

KENEDIX

Residential Investment Corporation

Financial Results for the Fifth Fiscal Period (Ended July 2014)

September 19, 2014





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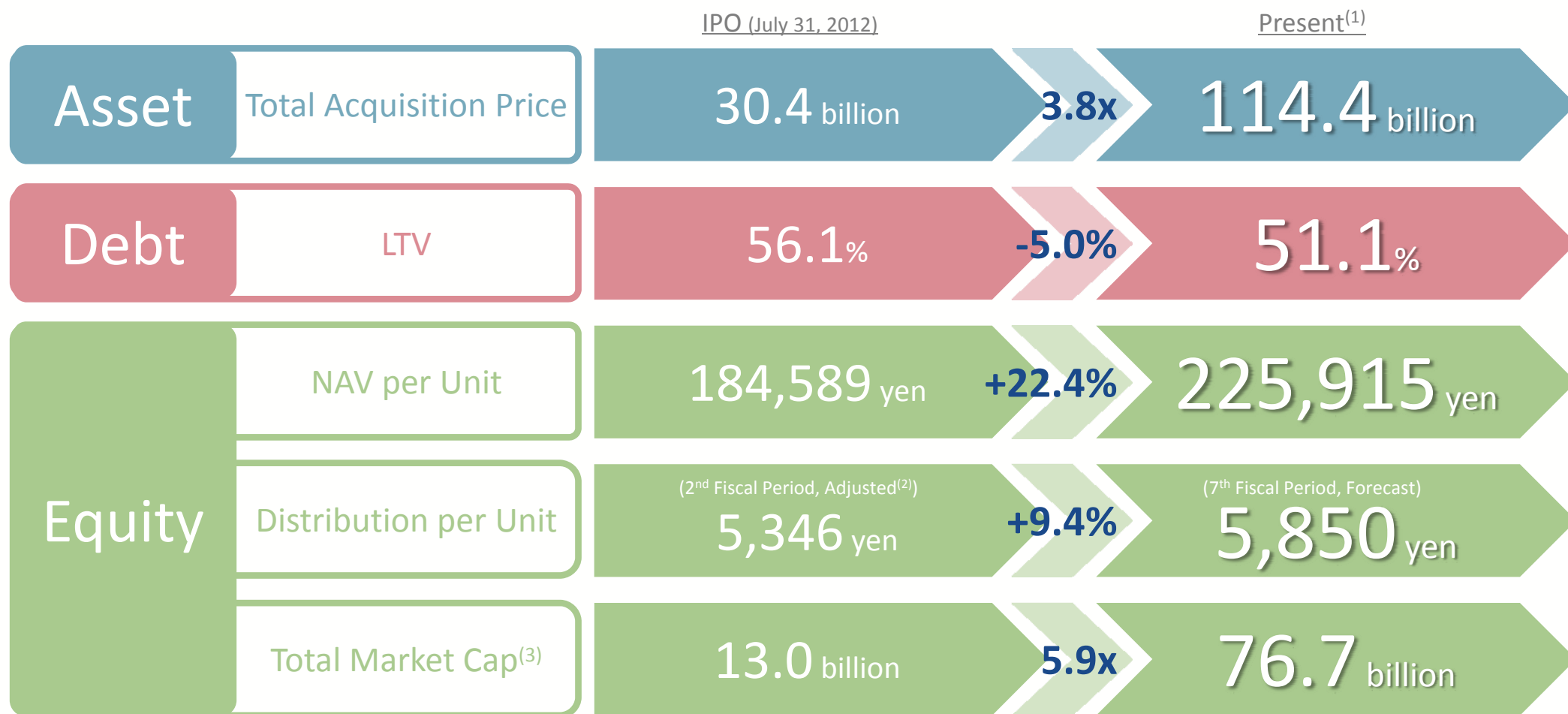
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Changes in Key Asset Management Indicators from the Initial Public Offering to the Present



KDR is aiming to make further changes and improvements for sustained growth in unitholders' value

Note 1: Please refer to page 26 of this presentation for further details about the figures shown for the "present."

Note 2: To adjust for the impact of special factors arising from new acquisitions of properties and other events, the post adjustment amount is shown after deducting ¥799 (per investment unit) of property, city planning and other taxes from the ¥6,145 (actual) distribution per unit in the 2nd period.

Note 3: The total market cap of investment units is calculated based on the following prices: investment unit closing price of ¥172,500 as of July 31, 2012 for "IPO (July 31, 2012)"; and investment unit closing price of ¥275,000 as of September 12, 2014 as the present value.

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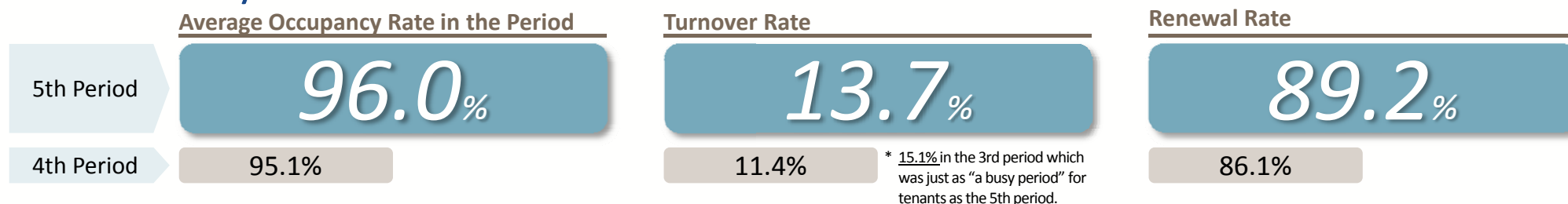
Appendices

1. Financial Results for the Fifth Period (Ended July 2014)

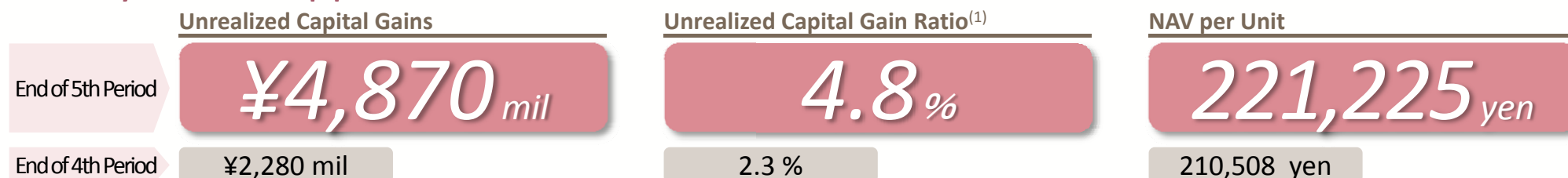
Highlights from the Fifth Fiscal Period (Ended July 2014)

As in the previous period (the fourth period), delivered stable performance of a portfolio that has rapidly expanded to ¥100 billion

1. Continuously Stable Portfolio Performance



2. Steady Rise in Appraisal Values



3. Solid Distribution to Unitholders



Note 1: The unrealized capital gain ratio is the difference between the appraisal value and the book value of property, plant and equipment divided by the book value.

Note 2: To adjust for the impact of special factors arising from new acquisitions of properties and other events, the post adjustment amount is shown after deducting ¥585 (per unit) for property, city planning and other taxes, and ¥415 (per unit) for asset management fees from the ¥6,756 (actual) distribution per unit in the 4th period.

Summary of Income Statements

(in millions of yen)

Account	4th Period		5th Period		4th Period Actual vs 5th Period Actual Comparison		5th Period Forecast vs 5th Period Actual Comparison		
	Actual 179.8 days	Forecast 181.0 days	Actual 180.3 days						
Operating revenues	¥3,616	¥3,681	¥3,743	+127	+3.5%	+61	+1.7%	Higher than forecast because of the acquisition of KDX Residence Kinshicho during the period.	
Rent revenue-real estate	3,312	3,336	3,354	+41	+1.2%	+17	+0.5%		
Other lease business revenue	283	309	334	+51	+18.1%	+24	+7.9%	Higher than forecast mainly due to increases in renewal fees, exit penalties and other one-time revenue.	
Dividends Income	20	35	54	+34	+172.6%	+18	+53.0%		
Operating Expenses	¥1,490	¥1,884	¥1,887	+396	+26.6%	+2	+0.2%	Higher than forecast mainly because of the change in accounting treatment for a silent partnership.	
Expenses related to rent business	675	917	924	+249	+36.9%	+6	+0.7%		
Depreciation	555	555	561	+6	+1.2%	+6	+1.1%		
Other lease business expenses	260	411	401	+140	+53.9%	-9	-2.4%	Property management and building maintenance fees and leasing expenses were reduced, but there was additional expenditure on accelerated repairs and maintenance and other measures to enhance the competitiveness of the properties.	
Operating income	¥2,125	¥1,797	¥1,856	-269	-12.7%	+58	+3.3%		
Non-operating income	0	0	0	0	-	0	-		
Non-operating expenses	492	419	398	-93	-19.1%	-21	-5.1%	Lower than forecast because some of the borrowing expenses originally anticipated for refinancing Series 1-B (¥5.5 billion) were not incurred.	
Interest expenses, etc.	451	379	357	-93	-20.8%	-21	-5.7%		
Other non-operating expenses	40	40	40	0	+0.2%	0	+0.0%		
Ordinary Income	¥1,633	¥1,378	¥1,458	-175	+10.7%	+80	+5.8%	Started posting property, city planning and other taxes for the 60 properties acquired on August 2013 as expenses (approx. ¥149 million) from the 5th period. Increased from the previous period due to an increase in leasing costs associated with the busy period of tenants and an increase in repairs and maintenance costs for the newly acquired properties.	
Income before income taxes	1,633	1,378	1,458	-175	-10.7%	+80	+5.8%		
Total income taxes	1	1	0	0	-11.1%	0	-9.9%		
Net income	¥1,632	¥1,377	¥1,457	-174	-10.7%	+80	+5.8%	Started posting asset management fees (I) for the 60 properties acquired on August 2013 as expenses (approx. ¥104 million) from the 5th period.	
Total Dividend	1,632	1,377	1,457	-174	-10.7%	+80	+5.9%		
Distribution per Unit	6,756 yen	5,700 yen	6,033 yen	-724 yen	-10.7%	+333 yen	+5.8%	Decreased from the previous period because borrowing expenses associated with the establishment of syndicated loans were posted in the 4th period.	
NOI ⁽²⁾	2,921	2,728	2,764	-156	-5.4%	+35	+1.3%		
FFO ⁽³⁾	2,228	1,973	2,060	-168	-7.5%	+86	+4.4%		

Note1: The operating term of the 4th period is 184 days, but actual operating term after acquisition of properties is 179.8 days (weighted average). The operating term of the 5th period is 181 days, but actual operating term after acquisition of properties is 180.3 days (weighted average).

Note2: NOI(Net Operating Income)=Operating income - Operating expenses(ex. Depreciation)

Note3: FFO(Funds From Operation)=Net income + Depreciation + Deferred Assets Amortization +/- Gains or Losses on Sales

Summary of Portfolio Performance

(in millions of yen)

Account	Total			Tokyo Metropolitan Area			Other Regional Areas		
	4th Period	5th Period	Period on Period	4th Period	5th Period	Period on Period	4th Period	5th Period	Period on Period
Number of Properties	80 props	81 props		47 props	48 props		33 props	33 props	
Total Acquisition Price	¥99,030.5	¥100,380.5		¥67,068.0	¥68,418.0		¥31,962.5	¥31,962.5	
Operating term	179.8 days	180.3 days		179.8 days	179.9 days		180.0 days	181.0 days	
Revenues related to rent business	¥3,596.0	¥3,688.6	+2.6%	¥2,237.6	¥2,318.8	+3.6%	¥1,358.4	¥1,369.7	+0.8%
Rent revenue-real estate	3,312.8	3,354.1	+1.2%	2,079.0	2,118.3	+1.9%	1,233.7	1,235.8	+0.2%
Other lease business revenue	283.2	334.4	+18.1%	158.6	200.5	+26.4%	124.6	133.9	+7.5%
Expenses related to rent business	¥675.0	¥924.3	+36.9%	¥409.7	¥552.2	+34.8%	¥265.3	¥372.0	+40.2%
Property management fees, etc.	279.2	300.0	+7.4%	176.1	194.6	+10.5%	103.0	105.3	+2.2%
Taxes	59.8	213.8	+257.5%	34.4	122.4	+255.6%	25.3	91.4	+260.1%
Utilities	67.7	75.5	+11.5%	44.2	48.2	+9.0%	23.4	27.2	+16.3%
Repairs and maintenance costs	127.1	183.6	+44.4%	76.5	105.0	+37.3%	50.6	78.5	+55.1%
Insurance	5.6	5.6	+0.8%	3.0	3.0	+1.8%	2.6	2.6	-0.4%
Trust fees and other costs	135.4	145.5	+7.5%	75.2	78.7	+4.6%	60.1	66.8	+11.1%
NOI	¥2,921.0	¥2,764.3	-5.4%	¥1,827.9	¥1,766.6	-3.4%	¥1,093.0	¥997.6	-8.7%
NOI cap rate (per year)	6.0%	5.6%		5.5%	5.2%		6.9%	6.3%	
Depreciation	555.0	561.7	+1.2%	290.3	296.6	+2.2%	264.7	265.0	+0.2%
Depreciation Rate (per acquisition price, year)	1.1%	1.1%		0.9%	0.9%		1.7%	1.7%	
NOI Cap Rate after Depreciation (per year)	4.8%	4.4%		4.7%	4.4%		5.3%	4.6%	

Summary of Balance Sheets

(in millions of yen)

Account	4th Period	5th Period	Difference	
Total assets	¥107,400	¥108,698	+1,297	+1.2%
Cash and deposits	4,549	4,357	-192	-4.2%
Total property, plant and equipment, net	101,591	102,505	+914	+0.9%
(Land	59,676)	60,566)	+889	+1.5%
(Buildings, Structures, etc.	41,914)	41,939)	+24	+0.1%
Other	1,260	1,836	+575	+45.7%
Total Liabilities	¥57,192	¥58,661	+1,469	+2.6%
Loans payable	55,200	56,550	+1,350	+2.4%
(Short-term loans payable and current portion of long-term loans payable	7,200)	8,200)	+1,000	+13.9%
(Long-term loans payable	48,000)	48,350)	+350	+0.7%
Tenant leasehold and security deposits in trust	1,103	1,130	+27	+2.5%
Other liabilities	888	981	+92	+10.4%
Net assets	¥50,208	¥50,037	-171	-0.3%
Unitholders' equity	48,592	48,592	-	-
Unappropriated retained earnings (undisposed loss)	1,632	1,457	-174	-10.7%
Deferred gains or losses on hedges	▲16	▲13	+2	-17.6%
LTV ⁽¹⁾	51.4%	52.0%		
Capital-to-Asset ratio	46.7%	46.0%		
Appraisal values (as of the end of the period)	¥103,878	¥107,379	+3,501	+3.4%
NAV ⁽²⁾	¥50,863	¥53,452	+2,589	+5.1%

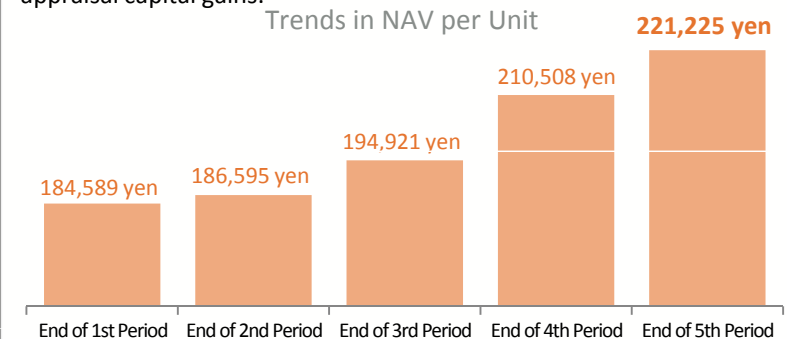
Net cash is ¥1,769 million, which is cash and deposits minus tenant deposits in trust and retained earnings. Used cash to make a ¥715 million silent partnership investment in the 5th period.

Cash and Deposits		
4,357		
Unappropriated Retained earnings	Tenant Deposit	Net Cash
1,457	1,130	1,769

Long-term loan payable with 7-year maturity (Series 5: ¥1.35 billion) was made to fund the acquisition of KDX Residence Kinshicho. A current portion of loan payable with 2-year maturity (Series 1-B:¥5.5 billion) was refinanced with long-term loans payable with 8-year maturity (Series 6-A:¥2 billion, Series 6-B:¥1.5 billion, Series 6-C:¥1 billion, Series 6-D:¥1 billion)

For the 80 properties already owned, up ¥2,051 million from the end of the 4th period (Please refer to the Appendix).

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



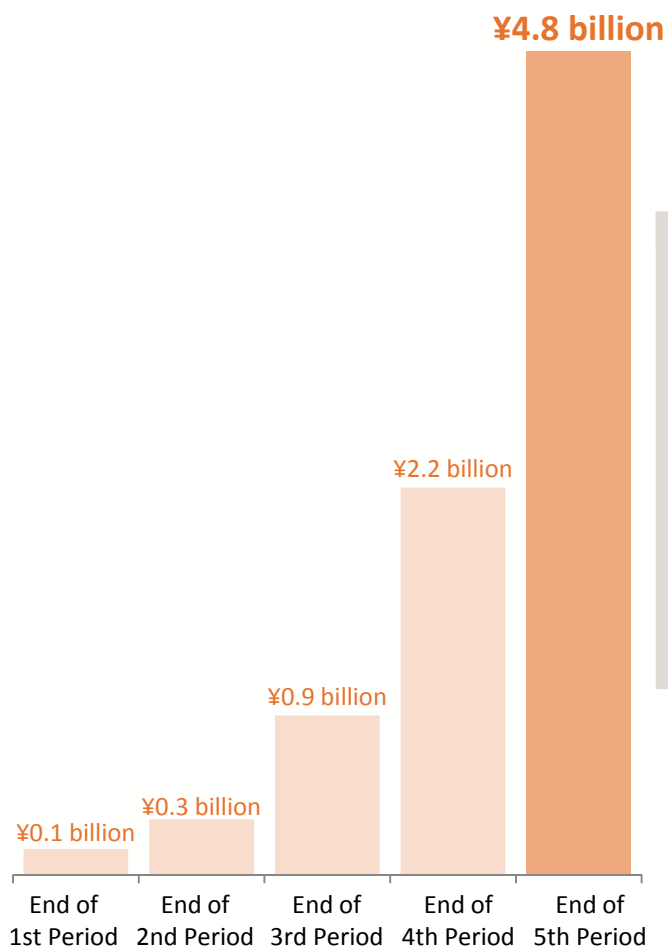
Note1: LTV (Loan To Value)=Interest-bearing Liabilities / Total Assets (Rounded to the nearest two decimal places)

Note2: NAV (Net Asset Value)=Net Assets – Unappropriated Retained earnings + Appraisal Values – Fixed Assets

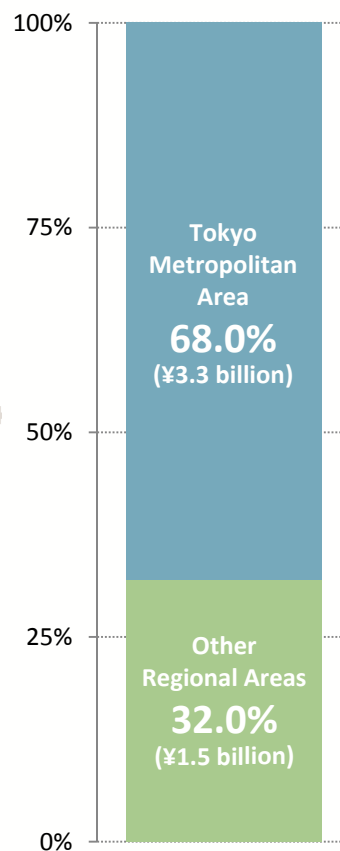
Summary of Appraisal Values

● Status of Appraisal Unrealized Capital Gains⁽¹⁾

Trends in Appraisal Unrealized Capital Gains



Appraisal Unrealized Capital Gains Breakdown by Region



Appraisal Unrealized Capital Gains by Region/Acquisition Date at the End of 5th Period

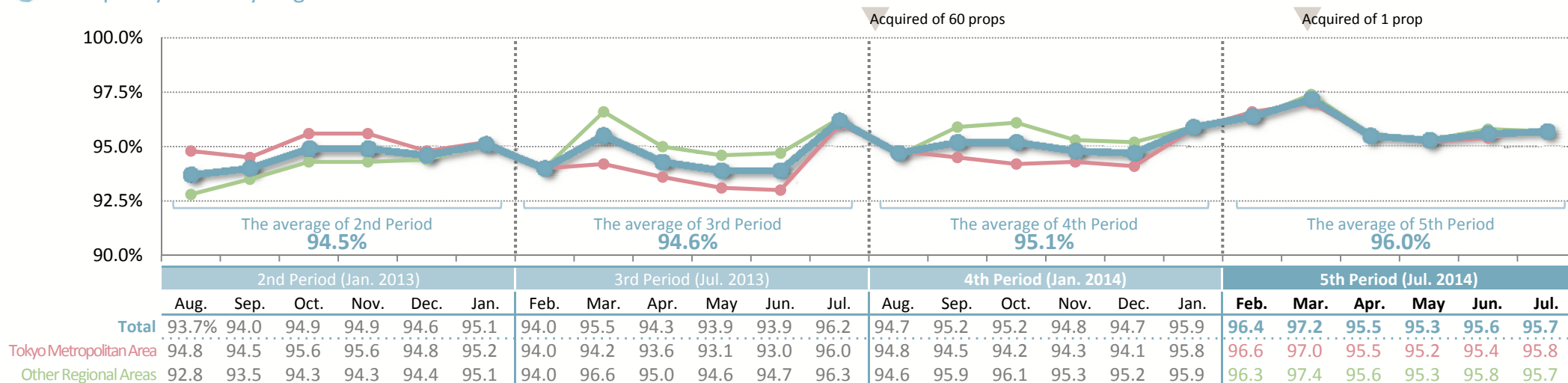
	Appraisal Values (in millions of yen)	Book Value (in millions of yen)	Unrealized Capital Gains (in millions of yen)	Unrealized Capital Gain Ratio ⁽²⁾
Tokyo Metropolitan Area	73,080	69,764	+3,315	+4.8%
Properties owned at Initial Public Offering (12 props)	21,103	19,856	+1,246	+6.3%
Properties acquired on 1st Public Offering (35 props)	50,527	48,510	+2,016	+4.2%
Properties acquired on 5th Period (1 props)	1,450	1,398	+51	+3.7%
Other Regional Areas	34,299	32,740	+1,558	+4.8%
Properties owned at Initial Public Offering (8 props)	12,047	11,007	+1,039	+9.4%
Properties acquired on 1st Public Offering (25 props)	22,252	21,733	+518	+2.4%
Properties acquired on 5th Period (none)	-	-	-	-
Total	107,379	102,505	+4,873	+4.8%

Note1: Appraisal capital gains are the difference between the appraisal values and the book value at the end of the periods in millions of yen rounded down.

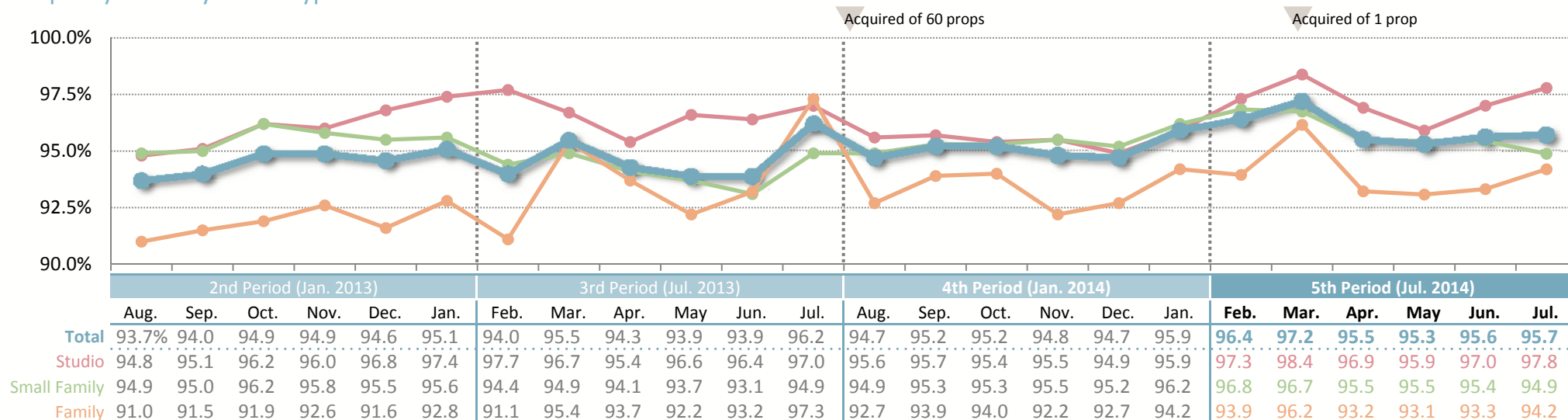
Note2: The unrealized capital gain ratio is total appraisal unrealized capital gains divided by the total book value.

Trends in Occupancy Rates

Occupancy Rates by Region⁽¹⁾



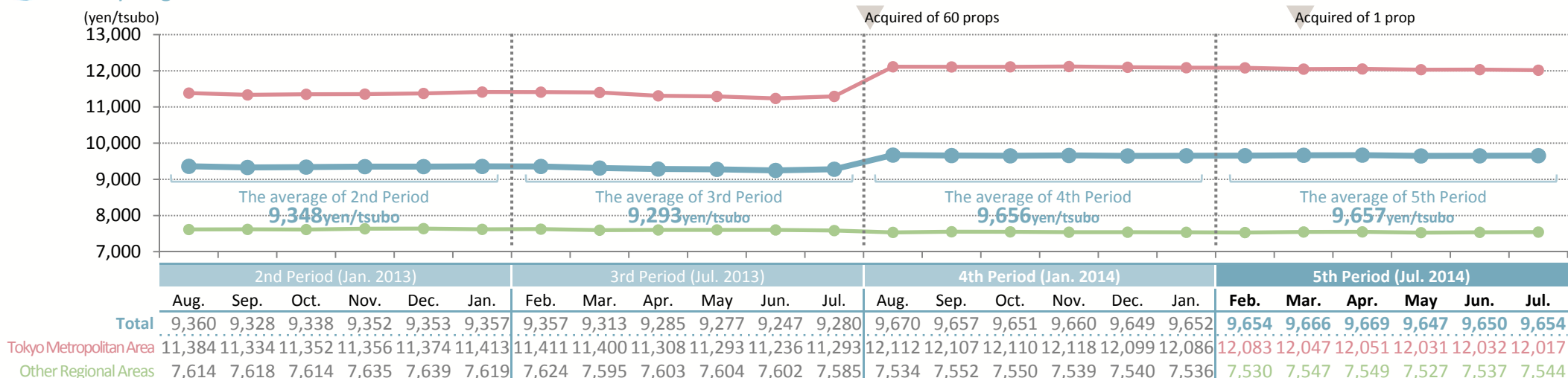
Occupancy Rates by Room Type⁽¹⁾



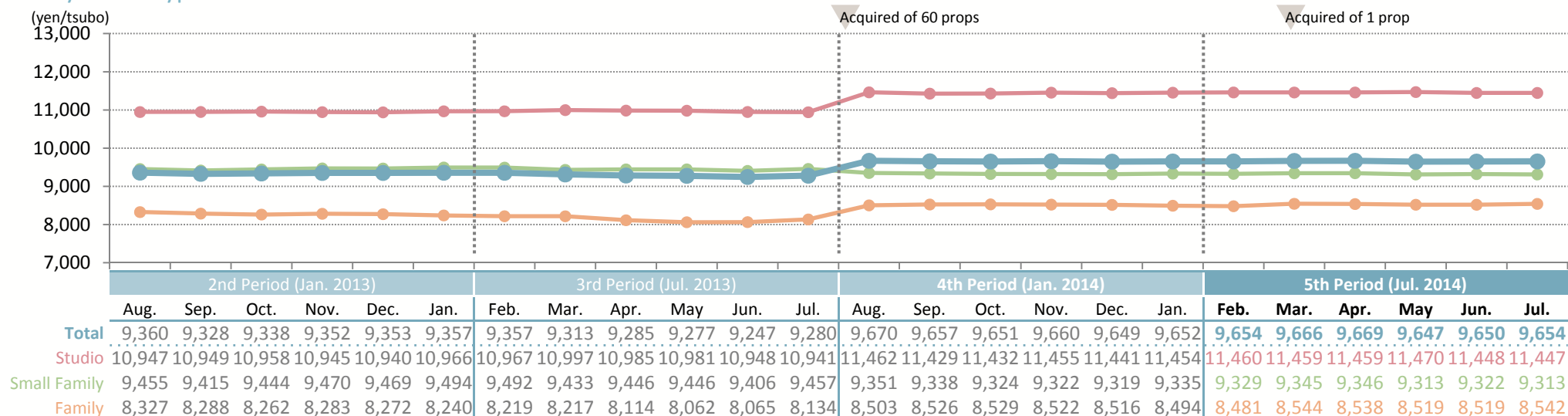
Note1: Occupancy rates by region and total of occupancy rates by room type include those from stores and offices.

Trends in Rent per Tsubo

Rent by Region⁽¹⁾



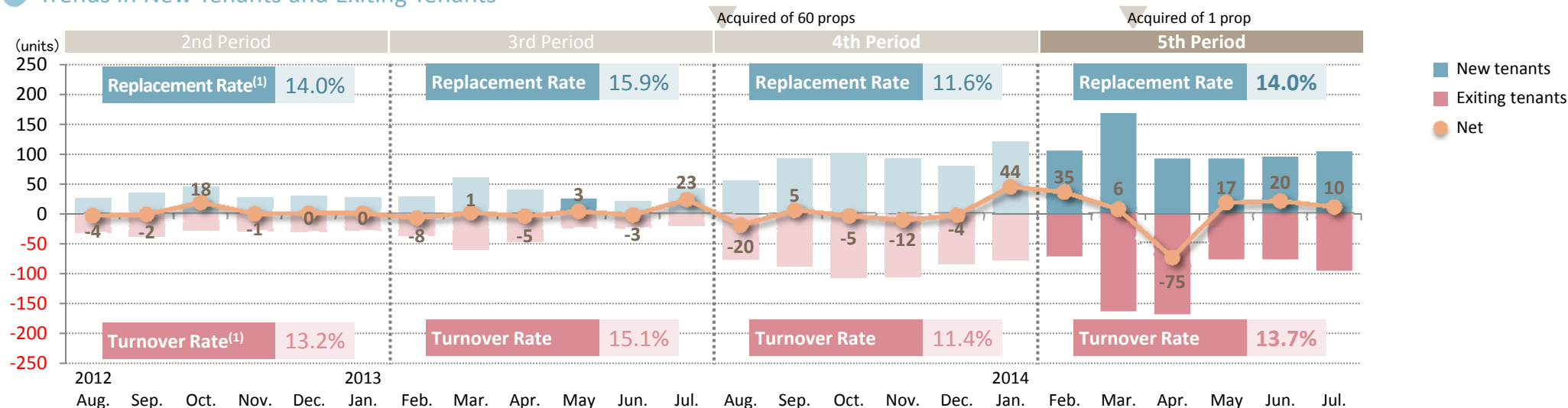
Rent by Room Type⁽¹⁾



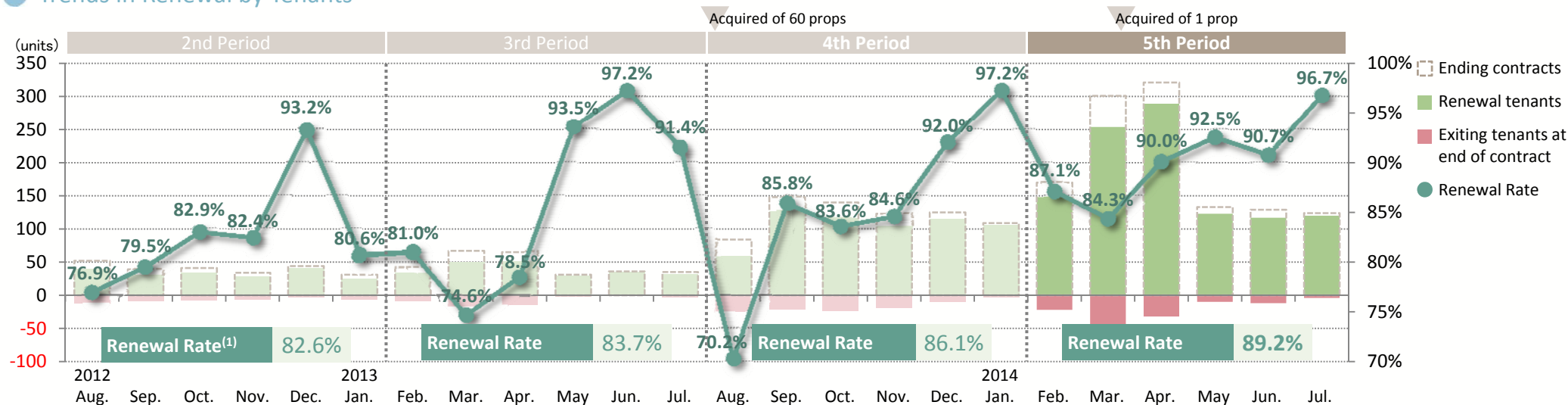
Note1: Rent by region and rent by room type do not include those from stores and offices.

Tenant Moving Trends

Trends in New Tenants and Exiting Tenants



Trends in Renewal by Tenants

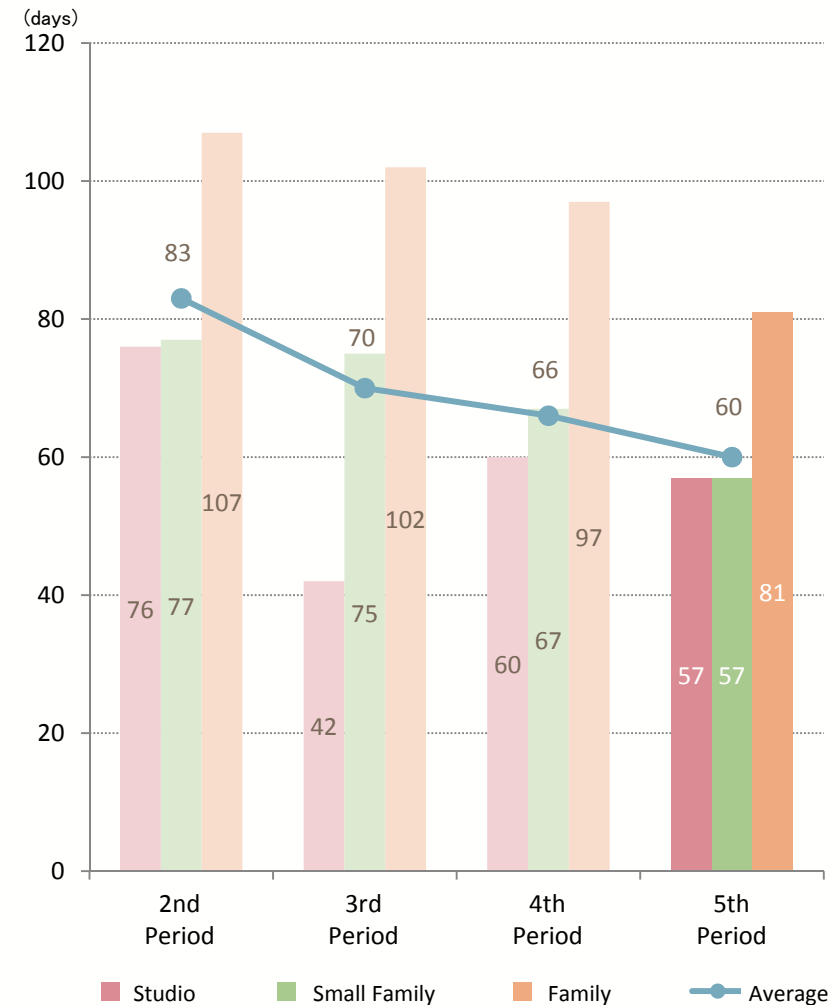
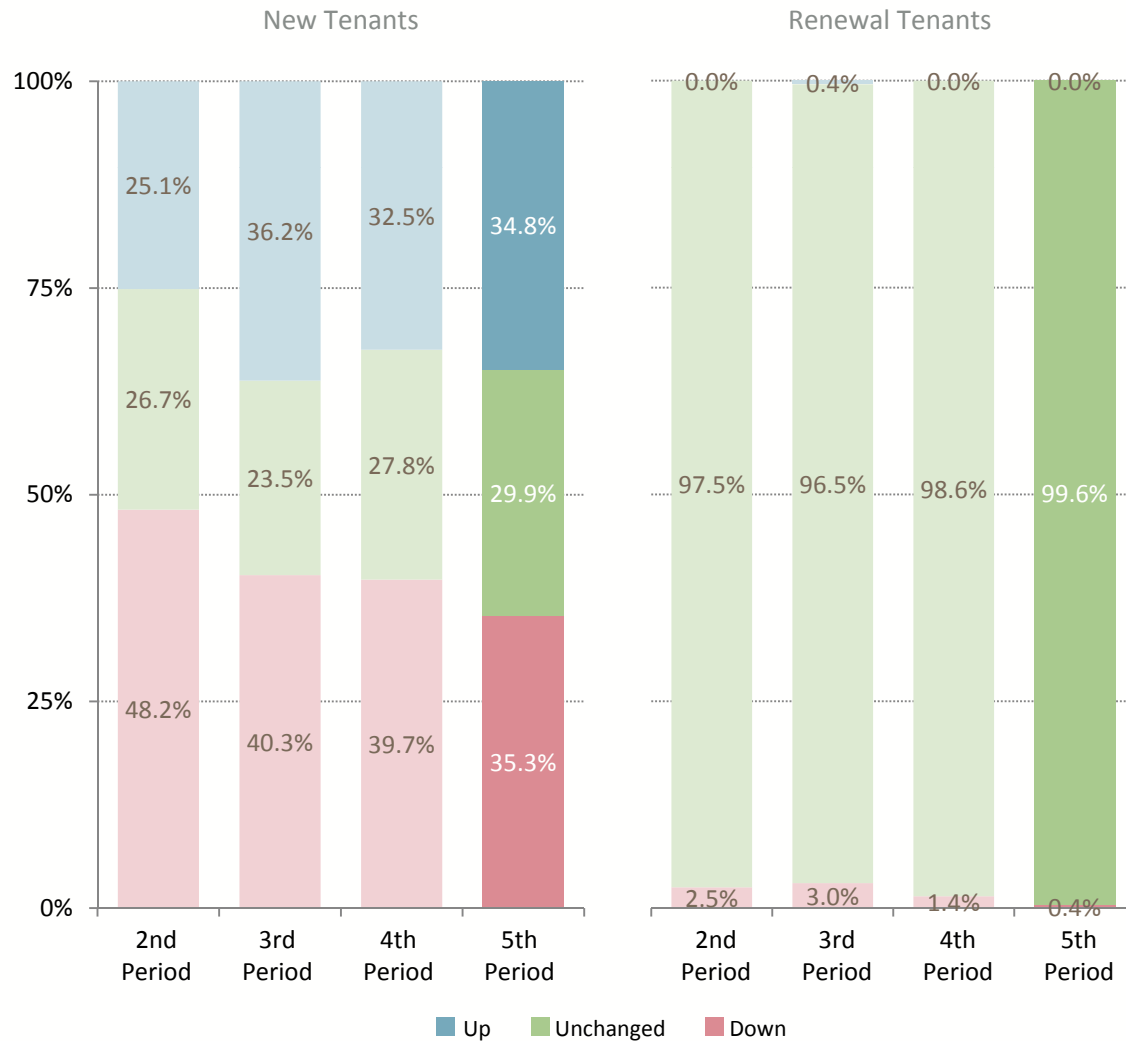


Note1: Replacement Rate=New tenants during the operating period / Rentable Units, Turnover Rate=Exiting tenants during the operating period / Rentable Units, Renewal rate=Renewal tenants during the operating period / Ending contracts during the operating period (Rounded to the nearest two decimal places)

Rent Increase/Decrease Ratio and Downtime

● Rent Increase and Decrease Ratio per Unit at the Contracts

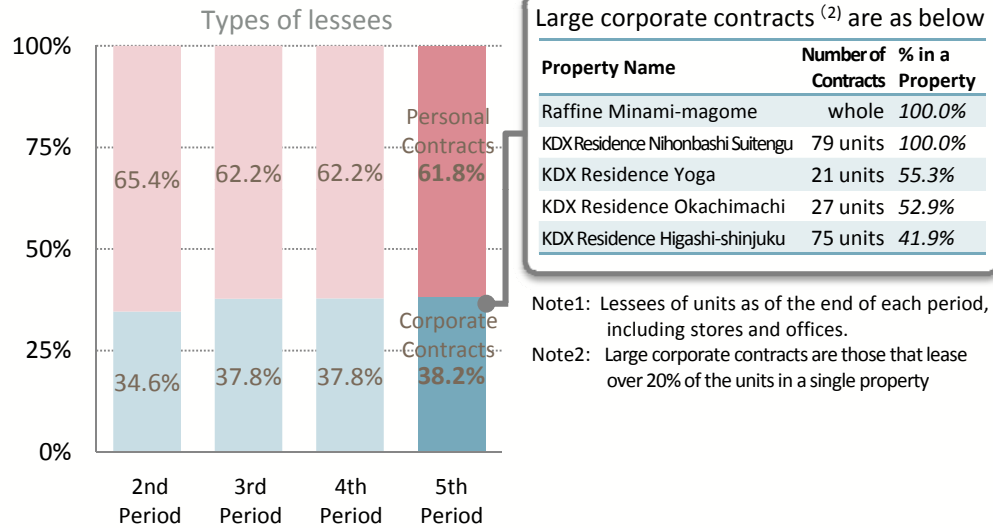
● Average Downtime⁽¹⁾



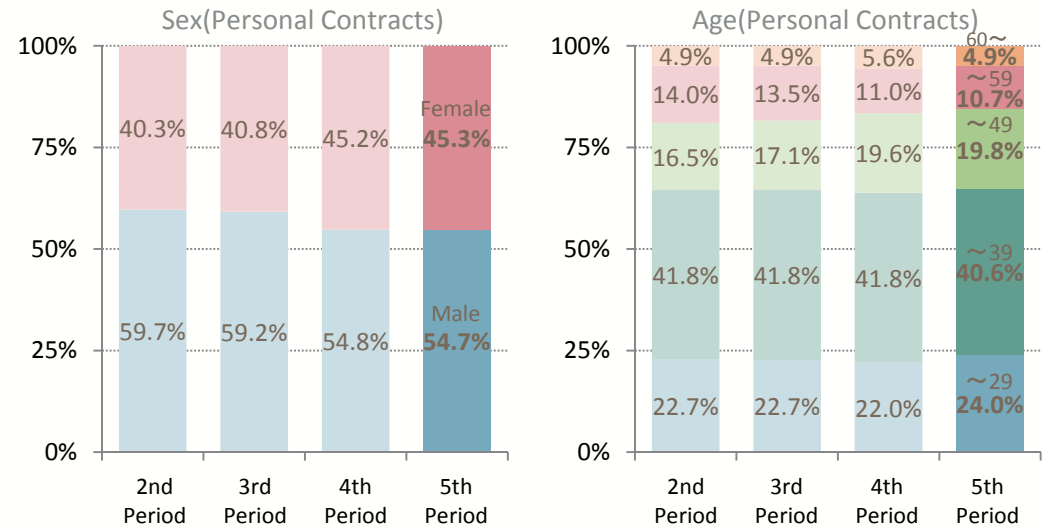
Note1: Average downtime is based on new tenants during the operating period (Rounded to the nearest one decimal places)

Tenant Demographics Analysis

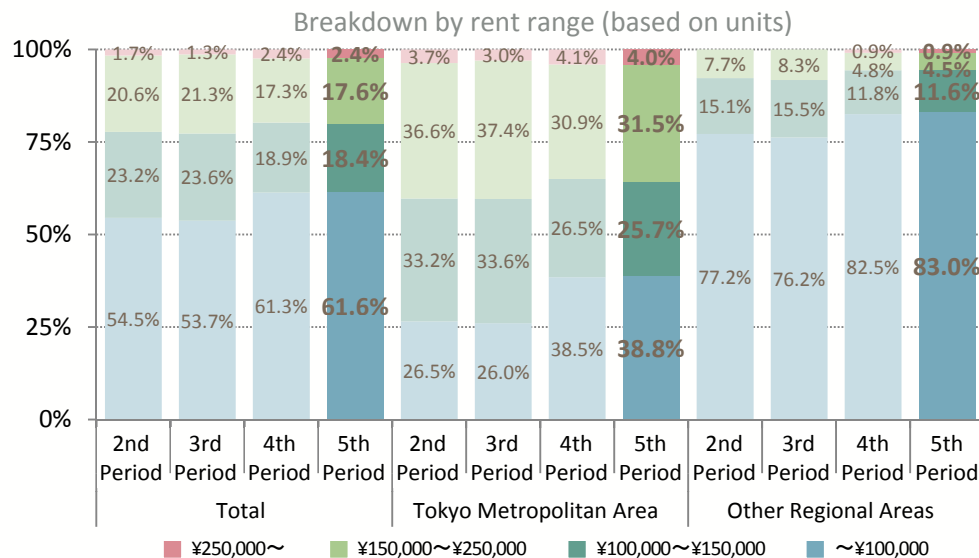
Types of Lessees⁽¹⁾



Breakdown of Personal Contracts



Breakdown by Rent Range⁽³⁾



Average Rent per Unit for Residential Units as of the end of 5th period⁽³⁾

By room type and by region

Room Type \ Region	Tokyo Metropolitan Area	Other Regional Areas	Total
Studio	¥93,794	¥68,331	¥83,970
Small Family	¥167,100	¥81,743	¥111,456
Family	¥206,038	¥173,363	¥190,980
Total	¥135,241	¥89,368	¥111,592

Note3: Breakdown by Rent Range and Average Rent per Unit for Residential Units do not include stores and offices.

Topic -1: Initiatives to Improve the Performance of Properties

● Review of Initiatives to Increase Revenue and to Cut Costs

Major Initiatives to Increase Rent Revenue

Item	Increase in revenue during 5th period	Accumulated total for 1st to 5th periods
More parking spaces leased by leasing company	+¥2.0 mil/period	¥3.5 mil/period
New/added rooftop antennas	+¥1.1 mil/period	¥2.6 mil/period
Replaced vending machines		
	+¥3.1 mil/period	+¥6.1 mil/period

Major Initiatives to Reduce Leasing Expenses

Item	Decrease in costs during 5th period	Accumulated total for 1st to 5th periods
Lower trust fees	-¥2.9 mil/period	-¥2.9 mil/period
Lower cost of property management and building maintenance	-¥11.5 mil/period	-¥14.5 mil/period
Lower cost of common area electricity	-	-¥0.6 mil/period
	-¥14.5 mil/period	-¥18.1 mil/period

- Ongoing review of initiatives to increase revenue raised income by the equivalent of ¥3.1 million per period in the 5th period.
- Costs were cut by the equivalent of ¥14.5 million per period in the 5th period by reducing smaller management costs and trust fees.
- By implementing initiatives to increase revenue and cut costs right from the first period up to now, we have achieved an improvement in earnings totaling the equivalent of ¥24.3 million per period.

● Providing More Powerful Leasing Tools for Explaining Properties by Creating Area Maps for Individual Properties



- Individual area maps were made for all properties (except land holdings).
- Providing area maps featuring detailed information about the surroundings of each property equips both leasing agents and potential tenants with specific information about the local area.

Topic -2: Increasing the Value of Ashiya Royal Homes

Increasing the value of two vacant lots in the fifth period by raising and maintaining the competitive power of Ashiya Royal Homes, which is a high quality residential property for families located in Ashiya City, Hyogo Prefecture.

Outline of the Increase in Value

Outline of Property

Location	20-10, Ohara-cho, Ashiya-shi, Hyogo	Total Leasable Units	21 units
Structure	RC	Completion Date	June 5, 1991
Number of Stories	Five stories	Acquisition Date	August 7, 2013
Unit Type	Family	Acquisition Price	¥1,360 million

Contents of the Value Increasing Project Works

Works Period	May-July 2014
Cost of Works	Lot A: ¥13.9 million (incl. cost of value increase of ¥11.0 million) Lot B: ¥12.9 million (incl. cost of value increase of ¥10.0 million)
Main Content of Works	<ul style="list-style-type: none"> ■ Converting independent kitchen into an expansive, open kitchen. ■ Complete renewal of bathroom units (bath, toilet, hand basin) ■ Change of bedroom floor specs

Investment Impact of Value Increasing

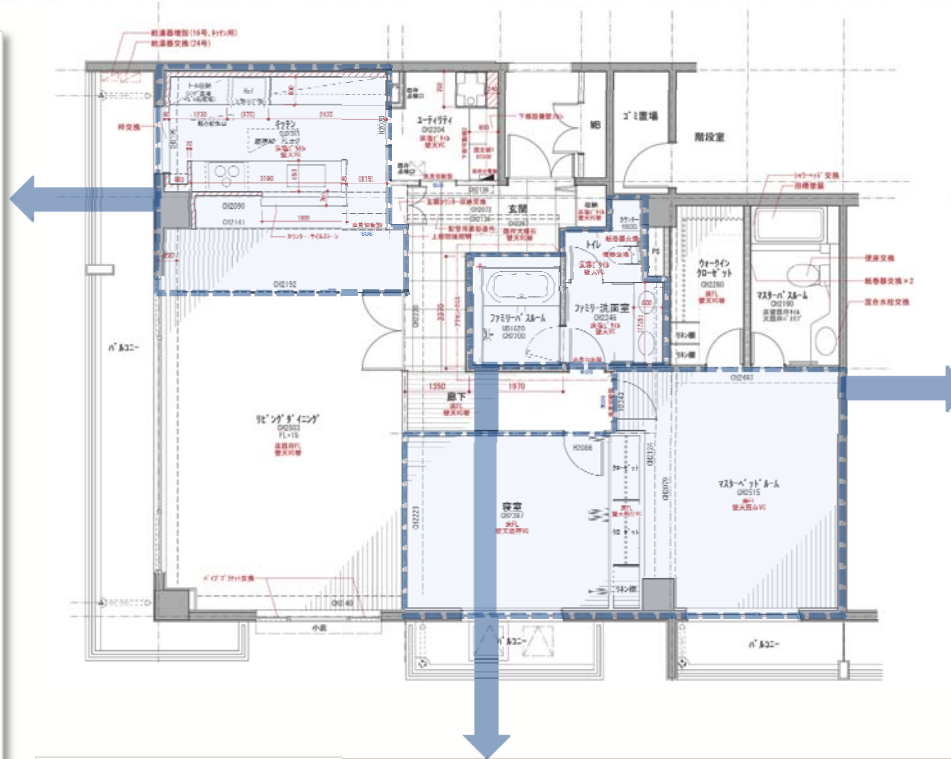
	Cost of Value Increase	New Asking Rent Rates (Increase)	Expected Yields
Lot A	¥11.0 million	¥0.53 million (+26.2%)	12.0%
Lot B	¥10.0 million	¥0.58 million (+20.8%)	12.0%



Topic -2: Increasing the Value of Ashiya Royal Homes

Expansive, open kitchen

Transforming the layout into an expansive open kitchen by installing a new hatch opening in the wall between the independent kitchen and the living area.



Changing the specs of the bedroom floor

Replacing the bedroom floor carpet with flooring.



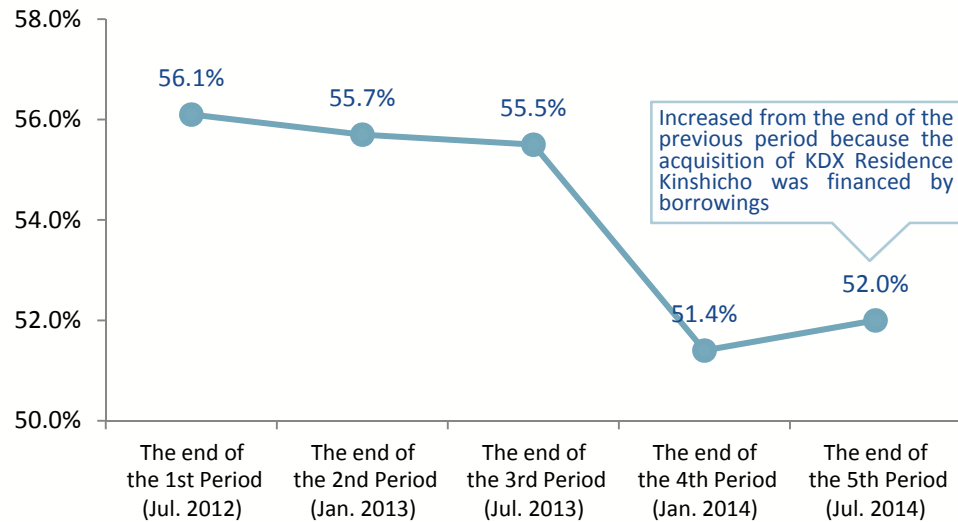
Renewing the bathroom units

Installing brand new, modern units to replace and renew the existing bathroom units (bath, toilet, hand basin).

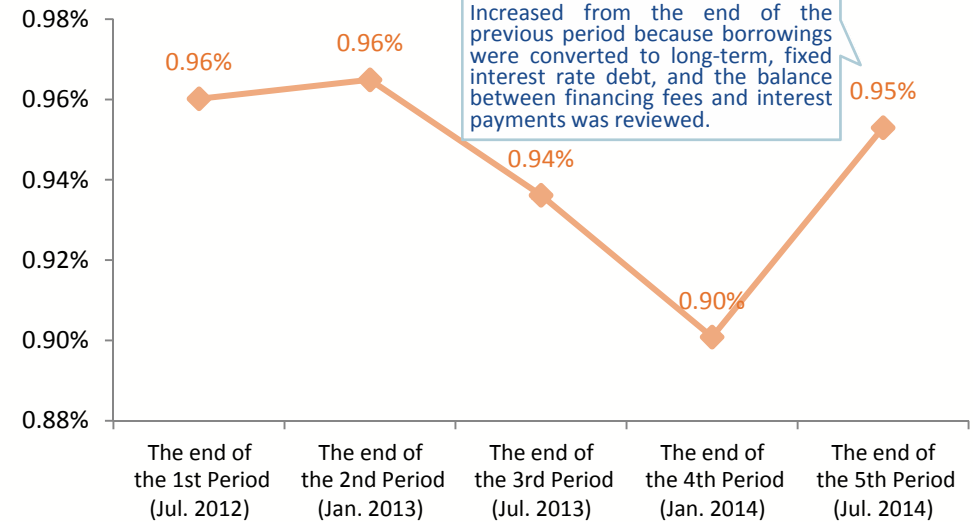


Finance -1: Trends in Key Debt Indicators

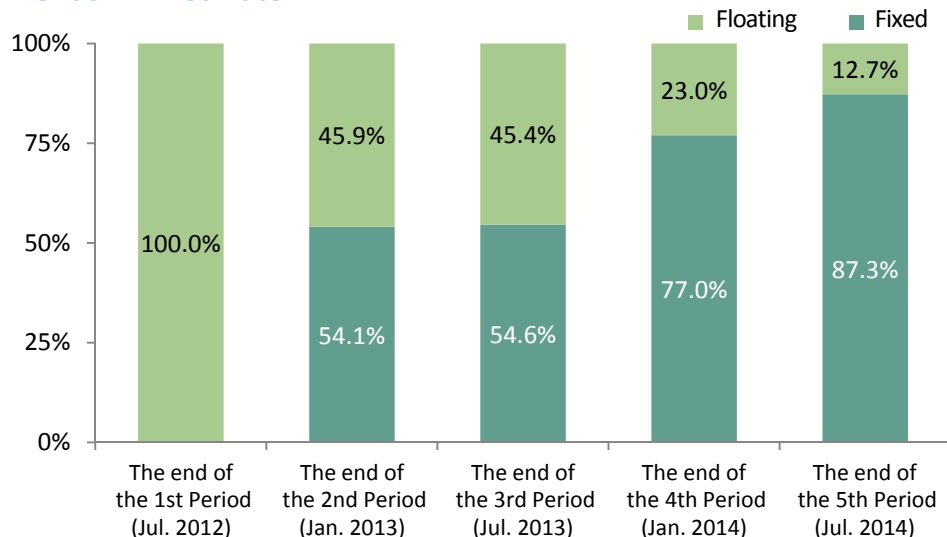
LTV (based on total assets)



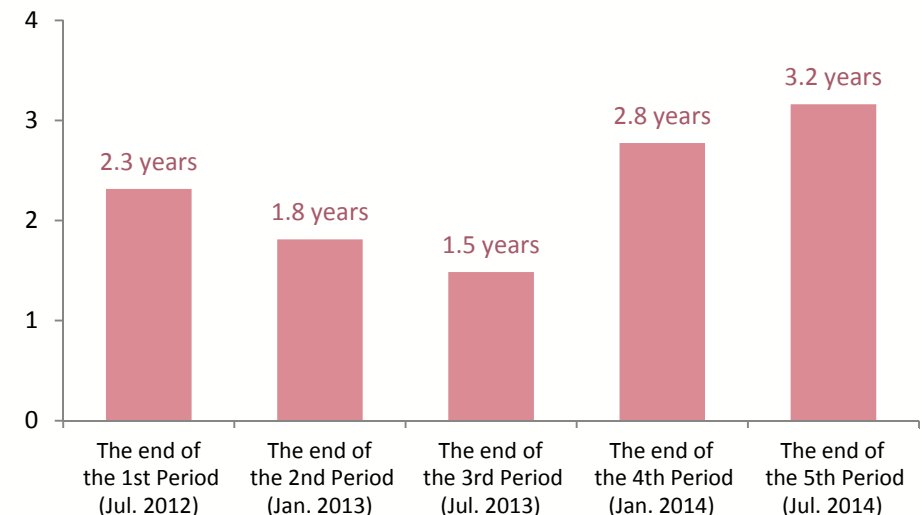
Average Borrowing Interest Rate⁽¹⁾



Trends in Fixed-rate⁽²⁾



Average Borrowing Term⁽³⁾



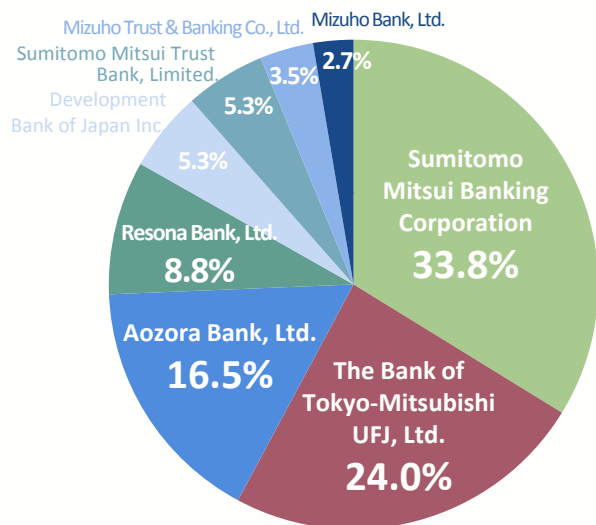
Note1: Average borrowing interest rate calculated by weighted average interest rates at the end of the period that took into consideration the effect of the interest rate cap or the interest rate swap. (Rounded to the nearest two decimal places)

Note2: The floating loans which are substantially fixed with the interest rate cap or the interest rate swap are included in the Fixed-rate.

Note3: Average borrowing term calculated by weighted average remaining term in balance (Rounded to the nearest two decimal places)

Finance -2: Breakdown of Borrowings at the End of the 5th Fiscal Period

Bank Formation

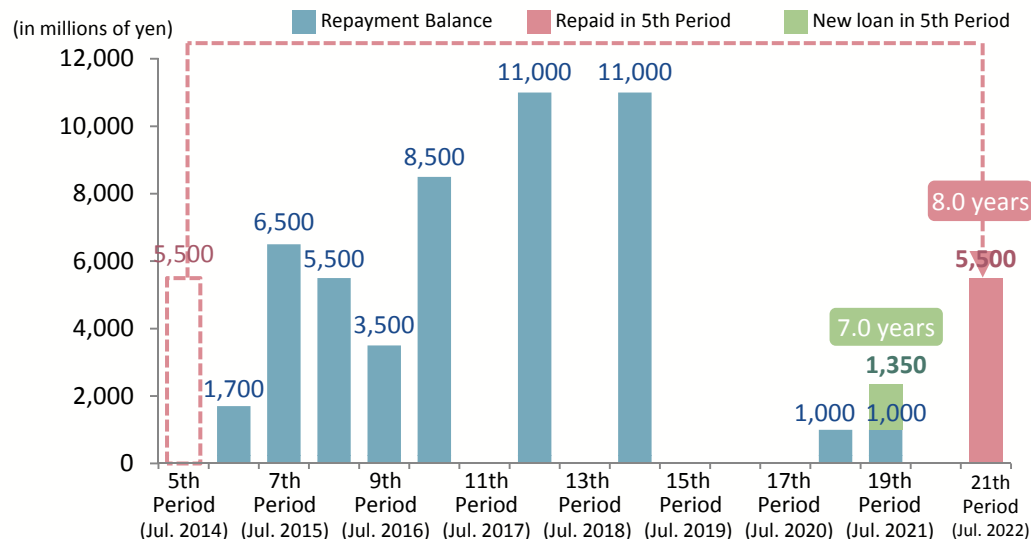


Lenders	Balance (¥million)
Sumitomo Mitsui Banking Corporation	¥19,100
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	13,600
Aozora Bank, Ltd.	9,350
Resona Bank, Ltd.	5,000
Development Bank of Japan Inc.	3,000
Sumitomo Mitsui Trust Bank, Limited.	3,000
Mizuho Trust & Banking Co., Ltd.	2,000
Mizuho Bank, Ltd.	1,500
Total	¥56,550

Overview of Loans

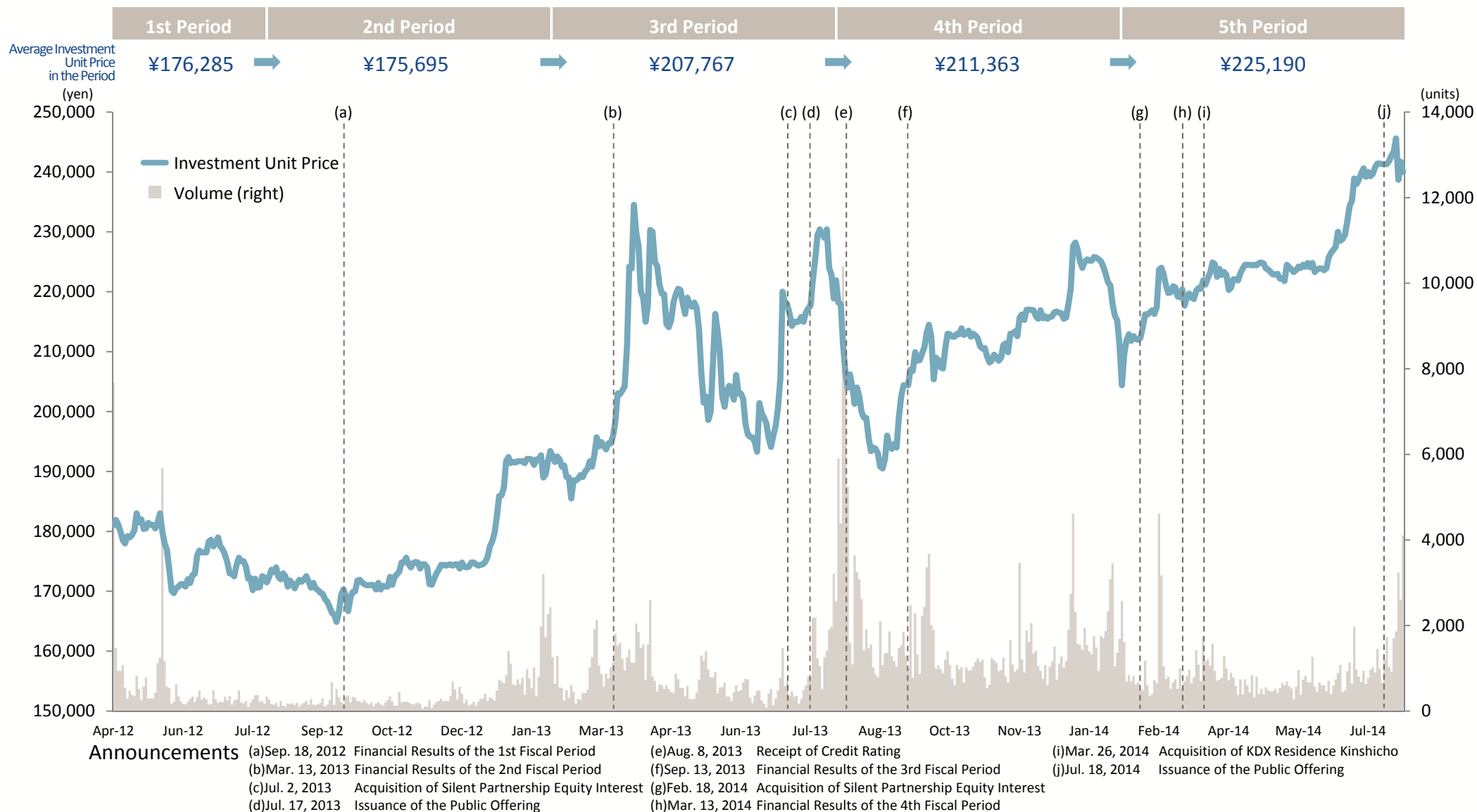
Series	Borrowing Date	Repayment Date	Borrowing Term	Remaining Term	Balance (¥ million)	Status of fixing interest rates
1-C	2012/5/1	2015/4/30	3.0	0.8	6,500	Fixing interest rate by interest cap
1-D		2016/4/30	4.0	1.8	3,500	Fixing interest rate by interest cap
3-A		2014/8/31	1.1	0.1	1,700	Floating interest rate
3-B		2015/8/31	2.1	1.1	5,500	Floating interest rate
3-C	2013/8/7	2016/8/31	3.1	2.1	8,500	Fixing interest rate by interest swap
3-D		2017/8/31	4.1	3.1	11,000	Fixing interest rate by interest swap
3-E		2018/8/31	5.1	4.1	8,000	Fixing interest rate by interest swap
3-F		2018/8/31	5.1	4.1	3,000	Fixed interest rate
4-A	2014/1/31	2021/1/31	7.0	6.5	1,000	Fixing interest rate by interest swap
4-B		2021/7/31	7.5	7.0	1,000	Fixing interest rate by interest swap
5	2014/3/28	2021/3/28	7.0	6.7	1,350	Fixing interest rate by interest swap
6-A				7.8	2,000	Fixing interest rate by interest swap
6-B	2014/4/30	2022/4/30	8.0	7.8	1,500	Fixing interest rate by interest swap
6-C				7.8	1,000	Fixing interest rate by interest swap
6-D				7.8	1,000	Fixing interest rate by interest swap
Total				3.2	56,550	

Overview of Repayment Terms



Investment Unit Price

Trends in Investment Unit Price and Trading Volume (from 1st Fiscal Period to 5th Fiscal Period)



Unitholders

Breakdown of Unitholders

Breakdown of Unitholders (as of the end of the fifth period)

Sort	Unitholders		Units		Average number of units per unitholder (units/unitholders)
	Number of unitholders	Ratio	Number of units	Ratio	
Individuals and others	11,807	97.2%	66,517	27.5%	5.6
Financial Institutions	22	0.2%	104,091	43.1%	4,731.4
Foreign companies and individuals	133	1.1%	54,841	22.7%	412.3
Other domestic companies	163	1.3%	13,808	5.7%	84.7
Security Firms	24	0.2%	2,365	1.0%	98.5
Total	12,149	100.0%	241,622	100.0%	19.9

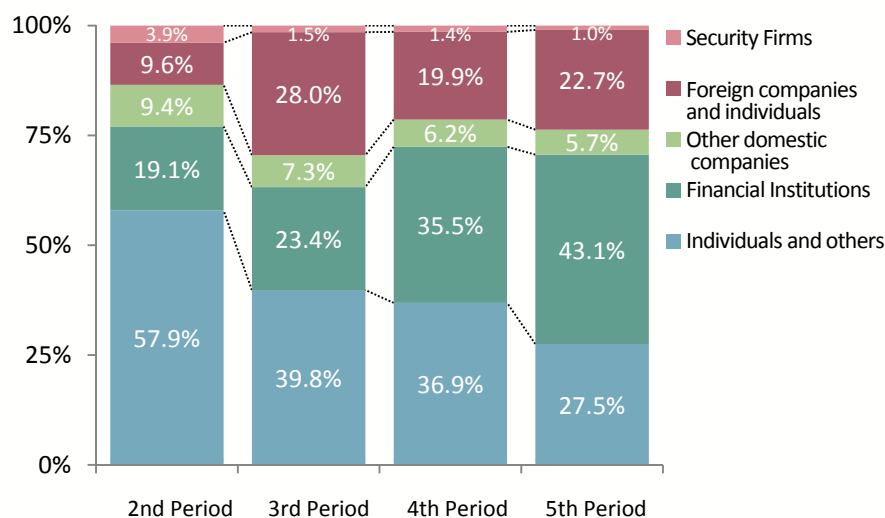
Major Unitholders

Top 10 Unitholders (as of the end of the fifth period)

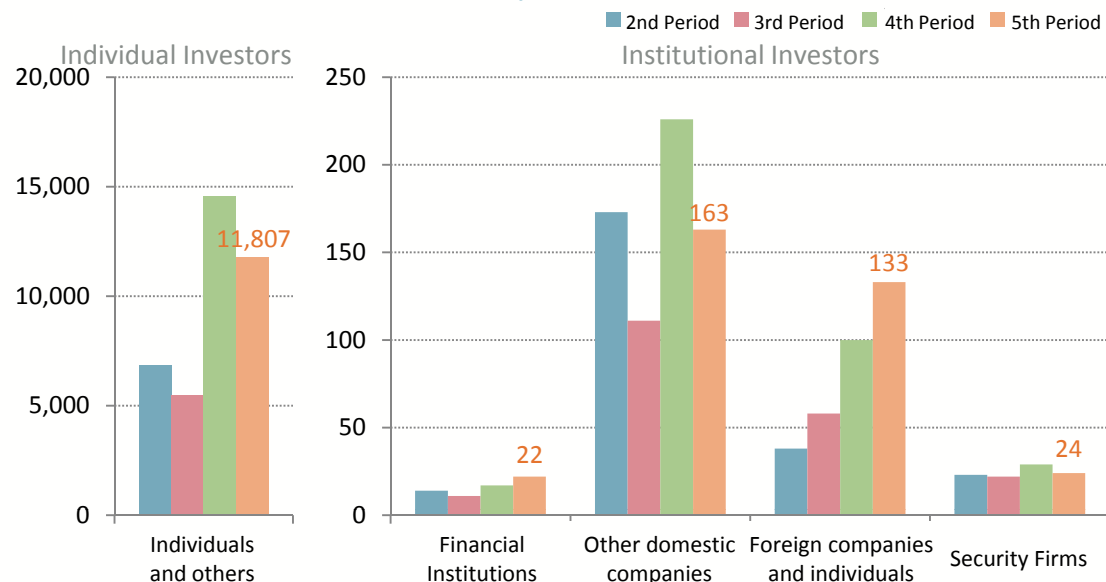
Name	Units	Ratio
Japan Trustee Services Bank, Ltd. (Trust Acct.)	58,468	24.19%
Trust and Custody Services Bank, Ltd. (Securities Investment Trust Acct.)	18,644	7.71%
The Master Trust Bank of Japan Ltd (Trust Acct)	11,530	4.77%
JP MORGAN CHASE BANK 380180	10,097	4.17%
Kenedix, Inc.	7,310	3.02%
The Nomura Trust Banking Co., Ltd. (Trust Acct.)	6,866	2.84%
THE BANK OF NEW YORK, NON-TREATY JASDEC ACCOUNT	5,672	2.34%
NOMURA BANK (LUXEMBOURG) S.A.	4,981	2.06%
CREDIT SUISSE SECURITIES (EUROPE) LIMITED PB OMNIBUS CLIENT ACCOUNT	3,305	1.36%
GOLDMAN, SACHS & CO. REG	2,800	1.15%
Total	129,673	53.66%

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

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



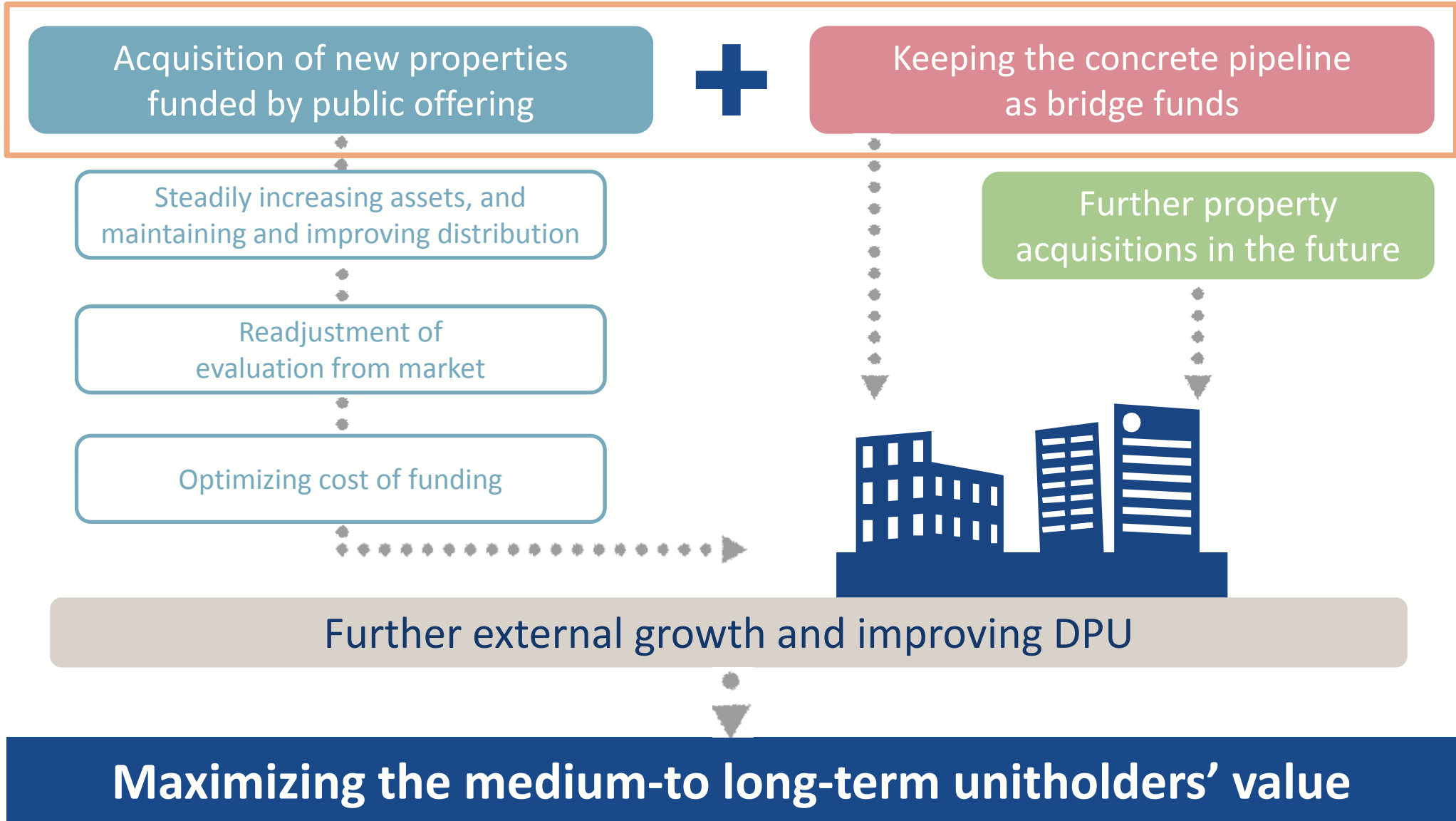
Trends in Numbers of Unitholders by Sort



2. Overview of the Recent Public Offering and Outlook for the 6th Fiscal Period (Ending January 2015)

Purpose of the Recent Public Offering (Issued on August 2014)

● Our Actions

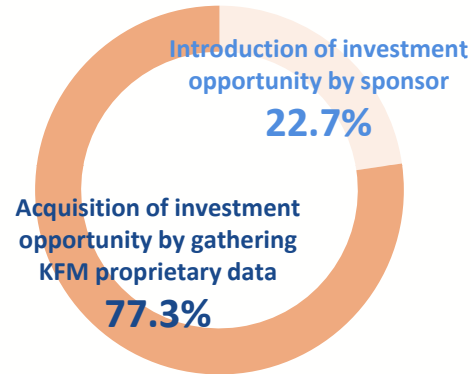


Newly Acquired Properties by the Public Offering

● Outlook of Newly Acquired Properties



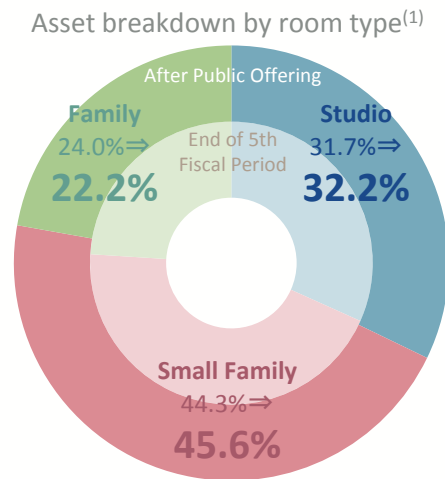
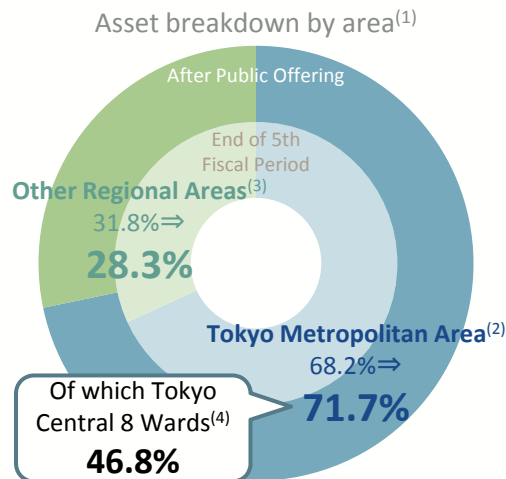
Breakdown of Property Acquisition Route



● List of Newly Acquired Properties

 F	 S	 SF
T-49 KDX Residence Nihombashi Hamacho	T-50 KDX Residence Nihombashi Ningyocho	T-51 KDX Residence Jiyugaoka
 SF	 S	 S
T-52 KDX Residence Togoshi	T-53 KDX Residence Shinagawa Seaside	T-54 KDX Residence Ojima
 SF	 F	
T-55 KDX Residence Oyama	R-34 Melody Heim Gotenyama	

● Area and Room Type



Note 1: Asset Breakdowns are indicated by percentage of acquisition prices (inner circle represents 81 properties at the end of the 5th period, outer circle represents 89 properties after PO). Acquisition price refers to the pre-tax price that does not include the expenses spent on the acquisition of the properties.

Note 2: Tokyo Metropolitan Area includes Tokyo, Kanagawa, Saitama and Chiba.

Note 3: Other Regional Areas include government-designated municipalities and other regional hub cities.

Note 4: Tokyo Central 8 Wards include Minato-ku, Shibuya-ku, Chuo-ku, Chiyoda-ku, Shinjuku-ku, Meguro-ku and Shinagawa-ku.

Trends in Key Asset Management Indicators

	The End of the 5th Period (July 31, 2014)	Newly Acquired Properties by Public Offering	After the Public Offering
Number of Investment Properties	81 Props	8 props	89 props
Total Acquisition Price	¥100.3 billion	¥14.0 billion	¥114.4 billion
Average NOI Cap Rate ⁽¹⁾	5.6 %	5.4 %	5.6 %
Average Occupancy Rate ⁽²⁾	95.7 %	92.5 %	95.4 %
Rentable Units	4,891 units	672 units	5,563 units
Total Market Cap of Investment Units ⁽³⁾	¥57.9 billion		¥76.7 billion
LTV ⁽⁴⁾	52.0 %		51.1 %
NAV per Unit ⁽⁵⁾	221,225 yen		225,915 yen

Note 1: The average NOI cap rate is calculated based on the method outlined below: [The end of the 5th period (July 31, 2014)] The annualized value shown for leasing NOI (for properties acquired during the 5th period, the leasing NOI used for this period is the amount calculated by dividing the actual number of operating days into the total number of operating days for the period) is calculated based on the actual amount recorded during the period, for the properties owned by KDR at the end of the period. [Newly acquired properties by public offering] The total amount of appraisal NOI on the basis of the acquired real estate appraisal at the time of the acquisition of new properties divided by the total acquisition price of the newly acquired properties. [After the public offering] The sum of annualized value for the leasing NOI, calculated based on the actual amount recorded during the 5th period, for the properties owned by KDR at the end of the period, and the appraisal NOI on the basis of the acquired real estate appraisal at the time of the acquisition of new properties divided by the total acquisition value.

Note 2: Each average occupancy rate is as of the end of July 2014. However, average occupancy rate for newly acquired properties by public offering are calculated based on the materials released by the seller.

Note 3: The total market cap of investment units is calculated based on the following prices: [The end of the 5th period (July 31, 2014)] Investment unit closing price of ¥240,000 as of July 31, 2014 [After the public offering] Investment unit closing price of ¥275,000 as of September 12, 2014

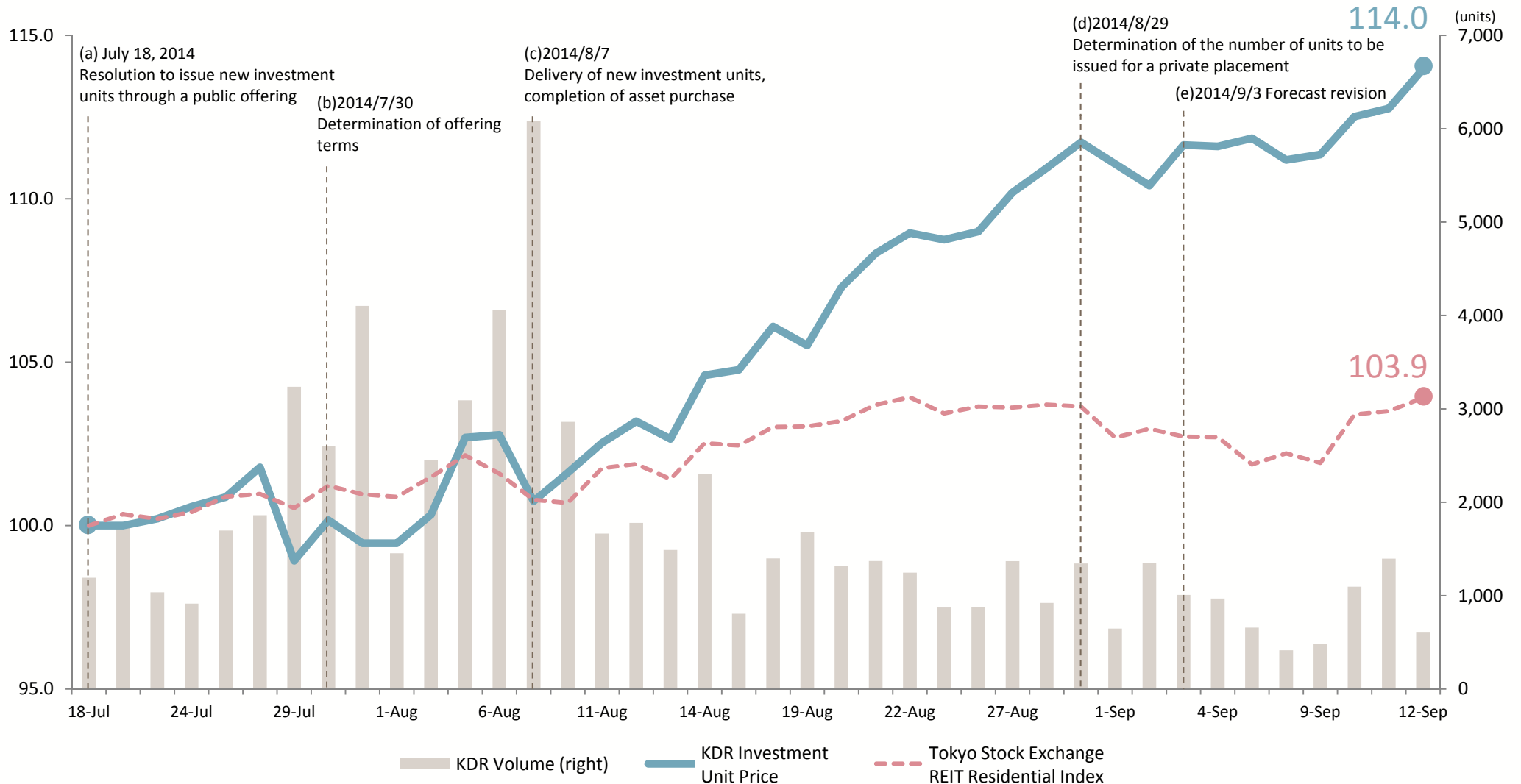
Note 4: The LTV is calculated based on the method outlined below: [The end of the 5th period (July 31, 2014)] Total interest-bearing debt at the end of the 5th period divided by total assets. [After the public offering] Sum (¥63,450 million) of borrowings at the end of the 5th period and interest-bearing debt at the public offering (¥6,900 million) divided by the sum (¥15,428 million) of total assets at the end of the 5th period, interest-bearing debt and amount paid (¥8,528 million) at the public offering. Amount after the public offering is a currently estimated value that is therefore subject to change.

Note 5: The NAV per distribution unit is calculated based on the method outlined below: [The end of the 5th period (July 31, 2014)] The NAV calculated by subtracting the sum of the period-end unappropriated retained earnings and the book value of the property, plant and equipment from the sum of the net assets at the end of the 5th period and the amount of the period-end appraisal value divided by the number of investment units issued and outstanding at the end of the period (241,622 units). [After the public offering] This has been calculated by dividing the NAV calculated by subtracting the total of the period-end unappropriated retained earnings, book value of the property, plant and equipment and acquisition costs at the time of the public offering (¥14,068 million), from the net assets, the period-end appraisal value, the paid-in amount from the public offering, and the appraisal value (¥15,144 million) by the number of investment units issued and outstanding (279,122 units).

Readjustment of evaluation from market by Implementation of the Public Offering

● Performance of the Investment Unit Price after the Announcement of Public Offering⁽¹⁾

(From July 18, 2014 to September 12, 2014)



Note 1: The investment unit price for the public offering announcement date (July 18, 2014) and the closing price for the Tokyo Stock Exchange REIT Residential Index have each been indexed to an initial value of 100.

Forecast for the Sixth Fiscal Period (ending January 31, 2015)

(in millions of yen)

Account	5th Period	6th Period	5th Period Actual vs 6th Period Actual Comparison	
	Actual 181 days	Forecast 184 days		
Operating Term				
Operating revenues	¥3,743	¥4,172	+429	+11.5%
Rent revenue-real estate	3,354	3,820	+465	+13.9%
Other lease business revenue	334	273	-60	-18.1%
Dividends Income	54	78	+23	+43.7%
Operating Expenses	¥1,887	¥2,006	+118	+6.3%
Expenses related to rent business	924	928	+4	+0.4%
Depreciation	561	634	+72	+12.9%
Other lease business expenses	401	443	+42	+10.5%
Operating income	¥1,856	¥2,166	+310	+16.7%
Non-operating income	0	0	+0	-
Non-operating expenses	398	482	+84	+21.2%
Interest expenses, etc.	357	432	+74	+21.0%
Other non-operating expenses	40	50	+9	+23.7%
Ordinary Income	¥1,458	¥1,684	+225	+15.5%
Income before income taxes	1,458	1,684	+225	+15.5%
Total income taxes	0	1	+0	+10.9%
Net income	¥1,457	¥1,683	+225	+15.5%
Total Dividend	1,457	1,683	+225	+15.5%
Distribution per Unit	6,033円	6,030円	-3円	-0.0%
NOI ⁽¹⁾	2,764	3,165	+401	+14.5%
FFO ⁽²⁾	2,060	2,367	+307	+14.9%

The estimated average occupancy rate for the 6th period is 95.5%. Expect to increase from the previous period because of the full-year operation of KDX Residence Kinshicho and the acquisition of 8 properties by the public offering.

Expect to decrease from the previous period due to a decrease in key money, renewal fees and other one-time revenue because the 6th period will not be a busy period of tenants. The exit penalties expected to be decreased.

Expect to increase from the previous period due to the start of receiving full-year portion of the distributions associated with the silent partnership equity interests (¥565 million) of G.K. Creek Investment II, which was acquired in February and March 2014, and the start of receiving distributions associated with the silent partnership equity interests (¥150 million) of G.K. Creek Investment III, which was acquired in July 2014.

Expect to start posting property, city planning and other taxes as costs (approx. ¥25 million) from the 7th period for KDX Residence Kinshicho and the 8 properties acquired by the public offering.

Renewal appraisal expenses and asset management fees (II) are expected to be higher than the previous period due to the larger number of properties. Will start posting asset management fees (I) (approx. ¥21 million) from the 7th period for the 8 properties acquired by the public offering.

Expect to increase from the previous period due to the posting of interest expenses associated with new loans to purchase properties and financing expenses associated with the establishment of syndicated loans, etc.

Number of investment units issued and outstanding is expected to increase 15.5% from 241,622 at the end of the 5th period to 279,122 at the end of the 6th period because of the implementation of public offering and third party allotment associated with over-allotment.

Note1: NOI(Net Operating Income)=Operating income - Operating expenses(ex. Depreciation)

Note2: FFO(Funds From Operation)=Net income + Depreciation + Deferred Assets Amortization +/- Gains or Losses on Sales

For Reference: Trends in Operating Revenues

Changes from 1st Period to 7th Period

	Initial Public Offering(April 2012)			Public Offering(August 2013)		Public Offering(August 2014)	
	1st Period Actual (Ended Jul. 31, 2012)	2nd Period Actual (Ended Jan. 31, 2013)	3rd Period Actual (Ended Jul. 31, 2013)	4th Period Actual (Ended Jan. 31, 2014)	5th Period Actual (Ended Jul. 31, 2014)	6th Period Forecast (Ending Jan. 31, 2015)	7th Period Forecast (Ending Jul. 31, 2015)
Operating Term	92.4 days	184 days	181 days	184 days	181 days	184 days	181 days
Number of Properties	20 props			80 props	81 props	89 props	
Impact of property tax and city planning tax				Recorded expenses (20 properties)		Recorded expenses (60 properties)	
						Recorded expenses (9 properties)	
Impact of consumption tax	5%			8%			

(in millions of yen, except some of the description of the unit)

Operating Revenue	¥553	¥1,114	¥1,135	¥3,616	¥3,743	¥4,172	¥4,174
Operating Income	336	615	553	2,125	1,856	2,166	2,089
Ordinary Income	256	464	407	1,633	1,458	1,684	1,633
Net Income	254	463	406	1,632	1,457	1,683	1,632
Distribution per Unit	3,378 yen	6,145 yen	5,390 yen	6,756 yen	6,033 yen	6,030 yen	5,850 yen
Issued Number of Investment Units	75,440 units			241,622 units		279,122 units	
NAV per Unit	184,589 yen	186,595 yen	194,921 yen	210,508 yen	221,225 yen	After the Public Offering ⁽¹⁾	225,915 yen
LTV	56.1%	55.7%	55.5%	51.4%	52.0%		51.1%

Note 1: Regarding the NAV per unit and LTV after the public offering, see page 26 of the presentation.

3. Towards Realizing Sustained Expansion in Unitholders' Value

Framework for Increasing Unitholders' Value

1) External Growth Strategy

Secure additional earnings by leveraging the lower implied cap rate, and reduce fund management costs ratio through economies of scale

2) Internal Growth Strategy

Stabilize occupancy rates at an appropriate level, maintain and increase rent level, and improve management efficiency further

3) Financial Strategy

Leverage the current environment of active capital markets and low interest rates to procure funds on favorable terms

$$\text{Unitholders' Value} \uparrow = \frac{\text{Cash Flow (Distribution)} \uparrow}{\text{Risk Premium (Expected Return)} \downarrow}$$

1) External Growth Strategy

Achieve further external growth, secure continued market expectation for external growth, and guarantee appropriate investment discipline for property acquisitions

2) Internal Growth Strategy

Secure high-quality tenants (leasing contracts), and further accumulate track record of performance

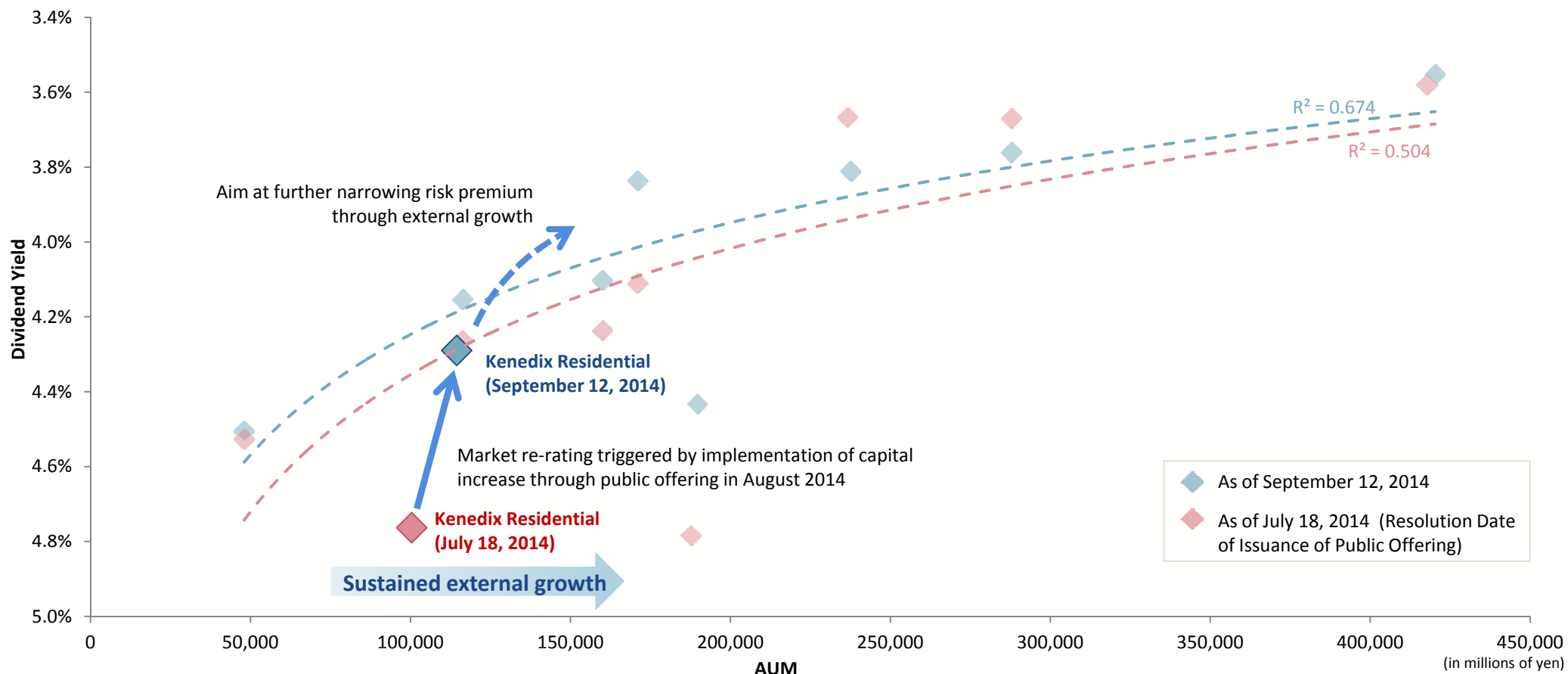
3) Financial Strategy

Increase liquidity of investment units, diversify the investor profile through inclusion in real estate indices, make a further increase of fixed long-term borrowing ratio, and improve credit rating

**We aim to raise unitholders' value even more
by simultaneously reducing the risk premium still further, and increasing cash flows**

Impact of "External Growth" on Risk Premium

● Residential J-REIT Valuation Map – Based on Assets Under Management (AUM⁽¹⁾) and Risk Premium (Dividend Yield⁽²⁾)



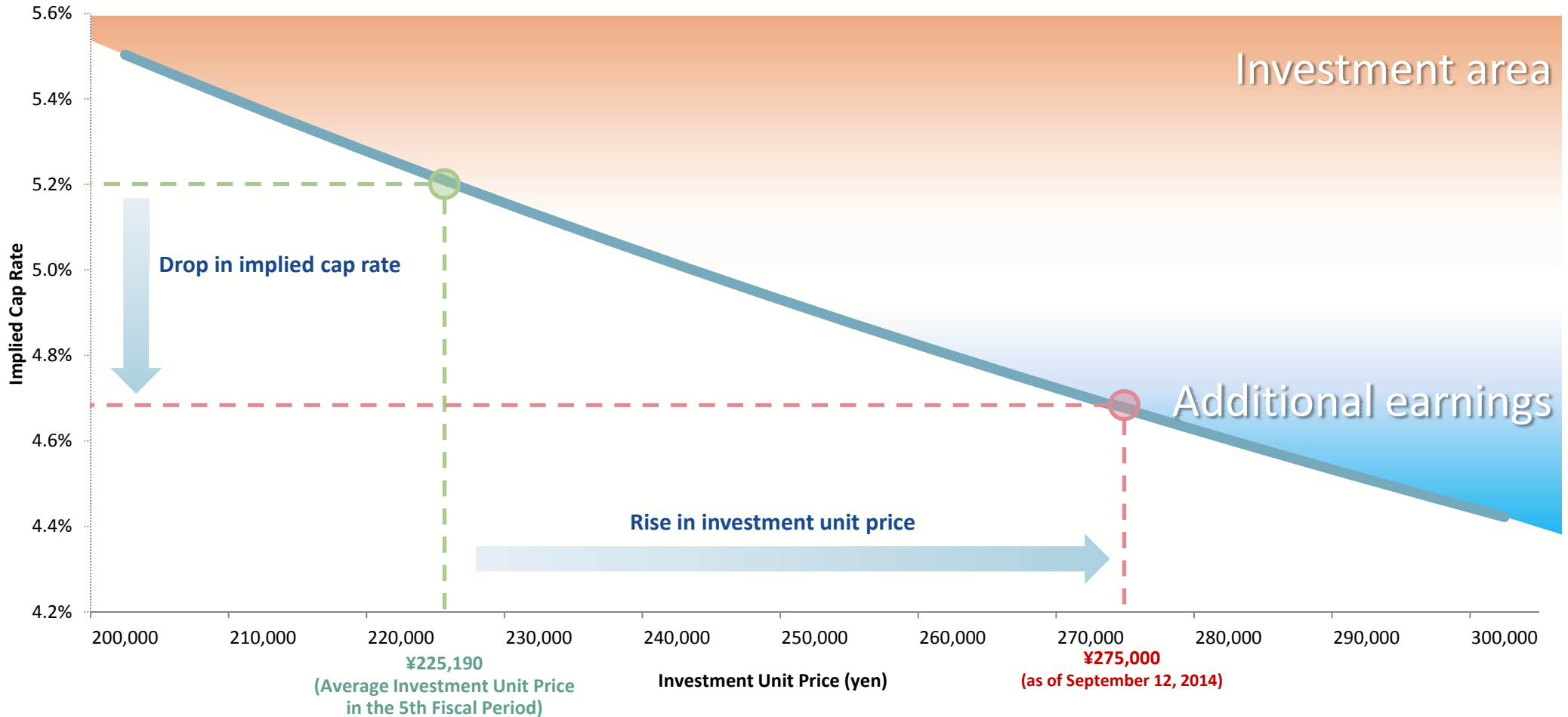
Note 1: AUM is based on the total acquisition costs announced by the following residential J-REITs: Nippon Accommodations Fund Inc., Nomura Real Estate Residential Fund, Inc., Advance Residence Investment Corporation, Comforia Residential REIT, Inc., Sekisui House SI Investment Corporation, Starts Proceed Investment Corporation, Daiwa House Residential Investment Corporation, and Japan Rental Housing Investments Inc. (listed in order of securities code numbers).

Note 2: Dividend yield is an estimate by KFM based on forecasts announced by the residential J-REITs (most recent data available at each point of time).

We aim to further reduce risk premium by realizing sustained external growth.

Lower Equity Cost Leads to Investment Area Expansion and Additional Earnings

● Higher Investment Unit Price Lowers Implied Cap Rate⁽¹⁾



Note 1: Implied cap rate = Annual NOI/Total investment unit price + Interest-bearing debt + Security deposits – Cash (Based on 6th period forecast)

Generating additional earnings through external growth by leveraging reduced equity cost while strictly maintaining investment discipline in property acquisition

Multifaceted Opportunities for Further External Growth

1 Properties with Preferential Negotiating Rights (Bridge Funds)

G. K. Creek Investment II

Investment Amount	¥565 million
Date of Acquisition	Feb. 20, 2014 / Mar. 7, 2014
Period of Preferential Negotiation Rights	Until Feb. 28, 2017

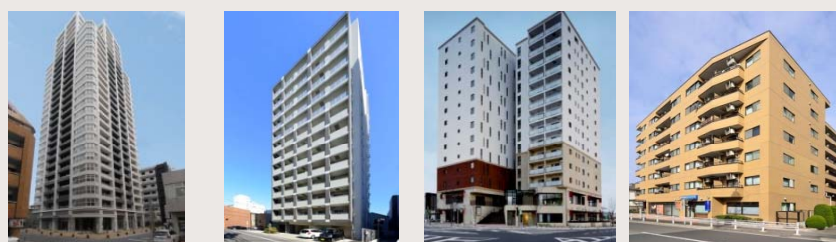
Appraisal Value

¥9.2 billion

Minimum Acquisition Price

¥9.0 billion

Properties under management of Silent Partnership



Location (Address)	Fukuoka-shi, Fukuoka	Taito-ku, Tokyo	Kusatsu-shi, Shiga	Yokohama-shi, Yokohama
Appraisal Value	¥4,720 million	¥1,150 million	¥2,120 million	¥1,220 million

G. K. Creek Investment III

Investment Amount	¥150 million
Date of Acquisition	Jul. 10, 2014
Period of Preferential Negotiation Rights	Until Jan. 9, 2017

Appraisal Value

¥5.9 billion

Minimum Acquisition Price

The Price which achieves Target IRR

Properties under management of Silent Partnership



Location (Address)	Setagaya-ku, Tokyo	Taito-ku, Tokyo	Tachikawa-shi, Tokyo
Appraisal Value	¥1,430 million	¥1,310 million	¥3,160 million

2 Property Acquisition by the Sponsor's Support

- Extensive property acquisition network developed as one of the largest independent real estate asset management companies in Japan.
- Access to residential properties owned or managed by the Kenedix Group.

Residential Properties AUM
of KDX Group

¥31.0 billion

(as of the end of Jun. 2014
Excluding KDR's properties and
Properties operated in TK left.)

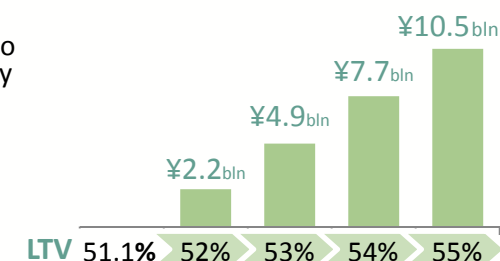
3 Flexible Property Acquisition Using Additional Borrowing Potential

- Lower LTV, achieved by capital increase through public offering, leverages additional borrowing capacity thus created and prevents opportunities to acquire properties from slipping away

Debt Capacity with LTV Increasing

Debt Capacity

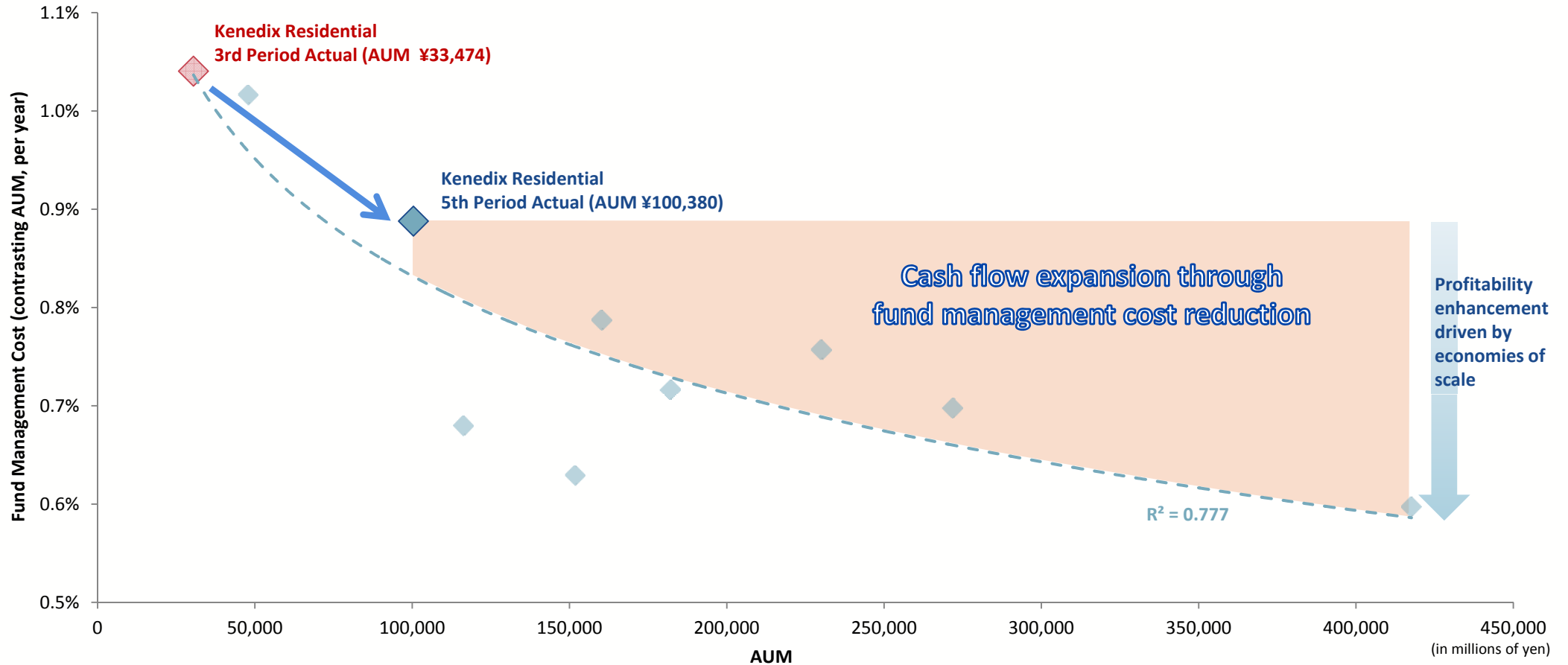
Approx. 10.5 billion



Further promoting "External Growth" that contributes to raising unitholders' value by securing opportunities to acquire desirable properties through existing bridge funds and utilizing multifaceted opportunities for property acquisition

Realize "Economies of Scale" by Further External Growth

Residential J-REIT Management - Correlation Between "External Growth" and "Fund Management Cost⁽¹⁾"



Note 1: Fund management cost is the total management cost of a investment corporation, including annualized asset management fees and other costs related to fund operation, net of real estate leasing business related expenses and debt-related expenses.

Note 2: Prepared by Kenedix Real Estate Fund Management, Inc. based on information announced by residential-REIT companies (data available as of September 12, 2014).

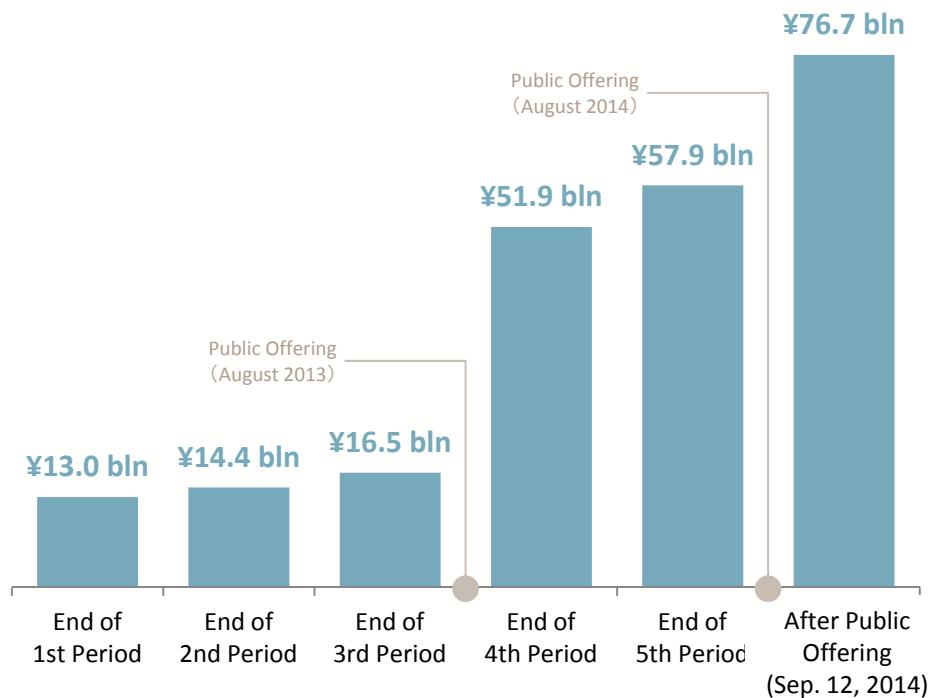
Further expanding cash flows by continuing efforts to reduce operating costs and lowering fund management cost ratio through external growth

Our Targets

Early Realization of

Total Market Cap of **¥100.0 billion**

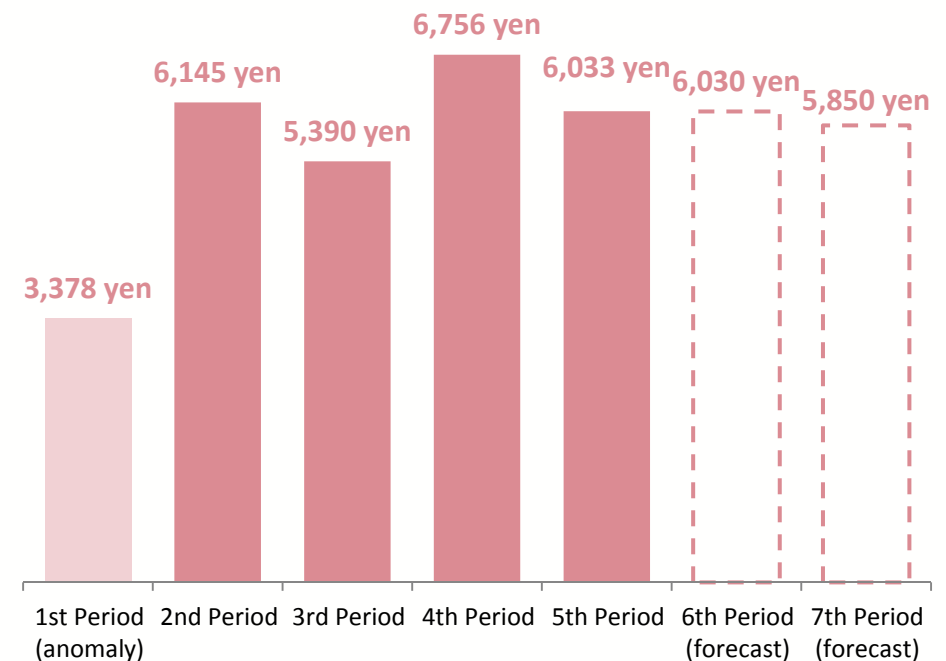
KDR's Total Market Cap of Investment Units



Assure Stable Payment of

Distribution per Unit of **¥6,000**

KDR's Distribution per Unit



Achieving the above targets to consistently enhance unitholders' value

Appendices

Financial Statements

Balance Sheets

(in thousands of yen)

Account	the Fourth Fiscal Period (as of January 31, 2014)	the Fifth Fiscal Period (as of July 31, 2014)
Assets		
Current assets		
Cash and deposits	2,159,067	1,824,572
Cash and deposits in trust	2,390,547	2,532,728
Operating accounts receivable	16,105	20,291
Prepaid expenses	7,282	3,787
Deferred tax assets	20	13
Other	132,373	15,180
Total current assets	¥4,705,395	¥4,396,573
Noncurrent assets		
Property, plant and equipment		
Land	2,787,376	2,787,376
Buildings in trust	40,983,765	41,007,496
Structures in trust	276,360	269,174
Machinery and equipment in trust	641,343	643,512
Tools, furniture and fixtures in trust	11,257	18,877
Land in trust	56,889,348	57,779,010
Construction in progress in trust	1,567	-
Total property, plant and fixtures in trust, net	¥101,591,020	¥102,505,448
Investments and other assets		
Investment securities	405,922	1,132,980
Lease and guarantee deposits	10,982	10,982
Long-term prepaid expenses	489,832	509,936
Other	20,053	6,037
Total investment and other assets	¥926,790	¥1,659,937
Total of Fixed Assets	¥102,517,810	¥104,165,386
Deferred assets		
Deferred organization costs	29,327	24,112
Investment unit issuance costs	148,462	112,907
Total deferred assets	¥177,789	¥137,019
Total assets	¥107,400,995	¥108,698,979

(in thousands of yen)

Account	the Fourth Fiscal Period (as of January 31, 2014)	the Fifth Fiscal Period (as of July 31, 2014)
Liabilities		
Current liabilities		
Operating accounts payable	222,804	290,289
Current portion of long-term loans payable	7,200,000	8,200,000
Accounts payable-other	126,021	124,015
Accrued expenses	6,932	6,956
Income taxes payable	705	675
Accrued consumption taxes	-	15,076
Advances received	492,315	507,114
Deposits received	40,000	37,258
Total current liabilities	¥8,088,779	¥9,181,387
Noncurrent liabilities		
Long-term loans payable	48,000,000	48,350,000
Tenant leasehold and security deposits in trust	1,103,239	1,130,525
Total noncurrent liabilities	¥49,103,239	¥49,480,525
Total liabilities	¥57,192,018	¥58,661,912
Net assets		
Unitholders' equity		
Unitholders' capital	48,592,739	48,592,739
Surplus		
Unappropriated retained earnings (undisposed loss)	1,632,542	1,457,756
Total surplus	1,632,542	1,457,756
Total unitholders' equity	¥50,225,281	¥50,050,496
Deferred gains or losses on hedges	△16,305	△13,429
Total net assets	¥50,208,976	¥50,037,066
Total liabilities and net assets	¥107,400,995	¥108,698,979

Financial Statements

Statements of Income and Retained Earnings (in thousands of yen)

	the Fourth Fiscal Period from: Aug. 1, 2013 to: Jan. 31, 2014	the Fifth Fiscal Period from: Feb. 1, 2014 to: Jul. 31, 2014
Operating revenues		
Rent revenues-real estate	3,312,812	3,354,165
Other lease business revenue	283,257	334,486
Dividends Income	20,095	54,785
Total operating revenues	3,616,165	3,743,437
Operating expenses		
Expenses related to rent business	1,230,090	1,486,033
Asset management fees	136,124	236,832
Asset custody fee	7,400	4,571
Administrative service fees	21,965	24,580
Directors' compensation	4,500	4,500
Other operating expenses	90,741	130,718
Total operating expenses	1,490,822	1,887,235
Operating Income	¥2,125,342	¥1,856,201
Non-operating income		
Interest income	210	147
Other non-operating income	-	321
Total non-operating income	210	469
Non-operating expenses		
Interest expenses	227,924	247,506
Derivative-related expenses	12,070	11,834
Borrowing expenses	211,368	98,045
Amortization of deferred organization cost	5,300	5,214
Amortization of investment unit issuance cost	35,373	35,554
Total non-operating expenses	492,037	398,156
Ordinary Income	¥1,633,516	¥1,458,514
Income before income taxes	¥1,633,516	¥1,458,514
Income taxes-current	1,016	894
Income taxes-deferred	▲3	6
Total income taxes	1,013	901
Net Income	¥1,632,502	¥1,457,613
Retained earnings brought forward	39	143
Unappropriated retained earnings (undisposed loss)	¥1,632,542	¥1,457,756

Distributions

	the Fourth Fiscal Period from: Aug. 1, 2013 to: Jan. 31, 2014	the Fifth Fiscal Period from: Feb. 1, 2014 to: Jul. 31, 2014
I Retained earnings at the end of period	1,632,542,142 yen	1,457,756,938 yen
II Total distributions	1,632,398,232 yen	1,457,705,526 yen
(Distributions per unit)	(6,756 yen)	(6,033 yen)
III Retained earnings brought forward to the next period	143,910 yen	51,412 yen

Statements of Cash Flows (in thousands of yen)

	the Fourth Fiscal Period from: Aug. 1, 2013 to: Jan. 31, 2014	the Fifth Fiscal Period from: Feb. 1, 2014 to: Jul. 31, 2014
Net cash provided by (used in) operating activities	2,284,795	2,251,423
Net cash provided by (used in) investing activities	△70,021,999	△2,166,216
Net cash provided by (used in) financing activities	71,141,829	△277,520
Net increase (decrease) in Cash and Cash Equivalents (△ decrease)	3,404,626	△192,313
Cash and cash equivalents at the beginning of period	1,144,988	4,549,614
Cash and cash equivalents at the End of Period	¥4,549,614	¥4,357,300

Trends in Performance

Trends in Income

	the Fourth Fiscal Period (as of January 31, 2013)	the Fifth Fiscal Period (as of July 31, 2014)
Operating Term	184.0 days	181.0 days
Average Days of Property Management	179.8 days	180.3 days
Operating Revenues	¥3,616 million	¥3,743 million
Operating Income	¥2,125 million	¥1,856 million
Ordinary Income	¥1,633 million	¥1,458 million
Net Income	¥1,632 million	¥1,457 million
Distribution per Unit	¥6,756	¥6,033
Payout Ratio	100.0 %	100.0 %

Trends in Financial Statements

	the Fourth Fiscal Period (as of January 31, 2013)	the Fifth Fiscal Period (as of July 31, 2014)
Total Assets	¥107,400 million	¥108,698 million
Net Assets	¥50,208 million	¥50,037 million
Capital-to-Asset Ratio	46.7 %	46.0 %
Total Unitholders' Capital	¥48,592 million	¥48,592 million
Total Investment Units Held	241,622 units	241,622 units
Net Assets per Unit	¥207,800	¥207,088
Return on Assets(per year) ⁽¹⁾	4.6 %	2.7 %
Return on Equity(per year) ⁽²⁾	10.1 %	5.9 %
FFO(Funds From Operation) ⁽³⁾	¥2,228 million	¥2,060 million
FFO per Unit	¥9,221	¥8,526
Total Interest-bearing Liabilities	¥55,200 million	¥56,550 million
Average Interest Rate	0.90 %	0.95 %
Average Borrowing Term	2.8 years	3.2 years
LTV(Loan To Value) ⁽⁴⁾	51.4 %	52.0 %
NAV(Net Asset Value) ⁽⁵⁾	¥50,863 million	¥53,452 million
NAV per unit	¥210,508	¥221,225

Note 1: Return on Assets=Ordinary Income / (Total Assets at the beginning of the period + Total Assets at the end of the period)/2 (Rounded to the nearest two decimal places) [The First Fiscal Period is calculated from April 26, 2012 as the beginning of the period]

Note 2: Return on Equity=Net Income / (Net Assets at the beginning of the period + Net Assets at the end of the period)/2 (Rounded to the nearest two decimal places) [The First Fiscal Period is calculated from April 26, 2012 as the beginning of the period]

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 (Rounded to the nearest two decimal places)

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

Trends in Portfolio Performance

	the Fourth Fiscal Period (as of January 31, 2013)	the Fifth Fiscal Period (as of July 31, 2014)
Number of Properties	80 units	81 units
Properties Acquired during the Period	60 units	1 units
Properties Transferred during the Period	0 units	0 units
Total Acquisition Price	¥99,030 million	¥100,380 million
Total Book Value	¥101,591 million	¥102,505 million
Total Appraisal Value	¥103,878 million	¥107,379 million
Rentable Units	4,858 units	4,891 units
(of which Residential Units)	4,832 units	4,865 units
Rentable Area	193,404.68 m ²	195,429.49 m ²
(of which Residential Units)	187,839.98 m ²	189,864.79 m ²
Leasing Business Revenues	¥3,596 million	¥3,688 million
Leasing Business Expenses(ex. Depreciation)	¥675 million	¥924 million
NOI (Net Operating Income) ⁽⁶⁾	¥2,921 million	¥2,764 million
NOI Cap Rate(per year)	6.0 %	5.6 %
Capital Expenditure	¥45 million	¥74 million
Depreciation	¥555 million	¥561 million
Depreciation Rate(per acquisition price, year)	1.1 %	1.1 %
NOI Cap Rate after Depreciation(per year)	4.8 %	4.4 %
Occupancy Rates(average during the period)	95.1 %	96.0 %
Occupancy Rates(at the end of the period)	95.9 %	95.7 %
Rent per Tsubo(average during the period)	¥9,656 per tsubo	¥9,657 per tsubo
Rent per Tsubo(at the end of the period)	¥9,652 per tsubo	¥9,654 per tsubo
Replacement ⁽⁷⁾	11.6 %	14.0 %
Turnover ⁽⁸⁾	11.4 %	13.7 %
Renewal Rate(average during the period) ⁽⁹⁾	86.1 %	89.2 %
Average Occupancy Period ⁽¹⁰⁾	1,095 days	1,109 days
Average Downtime ⁽¹¹⁾	66 days	60 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 [The First Fiscal Period is adjusted to 6 months.] (Rounded to the nearest two decimal places)

Note 8: Turnover=Exiting tenants during the operating period / Rentable Units [The First Fiscal Period is adjusted to 6 months.] (Rounded to the nearest two decimal places)

Note 9: Renewal rate=Renewal tenants during the operating period / Ending contracts during the operating period (Rounded to the nearest two decimal places)

Note 10: Average occupancy rate is based on exiting tenants during the operating period (Rounded to the nearest one decimal places)

Note 11: Average downtime is based on new tenants during the operating period (Rounded to the nearest one decimal places)

Appraisal Values 1/4

No.	Property Name	Appraiser	Appraisal Value			Cap Rate		Discount Rate		Terminal Cap Rate		(in millions of yen)			
			Previous a	End of 5th Period b	Difference c [b-a]	Previous	End of 5th Period	Previous	End of 5th Period	Previous	End of 5th Period	Acquisition Price d	Difference e [b-d]	Book Value f	Difference g [b-f]
T-1	KDX Daikanyama Residence	F	4,940	5,070	130	4.8%	4.7%	4.6%	4.5%	5.0%	4.9%	4,700	370	4,782	287
T-2	KDX Yoyogi Residence	F	1,470	1,500	30	4.8%	4.7%	4.6%	4.5%	5.0%	4.9%	1,320	180	1,339	160
T-3	KDX Odemma Residence	F	1,870	1,890	20	4.8%	4.7%	4.6%	4.5%	5.0%	4.9%	1,775	115	1,794	95
T-4	KDX Iwamoto-cho Residence	F	864	876	12	4.8%	4.7%	4.6%	4.5%	5.0%	4.9%	822	54	834	41
T-5	KDX Bunkyo Sengoku Residence	F	1,600	1,630	30	4.8%	4.7%	4.6%	4.5%	5.0%	4.9%	1,488	142	1,509	120
T-6	KDX Azumabashi Residence	F	745	765	20	4.9%	4.8%	4.7%	4.6%	5.1%	5.0%	650	115	657	107
T-7	KDX Shimura Sakaue Residence	F	3,000	3,070	70	5.2%	5.1%	5.0%	4.9%	5.4%	5.3%	2,830	240	2,852	217
T-8	Nichii Home Tama Plaza	F	960	960	0	—	—	6.0%	6.0%	6.8%	6.8%	960	0	989	-29
T-9	Cosmo Heim Motosumiyoshi	F	1,750	1,750	0	—	—	5.1%	5.1%	5.3%	5.3%	1,750	0	1,798	-48
T-10	KDX Musashi Nakahara Residence	F	648	662	14	5.5%	5.4%	5.3%	5.2%	5.7%	5.6%	637	25	646	15
T-11	KDX Chiba Chuo Residence	D	1,580	1,600	20	5.6%	5.5%	5.4%	5.3%	5.8%	5.7%	1,480	120	1,476	123
T-12	KDX Kawaguchi Saiwai-cho Residence	F	1,270	1,330	60	5.4%	5.3%	5.2%	5.1%	5.6%	5.5%	1,150	180	1,175	154
T-13	KDX Residence Shirokane I	F	3,040	3,080	40	4.8%	4.7%	4.6%	4.5%	5.0%	4.9%	3,000	80	3,054	25
T-14	KDX Residence Shirokane III	F	3,090	3,220	130	4.7%	4.6%	4.5%	4.4%	4.9%	4.8%	2,900	320	2,953	266
T-15	KDX Residence Shirokane II	F	2,830	2,890	60	4.8%	4.7%	4.6%	4.5%	5.0%	4.9%	2,800	90	2,855	34
T-16	KDX Residence Minami-aoyama	F	2,240	2,280	40	4.6%	4.5%	4.4%	4.3%	4.8%	4.7%	2,230	50	2,264	15
T-17	KDX Residence Minami-azabu	F	2,130	2,190	60	4.8%	4.7%	4.6%	4.5%	5.0%	4.9%	2,080	110	2,119	70
T-18	KDX Residence Shiba Koen	F	1,840	1,870	30	4.8%	4.7%	4.6%	4.5%	5.0%	4.9%	1,781	89	1,815	54
T-19	KDX Residence Azabu East	F	1,670	1,720	50	4.9%	4.8%	4.7%	4.6%	5.1%	5.0%	1,560	160	1,586	133
T-20	KDX Residence Takanawa	F	802	810	8	4.7%	4.6%	4.5%	4.4%	4.9%	4.8%	770	40	788	21
T-21	KDX Residence Nishihara	F	1,520	1,590	70	4.9%	4.8%	4.7%	4.6%	5.1%	5.0%	1,450	140	1,479	110

Note1: Regarding Appraisers, "F" means Japan Real Estate Institute and "D" means Daiwa Real Estate 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-1~47 and R-1~33: January 31, 2014/ T-48: March 1, 2014] / 5th Period; July 31, 2014), and do not guarantee the validity, accuracy and the possibility of sales at appraisal values.

Appraisal Values 2/4

No.	Property Name	Appraiser	Appraisal Value			Cap Rate		Discount Rate		Terminal Cap Rate		(in millions of yen)			
			Previous a	End of 5th Period b	Difference c [b-a]	Previous	End of 5th Period	Previous	End of 5th Period	Previous	End of 5th Period	Acquisition Price d	Difference e [b-d]	Book Value f	Difference g [b-f]
T-22	KDX Residence Daikanyama II	F	756	758	2	5.0%	4.9%	4.8%	4.7%	5.2%	5.1%	730	28	745	12
T-23	KDX Residence Sendagaya	F	686	700	14	4.9%	4.8%	4.7%	4.6%	5.1%	5.0%	650	50	664	35
T-24	KDX Residence Nihonbashi Suitengu	D	3,400	3,450	50	4.8%	4.7%	4.6%	4.5%	5.0%	4.9%	3,240	210	3,312	137
T-25	KDX Residence Nihonbashi Hakozaeki	D	1,200	1,210	10	4.8%	4.7%	4.6%	4.5%	5.0%	4.9%	1,147	63	1,173	36
T-26	KDX Residence Higashi-shinjuku	F	3,400	3,470	70	4.8%	4.7%	4.6%	4.5%	5.0%	4.9%	3,270	200	3,329	140
T-27	KDX Residence Yotsuya	F	2,290	2,320	30	5.0%	4.9%	4.8%	4.7%	5.2%	5.1%	2,260	60	2,303	16
T-28	KDX Residence Nishi-shinjuku	F	1,060	1,110	50	4.8%	4.7%	4.6%	4.5%	5.0%	4.9%	1,000	110	1,022	87
T-29	KDX Residence Kagurazaka	F	737	774	37	4.9%	4.8%	4.7%	4.6%	5.1%	5.0%	720	54	737	36
T-30	KDX Residence Futako Tamagawa	F	1,300	1,320	20	5.0%	4.9%	4.8%	4.7%	5.2%	5.1%	1,250	70	1,276	43
T-31	KDX Residence Komazawa Koen	F	954	975	21	4.8%	4.7%	4.6%	4.5%	5.0%	4.9%	920	55	941	33
T-32	KDX Residence Misyuku	F	792	810	18	4.8%	4.7%	4.6%	4.5%	5.0%	4.9%	760	50	778	31
T-33	KDX Residence Yoga	F	735	750	15	4.9%	4.8%	4.7%	4.6%	5.1%	5.0%	700	50	717	32
T-34	KDX Residence Shimouma	F	611	621	10	5.0%	4.9%	4.8%	4.7%	5.2%	5.1%	600	21	617	3
T-35	Raffine Minami-magome	F	1,550	1,570	20	6.0%	5.9%	5.8%	5.7%	6.2%	6.1%	1,250	320	1,270	299
T-36	KDX Residence Yukigaya Otsuka	F	1,100	1,130	30	5.2%	5.1%	5.0%	4.9%	5.4%	5.3%	1,050	80	1,075	54
T-37	KDX Residence Denen Chofu	D	1,060	1,080	20	5.2%	5.1%	5.0%	4.9%	5.4%	5.3%	1,000	80	1,021	58
T-38	KDX Residence Tamagawa	F	794	815	21	5.2%	5.1%	5.0%	4.9%	5.4%	5.3%	776	39	795	19
T-39	KDX Residence Monzennakacho	F	794	826	32	5.0%	4.9%	4.8%	4.7%	5.2%	5.1%	773	53	792	33
T-40	KDX Residence Okachimachi	F	871	889	18	5.1%	5.0%	4.9%	4.8%	5.3%	5.2%	850	39	870	18
T-41	KDX Residence Moto-asakusa	F	823	840	17	5.0%	4.9%	4.8%	4.7%	5.2%	5.1%	800	40	821	18
T-42	KDX Residence Itabashi Honcho	F	653	668	15	5.3%	5.2%	5.1%	5.0%	5.5%	5.4%	620	48	638	29

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Appraisal Values 3/4

	No.	Property Name	Appraiser	Appraisal Value			Cap Rate		Discount Rate		Terminal Cap Rate		(in millions of yen)			
				Previous a	End of 5th Period b	Difference c [b-a]	Previous	End of 5th Period	Previous	End of 5th Period	Previous	End of 5th Period	Acquisition Price d	Difference e [b-d]	Book Value f	Difference g [b-f]
Tokyo Metropolitan Area	T-43	KDX Residence Azusawa	F	567	585	18	5.4%	5.3%	5.2%	5.1%	5.6%	5.5%	550	35	566	18
	T-44	KDX Residence Tobu Nerima	F	445	456	11	5.3%	5.2%	5.1%	5.0%	5.5%	5.4%	420	36	432	23
	T-45	KDX Residence Yokohama Kannai	F	847	860	13	5.4%	5.3%	5.2%	5.1%	5.6%	5.5%	800	60	820	39
	T-46	KDX Residence Miyamaedaira	F	1,010	1,020	10	5.3%	5.2%	5.1%	5.0%	5.5%	5.4%	999	21	1,022	▲2
	T-47	KDX Residence Machida	F	1,860	1,870	10	5.2%	5.1%	5.0%	4.9%	5.4%	5.3%	1,800	70	1,842	27
	T-48	KDX Residence Kinshicho	F	1,420	1,450	30	4.9%	4.8%	4.7%	4.6%	5.1%	5.0%	1,350	100	1,398	51
		Subtotal			71,574	73,080	1,506							68,418	4,662	69,764
Other Regional Areas	R-1	KDX Toyohira Sanjo Residence	F	658	687	29	6.1%	6.0%	5.9%	5.8%	6.3%	6.2%	583	105	593	93
	R-2	KDX JozenjiDori Residence	D	1,150	1,190	40	5.9%	5.8%	5.7%	5.6%	6.1%	6.0%	1,015	175	1,034	155
	R-3	KDX Izumi Residence	F	1,190	1,210	20	5.5%	5.4%	5.3%	5.2%	5.7%	5.6%	1,120	90	1,132	77
	R-4	KDX Chihaya Residence	F	1,170	1,200	30	5.7%	5.6%	5.5%	5.4%	5.9%	5.8%	1,080	120	1,094	105
	R-5	KDX Sakaisuji Hommachi Residence	F	3,020	3,040	20	5.4%	5.3%	5.2%	5.1%	5.6%	5.5%	2,910	130	2,921	118
	R-6	KDX Shimmachi Residence	F	1,130	1,140	10	5.5%	5.4%	5.3%	5.2%	5.7%	5.6%	1,015	125	1,019	120
	R-7	KDX Takarazuka Residence	F	1,660	1,690	30	5.6%	5.5%	5.4%	5.3%	5.8%	5.7%	1,510	180	1,512	177
	R-8	KDX Shimizu Residence	F	1,880	1,890	10	5.7%	5.6%	5.5%	5.4%	5.9%	5.8%	1,680	210	1,697	192
	R-9	KDX Residence Odori Koen	F	777	791	14	5.8%	5.7%	5.6%	5.5%	6.0%	5.9%	765	26	792	▲1
	R-10	KDX Residence Kikusui Yojo	F	851	859	8	6.0%	5.9%	5.8%	5.7%	6.2%	6.1%	830	29	857	1
	R-11	KDX Residence Tokyohira Koen	F	460	476	16	6.1%	6.0%	5.9%	5.8%	6.3%	6.2%	445	31	462	13
	R-12	KDX Residence Kamisugi	D	736	761	25	5.9%	5.8%	5.7%	5.6%	6.1%	6.0%	700	61	723	37
	R-13	KDX Residence Ichiban-cho	D	566	585	19	5.9%	5.8%	5.7%	5.6%	6.1%	6.0%	530	55	549	35
	R-14	KDX Residence Kotodai	D	532	534	2	5.9%	5.8%	5.7%	5.6%	6.1%	6.0%	520	14	537	▲3

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Appraisal Values 4/4

No.	Property Name	Appraiser	Appraisal Value			Cap Rate		Discount Rate		Terminal Cap Rate		(in millions of yen)			
			Previous a	End of 5th Period b	Difference c [b-a]	Previous	End of 5th Period	Previous	End of 5th Period	Previous	End of 5th Period	Acquisition Price d	Difference e [b-d]	Book Value f	Difference g [b-f]
R-15	KDX Residence Izumi Chuo	D	512	538	26	6.0%	5.9%	5.8%	5.7%	6.2%	6.1%	480	58	497	40
R-16	KDX Residence Higashi-sakura I	F	2,450	2,510	60	5.5%	5.4%	5.3%	5.2%	5.7%	5.6%	2,350	160	2,415	94
R-17	KDX Residence Higashi-sakura II	F	934	938	4	5.6%	5.5%	5.4%	5.3%	5.8%	5.7%	900	38	926	11
R-18	KDX Residence Atsuta Jingu	F	878	898	20	5.8%	5.7%	5.6%	5.5%	6.0%	5.9%	840	58	866	31
R-19	KDX Residence Nishi-oji	D	834	850	16	5.5%	5.4%	5.3%	5.2%	5.7%	5.6%	813	37	841	8
R-20	KDX Residence Saiin	D	471	477	6	5.5%	5.4%	5.3%	5.2%	5.7%	5.6%	440	37	457	19
R-21	KDX Residence Namba	F	1,450	1,460	10	5.8%	5.7%	5.6%	5.5%	6.0%	5.9%	1,410	50	1,453	6
R-22	KDX Residence Namba-minami	F	1,400	1,430	30	5.7%	5.6%	5.5%	5.4%	5.9%	5.8%	1,350	80	1,393	36
R-23	KDX Residence Shin-osaka	F	527	539	12	5.8%	5.7%	5.6%	5.5%	6.0%	5.9%	510	29	527	11
R-24	KDX Residence Ibaraki I・II	F	1,325	1,330	5	5.9%	5.8%	5.7%	5.6%	6.1%	6.0%	1,275	55	1,299	30
R-25	KDX Residence Toyonaka-minami	F	755	756	1	5.9%	5.8%	5.7%	5.6%	6.1%	6.0%	740	16	760	▲4
R-26	KDX Residence Moriguchi	F	560	577	17	5.9%	5.8%	5.7%	5.6%	6.1%	6.0%	551	26	568	8
R-27	KDX Residence Sannomiya	F	1,150	1,160	10	5.5%	5.4%	5.3%	5.2%	5.7%	5.6%	1,080	80	1,111	48
R-28	Ashiya Royal Homes	F	1,430	1,450	20	5.4%	5.3%	5.2%	5.1%	5.6%	5.5%	1,360	90	1,424	25
R-29	KDX Residence Funairi Saiwai-cho	F	597	611	14	6.3%	6.2%	6.1%	6.0%	6.5%	6.4%	588	23	606	4
R-30	KDX Residence Tenjin-higashi II	F	729	760	31	5.7%	5.6%	5.5%	5.4%	5.9%	5.8%	680	80	703	56
R-31	KDX Residence Tenjin-higashi I	F	376	379	3	5.7%	5.6%	5.5%	5.4%	5.9%	5.8%	370	9	385	▲6
R-32	KDX Residence Nishi Koen	F	778	789	11	5.6%	5.6%	5.4%	5.4%	5.8%	5.8%	763	26	787	1
R-33	KDX Residence Hirao Josui-machi	F	788	794	6	5.4%	5.4%	5.2%	5.2%	5.6%	5.6%	760	34	782	11
	Subtotal		33,724	34,299	575							31,962	2,337	32,740	1,558
	Total		105,298	107,379	2,081							100,380	6,999	102,505	4,873

Note1: Regarding Appraisers, "F" means Japan Real Estate Institute and "D" means Daiwa Real Estate 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-1~47 and R-1~33: January 31, 2014/ T-48: March 1, 2014] / 5th Period; July 31, 2014), and do not guarantee the validity, accuracy and the possibility of sales at appraisal values.

Portfolio Performance (the Fifth Fiscal Period ended July 31, 2014) 1/4

(in thousands of yen)

No.	Property Name	Acquisition Price	Book Value	Appraisal Value	Type	Rentable Units (units)	Rentable Area (m ²)	Rented Area (m ²)	Occupancy Rate (%)	Operating Days (days)	Leasing Business Revenue 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	4,782,127	5,070,000	SF	86	5,338.99	5244.20	98.2%	181	154,670	32,951	121,719	15,061	106,657	5.2%	4.6%
T-2	KDX Yoyogi Residence	1,320,000	1,339,410	1,500,000	SF	50	1,593.93	1555.78	97.6%	181	46,219	11,363	34,856	5,131	29,724	5.3%	4.5%
T-3	KDX Odemma Residence	1,775,000	1,794,924	1,890,000	SF	54	2,353.23	2170.27	92.2%	181	55,316	12,170	43,146	10,500	32,645	4.9%	3.7%
T-4	KDX Iwamoto-cho Residence	822,000	834,768	876,000	SF	36	1,131.24	1090.81	96.4%	181	26,862	7,826	19,036	5,198	13,838	4.7%	3.4%
T-5	KDX Bunkyo Sengoku Residence	1,488,000	1,509,561	1,630,000	S	77	2,054.10	2032.78	99.0%	181	49,726	13,796	35,929	6,442	29,487	4.9%	4.0%
T-6	KDX Azumabashi Residence	650,000	657,707	765,000	S	41	1,054.83	1054.83	100.0%	181	24,462	7,967	16,495	4,880	11,614	5.1%	3.6%
T-7	KDX Shimura Sakaue Residence	2,830,000	2,852,323	3,070,000	F	85	6,117.48	5899.08	96.4%	181	106,080	23,611	82,469	21,255	61,213	5.9%	4.4%
T-8	Nichii Home Tama Plaza	960,000	989,335	960,000	-	-	-	-	-	181	34,560	639	33,920	0	33,920	7.1%	7.1%
T-9	Cosmo Heim Motosumiyoshi	1,750,000	1,798,041	1,750,000	-	-	-	-	-	181	43,750	1,065	42,684	0	42,684	4.9%	4.9%
T-10	KDX Musashi Nakahara Residence	637,000	646,217	662,000	F	35	2,123.46	2123.46	100.0%	181	25,404	5,641	19,763	4,032	15,731	6.3%	5.0%
T-11	KDX Chiba Chuo Residence	1,480,000	1,476,423	1,600,000	S	106	3,546.91	3214.11	90.6%	181	62,518	15,394	47,123	17,091	30,031	6.4%	4.1%
T-12	KDX Kawaguchi Saiwai-cho Residence	1,150,000	1,175,268	1,330,000	SF	61	2,491.66	2283.67	91.7%	181	48,164	11,922	36,241	7,211	29,029	6.4%	5.1%
T-13	KDX Residence Shirokane I	3,000,000	3,054,856	3,080,000	SF	50	3,617.32	3476.92	96.1%	181	107,629	40,825	66,804	7,411	59,392	4.5%	4.0%
T-14	KDX Residence Shirokane III	2,900,000	2,953,513	3,220,000	SF	67	3,635.33	3459.44	95.2%	181	108,828	25,177	83,651	9,036	74,614	5.8%	5.2%
T-15	KDX Residence Shirokane II	2,800,000	2,855,028	2,890,000	S	85	2,889.66	2775.33	96.0%	181	81,262	23,333	57,928	6,595	51,333	4.2%	3.7%
T-16	KDX Residence Minami-aoyama	2,230,000	2,264,099	2,280,000	SF	20	1,680.79	1560.93	92.9%	181	63,023	12,667	50,355	3,200	47,155	4.6%	4.3%
T-17	KDX Residence Minami-azabu	2,080,000	2,119,975	2,190,000	SF	62	2,785.42	2512.30	90.2%	181	66,380	16,220	50,159	6,728	43,431	4.9%	4.2%
T-18	KDX Residence Shiba Koen	1,781,000	1,815,604	1,870,000	SF	64	2,507.52	2357.30	94.0%	181	62,571	10,944	51,627	5,754	45,872	5.8%	5.2%
T-19	KDX Residence Azabu East	1,560,000	1,586,546	1,720,000	S	76	1,849.00	1743.94	94.3%	181	54,190	13,881	40,308	5,934	34,373	5.2%	4.4%
T-20	KDX Residence Takanawa	770,000	788,073	810,000	SF	27	1,034.27	940.78	91.0%	181	26,282	7,744	18,538	2,744	15,793	4.9%	4.1%
T-21	KDX Residence Nishihara	1,450,000	1,479,888	1,590,000	SF	39	2,310.08	2254.71	97.6%	181	51,751	11,886	39,864	5,597	34,267	5.5%	4.8%

Note1: 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], Small Family (SF): (intended primarily for households of couples or families with infants) [footprint of equal or more than 30m² and less than 60m²], Family (F): (intended primarily for households of three or more families) [footprint of equal or more than 60m²]

Portfolio Performance (the Fifth Fiscal Period ended July 31, 2014) 2/4

(in thousands of yen)

No.	Property Name	Acquisition Price	Book Value	Appraisal Value	Type	Rentable Units (units)	Rentable Area (m ²)	Rented Area (m ²)	Occupancy Rate (%)	Operating Days (days)	Leasing Business Revenue 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-22	KDX Residence Daikanyama II	730,000	745,462	758,000	F	17	985.10	895.50	90.9%	181	23,987	6,198	17,789	961	16,827	4.9%	4.6%
T-23	KDX Residence Sendagaya	650,000	664,812	700,000	SF	16	748.96	748.96	100.0%	181	21,747	4,113	17,633	2,796	14,836	5.5%	4.6%
T-24	KDX Residence Nihonbashi Suitengu	3,240,000	3,312,981	3,450,000	F	79	5,534.86	5,534.86	100.0%	181	93,243	11,948	81,294	17,531	63,762	5.1%	4.0%
T-25	KDX Residence Nihonbashi Hakozaki	1,147,000	1,173,720	1,210,000	S	60	1,537.38	1,465.59	95.3%	181	38,834	10,100	28,734	6,374	22,359	5.1%	3.9%
T-26	KDX Residence Higashi-shinjuku	3,270,000	3,329,949	3,470,000	S	179	4,358.43	4,266.60	97.9%	181	110,260	25,878	84,381	11,536	72,845	5.2%	4.5%
T-27	KDX Residence Yotsuya	2,260,000	2,303,293	2,320,000	F	42	3,101.16	2,762.10	89.1%	181	74,261	24,400	49,860	8,903	40,957	4.4%	3.7%
T-28	KDX Residence Nishi-shinjuku	1,000,000	1,022,557	1,110,000	S	54	1,345.92	1,303.44	96.8%	181	34,422	10,496	23,926	3,798	20,127	4.8%	4.1%
T-29	KDX Residence Kagurazaka	720,000	737,530	774,000	S	34	890.93	890.93	100.0%	181	24,690	5,322	19,367	3,293	16,074	5.4%	4.5%
T-30	KDX Residence Futako Tamagawa	1,250,000	1,276,750	1,320,000	F	38	2,339.62	2,339.62	100.0%	181	41,021	9,469	31,551	5,100	26,451	5.1%	4.3%
T-31	KDX Residence Komazawa Koen	920,000	941,920	975,000	SF	32	1,020.18	1,020.18	100.0%	181	29,556	6,311	23,244	4,567	18,677	5.1%	4.1%
T-32	KDX Residence Misyuku	760,000	778,538	810,000	S	39	1,103.82	1,103.82	100.0%	181	25,319	6,625	18,693	3,060	15,633	5.0%	4.1%
T-33	KDX Residence Yoga	700,000	717,589	750,000	S	38	1,012.80	1,012.80	100.0%	181	25,692	5,641	20,051	2,581	17,470	5.8%	5.0%
T-34	KDX Residence Shimouma	600,000	617,466	621,000	S	29	829.05	791.54	95.5%	181	20,504	5,684	14,819	2,195	12,624	5.0%	4.2%
T-35	Raffine Minami-magome	1,250,000	1,270,213	1,570,000	S	56	2,408.56	2,408.56	100.0%	181	52,843	3,226	49,617	3,958	45,658	8.0%	7.4%
T-36	KDX Residence Yukigaya Otsuka	1,050,000	1,075,623	1,130,000	S	72	1,526.98	1,485.18	97.3%	181	38,312	9,509	28,803	5,426	23,377	5.5%	4.5%
T-37	KDX Residence Denen Chofu	1,000,000	1,021,865	1,080,000	F	36	2,359.44	2,359.44	100.0%	181	36,761	10,092	26,669	3,289	23,380	5.4%	4.7%
T-38	KDX Residence Tamagawa	776,000	795,180	815,000	S	52	1,170.40	1,149.80	98.2%	181	27,344	7,404	19,939	5,860	14,079	5.2%	3.7%
T-39	KDX Residence Monzennakacho	773,000	792,234	826,000	S	49	1,171.41	1,118.50	95.5%	181	25,762	7,246	18,515	3,912	14,603	4.8%	3.8%
T-40	KDX Residence Okachimachi	850,000	870,532	889,000	S	51	1,329.79	1,329.79	100.0%	181	29,461	7,077	22,384	3,717	18,666	5.3%	4.4%
T-41	KDX Residence Moto-asakusa	800,000	821,071	840,000	SF	44	1,314.91	1,281.44	97.5%	181	29,339	7,527	21,811	4,365	17,446	5.5%	4.4%
T-42	KDX Residence Itabashi Honcho	620,000	638,808	668,000	S	46	1,127.58	1,102.20	97.7%	181	24,491	7,253	17,238	4,192	13,045	5.6%	4.2%

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Portfolio Performance (the Fifth Fiscal Period ended July 31, 2014) 3/4

(in thousands of yen)

	No.	Property Name	Acquisition Price	Book Value	Appraisal Value	Type	Rentable Units (units)	Rentable Area (m ²)	Rented Area (m ²)	Occupancy Rate (%)	Operating Days (days)	Leasing Business Revenue 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)
Tokyo Metropolitan Area	T-43	KDX Residence Azusawa	550,000	566,334	585,000	S	39	989.82	900.06	90.9%	181	17,941	5,666	12,274	3,198	9,075	4.5%	3.3%
	T-44	KDX Residence Tobu Nerima	420,000	432,973	456,000	S	37	931.82	900.60	96.6%	181	17,735	5,016	12,718	3,761	8,957	6.1%	4.3%
	T-45	KDX Residence Yokohama Kannai	800,000	820,701	860,000	S	72	1,602.16	1456.57	90.9%	181	33,688	12,593	21,094	5,808	15,286	5.3%	3.9%
	T-46	KDX Residence Miyamaedaira	999,000	1,022,039	1,020,000	F	40	2,448.27	2254.86	92.1%	181	36,300	7,734	28,566	6,137	22,429	5.8%	4.5%
	T-47	KDX Residence Machida	1,800,000	1,842,872	1,870,000	F	52	3,832.53	3600.71	94.0%	181	59,043	16,220	42,823	14,789	28,033	4.8%	3.1%
	T-48	KDX Residence Kinshicho	1,350,000	1,398,172	1,450,000	F	33	2,024.81	1769.94	87.4%	126	26,649	6,412	20,236	5,699	14,537	4.3%	3.1%
	Subtotal			68,418,000	69,764,895	73,080,000		2,457	99,161.91	95,004.23	95.8%		2,318,872	552,208	1,766,664	296,627	1,470,036	5.2%
Other Regional Areas	R-1	KDX Toyohira Sanjo Residence	582,500	593,288	687,000	SF	63	2,868.75	2821.45	98.4%	181	30,264	15,517	14,746	5,929	8,817	5.1%	3.1%
	R-2	KDX JozenjiDori Residence	1,015,000	1,034,689	1,190,000	S	92	3,330.15	3209.39	96.4%	181	48,976	12,149	36,826	10,310	26,516	7.3%	5.3%
	R-3	KDX Izumi Residence	1,120,000	1,132,420	1,210,000	F	40	2,798.20	2658.29	95.0%	181	43,229	7,416	35,813	9,090	26,723	6.4%	4.8%
	R-4	KDX Chihaya Residence	1,080,000	1,094,971	1,200,000	SF	92	2,936.40	2936.40	100.0%	181	48,675	11,895	36,780	10,006	26,773	6.9%	5.0%
	R-5	KDX Sakaisuji Hommachi Residence	2,910,000	2,921,952	3,040,000	SF	160	6,385.70	5933.75	92.9%	181	105,586	25,532	80,053	23,459	56,594	5.5%	3.9%
	R-6	KDX Shimmachi Residence	1,015,000	1,019,975	1,140,000	S	94	2,146.02	2146.02	100.0%	181	39,204	9,024	30,179	8,916	21,262	6.0%	4.2%
	R-7	KDX Takarazuka Residence	1,510,000	1,512,988	1,690,000	F	80	4,631.16	4166.34	90.0%	181	60,551	14,395	46,155	16,463	29,692	6.2%	4.0%
	R-8	KDX Shimizu Residence	1,680,000	1,697,148	1,890,000	SF	148	6,255.16	5891.67	94.2%	181	76,206	18,536	57,670	14,174	43,495	6.9%	5.2%
	R-9	KDX Residence Odori Koen	765,000	792,247	791,000	SF	78	2,762.76	2655.74	96.1%	181	33,079	10,195	22,883	7,825	15,058	6.0%	4.0%
	R-10	KDX Residence Kikusui Yojo	830,000	857,786	859,000	SF	84	3,413.06	3413.06	100.0%	181	38,451	11,879	26,571	7,486	19,084	6.5%	4.6%
	R-11	KDX Residence Toyohira Koen	445,000	462,861	476,000	SF	65	2,253.81	2184.26	96.9%	181	23,810	9,922	13,888	4,371	9,516	6.3%	4.3%
	R-12	KDX Residence Kamisugi	700,000	723,039	761,000	SF	66	2,073.06	2009.87	97.0%	181	33,109	9,499	23,610	6,180	17,430	6.8%	5.0%
	R-13	KDX Residence Ichiban-cho	530,000	549,344	585,000	SF	45	1,818.09	1670.19	91.9%	181	25,583	6,358	19,224	5,003	14,221	7.3%	5.4%
	R-14	KDX Residence Kotodai	520,000	537,984	534,000	SF	27	1,475.73	1311.76	88.9%	181	21,241	4,862	16,378	4,430	11,948	6.4%	4.6%

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Portfolio Performance (the Fifth Fiscal Period ended July 31, 2014) 4/4

(in thousands of yen)																	
No.	Property Name	Acquisition Price	Book Value	Appraisal Value	Type	Rentable Units (units)	Rentable Area (m ²)	Rented Area (m ²)	Occupancy Rate (%)	Operating Days (days)	Leasing Business Revenue 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-15	KDX Residence Izumi Chuo	480,000	497,894	538,000	SF	40	2,159.25	2051.03	95.0%	181	23,669	6,603	17,066	4,466	12,600	7.2%	5.3%
R-16	KDX Residence Higashi-sakura I	2,350,000	2,415,080	2,510,000	SF	187	6,221.83	5922.58	95.2%	181	102,738	32,533	70,204	17,657	52,547	6.0%	4.5%
R-17	KDX Residence Higashi-sakura II	900,000	926,902	938,000	SF	66	2,655.31	2576.11	97.0%	181	40,696	12,235	28,461	6,942	21,518	6.4%	4.8%
R-18	KDX Residence Atsuta Jingu	840,000	866,820	898,000	SF	95	2,724.19	2629.12	96.5%	181	39,785	10,503	29,282	7,294	21,987	7.0%	5.3%
R-19	KDX Residence Nishi-oji	813,000	841,013	850,000	S	76	2,353.55	2236.83	95.0%	181	33,160	10,288	22,872	6,311	16,560	5.7%	4.1%
R-20	KDX Residence Saiin	440,000	457,491	477,000	S	49	1,094.81	1074.20	98.1%	181	17,843	5,654	12,188	3,848	8,340	5.6%	3.8%
R-21	KDX Residence Namba	1,410,000	1,453,915	1,460,000	S	118	3,387.30	3361.57	99.2%	181	58,071	13,904	44,167	9,875	34,291	6.3%	4.9%
R-22	KDX Residence Namba-minami	1,350,000	1,393,201	1,430,000	S	131	3,813.31	3728.17	97.8%	181	55,547	14,486	41,060	11,724	29,335	6.1%	4.4%
R-23	KDX Residence Shin-osaka	510,000	527,022	539,000	SF	43	1,321.04	1290.94	97.7%	181	22,393	6,234	16,159	5,162	10,996	6.4%	4.3%
R-24	KDX Residence Ibaraki I・II	1,275,000	1,299,865	1,330,000	F	61	4,701.87	4471.65	95.1%	181	55,306	16,402	38,904	6,827	32,077	6.2%	5.1%
R-25	KDX Residence Toyonaka-minami	740,000	760,793	756,000	SF	70	2,024.50	1965.43	97.1%	181	29,676	8,805	20,870	8,126	12,743	5.7%	3.5%
R-26	KDX Residence Moriguchi	551,000	568,955	577,000	F	28	1,942.78	1942.78	100.0%	181	24,318	5,205	19,112	5,404	13,708	7.0%	5.0%
R-27	KDX Residence Sannomiya	1,080,000	1,111,830	1,160,000	S	86	2,292.72	2292.72	100.0%	181	41,475	8,987	32,488	7,685	24,802	6.1%	4.6%
R-28	Ashiya Royal Homes	1,360,000	1,424,490	1,450,000	F	21	3,999.01	3547.23	88.7%	181	60,680	18,381	42,299	3,999	38,300	6.3%	5.7%
R-29	KDX Residence Funairi Saiwai-cho	588,000	606,444	611,000	S	64	1,889.53	1829.83	96.8%	181	27,485	6,930	20,554	5,365	15,189	7.0%	5.2%
R-30	KDX Residence Tenjin-higashi II	680,000	703,595	760,000	SF	63	2,602.53	2561.22	98.4%	181	30,095	6,146	23,948	6,176	17,772	7.1%	5.3%
R-31	KDX Residence Tenjin-higashi I	370,000	385,165	379,000	SF	42	1,315.16	1221.43	92.9%	181	17,791	5,355	12,436	3,527	8,908	6.8%	4.9%
R-32	KDX Residence Nishi Koen	763,000	787,031	789,000	F	36	2,522.16	2392.76	94.9%	181	31,044	9,153	21,891	6,318	15,572	5.8%	4.1%
R-33	KDX Residence Hirao Josui-machi	760,000	782,339	794,000	F	24	2,098.68	2000.67	95.3%	181	30,026	7,098	22,927	4,735	18,192	6.1%	4.8%
Subtotal		31,962,500	32,740,553	34,299,000		2,434	96,267.58	92,104.46	95.7%		1,369,778	372,098	997,680	265,099	732,581	6.3%	4.6%
Total		100,380,500	102,505,448	107,379,000		4,891	195,429.49	187,108.69	95.7%		3,688,651	924,306	2,764,345	561,727	2,202,618	5.6%	4.4%

Note1: 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], Small Family (SF): (intended primarily for households of couples or families with infants) [footprint of equal or more than 30m² and less than 60m²], Family (F): (intended primarily for households of three or more families) [footprint of equal or more than 60m²]

