August 16, 2016

Summary of Financial Results
for the Fiscal Period Ended June 30, 2016 (REIT)

Name of issuer:	NIPPON REIT Investment Corporation
URL:	http://www.nippon-reit.com/
Listed Stock Exchange:	Tokyo Stock Exchange
Securities Code:	3296
Representative:	Hisao Ishikawa, Executive Officer
Asset Management Company:	Sojitz REIT Advisors K.K.
Representative:	Toshio Sugita, President & CEO
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Scheduled filing date of securities report:	September 27, 2016
Scheduled date of delivery of distributions:	September 16, 2016
Supplementary materials for the financial results:	Yes
Investor conference for the financial results:	Yes (for analysts and institutional investors, in Japanese)

(Amount of less than one million yen is omitted)

1. Financial Results for the Fiscal Period Ended June 30, 2016 (January 1, 2016 – June 30, 2016)

(1) Operating Results

(Description of % is indicated as the change rate compared with the previous period)

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
For the fiscal period ended	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%
June 30, 2016	6,607	(1.1)	3,287	(11.3)	2,944	(0.8)	2,944	(0.8)
December 31, 2015	6,682	45.4	3,706	45.0	2,969	43.0	2,968	43.0

	Net Income per Unit	Return on Equity	Return on Assets	Ordinary Income to Operating Revenues
For the fiscal period ended	Yen	%	%	%
June 30, 2016	7,515	2.6	1.3	44.6
December 31, 2015	7,588	3.0	1.5	44.4

(2) Distributions

	Cash Distributions per Unit (excluding cash distributions in excess of earnings per unit)	Total Cash Distributions (excluding cash distributions in excess of earnings)	Cash Distributions in Excess of Earnings per Unit	Total Cash Distributions in Excess of Earnings	Payout Ratio	Cash Distributions Ratio to Net Assets
For the fiscal period ended	Yen	Yen in millions	Yen	Yen in millions	%	%
June 30, 2016	7,519	2,945	0	0	100.1	2.6
December 31, 2015	7,581	2,969	0	0	100.0	2.6

(Note) The following formula is used in the calculation of Payout Ratio for the fiscal period ended December 31, 2015 due to the Issuance of the new investment units.
Payout Ratio = Total Cash Distributions (excluding cash distributions in excess of earnings) ÷ Net income × 100

(3) Financial Position

	Total Assets	Total Net Assets	Equity Ratio	Net Assets per Unit
For the fiscal period ended	Yen in millions	Yen in millions	%	Yen
June 30, 2016	225,842	112,263	49.7	286,562
December 31, 2015	226,633	112,282	49.5	286,609

(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
For the fiscal period ended	Yen in millions	Yen in millions	Yen in millions	Yen in millions
June 30, 2016	4,517	(1,132)	(3,863)	15,642
December 31, 2015	4,545	(46,097)	46,494	16,121

2. Forecast of management status for the Fiscal Period Ending December 2016 (from July 1, 2016 to December 31, 2016) and the Fiscal Period Ending June 2017 (from January 1, 2017 to June 30, 2017)

（Description of % is indicated as the change rate compared with the previous period）

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Cash Distributions per Unit (excluding excess of earnings per Unit)	Cash Distributions in Excess of Earnings per Unit
For the fiscal period ending	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen	Yen
December 31, 2016	6,775	2.6	3,371	2.5	2,894	(1.7)	2,893	(1.7)	7,385	-
June 30, 2017	6,685	(1.3)	3,400	0.9	2,913	0.7	2,913	0.7	7,436	-

(Reference)

Forecast net income per unit for the fiscal period ending December 31, 2016 : 7,385yen

Forecast net income per unit for the fiscal period ending June 30, 2017 : 7,436yen

(Forecast net income ÷ Forecast number of investment units at end of the period)

* Others

(1) Changes in accounting policies, changes in accounting estimates and retrospective restatement

(a) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(b) Changes in accounting policies due to reasons other than above (a): None

(c) Changes in accounting estimates: None

(d) Retrospective restatement: None

(2) Number of investment units issued and outstanding

(a) Number of investment units issued and outstanding, including treasury units:

As of June 30, 2016	391,760 units	As of December 31, 2015	391,760 units

(b) Number of investment treasury units:

As of June 30, 2016	0 unit	As of December 31, 2015	0 unit

* The Status of Statutory Audit

The audit procedure of the financial statements under the Financial Instruments and Exchange Act has not been completed as of today.

* Appropriate use of the forecast of management status and other special matters

Forward-looking statements contained in this material are based on the information that NIPPON REIT has obtained as of the date hereof and certain assumptions that NIPPON REIT believes reasonable and the actual management status, etc. may significantly differ due to various reasons. In addition, the forecast is not a guarantee of the amount of distributions. For details of the assumptions underlying forecast of management status, please refer to the "Assumptions Underlying Forecast of Management Status for Fiscal Period Ending December 2016 (from July 1, 2016 to December 31 2016) and Fiscal Period Ending June 2017 (from January 1, 2017 to June 30, 2017)" on page 9.

This document is the English language translation of the Japanese announcement of the financial statements ("Kessan Tanshin") and is provided solely for information purposes. There is no assurance as to the accuracy of the English translation. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

1. Associated Corporations of NIPPON REIT

Structure of NIPPON REIT

Disclosure is omitted because there have been no significant changes in the name, operational roles and overview of associated business operations of NIPPON REIT Investment Corporation ("NIPPON REIT") and the associated corporations of NIPPON REIT (including other main associated parties of NIPPON REIT) from those of "Structure of NIPPON REIT" in the latest securities report (submitted on March 28, 2016).

2. Management Policy and Management Status

(1) Management Policy

Disclosure is omitted because there have been no significant changes from "Investment Policy," "Investment Targets" and "Distribution Policy" in the latest securities report (submitted on March 28, 2016).

(2) Management Status

I. Overview of the Fiscal Period under Review

A. Brief History of NIPPON REIT

NIPPON REIT was established on September 8, 2010 by Polaris Investment Advisors K.K. (now Sojitz REIT Advisors K.K. (hereafter referred to as the "Asset Management Company")) as the founder under the Act on Investment Trusts and Investment Corporations (the "Investment Trusts Act"). Registration with the Kanto Local Finance Bureau was completed on October 26, 2010 (registration number 72, filed with the Director of the Kanto Local Finance Bureau).

NIPPON REIT issued new investment units through a public offering (144,200 units) on April 23, 2014 as the payment date and listed on the J-REIT section of the Tokyo Stock Exchange (securities code: 3296) on April 24.

Furthermore, NIPPON REIT issued investment units through public offerings in February and July 2015 and third-party allotments in March and July 2015, and the total number of investment units issued and outstanding as of the end of the fiscal period under review (June 30, 2016) is 391,760 units.

B. Investment Environment and Management Performance

(i) Investment Environment

The Japanese economy during the fiscal period under review (fiscal period ended June 2016) saw a 0.5% quarter-to-quarter increase in the real GDP growth rate (second preliminary figures) in the first quarter of the year beginning from January 1, 2016, and the gradual recovery trend is ongoing while showing partial weakness. Private consumption, production and exports are almost flat, business investment is picking up. Corporate profits remain at a high level, although its improvement appears to be pausing, employment situation are improving, consumer prices are rising at a slower tempo recently. With regard to future prospects, a gradual recovery is expected, supported by the effects of the policies, while employment and income environment is improving. However, there are downside risks of the Japanese economy including slowing down of emerging Asian economies including the Chinese economy and countries with natural resources amid the weakness of overseas economies. In addition, attention should be given to the increased uncertainty in overseas economies and the effects of fluctuations in the financial and capital markets under such circumstances commencing with including the UK's vote to leave the EU. In addition, full attention should be given to the economic impact of the 2016 Kumamoto Earthquake. On the other hand, the Bank of Japan decided at the Monetary Policy Meeting held on June 16 that it will continue money market operations so that the monetary base will increase at an annual pace of about 80 trillion yen and will maintain the guidelines for asset purchases including J-REITs and application of a negative interest rate of minus 0.1% to the Policy-Rate Balances in current accounts held by financial institutions at the Bank of Japan.

In the office properties leasing market, the vacancy rate in Tokyo's five central wards (Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards) as of the end of June 2016 as announced by Miki Shoji Co., Ltd. was 4.07%, down 1.05% from the same month last year. Moreover, the average rent in the same area as of the end of June 2016

was 18,179 yen per tsubo, up 4.47% from the same month last year. Such small-scale upward trends are ongoing.

In terms of the residential properties leasing market, the situation remains generally stable for both the occupancy rate and rent level, and the trend of populations concentrating in Japan's three major metropolitan areas is expected to continue.

The retail properties leasing market saw a 1.9% year-on-year decrease in retail sales according to figures announced by the Ministry of Economy, Trade and Industry in May 2016, showing some weakness mainly in the fuel-retailing sector. Sales at large retail stores also decreased by 6.4% year-on-year. As for short-term prospects, although attention should be given to trend of consumer mind, private consumption is expected to move toward recovery, supported by the improvement in the employment and income environment.

Recently, since properties managed by short-term trading oriented private funds have continuously been acquired by long-term holding oriented J-REITs, superior investment-grade properties for sale are decreasing. Therefore, transaction yield is declining for not only S grade and A grade building in central Tokyo and excellent properties at major regional cities but aged buildings at major regional cities provided that location of such properties are excellent, and decline in transaction yields is spreading over a wide range of properties.
Although there is a possibility that decline in transaction yields and rise in property prices progress further due to the negative interest rate policy, because of macroeconomic uncertainty and consideration that office rent is approaching an upper limit, more investors come to think that the level of transaction yields is reaching its limit.
On the other hand, since there is no definite cause of concern that may reverse the market, as long as current monetary policy continues, and moreover due to decrease in superior investment-grade properties for sale, a view that transaction yields are expected to remain at the current low level has become more common.

(ii) Management Performance
a. External Growth
In the fiscal period under review (fiscal period ended June 2016), in addition to the total of 65 properties (with a total acquisition price of 204,852 million yen) and equity interest in a silent partnership (investment amount 102 million yen, 2 real estate-backed properties) owned as of the end of the prior fiscal period (December 31, 2015), NIPPON REIT acquired the following equity interest in a silent partnership as pipelines for external growth and acquired preferential negotiation rights for a total of 8 real estate-backed properties .

Name	Number of backed real estate properties	Investment amount (Yen in millions) (Note 1)	Acquisition date
Godo Kaisha Nicolas Capital 6 Equity interest in silent partnership (additional acquisition)(Note2)	1	117	January 28, 2016
Godo Kaisha Nicolas Capital 9 Equity interest in silent partnership	3	100	March 30, 2016
Godo Kaisha Nicolas Capital 8 Equity interest in silent partnership	4	500	June 28, 2016

(Note 1) The amount does not include the fees required for acquisition.

(Note 2) Additional acquisition of the equity interest in silent partnership added to that acquired on December 27, 2015.

As a result the portfolio as of the end of the fiscal period under review consisted of 55 office properties (with a total acquisition price of 179,666 million yen), eight residential properties (with a total acquisition price of 19,773 million yen) and two retail properties (with a total acquisition price of 5,413 million yen), totaling 65 properties (with a total acquisition price of 204,852 million yen; not including equity interests in a silent partnership) with a total leased area of 244,854.47㎡ and a 95.9% average occupancy rate and 3 equity interest in a silent partnership

(investment amount 820 million yen, 10 real estate-backed properties).

b. Internal Growth

NIPPON REIT emphasizes management that maintains and increases the portfolio's asset value and actively reaches out to new and existing tenants with business activities while strengthening relations with existing tenants, implementing measures that boost the competitiveness of properties in light of tenant needs and the features of each property. Through such efforts, the portfolio occupancy rate was maintained at a high level of 95.9% as of the end of the fiscal period under review.

C. Procurement of Funds

(i) Borrowings and Repayments

In order to use the funds for repayment of a loan due on April 25, 2016 (loan amount 8,500 million yen), borrowings of total 8,500 million yen was implemented on the same day as the loan due.

Using the refund of the consumption taxes accompanying the acquisition of properties during the fiscal period ended December 2015 and fund on hand, borrowings of 900 million yen were repaid before the loan due on April 28, 2016.

As a result, the balance of borrowings as of June 30, 2016 was 103,570 million yen and the ratio of interest-bearing debt to total assets (LTV) was 45.9%.

(iii) Credit Rating

NIPPON REIT's credit rating as of June 30, 2016 is as follows.

Credit Rating Agency	Rating type	Rating outlook
Japan Credit Rating Agency, Ltd.	Long-term issuer rating: A–	Positive

D. Overview of Business Performance and Distributions

As a result of the operations described above, business performance in the fiscal period under review generated operating revenues of 6,607 million yen, operating income of 3,287 million yen, ordinary income of 2,944 million yen and net income of 2,944 million yen.

Concerning distributions, in order to be eligible for application of the special provisions for taxation on investment corporations (Article 67-15 of the Special Taxation Measure Act of Japan) and ensure a scope that does not exceed unappropriated retained earnings and that can minimize unitholder burdens of income tax, etc., NIPPON REIT decided to distribute 2,945,643,440 yen, which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding, 391,760 units. As such, cash distributions per unit were 7,519 yen.

II. Outlook for the Next Fiscal Period

Future Management Policy and Challenges to Address

A. Management Policy

With the basic policy of "thoroughly pursuing the best interest of NIPPON REIT's unitholders" NIPPON REIT plans to engage in the following measures to maximize unitholder value through flexible and timely investment, seek the best interest of unitholders by utilizing the features of a diversified REIT, and focus on the growth potential and stability of revenues.

B. External Growth Strategy

In order to diversify risk by combining assets with different revenue features while considering the future trends of the Japanese economy and real estate market as well as securing more appropriate investment opportunities, NIPPON REIT will set office properties as its main target of investment and construct a diversified portfolio by also investing in residential properties and retail properties.

Furthermore, with the Asset Management Company's own property acquisition network as the base and also utilizing the real estate investment networks of sponsors such as Sojitz Corporation, the main sponsor and sub-sponsor companies such as Cushman & Wakefield Asset Management K.K. (hereafter referred to as "Cushman") and Agility Asset Advisers Inc. (hereafter referred to as "Agility"), NIPPON REIT will increase its asset size through property acquisitions centered on negotiation transactions with third parties and promote external growth.

Furthermore, regarding property acquisitions from third parties, NIPPON REIT will consider temporary ownership and recovery functions provided through the warehousing function of Sojitz Corporation, the main sponsor and temporary ownership functions provided by bridge funds in which sponsor companies are involved in the formations, to avoid the loss of opportunities for property acquisitions and aim to maximize growth opportunities.

C. Internal Growth Strategy

NIPPON REIT will manage assets to maintain and increase the competitiveness of the portfolio and of individual properties according to their features based on the unique networks and expertise that the officers and employees of the Asset Management Company have nurtured at sponsor companies. Moreover, by entrusting property management operations and building management operations mainly to Sojitz General Property Management Corporation, a subsidiary of the main sponsor Sojitz Corporation, we will promote the maintenance of the occupancy rate and increase in profitability through the utilization of Sojitz General Property Management Corporation's knowledge based on experience and cost reduction effects via economies of scale.

Furthermore, with appropriate processes as a given, Sojitz General Property Management Corporation will be used as the main consignee for renovations and planned repairs in addition to the daily management operations. Along with the company's consistent support ranging from building diagnostics to repair designs, selection of construction companies and construction management based on its knowledge nurtured through large-scale repair consulting and such, NIPPON REIT will aim to maintain and increase the value of assets under management by receiving effective and deliberate repairs that consider the priority of construction work and optimization of costs, upon sufficient consideration of cost-effectiveness.

Furthermore, regarding leasing plans for offices, new asking rent and renewed rent for existing tenants will be set with reference to various data, etc. provided by Cushman, a sub-sponsor, and agile leasing activities will be implemented by stipulating the operational policy for new potential tenants.

D. Financial Strategy

NIPPON REIT's basic policy for its financial strategy is to conduct fund procurement in a diversified and well-balanced manner in order to construct a stable financial foundation over the medium to long term.

Regarding interest-bearing debt, the targeted ceiling of LTV is set at 60%. NIPPON REIT's LTV as of the end of the fiscal period under review was 45.9% and the current policy is to keep the LTV level between 45% and 55%.

Furthermore, with regard to lenders, NIPPON REIT will maintain a strong bank formation centering on the syndicate group as of the end of the fiscal period under review.

III. Significant Subsequent Events

None

IV. Forecast of Management Status

The forecast of management status for the fiscal period ending December 2016 (July 1, 2016 to December 31, 2016) and the fiscal period ending June 2017 (January 1, 2017 to June 30, 2017) are as follows. For details of the assumptions underlying forecast of management status, please refer to “Assumptions Underlying Forecast of Management Status for Fiscal Period Ending December 2016 (July 1, 2016 to December 31, 2016) and Fiscal Period Ending June 2017 (January 1, 2017 to June 30, 2017)” described later.

Fiscal period ending December 2016 (July 1, 2016 to December 31, 2016)

Operating revenues	6,775 million yen
Operating income	3,371 million yen
Ordinary income	2,894 million yen
Net income	2,893 million yen
Cash distributions per unit	7,385 yen
Cash distributions in excess of earnings per unit	0 yen

Fiscal period ending June 2017 (January 1, 2017 to June 30, 2017)

Operating revenues	6,685 million yen
Operating income	3,400 million yen
Ordinary income	2,913 million yen
Net income	2,913 million yen
Cash distributions per unit	7,436 yen
Cash distributions in excess of earnings per unit	0 yen

(Note) The above figures are calculated based on certain assumptions as of August 16, 2016. Actual net income, distributions, etc. may fluctuate due to changing circumstances. In addition, the figures do not guarantee the amount of distributions.

Assumptions Underlying Forecast of Management Status for Fiscal Period Ending December 2016 (July 1, 2016 to December 31, 2016) and Fiscal Period Ending June 2017 (January 1, 2017 to June 30, 2017)

Item	Assumption
Calculation period	· Fiscal period ending December 2016 (9th fiscal period): (from July 1, 2016 to December 31, 2016) (184 days) · Fiscal period ending June 2017 (10th fiscal period): (from January 1, 2017 to June 30, 2017)(181 days)
Assets under management	· The assumption is that, in addition to the trust beneficiary interests in real estate held by NIPPON REIT as of today (total of 65 properties) (the "acquired assets") there will be no change (no acquisition of new property, no disposition of portfolio property, etc.) through to the end of the fiscal period ending June 2017. · In actual practice, there may be any changes due to acquisition of new property, or disposition of portfolio property, etc.
Operating revenues	· Revenues from property leasing are estimated based on the historical data and respectively taking into account such factors as market trends and property competitiveness. The total amounts of revenues from property leasing are assumed 6,759 million yen in the fiscal period ending December 2016 and 6,664 million yen in the fiscal period ending June 2017 respectively. · Dividend income is assumed 16 million yen in the fiscal period ending December 2016 and 21 million yen in the fiscal period ending June 2017 respectively. · Operating revenues are based on the assumption that there will be no delinquent or unpaid rent by tenants.
Operating expenses	· Property-related expenses other than depreciation, which are calculated on the basis of historical data and reflecting factors causing fluctuation in expenses, are assumed to be 1,937 million yen in the fiscal period ending December 2016 and 1,840 million yen in the fiscal period ending June 2017 respectively. · Depreciation, which is calculated using the straight-line method on the acquisition price including incidental expenses, is assumed 760 million yen in the fiscal period ending December 2016 and 756 million yen in the fiscal period ending June 2017. · The total amounts of property taxes and city planning taxes are assumed 499 million yen in the fiscal period ending December 2016 and 499 million yen in the fiscal period ending June 2017 respectively. · Repair expenses are recognized in the amount assumed to be necessary based on the repair plan formulated by the Asset Management Company. However, as the repairs may be carried out from unforeseeable causes, the variation in the amount depending on the fiscal year is generally large and the repairs are not carried out periodically, repair expenses may materially differ from the forecast amount. · Asset management fees are assumed 517 million yen in the fiscal period ending December 2016 and 512 million yen in the fiscal period ending June 2017 respectively.
Non-operating revenues	· Refunded consumption taxes are not expected both in the fiscal period ending December 2016 and the fiscal period ending June 2017. · Therefore, they are assumed neither in the fiscal period ending December 2016 nor the fiscal period ending June 2017.
Non-operating expenses	· Interest expense and borrowing related expenses are assumed 477 million yen in the fiscal period ending December 2016 and 486 million yen in the fiscal period ending June2017.
Loans	· NIPPON REIT's outstanding balance of interest-bearing debt as of today is 103,570 million yen. · The assumption is that all loans which will come due before the end of the fiscal period ending June 2017 (21,600 million yen) will be refinanced. · LTV as of December 31, 2016 and June 30, 2017 are expected to be approximately 46.0% respectively. · The following formula is used in the calculation of LTV. LTV = Total interest-bearing debt ÷ Total assets × 100
Investment units	· The assumption is that the number of investment units is 391,760 units which are issued and outstanding as of today, and there will be no change in the number of investment units due to issuance of new investment units, etc. through to the end of the fiscal period ending June 2017.
Cash Distributions per unit	· Cash distributions per unit is calculated based on the assumption that the entire amount of earnings will be distributed in accordance with the cash distribution policy set forth in NIPPON REIT`s Articles of Incorporation. · Deferred gains or losses on hedges as valuation and translation adjustments are expected to be the same amount with the fiscal period ending June 2016 both in the fiscal period ending December 2016 and the fiscal period ending June 2017. Furthermore, assumption is that there will be no change in the market price of the interest rate swaps through to the end of the fiscal period ending June 2017. · Cash distributions per unit may vary materially due to various factors, including fluctuation in rent income accompanying future additional acquisition or disposition of real estate, etc., change in tenants and other events, incurrence of unexpected repairs and other changes in the

	management environment, fluctuation in interest rates, the actually determined number of new investment units to be issued and issue price, or future additional issuance of new investment units and other events.
Cash Distributions in excess of earnings per unit	· There are no plans at this time to distribute cash in excess of earnings. · Furthermore, in case the differed gains or losses on hedges become negative, taking the effect of a deduction in net assets (as stipulated in Article 2, (2), (xxx), (b) of the Rules for the Calculation of the Investment Corporation) on distributions into consideration, NIPPON REIT may distribute the amount equivalent to the deduction in net assets determined by NIPPON REIT as the allowance for temporary difference.
Others	· The assumption is that there will be no revision of laws and regulations, tax systems, accounting standards, listing regulations of Tokyo Stock Exchange, Inc., rules of The Investment Trusts Association, Japan, etc. that will impact the forecast figures above. · The assumption is that there will be no unforeseen serious change in general economic trends and real estate market conditions, etc.

(3) Investment Risks

(3) Investment Risks

Agility, one of the sponsor companies has made a business partnership with founders of Singapore-based Philip Capital Group and became one of the members of Philip Capital Group in July 2016. Accordingly, there have been following changes on “3. Related party and structure risk, (a) Risk related to NIPPON REIT’s reliance on and potential conflicts of interest between Sojitz, Cushman and Agility” in the “Investment Risks” as described in the latest Securities Report (submitted on March 28, 2016). There have been no other significant changes in the “Investment Risks” described in the latest Securities Report. Furthermore, the sections subject to the change are underlined.

(a) Risk related to NIPPON REIT’s reliance on and potential conflicts of interest between Sojitz, Cushman and Agility

Sojitz, Cushman and Agility correctively hold 100% shares of the Asset Management Company, provide the Asset Management Company with key personnel and outside directors of the Asset Management Company also hold the position at them. In addition, Sojitz General Property Management Corporation, a consolidated subsidiary of Sojitz acts as the property manager for many of NIPPON REIT’s current properties. Moreover, NIPPON REIT and the Asset Management Company have entered into sponsor support agreements with each of sponsors and benefit from the “FORECAST” brand name associated with Sojitz.

Namely, NIPPON REIT and the Asset Management Company have close relationship with Sojitz, Cushman and Agility and their influence over NIPPON REIT’s stable income and growth can be regarded as considerably high.

Therefore, in the event NIPPON REIT’s and the Asset Management Company’s relationship with any of Sojitz, Cushman and Agility ceases or reduces by any reasons, NIPPON REIT’s business may be adversely affected. Especially organizational restructuring including but not limited to merger, replacement of management team and change in control etc. could be the reasons for such relationship change.

Moreover, in the event NIPPON REIT or the Asset Management Company engages in transaction with Sojitz, Cushman and Agility, there may arise conflicts of interest between NIPPON REIT and them. In addition, the sponsor support agreements between NIPPON REIT and the Asset Management Company and Sojitz, Cushman and Agility do not prohibit Sojitz Group, C&W Group and Philip Capital Group from engaging in competing business. Sojitz Group, C&W Group and Philip Capital Group conduct a wide range of real estate business including development, own, operation, consignment of property management from third parties other than Sojitz Group, C&W Group and Philip Capital Group, management of private-held real estate funds or consignment of property management of properties held by private-held real estate funds.

Therefore, It is undeniable that there is a possibility that NIPPON REIT or the Asset Management Company may compete with Sojitz Group, C&W Group and Philip Capital Group in the acquisition, leasing, management and disposition etc. of specific property and such situation as conflicts of interest become problem may arise. As a result of such conflicts of interest, NIPPON REIT’s business may also be adversely affected.

3. Financial Statements

(1) Balance Sheets

(Yen in thousands)

	The 7th Fiscal Period (as of December 31, 2015)	The 8th Fiscal Period (as of June 30, 2016)
Assets		
Current Assets		
Cash and deposits	4,357,068	3,735,973
Cash and deposits in trust	11,764,110	11,906,745
Tenant receivables	126,082	128,226
Prepaid expenses	340,299	356,318
Deferred tax assets	3	-
Income taxes refundable	1,586	-
Consumption taxes refundable	606,571	-
Other current assets	274	3,479
Allowance for doubtful accounts	(0)	(0)
Total Current Assets	17,195,997	16,130,743
Non-Current Assets		
Property, plant and equipment		
Buildings in trust	47,703,906	(*1) 47,963,163
Accumulated depreciation	(2,621,440)	(3,356,559)
Buildings in trust, net	45,082,466	44,606,603
Structures in trust	146,869	148,697
Accumulated depreciation	(19,834)	(24,249)
Structures in trust, net	127,034	124,447
Machinery and equipment in trust	18,705	20,277
Accumulated depreciation	(1,067)	(2,023)
Machinery and equipment in trust, net	17,638	18,254
Tools, furniture and fixtures in trust	23,982	33,979
Accumulated depreciation	(2,146)	(4,351)
Tools, furniture and fixtures in trust, net	21,835	29,628
Land in trust	147,626,494	147,626,696
Total property, plant and equipment	192,875,469	192,405,630
Intangible assets		
Leasehold rights in trust	15,806,025	15,806,402
Total intangible assets	15,806,025	15,806,402
Investments and other assets		
Investment securities	104,015	835,615
Lease and guarantee deposits	10,110	10,110
Long-term prepaid expenses	610,811	613,474
Other	31,118	40,786
Total investments and other assets	756,055	1,499,986
Total Non-Current Assets	209,437,549	209,712,019
Total assets	226,633,547	225,842,763

(Yen in thousands)

	The 7th Fiscal Period (as of December 31, 2015)	The 8th Fiscal Period (as of June30, 2016)
Liabilities		
Current Liabilities		
Accounts payable	815,105	608,203
Long-term debt due within one year	19,400,000	21,600,000
Accrued expenses	229,591	203,011
Income taxes payable	-	399
Accrued consumption taxes	-	173,668
Deferred tax liabilities	-	669
Advances received	1,036,627	1,095,942
Other current liabilities	419,616	443,197
Total current liabilities	21,900,940	24,125,092
Long-Term Liabilities		
Long-term debt	85,070,000	81,970,000
Tenant security deposits in trust	7,380,495	7,481,160
Deferred tax liabilities	-	2,767
Total Long-Term liabilities	92,450,495	89,453,927
Total Liabilities	114,351,435	113,579,020
Net Assets		
Unitholders' Equity		
Unitholders' capital	109,285,298	109,285,298
Surplus		
Unappropriated retained earnings (undisposed loss)	2,996,813	2,971,047
Total Surplus	2,996,813	2,971,047
Total Unitholders' Equity	112,282,111	112,256,346
Valuation and translation adjustments		
Deferred gains or losses on hedges	-	7,395
Total valuation and translation adjustments	-	7,395
Total Net Assets	(*2) 112,282,111	(*2) 112,263,742
Total Liabilities and Net Assets	226,633,547	225,842,763

(2) Statements of Income and Retained Earnings

(Yen in thousands)

	The 7th Fiscal Period from July 1, 2015 to December 31, 2015	The 8th Fiscal Period from January 1, 2016 to June 30, 2016
Operating Revenues		
Rental revenues	(*1) 6,011,649	(*1) 5,978,263
Other revenues related to property leasing	(*1) 660,827	(*1) 622,699
Dividend income	9,874	6,283
Total Operating Revenues	6,682,351	6,607,246
Operating Expenses		
Property-related expenses	(*1) 2,343,286	(*1) 2,631,928
Asset management fees	449,570	511,448
Asset custody fees	10,616	12,887
Administrative service fees	43,286	49,751
Directors' compensation	1,920	2,160
Independent auditors' fees	13,900	13,000
Other operating expenses	113,231	98,266
Total Operating Expenses	2,975,811	3,319,442
Operating Income	3,706,539	3,287,804
Non-Operating Revenues		
Interest income	1,242	1,576
Refunded consumption taxes	-	117,700
Interest on refund	1,883	1,527
Total Non-Operating Revenues	3,125	120,805
Non-Operating Expenses		
Interest expense	288,328	256,152
Borrowing related expenses	291,462	207,946
Investment unit issuance expenses	160,447	-
Loss on valuation of derivatives	13	-
Total Non-Operating Expenses	740,251	464,099
Ordinary Income	2,969,414	2,944,509
Extraordinary income		
Subsidy income	-	(*2) 53,077
Total of extraordinary income	-	53,077
Extraordinary losses		
Loss on reduction of non-current assets	-	(*3) 52,776
Total of extraordinary losses	-	52,776
Income Before Income Taxes	2,969,414	2,944,810
Income taxes - current	682	641
Income taxes - deferred	(1)	2
Total Income Taxes	681	643
Net Income	2,968,733	2,944,167
Retained Earnings at Beginning of Period	28,079	26,880
Retained Earnings at End of Period	2,996,813	2,971,047

(3) Statement of Change in Net Assets

The 7th Fiscal Period（from July 1, 2015 to December 31, 2015）

(Yen in thousands)

	Unitholders' Equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at the beginning of current period	85,364,159	2,103,897	2,103,897	87,468,056	87,468,056
Changes of items during the period					
Issuance of new investment units	23,921,139			23,921,139	23,921,139
Distributions of surplus		(2,075,817)	(2,075,817)	(2,075,817)	(2,075,817)
Net income		2,968,733	2,968,733	2,968,733	2,968,733
Total changes of items during the period	23,921,139	892,915	892,915	24,814,055	24,814,055
Balance at the end of current period	(*1) 109,285,298	2,996,813	2,996,813	112,282,111	112,282,111

The 8th Fiscal Period（from January 1, 2016 to June 30, 2016）

(Yen in thousands)

	Unitholders' Equity				Valuation and Translation Adjustments		Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
		Unappropriated retained earnings (undisposed loss)	Total surplus				
Balance at the beginning of current period	109,285,298	2,996,813	2,996,813	112,282,111	-	-	112,282,111
Changes of items during the period							
Distributions of surplus		(2,969,932)	(2,969,932)	(2,969,932)			(2,969,932)
Net income		2,944,167	2,944,167	2,944,167			2,944,167
Changes of items during the period other than unitholders' equity (net)					7,395	7,395	7,395
Total changes of items during the period	-	(25,765)	(25,765)	(25,765)	7,395	7,395	(18,369)
Balance at the end of current period	(*1) 109,285,298	2,971,047	2,971,047	112,256,346	7,395	7,395	112,263,742

(4) Statements of Cash Distribution

	The 7th Fiscal Period from July 1, 2015 to December 31, 2015	The 8th Fiscal Period from January 1, 2016 to June 30, 2016
	(yen)	(yen)
Ⅰ Unappropriated retained earnings	2,996,813,042	2,971,047,942
Ⅱ Cash distributions	2,969,932,560	2,945,643,440
(Cash distributions per unit)	(7,581)	(7,519)
Ⅲ Retained earnings carried forward to the next period	26,880,482	25,404,502

Calculation method for cash distributions	Based on the distribution policy set forth in Article 35, Paragraph 1 of the Articles of Incorporation of NIPPON REIT, the amount of cash distributions shall be limited to the amount of profit in excess of an amount equivalent to 90% of distributable profits, as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation. In consideration of this policy, NIPPON REIT decided to distribute 2,969,932,560 yen, which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding, 391,760 units, within the limits that does not exceed the unappropriated retained earnings and shall minimize the unitholders' expense pertaining to income taxes. Furthermore, NIPPON REIT does not distribute cash distributions in excess of its earnings as stipulated in Articles 35, Paragraph 2 of its Articles of Incorporation.	Based on the distribution policy set forth in Article 35, Paragraph 1 of the Articles of Incorporation of NIPPON REIT, the amount of cash distributions shall be limited to the amount of profit in excess of an amount equivalent to 90% of distributable profits, as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation. In consideration of this policy, NIPPON REIT decided to distribute 2,945,643,440 yen, which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding, 391,760 units, within the limits that does not exceed the unappropriated retained earnings and shall minimize the unitholders' expense pertaining to income taxes. Furthermore, NIPPON REIT does not distribute cash distributions in excess of its earnings as stipulated in Articles 35, Paragraph 2 of its Articles of Incorporation.

(5) Statements of Cash Flows

(Yen in thousands)

	The 7th Fiscal Period from July 1, 2015 to December 31, 2015	The 8th Fiscal Period from January 1, 2016 to June 30, 2016
Cash Flows from Operating Activities		
Income before income taxes	2,969,414	2,944,810
Depreciation and amortization	730,589	743,048
Loss on retirement of non-current assets	-	938
Loss on reduction of non-current assets	-	52,776
Investment unit issuance expenses	160,447	-
Interest income	(1,242)	(1,576)
Interest expense	288,328	256,152
(Increase) Decrease in tenant receivables	(3,857)	(2,597)
(Increase) Decrease in prepaid expenses	(62,488)	(16,019)
(Increase) Decrease in long-term prepaid expenses	(154,178)	(2,662)
(Increase) Decrease in consumption taxes refundable	711,891	606,571
Increase (Decrease) in accrued consumption taxes	-	173,668
Increase (decrease) in accounts payable	(126,522)	8,160
Increase (decrease) in accrued expenses	73,212	(23,808)
Increase (decrease) in advances received	213,342	59,315
Others, net	22,789	(25,302)
Subtotal	4,821,725	4,773,474
Interest income received	1,242	1,576
Interest expense paid	(279,254)	(258,924)
Income taxes refunded (paid)	1,342	1,344
Net Cash Provided by (Used in) Operating Activities	4,545,056	4,517,472
Cash Flows from Investing Activities		
Payments for purchases of investment properties in trust other than leasehold rights in trust	(48,226,006)	(547,295)
Payments for purchases of leasehold rights in trust	-	(377)
Proceeds from tenant security deposits in trust	2,302,611	448,548
Payments of tenant security deposits in trust	(349,121)	(310,869)
Proceeds from refunds of investment securities	279,000	-
Payments for purchases of investment securities	(102,570)	(721,241)
Other payments	(1,244)	(1,244)
Net Cash Provided by (Used in) Investing Activities	(46,097,331)	(1,132,479)
Cash Flows from Financing Activities		
Proceeds from long-term debt	26,500,000	8,500,000
Repayments of long-term debt	(1,700,000)	(9,400,000)
Proceeds from issuance of investment units	23,760,691	-
Distributions paid	(2,065,885)	(2,963,452)
Net Cash Provided by (Used in) Financing Activities	46,494,805	(3,863,452)
Net Change in Cash and Cash Equivalents	4,942,530	(478,459)
Cash and Cash Equivalents at Beginning of Period	11,178,648	16,121,179
Cash and Cash Equivalents at End of Period	(*1) 16,121,179	(*1) 15,642,719

(6) Notes to the Going Concern Assumption

None

(7) Summary of Significant Accounting Policies

1. Basis and Method of Valuation of Assets	Securities Other securities Non-marketable securities The moving average method is employed as the cost method. A method in which the equivalent amount of the silent partnership is incorporated with the net amount is employed for equity interests in silent partnership
2. Method of Depreciation of Non-Current Assets	(1) Investment Properties Including Trust Assets Investment properties are recorded at cost, which includes the allocated purchase price and, related costs and expenses for acquisition of the trust beneficiary interests in real estate. Investment property balances are depreciated using the straight-line method over the estimated useful lives as follows: Buildings in trust 2-63 years Structures in trust 2-45 years Machinery and equipment in trust 10 years Tools, furniture and fixtures in trust 3-15 years (2) Long-Term Prepaid Expenses Long-term prepaid expenses are amortized using the straight-line method.
3. Allowance for Doubtful Accounts Recognition	Allowance for Doubtful Accounts Allowance for doubtful accounts is provided at the amount considered sufficient to cover probable losses on collection. The amount is determined by estimating uncollectible amount based on the analysis of certain individual accounts that may not be uncollectable.
4. Revenue and Expense Recognition	Real Estate Taxes Property-related taxes property taxes and city planning taxes, etc. are imposed on properties on a calendar year basis. These taxes are generally changed to rental business expenses for the period, for the portion of such taxes corresponding to said period. In connection with the acquisition of real estate including trust beneficiary interests in real estate during the fiscal period under review, NIPPON REIT included its pro rata property portion for the year in each property acquisition price and not as rental business expense. The amount of property taxes included in acquisition prices for the previous fiscal period amounted to 122,225 thousand yen and not applicable for the fiscal period under review.
5. Method of Hedge Accounting	(1) Method of Hedge Accounting Method of deferred on hedges is applied. Furthermore, for interest rate swaps that satisfy the requirements for special treatment, special treatment is applied. (2) Hedging instruments and hedge items Hedging instruments: Interest rate swaps Hedged items: Interest on borrowings (3) Hedging policy NIPPON REIT conducts derivative transactions for hedging risks provided for in the Articles of Incorporation of NIPPON REIT pursuant to the financing policy. (4) Method of assessing hedge effectiveness The effectiveness of hedging is assessed by the correlation between the change in aggregated amount of cash flow of the hedging instrument and the change in aggregated amount of cash flow of the hedged item. Furthermore, the assessment of hedge effectiveness for interest rate swap transactions that satisfy the requirements

	for special treatment is omitted.
6. Cash and Cash Equivalents as Stated in the Statements of Cash Flows	Cash and cash equivalents consist of cash, demand deposits, and short-term investments that are liquid, readily convertible to cash and with insignificant risk of market value fluctuation, with maturities of three months or less from the date of acquisition.
7. Other Significant Matters Which Constitute the Basis for Preparation of Financial Statements	(1) Accounting for Trust Beneficiary Interests in Real Estate For trust beneficial interests in real estate owned by NIPPON REIT, all accounts of assets and liabilities within the assets in trust as well as all accounts of revenue generated and expenses incurred from the assets in trust are recognized in the relevant accounts of the balance sheets and, statements of income and retained earnings. The following assets in trust are recognized and presented separately on the balance sheets. I. Cash and deposits in trust II. Land in trust, buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust and leasehold rights in trust III. Tenant security deposits in trust (2) Consumption Taxes Consumption taxes are excluded from transaction amounts. Generally, consumption taxes paid are offset against the balance of consumption taxes withheld. As such, the excess of payments over amounts withheld is included in the current assets while the excess of amounts withheld over payments is included in the current liabilities. Non-deductible consumption taxes related to the acquisition of properties are treated as the cost of the applicable properties.

(8) Notes to Financial Statements

(Notes to Balance Sheets)

*1 Reduction entry amount of tangible fixed assets received as governmental subsidy (Yen in thousands)

	Prior Period (As of December 31, 2015)	Current Period (As of June 30, 2016)
Buildings in trust	-	52,776

*2. Minimum net assets as required by Article 67, Paragraph 4 of the Investment Trust Act (Yen in thousands)

Prior Period (As of December 31, 2015)	Current Period (As of June 30, 2016)
50,000	50,000

(Notes to Income Statements)

*1. Rental revenues and expenses (Yen in thousands)

	Prior Period from July 1, 2015 to December 31, 2015		Current Period from January 1, 2016 to June 30, 2016	
A. Revenues from property leasing:				
Rental revenues				
Base rents	4,794,627		4,791,335	
Common area charges	1,010,414		976,457	
Parking space rental revenues	206,606	6,011,649	210,470	5,978,263
Other revenues related to property leasing				
Utilities charge reimbursements	553,277		517,826	
Others	107,549	660,827	104,872	622,699
Total revenues from property leasing		6,672,476		6,600,962
B. Property-related expenses:				
Property-related expenses				
Property management fees	504,366		502,692	
Utility expenses	580,820		490,760	
Insurance expenses	7,796		6,951	
Repair expenses	97,292		117,424	
Taxes and dues	150,796		499,659	
Depreciation	730,589		743,048	
Loss on retirement of non-current assets	-		938	
Trust fees	22,744		23,550	
Others	248,879		246,903	
Total property-related expenses		2,343,286		2,631,928
C. Income from property leasing(A-B)		4,329,190		3,969,034

*2 Subsidy income is received from Energy Use Rationalization Business Support Program 2015.

(Yen in thousands)

Prior Period from July 1, 2015 to December 31, 2015	Current Period from January 1, 2016 to June 30, 2016
-	53,077

*3. Loss on reduction of non-current assets is the value directly deducted from acquired value, due to the acceptance of subsidies. The breakdown is as follows. (Yen in thousands)

	Prior Period from July 1, 2015 to December 31, 2015	Current Period from January 1, 2016 to June 30, 2016
Buildings in trust	-	52,776

(Notes to Statements of Change in Net Assets)

*1. Total number of investment units authorized and number of investment units issued and outstanding

	Prior Period from July 1, 2015 to December 31, 2015	Current Period from January 1, 2016 to June 30, 2016
Number of investment units authorized	4,000,000 units	4,000,000 units
Number of investment units issued and outstanding	391,760 units	391,760 units

(Notes to Statements of Cash Flows)

*1. Reconciliation between cash and deposits and cash and deposits in trust in the balance sheets and cash and cash equivalents in the statements of cash flows (Yen in thousands)

	Prior Period from July 1, 2015 to December 31, 2015	Current Period from January 1, 2016 to June 30, 2016
Cash and deposits	4,357,068	3,735,973
Cash and deposits in trust	11,764,110	11,906,745
Cash and cash equivalents	16,121,179	15,642,719

(Notes to Lease Transactions)

Existing non-cancelable operating leases (As lessor)

Future minimum rental revenues (Yen in thousands)

	Prior Period (As of December 31, 2015)	Current Period (As of June 30, 2016)
Due within one year	469,687	416,365
Due after one year	429,631	244,493
Total	899,319	660,858

(Notes to Financial Instruments)

1. Quantitative Information for Financial Instruments

(1) Policy for Financial Instruments Transactions

NIPPON REIT raises funds mainly through borrowings, issuance of investment corporation bonds and investment units for acquisition of investment properties, capital expenditures, renovations or repayment of bank borrowings. In financing through interest-bearing debt, NIPPON REIT raises funds with longer term, fixed-rate and well-diversified maturities to secure stable and liquid financing capacity.

NIPPON REIT enters into derivative transactions solely for the purpose of hedging interest rate fluctuation risks arising from borrowings and does not use derivative transactions for speculative purposes.

(2) Nature and Extent of Risks arising from Financial Instruments

Proceeds from borrowings are used mainly for acquisition of investment properties, capital expenditures, renovations, operations or repayment of outstanding borrowings. These borrowings are exposed to liquidity risks upon refinance. The floating-rate borrowings are exposed to potential risks of rising interest rates.

Bank deposits are used for investing NIPPON REIT's surplus funds. These bank deposits are exposed to credit risks such as bankruptcy of the depository financial institutions.

(3) Risk Management of Financial Instruments

Liquidity risk is managed by diversifying lending financial institutions, and planning and executing diversified financing methods including financing through capital markets, such as issuance of investment corporation bonds and issuance of investment units.

Interest rate volatility risk is managed primarily by increasing the proportion of borrowings under long-term fixed rates.

Derivative transactions may be entered into in order to hedge interest rate fluctuation risk. As of the end of current fiscal period, NIPPON REIT had a derivative (interest rate swap) as hedging instrument for the purpose of fixing the interest rate of floating-rate loans to avoid the interest volatility risk. The effectiveness of hedging is assessed by the correlation

between the change in aggregated amount of cash flow of the hedging instrument and the change in aggregated amount of cash flow of the hedged item. Furthermore, the assessment of hedge effectiveness for interest rate swap transactions that satisfy the requirements for special treatment is omitted.
Credit risk concerning bank deposits is managed by diversifying the depositing financial institutions.

(4) Supplemental Explanation regarding Fair Value of Financial Instruments
The fair value of financial instruments is based on their quoted market price. When there is no observable market price available, fair value is based on a price that may be reasonably estimated. Since certain assumptions and factors are reflected in estimating the fair value, different assumptions and factors could result in a different value.

2. Fair Value of Financial Instruments
Book value, fair value and difference between the two as of December 31, 2015 were as follows. The financial instruments whose fair values are deemed extremely difficult to determine (Note 2) are excluded from the table below.

(Yen in thousands)

	Book value	Fair value	Difference
(1)Cash and deposits	4,357,068	4,357,068	-
(2)Cash and deposits in trust	11,764,110	11,764,110	-
(3)Consumption taxes refundable	606,571	606,571	-
Total assets	16,727,750	16,727,750	-
(4)Long-term debt due within one year	19,400,000	19,400,000	-
(5)Long-term debt	85,070,000	85,239,666	169,666
Total liabilities	104,470,000	104,639,666	169,666
(6)Derivative transactions	-	-	-

Book value, fair value and difference between the two as of June 30, 2016 were as follows. The financial instruments whose fair values are deemed extremely difficult to determine (Note 2) are excluded from the table below.

（Yen in thousands）

	Book value	Fair value	Difference
(1)Cash and deposits	3,735,973	3,735,973	-
(2)Cash and deposits in trust	11,906,745	11,906,745	-
(3)Consumption taxes refundable	-	-	-
Total assets	15,642,719	15,642,719	-
(4)Long-term debt due within one year	21,600,000	21,600,000	-
(5)Long-term debt	81,970,000	82,239,729	269,729
Total liabilities	103,570,000	103,839,729	269,729
(6)Derivative transactions	10,834	10,834	-

(Note 1) Methods used to estimate the fair value of financial instruments and derivative transactions

(1) Cash and deposits, (2) Cash and deposits in trust and (3) Consumption taxes refundable
Due to the short maturities, the book value of these assets or liabilities is deemed a reasonable approximation of the fair value; therefore, the book value is used as the fair value equivalent.

(4) Long-term debt due within one year and (5) Long-term debt
For long-term debt with floating interest rates that reflects market interest rates within a short period of time, the book value is deemed a reasonable approximation of the fair value and there are no significant changes in NIPPON REIT's credit standing after borrowing; therefore, the book value is used as the fair value equivalent. For long-term debt with floating interest rate to which special treatment for interest rate swaps is applied, the fair value is the value calculated by discounting the sum of principal and interest, which are treated in combination with he said interest rate swap, at a reasonable rate estimated for a similar loan that is made corresponding to the remaining period.

(6) Derivative transactions
Please refer to "(Derivative Transactions)" below.

(Note 2) Financial instruments whose fair values are deemed extremely difficult to determine are as follows:
The fair value of tenant security deposits in trust (Book value: 7,380,495 thousand yen in previous period and 7,481,160 thousand yen in current period) is not disclosed because these deposits do not have a readily available market price, and it is difficult to estimate a period as to when these deposits will be returned. Although the tenant agreements stipulate a tenancy period, the historical analysis of actual tenancy periods do not indicate any pattern of tenancy period due to their unique nature as early termination or renewal/re-contract of tenancy agreements is possible, which makes it impracticable to reasonably estimate the future cash flows.
The fair value of investment securities (Book value: 104,015 thousand yen in previous period and 835,615 thousand yen in current period) is not disclosed because these securities do not have available market price, and it is difficult to estimate fair values.

(Note 3) Redemption schedule for monetary claims

Prior Period (December 31, 2015)

(Yen in thousands)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Cash and deposits	4,357,068	-	-	-	-	-
Cash and deposits in trust	11,764,110	-	-	-	-	-
Consumption taxes refundable	606,571	-	-	-	-	-
Total	16,727,750	-	-	-	-	-

Current Period (June 30, 2016)

(Yen in thousands)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Cash and deposits	3,735,973	-	-	-	-	-
Cash and deposits in trust	11,906,745	-	-	-	-	-
Total	15,642,719	-	-	-	-	-

(Note4) Redemption schedule for short-term debt and long-term debt

Prior Period (December 31, 2015)

(Yen in thousands)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Long-term debt	19,400,000	21,800,000	20,300,000	21,970,000	20,500,000	500,000
Total	19,400,000	21,800,000	20,300,000	21,970,000	20,500,000	500,000

Current Period (June 30, 2016)

(Yen in thousands)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Long-term debt	21,600,000	19,700,000	21,770,000	20,500,000	19,500,000	500,000
Total	21,600,000	19,700,000	21,770,000	20,500,000	19,500,000	500,000

(Notes to Investment Securities)

Prior Period (As of December 31, 2015)

The fair value of Equity interests in silent partnerships (Book value: 104,015 thousand yen) is not disclosed because these securities do not have available market price, and it is difficult to estimate fair values.

Current Period (As of June 30, 2016)

The fair value of Equity interests in silent partnerships (Book value: 835,615 thousand yen) is not disclosed because these securities do not have available market price, and it is difficult to estimate fair values.

(Notes to Derivative Transactions)

1. Derivative transactions to which hedge accounting is not applied:

Prior Period (December 31, 2015)

(Yen in thousands)

Segment	Type of derivative transaction	Contracted amount and other		Fair value	Unrealized loss
			Due after one year		
Off-market transactions	Interest cap contracts	4,528,990	-	-	(13)
	Total	4,528,990	-	-	(13)

(Note 1) The interest rate cap contracts are evaluated at the fair value and the unrealized gains and losses are recorded in statements of income and retained earnings.
(Note 2) The fair value is provided by financial institutions.

Current Period (June 30, 2016)

None

2. Derivative transactions to which hedge accounting is applied:

Prior Period (December 31, 2015)

(Yen in thousands)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value measurement
				Due after one year		
Special treatment for interest rate swaps	Interest rate swaps Receive floating / Pay fix	Long-term debt	34,400,000	34,400,000	(Note)	-
	Total		34,400,000	34,400,000		

(Note) Since those with special treatment of interest rate swaps are treated integrally with hedged long-term debt, the market values of such are shown as included in the market value in "(5) Long-term debt, due within one year and long-term debt, Financial Instruments, 2. Fair Value of Financial Instruments" above.

Current Period (June 30, 2016)

(Yen in thousands)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value measurement
				Due after one year		
Principle method	Interest rate swaps Receive floating / Pay fix	Long-term debt	32,600,000	21,000,000	10,834	According to the price that the counterparty applied
Special treatment for interest rate swaps	Interest rate swaps Receive floating / Pay fix	Long-term debt	42,900,000	42,900,000	(Note)	-
	Total		75,500,000	63,900,000	10,834	

(Note) Since those with special treatment of interest rate swaps are treated integrally with hedged long-term debt, the market values of such are shown as included in the market value in "(5) Long-term debt, Financial Instruments, 2. Fair Value of Financial Instruments" above.

(Note on Employee Retirement Benefits)

Prior period (December 31, 2015)

Not applicable as NIPPON REIT does not have an employee retirement benefits scheme.

Current period (June 30, 2016)

Not applicable as NIPPON REIT does not have an employee retirement benefits scheme.

(Notes to Deferred Tax Accounting)

1. The significant components of deferred tax assets and liabilities:

(Yen in thousands)

	Prior Period (As of December 31, 2015)	Current Period (As of June 30, 2016)
Deferred tax assets:		
Accrued enterprise tax	3	1
Allowance for doubtful accounts	0	0
Total deferred tax assets	3	1
Deferred tax liabilities:		
Deferred gains or losses on hedges	-	3,438
Total deferred tax liabilities	-	3,438
Net deferred tax assets (liabilities)	3	(3,437)

2. Breakdown of main items causing significant difference between statutory income tax rate and NIPPON REIT's effective tax rate

	Prior Period (As of December 31, 2015)	Current Period (As of June 30, 2016)
Statutory tax rate	32.31%	32.31%
(Adjustments)		
Deductible cash distributions	(32.32%)	(32.32%)
Per capita inhabitant taxes	0.02%	0.02%
Others	0.01%	0.01%
Effective tax rate	0.02%	0.02%

3. Modifications to the amount of deferred tax assets and liabilities due to changes of corporation taxation rates

In line with the enactment of the "Act on Partial Revision of the Income Tax Act" (Act No.15 of 2016) and the "Act on Partial Revision of the Local Tax Law" (Act No.13 of 2016) on March 29, 2016, the tax rates for corporate income taxes has changed from the fiscal year beginning on April 1, 2016 onward.

Accordingly, statutory effective tax rate to calculate deferred tax assets and liability will change from 32.31% to 31.74% for the temporary difference expected to be reversed in the fiscal period beginning on July 1, 2016 and January 1, 2017, to 31.82% for the temporary difference expected to be reversed in the fiscal period beginning on July 1, 2017 and January 1, 2018 and to 31.59% for the temporary difference expected to be reversed after the fiscal period beginning on July 1, 2018. There is little impact from this change.

(Notes to Equity in Income)

Prior Period (from July 1, 2015 to December 31, 2015)

Not applicable as there are no affiliated companies of NIPPON REIT.

Current Period (from January 1, 2016 to June 30, 2016)

Not applicable as there are no affiliated companies of NIPPON REIT.

(Notes to Related Party Transactions)
1. Related party transactions
(1) Parent company and major corporate unitholders
Prior Period (from July 1, 2015 to December 31, 2015)
None

Current Period (from January 1, 2016 to June 30, 2016)
None

(2) Affiliates
Prior Period (from July 1, 2015 to December 31, 2015)
None

Current Period (from January 1, 2016 to June 30, 2016)
None

(3) Companies under common control
Prior Period (from July 1, 2015 to December 31, 2015)
None

Current Period (from January 1, 2016 to June 30, 2016)
None

(4) Board of Officers and major individual unitholders
Prior Period (from July 1, 2015 to December 31, 2015)

Classification	Name	Address	Capital stock (Yen in millions)	Principal business or occupation	Ratio of voting rights (owned)	Nature of transaction	Amount of transaction (Yen in thousands)	Account	Balance at the end of period (Yen in thousands)
Directors and their relatives	Hisao Ishikawa	-	-	Executive Officer of NIPPON REIT and President, Director & CEO of Sojitz REIT Advisors K.K.	-	Payment of asset management fees to Sojitz REIT Advisors K.K. (Note 1)	920,620	Accrued expenses	153,855

(Note 1) This was executed by Hisao Ishikawa as a representative director of a third party (Sojitz REIT Advisors K.K.) and terms and conditions of related-party transactions are based on those stipulated in NIPPON REIT'S Article of Incorporation for asset management fees.
(Note 2) Consumption taxes are not included in transaction amounts and are included in the balance at the end of the period.

Current Period (from January 1, 2016 to June 30, 2016)

Classification	Name	Address	Capital stock (Yen in millions)	Principal business or occupation	Ratio of voting rights (owned)	Nature of transaction	Amount of transaction (Yen in thousands)	Account	Balance at the end of period (Yen in thousands)
Directors and their relatives	Hisao Ishikawa	-	-	Executive Officer of NIPPON REIT and President, Director & CEO of Sojitz REIT Advisors K.K.(Note1)	-	Payment of asset management fees to Sojitz REIT Advisors K.K. (Note 2)	518,623	Accrued expenses	130,600

(Note 1) Hisao Ishikawa resigned president, Director & CEO of Sojitz REIT Advisors K.K. on June 30, 2016.
(Note 2) This was executed by Hisao Ishikawa as a representative director of a third party (Sojitz REIT Advisors K.K.) and terms and conditions of related-party transactions are based on those stipulated in NIPPON REIT'S Article of Incorporation for asset management fees.
(Note 3) Consumption taxes are not included in transaction amounts and are included in the balance at the end of the period.

(Notes to Asset Retirement Obligation)
Prior Period (from July 1, 2015 to December 31, 2015)
None

Current Period (from January 1, 2016 to June 30, 2016)
None

(Notes to Investment Properties)
The book value, net changes in the book value and the fair value of the investment properties such as office, residential and retail properties (including the land, etc.) owned by NIPPON REIT were as follows:

(Yen in thousands)

		Prior Period from July 1, 2015 to December 31, 2015	Current Period from January 1, 2016 to June 30, 2016
Book value			
	Balance at beginning of period	160,948,980	208,681,494
	Change during period	47,732,514	(469,461)
	Balance at end of period	208,681,494	208,212,032
Fair value		216,452,000	217,243,000

(Note 1) Amounts recorded in the balance sheet are figures in which accumulated depreciation is deducted from the acquisition costs.
(Note 2) Amounts recorded in the balance sheet include the amount of leasehold right in trust.
(Note 3) Among changes in the amount of real estate for rental purposes that occurred during the previous fiscal period, the main increase was due to the acquisition of 11properties including Omiya Center Building (total 48,067,803 thousand yen) and the main decrease was due to the recording of depreciation.
(Note 4) Among changes in the amount of real estate for rental purposes that occurred during the fiscal period under review, the main increase was due to capital expenditures and the main decrease was due to the recording of depreciation.
(Note 5) The fair value is determined based on appraisal values provided by external real estate appraisers.

Profit and loss associated with real estate for rental purposes is as stated in “Notes to Income Statements.”

(Segment and Related Information)
(Segment Information)
Segment information is omitted as NIPPON REIT has one segment, which is property-leasing business.

(Related Information)
Prior Period (from July 1, 2015 to December 31, 2015)
1. Information about Products and Services
Disclosure of this information is omitted as operating revenues to external customers for a single product/service category accounts for more than 90% of the operating revenues on the statements of income and retained earnings.

2. Information by Geographic Areas
(1) Operating revenues
Disclosure of this information is omitted as domestic operating revenues accounts for more than 90% of total operating revenues.
(2) Investment properties
Disclosure of this information is omitted as domestic investment properties accounts for more than 90% of the book value of the total investment properties.

3. Information on Major Customers
Disclosure of this information is omitted as there is no customer that accounts for 10% or more of the operating revenues recorded in the statements of income and retained earnings.

Current Period (from January 1, 2016 to June 30, 2016)
1. Information about Products and Services
Disclosure of this information is omitted as operating revenues to external customers for a single product/service category accounts for more than 90% of the operating revenues on the statements of income and retained earnings.

2. Information by Geographic Areas

(1) Operating revenues

Disclosure of this information is omitted as domestic operating revenues accounts for more than 90% of total operating revenues.

(2) Investment properties

Disclosure of this information is omitted as domestic investment properties accounts for more than 90% of the book value of the total investment properties.

3. Information on Major Customers

Disclosure of this information is omitted as there is no customer that accounts for 10% or more of the operating revenues recorded in the statements of income and retained earnings.

(Notes to Per Unit Information)

	Prior Period from July 1, 2015 to December 31, 2015	Current Period from January 1, 2016 to June 30, 2016
Net assets per unit	286,609 yen	286,562 yen
Net income per unit	7,588 yen	7,515 yen

(Note 1) Net income per unit is calculated by dividing net income by the weighted average (based on number of days) number of units. Net income per unit after adjustment for residual units is not indicated because there were no residual investment units.

(Note 2) The base for the calculation of net income per unit is as follows.

	Prior Period from July 1, 2015 to December 31, 2015	Current Period from January 1, 2016 to June 30, 2016
Net income (Yen in thousands)	2,968,733	2,944,167
Amount not attributable to ordinary unitholders (Yen in thousands)	-	-
Net income attributable to ordinary unitholders (Yen in thousands)	2,968,733	2,944,167
Weighted average number of units outstanding (units)	391,217	391,760

(Notes to Significant Subsequent Events)

None

(9) Changes in Number of total of Investment Units Issued and Outstanding

Changes in number of investment units issued and outstanding and total unitholders' equity for recent 5 years to the end of current period are as follows:

Date	Type of issue	Number of investment units issued and outstanding (Unit)		Total unitholders' equity (Yen in millions) (Note 1)		Note
		Increase (decrease)	Total	Increase (decrease)	Total	
January 17, 2014	Unit split	200	400	-	100	(Note 2)
April 23, 2014	Public offering	144,200	144,600	35,066	35,166	(Note 3)
May 23, 2014	Issuance of new investment units through third-party allotment	7,210	151,810	1,753	36,919	(Note 4)
February 10, 2015	Public offering	145,000	296,810	46,137	83,057	(Note 5)
March 10, 2015	Issuance of new investment units through third-party allotment	7,250	304,060	2,306	85,364	(Note 6)
July 1, 2015	Public offering	84,000	388,060	22,911	108,276	(Note 7)
July 28, 2015	Issuance of new investment units through third-party allotment	3,700	391,760	1,009	109,285	(Note 8)

(Note 1) Total unitholders' equity is truncated to the nearest million yen.

(Note 2) NIPPON REIT implemented a two-for-one split of investment units with an effective date of January 17, 2014.

(Note 3) In order to obtain funds to acquire new properties, NIPPON REIT issued new investment units through a public offering at the offer price of 252,000 yen (issue price of 243,180 yen) per unit.

(Note 4) In connection with the public offering, NIPPON REIT issued new investment units through a third-party allotment at the issue price of 243,180 yen per unit.

(Note 5) In order to obtain funds to acquire new properties, NIPPON REIT issued new investment units through a public offering at the offer price of 330,037 yen (issue price of 318,189 yen) per unit

(Note 6) In connection with the public offering, NIPPON REIT issued new investment units through a third-party allotment at the issue price of 318,189 yen per unit.

(Note 7) In order to obtain funds to acquire new properties, NIPPON REIT issued new investment units through a public offering at the offer price of 282,918 yen (issue price of 272,761 yen) per unit.

(Note 8) In connection with the public offering, NIPPON REIT issued new investment units through a third-party allotment at the issue price of 272,761 yen per unit.

4. Changes in Officers and Directors

During the fiscal period under review, Hisao Ishikawa, President, Director & CEO of the Asset Management Company., has resigned on June 30, 2016 and Toshio Sugita has been appointed as President & CEO on the same date. For details of Directors as of the date of this document, please refer to the latest Securities Report (Submitted on March 28, 2016). Other changes in Officers and Directors of NIPPON REIT and the Asset Management Company will be announced at the time of decision.

5. Reference Information

(1) Status of Investment

Type of assets	Property type	Area	Prior period (December 31, 2015)		Current period (June 30, 2016)	
			Total amount held (Yen in millions) (Note 1)	Percentage to total assets (%) (Note 2)	Total amount held (Yen in millions) (Note 1)	Percentage to total assets (%) (Note 2)
Real estate in trust	Office properties	Six central wards of Tokyo (Note 3)	122,541	54.1	122,397	54.2
		Three major metropolitan areas (Note 4) (excluding Six central wards of Tokyo)	61,184	27.0	61,059	27.0
		Subtotal	183,725	81.1	183,457	81.2
	Residential properties	Three major metropolitan areas (Note 4) (including Six central wards of Tokyo)	17,109	7.5	16,959	7.5
		Certain ordinance-designated and other cities (Note 5)	2,278	1.0	2,255	1.0
		Subtotal	19,387	8.6	19,215	8.5
	Retail Properties	-	5,568	2.5	5,539	2.5
Total			208,681	92.1	208,212	92.2
Investment securities (Note 6)			104	0.0	835	0.4
Deposits and other assets			17,848	7.9	16,795	7.4
Total assets			226,633	100.0	225,842	100.0

(Note 1) Total amount held represents the amount recorded on the balance sheets as of the end of the respective period (for real estate in trust, book value less depreciation) and truncated to the nearest million yen.

(Note 2) Percentage to total assets represents the percentage of the amount of respective asset recorded on the balance sheet to total assets. Figures are rounded to the first decimal place and may not add up to subtotals or total.

(Note 3) The “Six central wards of Tokyo” refers to Chiyoda, Chuo, Minato, Shinjuku, Shibuya and Shinagawa wards.

(Note 4) The “Three major metropolitan areas” refers to the Tokyo economic area, the Osaka economic area and the Nagoya economic area. The “Tokyo economic area” refers to the Tokyo metropolitan area, Kanagawa prefecture, Chiba prefecture and Saitama prefecture. The “Osaka economic area” refers to Osaka prefecture, Kyoto prefecture and Hyogo prefecture. The Nagoya economic area refers to Aichi prefecture, Gifu prefecture and Mie prefecture.

(Note 5) “Certain ordinance-designated and other cities” refers to Japanese cities that have been designated as ordinance-designated cities by an order of the cabinet under the Local Autonomy Law of Japan and that are located outside of the Three major metropolitan areas (i.e. Sapporo, Sendai, Niigata, Shizuoka, Hamamatsu, Okayama, Hiroshima, Fukuoka, Kitakyushu and Kumamoto) and to prefectural capitals that are located outside of the three major metropolitan areas.

(Note 6) Investment securities represents the equity interest in silent partnerships of Godo Kaisha Nicolas Capital 6 as operator for prior period and the equity interest in silent partnerships of Godo Kaisha Nicolas Capital 6, Godo Kaisha Nicolas Capital 9, Godo Kaisha Nicolas Capital 8 as operators respectively for current period.

(2) Investment Assets

I. Major investment securities

(as of June 30, 2016)

Type	Name	Quantity (Unit)	Book value (Yen in millions)	Fair value (Yen in millions) (Note 1)	Percentage to total asset (%) (Note 2)	Note
Equity interest in a silent partnership	Godo Kaisha Nicolas Capital 6 Equity interest in silent partnership	-	228	228	0.1	(Note 3)
Equity interest in a silent partnership	Godo Kaisha Nicolas Capital 9 Equity interest in silent partnership	-	102	102	0.0	(Note 4)
Equity interest in a silent partnership	Godo Kaisha Nicolas Capital 8 Equity interest in silent partnership	-	505	505	0.2	(Note 5)
Total		-	835	835	0.4	

(Note 1) Book value is used as the fair value equivalent.

(Note 2) Percentage to total assets represents the percentage of the amount of respective assets recorded on the balance sheet and rounded to the first decimal place.

(Note 3) The asset under management is trust beneficiary interests in real estate of Homat Horizon Building, Splendid Namba and Sannomiya First Building.

(Note 4) The asset under management is trust beneficiary interests in real estate of Yusen Higashi-Nihombashi Ekimae Building, (Tentative) Residence Edogawabashi and ZEPHYROS Minami-horie.

(Note 5) The asset under management is trust beneficiary interests in real estate of SC Sakaisujihonmachi Building, Alte Building Higobashi, DIA Building Meieki and Hiroo ON Building.

II. Investment Properties

Not applicable as of June 30, 2016.

III. Other Major Investment Assets

(i) Summary of real estate in trust

The summary of real estate in trust held by NIPPON REIT as of June 30, 2016 is as follows:

Property Number	Property name	Asset type	Location	Total leasable area (㎡) (Note 1)	Acquisition price (Yen in millions) (Note 2)	Investment ratio (%) (Note 3)
A-1	FORECAST Nishishinjuku	Office property	Shinjuku Ward, Tokyo	1,945.68	2,260	1.1
A-2	Nihombashi Playa Building (Note 4)	Office property	Chuo Ward, Tokyo	2,490.08	2,130	1.0
A-3	FORECAST Yotsuya	Office property	Shinjuku Ward, Tokyo	1,678.15	1,430	0.7
A-4	FORECAST Shinjuku AVENUE	Office property	Shinjuku Ward, Tokyo	4,337.15	6,500	3.2
A-5	FORECAST Ichigaya (Note 5)	Office property	Shinjuku Ward, Tokyo	3,844.66	4,800	2.3
A-6	FORECAST Mita	Office property	Minato Ward, Tokyo	1,786.18	1,800	0.9
A-7	FORECAST Shinjuku SOUTH	Office property	Shinjuku Ward, Tokyo	13,875.04	13,990	6.8
A-8	FORECAST Sakurabashi	Office property	Chuo Ward, Tokyo	6,566.76	5,760	2.8
A-9	GreenOak Kayabacho	Office property	Chuo Ward, Tokyo	2,984.94	2,860	1.4
A-10	GreenOak Kudan	Office property	Chiyoda Ward, Tokyo	2,594.46	2,780	1.4
A-11	GreenOak Takanawadai	Office property	Minato Ward, Tokyo	2,621.74	2,260	1.1
A-12	GreenOak Okachimachi	Office property	Taito Ward, Tokyo	3,497.09	3,330	1.6
A-13	Higashi Ikebukuro Center Building	Office property	Toshima Ward, Tokyo	4,219.65	2,520	1.2
A-14	Central Daikanyama	Office property	Shibuya Ward, Tokyo	1,898.83	3,510	1.7
A-15	JS Progres Building	Office property	Ota Ward, Tokyo	11,988.14	5,325	2.6
A-16	Hiroo Reeplex B's	Office property	Minato Ward, Tokyo	1,500.85	2,827	1.4
A-17	Shibakoen Sanchome Building	Office property	Minato Ward, Tokyo	7,882.60	7,396	3.6
A-18	FORECAST Iidabashi (Note 4)	Office property	Chiyoda Ward, Tokyo	4,066.50	5,230	2.6
A-19	Kudankita 325 Building	Office property	Chiyoda Ward, Tokyo	2,007.07	1,850	0.9
A-20	FORECAST Uchikanda (Note 4)	Office property	Chiyoda Ward, Tokyo	1,230.44	1,240	0.6
A-21	Itohpia Iwamotocho 2-chome Building	Office property	Chiyoda Ward, Tokyo	3,446.99	2,810	1.4
A-22	Itohpia Iwamotocho 1-chome Building	Office property	Chiyoda Ward, Tokyo	3,056.56	2,640	1.3
A-23	Itohpia Iwamotocho ANNEX Building	Office property	Chiyoda Ward, Tokyo	3,064.20	2,100	1.0
A-24	Hisamatsucho Reeplex B's	Office property	Chuo Ward, Tokyo	3,022.25	2,837	1.4
A-25	(Tentative) FORECAST Ningyocho (DaVinci Ningyocho) (Note 6)	Office property	Chuo Ward, Tokyo	2,277.61	2,070	1.0
A-26	KDX Ningyocho Building	Office property	Chuo Ward, Tokyo	1,867.95	1,650	0.8
A-27	FORECAST Shin-Tokiwabashi (Note 4)	Office property	Chuo Ward, Tokyo	1,794.97	2,030	1.0
A-28	Nishi-Shinjuku Sanko Building	Office property	Shinjuku Ward, Tokyo	2,479.80	2,207	1.1
A-29	Iidabashi Reeplex B's	Office property	Shinjuku Ward, Tokyo	1,401.68	1,249	0.6
A-30	FORECAST Shinagawa (Note 4)	Office property	Shinagawa Ward, Tokyo	2,385.47	2,300	1.1

Property Number	Property name	Asset type	Location	Total leasable area (㎡) (Note 1)	Acquisition price (Yen in millions) (Note 2)	Investment ratio (%) (Note 3)
A-31	Nishi-Gotanda 8-chome Building	Office property	Shinagawa Ward, Tokyo	2,999.68	2,210	1.1
A-32	Towa Higashi-Gotanda Building	Office property	Shinagawa Ward, Tokyo	2,939.16	2,033	1.0
A-33	FORECAST Takadanobaba (Note 4)	Office property	Toshima Ward, Tokyo	5,614.35	5,550	2.7
A-34	Mejiro NT Building	Office property	Toshima Ward, Tokyo	4,497.27	3,094	1.5
A-35	Toshin Higashi-Ikebukuro Building	Office property	Toshima Ward, Tokyo	1,645.19	979	0.5
A-36	Mitsui Woody Building	Office property	Koto Ward, Tokyo	4,006.20	2,475	1.2
A-37	Itabashi Honcho Building	Office property	Itabashi Ward, Tokyo	6,356.89	3,146	1.5
A-38	ANTEX24 Building	Office property	Taito Ward, Tokyo	2,267.59	1,691	0.8
A-39	Itohpia Kiyosubashidori Building	Office property	Taito Ward, Tokyo	2,659.67	1,550	0.8
A-40	East Side Building	Office property	Taito Ward, Tokyo	2,096.92	1,372	0.7
A-41	I•S Minamimorimachi Building	Office property	Osaka, Osaka	4,164.82	2,258	1.1
A-42	Sunworld Building	Office property	Osaka, Osaka	3,314.58	1,200	0.6
A-43	Marunouchi Sanchome Building	Office property	Nagoya, Aichi	4,219.19	1,626	0.8
A-44	MK Kojimachi Building	Office property	Chiyoda Ward, Tokyo	1,752.31	1,781	0.9
A-45	Toranomon Sakura Building	Office property	Minato Ward, Tokyo	3,049.80	4,120	2.0
A-46	La Verite Akasaka	Office property	Minato Ward, Tokyo	1,707.18	2,000	1.0
A-47	Kanda Ocean Building	Office property	Chiyoda Ward, Tokyo	1,484.74	1,440	0.7
A-48	Shinto GINZA EAST	Office property	Chuo Ward, Tokyo	1,206.28	1,352	0.7
A-49	New River Building	Office property	Chuo Ward, Tokyo	3,882.61	3,000	1.5
A-50	FORECAST Waseda FIRST (Note 4)	Office property	Shinjuku Ward, Tokyo	4,340.66	4,775	2.3
A-51	FORECAST Gotanda WEST (Note 4)	Office property	Shinagawa Ward, Tokyo	8,981.55	6,520	3.2
A-52	Omiya Center Building	Office property	Saitama, Saitama	14,311.77	15,585	7.6
A-53	Sumitomo Mitsui Bank Koraibashi Building	Office property	Osaka, Osaka	5,102.55	2,850	1.4
A-54	NORE Fushimi	Office property	Nagoya, Aichi	3,857.58	2,840	1.4
A-55	NORE Meieki	Office property	Nagoya, Aichi	4,296.12	2,520	1.2
B-1	Tower Court Kitashinagawa	Residential property	Shinagawa Ward, Tokyo	16,913.29	11,880	5.8
B-2	Sky Hills N11	Residential property	Sapporo, Hokkaido	8,567.50	1,570	0.8
B-3	my atria Meieki	Residential property	Nagoya, Aichi	2,890.78	1,280	0.6
B-4	my atria Sakae	Residential property	Nagoya, Aichi	3,121.60	1,110	0.5
B-5	Mac Village Heian	Residential property	Nagoya, Aichi	2,250.00	785	0.4
B-6	Seam Dwell Tsutsui	Residential property	Nagoya, Aichi	1,800.00	695	0.3
B-7	Ciel Yakuin	Residential property	Fukuoka, Fukuoka	1,544.87	640	0.3
B-8	Kanda Reeplex R's	Residential property	Chiyoda Ward, Tokyo	2,183.93	1,813	0.9
C-1	Otakibashi Pacifica Building	Retail property	Shinjuku Ward, Tokyo	1,383.31	3,350	1.6
C-2	Komyoike Act	Retail property	Sakai, Osaka	6,173.41	2,063	1.0
	Total			255,396.84	204,852	100.0

(Note 1) “Total leasable area” is the total area of the relevant building (excluding warehouses, signboards and parking lots) that NIPPON REIT consider leasable based on relevant lease agreements or floor plans. The same shall apply hereinafter.

(Note 2) “Acquisition price” does not include consumption taxes, local consumption taxes and acquisition-related expenses. Figures have been truncated to the nearest million yen. The same shall apply hereinafter

(Note 3) “Investment ratio” is the percentage of the acquisition price of the relevant property to total acquisition price. Figures have been rounded to the first decimal place and may not add up to total.

(Note 4) NIPPON REIT executed change in the names of properties on April 1, 2016 as follows. In addition, as for A-2 (tentative) FORECAST Nihombashi EAST that NIPPON REIT had decided to change the name, NIPPON REIT will continue to use current name (Nihombashi Playa Building) and will not execute the name change. The same shall apply hereinafter.

Property No.	Old name	New name
A-18	DaVinci Iidabashi	FORECAST Iidabashi
A-20	DaVinci Uchikanda133	FORECAST Uchikanda
A-27	DaVinci Shin-Tokiwabashi	FORECAST Shin-Tokiwabashi
A-30	DaVinci Shinagawa	FORECAST Shinagawa
A-33	DaVinci Takada 3-chome	FORECAST Takadanobaba
A-50	Waseda SIA Building	FORECAST Waseda FIRST
A-51	POLA Daisan Gotanda Building	FORECAST Gotanda WEST

(Note 5) The name “FORECAST Ichigaya” is used for the first through seventh floors that are used as offices, and the name “Eponoqu Ichigaya” is used for the eighth and ninth floors that are used as residences. The property as a whole, including the residential floors, is named “FORECAST Ichigaya”. The same shall apply hereinafter.

(Note 6) NIPPON REIT intend to change the name of the property but have not obtained our end-tenants’ consent to the name change as of the end of current period and therefore still use the current name. The new name after intended change is shown as “(Tentative)”, and the current name is shown in parentheses and only the new name after intended change is shown hereinafter. The tentative property name reflects NIPPON REIT’s plans as of the end of current period and is subject to change without prior notice, or the name may not be changed.

(ii) Summary of the leasing status

Property Number	Property name	Total leasable area (㎡)	Total leased area (㎡) (Note 1)	Occupancy rate (%) (Note 2)	Number of tenants (Note 3)	Annual contracted rent (Yen in millions) (Note 4)
A-1	FORECAST Nishishinjuku	1,945.68	1,732.30	89.0	16	138
A-2	Nihombashi Playa Building	2,490.08	2,490.08	100.0	2	152
A-3	FORECAST Yotsuya	1,678.15	1,678.15	100.0	13	100
A-4	FORECAST Shinjuku AVENUE	4,337.15	4,337.15	100.0	6	383
A-5	FORECAST Ichigaya	3,844.66	3,844.66	100.0	23	269
A-6	FORECAST Mita	1,786.18	1,786.18	100.0	5	110
A-7	FORECAST Shinjuku SOUTH	13,875.04	13,875.04	100.0	19	1,027
A-8	FORECAST Sakurabashi	6,566.76	6,566.76	100.0	6	364
A-9	GreenOak Kayabacho	2,984.94	2,577.73	86.4	5	160
A-10	GreenOak Kudan	2,594.46	2,594.46	100.0	4	176
A-11	GreenOak Takanawadai	2,621.74	2,621.74	100.0	11	139
A-12	GreenOak Okachimachi	3,497.09	3,497.09	100.0	5	169
A-13	Higashi Ikebukuro Center Building	4,219.65	4,219.65	100.0	5	199
A-14	Central Daikanyama	1,898.83	1,898.83	100.0	4	162
A-15	JS Progres Building	11,988.14	8,438.75	70.4	6	259
A-16	Hiroo Reeplex B's	1,500.85	1,500.85	100.0	8	146
A-17	Shibakoen Sanchome Building	7,882.60	7,882.60	100.0	4	399
A-18	FORECAST Iidabashi	4,066.50	4,066.50	100.0	24	230
A-19	Kudankita 325 Building	2,007.07	2,007.07	100.0	8	95
A-20	FORECAST Uchikanda	1,230.44	1,230.44	100.0	5	68
A-21	Itohpia Iwamotocho 2-chome Building	3,446.99	2,731.28	79.2	8	137
A-22	Itohpia Iwamotocho 1-chome Building	3,056.56	3,056.56	100.0	9	158
A-23	Itohpia Iwamotocho ANNEX Building	3,064.20	3,064.20	100.0	6	140
A-24	Hisamatsucho Reeplex B's	3,022.25	3,022.25	100.0	1	Not disclosed (Note 5)
A-25	(Tentative)FORECAST Ningyocho	2,277.61	2,277.61	100.0	7	104
A-26	KDX Ningyocho Building	1,867.95	1,867.95	100.0	6	96
A-27	FORECAST Shin-Tokiwabashi	1,794.97	1,530.45	85.3	10	80
A-28	Nishi-Shinjuku Sanko Building	2,479.80	2,479.80	100.0	8	124
A-29	Iidabashi Reeplex B's	1,401.68	1,401.68	100.0	6	70
A-30	FORECAST Shinagawa	2,385.47	1,665.95	69.8	5	77
A-31	Nishi-Gotanda 8-chome Building	2,999.68	2,999.68	100.0	8	123
A-32	Towa Higashi-Gotanda Building	2,939.16	2,939.16	100.0	8	131
A-33	FORECAST Takadanobaba	5,614.35	5,614.35	100.0	7	306
A-34	Mejiro NT Building	4,497.27	4,497.27	100.0	5	196
A-35	Toshin Higashi-Ikebukuro Building	1,645.19	1,645.19	100.0	4	66
A-36	Mitsui Woody Building	4,006.20	4,006.20	100.0	6	160
A-37	Itabashi Honcho Building	6,356.89	6,356.89	100.0	4	222

Property Number	Property name	Total leasable area (㎡)	Total leased area (㎡) (Note 1)	Occupancy rate (%) (Note 2)	Number of tenants (Note 3)	Annual contracted rent (Yen in millions) (Note 4)
A-38	ANTEX24 Building	2,267.59	1,666.41	73.5	5	71
A-39	Itohpia Kiyosubashidori Building	2,659.67	2,659.67	100.0	7	110
A-40	East Side Building	2,096.92	2,096.92	100.0	4	92
A-41	I•S Minamimorimachi Building	4,164.82	4,164.82	100.0	16	166
A-42	Sunworld Building	3,314.58	3,314.58	100.0	1	Not disclosed (Note 6)
A-43	Marunouchi Sanchome Building	4,219.19	4,219.19	100.0	22	118
A-44	MK Kojimachi Building	1,752.31	1,296.02	74.0	8	64
A-45	Toranomon Sakura Building	3,049.80	2,209.66	72.5	7	148
A-46	La Verite Akasaka	1,707.18	1,707.18	100.0	6	111
A-47	Kanda Ocean Building	1,484.74	1,484.74	100.0	24	87
A-48	Shinto GINZA EAST	1,206.28	1,206.28	100.0	6	71
A-49	New River Building	3,882.61	2,698.04	69.5	12	110
A-50	FORECAST Waseda FIRST	4,340.66	4,340.66	100.0	8	250
A-51	FORECAST Gotanda WEST	8,981.55	8,981.55	100.0	13	396
A-52	Omiya Center Building	14,311.77	14,111.00	98.6	26	872
A-53	Sumitomo Mitsui Bank Koraibashi Building	5,102.55	5,032.80	98.6	22	187
A-54	NORE Fushimi	3,857.58	3,857.58	100.0	7	169
A-55	NORE Meieki	4,296.12	4,296.12	100.0	20	165
B-1	Tower Court Kitashinagawa	16,913.29	15,969.80	94.4	263	731
B-2	Sky Hills N11	8,567.50	8,567.50	100.0	1	115
B-3	my atria Meieki	2,890.78	2,864.18	99.1	67	91
B-4	my atria Sakae	3,121.60	3,121.60	100.0	1	73
B-5	Mac Village Heian	2,250.00	2,250.00	100.0	1	53
B-6	Seam Dwell Tsutsui	1,800.00	1,800.00	100.0	1	49
B-7	Ciel Yakuin	1,544.87	1,480.60	95.8	40	42
B-8	Kanda Reeplex R's	2,183.93	2,138.12	97.9	40	103
C-1	Otakibashi Pacifica Building	1,383.31	1,383.31	100.0	8	169
C-2	Komyoike Act	6,173.41	5,933.64	96.1	23	179
	Total	255,396.84	244,854.47	95.9	946	11,995

(Note 1) "Total leased area" is the aggregate leased area described in the relevant lease agreements as of June 30, 2016. For properties subject to pass-through master leases, total leased area is the aggregate of the leased areas indicated in the relevant sublease agreements with end-tenants as of June 30, 2016.

(Note 2) "Occupancy rate" is calculated by dividing total leased area by total leasable area as of June 30, 2016, and rounding to the first decimal place.

(Note 3) "Number of tenants" is the aggregate number of tenants as described in the relevant lease agreements for respective properties as of June 30, 2016, excluding warehouses, signboards and parking lots. For properties subject to a pass-through master lease, the number of tenant is the total number of end-tenants, except for certain pass-through master leases under which properties are leased en bloc to a sublessee who pays a fixed amount of rent to the master lessee, we consider number of the tenants to be "1".

(Note 4) "Annual contracted rent" is the aggregate annual rent as described in the relevant lease agreements as of June 30, 2016. In the case of monthly rent payments, annual rent is calculated by multiplying the aggregate monthly rent by 12. Annual contracted rent includes common area maintenance charges but excludes usage fees for warehouses, signboards and parking lots as well as consumption taxes. Free rent periods are not taken into account in determining annual contracted rent. For properties subject to a pass-through master lease, annual contracted rent is based on the relevant sublease agreements as of June 30, 2016. Figures have been truncated to the nearest million yen and may not add up to total.

(Note 5) This information is not disclosed as tenant's consent to disclosure has not been obtained.

(Note 6) This information is not disclosed as sublessee's consent to disclosure has not been obtained.

(iii) Summary on Appraisal Report (As of June 30, 2016)

Property Number	Property name	Acquisition price (Yen in millions)	Book value (Yen in millions) (Note 2)	Appraisal value (Yen in millions) (Note 3)	Direct capitalization method		Discounted cash flow method		
					Appraisal value (Yen in millions)	Direct capitalization rate	Appraisal value (Yen in millions)	Discount rate	Terminal capitalization rate
A-1	FORECAST Nishishinjuku	2,260	2,215	2,760	2,800	4.4%	2,720	4.0%	4.6%
A-2	Nihombashi Playa Building	2,130	2,091	2,310	2,330	4.7%	2,280	4.5%	4.9%
A-3	FORECAST Yotsuya	1,430	1,407	1,740	1,760	4.3%	1,710	4.1%	4.5%
A-4	FORECAST Shinjuku AVENUE	6,500	6,400	7,100	7,120	4.0%	7,070	3.7%	4.1%
A-5	FORECAST Ichigaya	4,800	4,730	5,440	5,530	4.0%	5,350	3.8%	4.2%
A-6	FORECAST Mita	1,800	1,779	2,070	2,100	4.2%	2,030	4.0%	4.4%
A-7	FORECAST Shinjuku SOUTH	13,990	14,493	15,800	16,000	4.0%	15,600	3.7%	4.2%
A-8	FORECAST Sakurabashi	5,760	6,038	6,040	6,120	4.5%	5,960	4.3%	4.7%
A-9	GreenOak Kayabacho	2,860	2,975	3,070	3,110	4.4%	3,030	4.2%	4.6%
A-10	GreenOak Kudan	2,780	2,879	3,100	3,140	4.1%	3,050	3.9%	4.3%
A-11	GreenOak Takanawadai	2,260	2,282	2,370	2,400	4.5%	2,340	4.3%	4.7%
A-12	GreenOak Okachimachi	3,330	3,459	2,990	3,000	4.7%	2,980	4.4%	4.8%
A-13	Higashi Ikebukuro Center Building	2,520	2,696	2,690	2,720	4.9%	2,660	4.7%	5.1%
A-14	Central Daikanyama	3,510	3,658	3,490	3,550	4.0%	3,430	3.8%	4.2%
A-15	JS Progres Building	5,325	5,420	5,240	5,320	5.4%	5,160	5.1%	5.5%
A-16	Hiroo Reeplex B's	2,827	2,865	2,980	3,030	4.3%	2,930	4.1%	4.5%
A-17	Shibakoen Sanchome Building	7,396	7,464	9,140	9,520	3.9%	8,970	3.7%	4.1%
A-18	FORECAST Iidabashi	5,230	5,431	5,360	5,420	4.2%	5,300	3.9%	4.3%
A-19	Kudankita 325 Building	1,850	1,936	1,910	1,930	4.2%	1,890	3.9%	4.3%
A-20	FORECAST Uchikanda	1,240	1,303	1,240	1,250	4.3%	1,220	4.1%	4.5%
A-21	Itohpia Iwamotocho 2-chome Building	2,810	2,839	2,920	2,960	4.5%	2,870	4.3%	4.7%
A-22	Itohpia Iwamotocho 1-chome Building	2,640	2,678	2,690	2,720	4.6%	2,650	4.4%	4.8%
A-23	Itohpia Iwamotocho ANNEX Building	2,100	2,124	2,260	2,290	4.5%	2,230	4.3%	4.7%
A-24	Hisamatsucho Reeplex B's	2,837	2,864	2,890	2,930	4.5%	2,840	4.3%	4.7%
A-25	(Tentative) FORECAST Ningyocho	2,070	2,154	2,070	2,110	4.6%	2,020	4.4%	4.8%
A-26	KDX Ningyocho Building	1,650	1,666	1,730	1,760	4.6%	1,700	4.4%	4.8%
A-27	FORECAST Shin-Tokiwabashi	2,030	2,117	2,030	2,070	4.5%	1,980	4.3%	4.7%
A-28	Nishi-Shinjuku Sanko Building	2,207	2,241	2,290	2,330	4.4%	2,240	4.2%	4.6%
A-29	Iidabashi Reeplex B's	1,249	1,273	1,320	1,340	4.1%	1,290	3.9%	4.3%
A-30	FORECAST Shinagawa	2,300	2,401	2,300	2,340	4.5%	2,250	4.3%	4.7%
A-31	Nishi-Gotanda 8-chome Building	2,210	2,304	2,240	2,280	4.5%	2,200	4.3%	4.7%
A-32	Towa Higashi-Gotanda Building	2,033	2,049	2,120	2,140	4.5%	2,090	4.3%	4.7%
A-33	FORECAST Takadanobaba	5,550	5,808	5,490	5,580	4.8%	5,400	4.6%	5.0%

Property Number	Property name	Acquisition price (Yen in millions)	Book value (Yen in millions) (Note 2)	Appraisal value (Yen in millions) (Note 3)	Direct capitalization method		Discounted cash flow method		
					Appraisal value (Yen in millions)	Direct capitalization rate	Appraisal value (Yen in millions)	Discount rate	Terminal capitalization rate
A-34	Mejiro NT Building	3,094	3,117	3,210	3,250	4.9%	3,170	4.7%	5.1%
A-35	Toshin Higashi-Ikebukuro Building	979	996	1,010	1,020	5.0%	1,000	4.8%	5.2%
A-36	Mitsui Woody Building	2,475	2,550	2,580	2,600	5.0%	2,560	4.7%	5.1%
A-37	Itabashi Honcho Building	3,146	3,172	3,190	3,220	5.1%	3,160	4.8%	5.3%
A-38	ANTEX24 Building	1,691	1,767	1,730	1,750	4.8%	1,700	4.5%	4.9%
A-39	Itohpia Kiyosubashidori Building	1,550	1,577	1,680	1,690	4.9%	1,670	4.6%	5.1%
A-40	East Side Building	1,372	1,387	1,450	1,470	4.9%	1,430	4.7%	5.1%
A-41	I•S Minamimorimachi Building	2,258	2,276	2,410	2,430	4.9%	2,390	4.7%	5.1%
A-42	Sunworld Building	1,200	1,260	1,210	1,220	5.2%	1,200	5.0%	5.4%
A-43	Marunouchi Sanchome Building	1,626	1,642	1,760	1,780	5.0%	1,740	4.8%	5.2%
A-44	MK Kojimachi Building	1,781	1,815	1,920	1,920	4.2%	1,910	3.8%	4.2%
A-45	Toranomon Sakura Building	4,120	4,307	4,130	4,130	3.9%	4,130	3.5%	3.9%
A-46	La Verite Akasaka	2,000	2,099	2,080	2,110	4.1%	2,040	3.9%	4.3%
A-47	Kanda Ocean Building	1,440	1,456	1,480	1,500	4.3%	1,460	4.1%	4.5%
A-48	Shinto GINZA EAST	1,352	1,367	1,400	1,410	4.3%	1,380	4.0%	4.4%
A-49	New River Building	3,000	3,068	2,960	3,000	4.6%	2,910	4.3%	4.7%
A-50	FORECAST Waseda FIRST	4,775	4,819	4,870	4,940	4.5%	4,790	4.2%	4.6%
A-51	FORECAST Gotanda WEST	6,520	6,792	6,740	6,890	4.2%	6,590	4.0%	4.4%
A-52	Omiya Center Building	15,585	15,683	16,700	16,900	4.7%	16,400	4.5%	4.9%
A-53	Sumitomo Mitsui Bank Koraibashi Building	2,850	2,880	2,890	2,920	4.8%	2,860	4.6%	5.0%
A-54	NORE Fushimi	2,840	2,839	3,020	3,060	4.8%	2,980	4.6%	5.0%
A-55	NORE Meieki	2,520	2,523	2,660	2,690	4.9%	2,630	4.7%	5.1%
B-1	Tower Court Kitashinagawa	11,880	11,229	12,900	13,000	4.5%	12,700	4.3%	4.7%
B-2	Sky Hills N11	1,570	1,600	1,670	1,680	5.7%	1,660	5.5%	5.9%
B-3	my atria Meieki	1,280	1,299	1,430	1,440	5.0%	1,410	4.8%	5.2%
B-4	my atria Sakae	1,110	1,119	1,190	1,200	5.1%	1,170	4.9%	5.3%
B-5	Mac Village Heian	785	795	849	857	5.2%	840	5.0%	5.4%
B-6	Seam Dwell Tsutsui	695	721	767	775	5.1%	759	4.9%	5.3%
B-7	Ciel Yakuin	640	655	687	695	4.9%	679	4.7%	5.1%
B-8	Kanda Reeplex R's	1,813	1,793	1,870	1,880	4.5%	1,850	4.2%	4.7%
C-1	Otakibashi Pacifica Building	3,350	3,475	3,450	3,510	4.1%	3,390	3.9%	4.3%
C-2	Komyoike Act	2,063	2,064	2,160	2,180	5.4%	2,140	5.2%	5.6%
	Total	204,852	208,212	217,243	220,117		214,138		

(Note 1) Figures in the above table are truncated to the nearest million yen.

(Note 2) "Book value" is the value recorded on the balance sheets as of June 30, 2016 (for real estate and real estate in trust, acquisition price (including acquisition-related expenses) less depreciation expenses).

(Note 3) "Appraisal value" represents the appraisal value as set forth on the relevant appraisal reports as of June 30, 2016.

(iv) Earnings Performance for the Individual Properties

The 8th Fiscal Period (from January 1, 2016 to June 30, 2016) (Yen in thousands)

Property number	A-1	A-2	A-3	A-4	A-5	A-6
Property name	FORECAST Nishishinjuku	Nihombashi Playa Building	FORECAST Yotsuya	FORECAST Shinjuku AVENUE	FORECAST Ichigaya	FORECAST Mita
Operating periods	182days	182days	182days	182days	182days	182days
(1)Revenues from property leasing	84,206	80,317	51,625	197,734	123,775	54,655
Rental revenues	75,872	76,892	46,598	178,562	112,101	48,543
Other revenues related to property leasing	8,334	3,424	5,027	19,172	11,673	6,111
(2)Property related expenses	17,238	16,244	12,994	42,150	33,709	11,851
Property management fees	3,352	4,944	2,508	9,805	7,860	2,795
Utility expenses	6,952	5,113	2,666	13,331	7,169	3,911
Insurance expenses	64	69	47	139	132	49
Repair expenses	427	473	1,669	878	797	29
Taxes and dues	2,372	5,271	4,759	17,640	9,968	4,712
Trust fees	350	350	350	350	350	350
Others	3,719	23	993	5	7,432	3
(3)NOI (1)-(2)	66,967	64,072	38,630	155,583	90,065	42,803
(4)Depreciation	16,694	15,994	7,650	29,285	35,785	7,548
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	50,273	48,078	30,979	126,297	54,279	35,254

(Yen in thousands)

Property number	A-7	A-8	A-9	A-10	A-11	A-12
Property name	FORECAST Shinjuku SOUTH	FORECAST Sakurabashi	GreenOak Kayabacho	GreenOak Kudan	GreenOak Takanawadai	GreenOak Okachimachi
Operating periods	182days	182days	182days	182days	182days	182days
(1)Revenues from property leasing	575,852	196,670	98,698	97,748	78,265	92,560
Rental revenues	517,318	180,698	88,891	89,619	71,034	77,784
Other revenues related to property leasing	58,534	15,971	9,806	8,128	7,231	14,776
(2)Property related expenses	205,346	44,137	24,863	25,003	18,558	21,218
Property management fees	36,952	15,817	7,534	5,455	3,549	4,849
Utility expenses	40,492	12,706	8,113	6,412	6,060	8,546
Insurance expenses	491	220	100	90	83	107
Repair expenses	7,332	4,244	997	4,131	1,277	-
Taxes and dues	15,282	9,649	7,637	8,231	7,099	7,120
Trust fees	350	350	350	350	350	350
Others	104,444	1,149	130	332	139	243
(3)NOI (1)-(2)	370,506	152,532	73,835	72,744	59,707	71,342
(4)Depreciation	23,547	9,770	6,634	4,327	15,973	6,224
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	346,958	142,762	67,200	68,416	43,733	65,118

(Yen in thousands)

Property number	A-13	A-14	A-15	A-16	A-17	A-18
Property name	Higashi Ikebukuro Center Building	Central Daikanyama	JS Progres Building	Hiroo Reeplex B's	Shibakoen Sanchome Building	FORECAST Iidabashi
Operating periods	182days	182days	182days	182days	182days	182days
(1)Revenues from property leasing	90,160	86,421	149,592	78,267	215,676	129,400
Rental revenues	84,114	79,256	131,684	69,945	201,770	120,113
Other revenues related to property leasing	6,045	7,164	17,907	8,322	13,906	9,287
(2)Property related expenses	26,209	13,650	96,101	15,402	39,089	20,360
Property management fees	8,407	3,148	20,813	3,374	8,719	5,924
Utility expenses	7,409	4,239	20,251	3,487	12,349	7,089
Insurance expenses	151	44	301	34	150	99
Repair expenses	1,176	205	6,352	2,078	653	288
Taxes and dues	8,456	5,554	31,058	4,728	16,860	6,430
Trust fees	550	350	350	350	350	350
Others	57	108	16,973	1,349	6	177
(3)NOI (1)-(2)	63,950	72,770	53,490	62,864	176,587	109,040
(4)Depreciation	11,967	3,721	27,585	2,761	14,157	9,584
(5) Loss on retirement of non-current assets	236	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	51,746	69,049	25,904	60,103	162,429	99,456

(Yen in thousands)

Property number	A-19	A-20	A-21	A-22	A-23	A-24
Property name	Kudankita 325 Building	FORECAST Uchikanda	Itohpia Iwamotocho 2-chome Building	Itohpia Iwamotocho 1-chome Building	Itohpia Iwamotocho ANNEX Building	Hisamatsucho Reeplex B's
Operating periods	182days	182days	182days	182days	182days	182days
(1)Revenues from property leasing	56,432	40,487	80,850	87,101	64,343	Not disclosed (Note)
Rental revenues	47,914	37,953	71,338	83,613	60,473	
Other revenues related to property leasing	8,518	2,534	9,512	3,487	3,870	
(2)Property related expenses	17,491	9,637	22,303	18,340	19,826	
Property management fees	5,285	2,857	6,130	6,114	6,096	
Utility expenses	3,885	2,735	6,529	5,117	6,030	
Insurance expenses	40	39	86	76	67	
Repair expenses	1,485	442	1,440	992	841	
Taxes and dues	6,360	3,108	7,636	5,679	5,132	
Trust fees	350	350	350	350	350	
Others	83	103	130	9	1,308	
(3)NOI (1)-(2)	38,941	30,849	58,546	68,760	44,517	65,276
(4)Depreciation	2,203	3,069	6,431	6,582	4,320	6,115
(5) Loss on retirement of non-current assets	-	107	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	36,737	27,672	52,115	62,178	40,196	59,161

(Note) This information is not disclosed as tenant's consent has not been obtained

(Yen in thousands)

Property number	A-25	A-26	A-27	A-28	A-29	A-30
Property name	(Tentative) FORECAST Ningyocho	KDX Ningyocho Building	FORECAST Shin-Tokiwabashi	Nishi-Shinjuku Sanko Building	Iidabashi Reeplex B's	FORECAST Shinagawa
Operating periods	182days	182days	182days	182days	182days	182days
(1)Revenues from property leasing	59,640	54,541	46,150	67,567	44,534	46,568
Rental revenues	54,327	48,578	39,841	62,261	35,034	41,157
Other revenues related to property leasing	5,313	5,962	6,309	5,306	9,500	5,410
(2)Property related expenses	16,844	12,907	13,708	17,471	12,445	17,720
Property management fees	5,576	3,353	2,497	4,405	2,793	5,242
Utility expenses	4,202	4,914	3,715	5,220	6,236	3,951
Insurance expenses	63	42	41	57	31	64
Repair expenses	887	463	3,440	991	350	1,711
Taxes and dues	5,764	3,758	3,398	6,261	2,681	5,659
Trust fees	350	350	350	350	350	350
Others	-	25	265	183	2	739
(3)NOI (1)-(2)	42,796	41,633	32,441	50,095	32,088	28,847
(4)Depreciation	5,330	3,515	2,834	3,780	2,620	6,195
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	37,465	38,118	29,607	46,314	29,467	22,651

(Yen in thousands)

Property number	A-31	A-32	A-33	A-34	A-35	A-36
Property name	Nishi-Gotanda 8-chone Building	Towa Higashi-Gotanda Building	FORECAST Takadanobaba	Mejiro NT Building	Toshin Higashi-Ikebukuro Building	Mitsui Woody Building
Operating periods	182days	182days	182days	182days	182days	182days
(1)Revenues from property leasing	72,538	73,410	162,722	115,043	40,402	77,792
Rental revenues	58,564	66,426	146,565	101,348	35,220	70,406
Other revenues related to property leasing	13,973	6,983	16,156	13,695	5,182	7,385
(2)Property related expenses	22,508	22,446	37,831	31,047	9,520	39,141
Property management fees	6,300	6,427	9,631	9,110	3,153	8,579
Utility expenses	7,286	4,948	14,080	8,957	3,096	7,408
Insurance expenses	71	76	144	108	39	103
Repair expenses	1,187	4,960	507	4,100	74	3,611
Taxes and dues	7,312	5,660	11,890	7,755	2,366	7,416
Trust fees	350	350	350	350	550	350
Others	-	23	1,227	665	241	11,672
(3)NOI (1)-(2)	50,030	50,963	124,891	83,996	30,882	38,651
(4)Depreciation	4,682	6,111	12,709	9,608	3,054	5,887
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	45,348	44,851	112,181	74,387	27,827	32,764

(Yen in thousands)

Property number	A-37	A-38	A-39	A-40	A-41	A-42
Property name	Itabashi Honcho Building	ANTEX24 Building	Itohpia Kiyosubashidori Building	East Side Building	I•S Minamimorimachi Building	Sunworld Building
Operating periods	182days	182days	182days	182days	182days	182days
(1)Revenues from property leasing	139,021	43,295	63,326	50,719	92,891	Not disclosed (Note)
Rental revenues	112,226	38,306	57,673	46,170	84,807	
Other revenues related to property leasing	26,795	4,988	5,652	4,549	8,083	
(2)Property related expenses	67,271	12,891	18,081	11,103	29,015	
Property management fees	18,511	3,618	5,294	3,775	6,154	
Utility expenses	14,572	3,712	5,802	3,095	8,919	
Insurance expenses	129	54	58	43	119	
Repair expenses	2,494	703	1,439	1,542	1,658	
Taxes and dues	8,508	3,811	4,825	2,294	9,258	
Trust fees	350	350	350	350	550	
Others	22,704	641	310	2	2,354	
(3)NOI (1)-(2)	71,750	30,403	45,244	39,615	63,876	32,313
(4)Depreciation	14,426	6,279	3,749	2,720	10,221	4,596
(5) Loss on retirement of non-current assets	-	478	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	57,324	23,645	41,495	36,895	53,654	27,717

(Note) This information is not disclosed as sublessee's consent has not been obtained.

(Yen in thousands)

Property number	A-43	A-44	A-45	A-46	A-47	A-48
Property name	Marunouchi Sanchome Building	MK Kojimachi Building	Toranomon Sakura Building	La Verite Akasaka	Kanda Ocean Building	Shinto GINZA EAST
Operating periods	182days	182days	182days	182days	182days	182days
(1)Revenues from property leasing	72,196	47,641	52,255	41,717	47,285	32,711
Rental revenues	66,415	45,117	49,832	39,379	42,540	29,466
Other revenues related to property leasing	5,780	2,524	2,423	2,337	4,744	3,245
(2)Property related expenses	20,928	12,449	30,263	15,774	14,111	9,090
Property management fees	7,649	3,767	6,312	3,289	2,962	2,149
Utility expenses	6,178	2,333	4,162	2,215	4,233	1,625
Insurance expenses	96	39	92	45	43	29
Repair expenses	564	126	3,991	2,936	2,397	73
Taxes and dues	5,570	5,665	8,420	4,611	3,252	2,731
Trust fees	350	350	350	350	550	350
Others	518	166	6,933	2,326	670	2,131
(3)NOI (1)-(2)	51,267	35,192	21,991	25,942	33,173	23,621
(4)Depreciation	8,378	2,306	6,451	1,806	2,661	2,688
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	42,889	32,886	15,540	24,136	30,511	20,933

(Yen in thousands)

Property number	A-49	A-50	A-51	A-52	A-53	A-54
Property name	New River Building	FORECAST Waseda FIRST	FORECAST Gotanda WEST	Omiya Center Building	Sumitomo Mitsui Bank Koraibashi Building	NORE Fushimi
Operating periods	182days	182days	182days	182days	182days	182days
(1)Revenues from property leasing	68,258	141,569	215,433	477,390	108,837	104,271
Rental revenues	60,664	128,397	194,948	446,536	83,992	88,596
Other revenues related to property leasing	7,594	13,171	20,484	30,853	24,845	15,674
(2)Property related expenses	24,503	35,148	73,381	107,392	51,164	27,957
Property management fees	7,253	9,948	23,649	34,955	12,011	7,454
Utility expenses	6,817	11,167	23,059	29,169	16,576	10,336
Insurance expenses	104	128	286	500	193	99
Repair expenses	793	847	(94)	2,813	2,175	2,390
Taxes and dues	7,555	11,024	26,024	26,571	15,858	7,095
Trust fees	350	350	350	350	350	350
Others	1,630	1,681	104	13,031	3,999	231
(3)NOI (1)-(2)	43,755	106,420	142,051	369,997	57,673	76,313
(4)Depreciation	6,737	9,332	9,679	54,146	10,522	18,936
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	37,017	97,088	132,372	315,851	47,150	57,377

(Yen in thousands)

Property number	A-55	B-1	B-2	B-3	B-4	B-5
Property name	NORE Meieki	Tower Court Kitashinagawa	Sky Hills N11	my atria Meieki	my atria Sakae	Mac Village Heian
Operating periods	182days	182days	182days	182days	182days	182days
(1)Revenues from property leasing	92,117	392,107	61,056	49,386	38,496	27,810
Rental revenues	79,787	380,240	61,056	45,173	38,462	27,723
Other revenues related to property leasing	12,329	11,867	-	4,212	33	87
(2)Property related expenses	25,879	93,165	8,536	19,075	6,768	5,078
Property management fees	7,174	33,322	300	3,775	1,879	1,895
Utility expenses	8,515	4,615	-	801	485	420
Insurance expenses	108	458	131	71	65	48
Repair expenses	368	16,696	1,201	5,019	45	410
Taxes and dues	9,018	19,525	6,551	3,373	2,592	1,952
Trust fees	350	350	350	350	350	350
Others	344	18,196	1	5,684	1,350	-
(3)NOI (1)-(2)	66,237	298,942	52,519	30,310	31,728	22,731
(4)Depreciation	16,911	97,849	16,849	14,352	14,690	9,462
(5) Loss on retirement of non-current assets	-	-	-	116	-	-
(6)Income from property leasing (3)-(4)-(5)	49,326	201,093	35,670	15,841	17,037	13,269

(Yen in thousands)

Property number	B-6	B-7	B-8	C-1	C-2	Total
Property name	Seam Dwell Tsutsui	Ciel Yakuin	Kanda Reeplex R's	Otakibashi Pacifica Building	Komyoike Act	
Operating periods	182days	182days	182days	182days	182days	
(1)Revenues from property leasing	24,907	23,824	55,086	93,351	140,499	6,600,962
Rental revenues	24,906	22,912	52,183	84,980	108,340	5,978,263
Other revenues related to property leasing	1	912	2,902	8,371	32,158	622,699
(2)Property related expenses	4,386	7,597	12,237	18,538	66,674	1,887,941
Property management fees	1,884	1,365	3,412	4,274	22,565	502,692
Utility expenses	-	677	-	8,493	32,347	490,760
Insurance expenses	37	33	45	39	165	6,951
Repair expenses	24	2,218	2,142	-	467	117,424
Taxes and dues	1,607	1,211	2,544	5,295	8,917	499,659
Trust fees	350	350	350	350	350	23,550
Others	483	1,739	3,741	85	1,861	246,903
(3)NOI (1)-(2)	20,521	16,227	42,849	74,812	73,825	4,713,020
(4)Depreciation	7,285	6,166	8,307	11,322	19,939	743,048
(5) Loss on retirement of non-current assets	-	-	-	-	-	938
(6)Income from property leasing (3)-(4)-(5)	13,235	10,060	34,542	63,490	53,886	3,969,034