

**Translation of Japanese Original****FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED JANUARY 31, 2017(REIT)
(August 1, 2016 to JANUARY 31, 2017)**

March 14, 2017

Kenedix Residential Investment Corporation is listed on the Tokyo Stock Exchange with the securities code number 3278.

(URL <http://www.kdr-reit.com/english>)

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Planned submission of semiannual securities report: April 27, 2017

Planned start of distribution payments: April 17, 2017

Preparing presentation material: Yes

Hold a financial brief meeting: Yes (for analysts and institutional investors)

(Amounts are rounded down to the nearest ¥million)

1. PERFORMANCE FOR THE FISCAL PERIOD ENDED JANUARY 31, 2017 (TENTH FISCAL PERIOD)**(1) Business Results**

(Percentages show period-on-period changes)

	Operating Revenues (Millions of Yen)		Operating Income (Millions of Yen)		Ordinary Income (Millions of Yen)		Net Income (Millions of Yen)	
The tenth fiscal period ended January 31, 2017	5,468	(2.5) %	2,838	(4.2) %	2,311	(5.4) %	2,310	(5.4) %
The ninth fiscal period ended July 31, 2016	5,333	(2.1) %	2,723	(0.2) %	2,193	(0.4) %	2,192	(0.4) %

	Net Income per Unit	Return on Unitholders' Equity	[Reference] (annualized)	Ordinary Income to Total Assets	[Reference] (annualized)	Ordinary Income to Operating Revenues
The tenth fiscal period ended January 31, 2017	6,617 Yen	2.8 %	5.6 %	1.4 %	2.8 %	42.3 %
The ninth fiscal period ended July 31, 2016	6,279 Yen	2.7 %	5.3 %	1.4 %	2.7 %	41.1 %

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(2) Distribution

	Distributions per Unit Excluding Excess of Earnings (Yen)	Total Distribution (Millions of Yen)	Distributions in Excess of Earnings per Unit (Yen)	Total Distributions in Excess of Earnings (Millions of Yen)	Payout Ratio	Distribution Ratio to Unitholders' Equity
The tenth fiscal period ended January 31, 2017	6,533	2,280	0	0	% 98.7	% 2.8
The ninth fiscal period ended July 31, 2016	6,360	2,220	0	0	% 101.3	% 2.7

Note 1 The ninth fiscal period distribution included 27 million yen from retained earnings brought forward, thus exceeding the amount of net income.

Note 2 Of the 30 million yen in gain on sale of real estate property, the full amount after taxation, about 29 million yen, will be allocated to internal reserves so that the total distributions for the tenth fiscal period are the amounts after considering the allocation, differing from the amount of net income.

(3) Financial Position

	Total Assets (Millions of Yen)	Unitholders' Equity (Millions of Yen)	Unitholders' Equity to Total Assets	Unitholders' Equity per Share of Common Stock (Yen)
As of January 31, 2017	167,276	82,552	% 49.4	236,478
As of July 31, 2016	159,948	82,365	% 51.5	235,943

(4) Cash Flow Position

	Cash Flow from Operating Activities (Millions of Yen)	Cash Flow from Investing Activities (Millions of Yen)	Cash Flow from Financing Activities (Millions of Yen)	Cash and Cash Equivalents at the End of the Period (Millions of Yen)
The tenth fiscal period ended January 31, 2017	4,610	-8,653	4,749	9,439
The ninth fiscal period ended July 31, 2016	2,950	-107	-2,176	8,733

2. FORECAST OF RESULTS FOR THE FISCAL PERIOD ENDING JULY 31, 2017 (February 1, 2017 to July 31, 2017)

(Percentages show period-on-period changes)

	Operating Revenues (Millions of Yen) (%)	Operating Income (Millions of Yen) (%)	Ordinary Income (Millions of Yen) (%)	Net Income (Millions of Yen) (%)	Distribution per Unit Excluding Excess of Earnings (Yen)	Distribution in Excess of Earnings per Unit (Yen)
The eleventh fiscal period ending July 31, 2017	5,504 (0.7)	2,776 (-2.2)	2,259 (-2.3)	2,258 (-2.2)	6,470	0

(Reference) Estimated net income per unit for the fiscal period ending July 31, 2017: ¥6,470

Note : Distributions per unit are calculated based on the number of investment units issued and outstanding totaled 349,089 as of today.

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3. OTHER

(1) Changes in Accounting Policies/Changes in Accounting Estimate/Retrospective Restatement

(a) Changes concerning accounting policy accompanying amendments to accounting standards: No

(b) Changes other than (a): No

(c) Changes in accounting estimate: No

(d) Retrospective restatement: No

(2) Number of Investment Unit Issued and Outstanding (including treasury units)

(a) Number of investment units issued and outstanding at the end of the period (including treasury units)

As of July 31, 2016: 349,089 units As of January 31, 2017: 349,089 units

(b) Number of treasury units at the end of the period

As of July 31, 2016: 0 units As of January 31, 2017: 0 units

[Provisional Translation Only]

English translation of the original Japanese document is provided solely for information purposes. Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.

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1. Financial Statements**(1) Balance Sheets**

	(in thousands of yen)	
	Ninth Fiscal Period	Tenth Fiscal Period
	(As of July 31, 2016)	(As of January 31, 2017)
Assets		
Current assets		
Cash and deposits	5,146,011	5,679,445
Cash and deposits in trust	3,587,036	3,759,906
Operating accounts receivable	45,529	24,790
Prepaid expenses	6,174	3,356
Deferred tax assets	14	61
Consumption taxes receivable	43,758	-
Other	2,300	503
Total current assets	8,830,826	9,468,062
Noncurrent assets		
Property, plant and equipment		
Land	1,798,041	1,798,041
Buildings in trust	63,289,609	65,456,096
Accumulated depreciation	-4,482,346	-5,222,324
Buildings in trust, net	58,807,263	60,233,772
Structures in trust	397,122	439,236
Accumulated depreciation	-74,438	-86,535
Structures in trust, net	322,684	352,701
Machinery and equipment in trust	1,243,853	1,253,773
Accumulated depreciation	-142,746	-169,872
Machinery and equipment in trust, net	1,101,107	1,083,901
Tools, furniture and fixtures in trust	151,976	231,646
Accumulated depreciation	-7,850	-13,465
Tools, furniture and fixtures in trust, net	144,126	218,181
Land in trust	88,038,597	93,118,700
Total property, plant and equipment, net	150,211,821	156,805,298
Investments and other assets		
Investment securities	62,397	-
Lease and guarantee deposits	10,950	10,561
Long-term prepaid expenses	756,459	864,092
Other	-	54,619
Total investments and other assets	829,807	929,273
Total noncurrent assets	151,041,628	157,734,571
Deferred assets		
Deferred organization costs	3,053	-
Investment corporation bond issuance costs	-	28,219
Investment unit issuance costs	72,819	45,830
Total deferred assets	75,873	74,049
Total assets	159,948,328	167,276,684

	(in thousands of yen)	
	Ninth Fiscal Period	Tenth Fiscal Period
	(As of July 31, 2016)	(As of January 31, 2017)
Liabilities		
Current liabilities		
Operating accounts payable	336,650	401,777
Short-term loans payable	-	1,000,000
Current portion of long-term loans payable	8,500,000	11,000,000
Accounts payable-other	188,167	193,691
Accrued expenses	20,220	24,468
Income taxes payable	692	1,695
Accrued consumption taxes	14,553	19,528
Advances received	706,262	753,979
Deposits received	52,106	62,612
Total current liabilities	9,818,652	13,457,752
Noncurrent liabilities		
Investment corporation bonds	-	3,000,000
Long-term loans payable	66,300,000	66,800,000
Tenant leasehold and security deposits in trust	1,422,073	1,466,769
Other	42,355	-
Total noncurrent liabilities	67,764,428	71,266,769
Total liabilities	77,583,081	84,724,522
Net assets		
Unitholders' equity		
Unitholders' capital	80,132,379	80,132,379
Surplus		
Unappropriated retained earnings (undisposed loss)	2,275,223	2,365,163
Total surplus	2,275,223	2,365,163
Total unitholders' equity	82,407,602	82,497,542
Valuation and translation adjustments		
Deferred gains or losses on hedges	-42,355	54,619
Total valuation and translation adjustments	-42,355	54,619
Total net assets	*1 82,365,247	*1 82,552,161
Total liabilities and net assets	159,948,328	167,276,684

(2) Statements of Income and Retained Earnings

	(in thousands of yen)			
	Ninth Fiscal Period		Tenth Fiscal Period	
	February 1, 2016 to		August 1, 2016 to	
	July 31, 2016		January 31, 2017	
Operating revenues				
Rent revenue-real estate	*1	4,872,868	*1	5,025,371
Other lease business revenue	*1	456,142	*1	412,245
Gain on sale of real estate property		-		30,478
Dividends income		4,790		-
Total operating revenues		5,333,801		5,468,095
Operating expenses				
Expenses related to rent business	*1	2,032,807	*1	2,050,357
Asset management fees		355,306		363,967
Asset custody fees		11,003		10,997
Administrative service fees		37,574		37,513
Directors' compensation		4,500		4,500
Other operating expenses		168,880		162,422
Total operating expenses		2,610,072		2,629,759
Operating income		2,723,729		2,838,336
Non-operating income				
Interest income		252		25
Dividends and redemption-prescription		801		174
Interest on refund		1		156
Total non-operating income		1,055		356
Non-operating expenses				
Interest expenses		373,683		389,776
Interest expenses on investment corporation bonds		-		6,515
Derivatives-related expenses		1,644		-
Borrowing expenses		101,784		98,682
Amortization of deferred organization costs		5,243		3,053
Amortization of investment corporation bond issuance costs		-		1,878
Amortization of investment unit issuance costs		49,318		26,989
Total non-operating expenses		531,674		526,895
Ordinary income		2,193,110		2,311,797
Income before income taxes		2,193,110		2,311,797
Income taxes				
Current		899		1,698
Deferred		- 14		- 47
Total income taxes		885		1,651
Net income		2,192,224		2,310,145
Retained earnings brought forward		82,998		55,017
Unappropriated retained earnings (undisposed loss)		2,275,223		2,365,163

(3) Statements of Changes in Net Assets

Ninth Fiscal Period February 1, 2016 to July 31, 2016

(in thousands of yen)

	Unitholders' equity				Valuation and translation adjustments		Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	Deferred gains and losses on hedges	Total valuation and translation adjustments	
		Unappropriated retained earnings (undisposed loss)	Total surplus				
Balance at the beginning of current period	80,132,379	2,258,172	2,258,172	82,390,551	-1,032	-1,032	82,389,519
Changes of items during the period							
Dividends from surplus		-2,175,173	-2,175,173	-2,175,173			-2,175,173
Net income		2,192,224	2,192,224	2,192,224			2,192,224
Net changes of items other than unitholders' equity					-41,323	-41,323	-41,323
Total changes of items during the period	-	17,051	17,051	17,051	-41,323	-41,323	-24,271
Balance at the end of current period	80,132,379	2,275,223	2,275,223	82,407,602	-42,355	-42,355	82,365,247

Tenth Fiscal Period August 1, 2016 to January 31, 2017

(in thousands of yen)

	Unitholders' equity				Valuation and translation adjustments		Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	Deferred gains and losses on hedges	Total valuation and translation adjustments	
		Unappropriated retained earnings (undisposed loss)	Total surplus				
Balance at the beginning of current period	80,132,379	2,275,223	2,275,223	82,407,602	-42,355	-42,355	82,365,247
Changes of items during the period							
Dividends from surplus		-2,220,206	-2,220,206	-2,220,206			-2,220,206
Net income		2,310,145	2,310,145	2,310,145			2,310,145
Net changes of items other than unitholders' equity					96,974	96,974	96,974
Total changes of items during the period	-	89,939	89,939	89,939	96,974	96,974	186,914
Balance at the end of current period	80,132,379	2,365,163	2,365,163	82,497,542	54,619	54,619	82,552,161

(4) Distributions

	Ninth Fiscal Period (From February 1, 2016 to July 31, 2016)	Tenth Fiscal Period (From August 1, 2016 to January 31, 2017)
I. Retained earnings at the end of period	¥2,275,223,755	¥2,365,163,158
II. Total distributions	¥2,220,206,040	¥2,280,598,437
Distributions per unit	¥6,360	¥6,533
III. Retained earnings brought forward to the next period	¥55,017,715	¥84,564,721
Method of calculating distribution amount	<p>In accordance with the policy described in Article 38-1 of its Articles of Incorporation, the Investment Corporation determines that the amount of distribution shall exceed the amount equivalent to 90% of its distributable profit as stipulated in Article 67-15 of the Special Taxation Measures Law, and shall not exceed its accounting profits as the maximum amount. Following this policy, the Investment Corporation has decided that it shall distribute ¥2,220,206,040, which is the amount of ¥2,192,224,944 in net income and ¥27,981,096 from retained earnings brought forward, as the distribution of earnings.</p> <p>Procedures for the distribution of amounts exceeding distributable income are outlined in Article 38-2 of the Investment Corporation's Articles of Incorporation. In the ninth fiscal period, the Investment Corporation has decided not to distribute cash in excess of distributable profit.</p>	<p>In accordance with the policy described in Article 38-1 of its Articles of Incorporation, the Investment Corporation determines that the amount of distribution shall exceed the amount equivalent to 90% of its distributable profit as stipulated in Article 67-15 of the Special Taxation Measures Law, and shall not exceed its accounting profits as the maximum amount. Following this policy, internal reserves as of the end of the ninth fiscal period and of the ¥30,478,618 in gain on sale of real estate property, net of tax, reported as unappropriated retained earnings will be allocated to internal reserves, and of the remaining amount, the Investment Corporation has decided that it shall distribute ¥2,280,598,437 which is the maximum integral multiple of 349,089 units issued and outstanding as the distribution of earnings.</p> <p>Procedures for the distribution of amounts exceeding distributable income are outlined in Article 38-2 of the Investment Corporation's Articles of Incorporation. In the tenth fiscal period, the Investment Corporation has decided not to distribute cash in excess of distributable profit.</p>

(5) Statements of Cash Flows

	(in thousands of yen)	
	Ninth Fiscal Period	Tenth Fiscal Period
	February 1, 2016 to	August 1, 2016 to
	July 31, 2016	January 31, 2017
Net cash provided by (used in) operating activities		
Income before income taxes	2,193,110	2,311,797
Depreciation and amortization	857,592	878,295
Amortization of deferred organization costs	5,243	3,053
Amortization of investment corporation bond issuance expenses	-	1,878
Amortization of investment unit issuance costs	49,318	26,989
Interest income	-252	-25
Interest expenses	373,683	396,291
Derivatives-related expenses	1,644	-
Decrease (increase) in operating accounts receivable	-20,507	20,739
Decrease (increase) in consumption taxes refund receivable	-43,758	43,758
Decrease (increase) in prepaid expenses	-2,831	2,818
Increase (decrease) in operating accounts payable	-78,310	85,614
Increase (decrease) in accounts payable-other	-879	5,710
Increase (decrease) in accrued consumption taxes	-72,758	4,974
Increase (decrease) in advances received	7,908	47,716
Decrease (increase) in long-term prepaid expenses	30,769	-107,633
Decrease in property and equipment in trust due to sale	-	1,262,744
Other, net	25,275	16,460
Subtotal	3,325,248	5,001,186
Interest income received	252	25
Interest expenses paid	-373,797	-392,043
Income taxes (paid) refund	-1,509	1,432
Net cash provided by (used in) operating activities	2,950,194	4,610,601
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment in trust	-157,480	-8,755,004
Proceeds from investment securities	42,535	56,494
Repayments of tenant leasehold and security deposits in trust	-141,073	-124,324
Proceeds from tenant leasehold and security deposits in trust	148,081	169,200
Net cash provided by (used in) investing activities	-107,937	-8,653,633
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	-	2,000,000
Decrease in short-term loans payable	-	-1,000,000
Increase in long-term loans payable	3,500,000	11,500,000
Decrease in long-term loans payable	-3,500,000	-8,500,000
Proceeds from issuance of investment corporation bond	-	2,969,902
Dividends paid	-2,176,084	-2,220,566
Net cash provided by (used in) financing activities	-2,176,084	4,749,336
Net increase (decrease) in cash and cash equivalents	666,173	706,303
Cash and cash equivalents at the beginning of period	8,066,874	8,733,047
Cash and cash equivalents at the end of period	*1 8,733,047	*1 9,439,351

(6) Notes to the Going Concern

Not applicable

(7) Important Accounting Standards

1. Evaluation standards and evaluation method of assets	<p>Securities</p> <p>Other securities</p> <p>Those with no fair value</p> <p>Cost method through moving-average method</p> <p>Concerning anonymous association equity interests, the method of incorporating the amount equivalent to equity interests corresponding to net amount of gain or loss from anonymous association is adopted.</p>
2. Depreciation of fixed assets	<p>(1) Property, plant and equipment (includes trust assets)</p> <p>The straight-line method is applied.</p> <p>Useful lives of the assets ranging are as follows:</p> <p>Buildings: 2 to 67 years</p> <p>Structures: 3 to 48 years</p> <p>Machinery and equipment: 8 to 30 years</p> <p>Tools, furniture and fixtures: 6 to 30 years</p> <p>(2) Long-term prepaid expenses</p> <p>The straight-line method is applied.</p>
3. Accounting policies for deferred assets	<p>(1) Deferred organization costs</p> <p>Deferred organization costs are amortized over a period of 5 years under the straight-line method.</p> <p>(2) Unit issuance costs</p> <p>Unit issuance costs are amortized over a period of 3 years under the straight-line method.</p> <p>(3) Investment corporation bond issuance costs</p> <p>Bond issuance costs are amortized by applying the straight-line method for the entire redemption period.</p>
4. Accounting standards for revenues and expenses	<p>Property-related taxes including property taxes, city planning taxes and depreciable property taxes are imposed on properties on a calendar year basis. These taxes are generally charged to operating expenses for the period, for the portion of such taxes corresponding to said period. Under Japanese tax regulations, the seller of the property is liable for these taxes on the property from the date of disposal to the end of the calendar year in which the property is disposed. The seller, however, is reimbursed by the purchaser for these accrued property-related tax liabilities.</p> <p>When the Investment Corporation purchases properties, it typically allocates the portion of the property-related taxes related to the period following the purchase date of each property through the end of the calendar year. The amounts of those allocated portions of the property-related taxes are capitalized as part of the acquisition costs of the related properties. Capitalized property-related taxes amounted to ¥7,827 thousand as of January 31, 2017. There were no capitalized property-related taxes as of July 31, 2016.</p>
5. Accounting for hedges	<p>(1) Hedge accounting method</p> <p>The deferred hedge method is applied. However, the special treatment is applied for the interest-rate swap agreements that meet the criteria.</p> <p>(2) Hedging instruments and risks hedged</p> <p>Hedge instruments</p> <p>The Investment Corporation enters into interest-rate swap transactions.</p> <p>Risks hedged</p> <p>Interest rates on debt.</p> <p>(3) Hedging policy</p> <p>The Investment Corporation enters into derivative transactions based on its risk management policies with the objective of hedging risks in accordance with its Articles of Incorporation.</p> <p>(4) Method of evaluating the effectiveness of hedging</p> <p>As for the method of assessment of the effectiveness of the hedge in the period from the inception of the hedge to the time of judgment of its effectiveness, the cumulative changes in cash flow of the hedged items and hedging instruments are compared and a judgment is made based on changed amount, etc. However, an assessment of the effectiveness of hedging activities is omitted in the case of interest rate swaps that meet the requirements for special treatment.</p>
6. The scope of cash and cash equivalents on statements of cash flows	<p>Cash and cash equivalents consist of cash on hand, deposits placed with banks and short-term investments which are highly liquid, readily convertible to cash and with insignificant risk of market value fluctuation, with maturities of three months or less from the date of purchase.</p>
7. Other significant accounting policies utilized in the preparation of financial statements	<p>(1) Accounting method for trust beneficiary interests in real estate and other assets</p> <p>The assets and liabilities as well as revenues and expenses of financial assets held in the form of trust beneficiary interests in real estate and other assets are recorded in full in the Investment Corporation's balance sheets and statements of income.</p> <p>Important line items included in accounting for financial assets and liabilities in the Investment Corporation's balance sheet are as follows:</p> <ol style="list-style-type: none"> 1. Cash and deposits in trust 2. Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust 3. Tenant leasehold and security deposits in trust <p>(2) Accounting method for consumption tax</p> <p>Consumption taxes are separately recorded. Non-deductible consumption taxes applicable to the acquisition of assets are included in the cost of acquisition for each asset.</p>

(8) Notes to the Financial Statements

(Notes to the Balance Sheets)

* 1. Minimum unitholders' equity pursuant to Article 67-4 of the Law Concerning Investment Trusts and Investment Corporations Law

(in thousands of yen)	
As of July 31, 2016	As of January 31, 2017
50,000	50,000

(Notes to the Statements of Income and Retained Earnings)

* 1. Breakdown of real estate rental business profit and loss

(in thousands of yen)		
	From February 1, 2016 to July 31, 2016	From August 1, 2016 to January 31, 2017
A. Rental and other operating revenues:		
Rental revenues	4,561,414	4,702,099
Rental revenues from limited proprietary rights of land	43,750	43,749
Common area charges	267,704	279,521
Subtotal	4,872,868	5,025,371
Others:		
Parking space rental revenues	176,780	176,046
Miscellaneous	279,361	236,199
Subtotal	456,142	412,245
Total rental and other operating revenues	5,329,011	5,437,617
B. Property-related expenses:		
Property management fees and facility management fees	369,393	364,753
Utilities	90,264	92,098
Taxes	314,741	311,891
Repairs and maintenance	210,659	208,250
Insurance	7,823	8,110
Trust fees	39,850	41,647
Depreciation	857,592	878,295
Others	142,482	145,309
Total property-related expenses	2,032,807	2,050,357
C. Net operating income (A-B)	3,296,203	3,387,259

*2. Gain and Loss on sale of real estate property

Ninth Fiscal Period (From February 1, 2016 to July 31, 2016)

Not applicable

Tenth Fiscal Period (From August 1, 2016 to January 31, 2017)

(in thousands of yen)	
KDX Toyohira Sanjo Residence	
Revenue from sale of the investment property	585,000
Costs of the investment property	567,084
Other sales expenses	3,537
Gain on sale of real estate property	14,378
KDX Residence Kamisugi	
Revenue from sale of the investment property	716,000
Costs of the investment property	695,659
Other sales expenses	4,239
Gain on sale of real estate property	16,100

(Notes to the Statements of Changes in Net Assets)

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

	From February 1, 2016 to July 31, 2016	From August 1, 2016 to January 31, 2017
Total number of authorized investment units	5,000,000 units	5,000,000 units
Total number of investment units issued and outstanding	349,089 units	349,089 units

(Notes to the Statements of Cash Flow)

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

(in thousands of yen)

	As of July 31, 2016	As of January 31, 2017
Cash and deposits	5,146,011	5,679,445
Cash and deposits in trust	3,587,036	3,759,906
Cash and cash equivalents	8,733,047	9,439,351

(Notes to the Lease Transactions)

Operating lease transactions (Lessor)

Unearned lease payments

(in thousands of yen)

	As of July 31, 2016	As of January 31, 2017
Due in 1 year	547,894	405,664
Due after 1 year	4,320,801	4,323,415
Total	4,868,696	4,729,080

(Notes to the Financial Instruments)

(A). Overview

(1) Policy for financial instruments

The Investment Corporation procures funds for asset acquisitions, repairs, payment of distributions, repayment of loans, etc. through loans from financial institutions, issuance of investment corporation bonds, issuance of investment units and other means. With regard to the procurement of interest-bearing debts, the Investment Corporation ensures that it can effectively combine stable long-term funds with flexible short-term funds. Management of surplus funds is undertaken through various bank deposits focusing on safety, liquidity and effectiveness. The Investment Corporation uses derivatives for the purpose of hedging its exposure to changes in interest rates and other risks and does not enter into derivative transactions for speculative or trading purposes.

(2) Types of financial instruments and related risk

Bank deposits are for managing the Investment Corporation's surplus funds and are exposed to credit risk such as the bankruptcy of financial institutions at which funds are deposited. Investment securities represent equity investments in an anonymous association and are exposed to credit risk of the issuer and interest rate fluctuation risk. Borrowings and investment corporation bonds are made primarily for the purpose of procuring funds for the acquisition of real estate and trust beneficiary interests in real estate and have a repayment date of a maximum of 11 years and 7 months as of January 31, 2017, the end of the tenth fiscal period, are exposed to liquidity risk where alternative funds may not be procured by the repayment date. Also, borrowings with floating interest rates are exposed to interest rate fluctuation risk. Derivatives are used for the purpose of hedging interest rate fluctuation risk for a certain portion of the borrowings.

(3) Risk management for financial instruments

a. Credit risk

While bank deposits are exposed to credit risk such as the bankruptcy of financial institutions at which funds are deposited, such risk is monitored by deposits in non-interest bearing ordinary savings accounts or with financial institutions with credit ratings above a certain level. Investment securities represent equity investments in an anonymous association and are exposed to credit risk of the issuer and interest rate fluctuation risk. To manage this credit risk, the Investment Corporation regularly evaluates the results of operations and the financial condition of the issuer, etc. In utilizing derivatives, the Investment Corporation aims to mitigate counterparty risk such as by transacting with financial institutions with favorable ratings.

b. Market risk

While borrowings with floating rates are exposed to interest rate volatility risk, such risk is monitored by adjusting the rate of the balance of borrowings with floating rates against the total borrowings according to the financial environment, interest rate forecasts by continuous monitoring, etc. and by using derivatives, etc. A risk management policy is established with regard to the execution and management of derivatives and such transactions are conducted based on this policy. The Investment Corporation periodically reviews the value of the property and financial condition of the issuer with regard to investment securities.

c. Liquidity risk

Though borrowings are subject to liquidity risk, the Investment Corporation reduces such risk by spreading out payment due dates and by diversifying financial institutions. Liquidity risk is also managed by such means as regularly checking the balance of cash reserves.

(4) Supplementary explanation of the estimated fair value of financial instruments

The fair value of financial instruments is based on their quoted market price, if available. When there is no quoted market price available, fair value is reasonably estimated. Since various assumptions and factors are reflected in estimating the fair value, different assumptions and factors could result in a different fair value.

(B). Estimated Fair Value of Financial Instruments

The carrying value of financial instruments on the balance sheet and estimated fair value are shown in the following table.

As of July 31, 2016

	(in thousands of yen)		
	Carrying amount	Estimated fair value	Difference
(1) Cash and deposits	5,146,011	5,146,011	-
(2) Cash and deposits in trust	3,587,036	3,587,036	-
Total	8,733,047	8,733,047	-
(1) Short-term loans payable	-	-	-
(2) Current portion of long-term loans payable	8,500,000	8,467,366	-32,633
(3) Long-term loans payable	66,300,000	67,075,351	775,351
Total	74,800,000	75,542,717	742,717
Derivative transactions	-42,355	-42,355	-

As of January 31, 2017

	(in thousands of yen)		
	Carrying amount	Estimated fair value	Difference
(1) Cash and deposits	5,679,445	5,679,445	-
(2) Cash and deposits in trust	3,759,906	3,759,906	-
Total	9,439,351	9,439,351	-
(1) Short-term loans payable	1,000,000	1,000,000	-
(2) Current portion of long-term loans payable	11,000,000	11,005,140	5,140
(3) Investment corporation bonds	3,000,000	2,961,300	-38,700
(4) Long-term loans payable	66,800,000	66,990,356	190,356
Total	81,800,000	81,956,797	156,797
Derivative transactions	54,619	54,619	-

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

Assets

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

Since these items are settled in a short period of time, their carrying amount approximates fair value.

Liabilities

(1) Short-term loans payable

Since these items are settled in a short period of time with floating interest rates, their carrying amount approximates fair value.

(2) Current portion of long-term loans payable and (4) Long-term loans payable

Among these items, the fair value of loans payable with fixed interest rates is calculated based on the present value, which is the total amount of principal and interest discounted by the estimated interest rate to be applied in the event that the Investment Corporation conducts new borrowings of the same type. As for the fair value of loans payable with floating interest rates, it is based on the carrying amount since market interest rates are reflected in the short term and the fair value is believed to approximate the carrying amount as the credit standing of the Investment Corporation has not changed significantly since the loans were made. (However, the fair value of long-term loans payable subject to the special treatment for interest-rate swaps is based on the present value of the total of principal and interest, accounted for together with the applicable interest-rate swaps, discounted by the estimated interest rate to be applied in the event that the Investment Corporation conducts new borrowings of the same type.)

(3) Investment corporation bonds

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

Derivative transactions

Please refer to "Notes to the Derivative Transactions".

Note 2: Financial instruments whose fair values are recognized to be extremely difficult to grasp

(in thousands of yen)

Classification	As of July 31, 2016	As of January 31, 2017
Investment securities *	62,397	-

*Fair values of investment securities are not subject to disclosure of fair value as they have no market value and their fair values are recognized to be extremely difficult to grasp.

Loss on valuation of investment securities of ¥27,964 thousand was recognized in the fiscal period ended July 31, 2016.

Note 3: Redemption schedule for financial assets with maturities

As of July 31, 2016

(in thousands of yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Cash and deposits	5,146,011	-	-	-	-	-
Cash and deposits in trust	3,587,036	-	-	-	-	-
Total	8,733,047	-	-	-	-	-

As of January 31, 2017

(in thousands of yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Cash and deposits	5,679,445	-	-	-	-	-
Cash and deposits in trust	3,759,906	-	-	-	-	-
Total	9,439,351	-	-	-	-	-

Note 4: Redemption schedule for loans payable and investment corporation bonds

As of July 31, 2016

(in thousands of yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Short-term loans payable	-	-	-	-	-	-
Long-term loans payable	8,500,000	11,000,000	11,000,000	1,500,000	5,950,000	36,850,000
Total	8,500,000	11,000,000	11,000,000	1,500,000	5,950,000	36,850,000

As of January 31, 2017

(in thousands of yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Short-term loans payable	1,000,000	-	-	-	-	-
Investment corporation bonds	-	-	-	-	1,000,000	2,000,000
Long-term loans payable	11,000,000	11,000,000	1,500,000	3,600,000	10,000,000	40,700,000
Total	12,000,000	11,000,000	1,500,000	3,600,000	11,000,000	42,700,000

(Notes to the Derivative Transactions)

(1) Transactions not subject to hedge accounting

As of July 31, 2016 and as of January 31, 2017: Not applicable

(2) Transactions subject to hedge accounting

As of July 31, 2016

Hedge accounting method	Type of derivative transactions	Hedged items	Contract amount (in thousands of yen)		Fair value (in thousands of yen)	Calculation method for applicable fair value
				Maturing after 1 year		
Accounting method, in principle	Interest rate swap transaction: Receive/floating and pay/fixed	Long-term loans payable	3,500,000	3,500,000	-42,355	Based on the amount provided by counterparty financial institutions
Special treatment of interest-rate swaps	Interest rate swap transaction: Receive/floating and pay/fixed	Long-term loans payable	65,800,000	57,300,000	*	-
		Total	69,300,000	60,800,000	-42,355	

*Interest rate swaps for which the special treatment is applied are accounted for together with the underlying hedged item. As a result, their fair value is included in the fair value of the hedged long-term debt.

As of January 31, 2017

Hedge accounting method	Type of derivative transactions	Hedged items	Contract amount (in thousands of yen)		Fair value (in thousands of yen)	Calculation method for applicable fair value
				Maturing after 1 year		
Accounting method, in principle	Interest rate swap transaction: Receive/floating and pay/fixed	Long-term loans payable	9,000,000	9,000,000	54,619	Based on the amount provided by counterparty financial institutions
Special treatment of interest-rate swaps	Interest rate swap transaction: Receive/floating and pay/fixed	Long-term loans payable	57,300,000	46,300,000	*	-
Total			66,300,000	55,300,000	54,619	

*Interest rate swaps for which the special treatment is applied are accounted for together with the underlying hedged item. As a result, their fair value is included in the fair value of the hedged long-term debt.

(Notes to the Tax-Effect Accounting)

The significant components of deferred tax assets and liabilities:

(in thousands of yen)

	As of July 31, 2016	As of January 31, 2017
Deferred tax assets:		
Enterprise tax payable	14	61
Deferred gains or losses on hedges	13,380	-
Loss on valuation of investment securities	8,876	-
Subtotal deferred tax assets	22,270	61
Valuation allowance	-22,256	-
Total deferred tax assets	14	61

The significant differences between the statutory tax rate and the effective tax rate:

	From February 1, 2016 to July 31, 2016	From August 1, 2016 to January 31, 2017
Statutory tax rate	32.31%	33.35%
Deductible cash distributions	-32.71	-32.90
Others	-0.44	-0.38
Effective tax rate	0.04%	0.07%

(Notes to the Related-Party Transactions)

1. Parent Company, major corporate unitholders and other

Ninth Fiscal Period (February 1, 2016 to July 31, 2016) and Tenth Fiscal Period (August 1, 2016 to January 31, 2017): Not applicable

2. Affiliated companies and other

Ninth Fiscal Period (February 1, 2016 to July 31, 2016) and Tenth Fiscal Period (August 1, 2016 to January 31, 2017): Not applicable

3. Fellow subsidiary companies and other

Ninth Fiscal Period (February 1, 2016 to July 31, 2016) and Tenth Fiscal Period (August 1, 2016 to January 31, 2017): Not applicable

4. Directors, major individual unitholders and other

Ninth Fiscal Period (February 1, 2016 to July 31, 2016) and Tenth Fiscal Period (August 1, 2016 to January 31, 2017): Not applicable

(Notes to the Investment and Rental Properties)

The Investment Corporation owns real estate for rental purposes in the Tokyo Metropolitan Area and other regional areas for the purpose of generating rental revenues. The book value and fair value concerning the above real estate for rental purposes are as follows.

(in thousands of yen)

		From February 1, 2016 to July 31, 2016	From August 1, 2016 to January 31, 2017
Book value			
	Balance at the beginning of period	150,905,658	150,211,821
	Changes during the period	-693,837	6,593,476
	Balance at the end of period	150,211,821	156,805,298
	Fair value at the end of period	170,203,000	180,618,000

Note 1: Book value excludes accumulated depreciation from acquisition costs.

Note 2: Among changes in the amount of real estate for rental purposes that occurred during the ninth fiscal period, the principal decrease was depreciation of ¥857,592 thousand, and during the tenth fiscal period, the principal increase was the acquisition of real estate trust beneficiary interests in 10 properties totaling ¥8,513,821 thousand, and the principal decrease was the disposition of real estate trust beneficiary interests in 2 properties totaling ¥1,262,744 thousand and depreciation of ¥878,295 thousand.

Note 3: The fair value is the appraisal value or the survey value determined by outside appraisers. In addition, the fair value at the end of ninth fiscal period of KDX Toyohira Sanjo Residence and KDX Residence Kamisugi, which will be sold on November 1, 2016, is based on the sales prices (¥585,000 thousand and ¥716,000 thousand, respectively) under the trust beneficiary interest sales contracts entered into on July 26, 2016.

Income and loss for real estate rental business in the fiscal periods ended July 31, 2016 and January 31, 2017 for real estate for rental purposes is listed in "Notes to the Statements of Income and Retained Earnings".

(Notes to the Segment Information)

Segment information for the periods from February 1, 2016 to July 31, 2016 and from August 1, 2016 to January 31, 2017 is as follows:

(A) Segment information

Disclosure is omitted because the real estate leasing business is the Investment Corporation's sole business and it has no reportable segment subject to disclosure.

(B) Related information

(1) Information about each product and service

Disclosure is omitted because net sales to external customers for a single product/service category account for over 90% of the operating revenue on the statement of income and retained earnings.

(2) Information about each geographic area

(a) Net sales

Disclosure is omitted because net sales to external customers in Japan account for over 90% of the operating revenue on the statement of income and retained earnings.

(b) Property, plant and equipment

Disclosure is omitted because the amount of property, plant and equipment located in Japan accounts for over 90% of the amount of property, plant and equipment on the balance sheet.

(3) Information about each major customer

Disclosure is omitted because net sales to a single external customer account for less than 10% of the operating revenue on the statement of income and retained earnings.

(Notes to Per Unit Information)

	From February 1, 2016 to July 31, 2016	From August 1, 2016 to January 31, 2017
Net asset value per unit	¥235,943	¥236,478
Net income per unit	¥6,279	¥6,617

Note 1: The weighted average number of units outstanding of 349,089 was used for the computation of the amount of net income per unit for the periods ended July 31, 2016 and January 31, 2017. Net income per unit after adjusting for residual units is not included because there were no residual investment units.

Note 2: The basis for calculating net income per unit is as follows:

	From February 1, 2016 to July 31, 2016	From August 1, 2016 to January 31, 2017
Net income (in thousands of yen)	2,192,224	2,310,145
Net income not available to ordinary unitholders (in thousands of yen)	-	-
Net income available to ordinary unitholders (in thousands of yen)	2,192,224	2,310,145
Weighted average number of units during the period (units)	349,089	349,089

(Notes to Important Subsequent Events)

Not applicable

[Reference] **Earnings Performance for the Individual Properties for the 10th Fiscal Period (August 1, 2016 to January 31, 2017) : 184 days** **As of January 31, 2017**

Location		Tokyo Metropolitan Area														
Property No.		T-1	T-3	T-4	T-5	T-6	T-7	T-9	T-10	T-11	T-12	T-13	T-15	T-16	T-17	
Property Name		KDX Daikanyama Residence	KDX Odenma Residence	KDX Iwamotocho Residence	KDX Bunkyo Sengoku Residence	KDX Azumabashi Residence	KDX Shimura Sakaue Residence	Cosmo Heim Motosumiyoshi (Land with leasehold interest)	KDX Musashi Nakahara Residence	KDX Chiba Chuo Residence	KDX Kawaguchi Saiwai-cho Residence	KDX Residence Shirokane	KDX Residence Shirokane II	KDX Residence Minami-aoyama	KDX Residence Minami-azabu	
Acquisition Date		May 1, 2012	May 1, 2012	May 1, 2012	May 1, 2012	May 1, 2012	May 1, 2012	April 26, 2012	May 1, 2012	May 1, 2012	May 1, 2012	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	
Price Information	Acquisition price (In millions of yen)	4,700	1,775	822	1,488	650	2,830	1,750	637	1,480	1,150	3,000	2,800	2,230	2,080	
	Percentage of total portfolio	3.0%	1.1%	0.5%	1.0%	0.4%	1.8%	1.1%	0.4%	1.0%	0.7%	1.9%	1.8%	1.4%	1.3%	
	Net book value (In millions of yen)	4,741	1,747	811	1,480	633	2,752	1,798	639	1,398	1,141	3,028	2,823	2,249	2,090	
	Appraisal value at the end of period (In millions of yen)	5,620	2,040	952	1,770	849	3,250	1,780	723	1,660	1,440	3,420	3,263	2,420	2,490	
	Percentage of total appraisal value	3.1%	1.1%	0.5%	1.0%	0.5%	1.8%	1.0%	0.4%	0.9%	0.8%	1.9%	1.8%	1.3%	1.4%	
Lease Information	Number of leasable residential units	86	54	36	77	41	85	-	35	106	61	50	85	20	62	
	Leasable floor area (m ²)	5,338.99	2,353.23	1,131.24	2,054.10	1,054.83	6,117.48	3,040.11	2,123.46	3,546.91	2,491.66	3,617.32	2,889.66	1,680.79	2,785.42	
	Leased floor area (m ²)	5,338.99	2,264.41	1,131.24	2,054.10	1,031.09	5,685.28	3,040.11	2,062.98	3,118.00	2,370.82	3,617.32	2,826.62	1,680.79	2,785.42	
	Occupancy ratio															
	As of January 31, 2017	100.0%	96.2%	100.0%	100.0%	97.7%	92.9%	-	97.2%	87.9%	95.2%	100.0%	97.8%	100.0%	100.0%	
	As of July 31, 2016	96.5%	94.5%	96.4%	93.4%	97.7%	97.5%	-	94.3%	97.2%	97.1%	97.5%	97.8%	97.7%	98.6%	
	As of January 31, 2016	99.4%	98.2%	94.4%	100.0%	97.7%	94.2%	-	100.0%	98.8%	97.1%	98.8%	98.1%	94.8%	98.8%	
	As of July 31, 2015	96.6%	96.4%	100.0%	97.7%	100.0%	97.5%	-	100.0%	91.9%	98.2%	100.0%	97.8%	97.7%	96.0%	
	As of January 31, 2015	90.6%	96.4%	100.0%	98.7%	95.5%	97.6%	-	97.2%	88.9%	81.2%	97.3%	97.5%	90.9%	95.2%	
	As of July 31, 2014	98.2%	92.2%	96.4%	99.0%	100.0%	96.4%	-	100.0%	90.6%	91.7%	96.1%	96.0%	92.9%	90.2%	
As of January 31, 2014	94.1%	96.4%	100.0%	91.2%	97.7%	97.8%	-	91.3%	94.6%	98.2%	97.1%	98.9%	95.8%	91.1%		
As of July 31, 2013	95.5%	96.3%	97.2%	93.3%	95.4%	95.2%	-	100.0%	96.9%	96.6%	-	-	-	-		
As of January 31, 2013	96.8%	96.2%	100.0%	97.7%	93.1%	93.1%	-	88.5%	96.7%	95.2%	-	-	-	-		
As of July 31, 2012	94.0%	90.7%	100.0%	91.2%	95.5%	96.5%	-	97.2%	96.9%	90.1%	-	-	-	-		
Income and Retained Earnings Information for the 10th Fiscal Period	Operating periods	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	
	Rental and other operating revenues (In thousands of yen)	156,984	55,832	26,762	48,208	24,769	99,122	43,749	24,396	59,681	47,099	108,263	89,362	64,463	71,878	
	Rental revenues	142,468	53,011	26,129	45,444	23,618	88,455	43,749	23,542	55,488	43,186	91,320	82,827	62,895	68,099	
	Other operating revenues	14,515	2,820	633	2,763	1,151	10,667	-	854	4,193	3,913	16,942	6,534	1,567	3,779	
	Property-related expenses (In thousands of yen)	30,143	11,761	5,680	13,031	5,524	22,071	1,196	5,540	14,644	12,088	33,572	16,275	11,775	13,234	
	Property management fees	9,825	4,584	2,283	4,077	2,743	7,283	-	2,218	3,614	3,050	7,723	6,167	3,867	5,274	
	Taxes	8,882	2,814	1,242	2,458	1,255	5,574	1,190	1,603	3,814	2,764	7,568	4,514	3,319	3,762	
	Utilities	5,351	469	311	541	263	1,174	-	400	864	761	13,417	1,505	1,536	529	
	Repairs and maintenance	2,050	1,724	724	3,093	593	5,006	-	580	3,434	3,393	2,182	1,427	1,822	2,113	
	Insurance	172	62	30	56	31	152	-	48	101	66	125	92	47	83	
	Trust fees and other expenses	3,860	2,105	1,089	2,804	636	2,880	6	689	2,814	2,051	2,554	2,568	1,183	1,472	
	NOI (= -) (In thousands of yen)	126,840	44,071	21,082	35,176	19,245	77,051	42,553	18,856	45,037	35,011	74,690	73,086	52,687	58,644	
Depreciation (In thousands of yen)	15,713	10,550	5,229	6,502	4,884	21,358	-	3,539	17,172	7,238	7,604	6,642	3,224	6,802		
Rental operating income (= -) (In thousands of yen)	111,127	33,520	15,852	28,674	14,360	55,693	42,553	15,316	27,864	27,773	67,085	66,443	49,462	51,842		
Capital expenditures (In thousands of yen)	4,072	2,604	1,162	297	135	1,715	-	428	270	905	1,130	606	566	544		
NCF (= -) (In thousands of yen)	122,768	41,467	19,919	34,879	19,109	75,335	42,553	18,427	44,766	34,106	73,560	72,479	52,120	58,099		
Reference	Expense ratio (= /)	19.2%	21.1%	21.2%	27.0%	22.3%	22.3%	2.7%	22.7%	24.5%	25.7%	31.0%	18.2%	18.3%	18.4%	
	Property tax for the year 2016 (In thousands of yen)	17,765	5,629	2,484	4,917	2,510	11,149	2,381	3,206	7,629	5,533	15,137	9,028	6,638	7,524	
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

[Reference] **Earnings Performance for the Individual Properties for the 10th Fiscal Period (August 1, 2016 to January 31, 2017) : 184 days** **As of January 31, 2017**

Location		Tokyo Metropolitan Area														
Property No.	T-18	T-19	T-20	T-21	T-22	T-23	T-24	T-25	T-26	T-27	T-28	T-29	T-30	T-31		
Property Name	KDX Residence Shiba Koen	KDX Residence Azabu East	KDX Residence Takanawa	KDX Residence Nishihara	KDX Residence Daikanyama II	KDX Residence Sendagaya	KDX Residence Nihombashi Suitengu	KDX Residence Nihombashi Hakozaki	KDX Residence Higashi-shinjuku	KDX Residence Yotsuya	KDX Residence Nishi-shinjuku	KDX Residence Kagurazaka	KDX Residence Futako Tamagawa	KDX Residence Komazawa Koen		
Acquisition Date	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013		
Price Information	Acquisition price (In millions of yen)	1,781	1,560	770	1,450	730	650	3,240	1,147	3,270	2,260	1,000	720	1,250	920	
	Percentage of total portfolio	1.1%	1.0%	0.5%	0.9%	0.5%	0.4%	2.1%	0.7%	2.1%	1.5%	0.6%	0.5%	0.8%	0.6%	
	Net book value (In millions of yen)	1,787	1,568	774	1,459	765	651	3,238	1,147	3,272	2,276	1,004	722	1,274	923	
	Appraisal value at the end of period (In millions of yen)	2,160	1,860	935	1,830	909	759	3,780	1,300	3,870	2,520	1,220	844	1,390	1,050	
Lease Information	Percentage of total appraisal value	1.2%	1.0%	0.5%	1.0%	0.5%	0.4%	2.1%	0.7%	2.1%	1.4%	0.7%	0.5%	0.8%	0.6%	
	Number of leasable residential units	64	76	27	39	17	16	79	60	179	42	54	34	38	32	
	Leasable floor area (m ²)	2,507.52	1,849.00	1,034.27	2,310.08	985.10	748.96	5,534.86	1,537.38	4,358.43	3,101.16	1,345.92	890.93	2,339.62	1,020.18	
	Leased floor area (m ²)	2,466.68	1,806.98	1,034.27	2,310.08	985.10	748.96	5,534.86	1,468.83	4,358.43	3,101.16	1,298.06	866.07	2,216.35	1,020.18	
	Occupancy ratio															
	As of January 31, 2017	98.4%	97.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	95.5%	100.0%	100.0%	96.4%	97.2%	94.7%	100.0%
	As of July 31, 2016	93.4%	98.9%	92.5%	95.9%	100.0%	100.0%	100.0%	100.0%	97.3%	97.5%	95.9%	100.0%	100.0%	97.1%	100.0%
	As of January 31, 2016	94.6%	97.7%	100.0%	93.7%	100.0%	100.0%	100.0%	100.0%	98.4%	97.9%	93.7%	100.0%	100.0%	100.0%	100.0%
	As of July 31, 2015	93.7%	97.7%	97.4%	97.5%	100.0%	100.0%	87.6%	100.0%	97.1%	98.0%	100.0%	98.5%	97.2%	92.1%	97.8%
	As of January 31, 2015	93.3%	100.0%	100.0%	97.9%	100.0%	100.0%	100.0%	100.0%	91.4%	99.0%	93.9%	98.2%	94.3%	100.0%	100.0%
As of July 31, 2014	94.0%	94.3%	91.0%	97.6%	90.9%	100.0%	100.0%	100.0%	95.3%	97.9%	89.1%	96.8%	100.0%	100.0%	100.0%	
As of January 31, 2014	100.0%	94.3%	100.0%	94.8%	100.0%	100.0%	100.0%	100.0%	91.8%	95.9%	93.9%	95.2%	94.4%	97.0%	97.8%	
As of July 31, 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
As of January 31, 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
As of July 31, 2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Income and Retained Earnings Information for the 10th Fiscal Period	Operating periods	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	
	Rental and other operating revenues (In thousands of yen)	61,628	55,108	26,916	51,346	27,830	23,933	96,186	39,221	109,322	78,218	35,007	25,220	42,300	28,599	
	Rental revenues	57,861	51,734	25,137	47,330	22,976	19,649	92,757	36,526	102,984	70,578	32,869	23,004	39,210	26,978	
	Other operating revenues	3,766	3,373	1,779	4,015	4,854	4,284	3,429	2,695	6,338	7,639	2,137	2,215	3,090	1,621	
	Property-related expenses (In thousands of yen)	13,896	9,806	5,653	8,830	5,643	5,193	13,094	9,557	17,609	17,012	7,103	5,084	8,730	4,551	
	Property management fees	5,194	3,873	2,330	3,448	2,055	2,531	1,527	3,552	6,697	7,704	3,404	2,000	2,766	1,916	
	Taxes	2,920	2,495	1,474	3,033	1,655	1,136	4,991	1,729	5,501	4,902	1,700	1,018	2,098	1,242	
	Utilities	589	472	373	766	187	309	914	418	1,501	1,080	355	264	409	354	
	Repairs and maintenance	3,306	1,364	441	720	966	635	4,511	2,170	1,749	1,147	1,073	918	2,640	430	
	Insurance	65	59	29	69	29	26	145	43	126	140	37	25	61	27	
	Trust fees and other expenses	1,819	1,542	1,004	791	749	552	1,003	1,642	2,032	2,038	531	856	756	578	
	NOI (= -) (In thousands of yen)	47,731	45,301	21,262	42,516	22,186	18,739	83,092	29,663	91,713	61,205	27,904	20,136	33,569	24,048	
Depreciation (In thousands of yen)	5,767	6,103	2,744	5,697	1,260	2,804	17,702	6,473	11,548	9,242	3,812	3,315	4,343	4,642		
Rental operating income (= -) (In thousands of yen)	41,964	39,197	18,517	36,818	20,926	15,935	65,390	23,189	80,165	51,962	24,091	16,820	29,226	19,405		
Capital expenditures (In thousands of yen)	155	1,478	-	3,472	430	249	3,037	-	233	2,199	877	623	9,957	261		
NCF (= -) (In thousands of yen)	47,575	43,823	21,262	39,043	21,756	18,490	80,054	29,663	91,479	59,005	27,026	19,512	23,612	23,787		
Reference	Expense ratio (= /)	22.5%	17.8%	21.0%	17.2%	20.3%	21.7%	13.6%	24.4%	16.1%	21.8%	20.3%	20.2%	20.6%	15.9%	
	Property tax for the year 2016 (In thousands of yen)	5,840	4,990	2,948	6,066	3,311	2,273	9,982	3,458	11,002	9,805	3,401	2,036	4,196	2,485	
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

[Reference] **Earnings Performance for the Individual Properties for the 10th Fiscal Period (August 1, 2016 to January 31, 2017) : 184 days** **As of January 31, 2017**

Location		Tokyo Metropolitan Area													
Property No.		T-32	T-33	T-34	T-35	T-36	T-37	T-38	T-39	T-40	T-41	T-42	T-43	T-44	T-45
Property Name		KDX Residence Mishuku	KDX Residence Yoga	KDX Residence Shimouma	Raffine Minami-magome	KDX Residence Yukigaya Otsuka	KDX Residence Denen Chofu	KDX Residence Tamagawa	KDX Residence Monzennakacho	KDX Residence Okachimachi	KDX Residence Moto-asakusa	KDX Residence Itabashi Honcho	KDX Residence Azusawa	KDX Residence Tobu Nerima	KDX Residence Yokohama Kannai
Acquisition Date		August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013
Price Information	Acquisition price (In millions of yen)	760	700	600	1,250	1,050	1,000	776	773	850	800	620	550	420	800
	Percentage of total portfolio	0.5%	0.5%	0.4%	0.8%	0.7%	0.6%	0.5%	0.5%	0.5%	0.5%	0.4%	0.4%	0.3%	0.5%
	Net book value (In millions of yen)	766	705	607	1,252	1,049	1,059	767	773	854	804	617	567	414	797
	Appraisal value at the end of period (In millions of yen)	865	813	698	1,670	1,260	1,190	888	916	998	943	713	620	490	955
	Percentage of total appraisal value	0.5%	0.5%	0.4%	0.9%	0.7%	0.7%	0.5%	0.5%	0.6%	0.5%	0.4%	0.3%	0.3%	0.5%
Lease Information	Number of leasable residential units	39	38	29	56	72	36	52	49	51	44	46	39	37	72
	Leasable floor area (m ²)	1,103.82	1,012.80	829.05	2,408.56	1,526.98	2,359.44	1,170.40	1,171.41	1,329.79	1,314.91	1,127.58	989.82	931.82	1,602.16
	Leased floor area (m ²)	1,038.87	1,012.80	776.54	2,408.56	1,506.50	2,228.36	1,149.94	1,171.41	1,303.82	1,214.39	1,083.20	968.70	879.36	1,409.76
	Occupancy ratio														
	As of January 31, 2017	94.1%	100.0%	93.7%	100.0%	98.7%	94.4%	98.3%	100.0%	98.0%	92.4%	96.1%	97.9%	94.4%	88.0%
	As of July 31, 2016	96.0%	100.0%	100.0%	100.0%	95.7%	91.7%	96.5%	93.7%	98.2%	97.4%	94.0%	90.2%	94.9%	90.8%
	As of January 31, 2016	95.3%	100.0%	96.7%	100.0%	100.0%	97.2%	100.0%	100.0%	100.0%	98.4%	95.8%	100.0%	97.3%	98.8%
	As of July 31, 2015	97.7%	100.0%	97.0%	100.0%	98.4%	97.2%	96.4%	96.2%	100.0%	92.4%	96.1%	94.1%	100.0%	97.2%
	As of January 31, 2015	100.0%	100.0%	100.0%	100.0%	100.0%	97.2%	100.0%	97.5%	100.0%	94.3%	93.9%	90.9%	97.8%	89.2%
	As of July 31, 2014	100.0%	100.0%	95.5%	100.0%	97.3%	100.0%	98.2%	95.5%	100.0%	97.5%	97.7%	90.9%	96.6%	90.9%
As of January 31, 2014	97.7%	97.5%	96.9%	100.0%	95.9%	97.2%	96.5%	84.3%	96.2%	93.3%	96.0%	96.7%	100.0%	92.3%	
As of July 31, 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
As of January 31, 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
As of July 31, 2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Income and Retained Earnings Information for the 10th Fiscal Period	Operating periods	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days
	Rental and other operating revenues (In thousands of yen)	25,493	23,643	19,439	51,614	37,978	35,397	27,800	26,631	29,299	28,564	23,083	17,846	17,104	33,360
	Rental revenues	24,173	21,684	18,455	51,614	36,290	33,338	26,191	25,579	28,853	27,318	22,107	17,249	16,130	30,365
	Other operating revenues	1,319	1,959	984	-	1,687	2,059	1,608	1,052	445	1,245	976	596	974	2,995
	Property-related expenses (In thousands of yen)	7,785	3,484	6,569	3,504	8,908	12,940	6,570	6,673	5,685	10,366	6,061	4,623	5,566	10,054
	Property management fees	2,489	1,283	2,067	589	2,766	3,038	2,576	2,691	1,936	2,912	2,027	2,086	2,012	3,768
	Taxes	1,425	1,259	779	2,070	1,929	1,868	1,501	1,280	1,660	1,511	1,232	1,211	1,094	1,656
	Utilities	235	365	214	-	481	495	401	378	376	368	299	187	187	676
	Repairs and maintenance	2,373	163	2,318	332	1,636	6,609	896	1,589	1,167	5,012	1,269	429	971	2,847
	Insurance	31	27	20	51	44	50	38	31	33	39	29	29	26	51
	Trust fees and other expenses	1,231	385	1,168	460	2,049	878	1,155	700	510	521	1,203	679	1,274	1,052
	NOI (= -) (In thousands of yen)	17,707	20,159	12,869	48,109	29,070	22,457	21,229	19,958	23,613	18,198	17,021	13,222	11,537	23,306
Depreciation (In thousands of yen)	3,097	2,599	2,234	3,382	5,435	3,783	5,886	3,914	3,768	4,435	4,194	3,353	3,762	5,904	
Rental operating income (= -) (In thousands of yen)	14,609	17,559	10,634	44,727	23,635	18,674	15,343	16,043	19,845	13,762	12,827	9,868	7,775	17,401	
Capital expenditures (In thousands of yen)	683	-	366	263	196	36,243	317	522	-	1,053	-	-	240	1,060	
NCF (= -) (In thousands of yen)	17,023	20,159	12,502	47,846	28,874	13,786	20,911	19,435	23,613	17,144	17,021	13,222	11,297	22,245	
Reference	Expense ratio (= /)	30.5%	14.7%	33.8%	6.8%	23.5%	36.6%	23.6%	25.1%	19.4%	36.3%	26.3%	25.9%	32.5%	30.1%
	Property tax for the year 2016 (In thousands of yen)	2,850	2,518	1,559	4,141	3,858	3,736	3,002	2,561	3,321	3,022	2,465	2,423	2,188	3,313
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-

[Reference] **Earnings Performance for the Individual Properties for the 10th Fiscal Period (August 1, 2016 to January 31, 2017) : 184 days** **As of January 31, 2017**

Location		Tokyo Metropolitan Area														
Property No.	T-46	T-47	T-48	T-49	T-50	T-51	T-52	T-53	T-54	T-55	T-56	T-57	T-58	T-59		
Property Name	KDX Residence Miyamaedaira	KDX Residence Machida	KDX Residence Kinshicho	KDX Residence Nihombashi Hamacho	KDX Residence Nihombashi Ningyocho	KDX Residence Jiyugaoka	KDX Residence Togoshi	KDX Residence Shinagawa Seaside	KDX Residence Ojima	KDX Residence Oyama	KDX Residence Hanzomon	B-Site Akihabara	Bureau Kagurazaka	KDX Residence Sendagi		
Acquisition Date	August 7, 2013	August 7, 2013	March 28, 2014	August 7, 2014	August 7, 2014	August 7, 2014	August 7, 2014	August 7, 2014	August 7, 2014	August 7, 2014	February 5, 2015	February 5, 2015	February 5, 2015	February 5, 2015		
Price Information	Acquisition price (In millions of yen)	999	1,800	1,350	996	530	1,268	3,745	2,593	1,857	2,679	4,832	850	1,360	2,200	
	Percentage of total portfolio	0.6%	1.2%	0.9%	0.6%	0.3%	0.8%	2.4%	1.7%	1.2%	1.7%	3.1%	0.5%	0.9%	1.4%	
	Net book value (In millions of yen)	1,003	1,772	1,365	1,015	569	1,333	3,801	2,637	1,882	2,715	4,944	873	1,392	2,324	
	Appraisal value at the end of period (In millions of yen)	1,100	1,970	1,540	1,150	632	1,470	4,410	3,050	2,160	3,050	5,430	921	1,460	2,340	
	Percentage of total appraisal value	0.6%	1.1%	0.9%	0.6%	0.3%	0.8%	2.4%	1.7%	1.2%	1.7%	3.0%	0.5%	0.8%	1.3%	
Lease Information	Number of leasable residential units	40	52	33	28	27	48	144	127	117	145	85	52	70	40	
	Leasable floor area (m ²)	2,448.27	3,832.53	2,024.81	1,756.27	877.14	1,637.00	4,591.76	3,314.75	2,372.67	4,009.07	4,854.23	1,254.50	1,809.84	3,159.89	
	Leased floor area (m ²)	2,198.90	3,832.53	1,962.08	1,756.27	849.10	1,614.17	4,386.98	3,314.75	2,311.83	3,737.71	4,708.03	1,254.50	1,809.84	3,002.55	
	Occupancy ratio															
	As of January 31, 2017	89.8%	100.0%	96.9%	100.0%	96.8%	98.6%	95.5%	100.0%	97.4%	93.2%	97.0%	100.0%	100.0%	95.0%	
	As of July 31, 2016	95.1%	87.0%	100.0%	100.0%	95.4%	95.1%	95.9%	97.5%	99.1%	95.3%	97.7%	100.0%	100.0%	99.0%	
	As of January 31, 2016	95.3%	95.8%	96.8%	100.0%	100.0%	91.6%	98.4%	100.0%	99.1%	93.5%	98.8%	100.0%	100.0%	100.0%	
	As of July 31, 2015	95.3%	100.0%	96.9%	100.0%	100.0%	87.9%	98.2%	93.4%	98.3%	91.3%	94.6%	100.0%	100.0%	100.0%	
	As of January 31, 2015	90.0%	94.5%	97.3%	100.0%	90.9%	87.7%	97.0%	89.4%	100.0%	91.2%	-	-	-	-	
	As of July 31, 2014	92.1%	94.0%	87.4%	-	-	-	-	-	-	-	-	-	-	-	
As of January 31, 2014	95.2%	88.7%	-	-	-	-	-	-	-	-	-	-	-	-		
As of July 31, 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
As of January 31, 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
As of July 31, 2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Income and Retained Earnings Information for the 10th Fiscal Period	Operating periods	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	
	Rental and other operating revenues (In thousands of yen)	36,058	60,872	43,444	30,134	18,461	38,408	119,029	84,902	61,485	89,623	128,593	23,992	39,000	65,530	
	Rental revenues	32,606	54,661	37,520	29,909	17,340	37,161	111,604	80,277	58,580	80,977	118,261	23,882	39,000	59,013	
	Other operating revenues	3,451	6,211	5,924	225	1,121	1,246	7,425	4,624	2,905	8,645	10,331	110	-	6,517	
	Property-related expenses (In thousands of yen)	9,002	12,974	8,918	6,300	6,805	7,012	20,371	19,482	12,348	15,746	19,828	3,869	6,924	13,104	
	Property management fees	2,756	5,078	3,068	1,019	2,075	2,767	7,036	5,077	4,439	4,511	6,297	289	1,557	3,148	
	Taxes	2,041	3,558	2,295	1,571	980	1,869	5,534	4,667	2,755	4,830	6,787	1,605	2,377	2,959	
	Utilities	558	793	530	318	243	310	676	898	612	1,046	1,001	-	604	3,326	
	Repairs and maintenance	2,773	978	2,233	2,962	2,094	575	3,439	5,553	2,662	2,833	2,980	1,577	1,492	2,467	
	Insurance	65	112	74	43	25	42	149	113	77	120	146	37	57	93	
	Trust fees and other expenses	806	2,454	716	385	1,386	1,448	3,535	3,172	1,800	2,403	2,615	360	836	1,108	
	NOI (= -) (In thousands of yen)	27,055	47,898	34,526	23,834	11,656	31,395	98,658	65,419	49,137	73,877	108,764	20,123	32,075	52,426	
Depreciation (In thousands of yen)	4,689	14,850	6,861	4,093	2,181	4,149	16,863	12,755	11,039	16,547	13,874	2,506	3,635	7,816		
Rental operating income (= -) (In thousands of yen)	22,366	33,047	27,665	19,741	9,474	27,245	81,795	52,664	38,098	57,329	94,890	17,616	28,439	44,609		
Capital expenditures (In thousands of yen)	3,510	422	106	254	2,073	520	2,597	4,268	-	-	4,542	356	439	10,379		
NCF (= -) (In thousands of yen)	23,544	47,475	34,419	23,579	9,582	30,874	96,060	61,151	49,137	73,877	104,222	19,766	31,635	42,047		
Reference	Expense ratio (= /)	25.0%	21.3%	20.5%	20.9%	36.9%	18.3%	17.1%	22.9%	20.1%	17.6%	15.4%	16.1%	17.8%	20.0%	
	Property tax for the year 2016 (In thousands of yen)	4,083	7,119	4,590	3,143	1,961	3,738	11,069	9,334	5,511	9,660	13,574	3,211	4,755	5,919	
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

[Reference]

Earnings Performance for the Individual Properties for the 10th Fiscal Period (August 1, 2016 to January 31, 2017) : 184 days As of January 31, 2017

Location		Tokyo Metropolitan Area													
Property No.		T-60	T-61	T-62	T-63	T-64	T-65	T-66	T-67	T-68	T-69	T-70	T-71	T-72	T-73
Property Name		KDX Residence Seijo	KDX Residence Akihabara	KDX Residence Iriya	KDX Residence Tachikawa	KDX Residence Tsurumi	KDX Residence Morishita Chitose	KDX Residence Akasaka	KDX Residence Kanda	KDX Residence Ebisu	KDX Residence Nishi-magome	KDX Residence Nishi-azabu	KDX Residence Azabu Sendaizaka	KDX Residence Waseda Tsurumaki	KDX Residence Bunkyo Yushima
Acquisition Date		February 5, 2015	February 5, 2015	February 5, 2015	February 5, 2015	February 5, 2015	June 1, 2015	September 30, 2015	September 30, 2015	October 30, 2015	August 30, 2016	August 1, 2016	August 1, 2016	August 1, 2016	August 1, 2016
Price Information	Acquisition price (In millions of yen)	1,400	1,250	1,062	3,026	1,050	1,100	1,150	700	2,845	1,130	1,224	792	561	695
	Percentage of total portfolio	0.9%	0.8%	0.7%	2.0%	0.7%	0.7%	0.7%	0.5%	1.8%	0.7%	0.8%	0.5%	0.4%	0.4%
	Net book value (In millions of yen)	1,435	1,278	1,090	3,087	1,124	1,129	1,212	740	2,994	1,194	1,254	811	580	714
	Appraisal value at the end of period (In millions of yen)	1,500	1,410	1,270	3,390	1,330	1,150	1,500	953	3,750	1,170	1,430	909	765	879
	Percentage of total appraisal value	0.8%	0.8%	0.7%	1.9%	0.7%	0.6%	0.8%	0.5%	2.1%	0.6%	0.8%	0.5%	0.4%	0.5%
Lease Information	Number of leasable residential units	38	32	57	174	59	65	28	30	65	47	33	30	39	38
	Leasable floor area (m ²)	2,198.56	1,929.61	1,899.29	4,314.87	3,499.84	1,614.28	1,180.71	1,031.09	2,659.66	1,297.27	1,357.88	878.50	808.54	939.89
	Leased floor area (m ²)	2,063.06	1,929.61	1,816.89	4,095.09	3,446.92	1,593.00	1,180.71	1,031.09	2,581.40	469.75	1,357.88	878.50	808.54	939.89
	Occupancy ratio														
	As of January 31, 2017	93.8%	100.0%	95.7%	94.9%	98.5%	98.7%	100.0%	100.0%	97.1%	36.2%	100.0%	100.0%	100.0%	100.0%
	As of July 31, 2016	100.0%	85.8%	97.1%	92.1%	96.8%	98.7%	93.1%	100.0%	97.3%	-	-	-	-	-
	As of January 31, 2016	88.5%	87.9%	100.0%	95.9%	98.5%	96.8%	100.0%	97.4%	58.3%	-	-	-	-	-
	As of July 31, 2015	89.8%	97.0%	98.6%	96.1%	98.4%	96.2%	-	-	-	-	-	-	-	-
	As of January 31, 2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	As of July 31, 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As of January 31, 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
As of July 31, 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
As of January 31, 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
As of July 31, 2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Income and Retained Earnings Information for the 10th Fiscal Period	Operating periods	184days	184days	184days	184days	184days	184days	184days	184days	184days	155days	184days	184days	184days	184days
	Rental and other operating revenues (In thousands of yen)	41,450	37,074	38,847	94,893	51,154	37,405	36,519	25,613	89,734	2,151	37,540	24,931	20,508	23,961
	Rental revenues	38,006	34,936	35,805	85,483	45,978	35,787	35,025	24,978	89,192	1,615	35,791	24,528	20,088	23,158
	Other operating revenues	3,444	2,137	3,041	9,410	5,176	1,618	1,494	635	541	535	1,748	402	420	802
	Property-related expenses (In thousands of yen)	7,454	9,314	9,434	17,193	11,842	7,467	6,180	5,657	10,357	7,846	5,902	5,655	5,902	4,233
	Property management fees	2,141	2,938	3,333	6,657	3,209	2,490	2,207	1,700	3,208	1,975	2,475	3,042	2,470	2,065
	Taxes	2,777	2,090	1,954	4,509	2,509	1,920	1,520	1,665	3,326	10	3	4	3	3
	Utilities	422	323	334	770	508	529	249	404	957	216	1,013	264	251	259
	Repairs and maintenance	1,493	1,721	2,282	3,079	3,855	1,008	316	638	561	201	1,034	503	1,416	675
	Insurance	58	52	52	136	85	45	36	32	85	30	41	27	24	27
	Trust fees and other expenses	560	2,187	1,477	2,039	1,675	1,472	1,850	1,216	2,217	5,412	1,334	1,813	1,736	1,202
	NOI (= -) (In thousands of yen)	33,995	27,760	29,412	77,700	39,312	29,938	30,339	19,956	79,376	5,695	31,637	19,275	14,606	19,727
Depreciation (In thousands of yen)	4,514	6,573	6,126	21,052	6,530	5,625	4,195	3,682	11,259	4,885	3,755	2,282	2,963	3,052	
Rental operating income (= -) (In thousands of yen)	29,481	21,186	23,285	56,647	32,781	24,313	26,143	16,273	68,117	10,581	27,882	16,992	11,642	16,674	
Capital expenditures (In thousands of yen)	1,969	-	3,033	-	21,133	284	-	-	337	-	270	276	217	138	
NCF (= -) (In thousands of yen)	32,206	27,760	26,378	77,700	18,178	29,653	30,339	19,956	79,039	5,695	31,366	18,999	14,388	19,589	
Reference	Expense ratio (= /)	18.0%	25.1%	24.3%	18.1%	23.2%	20.0%	16.9%	22.1%	11.5%	364.8%	15.7%	22.7%	28.8%	17.7%
	Property tax for the year 2016 (In thousands of yen)	5,554	4,181	3,910	9,017	5,018	3,842	3,040	3,330	6,652	1,966	4,960	3,062	1,982	2,348
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-

[Reference] **Earnings Performance for the Individual Properties for the 10th Fiscal Period (August 1, 2016 to January 31, 2017) : 184 days** **As of January 31, 2017**

Location		Tokyo Metropolitan Area				Other Regional Areas									
Property No.		T-74	T-75	T-76	T-77	R-2	R-3	R-4	R-5	R-6	R-7	R-8	R-9	R-10	R-11
Property Name		KDX Residence Kamishakujiji	KDX Residence Shin-otsuka	KDX Residence Sakurajosui	KDX Residence Ryogoku	KDX Jozenji Dori Residence	KDX Izumi Residence	KDX Chihaya Residence	KDX Sakaisuji Hommachi Residence	KDX Shimmachi Residence	KDX Takarazuka Residence	KDX Shimizu Residence	KDX Residence Odori Koen	KDX Residence Kikusui Yojo	KDX Residence Toyohira Koen
Acquisition Date		August 1, 2016	November 1, 2016	November 1, 2016	November 1, 2016	May 1, 2012	May 1, 2012	May 1, 2012	May 1, 2012	May 1, 2012	May 1, 2012	May 1, 2012	August 7, 2013	August 7, 2013	August 7, 2013
Price Information	Acquisition price (In millions of yen)	648	764	894	842	1,015	1,120	1,080	2,910	1,015	1,510	1,680	765	830	445
	Percentage of total portfolio	0.4%	0.5%	0.6%	0.5%	0.7%	0.7%	0.7%	1.9%	0.7%	1.0%	1.1%	0.5%	0.5%	0.3%
	Net book value (In millions of yen)	668	792	927	876	985	1,091	1,045	2,818	980	1,433	1,627	753	821	441
	Appraisal value at the end of period (In millions of yen)	736	908	1,080	1,020	1,340	1,330	1,390	3,210	1,240	1,850	2,050	879	973	527
	Percentage of total appraisal value	0.4%	0.5%	0.6%	0.6%	0.7%	0.7%	0.8%	1.8%	0.7%	1.0%	1.1%	0.5%	0.5%	0.3%
Lease Information	Number of leasable residential units	47	40	43	36	92	40	92	160	94	80	148	78	84	65
	Leasable floor area (m ²)	1,032.18	872.00	1,227.16	1,190.53	3,330.15	2,798.20	2,936.40	6,385.70	2,146.02	4,631.16	6,255.16	2,762.76	3,413.06	2,253.81
	Leased floor area (m ²)	1,009.34	872.00	1,227.16	1,037.65	3,111.51	2,731.74	2,912.08	6,030.69	2,031.87	4,498.30	6,040.97	2,726.96	3,413.06	2,184.24
	Occupancy ratio														
	As of January 31, 2017	97.8%	100.0%	100.0%	87.2%	93.4%	97.6%	99.2%	94.4%	94.7%	97.1%	96.6%	98.7%	100.0%	96.9%
	As of July 31, 2016	-	-	-	-	95.7%	97.4%	94.8%	88.6%	93.6%	91.4%	97.6%	96.1%	100.0%	98.4%
	As of January 31, 2016	-	-	-	-	89.0%	89.8%	97.3%	91.4%	92.6%	97.1%	98.0%	96.1%	97.9%	93.9%
	As of July 31, 2015	-	-	-	-	100.0%	85.0%	98.9%	97.5%	93.6%	94.3%	94.2%	100.0%	94.3%	97.0%
	As of January 31, 2015	-	-	-	-	98.2%	100.0%	96.4%	93.2%	98.9%	95.7%	92.1%	94.9%	91.9%	95.5%
	As of July 31, 2014	-	-	-	-	96.4%	95.0%	100.0%	92.9%	100.0%	90.0%	94.2%	96.1%	100.0%	96.9%
As of January 31, 2014	-	-	-	-	97.9%	97.6%	95.1%	94.0%	92.6%	97.1%	95.4%	98.7%	99.0%	92.3%	
As of July 31, 2013	-	-	-	-	100.0%	97.6%	98.9%	90.8%	96.8%	100.0%	93.6%	-	-	-	
As of January 31, 2013	-	-	-	-	99.1%	92.1%	100.0%	93.0%	96.8%	92.8%	99.4%	-	-	-	
As of July 31, 2012	-	-	-	-	96.8%	87.1%	98.9%	91.7%	96.8%	87.1%	96.1%	-	-	-	
Income and Retained Earnings Information for the 10th Fiscal Period	Operating periods	184days	92days	92days	92days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days
	Rental and other operating revenues (In thousands of yen)	23,118	11,304	17,433	9,986	50,540	43,210	47,685	104,504	38,416	56,390	72,308	33,610	39,011	22,979
	Rental revenues	21,568	11,124	14,004	9,986	45,286	36,462	43,524	96,555	36,940	52,337	65,137	30,608	35,150	21,045
	Other operating revenues	1,550	180	3,429	-	5,254	6,748	4,161	7,949	1,475	4,053	7,170	3,002	3,861	1,934
	Property-related expenses (In thousands of yen)	4,880	351	4,663	2,454	11,985	9,735	10,541	24,874	7,119	10,381	13,743	9,887	9,036	8,923
	Property management fees	2,039	120	2,141	1,342	3,347	3,399	3,753	6,135	2,427	2,757	3,609	2,774	2,684	2,337
	Taxes	3	10	10	10	3,264	2,420	3,026	7,634	1,894	3,944	5,439	2,635	3,295	2,148
	Utilities	228	-	81	87	928	306	893	1,374	614	695	739	731	989	958
	Repairs and maintenance	1,226	-	88	-	2,783	2,107	1,133	2,015	657	986	2,558	1,368	655	1,498
	Insurance	30	12	17	17	81	69	80	196	57	104	153	72	63	55
	Trust fees and other expenses	1,352	209	2,324	997	1,579	1,432	1,653	7,517	1,468	1,893	1,242	2,305	1,347	1,925
	NOI (= -) (In thousands of yen)	18,237	10,952	12,770	7,531	38,555	33,474	37,143	79,630	31,296	46,008	58,565	23,723	29,974	14,055
Depreciation (In thousands of yen)	3,370	1,716	2,058	2,196	10,343	9,145	10,014	23,675	8,995	16,517	14,185	7,833	7,500	4,384	
Rental operating income (= -) (In thousands of yen)	14,867	9,236	10,712	5,335	28,212	24,329	27,129	55,955	22,300	29,491	44,379	15,889	22,474	9,671	
Capital expenditures (In thousands of yen)	820	345	-	339	771	815	-	2,947	-	-	263	-	-	-	
NCF (= -) (In thousands of yen)	17,417	10,607	12,770	7,191	37,784	32,658	37,143	76,683	31,296	46,008	58,301	23,723	29,974	14,055	
Reference	Expense ratio (= /)	21.1%	3.1%	26.7%	24.6%	23.7%	22.5%	22.1%	23.8%	18.5%	18.4%	19.0%	29.4%	23.2%	38.8%
	Property tax for the year 2016 (In thousands of yen)	3,245	922	1,474	1,086	6,529	4,840	6,053	15,270	3,790	7,895	10,881	5,270	6,590	4,297
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-

[Reference] **Earnings Performance for the Individual Properties for the 10th Fiscal Period (August 1, 2016 to January 31, 2017) : 184 days** **As of January 31, 2017**

Location		Other Regional Areas													
Property No.		R-13	R-14	R-15	R-16	R-17	R-18	R-19	R-20	R-21	R-22	R-23	R-24	R-25	R-26
Property Name		KDX Residence Ichiban-cho	KDX Residence Kotodai	KDX Residence Izumi Chuo	KDX Residence Higashi-sakura I	KDX Residence Higashi-sakura II	KDX Residence Jingumae	KDX Residence Nishi-oji	KDX Residence Saiin	KDX Residence Namba	KDX Residence Namba-minami	KDX Residence Shin-Osaka	KDX Residence Ibaraki I-II	KDX Residence Toyonaka-minami	KDX Residence Moriguchi
Acquisition Date		August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013
Price Information	Acquisition price (In millions of yen)	530	520	480	2,350	900	840	813	440	1,410	1,350	510	1,275	740	551
	Percentage of total portfolio	0.3%	0.3%	0.3%	1.5%	0.6%	0.5%	0.5%	0.3%	0.9%	0.9%	0.3%	0.8%	0.5%	0.4%
	Net book value (In millions of yen)	524	516	478	2,334	893	831	810	438	1,405	1,337	502	1,299	721	542
	Appraisal value at the end of period (In millions of yen)	669	551	601	2,680	1,040	1,020	905	489	1,610	1,540	575	1,385	830	627
	Percentage of total appraisal value	0.4%	0.3%	0.3%	1.5%	0.6%	0.6%	0.5%	0.3%	0.9%	0.9%	0.3%	0.8%	0.5%	0.3%
Lease Information	Number of leasable residential units	45	27	40	187	66	95	76	49	118	131	43	61	70	28
	Leasable floor area (m ²)	1,818.09	1,475.73	2,159.25	6,221.83	2,655.31	2,724.19	2,353.55	1,094.81	3,387.30	3,813.31	1,321.04	4,701.87	2,024.50	1,942.78
	Leased floor area (m ²)	1,664.61	1,312.11	2,113.32	5,623.09	2,536.21	2,505.10	2,278.11	1,029.70	3,310.11	3,644.43	1,260.84	4,394.91	1,939.04	1,866.76
	Occupancy ratio														
	As of January 31, 2017	91.6%	88.9%	97.9%	90.4%	95.5%	92.0%	96.8%	94.1%	97.7%	95.6%	95.4%	93.5%	95.8%	96.1%
	As of July 31, 2016	97.3%	96.2%	92.7%	93.1%	91.0%	97.8%	97.8%	96.2%	96.2%	95.7%	90.9%	95.1%	98.7%	96.2%
	As of January 31, 2016	97.3%	100.0%	94.8%	92.0%	92.5%	97.8%	95.9%	95.7%	100.0%	97.8%	100.0%	98.3%	97.0%	100.0%
	As of July 31, 2015	95.3%	92.5%	92.5%	92.5%	95.5%	98.2%	98.0%	91.8%	96.2%	96.5%	97.7%	95.1%	100.0%	89.6%
	As of January 31, 2015	100.0%	100.0%	92.0%	95.2%	94.0%	96.0%	98.9%	94.2%	96.2%	95.5%	95.4%	95.1%	95.4%	100.0%
	As of July 31, 2014	91.9%	88.9%	95.0%	95.2%	97.0%	96.5%	95.0%	98.1%	99.2%	97.8%	97.7%	95.1%	97.1%	100.0%
As of January 31, 2014	98.0%	96.4%	94.2%	97.9%	100.0%	98.2%	93.3%	95.8%	96.2%	97.2%	93.2%	96.7%	98.5%	96.2%	
As of July 31, 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
As of January 31, 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
As of July 31, 2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Income and Retained Earnings Information for the 10th Fiscal Period	Operating periods	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days
	Rental and other operating revenues (In thousands of yen)	28,169	19,532	23,193	93,868	38,794	39,155	33,228	17,531	58,869	55,878	21,362	53,635	29,699	24,170
	Rental revenues	24,598	18,291	21,162	84,846	35,977	36,644	31,153	15,819	53,012	54,022	19,714	46,323	28,066	20,741
	Other operating revenues	3,571	1,240	2,031	9,022	2,816	2,511	2,074	1,711	5,856	1,855	1,647	7,311	1,632	3,429
	Property-related expenses (In thousands of yen)	8,395	5,823	5,498	30,988	10,901	8,200	7,087	5,805	11,902	10,274	6,176	18,052	6,067	6,370
	Property management fees	2,284	1,535	1,850	9,355	3,356	2,828	1,870	1,128	2,903	3,227	1,709	2,980	1,847	1,581
	Taxes	1,849	1,518	1,787	5,914	2,645	2,569	2,163	964	3,188	3,215	1,316	4,544	1,790	1,663
	Utilities	446	452	313	898	536	503	1,031	841	1,654	737	430	1,416	462	990
	Repairs and maintenance	2,720	1,507	568	6,674	1,646	1,373	896	2,013	1,808	1,431	1,029	6,978	778	1,069
	Insurance	43	38	47	153	69	67	59	30	79	91	31	123	50	56
	Trust fees and other expenses	1,049	770	931	7,991	2,647	858	1,064	826	2,267	1,569	1,660	2,009	1,138	1,008
	NOI (= -) (In thousands of yen)	19,774	13,708	17,695	62,880	27,892	30,954	26,140	11,726	46,966	45,604	15,185	35,582	23,631	17,800
Depreciation (In thousands of yen)	5,007	4,435	4,497	17,772	6,966	7,314	6,337	3,848	9,932	11,776	5,192	6,928	8,152	5,418	
Rental operating income (= -) (In thousands of yen)	14,767	9,272	13,197	45,108	20,925	23,640	19,803	7,878	37,034	33,827	9,993	28,654	15,478	12,381	
Capital expenditures (In thousands of yen)	108	143	141	739	377	-	316	-	-	148	-	23,584	-	-	
NCF (= -) (In thousands of yen)	19,666	13,565	17,553	62,141	27,515	30,954	25,824	11,726	46,966	45,455	15,185	11,998	23,631	17,800	
Reference	Expense ratio (= /)	29.8%	29.8%	23.7%	33.0%	28.1%	20.9%	21.3%	33.1%	20.2%	18.4%	28.9%	33.7%	20.4%	26.4%
	Property tax for the year 2016 (In thousands of yen)	3,699	3,037	3,575	11,831	5,291	5,141	4,328	1,928	6,379	6,432	2,632	9,092	3,580	3,330
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-

[Reference] **Earnings Performance for the Individual Properties for the 10th Fiscal Period (August 1, 2016 to January 31, 2017) : 184 days** **As of January 31, 2017**

Location		Other Regional Areas													
Property No.		R-27	R-28	R-29	R-30	R-32	R-33	R-34	R-35	R-36	R-37	R-38	R-39	R-40	R-41
Property Name		KDX Residence Sanmomiya	Ashiya Royal Homes	KDX Residence Funairi Saiwai-cho	KDX Residence Tenjin-higashi II	KDX Residence Nishi Koen	KDX Residence Hirao Josui-machi	Melody Heim Gotenyama	Leopalace Flat Shin-sakae	KDX Residence Konan Yamate	KDX Residence Hommachiabashi	KDX Residence Minami-kusatsu	KDX Residence Ohori Harbor View Tower	KDX Residence Minami-sanjo	Serenite Kitakyuhoji
Acquisition Date		August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2014	November 28, 2014	November 14, 2014	December 18, 2014	February 5, 2015	February 5, 2015	September 30, 2015	October 27, 2015
Price Information	Acquisition price (In millions of yen)	1,080	1,360	588	680	763	760	400	3,500	973	3,201	1,974	4,606	915	1,290
	Percentage of total portfolio	0.7%	0.9%	0.4%	0.4%	0.5%	0.5%	0.3%	2.3%	0.6%	2.1%	1.3%	3.0%	0.6%	0.8%
	Net book value (In millions of yen)	1,075	1,421	579	673	757	760	436	3,646	991	3,261	2,059	4,750	973	1,328
	Appraisal value at the end of period (In millions of yen)	1,290	1,690	650	827	838	855	501	4,170	1,100	3,440	2,260	5,100	1,500	1,410
	Percentage of total appraisal value	0.7%	0.9%	0.4%	0.5%	0.5%	0.5%	0.3%	2.3%	0.6%	1.9%	1.3%	2.8%	0.8%	0.8%
Lease Information	Number of leasable residential units	86	21	64	63	36	24	36	274	55	134	170	212	114	85
	Leasable floor area (m ²)	2,292.72	3,999.01	1,889.53	2,602.53	2,522.16	2,098.68	2,297.24	11,589.95	1,923.22	6,511.88	5,735.96	11,855.63	5,269.39	2,277.14
	Leased floor area (m ²)	2,216.91	3,999.01	1,889.53	2,602.53	2,075.90	1,840.82	2,109.39	11,589.95	1,773.87	6,269.87	5,641.73	10,778.05	5,178.04	2,217.10
	Occupancy ratio														
	As of January 31, 2017	96.7%	100.0%	100.0%	100.0%	82.3%	87.7%	91.8%	100.0%	92.2%	96.3%	98.4%	90.9%	98.3%	97.4%
	As of July 31, 2016	92.2%	95.7%	100.0%	93.7%	94.5%	92.4%	92.1%	100.0%	98.4%	94.4%	94.7%	93.5%	95.3%	96.9%
	As of January 31, 2016	92.2%	100.0%	98.5%	98.4%	88.9%	91.9%	94.7%	100.0%	98.4%	95.9%	100.0%	88.1%	97.1%	54.2%
	As of July 31, 2015	97.8%	96.1%	98.4%	92.1%	97.3%	92.5%	94.9%	100.0%	98.4%	95.8%	93.9%	93.2%	-	-
	As of January 31, 2015	98.9%	93.0%	96.9%	98.4%	100.0%	91.0%	97.3%	100.0%	96.9%	90.2%	-	-	-	-
	As of July 31, 2014	100.0%	88.7%	96.8%	98.4%	94.9%	95.3%	-	-	-	-	-	-	-	-
As of January 31, 2014	94.4%	90.7%	95.3%	98.4%	91.3%	96.2%	-	-	-	-	-	-	-	-	
As of July 31, 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
As of January 31, 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
As of July 31, 2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Income and Retained Earnings Information for the 10th Fiscal Period	Operating periods	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days
	Rental and other operating revenues (In thousands of yen)	37,361	65,864	27,186	29,906	30,963	26,610	21,544	121,557	32,724	107,683	99,148	175,150	53,558	41,470
	Rental revenues	33,809	62,615	24,781	26,876	26,673	23,848	18,740	119,525	32,010	100,172	82,588	147,820	48,861	40,929
	Other operating revenues	3,552	3,249	2,404	3,030	4,289	2,762	2,803	2,031	713	7,511	16,559	27,329	4,697	540
	Property-related expenses (In thousands of yen)	12,133	17,868	5,565	7,361	7,778	6,985	6,623	13,848	6,109	22,154	24,918	35,111	12,445	7,932
	Property management fees	3,160	8,196	1,722	1,953	2,015	1,798	1,242	3,646	1,619	4,485	5,281	10,290	3,487	2,641
	Taxes	2,570	4,730	1,789	1,936	2,261	2,052	1,360	9,256	1,998	8,276	6,277	13,512	5,343	3,156
	Utilities	671	1,445	331	507	558	436	1,024	-	336	1,968	3,816	2,461	866	429
	Repairs and maintenance	2,597	2,134	984	1,391	1,664	1,709	2,436	-	923	3,035	3,774	5,399	1,192	108
	Insurance	61	118	46	65	60	50	47	285	53	203	169	349	135	58
	Trust fees and other expenses	3,073	1,243	690	1,506	1,217	938	512	660	1,177	4,186	5,598	3,097	1,419	1,538
	NOI (= -) (In thousands of yen)	25,228	47,996	21,620	22,545	23,184	19,625	14,920	107,708	26,614	85,529	74,229	140,039	41,113	33,537
Depreciation (In thousands of yen)	7,722	4,169	5,367	6,194	6,352	4,762	2,792	33,064	4,906	21,958	18,097	42,361	11,185	10,155	
Rental operating income (= -) (In thousands of yen)	17,505	43,826	16,253	16,350	16,832	14,863	12,128	74,644	21,708	63,570	56,131	97,677	29,927	23,382	
Capital expenditures (In thousands of yen)	233	2,728	-	-	-	297	24,448	-	277	325	15,455	8,768	796	-	
NCF (= -) (In thousands of yen)	24,994	45,267	21,620	22,545	23,184	19,327	9,527	107,708	26,337	85,203	58,774	131,270	40,316	33,537	
Reference	Expense ratio (= /)	32.5%	27.1%	20.5%	24.6%	25.1%	26.3%	30.7%	11.4%	18.7%	20.6%	25.1%	20.0%	23.2%	19.1%
	Property tax for the year 2016 (In thousands of yen)	5,141	9,461	3,580	3,872	4,523	4,105	2,720	18,512	3,997	16,552	12,555	27,026	10,686	6,313
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-

[Reference]

Earnings Performance for the Individual Properties for the 10th Fiscal Period (August 1, 2016 to January 31, 2017) : 184 days

As of January 31, 2017

Location		Other Regional Areas	
Property No.		R-42	
Property Name		Serenite Nishinomiya Hommachi	Total of 113 Properties
Acquisition Date		December 1, 2016	
Price Information	Acquisition price (In millions of yen)	617	155,069
	Percentage of total portfolio	0.4%	100.0%
	Net book value (In millions of yen)	666	156,805
	Appraisal value at the end of period (In millions of yen)	723	180,618
	Percentage of total appraisal value	0.4%	100.0%
Lease Information	Number of leasable residential units	51	7,518
	Leasable floor area (m ²)	1,351.68	295,364.44
	Leased floor area (m ²)	1,351.68	284,147.25
	Occupancy ratio		
	As of January 31, 2017	100.0%	96.2%
	As of July 31, 2016	-	95.9%
	As of January 31, 2016	-	96.0%
	As of July 31, 2015	-	96.2%
	As of January 31, 2015	-	95.7%
	As of July 31, 2014	-	95.7%
	As of January 31, 2014	-	95.9%
As of July 31, 2013	-	96.2%	
As of January 31, 2013	-	95.1%	
As of July 31, 2012	-	94.0%	
Income and Retained Earnings Information for the 10th Fiscal Period	Operating periods	62days	182days
	Rental and other operating revenues (In thousands of yen)	7,798	5,406,115
	Rental revenues	7,341	4,997,065
	Other operating revenues	457	409,049
	Property-related expenses (In thousands of yen)	764	1,161,961
	Property management fees	435	362,311
	Taxes	10	308,680
	Utilities	73	91,501
	Repairs and maintenance	-	206,184
	Insurance	13	8,035
	Trust fees and other expenses	231	185,248
	NOI (= -) (In thousands of yen)	7,033	4,244,153
	Depreciation (In thousands of yen)	1,582	872,233
	Rental operating income (= -) (In thousands of yen)	5,451	3,371,919
Capital expenditures (In thousands of yen)	-	220,695	
NCF (= -) (In thousands of yen)	7,033	4,023,457	
Reference	Expense ratio (= /)	9.8%	21.5%
	Property tax for the year 2016 (In thousands of yen)	696	639,019
	Assets pledged as collateral	-	-

Total : Cost-weighted average operating period (days)

[Reference]

Earnings Performance for the Individual Properties for the 10th Fiscal Period (August 1, 2016 to January 31, 2017) : 184 days

As of January 31, 2017

Location		Other Regional Areas		Total 2 sold of Properties	Total of 115 Properties
Property No.		R-1	R-12		
Property Name		KDX Toyohira Sanjo Residence	KDX Residence Kamisugi		
Acquisition Date		May 1, 2012	August 7, 2013		
Price Information	Acquisition price (In millions of yen)	582	700	1,282	156,351
	Percentage of total portfolio	45.4%	54.6%	100.0%	-
	Revenue from sale of the investment property (¥ Millions)	585	716	1,301	-
	Costs of the investment property (¥ Millions)	567	695	1,262	-
	Gain / Loss on sale of real estate (¥ Millions)	14	16	30	-
Lease Information	Number of leasable residential units	-	-	-	-
	Leasable floor area (㎡)	-	-	-	-
	Leased floor area (㎡)	-	-	-	-
	Occupancy ratio				
	As of January 31, 2017	-	-	-	-
	As of July 31, 2016	96.7%	92.6%	-	-
	As of January 31, 2016	97.0%	95.6%	-	-
	As of July 31, 2015	92.4%	94.0%	-	-
	As of January 31, 2015	100.0%	97.0%	-	-
	As of July 31, 2014	98.4%	97.0%	-	-
As of January 31, 2014	97.3%	92.5%	-	-	
As of July 31, 2013	100.0%	-	-	-	
As of January 31, 2013	85.8%	-	-	-	
As of July 31, 2012	94.1%	-	-	-	
Income and Retained Earnings Information for the 10th Fiscal Period	Operating periods	92days	92days	92days	181days
	Rental and other operating revenues (In thousands of yen)	14,459	17,042	31,501	5,437,617
	Rental revenues	13,151	15,154	28,306	5,025,371
	Other operating revenues	1,307	1,888	3,195	412,245
	Property-related expenses (In thousands of yen)	4,724	5,376	10,100	1,172,062
	Property management fees	1,116	1,325	2,442	364,753
	Taxes	1,765	1,445	3,210	311,891
	Utilities	315	281	597	92,098
	Repairs and maintenance	913	1,153	2,066	208,250
	Insurance	42	32	75	8,110
	Trust fees and other expenses	571	1,137	1,708	186,957
	NOI (= -) (In thousands of yen)	9,734	11,666	21,401	4,265,554
Depreciation (In thousands of yen)	2,968	3,092	6,061	878,295	
Rental operating income (= -) (In thousands of yen)	6,766	8,573	15,339	3,387,259	
Capital expenditures (In thousands of yen)	-	-	-	220,695	
NCF (= -) (In thousands of yen)	9,734	11,666	21,401	4,044,859	
Reference	Expense ratio (= /)	32.7%	31.5%	32.1%	21.6%
	Property tax for the year 2016 (In thousands of yen)	5,296	4,337	9,633	648,652
	Assets pledged as collateral	-	-	-	-

Total : Cost-weighted average operating period (days)

R-1 KDX Toyohira Sanjo Residence was sold on November 1, 2016.
R-12 KDX Residence Kamisugi was sold on November 1, 2016.

(Reference) Borrowings

Borrowings on a financial institution basis as of January 31, 2017 are as follows:

(in thousands of yen)

Classification	Lender	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note2) (Note3)	Payment due date (Note4)	Use	Remarks
Short-Term Payable	Sumitomo Mitsui Banking Corporation (Note7)	-	2,000,000	1,000,000	1,000,000	0.431%	July 31, 2017	(Note5)	Unsecured/Unguaranteed
	Sub Total	-	2,000,000	1,000,000	1,000,000				
Current Portion of Long-Term Loans Payable	Sumitomo Mitsui Banking Corporation	3,000,000	-	3,000,000	-	0.787%	August 31, 2016	(Note5)	Unsecured/Unguaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,000,000	-	2,000,000	-				
	Aozora Bank, Ltd.	1,000,000	-	1,000,000	-				
	Sumitomo Mitsui Trust Bank, Limited	1,000,000	-	1,000,000	-				
	Resona Bank, Limited	500,000	-	500,000	-				
	Mizuho Trust & Banking Co., Ltd.	500,000	-	500,000	-				
	Mizuho Bank, Ltd.	500,000	-	500,000	-				
	Sumitomo Mitsui Banking Corporation (Note8)	4,000,000	-	-	4,000,000	0.910%	August 31, 2017		
	The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note8)	2,500,000	-	-	2,500,000				
	Aozora Bank, Ltd. (Note8)	1,500,000	-	-	1,500,000				
	Resona Bank, Limited (Note8)	1,000,000	-	-	1,000,000				
	Sumitomo Mitsui Trust Bank, Limited (Note8)	1,000,000	-	-	1,000,000				
	Mizuho Trust & Banking Co., Ltd. (Note8)	500,000	-	-	500,000				
	Mizuho Bank, Ltd. (Note8)	500,000	-	-	500,000				
Sub Total	19,500,000	-	8,500,000	11,000,000					
Long-Term Loans Payable	Sumitomo Mitsui Banking Corporation	3,250,000	-	-	3,250,000	1.052%	August 31, 2018	(Note5)	Unsecured/Unguaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,000,000	-	-	2,000,000				
	Aozora Bank, Ltd.	1,000,000	-	-	1,000,000				
	Resona Bank, Limited	500,000	-	-	500,000				
	Sumitomo Mitsui Trust Bank, Limited	500,000	-	-	500,000				
	Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000				
	Mizuho Bank, Ltd.	250,000	-	-	250,000				
	Development Bank of Japan Inc. (Note6)	3,000,000	-	-	3,000,000	1.088%	August 31, 2018		
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,000,000	-	-	1,000,000	1.109%	January 31, 2021		
	Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	1.221%	July 31, 2021		
	Aozora Bank, Ltd.	1,350,000	-	-	1,350,000	1.183%	March 31, 2021		
	Sumitomo Mitsui Banking Corporation	2,000,000	-	-	2,000,000	1.267%	April 30, 2022		
	Aozora Bank, Ltd.	1,500,000	-	-	1,500,000	1.267%	April 30, 2022		
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,000,000	-	-	1,000,000	1.267%	April 30, 2022		
	Resona Bank, Limited	1,000,000	-	-	1,000,000	1.267%	April 30, 2022		
	Sumitomo Mitsui Banking Corporation	1,100,000	-	-	1,100,000	0.916%	August 7, 2021		
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,100,000	-	-	1,100,000				
	Mizuho Bank, Ltd.	600,000	-	-	600,000				
	Aozora Bank, Ltd.	350,000	-	-	350,000				
	Resona Bank, Limited	300,000	-	-	300,000				
	Mizuho Trust & Banking Co., Ltd.	300,000	-	-	300,000				
	Development Bank of Japan Inc. (Note6)	1,000,000	-	-	1,000,000	0.996%	August 7, 2021		
	Sumitomo Mitsui Banking Corporation	400,000	-	-	400,000	1.254%	August 7, 2023		
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	400,000	-	-	400,000				
	Mizuho Bank, Ltd.	300,000	-	-	300,000				
	Resona Bank, Limited	200,000	-	-	200,000				
	Mizuho Trust & Banking Co., Ltd.	200,000	-	-	200,000				
	Aozora Bank, Ltd.	150,000	-	-	150,000				
	Development Bank of Japan Inc. (Note6)	500,000	-	-	500,000	1.320%	August 7, 2023		
	Sumitomo Mitsui Banking Corporation	600,000	-	-	600,000	0.945%	August 31, 2021		
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	600,000	-	-	600,000	0.945%	August 31, 2021		
	Aozora Bank, Ltd.	500,000	-	-	500,000	0.945%	August 31, 2021		
	Mizuho Bank, Ltd.	950,000	-	-	950,000	1.083%	November 30, 2022		
	Sumitomo Mitsui Banking Corporation	2,000,000	-	-	2,000,000	0.804%	November 30, 2020		
	Mitsubishi UFJ Trust and Banking Corporation	1,500,000	-	-	1,500,000	0.689%	November 30, 2019		
	Sumitomo Mitsui Banking Corporation	1,200,000	-	-	1,200,000	0.875%	January 31, 2022		
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,200,000	-	-	1,200,000	1.105%	January 31, 2024		
	Aozora Bank, Ltd.	2,000,000	-	-	2,000,000	0.875%	April 30, 2022		
	Resona Bank, Limited	1,500,000	-	-	1,500,000	0.987%	April 30, 2023		
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,000,000	-	-	2,000,000	1.100%	April 30, 2024		
Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	1.265%	April 30, 2025			
Aozora Bank, Ltd.	300,000	-	-	300,000	0.678%	August 31, 2020			
Resona Bank, Limited	1,100,000	-	-	1,100,000	0.923%	August 31, 2022			
Mizuho Trust & Banking Co., Ltd.	700,000	-	-	700,000	0.923%	August 31, 2022			
Sumitomo Mitsui Trust Bank, Limited	950,000	-	-	950,000	1.047%	August 31, 2023			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,700,000	-	-	1,700,000	1.169%	August 31, 2024			
Mizuho Bank, Ltd.	950,000	-	-	950,000	1.169%	August 31, 2024			
Sumitomo Mitsui Banking Corporation	2,000,000	-	-	2,000,000	1.345%	August 31, 2025			
Development Bank of Japan Inc. (Note6)	1,000,000	-	-	1,000,000	1.193%	August 31, 2024			

(in thousands of yen)

Classification	Lender	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note2) (Note3)	Payment due date (Note4)	Use	Remarks
Long-Term Loans Payable	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	300,000	-	-	300,000	0.624%	October 27, 2020	(Note5)	Unsecured/ Unguaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,000,000	-	-	1,000,000	1.156%	April 27, 2025		
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,000,000	-	-	1,000,000	0.819%	April 28, 2025		
	Sumitomo Mitsui Banking Corporation	2,500,000	-	-	2,500,000	0.903%	April 30, 2026		
	The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note6)	-	1,000,000	-	1,000,000	0.660%	July 31, 2025		
	Mizuho Bank, Ltd. (Note6)	-	1,500,000	-	1,500,000	0.816%	August 31, 2026		
	Aozora Bank, Ltd.	-	1,000,000	-	1,000,000	0.713%	August 31, 2024		
	Sumitomo Mitsui Trust Bank, Limited	-	1,000,000	-	1,000,000	0.797%	August 31, 2025		
	Resona Bank, Limited	-	500,000	-	500,000	0.797%	August 31, 2025		
	The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note6)	-	2,000,000	-	2,000,000	0.670%	August 31, 2025		
	Mizuho Trust & Banking Co., Ltd. (Note6)	-	500,000	-	500,000	0.751%	August 31, 2025		
	Sumitomo Mitsui Banking Corporation	-	3,000,000	-	3,000,000	0.906%	August 31, 2026		
	Development Bank of Japan Inc. (Note6)	-	1,000,000	-	1,000,000	0.773%	October 31, 2025		
Sub Total	55,300,000	11,500,000	-	66,800,000					
Total	74,800,000	13,500,000	9,500,000	78,800,000					

Note 1: Annual repayments of long-term loans payable (except for current portion of long-term loans payable) scheduled after the balance sheet date are as follows:

(in thousands of yen)

	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Long-Term Loans Payable	11,000,000	1,500,000	3,600,000	10,000,000	40,700,000

Note 2: All debts except for the following Note6 are borrowing at a floating rate.

Note 3: Average interest rates are the weighted average during the period and figures are rounded to the nearest third decimal place. Also, with regard to borrowings for which interest rate swap transactions were implemented in order to hedge the interest rate volatility risk, the weighted average interest rates taking into consideration the effects of the interest rate swaps are indicated.

Note 4: Except for the following Note7, all the repayment methods of debt financing are lump-sum repayments on the due date.

Note 5: All debts were used as the funds for acquiring real estate properties or trust beneficiary interest in real estate (additional expenses are included) and repayment of debts.

Note 6: Borrowings at a fixed rate.

Note 7: Partial prepayment of 1,000,000 thousand yen was made on August 31, 2016.

Note 8: Borrowings listed in the current portion of long-term payable were listed in long-term payable in the previous fiscal period.