FINANCIAL RESULTS FOR THE 26TH FISCAL PERIOD ENDED SEPTEMBER 30, 2014
(REIT)

November 17, 2014

Name of Issuer:	Japan Real Estate Investment Corporation
Stock Exchange Listing:	Tokyo Stock Exchange
Securities Code:	8952
URL:	http://www.j-re.co.jp/english
Representative:	Noritada Terasawa, Executive Director
Asset Management Company:	Japan Real Estate Asset Management Co., Ltd.
Representative:	Hiroshi Katayama, CEO & President
Contact:	Ryuta Yoshida, Executive officer, General Manager, Planning Department / TEL +81-3-3211-7921
Scheduled Date of Filling Securities Report:	December 25, 2014
Scheduled date of dividend payment:	December 12, 2014
Supplementary materials for financial results:	Yes
Holding of a briefing on financial results:	Yes (primarily for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

1. Financial Results for the 26th fiscal period ended September 30, 2014 (April 1, 2014 to September 30, 2014)

(1) Operating Results

(Percentages represent increases/decreases compared with results for the previous fiscal period)

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
Period ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2014	27,760	4.4	11,255	3.9	9,582	5.5	9,572	5.5
March 31, 2014	26,582	1.4	10,831	0.5	9,083	(0.7)	9,070	(0.7)

	Net Income per Unit	ROE (Net Income to Unitholders' Equity Ratio)	ROA (Ordinary Income to Total Assets Ratio)	Operating Revenues to Ordinary Income Ratio
Period ended	Yen	%	%	%
September 30, 2014	7,683	2.2	1.2	34.5
March 31, 2014	7,633	2.2	1.1	34.2

Note: The ROE (Net Income to Unitholders' Equity Ratio) is calculated by using the average of the unitholders' equity for the beginning and end of the 25th fiscal period ended March 31, 2014. As the Company issued new investment units in the 26th period ended September 30, 2014, the average for unitholders' equity takes into account the number of days from the beginning of the period to the day prior to the day of new unit issuance, and the number of days from the new unit issuance to the end of the period.

(2) Dividends

	Dividend per Unit Excluding Excess of Accounting Profits	Total Cash Dividends Excluding Excess of Accounting Profits	Dividend in Excess of Accounting Profits per Unit	Total Dividends in Excess of Accounting Profits	Payout Ratio	Ratio of Dividends to Net Assets
Period ended	Yen	Millions of yen	Yen	Millions of yen	%	%
September 30, 2014	7,648	9,571	0	0	99.9	2.2
March 31, 2014	7,633	9,070	0	0	99.9	2.2

Note 1: The payout ratio is rounded down to the first decimal place.

Note 2: As the Company issued new investment units, the dividend payout ratio for the 26th period ended September 30, 2014, is calculated using the following formula: Dividend payout ratio = Total cash dividends / Net income × 100

Note 3: In the 26th period, the cause of differences in dividend per unit and net income per unit is the fact that as the Company issued new investment units, net income per unit was calculated based on the average number of units during the period.

(3) Financial Standing

	Total Assets	Net Assets	Equity Ratio	Net Assets per Unit
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2014	813,931	436,622	53.6	348,871
March 31, 2014	817,130	405,355	49.6	341,128

Reference: Total unitholders' equity was 436,622 million yen for the period ended September 30, 2014 and 405,355 million yen for the period ended March 31, 2014.

(4) Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
Period ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
September 30, 2014	16,811	(3,556)	(13,709)	20,589
March 31, 2014	14,364	(37,541)	29,623	21,043

2. Performance Forecasts for the 27th Fiscal Period ended March 31, 2015 and the 28th Fiscal Period ended September 30, 2015

(Percentages represent projected increases/decreases compared with the results for the preceding fiscal period)

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Dividend per Unit Excluding Excess of Accounting Profits	Dividend in Excess of Accounting Profits per Unit
Period ending	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
March 31, 2015	28,070	1.1	11,230	(0.2)	9,580	(0.0)	9,570	(0.0)	7,650	0
September 30, 2015	28,440	1.3	11,340	1.0	9,750	1.8	9,740	1.8	7,780	0

Reference: Net income per unit forecast = Net income forecast ÷ Number of total investment units forecast for the end of the period
(Period ending March 31, 2015): 7,650 yen; (Period ending September 30, 2015): 7,780 yen.

*Other

(1) Changes in Accounting Policy/Changes in Accounting Estimates/Restatements

Changes in accounting policy following revisions to accounting standards, etc.: None
Other changes in accounting policy: None
Changes in accounting estimates: None
Restatements: None

(2) Number of Units Outstanding

Number of Units Outstanding at End of Period (Including Treasury Units)

As of September 30, 2014 1,251,530 units
As of March 31, 2014 1,188,280 units

Number of Treasury Units at End of Period

As of September 30, 2014 0 units
As of March 31, 2014 0 units

Note:

Please refer to the notes regarding per unit information on page 23 for the number of investment units on which the calculations of net income per unit are based.

* Explanation regarding the appropriate use of business operations forecasts, and other special remarks

Estimates for the Company's future operating results contained in the financial results are forward-looking statements and are based on information currently available to the Company and certain assumptions deemed reasonable. Actual results may differ substantially from the projections depending on a number of factors. In addition, these forecasts do not guarantee the stated dividends. As for assumptions underlying performance forecasts, please refer to the table entitled "Assumptions Underlying Performance Forecasts for the 27th Fiscal Period (October 1, 2014 to March 31, 2015) and the 28th Fiscal Period (April 1, 2015 to September 30, 2015)" on pages 8 and 9.

1. Related Corporations

The designated related party of Japan Real Estate Investment Corporation is Mitsubishi Estate Co., Ltd. ("Designated Related Party" stipulated in Article 12, Paragraph 3 of the Cabinet Office Ordinance on Disclosure of Information, etc. of Regulated Securities (Ministry of Finance Ordinance No. 22 of 1993, as amended)).

Mitsubishi Estate Co., Ltd. is the parent company* to Japan Real Estate Asset Management Co., Ltd. (hereby referred to as "the Asset Management Company"), the company which Japan Real Estate Investment Corporation entrusts the management of its assets to ("Parent Company" stipulated in Article 8, Paragraph 3 of Ordinance on Terminology, Forms and Preparation Methods of Financial Statements, etc. (Ministry of Finance Ordinance No. 59 of 1963, as amended)). In addition, as parties interested in the Asset Management Company that conduct or have conducted transactions set forth in Article 29-3, paragraph 3, items 1 and 2 of the Order for Enforcement of the Financial Instruments and Exchange Act, and parties interested in the Asset Management Company that conduct or have conducted transactions set forth in Article 29-3, paragraph 3, items 3 and 4 of the same act, Mitsubishi Estate Co., Ltd. also qualify as designated related party.

Due to the fact that there has been no important changes to the "Structure and Formation" section in the most recent securities report (released June 25, 2014), information concerning other related corporations has been omitted.

* Note: As of September 29, 2014, Mitsubishi Estate Co., Ltd. has acquired 77,142 shares (27.0% shareholding percentage) of the Asset Management Company from The Dai-ichi Life Insurance Company, Limited. Accordingly, their shareholding percentage in the Asset Management Company rose from 63.0% to 90.0%.

2. Business Policy and Operations

a. Business Policy

Due to the fact that there have been no important changes to investment policies, investment targets, or allocation polices, in the most recent securities report (released June 25, 2014), information concerning them has been omitted.

b. Business Operations

(1)Results for Period

Japan Real Estate Investment Corporation ("the Company") was established on May 11, 2001, following revisions to the Law Concerning Investment Trusts and Investment Corporations of Japan, or the Investment Trust Law. The Company was listed on the real estate investment trust market of the Tokyo Stock Exchange ("TSE") on September 10, 2001. (Securities Code: 8952) Since its IPO, the size of the Company's assets (total acquisition price) has grown steadily, expanding from 92.8 billion yen to 838 billion yen, as of September 30, 2014. In the same period, the Company has continued to grow steadily with the number of properties in its portfolio growing from 20 to 64 properties.

During the 26th period (April 1, 2014 – September 30, 2014), there was concern in the Japanese economy that consumer spending and manufacturing activities may weaken due to the drop in demand which surged ahead of the consumption tax increase. However, there were signs that corporate earnings are improving steadily, and overall, the economy is on a moderate recovery trend.

In the market for leased office space, with the limited supply of new buildings, there was a decline in vacancy rates and improvement in rent levels, primarily in large-scale buildings and well-located buildings with the competitive specification and BCP readiness in the Tokyo metro area. This helped to meet the need to consolidate office spaces and improve locations. However, the overall increase in demand for office buildings was limited, and it takes longer to fill secondary vacancies for older buildings and small or medium-sized buildings. While the demand for office spaces outside the Tokyo metropolitan area varies according to each region, more time is needed for overall rent levels to improve.

In the investment market for real estate, amidst intensifying competition to acquire properties, the market is visibly more active with rising current market value and transactions of a certain number of visible large-scale buildings, thanks to the expectation of an accommodative fund-raising environment and improvements in the office market in urban areas.

Under such market conditions, the Company has delivered on its commitment to provide stable dividends for the current period under review, in line with the Investment Guideline, which was set forth at the time of listing at TSE and remains unchanged to this date, to achieve the stated goal of providing stable dividends to unitholders.

*Note: The part of the Jingumae Media Square Building (acquisition price: 614 million yen) site that was expropriated by the Tokyo Metropolitan Government on October 30, 2009, is included in the total acquisition price. The total acquisition price in the subsequent sections follows the same convention.

(2) Results of Operations

① Property Management and Acquisition

In the market for leased office space during the period under review, as a result of our efforts to fill vacancies in buildings that hold a competitive specification, the Company's occupancy rate rose 1.1 points, from 96.7% as of March 31, 2014, to 97.8% as of September 30, 2014.

Meanwhile, as for external growth, the Company acquired additional co-ownership interest of the Nishiki Park Building for 650 million yen, in an effort to acquire additional interest in existing portfolio properties that are expected to continue stable operations. As a result of this acquisition, the Company's ratio of share of ownership rose from 57.04651% to 68.63831%.

As a result of the above, the Company's portfolio at the end of the fiscal period under review, September 30, 2014, consisted of 64 properties with a total acquisition price of 838,055 million yen. Total leasable space stood at 752,723 m^2, with a total of 1,239 tenants.

Additionally, the Company decided to acquire 14% co-ownership interest of Shinjuku Eastside Square (Shinjuku-ku, Tokyo), directly connected to Higashi-Shinjuku Station of subway lines, for 23,100 million yen on September 26, 2014, and completed the acquisition on October 1, 2014.

*Note: The Nippon Brunswick Building (land with leasehold interest), whose building ownership was transferred on August 23, 2013, is included in the above number of properties and total acquisition price, but is not included in total leasable space or total number of tenants.

② Finance Activities

At the Board of Directors meetings held on March 27, 2014, and April 8, 2014, the Company decided to issue new investment units (57,500 units through public offering, 5,750 units through third-party allocation). As a result, the Company procured 27,968 million yen on April 15, 2014, from the public offering and approximately 2,796 million yen on May 14, 2014, from the third-party allocation portion.

With the proceeds of the offering in addition to the cash reserves, the Company prepaid 5,000 million yen of short-term loans on April 15, 2014, 7,000 million yen on April 18, 2014, 7,700 million yen on April 24, 2014, 5,000 million yen on April 30, 2014, 1,200 million yen on May 2, 2014, and 3,000 million yen on May 7, 2014, as well as 3,000 million yen short-term loan on April 30, 2014, which was due on original due date.

On June 17, 2014, in order to refinance the 6th unsecured investment corporation bond (15,000 million yen), which was due on June 18, 2014, the Company raised 10,000 million yen in short-term loans, and 5,000 million yen in long-term loans. In addition, on September 2, 2014, the Company rolled over 3,800 million yen in short-term loans.

The Company entered into interest-rate swap agreements to hedge against interest-rate fluctuation risk for the 5,000 million yen long-term loans procured on June 17, 2014.

Additionally, the Company used cash reserves to prepay 3,400 million yen in short-term loans on September 18, 2014.

As a result of these financing activities, as of September 30, 2014, the Company's total interest-bearing debt amounted to 323,550 million yen. This amount consists of long-term loans totaling 252,050 million yen (including the current portion of long-term loans totaling 19,600 million yen), short-term loans totaling 31,500 million yen, and investment corporation bonds totaling 40,000 million yen (including the current portion of investment corporation bonds totaling 20,000 million yen).

As of September 30, 2014, the Company's long-term, fixed-interest bearing debt ratio (ratio of long-term, fixed-interest bearing debt (which includes the current portion of long-term loans and investment corporation bonds) to total interest-bearing debt) stood at 90.3%, and the LTV ratio (ratio of interest-bearing debt to total assets) was 39.8%. These results reflect that the Company's sound and conservative financial profile.

Subsequently, the Company procured 7,000 million yen in long-term loans, and 13,000 million yen in short-term loans on October 1, 2014 to fund the acquisition of Shinjuku Eastside Square. In addition, as a new initiative, the Company also procured 13,000 million yen through a general syndication style loan, which was syndicated out primarily to financial institutions that do not have existing lending relationship with the Company, on November 14, 2014. The proceeds were used to prepay 13,000 million yen in short-term loans on November 17, 2014. Also, on November 17, 2014, the Company carried out the refinancing of 1,000 million yen in long-term loans that have reached maturity (period of 5 years).

The Company's credit ratings as of September 30, 2014 were as follows:

Rating Agency	Credit Rating
Standard & Poor's Ratings Japan K.K.	Long-term: A+; Short-term: A-1; Outlook: Stable
Moody's Japan K.K.	Rating: A1; Outlook: Negative
Rating and Investment Information, Inc.	Rating: AA; Outlook: Stable

③ Changes in the Major Shareholders of the Asset Management Company

The Dai-ichi Life Insurance Company, Limited transferred their 77,142 shares (27.0% shareholding percentage) in the Asset Management Company over to Mitsubishi Estate Co., Ltd. This transfer was approved at the Board of Directors meeting of the Asset Management Company on September 16, 2014, and completed on September 29, 2014.

Mitsubishi Estate Co., Ltd. shareholding percentage in the Asset Management Company rose from 63.0% to 90.0%.

(3) Summary of Financial Results

As a result of the above operations, in the period under review, the Company recorded operating revenues totaling 27,760 million yen, up 4.4% compared with the previous period. On the earnings front, operating income increased 3.9% to 11,255 million yen. After deducting expenses for interest payments on loans and other costs, ordinary income increased 5.5 % to 9,582 million yen and net income increased 5.5% to 9,572 million yen.

Turning to dividends, the Company will make cash distributions using accounting profits based on the dividend policy outlined in Article 32-2 of the Company's Articles of Incorporation, in an amount that exceeds 90% of earnings available for dividends as required by Article 67-15 of the Special Taxation Measures Law of Japan. Based on this policy, transferring the revised amount for deferred tax liabilities, which accompanied changes to the statutory tax rate, to the reserve for reduction entry, the Company was able to maintain retained earnings brought forward as the amount of dividends did not exceed earnings available for distribution at the end of the period. Therefore, the total amount of dividends that the Company has determined to pay out is 9,571,701,440 yen for the period under review, which is a multiple of 1,251,530—the number of units outstanding as of September 30, 2014. Accordingly, the per-unit cash dividend totaled 7,648 yen.

c. Outlook

(1) Operating Environment

In the Japanese economy, although there is a concern that the consumption tax increase may overshadow consumer spending which can slow down capital investments and manufacturing activities, gradual recovery is expected to continue thanks mainly to improved personal income and labor market, as well as support from various political measures.

In the market for leased office space, with the supply of new buildings remaining below past run-rate, the trend of low vacancy rates and rising rent levels is expected to extend beyond just large-scale buildings with a competitive specification and excellent location in the Tokyo metropolitan area, to the rest of the market for leased office space.

Regarding investment market for real estate, it remains to be seen whether the trend of rising current market value, due to the decline in expected yield particularly from large-scale buildings and well-located buildings against the backdrop of accommodative funding environment, will extend into small to medium-sized buildings in the Tokyo metropolitan area and regional urban centers.

① Property Management

Based on the conditions stated above, the Company will adhere to the following management policies in order to maintain and improve profitability.

(i) Strengthen relationships of trust with existing tenants

The Company has contracts with numerous property management companies. Most of these companies were already handling the management of their buildings before the Company acquired them and had thus built relationships of trust with their tenants. The Company will work to further solidify these relationships by anticipating tenants' needs and providing tailored services to increase tenant satisfaction, thereby maintaining and improving occupancy rates, raising rent levels, and curtailing demands for rent reduction.

(ii) Fill vacancies promptly

In cooperation with the property management companies mentioned above, the Company will actively seek the most appropriate tenants for each property, based on location and features, in order to fill current and anticipated vacancies as rapidly as possible. Furthermore, the Company will work to uncover additional needs for floor space among existing tenants.

(iii) Stabilize revenues and earnings

With the aim of stabilizing revenues and earnings, the Company will endeavor to secure fixed and long-term leasing agreements with its large-scale tenants.

(iv) Reduce management costs

The Company has introduced sound competitive principles for its multiple property management companies to follow and is revamping their management systems and cost structures on an ongoing basis.

② Property Acquisitions and Sales

The Company has adopted the following policies for acquiring properties.

(i) To access information quickly, the Company continues to enhance its property information channels while working to develop new channels.

(ii) In its acquisition activities, the Company continues to meticulously monitor and examine economic, physical and legal factors, including rights-related issues, when selecting properties. In particular, with regard to the structure of buildings, the Company requires buildings to meet or exceed new earthquake-resistance standards, verifies the need for renovations by appropriately grasping current conditions based on engineering reports, and exclusively targets properties capable of maintaining a competitive edge in terms of the facilities they offer over the medium to long term.

(iii) In accordance with its acquisition policies, the Company shall maintain its portfolio so that 70% or more of the portfolio properties are located within the Tokyo metropolitan area, with the remaining 30% or fewer located in other major cities.

Under these policies, the Company will continue to acquire highly competitive properties. At the same time, in order to further enhance the quality of its portfolio, the Company will remain open to the replacement of portfolio properties with due consideration given to timing.

③ Financial Policy

a) In principle, the Company shall maintain an LTV ratio that does not exceed 65%,with the target level under normal business conditions of 30% to 40%.
b) The total amount of loans and investment corporation bonds shall not exceed 1 trillion yen.
c) In case of loan, the lenders are limited to Qualified Institutional Investors as defined in Special Taxation Measures Law of Japan.
d) The Company may enter into commitment facility agreement or establish overdraft agreement as appropriate in order to maintain adequate level of liquidity.
e) The Company shall endeavor to achieve best execution through negotiation with several counterparties on financial transactions when possible.

(2) Performance Forecasts

For the 27th fiscal period (October 1, 2014 to March 31, 2015), the Company forecasts operating revenues totaling 28,070 million yen, operating income totaling 11,230 million yen, ordinary income totaling 9,580 million yen, and net income totaling 9,570 million yen. The Company plans to declare a cash dividend totaling 7,650 yen per unit.

For the 28th fiscal period (April 1, 2015 to September 30, 2015), the Company forecasts operating revenues totaling 28,440 yen, operating income totaling 11,340 million yen, ordinary income totaling 9,750 million yen, and net income totaling 9,740 million yen. The Company plans to declare a cash dividend totaling 7,780 yen per unit.

Regarding the assumptions set for these forecasts, please see pages 8 and 9 entitled “Assumptions Underlying Performance Forecasts for the 27th Fiscal Period (October 1, 2014 to March 31, 2015) and the 28th Fiscal Period

(April 1, 2015 to September 30, 2015)". Operating revenues, operating income, ordinary income, net income, and cash dividend per unit may vary depending on changes in the situation.

(3) Acquisition of Assets

As stated in section b. Business Operations (2) Results of Operations ①Property Management and Acquisition, the Company has acquired the assets listed below since the closing date for the current period (September 30, 2014).

(Overview of the Acquisition)
Type of specified asset: Domestic property
Land: Owned (Co-ownership interest: 14%)
Building: Owned (Co-ownership interest: 14%)
Name of acquired asset: Shinjuku Eastside Square
Acquisition cost: 23,100 million yen
Contract agreement date: September 29, 2014
Acquisition date: October 1, 2014

(Overview of the Asset Acquired)
Location: 27-30, Shinjuku 6chome, Shinjuku-ku, Tokyo
Intended purpose: Offices, stores, parking lots
Site area: 25,320.28 m^2 (entire site area)
Floor area of building: 167,245.46 m^2 (entire building area)
*includes 214.27 m^2 of attached store buildings
Structure: Steel-framed, reinforced concrete structure, flat roof, 2 floors below ground, 20 floors above ground
Construction completion date: March 2012
Type of ownership: Direct Ownership (Co-ownership interest 14%)
Total number of tenants: 40*
Total leasable space: 16,365 m^2*
Total leased space: 14,518 m^2*
Occupancy rate: 88.7% *

* Note: After the acquisition of this building, the Company leased the entire building to Mitsubishi Estate Co., Ltd. (pass-through system), who subleases the leasable space to tenants. The figures for the total number of tenants, total amount of leasable space, total leased space, and occupancy rates, are as of the acquisition date.

Assumptions Underlying Performance Forecasts for the 27th Fiscal Period (October 1, 2014 to March 31, 2015) and the 28th Fiscal Period (April 1, 2015 to September 30, 2015)

Item	Assumption
Accounting period	・The 27h Fiscal Period: October 1, 2014 to March 31, 2015 (182 days) ・The 28th Fiscal Period: April 1, 2015 to September 30, 2015 (183 days)
Number of properties held by the Company	・The Company assumes that its property portfolio consists of the 65 properties that it held as of October 1, 2014 (including the 14% co-ownership interest of Shinjuku Eastside Square, which the Company acquired on the same date). The actual portfolio may differ from this assumption due to additional property acquisitions and dispositions. ・The Company does not have any forward or other commitments, as of November 17, 2014, as set forth in the Financial Services Agency's Guidelines for Supervision.
Number of units outstanding	・The Company assumes that the number of units outstanding as of November 17, 2014 is 1,251,530.
Interest-bearing debt	・The Company assumes as an operational guideline, an LTV ratio in the 30% to 40% range. ・To fund the acquisition of Shinjuku Eastside Square, the Company procured 7,000 million yen in long-term loans and 13,000 million yen in short-term loans on October 1, 2014. In addition, the Company procured 13,000 million yen in long-term loans on November 14, 2014, and made a pre-payment of 13,000 million yen in short-term loans on November 17, 2014. Furthermore, on November 17, 2014, the Company refinanced 1,000 million yen in 5 year period long-term loans, which were due on the same day. As a result, the balance for interest-bearing debt was 343,550 million yen as of November 17, 2014. ・In the 27th fiscal period, the Company presumes that, as of November 17 2014, it will refinance the remainder of long-term loans totaling 4,000 million yen (repayment dates: December 15, 2014, and March 24, 2015) and short-term loans totaling 17,700 million yen (repayment dates: January 7, 2015, March 24, 2015, March 31, 2015). There are no investment corporation bonds set to mature in the 27th fiscal period. ・In the 28th fiscal period, the Company presumes that, as of November 17, 2014, it will refinance the remainder of long-term loans totaling 14,500 million yen (repayment dates: May 29, 2015, June 15, 2015, September 1, 2015) and the remainder of short-term loans totaling 3,800 million yen (repayment date: September 2, 2015). The Company presumes that the funds procured from such sources as loans or newly issued investment corporation bonds will be used to redeem the 7th investment corporation bond totaling 10,000 million yen, set to mature on April 23, 2015, and the 8th investment corporation bond totaling 10,000 million yen, set to mature on July 23, 2015.
Operating revenues	・Revenues from portfolio properties held by the Company are calculated by taking into consideration new contract conclusions and existing contract cancellations fixed as of November 17, 2014, and by factoring in potential variables, such as a risk of decrease in revenues due to returned space and reduced rent levels, taking into account recent market conditions for leased office space.
Operating expenses	・Of the taxes the Company is subject to, property taxes, city planning taxes and depreciable property taxes corresponding to the relevant fiscal period have been recorded as property-related expenses. However, when a property is acquired at a point during the period used for the calculation of property tax, a property tax adjustment is levied that takes into account the date of the transfer of the new acquisition. The amount of the adjustment is factored into the acquisition price and therefore not recorded as an expense in the relevant fiscal period. In addition, the Company assumes that the 2015 property taxes, city planning taxes and depreciable property taxes for Queen's Tower A, Ebisu Neonato (additional share acquisition), Otemachi Financial City North Tower, Nishiki Park Building (additional share acquisition) and Shinjuku Eastside Square will be 226 million yen, 53 milion yen, 76 million yen, 8 million yen and 96 million yen respectively. ・The Company assumes that property and other taxes will be 2,530 million yen in the 27th fiscal period and 2,790 million yen in the 28th fiscal period. ・The Company assumes that depreciation will be 5,950 million yen in the 27th fiscal period and 5,940 million yen in the 28th fiscal period. ・Property management expenses are assumed to take past operational results into consideration. ・Repair expenses may vastly differ from the projected amounts as there may be large differences in costs incurred from one fiscal period to another and because such costs are not recurring.
Non-operating expenses	・The Company assumes that non-operating expenses, such as interest expenses on loans and investment corporation bonds, will be 1,670 million yen in the 27th fiscal period and 1,640 million yen in the 28th fiscal period.

Item	Assumptions
Dividend amounts	・The Company presumes that dividends in excess of accounting profits will not be distributed. Reflecting this, under the Company's Articles of Incorporation, the Company assumes that it will make cash distributions using accounting profits, distributing said profit in an amount in excess of 90% of earnings available for dividends. ・The Company assumes that dividend amounts in the 27th and 28th fiscal periods will not be appropriated from internal reserves.* *Internal reserves (projected for the 27th fiscal period) shall comprise the residual amount of 390 million yen, reflecting a dividend payout of 519 million yen for the 22nd and 23rd fiscal periods subtracted from the balance of internal reserves at the end of the 21st fiscal period (as of March 31, 2012), which totaled 909 million yen, comprising retained earnings brought forward of 30 million yen and the amount apportioned to internal reserves from the gain on sale of land as a result of the sale of the Takanawadai Building as of April 1, 2011, under the application of the Special Provisions for Taxation in the case of Advanced Acquisition of Land, etc., in 2009 and 2010 (total of 878 million yen which consists of reserve for reduction entry and associated income taxes deferred).
Other	・The Company presumes that revisions that could impact the abovementioned forecasts will not be made in such areas as laws, tax systems, accounting standards, and listing rules as well as regulations of the Investment Trusts Association, Japan. ・The Company assumes that there will be no unprecedented significant changes in general market trends or real estate market conditions or other factors. ・In addition to the abovementioned income taxes deferred, the Company calculates the amount of its corporate and other taxes, taking into consideration asset retirement obligations as well as the amortization of term leasehold interest for buildings.

3. Financial Statements

(1) Balance Sheet

Thousands of yen

	As of March 31, 2014	As of September 30, 2014
Assets		
Current assets		
Cash and deposits	20,633,688	20,650,366
Cash and deposits in trust	4,409,989	4,938,725
Operating accounts receivable	134,048	146,658
Prepaid expenses	139,959	187,287
Deferred tax assets	1,039	953
Consumption taxes receivable	398,464	-
Other	24,360	107,610
Total current assets	25,741,550	26,031,601
Non-current assets		
Property, plant and equipment		
Buildings	249,745,895	251,314,069
Accumulated depreciation	(60,666,845)	(65,297,431)
Buildings, net	189,079,049	186,016,637
Structures	2,798,970	2,933,708
Accumulated depreciation	(494,082)	(536,728)
Structures, net	2,304,887	2,396,979
Machinery and equipment	2,896,723	2,899,420
Accumulated depreciation	(1,479,416)	(1,565,756)
Machinery and equipment, net	1,417,307	1,333,663
Tools, furniture and fixtures	304,053	349,680
Accumulated depreciation	(122,610)	(141,262)
Tools, furniture and fixtures, net	181,442	208,417
Land	420,000,107	420,415,192
Construction in progress	361,593	358,948
Buildings in trust	62,239,080	62,506,633
Accumulated depreciation	(12,626,618)	(13,685,828)
Buildings in trust, net	49,612,462	48,820,805
Structures in trust	579,704	583,214
Accumulated depreciation	(102,230)	(113,721)
Structures in trust, net	477,473	469,493
Machinery and equipment in trust	840,044	846,483
Accumulated depreciation	(575,077)	(588,971)
Machinery and equipment in trust, net	264,966	257,512
Tools, furniture and fixtures in trust	30,297	30,297
Accumulated depreciation	(9,298)	(10,792)
Tools, furniture and fixtures in trust, net	20,999	19,505
Land in trust	118,445,649	118,440,720
Total property, plant and equipment	782,165,939	778,737,876
Intangible assets		
Leasehold rights	6,105,136	6,096,492
Leasehold rights in trust	444,160	444,160
Easement	828,095	828,095
Total intangible assets	7,377,392	7,368,748

Thousands of yen

	As of March 31, 2014	As of September 30, 2014
Investments and other assets		
Investment securities	577,168	577,168
Lease and guarantee deposits	1,071,830	1,071,830
Long-term prepaid expenses	119,267	85,594
Total investments and other assets	1,768,265	1,734,592
Total non-current assets	791,311,597	787,841,217
Deferred assets		
Investment corporation bond issuance costs	77,182	58,271
Total deferred assets	77,182	58,271
Total assets	817,130,330	813,931,090
Liabilities		
Current liabilities		
Operating accounts payable	1,396,469	1,131,944
Short-term loans payable	56,800,000	31,500,000
Current portion of investment corporation bonds	15,000,000	20,000,000
Current portion of long-term loans payable	5,100,000	19,600,000
Accounts payable - other	1,234,453	925,217
Accrued expenses	800,158	734,114
Income taxes payable	11,551	5,006
Accrued consumption taxes	—	1,323,301
Advances received	3,288,284	3,280,750
Other	259,813	125,583
Total current liabilities	83,890,731	78,625,919
Non-current liabilities		
Investment corporation bond	40,000,000	20,000,000
Long-term loans payable	242,000,000	232,450,000
Deposits received from tenants	45,418,762	45,766,249
Deferred tax liabilities	122,812	122,776
Asset retirement obligations	312,538	315,687
Other	29,532	27,488
Total non-current liabilities	327,883,645	298,682,201
Total liabilities	411,774,376	377,308,121
Net assets		
Unitholders' equity		
Unitholders' capital	396,018,317	426,783,117
Surplus		
Voluntary retained earnings		
Reserve for reduction entry	236,709	236,709
Total voluntary retained earnings	236,709	236,709
Unappropriated retained earnings	9,100,926	9,603,143
Total surplus	9,337,636	9,839,852
Total unitholders' equity	405,355,953	436,622,969
Total net assets	405,355,953	436,622,969
Total liabilities and net assets	817,130,330	813,931,090

(2) Statement of Income

Thousands of yen

	For the period From October 1, 2013 to March 31, 2014	For the period From April 1, 2014 to September 30, 2014
Operating revenue		
Rent revenue	26,357,478	27,604,566
Other lease business revenue	225,489	155,847
Total operating revenue	26,582,967	27,760,413
Operating expenses		
Expenses related to rent business	14,750,867	15,538,009
Asset management fee	675,187	638,740
Asset custody fee	57,164	58,445
Administrative service fees	137,480	138,607
Directors' compensations	7,800	7,800
Commission fee	58,222	61,803
Other operating expenses	64,373	61,876
Total operating expenses	15,751,096	16,505,284
Operating income	10,831,870	11,255,129
Non-operating income		
Interest income	6,658	6,257
Dividend income	—	19,724
Reversal of Distribution Payable	2,261	2,666
Refund of property taxes	—	8,358
Income on settlement of management association accounts	—	8,524
Other	—	2,556
Total non-operating income	8,920	48,086
Non-operating expenses		
Interest expenses	1,297,612	1,291,376
Interest expenses on investment corporation bonds	410,928	329,603
Amortization of investment corporation bond issuance costs	21,978	18,910
Investment unit issuance expenses	—	53,606
Other	26,951	27,206
Total non-operating expenses	1,757,470	1,720,703
Ordinary income	9,083,320	9,582,512
Income before income taxes	9,083,320	9,582,512
Income taxes - current	13,169	10,104
Income taxes - deferred	(2)	50
Total income taxes	13,166	10,154
Net income	9,070,153	9,572,357
Retained earnings brought forward	30,773	30,785
Unappropriated retained earnings	9,100,926	9,603,143

(3) Statement of Unitholders' Equity

For the period from October 1, 2013 to March 31, 2014

Thousands of yen

	Unitholders' equity						Total net assets
	Unitholders' capital	Surplus				Total unitholders' equity	
		Voluntary retained earnings		Unappropri-ated retained earnings (undisposed loss)	Total surplus		
		Reserve for reduction entry	Voluntary retained earnings				
Balance at beginning of current period	396,018,317	236,709	236,709	9,160,328	9,397,037	405,415,354	405,415,354
Changes of items during period							
Dividends of surplus				(9,129,555)	(9,129,555)	(9,129,555)	(9,129,555)
Net income				9,070,153	9,070,153	9,070,153	9,070,153
Total changes of items during period	–	–	–	(59,401)	(59,401)	(59,401)	(59,401)
Balance at end of current period	396,018,317	236,709	236,709	9,100,926	9,337,636	405,355,953	405,355,953

For the period from April 1, 2014 to September 30, 2014

Thousands of yen

	Unitholders' equity						Total net assets
	Unitholders' capital	Surplus				Total unitholders' equity	
		Voluntary retained earnings		Unappropri-ated retained earnings (undisposed loss)	Total surplus		
		Reserve for reduction entry	Voluntary retained earnings				
Balance at beginning of current period	396,018,317	236,709	236,709	9,100,926	9,337,636	405,355,953	405,355,953
Changes of items during period							
Issuance of new investment units	30,764,800					30,764,800	30,764,800
Dividends of surplus				(9,070,141)	(9,070,141)	(9,070,141)	(9,070,141)
Net income				9,572,357	9,572,357	9,572,357	9,572,357
Total changes of items during period	30,764,800	–	–	502,216	502,216	31,267,016	31,267,016
Balance at end of current period	426,783,117	236,709	236,709	9,603,143	9,839,852	436,622,969	436,622,969

(4) Basis of Calculations Used to Determine Cash Distributions

Item	For the period From October 1, 2013 to March 31, 2014	For the period From April 1, 2014 to September 30, 2014
	Amount (Yen)	Amount (Yen)
I Retained Earnings	9,100,926,837	9,603,143,216
II Cash Distribution	9,070,141,240	9,571,701,440
(Dividend per Investment Unit)	(7,633)	(7,648)
III Voluntary retained earnings		
Provision of reserve for reduction entry	—	35,954
Ⅳ Retained Earnings Brought Forward	30,785,597	31,405,822

Computation Method for Determining Dividends	Turning to dividends, the Company will make cash distributions using accounting profits based on the cash distribution policy outlined in Article 32-2 of the Company's Articles of Incorporation, in an amount that exceeds 90% of the "amount of distributable profit" as set forth in Article 67-15 of the Act on Special Measures Concerning Taxation. Based on this policy, the Company was able to maintain retained earnings brought forward as the amount did not exceed retained earnings at the end of the period. Therefore, the total amount of dividends that the Company has determined to pay out is 9,070,141,240 yen for the period under review, which must be divisible by 1,188,280 — the number of units outstanding as of March 31, 2014. Furthermore, the Company does not pay out dividends that exceed accounting profits as outlined in Article 32-3 of the Company's Articles of Incorporation.	Turning to dividends, the Company will make cash distributions using accounting profits based on the cash distribution policy outlined in Article 32-2 of the Company's Articles of Incorporation, in an amount that exceeds 90% of the "amount of distributable profit" as set forth in Article 67-15 of the Act on Special Measures Concerning Taxation. Based on this policy, transferring the revised amount for deferred tax liabilities, which accompanied changes to the statutory tax rate, to the reserve for reduction entry, the Company was able to maintain retained earnings brought forward. Therefore, the total amount of dividends that the Company has determined to pay out is 9,571,701,440 yen for the period under review, which is a multiple of 1,251,530 — the number of units outstanding as of September 30, 2014. Furthermore, the Company does not pay out dividends that exceed accounting profits as outlined in Article 32-3 of the Company's Articles of Incorporation.

(5) Statement of Cash Flows

Thousands of yen

	For the period From October 1, 2013 to March 31, 2014	For the period From April 1, 2014 to September 30, 2014
Cash flows from operating activities		
Income before income taxes	9,083,320	9,582,512
Depreciation	5,649,556	5,883,291
Amortization of investment corporation bond issuance costs	21,978	18,910
Investment unit issuance expenses	-	53,606
Dividend income	-	(19,724)
Interest income	(6,658)	(6,257)
Interest expenses	1,708,541	1,620,980
Decrease (increase) in operating accounts receivable	54,136	(12,609)
Decrease (increase) in consumption taxes refund receivable	(398,464)	398,464
Decrease (increase) in supplies	3	(71)
Decrease (increase) in prepaid expenses	(23,195)	(47,328)
Increase (decrease) in operating accounts payable	(107,934)	(35,401)
Increase (decrease) in accounts payable - other	185,815	(223,961)
Increase (decrease) in accrued consumption taxes	(601,862)	1,323,301
Increase (decrease) in accrued expenses	117	(117)
Increase (decrease) in advances received	447,588	(7,534)
Decrease (increase) in long-term prepaid expenses	(96,060)	33,672
Other, net	143,373	(71,886)
Subtotal	16,060,256	18,489,846
Interest and dividend income received	7,965	24,997
Interest expenses paid	(1,694,512)	(1,686,905)
Income taxes paid	(9,569)	(16,650)
Net cash provided by (used in) operating activities	14,364,139	16,811,288
Cash flows from investing activities		
Payments into time deposits	(9,486,000)	(10,431,000)
Proceeds from withdrawal of time deposits	15,486,000	9,431,000
Purchase of property, plant and equipment	(28,482,929)	(2,317,879)
Purchase of property, plant and equipment in trust	(17,843,444)	(578,573)
Purchase of intangible assets	-	(7,185)
Repayments of tenant leasehold and security deposits	(1,207,724)	(920,666)
Proceeds from tenant leasehold and security deposits	3,992,279	1,268,154
Net cash provided by (used in) investing activities	(37,541,820)	(3,556,150)
Cash flows from financing activities		
Increase in short-term loans payable	45,800,000	13,800,000
Decrease in short-term loans payable	(14,000,000)	(39,100,000)
Proceeds from long-term loans payable	20,000,000	5,000,000
Repayments of long-term loans payable	(13,050,000)	(50,000)
Redemption of investment corporation bonds	-	(15,000,000)
Proceeds from issuance of investment units	-	30,764,800
Payments for investment unit issuance expenses	-	(53,606)
Dividends paid	(9,126,830)	(9,070,918)
Net cash provided by (used in) financing activities	29,623,169	(13,709,724)
Net increase (decrease) in cash and cash equivalents	6,445,489	(454,586)
Cash and cash equivalents at beginning of period	14,598,188	21,043,677
Cash and cash equivalents at end of period	21,043,677	20,589,091

(6) Notes Concerning Going Concerns Assumption

Not applicable

(7) Summary of Significant Accounting Policies

Investment securities
Non-marketable securities classified as other securities are carried at cost. Cost of securities sold is determined by the moving average method.

Property and equipment, depreciation and impairment (except for leased assets)
Property and equipment is stated at cost, less accumulated depreciation. The costs of land, buildings and building improvements include the purchase price of property, legal fees and acquisition costs. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets ranging as stated below:
Buildings..... 2-61 years
Structures..... 3-60 years
Machinery and equipment..... 2-18 years
Tools, furniture and fixtures..... 2-29 years

Expenditures for repairing expenses are charged to income as incurred. Significant renewals and betterments are capitalized.

The Company reviews fixed assets for impairment whenever events or changes in circumstances indicate that the carrying amount of its fixed assets may not be recoverable. According to the standard set by the Accounting Standards Board of Japan, companies are required to recognize an impairment loss in their statement of income if certain indicators of asset impairment exist and the book value of an asset exceeds the undiscounted sum of future cash flows of the asset. The standard states that impairment losses should be measured as the excess of the book value over the higher of (1) the fair market value of the asset, net of disposition costs and (2) the present value of future cash flows arising from ongoing utilization of the asset and from disposal after asset use. The standard covers land, factories, buildings and other forms of property, plant and equipment as well as intangible assets. Fixed assets are grouped at the lowest level for which there is identifiable cash flows that are independent of cash flows of other groups of assets.

Intangible assets
Intangible assets primarily consist of leasehold rights and easement, which are started at cost. Amortization of a term leasehold interest for business use is calculated by the straight-line method based on the period of agreement.

Leased assets
Leased assets under finance lease transactions that do not transfer ownership of the leased assets to the lessees are capitalized and depreciated by the straight-line method over the lease term with no residual value.

Deferred charges
Investment corporation bond issuance costs are amortized using the straight-line method over the redemption periods.
The full amount of unit issuance costs are recorded at the time of payment.

As of April 15, 2014, underwriting security companies underwrote new investment units issued through public offering at the issue price. New investment units are then sold to individual investors at the offering price, which differs from the original issue price, which is called Spread Method.
Under Spread Method, the difference between the offering price and the issue price which amounts to 883,200 thousand yen in effect represents the underwriting commission fee, therefore the Company does not pay an underwriting commission fee to underwriting security companies as a separate commission. Accordingly, underwriting commission fees are not included in unit issuing costs.

Revenue recognition
Revenues from leasing of office space are recognized as rent accrues over the lease period.

Taxes on property and equipment
Property and equipment is subject to property taxes and city planning taxes on a calendar year basis. These taxes are generally charged to income during the period. The sellers of the properties were liable for property taxes for the calendar year including the period from the date of purchase by the Company through the end of the year since the taxes are imposed on the owner registered in the record as of January 1 based on the assessment made by the local government. The Company paid the amount equivalent to the property taxes to the sellers applicable to the period since acquisition and included the amount equivalent to the taxes in the purchase price of each property and capitalized as cost of the property.

Consumption taxes
Consumption taxes withheld and consumption taxes paid are not included in the statements of income. The consumption taxes paid are generally offset against the balance of consumption taxes withheld. As such, the excess of payments over amounts withheld are included in the current assets and the excess of amounts withheld over payments are included in the current liabilities.

Cash and cash equivalents
Cash and cash equivalents consist of cash on hand, deposits with banks and short-term investments which are highly liquid, readily convertible to cash and with insignificant risk of price fluctuation, with original maturity of three months or less.

Hedge accounting
The Company enters into derivative transactions to hedge against interest-rate risk based on the risk management policies outlined in the Company’s Articles of Incorporation. The Company uses interest-rate swap transactions for hedging fluctuations in interest rates

on floating-rate loans. Deferred hedge accounting is generally used for such interest-rate swaps and the effectiveness of hedging is measured by comparing the total cash flow fluctuation of the hedged item and that of the hedging instrument since the inception of the hedge.
For interest-rate swaps that qualify for hedge accounting and meet certain criteria provided under Japanese GAAP, however, the Company applies special accounting treatment. Under such special accounting treatment, the differentials paid or received under the swap agreements are recognized and included in interest expense of the hedged loans, and the interest-rate swaps are not required to be measured at fair value separately. For interest-rate swaps that meet the specific criteria for such special accounting treatment, assessments of hedge effectiveness are not performed.

(8) Notes to Financial Statement

(Notes to Balance Sheet)

a. Compressed amount of tangible assets with government grants

	Thousands of yen	
	As of March 31, 2014	As of September 30, 2014
Buildings	50,086	50,086

b. Commitment line agreement

The Company has signed commitment line agreements with five banks.

	Thousands of yen	
	As of March 31, 2014	As of September 30, 2014
Total amount of commitment line agreement	43,000,000	43,000,000
Debt financing balance	—	—
Balance	43,000,000	43,000,000

c. Minimum net assets required by Article 67, Paragraph 4 of the Investment Trust and Investment Corporation Act of Japan

	Thousands of yen	
	As of March 31, 2014	As of September 30, 2014
	50,000	50,000

(Breakdown of Property-Related Revenues and Expenses)

	Thousands of yen	
	For the period from October 1, 2013 to March 31, 2014	For the period from April 1, 2014 to September 30, 2014
Property-Related Revenues	**26,582,967**	**27,760,413**
Rental Revenues	26,357,478	27,604,566
Rental revenues	20,301,286	21,334,732
Common service charges	3,445,407	3,485,270
Parking revenues	627,183	722,801
Other rental revenues	1,983,600	2,061,761
Non-Rental Revenues	225,489	155,847
Cancellation charges	86,664	92,532
Gain on donation of non-current assets	91,572	1,119
Other miscellaneous revenues	47,252	62,195
Property-Related Expenses	**14,750,867**	**15,538,009**
Property management expenses	3,247,634	3,378,661
Utilities expenses	2,414,132	2,768,816
Property and other taxes	2,335,593	2,530,715
Casualty insurance	53,792	55,303
Repairing expenses	887,210	733,609
Depreciation	5,649,556	5,883,291
Other rental expenses	162,947	187,611
Property-Related Profits	**11,832,100**	**12,222,403**

(Changes in Unitholders' Equity)

Total number of investment units issuable and number of units outstanding	For the period from October 1, 2013 to March 31, 2014	For the period from April 1, 2014 to September 30, 2014
Total number of investment units issuable	4,000,000 units	4,000,000 units
Number of units outstanding	1,188,280 units	1,251,530 units

(Supplemental Cash flow Information)

Cash and cash equivalents

The following table represents a reconciliation of cash and cash equivalents at September 30, 2014 and March 31, 2014:

	Thousands of yen	
	As of March 31, 2014	As of September 30, 2014
Cash and deposits with banks	20,633,688	20,650,366
Cash and deposits with banks held in trust	4,409,989	4,938,725
Time deposits with maturities of more than three months	(4,000,000)	(5,000,000)
Cash and cash equivalents	21,043,677	20,589,091

(Financial Instruments)

For the six months ended September 30, 2014 and March 31, 2014

a. Status of financial instruments

(i) Policies for dealing financial instruments

Concerning the financing of property acquisitions, the Company shall use several funding sources including bank loans, issuance of investment corporation bonds and issuance of investment units. When executing such financing activities, the Company endeavors to retain the ability to secure stable and low-cost financing by maintaining high credit ratings and thereby limiting the financial covenants which may restrict the financial flexibility of the Company. To achieve these goals, the Company intends to further develop and reinforce the confidence of debt holders and rating agencies in the Company by bolstering the capital base and controlling the loan-to-value ratio ("LTV") at an adequate level.

In order to hedge against future interest-rate fluctuations, the Company may enter into derivative transactions, which shall be executed solely for the purpose of controlling risks, and not for speculative purposes.

With respect to management of excess funds, as a matter of policy the Company uses time deposits as its main vehicle, while securities and monetary claims are also eligible for such investment.

(ii) Characteristics and risk profile of each financial instrument and risk management system

The Company regularly re-evaluates the appropriateness and effectiveness of its risk management system in order to improve on it. Characteristics and risk profile of financial instruments and the system in place to manage such risks are as follows:

The deposits, which are typically large time deposits used to manage excess funds, are exposed to the credit risk of the deposit-taking financial institutions. The Company manages credit risk by restricting the tenor of the deposit to relatively short periods and setting a minimum credit rating requirement for the deposit-taking financial institutions.

The funding proceeds from borrowings and issues of investment corporation bonds are applied mainly to acquire real estate properties and repay outstanding loans and bonds. While floating-rate short-term and long-term loans are exposed to the risk of interest rate hike, such risk is mitigated by the Company's low LTV and relatively high percentage of long-term fixed-rate debts within the total borrowing. The Company also utilizes derivative transactions (interest-rate swap transactions) as a hedge against interest-rate risk derived from floating-rate long-term loans, thereby maintaining the overall interest rates on the loans at an effectively fixed level. For more detailed information on the hedge accounting method, hedging instruments, hedged items, hedge policies and the evaluation method of hedge effectiveness, please refer to the previously section (7) Summary of significant accounting policies: Hedge accounting.

Loans and investment corporation bonds involve liquidity risk at the time of maturity. To manage such liquidity risk, the Company implements measures such as ① maintaining and strengthening its ability to access equity markets to secure funds, ② maintaining commitment lines with major financial institutions (There is no outstanding under the facility as of September 30, 2014 and as of March 31, 2014), and ③ preparing monthly financial plans.

(iii) Supplementary note regarding fair value of financial instruments

The fair values of financial instruments presented in this report are based on their market value, and in cases where market values are not available, reasonably calculated values are presented. Since calculation of fair value is based on certain assumptions, the fair value could differ depending on the assumptions used. In addition, the contract value of derivative transactions, which is presented in the following section entitled Derivative Transactions, is not an exact representation of market risk attributable to derivative transactions.

b. Fair value of financial instruments

Fair value of financial instruments, their values carried on the balance sheet and the differences between them as of September 30, 2014 and as of March 31, 2014 are as follows.

The financial instruments whose fair values are extremely difficult to estimate are excluded from the following schedule (Note 2):

	Thousands of yen		
	As of March 31, 2014		
	Book value	Fair value	Difference
(1) Cash and bank deposits	20,633,688	20,633,688	—
(2) Cash and bank deposits in trust	4,409,989	4,409,989	—
(3) Short-term loans	56,800,000	56,800,000	—
(4) Current portion of investment corporation bonds	15,000,000	15,056,550	56,550
(5) Current portion of long-term loans	5,100,000	5,129,403	29,403
(6) Investment corporation bonds	40,000,000	41,632,000	1,632,000
(7) Long-term loans	242,000,000	246,544,239	4,544,239
(8) Derivative transactions	—	—	—

	Thousands of yen		
	As of September 30, 2014		
	Book value	Fair value	Difference
(1) Cash and bank deposits	20,650,366	20,650,366	—
(2) Cash and bank deposits in trust	4,938,725	4,938,725	—
(3) Short-term loans	31,500,000	31,500,000	—
(4) Current portion of investment corporation bonds	20,000,000	20,129,900	129,900
(5) Current portion of long-term loans	19,600,000	19,740,007	140,007
(6) Investment corporation bonds	20,000,000	21,668,300	1,668,300
(7) Long-term loans	232,450,000	237,846,285	5,396,285
(8) Derivative transactions	—	—	—

Note 1: Measurement of fair value of financial instruments and matters concerning derivative transactions

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

Due to short tenor, the book values of these assets are reasonable approximations of the present value of these assets and hence used as their fair value.

(3) Short-term loans

Since these loans' tenor is short and rates are reset at a short interval, the book values of these liabilities are reasonable approximations of their present value and hence used as their fair values.

(4) Current portion of investment corporation bonds and (6) Investment corporation bonds

Their fair values are based on the values published by a financial data provider.

(5) Current portion of long-term loans and (7) Long-term loans

For loans with floating interest rates, since the interest rates on such loans reflect market rates reasonably well over the short term and their book values are good approximations of their fair values, the book values are presented as their fair values. (However, the fair values of floating-rate long-term loans hedged by interest-rate swap subject to the special treatment are calculated by discounting the aggregated principal and the interest on such loans, after taking into account the effect of said interest-rate swaps, using reasonable estimates of the rates that would be applicable if the Company were to refinance the existing loans for the remaining period to maturity under the prevailing market conditions as of September 30, 2014 and March 31, 2014. Such floating-rate long-term loans are presented in the following section entitled Derivative Transactions.) The fair values of the liabilities with fixed interest rates are calculated by discounting the aggregated amounts of the principals and the interests of the loans by the rates that are reasonably estimated to be applicable if the Company were to refinance the existing loans for the remaining periods to maturity under the prevailing market conditions as of September 30, 2014 and March 31, 2014.

(8) Derivative Transactions

Please refer to the following section entitled Derivative Transactions.

Note 2: Financial instruments whose fair values cannot be reliably measured.

	Thousands of yen	
	As of March 31, 2014	As of September30, 2014
(1) Non-listed stock (*1)	577,168	577,168
(2) Deposits received from tenants (*2)	45,418,762	45,766,249

(*1) With regard to non-listed stocks which do not have a quoted market price in an active market and whose cash flows are not reasonably estimated, their fair value cannot be reliably measured and they are therefore presented at their book value.

(*2) With regard to deposits received from tenants, which do not have a quoted market price in an active market, and their tenor cannot be reasonably estimated, their cash flows cannot be reliably measured and they are therefore presented at their book value.

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

	Thousands of yen					
	As of March 31, 2014					
	1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years
Cash and bank deposits	20,633,688	—	—	—	—	—
Cash and bank deposits in trust	4,409,989	—	—	—	—	—
Total	25,043,677	—	—	—	—	—

	Thousands of yen					
	As of September 30, 2014					
	1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years
Cash and bank deposits	20,650,366	—	—	—	—	—
Cash and bank deposits in trust	4,938,725	—	—	—	—	—
Total	25,589,091	—	—	—	—	—

Note 4: Repayment schedule for investment corporation bonds, long-term loans and other interest-bearing debt after the closing date

	Thousands of yen					
	As of March 31, 2014					
	1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years
Short-term loans	56,800,000	—	—	—	—	—
Investment corporation bonds	15,000,000	20,000,000	—	—	10,000,000	10,000,000
Long-term loans	5,100,000	16,600,000	44,400,000	46,500,000	25,000,000	109,500,000
Total	76,900,000	36,600,000	44,400,000	46,500,000	35,000,000	119,500,000

	Thousands of yen					
	As of September 30, 2014					
	1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years
Short-term loans	31,500,000	—	—	—	—	—
Investment corporation bonds	20,000,000	—	—	10,000,000	—	10,000,000
Long-term loans	19,600,000	32,100,000	42,850,000	36,000,000	12,500,000	109,000,000
Total	71,100,000	32,100,000	42,850,000	46,000,000	12,500,000	119,000,000

(Derivative Transactions)

a. Derivatives not designated as hedging instruments

For the period from October 1, 2013 to March 31, 2014

Not applicable

For the period from April 1, 2014 to September 30, 2014

Not applicable

b. Derivatives designated as hedging instruments

For the period from October 1, 2013 to March 31, 2014

The contract amount or the equivalent principal amount set out in the contract as of the closing date for each derivative designated as a hedging instrument is as follows.

(Thousands of yen)

Derivative accounting method	Type of derivative transaction	Hedged item	Contract value		Fair value	Measurement of fair value
				Over one year		
Hedge accounting	Receive-floating, pay-fixed interest-rate swap transactions	Long-term loans	15,000,000	15,000,000	*	—

For the period from April 1, 2014 to September 30, 2014

The contract amount or the equivalent principal amount set out in the contract as of the closing date for each derivative designated as a hedging instrument is as follows.

(Thousands of yen)

Derivative accounting method	Type of derivative transaction	Hedged item	Contract value		Fair value	Measurement of fair value
				Over one year		
Hedge accounting	Receive-floating, pay-fixed interest-rate swap transactions	Long-term loans	25,000,000	25,000,000	*	—

*Because the transactions based on the special treatment of interest-rate swaps and the hedged long-term loans are treated as one item, the fair value is included under the fair value of long term loans at the end of the fiscal period ended March 31, 2014 and September 30, 2014. Please refer to the measurement of fair value of financial instruments in Note 1 of the section entitled “b. Fair value of financial instruments” under “Financial Instruments” as well as subheadings (5) and (7) of Note 1, which are related to derivative transactions.

(Income Taxes)

The Company is subject to Japanese corporate income taxes on all of its taxable income. However, under the Special Taxation Measures Law of Japan (hereinafter the STML), an investment corporation is allowed to deduct dividends of accounting profits, or dividend distributions, paid to investors from its taxable income if certain tax requirements are satisfied. Such tax requirements include dividend distributions in excess of 90% of its earnings available for dividends for the fiscal period as stipulated by Article 67-15 of the STML. Based on the distribution policy provided by Article 32-2 of the Articles of Incorporation, the Company made a dividend distribution in the amount of ¥9,571 million subsequent to September 30, 2014, which is the multiple number of units up to 100% of the unappropriated retained earnings after transferring the revised amount for deferred tax liabilities, which reflects changes of the statutory tax rate, to the reserve for reduction entry, and deducting therefrom ¥31 million of retained earnings to be carried forward. The Company will not distribute dividends in excess of retained earnings under Article 32-3 of the Articles of Incorporation. The significant components of deferred tax assets and liabilities as of September 30, 2014 and March 31, 2014 were as follows;

	Thousands of yen	
	For the period from October 1, 2013 to March 31, 2014	For the period from April 1, 2014 to September 30, 2014
Deferred tax assets:		
Accrued enterprise tax	1,039	953
Amortization of a term leasehold interest	34,247	39,643
Asset retirement obligations	6,568	7,642
	41,856	48,239
Valuation allowance	(40,816)	(47,285)
Total deferred tax assets	1,039	953
Deferred tax liabilities:		
Reserve for advanced depreciation of non-current assets	122,812	122,776
Total deferred tax liabilities	122,812	122,776
Net deferred tax liabilities	121,772	121,823

The reconciliation of tax rate difference between the adjusted statutory tax rate and the effective tax rate for the six months ended September 30, 2014 and March 31, 2014 were as follows:

	For the period from October 1, 2013 to March 31, 2014	For the period from April 1, 2014 to September 30, 2014
Statutory tax rate	39.43%	37.11%
Deductible dividend distribution	(39.37%)	(37.07%)
Change in valuation allowance	0.08%	0.07%
Others	0.01%	(0.01%)
Effective tax rate	0.14%	0.11%

Adjustment in deferred tax assets and deferred tax liabilities due to tax rate change

Due to the regional corporation tax and amendments to parts of regional tax laws enacted on March 31, 2014, the regional corporation tax was established at the beginning of the fiscal period starting October 1, 2014. In addition, following the incorporation of the special regional corporate tax in the corporate enterprise tax, the statutory tax rate used to calculate deferred tax assets and deferred tax liabilities changes to 34.15% for temporary differences expected to be eliminated from the 28th fiscal period ending in September 2015.

This change will have a minimal effect into earnings.

(Asset Retirement Obligations)

For the six months ended September 30, 2014 and March 31, 2014

a. Asset retirement obligations reported on balance sheet

The Company acquired Osaki Front Tower on February 1, 2011 under the term leasehold for business use agreement which, at the expiry of the leasehold, obligates the Company to restore the leased land to its original state. At the inception of a lease with such obligation, the Company recognized an asset retirement obligation and a corresponding capital asset in an amount equal to the present value of the estimated demolition cost required for the removal of the properties located on the leased land. The present value is calculated using 2.015% as the discount rate over 42 years, which is the term of the leasehold.

Change in the amount of the asset retirement obligations as of September 30 2014 and March 31, 2014 consisted of the following:

	Thousands of yen	
	For the period from October 1, 2013 to March 31, 2014	For the period from April 1, 2014 to September 30, 2014
Balance at the beginning of the period	309,420	312,538
Increase in the tangible fixed assets	—	—
Adjustment required over the period	3,117	3,148
Balance at the end of the period	312,538	315,687

b. Asset retirement obligations other than those reported on balance sheet

Under the Road Act of Japan, the Company is obligated to remove the cable lines and the accompanying equipment originally installed for preventing analog TV interference under the public roads close to Shibuya Cross Tower and to restore the public roads to their original states because analog TV broadcasting was discontinued.

Since the removal involves public roads currently in service and some of the location of the underground structures is potentially affected by the ongoing redevelopment projects near Shibuya station, it is difficult to initiate such removal unilaterally without involving other interested parties. Therefore, a reasonable estimate of the present value of asset retirement obligations cannot be made because the method, the cost and the timing of the removal remains uncertain.

In consideration of such uncertainty, the asset retirement obligation is not reported in the financial statements, and instead noted herein.

(Investment and Rental Property)

For the six months ended September 30, 2014 and March 31, 2014

The Company owns primarily a portfolio of office properties in Tokyo and other prefectures in order to gain rental revenue from them.

The book values on balance sheets as of September 30, 2014 and as of March 31, 2014 and the fair values as of September 30, 2014 and as of March 31, 2014 are as follows:

Thousands of yen

Book value			Fair value
As of September 30, 2013	Change during period(*1)	As of March 31, 2014	As of March 31, 2014
748,257,128	41,286,203	789,543,332	829,152,000

Thousands of yen

Book value			Fair value
As of March 31, 2014	Change during period(*2)	As of September 30, 2014	As of September 30, 2014
789,543,332	(3,436,707)	786,106,624	843,367,000

Note 1: Book value on balance sheet means the acquisition cost less accumulated depreciation.

Note 2: Significant changes

(*1) For the period ended March 31, 2014, the major reasons for the increase are the acquisition of Queen's Tower A (¥17,520,660 thousand) and Otemachi Financial City North Tower (¥15,623,199 thousand) as well as the additional acquisition of Ebisu Neonato (¥10,978,467 thousand). The major reason for the decrease is depreciation.

(*2) As for increases/decreases for the period, the major reason for increase was the additional acquisition of Nishiki Park Building (¥667,452 thousand). The major reason for decrease was settlement payment related to fixed property taxes and city planning taxes on Queen's Tower A (¥21,379 thousand), as well as depreciation on the properties in the portfolio.

Note 3: Fair values as of September 30, 2014 and as of March 31, 2014 are defined as the appraised values provided by an external qualified professional appraiser.

Profits and losses related to investment and rental property are listed in the "Breakdown of Property-Related Revenues and Expenses".

(Segment Information)

For the six months ended September 30, 2014 and March 31, 2014

Since the Company has been engaged in real-estate leasing business using a single segment, segment information has been omitted.

Information about products and services

Since revenues from external customers for single segment of similar products and services accounted for more than 90% of total operating revenues, information about products and services has been omitted.

Information about geographic area

a. Revenues

Since 100% of the total operating revenues were generated from external customers within Japan, geographical breakdown of revenues has been omitted.

b. Property and equipment

Since 100% of total property and equipment on the balance sheet are located within Japan, geographical breakdown of such property and equipment has been omitted.

Information about major clients

Since no single external client represents 10% or more of the Company's total operating revenues, information about major clients has been omitted.

(Per Unit Information)

The following table summarizes information about net assets per unit and net income per unit at September 30, 2014 and March 31, 2014 and for the periods then ended, respectively:

	Yen	
	For the period from October 1, 2013 to March 31, 2014	For the period from April 1, 2014 to September 30, 2014
Net assets at period end per unit	341,128	348,871
Net income per unit	7,633	7,683

Note 1: Net income per unit is computed by dividing net income by the weighted average number of units outstanding during each period. Diluted net income per unit has not been presented since no warrants or convertible bonds were outstanding during the period.

Note 2: The Company implemented a 2-for-1 split of each investment unit with an effective date of January 1, 2014. Net income per unit is calculated as if the split had occurred at the start of the period ended March 31, 2014.

Note 3: The basis for the computation of net income per unit is as follows.

	Thousands of yen	
	For the period from October 1, 2013 to March 31, 2014	For the period from April 1, 2014 to September 30, 2014
Net income	9,070,153	9,572,357
Amount not attributable to normal units holders	—	—
Net income applicable to normal investment units	9,070,153	9,572,357
Average number of units	1,188,280 units	1,245,780 units

(Subsequent Events)

Not applicable

[Omissions]

Because it is not considered necessary to disclose information on lease transactions, securities, retirement benefits, and related party transactions in the financial report, annotations concerning them have been omitted.

(9) Increase/Decrease in Total Number of Units Outstanding

In April and May of 2014, the Company issued 57,500 units through public offering and 5,750 units through third-party allocation, procuring 30,764 million yen. Changes in the number of units outstanding and total unitholders' capital for the previous period and earlier are as follows.

Date	Remarks	Number of Units Outstanding		Total Unitholders' Capital (Million Yen)		Notes
		Increase/Decrease	Balance	Increase/Decrease	Balance	
May 11, 2001	Private placement	400	400	200	200	*1
September 8, 2001	Issuance of new investment units (public offering)	160,000	160,400	81,060	81,260	*2
May 8, 2002	Issuance of new investment units (public offering)	65,000	225,400	30,892	112,152	*3
October 25, 2003	Issuance of new investment units (public offering)	35,000	260,400	21,295	133,448	*4
April 26, 2005	Issuance of new investment units (public offering)	85,000	345,400	68,024	201,472	*5
October 24, 2006	Issuance of new investment units (public offering)	64,600	410,000	63,211	264,683	*6
March 12, 2008	Issuance of new investment units (public offering)	33,000	443,000	32,917	297,601	*7
December 8, 2009	Issuance of new investment units (public offering)	42,000	485,000	24,319	321,921	*8
December 22, 2009	Issuance of new investment units (third-party allocation)	4,200	489,200	2,431	324,353	*9
February 28, 2012	Issuance of new investment units (public offering)	54,400	543,600	35,471	359,824	*10
March 27, 2012	Issuance of new investment units (third-party allocation)	5,440	549,040	3,547	363,371	*11
October 29, 2012	Issuance of new investment units (public offering)	41,000	590,040	29,678	393,050	*12
November 28, 2012	Issuance of new investment units (third-party allocation)	4,100	594,140	2,967	396,018	*13
January 1, 2014	Split of investment units	594,140	1,188,280	—	396,018	*14
April 15, 2014	Issuance of new investment units (public offering)	57,500	1,245,780	27,968	423,986	*15
May 14, 2014	Issuance of new investment units (third-party allocation)	5,750	1,251,530	2,796	426,783	*16

*1. The Company was established by the following three companies investing in 500,000 yen per unit: Mitsubishi Estate Co., Ltd. (160 units); Tokio Marine & Nichido Fire Insurance Co., Ltd. (Previously The Tokio Marine & Fire Insurance Co., Ltd.) (120 units); and The Dai-ichi Life Insurance Company, Limited (Previously Dai-ichi Mutual Life Insurance Company) (120 units).

*2. New investment units were issued at 525,000 yen per unit (underwriting price of 506,625 yen) with the purpose of funding the acquisition of real estate or other assets and asset management was initiated.

*3. New investment units were issued at 490,980 yen per unit (underwriting price of 475,268 yen) with the purpose of funding the repayment of a portion of loans or the acquisition of real estate or other assets.

*4. New investment units were issued at 629,000 yen per unit (underwriting price of 608,456 yen) with the purpose of funding the acquisition of new specified assets and the repayment of loans.

*5. New investment units were issued at 826,000 yen per unit (underwriting price of 800,288 yen) with the purpose of funding the acquisition of new specified assets and the repayment of loans.

*6. New investment units were issued at 1,009,400 yen per unit (underwriting price of 978,500 yen) with the purpose of funding the repayment of loans and acquisition of new specified assets.

*7. New investment units were issued at 1,029,000 yen per unit (underwriting price of 997,500 yen) with the purpose of funding the acquisition of new specified assets and the repayment of loans.

*8. New investment units were issued at 597,520 yen per unit (underwriting price of 579,040 yen) with the purpose of funding the acquisition of new specified assets and the repayment of loans.
*9. New investment units were issued at 579,040 yen per unit with the purpose of funding the repayment of loans.
*10. New investment units were issued at 672,750 yen per unit (underwriting price of 652,050 yen) with the purpose of funding the repayment of short-term loans used to acquire new specified assets and, in the event there is any remaining, the repayment of other loans.
*11. New investment units were issued at 652,050 yen per unit with the purpose of funding the repayment of short-term loans used to acquire new specified assets and, in the event there is any remaining, the repayment of other loans.
*12. New investment units were issued at 746,850 yen per unit (underwriting price of 723,870 yen) with the purpose of funding the repayment of loans and the acquisition of new specified assets.
*13. New investment units were issued at 723,870 yen per unit with the purpose of funding the acquisition of new specified assets.
*14. With December 31, 2013 as the date of record, and January 1, 2014 as the effective date, the Company implemented a 2-for-1 split of the investment units held by unitholders stated or recorded on the final unitholders registry for December 31, 2013.
*15. New investment units were issued at 501,760 yen per unit (subscription price: 486,400 yen), for the purpose of assigning funds to repayment debt.
*16. New investment units were issued at 486,400 yen per unit, for the purpose of compensating decreases in cash reserves assigned to repayment debt.

4. Changes in Officers

Change in officers shall be disclosed in a timely manner once the decision is made.

5. Reference Data

a. Composition of the Company's Assets

Asset type	Region, etc.	As of March 31, 2014		As of September 30, 2014	
		Total of net book value*1 (¥ million)	Ratio to total assets (%)	Total of net book value*1 (¥ million)	Ratio to total assets (%)
Real property	Tokyo 23 wards	507,364	62.1	504,770	62.0
	Tokyo metropolitan area (excluding Tokyo 23 wards)*2	45,493	5.6	45,115	5.5
	Regional cities	67,419	8.3	67,768	8.3
	Total	620,277	75.9	617,654	75.9
Trust	Tokyo 23 wards	98,190	12.0	97,839	12.0
	Tokyo metropolitan area (excluding Tokyo 23 wards)*2	20,340	2.5	20,060	2.5
	Regional cities	50,734	6.2	50,552	6.2
	Total	169,265	20.7	168,452	20.7
Savings and other assets		27,586	3.4	27,824	3.4
		(－)	(－)	(－)	(－)
Total amount of assets		817,130	100.0	813,931	100.0
		(789,543)	(96.6)	(786,106)	(96.6)

*1. Total of net book value as of March 31, 2014 is based on total amounts from the balance sheet as of March 31, 2014, and total of net book value as of September 30, 2014 is based on total amounts from the balance sheet as of September 30, 2014. Real property and real property held in trust are the book values after depreciation and amortization.
*2. Here, and throughout this document, Tokyo metropolitan area encompasses the prefectures of Tokyo, Kanagawa, Chiba and Saitama.
*3. The figures in parentheses indicate the value of real property held. Ratios are rounded to the first decimal place.

b. Real Estate Investment Property and Trust Beneficiary Rights in Trust of Real Estate

i) Outline of real estate and other assets included in the Company's holdings (quick reference guide)

The table below is a quick reference guide outlining the real estate and other assets included in the Company's holdings as of September 30, 2014.

Region		Name of building	Type of specified asset	Number of tenants*1	Leasable space (m^2)	Occupancy rate*2	Appraisal value at the end of period (¥ mil)*3	Book value at the end of period (¥ mil)	Acquisition price*4		Ratio by region *2
									(¥ thousand)	Ratio *2	
Tokyo metropolitan area	Tokyo 23 wards	Genki Medical Plaza	Real property	1	4,791	100.0%	6,640	4,870	5,000,000	0.6%	76.7%
		Kitanomaru Square	Real property	4*5	25,678 *5	100.0% *5	76,100	74,798	81,555,500	9.7%	
		MD Kanda Building	Real property	8	6,269	100.0%	7,620	8,780	9,520,000	1.1%	
		Kandabashi Park Building	Real property	9	3,687	100.0%	4,130	4,544	4,810,000	0.6%	
		Otemachi Financial City North Tower	Real property	2	5,112	100.0%	17,200	15,575	15,462,900	1.8%	
		Nibancho Garden	Real property	1*5	9,316*5	100.0% *5	17,400	13,005	14,700,000	1.8%	
		Mitsubishi UFJ Trust and Banking Building	Real property	10	11,904	100.0%	44,600	29,339	44,700,000	5.3%	
		Burex Kojimachi Building	Real property	1	4,495	100.0%	6,220	5,980	7,000,000	0.8%	
		Sanno Grand Building	Real property	34	20,858	93.8%	30,000	21,167	10,200,000 10,700,000 Total: 20,900,000	2.5%	
		Yurakucho Denki Building	Real property	12	4,697	89.1%	7,410	7,780	7,200,000	0.9%	
		Kodenmacho Shin-Nihonbashi Building	Trust	10	3,897	100.0%	2,940	2,824	3,173,000	0.4%	
		Kyodo Building (Kayabacho 2Chome)	Trust	8	4,467	89.9%	5,060	4,300	4,410,000	0.5%	
		Burex Kyobashi Building	Real property	1	4,279	100.0%	6,560	4,608	5,250,000	0.6%	
		Ginza Sanwa Building	Real property	10	4,329	100.0%	15,800	17,143	16,830,000	2.0%	

Region		Name of building	Type of specified asset	Number of tenants*1	Leasable space (m^2)	Occupancy ate*2	Appraisal value at the end of period (¥ mil)*3	Book value at the end of period (¥ mil)	Acquisition price*4		Ratio by region *2
									(¥ thousand)	Ratio *2	
Tokyo metropolitan area	Tokyo 23 wards	Ryoshin Ginza East Mirror Building	Real property	12	4,255	100.0%	5,400	7,518	5,353,500 2,645,922 *6 Total: 7,999,422	1.0%	
		Harumi Front	Real property	5	33,369	99.4%	37,400 *7	30,580	31,300,000	3.7%	
		Harumi Center Building	Real property	9	20,812	100.0%	20,100	23,658	26,800,000	3.2%	
		Akasaka Park Building	Real property	27 *5	45,013 *5	100.0% *5	64,800	61,038	60,800,000	7.3%	
		Aoyama Crystal Building	Real property	8	4,898	100.0%	7,150	7,224	7,680,000	0.9%	
		Shiodome Building	Trust	35	32,155	98.2%	80,000	73,439	21,250,000 54,600,000 Total: 75,850,000	9.1%	
		Shiba 2Chome Daimon Building	Trust	24	9,606	99.2%	6,070	5,082	4,859,000	0.6%	
		Cosmo Kanasugibashi Building	Trust	6	4,062	100.0%	2,810	2,585	2,808,000	0.3%	
		Shinwa Building	Real property	14	5,997	100.0%	5,620	7,554	7,830,000	0.9%	
		Tokyo Opera City Building*8	Real property	95	35,082	95.4%	29,900	29,314	9,350,000 22,426,831 Total: 31,776,831	3.8%	
		TIXTOWER UENO	Real property	17	15,020	96.4%	24,100	21,188	22,000,000	2.6%	
		Higashi-Gotanda 1Chome Building	Real property	4	5,205	100.0%	5,700	4,691	5,500,000	0.7%	
		Osaki Front Tower*9	Real property	1	16,856	100.0%	15,800 *7	10,869	12,300,000	1.5%	
		Omori-Eki Higashiguchi Building	Trust	23	7,756	100.0%	5,210	4,498	5,123,000	0.6%	
		Nippon Brunswick Building (Land with leasehold interest)	Real property	*10	*10	*10	5,420	5,572	6,670,000 (1,170,000) *11 Total: 5,500,000	0.7%	
		Yoyogi 1 Chome Building	Real Property	9	7,745	100.0%	9,880	7,340	8,700,000	1.0%	

Region		Name of building	Type of specified asset	Number of tenants*1	Leasable space (m^2)	Occupancy rate*2	Appraisal value at the end of period (¥ mil)*3	Book value at the end of period (¥ mil)	Acquisition price*4		Ratio by region *2
									(¥ thousand)	Ratio *2	
Tokyo metropolitan area	Tokyo 23 wards	da Vinci Harajuku	Real property	4	3,147	100.0%	6,400	4,898	4,885,000	0.6%	
		Jingumae Media Square Building	Real property	5	5,558	100.0%	9,750	10,744	12,200,000 *12	1.5%	
		Shibuya Cross Tower	Real property	61	30,532	94.7%	42,900	38,249	34,600,000	4.1%	
		Ebisu Neonato	Real property	5	8,700	100.0%	14,400	14,356	3,740,000 360,000 10,512,000 Total: 14,612,000	1.7%	
		Harmony Tower	Real property	18	11,998	100.0%	11,000	8,095	8,500,000 520,000 Total: 9,020,000	1.1%	
		Otsuka Higashi-Ikebukuro Building	Trust	6	7,224	100.0%	4,040	3,509	3,541,000	0.4%	
		Ikebukuro 2Chome Building	Trust	8	2,186	87.9%	1,600	1,599	1,728,000	0.2%	
		Ikebukuro YS Building	Real property	10	5,932	100.0%	4,130	4,278	4,500,000	0.5%	
	Tokyo metropolitan area, excluding Tokyo 23 wards	Hachioji First Square	Real property	49	10,068	98.7%	4,480	5,023	3,300,000 2,379,112 Total: 5,679,112	0.7%	8.4%
		Saitama Urawa Building	Real property	19	4,510	100.0%	2,120	2,473	1,232,000 1,342,000 Total: 2,574,000	0.3%	
		MM Park Building	Real property	27	38,426	95.7%	36,100	33,728	37,400,000	4.5%	
		Queen’s Tower A	Trust	52	26,667	98.5%	17,700 *14	17,201	17,200,000	2.1%	
		Kawasaki Isago Building	Trust	13	6,831	100.0%	2,430	2,858	3,375,000	0.4%	
		Musashi Kosugi STM Building	Real property	26	5,378	100.0%	3,910	3,889	4,000,000	0.5%	

Region	Name of building	Type of specified asset	Number of tenants*1	Leasable space (m^2)	Occupancy rate*2	Appraisal value at the end of period (¥ mil)*3	Book value at the end of period (¥ mil)	Acquisition price*4		Ratio by region *2
								(¥ thousand)	Ratio *2	
Other major cities	8･3 Square Kita Building	Real property	8	12,265	99.0%	6,900	6,359	7,100,000	0.8%	15.0%
	Jozenji Park Building	Real property	17	2,518	100.0%	907	998	1,000,000	0.1%	
	Higashi Nibancho Suqare	Real property	20	20,526	95.2%	12,400 *7	9,773	9,950,000	1.2%	
	Sendai Honcho Honma Building	Trust	24	6,234	97.3%	2,250	2,940	2,924,000 250,000 Total: 3,174,000	0.4%	
	Kanazawa Park Building	Real property	73	20,889	95.2%	4,380	4,288	2,880,000 1,700,000 Total: 4,580,000	0.5%	
	Nishiki Park Building*13	Real property	59*5	9,850*5	96.7% *5	4,580	5,122	3,850,000 1,300,000 650,000 Total: 5,800,000	0.7%	
	Nagoya Hirokoji Place	Trust	23	13,200	95.4%	9,690 *14	8,536	8,567,000	1.0%	
	Hirokoji Sakae Building	Real property	13	3,911	82.6%	1,560	1,685	1,680,000	0.2%	
	Nagoya Hirokoji Building	Real property	34	21,624	99.4%	11,900	15,465	14,533,000	1.7%	
	Nagoya Misono Building	Real property	15	3,448	97.6%	1,130	1,374	1,865,000	0.2%	
	Shijo Karasuma Center Building	Real property	6	6,634	100.0%	4,620 *14	4,342	4,400,000	0.5%	
	Kyoto Shijo Kawaramachi Building	Real property	33	6,805	89.3%	1,770	2,564	2,650,000	0.3%	
	Shin-Fujita Building	Trust	41	28,414	92.5%	16,900	22,469	24,000,000	2.9%	
	Sakaisujihonmachi Building	Real property	22	11,520	100.0%	3,170	3,731	2,264,000 1,900,000 Total: 4,164,000	0.5%	

Region	Name of building	Type of specified asset	Number of tenants*1	Leasable space (m^2)	Occupancy rate*2	Appraisal value at the end of period (¥ mil)*3	Book value at the end of period (¥ mil)	Acquisition price*4		Ratio by region *2
								(¥ thousand)	Ratio *2	
	Midosuji Daiwa Building	Trust	42	20,450	98.8%	13,000	13,175	6,934,000 7,380,000 Total: 14,314,000	1.7%	
	Lit City Building	Real property	41	9,965	100.0%	4,290	3,536	4,650,000	0.6%	
	NHK Hiroshima Broadcasting Center Building	Real property	12	9,860	100.0%	2,510	2,783	1,320,000 1,450,000 Total: 2,770,000	0.3%	
	Tosei Tenjin Building	Real property	20	3,995	94.1%	1,300	1,399	1,550,000	0.2%	
	Tenjin Crystal Building	Real property	29	5,973	97.5%	2,510	4,342	5,000,000	0.6%	
	Hinode Tenjin Building	Trust	4	5,841	100.0%	3,600	3,429	3,657,000	0.4%	
		Total	1,239	752,723	97.8%	843,367	786,106	838,055,766	100.0%	

*1. The total number of tenants is based on the gross number of tenants in each building. Each instance of occupancy of a single tenant leasing space is considered separately on a per property basis even if said tenant leases space in multiple properties.

*2. Occupancy rate, ratio of acquisition price and ratio by region are rounded to the nearest first decimal place.

*3. Appraisal value at the end of period is, as a rule, the value assessed by real estate appraisers based on the Company's Articles of Incorporation and the Cabinet Office Ordinance on Accountings of Investment Corporations. The book closing date is used as the appraisal date and the appraisal value is calculated by Daiwa Real Estate Appraisal Co., Ltd.

*4. Incidental expenses arising from acquisitions are not included in the acquisition price.

*5. Residential portions are not included in the total number of tenants, the occupancy rate or the leasable space for Kitanomaru Square, Nibancho Garden, Akasaka Park Building or Nishiki Park Building. The residential portions for these properties are as follows: Kitanomaru Square, leasable space: 11,694m^2, occupancy rate: 90.1%; Nibancho Garden, leasable space: 1,686m^2, occupancy rate: 100.0%; Akasaka Park Building, leasable space: 10,780m^2, occupancy rate: 92.0%; Nishiki Park Building, leasable space: 954m^2, occupancy rate: 86.7%.

*6. This includes the acquisition price of the land and building adjacent to Ryoshin Ginza East Mirror Building dated July 4, 2008, the cost of the adjacent building's demolition and the total expense of the construction and expansion of the Ryoshin Ginza East Mirror Building (excluding brokerage fees and other acquisition-related expenses) after its completion on May 24, 2010.

*7. Appraisal values by Chuo Real Estate Appraisal Co., Ltd.

*8. Accompanying the acquisition of Tokyo Opera City Building on September 13, 2005, the Company acquired 33 shares of Tokyo Opera City Building Co., Ltd. (the business that maintains, services and operates the building) at a total acquisition price of 2,797 thousand yen and inherited the 874 thousand yen deposit made to Tokyo Opera City Building Co., Ltd. by the seller. In an additional acquisition, on March 24, 2010, the Company acquired 91 shares of Tokyo Opera City Building Co., Ltd. at a total acquisition price of 7,539 thousand yen. Concurrently, the Company acquired 4,931 shares of Tokyo Opera City Heat Supply Co., Ltd. (the supplier of heat to the building) at a total acquisition price of 566,831 thousand yen, inheriting the 2,360 thousand yen deposit made to Tokyo Opera City Building Co., Ltd. by the seller.
Regarding the appraisal value dated September 30, 2014 of the above-mentioned shares and deposits, the 4,931 shares of Tokyo Opera City Heating Co., Ltd. are valued at 566,831 thousand yen, the total deposits of 3,235 thousand yen are valued at 3,235 thousand yen, and the 124 shares of Tokyo Opera City Building Co., Ltd. are valued at 10,336 thousand yen.

*9. On acquiring Osaki Front Tower, the Company inherited the land renter's lease deposit of 1,040,000 thousand yen held by the seller of the building. The value of the lease deposit was appraised on September 30, 2014 and remained unchanged.

*10. Because the building portion of the Nippon Brunswick Building was transferred on August 23, 2013, no total number of tenants, leasable space or occupancy rate are provided. Furthermore, the 1,497m^2 portion of land still held is being rented to the transferee of the building, Mitsubishi Estate Co., Ltd.

*11. Because the building was transferred on August 23, 2013, the acquisition price of the building at the time of the land and building purchase dated March 24, 2004, has been deducted.

*12. This is the acquisition price dated October 9, 2003, and includes a portion of the site transferred on October 30, 2009 (cost of investment sold, 614 million yen).

*13. On acquiring Nishiki Park Building, the Company inherited the 9,000 thousand yen lease deposit made by the land renters held by the seller of the building. The value of the lease deposit was appraised on September 30, 2014 and remained unchanged.

*14. Appraisal values by Japan Real Estate Institute.
*15. In the above quick reference guide, if the real estate or other assets are classified as shared ownership or compartmental ownership, only the real estate or other assets owned by the Company are presented and the portions owned by the other shared owners or compartmental owners are excluded.
*16. The properties presented in the above quick reference guide do not include properties that have falsified structural calculation reports as reported by the local government authorities and the Ministry of Land, Infrastructure, Transport and Tourism.

ii) Breakdown of property-related revenues and expenses for real estate and other assets included in the Company's holdings

The table below is a quick reference guide outlining the revenues and expenses on each real estate and other asset for the 26th period (April 1, 2014 to September 30, 2014). Furthermore, the income summary is presented based on the previously mentioned “Summary of significant accounting policies.”

(Millions of Yen)

Name of building	Revenues / Expenses (April 1, 2014 to September 30, 2014)												
	Property-related revenues	Property-related expenses	Property management expenses	Utilities expenses	Property and other taxes	Casualty insurance	Repairing expenses	Depreciation ①	Other expenses	Property-related profits ②	NOI ③(①+②)	Capital expenditures ④*2	NCF ③－④
Genki Medical Plaza	225	71	13	18	16	0	0	20	2	153	173	0	172
Kitanomaru Square	1,680	792	160	80	94	2	44	410	-	887	1,298	6	1,291
MD Kanda Building	222	91	15	23	20	0	2	28	-	131	159	8	150
Kandabashi Park Building	113	43	1	-	16	0	8	16	-	70	86	9	77
Otemachi Financial City North Tower	252	127	21	18	-	0	-	87	-	124	212	-	212
Nibancho Garden	477	242	60	32	53	0	5	90	-	235	325	-	325
Mitsubishi UFJ Trust and Banking Building	993	360	52	64	131	1	2	107	1	632	740	7	732
Burex Kojimachi Building	150	78	-	-	13	0	2	62	-	72	134	-	134
Sanno Grand Building	897	378	100	65	105	1	28	77	-	519	596	46	549
Yurakucho Denki Building	240	127	32	20	41	0	0	31	-	112	144	6	138
Kodenmacho Shin-Nihonbashi Building	115	55	15	9	11	0	2	12	3	60	72	0	72
Kyodo Building (Kayabacho 2Chome)	129	62	11	11	11	0	5	20	-	67	88	5	83
Burex Kyobashi Building	150	51	-	-	11	0	1	38	-	98	136	-	136
Ginza Sanwa Building	378	135	28	20	59	0	5	19	0	242	262	5	257
Ryoshin Ginza East Mirror Building	152	87	17	17	14	0	1	36	0	64	101	-	101
Harumi Front	1,242	713	141	135	73	1	-	359	0	529	889	-	889
Harumi Center Building	644	387	69	52	48	1	2	212	0	257	470	0	469
Akasaka Park Building	2,169	1,316	244	276	279	3	94	413	3	852	1,266	336	930
Aoyama Crystal Building	198	94	12	18	28	0	3	30	0	104	134	1	133
Shiodome Building	1,862	687	131	125	124	2	7	292	3	1,174	1,467	4	1,462
Shiba 2Chome Daimon Building	269	149	36	33	38	0	7	32	0	120	152	60	92
Cosmo Kanasugibashi Building	109	45	10	8	12	0	0	13	-	64	77	2	75

Name of building	Revenues / Expenses (April 1, 2014 to September 30, 2014)												
	Property-related revenues	Property-related expenses	Property management expenses	Utilities expenses	Property and other taxes	Casualty insurance	Repairing expenses	Depreciation ①	Other expenses	Property-related profits ②	NOI ③(①+②)	Capital expenditures ④*2	NCF ③－④
Shinwa Building	188	88	20	22	19	0	1	24	-	99	124	13	110
Tokyo Opera City Building*1	1,345	1,103								242		75	
TIXTOWER UENO	685	387	59	48	39	1	0	237	-	298	535	0	535
Higashi-Gotanda 1Chome Building	171	95	13	22	14	0	0	43	0	76	119	-	119
Osaki Front Tower	667	506	72	53	28	0	3	256	91	160	416	1	415
Omori-Eki Higashiguchi Building	229	108	28	25	25	0	4	24	-	120	145	4	140
Nippon Brunswick Building	60	20	-	-	20	-	-	-	-	39	39	-	39
Yoyogi 1Chome Building	291	142	21	25	23	0	2	68	-	149	217	2	215
da Vinci Harajuku	191	54	10	12	16	0	0	14	-	137	151	0	151
Jingumae Media Square Building	312	142	23	37	39	0	3	36	1	169	205	0	205
Shibuya Cross Tower	1,339	1,113	180	150	126	2	229	423	1	226	649	413	236
Ebisu Neonato	432	177	52	21	10	2	1	89	-	254	343	20	323
Harmony Tower	374	148	39	-	48	1	10	49	-	225	275	-	275
Otsuka Higashi-Ikebukuro Building	204	102	20	30	12	0	1	36	-	101	138	5	133
Ikebukuro 2Chome Building	67	29	7	6	5	0	1	7	0	37	45	7	38
Ikebukuro YS Building	173	83	19	17	14	0	0	30	-	89	120	-	120
Hachioji First Square	238	121	50	3	26	0	2	37	-	117	155	2	153
Saitama Urawa Building	102	52	14	10	9	0	2	15	-	49	64	2	62
MM Park Building	1,235	773	141	200	79	1	13	337	-	461	799	31	768
Queen’s Tower A	998	614	211	116	-	3	32	244	6	383	628	1	627
Kawasaki Isago Building	136	81	24	18	13	0	4	19	-	55	74	3	70
Musashi Kosugi STM Building	158	66	21	3	10	0	5	24	-	92	117	1	116
8･3 Square Kita Building	290	184	32	56	21	0	2	71	-	105	176	35	141
Jozenji Park Building	66	38	9	9	6	0	3	9	-	27	37	4	32
Higashi Nibancho Suqare	454	306	85	45	40	0	6	127	-	147	275	4	270
Sendai Honcho Honma Building	128	68	17	16	15	0	2	16	0	60	76	15	61
Kanazawa Park Building	471	298	99	60	64	1	11	60	0	172	232	19	213

Name of building	Revenues / Expenses (April 1, 2014 to September 30, 2014)												
	Property-related revenues	Property-related expenses	Property management expenses	Utilities expenses	Property and other taxes	Casualty insurance	Repairing expenses	Depreciation ①	Other expenses	Property-related profits ②	NOI ③(①+②)	Capital expenditures ④*2	NCF ③－④
Nishiki Park Building	243	160	49	23	19	0	15	45	6	83	128	20	108
Nagoya Hirokoji Place	360	200	41	40	33	0	1	82	-	160	242	6	235
Hirokoji Sakae Building	86	53	13	13	11	0	5	9	0	32	42	-	42
Nagoya Hirokoji Building	582	383	90	62	61	1	34	133	0	199	333	147	186
Nagoya Misono Building	70	52	10	9	6	0	5	20	-	17	38	6	32
Shijo Karasuma Center Building	196	124	25	17	11	0	10	59	-	71	130	1	129
Kyoto Shijo Kawaramachi Building	116	83	20	14	10	0	9	28	0	32	60	0	60
Shin-Fujita Building	718	513	83	102	77	1	38	208	-	205	414	174	240
Sakaisujihonmachi Building	230	143	42	35	36	0	5	22	-	87	109	1	108
Midosuji Daiwa Building	537	247	62	49	75	1	4	55	0	290	345	3	341
Lit City Building	263	153	31	29	19	1	5	65	0	110	175	-	175
NHK Hiroshima Broadcasting Center Building	264	177	50	28	23	0	8	40	24	87	128	203	(75)
Tosei Tenjin Building	77	40	12	8	7	0	1	10	0	37	47	3	43
Tenjin Crystal Building	148	123	22	19	19	0	1	61	0	24	86	0	85
Hinode Tenjin Building	173	69	20	15	14	0	0	18	0	103	121	-	121
Total	27,760	15,538	3,378	2,768	2,530	55	733	5,883	187	12,222	18,105	1,738	16,366

*1. Disclosure of NOI and NCF in the breakdown of the expenses of the property leasing business for Tokyo Opera City Building has been withheld at the request of the joint owners of the real estate.

*2. Construction expenses that correspond to capital expenditures incurred during the period under review are listed under capital expenditures. This does not include expenses capitalized as construction in progress, expenses capitalized as furniture, etc., or such expenses included in the book value as brokerage fees for acquiring real estate or other assets, real estate acquisition taxes or other acquisition-related expenses.

c. Condition of Other Assets

(i) Shares/Investment Securities

Securities	Number of Shares	Acquisition Price (¥ thousand)		Appraisal Value (¥ thousand)		Valuation Gain/Loss (¥ thousand)	Notes
		Unit Price	Amount	Unit Price	Amount		
Tokyo Opera City Building Co., Ltd.	124	83	10,336	83	10,336	—	*
Tokyo Opera City Heat Supply Co., Ltd.	4,931	114	566,831	114	566,831	—	*
Total	—	—	577,168	—	577,168	—	

* Unit prices for relevant non-listed stock are defined as acquisition costs.

(ii) Analysis of Other Specified Assets

Asset Type	Quantity	Book Value (¥ thousand)		Appraisal Value (¥ thousand)		Valuation Gain/Loss (¥ thousand)	Notes
		Unit Price	Amount	Unit Price	Amount		
Monetary claim	1	3,235	3,235	3,235	3,235	—	—
Monetary claim	1	9,000	9,000	9,000	9,000	—	—
Monetary claim	1	1,040,000	1,040,000	1,040,000	1,040,000	—	—
Total	—	—	1,052,235	—	1,052,235	—	—

* Trust beneficiary rights, the principal trust asset of real estate, are included in the previous section b. "Real Estate Investment Property and Trust Beneficiary Rights in Trust of Real Estate."

d. Capital Expenditures

(i) Schedule for Capital Expenditures

The significant scheduled capital expenditures, such as current plans for repair, maintenance and renovation work on existing properties, are listed below.

The following scheduled capital expenditures include those accounted for as expenses.

Name of Properties (Location)	Purpose	Scheduled Period	Estimated Cost (¥ million)		
			Total Amount	Payment Amount for the fiscal under review period	Total Amount Already Paid
Kawasaki Isago Building (Kawasaki, Kanagawa Prefecture)	Construction work	From May 2015 To September 2015	116	—	—
Omori-Eki Higashiguchi Building (Ota-ku, Tokyo)	Upgrade of electrical equipment	From April 2014 To March 2015	108	—	—
Musashi Kosugi STM Building (Kawasaki, Kanagawa Prefecture)	Upgrade of air conditioners	From April 2014 To March 2015	108	—	—
MD Kanda Building (Chiyoda-ku, Tokyo)	Upgrade of air conditioners	From September 2014 To February 2015	102	—	—
Kawasaki Isago Building (Kawasaki, Kanagawa Prefecture)	Construction work	From October 2014 To March 2015	94	—	—
Ryoshin Ginza East Mirror Building (Chuo-ku, Tokyo)	Upgrade of air conditioners	From December 2014 To February 2015	86	—	—
Shiba 2Chome Daimon Building (Minato-ku, Tokyo)	Elevator repair	From June 2014 To March 2015	86	—	—
NHK Hiroshima Broadcasting Center Building (Hiroshima, Hiroshima Prefecture)	Upgrade of air conditioners	From September 2014 To January 2015	65	—	—
Kanazawa Park Building (Kanazawa, Ishikawa Prefecture)	Upgrade of air conditioning facilities	From July 2014 To February 2015	61	—	—
Burex Kyobashi Building (Chou-ku, Tokyo)	Upgrade of electrical equipment	From October 2014 To March 2015	59	—	—
Otsuka Higashi-Ikebukuro Building (Toshima-ku, Tokyo)	Upgrade of air conditioning facilities	From October 2014 To November 2014	42	—	—
Saitama Urawa Building (Saitama, Saitama Prefecture)	Construction work	From November 2014 To February 2015	35	—	—
NHK Hiroshima Broadcasting Center Building (Hiroshima, Hiroshima Prefecture)	Construction work	From April 2014 To October 2014	30	—	—
Jozenji Park Building (Sendai, Miyagi Prefecture)	Upgrade of air conditioning facilities	From September 2014 To January 2015	26	—	—

(ii) Capital expenditures during the period under review

For acquired real estate and other assets, capital expenditures incurred in the period under review totaled 1,738 million yen and repair, maintenance and renovation expenses classified as expenses in the period under review totaled 733 million yen, for a total of 2,472 million yen worth of construction has been carried out.

One of the significant capital expenditures for the period under review was the upgrade of air conditioning facilities in the NHK Hiroshima Broadcasting Center Building.

Construction carried out on other real estate and other assets includes elevator repair in addition to regular maintenance upgrades.

Name of Building	Purpose	Period	Expenditures for Construction (¥ million)
NHK Hiroshima Broadcasting Center Building (Hiroshima, Hiroshima prefecture)	Upgrade of air conditioning facilities	From October 2013 To April 2014	189
Shiba 2Chome Daimon Building (Minato-ku, Tokyo)	Elevator repair	From April 2014 To September 2014	60
other real estate			1,488
Total			1,738

(iii) Money Saved for Long-term Repair Plans

Based on mid-to-long term repair plans, the Company has reserved funds for every property to prepare for expenditures such as maintaining future property value and upgrading equipment.

Millions of yen

	For the period from April 1, 2012 to September 30, 2012	For the period from October 1, 2012 to March 31, 2013	For the period from April 1, 2013 to September 30,2013	For the period from October 1, 2013 to March 31, 2014	For the period from April 1, 2014 to September 30, 2014
Balance of reserved funds at the start of period	1,816	1,829	2,237	2,486	2,431
Reserved funds for the period	1,834	2,261	2,304	2,469	2,470
Reversal of reserved funds for the period	1,821	1,853	2,055	2,524	2,438
Balance carried over to next period	1,829	2,237	2,486	2,431	2,463

e. Expenses and Liabilities

(i) Details on Operation-related Expenses

Item	For the period from October 1, 2013 to March 31, 2014	For the period from April 1, 2014 to September 30, 2014
(a) Asset management fee*	¥675,187 thousand	¥638,740 thousand
(breakdown) Fees for the period	¥617,926 thousand	¥638,740 thousand
Incentive fees	¥57,261 thousand	—
(b) Asset custody fee	¥57,164 thousand	¥58,445 thousand
(c) Administrative service fees	¥137,480 thousand	¥138,607 thousand
(d) Directors' compensations	¥7,800 thousand	¥7,800 thousand
(e) Commission fee	¥58,222 thousand	¥61,803 thousand
(f) Other operating expenses	¥64,373 thousand	¥61,876 thousand
Total	¥1,000,229 thousand	¥967,274 thousand

*In addition to the asset management fee listed above, in the case that a property is acquired, an “acquisition fee” is included in the acquisition cost of the property and paid to managers.

In the case that a property is sold, a “disposition fee” is included in the loss on sale and paid to managers. These fees are calculated by multiplying the buying/selling price of the property by a fee rate.

In the 25th period ended March 31, 2014, acquisition fees amounted to ¥215,847 thousand, and in the 26th period ended September 30, 2014, acquisition fees amounted to ¥3,250 thousand.

(ii) Loans

The condition of loans by financial institutions as of September 30, 2014, is as follows.

Segment	Lender	Borrowing Date	Balance at Beginning of Current Period (¥ million)	Balance at End of Current Period (¥ million)	Average Interest Rate*1(%)	Repayment Deadline	Repayment Method	Use of Money	Remarks
Short-term loans	Mizuho Bank, Ltd.	July 31, 2013	3,000	-	0.2263	April 30, 2014	Bullet repayment	Assigned to purchase real estate trust beneficiary rights	Unsecured Unguaranteed Unsubordinated Floating interest rate
		January 7, 2014	4,000	2,000 *2	0.2263	January 7, 2015	Bullet repayment	Assigned to repay existing short-term loans	Unsecured Unguaranteed Unsubordinated Floating interest rate
		February 18, 2014	3,500	- *3	0.2263	February 18, 2015	Bullet repayment	Assigned to purchase real estate	Unsecured Unguaranteed Unsubordinated Floating interest rate
		March 24, 2014	2,500	- *4	0.2263	March 24, 2015	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Floating interest rate
		March 31, 2014	3,700	2,000 *5	0.2163	March 31, 2015	Bullet repayment	Assigned to purchase real estate	Unsecured Unguaranteed Unsubordinated Floating interest rate
		June 17, 2014	-	4,000	0.2163	March 17, 2015	Bullet repayment	Assigned to redeem investment corporation bonds	Unsecured Unguaranteed Unsubordinated Floating interest rate
	Mitsubishi UFJ Trust and Banking Corporation	January 7, 2014	1,500	1,500	0.2263	January 7, 2015	Bullet repayment	Assigned to repay existing short-term loans	Unsecured Unguaranteed Unsubordinated Floating interest rate
		January 15, 2014	5,000	- *6	0.2263	January 15, 2015	Bullet repayment	Assigned to repay existing short-term loans	Unsecured Unguaranteed Unsubordinated Floating interest rate
		March 24, 2014	2,500	2,300 *7	0.2263	March 24, 2015	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Floating interest rate
		March 31, 2014	3,700	3,700	0.2163	March 31, 2015	Bullet repayment	Assigned to purchase real estate	Unsecured Unguaranteed Unsubordinated Floating interest rate
	Sumitomo Mitsui Trust Bank, Limited.	September 2, 2013	5,000	- *8	0.2263	September 2, 2014	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Floating interest rate
		October 7, 2013	1,000	- *9	0.2263	October 7, 2014	Bullet repayment	Assigned to repay existing short-term loans	Unsecured Unguaranteed Unsubordinated Floating interest rate
		March 24, 2014	2,500	- *4	0.2263	September 24, 2014	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Floating interest rate
		March 31, 2014	3,700	3,700	0.2163	March 31, 2015	Bullet repayment	Assigned to purchase real estate	Unsecured Unguaranteed Unsubordinated Floating interest rate
		September 2, 2014	-	3,800	0.1963	September 2, 2015	Bullet repayment	Assigned to repay existing short-term loans	Unsecured Unguaranteed Unsubordinated Floating interest rate

Segment	Lender	Borrowing Date	Balance at Beginning of Current Period (¥ million)	Balance at End of Current Period (¥ million)	Average Interest Rate*1(%)	Repayment Deadline	Repayment Method	Use of Money	Remarks
Short-term loans	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	July 31, 2013	3,000	- *10	0.2263	July 31, 2014	Bullet repayment	Assigned to purchase real estate trust beneficiary rights	Unsecured Unguaranteed Unsubordinated Floating interest rate
		February 18, 2014	3,500	- *3	0.2263	February 18, 2015	Bullet repayment	Assigned to purchase real estate	Unsecured Unguaranteed Unsubordinated Floating interest rate
		March 24, 2014	2,500	- *4	0.2263	March 24, 2015	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Floating interest rate
		March 31, 2014	3,700	- *11	0.2163	March 31, 2015	Bullet repayment	Assigned to purchase real estate	Unsecured Unguaranteed Unsubordinated Floating interest rate
		June 17, 2014	-	4,000	0.2163	March 17, 2015	Bullet repayment	Assigned to redeem investment corporation bonds	Unsecured Unguaranteed Unsubordinated Floating interest rate
	The Daishi Bank, Ltd.	January 7, 2014	1,500	1,500	0.2263	January 7, 2015	Bullet repayment	Assigned to repay existing short-term loans	Unsecured Unguaranteed Unsubordinated Floating interest rate
		June 17, 2014	-	1,000	0.2163	March 17, 2015	Bullet repayment	Assigned to redeem investment corporation bonds	Unsecured Unguaranteed Unsubordinated Floating interest rate
	The Gunma Bank, Ltd.	June 17, 2014	-	1,000	0.2163	March 17, 2015	Bullet repayment	Assigned to redeem investment corporation bonds	Unsecured Unguaranteed Unsubordinated Floating interest rate
	The 77 Bank, Ltd.	January 7, 2014	1,000	1,000	0.2263	January 7, 2015	Bullet repayment	Assigned to repay existing short-term loans	Unsecured Unguaranteed Unsubordinated Floating interest rate
	Subtotal		56,800	31,500	-	-		-	-
Long-term loans to be repaid within 1 year	The Dai-ichi Life Insurance Company, Limited.	May 31, 2007	-	5,000	1.86875	May 29, 2015	Bullet repayment	Assigned to purchase real estate	Unsecured Unguaranteed Unsubordinated Fixed interest rate
	The Chugoku Bank, Limited.	June 15, 2010	-	3,000	1.20875	June 15, 2015	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate
	The Hiroshima Bank, Ltd.	June 14, 2010	-	3,000	1.1875	June 15, 2015	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate
	Development Bank of Japan Inc.	September 1, 2008	-	2,000	1.65	September 1, 2015	Bullet repayment	Assigned to purchase real estate trust beneficiary rights	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		March 24, 2010	100	100 *12	1.665	March 24, 2017	Repayment in installments *12.	Assigned to purchase real estate	Unsecured Unguaranteed Unsubordinated Fixed interest rate
	The Bank of Fukuoka Ltd.	March 24, 2010	2,000	2,000	1.39875	March 24, 2015	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate
	The Yamanashi Chuo Bank, Ltd.	December 15, 2011	2,000	2,000	0.645	December 15, 2014	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate

Segment	Lender	Borrowing Date	Balance at Beginning of Current Period (¥ million)	Balance at End of Current Period (¥ million)	Average Interest Rate*1(%)	Repayment Deadline	Repayment Method	Use of Money	Remarks
Long-term loans to be repaid within 1 year	Taiyou Life Insurance Company	May 31, 2007	-	1,500	1.86875	May 29, 2015	Bullet repayment	Assigned to purchase real estate	Unsecured Unguaranteed Unsubordinated Fixed interest rate
	The Gunma Bank, Ltd.	November 15, 2011	1,000	1,000	0.615	November 17, 2014	Bullet repayment	Assigned to purchase real estate	Unsecured Unguaranteed Unsubordinated Fixed interest rate
	Subtotal		5,100	19,600	-	-		-	-
Total			61,900	51,100	-	-		-	-
Long-term loans	Mitsubishi UFJ Trust and Banking Corporation	April 4, 2011	5,000	5,000	1.0325	April 4, 2016	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		April 4, 2011	5,000	5,000	1.205	April 4, 2017	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		June 1, 2011	12,000	12,000	1.12625	June 1, 2017	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		June 1, 2011	10,000	10,000	1.31125	June 1, 2018	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		November 15, 2011	3,000	3,000	1.13875	November 15, 2019	Bullet repayment	Assigned to purchase real estate	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		June 15, 2012	4,000	4,000	0.9525	June 15, 2020	Bullet repayment	Assigned to purchase real estate	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		June 15, 2012	2,500	2,500	1.2725	June 15, 2022	Bullet repayment	Assigned to redeem investment corporation bonds	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		December 21, 2012	5,000	5,000	0.80125	December 21, 2020	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		January 31, 2014	4,000	4,000	0.64225 *13	January 29, 2021	Bullet repayment	Assigned to purchase real estate trust beneficiary rights	Unsecured Unguaranteed Unsubordinated Floating interest rate*13.
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	March 24, 2011	2,000	2,000	1.3975	March 26, 2018	Bullet repayment	Assigned to repay existing short-term loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		November 15, 2011	3,000	3,000	1.13875	November 15, 2019	Bullet repayment	Assigned to purchase real estate	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		June 15, 2012	4,000	4,000	1.1975	June 15, 2022	Bullet repayment	Assigned to purchase real estate	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		December 21, 2012	5,000	5,000	0.80125	December 21, 2020	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate

Segment	Lender	Borrowing Date	Balance at Beginning of Current Period (¥ million)	Balance at End of Current Period (¥ million)	Average Interest Rate*1(%)	Repayment Deadline	Repayment Method	Use of Money	Remarks
Long-term loans	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	January 15, 2013	5,500	5,500	0.71	January 15, 2020	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		January 15, 2013	5,500	5,500	0.83625	January 15, 2021	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		April 24, 2013	5,000	5,000	0.775	April 26, 2021	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate
	Mizuho Bank, Ltd.	December 21, 2010	5,000	5,000	1.30625	December 21, 2016	Bullet repayment	Assigned to repay existing short-term loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		November 1, 2011	6,000	6,000	1.2075	November 1, 2019	Bullet repayment	Assigned to repay existing short-term loans and other loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		November 15, 2011	3,000	3,000	1.13875	November 15, 2019	Bullet repayment	Assigned to purchase real estate	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		June 15, 2012	4,000	4,000	1.07375	June 15, 2021	Bullet repayment	Assigned to purchase real estate	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		January 15, 2013	5,000	5,000	0.96625	January 17, 2022	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		April 24, 2013	3,000	3,000	0.87375	April 25, 2022	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate
	Mitsubishi UFJ Trust and Banking Corporation	June 23, 2011	6,000	6,000	0.90875	June 23, 2016	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate
	Mizuho Bank, Ltd.		6,000	6,000					
	Sumitomo Mitsui Trust Bank, Limited.		6,000	6,000					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		6,000	6,000					
	Sumitomo Mitsui Trust Bank, Limited.	January 17, 2011	3,000	3,000	1.43375	January 17, 2018	Bullet repayment	Assigned to repay existing short-term loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		September 26, 2011	5,500	5,500	1.16	September 26, 2019	Bullet repayment	Assigned to repay existing short-term loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		November 15, 2011	3,000	3,000	0.98375	November 15, 2018	Bullet repayment	Assigned to purchase real estate	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		June 15, 2012	4,000	4,000	0.9525	June 15, 2020	Bullet repayment	Assigned to purchase real estate	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		January 31, 2014	2,000	2,000	0.62575 *13	January 29, 2021	Bullet repayment	Assigned to purchase real estate trust beneficiary rights	Unsecured Unguaranteed Unsubordinated Floating interest rate*13.

Segment	Lender	Borrowing Date	Balance at Beginning of Current Period (¥ million)	Balance at End of Current Period (¥ million)	Average Interest Rate*1(%)	Repayment Deadline	Repayment Method	Use of Money	Remarks
Long-term loans	Shinkin Central Bank	November 15, 2011	1,000	1,000	0.7525	November 15, 2016	Bullet repayment	Assigned to purchase real estate	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		January 7, 2013	2,000	2,000	0.71375	January 7, 2020	Bullet repayment	Assigned to purchase real estate	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		January 15, 2013	5,000	5,000	0.71	January 15, 2020	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		April 24, 2013	5,000	5,000	0.52775	April 24, 2018	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate
	Development Bank of Japan Inc.	September 1, 2008	2,000	-	1.65	September 1, 2015	Bullet repayment	Assigned to purchase real estate trust beneficiary rights	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		March 24, 2010	1,500	1,450 *12	1.665	March 24, 2017	Repayment in installments *12.	Assigned to purchase real estate	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		January 7, 2013	3,000	3,000	1.115	January 6, 2023	Bullet repayment	Assigned to purchase real estate	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		January 31, 2014	5,000	5,000	0.9325	January 31, 2023	Bullet repayment	Assigned to purchase real estate trust beneficiary rights	Unsecured Unguaranteed Unsubordinated Fixed interest rate
	The Bank of Fukuoka, Ltd.	August 31, 2011	2,000	2,000	0.9025	August 31, 2017	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		June 15, 2012	2,500	2,500	0.66	June 15, 2017	Bullet repayment	Assigned to redeem investment corporation bonds	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		August 31, 2012	1,000	1,000	0.57125	August 31, 2017	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		January 31, 2014	2,500	2,500	0.63849 *13	January 29, 2021	Bullet repayment	Assigned to purchase real estate trust beneficiary rights	Unsecured Unguaranteed Unsubordinated Floating interest rate*13.
	Shinsei Bank, Limited.	August 31, 2011	3,000	3,000	1.0475	August 31, 2018	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		June 15, 2012	2,500	2,500	0.66	June 15, 2017	Bullet repayment	Assigned to purchase real estate	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		June 15, 2012	2,500	2,500	1.2725	June 15, 2022	Bullet repayment	Assigned to redeem investment corporation bonds	Unsecured Unguaranteed Unsubordinated Fixed interest rate
	The Norin chukin Bank	January 31, 2014	3,500	3,500	0.757 *13	January 31, 2022	Bullet repayment	Assigned to purchase real estate trust beneficiary rights	Unsecured Unguaranteed Unsubordinated Floating interest rate*13.
		June 17, 2014	-	3,000	0.6785 *13	June 17, 2022	Bullet repayment	Assigned to redeem investment corporation bonds	Unsecured Unguaranteed Unsubordinated Floating interest rate*13.

Segment	Lender	Borrowing Date	Balance at Beginning of Current Period (¥ million)	Balance at End of Current Period (¥ million)	Average Interest Rate*1(%)	Repayment Deadline	Repayment Method	Use of Money	Remarks
Long-term loans	The Iyo Bank, Ltd.	June 15, 2012	2,500	2,500	0.66	June 15, 2017	Bullet repayment	Assigned to redeem investment corporation bonds	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		January 15, 2013	1,000	1,000	0.3825	January 15, 2016	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		March 24, 2014	2,000	2,000	0.6035 *13	March 24, 2021	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Floating interest rate*13
	The Dai-ichi Life Insurance Company, Limited.	May 31, 2007	5,000	-	1.86875	May 29, 2015	Bullet repayment	Assigned to purchase real estate	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		March 30, 2009	5,000	5,000	1.54375	March 30, 2017	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate
	Resona Bank, Limited.	March 1, 2011	2,000	2,000	1.255	March 1, 2017	Bullet repayment	Assigned to purchase real estate trust beneficiary rights	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		March 25, 2013	3,000	3,000	0.45	March 26, 2018	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate
	Sumitomo Mitsui Banking Corporation	November 15, 2011	3,000	3,000	0.98375	November 15, 2018	Bullet repayment	Assigned to purchase real estate	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		January 7, 2013	2,000	2,000	0.98	January 7, 2022	Bullet repayment	Assigned to purchase real estate	Unsecured Unguaranteed Unsubordinated Fixed interest rate
	The Hachijuni Bank, Ltd.	June 15, 2012	1,000	1,000	0.66	June 15, 2017	Bullet repayment	Assigned to purchase real estate	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		December 20, 2012	1,000	1,000	0.45625	December 20, 2017	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		January 15, 2013	1,000	1,000	0.3825	January 15, 2016	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		March 25, 2013	1,000	1,000	0.45	March 26, 2018	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate
	Taiyo Life Insurance Company	May 31, 2007	1,500	-	1.86875	May 29, 2015	Bullet repayment	Assigned to purchase real estate	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		April 24, 2008	1,000	1,000	1.595	April 25, 2016	Bullet repayment	Assigned to redeem investment corporation bonds	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		March 30, 2011	2,000	2,000	1.39625	March 30, 2018	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate
	The Yamaguchi Bank, Ltd.	October 29, 2012	2,000	2,000	0.8	October 29, 2020	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		March 25, 2013	1,000	1,000	0.945	March 24, 2023	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate

Segment	Lender	Borrowing Date	Balance at Beginning of Current Period (¥ million)	Balance at End of Current Period (¥ million)	Average Interest Rate*1(%)	Repayment Deadline	Repayment Method	Use of Money	Remarks
Long-term loans	The Chugoku Bank, Limited.	June 15, 2010	3,000	-	1.20875	June 15, 2015	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate
		March 25, 2013	2,000	2,000	0.45	March 26, 2018	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate
	Nippon Life Insurance Company	March 1, 2011	2,000	2,000	1.465	March 1, 2018	Bullet repayment	Assigned to purchase real estate trust beneficiary rights	Unsecured Unguaranteed Unsubordinated Fixed interest rate
	The Nishi-Nippon City Bank, Ltd.	June 17, 2014	-	2,000	0.621 *13	December 17, 2021	Bullet repayment	Assigned to redeem investment corporation bonds	Unsecured Unguaranteed Unsubordinated Floating interest rate*13
	The Ashikaga Bank, Ltd.	January 7, 2013	1,000	1,000	0.49125	January 9, 2018	Bullet repayment	Assigned to purchase real estate	Unsecured Unguaranteed Unsubordinated Fixed interest rate
	The Gunma Bank, Ltd.	March 24, 2014	1,000	1,000	0.4105 *13	March 25, 2019	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Floating interest rate*13
	The Joyo Bank, Ltd.	January 7, 2013	1,000	1,000	0.49125	January 9, 2018	Bullet repayment	Assigned to purchase real estate	Unsecured Unguaranteed Unsubordinated Fixed interest rate
	The Hiroshima Bank, Ltd.	June 14, 2010	3,000	-	1.1875	June 15, 2015	Bullet repayment	Assigned to repay existing loans	Unsecured Unguaranteed Unsubordinated Fixed interest rate
Total			242,000	232,450	-	-		-	-

*1. The average for floating interest rates is recorded as the weighted average during the period. The average is rounded off to the 5th decimal place.

*2. As of May 7, 2014, ¥2 billion has been repaid before the deadline.

*3. As of April 18, 2014, the entire amount of ¥3.5 billion has been repaid before the deadline.

*4. As of April 24, 2014, the entire amount of ¥2.5 billion has been repaid before the deadline.

*5. As of September 18, 2014, ¥1.7 billion has been repaid before the deadline.

*6. As of April 15, 2014, the entire amount of ¥5 billion has been repaid before the deadline.

*7. As of April 24, 2014, ¥200 million has been repaid before the deadline.

*8. As of May 2, 2014, ¥1.2 billion has been repaid before the deadline.

*9. As of May 7, 2014, the entire amount of ¥1 billion has been repaid before the deadline.

*10. As of April 30, 2014, the entire amount of ¥3 billion has been repaid before the deadline.

*11. As of April 30, 2014, ¥2 billion was repaid, and as of September 18, 2014, the remaining ¥1.7 billion was repaid, all before the deadline.

*12. ¥50 million is repaid every 6 months respectively. ¥1.35 billion is scheduled to be repaid on the final principal repayment date.

*13. In order to avoid the risk of interest rate fluctuations, floating interest rates were swapped to fixed rates. Accordingly, the weighted average for interest rates during the period is calculated taking the effect of this swap into consideration.

(iii) Investment Corporation Bonds
The condition of issued investment corporation bonds as of September 30, 2014, is as follows.

Securities	Date of Issue	Balance at Beginning of Current Period (¥ million)	Balance at End of Current Period (¥ million)	Interest Rate(%)	Repayment Period	Repayment Method	Use of Money	Remarks
4th unsecured investment corporation bond	September 29, 2005	10,000	10,000	2.56	September 29, 2025	Bullet repayment	*1	*2
6th unsecured investment corporation bond	June 18, 2007	15,000	—	1.91	June 18, 2014	Bullet repayment	*1	*2
7th unsecured investment corporation bond	April 23, 2010	10,000	10,000	1.26	April 23, 2015	Bullet repayment	*1	*2
8th unsecured investment corporation bond	July 23, 2010	10,000	10,000	1.05	July 23, 2015	Bullet repayment	*1	*2
9th unsecured investment corporation bond	August 30, 2013	10,000	10,000	0.497	August 30, 2018	Bullet repayment	*1	*2
Total		55,000	40,000					

*1 The 4th and 8th unsecured investment corporation bonds are used to fund the repayment of existing short-term loans. The 6th and 7th unsecured investment corporation bonds are used to redeem existing investment corporation bonds.
The 9th unsecured investment corporation bond is used to fund the repayment of loans and acquire specified assets (“specified assets” defined in Article 2, Paragraph 1 of the Act on Investment Trusts and Investment Corporations).
*2 Financial covenants, such as a negative pledge, are not applicable to these bonds.

f. Examination of the Value of Specified Assets
(i) Real Estate, etc.

Acquisition Or Disposition	Property Name	Date of Transaction	Acquisition/Disposition Cost *1 (¥ million)	Real Estate Appraisal Value (¥ million)	Appraising Institution	Date of Appraisal
Acquisition	Nishiki Park Building	June 9, 2014	650	737	Daiwa Real Estate Appraisal Co., Ltd.	May 15, 2014

*1 The “acquisition/disposition price” refers to the amount listed in the sale and purchase contract, and does not include various expenses necessary in the acquisition of the property such as trading intermediate fees.
*2 The appraisal value listed above is decided in accordance with the 3rd chapter of the Japanese Real Estate Appraisal Act and Real Estate Appraisal Standards.

(ii) Other
Value inspections on transactions by the Company that are deemed necessary under article 201, item 2 of the Investment Trust Law, are entrusted to Ernst & Young ShinNihon LLC.
Transactions that were subject to inspection during the period from April 1, 2014 to September 30, 2014, were interest rate swap transactions, of which there were 5.
The Company has received the investigative report on those transactions from Ernst & Young ShinNihon LLC.
Please note that on the occasion of such investigations, the Company entrusts all other relevant details of the interest rate swap transactions,
such as names of counter parties, securities, agreed numerical value, types of financial instruments or financial indicators and the period of transactions, to the investigation.

g. Transactions with Interested Parties (from April 1, 2014 to September 30, 2014)
(i) Transactions

Segment	Buying and Selling Amounts	
	Buying Amounts	Selling Amounts
Total Amount	¥650,000 thousand	¥ - thousand
	Buying amounts from interested parties ¥ - thousand (-%)	Selling amounts from interested parties ¥ - thousand (-%)
Breakdown of Transactions with Interested Parties		
Total	¥ - thousand (-%)	¥ - thousand (-%)

*1 In addition to the transactions listed above, the Company inherited a total of ¥1,119 thousand in fixed assets free of charge from interested parties in connection with the acquisition of Queen's Tower A, on January 31, 2014.

*2 The numerical values within the ( ) represent a percentage of the total buying/selling amounts.

(ii)Amount of Commission Fees and Other Expenses

Segment	Total Amount of Commission Fees and Other Expenses A	Breakdown of Transactions with Interested Parties		Percentage of Total Amount B/A
		Payment Recipient	Amount Paid B	
Property management expenses	¥3,378,661 thousand	Mitsubishi Jisho Property Management Co., Ltd.	¥1,802,432 thousand	(53.3%)
		Mitsubishi Estate Co., Ltd.	¥240,990 thousand	(7.1%)
		Mitsubishi Jisho House Net Co., Ltd.	¥53,445 thousand	(1.6%)
		Yuden Building Kanri Co., Ltd.	¥32,895 thousand	(1.0%)
		The Dai-ichi Building Co., Ltd.*3	¥323,645 thousand	(9.6%)
		Sohgo Housing Co., Ltd.*3	¥138,903 thousand	(4.1%)
Utilities expenses	¥2,768,816 thousand	Minato Mirai 21 District Heating and Cooling Co., Ltd.	¥97,175 thousand	(3.5%)
Other operating expenses	¥136,127 thousand	Mitsubishi Jisho Property Management Co., Ltd.	¥12,283 thousand	(9.0%)
		Mitsubishi Estate Co., Ltd.	¥615 thousand	(0.5%)
		Mitsubishi Jisho Retail Property Management Co., Ltd.	¥3,747 thousand	(2.8%)
		Mitsubishi Jisho Sekkei Inc.	¥500 thousand	(0.4%)
		The Dai-ichi Building Co., Ltd.*3	¥282 thousand	(0.2%)
		Sohgo Housing Co., Ltd.*3	¥707 thousand	(0.5%)
Interest expenses	¥1,291,376 thousand	The Dai-ichi Life Insurance Company, Limited*3	¥85,546 thousand	(6.6%)

*1 Interested parties refers to interested parties such as asset management companies who have concluded consignment agreements with the Company, as stipulated in Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations, and Section 26, Paragraph 1, Item 27 of the Regulations for Management Reports Concerning Investment Trusts and Investment Corporations of the Investment Trusts Association, Japan.

*2 In addition to the transactions and commission fees listed above, other amounts paid to interested parties, such as orders placed for

repair work, are listed below.

Mitsubishi Jisho Property Management Co., Ltd.	¥392,411	thousand
Mitsubishi Estate Co., Ltd.	¥251,596	thousand
Mitsubishi Jisho House Net Co., Ltd.	¥19,684	thousand
Yuden Building Kanri Co., Ltd.	¥560	thousand
MEC Design International Corporation	¥116	thousand
The Dai-ichi Building Co., Ltd.*3	¥19,968	thousand
Sohgo Housing Co., Ltd.*3	¥6,284	thousand

*3 As of September 29, 2014, The Dai-ichi Life Insurance Company, Limited, The Dai-ichi Building Co., Ltd. and Sohgo Housing Co., Ltd. no longer qualify as interested parties of the asset management company, with which the Company has an asset management agreement. Because of this, only transactions that occurred when the said companies qualified as interested parties are listed.

h. Other Announcements

Below is an overview of important changes and conclusions of contracts that were accepted by the Company's Board of Directors during the period.

Date of Acceptance	Accepted Item	Overview
April 8, 2014	Underwriting agreements of new investment units in connection with the public offering	In connection with the public offering of new investment units which was approved by the Board of Directors of the Company on March 27, the Board approved entering into the underwriting agreements with SMBC Nikko Securities Inc. as the lead-manager and book-runner and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd and Mizuho Securities Co., Ltd. as co-lead-managers. The board also granted greenshoe option to the book-runner.
April 24, 2014	Changes of the asset management agreement and conclusion of memorandum	Due to some changes of the division of cost burden in the asset management agreement, the Board agreed on the conclusion of a memorandum.

Note: In addition to the lead-managers, Nomura Securities Co., Ltd and Daiwa Securities Co. Ltd were appointed as underwriters.

Selected Financial Data

	Millions of yen				
	For the period from April 1, 2014 to September 30, 2014	For the period from October 1, 2013 to March 31, 2014	For the period from April 1, 2013 to September 30, 2013	For the period from October 1, 2012 to March 31, 2013	For the period from April 1, 2012 to September 30, 2012
Operating Revenues	**¥27,760**	¥26,582	¥26,225	¥25,357	¥24,222
Operating Expenses	**16,505**	15,751	15,444	14,725	14,009
Operating Income	**11,255**	10,831	10,781	10,631	10,212
Ordinary Income	**9,582**	9,083	9,143	8,749	8,372
Income before Income Taxes	**9,582**	9,083	9,143	8,749	8,372
Net Income	**9,572**	9,070	9,129	8,824	8,448
Total Assets	**813,931**	817,130	775,066	765,628	724,851
Interest-Bearing Debts	**323,550**	358,900	320,150	311,200	305,750
Net Assets	**436,622**	405,355	405,415	405,280	372,429
Unitholders' Capital	**426,783**	396,018	396,018	396,018	363,371
Number of Units	**1,251,530**	1,188,280	594,140	594,140	549,040
Net Assets per Unit	**348,871**	341,128	682,356	682,130	678,328
Cash Distribution	**9,571**	9,070	9,129	8,995	8,619
Dividend Payout Ratio	**99.9%**	99.9%	99.9%	101.9%	102.0%
Dividend per Unit	**7,648**	7,633	15,366	15,140	15,700
Net Operating Income (NOI)	**18,105**	17,481	17,205	16,768	15,997
Funds from Operations (FFO)	**15,455**	14,719	14,619	14,032	13,356
Return on Assets (ROA) (Note 2)	**1.2%**	1.1%	1.2%	1.2%	1.2%
	(2.3% annualized)	(2.3% annualized)	(2.4% annualized)	(2.4% annualized)	(2.3% annualized)
Return on Equity (ROE) (Note 3)	**2.2%**	2.2%	2.3%	2.2%	2.3%
	(4.4% annualized)	(4.5% annualized)	(4.5% annualized)	(4.4% annualized)	(4.5% annualized)
EOP Equity Ratio (Note 4)	**53.6%**	49.6%	52.3%	52.9%	51.4%
EOP Interest-Bearing Debt Ratio on Total Assets (Note 5)	**39.8%**	43.9%	41.3%	40.6%	42.2%
FFO Multiple	**22.9times**	20.9times	23.4times	27.2times	16.2times
Debt Service Coverage Ratio (Note 6)	**10.5times**	9.6times	9.5times	8.7times	8.3times

Note 1: The Company implemented a 2-for-1 split of each investment unit with an effective date of January 1, 2014. Net assets per unit is calculated as if the split had occurred at the start of the fiscal period ended March 31, 2014.
2: ROA = Ordinary Income ÷ Average of Total Assets during the period
3: ROE = Net Income ÷ Average of Net Assets during the period
(Annualized portion of the calculation given in Note 2 and Note 3 assumes a fiscal period of 183 days for the period ended September 30, 2012, 182 days for the period ended March 31, 2013, 183 days for the period ended September 30, 2013, 182 days for the period ended March 31, 2014 and 183 days for the period ended September 30, 2014.)
4: EOP Equity Ratio = (Net Assets at the end of period ÷ Total Assets at the end of period) × 100
5: EOP Interest-Bearing Debt Ratio on Total Assets = (Interest-Bearing Debt at the end of period ÷ Total Assets at the end of period) × 100
6: Debt Service Coverage Ratio = Net Income before Interest, Taxes, Depreciation and Amortization ÷ Interest Expenses