

KENEDIX

Residential Investment Corporation

Financial Results for the Period Ended January 2017 (10th Fiscal Period)

March 15, 2017



TSE
3278



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Revised editions of our annual reports will be posted on our website if there should be major corrections going forward.



Table of Contents

1. Financial Results for the Period Ended January 2017

Highlights from the Period Ended January 2017 (2H 2016)	p.5
Portfolio	p.6
Outlook of the Acquisition and the Sale in 2H 2016	p.7
Pipeline	p.8
Summary of Income Statements	p.9
Distribution per Unit	p.10
Summary of Balance Sheets	p.11
Appraisal Unrealized Capital Gains and NAV per Unit	p.12
Occupancy Rates	p.13
Rent per Tsubo of Residential Unit	p.14
Tenant Moving Trend	p.15
Rent Increase/Decline and Average Downtime	p.16
Initiatives to Improve the Performance of Properties	p.17-18
Finance	p.19-20
Unitholders	p.21

2. Outlook for the Period Ending July 2017

Outlook for the Period Ending July 2017 (1H 2017)	p.23
Distribution per Unit	p.24

3. Toward Realizing Sustained Expansion in Unitholders' Value

Road Map for Increasing Unitholders' Value	p.26
Partial Change of Investment Policy	p.27
Operation of Accommodation (Hotel, etc.) by Kenedix Group	p.28

Appendices

The Properties Acquired in 2H 2016	p.30-34
Acquisition of Properties with Speed and Flexibility	p.35-36
Operational Status of Major Newly-built Properties	p.37
Efforts to Improve Sustainability	p.38
Sub-MLIT Standard Toyo Tire & Rubber Seismic Isolation Materials	p.39
Internal Reserve	p.40
Tenant Demographics Analysis	p.41
Investment Unit Price	p.42
Status of Borrowings (as of January 31, 2017)	p.43
Financial Statements	p.44-45
Trends in Performance	p.46
Appraisal Values	p.47-51
Summary of Portfolio Performance	p.52
Portfolio Performance in 2H 2016	p.53-57

1. Financial Results for the Period Ended January 2017

(2H 2016: 10th Fiscal Period)

Highlights from the Period Ended January 2017 (2H 2016)

External Growth -External growth by the acquisition of properties with speed and flexibility-

- Acquired properties at **competitive prices** by **adding a twist in acquisition schemes**
- Acquired **preferential negotiation rights** for two residential properties
- Improved **portfolio quality** regarding property age and other characteristics by **Mutual transaction**

Acquisition Price
(2 sold props ⇌ 10 acquired props)

¥1.2 bln



¥8.1 bln

Appraisal NOI Cap Rate
(Ave. of 10 acquired props)

5.4 %

Average Property Age
(2 sold props ⇌ 3 acquired props by mutual transaction)

9.1 yrs



0.8 yrs

Financial Strategy -Steady progress with measures to increase unitholders' value-

- Upgrade of **credit rating** to **A+**
- **Reduced the cost of debt** Steadily while making our debt **longer-term and fixed interest rates**
- **Diversified fund procurement methods** by issuing **investment corporation bonds** totaling ¥3 billion

Credit Rating (November 2016)

A (positive)



A+ (stable)

Refinancing Extended the Length of Loans/ Lowered
the Ave. Interest Rate (Repayments loans ⇒ New loans)

3.1 yrs/ 1.09 %



9.3 yrs/ 0.97 %

Issued Long-term Bonds (August 2016)

Term: 12 yrs

Interest Rate: 0.8 %

Property Operations -Sound property operation and actions to keep properties competitive for a long term-

- Rent for **new tenants** increased for **2 consecutive periods**. Rent for **renewal tenants** increased for **5 consecutive periods**
- Maintained high performance of **Occupancy rate at the end of the period of 96.2%**

Increase of Rent per month for New Tenants

2 consecutive
periods

Increase of Rent per month for Renewal Tenants

5 consecutive
periodsOccupancy Rate at the end of the period
(1H 2016 ⇒ 2H 2016)

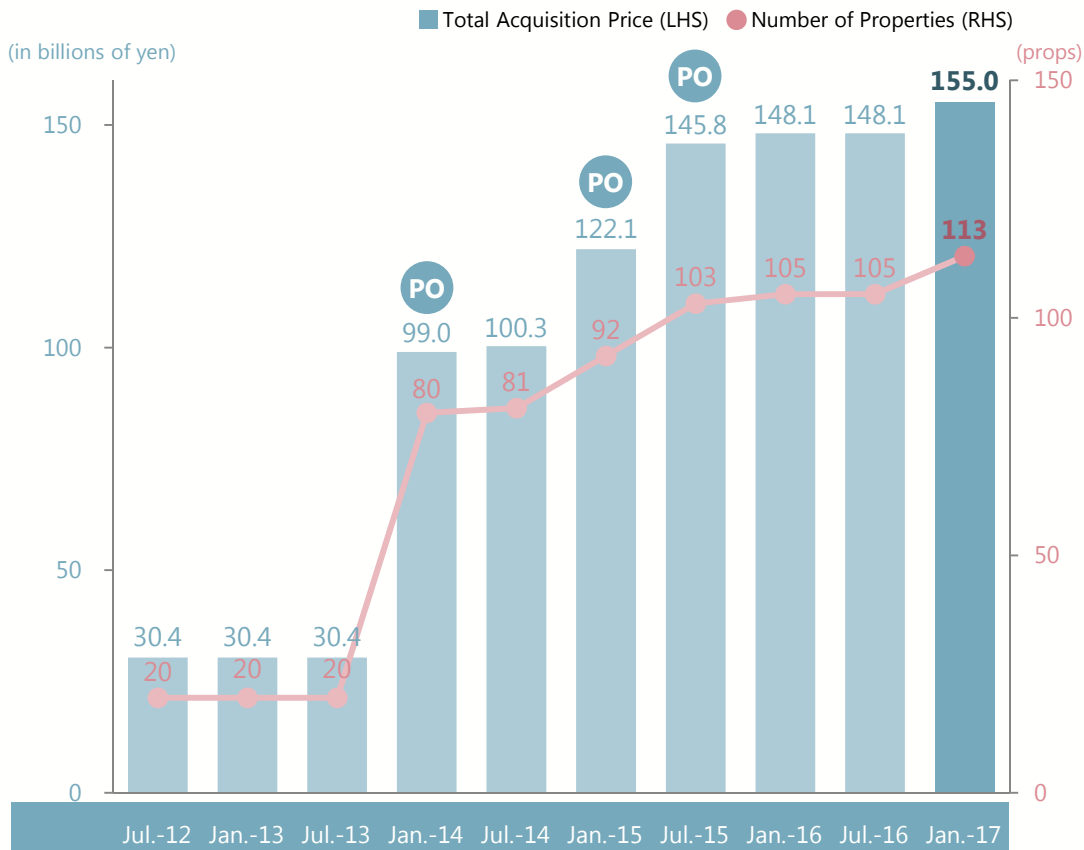
95.9 %



96.2 %

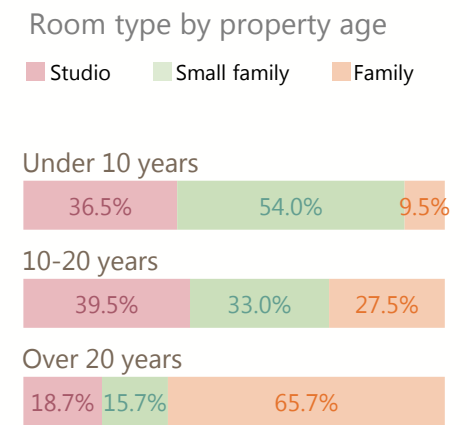
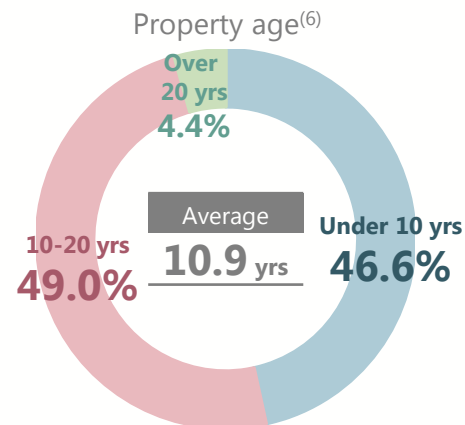
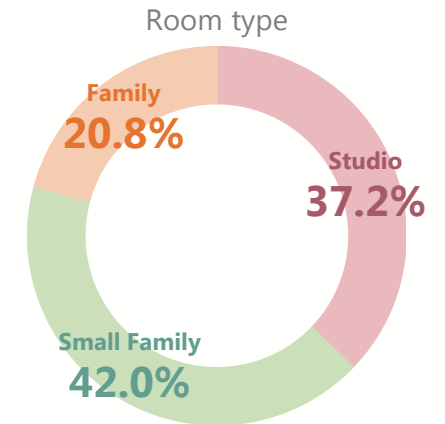
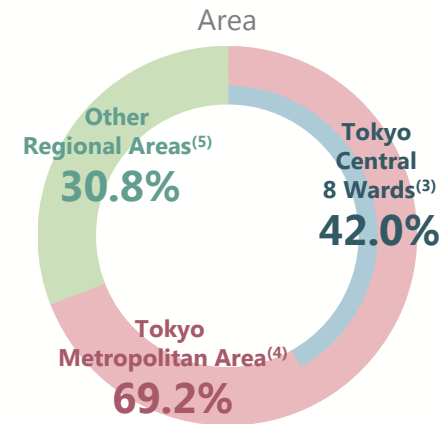
Portfolio

Trends in Total Acquisition Price⁽¹⁾ and Number of Properties



	Jul.-12	Jan.-13	Jul.-13	Jan.-14	Jul.-14	Jan.-15	Jul.-15	Jan.-16	Jul.-16	Jan.-17
Acquired Props	20	0	0	60	1	11	12	5	0	10
Sold Props	0	0	0	0	0	0	1	3	0	2

Portfolio Breakdown⁽²⁾



Note 1: "Acquisition Price" refers to the pre-tax price that does not include the expenses spent on the acquisition of properties.

Note 2: "Portfolio Breakdown" describes the ratio by acquisition price at the end of the fiscal period.

Note 3: "Tokyo Central 8 Wards" include Minato-ku, Shibuya-ku, Chuo-ku, Chiyoda-ku, Shinjuku-ku, Meguro-ku, Setagaya-ku and Shinagawa-ku.

Note 4: "Tokyo Metropolitan Area" includes Tokyo, Kanagawa, Saitama and Chiba.

Note 5: "Other Regional Areas" include government-designed municipalities and other regional hub cities.

Note 6: "Property Age" is calculated by the weighted average by the acquisition price of the periods from completion dates to January 31, 2017.

Outlook of the Acquisition and the Sale in 2H 2016

Outlook of the Acquisition and the Sale in 2H 2016

	As of July 31, 2016	Acquisition from bridge fund	Mutual transaction		Acquisition by forward commitment	As of January 31, 2017	Difference
			Acquisition	Sale			
Number of properties	105 props	+5 props	+3 props	-2 props	+2 props	113 props	+8 props
Total acquisition price	¥148.1 bln	+¥3.9 bln	+¥2.5 bln	-¥1.2 bln	+¥1.7 bln	¥155.0 bln	+¥6.8 bln
Rentable units	7,243 units	+187 units	+119 units	-129 units	+98 units	7,518 units	+275 units
Total appraisal unrealized gain ⁽¹⁾	¥23.0 bln	+¥0.6 bln	+¥0.4 bln	-¥0.3 bln	+¥0.0 bln	¥23.8 bln	+0.7 bln
Appraisal NOI cap rate ⁽²⁾	5.6 %	5.4 %	5.4 %	7.1 %	5.2 %	5.6 %	-
Average property age ⁽³⁾	11.2 yrs	9.8 yrs	0.8 yrs	9.1 yrs	0.7 yrs	10.9 yrs	-0.3 yrs



	KDX Residence Nishi-azabu	KDX Residence Azabu Sendaizaka	KDX Residence Waseda Tsurumaki	KDX Residence Bunkyo Yushima	KDX Residence Kamishakujii	KDX Residence Shin-otsuka	KDX Residence Sakurajosui	KDX Residence Ryogoku	KDX Residence Nishi-magome	Serenite Nishinomiya Hommachi
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Location	Minato-ku, Tokyo	Minato-ku, Tokyo	Shinjuku-ku, Tokyo	Bunkyo-ku, Tokyo	Nerima-ku, Tokyo	Toshima-ku, Tokyo	Suginami-ku, Tokyo	Sumida-ku, Tokyo	Ota-ku, Tokyo	Nishinomiya, Hyogo
Property age	8.9 years	10.3 years	9.5 years	11.0 years	9.6 years	1.0 years	0.4 years	1.0 years	0.6 years	0.9 years
Appraisal value ⁽⁴⁾	¥1,430 mln	¥909 mln	¥765 mln	¥879 mln	¥736 mln	¥908 mln	¥1,080 mln	¥1,020 mln	¥1,170 mln	¥723 mln
Acquisition price	¥1,224 mln	¥792.3 mln	¥561 mln	¥695 mln	¥648 mln	¥764 mln	¥894 mln	¥842 mln	¥1,130 mln	¥617 mln
Appraisal NOI cap rate	5.1 %	5.0 %	6.1 %	5.6 %	5.6 %	5.4 %	5.3 %	5.4 %	4.8 %	6.1 %

Note 1: "Appraisal Unrealized Capital Gain" = Appraisal Value as of January 31, 2017 – Book Value as of January 31, 2017. However, the properties sold in 2H 2016 are calculated by the deduction Book Value from Appraisal Value as of July 31, 2016.
 Note 2: "Appraisal NOI Cap Rate" = NOI described in Appraisal Report as of January 31, 2017/ Acquisition Price. However, the properties sold in 2H 2016 are calculated by NOI described in Appraisal Report as of July 31, 2016 divided by Sale Price. Furthermore, Cosmo Heim Motosumiyoshi, which is on land with leasehold interest, is excluded from the calculation because it has no appraisal NOI.
 Note 3: "Average Property Age" is calculated by the weighted average by the acquisition price of the periods from completion dates to January 31, 2017.
 Note 4: "Appraisal Value" is the appraisal value as of January 31, 2017.

Pipeline

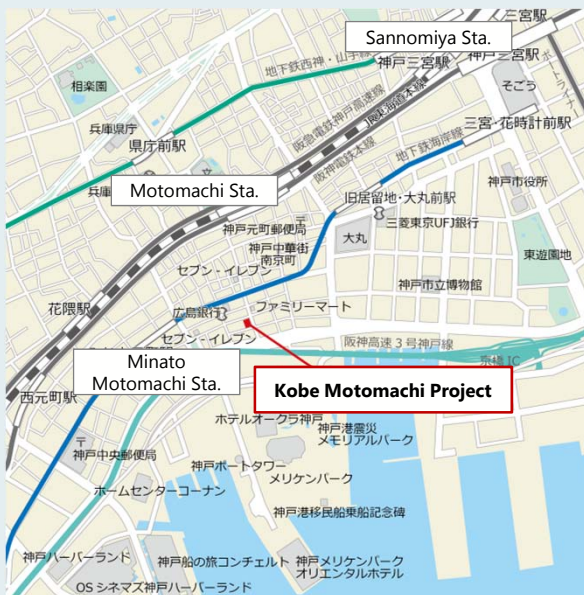
Preferential Negotiation Rights for Two Properties

Obtained preferential negotiation rights for studio type property located in Kobe, Hyogo and family type property located in Kohoku-ward, Yokohama sourced through proprietary network of the asset management company.

Kobe Motomachi Project

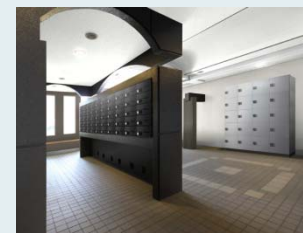


Location	Kobe, Hyogo
Access	4 minutes walk from Motomachi station
Structure/ Number of stories	RC / F15
Rentable units	137 units (including 1 unit of store)
Completion	February 2017
Room type	Studio
Site area	653.42 m ²
Total floor area	4,928.98 m ²



Obtained opportunity to acquire newly-built property continuously by relationship with the seller with whom KDR has transaction records.

Hiyoshi Project



Location	Kohoku ward, Yokohama
Access	16 minutes walk from Hiyoshi station
Structure/ Number of stories	RC/ F7
Rentable units	91 units
Completion	September 1996
Room type	Family
Site area	3,271.00 m ²
Total floor area	6,390.51 m ²



Obtained opportunity to acquire family type property in Hiyoshi area where some redevelopment projects are going on.

Summary of Income Statements

Income Statements

	1H 2016		2H 2016		Period on Period		Actual vs Forecast		
	Actual	Forecast	Actual	Actual					
(in millions of yen)									
Operating Term ⁽¹⁾	182 days	184 days	184 days						
Operating Revenues	5,333	5,441	5,468	134	2.5%	26	0.5%		Increased significantly due to acquisition of properties. Also, increase in revenue from existing properties.
Rent revenue-real estate	4,872	5,019	5,025	152	3.1%	5	0.1%		
Other lease business revenue	456	392	412	-43	-9.6%	19	5.0%		Decrease due to off-peak season.
Gains on sale of real estate property	-	29	30	30	-	1	4.3%		Higher than forecast due to increase in key money, penalty, etc.
Dividend income	4	0	0	-4	-100.0%	0	-		
Operating Expenses	2,610	2,643	2,629	19	0.8%	-13	-0.5%		
Expenses related to rent business	1,175	1,176	1,172	-3	-0.3%	-4	-0.4%		
Depreciation	857	875	878	20	2.4%	2	0.3%		Decrease in consumption taxes paid caused by lower pct. of taxable sales resulting from property sales. Asset management fees increased due to acquisition of properties.
Other operating expense	577	590	579	2	0.4%	-11	-1.9%		
Operating Income	2,723	2,797	2,838	114	4.2%	40	1.5%		Due to decrease in IR cost, etc.
Non-operating income	1	0	0	0	-66.2%	0	-29.4%		
Non-operating expenses	531	527	526	-4	-0.9%	0	-0.1%		
Interest expenses, etc.	477	495	494	17	3.7%	0	-0.1%		Increased due to new loans and issuance of investment corporation bonds for acquisition of properties.
Other non-operating expenses	54	31	31	-22	-41.5%	0	0.1%		
Ordinary Income	2,193	2,270	2,311	118	5.4%	41	1.8%		Lower due to termination of amortization of the cost of issuing investment units for public offering in August 2013.
Income before income taxes	2,193	2,270	2,311	118	5.4%	41	1.8%		
Total income taxes	0	1	1	0	86.4%	0	42.1%		
Net Income	2,192	2,269	2,310	117	5.4%	40	1.8%		¥29 million of net income, equivalent to gains on sale of real estate property, was retained.
Total dividend	2,220	2,241	2,280	60	2.7%	39	1.8%		
Distribution per Unit	6,360yen	6,420yen	6,533yen	173	2.7%	113	1.8%		
NOI ⁽²⁾	4,153	4,235	4,265	111	2.7%	30	0.7%		
FFO ⁽³⁾	3,104	3,147	3,189	85	2.8%	41	1.3%		

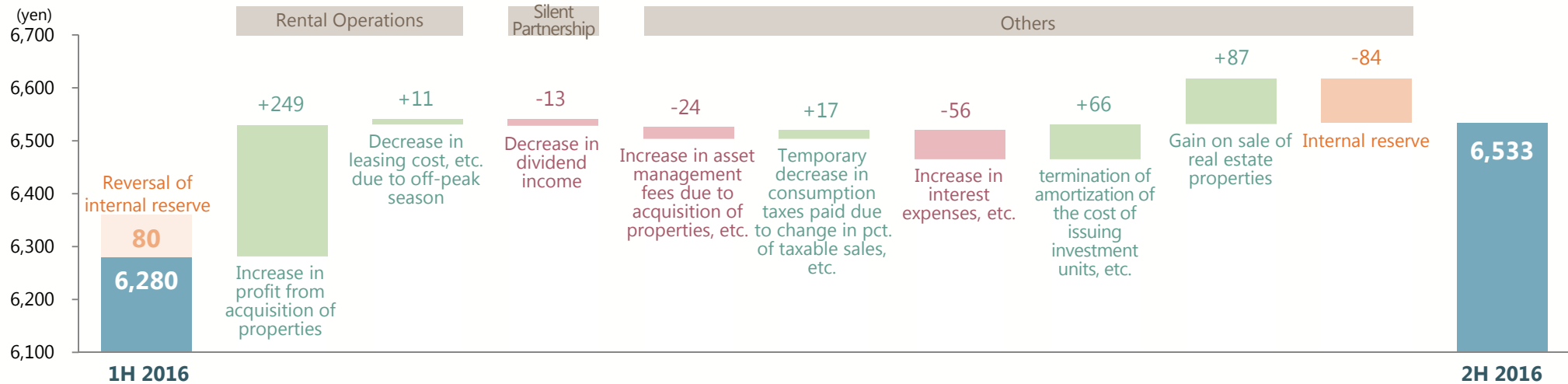
Note 1: The operating term of 1H 2016 is 182 days. The operating term of 2H 2016 is 184 days, but actual property operating term is 181.1 days (weighted average).

Note 2: NOI(Net Operating Income) = Rent revenue – real estate + Other lease business revenue – Expenses related to rent business

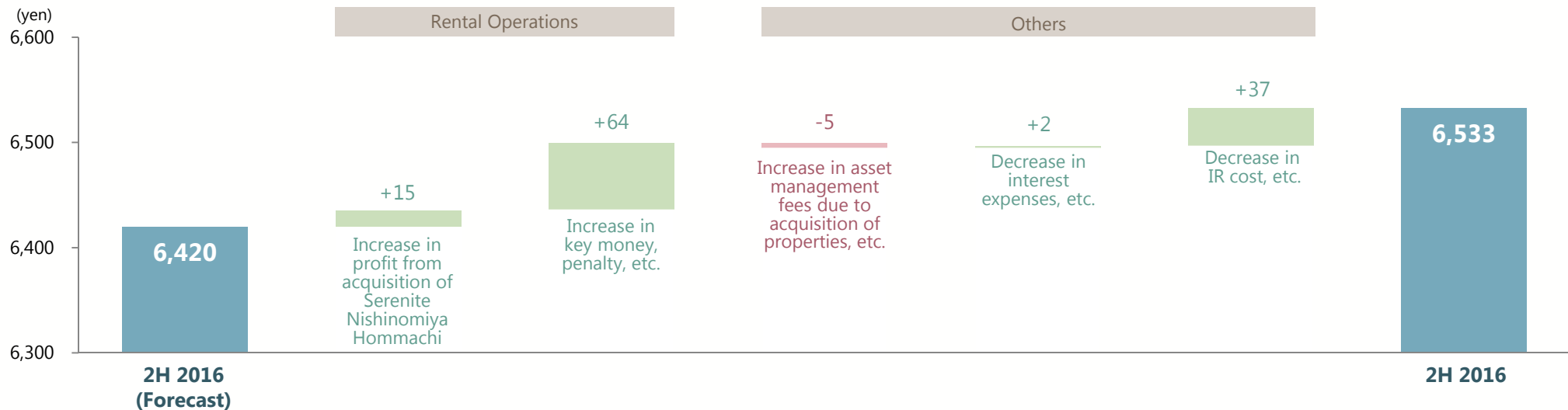
Note 3: FFO(Funds From Operation) = Net income + Depreciation + Deferred asset amortization +/- Gains or losses on sale of real estate property

Distribution per Unit

DPU Breakdown (Period on Period)



DPU Breakdown (Actual vs Forecast)



Summary of Balance Sheets

Balance Sheets

(in millions of yen)	1H 2016	2H 2016	Period on Period	
Total Assets	159,948	167,276	7,328	4.6%
Cash and deposits	8,733	9,439	706	8.1%
Total property, plant and equipment, net	150,211	156,805	6,593	4.4%
(Land	89,836	94,916)	5,080	5.7%
(Buildings, Structures, etc.	60,375	61,888)	1,513	2.5%
Other	1,003	1,032	28	2.8%
Total Liabilities	77,583	84,724	7,141	9.2%
Loans payable	74,800	81,800	7,000	9.4%
(Short-term loans payable and current portion of long-term loans payable	8,500	12,000)	3,500	41.2%
(Long-term loans payable	66,300	66,800)	500	0.8%
(Investment corporation bonds	-	3,000)	3,000	-
Tenant leasehold and security deposits in trust	1,422	1,466	44	3.1%
Other liabilities	1,361	1,457	96	7.1%
Net Assets	82,365	82,552	186	0.2%
Unitholders' equity	80,132	80,132	-	-
Unappropriated retained earnings (undisposed loss)	2,275	2,365	89	4.0%
Deferred gains or losses on hedges	▲42	54	96	-229.0%
LTV ⁽¹⁾	46.8%	48.9%		
Capital-to-Asset ratio	51.5%	49.4%		
Appraisal values (at the end of the period)	170,538	180,618	10,080	5.9%
NAV ⁽²⁾	100,416	103,999	3,583	3.6%

Increase due to acquisition and sale of properties. (net increase of 8 properties)

Existing loans of ¥8.5 billion were repaid on August 2016. New loans for acquisition of properties were borrowed.

Increase due to issuance of investment corporation bonds in August 2016 (3 redemption periods of 5, 10 and 12 years ,Total of ¥3.0 billion)

LTV increased due to new loans and investment corporation bonds for acquisition of properties.

Appraisal unrealized capital gains increased from ¥20.3 billion as of July 2016 to ¥23.8 billion as of January 2017.

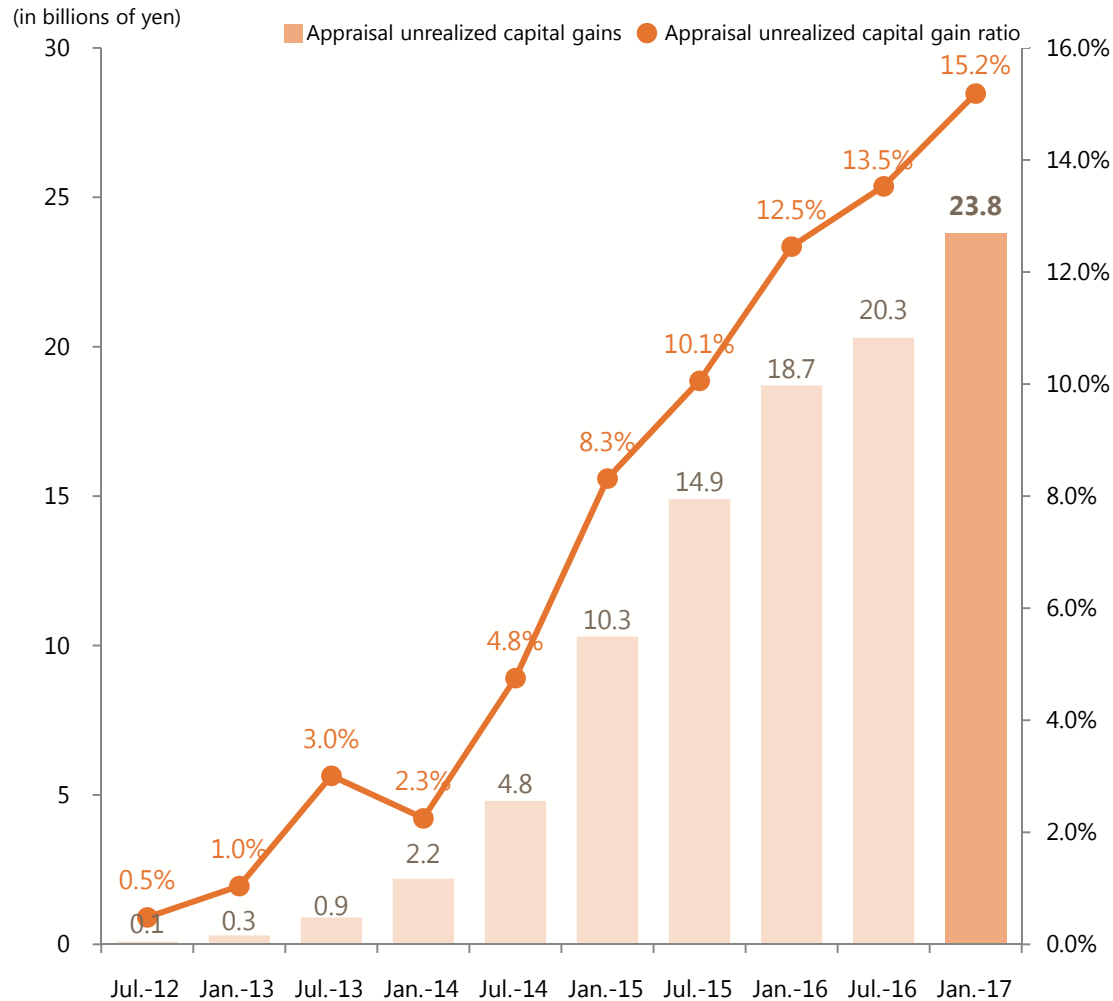
NAV per unit continued to increase steadily because of the growth in appraisal unrealized capital gains.

Note 1: LTV (Loan to Value)=Interest-bearing Liabilities / Total Assets

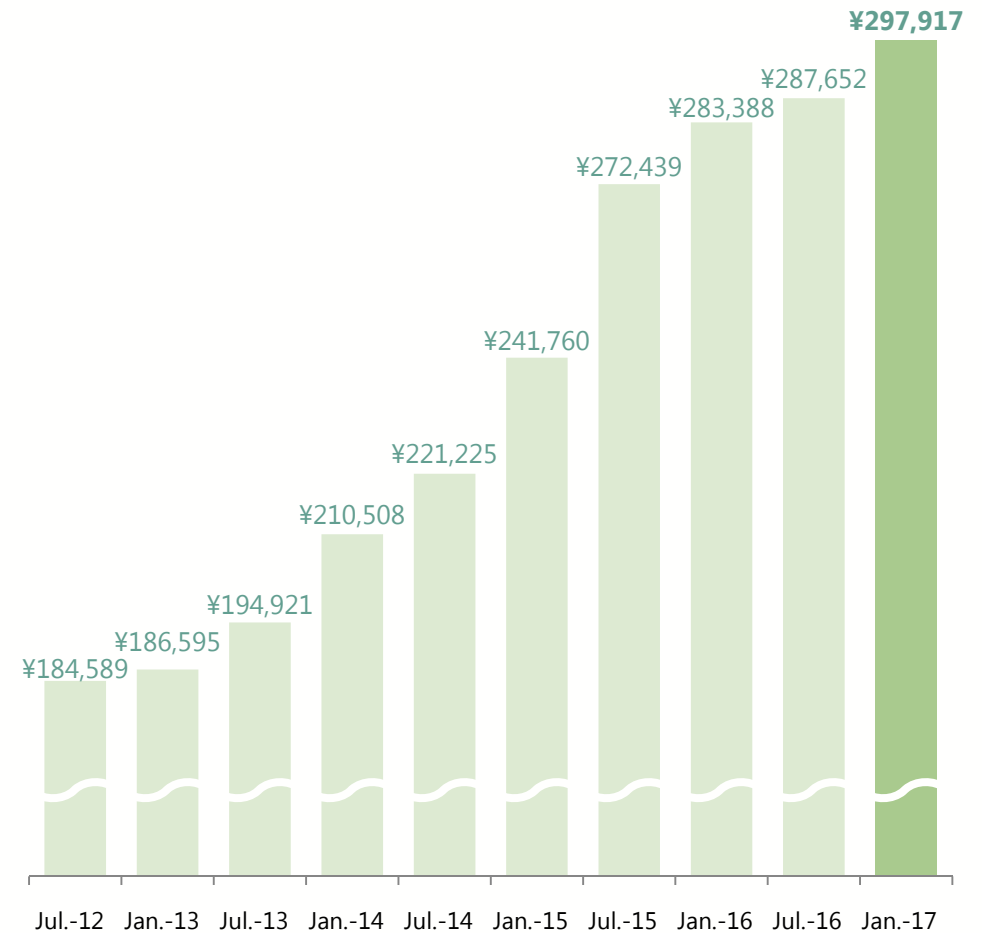
Note 2: NAV (Net Asset Value)=Net Assets – Unappropriated Retained earnings + Appraisal Values – Fixed Assets

Appraisal Unrealized Capital Gains and NAV per Unit

Appraisal Unrealized Capital Gains and Appraisal Unrealized Capital Gain Ratio⁽¹⁾



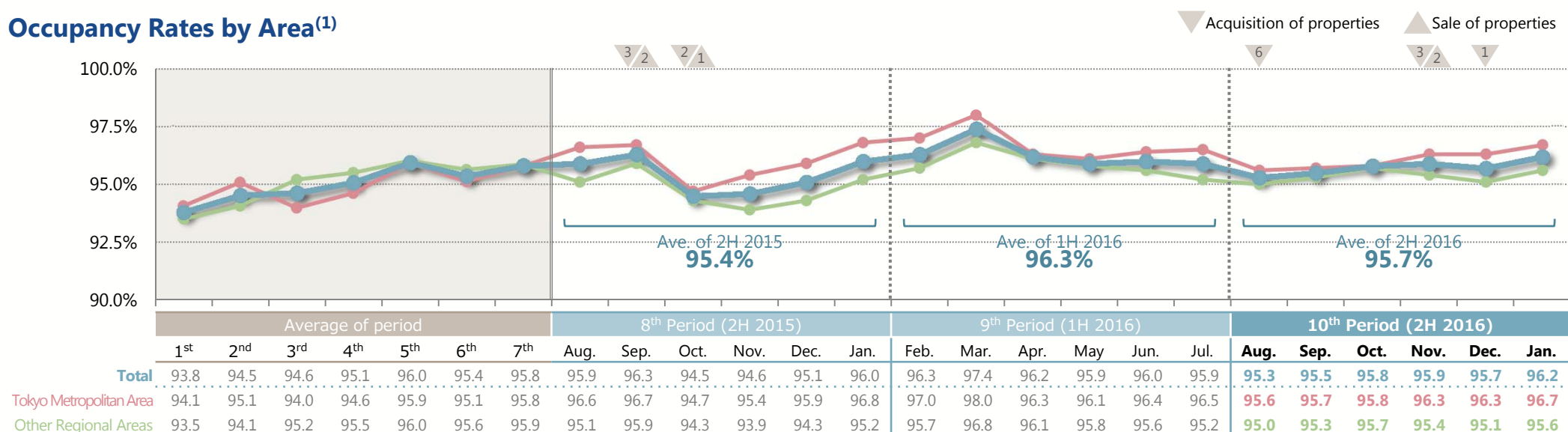
NAV per Unit



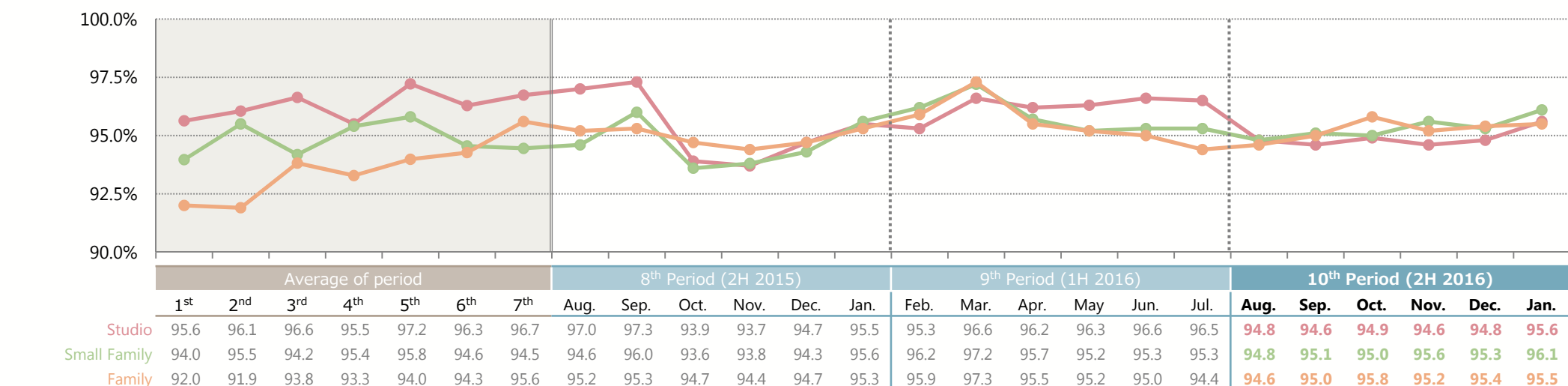
Note 1: "Appraisal Unrealized Capital Gains" = Total Appraisal Value at the End of the Period – Total Book Value at the End of the Period. "Appraisal Unrealized Capital Gain Ratio" = Total Appraisal Unrealized Capital Gains at the End of the Period / Total Book Value at the End of the Period

Occupancy Rates

Occupancy Rates by Area⁽¹⁾



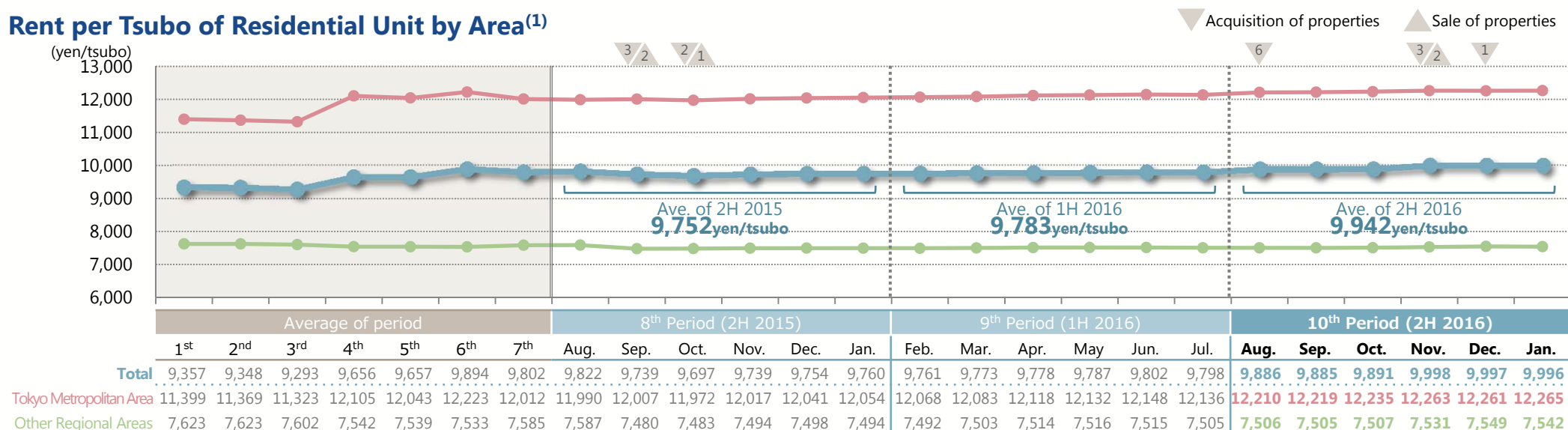
Occupancy Rates by Room Type⁽¹⁾



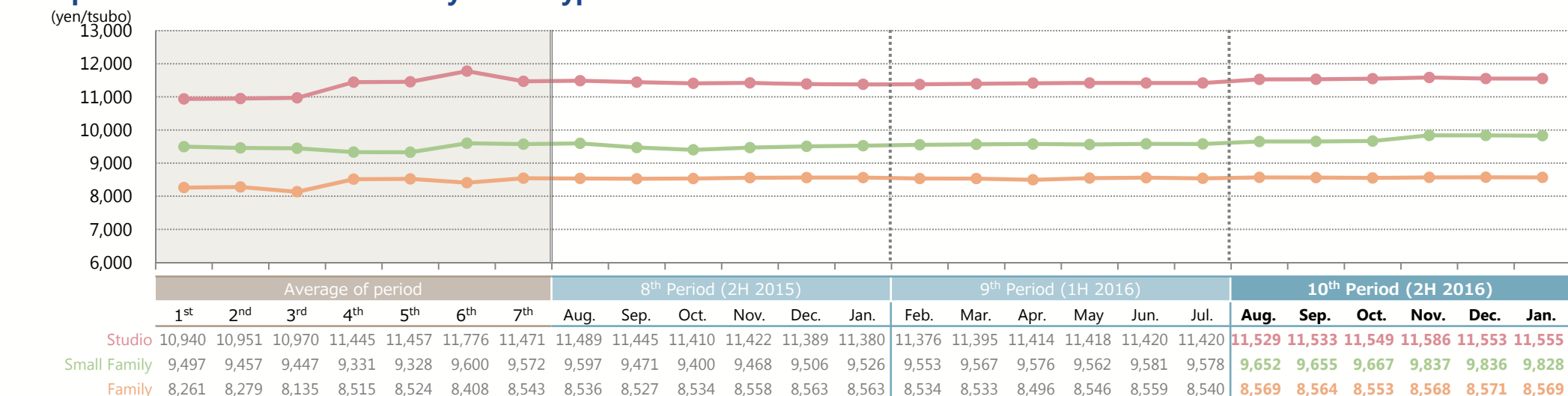
Note 1: Occupancy Rates by Area include those from stores and offices. Occupancy Rates by Room Type are calculated for residential units of pass through contract (excluding contract for whole building).

Rent per Tsubo of Residential Unit

Rent per Tsubo of Residential Unit by Area⁽¹⁾



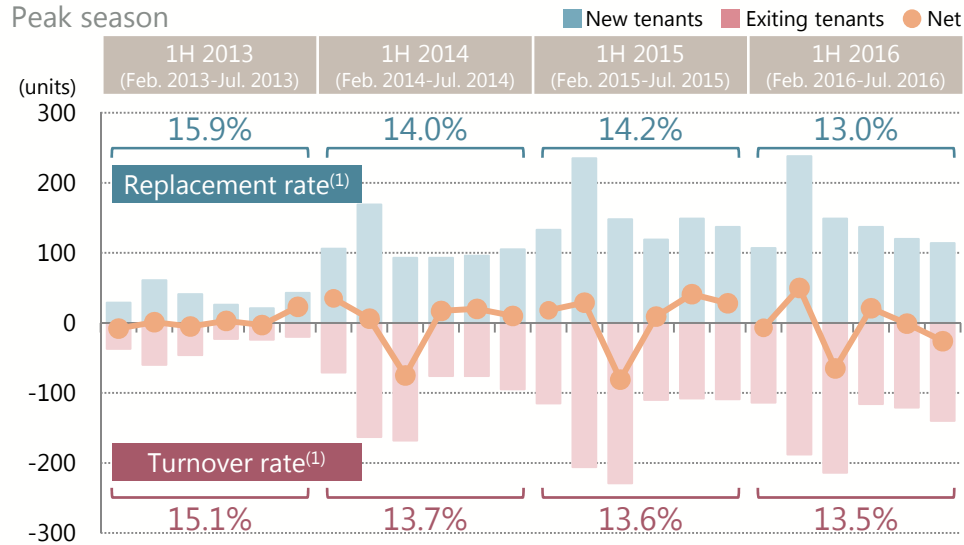
Rent per Tsubo of Residential Unit by Room Type⁽¹⁾



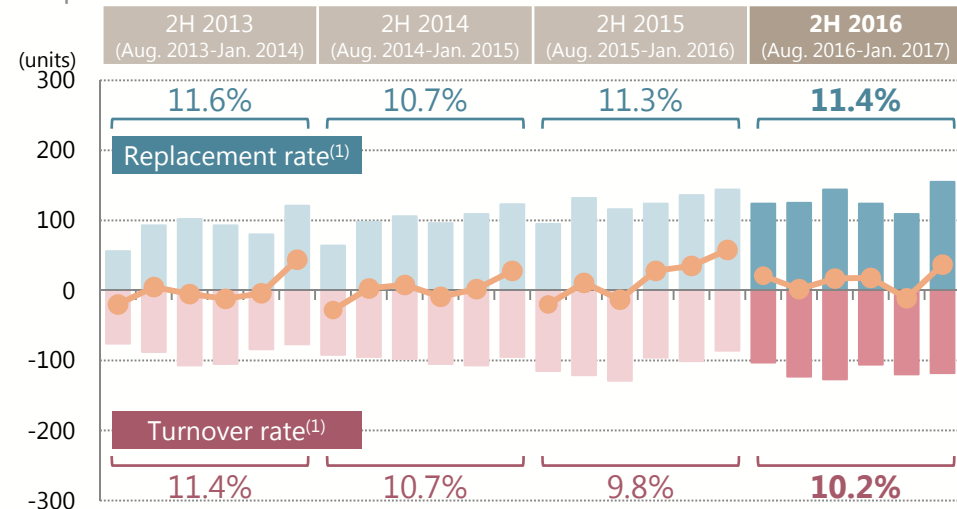
Note 1: Rent per Tsubo of Residential Unit by Area and Rent per Tsubo of Residential Unit by Room Type are calculated for residential units of pass through contract. (excluding contract for whole building). (1 Tsubo = 35.5832 sq. ft.)

Tenant Moving Trend

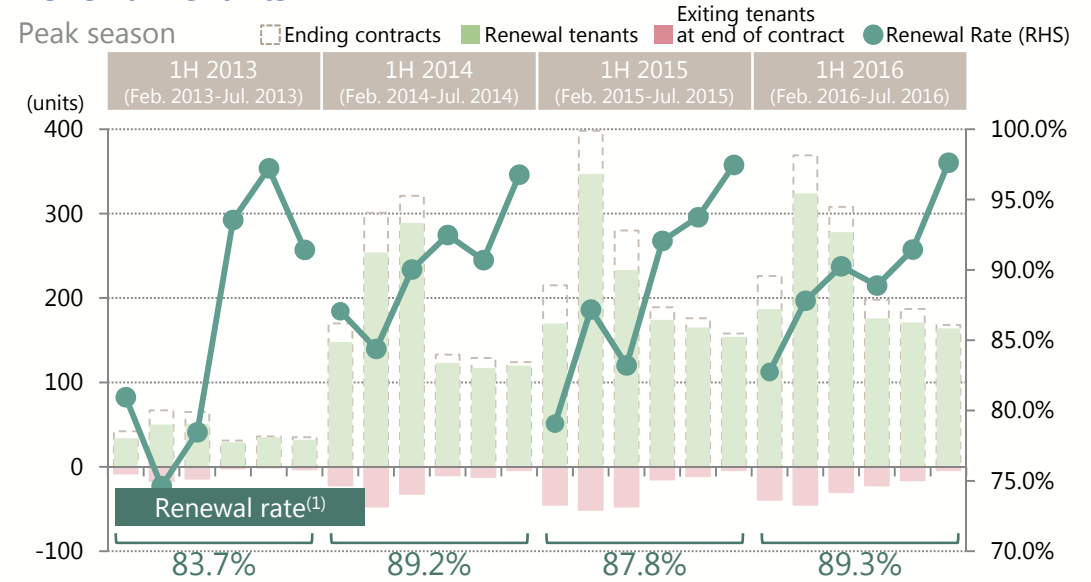
New and Exiting Tenants



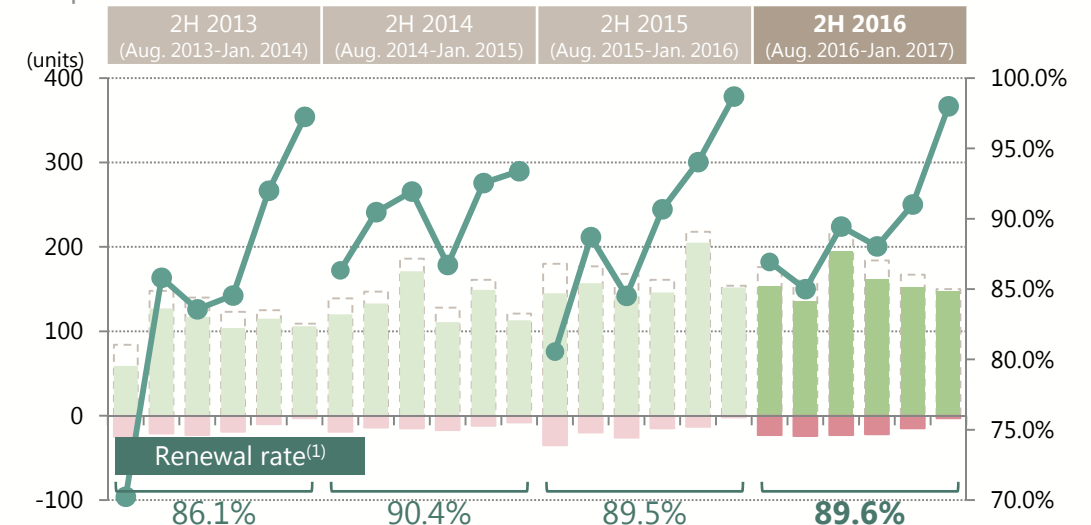
Off-peak season



Renewal Tenants



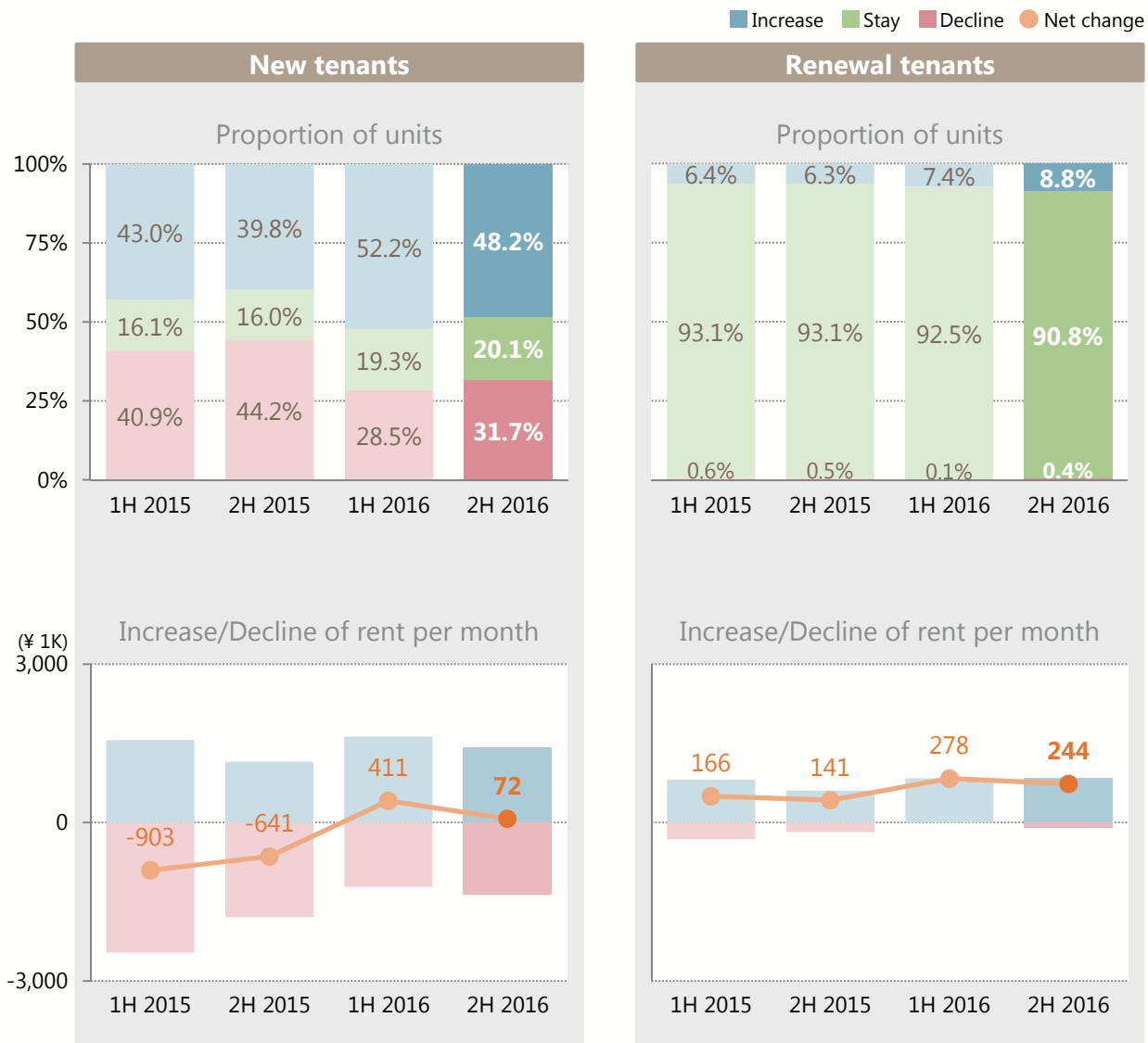
Off-peak season



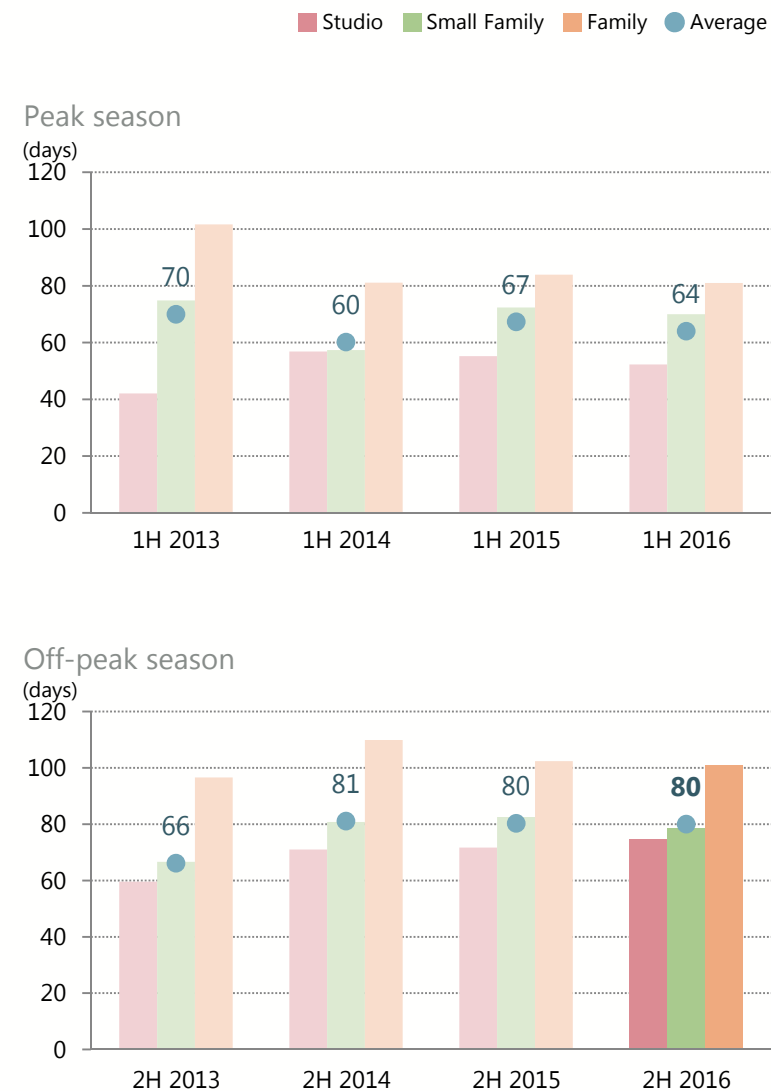
Note 1: "Replacement rate" = New tenants during the period / Rentable units at the End of Period. "Turnover rate" = Exiting tenants during the period / Rentable units at the End of Period. "Renewal rate" = Renewal tenants during the period / Ending contracts during the period. These figures are calculated for residential units of pass through contract (excluding contract for whole building).

Rent Increase/Decline and Average Downtime

Rent Increase/Decline



Average Downtime⁽¹⁾



Note 1: "Average Downtime" are calculated the average downtime of the units of pass through contract (excluding contract for whole building) newly contracted from the exiting of previous tenants.

Initiatives to Improve the Performance of Properties 1/2

Value-Up Management for Internal Growth

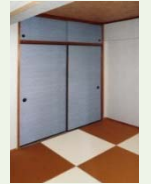
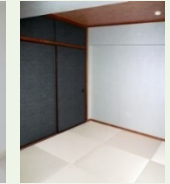
Maintain and improve asset value and operational performance through renovation for vacant rooms



KDX Residence Tsurumi	
Location	Yokohama, Kanagawa
Property age	26 years (completed in Jul. 1990)
Property type	Small family
Rentable units	59 units (Value-up has been implemented for 17 units of that)
Average rentable area	57 m ² per unit

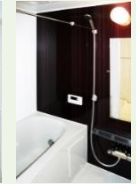
Conversion of room type

A tatami room next to living room has been renovated



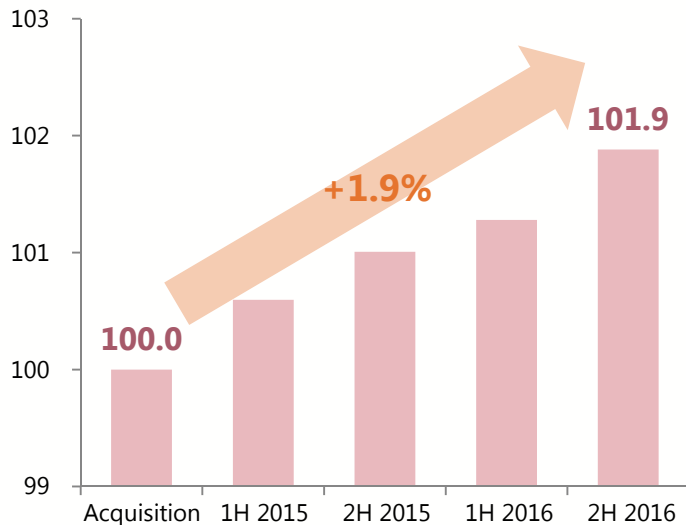
kitchen/bathroom renovation

New appliances and fixtures have been installed

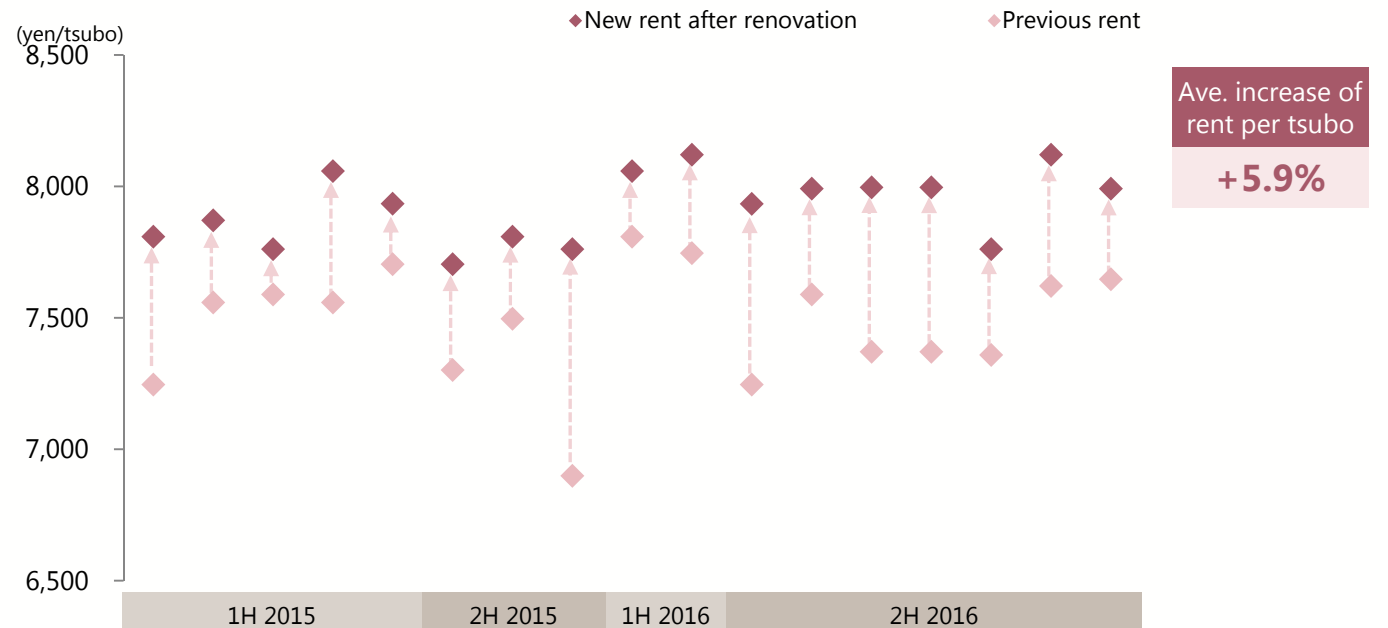


Occupancy rates and rent per tsubo of residential unit⁽¹⁾

Occupancy rates (ave. of the period)	93.9%	98.4	98.4%	96.4%
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Trends in rent per tsubo of value-up units

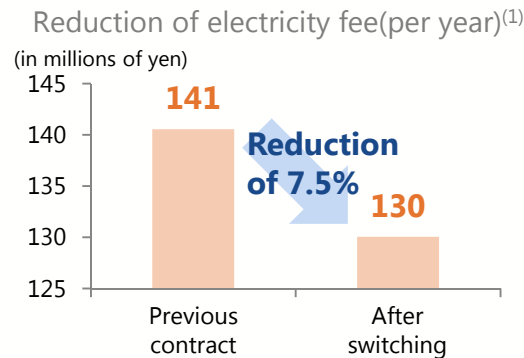


Note 1: "Rent per tsubo of residential unit" is indexed by the figure at the time of acquisition (the end of February 2015) as 100.

Initiatives to Improve the Performance of Properties 2/2

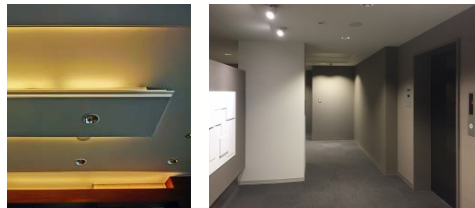
Reduction of Electricity Cost by Switching of the Supplier

Reduced the electricity cost by switching to optimal power supplier for each region with scale merit of the portfolio for 82 properties out of 113 properties under management.



Reduction of Electricity Cost with LED Lights in Common Areas

Replaced lights in common areas with LED lights, which are environmentally friendly and less costly to operate. 3 properties were switched to LED lights during 2H 2016.



Installation of Rescue Vending Machines

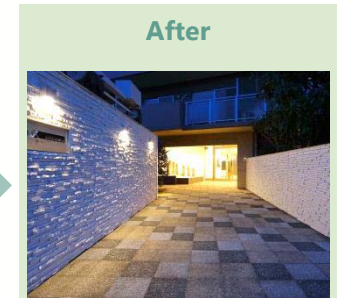
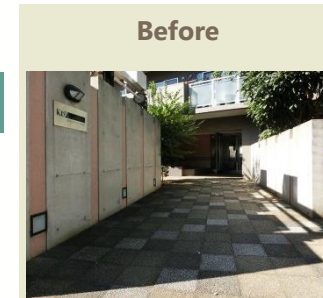
Rescue vending machines were installed in some properties. In case blackout occurs due to a disaster, etc., it is possible to provide products in vending machines as relief drinks.



Efforts to Maintain and Improve Property Competitiveness

Major renovations and value-ups based on well-structured plan

KDX Residence Futako Tamagawa
(property age; 19 yrs)
✓ Value-up of approach and entrance
✓ LED lights in common areas



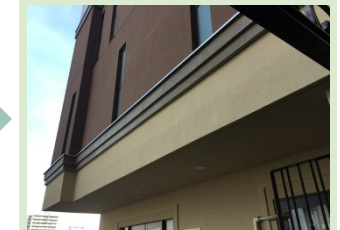
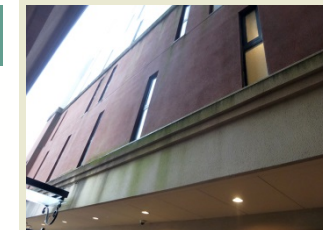
KDX Residence Denen Chofu
(property age; 20 yrs)
✓ Major renovation
✓ Value-up of entrance
✓ LED lights in common areas



KDX Residence Ibaraki I・II
(property age; 24/26 yrs)
✓ Major renovation of roof



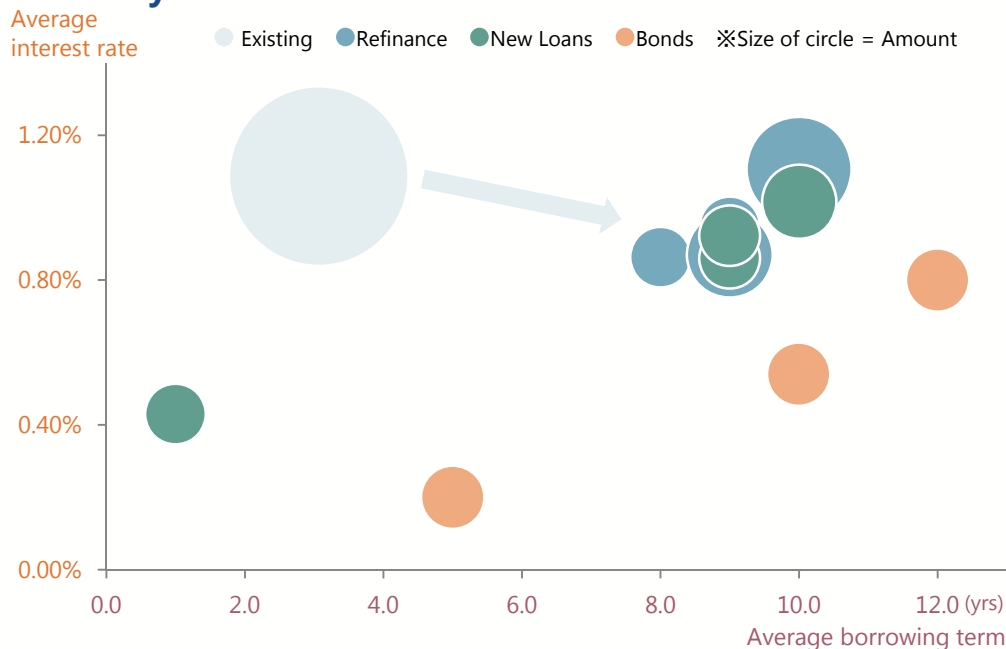
KDX Residence Minami-kusatsu
(property age; 9 yrs)
✓ Exterior wall painting



Note 1: "Previous contract" indicates estimated annual electricity fee in case continuation of previous contracts of 82 properties where the suppliers are to be switched. "After switching" indicates estimated annual electricity fee in case after switching the contracts of 82 properties where the suppliers are to be switched.

Finance-1: Key Finance Indicators

Summary of Finance in 2H 2016



Refinance

Amount	Term	Interest rate	Amount	Term	Interest rate
¥8.5 bln	3.1 years	1.09%	¥8.0 bln	9.3 years	0.97%

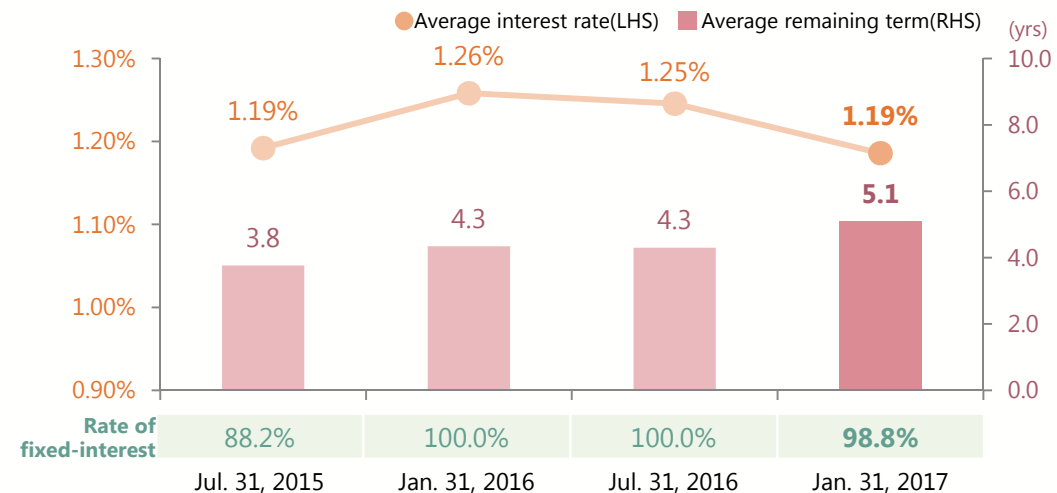
New loans⁽¹⁾

Loans	Amount	Term	Interest rate
Short-term	¥1.0 bln	1.0 years	0.43%
Long-term	¥3.5 bln	9.4 years	0.94%
Total	¥4.5 bln	7.6 years	0.83%

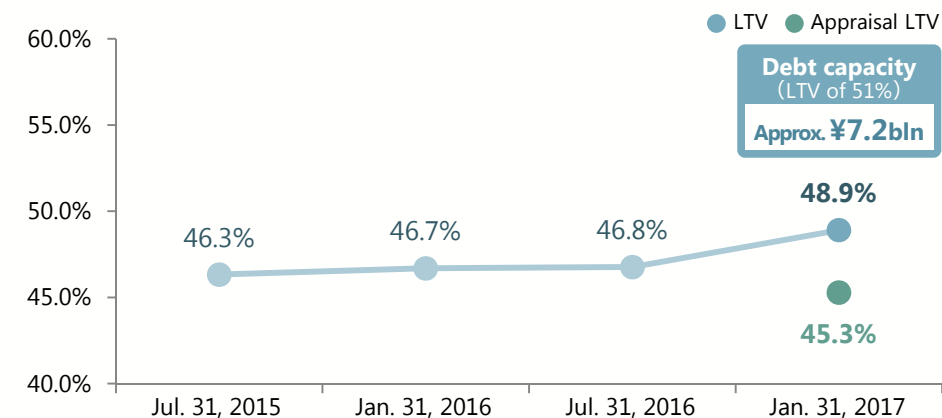
Investment corporation bonds

Bonds	Amount	Term	Interest rate
1 st series	¥1.0 bln	5 years	0.20%
2 nd series	¥1.0 bln	10 years	0.54%
3 rd series	¥1.0 bln	12 years	0.80%

Average Interest Rate, Average Remaining Term and Rate of Fixed-interest ⁽²⁾



LTV (based on total assets) ⁽³⁾



Note 1: The new short-term loan(¥1.0 bln) is the remaining amount after the prepayment on Aug. 31, 2016.

Note 2: "Average Interest Rate" calculated by weighted average interest rate at the end of the period that took into consideration up-front fee (per year) and the effect of the interest rate cap or the interest rate swap. "Average Remaining Term" calculated by weighted average remaining term of interest-bearing liabilities at the end of the period. "Rate of Fixed-Interest" calculated the percentage of fixed interest rate loans of total amount of loans at the end of the period. The floating loans which are substantially fixed with the interest rate cap or interest rate swap are included in the Fixed-Rate.

Note 3: "LTV" = Interest-bearing Liabilities / Total Assets. "Appraisal LTV" = Interest-bearing Liabilities / Total Appraisal Value

Finance-2: Credit rating and repayment terms of interest-bearing liabilities

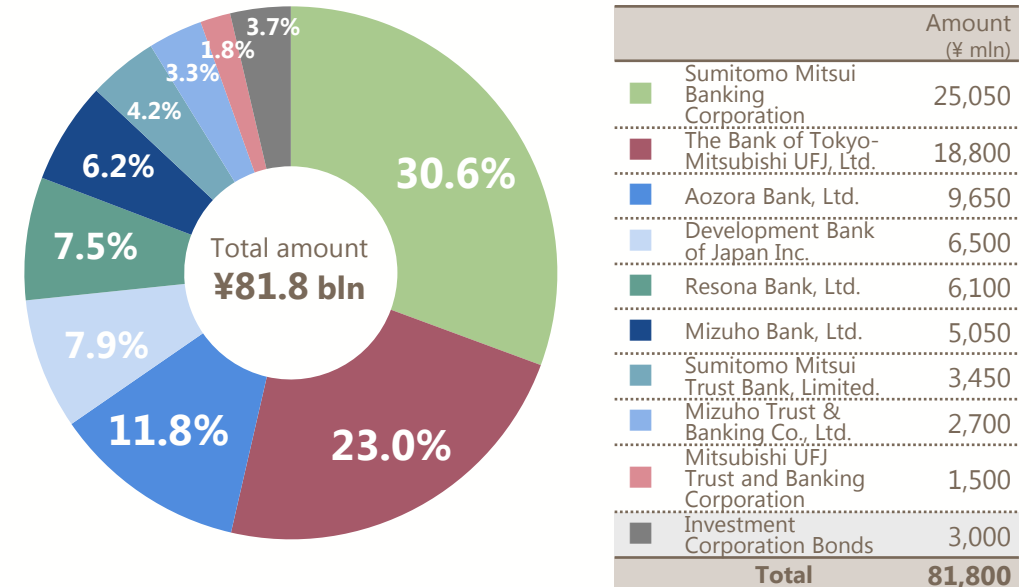
Credit Rating

Rating Agency	Japan Credit Rating Agency, Ltd. (JCR)
Long-term Issuer Rating	A+ (Outlook: Stable)
Rating of bonds	A+

Trends in long-term issuer rating

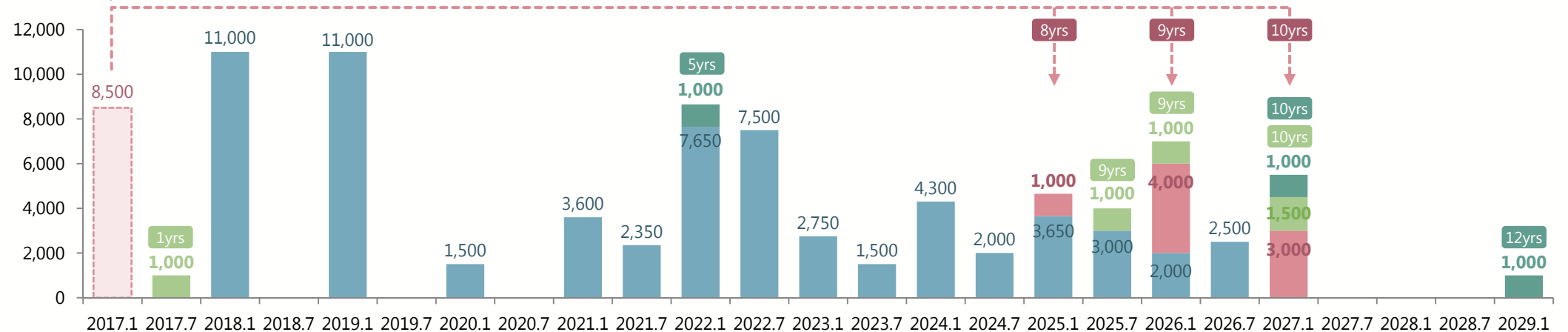
	Aug. 2013	Oct. 2014	Nov. 2015	Nov. 2016
Long-term issuer rating	A	A	A	A+
Outlook	(Stable)	(Stable)	(Positive)	(Stable)

Status of Interest-bearing Liabilities (as of January 31, 2017)



Repayment Terms

(in millions of yen)



Unitholders

Breakdown of Unitholders

Breakdown of unitholders (as of January 31, 2017)

Sort	Unitholders		Units		Average number of units per unitholder (Units/Unitholders)
	Number of unitholders	Ratio	Number of units	Ratio	
Individuals and others	8,634	95.8%	38,259	11.0%	4.4
Financial Institutions	59	0.7%	221,296	63.4%	3,750.8
Foreign companies and individuals	149	1.7%	73,378	21.0%	492.5
Other domestic companies	148	1.6%	14,877	4.3%	100.5
Security firms	19	0.2%	1,279	0.4%	67.3
Total	9,009	100.0%	349,089	100.0%	38.7

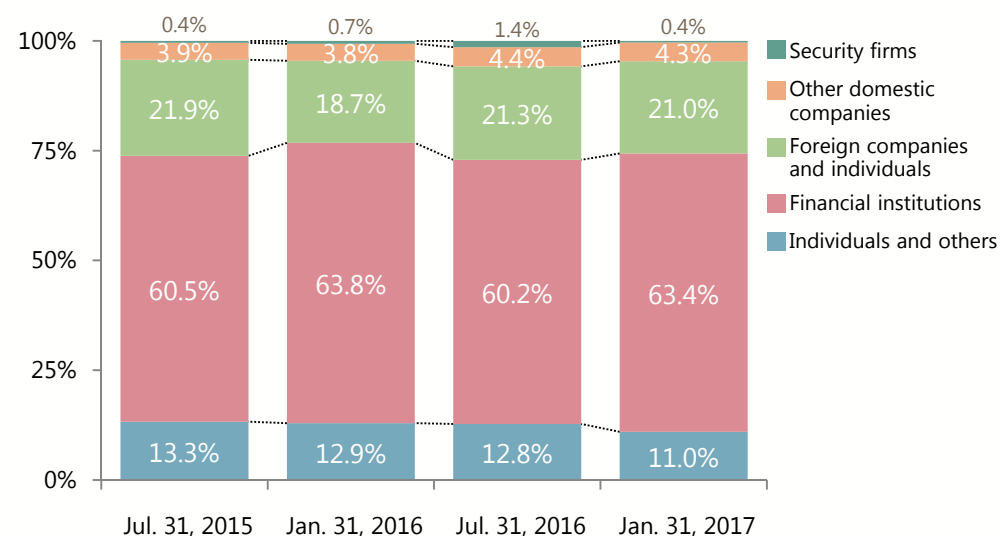
Major Unitholders

Top 10 unitholders (as of January 31, 2017)

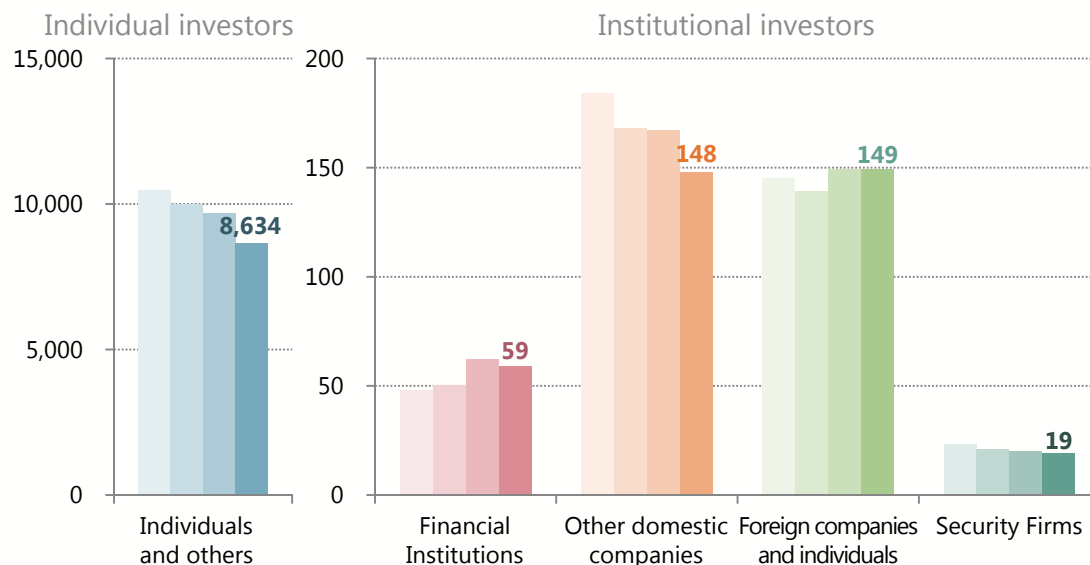
Name	Units	Ratio
Japan Trustee Services Bank, Ltd. (Trust Acct.)	113,272	32.44%
The Master Trust Bank of Japan Ltd. (Trust Acct.)	35,260	10.10%
NOMURA BANK (LUXEMBOURG) S.A.	30,018	8.59%
Trust and Custody Services Bank, Ltd. (Securities Investment Trust Acct.)	27,334	7.83%
The Nomura Trust Banking Co., Ltd. (Trust Acct.)	14,867	4.25%
Kenedix, Inc.	7,310	2.09%
STATE STREET BANK AND TRUST COMPANY 505012	6,066	1.73%
Mizuho Trust & Banking Co., Ltd.	5,608	1.60%
STATE STREET BANK AND TRUST COMPANY 505223	5,309	1.52%
Mitsubishi UFJ Trust and Banking Corporation	5,231	1.49%
Total	250,275	71.69%

Note 1: Ratio means the percentage for total units owned to total units issued. (Rounded down to the nearest three decimal places)

Trends in Composition of Unitholders (based on number of units)



Trends in Numbers of Unitholders (last 4 fiscal periods)



2. Outlook for the Period Ending July 2017 (1H 2017: 11th Fiscal Period)

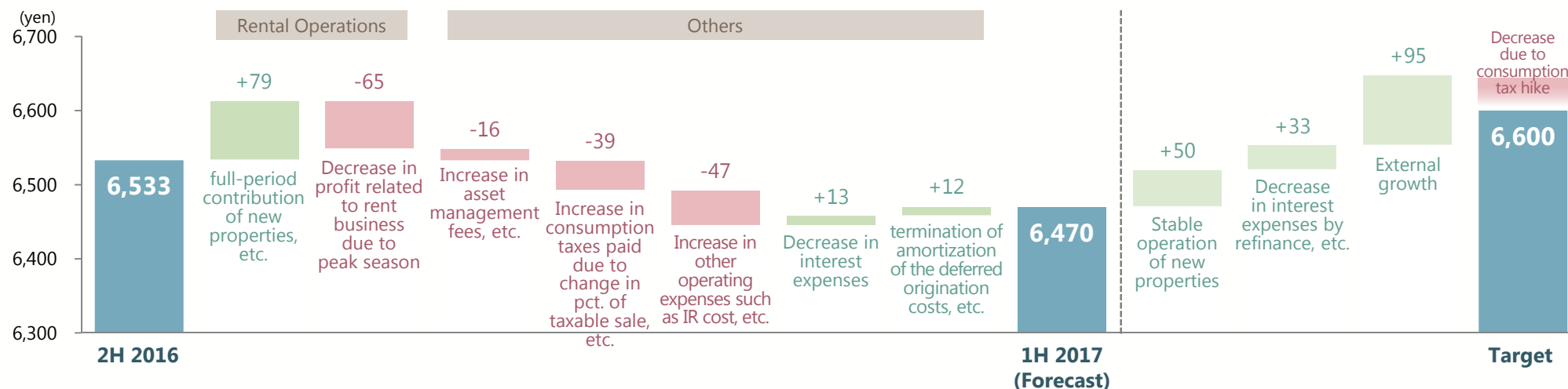
Outlook for the Period Ending July 2017 (1H 2017)

Outlook

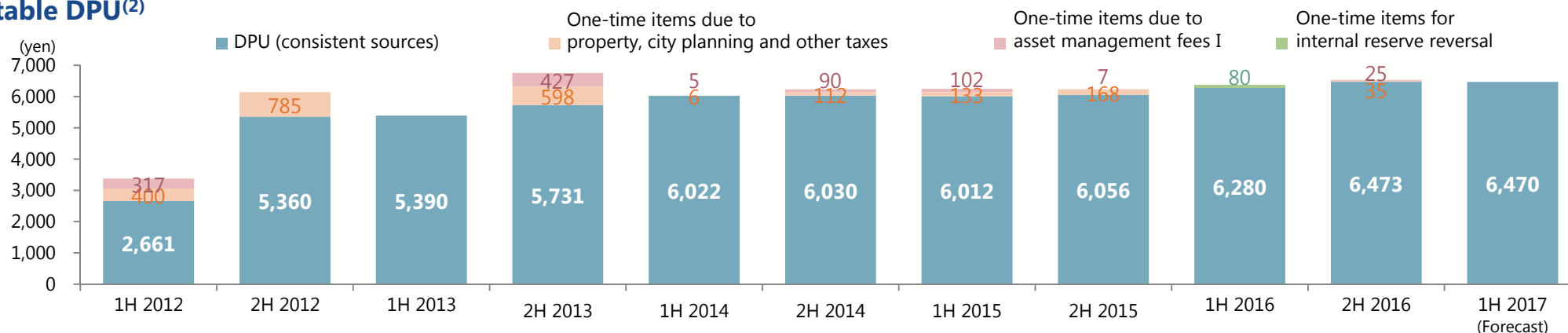
(in millions of yen)	2H 2016	1H 2017	Period on Period		
Operating Term	Actual 184days	Forecast 181days			
Operating Revenues	5,468	5,504	36	0.7%	The estimated average occupancy rate for 1H 2017 is 95.5%. Revenue up approx. ¥52mIn due to full-period contribution of new properties acquired in 2H 2016.
Rent revenue-real estate	5,025	5,058	33	0.7%	
Other lease business revenue	412	446	33	8.2%	
Gains on sale of real estate property	30	-	-30	-100.0%	Increase in key money, renewal fee and leasing cost from existing properties due to higher tenant replacement and turnover rates because of peak season.
Operating Expenses	2,629	2,727	98	3.7%	Increase taxes of approx. ¥14mIn due to start recognizing expenses for property, city planning and other taxes associated with the properties acquired in 2016.
Expenses related to rent business	1,172	1,227	55	4.7%	
Depreciation	878	884	6	0.7%	Consumption taxes paid decreased in 2H 2016 as the pct. of taxable sales was higher due to sale of properties but increased in 1H 2017 as no properties are to be sold.
Other lease business expense	579	615	36	6.3%	
Operating Income	2,838	2,776	-61	-2.2%	Decrease due to termination of amortization of the deferred origination costs, etc.
Non-operating income	0	0	0	111.8%	
Non-operating expenses	526	518	-8	-1.7%	
Interest expenses, etc.	494	490	-4	-0.9%	
Other non-operating expenses	31	27	-4	-13.2%	
Ordinary Income	2,311	2,259	-52	-2.3%	
Income before income taxes	2,311	2,259	-52	-2.3%	
Total income taxes	1	1	0	-39.5%	
Net Income	2,310	2,258	-51	-2.2%	
Total dividend	2,280	2,258	-21	-1.0%	
Distribution per Unit	6,533yen	6,470yen	-63	-1.0%	
NOI	4,265	4,276	11	0.3%	
FFO	3,189	3,170	-19	-0.6%	

Distribution per Unit

DPU Breakdown (Actual vs Forecast) ⁽¹⁾



Stable DPU ⁽²⁾



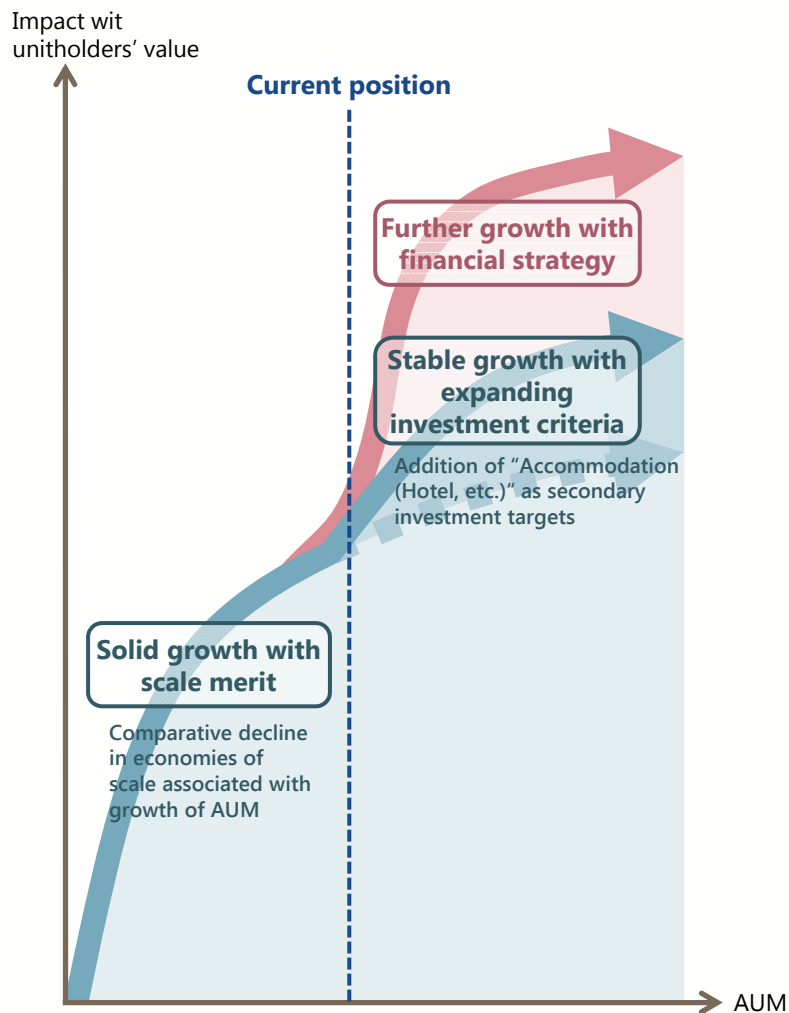
Note 1: The figures are calculated by dividing following figures by the number of investment units issued, respectively. "Stable operation of new properties" is an increase in 2H 2017 of profit related to rent business of new properties acquired in 2H 2016 (estimated). "Decrease in interest expenses by refinance, etc." is an decrease in interest expenses by refinance (¥11.0bln in August 2017)(estimated). "External growth" is increase in net income, after deducting from profit related to rent business the increase in expenses caused by the new property acquisitions (expected total acquisition price of ¥3.5bln) using new debt at LTV of 50.0% (estimated).

Note 2: Stable DPU is the actual DPU in each period minus one-time items due to property, city planning and other taxes, one-time items due to asset management fees I, and one-time items for internal reserve reversal. For properties acquired during the period from 1H 2012 to 2H 2015, the tax adjustment uses actual taxes paid starting in the period corresponding to one year after each property was acquired. For properties acquired after 1H 2016, this adjustment uses tax payments expected to begin in 1H 2017. For each property, the daily cost of taxes based on the number of days the property has been managed by KDR is calculated. The sum of this daily cost in each period is then divided by the number of investment units issued at the end of that period to obtain the tax adjustment. For the asset management fee I adjustment, the total of the book value (except acquisition cost in 2H 2016 forecast) of properties, which have increased or decreased in each period, is multiplied by an annual rate of 0.3% and then divided by the number of days the properties were managed to obtain a daily figure. This figure is then divided by the number of investment units issued at the end of that period to obtain the adjustment. The one-time items for internal reserve reversal are calculated by dividing the amount of the reversal at the end of 1H 2016 by the number of investment units issued at the end of each period. Stable DPU is an estimate calculated solely for reference as an indicator of the earning power of the portfolio at specific times after excluding the effects of expenses in subsequent fiscal periods resulting from acquisitions of properties and other activities.

3. Toward Realizing Sustained Expansion in Unitholders' Value

Road Map for Increasing Unitholders' Value

Image of Further Growth in Unitholders' Value



Further Growth with Financial Strategy

Further reduction of fund procurement cost by improving credibility

We aim to expand investor base and reduce fund procurement cost by a higher credit rating and inclusion in global indices.

Credit rating may increase

Long-term issuer rating (by JCR)	A (Stable)	Nov. 2015	→	A (Positive)	Nov. 2016	→	A+ (Stable)
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Inclusion in indices

Inclusion in global indices (EPRA/NAREIT, etc.)

Aim for Asset Size of ¥200bln with improving DPU

External growth

Expanding investment criteria

Investment in "Rental housing with facility operators" "Accommodation (Hotel, etc.)"

Add a twist in acquisition schemes

Use of **Bridge fund, Swap deal and Forward commitment, etc.**

Use of sponsor support

Internal growth

Maintaining and increasing of rent

Maintain and increase of **Occupancy rate**

Various **cost reduction measures**

Improve of portfolio quality by swap deal

Financial management

Steady and flexible financial management

Reduction of **finance cost**

Flexible **Public offering**

Our goal is consistent medium to long-term growth in unitholders' value as we closely monitor market trends.

Partial Change of Investment Policy

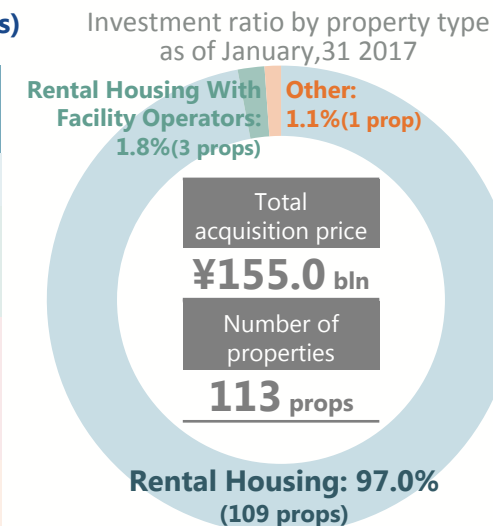
Partial Change of Investment Policy ⁽¹⁾

Addition of "Accommodation (Hotel, etc.)" in investment criteria

- While keeping rental housing as main investment targets (Targets investment ratio of 80% or more), "Accommodation (Hotel, etc.)" is added as secondary investment targets
- With respect to investment in "Accommodation (Hotel, etc.)", KDR focus on limited service hotels with stable income mainly from fixed rent based on stable lease agreement with a core tenant.

Target of Investment Ratio by Property Type (based on acquisition price)(The underlines indicate the changes)

Usage		Target Investment Ratio
Classification	Rental Housing	Rental Housing where a majority of the leasable area is for residential use
	Rental Housing with Facility Operators	Serviced apartments, elderly-care housing, company rental housing, student dormitories and apartments, short-term apartments, etc. where a majority of the leasable area is for residential use
	Accommodation (Hotel, etc.)	<u>Accommodation where a majority of the leasable area is for accommodation use, existing core tenants with stable lease agreements occupy and equipment of western-style structure and facilities (including incidental facilities) is installed</u>
	Other	Land with leasehold interests on which buildings stipulated above exist and others
		80~100%
		0~20%
		<u>0~20%</u>
		0~20%



Note 1: Please refer to the press release "Notice Concerning the Changes to the Articles of Incorporation and Appointment of Directors" and "Notice Concerning the Change of Company Regulations (the Management Guideline of Residential REIT Division)" announced on February 28, 2017. The changes regarding the articles of incorporation and the management guideline, etc. will take effect upon approval by the Fourth General Meeting of Unitholders to be held on March 28, 2017.

We aim further improvement of unitholders' value
through expansion of asset size and liquidity by expanding investment opportunities

Operation of Accommodation (Hotel, etc.) by Kenedix Group

Operation of Hotels by Kenedix "the Sponsor"



Kenedix, Inc. has a operational track record of hotels, and is currently managing Hotel Development Funds and entrusted some asset management of hotels by some investors.

**Hotel Development Fund
Project Size**
(total of 6 projects)
Approx. ¥50.0 bln

Major properties of Hotel Development Fund



Location	Roppongi, Minato-ward	Naka-ward, Nagoya	Chuo-ward, Sapporo	Ginza, Chuo-ward
Completion (scheduled)	March, 2017	January, 2018	May, 2018	December, 2018
Rentable units (scheduled)	400 units	175 units	151 units	125 units

Priority Rights of Consideration for Real Estate Sale Information in Asset Management Company

Scheduled to change on March 29, 2017. ⁽²⁾ The underlines indicate the changes.

Property type	Total floor area per investment property (m ²)	Primary	2nd	3rd
Rental Housings	Less than 20,000	KDR	KPI ⁽²⁾	Private Fund
	Over 20,000			
Hotels	All	KPI ⁽²⁾	<u>KDR</u>	<u>Private Fund</u>

Note 1: The changes will take effect upon approval by the Fourth General Meeting of Unitholders to be held on March 28, 2017.
Note 2: "KPI" indicates Kenedix Private Investment Corporation.

About Space Design



Space Design, Inc. is a subsidiary of the Sponsor which conducts serviced apartment business and hotel business, etc. It has property management know-how of serviced apartments, etc. over 18 years.

Operational Properties of Space Design

Serviced apartments 11 props	BUREAU B-SITE
Hotel 1 prop	B-CONTE

Major serviced apartments and hotel owned⁽³⁾/operated by Space Design

	Serviced Apartments			Hotel
owned/ operated				
Property name	BUREAU Shibuya	B-SITE Yokohama	B-SITE Nihombashi Ningyocho	B-CONTE Asakusa
Location	Jinnan, Shibuya-ward	Yokohama, Kanagawa	Nihombashi Horidome-cho	Asakusa, Taito-ward
Completion	November, 2016	June, 2007	September, 2002	March, 2011
Rentable units	37 units	74 units	74 units	46 units
operated				
Property name	BUREAU Shinagawa	GATE HILL TOKYO	BUREAU Takanawa	B-SITE Nihombashi Hakozaeki
Location	Konan, Minato-ward	Takanawa, Minato-ward	Takanawa, Minato-ward	Nihombashi Hakozaeki-cho,
Completion	December, 2003	December, 2015	March, 2002	July, 2002
Rentable units	303 units	22 units	33 units	61 units

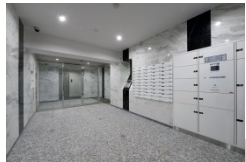
Note 3: It includes properties owned (including scheduled to be owned) in real estate fund managed by Kenedix group.

Appendices

The Properties Acquired in 2H 2016 1/5

KDX Residence Nishi-magome

Primary location selection criteria **Jigurai**
Property type **Studio**



Magome area, where the Magome Castle was built formerly, was called the Magome Literary Village because it was home to large numbers of writers and artists after Meiji-era. Today, Magome is still a high-end residential district.

Ikegami Honmonji Temple, which is one of the new 100 views of Tokyo, and Honmonji Park are near the property. There are many convenience facilities near this station. Due to this pleasant and convenient location, a wide range of rental demand can be expected from singles and couples working in central Tokyo.

Location	Ota ward, Tokyo	Completion Date	July 2016
Acquisition Price	¥1,130 million	Appraisal Value ⁽¹⁾	¥1,170 million
Occupancy Rate (as of Jan. 2017)	36.2%	Appraisal NOI Cap Rate ⁽¹⁾	5.0%
Access	4 minutes' walk from Nishi-magome Station		

KDX Residence Nishi-azabu

Primary location selection criteria **Jigurai**
Property type **Small Family**



This property is located in one of the most distinguished land in Tokyo. Initially developed as a residential district during the period from Meiji through Taisho-era, the area has now become known as an exclusive residential uptown district. As situated in a central area of Tokyo, it provides an easy access to major business and commercial areas.

In the surrounding area, there are convenient facilities for living such as Roppongi Hills and Mohri Garden etc. within the walking distance. Therefore, stable rental demand can be expected mainly from singles and couples.

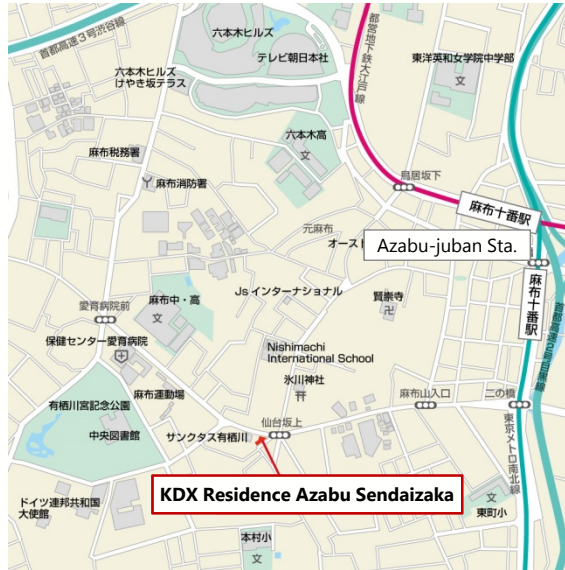
Location	Minato ward, Tokyo	Completion Date	February 2008
Acquisition Price	¥1,224 million	Appraisal Value ⁽¹⁾	¥1,420 million
Occupancy Rate (as of Jan. 2017)	100.0%	Appraisal NOI Cap Rate ⁽¹⁾	5.0%
Access	10 minutes' walk from Roppongi Station		

Note 1: "Appraisal Value" is described the appraisal value at the time of acquisition of property. "Appraisal NOI Cap Rate" = NOI described in Appraisal Report / Acquisition Price

The Properties Acquired in 2H 2016 2/5

KDX Residence Azabu Sendaizaka

Primary location selection criteria: **Jigurai**
Property type: **Studio**



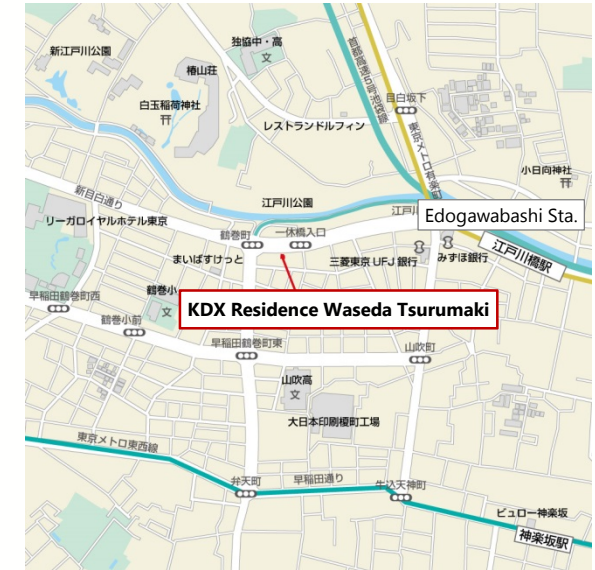
This property is located at the upslope of Sendaizaka Roppongi, one of the most prosperous areas in Tokyo, is within the walking distance. While the property is excellent in transportation convenience, it is located in a quiet and exclusive residential area and is situated in one of the most distinguished land in Tokyo.

The property is adjacent to Arisugawa-no-miya Memorial Park, which is providing an excellence in habitability. Therefore, stable rental demand can be expected mainly from singles and couples.

Location	Minato ward, Tokyo	Completion Date	October 2006
Acquisition Price	¥792.3 million	Appraisal Value ⁽¹⁾	¥890 million
Occupancy Rate (as of Jan. 2017)	100.0%	Appraisal NOI Cap Rate ⁽¹⁾	5.0%
Access	9 minutes' walk from Azabu-juban Station 9 minutes' walk from Hiroo Station		

KDX Residence Waseda Tsurumaki

Primary location selection criteria: **Convenience**
Property type: **Studio**



This property has excellent access to two stations on two routes and it has an excellent transportation convenience with about 15 minutes by train to Otemachi Station from Edogawabashi Station.

The area is known as one of the academic districts in Tokyo, with some educational institutions are located. There are all the facilities in the neighborhood that are convenient for living. The area also has a leafy environment with Toyama Park etc. Therefore, a stable rental demand can be expected from singles working in central Tokyo and students.

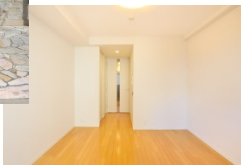
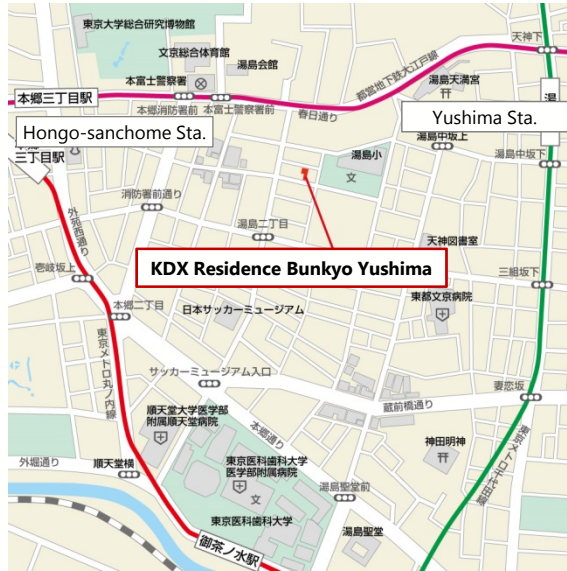
Location	Shinjuku ward, Tokyo	Completion Date	August 2007
Acquisition Price	¥561 million	Appraisal Value ⁽¹⁾	¥765 million
Occupancy Rate (as of Jan. 2017)	100.0%	Appraisal NOI Cap Rate ⁽¹⁾	6.1%
Access	6 minutes' walk from Edogawabashi Station 10 minutes' walk from Waseda Station		

Note 1: "Appraisal Value" is described the appraisal value at the time of acquisition of property. "Appraisal NOI Cap Rate" = NOI described in Appraisal Report / Acquisition Price

The Properties Acquired in 2H 2016 3/5

KDX Residence Bunkyo Yushima

Primary location selection criteria **Jigurai**
Property type **Studio**



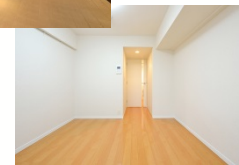
The "Yushima" area is one of the distinguished lands in Tokyo which still maintains an atmosphere of the Edo-era and there are many historical structures including Yushima Seido (Sacred Hall).

In the surrounding area, there are many convenient facilities for living such as Ameyoko Street. The area is also favorable in habitability as being adjacent to Ueno Onshi Park, which has many cultural facilities such as art museums. Therefore, stable rental demand can be expected mainly from singles and couples.

Location	Bunkyo ward, Tokyo	Completion Date	January 2006
Acquisition Price	¥695 million	Appraisal Value ⁽¹⁾	¥854 million
Occupancy Rate (as of Jan. 2017)	100.0%	Appraisal NOI Cap Rate ⁽¹⁾	5.6%
Access	5 minutes' walk from Yushima Station 5 minutes' walk from Hongo-sanchohome Station		

KDX Residence Kamishakuji

Primary location selection criteria **Convenience**
Property type **Studio**



The property, from which Otemachi Station is about 32 minutes by train, is providing an excellent transportation convenience to the central area of Tokyo.

It has all the convenient facilities for living in the surrounding area such as Kami-shakuji Shopping District. It also has a favorable living environment and habitability, being surrounded by Shakuji Park and other spacious parks that still maintain riches in nature of this area. Therefore, a wide range of rental demand can be expected from singles working in central Tokyo.

Location	Nerima ward, Tokyo	Completion Date	June 2007
Acquisition Price	¥648 million	Appraisal Value ⁽¹⁾	¥735 million
Occupancy Rate (as of Jan. 2017)	97.8%	Appraisal NOI Cap Rate ⁽¹⁾	5.6%
Access	4 minutes' walk from Kamishakuji Station		

Note 1: "Appraisal Value" is described the appraisal value at the time of acquisition of property. "Appraisal NOI Cap Rate" = NOI described in Appraisal Report / Acquisition Price

The Properties Acquired in 2H 2016 4/5

KDX Residence Shin-otsuka

Primary location selection criteria: Convenience
Property type: Studio



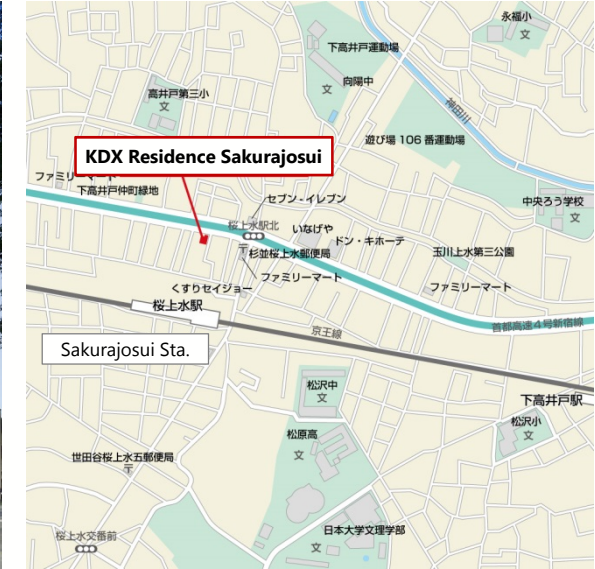
This property is located near four stations, with only about a four-minute walk and the property provides excellent access to Tokyo's main business and commercial areas.

Several shopping areas are within walking distance. One is Sunshine City, which includes a large indoor shopping mall and many restaurants. Another is the Sun Mall Otsuka and two other shopping arcades. Otsuka Park is also near the property. With all of these attributes for good living, a wide range of rental demand can be expected from singles working in central Tokyo.

Location	Toshima ward, Tokyo	Completion Date	February 2016
Acquisition Price	¥764 million	Appraisal Value ⁽¹⁾	¥899 million
Occupancy Rate (as of Jan. 2017)	100.0%	Appraisal NOI Cap Rate ⁽¹⁾	5.5%
Access	4 minutes' walk from Shin-otsuka Station		

KDX Residence Sakurajosui

Primary location selection criteria: Jigurai
Property type: Studio



Revenue compensation by seller
If the occupancy rate (based on rental revenue reckoned) at the date of acquisition is less than 95%, the seller is supposed to rent whole of the property in the equivalent rent of occupancy rate of 95% until either early period: one year after from the date of acquisition or the last day of the month in which the occupancy rate has reached 95%.

Takaidoshuku was the first district of inns along the Koshu Kaido, one of five major highways originating at Tokyo's Nihonbashi in the Edo Period. Takaido, which means "high well," is said to originate from a natural spring in a high part of this village.

The property is in a quiet residential area. supermarkets and banks are nearby and the Shimo-Takaido Shopping Arcade is within walking distance. Convenience for transportation and various facilities for everyday activities are expected to generate consistent rental demand chiefly from singles.

Location	Suginami ward, Tokyo	Completion Date	September 2016 (scheduled)
Acquisition Price	¥894 million	Appraisal Value ⁽¹⁾	¥1,050 million
Occupancy Rate (as of Jan. 2017)	100.0%	Appraisal NOI Cap Rate ⁽¹⁾	5.3%
Access	3 minutes' walk from Sakurajosui Station		

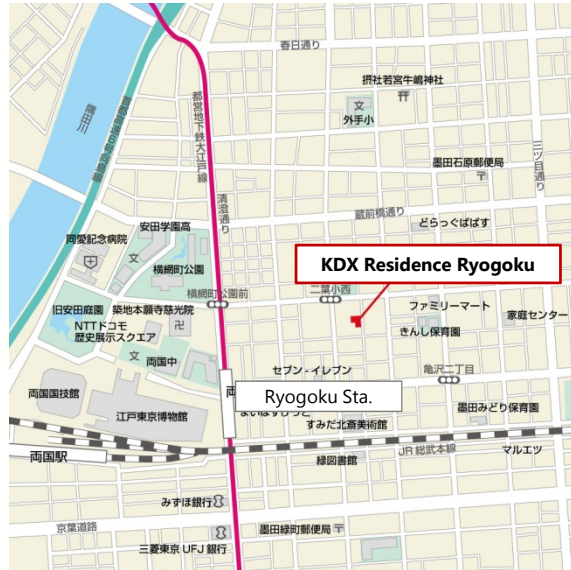
Note 1: "Appraisal Value" is described the appraisal value at the time of acquisition of property. "Appraisal NOI Cap Rate" = NOI described in Appraisal Report / Acquisition Price

The Properties Acquired in 2H 2016 5/5

KDX Residence Ryogoku



Primary location selection criteria: Convenience
Property type: Studio



During the Edo Period, a bridge here was built in 1661 and named Ryogoku ("two provinces") bridge, which gave this district its name.

Residents of Ryogoku have easy access to supermarkets, banks and shopping as well as restaurants and other establishments that preserve old traditions. There are also a number of parks, including the Former Yasuda Garden. As a result of this attractive location, substantial rental demand from singles and couples working in central Tokyo can be expected.

Location	Sumida ward, Tokyo	Completion Date	February 2016
Acquisition Price	¥842 million	Appraisal Value ⁽¹⁾	¥980 million
Occupancy Rate (as of Jan. 2017)	87.2%	Appraisal NOI Cap Rate ⁽¹⁾	5.4%
Access	5 minutes' walk from Ryogoku Station		

Serenite Nishinomiya Hommachi



Primary location selection criteria: Convenience
Property type: Studio



The location has excellent access to central Osaka and Kobe. There are also many shops and restaurants. Nearby is Nishinomiya Shrine, which is well-known as the head shrine of Ebisu, the deity of good fortune. Due to its location in front of the shrine, this neighborhood was full of activity even prior to Kamakura Period, which began in 1185.

Due to the excellent transportation convenience and the many attributes of its surrounding area, stable rental demand is expected primarily from singles who work in Osaka and Kobe.

Location	Nishinomiya-shi, Hyogo	Completion Date	February 2016
Acquisition Price	¥617 million	Appraisal Value ⁽¹⁾	¥707 million
Occupancy Rate (as of Jan. 2017)	100.0%	Appraisal NOI Cap Rate ⁽¹⁾	6.0%
Access	5 minutes' walk from Nishinomiya Station		

Note 1: "Appraisal Value" is described the appraisal value at the time of acquisition of property. "Appraisal NOI Cap Rate" = NOI described in Appraisal Report / Acquisition Price

Acquisition of Properties with Speed and Flexibility

Acquisition from Bridge Fund

G.K. Bohemian ~Acquired 8 props in the bulk sale~

Date of organization	March 20, 2015
Primary number of props	8 props

Summary of preferential negotiation rights

An asking price with reasonable prospects for achieving the target internal rate of return (IRR) of the operator

Appraisal NOI cap rate as of the acquisition⁽¹⁾

4.8 %

Group B ~3 smaller props~



Location	Koto-ku, Tokyo	Urayasu, Chiba	Kawasaki, Kanagawa
Property age	8.9 years	8.9 years	9.1 years
Appraisal value ⁽²⁾	¥430 mln	¥693 mln	¥428 mln

As initially planned, these properties were sold to external buyers at prices that exceeded the estimated prices by KDR.

Group A ~5 props located in central Tokyo~



	KDX Residence Nishi-azabu	KDX Residence Azabu Sendaizaka	KDX Residence Waseda Tsurumaki	KDX Residence Bunkyo Yushima	KDX Residence Kamishakujii
Location	Minato-ku, Tokyo	Minato-ku, Tokyo	Shinjuku-ku, Tokyo	Bunkyo-ku, Tokyo	Nerima-ku, Tokyo
Property age	8.9 years	10.3 years	9.5 years	11.0 years	9.6 years
Appraisal value ⁽²⁾	¥1,420 mln	¥890 mln	¥765 mln	¥854 mln	¥735 mln
Acquisition price	¥1,224 mln	¥792.3 mln	¥561 mln	¥695 mln	¥648 mln

KDR acquired at more competitive price than initially estimated using the sale of group B

Total acquisition price
¥3,920 mln

Appraisal unrealized capital gain ratio⁽³⁾
19.0 %

Appraisal NOI cap rate⁽³⁾
5.4 %

KDR acquired the properties of group A at competitive price by selling the properties of group B at prices that exceed the estimated price by KDR

Note 1: "Appraisal NOI cap rate as of the acquisition" = NOI described in Appraisal Report as of the time of evaluation at acquisition (March 1, 2015) by G.K. Bohemian / Appraisal Value.

Note 2: "Appraisal Value" is the appraisal value as of the time of the evaluation at acquisition and sale (Group A: July 1, 2016, Group B: The end of February 2016.)


Note 3: "Appraisal Unrealized Capital Gain Ratio" = (Appraisal Value - Acquisition Price) / Acquisition Price. "Appraisal NOI Cap Rate" = NOI described in Appraisal Report / Acquisition Price.

Acquisition of Properties with Speed and Flexibility

Acquisition by Forward Commitment

KDX Residence Nishi-magome

Location	Ota-ku, Tokyo
Room type	Studio
Property age	0.6 years
Appraisal value ⁽¹⁾	¥1,170 mln
Acquisition price	¥1,130 mln
Appraisal NOI cap rate	5.0%




Schedule of the acquisition

Apr. 26, 2016	Jul. 2016	Aug. 30, 2016
Agreement	Completion	Settlement

Serenite Nishinomiya-hommachi

Location	Nishinomiya, Hyogo
Room type	Studio
Property age	0.9 years
Appraisal value ⁽¹⁾	¥707 mln
Acquisition price	¥617 mln
Appraisal NOI cap rate	6.0%



Schedule of the acquisition

Sep. 27, 2016	Dec. 1, 2016
Agreement	Settlement

KDR acquired the new-built property through 1-on-1 negotiation from before the completion and flexible investment decision

Acquisition and Sale by Mutual Transaction

Sale of the old props that will need capex

KDX Toyohira Sanjo Residence

Location	Sapporo, Hokkaido
Property age	8.9 years
Appraisal value ⁽¹⁾	¥754 mln
Acquisition Price	¥582.5 mln



KDX Residence Kamisugi

Location	Sendai, Miyagi
Property age	9.3 years
Appraisal value ⁽¹⁾	¥882 mln
Acquisition Price	¥700 mln




Newly-built props at competitive price

KDX Residence Shin-otsuka

Location	Toshima-ku, Tokyo
Property age	1.0 years
Appraisal value ⁽¹⁾	¥899 mln
Acquisition Price	¥764 mln



KDX Residence Sakurajosui

Location	Suginami-ku, Tokyo
Property age	0.4 years
Appraisal value ⁽¹⁾	¥1,050 mln
Acquisition Price	¥894 mln



KDX Residence Ryogoku

Location	Sumida-ku, Tokyo
Property age	1.0 years
Appraisal value ⁽¹⁾	¥980 mln
Acquisition Price	¥842 mln



Total acquisition price	Average property age	Increasing total acquisition price Declining average property age	Total acquisition price	Average property age
¥1,282 mln	9.1 years		¥2,500 mln	0.8 years

KDR traded the old properties located in regional areas and the newly-built properties located in Tokyo taking into account the property age balance of the portfolio and the long-term capex plan.

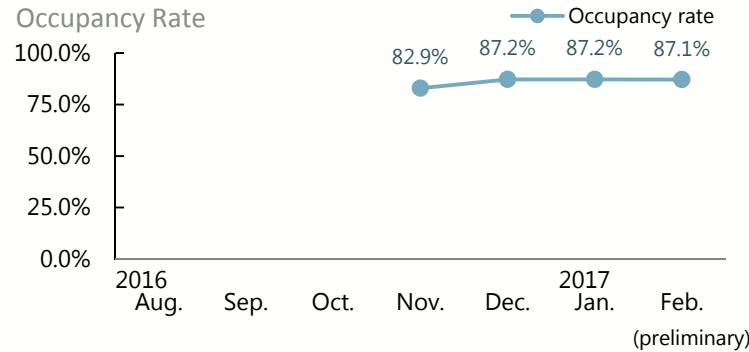
Note 1: "Appraisal Value" is the appraisal value as of the time of evaluation at acquisition and sale (KDX Residence Nishi-magome: August 1, 2016, Serenite Nishinomiya-hommachi: September 1, 2016, The properties acquired and sold by mutual transaction: July 1, 2016.)

Operational Status of Major Newly-built Properties

KDX Residence Ryogoku (completed on February 2016)



Location	Sumida ward, Tokyo
Property type	Studio
Rentable units	36 units



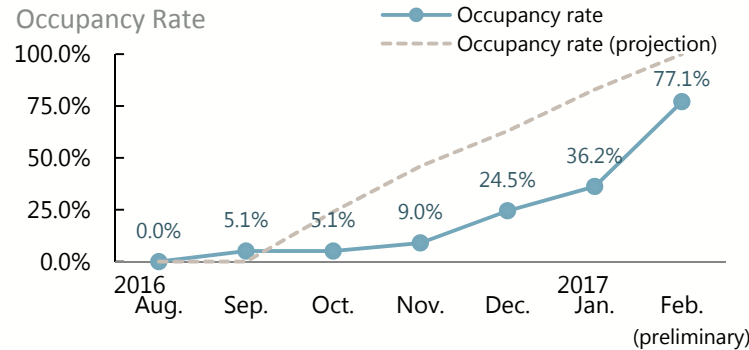
Leasing by relationship with the seller

By relationship with the seller, the occupancy rate of 28.4% as of the time of acquisition decision (June 2016) has risen to 82.9% as of the time of settlement (November 2016.) Even after that, the occupancy rate is rising steadily and we are assuming full operation in March-April 2017.

KDX Residence Nishi-magome (completed on July 2016)



Location	Ota ward, Tokyo
Property type	Studio
Rentable units	47 units



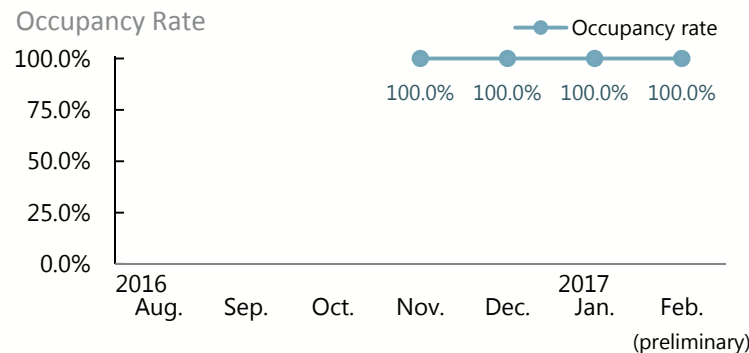
Changing the enhanced leasing term, etc.

Initially, we assumed full operation in February 2017 by capturing the movement demand in autumn. However, due to the fact that the movement demand for individual and corporate was small and the supply of newly-built competing properties, we reviewed the leasing conditions and the enhanced leasing term. Currently, We are assuming full operation in March-April 2017 by capturing the movement demand in spring.

KDX Residence Sakurajosui (completed on September 2016)



Location	Suginami ward, Tokyo
Property type	Studio
Rentable units	43 units



Revenue compensation by seller

If the occupancy rate (based on rental revenue reckoned) at the date of acquisition is less than 95%, the seller is supposed to rent whole of the property in the equivalent rent of occupancy rate of 95% until either early period: one year after from the date of acquisition or the last day of the month in which the occupancy rate has reached 95%.

Efforts to Improve Sustainability

Participation in GRESB Assessment

In 2016, The Investment Corporation participated in GRESB ("Global Real Estate Sustainability Benchmark") Assessment. GRESB is a benchmark to evaluate sustainability performance of private and listed real estate portfolio from environmental and social perspectives.



DBJ Green Building Certification⁽¹⁾

The Investment Corporation has received DBJ Green Building Certification as an evaluation of environmental and social considerations for following 3 properties. The Investment Corporation will continue our efforts for the environment and strive to improve and new acquisition of the certification.



KDX Residence Ebisu



Ashiya Royal Homes



KDX Residence Yotsuya



DBJ Green Building
2015

Properties with excellent
environmental & social
awareness



DBJ Green Building
2015

Properties with excellent
environmental & social
awareness



DBJ Green Building
2015

Properties with high
environmental & social
awareness

Installation of "SATOYAMA" Unit

"SATOYAMA" Unit is group planting unit of dormant conventional seed and plant in village forest ("SATOYAMA"). The Investment Corporation set up the unit in the entrance of KDX Residence Okachimachi. Through the installation of "SATOYAMA" Unit, The Investment Corporation contribute to the "SATOYAMA" restoration activities, comfortable living environment and also prevention of left bicycle.



"SATOYAMA" Unit

REFORESTATION

都市からはじめるSATOYAMA再生

荒廃した里山に休眠する在来種苗を寄せ植えしたこの"里山ユニット"を暮らしに取り入れることで、都市に SATOYAMA の風景を再現します。KENEDIX は、皆様に緑のある心地よい高品質な住環境をご提供するだけでなく、アーバン・シード・バンクと協働し"里山ユニット"を通して継続的な里山再生活動及び生物多様性保全に寄与していきます。また、神奈川の福祉作業所で大切に育てられた在来種苗を積極的に採用することで、福祉的就労の支援も同時実現します。

KDX Residence Okachimachi



Note 1: "DBJ Green Building Certification" is a system established by Development Bank of Japan in April 2011 to support real estate that meets environmental and social conditions.

Sub-MLIT Standard Toyo Tire & Rubber Seismic Isolation Materials

Failure of Toyo Tire & Rubber Seismic Isolation Materials to Meet the Certification Requirements and Subsequent Actions

March 13, 2015 (Friday)	March 16 (Monday)	April 21 (Tuesday)	April 25 (Saturday), April 26 (Sunday)	April 30 (Thursday)	September 30 (Wednesday)
<p>Toyo Tire announced that its seismic isolation materials do not comply with certification requirements of the Ministry of Land, Infrastructure, Transport and Tourism of Japan (MLIT).</p> <p>Start of examination to determine if any portfolio buildings use these materials.</p>	<p>One portfolio building uses Toyo Tire seismic isolation materials, but Toyo Tire stated that these materials complied with the certification requirements.</p>	<p>Toyo Tire announced a new incident involving seismic isolation material fraud.</p> <p>Toyo Tire notified KDR that the seismic isolation materials in the portfolio building are included in this newly disclosed incident.</p>	<p>KDR visited each tenant in the building to explain the situation.</p>	<p>The MLIT and Toyo Tire measured the seismic isolation properties of the affected KDR owned building and concluded that the building is structurally sound up to a seismic intensity of 6-upper to 7.</p>	<p>KDR, KFM and a trust bank who is the trustee of the building signed a Compensation Agreement with Toyo Tire and Toyo Chemical Industrial Products.</p>

Signing of a Compensation Agreement

KDR, the Asset Management Company and a trust bank who is the trustee of the building signed a Compensation Agreement with Toyo Tire & Rubber Co., and Toyo Chemical Industrial Products regarding compensation for damages due to the use of certain seismic isolation laminated rubber that did not meet the certification criteria in the building.

For the time being, an understanding has been reached concerning compensation for damages. However, the contents of the Agreement will not be disclosed because problems may occur during in the implementation of compensation payments.

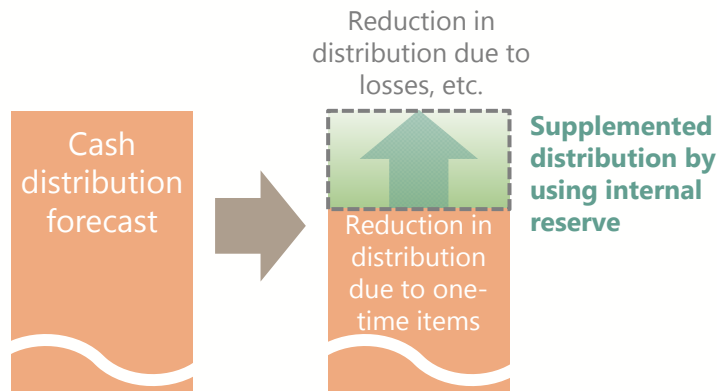
Replacement of the Substandard Seismic Isolation Laminated Rubber

KDR will continue to hold discussions regarding construction related to the replacement of the substandard seismic isolation laminated rubber and plans to ask Toyo Tire and Toyo Chemical Industrial Products to take all actions required for a satisfactory conclusion of this problem.

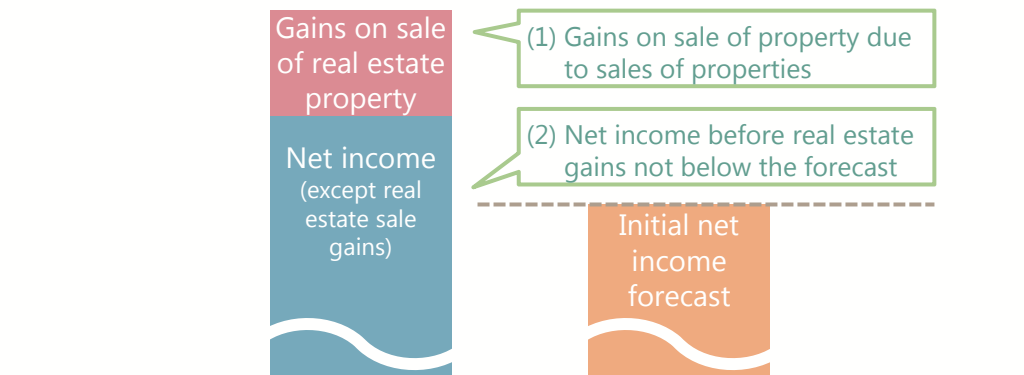
Toyo tire has resumed the production of the seismic isolation laminated rubber from August 2016. We are holding discussions regarding the replacement, etc. with Toyo Tire continuously.

Internal Reserve

Purposes and Use of Internal Reserve



Conditions for the Use and Guideline for the Amount of Internal Reserve



Purposes and Use of Internal Reserve

To continue to maintain stable distributions, we will consider using internal reserve when any of the following events is expected to temporarily reduce distributions

- Losses resulting from real estate sales or the impairment of assets under management
- Temporary decline in rental revenues caused by the acquisition of a property upon its completion or other event
- Conduit requirement insufficiency caused by inconsistency between procedures for tax and accounting purposes
- Conduit requirement insufficiency caused by market valuations of interest rate derivatives
- Dilution of distributions per unit caused by the flexible public offerings
- Losses caused by disasters and other unforeseen events

Conditions for the Use of Internal Reserve

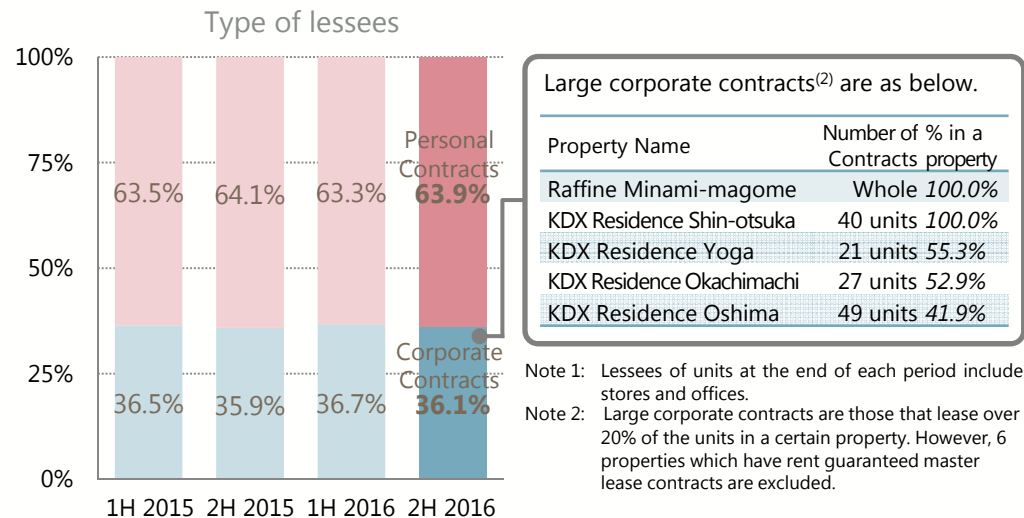
When there is a gain on the sale of real estate property, etc., we will consider using internal reserve up to the point to prevent net income (excluding the gain) from falling below the initial forecast

Guideline for the Amount of Internal Reserve

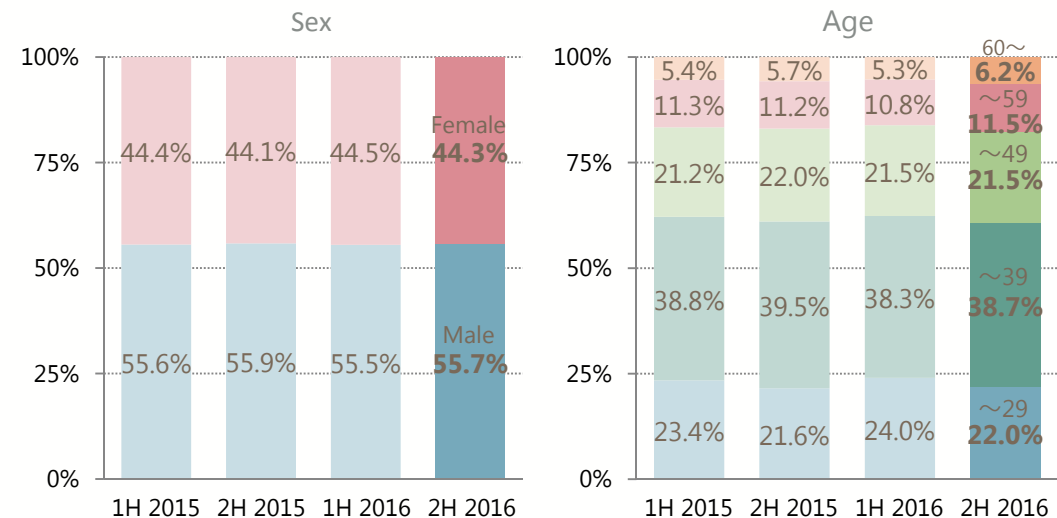
The current guideline for internal reserve is 10% of net income (The internal reserve at the end of January 2017 is ¥84 million)

Tenant Demographics Analysis

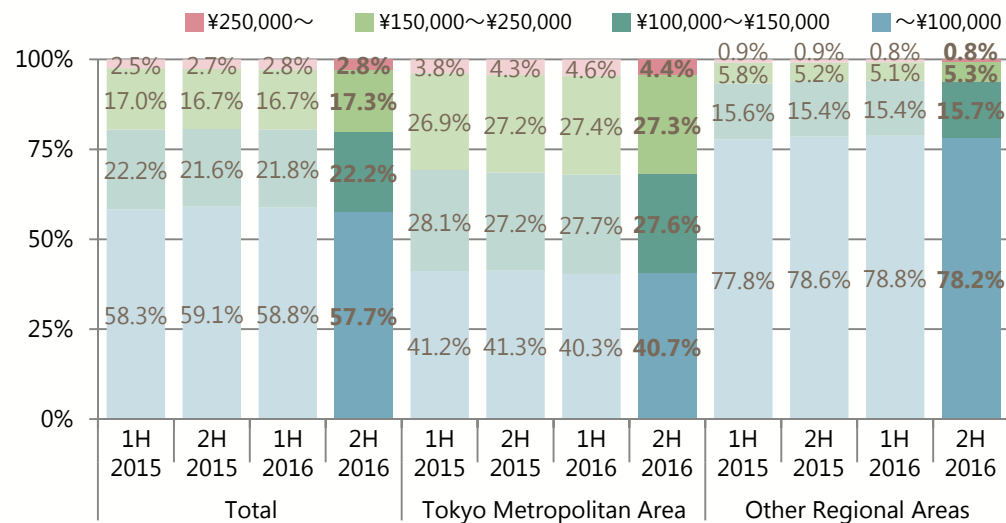
Type of Lessees⁽¹⁾



Breakdown of Personal Contracts



Breakdown of Rent Range (based on unit)

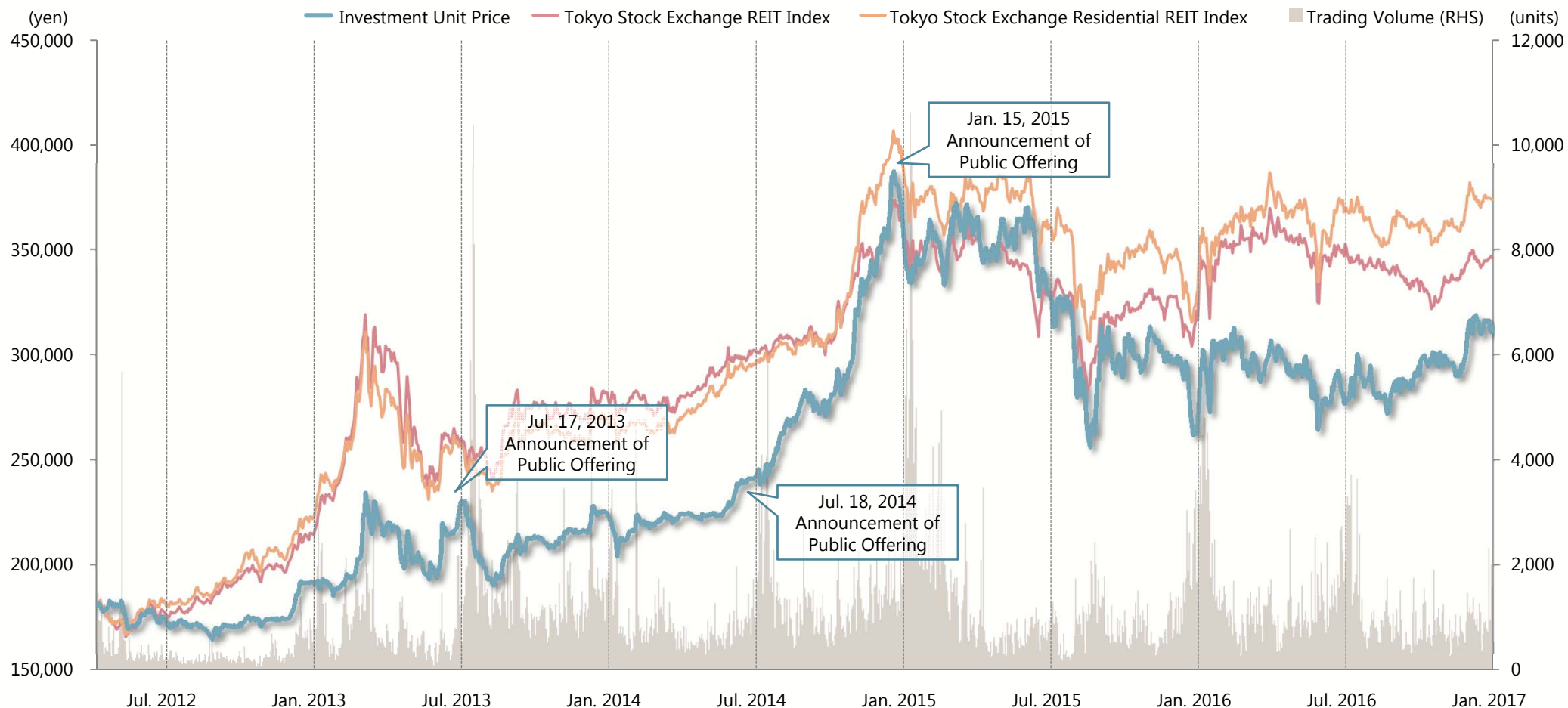


Average Rent per Residential Unit (as of January 31, 2017)

Room Type \ Area	Tokyo Metropolitan Area	Other Regional Areas	Total
Studio	¥93,312	¥69,313	¥84,890
Small Family	¥164,299	¥86,844	¥121,689
Family	¥215,515	¥165,359	¥191,538
Total	¥133,605	¥91,613	¥114,572

Investment Unit Price

Trends in Investment Unit Price and Trading Volume (from April 26, 2012 to January 31, 2017)



	1H 2012	2H 2012	1H 2013	2H 2013	1H 2014	2H 2014	1H 2015	2H 2015	1H 2016	2H 2016
Investment unit price(Ave.)	¥176,285	¥175,695	¥207,767	¥211,363	¥225,190	¥301,812	¥351,972	¥296,858	¥293,579	¥294,358

Note1: Tokyo Stock Exchange REIT Index is indexed from the closing price as of April 26, 2012 (964.36) which is initial listing date of KDR to the closing price of KDR (¥181,000).

Status of Borrowings (as of January 31, 2017)

Series	Lenders*	Balance (¥ million)	Interest Rate	Drawdown Date	Final Principal Repayment Date ⁽¹⁾
3-D	SMBC, BTMU, Aozora, Resona, SMTB, MHTB, Mizuho	11,000	0.90950% ⁽²⁾	Aug. 7, 2013	Aug. 31, 2017
3-E	SMBC, BTMU, Aozora, Resona, SMTB, MHTB, Mizuho	8,000	1.05200% ⁽²⁾	Aug. 7, 2013	Aug. 31, 2018
3-F	DBJ	3,000	1.08750%	Aug. 7, 2013	Aug. 31, 2018
4-A	BTMU	1,000	1.10900% ⁽²⁾	Jan. 31, 2014	Jan. 31, 2021
4-B	SMBC	1,000	1.22100% ⁽²⁾	Jan. 31, 2014	Jul. 31, 2021
5	Aozora	1,350	1.18300% ⁽²⁾	Mar. 28, 2014	Mar. 31, 2021
6-A	SMBC	2,000	1.26700% ⁽²⁾	Apr. 30, 2014	Apr. 30, 2022
6-B	Aozora	1,500	1.26700% ⁽²⁾	Apr. 30, 2014	Apr. 30, 2022
6-C	BTMU	1,000	1.26700% ⁽²⁾	Apr. 30, 2014	Apr. 30, 2022
6-D	Resona	1,000	1.26700% ⁽²⁾	Apr. 30, 2014	Apr. 30, 2022
7-A	SMBC, BTMU, Mizuho, Aozora, Resona, MHTB	3,750	0.91625% ⁽²⁾	Aug. 7, 2014	Aug. 7, 2021
7-B	DBJ	1,000	0.99625%	Aug. 7, 2014	Aug. 7, 2021
8-A	SMBC, BTMU, Mizuho, Resona, MHTB, Aozora	1,650	1.25400% ⁽²⁾	Aug. 7, 2014	Aug. 7, 2023
8-B	DBJ	500	1.32000%	Aug. 7, 2014	Aug. 7, 2023
9-A	SMBC	600	0.94500% ⁽²⁾	Aug. 29, 2014	Aug. 31, 2021
9-B	BTMU	600	0.94500% ⁽²⁾	Aug. 29, 2014	Aug. 31, 2021
9-C	Aozora	500	0.94500% ⁽²⁾	Aug. 29, 2014	Aug. 31, 2021
10	Mizuho	950	1.08300% ⁽²⁾	Nov. 14, 2014	Nov. 30, 2022
11-A	SMBC	2,000	0.80400% ⁽²⁾	Nov. 28, 2014	Nov. 30, 2020
11-B	MUTB	1,500	0.68850% ⁽²⁾	Nov. 28, 2014	Nov. 30, 2019
13-A	SMBC	1,200	0.87460% ⁽²⁾	Feb. 5, 2015	Jan. 31, 2022
13-B	BTMU	1,200	1.10500% ⁽²⁾	Feb. 5, 2015	Jan. 31, 2024

Series	Lenders*	Balance (¥ million)	Interest Rate	Drawdown Date	Final Principal Repayment Date ⁽¹⁾
14-A	Aozora	2,000	0.87470% ⁽²⁾	Apr. 30, 2015	Apr. 30, 2022
14-B	Resona	1,500	0.98710% ⁽²⁾	Apr. 30, 2015	Apr. 30, 2023
14-C	BTMU	2,000	1.09970% ⁽²⁾	Apr. 30, 2015	Apr. 30, 2024
14-D	SMBC	1,000	1.26540% ⁽²⁾	Apr. 30, 2015	Apr. 30, 2025
15-A	Aozora	300	0.67750% ⁽²⁾	Aug. 31, 2015	Aug. 31, 2020
15-B	Resona	1,100	0.92275% ⁽²⁾	Aug. 31, 2015	Aug. 31, 2022
15-C	MHTB	700	0.92275% ⁽²⁾	Aug. 31, 2015	Aug. 31, 2022
15-D	SMTB	950	1.04660% ⁽²⁾	Aug. 31, 2015	Aug. 31, 2023
15-E	BTMU	1,700	1.16870% ⁽²⁾	Aug. 31, 2015	Aug. 31, 2024
15-F	Mizuho	950	1.16870% ⁽²⁾	Aug. 31, 2015	Aug. 31, 2024
15-G	SMBC	2,000	1.34470% ⁽²⁾	Aug. 31, 2015	Aug. 31, 2025
15-H	DBJ	1,000	1.19250%	Aug. 31, 2015	Aug. 31, 2024
16-A	BTMU	300	0.62400% ⁽²⁾	Oct. 27, 2015	Oct. 27, 2020
16-B	BTMU	1,000	1.15600% ⁽²⁾	Oct. 27, 2015	Apr. 27, 2025
17-A	BTMU	1,000	0.81850% ⁽²⁾	Apr. 28, 2016	Apr. 28, 2025
17-B	SMBC	2,500	0.90300% ⁽²⁾	Apr. 28, 2016	Apr. 30, 2026
18-A	SMBC	1,000	0.43077%	Aug. 1, 2016	Jul. 31, 2017
18-B	BTMU	1,000	0.66000%	Aug. 1, 2016	Jul. 31, 2025
19	Mizuho	1,500	0.81630%	Aug. 30, 2016	Aug. 31, 2026
20-A	Aozora	1,000	0.71300% ⁽²⁾	Aug. 31, 2016	Aug. 31, 2024
20-B ^①	SMTB	1,000	0.79650% ⁽²⁾	Aug. 31, 2016	Aug. 31, 2025
20-B ^②	Resona	500	0.79650% ⁽²⁾	Aug. 31, 2016	Aug. 31, 2025
20-C ^①	BTMU	2,000	0.67000%	Aug. 31, 2016	Aug. 31, 2025
20-C ^②	MHTB	500	0.75130%	Aug. 31, 2016	Aug. 31, 2025
20-D	SMBC	3,000	0.90600% ⁽²⁾	Aug. 31, 2016	Aug. 31, 2026
21	DBJ	1,000	0.77250%	Nov. 1, 2016	Oct. 31, 2025
Total		78,800			

* Sumitomo Mitsui Banking Corporation ("SMBC"), Bank of Tokyo-Mitsubishi UFJ, Ltd. ("BTMU"), Aozora Bank, Ltd. ("Aozora"), Resona Bank, Ltd. ("Resona"), Development Bank of Japan Inc. ("DBJ"), Mizuho Bank, Ltd. ("Mizuho"), Sumitomo Mitsui Trust Bank, Limited. ("SMTB"), Mizuho Trust & Banking Co., Ltd. ("MHTB"), Mitsubishi UFJ Trust and Banking Corporation ("MUTB")

Note 1: The repayment method for the debt financing above are principal repayments in full on maturity.

Note 2: The debt financing above are floating interest rate debt financing. Although, KDR executed Interest-Rate Swap Agreements for hedging the interest payment increase risk. Therefore, there are indicated the interest rate after execution of Interest-Rate Swap (fixing of interest).

Financial Statements

Balance Sheets

	(in thousands of yen)	
	9 th Fiscal Period (as of July 31, 2016)	10 th Fiscal Period (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
Building in trust	58,807,263	60,233,772
Structures in trust	322,684	352,701
Machinery and equipment in trust	1,101,107	1,083,901
Tools, furniture and fixtures in trust	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)	
	9 th Fiscal Period (as of July 31, 2016)	10 th Fiscal Period (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	80,132,279	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
Deferred gains or losses on hedges	△42,355	54,619
Total valuation and translation adjustments	¥△42,355	¥54,619
Total net assets	¥82,365,247	¥82,552,161
Total liabilities and net assets	¥159,948,328	¥167,276,684

Financial Statements

Statements of Income and Retained Earnings

(in thousands of yen)

	9 th Fiscal Period from: Feb. 1, 2016 to: Jul. 31, 2016	10 th Fiscal Period from: Aug. 1, 2016 to: Jan. 31, 2017
Operating revenues		
Rent revenues-real estate	4,872,868	5,025,371
Other lease business revenue	456,142	412,245
Gains 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	2,032,807	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
Derivative-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

(in thousands of yen)

	9 th Fiscal Period from: Feb. 1, 2016 to: Jul. 31, 2016	10 th Fiscal Period from: Aug. 1, 2016 to: Jan. 31, 2017
Income before income taxes	¥2,193,110	¥2,311,797
Income taxes-current	899	1,698
Income taxes-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

Distributions

	9 th Fiscal Period from: Feb. 1, 2016 to: Jul. 31, 2016	10 th Fiscal Period from: Aug. 1, 2016 to: Jan. 31, 2017
I. Retained earnings at the end of period	2,275,223,755 yen	2,365,163,158 yen
II. Total distributions	2,220,206,040 yen	2,280,598,437 yen
(Distributions per unit)	(6,360 yen)	(6,533 yen)
III. Retained earnings brought forward to the next period	55,017,715 yen	84,564,721 yen

Statements of Cash Flows

(in thousands of yen)

	9 th Fiscal Period from: Feb. 1, 2016 to: Jul. 31, 2016	10 th Fiscal Period from: Aug. 1, 2016 to: Jan. 31, 2017
Net cash provided by (used in) operating activities	2,950,194	4,610,601
Net cash provided by (used in) investing activities	△107,937	△8,653,633
Net cash provided by (used in) financing activities	△2,176,084	4,749,336
Net increase (decrease) in Cash and Cash Equivalents (△ decrease)	¥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	¥8,733,047	¥9,439,351

Trends in Performance

Trends in Income

	9 th Fiscal Period (as of July 31, 2016)	10 th Fiscal Period (as of January 31, 2017)
Operating Term	182.0 days	184.0 days
Average Days of Property Management	182.0 days	181.1 days
Operating Revenues	¥5,333 million	5,468 million
Operating Income	¥2,723 million	2,838 million
Ordinary Income	¥2,193 million	2,311 million
Net Income	¥2,192 million	2,310 million
Distribution per Unit	¥6,360	6,533
Payout Ratio	101.3 %	98.7 %

Trends in Financial Statements

	9 th Fiscal Period (as of July 31, 2016)	10 th Fiscal Period (as of January 31, 2017)
Total Assets	¥159,948 million	167,276 million
Net Assets	¥82,365 million	82,552 million
Capital-to-Asset Ratio	51.5 %	49.4 %
Total Unitholders' Capital	¥80,132 million	80,132 million
Total Investment Units Held	349,089 units	349,089 units
Net Assets per Unit	¥235,943	236,478
Return on Assets (per year) ⁽¹⁾	2.8 %	2.8 %
Return on Equity (per year) ⁽²⁾	5.3 %	5.6 %
FFO (Funds From Operation) ⁽³⁾	¥3,104 million	3,189 million
FFO per Unit	¥8,892	9,137
Total Interest-bearing Liabilities	¥74,800 million	81,800 million
Average Interest Rate	1.0 %	1.19 %
Average Borrowing Term	4.3 years	5.1 years
LTV ⁽⁴⁾	46.8 %	48.9 %
NAV ⁽⁵⁾	¥100,416 million	103,999 million
NAV per Unit	¥287,652	297,917

Note 1: Return on Assets=Ordinary Income / (Total Assets at the beginning of the period + Total Assets at the end of the period)/2

Note 2: Return on Equity=Net Income / (Net Assets at the beginning of the period + Net Assets at the end of the period)/2

Note 3: FFO=Net Income + Depreciation + Deferred Assets Depreciation +/- Gains and Losses on Sales (Rounded down to the nearest one decimal places)

Note 4: LTV=Interest-bearing Liabilities / Total Assets

Note 5: NAV=Net Assets – Unappropriated Retained earnings + Appraisal Values – Fixed Assets

Trends in Portfolio Performance

	9 th Fiscal Period (as of July 31, 2016)	10 th Fiscal Period (as of January 31, 2017)
Number of Properties	105 props	113 props
Properties Acquired during the period	0 props	10 props
Properties Transferred during the period	0 Props	2 Props
Total Acquisition Price	¥148,184 million	155,069 million
Total Book Value	¥150,211 million	156,805 million
Total Appraisal Value	¥170,538 million	180,618 million
Rentable Units	7,243 units	7,518 units
Rentable Area	286,310.51 m ²	292,324.33 m ²
Leasing Business Revenues	¥5,329 million	5,437 million
Leasing Business Expenses (ex. Depreciation)	¥1,175 million	1,172 million
NOI (Net Operating Income) ⁽⁶⁾	¥4,153 million	4,265 million
NOI Cap Rate (per year)	5.6 %	5.5 %
Capital Expenditure	¥163 million	220 million
Depreciation	¥857 million	878 million
Depreciation Rate (per acquisition price, year)	1.2 %	1.1 %
NOI Cap Rate after Depreciation (per year)	4.5 %	4.4 %
Occupancy Rates (average during the period)	96.3 %	95.7 %
Occupancy Rates (at the end of the period)	95.9 %	96.2 %
Rent per Tsubo (average during the period)	¥9,783 per tsubo	9,942 per tsubo
Rent per Tsubo (at the end of the period)	¥9,798 per tsubo	9,996 per tsubo
Replacement Rate ⁽⁷⁾	13.0 %	11.4 %
Turnover Rate ⁽⁸⁾	13.5 %	10.2 %
Renewal Rate (average during the period) ⁽⁹⁾	89.3 %	89.6 %
Average Occupancy Period ⁽¹⁰⁾	1,140 days	1,157 days
Average Downtime ⁽¹¹⁾	64 days	80 days

Note 6: NOI=Operating Revenues – Operating Expenses(ex. Depreciation) (Rounded down to the nearest one decimal places)

Note 7: Replacement=New tenants during the operating period / Rentable Units

Note 8: Turnover=Exiting tenants during the operating period / Rentable Units

Note 9: Renewal Rate=Renewal tenants during the operating period / Ending contracts during the operating period

Note 10: Average Occupancy Period is based on exiting tenants during the operating period

Note 11: Average Downtime is based on new tenants during the operating period

Appraisal Values 1/5

(in millions of yen)

No.	Property Name	Appraiser	Appraisal Value			Cap Rate		Discount Rate		Terminal Cap Rate		Acquisition Price d	Difference e [b-d]	Book Value f	Difference g [b-f]
			Previous a	End of the 10 th Period b	Difference c [b-a]	Previous	End of the 10 th Period	Previous	End of the 10 th Period	Previous	End of the 10 th Period				
T-1	KDX Daikanyama Residence	F	5,530	5,620	90	4.3%	4.2%	4.1%	4.0%	4.5%	4.4%	4,700	920	4,741	878
T-3	KDX Odemma Residence	F	2,000	2,040	40	4.4%	4.3%	4.2%	4.1%	4.6%	4.5%	1,775	265	1,747	292
T-4	KDX Iwamoto-cho Residence	F	952	952	-	4.3%	4.3%	4.1%	4.1%	4.5%	4.5%	822	130	811	140
T-5	KDX Bunkyo Sengoku Residence	F	1,750	1,770	20	4.4%	4.3%	4.2%	4.1%	4.6%	4.5%	1,488	282	1,480	289
T-6	KDX Azumabashi Residence	F	836	849	13	4.4%	4.4%	4.2%	4.2%	4.6%	4.6%	650	199	633	215
T-7	KDX Shimura Sakaue Residence	F	3,230	3,250	20	4.8%	4.7%	4.6%	4.5%	5.0%	4.9%	2,830	420	2,752	497
T-9	Cosmo Heim Motosumiyoshi	F	1,770	1,780	10	-	-	4.9%	4.8%	5.1%	5.0%	1,750	30	1,798	-18
T-10	KDX Musashi Nakahara Residence	F	709	723	14	5.1%	5.0%	4.9%	4.8%	5.3%	5.2%	637	86	639	83
T-11	KDX Chiba Chuo Residence	D	1,660	1,660	-	5.0%	5.0%	4.8%	4.8%	5.2%	5.2%	1,480	180	1,398	261
T-12	KDX Kawaguchi Saiwai-cho Residence	F	1,410	1,440	30	5.0%	4.9%	4.8%	4.7%	5.2%	5.1%	1,150	290	1,141	298
T-13	KDX Residence Shirokane I	F	3,360	3,420	60	4.3%	4.2%	4.1%	4.0%	4.5%	4.4%	3,000	420	3,028	391
T-15	KDX Residence Shirokane II	F	3,170	3,260	90	4.3%	4.2%	4.1%	4.0%	4.5%	4.4%	2,800	460	2,823	436
T-16	KDX Residence Minami-aoyama	F	2,370	2,420	50	4.3%	4.2%	4.1%	4.0%	4.5%	4.4%	2,230	190	2,249	170
T-17	KDX Residence Minami-azabu	F	2,430	2,490	60	4.3%	4.2%	4.1%	4.0%	4.5%	4.4%	2,080	410	2,090	399
T-18	KDX Residence Shiba Koen	F	2,110	2,160	50	4.3%	4.2%	4.1%	4.0%	4.5%	4.4%	1,781	379	1,787	372
T-19	KDX Residence Azabu East	F	1,840	1,860	20	4.4%	4.3%	4.2%	4.1%	4.6%	4.5%	1,560	300	1,568	291
T-20	KDX Residence Takanawa	F	935	935	-	4.2%	4.2%	4.0%	4.0%	4.4%	4.4%	770	165	774	160
T-21	KDX Residence Nishihara	F	1,780	1,830	50	4.4%	4.3%	4.2%	4.1%	4.6%	4.5%	1,450	380	1,459	370
T-22	KDX Residence Daikanyama II	F	895	909	14	4.5%	4.5%	4.3%	4.3%	4.7%	4.7%	730	179	765	143
T-23	KDX Residence Sendagaya	F	758	759	1	4.4%	4.4%	4.2%	4.2%	4.6%	4.6%	650	109	651	107
T-24	KDX Residence Nihonbashi Suitengu	D	3,740	3,780	40	4.2%	4.2%	4.0%	4.0%	4.4%	4.4%	3,240	540	3,238	541
T-25	KDX Residence Nihonbashi Hakozaeki	D	1,290	1,300	10	4.2%	4.2%	4.0%	4.0%	4.4%	4.4%	1,147	153	1,147	152
T-26	KDX Residence Higashi-shinjuku	F	3,760	3,870	110	4.3%	4.2%	4.1%	4.0%	4.5%	4.4%	3,270	600	3,272	597
T-27	KDX Residence Yotsuya	F	2,470	2,520	50	4.4%	4.3%	4.2%	4.1%	4.6%	4.5%	2,260	260	2,276	243
T-28	KDX Residence Nishi-shinjuku	F	1,190	1,220	30	4.4%	4.3%	4.2%	4.1%	4.6%	4.5%	1,000	220	1,004	215
T-29	KDX Residence Kagurazaka	F	826	844	18	4.4%	4.3%	4.2%	4.1%	4.6%	4.5%	720	124	722	121

Note 1: Regarding Appraisers, "F" means Japan Real Estate Institute, "D" means Daiwa Real Estate Appraisal co., Ltd., "M" means Morii Appraisal & Investment Consulting Inc. and "T" means The Tanizawa Sogo Appraisal Co., Ltd. Appraisal values are rounded down to the nearest ¥M. Contents of the real estate appraisal are opinions and judgements at the time of evaluation(Previous; [T-1~68 and R-2~41: July 31, 2016, T-69: August 1, 2016, T-70~77: July 1, 2016, R-42: September 1, 2016] / 10th Period; January 31, 2017), and do not guarantee the validity, accuracy and the possibility of sales at appraisal values. Subtotal and Total of "Cap Rate", "Discount Rate" and "Terminal Cap Rate" are calculated by the weighted average by the appraisal value.

Appraisal Values 2/5

(in millions of yen)

No.	Property Name	Appraiser	Appraisal Value			Cap Rate		Discount Rate		Terminal Cap Rate		Acquisition Price d	Difference e [b-d]	Book Value f	Difference g [b-f]
			Previous a	End of the 10 th Period b	Difference c [b-a]	Previous	End of the 10 th Period	Previous	End of the 10 th Period	Previous	End of the 10 th Period				
T-30	KDX Residence Futako Tamagawa	F	1,390	1,390	-	4.5%	4.5%	4.3%	4.3%	4.7%	4.7%	1,250	140	1,274	115
T-31	KDX Residence Komazawa Koen	F	1,030	1,050	20	4.4%	4.3%	4.2%	4.1%	4.6%	4.5%	920	130	923	126
T-32	KDX Residence Misyuku	F	856	865	9	4.4%	4.3%	4.2%	4.1%	4.6%	4.5%	760	105	766	98
T-33	KDX Residence Yoga	F	796	813	17	4.5%	4.4%	4.3%	4.2%	4.7%	4.6%	700	113	705	107
T-34	KDX Residence Shimouma	F	684	698	14	4.5%	4.4%	4.3%	4.2%	4.7%	4.6%	600	98	607	90
T-35	Raffine Minami-magome	F	1,650	1,670	20	5.6%	5.5%	5.4%	5.3%	5.8%	5.7%	1,250	420	1,252	417
T-36	KDX Residence Yukigaya Otsuka	F	1,210	1,260	50	4.7%	4.6%	4.5%	4.4%	4.9%	4.8%	1,050	210	1,049	210
T-37	KDX Residence Denen Chofu	D	1,180	1,190	10	4.5%	4.5%	4.3%	4.3%	4.7%	4.7%	1,000	190	1,059	130
T-38	KDX Residence Tamagawa	F	885	888	3	4.7%	4.7%	4.5%	4.5%	4.9%	4.9%	776	112	767	120
T-39	KDX Residence Monzennakacho	F	896	916	20	4.5%	4.4%	4.3%	4.2%	4.7%	4.6%	773	143	773	142
T-40	KDX Residence Okachimachi	F	979	998	19	4.6%	4.5%	4.4%	4.3%	4.8%	4.7%	850	148	854	143
T-41	KDX Residence Moto-asakusa	F	923	943	20	4.5%	4.4%	4.3%	4.2%	4.7%	4.6%	800	143	804	138
T-42	KDX Residence Itabashi Honcho	F	711	713	2	4.8%	4.7%	4.6%	4.5%	5.0%	4.9%	620	93	617	95
T-43	KDX Residence Azusawa	F	619	620	1	4.8%	4.7%	4.6%	4.5%	5.0%	4.9%	550	70	567	52
T-44	KDX Residence Tobu Nerima	F	490	490	-	4.8%	4.8%	4.6%	4.6%	5.0%	5.0%	420	70	414	75
T-45	KDX Residence Yokohama Kannai	F	940	955	15	4.9%	4.8%	4.7%	4.6%	5.1%	5.0%	800	155	797	157
T-46	KDX Residence Miyamaedaira	F	1,090	1,100	10	4.8%	4.7%	4.6%	4.5%	5.0%	4.9%	999	101	1,003	96
T-47	KDX Residence Machida	F	1,950	1,970	20	4.7%	4.6%	4.5%	4.4%	4.9%	4.8%	1,800	170	1,772	197
T-48	KDX Residence Kinshicho	F	1,540	1,540	-	4.4%	4.4%	4.2%	4.2%	4.6%	4.6%	1,350	190	1,365	174
T-49	KDX Residence Nihombashi Hamacho	F	1,140	1,150	10	4.3%	4.3%	4.1%	4.1%	4.5%	4.5%	996	154	1,015	134
T-50	KDX Residence Nihombashi Ningyocho	F	631	632	1	4.5%	4.5%	4.3%	4.3%	4.7%	4.7%	530	102	569	62
T-51	KDX Residence Jiyugaoka	F	1,440	1,470	30	4.3%	4.2%	4.1%	4.0%	4.5%	4.4%	1,268	202	1,333	136
T-52	KDX Residence Togoshi	F	4,330	4,410	80	4.5%	4.4%	4.3%	4.2%	4.7%	4.6%	3,745	665	3,801	608
T-53	KDX Residence Shinagawa Seaside	F	3,030	3,050	20	4.5%	4.4%	4.3%	4.2%	4.7%	4.6%	2,593	457	2,637	412
T-54	KDX Residence Ojima	F	2,110	2,160	50	4.5%	4.4%	4.3%	4.2%	4.7%	4.6%	1,857	303	1,882	277
T-55	KDX Residence Oyama	F	3,050	3,050	-	4.7%	4.7%	4.5%	4.5%	4.9%	4.9%	2,679	371	2,715	334

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Appraisal Values 3/5

(in millions of yen)

No.	Property Name	Appraiser	Appraisal Value			Cap Rate		Discount Rate		Terminal Cap Rate		Acquisition Price d	Difference e [b-d]	Book Value f	Difference g [b-f]
			Previous a	End of the 10 th Period b	Difference c [b-a]	Previous	End of the 10 th Period	Previous	End of the 10 th Period	Previous	End of the 10 th Period				
T-56	KDX Residence Hanzomon	F	5,310	5,430	120	4.4%	4.3%	4.1%	4.0%	4.5%	4.4%	4,832	598	4,944	485
T-57	B-Site Akihabara	F	901	921	20	4.5%	4.4%	4.3%	4.2%	4.7%	4.6%	850	71	873	47
T-58	Bureau Kagurazaka	F	1,460	1,460	-	4.4%	4.4%	4.1%	4.1%	4.4%	4.4%	1,360	100	1,392	67
T-59	KDX Residence Sendagi	F	2,310	2,340	30	4.5%	4.4%	4.3%	4.2%	4.7%	4.6%	2,200	140	2,324	15
T-60	KDX Residence Seijo	F	1,500	1,500	-	4.4%	4.4%	4.2%	4.2%	4.6%	4.6%	1,400	100	1,435	64
T-61	KDX Residence Akihabara	F	1,410	1,410	-	4.4%	4.4%	4.2%	4.2%	4.6%	4.6%	1,250	160	1,278	131
T-62	KDX Residence Iriya	F	1,250	1,270	20	4.7%	4.6%	4.5%	4.4%	4.9%	4.8%	1,062	208	1,090	179
T-63	KDX Residence Tachikawa	F	3,380	3,390	10	4.6%	4.5%	4.4%	4.3%	4.8%	4.7%	3,026	363	3,087	302
T-64	KDX Residence Tsurumi	F	1,300	1,330	30	5.3%	5.2%	5.1%	5.0%	5.5%	5.4%	1,050	280	1,124	205
T-65	KDX Residence Morishita Chitose	M	1,150	1,150	-	4.5%	4.5%	4.3%	4.3%	4.7%	4.7%	1,100	50	1,129	20
T-66	KDX Residence Akasaka	F	1,450	1,500	50	4.2%	4.1%	4.0%	3.9%	4.4%	4.3%	1,150	350	1,212	287
T-67	KDX Residence Kanda	F	924	953	29	4.3%	4.2%	4.1%	4.0%	4.5%	4.4%	700	253	740	212
T-68	KDX Residence Ebisu	F	3,700	3,750	50	4.2%	4.1%	4.0%	3.9%	4.4%	4.3%	2,845	905	2,994	755
T-69	KDX Residence Nishi-magome	F	1,170	1,170	-	4.7%	4.5%	4.4%	4.2%	4.8%	4.6%	1,130	40	1,194	-24
T-70	KDX Residence Nishi-azabu	F	1,420	1,430	10	4.2%	4.2%	4.0%	4.0%	4.4%	4.4%	1,224	206	1,254	175
T-71	KDX Residence Azabu Sendaizaka	F	890	909	19	4.3%	4.2%	4.1%	4.0%	4.5%	4.4%	792	116	811	97
T-72	KDX Residence Waseda Tsurumaki	F	765	765	-	4.3%	4.3%	4.1%	4.1%	4.5%	4.5%	561	204	580	184
T-73	KDX ResidenceBunkyo Yushima	F	854	879	25	4.4%	4.3%	4.2%	4.1%	4.6%	4.5%	695	184	714	164
T-74	KDX Residence Kamishakujii	F	735	736	1	4.7%	4.7%	4.5%	4.5%	4.9%	4.9%	648	88	668	67
T-75	KDX Residence Shin-otsuka	F	899	908	9	4.5%	4.4%	4.3%	4.2%	4.7%	4.6%	764	144	792	115
T-76	KDX Residence Sakurajosui	F	1,050	1,080	30	4.4%	4.3%	4.2%	4.1%	4.6%	4.5%	894	186	927	152
T-77	KDX Residence Ryougoku	F	980	1,020	40	4.5%	4.3%	4.2%	4.1%	4.6%	4.5%	842	178	876	143
Subtotal			123,129	124,953	1,824	4.5%	4.4%	4.3%	4.3%	4.7%	4.7%	107,281	17,671	108,789	16,163

Note 1: Regarding Appraisers, "F" means Japan Real Estate Institute, "D" means Daiwa Real Estate Appraisal co., Ltd., "M" means Morii Appraisal & Investment Consulting Inc. and "T" means The Tanizawa Sogo Appraisal Co., Ltd. Appraisal values are rounded down to the nearest ¥M. Contents of the real estate appraisal are opinions and judgements at the time of evaluation(Previous; [T-1~68 and R-2~41: July 31, 2016, T-69: August 1, 2016, T-70~77: July 1, 2016, R-42: September 1, 2016] / 10th Period; January 31, 2017), and do not guarantee the validity, accuracy and the possibility of sales at appraisal values. Subtotal and Total of "Cap Rate", "Discount Rate" and "Terminal Cap Rate" are calculated by the weighted average by the appraisal value.

Appraisal Values 4/5

(in millions of yen)

No.	Property Name	Appraiser	Appraisal Value			Cap Rate		Discount Rate		Terminal Cap Rate		Acquisition Price d	Difference e [b-d]	Book Value f	Difference g [b-f]
			Previous a	End of the 10 th Period b	Difference c [b-a]	Previous	End of the 10 th Period	Previous	End of the 10 th Period	Previous	End of the 10 th Period				
R-2	KDX JozenjiDori Residence	D	1,320	1,340	20	5.2%	5.2%	5.0%	5.0%	5.4%	5.4%	1,015	325	985	354
R-3	KDX Izumi Residence	F	1,300	1,330	30	4.9%	4.8%	4.7%	4.6%	5.1%	5.0%	1,120	210	1,091	238
R-4	KDX Chihaya Residence	F	1,360	1,390	30	5.0%	4.9%	4.8%	4.7%	5.2%	5.1%	1,080	310	1,045	344
R-5	KDX Sakaisuji Hommachi Residence	F	3,210	3,210	-	4.8%	4.8%	4.6%	4.6%	5.0%	5.0%	2,910	300	2,818	391
R-6	KDX Shimmachi Residence	F	1,240	1,240	-	4.9%	4.9%	4.7%	4.7%	5.1%	5.1%	1,015	225	980	259
R-7	KDX Takarazuka Residence	F	1,850	1,850	-	4.9%	4.9%	4.7%	4.7%	5.1%	5.1%	1,510	340	1,433	416
R-8	KDX Shimizu Residence	F	2,050	2,050	-	5.1%	5.1%	4.9%	4.9%	5.3%	5.3%	1,680	370	1,627	422
R-9	KDX Residence Odori Koen	F	861	879	18	5.3%	5.2%	5.1%	5.0%	5.5%	5.4%	765	114	753	125
R-10	KDX Residence Kikusui Yojo	F	937	973	36	5.5%	5.4%	5.3%	5.2%	5.7%	5.6%	830	143	821	151
R-11	KDX Residence Tokyohira Koen	F	515	527	12	5.6%	5.5%	5.4%	5.3%	5.8%	5.7%	445	82	441	85
R-13	KDX Residence Ichiban-cho	D	660	669	9	5.2%	5.2%	5.0%	5.0%	5.4%	5.4%	530	139	524	144
R-14	KDX Residence Kotodai	D	551	551	-	5.2%	5.2%	5.0%	5.0%	5.4%	5.4%	520	31	516	34
R-15	KDX Residence Izumi Chuo	D	600	601	1	5.3%	5.3%	5.1%	5.1%	5.5%	5.5%	480	121	478	122
R-16	KDX Residence Higashi-sakura I	F	2,680	2,680	-	4.9%	4.9%	4.7%	4.7%	5.1%	5.1%	2,350	330	2,334	345
R-17	KDX Residence Higashi-sakura II	F	1,030	1,040	10	5.0%	4.9%	4.8%	4.7%	5.2%	5.1%	900	140	893	146
R-18	KDX Residence Jingumae	F	1,010	1,020	10	5.3%	5.2%	5.1%	5.0%	5.5%	5.4%	840	180	831	188
R-19	KDX Residence Nishi-oji	D	898	905	7	4.9%	4.9%	4.7%	4.7%	5.1%	5.1%	813	92	810	94
R-20	KDX Residence Saiin	D	488	489	1	4.9%	4.9%	4.7%	4.7%	5.1%	5.1%	440	49	438	50
R-21	KDX Residence Namba	F	1,570	1,610	40	5.2%	5.1%	5.0%	4.9%	5.4%	5.3%	1,410	200	1,405	204
R-22	KDX Residence Namba-minami	F	1,540	1,540	-	5.1%	5.1%	4.9%	4.9%	5.3%	5.3%	1,350	190	1,337	202
R-23	KDX Residence Shin-osaka	F	575	575	-	5.2%	5.2%	5.0%	5.0%	5.4%	5.4%	510	65	502	72
R-24	KDX Residence Ibaraki I・II	F	1,382	1,385	3	5.4%	5.3%	5.2%	5.1%	5.6%	5.5%	1,275	110	1,299	85
R-25	KDX Residence Toyonaka-minami	F	820	830	10	5.3%	5.3%	5.1%	5.1%	5.5%	5.5%	740	90	721	108
R-26	KDX Residence Moriguchi	F	627	627	-	5.3%	5.2%	5.1%	5.0%	5.5%	5.4%	551	76	542	84
R-27	KDX Residence Sannomiya	F	1,290	1,290	-	4.8%	4.8%	4.6%	4.6%	5.0%	5.0%	1,080	210	1,075	214
R-28	Ashiya Royal Homes	F	1,650	1,690	40	4.7%	4.6%	4.5%	4.4%	4.9%	4.8%	1,360	330	1,421	268

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Appraisal Values 5/5

(in millions of yen)

No.	Property Name	Appraiser	Appraisal Value			Cap Rate		Discount Rate		Terminal Cap Rate		Acquisition Price d	Difference e [b-d]	Book Value f	Difference g [b-f]
			Previous a	End of the 10 th Period b	Difference c [b-a]	Previous	End of the 10 th Period	Previous	End of the 10 th Period	Previous	End of the 10 th Period				
R-29	KDX Residence Funairi Saiwai-cho	F	642	650	8	5.9%	5.8%	5.7%	5.6%	6.1%	6.0%	588	62	579	70
R-30	KDX Residence Tenjin-higashi II	F	825	827	2	5.1%	5.1%	4.9%	4.9%	5.3%	5.3%	680	147	673	153
R-32	KDX Residence Nishi Koen	F	837	838	1	5.2%	5.1%	5.0%	4.9%	5.4%	5.3%	763	75	757	80
R-33	KDX Residence Hirao Josui-machi	F	853	855	2	5.0%	4.9%	4.8%	4.7%	5.2%	5.1%	760	95	760	94
R-34	Melody Heim Gotenyama	F	495	501	6	5.8%	5.7%	5.6%	5.5%	6.0%	5.9%	400	101	436	64
R-35	Leopalace Flat Shin-sakae	M	4,100	4,170	70	4.9%	4.8%	4.8%	4.7%	5.1%	5.0%	3,500	670	3,646	523
R-36	KDX Residence Koman Yamate	F	1,100	1,100	-	4.8%	4.8%	4.6%	4.6%	5.0%	5.0%	973	127	991	108
R-37	KDX Residence Hommachibashi	F	3,440	3,440	-	4.8%	4.8%	4.6%	4.6%	5.0%	5.0%	3,201	239	3,261	178
R-38	KDX Residence Minami-kusatsu	D	2,260	2,260	-	5.6%	5.6%	5.4%	5.4%	5.8%	5.8%	1,974	285	2,059	200
R-39	KDX Residence Ohori Harbor View Tower	D	5,090	5,100	10	4.9%	4.9%	4.7%	4.7%	5.1%	5.1%	4,606	493	4,750	349
R-40	KDX Residence Minami-sanjo	F	1,470	1,500	30	5.2%	5.1%	5.0%	4.9%	5.4%	5.3%	915	585	973	526
R-41	Serenite Kita-kyuhoji	M	1,410	1,410	-	4.7%	4.6%	4.5%	4.4%	4.9%	4.8%	1,290	119	1,328	81
R-42	Serenite Nishinomiya Hommachi	T	707	723	16	5.1%	5.0%	5.2%	5.1%	5.3%	5.2%	617	105	666	56
Subtotal / Average			55,243	55,665	422	5.0%	5.0%	4.9%	4.8%	5.2%	5.2%	47,787	7,877	48,016	7,648
Total / Average			178,372	180,618	2,246	4.7%	4.6%	4.5%	4.4%	4.9%	4.8%	155,069	25,548	156,805	23,812

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Summary of Portfolio Performance

Portfolio Performance

(in millions of yen)	Total			Tokyo Metropolitan Area			Other Regional Areas		
	1H 2016	2H 2016	Period on Period	1H 2016	2H 2016	Period on Period	1H 2016	2H 2016	Period on Period
Number of Properties	105 props	113 props		65 props	74 props		40 props	39 props	
Total Acquisition Price	148,184.4	155,069.2		99,731.2	107,281.5		48,453.2	47,787.7	
Operating Term ⁽¹⁾	182days	184days		182days	184days		182days	184days	
Total Rental and Other Operating Revenues	5,329.0	5,437.6	2.0%	3,330.5	3,481.8	4.5%	1,998.4	1,955.7	-2.1%
Rental and Other Operating Revenues	4,872.8	5,025.3	3.1%	3,068.7	3,247.0	5.8%	1,804.1	1,778.3	-1.4%
Others	456.1	412.2	-9.6%	261.8	234.7	-10.3%	194.3	177.4	-8.7%
Total Property-related Expenses	1,175.2	1,172.0	-0.3%	698.5	716.5	2.6%	476.6	455.4	-4.4%
Property management fees, etc.	369.3	364.7	-1.3%	235.6	238.6	1.3%	133.7	126.1	-5.7%
Taxes	314.7	311.8	-0.9%	174.5	173.3	-0.7%	140.2	138.5	-1.2%
Utilities	90.2	92.0	2.0%	54.8	57.6	5.1%	35.4	34.4	-2.8%
Repairs and maintenance	210.6	208.2	-1.1%	129.7	132.5	2.2%	80.9	75.6	-6.5%
Insurance	7.8	8.1	3.7%	4.1	4.4	6.6%	3.6	3.6	0.4%
Trust fees and other costs	182.3	186.9	2.5%	99.7	109.9	10.3%	82.6	76.9	-6.8%
Net Operating Income ("NOI")	4,153.7	4,265.5	2.7%	2,631.9	2,765.2	5.1%	1,521.8	1,500.3	-1.4%
NOI Cap Rate (per year)	5.6%	5.5%		5.3%	5.2%		6.3%	6.2%	
Depreciation	857.5	878.2	2.4%	450.2	475.3	5.6%	407.3	402.9	-1.1%
Depreciation rate (per acquisition price, year)	1.2%	1.1%		0.9%	0.9%		1.7%	1.7%	
NOI Cap Rate after Depreciation (per year)	4.5%	4.4%		4.4%	4.3%		4.6%	4.5%	

Note 1: The operating term of 1H 2016 is 182 days. The operating term of 2H 2016 is 184 days, but actual operating term after the acquisition of properties is 181.1 days (weighted average). Concerning the operating properties of Tokyo Metropolitan Area, the operating terms of 2H 2016 is 181.6 days (weighted average). Concerning the operating properties of Other Regional Areas, the operating terms of 2H 2016 is 180.1 days.

Portfolio Performance in 2H 2016 1/5

(in thousands of yen)

No.	Property Name	Acquisition Price	Book Value	Appraisal Value	Type ⁽¹⁾	Rentable Units (unit)	Rentable Area (m ²)	Rented Area (m ²)	Occupancy Rate (%)	Operating Days (days)	Leasing Business Revenues a	Leasing Business Expenses b	NOI c [a-b]	Depreciation d	Leasing Business Income e [c-d]	NOI Cap Rate (per year)	NOI Cap Rate after Depreciation (per year)
T-1	KDX Daikanyama Residence	4,700,000	4,741,744	5,620,000	SF	86	5,338.99	5,338.99	100.0%	184	156,984	30,143	126,840	15,713	111,127	5.4%	4.7%
T-3	KDX Odemma Residence	1,775,000	1,747,019	2,040,000	SF	54	2,353.23	2,264.41	96.2%	184	55,832	11,761	44,071	10,550	33,520	4.9%	3.7%
T-4	KDX Iwamoto-cho Residence	822,000	811,080	952,000	SF	36	1,131.24	1,131.24	100.0%	184	26,762	5,680	21,082	5,229	15,852	5.1%	3.8%
T-5	KDX Bunkyo Sengoku Residence	1,488,000	1,480,823	1,770,000	S	77	2,054.10	2,054.10	100.0%	184	48,208	13,031	35,176	6,502	28,674	4.7%	3.8%
T-6	KDX Azumabashi Residence	650,000	633,603	849,000	S	41	1,054.83	1,031.09	97.7%	184	24,769	5,524	19,245	4,884	14,360	5.9%	4.4%
T-7	KDX Shimura Sakaue Residence	2,830,000	2,752,328	3,250,000	F	85	6,117.48	5,685.28	92.9%	184	99,122	22,071	77,051	21,358	55,693	5.4%	3.9%
T-9	Cosmo Heim Motosumiyoshi	1,750,000	1,798,041	1,780,000	-	-	-	-	-	184	43,749	1,196	42,553	0	42,553	4.8%	4.8%
T-10	KDX Musashi Nakahara Residence	637,000	639,374	723,000	F	35	2,123.46	2,062.98	97.2%	184	24,396	5,540	18,856	3,539	15,316	5.9%	4.8%
T-11	KDX Chiba Chuo Residence	1,480,000	1,398,359	1,660,000	S	106	3,546.91	3,118.00	87.9%	184	59,681	14,644	45,037	17,172	27,864	6.0%	3.7%
T-12	KDX Kawaguchi Saiwai-cho Residence	1,150,000	1,141,584	1,440,000	SF	61	2,491.66	2,370.82	95.2%	184	47,099	12,088	35,011	7,238	27,773	6.0%	4.8%
T-13	KDX Residence Shirokane I	3,000,000	3,028,981	3,420,000	SF	50	3,617.32	3,617.32	100.0%	184	108,263	33,572	74,690	7,604	67,085	4.9%	4.4%
T-15	KDX Residence Shirokane II	2,800,000	2,823,774	3,260,000	S	85	2,889.66	2,826.62	97.8%	184	89,362	16,275	73,086	6,642	66,443	5.2%	4.7%
T-16	KDX Residence Minami-aoyama	2,230,000	2,249,787	2,420,000	SF	20	1,680.79	1,680.79	100.0%	184	64,463	11,775	52,687	3,224	49,462	4.7%	4.4%
T-17	KDX Residence Minami-azabu	2,080,000	2,090,795	2,490,000	SF	62	2,785.42	2,785.42	100.0%	184	71,878	13,234	58,644	6,802	51,842	5.6%	4.9%
T-18	KDX Residence Shiba Koen	1,781,000	1,787,474	2,160,000	SF	64	2,507.52	2,466.68	98.4%	184	61,628	13,896	47,731	5,767	41,964	5.3%	4.7%
T-19	KDX Residence Azabu East	1,560,000	1,568,898	1,860,000	S	76	1,849.00	1,806.98	97.7%	184	55,108	9,806	45,301	6,103	39,197	5.8%	5.0%
T-20	KDX Residence Takanawa	770,000	774,348	935,000	SF	27	1,034.27	1,034.27	100.0%	184	26,916	5,653	21,262	2,744	18,517	5.5%	4.8%
T-21	KDX Residence Nishihara	1,450,000	1,459,876	1,830,000	SF	39	2,310.08	2,310.08	100.0%	184	51,346	8,830	42,516	5,697	36,818	5.8%	5.0%
T-22	KDX Residence Daikanyama II	730,000	765,009	909,000	F	17	985.10	985.10	100.0%	184	27,830	5,643	22,186	1,260	20,926	6.0%	5.7%
T-23	KDX Residence Sendagaya	650,000	651,447	759,000	SF	16	748.96	748.96	100.0%	184	23,933	5,193	18,739	2,804	15,935	5.7%	4.9%
T-24	KDX Residence Nihonbashi Suitengu	3,240,000	3,238,316	3,780,000	F	79	5,534.86	5,534.86	100.0%	184	96,186	13,094	83,092	17,702	65,390	5.1%	4.0%
T-25	KDX Residence Nihonbashi Hakozaeki	1,147,000	1,147,025	1,300,000	S	60	1,537.38	1,468.83	95.5%	184	39,221	9,557	29,663	6,473	23,189	5.1%	4.0%
T-26	KDX Residence Higashi-shinjuku	3,270,000	3,272,742	3,870,000	S	179	4,358.43	4,358.43	100.0%	184	109,322	17,609	91,713	11,548	80,165	5.6%	4.9%
T-27	KDX Residence Yotsuya	2,260,000	2,276,667	2,520,000	F	42	3,101.16	3,101.16	100.0%	184	78,218	17,012	61,205	9,242	51,962	5.4%	4.6%
T-28	KDX Residence Nishi-shinjuku	1,000,000	1,004,849	1,220,000	S	54	1,345.92	1,298.06	96.4%	184	35,007	7,103	27,904	3,812	24,091	5.5%	4.8%
T-29	KDX Residence Kagurazaka	720,000	722,572	844,000	S	34	890.93	866.07	97.2%	184	25,220	5,084	20,136	3,315	16,820	5.5%	4.6%

Note 1: Type means principal room type of the property (If applicable to some types, type of the largest footprint unit)
 Single (S): (intended primarily for single-person households) [footprint of equal or more than 18m² and less than 30m² and more than 20 rentable units per property], Small Family (SF): (intended primarily for households of couples or families with infants) [footprint of equal or more than 30m² and less than 60m² and more than 15 rentable units per property], Family (F): (intended primarily for households of three or more families) [footprint of equal or more than 60m² and more than 5 rentable units per property]

Portfolio Performance in 2H 2016 2/5

(in thousands of yen)

	No.	Property Name	Acquisition Price	Book Value	Appraisal Value	Type ⁽¹⁾	Rentable Units (unit)	Rentable Area (m ²)	Rented Area (m ²)	Occupancy Rate (%)	Operating Days (days)	Leasing Business Revenues	Leasing Business Expenses	NOI	Depreciation	Leasing Business Income	NOI Cap Rate	NOI Cap Rate after Depreciation
												a	b	c [a-b]	d	e [c-d]	(per year)	(per year)
Tokyo Metropolitan Area	T-30	KDX Residence Futako Tamagawa	1,250,000	1,274,301	1,390,000	F	38	2,339.62	2,216.35	94.7%	184	42,300	8,730	33,569	4,343	29,226	5.3%	4.6%
	T-31	KDX Residence Komazawa Koen	920,000	923,289	1,050,000	SF	32	1,020.18	1,020.18	100.0%	184	28,599	4,551	24,048	4,642	19,405	5.2%	4.2%
	T-32	KDX Residence Misyuku	760,000	766,084	865,000	S	39	1,103.82	1,038.87	94.1%	184	25,493	7,785	17,707	3,097	14,609	4.6%	3.8%
	T-33	KDX Residence Yoga	700,000	705,475	813,000	S	38	1,012.80	1,012.80	100.0%	184	23,643	3,484	20,159	2,599	17,559	5.7%	5.0%
	T-34	KDX Residence Shimouma	600,000	607,857	698,000	S	29	829.05	776.54	93.7%	184	19,439	6,569	12,869	2,234	10,634	4.3%	3.5%
	T-35	Raffine Minami-magome	1,250,000	1,252,024	1,670,000	S	56	2,408.56	2,408.56	100.0%	184	51,614	3,504	48,109	3,382	44,727	7.6%	7.1%
	T-36	KDX Residence Yukigaya Otsuka	1,050,000	1,049,132	1,260,000	S	72	1,526.98	1,506.50	98.7%	184	37,978	8,908	29,070	5,435	23,635	5.5%	4.5%
	T-37	KDX Residence Denen Chofu	1,000,000	1,059,832	1,190,000	F	36	2,359.44	2,228.36	94.4%	184	35,397	12,940	22,457	3,783	18,674	4.5%	3.7%
	T-38	KDX Residence Tamagawa	776,000	767,336	888,000	S	52	1,170.40	1,149.94	98.3%	184	27,800	6,570	21,229	5,886	15,343	5.4%	3.9%
	T-39	KDX Residence Monzennakacho	773,000	773,193	916,000	S	49	1,171.41	1,171.41	100.0%	184	26,631	6,673	19,958	3,914	16,043	5.1%	4.1%
	T-40	KDX Residence Okachimachi	850,000	854,429	998,000	S	51	1,329.79	1,303.82	98.0%	184	29,299	5,685	23,613	3,768	19,845	5.5%	4.6%
	T-41	KDX Residence Moto-asakusa	800,000	804,048	943,000	SF	44	1,314.91	1,214.39	92.4%	184	28,564	10,366	18,198	4,435	13,762	4.5%	3.4%
	T-42	KDX Residence Itabashi Honcho	620,000	617,949	713,000	S	46	1,127.58	1,083.20	96.1%	184	23,083	6,061	17,021	4,194	12,827	5.4%	4.1%
	T-43	KDX Residence Azusawa	550,000	567,204	620,000	S	39	989.82	968.70	97.9%	184	17,846	4,623	13,222	3,353	9,868	4.8%	3.6%
	T-44	KDX Residence Tobu Nerima	420,000	414,406	490,000	S	37	931.82	879.36	94.4%	184	17,104	5,566	11,537	3,762	7,775	5.4%	3.7%
	T-45	KDX Residence Yokohama Kannai	800,000	797,342	955,000	S	72	1,602.16	1,409.76	88.0%	184	33,360	10,054	23,306	5,904	17,401	5.8%	4.3%
	T-46	KDX Residence Miyamaedaira	999,000	1,003,783	1,100,000	F	40	2,448.27	2,198.90	89.8%	184	36,058	9,002	27,055	4,689	22,366	5.4%	4.4%
	T-47	KDX Residence Machida	1,800,000	1,772,316	1,970,000	F	52	3,832.53	3,832.53	100.0%	184	60,872	12,974	47,898	14,850	33,047	5.3%	3.6%
	T-48	KDX Residence Kinshicho	1,350,000	1,365,816	1,540,000	F	33	2,024.81	1,962.08	96.9%	184	43,444	8,918	34,526	6,861	27,665	5.1%	4.1%
	T-49	KDX Residence Nihombashi Hamacho	996,000	1,015,113	1,150,000	F	28	1,756.27	1,756.27	100.0%	184	30,134	6,300	23,834	4,093	19,741	4.7%	3.9%
	T-50	KDX Residence Nihombashi Ningyocho	530,000	569,018	632,000	S	27	877.14	849.10	96.8%	184	18,461	6,805	11,656	2,181	9,474	4.4%	3.5%
	T-51	KDX Residence Jiyugaoka	1,268,000	1,333,519	1,470,000	SF	48	1,637.00	1,614.17	98.6%	184	38,408	7,012	31,395	4,149	27,245	4.9%	4.3%
	T-52	KDX Residence Togoshi	3,745,000	3,801,756	4,410,000	SF	144	4,591.76	4,386.98	95.5%	184	119,029	20,371	98,658	16,863	81,795	5.2%	4.3%
	T-53	KDX Residence Shinagawa Seaside	2,593,000	2,637,383	3,050,000	S	127	3,314.75	3,314.75	100.0%	184	84,902	19,482	65,419	12,755	52,664	5.0%	4.0%
	T-54	KDX Residence Ojima	1,857,000	1,882,742	2,160,000	S	117	2,372.67	2,311.83	97.4%	184	61,485	12,348	49,137	11,039	38,098	5.2%	4.1%
T-55	KDX Residence Oyama	2,679,000	2,715,342	3,050,000	SF	145	4,009.07	3,737.71	93.2%	184	89,623	15,746	73,877	16,547	57,329	5.5%	4.2%	

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Portfolio Performance in 2H 2016 3/5

(in thousands of yen)																	
No.	Property Name	Acquisition Price	Book Value	Appraisal Value	Type ⁽¹⁾	Rentable Units (unit)	Rentable Area (m ²)	Rented Area (m ²)	Occupancy Rate (%)	Operating Days (days)	Leasing Business Revenues a	Leasing Business Expenses b	NOI c [a-b]	Depreciation d	Leasing Business Income e [c-d]	NOI Cap Rate (per year)	NOI Cap Rate after Depreciation (per year)
T-56	KDX Residence Hanzomon	4,832,000	4,944,690	5,430,000	F	85	4,854.23	4,708.03	97.0%	184	128,593	19,828	108,764	13,874	94,890	4.5%	3.9%
T-57	B-Site Akihabara	850,000	873,952	921,000	S	52	1,254.50	1,254.50	100.0%	184	23,992	3,869	20,123	2,506	17,616	4.7%	4.1%
T-58	Bureau Kagurazaka	1,360,000	1,392,950	1,460,000	S	70	1,809.84	1,809.84	100.0%	184	39,000	6,924	32,075	3,635	28,439	4.7%	4.1%
T-59	KDX Residence Sendagi	2,200,000	2,324,288	2,340,000	F	40	3,159.89	3,002.55	95.0%	184	65,530	13,104	52,426	7,816	44,609	4.7%	4.0%
T-60	KDX Residence Seijo	1,400,000	1,435,252	1,500,000	SF	38	2,198.56	2,063.06	93.8%	184	41,450	7,454	33,995	4,514	29,481	4.8%	4.2%
T-61	KDX Residence Akihabara	1,250,000	1,278,295	1,410,000	SF	32	1,929.61	1,929.61	100.0%	184	37,074	9,314	27,760	6,573	21,186	4.4%	3.4%
T-62	KDX Residence Iriya	1,062,000	1,090,661	1,270,000	S	57	1,899.29	1,816.89	95.7%	184	38,847	9,434	29,412	6,126	23,285	5.5%	4.3%
T-63	KDX Residence Tachikawa	3,026,200	3,087,911	3,390,000	S	174	4,314.87	4,095.09	94.9%	184	94,893	17,193	77,700	21,052	56,647	5.1%	3.7%
T-64	KDX Residence Tsurumi	1,050,000	1,124,896	1,330,000	SF	59	3,499.84	3,446.92	98.5%	184	51,154	11,842	39,312	6,530	32,781	7.4%	6.2%
T-65	KDX Residence Morishita Chitose	1,100,000	1,129,906	1,150,000	S	65	1,614.28	1,593.00	98.7%	184	37,405	7,467	29,938	5,625	24,313	5.4%	4.4%
T-66	KDX Residence Akasaka	1,150,000	1,212,034	1,500,000	SF	28	1,180.71	1,180.71	100.0%	184	36,519	6,180	30,339	4,195	26,143	5.2%	4.5%
T-67	KDX Residence Kanda	700,000	740,433	953,000	SF	30	1,031.09	1,031.09	100.0%	184	25,613	5,657	19,956	3,682	16,273	5.7%	4.6%
T-68	KDX Residence Ebisu	2,845,000	2,994,916	3,750,000	SF	65	2,659.66	2,581.40	97.1%	184	89,734	10,357	79,376	11,259	68,117	5.5%	4.7%
T-69	KDX Residence Nishi-magome	1,130,000	1,194,434	1,170,000	S	47	1,297.27	469.75	36.2%	155	2,151	7,846	-5,695	4,885	-10,581	-1.2%	-2.2%
T-70	KDX Residence Nishi-azabu	1,224,000	1,254,722	1,430,000	SF	33	1,357.88	1,357.88	100.0%	184	37,540	5,902	31,637	3,755	27,882	5.1%	4.5%
T-71	KDX Residence Azabu Sendaizaka	792,300	811,483	909,000	S	30	878.50	878.50	100.0%	184	24,931	5,655	19,275	2,282	16,992	4.8%	4.3%
T-72	KDX Residence Waseda Tsurumaki	561,000	580,392	765,000	S	39	808.54	808.54	100.0%	184	20,508	5,902	14,606	2,963	11,642	5.2%	4.1%
T-73	KDX Residence Bunkyo Yushima	695,000	714,977	879,000	S	38	939.89	939.89	100.0%	184	23,961	4,233	19,727	3,052	16,674	5.6%	4.8%
T-74	KDX Residence Kamishakujii	648,000	668,667	736,000	S	47	1,032.18	1,009.34	97.8%	184	23,118	4,880	18,237	3,370	14,867	5.6%	4.6%
T-75	KDX Residence Shin-otsuka	764,000	792,696	908,000	S	40	872.00	872.00	100.0%	92	11,304	351	10,952	1,716	9,236	5.7%	4.8%
T-76	KDX Residence Sakurajosui	894,000	927,252	1,080,000	S	43	1,227.16	1,227.16	100.0%	92	17,433	4,663	12,770	2,058	10,712	5.7%	4.8%
T-77	KDX Residence Ryougoku	842,000	876,994	1,020,000	S	36	1,190.53	1,037.65	87.2%	92	9,986	2,454	7,531	2,196	5,335	3.5%	2.5%
Subtotal / Average		107,281,500	108,789,039	124,953,000		4,124	153,501.63	148,413.00	96.7%	181.6	3,481,839	716,586	2,765,252	475,382	2,289,870	5.2%	4.3%

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Portfolio Performance in 2H 2016 4/5

(in thousands of yen)

No.	Property Name	Acquisition Price	Book Value	Appraisal Value	Type ⁽¹⁾	Rentable Units (unit)	Rentable Area (m ²)	Rented Area (m ²)	Occupancy Rate (%)	Operating Days (days)	Leasing Business Revenues a	Leasing Business Expenses b	NOI c [a-b]	Depreciation d	Leasing Business Income e [c-d]	NOI Cap Rate (per year)	NOI Cap Rate after Depreciation (per year)
R-1	KDX Toyohira Sanjo Residence ⁽²⁾	-	-	-	-	-	-	-	-	92	14,459	4,724	9,734	2,968	6,766	6.6%	4.6%
R-2	KDX JozenjiDori Residence	1,015,000	985,652	1,340,000	S	92	3,330.15	3,111.51	93.4%	184	50,540	11,985	38,555	10,343	28,212	7.5%	5.5%
R-3	KDX Izumi Residence	1,120,000	1,091,196	1,330,000	F	40	2,798.20	2,731.74	97.6%	184	43,210	9,735	33,474	9,145	24,329	5.9%	4.3%
R-4	KDX Chihaya Residence	1,080,000	1,045,337	1,390,000	SF	92	2,936.40	2,912.08	99.2%	184	47,685	10,541	37,143	10,014	27,129	6.8%	5.0%
R-5	KDX Sakaisuji Hommachi Residence	2,910,000	2,818,595	3,210,000	SF	160	6,385.70	6,030.69	94.4%	184	104,504	24,874	79,630	23,675	55,955	5.4%	3.8%
R-6	KDX Shimmachi Residence	1,015,000	980,520	1,240,000	S	94	2,146.02	2,031.87	94.7%	184	38,416	7,119	31,296	8,995	22,300	6.1%	4.4%
R-7	KDX Takarazuka Residence	1,510,000	1,433,549	1,850,000	F	80	4,631.16	4,498.30	97.1%	184	56,390	10,381	46,008	16,517	29,491	6.0%	3.9%
R-8	KDX Shimizu Residence	1,680,000	1,627,077	2,050,000	SF	148	6,255.16	6,040.97	96.6%	184	72,308	13,743	58,565	14,185	44,379	6.9%	5.2%
R-9	KDX Residence Odori Koen	765,000	753,572	879,000	SF	78	2,762.76	2,726.96	98.7%	184	33,610	9,887	23,723	7,833	15,889	6.2%	4.1%
R-10	KDX Residence Kikusui Yojo	830,000	821,151	973,000	SF	84	3,413.06	3,413.06	100.0%	184	39,011	9,036	29,974	7,500	22,474	7.2%	5.4%
R-11	KDX Residence Tokyohira Koen	445,000	441,753	527,000	SF	65	2,253.81	2,184.24	96.9%	184	22,979	8,923	14,055	4,384	9,671	6.3%	4.3%
R-12	KDX Residence Kamisugi ⁽²⁾	-	-	-	-	-	-	-	-	92	17,042	5,376	11,666	3,092	8,573	6.6%	4.9%
R-13	KDX Residence Ichiban-cho	530,000	524,640	669,000	SF	45	1,818.09	1,664.61	91.6%	184	28,169	8,395	19,774	5,007	14,767	7.4%	5.5%
R-14	KDX Residence Kotodai	520,000	516,297	551,000	SF	27	1,475.73	1,312.11	88.9%	184	19,532	5,823	13,708	4,435	9,272	5.2%	3.5%
R-15	KDX Residence Izumi Chuo	480,000	478,093	601,000	SF	40	2,159.25	2,113.32	97.9%	184	23,193	5,498	17,695	4,497	13,197	7.3%	5.5%
R-16	KDX Residence Higashi-sakura I	2,350,000	2,334,054	2,680,000	SF	187	6,221.83	5,623.09	90.4%	184	93,868	30,988	62,880	17,772	45,108	5.3%	3.8%
R-17	KDX Residence Higashi-sakura II	900,000	893,684	1,040,000	SF	66	2,655.31	2,536.21	95.5%	184	38,794	10,901	27,892	6,966	20,925	6.1%	4.6%
R-18	KDX Residence Jingumae	840,000	831,259	1,020,000	SF	95	2,724.19	2,505.10	92.0%	184	39,155	8,200	30,954	7,314	23,640	7.3%	5.6%
R-19	KDX Residence Nishi-oji	813,000	810,227	905,000	S	76	2,353.55	2,278.11	96.8%	184	33,228	7,087	26,140	6,337	19,803	6.4%	4.8%
R-20	KDX Residence Saiin	440,000	438,249	489,000	S	49	1,094.81	1,029.70	94.1%	184	17,531	5,805	11,726	3,848	7,878	5.3%	3.6%
R-21	KDX Residence Namba	1,410,000	1,405,680	1,610,000	S	118	3,387.30	3,310.11	97.7%	184	58,869	11,902	46,966	9,932	37,034	6.6%	5.2%
R-22	KDX Residence Namba-minami	1,350,000	1,337,228	1,540,000	S	131	3,813.31	3,644.43	95.6%	184	55,878	10,274	45,604	11,776	33,827	6.7%	5.0%
R-23	KDX Residence Shin-osaka	510,000	502,004	575,000	SF	43	1,321.04	1,260.84	95.4%	184	21,362	6,176	15,185	5,192	9,993	5.9%	3.9%
R-24	KDX Residence Ibaraki I・II	1,275,000	1,299,377	1,385,000	F	61	4,701.87	4,394.91	93.5%	184	53,635	18,052	35,582	6,928	28,654	5.5%	4.5%
R-25	KDX Residence Toyonaka-minami	740,000	721,604	830,000	SF	70	2,024.50	1,939.04	95.8%	184	29,699	6,067	23,631	8,152	15,478	6.3%	4.1%
R-26	KDX Residence Moriguchi	551,000	542,699	627,000	F	28	1,942.78	1,866.76	96.1%	184	24,170	6,370	17,800	5,418	12,381	6.4%	4.5%

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Note 2: KDX ToyohiraSanjo Residence and KDX Residence Kamisugi have been sold on November 11, 2016.

Portfolio Performance in 2H 2016 5/5

(in thousands of yen)

No.	Property Name	Acquisition Price	Book Value	Appraisal Value	Type ⁽¹⁾	Rentable Units (unit)	Rentable Area (m ²)	Rented Area (m ²)	Occupancy Rate (%)	Operating Days (days)	Leasing Business Revenues a	Leasing Business Expenses b	NOI c [a-b]	Depreciation d	Leasing Business Income e [c-d]	NOI Cap Rate (per year)	NOI Cap Rate after Depreciation (per year)
R-27	KDX Residence Sannomiya	1,080,000	1,075,101	1,290,000	S	86	2,292.72	2,216.91	96.7%	184	37,361	12,133	25,228	7,722	17,505	4.6%	3.2%
R-28	Ashiya Royal Homes	1,360,000	1,421,900	1,690,000	F	21	3,999.01	3,999.01	100.0%	184	65,864	17,868	47,996	4,169	43,826	7.0%	6.4%
R-29	KDX Residence Funairi Saiwai-cho	588,000	579,606	650,000	S	64	1,889.53	1,889.53	100.0%	184	27,186	5,565	21,620	5,367	16,253	7.3%	5.5%
R-30	KDX Residence Tenjin-higashi II	680,000	673,668	827,000	SF	63	2,602.53	2,602.53	100.0%	184	29,906	7,361	22,545	6,194	16,350	6.6%	4.8%
R-32	KDX Residence Nishi Koen	763,000	757,315	838,000	F	36	2,522.16	2,075.90	82.3%	184	30,963	7,778	23,184	6,352	16,832	6.0%	4.4%
R-33	KDX Residence Hirao Josui-machi	760,000	760,155	855,000	F	24	2,098.68	1,840.82	87.7%	184	26,610	6,985	19,625	4,762	14,863	5.1%	3.9%
R-34	Melody Heim Gotenyama	400,000	436,514	501,000	F	36	2,297.24	2,109.39	91.8%	184	21,544	6,623	14,920	2,792	12,128	7.4%	6.0%
R-35	Leopalace Flat Shin-sakae	3,500,000	3,646,593	4,170,000	S	274	11,589.95	11,589.95	100.0%	184	121,557	13,848	107,708	33,064	74,644	6.1%	4.2%
R-36	KDX Residence Koman Yamate	973,000	991,714	1,100,000	SF	55	1,923.22	1,773.87	92.2%	184	32,724	6,109	26,614	4,906	21,708	5.4%	4.4%
R-37	KDX Residence Hommachibashi	3,201,000	3,261,884	3,440,000	SF	134	6,511.88	6,269.87	96.3%	184	107,683	22,154	85,529	21,958	63,570	5.3%	3.9%
R-38	KDX Residence Minami-kusatsu	1,974,666	2,059,290	2,260,000	S	170	5,735.96	5,641.73	98.4%	184	99,148	24,918	74,229	18,097	56,131	7.5%	5.6%
R-39	KDX Residence Ohori Harbor View Tower	4,606,296	4,750,225	5,100,000	SF	212	11,855.63	10,778.05	90.9%	184	175,150	35,111	140,039	42,361	97,677	6.0%	4.2%
R-40	KDX Residence Minami-sanjo	915,000	973,212	1,500,000	SF	114	5,269.39	5,178.04	98.3%	184	53,558	12,445	41,113	11,185	29,927	8.9%	6.5%
R-41	Serenite Kita-kyuhoji	1,290,740	1,328,823	1,410,000	S	85	2,277.14	2,217.10	97.4%	184	41,470	7,932	33,537	10,155	23,382	5.2%	3.6%
R-42	Serenite Nishinomiya Hommachi	617,048	666,744	723,000	S	51	1,351.68	1,351.68	100.0%	62	7,798	764	7,033	1,582	5,451	6.7%	5.2%
Subtotal / Average		47,787,750	48,016,259	55,665,000		3,394	138,822.70	132,694.14	95.6%	180.1	1,955,777	455,475	1,500,302	402,913	1,097,389	6.2%	4.5%
Total / Average		155,069,251	156,805,298	180,618,000		7,518	292,324.33	280,637.39	96.2%	181.1	5,437,617	1,172,062	4,265,554	878,295	3,387,259	5.5%	4.4%

Note 1: Type means principal room type of the property (If applicable to some types, type of the largest footprint unit)
 Single (S): (intended primarily for single-person households) [footprint of equal or more than 18m² and less than 30m² and more than 20 rentable units per property], Small Family (SF): (intended primarily for households of couples or families with infants) [footprint of equal or more than 30m² and less than 60m² and more than 15 rentable units per property], Family (F): (intended primarily for households of three or more families) [footprint of equal or more than 60m² and more than 5 rentable units per property]



memo

Two columns of horizontal dotted lines for writing, separated by a vertical line.