

Translation of Japanese Original

## FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED April 30, 2017 (REIT)

(November 1, 2016 to April 30, 2017)

June 12, 2017

Kenedix Office Investment Corporation is listed on the Tokyo Stock Exchange with the securities code number 8972.

Representative: Naokatsu Uchida, Executive Director

Asset Management Company: Kenedix Real Estate Fund Management, Inc.

Representative: Masahiko Tajima, President &amp; CEO

Inquiries: Jiro Takeda, Head of Planning Division, Office REIT Department

TEL +81-3-5623-8979

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Preparing presentation material:  Yes · NoHold a financial brief meeting:  Yes · No (for institutional investors and analysts)

## 1. PERFORMANCE FOR THE FISCAL PERIOD ENDED April 30, 2017 (November 1, 2016 to April 30, 2017)

## (1) Business Results

(Amounts are rounded down to the nearest one million yen.)

(% indications are increase-decrease rate of period-over-period.)

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the six months ended								
April 30, 2017	15,039	11.5	5,901	2.0	4,751	3.2	4,750	3.2
October 31, 2016	13,491	(6.1)	5,788	(5.1)	4,603	(4.4)	4,601	(4.4)

	Net Income per unit	Return on Unitholders' Equity	Ordinary Income to Total Assets	Ordinary Income to Operating Revenues
For the six months ended	Yen	%	%	%
April 30, 2017	11,733	2.2	1.2	31.6
October 31, 2016	11,365	2.2	1.1	34.1

## (2) Distribution

(Total distributions are rounded down to the nearest one million yen.)

	Distributions per Unit (Excluding Excess of Earnings)	Total Distributions (Excluding Excess of Earnings)	Distributions in Excess of Earnings per Unit	Total Distributions in Excess of Earnings	Payout Ratio	Distribution Ratio to Unitholders' Equity
For the six months ended	Yen	Millions of Yen	Yen	Millions of Yen	%	%
April 30, 2017	11,733	4,750	0	0	100.0	2.2
October 31, 2016	11,365	4,601	0	0	100.0	2.2

## (3) Financial Position

(Total assets and net assets are rounded down to the nearest one million yen.)

	Total Assets	Net Assets	Net Assets to Total Assets	Net Assets per Unit
For the six months ended	Millions of Yen	Millions of Yen	%	Yen
April 30, 2017	410,166	212,986	51.9	526,041
October 31, 2016	413,031	212,825	51.5	525,644

## (4) Cash Flow Situations

(Amounts are rounded down to the nearest one million yen.)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at Period End
For the six months ended	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
April 30, 2017	26,782	(15,849)	(8,101)	22,668
October 31, 2016	7,472	(5,473)	(1,338)	19,836

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## 2. FORECAST OF RESULTS FOR THE FISCAL PERIOD ENDING October 31, 2017 (May 1, 2017 to October 31, 2017)

(% indications are increase-decrease rate of period-over-period.)

	Operating Revenues (Millions of Yen)		Operating Income (Millions of Yen)		Ordinary Income (Millions of Yen)		Net Income (Millions of Yen)		Distributions per Unit (Excluding Excess of Earnings)	Distributions in Excess of Earnings per Unit
		%		%		%		%	Yen	Yen
For the six months ending October 31, 2017	13,788	(8.3)	5,995	1.6	4,941	4.0	4,939	4.0	12,200	0

(Reference) Estimated net income per unit for the fiscal period ending October 31, 2017: ¥12,200

Forecasted number of investment units issued and outstanding as of October 31, 2017: 404,885 units

Forecasted average number of investment units during the fiscal period ending October 31, 2017: 404,885 units

**\*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 Units Issued and Outstanding (including treasury units)

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

As of April 30, 2017: 404,885 units

As of October 31, 2016: 404,885 units

(b) Number of treasury units at period end

As of April 30, 2017: 0 units

As of October 31, 2016: 0 units

Note: Please refer to page 26 "Notes on the Information per Unit" for the calculation of net income per unit.

**\*Details concerning actual status of auditing procedures**

As of the disclosure of this financial report, auditing procedures for financial statements based on the Financial Instruments and Exchange Act are underway.

**\*Explanation on the appropriate use of the forecast of results and other matters of special consideration**

Readers are advised that actual operating revenues, operating income, ordinary income, net income and distributions per unit may differ significantly from forecasts due to a variety of factors. Accordingly, the Investment Corporation does not guarantee payment of the forecast distributions per unit. Please refer to page 10 "Preconditions and Assumptions for the Twenty-fifth Fiscal Period Ending October 31, 2017" for the precondition of forecast for the twenty-fifth fiscal period ending October 31, 2017.

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## 1. Basic Structure — Overview of Companies Related to the Investment Corporation

There were no major changes to the “Structure of Investment Corporation” from the most recent securities report (submitted on January 30, 2017), and accordingly this information has been omitted from this document.

## 2. Management Policy and Operating Conditions

### (1) Management Policy

There were no major changes to the “Investment Policy,” “Investment Strategy” and “Distribution Policy” from the most recent securities report (submitted on January 30, 2017), and accordingly this information has been omitted from this document.

### (2) Operating Conditions

#### ① Operating Conditions for the Twenty-fourth Fiscal Period (fiscal period ended April 30, 2017)

##### A. The Investment Corporation

Kenedix Office Investment Corporation (“the Investment Corporation”) was established on May 6, 2005 in accordance with the Act on Investment Trusts and Investment Corporations (Law No. 198 of the year 1951, including amendments thereafter) (“Investment Trust Act”). On July 21, 2005, the Investment Corporation was listed on the Real Estate Investment Trust Market of the Tokyo Stock Exchange, Inc. (“the Tokyo Stock Exchange”) with a total of 75,400 investment units issued and outstanding (Securities Code: 8972). Subsequently, the Investment Corporation raised funds through public offerings and including seven global offerings. As a result, as of April 30, 2017, the end of the twenty-fourth fiscal period, the number of investment units issued and outstanding totaled 404,885 units.

The Investment Corporation appointed Kenedix Real Estate Fund Management, Inc. (“the Asset management Company”) as its asset manager. In collaboration with the Asset Management Company, the Investment Corporation strives to maximize cash distribution to investors by securing stable earnings and sustainable investment growth. To this end, the Investment Corporation adopts the basic policy of conducting flexible and dynamic investment stance that seeks to respond to its environment and market trends, and endeavors to ensure a timely response to opportunities.

##### B. Investment Environment and Management Performance

###### (a) Investment Environment

During the fiscal period under review (fiscal period ended April 30, 2017), the Japanese economy continued to be on a mild recovery trend backed by improved employment/income environment. The real GDP growth rate for January to March 2017 (The First Preliminary Estimates) showed an annual 2.2% increase due to a rise in capital investments, etc. However, there are some uncertainties about the future such as the new U.S. administration’s policy management and heightened protectionism.

Concerning the office leasing market, demand for relocations for expanded floor area and better location choice continued to be strong in the five central wards of Tokyo, leading to the steady improvement of the average vacancy rate and the rent level. The average vacancy rate in Tokyo’s five central wards at the end of April 2017 announced by Miki Shoji Co., Ltd. was 3.39%, down 0.84 point year-on-year. Down 0.25 point compared with the end of the previous fiscal period (fiscal period ended October 31, 2016), improvement in the average vacancy rate continues. In addition, the average rent in Tokyo’s five central wards (including newly-built office buildings) has also been increasing for 40 consecutive months since January 2014. Moreover, the average vacancy rate of major cities across Japan continued to show an improving trend.

In the office building transaction market, domestic investors such as listed J-REITs and real estate companies, overseas investors and such continued to show a strong appetite for property acquisitions. Due partially to ongoing competitive acquisition environment for excellent properties, the cap rates continuously remain at low levels and transaction prices continue to remain high.

###### (b) Management Performance

As of the end of the previous fiscal period (fiscal period ended October 31, 2016), the Investment Corporation owned 99 properties (with a total acquisition price of ¥398,350 million) and equity interest in a Japanese silent partnership (tokumei kumiai) (“TK”) (acquisition price of ¥1,107 million). During the fiscal period under review (fiscal period ended April 30, 2017), the Investment Corporation acquired three office buildings (ARK Mori Building: acquisition price of ¥4,169 million, Nishi-Shinbashi TS Building: acquisition price of ¥8,400 million, BR Gotanda: acquisition price of ¥2,200 million) and sold BUREX Toranomon (initial acquisition price of ¥1,750 million), KDX Nihonbashi Kabutocho Building (initial acquisition price of ¥11,270 million), KDX Roppongi 228 Building (initial acquisition price of ¥3,300 million), KDX Kanda Misaki-cho Building (initial acquisition price of ¥1,380 million), and KDX Gobancho Building (initial acquisition price of ¥1,951 million) (with a total disposition price of ¥19,910 million).

As a result, the number of properties owned as of April 30, 2017 (excluding the TK interest, same applies below.) amounts to 97 (with a total acquisition price of ¥393,468 million). Looking at the portfolio distribution by property types, 92.3% was comprised of

office buildings, 5.6% of central urban retail properties, 1.4% of residential property and 0.7% of other property on an acquisition price basis. The occupancy rate as of the end of the twenty-fourth fiscal period (fiscal period ended April 30, 2017) increased by 1.0 point from the end of the previous fiscal period (fiscal period ended October 31, 2016) to 97.9% and continuously maintained high occupancy rate.

#### Operation and Management of Existing Properties

The Investment Corporation entrusts property management services for its entire portfolio as of the end of the fiscal period under review (fiscal period ended April 30, 2017) (excluding ARK Mori Building and Shinjuku 6chome Building (Land)) to Kenedix Property Management, Inc. By doing so, the Investment Corporation has strived to unify policies, specifications, procedures, points of contact, etc. for the provision of swift and quality services in the operation and management of properties.

In terms of leasing, in light of the trends of the economy and real estate market, the Investment Corporation sought out potential demand by maintaining close relationships with brokers. Moreover, in order to maintain and raise the competitiveness of office buildings, upgrading of air conditioning systems and repair of common areas, etc. were implemented according to plan.

Consequently, as of the end of the fiscal period under review (fiscal period ended April 30, 2017), the occupancy rate of the Investment Corporation's owned office buildings in the Tokyo Metropolitan Area stood at 97.7%, increased by 0.5 point compared with the end of the previous fiscal period (fiscal period ended October 31, 2016), and for the Investment Corporation's office buildings overall stood at 97.8%, continuously maintained high occupancy rate that exceeds the level of the end of the previous fiscal period (fiscal period ended October 31, 2016).

The Investment Corporation proactively negotiated with the tenants that pay rents lower than market rent level among tenants reaching rent revision period for upward rent revisions and incremental upward rent revisions surpassed the performance of the previous fiscal period.

#### Stable Management through Large Number of Tenants and Tenant Diversification by Sector

The number of end-tenants for the Investment Corporation's office buildings was 1,125 (Note 1) (Note 2) as of the end of the fiscal period under review (fiscal period ended April 30, 2017), diversifying tenant's stratum further. Furthermore, floor area leased to the top 10 office end-tenants as a proportion of total leased floor area of the entire portfolio was 8.6%. In addition, tenants of office buildings are in various sectors. As a result, we believe the impact by a certain end-tenant vacating the property or sluggish performance in certain sectors would have a relatively limited effect and will be able to maintain stable revenue.

Note 1: When a tenant is leasing more than one property, it is counted as one tenant and the number of tenants is indicated accordingly.

Note 2: The number of end-tenants for entire portfolio is 1,152 as of the end of the fiscal period (fiscal period ended April 30, 2017).

### C. Capital Financing

#### (a) Status of Investment Corporation Bonds

The Investment Corporation redeemed the full amount of the Second Series Unsecured Investment Corporation Bonds (totaling ¥3,000 million and maturing in ten years) having reached maturity by cash on hand on March 15, 2017. As a result, the outstanding investment corporation bonds totaled ¥6,300 million as of the end of the fiscal period under review (fiscal period ended April 30, 2017).

#### (b) Status of Borrowings

The Investment Corporation will continue to strive to reduce refinancing risk by diversifying maturity dates for its interest-bearing debt. During the fiscal period under review (fiscal period ended April 30, 2017), the Investment Corporation undertook new borrowings of ¥8,200 million for the repayment of ¥8,700 million that matured during the fiscal period, and repaid ¥500 million by cash on hand. As a result, the balance of interest-bearing debt as of April 30, 2017 is ¥174,600 million, comprised of ¥168,300 million in borrowings (¥4,000 million in short-term borrowings (Note 1) and ¥164,300 million in long-term borrowings (Note 1)) and ¥6,300 million in investment corporation bonds, and interest-bearing debt ratio is 42.6%. (Note 2)

Furthermore, as of the end of fiscal period under review (fiscal period ended April 30, 2017), ¥105,850 million out of ¥110,850 million of long-term borrowings, which have floating interest rates, have been practically fixed by utilizing interest-rate swap agreements, etc. in order to hedge risk of rise in the interest rate. In addition, the long-term debt ratio (Note 3) was 97.7% and the long-term fixed interest debt ratio (Note 4) was 94.8%.

In addition, the Investment Corporation lengthened the average remaining term of its interest-bearing debt (Note 5), the weighted average based on the balance of interest-bearing debt at the end of each fiscal period, from 4.1 years at the end of the twentieth fiscal period (fiscal period ended April 30, 2015) to 4.7 years at the end of the fiscal period under review (fiscal period ended April 30, 2017). Furthermore, the average interest rate (Note 5) was reduced from 1.45% to 1.16% during the same period, demonstrating a steady

reduction of financial costs.

Note 1: Short-term borrowings refer to borrowings with a period of less than or equal to one year from the drawdown date to the repayment date.

However, the borrowings whose period until repayment date have surpassed one year because the repayment date one year from the drawdown date is not a business day and for which the repayment date has been moved to the following business day are included in short-term borrowings. Long-term borrowings refer to borrowings with a period of more than one year from the drawdown date to the repayment date. The same classification criteria apply to other borrowings listed below.

Note 2: Interest-bearing debt ratio = Balance of Interest-bearing debt at the end of fiscal period / Total assets at the end of fiscal period ×100

Note 3: Long-term debt ratio= (Balance of long-term borrowings + Balance of investment corporation bonds) / (Total borrowings + Balance of investment corporation bonds) ×100

Long-term debt ratio is rounded to the nearest first decimal place.

Note 4: Long-term fixed interest debt ratio = (Balance of long-term fixed interest rate borrowings + Balance of investment corporation bonds) / (Total borrowings + Balance of investment corporation bonds) ×100

The balance of long-term fixed interest rate borrowings includes long-term borrowings with floating interest rates effectively fixed by utilizing interest-rate swap agreements and excludes long-term borrowings hedged by interest-rate cap agreements. Long-term fixed interest debt ratio is rounded to the nearest first decimal place.

Note 5: Average remaining terms and average interest rates are the weighted average of the period-end remaining terms and interest rates including upfront fees based on the balance of interest-bearing debt. Average remaining terms are rounded to the nearest first decimal place and average interest rates are rounded to the nearest second decimal place respectively.

The balances of borrowings according to financial institutions as of October 31, 2016 and April 30, 2017 are as follows:

Lender	End of Twenty-third Fiscal Period (as of October 31, 2016) (Millions of Yen)	End of Twenty-fourth Fiscal Period (as of April 30, 2017) (Millions of Yen)	Ratio as of the End of Twenty-fourth Fiscal Period (%) (Note 6)
Sumitomo Mitsui Banking Corporation	45,300.0	44,800.0	26.6%
Development Bank of Japan Inc.	29,550.0	29,550.0	17.6%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	22,800.0	22,800.0	13.5%
Sumitomo Mitsui Trust Bank, Limited	19,100.0	19,100.0	11.3%
Aozora Bank, Ltd.	13,100.0	13,100.0	7.8%
Resona Bank, Limited	10,250.0	10,250.0	6.1%
Mitsubishi UFJ Trust and Banking Corporation	10,200.0	10,200.0	6.1%
Mizuho Bank, Ltd.	8,200.0	8,200.0	4.9%
Mizuho Trust & Banking Co., Ltd.	2,800.0	2,800.0	1.7%
The Bank of Fukuoka, Ltd.	2,500.0	2,500.0	1.5%
The Nishi-Nippon City Bank, Ltd.	1,700.0	1,700.0	1.0%
The Hiroshima Bank, Ltd	1,000.0	1,000.0	0.6%
The 77 Bank, Ltd	1,000.0	1,000.0	0.6%
The Higashi-Nippon Bank, Limited	800.0	800.0	0.5%
The Mie Bank, Ltd	500.0	500.0	0.3%
Total	168,800.0	168,300.0	100.0%

Note 6: Percentages as of the end of the fiscal period under review are rounded to the first decimal place.

#### (c) Status of Credit Rating

The status of the credit ratings as of April 30, 2017 is as follows:

Credit Rating Agency	Details of the Ratings	
	Long-Term Issuer Rating	AA- (Stable)
Japan Credit Rating Agency, Ltd. (JCR)	Ratings on Bonds	AA-
	Preliminary Rating of Shelf Registration	

#### (d) Status of Shelf Registration

The Investment Corporation filed a shelf registration statement for investment corporation bonds (excluding short-term investment corporation bonds) on January 30, 2017. Details are as follows.

Planned Issue Amount	¥100,000 million
Planned Issuance Period	February 7, 2017 to February 6, 2019
Use of Funds	Acquisition funds for specified assets that are meant in Article 2-1 of Investment Trust Act, repayment of borrowings, repayment of investment corporation bonds (including short-term investment corporation bonds), refund of lease and guarantee deposits, funds to pay for repairs and maintenance, working capital, etc.

#### D. Operating Results and Cash Distribution

As a result of the aforementioned management performance, the Investment Corporation reported operating revenues of ¥15,039 million, operating income of ¥5,901 million, ordinary income of ¥4,751 million and net income of ¥4,750 million for its twenty-fourth fiscal period (fiscal period ended April 30, 2017).

Concerning the cash distributions for the fiscal period under review, special taxation measures for investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation (Law No. 26 of the year 1957, including amendments thereafter, “the Special Taxation Measures Act” hereinafter) are applied based on the cash distribution policies stipulated in the Articles of Incorporation, and the Investment Corporation has decided to distribute the entire amount of unappropriated retained earnings excluding the portion where cash distributions per unit would be less than ¥1. Therefore, the distributions per unit resulted in ¥11,733.

#### ② Outlook for next fiscal period

##### A. Investment Environment

Although future Japanese economy is expected to see the continuous mild recovery, careful attention should be paid to uncertainties concerning overseas economies and politics including the rise of policy interest rate in U.S. and trends in the new U.S. administration’s policy management and such. Even in Japan as well, it will be necessary to pay close attention to various events such as the risk of progressive yen appreciation due to the rise of protectionism in U.S., etc. and the impact of the “quantitative and qualitative monetary easing involving control over long- and short-term interest rates” policy that accompanies negative interest rates. Concerning the office leasing market, the average vacancy rate in Tokyo’s five central wards at the end of April 30, 2017 announced by Miki Shoji Co., Ltd. was 3.39%, and therefore the vacancy rate shows a trend toward improvement and the demand remains steady. According to improvement in the vacancy rate, the average rent in Tokyo’s five central wards (including newly-built office buildings) has been on a rising trend as well.

In the office building transaction market, although some point out the overheated state, transaction prices are forecasted to continue remaining high with investors such as listed J-REITs, domestic real estate companies and foreign investors bearing yet a strong appetite for acquisition, backed by the introduction of the negative interest rate, the robust leasing market and the favorable financing environment.

##### B. Future Management Policies and Pending Issues

The Investment Corporation adopts the basic policy of conducting flexible and dynamic investment stance that seeks to respond to its environment and market trends, and endeavors to ensure a timely response to opportunities. Based on this policy, the Investment Corporation creates a property investment strategy, management strategy for existing properties, and financial strategy as set forth below and implements them in a flexible and dynamic manner.

###### (a) Investment Strategy for New Properties and Sales Policy

The Investment Corporation aims for further expansion of its asset size, with the goal of “forming a firm portfolio focusing on mid-sized office buildings” and to become the “No. 1 J-REIT for mid-sized office buildings.” The Investment Corporation will keep mid-sized office buildings in the Tokyo Metropolitan Area as its focus, and with regard to central urban retail properties, invest only in those that have rare value as an alternative to office buildings, are located in busy commercial areas and offer a certain amount of office space. In addition, the Investment Corporation believes that maintaining an investment strategy which aims for a certain degree of regional diversification, will be a foundation for constructing a superior portfolio and differentiating the Investment Corporation from others in the business.

Moreover, when acquiring assets, the Investment Corporation will aim for the sound and stable growth of the portfolio, by securing continuous opportunities for acquiring properties and flexible acquisition methods by utilizing the Asset Management Company’s own networks and the sponsor company’s support line through building multiple pipelines. Also, based on the premises of that the Investment Corporation able to obtain opportunities for property acquisitions in the future, the Investment Corporation might invest in TK interests etc. with the sponsor company on a conjoint basis. In addition, the Investment Corporation seeks to diversify acquisition methods (direct acquisition, equity investment and co-acquisition with the sponsor company, mutual transaction with a view of asset reshuffle, etc.) to secure tactful acquisition of properties such as investments in warehousing related TK etc. in cooperation with the sponsor company with consideration to the timing of funding or the consistency of the investment principles.

In selling properties, the Investment Corporation will examine the sale of properties individually in considering the use of funds for replacement of assets through new property acquisition or fund-type investments. Of this, concerning residential properties, the Investment Corporation will not only refrain from conducting new investments in principle, but will also place such properties on the top of the list of properties to sell while taking into consideration the market environment, asset size and other factors. On the other

hand, the Investment Corporation will decide on the sale of office buildings and central urban retail properties individually by considering the revenue and profitability that take into account current and future market trends, building age, area and property size, among other factors, and also in light of the significance of the property's presence in the portfolio.

#### (b) Management Strategy for Existing Properties

Taking into consideration economic and real estate market trends, the Investment Corporation adopts "a tenant-oriented approach which will lead to revenue" for its leasing activities with aims of ensuring a timely and flexible response as well as optimizing tenant satisfaction. Accordingly, the Investment Corporation seeks to aim to maintain / increase cash flow by offering office environments with high tenant satisfaction. Based on the aforementioned in aim to become "the mid-sized office building of the choice," the Asset Management Company undertakes asset management activities as follows:

- Take measures to maintain and raise competitiveness of properties
- Tailor leasing management according to the market environment
- Apply careful control of management and operating costs by taking advantage of portfolio size
- Ensure appropriate response to relevant laws and regulations
- Develop a proactive response to environmental issues

#### Take measures to maintain and raise competitiveness of properties

The Investment Corporation will implement operation and management in close contact with the actual properties and further enhance the management level. Some specific examples of the operation and management are the installation of automated external defibrillators (AEDs) and service delivery of public wireless LAN in consideration of business continuity plans (BCP) and its corporate social responsibilities (CSR).

Furthermore, tenants at properties are positioned as important "customers" and the perspective of customer satisfaction (CS) is applied to the management of properties. The Investment Corporation has conducted CS surveys targeting the tenants of its office buildings six times in cooperation with J.D. Power Asia Pacific, Inc., an internationally recognized company that engages in customer satisfaction evaluation (requesting those in charge of general affairs and employees of tenants to complete a questionnaire on the hard aspects such as the building and facilities as well as on the soft aspects such as management and operation, consisting of multiple items for evaluation and open-ended questions). The comprehensive satisfaction rating results for the Sixth CS survey conducted in August 2015 is as follows.

The response of "Satisfied", "Slightly Satisfied" remains high level nearly equivalent to the Fifth CS Survey conducted in August 2013.

#### <Comprehensive Satisfaction Rating> (Note 1) (Note 2)

	Satisfied	Slightly Satisfied	Neither	Slightly Dissatisfied	Dissatisfied	Unknown
Sixth CS Survey	24%	51%	18%	6%	1%	1%
Fifth CS Survey	26%	51%	18%	4%	1%	1%

Note 1: Target respondents for the survey are the administration officers of each tenant and tenant employees.

Note 2: Ratios are rounded to the nearest unit.

By conducting such surveys continuously and meeting tenant needs, the Investment Corporation is aiming to improve customer satisfaction while also maintaining and improving the competitiveness and asset value of its properties, and to further enhance profitability.

#### Tailor leasing management according to the market environment

The characteristics of mid-sized office buildings, which are the primary investment target of the Investment Corporation, are that tenant turnover ratios are relatively high. Therefore, in the leasing aspect, the Investment Corporation implements leasing activities in a timely and flexible manner by adopting the basic policy of endeavoring to maximize revenues for the medium- to long-term through maintaining occupancy rate, while taking into account economic and real estate market trends.

Concerning the solicitation of new tenants, the Investment Corporation strives to shorten the period of vacancy and boost the occupancy rate by implementing flexible and dynamic leasing activities through sharing information closely with leasing brokers, holding of previews, marketing directly to corporations, utilizing guarantee companies and other measures while closely watching market conditions and timing of changes going forward.

#### Apply careful control of management and operating costs by taking advantage of portfolio size

The Investment Corporation will carefully control the quality of property management and reduce building maintenance and

operating costs by taking advantage of the portfolio size through cost reductions of building maintenance, reviews of building maintenance companies, construction bidding and procurement of facilities and equipments, etc. via bulk orders.

Ensure appropriate responses to relevant laws and regulations

The Investment Corporation will gather information on the Building Standards Law (Law No. 201 of the year 1950, including amendments thereafter) and other relevant laws and regulations and any future revisions, in a timely manner and will respond as necessary while considering compliance.

Develop a proactive response to environmental issues

The Investment Corporation has established the environmental policies, and promotes environment-friendly investment management operations through proactively participating in GRESB Real Estate Assessment and using certification and assessment systems by external institutions such as DBJ Green Building Certification.

In addition, the Investment Corporation is designated as a specified corporation pursuant to the Act on Rationalizing Energy Use. The Investment Corporation will research on energy saving and environmental friendliness of mid-sized office buildings, develop medium- to long-term energy saving plans and reduction targets, and proactively institute measures in terms of both hardware (buildings and facilities) and soft services (operating and management services) in an aim to ensure the simultaneous pursuit of return on investment and social benefits.

(c) Financial Strategy (Debt Financing)

The Investment Corporation continuously strives to improve the terms and conditions of existing borrowings, and aims for stable financial management by taking the following measures, etc.

- Reduce refinance risks by diversifying maturities of interest-bearing debts
- Have the procurement ratio of long-term fixed interest borrowings above a certain level
- Control the interest-bearing debt ratio (Note) in a conservative manner (the Investment Corporation will aim to keep the interest-bearing debt ratio to total assets (LTV) at less than 45% level as a rule. However, it will also remain open to the option of increasing LTV to the upper 40% level in the event of debt financing conducted for the purpose of acquiring competitive properties or otherwise.)

Moreover, the Investment Corporation will undertake stable fund procurement based on existing favorable relations with financial institutions, especially major banks, aiming for more robust financial management. In addition, the Investment Corporation aspires to pay attention to the share of each bank and consider as appropriate the introduction of transactions with new banks based on comparison with the conditions with currently transacting banks.

Note: Interest-bearing debt ratio = Balance of interest-bearing debt at the end of fiscal period / Total assets at the end of fiscal period × 100

(d) Information Disclosure

Consistent with its basic information disclosure policy, the Investment Corporation proactively engages in IR activities with the aim of promptly providing a wide range of relevant information to investors, and make revisions to the information disclosure system when needed. In specific terms, the Investment Corporation provides information through the Timely Disclosure Network System (TDnet), which is a system operated by the Tokyo Stock Exchange, as well as press releases and its website (URL: <http://www.kdo-reit.com/en/>).

(e) Measures for Conflict of Interest Transactions

The Asset Management Company provides asset management services to not only the Investment Corporation but also other investment corporations and real estate funds, etc. For this reason, the Asset Management Company has adopted rules on “preferential rights to study property information” when considering acquisition of properties and established a Pipeline Meeting with Compliance Officer as a member in order to provide the asset management services according to certain rules, for the purpose of preventing arbitrary allocation of the information about the sale of real estate, etc. and preventing conflicts of interest arising between the investment corporations and real estate funds, etc., which consign the management business to the Asset Management Company. As mentioned the above, the Asset Management Company is taking appropriate measures for conflict of interest transactions.

(f) Important Subsequent Events after the Closing Date

Not applicable



**(3) Risk Factors**

There are no significant changes to the “Investment Risks” as described in the latest Securities Report submitted on January 30, 2017 and the disclosures are omitted.

**(4) Outlook**

Forecasts for the twenty-fifth fiscal period (May 1, 2017 to October 31, 2017) are presented as follows.

Operating Revenues	¥13,788 million
Operating Income	¥5,995 million
Ordinary Income	¥4,941 million
Net Income	¥4,939 million
Distributions per Unit	¥12,200

For preconditions and assumptions of the outlook, please see the following “Preconditions and Assumptions for the Twenty-fifth Fiscal Period Ending October 31, 2017”.

Note: Forecast figures above are calculated based on certain assumptions. Readers are advised that actual operating revenues, net income and distributions per unit may differ significantly from forecasts due to a variety of reasons. Accordingly, the Investment Corporation does not guarantee payment of the forecasted distributions per unit.

## Preconditions and Assumptions for the Twenty-fifth Fiscal Period Ending October 31, 2017

	Preconditions and Assumptions
Calculation Period	<ul style="list-style-type: none"> <li>● The twenty-fifth fiscal period: May 1, 2017 to October 31, 2017 (184 days)</li> </ul>
Property Portfolio	<ul style="list-style-type: none"> <li>● The Investment Corporation held 97 properties that are composed of the real estate and trust beneficiary interests in real estate as of April 30, 2017.</li> <li>● It is based on the premise that there are no changes to the property portfolio such as sales of owned properties and property acquisitions till the end of the twenty-fifth fiscal period.</li> <li>● The Investment Corporation also holds the TK equity other than above. It assumes the refund of the TK equity will not occur by the end of the twenty-fifth fiscal period.</li> <li>● The actual results may fluctuate due to changes in the property portfolio.</li> </ul>
Operating Revenues	<ul style="list-style-type: none"> <li>● Rental revenues are estimated based on valid leasing agreements as of June 12, 2017 and by considering variable factors, such as seasonal factors against the backdrop of historical performance, as well as leasing conditions, such as the recent real estate market conditions, in addition to the difference in number of operating days due to movements in existing investment assets.</li> <li>● Dividends received of ¥64 million have been assumed with regard to the TK equity stated in the above "Property Portfolio".</li> <li>● Forecasts are based on the assumption that there will be no rent in arrears or non-payments from tenants.</li> </ul>
Operating Expenses	<ul style="list-style-type: none"> <li>● Expenses related to rental business other than depreciation are based on the historic expenses, adjusted to reflect expense variables including seasonal factors.</li> <li>● An amount of ¥1,317 million has been assumed for property and facility management fees (property management and building maintenance fees, etc.).</li> <li>● An amount of ¥1,139 million has been assumed for taxes and public dues (property tax and city planning tax, etc.). In addition, the property tax and city planning tax, etc. of the properties acquired on and after January 1, 2017 are allocated to the seller and buyer on a pro rata basis at the time of acquisition settlement, and the amount equivalent to the portion allocated to the buyer is included in the acquisition price of the property. Therefore such taxes are not recorded as expenses for the twenty-fifth fiscal period. The impact when such taxes are recorded as expenses is anticipated to amount to ¥26 million per fiscal period.</li> <li>● An amount of ¥2,301 million has been assumed for depreciation expense.</li> <li>● An amount of ¥445 million has been assumed for repairs, maintenance and renovation expenses. Repairs, maintenance and renovation expenses are estimated based on the amounts budgeted by the Asset Management Company for each property and considered essential for the period. Actual repairs, maintenance and renovation expenses for the fiscal period may, however, differ significantly from estimated amounts due to unforeseen circumstances or emergencies.</li> <li>● In general, property tax and city planning tax are allocated to the seller and purchaser on a pro rata basis at the time of acquisition settlement. In the case of the Investment Corporation, an amount equivalent to the portion allocated to the purchaser is included in the acquisition price of the property.</li> </ul>
Non-Operating Expenses	<ul style="list-style-type: none"> <li>● Interest payable (including financing related expenses etc.) of ¥1,022 million has been assumed.</li> <li>● Amortization of investment unit issuance expenses of ¥19 million has been assumed.</li> </ul>
Extraordinary Profit/Loss	<ul style="list-style-type: none"> <li>● Extraordinary profit/loss is not assumed.</li> </ul>
Borrowings and Investment Corporation Bonds	<ul style="list-style-type: none"> <li>● The balance of the borrowings and the investment corporation bonds as of June 12, 2017 is ¥168,300 million and ¥6,300 million, respectively.</li> <li>● Of the borrowings as of June 12, 2017, a total of ¥14,000 million is due for repayment by the end of the twenty-fifth fiscal period. It is assumed that all the borrowings will be refinanced.</li> <li>● Of the investment corporation bonds as of June 12, 2017, a total of ¥1,500 million is due for repayment by the end of the twenty-fifth fiscal period. It is assumed that all the investment corporation bonds will be redeemed with funds raised by an issue of investment corporation bonds or debt financing, etc.</li> </ul>
Investment Units Issued and Outstanding	<ul style="list-style-type: none"> <li>● Forecasts are based on the assumption that the number of investment units issued and outstanding as of April 30, 2017 is 404,885 units.</li> <li>● Forecasts are based on the assumption that the number of investment units issued and outstanding shall remain unchanged till the end of the twenty-fifth fiscal period.</li> </ul>
Distributions per Unit	<ul style="list-style-type: none"> <li>● Distributions per unit are calculated in accordance with the distribution policy outlined in the Investment Corporation's Articles of Incorporation.</li> <li>● Actual distributions per unit may differ significantly from forecasted figures due to a variety of reasons including movements in investment assets, rental revenues impacted by tenant movements or incidence of major unforeseen renovation expense.</li> </ul>
Distributions in Excess of Earnings per Unit	<ul style="list-style-type: none"> <li>● The Investment Corporation does not currently anticipate distributions in excess of earnings.</li> </ul>
Other	<ul style="list-style-type: none"> <li>● Forecasts are based on the assumption that any revisions to regulatory requirements, taxation, accounting standards, public listing regulations or requirements of the Investment Trusts Association, Japan will not impact forecast figures.</li> <li>● Forecasts are based on the assumption that there will be no major unforeseen changes to economic trends and in real estate and other markets.</li> </ul>

### 3. Financial Statements

#### (1) Balance Sheets

(Thousands of Yen)

	Twenty-third Fiscal Period (As of October 31, 2016)	Twenty-fourth Fiscal Period (As of April 30, 2017)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	11,268,439	14,133,590
Cash and deposits in trust	9,442,126	9,699,090
Accounts receivable-trade	330,775	329,429
Prepaid expenses	104,040	74,786
Other	11,362	10,727
<b>Total current assets</b>	<b>21,156,743</b>	<b>24,247,623</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
<b>Buildings</b>	<b>19,465,902</b>	<b>17,752,301</b>
Accumulated depreciation	(4,599,804)	(4,516,368)
<b>Buildings, net</b>	<b>14,866,097</b>	<b>13,235,933</b>
<b>Structures</b>	<b>37,639</b>	<b>32,618</b>
Accumulated depreciation	(13,384)	(11,204)
<b>Structures, net</b>	<b>24,254</b>	<b>21,413</b>
<b>Machinery and equipment</b>	<b>390,920</b>	<b>391,289</b>
Accumulated depreciation	(190,056)	(201,162)
<b>Machinery and equipment, net</b>	<b>200,864</b>	<b>190,127</b>
<b>Tools, furniture and fixtures</b>	<b>85,371</b>	<b>78,896</b>
Accumulated depreciation	(49,913)	(46,241)
<b>Tools, furniture and fixtures, net</b>	<b>35,457</b>	<b>32,655</b>
<b>Land</b>	<b>36,424,212</b>	<b>29,504,025</b>
<b>Buildings in trust</b>	<b>118,277,285 *2</b>	<b>118,049,614 *2</b>
Accumulated depreciation	(23,556,115)	(24,813,898)
<b>Buildings in trust, net</b>	<b>94,721,169</b>	<b>93,235,716</b>
<b>Structures in trust</b>	<b>380,114</b>	<b>373,565</b>
Accumulated depreciation	(158,140)	(165,322)
<b>Structures in trust, net</b>	<b>221,974</b>	<b>208,242</b>
<b>Machinery and equipment in trust</b>	<b>1,700,363</b>	<b>1,687,226</b>
Accumulated depreciation	(766,617)	(791,794)
<b>Machinery and equipment in trust, net</b>	<b>933,746</b>	<b>895,432</b>
<b>Tools, furniture and fixtures in trust</b>	<b>439,064</b>	<b>456,418</b>
Accumulated depreciation	(234,952)	(247,027)
<b>Tools, furniture and fixtures in trust, net</b>	<b>204,111</b>	<b>209,391</b>
<b>Land in trust</b>	<b>241,213,445</b>	<b>245,227,423</b>
<b>Construction in progress in trust</b>	<b>-</b>	<b>2,183</b>
<b>Total property, plant and equipment</b>	<b>388,845,334</b>	<b>382,762,544</b>
<b>Intangible assets</b>		
Land leasehold	285,350	285,257
Land leasehold in trust	66,335	353,847
Other	5,125	4,726
<b>Total intangible assets</b>	<b>356,810</b>	<b>643,831</b>
<b>Investments and other assets</b>		
Investment securities	1,093,584	1,087,688
Lease and guarantee deposits	10,000	10,000
Lease and guarantee deposits in trust	122,889	122,889
Long-term prepaid expenses	1,352,177	1,228,082
Other	3,561	13,433

(Thousands of Yen)

	Twenty-third Fiscal Period (As of October 31, 2016)	Twenty-fourth Fiscal Period (As of April 30, 2017)
Total investments and other assets	2,582,214	2,462,093
Total noncurrent assets	391,784,359	385,868,469
Deferred assets		
Investment corporation bond issuance costs	36,498	31,016
Investment unit issuance expenses	54,159	19,277
Total deferred assets	90,657	50,293
Total assets	413,031,761	410,166,386
Liabilities		
Current Liabilities		
Accounts payable	1,366,552	1,152,792
Short-term loans payable	1,500,000	4,000,000
Current portion of investment corporation bonds	4,500,000	1,500,000
Current portion of long-term loans payable	21,200,000	22,750,000
Accounts payable-other	248,036	261,614
Accrued expenses	76,005	75,121
Income taxes payable	838	794
Accrued consumption taxes	343,665	597,899
Advances received	2,143,523	2,170,062
Deposits received	2,896	69,924
Other	2,274	-
Total current liabilities	31,383,793	32,578,209
Noncurrent liabilities		
Investment corporation bonds	4,800,000	4,800,000
Long-term loans payable	146,100,000	141,550,000
Tenant leasehold and security deposits	2,185,141	2,002,452
Tenant leasehold and security deposits in trust	15,736,451	16,249,464
Other	977	-
Total noncurrent liabilities	168,822,570	164,601,916
Total liabilities	200,206,363	197,180,125
Net assets		
Unitholders' equity		
Unitholders' capital	206,199,945	206,199,945
Surplus		
Voluntary reserve		
Reserve for reduction entry	2,024,673	2,024,673
Total voluntary reserve	2,024,673	2,024,673
Unappropriated retained earnings (undisposed loss)	4,601,756	4,750,760
Total surplus	6,626,429	6,775,433
Total unitholders' equity	212,826,375	212,975,379
Valuation and translation adjustments		
Deferred gains or losses on hedges	(977)	10,882
Total valuation and translation adjustments	(977)	10,882
Total net assets	212,825,397 *1	212,986,261 *1
Total liabilities and net assets	413,031,761	410,166,386

**(2) Statements of Income**

(Thousands of Yen)

	Twenty-third Fiscal Period May 1, 2016 to October 31, 2016	Twenty-fourth Fiscal Period November 1, 2016 to April 30, 2017
Operating revenues		
Rental revenues	11,362,345 *1	11,572,669 *1
Other rental revenues	2,067,427 *1	1,754,936 *1
Gain on sales of real estate, etc.	-	1,662,787 *2
Dividends income	61,739	48,643
Total operating revenue	13,491,513	15,039,036
Operating expenses		
Property related expenses	6,754,675 *1	6,527,688 *1
Loss on sales of real estate, etc.	-	1,657,160 *2
Asset management fees	755,591	766,673
Directors' compensation	8,400	8,400
Asset custody fees	22,264	22,390
Administrative service fees	55,879	55,841
Audit fees	11,800	11,800
Other operating expenses	94,726	87,163
Total operating expenses	7,703,337	9,137,118
Operating income	5,788,175	5,901,917
Non-operating income		
Interest income	38	35
Dividends and redemption-prescription	940	816
Interest on refund	364	4
Total non-operating income	1,343	855
Non-operating expenses		
Interest expenses	864,908	819,103
Interest expenses on investment corporation bonds	76,194	66,587
Borrowing related expenses	176,510	153,773
Amortization of investment corporation bond issuance costs	5,879	5,481
Amortization of investment unit issuance expenses	56,481	34,882
Other	6,426	71,175
Total non-operating expenses	1,186,399	1,151,003
Ordinary income	4,603,119	4,751,770
Income before income taxes	4,603,119	4,751,770
Income taxes-current	1,371	1,240
Income taxes-deferred	(7)	8
Total income taxes	1,363	1,248
Net income	4,601,756	4,750,521
Retained earnings at the beginning of a period	-	238
Unappropriated retained earnings (undisposed loss)	4,601,756	4,750,760

**(3) Statements of Unitholders' Equity**

Twenty-third fiscal period (May 1, 2016 to October 31, 2016)

(Thousands of Yen)

	Unitholders' equity					Valuation and translation adjustments			Total net assets
	Unitholders' capital	Surplus				Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
		Voluntary reserve		Unappropriated retained earnings (undisposed loss)	Total surplus				
		Reserve for reduction entry	Total voluntary reserve						
Balance at the start of current period	206,199,945	1,544,521	1,544,521	4,815,255	6,359,776	212,559,722	(4,328)	(4,328)	212,555,394
Changes during the period									
Provision of reserve for reduction entry		480,151	480,151	(480,151)	-	-			-
Distribution from surplus				(4,335,103)	(4,335,103)	(4,335,103)			(4,335,103)
Net income				4,601,756	4,601,756	4,601,756			4,601,756
Items other than unitholders' equity, net							3,350	3,350	3,350
Total changes during the period	-	480,151	480,151	(213,499)	266,652	266,652	3,350	3,350	270,002
Balance at the end of current period	* 206,199,945	2,024,673	2,024,673	4,601,756	6,626,429	212,826,375	(977)	(977)	212,825,397

Twenty-fourth fiscal period (November 1, 2016 to April 30, 2017)

(Thousands of Yen)

	Unitholders' equity					Valuation and translation adjustments			Total net assets
	Unitholders' capital	Surplus				Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
		Voluntary reserve		Unappropriated retained earnings (undisposed loss)	Total surplus				
		Reserve for reduction entry	Total voluntary reserve						
Balance at the start of current period	206,199,945	2,024,673	2,024,673	4,601,756	6,626,429	212,826,375	(977)	(977)	212,825,397
Changes during the period									
Distribution from surplus				(4,601,518)	(4,601,518)	(4,601,518)			(4,601,518)
Net income				4,750,521	4,750,521	4,750,521			4,750,521
Items other than unitholders' equity, net							11,859	11,859	11,859
Total changes during the period	-	-	-	149,003	149,003	149,003	11,859	11,859	160,863
Balance at the end of current period	* 206,199,945	2,024,673	2,024,673	4,750,760	6,775,433	212,975,379	10,882	10,882	212,986,291

**(4) Basis for Calculating Cash Distribution**

(Unit: Yen)

	Twenty-third Fiscal Period (May 1, 2016 to October 31, 2016)	Twenty-fourth Fiscal Period (November 1, 2016 to April 30, 2017)
I. Retained earnings at the end of period	4,601,756,256	4,750,760,072
II. Total Distribution (Distributions per Unit)	4,601,518,025 (11,365)	4,750,515,705 (11,733)
III. Retained Earnings brought forward to the next period	238,231	244,367
Method of calculating the distribution amount	<p>In accordance with the policy stipulated in Article 35 (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 Act, and shall be up to the amount of its profits as the ceiling. Following this policy, the Investment Corporation has decided to distribute ¥4,601,518,025, the maximum integral multiple amounts of investment units issued and outstanding of 404,885 units, up to unappropriated retained earnings.</p> <p>Procedures for the distribution of amounts exceeding distributable income are outlined in Article 35 (2) of the Investment Corporation's Articles of Incorporation. In its fiscal period under review, the Investment Corporation has decided not to distribute cash in excess of distributable profit.</p>	<p>In accordance with the policy stipulated in Article 35 (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 Act, and shall be up to the amount of its profits as the ceiling. Following this policy, the Investment Corporation has decided to distribute ¥4,750,515,705, the maximum integral multiple amounts of investment units issued and outstanding of 404,885 units, up to unappropriated retained earnings.</p> <p>Procedures for the distribution of amounts exceeding distributable income are outlined in Article 35 (2) of the Investment Corporation's Articles of Incorporation. In its fiscal period under review, the Investment Corporation has decided not to distribute cash in excess of distributable profit.</p>

## (5) Statements of Cash Flows

(Thousands of Yen)

	Twenty-third Fiscal Period May 1, 2016 to October 31, 2016	Twenty-fourth Fiscal Period November 1, 2016 to April 30, 2017
Net cash provided by (used in) operating activities		
Income before income taxes	4,603,119	4,751,770
Depreciation	2,275,342	2,289,241
Amortization of long-term prepaid expenses	170,760	150,023
Interest income	(38)	(35)
Interest expenses	941,102	885,690
Amortization of investment unit issuance expenses	56,481	34,882
Amortization of investment corporation bond issuance expenses	5,879	5,481
Decrease (increase) in accounts receivable-trade	11,011	1,346
Decrease (increase) in consumption taxes refund receivable	53,578	-
Decrease (increase) in prepaid expenses	(62,054)	29,253
Increase (decrease) in accounts payable	292,408	(292,454)
Increase (decrease) in accounts payable-other	(4,717)	14,056
Increase (decrease) in accrued consumption taxes	343,665	254,234
Increase (decrease) in advances received	29,973	24,264
Increase (decrease) in deposits received	(51,263)	67,027
Changes in net property, plant and equipment from sale	-	8,370,591
Changes in net property, plant and equipment held in trust from sale	-	11,104,404
Decrease (increase) in long-term prepaid expenses	(239,742)	(25,928)
Other	1,111	5,267
Subtotal	8,426,615	27,669,115
Interest income received	38	35
Interest expenses paid	(953,601)	(885,563)
Income taxes paid	(805)	(843)
Net cash provided by (used in) operating activities	7,472,246	26,782,743
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	(75,799)	(98,251)
Purchase of property, plant and equipment in trust	(6,097,777)	(15,569,726)
Purchase of intangible assets	-	(293,196)
Payments of tenant leasehold and security deposits	(80,696)	(217,653)
Proceeds from tenant leasehold and security deposits	323,548	63,304
Payments of tenant leasehold and security deposits in trust	(837,355)	(731,381)
Proceeds from tenant leasehold and security deposits in trust	741,835	1,287,454
Payments of restricted bank deposits in trust	-	(289,809)
Proceeds from restricted bank deposits in trust	552,921	-
Net cash provided by (used in) investment activities	(5,473,322)	(15,849,258)
Net cash provided by (used in) financing activities		
Proceeds from short-term loans payable	-	4,000,000
Repayment of short-term loans payable	(1,000,000)	(1,500,000)
Proceeds from long-term loans payable	16,500,000	6,200,000
Repayment of long-term loans payable	(12,500,000)	(9,200,000)
Payments of investment corporation bond redemption	-	(3,000,000)
Payments of investment corporation bond issuance expenses	(4,010)	-
Dividends paid	(4,334,422)	(4,601,179)
Net cash provided by (used in) financing activities	(1,338,432)	(8,101,179)
Net increase (decrease) in cash and cash equivalents	660,491	2,832,305
Cash and cash equivalents at beginning of period	19,175,542	19,836,034
Cash and cash equivalents at end of period	19,836,034 *	22,668,339 *



**(6) Notes on the Going Concern**

Not applicable

**(7) Important Accounting Standards**

1. Evaluation standards and evaluation method of assets	<p>Securities</p> <p>Other securities</p> <p>Those with no fair value</p> <p>Cost method through moving-average method</p> <p>Concerning silent partnership (tokumei kumiai) (TK) interests, the method of incorporating the amount of equity equivalent to the portion that corresponds to the net gain or loss of TK is added.</p>
2. Depreciation of fixed assets	<p>(1) Property, plant and equipment (includes trust assets)</p> <p>The straight-line method is applied.</p> <p>Useful lives of the assets ranging are as follows:</p> <p>Buildings: 2 to 49 years</p> <p>Structures: 2 to 45 years</p> <p>Machinery and equipment: 3 to 17 years</p> <p>Tools, furniture and fixtures: 3 to 20 years</p> <p>(2) Intangible assets (includes trust assets)</p> <p>The straight-line method is applied.</p> <p>Land leasehold: Fixed term land leasehold is amortized over a contractual period of 48 years and 9 months under the straight-line method.</p> <p>(3) Long-term prepaid expenses</p> <p>The straight-line method is applied.</p>
3. Accounting policies for deferred assets	<p>(1) Investment unit issuance costs</p> <p>Unit issuance costs are amortized over a period of 3 years.</p> <p>(2) Investment corporation bond issuance costs</p> <p>Bond issuance costs are amortized by applying the straight-line method for the entire redemption period.</p>
4. Accounting standards for revenues and expenses	<p>Accounting method for property tax, etc.</p> <p>Property-related taxes including property taxes and city planning taxes, etc. are imposed on properties on a calendar year basis. These taxes are generally charged to rental expenses for the said fiscal period, for the portion of such taxes corresponding to said period.</p> <p>In connection with the acquisition of real estate including trust beneficiary interests in real estate during the fiscal period under review, the Investment Corporation included its pro rata property portion for the year in each property acquisition price and not as rental expense. The amount of property taxes included in acquisition prices for the previous fiscal period amounted to ¥13,334 thousand and for the fiscal period under review amounted to ¥32,698 thousand.</p>
5. Accounting for hedges	<p>(1) Hedge accounting method</p> <p>The deferred hedge method is applied. However, the special treatment is applied for the interest-rate swap and interest-rate cap agreements that meet the criteria.</p> <p>(2) Hedging instruments and risks hedged</p> <p>Hedge instruments</p> <p>The Investment Corporation enters into interest-rate swap transactions.</p> <p>The Investment Corporation enters into interest-rate cap transactions.</p> <p>Risks hedged</p> <p>Interest rates on debt.</p> <p>(3) Hedging policy</p> <p>The Investment Corporation enters into derivative transactions based on its risk management policies with the objective of hedging risks in accordance with its Articles of Incorporation.</p> <p>(4) Method of evaluating the effectiveness of hedging</p> <p>During the period from the commencement of hedging to the point at which effectiveness is assessed, the Investment Corporation compares the cumulative total of market changes in the targeted objects of hedging or cash flow changes with the cumulative total of market changes in the hedging instruments or cash flow changes. The Investment Corporation then makes a decision based on the changes and other factors of the two.</p> <p>However, concerning the interest-rate swap and interest-rate cap agreements that meet the criteria for special treatment, the evaluation of effectiveness are omitted.</p>

6. The scope of cash and cash equivalents on statements of cash flows	For the purpose of cash flow statements, cash and cash equivalents consist of cash on hand, deposits received that can be withdrawn on demand, and short-term investments with original maturities of 3 months or less, that are readily convertible to known amounts of cash and present insignificant risk of a change in value.
7. Other significant accounting policies utilized in the preparation of financial statements	<p>(1) Accounting method for trust beneficiary interests in real estate and other assets</p> <p>The assets and liabilities as well as revenues and expenses of financial assets held in the form of trust beneficiary interests in real estate and other assets are recorded in full in the Investment Corporation's balance sheets and statements of income.</p> <p>Important line items included in accounting for financial assets and liabilities in the Investment Corporation's balance sheet are as follows:</p> <ol style="list-style-type: none"> <li>1. Cash and deposits in trust</li> <li>2. Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust and construction in progress in trust</li> <li>3. Land leasehold in trust</li> <li>4. Lease and guarantee deposits in trust</li> <li>5. Tenant leasehold and security deposits in trust</li> </ol> <p>(2) Accounting method for consumption tax</p> <p>Consumption taxes are separately recorded. Non-deductible consumption taxes applicable to the acquisition of assets are included in the cost of acquisition for each asset.</p>

**(8) Notes to the Financial Statements**

(Notes to the Balance Sheets)

\*1. Minimum unitholders' equity pursuant to Article 67, paragraph 4 of the Act on Investment Trusts and Investment Corporations

(Thousands of Yen)

	Twenty-third Fiscal Period (as of October 31, 2016)	Twenty-fourth Fiscal Period (as of April 30, 2017)
	50,000	50,000

\*2. The amount of advanced depreciation of property, plant and equipment acquired by government subsidy, etc.

(Thousands of Yen)

	Twenty-third Fiscal Period (as of October 31, 2016)	Twenty-fourth Fiscal Period (as of April 30, 2017)
Buildings in trust	26,230	26,230

(Notes to the Statements of Income)

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

(Thousands of Yen)

	Twenty-third Fiscal Period May 1, 2016 to October 31, 2016	Twenty-fourth Fiscal Period November 1, 2016 to April 30, 2017
<b>A. Rental and other operating revenues</b>		
Rental revenues		
Leasing income	9,450,736	9,701,842
Common area charges	1,911,609	1,870,827
Subtotal	11,362,345	11,572,669
Other rental revenues		
Parking space rental revenues	490,492	499,611
Utility charge reimbursement	1,136,867	978,129
Miscellaneous	440,067	277,195
Subtotal	2,067,427	1,754,936
Total rental and other operating revenues	13,429,773	13,327,605
<b>B. Rental and other operating expenses</b>		
Property-related expenses		
Property management fees and facility management fees	1,280,694	1,315,879
Utilities	1,110,302	1,006,582
Taxes	1,111,203	1,122,460
Repairs and maintenance costs	582,716	436,606
Insurance	18,018	18,202
Trust fees	32,348	32,832
Others	344,639	306,493
Depreciation	2,274,750	2,288,632
Total rental and other operating expenses	6,754,675	6,527,688
<b>C. Rental operating profit (A – B)</b>	6,675,098	6,799,917

\*2. Gain and Loss on sale of real estate, etc.

Twenty-third Fiscal Period (May 1, 2016 to October 31, 2016)

Not applicable

Twenty-fourth Fiscal Period (November 1, 2016 to April 30, 2017)

		(Thousands of Yen)
(1) BUREX Toranomom		
Revenue from sale of real estate, etc.		2,440,000
Cost of real estate, etc. sold		1,734,619
Other sales expenses		24,670
Gain on sale of real estate, etc.		680,709
(2) KDX Nihonbashi Kabutocho Building		
Revenue from sale of real estate, etc.		12,400,000
Cost of real estate, etc. sold		11,104,404
Other sales expenses		313,518
Gain on sale of real estate, etc.		982,077
(3) KDX Roppongi 228 Building, KDX Kanda Misaki-cho Building, KDX Gobancho Building (Note)		
Revenue from sale of real estate, etc.		5,070,000
Cost of real estate, etc. sold		6,635,971
Other sales expenses		91,189
Gain on sale of real estate, etc.		1,657,160

Note: The property is sold to a single buyer under a single transaction agreement. The sale price for each property is not disclosed because the buyer has not given consent.

(Notes to the Statements of Changes in Unitholders' Equity)

\* Total number of authorized investment units and total number of investment units issued and outstanding

	Twenty-third Fiscal Period May 1, 2016 to October 31, 2016	Twenty-fourth Fiscal Period November 1, 2016 to April 30, 2017
Total number of authorized investment units	2,000,000 units	2,000,000 units
Total number of investment units issued and outstanding	404,885 units	404,885 units

(Notes to the Statements of Cash Flow)

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

		(Thousands of Yen)	
		Twenty-third Fiscal Period May 1, 2016 to October 31, 2016	Twenty-fourth Fiscal Period November 1, 2016 to April 30, 2017
Cash and deposits		11,268,439	14,133,590
Cash and deposits in trust		9,442,126	9,699,090
Restricted bank deposits held in trust (Note)		(874,531)	(1,164,340)
Cash and cash equivalents		19,836,034	22,668,339

Note: Restricted bank deposits held in trust are retained for repayment of tenant leasehold and security deposits held in trust.

## (Notes on the Lease Transactions)

Operating lease transactions (Lessor)	Twenty-third Fiscal Period May 1, 2016 to October 31, 2016	Twenty-fourth Fiscal Period November 1, 2016 to April 30, 2017
Unearned lease payments		(Thousands of Yen)
Due within one year	1,444,094	1,679,760
Due after one year	9,350,987	9,345,602
Total	10,795,081	11,025,363

## (Notes on the Financial Instruments)

## 1. Items with Regard to the current status of Financial Instruments

## (1) Action Policy with Regard to Financial Instruments

The Investment Corporation procures essential funds for acquiring properties and undertaking the repayment of loans primarily through bank loans and the issuance of investment corporation bonds and new investment units. The Investment Corporation makes use of derivative instruments primarily as a risk hedge against interest rate fluctuations and to lessen interest-rate payments. In addition, it is company policy to not conduct speculative derivative transactions. Management of surplus funds is undertaken in a prudent manner that considers fully such factors as safety, liquidity, interest rate conditions and cash flows.

## (2) Financial Instruments and Respective Risks

Investment securities are TK interests, which are exposed to credit risk of the issuer and risk of fluctuation of value of real estate, etc.

Loans and investment corporation bonds are used primarily for procuring funds necessary for the acquisition of properties and have a redemption date of a maximum of about 11 years following the closing date. Although a certain portion of said liabilities are subject to interest rate fluctuation risks, the Investment Corporation utilizes derivative instruments (interest-rate swap transactions, etc.) in order to hedge against such risks.

Derivative instruments are interest-rate swap and interest-rate cap transactions that are used to hedge against interest rate fluctuation risks. Utilizing interest-rate swap transactions, the Investment Corporation fixed its interest payments for funds procured on a floating interest rate basis or minimizing the risk of interest rate increase. With regard to hedge accounting methods, hedging instruments and hedged items, hedge policy, and the method of evaluation of hedge effectiveness, please see "5. Hedge Accounting Method in notes concerning Important Accounting Standards".

## (3) Risk Management Structure with Regard to Financial Instruments

## A. Management of Market Risk (Risk Associated with Fluctuations in Interest Rates and Others)

The Investment Corporation uses interest-rate swap etc., in order to minimize risks associated with interest payment rate fluctuations on funds procured.

The Investment Corporation will periodically grasp the value of real estate, etc. and financial condition, etc. of the issuer with regard to investment securities.

## B. Management of Liquidity Risk (Risk of Defaulting on Payments by the Due Date) Associated with Funds Procurement

Although loans and other liabilities are subject to liquidity risks, the Investment Corporation reduces such risks by spreading out payment due dates and by using diversified fund procurement methods. Liquidity risk is also managed by such means as regularly checking the balance of cash reserves.

## (4) Supplemental Explanation of Items with Regard to Fair Value of Financial Instruments

Included in the fair value of financial products are market prices, or, in the event market prices are not available, prices that are calculated on a rational basis. Because the factors incorporated into the calculation of these prices are subject to change, differing assumptions are adopted which may alter fair value. Moreover, the contract amounts, etc. of derivative transactions in "2. Items with Regard to Fair Value of Financial Instruments" do not indicate the market risk of derivative transactions.

## 2. Items with Regard to Fair Value of Financial Instruments

The book value per the balance sheet, fair values, as well as their difference are as follows. Furthermore, items whose fair values are recognized to be extremely difficult to grasp are not included in the following table (Refer to Note 2).

Twenty-third Fiscal Period (as of October 31, 2016)

(Thousands of Yen)

	Book Value	Fair Value	Difference
(1) Cash and deposits	11,268,439	11,268,439	-
(2) Cash and deposits in trust	9,442,126	9,442,126	-
Total	20,710,565	20,710,565	-
(1) Short-term loans payable	1,500,000	1,500,000	-
(2) Current portion of investment corporation bonds	4,500,000	4,543,560	43,560
(3) Current portion of long-term loans payable	21,200,000	21,253,983	53,983
(4) Investment corporation bonds	4,800,000	4,905,396	105,396
(5) Long-term loans payable	146,100,000	148,414,755	2,314,755
Total	178,100,000	180,617,694	2,517,694
Derivative transaction	(977)	(977)	-

Twenty-fourth Fiscal Period (as of April 30, 2017)

(Thousands of Yen)

	Book Value	Fair Value	Difference
(1) Cash and deposits	14,133,590	14,133,590	-
(2) Cash and deposits in trust	9,699,090	9,699,090	-
Total	23,832,680	23,832,680	-
(1) Short-term loans payable	4,000,000	4,000,000	-
(2) Current portion of investment corporation bonds	1,500,000	1,508,940	8,940
(3) Current portion of long-term loans payable	22,750,000	22,791,356	41,356
(4) Investment corporation bonds	4,800,000	4,874,082	74,082
(5) Long-term loans payable	141,550,000	142,700,464	1,150,464
Total	174,600,000	175,874,843	1,274,843
Derivative transaction	10,882	10,882	-

Note 1: Items with regard to the calculation method of financial instrument fair value, investment securities and derivative transactions.

Assets

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

Because these are settled in the short-term, the fair value can be considered as equivalent to the book value; therefore, the book value is used to determine fair value.

Liabilities

## (1) Short-term loans payable

Because these are settled in the short-term, the fair value can be considered as equivalent to the book value; therefore, the book value is used to determine fair value.

## (2) Current portion of investment corporation bonds and (4) investment corporation bonds

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

## (3) Current portion of long-term loans payable and (5) long-term loans payable

The fair value of long-term borrowings is calculated based on the present value that discounts the total amount of principal and interest by using the estimated interest rate in the event that the Investment Corporation conducts new borrowings of the same type. Among long-term borrowings with floating interest rates, the said borrowings, which are subject to special treatment of interest-rate swaps or caps, are calculated by discounting the total amount of principal and interest, which is handled together with applicable interest-rate swaps or caps, by the rationally estimated interest rate in the case that the same type of borrowings are undertaken.

Derivative Transactions

Please refer to the following "Notes on the Derivative Transactions".

Note 2: Book value of financial instruments for which it is extremely difficult to determine the fair value

(Thousands of Yen)

Classification	Twenty-third Fiscal Period (as of October 31, 2016)	Twenty-fourth Fiscal Period (as of April 30, 2017)
Investment securities*	1,093,584	1,087,688

\*Because no quoted market price for TK interests is available and it is extremely difficult to determine the fair value, the above TK interests are not included in the preceding table.

Note 3: Redemption schedule of monetary claims after the closing date

Twenty-third Fiscal Period (as of October 31, 2016)

(Thousands of Yen)

	Due within 1 yr.	1-2 yrs.	2-3 yrs.	3-4 yrs.	4-5 yrs.	More than 5 yrs.
Cash and deposits	11,268,439	-	-	-	-	-
Cash and deposits in trust	9,442,126	-	-	-	-	-
Total	20,710,565	-	-	-	-	-

Twenty-fourth Fiscal Period (as of April 30, 2017)

(Thousands of Yen)

	Due within 1 yr.	1-2 yrs.	2-3 yrs.	3-4 yrs.	4-5 yrs.	More than 5 yrs.
Cash and deposits	14,133,590	-	-	-	-	-
Cash and deposits in trust	9,699,090	-	-	-	-	-
Total	23,832,680	-	-	-	-	-

Note 4: Redemption schedule of investment corporation bonds and repayment schedule of loans after the closing date

Twenty-third Fiscal Period (as of October 31, 2016)

(Thousands of Yen)

	Due within 1 yr.	1-2 yrs.	2-3 yrs.	3-4 yrs.	4-5 yrs.	More than 5 yrs.
Short-term loans payable	1,500,000	-	-	-	-	-
Investment corporation bonds	4,500,000	1,800,000	-	-	-	3,000,000
Long-term loans payable	21,200,000	17,750,000	13,750,000	18,600,000	21,300,000	74,700,000

Twenty-fourth Fiscal Period (as of April 30, 2017)

(Thousands of Yen)

	Due within 1 yr.	1-2 yrs.	2-3 yrs.	3-4 yrs.	4-5 yrs.	More than 5 yrs.
Short-term loans payable	4,000,000	-	-	-	-	-
Investment corporation bonds	1,500,000	1,800,000	-	-	-	3,000,000
Long-term loans payable	22,750,000	17,050,000	14,700,000	19,600,000	21,700,000	68,500,000

(Notes on the Marketable Securities)

Twenty-third Fiscal Period (as of October 31, 2016) and Twenty-fourth Fiscal Period (as of April 30, 2017): Not applicable

(Notes on the Derivative Transactions)

1. Items that do not apply hedge accounting

Twenty-third Fiscal Period (as of October 31, 2016) and Twenty-fourth Fiscal Period (as of April 30, 2017): Not applicable

2. Items that apply hedge accounting

Twenty-third Fiscal Period (as of October 31, 2016)

(Thousands of Yen)

Hedge accounting method	Type of derivative transactions	Main target of risk hedge	Contracted amount		Fair value	Calculation method for applicable fair value
				More than 1 yr.		
Principle method	Interest-rate swap transactions Fixed rate payable • Floating rate receivable	Long-term loans payable	2,500,000	2,500,000	(977)	Based on the quoted price obtained from counterparty financial institutions.
Special treatment of interest-rate swaps	Interest-rate swap transactions Fixed rate payable • Floating rate receivable	Long-term loans payable	103,350,000	99,650,000	*	-
Special treatment of interest-rate caps	Interest-rate cap transactions	Long-term loans payable	500,000	500,000	*	-
Total			106,350,000	102,650,000	(977)	-

Twenty-fourth Fiscal Period (as of April 30, 2017)

(Thousands of Yen)

Hedge accounting method	Type of derivative transactions	Main target of risk hedge	Contracted amount		Fair value	Calculation method for applicable fair value
				More than 1 yr.		
Principle method	Interest-rate swap transactions Fixed rate payable・Floating rate receivable	Long-term loans payable	3,700,000	3,700,000	10,882	Based on the quoted price obtained from counterparty financial institutions.
Special treatment of interest-rate swaps	Interest-rate swap transactions Fixed rate payable・Floating rate receivable	Long-term loans payable	102,150,000	97,400,000	*	-
Special treatment of interest-rate caps	Interest-rate cap transactions	Long-term loans payable	500,000	500,000	*	-
Total			106,350,000	101,600,000	10,882	-

\* Special treatment of interest-rate swaps or caps is reported at the fair value of applicable long-term loans payable. This is because such swaps or caps are handled together with hedged long-term loans payable.

(Notes on the Retirement Payment)

Twenty-third Fiscal Period (as of October 31, 2016) and Twenty-fourth Fiscal Period (as of April 30, 2017): Not applicable

(Notes on the Asset Retirement Obligations)

Twenty-third Fiscal Period (as of October 31, 2016) and Twenty-fourth Fiscal Period (as of April 30, 2017): Not applicable

(Notes on the Segment and Related Information)

## 1. Segment Information

Disclosure is omitted because the Investment Corporation has been engaged in the real estate leasing business as a sole business and it has no reportable segment subject to disclosure.

## 2. Related Information

Twenty-third Fiscal Period (May 1, 2016 to October 31, 2016)

## (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 revenues on the statement of income.

## (2) Information about each geographic area

## ① Net sales

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

## ② 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 revenues on the statement of income.

Twenty-fourth Fiscal Period (November 1, 2016 to April 30, 2017)

## (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 revenues on the statement of income.

## (2) Information about each geographic area

## ① Net sales

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

## ② 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 revenues on the statement of income.



## (Notes on the Tax-Effect Accounting)

## 1. Significant components of deferred tax assets and liabilities

(Thousands of Yen)

	Twenty-third Fiscal Period (as of October 31, 2016)	Twenty-fourth Fiscal Period (as of April 30, 2017)
Deferred tax assets		
Enterprise tax payable	39	30
Deferred gains or losses on hedges	310	-
Amortization of land leasehold in trust	2,908	3,154
Subtotal deferred tax assets	3,257	3,185
Valuation allowance	(3,218)	(3,154)
Total deferred tax assets	39	30

## 2. Significant components causing difference between statutory income tax rate and the effective tax rate after tax effect accounting

(Unit: %)

	Twenty-third Fiscal Period (as of October 31, 2016)	Twenty-fourth Fiscal Period (as of April 30, 2017)
Statutory tax rate	31.74	31.74
(Adjustments)		
Deductible cash distributions	(31.73)	(31.73)
Others	0.02	0.02
Effective tax rate	0.03	0.03

## (Notes on the Gains and Losses on Equity-method, etc.)

Twenty-third Fiscal Period (May 1, 2016 to October 31, 2016) and Twenty-fourth Fiscal Period (November 1, 2016 to April 30, 2017): Not applicable

## (Notes on the Related-party Transactions)

## 1. Parent Company, major corporate unitholders and other

Twenty-third Fiscal Period (May 1, 2016 to October 31, 2016) and Twenty-fourth Fiscal Period (November 1, 2016 to April 30, 2017): Not applicable

## 2. Affiliated companies and other

Twenty-third Fiscal Period (May 1, 2016 to October 31, 2016) and Twenty-fourth Fiscal Period (November 1, 2016 to April 30, 2017): Not applicable

## 3. Fellow subsidiary companies and other

Twenty-third Fiscal Period (May 1, 2016 to October 31, 2016) and Twenty-fourth Fiscal Period (November 1, 2016 to April 30, 2017): Not applicable

## 4. Directors, major individual unitholders and other

Twenty-third Fiscal Period (May 1, 2016 to October 31, 2016) and Twenty-fourth Fiscal Period (November 1, 2016 to April 30, 2017): Not applicable

## (Notes on the Real Estate for Rental Purposes)

The Investment Corporation owns real estate for rental purposes mainly in the Tokyo Metropolitan Area for the purpose of generating rental revenue.

The book value per balance sheet for the fiscal period under review, changes during the period and fair value concerning the above real estate for rental purposes are as follows.

(Thousands of Yen)

	Twenty-third Fiscal Period May 1, 2016 to October 31, 2016	Twenty-fourth Fiscal Period November 1, 2016 to April 30, 2017
Book value		
Balance at the beginning of the period	385,085,254	389,197,020
Changes during the period	4,111,765	(5,795,370)
Balance at the end of the period	389,197,020	383,401,649
Fair value at the end of period	414,605,000	416,550,000

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

Note 2: Fair value at the end of the fiscal period is the appraisal value determined by outside appraisers. Fair values at the end of the previous fiscal period of KDX Nihonbashi Kabutocho Building and BUREX Toranomon are calculated based on the sale price (¥12,400 million) in the transaction

agreement on November 1, 2016 and the sale price (¥2,440 million) in the transaction agreement on December 1, 2016, respectively.

Note 3: Among changes in the amount of real estate for rental purposes that occurred during the twenty-third fiscal period, principal increase/decrease factors were the acquisition of real estate trust beneficiary interests in 2 properties totaling ¥5,221,373 thousand and depreciation amounting in ¥2,274,750 thousand. For the fiscal period under review, principal increase/decrease factors were the acquisition of real estate trust beneficiary interests in 3 properties totaling ¥14,942,506 thousand, the sales of real estate trust beneficiary interests and real estate in 5 properties totaling ¥19,474,995 thousand and depreciation amounting in ¥2,288,632 thousand.

Income and loss for real estate for rental purposes are listed in "Notes to the Statements of Income".

(Notes on the Information per Unit)

	Twenty-third Fiscal Period May 1, 2016 to October 31, 2016	Twenty-fourth Fiscal Period November 1, 2016 to April 30, 2017
Net Assets per unit	¥525,644	¥526,041
Net income per unit	¥11,365	¥11,733

Note 1: Net income per unit is calculated by dividing net income by the weighted average (based on number of days) number of units. Net income per unit after adjusting for diluted investment units is not included because there were no dilutive investment units.

Note 2: The basis of calculation for the net income per unit is as follow.

	Twenty-third Fiscal Period May 1, 2016 to October 31, 2016	Twenty-fourth Fiscal Period November 1, 2016 to April 30, 2017
Net income (Thousands of Yen)	4,601,756	4,750,521
Amount not vested in ordinary unitholders (Thousands of Yen)	-	-
Net income for ordinary investment units (Thousands of Yen)	4,601,756	4,750,521
Average number of investment units during the period (unit)	404,885	404,885

(Notes on the Important Subsequent Events)

Not applicable

**(9) Changes in the number of Investment Units Issued and Outstanding**

Changes in the number of investment units issued and outstanding and unitholders' capital in the last 5 years are summarized in the following table.

Settlement Date	Particulars	Investment Units Issued and Outstanding (Units)		Unitholders' Capital (Millions of Yen) (Note 7)		Remarks
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
November 13, 2013	Public offering	43,800	330,350	18,198	165,351	(Note 1)
December 10, 2013	Third-party allotment	2,190	332,540	909	166,261	(Note 2)
May 27, 2014	Public offering	21,400	353,940	9,876	176,138	(Note 3)
June 24, 2014	Third-party allotment	1,070	355,010	493	176,632	(Note 4)
November 27, 2014	Public offering	47,685	402,695	28,269	204,901	(Note 5)
December 24, 2014	Third-party allotment	2,190	404,885	1,298	206,199	(Note 6)

Note 1: The Investment Corporation undertook an additional issue of new investment units (public offering) with the aim of procuring funds for the acquisition of new properties and repayment of borrowings. The offer price was ¥430,950 per unit with an issue price of ¥415,480 per unit.

Note 2: The Investment Corporation undertook an additional issue of new investment units with an issue price of ¥415,480 per unit by way of third-party allotment because cash on hand was allocated as a portion of the funds for the acquisition of new properties, the funds from the issuance of new Investment Units by third-party allotment are allocated as proceeds to compensate for the decrease of cash on hand.

Note 3: The Investment Corporation undertook an additional issue of new investment units (public offering) with the aim of procuring funds for the acquisition of new properties. The offer price was ¥478,725 per unit with an issue price of ¥461,540 per unit.

Note 4: The Investment Corporation undertook an additional issue of new investment units with an issue price of ¥461,540 per unit by way of third-party allotment for the purpose of using as funds for the future acquisition of specified assets or a portion of funds for the repayment of borrowings.

Note 5: The Investment Corporation undertook an additional issue of new investment units (public offering) with the aim of procuring funds for the acquisition of new properties and a portion of funds for the repayment of borrowings. The offer price was ¥614,250 per unit with an issue price of ¥592,830 per unit.

Note 6: The Investment Corporation undertook an additional issue of new investment units with an issue price of ¥592,830 per unit by way of third-party allotment for the purpose of using as funds for the future acquisition of specified assets or a portion of funds for the repayment of borrowings.

Note 7: The amounts stated in ¥1 million unit are truncated at less than ¥1 million.

**4. Resignation/Appointment of the Director**

## (1) Resignation/Appointment of the Director of the Investment Corporation

Not applicable

## (2) Resignation/Appointment of the Director of the Asset Management Company

Akira Tanaka resigned as director on March 29, 2017. At the ordinary general shareholders' meeting of the Asset Management Company held on March 29, 2017, Keisuke Sato and Motoshi Ichiki were appointed as directors as of March 29, 2017 and Masayuki Kobayashi was appointed as auditor as of March 29, 2017.

In addition, Ryosuke Homma was appointed as Chairman, Representative Director and Masahiko Tajima was appointed as President & CEO at its Board of Directors held after the ordinary general shareholders' meeting of the Asset Management Company.

Appointed: Chairman, Representative Director (Full-time), Ryosuke Homma (as of March 29, 2017)

President & CEO (Full-time), Masahiko Tajima (as of March 29, 2017)

Director & COO (Full-time), Keisuke Sato (as of March 29, 2017)

Director & COO (Full-time), Motoshi Ichiki (as of March 29, 2017)

Auditor (Part-time), Masayuki Kobayashi (as of March 29, 2017)

Retired: Director & COO, Akira Tanaka (as of March 29, 2017)

## 5. Reference Information

### (1) Component of Assets

Asset Class	Type	Area	Twenty-third Fiscal Period (as of October 31, 2016)		Twenty-fourth Fiscal Period (as of April 30, 2017)	
			Total Amount Held (Millions of Yen) (Note 1)	Ratio (%) (Note 2)	Total Amount Held (Millions of Yen) (Note 1)	Ratio (%) (Note 2)
Real Estate	Office Buildings	Tokyo Metropolitan Area	38,997	9.4	30,510	7.4
		Other Regional Areas	12,838	3.1	12,759	3.1
	Total for Office Buildings		51,836	12.6	43,269	10.5
Total for Real Estate			51,836	12.6	43,269	10.5
Trust Beneficiary Interest in Real Estate	Office Buildings	Tokyo Metropolitan Area	248,435	60.1	251,498	61.3
		Other Regional Areas	59,903	14.5	59,739	14.6
	Total for Office Buildings		308,338	74.7	311,238	75.9
	Residential Property	Tokyo Metropolitan Area	4,582	1.1	4,539	1.1
	Total for Residential Property		4,582	1.1	4,539	1.1
	Central Urban Retail Properties	Tokyo Metropolitan Area	21,466	5.2	21,380	5.2
	Total for Central Urban Retail Properties		21,466	5.2	21,380	5.2
	Others	Tokyo Metropolitan Area	2,973	0.7	2,973	0.7
	Total for Others		2,973	0.7	2,973	0.7
Total of Trust Beneficiary Interests in Real Estate			337,360	81.7	340,132	82.9
Investment Securities (Note 3)			1,093	0.3	1,087	0.3
Bank Deposits and Other Assets			22,741	5.5	25,677	6.3
Total Assets			413,031	100.0	410,166	100.0

Note 1: "Total Amount Held" is the amount allocated in the balance sheets at the end of the fiscal period (figures are on a net book value basis after deducting depreciation), and is rounded down to the nearest ¥1 million.

Note 2: "Ratio" is the ratio of the amount allocated in the balance sheets to the total assets, rounded to the first decimal place.

Note 3: Interests in a silent partnership operated by G.K. KRF 43 are indicated.

	Twenty-third Fiscal Period (as of October 31, 2016)		Twenty-fourth Fiscal Period (as of April 30, 2017)	
	Amount (Millions of Yen)	Ratio (%)	Amount (Millions of Yen)	Ratio (%)
Total Liabilities	200,206	48.5	197,180	48.1
Total Net Assets	212,825	51.5	212,986	51.9
Total Assets	413,031	100.0	410,166	100.0

### (2) Details of Investment Assets

#### ① Major components of investment securities

Details of investment assets held by the Investment Corporation as of April 30, 2017 are as follows.

Name	Area	Asset Class	Number of Units	Book Value (Millions of Yen)		Appraisal Value (Millions of Yen) (Note 1)		Ratio (%) (Note 2)	Appraisal profit/loss
				Unit Price	Amount	Unit Price	Amount		
Interests in a silent partnership operated by G.K. KRF 43 (Note 3)	Domestic Area	Interests in a silent partnership	-	-	1,087	-	1,087	0.3	-
Total			-	-	1,087	-	1,087	0.3	-

Note 1: Book value is stated for the evaluation value.

Note 2: "Ratio" is the ratio of the amount allocated in the balance sheets to the total assets, rounded to the first decimal place.

Note 3: The asset under management is the trust beneficiary interest in real estate of Shinjuku Sanei Building.

## ② Properties Roster

## A. The Price of the Investment Properties and the Investment Ratio

(Unit: Millions of Yen)

Type	Area	No.	Property Name	Acquisition Price (Note 1)	Amount on the Balance Sheet (Note 2)	Appraisal Value at the end of Twenty-fourth Fiscal Period					Appraiser (Note 4)	Ratio (%) (Note 5)	
						(Note 3)	Direct Capitalization Method		Discounted Cash Flow Method				
							Value	Overall Capitalization Rate (%)	Value	Discount Rate (%)			Terminal Capitalization Rate (%)
Office Buildings	Tokyo Metropolitan Area	A-1	KDX Nihonbashi 313 Building	5,940	5,859	6,740	6,970	4.0	6,640	3.8	4.2	B	1.5
		A-3	Higashi-Kayabacho Yuraku Building	4,450	4,100	5,050	5,110	4.3	4,980	4.0	4.4	A	1.1
		A-4	KDX Hatchobori Building	3,680	3,302	3,280	3,360	4.3	3,250	4.1	4.5	B	0.9
		A-5	KDX Nakano-Sakaue Building	2,533	2,352	2,400	2,470	4.5	2,370	4.3	4.7	B	0.6
		A-6	Harajuku F.F. Building	2,450	2,423	3,130	3,150	4.7	3,110	4.4	4.8	A	0.6
		A-7	KDX Minami Aoyama Building	2,270	2,215	2,510	2,530	4.1	2,490	3.8	4.2	A	0.5
		A-8	Kanda Kihara Building	1,950	1,787	1,640	1,700	4.3	1,620	4.1	4.5	B	0.4
		A-13	KDX Kojimachi Building	5,950	5,546	4,940	4,970	3.8	4,900	3.5	3.9	A	1.5
		A-14	KDX Funabashi Building	2,252	2,227	2,330	2,330	5.4	2,320	5.1	5.5	A	0.5
		A-16	Toshin 24 Building	5,300	4,822	4,970	5,010	4.6	4,930	4.3	4.7	A	1.3
		A-17	KDX Ebisu Building	4,640	4,420	4,890	4,900	4.1	4,880	3.7	4.2	A	1.1
		A-19	KDX Hamamatsucho Building	3,460	3,073	3,400	3,510	3.9	3,350	3.7	4.1	B	0.8
		A-20	KDX Kayabacho Building	2,780	2,718	2,600	2,610	4.5	2,590	4.1	4.6	A	0.7
		A-21	KDX Shinbashi Building	3,728	3,755	4,580	4,610	3.8	4,540	3.5	3.9	A	0.9
		A-22	KDX Shin-Yokohama Building	2,520	2,291	2,370	2,380	5.1	2,360	4.8	5.2	A	0.6
		A-26	KDX Kiba Building	1,580	1,460	1,230	1,240	5.0	1,220	4.6	5.0	A	0.4
		A-27	KDX Kajicho Building	2,350	2,270	2,260	2,330	4.3	2,230	4.1	4.5	B	0.5
		A-29	KDX Higashi-Shinjuku Building	2,950	3,036	3,780	3,860	4.4	3,750	4.2	4.6	B	0.7
		A-30	KDX Nishi-Gotanda Building	4,200	3,866	3,640	3,710	4.4	3,570	4.2	4.6	A	1.0
		A-31	KDX Monzen-Nakacho Building	1,400	1,317	1,080	1,130	4.9	1,060	4.7	5.1	B	0.3
		A-32	KDX Shiba-Daimon Building	6,090	6,006	4,800	4,840	4.3	4,760	4.0	4.4	A	1.5
		A-33	KDX Okachimachi Building	2,000	2,044	1,980	2,020	4.4	1,960	4.2	4.6	B	0.5
		A-34	KDX Hon-Atsugi Building	1,305	1,150	1,270	1,320	5.6	1,250	5.4	5.8	B	0.3
		A-35	KDX Hachioji Building	1,155	1,211	1,100	1,090	5.3	1,100	5.1	5.5	B	0.2
		A-37	KDX Ochanomizu Building	6,400	6,398	6,850	6,910	4.1	6,790	3.8	4.2	A	1.6
		A-38	KDX Nishi-Shinjuku Building	1,500	1,526	1,410	1,420	4.5	1,400	4.2	4.6	A	0.3
		A-41	KDX Shinjuku 286 Building	2,300	2,315	2,620	2,630	4.1	2,600	3.8	4.2	A	0.5
		A-46	Hiei Kudan-Kita Building	7,600	7,478	7,990	8,210	4.0	7,890	3.8	4.2	B	1.9
		A-47	KDX Shin-Yokohama 381 Building	5,800	5,447	4,310	4,330	5.2	4,290	4.9	5.3	A	1.4
		A-48	KDX Kawasaki-Ekimae Hon-cho Building	3,760	3,573	3,080	3,070	5.1	3,090	4.5	5.1	A	0.9
		A-50	KDX Ikejiri-Oohashi Building	2,400	2,358	1,740	1,750	4.9	1,730	4.6	5.0	A	0.6
		A-51	KDX Hamacho Nakanohashi Building	2,310	2,247	1,960	1,970	4.5	1,940	4.2	4.6	A	0.5
		A-55	Shin-toshin Maruzen Building	2,110	2,090	1,680	1,700	4.5	1,660	4.1	4.7	A	0.5
		A-56	KDX Jimbocho Building	2,760	2,867	2,100	2,120	4.5	2,080	4.0	4.5	A	0.7
		A-59	KDX Iwamoto-cho Building	1,864	1,675	1,510	1,520	4.6	1,500	4.3	4.7	A	0.4
A-60	KDX Harumi Building	10,250	8,960	8,470	8,550	4.3	8,390	3.9	4.3	A	2.6		
A-61	KDX Hamamatsucho Dai-2 Building	2,200	2,243	2,150	2,200	3.9	2,130	3.7	4.1	B	0.5		
A-62	Koishikawa TG Building	3,080	3,010	3,460	3,480	4.3	3,430	4.0	4.4	A	0.7		
A-63	KDX Gotanda Building (Note 6)	2,620	2,713	3,080	3,100	4.5	3,050	4.2	4.6	A	0.6		
A-64	KDX Nihonbashi 216 Building	2,010	1,862	2,060	2,070	4.0	2,040	3.7	4.1	A	0.5		
A-66	KDX Shinjuku Building	6,800	6,865	8,490	8,530	3.8	8,450	3.5	3.9	A	1.7		
A-67	KDX Ginza Ichome Building	4,300	4,204	5,570	5,700	3.7	5,510	3.5	3.9	B	1.0		
A-68	KDX Nihonbashi Honcho Building	4,000	3,938	4,550	4,680	4.1	4,490	3.9	4.3	B	1.0		
A-71	KDX Idabashi Building	4,670	4,551	5,460	5,630	4.1	5,380	3.9	4.3	B	1.1		
A-72	KDX Higashi-Shinagawa Building	4,590	4,766	4,360	4,470	4.3	4,310	4.1	4.5	B	1.1		
A-73	KDX Hakozaeki Building	2,710	2,720	3,230	3,280	4.5	3,210	4.3	4.7	B	0.6		

Type	Area	No.	Property Name	Acquisition Price (Note 1)	Amount on the Balance Sheet (Note 2)	Appraisal Value at the end of Twenty-fourth Fiscal Period					Appraiser (Note 4)	Ratio (%) (Note 5)	
						(Note 3)	Direct Capitalization Method		Discounted Cash Flow Method				
							Value	Overall Capitalization Rate (%)	Value	Discount Rate (%)			Terminal Capitalization Rate (%)
Office Buildings	Tokyo Metropolitan Area	A-74	KDX Shin-Nihonbashi Building	2,300	2,101	2,750	2,790	3.9	2,730	3.7	4.1	B	0.5
		A-78	KDX Tachikawa Ekimae Building	1,267	1,333	1,560	1,560	5.2	1,550	4.9	5.3	A	0.3
		A-83	KDX Fuchu Building	6,120	5,950	7,710	7,830	4.9	7,660	4.7	5.1	B	1.5
		A-84	KDX Kasuga Building	2,800	2,746	3,630	3,650	4.3	3,600	4.0	4.4	A	0.7
		A-85	KDX Nakameguro Building	1,880	1,863	2,630	2,660	4.5	2,610	4.3	4.7	B	0.4
		A-86	KDX Omiya Building	2,020	2,176	2,740	2,750	5.1	2,740	4.9	5.3	B	0.5
		A-87	Itopia Nihonbashi SA Building	2,200	2,245	2,570	2,600	4.4	2,560	4.2	4.6	B	0.5
		A-88	KDX Shinjuku 6-chome Building	1,900	1,887	2,950	3,010	4.3	2,930	4.1	4.5	B	0.4
		A-89	KDX Takanawadai Building	5,250	5,344	6,150	6,200	4.3	6,100	4.0	4.4	A	1.3
		A-90	KDX Ikebukuro Building	3,900	3,733	4,810	4,890	4.0	4,780	3.8	4.2	B	0.9
		A-91	KDX Mita Building	3,180	3,160	3,460	3,480	4.2	3,430	3.9	4.3	A	0.8
		A-92	KDX Akihabara Building	2,600	2,553	3,090	3,110	4.1	3,060	3.8	4.2	A	0.6
		A-93	KDX Idabashi Square	4,350	4,973	5,590	5,660	4.1	5,560	3.9	4.3	B	1.1
		A-94	KDX Musashi-Kosugi Building	12,000	11,434	14,900	15,000	4.3	14,800	4.0	4.4	A	3.0
		A-95	KDX Toyosu Grand Square	8,666	8,257	9,080	9,300	4.7	8,980	4.5	4.9	B	2.2
		A-96	KDX Takadanobaba Building	3,650	3,628	4,230	4,270	4.5	4,210	4.2	4.7	B	0.9
		A-99	KDX Ikebukuro West Building	1,934	2,017	2,040	2,090	4.4	2,020	4.2	4.6	B	0.4
		A-101	KDX Yokohama Building	7,210	7,539	8,210	8,500	4.5	8,090	4.3	4.7	B	1.8
		A-102	KDX Yokohama Nishiguchi Building	2,750	2,731	3,070	3,120	4.6	3,050	4.4	4.8	B	0.6
		A-103	KDX Shin-Yokohama 214 Building	2,200	2,239	2,390	2,400	5.0	2,370	4.7	5.1	A	0.5
		A-107	KDX Ginza East Building	3,600	3,614	3,720	3,760	4.2	3,680	3.9	4.3	A	0.9
	A-108	Pentel Building	3,350	3,576	3,730	3,833	4.0	3,678	3.8	4.2	B	0.8	
	A-109	KDX Hamamatsucho Center Building	3,950	4,038	4,190	4,390	3.9	4,110	3.7	4.1	B	1.0	
	A-112	KDX Toranomom 1Chome Building (Note 6)	15,550	15,619	17,000	17,100	3.5	16,800	3.2	3.6	A	3.9	
	A-113	KDX Shin-Nihonbashi Ekimae Building	3,829	3,865	4,010	4,010	4.0	4,010	3.6	4.0	A	0.9	
	A-114	KDX Nihonbashi Edo-dori Building	1,350	1,366	1,440	1,450	4.4	1,420	4.0	4.4	A	0.3	
	A-115	ARK Mori Building	4,169	4,194	4,310	4,480	3.8	4,240	3.6	4.0	B	1.0	
	A-116	Nishi-Shinbashi TS Building	8,400	8,453	8,630	8,920	3.6	8,500	3.4	3.8	B	2.1	
	A-117	BR Gotanda	2,200	2,283	2,360	2,390	4.4	2,320	4.0	4.6	A	0.5	
	Other Regional Areas	A-12	Portus Center Building	5,570	4,121	4,720	4,760	5.7	4,700	5.5	5.9	B	1.4
		A-42	KDX Karasuma Building	5,400	5,143	5,140	5,220	4.9	5,100	4.7	5.1	B	1.3
		A-44	KDX Sendai Building	2,100	1,988	1,830	1,830	5.5	1,830	5.5	5.7	B	0.5
		A-53	KDX Hakata-Minami Building	4,900	4,551	4,010	4,020	6.0	4,000	5.7	6.1	A	1.2
A-54		KDX Kitahama Building	2,220	2,082	1,610	1,610	5.4	1,610	4.9	5.5	A	0.5	
A-58		KDX Nagoya Sakae Building	7,550	6,796	5,340	5,460	4.5	5,290	4.3	4.7	B	1.9	
A-69		KDX Kobayashi-Doshomachi Building	2,870	2,231	2,620	2,670	6.3	2,570	4.5	6.6	A	0.7	
A-70		KDX Sapporo Building	2,005	1,950	2,310	2,410	5.0	2,270	4.8	5.2	B	0.5	
A-79		KDX Nagoya Ekimae Building	7,327	7,982	9,030	9,080	4.3	8,970	4.0	4.4	A	1.8	
A-82		KDX Higashi Umeda Building	2,770	2,537	3,600	3,670	4.4	3,570	4.2	4.6	B	0.7	
A-97		KDX Utsunomiya Building	2,350	2,315	2,510	2,490	5.7	2,520	5.5	5.9	B	0.5	
A-98		KDX Hiroshima Building	1,300	1,411	1,580	1,580	5.6	1,570	5.3	5.7	A	0.3	
A-100		Senri Life Science Center Building	13,000	12,899	13,000	13,300	4.7	12,900	4.5	4.9	B	3.3	
A-104		KDX Minami-Honmachi Building	2,200	2,103	2,900	2,900	4.5	2,890	4.2	4.6	A	0.5	
A-106		KDX Sakura-dori Building	5,900	6,250	7,700	7,810	4.7	7,650	4.5	4.9	B	1.4	
A-110	KDX Shin-Osaka Building	4,550	4,588	4,940	5,120	4.2	4,860	4.0	4.4	B	1.1		
A-111	KDX Nagoya Nichigin-mae Building (Note 6)	3,500	3,545	3,970	4,030	4.4	3,900	4.1	4.5	A	0.8		
Subtotal of Office Buildings (92 properties)				363,055	354,507	381,860	387,633	-	378,378	-	-	-	92.2

Type	Area	No.	Property Name	Acquisition Price (Note 1)	Amount on the Balance Sheet (Note 2)	Appraisal Value at the end of Twenty-fourth Fiscal Period					Appraiser (Note 4)	Ratio (%) (Note 5)	
						Direct Capitalization Method		Discounted Cash Flow Method					
						Value	Overall Capitalization Rate (%)	Value	Discount Rate (%)	Terminal Capitalization Rate (%)			
Residential Property	Tokyo Metropolitan Area	B-19	Residence Charmante Tsukishima	5,353	4,539	4,900	4,930	4.4	4,860	4.1	4.5	A	1.3
Subtotal of Residential Property (1 property)				5,353	4,539	4,900	4,930	-	4,860	-	-	-	1.3
Central Urban Retail Properties	Tokyo Metropolitan Area	C-1	Frame Jinnan-zaka	9,900	9,291	10,800	10,900	3.7	10,700	3.4	3.8	A	2.5
		C-2	KDX Yoyogi Building	2,479	2,458	2,160	2,150	4.7	2,160	4.2	4.8	A	0.6
		C-4	Ginza 4chome Tower	9,800	9,630	13,600	13,700	3.3	13,400	3.0	3.4	A	2.4
Subtotal of Central Urban Retail Properties (3 properties)				22,179	21,380	26,560	26,750	-	26,260	-	-	-	5.6
Others	Tokyo Metropolitan Area	D-2	Shinjuku 6chome Building (Land)	2,880	2,973	3,230	3,260	3.8	3,220	3.7	3.8	B	0.7
Subtotal of Others (1 property)				2,880	2,973	3,230	3,260	-	3,220	-	-	-	0.7
Total of 97 properties				393,468	383,401	416,550	422,573	-	412,718	-	-	-	100.0

Note 1: Acquisition prices are the purchase prices for trust beneficiary interests or properties acquired by the Investment Corporation (excluding acquisition costs, property tax, city planning tax, and consumption tax, etc., rounded down to the nearest million yen.).

Note 2: Figures of less than 1 million are rounded down from the amounts on the balance sheet.

Note 3: Appraisal values at the end of fiscal period are based on the asset valuation method and standards outlined in the Investment Corporation's Articles of Incorporation and regulations formulated by the Investment Trusts Association, Japan. Appraisal values are transcribed from valuation reports prepared by Japan Real Estate Institute and Daiwa Real Estate Appraisal Co., Ltd.

Note 4: Appraisals of the properties were entrusted to two appraisers: Japan Real Estate Institute and Daiwa Real Estate Appraisal Co., Ltd. In the table, the appraisers are referred to as "A" for Japan Real Estate Institute and "B" for Daiwa Real Estate Appraisal Co., Ltd.

Note 5: Figures are the acquisition price of each asset as a percentage of the total acquisition prices for the portfolio rounded down to the nearest first decimal place. The figures entered in the subtotal and total columns are those obtained by dividing the subtotal (total) of acquisition prices of properties corresponding to each subtotal and total column by the total acquisition price of the entire assets (97 properties).

Note 6: The Investment Corporation changed the property names for the following buildings. Same applies below.

No.	New Property Name	Old Property Name	Change of Date
A-63	KDX Gotanda Building	Gotanda TG Building	April 1, 2017
A-111	KDX Nagoya Nichigin-mae Building	Nichigin-mae KD Building	
A-112	KDX Toranomom 1Chome Building	Nittochi Toranomom Building	



## B. Property Distribution

## Distribution by Property Types

Type	Number of Properties	Acquisition Price (Millions of Yen)	Ratio (Note) (%)
Office Buildings	92	363,055	92.2
Residential Property	1	5,353	1.3
Central Urban Retail Properties	3	22,179	5.6
Others	1	2,880	0.7
Total	97	393,468	100.0

## Geographic Distribution

Area	Number of Properties	Acquisition Price (Millions of Yen)	Ratio (Note) (%)
Tokyo Metropolitan Area	80	317,956	80.8
Other Regional Areas	17	75,512	19.1
Total	97	393,468	100.0

## Property Distribution by Acquisition Price

Acquisition Price (Millions of Yen)	Number of Properties	Acquisition Price (Millions of Yen)	Ratio (Note) (%)
Less than 1,000	-	-	-
1,000 - 2,500	35	69,312	17.6
2,500 - 5,000	37	131,029	33.3
5,000 - 7,500	15	90,410	22.9
7,500 - 10,000	6	51,916	13.1
10,000 - 12,500	2	22,250	5.6
12,500 - 15,000	1	13,000	3.3
15,000 - 17,500	1	15,550	3.9
Total	97	393,468	100.0

Note: "Ratio" refers to the percentage of the acquisition price by each category to the acquisition price of the entire portfolio.

Figures are rounded down to the nearest first decimal place. Accordingly, the sum total of each item may be less than 100%.

## C. Details of Investment Real Estate and Trust Real Estate

## (a) Overview of Investment Real Estate Properties and Trust Real Estate

Type	Area	No.	Property Name	Site Area (m <sup>2</sup> ) (Note 1)	Usage (Note 2)	Total Floor Area (m <sup>2</sup> ) (Note 3)	Type of Structure (Note 4)	Completion Date (Note 5)	PML (%) (Note 6)
Office Buildings	Tokyo Metropolitan Area	A-1	KDX Nihonbashi 313 Building	1,047.72	Offices	8,613.09	SRC B2F9	April 1974	7.32
		A-3	Higashi-Kayabacho Yuraku Building	773.43	Offices	5,916.48	SRC B1F9	January 1987	3.71
		A-4	KDX Hatchobori Building	992.20	Offices	4,800.43	SRC · RC B1F8	June 1993	3.74
		A-5	KDX Nakano-Sakaue Building	1,235.16	Offices, Retail Shops Residence, Garage Storage	6,399.42	SRC B1F11	August 1992	3.72
		A-6	Harajuku F.F. Building	699.67	Retail Shops, Offices Parking	3,812.44	SRC F11	November 1985	5.88
		A-7	KDX Minami Aoyama Building	369.47	Offices, Retail Shops Residence	1,926.98	SRC B1F9	November 1988	6.34
		A-8	Kanda Kihara Building	410.18	Offices	2,393.94	SRC · RC · S B1F8	May 1993	4.26
		A-13	KDX Kojimachi Building	612.17	Offices, Retail Shops	5,323.81	SRC B2F9	May 1994	2.34
		A-14	KDX Funabashi Building	1,180.41	Offices, Retail Shops	5,970.12	SRC B1F8	April 1989	4.17
		A-16	Toshin 24 Building	1,287.16	Offices, Retail Shops Parking	8,483.17	SRC B1F8	September 1984	6.05
		A-17	KDX Ebisu Building	724.22	Offices, Retail Shops	4,394.58	SRC B1F7	January 1992	7.35
		A-19	KDX Hamamatsucho Building	504.26	Offices, Retail Shops Parking	3,592.38	S F9	September 1999	4.86
		A-20	KDX Kayabacho Building	617.17	Offices, Parking	3,804.86	SRC F8	October 1987	4.25
		A-21	KDX Shinbashi Building	536.11	Offices, Retail Shops Parking	3,960.22	SRC · S B1F8	February 1992	4.44
		A-22	KDX Shin-Yokohama Building	705.00	Offices, Retail Shops Parking	6,180.51	S B1F9	September 1990	6.88
		A-26	KDX Kiba Building	922.77	Offices, Parking	2,820.64	RC F5	October 1992	4.70
		A-27	KDX Kajicho Building	526.43	Offices, Retail Shops	3,147.70	SRC B1F8	March 1990	7.11
		A-29	KDX Higashi-Shinjuku Building	1,340.97	Offices Storage, Parking	7,885.40	SRC B1F9	January 1990	6.03
		A-30	KDX Nishi-Gotanda Building	684.41	Offices, Parking	5,192.87	SRC B1F8	November 1992	8.29
		A-31	KDX Monzen-Nakacho Building	580.99	Offices, Retail Shops	2,668.91	SRC F8	September 1986	3.83
		A-32	KDX Shiba-Daimon Building	1,188.28	Offices	7,824.03	SRC B1F9	July 1986	4.58
		A-33	KDX Okachimachi Building	239.72	Offices	1,882.00	S F10	June 1988	4.00
		A-34	KDX Hon-Atsugi Building	724.62	Offices, Retail Shops	3,603.63	SRC F8	May 1995	6.38
		A-35	KDX Hachioji Building	460.62	Offices, Parking Retail Shops	2,821.21	SRC F9	December 1985	7.53
		A-37	KDX Ochanomizu Building	1,515.28	Offices, Storage Retail Shops, Parking Mechanical Room	7,720.08	SRC B1F7	August 1982	5.93
		A-38	KDX Nishi-Shinjuku Building	626.06	Offices, Parking	2,017.63	RC F5	October 1992	10.39
		A-41	KDX Shinjuku 286 Building	421.70	Offices, Parking	3,432.04	SRC · RC B1F9	August 1989	5.92
		A-46	Hiei Kudan-Kita Building	1,844.83	Offices, Retail Shops Office Room Parking, Storage	11,425.31	SRC · S B1F11	March 1988	4.33
		A-47	KDX Shin-Yokohama 381 Building (Note 7)	1,229.24	Offices, Retail Shops Parking, Garbage Room	10,290.30	SRC · RC B1F10	March 1988	10.64
		A-48	KDX Kawasaki-Ekimae Hon-cho Building	1,968.13	Offices	7,420.87	SRC B1F9	February 1985	4.71
		A-50	KDX Ikejiri-Oohashi Building	834.79	Offices	3,482.96	RC B2F9	September 1988	6.75
		A-51	KDX Hamacho Nakanohashi Building	462.29	Offices	3,280.41	SRC F9	September 1988	3.71
		A-55	Shin-toshin Maruzen Building	457.64	Offices, Retail Shops Parking	3,439.37	SRC B1F8	July 1990	5.99
		A-56	KDX Jimbocho Building	465.92	Offices	3,292.13	SRC B1F8	May 1994	5.14
		A-59	KDX Iwamoto-cho Building	266.86	Offices Residential Complex	1,618.65	S F9	March 2008	5.00
		A-60	KDX Harumi Building	2,230.69	Offices, Retail Shops	12,694.32	S · SRC B1F11	February 2008	7.12
		A-61	KDX Hamamatsucho Dai-2 Building	368.28	Offices	2,478.90	S · SRC B1F8	April 1992	3.78
		A-62	Koishikawa TG Building	1,250.42	Offices, Clinic, Parking	5,862.02	SRC B1F8	November 1989	6.61
		A-63	KDX Gotanda Building	582.90	Offices, Garage	4,440.61	SRC B1F9	April 1988	8.30
		A-64	KDX Nihonbashi 216 Building	307.77	Offices	1,871.62	SRC F9	October 2006	7.86
		A-66	KDX Shinjuku Building	1,118.12	Offices, Retail Shops Parking	10,348.02	S · RC B4F11	May 1993	2.01
		A-67	KDX Ginza Ichome Building	678.24	Offices, Bank	4,724.62	SRC F9	November 1991	6.80

Type	Area	No.	Property Name	Site Area (m <sup>2</sup> ) (Note 1)	Usage (Note 2)	Total Floor Area (m <sup>2</sup> ) (Note 3)	Type of Structure (Note 4)	Completion Date (Note 5)	PML (%) (Note 6)		
Office Buildings	Tokyo Metropolitan Area	A-68	KDX Nihonbashi Honcho Building	583.40	Offices, Parking	5,110.45	SRC B1F9	January 1984	4.48		
		A-71	KDX Iidabashi Building	967.38	Offices, Parking	5,422.64	SRC B1F8	March 1990	4.49		
		A-72	KDX Higashi-Shinagawa Building	3,115.45	Offices	10,138.65	S · RC B1F5	January 1993	5.13		
		A-73	KDX Hakozaki Building	971.83	Offices, Parking	6,332.48	SRC B1F10	November 1993	4.42		
		A-74	KDX Shin-Nihonbashi Building	444.32	Offices, Retail Shops Parking	3,712.25	S B1F10	November 2002	3.42		
		A-78	KDX Tachikawa Ekimae Building	464.95	Offices	2,896.48	S B1F8	February 1990	2.19		
		A-83	KDX Fuchu Building	2,400.00	Offices, Parking	16,647.00	SRC · S B1F14	March 1996	1.83		
		A-84	KDX Kasuga Building	1,319.24	Offices, Retail Shops Parking	6,444.31	SRC B1F10	June 1992	7.43		
		A-85	KDX Nakameguro Building	730.26	Offices	3,455.90	SRC F7	October 1985	6.50		
		A-86	KDX Omiya Building	775.67	Offices, Retail Shops Parking, Residence	5,055.50	①S · SRC B1F8 ②S F3	April 1993	4.40		
		A-87	Itopia Nihonbashi SA Building	1,193.91	Offices, Residence Parking	7,362.25	SRC B1F10	July 1995	3.64		
		A-88	KDX Shinjuku 6-chome Building	1,072.03	Offices, Retail Shops, Parking	5,907.00	SRC · RC B2F10	March 1990	6.11		
		A-89	KDX Takanawadai Building	2,547.15	Office	9,265.03	SRC B1F9	October 1985	6.17		
		A-90	KDX Ikebukuro Building	472.94	Offices, Retail Shops Parking	3,848.18	S · RC B1F10	March 2009	3.78		
		A-91	KDX Mita Building	548.72	Offices, Retail Shops Garage	5,007.98	S · SRC B3F11	March 1993	4.81		
		A-92	KDX Akihabara Building	374.88	Retail Shops, Office	2,979.14	SRC B1F9	December 1973	4.47		
		A-93	KDX Iidabashi Square	1,341.98	Offices, Parking	6,764.37	SRC B1F8	January 1994	4.48		
		A-94	KDX Musashi-Kosugi Building	3,210.09	Offices, Retail Shops	16,094.14	S B1F11	May 2013	8.11		
		A-95	KDX Toyosu Grand Square	20,403.07	Offices, Retail Shops	63,419.60	S F11	April 2008	3.84		
		A-96	KDX Takadanobaba Building	1,511.58	Offices, Parking	6,576.07	SRC · RC B2F7	October 1988	6.06		
		A-99	KDX Ikebukuro West Building	603.21	Offices, Retail Shops, Parking	3,477.86	SRC F10	July 1988	4.45		
		A-101	KDX Yokohama Building	2,499.38	Offices, Parking	15,894.75	SRC · S B1F11	March 1994	8.44		
		A-102	KDX Yokohama Nishiguchi Building	1,029.45	Offices	6,556.59	SRC B1F9	October 1988	7.59		
		A-103	KDX Shin-Yokohama 214 Building	998.00	Offices, Retail Shops, Garage	6,478.89	SRC B1F8	November 1989	4.72		
		A-107	KDX Ginza East Building	1,216.99	Offices, Parking	6,413.60	SRC B1F9	August 1991	5.95		
		A-108	Pentel Building	2,502.63	Offices, Bank, Residence	18,880.89	S · SRC B3F14	November 1990	6.22		
		A-109	KDX Hamamatsucho Center Building	835.83	Offices, Garage	3,981.69	SRC F7	December 1985	4.21		
		A-112	KDX Toranomon 1Chome Building	1,564.12	Offices, Retail Shops Parking	11,212.05	S · SRC B1F11	October 2013	7.93		
		A-113	KDX Shin-Nihonbashi Ekimae Building	531.64	Offices, Parking	4,254.07	SRC B1F10	May 1992	7.05		
		A-114	KDX Nihonbashi Edo-dori Building	252.89	Offices, Retail Shops	1,722.17	SRC F8	March 1985	4.55		
		A-115	ARK Mori Building	39,602.42	Offices	177,486.95	RC · SRC · S B4F37	March 1986	0.78		
		A-116	Nishi-Shinbashi TS Building	1,406.56	Offices, Garage	8,851.60	SRC B1F11	August 1992	5.99		
		A-117	BR Gotanda	914.80	Offices, Parking	7,395.72	SRC · S B2F11	September 1991	6.13		
		Other Regional Areas		A-12	Portus Center Building	13,936.63	Offices, Retail Shops Storage, Parking	79,827.08	SRC · S B2F25	September 1993	6.70
				A-42	KDX Karasuma Building	1,788.67	Offices	12,632.68	SRC B1F8	October 1982	3.88
				A-44	KDX Sendai Building	987.78	Offices	5,918.30	SRC B1F10	February 1984	2.71
				A-53	KDX Hakata-Minami Building	1,826.25	Offices, Retail Shops Parking	13,238.16	SRC B1F9	June 1973	0.93
A-54	KDX Kitahama Building			751.92	Offices, Storage Parking	4,652.96	S F10	July 1994	6.32		
A-58	KDX Nagoya Sakae Building			1,192.22	Offices, Retail Shops	9,594.00	S F11	April 2009	1.12		
A-69	KDX Kobayashi-Doshomachi Building (Note 9)			1,561.04	Offices, Garage Retail Shops	10,723.83	S · SRC B1F12	July 2009	10.99		
A-70	KDX Sapporo Building			819.44	Offices	5,503.90	SRC B1F9	October 1989	0.41		
A-79	KDX Nagoya Ekimae Building			1,354.10	Offices, Retail Shops	13,380.30	S · SRC B2F15	April 1986	8.98		
A-82	KDX Higashi Umeda Building			804.50	Offices, Retail Shops Parking	6,805.76	S · SRC B1F10	July 2009	6.11		
A-97	KDX Utsunomiya Building			1,412.00	Offices, Retail Shops Parking	7,742.18	S · SRC B1F10	February 1999	0.98		
A-98	KDX Hiroshima Building			706.78	Offices, Parking Tower	5,718.83	SRC B1F10	January 1990	6.98		

Type	Area	No.	Property Name	Site Area (m <sup>2</sup> ) (Note 1)	Usage (Note 2)	Total Floor Area (m <sup>2</sup> ) (Note 3)	Type of Structure (Note 4)	Completion Date (Note 5)	PML (%) (Note 6)
Office Buildings	Other Regional Areas	A-100	Senri Life Science Center Building	5,911.08	Offices, Retail Shops Parking	49,260.78	SRC · S B3F21	June 1992	1.34
		A-104	KDX Minami-Honmachi Building	882.96	Offices, Retail Shops Garage	7,694.03	S · RC B1F12	December 2009	5.31
		A-106	KDX Sakura-dori Building	2,420.43	Offices, Retail Shops Lounge, Storage	19,680.16	S B1F18	August 1992	10.49
		A-110	KDX Shin-Osaka Building	1,016.54	Offices, Parking Retail Shops	7,987.35	SRC B1F11	May 1992	10.28
		A-111	KDX Nagoya Nichigin-mae Building	732.14	Offices	5,862.22	S B1F10	September 2006	9.67
Subtotal of Office Buildings (92 properties)				-	-	-	-	Avg. 23.4yrs (Note 8)	-
Residential Property	Tokyo Metropolitan Area	B-19	Residence Charmante Tsukishima	4,252.86	Residential Complex	18,115.39	SRC B1F10	January 2004	5.38
Subtotal of Residential Property (1 property)				-	-	-	-	Avg. 13.2yrs	-
Central Urban Retail Properties	Tokyo Metropolitan Area	C-1	Frame Jinnan-zaka	1,240.51	Retail Shops, Offices	6,302.58	S · RC · SRC B2F7	March 2005	6.80
		C-2	KDX Yoyogi Building	228.74	Retail Shops, Offices	1,269.06	SRC F8	August 1991	4.55
		C-4	Ginza 4chome Tower	688.52	Retail Shops, Offices Parking	6,787.33	S B1F13	November 2008	5.23
Subtotal of Central Urban Retail Properties (3 properties)				-	-	-	-	Avg. 11.9yrs	-
Other	Tokyo Metropolitan Area	D-2	Shinjuku 6chome Building (Land)	1,355.13	-	-	-	-	-
Subtotal of Others (1 property)				-	-	-	-	-	-
Total of 97 properties				-	-	-	-	Avg. 22.6yrs (Note 8)	2.40

Note 1: Site area data is based on figures recorded in the land register (including relevant figures for land leasehold, if any). Data may not match with the actual current status. In the case of buildings with compartmentalized ownership, the figure indicates the site area of the entire land subject to site rights.

Note 2: Usage is based on data recorded in the land register. For buildings with compartmentalized ownership, the usage type of exclusively-owned area is shown.

Note 3: Total floor area is based on figures recorded in the land register and does not include related structures. The total floor area for the entire building is reported for compartmentalized ownership.

Note 4: Type of structure data is based on data recorded in the land register. For buildings with compartmentalized ownership, the structure and the number of floors of the entire building that includes the compartmentalized ownership is shown. The following abbreviations are used to report data relating to structure and the number of floors:

SRC: Steel-Reinforced Concrete; RC: Reinforced Concrete; S: Steel Frame; B: Below Ground Level; F: Above Ground Level.

For example: B2F9: Two floors below ground level and nine floors above ground level.

Note 5: Completion date is the date of construction completion recorded in the land register. Average age subtotal and total data are calculated using the weighted-average based on acquisition prices as of April 30, 2017, and are rounded down to the first decimal place.

Note 6: Probable Maximum Loss (PML) data is based on a survey provided by Sampo Risk Management & Health Care Inc. as of May 2017.

Note 7: KDX Shin-Yokohama 381 Building is comprised from two compartmentalized buildings within a single building. By consolidating them together, they become a property that comprises the entire building (total ownership ratio: 100%).

Note 8: Upon calculating the average portfolio age, the completion date of KDX Shin-Yokohama 381 Building is based on the completion date of its existing tower.

Note 9: KDX Kobayashi Doshomachi Building includes the fixed term land leasehold with a special agreement to transfer building.

## (b) Capital Expenditure

## ① Planned capital expenditures

Major capital expenditure plans for renovation of properties in which the Investment Corporation holds for the twenty-fifth fiscal period (May 1, 2017 to October 31, 2017) are as follows. Planned capital expenditure may include portions classified into expenses for accounting purposes.

Property Name (Location)	Purpose	Schedule	Planned Amount of Capital Expenditure (Millions of Yen)		
			Total	Paid in the Fiscal Period under Review	Total Amount Previously Paid
KDX Takanawadai Building (Minato-ku, Tokyo)	Renewal of air conditioning system, other	May 2017 to October 2017	193	-	-
KDX Shin-Nihonbashi Ekimae Building (Chuo-ku, Tokyo)	Renewal of air conditioning system, other	As above	139	-	-
KDX Yokohama Building (Yokohama, Kanagawa)	Renovation of external wall, other	As above	128	-	-
KDX Nagoya Ekimae Building (Naogya, Aichi)	Renovation of external wall, other	As above	109	-	-
Senri Life Science Center Building (Toyonaka, Osaka)	Renovation of external wall, other	As above	83	-	-
Toshin 24 Building (Yokohama, Kanagawa)	Renovation of external wall, other	As above	82	-	-
BR Gotanda (Shinagawa-ku, Tokyo)	Renewal of air conditioning system, other	As above	70	-	-
Itopia Nihonbashi SA Building (Chuo-ku, Tokyo)	Renovation of external wall, other	As above	37	-	-
KDX Ikebukuro West Building (Toshima-ku, Tokyo)	Renewal of air conditioning system, other	As above	19	-	-

Note: The planned amounts of capital expenditure are truncated at less than ¥1 million.

## ② Capital Expenditures during the Fiscal Period under Review (fiscal period ended April 30, 2017)

The Investment Corporation undertook the following major capital expenditures. In the fiscal period under review (fiscal period ended April 30, 2017), the Investment Corporation completed works across its entire portfolio totaling ¥1,018 million. The total construction cost amounted to ¥1,455 million including ¥436 million for repairs, maintenance and renovation expenses in the fiscal period under review.

Property Name (Location)	Purpose	Term	Amount of Capital Expenditures (Millions of Yen)
Senri Life Science Center Building (Toyonaka, Osaka)	Upgrade of exclusively-owned area, other	November 2016 to April 2017	202
KDX Takanawadai Building (Minato-ku, Tokyo)	Renovation of elevator, other	As above	59
KDX Nagoya Ekimae Building (Naogya, Aichi)	Renovation of disaster prevention equipment, other	As above	52
KDX Ikebukuro West Building (Toshima-ku, Tokyo)	Upgrade of common area, other	As above	41
Pentel Building (Chuo-ku, Tokyo)	Renewal of air conditioning system, other	As above	34
KDX Shin-Yokohama 214 Building (Yokohama, Kanagawa)	Upgrade of common area, other	As above	33
KDX Tachikawa Ekimae Building (Tachikawa, Tokyo)	Renovation of external wall, other	As above	32
Harajuku F.F. Building (Shibuya-ku, Tokyo)	Renewal of air conditioning system, other	As above	30
KDX Hiroshima Building (Hiroshima, Hiroshima)	Renovation of external wall, other	As above	27
Others			503
Portfolio Total			1,018

Note: The amounts of the capital expenditures are truncated at less than ¥1 million.

## ③ Reserved Amount for Long-Term Repairs, Maintenance and Renovation Plans

The Investment Corporation formulates long-term repairs, maintenance and renovation plans on an individual investment property basis and allocates a portion of its cash flow generated during the period to a reserve for repairs, maintenance and renovation to meet large-scale renovation over the medium- to long-terms. The following amount has been transferred to the reserve from period cash flow.

(Millions of Yen)

Fiscal period	Twentieth Fiscal Period (November 1, 2014 to April 30, 2015)	Twenty-first Fiscal Period (May 1, 2015 to October 31, 2015)	Twenty-second Fiscal Period (November 1, 2015 to April 30, 2016)	Twenty-third Fiscal Period (May 1, 2016 to October 31, 2016)	Twenty-fourth Fiscal Period (November 1, 2016 to April 30, 2017)
Balance at the beginning of the period	495	465	-	-	-
Reserve for the period	8	-	-	-	-
Reversal of reserve for the period	37	465	-	-	-
Balance brought forward to the next period	465	-	-	-	-

Note: The Investment Corporation has decided not to reserve amount for repairs, maintenance and renovation expenses since the twenty-first fiscal period because they are covered within the scope of the cash flow in each period.

## (c) Details of the Tenants

Type	Area	No.	Property Name	Total Leasable Floor Area (m <sup>2</sup> ) (Note 1)	Total Leased Floor Area (m <sup>2</sup> ) (Note 2)	No. of Leasable Residential Units (Note 3)	No. of Leased Residential Units (Note 4)	No. of Tenants (Note 5)	Occupancy Rate (%) (Note 6)	Rental and Other Operating Revenues (Thousands of Yen) (Note 7)	Tenant Leasehold and Security Deposits (Thousands of Yen) (Note 8)
Office Buildings	Tokyo Metropolitan Area	A-1	KDX Nihonbashi 313 Building	5,777.02	4,765.52	-	-	13	82.5	168,444	235,441
		A-3	Higashi-Kayabacho Yuraku Building	4,379.66	4,379.66	-	-	7	100.0	138,580	217,047
		A-4	KDX Hatchobori Building	3,323.14	3,323.14	-	-	4	100.0	107,715	109,468
		A-5	KDX Nakano-Sakaue Building	4,386.18	4,309.89	18	17	24	98.3	83,679	91,798
		A-6	Harajuku F.F. Building	3,071.15	3,071.15	-	-	2	100.0	108,010	141,704
		A-7	KDX Minami Aoyama Building	1,814.56	1,814.56	-	-	8	100.0	76,616	107,806
		A-8	Kanda Kihara Building	1,947.80	1,947.80	-	-	11	100.0	52,876	92,142
		A-13	KDX Kojimachi Building	3,719.18	3,719.18	-	-	9	100.0	122,991	202,449
		A-14	KDX Funabashi Building	3,859.85	3,859.85	-	-	20	100.0	109,795	136,849
		A-16	Toshin 24 Building	6,621.19	6,427.78	-	-	21	97.1	176,125	252,240
		A-17	KDX Ebisu Building	3,072.34	3,072.34	-	-	6	100.0	145,295	248,002
		A-19	KDX Hamamatsucho Building	2,724.35	2,724.35	-	-	9	100.0	97,614	132,636
		A-20	KDX Kayabacho Building	3,019.93	3,019.93	-	-	7	100.0	80,429	104,501
		A-21	KDX Shinbashi Building	2,803.79	2,803.79	-	-	8	100.0	129,368	175,050
		A-22	KDX Shin-Yokohama Building	4,776.86	4,755.97	-	-	21	99.6	80,115	125,585
		A-26	KDX Kiba Building	2,455.49	2,455.49	-	-	6	100.0	30,229	60,814
		A-27	KDX Kajicho Building	2,564.79	2,564.79	-	-	10	100.0	73,413	88,135
		A-29	KDX Higashi-Shinjuku Building	5,859.92	5,859.92	-	-	6	100.0	134,993	123,027
		A-30	KDX Nishi-Gotanda Building	3,883.04	3,883.04	-	-	12	100.0	70,676	140,391
		A-31	KDX Monzen-Nakacho Building	2,008.74	2,008.74	-	-	7	100.0	44,123	47,121
		A-32	KDX Shiba-Daimon Building	5,997.36	5,997.36	-	-	9	100.0	157,219	210,007
		A-33	KDX Okachimachi Building	1,792.54	1,792.54	-	-	2	100.0	67,272	110,237
		A-34	KDX Hon-Atsugi Building	2,747.66	2,747.66	-	-	12	100.0	51,842	71,277
		A-35	KDX Hachioji Building	2,165.20	1,950.65	-	-	9	90.1	45,862	49,594
		A-37	KDX Ochanomizu Building	5,892.10	5,312.22	-	-	7	90.2	189,399	231,256
		A-38	KDX Nishi-Shinjuku Building	1,593.59	1,399.10	-	-	8	87.8	45,869	56,802
		A-41	KDX Shinjuku 286 Building	2,446.12	2,446.12	-	-	7	100.0	82,369	100,498
		A-46	Hiei Kudan-Kita Building	6,908.84	6,908.84	-	-	14	100.0	251,078	326,275
		A-47	KDX Shin-Yokohama 381 Building	8,122.03	8,122.03	-	-	43	100.0	163,703	241,123
		A-48	KDX Kawasaki-Ekimae Hon-cho Building	5,126.69	5,126.69	-	-	1	100.0	103,679	155,562
		A-50	KDX Ikejiri-Oohashi Building	2,458.64	2,458.64	-	-	8	100.0	70,903	104,086
		A-51	KDX Hamacho Nakanohashi Building	2,238.01	2,238.01	-	-	9	100.0	67,804	92,352
		A-55	Shin-toshin Maruzen Building	1,912.28	1,228.40	-	-	4	64.2	53,150	53,390
		A-56	KDX Jimbocho Building	2,321.80	2,321.80	-	-	3	100.0	65,827	96,451
		A-59	KDX Iwamoto-cho Building	1,529.79	1,529.79	3	3	9	100.0	47,016	61,543
		A-60	KDX Harumi Building	9,294.00	8,739.58	-	-	10	94.0	207,122	307,209
		A-61	KDX Hamamatsucho Dai-2 Building	1,954.23	1,954.23	-	-	8	100.0	62,451	99,124
		A-62	Koishikawa TG Building	3,945.54	3,945.54	-	-	5	100.0	128,808	156,831
		A-63	KDX Gotanda Building	3,158.67	3,158.67	-	-	10	100.0	100,657	144,323
		A-64	KDX Nihonbashi 216 Building	1,615.20	1,615.20	-	-	8	100.0	54,461	94,762
A-66	KDX Shinjuku Building	5,836.68	5,574.49	-	-	20	95.5	242,355	304,414		
A-67	KDX Ginza Ichome Building	3,573.59	3,573.59	-	-	4	100.0	148,093	189,816		
A-68	KDX Nihonbashi Honcho Building	3,998.39	3,998.39	-	-	8	100.0	136,111	212,991		
A-71	KDX Iidabashi Building	4,429.25	4,429.25	-	-	5	100.0	156,189	242,500		
A-72	KDX Higashi-Shinagawa Building	7,117.97	7,117.97	-	-	5	100.0	143,280	221,748		
A-73	KDX Hakozaki Building	3,992.60	3,992.60	-	-	8	100.0	113,414	156,454		
A-74	KDX Shin-Nihonbashi Building	2,658.79	2,658.79	-	-	8	100.0	87,268	126,985		
A-78	KDX Tachikawa Ekimae Building	1,612.13	1,612.13	-	-	5	100.0	63,755	86,432		
A-83	KDX Fuchu Building	10,151.48	8,990.96	-	-	36	88.6	264,499	331,112		
A-84	KDX Kasuga Building	4,345.13	4,345.13	-	-	14	100.0	126,335	150,693		

Type	Area	No.	Property Name	Total Leasable Floor Area (m <sup>2</sup> ) (Note 1)	Total Leased Floor Area (m <sup>2</sup> ) (Note 2)	No. of Leasable Residential Units (Note 3)	No. of Leased Residential Units (Note 4)	No. of Tenants (Note 5)	Occupancy Rate (%) (Note 6)	Rental and Other Operating Revenues (Thousands of Yen) (Note 7)	Tenant Leasehold and Security Deposits (Thousands of Yen) (Note 8)
Office Buildings	Tokyo Metropolitan Area	A-85	KDX Nakameguro Building	2,726.69	2,726.69	-	-	5	100.0	86,930	128,662
		A-86	KDX Omiya Building	3,814.00	3,814.00	1	1	18	100.0	116,240	184,908
		A-87	Itopia Nihonbashi SA Building	3,106.42	2,543.76	8	7	12	81.9	94,935	97,523
		A-88	KDX Shinjuku 6-chome Building	4,037.44	4,037.44	-	-	7	100.0	104,239	87,464
		A-89	KDX Takanawadai Building	6,951.88	6,537.12	-	-	7	94.0	206,198	246,220
		A-90	KDX Ikebukuro Building	3,110.71	3,110.71	-	-	10	100.0	106,500	208,086
		A-91	KDX Mita Building	3,331.61	3,331.61	-	-	12	100.0	109,948	154,485
		A-92	KDX Akihabara Building	2,289.27	2,289.27	-	-	7	100.0	84,369	97,151
		A-93	KDX Iidabashi Square	4,571.92	4,571.92	-	-	7	100.0	142,124	288,959
		A-94	KDX Musashi-Kosugi Building	12,978.52	12,978.52	-	-	9	100.0	437,304	661,244
		A-95	KDX Toyosu Grand Square	11,797.85	11,316.95	-	-	13	95.9	305,179	453,339
		A-96	KDX Takadanobaba Building	4,585.47	4,585.47	-	-	11	100.0	136,545	157,828
		A-99	KDX Ikebukuro West Building	2,553.06	2,553.06	-	-	6	100.0	71,906	59,258
		A-101	KDX Yokohama Building	10,932.12	10,661.96	-	-	26	97.5	271,033	337,351
		A-102	KDX Yokohama Nishiguchi Building	4,981.07	4,981.07	-	-	14	100.0	119,837	161,090
		A-103	KDX Shin-Yokohama 214 Building	4,615.14	4,444.43	-	-	16	96.3	81,933	127,509
		A-107	KDX Ginza East Building	4,400.92	4,400.92	-	-	12	100.0	108,807	164,723
		A-108	Pentel Building	4,346.66	4,346.66	5	5	10	100.0	130,408	159,134
		A-109	KDX Hamamatsucho Center Building	3,052.64	3,052.64	-	-	8	100.0	104,341	126,586
		A-112	KDX Toranomon 1Chome Building	8,179.00	8,179.00	-	-	4	100.0	411,708	664,950
		A-113	KDX Shin-Nihonbashi Ekimae Building	3,284.79	3,284.79	-	-	11	100.0	55,374	146,656
	A-114	KDX Nihonbashi Edo-dori Building	1,516.15	998.10	-	-	5	65.8	31,377	31,149	
	A-115	ARK Mori Building	2,442.60	2,442.60	-	-	1 (Note 9)	100.0	N / A (Note 10)	N / A (Note 10)	
	A-116	Nishi-Shinbashi TS Building	5,734.79	5,734.79	-	-	9	100.0	107,980	290,006	
	A-117	BR Gotanda	3,469.21	3,469.21	-	-	5	100.0	14,493	100,978	
	Other Regional Areas	A-12	Portus Center Building	11,582.42	11,582.42	-	-	30	100.0	290,196	364,341
		A-42	KDX Karasuma Building	8,743.96	8,555.11	-	-	39	97.8	204,919	276,383
		A-44	KDX Sendai Building	3,962.37	3,962.37	-	-	34	100.0	94,759	180,303
		A-53	KDX Hakata-Minami Building	9,813.85	9,344.98	-	-	49	95.2	178,284	236,014
		A-54	KDX Kitahama Building	4,001.87	3,571.07	-	-	11	89.2	64,393	85,105
		A-58	KDX Nagoya Sakae Building	6,923.12	6,923.12	-	-	16	100.0	177,828	223,746
		A-69	KDX Kobayashi-Doshomachi Building	7,072.23	7,072.23	-	-	12	100.0	188,396	254,919
		A-70	KDX Sapporo Building	3,788.51	3,520.20	-	-	20	92.9	101,247	93,020
A-79		KDX Nagoya Ekimae Building	7,902.96	7,902.96	-	-	19	100.0	324,930	515,796	
A-82		KDX Higashi Umeda Building	4,986.24	4,986.24	-	-	7	100.0	130,696	110,979	
A-97		KDX Utsunomiya Building	5,306.77	5,306.77	-	-	24	100.0	128,585	149,065	
A-98		KDX Hiroshima Building	3,994.52	3,994.52	-	-	22	100.0	72,729	105,478	
A-100	Senri Life Science Center Building	17,204.09	17,161.81	-	-	61	99.8	632,763	895,662		
A-104	KDX Minami-Honmachi Building	5,285.95	4,941.43	-	-	20	93.5	96,117	144,777		
A-106	KDX Sakura-dori Building	12,331.52	12,118.39	-	-	33	98.3	327,984	449,950		
A-110	KDX Shin-Osaka Building	5,977.39	5,977.39	-	-	17	100.0	147,832	152,313		
A-111	KDX Nagoya Nichigin-mae Building	4,361.33	4,125.46	-	-	14	94.6	108,475	153,234		
Subtotal of Office Buildings (92 properties)				439,054.31	429,492.42	35	33	1,183	97.8	12,328,531	17,359,880
Residential Property	Tokyo Metropolitan Area	B-19	Residence Charmante Tsukishima	7,711.14	7,711.14	140	140	1 (Note 11)	100.0	146,914	45,721
Subtotal of Residential Property (1 property)				7,711.14	7,711.14	140	140	1	100.0	146,914	45,721
Central Urban Retail Properties	Tokyo Metropolitan Area	C-1	Frame Jinnan-zaka	4,646.51	4,484.66	-	-	12	96.5	262,897	334,324
		C-2	KDX Yoyogi Building	1,176.25	1,176.25	-	-	11	100.0	69,641	106,020
		C-4	Ginza 4chome Tower	5,624.23	5,624.23	-	-	4	100.0	236,343	349,198
Subtotal of Central Urban Retail Properties (3 properties)				11,446.99	11,285.14	-	-	27	98.6	568,882	789,543
Others	Tokyo Metropolitan Area	D-2	Shinjuku 6Chome Building (Land)	1,355.13	1,355.13	-	-	1	100.0	68,128	56,770



Type	Area	No.	Property Name	Total Leasable Floor Area (m <sup>2</sup> ) (Note 1)	Total Leased Floor Area (m <sup>2</sup> ) (Note 2)	No. of Leasable Residential Units (Note 3)	No. of Leased Residential Units (Note 4)	No. of Tenants (Note 5)	Occupancy Rate (%) (Note 6)	Rental and Other Operating Revenues (Thousands of Yen) (Note 7)	Tenant Leasehold and Security Deposits (Thousands of Yen) (Note 8)
Subtotal of Others (1 property)				1,355.13	1,355.13	-	-	1	100.0	68,128	56,770
Total of 97 properties				459,567.57	449,843.83	175	173	1,212 (Note 12)	97.9	13,112,457	18,251,916
Occupancy Rate over the Past Five Years											
			October 31, 2012	95.5%							
			April 30, 2013	93.9%							
			October 31, 2013	95.8%							
			April 30, 2014	96.0%							
			October 31, 2014	95.6%							
			April 30, 2015	96.5%							
			October 31, 2015	94.9%							
			April 30, 2016	96.9%							
			October 31, 2016	96.9%							
			April 30, 2017	97.9%							

Note 1: Total leasable floor area refers to the leasable floor area for a building (aggregate total of the leasable floor area of each building in the case of more than one building), excluding land (including land for one-story parking) identified in lease agreements or construction completion plans, etc. However, the indicated figure of rentable area for Pentel Building includes rentable area for land stated in the lease agreement. The indicated figure of rentable area for Shinjuku 6home Building (Land) is rentable area stated in the land lease agreement.

Note 2: Total leased floor area refers to the area identified in lease agreements with end tenants or sub-lease agreements.

Note 3: The number of leasable residential units and the number of leased residential units refers to the portion of the building used for residential purposes.

Note 4: The number of leased residential units refers to the number of residential units among leasable residential units for which lease agreements with end tenants or sub-lease agreements are signed.

Note 5: The number of tenants refers to the actual number of end tenants for each property.

Note 6: Occupancy rate is calculated by dividing leased floor area by total leasable floor area. Figures are rounded to the nearest first decimal place.

Note 7: Rental and other operating revenues refers to the total amount of revenues generated during the fiscal period under review from real estate rental operations including leasing revenues, common charges and parking revenues rounded down to the nearest thousand yen. (Reference)

#### The Current Rental and Other Operating Revenues of the Properties Sold During the Fiscal Period Under Review

Type	No.	Property Name	Rental and Other Operating Revenues (Thousands of Yen)
Office Buildings	A-45	KDX Roppongi 228 Building	31,232
Office Buildings	A-52	KDX Kanda Misaki-cho Building	14,722
Office Buildings	A-57	KDX Gobancho Building	22,563
Office Buildings	A-75	KDX Nihonbashi Kabutocho Building	138,295
Office Buildings	A-105	BUREX Toranomom	8,332

Note 8: Tenant leasehold and security deposits refer to the total of the balances of security deposits held (including net security deposits in the case of discount) and guarantee deposits, both identified in lease agreements or sub-lease agreements, with the figure rounded down to the nearest thousand yen.

Note 9: ARK Mori Building: Because we have concluded a rental guarantee (fixed-rent period: until December 1, 2018) building lease agreement and a property management agreement (term of contract: to December 28, 2026) with Mori Building Co., Ltd., a master lessee, the total number of tenants is indicated as 1.

Note 10: Figures are not disclosed because the company that is a master lessee and a property manager has not given consent.

Note 11: Residence Charmante Tsukishima: Because we have concluded a rental guarantee (fixed-rent period: until January 31, 2019) fixed-term building lease agreement (term of contract: to January 30, 2029) with Sekiwa Real Estate, Ltd., a master lessee, the total number of tenants is indicated as 1.

Note 12: The number presented does not reflect the adjustment for end-tenants who are overlapping in multiple properties.

#### (d) Information concerning major real estate properties

There were no major real estate properties with rental and other operating revenues exceeding 10% of total rental and other operating revenues for the twenty-fourth fiscal period (fiscal period ended April 30, 2017).

## (e) Information concerning major tenants

- ① Tenant which holds more than 10% of the total leased area: Not applicable  
 ② Reference: Major end tenants

(As of April 30, 2017)

	Name of End Tenant	Property Name	Leased Floor Area (m <sup>2</sup> )	Percentage of Total Leased Floor Area (Note 1)
1	Sekiwa Real Estate, Ltd.	Residence Charmante Tsukishima	7,711.14	1.7%
2	N / A (Note 2)	KDX Kawasaki-Ekimae Hon-cho Building	5,126.69	1.1%
3	N / A (Note 2)	KDX Musashi-Kosugi Building, KDX Hiroshima Building	4,856.75	1.1%
4	ADK Arts Inc.	KDX Toranomom 1Chome Building	4,719.91	1.0%
5	JASTECCo., Ltd.	KDX Takanawadai Building	4,312.83	1.0%
Subtotal			26,727.32	5.9%
Total Portfolio			449,843.83	100.0%

Note 1: Percentage of total leased floor area refers to the floor area leased to each end tenant as a proportion of total leased floor area. Figures are rounded to the nearest first decimal place.

Note 2: Not disclosed because the tenants have not given consents.

**[Reference]**

**Earnings Performance for the Individual Properties for the 24th Fiscal Period (November 1, 2016 to April 30, 2017) : 181days ※As of April 30, 2017**

Type		Office Buildings													
Location		Tokyo Metropolitan Area													
Property No.		A001	A003	A004	A005	A006	A007	A008	A013	A014	A016	A017	A019	A020	A021
Property Name		KDX Nihonbashi 313 Building	Higashi-Kayabacho Yuraku Building	KDX Hatchobori Building	KDX Nakano-Sakaue Building	Harajuku F.F. Building	KDX Minami Aoyama Building	Kanda Kihara Building	KDX Kojimachi Building	KDX Funabashi Building	Toshin 24 Building	KDX Ebisu Building	KDX Hamamatsucho Building	KDX Kayabacho Building	KDX Shinbashi Building
Acquisition Date		August 1, 2005	August 1, 2005	August 1, 2005	August 1, 2005	August 1, 2005	August 1, 2005	August 1, 2005	November 1, 2005	March 1, 2006	May 1, 2006	May 1, 2006	May 1, 2006	May 1, 2006	May 1, 2006
Price Information	Acquisition price (¥ Millions)	5,940	4,450	3,680	2,533	2,450	2,270	1,950	5,950	2,252	5,300	4,640	3,460	2,780	3,728
	Percentage of total portfolio	1.5%	1.1%	0.9%	0.6%	0.6%	0.6%	0.5%	1.5%	0.6%	1.3%	1.2%	0.9%	0.7%	0.9%
	Net book value (¥ Millions)	5,859	4,100	3,302	2,352	2,423	2,215	1,787	5,546	2,227	4,822	4,420	3,073	2,718	3,755
	Appraisal value at the end of period (¥ Millions)	6,740	5,050	3,280	2,400	3,130	2,510	1,640	4,940	2,330	4,970	4,890	3,400	2,600	4,580
	Percentage of total appraisal value	1.6%	1.2%	0.8%	0.6%	0.8%	0.6%	0.4%	1.2%	0.6%	1.2%	1.2%	0.8%	0.6%	1.1%
Lease Information	Number of tenants	13	7	4	24	2	8	11	9	20	21	6	9	7	8
	Leasable floor area (㎡)	5,777.02	4,379.66	3,323.14	4,386.18	3,071.15	1,814.56	1,947.80	3,719.18	3,859.85	6,621.19	3,072.34	2,724.35	3,019.93	2,803.79
	Leased floor area (㎡)	4,765.52	4,379.66	3,323.14	4,309.89	3,071.15	1,814.56	1,947.80	3,719.18	3,859.85	6,427.78	3,072.34	2,724.35	3,019.93	2,803.79
	Occupancy rate														
	As of April 30, 2017	82.5%	100.0%	100.0%	98.3%	100.0%	100.0%	100.0%	100.0%	100.0%	97.1%	100.0%	100.0%	100.0%	100.0%
	As of October 31, 2016	94.6%	100.0%	100.0%	94.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of April 30, 2016	100.0%	100.0%	100.0%	91.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	83.4%	100.0%	100.0%	100.0%
	As of October 31, 2015	100.0%	100.0%	100.0%	94.8%	100.0%	100.0%	100.0%	100.0%	100.0%	95.6%	100.0%	100.0%	100.0%	100.0%
	As of April 30, 2015	100.0%	100.0%	100.0%	93.1%	100.0%	100.0%	100.0%	100.0%	100.0%	99.8%	97.4%	100.0%	100.0%	100.0%
	As of October 31, 2014	100.0%	100.0%	100.0%	95.2%	100.0%	100.0%	76.2%	100.0%	100.0%	96.5%	94.1%	100.0%	100.0%	84.9%
	As of April 30, 2014	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	88.0%	100.0%	100.0%	94.4%	100.0%	100.0%	100.0%	84.9%
As of October 31, 2013	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	76.2%	100.0%	100.0%	91.1%	100.0%	100.0%	100.0%	100.0%	
As of April 30, 2013	99.7%	89.1%	100.0%	100.0%	100.0%	100.0%	86.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
As of October 31, 2012	100.0%	89.1%	100.0%	100.0%	100.0%	100.0%	88.4%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Profit and Loss Information for the 24th Fiscal Period	Operating periods	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days
	①Rental and other operating revenues (¥ Thousands)	168,444	138,580	107,715	83,679	108,010	76,616	52,876	122,991	109,795	176,125	145,295	97,614	80,429	129,368
	Rental revenues	153,697	127,867	93,234	69,715	96,080	68,993	47,988	105,559	93,151	145,080	131,663	89,909	72,474	121,698
	Other operating revenues	14,747	10,713	14,481	13,963	11,930	7,623	4,888	17,432	16,644	31,045	13,631	7,704	7,955	7,670
	②Property-related expenses (¥ Thousands)	60,029	34,529	35,754	32,999	27,324	21,055	15,404	39,533	39,551	50,673	34,906	29,441	25,899	32,154
	Property management fees	14,587	12,559	10,850	8,955	6,748	5,185	5,086	8,892	13,187	14,596	9,998	7,214	6,920	9,350
	Taxes	20,754	9,022	8,667	7,619	8,082	5,718	4,059	17,143	7,296	12,325	11,108	9,027	6,383	15,869
	Utilities	11,037	8,436	6,699	7,412	4,698	4,298	4,061	8,677	9,151	15,470	7,742	4,786	5,933	5,397
	Repairs and maintenance costs	3,612	3,176	8,623	7,069	5,676	5,260	1,582	1,405	8,463	5,513	4,560	5,291	1,299	914
	Insurance	224	153	135	169	103	56	59	154	169	259	135	102	105	112
Trust fees and other expenses	9,813	1,180	777	1,773	2,016	536	555	3,259	1,283	2,507	1,362	3,019	5,256	510	
③NOI (=①-②) (¥ Thousands)	108,414	104,051	71,961	50,680	80,685	55,561	37,472	83,457	70,243	125,452	110,388	68,172	54,530	97,214	
④Depreciation (¥ Thousands)	28,074	27,130	19,201	16,051	10,848	6,683	8,342	19,892	19,566	36,730	19,651	10,415	17,416	10,513	
⑤Rental operating income (=③-④) (¥ Thousands)	80,340	76,921	52,760	34,628	69,836	48,877	29,129	63,564	50,677	88,722	90,736	57,756	37,114	86,700	
⑥Capital expenditures (¥ Thousands)	9,817	580	11,088	10,135	30,446	15,633	-	1,774	4,116	4,935	6,090	-	-	620	
⑦NCF (=⑤-⑥) (¥ Thousands)	98,597	103,471	60,873	40,545	50,239	39,928	37,472	81,683	66,127	120,516	104,298	68,172	54,530	96,594	
Reference	Expense ratio (=②/①)	35.6%	24.9%	33.2%	39.4%	25.3%	27.5%	29.1%	32.1%	36.0%	28.8%	24.0%	30.2%	32.2%	24.9%
	Property tax for the year 2017 or 2016 (¥ Thousands)	41,509	18,045	17,335	15,229	16,164	11,436	8,118	34,287	14,604	24,672	22,216	18,055	12,766	31,739
	Property management fee (Leasing management fees) of ② (¥ Thousands)	5,650	4,951	3,666	2,742	3,850	2,697	1,843	4,213	3,674	6,154	5,218	3,383	2,754	4,624
	Reference: Percentage of rental and other operating revenues	3.4%	3.6%	3.4%	3.3%	3.6%	3.5%	3.5%	3.4%	3.3%	3.5%	3.6%	3.5%	3.4%	3.6%
	Long-term repairs, maintenance and renovation Estimated amount of 1st yr to 12th yrs (¥ Thousands)	318,440	159,300	141,890	164,530	204,340	97,670	79,020	161,000	180,238	309,328	232,159	163,222	198,294	133,340
Reference: Amount of yearly avg.	26,536	13,275	11,824	13,710	17,028	8,139	6,585	13,416	15,019	25,777	19,346	13,601	16,524	11,111	

Properties are shown in order of property number with respect to each type and location.

**[Reference]**

**Earnings Performance for the Individual Properties for the 24th Fiscal Period (November 1, 2016 to April 30, 2017) : 181days ※As of April 30, 2017**

Type	Office Buildings														
Location	Tokyo Metropolitan Area														
Property No.	A022	A026	A027	A029	A030	A031	A032	A033	A034	A035	A037	A038	A041	A046	
Property Name	KDX Shin-Yokohama Building	KDX Kiba Building	KDX Kajicho Building	KDX Higashi-Shinjuku Building	KDX Nishi-Gotanda Building	KDX Monzen-Nakacho Building	KDX Shiba-Daimon Building	KDX Okachimachi Building	KDX Hon-Atsugi Building	KDX Hachioji Building	KDX Ochanomizu Building	KDX Nishi-Shinjuku Building	KDX Shinjuku 286 Building	Hei Kudan-Kita Building	
Acquisition Date	May 1, 2006	June 20, 2006	July 3, 2006	September 1, 2006	December 1, 2006	January 19, 2007	March 1, 2007	March 1, 2007	March 1, 2007	March 1, 2007	April 2, 2007	April 2, 2007	June 1, 2007	February 1, 2008	
Price Information	Acquisition price (¥ Millions)	2,520	1,580	2,350	2,950	4,200	1,400	6,090	2,000	1,305	1,155	6,400	1,500	2,300	7,600
	Percentage of total portfolio	0.6%	0.4%	0.6%	0.7%	1.1%	0.4%	1.5%	0.5%	0.3%	0.3%	1.6%	0.4%	0.6%	1.9%
	Net book value (¥ Millions)	2,291	1,460	2,270	3,036	3,866	1,317	6,006	2,044	1,150	1,211	6,398	1,526	2,315	7,478
	Appraisal value at the end of period (¥ Millions)	2,370	1,230	2,260	3,780	3,640	1,080	4,800	1,980	1,270	1,100	6,850	1,410	2,620	7,990
	Percentage of total appraisal value	0.6%	0.3%	0.5%	0.9%	0.9%	0.3%	1.2%	0.5%	0.3%	0.3%	1.6%	0.3%	0.6%	1.9%
Lease Information	Number of tenants	21	6	10	6	12	7	9	2	12	9	7	8	7	14
	Leasable floor area (㎡)	4,776.86	2,455.49	2,564.79	5,859.92	3,883.04	2,008.74	5,997.36	1,792.54	2,747.66	2,165.20	5,892.10	1,593.59	2,446.12	6,908.84
	Leased floor area (㎡)	4,755.97	2,455.49	2,564.79	5,859.92	3,883.04	2,008.74	5,997.36	1,792.54	2,747.66	1,950.65	5,312.22	1,399.10	2,446.12	6,908.84
	Occupancy rate														
	As of April 30, 2017	99.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	90.1%	90.2%	87.8%	100.0%
	As of October 31, 2016	89.1%	88.1%	100.0%	100.0%	74.8%	100.0%	100.0%	100.0%	100.0%	96.7%	85.5%	100.0%	100.0%	100.0%
	As of April 30, 2016	78.7%	88.1%	100.0%	100.0%	47.4%	100.0%	100.0%	100.0%	96.7%	85.5%	96.4%	100.0%	100.0%	100.0%
	As of October 31, 2015	83.3%	76.1%	93.5%	87.3%	100.0%	84.3%	100.0%	100.0%	96.7%	72.7%	96.4%	100.0%	100.0%	100.0%
	As of April 30, 2015	87.2%	76.1%	97.5%	87.3%	100.0%	100.0%	100.0%	100.0%	94.3%	72.7%	100.0%	100.0%	100.0%	100.0%
	As of October 31, 2014	97.5%	88.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	72.7%	100.0%	77.8%	100.0%	100.0%
As of April 30, 2014	94.1%	88.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
As of October 31, 2013	92.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	89.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
As of April 30, 2013	92.9%	100.0%	100.0%	100.0%	100.0%	100.0%	79.1%	100.0%	95.7%	100.0%	100.0%	100.0%	100.0%	100.0%	
As of October 31, 2012	95.4%	100.0%	100.0%	100.0%	100.0%	100.0%	82.8%	100.0%	86.0%	100.0%	90.1%	100.0%	100.0%	100.0%	
Profit and Loss Information for the 24th Fiscal Period	Operating periods	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days
	①Rental and other operating revenues (¥ Thousands)	80,115	30,229	73,413	134,993	70,676	44,123	157,219	67,272	51,842	45,862	189,399	82,369	251,078	
	Rental revenues	69,444	24,188	65,480	119,523	54,060	35,756	144,183	58,613	44,891	38,478	175,605	40,831	68,949	228,955
	Other operating revenues	10,671	6,041	7,933	15,469	16,616	8,366	13,036	8,658	6,950	7,383	13,794	5,038	13,419	22,123
	②Property-related expenses (¥ Thousands)	27,693	16,979	18,845	46,765	31,749	18,616	44,035	15,149	16,275	16,580	44,098	17,408	27,316	85,269
	Property management fees	8,180	4,163	6,802	13,078	7,394	4,144	13,785	5,693	6,284	4,773	11,922	4,670	7,111	31,289
	Taxes	6,398	4,721	5,357	13,588	9,047	3,110	11,475	2,872	3,629	4,063	14,985	4,315	8,224	25,354
	Utilities	7,364	3,822	4,997	12,415	7,948	5,093	11,550	4,073	4,615	3,991	11,353	3,244	6,341	16,595
	Repairs and maintenance costs	2,936	1,583	1,089	3,555	3,211	6,101	4,045	809	1,152	3,112	4,547	4,503	4,987	5,469
	Insurance	164	76	85	223	125	67	174	47	95	64	198	53	92	262
Trust fees and other expenses	2,650	2,613	512	3,904	4,022	99	3,003	1,652	497	574	1,092	620	558	6,298	
③NOI (=①-②) (¥ Thousands)	52,422	13,250	54,568	88,227	38,927	25,507	113,184	52,122	35,567	29,281	145,300	28,461	55,053	165,808	
④Depreciation (¥ Thousands)	23,120	11,916	12,658	20,611	29,224	9,535	31,219	12,946	13,049	10,803	28,043	6,939	9,492	17,407	
⑤Rental operating income (=③-④) (¥ Thousands)	29,302	1,333	41,909	67,616	9,702	15,971	81,965	39,176	22,517	18,478	117,256	21,522	45,560	148,400	
⑥Capital expenditures (¥ Thousands)	7,059	-	-	1,365	-	-	1,496	-	-	9,704	3,387	2,770	2,625	-	
⑦NCF (=⑤-⑥) (¥ Thousands)	45,363	13,250	54,568	86,862	38,927	25,507	111,688	52,122	35,567	19,576	141,912	25,691	52,428	165,808	
Reference	Expense ratio (=②/①)	34.6%	56.2%	25.7%	34.6%	44.9%	42.2%	28.0%	22.5%	31.4%	36.2%	23.3%	38.0%	33.2%	34.0%
	Property tax for the year 2017 or 2016 (¥ Thousands)	12,842	9,443	10,714	27,177	18,078	6,222	22,952	5,749	7,259	8,126	29,971	8,633	16,431	50,708
	Property management fee (Leasing management fees) of ② (¥ Thousands)	2,704	887	2,611	4,555	2,236	1,421	5,518	2,436	1,783	1,533	6,830	1,516	2,804	8,507
	Reference: Percentage of rental and other operating revenues	3.4%	2.9%	3.6%	3.4%	3.2%	3.2%	3.5%	3.6%	3.4%	3.3%	3.6%	3.3%	3.4%	3.4%
	Long-term repairs, maintenance and renovation														
Estimated amount of 1st yr to 12th yrs (¥ Thousands)	111,671	127,183	133,761	93,342	129,945	136,390	323,620	90,133	65,934	85,771	355,880	45,530	94,622	328,200	
Reference: Amount of yearly avg.	9,305	10,598	11,146	7,778	10,828	11,365	26,968	7,511	5,494	7,147	29,656	3,794	7,885	27,350	

**[Reference]**

**Earnings Performance for the Individual Properties for the 24th Fiscal Period (November 1, 2016 to April 30, 2017) : 181days ※As of April 30, 2017**

Type		Office Buildings													
Location		Tokyo Metropolitan Area													
Property No.		A047	A048	A050	A051	A055	A056	A059	A060	A061	A062	A063	A064	A066	A067
Property Name		KDX Shin-Yokohama 381 Building	KDX Kawasaki-Ekimaie Hon-cho Building	KDX Ikejiri-Oohashi Building	KDX Hamacho Nakanohashi Building	Shin-toshin Maruzen Building	KDX Jimbocho Building	KDX Iwamotocho Building	KDX Harumi Building	KDX Hamamatsucho Dai-2 Building	Koishikawa TG Building	KDX Gotanda Building	KDX Nihonbashi 216 Building	KDX Shinjuku Building	KDX Ginza Ichome Building
Acquisition Date		February 1, 2008	February 1, 2008	February 1, 2008	February 1, 2008	February 29, 2008	March 31, 2008	May 1, 2008	June 30, 2008	September 1, 2008	November 18, 2009	November 18, 2009	December 1, 2009	February 18, 2010	November 12, 2010
Price Information	Acquisition price (¥ Millions)	5,800	3,760	2,400	2,310	2,110	2,760	1,864	10,250	2,200	3,080	2,620	2,010	6,800	4,300
	Percentage of total portfolio	1.5%	1.0%	0.6%	0.6%	0.5%	0.7%	0.5%	2.6%	0.6%	0.8%	0.7%	0.5%	1.7%	1.1%
	Net book value (¥ Millions)	5,447	3,573	2,358	2,247	2,090	2,867	1,675	8,960	2,243	3,010	2,713	1,862	6,865	4,204
	Appraisal value at the end of period (¥ Millions)	4,310	3,080	1,740	1,960	1,680	2,100	1,510	8,470	2,150	3,460	3,080	2,060	8,490	5,570
	Percentage of total appraisal value	1.0%	0.7%	0.4%	0.5%	0.4%	0.5%	0.4%	2.0%	0.5%	0.8%	0.7%	0.5%	2.0%	1.3%
Lease Information	Number of tenants	43	1	8	9	4	3	9	10	8	5	10	8	20	4
	Leasable floor area (㎡)	8,122.03	5,126.69	2,458.64	2,238.01	1,912.28	2,321.80	1,529.79	9,294.00	1,954.23	3,945.54	3,158.67	1,615.20	5,836.68	3,573.59
	Leased floor area (㎡)	8,122.03	5,126.69	2,458.64	2,238.01	1,228.40	2,321.80	1,529.79	8,739.58	1,954.23	3,945.54	3,158.67	1,615.20	5,574.49	3,573.59
	Occupancy rate														
	As of April 30, 2017	100.0%	100.0%	100.0%	100.0%	64.2%	100.0%	100.0%	94.0%	100.0%	100.0%	100.0%	100.0%	95.5%	100.0%
	As of October 31, 2016	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	93.2%	100.0%	100.0%	100.0%	100.0%	100.0%	98.2%
	As of April 30, 2016	96.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	93.2%	100.0%	100.0%	100.0%	100.0%	98.3%	98.2%
	As of October 31, 2015	96.3%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	88.5%	100.0%	100.0%	65.4%
	As of April 30, 2015	100.0%	100.0%	100.0%	88.3%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	88.3%	100.0%
	As of October 31, 2014	100.0%	100.0%	63.6%	88.3%	100.0%	100.0%	100.0%	90.7%	100.0%	100.0%	100.0%	100.0%	100.0%	91.8%
As of April 30, 2014	100.0%	100.0%	91.3%	100.0%	100.0%	100.0%	100.0%	72.2%	100.0%	100.0%	100.0%	100.0%	88.4%	100.0%	
As of October 31, 2013	99.2%	100.0%	91.3%	100.0%	100.0%	100.0%	100.0%	71.2%	87.5%	100.0%	100.0%	100.0%	88.3%	100.0%	
As of April 30, 2013	100.0%	100.0%	91.3%	100.0%	100.0%	100.0%	100.0%	72.2%	100.0%	100.0%	100.0%	100.0%	96.5%	100.0%	
As of October 31, 2012	91.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	70.3%	87.6%	100.0%	100.0%	100.0%	100.0%	100.0%	
Profit and Loss Information for the 24th Fiscal Period	Operating periods	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days
	①Rental and other operating revenues (¥ Thousands)	163,703	103,679	70,903	67,804	53,150	65,827	47,016	207,122	62,451	128,808	100,657	54,461	242,355	148,093
	Rental revenues	140,286	93,139	56,160	55,652	47,616	59,374	43,912	178,062	55,494	107,782	91,797	47,028	206,948	140,149
	Other operating revenues	23,417	10,540	14,742	12,151	5,533	6,452	3,103	29,059	6,956	21,026	8,859	7,432	35,406	7,943
	②Property-related expenses (¥ Thousands)	43,348	32,116	27,450	22,888	15,077	16,642	11,964	84,130	18,913	48,215	28,337	18,366	74,821	35,142
	Property management fees	12,763	13,288	6,031	7,004	6,201	5,117	3,766	32,198	4,665	13,958	8,386	5,038	22,399	9,749
	Taxes	12,694	7,276	6,271	5,479	4,608	6,825	3,005	18,014	7,997	9,973	8,618	4,529	27,652	12,686
	Utilities	14,134	9,290	4,911	4,764	2,960	4,310	2,302	26,791	3,688	11,863	6,760	2,754	17,620	6,693
	Repairs and maintenance costs	1,299	1,123	8,786	4,843	893	114	1,703	4,233	619	11,337	1,746	3,985	5,046	1,905
	Insurance	243	167	86	89	63	71	40	313	59	158	121	55	281	132
Trust fees and other expenses	2,211	971	1,363	707	350	203	1,145	2,580	1,883	923	2,704	2,002	1,822	3,975	
③NOI (=①-②) (¥ Thousands)	120,355	71,563	43,453	44,916	38,073	49,184	35,051	122,991	43,537	80,593	72,319	36,095	167,533	112,950	
④Depreciation (¥ Thousands)	48,971	33,651	11,594	12,406	8,034	9,998	13,152	78,102	5,153	15,258	14,025	11,391	19,302	11,808	
⑤Rental operating income (=③-④) (¥ Thousands)	71,384	37,912	31,859	32,509	30,038	39,186	21,898	44,888	38,383	65,334	58,293	24,703	148,231	101,141	
⑥Capital expenditures (¥ Thousands)	2,026	22,515	2,334	13,385	2,140	1,638	777	3,475	2,906	1,090	6,699	1,536	7,072	6,971	
⑦NCF (=⑤-⑥) (¥ Thousands)	118,328	49,048	41,118	31,530	35,932	47,546	34,273	119,515	40,630	79,503	65,619	34,559	160,461	105,979	
Reference	Expense ratio (=②/①)	26.5%	31.0%	38.7%	33.8%	28.4%	25.3%	25.4%	40.6%	30.3%	37.4%	28.2%	33.7%	30.9%	23.7%
	Property tax for the year 2017 or 2016 (¥ Thousands)	25,349	14,527	12,543	10,959	9,219	13,651	6,022	36,028	15,995	19,947	17,236	9,059	55,304	25,373
	Property management fee (Leasing management fees) of ② (¥ Thousands)	5,797	3,576	2,333	2,300	1,861	2,347	1,674	6,737	2,163	4,273	3,530	1,848	8,365	5,327
	Reference: Percentage of rental and other operating revenues	3.5%	3.4%	3.3%	3.4%	3.5%	3.6%	3.6%	3.3%	3.5%	3.3%	3.5%	3.4%	3.5%	3.6%
	Long-term repairs, maintenance and renovation Estimated amount of 1st yr to 12th yrs (¥ Thousands)	204,910	157,210	120,300	98,820	92,540	93,860	26,050	114,460	75,220	297,050	140,280	75,950	347,300	103,230
Reference: Amount of yearly avg.	17,075	13,100	10,025	8,235	7,711	7,821	2,170	9,538	6,268	24,754	11,690	6,329	28,941	8,602	

**【Reference】**

**Earnings Performance for the Individual Properties for the 24th Fiscal Period (November 1, 2016 to April 30, 2017) : 181days ※As of April 30, 2017**

Type		Office Buildings													
Location		Tokyo Metropolitan Area													
Property No.		A068	A071	A072	A073	A074	A078	A083	A084	A085	A086	A087	A088	A089	A090
Property Name		KDX Nihonbashi Honcho Building	KDX Iidabashi Building	KDX Higashi-Shinagawa Building	KDX Hakozaki Building	KDX Shin-Nihonbashi Building	KDX Tachikawa Ekimae Building	KDX Fuchu Building	KDX Kasuga Building	KDX Nakameguro Building	KDX Omiya Building	Itoya Nihonbashi SA Building	KDX Shinjuku 6-chome Building	KDX Takanawadai Building	KDX Ikebukuro Building
Acquisition Date		November 12, 2010	July 22, 2011	July 22, 2011	July 22, 2011	July 22, 2011	December 26, 2011	September 21, 2012	September 21, 2012	September 21, 2012	March 26, 2013	August 19, 2013	September 13, 2013	November 19, 2013	November 18, 2013
Price Information	Acquisition price (¥ Millions)	4,000	4,670	4,590	2,710	2,300	1,267	6,120	2,800	1,880	2,020	2,200	1,900	5,250	3,900
	Percentage of total portfolio	1.0%	1.2%	1.2%	0.7%	0.6%	0.3%	1.6%	0.7%	0.5%	0.5%	0.6%	0.5%	1.3%	1.0%
	Net book value (¥ Millions)	3,938	4,551	4,766	2,720	2,101	1,333	5,950	2,746	1,863	2,176	2,245	1,887	5,344	3,733
	Appraisal value at the end of period (¥ Millions)	4,550	5,460	4,360	3,230	2,750	1,560	7,710	3,630	2,630	2,740	2,570	2,950	6,150	4,810
	Percentage of total appraisal value	1.1%	1.3%	1.0%	0.8%	0.7%	0.4%	1.9%	0.9%	0.6%	0.7%	0.6%	0.7%	1.5%	1.2%
Lease Information	Number of tenants	8	5	5	8	8	5	36	14	5	18	12	7	7	10
	Leasable floor area (㎡)	3,998.39	4,429.25	7,117.97	3,992.60	2,658.79	1,612.13	10,151.48	4,345.13	2,726.69	3,814.00	3,106.42	4,037.44	6,951.88	3,110.71
	Leased floor area (㎡)	3,998.39	4,429.25	7,117.97	3,992.60	2,658.79	1,612.13	8,990.96	4,345.13	2,726.69	3,814.00	2,543.76	4,037.44	6,537.12	3,110.71
	Occupancy rate														
	As of April 30, 2017	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	88.6%	100.0%	100.0%	100.0%	81.9%	100.0%	94.0%	100.0%
	As of October 31, 2016	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	85.2%	100.0%	100.0%	100.0%	97.0%	100.0%	94.0%	90.3%
	As of April 30, 2016	100.0%	100.0%	88.4%	100.0%	100.0%	100.0%	98.6%	100.0%	85.5%	100.0%	100.0%	100.0%	94.0%	100.0%
	As of October 31, 2015	100.0%	100.0%	51.0%	100.0%	100.0%	100.0%	99.1%	100.0%	100.0%	100.0%	100.0%	90.2%	100.0%	100.0%
	As of April 30, 2015	100.0%	100.0%	86.6%	100.0%	100.0%	100.0%	99.1%	100.0%	100.0%	100.0%	93.8%	100.0%	100.0%	100.0%
	As of October 31, 2014	100.0%	86.6%	56.7%	89.3%	100.0%	100.0%	97.6%	100.0%	100.0%	100.0%	98.0%	100.0%	100.0%	100.0%
	As of April 30, 2014	100.0%	100.0%	76.7%	78.6%	100.0%	100.0%	97.6%	100.0%	100.0%	100.0%	81.1%	100.0%	95.7%	100.0%
As of October 31, 2013	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	97.4%	100.0%	95.1%	100.0%	-	-	
As of April 30, 2013	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	97.2%	92.4%	100.0%	95.1%	-	-	-	
As of October 31, 2012	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	98.2%	100.0%	100.0%	-	-	-	-	
Profit and Loss Information for the 24th Fiscal Period	Operating periods	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days
	①Rental and other operating revenues (¥ Thousands)	136,111	156,189	143,280	113,414	87,268	63,755	264,499	126,335	86,930	116,240	94,935	104,239	206,198	106,500
	Rental revenues	127,079	139,677	119,578	103,738	78,889	54,922	233,172	113,827	77,523	102,924	85,975	87,559	185,150	96,252
	Other operating revenues	9,031	16,511	23,702	9,675	8,378	8,833	31,326	12,507	9,407	13,316	8,959	16,679	21,048	10,248
	②Property-related expenses (¥ Thousands)	35,087	41,793	54,149	31,294	28,080	33,810	86,035	33,633	19,452	31,065	26,413	30,979	60,282	31,660
	Property management fees	9,593	10,899	14,516	8,023	7,035	4,847	27,865	11,572	7,065	9,789	10,245	8,840	16,307	8,890
	Taxes	14,586	10,580	16,133	12,123	7,166	7,233	24,759	11,421	5,606	6,730	6,819	10,495	18,496	7,508
	Utilities	6,197	15,911	15,820	8,681	6,902	4,179	24,854	7,577	3,720	9,918	5,883	8,272	15,092	8,106
	Repairs and maintenance costs	3,752	3,365	6,152	863	5,827	16,279	4,949	1,888	2,390	4,284	1,965	2,378	8,631	1,998
	Insurance	130	152	235	174	100	72	415	159	91	139	126	157	254	98
Trust fees and other expenses	827	884	1,290	1,428	1,048	1,197	3,190	1,014	579	203	1,372	835	1,499	5,057	
③NOI (=①-②) (¥ Thousands)	101,023	114,395	89,131	82,119	59,188	29,945	178,463	92,701	67,478	85,174	68,521	73,259	145,916	74,840	
④Depreciation (¥ Thousands)	9,906	16,160	26,781	23,187	22,452	4,505	43,133	19,334	9,474	13,981	10,541	9,488	10,104	27,205	
⑤Rental operating income (=③-④) (¥ Thousands)	91,116	98,234	62,350	58,932	36,735	25,440	135,330	73,367	58,003	71,193	57,980	63,771	135,811	47,634	
⑥Capital expenditures (¥ Thousands)	6,070	5,588	29,075	2,500	2,520	32,313	44,641	1,627	-	-	2,256	8,733	59,860	-	
⑦NCF (=⑤-⑥) (¥ Thousands)	94,953	108,807	60,056	79,619	56,668	(2,367)	133,822	91,074	67,478	85,174	66,264	64,526	86,056	74,840	
Reference	Expense ratio (=②/①)	25.8%	26.8%	37.8%	27.6%	32.2%	53.0%	32.5%	26.6%	22.4%	26.7%	27.8%	29.7%	29.2%	29.7%
	Property tax for the year 2017 or 2016 (¥ Thousands)	29,173	21,158	32,267	24,222	14,332	14,465	49,520	22,842	11,213	13,446	13,640	20,991	36,960	15,016
	Property management fee (Leasing management fees) of ② (¥ Thousands)	4,839	5,522	4,743	3,990	2,988	1,912	9,040	4,470	3,151	4,110	3,335	3,622	7,186	3,700
	Reference: Percentage of rental and other operating revenues	3.6%	3.5%	3.3%	3.5%	3.4%	3.0%	3.4%	3.5%	3.6%	3.5%	3.5%	3.5%	3.5%	3.5%
	Long-term repairs, maintenance and renovation														
Estimated amount of 1st yr to 12th yrs (¥ Thousands)	172,940	204,780	216,520	169,820	151,090	99,610	415,708	246,516	177,359	210,300	337,220	214,340	551,213	72,362	
Reference: Amount of yearly avg.	14,411	17,065	18,043	14,151	12,590	8,300	34,642	20,543	14,779	17,525	28,101	17,861	45,934	6,030	

**[Reference]**

**Earnings Performance for the Individual Properties for the 24th Fiscal Period (November 1, 2016 to April 30, 2017) : 181days ※As of April 30, 2017**

Type		Office Buildings													
Location		Tokyo Metropolitan Area													
Property No.		A091	A092	A093	A094	A095	A096	A099	A101	A102	A103	A107	A108	A109	A112
Property Name		KDX Mita Building	KDX Akihabara Building	KDX Iidabashi Square	KDX Musashi-Kosugi Building	KDX Toyosu Grand Square	KDX Takadanobaba Building	KDX Ikebukuro West Building	KDX Yokohama Building	KDX Yokohama Nishiguchi Building	KDX Shin-Yokohama 214 Building	KDX Ginza East Building	Pentel Building	KDX Hamamatsucho Center Building	KDX Toranomon 1Chome
Acquisition Date		November 18, 2013	November 19, 2013	January 10, 2014	March 20, 2014	May 30, 2014	May 30, 2014	September 3, 2014	October 29, 2014	December 2, 2014	December 2, 2014	March 13, 2015	March 26, 2015	September 1, 2015	March 30, 2016
Price Information	Acquisition price (¥ Millions)	3,180	2,600	4,350	12,000	8,666	3,650	1,934	7,210	2,750	2,200	3,600	3,350	3,950	15,550
	Percentage of total portfolio	0.8%	0.7%	1.1%	3.0%	2.2%	0.9%	0.5%	1.8%	0.7%	0.6%	0.9%	0.9%	1.0%	4.0%
	Net book value (¥ Millions)	3,160	2,553	4,973	11,434	8,257	3,628	2,017	7,539	2,731	2,239	3,614	3,576	4,038	15,619
	Appraisal value at the end of period (¥ Millions)	3,460	3,090	5,590	14,900	9,080	4,230	2,040	8,210	3,070	2,390	3,720	3,730	4,190	17,000
	Percentage of total appraisal value	0.8%	0.7%	1.3%	3.6%	2.2%	1.0%	0.5%	2.0%	0.7%	0.6%	0.9%	0.9%	1.0%	4.1%
Lease Information	Number of tenants	12	7	7	9	13	11	6	26	14	16	12	10	8	4
	Leasable floor area (㎡)	3,331.61	2,289.27	4,571.92	12,978.52	11,797.85	4,585.47	2,553.06	10,932.12	4,981.07	4,615.14	4,400.92	4,346.66	3,052.64	8,179.00
	Leased floor area (㎡)	3,331.61	2,289.27	4,571.92	12,978.52	11,316.95	4,585.47	2,553.06	10,661.96	4,981.07	4,444.43	4,400.92	4,346.66	3,052.64	8,179.00
	Occupancy rate														
	As of April 30, 2017	100.0%	100.0%	100.0%	100.0%	95.9%	100.0%	100.0%	97.5%	100.0%	96.3%	100.0%	100.0%	100.0%	100.0%
	As of October 31, 2016	100.0%	100.0%	93.6%	100.0%	98.0%	93.1%	100.0%	95.0%	100.0%	95.6%	100.0%	100.0%	100.0%	100.0%
	As of April 30, 2016	90.6%	100.0%	47.7%	100.0%	100.0%	93.1%	100.0%	98.5%	100.0%	95.6%	100.0%	94.9%	100.0%	100.0%
	As of October 31, 2015	87.5%	100.0%	0.0%	100.0%	80.8%	100.0%	100.0%	98.2%	100.0%	83.0%	100.0%	88.9%	100.0%	-
	As of April 30, 2015	95.6%	100.0%	100.0%	100.0%	87.0%	100.0%	81.2%	100.0%	100.0%	96.3%	100.0%	100.0%	-	-
	As of October 31, 2014	95.6%	100.0%	100.0%	100.0%	87.0%	100.0%	100.0%	100.0%	-	-	-	-	-	-
	As of April 30, 2014	88.4%	100.0%	100.0%	95.9%	-	-	-	-	-	-	-	-	-	-
As of October 31, 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
As of April 30, 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
As of October 31, 2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Profit and Loss Information for the 24th Fiscal Period	Operating periods	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days
	①Rental and other operating revenues (¥ Thousands)	109,948	84,369	142,124	437,304	305,179	136,545	71,906	271,033	119,837	81,933	108,807	130,408	104,341	411,708
	Rental revenues	90,258	79,133	129,171	398,722	255,525	109,584	61,086	235,346	104,393	67,890	91,687	126,608	94,128	390,122
	Other operating revenues	19,690	5,235	12,953	38,581	49,653	26,961	10,819	35,686	15,444	14,043	17,119	3,800	10,213	21,586
	②Property-related expenses (¥ Thousands)	33,456	15,256	40,654	91,355	84,644	36,993	30,516	86,708	36,839	27,201	41,745	46,405	24,773	51,749
	Property management fees	9,201	5,624	12,775	36,488	21,221	9,876	6,065	27,847	11,841	7,875	8,482	30,455	9,237	33,597
	Taxes	9,781	3,455	13,508	26,945	21,432	9,727	5,060	19,020	10,291	5,988	10,412	13,249	7,632	-
	Utilities	9,218	4,815	9,928	24,577	26,063	10,518	4,467	22,137	11,225	6,536	8,537	-	5,347	15,854
Repairs and maintenance costs	4,403	655	380	493	5,796	5,833	12,198	12,045	808	3,147	4,127	2,057	1,059	1,125	
Insurance	139	84	178	464	416	149	102	433	189	186	188	222	120	341	
Trust fees and other expenses	711	620	3,882	2,386	9,713	887	2,623	5,225	2,483	3,467	9,996	420	1,375	830	
③NOI (=①-②) (¥ Thousands)	76,492	69,113	101,470	345,949	220,535	99,552	41,389	184,324	82,998	54,732	67,061	84,003	79,568	359,958	
④Depreciation (¥ Thousands)	11,598	11,199	26,731	101,816	78,100	15,139	10,383	46,847	14,989	13,008	13,185	13,015	9,231	47,342	
⑤Rental operating income (=③-④) (¥ Thousands)	64,894	57,914	74,738	244,132	142,434	84,412	31,006	137,476	68,008	41,723	53,876	70,988	70,336	312,615	
⑥Capital expenditures (¥ Thousands)	16,937	820	5,395	435	1,090	6,247	41,585	4,725	448	33,750	26,320	34,455	7,113	900	
⑦NCF (=⑤-⑥) (¥ Thousands)	59,555	68,293	96,074	345,514	219,444	93,304	(196)	179,599	82,550	20,981	40,741	49,547	72,454	359,058	
Reference	Expense ratio (=②/①)	30.4%	18.1%	28.6%	20.9%	27.7%	27.1%	42.4%	32.0%	30.7%	33.2%	38.4%	35.6%	23.7%	12.6%
	Property tax for the year 2017 or 2016 (¥ Thousands)	19,563	6,911	27,009	54,500	41,216	19,455	10,118	38,049	20,607	11,977	20,825	26,500	15,265	91,484
	Property management fee (Leasing management fees) of ② (¥ Thousands)	3,804	3,132	4,971	15,984	3,135	4,818	2,312	9,293	4,139	2,789	3,589	4,375	3,753	15,748
	Reference: Percentage of rental and other operating revenues	3.5%	3.7%	3.5%	3.7%	1.0%	3.5%	3.2%	3.4%	3.5%	3.4%	3.3%	3.4%	3.6%	3.8%
Long-term repairs, maintenance and renovation															
Estimated amount of 1st yr to 12th yrs (¥ Thousands)	180,220	117,070	384,169	140,030	708,370	213,711	187,542	647,152	213,177	170,738	242,059	288,245	169,148	118,382	
Reference: Amount of yearly avg.	15,018	9,755	32,014	11,669	59,030	17,809	15,628	53,929	17,764	14,228	20,171	24,020	14,095	9,865	

**[Reference]**

**Earnings Performance for the Individual Properties for the 24th Fiscal Period (November 1, 2016 to April 30, 2017) : 181days ※As of April 30, 2017**

Type	Office Buildings															
Location	Tokyo Metropolitan Area					Other Regional Areas										
Property No.	A113	A114	A115	A116	A117	A012	A042	A044	A053	A054	A058	A069	A070	A079		
Property Name	KDX Shin-Nihonbashi Ekimae Building	KDX Nihonbashi Edo-dori Building	ARK Mori Building	Nishi-Shinbashi TS Building	BR Gotanda	Portus Center Building	KDX Karasuma Building	KDX Sendai Building	KDX Hakata-Minami Building	KDX Kitahama Building	KDX Nagoya Sakae Building	KDX Kobayashi-Doshomachi Building	KDX Sapporo Building	KDX Nagoya Ekimae Building		
Acquisition Date	August 2, 2016	August 2, 2016	December 1, 2016	February 1, 2017	April 5, 2017	September 21, 2005	June 1, 2007	June 1, 2007	February 1, 2008	February 1, 2008	July 1, 2009	December 1, 2010	March 25, 2011	December 26, 2011		
Price Information	Acquisition price (¥ Millions)	3,829	1,350	4,169	8,400	2,200	5,570	5,400	2,100	4,900	2,220	7,550	2,870	2,005	7,327	
	Percentage of total portfolio	1.0%	0.3%	1.1%	2.1%	0.6%	1.4%	1.4%	0.5%	1.2%	0.6%	1.9%	0.7%	0.5%	1.9%	
	Net book value (¥ Millions)	3,865	1,366	4,194	8,453	2,283	4,121	5,143	1,988	4,551	2,082	6,796	2,231	1,950	7,982	
	Appraisal value at the end of period (¥ Millions)	4,010	1,440	4,310	8,630	2,360	4,720	5,140	1,830	4,010	1,610	5,340	2,620	2,310	9,030	
	Percentage of total appraisal value	1.0%	0.3%	1.0%	2.1%	0.6%	1.1%	1.2%	0.4%	1.0%	0.4%	1.3%	0.6%	0.6%	2.2%	
Lease Information	Number of tenants	11	5	1	9	5	30	39	34	49	11	16	12	20	19	
	Leasable floor area (㎡)	3,284.79	1,516.15	2,442.60	5,734.79	3,469.21	11,582.42	8,743.96	3,962.37	9,813.85	4,001.87	6,923.12	7,072.23	3,788.51	7,902.96	
	Leased floor area (㎡)	3,284.79	998.10	2,442.60	5,734.79	3,469.21	11,582.42	8,555.11	3,962.37	9,344.98	3,571.07	6,923.12	7,072.23	3,520.20	7,902.96	
	Occupancy rate															
	As of April 30, 2017	100.0%	65.8%	100.0%	100.0%	100.0%	100.0%	97.8%	100.0%	95.2%	89.2%	100.0%	100.0%	92.9%	100.0%	
	As of October 31, 2016	67.2%	73.7%	-	-	-	-	96.7%	100.0%	97.6%	89.3%	100.0%	100.0%	100.0%	100.0%	
	As of April 30, 2016	-	-	-	-	-	-	97.3%	99.3%	100.0%	97.5%	89.3%	100.0%	100.0%	100.0%	
	As of October 31, 2015	-	-	-	-	-	-	95.9%	99.2%	100.0%	88.7%	92.8%	100.0%	100.0%	100.0%	
	As of April 30, 2015	-	-	-	-	-	-	94.9%	100.0%	96.4%	94.7%	92.8%	100.0%	100.0%	99.0%	
	As of October 31, 2014	-	-	-	-	-	-	97.5%	100.0%	94.4%	98.5%	92.8%	99.3%	91.3%	95.6%	99.0%
	As of April 30, 2014	-	-	-	-	-	-	96.5%	100.0%	91.9%	95.8%	100.0%	100.0%	97.8%	100.0%	
As of October 31, 2013	-	-	-	-	-	-	95.8%	94.3%	91.5%	93.9%	92.8%	100.0%	100.0%	89.8%	100.0%	
As of April 30, 2013	-	-	-	-	-	-	98.6%	98.3%	96.8%	94.9%	92.8%	100.0%	93.5%	94.4%	100.0%	
As of October 31, 2012	-	-	-	-	-	-	89.5%	99.2%	93.8%	93.3%	92.8%	100.0%	91.3%	100.0%	93.8%	
Profit and Loss Information for the 24th Fiscal Period	Operating periods	181days	181days	151days	89days	26days	181days	181days	181days	181days	181days	181days	181days	181days	181days	
	①Rental and other operating revenues (¥ Thousands)	55,374	31,377	(Note)	107,980	14,493	290,196	204,919	94,759	178,284	64,393	177,828	188,396	101,247	324,930	
	Rental revenues	47,170	22,186	(Note)	96,148	11,829	244,926	179,602	80,122	152,113	53,043	160,113	170,916	76,407	282,420	
	Other operating revenues	8,203	9,191	(Note)	11,831	2,663	45,270	25,316	14,637	26,170	11,349	17,715	17,480	24,840	42,509	
	②Property-related expenses (¥ Thousands)	40,091	11,473	(Note)	17,249	3,657	122,944	61,955	34,181	53,739	25,740	55,186	92,357	37,717	104,359	
	Property management fees	5,818	2,663	(Note)	9,339	2,792	77,757	20,176	11,603	14,773	7,030	17,778	15,707	9,821	31,634	
	Taxes	0	-	(Note)	14	-	21,911	21,552	6,724	10,076	4,443	19,771	11,423	8,819	38,217	
	Utilities	5,487	1,710	(Note)	6,518	-	17,714	16,489	9,736	22,040	7,276	13,847	14,020	15,164	24,913	
	Repairs and maintenance costs	11,560	1,607	(Note)	618	383	4,073	1,769	4,939	4,509	974	2,735	1,795	2,864	6,169	
	Insurance	110	42	(Note)	120	25	685	287	142	298	114	246	273	153	367	
Trust fees and other expenses	17,113	5,448	(Note)	638	457	803	1,679	1,036	2,040	5,900	807	49,137	893	3,056		
③NOI (=①-②) (¥ Thousands)	15,283	19,904	71,127	90,730	10,835	167,252	142,963	60,578	124,544	38,653	122,641	96,039	63,530	220,571		
④Depreciation (¥ Thousands)	7,847	2,782	3,535	6,502	1,418	52,322	30,984	19,728	37,358	13,632	71,919	53,503	16,887	42,122		
⑤Rental operating income (=③-④) (¥ Thousands)	7,435	17,121	67,592	84,227	9,416	114,929	111,979	40,850	87,185	25,020	50,722	42,536	46,643	178,448		
⑥Capital expenditures (¥ Thousands)	19,240	5,451	514	-	-	28,476	-	-	11,191	2,960	4,725	5,978	9,026	52,612		
⑦NCF (=⑤-⑥) (¥ Thousands)	(3,956)	14,453	70,613	90,730	10,835	138,776	142,963	60,578	113,352	35,693	117,916	90,061	54,504	167,958		
Reference	Expense ratio (=②/①)	72.4%	36.6%	(Note)	16.0%	25.2%	42.4%	30.2%	36.1%	30.1%	40.0%	31.0%	49.0%	37.3%	32.1%	
	Property tax for the year 2017 or 2016 (¥ Thousands)	25,470	6,637	16,329	34,222	18,809	43,823	43,117	13,420	20,198	8,866	39,401	22,813	17,611	76,482	
	Property management fee (Leasing management fees) of ② (¥ Thousands)	1,442	1,046	(Note)	4,055	516	9,335	7,099	3,170	6,180	2,102	6,132	5,804	3,362	11,132	
	Reference: Percentage of rental and other operating revenues	2.6%	3.3%	(Note)	3.8%	3.6%	3.2%	3.5%	3.3%	3.5%	3.3%	3.4%	3.1%	3.3%	3.4%	
	Long-term repairs, maintenance and renovation															
Estimated amount of 1st yr to 12th yrs (¥ Thousands)	231,210	92,960	137,750	305,494	180,148	856,430	375,354	128,121	185,690	136,270	95,450	170,520	202,570	527,610		
Reference: Amount of yearly avg.	19,267	7,746	11,479	25,457	15,012	71,369	31,279	10,676	15,474	11,355	7,954	14,210	16,880	43,967		

A058 KDX Nagoya Sakae Building: The land portion of KDX Nagoya Sakae Building was acquired on April 25, 2008.

A069 KDX Kobayashi Doshomachi Building: The rent for land to the land owner (Kobayashi Pharmaceutical Co., Ltd.) is stipulated according to specific terms under the land lease agreement and the annual rent to be paid is ¥94.3 million until the end of August 2019.

(Note) Figures are not disclosed because the company that is the master lessee and the property manager has not given consent.



**【Reference】**

**Earnings Performance for the Individual Properties for the 24th Fiscal Period (November 1, 2016 to April 30, 2017) : 181days ※As of April 30, 2017**

Type	Office Buildings													Residential Property	Central Urban Retail Properties			Other	Total of 97 Properties
Location	Other Regional Areas													Tokyo Metropolitan Area	Tokyo Metropolitan Area			Tokyo Metropolitan Area	
Property No.	A082	A097	A098	A100	A104	A106	A110	A111	B019	C001	C002	C004	D002						
Property Name	KDX Higashi Umeda Building	KDX Utsunomiya Building	KDX Hiroshima Building	Senri Life Science Center Building	KDX Minami-Honmachi Building	KDX Sakura-dori Building	KDX Shin-Osaka Building	KDX Nagoya Nichigin-mae Building	Residence Charmante Tsukishima	Frame Jinnan-zaka	KDX Yoyogi Building	GINZA 4chome Tower	Shinjuku 6chome Building (Land)						
Acquisition Date	March 28, 2012	May 30, 2014	September 1, 2014	October 15, 2014	December 2, 2014	January 9, 2015	September 1, 2015	March 15, 2016	May 1, 2006	August 1, 2005	September 30, 2005	August 19, 2013	April 18, 2014						
Price Information	Acquisition price (¥ Millions)	2,770	2,350	1,300	13,000	2,200	5,900	4,550	3,500	5,353	9,900	2,479	9,800	2,880	393,468				
	Percentage of total portfolio	0.7%	0.6%	0.3%	3.3%	0.6%	1.5%	1.2%	0.9%	1.4%	2.5%	0.6%	2.5%	0.7%	100.0%				
	Net book value (¥ Millions)	2,537	2,315	1,411	12,899	2,103	6,250	4,588	3,545	4,539	9,291	2,458	9,630	2,973	383,401				
	Appraisal value at the end of period (¥ Millions)	3,600	2,510	1,580	13,000	2,900	7,700	4,940	3,970	4,900	10,800	2,160	13,600	3,230	416,550				
	Percentage of total appraisal value	0.9%	0.6%	0.4%	3.1%	0.7%	1.8%	1.2%	1.0%	1.2%	2.6%	0.5%	3.3%	0.8%	100.0%				
Lease Information	Number of tenants	7	24	22	61	20	33	17	14	1	12	11	4	1	1,212				
	Leasable floor area (㎡)	4,986.24	5,306.77	3,994.52	17,204.09	5,285.95	12,331.52	5,977.39	4,361.33	7,711.14	4,646.51	1,176.25	5,624.23	1,355.13	459,567.57				
	Leased floor area (㎡)	4,986.24	5,306.77	3,994.52	17,161.81	4,941.43	12,118.39	5,977.39	4,125.46	7,711.14	4,484.66	1,176.25	5,624.23	1,355.13	449,843.83				
	Occupancy rate																		
	As of April 30, 2017	100.0%	100.0%	100.0%	99.8%	93.5%	98.3%	100.0%	94.6%	100.0%	96.5%	100.0%	100.0%	100.0%	100.0%	97.9%			
	As of October 31, 2016	100.0%	100.0%	90.5%	83.3%	92.5%	99.1%	100.0%	92.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	96.9%			
	As of April 30, 2016	100.0%	100.0%	90.5%	95.7%	100.0%	98.2%	100.0%	89.5%	100.0%	95.5%	100.0%	100.0%	100.0%	100.0%	96.9%			
	As of October 31, 2015	100.0%	100.0%	82.3%	97.3%	100.0%	94.6%	96.6%	-	100.0%	95.2%	100.0%	100.0%	100.0%	100.0%	94.9%			
	As of April 30, 2015	100.0%	98.5%	74.0%	99.0%	98.8%	89.9%	-	-	100.0%	98.0%	91.7%	100.0%	100.0%	100.0%	96.5%			
	As of October 31, 2014	100.0%	97.0%	73.3%	99.3%	-	-	-	-	100.0%	93.6%	100.0%	100.0%	100.0%	100.0%	95.6%			
	As of April 30, 2014	100.0%	-	-	-	-	-	-	-	100.0%	96.3%	100.0%	100.0%	100.0%	100.0%	96.0%			
	As of October 31, 2013	100.0%	-	-	-	-	-	-	-	100.0%	100.0%	100.0%	100.0%	-	-	95.8%			
As of April 30, 2013	100.0%	-	-	-	-	-	-	-	100.0%	100.0%	100.0%	-	-	-	93.9%				
As of October 31, 2012	95.5%	-	-	-	-	-	-	-	100.0%	100.0%	100.0%	-	-	-	95.5%				
Profit and Loss Information for the 24th Fiscal Period	Operating periods	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	178days*				
	①Rental and other operating revenues (¥ Thousands)	130,696	128,585	72,729	632,763	96,117	327,984	147,832	108,475	146,914	262,897	69,641	236,343	68,128	13,112,457				
	Rental revenues	110,887	112,324	59,357	400,131	80,801	278,029	132,130	76,886	132,064	243,862	59,954	205,974	68,124	11,376,711				
	Other operating revenues	19,809	16,261	13,372	232,631	15,316	49,954	15,701	31,588	14,849	19,035	9,686	30,369	4	1,735,745				
	②Property-related expenses (¥ Thousands)	38,109	50,161	29,095	319,243	37,253	123,482	55,989	35,067	36,736	58,095	18,577	66,461	6,116	4,129,179				
	Property management fees	9,453	15,210	8,214	81,669	10,165	49,122	12,774	9,034	16,665	18,426	4,068	17,360	-	1,296,990				
	Taxes	11,975	8,599	6,704	60,634	12,413	36,117	12,230	4,386	10,080	15,460	4,263	20,532	5,916	1,064,298				
	Utilities	14,685	11,262	6,351	82,145	11,727	25,816	10,922	6,034	1,257	15,835	4,104	19,762	-	991,234				
	Repairs and maintenance costs	759	14,187	6,598	27,730	814	7,819	17,942	5,135	4,480	4,407	5,257	4,681	-	420,350				
	Insurance	191	206	146	1,303	200	542	220	147	271	154	37	198	-	17,707				
Trust fees and other expenses	1,043	695	1,078	65,760	1,931	4,064	1,898	10,328	3,981	3,809	845	3,925	200	338,596					
③NOI (=①-②) (¥ Thousands)	92,587	78,424	43,634	313,519	58,864	204,501	91,842	73,407	110,177	204,801	51,064	169,882	62,011	8,983,278					
④Depreciation (¥ Thousands)	35,391	27,927	13,086	116,879	23,938	37,323	20,735	26,360	46,242	58,537	9,262	35,279	-	2,250,700					
⑤Rental operating income (=③-④) (¥ Thousands)	57,196	50,496	30,548	196,640	34,925	167,178	71,107	47,047	63,935	146,264	41,801	134,602	62,011	6,732,578					
⑥Capital expenditures (¥ Thousands)	400	-	27,220	202,630	-	34,728	10,115	7,305	3,895	7,203	2,098	7,894	-	1,017,292					
⑦NCF (=⑤-⑥) (¥ Thousands)	92,187	78,424	16,413	110,888	58,864	169,772	81,726	66,101	106,282	197,598	48,966	161,988	62,011	7,965,986					
Reference	Expense ratio (=②/①)	29.2%	39.0%	40.0%	50.5%	38.8%	37.6%	37.9%	32.3%	25.0%	22.1%	26.7%	28.1%	9.0%	31.5%				
	Property tax for the year 2017 or 2016 (¥ Thousands)	23,863	17,227	13,276	121,256	24,793	72,377	24,474	17,546	20,161	30,920	8,528	41,064	11,833	2,328,977				
	Property management fee (Leasing management fees) of ② (¥ Thousands)	4,556	4,224	2,374	18,113	3,162	10,867	4,891	3,711	4,640	9,544	2,463	8,290	-	435,916				
	Reference: Percentage of rental and other operating revenues	3.5%	3.3%	3.3%	2.9%	3.3%	3.3%	3.3%	3.4%	3.2%	3.6%	3.5%	3.5%	0.0%	3.3%				
	Long-term repairs, maintenance and renovation																		
Estimated amount of 1st yr to 12th yrs (¥ Thousands)	219,680	312,190	195,898	1,489,569	111,951	580,570	274,671	132,296	334,719	141,540	47,520	161,290	-	21,259,195					
Reference: Amount of yearly avg.	18,306	26,015	16,324	124,130	9,329	48,380	22,889	11,024	27,893	11,795	3,960	13,440	-	1,771,599					

\*Total: Cost-weighted average management period (days)

**[Reference]**

**Earnings Performance for the Individual Properties for the 24th Fiscal Period (November 1, 2016 to April 30, 2017) : 181days ※As of April 30, 2017**

Type	Office Buildings					Total 5 Properties Sold	Total of 102 Properties	
Location	Tokyo Metropolitan Area							
Property No.	A045	A052	A057	A075	A105			
Property Name	KDX Roppongi 228 Building	KDX Kanda Misaki-cho Building	KDX Gobancho Building	KDX Nihonbashi Kabutocho Building	BUREX Toranomon			
Acquisition Date	January 10, 2008	February 1, 2008	March 31, 2008	December 26, 2011	December 3, 2014			
Price Information	Acquisition price (¥ Millions)	3,300	1,380	1,951	11,270	1,750	19,651	413,119
	Percentage of total portfolio	16.8%	7.0%	9.9%	57.4%	8.9%	100.0%	-
	Revenue from sale of the investment property (¥ Millions)		5,070	(Note)	12,400	2,440	19,910	-
	Costs of the investment property (¥ Millions)	3,396	1,340	1,898	11,104	1,734	19,474	-
	Gain / Loss on sale of real estate (¥ Millions)		(1,657)	(Note)	982	680	5	-
Lease Information	Number of tenants	-	-	-	-	-	-	-
	Leasable floor area (㎡)	-	-	-	-	-	-	-
	Leased floor area (㎡)	-	-	-	-	-	-	-
	Occupancy rate							
	As of April 30, 2017	-	-	-	-	-	-	-
	As of October 31, 2016	100.0%	100.0%	100.0%	100.0%	100.0%	-	-
	As of April 30, 2016	100.0%	100.0%	100.0%	100.0%	100.0%	-	-
	As of October 31, 2015	100.0%	100.0%	100.0%	100.0%	100.0%	-	-
	As of April 30, 2015	87.4%	100.0%	100.0%	100.0%	100.0%	-	-
	As of October 31, 2014	87.4%	86.8%	100.0%	100.0%	-	-	-
As of April 30, 2014	73.8%	60.8%	100.0%	100.0%	-	-	-	
As of October 31, 2013	63.1%	73.7%	100.0%	99.8%	-	-	-	
As of April 30, 2013	54.4%	100.0%	85.7%	13.4%	-	-	-	
As of October 31, 2012	54.4%	100.0%	100.0%	100.0%	-	-	-	
Profit and Loss Information for the 24th Fiscal Period	Operating periods	92days	92days	92days	92days	30days	88days	174days
	①Rental and other operating revenues (¥ Thousands)	31,232	14,722	22,563	138,295	8,332	215,148	13,327,605
	Rental revenues	27,814	12,791	20,844	126,174	8,332	195,957	11,572,669
	Other operating revenues	3,418	1,931	1,719	12,121	-	19,190	1,754,936
	②Property-related expenses (¥ Thousands)	16,530	8,914	9,491	69,306	5,633	109,877	4,239,056
	Property management fees	2,600	1,721	2,044	12,297	225	18,888	1,315,879
	Taxes	8,536	2,974	4,722	36,736	5,191	58,161	1,122,460
	Utilities	2,767	1,178	1,167	10,234	-	15,347	1,006,582
	Repairs and maintenance costs	2,479	2,954	1,438	9,217	167	16,255	436,606
	Insurance	55	37	45	306	49	494	18,202
	Trust fees and other expenses	91	48	74	515	-	729	339,326
③NOI (=①-②) (¥ Thousands)	14,702	5,808	13,071	68,988	2,698	105,270	9,088,549	
④Depreciation (¥ Thousands)	3,645	2,770	3,248	24,212	4,055	37,932	2,288,632	
⑤Rental operating income (=③-④) (¥ Thousands)	11,057	3,037	9,823	44,776	(1,357)	67,338	6,799,917	
⑥Capital expenditures (¥ Thousands)	-	-	1,575	-	-	1,575	1,018,867	
⑦NCF (=③-⑥) (¥ Thousands)	14,702	5,808	11,496	68,988	2,698	103,695	8,069,682	
Expense ratio (=②/①)	52.9%	60.5%	42.1%	50.1%	67.6%	51.1%	31.8%	
Reference	Property tax for the year 2017 or 2016 (¥ Thousands)	-	-	-	-	-	-	-
	Property management fee (Leasing management fees) of ② (¥ Thousands)	937	419	727	4,230	225	6,539	442,455
	Reference : Percentage of rental and other operating revenues	3.0%	2.8%	3.2%	3.1%	2.7%	3.0%	3.3%
	Long-term repairs, maintenance and renovation							
	Estimated amount of 1st yr to 12th yr (¥ Thousands)	80,070	51,480	61,480	549,760	25,599	-	-
Reference: Amount of yearly avg.	6,672	4,290	5,123	45,813	2,133	-	-	

\*Total: Cost-weighted average management period (days)

KDX Roppongi 228 Building (A045) , KDX Kanda Misaki-cho Building (A052) , KDX Gobancho Building (A057) and KDX Nihonbashi Kabutocho Building (A075) were sold on February 1, 2017. BUREX Toranomon (A105) was sold on December 1, 2016.

(Note) The aforementioned properties are sold to the single buyer with single agreement. Sale price of each property is not disclosed because the buyer has not given consent.

## (Reference) Status of Borrowings

Borrowings as of April 30, 2017 are as follows.

Classification	Lender	Drawdown Date	Balance at the Beginning of Period (¥Thousands)	Balance at the End of Period (¥Thousands)	Average Interest Rate (Note 1) (%)	Last Repayment Date	Payment Method	Usage	Remarks
Short-Term Loans Payable	Sumitomo Mitsui Banking Corporation	March 31, 2016	1,500,000	-	0.410	March 31, 2017	Full on maturity	(Note 2)	Unsecured/ Unguaranteed
	Sumitomo Mitsui Banking Corporation	November 30, 2016	-	2,000,000	0.330	November 30, 2017			
	Development Bank of Japan Inc.	December 28, 2016	-	500,000	0.330	December 28, 2017			
	Mitsubishi UFJ Trust and Banking Corporation	January 31, 2017	-	500,000	0.330	January 31, 2018			
	Sumitomo Mitsui Banking Corporation	March 31, 2017	-	1,000,000	0.330	March 31, 2018			
	Sub Total		1,500,000	4,000,000					
Current Portion of Long-Term Loans Payable	The Bank of Fukuoka, Ltd.	March 28, 2012	500,000	-	1.364	March 28, 2017	Full on maturity	(Note 2)	Unsecured/ Unguaranteed
	Resona Bank, Limited	December 10, 2012	500,000	-	0.983	December 12, 2016			
	Development Bank of Japan Inc.	December 28, 2012	2,000,000	-	1.013	December 28, 2016			
	Sumitomo Mitsui Trust Bank, Limited	January 15, 2013	1,000,000	-	0.974	January 15, 2017			
	Mitsubishi UFJ Trust and Banking Corporation	January 31, 2014	1,200,000	-	0.667	January 31, 2017			
	Sumitomo Mitsui Banking Corporation	November 12, 2015	2,000,000	-	0.410	November 30, 2016			
	Resona Bank, Limited	June 29, 2012	1,500,000	1,500,000	1.286	June 30, 2017			
	Sumitomo Mitsui Banking Corporation	July 29, 2016	1,000,000	1,000,000	0.380	July 31, 2017			
	Sumitomo Mitsui Banking Corporation	August 2, 2016	1,000,000	1,000,000	0.380	August 31, 2017			
	Mizuho Bank, Ltd.	August 2, 2016	1,000,000	1,000,000	0.230	August 31, 2017			
	Sumitomo Mitsui Banking Corporation	September 21, 2012	5,000,000	5,000,000	1.158	September 21, 2017			
	Development Bank of Japan Inc.	September 21, 2012	1,000,000	1,000,000	1.158	September 21, 2017			
	Mizuho Bank, Ltd.	September 21, 2012	1,000,000	1,000,000	1.158	September 21, 2017			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	October 31, 2012	2,500,000	2,500,000	1.096	October 31, 2017			
	Development Bank of Japan Inc. (Note 3)	November 12, 2010	2,300,000	2,300,000	2.023	November 12, 2017			
	Development Bank of Japan Inc. (Note 3)	December 1, 2010	700,000	700,000	2.206	November 12, 2017			
	The Bank of Fukuoka, Ltd. (Note 3)	December 28, 2012	500,000	500,000	1.086	December 28, 2017			
	Mizuho Trust & Banking Co., Ltd. (Note 3)	December 28, 2012	500,000	500,000	1.086	December 29, 2017			
	Sumitomo Mitsui Trust Bank, Limited	January 16, 2017	-	500,000	0.280	January 31, 2018			
	Aozora Bank, Ltd. (Note 3)	March 12, 2014	2,250,000	2,250,000	0.751	March 12, 2018			
Resona Bank, Limited (Note 3)	March 26, 2013	1,000,000	1,000,000	1.036	March 26, 2018				
Sumitomo Mitsui Banking Corporation (Note 3)	March 26, 2013	1,000,000	1,000,000	1.036	March 26, 2018				
	Sub Total		29,450,000	22,750,000					
Long-Term Loans Payable	Sumitomo Mitsui Banking Corporation	March 28, 2012	1,400,000	1,400,000	1.770	March 28, 2019	Full on maturity	(Note 2)	Unsecured/ Unguaranteed
	Development Bank of Japan Inc.	March 28, 2012	1,000,000	1,000,000	1.770	March 28, 2019			
	Aozora Bank, Ltd.	October 31, 2012	2,500,000	2,500,000	1.253	October 31, 2018			
	Resona Bank, Limited	July 31, 2013	500,000	500,000	0.557	July 31, 2018			
	Sumitomo Mitsui Banking Corporation	August 19, 2013	1,000,000	1,000,000	0.950	August 19, 2018			
	Aozora Bank, Ltd.	August 19, 2013	1,000,000	1,000,000	0.950	August 19, 2018			
	Mizuho Trust & Banking Co., Ltd.	August 19, 2013	500,000	500,000	0.950	August 19, 2018			
	The Hiroshima Bank, Ltd.	August 19, 2013	500,000	500,000	0.969	August 19, 2018			
	The Bank of Fukuoka, Ltd.	August 19, 2013	500,000	500,000	0.950	August 19, 2018			
	The Nishi-Nippon City Bank, Ltd.	August 30, 2013	700,000	700,000	1.080	August 31, 2018			
	The 77 Bank, Ltd.	August 30, 2013	500,000	500,000	1.080	August 31, 2018			
	The Higashi-Nippon Bank, Limited	August 30, 2013	300,000	300,000	1.080	August 31, 2018			
	Development Bank of Japan Inc.	August 30, 2013	1,500,000	1,500,000	1.420	August 31, 2020			
	Aozora Bank, Ltd.	September 30, 2013	1,800,000	1,800,000	1.059	September 30, 2019			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	September 30, 2013	900,000	900,000	1.059	September 30, 2019			
	Resona Bank, Limited	October 31, 2013	500,000	500,000	0.887	October 31, 2018			
	Sumitomo Mitsui Trust Bank, Limited	November 12, 2013	1,000,000	1,000,000	0.820	November 12, 2018			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	November 12, 2013	2,000,000	2,000,000	1.074	November 12, 2020			
	Aozora Bank, Ltd.	November 12, 2013	500,000	500,000	1.074	November 12, 2020			
	Mizuho Bank, Ltd.	November 29, 2013	200,000	200,000	0.844	November 30, 2018			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	November 29, 2013	1,000,000	1,000,000	1.122	November 30, 2020			
	Aozora Bank, Ltd.	November 29, 2013	900,000	900,000	1.122	November 30, 2020			
	Sumitomo Mitsui Banking Corporation	January 10, 2014	1,300,000	1,300,000	1.205	January 31, 2021			
	Sumitomo Mitsui Trust Bank, Limited	January 31, 2014	3,700,000	3,700,000	0.932	January 31, 2020			
	Sumitomo Mitsui Banking Corporation	January 31, 2014	2,300,000	2,300,000	1.130	January 31, 2021			
	Sumitomo Mitsui Trust Bank, Limited	March 12, 2014	450,000	450,000	0.781	March 31, 2019			
	Sumitomo Mitsui Banking Corporation	March 12, 2014	1,800,000	1,800,000	0.916	March 12, 2020			
	Development Bank of Japan Inc.	March 12, 2014	1,800,000	1,800,000	1.358	March 12, 2023			
	Sumitomo Mitsui Banking Corporation	March 20, 2014	3,000,000	3,000,000	0.912	March 12, 2020			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	March 20, 2014	4,000,000	4,000,000	1.013	September 20, 2021			
	Development Bank of Japan Inc.	March 20, 2014	3,000,000	3,000,000	1.199	March 20, 2022			
	Development Bank of Japan Inc.	March 20, 2014	2,000,000	2,000,000	1.349	March 12, 2023			
	Sumitomo Mitsui Trust Bank, Limited	March 31, 2014	2,500,000	2,500,000	0.762	March 31, 2019			
	Sumitomo Mitsui Banking Corporation	April 22, 2014	2,900,000	2,900,000	0.954	October 31, 2020			
	The Hiroshima Bank, Ltd.	July 10, 2014	500,000	500,000	0.640	July 10, 2019			
	Mizuho Bank, Ltd.	July 10, 2014	2,000,000	2,000,000	0.903	July 10, 2021			
	The Nishi-Nippon City Bank, Ltd.	July 10, 2014	500,000	500,000	0.903	July 10, 2021			
	Mitsubishi UFJ Trust and Banking Corporation	July 14, 2014	1,000,000	1,000,000	0.682	July 31, 2019			
	Sumitomo Mitsui Trust Bank, Limited	July 31, 2014	1,000,000	1,000,000	0.616	July 31, 2019			
	Sumitomo Mitsui Banking Corporation	July 31, 2014	2,700,000	2,700,000	0.736	July 31, 2020			
	Resona Bank, Limited	July 31, 2014	300,000	300,000	0.756	October 31, 2020			
	Sumitomo Mitsui Banking Corporation	July 31, 2014	2,200,000	2,200,000	1.014	July 31, 2022			
	Sumitomo Mitsui Trust Bank, Limited	August 29, 2014	1,000,000	1,000,000	0.650	July 31, 2019			
	Mizuho Trust & Banking Co., Ltd.	September 1, 2014	800,000	800,000	0.885	August 31, 2021			
	The Bank of Fukuoka, Ltd.	September 1, 2014	500,000	500,000	0.885	August 31, 2021			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	September 3, 2014	1,000,000	1,000,000	0.979	August 31, 2022			
	Resona Bank, Limited	September 3, 2014	950,000	950,000	0.979	August 31, 2022			
	Sumitomo Mitsui Trust Bank, Limited	September 22, 2014	2,700,000	2,700,000	0.798	September 30, 2020			
	Mizuho Trust & Banking Co., Ltd.	September 30, 2014	1,000,000	1,000,000	0.893	September 30, 2021			
	Mitsubishi UFJ Trust and Banking Corporation	October 31, 2014	3,000,000	3,000,000	0.802	October 31, 2021			
Resona Bank, Limited	October 31, 2014	2,000,000	2,000,000	1.071	October 31, 2023				
Development Bank of Japan Inc.	October 31, 2014	1,500,000	1,500,000	1.126	October 31, 2023				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	October 31, 2014	1,000,000	1,000,000	1.071	October 31, 2023				
Sumitomo Mitsui Banking Corporation	October 31, 2014	2,000,000	2,000,000	1.257	October 31, 2024				
Development Bank of Japan Inc.	October 31, 2014	1,000,000	1,000,000	1.259	October 31, 2024				
Mitsubishi UFJ Trust and Banking Corporation	January 30, 2015	1,500,000	1,500,000	0.710	January 31, 2021				
Sumitomo Mitsui Banking Corporation	January 30, 2015	1,500,000	1,500,000	1.161	January 31, 2025				

Classification	Lender	Drawdown Date	Balance at the Beginning of Period (¥Thousands)	Balance at the End of Period (¥Thousands)	Average Interest Rate (Note 1) (%)	Last Repayment Date	Payment Method	Usage	Remarks
Long-Term Loans Payable	Sumitomo Mitsui Trust Bank, Limited	February 18, 2015	1,250,000	1,250,000	0.907	February 28, 2022	Full on maturity	(Note 2)	Unsecured/ Unguaranteed
	Aozora Bank, Ltd.	February 18, 2015	350,000	350,000	0.907	February 28, 2022			
	Sumitomo Mitsui Banking Corporation	February 18, 2015	1,700,000	1,700,000	1.157	February 29, 2024			
	Development Bank of Japan Inc.	February 18, 2015	1,250,000	1,250,000	1.314	February 28, 2025			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	February 27, 2015	2,100,000	2,100,000	1.153	February 28, 2025			
	Mizuho Bank, Ltd.	March 12, 2015	1,000,000	1,000,000	1.218	February 28, 2025			
	Sumitomo Mitsui Banking Corporation	March 31, 2015	2,500,000	2,500,000	1.266	March 31, 2025			
	Aozora Bank, Ltd.	April 30, 2015	2,300,000	2,300,000	0.825	April 30, 2022			
	Mizuho Bank, Ltd.	August 31, 2015	500,000	500,000	0.872	August 31, 2022			
	The Bank of Fukuoka, Ltd.	August 31, 2015	500,000	500,000	0.872	August 31, 2022			
	The Higashi-Nippon Bank, Limited	August 31, 2015	500,000	500,000	0.872	August 31, 2022			
	The Nishi-Nippon City Bank, Ltd.	August 31, 2015	500,000	500,000	0.872	August 31, 2022			
	The 77 Bank, Ltd.	August 31, 2015	500,000	500,000	0.872	August 31, 2022			
	The Mie Bank, Ltd.	August 31, 2015	500,000	500,000	0.872	August 31, 2022			
	Sumitomo Mitsui Trust Bank, Limited	September 30, 2015	2,000,000	2,000,000	1.065	September 30, 2024			
	Mitsubishi UFJ Trust and Banking Corporation	October 30, 2015	1,000,000	1,000,000	0.989	October 31, 2024			
	Sumitomo Mitsui Banking Corporation	October 30, 2015	2,500,000	2,500,000	1.114	October 30, 2025			
	Development Bank of Japan Inc.	October 30, 2015	2,500,000	2,500,000	1.121	October 30, 2025			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	October 30, 2015	2,000,000	2,000,000	1.114	October 30, 2025			
	Mizuho Bank, Ltd.	October 30, 2015	1,500,000	1,500,000	1.114	October 30, 2025			
	Resona Bank, Limited	November 12, 2015	1,000,000	1,000,000	1.173	November 30, 2025			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	January 29, 2016	2,500,000	2,500,000	0.590	January 31, 2022			
	Sumitomo Mitsui Banking Corporation	January 29, 2016	500,000	500,000	0.640	January 31, 2022			
	Sumitomo Mitsui Banking Corporation	January 29, 2016	2,000,000	2,000,000	1.074	January 29, 2026			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	January 29, 2016	1,800,000	1,800,000	1.024	January 29, 2026			
	Sumitomo Mitsui Trust Bank, Limited	February 18, 2016	1,000,000	1,000,000	0.998	February 18, 2026			
	Aozora Bank, Ltd.	February 18, 2016	500,000	500,000	0.998	February 18, 2026			
	Resona Bank, Limited	March 30, 2016	1,000,000	1,000,000	0.169	March 31, 2019			
	Resona Bank, Limited	March 31, 2016	1,000,000	1,000,000	0.898	March 31, 2026			
	Development Bank of Japan Inc.	April 28, 2016	2,000,000	2,000,000	0.654	April 30, 2024			
	Development Bank of Japan Inc.	April 28, 2016	2,000,000	2,000,000	0.835	April 30, 2026			
	Mitsubishi UFJ Trust and Banking Corporation	April 28, 2016	1,000,000	1,000,000	0.865	April 30, 2026			
	Mitsubishi UFJ Trust and Banking Corporation	July 29, 2016	1,500,000	1,500,000	0.613	July 31, 2026			
	Mizuho Bank, Ltd.	August 2, 2016	1,000,000	1,000,000	0.544	July 31, 2026			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	October 31, 2016	1,000,000	1,000,000	0.330	October 31, 2018			
	Aozora Bank, Ltd.	October 31, 2016	1,000,000	1,000,000	0.668	October 31, 2024			
	Development Bank of Japan Inc.	October 31, 2016	4,000,000	4,000,000	0.734	October 31, 2026			
	Sumitomo Mitsui Banking Corporation	October 31, 2016	2,500,000	2,500,000	0.876	October 31, 2026			
	Sumitomo Mitsui Trust Bank, Limited	October 31, 2016	1,500,000	1,500,000	0.826	October 31, 2026			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	October 31, 2016	1,000,000	1,000,000	0.760	October 31, 2026			
	Resona Bank, Limited	December 12, 2016	-	500,000	0.982	November 30, 2026			
	Development Bank of Japan Inc.	December 28, 2016	-	1,500,000	0.950	December 28, 2026			
	Sumitomo Mitsui Trust Bank, Limited	January 16, 2017	-	500,000	0.860	January 31, 2027			
	Mitsubishi UFJ Trust and Banking Corporation	January 31, 2017	-	700,000	0.853	January 31, 2027			
	The Bank of Fukuoka, Ltd.	March 28, 2017	-	500,000	0.850	March 31, 2027			
	Sub Total		137,850,000	141,550,000					
	total		168,800,000	168,300,000					

Note 1: The average interest rate is the weighted-average interest rate during the fiscal period, rounded to the third decimal place. Figures for borrowings, for which interest-rate swap transactions were contracted with the aim of minimizing the risk of future increase in interest rates, are listed as weighted-average interest rates considering the effect of interest-rate swap.

Note 2: Funds procured through borrowings are used to acquire real estate or trust beneficiary interests in real estate and to repay borrowings, etc.

Note 3: Borrowings are listed in the current portion of long-term loans payable from the fiscal period under review, listed in long-term loans payable in the previous fiscal period.