

FINANCIAL RESULTS FOR THE FISCAL PERIOD ENDED SEPTEMBER 2015 (REIT)

November 16, 2015

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: Hiroshi Nakajima, 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 +81-3-3211-7951

Scheduled Date of Filing Securities Report: December 24, 2015
 Scheduled date of dividend payment: December 11, 2015
 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 September 2015 period (April 1, 2015 – September 30, 2015)

(1) Operating Results

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

Period ended	Operating Revenues		Operating Income		Ordinary Income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2015	29,980	5.9	12,054	7.2	10,487	9.0	10,476	8.9
March 31, 2015	28,314	2.0	11,243	(0.1)	9,625	0.4	9,619	0.5

Period ended	Profit per Unit Yen	ROE (Profit to Unitholders' Equity Ratio)		ROA (Ordinary Income to Total Assets Ratio)		Ordinary Income to Operating Revenues Ratio	
		%	%	%	%		
September 30, 2015	8,015		2.2	1.2		35.0	
March 31, 2015	7,686		2.2	1.2		34.0	

Note: As the company issued new investment units, the ROE for the September 2015 period is calculated by using the average of unitholders' equity that takes into account the number of days from the beginning of the period to one day prior to the date of new unit issuance and the number of days from the new unit issuance to the end of the period. The ROE for the March 2015 period is calculated by using the average of unitholders' equity for the beginning and end of the period.

(2) Dividends

Period ended	Dividend per Unit Excluding Excess of Accounting Profits Yen	Total Cash Dividends Excluding Excess of Accounting Profits Millions of yen	Dividend in Excess of Accounting Profits per Unit Yen	Total Dividends in Excess of Accounting Profits Millions of yen	Payout Ratio %	Ratio of Dividends to Net Assets %
March 31, 2015	7,681	9,613	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 September 2015 period is calculated by using the following formula: Dividend payout ratio = Total cash dividends / Profit × 100

Note 3: In the September 2015 period, the cause of differences in dividend per unit and profit per unit is the fact that as the Company issued new investment units, profit per unit is calculated based on the average number of units during the period. In the March 2015 period, the cause of differences in dividend per unit and profit per unit is revisions to tax effects that accompanied changes in the corporate tax rate.

(3) Financial Standing

As of	Total Assets	Net Assets	Equity Ratio	Net Assets per Unit
	Millions of yen	Millions of yen	%	Yen
September 30, 2015	899,938	468,767	52.1	358,026
March 31, 2015	852,679	436,671	51.2	348,909

Reference: Total unitholders' equity is 468,767 million yen for the September 2015 period and 436,671 million yen for the March 2015 period.

(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, 2015	16,975	(49,829)	34,014	21,409
March 31, 2015	13,741	(41,960)	27,878	20,248

2. Performance Forecasts for the March 2016 period (October 1, 2015 to March 31, 2016) and the September 2016 period (April 1, 2016 to September 30, 2016)

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

Period ending	Operating Revenues		Operating Income		Ordinary Income		Profit		Dividend per Unit Excluding Excess of Accounting Profits	Dividend in Excess of Accounting Profits per Unit
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
March 31, 2016	30,380	1.3	12,150	0.8	10,590	1.0	10,580	1.0	8,080	0
September 30, 2016	30,870	1.6	12,310	1.3	10,760	1.6	10,740	1.5	8,210	0

Reference: Profit per unit forecast = Profit forecast / Number of total investment units forecast for the end of the period
(the March 2016 period): 8,080 yen; (the September 2016 period): 8,210 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, 2015 1,309,310 units

As of March 31, 2015 1,251,530 units

Number of Treasury Units at End of Period

As of September 30, 2015 0 units

As of March 31, 2015 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 profit per unit are based.

* The Implementation Status of Statutory Audit

At the time of disclosure of these financial results, the audit procedures for the financial statements pursuant to the Financial Instruments and Exchange Act have not yet finished.

* 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 March 2016 period (October 1, 2015 to March 31, 2016) and the September 2016 period (April 1, 2016 to September 30, 2016)" on pages 7 and 8.

1. Related Corporations

Due to the fact that there have been no important changes to the “Structure and Formation” section in the most recent securities report (released June 25, 2015), information concerning it has been omitted.

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 dividend policies, in the most recent securities report (released June 25, 2015), 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 Act on Investment Trusts and Investment Corporations of Japan, or the ITA. 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 927.7 billion yen*, as of September 30, 2015. In the same period, the Company has continued to grow steadily with the number of properties in its portfolio growing from 20 to 70 properties.

During the September 2015 period (April 1, 2015 – September 30, 2015), the Japanese economy continued on a gradual trend toward improvement due to improved corporate earnings and a recovery in capital investment, as well as steady personal consumption supported by improvement in employment conditions.

In addition, in the market for leased office space, there was further improvement in the supply-demand balance, primarily within the central Tokyo, and advertised rents continued to rise modestly, mainly for relatively new buildings located in excellent locations. Furthermore, in other major cities, a gradual improvement in occupancy rates was seen.

In the investment market for real estate, against a backdrop of continued favorable conditions in the financing environment and anticipation of further improvement in the market for office buildings, the desire of domestic and overseas investors to acquire properties has been strong and, as a result, competition to acquire properties is becoming increasingly more severe.

Under such market conditions, the Company made sound investments under the Investment Guideline of providing stable dividends to unitholders, which was set forth at the time of the Company’s listing on the TSE and remains unchanged to this date. Accordingly, the Company was able to set its dividend at the 8,000 yen level for the first time in three and a half years (seven periods) for the current period under review.

*Note: The part of the Jingumae Media Square Building site (acquisition price: 614 million yen) 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 in the period under review, as a result of our efforts to maintain and improve occupancy rates through meticulous property leasing, the Company’s occupancy rate was 97.7% as of September 30, 2015, remaining at nearly the same level as the 97.8% occupancy rate as of March 31, 2015.

As for external growth, the Company acquired the Umeda Square Building (Osaka City, Osaka Prefecture), located in the Umeda area—the center of Osaka’s business district—for 15,523 million yen on April 1, 2015. In addition, the Company also acquired an additional 5.0% quasi-co-ownership interest of trust beneficiary right in trust of real estate pertaining to the Shiodome Building (Minato-ku, Tokyo) for 10,100 million yen on May 1, 2015, in an effort to acquire additional interest in existing portfolio properties. Accordingly, the Company’s quasi-co-ownership percentage of the Shiodome Building rose from 40.0% to 45.0%. Furthermore, on September 1, 2015, the Company acquired a 55.35443% share of ownership of the AER (Sendai City, Miyagi Prefecture) for 18,640 million yen, a large-scale multi-functional building that is directly connected to the JR Sendai Station via elevated pedestrian walkways. In this way, the Company is working to improve the quality and expand the size of its portfolio.

As a result of the above, the Company’s portfolio at the end of the fiscal period under review, September 30, 2015, consisted of 70 properties, with a total acquisition price of 927,778 million yen. Total leasable space stood at 832,030 m², with a total of 1,461 tenants.

*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

In addition to maintaining a LTV ratio (ratio of interest-bearing debt to total assets) of 30% to 40% under normal business conditions, the Company strives to maintain a sound and conservative financial profile by raising its long-term fixed interest-bearing debt ratio (ratio of long-term fixed interest-bearing debt (including the current portion of long-term loans and investment corporation bonds) to total interest-bearing debt).

Concerning new loans related to property acquisition and the refinance of existing loans, the Company carries out loans strategically and flexibly after giving close consideration to borrowing cost and the relationship the Company has with the lenders. The Company also takes into consideration such factors as staggering maturities, extended durations, diversity of stable lenders, and the possibility of repayment with funds procured from issuing new investment units. Moreover, in the event that interest rate fluctuation occurs on a long-term loan, the Company reduces future risk of interest rate fluctuation by making use of interest-rate swap transactions.

As for funding activities in the fiscal period under review, at the Board of Directors' meetings held on March 18, 2015, and March 30, 2015, the Company decided to issue new investment units (54,000 units by public offering and 3,780 units by third-party allocation). As a result of this issuance, the Company procured approximately 29,189 million yen on April 6, 2015, from the public offering portion and approximately 2,043 million yen on May 11, 2015, from the third-party allocation portion.

The funds procured from issuing new investment units by public offering were used to repay short-term loans and redeem the 7th investment corporation bond totaling 10,000 million yen, which matured on April 23, 2015. The funds were also allocated to the additional acquisition of co-ownership interest pertaining to the Shiodome Building mentioned above. Funds procured from issuing new investment units by third-party allocation were also used to repay short-term loans. Also, in regard to the 8th investment corporation bond totaling 10,000 million yen, which matured on July 23, 2015, the Company temporarily used funds procured from short-term loans to carry out the bond's redemption. Afterwards, the Company made a partial repayment of these short-term loans using borrowings through general syndication (6,500 million yen) and cash reserves (2,000 million yen).

As a result of these financing activities, as of September 30, 2015, the Company's total interest-bearing debt was 373,450 million yen. This amount consists of long-term loans totaling 316,750 million yen (including the current portion of long-term loans totaling 32,100 million yen), short-term loans totaling 36,700 million yen, and investment corporation bonds totaling 20,000 million yen (there is no current portion of investment corporation bonds).

As of September 30, 2015, the Company's long-term fixed interest-bearing debt ratio stood at 90.2%, maintaining a level of over 90%. In addition, the LTV ratio stood at 41.5%.

Also, on September 18, 2015, the Company increased the commitment line from 43,000 million yen to 50,000 million yen.

The Company's credit ratings as of September 30, 2015 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) Summary of Financial Results

As a result of the above operations, in the period under review, the Company's operating revenues increased 5.9% compared with the previous period, to 29,980 million yen. On the earnings front, operating income increased 7.2%, to 12,054 million yen. After deducting expenses for interest payments on loans and other costs, ordinary income increased 9.0%, to 10,487 million yen, and profit increased 8.9%, to 10,476 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, 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 10,475,789,310 yen for the period under review, which is a multiple of 1,309,310—the number of units outstanding as of September 30, 2015. Accordingly, the per-unit cash dividend is 8,001 yen.

c. Outlook

(1) Operating Environment

In the Japanese economy, amid a continued trend toward improvement in corporate earnings, employment, and personal income, it is anticipated that the introduction of various political policies will support further economic recovery. However, depending on such factors as monetary policy in the United States and deceleration of Chinese economy and other emerging nations in Asia, it is still necessary to bear in mind the risk of economic downturn.

In the market for leased office space, although the pace of declining vacancy rates is expected to slow down, thanks to steady demand for office spaces, it is anticipated that the gradual rise in rent levels will continue, especially for buildings with a strong competitive edge.

Meanwhile, in the investment market for real estate, intensifying competition to acquire properties and transactions carried out at higher valuation is likely to continue as the financing market are expected to remain favorable.

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 the 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 improve 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

- (i) In principle, the Company shall maintain an LTV ratio that does not exceed 65%. To ensure an even lower interest-bearing debt ratio, the Company adopts the conservative target level of 30% to 40%.
- (ii) The Company shall set the ceiling for the combined total of loans and investment corporation bonds at 1 trillion yen.
- (iii) When obtaining a loan, the Company shall only negotiate with qualified institutional investors (limited to those defined under Article 67-15 of the Act on Special Measures Concerning Taxation) before executing a loan agreement.
- (iv) With the purpose of maintaining liquidity at an appropriate level, the Company may establish preliminary borrowing frameworks such as overdraft agreements and commitment line agreements, or may conclude preliminary contracts for loans, as needed.
- (v) The Company aims for the best possible execution of financial transactions by negotiating with numerous financial institutions.

(2) Performance Forecasts

For the March 2016 period (October 1, 2015 to March 31, 2016), the Company forecasts operating revenues totaling 30,380 million yen, operating income totaling 12,150 million yen, ordinary income totaling 10,590 million yen, and profit totaling 10,580 million yen. The Company plans to declare a cash dividend is 8,080 yen per unit.

For the September 2016 period (April 1, 2016 to September 30, 2016), the Company forecasts operating revenues totaling 30,870 million yen, operating income totaling 12,310 million yen, ordinary income totaling 10,760 million yen, and profit totaling 10,740 million yen. The Company plans to declare a cash dividend is 8,210 yen per unit.

Regarding the assumptions set for these forecasts, please see pages 7 and 8 entitled “Assumptions Underlying Performance Forecasts for the March 2016 period (October 1, 2015 to March 31, 2016) and the September 2016 period (April 1, 2016 to September 30, 2016).” Operating revenues, operating income, ordinary income, profit, and cash dividend per unit may vary depending on changes in the market situation.

**Assumptions Underlying Performance Forecasts for the March 2016 period (October 1, 2015 to March 31, 2016)
and the September 2016 period (April 1, 2016 to September 30, 2016)**

Item	Assumption
Accounting period	<ul style="list-style-type: none"> • The March 2016 period: October 1, 2015 to March 31, 2016 (183 days) • The September 2016 period: April 1, 2016 to September 30, 2016 (183 days)
Number of properties held by the Company	<ul style="list-style-type: none"> • The Company assumes its property portfolio consists of 70 properties at the end of the September 2015 period. The actual portfolio may differ from this assumption due to additional property acquisitions and dispositions. • As of November 16, 2015, the Company does not have any forward or other commitments as set forth in the Financial Services Agency's Guidelines for Supervision.
Number of units outstanding	<ul style="list-style-type: none"> • The Company assumes that the total number of units outstanding as of November 16, 2015, is 1,309,310.
Interest-bearing debt	<ul style="list-style-type: none"> • The Company assumes an LTV ratio in the 30% to 40% range as an operational guideline under normal business conditions. • The Company carried out a long-term loan of 2.5 billion yen on October 1, 2015, to serve as funds for repayment of existing short-term loan. In addition, the Company made a repayment of 0.5 billion yen on due date which fell on the same date. As a result, the balance for interest-bearing debt is 372,950 million yen as of November 16, 2015. • In the March 2016 period, as of November 16, 2015, the Company presumes it will refinance the long-term loans due for repayment during the period totaling 2.0 billion yen (repayment date: January 15, 2016) and the short-term loans due for repayment during the period totaling 17.2 billion yen (repayment dates: January 7, 2016, March 2, 2016, March 25, 2016, and March 31, 2016). There are no investment corporation bonds to mature in the March 2016 period. • In the September 2016 period, as of November 16, 2015, the Company presumes it will refinance the long-term loans due for repayment during the period totaling 30 billion yen (repayment dates: April 4, 2016, April 25, 2016, and June 23, 2016) and the short-term loans due for repayment during the period totaling 16.5 billion yen (repayment dates: April 1, 2016, August 24, 2016, and September 1, 2016). There are no investment corporation bonds to mature in the September 2016 period.
Operating revenues	<ul style="list-style-type: none"> • 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 16, 2015, and by factoring in potential variables that reflect recent market conditions for leased office space, such as a rent levels and occupancy rates.

Item	Assumption
Operating expenses	<ul style="list-style-type: none"> • 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 the 2016 property taxes, city planning taxes, and depreciable property taxes for properties acquired in 2015 to be the following amounts: 12 million yen for the Clover Shiba-koen, 21 million yen for Ginza 1Chome East Building, 50 million yen for the Amagasaki Front Building, 18 million yen for the additional interest acquired for Harmony Tower, 96 million yen for the Umeda Square Building, 32 million yen for the additional interest acquired for the Shiodome Building, and 124 million yen for the AER. • The Company assumes that property and other taxes will be 2,760 million yen in the March 2016 period and 2,950 million yen in the September 2016 period. • The Company assumes that depreciation will be 6,490 million yen in the March 2016 period and 6,510 million yen in the September 2016 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	<ul style="list-style-type: none"> • The Company assumes that non-operating expenses, such as interest expenses on loans and investment corporation bonds, will be 1,550 million yen in the March 2016 period and 1,560 million yen in the September 2016 period.
Dividend amounts	<ul style="list-style-type: none"> • 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 March 2016 and the September 2016 periods will not be appropriated from internal reserves.* <p>*Internal reserves (projected for the September 2015 period) shall comprise the residual amount of 390 million yen, reflecting a dividend payout of 519 million yen for the September 2012 and the March 2013 periods subtracted from the balance of internal reserves at the end of the March 2012 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).</p>
Other	<ul style="list-style-type: none"> • 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 or 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 Sheets

Thousands of yen

	As of March 31, 2015	As of September 30, 2015
Assets		
Current assets		
Cash and deposits	15,561,878	20,564,934
Cash and deposits in trust	4,687,042	5,844,989
Operating accounts receivable	127,501	209,386
Prepaid expenses	155,505	393,532
Deferred tax assets	979	953
Consumption taxes receivable	833,719	—
Other	27,314	23,848
Total current assets	21,393,942	27,037,645
Non-current assets		
Property, plant and equipment		
Buildings	260,036,543	266,361,565
Accumulated depreciation	(70,005,181)	(74,720,230)
Buildings, net	190,031,361	191,641,335
Structures	3,169,570	3,193,164
Accumulated depreciation	(589,318)	(643,744)
Structures, net	2,580,252	2,549,420
Machinery and equipment	2,929,200	2,944,813
Accumulated depreciation	(1,638,100)	(1,721,977)
Machinery and equipment, net	1,291,099	1,222,835
Tools, furniture and fixtures	365,608	376,537
Accumulated depreciation	(163,901)	(187,315)
Tools, furniture and fixtures, net	201,706	189,222
Land	439,594,248	452,965,989
Construction in progress	1,310	1,310
Buildings in trust	71,500,994	76,541,120
Accumulated depreciation	(14,792,492)	(16,201,956)
Buildings in trust, net	56,708,501	60,339,163
Structures in trust	613,238	645,610
Accumulated depreciation	(125,661)	(139,759)
Structures in trust, net	487,577	505,851
Machinery and equipment in trust	963,001	939,320
Accumulated depreciation	(604,071)	(615,178)
Machinery and equipment in trust, net	358,929	324,141
Tools, furniture and fixtures in trust	34,030	35,772
Accumulated depreciation	(12,401)	(14,470)
Tools, furniture and fixtures in trust, net	21,629	21,302
Land in trust	130,818,405	151,935,120
Construction in progress in trust	1,278	1,278
Total property, plant and equipment	822,096,301	861,696,973
Intangible assets		
Leasehold rights	6,080,662	6,064,832
Leasehold rights in trust	444,160	444,160
Easement	828,095	828,095
Total intangible assets	7,352,918	7,337,088

Thousands of yen

	As of March 31, 2015	As of September 30, 2015
Investments and other assets		
Investment securities	577,168	577,168
Lease and guarantee deposits	1,071,830	1,573,641
Long-term prepaid expenses	145,061	814,254
Other	—	869,447
Total investments and other assets	1,794,059	3,834,511
Total non-current assets	831,243,279	872,868,573
Deferred assets		
Investment corporation bond issuance costs	41,873	32,239
Total deferred assets	41,873	32,239
Total assets	852,679,094	899,938,458
Liabilities		
Current liabilities		
Operating accounts payable	1,491,516	1,478,287
Short-term loans payable	32,500,000	36,700,000
Current portion of investment corporation bonds	20,000,000	—
Current portion of long-term loans payable	16,600,000	32,100,000
Accounts payable - other	1,233,343	1,346,666
Accrued expenses	768,834	664,500
Income taxes payable	11,150	9,466
Accrued consumption taxes	—	610,379
Advances received	3,346,275	3,478,134
Other	60,024	101,701
Total current liabilities	76,011,145	76,489,136
Non-current liabilities		
Investment corporation bonds	20,000,000	20,000,000
Long-term loans payable	271,900,000	284,650,000
Deposits received from tenants	47,637,990	49,573,768
Deferred tax liabilities	116,161	116,161
Asset retirement obligations	318,867	322,080
Other	23,781	20,074
Total non-current liabilities	339,996,800	354,682,084
Total liabilities	416,007,946	431,171,221
Net assets		
Unitholders' equity		
Unitholders' capital	426,783,117	458,016,096
Surplus		
Voluntary retained earnings		
Reserve for reduction entry	236,745	243,360
Total voluntary retained earnings	236,745	243,360
Unappropriated retained earnings	9,651,286	10,507,781
Total surplus	9,888,031	10,751,141
Total unitholders' equity	436,671,148	468,767,237
Total net assets	436,671,148	468,767,237
Total liabilities and net assets	852,679,094	899,938,458

(2) Statements of Income

Thousands of yen

	For the period from October 1, 2014 to March 31, 2015	For the period from April 1, 2015 to September 30, 2015
Operating revenues		
Rent revenues	28,048,535	29,886,578
Other lease business revenues	266,377	94,314
Total operating revenues	28,314,912	29,980,892
Operating expenses		
Expenses related to rent business	15,911,920	16,642,681
Asset management fee	772,029	926,559
Asset custody fee	59,387	60,569
Administrative service fees	140,513	143,924
Directors' compensations	7,800	7,800
Commission fee	106,448	78,433
Other operating expenses	73,712	66,897
Total operating expenses	17,071,812	17,926,866
Operating income	11,243,100	12,054,026
Non-operating income		
Interest income	3,979	4,611
Dividend income	—	6,494
Reversal of distribution payable	3,486	3,520
Refund of property taxes	21,718	—
Income on settlement of management association accounts	—	37,037
Other	3,281	5,448
Total non-operating income	32,466	57,111
Non-operating expenses		
Interest expenses	1,332,133	1,329,408
Interest expenses on investment corporation bonds	270,090	191,891
Amortization of investment corporation bond issuance costs	16,398	9,633
Investment unit issuance expenses	—	56,541
Other	31,412	36,074
Total non-operating expenses	1,650,034	1,623,550
Ordinary income	9,625,531	10,487,587
Income before income taxes	9,625,531	10,487,587
Income taxes - current	12,292	11,449
Income taxes - deferred	(6,641)	25
Total income taxes	5,650	11,475
Profit	9,619,880	10,476,112
Retained earnings brought forward	31,405	31,669
Unappropriated retained earnings	9,651,286	10,507,781

(3) Statements of Changes in Unitholders' Equity

For the period from October 1, 2014 to March 31, 2015

Thousands of yen

	Unitholders' equity						Total net assets
	Unitholders' capital	Surplus				Total unitholders' equity	
		Voluntary retained earnings		Unappropriated retained earnings	Total surplus		
		Reserve for reduction entry	Total voluntary retained earnings				
Balance at beginning of current period	426,783,117	236,709	236,709	9,603,143	9,839,852	436,622,969	436,622,969
Changes of items during period							
Provision of reserve for reduction entry		35	35	(35)	—	—	—
Dividends of surplus				(9,571,701)	(9,571,701)	(9,571,701)	(9,571,701)
Profit				9,619,880	9,619,880	9,619,880	9,619,880
Total changes of items during period	—	35	35	48,143	48,179	48,179	48,179
Balance at end of current period	426,783,117	236,745	236,745	9,651,286	9,888,031	436,671,148	436,671,148

For the period from April 1, 2015 to September 30, 2015

Thousands of yen

	Unitholders' equity						Total net assets
	Unitholders' capital	Surplus				Total unitholders' equity	
		Voluntary retained earnings		Unappropriated retained earnings	Total surplus		
		Reserve for reduction entry	Total voluntary retained earnings				
Balance at beginning of current period	426,783,117	236,745	236,745	9,651,286	9,888,031	436,671,148	436,671,148
Changes of items during period							
Issuance of new investment units	31,232,979				—	31,232,979	31,232,979
Provision of reserve for reduction entry		6,615	6,615	(6,615)	—	—	—
Dividends of surplus				(9,613,001)	(9,613,001)	(9,613,001)	(9,613,001)
Profit				10,476,112	10,476,112	10,476,112	10,476,112
Total changes of items during period	31,232,979	6,615	6,615	856,494	863,110	32,096,089	32,096,089
Balance at end of current period	458,016,096	243,360	243,360	10,507,781	10,751,141	468,767,237	468,767,237

(4) Basis of Calculations Used to Determine Cash Distributions

Item	For the period from October 1, 2014 to March 31, 2015	For the period from April 1, 2015 to September 30, 2015
	Amount (Yen)	Amount (Yen)
I Retained earnings	9,651,286,262	10,507,781,132
II Cash distribution	9,613,001,930	10,475,789,310
(Dividend per investment unit)	(7,681)	(8,001)
III Voluntary retained earnings		
Provision of reserve for reduction entry	6,615,210	—
IV Retained earnings brought forward	31,669,122	31,991,822

Computation Method for Determining Dividends	<p>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 9,613,001,930 yen for the period under review, which is a multiple of 1,251,530 — the number of units outstanding as of March 31, 2015. 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.</p>	<p>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. After maintaining retained earnings brought forward in an amount not exceeding unappropriated retained earnings, the total amount of dividends that the Company has determined to pay out is 10,475,789,310 yen for the period under review, which is a multiple of 1,309,310 — the number of units outstanding as of September 30, 2015. 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.</p>
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(5) Statements of Cash Flows

Thousands of yen

	For the period from October 1, 2014 to March 31, 2015	For the period from April 1, 2015 to September 30, 2015
Cash flows from operating activities		
Income before income taxes	9,625,531	10,487,587
Depreciation	6,009,647	6,332,545
Amortization of investment corporation bond issuance costs	16,398	9,633
Investment unit issuance expenses	—	56,541
Dividend income	—	(6,494)
Interest income	(3,979)	(4,611)
Interest expenses	1,602,224	1,521,300
Decrease (increase) in operating accounts receivable	19,156	(81,885)
Decrease (increase) in consumption taxes refund receivable	(833,719)	833,719
Decrease (increase) in supplies	(409)	—
Decrease (increase) in prepaid expenses	31,781	(238,026)
Increase (decrease) in operating accounts payable	(34,944)	315,567
Increase (decrease) in accounts payable - other	188,917	135,172
Increase (decrease) in accrued consumption taxes	(1,323,301)	610,379
Increase (decrease) in accrued expenses	117	367
Increase (decrease) in advances received	65,525	131,859
Decrease (increase) in long-term prepaid expenses	(59,466)	(669,193)
Other, net	6,632	(829,188)
Subtotal	15,310,110	18,605,274
Interest and dividend income received	5,619	9,716
Interest expenses paid	(1,567,622)	(1,626,001)
Income taxes paid	(6,147)	(13,133)
Net cash provided by (used in) operating activities	13,741,960	16,975,856
Cash flows from investing activities		
Payments into time deposits	(2,463,000)	(7,519,000)
Proceeds from withdrawal of time deposits	7,463,000	2,519,000
Purchase of property, plant and equipment	(27,617,071)	(19,705,392)
Purchase of property, plant and equipment in trust	(21,214,962)	(26,558,326)
Payments for lease and guarantee deposits	—	(501,810)
Repayments of tenant leasehold and security deposits	(1,068,104)	(833,198)
Proceeds from tenant leasehold and security deposits	2,939,845	2,768,976
Net cash provided by (used in) investing activities	(41,960,294)	(49,829,752)
Cash flows from financing activities		
Proceeds from short-term loans payable	34,200,000	33,000,000
Repayments of short-term loans payable	(33,200,000)	(28,800,000)
Proceeds from long-term loans payable	41,500,000	42,800,000
Repayments of long-term loans payable	(5,050,000)	(14,550,000)
Redemption of investment corporation bonds	—	(20,000,000)
Proceeds from issuance of investment units	—	31,232,979
Payments for investment unit issuance expenses	—	(56,541)
Dividends paid	(9,571,836)	(9,611,537)
Net cash provided by (used in) financing activities	27,878,163	34,014,899
Net increase (decrease) in cash and cash equivalents	(340,170)	1,161,003
Cash and cash equivalents at beginning of period	20,589,091	20,248,921
Cash and cash equivalents at end of period	20,248,921	21,409,924

(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 cost of land, buildings and building improvements includes the purchase price of property 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.....	2-60 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 (i) the fair market value of the asset, net of disposition costs, and (ii) 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 stated 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.

New unit issuance costs are charged to income as incurred. The underwriters' economic remunerations for underwriting the offering are not recognized as new unit issuance costs in the financial statements since such costs are not paid by the Company as commission under the so-called “spread-method”.

Under the spread-method, the difference between the offer price (the price paid by the unitholder) and the issue price (the price received by the Company) is retained by the underwriters as remuneration.

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 are 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 on the record as of January 1 based on the assessment made by the local government. The Company pays the amount equivalent to the property taxes to the sellers applicable to the period since acquisition and includes the amount equivalent to the taxes in the purchase price of each property and capitalizes it as a 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 Current assets and the excess of amounts withheld over payments are included in 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 and other forms of 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. The Company has also executed interest-rate and currency swap

transactions as a method of hedging against currency exchange and interest-rate fluctuation risks. Deferred hedge accounting is generally used for such interest-rate swaps and interest-rate and currency swap transactions, 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 separately valued. For interest-rate swaps that meet the specific criteria for such special accounting treatment, ongoing assessments of hedge effectiveness are not required and hence not performed.

In addition, for interest-rate and currency swap transactions that meet certain criteria provided under Japanese GAAP, the Integrated Treatment is applied. Under such Integrated Treatment, the interest-rate and currency swaps that hedge foreign currency denominated floating rate payments into yen-denominated fixed rate payments are treated as an integral part of the hedged foreign currency borrowing, and the loan is accounted for as a yen-denominated fixed-rate borrowing.

(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, 2015	As of September 30, 2015
Buildings	50,086	50,086

- b. Commitment line agreement

For the period from October 1, 2014 to March 31, 2015

The Company has signed commitment line agreements with five banks.

For the period from April 1, 2015 to September 30, 2015

The Company has signed commitment line agreements with four banks.

	Thousands of yen	
	As of March 31, 2015	As of September 30, 2015
Total amount of commitment line agreement	43,000,000	50,000,000
Debt financing balance	—	—
Balance	43,000,000	50,000,000

- c. Minimum net assets required by Article 67, Paragraph 4 of the ITA

	Thousands of yen	
	As of March 31, 2015	As of September 30, 2015
	50,000	50,000

(Breakdown of Property-Related Revenues and Expenses)

	Thousands of yen	
	For the period from October 1, 2014 to March 31, 2015	For the period from April 1, 2015 to September 30, 2015
Property-Related Revenues	28,314,912	29,980,892
Rent revenues	28,048,535	29,886,578
Rental revenues	21,748,842	23,246,606
Common service charges	3,458,878	3,647,677
Parking revenues	741,840	790,063
Other rental revenues	2,098,973	2,202,231
Other lease business revenues	266,377	94,314
Cancellation charges	229,617	81,455
Other miscellaneous revenues	36,759	12,858
Property-Related Expenses	15,911,920	16,642,681
Property management expenses	3,447,650	3,549,250
Utilities expenses	2,694,344	2,869,139
Property and other taxes	2,531,043	2,766,013
Casualty insurance	55,609	58,020
Repairing expenses	983,138	881,171
Depreciation	6,009,647	6,332,545
Other rental expenses	190,486	186,539
Property-Related Profits	12,402,991	13,338,211

(Changes in Unitholders' Equity)

Total number of investment units issuable and number of units outstanding	As of March 31, 2015	As of September 30, 2015
Total number of investment units issuable	4,000,000 units	4,000,000 units
Number of units outstanding	1,251,530 units	1,309,310 units

(Supplemental Cash flow Information)**Cash and cash equivalents**

The following table represents a reconciliation of cash and cash equivalents at March 31, 2015 and September 30, 2015:

	Thousands of yen	
	As of March 31, 2015	As of September 30, 2015
Cash and deposits	15,561,878	20,564,934
Cash and deposits in trust	4,687,042	5,844,989
Time deposits with maturities of more than three months	—	(5,000,000)
Cash and cash equivalents	20,248,921	21,409,924

(Financial Instruments)

For the six months ended March 31, 2015 and September 30, 2015

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 that 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 hedging against interest-rate fluctuation and other 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. The 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 hikes, 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. Foreign currency-denominated loans are also exposed to currency exchange and interest-rate fluctuation risk. However, the Company uses derivative transactions as a method of hedging against these risks (interest-rate and currency swap transactions). 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 previous 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 amount outstanding under the facility as of March 31, 2015 and September 30, 2015) 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 March 31, 2015 and September 30, 2015 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, 2015		
	Book value	Fair value	Difference
(1) Cash and deposits	15,561,878	15,561,878	—
(2) Cash and deposits in trust	4,687,042	4,687,042	—
(3) Short-term loans	32,500,000	32,500,000	—
(4) Current portion of investment corporation bonds	20,000,000	20,034,500	34,500
(5) Current portion of long-term loans	16,600,000	16,649,373	49,373
(6) Investment corporation bonds	20,000,000	21,795,300	1,795,300
(7) Long-term loans	271,900,000	276,786,681	4,886,681
(8) Derivative transactions	—	—	—

	Thousands of yen		
	As of September 30, 2015		
	Book value	Fair value	Difference
(1) Cash and deposits	20,564,934	20,564,934	—
(2) Cash and deposits in trust	5,844,989	5,844,989	—
(3) Short-term loans	36,700,000	36,700,000	—
(4) Current portion of investment corporation bonds	—	—	—
(5) Current portion of long-term loans	32,100,000	32,260,394	160,394
(6) Investment corporation bonds	20,000,000	21,692,400	1,692,400
(7) Long-term loans	284,650,000	289,975,910	5,325,910
(8) Derivative transactions	—	—	—

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

(1) Cash and deposits and (2) Cash and 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 an interest-rate and currency swap subject to integrated treatment or by an interest-rate swap subject to special accounting treatment are calculated by discounting the aggregated principal and the interest on such loans, after taking into account the effect of said interest-rate and currency swaps or 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 March 31, 2015 and September 30, 2015. 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 principal and the interest 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 period to maturity under the prevailing market conditions as of March 31, 2015 and September 30, 2015.

(8) Derivative transactions

Please refer to the following section entitled Derivative Transactions.

2. Financial instruments whose fair values cannot be reliably measured

	Thousands of yen	
	As of March 31, 2015	As of September 30, 2015
	(1) Non-listed stock (*1)	577,168
(2) Deposits received from tenants (*2)	47,637,990	49,573,768

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

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

3. Redemption schedule for monetary claims after the closing date

	Thousands of yen					
	As of March 31, 2015					
	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 deposits	15,561,878	—	—	—	—	—
Cash and deposits in trust	4,687,042	—	—	—	—	—
Total	20,248,921	—	—	—	—	—

	Thousands of yen					
	As of September 30, 2015					
	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 deposits	20,564,934	—	—	—	—	—
Cash and deposits in trust	5,844,989	—	—	—	—	—
Total	26,409,924	—	—	—	—	—

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, 2015					
	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	32,500,000	—	—	—	—	—
Investment corporation bonds	20,000,000	—	—	10,000,000	—	10,000,000
Long-term loans	16,600,000	44,400,000	46,500,000	25,000,000	39,000,000	117,000,000
Total	69,100,000	44,400,000	46,500,000	35,000,000	39,000,000	127,000,000

	Thousands of yen					
	As of September 30, 2015					
	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	36,700,000	—	—	—	—	—
Investment corporation bonds	—	—	10,000,000	—	—	10,000,000
Long-term loans	32,100,000	42,850,000	36,000,000	25,000,000	44,500,000	136,300,000
Total	68,800,000	42,850,000	46,000,000	25,000,000	44,500,000	146,300,000

(Derivative Transactions)

a. Derivatives not designated as hedging instruments

For the period from October 1, 2014 to March 31, 2015

“Not applicable”

For the period from April 1, 2015 to September 30, 2015

“Not applicable”

b. Derivatives designated as hedging instruments

For the period from October 1, 2014 to March 31, 2015

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.

Derivative accounting method	Type of derivative transaction	Hedged item	(Thousands of yen)			
			Contract value		Fair value	Measurement of fair value
				Over one year		
Hedge accounting	Receive floating, pay fixed interest-rate swap transactions	Long-term loans	47,500,000	47,500,000	*	—
Integrated Treatment (Special Treatment and Allocation Treatment) for interest-rate and currency swap transactions	Receive floating USD, pay fixed JPY, interest-rate and currency swap transaction (with initial and final exchange)	Long-term loans	10,000,000	10,000,000	*	—

For the period from April 1, 2015 to September 30, 2015

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.

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	60,800,000	60,800,000	*	—
Integrated Treatment (Special Treatment and Allocation Treatment) for interest-rate and currency swap transactions	Receive floating USD, pay fixed JPY, interest-rate and currency swap transaction (with initial and final exchange)	Long-term loans	10,000,000	10,000,000	*	—

(Thousands of yen)

*Because the derivative transactions eligible for the Special Treatment of interest-rate swaps and Integrated Treatment (Special Treatment for interest-rate swaps and Allocation Treatment for currency swaps) are accounted for as integral parts of the hedged loans, the fair value of those derivative transactions is included in that of the underlying long-term loans as of March 31, 2015 and September 30, 2015. 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 concerning 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 unitholders 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 will make a dividend distribution in the amount of ¥10,475 million subsequent to September 30, 2015, which is the multiple number of units up to 100% of the unappropriated retained earnings after 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 March 31, 2015 and September 30, 2015 were as follows:

	Thousands of yen	
	For the period from October 1, 2014 to March 31, 2015	For the period from April 1, 2015 to September 30, 2015
Deferred tax assets:		
Accrued enterprise tax	979	953
Amortization of a term leasehold interest	42,622	47,736
Asset retirement obligations	8,257	9,295
	51,860	57,986
Valuation allowance	(50,880)	(57,032)
Total deferred tax assets	979	953
Deferred tax liabilities:		
Reserve for advanced depreciation of non-current assets	116,161	116,161
Total deferred tax liabilities	116,161	116,161
Net deferred tax liabilities	115,181	115,207

The reconciliation of tax rate difference between the adjusted statutory tax rate and the effective tax rate for the six months ended March 31, 2015 and September 30, 2015 was as follows:

	For the period from October 1, 2014 to March 31, 2015	For the period from April 1, 2015 to September 30, 2015
	Statutory tax rate	37.11%
Deductible dividend distribution	(37.06%)	(35.32%)
Change in valuation allowance	0.07%	0.06%
Others	(0.06%)	0.01%
Effective tax rate	0.06%	0.11%

(Asset Retirement Obligations)

For the six months ended March 31, 2015 and September 30, 2015

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 an 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 March 31, 2015 and September 30, 2015 consisted of the following:

	Thousands of yen	
	For the period from October 1, 2014 to March 31, 2015	For the period from April 1, 2015 to September 30, 2015
Balance at the beginning of the period	315,687	318,867
Increase in tangible fixed assets	—	—
Adjustment required over the period	3,180	3,212
Balance at the end of the period	318,867	322,080

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 locations of the underground structures are 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 March 31, 2015 and September 30, 2015

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 March 31, 2015 and September 30, 2015 and the fair values as of March 31, 2015 and September 30, 2015 are as follows:

Thousands of yen			
Book value		Fair value	
As of September 30, 2014	Change during period(*1)	As of March 31, 2015	As of March 31, 2015
786,106,624	43,342,594	829,449,219	912,125,000

Thousands of yen			
Book value		Fair value	
As of March 31, 2015	Change during period(*2)	As of September 30, 2015	As of September 30, 2015
829,449,219	39,584,842	869,034,061	977,666,000

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

2. Significant changes

(*1) As for increases/decreases for the period, the major reasons for the increase were the acquisitions of Shinjuku Eastside Square (¥23,396,427 thousand), the Clover Shiba-koen (¥4,675,038 thousand), the Ginza 1Chome East Building (¥6,708,693 thousand), and the Amagasaki Front Building (¥9,390,082 thousand), as well as the additional acquisition in Harmony Tower (¥2,191,941 thousand). The major reason for decrease was depreciation.

(*2) As for increases/decreases for the period, the major reasons for the increase were the acquisitions of the Umeda Square Building (¥15,677,942 thousand) and the AER (¥18,889,617 thousand), as well as an additional 5.0% co-ownership interest of trust beneficiary right of real estate pertaining to the Shiodome Building (¥10,173,888 thousand). The major reason for decrease was depreciation.

3. Fair values as of March 31, 2015 and September 30, 2015 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 March 31, 2015 and September 30, 2015

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

Information on products and services

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

Information on geographic area

a. Revenue

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

b. Property and equipment

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

Information on major clients

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

(Per Unit Information)

The following table summarizes information about net assets per unit and profit per unit at March 31, 2015 and September 30, 2015 and for the periods then ended, respectively:

	Yen	
	For the period from October 1, 2014 to March 31, 2015	For the period from April 1, 2015 to September 30, 2015
Net assets at period end per unit	348,909	358,026
Profit per unit	7,686	8,015

Notes: 1. Profit per unit is computed by dividing profit by the weighted average number of units outstanding during each period.
Diluted profit per unit has not been presented since no warrants or convertible bonds were outstanding during the period.
2. The basis for the computation of profit per unit is as follows.

	Thousands of yen	
	For the period from October 1, 2014 to March 31, 2015	For the period from April 1, 2015 to September 30, 2015
Profit	9,619,880	10,476,112
Amount not attributable to normal unitholders	—	—
Profit applicable to normal investment units	9,619,880	10,476,112
Average number of units	1,251,530 units	1,307,008 units

(Subsequent Events)

“Not applicable”

[Disclosure 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 2015, the Company issued 54,000 units through public offering and 3,780 units through third-party allocation, procuring approximately 31,232 million yen. Changes in the number of units outstanding and total unitholders' capital for the past five years are as follows.

Date	Remarks	Number of Units Outstanding		Total Unitholders' Capital (Million Yen)		Notes
		Increase/Decrease	Balance	Increase/Decrease	Balance	
February 28, 2012	Issuance of new investment units (public offering)	54,400	543,600	35,471	359,824	*1
March 27, 2012	Issuance of new investment units (third-party allocation)	5,440	549,040	3,547	363,371	*2
October 29, 2012	Issuance of new investment units (public offering)	41,000	590,040	29,678	393,050	*3
November 28, 2012	Issuance of new investment units (third-party allocation)	4,100	594,140	2,967	396,018	*4
January 1, 2014	Split of investment units	594,140	1,188,280	—	396,018	*5
April 15, 2014	Issuance of new investment units (public offering)	57,500	1,245,780	27,968	423,986	*6
May 14, 2014	Issuance of new investment units (third-party allocation)	5,750	1,251,530	2,796	426,783	*7
April 6, 2015	Issuance of new investment units (public offering)	54,000	1,305,530	29,189	455,972	*8
May 11, 2015	Issuance of new investment units (third-party allocation)	3,780	1,309,310	2,043	458,016	*9

- *1. 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.
- *2. 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.
- *3. 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.
- *4. New investment units were issued at 723,870 yen per unit with the purpose of funding the acquisition of new specified assets.
- *5. 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.
- *6. New investment units were issued at 501,760 yen per unit (underwriting price of 486,400 yen), for the purpose of assigning funds to repayment debt.
- *7. New investment units were issued at 486,400 yen per unit, for the purpose of compensating decreases in cash reserves assigned to repayment debt.
- *8. New investment units were issued at 557,620 yen per unit (underwriting price of 540,550 yen) for the purpose of funding the partial repayment of short-term loans, the redemption of investment corporation bonds, the acquisition of specified assets, and, in the event there are any funds remaining, cash reserves.
- *9. New investment units were issued at 540,550 yen per unit for the purpose of funding the partial repayment of short-term loans and, in the event there are any funds remaining, cash reserves.

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, 2015		As of September 30, 2015	
		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	528,169	61.9	525,189	58.4
	Tokyo metropolitan area (excluding Tokyo 23 wards)* ²	44,905	5.3	44,549	5.0
	Regional cities	67,534	7.9	85,724	9.5
	Total	640,608	75.1	655,463	72.8
Trust	Tokyo 23 wards	109,002	12.8	118,627	13.2
	Tokyo metropolitan area (excluding Tokyo 23 wards)* ²	19,938	2.3	19,781	2.2
	Regional cities	59,899	7.0	75,161	8.4
	Total	188,840	22.1	213,571	23.7
Savings and other assets		23,229	2.7	30,904	3.4
		(—)	(—)	(—)	(—)
Total amount of assets		852,679	100.0	899,938	100.0
		(829,449)	(97.3)	(869,034)	(96.6)

*1. Total of net book value as of March 31, 2015 is based on total amounts from the balance sheet as of March 31, 2015, and total of net book value as of September 30, 2015 is based on total amounts from the balance sheet as of September 30, 2015. 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, 2015.

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 *2 region	
								(¥ thousand)	Ratio *2		
Tokyo metropolitan area	Tokyo 23 wards	Genki Medical Plaza	Real property	1	4,791	100.0%	6,890	4,830	5,000,000	0.5%	74.2%
		Kitanomaru Square	Real property	5*5	25,678*5	100.0%*5	78,300	73,992	81,555,500	8.8%	
		MD Kanda Building	Real property	9	6,269	100.0%	7,940	8,831	9,520,000	1.0%	
		Kandabashi Park Building	Real property	9	3,687	100.0%	4,320	4,525	4,810,000	0.5%	
		Otemachi Financial City North Tower	Real property	2	5,112	100.0%	17,800	15,455	15,462,900	1.7%	
		Nibancho Garden	Real property	1*5	9,316*5	100.0%*5	17,400	12,824	14,700,000	1.6%	
		Mitsubishi UFJ Trust and Banking Building	Real property	10	11,904	100.0%	47,700	29,201	44,700,000	4.8%	
		Burex Kojimachi Building	Real property	1	4,495	100.0%	6,430	5,857	7,000,000	0.8%	
		Sanno Grand Building	Real property	36	20,830	97.7%	31,500	21,114	10,200,000 10,700,000 Total: 20,900,000	2.3%	
		Yurakucho Denki Building	Real property	12	4,697	94.8%	7,800	7,740	7,200,000	0.8%	
		Kodenmachi Shin-Nihonbashi Building	Trust	10	3,897	100.0%	2,760	2,804	3,173,000	0.3%	
		Kyodo Building (Kayabacho 2Chome)	Trust	10	4,464	100.0%	4,780	4,263	4,410,000	0.5%	
		Burex Kyobashi Building	Real property	1	4,279	100.0%	7,300	4,533	5,250,000	0.6%	
		Ginza 1 Chome East Building	Trust	6	4,513	64.8%	6,800	6,640	6,459,000	0.7%	

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 (¥ mll)*3	Book value at the end of period (¥ mll)	Acquisition price*4		Ratio by *2 region
								(¥ thousand)	Ratio *2	
Tokyo metropolitan area	Tokyo 23 wards	Ginza Sanwa Building	Real property	10	4,329	100.0%	16,800	17,114	16,830,000	1.8%
		Ryoshin Ginza East Mirror Building	Real property	12	4,255	100.0%	5,700	7,522	5,353,500 2,645,922 *6 Total: 7,999,422	0.9%
		Harumi Front	Real property	8	33,369	100.0%	38,700 *7	29,867	31,300,000	3.4%
		Harumi Center Building	Real property	9	20,812	100.0%	20,500	23,234	26,800,000	2.9%
		Akasaka Park Building	Real property	28 *5	45,013 *5	100.0% *5	69,200	60,720	60,800,000	6.6%
		Aoyama Crystal Building	Real property	7	4,898	100.0%	7,670	7,173	7,680,000	0.8%
		Clover Shiba-koen	Trust	8	2,550	100.0%	4,600 *14	4,639	4,500,000	0.5%
		Shiodome Building	Trust	35	36,174	97.7%	94,100	82,991	21,250,000 54,600,000 10,100,000 Total: 85,950,000	9.3%
		Shiba 2Chome Daimon Building	Trust	25	9,606	100.0%	6,100	5,100	4,859,000	0.5%
		Cosmo Kanasugibashi Building	Trust	6	4,062	100.0%	2,910	2,558	2,808,000	0.3%
		Shinjuku Eastside Square	Real property	41	16,365	95.7%	25,200 *14	23,139	23,100,000	2.5%
		Shinwa Building	Real property	13	5,997	100.0%	6,360	7,507	7,830,000	0.8%
		Tokyo Opera City Building*8	Real property	99	35,082	95.7%	30,400	28,918	9,350,000 22,426,831 Total: 31,776,831	3.4%
		TIXTOWER UENO	Real property	17	15,020	100.0%	25,300	20,713	22,000,000	2.4%
		Higashi-Gotan da 1Chome Building	Real property	4	5,205	100.0%	5,770	4,607	5,500,000	0.6%
		Osaki Front Tower*9	Real property	1	16,856	100.0%	16,300 *7	10,368	12,300,000	1.3%
		Omori-Eki Higashiguchi Building	Trust	23	7,756	100.0%	5,360	4,561	5,123,000	0.6%
Nippon Brunswick Building (Land with leasehold interest)	Real property	*10	*10	*10	5,490	5,572	6,670,000 (1,170,000) *11 Total: 5,500,000	0.6%		

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	Yoyogi 1 Chome Building	Real Property	8	7,745	94.8%	10,700	7,204	8,700,000	0.9%	7.6%
		da Vinci Harajuku	Real property	4	3,147	100.0%	6,720	4,871	4,885,000	0.5%	
		Jingumae Media Square Building	Real property	5	5,558	100.0%	10,000	10,708	12,200,000 *12	1.3%	
		Shibuya Cross Tower	Real property	58	30,532	95.7%	48,700	38,277	34,600,000	3.7%	
		Ebisu Neonato	Real property	6	8,700	100.0%	15,100	14,330	3,740,000 360,000 10,512,000 Total: 14,612,000	1.6%	
		Harmony Tower	Real property	20	14,340	97.3%	13,600	10,210	8,500,000 520,000 2,100,000 Total: 11,120,000	1.2%	
		Otsuka Higashi-Ikebukuro Building	Trust	7	7,224	100.0%	4,150	3,479	3,541,000	0.4%	
		Ikebukuro 2Chome Building	Trust	9	2,186	100.0%	1,650	1,587	1,728,000	0.2%	
		Ikebukuro YS Building	Real property	10	5,932	100.0%	4,310	4,218	4,500,000	0.5%	
	Tokyo metropolitan area, excluding Tokyo 23 wards	Hachioji First Square	Real property	50	10,068	99.4%	4,720	5,020	3,300,000 2,379,112 Total: 5,679,112	0.6%	
		Saitama Urawa Building	Real property	17	4,510	95.0%	2,290	2,474	1,232,000 1,342,000 Total: 2,574,000	0.3%	
		MM Park Building	Real property	28	38,426	96.4%	37,900	33,119	37,400,000	4.0%	
		Queen's Tower A	Trust	51	26,667	96.3%	18,500 *14	16,766	17,200,000	1.9%	
		Kawasaki Isago Building	Trust	13	6,831	100.0%	2,530	3,015	3,375,000	0.4%	
		Musashi Kosugi STM Building	Real property	26	5,378	100.0%	4,050	3,934	4,000,000	0.4%	

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 *2 region
								(¥ thousand)	Ratio *2	
Other major cities	8·3 Square Kita Building	Real property	9	12,265	100.0%	7,340	6,224	7,100,000	0.8%	18.2%
	Jozenji Park Building	Real property	17	2,518	100.0%	956	1,012	1,000,000	0.1%	
	Higashi Nibancho Square	Real property	21	20,526	98.7%	13,200*7	9,521	9,950,000	1.1%	
	Sendai Honcho Honma Building	Trust	25	6,234	100.0%	2,300	2,919	2,924,000 250,000 Total: 3,174,000	0.3%	
	AER	Real property	61	23,612	97.3%	19,000	18,862	18,640,000	2.0%	
	Kanazawa Park Building	Real property	78	20,942	95.5%	4,540	4,339	2,880,000 1,700,000 Total: 4,580,000	0.5%	
	Nishiki Park Building*13	Real property	61*5	9,850*5	98.8%*5	4,700	5,051	3,850,000 1,300,000 650,000 Total: 5,800,000	0.6%	
	Nagoya Hirokoji Place	Trust	27	13,200	100.0%	9,970*14	8,376	8,567,000	0.9%	
	Hirokoji Sakae Building	Real property	17	3,911	97.2%	1,620	1,691	1,680,000	0.2%	
	Nagoya Hirokoji Building	Real property	32	21,636	95.9%	12,400	15,366	14,533,000	1.6%	
	Nagoya Misono Building	Real property	16	3,448	100.0%	1,210	1,345	1,865,000	0.2%	
	Shijo Karasuma Center Building	Real property	9	6,634	95.0%	4,820*14	4,228	4,400,000	0.5%	
	Kyoto Shijo Kawaramachi Building	Real property	34	6,805	93.3%	1,860	2,514	2,650,000	0.3%	
	Umeda Square Building*16	Trust	38	10,369	96.8%	16,200	15,597	15,523,520	1.7%	
	Shin-Fujita Building	Trust	42	28,414	84.1%	17,600	22,411	24,000,000	2.6%	
Sakaisujihonmachi Building	Real property	22	11,520	100.0%	3,180	3,688	2,264,000 1,900,000 Total: 4,164,000	0.4%		

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 *2 region
								(¥ thousand)	Ratio *2	
	Midosuji Daiwa Building	Trust	43	20,450	100.0%	13,500	13,187	6,934,000 7,380,000 Total: 14,314,000	1.5%	
	Amagasaki Front Building	Trust	31	15,500	99.0%	9,510	9,250	9,300,000	1.0%	
	Lit City Building	Real property	39	9,965	100.0%	4,530	3,408	4,650,000	0.5%	
	NHK Hiroshima Broadcasting Center Building	Real property	12	9,860	100.0%	2,610	2,844	1,320,000 1,450,000 Total: 2,770,000	0.3%	
	Tosei Tenjin Building	Real property	21	3,995	98.1%	1,320	1,394	1,550,000	0.2%	
	Tenjin Crystal Building	Real property	31	5,973	100.0%	2,540	4,228	5,000,000	0.5%	
	Hinode Tenjin Building	Trust	4	5,841	100.0%	3,660	3,418	3,657,000	0.4%	
	Total		1,461	832,030	97.7%	977,666	869,034	927,778,286		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: 11,694m², occupancy rate: 95.5%; Nibancho Garden, leasable space: 1,686m², occupancy rate: 100.0%; Akasaka Park Building, leasable space: 10,780m², occupancy rate: 97.7%; Nishiki Park Building, leasable space: 954m², occupancy rate: 72.9%.
- *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 at the end of the fiscal period 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 at the end of the fiscal period 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 1,497m² 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 at the end of the fiscal period 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. On acquiring the Umeda Square Building, the Company inherited 500,000 thousand yen of deposit for construction to connect to underground shopping centers given to Osaka Shigaichi Kaihatsu Co., Ltd., which was held by the seller of the building. The value of deposit for construction was appraised at the end of the fiscal period and remained unchanged.
- *17. 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 September 2015 period (April 1, 2015 – September 30, 2015). 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, 2015 – September 30, 2015)												
	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	224	72	12	16	17	0	2	20	2	151	172	-	172
Kitanomaru Square	1,658	758	121	82	94	2	45	410	-	900	1,311	3	1,308
MD Kanda Building	221	90	17	20	20	0	2	28	-	131	160	12	147
Kandabashi Park Building	111	37	1	-	16	0	1	16	-	73	90	9	81
Otemachi Financial City North Tower	354	180	25	20	45	0	-	88	0	173	262	-	262
Nibancho Garden	479	240	60	31	53	0	3	90	-	239	330	0	330
Mitsubishi UFJ Trust and Banking Building	999	366	52	64	136	1	1	109	1	632	742	7	734
Burex Kojimachi Building	150	78	-	-	13	0	2	62	-	72	134	-	134
Sanno Grand Building	889	354	99	63	105	1	7	77	-	535	612	26	585
Yurakucho Denki Building	240	130	33	21	41	0	2	31	-	109	140	3	136
Kodenmachi Shin-Nihonbashi Building	106	69	16	9	11	0	14	12	3	37	50	4	45
Kyodo Building (Kayabacho 2Chome)	142	59	9	12	11	0	3	21	-	82	104	-	104
Burex Kyobashi Building	150	52	-	-	11	0	2	38	-	97	135	0	135
Ginza 1Chome East Building	98	81	14	5	0	0	0	61	-	16	77	3	74
Ginza Sanwa Building	383	135	28	20	64	0	1	19	0	247	267	8	259
Ryoshin Ginza East Mirror Building	160	85	14	15	14	0	1	38	0	75	113	2	111
Harumi Front	1,235	740	159	124	74	1	19	360	0	495	855	0	855
Harumi Center Building	606	394	70	51	47	1	11	212	0	212	424	0	424
Akasaka Park Building	2,227	1,239	234	282	273	3	68	372	3	987	1,360	38	1,322
Aoyama Crystal Building	202	103	20	16	29	0	6	30	0	99	129	9	119
Clover Shiba-koen	102	40	8	7	0	0	0	23	-	62	85	-	85
Shiodome Building	2,008	750	142	132	126	2	10	332	3	1,257	1,590	2	1,588
Shiba 2Chome Daimon Building	276	145	35	32	38	0	2	35	0	131	166	4	162

Name of building	Revenues / Expenses (April 1, 2015 – September 30, 2015)												
	Property-related revenues	Property-related expenses								Property-related profits ②	NOI ③(①+②)	Capital expenditures ④*2	NCF ③-④
		Property management expenses	Utilities expenses	Property and other taxes	Casualty insurance	Repairing expenses	Depreciation ①	Other expenses					
Cosmo Kanasugibashi Building	109	46	10	8	13	0	0	13	-	62	75	-	75
Shinjuku Eastside Square	458	285	46	54	49	0	0	132	0	173	305	5	300
Shinwa Building	202	107	20	20	19	0	21	25	-	94	119	2	117
Tokyo Opera City Building*1	1,455	1,114								340		41	
TIXTOWER UENO	673	386	59	48	38	1	0	237	-	286	524	0	524
Higashi-Gotanda 1Chome Building	185	96	13	22	14	0	1	43	0	89	133	2	130
Osaki Front Tower	697	510	71	52	27	0	9	256	92	187	444	0	443
Omori-Eki Higashiguchi Building	232	122	28	24	25	0	17	27	-	109	137	3	134
Nippon Brunswick Building	60	20	-	-	20	-	-	-	-	39	39	-	39
Yoyogi 1Chome Building	290	148	22	24	23	0	9	67	-	141	209	-	209
da Vinci Harajuku	192	61	10	12	16	0	6	14	-	131	146	-	146
Jingumae Media Square Building	301	152	22	34	41	0	16	36	0	148	185	29	156
Shibuya Cross Tower	1,390	1,043	175	144	123	2	176	419	0	346	766	485	281
Ebisu Neonato	443	217	50	26	36	2	7	94	-	225	319	10	309
Harmony Tower	464	161	43	-	47	1	12	56	-	303	360	-	360
Otsuka Higashi-Ikebukuro Building	195	97	19	24	12	0	2	38	-	97	136	6	129
Ikebukuro 2Chome Building	65	30	9	6	5	0	0	7	0	34	42	1	40
Ikebukuro YS Building	185	114	16	18	14	0	33	30	-	71	102	0	101
Hachioji First Square	239	122	50	4	25	0	8	32	-	116	149	8	141
Saitama Urawa Building	105	49	14	9	9	0	0	15	0	55	70	1	69
MM Park Building	1,263	742	135	195	78	1	38	293	0	520	814	2	811
Queen's Tower A	982	703	210	116	111	3	7	247	6	279	527	4	522
Kawasaki Isago Building	144	90	24	17	13	0	12	21	-	53	75	107	(32)
Musashi Kosugi STM Building	159	65	21	3	10	0	1	27	-	94	122	0	121
8・3 Square Kita Building	318	184	28	56	22	0	6	69	-	134	204	-	204
Jozenji Park Building	63	35	9	8	6	0	0	10	0	27	37	6	31

Name of building	Revenues / Expenses (April 1, 2015 – September 30, 2015)												
	Property-related revenues	Property-related expenses								Property-related profits ②	NOI ③(①+②)	Capital expenditures ④*2	NCF ③-④
		Property management expenses	Utilities expenses	Property and other taxes	Casualty insurance	Repairing expenses	Depreciation ①	Other expenses					
Higashi Nibancho Square	566	298	74	52	40	0	2	127	-	268	395	0	395
Sendai Honcho Honma Building	131	66	16	14	15	0	3	16	0	65	82	2	80
AER	95	50	13	10	0	0	-	26	-	45	71	-	71
Kanazawa Park Building	434	366	106	52	64	1	76	63	0	68	132	35	96
Nishiki Park Building	263	162	52	25	23	0	4	48	6	101	149	3	145
Nagoya Hirokoji Place	379	200	39	39	33	0	7	79	-	178	258	1	256
Hirokoji Sakae Building	91	57	13	13	11	0	8	10	0	34	44	8	35
Nagoya Hirokoji Building	553	367	90	58	60	1	14	141	0	186	327	35	292
Nagoya Misono Building	72	54	9	8	6	0	8	21	-	18	39	4	35
Shijo Karasuma Center Building	145	113	24	17	11	0	0	59	0	31	90	2	88
Kyoto Shijo Kawaramachi Building	121	86	20	14	11	0	11	28	0	35	63	1	62
Umeda Square Building	425	164	39	37	0	0	4	80	1	260	341	-	341
Shin-Fujita Building	655	524	88	102	75	1	40	214	-	131	346	166	179
Sakaisujihonmachi Building	233	145	41	34	35	0	10	22	-	88	110	0	109
Midosuji Daiwa Building	539	288	63	47	73	1	40	62	0	250	313	5	307
Amagasaki Front Building	432	220	63	29	0	0	6	121	0	211	332	2	330
Lit City Building	260	150	31	26	19	1	5	65	0	110	176	-	176
NHK Hiroshima Broadcasting Center Building	264	170	50	27	23	0	4	39	24	93	133	2	130
Tosei Tenjin Building	81	40	12	7	7	0	2	10	0	40	51	2	48
Tenjin Crystal Building	153	126	22	18	18	0	4	61	0	27	88	3	85
Hinode Tenjin Building	169	71	20	15	14	0	1	19	0	98	117	0	116
Total	29,980	16,642	3,549	2,869	2,766	58	881	6,332	186	13,338	19,670	1,140	18,530

*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) Marketable Securities Other Than Shares

Asset Type	Quantity	Book Value (¥ thousand)		Appraisal Value (¥ thousand)		Valuation Gain/Loss (¥ thousand)	Notes
		Unit Price	Amount	Unit Price	Amount		
Trust beneficiary rights in deposits	1	870,527	870,527	870,527	870,527	—	—
Total	—	—	870,527	—	870,527	—	

(iii) 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	1,040,000	1,040,000	1,040,000	1,040,000	—	—
Total	—	—	1,040,000	—	1,040,000	—	

* 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
Nagoya Misono Building (Nagoya, Aichi Prefecture)	Upgrade of air conditioners	From April 2015 To March 2016	253	—	—
Midosuji Daiwa Building (Osaka, Osaka Prefecture)	Upgrade of air conditioners	From June 2015 To March 2016	250	—	—
Shinwa Building (Shinjuku-ku, Tokyo)	Upgrade of air conditioning facilities	From April 2016 To September 2016	146	—	—
Omori-Eki Higashiguchi Building (Ota-ku, Tokyo)	Upgrade of air conditioning facilities	From October 2015 To March 2016	118	—	—
Omori-Eki Higashiguchi Building (Ota-ku, Tokyo)	Upgrade of air conditioning facilities	From April 2016 To September 2016	100	—	—
NHK Hiroshima Broadcasting Center Building (Hiroshima, Hiroshima Prefecture)	Upgrade of air conditioners	From September 2015 To January 2016	91	—	—
Ryoshin Ginza East Mirror Building (Chuo-ku, Tokyo)	Upgrade of air conditioners	From October 2015 To February 2016	84	—	—
Saitama Urawa Building (Saitama, Saitama Prefecture)	Construction work	From October 2015 To February 2016	83	—	—
Nishiki Park Building (Nagoya, Aichi Prefecture)	Upgrade of disaster prevention facilities	From October 2015 To February 2016	73	—	—
Otsuka Higashi-Ikebukuro Building (Toshima-ku, Tokyo)	Upgrade of air conditioners	From October 2015 To December 2015	60	—	—
Burex Kyobashi Building (Chou-ku, Tokyo)	Upgrade of electrical equipment	From August 2015 To March 2016	59	—	—
Shiba 2Chome Daimon Building (Minato-ku, Tokyo)	Upgrade of air conditioners	From April 2016 To September 2016	50	—	—
NHK Hiroshima Broadcasting Center Building (Hiroshima, Hiroshima Prefecture)	Upgrade of disaster prevention facilities	From June 2015 To February 2016	49	—	—
Jozenji Park Building (Sendai, Miyagi Prefecture)	Construction work	From June 2015 To December 2015	12	—	—

(ii) Capital expenditures during the period under review

For acquired real estate and other assets, capital expenditures incurred in the period under review totaled ¥1,140 million and repair, maintenance and renovation expenses classified as expenses in the period under review totaled ¥881 million, for a total of ¥2,021 million worth of construction that has been carried out.

One of the significant capital expenditures for the period under review was the repair, maintenance, and renovation work on common areas of the Kawasaki Isago Building.

Name of Building (Location)	Purpose	Period	Expenditures for Construction (¥ million)
Kawasaki Isago Building (Kawasaki, Kanagawa Prefecture)	Construction work	From March 2015 To August 2015	106
other real estate			1,033
Total			1,140

(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, 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	For the period from October 1, 2014 to March 31, 2015	For the period from April 1, 2015 to September 30, 2015
Balance of reserved funds at the start of period	2,237	2,486	2,431	2,463	2,519
Reserved funds for the period	2,304	2,469	2,470	2,531	2,804
Reversal of reserved funds for the period	2,055	2,524	2,438	2,475	2,561
Balance carried over to next period	2,486	2,431	2,463	2,519	2,762

e. Expenses and Liabilities

(i) Details on Operation-related Expenses

Item	For the period from October 1, 2014 to March 31, 2015	For the period from April 1, 2015 to September 30, 2015
(a) Asset management fee*	¥772,029 thousand	¥926,559 thousand
(breakdown) Fees for the period	¥647,752 thousand	¥687,741 thousand
Incentive fees	¥124,276 thousand	¥238,818 thousand
(b) Asset custody fee	¥59,387 thousand	¥60,569 thousand
(c) Administrative service fees	¥140,513 thousand	¥143,924 thousand
(d) Directors' compensations	¥7,800 thousand	¥7,800 thousand
(e) Commission fee	¥106,448 thousand	¥78,433 thousand
(f) Other operating expenses	¥73,712 thousand	¥66,897 thousand
Total	¥1,159,891 thousand	¥1,284,184 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 the asset management company.

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

In the period ended March 31, 2015, acquisition fees amounted to ¥227,295 thousand, and in the period ended September 30, 2015, acquisition fees amounted to ¥221,317 thousand.

(ii) Loans

The condition of loans by financial institutions as of September 30, 2015, is as follows.

Segment	Lender	Drawdown Date	Balance at Beginning of Current Period (¥ million)	Balance at End of Current Period (¥ million)	Average Interest Rate *1 (%)	Repayment Date	Repayment Method	Use of Proceeds	Notes
January 7, 2015	2,000	—	0.18	January 7, 2016	Bullet *3	Repay existing short-term loans	Floating interest rate		
March 25, 2015	5,500	5,500	0.18	March 25, 2016	Bullet	Purchase real estate trust beneficiary rights	Floating interest rate		
March 31, 2015	2,000	2,000	0.18	March 31, 2016	Bullet	Repay existing short-term loans	Floating interest rate		
April 1, 2015	—	5,500	0.18	April 1, 2016	Bullet	Purchase real estate trust beneficiary rights	Floating interest rate		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	October 1, 2014	3,500	—	0.18	October 1, 2015	Bullet *4	Purchase real estate	Floating interest rate	
	March 2, 2015	3,500	3,500	0.18	March 2, 2016	Bullet	Purchase real estate trust beneficiary rights	Floating interest rate	
	March 27, 2015	2,000	—	0.18	March 28, 2016	Bullet *3	Purchase real estate	Floating interest rate	
	April 1, 2015	—	3,500	0.18	April 1, 2016	Bullet *5	Purchase real estate trust beneficiary rights	Floating interest rate	
Sumitomo Mitsui Trust Bank, Limited	September 2, 2014	3,800	—	0.18	September 2, 2015	Bullet	Repay existing short-term loans	Floating interest rate	
	March 31, 2015	3,700	3,700	0.18	March 31, 2016	Bullet	Repay existing short-term loans	Floating interest rate	
Shinsei Bank, Limited	August 24, 2015	—	1,500	0.17	August 24, 2016	Bullet	Repay existing short-term loans	Floating interest rate	
	September 1, 2015	—	2,000	0.17	September 1, 2016	Bullet	Purchase real estate	Floating interest rate	
Resona Bank, Limited	September 1, 2015	—	2,000	0.17	September 1, 2016	Bullet	Purchase real estate and Repay existing short-term loans	Floating interest rate	
Shinkin Central Bank	September 1, 2015	—	2,000	0.17	September 1, 2016	Bullet	Repay existing short-term loans	Floating interest rate	
The Daishi Bank, Ltd.	January 7, 2015	1,500	1,500	0.18	January 7, 2016	Bullet	Repay existing short-term loans	Floating interest rate	
The 77 Bank, Ltd.	January 7, 2015	1,000	1,000	0.18	January 7, 2016	Bullet	Repay existing short-term loans	Floating interest rate	
Mitsubishi UFJ Trust and Banking Corporation	October 1, 2014	500	500	0.18	October 1, 2015	Bullet	Purchase real estate	Floating interest rate	
	Subtotal		32,500	36,700					

Segment	Lender	Drawdown Date	Balance at Beginning of Current Period	Balance at End of Current Period	Average Interest Rate *1 (%)	Repayment Date	Repayment Method	Use of Proceeds	Notes
			(¥ million)	(¥ million)					
Long-term loans to be repaid within 1 year	Mitsubishi UFJ Trust and Banking Corporation	June 23, 2011	—	6,000	0.90875	June 23, 2016	Bullet	Repay existing loans	Fixed interest rate
	Mizuho Bank, Ltd.		—	6,000					
	Sumitomo Mitsui Trust Bank, Limited		—	6,000					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		—	6,000					
	Mitsubishi UFJ Trust and Banking Corporation	April 4, 2011	—	5,000	1.0325	April 4, 2016	Bullet	Repay existing loans	Fixed interest rate
	The Hachijuni Bank, Ltd.	January 15, 2013	1,000	1,000	0.3825	January 15, 2016	Bullet	Repay existing loans	Fixed interest rate
	The Iyo Bank, Ltd.	January 15, 2013	1,000	1,000	0.3825	January 15, 2016	Bullet	Repay existing loans	Fixed interest rate
	Taiyo Life Insurance Company	May 31, 2007	1,500	—	1.86875	May 29, 2015	Bullet	Purchase real estate	Fixed interest rate
		April 24, 2008	—	1,000	1.595	April 25, 2016	Bullet	Redeem investment corporation bonds	Fixed interest rate
	Development Bank of Japan Inc.	September 1, 2008	2,000	—	1.65	September 1, 2015	Bullet	Purchase real estate trust beneficiary rights	Fixed interest rate
		March 24, 2010	100	100	1.665	March 24, 2017	Repayment in installments *6	Purchase real estate	Fixed interest rate
	The Chugoku Bank, Limited	June 15, 2010	3,000	—	1.20875	June 15, 2015	Bullet	Repay existing loans	Fixed interest rate
	The Dai-ichi Life Insurance Company, Limited	May 31, 2007	5,000	—	1.86875	May 29, 2015	Bullet	Purchase real estate	Fixed interest rate
The Hiroshima Bank, Ltd.	June 14, 2010	3,000	—	1.1875	June 15, 2015	Bullet	Repay existing loans	Fixed interest rate	
Subtotal		16,600	32,100						
Total		49,100	68,800						

Segment	Lender	Drawdown Date	Balance at Beginning of Current Period (¥ million)	Balance at End of Current Period (¥ million)	Average Interest Rate *1 (%)	Repayment Date	Repayment Method	Use of Proceeds	Notes
April 4, 2011	5,000	5,000	1.205	April 4, 2017	Bullet	Repay existing loans	Fixed interest rate		
June 1, 2011	12,000	12,000	1.12625	June 1, 2017	Bullet	Repay existing loans	Fixed interest rate		
June 1, 2011	10,000	10,000	1.31125	June 1, 2018	Bullet	Repay existing loans	Fixed interest rate		
November 15, 2011	3,000	3,000	1.13875	November 15, 2019	Bullet	Purchase real estate	Fixed interest rate		
June 15, 2012	4,000	4,000	0.9525	June 15, 2020	Bullet	Purchase real estate	Fixed interest rate		
June 15, 2012	2,500	2,500	1.2725	June 15, 2022	Bullet	Redeem investment corporation bonds	Fixed interest rate		
December 21, 2012	5,000	5,000	0.80125	December 21, 2020	Bullet	Repay existing loans	Fixed interest rate		
January 31, 2014	4,000	4,000	0.64225 *7	January 29, 2021	Bullet	Purchase real estate trust beneficiary rights	Floating interest rate *7		
December 19, 2014	10,000	10,000	0.42375 *8	December 19, 2023	Bullet	Repay existing short-term loans	Floating interest rate *8		
September 1, 2015	—	3,500	0.63	September 2, 2024	Bullet	Purchase real estate	Fixed interest rate		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	March 24, 2011	2,000	2,000	1.3975	March 26, 2018	Bullet	Repay existing short-term loans	Fixed interest rate	
	November 15, 2011	3,000	3,000	1.13875	November 15, 2019	Bullet	Purchase real estate	Fixed interest rate	
	June 15, 2012	4,000	4,000	1.1975	June 15, 2022	Bullet	Purchase real estate	Fixed interest rate	
	December 21, 2012	5,000	5,000	0.80125	December 21, 2020	Bullet	Repay existing loans	Fixed interest rate	
	January 15, 2013	5,500	5,500	0.71	January 15, 2020	Bullet	Repay existing loans	Fixed interest rate	
	January 15, 2013	5,500	5,500	0.83625	January 15, 2021	Bullet	Repay existing loans	Fixed interest rate	
	April 24, 2013	5,000	5,000	0.775	April 26, 2021	Bullet	Repay existing loans	Fixed interest rate	
	September 1, 2015	—	5,000	0.2	September 2, 2019	Bullet	Purchase real estate	Fixed interest rate	
	September 1, 2015	—	2,000	0.47125	September 1, 2022	Bullet	Repay existing short-term loans	Fixed interest rate	

Segment	Lender	Drawdown Date	Balance at Beginning of Current Period (¥ million)	Balance at End of Current Period (¥ million)	Average Interest Rate *1 (%)	Repayment Date	Repayment Method	Use of Proceeds	Notes
Sumitomo Mitsui Trust Bank, Limited		January 17, 2011	3,000	3,000	1.43375	January 17 2018	Bullet	Repay existing short-term loans	Fixed interest rate
		September 26, 2011	5,500	5,500	1.16	September 26, 2019	Bullet	Repay existing short-term loans	Fixed interest rate
		November 15, 2011	3,000	3,000	0.98375	November 15, 2018	Bullet	Purchase real estate	Fixed interest rate
		June 15, 2012	4,000	4,000	0.9525	June 15, 2020	Bullet	Purchase real estate	Fixed interest rate
		January 31 2014	2,000	2,000	0.62575 *7	January 29, 2021	Bullet	Purchase real estate trust beneficiary rights	Floating interest rate *7
		May 29, 2015	—	5,000	0.2075	May 29, 2019	Bullet	Repay existing loans	Fixed interest rate
		June 15, 2015	—	3,000	0.3425	June 15, 2020	Bullet	Repay existing loans	Fixed interest rate
		September 2, 2015	—	3,800	0.536 *7	September 2, 2024	Bullet	Repay existing short-term loans	Floating interest rate *7
Mizuho Bank, Ltd.		December 21, 2010	5,000	5,000	1.30625	December 21, 2016	Bullet	Repay existing short-term loans	Fixed interest rate
		November 1, 2011	6,000	6,000	1.2075	November 1, 2019	Bullet	Repay existing short-term loans and other loans	Fixed interest rate
		November 15, 2011	3,000	3,000	1.13875	November 15, 2019	Bullet	Purchase real estate	Fixed interest rate
		June 15, 2012	4,000	4,000	1.07375	June 15, 2021	Bullet	Purchase real estate	Fixed interest rate
		January 15, 2013	5,000	5,000	0.96625	January 17, 2022	Bullet	Repay existing loans	Fixed interest rate
		April 24, 2013	3,000	3,000	0.87375	April 25, 2022	Bullet	Repay existing loans	Fixed interest rate
		September 1, 2015	—	2,500	0.17	March 1, 2019	Bullet	Purchase real estate	Fixed interest rate
Development Bank of Japan Inc.		March 24, 2010	1,400	1,350	1.665	March 24, 2017	Repayment in installments *6	Purchase real estate	Fixed interest rate
		January 7, 2013	3,000	3,000	1.115	January 6, 2023	Bullet	Purchase real estate	Fixed interest rate
		January 31, 2014	5,000	5,000	0.9325	January 31, 2023	Bullet	Purchase real estate trust beneficiary rights	Fixed interest rate
		September 1, 2015	—	7,000	0.7175	September 1, 2025	Bullet	Purchase real estate and Repay existing loans	Fixed interest rate

	Segment	Drawdown Date	Balance at Beginning of Current Period (¥ million)	Balance at End of Current Period (¥ million)	Average Interest Rate *1 (%)	Repayment Date	Repayment Method	Use of Proceeds	Notes	
	Lender									
Long-term loans	The Daishi Bank, Ltd.	November 14, 2014	1,800	1,800	0.463 *7	November 15, 2021	Bullet	Repay existing short-term loans	Floating interest rate *7	
	The Hokuetsu Bank, Ltd.		1,400	1,400						
	Sony Bank Incorporated		1,400	1,400						
	The Toho Bank, Ltd.		1,400	1,400						
	The Shinkumi Federation Bank		1,000	1,000						
	The Akita Bank, Ltd.		900	900						
	The Fukui Bank, Ltd.		900	900						
	The Gunma Bank, Ltd.		900	900						
	The 77 Bank, Ltd.		900	900						
	The Tochigi Bank, Ltd.		900	900						
	The Higo Bank, Ltd.		500	500						
	The Bank of Iwate, Ltd.		500	500						
	The Yamagata Bank, Ltd.		500	500						
	Shinkin Central Bank		November 15, 2011	1,000	1,000	0.7525	November 15, 2016	Bullet	Purchase real estate	Fixed interest rate
			January 7, 2013	2,000	2,000	0.71375	January 7, 2020	Bullet	Purchase real estate	Fixed interest rate
			January 15, 2013	5,000	5,000	0.71	January 15, 2020	Bullet	Repay existing loans	Fixed interest rate
			April 24, 2013	5,000	5,000	0.52775	April 24, 2018	Bullet	Repay existing loans	Fixed interest rate
	The Bank of Fukuoka, Ltd.		August 31, 2011	2,000	2,000	0.9025	August 31, 2017	Bullet	Repay existing loans	Fixed interest rate
			June 15, 2012	2,500	2,500	0.66	June 15, 2017	Bullet	Redeem investment corporation bonds	Fixed interest rate
			August 31, 2012	1,000	1,000	0.57125	August 31, 2017	Bullet	Repay existing loans	Fixed interest rate
		January 31, 2014	2,500	2,500	0.63849 *7	January 29, 2021	Bullet	Purchase real estate trust beneficiary rights	Floating interest rate *7	
		March 24, 2015	2,000	2,000	0.5125	March 24, 2023	Bullet	Repay existing loans	Fixed interest rate	
The Norin chukin Bank		January 31, 2014	3,500	3,500	0.757 *7	January 31, 2022	Bullet	Purchase real estate trust beneficiary rights	Floating interest rate *7	
		June 17, 2014	3,000	3,000	0.6785 *7	June 17, 2022	Bullet	Redeem investment corporation bonds	Floating interest rate *7	
		March 25, 2015	3,500	3,500	0.46825 *7	March 27, 2023	Bullet	Purchase real estate trust beneficiary rights	Floating interest rate *7	

	Segment	Drawdown Date	Balance at Beginning of Current Period (¥ million)	Balance at End of Current Period (¥ million)	Average Interest Rate *1 (%)	Repayment Date	Repayment Method	Use of Proceeds	Notes
	Lender								
Long-term loans	Shinsei Bank, Limited	August 31, 2011	3,000	3,000	1.0475	August 31, 2018	Bullet	Repay existing loans	Fixed interest rate
		June 15, 2012	2,500	2,500	0.66	June 15, 2017	Bullet	Purchase real estate	Fixed interest rate
		June 15, 2012	2,500	2,500	1.2725	June 15, 2022	Bullet	Redeem investment corporation bonds	Fixed interest rate
	The Chugoku Bank, Limited	August 10, 2015	—	1,000	0.3925 *7	August 10, 2022	Bullet	Repay existing short-term loans	Floating interest rate *7
	The Daishi Bank, Ltd.		—	1,000					
	The Fukui Bank, Ltd.		—	1,000					
	The Gunma Bank, Ltd.		—	1,000					
	The Shinkumi Federation Bank		—	1,000					
	The Toho Bank, Ltd.		—	1,000					
	The Tochigi Bank, Ltd.		—	500					
	The Chugoku Bank, Limited	March 25, 2013	2,000	2,000	0.45	March 26, 2018	Bullet	Repay existing loans	Fixed interest rate
		October 1, 2014	1,000	1,000	0.4725 *7	October 1, 2021	Bullet	Purchase real estate	Floating interest rate *7
		June 15, 2015	—	3,000	0.61175 *7	June 15, 2023	Bullet	Repay existing loans	Floating interest rate *7
	The Iyo Bank, Ltd.	June 15, 2012	2,500	2,500	0.66	June 15, 2017	Bullet	Redeem investment corporation bonds	Fixed interest rate
		March 24, 2014	2,000	2,000	0.6035 *7	March 24, 2021	Bullet	Repay existing loans	Floating interest rate *7
		October 1, 2014	1,000	1,000	0.46525 *7	October 1, 2021	Bullet	Purchase real estate	Floating interest rate *7
	Taiyo Life Insurance Company	April 24, 2008	1,000	—	1.595	April 25, 2016	Bullet	Redeem investment corporation bonds	Fixed interest rate
		March 30, 2011	2,000	2,000	1.39625	March 30, 2018	Bullet	Repay existing loans	Fixed interest rate
		October 1, 2014	2,000	2,000	0.7825	October 1, 2024	Bullet	Purchase real estate	Fixed interest rate
		May 29, 2015	—	1,500	0.7375	May 29, 2025	Bullet	Repay existing loans	Fixed interest rate
	The Dai-ichi Life Insurance Company, Limited	March 30, 2009	5,000	5,000	1.54375	March 30, 2017	Bullet	Repay existing loans	Fixed interest rate
	Resona Bank, Limited	March 1, 2011	2,000	2,000	1.255	March 1, 2017	Bullet	Purchase real estate trust beneficiary rights	Fixed interest rate
		March 25, 2013	3,000	3,000	0.45	March 26, 2018	Bullet	Repay existing loans	Fixed interest rate
Sumitomo Mitsui Banking Corporation	November 15, 2011	3,000	3,000	0.98375	November 15, 2018	Bullet	Purchase real estate	Fixed interest rate	
	January 7, 2013	2,000	2,000	0.98	January 7, 2022	Bullet	Purchase real estate	Fixed interest rate	

	Segment	Drawdown Date	Balance at Beginning of Current Period (¥ million)	Balance at End of Current Period (¥ million)	Average Interest Rate *1 (%)	Repayment Date	Repayment Method	Use of Proceeds	Notes
	Lender								
Long-term loans	The Hachijuni Bank, Ltd.	June 15, 2012	1,000	1,000	0.66	June 15, 2017	Bullet	Purchase real estate	Fixed interest rate
		December 20, 2012	1,000	1,000	0.45625	December 20, 2017	Bullet	Repay existing loans	Fixed interest rate
		March 25, 2013	1,000	1,000	0.45	March 26, 2018	Bullet	Repay existing loans	Fixed interest rate
	The Hiroshima Bank, Ltd.	October 1, 2014	3,000	3,000	0.31575 *7	October 1, 2019	Bullet	Purchase real estate	Floating interest rate *7
	Mizuho Trust & Banking Co., Ltd.	March 2, 2015	3,000	3,000	0.5585 *7	March 3, 2025	Bullet	Purchase real estate trust beneficiary rights	Floating interest rate *7
	The Yamaguchi Bank, Ltd.	October 29, 2012	2,000	2,000	0.8	October 29, 2020	Bullet	Repay existing loans	Fixed interest rate
		March 25, 2013	1,000	1,000	0.945	March 24, 2023	Bullet	Repay existing loans	Fixed interest rate
	The Gunma Bank, Ltd.	March 24, 2014	1,000	1,000	0.4105 *7	March 25, 2019	Bullet	Repay existing loans	Floating interest rate *7
		November 17, 2014	1,000	1,000	0.316 *7	November 18, 2019	Bullet	Repay existing loans	Floating interest rate *7
	Nippon Life Insurance Company	March 1, 2011	2,000	2,000	1.465	March 1, 2018	Bullet	Purchase real estate trust beneficiary rights	Fixed interest rate
	The Nishi-Nippon City Bank, Ltd.	June 17, 2014	2,000	2,000	0.621 *7	December 17, 2021	Bullet	Redeem investment corporation bonds	Floating interest rate *7
	The Yamanashi Chuo Bank, Ltd.	December 15, 2014	2,000	2,000	0.266 *7	December 16, 2019	Bullet	Repay existing loans	Floating interest rate *7
	The Ashikaga Bank, Ltd.	January 7, 2013	1,000	1,000	0.49125	January 9, 2018	Bullet	Purchase real estate	Fixed interest rate
	The Joyo Bank, Ltd.	January 7, 2013	1,000	1,000	0.49125	January 9, 2018	Bullet	Purchase real estate	Fixed interest rate
	Mitsubishi UFJ Trust and Banking Corporation	July 23, 2011	6,000	—	0.90875	June 23, 2016	Bullet	Repay existing loans	Fixed interest rate
Mizuho Bank, Ltd.	6,000		—						
Sumitomo Mitsui Trust Bank, Limited	6,000		—						
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	6,000		—						
Total			271,900	284,650					

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

*2. As of May 12, 2015, ¥1,000 million has been repaid before the original maturity.

*3. As of April 7, 2015, the entire amount of ¥2,000 million has been repaid before the original maturity.

*4. As of May 12, 2015, ¥1,000 million and as of September 1, 2015, ¥2,500 million has been repaid before the original maturity.

*5. As of September 1, 2015, ¥2,000 million has been repaid before the original maturity.

*6. ¥50 million is repaid every six months respectively. ¥1,350 million is scheduled to be repaid on the final principal repayment date.

*7. In order to hedge 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.

*8. In order to hedge the risk of exchange rate and interest rate fluctuations related to foreign currency-denominated loans, the Company conducted an interest-rate and currency swap transaction, which substantially secured exchange and interest rates. Accordingly, the weighted average for interest rates during the period is calculated taking the effect of this interest-rate and currency swap into consideration.

Note: All floating interest rate loans and fixed interest rate loans procured are unsecured, unguaranteed, and unsubordinated.

(iii) Investment Corporation Bonds

Outstanding investment corporation bonds as of September 30, 2015, are 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 Proceeds	Notes
4th unsecured investment corporation bond	September 29, 2005	10,000	10,000	2.56	September 29, 2025	Bullet	*1	*2
7th unsecured investment corporation bond	April 23, 2010	10,000	—	1.26	April 23, 2015	Bullet	*1	*2
8th unsecured investment corporation bond	July 23, 2010	10,000	—	1.05	July 23, 2015	Bullet	*1	*2
9th unsecured investment corporation bond	August 30, 2013	10,000	10,000	0.497	August 30, 2018	Bullet	*1	*2
Total		40,000	20,000					

*1. The 4th and 8th unsecured investment corporation bonds are used to fund the repayment of existing short-term loans. The 7th unsecured investment corporation bond is 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 ITA).

*2. Financial covenants, such as a negative pledge, are not included in these bonds.

(iv) New Unit Acquisition Rights

“Not applicable”

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	Umeda Square Building	April 1, 2015	15,523	16,100	Daiwa Real Estate Appraisal Co., Ltd.	March 1, 2015
Acquisition	Shiodome Building	May 1, 2015	10,100	10,200	Daiwa Real Estate Appraisal Co., Ltd.	March 1, 2015
Acquisition	AER	September 1, 2015	18,640	18,900	Daiwa Real Estate Appraisal Co., Ltd.	August 1, 2015

*1. The “acquisition/disposition cost” 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) Asset-backed securities, etc.

Acquisition Or Disposition	Date of Transaction	Type	Trustee	Acquisition / Disposition Cost (¥thousand)	Survey price of specific assets
Acquisition	July 1, 2015	Trust beneficiary rights in deposits	Mitsubishi UFJ Trust and Banking Corporation	916,344	916,344

(iii) Other

Value inspections on transactions by the Company that are deemed necessary under article 201, item 2 of the ITA, are entrusted to Ernst & Young ShinNihon LLC.

Transactions that were subject to inspection during the period from April 1, 2015 to September 30, 2015, were 3 interest rate swap transactions. This excludes transactions listed in the “(ii) Asset-backed securities, etc.” section above. The Company has received the valuation reports on those transactions from Ernst & Young ShinNihon LLC.

Please note that on the occasion of such investigations, the Company entrusts the investigation of all relevant details of the interest rate swap transactions, such as names of counter parties, securities, agreed interest rates, types of financial instruments or reference interest rates and the tenor of transactions.

g. Transactions with Interested Parties (from April 1, 2015 to September 30, 2015)

(i) Transactions

Segment	Buying and Selling Amounts			
	Buying Amounts		Selling Amounts	
Total Amount	¥44,263,520 thousand		¥ - thousand	
Breakdown of Transactions with Interested Parties				
Shiodome Investment LLC	¥ 10,100,000 thousand	(22.8%)	¥ - thousand	(-%)
Total	¥ 10,100,000 thousand	(22.8%)	¥ - thousand	(-%)

* 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	¥3,549,250 thousand	Mitsubishi Jisho Property Management Co., Ltd.	¥1,937,719 thousand	(54.6%)
		Mitsubishi Estate Co., Ltd.	¥249,159 thousand	(7.0%)
		Yuden Building Kanri Co., Ltd.	¥33,073 thousand	(0.9%)
		Mitsubishi Real Estate Services Co., Ltd. *2	¥30,041 thousand	(0.8%)
		Mitsubishi Jisho House Net Co., Ltd. *2	¥26,336 thousand	(0.7%)
		Shiodome Investment LLC	¥192 thousand	(0.0%)
Utilities expenses	¥2,869,139 thousand	Minato Mirai 21 District Heating and Cooling Co., Ltd.	¥96,958 thousand	(3.4%)
Other operating expenses	¥154,520 thousand	Mitsubishi Jisho Property Management Co., Ltd.	¥16,309 thousand	(10.6%)
		Mitsubishi Estate Co., Ltd.	¥904 thousand	(0.6%)
		Mitsubishi Jisho Retail Property Management Co., Ltd.	¥178 thousand	(0.1%)
		Mitsubishi Real Estate Services Co., Ltd. *2	¥45 thousand	(0.0%)

- *1. Interested parties refers to interested parties of the asset management company who has concluded consignment agreements with the Company, as stipulated in Article 123 of the enforcement order of the ITA, 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. As of July 1, 2015, Mitsubishi Jisho House Net Co., Ltd. split a section of its housing business and integrated it into Mitsubishi Real Estate Services Co., Ltd. In accordance with this, Mitsubishi Real Estate Services Co., Ltd. inherited the position of leaseholder for master lease contracts for Nibanhco Garden and the residential section of the Akasaka Park Building on the same date.
- *3. 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.	¥338,425 thousand
Mitsubishi Estate Co., Ltd.	¥126,208 thousand
Mitsubishi Real Estate Services Co., Ltd. *2	¥8,997 thousand
Mitsubishi Jisho House Net Co., Ltd. *2	¥7,933 thousand
Yuden Building Kanri Co., Ltd.	¥4,045 thousand
MEC Design International Corporation	¥651 thousand

h. Other Announcements
“Not applicable”

Selected Financial Data

	Millions of yen				
	For the period from	For the period from	For the period from	For the period from	For the period from
	April 1, 2015 to September 30, 2015	October 1, 2014 to March 31, 2015	April 1, 2014 to September 30, 2014	October 1, 2013 to March 31, 2014	April 1, 2013 to September 30, 2013
Operating revenues	29,980	28,314	27,760	26,582	26,225
Operating expenses	17,926	17,071	16,505	15,751	15,444
Operating income	12,054	11,243	11,255	10,831	10,781
Ordinary income	10,487	9,625	9,582	9,083	9,143
Income before income taxes	10,487	9,625	9,582	9,083	9,143
Profit	10,476	9,619	9,572	9,070	9,129
Total assets	899,938	852,679	813,931	817,130	775,066
Interest-bearing debt	373,450	361,000	323,550	358,900	320,150
Net assets	468,767	436,671	436,622	405,355	405,415
Unitholders' capital	458,016	426,783	426,783	396,018	396,018
Number of units	1,309,310	1,251,530	1,251,530	1,188,280	594,140
Net assets per unit (Yen) (Note 1)	358,026	348,909	348,871	341,128	682,356
Cash distribution	10,475	9,613	9,571	9,070	9,129
Dividend payout ratio	99.9%	99.9%	99.9%	99.9%	99.9%
Dividend per unit (Yen)	8,001	7,681	7,648	7,633	15,366
Net operating income (NOI)	19,670	18,412	18,105	17,481	17,205
Funds from operations (FFO)	16,808	15,629	15,455	14,719	14,619
Return on assets (ROA) (Note 2)	1.2%	1.2%	1.2%	1.1%	1.2%
	(2.4% annualized)	(2.3% annualized)	(2.3% annualized)	(2.3% annualized)	(2.4% annualized)
Return on equity (ROE) (Note 3)	2.2%	2.2%	2.2%	2.2%	2.3%
	(4.5% annualized)	(4.4% annualized)	(4.4% annualized)	(4.5% annualized)	(4.5% annualized)
EOP equity ratio (Note 4)	52.1%	51.2%	53.6%	49.6%	52.3%
EOP interest-bearing debt ratio on total assets (Note 5)	41.5%	42.3%	39.8%	43.9%	41.3%
FFO multiple (Times)	21.5	22.6	22.9	20.9	23.4
Debt service coverage ratio (Times) (Note 6)	12.1	10.8	10.5	9.6	9.5

Notes: 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 = Profit ÷ 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, 2013, 182 days for the period ended March 31, 2014, 183 days for the period ended September 30, 2014, 182 days for the period ended March 31, 2015 and 183 days for the period ended September 30, 2015.)

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 = Profit before Interest, Taxes, Depreciation and Amortization ÷ Interest expenses