m ²)	2,143.08	6,751.31	8,747.39	6,328.94	13,234.39
	Leased floor area (m ²)	2,013.97	6,751.31	8,747.39	6,328.94	13,234.39
	Occupancy rate (%)					
	End of Nov. 2017	100.0	99.5	91.4	100.0	99.6
	End of May 2018	100.0	99.5	100.0	100.0	99.6
	End of Nov. 2018	100.0	100.0	100.0	100.0	99.6
End of May 2019	100.0	100.0	100.0	100.0	100.0	
End of Nov. 2019	93.9	100.0	100.0	100.0	100.0	
Income (loss) information	Number of days of asset management	183	183	183	183	183
	Total property leasing revenue (A) (Thousands of yen)	71,437	393,931	375,298	310,381	485,286
	Rent revenue – real estate	67,838	390,235	375,298	310,381	485,286
	Other lease business revenue	3,598	3,696	-	-	-
	Total property leasing expenses (B) (Thousands of yen)	24,586	120,220	151,620	91,753	175,245
	Consignment expenses	3,699	23,008	24,441	23,911	32,337
	Utilities expenses	2,631	22,474	25,973	14,238	51,879
	Taxes and dues	4,555	37,279	35,764	22,650	33,795
	Non-life insurance expenses	76	329	410	293	580
	Repair expenses	289	530	6,057	3,505	4,719
	Depreciation (C)	13,335	36,599	58,971	27,130	51,933
Other lease business expenses	-	-	-	24	-	
Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	46,850	273,710	223,677	218,627	310,041	
NOI (E) [(D) + (C)] (Thousands of yen)	60,186	310,309	282,649	245,758	361,974	
Capital expenditures (F) (Thousands of yen)	-	14,588	3,347	6,578	1,223	
NCF [(E) – (F)] (Thousands of yen)	60,186	295,721	279,302	239,179	360,751	
Reference information	Expense rate (%) [(B) ÷ (A)]	34.42	30.52	40.40	29.56	36.11
	Annual amount of fixed property tax, etc. for fiscal 2019 (Thousands of yen)	9,099	74,517	71,460	45,251	67,248
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	50,940	166,089	327,392	457,625	491,112

Region		Five Central Wards of Tokyo				
Property name		Daiwa Ebisu 4-chome (Note 3)	LAQUAS Higashi Shinjuku	Daiwa Aoyama	Shinsen Place (Note 3)	Daiwa Shibuya Square
Acquisition date		Dec. 2014	Dec. 2014	Mar. 2015	Mar. 2015	May 2015
Price information	Acquisition price (Millions of yen)	4,135	8,450	9,800	4,800	16,000
	Investment ratio (%)	0.9	1.8	2.1	1.0	3.5
	Carrying amount (Millions of yen)	4,215	8,409	9,977	4,852	15,889
	Estimated price at end of period (Millions of yen)	6,290	11,200	12,600	6,780	21,700
Leasing information	Total number of tenants (Note 1)	1	4	7	1	12
	Leasable floor area (m ²)	2,951.70	7,498.33	4,426.10	2,811.35	8,566.73
	Leased floor area (m ²)	2,951.70	7,498.33	4,426.10	2,811.35	8,566.73
	Occupancy rate (%)					
	End of Nov. 2017	100.0	100.0	100.0	100.0	100.0
	End of May 2018	100.0	100.0	100.0	100.0	100.0
	End of Nov. 2018	100.0	100.0	91.5	100.0	100.0
	End of May 2019	100.0	100.0	100.0	100.0	100.0
End of Nov. 2019	100.0	100.0	100.0	100.0	100.0	
Income (loss) information	Number of days of asset management	183	183	183	183	183
	Total property leasing revenue (A) (Thousands of yen)	(Not disclosed)	233,397	252,862	(Not disclosed)	443,044
	Rent revenue – real estate	(Not disclosed)	233,365	252,862	(Not disclosed)	443,044
	Other lease business revenue	(Not disclosed)	32	-	(Not disclosed)	-
	Total property leasing expenses (B) (Thousands of yen)	(Not disclosed)	81,513	55,387	(Not disclosed)	104,673
	Consignment expenses	(Not disclosed)	10,044	13,934	(Not disclosed)	17,075
	Utilities expenses	(Not disclosed)	14,623	8,370	(Not disclosed)	23,206
	Taxes and dues	(Not disclosed)	21,206	14,321	(Not disclosed)	29,106
	Non-life insurance expenses	(Not disclosed)	296	150	(Not disclosed)	358
	Repair expenses	(Not disclosed)	1,848	882	(Not disclosed)	1,643
	Depreciation (C)	(Not disclosed)	33,335	17,728	(Not disclosed)	33,282
	Other lease business expenses	(Not disclosed)	158	-	(Not disclosed)	-
	Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	(Not disclosed)	151,884	197,475	(Not disclosed)	338,371
NOI (E) [(D) + (C)] (Thousands of yen)	140,969	185,219	215,204	124,188	371,654	
Capital expenditures (F) (Thousands of yen)	2,824	1,799	-	200	3,103	
NCF [(E) – (F)] (Thousands of yen)	138,145	183,420	215,204	123,988	368,550	
Reference information	Expense rate (%) [(B) ÷ (A)]	(Not disclosed)	34.92	21.90	(Not disclosed)	23.63
	Annual amount of fixed property tax, etc. for fiscal 2019 (Thousands of yen)	19,942	42,084	28,639	17,262	57,711
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	98,692	162,700	175,290	178,610	234,380

Region		Five Central Wards of Tokyo				
Property name		Daiwa River Gate	Daiwa Hatchobori ekimae	Daiwa Hatchobori ekimae West	Daiwa Nishi-Shinjuku	Kirin Nihonbashi Building (Note 3)
Acquisition date		June 2015	Sept. 2015	Sept. 2015	Mar. 2016	May 2016
Price information	Acquisition price (Millions of yen)	28,000	2,871	1,647	13,710	8,180
	Investment ratio (%)	6.1	0.6	0.4	3.0	1.8
	Carrying amount (Millions of yen)	27,762	2,914	1,713	13,972	8,371
	Estimated price at end of period (Millions of yen)	33,200	3,470	1,930	16,600	8,350
Leasing information	Total number of tenants (Note 1)	91	9	8	6	1
	Leasable floor area (m ²)	32,055.85	2,622.42	1,734.68	6,967.61	5,630.17
	Leased floor area (m ²)	31,734.83	2,622.42	1,734.68	6,309.48	5,630.17
	Occupancy rate (%)					
	End of Nov. 2017	98.1	100.0	100.0	100.0	100.0
	End of May 2018	99.4	100.0	100.0	100.0	100.0
	End of Nov. 2018	99.3	100.0	100.0	100.0	100.0
End of May 2019	99.7	100.0	100.0	100.0	100.0	
End of Nov. 2019	98.9	100.0	100.0	90.5	100.0	
Income (loss) information	Number of days of asset management	183	183	183	183	183
	Total property leasing revenue (A) (Thousands of yen)	1,081,781	85,172	47,749	332,297	(Not disclosed)
	Rent revenue – real estate	1,076,615	85,172	47,749	331,501	(Not disclosed)
	Other lease business revenue	5,166	-	-	796	(Not disclosed)
	Total property leasing expenses (B) (Thousands of yen)	463,778	35,277	18,317	134,012	(Not disclosed)
	Consignment expenses	84,949	7,628	5,943	15,836	(Not disclosed)
	Utilities expenses	127,474	7,025	2,769	19,655	(Not disclosed)
	Taxes and dues	104,870	9,317	4,260	39,572	(Not disclosed)
	Non-life insurance expenses	1,713	124	64	300	(Not disclosed)
	Repair expenses	12,440	858	465	38,042	(Not disclosed)
	Depreciation (C)	132,329	10,321	4,813	20,604	(Not disclosed)
	Other lease business expenses	-	-	-	-	(Not disclosed)
	Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	618,002	49,895	29,432	198,285	(Not disclosed)
NOI (E) [(D) + (C)] (Thousands of yen)	750,332	60,217	34,246	218,889	157,909	
Capital expenditures (F) (Thousands of yen)	57,366	824	260	1,700	1,713	
NCF [(E) – (F)] (Thousands of yen)	692,965	59,393	33,986	217,189	156,196	
Reference information	Expense rate (%) [(B) ÷ (A)]	42.87	41.42	38.36	40.33	(Not disclosed)
	Annual amount of fixed property tax, etc. for fiscal 2019 (Thousands of yen)	204,884	18,446	8,457	78,363	22,184
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	1,970,900	114,190	84,620	284,170	216,720

Region		Five Central Wards of Tokyo				
Property name		Daiwa Higashi-nihonbashi Building	Daiwa Daikanyama (Note 3)	Daiwa Shinjuku West	Daiwa Kanda Mikura-cho Building	Daiwa Kanda East
Acquisition date		June 2016	June 2016	July 2016	Dec. 2016	Jan. 2018
Price information	Acquisition price (Millions of yen)	6,370	2,280	942	1,592	4,200
	Investment ratio (%)	1.4	0.5	0.2	0.3	0.9
	Carrying amount (Millions of yen)	6,267	2,375	977	1,588	4,267
	Estimated price at end of period (Millions of yen)	7,030	3,590	1,210	1,800	5,620
Leasing information	Total number of tenants (Note 1)	5	1	8	7	5
	Leasable floor area (m ²)	5,015.88	1,642.83	1,120.58	1,719.51	3,980.56
	Leased floor area (m ²)	5,015.88	1,642.83	1,120.58	1,719.51	3,980.56
	Occupancy rate (%)					
	End of Nov. 2017	100.0	100.0	100.0	100.0	-
	End of May 2018	100.0	100.0	100.0	100.0	91.8
	End of Nov. 2018	100.0	100.0	99.0	100.0	100.0
End of May 2019	100.0	100.0	100.0	100.0	100.0	
End of Nov. 2019	100.0	100.0	100.0	100.0	100.0	
Income (loss) information	Number of days of asset management	183	183	183	183	183
	Total property leasing revenue (A) (Thousands of yen)	175,163	(Not disclosed)	38,527	50,739	141,050
	Rent revenue – real estate	175,163	(Not disclosed)	38,527	50,739	141,050
	Other lease business revenue	-	(Not disclosed)	-	-	-
	Total property leasing expenses (B) (Thousands of yen)	56,229	(Not disclosed)	12,288	16,940	66,338
	Consignment expenses	6,909	(Not disclosed)	3,536	5,097	12,322
	Utilities expenses	11,068	(Not disclosed)	2,986	3,031	9,809
	Taxes and dues	11,725	(Not disclosed)	3,116	3,544	10,467
	Non-life insurance expenses	201	(Not disclosed)	41	54	147
	Repair expenses	1,018	(Not disclosed)	718	227	15,145
	Depreciation (C)	25,277	(Not disclosed)	1,877	4,985	18,445
	Other lease business expenses	30	(Not disclosed)	12	-	-
Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	118,934	(Not disclosed)	26,238	33,798	74,712	
NOI (E) [(D) + (C)] (Thousands of yen)	144,211	35,471	28,115	38,783	93,158	
Capital expenditures (F) (Thousands of yen)	2,400	220	115	585	469	
NCF [(E) – (F)] (Thousands of yen)	141,811	35,251	28,000	38,198	92,689	
Reference information	Expense rate (%) [(B) ÷ (A)]	32.10	(Not disclosed)	31.90	33.39	47.03
	Annual amount of fixed property tax, etc. for fiscal 2019 (Thousands of yen)	23,254	10,300	6,229	7,047	20,663
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	158,880	45,044	79,330	74,026	133,611

Region		Five Central Wards of Tokyo				
Property name		Daiwa Kandasudacho	Daiwa Sasazuka Tower	Daiwa Sasazuka	Daiwa Harumi	Daiwa Mita 2-Chome (Note 3)
Acquisition date		June 2018 and Nov. 2018	Oct. 2018	Dec. 2018	Feb. 2019	July 2019
Price information	Acquisition price (Millions of yen)	2,295	15,500	3,000	11,200	2,635
	Investment ratio (%)	0.5	3.4	0.7	2.4	0.6
	Carrying amount (Millions of yen)	2,371	16,032	3,188	11,295	1,599
	Estimated price at end of period (Millions of yen)	2,810	16,300	3,470	12,300	3,280
Leasing information	Total number of tenants (Note 1)	9	5	8	7	1
	Leasable floor area (m ²)	2,211.64	16,160.25	3,828.95	11,227.10	2,101.61
	Leased floor area (m ²)	2,211.64	16,160.25	3,550.23	11,227.10	2,101.61
	Occupancy rate (%)					
	End of Nov. 2017	-	-	-	-	-
	End of May 2018	-	-	-	-	-
	End of Nov. 2018	100.0	100.0	-	-	-
End of May 2019	100.0	100.0	96.0	47.3	-	
End of Nov. 2019	100.0	100.0	92.7	100.0	100.0	
Income (loss) information	Number of days of asset management	183	183	183	183	153
	Total property leasing revenue (A) (Thousands of yen)	64,921	469,078	85,069	153,955	(Not disclosed)
	Rent revenue – real estate	64,921	469,078	84,889	153,955	(Not disclosed)
	Other lease business revenue	-	-	180	-	(Not disclosed)
	Total property leasing expenses (B) (Thousands of yen)	21,461	230,227	57,106	121,312	(Not disclosed)
	Consignment expenses	6,015	45,130	9,820	62,242	(Not disclosed)
	Utilities expenses	3,970	60,938	8,784	21,944	(Not disclosed)
	Taxes and dues	4,624	55,284	8,845	107	(Not disclosed)
	Non-life insurance expenses	69	777	143	439	(Not disclosed)
	Repair expenses	217	7,180	19,316	1,457	(Not disclosed)
	Depreciation (C)	6,553	60,916	10,195	34,847	(Not disclosed)
	Other lease business expenses	10	-	-	274	(Not disclosed)
	Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	43,459	238,851	27,963	32,642	(Not disclosed)
NOI (E) [(D) + (C)] (Thousands of yen)	50,013	299,767	38,159	67,490	60,274	
Capital expenditures (F) (Thousands of yen)	400	20,761	88,150	4,713	243	
NCF [(E) – (F)] (Thousands of yen)	49,613	279,006	(49,991)	62,776	60,030	
Reference information	Expense rate (%) [(B) ÷ (A)]	33.06	49.08	67.13	78.80	(Not disclosed)
	Annual amount of fixed property tax, etc. for fiscal 2019 (Thousands of yen)	9,140	110,514	17,584	-	-
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	76,730	718,270	129,490	253,020	5,360

Region		Greater Tokyo				
Property name		Daiwa Higashi-Ikebukuro	Daiwa Shinagawa North	Daiwa Osaki 3-chome (Note 4)	Daiwa Kamiooka	Daiwa Ogikubo Tower
Acquisition date		Oct. 2005	July 2007	Sept. 2012	Mar. 2013	May 2014
Price information	Acquisition price (Millions of yen)	2,958	7,710	-	2,000	15,220
	Investment ratio (%)	0.6	1.7	-	0.4	3.3
	Carrying amount (Millions of yen)	2,609	7,087	-	1,857	16,546
	Estimated price at end of period (Millions of yen)	4,300	6,350	-	2,900	22,700
Leasing information	Total number of tenants (Note 1)	9	11	-	9	9
	Leasable floor area (m ²)	4,462.28	6,548.17	-	2,630.30	17,778.14
	Leased floor area (m ²)	4,462.28	6,548.17	-	2,630.30	17,778.14
	Occupancy rate (%)					
	End of Nov. 2017	100.0	100.0	100.0	100.0	100.0
	End of May 2018	100.0	100.0	100.0	100.0	100.0
	End of Nov. 2018	100.0	100.0	100.0	100.0	100.0
End of May 2019	100.0	100.0	100.0	100.0	99.6	
End of Nov. 2019	100.0	100.0	-	100.0	100.0	
Income (loss) information	Number of days of asset management	183	183	30	183	183
	Total property leasing revenue (A) (Thousands of yen)	110,618	202,310	11,197	93,474	664,086
	Rent revenue – real estate	110,618	202,310	11,197	93,474	664,086
	Other lease business revenue	-	-	-	-	-
	Total property leasing expenses (B) (Thousands of yen)	62,522	94,062	9,572	37,949	371,711
	Consignment expenses	18,291	17,943	650	5,435	53,954
	Utilities expenses	10,269	13,799	1,132	7,758	71,580
	Taxes and dues	8,610	18,968	3,964	6,399	45,088
	Non-life insurance expenses	211	326	11	118	844
	Repair expenses	511	6,636	-	172	71,235
	Depreciation (C)	24,629	36,378	3,813	18,065	128,828
Other lease business expenses	-	9	-	-	180	
Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	48,095	108,248	1,624	55,524	292,374	
NOI (E) [(D) + (C)] (Thousands of yen)	72,724	144,627	5,438	73,590	421,202	
Capital expenditures (F) (Thousands of yen)	-	7,301	-	-	936,051	
NCF [(E) – (F)] (Thousands of yen)	72,724	137,326	5,438	73,590	(514,848)	
Reference information	Expense rate (%) [(B) ÷ (A)]	56.52	46.49	85.49	40.60	55.97
	Annual amount of fixed property tax, etc. for fiscal 2019 (Thousands of yen)	17,123	37,023	-	12,798	89,302
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	228,260	331,160	-	63,700	575,795

Region		Greater Tokyo				Major Regional Cities
Property name		Daiwa Meguro Square	Daiwa Ogikubo	CONCURRED Yokohama	Daiwa Shinagawa Gotenyama	Daiwa Kitahama
Acquisition date		May 2015	July 2016	Jan. 2018	Sept. 2018	Aug. 2014
Price information	Acquisition price (Millions of yen)	5,600	3,800	38,100	2,500	9,481
	Investment ratio (%)	1.2	0.8	8.3	0.5	2.1
	Carrying amount (Millions of yen)	5,471	3,979	38,032	2,579	9,176
	Estimated price at end of period (Millions of yen)	7,090	4,730	41,100	2,710	13,300
Leasing information	Total number of tenants (Note 1)	16	12	36	6	7
	Leasable floor area (m ²)	3,519.50	3,849.63	28,052.98	2,396.96	13,517.62
	Leased floor area (m ²)	3,519.50	3,849.63	28,052.98	2,396.96	13,517.62
	Occupancy rate (%)					
	End of Nov. 2017	100.0	100.0	-	-	100.0
	End of May 2018	100.0	100.0	93.2	-	100.0
	End of Nov. 2018	100.0	100.0	99.3	58.6	100.0
End of May 2019	100.0	100.0	98.7	100.0	86.9	
End of Nov. 2019	100.0	100.0	100.0	100.0	100.0	
Income (loss) information	Number of days of asset management	183	183	183	183	183
	Total property leasing revenue (A) (Thousands of yen)	166,976	128,654	1,032,027	67,453	466,815
	Rent revenue – real estate	166,976	128,654	1,032,006	67,453	339,815
	Other lease business revenue	-	-	21	-	127,000
	Total property leasing expenses (B) (Thousands of yen)	57,549	39,437	324,051	23,015	238,310
	Consignment expenses	10,283	9,243	58,248	6,497	42,067
	Utilities expenses	9,250	6,946	87,475	3,831	35,756
	Taxes and dues	13,827	8,205	57,460	5,514	34,523
	Non-life insurance expenses	166	142	777	87	567
	Repair expenses	805	3,020	5,935	1,360	68,945
	Depreciation (C)	23,215	11,878	114,012	5,723	56,354
	Other lease business expenses	-	-	143	-	96
	Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	109,426	89,217	707,975	44,438	228,504
NOI (E) [(D) + (C)] (Thousands of yen)	132,642	101,095	821,987	50,162	284,859	
Capital expenditures (F) (Thousands of yen)	-	7,869	10,142	1,392	59,580	
NCF [(E) – (F)] (Thousands of yen)	132,642	93,226	811,845	48,769	225,278	
Reference information	Expense rate (%) [(B) ÷ (A)]	34.47	30.65	31.40	34.12	51.05
	Annual amount of fixed property tax, etc. for fiscal 2019 (Thousands of yen)	27,370	16,332	153,211	10,979	69,876
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	122,800	161,340	718,980	102,564	275,080

- (Note 1) Total number of tenants is the number of end-tenants. When there is a tenant occupying multiple buildings, the concerned tenant is counted and stated for each individual building.
- (Note 2) Estimated long-term repair expenses are the total amount of repair expenses and renewal expenses estimated to arise over the 12-year period from the 1st year to the 12th year as stated in the building investigation diagnosis report.
- (Note 3) Not disclosed for such reasons as consent was not obtained from major tenants to disclose the rent revenue, etc. for the property.
- (Note 4) Daiwa Osaki 3-chome Building was divested on July 1, 2019.