

**Translation of Japanese Original****FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED JULY 31, 2016(REIT)****(February 1, 2016 to July 31, 2016)**

September 13, 2016

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 28, 2016

Planned start of distribution payments: October 17, 2016

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, 2016 (NINTH 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 ninth fiscal period ended July 31, 2016	5,333	(2.1) %	2,723	(0.2) %	2,193	(0.4) %	2,192	(0.4) %
The eighth fiscal period ended January 31, 2016	5,226	(-1.4) %	2,717	(-3.4) %	2,185	(-5.2) %	2,184	(-3.1) %

	Net Income per Unit	Return on Unitholders' Equity	[Reference] (annualized)	Ordinary Income to Total Assets	[Reference] (annualized)	Ordinary Income to Operating Revenues
The ninth fiscal period ended July 31, 2016	6,279 Yen	2.7 %	5.3 %	1.4 %	2.7 %	41.1 %
The eighth fiscal period ended January 31, 2016	6,257 Yen	2.7 %	5.3 %	1.4 %	2.7 %	41.8 %

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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 ninth fiscal period ended July 31, 2016	6,360	2,220	0	0	% 101.3	% 2.7
The eighth fiscal period ended January 31, 2016	6,231	2,175	0	0	% 99.6	% 2.6

Note 1 9 million yen in gain on sale of real estate property will be allocated to internal reserves so that the total distributions for the eighth fiscal period are the amounts after considering the allocation, differing from the amount of net income.

Note 2 The ninth fiscal period distribution included 27 million yen from retained earnings brought forward, thus exceeding 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, 2016	159,948	82,365	% 51.5	235,943
As of January 31, 2016	160,064	82,389	% 51.5	236,012

(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 ninth fiscal period ended July 31, 2016	2,950	-107	-2,176	8,733
The eighth fiscal period ended January 31, 2016	7,769	-7,545	-882	8,066

2. FORECAST OF RESULTS FOR THE FISCAL PERIOD ENDING JANUARY 31, 2017 (August 1, 2016 to January 31, 2017)

(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 tenth fiscal period ending January 31, 2017	5,441 (2.0)	2,797 (2.7)	2,270 (3.5)	2,269 (3.5)	6,420	0

(Reference) Estimated net income per unit for the fiscal period ending January 31, 2017: ¥6,501

Note : Distributions per unit are calculated based on the number of investment units issued and outstanding totaled 349,089 as of today.

Of the 29 million yen in gain on sale of real estate property, the full amount after taxation will be allocated to internal reserves so that the distribution per unit excluding excess of earnings are the amounts after considering the allocation, differing from the estimated net income per unit.

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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, 2016: 349,089 units As of July 31, 2016: 349,089 units

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

As of January 31, 2016: 0 units As of July 31, 2016: 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)	
	Eighth Fiscal Period	Ninth Fiscal Period
	(As of January 31, 2016)	(As of July 31, 2016)
Assets		
Current assets		
Cash and deposits	4,448,588	5,146,011
Cash and deposits in trust	3,618,286	3,587,036
Operating accounts receivable	25,022	45,529
Prepaid expenses	3,343	6,174
Deferred tax assets	-	14
Consumption taxes receivable	-	43,758
Other	2,215	2,300
Total current assets	<u>8,097,456</u>	<u>8,830,826</u>
Noncurrent assets		
Property, plant and equipment		
Land	1,798,041	1,798,041
Buildings in trust	63,158,108	63,289,609
Accumulated depreciation	-3,668,726	-4,482,346
Buildings in trust, net	<u>59,489,381</u>	<u>58,807,263</u>
Structures in trust	393,840	397,122
Accumulated depreciation	-61,776	-74,438
Structures in trust, net	<u>332,063</u>	<u>322,684</u>
Machinery and equipment in trust	1,241,311	1,243,853
Accumulated depreciation	-114,953	-142,746
Machinery and equipment in trust, net	<u>1,126,358</u>	<u>1,101,107</u>
Tools, furniture and fixtures in trust	125,547	151,976
Accumulated depreciation	-4,331	-7,850
Tools, furniture and fixtures in trust, net	<u>121,215</u>	<u>144,126</u>
Land in trust	<u>88,038,597</u>	<u>88,038,597</u>
Total property, plant and equipment, net	<u>150,905,658</u>	<u>150,211,821</u>
Investments and other assets		
Investment securities	132,897	62,397
Lease and guarantee deposits	10,950	10,950
Long-term prepaid expenses	787,229	756,459
Total investments and other assets	<u>931,077</u>	<u>829,807</u>
Total noncurrent assets	<u>151,836,735</u>	<u>151,041,628</u>
Deferred assets		
Deferred organization costs	8,296	3,053
Investment unit issuance costs	122,138	72,819
Total deferred assets	<u>130,435</u>	<u>75,873</u>
Total assets	<u>160,064,627</u>	<u>159,948,328</u>

	(in thousands of yen)	
	Eighth Fiscal Period	Ninth Fiscal Period
	(As of January 31, 2016)	(As of July 31, 2016)
Liabilities		
Current liabilities		
Operating accounts payable	408,685	336,650
Current portion of long-term loans payable	12,000,000	8,500,000
Accounts payable-other	189,155	188,167
Accrued expenses	20,333	20,220
Income taxes payable	605	692
Accrued consumption taxes	87,311	14,553
Advances received	698,353	706,262
Deposits received	55,597	52,106
Total current liabilities	13,460,042	9,818,652
Noncurrent liabilities		
Long-term loans payable	62,800,000	66,300,000
Tenant leasehold and security deposits in trust	1,415,065	1,422,073
Other	-	42,355
Total noncurrent liabilities	64,215,065	67,764,428
Total liabilities	77,675,108	77,583,081
Net assets		
Unitholders' equity		
Unitholders' capital	80,132,379	80,132,379
Surplus		
Unappropriated retained earnings (undisposed loss)	2,258,172	2,275,223
Total surplus	2,258,172	2,275,223
Total unitholders' equity	82,390,551	82,407,602
Valuation and translation adjustments		
Deferred gains or losses on hedges	-1,032	- 42,355
Total valuation and translation adjustments	-1,032	- 42,355
Total net assets	*1 82,389,519	*1 82,365,247
Total liabilities and net assets	160,064,627	159,948,328

(2) Statements of Income and Retained Earnings

	(in thousands of yen)			
	Eighth Fiscal Period		Ninth Fiscal Period	
	August 1, 2015 to		February 1, 2016 to	
	January 31, 2016		July 31, 2016	
Operating revenues				
Rent revenue-real estate	*1	4,796,385	*1	4,872,868
Other lease business revenue	*1	411,751	*1	456,142
Gain on sale of real estate property	*2	9,284		-
Dividends income		9,211		4,790
Total operating revenues		5,226,632		5,333,801
Operating expenses				
Expenses related to rent business	*1	1,936,375	*1	2,032,807
Asset management fees		355,326		355,306
Asset custody fees		10,932		11,003
Administrative service fees		37,737		37,574
Directors' compensation		4,500		4,500
Other operating expenses		164,677		168,880
Total operating expenses		2,509,550		2,610,072
Operating income		2,717,082		2,723,729
Non-operating income				
Interest income		255		252
Dividends and redemption-prescription		1,246		801
Interest on refund		15		1
Total non-operating income		1,517		1,055
Non-operating expenses				
Interest expenses		370,333		373,683
Derivatives-related expenses		3,391		1,644
Borrowing expenses		104,644		101,784
Amortization of deferred organization costs		5,300		5,243
Amortization of investment unit issuance costs		49,860		49,318
Total non-operating expenses		533,531		531,674
Ordinary income		2,185,069		2,193,110
Income before income taxes		2,185,069		2,193,110
Income taxes				
Current		605		899
Deferred		195		- 14
Total income taxes		800		885
Net income		2,184,268		2,192,224
Retained earnings brought forward		73,903		82,998
Unappropriated retained earnings (undisposed loss)		2,258,172		2,275,223

(3) Statements of Changes in Net Assets

Eighth Fiscal Period August 1, 2015 to January 31, 2016

(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	80,132,379	2,254,662	2,254,662	82,387,041	-3,278	-3,278	82,383,762
Changes of items during the period							
Dividends from surplus		-2,180,758	-2,180,758	-2,180,758			-2,180,758
Net income		2,184,268	2,184,268	2,184,268			2,184,268
Net changes of items other than unitholders' equity					2,246	2,246	2,246
Total changes of items during the period	-	3,509	3,509	3,509	2,246	2,246	5,756
Balance at the end of current period	80,132,379	2,258,172	2,258,172	82,390,551	-1,032	-1,032	82,389,519

Ninth Fiscal Period February 1, 2016 to July 31, 2016

(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	80,132,379	2,258,172	2,258,172	82,390,551	-1,032	-1,032	82,389,519
Changes of items during the period							
Dividends from surplus		-2,175,173	-2,175,173	-2,175,173			-2,175,173
Net income		2,192,224	2,192,224	2,192,224			2,192,224
Net changes of items other than unitholders' equity					-41,323	-41,323	-41,323
Total changes of items during the period	-	17,051	17,051	17,051	-41,323	-41,323	-24,271
Balance at the end of current period	80,132,379	2,275,223	2,275,223	82,407,602	-42,355	-42,355	82,365,247

(4) Distributions

	Eighth Fiscal Period (From August 1, 2015 to January 31, 2016)	Ninth Fiscal Period (From February 1, 2016 to July 31, 2016)
I. Retained earnings at the end of period	¥2,258,172,370	¥2,275,223,755
II. Total distributions	¥2,175,173,559	¥2,220,206,040
Distributions per unit	¥6,231	¥6,360
III. Retained earnings brought forward to the next period	¥82,998,811	¥55,017,715
Method of calculating distribution amount	<p>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, internal reserves as of the end of the seventh fiscal period and the ¥9,284,400 in gain on sale of real estate property, 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 ¥2,175,173,559 which is the maximum integral multiple of 349,089 units issued and outstanding as the distribution of earnings.</p> <p>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 eighth fiscal period, the Investment Corporation has decided not to distribute cash in excess of distributable profit.</p>	<p>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, the Investment Corporation has decided that it shall distribute ¥2,220,206,040, which is the amount of ¥2,192,224,944 in net income and ¥27,981,096 from retained earnings brought forward, as the distribution of earnings.</p> <p>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 ninth fiscal period, the Investment Corporation has decided not to distribute cash in excess of distributable profit.</p>

(5) Statements of Cash Flows

	(in thousands of yen)	
	Eighth Fiscal Period	Ninth Fiscal Period
	August 1, 2015 to	February 1, 2016 to
	January 31, 2016	July 31, 2016
Net cash provided by (used in) operating activities		
Income before income taxes	2,185,069	2,193,110
Depreciation and amortization	852,368	857,592
Amortization of deferred organization costs	5,300	5,243
Amortization of investment unit issuance costs	49,860	49,318
Interest income	-255	-252
Interest expenses	370,333	373,683
Derivatives-related expenses	3,391	1,644
Decrease (increase) in operating accounts receivable	-6,499	-20,507
Decrease (increase) in consumption taxes refund receivable	35,168	-43,758
Decrease (increase) in prepaid expenses	657	-2,831
Increase (decrease) in operating accounts payable	86,839	-78,310
Increase (decrease) in accounts payable-other	-2,750	-879
Increase (decrease) in accrued consumption taxes	87,311	-72,758
Increase (decrease) in advances received	-9,440	7,908
Decrease (increase) in long-term prepaid expenses	-118,319	30,769
Decrease in property and equipment in trust due to sale	4,637,001	-
Other, net	-382	25,275
Subtotal	8,175,653	3,325,248
Interest income received	255	252
Interest expenses paid	-364,494	-373,797
Income taxes paid	-42,141	-1,509
Net cash provided by (used in) operating activities	7,769,272	2,950,194
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment in trust	-7,502,838	-157,480
Proceeds from investment securities	-	42,535
Repayments of tenant leasehold and security deposits in trust	-192,927	-141,073
Proceeds from tenant leasehold and security deposits in trust	150,731	148,081
Net cash provided by (used in) investing activities	-7,545,034	-107,937
Net cash provided by (used in) financing activities		
Decrease in short-term loans payable	-3,200,000	-
Increase in long-term loans payable	10,000,000	3,500,000
Decrease in long-term loans payable	-5,500,000	-3,500,000
Dividends paid	-2,182,308	-2,176,084
Net cash provided by (used in) financing activities	-882,308	-2,176,084
Net increase (decrease) in cash and cash equivalents	-658,070	666,173
Cash and cash equivalents at the beginning of period	8,724,944	8,066,874
Cash and cash equivalents at the end of period	*1 8,066,874	*1 8,733,047

(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 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)</p> <p>The straight-line method is applied.</p> <p>Useful lives of the assets ranging are as follows:</p> <p>Buildings: 3 to 65 years</p> <p>Structures: 3 to 45 years</p> <p>Machinery and equipment: 8 to 30 years</p> <p>Tools, furniture and fixtures: 10 to 30 years</p> <p>(2) Long-term prepaid expenses</p> <p>The straight-line method is applied.</p>
3. Accounting policies for deferred assets	<p>(1) Deferred organization costs</p> <p>Deferred organization costs are amortized over a period of 5 years under the straight-line method.</p> <p>(2) Unit issuance costs</p> <p>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 ¥4,237 thousand as of January 31, 2016. There were no capitalized property-related taxes as of July 31, 2016.</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 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>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.</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>
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 3. 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

(in thousands of yen)	
As of January 31, 2016	As of July 31, 2016
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, 2015 to January 31, 2016	From February 1, 2016 to July 31, 2016
A. Rental and other operating revenues:		
Rental revenues	4,492,515	4,561,414
Rental revenues from limited proprietary rights of land	43,749	43,750
Common area charges	260,119	267,704
Subtotal	4,796,385	4,872,868
Others:		
Parking space rental revenues	177,491	176,780
Miscellaneous	234,260	279,361
Subtotal	411,751	456,142
Total rental and other operating revenues	5,208,136	5,329,011
B. Property-related expenses:		
Property management fees and facility management fees	350,097	369,393
Utilities	97,311	90,264
Taxes	255,544	314,741
Repairs and maintenance	203,469	210,659
Insurance	7,963	7,823
Trust fees	39,331	39,850
Depreciation	852,368	857,592
Others	130,289	142,482
Total property-related expenses	1,936,375	2,032,807
C. Net operating income (A-B)	3,271,761	3,296,203

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

Eighth Fiscal Period (From August 1, 2015 to January 31, 2016)

(in thousands of yen)	
KDX Yoyogi Residence	
Revenue from sale of the investment property	1,340,000
Costs of the investment property	1,328,749
Other sales expenses	7,945
Gain on sale of real estate property	3,304
KDX Residence Tenjin-higashi I	
Revenue from sale of the investment property	381,000
Costs of the investment property	377,076
Other sales expenses	2,482
Gain on sale of real estate property	1,440

KDX Residence Shirokane III	
Revenue from sale of the investment property	2,952,000
Costs of the investment property	2,931,175
Other sales expenses	16,285
Gain on sale of real estate property	4,539

Ninth Fiscal Period (From February 1, 2016 to July 31, 2016)

Not applicable

(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, 2015 to January 31, 2016	From February 1, 2016 to July 31, 2016
Total number of authorized investment units	5,000,000 units	5,000,000 units
Total number of investment units issued and outstanding	349,089 units	349,089 units

(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, 2016	As of July 31, 2016
Cash and deposits	4,448,588	5,146,011
Cash and deposits in trust	3,618,286	3,587,036
Cash and cash equivalents	8,066,874	8,733,047

(Notes to the Lease Transactions)

Operating lease transactions (Lessor)

Unearned lease payments

(in thousands of yen)

	As of January 31, 2016	As of July 31, 2016
Due in 1 year	640,615	547,894
Due after 1 year	4,540,138	4,320,801
Total	5,180,753	4,868,696

(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, 2016, the end of the ninth 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. The Investment Corporation periodically reviews the value of the property and financial condition of the issuer with regard to investment securities.

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, 2016

	(in thousands of yen)		
	Carrying amount	Estimated fair value	Difference
(1) Cash and deposits	4,448,588	4,448,588	-
(2) Cash and deposits in trust	3,618,286	3,618,286	-
Total	8,066,874	8,066,874	-
(1) Short-term loans payable	-	-	-
(2) Current portion of long-term loans payable	12,000,000	11,995,816	-4,183
(3) Long-term loans payable	62,800,000	63,113,900	313,900
Total	74,800,000	75,109,716	309,716
Derivative transactions	611	611	-

As of July 31, 2016

	(in thousands of yen)		
	Carrying amount	Estimated fair value	Difference
(1) Cash and deposits	5,146,011	5,146,011	-
(2) Cash and deposits in trust	3,587,036	3,587,036	-
Total	8,733,047	8,733,047	-
(1) Short-term loans payable	-	-	-
(2) Current portion of long-term loans payable	8,500,000	8,467,366	△32,633
(3) Long-term loans payable	66,300,000	67,075,351	775,351
Total	74,800,000	75,542,717	742,717
Derivative transactions	-42,355	-42,355	-

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, 2016	As of July 31, 2016
Investment securities *	132,897	62,397

*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.

Loss on valuation of investment securities of ¥27,964 thousand was recognized in the fiscal period ended July 31, 2016.

Note 3: Redemption schedule for financial assets with maturities

As of January 31, 2016

(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	4,448,588	-	-	-	-	-
Cash and deposits in trust	3,618,286	-	-	-	-	-
Total	8,066,874	-	-	-	-	-

As of July 31, 2016

(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	5,146,011	-	-	-	-	-
Cash and deposits in trust	3,587,036	-	-	-	-	-
Total	8,733,047	-	-	-	-	-

Note 4: Redemption schedule for loans payable

As of January 31, 2016

(in thousands of yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Short-term loans payable	-	-	-	-	-	-
Long-term loans payable	12,000,000	11,000,000	11,000,000	1,500,000	3,600,000	35,700,000
Total	12,000,000	11,000,000	11,000,000	1,500,000	3,600,000	35,700,000

As of July 31, 2016

(in thousands of yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Short-term loans payable	-	-	-	-	-	-
Long-term loans payable	8,500,000	11,000,000	11,000,000	1,500,000	5,950,000	36,850,000
Total	8,500,000	11,000,000	11,000,000	1,500,000	5,950,000	36,850,000

(Notes to the Derivative Transactions)

(1) Transactions not subject to hedge accounting

As of January 31, 2016 and as of July 31, 2016: Not applicable

(2) Transactions subject to hedge accounting

As of January 31, 2016

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	-	611	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	65,800,000	57,300,000	*	-
		Total	69,300,000	57,300,000	611	

*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, 2016

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 swap transaction: Receive/floating and pay/fixed	Long-term loans payable	3,500,000	3,500,000	-42,355	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	65,800,000	57,300,000	*	-
Total			69,300,000	60,800,000	-42,355	

*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, 2016	As of July 31, 2016
Deferred tax assets:		
Enterprise tax payable	-	14
Deferred gains or losses on hedges	333	13,380
Loss on valuation of investment securities	-	8,876
Subtotal deferred tax assets	333	22,270
Valuation allowance	-333	-22,256
Total deferred tax assets	-	14

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

	From August 1, 2015 to January 31, 2016	From February 1, 2016 to July 31, 2016
Statutory tax rate	32.31%	32.31%
Deductible cash distributions	-32.13	-32.71
Others	-0.14	0.44
Effective tax rate	0.04%	0.04%

(Notes to the Related-Party Transactions)

1. Parent Company, major corporate unitholders and other

Eighth Fiscal Period (August 1, 2015 to January 31, 2016) and Ninth Fiscal Period (February 1, 2016 to July 31, 2016): Not applicable

2. Affiliated companies and other

Eighth Fiscal Period (August 1, 2015 to January 31, 2016) and Ninth Fiscal Period (February 1, 2016 to July 31, 2016): Not applicable

3. Fellow subsidiary companies and other

Eighth Fiscal Period (August 1, 2015 to January 31, 2016) and Ninth Fiscal Period (February 1, 2016 to July 31, 2016): Not applicable

4. Directors, major individual unitholders and other

Eighth Fiscal Period (August 1, 2015 to January 31, 2016) and Ninth Fiscal Period (February 1, 2016 to July 31, 2016): 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)

		From August 1, 2015 to January 31, 2016	From February 1, 2016 to July 31, 2016
Book value			
	Balance at the beginning of period	148,872,550	150,905,658
	Changes during the period	2,033,108	-693,837
	Balance at the end of period	150,905,658	150,211,821
	Fair value at the end of period	169,702,000	170,203,000

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 eighth fiscal period, the principal increase was the acquisition of real estate trust beneficiary interests in 5 properties totaling ¥7,355,020 thousand, and the principal decrease was the disposition of real estate trust beneficiary interests in 3 properties totaling ¥4,637,001 thousand and depreciation of ¥852,368 thousand, and during the ninth fiscal period, the principal decrease was depreciation of ¥857,592 thousand.

Note 3: The fair value is the appraisal value or the survey value determined by outside appraisers. In addition, the fair value of KDX Toyohira Sanjo Residence and KDX Residence Kamisugi, which will be sold on November 1, 2016, is based on the sales prices (¥585,000 thousand and ¥716,000 thousand, respectively) under the trust beneficiary interest sales contracts entered into on July 26, 2016.

Income and loss for real estate rental business in the fiscal periods ended January 31, 2016 and July 31, 2016 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, 2015 to January 31, 2016 and from February 1, 2016 to July 31, 2016 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 Per Unit Information)

	From August 1, 2015 to January 31, 2016	From February 1, 2016 to July 31, 2016
Net asset value per unit	¥236,012	¥235,943
Net income per unit	¥6,257	¥6,279

Note 1: The weighted average number of units outstanding of 349,089 was used for the computation of the amount of net income per unit for the periods ended January 31, 2016 and July 31, 2016. 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, 2015 to January 31, 2016	From February 1, 2016 to July 31, 2016
Net income (in thousands of yen)	2,184,268	2,192,224
Net income not available to ordinary unitholders (in thousands of yen)	-	-
Net income available to ordinary unitholders (in thousands of yen)	2,184,268	2,192,224
Weighted average number of units during the period (units)	349,089	349,089

(Notes to Important Subsequent Events)

Not applicable

[Reference] **Earnings Performance for the Individual Properties for the 9th Fiscal Period (February 1, 2016 to July 31, 2016) : 182 days** **As of July 31, 2016**

Location		Tokyo Metropolitan Area													
Property No.		T-1	T-3	T-4	T-5	T-6	T-7	T-9	T-10	T-11	T-12	T-13	T-15	T-16	T-17
Property Name		KDX Daikanyama Residence	KDX Odenma Residence	KDX Iwamotocho Residence	KDX Bunkyo Sengoku Residence	KDX Azumabashi Residence	KDX Shimura Sakaue Residence	Cosmo Heim Motsumiyoshi (Land with leasehold interest)	KDX Musashi Nakahara Residence	KDX Chiba Chuo Residence	KDX Kawaguchi Saiwai-cho Residence	KDX Residence Shirokane	KDX Residence Shirokane II	KDX Residence Minami-aoyama	KDX Residence Minami-azabu
Acquisition Date		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	August 7, 2013
Price Information	Acquisition price (In millions of yen)	4,700	1,775	822	1,488	650	2,830	1,750	637	1,480	1,150	3,000	2,800	2,230	2,080
	Percentage of total portfolio	3.2%	1.2%	0.6%	1.0%	0.4%	1.9%	1.2%	0.4%	1.0%	0.8%	2.0%	1.9%	1.5%	1.4%
	Net book value (In millions of yen)	4,753	1,754	815	1,487	638	2,771	1,798	642	1,415	1,147	3,035	2,829	2,252	2,097
	Appraisal value at the end of period (In millions of yen)	5,530	2,000	952	1,750	836	3,230	1,770	709	1,660	1,410	3,360	3,170	2,370	2,430
	Percentage of total appraisal value	3.2%	1.2%	0.6%	1.0%	0.5%	1.9%	1.0%	0.4%	1.0%	0.8%	2.0%	1.9%	1.4%	1.4%
Lease Information	Number of leasable residential units	86	54	36	77	41	85	-	35	106	61	50	85	20	62
	Leasable floor area (m ²)	5,338.99	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	2,889.66	1,680.79	2,785.42
	Leased floor area (m ²)	5,153.92	2,222.94	1,090.81	1,919.37	1,031.09	5,965.60	3,040.11	2,002.48	3,446.11	2,419.96	3,527.20	2,827.40	1,642.08	2,747.06
	Occupancy ratio														
	As of July 31, 2016	96.5%	94.5%	96.4%	93.4%	97.7%	97.5%	-	94.3%	97.2%	97.1%	97.5%	97.8%	97.7%	98.6%
	As of January 31, 2016	99.4%	98.2%	94.4%	100.0%	97.7%	94.2%	-	100.0%	98.8%	97.1%	98.8%	98.1%	94.8%	98.8%
	As of July 31, 2015	96.6%	96.4%	100.0%	97.7%	100.0%	97.5%	-	100.0%	91.9%	98.2%	100.0%	97.8%	97.7%	96.0%
	As of January 31, 2015	90.6%	96.4%	100.0%	98.7%	95.5%	97.6%	-	97.2%	88.9%	81.2%	97.3%	97.5%	90.9%	95.2%
	As of July 31, 2014	98.2%	92.2%	96.4%	99.0%	100.0%	96.4%	-	100.0%	90.6%	91.7%	96.1%	96.0%	92.9%	90.2%
	As of January 31, 2014	94.1%	96.4%	100.0%	91.2%	97.7%	97.8%	-	91.3%	94.6%	98.2%	97.1%	98.9%	95.8%	91.1%
As of July 31, 2013	95.5%	96.3%	97.2%	93.3%	95.4%	95.2%	-	100.0%	96.9%	96.6%	-	-	-	-	
As of January 31, 2013	96.8%	96.2%	100.0%	97.7%	93.1%	93.1%	-	88.5%	96.7%	95.2%	-	-	-	-	
As of July 31, 2012	94.0%	90.7%	100.0%	91.2%	95.5%	96.5%	-	97.2%	96.9%	90.1%	-	-	-	-	
Income and Retained Earnings Information for the 9th Fiscal Period	Operating periods	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days
	Rental and other operating revenues (In thousands of yen)	159,542	56,689	27,824	51,130	24,659	104,218	43,750	25,733	60,789	46,693	110,352	88,787	63,880	72,232
	Rental revenues	143,650	52,294	25,722	46,723	23,549	91,101	43,750	23,884	55,391	43,893	91,141	82,493	61,545	68,288
	Other operating revenues	15,891	4,395	2,102	4,407	1,110	13,116	-	1,848	5,397	2,799	19,211	6,294	2,335	3,943
	Property-related expenses (In thousands of yen)	28,885	12,489	7,664	11,820	5,277	26,585	1,197	6,717	17,480	7,744	31,602	18,103	11,676	12,200
	Property management fees	8,636	5,162	2,882	4,203	2,659	9,392	-	2,296	4,125	2,399	7,681	7,025	4,211	5,216
	Taxes	9,574	2,814	1,242	2,458	1,255	5,575	1,191	1,603	3,814	2,768	8,120	4,514	3,319	3,762
	Utilities	5,412	482	312	535	264	1,188	-	432	891	771	13,084	1,527	1,476	539
	Repairs and maintenance	3,857	1,947	1,516	3,095	454	5,834	-	1,765	6,090	732	888	1,904	1,092	1,229
	Insurance	169	62	29	55	31	151	-	47	100	65	123	91	46	82
	Trust fees and other expenses	1,234	2,019	1,681	1,470	611	4,443	6	572	2,457	1,006	1,704	3,041	1,530	1,370
	NOI (= -) (In thousands of yen)	130,656	44,200	20,160	39,310	19,382	77,633	42,552	19,015	43,308	38,949	78,750	70,684	52,203	60,032
Depreciation (In thousands of yen)	15,647	10,532	5,212	6,500	4,883	21,334	-	3,521	17,170	7,229	7,591	6,636	3,216	6,768	
Rental operating income (= -) (In thousands of yen)	115,008	33,667	14,947	32,810	14,498	56,298	42,552	15,494	26,137	31,719	71,159	64,048	48,987	53,264	
Capital expenditures (In thousands of yen)	2,627	746	468	-	-	1,769	-	2,623	-	564	473	276	347	1,822	
NCF (= -) (In thousands of yen)	128,028	43,453	19,691	39,310	19,382	75,864	42,552	16,391	43,308	38,385	78,276	70,407	51,856	58,209	
Reference	Expense ratio (= /)	18.1%	22.0%	27.5%	23.1%	21.4%	25.5%	2.7%	26.1%	28.8%	16.6%	28.6%	20.4%	18.3%	16.9%
	Property tax for the year 2016 (In thousands of yen)	17,765	5,629	2,484	4,917	2,510	11,149	2,381	3,206	7,629	5,533	15,137	9,028	6,638	7,524
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-

[Reference] **Earnings Performance for the Individual Properties for the 9th Fiscal Period (February 1, 2016 to July 31, 2016) : 182 days** **As of July 31, 2016**

Location		Tokyo Metropolitan Area													
Property No.		T-18	T-19	T-20	T-21	T-22	T-23	T-24	T-25	T-26	T-27	T-28	T-29	T-30	T-31
Property Name		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	KDX Residence Futako Tamagawa	KDX Residence Komazawa Koen
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)	1,781	1,560	770	1,450	730	650	3,240	1,147	3,270	2,260	1,000	720	1,250	920
	Percentage of total portfolio	1.2%	1.1%	0.5%	1.0%	0.5%	0.4%	2.2%	0.8%	2.2%	1.5%	0.7%	0.5%	0.8%	0.6%
	Net book value (In millions of yen)	1,793	1,573	777	1,462	765	654	3,252	1,153	3,284	2,283	1,007	725	1,268	927
	Appraisal value at the end of period (In millions of yen)	2,110	1,840	935	1,780	895	758	3,740	1,290	3,760	2,470	1,190	826	1,390	1,030
	Percentage of total appraisal value	1.2%	1.1%	0.5%	1.0%	0.5%	0.4%	2.2%	0.8%	2.2%	1.4%	0.7%	0.5%	0.8%	0.6%
Lease Information	Number of leasable residential units	64	76	27	39	17	16	79	60	179	42	54	34	38	32
	Leasable floor area (m ²)	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	2,339.62	1,020.18
	Leased floor area (m ²)	2,341.36	1,827.99	956.58	2,216.35	985.10	748.96	5,534.86	1,496.36	4,247.48	2,974.42	1,345.92	890.93	2,271.22	1,020.18
	Occupancy ratio														
	As of July 31, 2016	93.4%	98.9%	92.5%	95.9%	100.0%	100.0%	100.0%	97.3%	97.5%	95.9%	100.0%	100.0%	97.1%	100.0%
	As of January 31, 2016	94.6%	97.7%	100.0%	93.7%	100.0%	100.0%	100.0%	98.4%	97.9%	93.7%	100.0%	100.0%	100.0%	100.0%
	As of July 31, 2015	93.7%	97.7%	97.4%	97.5%	100.0%	87.6%	100.0%	97.1%	98.0%	100.0%	98.5%	97.2%	92.1%	97.8%
	As of January 31, 2015	93.3%	100.0%	100.0%	97.9%	100.0%	100.0%	100.0%	91.4%	99.0%	93.9%	98.2%	94.3%	100.0%	100.0%
	As of July 31, 2014	94.0%	94.3%	91.0%	97.6%	90.9%	100.0%	100.0%	95.3%	97.9%	89.1%	96.8%	100.0%	100.0%	100.0%
	As of January 31, 2014	100.0%	94.3%	100.0%	94.8%	100.0%	100.0%	100.0%	91.8%	95.9%	93.9%	95.2%	94.4%	97.0%	97.8%
As of July 31, 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
As of January 31, 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
As of July 31, 2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Income and Retained Earnings Information for the 9th Fiscal Period	Operating periods	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days
	Rental and other operating revenues (In thousands of yen)	61,984	55,161	25,498	48,854	28,304	22,738	94,039	40,167	110,263	77,072	36,016	24,813	43,214	29,843
	Rental revenues	57,503	51,084	23,248	44,760	22,771	20,070	90,600	36,598	100,678	66,071	33,527	23,129	38,946	26,847
	Other operating revenues	4,481	4,077	2,249	4,094	5,532	2,667	3,439	3,569	9,585	11,001	2,489	1,684	4,268	2,995
	Property-related expenses (In thousands of yen)	14,056	11,224	8,269	10,041	9,215	3,822	13,393	10,715	27,510	25,123	7,067	4,587	6,967	5,664
	Property management fees	5,475	4,193	2,691	3,829	2,825	1,554	1,924	3,857	9,807	10,146	3,419	2,058	3,112	2,654
	Taxes	2,920	2,495	1,474	3,033	1,655	1,136	4,991	1,729	5,501	4,902	1,700	1,018	2,098	1,242
	Utilities	601	477	373	789	194	318	929	425	1,527	1,103	338	276	420	372
	Repairs and maintenance	2,786	2,132	1,777	1,533	3,569	231	4,236	2,896	7,665	3,344	1,071	405	747	709
	Insurance	64	58	28	68	28	26	143	43	124	137	36	25	60	27
	Trust fees and other expenses	2,208	1,865	1,923	786	940	555	1,167	1,762	2,883	5,488	500	802	528	656
	NOI (= -) (In thousands of yen)	47,927	43,937	17,228	38,813	19,089	18,915	80,646	29,452	82,753	51,948	28,949	20,226	36,247	24,179
Depreciation (In thousands of yen)	5,765	6,070	2,744	5,656	1,048	2,800	17,663	6,466	11,545	9,149	3,806	3,296	5,243	4,620	
Rental operating income (= -) (In thousands of yen)	42,162	37,866	14,483	33,156	18,040	16,115	62,982	22,986	71,207	42,799	25,143	16,930	31,004	19,558	
Capital expenditures (In thousands of yen)	253	2,836	-	1,252	23,341	-	1,552	618	-	6,582	176	911	3,699	2,810	
NCF (= -) (In thousands of yen)	47,674	41,100	17,228	37,560	4,252	18,915	79,093	28,834	82,753	45,366	28,772	19,315	32,547	21,368	
Reference	Expense ratio (= /)	22.7%	20.3%	32.4%	20.6%	32.6%	16.8%	14.2%	26.7%	24.9%	32.6%	19.6%	18.5%	16.1%	19.0%
	Property tax for the year 2016 (In thousands of yen)	5,840	4,990	2,948	6,066	3,311	2,273	9,982	3,458	11,002	9,805	3,401	2,036	4,196	2,485
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-

[Reference] **Earnings Performance for the Individual Properties for the 9th Fiscal Period (February 1, 2016 to July 31, 2016) : 182 days** **As of July 31, 2016**

Location		Tokyo Metropolitan Area													
Property No.		T-32	T-33	T-34	T-35	T-36	T-37	T-38	T-39	T-40	T-41	T-42	T-43	T-44	T-45
Property Name		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 Monzenmakacho	KDX Residence Okachimachi	KDX Residence Moto-asakusa	KDX Residence Itabashi Honcho	KDX Residence Azusawa	KDX Residence Tobu Nerima	KDX Residence Yokohama Kannai
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)	760	700	600	1,250	1,050	1,000	776	773	850	800	620	550	420	800
	Percentage of total portfolio	0.5%	0.5%	0.4%	0.8%	0.7%	0.7%	0.5%	0.5%	0.6%	0.5%	0.4%	0.4%	0.3%	0.5%
	Net book value (In millions of yen)	768	708	609	1,255	1,054	1,027	772	776	858	807	622	570	417	802
	Appraisal value at the end of period (In millions of yen)	856	796	684	1,650	1,210	1,180	885	896	979	923	711	619	490	940
	Percentage of total appraisal value	0.5%	0.5%	0.4%	1.0%	0.7%	0.7%	0.5%	0.5%	0.6%	0.5%	0.4%	0.4%	0.3%	0.6%
Lease Information	Number of leasable residential units	39	38	29	56	72	36	52	49	51	44	46	39	37	72
	Leasable floor area (m ²)	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	931.82	1,602.16
	Leased floor area (m ²)	1,059.44	1,012.80	829.05	2,408.56	1,461.36	2,162.82	1,129.34	1,097.76	1,305.91	1,281.33	1,059.40	892.66	884.55	1,455.29
	Occupancy ratio														
	As of July 31, 2016	96.0%	100.0%	100.0%	100.0%	95.7%	91.7%	96.5%	93.7%	98.2%	97.4%	94.0%	90.2%	94.9%	90.8%
	As of January 31, 2016	95.3%	100.0%	96.7%	100.0%	100.0%	97.2%	100.0%	100.0%	100.0%	98.4%	95.8%	100.0%	97.3%	98.8%
	As of July 31, 2015	97.7%	100.0%	97.0%	100.0%	98.4%	97.2%	96.4%	96.2%	100.0%	92.4%	96.1%	94.1%	100.0%	97.2%
	As of January 31, 2015	100.0%	100.0%	100.0%	100.0%	100.0%	97.2%	100.0%	97.5%	100.0%	94.3%	93.9%	90.9%	97.8%	89.2%
	As of July 31, 2014	100.0%	100.0%	95.5%	100.0%	97.3%	100.0%	98.2%	95.5%	100.0%	97.5%	97.7%	90.9%	96.6%	90.9%
	As of January 31, 2014	97.7%	97.5%	96.9%	100.0%	95.9%	97.2%	96.5%	84.3%	96.2%	93.3%	96.0%	96.7%	100.0%	92.3%
As of July 31, 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
As of January 31, 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
As of July 31, 2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Income and Retained Earnings Information for the 9th Fiscal Period	Operating periods	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days
	Rental and other operating revenues (In thousands of yen)	26,570	26,109	20,089	51,614	39,505	36,379	28,005	26,915	29,459	29,680	23,752	19,583	16,992	35,489
	Rental revenues	25,145	21,222	19,479	51,614	37,123	32,693	26,649	25,730	28,457	28,198	22,351	18,443	15,974	31,590
	Other operating revenues	1,424	4,887	610	-	2,381	3,685	1,356	1,185	1,001	1,482	1,401	1,140	1,017	3,898
	Property-related expenses (In thousands of yen)	5,844	5,751	4,453	3,046	8,137	9,119	5,161	6,389	9,581	6,259	7,525	5,296	5,966	8,063
	Property management fees	2,306	2,867	1,717	464	3,248	3,486	2,183	2,612	2,272	2,890	2,851	1,847	1,962	3,727
	Taxes	1,425	1,259	779	2,070	1,929	1,868	1,501	1,280	1,660	1,511	1,233	1,211	1,094	1,656
	Utilities	225	373	203	-	492	514	404	381	343	369	305	195	185	683
	Repairs and maintenance	697	437	764	-	943	2,728	463	1,512	4,724	965	1,326	1,431	1,151	1,283
	Insurance	31	26	20	51	43	49	38	31	33	39	29	29	26	50
	Trust fees and other expenses	1,157	786	969	460	1,480	472	569	571	547	484	1,780	580	1,546	661
	NOI (= -) (In thousands of yen)	20,725	20,358	15,636	48,567	31,367	27,259	22,843	20,526	19,877	23,421	16,226	14,287	11,026	27,425
	Depreciation (In thousands of yen)	3,082	2,598	2,227	3,964	5,430	3,552	5,876	3,912	3,747	4,429	4,193	3,353	3,761	5,882
Rental operating income (= -) (In thousands of yen)	17,643	17,760	13,408	44,602	25,936	23,707	16,966	16,613	16,130	18,991	12,033	10,933	7,265	21,543	
Capital expenditures (In thousands of yen)	918	107	412	-	329	7,056	1,075	-	1,830	116	107	-	-	1,048	
NCF (= -) (In thousands of yen)	19,807	20,251	15,223	48,567	31,038	20,203	21,768	20,526	18,047	23,304	16,119	14,287	11,026	26,377	
Reference	Expense ratio (= /)	22.0%	22.0%	22.2%	5.9%	20.6%	25.1%	18.4%	23.7%	32.5%	21.1%	31.7%	27.0%	35.1%	22.7%
	Property tax for the year 2016 (In thousands of yen)	2,850	2,518	1,559	4,141	3,858	3,736	3,002	2,561	3,321	3,022	2,465	2,423	2,188	3,313
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-

[Reference] **Earnings Performance for the Individual Properties for the 9th Fiscal Period (February 1, 2016 to July 31, 2016) : 182 days** **As of July 31, 2016**

Location		Tokyo Metropolitan Area													
Property No.		T-46	T-47	T-48	T-49	T-50	T-51	T-52	T-53	T-54	T-55	T-56	T-57	T-58	T-59
Property Name		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	Bureau Kagurazaka	KDX Residence Sendagi
Acquisition Date		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	February 5, 2015	February 5, 2015
Price Information	Acquisition price (In millions of yen)	999	1,800	1,350	996	530	1,268	3,745	2,593	1,857	2,679	4,832	850	1,360	2,200
	Percentage of total portfolio	0.7%	1.2%	0.9%	0.7%	0.4%	0.9%	2.5%	1.7%	1.3%	1.8%	3.3%	0.6%	0.9%	1.5%
	Net book value (In millions of yen)	1,004	1,786	1,372	1,018	569	1,337	3,816	2,645	1,893	2,731	4,954	876	1,396	2,321
	Appraisal value at the end of period (In millions of yen)	1,090	1,950	1,540	1,140	631	1,440	4,330	3,030	2,110	3,050	5,310	901	1,460	2,310
	Percentage of total appraisal value	0.6%	1.1%	0.9%	0.7%	0.4%	0.8%	2.5%	1.8%	1.2%	1.8%	3.1%	0.5%	0.9%	1.4%
Lease Information	Number of leasable residential units	40	52	33	28	27	48	144	127	117	145	85	52	70	40
	Leasable floor area (m ²)	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	1,809.84	3,159.89
	Leased floor area (m ²)	2,327.53	3,335.50	2,024.81	1,756.27	837.09	1,557.34	4,405.05	3,231.01	2,352.39	3,819.20	4,743.76	1,254.50	1,809.84	3,129.44
	Occupancy ratio														
	As of July 31, 2016	95.1%	87.0%	100.0%	100.0%	95.4%	95.1%	95.9%	97.5%	99.1%	95.3%	97.7%	100.0%	100.0%	99.0%
	As of January 31, 2016	95.3%	95.8%	96.8%	100.0%	100.0%	91.6%	98.4%	100.0%	99.1%	93.5%	98.8%	100.0%	100.0%	100.0%
	As of July 31, 2015	95.3%	100.0%	96.9%	100.0%	100.0%	87.9%	98.2%	93.4%	98.3%	91.3%	94.6%	100.0%	100.0%	100.0%
	As of January 31, 2015	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	92.1%	94.0%	87.4%	-	-	-	-	-	-	-	-	-	-	-
	As of January 31, 2014	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 9th Fiscal Period	Operating periods	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days
	Rental and other operating revenues (In thousands of yen)	37,100	59,579	43,651	30,139	18,217	37,427	119,586	84,049	61,581	91,236	127,690	23,882	39,000	66,910
	Rental revenues	33,873	53,505	38,136	30,043	18,065	35,040	112,541	79,408	59,230	81,512	119,669	23,882	39,000	59,061
	Other operating revenues	3,226	6,073	5,515	95	151	2,386	7,045	4,641	2,351	9,723	8,020	-	-	7,849
	Property-related expenses (In thousands of yen)	7,588	17,080	7,713	4,257	5,991	9,288	18,562	17,813	11,913	17,689	18,207	2,663	6,375	14,544
	Property management fees	2,776	4,485	2,728	1,059	1,692	3,008	6,635	5,108	4,401	5,106	5,898	132	1,248	3,820
	Taxes	2,041	3,561	2,295	1,571	990	1,869	5,534	4,667	2,755	4,830	6,787	1,605	2,377	2,959
	Utilities	545	787	536	321	236	309	648	932	580	1,040	1,039	-	618	3,083
	Repairs and maintenance	1,488	5,848	853	875	2,505	1,839	3,045	3,148	1,817	3,641	2,426	528	1,278	3,106
	Insurance	65	110	73	43	25	41	147	112	76	120	145	37	56	93
	Trust fees and other expenses	670	2,286	1,225	385	539	2,220	2,550	3,843	2,282	2,951	1,909	359	796	1,480
NOI (= -) (In thousands of yen)	29,511	42,498	35,937	25,882	12,226	28,138	101,024	66,236	49,667	73,546	109,483	21,218	32,624	52,366	
Depreciation (In thousands of yen)	6,213	14,841	6,859	4,088	1,965	4,144	16,801	12,719	11,039	16,547	13,817	2,494	3,624	7,694	
Rental operating income (= -) (In thousands of yen)	23,298	27,657	29,078	21,793	10,261	23,993	84,223	53,517	38,628	56,998	95,665	18,724	29,000	44,671	
Capital expenditures (In thousands of yen)	2,387	1,036	-	589	25,484	574	3,323	1,881	-	-	2,843	887	831	7,138	
NCF (= -) (In thousands of yen)	27,124	41,462	35,937	25,292	13,258	27,563	97,700	64,354	49,667	73,546	106,639	20,331	31,793	45,227	
Reference	Expense ratio (= /)	20.5%	28.7%	17.7%	14.1%	32.9%	24.8%	15.5%	21.2%	19.3%	19.4%	14.3%	11.2%	16.3%	21.7%
	Property tax for the year 2016 (In thousands of yen)	4,083	7,119	4,590	3,143	1,961	3,738	11,069	9,334	5,511	9,660	13,574	3,211	4,755	5,919
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-

[Reference] **Earnings Performance for the Individual Properties for the 9th Fiscal Period (February 1, 2016 to July 31, 2016) : 182 days** **As of July 31, 2016**

Location		Tokyo Metropolitan Area									Other Regional Areas				
Property No.		T-60	T-61	T-62	T-63	T-64	T-65	T-66	T-67	T-68	R-1	R-2	R-3	R-4	R-5
Property Name		KDX Residence Seijo	KDX Residence Akihabara	KDX Residence Iriya	KDX Residence Tachikawa	KDX Residence Tsurumi	KDX Residence Morishita Chitose	KDX Residence Akasaka	KDX Residence Kanda	KDX Residence Ebisu	KDX Toyohira Sanjo Residence	KDX Jozenji Dori Residence	KDX Izumi Residence	KDX Chihaya Residence	KDX Sakaisuji Hommachi Residence
Acquisition Date		February 5, 2015	February 5, 2015	February 5, 2015	February 5, 2015	February 5, 2015	June 1, 2015	September 30, 2015	September 30, 2015	October 30, 2015	May 1, 2012	May 1, 2012	May 1, 2012	May 1, 2012	May 1, 2012
Price Information	Acquisition price (In millions of yen)	1,400	1,250	1,062	3,026	1,050	1,100	1,150	700	2,845	582	1,015	1,120	1,080	2,910
	Percentage of total portfolio	0.9%	0.8%	0.7%	2.0%	0.7%	0.7%	0.8%	0.5%	1.9%	0.4%	0.7%	0.8%	0.7%	2.0%
	Net book value (In millions of yen)	1,437	1,284	1,093	3,108	1,110	1,135	1,216	744	3,005	570	995	1,099	1,055	2,839
	Appraisal value at the end of period (In millions of yen)	1,500	1,410	1,250	3,380	1,300	1,150	1,450	924	3,700	754	1,320	1,300	1,360	3,210
	Percentage of total appraisal value	0.9%	0.8%	0.7%	2.0%	0.8%	0.7%	0.9%	0.5%	2.2%	0.4%	0.8%	0.8%	0.8%	1.9%
Lease Information	Number of leasable residential units	38	32	57	174	59	65	28	30	65	63	92	40	92	160
	Leasable floor area (m ²)	2,198.56	1,929.61	1,899.29	4,314.87	3,499.84	1,614.28	1,180.71	1,031.09	2,659.66	2,868.75	3,330.15	2,798.20	2,936.40	6,385.70
	Leased floor area (m ²)	2,198.56	1,655.62	1,844.66	3,972.40	3,389.42	1,593.00	1,098.97	1,031.09	2,586.61	2,774.66	3,188.55	2,724.75	2,783.50	5,658.97
	Occupancy ratio														
	As of July 31, 2016	100.0%	85.8%	97.1%	92.1%	96.8%	98.7%	93.1%	100.0%	97.3%	96.7%	95.7%	97.4%	94.8%	88.6%
	As of January 31, 2016	88.5%	87.9%	100.0%	95.9%	98.5%	96.8%	100.0%	97.4%	58.3%	97.0%	98.0%	89.8%	97.3%	91.4%
	As of July 31, 2015	89.8%	97.0%	98.6%	96.1%	98.4%	96.2%	-	-	-	92.4%	100.0%	85.0%	98.9%	97.5%
	As of January 31, 2015	-	-	-	-	-	-	-	-	-	100.0%	98.2%	100.0%	96.4%	93.2%
	As of July 31, 2014	-	-	-	-	-	-	-	-	-	98.4%	96.4%	95.0%	100.0%	92.9%
	As of January 31, 2014	-	-	-	-	-	-	-	-	-	97.3%	97.9%	97.6%	95.1%	94.0%
As of July 31, 2013	-	-	-	-	-	-	-	-	-	100.0%	100.0%	97.6%	98.9%	90.8%	
As of January 31, 2013	-	-	-	-	-	-	-	-	-	85.8%	99.1%	92.1%	100.0%	93.0%	
As of July 31, 2012	-	-	-	-	-	-	-	-	-	94.1%	96.8%	87.1%	98.9%	91.7%	
Income and Retained Earnings Information for the 9th Fiscal Period	Operating periods	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days
	Rental and other operating revenues (In thousands of yen)	40,144	35,533	38,674	96,399	52,496	38,900	36,136	25,625	82,167	29,540	51,074	43,347	49,719	103,918
	Rental revenues	35,289	32,650	36,909	86,312	46,883	36,063	35,736	23,975	77,995	27,293	45,958	35,426	44,554	95,092
	Other operating revenues	4,854	2,883	1,764	10,087	5,613	2,837	399	1,650	4,171	2,246	5,116	7,921	5,164	8,826
	Property-related expenses (In thousands of yen)	13,283	10,827	7,232	17,126	9,346	8,584	4,136	6,494	14,145	7,157	11,483	12,906	12,305	25,227
	Property management fees	3,111	2,522	2,803	6,632	3,350	3,209	1,504	1,846	4,674	2,169	3,192	4,287	3,713	5,893
	Taxes	2,777	2,090	1,955	4,507	2,509	1,921	1,520	1,665	3,326	2,648	3,264	2,420	3,026	7,636
	Utilities	508	328	341	782	527	483	251	410	745	643	951	312	913	1,359
	Repairs and maintenance	3,354	3,323	1,055	2,985	1,880	1,448	288	603	413	605	2,429	3,262	3,331	3,630
	Insurance	63	51	51	135	83	45	35	31	81	65	79	68	78	195
	Trust fees and other expenses	3,467	2,511	1,025	2,083	995	1,476	537	1,937	4,904	1,024	1,564	2,554	1,241	6,512
	NOI (= -) (In thousands of yen)	26,860	24,706	31,441	79,273	43,150	30,315	31,999	19,130	68,021	22,382	39,591	30,441	37,413	78,690
Depreciation (In thousands of yen)	4,479	6,562	6,104	21,050	6,310	5,620	4,195	3,682	11,235	5,930	10,337	9,137	10,014	23,661	
Rental operating income (= -) (In thousands of yen)	22,380	18,143	25,337	58,222	36,839	24,695	27,804	15,447	56,786	16,452	29,254	21,303	27,399	55,029	
Capital expenditures (In thousands of yen)	2,794	761	409	198	10,458	-	-	-	1,533	482	-	823	-	666	
NCF (= -) (In thousands of yen)	24,066	23,944	31,032	79,075	32,691	30,315	31,999	19,130	66,488	21,900	39,591	29,617	37,413	78,023	
Reference	Expense ratio (= /)	33.1%	30.5%	18.7%	17.8%	17.8%	22.1%	11.4%	25.3%	17.2%	24.2%	22.5%	29.8%	24.8%	24.3%
	Property tax for the year 2016 (In thousands of yen)	5,554	4,181	3,910	9,017	5,018	3,842	3,040	3,330	6,652	5,296	6,529	4,840	6,053	15,270
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-

[Reference] **Earnings Performance for the Individual Properties for the 9th Fiscal Period (February 1, 2016 to July 31, 2016) : 182 days** **As of July 31, 2016**

Location		Other Regional Areas													
Property No.		R-6	R-7	R-8	R-9	R-10	R-11	R-12	R-13	R-14	R-15	R-16	R-17	R-18	R-19
Property Name		KDX Shimimachi Residence	KDX Takarazuka Residence	KDX Shimizu Residence	KDX Residence Odori Koen	KDX Residence Kikusui Yojo	KDX Residence Toyohira Koen	KDX Residence Kamisugi	KDX Residence Ichiban-cho	KDX Residence Kotodai	KDX Residence Izumi Chuo	KDX Residence Higashi-sakura I	KDX Residence Higashi-sakura II	KDX Residence Jingumae	KDX Residence Nishi-oji
Acquisition Date		May 1, 2012	May 1, 2012	May 1, 2012	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013	August 7, 2013
Price Information	Acquisition price (In millions of yen)	1,015	1,510	1,680	765	830	445	700	530	520	480	2,350	900	840	813
	Percentage of total portfolio	0.7%	1.0%	1.1%	0.5%	0.6%	0.3%	0.5%	0.4%	0.4%	0.3%	1.6%	0.6%	0.6%	0.5%
	Net book value (In millions of yen)	989	1,450	1,641	761	828	446	698	529	520	482	2,351	900	838	816
	Appraisal value at the end of period (In millions of yen)	1,240	1,850	2,050	861	937	515	882	660	551	600	2,680	1,030	1,010	898
	Percentage of total appraisal value	0.7%	1.1%	1.2%	0.5%	0.5%	0.3%	0.5%	0.4%	0.3%	0.4%	1.6%	0.6%	0.6%	0.5%
Lease Information	Number of leasable residential units	94	80	148	78	84	65	66	45	27	40	187	66	95	76
	Leasable floor area (m ²)	2,146.02	4,631.16	6,255.16	2,762.76	3,413.06	2,253.81	2,073.06	1,818.09	1,475.73	2,159.25	6,221.83	2,655.31	2,724.19	2,353.55
	Leased floor area (m ²)	2,009.04	4,232.77	6,103.87	2,655.74	3,413.06	2,217.43	1,919.98	1,768.79	1,419.35	2,000.71	5,789.58	2,417.11	2,663.43	2,302.55
	Occupancy ratio														
	As of July 31, 2016	93.6%	91.4%	97.6%	96.1%	100.0%	98.4%	92.6%	97.3%	96.2%	92.7%	93.1%	91.0%	97.8%	97.8%
	As of January 31, 2016	92.6%	97.1%	98.0%	96.1%	97.9%	93.9%	95.6%	97.3%	100.0%	94.8%	92.0%	92.5%	97.8%	95.9%
	As of July 31, 2015	93.6%	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%
	As of January 31, 2015	98.9%	95.7%	92.1%	94.9%	91.9%	95.5%	97.0%	100.0%	100.0%	92.0%	95.2%	94.0%	96.0%	98.9%
	As of July 31, 2014	100.0%	90.0%	94.2%	96.1%	100.0%	96.9%	97.0%	91.9%	88.9%	95.0%	95.2%	97.0%	96.5%	95.0%
	As of January 31, 2014	92.6%	97.1%	95.4%	98.7%	99.0%	92.3%	92.5%	98.0%	96.4%	94.2%	97.9%	100.0%	98.2%	93.3%
As of July 31, 2013	96.8%	100.0%	93.6%	-	-	-	-	-	-	-	-	-	-	-	
As of January 31, 2013	96.8%	92.8%	99.4%	-	-	-	-	-	-	-	-	-	-	-	
As of July 31, 2012	96.8%	87.1%	96.1%	-	-	-	-	-	-	-	-	-	-	-	
Income and Retained Earnings Information for the 9th Fiscal Period	Operating periods	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days
	Rental and other operating revenues (In thousands of yen)	39,104	58,049	73,810	33,407	38,677	23,150	35,176	27,732	20,021	23,387	96,723	38,994	40,361	33,263
	Rental revenues	37,173	53,677	66,177	30,546	34,529	21,250	31,930	25,143	19,384	20,984	88,177	34,692	37,165	30,419
	Other operating revenues	1,931	4,372	7,633	2,860	4,148	1,900	3,246	2,588	636	2,403	8,545	4,302	3,196	2,843
	Property-related expenses (In thousands of yen)	7,924	12,426	14,269	10,065	10,893	7,462	8,969	8,931	4,143	6,386	30,669	12,119	12,553	8,058
	Property management fees	2,091	2,683	3,861	2,926	3,044	1,879	2,375	2,590	1,296	2,153	9,956	4,096	3,768	2,545
	Taxes	1,896	3,951	5,442	2,635	3,295	2,149	2,168	1,849	1,518	1,787	5,916	2,645	2,571	2,164
	Utilities	601	678	707	657	1,180	1,012	465	414	442	342	1,126	540	496	1,053
	Repairs and maintenance	1,171	2,524	2,301	1,525	1,633	607	2,113	2,360	453	1,402	5,335	2,384	4,920	1,138
	Insurance	57	103	152	71	62	55	48	43	38	47	152	68	65	59
	Trust fees and other expenses	2,106	2,483	1,804	2,248	1,676	1,759	1,797	1,672	394	652	8,182	2,383	730	1,097
	NOI (= -) (In thousands of yen)	31,179	45,623	59,540	23,341	27,783	15,688	26,207	18,801	15,877	17,001	66,053	26,875	27,808	25,204
Depreciation (In thousands of yen)	8,982	16,482	14,181	7,833	7,497	4,383	6,185	5,007	4,433	4,496	17,677	6,963	7,309	6,335	
Rental operating income (= -) (In thousands of yen)	22,197	29,141	45,358	15,507	20,285	11,305	20,021	13,794	11,444	12,505	48,375	19,911	20,499	18,868	
Capital expenditures (In thousands of yen)	1,506	2,728	164	-	212	258	-	-	195	-	6,542	-	959	-	
NCF (= -) (In thousands of yen)	29,673	42,895	59,376	23,341	27,571	15,430	26,207	18,801	15,682	17,001	59,510	26,875	26,848	25,204	
Reference	Expense ratio (= /)	20.3%	21.4%	19.3%	30.1%	28.2%	32.2%	25.5%	32.2%	20.7%	27.3%	31.7%	31.1%	31.1%	24.2%
	Property tax for the year 2016 (In thousands of yen)	3,790	7,895	10,881	5,270	6,590	4,297	4,337	3,699	3,037	3,575	11,831	5,291	5,141	4,328
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-

[Reference] **Earnings Performance for the Individual Properties for the 9th Fiscal Period (February 1, 2016 to July 31, 2016) : 182 days** **As of July 31, 2016**

Location		Other Regional Areas													
Property No.		R-20	R-21	R-22	R-23	R-24	R-25	R-26	R-27	R-28	R-29	R-30	R-32	R-33	R-34
Property Name		KDX Residence Sain	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 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)	440	1,410	1,350	510	1,275	740	551	1,080	1,360	588	680	763	760	400
	Percentage of total portfolio	0.3%	1.0%	0.9%	0.3%	0.9%	0.5%	0.4%	0.7%	0.9%	0.4%	0.5%	0.5%	0.5%	0.3%
	Net book value (In millions of yen)	442	1,415	1,348	507	1,282	729	548	1,082	1,423	584	679	763	764	414
	Appraisal value at the end of period (In millions of yen)	488	1,570	1,540	575	1,382	820	627	1,290	1,650	642	825	837	853	495
	Percentage of total appraisal value	0.3%	0.9%	0.9%	0.3%	0.8%	0.5%	0.4%	0.8%	1.0%	0.4%	0.5%	0.5%	0.5%	0.3%
Lease Information	Number of leasable residential units	49	118	131	43	61	70	28	86	21	64	63	36	24	36
	Leasable floor area (m ²)	1,094.81	3,387.30	3,813.31	1,321.04	4,701.87	2,024.50	1,942.78	2,292.72	3,999.01	1,889.53	2,602.53	2,522.16	2,098.68	2,297.24
	Leased floor area (m ²)	1,053.59	3,258.95	3,648.21	1,200.64	4,471.65	1,998.11	1,869.10	2,113.37	3,828.62	1,889.53	2,437.29	2,382.98	1,939.08	2,114.72
	Occupancy ratio														
	As of July 31, 2016	96.2%	96.2%	95.7%	90.9%	95.1%	98.7%	96.2%	92.2%	95.7%	100.0%	93.7%	94.5%	92.4%	92.1%
	As of January 31, 2016	95.7%	100.0%	97.8%	100.0%	98.3%	97.0%	100.0%	92.2%	100.0%	98.5%	98.4%	88.9%	91.9%	94.7%
	As of July 31, 2015	91.8%	96.2%	96.5%	97.7%	95.1%	100.0%	89.6%	97.8%	96.1%	98.4%	92.1%	97.3%	92.5%	94.9%
	As of January 31, 2015	94.2%	96.2%	95.5%	95.4%	95.1%	95.4%	100.0%	98.9%	93.0%	96.9%	98.4%	100.0%	91.0%	97.3%
	As of July 31, 2014	98.1%	99.2%	97.8%	97.7%	95.1%	97.1%	100.0%	100.0%	88.7%	96.8%	98.4%	94.9%	95.3%	-
	As of January 31, 2014	95.8%	96.2%	97.2%	93.2%	96.7%	98.5%	96.2%	94.4%	90.7%	95.3%	98.4%	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 9th Fiscal Period	Operating periods	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days
	Rental and other operating revenues (In thousands of yen)	17,762	59,337	56,191	21,785	54,589	29,689	23,682	40,580	65,868	27,745	30,822	29,850	27,021	20,047
	Rental revenues	15,841	53,337	54,528	20,202	47,666	28,316	21,537	37,185	62,779	24,826	27,601	26,115	24,218	17,571
	Other operating revenues	1,920	6,000	1,663	1,582	6,923	1,372	2,144	3,394	3,088	2,918	3,220	3,734	2,802	2,476
	Property-related expenses (In thousands of yen)	4,935	13,063	10,924	4,843	14,223	6,812	5,005	9,731	13,860	6,161	9,066	8,140	6,498	4,976
	Property management fees	1,663	3,726	3,674	1,300	3,527	2,134	1,374	3,115	6,044	1,783	2,425	2,084	1,812	1,318
	Taxes	964	3,191	3,217	1,316	4,548	1,790	1,667	2,570	4,731	1,790	1,936	2,262	2,052	1,361
	Utilities	853	1,650	729	410	1,394	444	1,058	599	1,354	327	522	528	424	970
	Repairs and maintenance	780	2,163	1,744	849	3,474	820	464	1,899	898	1,227	3,001	1,853	1,456	613
	Insurance	29	78	90	31	121	49	55	60	117	45	64	59	50	47
	Trust fees and other expenses	642	2,252	1,467	935	1,156	1,572	385	1,485	713	986	1,116	1,352	701	664
	NOI (= -) (In thousands of yen)	12,827	46,273	45,267	16,941	40,366	22,876	18,676	30,849	52,008	21,583	21,755	21,709	20,523	15,071
	Depreciation (In thousands of yen)	3,848	9,926	11,770	5,192	6,948	8,152	5,418	7,706	4,613	5,367	6,192	6,352	4,757	2,675
Rental operating income (= -) (In thousands of yen)	8,978	36,347	33,496	11,748	33,417	14,724	13,258	23,142	47,394	16,216	15,562	15,357	15,766	12,395	
Capital expenditures (In thousands of yen)	-	871	643	-	3,736	-	-	937	435	-	134	-	320	3,967	
NCF (= -) (In thousands of yen)	12,827	45,402	44,623	16,941	36,630	22,876	18,676	29,912	51,572	21,583	21,621	21,709	20,202	11,104	
Reference	Expense ratio (= /)	27.8%	22.0%	19.4%	22.2%	26.1%	22.9%	21.1%	24.0%	21.0%	22.2%	29.4%	27.3%	24.0%	24.8%
	Property tax for the year 2016 (In thousands of yen)	1,928	6,379	6,432	2,632	9,092	3,580	3,330	5,141	9,461	3,580	3,872	4,523	4,105	2,720
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-

[Reference] **Earnings Performance for the Individual Properties for the 9th Fiscal Period (February 1, 2016 to July 31, 2016) : 182 days** As of July 31, 2016

Location		Other Regional Areas							Total of 105 Properties
Property No.	R-35	R-36	R-37	R-38	R-39	R-40	R-41		
Property Name		Leopalace Flat Shin-sakae	KDX Residence Konan Yamate	KDX Residence Hommachibashi	KDX Residence Minami-kusatsu	KDX Residence Ohori Harbor View Tower	KDX Residence Minami-sanjo	Serenite Kita-kyuhoji	
Acquisition Date		November 28, 2014	November 14, 2014	December 18, 2014	February 5, 2015	February 5, 2015	September 30, 2015	October 27, 2015	
Price Information	Acquisition price (In millions of yen)	3,500	973	3,201	1,974	4,606	915	1,290	148,184
	Percentage of total portfolio	2.4%	0.7%	2.2%	1.3%	3.1%	0.6%	0.9%	100.0%
	Net book value (In millions of yen)	3,679	996	3,283	2,061	4,783	983	1,338	150,211
	Appraisal value at the end of period (In millions of yen)	4,100	1,100	3,440	2,260	5,090	1,470	1,410	170,538
	Percentage of total appraisal value	2.4%	0.6%	2.0%	1.3%	3.0%	0.9%	0.8%	100.0%
Lease Information	Number of leasable residential units	274	55	134	170	212	114	85	7,243
	Leasable floor area (m ²)	11,589.95	1,923.22	6,511.88	5,735.96	11,855.63	5,269.39	2,277.14	289,350.62
	Leased floor area (m ²)	11,589.95	1,893.35	6,147.65	5,432.29	11,083.22	5,022.78	2,207.39	277,514.48
	Occupancy ratio								
	As of July 31, 2016	100.0%	98.4%	94.4%	94.7%	93.5%	95.3%	96.9%	95.9%
	As of January 31, 2016	100.0%	98.4%	95.9%	100.0%	88.1%	97.1%	54.2%	96.0%
	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 9th Fiscal Period	Operating periods	182days	182days	182days	182days	182days	182days	182days	182days
	Rental and other operating revenues (In thousands of yen)	121,557	33,633	111,935	95,522	185,637	53,003	32,746	5,329,011
	Rental revenues	119,525	32,324	102,979	79,349	148,886	48,116	31,647	4,872,868
	Other operating revenues	2,031	1,309	8,955	16,172	36,750	4,887	1,099	456,142
	Property-related expenses (In thousands of yen)	13,730	6,735	21,170	23,907	43,617	13,221	12,064	1,175,214
	Property management fees	3,646	1,750	4,642	5,529	11,723	3,484	2,465	369,393
	Taxes	9,256	1,998	8,276	6,278	13,513	5,343	3,156	314,741
	Utilities	-	322	1,970	4,227	2,557	773	438	90,264
	Repairs and maintenance	-	1,012	3,652	2,001	7,742	2,022	141	210,659
	Insurance	282	52	201	167	345	133	56	7,823
	Trust fees and other expenses	545	1,597	2,426	5,704	7,735	1,463	5,805	182,332
	NOI (= -) (In thousands of yen)	107,827	26,898	90,765	71,614	142,019	39,781	20,681	4,153,796
Depreciation (In thousands of yen)	33,049	4,901	21,958	18,071	42,284	11,168	10,155	857,592	
Rental operating income (= -) (In thousands of yen)	74,777	21,997	68,807	53,543	99,735	28,613	10,526	3,296,203	
Capital expenditures (In thousands of yen)	2,077	283	-	681	1,923	1,312	-	163,755	
NCF (= -) (In thousands of yen)	105,749	26,615	90,765	70,932	140,096	38,469	20,681	3,990,041	
Reference	Expense ratio (= /)	11.3%	20.0%	18.9%	25.0%	23.5%	24.9%	36.8%	22.1%
	Property tax for the year 2016 (In thousands of yen)	18,512	3,997	16,552	12,555	27,026	10,686	6,313	626,906
	Assets pledged as collateral	-	-	-	-	-	-	-	-

Total : Cost-weighted average operating period (days)

(Reference) Borrowings

Borrowings on a financial institution basis as of July 31, 2016 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 (Note2) (Note3)	Payment due date (Note6)	Use	Remarks
Current Portion of Long-Term Loans Payable	Sumitomo Mitsui Banking Corporation	2,500,000	-	2,500,000	-	1.045%	April 30, 2016	(Note5)	Unsecured/ Unguaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,000,000	-	1,000,000	-				
	Sumitomo Mitsui Banking Corporation	3,000,000	-	-	3,000,000	0.787%	August 31, 2016		
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,000,000	-	-	2,000,000				
	Aozora Bank, Ltd.	1,000,000	-	-	1,000,000				
	Sumitomo Mitsui Trust Bank, Limited	1,000,000	-	-	1,000,000				
	Resona Bank, Ltd.	500,000	-	-	500,000				
	Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000				
	Mizuho Bank, Ltd.	500,000	-	-	500,000				
Sub Total	12,000,000	-	3,500,000	8,500,000					
Long-Term Loans Payable	Sumitomo Mitsui Banking Corporation	4,000,000	-	-	4,000,000	0.910%	August 31, 2017	(Note5)	Unsecured/ Unguaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,500,000	-	-	2,500,000				
	Aozora Bank, Ltd.	1,500,000	-	-	1,500,000				
	Resona Bank, Ltd.	1,000,000	-	-	1,000,000				
	Sumitomo Mitsui Trust Bank, Limited	1,000,000	-	-	1,000,000				
	Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000				
	Mizuho Bank, Ltd.	500,000	-	-	500,000	1.052%	August 31, 2018		
	Sumitomo Mitsui Banking Corporation	3,250,000	-	-	3,250,000				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,000,000	-	-	2,000,000				
	Aozora Bank, Ltd.	1,000,000	-	-	1,000,000				
	Resona Bank, Ltd.	500,000	-	-	500,000				
	Sumitomo Mitsui Trust Bank, Limited	500,000	-	-	500,000				
	Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000	1.088%	August 31, 2018		
	Mizuho Bank, Ltd.	250,000	-	-	250,000				
	Development Bank of Japan Inc. (Note4)	3,000,000	-	-	3,000,000				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,000,000	-	-	1,000,000				
	Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000				
	Aozora Bank, Ltd.	1,350,000	-	-	1,350,000				
	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%			
	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%			
	Sumitomo Mitsui Banking Corporation	1,100,000	-	-	1,100,000	0.916%	August 7, 2021		
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,100,000	-	-	1,100,000				
	Mizuho Bank, Ltd.	600,000	-	-	600,000				
	Aozora Bank, Ltd.	350,000	-	-	350,000				
	Resona Bank, Ltd.	300,000	-	-	300,000				
	Mizuho Trust & Banking Co., Ltd.	300,000	-	-	300,000				
	Development Bank of Japan Inc. (Note4)	1,000,000	-	-	1,000,000	0.996%	August 7, 2021		
	Sumitomo Mitsui Banking Corporation	400,000	-	-	400,000	1.254%	August 7, 2023		
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	400,000	-	-	400,000				
	Mizuho Bank, Ltd.	300,000	-	-	300,000				
	Resona Bank, Ltd.	200,000	-	-	200,000				
	Mizuho Trust & Banking Co., Ltd.	200,000	-	-	200,000				
	Aozora Bank, Ltd.	150,000	-	-	150,000				
	Development Bank of Japan Inc. (Note4)	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			
Aozora Bank, Ltd.	300,000	-	-	300,000	0.678%	August 31, 2020			
Resona Bank, Ltd.	1,100,000	-	-	1,100,000	0.923%	August 31, 2022			
Mizuho Trust & Banking Co., Ltd.	700,000	-	-	700,000	0.923%	August 31, 2022			
Sumitomo Mitsui Trust Bank, Limited	950,000	-	-	950,000	1.047%	August 31, 2023			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,700,000	-	-	1,700,000	1.169%	August 31, 2024			
Mizuho Bank, Ltd.	950,000	-	-	950,000	1.169%	August 31, 2024			
Sumitomo Mitsui Banking Corporation	2,000,000	-	-	2,000,000	1.345%	August 31, 2025			
Development Bank of Japan Inc. (Note4)	1,000,000	-	-	1,000,000	1.193%	August 31, 2024			

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 (Note2) (Note3)	Payment due date (Note6)	Use	Remarks
Long-Term Loans Payable	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	300,000	-	-	300,000	0.624%	October 27, 2020	(Note5)	Unsecured/ Unguaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,000,000	-	-	1,000,000	1.156%	April 27, 2025		
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	-	1,000,000	-	1,000,000	0.819%	April 28, 2025		
	Sumitomo Mitsui Banking Corporation	-	2,500,000	-	2,500,000	0.903%	April 30, 2026		
	Sub Total	62,800,000	3,500,000	-	66,300,000				
Total	74,800,000	3,500,000	3,500,000	74,800,000					

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	11,000,000	11,000,000	1,500,000	5,950,000	36,850,000

Note 2: All debts except for the following Note4 are borrowing at a floating rate.

Note 3: 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 4: Borrowings at a fixed rate.

Note 5: 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 6: All the repayment methods of debt financing are lump-sum repayments on the due date.