

Translation of Japanese Original

FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED JULY 31, 2015(REIT)

(February 1, 2015 to July 31, 2015)

September 10, 2015

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

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

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Planned submission of semiannual securities report: October 29, 2015

Planned start of distribution payments: October 13, 2015

Preparing presentation material: Yes

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

(Amounts are rounded down to the nearest ¥million)

1. PERFORMANCE FOR THE FISCAL PERIOD ENDED JULY 31, 2015 (SEVENTH FISCAL PERIOD)

(1) Business Results

(Percentages show period-on-period changes)

	Operating Revenues (Millions of Yen)		Operating Income (Millions of Yen)		Ordinary Income (Millions of Yen)		Net Income (Millions of Yen)	
The seventh fiscal period ended July 31, 2015	5,302	(25.0)%	2,814	(26.8)%	2,305	(32.5)%	2,254	(29.6)%
The sixth fiscal period ended January 31, 201	4,241	(13.3)%	2,218	(19.5)%	1,740	(19.3)%	1,739	(19.3)%

	Net Income per Unit	Return on Unitholders' Equity	[Reference] (annualized)	Ordinary Income to Total Assets	[Reference] (annualized)	Ordinary Income to Operating Revenues
The seventh fiscal period ended July 31, 2015	6,485 Yen	3.2%	6.4%	1.6%	3.2%	43.5%
The sixth fiscal period ended January 31, 201	6,258 Yen	3.2%	6.3%	1.4%	2.9%	41.0%

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(2) Distribution

	Distributions per Unit Excluding Excess of Earnings (Yen)	Total Distribution (Millions of Yen)	Distributions in Excess of Earnings per Unit (Yen)	Total Distributions in Excess of Earnings (Millions of Yen)	Payout Ratio	Distribution Ratio to Unitholders' Equity
The seventh fiscal period ended July 31, 2015	6,247	2,180	0	0	% 96.7	% 2.8
The sixth fiscal period ended January 31, 201	6,232	1,739	0	0	% 100.0	% 3.0

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

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

Note2 Of the 124 million yen in gain on sale of real estate property, the full amount after taxation, about 73 million yen, will be allocated to internal reserves so that the total distributions for the 7th fiscal period are the amounts after considering the allocation, differing from the amount of net income.

(3) Financial Position

	Total Assets (Millions of Yen)	Unitholders' Equity (Millions of Yen)	Unitholders' Equity to Total Assets	Unitholders' Equity per Share of Common Stock (Yen)
As of July 31, 2015	158,655	82,383	% 51.9	235,996
As of January 31, 2015	132,335	58,852	% 44.5	210,849

(4) Cash Flow Position

	Cash Flow from Operating Activities (Millions of Yen)	Cash Flow from Investing Activities (Millions of Yen)	Cash Flow from Financing Activities (Millions of Yen)	Cash and Cash Equivalents at the End of the Period (Millions of Yen)
The seventh fiscal period ended July 31, 2015	4,329	-25,210	23,555	8,724
The sixth fiscal period ended January 31, 201	2,401	-22,289	21,581	6,050

2. FORECAST OF RESULTS FOR THE FISCAL PERIOD ENDING July 31, 2015 (August 1, 2015 to January 31, 2016)

(Percentages show period-on-period changes)

	Operating Revenues (Millions of Yen) (%)	Operating Income (Millions of Yen) (%)	Ordinary Income (Millions of Yen) (%)	Net Income (Millions of Yen) (%)	Distribution per Unit Excluding Excess of Earnings (Yen)	Distribution in Excess of Earnings per Unit (Yen)
The eighth fiscal period ending January 31, 2016	5,182 (-2.3)	2,668 (-5.2)	2,136 (-7.3)	2,136 (-5.2)	6,120	0

(Reference) Estimated net income per unit for the fiscal period ending January 31, 2016: ¥6,120

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3. OTHER

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

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

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

- (a) Number of investment units issued and outstanding at the end of the period (including treasury units)
As of January 31, 2015: 279,122 units As of July 31, 2015: 349,089 units
- (b) Number of treasury units at the end of the period
As of January 31, 2015: 0 units As of July 31, 2015: 0 units

[Provisional Translation Only]

English translation of the original Japanese document is provided solely for information purposes. Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.

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

	(in thousands of yen)	
	Sixth Fiscal Period (As of January 31, 2015)	Seventh Fiscal Period (As of July 31, 2015)
Assets		
Current assets		
Cash and deposits	3,061,917	5,058,517
Cash and deposits in trust	2,988,577	3,666,427
Operating accounts receivable	44,654	18,522
Prepaid expenses	11,249	4,000
Deferred tax assets	17	195
Consumption taxes receivable	56,429	35,168
Other	13,522	1,756
Total current assets	6,176,378	8,784,588
Noncurrent assets		
Property, plant and equipment		
Land	2,787,376	1,798,041
Buildings in trust	51,759,151	61,497,744
Accumulated depreciation	-2,158,714	-2,945,300
Buildings in trust, net	49,600,436	58,552,444
Structures in trust	330,640	384,396
Accumulated depreciation	-38,747	-50,866
Structures in trust, net	291,893	333,529
Machinery and equipment in trust	801,885	1,234,055
Accumulated depreciation	-62,886	-90,545
Machinery and equipment in trust, net	738,999	1,143,510
Tools, furniture and fixtures in trust	34,003	53,369
Accumulated depreciation	-975	-1,694
Tools, furniture and fixtures in trust, net	33,027	51,675
Land in trust	71,228,748	86,993,349
Total property, plant and equipment, net	124,680,482	148,872,550
Investments and other assets		
Investment securities	725,632	132,897
Lease and guarantee deposits	10,950	10,950
Long-term prepaid expenses	609,773	668,909
Other	2,777	-
Total investments and other assets	1,349,133	812,758
Total noncurrent assets	126,029,616	149,685,308
Deferred assets		
Deferred organization costs	18,811	13,597
Investment unit issuance costs	110,802	171,999
Total deferred assets	129,614	185,596
Total assets	132,335,609	158,655,493

	(in thousands of yen)	
	Sixth Fiscal Period	Seventh Fiscal Period
	(As of July 31, 2014)	(As of July 31, 2015)
Liabilities		
Current liabilities		
Operating accounts payable	323,754	301,810
Short-term loans payable	3,200,000	3,200,000
Current portion of long-term loans payable	12,000,000	9,000,000
Accounts payable-other	140,139	192,209
Accrued expenses	16,159	14,495
Income taxes payable	697	42,141
Advances received	581,255	707,793
Deposits received	45,493	56,019
Total current liabilities	16,307,500	13,514,469
Noncurrent liabilities		
Long-term loans payable	55,900,000	61,300,000
Tenant leasehold and security deposits in trust	1,275,387	1,457,261
Total noncurrent liabilities	57,175,387	62,757,261
Total liabilities	73,482,887	76,271,730
Net assets		
Unitholders' equity		
Unitholders' capital	57,121,702	80,132,379
Surplus		
Unappropriated retained earnings (undisposed loss)	1,739,608	2,254,662
Total surplus	1,739,608	2,254,662
Total unitholders' equity	58,861,310	82,387,041
Valuation and translation adjustments		
Deferred gains or losses on hedges	-8,589	-3,278
Total valuation and translation adjustments	-8,589	-3,278
Total net assets	*1 58,852,721	*1 82,383,762
Total liabilities and net assets	132,335,609	158,655,493

(2) Statements of Income and Retained Earnings

	(in thousands of yen)			
	Sixth Fiscal Period		Seventh Fiscal Period	
	August 1, 2014 to		February 1, 2015 to	
	January 31, 2015		July 31, 2015	
Operating revenues				
Rent revenue-real estate	*1	3,852,327	*1	4,735,880
Other lease business revenue	*1	314,913	*1	434,129
Gain on sale of real estate property		-	*2	124,110
Dividends income		74,275		8,333
Total operating revenues		4,241,516		5,302,453
Operating expenses				
Expenses related to rent business	*1	1,583,002	*1	1,952,263
Asset management fees		256,342		318,705
Asset custody fees		4,800		9,175
Administrative service fees		22,574		32,723
Directors' compensation		4,500		4,500
Other operating expenses		151,500		171,066
Total operating expenses		2,022,720		2,488,434
Operating income		2,218,796		2,814,018
Non-operating income				
Interest income		193		210
Interest on refund		8		115
Total non-operating income		201		325
Non-operating expenses				
Interest expenses		306,867		335,705
Derivatives-related expenses		11,991		7,496
Borrowing expenses		111,582		105,653
Amortization of deferred organization costs		5,300		5,214
Amortization of investment unit issuance costs		42,744		54,333
Total non-operating expenses		478,486		508,403
Ordinary income		1,740,511		2,305,941
Income before income taxes		1,740,511		2,305,941
Income taxes				
Current		958		51,577
Deferred		-4		-178
Total income taxes		954		51,399
Net income		1,739,557		2,254,542
Retained earnings brought forward		51		120
Unappropriated retained earnings (undisposed loss)		1,739,608		2,254,662

(3) Statements of Changes in Net Assets

Sixth Fiscal Period	August 1, 2014 to January 31, 2015						(in thousands of yen)
	Unitholders' equity			Valuation and translation adjustments			Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	Deferred gains and losses on hedges	Total valuation and translation adjustments	
Unappropriated retained earnings (undisposed loss)		Total surplus					
Balance at the beginning of current period	48,592,739	1,457,756	1,457,756	50,050,496	-13,429	-13,429	50,037,066
Changes of items during the period							
Issuance of investment units	8,528,962			8,528,962			8,528,962
Dividends from surplus		-1,457,705	-1,457,705	-1,457,705			-1,457,705
Net income		1,739,557	1,739,557	1,739,557			1,739,557
Net changes of items other than unitholders' equity					4,840	4,840	4,840
Total changes of items during the period	8,528,962	281,851	281,851	8,810,814	4,840	4,840	8,815,654
Balance at the end of current period *1	57,121,702	1,739,608	1,739,608	58,861,310	-8,589	-8,589	58,852,721

Seventh Fiscal Period	February 1, 2015 to July 31, 2015						(in thousands of yen)
	Unitholders' equity			Valuation and translation adjustments			Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	Deferred gains and losses on hedges	Total valuation and translation adjustments	
Unappropriated retained earnings (undisposed loss)		Total surplus					
Balance at the beginning of current period	57,121,702	1,739,608	1,739,608	58,861,310	-8,589	-8,589	58,852,721
Changes of items during the period							
Issuance of investment units	23,010,676			23,010,676			23,010,676
Dividends from surplus		-1,739,488	-1,739,488	-1,739,488			-1,739,488
Net income		2,254,542	2,254,542	2,254,542			2,254,542
Net changes of items other than unitholders' equity					5,310	5,310	5,310
Total changes of items during the period	23,010,676	515,054	515,054	23,525,731	5,310	5,310	23,531,041
Balance at the end of current period *1	80,132,379	2,254,662	2,254,662	32,387,041	-3,278	-3,278	32,383,762

(4) Distributions

	Sixth Fiscal Period (From August 1, 2014 to January 31, 2015)	Seventh Fiscal Period (From February 1, 2015 to July 31, 2015)
I. Retained earnings at the end of period	¥1,739,608,641	¥2,254,662,743
II. Total distributions	¥1,739,488,304	¥2,180,758,983
Distributions per unit	¥6,232	¥6,247
III. Retained earnings brought forward to the next period	¥120,337	¥73,903,760
Method of calculating distribution amount	In accordance with the policy described in Article 38-1 of its Articles of Incorporation, the Investment Corporation determines that the amount of distribution shall exceed the amount equivalent to 90% of its distributable profit as stipulated in Article 67-15 of the Special Taxation Measures Law, and shall be up to its profits as the maximum amount. Following this policy, the Investment Corporation has decided that it shall distribute ¥1,739,488,304 which is the maximum integral multiple to 279,122 units issued and outstanding as the distribution of earnings. Procedures for the distribution of amounts exceeding distributable income are outlined in Article 38-2 of the Investment Corporation's Articles of Incorporation. In the sixth fiscal period, the Investment Corporation has decided not to distribute cash in excess of distributable profit.	In accordance with the policy described in Article 38-1 of its Articles of Incorporation, the Investment Corporation determines that the amount of distribution shall exceed the amount equivalent to 90% of its distributable profit as stipulated in Article 67-15 of the Special Taxation Measures Law, and shall not exceed its accounting profits as the maximum amount. Following this policy, of the 124,110,143 yen in gain on sale of real estate property, net of tax, reported as unappropriated retained earnings will be allocated to internal reserves, and of the remaining amount, the Investment Corporation has decided that it shall distribute ¥2,180,758,983 which is the maximum integral multiple of 349,089 units issued and outstanding as the distribution of earnings. Procedures for the distribution of amounts exceeding distributable income are outlined in Article 38-2 of the Investment Corporation's Articles of Incorporation. In the seventh fiscal period, the Investment Corporation has decided not to distribute cash in excess of distributable profit.

(5) Statements of Cash Flows

	(in thousands of yen)	
	Sixth Fiscal Period	Seventh Fiscal Period
	August 1, 2014 to	February 1, 2015 to
	January 31, 2015	July 31, 2015
Net cash provided by (used in) operating activities		
Income before income taxes	1,740,511	2,305,941
Depreciation and amortization	659,451	827,083
Amortization of deferred organization costs	5,300	5,214
Amortization of investment unit issuance costs	42,744	54,333
Interest income	-193	-210
Interest expenses	306,867	335,705
Derivatives-related expenses	11,991	7,496
Decrease (increase) in operating accounts receivable	-24,362	26,132
Decrease (increase) in consumption taxes refund receivable	-56,429	21,261
Decrease (increase) in prepaid expenses	-7,462	7,249
Increase (decrease) in operating accounts payable	43,947	-47,989
Increase (decrease) in accounts payable-other	16,182	54,614
Increase (decrease) in accrued consumption taxes	-15,076	-
Increase (decrease) in advances received	74,141	126,538
Decrease (increase) in long-term prepaid expenses	-99,836	-59,136
Decrease in property and equipment in trust due to sale	-	989,335
Other, net	1,586	13,295
Subtotal	<u>2,699,363</u>	<u>4,666,865</u>
Interest income received	193	210
Interest expenses paid	-297,664	-337,369
Income taxes paid	-675	-697
Net cash provided by (used in) operating activities	<u>2,401,216</u>	<u>4,329,009</u>
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment in trust	-22,845,859	-25,985,200
Purchase of investment securities	-	-133,807
Proceeds from investment securities	407,347	726,542
Payments of lease and guarantee deposits	-117	-
Proceeds from collection of lease and guarantee deposits	150	-
Repayments of tenant leasehold and security deposits in trust	-99,026	-161,160
Proceeds from tenant leasehold and security deposits in trust	248,208	343,195
Net cash provided by (used in) investing activities	<u>-22,289,297</u>	<u>-25,210,430</u>
Net cash provided by (used in) financing activities		
Decrease in short-term loans payable	3,200,000	-
Increase in long-term loans payable	13,050,000	8,900,000
Decrease in long-term loans payable	-1,700,000	-6,500,000
Proceeds from issuance of investment units	8,488,322	22,895,146
Dividends paid	-1,457,047	-1,739,275
Net cash provided by (used in) financing activities	<u>21,581,275</u>	<u>23,555,870</u>
Net increase (decrease) in cash and cash equivalents	<u>1,693,194</u>	<u>2,674,449</u>
Cash and cash equivalents at the beginning of period	<u>4,357,300</u>	<u>6,050,495</u>
Cash and cash equivalents at the end of period	<u>*1 6,050,495</u>	<u>*1 8,724,944</u>

(6) Notes to the Going Concern

Not applicable

(7) Important Accounting Standards

1. Evaluation standards and evaluation method of assets	<p>Securities Other securities Those with no fair value Cost method through moving-average method Concerning anonymous association equity interests, the method of incorporating the amount equivalent to equity interests corresponding to net amount of gain or loss from anonymous association is adopted.</p>
2. Depreciation of fixed assets	<p>(1) Property, plant and equipment (includes trust assets) The straight-line method is applied. Useful lives of the assets ranging are as follows: Buildings: 3 to 62 years Structures: 3 to 45 years Machinery and equipment: 8 to 30 years Tools, furniture and fixtures: 30 years</p> <p>(2) Long-term prepaid expenses The straight-line method is applied.</p>
3. Accounting policies for deferred assets	<p>(1) Deferred organization costs Deferred organization costs are amortized over a period of 5 years under the straight-line method.</p> <p>(2) Unit issuance costs Unit issuance costs are amortized over a period of 3 years under the straight-line method.</p>
4. Accounting standards for revenues and expenses	<p>Property-related taxes including property taxes, city planning taxes and depreciable property taxes are imposed on properties on a calendar year basis. These taxes are generally charged to operating expenses for the period, for the portion of such taxes corresponding to said period. Under Japanese tax regulations, the seller of the property is liable for these taxes on the property from the date of disposal to the end of the calendar year in which the property is disposed. The seller, however, is reimbursed by the purchaser for these accrued property-related tax liabilities.</p> <p>When the Investment Corporation purchases properties, it typically allocates the portion of the property-related taxes related to the period following the purchase date of each property through the end of the calendar year. The amounts of those allocated portions of the property-related taxes are capitalized as part of the acquisition costs of the related properties. Capitalized property-related taxes amounted to ¥20,556 thousand and ¥87,363 thousand as of January 31, 2015 and July 31, 2015, respectively.</p>
5. Accounting for hedges	<p>(1) Hedge accounting method The deferred hedge method is applied. However, the special treatment is applied for the interest-rate swap agreements that meet the criteria.</p> <p>(2) Hedging instruments and risks hedged Hedge instruments The Investment Corporation enters into interest-rate swap transactions. The Investment Corporation enters into interest-rate cap transactions. Risks hedged Interest rates on debt.</p> <p>(3) Hedging policy The Investment Corporation enters into derivative transactions based on its risk management policies with the objective of hedging risks in accordance with its Articles of Incorporation.</p> <p>(4) Method of evaluating the effectiveness of hedging As for the method of assessment of the effectiveness of the hedge in the period from the inception of the hedge to the time of judgment of its effectiveness, the cumulative changes in cash flow of the hedged items and hedging instruments are compared and a judgment is made based on changed amount, etc. However, an assessment of the effectiveness of hedging activities is omitted in the case of interest rate swaps that meet the requirements for special treatment. Furthermore, assessment of the effectiveness of hedging activities is omitted in the case of interest rate caps that do not meet the requirements for special treatment as the important conditions regarding hedged items and hedging instruments are the same and are clearly expected to have the effect of limiting the impact of interest rate volatility within a certain range on an ongoing basis.</p>
6. The scope of cash and cash equivalents on statements of cash flows	<p>Cash and cash equivalents consist of cash on hand, deposits placed with banks and short-term investments which are highly liquid, readily convertible to cash and with insignificant risk of market value fluctuation, with maturities of three months or less from the date of purchase.</p>

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

(Notes to the Balance Sheets)

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

(in thousands of yen)	
As of January 31, 2015	As of July 31, 2015
50,000	50,000

(Notes to the Statements of Income and Retained Earnings)

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

(in thousands of yen)		
	From August 1, 2014 to January 31, 2015	From February 1, 2015 to July 31, 2015
Rental and other operating revenues:		
Rental revenues	3,574,539	4,417,740
Rental revenues from limited proprietary rights of land	78,309	66,790
Common area charges	199,478	251,349
Subtotal	3,852,327	4,735,880
Others:		
Parking space rental revenues	136,659	175,098
Miscellaneous	178,254	259,030
Subtotal	314,913	434,129
Total rental and other operating revenues	4,167,241	5,170,009
Property management fees and facility management fees	298,258	368,881
Utilities	88,866	99,443
Taxes	213,045	261,545
Repairs and maintenance	166,537	182,979
Insurance	6,678	8,324
Trust fees	34,879	38,691
Depreciation	659,451	827,083
Others	115,285	165,312
Total property-related expenses	1,583,002	1,952,263
Net operating income	2,584,238	3,217,746

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

Sixth Fiscal Period (From August 1, 2014 to January 31, 2015)

Not applicable.

Seventh Fiscal Period (From February 1, 2015 to July 31, 2015)

(Thousands of Yen)	
Nichii Home Tama Plaza	
(Land with leasehold interest)	
Revenue from sale of the investment property	1,120,000
Costs of the investment property	989,335
Other sales expenses	6,554
Gain on sale of real estate property	124,110

(Notes to the Statements of Changes in Net Assets)

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

	From August 1, 2014 to January 31, 2015	From February 1, 2015 to July 31, 2015
Total number of authorized investment units	5,000,000	5,000,000
Total number of investment units issued and outstanding	279,122	349,089

(Notes to the Statements of Cash Flow)

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

(in thousands of yen)

	As of January 31, 2015	As of July 31, 2015
Cash and deposits	3,061,917	5,058,517
Cash and deposits in trust	2,988,577	3,666,427
Cash and cash equivalents	6,050,495	8,724,944

(Notes to the Lease Transactions)

Operating lease transactions (Lessor)

Unearned lease payments

(in thousands of yen)

	As of January 31, 2015	As of July 31, 2015
Due in 1 year	685,381	692,766
Due after 1 year	6,609,000	5,193,660
Total	7,294,381	5,886,426

(Notes to the Financial Instruments)

(A). Overview

(1) Policy for financial instruments

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

(2) Types of financial instruments and related risk

Bank deposits are for managing the Investment Corporation's surplus funds and are exposed to credit risk such as the bankruptcy of financial institutions at which funds are deposited. Investment securities represent equity investments in an anonymous association and are exposed to credit risk of the issuer and interest rate fluctuation risk. Borrowings, which are made primarily for the purpose of procuring funds for the acquisition of real estate and trust beneficiary interests in real estate and have a repayment date of a maximum of 9 years and 9 months as of July 31, 2015, the end of the seventh fiscal period, are exposed to liquidity risk where alternative funds may not be procured by the repayment date. Also, borrowings with floating interest rates are exposed to interest rate fluctuation risk. Derivatives are used for the purpose of hedging interest rate fluctuation risk for a certain portion of the borrowings.

(3) Risk management for financial instruments

a. Credit risk

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

b. Market risk

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

c. Liquidity risk

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

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

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

(B). Estimated Fair Value of Financial Instruments

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

As of January 31, 2015

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

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

As of July 31, 2015

	Carrying amount	Estimated fair value	(in thousands of yen) Difference
(1) Cash and deposits	5,058,517	5,058,517	-
(2) Cash and deposits in trust	3,666,427	3,666,427	-
Subtotal	8,724,944	8,724,944	-
(1) Short-term loans payable	3,200,000	3,200,000	-
(2) Current portion of long-term loans payable	9,000,000	9,000,000	-
(3) Long-term loans payable	61,300,000	60,738,782	-561,217
Subtotal	73,500,000	72,938,782	-561,217
Derivative transactions	1,756	1,756	-

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

Assets

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

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

Liabilities

(1) Short-term loans payable

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

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

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

Derivative transactions

Please refer to “Notes to the Derivative Transactions”.

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

(in thousands of yen)

Classification	As of January 31, 2015	As of July 31, 2015
Investment securities *	725,632	132,897

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

Note 3: Redemption schedule for financial assets with maturities

As of January 31, 2015

(in thousands of yen)

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

As of July 31, 2015

(in thousands of yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Cash and deposits	5,058,517	-	-	-	-	-
Cash and deposits in trust	3,666,427	-	-	-	-	-
Total	8,724,944	-	-	-	-	-

Note 4: Redemption schedule for loans payable

As of January 31, 2015

(in thousands of yen)

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

As of July 31, 2015

(in thousands of yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Short-term loans payable	3,200,000	-	-	-	-	-
Long-term loans payable	9,000,000	8,500,000	11,000,000	11,000,000	1,500,000	29,300,000
Total	12,200,000	8,500,000	11,000,000	11,000,000	1,500,000	29,300,000

(Notes to the Derivative Transactions)

(1) Transactions not subject to hedge accounting

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

(2) Transactions subject to hedge accounting

As of January 31, 2015

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

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

As of July 31, 2015

Hedge accounting method	Type of derivative transactions	Hedged items	Contract amount (in thousands of yen)		Fair value (in thousands of yen)	Calculation method for applicable fair value
				Maturing after 1 year		
Accounting method, in principle	Interest rate cap transaction:	Long-term loans payable	3,500,000	-	1,756	Based on the amount provided by counterparty financial institutions
Special treatment of interest-rate swaps	Interest rate swap transaction: Receive/floating and pay/fixed	Long-term loans payable	56,800,000	56,800,000	*	-
Total			60,300,000	56,800,000	1,756	

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

(Notes to the Tax-Effect Accounting)

The significant components of deferred tax assets and liabilities:

	(in thousands of yen)	
	As of January 31, 2015	As of July 31, 2015
Deferred tax assets:		
Enterprise tax payable	17	4,025
Deferred gains or losses on hedges	2,933	1,059
Subtotal deferred tax assets	2,950	5,084
Valuation allowance	-2,933	-4,889
Total deferred tax assets	17	195

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

	From August 1, 2014 to January 31, 2015	From February 1, 2015 to July 31, 2015
Statutory tax rate	34.16%	37.11%
Deductible cash distributions	-34.14	-35.10
Others	0.03	0.22
Effective tax rate	0.05%	2.23%

(Notes to the Related-Party Transactions)

1 . Parent Company, major corporate unitholders and other

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

2 . Affiliated companies and other

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

3 . Fellow subsidiary companies and other

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

4 . Directors, major individual unitholders and other

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

(Notes to the Investment and Rental Properties)

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

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

		(in thousands of yen)	
		Sixth Fiscal Period from August 1, 2014 to January 31, 2015	Seventh Fiscal Period from February 1, 2015 to July 31, 2015
Book value	Balance at the beginning of period	102,505,448	124,680,482
	Changes during the period	22,175,033	24,192,067
	Balance at the end of period	124,680,482	148,872,550
Fair value at the end of period		135,048,000	163,849,000

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

Note 2: Among changes in the amount of real estate for rental purposes that occurred during the sixth fiscal period, principal increases were the acquisition of real estate trust beneficiary interests in 11 properties totaling ¥22,772,392 thousand and the principal decrease was depreciation ¥659,451 thousand and during the seventh fiscal period, principal increases were the acquisition of real estate trust beneficiary interests in 12 properties totaling ¥25,861,908 thousand and the principal decrease was the disposition of real estate trust in 1 property totaling ¥989,335 depreciation ¥827,083 thousand.

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

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

(Notes to the Segment Information)

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

(A) Segment information

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

(B) Related information

(1) Information about each product and service

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

(2) Information about each geographic area

(a) Net sales

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

(b) Property, plant and equipment

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

(3) Information about each major customer

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

(Notes to the Per Unit Information)

	From August 1, 2014 to January 31, 2015	From February 1, 2015 to July 31, 2015
Net asset value per unit	¥210,849	¥235,996
Net income per unit	¥6,258	¥6,485
Weighted average number of units (units)	277,932	347,610

Note 1: The weighted average number of units outstanding of 277,932 and 347,610 were used for the computation of the amount of net income per unit for the periods ended January 31, 2015 and July 31, 2015, respectively. Net income per unit after adjusting for residual units is not included because there were no residual investment units.

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

	From August 1, 2014 to January 31, 2015	From February 1, 2015 to July 31, 2015
Net income (in thousands of yen)	1,739,557	2,254,542
Net income not available to ordinary unitholders (in thousands of yen)	-	-
Net income available to ordinary unitholders (in thousands of yen)	1,739,557	2,254,542
Weighted average number of units during the period (units)	277,932	347,610

(Notes to Important Subsequent Events)

Not applicable

[Reference] **Earnings Performance for the Individual Properties for the 7th Fiscal Period (February 1, 2015 to July 31, 2015) : 181 days** **As of July 31, 2015**

Location		Tokyo Metropolitan Area													
Property No.		T-1	T-2	T-3	T-4	T-5	T-6	T-7	T-9	T-10	T-11	T-12	T-13	T-14	T-15
Property Name		KDX Daikanyama Residence	KDX Yoyogi Residence	KDX Odenma Residence	KDX Iwamoto-cho Residence	KDX Bunkyo Sengoku Residence	KDX Azumabashi Residence	KDX Shimura Sakaue Residence	Cosmo Heim Motosumiyoshi (Land with leasehold interest)	KDX Musashi Nakahara Residence	KDX Chiba Chuo Residence	KDX Kawaguchi Saiwai-cho Residence	KDX Residence Shirokane	KDX Residence Shirokane III	KDX Residence Shirokane II
Acquisition Date		May 1, 2012	May 1, 2012	May 1, 2012	May 1, 2012	May 1, 2012	May 1, 2012	May 1, 2012	April 26, 2012	May 1, 2012	May 1, 2012	May 1, 2012	August 7, 2013	August 7, 2013	August 7, 2013
Price Information	Acquisition price (In millions of yen)	4,700	1,320	1,775	822	1,488	650	2,830	1,750	637	1,480	1,150	3,000	2,900	2,800
	Percentage of total portfolio	3.2%	0.9%	1.2%	0.6%	1.0%	0.4%	1.9%	1.2%	0.4%	1.0%	0.8%	2.1%	2.0%	1.9%
	Net book value (In millions of yen)	4,779	1,330	1,775	825	1,499	647	2,811	1,798	644	1,446	1,161	3,050	2,935	2,842
	Appraisal value at the end of period (In millions of yen)	5,390	1,550	1,960	931	1,740	814	3,220	1,760	700	1,620	1,390	3,270	3,430	3,090
	Percentage of total appraisal value	3.3%	0.9%	1.2%	0.6%	1.1%	0.5%	2.0%	1.1%	0.4%	1.0%	0.8%	2.0%	2.1%	1.9%
Lease Information	Number of leasable residential units	86	50	54	36	77	41	85	-	35	106	61	50	67	85
	Leasable floor area (㎡)	5,338.99	1,593.93	2,353.23	1,131.24	2,054.10	1,054.83	6,117.48	3,040.11	2,123.46	3,546.91	2,491.66	3,617.32	3,635.33	2,889.66
	Leased floor area (㎡)	5,156.35	1,522.57	2,267.58	1,131.24	2,007.76	1,054.83	5,962.09	3,040.11	2,123.46	3,260.40	2,447.98	3,617.32	3,431.88	2,827.40
	Occupancy ratio														
	As of July 31, 2015	96.6%	95.5%	96.4%	100.0%	97.7%	100.0%	97.5%	-	100.0%	91.9%	98.2%	100.0%	94.4%	97.8%
	As of January 31, 2015	90.6%	100.0%	96.4%	100.0%	98.7%	95.5%	97.6%	-	97.2%	88.9%	81.2%	97.3%	93.8%	97.5%
	As of July 31, 2014	98.2%	97.6%	92.2%	96.4%	99.0%	100.0%	96.4%	-	100.0%	90.6%	91.7%	96.1%	95.2%	96.0%
	As of January 31, 2014	94.1%	98.5%	96.4%	100.0%	91.2%	97.7%	97.8%	-	91.3%	94.6%	98.2%	97.1%	95.4%	98.9%
	As of July 31, 2013	95.5%	95.6%	96.3%	97.2%	93.3%	95.4%	95.2%	-	100.0%	96.9%	96.6%	-	-	-
	As of January 31, 2013	96.8%	97.0%	96.2%	100.0%	97.7%	93.1%	93.1%	-	88.5%	96.7%	95.2%	-	-	-
As of July 31, 2012	94.0%	95.7%	90.7%	100.0%	91.2%	95.5%	96.5%	-	97.2%	96.9%	90.1%	-	-	-	
Income and Retained Earnings Information for the 3rd Fiscal Period	Operating periods	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days
	Rental and other operating revenues (In thousands of yen)	156,353	46,386	56,578	27,638	50,102	25,495	104,419	43,750	26,459	58,338	43,574	109,279	93,631	88,035
	Rental revenues	133,083	42,331	52,892	26,596	47,102	23,752	90,959	43,750	24,026	53,820	39,431	90,489	89,839	81,643
	Other operating revenues	23,269	4,054	3,686	1,042	3,000	1,743	13,460	-	2,433	4,517	4,142	18,790	3,792	6,391
	Property-related expenses (In thousands of yen)	44,818	10,101	11,101	5,373	9,387	5,242	24,251	1,130	6,710	16,368	13,047	37,382	22,126	20,487
	Property management fees	13,761	3,921	4,187	2,192	3,503	2,653	8,516	-	2,782	5,528	3,342	7,613	7,461	7,063
	Taxes	9,448	2,309	2,826	1,248	2,442	1,270	5,611	1,130	1,589	3,843	2,780	8,066	6,798	4,458
	Utilities	5,817	569	608	457	625	296	1,352	-	483	1,115	762	15,209	1,153	1,815
	Repairs and maintenance	6,724	1,547	1,528	615	1,438	377	5,328	-	1,269	2,672	2,100	1,706	1,820	4,340
	Insurance	185	49	67	32	61	34	165	-	52	110	72	135	120	100
	Trust fees and other expenses	8,881	1,705	1,882	826	1,315	610	3,277	-	533	3,098	3,988	4,649	4,772	2,710
	NOI (= -) (In thousands of yen)	111,534	36,284	45,477	22,265	40,715	20,253	80,168	42,619	19,749	41,969	30,527	71,897	71,504	67,547
Depreciation (In thousands of yen)	15,487	5,154	10,514	5,202	6,455	4,880	21,277	-	3,754	17,127	7,214	7,537	9,036	6,630	
Rental operating income (= -) (In thousands of yen)	96,046	31,130	34,962	17,063	34,259	15,372	58,890	42,619	15,995	24,842	23,312	64,359	62,468	60,916	
Capital expenditures (In thousands of yen)	15,595	1,117	787	611	2,531	-	1,871	-	4,133	4,323	643	8,615	254	356	
NCF (= -) (In thousands of yen)	95,938	35,167	44,689	21,653	38,183	20,253	78,296	42,619	15,615	37,646	29,883	63,282	71,250	67,190	
Reference	Expense ratio (= /)	28.7%	21.8%	19.6%	19.4%	18.7%	20.6%	23.2%	2.6%	25.4%	28.1%	29.9%	34.2%	23.6%	23.3%
	Property tax for the year 2015 (In thousands of yen)	17,511	4,608	5,650	2,495	4,883	2,538	11,220	2,255	3,175	7,687	5,554	15,027	13,584	8,913
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-

[Reference] **Earnings Performance for the Individual Properties for the 7th Fiscal Period (February 1, 2015 to July 31, 2015) : 181 days** **As of July 31, 2015**

Location		Tokyo Metropolitan Area														
Property No.		T-16	T-17	T-18	T-19	T-20	T-21	T-22	T-23	T-24	T-25	T-26	T-27	T-28	T-29	
Property Name		KDX Residence Minami-aoyama	KDX Residence Minami-azabu	KDX Residence Shiba Koen	KDX Residence Azabu East	KDX Residence Takanawa	KDX Residence Nishihara	KDX Residence Daikanyama II	KDX Residence Sendagaya	KDX Residence Nihombashi Suitengu	KDX Residence Nihombashi Hakozaki	KDX Residence Higashi-shinjuku	KDX Residence Yotsuya	KDX Residence Nishi-shinjuku	KDX Residence Kagurazaka	
Acquisition Date		August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	
Price Information	Acquisition price (In millions of yen)	2,230	2,080	1,781	1,560	770	1,450	730	650	3,240	1,147	3,270	2,260	1,000	720	
	Percentage of total portfolio	1.5%	1.4%	1.2%	1.1%	0.5%	1.0%	0.5%	0.4%	2.2%	0.8%	2.2%	1.5%	0.7%	0.5%	
	Net book value (In millions of yen)	2,258	2,106	1,804	1,580	782	1,471	744	659	3,280	1,165	3,306	2,294	1,015	730	
	Appraisal value at the end of period (In millions of yen)	2,320	2,380	2,030	1,810	911	1,740	875	743	3,580	1,240	3,680	2,410	1,150	807	
	Percentage of total appraisal value	1.4%	1.5%	1.2%	1.1%	0.6%	1.1%	0.5%	0.5%	2.2%	0.8%	2.2%	1.5%	0.7%	0.5%	
Lease Information	Number of leasable residential units	20	62	64	76	27	39	17	16	79	60	179	42	54	34	
	Leasable floor area (㎡)	1,680.79	2,785.42	2,507.52	1,849.00	1,034.27	2,310.08	985.10	748.96	5,534.86	1,537.38	4,358.43	3,101.16	1,345.92	890.93	
	Leased floor area (㎡)	1,642.08	2,673.23	2,348.38	1,806.98	1,007.18	2,251.60	985.10	656.20	5,534.86	1,492.70	4,269.68	3,101.16	1,325.48	866.07	
	Occupancy ratio															
	As of July 31, 2015	97.7%	96.0%	93.7%	97.7%	97.4%	97.5%	100.0%	87.6%	100.0%	97.1%	98.0%	100.0%	98.5%	97.2%	
	As of January 31, 2015	90.9%	95.2%	93.3%	100.0%	100.0%	97.9%	100.0%	100.0%	100.0%	91.4%	99.0%	93.9%	98.2%	94.3%	
	As of July 31, 2014	92.9%	90.2%	94.0%	94.3%	91.0%	97.6%	90.9%	100.0%	100.0%	95.3%	97.9%	89.1%	96.8%	100.0%	
	As of January 31, 2014	95.8%	91.1%	100.0%	94.3%	100.0%	94.8%	100.0%	100.0%	100.0%	91.8%	95.9%	93.9%	95.2%	94.4%	
As of July 31, 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
As of January 31, 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
As of July 31, 2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Income and Retained Earnings Information for the 3rd Fiscal Period	Operating periods	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	
	Rental and other operating revenues (In thousands of yen)	64,281	70,413	61,068	54,944	25,794	49,181	28,288	22,235	93,315	37,758	108,447	70,939	34,036	22,955	
	Rental revenues	61,660	65,932	57,254	51,388	24,873	45,056	22,997	18,773	90,600	35,282	101,966	66,118	32,665	21,513	
	Other operating revenues	2,620	4,481	3,814	3,555	920	4,125	5,290	3,462	2,715	2,475	6,481	4,820	1,371	1,442	
	Property-related expenses (In thousands of yen)	11,933	12,644	13,378	10,482	5,205	10,650	5,837	4,153	10,955	10,524	19,804	18,906	7,610	7,082	
	Property management fees	4,075	5,314	5,272	3,510	2,149	3,880	2,485	1,694	1,465	3,735	7,549	7,245	3,232	2,521	
	Taxes	3,288	3,737	2,901	2,484	1,470	3,021	1,630	1,137	4,980	1,727	5,535	4,906	1,706	1,024	
	Utilities	2,064	628	664	546	400	875	227	336	1,271	516	1,648	1,175	405	290	
	Repairs and maintenance	514	1,293	2,355	1,786	331	2,211	884	578	1,913	2,212	2,874	2,095	1,224	1,630	
	Insurance	51	89	70	64	31	75	30	29	156	47	136	151	40	27	
	Trust fees and other expenses	1,940	1,581	2,114	2,089	822	585	578	377	1,167	2,285	2,059	3,332	1,000	1,587	
NOI (= -) (In thousands of yen)	52,348	57,768	47,689	44,461	20,589	38,531	22,451	18,082	82,360	27,233	88,643	52,032	26,425	15,873		
Depreciation (In thousands of yen)	3,211	6,733	5,757	5,970	2,744	5,615	975	2,800	17,570	6,438	11,540	9,040	3,806	3,293		
Rental operating income (= -) (In thousands of yen)	49,136	51,035	41,932	38,491	17,844	32,916	21,476	15,282	64,790	20,794	77,102	42,991	22,619	12,579		
Capital expenditures (In thousands of yen)	-	316	-	5,102	-	2,145	-	-	715	2,033	-	7,380	-	-		
NCF (= -) (In thousands of yen)	52,348	57,452	47,689	39,359	20,589	36,385	22,451	18,082	81,644	25,200	88,643	44,652	26,425	15,873		
Reference	Expense ratio (= /)	18.6%	18.0%	21.9%	19.1%	20.2%	21.7%	20.6%	18.7%	11.7%	27.9%	18.3%	26.7%	22.4%	30.9%	
	Property tax for the year 2015 (In thousands of yen)	6,575	7,470	5,802	4,967	2,938	6,040	3,256	2,273	9,958	3,452	11,064	9,810	3,411	2,045	
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

[Reference] Earnings Performance for the Individual Properties for the 7th Fiscal Period (February 1, 2015 to July 31, 2015) : 181 days As of July 31, 2015

Location		Tokyo Metropolitan Area													
Property No.		T-30	T-31	T-32	T-33	T-34	T-35	T-36	T-37	T-38	T-39	T-40	T-41	T-42	T-43
Property Name		KDX Residence Futako Tamagawa	KDX Residence Komazawa Koen	KDX Residence Mishuku	KDX Residence Yoga	KDX Residence Shimouma	Raffine Minami-magome	KDX Residence Yukigaya Otsuka	KDX Residence Denen Chofu	KDX Residence Tamagawa	KDX Residence Monzennakacho	KDX Residence Okachimachi	KDX Residence Moto-asakusa	KDX Residence Itabashi Honcho	KDX Residence Azusawa
Acquisition Date		August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013
Price Information	Acquisition price (In millions of yen)	1,250	920	760	700	600	1,250	1,050	1,000	776	773	850	800	620	550
	Percentage of total portfolio	0.9%	0.6%	0.5%	0.5%	0.4%	0.9%	0.7%	0.7%	0.5%	0.5%	0.6%	0.5%	0.4%	0.4%
	Net book value (In millions of yen)	1,273	933	773	713	613	1,263	1,064	1,025	783	784	863	812	630	559
	Appraisal value at the end of period (In millions of yen)	1,380	1,030	846	789	663	1,650	1,180	1,140	867	876	950	892	701	617
	Percentage of total appraisal value	0.8%	0.6%	0.5%	0.5%	0.4%	1.0%	0.7%	0.7%	0.5%	0.5%	0.6%	0.5%	0.4%	0.4%
Lease Information	Number of leasable residential units	38	32	39	38	29	56	72	36	52	49	51	44	46	39
	Leasable floor area (m ²)	2,339.62	1,020.18	1,103.82	1,012.80	829.05	2,408.56	1,526.98	2,359.44	1,170.40	1,171.41	1,329.79	1,314.91	1,127.58	989.82
	Leased floor area (m ²)	2,155.81	997.81	1,078.57	1,012.80	803.89	2,408.56	1,502.72	2,293.90	1,127.90	1,127.21	1,329.79	1,214.39	1,083.82	931.74
	Occupancy ratio														
	As of July 31, 2015	92.1%	97.8%	97.7%	100.0%	97.0%	100.0%	98.4%	97.2%	96.4%	96.2%	100.0%	92.4%	96.1%	94.1%
	As of January 31, 2015	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	97.2%	100.0%	97.5%	100.0%	94.3%	93.9%	90.9%
	As of July 31, 2014	100.0%	100.0%	100.0%	100.0%	95.5%	100.0%	97.3%	100.0%	98.2%	95.5%	100.0%	97.5%	97.7%	90.9%
	As of January 31, 2014	97.0%	97.8%	97.7%	97.5%	96.9%	100.0%	95.9%	97.2%	96.5%	84.3%	96.2%	93.3%	96.0%	96.7%
As of July 31, 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
As of January 31, 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
As of July 31, 2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Income and Retained Earnings Information for the 3rd Fiscal Period	Operating periods	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days
	Rental and other operating revenues (In thousands of yen)	39,899	28,729	25,642	23,509	20,137	51,614	38,526	36,343	29,348	26,687	32,139	29,153	22,172	19,413
	Rental revenues	35,526	26,760	25,057	21,455	19,049	51,614	36,722	33,512	26,422	24,873	29,036	27,671	21,402	18,011
	Other operating revenues	4,373	1,969	585	2,053	1,088	-	1,803	2,831	2,926	1,814	3,103	1,482	770	1,401
	Property-related expenses (In thousands of yen)	10,097	5,341	5,785	4,142	5,014	3,612	9,198	7,649	6,398	6,878	6,286	5,727	7,364	5,171
	Property management fees	3,824	2,175	2,133	1,375	2,009	464	3,483	2,877	2,948	2,947	2,773	2,400	2,443	2,357
	Taxes	2,095	1,247	1,432	1,264	782	2,070	1,936	1,857	1,508	1,286	1,666	1,515	1,238	1,219
	Utilities	469	421	256	422	237	-	545	565	452	427	353	463	344	227
	Repairs and maintenance	2,716	745	700	576	745	561	1,038	1,525	737	1,187	981	787	1,693	619
	Insurance	65	30	34	29	22	56	47	54	42	34	36	42	31	31
	Trust fees and other expenses	924	720	1,228	474	1,218	460	2,147	768	710	995	475	517	1,613	716
	NOI (= -) (In thousands of yen)	29,802	23,388	19,856	19,366	15,123	48,001	29,328	28,694	22,949	19,809	25,852	23,426	14,808	14,241
Depreciation (In thousands of yen)	5,170	4,573	3,065	2,588	2,220	3,969	5,427	3,442	5,861	3,912	3,722	4,367	4,192	3,198	
Rental operating income (= -) (In thousands of yen)	24,632	18,814	16,791	16,777	12,902	44,032	23,900	25,252	17,088	15,896	22,130	19,059	10,615	11,042	
Capital expenditures (In thousands of yen)	5,586	403	908	623	203	794	131	3,077	-	-	-	-	-	-	
NCF (= -) (In thousands of yen)	24,216	22,984	18,948	18,742	14,919	47,207	29,196	25,616	22,949	19,809	25,852	23,426	14,808	14,241	
Reference	Expense ratio (= /)	25.3%	18.6%	22.6%	17.6%	24.9%	7.0%	23.9%	21.0%	21.8%	25.8%	19.6%	19.6%	33.2%	26.6%
	Property tax for the year 2015 (In thousands of yen)	4,190	2,494	2,861	2,527	1,562	4,139	3,870	3,711	3,015	2,571	3,330	3,028	2,474	2,436
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-

[Reference] **Earnings Performance for the Individual Properties for the 7th Fiscal Period (February 1, 2015 to July 31, 2015) : 181 days** **As of July 31, 2015**

Location		Tokyo Metropolitan Area													
Property No.		T-44	T-45	T-46	T-47	T-48	T-49	T-50	T-51	T-52	T-53	T-54	T-55	T-56	T-57
Property Name		KDX Residence Tobu Nerima	KDX Residence Yokohama Kannai	KDX Residence Miyamaedaira	KDX Residence Machida	KDX Residence Kinshicho	KDX Residence Nihombashi Hamacho	KDX Residence Nihombashi Ningyocho	KDX Residence Jiyugaoka	KDX Residence Togoshi	KDX Residence Shinagawa Seaside	KDX Residence Ojima	KDX Residence Oyama	KDX Residence Hanzomon	B-Site Akihabara
Acquisition Date		August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	March 28, 2014	August 7, 2014	August 7, 2014	August 7, 2014	August 7, 2014	August 7, 2014	August 7, 2014	August 7, 2014	February 5, 2015	February 5, 2015
Price Information	Acquisition price (In millions of yen)	420	800	999	1,800	1,350	996	530	1,268	3,745	2,593	1,857	2,679	4,832	850
	Percentage of total portfolio	0.3%	0.5%	0.7%	1.2%	0.9%	0.7%	0.4%	0.9%	2.6%	1.8%	1.3%	1.8%	3.3%	0.6%
	Net book value (In millions of yen)	425	812	1,013	1,815	1,386	1,026	546	1,303	3,845	2,667	1,915	2,764	4,973	877
	Appraisal value at the end of period (In millions of yen)	480	896	1,070	1,940	1,510	1,120	616	1,430	4,310	3,020	2,060	3,010	5,190	882
	Percentage of total appraisal value	0.3%	0.5%	0.7%	1.2%	0.9%	0.7%	0.4%	0.9%	2.6%	1.8%	1.3%	1.8%	3.2%	0.5%
Lease Information	Number of leasable residential units	37	72	40	52	33	28	27	48	144	127	117	145	85	52
	Leasable floor area (m ²)	931.82	1,602.16	2,448.27	3,832.53	2,024.81	1,756.27	877.14	1,637.00	4,591.76	3,314.75	2,372.67	4,009.07	4,854.23	1,254.50
	Leased floor area (m ²)	931.82	1,557.96	2,333.91	3,832.53	1,961.15	1,756.27	877.14	1,438.83	4,507.28	3,094.64	2,332.02	3,662.02	4,593.52	1,254.50
	Occupancy ratio														
	As of July 31, 2015	100.0%	97.2%	95.3%	100.0%	96.9%	100.0%	100.0%	87.9%	98.2%	93.4%	98.3%	91.3%	94.6%	100.0%
	As of January 31, 2015	97.8%	89.2%	90.0%	94.5%	97.3%	100.0%	90.9%	87.7%	97.0%	89.4%	100.0%	91.2%	-	-
	As of July 31, 2014	96.6%	90.9%	92.1%	94.0%	87.4%	-	-	-	-	-	-	-	-	-
	As of January 31, 2014	100.0%	92.3%	95.2%	88.7%	-	-	-	-	-	-	-	-	-	-
As of July 31, 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
As of January 31, 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
As of July 31, 2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Income and Retained Earnings Information for the 3rd Fiscal Period	Operating periods	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	177days	177days
	Rental and other operating revenues (In thousands of yen)	17,735	33,907	36,276	61,970	42,891	29,908	17,829	37,324	118,002	83,173	63,318	88,355	118,796	23,313
	Rental revenues	16,281	30,907	32,579	55,829	36,865	29,806	17,376	34,428	109,696	76,297	58,476	80,416	109,091	23,313
	Other operating revenues	1,453	3,000	3,697	6,141	6,025	102	453	2,895	8,306	6,875	4,842	7,938	9,705	-
	Property-related expenses (In thousands of yen)	7,674	8,569	9,392	14,110	11,231	4,436	5,574	8,311	23,179	23,108	11,378	18,148	18,651	592
	Property management fees	2,526	4,076	3,430	5,191	3,015	1,059	1,960	2,702	7,680	6,221	5,211	4,624	6,570	-
	Taxes	1,098	1,682	2,040	3,587	2,280	1,573	982	1,871	5,564	4,670	2,788	4,867	3	1
	Utilities	202	750	619	902	604	380	253	369	738	1,066	655	1,108	1,083	-
	Repairs and maintenance	1,899	883	2,702	2,462	2,387	990	955	1,402	4,377	4,347	1,010	3,609	5,243	196
	Insurance	28	55	71	121	80	47	27	45	161	123	83	131	156	39
	Trust fees and other expenses	1,919	1,121	528	1,845	2,863	384	1,396	1,920	4,657	6,679	1,629	3,807	5,595	355
NOI (= -) (In thousands of yen)	10,060	25,338	26,883	47,860	31,659	25,472	12,254	29,012	94,823	60,065	51,939	70,207	100,144	22,720	
Depreciation (In thousands of yen)	3,761	5,842	6,182	14,812	6,855	4,077	1,883	3,716	16,748	12,671	11,039	16,540	13,410	2,443	
Rental operating income (= -) (In thousands of yen)	6,299	19,495	20,701	33,047	24,804	21,395	10,371	25,295	78,074	47,393	40,900	53,667	86,734	20,277	
Capital expenditures (In thousands of yen)	-	1,684	2,518	1,555	150	-	364	1,176	1,400	242	-	-	28,322	-	
NCF (= -) (In thousands of yen)	10,060	23,653	24,365	46,304	31,509	25,472	11,889	27,836	93,422	59,822	51,939	70,207	71,822	22,720	
Reference	Expense ratio (= /)	43.3%	25.3%	25.9%	22.8%	26.2%	14.8%	31.3%	22.3%	19.6%	27.8%	18.0%	20.5%	15.7%	2.5%
	Property tax for the year 2015 (In thousands of yen)	2,194	3,362	4,079	7,170	4,640	3,145	1,960	3,740	11,127	9,339	5,575	9,723	13,525	3,189
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-

[Reference] **Earnings Performance for the Individual Properties for the 7th Fiscal Period (February 1, 2015 to July 31, 2015) : 181 days** **As of July 31, 2015**

Location		Tokyo Metropolitan Area								Other Regional Areas					
Property No.		T-58	T-59	T-60	T-61	T-62	T-63	T-64	T-65	R-1	R-2	R-3	R-4	R-5	R-6
Property Name		Bureau Kagurazaka	KDX Residence Sendagi	KDX Residence Seijo	KDX Residence Akihabara	KDX Residence Iriya	KDX Residence Tachikawa	KDX Residence Tsurumi	KDX Residence Morishita Chitose	KDX Toyohira Sanjo Residence	KDX Jozeji Dori Residence	KDX Izumi Residence	KDX Chihaya Residence	KDX Sakaisuji Hommachi Residence	KDX Shimmachi Residence
Acquisition Date		February 5, 2015	February 5, 2015	February 5, 2015	February 5, 2015	February 5, 2015	February 5, 2015	February 5, 2015	June 1, 2015	May 1, 2012	May 1, 2012	May 1, 2012	May 1, 2012	May 1, 2012	May 1, 2012
Price Information	Acquisition price (In millions of yen)	1,360	2,200	1,400	1,250	1,062	3,026	1,050	1,100	582	1,015	1,120	1,080	2,910	1,015
	Percentage of total portfolio	0.9%	1.5%	1.0%	0.9%	0.7%	2.1%	0.7%	0.8%	0.4%	0.7%	0.8%	0.7%	2.0%	0.7%
	Net book value (In millions of yen)	1,401	2,327	1,443	1,297	1,105	3,150	1,100	1,146	743	1,015	1,115	1,075	2,878	1,002
	Appraisal value at the end of period (In millions of yen)	1,460	2,300	1,490	1,380	1,250	3,340	1,280	1,110	581	1,280	1,290	1,320	3,190	1,210
	Percentage of total appraisal value	0.9%	1.4%	0.9%	0.8%	0.8%	2.0%	0.8%	0.7%	0.5%	0.8%	0.8%	0.8%	1.9%	0.7%
Lease Information	Number of leasable residential units	70	40	38	32	57	174	59	65	63	92	40	92	160	94
	Leasable floor area (㎡)	1,809.84	3,159.89	2,198.56	1,929.61	1,899.29	4,314.87	3,499.84	1,614.28	2,868.75	3,330.15	2,798.20	2,936.40	6,385.70	2,146.02
	Leased floor area (㎡)	1,809.84	3,159.89	1,974.48	1,871.56	1,873.31	4,145.75	3,442.34	1,552.36	2,650.79	3,330.15	2,378.47	2,903.72	6,228.27	2,009.04
	Occupancy ratio														
	As of July 31, 2015	100.0%	100.0%	89.8%	97.0%	98.6%	96.1%	98.4%	96.2%	92.4%	100.0%	85.0%	98.9%	97.5%	93.6%
	As of January 31, 2015	-	-	-	-	-	-	-	-	100.0%	98.2%	100.0%	96.4%	93.2%	98.9%
	As of July 31, 2014	-	-	-	-	-	-	-	-	98.4%	96.4%	95.0%	100.0%	92.9%	100.0%
	As of January 31, 2014	-	-	-	-	-	-	-	-	97.3%	97.9%	97.6%	95.1%	94.0%	92.6%
As of July 31, 2013	-	-	-	-	-	-	-	-	100.0%	100.0%	97.6%	98.9%	90.8%	96.8%	
As of January 31, 2013	-	-	-	-	-	-	-	-	85.8%	99.1%	92.1%	100.0%	93.0%	96.8%	
As of July 31, 2012	-	-	-	-	-	-	-	-	94.1%	96.8%	87.1%	98.9%	91.7%	96.8%	
Income and Retained Earnings Information for the 3rd Fiscal Period	Operating periods	177days	177days	177days	177days	177days	177days	177days	61days	181days	181days	181days	181days	181days	181days
	Rental and other operating revenues (In thousands of yen)	38,071	66,947	38,420	37,634	37,069	94,552	48,344	12,517	29,641	51,100	41,387	48,945	107,032	39,139
	Rental revenues	38,071	58,015	33,566	35,706	34,788	84,888	42,132	11,819	26,589	45,338	34,948	43,694	97,416	37,475
	Other operating revenues	-	8,931	4,853	1,928	2,280	9,664	6,212	698	3,052	5,762	6,439	5,250	9,616	1,663
	Property-related expenses (In thousands of yen)	3,317	9,033	6,840	5,384	6,167	13,447	11,073	1,657	7,571	12,160	8,915	12,829	24,103	7,362
	Property management fees	1,218	3,709	2,802	2,525	3,230	6,802	3,723	811	2,266	3,643	2,990	4,316	5,735	2,159
	Taxes	0	1	0	2	3	0	0	9	2,658	3,278	2,431	3,047	7,610	1,888
	Utilities	436	3,270	376	317	364	831	601	112	696	984	338	1,157	1,809	617
	Repairs and maintenance	795	642	2,260	834	653	2,707	3,330	129	917	2,365	2,006	2,502	2,162	1,311
	Insurance	60	100	67	55	55	144	89	16	71	87	75	86	213	63
	Trust fees and other expenses	806	1,309	1,333	1,649	1,860	2,960	3,328	578	961	1,802	1,073	1,719	6,571	1,321
	NOI (= -) (In thousands of yen)	34,753	57,913	31,579	32,249	30,901	81,105	37,271	10,859	22,070	38,940	32,471	36,115	82,929	31,777
Depreciation (In thousands of yen)	3,602	7,582	4,451	6,556	6,100	21,049	5,882	1,872	5,929	10,331	9,107	10,012	23,505	8,931	
Rental operating income (= -) (In thousands of yen)	31,151	50,331	27,128	25,693	24,801	60,056	31,388	8,986	16,140	28,609	23,364	26,103	59,424	22,846	
Capital expenditures (In thousands of yen)	160	1,075	186	332	279	-	17,668	-	-	179	686	-	1,860	-	
NCF (= -) (In thousands of yen)	34,592	56,838	31,393	31,917	30,622	81,105	19,602	10,859	22,070	38,761	31,785	36,115	81,068	31,777	
Reference	Expense ratio (= /)	8.7%	13.5%	17.8%	14.3%	16.6%	14.2%	22.9%	13.2%	25.5%	23.8%	21.5%	26.2%	22.5%	18.8%
	Property tax for the year 2015 (In thousands of yen)	4,659	5,740	5,459	4,190	3,832	9,808	4,986	3,808	5,313	6,551	4,859	6,092	15,214	3,771
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-

[Reference] **Earnings Performance for the Individual Properties for the 7th Fiscal Period (February 1, 2015 to July 31, 2015) : 181 days** **As of July 31, 2015**

Location		Other Regional Areas														
Property No.		R-7	R-8	R-9	R-10	R-11	R-12	R-13	R-14	R-15	R-16	R-17	R-18	R-19	R-20	
Property Name		KDX Takarazuka Residence	KDX Shimizu Residence	KDX Residence Odori Koen	KDX Residence Kikusui Yojo	KDX Residence Toyohira Koen	KDX Residence Kamisugi	KDX Residence Ichiban-cho	KDX Residence Kotodai	KDX Residence Izumi Chuo	KDX Residence Higashi-sakura I	KDX Residence Higashi-sakura II	KDX Residence Jingumae	KDX Residence Nishi-oji	KDX Residence Sain	
Acquisition Date		May 1, 2012	May 1, 2012	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	
Price Information	Acquisition price (In millions of yen)	1,510	1,680	765	830	445	700	530	520	480	2,350	900	840	813	440	
	Percentage of total portfolio	1.0%	1.2%	0.5%	0.6%	0.3%	0.5%	0.4%	0.4%	0.3%	1.6%	0.6%	0.6%	0.6%	0.3%	
	Net book value (In millions of yen)	1,480	1,668	776	842	454	711	539	529	491	2,379	914	852	828	449	
	Appraisal value at the end of period (In millions of yen)	1,820	2,000	834	915	508	851	636	542	581	2,670	1,010	983	889	484	
	Percentage of total appraisal value	1.1%	1.2%	0.5%	0.6%	0.3%	0.5%	0.4%	0.3%	0.4%	1.6%	0.6%	0.6%	0.5%	0.3%	
Lease Information	Number of leasable residential units	80	148	78	84	65	66	45	27	40	187	66	95	76	49	
	Leasable floor area (㎡)	4,631.16	6,255.16	2,762.76	3,413.06	2,253.81	2,073.06	1,818.09	1,475.73	2,159.25	6,221.83	2,655.31	2,724.19	2,353.55	1,094.81	
	Leased floor area (㎡)	4,365.63	5,891.59	2,762.76	3,219.51	2,185.37	1,948.59	1,733.11	1,365.73	1,996.35	5,755.85	2,536.31	2,675.29	2,305.95	1,005.42	
	Occupancy ratio															
	As of July 31, 2015	94.3%	94.2%	100.0%	94.3%	97.0%	94.0%	95.3%	92.5%	92.5%	92.5%	95.5%	98.2%	98.0%	91.8%	
	As of January 31, 2015	95.7%	92.1%	94.9%	91.9%	95.5%	97.0%	100.0%	100.0%	92.0%	95.2%	94.0%	96.0%	98.9%	94.2%	
	As of July 31, 2014	90.0%	94.2%	96.1%	100.0%	96.9%	97.0%	91.9%	88.9%	95.0%	95.2%	97.0%	96.5%	95.0%	98.1%	
	As of January 31, 2014	97.1%	95.4%	98.7%	99.0%	92.3%	92.5%	98.0%	96.4%	94.2%	97.9%	100.0%	98.2%	93.3%	95.8%	
As of July 31, 2013	100.0%	93.6%	-	-	-	-	-	-	-	-	-	-	-	-		
As of January 31, 2013	92.8%	99.4%	-	-	-	-	-	-	-	-	-	-	-	-		
As of July 31, 2012	87.1%	96.1%	-	-	-	-	-	-	-	-	-	-	-	-		
Income and Retained Earnings Information for the 3rd Fiscal Period	Operating periods	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	
	Rental and other operating revenues (In thousands of yen)	59,322	73,312	33,542	37,656	23,859	33,375	26,046	20,207	23,891	97,099	40,710	40,080	33,723	18,241	
	Rental revenues	54,527	64,281	30,328	33,574	21,361	31,031	24,214	18,724	21,163	88,011	35,933	37,133	31,184	16,332	
	Other operating revenues	4,794	9,030	3,213	4,082	2,498	2,344	1,832	1,483	2,728	9,087	4,777	2,946	2,539	1,909	
	Property-related expenses (In thousands of yen)	11,805	18,097	9,906	10,403	8,620	8,619	6,904	5,721	6,045	31,400	13,243	10,151	7,751	4,889	
	Property management fees	2,708	5,897	2,688	2,902	2,090	2,480	1,988	1,866	1,908	9,978	4,537	3,620	2,191	1,373	
	Taxes	3,993	5,496	2,640	3,309	2,155	2,174	1,853	1,526	1,780	5,938	2,662	2,583	2,166	968	
	Utilities	682	862	894	1,692	1,232	499	411	504	358	1,586	670	650	1,139	739	
	Repairs and maintenance	1,920	3,108	1,314	669	818	1,723	1,421	1,099	1,379	4,945	3,005	2,438	780	981	
	Insurance	113	166	78	68	60	53	47	41	51	166	74	72	64	32	
	Trust fees and other expenses	2,386	2,566	2,290	1,760	2,262	1,688	1,182	683	566	8,784	2,293	785	1,407	793	
NOI (= -) (In thousands of yen)	47,516	55,214	23,635	27,252	15,239	24,756	19,142	14,486	17,845	65,698	27,467	29,928	25,972	13,352		
Depreciation (In thousands of yen)	16,471	14,174	7,825	7,486	4,371	6,183	5,004	4,430	4,473	17,659	6,963	7,298	6,335	3,848		
Rental operating income (= -) (In thousands of yen)	31,045	41,040	15,809	19,766	10,867	18,572	14,138	10,055	13,371	48,039	20,503	22,629	19,637	9,504		
Capital expenditures (In thousands of yen)	-	-	-	-	-	152	216	136	2,177	116	-	-	-	-		
NCF (= -) (In thousands of yen)	47,516	55,214	23,635	27,252	15,239	24,604	18,925	14,349	15,668	65,581	27,467	29,928	25,972	13,352		
Reference	Expense ratio (= /)	19.9%	24.7%	29.5%	27.6%	36.1%	25.8%	26.5%	28.3%	25.3%	32.3%	32.5%	25.3%	23.0%	26.8%	
	Property tax for the year 2015 (In thousands of yen)	7,978	10,988	5,280	6,616	4,308	4,346	3,705	3,048	3,560	11,873	5,321	5,162	4,331	1,935	
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

[Reference] **Earnings Performance for the Individual Properties for the 7th Fiscal Period (February 1, 2015 to July 31, 2015) : 181 days** **As of July 31, 2015**

Location		Other Regional Areas													
Property No.		R-21	R-22	R-23	R-24	R-25	R-26	R-27	R-28	R-29	R-30	R-31	R-32	R-33	R-34
Property Name		KDX Residence Namba	KDX Residence Namba-minami	KDX Residence Shin-Osaka	KDX Residence Ibaraki I-II	KDX Residence Toyonaka-minami	KDX Residence Moriguchi	KDX Residence Sannomiya	Ashiya Royal Homes	KDX Residence Funairi Saiwai-cho	KDX Residence Tenjin-higashi II	KDX Residence Tenjin-higashi I	KDX Residence Nishi Koen	KDX Residence Hirao Josui-machi	Melody Heim Gotenyama
Acquisition Date		August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2014
Price Information	Acquisition price (In millions of yen)	1,410	1,350	510	1,275	740	551	1,080	1,360	588	680	370	763	760	400
	Percentage of total portfolio	1.0%	0.9%	0.3%	0.9%	0.5%	0.4%	0.7%	0.9%	0.4%	0.5%	0.3%	0.5%	0.5%	0.3%
	Net book value (In millions of yen)	1,434	1,370	517	1,292	744	558	1,096	1,422	595	691	378	775	773	416
	Appraisal value at the end of period (In millions of yen)	1,560	1,530	564	1,369	802	615	1,260	1,560	637	800	383	834	839	494
	Percentage of total appraisal value	1.0%	0.9%	0.3%	0.8%	0.5%	0.4%	0.8%	1.0%	0.4%	0.5%	0.2%	0.5%	0.5%	0.3%
Lease Information	Number of leasable residential units	118	131	43	61	70	28	86	21	64	63	42	36	24	36
	Leasable floor area (m ²)	3,387.30	3,813.31	1,321.04	4,701.87	2,024.50	1,942.78	2,292.72	3,999.01	1,889.53	2,602.53	1,315.16	2,522.16	2,098.68	2,297.24
	Leased floor area (m ²)	3,258.80	3,680.92	1,290.94	4,471.65	2,024.50	1,741.26	2,242.19	3,843.81	1,860.10	2,395.98	1,283.44	2,453.92	1,941.79	2,179.39
	Occupancy ratio														
	As of July 31, 2015	96.2%	96.5%	97.7%	95.1%	100.0%	89.6%	97.8%	96.1%	98.4%	92.1%	97.6%	97.3%	92.5%	94.9%
	As of January 31, 2015	96.2%	95.5%	95.4%	95.1%	95.4%	100.0%	98.9%	93.0%	96.9%	98.4%	81.0%	100.0%	91.0%	97.3%
	As of July 31, 2014	99.2%	97.8%	97.7%	95.1%	97.1%	100.0%	100.0%	88.7%	96.8%	98.4%	92.9%	94.9%	95.3%	-
	As of January 31, 2014	96.2%	97.2%	93.2%	96.7%	98.5%	96.2%	94.4%	90.7%	95.3%	98.4%	92.9%	91.3%	96.2%	-
As of July 31, 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
As of January 31, 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
As of July 31, 2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Income and Retained Earnings Information for the 3rd Fiscal Period	Operating periods	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days
	Rental and other operating revenues (In thousands of yen)	58,410	55,593	22,451	54,957	30,276	23,721	40,798	66,102	27,909	28,944	17,154	31,466	28,360	21,895
	Rental revenues	52,722	53,936	20,314	46,793	28,914	20,194	38,738	62,213	24,399	26,560	15,057	28,198	24,476	19,220
	Other operating revenues	5,688	1,657	2,136	8,163	1,361	3,526	2,059	3,888	3,509	2,383	2,097	3,268	3,884	2,675
	Property-related expenses (In thousands of yen)	14,406	11,351	5,988	16,985	5,264	8,243	7,064	15,449	7,492	7,510	7,138	5,467	7,208	5,901
	Property management fees	3,665	3,744	1,432	3,667	1,799	1,757	2,064	6,689	1,832	1,792	1,911	1,790	1,969	1,301
	Taxes	3,218	3,224	1,320	4,532	1,798	1,686	2,600	4,681	1,797	1,940	1,228	2,271	2,046	1,361
	Utilities	1,669	720	432	1,453	450	1,020	586	1,397	403	568	358	581	459	1,071
	Repairs and maintenance	3,272	1,494	1,305	5,433	179	2,042	960	426	2,142	1,848	1,747	244	964	1,493
	Insurance	85	99	34	133	54	60	66	127	49	70	35	65	54	51
	Trust fees and other expenses	2,495	2,067	1,463	1,764	982	1,675	785	2,126	1,265	1,290	1,857	513	1,714	622
NOI (= -) (In thousands of yen)	44,004	44,242	16,462	37,971	25,012	15,478	33,734	50,653	20,416	21,434	10,016	25,998	21,151	15,993	
Depreciation (In thousands of yen)	9,913	11,747	5,186	6,914	8,126	5,416	7,693	4,452	5,367	6,185	3,530	6,321	4,740	2,613	
Rental operating income (= -) (In thousands of yen)	34,091	32,495	11,276	31,056	16,885	10,061	26,040	46,200	15,049	15,248	6,485	19,677	16,411	13,380	
Capital expenditures (In thousands of yen)	-	965	391	2,712	-	268	-	5,016	-	268	-	804	306	246	
NCF (= -) (In thousands of yen)	44,004	43,276	16,071	35,259	25,012	15,210	33,734	45,636	20,416	21,165	10,016	25,193	20,844	15,747	
Reference	Expense ratio (= /)	24.7%	20.4%	26.7%	30.9%	17.4%	34.7%	17.3%	23.4%	26.8%	25.9%	41.6%	17.4%	25.4%	27.0%
	Property tax for the year 2015 (In thousands of yen)	6,435	6,448	2,639	9,060	3,595	3,368	5,198	9,357	3,593	3,880	2,455	4,543	4,092	2,720
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-

[Reference] **Earnings Performance for the Individual Properties for the 7th Fiscal Period (February 1, 2015 to July 31, 2015) : 181 days** **As of July 31, 2015**

Location		Other Regional Areas					Total of 103 Properties
Property No.	R-35	R-36	R-37	R-38	R-39		
Property Name	Leopalace Flat Shin-sakae	KDX Residence Konan Yamate	KDX Residence Hommachibashi	KDX Residence Minami-kusatsu	KDX Residence Ohori Harbor View Tower		
Acquisition Date	November 28, 2014	November 14, 2014	December 18, 2014	February 5, 2015	February 5, 2015		
Price Information	Acquisition price (In millions of yen)	3,500	973	3,201	1,974	4,606	145,873
	Percentage of total portfolio	2.4%	0.7%	2.2%	1.4%	3.2%	100.0%
	Net book value (In millions of yen)	3,743	1,005	3,323	2,089	4,865	148,872
	Appraisal value at the end of period (In millions of yen)	3,930	1,090	3,410	2,210	4,940	163,849
	Percentage of total appraisal value	2.4%	0.7%	2.1%	1.3%	3.0%	100.0%
Lease Information	Number of leasable residential units	274	55	134	170	212	7,080
	Leasable floor area (m ²)	11,589.95	1,923.22	6,511.88	5,735.96	11,855.63	283,477.05
	Leased floor area (m ²)	11,589.95	1,893.35	6,236.33	5,384.62	11,051.25	272,915.79
	Occupancy ratio						
	As of July 31, 2015	100.0%	98.4%	95.8%	93.9%	93.2%	96.2%
	As of January 31, 2015	100.0%	96.9%	90.2%	-	-	95.7%
	As of July 31, 2014	-	-	-	-	-	95.7%
	As of January 31, 2014	-	-	-	-	-	95.9%
	As of July 31, 2013	-	-	-	-	-	96.2%
As of January 31, 2013	-	-	-	-	-	95.1%	
As of July 31, 2012	-	-	-	-	-	94.0%	
Income and Retained Earnings Information for the 3rd Fiscal Period	Operating periods	181days	181days	181days	177days	177days	179days
	Rental and other operating revenues (In thousands of yen)	121,557	35,040	105,509	91,195	163,917	5,146,969
	Rental revenues	119,525	32,723	98,625	77,300	146,385	4,712,840
	Other operating revenues	2,031	2,316	6,883	13,894	17,531	434,129
	Property-related expenses (In thousands of yen)	13,947	7,020	21,601	18,616	24,806	1,124,621
	Property management fees	3,646	1,907	4,159	5,327	11,106	368,881
	Taxes	9,303	2,000	8,285	0	0	260,993
	Utilities	-	333	2,510	4,117	2,227	99,443
	Repairs and maintenance	-	941	1,407	2,880	5,505	182,979
	Insurance	308	57	220	179	368	8,324
	Trust fees and other expenses	688	1,779	5,016	6,111	5,598	203,998
	NOI (= -) (In thousands of yen)	107,610	28,020	83,907	72,578	139,111	4,022,348
Depreciation (In thousands of yen)	33,030	4,900	21,885	17,910	42,237	827,083	
Rental operating income (= -) (In thousands of yen)	74,579	23,119	62,022	54,668	96,873	3,195,264	
Capital expenditures (In thousands of yen)	-	-	509	1,708	466	146,578	
NCF (= -) (In thousands of yen)	107,610	28,020	83,398	70,870	138,644	3,875,770	
Reference	Expense ratio (= /)	11.5%	20.0%	20.5%	20.4%	15.1%	21.9%
	Property tax for the year 2015 (In thousands of yen)	18,604	3,997	16,566	10,972	27,243	616,683
	Assets pledged as collateral	-	-	-	-	-	-

Total : Cost-weighted average operating period (days)

[Reference] **Earnings Performance for the Individual Properties for the 7th Fiscal Period (February 1, 2015 to July 31, 2015) : 181 days** **As of July 31, 2015**

Location		Tokyo Metropolitan Area		Total 1 sold of Properties	Total of 104 Properties
Property No.		T-8			
Property Name		Nichii Home Tama Plaza (Land with leasehold interest)			
Acquisition Date		April 26, 2012			
Price Information	Acquisition price (In millions of yen)	960	960	146,833	
	Percentage of total portfolio	100.0%	100.0%	-	
	Revenue from sale of the investment property (¥ Millions)	1,120	1,120	-	
	Costs of the investment property (¥ Millions)	989	989	-	
	Gain / Loss on sale of real estate (¥ Millions)	124	124	-	
Lease Information	Number of leasable residential units	-	-	-	
	Leasable floor area (m ²)	3,635.89	3,635.89	-	
	Leased floor area (m ²)	3,635.89	3,635.89	-	
	Occupancy ratio				
	As of July 31, 2015	-	-	-	
	As of January 31, 2015	-	-	-	
	As of July 31, 2014	-	-	-	
	As of January 31, 2014	-	-	-	
	As of July 31, 2013	-	-	-	
	As of January 31, 2013	-	-	-	
As of July 31, 2012	-	-	-		
Income and Retained Earnings Information for the 3rd Fiscal Period	Operating periods	121日	121日	179日	
	Rental and other operating revenues (In thousands of yen)	23,040	23,040	5,170,009	
	Rental revenues	23,040	23,040	4,735,880	
	Other operating revenues	-	-	434,129	
	Property-related expenses (In thousands of yen)	557	557	1,125,179	
	Property management fees	-	-	368,881	
	Taxes	551	551	261,545	
	Utilities	-	-	99,443	
	Repairs and maintenance	-	-	182,979	
	Insurance	-	-	8,324	
	Trust fees and other expenses	6	6	204,004	
	NOI (= -) (In thousands of yen)	22,482	22,482	4,044,830	
	Depreciation (In thousands of yen)	-	-	827,083	
Rental operating income (= -) (In thousands of yen)	22,482	22,482	3,217,746		
Capital expenditures (In thousands of yen)	-	-	146,578		
NCF (= -) (In thousands of yen)	22,482	22,482	3,898,252		
Reference	Expense ratio (= /)	2.4%	2.4%	21.8%	
	Property tax for the year 2015 (In thousands of yen)	1,332	1,332	618,015	
	Assets pledged as collateral	-	-	-	

Total : Cost-weighted average operating period (days)

T-8 Nichii Home Tama Plaza (Land with leasehold interest) was sold on June 1, 2015.

(Reference) Borrowings

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

(in thousands of yen)

Classification	Lender	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (%) (Note3) (Note4)	Payment due date (Note7)	Use	Remarks
Short-Term Payable	Aozora Bank, Ltd.	1,600,000	-	-	1,600,000	0.480%	August 31, 2015	(Note6)	Unsecured/ Non-guaranteed
	Resona Bank, Ltd.	1,600,000	-	-	1,600,000	0.480%	August 31, 2015		
	Sub Total	3,200,000	-	-	3,200,000				
Current Portion of Long-Term Payable	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,000,000	-	2,000,000	-			(Note6)	Unsecured/ Non-guaranteed
	Aozora Bank, Ltd.	2,900,000	-	2,900,000	-	1.063%	April 30, 2015		
	Resona Bank, Ltd.	1,500,000	-	1,500,000	-				
	Sumitomo Mitsui Banking Corporation	1,000,000	-	1,000,000	-				
	Sumitomo Mitsui Banking Corporation	1,750,000	-	-	1,750,000				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,500,000	-	-	1,500,000				
	Aozora Bank, Ltd.	500,000	-	-	500,000	0.580%	August 31, 2015		
	Resona Bank, Ltd.	500,000	-	-	500,000				
	Sumitomo Mitsui Trust Bank, Limited	500,000	-	-	500,000				
	Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000				
	Mizuho Bank, Ltd.	250,000	-	-	250,000				
	Sumitomo Mitsui Banking Corporation (Note2)	2,500,000	-	-	2,500,000				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note2)	1,000,000	-	-	1,000,000	1.044%	April 30, 2016		
	Sub Total	15,500,000	-	6,500,000	9,000,000				
Long-Term Payable	Sumitomo Mitsui Banking Corporation	3,000,000	-	-	3,000,000			(Note6)	Unsecured/ Non-guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,000,000	-	-	2,000,000				
	Aozora Bank, Ltd.	1,000,000	-	-	1,000,000	0.787%	August 31, 2016		
	Sumitomo Mitsui Trust Bank, Limited	1,000,000	-	-	1,000,000				
	Resona Bank, Ltd.	500,000	-	-	500,000				
	Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000				
	Mizuho Bank, Ltd.	500,000	-	-	500,000				
	Sumitomo Mitsui Banking Corporation	4,000,000	-	-	4,000,000				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,500,000	-	-	2,500,000				
	Aozora Bank, Ltd.	1,500,000	-	-	1,500,000	0.910%	August 31, 2017		
	Resona Bank, Ltd.	1,000,000	-	-	1,000,000				
	Sumitomo Mitsui Trust Bank, Limited	1,000,000	-	-	1,000,000				
	Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000				
	Mizuho Bank, Ltd.	500,000	-	-	500,000				
	Sumitomo Mitsui Banking Corporation	3,250,000	-	-	3,250,000				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,000,000	-	-	2,000,000	1.052%	August 31, 2018		
	Aozora Bank, Ltd.	1,000,000	-	-	1,000,000				
	Resona Bank, Ltd.	500,000	-	-	500,000				
	Sumitomo Mitsui Trust Bank, Limited	500,000	-	-	500,000				
	Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000				
	Mizuho Bank, Ltd.	250,000	-	-	250,000				
	Development Bank of Japan Inc. (Note5)	3,000,000	-	-	3,000,000	1.088%	August 31, 2018		
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,000,000	-	-	1,000,000	1.109%	January 31, 2021		
	Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	1.221%	July 31, 2021		
	Aozora Bank, Ltd.	1,350,000	-	-	1,350,000	1.183%	March 31, 2021		
	Sumitomo Mitsui Banking Corporation	2,000,000	-	-	2,000,000	1.267%	April 30, 2022		
	Aozora Bank, Ltd.	1,500,000	-	-	1,500,000	1.267%	April 30, 2022		
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,000,000	-	-	1,000,000	1.267%	April 30, 2022		
	Resona Bank, Ltd.	1,000,000	-	-	1,000,000	1.267%	April 30, 2022		
	Sumitomo Mitsui Banking Corporation	1,100,000	-	-	1,100,000				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,100,000	-	-	1,100,000				
	Mizuho Bank, Ltd.	600,000	-	-	600,000	0.916%	August 7, 2021		
	Aozora Bank, Ltd.	350,000	-	-	350,000				
	Resona Bank, Ltd.	300,000	-	-	300,000				
	Mizuho Trust & Banking Co., Ltd.	300,000	-	-	300,000				
	Development Bank of Japan Inc. (Note5)	1,000,000	-	-	1,000,000	0.996%	August 7, 2021		
	Sumitomo Mitsui Banking Corporation	400,000	-	-	400,000				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	400,000	-	-	400,000				
	Mizuho Bank, Ltd.	300,000	-	-	300,000	1.254%	August 7, 2023		
	Resona Bank, Ltd.	200,000	-	-	200,000				
	Mizuho Trust & Banking Co., Ltd.	200,000	-	-	200,000				
	Aozora Bank, Ltd.	150,000	-	-	150,000				
Development Bank of Japan Inc. (Note5)	500,000	-	-	500,000	1.320%	August 7, 2023			
Sumitomo Mitsui Banking Corporation	600,000	-	-	600,000	0.945%	August 31, 2021			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	600,000	-	-	600,000	0.945%	August 31, 2021			
Aozora Bank, Ltd.	500,000	-	-	500,000	0.945%	August 31, 2021			
Mizuho Bank, Ltd.	950,000	-	-	950,000	1.083%	November 30, 2022			
Sumitomo Mitsui Banking Corporation	2,000,000	-	-	2,000,000	0.804%	November 30, 2020			
Mitsubishi UFJ Trust and Banking Corporation	1,500,000	-	-	1,500,000	0.689%	November 30, 2019			
Sumitomo Mitsui Banking Corporation		1,200,000	-	1,200,000	0.875%	January 31, 2022			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,200,000	-	1,200,000	1.105%	January 31, 2024			
Aozora Bank, Ltd.		2,000,000	-	2,000,000	0.875%	April 30, 2022			
Resona Bank, Ltd.		1,500,000	-	1,500,000	0.987%	April 30, 2023			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		2,000,000	-	2,000,000	1.100%	April 30, 2024			
Sumitomo Mitsui Banking Corporation		1,000,000	-	1,000,000	1.265%	April 30, 2025			
Sub Total		52,400,000	8,900,000	-	61,300,000				
Total		71,100,000	8,900,000	6,500,000	73,500,000				

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

(in thousands of yen)

	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Long-term loans payable	8,500,000	11,000,000	11,000,000	1,500,000	29,300,000

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

Note 3: All debts except for the following Note5 are borrowing at a floating rate.

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

Note 5: Borrowings at a fixed rate.

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

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