

Translation of Japanese Original**FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED JANUARY 31, 2015(REIT)****(August 1, 2014 to January 31, 2015)**

March 11, 2015

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

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

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Planned submission of semiannual securities report: April 28, 2015

Planned start of distribution payments: April 13, 2015

Preparing presentation material: Yes

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

(Amounts are rounded down to the nearest ¥million)

1. PERFORMANCE FOR THE FISCAL PERIOD ENDED JANUARY 31, 2015 (SIXTH FISCAL PERIOD)**(1) Business Results**

(Percentages show period-on-period changes)

| | Operating Revenues (Millions of Yen) | | Operating Income (Millions of Yen) | | Ordinary Income (Millions of Yen) | | Net Income (Millions of Yen) | |
|---|---|-------------|---------------------------------------|--------------|--------------------------------------|--------------|---------------------------------|--------------|
| The sixth fiscal period ended January 31, 2015 | 4,241 | % (13.3) | 2,218 | % (19.5) | 1,740 | % (19.3) | 1,739 | % (19.3) |
| The fifth fiscal period ended July 31, 2014 | 3,743 | % (3.5) | 1,856 | % (-12.7) | 1,458 | % (-10.7) | 1,457 | % (-10.7) |

| | Net Income per Unit | | Return on Unitholders' Equity | | Ordinary Income to Total Assets | | Ordinary Income to Operating Revenues | |
|---|------------------------|-----|-------------------------------------|----------|---------------------------------------|----------|--|-----------|
| | [Reference] | | [Reference] | | [Reference] | | [Reference] | |
| | (annualized) | | (annualized) | | (annualized) | | (annualized) | |
| The sixth fiscal period ended January 31, 2015 | 6,258 | Yen | % 3.2 | % 6.3 | % 1.4 | % 2.9 | % 41.0 | % 41.0 |
| The fifth fiscal period ended July 31, 2014 | 6,032 | Yen | % 2.1 | % 5.9 | % 1.3 | % 2.7 | % 39.0 | % 39.0 |

(2) Distribution

| | Distributions per Unit Excluding Excess of Earnings (Yen) | Total Distribution (Millions of Yen) | Distributions in Excess of Earnings per Unit (Yen) | Total Distributions in Excess of Earnings (Millions of Yen) | Payout Ratio | Distribution Ratio to Unitholders' Equity |
|---|--|---|---|---|--------------|---|
| The sixth fiscal period ended January 31, 2015 | 6,232 | 1,739 | 0 | 0 | % 100.0 | % 3.0 |
| The fifth fiscal period ended July 31, 2014 | 6,033 | 1,457 | 0 | 0 | % 100.0 | % 2.9 |

Note 1 Payout ratio is calculated as follows since new investment units were issued through public offering and the number of investment units issued and outstanding was changed during the fourth fiscal period (rounded off to the first decimal place):

$$\text{Payout ratio} = \text{Total Cash Distributions (excluding distribution in excess of earnings)} / \text{Net income} \times 100$$

This is an English-language translation of the key financials in the original Japanese announcement on our Web site released on March 11, 2015. However, no assurance or warranties are given with respect to the accuracy or completeness of this English-language translation. The Japanese original shall prevail in the case of discrepancies between this translation and the Japanese original.

(3) Financial Position

| | Total Assets (Millions of Yen) | Unitholders' Equity (Millions of Yen) | Unitholders' Equity to Total Assets | Unitholders' Equity per Share of Common Stock (Yen) |
|---------------------------|-----------------------------------|--|--|---|
| As of January 31, 2015 | 132,335 | 58,852 | % 44.5 | 210,849 |
| As of July 31, 2014 | 108,698 | 50,037 | % 46.0 | 207,088 |

(4) Cash Flow Position

| | Cash Flow from Operating Activities (Millions of Yen) | Cash Flow from Investing Activities (Millions of Yen) | Cash Flow from Financing Activities (Millions of Yen) | Cash and Cash Equivalents at the End of the Period (Millions of Yen) |
|---|---|---|---|--|
| The sixth fiscal period ended January 31, 2015 | 2,401 | -22,289 | 21,581 | 6,050 |
| The fifth fiscal period ended July 31, 2014 | 2,251 | -2,166 | -277 | 4,357 |

2. FORECAST OF RESULTS FOR THE FISCAL PERIOD ENDING July 31, 2015 (February 1, 2015 to July 31, 2015)

(Percentages show period-on-period changes)

| | Operating Revenues (Millions of Yen) (%) | Operating Income (Millions of Yen) (%) | Ordinary Income (Millions of Yen) (%) | Net Income (Millions of Yen) (%) | Distribution per Unit Excluding Excess of Earning (Yen) | Distribution in Excess of Earnings per Unit (Yen) |
|---|---|--|---|--|--|---|
| The seventh fiscal period ending July 31, 2015 | 5,168 (21.9) | 2,664 (20.1) | 2,148 (23.4) | 2,147 (23.4) | 6,150 | 0 |

(Reference) Estimated net income per unit for the fiscal period ending July 31, 2015: ¥6,176

3. OTHER**(1) Changes in Accounting Policies/Changes in Accounting Estimate/Retrospective Restatement**

- (a) Changes concerning accounting policy accompanying amendments to accounting standards: No
- (b) Changes other than (a): No
- (c) Changes in accounting estimate: No
- (d) Retrospective restatement: No

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

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

As of July 31, 2014: 241,622 units As of January 31, 2015: 279,122 units

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

As of July 31, 2014: 0 units As of January 31, 2015: 0 units

[Provisional Translation Only]

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

(in thousands of yen)

| | Fifth Fiscal Period (As of July 31, 2014) | Sixth Fiscal Period (As of January 31, 2015) |
|---|--|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 1,824,572 | 3,061,917 |
| Cash and deposits in trust | 2,532,728 | 2,988,577 |
| Operating accounts receivable | 20,291 | 44,654 |
| Prepaid expenses | 3,787 | 11,249 |
| Deferred tax assets | 13 | 17 |
| Consumption taxes receivable | - | 56,429 |
| Other | 15,180 | 13,522 |
| Total current assets | 4,396,573 | 6,176,378 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Land | 2,787,376 | 2,787,376 |
| Buildings in trust | 42,534,811 | 51,759,151 |
| Accumulated depreciation | -1,572,315 | -2,158,714 |
| Buildings in trust, net | 41,007,496 | 49,600,436 |
| Structures in trust | 297,243 | 330,640 |
| Accumulated depreciation | -28,068 | -38,747 |
| Structures in trust, net | 269,174 | 291,893 |
| Machinery and equipment in trust | 689,477 | 801,885 |
| Accumulated depreciation | -45,964 | -62,886 |
| Machinery and equipment in trust, net | 643,512 | 738,999 |
| Tools, furniture and fixtures in trust | 19,407 | 34,003 |
| Accumulated depreciation | -530 | -975 |
| Tools, furniture and fixtures in trust, net | 18,877 | 33,027 |
| Land in trust | 57,779,010 | 71,228,748 |
| Total property, plant and equipment, net | 102,505,448 | 124,680,482 |
| Investments and other assets | | |
| Investment securities | 1,132,980 | 725,632 |
| Lease and guarantee deposits | 10,982 | 10,950 |
| Long-term prepaid expenses | 509,936 | 609,773 |
| Other | 6,037 | 2,777 |
| Total investments and other assets | 1,659,937 | 1,349,133 |
| Total noncurrent assets | 104,165,386 | 126,029,616 |
| Deferred assets | | |
| Deferred organization costs | 24,112 | 18,811 |
| Investment unit issuance costs | 112,907 | 110,802 |
| Total deferred assets | 137,019 | 129,614 |
| Total assets | 108,698,979 | 132,335,609 |

(in thousands of yen)

| | Fifth Fiscal Period (As of July 31, 2014) | Sixth Fiscal Period (As of January 31, 2015) |
|--|--|---|
| Liabilities | | |
| Current liabilities | | |
| Operating accounts payable | 220,289 | 323,754 |
| Short-term loans payable | - | 3,200,000 |
| Current portion of long-term loans payable | 8,200,000 | 12,000,000 |
| Accounts payable-other | 124,015 | 140,139 |
| Accrued expenses | 6,956 | 16,159 |
| Income taxes payable | 675 | 697 |
| Accrued consumption taxes | 15,076 | - |
| Advances received | 507,114 | 581,255 |
| Deposits received | 37,258 | 45,493 |
| Total current liabilities | 9,181,387 | 16,307,500 |
| Noncurrent liabilities | | |
| Long-term loans payable | 48,350,000 | 55,900,000 |
| Tenant leasehold and security deposits in trust | 1,130,525 | 1,275,387 |
| Total noncurrent liabilities | 49,480,525 | 57,175,387 |
| Total liabilities | 58,661,912 | 73,482,887 |
| Net assets | | |
| Unitholders' equity | | |
| Unitholders' capital | 48,592,739 | 57,121,702 |
| Surplus | | |
| Unappropriated retained earnings (undisposed loss) | 1,457,756 | 1,739,608 |
| Total surplus | 1,457,756 | 1,739,608 |
| Total unitholders' equity | 50,050,496 | 58,861,310 |
| Valuation and translation adjustments | | |
| Deferred gains or losses on hedges | -13,429 | -8,589 |
| Total valuation and translation adjustments | -13,429 | -8,589 |
| Total net assets | *1 50,037,066 | *1 58,852,721 |
| Total liabilities and net assets | 108,698,979 | 132,335,609 |

(2) Statements of Income and Retained Earnings

(in thousands of yen)

| | Fifth Fiscal Period February 1, 2014 to July 31, 2014 | | Sixth Fiscal Period August 1, 2014 to January 31, 2015 | |
|--|---|-----------|--|-----------|
| Operating revenues | | | | |
| Rent revenue-real estate | *1 | 3,354,165 | *1 | 3,852,327 |
| Other lease business revenue | *1 | 334,486 | *1 | 314,913 |
| Dividends income | | 54,785 | | 74,275 |
| Total operating revenues | | 3,743,437 | | 4,241,516 |
| Operating expenses | | | | |
| Expenses related to rent business | *1 | 1,486,033 | *1 | 1,583,002 |
| Asset management fees | | 236,832 | | 256,342 |
| Asset custody fees | | 4,571 | | 4,800 |
| Administrative service fees | | 24,580 | | 22,574 |
| Directors' compensation | | 4,500 | | 4,500 |
| Other operating expenses | | 130,718 | | 151,500 |
| Total operating expenses | | 1,887,235 | | 2,022,720 |
| Operating income | | 1,856,201 | | 2,218,796 |
| Non-operating income | | | | |
| Interest income | | 147 | | 193 |
| Interest on refund | | 321 | | 8 |
| Total non-operating income | | 469 | | 201 |
| Non-operating expenses | | | | |
| Interest expenses | | 247,506 | | 306,867 |
| Derivatives-related expenses | | 11,834 | | 11,991 |
| Borrowing expenses | | 98,045 | | 111,582 |
| Amortization of deferred organization costs | | 5,214 | | 5,300 |
| Amortization of investment unit issuance costs | | 35,554 | | 42,744 |
| Total non-operating expenses | | 398,156 | | 478,486 |
| Ordinary income | | 1,458,514 | | 1,740,511 |
| Income before income taxes | | 1,458,514 | | 1,740,511 |
| Income taxes | | | | |
| Current | | 894 | | 958 |
| Deferred | | 6 | | -4 |
| Total income taxes | | 901 | | 954 |
| Net income | | 1,457,613 | | 1,739,557 |
| Retained earnings brought forward | | 143 | | 51 |
| Unappropriated retained earnings (undisposed loss) | | 1,457,756 | | 1,739,608 |

(3) Statements of Changes in Net Assets

Fifth Fiscal Period February 1, 2014 to July 31, 2014 (in thousands of yen)

| | Unitholders' equity | | | Valuation and translation adjustments | | | Total net assets |
|---|----------------------|--|---------------|---------------------------------------|-------------------------------------|---|------------------|
| | Unitholders' capital | Surplus | | Total unitholders' equity | Deferred gains and losses on hedges | Total valuation and translation adjustments | |
| | | Unappropriated retained earnings (undisposed loss) | Total surplus | | | | |
| Balance at the beginning of current period | 48,592,739 | 1,632,542 | 1,632,542 | 50,225,281 | -16,305 | -16,305 | 50,208,976 |
| Changes of items during the period | | | | | | | |
| Dividends from surplus | | -1,632,398 | -1,632,398 | -1,632,398 | | | -1,632,398 |
| Net income | | 1,457,613 | 1,457,613 | 1,457,613 | | | 1,457,613 |
| Net changes of items other than unitholders' equity | | | | | 2,875 | 2,875 | 2,875 |
| Total changes of items during the period | - | -174,785 | -174,785 | -174,785 | 2,875 | 2,875 | -171,910 |
| Balance at the end of current period *1 | 48,592,739 | 1,475,756 | 1,475,756 | 50,050,496 | -13,429 | -13,429 | 50,037,066 |

Sixth Fiscal Period August 1, 2014 to January 31, 2015 (in thousands of yen)

| | Unitholders' equity | | | Valuation and translation adjustments | | | Total net assets |
|---|----------------------|--|---------------|---------------------------------------|-------------------------------------|---|------------------|
| | Unitholders' capital | Surplus | | Total unitholders' equity | Deferred gains and losses on hedges | Total valuation and translation adjustments | |
| | | Unappropriated retained earnings (undisposed loss) | Total surplus | | | | |
| Balance at the beginning of current period | 48,592,739 | 1,457,756 | 1,457,756 | 50,050,496 | -13,429 | -13,429 | 50,037,066 |
| Changes of items during the period | | | | | | | |
| Issuance of investment units | 8,528,962 | | | 8,528,962 | | | 8,528,962 |
| Dividends from surplus | | -1,457,705 | -1,457,705 | -1,457,705 | | | -1,457,705 |
| Net income | | 1,739,557 | 1,739,557 | 1,739,557 | | | 1,739,557 |
| Net changes of items other than unitholders' equity | | | | | 4,840 | 4,840 | 4,840 |
| Total changes of items during the period | 8,528,962 | 281,851 | 281,851 | 8,810,814 | 4,840 | 4,840 | 8,815,654 |
| Balance at the end of current period *1 | 57,121,702 | 1,739,608 | 1,739,608 | 58,861,310 | -8,589 | -8,589 | 58,852,721 |

(4) Distributions

| | Fifth Fiscal Period (From February 1, 2014 to July 31, 2014) | Sixth Fiscal Period (From August 1, 2014 to January 31, 2015) |
|---|--|---|
| I. Retained earnings at the end of period | ¥1,457,756,938 | ¥1,739,608,641 |
| II. Total distributions | ¥1,457,705,526 | ¥1,739,488,304 |
| Distributions per unit | ¥6,033 | ¥6,232 |
| III. Retained earnings brought forward to the next period | ¥51,412 | ¥120,337 |
| Method of calculating distribution amount | In accordance with the policy described in Article 38-1 of its Articles of Incorporation, the Investment Corporation determines that the amount of distribution shall exceed the amount equivalent to 90% of its distributable profit as stipulated in Article 67-15 of the Special Taxation Measures Law, and shall be up to its profits as the maximum amount. Following this policy, the Investment Corporation has decided that it shall distribute ¥1,457,705,526 which is the maximum integral multiple to 241,622 units issued and outstanding as the distribution of earnings. Procedures for the distribution of amounts exceeding distributable income are outlined in Article 38-2 of the Investment Corporation's Articles of Incorporation. In the fourth fiscal period, the Investment Corporation has decided not to distribute cash in excess of distributable profit. | In accordance with the policy described in Article 38-1 of its Articles of Incorporation, the Investment Corporation determines that the amount of distribution shall exceed the amount equivalent to 90% of its distributable profit as stipulated in Article 67-15 of the Special Taxation Measures Law, and shall be up to its profits as the maximum amount. Following this policy, the Investment Corporation has decided that it shall distribute ¥1,739,488,304 which is the maximum integral multiple to 279,122 units issued and outstanding as the distribution of earnings. Procedures for the distribution of amounts exceeding distributable income are outlined in Article 38-2 of the Investment Corporation's Articles of Incorporation. In the fifth fiscal period, the Investment Corporation has decided not to distribute cash in excess of distributable profit. |

(5) Statements of Cash Flows

| | (in thousands of yen) | |
|---|-----------------------|---------------------|
| | Fifth Fiscal Period | Sixth Fiscal Period |
| | February 1, 2014 to | August 1, 2014 to |
| | July 31, 2014 | January 31, 2015 |
| Net cash provided by (used in) operating activities | | |
| Income before income taxes | 1,458,514 | 1,740,511 |
| Depreciation and amortization | 561,727 | 659,451 |
| Amortization of deferred organization costs | 5,214 | 5,300 |
| Amortization of investment unit issuance costs | 35,554 | 42,744 |
| Interest income | -147 | -193 |
| Interest expenses | 247,506 | 306,867 |
| Derivatives-related expenses | 11,834 | 11,991 |
| Decrease (increase) in operating accounts receivable | -4,186 | -24,362 |
| Decrease (increase) in consumption taxes refund receivable | 128,538 | -56,429 |
| Decrease (increase) in prepaid expenses | 3,494 | -7,462 |
| Increase (decrease) in operating accounts payable | 62,811 | 43,947 |
| Increase (decrease) in accounts payable-other | -11,857 | 16,182 |
| Increase (decrease) in accrued consumption taxes | 15,076 | -15,076 |
| Increase (decrease) in advances received | 14,799 | 74,141 |
| Decrease (increase) in long-term prepaid expenses | -20,104 | -99,836 |
| Other, net | -9,313 | 1,586 |
| Subtotal | 2,499,462 | 2,699,363 |
| Interest income received | 147 | 193 |
| Interest expenses paid | -247,481 | -297,664 |
| Income taxes paid | -705 | -675 |
| Net cash provided by (used in) operating activities | 2,251,423 | 2,401,216 |
| Net cash provided by (used in) investing activities | | |
| Purchase of property, plant and equipment in trust | -1,468,008 | -22,845,859 |
| Purchase of investment securities | -725,557 | - |
| Proceeds from investment securities | - | 407,347 |
| Payments of lease and guarantee deposits | - | -117 |
| Proceeds from collection of lease and guarantee deposits | - | 150 |
| Repayments of tenant leasehold and security deposits in trust | -155,026 | -99,026 |
| Proceeds from tenant leasehold and security deposits in trust | 182,376 | 248,208 |
| Net cash provided by (used in) investing activities | -2,166,216 | -22,289,297 |
| Net cash provided by (used in) financing activities | | |
| Decrease in short-term loans payable | - | 3,200,000 |
| Increase in long-term loans payable | 6,850,000 | 13,050,000 |
| Decrease in long-term loans payable | -5,500,000 | -1,700,000 |
| Proceeds from issuance of investment units | - | 8,488,322 |
| Dividends paid | -1,627,520 | -1,457,047 |
| Net cash provided by (used in) financing activities | -277,520 | 21,581,275 |
| Net increase (decrease) in cash and cash equivalents | -192,213 | 1,693,194 |
| Cash and cash equivalents at the beginning of period | 4,549,614 | 4,357,300 |
| Cash and cash equivalents at the end of period | *1 4,357,300 | *1 6,050,495 |

(6) Notes to the Going Concern

Not applicable

(7) Important Accounting Standards

| | |
|---|---|
| 1. Evaluation standards and evaluation method of assets | <p>Securities Other securities Those with no fair value Cost method through moving-average method Concerning anonymous association equity interests, the method of incorporating the amount equivalent to equity interests corresponding to net amount of gain or loss from anonymous association is adopted.</p> |
| 2. Depreciation of fixed assets | <p>(1) Property, plant and equipment (includes trust assets) The straight-line method is applied. Useful lives of the assets ranging are as follows: Buildings: 3 to 62 year Structures: 3 to 45 years Machinery and equipment: 8 to 30 years Tools, furniture and fixtures: 30 years</p> <p>(2) Long-term prepaid expenses The straight-line method is applied.</p> |
| 3. Accounting policies for deferred assets | <p>(1) Deferred organization costs Deferred organization costs are amortized over a period of 5 years under the straight-line method.</p> <p>(2) Unit issuance costs Unit issuance costs are amortized over a period of 3 years under the straight-line method.</p> |
| 4. Accounting standards for revenues and expenses | <p>Property-related taxes including property taxes, city planning taxes and depreciable property taxes are imposed on properties on a calendar year basis. These taxes are generally charged to operating expenses for the period, for the portion of such taxes corresponding to said period. Under Japanese tax regulations, the seller of the property is liable for these taxes on the property from the date of disposal to the end of the calendar year in which the property is disposed. The seller, however, is reimbursed by the purchaser for these accrued property-related tax liabilities.</p> <p>When the Investment Corporation purchases properties, it typically allocates the portion of the property-related taxes related to the period following the purchase date of each property through the end of the calendar year. The amounts of those allocated portions of the property-related taxes are capitalized as part of the acquisition costs of the related properties. Capitalized property-related taxes amounted to ¥3,530 thousand and ¥20,556 thousand as of July 31, 2014 and January 31, 2015, respectively.</p> |
| 5. Accounting for hedges | <p>(1) Hedge accounting method The deferred hedge method is applied. However, the special treatment is applied for the interest-rate swap agreements that meet the criteria.</p> <p>(2) Hedging instruments and risks hedged Hedge instruments The Investment Corporation enters into interest-rate swap transactions. The Investment Corporation enters into interest-rate cap transactions. Risks hedged Interest rates on debt.</p> <p>(3) Hedging policy The Investment Corporation enters into derivative transactions based on its risk management policies with the objective of hedging risks in accordance with its Articles of Incorporation.</p> <p>(4) Method of evaluating the effectiveness of hedging As for the method of assessment of the effectiveness of the hedge in the period from the inception of the hedge to the time of judgment of its effectiveness, the cumulative changes in cash flow of the hedged items and hedging instruments are compared and a judgment is made based on changed amount, etc. However, an assessment of the effectiveness of hedging activities is omitted in the case of interest rate swaps that meet the requirements for special treatment. Furthermore, assessment of the effectiveness of hedging activities is omitted in the case of interest rate caps that do not meet the requirements for special treatment as the important conditions regarding hedged items and hedging instruments are the same and are clearly expected to have the effect of limiting the impact of interest rate volatility within a certain range on an ongoing basis.</p> |
| 6. The scope of cash and cash equivalents on statements of cash flows | <p>Cash and cash equivalents consist of cash on hand, deposits placed with banks and short-term investments which are highly liquid, readily convertible to cash and with insignificant risk of market value fluctuation, with maturities of three months or less from the date of purchase.</p> |

| | |
|---|--|
| <p>7. Other significant accounting policies utilized in the preparation of financial statements</p> | <p>(1) Accounting method for trust beneficiary interests in real estate and other assets The assets and liabilities as well as revenues and expenses of financial assets held in the form of trust beneficiary interests in real estate and other assets are recorded in full in the Investment Corporation's balance sheets and statements of income. Important line items included in accounting for financial assets and liabilities in the Investment Corporation's balance sheet are as follows:</p> <ol style="list-style-type: none"> 1. Cash and deposits in trust 2. Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust 3. Tenant leasehold and security deposits in trust <p>(2) Accounting method for consumption tax Consumption taxes are separately recorded. Non-deductible consumption taxes applicable to the acquisition of assets are included in the cost of acquisition for each asset.</p> |
|---|--|

(8) Notes to the Financial Statements

(Notes to the Balance Sheets)

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

(in thousands of yen)

| As of July 31, 2014 | As of January 31, 2015 |
|---------------------|------------------------|
| 50,000 | 50,000 |

(Notes to the Statements of Income and Retained Earnings)

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

(in thousands of yen)

| | From February 1, 2014 to July 31, 2014 | From August 1, 2014 to January 31, 2015 |
|---|---|--|
| Rental and other operating revenues: | | |
| Rental revenues | 3,105,310 | 3,574,539 |
| Rental revenues from limited proprietary rights of land | 78,310 | 78,309 |
| Common area charges | 170,545 | 199,478 |
| Subtotal | 3,354,165 | 3,852,327 |
| Others: | | |
| Parking space rental revenues | 124,459 | 136,659 |
| Miscellaneous | 210,026 | 178,254 |
| Subtotal | 334,486 | 314,913 |
| Total rental and other operating revenues | 3,688,651 | 4,167,241 |
| Property management fees and facility management fees | 300,002 | 298,258 |
| Utilities | 75,528 | 88,866 |
| Taxes | 213,879 | 213,045 |
| Repairs and maintenance | 183,622 | 166,537 |
| Insurance | 5,692 | 6,678 |
| Trust fees | 31,066 | 34,879 |
| Depreciation | 561,727 | 659,451 |
| Others | 114,514 | 115,285 |
| Total property-related expenses | 1,486,033 | 1,583,002 |
| Net operating income | 2,202,618 | 2,584,238 |

(Notes to the Statements of Changes in Net Assets)

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

| | From February 1, 2014 to July 31, 2014 | From August 1, 2014 to January 31, 2015 |
|---|---|--|
| Total number of authorized investment units | 5,000,000 | 5,000,000 |
| Total number of investment units issued and outstanding | 241,622 | 279,122 |

(Notes to the Statements of Cash Flow)

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

(in thousands of yen)

| | As of July 31, 2014 | As of January 31, 2015 |
|----------------------------|---------------------|------------------------|
| Cash and deposits | 1,824,572 | 3,061,917 |
| Cash and deposits in trust | 2,532,728 | 2,988,577 |
| Cash and cash equivalents | 4,357,300 | 6,050,495 |

(Notes to the Lease Transactions)

Operating lease transactions (Lessor)

Unearned lease payments

(in thousands of yen)

| | As of July 31, 2014 | As of January 31, 2015 |
|------------------|---------------------|------------------------|
| Due in 1 year | 461,504 | 685,381 |
| Due after 1 year | 6,936,328 | 6,609,000 |
| Total | 6,857,832 | 7,294,381 |

(Notes to the Financial Instruments)

(A) Overview

(1) Policy for financial instruments

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

(2) Types of financial instruments and related risk

Bank deposits are for managing the Investment Corporation's surplus funds and are exposed to credit risk such as the bankruptcy of financial institutions at which funds are deposited. Investment securities represent equity investments in an anonymous association and are exposed to credit risk of the issuer and interest rate fluctuation risk. Borrowings, which are made primarily for the purpose of procuring funds for the acquisition of real estate and trust beneficiary interests in real estate and have a repayment date of a maximum of 8 years and 7 months as of January 31, 2015, the end of the sixth fiscal period, are exposed to liquidity risk where alternative funds may not be procured by the repayment date. Also, borrowings with floating interest rates are exposed to interest rate fluctuation risk. Derivatives are used for the purpose of hedging interest rate fluctuation risk for a certain portion of the borrowings.

(3) Risk management for financial instruments

a. Credit risk

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

b. Market risk

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

c. Liquidity risk

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

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

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

(B). Estimated Fair Value of Financial Instruments

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

As of July 31, 2014

(in thousands of yen)

| | Carrying amount | Estimated fair value | Difference |
|--|-----------------|----------------------|------------|
| (1) Cash and deposits | 1,824,572 | 1,824,572 | - |
| (2) Cash and deposits in trust | 2,532,728 | 2,532,728 | - |
| Subtotal | 4,357,300 | 4,357,300 | - |
| (1) Short-term loans payable | - | - | - |
| (2) Current portion of long-term loans payable | 8,200,000 | 8,200,000 | - |
| (3) Long-term loans payable | 48,350,000 | 48,452,360 | 102,360 |
| Subtotal | 56,550,000 | 56,652,360 | 102,360 |
| Derivative transactions | 11,093 | 11,093 | - |

As of January 31, 2015

(in thousands of yen)

| | Carrying amount | Estimated fair value | Difference |
|--|-----------------|----------------------|------------|
| (1) Cash and deposits | 3,061,917 | 3,061,917 | - |
| (2) Cash and deposits in trust | 2,988,577 | 2,988,577 | - |
| Subtotal | 6,050,495 | 6,050,495 | - |
| (1) Short-term loans payable | 3,200,000 | 3,200,000 | - |
| (2) Current portion of long-term loans payable | 12,000,000 | 12,000,000 | - |
| (3) Long-term loans payable | 55,900,000 | 56,487,756 | 587,756 |
| Subtotal | 71,100,000 | 71,687,756 | 587,756 |
| Derivative transactions | 3,942 | 3,942 | - |

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

Assets

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

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

Liabilities

(1) Short-term loans payable

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

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

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

Derivative transactions

Please refer to "Notes to the Derivative Transactions".

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

(in thousands of yen)

| Classification | As of July 31, 2014 | As of January 31, 2015 |
|-------------------------|---------------------|------------------------|
| Investment securities * | 1,132,980 | 725,632 |

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

Note 3: Redemption schedule for financial assets with maturities

As of July 31, 2014

(in thousands of yen)

| | Due in 1 year or less | Due after 1 year through 2 years | Due after 2 years through 3 years | Due after 3 years through 4 years | Due after 4 years through 5 years | Due after 5 years |
|----------------------------|-----------------------|----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-------------------|
| Cash and deposits | 1,824,572 | - | - | - | - | - |
| Cash and deposits in trust | 2,532,728 | - | - | - | - | - |
| Total | 4,357,300 | - | - | - | - | - |

As of January 31, 2015

(in thousands of yen)

| | Due in 1 year or less | Due after 1 year through 2 years | Due after 2 years through 3 years | Due after 3 years through 4 years | Due after 4 years through 5 years | Due after 5 years |
|----------------------------|-----------------------|----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-------------------|
| Cash and deposits | 3,061,917 | - | - | - | - | - |
| Cash and deposits in trust | 2,988,577 | - | - | - | - | - |
| Total | 6,050,495 | - | - | - | - | - |

Note 4: Redemption schedule for loans payable

As of July 31, 2014

(in thousands of yen)

| | Due in 1 year or less | Due after 1 year through 2 years | Due after 2 years through 3 years | Due after 3 years through 4 years | Due after 4 years through 5 years | Due after 5 years |
|--------------------------|-----------------------|----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-------------------|
| Short-term loans payable | - | - | - | - | - | - |
| Long-term loans payable | 8,200,000 | 9,000,000 | 8,500,000 | 11,000,000 | 11,000,000 | 8,850,000 |
| Total | 8,200,000 | 9,000,000 | 8,500,000 | 11,000,000 | 11,000,000 | 8,850,000 |

As of January 31, 2015

(in thousands of yen)

| | Due in 1 year or less | Due after 1 year through 2 years | Due after 2 years through 3 years | Due after 3 years through 4 years | Due after 4 years through 5 years | Due after 5 years |
|--------------------------|-----------------------|----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-------------------|
| Short-term loans payable | 3,200,000 | - | - | - | - | - |
| Long-term loans payable | 12,000,000 | 12,000,000 | 11,000,000 | 11,000,000 | 1,500,000 | 20,400,000 |
| Total | 15,200,000 | 12,000,000 | 11,000,000 | 11,000,000 | 1,500,000 | 20,400,000 |

(Notes to the Derivative Transactions)

(1) Transactions not subject to hedge accounting

As of July 31, 2014 and as of January 31, 2015: Not applicable

(2) Transactions subject to hedge accounting

As of July 31, 2014

| Hedge accounting method | Type of derivative transactions | Hedged items | Contract amount (in thousands of yen) | | Fair value (in thousands of yen) | Calculation method for applicable fair value |
|--|--|-------------------------|---------------------------------------|-----------------------|----------------------------------|---|
| | | | | Maturing after 1 year | | |
| Accounting method, in principle | Interest rate cap transaction: | Long-term loans payable | 10,000,000 | 3,500,000 | 11,093 | Based on the amount provided by counterparty financial institutions |
| Special treatment of interest-rate swaps | Interest rate swap transaction: Receive/floating and pay/fixed | Long-term loans payable | 36,350,000 | 36,350,000 | * | - |
| Total | | | 46,350,000 | 39,850,000 | 11,093 | |

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

As of January 31, 2015

| Hedge accounting method | Type of derivative transactions | Hedged items | Contract amount (in thousands of yen) | | Fair value (in thousands of yen) | Calculation method for applicable fair value |
|--|--|-------------------------|---------------------------------------|-----------------------|----------------------------------|---|
| | | | | Maturing after 1 year | | |
| Accounting method, in principle | Interest rate cap transaction: | Long-term loans payable | 10,000,000 | 3,500,000 | 3,942 | Based on the amount provided by counterparty financial institutions |
| Special treatment of interest-rate swaps | Interest rate swap transaction: Receive/floating and pay/fixed | Long-term loans payable | 47,900,000 | 47,900,000 | * | - |
| Total | | | 57,900,000 | 51,400,000 | 3,942 | |

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

(Notes to the Tax-Effect Accounting)

The significant components of deferred tax assets and liabilities:

| | (in thousands of yen) | |
|------------------------------------|-----------------------|------------------------|
| | As of July 31, 2014 | As of January 31, 2015 |
| Deferred tax assets: | | |
| Enterprise tax payable | 13 | 17 |
| Deferred gains or losses on hedges | 4,586 | 2,933 |
| Subtotal deferred tax assets | 4,599 | 2,950 |
| Valuation allowance | -4,586 | -2,933 |
| Total deferred tax assets | 13 | 17 |

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

| | From February 1, 2014 to July 31, 2014 | From August 1, 2014 to January 31, 2015 |
|-------------------------------|---|--|
| Statutory tax rate | 36.59% | 34.16% |
| Deductible cash distributions | -36.57 | -34.14 |
| Others | 0.04 | 0.03 |
| Effective tax rate | 0.06% | 0.05% |

(Notes to the Related-Party Transactions)

1. Parent Company, major corporate unitholders and other

Fifth Fiscal Period (February 1, 2014 to July 31, 2014) and Sixth Fiscal Period (August 1, 2014 to January 31, 2015): Not applicable

2. Affiliated companies and other

Fifth Fiscal Period (February 1, 2014 to July 31, 2014) and Sixth Fiscal Period (August 1, 2014 to January 31, 2015) : Not applicable

3. Fellow subsidiary companies and other

Fifth Fiscal Period (February 1, 2014 to July 31, 2014) and Sixth Fiscal Period (August 1, 2014 to January 31, 2015): Not applicable

4. Directors, major individual unitholders and other

Fifth Fiscal Period (February 1, 2014 to July 31, 2014) and Sixth Fiscal Period (August 1, 2014 to January 31, 2015) : Not applicable

(Notes to the Investment and Rental Properties)

The Investment Corporation owns real estate for rental purposes in the Tokyo Metropolitan Area and other regional areas for the purpose of generating rental revenues.

The book value and fair value concerning the above real estate for rental purposes are as follows.

(in thousands of yen)

| | | Fifth Fiscal Period from February 1, 2014 to July 31, 2014 | Sixth Fiscal Period from August 1, 2014 to January 31, 2015 |
|---------------------------------|------------------------------------|--|---|
| Book value | | | |
| | Balance at the beginning of period | 101,591,020 | 102,505,448 |
| | Changes during the period | 914,428 | 22,175,033 |
| | Balance at the end of period | 102,505,448 | 124,680,482 |
| Fair value at the end of period | | 107,379,000 | 135,048,000 |

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

Note 2: Among changes in the amount of real estate for rental purposes that occurred during the fifth fiscal period, principal increases were the acquisition of real estate trust beneficiary interests in 1 property totaling ¥1,403,582 thousand and the principal decrease was depreciation ¥561,727 thousand and during the sixth fiscal period, principal increases were the acquisition of real estate trust beneficiary interests in 11 properties totaling 22,772,392 thousand and the principal decrease was depreciation ¥659,451 thousand.

Note 3: The fair value is the appraisal value or the survey value determined by outside appraisers.

Income and loss in the fiscal periods ended July 31, 2014 and January 31, 2015 for real estate for rental purposes is listed in “Notes to the Statements of Income and Retained Earnings”.

(Notes to the Segment Information)

Segment information for the periods from February 1, 2014 to July 31, 2014 and from August 1, 2014 to January 31, 2015 is as follows:

(A) Segment information

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

(B) Related information

(1) Information about each product and service

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

(2) Information about each geographic area

(a) Net sales

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

(b) Property, plant and equipment

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

(3) Information about each major customer

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

(Notes to the Per Unit Information)

| | From February 1, 2014 to July 31, 2014 | From August 1, 2014 to January 31, 2015 |
|--|---|--|
| Net asset value per unit | ¥207,088 | ¥210,849 |
| Net income per unit | ¥6,032 | ¥6,258 |
| Weighted average number of units (units) | 241,622 | 277,932 |

Note 1: The weighted average number of units outstanding of 241,622 and 277,932 were used for the computation of the amount of net income per unit for the periods ended July 31, 2014 and January 31, 2015, respectively. Net income per unit after adjusting for residual units is not included because there were no residual investment units.

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

| | From February 1, 2014 to July 31, 2014 | From August 1, 2014 to January 31, 2015 |
|--|---|--|
| Net income (in thousands of yen) | 1,457,613 | 1,739,557 |
| Net income not available to ordinary unitholders (in thousands of yen) | - | - |
| Net income available to ordinary unitholders (in thousands of yen) | 1,457,613 | 1,739,557 |
| Weighted average number of units during the period (units) | 241,622 | 277,932 |

(Notes to Important Subsequent Events)

The issue of new investment units

On January 15, 2015 and January 28, 2015 respectively, the Board of Directors of the Investment Corporation resolved to issue new investment units as detailed below in order to procure funds for acquisition of the below 11 properties etc.

The payments were completed on February 4, 2015 through public offering and March 4, 2015 by way of third-party allotment. As a result of the issuance of new investment units, the Investment Corporation had total unitholders' capital of ¥80,132,379,043 with 349,089 investment units outstanding as of March 4, 2015.

(Issuance of new investment units through public offering)

Total number of units issued : 67,900 units (Domestic 40,740 units, International 27,160 units)

Issue Price (Offer Price) : ¥340,762 per unit

Total Amount of the Issue Price (Offer Price) : ¥23,137,739,800

Paid-in Value (Issue Value) : ¥328,879 per unit

Gross Proceeds : ¥22,330,884,100

Payment date : February 4, 2015

(Issuance of new investment units by way of third-party allotment)

Total number of units issued : 2,067 units

Paid-in Value (Issue Value) : ¥328,879 per unit

Gross Proceeds : ¥679,792,893

Payment date : March 4, 2015.

Allottee : SMBC Nikko Securities Inc.

(Reference Material)

(A) Acquisition of Properties

On February, 2015, the Investment Corporation acquired the 11 properties described below (total acquisition price: ¥23,611,162 thousand).

In addition, the following acquisition prices do not include the acquisition costs, property taxes, city-planning taxes and consumption taxes, etc.

| Property number | Property name | Location (city or ward, prefecture) | Seller | Acquisition price (in thousands of yen) |
|-----------------|---------------------------------------|-------------------------------------|--------------------------|---|
| T-56 | KDX Residence Hanzomon | Chiyoda ward, Tokyo | (Note) | 4,832,000 |
| T-57 | B-Site Akihabara | Chiyoda ward, Tokyo | Space Design, Inc. | 850,000 |
| T-58 | Bureau Kagurazaka | Shinjuku ward, Tokyo | Space Design, Inc. | 1,360,000 |
| T-59 | KDX Residence Sendagi | Bunkyo ward, Tokyo | (Note) | 2,200,000 |
| T-60 | KDX Residence Seijo | Setagaya ward, Tokyo | G.K.Creek Investment II | 1,400,000 |
| T-61 | KDX Residence Akihabara | Taito ward, Tokyo | G.K.Creek Investment III | 1,250,000 |
| T-62 | KDX Residence Iriya, | Taito ward, Tokyo | G.K.Creek Investment II | 1,062,000 |
| T-63 | KDX Residence Tachikawa | Tachikawa, Tokyo | G.K.Creek Investment III | 3,026,200 |
| T-64 | KDX Residence Tsurumi | Yokohama, Kanagawa | G.K.Creek Investment II | 1,050,000 |
| R-38 | KDX Residence Minami-kusatsu | Kusatsu, Shiga | G.K.Creek Investment II | 1,974,666 |
| R-39 | KDX Residence Ohori Harbor View Tower | Fukuoka, Fukuoka | G.K.Creek Investment II | 4,606,296 |
| Total | | — | — | 23,611,162 |

Note : This information is not disclosed due to the Seller's request

(B) Debt Financing

As of February 5, 2015, the Investment Corporation borrowed funds in order to procure funds for the acquisition of the above 11 properties, etc.

| Series | Lender | Amount (in thousands of yen) | Interest rate | Repayment date | Payment method | Remarks |
|--------|--|------------------------------|--|------------------|------------------|-------------------------|
| 13-A | Sumitomo Mitsui Banking Corporation | 1,200,000 | Base rate (JPY TIBOR for 1-month in JBA) + 0.55% | January 31, 2022 | Full on maturity | Unsecured/ Unguaranteed |
| 13-B | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 1,200,000 | Base rate (JPY TIBOR for 1-month in JBA) + 0.65% | January 31, 2024 | Full on maturity | Unsecured/ Unguaranteed |

Note : The Investment Corporation signed an interest-rate swap agreement to hedge the risk of interest rate fluctuations by converting the interest rate payable into a fixed rate for the long-term borrowings with floating interests. (Series 13-A, 13-B).

The interest rates are as follows:

| | | | |
|-------------|----------|-------------|----------|
| Series 13-A | 0.87460% | Series 13-B | 1.10500% |
|-------------|----------|-------------|----------|

(Omission of Disclosure)

Notes to the Marketable Securities, the Equity-Method Income and Retained Earnings, Retirement Payment and Asset Retirement Obligations are omitted as immaterial to disclose.

【Reference】

Earnings Performance for the Individual Properties for the 6th Fiscal Period (August 1, 2014 to January 31, 2015) : 184 days ※As of January 31, 2015

| Location | | Tokyo Metropolitan Area | | | | | | | | | | | |
|--|--|--------------------------|----------------------|----------------------|---------------------------|------------------------------|--------------------------|------------------------------|---|--|--------------------------------|--------------------------|------------------------------------|
| Property No. | | T-1 | T-2 | T-3 | T-4 | T-5 | T-6 | T-7 | T-8 | T-9 | T-10 | T-11 | T-12 |
| Property Name | | KDX Daikanyama Residence | KDX Yoyogi Residence | KDX Odemma Residence | KDX Iwamoto-cho Residence | KDX Bunkyo Sengoku Residence | KDX Azumabashi Residence | KDX Shimura Sakaue Residence | Nishi Home Tama Plaza (Land with Leasehold) | Cosmo Home Motosumiyoshi (Land with Leasehold) | KDX Musashi Nakahara Residence | KDX Chiba Chuo Residence | KDX Kawaguchi Saiwai-cho Residence |
| Acquisition Date | | May 1, 2012 | May 1, 2012 | May 1, 2012 | May 1, 2012 | May 1, 2012 | May 1, 2012 | May 1, 2012 | April 26, 2012 | April 26, 2012 | May 1, 2012 | May 1, 2012 | May 1, 2012 |
| Price Information | Acquisition price (In millions of yen) | 4,700 | 1,320 | 1,775 | 822 | 1,488 | 650 | 2,830 | 960 | 1,750 | 637 | 1,480 | 1,150 |
| | Percentage of total portfolio | 3.8% | 1.1% | 1.5% | 0.7% | 1.2% | 0.5% | 2.3% | 0.8% | 1.4% | 0.5% | 1.2% | 0.9% |
| | Net book value (In millions of yen) | 4,779 | 1,334 | 1,784 | 829 | 1,503 | 652 | 2,831 | 989 | 1,798 | 644 | 1,459 | 1,168 |
| | Appraisal value at the end of period (In millions of yen) | 5,310 | 1,520 | 1,950 | 911 | 1,710 | 796 | 3,200 | 960 | 1,750 | 687 | 1,610 | 1,370 |
| | Percentage of total appraisal value | 3.9% | 1.1% | 1.4% | 0.7% | 1.3% | 0.6% | 2.4% | 0.7% | 1.3% | 0.5% | 1.2% | 1.0% |
| Lease Information | Number of leasable residential units | 86 | 50 | 54 | 36 | 77 | 41 | 85 | - | - | 35 | 106 | 61 |
| | Leasable floor area (㎡) | 5,338.99 | 1,593.93 | 2,353.23 | 1,131.24 | 2,054.10 | 1,054.83 | 6,117.48 | 3,635.89 | 3,040.11 | 2,123.46 | 3,546.91 | 2,491.66 |
| | Leased floor area (㎡) | 4,835.37 | 1,593.93 | 2,268.93 | 1,131.24 | 2,028.40 | 1,007.35 | 5,971.05 | 3,635.89 | 3,040.11 | 2,062.98 | 3,152.00 | 2,023.32 |
| | Occupancy ratio | | | | | | | | | | | | |
| | As of January 31, 2015 | 90.6% | 100.0% | 96.4% | 100.0% | 98.7% | 95.5% | 97.6% | - | - | 97.2% | 88.9% | 81.2% |
| | As of July 31, 2014 | 98.2% | 97.6% | 92.2% | 96.4% | 99.0% | 100.0% | 96.4% | - | - | 100.0% | 90.6% | 91.7% |
| | As of January 31, 2014 | 94.1% | 98.5% | 96.4% | 100.0% | 91.2% | 97.7% | 97.8% | - | - | 91.3% | 94.6% | 98.2% |
| As of July 31, 2013 | 95.5% | 95.6% | 96.3% | 97.2% | 93.3% | 95.4% | 95.2% | - | - | 100.0% | 96.9% | 96.6% | |
| As of January 31, 2013 | 96.8% | 97.0% | 96.2% | 100.0% | 97.7% | 93.1% | 93.1% | - | - | 88.5% | 96.7% | 95.2% | |
| As of July 31, 2012 | 94.0% | 95.7% | 90.7% | 100.0% | 91.2% | 95.5% | 96.5% | - | - | 97.2% | 96.9% | 90.1% | |
| Income and Retained Earnings Information for the 3rd Fiscal Period | Operating periods | 184days | 184days | 184days | 184days | 184days | 184days | 184days | 184days | 184days | 184days | 184days | 184days |
| | ①Rental and other operating revenues (In thousands of yen) | 151,446 | 49,047 | 54,127 | 26,481 | 49,514 | 24,128 | 101,338 | 34,560 | 43,749 | 24,913 | 59,782 | 42,847 |
| | Rental revenues | 136,298 | 41,770 | 50,942 | 25,363 | 46,379 | 23,244 | 90,930 | 34,560 | 43,749 | 23,990 | 54,393 | 39,660 |
| | Other operating revenues | 15,148 | 7,276 | 3,185 | 1,117 | 3,135 | 884 | 10,407 | - | - | 922 | 5,388 | 3,186 |
| | ②Property-related expenses (In thousands of yen) | 43,623 | 11,105 | 12,123 | 6,508 | 12,696 | 4,978 | 20,001 | 636 | 1,064 | 7,161 | 20,239 | 12,085 |
| | Property management fees | 10,429 | 4,063 | 4,507 | 2,340 | 3,657 | 2,108 | 7,764 | - | - | 2,374 | 5,004 | 3,221 |
| | Taxes | 8,584 | 2,288 | 2,829 | 1,250 | 2,423 | 1,281 | 5,663 | 630 | 1,064 | 1,577 | 3,875 | 2,787 |
| | Utilities | 6,677 | 604 | 657 | 473 | 652 | 318 | 1,374 | - | - | 491 | 954 | 813 |
| | Repairs and maintenance | 13,098 | 2,305 | 1,412 | 903 | 4,251 | 293 | 2,858 | - | - | 2,191 | 7,278 | 2,950 |
| | Insurance | 188 | 49 | 69 | 33 | 62 | 35 | 168 | - | - | 53 | 111 | 73 |
| Trust fees and other expenses | 4,644 | 1,792 | 2,648 | 1,507 | 1,649 | 942 | 2,172 | 6 | - | 473 | 3,014 | 2,238 | |
| ③NOI (=①-②) (In thousands of yen) | 107,823 | 37,942 | 42,003 | 19,972 | 36,818 | 19,149 | 81,336 | 33,924 | 42,685 | 17,752 | 39,543 | 30,761 | |
| ④Depreciation (In thousands of yen) | 15,204 | 5,146 | 10,507 | 5,199 | 6,446 | 4,880 | 21,263 | - | - | 4,046 | 17,093 | 7,211 | |
| ⑤Rental operating income (=③-④) (In thousands of yen) | 92,618 | 32,796 | 31,496 | 14,773 | 30,371 | 14,268 | 60,072 | 33,924 | 42,685 | 13,706 | 22,450 | 23,550 | |
| ⑥Capital expenditures (In thousands of yen) | 12,362 | - | 456 | 123 | - | - | 257 | - | - | 2,313 | 456 | - | |
| ⑦NCF (=⑤-⑥) (In thousands of yen) | 95,460 | 37,942 | 41,547 | 19,849 | 36,818 | 19,149 | 81,079 | 33,924 | 42,685 | 15,439 | 39,086 | 30,761 | |
| Reference | Expense ratio (=②/①) | 28.8% | 22.6% | 22.4% | 24.6% | 25.6% | 20.6% | 19.7% | 1.8% | 2.4% | 28.7% | 33.9% | 28.2% |
| | Property tax for the year 2014 (In thousands of yen) | 17,169 | 4,577 | 5,658 | 2,501 | 4,846 | 2,562 | 11,328 | 1,263 | 2,129 | 3,154 | 7,750 | 5,564 |
| | Assets pledged as collateral | - | - | - | - | - | - | - | - | - | - | - | - |

【Reference】

Earnings Performance for the Individual Properties for the 6th Fiscal Period (August 1, 2014 to January 31, 2015) : 184 days ※As of January 31, 2015

| Location | | Tokyo Metropolitan Area | | | | | | | | | | | |
|--|--|---------------------------|-----------------------------|----------------------------|-----------------------------|----------------------------|--------------------------|--------------------------|------------------------|-------------------------|-----------------------------|-------------------------|-----------------------------------|
| Property No. | | T-13 | T-14 | T-15 | T-16 | T-17 | T-18 | T-19 | T-20 | T-21 | T-22 | T-23 | T-24 |
| Property Name | | KDX Residence Shirokane I | KDX Residence Shirokane III | KDX Residence Shirokane II | KDX Residence Minami-aoyama | KDX Residence Minami-azabu | KDX Residence Shiba Koen | KDX Residence Azabu East | KDX Residence Takanawa | KDX Residence Nishihara | KDX Residence Daikanyama II | KDX Residence Sendagaya | KDX Residence Nihombashi Suitengu |
| Acquisition Date | | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 |
| Price Information | Acquisition price (In millions of yen) | 3,000 | 2,900 | 2,800 | 2,230 | 2,080 | 1,781 | 1,560 | 770 | 1,450 | 730 | 650 | 3,240 |
| | Percentage of total portfolio | 2.5% | 2.4% | 2.3% | 1.8% | 1.7% | 1.5% | 1.3% | 0.6% | 1.2% | 0.6% | 0.5% | 2.7% |
| | Net book value (In millions of yen) | 3,049 | 2,944 | 2,849 | 2,261 | 2,113 | 1,809 | 1,581 | 785 | 1,474 | 745 | 662 | 3,297 |
| | Appraisal value at the end of period (In millions of yen) | 3,190 | 3,370 | 3,000 | 2,280 | 2,290 | 1,990 | 1,790 | 842 | 1,690 | 859 | 728 | 3,470 |
| | Percentage of total appraisal value | 2.4% | 2.5% | 2.2% | 1.7% | 1.7% | 1.5% | 1.3% | 0.6% | 1.3% | 0.6% | 0.5% | 2.6% |
| Lease Information | Number of leasable residential units | 50 | 67 | 85 | 20 | 62 | 64 | 76 | 27 | 39 | 17 | 16 | 79 |
| | Leasable floor area (㎡) | 3,617.32 | 3,635.33 | 2,889.66 | 1,680.79 | 2,785.42 | 2,507.52 | 1,849.00 | 1,034.27 | 2,310.08 | 985.10 | 748.96 | 5,534.86 |
| | Leased floor area (㎡) | 3,520.30 | 3,409.51 | 2,817.82 | 1,527.81 | 2,651.37 | 2,338.82 | 1,849.00 | 1,034.27 | 2,261.08 | 985.10 | 748.96 | 5,534.86 |
| | Occupancy ratio | | | | | | | | | | | | |
| | As of January 31, 2015 | 97.3% | 93.8% | 97.5% | 90.9% | 95.2% | 93.3% | 100.0% | 100.0% | 97.9% | 100.0% | 100.0% | 100.0% |
| | As of July 31, 2014 | 96.1% | 95.2% | 96.0% | 92.9% | 90.2% | 94.0% | 94.3% | 91.0% | 97.6% | 90.9% | 100.0% | 100.0% |
| | As of January 31, 2014 | 97.1% | 95.4% | 98.9% | 95.8% | 91.1% | 100.0% | 94.3% | 100.0% | 94.8% | 100.0% | 100.0% | 100.0% |
| As of July 31, 2013 | - | - | - | - | - | - | - | - | - | - | - | - | |
| As of January 31, 2013 | - | - | - | - | - | - | - | - | - | - | - | - | |
| As of July 31, 2012 | - | - | - | - | - | - | - | - | - | - | - | - | |
| Income and Retained Earnings Information for the 3rd Fiscal Period | Operating periods | 184days | 184days | 184days | 184days | 184days | 184days | 184days | 184days | 184days | 184days | 184days | 184days |
| | ①Rental and other operating revenues (In thousands of yen) | 107,399 | 94,417 | 88,824 | 63,478 | 66,219 | 60,115 | 51,907 | 24,205 | 50,682 | 27,107 | 22,937 | 94,761 |
| | Rental revenues | 88,608 | 89,894 | 82,607 | 61,398 | 63,073 | 56,069 | 49,802 | 23,636 | 45,799 | 22,883 | 18,486 | 90,600 |
| | Other operating revenues | 18,791 | 4,522 | 6,217 | 2,079 | 3,146 | 4,045 | 2,105 | 568 | 4,883 | 4,223 | 4,450 | 4,161 |
| | ②Property-related expenses (In thousands of yen) | 39,090 | 19,433 | 18,293 | 11,069 | 13,883 | 13,098 | 10,140 | 6,104 | 13,775 | 6,222 | 7,493 | 12,275 |
| | Property management fees | 6,670 | 6,434 | 6,376 | 3,931 | 6,255 | 5,377 | 3,830 | 2,416 | 3,935 | 2,721 | 2,867 | 1,465 |
| | Taxes | 7,396 | 6,708 | 4,401 | 3,185 | 3,713 | 2,868 | 2,450 | 1,455 | 3,001 | 1,591 | 1,126 | 4,981 |
| | Utilities | 18,133 | 1,364 | 2,135 | 2,263 | 700 | 734 | 557 | 493 | 894 | 241 | 314 | 1,308 |
| | Repairs and maintenance | 4,369 | 2,052 | 1,879 | 301 | 1,567 | 2,056 | 924 | 311 | 4,884 | 737 | 1,200 | 2,854 |
| | Insurance | 137 | 122 | 101 | 51 | 90 | 71 | 65 | 31 | 76 | 31 | 29 | 159 |
| Trust fees and other expenses | 2,382 | 2,750 | 3,398 | 1,336 | 1,555 | 1,988 | 2,312 | 1,395 | 982 | 899 | 1,954 | 1,505 | |
| ③NOI (=①-②) (In thousands of yen) | 68,308 | 74,983 | 70,531 | 52,408 | 52,336 | 47,017 | 41,766 | 18,100 | 36,907 | 20,884 | 15,443 | 82,486 | |
| ④Depreciation (In thousands of yen) | 7,428 | 9,036 | 6,626 | 3,202 | 6,729 | 5,757 | 5,942 | 2,744 | 5,600 | 968 | 2,796 | 17,549 | |
| ⑤Rental operating income (=③-④) (In thousands of yen) | 60,880 | 65,947 | 63,904 | 49,206 | 45,606 | 41,260 | 35,824 | 15,355 | 31,306 | 19,915 | 12,646 | 64,936 | |
| ⑥Capital expenditures (In thousands of yen) | 1,656 | - | 676 | 650 | 134 | - | 696 | - | 400 | 670 | 385 | 1,908 | |
| ⑦NCF (=⑤-⑥) (In thousands of yen) | 66,651 | 74,983 | 69,854 | 51,758 | 52,202 | 47,017 | 41,069 | 18,100 | 36,506 | 20,214 | 15,057 | 80,577 | |
| Reference | Expense ratio (=②/①) | 36.4% | 20.6% | 20.6% | 17.4% | 21.0% | 21.8% | 19.5% | 25.2% | 27.2% | 23.0% | 32.7% | 13.0% |
| | Property tax for the year 2014 (In thousands of yen) | 14,793 | 13,416 | 8,803 | 6,370 | 7,426 | 5,737 | 4,900 | 2,911 | 6,002 | 3,183 | 2,253 | 9,947 |
| | Assets pledged as collateral | - | - | - | - | - | - | - | - | - | - | - | - |

【Reference】

Earnings Performance for the Individual Properties for the 6th Fiscal Period (August 1, 2014 to January 31, 2015) : 184 days ※As of January 31, 2015

| Location | | Tokyo Metropolitan Area | | | | | | | | | | | |
|--|--|-----------------------------------|--------------------------------|-----------------------|------------------------------|--------------------------|-------------------------------|-----------------------------|-----------------------|--------------------|------------------------|-----------------------|-------------------------------|
| Property No. | | T-25 | T-26 | T-27 | T-28 | T-29 | T-30 | T-31 | T-32 | T-33 | T-34 | T-35 | T-36 |
| Property Name | | KDX Residence Nihombashi Hakozaki | KDX Residence Higashi-shinjuku | KDX Residence Yotsuya | KDX Residence Nishi-shinjuku | KDX Residence Kagurazaka | KDX Residence Futako Tamagawa | KDX Residence Komazawa Koen | KDX Residence Mishuku | KDX Residence Yoga | KDX Residence Shimouma | Raffine Minami-magome | KDX Residence Yukigaya Otsuka |
| Acquisition Date | | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 |
| Price Information | Acquisition price (In millions of yen) | 1,147 | 3,270 | 2,260 | 1,000 | 720 | 1,250 | 920 | 760 | 700 | 600 | 1,250 | 1,050 |
| | Percentage of total portfolio | 0.9% | 2.7% | 1.9% | 0.8% | 0.6% | 1.0% | 0.8% | 0.6% | 0.6% | 0.5% | 1.0% | 0.9% |
| | Net book value (In millions of yen) | 1,169 | 3,318 | 2,296 | 1,019 | 734 | 1,273 | 937 | 775 | 715 | 615 | 1,266 | 1,070 |
| | Appraisal value at the end of period (In millions of yen) | 1,220 | 3,610 | 2,360 | 1,130 | 791 | 1,360 | 1,020 | 844 | 788 | 655 | 1,620 | 1,160 |
| | Percentage of total appraisal value | 0.9% | 2.7% | 1.7% | 0.8% | 0.6% | 1.0% | 0.8% | 0.6% | 0.6% | 0.5% | 1.2% | 0.9% |
| Lease Information | Number of leasable residential units | 60 | 179 | 42 | 54 | 34 | 38 | 32 | 39 | 38 | 29 | 56 | 72 |
| | Leasable floor area (㎡) | 1,537.38 | 4,358.43 | 3,101.16 | 1,345.92 | 890.93 | 2,339.62 | 1,020.18 | 1,103.82 | 1,012.80 | 829.05 | 2,408.56 | 1,526.98 |
| | Leased floor area (㎡) | 1,405.25 | 4,315.61 | 2,911.32 | 1,321.61 | 840.30 | 2,339.62 | 1,020.18 | 1,103.82 | 1,012.80 | 829.05 | 2,408.56 | 1,526.98 |
| | Occupancy ratio | | | | | | | | | | | | |
| | As of January 31, 2015 | 91.4% | 99.0% | 93.9% | 98.2% | 94.3% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| | As of July 31, 2014 | 95.3% | 97.9% | 89.1% | 96.8% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 95.5% | 100.0% | 97.3% |
| | As of January 31, 2014 | 91.8% | 95.9% | 93.9% | 95.2% | 94.4% | 97.0% | 97.8% | 97.7% | 97.5% | 96.9% | 100.0% | 95.9% |
| As of July 31, 2013 | - | - | - | - | - | - | - | - | - | - | - | - | |
| As of January 31, 2013 | - | - | - | - | - | - | - | - | - | - | - | - | |
| As of July 31, 2012 | - | - | - | - | - | - | - | - | - | - | - | - | |
| Income and Retained Earnings Information for the 3rd Fiscal Period | Operating periods | 184days | 184days | 184days | 184days | 184days | 184days | 184days | 184days | 184days | 184days | 184days | 184days |
| | ①Rental and other operating revenues (In thousands of yen) | 38,176 | 107,447 | 72,187 | 34,162 | 24,019 | 42,357 | 28,622 | 26,410 | 23,752 | 19,595 | 51,614 | 36,773 |
| | Rental revenues | 35,189 | 101,186 | 65,753 | 32,880 | 22,030 | 39,461 | 27,167 | 25,235 | 21,559 | 18,723 | 51,614 | 35,440 |
| | Other operating revenues | 2,986 | 6,261 | 6,434 | 1,281 | 1,989 | 2,895 | 1,454 | 1,174 | 2,193 | 872 | - | 1,333 |
| | ②Property-related expenses (In thousands of yen) | 11,643 | 19,323 | 21,217 | 6,521 | 5,658 | 6,490 | 6,317 | 6,074 | 4,233 | 5,338 | 3,194 | 9,081 |
| | Property management fees | 3,453 | 7,595 | 8,390 | 2,927 | 2,503 | 2,749 | 2,093 | 2,637 | 1,898 | 2,016 | 464 | 3,486 |
| | Taxes | 1,721 | 5,609 | 4,859 | 1,699 | 1,019 | 2,105 | 1,241 | 1,426 | 1,254 | 773 | 2,052 | 1,940 |
| | Utilities | 620 | 1,744 | 1,431 | 423 | 321 | 488 | 412 | 264 | 451 | 263 | - | 555 |
| | Repairs and maintenance | 3,997 | 1,360 | 2,373 | 468 | 739 | 563 | 1,930 | 648 | 137 | 999 | 160 | 878 |
| | Insurance | 48 | 138 | 153 | 40 | 28 | 66 | 31 | 34 | 29 | 22 | 57 | 48 |
| Trust fees and other expenses | 1,802 | 2,874 | 4,008 | 961 | 1,045 | 516 | 609 | 1,063 | 462 | 1,262 | 460 | 2,172 | |
| ③NOI (=①-②) (In thousands of yen) | 26,532 | 88,124 | 50,969 | 27,641 | 18,361 | 35,866 | 22,305 | 20,335 | 19,519 | 14,257 | 48,420 | 27,691 | |
| ④Depreciation (In thousands of yen) | 6,406 | 11,540 | 8,944 | 3,805 | 3,293 | 5,123 | 4,571 | 3,063 | 2,585 | 2,217 | 3,958 | 5,426 | |
| ⑤Rental operating income (=③-④) (In thousands of yen) | 20,126 | 76,583 | 42,025 | 23,835 | 15,067 | 30,742 | 17,733 | 17,271 | 16,934 | 12,040 | 44,461 | 22,264 | |
| ⑥Capital expenditures (In thousands of yen) | 2,347 | - | 1,930 | 274 | - | 1,865 | - | - | - | 416 | - | - | |
| ⑦NCF (=⑤-⑥) (In thousands of yen) | 24,184 | 88,124 | 49,039 | 27,366 | 18,361 | 34,000 | 22,305 | 20,335 | 19,519 | 13,840 | 48,420 | 27,691 | |
| Reference | Expense ratio (=②/①) | 30.5% | 18.0% | 29.4% | 19.1% | 23.6% | 15.3% | 22.1% | 23.0% | 17.8% | 27.2% | 6.2% | 24.7% |
| | Property tax for the year 2014 (In thousands of yen) | 3,442 | 11,218 | 9,718 | 3,398 | 2,039 | 4,211 | 2,483 | 2,852 | 2,508 | 1,547 | 4,105 | 3,881 |
| | Assets pledged as collateral | - | - | - | - | - | - | - | - | - | - | - | - |

【Reference】

Earnings Performance for the Individual Properties for the 6th Fiscal Period (August 1, 2014 to January 31, 2015) : 184 days ※As of January 31, 2015

| Location | | Tokyo Metropolitan Area | | | | | | | | | | | |
|--|--|---------------------------|------------------------|-----------------------------|---------------------------|----------------------------|-------------------------------|-----------------------|---------------------------|-------------------------------|----------------------------|-----------------------|-------------------------|
| Property No. | | T-37 | T-38 | T-39 | T-40 | T-41 | T-42 | T-43 | T-44 | T-45 | T-46 | T-47 | T-48 |
| Property Name | | KDX Residence Denen Chofu | KDX Residence Tamagawa | KDX Residence Monzennakacho | KDX Residence Okachimachi | KDX Residence Moto-asakusa | KDX Residence Itabashi Honcho | KDX Residence Azusawa | KDX Residence Tobu Nerima | KDX Residence Yokohama Kannai | KDX Residence Miyamaedaira | KDX Residence Machida | KDX Residence Kinshicho |
| Acquisition Date | | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | March 28, 2014 |
| Price Information | Acquisition price (In millions of yen) | 1,000 | 776 | 773 | 850 | 800 | 620 | 550 | 420 | 800 | 999 | 1,800 | 1,350 |
| | Percentage of total portfolio | 0.8% | 0.6% | 0.6% | 0.7% | 0.7% | 0.5% | 0.5% | 0.3% | 0.7% | 0.8% | 1.5% | 1.1% |
| | Net book value (In millions of yen) | 1,026 | 789 | 788 | 866 | 816 | 634 | 563 | 429 | 816 | 1,017 | 1,828 | 1,392 |
| | Appraisal value at the end of period (In millions of yen) | 1,100 | 851 | 859 | 932 | 874 | 692 | 613 | 473 | 895 | 1,060 | 1,900 | 1,470 |
| | Percentage of total appraisal value | 0.8% | 0.6% | 0.6% | 0.7% | 0.6% | 0.5% | 0.5% | 0.4% | 0.7% | 0.8% | 1.4% | 1.1% |
| Lease Information | Number of leasable residential units | 36 | 52 | 49 | 51 | 44 | 46 | 39 | 37 | 72 | 40 | 52 | 33 |
| | Leasable floor area (㎡) | 2,359.44 | 1,170.40 | 1,171.41 | 1,329.79 | 1,314.91 | 1,127.58 | 989.82 | 931.82 | 1,602.16 | 2,448.27 | 3,832.53 | 2,024.81 |
| | Leased floor area (㎡) | 2,293.90 | 1,170.40 | 1,142.64 | 1,329.79 | 1,240.51 | 1,058.57 | 900.06 | 911.45 | 1,429.52 | 2,204.37 | 3,620.90 | 1,970.95 |
| | Occupancy ratio | | | | | | | | | | | | |
| | As of January 31, 2015 | 97.2% | 100.0% | 97.5% | 100.0% | 94.3% | 93.9% | 90.9% | 97.8% | 89.2% | 90.0% | 94.5% | 97.3% |
| | As of July 31, 2014 | 100.0% | 98.2% | 95.5% | 100.0% | 97.5% | 97.7% | 90.9% | 96.6% | 90.9% | 92.1% | 94.0% | 87.4% |
| | As of January 31, 2014 | 97.2% | 96.5% | 84.3% | 96.2% | 93.3% | 96.0% | 96.7% | 100.0% | 92.3% | 95.2% | 88.7% | - |
| As of July 31, 2013 | - | - | - | - | - | - | - | - | - | - | - | - | |
| As of January 31, 2013 | - | - | - | - | - | - | - | - | - | - | - | - | |
| As of July 31, 2012 | - | - | - | - | - | - | - | - | - | - | - | - | |
| Income and Retained Earnings Information for the 3rd Fiscal Period | Operating periods | 184days | 184days | 184days | 184days | 184days | 184days | 184days | 184days | 184days | 184days | 184days | 184days |
| | ①Rental and other operating revenues (In thousands of yen) | 35,857 | 28,441 | 26,556 | 29,295 | 28,640 | 23,679 | 18,746 | 17,016 | 31,970 | 34,727 | 61,790 | 39,051 |
| | Rental revenues | 34,024 | 26,725 | 25,333 | 29,008 | 27,395 | 23,208 | 17,869 | 16,336 | 29,239 | 31,715 | 55,034 | 32,974 |
| | Other operating revenues | 1,832 | 1,716 | 1,223 | 287 | 1,245 | 470 | 876 | 680 | 2,730 | 3,012 | 6,756 | 6,076 |
| | ②Property-related expenses (In thousands of yen) | 8,963 | 5,781 | 6,792 | 5,598 | 6,969 | 4,766 | 4,269 | 5,267 | 11,841 | 8,084 | 13,643 | 11,371 |
| | Property management fees | 2,673 | 2,324 | 2,255 | 1,774 | 2,600 | 1,884 | 1,884 | 1,922 | 4,137 | 2,730 | 4,535 | 3,015 |
| | Taxes | 1,827 | 1,509 | 1,284 | 1,666 | 1,517 | 1,239 | 1,223 | 1,096 | 1,769 | 2,042 | 3,628 | 0 |
| | Utilities | 585 | 489 | 460 | 373 | 494 | 361 | 227 | 252 | 787 | 620 | 944 | 654 |
| | Repairs and maintenance | 3,272 | 691 | 2,071 | 1,127 | 1,297 | 513 | 302 | 632 | 3,594 | 1,923 | 2,184 | 3,367 |
| | Insurance | 55 | 42 | 34 | 37 | 43 | 32 | 32 | 29 | 56 | 72 | 123 | 81 |
| Trust fees and other expenses | 549 | 724 | 684 | 619 | 1,016 | 735 | 599 | 1,334 | 1,494 | 695 | 2,227 | 4,252 | |
| ③NOI (=①-②) (In thousands of yen) | 26,893 | 22,659 | 19,764 | 23,697 | 21,671 | 18,913 | 14,476 | 11,749 | 20,128 | 26,643 | 48,147 | 27,679 | |
| ④Depreciation (In thousands of yen) | 3,361 | 5,861 | 3,912 | 3,722 | 4,366 | 4,192 | 3,198 | 3,761 | 5,823 | 6,149 | 14,796 | 6,845 | |
| ⑤Rental operating income (=③-④) (In thousands of yen) | 23,532 | 16,798 | 15,852 | 19,975 | 17,304 | 14,720 | 11,278 | 7,987 | 14,305 | 20,494 | 33,351 | 20,834 | |
| ⑥Capital expenditures (In thousands of yen) | 7,503 | - | - | - | 114 | - | - | - | 1,282 | 1,225 | 398 | 1,498 | |
| ⑦NCF (=⑤-⑥) (In thousands of yen) | 19,390 | 22,659 | 19,764 | 23,697 | 21,556 | 18,913 | 14,476 | 11,749 | 18,846 | 25,417 | 47,748 | 26,181 | |
| Reference | Expense ratio (=②/①) | 25.0% | 20.3% | 25.6% | 19.1% | 24.3% | 20.1% | 22.8% | 31.0% | 37.0% | 23.3% | 22.1% | 29.1% |
| | Property tax for the year 2014 (In thousands of yen) | 3,654 | 3,018 | 2,569 | 3,332 | 3,034 | 2,479 | 2,446 | 2,193 | 3,540 | 4,084 | 7,260 | 4,578 |
| | Assets pledged as collateral | - | - | - | - | - | - | - | - | - | - | - | - |

【Reference】

Earnings Performance for the Individual Properties for the 6th Fiscal Period (August 1, 2014 to January 31, 2015) : 184 days ※As of January 31, 2015

| Location | | Tokyo Metropolitan Area | | | | | | Other Regional Areas | | | | | | |
|--|--|----------------------------------|------------------------------------|-------------------------|-----------------------|---------------------------------|---------------------|----------------------|------------------------------|----------------------------|---------------------|-----------------------|----------------------------------|-------|
| Property No. | | T-49 | T-50 | T-51 | T-52 | T-53 | T-54 | T-55 | R-1 | R-2 | R-3 | R-4 | R-5 | |
| Property Name | | KDX Residence Nihombashi Hamacho | KDX Residence Nihombashi Ningyocho | KDX Residence Jiyugaoka | KDX Residence Togoshi | KDX Residence Shinagawa Seaside | KDX Residence Ojima | KDX Residence Oyama | KDX Toyohira Sanjo Residence | KDX Jozenji Dori Residence | KDX Izumi Residence | KDX Chihaya Residence | KDX Sakaisuji Hommachi Residence | |
| Acquisition Date | | August 7, 2014 | August 7, 2014 | August 7, 2014 | August 7, 2014 | August 7, 2014 | August 7, 2014 | August 7, 2014 | May 1, 2012 | May 1, 2012 | May 1, 2012 | May 1, 2012 | May 1, 2012 | |
| Price Information | Acquisition price (In millions of yen) | 996 | 530 | 1,268 | 3,745 | 2,593 | 1,857 | 2,679 | 582 | 1,015 | 1,120 | 1,080 | 2,910 | |
| | Percentage of total portfolio | 0.8% | 0.4% | 1.0% | 3.1% | 2.1% | 1.5% | 2.2% | 0.5% | 0.8% | 0.9% | 0.9% | 2.4% | |
| | Net book value (In millions of yen) | 1,030 | 548 | 1,305 | 3,860 | 2,679 | 1,926 | 2,781 | 587 | 1,025 | 1,124 | 1,085 | 2,900 | |
| | Appraisal value at the end of period (In millions of yen) | 1,090 | 590 | 1,410 | 4,210 | 3,010 | 2,030 | 2,970 | 708 | 1,220 | 1,250 | 1,260 | 3,110 | |
| | Percentage of total appraisal value | 0.8% | 0.4% | 1.0% | 3.1% | 2.2% | 1.5% | 2.2% | 0.5% | 0.9% | 0.9% | 0.9% | 2.3% | |
| Lease Information | Number of leasable residential units | 28 | 27 | 48 | 144 | 127 | 117 | 145 | 63 | 92 | 40 | 92 | 160 | |
| | Leasable floor area (㎡) | 1,756.27 | 877.14 | 1,637.00 | 4,591.76 | 3,314.75 | 2,372.67 | 4,009.07 | 2,868.75 | 3,330.15 | 2,798.20 | 2,936.40 | 6,385.70 | |
| | Leased floor area (㎡) | 1,756.27 | 797.04 | 1,435.27 | 4,455.89 | 2,962.30 | 2,372.67 | 3,657.37 | 2,868.75 | 3,271.53 | 2,798.20 | 2,832.14 | 5,952.15 | |
| | Occupancy ratio | | | | | | | | | | | | | |
| | As of January 31, 2015 | 100.0% | 90.9% | 87.7% | 97.0% | 89.4% | 100.0% | 91.2% | 100.0% | 98.2% | 100.0% | 96.4% | 93.2% | |
| | As of July 31, 2014 | - | - | - | - | - | - | - | - | 98.4% | 96.4% | 95.0% | 100.0% | 92.9% |
| | As of January 31, 2014 | - | - | - | - | - | - | - | - | 97.3% | 97.9% | 97.6% | 95.1% | 94.0% |
| As of July 31, 2013 | - | - | - | - | - | - | - | - | 100.0% | 100.0% | 97.6% | 98.9% | 90.8% | |
| As of January 31, 2013 | - | - | - | - | - | - | - | - | 85.8% | 99.1% | 92.1% | 100.0% | 93.0% | |
| As of July 31, 2012 | - | - | - | - | - | - | - | - | 94.1% | 96.8% | 87.1% | 98.9% | 91.7% | |
| Income and Retained Earnings Information for the 3rd Fiscal Period | Operating periods | 178days | 178days | 178days | 178days | 178days | 178days | 178days | 184days | 184days | 184days | 184days | 184days | |
| | ①Rental and other operating revenues (In thousands of yen) | 29,225 | 14,860 | 35,083 | 116,186 | 81,568 | 53,706 | 86,097 | 30,446 | 49,015 | 42,505 | 47,949 | 104,057 | |
| | Rental revenues | 29,036 | 14,430 | 32,898 | 108,988 | 76,801 | 51,804 | 78,670 | 28,240 | 43,562 | 36,309 | 43,751 | 94,924 | |
| | Other operating revenues | 188 | 429 | 2,184 | 7,197 | 4,767 | 1,901 | 7,427 | 2,206 | 5,452 | 6,196 | 4,197 | 9,132 | |
| | ②Property-related expenses (In thousands of yen) | 3,101 | 6,364 | 5,983 | 13,529 | 15,875 | 11,856 | 12,578 | 6,669 | 11,646 | 8,951 | 11,363 | 26,365 | |
| | Property management fees | 1,581 | 2,394 | 2,592 | 6,647 | 5,864 | 4,405 | 4,706 | 2,092 | 3,616 | 3,491 | 3,787 | 5,875 | |
| | Taxes | 0 | - | - | - | - | - | - | 2,665 | 3,302 | 1,614 | 2,569 | 7,582 | |
| | Utilities | 344 | 261 | 355 | 691 | 973 | 647 | 911 | 690 | 956 | 346 | 1,015 | 1,904 | |
| | Repairs and maintenance | 750 | 1,441 | 1,140 | 3,516 | 4,975 | 3,131 | 2,795 | 499 | 2,015 | 1,636 | 2,746 | 4,379 | |
| | Insurance | 46 | 27 | 45 | 158 | 121 | 82 | 129 | 72 | 88 | 76 | 87 | 217 | |
| Trust fees and other expenses | 376 | 2,239 | 1,850 | 2,515 | 3,941 | 3,590 | 4,035 | 648 | 1,666 | 1,786 | 1,158 | 6,406 | | |
| ③NOI (=①-②) (In thousands of yen) | 26,124 | 8,495 | 29,099 | 102,657 | 65,692 | 41,849 | 73,519 | 23,777 | 37,368 | 33,554 | 36,586 | 77,691 | | |
| ④Depreciation (In thousands of yen) | 4,069 | 1,874 | 3,695 | 16,734 | 12,669 | 11,039 | 16,540 | 5,929 | 10,315 | 9,092 | 10,007 | 23,475 | | |
| ⑤Rental operating income (=③-④) (In thousands of yen) | 22,054 | 6,621 | 25,403 | 85,922 | 53,023 | 30,810 | 56,979 | 17,848 | 27,053 | 24,461 | 26,578 | 54,215 | | |
| ⑥Capital expenditures (In thousands of yen) | 779 | 841 | 2,415 | 380 | - | - | - | - | 1,455 | 707 | 309 | 1,620 | | |
| ⑦NCF (=⑤-⑥) (In thousands of yen) | 25,344 | 7,654 | 26,684 | 102,276 | 65,692 | 41,849 | 73,519 | 23,777 | 35,912 | 32,846 | 36,277 | 76,071 | | |
| Reference | Expense ratio (=②/①) | 10.6% | 42.8% | 17.1% | 11.6% | 19.5% | 22.1% | 14.6% | 21.9% | 23.8% | 21.1% | 23.7% | 25.3% | |
| | Property tax for the year 2014 (In thousands of yen) | 3,120 | 1,923 | 3,668 | 10,988 | 9,179 | 5,512 | 9,573 | 5,333 | 6,605 | 3,230 | 5,138 | 15,167 | |
| | Assets pledged as collateral | - | - | - | - | - | - | - | - | - | - | - | - | |

【Reference】

Earnings Performance for the Individual Properties for the 6th Fiscal Period (August 1, 2014 to January 31, 2015) : 184 days ※As of January 31, 2015

| Location | | Other Regional Areas | | | | | | | | | | | |
|--|--|-------------------------|--------------------------|-----------------------|--------------------------|----------------------------|-----------------------------|------------------------|---------------------------|-----------------------|--------------------------|--------------------------------|---------------------------------|
| Property No. | | R-6 | R-7 | R-8 | R-9 | R-10 | R-11 | R-12 | R-13 | R-14 | R-15 | R-16 | R-17 |
| Property Name | | KDX Shimmachi Residence | KDX Takarazuka Residence | KDX Shimizu Residence | KDX Residence Odori Koen | KDX Residence Kikusui Yojo | KDX Residence Toyohira Koen | KDX Residence Kamisugi | KDX Residence Ichiban-cho | KDX Residence Kotodai | KDX Residence Izumi Chuo | KDX Residence Higashi-sakura I | KDX Residence Higashi-sakura II |
| Acquisition Date | | May 1, 2012 | May 1, 2012 | May 1, 2012 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 |
| Price Information | Acquisition price (In millions of yen) | 1,015 | 1,510 | 1,680 | 765 | 830 | 445 | 700 | 530 | 520 | 480 | 2,350 | 900 |
| | Percentage of total portfolio | 0.8% | 1.2% | 1.4% | 0.6% | 0.7% | 0.4% | 0.6% | 0.4% | 0.4% | 0.4% | 1.9% | 0.7% |
| | Net book value (In millions of yen) | 1,011 | 1,496 | 1,682 | 784 | 850 | 458 | 717 | 544 | 533 | 493 | 2,397 | 921 |
| | Appraisal value at the end of period (In millions of yen) | 1,170 | 1,740 | 1,950 | 819 | 884 | 491 | 805 | 603 | 535 | 553 | 2,630 | 971 |
| | Percentage of total appraisal value | 0.9% | 1.3% | 1.4% | 0.6% | 0.7% | 0.4% | 0.6% | 0.4% | 0.4% | 0.4% | 1.9% | 0.7% |
| Lease Information | Number of leasable residential units | 94 | 80 | 148 | 78 | 84 | 65 | 66 | 45 | 27 | 40 | 187 | 66 |
| | Leasable floor area (㎡) | 2,146.02 | 4,631.16 | 6,255.16 | 2,762.76 | 3,413.06 | 2,253.81 | 2,073.06 | 1,818.09 | 1,475.73 | 2,159.25 | 6,221.83 | 2,655.31 |
| | Leased floor area (㎡) | 2,123.19 | 4,432.49 | 5,759.23 | 2,620.70 | 3,137.73 | 2,152.22 | 2,009.93 | 1,818.09 | 1,475.73 | 1,986.23 | 5,922.58 | 2,496.71 |
| | Occupancy ratio | | | | | | | | | | | | |
| | As of January 31, 2015 | 98.9% | 95.7% | 92.1% | 94.9% | 91.9% | 95.5% | 97.0% | 100.0% | 100.0% | 92.0% | 95.2% | 94.0% |
| | As of July 31, 2014 | 100.0% | 90.0% | 94.2% | 96.1% | 100.0% | 96.9% | 97.0% | 91.9% | 88.9% | 95.0% | 95.2% | 97.0% |
| | As of January 31, 2014 | 92.6% | 97.1% | 95.4% | 98.7% | 99.0% | 92.3% | 92.5% | 98.0% | 96.4% | 94.2% | 97.9% | 100.0% |
| As of July 31, 2013 | 96.8% | 100.0% | 93.6% | - | - | - | - | - | - | - | - | - | |
| As of January 31, 2013 | 96.8% | 92.8% | 99.4% | - | - | - | - | - | - | - | - | - | |
| As of July 31, 2012 | 96.8% | 87.1% | 96.1% | - | - | - | - | - | - | - | - | - | |
| Income and Retained Earnings Information for the 3rd Fiscal Period | Operating periods | 184days | 184days | 184days | 184days | 184days | 184days | 184days | 184days | 184days | 184days | 184days | 184days |
| | ①Rental and other operating revenues (In thousands of yen) | 40,146 | 57,438 | 70,359 | 32,750 | 37,913 | 23,575 | 32,727 | 26,084 | 20,294 | 23,127 | 100,726 | 38,920 |
| | Rental revenues | 38,779 | 51,521 | 62,968 | 30,057 | 34,585 | 21,561 | 30,853 | 24,171 | 18,382 | 20,552 | 91,197 | 36,248 |
| | Other operating revenues | 1,367 | 5,916 | 7,391 | 2,693 | 3,328 | 2,013 | 1,874 | 1,912 | 1,912 | 2,575 | 9,528 | 2,671 |
| | ②Property-related expenses (In thousands of yen) | 7,288 | 12,314 | 15,509 | 9,493 | 9,176 | 7,685 | 7,155 | 6,477 | 5,367 | 5,806 | 26,154 | 12,112 |
| | Property management fees | 2,083 | 2,541 | 4,835 | 2,425 | 2,339 | 1,748 | 2,238 | 2,295 | 2,092 | 1,776 | 9,088 | 2,568 |
| | Taxes | 1,884 | 4,040 | 5,557 | 2,645 | 3,320 | 2,156 | 2,176 | 1,853 | 1,530 | 1,788 | 5,953 | 2,675 |
| | Utilities | 661 | 740 | 767 | 1,034 | 1,350 | 1,148 | 500 | 396 | 548 | 346 | 1,401 | 568 |
| | Repairs and maintenance | 687 | 1,644 | 2,925 | 1,164 | 826 | 746 | 750 | 906 | 507 | 1,303 | 2,872 | 4,117 |
| | Insurance | 64 | 115 | 169 | 79 | 69 | 61 | 53 | 47 | 42 | 52 | 168 | 75 |
| Trust fees and other expenses | 1,908 | 3,232 | 1,254 | 2,144 | 1,269 | 1,825 | 1,435 | 978 | 645 | 540 | 6,669 | 2,105 | |
| ③NOI (=①-②) (In thousands of yen) | 32,857 | 45,123 | 54,850 | 23,257 | 28,736 | 15,890 | 25,571 | 19,607 | 14,927 | 17,320 | 74,571 | 26,808 | |
| ④Depreciation (In thousands of yen) | 8,919 | 16,468 | 14,174 | 7,825 | 7,486 | 4,371 | 6,181 | 5,003 | 4,430 | 4,466 | 17,657 | 6,948 | |
| ⑤Rental operating income (=③-④) (In thousands of yen) | 23,938 | 28,655 | 40,675 | 15,431 | 21,250 | 11,519 | 19,390 | 14,603 | 10,497 | 12,853 | 56,914 | 19,859 | |
| ⑥Capital expenditures (In thousands of yen) | 849 | 242 | - | - | - | - | 298 | - | - | 309 | - | 1,210 | |
| ⑦NCF (=⑤-⑥) (In thousands of yen) | 32,088 | 44,881 | 54,850 | 23,257 | 28,736 | 15,890 | 25,273 | 19,607 | 14,927 | 17,011 | 74,571 | 25,598 | |
| Reference | Expense ratio (=②/①) | 18.2% | 21.4% | 22.0% | 29.0% | 24.2% | 32.6% | 21.9% | 24.8% | 26.4% | 25.1% | 26.0% | 31.1% |
| | Property tax for the year 2014 (In thousands of yen) | 3,766 | 8,081 | 11,117 | 5,291 | 6,644 | 4,313 | 4,352 | 3,706 | 3,061 | 3,577 | 11,907 | 5,351 |
| | Assets pledged as collateral | - | - | - | - | - | - | - | - | - | - | - | - |

【Reference】

Earnings Performance for the Individual Properties for the 6th Fiscal Period (August 1, 2014 to January 31, 2015) : 184 days ※As of January 31, 2015

| Location | | Other Regional Areas | | | | | | | | | | | |
|--|--|----------------------------|-------------------------|---------------------|---------------------|----------------------------|--------------------------|----------------------------|-------------------------------|-------------------------|-------------------------|--------------------|----------------------------------|
| Property No. | | R-18 | R-19 | R-20 | R-21 | R-22 | R-23 | R-24 | R-25 | R-26 | R-27 | R-28 | R-29 |
| Property Name | | KDX Residence Atsuta Jingu | KDX Residence Nishi-oji | KDX Residence Saiin | KDX Residence Namba | KDX Residence Namba-minami | KDX Residence Shin-Osaka | KDX Residence Ibaraki I・II | KDX Residence Toyonaka-minami | KDX Residence Moriguchi | KDX Residence Sannomiya | Ashiya Royal Homes | KDX Residence Funairi Saiwai-cho |
| Acquisition Date | | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 |
| Price Information | Acquisition price (In millions of yen) | 840 | 813 | 440 | 1,410 | 1,350 | 510 | 1,275 | 740 | 551 | 1,080 | 1,360 | 588 |
| | Percentage of total portfolio | 0.7% | 0.7% | 0.4% | 1.2% | 1.1% | 0.4% | 1.0% | 0.6% | 0.5% | 0.9% | 1.1% | 0.5% |
| | Net book value (In millions of yen) | 859 | 835 | 453 | 1,444 | 1,381 | 522 | 1,296 | 752 | 564 | 1,104 | 1,421 | 601 |
| | Appraisal value at the end of period (In millions of yen) | 951 | 858 | 478 | 1,510 | 1,470 | 559 | 1,367 | 775 | 597 | 1,210 | 1,510 | 626 |
| | Percentage of total appraisal value | 0.7% | 0.6% | 0.4% | 1.1% | 1.1% | 0.4% | 1.0% | 0.6% | 0.4% | 0.9% | 1.1% | 0.5% |
| Lease Information | Number of leasable residential units | 95 | 76 | 49 | 118 | 131 | 43 | 61 | 70 | 28 | 86 | 21 | 64 |
| | Leasable floor area (㎡) | 2,724.19 | 2,353.55 | 1,094.81 | 3,387.30 | 3,813.31 | 1,321.04 | 4,701.87 | 2,024.50 | 1,942.78 | 2,292.72 | 3,999.01 | 1,889.53 |
| | Leased floor area (㎡) | 2,614.53 | 2,328.05 | 1,031.17 | 3,259.41 | 3,641.59 | 1,260.84 | 4,469.44 | 1,931.68 | 1,942.78 | 2,266.83 | 3,717.62 | 1,830.54 |
| | Occupancy ratio | | | | | | | | | | | | |
| | As of January 31, 2015 | 96.0% | 98.9% | 94.2% | 96.2% | 95.5% | 95.4% | 95.1% | 95.4% | 100.0% | 98.9% | 93.0% | 96.9% |
| | As of July 31, 2014 | 96.5% | 95.0% | 98.1% | 99.2% | 97.8% | 97.7% | 95.1% | 97.1% | 100.0% | 100.0% | 88.7% | 96.8% |
| | As of January 31, 2014 | 98.2% | 93.3% | 95.8% | 96.2% | 97.2% | 93.2% | 96.7% | 98.5% | 96.2% | 94.4% | 90.7% | 95.3% |
| As of July 31, 2013 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| As of January 31, 2013 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| As of July 31, 2012 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Income and Retained Earnings Information for the 3rd Fiscal Period | Operating periods | 184days | 184days | 184days | 184days | 184days | 184days | 184days | 184days | 184days | 184days | 184days | 184days |
| | ①Rental and other operating revenues (In thousands of yen) | 39,396 | 33,508 | 18,233 | 58,693 | 55,605 | 22,352 | 55,033 | 29,740 | 24,289 | 39,929 | 59,754 | 26,939 |
| | Rental revenues | 36,408 | 31,055 | 16,381 | 53,535 | 54,285 | 20,665 | 48,194 | 28,062 | 21,919 | 37,112 | 56,356 | 24,452 |
| | Other operating revenues | 2,987 | 2,452 | 1,852 | 5,157 | 1,320 | 1,686 | 6,838 | 1,677 | 2,370 | 2,817 | 3,398 | 2,486 |
| | ②Property-related expenses (In thousands of yen) | 10,826 | 7,610 | 4,817 | 12,509 | 11,448 | 4,322 | 13,887 | 6,243 | 5,261 | 9,414 | 17,053 | 5,341 |
| | Property management fees | 3,655 | 2,305 | 1,324 | 3,781 | 3,534 | 1,305 | 3,364 | 1,942 | 1,666 | 2,715 | 5,945 | 1,625 |
| | Taxes | 2,587 | 2,172 | 966 | 3,216 | 3,238 | 1,318 | 4,504 | 1,809 | 1,736 | 2,637 | 4,569 | 1,804 |
| | Utilities | 584 | 1,069 | 880 | 1,715 | 864 | 465 | 1,563 | 476 | 1,060 | 641 | 1,648 | 364 |
| | Repairs and maintenance | 3,134 | 619 | 933 | 1,871 | 2,005 | 338 | 3,372 | 701 | 273 | 1,494 | 3,468 | 573 |
| | Insurance | 73 | 66 | 33 | 87 | 100 | 34 | 135 | 55 | 61 | 67 | 130 | 50 |
| Trust fees and other expenses | 789 | 1,378 | 678 | 1,837 | 1,703 | 858 | 946 | 1,258 | 463 | 1,857 | 1,292 | 922 | |
| ③NOI (=①-②) (In thousands of yen) | 28,570 | 25,897 | 13,415 | 46,184 | 44,157 | 18,029 | 41,145 | 23,496 | 19,027 | 30,515 | 42,701 | 21,598 | |
| ④Depreciation (In thousands of yen) | 7,298 | 6,327 | 3,848 | 9,913 | 11,730 | 5,177 | 6,841 | 8,126 | 5,409 | 7,693 | 4,397 | 5,367 | |
| ⑤Rental operating income (=③-④) (In thousands of yen) | 21,271 | 19,570 | 9,567 | 36,271 | 32,426 | 12,852 | 34,304 | 15,369 | 13,617 | 22,821 | 38,303 | 16,230 | |
| ⑥Capital expenditures (In thousands of yen) | - | 568 | - | 109 | - | 424 | 3,691 | - | 557 | - | 1,468 | - | |
| ⑦NCF (=⑤-⑥) (In thousands of yen) | 21,271 | 18,999 | 9,567 | 36,162 | 32,426 | 12,428 | 30,613 | 15,369 | 13,060 | 22,264 | 36,835 | 16,230 | |
| Reference | Expense ratio (=②/①) | 27.5% | 22.7% | 26.4% | 21.3% | 20.6% | 19.3% | 25.2% | 21.0% | 21.7% | 23.6% | 28.5% | 19.8% |
| | Property tax for the year 2014 (In thousands of yen) | 5,177 | 4,344 | 1,933 | 6,434 | 6,478 | 2,637 | 9,015 | 3,619 | 3,475 | 5,277 | 9,138 | 3,609 |
| | Assets pledged as collateral | - | - | - | - | - | - | - | - | - | - | - | - |

【Reference】 Earnings Performance for the Individual Properties for the 6th Fiscal Period (August 1, 2014 to January 31, 2015) : 184 days
※As of January 31, 2015

| Location | | Other Regional Areas | | | | | | | | "Total of 92 Properties" |
|--|--|---------------------------------|--------------------------------|--------------------------|---------------------------------|-----------------------|---------------------------|----------------------------|-----------------------------|--------------------------|
| Property No. | | R-30 | R-31 | R-32 | R-33 | R-34 | R-35 | R-36 | R-37 | |
| Property Name | | KDX Residence Tenjin-higashi II | KDX Residence Tenjin-higashi I | KDX Residence Nishi Koen | KDX Residence Hirao Josui-machi | Melody Heim Gotenyama | Leopalace Flat Shin-sakae | KDX Residence Konan Yamate | KDX Residence Hommachibashi | |
| Acquisition Date | | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2013 | August 7, 2014 | November 28, 2014 | November 14, 2014 | December 18, 2014 | |
| Price Information | Acquisition price (In millions of yen) | 680 | 370 | 763 | 760 | 400 | 3,500 | 973 | 3,201 | 122,122 |
| | Percentage of total portfolio | 0.6% | 0.3% | 0.6% | 0.6% | 0.3% | 2.9% | 0.8% | 2.6% | 100.0% |
| | Net book value (In millions of yen) | 697 | 381 | 780 | 777 | 418 | 3,776 | 1,010 | 3,344 | 124,680 |
| | Appraisal value at the end of period (In millions of yen) | 786 | 380 | 821 | 825 | 476 | 3,860 | 1,050 | 3,380 | 135,048 |
| | Percentage of total appraisal value | 0.6% | 0.3% | 0.6% | 0.6% | 0.4% | 2.9% | 0.8% | 2.5% | 100.0% |
| Lease Information | Number of leasable residential units | 63 | 42 | 36 | 24 | 36 | 274 | 55 | 134 | 6,026 |
| | Leasable floor area (㎡) | 2,602.53 | 1,315.16 | 2,522.16 | 2,098.68 | 2,297.24 | 11,589.95 | 1,923.22 | 6,511.88 | 242,986.44 |
| | Leased floor area (㎡) | 2,561.22 | 1,065.06 | 2,522.16 | 1,910.15 | 2,236.22 | 11,589.95 | 1,863.48 | 5,873.51 | 232,748.27 |
| | Occupancy ratio | | | | | | | | | |
| | As of January 31, 2015 | 98.4% | 81.0% | 100.0% | 91.0% | 97.3% | 100.0% | 96.9% | 90.2% | 95.7% |
| | As of July 31, 2014 | 98.4% | 92.9% | 94.9% | 95.3% | - | - | - | - | 95.7% |
| | As of January 31, 2014 | 98.4% | 92.9% | 91.3% | 96.2% | - | - | - | - | 95.9% |
| As of July 31, 2013 | - | - | - | - | - | - | - | - | 96.2% | |
| As of January 31, 2013 | - | - | - | - | - | - | - | - | 95.1% | |
| As of July 31, 2012 | - | - | - | - | - | - | - | - | 94.0% | |
| Income and Retained Earnings Information for the 3rd Fiscal Period | Operating periods | 184days | 184days | 184days | 184days | 178days | 65days | 79days | 45days | 175days |
| | ①Rental and other operating revenues (In thousands of yen) | 30,503 | 16,883 | 31,399 | 28,755 | 20,518 | 42,545 | 14,173 | 29,328 | 4,167,241 |
| | Rental revenues | 28,493 | 14,812 | 27,990 | 25,798 | 18,179 | 41,834 | 13,833 | 23,401 | 3,852,327 |
| | Other operating revenues | 2,009 | 2,071 | 3,408 | 2,957 | 2,339 | 711 | 339 | 5,926 | 314,913 |
| | ②Property-related expenses (In thousands of yen) | 5,494 | 4,817 | 6,165 | 6,958 | 3,654 | 1,635 | 1,386 | 4,324 | 923,550 |
| | Property management fees | 1,816 | 1,416 | 2,347 | 1,810 | 1,467 | 1,276 | 789 | 1,363 | 298,258 |
| | Taxes | 1,943 | 1,239 | 2,273 | 2,037 | - | 8 | 8 | 8 | 213,045 |
| | Utilities | 685 | 440 | 714 | 485 | 889 | - | 137 | 226 | 88,866 |
| | Repairs and maintenance | 206 | 846 | 24 | 1,301 | 695 | - | 150 | 1,125 | 166,537 |
| | Insurance | 71 | 36 | 66 | 55 | 50 | 110 | 25 | 54 | 6,678 |
| Trust fees and other expenses | 770 | 837 | 740 | 1,267 | 550 | 240 | 275 | 1,545 | 150,164 | |
| ③NOI (=①-②) (In thousands of yen) | 25,008 | 12,066 | 25,233 | 21,797 | 16,864 | 40,909 | 12,787 | 25,004 | 3,243,690 | |
| ④Depreciation (In thousands of yen) | 6,179 | 3,528 | 6,318 | 4,738 | 2,612 | 16,515 | 2,448 | 7,291 | 659,451 | |
| ⑤Rental operating income (=③-④) (In thousands of yen) | 18,829 | 8,538 | 18,914 | 17,059 | 14,252 | 24,393 | 10,338 | 17,713 | 2,584,238 | |
| ⑥Capital expenditures (In thousands of yen) | 348 | 146 | - | - | - | - | 284 | 1,243 | 62,267 | |
| ⑦NCF (=⑤-⑥) (In thousands of yen) | 24,660 | 11,919 | 25,233 | 21,797 | 16,864 | 40,909 | 12,502 | 23,761 | 3,181,423 | |
| Reference | Expense ratio (=②/①) | 18.0% | 28.5% | 19.6% | 24.2% | 17.8% | 3.8% | 9.8% | 14.7% | 22.2% |
| | Property tax for the year 2014 (In thousands of yen) | 3,887 | 2,479 | 4,546 | 4,075 | 2,727 | 18,345 | 3,911 | 16,535 | 516,119 |
| | Assets pledged as collateral | - | - | - | - | - | - | - | - | - |

※ Total : Cost-weighted average operating period (days)

(Reference) Borrowings

Borrowings on a financial institution basis as of January 31, 2015 are as follows:

(in thousands of yen)

| Classification | Lender | Balance at the beginning of period | Increase during the period | Decrease during the period | Balance at the end of period | Average interest rate (Note 3) (Note 4) | Payment due date (Note 7) | Use | Remarks |
|--|---|------------------------------------|----------------------------|----------------------------|------------------------------|---|---------------------------|----------|---------------------------|
| Short-term loans payable | Aozora Bank, Ltd. | - | 1,600,000 | - | 1,600,000 | 0.482% | August 31, 2015 | (Note6) | Unsecured/ Non-guaranteed |
| | Resona Bank, Ltd. | - | 1,600,000 | - | 1,600,000 | 0.482% | August 31, 2015 | | |
| | Sub Total | - | 3,200,000 | - | 3,200,000 | | | | |
| Current portion of long-term loans payable | Sumitomo Mitsui Banking Corporation | 600,000 | - | 600,000 | - | 0.546% | August 31, 2014 | (Note 6) | Unsecured/ Non-guaranteed |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd | 600,000 | - | 600,000 | - | | | | |
| | Aozora Bank, Ltd. | 500,000 | - | 500,000 | - | | | | |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 2,000,000 | - | - | 2,000,000 | 1.060% | April 30, 2015 | | |
| | Aozora Bank, Ltd. | 2,000,000 | - | - | 2,000,000 | | | | |
| | Resona Bank, Ltd. | 1,500,000 | - | - | 1,500,000 | | | | |
| | Sumitomo Mitsui Banking Corporation | 1,000,000 | - | - | 1,000,000 | 0.590% | August 31, 2015 | | |
| | Sumitomo Mitsui Banking Corporation (Note2) | 1,750,000 | - | - | 1,750,000 | | | | |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note2) | 1,500,000 | - | - | 1,500,000 | | | | |
| | Aozora Bank, Ltd. (Note2) | 500,000 | - | - | 500,000 | | | | |
| | Resona Bank, Ltd. (Note2) | 500,000 | - | - | 500,000 | | | | |
| | Sumitomo Mitsui Trust Bank, Limited (Note2) | 500,000 | - | - | 500,000 | | | | |
| | The Mizuho Trust and Banking Co., Limited (Note2) | 500,000 | - | - | 500,000 | | | | |
| Mizuho Bank, Ltd. (Note2) | 250,000 | - | - | 250,000 | | | | | |
| Sub Total | 13,700,000 | - | 1,700,000 | 12,000,000 | | | | | |
| Long-term loans payable | Sumitomo Mitsui Banking Corporation | 2,500,000 | - | - | 2,500,000 | 1.047% | April 30, 2016 | (Note 6) | Unsecured/ Non-guaranteed |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 1,000,000 | - | - | 1,000,000 | | | | |
| | Sumitomo Mitsui Banking Corporation | 3,000,000 | - | - | 3,000,000 | | | | |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 2,000,000 | - | - | 2,000,000 | 0.787% | August 31, 2016 | | |
| | Aozora Bank, Ltd. | 1,000,000 | - | - | 1,000,000 | | | | |
| | Sumitomo Mitsui Trust Bank, Limited | 1,000,000 | - | - | 1,000,000 | | | | |
| | Resona Bank, Ltd. | 500,000 | - | - | 500,000 | | | | |
| | The Mizuho Trust and Banking Co., Limited | 500,000 | - | - | 500,000 | | | | |
| | Mizuho Bank, Ltd. | 500,000 | - | - | 500,000 | 0.910% | August 31, 2017 | | |
| | Sumitomo Mitsui Banking Corporation | 4,000,000 | - | - | 4,000,000 | | | | |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 2,500,000 | - | - | 2,500,000 | | | | |
| | Aozora Bank, Ltd. | 1,500,000 | - | - | 1,500,000 | | | | |
| | Resona Bank, Ltd. | 1,000,000 | - | - | 1,000,000 | | | | |
| | Sumitomo Mitsui Trust Bank, Limited | 1,000,000 | - | - | 1,000,000 | | | | |
| | The Mizuho Trust and Banking Co., Limited | 500,000 | - | - | 500,000 | | | | |
| | Mizuho Bank, Ltd. | 500,000 | - | - | 500,000 | 1.052% | August 31, 2018 | | |
| | Sumitomo Mitsui Banking Corporation | 3,250,000 | - | - | 3,250,000 | | | | |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 2,000,000 | - | - | 2,000,000 | | | | |
| | Aozora Bank, Ltd. | 1,000,000 | - | - | 1,000,000 | | | | |
| | Resona Bank, Ltd. | 500,000 | - | - | 500,000 | | | | |
| | Sumitomo Mitsui Trust Bank, Limited | 500,000 | - | - | 500,000 | | | | |
| | The Mizuho Trust and Banking Co., Limited | 500,000 | - | - | 500,000 | | | | |
| | Mizuho Bank, Ltd. | 250,000 | - | - | 250,000 | 1.088% (Note5) | August 31, 2018 | | |
| Development Bank of Japan Inc. | 3,000,000 | - | - | 3,000,000 | | | | | |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 1,000,000 | - | - | 1,000,000 | 1.109% | January 31, 2021 | | | |
| Sumitomo Mitsui Banking Corporation | 1,000,000 | - | - | 1,000,000 | 1.221% | July 31, 2021 | | | |
| Aozora Bank, Ltd. | 1,350,000 | - | - | 1,350,000 | 1.183% | March 31, 2021 | | | |

| Classification | Lender | Balance at the beginning of period | Increase during the period | Decrease during the period | Balance at the end of period | Average interest rate (Note 3) (Note 4) | Payment due date (Note 7) | Use | Remarks |
|--|---|------------------------------------|----------------------------|----------------------------|------------------------------|---|------------------------------|---------|------------------------------|
| Long-term loans payable | Sumitomo Mitsui Banking Corporation | 2,000,000 | - | - | 2,000,000 | 1.267% | April 30,2022 | (Note6) | Unsecured/ Non-guaranteed |
| | Aozora Bank, Ltd. | 1,500,000 | - | - | 1,500,000 | 1.267% | April 30,2022 | | |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 1,000,000 | - | - | 1,000,000 | 1.267% | April 30,2022 | | |
| | Resona Bank, Ltd. | 1,000,000 | - | - | 1,000,000 | 1.267% | April 30,2022 | | |
| | Sumitomo Mitsui Banking Corporation | - | 1,100,000 | - | 1,100,000 | 0.916% | August 7,2021 | | |
| | The Bank of Tokyo-Mitsubishi UFJ ,Ltd. | - | 1,100,000 | - | 1,100,000 | | | | |
| | Mizuho Bank, Ltd. | - | 600,000 | - | 600,000 | | | | |
| | Aozora Bank, Ltd. | - | 350,000 | - | 350,000 | | | | |
| | Resona Bank, Ltd. | - | 300,000 | - | 300,000 | | | | |
| | The Mizuho Trust and Banking Co., Limited | - | 300,000 | - | 300,000 | 0.996% (Note5) | August 7,2021 | | |
| | Development Bank of Japan Inc. | - | 1,000,000 | - | 1,000,000 | | | | |
| | Sumitomo Mitsui Banking Corporation | - | 400,000 | - | 400,000 | 1.254% | August 7,2023 | | |
| | The Bank of Tokyo-Mitsubishi UFJ ,Ltd. | - | 400,000 | - | 400,000 | | | | |
| | Mizuho Bank, Ltd. | - | 300,000 | - | 300,000 | | | | |
| | Resona Bank, Ltd. | - | 200,000 | - | 200,000 | | | | |
| | The Mizuho Trust and Banking Co., Limited | - | 200,000 | - | 200,000 | | | | |
| | Aozora Bank, Ltd. | - | 150,000 | - | 150,000 | 1.320% (Note5) | August 7,2023 | | |
| | Development Bank of Japan Inc. | - | 500,000 | - | 500,000 | | | | |
| | Sumitomo Mitsui Banking Corporation | - | 600,000 | - | 600,000 | 0.945% | August 31,2021 | | |
| | The Bank of Tokyo-Mitsubishi UFJ ,Ltd. | - | 600,000 | - | 600,000 | 0.945% | August 31,2021 | | |
| Aozora Bank, Ltd. | - | 500,000 | - | 500,000 | 0.945% | August 31,2021 | | | |
| Mizuho Bank, Ltd. | - | 950,000 | - | 950,000 | 1.083% | November 30,2022 | | | |
| Sumitomo Mitsui Banking Corporation | - | 2,000,000 | - | 2,000,000 | 0.804% | November 30,2020 | | | |
| Mitsubishi UFJ Trust and Banking Corporation | - | 1,500,000 | - | 1,500,000 | 0.689% | November 30,2019 | | | |
| Sub Total | | 42,850,000 | 13,050,000 | - | 55,900,000 | | | | |
| Total | | 56,550,000 | 16,250,000 | 1,700,000 | 71,100,000 | | | | |

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

| | (in thousands of yen) | | | | |
|-------------------------|----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-------------------|
| | Due after 1 year through 2 years | Due after 2 years through 3 years | Due after 3 years through 4 years | Due after 4 years through 5 years | Due after 5 years |
| Long-term loans payable | 12,000,000 | 11,000,000 | 11,000,000 | 1,500,000 | 20,400,000 |

Note 2: Borrowings listed in the current portion of long-term payable were listed in long-term payable in the previous fiscal period.

Note 3: Except for the following (Note 5), borrowings at a floating rate.

Note 4: Average interest rates are the weighted average during the period and figures are rounded to the nearest third decimal place. Also, with regard to borrowings for which interest rate swap and interest rate cap transactions were implemented in order to hedge the interest rate volatility risk, the weighted average interest rates taking into consideration the effects of the interest swaps and interest rate caps are indicated.

Note 5: Borrowings at a fixed rate.

Note 6: All debts were used as the funds for acquiring real estate properties or trust beneficiary interest in real estate (ancillary expenses are included) and repayment of debts.

Note 7: All the repayment methods of debt financing are lump-sum repayments on the due date.