

FINANCIAL RESULTS FOR THE 27TH FISCAL PERIOD ENDED MARCH 31, 2015

(REIT)

May 18, 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.
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 Scheduled Date of Filing Securities Report: June 25, 2015
 Scheduled date of dividend payment: June 12, 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 27th fiscal period ended March 31, 2015 (October 1, 2014 to March 31, 2015)

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

Period ended	Operating Revenues		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2015	28,314	2.0	11,243	(0.1)	9,625	0.4	9,619	0.5
September 30, 2014	27,760	4.4	11,255	3.9	9,582	5.5	9,572	5.5

Period ended	Net Income per Unit	ROE (Net Income to Unitholders' Equity Ratio)		ROA (Ordinary Income to Total Assets Ratio)		Ordinary Income to Operating Revenues Ratio	
		Yen	%	Yen	%	Yen	%
March 31, 2015	7,686		2.2		1.2		34.0
September 30, 2014	7,683		2.2		1.2		34.5

Note: The ROE (Net Income to Unitholders' Equity Ratio) for the 27th fiscal period ended March 31, 2015 is calculated by using the average of the unitholders' equity for the beginning and end of the 27th period and for the 26th fiscal period ended September 30, 2014, as the Company issued new investment units, it is calculated by using the average for the unitholders' equity which 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.

(2) Dividends

Period ended	Dividend per Unit Excluding Excess of Accounting Profits	Total Cash Dividends Excluding Excess of Accounting Profits	Dividend in Excess of Accounting Profits per Unit	Total Dividends in Excess of Accounting Profits	Payout Ratio	Ratio of Dividends to Net Assets
March 31, 2015	7,681	9,613	0	0	99.9	2.2
September 30, 2014	7,648	9,571	0	0	99.9	2.2

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

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

Note 3: In the 27th period, the cause of differences in dividend per unit and net income per unit was revisions to tax effects that accompanied changes in the corporate tax rate (please refer to page 23 for details). In the 26th period, the cause of differences in dividend per unit and net income per unit was the fact that as the Company issued new investment units, net income per unit was calculated based on the average number of units during the period.

(3) Financial Standing

As of	Total Assets	Net Assets	Equity Ratio	Net Assets per Unit
	Millions of yen	Millions of yen	%	Yen
March 31, 2015	852,679	436,671	51.2	348,909
September 30, 2014	813,931	436,622	53.6	348,871

Reference: Total unitholders' equity was 436,671 million yen for the period ended March 31, 2015 and 436,622 million yen for the period ended September 30, 2014.

(4) Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
Period ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2015	13,741	(41,960)	27,878	20,248
September 30, 2014	16,811	(3,556)	(13,709)	20,589

2. Performance Forecasts for the 28th Fiscal Period (April 1, 2015 to September 30, 2015) and the 29th Fiscal Period (October 1, 2015 to March 31, 2016)

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

Period ending	Operating Revenues		Operating Income		Ordinary Income		Net Income		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
September 30, 2015	29,800	5.2	11,880	5.7	10,280	6.8	10,270	6.8	7,840	0
March 31, 2016	29,720	(0.3)	11,990	0.9	10,420	1.4	10,410	1.4	7,950	0

Reference: Net income per unit forecast = Net income forecast / Number of total investment units forecast for the end of the period
(Period ending September 30, 2015): 7,840 yen; (Period ending March 31, 2016): 7,950 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 March 31, 2015 1,251,530 units

As of September 30, 2014 1,251,530 units

Number of Treasury Units at End of Period

As of March 31, 2015 0 units

As of September 30, 2014 0 units

Note: Please refer to the notes regarding per unit information on page 25 for the number of investment units on which the calculations of net income 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 28th Fiscal Period (April 1, 2015 to September 30, 2015) and the 29th Fiscal Period (October 1, 2015 to March 31, 2016)" on pages 10 and 11.
- In accordance with a resolution proposed at the Board of Directors' meetings held on March 18, 2015, and March 30, 2015, the Company issued new investment units by public offering and third-party allocation. Payment for new investment units issued by public offering was completed on April 6, 2015, and payment for new investment units issued by third-party allocation was completed on May 11, 2015.

As for the above "2. Performance Forecasts for the 28th Fiscal Period (April 1, 2015 to September 30, 2015) and the 29th Fiscal Period (October 1, 2015 to March 31, 2016)", the Company assumes that by including the 54,000 new investment units issued by public offering and the 3,780 new investment units issued by third-party allocation with the 1,251,530 units outstanding at the end of the 27th fiscal period, the total number of units outstanding is 1,309,310.

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 December 25, 2014), 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 allocation policies, in the most recent securities report (released December 25, 2014), information concerning them has been omitted.

b. Business Operations

(1) Results for Period

Japan Real Estate Investment Corporation (“the Company”) was established on May 11, 2001, following revisions to the 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 883.5 billion yen*, as of March 31, 2015. In the same period, the Company has continued to grow steadily with the number of properties in its portfolio growing from 20 to 68 properties.

During the 27th period (October 1, 2014 – March 31, 2015), additional monetary easing by the Bank of Japan and a postponed consumption tax increase allowed for a moderate recovery trend to persist in the Japanese economy amid continuing improvement in the labor market and personal income. Together with a decline in crude oil prices and the continuing depreciation of the yen, corporate earnings are expected to improve further as well, primarily in the manufacturing industry.

Meanwhile, in the market for leased office space, vacancy rates continued to improve and a trend of rebounding rent levels was seen in A-class buildings with a high competitive edge and buildings located in major urban areas, primarily within the Tokyo metropolitan area. However, with the exception of certain areas, this trend failed to extend far enough to deem that rent levels have bottomed out in other major cities. As a whole, it can be said that the market for leased office space is moving toward a moderate recovery.

In the investment market for real estate, large-scale real estate transactions have been actively occurring and garnering much attention. However, due to the fact that transactions involving prime properties, regardless of scale, have been limited, competition to acquire properties is becoming increasingly more severe.

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

*Note: The part of the Jingumae Media Square Building 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 97.8% as of March 31, 2015, remaining at the same level as the occupancy rate as of September 30, 2014.

As for external growth, we moved forward with the acquisition of properties with a competitive edge by making use of our sponsor pipeline. In addition to acquiring 14% co-ownership interest of Shinjuku Eastside Square (Shinjuku-ku, Tokyo) for 23,100 million yen on October 1, 2014, we acquired the Clover Shiba-koen (Minato-ku, Tokyo) for 4,500 million yen on January 20, 2015, the Ginza 1Chome East Building (Chuo-ku, Tokyo) for 6,459 million yen on March 2, 2015, and the Amagasaki Front Building (Amagasaki City, Hyogo Prefecture) for 9,300 million yen on March 25, 2015. Moreover, the Company acquired additional compartmentalized building units and co-ownership of compartmentalized building units of Harmony Tower (Nakano-ku, Tokyo) for 2,100 million yen on March 27, 2015, in an effort to acquire additional interest in existing portfolio properties that are expected to continue stable operations. Accordingly, the Company’s ownership percentage of Harmony Tower rose from 32.113115% to 38.382307%.

As a result of the above, the Company’s portfolio at the end of the fiscal period under review, March 31, 2015, consisted of 68 properties, with a total acquisition price of 883,514 million yen. Total leasable space stood at 793,976 m², with a total of 1,350 tenants.

Additionally, the Company acquired the Umeda Square Building (Osaka City, Osaka Prefecture), located in the

center of Osaka's business district, for 15,523 million yen on April 1, 2015. 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%.

*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, as a part of loans that are based on the above policies, the Company carried out a 13,000 million yen long-term loan on November 14, 2014, via the general syndication (a form of loan that raises participation from a large selection of financial institutions, including institutions beginning a new lending relationship with the Company). This general syndication loan was carried out with a focus on developing new business relationships with financial institutions that do not have an existing lending record with the Company and deepening the diversity of stable lenders. In this way, the Company worked to extend debt maturities.

Moreover, as a first-time initiative by a J-REIT, the Company carried out a yen-based fixed-interest loan that substantially hedges the risk of exchange and interest rate fluctuations through a loan method that combined a US dollar syndicated loan with a currency swap transaction. This 10,000 million yen (when converted from US dollar to yen) long-term loan was carried out on December 19, 2014. The funds raised from this loan were applied to prepayment of existing short-term loans.

As a result of these financing activities, as of March 31, 2015, the Company's total interest-bearing debt was 361,000 million yen. This amount consists of long-term loans totaling 288,500 million yen (including the current portion of long-term loans totaling 16,600 million yen), short-term loans totaling 32,500 million yen, and investment corporation bonds totaling 40,000 million yen (including the current portion of investment corporation bonds totaling 20,000 million yen).

As of March 31, 2015, the Company's long-term fixed interest-bearing debt ratio stood at 91.0%, maintaining a level of over 90%. In addition, the LTV ratio stood at 42.3%.

Furthermore, 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 8,500 million yen in short-term loans and redeem the 7th investment corporation bond totaling 10,000 million yen, set to mature on April 23, 2015. The funds were also allocated to the additional acquisition of quasi-co-ownership interest pertaining to the Shiodome Building mentioned above. Funds procured from issuing new investment units by third-party allocation were used to repay 2,000 million yen in short-term loans. Moreover, through such means as reducing the LTV ratio, the Company endeavors to continue to maintain a sound and conservative financial profile.

The Company's credit ratings as of March 31, 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 General Meeting of Unitholders

The company held the 9th General Meeting of Unitholders on March 17, 2015. At the meeting, the following four items were proposed: (1) a partial amendment to the Articles of Incorporation, (2) the appointment of an executive director, (3) the appointment of a substitute director, and (4) the appointment of 2 supervisory directors. All the proposals were approved in their original form. As a result of these approvals, Hiroshi Nakajima (inauguration) was appointed as an executive director, and Kenji Kusakabe (reappointment) and Tomohiro Okanoya (reappointment) were appointed as supervisory directors. The 3 appointees assumed office on May 11, 2015. In addition, Hioroshi Katayama was appointed as a substitute executive director.

(3) Summary of Financial Results

As a result of the above operations, in the period under review, the Company's operating revenues increased 2.0% compared with the previous period, to 28,314 million yen. On the earnings front, operating income decreased 0.1%, to 11,243 million yen. After deducting expenses for interest payments on loans and other costs, ordinary income increased 0.4 %, to 9,625 million yen, and net income increased 0.5%, to 9,619 million yen.

Turning to dividends, the Company will make cash distributions using accounting profits based on the dividend policy outlined in Article 32-2 of the Company's Articles of Incorporation, in an amount that exceeds 90% of earnings available for dividends as required by Article 67-15 of the Special Taxation Measures Law of Japan. Based on this policy, transferring the revised amount for deferred tax liabilities, which accompanied changes to the statutory tax rate, to the reserve for reduction entry, the Company was able to maintain retained earnings brought forward as the amount of dividends did not exceed earnings available for distribution at the end of the period. Therefore, the total amount of dividends that the Company has determined to pay out is 9,613,001,930 yen for the period under review, which is a multiple of 1,251,530—the number of units outstanding as of March 31, 2015. Accordingly, the per-unit cash dividend is 7,681 yen.

c. Outlook

(1) Operating Environment

In the Japanese economy, the drop in demand and sluggish consumer spending that followed the consumption tax increase are gradually coming to an end. Against a backdrop of improvement in the labor market, personal income, and corporate earnings, it is expected that the economic recovery trend will continue to grow stronger going forward. However, depending on trends in the economic climate overseas, particularly in North America, there is also concern that the risk of economic downturn is gradually getting stronger.

In the market for leased office space, although the pace of declining vacancy rates is slowing down, vacancies in buildings with a competitive edge and excellent location are gradually diminishing. Thanks to improved corporate earnings, it is expected that the need for proactive relocation and expansion will steadily spread throughout the entire market for leased office space.

Regarding the investment market for real estate, given the favorable financial environment that surrounds the market, it is expected that real estate transactions will continue to actively occur across the board, from superior large-scale properties to small and medium-scale properties.

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 Special Taxation Measures Law of Japan) 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 28th fiscal period (April 1, 2015 to September 30, 2015), the Company forecasts operating revenues totaling 29,800 million yen, operating income totaling 11,880 million yen, ordinary income totaling 10,280 million yen, and net income totaling 10,270 million yen. The Company plans to declare a cash dividend is 7,840 yen per unit.

For the 29th fiscal period (October 1, 2015 to March 31, 2016), the Company forecasts operating revenues totaling 29,720 million yen, operating income totaling 11,990 million yen, ordinary income totaling 10,420 million yen, and net income totaling 10,410 million yen. The Company plans to declare a cash dividend is 7,950 yen per unit.

Regarding the assumptions set for these forecasts, please see pages 10 and 11 entitled "Assumptions Underlying Performance Forecasts for the 28th fiscal period (April 1, 2015 to September 30, 2015) and the 29th fiscal period (October 1, 2015 to March 31, 2016)". Operating revenues, operating income, ordinary income, net income, and cash dividend per unit may vary depending on changes in the market situation.

(3) Issuance of New Investment Units

As stated in Section b. Business Operations (2) Results of Operations ② Finance Activities, the Company carried out the following issuance of new units and secondary offering of units as decided on at the Board of Directors' meetings on March 18, 2015, and March 30, 2015.

Public offerings of new investment units

Number of newly issued units: 54,000

Offer price (subscription price): 557,620 yen per unit

Aggregate amount of offer price (subscription price): 30,111,480,000 yen

Issue price: 540,550 yen per unit

Aggregate amount of issue price: 29,189,700,000 yen

Payment date: April 6, 2015

Secondary offering of investment units (through purchase by SMBC Nikko Securities Inc.)

Number of units offered: 3,200

Offer price: 557,620 yen per unit

Aggregate amount of offer price: 1,784,384,000 yen

Secondary offering of investment units (over-allotment)

Number of units offered: 3,780

Offer price: 557,620 yen per unit

Aggregate amount of offer price: 2,107,803,600 yen

Issuance of new investment units by third-party allocation

Number of units issued: 3,780

Issue price: 540,550 yen per unit

Aggregate amount of issue price: 2,043,279,000 yen

Payment date: May 11, 2015

Allottee: SMBC Nikko Securities Inc.

With the funds procured from the above public offerings of new investment units, the Company acquired an additional 5.0% (10,100 million yen) quasi-co-ownership interest of trust beneficiary right in trust of real estate pertaining to the Shiodome Building. In addition, the Company made repayments of short-term loans and redeemed investment corporation bonds as listed below. The remaining funds have been allocated as cash reserves for acquiring specified assets and repaying loans in the future.

Pre-payment of short-term loans

April 7, 2015: 4,000 million yen

Scheduled repayment of a short-term loan

April 8, 2015: 4,500 million yen

Investment corporation bond redemption

April 23, 2015: The 7th investment corporation bond, 10,000 million yen

In addition, with the funds procured from the issuance of new investment units by third-party allocation, the Company made a prepayment of 2,000 million yen in short-term loans on May 12, 2015. The remaining funds have been allocated as cash reserves for acquiring specified assets and repaying loans in the future.

(4) Acquisition of Assets

As stated in b. Business Operations (2) Results of Operations ①Property Management and Acquisition, the Company has acquired the following assets since the closing date for the current period (March 31, 2015)

Name of acquired asset: Umeda Square Building

(Overview of acquisition)

Type of specified asset: Trust beneficiary right in trust of domestic real estate

Acquisition price: 15,523,520 thousand yen

Contract agreement date: April 1, 2015

Acquisition date: April 1, 2015

Seller: Hayabusa Godo Kaisha

(Details on real estate in trust)

Address: 12-17, 1 chome, Umeda, Kita-ku, Osaka City, Osaka Prefecture

Usage: Offices, shops

Site area: 1,652.88m²

Floor area of building: 18,673.28m²

Structure: Steel-framed, steel-reinforced concrete structure, flat roof,

3 floors below ground, 17 floors above ground

Completion date: July 1995

Type of ownership: Ownership

Total number of tenants: 39*

Total leasable space: 10,369m²*

Total leased space: 10,052m²*

Occupancy rate: 96.9%*

*Note: The figures for the total number of tenants, total amount of leasable space, total leased space, and occupancy rates, are listed as they were on the acquisition date.

On May 11, 2015, a certain number of leasing agreements expired. The occupancy rate after these expirations fell to 95.2%.

Name of acquired asset: Shiodome Building (additional acquisition)

(Overview of acquisition)

Type of specified asset: Trust beneficiary right in trust of domestic real estate (5% quasi-co-ownership)

Acquisition price: 10,100 million yen

Contract agreement date: April 2, 2015

Acquisition date: May 1, 2015

Seller: Godo Kaisha Shiodome Investment

(Details on real estate in trust)

Address: 2-20, 1chome, Kaigan, Minato-ku, Tokyo

Usage: Offices, shops

Site area: Approx. 12,046m² (total land area of the building site, land area of designated provisional re-plotting land)

Floor area of building: 115,930.83m² (total floor area of the entire building)

Structure: Steel-framed, steel-reinforced concrete structure, flat roof,

2 floors below ground, 24 floors above ground

Completion date: December 2007

Type of ownership: Ownership

Total number of tenants: 35*

Total leasable space: 4,019m²*

Total leased space: 3,948m²*

Occupancy rate: 98.2%*

* Note: The figures for the total number of tenants, total amount of leasable space, total leased space, and occupancy rates, are listed as they were on the acquisition date. However, the figures for total leasable space and total leased space are applied only to the 5% of acquired quasi-co-ownership. The figures for the total number of tenants and occupancy rate are those of the entire building.

**Assumptions Underlying Performance Forecasts for the 28th Fiscal Period (April 1, 2015 to September 30, 2015)
and the 29th Fiscal Period (October 1, 2015 to March 31, 2016)**

Item	Assumption
Accounting period	<ul style="list-style-type: none"> • The 28th Fiscal Period: April 1, 2015 to September 30, 2015 (183days) • The 29th Fiscal Period: October 1, 2015 to March 31, 2016 (183 days)
Number of properties held by the Company	<ul style="list-style-type: none"> • The Company assumes that by including the Umeda Square Building, acquired on April 1, 2015, and the Shiodome Building (additional acquisition), acquired on May 1, 2015, with the 68 properties it possessed at the end of the 27th fiscal period, its property portfolio consists of 69 properties. The actual portfolio may differ from this assumption due to additional property acquisitions and dispositions. • As of May 18, 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 by including the 54,000 new investment units issued by public offering and the 3,780 new investment units issued by third-party allocation, as decided on at the Board of Directors' meetings held on March 18, 2015, and March 30, 2015, with the 1,251,530 units outstanding at the end of the 27th fiscal period, the total number of units outstanding 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 short-term loans of 15.5 billion yen on April 1, 2015, to partially fund the acquisition of the Umeda Square Building. In addition, the Company used funds procured from the issuance of new investment units by public offering, as decided on at the Board of Directors' meetings held March 18, 2015 and March 30, 2015, to make a prepayment of 4 billion yen in short-term loans on April 7, 2015. The Company also used the said funds to make a scheduled repayment of 4.5 billion yen in a short-term loan on April 8, 2015, and to redeem the 7th investment corporation bond totaling 10.0 billion yen. Also, the Company used funds procured from the issuance of new investment units by third-party allocation, as decided on at the Board of Directors' meetings mentioned above, to make a prepayment of 2.0 billion yen in short-term loans on May 12, 2015. <p>As a result, the balance for interest-bearing debt is 356 billion yen as of May 18, 2015.</p> <ul style="list-style-type: none"> • In the 28th fiscal period, the Company presumes that it will refinance the long-term loans due for repayment during the period totaling 14.5 billion yen (repayment dates: May 29, 2015, June 15, 2015, and September 1, 2015) and the short-term loans due for repayment during the period totaling 3.8 billion yen (repayment date: September 2, 2015). The Company presumes that the funds procured from such sources as loans and newly issued investment bonds will be used to redeem the 8th investment corporation bond totaling 10.0 billion yen, set to mature on July 23, 2015. • In the 29th fiscal period, 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 22.7 billion yen (repayment dates: October 1, 2015, January 7, 2016, March 2, 2016, March 25, 2016, and March 31, 2016). There are no investment corporation bonds set to mature in the 29th period. <p>(All the totals mentioned above are those as of May 18, 2015.)</p>
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 May 18, 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: 13 million yen for the Clover Shiba-koen, 21 million yen for Ginza 1Chome East Building, 49 million yen for the Amagasaki Front Building, 19 million yen for the additional interest acquired for Harmony Tower, 96 million yen for the Umeda Square Building, and 32 million yen for the additional interest acquired for the Shiodome Building. • The Company assumes that property and other taxes will be 2,760 million yen in the 28th fiscal period and 2,760 million yen in the 29th fiscal period. • The Company assumes that depreciation will be 6,290 million yen in the 28th fiscal period and 6,290 million yen in the 29th fiscal period. • Property management expenses are assumed to take past operational results into consideration. • Repair expenses may vastly differ from the projected amounts as there may be large differences in costs incurred from one fiscal period to another and because such costs are not recurring.
Non-operating expenses	<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 1,650 million yen in the 28th fiscal period and 1,560 million yen in the 29th fiscal 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 28th and 29th fiscal periods will not be appropriated from internal reserves.* <p>*Internal reserves (projected for the 27th fiscal period) shall comprise the residual amount of 390 million yen, reflecting a dividend payout of 519 million yen for the 22nd and 23rd fiscal periods subtracted from the balance of internal reserves at the end of the 21st fiscal period (as of March 31, 2012), which totaled 909 million yen, comprising retained earnings brought forward of 30 million yen and the amount apportioned to internal reserves from the gain on sale of land as a result of the sale of the Takawadai 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 September 30, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	20,650,366	15,561,878
Cash and deposits in trust	4,938,725	4,687,042
Operating accounts receivable	146,658	127,501
Prepaid expenses	187,287	155,505
Deferred tax assets	953	979
Consumption taxes receivable	—	833,719
Other	107,610	27,314
Total current assets	26,031,601	21,393,942
Non-current assets		
Property, plant and equipment		
Buildings	251,314,069	260,036,543
Accumulated depreciation	(65,297,431)	(70,005,181)
Buildings, net	186,016,637	190,031,361
Structures	2,933,708	3,169,570
Accumulated depreciation	(536,728)	(589,318)
Structures, net	2,396,979	2,580,252
Machinery and equipment	2,899,420	2,929,200
Accumulated depreciation	(1,565,756)	(1,638,100)
Machinery and equipment, net	1,333,663	1,291,099
Tools, furniture and fixtures	349,680	365,608
Accumulated depreciation	(141,262)	(163,901)
Tools, furniture and fixtures, net	208,417	201,706
Land	420,415,192	439,594,248
Construction in progress	358,948	1,310
Buildings in trust	62,506,633	71,500,994
Accumulated depreciation	(13,685,828)	(14,792,492)
Buildings in trust, net	48,820,805	56,708,501
Structures in trust	583,214	613,238
Accumulated depreciation	(113,721)	(125,661)
Structures in trust, net	469,493	487,577
Machinery and equipment in trust	846,483	963,001
Accumulated depreciation	(588,971)	(604,071)
Machinery and equipment in trust, net	257,512	358,929
Tools, furniture and fixtures in trust	30,297	34,030
Accumulated depreciation	(10,792)	(12,401)
Tools, furniture and fixtures in trust, net	19,505	21,629
Land in trust	118,440,720	130,818,405
Construction in progress in trust	—	1,278
Total property, plant and equipment	778,737,876	822,096,301
Intangible assets		
Leasehold rights	6,096,492	6,080,662
Leasehold rights in trust	444,160	444,160
Easement	828,095	828,095
Total intangible assets	7,368,748	7,352,918

Thousands of yen

	As of September 30, 2014	As of March 31, 2015
Investments and other assets		
Investment securities	577,168	577,168
Lease and guarantee deposits	1,071,830	1,071,830
Long-term prepaid expenses	85,594	145,061
Total investments and other assets	1,734,592	1,794,059
Total non-current assets	787,841,217	831,243,279
Deferred assets		
Investment corporation bond issuance costs	58,271	41,873
Total deferred assets	58,271	41,873
Total assets	813,931,090	852,679,094
Liabilities		
Current liabilities		
Operating accounts payable	1,131,944	1,491,516
Short-term loans payable	31,500,000	32,500,000
Current portion of investment corporation bonds	20,000,000	20,000,000
Current portion of long-term loans payable	19,600,000	16,600,000
Accounts payable - other	925,217	1,233,343
Accrued expenses	734,114	768,834
Income taxes payable	5,006	11,150
Accrued consumption taxes	1,323,301	—
Advances received	3,280,750	3,346,275
Other	125,583	60,024
Total current liabilities	78,625,919	76,011,145
Non-current liabilities		
Investment corporation bonds	20,000,000	20,000,000
Long-term loans payable	232,450,000	271,900,000
Deposits received from tenants	45,766,249	47,637,990
Deferred tax liabilities	122,776	116,161
Asset retirement obligations	315,687	318,867
Other	27,488	23,781
Total non-current liabilities	298,682,201	339,996,800
Total liabilities	377,308,121	416,007,946
Net assets		
Unitholders' equity		
Unitholders' capital	426,783,117	426,783,117
Surplus		
Voluntary retained earnings		
Reserve for reduction entry	236,709	236,745
Total voluntary retained earnings	236,709	236,745
Unappropriated retained earnings	9,603,143	9,651,286
Total surplus	9,839,852	9,888,031
Total unitholders' equity	436,622,969	436,671,148
Total net assets	436,622,969	436,671,148
Total liabilities and net assets	813,931,090	852,679,094

(2) Statements of Income

Thousands of yen

	For the period from April 1, 2014 to September 30, 2014	For the period from October 1, 2014 to March 31, 2015
Operating revenues		
Rent revenues	27,604,566	28,048,535
Other lease business revenues	155,847	266,377
Total operating revenues	27,760,413	28,314,912
Operating expenses		
Expenses related to rent business	15,538,009	15,911,920
Asset management fee	638,740	772,029
Asset custody fee	58,445	59,387
Administrative service fees	138,607	140,513
Directors' compensations	7,800	7,800
Commission fee	61,803	106,448
Other operating expenses	61,876	73,712
Total operating expenses	16,505,284	17,071,812
Operating income	11,255,129	11,243,100
Non-operating income		
Interest income	6,257	3,979
Dividend income	19,724	—
Reversal of distribution payable	2,666	3,486
Refund of property taxes	8,358	21,718
Income on settlement of management association accounts	8,524	—
Other	2,556	3,281
Total non-operating income	48,086	32,466
Non-operating expenses		
Interest expenses	1,291,376	1,332,133
Interest expenses on investment corporation bonds	329,603	270,090
Amortization of investment corporation bond issuance costs	18,910	16,398
Investment unit issuance expenses	53,606	—
Other	27,206	31,412
Total non-operating expenses	1,720,703	1,650,034
Ordinary income	9,582,512	9,625,531
Income before income taxes	9,582,512	9,625,531
Income taxes - current	10,104	12,292
Income taxes - deferred	50	(6,641)
Total income taxes	10,154	5,650
Net income	9,572,357	9,619,880
Retained earnings brought forward	30,785	31,405
Unappropriated retained earnings	9,603,143	9,651,286

(3) Statements of Changes in Unitholders' Equity

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

Thousands of yen

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

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)
Net income				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

(4) Basis of Calculations Used to Determine Cash Distributions

Item	For the period from April 1, 2014 to September 30, 2014	For the period from October 1, 2014 to March 31, 2015
	Amount (Yen)	Amount (Yen)
I Retained Earnings	9,603,143,216	9,651,286,262
II Cash Distribution	9,571,701,440	9,613,001,930
(Dividend per Investment Unit)	(7,648)	(7,681)
III Voluntary retained earnings		
Provision of reserve for reduction entry	35,954	6,615,210
IV Retained Earnings Brought Forward	31,405,822	31,669,122

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 9,571,701,440 yen for the period under review, which is a multiple of 1,251,530 — the number of units outstanding as of September 30, 2014. Furthermore, the Company does not pay out dividends that exceed accounting profits as outlined in Article 32-3 of the Company's Articles of Incorporation.</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. 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>
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(5) Statements of Cash Flows

Thousands of yen

	For the period from April 1, 2014 to September 30, 2014	For the period from October 1, 2014 to March 31, 2015
Cash flows from operating activities		
Income before income taxes	9,582,512	9,625,531
Depreciation	5,883,291	6,009,647
Amortization of investment corporation bond issuance costs	18,910	16,398
Investment unit issuance expenses	53,606	—
Dividend income	(19,724)	—
Interest income	(6,257)	(3,979)
Interest expenses	1,620,980	1,602,224
Decrease (increase) in operating accounts receivable	(12,609)	19,156
Decrease (increase) in consumption taxes refund receivable	398,464	(833,719)
Decrease (increase) in supplies	(71)	(409)
Decrease (increase) in prepaid expenses	(47,328)	31,781
Increase (decrease) in operating accounts payable	(35,401)	(34,944)
Increase (decrease) in accounts payable - other	(223,961)	188,917
Increase (decrease) in accrued consumption taxes	1,323,301	(1,323,301)
Increase (decrease) in accrued expenses	(117)	117
Increase (decrease) in advances received	(7,534)	65,525
Decrease (increase) in long-term prepaid expenses	33,672	(59,466)
Other, net	(71,886)	6,632
Subtotal	18,489,846	15,310,110
Interest and dividend income received	24,997	5,619
Interest expenses paid	(1,686,905)	(1,567,622)
Income taxes paid	(16,650)	(6,147)
Net cash provided by (used in) operating activities	16,811,288	13,741,960
Cash flows from investing activities		
Payments into time deposits	(10,431,000)	(2,463,000)
Proceeds from withdrawal of time deposits	9,431,000	7,463,000
Purchase of property, plant and equipment	(2,317,879)	(27,617,071)
Purchase of property, plant and equipment in trust	(578,573)	(21,214,962)
Purchase of intangible assets	(7,185)	—
Repayments of tenant leasehold and security deposits	(920,666)	(1,068,104)
Proceeds from tenant leasehold and security deposits	1,268,154	2,939,845
Net cash provided by (used in) investing activities	(3,556,150)	(41,960,294)
Cash flows from financing activities		
Proceeds from short-term loans payable	13,800,000	34,200,000
Repayments of short-term loans payable	(39,100,000)	(33,200,000)
Proceeds from long-term loans payable	5,000,000	41,500,000
Repayments of long-term loans payable	(50,000)	(5,050,000)
Redemption of investment corporation bonds	(15,000,000)	—
Proceeds from issuance of investment units	30,764,800	—
Payments for investment unit issuance expenses	(53,606)	—
Dividends paid	(9,070,918)	(9,571,836)
Net cash provided by (used in) financing activities	(13,709,724)	27,878,163
Net increase (decrease) in cash and cash equivalents	(454,586)	(340,170)
Cash and cash equivalents at beginning of period	21,043,677	20,589,091
Cash and cash equivalents at end of period	20,589,091	20,248,921

(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.....	3-60 years
Machinery and equipment.....	2-18 years
Tools, furniture and fixtures.....	2-29 years

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

The Company reviews fixed assets for impairment whenever events or changes in circumstances indicate that the carrying amount of its fixed assets may not be recoverable. According to the standard set by the Accounting Standards Board of Japan, companies are required to recognize an impairment loss in their statement of income if certain indicators of asset impairment exist and the book value of an asset exceeds the undiscounted sum of future cash flows of the asset. The standard states that impairment losses should be measured as the excess of the book value over the higher of (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 started at cost. Amortization of a term leasehold interest for business use is calculated by the straight-line method based on the period of agreement.

Leased assets

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

Deferred charges

Investment corporation bond issuance costs are amortized using the straight-line method over the redemption periods.

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 in 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 September 30, 2014	As of March 31, 2015
Buildings	50,086	50,086

b. Commitment line agreement

The Company has signed commitment line agreements with five banks.

	Thousands of yen	
	As of September 30, 2014	As of March 31, 2015
Total amount of commitment line agreement	43,000,000	43,000,000
Debt financing balance	—	—
Balance	43,000,000	43,000,000

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

	Thousands of yen	
	As of September 30, 2014	As of March 31, 2015
	50,000	50,000

(Breakdown of Property-Related Revenues and Expenses)

	Thousands of yen	
	For the period from April 1, 2014 to September 30, 2014	For the period from October 1, 2014 to March 31, 2015
Property-Related Revenues	27,760,413	28,314,912
Rental Revenues	27,604,566	28,048,535
Rental revenues	21,334,732	21,748,842
Common service charges	3,485,270	3,458,878
Parking revenues	722,801	741,840
Other rental revenues	2,061,761	2,098,973
Non-Rental Revenues	155,847	266,377
Cancellation charges	92,532	229,617
Gain on donation of non-current assets	1,119	-
Other miscellaneous revenues	62,195	36,759
Property-Related Expenses	15,538,009	15,911,920
Property management expenses	3,378,661	3,447,650
Utilities expenses	2,768,816	2,694,344
Property and other taxes	2,530,715	2,531,043
Casualty insurance	55,303	55,609
Repairing expenses	733,609	983,138
Depreciation	5,883,291	6,009,647
Other rental expenses	187,611	190,486
Property-Related Profits	12,222,403	12,402,991

(Changes in Unitholders' Equity)

Total number of investment units issuable and number of units outstanding	As of September 30, 2014	As of March 31, 2015
Total number of investment units issuable	4,000,000 units	4,000,000 units
Number of units outstanding	1,251,530 units	1,251,530 units

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

The following table represents a reconciliation of cash and cash equivalents at September 30, 2014 and March 31, 2015:

	Thousands of yen	
	As of September 30, 2014	As of March 31, 2015
Cash and deposits	20,650,366	15,561,878
Cash and deposits in trust	4,938,725	4,687,042
Time deposits with maturities of more than three months	(5,000,000)	—
Cash and cash equivalents	20,589,091	20,248,921

(Financial Instruments)

For the six months ended September 30, 2014 and March 31, 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. 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 previously section (7) Summary of significant accounting policies: Hedge accounting.

Loans and investment corporation bonds involve liquidity risk at the time of maturity. To manage such liquidity risk, the Company implements measures such as ① maintaining and strengthening its ability to access equity markets to secure funds, ② maintaining commitment lines with major financial institutions (There is no amount outstanding under the facility as of September 30, 2014 and as of March 31, 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 September 30, 2014 and as of March 31, 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 September 30, 2014		
	Book value	Fair value	Difference
(1) Cash and deposits	20,650,366	20,650,366	—
(2) Cash and deposits in trust	4,938,725	4,938,725	—
(3) Short-term loans	31,500,000	31,500,000	—
(4) Current portion of investment corporation bonds	20,000,000	20,129,900	129,900
(5) Current portion of long-term loans	19,600,000	19,740,007	140,007
(6) Investment corporation bonds	20,000,000	21,668,300	1,668,300
(7) Long-term loans	232,450,000	237,846,285	5,396,285
(8) Derivative transactions	—	—	—

	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	—	—	—

Note 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 September 30, 2014 and March 31, 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 September 30, 2014 and March 31, 2015.

(8) Derivative Transactions

Please refer to the following section entitled Derivative Transactions.

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

	Thousands of yen	
	As of September 30, 2014	As of March 31, 2015
(1) Non-listed stock (*1)	577,168	577,168
(2) Deposits received from tenants (*2)	45,766,249	47,637,990

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

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

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

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

	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	—	—	—	—	—

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

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

	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

(Derivative Transactions)

a. Derivatives not designated as hedging instruments

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

“Not applicable”

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

“Not applicable”

b. Derivatives designated as hedging instruments

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

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

(Thousands of yen)

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

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.

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

*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 September 30, 2014 and March 31, 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 ¥9,613 million subsequent to March 31, 2015, which is the multiple number of units up to 100% of the unappropriated retained earnings after transferring the revised amount for deferred tax liabilities, which reflects changes of the statutory tax rate, to the reserve for reduction entry, and deducting therefrom ¥31 million of retained earnings to be carried forward. The Company will not distribute dividends in excess of retained earnings under Article 32-3 of the Articles of Incorporation. The significant components of deferred tax assets and liabilities as of September 30, 2014 and March 31, 2015 were as follows:

	Thousands of yen	
	For the period from April 1, 2014 to September 30, 2014	For the period from October 1, 2014 to March 31, 2015
Deferred tax assets:		
Accrued enterprise tax	953	979
Amortization of a term leasehold interest	39,643	42,622
Asset retirement obligations	7,642	8,257
	48,239	51,860
Valuation allowance	(47,285)	(50,880)
Total deferred tax assets	953	979
Deferred tax liabilities:		
Reserve for advanced depreciation of non-current assets	122,776	116,161
Total deferred tax liabilities	122,776	116,161
Net deferred tax liabilities	121,823	115,181

The reconciliation of tax rate difference between the adjusted statutory tax rate and the effective tax rate for the six months ended September 30, 2014 and March 31, 2015 were as follows:

	For the period from April 1, 2014 to September 30, 2014	For the period from October 1, 2014 to March 31, 2015
	Statutory tax rate	37.11%
Deductible dividend distribution	(37.07%)	(37.06%)
Change in valuation allowance	0.07%	0.07%
Others	(0.01%)	(0.06%)
Effective tax rate	0.11%	0.06%

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

Under the 2015 Tax Reform Act promulgated on March 31, 2015, corporate tax rates were lowered from the fiscal period started April 1, 2015. In light of this, the statutory tax rate used to calculate deferred tax assets and deferred tax liabilities will change to 32.31% for temporary differences expected to be eliminated from the 28th fiscal period ending in September 2015 and onward.

This change will have minimal effect on earnings.

(Asset Retirement Obligations)

For the six months ended September 30, 2014 and March 31, 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 September 30, 2014 and March 31, 2015 consisted of the following:

	Thousands of yen	
	For the period from April 1, 2014 to September 30, 2014	For the period from October 1, 2014 to March 31, 2015
Balance at the beginning of the period	312,538	315,687
Increase in the tangible fixed assets	—	—
Adjustment required over the period	3,148	3,180
Balance at the end of the period	315,687	318,867

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 September 30, 2014 and March 31, 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 September 30, 2014 and as of March 31, 2015 and the fair values as of September 30, 2014 and as of March 31, 2015 are as follows:

Thousands of yen			
Book value		Fair value	
As of March 31, 2014	Change during period(*1)	As of September 30, 2014	As of September 30, 2014
789,543,332	(3,436,707)	786,106,624	843,367,000

Thousands of yen			
Book value		Fair value	
As of September 30, 2014	Change during period(*2)	As of March 31, 2015	As of March 31, 2015
786,106,624	43,342,594	829,449,219	912,125,000

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

Note 2: Significant changes

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

(*2) 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.

Note 3: Fair values as of September 30, 2014 and as of March 31, 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 September 30, 2014 and March 31, 2015

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

Information about products and services

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

Information about geographic area

a. Revenue

Since 100% of the 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 about major clients

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

(Per Unit Information)

The following table summarizes information about net assets per unit and net income per unit at September 30, 2014 and March 31, 2015 and for the periods then ended, respectively:

	Yen	
	For the period from April 1, 2014 to September 30, 2014	For the period from October 1, 2014 to March 31, 2015
Net assets at period end per unit	348,871	348,909
Net income per unit	7,683	7,686

Note 1: Net income per unit is computed by dividing net income by the weighted average number of units outstanding during each period.

Diluted net income per unit has not been presented since no warrants or convertible bonds were outstanding during the period.

Note 2: The basis for the computation of net income per unit is as follows.

	Thousands of yen	
	For the period from April 1, 2014 to September 30, 2014	For the period from October 1, 2014 to March 31, 2015
Net income	9,572,357	9,619,880
Amount not attributable to normal unitholders	—	—
Net income applicable to normal investment units	9,572,357	9,619,880
Average number of units	1,245,780 units	1,251,530 units

(Subsequent Events)

For the six months ended March 31, 2015

Issuance of New Investment Units

As approved by the Board of Directors' meetings on March 18, 2015 and March 30, 2015, the Company decided to issue new investment units, completing the public offering on April 6, 2015 and the third-party allocation on May 11, 2015. As a result of the issuance of additional units, the unitholders' capital increased to ¥458,016,096 thousand and the units issued and outstanding increased to 1,309,310 units as of May 11, 2015.

Summary of the issuance of units

(i) Public offering of new investment units

1. Subscription method: Public offering (subscription by book-building and spread method*)
2. Number of units newly issued: 54,000 units
3. Offer price (subscription price): ¥557,620 per unit
4. Aggregate amount of offer price (subscription price): ¥30,111,480 thousand
5. Issue price (paid-in price): ¥540,550 per unit
6. Aggregate amount of issue price (paid-in price): ¥29,189,700 thousand
7. Payment date: April 6, 2015
8. Initial date subject to distribution: April 1, 2015

* Under the so-called "spread method", the price difference between the aggregate amount of the offer price and the aggregate amount of the issue price shall be the proceeds for each underwriter, and the Company will not pay an underwriting fee to the underwriters. The underwriting fee is not recognized as investment unit issuance expenses in the financial statements.

(ii) Offering of existing units

1. Number of units offered: 3,200 units
2. Offer price: ¥557,620 per unit
3. Aggregate amount of offer price: ¥1,784,384 thousand
4. Selling unitholder: SMBC Nikko Securities Inc., which offered the units it purchased from Mitsubishi Estate Co., Ltd.

(iii) Secondary offering of investment units (over-allotment)

1. Number of units offered: 3,780 units
2. Offer price: ¥557,620 per unit
3. Aggregate amount of offer price: ¥2,107,803 thousand

(iv) Issuance of new investment units by third-party allocation

1. Subscription method: Third-party allocation
2. Number of units newly issued: 3,780 units
3. Issue price (paid-in price): ¥540,550 per unit
4. Aggregate amount of issue price (paid-in price): ¥2,043,279 thousand
5. Payment date: May 11, 2015
6. Initial date subject to distribution: April 1, 2015
7. Allottee: SMBC Nikko Securities Inc.

(v) Use of proceeds

The net proceeds raised through the public offering were partially appropriated for the acquisition of the Shiodome Building and also the repayment of short-term loans as well as the redemption of investment corporation bonds. The net proceeds raised through the third-party allocation were appropriated for the repayment of short-term loans and the remaining balance was appropriated for supplementing cash reserves used for the acquisition of properties as well as the repayment of debt in the future.

The Company did not receive any proceeds from the sale of the existing units by the selling unitholder.

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

Changes in the number of units outstanding and total unitholders' capital for the previous period and earlier are as follows.

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

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

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

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

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

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

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

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

*8. New investment units were issued at 597,520 yen per unit (underwriting price of 579,040 yen) with the purpose of funding the acquisition of new specified assets and the repayment of loans.

*9. New investment units were issued at 579,040 yen per unit with the purpose of funding the repayment of loans.

*10. New investment units were issued at 672,750 yen per unit (underwriting price of 652,050 yen) with the purpose of funding the

repayment of short-term loans used to acquire new specified assets and, in the event there is any remaining, the repayment of other loans.

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

4. Changes in Officers

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

5. Reference Data

a. Composition of the Company's Assets

Asset type	Region, etc.	As of September 30, 2014		As of March 31, 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	504,770	62.0	528,169	61.9
	Tokyo metropolitan area (excluding Tokyo 23 wards)* ²	45,115	5.5	44,905	5.3
	Regional cities	67,768	8.3	67,534	7.9
	Total	617,654	75.9	640,608	75.1
Trust	Tokyo 23 wards	97,839	12.0	109,002	12.8
	Tokyo metropolitan area (excluding Tokyo 23 wards)* ²	20,060	2.5	19,938	2.3
	Regional cities	50,552	6.2	59,899	7.0
	Total	168,452	20.7	188,840	22.1
Savings and other assets		27,824	3.4	23,229	2.7
		(-)	(-)	(-)	(-)
Total amount of assets		813,931	100.0	852,679	100.0
		(786,106)	(96.6)	(829,449)	(97.3)

*1. Total of net book value as of September 30, 2014 is based on total amounts from the balance sheet as of September 30, 2014, and total of net book value as of March 31, 2015 is based on total amounts from the balance sheet as of March 31, 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 March 31, 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	
								(¥ thousand)	Ratio *2		
Tokyo metropolitan area	Tokyo 23 wards	Genki Medical Plaza	Real property	1	4,791	100.0%	6,770	4,851	5,000,000	0.6%	76.8%
		Kitanomaru Square	Real property	5*5	25,678*5	100.0%*5	78,300	74,399	81,555,500	9.2%	
		MD Kanda Building	Real property	9	6,269	100.0%	7,800	8,847	9,520,000	1.1%	
		Kandabashi Park Building	Real property	9	3,687	100.0%	4,230	4,533	4,810,000	0.5%	
		Otemachi Financial City North Tower	Real property	2	5,112	100.0%	17,800	15,543	15,462,900	1.8%	
		Nibancho Garden	Real property	1*5	9,316*5	100.0%*5	17,400	12,914	14,700,000	1.7%	
		Mitsubishi UFJ Trust and Banking Building	Real property	10	11,904	100.0%	46,100	29,302	44,700,000	5.1%	
		Burex Kojimachi Building	Real property	1	4,495	100.0%	6,370	5,920	7,000,000	0.8%	
		Sanno Grand Building	Real property	34	20,830	95.2%	30,600	21,165	10,200,000 10,700,000 Total: 20,900,000	2.4%	
		Yurakucho Denki Building	Real property	13	4,697	94.8%	7,600	7,768	7,200,000	0.8%	
		Kodenmachi Shin-Nihonbashi Building	Trust	10	3,897	100.0%	2,810	2,812	3,173,000	0.4%	
		Kyodo Building (Kayabacho 2Chome)	Trust	10	4,464	100.0%	4,830	4,284	4,410,000	0.5%	
		Burex Kyobashi Building	Real property	1	4,279	100.0%	6,730	4,570	5,250,000	0.6%	
		Ginza 1 Chome East Building	Trust	5	4,513	53.1%	6,660	6,698	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 (¥ 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	Ginza Sanwa Building	Real property	10	4,329	100.0%	16,500	17,126	16,830,000	1.9%
		Ryoshin Ginza East Mirror Building	Real property	12	4,255	100.0%	5,510	7,558	5,353,500 2,645,922 *6 Total: 7,999,422	0.9%
		Harumi Front	Real property	6	33,369	99.8%	39,000 *7	30,227	31,300,000	3.5%
		Harumi Center Building	Real property	9	20,812	100.0%	20,100	23,446	26,800,000	3.0%
		Akasaka Park Building	Real property	28 *5	45,013 *5	100.0% *5	67,100	61,051	60,800,000	6.9%
		Aoyama Crystal Building	Real property	8	4,898	100.0%	7,340	7,193	7,680,000	0.9%
		Clover Shiba-koen	Trust	8	2,550	100.0%	4,600 *14	4,663	4,500,000	0.5%
		Shiodome Building	Trust	35	32,155	98.2%	81,600	73,147	21,250,000 54,600,000 Total: 75,850,000	8.6%
		Shiba 2Chome Daimon Building	Trust	25	9,606	100.0%	6,060	5,131	4,859,000	0.5%
		Cosmo Kanasugibashi Building	Trust	6	4,062	100.0%	2,870	2,572	2,808,000	0.3%
		Shinjuku Eastside Square	Real property	40	16,365	90.0%	24,500 *14	23,266	23,100,000	2.6%
		Shinwa Building	Real property	14	5,997	100.0%	5,930	7,530	7,830,000	0.9%
		Tokyo Opera City Building*8	Real property	95	35,082	96.4%	29,900	29,171	9,350,000 22,426,831 Total: 31,776,831	3.6%
		TIXTOWER UENO	Real property	17	15,020	100.0%	24,700	20,950	22,000,000	2.5%
		Higashi-Gotanda 1Chome Building	Real property	4	5,205	100.0%	5,790	4,648	5,500,000	0.6%
		Osaki Front Tower*9	Real property	1	16,856	100.0%	16,200 *7	10,621	12,300,000	1.4%
		Omori-Eki Higashiguchi Building	Trust	23	7,756	100.0%	5,240	4,586	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	9	7,745	100.0%	10,400	7,272	8,700,000	1.0%	7.9%
		da Vinci Harajuku	Real property	4	3,147	100.0%	6,570	4,886	4,885,000	0.6%	
		Jingumae Media Square Building	Real property	5	5,558	100.0%	10,100	10,715	12,200,000*12	1.4%	
		Shibuya Cross Tower	Real property	60	30,532	95.9%	45,700	38,211	34,600,000	3.9%	
		Ebisu Neonato	Real property	6	8,700	100.0%	15,100	14,415	3,740,000 360,000 10,512,000 Total: 14,612,000	1.7%	
		Harmony Tower	Real property	21	14,340	100.0%	13,200	10,237	8,500,000 520,000 2,100,000 Total: 11,120,000	1.3%	
		Otsuka Higashi-Ikebukuro Building	Trust	7	7,224	100.0%	4,120	3,511	3,541,000	0.4%	
		Ikebukuro 2Chome Building	Trust	9	2,186	100.0%	1,630	1,593	1,728,000	0.2%	
		Ikebukuro YS Building	Real property	10	5,932	100.0%	4,240	4,247	4,500,000	0.5%	
	Tokyo metropolitan area, excluding Tokyo 23 wards	Hachioji First Square	Real property	50	10,068	100.0%	4,600	5,045	3,300,000 2,379,112 Total: 5,679,112	0.6%	
		Saitama Urawa Building	Real property	19	4,510	100.0%	2,180	2,488	1,232,000 1,342,000 Total: 2,574,000	0.3%	
		MM Park Building	Real property	28	38,426	97.0%	36,900	33,410	37,400,000	4.2%	
		Queen's Tower A	Trust	51	26,667	97.4%	18,100*14	17,008	17,200,000	1.9%	
		Kawasaki Isago Building	Trust	13	6,831	100.0%	2,470	2,929	3,375,000	0.4%	
		Musashi Kosugi STM Building	Real property	26	5,378	100.0%	3,990	3,961	4,000,000	0.5%	

Region	Name of building	Type of specified asset	Number of tenants*1	Leasable space (m ²)	Occupancy rate*2	Appraisal value at the end of period (¥ mil)*3	Book value at the end of period (¥ mil)	Acquisition price*4		Ratio by *2 region
								(¥ thousand)	Ratio *2	
Other major cities	8·3 Square Kita Building	Real property	8	12,265	99.0%	7,010	6,294	7,100,000	0.8%	15.2%
	Jozenji Park Building	Real property	17	2,518	94.0%	935	1,016	1,000,000	0.1%	
	Higashi Nibancho Square	Real property	21	20,526	98.7%	12,900*7	9,648	9,950,000	1.1%	
	Sendai Honcho Honma Building	Trust	24	6,234	98.7%	2,270	2,933	2,924,000 250,000 Total: 3,174,000	0.4%	
	Kanazawa Park Building	Real property	74	20,889	91.1%	4,400	4,367	2,880,000 1,700,000 Total: 4,580,000	0.5%	
	Nishiki Park Building*13	Real property	60*5	9,850*5	97.3%*5	4,610	5,095	3,850,000 1,300,000 650,000 Total: 5,800,000	0.7%	
	Nagoya Hirokoji Place	Trust	23	13,200	97.9%	9,670*14	8,454	8,567,000	1.0%	
	Hirokoji Sakae Building	Real property	16	3,911	95.5%	1,570	1,693	1,680,000	0.2%	
	Nagoya Hirokoji Building	Real property	33	21,636	95.5%	12,100	15,472	14,533,000	1.6%	
	Nagoya Misono Building	Real property	16	3,448	100.0%	1,150	1,362	1,865,000	0.2%	
	Shijo Karasuma Center Building	Real property	7	6,634	90.7%	4,620*14	4,285	4,400,000	0.5%	
	Kyoto Shijo Kawaramachi Building	Real property	35	6,805	92.8%	1,800	2,541	2,650,000	0.3%	
	Shin-Fujita Building	Trust	44	28,414	95.0%	17,200	22,459	24,000,000	2.7%	
	Sakaisujihonmachi Building	Real property	22	11,520	100.0%	3,180	3,709	2,264,000 1,900,000 Total: 4,164,000	0.5%	

Region	Name of building	Type of specified asset	Number of tenants*1	Leasable space (m ²)	Occupancy rate*2	Appraisal value at the end of period (¥ mil)*3	Book value at the end of period (¥ mil)	Acquisition price*4		Ratio by *2 region
								(¥ thousand)	Ratio *2	
	Midosuji Daiwa Building	Trust	42	20,450	98.8%	13,200	13,244	6,934,000 7,380,000 Total: 14,314,000	1.6%	
	Amagasaki Front Building	Trust	31	15,500	99.0%	9,400	9,369	9,300,000	1.1%	
	Lit City Building	Real property	40	9,965	100.0%	4,370	3,474	4,650,000	0.5%	
	NHK Hiroshima Broadcasting Center Building	Real property	12	9,860	100.0%	2,530	2,882	1,320,000 1,450,000 Total: 2,770,000	0.3%	
	Tosei Tenjin Building	Real property	21	3,995	98.1%	1,320	1,403	1,550,000	0.2%	
	Tenjin Crystal Building	Real property	30	5,973	100.0%	2,540	4,286	5,000,000	0.6%	
	Hinode Tenjin Building	Trust	4	5,841	100.0%	3,620	3,437	3,657,000	0.4%	
	Total		1,350	793,976	97.8%	912,125	829,449	883,514,766		100.0%

- *1. The total number of tenants is based on the gross number of tenants in each building. Each instance of occupancy of a single tenant leasing space is considered separately on a per property basis even if said tenant leases space in multiple properties.
- *2. Occupancy rate, ratio of acquisition price and ratio by region are rounded to the nearest first decimal place.
- *3. Appraisal value at the end of period is, as a rule, the value assessed by real estate appraisers based on the Company's Articles of Incorporation and the Cabinet Office Ordinance on Accountings of Investment Corporations. The book closing date is used as the appraisal date and the appraisal value is calculated by Daiwa Real Estate Appraisal Co., Ltd.
- *4. Incidental expenses arising from acquisitions are not included in the acquisition price.
- *5. Residential portions are not included in the total number of tenants, the occupancy rate or the leasable space for Kitanomaru Square, Nibancho Garden, Akasaka Park Building or Nishiki Park Building. The residential portions for these properties are as follows: Kitanomaru Square, leasable space: 11,694m², occupancy rate: 96.0%; Nibancho Garden, leasable space: 1,686m², occupancy rate: 100.0%; Akasaka Park Building, leasable space: 10,780m², occupancy rate: 96.0%; Nishiki Park Building, leasable space: 954m², occupancy rate: 86.0%.
- *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 Osaka 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. 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 27th period (October 1, 2014 to March 31, 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 (October 1, 2014 to March 31, 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	228	77	12	19	16	0	5	20	2	150	171	0	170
Kitanomaru Square	1,671	736	143	74	94	2	11	410	-	934	1,345	9	1,335
MD Kanda Building	207	94	16	20	20	0	7	28	-	113	142	95	46
Kandabashi Park Building	108	37	1	-	16	0	2	16	-	71	87	5	82
Otemachi Financial City North Tower	272	130	24	17	-	0	-	88	-	141	230	-	230
Nibancho Garden	480	251	60	29	53	0	16	90	0	229	320	-	320
Mitsubishi UFJ Trust and Banking Building	999	389	52	65	131	1	29	108	0	610	719	71	647
Burex Kojimachi Building	150	77	0	-	13	0	0	62	-	73	135	1	133
Sanno Grand Building	893	384	99	65	105	1	35	76	-	508	585	74	511
Yurakucho Denki Building	240	146	32	20	41	0	20	31	-	93	124	17	107
Kodenmachi Shin-Nihonbashi Building	118	54	15	9	11	0	1	12	3	63	76	1	75
Kyodo Building (Kayabacho 2Chome)	130	55	10	11	11	0	0	21	-	75	96	4	91
Burex Kyobashi Building	150	50	0	-	11	0	0	38	-	99	137	0	137
Ginza 1Chome East Building	15	12	1	-	0	0	-	10	-	3	13	-	13
Ginza Sanwa Building	377	128	27	20	59	0	0	19	0	248	268	2	266
Ryoshin Ginza East Mirror Building	151	95	16	15	14	0	11	36	0	56	92	77	15
Harumi Front	1,238	667	102	125	73	1	3	360	-	571	931	7	923
Harumi Center Building	621	396	76	49	48	1	9	212	0	225	437	-	437
Akasaka Park Building	2,193	1,312	227	279	279	3	154	367	0	881	1,248	737	511
Aoyama Crystal Building	201	94	13	16	28	0	0	30	4	107	137	-	137
Clover Shiba-koen	42	15	3	0	0	0	-	11	-	26	37	-	37
Shiodome Building	1,764	683	130	116	124	2	11	291	5	1,081	1,373	-	1,373
Shiba 2Chome Daimon Building	272	150	37	29	38	0	9	34	0	122	156	83	73

Name of building	Revenues / Expenses (October 1, 2014 to March 31, 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	108	50	12	8	12	0	3	13	0	58	71	-	71
Shinjuku Eastside Square	432	224	48	42	0	0	0	131	-	208	339	1	338
Shinwa Building	202	86	16	22	19	0	1	25	-	116	141	1	140
Tokyo Opera City Building*1	1,384	1,114								270		150	
TIXTOWER UENO	649	389	60	47	39	1	1	237	0	260	498	-	498
Higashi-Gotanda 1Chome Building	184	96	13	20	14	0	4	43	-	87	131	-	131
Osaki Front Tower	665	499	67	52	28	0	3	256	91	165	422	4	417
Omori-Eki Higashiguchi Building	230	102	27	24	25	0	0	25	0	127	153	113	39
Nippon Brunswick Building	60	20	-	-	20	-	-	-	-	39	39	-	39
Yoyogi 1Chome Building	289	141	21	24	23	0	2	68	-	147	215	-	215
da Vinci Harajuku	191	54	10	11	16	0	1	14	-	136	151	1	149
Jingumae Media Square Building	308	134	23	33	39	0	0	36	0	174	211	8	203
Shibuya Cross Tower	1,345	1,055	166	141	126	2	196	419	2	289	708	381	327
Ebisu Neonato	431	201	53	24	10	2	19	91	-	229	321	107	213
Harmony Tower	386	230	120	-	48	1	10	50	-	156	206	-	206
Otsuka Higashi-Ikebukuro Building	196	102	21	26	12	0	3	37	-	93	131	39	92
Ikebukuro 2Chome Building	63	34	9	6	5	0	4	7	-	29	36	2	34
Ikebukuro YS Building	172	80	16	18	14	0	0	30	-	92	122	-	122
Hachioji First Square	240	122	50	3	26	0	5	36	-	117	153	57	96
Saitama Urawa Building	108	54	17	10	9	0	1	15	-	54	69	30	39
MM Park Building	1,271	746	134	186	79	1	18	325	0	524	849	7	842
Queen's Tower A	1,014	607	210	115	-	3	25	245	6	407	652	51	601
Kawasaki Isago Building	143	84	22	18	13	0	9	19	-	58	78	91	(12)
Musashi Kosugi STM Building	159	73	21	3	10	0	12	25	-	85	111	97	13
8・3 Square Kita Building	307	175	28	54	21	0	1	69	-	132	201	5	196
Jozenji Park Building	64	40	10	8	6	0	4	10	-	24	34	28	6

Name of building	Revenues / Expenses (October 1, 2014 to March 31, 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	528	292	61	48	40	0	13	127	-	235	363	2	360
Sendai Honcho Honma Building	131	67	16	16	15	0	2	16	0	63	80	10	70
Kanazawa Park Building	457	409	101	54	64	1	124	61	0	48	109	140	(30)
Nishiki Park Building	266	167	52	25	19	0	14	48	6	98	146	14	132
Nagoya Hirokoji Place	375	205	36	39	33	0	12	82	-	169	252	0	252
Hirokoji Sakae Building	88	56	14	12	11	0	9	9	0	31	41	17	23
Nagoya Hirokoji Building	553	386	91	60	61	1	33	137	0	167	304	144	160
Nagoya Misono Building	71	47	10	8	6	0	2	21	-	23	44	9	35
Shijo Karasuma Center Building	184	118	29	15	11	0	1	59	0	66	125	2	123
Kyoto Shijo Kawaramachi Building	120	78	21	13	10	0	3	28	0	42	71	5	65
Shin-Fujita Building	682	528	99	96	77	1	43	209	0	153	362	198	163
Sakaisujihonmachi Building	235	142	42	30	36	0	10	22	-	92	115	0	114
Midosuji Daiwa Building	537	245	61	45	75	1	4	56	-	292	348	125	223
Amagasaki Front Building	15	22	2	-	-	0	-	20	-	(7)	12	-	12
Lit City Building	256	148	32	24	19	1	5	65	-	107	173	4	169
NHK Hiroshima Broadcasting Center Building	263	182	50	25	23	0	15	42	24	80	122	140	(18)
Tosei Tenjin Building	79	41	12	7	7	0	2	10	-	38	48	13	34
Tenjin Crystal Building	152	125	22	18	19	0	4	61	0	26	87	5	82
Hinode Tenjin Building	168	76	23	14	14	0	4	18	-	92	111	26	84
Total	28,314	15,911	3,447	2,694	2,531	55	983	6,009	190	12,402	18,412	3,233	15,179

*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) Other Specified Assets

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

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

d. Capital Expenditures

(i) Schedule for Capital Expenditures

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

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

Name of Properties (Location)	Purpose	Scheduled Period	Estimated Cost (¥ million)		
			Total Amount	Payment Amount for the fiscal under review period	Total Amount Already Paid
Midosuji Daiwa Building (Chuo-ku, Osaka)	Upgrade of air conditioners	From June 2015 To March 2016	257	—	—
Nagoya Misono Building (Nagoya, Aichi Prefecture)	Upgrade of air conditioners	From April 2015 To March 2016	253	—	—
Omori-Eki Higashiguchi Building (Ota-ku, Tokyo)	Upgrade of air conditioning facilities	From October 2015 To March 2016	118	—	—
Kawasaki Isago Building (Kawasaki, Kanagawa Prefecture)	Construction work	From March 2015 To August 2015	116	—	—
NHK Hiroshima Broadcasting Center Building (Hiroshima, Hiroshima Prefecture)	Upgrade of air conditioners	From September 2015 To January 2016	93	—	—
Ryoshin Ginza East Mirror Building (Chuo-ku, Tokyo)	Upgrade of air conditioners	From October 2015 To February 2016	86	—	—
Saitama Urawa Building (Saitama, Saitama Prefecture)	Construction work	From October 2015 To February 2016	84	—	—
Nishiki Park Building (Nagoya, Aichi Prefecture)	Upgrade of disaster prevention facilities	From October 2015 To February 2016	79	—	—
Otsuka Higashi-Ikebukuro Building (Toshima-ku, Tokyo)	Upgrade of air conditioning facilities	From October 2015 To February 2016	61	—	—
Burex Kyobashi Building (Chou-ku, Tokyo)	Upgrade of electrical equipment	From June 2015 To March 2016	59	—	—
NHK Hiroshima Broadcasting Center Building (Hiroshima, Hiroshima Prefecture)	Upgrade of disaster prevention facilities	From June 2015 To February 2016	49	—	—
NHK Hiroshima Broadcasting Center Building (Hiroshima, Hiroshima Prefecture)	Upgrade of air conditioning facilities	From June 2015 To October 2015	40	—	—
Jozenji Park Building (Sendai, Miyagi Prefecture)	Construction work	From June 2015 To December 2015	18	—	—
Hirokoji Sakae Building (Nagoya, Aichi Prefecture)	Upgrade of electrical equipment	From October 2015 To February 2016	18	—	—

(ii) Capital expenditures during the period under review

For acquired real estate and other assets, capital expenditures incurred in the period under review totaled ¥3,233 million and repair, maintenance and renovation expenses classified as expenses in the period under review totaled ¥983 million, for a total of ¥4,216 million worth of construction has been carried out.

One of the significant capital expenditures for the period under review was the upgrade of electrical equipment in the Omori-Eki Higashiguchi Building.

Name of Building (Location)	Purpose	Period	Expenditures for Construction (¥ million)
Omori-Eki Higashiguchi Building (Ota-ku, Tokyo)	Upgrade of electrical equipment	From April 2014 To January 2015	108
Musashi Kosugi STM Building (Kawasaki, Kanagawa prefecture)	Upgrade of air conditioners	From April 2014 To March 2015	94
Kawasaki Isago Building (Kawasaki, Kanagawa prefecture)	Construction work	From October 2014 To March 2015	86
Shiba 2Chome Daimon Building (Minato-ku, Tokyo)	Elevator renewal construction	From June 2014 To March 2015	81
NHK Hiroshima Broadcasting Center Building (Hiroshima, Hiroshima prefecture)	Upgrade of air conditioners	From September 2014 To January 2015	59
Kanazawa Park Building (Kanazawa, Ishikawa prefecture)	Upgrade of air conditioning facilities	From July 2014 To February 2015	58
Otsuka Higashi-Ikebukuro Building (Toshima-ku, Tokyo)	Upgrade of air conditioning facilities	From October 2014 To November 2014	39
NHK Hiroshima Broadcasting Center Building (Hiroshima, Hiroshima prefecture)	Construction work	From April 2014 To October 2014	30
Saitama Urawa Building (Saitama, Saitama prefecture)	Construction work	From January 2015 To March 2015	29
Jozenji Park Building (Sendai, Miyagi prefecture)	Upgrade of air conditioning facilities	From September 2014 To January 2015	23
other real estate			2,621
Total			3,233

(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 October 1, 2012 to March 31, 2013	For the period from April 1, 2013 to September 30, 2013	For the period from October 1, 2013 to March 31, 2014	For the period from April 1, 2014 to September 30, 2014	For the period from October 1, 2014 to March 31, 2015
Balance of reserved funds at the start of period	1,829	2,237	2,486	2,431	2,463
Reserved funds for the period	2,261	2,304	2,469	2,470	2,531
Reversal of reserved funds for the period	1,853	2,055	2,524	2,438	2,475
Balance carried over to next period	2,237	2,486	2,431	2,463	2,519

e. Expenses and Liabilities

(i) Details on Operation-related Expenses

Item	For the period from April 1, 2014 to September 30, 2014	For the period from October 1, 2014 to March 31, 2015
(a) Asset management fee*	¥638,740 thousand	¥772,029 thousand
(breakdown) Fees for the period	¥638,740 thousand	¥647,752 thousand
Incentive fees	— thousand	¥124,276 thousand
(b) Asset custody fee	¥58,445 thousand	¥59,387 thousand
(c) Administrative service fees	¥138,607 thousand	¥140,513 thousand
(d) Directors' compensations	¥7,800 thousand	¥7,800 thousand
(e) Commission fee	¥61,803 thousand	¥106,448 thousand
(f) Other operating expenses	¥61,876 thousand	¥73,712 thousand
Total	¥967,274 thousand	¥1,159,891 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 26th period ended September 30, 2014, acquisition fees amounted to ¥3,250 thousand, and in the 27th period ended March 31, 2015, acquisition fees amounted to ¥227,295 thousand.

(ii) Loans

The condition of loans by financial institutions as of March 31, 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
March 31, 2014	2,000	—	0.20503	March 31, 2015	Bullet	Purchase real estate	Floating interest rate		
June 17, 2014	4,000	— *2.	0.21333	March 17, 2015	Bullet	Redeem investment corporation bonds	Floating interest rate		
October 1, 2014	—	3,500	0.18532	October 1, 2015	Bullet	Purchase real estate	Floating interest rate		
January 7, 2015	—	2,000	0.18071	January 7, 2016	Bullet	Repay existing short-term loans	Floating interest rate		
March 25, 2015	—	5,500	0.18	March 25, 2016	Bullet	Purchase real estate trust beneficiary rights	Floating interest rate		
March 31, 2015	—	2,000	0.18	March 31, 2016	Bullet	Repay existing short-term loans	Floating interest rate		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	June 17, 2014	4,000	— *2.	0.21333	March 17, 2015	Bullet	Redeem investment corporation bonds	Floating interest rate	
	October 1, 2014	—	3,500	0.18532	October 1, 2015	Bullet	Purchase real estate	Floating interest rate	
	March 2, 2015	—	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	Purchase real estate	Floating interest rate	
Sumitomo Mitsui Trust Bank, Limited.	March 31, 2014	3,700	—	0.20503	March 31, 2015	Bullet	Purchase real estate	Floating interest rate	
	September 2, 2014	3,800	3,800	0.18536	September 2, 2015	Bullet	Repay existing short-term loans	Floating interest rate	
	March 31, 2015	—	3,700	0.18	March 31, 2016	Bullet	Repay existing short-term loans	Floating interest rate	
The Daishi Bank, Ltd.	January 7, 2014	1,500	—	0.21897	January 7, 2015	Bullet	Repay existing short-term loans	Floating interest rate	
	June 17, 2014	1,000	— *3.	0.21333	March 17, 2015	Bullet	Redeem investment corporation bonds	Floating interest rate	
	January 7, 2015	—	1,500	0.18071	January 7, 2016	Bullet	Repay existing short-term loans	Floating 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								
Short-term loans	The 77 Bank, Ltd.	January 7, 2014	1,000	—	0.21897	January 7, 2015	Bullet	Repay existing short-term loans	Floating interest rate
		January 7, 2015	—	1,000	0.18071	January 7, 2016	Bullet	Repay existing short-term loans	Floating interest rate
	Mitsubishi UFJ Trust and Banking Corporation	January 7, 2014	1,500	— *4.	0.22048	January 7, 2015	Bullet	Repay existing short-term loans	Floating interest rate
		March 24, 2014	2,300	— *5.	0.21989	March 24, 2015	Bullet	Repay existing loans	Floating interest rate
		March 31, 2014	3,700	— *6.	0.21045	March 31, 2015	Bullet	Purchase real estate	Floating interest rate
		October 1, 2014	—	500 *7.	0.18924	October 1, 2015	Bullet	Purchase real estate	Floating interest rate
	The Gunma Bank, Ltd.	June 17, 2014	1,000	— *3.	0.21333	March 17, 2015	Bullet	Redeem investment corporation bonds	Floating interest rate
	Shinsei Bank, Limited.	October 1, 2014	—	— *8.	0.19456	October 1, 2015	Bullet	Purchase real estate	Floating interest rate
Subtotal		31,500	32,500						
Long-term loans to be repaid within 1 year	The Dai-ichi Life Insurance Company, Limited.	May 31, 2007	5,000	5,000	1.86875	May 29, 2015	Bullet	Purchase real estate	Fixed interest rate
	The Chugoku Bank, Limited.	June 15, 2010	3,000	3,000	1.20875	June 15, 2015	Bullet	Repay existing loans	Fixed interest rate
	The Hiroshima Bank, Ltd.	June 14, 2010	3,000	3,000	1.1875	June 15, 2015	Bullet	Repay existing loans	Fixed interest rate
	Development Bank of Japan Inc.	September 1, 2008	2,000	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 *9.	Purchase real estate	Fixed interest rate
	Taiyo Life Insurance Company	May 31, 2007	1,500	1,500	1.86875	May 29, 2015	Bullet	Purchase real estate	Fixed interest rate
	The Hachijuni Bank, Ltd.	January 15, 2013	—	1,000	0.3825	January 15, 2016	Bullet	Repay existing loans	Fixed interest rate
	The Iyo Bank, Ltd.	January 15, 2013	—	1,000	0.3825	January 15, 2016	Bullet	Repay existing loans	Fixed interest rate
	The Bank of Fukuoka Ltd.	March 24, 2010	2,000	—	1.39875	March 24, 2015	Bullet	Repay existing loans	Fixed interest rate
	The Gunma Bank, Ltd.	November 15, 2011	1,000	—	0.615	November 17, 2014	Bullet	Purchase real estate	Fixed interest rate
	The Yamanashi Chuo Bank, Ltd.	December 15, 2011	2,000	—	0.645	December 15, 2014	Bullet	Repay existing loans	Fixed interest rate
Subtotal		19,600	16,600						
Total		51,100	49,100						

	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	Mitsubishi UFJ Trust and Banking Corporation	April 4, 2011	5,000	5,000	1.0325	April 4, 2016	Bullet	Repay existing loans	Fixed interest rate
		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 *10.	January 29, 2021	Bullet	Purchase real estate trust beneficiary rights	Floating interest rate *10.
		December 19, 2014	—	10,000	0.42375 *11.	December 19, 2023	Bullet	Repay existing short-term loans	Floating interest rate *11.
	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
	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

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 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		
Mitsubishi UFJ Trust and Banking Corporation	June 23, 2011	6,000	6,000	0.90875	June 23, 2016	Bullet	Repay existing loans	Fixed interest rate	
Mizuho Bank, Ltd.		6,000	6,000						
Sumitomo Mitsui Trust Bank, Limited.		6,000	6,000						
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		6,000	6,000						
Sumitomo Mitsui Trust Bank, Limited.	January 17, 2011	3,000	3,000	1.43375	January 17, 2018	Bullet	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 *10.	January 29, 2021	Bullet	Purchase real estate trust beneficiary rights	Floating interest rate *10.	
The Daishi Bank, Ltd.	November 14, 2014	—	1,800	0.463 *10.	November 15, 2021	Bullet	Repay existing short-term loans	Floating interest rate *10.	
The Hokuetsu Bank, Ltd.		—	1,400						
Sony Bank Incorporated		—	1,400						
The Toho Bank, Ltd.		—	1,400						
The Shinkumi Federation Bank		—	1,000						
The Akita Bank, Ltd.		—	900						
The Fukui Bank, Ltd.		—	900						
The Gunma Bank, Ltd.		—	900						
The 77 Bank, Ltd.		—	900						
The Tochigi Bank, Ltd.		—	900						
The Higo Bank, Ltd.		—	500						
The Bank of Iwate, Ltd.		—	500						
The Yamagata Bank, Ltd.	—	500							

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, 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 *10.	January 29, 2021	Bullet	Purchase real estate trust beneficiary rights	Floating interest rate *10.	
	March 24, 2015	—	2,000	0.5125	March 24, 2023	Bullet	Repay existing loans	Fixed interest rate	
The Norinchukin Bank	January 31, 2014	3,500	3,500	0.757 *10.	January 31, 2022	Bullet	Purchase real estate trust beneficiary rights	Floating interest rate *10.	
	June 17, 2014	3,000	3,000	0.6785 *10.	June 17, 2022	Bullet	Redeem investment corporation bonds	Floating interest rate *10.	
	March 25, 2015	—	3,500	0.46825 *10.	March 27, 2023	Bullet	Purchase real estate trust beneficiary rights	Floating interest rate *10.	
Development Bank of Japan Inc.	March 24, 2010	1,450	1,400	1.665	March 24, 2017	Repayment in installments *9.	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	
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	

	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 Iyo Bank, Ltd.	June 15, 2012	2,500	2,500	0.66	June 15, 2017	Bullet	Redeem investment corporation bonds	Fixed interest rate
		January 15, 2013	1,000	—	0.3825	January 15, 2016	Bullet	Repay existing loans	Fixed interest rate
		March 24, 2014	2,000	2,000	0.6035 *10.	March 24, 2021	Bullet	Repay existing loans	Floating interest rate *10.
		October 1, 2014	—	1,000	0.46525 *10.	October 1, 2021	Bullet	Purchase real estate	Floating interest rate *10.
	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
	Taiyo Life Insurance Company	April 24, 2008	1,000	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	0.7825	October 1, 2024	Bullet	Purchase real estate	Fixed interest rate
	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	0.4725 *10.	October 1, 2021	Bullet	Purchase real estate	Floating interest rate *10.
	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
		January 15, 2013	1,000	—	0.3825	January 15, 2016	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	0.31575 *10.	October 1, 2019	Bullet	Purchase real estate	Floating interest rate *10.
	Mizuho Trust & Banking Co., Ltd.	March 2, 2015	—	3,000	0.5585 *10.	March 3, 2025	Bullet	Purchase real estate trust beneficiary rights	Floating interest rate *10.

	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 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 *10.	March 25, 2019	Bullet	Repay existing loans	Floating interest rate *10.
		November 17, 2014	—	1,000	0.316 *10.	November 18, 2019	Bullet	Repay existing loans	Floating interest rate *10.
	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 *10.	December 17, 2021	Bullet	Redeem investment corporation bonds	Floating interest rate *10.
	The Yamanashi Chuo Bank, Ltd.	December 15, 2014	—	2,000	0.266 *10.	December 16, 2019	Bullet	Repay existing loans	Floating interest rate *10.
	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
Total			232,450	271,900					

*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 November 17, 2014, the entire amount of ¥4 billion has been repaid before the original maturity.

*3. As of November 17, 2014, the entire amount of ¥1 billion has been repaid before the original maturity.

*4. As of December 19, 2014, the entire amount of ¥1.5 billion has been repaid before the original maturity.

*5. As of December 19, 2014, the entire amount of ¥2.3 billion has been repaid before the original maturity.

*6. As of December 19, 2014, the entire amount of ¥3.7 billion has been repaid before the original maturity.

*7. As of December 19, 2014, ¥2.5 billion has been repaid before the original maturity.

*8. As of November 17, 2014, the entire amount of ¥3 billion has been repaid before the original maturity.

*9. ¥50 million is repaid every 6 months respectively. ¥1.35 billion is scheduled to be repaid on the final principal repayment date.

*10. 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.

*11. 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 March 31, 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	10,000	1.26	April 23, 2015	Bullet	*1.	*2.
8th unsecured investment corporation bond	July 23, 2010	10,000	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	40,000					

*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 to 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	Shinjuku Eastside Square	October, 1 2014	23,100	23,800	Japan Real Estate Institute	September 1, 2014
Acquisition	Clover Shiba-koen	January 20, 2015	4,500	4,590	Japan Real Estate Institute	December 1, 2014
Acquisition	Ginza 1Chome East Building	March 2, 2015	6,459	6,660	Daiwa Real Estate Appraisal Co., Ltd.	February 1, 2015
Acquisition	Amagasaki Front Building	March 25, 2015	9,300	9,400	Daiwa Real Estate Appraisal Co., Ltd.	February 1, 2015
Acquisition	Harmony Tower	March 27, 2015	2,100	2,170	Daiwa Real Estate Appraisal Co., Ltd.	February 16, 2015

*1. The “acquisition/disposition price” refers to the amount listed in the sale and purchase contract, and does not include various expenses necessary in the acquisition of the property such as trading intermediate fees.

*2. The appraisal value listed above is decided in accordance with the 3rd chapter of the Japanese Real Estate Appraisal Act and Real Estate Appraisal Standards.

(ii) Other

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

Transactions that were subject to inspection during the period from October 1, 2014 to March 31, 2015, were 5 interest rate swap transactions and 1 interest-rate and currency swap transaction.

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 October 1, 2014 to March 31, 2015)

(i) Transactions

Segment	Buying and Selling Amounts	
	Buying Amounts	Selling Amounts
Total Amount	¥45,459,000 thousand	¥ - thousand
Breakdown of Transactions with Interested Parties		
Shinjuku Rokuchoe Special Purpose Company (TMK)	¥ 23,100,000 thousand (50.8%)	¥ - thousand (-%)
Amagasaki Eki-mae Kaihatsu Y.K.	¥ 9,300,000 thousand (20.5%)	¥ - thousand (-%)
Total	¥ 32,400,000 thousand (71.3%)	¥ - 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	¥3,447,650 thousand	Mitsubishi Jisho Property Management Co., Ltd.	¥1,756,731 thousand	(51.0%)
		Mitsubishi Estate Co., Ltd.	¥250,718 thousand	(7.3%)
		Mitsubishi Jisho House Net Co., Ltd.	¥54,743 thousand	(1.6%)
		Yuden Building Kanri Co., Ltd.	¥32,924 thousand	(1.0%)
		Mitsubishi Jisho Sekkei Inc.	¥400 thousand	(0.0%)
		Mitsubishi Real Estate Services Co., Ltd.	¥40 thousand	(0.0%)
Utilities expenses	¥2,694,344 thousand	Minato Mirai 21 District Heating and Cooling Co., Ltd.	¥84,497 thousand	(3.1%)
Other operating expenses	¥189,769 thousand	Mitsubishi Jisho Property Management Co., Ltd.	¥10,275 thousand	(5.4%)
		Mitsubishi Estate Co., Ltd.	¥496 thousand	(0.3%)
		Mitsubishi Jisho Retail Property Management Co., Ltd.	¥5,374 thousand	(2.8%)

*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. 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.	¥550,257 thousand
Mitsubishi Estate Co., Ltd.	¥453,413 thousand
Mitsubishi Jisho House Net Co., Ltd.	¥15,886 thousand
Yuden Building Kanri Co., Ltd.	¥37,920 thousand

h. Other Announcements

(i) General Meeting of Unitholders

The company held the 9th General Meeting of Unitholders on March 17, 2015. The main overview of items approved at the meeting is listed below.

Proposal	Overview
Proposal 1: Partial Amendment to the Articles of Incorporation	<p>The following items were amended as proposed.</p> <ul style="list-style-type: none"> • Pursuant to the amendments to the enforcement regulations of the ITA, if the purpose of the Investment Corporation is to manage assets through investment primarily in assets such as real estate assets, a statement to such effect is required in the Articles of Incorporation. Therefore, partial amendments were made. • Pursuant to the amendments to the enforcement order of the ITA, since “renewable energy generation facilities” are included in the scope of the Specified Assets, an article was established to make investment in “renewable energy generation facilities” possible. • Amendments were made to further clarify the use of loans and investment corporation bonds. • Pursuant to the 2015 Tax Reform Proposals, since measures to resolve double taxation, due to differences of treatments between accounting and taxation by investment corporations, are expected to be taken in accordance with tax reforms, partial amendments were made. • Pursuant to the amendments to the ITA, since the Investment Corporation’s acquisition of Own Units is recognized upon unitholders agreement, amendments were made for the adjustment of Own Units in the method for calculating remuneration for the asset management company. Meanwhile, supplementary provisions that are no longer deemed necessary were removed.
Proposal 2: Appointment of 1 Executive Director	The appointment of Hiroshi Nakajima as executive director was approved as proposed. He will serve a two-year term starting from May 11, 2015.
Proposal 3: Appointment of 1 Substitute Executive Director	The appointment of Hiroshi Katayama as substitute executive director was approved as proposed.
Proposal 4: Appointment of 2 Supervisory Directors	The appointment of Kenji Kusakabe and Tomohiro Okanoya as supervisory directors was approved as proposed. They will serve a two-year term starting from May 11, 2015.

(ii) Board of Directors’ Meetings

The main overview of major contract conclusions and revisions approved at Board of Directors’ meetings held during the period is listed below.

Date of Acceptance	Approvals	Overview
November 17, 2014	Revision to Board of Directors Rules and Regulations	<ul style="list-style-type: none"> • Pursuant to the amendments to the ITA and the enforcement regulations of the ITA, regulations relating to limits on transactions with interested parties were established. Accordingly, a new item was established in the Board of Directors rules and regulations relating to approval from the asset management company in the case that acquisitions, transfers, or loans (including master leases) of real estate and securities above a certain scale are being conducted with interested parties and interested agents. In addition, the Board of Directors published the definition of interested parties and interested agents.
March 18, 2015	Changes to Consignment Agreements with Asset Management Company	At the General Meeting of Unitholders held on March 17, 2015, an additional amendment for the adjustment of Own Units in the method for calculating remuneration for asset management company was approved. In response to this approval, the Company approved necessary changes to consignment agreements with asset management company.
March 30, 2015	Conclusion of Underwriting Contract for New Investment Units	At the Board of Directors’ Meeting held on March 18, 2015, the Company approved the issuance of new investment units by public offering (through firm commitment underwriting), and by third party allocation. The Company also approved the secondary offering of investment units (through purchase and overallotment). The Company had the lead managers* buy and underwrite all investment units issued by public offering through firm commitment underwriting. The Company also entrusted the duty of soliciting subscribers of issued units to SMBC Nikko Securities Inc., the book runner, and granted a green shoe option for third-party allotment to them.

*The underwriters are SMBC Nikko Securities Inc. and Mizuho Securities Co., Ltd. acting as co-lead managers, and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., Nomura Securities Co., Ltd. and Daiwa Securities Co. Ltd. as underwriters.

Selected Financial Data

	Millions of yen				
	For the period from October 1, 2014 to March 31, 2015	For the period from April 1, 2014 to September 30, 2014	For the period from October 1, 2013 to March 31, 2014	For the period from April 1, 2013 to September 30, 2013	For the period from October 1, 2012 to March 31, 2013
Operating Revenues	¥28,314	¥27,760	¥26,582	¥26,225	¥25,357
Operating Expenses	17,071	16,505	15,751	15,444	14,725
Operating Income	11,243	11,255	10,831	10,781	10,631
Ordinary Income	9,625	9,582	9,083	9,143	8,749
Income before Income Taxes	9,625	9,582	9,083	9,143	8,749
Net Income	9,619	9,572	9,070	9,129	8,824
Total Assets	852,679	813,931	817,130	775,066	765,628
Interest-Bearing Debts	361,000	323,550	358,900	320,150	311,200
Net Assets	436,671	436,622	405,355	405,415	405,280
Unitholders' Capital	426,783	426,783	396,018	396,018	396,018
Number of Units	1,251,530	1,251,530	1,188,280	594,140	594,140
Net Assets per Unit (Yen)(Note1)	348,909	348,871	341,128	682,356	682,130
Cash Distribution	9,613	9,571	9,070	9,129	8,995
Dividend Payout Ratio	99.9%	99.9%	99.9%	99.9%	101.9%
Dividend per Unit (Yen)	7,681	7,648	7,633	15,366	15,140
Net Operating Income (NOI)	18,412	18,105	17,481	17,205	16,768
Funds from Operations (FFO)	15,629	15,455	14,719	14,619	14,032
Return on Assets (ROA) (Note 2)	1.2%	1.2%	1.1%	1.2%	1.2%
	(2.3% annualized)	(2.3% annualized)	(2.3% annualized)	(2.4% annualized)	(2.4% annualized)
Return on Equity (ROE) (Note 3)	2.2%	2.2%	2.2%	2.3%	2.2%
	(4.4% annualized)	(4.4% annualized)	(4.5% annualized)	(4.5% annualized)	(4.4% annualized)
EOP Equity Ratio (Note 4)	51.2%	53.6%	49.6%	52.3%	52.9%
EOP Interest-Bearing Debt Ratio on Total Assets (Note 5)	42.3%	39.8%	43.9%	41.3%	40.6%
FFO Multiple (Times)	22.6times	22.9times	20.9times	23.4times	27.2times
Debt Service Coverage Ratio (Times) (Note 6)	10.8times	10.5times	9.6times	9.5times	8.7times

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

2: ROA = Ordinary Income ÷ Average of Total Assets during the period

3: ROE = Net Income ÷ Average of Net Assets during the period

(Annualized portion of the calculation given in Note 2 and Note 3 assumes a fiscal period of 182 days for the period ended March 31, 2013, 183 days for the period ended September 30, 2013, 182 days for the period ended March 31, 2014, 183 days for the period ended September 30, 2014 and 182 days for the period ended March 31, 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 = Net Income before Interest, Taxes, Depreciation and Amortization ÷ Interest Expenses