

Translation of Japanese Original

FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED April 30, 2014 (REIT)

(November 1, 2013 to April 30, 2014)

June 13, 2014

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

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

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Preparing presentation material: Yes · No

Hold a financial brief meeting: Yes · No (for institutional investors and analysts)

(Amounts are rounded down to the nearest ¥million)

1. PERFORMANCE FOR THE FISCAL PERIOD ENDED April 30, 2014 (EIGHTEENTH FISCAL PERIOD)

(1) Business Results

(% 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)
For the six months ended				
April 30, 2014	10,895 (11.0%)	4,283 (1.0%)	2,887 (1.9%)	2,885 (1.9%)
October 31, 2013	9,819 (-0.5%)	4,240 (-3.7%)	2,832 (-5.7%)	2,831 (-5.7%)

	Net Income per Unit (Yen)	Return on Unitholders' Equity	Ordinary Income to Total Assets	Ordinary Income to Operating Revenues
For the six months ended				
April 30, 2014	8,767	1.8%	0.9%	26.5%
October 31, 2013	9,881	1.9%	0.9%	28.9%

(2) Distribution

(Total distributions is rounded down to the nearest ¥million.)

	Distributions per Unit Excluding Excess of Earnings (Yen)	Total Distribution (Millions of Yen)	Distributions in Excess of Earnings per Unit (Yen)	Total Distributions in Excess of Earnings (Millions of Yen)	Payout Ratio	Distribution Ratio to Unitholders' Equity
For the six months ended						
April 30, 2014	9,638	3,205	0	0	111.1%	1.9%
October 31, 2013	9,302	2,665	0	0	94.1%	1.8%

Note 1: Distribution per unit for the fiscal period ended October 31, 2013 is calculated by dividing the amount remaining after deducting the provision of reserve for reduction entry (¥165 million) from unappropriated retained earnings by the number of investment units issued and outstanding. The main difference between distribution per unit and net income per unit is due to this calculation.

Note 2: Distributions per unit for the fiscal period ended April 30, 2014 is calculated by dividing the amount of the reversal of reserve for reduction entry (¥319 million) added unappropriated retained earnings by the number of investment units issued and outstanding. The main difference between distribution per unit and net income per unit is due to this calculation.

Note 3: Due to the issuance new investment units during the fiscal period ended April 30, 2014, the payout ratio is calculated as following method.
Payout ratio = Total Distributions / Net Income × 100

(3) Financial Position

(Total assets and unitholders' equity are rounded down to the nearest ¥million.)

	Total Assets (Millions of Yen)	Unitholders' Equity (Millions of Yen)	Unitholders' Equity to Total Assets	Unitholders' Equity per Unit (Yen)
For the six months ended				
April 30, 2014	355,167	170,109	47.9%	511,546
October 31, 2013	316,753	150,781	47.6%	526,195

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(4) Cash Flow Position

(Amounts are rounded down to the nearest ¥million.)

	Cash Flows from Operating Activities (Millions of Yen)	Cash Flows from Investing Activities (Millions of Yen)	Cash Flows from Financing Activities (Millions of Yen)	Cash and Cash Equivalents at Period End (Millions of Yen)
For the six months ended				
April 30, 2014	8,595	-35,509	33,502	17,537
October 31, 2013	5,924	-14,816	5,469	10,948

2. FORECAST OF RESULTS FOR THE FISCAL PERIOD ENDING October 31, 2014 (May 1, 2014 to October 31, 2014)

(% change from the previous fiscal period)

	Operating Revenues (Millions of Yen)	Operating Income (Millions of Yen)	Ordinary Income (Millions of Yen)	Net Income (Millions of Yen)	Distribution per Unit Excluding Excess of Earnings (Yen)	Distribution in Excess of Earnings per Unit (Yen)
For the six months ending						
October 31, 2014	11,249 (3.2%)	4,972 (16.1%)	3,484 (20.7%)	3,482 (20.7%)	9,810	0

(Reference) Estimated net income per unit for the fiscal period ending October 31, 2014: ¥9,903

Forecasted number of investment units issued and outstanding as of October 31, 2014: 355,010 units

Forecasted average number of investment units during the fiscal period ending October 31, 2014: 351,672 units

3. OTHER

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

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

(b) Changes other than (a): No

(c) Change 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, 2014: 332,540 units

As of October 31, 2013: 286,550 units

(b) Number of treasury units at period end

As of April 30, 2014: 0 units

As of October 31, 2013: 0 units

Note: Please refer to page 30 "Notes to the Information per Unit" for the calculation of net income per unit.

*Details concerning actual status of auditing procedures

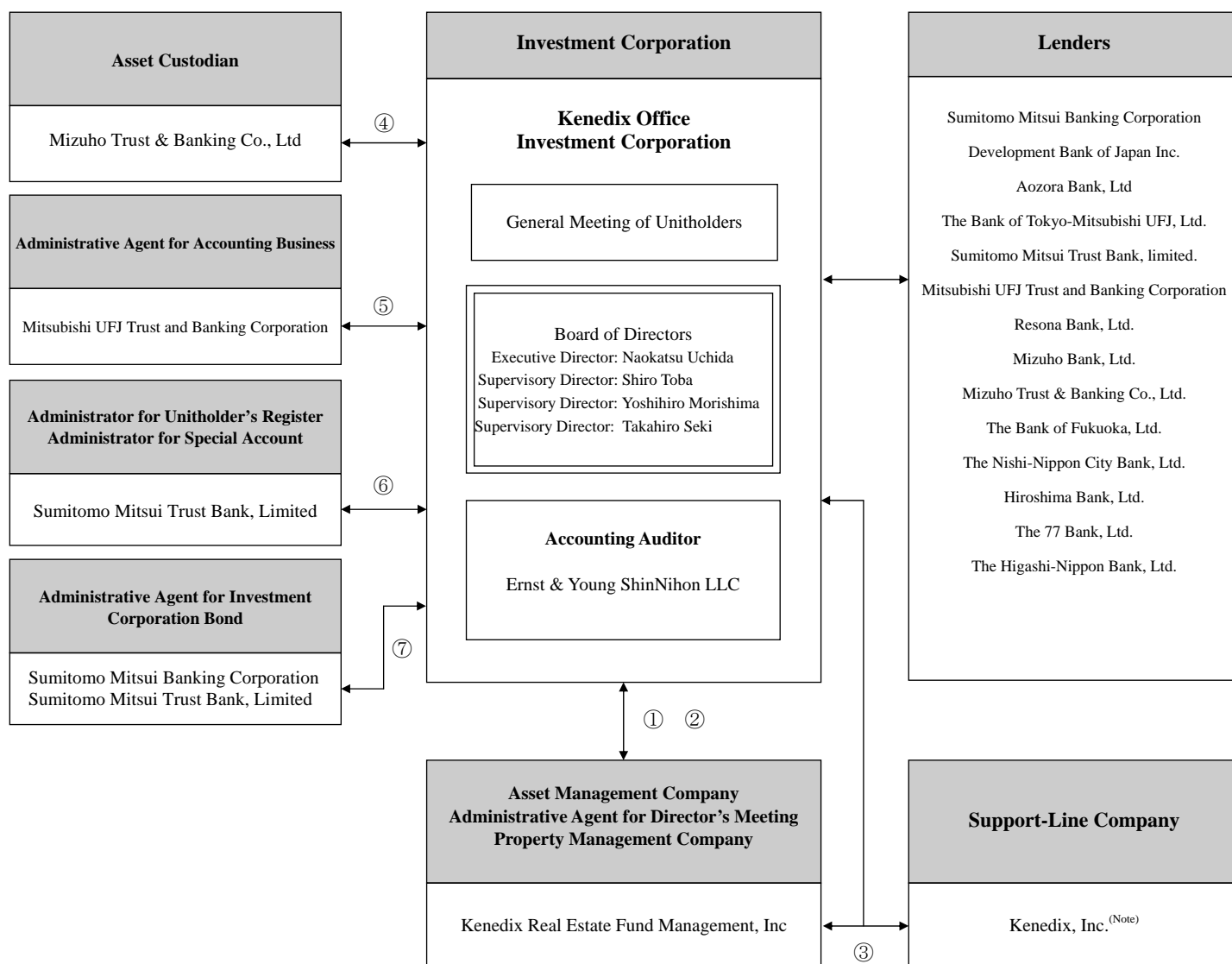
As of the disclosure of this financial report, auditing procedures for financial statements based on the Financial Instruments and Exchange Law are underway.

*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 distribution per unit may differ significantly from forecasts due to a variety of factors. Accordingly, the Investment Corporation does not guarantee payment of the forecast distribution per unit. Please refer to page 11 "Preconditions and Assumptions for the Fiscal Period Ending October 31, 2014." for the precondition of forecast for the nineteenth fiscal period ending October 31, 2014.

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



- ① Asset Management Agreement/Operating Agency Agreement
- ② Property Management Agreement
- ③ Support-Line Memorandum of Understanding
- ④ Asset Custodian Agreement
- ⑤ Administrative Agency Agreement
- ⑥ Unitholder Register Administrative Agency Agreement/Special Account Administrative Agency Agreement
- ⑦ Fiscal Agency Agreement

(Note): The specified related company of the Investment Corporation (referring to the specified related company stipulated in Article 12 Paragraph 3 of the Cabinet Office Ordinance on Disclosure of Information, etc. on Specified Securities (Ordinance of the Ministry of Finance No. 22 of 1993, including amendments thereafter)) is Kenedix, Inc. Kenedix Inc. is the parent company (referring to the parent company stipulated in Article 8 Paragraph 3 of Ordinance on Terminology, Forms, and Preparation Methods of Financial Statements, etc. (Ordinance of the Ministry of Finance No.59 of 1963, including amendments thereafter)) of the Asset Management Company.

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, 2014), and accordingly this information has been omitted from this document.

(2) Operating Conditions

(1) Operating Conditions for the Eighteenth Fiscal Period (fiscal period ended April 30, 2014)

A. The Investment Corporation

Kenedix Office Investment Corporation (“the Investment Corporation”) was established on May 6, 2005 in accordance with the Investment Trust and Investment Corporation Law (Law No. 198 of 1951, including amendments thereafter). 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 five global offerings. As a result, as of April 30, 2014, the end of the eighteenth fiscal period, the number of investment units issued and outstanding totaled 332,540 units.

The Investment Corporation appointed Kenedix Real Estate Fund Management, Inc. (“the Asset management Company”). 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 dynamic and flexible 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, 2014), the Japanese economy was on an ongoing modest recovery supported by steady domestic demand. According to Cabinet Office public documents, GDP is showing steady undertone growth rate, and despite experiencing the demand rush due to the effect of the consumption tax rate hike and weakened demand afterwards as a rebound, the overall economic cycle is positive centering on improvements in employment and income environments and also the increase in capital investment by private sectors. As for overseas economies, according to the IMF’s publicly announced World Economic Outlook, while global economic activities are gaining momentum, downside risks such as deficits of current account and declining growth rate of emerging countries and regions remain, thus present economic trends vary.

Concerning the office building leasing market, the vacancy rate of business districts across Japan is on a downward trend as the supply of newly built buildings remains limited, while demand from companies is on the rise. In particular, vacancies are steadily being eliminated in central five wards of Tokyo such as with average vacancy rates which declined for the tenth consecutive month, reflecting aggressive company activities such as relocating for floor area expansion or for better location. As a result, discounts through rent-free periods and such are decreasing.

In the office building transaction market, active transactions continue due to the strong appetite for new acquisitions coming from domestic investors, centering on listed J-REITs. Cap rate is on a slightly downward trend as the leasing market shows signs of bottoming out and the rise of future transaction prices is anticipated. The official land prices (average of all asset types) in the three largest metropolitan areas in Japan increased for the first time in six years, evidencing active real estate transactions. Under the ongoing eased financial capital market, transaction volume is on a further upward trend.

(b) Management Performance

As of the end of the seventeenth fiscal period (fiscal period ended October 31, 2013), the Investment Corporation owned 85 properties (with a total acquisition price of ¥304,800 million), preferred equity securities (investment of ¥891 million) and equity interest in a Japanese silent partnership (tokumei kumiai) (“TK”) (acquisition price of ¥200 million). During the fiscal period under review (fiscal period ended April 30, 2014), the Investment Corporation acquired seven office buildings (KDX Shinbashi Building (additional acquisition): acquisition price of ¥1,038 million, KDX Takanawadai Building: acquisition price of ¥5,250 million, KDX Ikebukuro Building: acquisition price of ¥3,900 million, KDX Mita Building: acquisition price of ¥3,180 million, KDX Akihabara Building: acquisition price of ¥2,600 million, Aplus Tokyo Building: acquisition price of ¥4,350 million, KDX Musashi-Kosugi Building: acquisition price of ¥12,000 million) located in the Tokyo Metropolitan Area, one other property (Shinjuku 6-chome Building (Land): acquisition price of ¥2,880 million), equity interest in a Japanese silent partnership (for an equity interest in Shinjuku Sanei Building (acquisition price of ¥1.107 million) and sold KDX Niigata Building (initial acquisition price of ¥1,305, Kabutocho Nikko Building II (initial acquisition price of ¥1,280 million) and Court Mejiro (initial acquisition price of ¥1,250) (with a total disposition price of ¥3,559 million))

As a result, the number of properties owned as of April 30, 2014 (excluding the preferred equity securities and TK interest, same applies below.) amounts to 89 (Note) (with a total acquisition price of ¥336,163 million). Looking at the portfolio as a whole, 90.4% was comprised of office

buildings, 6.6% of central urban retail properties, 2.1% of residential properties and 0.9% of other property on an acquisition price basis. The occupancy ratio as of the end of the eighteenth fiscal period was 96.0% reflecting stable operational management.

In addition, the Investment Corporation made its decision to acquire acquisition of KDX Toyosu Building, Grace Building Takadanobaba and Fumix STM Building on May 8, 2014 (Total of 3 properties: total acquisition price of 14,666 million), and acquired on May 30, 2014.

Note: For KDX Shinbashi Building, the acquired portion and additional acquisition portion are presented collectively as one property.

Operation and Management of Existing Properties

The Investment Corporation has appointed as of April 30, 2014, the Asset Management Company as its property management company for its entire portfolio (excluding Shinjuku 6-chome Building (Land)). In establishing a single point of contact for all matters relating to property management activities, the Investment Corporation have strived to secure consistent policies, specifications and procedures along with ensuring swift service with a high degree of quality.

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

Consequently, as of the end of the period under review, the occupancy ratio of the Investment Corporation's owned office buildings in the Tokyo Metropolitan Area stood at 95.8% and for the Investment Corporation's office buildings overall stood at 95.9%, an increase of 0.3% from the previous fiscal period.

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

The number of end-tenants for our office buildings was 886 (Note 1) (Note 2) as of the end of the fiscal period (fiscal period ended April 30, 2014) and diversifying tenant's stratum further. Floor area leased to the top 10 office end-tenants as a proportion of total leased floor area of the total portfolio was 13.6% (Note 3). Furthermore, 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 1,019 as of the end of the fiscal period (fiscal period ended April 30, 2014).

Note 3: Total floor area leased to Kenedix, Inc., the sponsor company, as a proportion of the total portfolio owned by the Investment Corporation was 3.6% (KDX Nihonbashi Kabutocho Building 0.7%, KDX Musashi-Kosugi Building 2.9%). Thus the largest tenant for office buildings in terms of leased floor area is Kenedix Inc. Kenedix Inc. is conducting sub-master leasing in which Kenedix Inc. sub-leases part of properties leased from the Investment Corporation, its master lease company, to third parties.

C. Capital Acquisition

(a) Issuance of New Investment Units

The Investment Corporation additionally issued 43,800 investment units through public offerings, including global offerings, with an aim to procure funds for acquiring new properties and repaying borrowings, and procured ¥18,198 million on November 13, 2013. Furthermore, additionally issued 2,190 units through by way of third-party allotment in aim to procure procedure for compensate the cash on hand, and procured ¥909 million on December 10, 2013.

(b) Status of Borrowings

The Investment Corporation will continue to strive to reduce refinancing risk by diversifying repayment dates and extending borrowing periods for its interest-bearing debt. During the fiscal period under review (fiscal period ended April 30, 2014), the Investment Corporation undertook borrowings of ¥19,200 million (¥3,000 million in short-term borrowings, ¥16,200 million in long-term borrowings (Note 1)) to acquire an additional asset and ¥21,600 million to repay borrowings that matured during the fiscal period. As a result, the balance of interest-bearing debt amounted to ¥167,746.5 million as of April 30, 2014, comprising ¥161,446.5 million in borrowings (¥155,446.5 million in long-term borrowings and ¥6,000 million in short-term borrowings) and ¥6,300 million in investment corporation bonds.

Furthermore, as of April 30, 2014, ¥57,700 million out of ¥67,400 million of long-term borrowings, which have floating interest rates, have been hedged and practically fixed by utilizing interest-rate swap agreements. In addition, the long-term debt ratio (Note 2) was 96.4% and the long-term fixed interest debt ratio (Note 3) was 90.6%.

In addition, the Investment Corporation has maintained the average remaining term of its interest-bearing debt (Note 4), the weighted average based on the balance of interest-bearing debt at the end of each period, from 2.3 years at the end of the thirteenth fiscal period (fiscal period ended October 31, 2011) to 3.1 years at the end of the fiscal period under review (fiscal period ended April 30, 2014). Furthermore, during the same

period, the average interest rate (Note 4) was reduced from 2.17% to 1.65%, demonstrating a successful 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: 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 3: 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 borrowings with floating interest rates effectively fixed by utilizing interest-rate swap agreements. Long-term fixed interest debt ratio is rounded to the nearest first decimal place.

Note 4: Average interest rates and average remaining terms are the weighted average based on the period-end interest rates and remaining terms based on the balance of interest-bearing debt. Average interest rates are rounded to the nearest second decimal place and average remaining terms are rounded to the nearest first decimal place respectively.

The balance of borrowings according to financial institutions as of October 31, 2013 and April 30, 2014 are as follows:

Lender	Seventeenth Fiscal Period (as of October 31, 2013) (Millions of Yen)	Eighteenth Fiscal Period (as of April 30, 2014) (Millions of Yen)	Ratio as of End of Eighteenth Fiscal Period (%) (Note 5)
Sumitomo Mitsui Banking Corporation	36,898.0	46,966.5	29.1
Development Bank of Japan Inc.	24,160.0	29,117.5	18.0
Aozora Bank, Ltd.	21,350.0	21,337.5	13.2
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	17,200.0	21,200.0	13.1
Sumitomo Mitsui Trust Bank, Limited	17,650.0	17,650.0	10.9
Mitsubishi UFJ Trust and Banking Corporation	9,200.0	9,200.0	5.7
Resona Bank, Ltd.	8,300.0	8,300.0	5.1
Mizuho Bank, Ltd.	3,000.0	2,200.0	1.4
Mizuho Trust & Banking Co., Ltd.	3,000.0	2,000.0	1.2
The Bank of Fukuoka, Ltd.	1,500.0	1,500.0	0.9
The Nishi-Nippon City Bank, Ltd.	700.0	700.0	0.4
Hiroshima Bank, Ltd.	500.0	500.0	0.3
The 77 Bank, Ltd.	500.0	500.0	0.3
The Higashi-Nippon Bank, Limited	300.0	300.0	0.2
Total	144,258.0	161,446.5	100.0

Note 5: Percentages are rounded down to the nearest first decimal place.

(c) Status of Credit Rating

The status of the credit ratings as of April 30, 2014 is as follows:

Credit Rating Agency	Details of the Ratings	
Japan Credit Rating Agency, Ltd.	Long-Term Issuer Rating	A+ (Outlook: Stable)
	Ratings on Bonds Rating of Shelf Registration	A+

(d) Status of Shelf Registration

The Investment Corporation filed a debt shelf registration statement on February 7, 2013. Details are as follows.

	Investment Corporation Bonds
Planned Issue Amount	¥100,000,000,000
Planned Issuance Period	February 15, 2013 to February 14, 2015
Use of Funds	Acquisition funds for specified assets, repayment of borrowings, repayment of investment corporation bonds, refund of lease and guarantee deposits, funds to pay for repairs and maintenance, working capital, etc.

The Investment Corporation's Fifth Series Unsecured Investment Corporation Bonds of ¥1,800,000,000 were issued based on the abovementioned debt shelf registration statement filed in September 2013.

Furthermore, the Investment Corporation filed an equity shelf registration statement to continue to secure opportunity for flexible equity financing on February 7, 2013. Details are as follows.

	Investment Unit Certificates	
	Primary Offering	Secondary Offering
Planned Issue Amount	¥100,000,000,000	¥15,000,000,000
Planned Issuance Period	February 15, 2013 to February 14, 2015	February 15, 2013 to February 14, 2015
Use of Funds	Acquisition funds for specified assets, repayment of borrowings, repayment of investment corporation bonds, refund of lease and guarantee deposits, funds to pay for repairs and maintenance, working capital, etc.	Not applicable

There has not yet been any primary offering or secondary offering based on the abovementioned investment unit certificate shelf registration.

D. Operating Results and Cash Distribution

As a result of the aforementioned management performance, the Investment Corporation reported operating revenues of ¥10,895 million, operating income of ¥4,283 million, ordinary income of ¥2,887 million and net income of ¥2,885 million for its eighteenth fiscal period (fiscal period ended April 30, 2014).

Cash distributions are paid out to the application of Article 67-15 of the Special Taxation Measures Law (Law No. 26 of 1957, including amendments thereafter). In addition, the Investment Corporation has decided to book a portion of its unappropriated retained earnings to internal reserve as a reserve for reduction entry based on application of the “Special Provisions for Taxation in the Event of Advance Acquisition of Land, etc. in 2009 and 2010” (Article 66-2 of the Special Taxation Measures Law) in the fiscal period under review. In accordance with this policy, following the posting of this reduction entry reserve, the Investment Corporation reversed part of reserve for reduction entry (319 million yen) added the amount of the concerned reversal of reserve for reduction entry to the unappropriated retained earnings. Almost the entire sum amount was distributed to unitholders, yielding ¥9,638 per unit.

(2) Outlook

A. Investment Environment

With regard to the outlook of the Japanese economy, despite changes in demand in line with the consumption tax hike, it is expected to remain stable due to the increase in capital investment by companies and improvements in employment and wages, etc. The overseas economy as a whole is on the recovery trend centering on the U.S. However, close monitoring is required of the risks that may cause a downturn in the global economy, such as deficits of current accounts in some emerging countries and resource-rich countries, and concerns over financial market stability.

Concerning the office building leasing market, according to figures announced by Miki Shoji Co., Ltd, as of the end of April 2014, the average vacancy rate of Tokyo five central wards was 6.64%, a decrease of 1.9% from the previous year. With compared to the beginning of the period, the average vacancy rate dropped by 0.92% clearly indicating an improvement. The average rent in Tokyo five central wards (including for newly built office buildings) is turning upward, though slightly, from a gradual downward trend. Since companies are acting aggressively in general and the demand for office floor space is expected to remain strong going forward, a full-scale rise in rent is anticipated.

In the office building transaction market, the demand for office buildings as investment assets remains strong with the backdrop of the expected full-fledged recovery of the leasing market and a favorable funding environment. Therefore, active transactions by major investors such as listed J-REITs and foreign investors are expected to continue.

B. Future Management Policies and Pending Issues

The Investment Corporation adopts the basic policy of conducting dynamic and flexible investment stance that seeks to respond to its environment and market trends, and endeavors to ensure a timely response to opportunities. From this standpoint and in light of the investment environment described above (the Japanese economy, the office building leasing market and the office building real estate transaction market, etc.), the Investment Corporation creates a property investment strategy, management strategy for existing properties, and financial strategy in a dynamic and flexible manner as set forth below.

(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 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 the construction of 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, in order to seek diversifying acquisition methods (direct acquisition, equity investment and co-acquisition with the sponsor company), with consideration to the balance of financing and to secure mobilizing acquisition of properties, the investment company invests in warehousing related TMK etc. with the sponsor company cooperation. 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 current profitability, revenue projections that take into account 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 to become the mid-sized office building of the choice the Asset Management Company undertakes property 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 public wireless LAN services (installed at 69 properties located within NTT East’s service area as of April 30, 2014) and installation of automated external defibrillators (AEDs) (installed at 85 properties as of April 30, 2014) 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 a CS survey targeting the tenants of its office buildings five 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 Fifth CS survey conducted in August 2013 is as follows.

The response of “Satisfied”, “Slightly Satisfied” weighted 2.0% increase compare to the Fourth CS Survey conducted in September 2011.

<Comprehensive Satisfaction Rating>

	Satisfied	Slightly Satisfied	Neither	Slightly Dissatisfied	Dissatisfied	Unknown
Fifth CS Survey	26%	51%	18%	4%	1%	1%
Fourth CS Survey	23%	52%	19%	5%	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.

Tailor leasing management according to the market environment

The characteristics of mid-sized office buildings, which are the primary target of the Investment Corporation's investment, are that many of the 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 ratios, 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 ratio by implementing dynamic and flexible leasing activities through the sharing of 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 operating costs and reduce building maintenance and operating costs by taking advantage of the portfolio size in building maintenance costs and construction bidding.

Ensure appropriate responses to relevant laws and regulations

The Investment Corporation will gather information on the Building Standards Law (Law No.201, 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 is designated as a specified corporation pursuant to the Act on the Rational Use of Energy. 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)

As the environment for procuring interest-bearing debt is continuing to improve, the Investment Corporation is determined to continue to work to improve the terms and conditions of borrowings.

In addition, by taking the following measures, etc., the Investment Corporation aims for stable financial management.

- Reduce refinance risk by diversifying maturities of interest-bearing debt
- Have the procurement ratio of long-term fixed interest borrowings above a certain level
- Control the rate of interest-bearing debt (Note) in a conservative manner (the Investment Corporation will continue to aim to keep the ratio of interest-bearing debt to total assets (LTV) at within 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 mega-banks, trust banks and Development Bank of Japan, Inc., as well as aim for more conservative 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 = Interest-bearing debt at end of period / Total assets × 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 Web site (URL: <http://www.kdx-reit.com/eng/>).

(3) Important Subsequent Events

The Issuance of New Investment Units

On May 8, 2014 and May 20, 2014, the Board of Directors of the Investment Corporation resolved to issue new investment units as detailed below. The payments were completed on May 27, 2014 for issuance of new investment units through public offering.

As a result, the Investment Corporation had total unitholders' capital of ¥176,138,701,670 with 353,940 investment units outstanding as of May 27, 2014.

When new investment units are issued through a third-party allotment with Nomura Securities Co. Ltd. as the allottee in connection with the secondary offering, the payment date will be June 24, 2014 (planned).

Issuance of New Investment Units through Public Offering

Number of New Units Issued	: 21,400 units (Japanese Offering 10,700 units, International Offering 10,700 units)
Issue Price (Offer Price)	: ¥478,725 per unit
Total Amount of the Issue Price (Offer Price)	: ¥10,244,715,000
Paid-in Value (Issue Amount)	: ¥461,540 per unit
Aggregate Paid-in Value (Total Issue Amount)	: ¥9,876,956,000
Payment Date	: May 27, 2014

New Investment Units by Third-Party Allotment

Number of New Units Issued	: 1,070 units
Paid-in Value (Issue Amount)	: ¥461,540 per unit
Aggregate Paid-in Value (Total Issue Amount)	: ¥493,847,800
Payment Date	: June 24, 2014(Planned)
Allottee	: Nomura Securities Co. Ltd.

(Use of Funds)

The funds from the Japanese offering and international offering, allocated as a portion of the funds for the acquisition of properties in Nineteenth Fiscal Period. Furthermore, the funds from the issuance of new investment units by third-party allotment are allocated to as proceed for a portion of the funds for the acquisition of future specified assets and repayment of borrowings.

(Reference Material)

The Investment Corporation acquired following trust beneficiary interest in real estate (total acquisition price ¥14,666 million for 3 office properties).

Acquisition Date	Property Name	Location (address)	Seller	Acquisition Price (Million yen)	Appraisal Value (Million Yen)
May 30, 2014	KDX Toyosu Grand Square (Note)	Koto-ku, Tokyo	GK KRF 50	8,666	9,010
May 30, 2014	Grace Building Takadanobaba	Toshima-ku, Tokyo	YK KDX 6	3,650	3,800
May 30, 2014	Fumix STM Building	Utsunomiya, Tochigi	YK KDX 6	2,350	2,450
Total	—	—	—	14,666	15,260

Note: Acquired co-ownership of a trust beneficiary interest in real estate (25%)

(4) Risk Factors

There are no significant changes to the "Investment Risks" as described in the Securities Report (including any amendments thereto) submitted May 8, 2014.

(5) Outlook

Forecasts for the nineteenth fiscal period (May 1, 2014 to October 31, 2014) are presented as follows.

Operating Revenues	¥11,249 million
Operating Income	¥4,972 million

Ordinary Income	¥3,484 million
Net Income	¥3,482 million
Distribution per Unit	¥9,810

Preconditions and assumptions for the outlooks, please see following “Preconditions and Assumptions for the nineteenth fiscal period ending October 31, 2014” for more details.

In addition, as stated in “Preconditions and Assumptions for the nineteenth fiscal period ending October 31, 2014”, the Investment Corporation issued new investment units, acquired assets and new borrowing after the end of eighteenth fiscal period. There is no change in the forecast figures although these preconditions are updated as of this financial report date from the press release “Notice Concerning the Announcement of Operating Forecasts for the Fiscal Period Ended April 30, 2014 and Operating Forecasts for the Fiscal Period Ending October 31, 2014” dated May 8, 2014.

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

Preconditions and Assumptions for the nineteenth Fiscal Period Ending October 31, 2014

	Preconditions and Assumptions
Calculation Period	<ul style="list-style-type: none"> The nineteenth fiscal period: May 1, 2014 to October 31, 2014 (184 days)
Property Portfolio	<ul style="list-style-type: none"> Although the number of real estate and trust beneficiary interests in real estate held by the Investment Corporation as of June 13, 2014 including 3 properties acquired during the nineteenth fiscal period as stated below is 92 properties. <ul style="list-style-type: none"> KDX Toyosu Grand Square (office building) (Acquired on May 30, 2014) Grace Building Takadanobaba (office building) (Acquired on May 30, 2014) Fumix STM Building (office building) (Acquired on May30, 2014) Forecasts are based on the assumption that the number of properties will remain unchanged (sales of assets held and acquisition of new properties, etc.) until the end of the nineteenth fiscal period other than the above mentioned acquisitions. The Investment Corporation also holds an each of TMK preferred securities and TK. It assumes the refund of its TMK preferred securities and TK will not occur by the end of the nineteenth fiscal period. The actual results may fluctuate due to changes in the property portfolio.
Operating Revenues	<ul style="list-style-type: none"> Rental revenues are estimated based on valid leasing agreements as of June 13, 2014 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. Forecasts are based on the assumption that there will be no rent in arrears or non-payments from tenants.
Operating Expenses	<ul style="list-style-type: none"> Expenses related to rent business other than depreciation are based on the historic expenses, adjusted to reflect expense variables including seasonal factors. An amount of ¥1,072 million has been assumed for property management fees and facility management fees (property management and building maintenance fees, etc.). An amount of ¥920 million has been assumed for taxes and public dues (property tax and city-planning tax, etc.). An amount of ¥2,008 million has been assumed for depreciation expense. An amount of ¥160 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 amounts 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. 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.
Non-Operating Expenses	<ul style="list-style-type: none"> The Investment Corporation is assumes issuance costs are ¥143million. These costs over a period of three years using the straight-line method. Interest payable (including financing related expenses etc.) of ¥1,423 million is assumed.
Extraordinary Profit/Loss	<ul style="list-style-type: none"> Extraordinary profit/loss is not assumed.
Debt Financing and Investment Corporation Bonds	<ul style="list-style-type: none"> The balance of the borrowings and the investment corporation bonds as of June 13, 2014 are ¥163,946.5 million and ¥6,300 million, respectively. Of the borrowings as of June 13, 2014, a total of ¥26,611.5 million in borrowings are due during the nineteenth fiscal period. However, precondition is based on other than all borrowings are presupposed to be refinanced excluding ¥211.5 million of the partial payment. Forecasts are based on the assumption that there will be no maturity for investment corporation bonds during nineteenth and nineteenth fiscal period.
Investment Units Issued	<ul style="list-style-type: none"> Regarding the number of issued investment units, the aggregate number of its investment units issued and

and Outstanding	<p>outstanding to be 355,010 units consisting of (a) 332,540 investment units issued and outstanding as of April 30, 2014, (b) On May 8, 2014 and May 20, 2014, the Board of Directors of the Investment Corporation resolved to issue maximum of 22,470 new investment units, which is comprised of (i) 21,400 new investment units issued in a capital increase through public offering and (ii) maximum of 1,070 new investment units issued through a third-party allotment in connection with a secondary offering.</p> <ul style="list-style-type: none"> ● The Investment Corporation assumes that there will be no additional changes to the issued and outstanding investment units for the nineteenth fiscal periods other than the abovementioned issuance of 22,470 investment units.
Distributions per Unit	<ul style="list-style-type: none"> ● Distributions per unit are calculated in accordance with the distribution policy outlined in the Investment Corporation's Articles of Incorporation. ● 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 the incidence of major unforeseen renovation expense.
Distributions in Excess of Earnings per Unit	<ul style="list-style-type: none"> ● The Investment Corporation does not currently anticipate distributions in excess of earnings per unit.
Other	<ul style="list-style-type: none"> ● 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. ● Forecasts are based on the assumption that there will be no major unforeseen changes to economic trends and in real estate and other markets.

3. Financial Statements

(1) Balance Sheets

	(Thousands of Yen)	
	Seventeenth Fiscal Period (As of October 31, 2013)	Eighteenth Fiscal Period (As of April 30, 2014)
ASSETS		
Current assets		
Cash and deposits	4,560,384	10,401,130
Cash and deposits in trust	6,892,601	7,654,302
Accounts receivable-trade	254,058	252,557
Prepaid expenses	63,341	60,750
Consumption Taxes receivable	100,158	219,446
Other	165,092	13,515
Total current assets	12,035,636	18,601,704
Noncurrent assets		
Property, plant and equipment		
Buildings	15,901,982	17,104,159
Accumulated depreciation	-2,887,815	-3,159,760
Buildings, net	13,014,167	13,944,398
Structures	23,371	23,371
Accumulated depreciation	-8,560	-9,270
Structures, net	14,811	14,100
Machinery and equipment	365,230	365,230
Accumulated depreciation	-127,543	-137,882
Machinery and equipment, net	237,687	227,348
Tools, furniture and fixtures	79,157	80,757
Accumulated depreciation	-34,131	-37,239
Tools, furniture and fixtures, net	45,026	43,517
Land	30,513,666	34,040,805
Buildings in trust	87,645,999	95,212,559
Accumulated depreciation	-15,632,614	-16,732,208
Buildings in trust, net	72,013,385	78,480,350
Structures in trust	256,376	318,890
Accumulated depreciation	-109,292	-111,124
Structures in trust, net	147,083	207,765
Machinery and equipment in trust	1,401,046	1,608,089
Accumulated depreciation	-604,831	-649,138
Machinery and equipment in trust, net	796,215	958,950
Tools, furniture and fixtures in trust	376,678	392,231
Accumulated depreciation	-226,002	-212,183
Tools, furniture and fixtures in trust, net	150,676	180,048
Land in trust	184,832,979	204,428,467
Construction in progress in trust	4,914	1,785
Total property, plant and equipment	301,770,613	332,527,539
Intangible assets		
Leasehold right	285,350	285,350
Leasehold right in trust	70,981	70,207
Right of using water facilities in trust	316	197
Total intangible assets	356,647	355,754
Investments and other assets		
Investment securities	1,106,339	2,006,886

*2

KENEDIX OFFICE INVESTMENT CORPORATION (8972)

Lease and guarantee deposits	10,000	10,000
Lease and guarantee deposits in trust	124,005	123,825
Long-term prepaid expenses	1,270,206	1,381,048
Others	25,171	21,269
Total investments and other assets	2,535,722	3,543,030
Total noncurrent assets	304,662,983	336,426,324
Deferred assets		
Investment corporation bond issuance costs	35,650	31,327
Investment unit issuance expenses	18,903	107,995
Total deferred assets	54,553	139,322
Total assets	316,753,174	355,167,351

(Thousands of Yen)

	Seventeenth Fiscal Period (As of October 31, 2013)	Eighteenth Fiscal Period (As of April 30, 2014)
Liabilities		
Current Liabilities		
Accounts payable	628,621	702,818
Short-term loans payable	9,100,000	6,000,000
Current portion of long-term loans payable	37,700,000	36,246,500
Accounts payable-other	181,547	275,722
Accrued expenses	152,485	139,003
Income taxes payable	829	678
Accrued consumption taxes	49,260	24,356
Advances received	1,506,617	1,792,248
Deposits received	6,162	29,071
Total current liabilities	49,325,524	45,210,399
Noncurrent liabilities		
Investment corporation bond	6,300,000	6,300,000
Long-term loans payable	97,458,000	119,200,000
Tenant leasehold and security deposits	1,700,807	2,064,059
Tenant leasehold and security deposits in trust	11,187,617	12,283,357
Total noncurrent liabilities	116,646,424	139,847,417
Total liabilities	165,971,948	185,057,816
Net assets		
Unitholders' equity		
Unitholders' capital	147,153,820	166,261,745
Surplus		
Reserve for reduction entry	795,928	961,750
Total voluntary reserve	795,928	961,750
Unappropriated retained earnings(undisposed loss)	2,831,476	2,886,039
Total surplus	3,627,405	3,847,789
Total unitholders' equity	150,781,225	170,109,535
Total net assets	*1 150,781,225	170,109,535
Total liabilities and net assets	316,753,174	355,167,351

(2) Statements of Income

(Thousands of Yen)

		Seventeenth Fiscal Period May 1, 2013 to October 31, 2013	Eighteenth Fiscal Period November 1, 2013 to April 30, 2014
Operating revenue			
Rental revenues	*1	8,237,001	9,076,070
Other rental revenues	*1	1,264,698	1,254,267
Gain on sales of real estate property	*2	234,506	497,481
Dividends income		82,983	67,467
Total operating revenue		9,819,190	10,895,287
Operating expenses			
Property related expenses	*1	4,845,826	5,047,050
Loss on sales of real estate property, etc.	*2	-	816,665
Asset management fee		549,899	564,461
Directors' compensation		7,800	8,100
Asset custody fee		18,786	19,086
Administrative service fees		50,440	50,074
Audit fee		10,800	10,800
Other operating expenses		94,850	95,650
Total operating expenses		5,578,403	6,611,888
Operating income		4,240,787	4,283,398
Non-operating income			
Interest income		565	572
Dividends and redemption-prescription		1,499	920
Interest on refund		62	640
Total non-operating income		2,127	2,133
Non-operating expenses			
Interest expenses		988,658	980,272
Interest expenses on investment corporation bonds		62,019	59,291
Borrowing related expenses		321,587	301,079
Amortization of investment corporation bond issuance costs		6,142	4,323
Amortization of investment unit issuance expenses		18,903	40,502
Other		12,622	12,925
Total non-operating expenses		1,409,933	1,398,394
Ordinary income		2,832,981	2,887,138
Income before income taxes		2,832,981	2,887,138
Income taxes-current		1,516	1,252
Income taxes-deferred		-11	13
Total income taxes		1,504	1,265
Net income		2,831,476	2,885,872
Retained earnings brought forward		-	166
Unappropriated retained earnings(undisposed loss)		2,831,476	2,886,039

(3) Statements of Unitholders' Equity

Seventeenth fiscal period (May 1, 2013 to October 31, 2013)

(Thousands of Yen)

	Unitholders' equity						Total net assets
	Unitholders' capital	Surplus				Total unitholders' equity	
		Voluntary reserve		Unappropriated retained earnings (undisposed loss)	Total Surplus		
		Reserve for Reduction entry	Total Voluntary reserve				
Balance at the start of current period	147,153,820	497,042	497,042	3,002,198	3,499,241	150,653,061	150,653,061
Changes of items during the period							
Provision of reserve for reduction entry		298,885	298,885	-298,885	—	—	—
Distribution from surplus				-2,703,312	-2,703,312	-2,703,312	-2,703,312
Net income				2,831,476	2,831,476	2,831,476	2,831,476
Total changes of items during the period	—	298,885	298,885	-170,721	128,164	128,164	128,164
Balance at the end of current period	147,153,820	795,928	795,928	2,831,476	3,627,405	150,781,225	150,781,225

Eighteenth fiscal period (November 1, 2013 to April 30, 2014)

(Thousands of Yen)

	Unitholders' equity						Total net assets
	Unitholders' capital	Surplus				Total unitholders' equity	
		Voluntary reserve		Unappropriated retained earnings (undisposed loss)	Total Surplus		
		Reserve for Reduction entry	Total Voluntary reserve				
Balance at the start of current period	147,153,820	795,928	795,928	2,831,476	3,627,405	150,781,225	150,781,225
Changes of items during the period							
Issuance of new investment units	19,107,925					19,107,925	19,107,925
Provision of reserve for reduction entry		165,821	165,821	-165,821	—	—	—
Distribution from surplus				-2,665,488	-2,665,488	-2,665,488	-2,665,488
Net income				2,885,872	2,885,872	2,885,872	2,885,872
Total changes of items during the period	19,107,925	165,821	165,821	54,562	220,384	19,328,309	19,328,309
Balance at the end of current period	166,261,745	961,750	961,750	2,886,039	3,847,789	170,109,535	170,109,535

(4) Basis for Calculating Cash Distribution

(Unit: Yen)

	Seventeenth Fiscal Period (May 1, 2013 to October 31, 2013)	Eighteenth Fiscal Period (November 1, 2013 to April 30, 2014)
I. Retained earnings at the end of period	2,831,476,705	2,886,039,471
II. Voluntary reserve (Reversal)		
Reversal for reserve for reduction entry	-	319,183,549
III. Total Distribution	2,665,488,100	3,205,020,520
(Distribution per Unit)	(9,302)	(9,638)
IV. Voluntary retained earnings (provision)		
Provision for reserve for reduction entry	165,821,852	-
V. Retained Earnings brought forward to the next period	166,753	202,500
Method of calculating the distribution amount	<p>In accordance with the policy depicted 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 Law, and shall be up to the amount of its profits as the ceiling. Following this policy, the Investment Corporation has decided that, of the amount remaining after the reserve for reduction entry as stipulated in Article 66-2 of the Special Taxation Measures Law is deducted from unappropriated retained earnings, it shall distribute the maximum amount of retained earnings at the period-end, namely totaling ¥2,665,488,100 to 286,550 units issued and outstanding.</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 depicted 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 Law, and shall be up to the amount of its profits as the ceiling. Following this policy, the Investment Corporation has decided to distribute ¥3,205,020,520 which is the maximum integral multiple of 332,540 units issued and outstanding as the distribution of earnings, which based on the total amount for the reversal of reserve for reduction entry and unappropriated retained earnings. 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

	Seventeenth Fiscal Period May 1, 2013 to October 31, 2013	Eighteenth Fiscal Period November 1, 2013 to April 30, 2014
Net cash provided by (used in) operating activities		
Income before income taxes	2,832,981	2,887,138
Depreciation and amortization	1,696,848	1,826,542
Loss on retirement of fixed assets	10,114	-
Amortization of long-term prepaid expenses	301,667	287,473
Interest income	-565	-572
Interest expenses	1,050,677	1,039,563
Amortization of investment unit issuance expenses	18,903	40,502
Amortization of investment corporation bond issuance expenses	6,142	4,323
Decrease (increase) in accounts receivable-trade	-69,011	1,501
Decrease (increase) in consumption taxes refund receivable	-100,158	-119,288
Decrease (increase) in prepaid expenses	-9,666	2,590
Increase (decrease) in accounts payable	114,262	-46,299
Increase (decrease) in accounts payable-other	-5,240	5,995
Increase (decrease) in accrued consumption taxes	-155,406	-24,903
Increase (decrease) in advances received	-179,837	285,630
Increase (decrease) in deposits received	-10,804	22,909
Changes in net property, plant and equipment held in trust from sale	1,672,153	3,833,388
Decrease (increase) in long-term prepaid expenses	-169,383	-398,315
Other, net	-22,908	-2,708
Subtotal	6,980,767	9,645,471
Interest income received	565	572
Interest expenses paid	-1,056,257	-1,049,144
Income taxes paid	-890	-945
Net cash provided by (used in) operating activities	5,924,184	8,595,953
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	-100,404	-4,711,702
Purchase of property, plant and equipment in trust	-14,989,870	-31,468,020
Purchase of investment securities	-202,400	-1,109,905
Proceeds from investment securities	-	213,075
Payments of tenant leasehold and security deposits	-41,444	-35,946
Proceeds from tenant leasehold and security deposits	33,392	423,048
Payments of tenant leasehold and security deposits in trust	-581,653	-723,535
Proceeds from tenant leasehold and security deposits in trust	1,127,796	1,916,746
Payments of restricted bank deposits in trust	-94,091	-94,113
Proceeds from restricted bank deposits in trust	32,279	80,657
Others	-293	180
Net cash provided by (used in) investment activities	-14,816,688	-35,509,516
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	7,900,000	3,000,000
Decrease in short-term loans payable	-4,500,000	-6,100,000
Proceeds from long-term loans payable	11,700,000	37,800,000
Repayment of long-term loans payable	-7,211,500	-17,511,500
Proceeds from issuance of investment corporation bonds	1,784,249	-
Redemption of investment corporation bonds	-1,500,000	-
Proceeds from issuance of new investment units	-	18,978,330
Dividends paid	-2,702,998	-2,664,276

KENEDIX OFFICE INVESTMENT CORPORATION (8972)

Net cash provided by (used in) financing activities	5,469,750	33,502,554
Net increase (decrease) in cash and cash equivalents	-3,422,753	6,588,991
Cash and cash equivalents at beginning of period	14,371,602	10,948,849
Cash and cash equivalents at end of period	* 10,948,849	17,537,840

(6) Notes to the Going Concern

Not applicable

(7) Important Accounting Standards

1. Evaluation standards and evaluation method of assets	<p>Securities</p> <p>Other securities</p> <p>Those with no fair value</p> <p>Cost method through moving-average method</p> <p>Concerning 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>Right of using water facilities: 6 years</p> <p>Leasehold rights</p> <p>Fixed term 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</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 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 ¥26,946 thousand and for the fiscal period under review amounted to ¥84,126 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, 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	<p>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.</p>
7. Other significant accounting policies utilized in the preparation of financial statements	<p>(1) Accounting method for trust beneficiary interests in real estate and other assets</p> <p>The assets and liabilities as well as revenues and expenses of financial assets held in the form of trust beneficiary interests in real estate and other assets are recorded in full in the Investment Corporation's balance sheets and statements of income.</p> <p>Important line items included in accounting for financial assets and liabilities in the Investment Corporation's balance sheet are as follows:</p> <ol style="list-style-type: none"> 1. Cash and deposits in trust 2. Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust and construction in progress in trust 3. Leasehold rights in trust, right of using water facilities in trust 4. Lease and guarantee deposits in trust 5. Tenant leasehold and security deposits in trust <p>(2) Accounting method for consumption tax</p> <p>Consumption taxes are separately recorded. Non-deductible consumption taxes applicable to the acquisition of assets are included in the cost of acquisition for each asset.</p>

(8) [Notes to the Financial Statements]

(Notes to the Balance Sheets)

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

(Thousands of Yen)

	Seventeenth Fiscal Period (as of October 31, 2013)	Eighteenth Fiscal Period (as of April 30, 2014)
	50,000	50,000

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

(Thousands of Yen)

	Seventeenth Fiscal Period (as of October 31, 2013)	Eighteenth Fiscal Period (as of April 30, 2014)
Building 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)

	Seventeenth Fiscal Period May 1, 2013 to October 31, 2013	Eighteenth Fiscal Period November 1, 2013 to April 30, 2014
A. Rental and other operating revenues		
Rental revenues		
Leasing income	6,649,670	7,380,878
Common area charges	1,587,331	1,695,192
Total	8,237,001	9,076,070
Other rental revenues		
Parking space rental revenues	299,883	326,300
Utility charge reimbursement	851,380	804,403
Miscellaneous	113,434	123,562
Subtotal	1,264,698	1,254,267
Total rental and other operating revenues	9,501,700	10,330,337
B. Rental and other operating expenses		
Property-related expenses		
Property management fees and facility management fees	951,025	1,016,938
Utilities	928,822	916,743
Taxes	851,090	847,465
Repairs and maintenance costs	173,603	193,972
Insurance	14,371	14,825
Trust fees	42,376	45,142
Others	177,574	185,421
Depreciation	1,696,848	1,826,542
Loss on retirement of fixed assets	10,114	-
Total rental and other operating expenses	4,845,826	5,047,050
C. Rental business profit (A – B)	4,655,873	5,283,286

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

Seventeenth Fiscal Period (May 1, 2013 to October 31, 2013)

(Thousands of Yen)

Ikebukuro Nikko Building	
Revenue from sale of the investment property	1,970,000
Costs of the investment property	1,672,153
Other sales expenses	63,340
Gain on sale of real estate property	234,506

Eighteenth Fiscal Period (November 1, 2013 to April 30, 2014)

(Thousands of Yen)

(1) KDX Niigata Building	
Revenue from sale of the investment property	630,000
Costs of the investment property	1,427,549
Other sales expenses	19,115
Gain on sale of real estate property	816,665

(2) Court Mejiro

Revenue from sale of the investment property	1,329,105
Costs of the investment property	1,141,622

Other sales expenses	14,319
Gain on sale of real estate property	173,163
<hr/>	
(3) Kabutocho Nikko Building II	
Revenue from sale of the investment property	1,600,000
Costs of the investment property	1,264,216
Other sales' expenses	11,465
Gain on sale of real estate properties	324,318

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

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

	Seventeenth Fiscal Period May 1, 2013 to October 31, 2013	Eighteenth Fiscal Period November 1, 2013 to April 30, 2014
Total number of authorized investment units	2,000,000 units	2,000,000 units
Total number of investment units issued and outstanding	286,550 units	332,540 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)

	Seventeenth Fiscal Period May 1, 2013 to October 31, 2013	Eighteenth Fiscal Period November 1, 2013 to April 30, 2014
Cash and deposits	4,560,384	10,401,130
Cash and deposits in trust	6,892,601	7,654,302
Restricted bank deposits held in trust (Note)	- 504,136	-517,592
Cash and cash equivalents	10,948,849	17,537,840

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

(Notes to the Lease Transactions)

Operating lease transactions

(Lessor)

(Thousands of Yen)

	Seventeenth Fiscal Period (as of October 31, 2013)	Eighteenth Fiscal Period (as of April 30, 2014)
Unearned lease payments		
Due within one year	1,492,005	1,827,908
Due after one year	6,790,392	11,980,836
Total	8,282,398	13,808,745

(Notes to 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 preferred equity securities of TMK as set forth by the Act on Securitization of Assets and TK interests 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 9 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 and interest-rate cap transactions 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.

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).

Seventeenth Fiscal Period (as of October 31, 2013)

(Thousands of Yen)

	Book Value	Fair Value	Difference
(1) Cash and deposits	4,560,384	4,560,384	-
(2) Cash and deposits in trust	6,892,601	6,892,601	-
Total assets	11,452,985	11,452,985	-
(1) Short-term loans payable	9,100,000	9,100,000	-
(2) Investment corporation bonds	6,300,000	6,482,910	182,910
(3) Long-term loans payable	135,158,000	135,751,380	593,380
Total liabilities	150,558,000	151,334,290	776,290
Derivative Transaction	-	-	-

Eighteenth Fiscal Period (as of April 30, 2014)

(Thousands of Yen)

	Book Value	Fair Value	Difference
(1) Cash and deposits	10,401,130	10,401,130	-
(2) Cash and deposits in trust	7,654,302	7,654,302	-
Total assets	18,055,432	18,055,432	-
(1) Short-term loans payable	6,000,000	6,000,000	-
(2) Investment corporation bonds	6,300,000	6,483,690	183,690
(3) Long-term loans payable	155,446,500	155,707,336	260,836
Total liabilities	167,746,500	168,191,026	444,526
Derivative Transaction	-	-	-

Note 1: Items with regard to the calculation method of financial instrument fair value together with 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) Investment corporation bonds

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

(3) 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 interest rate fluctuations on long-term borrowings, said borrowings—which are subject to fixed interest rates resulting from interest-rate swaps or interest-rate caps and special treatment applied to said swaps or caps are calculated by discounting the total amount of principal and interest, which is handled together with applicable interest-rate swaps or interest-rate caps, by the rationally estimated interest rate in the case that the same type of borrowings are undertaken.

Derivative Transaction

Please refer to the following “Derivative Transaction.”

Note 2: Financial instruments for which it is extremely difficult to determine the fair value

(Thousands of Yen)

Classification	Seventeenth Fiscal Period (as of October 31, 2013)	Eighteenth Fiscal Period (as of April 30, 2014)
Investment securities *	1,106,339	2,006,886

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

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

Seventeenth Fiscal Period (as of October 31, 2013)

(Thousands of Yen)

	Less than or Equal to 1 yr.	1-2 yrs.	2-3 yrs.	3-4 yrs.	4-5 yrs.	More than 5 yrs.
Cash and deposits	4,560,384	-	-	-	-	-
Cash and deposits in trust	6,892,601	-	-	-	-	-
Total	11,452,985	-	-	-	-	-

Eighteenth Fiscal Period (as of April 30, 2014)

(Thousands of Yen)

	Less than or Equal to 1 yr.	1-2 yrs.	2-3 yrs.	3-4 yrs.	4-5 yrs.	More than 5 yrs.
Cash and deposits	10,401,130	-	-	-	-	-
Cash and deposits in trust	7,654,302	-	-	-	-	-
Total	18,055,432	-	-	-	-	-

Note 4: Investment corporation bonds, repayment of loans after the closing date, planned repayment amount

Seventeenth Fiscal Period (as of October 31, 2013)

(Thousands of Yen)

	Less than or Equal to 1 yr.	1-2 yrs.	2-3 yrs.	3-4 yrs.	4-5 yrs.	More than 5 yrs.
Short-term loans payable	9,100,000	-	-	-	-	-
Investment corporation bonds	-	-	-	4,500,000	1,800,000	-
Long-term loans payable	37,700,000	30,558,000	30,800,000	15,000,000	14,500,000	6,600,000

Eighteenth Fiscal Period (as of April 30, 2014)

(Thousands of Yen)

	Less than or Equal to 1 yr.	1-2 yrs.	2-3 yrs.	3-4 yrs.	4-5 yrs.	More than 5 yrs.
Short-term loans payable	6,000,000	-	-	-	-	-
Investment corporation bonds	-	-	3,000,000	1,500,000	1,800,000	-
Long-term loans payable	36,246,500	32,800,000	17,700,000	19,250,000	15,050,000	34,400,000

(Notes to the Marketable Securities)

Seventeenth Fiscal Period (as of October 31, 2013) and Eighteenth Fiscal Period (as of April 30, 2014)

Not applicable

(Notes to the Derivative Transactions)

(1) Items that do not apply hedge accounting

Seventeenth Fiscal Period (as of October 31, 2013) and Eighteenth Fiscal Period (as of April 30, 2014) : Not applicable

(2) Items that apply hedge accounting

Seventeenth Fiscal Period (as of October 31, 2013)

(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.		
Special treatment of interest-rate swaps	Interest-rate swap transaction Fixed rate payable·Floating rate receivable	Long-term loans payable	26,700,000	20,700,000	*	-
Special treatment of interest-rate caps	Interest-rate cap transaction	Long-term loans payable	3,000,000	3,000,000	*	-
Total			29,700,000	23,700,000		-

Eighteenth Fiscal Period (as of April 30, 2014)

(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.		
Special treatment of interest-rate swaps	Interest-rate swap transaction Fixed rate payable·Floating rate receivable	Long-term loans payable	57,700,000	50,200,000	*	-
Special treatment of interest-rate caps	Interest-rate cap transaction	Long-term loans payable	3,000,000	3,000,000	*	-
Total			60,700,000	53,200,000		-

※Special treatment of interest-rate swaps or the interest-rate 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 to the Retirement Payment)

Seventeenth Fiscal Period (as of October 31, 2013) and Eighteenth Fiscal Period (as of April 30, 2014): Not applicable

(Notes to the Asset Retirement Obligations)

Seventeenth Fiscal Period (as of October 31, 2013) and Eighteenth Fiscal Period (as of April 30, 2014): Not applicable

(Notes to the Segment and Related Information)

1. Segment Information

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

2. Related Information

Seventeenth Fiscal Period (May 1, 2013 to October 31, 2013)

(1) Information about each product and service

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

(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 revenue on the statement of income.

②Property, plant and equipment

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

(3) Information about each major customer

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

Eighteenth Fiscal Period (November 1, 2013 to April 30, 2014)

(1) Information about each product and service

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

(2) Information about each geographic area

①Net sales

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

②Property, plant and equipment

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

(3) Information about each major customer

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

(Notes to the Tax-Effect Accounting)

1. The significant components of deferred tax assets and liabilities

	(Thousands of Yen)	
	Seventeenth Fiscal Period (as of October 31, 2013)	Eighteenth Fiscal Period (as of April 30, 2014)
Deferred tax assets		
Enterprise tax payable not included in expenses	47	34
Amortization of leasehold rights in trust	1,543	1,807
Subtotal deferred tax assets	1,590	1,841
Valuation Allowance	-1,543	-1,807
Total deferred tax assets	47	34

2. Significant difference between statutory income tax rate and the effective tax rate

	(Unit: %)	
	Seventeenth Fiscal Period (as of October 31, 2013)	Eighteenth Fiscal Period (as of April 30, 2014)
Statutory tax rate	36.59	36.59
(Adjustments)		
Deductible cash distributions	-34.43	-40.62
Provision of reserve for reduction entry	-2.14	-
Others	0.03	4.07
Effective tax rate	0.05	0.04

3. Tax rate changes after the eighteenth fiscal period

With the Act on Partial Revision of the Income Tax Act (Act No.10, 2014) which was promulgated on March 31, 2014, the Act on Special Measures for Securing Necessary Financial Resources to Implement Measures to Rebuild Areas Devastated by the Great East Japan Earthquake (Act No. 117, 2011) was partially amended to set the taxation period of special corporation tax for reconstruction through March 31, 2014. Accordingly, the effective statutory tax rate used to calculate deferred tax assets and deferred tax liabilities concerning temporary differences, etc. expected to be resolved in accounting periods starting on April 1, 2014 and after will be changed to 34.16%. The effect of the announced tax rate changes is immaterial.

(Notes to the Equity-Method Income and Retained Earnings)

Seventeenth Fiscal Period (May 1 30, 2013 to October 31, 2013) and Eighteenth Fiscal Period (November 1, 2013 to April 30, 2014): Not applicable

(Notes to the Related-Party Transactions)

1. Parent Company, corporate unitholders and other

Seventeenth Fiscal Period (May 1, 2013 to October 31, 2013) and Eighteenth Fiscal Period (November 1, 2013 to April 30, 2014): Not applicable

2. Affiliated companies and other

Seventeenth Fiscal Period (May 1, 2013 to October 31, 2013) and Eighteenth Fiscal Period (November 1, 2013 to April 30, 2014): Not applicable

3. Fellow subsidiary companies and other

Seventeenth Fiscal Period (May 1, 2013 to October 30, 2013) and Eighteenth Fiscal Period (November 1, 2013 to April 30, 2014): Not applicable

4. Directors, individual unitholders and other

Seventeenth Fiscal Period (May 1, 2013 to October 31, 2013)

Attributes	Name	Business Activities / Position	Ratio of Possession of Voting Rights (%)	Details of Business	Deal Amount (¥Thousands)	Accounting Term	Balance of Period End (¥Thousands)
Board of Directors and Close Relatives	Naokatsu Uchida	Executive Director for the Investment Corporation and CEO and President of Kenedix Office Partners, Inc. (Note 6)	—	Payment of asset management fee to Kenedix Office Partners, Inc. (Note 1)	625,499 (Note 2) (Note 4)	Accounts Payable -other	92,022 (Note 4)
As above	As above	As above	As above	Payment of business consignment fee to Kenedix Office Partners, Inc. (Note 3)	1,500 (Note 4)	—	—
As above	As above	As above	As above	Payment of property management fee to Kenedix Office Partners, Inc. (Note 5)	362,457 (Note 4)	Accounts Payable	69,683 (Note 4)

Note 1: Naokatsu Uchida served as a representative of the third party (Kenedix Office Partners, Inc.), and the fee is set up in the articles of incorporation of the Investment Corporation.

Note 2: Asset management fee include ¥65,750 thousand fees related to the acquisition of properties and TK investment are accounted in book value for the individual real estate and ¥9,850 thousand sales fee related to the sale of property are accounted for in the sales expense for the individual real estate.

Note 3: Naokatsu Uchida served as a representative of the third party (Kenedix Office Partners, Inc.), and the fee is set up in the agreement, "Operating Agency Agreement" between the Investment Corporation and Kenedix Office Partners, Inc.

Note 4: Consumption taxes are not included in the deal amount, and are included in the balance of the end of period.

Note 5: Naokatsu Uchida served as a representative of the third party (Kenedix Office Partners, Inc.), and the fee is set up in the agreement, "Property Management Agreement" between the Investment Corporation and Kenedix Office Partners, Inc. Property management fee includes ¥33,652 thousand related to the acquisition of properties are accounted in book value for the individual real estate and ¥2,000 thousand sales fee related to the sale of the property is accounted for in the sales expense for the individual real estate.

Note 6: Kenedix Residential Partners, Inc. succeeded to the business of Kenedix Advisors, Inc. and Kenedix Office Partners, Inc. as of October 1, 2013, and changed corporate name to Kenedix Real Estate Fund Management, Inc. Furthermore, Ryosuke Homma appointed as CEO and President of Kenedix Real Estate Fund Management, Inc., as of October 1, 2013. The deal amount and the balance of period end are showing the Seventeenth Fiscal Period of amounts, which deal with Kenedix Office Partners, Inc. and after October 1, 2013 with Kenedix Real Estate Fund Management, Inc

Eighteenth Fiscal Period (November 1, 2013 to April 30, 2014)

Not applicable

(Notes to the Fair Value of 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 and fair value concerning the above real estate for rental purposes are as follows.

(Thousands of Yen)

	Seventeenth Fiscal Period May 1, 2013 to October 31, 2013	Eighteenth Fiscal Period November 1, 2013 to April 30, 2014
Book Value (Thousands of Yen)		
Balance at the beginning of period	290,593,740	302,127,261
Changes during the period	11,533,520	30,756,033
Balance at the end of current period	302,127,261	332,883,294

Fair value at the end of current period	279,238,000	316,442,000
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Note 1: Book value excludes accumulated depreciation from acquisition costs.

Note 2: Fair value at the end of the fiscal period under review is the appraisal value determined by outside appraisers.

Note 3: Among changes in the amount of real estate for rental purposes that occurred during the seventeenth fiscal period, principal increases were the acquisition of real estate trust beneficiary interests in 3 properties totaling ¥14,020,278 thousand, the sale of real estate trust beneficiary interests in 1 property amounting ¥1,672,153 thousand and depreciation amounting in ¥1,696,848 thousand and principal increases were the acquisition of real estate in 1 property and real estate trust beneficiary interests in 7 properties totaling ¥35,708,056 thousand, the sale of real estate trust beneficiary interests in 3 properties amounting ¥3,833,333 thousand and depreciation amounting in ¥1,826,542 thousand and for the fiscal period under review.

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

(Notes to the Information per Unit)

	Seventeenth Fiscal Period May 1, 2013 to October 31, 2013	Eighteenth Fiscal Period November 1, 2013 to April 30, 2014
Unitholders' Equity per Unit	¥526,195	¥511,546
Net Income per Unit	¥9,881	¥8,767

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 residual units is not included because there were no residual investment units.

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

	Seventeenth Fiscal Period May 1, 2013 to October 31, 2013	Eighteenth Fiscal Period November 1, 2013 to April 30, 2014
Net Income (Thousands of Yen)	2,831,476	2,885,872
Amount not vested in ordinary investors (Thousands of Yen)	-	-
Net income for ordinary units (Thousands of Yen)	2,831,476	2,885,872
Average number of units during the period (unit)	286,550	329,164

(Important Subsequent Events)

Issuance of the New Investment Units

On May 8, 2014 and May 20, 2014, the Board of Directors of the Investment Corporation resolved to issue new investment units as detailed below. The payments were completed on May 27, 2014 through issuance of public offering. As a result of the issuance of new investment units, the Investment Corporation had total unitholders' capital of ¥176,138,701,670 with 353,940 investment units outstanding as of May 27, 2014. Furthermore, when new investment units are issued through a third-party allotment with Nomura Securities Co. Ltd. as the allottee in connection with the secondary offering, the payment date will be June 24, 2014 (planned).

(Issuance of New Investment Units through Public Offering)

Issuance of New Investment Units	: 21,400 units (Domestic Offering 10,700 units, International Offering 10,700 units)
Issue Price (Offer Price)	: ¥478,725 per unit
Aggregate Issue Price (Total Offer Price)	: ¥10,244,715,000
Issue Amount (Paid - in Value)	: ¥461,540 per unit
Total Issue Amount (Aggregate Paid - in Value)	: ¥9,876,956,000
Payment Date	: May 27, 2014

(Issuance of New Investment Units through Third-Party Allotment)

Issuance of New Investment Units (Maximum)	: 1,070 units
Issue Amount (Paid - in Value)	: ¥461,540 per unit
Total Issue Amount (Aggregate Paid - in Value) (Maximum)	: ¥493,847,800
Payment Date	: June 24, 2014 (Planned)
Allottee	: Nomura Securities Co. Ltd.

(Use of Funds)

The funds from the Domestic Offering and International Offering, allocated as a portion of the funds for the acquired properties in Nineteenth Fiscal Period. Furthermore, the funds from the issuance of new Investment Units by third - party allotment are allocated as proceeds to a portion of fund for future acquisition of specified assets and repayment of borrowings.

(9) Movements in Investment Units Issued and Outstanding

Movements in the number of investment units issued and outstanding and unitholders' capital since first fiscal periods are summarized in the following table.

Settlement Date	Particulars	Investment Units Issued and Outstanding (Units)		Unitholders' Capital (Millions of Yen)		Remarks
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
May 6, 2005	Private placement	400	400	200	200	(Note 1)
July 20, 2005	Public offering	75,000	75,400	41,868	42,068	(Note 2)
August 16, 2005	Third-party allotment	3,970	79,370	2,216	44,285	(Note 3)
May 1, 2006	Public offering	73,660	153,030	42,171	86,456	(Note 4)
May 26, 2006	Third-party allotment	3,970	157,000	2,272	88,729	(Note 5)
May 22, 2007	Public offering	40,900	197,900	34,474	123,203	(Note 6)
June 19, 2007	Third-party allotment	2,100	200,000	1,770	124,973	(Note 7)
November 16, 2009	Public offering	33,550	233,550	8,156	133,129	(Note 8)
July 20, 2011	Public offering	51,400	284,950	13,600	146,730	(Note 9)
August 8, 2011	Third-party allotment	1,600	286,550	423	147,153	(Note 10)
November 13, 2013	Public offering	43,800	330,350	18,198	165,351	(Note 11)
December 10, 2013	Third-party allotment	2,190	332,540	909	166,261	(Note 12)

Note 1: The Investment Corporation was established with an offer price of ¥500,000 per unit.

Note 2: The Investment Corporation undertook an additional issue of new investment units (public offering) with the aim of procuring funds for the acquisition of investment properties. The offer price was ¥580,000 per unit with an underwritten price of ¥558,250 per unit.

Note 3: The Investment Corporation undertook an additional issue of new investment units by way of third-party allotment with the aim of procuring funds for the acquisition of investment properties. The issue price was ¥558,250 per unit.

Note 4: The Investment Corporation undertook an additional issue of new investment units (public offering) with the aim of procuring funds for the acquisition of investment properties. The offer price was ¥593,096 per unit with an issue price of ¥572,519 per unit.

Note 5: The Investment Corporation undertook an additional issue of new investment units by way of third-party allotment with the aim of procuring funds for the acquisition of investment properties. The issue price was ¥572,519 per unit.

Note 6: The Investment Corporation undertook an additional issue of new investment units (public offering) with the aim of procuring funds for the acquisition of investment properties and repayment of borrowings. The offer price was ¥873,180 per unit with an issue price of ¥842,886 per unit.

Note 7: The Investment Corporation undertook an additional issue of new investment units by way of third-party allotment with the aim of procuring funds for the acquisition of investment properties and repayment of borrowings. The issue price was ¥842,886 per unit.

Note 8: The Investment Corporation undertook an additional issue of new investment units (public offering) with the aim of procuring funds for the acquisition of investment properties. The offer price was ¥252,200 per unit with an issue price of ¥243,100 per unit.

Note 9: The Investment Corporation undertook an additional issue of new investment units (public offering) with the aim of procuring funds for the acquisition of investment properties and repayment of borrowings. The offer price was ¥274,510 per unit with an issue price of ¥264,605 per unit.

Note 10: The Investment Corporation undertook an additional issue of new investment units by way of third-party allotment with the aim of procuring funds for the repayment of borrowings. The issue price was ¥264,605 per unit.

Note 11: The Investment Corporation undertook an additional issue of new investment units (public offering) with the aim of procuring funds for the acquisition of investment properties and repayment of borrowings. The offer price was ¥430,950 per unit with an issue price of ¥415,480 per unit.

Note 12: 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.

4. Resignation/Appointment of the Directors**(1) Resignation/Appointment of the Investment Corporation Directors**

At the Investment Corporation's Seventh General Meeting of Unitholders held on January 22, 2014, Kimio Kodama resigned as supervisory director and Takahiro Seki was appointed as new supervisory director as of February 3, 2014. Furthermore, Naokatsu Uchida as executive director, Shiro Toba and Yoshihiro Morishima as supervisory directors were reappointed as of February 3, 2014. Also, Hikaru Teramoto of the Asset Management Company was appointed as alternate executive director at the General Meeting of Unitholders in order to avoid the case of having fewer executive directors than that designated by relevant regulatory requirements.

Appointed: Supervisory Director Takahiro Seki (Date of change: February 3, 2014)

Retired : Supervisory Director Kimio Kodama (Date of Change: February 2, 2014)

(2) Resignation/Appointment of the Asset Management Company

Appointed: Statutory Auditor (part-time) Testuo Ueda (Date of change: March 26, 2014)

Retired : Statutory Auditor (part-time) Ninji Hayashi (Date of change: March 25, 2014)

Furthermore, Kenedix Real Estate Fund Management, Inc., the asset management company for the Investment Corporation, changed names of organization as

of February 3, 2014. Due to these changes, Naokatsu Uchida was appointed as Director and COO, General Manager of Office REIT Division and Akira Tanaka was appointed as Director and COO, General Manager of Residential REIT Division.

5. Reference Information

(1) Component of Assets

Type of Specified Asset	Type	Area	Seventeenth Fiscal Period (as of October 31, 2013)		Eighteenth Fiscal Period (as of April 30, 2014)	
			Total Amount Held (¥M) (Note 1)	Ratio (%) (Note 2)	Total Amount Held (¥M) (Note 1)	Ratio (%) (Note 2)
Real Estate	Office Buildings	Tokyo Metropolitan Area	32,068	10.1	36,610	10.3
		Other Regional Areas	12,041	3.8	11,944	3.4
	Total for Office Buildings		44,110	13.9	48,555	13.7
Total for Real Estate			44,110	13.9	48,555	13.7
Trust Beneficiary Interest in Real Estate	Office Buildings	Tokyo Metropolitan Area	189,380	59.8	215,574	60.7
		Other Regional Areas	38,877	12.3	37,336	10.5
	Total for Office Buildings		228,258	72.1	252,911	71.2
	Residential Properties	Tokyo Metropolitan Area	5,994	1.9	4,801	1.4
		Other Regional Areas	1,745	0.6	1,724	0.5
	Total for Residential Properties		7,739	2.4	6,526	1.8
	Central Urban Retail Properties	Tokyo Metropolitan Area	22,018	7.0	21,916	6.2
	Total for Central Urban Retail Properties		22,018	7.0	21,916	6.2
	Others	Tokyo Metropolitan Area	-	-	2,973	0.8
	Total for Others		-	-	2,973	0.8
Total of Trust Beneficiary Interests in Real Estate			258,016	81.5	284,327	80.1
Investment Securities (Note 3)			1,106	0.3	2,006	0.6
Bank Deposits and Other Assets			13,519	4.3	20,277	5.7
Total Assets			316,753	100.0	355,167	100.0

Note 1: "Total Amount Held" is the amount allocated in the balance sheets at the end of the 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: The preferred equity securities issued by Senri Property TMK and silent partnership interests in a silent partnership operated by GK. KRF 31 are indicated for the previous fiscal period, and the preferred equity securities issued by Senri Property TMK and silent partnership interests in a silent partnership operated by GK. KRF 43 are indicated for the current fiscal period.

	Seventeenth Fiscal Period (as of October 31, 2013)		Eighteenth Fiscal Period (as of April 30, 2014)	
	Amount (Millions of Yen)	Ratio (%)	Amount (Millions of Yen)	Ratio (%)
Total of Liabilities	165,971	52.4	185,057	52.1
Total Unitholders' Equity	150,781	47.6	170,109	47.9
Total of Assets	316,753	100.0	355,167	100.0

(2) Details of Investment Assets

A. Major components of investment securities

Type of Assets	Name	Number of Units	Book Value (Millions of Yen)	Evaluation Value (Note 1) (Millions of Yen)	Ratio (%) (Note 2)
Preferred Equity Securities	Senri Property TMK Preferred Securities (Note 3)	17,820	896	896	0.3
Silent Partnership Equity Interest	G.K. KRF43 Silent Partnership Equity Interest (Note 4)	-	1,110	1,110	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: Specified asset is the trust beneficiary interest in real estate of Senri Life Science Center Building.

Note 4: Operating asset is the trust beneficiary interest in real estate of Shinjuku Sanei Building.

B. 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 Eighteenth 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	6,006	6,520	6,810	4.5	6,390	4.3	4.7	B	1.7
		A-3	Higashi-Kayabacho Yuraku Building	4,450	4,255	4,880	4,930	4.8	4,820	4.5	4.9	A	1.3
		A-4	KDX Hatchobori Building	3,680	3,401	3,220	3,300	4.8	3,180	4.6	5.0	B	1.0
		A-5	KDX Nakano-Sakaue Building	2,533	2,410	2,270	2,340	5.0	2,240	4.8	5.2	B	0.7
		A-6	Harajuku F.F. Building	2,450	2,415	3,030	3,060	5.2	2,990	5.0	5.4	A	0.7
		A-7	FIK Minami Aoyama	2,270	2,231	2,330	2,360	4.5	2,300	4.3	4.7	A	0.6
		A-8	Kanda Kihara Building	1,950	1,831	1,670	1,730	4.8	1,650	4.6	5.0	B	0.5
		A-13	KDX Kojimachi Building	5,950	5,654	4,350	4,410	4.3	4,290	4.1	4.5	A	1.7
		A-14	KDX Funabashi Building	2,252	2,330	1,950	1,950	6.1	1,940	5.9	6.3	A	0.6
		A-15	KDX Hamacho Building	2,300	2,197	2,230	2,260	5.1	2,200	4.9	5.3	A	0.6
		A-16	Toshin 24 Building	5,300	4,998	4,020	4,060	5.6	3,970	5.4	5.8	A	1.5
		A-17	KDX Ebisu Building	4,640	4,521	4,300	4,330	4.6	4,270	4.3	4.8	A	1.3
		A-19	KDX Hamamatsucho Building	3,460	3,164	3,130	3,230	4.4	3,080	4.2	4.6	B	1.0
		A-20	KDX Kayabacho Building	2,780	2,816	2,450	2,470	5.0	2,430	4.6	5.1	A	0.8
		A-21	KDX Shinbashi Building	3,728	3,811	3,820	3,850	4.4	3,790	4.1	4.5	A	1.1
		A-22	KDX Shin-Yokohama Building	2,520	2,375	2,160	2,180	5.9	2,140	5.7	6.1	A	0.7
		A-26	KDX Kiba Building	1,580	1,520	1,380	1,400	5.4	1,350	5.2	5.6	A	0.4
		A-27	KDX Kajicho Building	2,350	2,342	2,280	2,360	4.8	2,250	4.6	5.0	B	0.6
		A-28	KDX Nogizaka Building	1,065	1,106	683	686	5.3	679	5.0	5.4	A	0.3
		A-29	KDX Higashi-Shinjuku Building	2,950	3,127	3,370	3,460	4.9	3,330	4.7	5.1	B	0.8
		A-30	KDX Nishi-Gotanda Building	4,200	4,019	3,810	3,840	5.0	3,780	4.8	5.2	A	1.2
		A-31	KDX Monzen-Nakacho Building	1,400	1,369	1,140	1,190	5.4	1,120	5.2	5.6	B	0.4
		A-32	KDX Shiba-Daimon Building	6,090	6,164	4,570	4,600	4.8	4,530	4.5	4.9	A	1.8
		A-33	KDX Okachimachi Building	2,000	2,092	1,880	1,920	4.8	1,860	4.7	5.0	B	0.5
		A-34	KDX Hon-Atsugi Building	1,305	1,225	1,070	1,100	6.1	1,050	5.9	6.3	B	0.3
		A-35	KDX Hachioji Building	1,155	1,262	979	967	5.8	984	5.6	6.0	B	0.3
		A-37	KDX Ochanomizu Building	6,400	6,544	6,320	6,440	4.6	6,200	4.4	4.8	A	1.9
		A-38	KDX Nishi-Shinjuku Building	1,500	1,560	1,140	1,150	5.0	1,120	4.8	5.2	A	0.4
		A-39	KDX Toranomon Building	4,400	4,741	3,440	3,490	4.3	3,390	4.1	4.5	A	1.3
		A-40	Toranomon Toyo Building	9,850	9,811	10,500	10,700	4.4	10,200	4.2	4.7	A	2.9
		A-41	KDX Shinjuku 286 Building	2,300	2,359	2,300	2,330	4.6	2,270	4.4	4.8	A	0.6
		A-45	KDX Roppongi 228 Building	3,300	3,423	2,120	2,150	4.7	2,090	4.4	4.8	A	0.9
		A-46	Hiei Kudan-Kita Building	7,600	7,581	7,560	7,900	4.4	7,420	4.2	4.6	B	2.2
		A-47	KDX Shin-Yokohama 381 Building	5,800	5,724	4,010	4,040	5.8	3,980	5.6	6.0	A	1.7
A-48	KDX Kawasaki-Ekimae Hon-cho Building	3,760	3,686	2,990	3,020	6.0	2,950	5.5	6.1	A	1.1		
A-49	Nissou Dai-17 Building	2,710	2,567	1,570	1,590	5.8	1,540	5.6	6.0	A	0.8		
A-50	KDX Ikejiri-Oohashi Building (Note 6)	2,400	2,420	1,510	1,530	5.4	1,490	5.2	5.6	A	0.7		
A-51	KDX Hamacho Nakanohashi Building	2,310	2,305	1,800	1,830	5.0	1,760	4.8	5.2	A	0.6		
A-52	KDX Kanda Misaki-cho Building	1,380	1,364	959	969	5.1	948	4.8	5.2	A	0.4		
A-55	Shin-toshin Maruzen Building	2,110	2,130	1,570	1,570	5.1	1,560	4.7	5.3	A	0.6		
A-56	KDX Jimbocho Building	2,760	2,870	1,980	2,000	4.9	1,960	4.6	5.1	A	0.8		
A-57	KDX Gobancho Building	1,951	1,949	1,380	1,400	4.6	1,360	4.4	4.8	A	0.5		

Type	Area	No.	Property Name	Acquisition Price (Note 1)	Amount on the Balance Sheet (Note 2)	Appraisal Value at the end of Eighteenth 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-59	KDX Iwamoto-cho Building	1,864	1,751	1,350	1,360	5.1	1,330	4.9	5.3	A	0.5
		A-60	KDX Harumi Building	10,250	9,409	8,470	8,610	4.7	8,330	4.4	4.8	A	3.0
		A-61	KDX Hamamatsucho Dai-2 Building	2,200	2,269	1,890	1,950	4.4	1,870	4.2	4.6	B	0.6
		A-62	Koishikawa TG Building	3,080	3,084	3,250	3,290	4.8	3,210	4.6	5.0	A	0.9
		A-63	Gotanda TG Building	2,620	2,767	2,620	2,650	4.9	2,590	4.7	5.1	A	0.7
		A-64	KDX Nihonbashi 216 Building	2,010	1,928	1,890	1,920	4.4	1,860	4.2	4.6	A	0.5
		A-66	KDX Shinjuku Building	6,800	6,897	6,710	6,810	4.3	6,610	4.1	4.5	A	2.0
		A-67	KDX Ginza 1chome Building	4,300	4,265	5,080	5,190	4.2	5,030	4.0	4.4	B	1.2
		A-68	KDX Nihonbashi Honcho Building	4,000	3,988	4,330	4,430	4.6	4,280	4.4	4.8	B	1.1
		A-71	KDX Idabashi Building	4,670	4,638	5,140	5,270	4.6	5,080	4.4	4.8	B	1.3
		A-72	KDX Higashi-Shinagawa Building	4,590	4,853	4,770	4,940	4.8	4,690	4.6	5.0	B	1.3
		A-73	KDX Hakozaki Building	2,710	2,831	2,890	2,970	5.0	2,850	4.8	5.2	B	0.8
		A-74	KDX Shin-Nihonbashi Building	2,300	2,219	2,520	2,570	4.4	2,500	4.2	4.6	B	0.6
		A-75	KDX Nihonbashi Kabutocho Building	11,270	11,435	11,700	11,700	4.6	11,600	4.1	4.5	A	3.3
		A-78	KDX Tachikawa Ekimae Building (Note 6)	1,267	1,311	1,390	1,400	5.7	1,380	5.5	5.9	A	0.3
		A-83	KDX Fuchu Building (Note 6)	6,120	6,123	6,700	6,730	5.4	6,680	5.2	5.6	B	1.8
		A-84	KDX Kasuga Building (Note 6)	2,800	2,846	3,390	3,430	4.8	3,350	4.6	5.0	A	0.8
		A-85	KDX Nakameguro Building (Note 6)	1,880	1,895	2,260	2,340	5.0	2,220	4.8	5.2	B	0.5
		A-86	KDX Omiya Building	2,020	2,245	2,430	2,420	5.6	2,430	5.4	5.8	B	0.6
		A-87	Itoya Nihonbashi SA Building	2,200	2,218	2,280	2,280	4.9	2,280	4.7	5.1	B	0.6
	A-88	Welship Higashi - Shinjuku	1,900	1,912	2,160	2,210	4.8	2,140	4.6	5.0	B	0.5	
	A-89	KDX Takanawadai Building (Note 6)	5,250	5,292	5,430	5,520	4.8	5,330	4.6	5.0	A	1.5	
	A-90	KDX Ikebukuro Building (Note 6)	3,900	3,892	4,260	4,310	4.5	4,240	4.3	4.7	B	1.1	
	A-91	KDX Mita Building (Note 6)	3,180	3,186	3,470	3,540	4.7	3,400	4.5	4.9	A	0.9	
	A-92	KDX Akihabara Building (Note 6)	2,600	2,610	2,770	2,810	4.6	2,730	4.4	4.8	A	0.7	
	A-93	Aplus Tokyo Building	4,350	4,571	4,580	4,440	4.6	4,640	4.6	4.8	B	1.2	
	A-94	KDX Musashi-Kosugi Building (Note 6)	12,000	12,043	12,500	12,500	5.1	12,400	4.8	5.2	A	3.5	
	Other Regional Areas	A-12	Portus Center Building	5,570	4,396	4,760	4,780	6.2	4,750	6.0	6.4	B	1.6
		A-24	KDX Minami Sembai Building	1,610	1,486	983	993	5.8	973	5.6	6.0	A	0.4
		A-25	KDX Minami Sembai Building	1,560	1,327	978	989	5.8	967	5.6	6.0	A	0.4
		A-42	Karasuma Building	5,400	5,294	5,030	5,130	5.4	4,990	5.2	5.6	B	1.6
		A-44	KDX Sendai Building	2,100	2,095	1,440	1,450	6.0	1,440	6.0	6.2	B	0.6
		A-53	KDX Hakata-Minami Building	4,900	4,724	3,320	3,340	6.5	3,300	6.3	6.7	A	1.4
A-54		KDX Kitahama Building	2,220	2,143	1,530	1,530	5.9	1,530	5.5	6.1	A	0.6	
A-58		KDX Nagoya Sakae Building	7,550	7,220	4,840	4,930	5.0	4,800	4.8	5.2	B	2.2	
A-69		KDX Kobayashi-Doshomachi Building	2,870	2,544	2,680	2,710	7.0	2,640	5.2	7.3	A	0.8	
A-70		KDX Sapporo Building (Note 6)	2,005	2,038	2,050	2,110	5.6	2,030	5.4	5.8	B	0.5	
A-79		KDX Nagoya Ekimae Building	7,327	7,977	7,710	7,780	5.0	7,630	4.8	5.2	A	2.1	
A-80		Nagoya Nikko Shoken Building	4,158	4,235	4,060	4,090	5.4	4,030	5.2	5.6	A	1.2	
A-81		Sendai Nikko Building	950	1,046	1,030	1,030	5.8	1,020	5.6	6.0	A	0.2	
A-82	KDX Higashi Umeda Building	2,770	2,749	3,400	3,480	4.9	3,370	4.7	5.1	B	0.8		
Subtotal of Office Buildings (83 properties)				303,951	301,466	284,682	288,834	-	281,371	-	-	-	90.4
Residential	Tokyo Metropolitan Area	B-19	Residence Charmante Tsukishima	5,353	4,801	4,710	4,760	5.0	4,660	4.8	5.2	A	1.5
	Other Regional	B-18	Venus Hibarigaoka	1,800	1,724	1,570	1,580	6.3	1,560	6.1	6.5	A	0.5

Type	Area	No.	Property Name	Acquisition Price (Note 1)	Amount on the Balance Sheet (Note 2)	Appraisal Value at the end of Eighteenth 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 (%)					
Subtotal of Residential Properties (2 properties)						7,153	6,526	6,280	6,340	-	6,220	-	-	-	2.1
Central Urban Retail Properties	Tokyo Metropolitan Area	C-1	Frame Jinnan-zaka	9,900	9,585	9,600	9,800	4.2	9,390	4.0	4.4	A	2.9		
		C-2	KDX Yoyogi Building	2,479	2,510	1,980	1,990	5.1	1,970	4.7	5.3	A	0.7		
		C-4	Ginza 4chome Tower	9,800	9,820	11,000	11,200	3.8	10,800	3.6	4.0	A	2.9		
Subtotal of Central Urban Retail Properties (3 properties)						22,179	21,916	22,580	22,990	-	22,160	-	-	-	6.5
Others	Tokyo Metropolitan Area	D-2	Shinjuku 6-chome Building (Land)	2,880	2,973	2,900	2,920	4.3	2,890	4.2	4.3	B	0.8		
Subtotal of Others (1 property)						2,880	2,973	2,900	2,920	-	2,890	-	-	-	0.8
Total of 89 properties						336,163	332,883	316,442	321,084	-	312,641	-	-	-	100.0

Note 1: Acquisition price is the purchase price 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 (end of the eighteenth 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 drawn from valuation reports prepared by Japan Real Estate Institute and Daiwa Real Estate Appraisal Co., Ltd.

Note 4: As of the fiscal period under review, 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 (89 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-50	KDX Ikejiri - Oohashi Building	Ikejiri-Oohashi Building	December 1, 2013
A-84	KDX Kasuga Building	Kasuga Business Center Building	
A-85	KDX Nakameguro Building	Nakameguro Business Center Building	
A-70	KDX Sapporo Building	Kitananajo SIA Building	April 1, 2014
A-78	KDX Tachikawa Ekimae Building	Tachikawa Ekimae Building	
A-83	KDX Fuchu Building	Fuchu South Building	
A-89	KDX Takanawadai Building	SIA Takanawadai Building	
A-90	KDX Ikebukuro Building	Ikebukuro 261 Building	
A-91	KDX Mita Building	DNI Mita Building	
A-92	KDX Akihabara Building	Akihabara SF Building	
A-94	KDX Musashi-Kosugi Building	TKS Musashi-Ksugi Building	June 1, 2014

(b) Property Distribution

Property Types

Type	Number of Properties	Acquisition Price (Millions of Yen)	Ratio (Note) (%)
Office Buildings	83	303,951	90.4
Residential Properties	2	7,153	2.1
Central Urban Retail Properties	3	22,179	6.5
Others	1	2,880	0.8
Total	89	336,163	100.0

Geographic Distribution

Area	Number of Properties	Acquisition Price (Millions of Yen)	Ratio (Note) (%)
Tokyo Metropolitan Area	74	283,373	84.2
Other Regional Areas	15	52,790	15.7
Total	89	336,163	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	950	0.2
1,000 - 2,500	35	67,444	20.0
2,500 - 5,000	32	112,249	33.3
5,000 - 7,500	13	77,300	22.9
7,500 - 10,000	5	44,700	13.2
10,000 - 12,500	3	33,520	9.9
Total	89	336,163	100.0

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

Figures are rounded down to the nearest first decimal place.

(c) Details of Investment Real Estate and Trust Real Estate

(i) Overview of Investment Real Estate Properties and Trust Real Estate

Type	Area	No.	Property Name	Site Area (㎡)(Note 1)	Usage (Note 2)	Total Floor Area (㎡)(Note 3)	Type of Structure (Note 4)	Completion Date (Note 5)	PML (%) (Note 6)
Office Buildings	Tokyo Metropolitan	A-1	KDX Nihonbashi 313 Building	1,047.72	Offices	8,613.09	SRC B2F9	April 1974	9.50
		A-3	Higashi-Kayabacho Yuraku Building	773.43	Offices	5,916.48	SRC B1F9	January 1987	7.01
		A-4	KDX Hatchobori Building	992.20	Offices	4,800.43	SRC・RC B1F8	June 1993	6.42
		A-5	KDX Nakano-Sakaue Building	1,235.16	Offices, Retail Shops Residential, Parking Storage	6,399.42	SRC B1F11	August 1992	5.20
		A-6	Harajuku F.F. Building	699.67	Retail Shops, Offices Parking	3,812.44	SRC F11	November 1985	5.66
		A-7	FIK Minami Aoyama	369.47	Offices, Retail Shops Residential	1,926.98	SRC B1F9	November 1988	4.92
		A-8	Kanda Kihara Building	410.18	Offices	2,393.94	SRC・RC・S B1F8	May 1993	7.77
		A-13	KDX Kojimachi Building	612.17	Offices, Retail Shops	5,323.81	SRC B2F9	May 1994	3.60
		A-14	KDX Funabashi Building	1,180.41	Offices, Retail Shops	5,970.12	SRC B1F8	April 1989	2.76
		A-15	KDX Hamacho Building	554.80	Retail Shops, Offices Parking	4,133.47	SRC B2F10	September 1993	6.76
		A-16	Toshin 24 Building	1,287.16	Offices, Retail Shops Parking	8,483.17	SRC B1F8	September 1984	8.75
		A-17	KDX Ebisu Building	724.22	Offices, Retail Shops	4,394.58	SRC B1F7	January 1992	4.16
		A-19	KDX Hamamatsucho Building	504.26	Offices, Retail Shops Parking	3,592.38	S F9	September 1999	6.13
		A-20	KDX Kayabacho Building	617.17	Offices, Parking	3,804.86	SRC F8	October 1987	7.90
		A-21	KDX Shinbashi Building	536.11	Offices, Retail Shops Parking	3,960.22	SRC・S B1F8	February 1992	6.84
		A-22	KDX Shin-Yokohama Building	705.00	Offices, Retail Shops Parking	6,180.51	S B1F9	September 1990	10.36
		A-26	KDX Kiba Building	922.77	Offices, Parking	2,820.64	RC F5	October 1992	7.79
		A-27	KDX Kajicho Building	526.43	Offices, Retail Shops	3,147.70	SRC B1F8	March 1990	6.05
		A-28	KDX Nogizaka Building	409.36	Offices, Retail Shops Residential	1,695.07	RC B1F5	May 1991	9.48
		A-29	KDX Higashi-Shinjuku Building	1,340.97	Offices Storage, Parking	7,885.40	SRC B1F9	January 1990	3.63
		A-30	KDX Nishi-Gotanda Building	684.41	Offices, Parking	5,192.87	SRC B1F8	November 1992	8.28
		A-31	KDX Monzen-Nakacho Building	580.99	Offices, Retail Shops	2,668.91	SRC F8	September 1986	5.72
		A-32	KDX Shiba-Daimon Building	1,188.28	Offices	7,824.03	SRC B1F9	July 1986	7.60
		A-33	KDX Okachimachi Building	239.72	Offices	1,882.00	S F10	June 1988	2.23
		A-34	KDX Hon-Atsugi Building	724.62	Offices, Retail Shops	3,603.63	SRC F8	May 1995	11.12
		A-35	KDX Hachioji Building	460.62	Offices, Parking Retail Shops	2,821.21	SRC F9	December 1985	13.00
		A-37	KDX Ochanomizu Building	1,515.28	Offices, Storage Retail Shops, Parking Mechanical Room	7,720.08	SRC B1F7	August 1982	2.97
		A-38	KDX Nishi-Shinjuku Building	626.06	Offices, Parking	2,017.63	RC F5	October 1992	9.02
		A-39	KDX Toranomom Building	288.20	Offices, Retail Shops	2,277.38	SRC B1F9	April 1988	8.07

KENEDIX OFFICE INVESTMENT CORPORATION (8972)

Type	Area	No.	Property Name	Site Area (㎡) (Note 1)	Usage (Note 2)	Total Floor Area (㎡) (Note 3)	Type of Structure (Note 4)	Completion Date (Note 5)	PML (%) (Note 6)
Office Buildings	Tokyo Metropolitan Area	A-40	Toranomon Toyo Building	869.01	Bank, Offices Retail Shops, Storage	8,346.83	RC B2F9	August 1962	13.06
		A-41	KDX Shinjuku 286 Building	421.70	Offices, Parking	3,432.04	SRC · RC B1F9	August 1989	8.71
		A-45	KDX Roppongi 228 Building	408.86	Offices, Retail Shops	2,235.30	SRC B1F9	April 1989	8.95
		A-46	Hiei Kudan-Kita Building	1,844.83	Offices, Retail Shops Office Room Parking, Storage	11,425.31	SRC · S B1F11	March 1988	3.14
		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 (Note 8)	12.02
		A-48	KDX Kawasaki-Ekimae Hon-cho Building	1,968.13	Offices	7,420.87	SRC B1F9	February 1985	8.34
		A-49	Nissou Dai-17 Building	629.00	Offices, Parking	4,016.61	SRC B1F8	July 1991	13.23
		A-50	KDX Ikejiri-Ohashi Building	834.79	Offices	3,482.96	RC B2F9	September 1988	3.02
		A-51	KDX Hamacho Nakanohashi Building	462.29	Offices	3,280.41	SRC F9	September 1988	6.17
		A-52	KDX Kanda Misaki-cho Building	314.54	Offices	1,536.60	SRC B1F7	October 1992	9.41
		A-55	Shin-toshin Maruzen Building	457.64	Offices, Retail Shops Parking	3,439.37	SRC B1F8	July 1990	4.87
		A-56	KDX Jimbocho Building	465.92	Offices	3,292.13	SRC B1F8	May 1994	7.25
		A-57	KDX Gobancho Building	335.70	Offices, Parking	1,893.11	S F8	August 2000	9.06
		A-59	KDX Iwamoto-cho Building	266.86	Offices Residential Complex	1,618.65	S F9	March 2008	7.15
		A-60	KDX Harumi Building	2,230.69	Offices, Retail Shops	12,694.32	S · SRC B1F11	February 2008	5.60
		A-61	KDX Hamamatsucho Dai-2 Building	368.28	Offices	2,478.90	S · SRC B1F8	April 1992	2.01
		A-62	Koishikawa TG Building	1,250.42	Offices, Parking	5,862.02	SRC B1F8	November 1989	7.54
		A-63	Gotanda TG Building	582.90	Offices, Parking	4,440.61	SRC B1F9	April 1988	8.37
		A-64	KDX Nihonbashi 216 Building	307.77	Offices	1,871.62	SRC F9	October 2006	6.99
		A-66	KDX Shinjuku Building	1,118.12	Offices, Retail Shops Parking	10,348.02	S · RC B4F11	May 1993	1.78
		A-67	KDX Ginza 1chome Building	678.24	Offices, Bank	4,724.62	SRC F9	November 1991	8.41
		A-68	KDX Nihonbashi Honcho Building	583.40	Offices, Parking	5,110.45	SRC B1F9	January 1984	7.92
		A-71	KDX Iidabashi Building	967.38	Offices, Parking	5,422.64	SRC B1F8	March 1990	8.37
		A-72	KDX Higashi-Shinagawa Building	3,115.45	Offices	10,138.65	S · RC B1F5	January 1993	10.40
		A-73	KDX Hakozaki Building	971.83	Offices, Parking	6,332.48	SRC B1F10	November 1993	7.29
		A-74	KDX Shin-Nihonbashi Building	444.32	Offices, Retail Shops Parking	3,712.25	S B1F10	November 2002	5.51
		A-75	KDX Nihonbashi Kabutocho Building	1,920.79	Offices, Parking	11,705.49	S · SRC B1F8	November 1998	4.23
		A-78	KDX Tachikawa Ekimae Building	464.95	Offices	2,896.48	S B1F8	February 1990	3.34
		A-83	KDX Fuchu Building	2,400.00	Offices, Parking	16,647.00	SRC · S B1F14	March 1996	2.97
		A-84	KDX Kasuga Building	1,319.24	Offices, Retail Shops Parking	6,444.31	SRC B1F10	June 1992	7.19
A-85	KDX Nakameguro Building	730.26	Offices	3,455.90	SRC F7	October 1985	3.44		

KENEDIX OFFICE INVESTMENT CORPORATION (8972)

Type	Area	No.	Property Name	Site Area (㎡) (Note 1)	Usage (Note 2)	Total Floor Area (㎡) (Note 3)	Type of Structure (Note 4)	Completion Date (Note 5)	PML (%) (Note 6)
Office Buildings	Tokyo Metropolitan Area	A-86	KDX Omiya Building	775.67	Offices, Retail Shops, Parking, Residential	5,055.50	①S・SRC B1F8 ②S F3	April 1993	6.97
		A-87	Itohia Nihonbashi SA Building	1,193.91	Offices, Residential, Parking	7,362.25	SRC B1F10	July 1995	5.30
		A-88	Welship Higashi-Shinjuku	1,072.03	Offices, Retail Shops, Parking	5,907.00	SRC・RC B2F10	March 1990	3.48
		A-89	KDX Takanawadai Building	2,547.15	Office	9,265.03	SRC B1F9	October 1985	6.03
		A-90	KDX Ikebukuro Building	472.94	Offices, Retail Shops, Parking	3,848.18	S・RC B1F10	March 2009	5.74
		A-91	KDX Mita Building	548.72	Offices, Retail Shops, Parking	5,007.98	S・SRC B3F11	March 1993	7.60
		A-92	KDX Akihabara Building	374.88	Retail Shops, Office	2,979.14	SRC B1F9	December 1973	9.37
		A-93	Aplus Tokyo Building	1,341.98	Offices, Parking	6,764.37	SRC B1F8	January 1994	7.67
		A-94	KDX Musashi-Kosugi Building	3,210.09	Offices, Retail Shops	16,094.14	S B1F11	May 2013	5.72
	Other Regional Areas	A-12	Portus Center Building	13,936.63	Offices, Retail Shops Storage, Parking	79,827.08	SRC・S B2F25	September 1993	3.48
		A-24	KDX Minami Sembai Dai-1 Building	715.44	Offices, Parking	4,236.59	SRC・RC・S B1F9	March 1993	9.04
		A-25	KDX Minami Sembai Dai-2 Building	606.45	Parking, Retail Shops Offices, Residential	3,315.93	SRC・S B1F9	September 1993	10.59
		A-42	Karasuma Building	1,788.67	Offices	12,632.68	SRC B1F8	October 1982	8.37
		A-44	KDX Sendai Building	987.78	Offices	5,918.30	SRC B1F10	February 1984	1.93
		A-53	KDX Hakata-Minami Building	1,826.25	Offices, Retail Shops Parking	13,238.16	SRC B1F9	June 1973	1.48
		A-54	KDX Kitahama Building	751.92	Offices, Storage Parking	4,652.96	S F10	July 1994	9.79
		A-58	KDX Nagoya Sakae Building	1,192.22	Offices, Retail Shops	9,594.00	S F11	April 2009	2.87
		A-69	KDX Kobayashi-Doshomachi Building (Note 9)	1,561.04	Offices, Parking Retail Shops	10,723.83	S・SRC B1F12	July 2009	13.79
		A-70	KDX Sapporo Building	819.44	Offices	5,503.90	SRC B1F9	October 1989	0.51
		A-79	KDX Nagoya Ekimae Building	1,354.10	Offices, Retail Shops	13,380.30	S・SRC B2F15	April 1986	12.13
		A-80	Nagoya Nikko Shoken Building	1,403.93	Offices, Retail Shops Parking	14,308.76	SRC B3F11	August 1974	14.36
		A-81	Sendai Nikko Building	522.14	Offices	3,598.01	SRC・S B1F8	March 1989	3.48
		A-82	KDX Higashi Umeda Building	804.50	Offices, Retail Shops Parking	6,805.76	S・SRC B1F10	July 2009	8.78
Subtotal of Office Buildings (83 properties)				-	-	-	-	Avg. 22.7yrs (Note 8)	-
Residential	Tokyo Metropolitan Area	B-19	Residence Chamante Tsukishima	4,252.86	Residential Complex	18,115.39	SRC B1F10	January 2004	9.88
	Other Regional Areas	B-18	Venus Hibiya Gaoka	8,595.00	Residential Complex	14,976.25	①RC F6 ②RC F5 ③RC F6	March 1989	5.20
Subtotal of Residential Properties (2 properties)				-	-	-	-	Avg. 14.0 yrs	-
Central Urban Retail Properties	Tokyo Metropolitan Area	C-1	Frame Jinnan-zaka	1,240.51	Retail Shops	6,302.58	S・RC・SRC B2F7	March 2005	8.02
		C-2	KDX Yoyogi Building	228.74	Retail Shops, Offices	1,269.06	SRC F8	August 1991	8.17
		C-4	Ginza 4home Tower	688.52	Retail Shops, Offices, Parking	6,787.33	S B1F13	November 2008	1.16
Subtotal of Central Urban Retail Properties (3 properties)				-	-	-	-	Avg. 8.9 yrs	-

Type	Area	No.	Property Name	Site Area (㎡)(Note 1)	Usage (Note 2)	Total Floor Area (㎡)(Note 3)	Type of Structure (Note 4)	Completion Date (Note 5)	PML (%)(Note 6)
Other	Tokyo Metropolitan Area	D-2	Shinjuku 6-chome Building (Land)	1,355.13	-	-	-	-	-
Subtotal of Others (1 property)									
Total of 89 properties				-	-	-	-	Avg. 21.6 yrs (Note 8)	4.94 (Note 6)

Note 1: Site area data is based on figures recorded in the land register (including relevant figures for leasehold land, 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 areas covered by the relevant ownership is shown.

Note 3: Total floor space is based on figures recorded in the land register and does not include related structures. The total floor area for the entire buildings 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, 2014, and is rounded down to the nearest first decimal place.

Note 6: Probable Maximum Loss (PML) data is based on a survey provided by Sompo Japan Nipponkoa Risk Management, Inc. as of March 2014.

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: The completion date of the existing tower is shown for the completion date of KDX Shin-Yokohama 381 Building. Upon calculating the weighted-average portfolio age, the completion date (April 2009) for the KDX Shin-Yokohama 381 Building Annex Tower and Shinjuku 6-chome Building (Land) are not considered.

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

(ii) Capital Expenditure

① Planned capital expenditures

Major capital expenditure plans for renovation of properties in which the Investment Corporation holds for the nineteenth fiscal period (May 1, 2014 to October 31, 2014) 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
Toranomon Toyo Building (Minato-ku, Tokyo)	Air conditioning system construction, other	May 2014 to October 2014	143	-	1
Frame Jinnan-zaka (Shibuya-ku, Tokyo)	Change usage construction to office, other	As above	87	-	-
Itopia Nihonbashi SA Building (Chuo-ku, Tokyo)	Air conditioning system construction	As above	79	-	-
KDX Jimbocho Building (Chiyoda-ku, Tokyo)	Renovate external wall	As above	53	-	-

② Capital Expenditures during the Fiscal Period Under Review (fiscal period ended April 30, 2014)

The Investment Corporation undertook the following major capital expenditures. In the fiscal period under review (fiscal period ended April 30, 2014), the Investment Corporation completed works across its entire portfolio totaling ¥905 million. This total comprised of ¥711 million in capital expenditures and ¥193 million for repairs, maintenance and renovation expenses.

Property Name (Location)	Purpose	Schedule	Amount of Capital Expenditures (Millions of Yen)
KDX Nagoya Ekimae Building (Nagoya, Aichi)	Air conditioning system construction, other	November 2013 to April 2014	183
KDX Omiya Building (Omiya, Omiya)	Air conditioning system construction, other	As above	119
KDX Hon-Atsugi Building (Atsugi, Kanagawa)	Air conditioning system construction, other	As above	93
KDX Shinbashi Building (Minato-ku, Tokyo)	Upgrade of common areas, OA floor construction, other	As above	92
KDX Shinjuku Building (Hachioji, Tokyo)	Air conditioning system construction, other	As above	63
Others			159
Portfolio Total			711

Note: The amounts of the capital expenditures are rounded down to the nearest ¥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 flows 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 flows.

(Millions of Yen)

Fiscal period	Fourteenth Fiscal Period (November 1, 2011 to April 30, 2012)	Fifteenth Fiscal Period (May 1, 2012 to October 31, 2012)	Sixteenth Fiscal Period (November 1, 2012 to April 30, 2013)	Seventeenth Fiscal Period (May 1, 2013 to October 31, 2013)	Eighteenth Fiscal Period (November 1, 2013 to April 30, 2014)
Reserve for the end of the previous period	517	643	503	523	502
Reserve for the fiscal period under review	296	224	30	12	3
Reversal of reserve for the fiscal period under review	170	364	10	34	11
Reserve brought forward to the next period	643	503	523	502	493

(iii) Details of the Tenants

Type	Area	No.	Property Name	Total Leasable Floor Area (m ²)(Note 1)	Total Leased Floor Area (m ²)(Note 2)	Total No. of Leasable Residential units (Note 3)	Total No. of Leased Residential units (Note 4)	No. of Tenants (Note 5)	Occupancy Ratio (%) (Note 6)	Total Rental and Other Operating Revenues (¥thousands)(Note 7)	Leasehold and Security Deposits (¥thousands) (Note 8)
Office Buildings	Tokyo Metropolitan Area	A-1	KDX Nihonbashi 313 Building	5,889.32	5,889.32	-	-	10	100.0	196,833	232,123
		A-3	Higashi-Kayabacho Yuraku Building	4,379.66	4,379.66	-	-	8	100.0	111,758	216,322
		A-4	KDX Hatchobori Building	3,323.73	3,323.73	-	-	5	100.0	119,385	134,559
		A-5	KDX Nakano-Sakaue Building	4,390.27	4,390.27	18	18	25	100.0	88,966	88,505
		A-6	Harajuku F.F. Building	3,068.36	3,068.36	-	-	3	100.0	106,871	169,343
		A-7	FIK Minami Aoyama	1,814.56	1,814.56	-	-	7	100.0	75,482	107,055
		A-8	Kanda Kihara Building	1,947.84	1,713.85	-	-	10	88.0	48,420	95,108
		A-13	KDX Kojimachi Building	3,793.02	3,793.02	-	-	10	100.0	141,010	228,450
		A-14	KDX Funabashi Building	3,833.19	3,833.19	-	-	23	100.0	103,854	127,138
		A-15	KDX Hamacho Building	3,100.22	3,100.22	-	-	10	100.0	78,862	100,485
		A-16	Toshin 24 Building	6,623.33	6,255.35	-	-	18	94.4	170,919	255,131
		A-17	KDX Ebisu Building	3,074.47	3,074.47	-	-	6	100.0	125,601	229,205
		A-19	KDX Hamamatsucho Building	2,724.35	2,724.35	-	-	9	100.0	91,445	126,185
		A-20	KDX Kayabacho Building	3,019.93	2,564.52	-	-	6	84.9	80,776	77,961
		A-21	KDX Shinbashi Building	2,805.35	2,434.22	-	-	7	86.8	50,263	149,391
		A-22	KDX Shin-Yokohama Building	4,788.04	4,505.86	-	-	18	94.1	94,962	153,914
		A-26	KDX Kiba Building	2,455.43	2,162.48	-	-	6	88.1	41,028	58,746
		A-27	KDX Kajicho Building	2,564.65	2,564.65	-	-	10	100.0	77,070	88,245
		A-28	KDX Nogizaka Building	1,251.40	1,251.40	1	1	6	100.0	23,515	25,834
		A-29	KDX Higashi-Shinjuku Building	5,930.96	5,930.96	-	-	6	100.0	137,080	124,758
		A-30	KDX Nishi-Gotanda Building	3,881.58	3,881.58	-	-	5	100.0	142,563	203,523
		A-31	KDX Monzen-Nakacho Building	2,008.74	2,008.74	-	-	7	100.0	48,336	43,788
		A-32	KDX Shiba-Daimon Building	5,997.36	5,997.36	-	-	10	100.0	117,260	190,943
		A-33	KDX Okachimachi Building	1,792.54	1,792.54	-	-	2	100.0	67,152	110,237
		A-34	KDX Hon-Atsugi Building	2,746.89	2,746.89	-	-	11	100.0	48,712	71,349
		A-35	KDX Hachioji Building	2,178.61	2,178.61	-	-	8	100.0	50,573	44,998
		A-37	KDX Ochanomizu Building	5,880.71	5,880.71	-	-	7	100.0	187,164	227,261
		A-38	KDX Nishi-Shinjuku Building	1,593.60	1,593.60	-	-	9	100.0	45,726	57,517
		A-39	KDX Toranomon Building	1,966.56	1,966.56	-	-	7	100.0	102,949	179,712
		A-40	Toranomon Toyo Building	6,499.63	6,299.81	-	-	9	96.9	302,935	507,244
		A-41	KDX Shinjuku 286 Building	2,444.89	2,444.89	-	-	8	100.0	83,698	102,108
		A-45	KDX Roppongi 228 Building	1,910.88	1,409.84	-	-	7	73.8	39,678	73,552
		A-46	Hiei Kudan-Kita Building	6,897.59	6,897.59	-	-	14	100.0	243,638	319,283
		A-47	KDX Shin-Yokohama 381 Building	8,131.47	8,131.47	-	-	43	100.0	169,358	237,573
		A-48	KDX Kawasaki-Ekimae Hon-cho Building	5,124.98	5,124.98	-	-	1	100.0	101,567	155,571
		A-49	Nissou Dai-17 Building	2,730.85	2,730.85	-	-	9	100.0	50,496	68,274
		A-50	KDX Ikejiri-Oohashi Building	2,456.72	2,244.16	-	-	7	91.3	60,974	70,600
		A-51	KDX Hamacho Nakanohashi Building	2,239.13	2,239.13	-	-	9	100.0	67,421	86,495
		A-52	KDX Kanda Misaki-cho Building	1,330.06	809.19	-	-	5	60.8	22,624	28,632
		A-55	Shin-toshin Maruzen Building	1,912.28	1,912.28	-	-	5	100.0	57,599	72,273
		A-56	KDX Jimbocho Building	2,321.80	2,321.80	-	-	3	100.0	67,653	96,451
A-57	KDX Gobancho Building	1,649.47	1,649.47	-	-	7	100.0	42,261	52,840		
A-59	KDX Iwamoto-cho Building	1,529.91	1,529.91	3	3	10	100.0	45,722	56,592		
A-60	KDX Harumi Building	9,294.00	6,709.44	-	-	8	72.2	162,881	286,059		
A-61	KDX Hamamatsucho Dai-2 Building	1,954.23	1,954.23	-	-	8	100.0	56,553	95,821		

KENEDIX OFFICE INVESTMENT CORPORATION (8972)

Type	Area	No.	Property Name	Total Leasable Floor Area (㎡)(Note 1)	Total Leased Floor Area (㎡)(Note 2)	Total No. of Leasable Residential units (Note 3)	Total No. of Leased Residential units (Note 4)	No. of Tenants (Note 5)	Occupancy Ratio (%) (Note 6)	Total Rental and Other Operating Revenues (¥thousands)(Note 7)	Leasehold and Security Deposits (¥thousands) (Note 8)
Office Buildings	Tokyo Metropolitan Area	A-62	Koishikawa TG Building	3,945.54	3,945.54	-	-	5	100.0	129,653	157,041
		A-63	Gotanda TG Building	3,161.80	3,161.80	-	-	10	100.0	94,985	123,146
		A-64	KDX Nihonbashi 216 Building	1,615.20	1,615.20	-	-	8	100.0	53,034	90,758
		A-66	KDX Shinjuku Building	5,836.69	5,160.28	-	-	18	88.4	218,050	275,062
		A-67	KDX Ginza 1chome Building	3,573.59	3,573.59	-	-	4	100.0	147,283	169,724
		A-68	KDX Nihonbashi Honcho Building	3,998.39	3,998.39	-	-	8	100.0	126,684	212,323
		A-71	KDX Iidabashi Building	4,429.25	4,429.25	-	-	5	100.0	164,955	227,405
		A-72	KDX Higashi-Shinagawa Building	7,110.62	5,456.15	-	-	4	76.7	166,704	183,482
		A-73	KDX Hakozaki Building	3,992.60	3,137.88	-	-	7	78.6	92,621	117,793
		A-74	KDX Shin-Nihonbashi Building	2,658.79	2,658.79	-	-	9	100.0	79,075	124,455
		A-75	KDX Nihonbashi Kabutocho Building	7,562.93	7,562.93	-	-	7	100.0	190,897	330,311
		A-78	KDX Tachikawa Ekimae Building	1,612.13	1,612.13	-	-	5	100.0	63,554	86,432
		A-83	KDX Fuchu Building	10,151.48	9,907.27	-	-	34	97.6	296,887	339,565
		A-84	KDX Kasuga Building	4,344.41	4,344.41	-	-	14	100.0	123,615	144,836
		A-85	KDX Nakameguro Building	2,681.29	2,681.29	-	-	6	100.0	82,092	109,271
		A-86	KDX Omiya Building	3,816.33	3,816.33	1	1	18	100.0	109,505	183,283
		A-87	Itoya Nihonbashi SA Building	3,106.42	2,518.07	8	7	12	81.1	99,756	95,673
		A-88	Welship Higashi-Shinjuku Building	4,037.44	4,037.44	-	-	7	100.0	88,990	74,597
		A-89	KDX Takawadai Building	6,952.41	6,655.14	-	-	7	95.7	148,772	236,346
		A-90	KDX Ikebukuro Building	3,110.56	3,110.56	-	-	10	100.0	116,193	196,987
	A-91	KDX Mita Building	3,416.30	3,021.57	-	-	9	88.4	100,529	132,876	
	A-92	KDX Akihabara Building	2,288.93	2,288.93	-	-	7	100.0	70,711	95,038	
	A-93	Aplus Tokyo Building	4,487.22	4,487.22	-	-	1	100.0	103,305	325,771	
	A-94	KDX Musashi-Kosugi Building	12,978.52	12,442.16	-	-	4	95.9	85,860	592,887	
	Other Regional Areas	A-12	Portus Center Building	11,533.14	11,127.20	-	-	28	96.5	289,199	356,106
		A-24	KDX Minami Semba Dai-1 Building	3,106.73	2,834.08	-	-	13	91.2	48,024	62,572
		A-25	KDX Minami Semba Dai-2 Building	2,697.65	1,904.19	-	-	18	70.6	43,274	34,006
		A-42	Karasuma Building	8,744.01	8,744.01	-	-	38	100.0	201,179	276,998
		A-44	KDX Sendai Building	3,958.39	3,636.75	-	-	30	91.9	84,478	143,184
		A-53	KDX Hakata-Minami Building	9,917.35	9,496.09	-	-	51	95.8	169,109	221,186
		A-54	KDX Kitahama Building	3,995.50	3,708.71	-	-	11	92.8	76,650	83,417
		A-58	KDX Nagoya Sakae Building	6,923.12	6,923.12	-	-	15	100.0	186,615	206,317
		A-69	KDX Kobayashi-Doshomachi Building	7,072.23	7,072.23	-	-	13	100.0	174,599	251,198
		A-70	KDX Sapporo Building	3,788.51	3,703.78	-	-	20	97.8	85,892	111,552
A-79		KDX Nagoya Ekimae Building	7,932.43	7,932.43	-	-	19	100.0	317,871	497,522	
A-80		Nagoya Nikko Shoken Building	7,993.37	7,635.37	-	-	10	95.5	196,960	264,092	
A-81		Sendai Nikko Building	2,538.40	2,226.50	-	-	5	87.7	57,048	76,448	
A-82		KDX Higashi Umeda Building	4,986.24	4,986.24	-	-	11	100.0	130,598	109,260	
Subtotal of Office Buildings (83 properties)				353,308.47	338,783.09	31	30	923	95.9	9,364,836	13,546,111
Residential	Tokyo Metropolitan Area	B-19	Residence Charmante Tsukishima	7,711.14	7,711.14	140	140	1 (Note 9)	100.0	149,844	50,580
	Other Regional Areas	B-18	Venus Hibiyaoka	12,829.64	12,084.74	159	150	113	93.7	90,038	24,018
Subtotal of Residential Properties (2 properties)				20,540.78	19,730.59	299	289	114	96.1	239,883	74,598
Central Urban Retail Properties	Tokyo Metropolitan Area	C-1	Frame Jinnan-zaka	4,653.40	4,479.62	-	-	11	96.3	269,625	215,764
		C-2	KDX Yoyogi Building	1,177.00	1,177.00	-	-	11	100.0	69,075	108,150

KENEDIX OFFICE INVESTMENT CORPORATION (8972)

Type	Area	No.	Property Name	Total Leasable Floor Area (㎡)(Note 1)	Total Leased Floor Area (㎡)(Note 2)	Total No. of Leasable Residential units (Note 3)	Total No. of Leased Residential units (Note 4)	No. of Tenants (Note 5)	Occupancy Ratio (%) (Note 6)	Total Rental and Other Operating Revenues (¥thousands)(Note 7)	Leasehold and Security Deposits (¥thousands) (Note 8)
		C-4	Ginza 4chome Tower	5,624.23	5,624.23	-	-	4	100.0	275,484	346,121
Subtotal of Central Urban Retail Properties (3 properties)				11,454.63	11,280.85	-	-	26	98.5	614,186	670,036
Others	Tokyo Metropolitan Area	D-2	Shinjuku 6-Chome Building	1,355.13	1,355.13	-	-	1	100.0	4,911	56,670
Subtotal of Others (1 property)				1,355.13	1,355.13	-	-	1	100.0	4,911	56,670
Total of 89 properties				386,659.01	371,149.66	330	319	1,064 (Note 10)	96.0	10,223,818	14,347,417
Occupancy Ratio over the Past Five Years			October 31, 2009	94.7%							
			April 30, 2010	94.4%							
			October 31, 2010	93.6%							
			April 30, 2011	94.6%							
			October 31, 2011	94.7%							
			April 30, 2012	95.4%							
			October 31, 2012	95.5%							
			April 30, 2013	93.9%							
			October 31, 2013	95.8%							
			April 30, 2014	96.0%							

Notes:

Note 1: Total leasable floor area refers to the leasable floor area for each Property including the 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. However, the indicated figure of rentable area for Shinjuku 6-chome 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 total 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 total 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 total number of tenants refers to the actual number of end tenants for each property. However, for Residence Charmante Tsukishima, please refer to Note 9.

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

Note 7: Total rental and other operating revenues cover all income, including that from rental revenue, common charges, and parking space rental revenues, rounded to the nearest one thousand yen. Total real estate business rental 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) Total operating rental and other revenues for properties sold during the Eighteenth Fiscal Period

Type of Property	No.	Property Name	Total Rental and Other Operating Revenues (¥thousands)
Office Building	A-36	KDX Niigata Building	32,343
Office Building	A-77	Kabutocho Nikko Building II	42,558
Residential	B-3	Court Mejiro	31,616

Note 8: Guarantee and security deposits refers 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: Residence Charmante Tsukishima: Because we have concluded a rental guarantee (fixed-term lease: until January 30, 2016) fixed-term building lease contract (term of contract: to January 30, 2029) with Sekiwa Real Estate, Ltd., a master lessor, the total number of tenants is indicated as 1.

Note 10: The number presented does not reflect the adjustment for end-tenants who are overlapping in multiple properties.

(iv) Information concerning major real estate properties

There were no major real estate properties with real estate business rental revenues exceeding 10% of total real estate business rental revenues for the sixteenth fiscal period (fiscal period ended April 30, 2014).

(v) Information concerning major tenants

①Tenant which holds more than 10% of the total leased area: Not applicable

②Reference: Major end tenants

(As of April 30, 2014)

	Name of End Tenant	Property Name	Leased Floor Area	Percentage of Total Leased Floor Area (Note 1)
1	Kenedix, Inc.	KDX Nihonbashi Kabutocho Building, KDX Musashi-Kosugi Building	13,444.18 m ²	3.6%
2	Sekiwa Real Estate, Ltd.	Residence Charmante Tsukishima	7,711.14 m ²	2.1%
3	SMBC Nikko Securities, Inc.	KDX Tachikawa Ekimae Building, KDX Nagoya Ekimae Building, Nagoya Nikko Shoken Building, Sendai Nikko Building	7,537.14 m ²	2.0%
4	N/A (Note 3)	KDX Kawasaki-Ekimae Hon-cho Building	5,124.98 m ²	1.4%
5	APLUS Co., Ltd.	Aplus Tokyo Building	4,487.22 m ²	1.2%
Subtotal			38,304.66 m ²	10.3%
Total Portfolio			371,149.66 m ²	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: Kenedix Inc. sub-leases part of properties leased from the Investment Corporation, its master lease company, to third parties. The ratio of leased floor area for KDX Nihonbashi Kabutocho Building and KDX Musashi-Kosugi Building is 0.7% and 2.9% respectively.

Note 3: Not disclosed due to the tenants' request.

【Reference】 Earnings Performance for the Individual Properties for the 18th Fiscal Period (November 1, 2013 to April 30, 2014) : 181days ※As of April 30, 2014

Type		Office Buildings														
Location		Tokyo Metropolitan Area														
Property No.	A001	A003	A004	A005	A006	A007	A008	A013	A014	A015	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	FIK Minami Aoyama	Kanda Kihara Building	KDX Kojimachi Building	KDX Funabashi Building	KDX Hamacho 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	March 16, 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	2,300	5,300	4,640	3,460	2,780	3,728
	Percentage of total portfolio	1.8%	1.3%	1.1%	0.8%	0.7%	0.7%	0.6%	1.8%	0.7%	0.7%	1.6%	1.4%	1.0%	0.8%	1.1%
	Net book value (¥ Millions)	6,006	4,255	3,401	2,410	2,415	2,231	1,831	5,654	2,330	2,197	4,998	4,521	3,164	2,816	3,811
	Appraisal value at the end of period (¥ Millions)	6,520	4,880	3,220	2,270	3,030	2,330	1,670	4,350	1,950	2,230	4,020	4,300	3,130	2,450	3,820
	Percentage of total appraisal value	2.1%	1.5%	1.0%	0.7%	1.0%	0.7%	0.5%	1.4%	0.6%	0.7%	1.3%	1.4%	1.0%	0.8%	1.2%
Lease Information	Number of tenants	10	8	5	25	3	7	10	10	23	10	6	9	6	7	
	Leasable floor area (㎡)	5,889.32	4,379.66	3,323.73	4,390.27	3,068.36	1,814.56	1,947.84	3,793.02	3,833.19	3,100.22	6,623.33	3,074.47	2,724.35	3,019.93	2,805.35
	Leased floor area (㎡)	5,889.32	4,379.66	3,323.73	4,390.27	3,068.36	1,814.56	1,713.85	3,793.02	3,833.19	3,100.22	6,255.35	3,074.47	2,724.35	2,564.52	2,434.22
	Occupancy ratio															
	As of April 30, 2014	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	88.0%	100.0%	100.0%	100.0%	94.4%	100.0%	100.0%	84.9%	86.8%
	As of October 31, 2013	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	76.2%	100.0%	100.0%	88.7%	91.1%	83.4%	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%	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%	100.0%
	As of April 30, 2012	94.6%	100.0%	100.0%	98.3%	100.0%	100.0%	100.0%	100.0%	100.0%	95.0%	100.0%	100.0%	100.0%	100.0%	99.5%
	As of October 31, 2011	85.2%	100.0%	100.0%	84.1%	100.0%	100.0%	100.0%	100.0%	100.0%	98.7%	95.0%	96.2%	100.0%	100.0%	100.0%
	As of April 30, 2011	71.8%	100.0%	100.0%	100.0%	100.0%	100.0%	93.5%	100.0%	100.0%	100.0%	84.7%	100.0%	100.0%	100.0%	100.0%
	As of October 31, 2010	100.0%	100.0%	100.0%	96.5%	100.0%	100.0%	100.0%	91.9%	98.5%	93.9%	72.7%	83.4%	100.0%	100.0%	100.0%
As of April 30, 2010	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	77.1%	100.0%	97.1%	100.0%	84.1%	100.0%	100.0%	100.0%	100.0%	
As of October 31, 2009	100.0%	100.0%	93.1%	91.3%	100.0%	100.0%	100.0%	86.7%	100.0%	100.0%	93.3%	100.0%	100.0%	100.0%	100.0%	
Income and Retained Earnings Information for the 18th Fiscal Per	Operating periods	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	
	①Rental and other operating revenues (¥ Thousands)	196,833	111,758	119,385	88,966	106,871	75,482	48,420	141,010	103,854	78,862	170,919	125,601	91,445	80,776	50,263
	Rental revenues	179,719	100,504	103,225	73,042	97,550	68,300	44,133	121,078	89,201	68,370	139,523	109,940	82,929	71,556	43,350
	Other operating revenues	17,114	11,253	16,160	15,923	9,321	7,182	4,286	19,931	14,652	10,491	31,396	15,661	8,515	9,219	6,913
	②Property-related expenses (¥ Thousands)	55,055	31,797	33,561	28,086	24,543	18,132	15,191	40,230	33,176	26,664	61,656	34,854	26,888	22,438	37,698
	Property management fees	15,923	11,028	11,504	9,279	6,757	5,201	4,932	10,022	13,115	8,276	16,749	9,183	6,997	6,989	5,549
	Taxes	20,579	8,932	8,658	7,553	7,977	5,722	4,062	16,870	7,336	7,026	12,297	11,009	8,928	6,265	9,417
	Utilities	15,751	9,390	9,772	9,303	6,361	5,323	4,300	11,801	10,489	6,696	19,244	10,146	6,429	7,396	4,907
	Repairs and maintenance costs	1,158	666	2,309	685	1,127	736	1,241	414	1,580	2,688	787	633	131	875	9,361
	Insurance	214	143	132	161	99	54	57	149	141	105	221	111	86	95	105
	Trust fees and other expenses	1,427	1,636	1,185	1,103	2,220	1,093	597	972	513	1,871	12,356	3,771	4,315	815	8,357
	③NOI (=①-②) (¥ Thousands)	141,777	79,961	85,824	60,879	82,328	57,350	33,228	100,780	70,677	52,197	109,263	90,747	64,556	58,337	12,564
	④Depreciation (¥ Thousands)	27,436	26,908	19,124	15,441	9,364	6,414	8,227	19,655	19,375	17,801	35,763	19,113	22,878	17,419	8,898
⑤Rental operating income (=③-④) (¥ Thousands)	114,340	53,053	66,699	45,437	72,963	50,935	25,001	81,124	51,302	34,395	73,499	71,633	41,677	40,917	3,665	
⑥Capital expenditures (¥ Thousands)	2,494	1,417	-	-	-	530	1,963	3,832	240	1,070	10,301	6,688	690	6,805	92,137	
⑦NCF (=⑤-⑥) (¥ Thousands)	139,282	78,543	85,824	60,879	82,328	56,820	31,265	96,947	70,437	51,127	98,961	84,058	63,866	51,531	△79,573	
Expense ratio (=⑥/⑤)	28.0%	28.5%	28.1%	31.6%	23.0%	24.0%	31.4%	28.5%	31.9%	33.8%	36.1%	27.8%	29.4%	27.8%	75.0%	
Property tax for the year 2014 or 2013 (¥ Thousands)	41,127	17,864	17,316	15,108	15,955	11,445	8,109	33,740	14,662	14,011	24,226	22,017	17,857	12,531	18,809	
Among ② of property management fee (Leasing management fees) (¥ Thousands)	6,910	3,912	4,187	3,058	3,861	2,710	1,666	4,934	3,561	2,674	5,718	4,415	3,183	2,839	1,282	
Reference : Percentage of rental and other operating revenues	3.51%	3.50%	3.51%	3.44%	3.61%	3.59%	3.44%	3.50%	3.43%	3.39%	3.35%	3.52%	3.48%	3.51%	2.55%	
Long-term repairs, maintenance and renovation																
Estimated amount of 1st yr to 12th yr (¥ Thousands)	214,470	107,050	158,190	141,400	160,510	71,790	80,430	180,970	160,670	134,170	217,670	147,940	135,060	120,000	133,340	
Reference : Amount of yearly avg.	17,872	8,920	13,182	11,783	13,375	5,982	6,702	15,080	13,389	11,180	18,139	12,328	11,255	10,000	11,111	

【Reference】 Earnings Performance for the Individual Properties for the 18th Fiscal Period (November 1, 2013 to April 30, 2014) : 181days ※As of April 30, 2014

Type	Office Buildings															
Location	Tokyo Metropolitan Area															
Property No.	A022	A026	A027	A028	A029	A030	A031	A032	A033	A034	A035	A037	A038	A039	A040	
Property Name	KDX Shin-Yokohama Building	KDX Kiba Building	KDX Kajicho Building	KDX Nogizaka 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 Toranomon Building	Toranomon Toyo Building	
Acquisition Date	May 1, 2006	June 20, 2006	July 3, 2006	July 14, 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	April 17, 2007	June 1, 2007	
Price Information	Acquisition price (¥ Millions)	2,520	1,580	2,350	1,065	2,950	4,200	1,400	6,090	2,000	1,305	1,155	6,400	1,500	4,400	9,850
	Percentage of total portfolio	0.7%	0.5%	0.7%	0.3%	0.9%	1.2%	0.4%	1.8%	0.6%	0.4%	0.3%	1.9%	0.4%	1.3%	2.9%
	Net book value (¥ Millions)	2,375	1,520	2,342	1,106	3,127	4,019	1,369	6,164	2,092	1,225	1,262	6,544	1,560	4,741	9,811
	Appraisal value at the end of period (¥ Millions)	2,160	1,380	2,280	683	3,370	3,810	1,140	4,570	1,880	1,070	979	6,320	1,140	3,440	10,500
	Percentage of total appraisal value	0.7%	0.4%	0.7%	0.2%	1.1%	1.2%	0.4%	1.4%	0.6%	0.3%	0.3%	2.0%	0.4%	1.1%	3.3%
Lease Information	Number of tenants	18	6	10	6	6	5	7	10	2	11	8	7	9	7	9
	Leasable floor area (㎡)	4,788.04	2,455.43	2,564.65	1,251.40	5,930.96	3,881.58	2,008.74	5,997.36	1,792.54	2,746.89	2,178.61	5,880.71	1,593.60	1,966.56	6,499.63
	Leased floor area (㎡)	4,505.86	2,162.48	2,564.65	1,251.40	5,930.96	3,881.58	2,008.74	5,997.36	1,792.54	2,746.89	2,178.61	5,880.71	1,593.60	1,966.56	6,299.81
	Occupancy ratio															
	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%	96.9%
	As of October 31, 2013	92.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	92.9%	100.0%	89.0%	100.0%	100.0%	100.0%	100.0%	96.9%
	As of April 30, 2013	92.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	79.1%	100.0%	95.7%	100.0%	100.0%	100.0%	100.0%	96.9%
	As of October 31, 2012	95.4%	100.0%	100.0%	78.1%	100.0%	100.0%	100.0%	82.8%	100.0%	86.0%	100.0%	90.1%	100.0%	100.0%	96.9%
	As of April 30, 2012	97.9%	100.0%	100.0%	100.0%	99.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	88.6%	100.0%	95.1%
	As of October 31, 2011	93.1%	100.0%	100.0%	100.0%	83.3%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of April 30, 2011	93.1%	100.0%	100.0%	56.2%	100.0%	100.0%	84.3%	100.0%	100.0%	100.0%	100.0%	100.0%	87.6%	100.0%	100.0%
As of October 31, 2010	74.0%	100.0%	84.2%	78.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	96.4%	100.0%	87.6%	100.0%	95.4%	
As of April 30, 2010	86.3%	100.0%	75.1%	78.1%	100.0%	100.0%	100.0%	97.3%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	93.9%	
As of October 31, 2009	93.1%	100.0%	94.3%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	85.6%	100.0%	100.0%	89.3%	95.4%	
Income and Retained Earnings Information for the 18th Fiscal Per	Operating periods	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	
	①Rental and other operating revenues (¥ Thousands)	94,962	41,028	77,070	23,515	137,080	142,563	48,336	117,260	67,152	48,712	50,573	187,164	45,726	102,949	302,935
	Rental revenues	81,675	35,064	69,529	19,683	114,448	122,007	38,470	106,685	58,613	42,012	43,383	175,355	40,292	96,629	290,780
	Other operating revenues	13,286	5,963	7,541	3,831	22,632	20,555	9,865	10,574	8,538	6,700	7,190	11,808	5,434	6,319	12,155
	②Property-related expenses (¥ Thousands)	28,628	17,150	20,568	10,314	45,006	33,129	15,077	39,590	16,000	19,797	16,280	41,675	14,123	23,309	67,130
	Property management fees	10,581	4,533	7,048	3,053	13,172	11,244	4,361	12,217	5,730	6,073	4,836	11,708	4,640	6,523	20,052
	Taxes	6,560	4,745	5,333	3,536	13,445	9,064	3,136	11,300	2,920	3,629	4,071	14,662	4,278	9,174	27,374
	Utilities	9,014	4,291	5,777	2,966	15,264	9,351	6,916	9,952	4,708	5,165	5,543	13,730	4,436	4,374	14,670
	Repairs and maintenance costs	391	1,549	261	585	636	2,990	452	771	969	1,772	828	36	328	1,623	3,317
	Insurance	143	70	79	39	200	135	68	170	48	95	66	198	55	61	224
	Trust fees and other expenses	1,937	1,960	2,069	133	2,287	343	143	5,177	1,624	3,062	933	1,339	384	1,552	1,490
③NOI (=①-②) (¥ Thousands)	66,334	23,877	56,501	13,201	92,074	109,433	33,258	77,669	51,151	28,915	34,292	145,489	31,603	79,640	235,805	
④Depreciation (¥ Thousands)	22,279	12,007	12,805	5,683	19,957	28,964	9,474	30,661	8,114	14,148	10,552	27,278	6,810	13,019	12,284	
⑤Rental operating income (=③-④) (¥ Thousands)	44,054	11,870	43,696	7,517	72,117	80,468	23,784	47,008	43,037	14,767	23,740	118,211	24,793	66,621	223,521	
⑥Capital expenditures (¥ Thousands)	-	3,351	-	252	1,732	-	-	665	778	93,418	630	-	1,249	-	3,147	
⑦NCF (=⑤-⑥) (¥ Thousands)	66,334	20,525	56,501	12,949	90,342	109,433	33,258	77,004	50,373	△64,503	33,662	145,489	30,353	79,640	232,658	
Expense ratio (=⑥/①)	30.1%	41.8%	26.7%	43.9%	32.8%	23.2%	31.2%	33.8%	23.8%	40.6%	32.2%	22.3%	30.9%	22.6%	22.2%	
Property tax for the year 2014 or 2013 (¥ Thousands)	12,792	9,491	10,650	7,065	26,890	18,130	6,275	22,602	5,841	7,110	7,941	29,324	8,558	18,324	54,748	
Among ② of property management fee (Leasing management fees) (¥ Thousands)	3,291	1,324	2,725	749	4,676	5,142	1,665	3,978	2,414	1,584	1,731	6,788	1,578	3,726	10,994	
Reference : Percentage of rental and other operating revenues	3.47%	3.23%	3.54%	3.19%	3.41%	3.61%	3.45%	3.39%	3.60%	3.25%	3.42%	3.63%	3.45%	3.62%	3.63%	
Long-term repairs, maintenance and renovation																
Estimated amount of 1st yr to 12th yr (¥ Thousands)	152,030	93,650	87,590	49,950	149,280	133,200	113,920	169,180	55,430	147,990	100,380	249,810	74,560	75,680	286,720	
Reference : Amount of yearly avg.	12,669	7,804	7,299	4,162	12,440	11,100	9,493	14,098	4,619	12,332	8,365	20,817	6,213	6,306	23,893	

【Reference】

Earnings Performance for the Individual Properties for the 18th Fiscal Period (November 1, 2013 to April 30, 2014) : 181days ※As of April 30, 2014

Type	Office Buildings																
Location	Tokyo Metropolitan Area																
Property No.	A041	A045	A046	A047	A048	A049	A050	A051	A052	A055	A056	A057	A059	A060	A061	A062	
Property Name	KDX Shinjuku 286 Building	KDX Roppongi 228 Building	Hiei Kudan-Kita Building	KDX Shin-Yokohama 381 Building	KDX Kawasaki-Ekimae Hon-cho Building	Nissou Dai-17 Building	Ikejiri-Oohashi Building	KDX Hamacho Nakanohashi Building	KDX Kanda Misaki-cho Building	Shin-toshin Maruzen Building	KDX Jimbocho Building	KDX Gobancho Building	KDX Iwamoto-cho Building	KDX Harumi Building	KDX Hamamatsucho Dai-2 Building	Koishikawa TG Building	
Acquisition Date	June 1, 2007	January 10, 2008	February 1, 2008	February 1, 2008	February 1, 2008	February 1, 2008	February 1, 2008	February 1, 2008	February 1, 2008	February 29, 2008	March 31, 2008	March 31, 2008	May 1, 2008	June 30, 2008	September 1, 2008	November 18, 2009	
Price Information	Acquisition price (¥ Millions)	2,300	3,300	7,600	5,800	3,760	2,710	2,400	2,310	1,380	2,110	2,760	1,951	1,864	10,250	2,200	3,080
	Percentage of total portfolio	0.7%	1.0%	2.3%	1.7%	1.1%	0.8%	0.7%	0.7%	0.4%	0.6%	0.8%	0.6%	0.6%	3.0%	0.7%	0.9%
	Net book value (¥ Millions)	2,359	3,423	7,581	5,724	3,686	2,567	2,420	2,305	1,364	2,130	2,870	1,949	1,751	9,409	2,269	3,084
	Appraisal value at the end of period (¥ Millions)	2,300	2,120	7,560	4,010	2,990	1,570	1,510	1,800	959	1,570	1,980	1,380	1,350	8,470	1,890	3,250
Lease Information	Percentage of total appraisal value	0.7%	0.7%	2.4%	1.3%	0.9%	0.5%	0.5%	0.6%	0.3%	0.5%	0.6%	0.4%	0.4%	2.7%	0.6%	1.0%
	Number of tenants	8	7	14	43	1	9	7	9	5	5	3	7	10	8	8	5
	Leasable floor area (㎡)	2,444.89	1,910.88	6,897.59	8,131.47	5,124.98	2,730.85	2,456.72	2,239.13	1,330.06	1,912.28	2,321.80	1,649.47	1,529.91	9,294.00	1,954.23	3,945.54
	Leased floor area (㎡)	2,444.89	1,409.84	6,897.59	8,131.47	5,124.98	2,730.85	2,244.16	2,239.13	809.19	1,912.28	2,321.80	1,649.47	1,529.91	6,709.44	1,954.23	3,945.54
	Occupancy ratio																
	As of April 30, 2014	100.0%	73.8%	100.0%	100.0%	100.0%	100.0%	91.3%	100.0%	60.8%	100.0%	100.0%	100.0%	100.0%	72.2%	100.0%	100.0%
	As of October 31, 2013	100.0%	63.1%	100.0%	99.2%	100.0%	81.7%	91.3%	100.0%	73.7%	100.0%	100.0%	100.0%	100.0%	71.2%	87.5%	100.0%
	As of April 30, 2013	100.0%	54.4%	100.0%	100.0%	100.0%	46.7%	91.3%	100.0%	100.0%	100.0%	100.0%	85.7%	100.0%	72.2%	100.0%	100.0%
	As of October 31, 2012	100.0%	54.4%	100.0%	91.7%	100.0%	86.4%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	70.3%	87.6%	100.0%
	As of April 30, 2012	100.0%	65.1%	91.4%	91.5%	100.0%	86.4%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	70.3%	87.6%	100.0%
	As of October 31, 2011	100.0%	65.1%	98.8%	93.0%	100.0%	86.4%	54.9%	100.0%	100.0%	81.2%	100.0%	100.0%	100.0%	88.9%	100.0%	100.0%
	As of April 30, 2011	100.0%	65.1%	95.9%	89.5%	100.0%	86.4%	74.4%	100.0%	100.0%	74.8%	100.0%	100.0%	100.0%	98.2%	100.0%	100.0%
	As of October 31, 2010	100.0%	65.1%	85.3%	100.0%	100.0%	94.9%	91.3%	93.0%	86.9%	100.0%	94.4%	85.7%	100.0%	98.2%	100.0%	100.0%
As of April 30, 2010	100.0%	65.1%	91.9%	100.0%	100.0%	94.9%	100.0%	100.0%	100.0%	100.0%	85.0%	85.7%	100.0%	98.2%	87.5%	100.0%	
As of October 31, 2009	100.0%	52.4%	100.0%	100.0%	100.0%	100.0%	91.3%	100.0%	100.0%	100.0%	100.0%	85.7%	75.0%	100.0%	100.0%	-	
Income and Retained Earnings Information for the 18th Fiscal Per	Operating periods	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	
	①Rental and other operating revenues (¥ Thousands)	83,698	39,678	243,638	169,358	101,567	50,496	60,974	67,421	22,624	57,599	67,653	42,261	45,722	162,881	56,553	129,653
	Rental revenues	70,252	34,963	219,023	142,837	93,138	40,556	48,120	55,439	20,620	49,324	60,949	38,127	42,530	141,704	50,944	107,782
	Other operating revenues	13,445	4,715	24,615	26,520	8,429	9,940	12,854	11,981	2,004	8,275	6,704	4,133	3,192	21,176	5,609	21,870
	②Property-related expenses (¥ Thousands)	24,712	22,500	90,075	47,979	33,100	23,985	19,138	18,786	10,376	16,450	22,201	12,619	10,092	79,372	18,251	43,947
	Property management fees	7,201	4,436	30,888	12,983	12,754	6,647	5,816	6,993	3,181	6,371	5,021	4,181	3,784	29,622	4,429	14,134
	Taxes	8,000	7,137	24,708	12,868	7,238	5,183	6,220	5,503	2,480	4,590	6,783	4,114	3,019	18,113	7,970	9,898
	Utilities	7,570	5,112	19,312	18,831	11,802	6,141	5,481	5,295	2,069	4,635	5,505	3,171	2,720	24,495	4,441	15,166
	Repairs and maintenance costs	382	400	4,917	1,039	317	2,131	734	84	928	139	4,589	1,001	289	3,651	1,092	3,566
	Insurance	93	54	266	245	168	97	85	89	40	63	73	46	40	312	60	155
	Trust fees and other expenses	1,465	5,359	9,983	2,011	818	3,784	801	820	1,678	650	228	103	237	3,177	257	1,027
③NOI (=①-②) (¥ Thousands)	58,985	17,177	153,562	121,378	68,467	26,511	41,835	48,635	12,247	41,148	45,451	29,641	35,629	83,508	38,302	85,705	
④Depreciation (¥ Thousands)	9,631	5,272	17,360	48,595	31,042	15,836	11,442	12,322	4,264	7,919	9,302	10,626	13,259	77,745	5,049	14,763	
⑤Rental operating income (=③-④) (¥ Thousands)	49,354	11,905	136,202	72,783	37,424	10,674	30,393	36,312	7,982	33,229	36,148	19,014	22,370	5,763	33,253	70,941	
⑥Capital expenditures (¥ Thousands)	-	2,510	160	1,760	12,623	2,656	840	-	595	-	1,019	-	780	180	-	-	
⑦NCF (=⑤-⑥) (¥ Thousands)	58,985	14,667	153,402	119,618	55,844	23,854	40,995	48,635	11,652	41,148	44,432	29,641	34,849	83,328	38,302	85,705	
Reference	Expense ratio (=②/①)	29.5%	56.7%	37.0%	28.3%	32.6%	47.5%	31.4%	27.9%	45.9%	28.6%	32.8%	29.9%	22.1%	48.7%	32.3%	33.9%
	Property tax for the year 2014 or 2013 (¥ Thousands)	16,000	14,259	49,415	24,937	14,488	10,264	12,441	11,007	4,961	9,757	13,569	8,230	6,041	36,225	15,942	19,782
	Among ② of property management fee (Leasing management fees) (¥ Thousands)	2,911	1,160	8,106	5,933	3,470	1,571	2,098	2,368	711	2,015	2,308	1,467	1,660	5,028	1,935	4,395
	Reference : Percentage of rental and other operating revenues	3.48%	2.92%	3.33%	3.50%	3.42%	3.11%	3.44%	3.51%	3.15%	3.50%	3.41%	3.47%	3.63%	3.09%	3.42%	3.39%
	Long-term repairs, maintenance and renovation																
Estimated amount of 1st yr to 12th yr (¥ Thousands)	143,300	80,070	328,200	204,910	157,210	96,640	120,300	98,820	51,480	92,540	93,860	61,480	26,050	114,460	75,220	230,330	
Reference : Amount of yearly avg.	11,941	6,672	27,350	17,075	13,100	8,053	10,025	8,235	4,290	7,711	7,821	5,123	2,170	9,538	6,268	19,194	

[Reference]

Earnings Performance for the Individual Properties for the 18th Fiscal Period (November 1, 2013 to April 30, 2014) : 181days ※As of April 30, 2014

Type		Office Buildings															
Location		Tokyo Metropolitan Area															
Property No.	A063	A064	A066	A067	A068	A071	A072	A073	A074	A075	A078	A083	A084	A085	A086	A087	A088
Property Name	Gotanda TG Building	KDX Nihonbashi 216 Building	KDX Shinjuku Building	KDX Ginza Ichome Building	KDX Nihonbashi Honcho Building	KDX Iidabashi Building	KDX Higashi-Shinagawa Building	KDX Hakozaki Building	KDX Shin-Nihonbashi Building	KDX Nihonbashi Kabutocho Building	KDX Tachikawa Ekimae Building	KDX Fuchu Building	KDX Kasuga Building	KDX Nakameguro Building	KDX Omiya Building	Itopia Nihonbashi SA Building	Welship Higashi-Shinjuku
Acquisition Date	November 18, 2009	December 1, 2009	February 18, 2010	November 12, 2010	November 12, 2010	July 22, 2011	July 22, 2011	July 22, 2011	July 22, 2011	December 26, 2011	December 26, 2011	September 21, 2012	September 21, 2012	September 21, 2012	March 26, 2013	August 19, 2013	September 13, 2013
Price Information	Acquisition price (¥ Millions)	2,620	2,010	6,800	4,300	4,000	4,670	4,590	2,710	2,300	11,270	1,267	6,120	2,800	1,880	2,020	2,200
	Percentage of total portfolio	0.8%	0.6%	2.0%	1.3%	1.2%	1.4%	1.4%	0.8%	0.7%	3.4%	0.4%	1.8%	0.8%	0.6%	0.6%	0.7%
	Net book value (¥ Millions)	2,767	1,928	6,897	4,265	3,988	4,638	4,853	2,831	2,219	11,435	1,311	6,123	2,846	1,895	2,245	2,218
	Appraisal value at the end of period (¥ Millions)	2,620	1,890	6,710	5,080	4,330	5,140	4,770	2,890	2,520	11,700	1,390	6,700	3,390	2,260	2,430	2,280
Lease Information	Percentage of total appraisal value	0.8%	0.6%	2.1%	1.6%	1.4%	1.6%	1.5%	0.9%	0.8%	3.7%	0.4%	2.1%	1.1%	0.8%	0.7%	
	Number of tenants	10	8	18	4	8	5	4	7	9	7	5	34	14	6	18	12
	Leasable floor area (㎡)	3,161.80	1,615.20	5,836.69	3,573.59	3,998.39	4,429.25	7,110.62	3,992.60	2,658.79	7,562.93	1,612.13	10,151.48	4,344.41	2,681.29	3,816.33	3,106.42
	Leased floor area (㎡)	3,161.80	1,615.20	5,160.28	3,573.59	3,998.39	4,429.25	5,456.15	3,137.88	2,658.79	7,562.93	1,612.13	9,907.27	4,344.41	2,681.29	3,816.33	2,518.07
	Occupancy ratio																
	As of April 30, 2014	100.0%	100.0%	88.4%	100.0%	100.0%	100.0%	76.7%	78.6%	100.0%	100.0%	100.0%	97.6%	100.0%	100.0%	100.0%	81.1%
	As of October 31, 2013	100.0%	100.0%	88.3%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.8%	100.0%	100.0%	97.4%	100.0%	95.1%	100.0%
	As of April 30, 2013	100.0%	100.0%	96.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	13.4%	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%	100.0%	100.0%	100.0%	100.0%	98.2%	95.7%	100.0%	-	-
	As of April 30, 2012	100.0%	100.0%	97.7%	100.0%	100.0%	100.0%	89.2%	100.0%	100.0%	100.0%	100.0%	-	-	-	-	-
	As of October 31, 2011	80.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	83.3%	100.0%	-	-	-	-	-	-	-
	As of April 30, 2011	80.0%	100.0%	100.0%	100.0%	100.0%	-	-	-	-	-	-	-	-	-	-	-
	As of October 31, 2010	77.1%	75.0%	93.7%	-	-	-	-	-	-	-	-	-	-	-	-	-
	As of April 30, 2010	57.8%	87.5%	93.8%	-	-	-	-	-	-	-	-	-	-	-	-	-
	As of October 31, 2009	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Income and Retained Earnings Information for the 18th Fiscal Per	Operating periods	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days
①Rental and other operating revenues (¥ Thousands)		94,985	53,034	218,050	147,283	126,684	164,955	166,704	92,621	79,075	190,897	63,554	296,887	123,615	82,092	109,505	99,756
Rental revenues		85,866	48,533	183,801	139,489	118,020	148,303	143,240	83,701	72,296	160,873	54,697	265,662	112,598	71,234	94,641	88,261
Other operating revenues		9,118	4,500	34,248	7,793	8,663	16,652	23,464	8,919	6,779	30,024	8,857	31,225	11,017	10,857	14,864	11,494
②Property-related expenses (¥ Thousands)		26,825	15,244	78,004	34,785	34,584	41,743	53,953	30,841	23,451	83,198	18,967	88,847	34,682	23,529	39,430	20,915
Property management fees		7,769	5,000	21,357	9,690	9,080	11,291	15,468	7,010	6,734	21,762	5,111	29,054	11,432	6,772	9,313	10,499
Taxes		8,498	4,504	27,838	12,437	14,721	10,558	16,122	11,914	7,214	31,074	7,015	24,698	11,211	5,323	8	5
Utilities		7,869	3,462	23,016	8,518	7,306	17,848	19,811	8,472	7,094	25,144	4,762	31,573	8,217	5,979	12,394	7,210
Repairs and maintenance costs		632	299	1,942	488	170	956	1,020	2,045	1,518	3,899	1,230	1,896	1,880	4,606	16,274	2,429
Insurance		119	53	273	125	125	146	232	167	96	312	72	417	159	92	140	142
Trust fees and other expenses	1,936	1,923	3,576	3,525	3,181	942	1,299	1,230	794	1,005	774	1,207	1,781	755	1,298	628	
③NOI (=①-②) (¥ Thousands)	68,160	37,790	140,046	112,497	92,100	123,212	112,751	61,780	55,623	107,698	44,587	208,040	88,932	58,563	70,074	78,841	
④Depreciation (¥ Thousands)	13,229	11,346	16,936	11,622	9,742	15,859	25,768	22,087	22,138	71,939	3,629	44,076	18,766	8,680	11,385	8,010	
⑤Rental operating income (=③-④) (¥ Thousands)	54,930	26,443	123,109	100,875	82,357	107,352	86,983	39,692	33,484	35,759	40,958	163,963	70,166	49,883	58,688	70,830	
⑥Capital expenditures (¥ Thousands)	1,180	-	63,601	-	630	870	5,598	2,931	-	10,831	3,874	11,031	198	3,195	119,022	579	
⑦NCF (=⑤-⑥) (¥ Thousands)	66,980	37,790	76,444	112,497	91,470	122,342	107,153	58,848	55,623	96,867	40,712	197,009	88,734	55,368	Δ48,947	78,261	
Reference	Expense ratio (=⑥/⑤)	28.2%	28.7%	35.8%	23.6%	27.3%	25.3%	32.4%	33.3%	29.7%	43.6%	29.8%	29.9%	28.1%	28.7%	36.0%	
	Property tax for the year 2014 or 2013 (¥ Thousands)	16,996	9,009	55,676	24,840	29,441	21,116	32,203	23,829	14,428	62,149	13,757	49,167	22,423	10,646	13,459	
	Among ② of property management fee (Leasing management fees) (¥ Thousands)	3,329	1,853	7,308	5,301	4,464	5,880	5,703	3,151	2,748	6,093	2,206	10,304	4,337	2,870	3,664	
	Reference : Percentage of rental and other operating revenues	3.51%	3.50%	3.35%	3.60%	3.52%	3.57%	3.42%	3.40%	3.48%	3.19%	3.47%	3.47%	3.51%	3.50%	3.35%	
Long-term repairs, maintenance and renovation																	
Estimated amount of 1st yr to 12th yr (¥ Thousands)	207,750	31,190	362,230	80,690	82,180	117,560	256,450	255,430	102,390	549,760	121,540	442,330	204,470	173,340	210,300		
Reference : Amount of yearly avg.	17,312	2,599	30,185	6,724	6,848	9,796	21,370	21,285	8,532	45,813	10,128	36,860	17,039	14,445	17,525		

【Reference】 Earnings Performance for the Individual Properties for the 18th Fiscal Period (November 1, 2013 to April 30, 2014) : 181days ※As of April 30, 2014

Type	Office Buildings																		
Location	Tokyo Metropolitan Area						Other Regional Areas												
Property No.	A089	A090	A091	A092	A093	A094	A012	A024	A025	A042	A044	A053	A054	A058	A069	A070	A079		
Property Name	KDX Takanawadai Building	KDX Ikebukuro Building	KDX Mita Building	KDX Akihabara Building	Aptus Tokyo Building	KDX Musashi-Kosugi Building	Portus Center Building	KDX Minami Semba Dai-1 Building	KDX Minami Semba Dai-2 Building	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	November 19, 2013	November 18, 2013	November 18, 2013	November 19, 2013	January 10, 2014	March 20, 2014	September 21, 2005	May 1, 2006	May 1, 2006	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)	5,250	3,900	3,180	2,600	4,350	12,000	5,570	1,610	1,560	5,400	2,100	4,900	2,220	7,550	2,870	2,005	7,327	
	Percentage of total portfolio	1.6%	1.2%	0.9%	0.8%	1.3%	3.6%	1.7%	0.5%	0.5%	1.6%	0.6%	1.5%	0.7%	2.2%	0.9%	0.6%	2.2%	
	Net book value (¥ Millions)	5,292	3,892	3,186	2,610	4,571	12,043	4,396	1,486	1,327	5,294	2,095	4,724	2,143	7,220	2,544	2,038	7,977	
	Appraisal value at the end of period (¥ Millions)	5,430	4,260	3,470	2,770	4,580	12,500	4,760	983	978	5,030	1,440	3,320	1,530	4,840	2,680	2,050	7,710	
Lease Information	Percentage of total appraisal value	1.7%	1.3%	1.1%	0.9%	1.4%	4.0%	1.5%	0.3%	0.3%	1.6%	0.5%	1.0%	0.5%	1.5%	0.8%	0.6%	2.4%	
	Number of tenants	7	10	9	7	1	4	28	13	18	38	30	51	11	15	13	20	19	
	Leasable floor area (㎡)	6,952.41	3,110.56	3,416.30	2,288.93	4,487.22	12,978.52	11,533.14	3,106.73	2,697.65	8,744.01	3,958.39	9,917.35	3,995.50	6,923.12	7,072.23	3,788.51	7,932.43	
	Leased floor area (㎡)	6,655.14	3,110.56	3,021.57	2,288.93	4,487.22	12,442.16	11,127.20	2,834.08	1,904.19	8,744.01	3,636.75	9,496.09	3,708.71	6,923.12	7,072.23	3,703.78	7,932.43	
	Occupancy ratio																		
	As of April 30, 2014	95.7%	100.0%	88.4%	100.0%	100.0%	95.9%	96.5%	91.2%	70.6%	100.0%	91.9%	95.8%	92.8%	100.0%	100.0%	97.8%	100.0%	
	As of October 31, 2013	-	-	-	-	-	-	95.8%	90.4%	82.2%	94.3%	91.5%	93.9%	92.8%	100.0%	100.0%	89.8%	100.0%	
	As of April 30, 2013	-	-	-	-	-	-	98.6%	82.9%	94.1%	98.3%	96.8%	94.9%	92.8%	100.0%	93.5%	94.4%	100.0%	
	As of October 31, 2012	-	-	-	-	-	-	89.5%	77.7%	100.0%	99.2%	93.8%	93.3%	92.8%	100.0%	91.3%	100.0%	93.8%	
	As of April 30, 2012	-	-	-	-	-	-	89.5%	86.0%	90.4%	100.0%	96.7%	86.0%	89.2%	100.0%	95.6%	100.0%	92.8%	
	As of October 31, 2011	-	-	-	-	-	-	90.1%	94.7%	94.3%	99.2%	87.4%	84.4%	100.0%	95.6%	100.0%	100.0%	-	
	As of April 30, 2011	-	-	-	-	-	-	95.8%	95.6%	100.0%	94.2%	99.1%	75.4%	92.8%	93.7%	91.0%	100.0%	-	
	As of October 31, 2010	-	-	-	-	-	-	93.9%	83.1%	100.0%	93.2%	98.7%	80.6%	96.4%	90.3%	-	-	-	
	As of April 30, 2010	-	-	-	-	-	-	88.5%	83.1%	94.1%	93.9%	92.8%	86.2%	96.4%	90.3%	-	-	-	
	As of October 31, 2009	-	-	-	-	-	-	88.5%	84.4%	82.1%	86.1%	96.6%	94.4%	96.4%	72.3%	-	-	-	
	Income and Retained Earnings Information for the 18th Fiscal Per	Operating periods	163days	164days	164days	163days	111days	42days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days
Reference	①Rental and other operating revenues (¥ Thousands)	148,772	116,193	100,529	70,711	103,305	85,860	289,199	48,024	43,274	201,179	84,478	169,109	76,650	186,615	174,599	85,892	317,871	
	Rental revenues	133,165	103,817	78,143	64,552	100,708	83,615	239,707	37,481	32,716	174,978	71,430	145,782	61,675	163,875	158,650	70,628	274,490	
	Other operating revenues	15,607	12,376	22,386	6,159	2,596	2,244	49,491	10,542	10,557	26,200	13,047	23,326	14,974	22,739	15,948	15,264	43,380	
	②Property-related expenses (¥ Thousands)	31,214	21,530	18,918	12,466	10,580	14,728	130,838	20,678	16,933	64,079	28,390	53,997	28,173	59,586	86,089	34,144	130,196	
	Property management fees	13,638	9,904	8,643	4,883	9,483	7,112	76,028	6,198	5,138	19,959	11,347	14,383	7,609	17,968	15,257	9,252	31,256	
	Taxes	19	18	7	36	42	1	22,816	6,560	5,311	20,813	6,787	10,073	4,609	20,438	11,648	8,673	35,983	
	Utilities	15,337	10,145	7,582	6,488	-	2,573	21,687	6,319	5,193	18,710	8,364	22,927	9,750	15,362	15,462	13,183	28,156	
	Repairs and maintenance costs	1,376	299	403	472	794	-	6,692	452	460	950	472	909	343	4,863	18	887	32,908	
	Insurance	202	92	108	68	117	72	1,923	105	91	288	141	299	114	252	263	148	368	
	Trust fees and other expenses	640	1,070	2,173	518	141	4,969	1,690	1,043	738	3,357	1,277	5,403	5,745	701	43,439	1,999	1,522	
③NOI (=①-②) (¥ Thousands)	117,558	94,662	81,610	58,244	92,725	71,131	158,361	27,345	26,340	137,099	56,087	115,111	48,476	127,028	88,509	51,748	187,674		
④Depreciation (¥ Thousands)	7,392	27,037	10,464	10,882	9,483	33,913	51,548	13,839	11,619	30,070	19,575	36,261	14,656	71,732	53,331	16,670	32,997		
⑤Rental operating income (=③-④) (¥ Thousands)	110,165	67,625	71,146	47,362	83,241	37,218	106,812	13,505	14,720	107,029	36,512	78,849	33,820	55,296	35,178	35,077	154,676		
⑥Capital expenditures (¥ Thousands)	11,542	850	300	400	-	-	324	1,680	-	3,535	2,229	8,063	160	2,915	1,434	4,224	183,732		
⑦NCF (=⑤-⑥) (¥ Thousands)	106,016	93,812	81,310	57,844	92,725	71,131	158,036	25,665	26,340	133,564	53,858	107,047	48,316	124,113	87,075	47,524	3,941		
Expense ratio (=⑥/①)	21.0%	18.5%	18.8%	17.6%	10.2%	17.2%	45.2%	43.1%	39.1%	31.9%	33.6%	31.9%	36.8%	31.9%	49.3%	39.8%	41.0%		
Property tax for the year 2014 or 2013 (¥ Thousands)	36,552	15,022	19,755	6,791	26,239	47,374	45,117	12,850	10,187	41,418	13,221	20,206	9,115	40,633	22,609	16,929	71,244		
Among ② of property management fee (Leasing management fees) (¥ Thousands)	5,435	4,303	3,717	2,631	4,000	3,203	9,133	1,538	1,420	6,903	2,868	5,800	2,553	6,400	5,369	2,809	10,317		
Reference : Percentage of rental and other operating revenues	3.65%	3.70%	3.70%	3.72%	3.87%	3.73%	3.16%	3.20%	3.28%	3.43%	3.40%	3.43%	3.33%	3.43%	3.08%	3.27%	3.25%		
Long-term repairs, maintenance and renovation																			
Estimated amount of 1st yr to 12th yr (¥ Thousands)	551,213	72,362	180,220	117,070	384,169	140,030	527,651	140,130	122,820	262,560	223,960	185,690	136,270	95,450	87,340	202,790	737,870		
Reference : Amount of yearly avg.	45,934	6,030	15,018	9,755	32,014	11,669	43,970	11,677	10,235	21,880	18,663	15,474	11,355	7,954	7,278	16,899	61,489		

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

[Reference]

Earnings Performance for the Individual Properties for the 18th Fiscal Period (November 1, 2013 to April 30, 2014) : 181days ※As of April 30, 2014

Type	Office Buildings			Residential Properties		Central Urban Retail Properties			Other	Total of 89 Properties	
Location	Other Regional Areas			Tokyo Metropolitan Area	Other Regional Areas	Tokyo Metropolitan Area			Tokyo Metropolitan Area		
Property No.	A080	A081	A082	B019	B018	C001	C002	C004	D002		
Property Name	Nagoya Nikko Shoken Building	Sendai Nikko Building	KDX Higashi Umeda Building	Residence Charmante Tsukushima	Venus Hibarigaoka	Frame Jimnan-zaka	KDX Yoyogi Building	Ginza 4chome Tower	Shinjuku 6chome Building (Land)		
Acquisition Date	December 26, 2011	December 26, 2011	March 28, 2012	May 1, 2006	December 8, 2005	August 1, 2005	September 30, 2005	August 19, 2013	April 18, 2014		
Price Information	Acquisition price (¥ Millions)	4,158	950	2,770	5,353	1,800	9,900	2,479	9,800	2,880	336,163
	Percentage of total portfolio	1.2%	0.3%	0.8%	1.6%	0.5%	2.9%	0.7%	2.9%	0.9%	100.0%
	Net book value (¥ Millions)	4,235	1,046	2,749	4,801	1,724	9,585	2,510	9,820	2,973	332,883
	Appraisal value at the end of period (¥ Millions)	4,060	1,030	3,400	4,710	1,570	9,600	1,980	11,000	2,900	316,442
	Percentage of total appraisal value	1.3%	0.3%	1.1%	1.5%	0.5%	3.0%	0.6%	3.5%	0.9%	100.0%
Lease Information	Number of tenants	10	5	11	1	113	11	11	4	1	1,064
	Leasable floor area (㎡)	7,993.37	2,538.40	4,986.24	7,711.14	12,829.64	4,653.40	1,177.00	5,624.23	1,355.13	386,659.01
	Leased floor area (㎡)	7,635.37	2,226.50	4,986.24	7,711.14	12,019.45	4,479.62	1,177.00	5,624.23	1,355.13	371,149.66
	Occupancy ratio										
	As of April 30, 2014	95.5%	87.7%	100.0%	100.0%	93.7%	96.3%	100.0%	100.0%	100.0%	96.0%
	As of October 31, 2013	98.0%	87.7%	100.0%	100.0%	94.2%	100.0%	100.0%	100.0%	-	95.8%
	As of April 30, 2013	98.0%	75.4%	100.0%	100.0%	96.3%	100.0%	100.0%	-	-	93.9%
	As of October 31, 2012	98.0%	75.4%	95.5%	100.0%	96.1%	100.0%	100.0%	-	-	95.5%
	As of April 30, 2012	92.7%	75.4%	95.5%	100.0%	95.0%	100.0%	100.0%	-	-	95.4%
	As of October 31, 2011	-	-	-	100.0%	99.5%	100.0%	100.0%	-	-	94.7%
	As of April 30, 2011	-	-	-	100.0%	96.7%	100.0%	100.0%	-	-	94.6%
As of October 31, 2010	-	-	-	100.0%	92.4%	100.0%	94.8%	-	-	93.6%	
As of April 30, 2010	-	-	-	100.0%	96.3%	100.0%	87.2%	-	-	94.4%	
As of October 31, 2009	-	-	-	100.0%	96.5%	93.6%	100.0%	-	-	94.7%	
Operating periods	181days	181days	181days	181days	181days	181days	181days	181days	181days	13days	173days
Income and Retained Earnings Information for the 18th Fiscal Per	①Rental and other operating revenues (¥ Thousands)	196,960	57,048	130,598	149,844	90,038	269,625	69,075	275,484	4,911	10,223,818
	Rental revenues	172,857	48,321	111,559	132,064	79,304	242,172	60,231	245,603	4,911	8,979,406
	Other operating revenues	24,102	8,726	19,039	17,780	10,734	27,453	8,844	29,881	-	1,244,412
	②Property-related expenses (¥ Thousands)	77,774	20,334	37,413	40,826	41,881	63,547	14,744	52,552	1	3,173,788
	Property management fees	26,803	6,343	9,581	18,662	7,957	18,787	4,504	19,724	-	1,002,782
	Taxes	26,809	6,710	12,409	10,010	7,621	15,722	4,278	-	1	830,255
	Utilities	19,809	5,383	13,921	1,875	2,647	19,790	4,804	27,481	-	906,976
	Repairs and maintenance costs	2,819	1,192	500	2,085	13,602	6,980	-	2,420	-	190,703
	Insurance	363	100	194	275	296	148	36	191	-	14,514
	Trust fees and other expenses	1,170	603	804	7,916	9,757	2,119	1,121	2,734	-	228,556
③NOI (=①-②) (¥ Thousands)	119,185	36,713	93,185	109,018	48,157	206,078	54,331	222,932	4,910	7,050,030	
④Depreciation (¥ Thousands)	13,333	6,536	35,374	45,881	21,451	58,635	9,230	34,753	-	1,802,626	
⑤Rental operating income (=③-④) (¥ Thousands)	105,851	30,176	57,811	63,137	26,705	147,443	45,100	188,178	4,910	5,247,404	
⑥Capital expenditures (¥ Thousands)	138	1,155	-	380	519	510	-	300	-	709,226	
⑦NCF (=⑤-⑥) (¥ Thousands)	119,047	35,558	93,185	108,638	47,638	205,568	54,331	222,632	4,910	6,340,803	
Reference	Expense ratio (=②/①)	39.5%	35.6%	28.6%	27.2%	46.5%	23.6%	21.3%	19.1%	0.0%	31.0%
	Property tax for the year 2014 or 2013 (¥ Thousands)	52,828	13,593	23,160	20,021	14,923	31,427	8,557	41,836	11,596	1,904,824
	Among ② of property management fee (Leasing management fees) (¥ Thousands)	6,451	1,913	4,567	4,557	2,820	9,708	2,518	10,171	-	351,601
	Reference : Percentage of rental and other operating revenues	3.28%	3.35%	3.50%	3.04%	3.13%	3.60%	3.65%	3.69%	0.00%	3.44%
	Long-term repairs, maintenance and renovation										
Estimated amount of 1st yr to 12th yr (¥ Thousands)	413,140	181,590	107,610	301,520	339,440	82,330	39,160	161,290	-	15,620,745	
Reference : Amount of yearly avg.	34,428	15,132	8,967	25,126	28,286	6,860	3,263	13,440	-	1,301,728	

#Total: Cost-weighted average management period (days)

(Reference) Borrowings

Borrowings on a financial institution basis as of April 30, 2014 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 Payable	Mitsubishi UFJ Trust and Banking Corporation	January 31, 2013	1,200,000	-	0.646	January 31, 2014	Full on maturity	(Note 2)	Unsecured/ Unguaranteed
	Mizuho Bank, Ltd.	August 19, 2013	1,000,000	-	0.548	November 29, 2013			
	Mizuho Trust and Banking Co., Ltd.	August 19, 2013	1,000,000	-	0.598	November 29, 2013			
	Sumitomo Mitsui Banking Corporation (Note 3)	August 19, 2013	1,000,000	-	0.694	February 19, 2014			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note 4)	September 13, 2013	1,000,000	-	0.568	March 13, 2014			
	Aozora Bank, Ltd. (Note 4)	September 13, 2013	900,000	-	0.568	March 13, 2014			
	Mitsubishi UFJ Trust and Banking Corporation	October 31, 2013	3,000,000	3,000,000	0.548	October 31, 2014			
	Sumitomo Mitsui Banking Corporation	January 10, 2014	-	3,000,000	0.577	July 10, 2014			
	Sub Total		9,100,000	6,000,000					
Current Portion of Long-Term Payable	Sumitomo Mitsui Trust Bank, Limited	July 30, 2010	3,700,000	-	1.660	January 31, 2014	Full on maturity	(Note 2)	Unsecured/ Unguaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	November 12, 2010	1,500,000	-	1.584	November 12, 2013			
	Sumitomo Mitsui Trust Bank, Limited	November 12, 2010	800,000	-	1.584	November 12, 2013			
	Aozora Bank, Ltd.	November 12, 2010	400,000	-	1.584	November 12, 2013			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	December 1, 2010	500,000	-	1.242	November 12, 2013			
	Sumitomo Mitsui Trust Bank, Limited	December 1, 2010	200,000	-	1.242	November 12, 2013			
	Aozora Bank, Ltd.	December 1, 2010	100,000	-	1.242	November 12, 2013			
	Sumitomo Mitsui Banking Corporation	January 31, 2011	1,300,000	-	1.570	January 31, 2014			
	Sumitomo Mitsui Trust Bank, Limited	September 30, 2011	2,500,000	-	1.161	March 31, 2014			
	Aozora Bank, Ltd.	March 12, 2012	2,250,000	-	0.925	March 12, 2014			
	Development Bank of Japan Inc.	March 12, 2012	1,800,000	-	0.925	March 12, 2014			
	Sumitomo Mitsui Banking Corporation	March 12, 2012	1,800,000	-	0.925	March 12, 2014			
	Sumitomo Mitsui Trust Bank, Limited	March 12, 2012	450,000	-	0.925	March 12, 2014			
	Mitsubishi UFJ Trust and Banking Corporation	July 13, 2011	1,000,000	1,000,000	1.535	July 14, 2014			
	Sumitomo Mitsui Banking Corporation	July 30, 2010	3,700,000	3,700,000	1.731	July 31, 2014			
	Sumitomo Mitsui Banking Corporation	July 29, 2011	2,200,000	2,200,000	1.021	July 31, 2014			
	Sumitomo Mitsui Trust Bank, Limited	July 29, 2011	1,000,000	1,000,000	1.021	July 31, 2014			
	Resona Bank, Ltd.	July 29, 2011	300,000	300,000	1.398	July 31, 2014			
	Sumitomo Mitsui Trust Bank, Limited	September 1, 2011	1,000,000	1,000,000	1.149	August 29, 2014			
	Sumitomo Mitsui Trust Bank, Limited	March 22, 2011	2,700,000	2,700,000	1.630	September 22, 2014			
	Mizuho Trust and Banking Co., Ltd.	September 30, 2011	1,000,000	1,000,000	1.270	September 30, 2014			
	Development Bank of Japan Inc.	December 26, 2011	2,500,000	2,500,000	1.239	October 31, 2014			
	Sumitomo Mitsui Banking Corporation	December 26, 2011	2,000,000	2,000,000	1.261	October 31, 2014			
	Resona Bank, Ltd.	December 26, 2011	2,000,000	2,000,000	1.261	October 31, 2014			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	December 26, 2011	1,000,000	1,000,000	1.261	October 31, 2014			
	Sumitomo Mitsui Banking Corporation (Note 5*6)	January 29, 2010	1,008,000	984,000	2.173	January 30, 2015			
	Mitsubishi UFJ Trust and Banking Corporation (Note 6)	January 31, 2012	1,500,000	1,500,000	1.190	January 30, 2015			
	Sumitomo Mitsui Banking Corporation (Note 6*7)	February 18, 2010	1,840,000	1,782,500	2.190	February 18, 2015			
	Development Bank of Japan Inc. (Note 6*7)	February 18, 2010	1,360,000	1,317,500	2.190	February 18, 2015			
	Sumitomo Mitsui Trust Bank, Limited (Note 6*7)	February 18, 2010	800,000	775,000	2.190	February 18, 2015			
	Aozora Bank, Ltd. (Note 6*7)	February 18, 2010	400,000	387,500	2.190	February 18, 2015			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note 6)	August 31, 2011	1,500,000	1,500,000	0.969	February 17, 2015			
	Mizuho Bank, Ltd. (Note 6)	March 12, 2012	1,000,000	1,000,000	1.075	March 12, 2015			
	Sumitomo Mitsui Banking Corporation (Note 6)	September 30, 2011	2,500,000	2,500,000	1.289	March 31, 2015			
Sumitomo Mitsui Banking Corporation (Note 6*8)	April 2, 2010	1,650,000	1,600,000	2.220	April 2, 2015				
Aozora Bank, Ltd. (Note 6)	October 31, 2012	2,500,000	2,500,000	1.008	April 30, 2015				
	Sub Total		53,758,000	36,246,500					
Long-Term Payable	Development Bank of Japan Inc.	May 1, 2006	5,000,000	5,000,000	2.731	April 30, 2016	Full on maturity	(Note 2)	Unsecured/ Unguaranteed
	Sumitomo Mitsui Banking Corporation	November 12, 2010	1,200,000	1,200,000	1.789	November 12, 2015			
	Resona Bank, Ltd.	November 12, 2010	800,000	800,000	1.789	November 12, 2015			
	Development Bank of Japan Inc.	November 12, 2010	2,300,000	2,300,000	2.023	November 12, 2017			
	Sumitomo Mitsui Banking Corporation	December 1, 2010	800,000	800,000	1.423	November 12, 2015			
	Resona Bank, Ltd.	December 1, 2010	200,000	200,000	1.423	November 12, 2015			
	Development Bank of Japan Inc.	December 1, 2010	700,000	700,000	2.206	November 12, 2017			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	January 31, 2011	800,000	800,000	1.939	January 29, 2016			
	Aozora Bank, Ltd.	February 28, 2011	3,000,000	3,000,000	1.912	August 31, 2015			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	February 28, 2011	500,000	500,000	1.952	January 29, 2016			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	March 31, 2011	2,000,000	2,000,000	1.905	January 29, 2016			
	Resona Bank, Ltd.	March 31, 2011	1,000,000	1,000,000	1.272	March 31, 2016			
	Aozora Bank, Ltd.	April 28, 2011	1,500,000	1,500,000	1.859	October 31, 2015			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	April 28, 2011	1,000,000	1,000,000	1.886	January 29, 2016			
	Sumitomo Mitsui Banking Corporation	December 26, 2011	2,500,000	2,500,000	1.338	October 31, 2015			
	Development Bank of Japan Inc.	December 26, 2011	2,500,000	2,500,000	1.315	October 31, 2015			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	December 26, 2011	2,000,000	2,000,000	1.338	October 31, 2015			
	Sumitomo Mitsui Banking Corporation	December 26, 2011	2,500,000	2,500,000	1.439	October 31, 2016			
	Development Bank of Japan Inc.	December 26, 2011	2,500,000	2,500,000	1.415	October 31, 2016			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	December 26, 2011	2,000,000	2,000,000	1.439	October 31, 2016			
	Sumitomo Mitsui Banking Corporation	January 10, 2012	2,500,000	2,500,000	1.269	January 29, 2016			
	The Bank of Fukuoka, Ltd.	March 28, 2012	500,000	500,000	1.364	March 28, 2017			
	Sumitomo Mitsui Banking Corporation	March 28, 2012	1,400,000	1,400,000	1.770	March 28, 2019			
	Development Bank of Japan Inc.	March 28, 2012	1,000,000	1,000,000	1.770	March 28, 2019			
	Sumitomo Mitsui Trust Bank, Limited	March 30, 2012	2,000,000	2,000,000	1.211	September 30, 2015			
	Aozora Bank, Ltd.	April 27, 2012	1,000,000	1,000,000	1.271	October 30, 2015			
	Resona Bank, Ltd.	June 29, 2012	1,500,000	1,500,000	1.286	June 30, 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			
	Aozora Bank, Ltd.	October 31, 2012	2,500,000	2,500,000	1.061	October 31, 2016			
	Sumitomo Mitsui Trust Bank, Limited	October 31, 2012	1,500,000	1,500,000	1.045	October 31, 2016			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	October 31, 2012	2,500,000	2,500,000	1.096	October 31, 2017			

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 Payable	Aozora Bank, Ltd.	October 31, 2012	2,500,000	2,500,000	1.253	October 31, 2018	Full on maturity	(Note 2)	Unsecured/ Unguaranteed
	Resona Bank, Ltd.	December 10, 2012	500,000	500,000	0.983	December 12, 2016			
	Development Bank of Japan Inc.	December 28, 2012	2,000,000	2,000,000	1.013	December 28, 2016			
	The Bank of Fukuoka, Ltd.	December 28, 2012	500,000	500,000	1.086	December 28, 2017			
	Mizuho Trust and Banking Co., Ltd.	December 28, 2012	500,000	500,000	1.086	December 29, 2017			
	Sumitomo Mitsui Trust Bank, Limited	January 15, 2013	1,000,000	1,000,000	0.974	January 15, 2017			
	Aozora Bank, Ltd.	February 18, 2013	1,500,000	1,500,000	0.840	February 18, 2016			
	Resona Bank, Ltd.	March 26, 2013	1,000,000	1,000,000	1.036	March 26, 2018			
	Sumitomo Mitsui Banking Corporation	March 26, 2013	1,000,000	1,000,000	1.036	March 26, 2018			
	Mitsubishi UFJ Trust and Banking Corporation	April 30, 2013	1,000,000	1,000,000	0.721	April 30, 2016			
	Mitsubishi UFJ Trust and Banking Corporation	July 31, 2013	1,500,000	1,500,000	0.621	July 29, 2016			
	Resona Bank, Ltd.	July 31, 2013	500,000	500,000	0.721	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 and Banking Co., Ltd.	August 19, 2013	500,000	500,000	0.950	August 19, 2018			
	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, Ltd.	October 31, 2013	500,000	500,000	0.887	October 31, 2018			
	Sumitomo Mitsui Trust Bank, Limited	November 12, 2013	-	1,000,000	0.820	November 12, 2018			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	November 12, 2013	-	2,000,000	1.074	November 12, 2020			
	Aozora Bank, Ltd.	November 12, 2013	-	500,000	1.074	November 12, 2020			
	Mizuho Bank, Ltd.	November 29, 2013	-	200,000	0.844	November 30, 2018			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	November 29, 2013	-	1,000,000	1.122	November 30, 2020			
	Aozora Bank, Ltd.	November 29, 2013	-	900,000	1.122	November 30, 2020			
	Sumitomo Mitsui Banking Corporation	January 10, 2014	-	1,300,000	1.205	January 31, 2021			
	Mitsubishi UFJ Trust and Banking Corporation	January 31, 2014	-	1,200,000	0.667	January 31, 2017			
	Sumitomo Mitsui Trust Bank, Limited	January 31, 2014	-	3,700,000	0.932	January 31, 2020			
	Sumitomo Mitsui Banking Corporation	January 31, 2014	-	2,300,000	1.130	January 31, 2021			
	Aozora Bank, Ltd.	March 12, 2014	-	2,250,000	0.751	March 12, 2018			
	Sumitomo Mitsui Trust Bank, Limited	March 12, 2014	-	450,000	0.781	2019/3/31			
	Sumitomo Mitsui Banking Corporation	March 12, 2014	-	1,800,000	0.916	March 12, 2020			
	Development Bank of Japan Inc.	March 12, 2014	-	1,800,000	1.358	March 12, 2023			
	Sumitomo Mitsui Banking Corporation	March 20, 2014	-	3,000,000	0.912	March 12, 2020			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	March 20, 2014	-	4,000,000	1.013	September 20, 2021			
	Development Bank of Japan Inc.	March 20, 2014	-	3,000,000	1.199	March 20, 2022			
	Development Bank of Japan Inc.	March 20, 2014	-	2,000,000	1.349	March 12, 2023			
	Sumitomo Mitsui Trust Bank, Limited	March 31, 2014	-	2,500,000	0.762	March 31, 2019			
	Sumitomo Mitsui Banking Corporation	April 22, 2014	-	2,900,000	0.954	October 31, 2020			
		Sub Total		81,400,000	119,200,000				
	Total		144,258,000	161,446,500					

Notes:

- The average interest rate is the weighted-average interest rate for the fiscal period. The Investment Corporation entered into interest-rate swap transactions with the aim of minimizing the risk of future increase in interest rates. The effect of interest-rate swap transactions has been incorporated into calculations for the weighted-average interest rate.
- Funds procured through borrowings were used to acquire real estate or trust beneficiary interests in real estate and to repay borrowings.
- Early repayment was made on January 13, 2014.
- Early repayment was made on November 29, 2013.
- Repayment Method: April 30, 2010 to October 31, 2014: repayment of 24,000 thousand yen every 6 months, and January 30, 2015: repayment of 960,000 thousand yen
- Borrowings listed in the current portion of long-term payable were listed in long-term payable in the previous fiscal period.
- Repayment Method: February 26, 2010 to August 31, 2014: repayment of 137,500 thousand yen every 6 months, and February 18, 2015: repayment of 4,125,000 thousand yen
- Repayment Method: August 31, 2010 to February 28, 2015: repayment of 50,000 thousand yen every 6 months, and April 2, 2015: repayment of 1,500,000 thousand yen