

Summary of Financial Results  
for the Fiscal Period Ended June 30, 2017 (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 26, 2017

Scheduled date of delivery of distributions: September 15, 2017

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, 2017 (January 1, 2017 – June 30, 2017)

(1) Operating Results

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

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%
For the fiscal period ended								
June 30, 2017	6,947	1.6	3,696	4.8	3,218	5.3	3,218	5.4
December 31, 2016	6,836	3.5	3,527	7.3	3,055	3.8	3,054	3.8

	Net Income per Unit	Return on Equity	Return on Assets	Ordinary Income to Operating Revenues
	Yen	%	%	%
For the fiscal period ended				
June 30, 2017	8,215	2.9	1.4	46.3
December 31, 2016	7,797	2.7	1.4	44.7

(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
	Yen	Yen in millions	Yen	Yen in millions	%	%
For the fiscal period ended						
June 30, 2017	8,217	3,219	0	0	100.0	2.9
December 31, 2016	7,800	3,055	0	0	100.0	2.7

(3) Financial Position

	Total Assets	Total Net Assets	Equity Ratio	Net Assets per Unit
	Yen in millions	Yen in millions	%	Yen
For the fiscal period ended				
June 30, 2017	226,434	112,540	49.7	287,268
December 31, 2016	226,398	112,389	49.6	286,883

(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
	Yen in millions	Yen in millions	Yen in millions	Yen in millions
For the fiscal period ended				
June 30, 2017	3,873	(558)	(3,048)	16,740
December 31, 2016	3,826	(59)	(2,935)	16,474

2. Forecast of management status for the Fiscal Period Ending December 2017 (from July 1, 2017 to December 31, 2017) and the Fiscal Period Ending June 2018 (from January 1, 2018 to June 30, 2018)

(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
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen	Yen
For the fiscal period ending December 31, 2017	7,101	2.2	3,729	0.9	3,222	0.1	3,221	0.1	8,224	—
June 30, 2018	6,976	(1.8)	3,684	(1.2)	3,174	(1.5)	3,173	(1.5)	8,100	—

(Reference)

Forecast net income per unit for the fiscal period ending December 31, 2017 : 8,224yen

Forecast net income per unit for the fiscal period ending June 30, 2018 : 8,100yen

(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, 2017 391,760 units As of December 31, 2016 391,760 units

(b) Number of investment treasury units:

As of June 30, 2017 0 unit As of December 31, 2016 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 2017 (from July 1, 2017 to December 31 2017) and Fiscal Period Ending June 2018 (from January 1, 2018 to June 30, 2018)" on page 7.

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 24, 2017).

## 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 24, 2017).

### (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, 2017) 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 2017) saw an increase by 0.3% (an annual increase by 1.0%) in the real GDP growth rate (second preliminary figures) for the first quarter compared to the same period of previous year, and the gradual recovery trend is ongoing.

Business investment, exports and industrial production are picking up, private consumption is also picking up moderately. Though consumer prices are flat, corporate profits, firms' judgment on current business conditions and the employment situation are improving. 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, attention should be given to the uncertainty in overseas economies and the effects of fluctuations in the financial and capital markets.

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 2017 as announced by Miki Shoji Co., Ltd. was 3.26%, down 0.81% from the same month last year. Moreover, the average rent in the same area as of the end of June 2017 was 18,864 yen per tsubo, up 3.77% 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 2.1% year-on-year increase in retail sales according to figures announced by the Ministry of Economy, Trade and Industry in May 2017, showing gradual recovery trend mainly in

the motor vehicles-retailing sector, medicinal supplies sector, cosmetic sector, fabric sector, apparel sector and retail trade (woven fabrics, apparel, accessories and notions) sector. Sales at large retail stores decreased by 0.6% year-on-year. As for short-term prospects, private consumption is expected to move toward recovery, supported by the improvement in the employment and income environment.

Recently, properties for sale which are located in gulf coast of Tokyo such as Tennozu area and higashi-shinagawa area, and Minatomirai area which used to be considered as high-risk to invest due to low position in the real estate lease market have been seen frequently, moreover those are traded at different level of transaction yields from before. Because of consideration that office rent is approaching an upper limit by increase in office building supply and macroeconomic uncertainty, 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, and satisfactory finance environment has been continuing, superior investment-grade properties for sale are expected to make transaction yields remain at the current low level.

## (ii) Management Performance

### a. External Growth

During the fiscal period under review (fiscal period ended June 2017), NIPPON REIT acquired the following silent partnership equity interest as pipelines for external growth, and has been granted the right of first negotiation pertaining to the acquisition of total of 5 real estate-backed properties, in addition to the total of 65 properties (with a total acquisition price of 204,852 million yen) and silent partnership equity interest (investment amount 820 million yen, 10 real estate-backed properties) owned as of the end of the prior fiscal period (December 31, 2016).

Name	Number of backed real estate properties	Investment amount (Yen in millions) (Note)	Acquisition date
Godo Kaisha Nicolas Capital 10 subordinated silent partnership equity interest	5	28	March 29, 2017
		22	April 10, 2017

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

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 254,809.89m<sup>2</sup> and a 99.8% average occupancy rate and 4 equity interest in a silent partnership (investment amount 870 million yen, 15 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 99.8% 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 24, 2017 (loan amount 11,600 million yen), borrowings of total 11,600 million yen was implemented on the same day as the loan due.

As a result, the balance of borrowings as of June 30, 2017 was 103,570 million yen and the ratio of interest-bearing debt to total assets (LTV) was 45.7%.

(iii) Credit Rating

NIPPON REIT's credit rating as of June 30, 2017 is as follows.

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

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 6,947 million yen, operating income of 3,696 million yen, ordinary income of 3,218 million yen and net income of 3,218 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 3,219,091,920 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 8,217 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., 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 45.7% 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 2017 (July 1, 2017 to December 31, 2017) and the fiscal period ending June 2018 (January 1, 2018 to June 30, 2018) 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 2017 (July 1, 2017 to December 31, 2017) and Fiscal Period Ending June 2018 (January 1, 2018 to June 30, 2018)” described later.

##### Fiscal period ending December 2017 (July 1, 2017 to December 31, 2017)

Operating revenues	7,101 million yen
Operating income	3,729 million yen
Ordinary income	3,222 million yen
Net income	3,221 million yen
Cash distributions per unit	8,224 yen
Cash distributions in excess of earnings per unit	0 yen

##### Fiscal period ending June 2018 (January 1, 2018 to June 30, 2018)

Operating revenues	6,976 million yen
Operating income	3,684 million yen
Ordinary income	3,174 million yen
Net income	3,173 million yen
Cash distributions per unit	8,100 yen
Cash distributions in excess of earnings per unit	0 yen

(Note) The above figures are calculated based on certain assumptions as of August 17, 2017. 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 2017 (July 1, 2017 to December 31, 2017 and Fiscal Period Ending June 2018 (January 1, 2018 to June 30, 2018)

Item	Assumption
Calculation period	<ul style="list-style-type: none"> <li>· Fiscal period ending December 2017 (11th fiscal period): (from July 1, 2017 to December 31, 2017)(184 days)</li> <li>· Fiscal period ending June 2018 (12th fiscal period): (from January 1, 2018 to June 30, 2018)(181 days)</li> </ul>
Assets under management	<ul style="list-style-type: none"> <li>· 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 2018.</li> <li>· In actual practice, there may be any changes due to acquisition of new property, or disposition of portfolio property, etc.</li> </ul>
Operating revenues	<ul style="list-style-type: none"> <li>· 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 7,080 million yen in the fiscal period ending December 2017 and 6,934 million yen in the fiscal period ending June 2018 respectively.</li> <li>· Dividend income is assumed 20 million yen in the fiscal period ending December 2017 and 33 million yen in the fiscal period ending June 2018 respectively.</li> <li>· Operating revenues are based on the assumption that there will be no delinquent or unpaid rent by tenants.</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>· 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 1,911 million yen in the fiscal period ending December 2017 and 1,820 million yen in the fiscal period ending June 2018 respectively.</li> <li>· Depreciation, which is calculated using the straight-line method on the acquisition price including incidental expenses, is assumed 745 million yen in the fiscal period ending December 2017 and 780 million yen in the fiscal period ending June 2018.</li> <li>· The total amounts of property taxes and city planning taxes are assumed 500 million yen in the fiscal period ending December 2017 and 510 million yen in the fiscal period ending June 2018 respectively.</li> <li>· 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.</li> <li>· Asset management fees are assumed 528 million yen in the fiscal period ending December 2017 and 519 million yen in the fiscal period ending June 2018 respectively.</li> </ul>
Non-operating revenues	<ul style="list-style-type: none"> <li>· They are assumed neither in the fiscal period ending December 2017 nor the fiscal period ending June 2018.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>· Interest expense and borrowing related expenses are assumed 506 million yen in the fiscal period ending December 2017 and 510 million yen in the fiscal period ending June 2018.</li> </ul>
Loans	<ul style="list-style-type: none"> <li>· NIPPON REIT’s outstanding balance of interest-bearing debt as of today is 103,570 million yen.</li> <li>· The assumption is that all loans which will come due before the end of the fiscal period ending June 2018 (19,700 million yen) will be refinanced.</li> <li>· LTV is expected to be approximately 45.7% as of December 31, 2017 and approximately 45.8% as of June 30, 2018 respectively.</li> <li>· The following formula is used in the calculation of LTV. LTV = Total interest-bearing debt ÷ Total assets × 100</li> </ul>
Investment units	<ul style="list-style-type: none"> <li>· 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 2018.</li> </ul>
Cash Distributions per unit	<ul style="list-style-type: none"> <li>· 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.</li> <li>· Deferred gains or losses on hedges as valuation and translation adjustments are expected to be the same amount with the fiscal period ending June 2017 both in the fiscal period ending December 2017 and the fiscal period ending June 2018. 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 2018.</li> <li>· 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 or future additional issuance of new investment units and other events.</li> </ul>



Cash Distributions in excess of earnings per unit	<ul style="list-style-type: none"> <li>· There are no plans at this time to distribute cash in excess of earnings.</li> <li>· 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.</li> </ul>
Others	<ul style="list-style-type: none"> <li>· 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.</li> <li>· The assumption is that there will be no unforeseen serious change in general economic trends and real estate market conditions, etc.</li> </ul>

(3) Investment Risks

As there have been no significant changes in the “Investment Risks” as described in the latest Securities Report (submitted on March 24, 2017), the disclosure is omitted.

### 3. Financial Statements

#### (1) Balance Sheets

(Yen in thousands)

	The 9th Fiscal Period (as of December 31, 2016)	The 10th Fiscal Period (as of June 30, 2017)
<b>Assets</b>		
Current Assets		
Cash and deposits	4,269,839	11,217,610
Cash and deposits in trust	12,204,569	5,523,380
Tenant receivables	100,762	112,358
Prepaid expenses	351,021	370,288
Income taxes refundable	2,597	8,006
Other current assets	12,520	5,554
Allowance for doubtful accounts	(0)	(0)
<b>Total Current Assets</b>	<b>16,941,311</b>	<b>17,237,198</b>
Non-Current Assets		
Property, plant and equipment		
Buildings in trust	※ 1 48,349,873	※ 1 48,602,616
Accumulated depreciation	(4,100,611)	(4,820,866)
Buildings in trust, net	44,249,261	43,781,749
Structures in trust	155,644	157,997
Accumulated depreciation	(28,886)	(32,975)
Structures in trust, net	126,758	125,021
Machinery and equipment in trust	74,342	156,868
Accumulated depreciation	(3,527)	(8,993)
Machinery and equipment in trust, net	70,815	147,875
Tools, furniture and fixtures in trust	50,572	64,963
Accumulated depreciation	(7,590)	(12,010)
Tools, furniture and fixtures in trust, net	42,982	52,952
Land in trust	147,626,696	147,626,696
Construction in progress in trust	3,146	—
<b>Total property, plant and equipment</b>	<b>192,119,660</b>	<b>191,734,295</b>
Intangible assets		
Leasehold rights in trust	15,806,402	15,806,402
<b>Total intangible assets</b>	<b>15,806,402</b>	<b>15,806,402</b>
Investments and other assets		
Investment securities	848,175	895,866
Lease and guarantee deposits	10,110	10,110
Long-term prepaid expenses	614,313	699,633
Other	58,074	50,535
<b>Total investments and other assets</b>	<b>1,530,672</b>	<b>1,656,145</b>
<b>Total Non-Current Assets</b>	<b>209,456,735</b>	<b>209,196,843</b>
<b>Total Assets</b>	<b>226,398,047</b>	<b>226,434,042</b>

(Yen in thousands)

	The 9th Fiscal Period (as of December 31, 2016)	The 10th Fiscal Period (as of June 30, 2017)
<b>Liabilities</b>		
Current Liabilities		
Accounts payable	809,189	611,972
Long-term debt due within one year	21,800,000	19,700,000
Accrued expenses	218,573	223,658
Accrued consumption taxes	176,742	107,251
Deferred tax liabilities	3,160	495
Advances received	1,091,790	1,172,706
Other current liabilities	251,084	360,827
<b>Total Current Liabilities</b>	<b>24,350,541</b>	<b>22,176,913</b>
Long-Term Liabilities		
Long-term debt	81,770,000	83,870,000
Tenant security deposits in trust	7,880,370	7,841,792
Deferred tax liabilities	7,802	5,034
<b>Total Long-Term Liabilities</b>	<b>89,658,172</b>	<b>91,716,827</b>
<b>Total Liabilities</b>	<b>114,008,714</b>	<b>113,893,741</b>
<b>Net Assets</b>		
Unitholders' Equity		
Unitholders' capital	109,285,298	109,285,298
Surplus		
Unappropriated retained earnings (undisposed loss)	3,080,273	3,242,988
<b>Total Surplus</b>	<b>3,080,273</b>	<b>3,242,988</b>
<b>Total Unitholders' Equity</b>	<b>112,365,572</b>	<b>112,528,286</b>
Valuation and translation adjustments		
Deferred gains or losses on hedges	23,761	12,014
<b>Total Valuation and Translation Adjustments</b>	<b>23,761</b>	<b>12,014</b>
<b>Total Net Assets</b>	<b>※2 112,389,333</b>	<b>※2 112,540,301</b>
<b>Total Liabilities and Net Assets</b>	<b>226,398,047</b>	<b>226,434,042</b>

## (2) Statements of Income and Retained Earnings

(Yen in thousands)

	The 9th Fiscal Period from July 1, 2016 to December 31, 2016	The 10th Fiscal Period from January 1, 2017 to June 30, 2017
<b>Operating Revenues</b>		
Rental revenues	※ <sup>1</sup> 6,110,177	※ <sup>1</sup> 6,278,141
Other revenues related to property leasing	※ <sup>1</sup> 693,951	※ <sup>1</sup> 628,546
Dividend income	32,307	40,482
<b>Total Operating Revenues</b>	<b>6,836,436</b>	<b>6,947,169</b>
<b>Operating Expenses</b>		
Property-related expenses	※ <sup>1</sup> 2,606,741	※ <sup>1</sup> 2,530,372
Asset management fees	527,285	527,524
Asset custody fees	12,995	12,841
Administrative service fees	50,230	49,256
Directors' compensation	4,200	4,200
Independent auditors' fees	13,000	13,000
Other operating expenses	94,725	113,783
<b>Total Operating Expenses</b>	<b>3,309,177</b>	<b>3,250,978</b>
<b>Operating Income</b>	<b>3,527,258</b>	<b>3,696,191</b>
<b>Non-Operating Revenues</b>		
Interest income	76	77
Interest on refund	—	2
<b>Total Non-Operating Revenues</b>	<b>76</b>	<b>80</b>
<b>Non-Operating Expenses</b>		
Interest expense	247,058	250,354
Borrowing related expenses	224,763	227,077
<b>Total Non-Operating Expenses</b>	<b>471,822</b>	<b>477,432</b>
<b>Ordinary Income</b>	<b>3,055,512</b>	<b>3,218,840</b>
<b>Extraordinary Income</b>		
Subsidy income	—	※ <sup>2</sup> 44,834
<b>Total Extraordinary Income</b>	<b>—</b>	<b>44,834</b>
<b>Extraordinary Losses</b>		
Loss on reduction of non-current assets	—	※ <sup>3</sup> 44,593
<b>Total Extraordinary Losses</b>	<b>—</b>	<b>44,593</b>
<b>Income Before Income Taxes</b>	<b>3,055,512</b>	<b>3,219,081</b>
Income taxes - current	643	638
Income taxes - deferred	(0)	0
<b>Total Income Taxes</b>	<b>643</b>	<b>638</b>
<b>Net Income</b>	<b>3,054,868</b>	<b>3,218,442</b>
Retained Earnings at Beginning of Period	25,404	24,545
<b>Retained Earnings at End of Period</b>	<b>3,080,273</b>	<b>3,242,988</b>

## (3) Statement of Change in Net Assets

The 9th Fiscal Period (from July 1, 2016 to December 31, 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	2,971,047	2,971,047	112,256,346	7,395	7,395	112,263,742
Changes of items during the period							
Distributions of surplus		(2,945,643)	(2,945,643)	(2,945,643)			(2,945,643)
Net income		3,054,868	3,054,868	3,054,868			3,054,868
Changes of items during the period other than unitholders' equity (net)					16,365	16,365	16,365
Total changes of items during the period	—	109,225	109,225	109,225	16,365	16,365	125,591
Balance at the end of current period	※ <sup>1</sup> 109,285,298	3,080,273	3,080,273	112,365,572	23,761	23,761	112,389,333

The 10th Fiscal Period (from January 1, 2017 to June 30, 2017)

(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	3,080,273	3,080,273	112,365,572	23,761	23,761	112,389,333
Changes of items during the period							
Distributions of surplus		(3,055,728)	(3,055,728)	(3,055,728)			(3,055,728)
Net income		3,218,442	3,218,442	3,218,442			3,218,442
Changes of items during the period other than unitholders' equity (net)					(11,746)	(11,746)	(11,746)
Total changes of items during the period	—	162,714	162,714	162,714	(11,746)	(11,746)	150,967
Balance at the end of current period	※ <sup>1</sup> 109,285,298	3,242,988	3,242,988	112,528,286	12,014	12,014	112,540,301

## (4) Statements of Cash Distribution

	The 9th Fiscal Period from July 1, 2016 to December 31, 2016	The 10th Fiscal Period from January 1, 2017 to June 30, 2017
	(Yen)	(Yen)
I Unappropriated retained earnings	3,080,273,361	3,242,988,043
II Cash distributions	3,055,728,000	3,219,091,920
(Cash distributions per unit)	(7,800)	(8,217)
III Retained earnings carried forward to the next period	24,545,361	23,896,123

Calculation method for cash distributions	<p>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.</p> <p>In consideration of this policy, NIPPON REIT decided to distribute 3,055,728,000 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.</p>	<p>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.</p> <p>In consideration of this policy, NIPPON REIT decided to distribute 3,219,091,920 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.</p>
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## (5) Statements of Cash Flows

(Yen in thousands)

	The 9th Fiscal Period from July 1, 2016 to December 31, 2016	The 10th Fiscal Period from January 1, 2017 to June 30, 2017
<b>Cash Flows from Operating Activities</b>		
Income before income taxes	3,055,512	3,219,081
Depreciation and amortization	753,613	734,495
Loss on retirement of non-current assets	1,849	342
Loss on reduction of non-current assets	—	44,593
Interest income	(76)	(77)
Interest expense	247,058	250,354
(Increase) Decrease in tenant receivables	27,093	(11,614)
(Increase) Decrease in prepaid expenses	5,296	(19,266)
(Increase) Decrease in long-term prepaid expenses	(839)	(85,320)
Increase (Decrease) in accrued consumption taxes	3,074	(69,490)
Increase (decrease) in accounts payable	(6,439)	(22,860)
Increase (decrease) in accrued expenses	13,872	5,642
Increase (decrease) in advances received	(4,151)	80,915
Others, net	(20,327)	4,052
Subtotal	4,075,535	4,130,848
Interest income received	76	77
Interest expense paid	(245,369)	(250,911)
Income taxes refunded (paid)	(3,640)	(6,047)
Net Cash Provided by (Used in) Operating Activities	3,826,602	3,873,967
<b>Cash Flows from Investing Activities</b>		
Payments for purchases of investment properties in trust other than leasehold rights in trust	(255,360)	(568,669)
Proceeds from tenant security deposits in trust	431,227	261,839
Payments of tenant security deposits in trust	(232,627)	(200,895)
Proceeds from refunds of investment securities	3,935	2,402
Payments for purchases of investment securities	(5,579)	(51,887)
Other payments	(1,244)	(1,244)
Net Cash Provided by (Used in) Investing Activities	(59,648)	(558,454)
<b>Cash Flows from Financing Activities</b>		
Proceeds from long-term debt	10,000,000	11,600,000
Repayments of long-term debt	(10,000,000)	(11,600,000)
Distributions paid	(2,935,264)	(3,048,932)
Net Cash Provided by (Used in) Financing Activities	(2,935,264)	(3,048,932)
Net Change in Cash and Cash Equivalents	831,690	266,581
Cash and Cash Equivalents at Beginning of Period	15,642,719	16,474,409
Cash and Cash Equivalents at End of Period	※ <sub>1</sub> 16,474,409	※ <sub>1</sub> 16,740,990



(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. There is no amount of property taxes included in acquisition prices for both of the previous fiscal period and 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	<p>(1) Accounting for Trust Beneficiary Interests in Real Estate</p> <p>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.</p> <p>The following assets in trust are recognized and presented separately on the balance sheets.</p> <p>I. Cash and deposits in trust</p> <p>II. Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust, Construction in progress in trust and leasehold rights in trust</p> <p>III. Tenant security deposits in trust</p> <p>(2) Consumption Taxes</p> <p>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.</p>

(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, 2016)	Current Period (As of June 30, 2017)
	Buildings in trust	52,776
		97,370
*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, 2016)	Current Period (As of June 30, 2017)
	50,000	50,000

(Notes to Income Statements)

*1. Rental revenues and expenses	(Yen in thousands)			
	Prior Period from July 1, 2016 to December 31, 2016		Current Period from January 1, 2017 to June 30, 2017	
A. Revenues from property leasing:				
Rental revenues				
Base rents	4,937,931		5,105,044	
Common area charges	951,841		947,489	
Parking space rental revenues	220,404	6,110,177	225,607	6,278,141
Other revenues related to property leasing				
Utilities charge reimbursements	577,592		528,783	
Others	116,358	693,951	99,762	628,546
Total revenues from property leasing		6,804,128		6,906,687
B. Property-related expenses:				
Property-related expenses				
Property management fees	505,020		501,878	
Utility expenses	482,195		465,569	
Insurance expenses	7,175		7,058	
Repair expenses	86,342		101,572	
Taxes and dues	499,639		500,143	
Depreciation	753,613		734,495	
Loss on retirement of non-current assets	1,849		342	
Trust fees	22,750		22,750	
Others	248,155		196,561	
Total property-related expenses		2,606,741		2,530,372
C. Income from property leasing(A-B)		4,197,387		4,376,314
*2 Subsidy income is received from Energy Use Rationalization Business Support Program 2016.				
*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, 2016 to December 31, 2016		Current Period from January 1, 2017 to June 30, 2017	
	Buildings in trust	—		44,593

(Notes to Statements of Change in Net Assets)

	Prior Period from July 1, 2016 to December 31, 2016	Current Period from January 1, 2017 to June 30, 2017
*1. Total number of investment units authorized and number of investment units issued and outstanding		
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)

	Prior Period from July 1, 2016 to December 31, 2016	Current Period from January 1, 2017 to June 30, 2017
*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)
Cash and deposits	4,269,839	11,217,610
Cash and deposits in trust	12,204,569	5,523,380
Cash and cash equivalents	16,474,409	16,740,990

(Notes to Lease Transactions)

Existing non-cancelable operating leases (As lessor)

Future minimum rental revenues	Prior Period (As of December 31, 2016)	Current Period (As of June 30, 2017)
Due within one year	467,772	420,855
Due after one year	478,601	690,360
Total	946,374	1,111,215

(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 derivatives (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, 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	4,269,839	4,269,839	—
(2)Cash and deposits in trust	12,204,569	12,204,569	—
Total assets	16,474,409	16,474,409	—
(3)Long-term debt due within one year	21,800,000	21,800,000	—
(4)Long-term debt	81,770,000	81,671,833	(98,166)
Total liabilities	103,570,000	103,471,833	(98,166)
(5)Derivative transactions	34,726	34,726	—

Book value, fair value and difference between the two as of June 30, 2017 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	11,217,610	11,217,610	—
(2)Cash and deposits in trust	5,523,380	5,523,380	—
Total assets	16,740,990	16,740,990	—
(3)Long-term debt due within one year	19,700,000	19,714,848	14,848
(4)Long-term debt	83,870,000	83,845,800	(24,199)
Total liabilities	103,570,000	103,560,649	(9,350)
(5)Derivative transactions	17,546	17,546	—

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

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

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.

(3) Long-term debt due within one year and (4) 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 the said interest rate swap, at a reasonable rate estimated for a similar loan that is made corresponding to the remaining period.

(5) 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: 7,880,370 thousand yen in previous period and 7,841,792 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: 848,175 thousand yen in previous period and 895,866 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, 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	4,269,839	-	-	-	-	-
Cash and deposits in trust	12,204,569	-	-	-	-	-
Total	16,474,409	-	-	-	-	-

Current Period (June 30, 2017)

(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	11,217,610	-	-	-	-	-
Cash and deposits in trust	5,523,380	-	-	-	-	-
Total	16,740,990	-	-	-	-	-

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

Prior Period (December 31, 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	21,800,000	20,300,000	21,970,000	20,500,000	18,500,000	500,000
Total	21,800,000	20,300,000	21,970,000	20,500,000	18,500,000	500,000

Current Period (June 30, 2017)

(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	19,700,000	21,770,000	20,500,000	19,500,000	10,000,000	12,100,000
Total	19,700,000	21,770,000	20,500,000	19,500,000	10,000,000	12,100,000

(Notes to Investment Securities)

Prior Period (As of December 31, 2016)

The fair value of Equity interests in silent partnerships (Book value: 848,175 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, 2017)

The fair value of Equity interests in silent partnerships (Book value: 895,866 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, 2016)

None

Current Period (June 30, 2017)

None

2. Derivative transactions to which hedge accounting is applied:

Prior Period (December 31, 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	10,800,000	34,726	According to the price that the counterparty applied
Special treatment for interest rate swaps	Interest rate swaps Receive floating / Pay fix	Long-term debt	52,900,000	52,900,000	(Note)	-
	Total		85,500,000	63,700,000	34,726	

(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 "(4) Long-term debt, Financial Instruments, 2. Fair Value of Financial Instruments" above.

Current Period (June 30, 2017)

(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	21,000,000	10,800,000	17,546	According to the price that the counterparty applied
Special treatment for interest rate swaps	Interest rate swaps Receive floating / Pay fix	Long-term debt	64,500,000	62,000,000	(Note)	-
	Total		85,500,000	72,800,000	17,546	

(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 "(3) Long-term debt due within one year and (4) Long-term debt, Financial Instruments, 2. Fair Value of Financial Instruments" above.

(Note on Employee Retirement Benefits)

Prior period (December 31, 2016)

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

Current period (June 30, 2017)

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, 2016)	Current Period (As of June 30, 2017)
Deferred tax assets:		
Accrued enterprise tax	1	1
Allowance for doubtful accounts	0	0
Total deferred tax assets	1	1
Deferred tax liabilities:		
Deferred gains or losses on hedges	10,964	5,532
Total deferred tax liabilities	10,964	5,532
Net deferred tax assets (liabilities)	(10,962)	(5,530)

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, 2016)	Current Period (As of June 30, 2017)
Statutory tax rate	31.74%	31.74%
(Adjustments)		
Deductible cash distributions	(31.74%)	(31.74%)
Per capita inhabitant taxes	0.02%	0.02%
Others	0.00%	0.00%
Effective tax rate	0.02%	0.02%

(Notes to Equity in Income)

Prior Period (from July 1, 2016 to December 31, 2016)

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

Current Period (from January 1, 2017 to June 30, 2017)

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, 2016 to December 31, 2016)

None

Current Period (from January 1, 2017 to June 30, 2017)

None

(2) Affiliates

Prior Period (from July 1, 2016 to December 31, 2016)

None

Current Period (from January 1, 2017 to June 30, 2017)

None

(3) Companies under common control

Prior Period (from July 1, 2016 to December 31, 2016)

None

Current Period (from January 1, 2017 to June 30, 2017)

None

(4) Board of Officers and major individual unitholders

Prior Period (from July 1, 2016 to December 31, 2016)

None

Current Period (from January 1, 2017 to June 30, 2017)

None

(Notes to Asset Retirement Obligation)

Prior Period (from July 1, 2016 to December 31, 2016)

None

Current Period (from January 1, 2017 to June 30, 2017)

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, 2016 to December 31, 2016	Current Period from January 1, 2017 to June 30, 2017
Book value		
Balance at beginning of period	208,212,032	207,922,916
Change during period	(289,116)	(382,218)
Balance at end of period	207,922,916	207,540,698
Fair value	220,087,000	224,082,000

(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, and exclude construction in progress 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 capital expenditures 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, 2016 to December 31, 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.

Current Period (from January 1, 2017 to June 30, 2017)

#### 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, 2016 to December 31, 2016	Current Period from January 1, 2017 to June 30, 2017
Net assets per unit	286,883yen	287,268yen
Net income per unit	7,797yen	8,215yen

(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, 2016 to December 31, 2016	Current Period from January 1, 2017 to June 30, 2017
Net income (Yen in thousands)	3,054,868	3,218,442
Amount not attributable to ordinary unitholders (Yen in thousands)	—	—
Net income attributable to ordinary unitholders (Yen in thousands)	3,054,868	3,218,442
Weighted average number of units outstanding (units)	391,760	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

##### (1) Changes in Officers of NIPPON REIT

There has been no change in Officers of NIPPON REIT during the fiscal period under review. Regarding Officers and Directors as of the date of this summary, please refer to the latest Securities Report (Submitted on March 24, 2017). NIPPON REIT resolved to present a proposal concerning an appointment of one Executive officer (candidate: Toshio Sugita) and two Supervising officers (candidate: Yasuhiro Shimada (reappointment) and Hisashi Yahagi (reappointment)) to its General Meeting of Unitholders to be held on September 20, 2017, due to expiration of term of Executive officer Hisao Ishikawa and Supervising officers Yasuhiro Shimada and Hisashi Yahagi (September 30, 2017). Furthermore, the term of office of Executive officer and Supervising officers shall be two years, commencing from October 1, 2017, as stipulated under the current Articles of Incorporation of NIPPON REIT.

##### (2) Changes in Directors of the Asset Management Company

Yasushi Nishimura, Director of the Asset Management Company has resigned on March 31, 2017, and Yoshio Mogi has been appointed as Director on April 1, 2017.

Furthermore, Kiyoshi Kondaibo, Vice President, Senior General Manager Finance & Planning Division of the Asset Management Company, has resigned on June 15, 2017 and Toshio Sugita, President, Director & CEO of the Asset Management Company, has been appointed as Senior General Manager Finance & Planning Division (holding two posts) on the same date.

## 5. Reference Information

### (1) Status of Investment

Type of assets	Property type	Area	Prior period (December 31, 2016)		Current period (June 30, 2017)	
			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 (Note 3)	Office properties	Six central wards of Tokyo (Note 4)	122,349	54.0	122,158	53.9
		Three major metropolitan areas (Note 5) (excluding Six central wards of Tokyo)	60,991	26.9	60,942	26.9
		Subtotal	183,340	81.0	183,100	80.9
	Residential properties	Three major metropolitan areas (Note 5) (including Six central wards of Tokyo)	16,814	7.4	16,708	7.4
		Certain ordinance-designated and other cities (Note 6)	2,233	1.0	2,214	1.0
		Subtotal	19,048	8.4	18,922	8.4
	Retail Properties	-	5,533	2.4	5,517	2.4
	Total		207,922	91.8	207,540	91.7
	Investment securities (Note 7)		848	0.4	895	0.4
Deposits and other assets		17,626	7.8	17,997	7.9	
Total assets		226,398	100.0	226,434	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) Real estate in trust excludes construction in progress in trust.

(Note 4) The "Six central wards of Tokyo" refers to Chiyoda, Chuo, Minato, Shinjuku, Shibuya and Shinagawa wards.

(Note 5) 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 6) "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 7) Investment securities represents 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 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, Godo Kaisha Nicolas Capital 10 as operators respectively for current period.

## (2) Investment Assets

### I. Major investment securities

(as of June 30, 2017)

Type	Name	Quantity (Unit)	Book value (Yen in millions) (Note 1)	Fair value (Yen in millions) (Note 1) (Note 2)	Percentage to total asset (%) (Note 3)	Note
Equity interest in a silent partnership	Godo Kaisha Nicolas Capital 6 Equity interest in silent partnership	-	227	227	0.1	(Note 4)
Equity interest in a silent partnership	Godo Kaisha Nicolas Capital 9 Equity interest in silent partnership	-	97	97	0.0	(Note 5)
Equity interest in a silent partnership	Godo Kaisha Nicolas Capital 8 Equity interest in silent partnership	-	518	518	0.2	(Note 6)
Equity interest in a silent partnership	Godo Kaisha Nicolas Capital 10 subordinated Equity interest in silent partnership	-	52	52	0.0	(Note 7)
Total		-	895	895	0.4	

(Note 1) Book value and Fair value are truncated to the nearest million yen.

(Note 2) Book value is used as the fair value equivalent.

(Note 3) Percentage to total asset represents the percentage of the amount of respective assets recorded on the balance sheet and rounded to the first decimal place.

(Note 4) The asset under management is trust beneficiary interests in real estate of Homat Horizon Building, Splendid Namba and Sannomiya First Building.

(Note 5) The asset under management is trust beneficiary interests in real estate of Yusen Higashi-Nihombashi Ekimae Building, Residence Edogawabashi and ZEPHYROS Minami-horie.

(Note 6) 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.

(Note 7) The asset under management is trust beneficiary interests in real estate of (Tentative)Residence Hiroo, Merveille Senzoku, Splendid Shin-osakaIII, Charmant Fuji Osakajominami, Piacere Fuminosato.

### II. Investment Properties

Not applicable as of June 30, 2017.

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, 2017 is as follows:

Property Number	Property name	Asset type	Location	Total leasable area (m <sup>2</sup> ) (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	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 4)	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	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	Office property	Chiyoda Ward, Tokyo	1,230.44	1,240	0.6
A-21	Itohpia Iwamotocho 2-chome Building	Office property	Chiyoda Ward, Tokyo	3,447.16	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	Pigeon Building (Note5)	Office property	Chuo Ward, Tokyo	3,022.25	2,837	1.4
A-25	FORECAST Ningyocho	Office property	Chuo Ward, Tokyo	2,277.61	2,070	1.0
A-26	FORECAST Ningyocho PLACE	Office property	Chuo Ward, Tokyo	1,867.95	1,650	0.8
A-27	FORECAST Shin-Tokiwabashi	Office property	Chuo Ward, Tokyo	1,799.53	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	Office property	Shinagawa Ward, Tokyo	2,385.47	2,300	1.1



Property Number	Property name	Asset type	Location	Total leasable area (m <sup>2</sup> ) (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	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	Itohia 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 Minamirimomachi 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	1,748.92	1,781	0.9
A-45	Toranomon Sakura Building	Office property	Minato Ward, Tokyo	3,049.79	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	FORECAST Kayabacho (Note5)	Office property	Chuo Ward, Tokyo	3,882.61	3,000	1.5
A-50	FORECAST Waseda FIRST	Office property	Shinjuku Ward, Tokyo	4,340.66	4,775	2.3
A-51	FORECAST Gotanda WEST	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			255,398.17	204,852	100.0
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(Note 1) "Total leasable area" is the total area of the relevant building that NIPPON REIT considers 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) 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 5) NIPPON REIT executed change in the names of properties as follows. The same shall apply hereinafter.

Date of change	Old name	New name
June 1, 2017	Hisamatsucho Reeplex B's	Pigeon Building
April 1, 2017	New River Building	FORECAST Kayabacho

## (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	1,945.68	100.0	17	154
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	384
A-5	FORECAST Ichigaya	3,844.66	3,802.90	98.9	22	267
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	18	1,045
A-8	FORECAST Sakurabashi	6,566.76	6,566.76	100.0	6	366
A-9	GreenOak Kayabacho	2,984.94	2,984.94	100.0	6	180
A-10	GreenOak Kudan	2,594.46	2,594.46	100.0	3	176
A-11	GreenOak Takanawadai	2,621.74	2,621.74	100.0	10	144
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	11,988.14	100.0	9	376
A-16	Hiroo Reeplex B's	1,500.85	1,500.85	100.0	8	151
A-17	Shibakoen Sanchome Building	7,882.60	7,882.60	100.0	4	413
A-18	FORECAST Iidabashi	4,066.50	4,066.50	100.0	25	237
A-19	Kudankita 325 Building	2,007.07	2,007.07	100.0	8	104
A-20	FORECAST Uchikanda	1,230.44	1,230.44	100.0	5	70
A-21	Itohpia Iwamotocho 2-chome Building	3,447.16	3,447.16	100.0	10	172
A-22	Itohpia Iwamotocho 1-chome Building	3,056.56	3,056.56	100.0	9	154
A-23	Itohpia Iwamotocho ANNEX Building	3,064.20	3,064.20	100.0	6	143
A-24	Pigeon Building	3,022.25	3,022.25	100.0	1	Not disclosed (Note 5)
A-25	FORECAST Ningyocho	2,277.61	2,277.61	100.0	7	105
A-26	FORECAST Ningyocho PLACE	1,867.95	1,867.95	100.0	6	96
A-27	FORECAST Shin-Tokiwabashi	1,799.53	1,799.53	100.0	11	97
A-28	Nishi-Shinjuku Sanko Building	2,479.80	2,479.80	100.0	8	126
A-29	Iidabashi Reeplex B's	1,401.68	1,401.68	100.0	6	70
A-30	FORECAST Shinagawa	2,385.47	2,385.47	100.0	6	117
A-31	Nishi-Gotanda 8-chome Building	2,999.68	2,999.68	100.0	8	132
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	195
A-35	Toshin Higashi-Ikebukuro Building	1,645.19	1,645.19	100.0	4	69
A-36	Mitsui Woody Building	4,006.20	4,006.20	100.0	6	161
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	2,267.59	100.0	7	91
A-39	Itohpia Kiyosubashidori Building	2,659.67	2,659.67	100.0	8	113
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 Sanhome Building	4,219.19	4,219.19	100.0	22	122
A-44	MK Kojimachi Building	1,748.92	1,748.92	100.0	9	98
A-45	Toranomon Sakura Building	3,049.79	3,049.79	100.0	12	209
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	72
A-49	FORECAST Kayabacho	3,882.61	3,882.61	100.0	14	158
A-50	FORECAST Waseda FIRST	4,340.66	4,340.66	100.0	8	244
A-51	FORECAST Gotanda WEST	8,981.55	8,981.55	100.0	13	419
A-52	Omiya Center Building	14,311.77	14,311.77	100.0	27	911
A-53	Sumitomo Mitsui Bank Koraibashi Building	5,102.55	5,102.55	100.0	23	189
A-54	NORE Fushimi	3,857.58	3,857.58	100.0	7	169
A-55	NORE Meieki	4,296.12	4,069.45	94.7	19	164
B-1	Tower Court Kitashinagawa	16,913.29	16,780.81	99.2	276	771
B-2	Sky Hills N11	8,567.50	8,567.50	100.0	1	115
B-3	my atria Meieki	2,890.78	2,890.78	100.0	68	92
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	1,403.32	90.8	38	40
B-8	Kanda Reeplex R's	2,183.93	2,138.11	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	6,173.41	100.0	25	182
	Total	255,398.17	254,809.89	99.8	978	12,587

(Note 1) "Total leased area" is the aggregate leased area described in the relevant lease agreements as of June 30, 2017. 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, 2017.

(Note 2) "Occupancy rate" is calculated by dividing total leased area by total leasable area as of June 30, 2017, 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, 2017, 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, 2017. 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, 2017. 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, 2017)

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	2,186	2,890	2,930	4.2%	2,850	3.8%	4.4%
A-2	Nihombashi Playa Building	2,130	2,062	2,370	2,390	4.5%	2,350	4.3%	4.7%
A-3	FORECAST Yotsuya	1,430	1,395	1,810	1,840	4.1%	1,780	3.9%	4.3%
A-4	FORECAST Shinjuku AVENUE	6,500	6,343	7,530	7,560	3.9%	7,500	3.6%	4.0%
A-5	FORECAST Ichigaya	4,800	4,665	5,690	5,790	3.8%	5,590	3.6%	4.0%
A-6	FORECAST Mita	1,800	1,765	2,190	2,220	4.0%	2,150	3.8%	4.2%
A-7	FORECAST Shinjuku SOUTH	13,990	14,494	16,300	16,400	3.8%	16,100	3.5%	4.0%
A-8	FORECAST Sakurabashi	5,760	6,026	6,190	6,300	4.3%	6,080	4.1%	4.5%
A-9	GreenOak Kayabacho	2,860	2,976	3,200	3,240	4.2%	3,150	4.0%	4.4%
A-10	GreenOak Kudan	2,780	2,875	3,180	3,220	4.0%	3,130	3.8%	4.2%
A-11	GreenOak Takanawadai	2,260	2,250	2,500	2,530	4.3%	2,460	4.1%	4.5%
A-12	GreenOak Okachimachi	3,330	3,454	3,010	3,020	4.6%	2,990	4.3%	4.7%
A-13	Higashi Ikebukuro Center Building	2,520	2,712	2,760	2,780	4.7%	2,740	4.5%	4.9%
A-14	Central Daikanyama	3,510	3,651	3,590	3,660	3.8%	3,520	3.6%	4.0%
A-15	JS Progres Building	5,325	5,413	5,250	5,300	5.0%	5,200	4.8%	5.2%
A-16	Hiroo Reeplex B's	2,827	2,861	3,110	3,150	4.2%	3,060	4.0%	4.4%
A-17	Shibakoen Sanchome Building	7,396	7,438	9,630	9,980	3.7%	9,480	3.5%	3.9%
A-18	FORECAST Iidabashi	5,230	5,414	5,490	5,530	4.0%	5,450	3.7%	4.1%
A-19	Kudankita 325 Building	1,850	1,935	1,960	1,970	4.1%	1,950	3.8%	4.2%
A-20	FORECAST Uchikanda	1,240	1,296	1,270	1,280	4.2%	1,250	4.0%	4.4%
A-21	Itohpia Iwamotocho 2-chome Building	2,810	2,833	3,000	3,040	4.3%	2,960	4.1%	4.5%
A-22	Itohpia Iwamotocho 1-chome Building	2,640	2,686	2,700	2,740	4.3%	2,660	4.1%	4.5%
A-23	Itohpia Iwamotocho ANNEX Building	2,100	2,117	2,340	2,370	4.3%	2,310	4.1%	4.5%
A-24	Pigeon Building	2,837	2,877	2,920	2,960	4.3%	2,880	4.1%	4.5%
A-25	FORECAST Ningyocho	2,070	2,154	2,070	2,110	4.4%	2,020	4.2%	4.6%
A-26	FORECAST Ningyocho PLACE	1,650	1,662	1,760	1,790	4.4%	1,730	4.2%	4.6%
A-27	FORECAST Shin-Tokiwabashi	2,030	2,120	2,060	2,080	4.4%	2,040	4.1%	4.5%
A-28	Nishi-Shinjuku Sanko Building	2,207	2,238	2,270	2,310	4.4%	2,230	4.2%	4.6%
A-29	Iidabashi Reeplex B's	1,249	1,295	1,390	1,410	3.9%	1,360	3.7%	4.1%
A-30	FORECAST Shinagawa	2,300	2,398	2,300	2,340	4.3%	2,260	4.1%	4.5%
A-31	Nishi-Gotanda 8-chome Building	2,210	2,305	2,360	2,380	4.3%	2,330	4.1%	4.5%
A-32	Towa Higashi-Gotanda Building	2,033	2,064	2,140	2,160	4.3%	2,110	4.1%	4.5%
A-33	FORECAST Takadanobaba	5,550	5,790	5,580	5,670	4.6%	5,490	4.4%	4.8%

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	3,109	3,300	3,340	4.7%	3,260	4.5%	4.9%
A-35	Toshin Higashi-Ikebukuro Building	979	992	1,050	1,060	4.8%	1,040	4.6%	5.0%
A-36	Mitsui Woody Building	2,475	2,545	2,680	2,690	4.8%	2,660	4.5%	4.9%
A-37	Itabashi Honcho Building	3,146	3,155	3,320	3,350	4.9%	3,290	4.6%	5.1%
A-38	ANTEX24 Building	1,691	1,791	1,730	1,750	4.7%	1,710	4.4%	4.8%
A-39	Itohpia Kiyosubashidori Building	1,550	1,602	1,770	1,780	4.8%	1,750	4.5%	5.0%
A-40	East Side Building	1,372	1,384	1,470	1,490	4.8%	1,450	4.6%	5.0%
A-41	I・S Minamimorimachi Building	2,258	2,287	2,460	2,470	4.7%	2,440	4.5%	4.9%
A-42	Sunworld Building	1,200	1,255	1,230	1,240	5.0%	1,220	4.8%	5.2%
A-43	Marunouchi Sanchoe Building	1,626	1,627	1,860	1,880	4.9%	1,840	4.7%	5.1%
A-44	MK Kojimachi Building	1,781	1,811	1,960	1,970	3.9%	1,940	3.6%	4.0%
A-45	Toranomon Sakura Building	4,120	4,306	4,280	4,310	3.7%	4,250	3.4%	3.8%
A-46	La Verite AKASAKA	2,000	2,101	2,130	2,160	3.9%	2,090	3.7%	4.1%
A-47	Kanda Ocean Building	1,440	1,467	1,560	1,580	4.1%	1,530	3.9%	4.3%
A-48	Shinto GINZA EAST	1,352	1,365	1,400	1,410	4.1%	1,390	3.8%	4.2%
A-49	FORECAST kayabacho	3,000	3,125	2,970	2,990	4.4%	2,950	4.1%	4.5%
A-50	FORECAST Waseda FIRST	4,775	4,811	4,900	4,940	4.3%	4,860	4.0%	4.4%
A-51	FORECAST Gotanda WEST	6,520	6,773	6,870	7,010	4.0%	6,720	3.8%	4.2%
A-52	Omiya Center Building	15,585	15,620	17,500	17,700	4.5%	17,200	4.3%	4.7%
A-53	Sumitomo Mitsui Bank Koraibashi Building	2,850	2,903	2,920	2,940	4.6%	2,900	4.4%	4.8%
A-54	NORE Fushimi	2,840	2,804	3,090	3,130	4.6%	3,040	4.4%	4.8%
A-55	NORE Meieki	2,520	2,490	2,860	2,900	4.7%	2,810	4.5%	4.9%
B-1	Tower Court Kitashinagawa	11,880	11,079	13,600	13,800	4.3%	13,400	4.1%	4.5%
B-2	Sky Hills N11	1,570	1,567	1,730	1,740	5.5%	1,720	5.3%	5.7%
B-3	my atria Meieki	1,280	1,273	1,490	1,500	4.8%	1,470	4.6%	5.0%
B-4	my atria Sakae	1,110	1,091	1,210	1,220	5.0%	1,190	4.8%	5.2%
B-5	Mac Village Heian	785	777	866	874	5.1%	857	4.9%	5.3%
B-6	Seam Dwell Tsutsui	695	707	769	777	5.0%	761	4.8%	5.2%
B-7	Ciel Yakuin	640	646	707	715	4.7%	698	4.5%	4.9%
B-8	Kanda Reeplex R's	1,813	1,778	1,930	1,950	4.3%	1,910	4.0%	4.5%
C-1	Otakibashi Pacifica Building	3,350	3,453	3,470	3,520	4.0%	3,410	3.8%	4.2%
C-2	Komyoike Act	2,063	2,064	2,190	2,210	5.2%	2,170	5.0%	5.4%
	Total	204,852	207,540	224,082	226,846		221,086		

(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, 2017 (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, 2017. Furthermore NIPPON REIT requests real estate appraisal to DAIWA REAL ESTATE APPRAISAL CO.,LTD. for A-17, to Morii Appraisal & Investment Consulting,

Inc for A-51, to Japan Real Estate Institute for rest of all properties.

## (iv) Earnings Performance for the Individual Properties

The 10th Fiscal Period (from January 1, 2017 to June 30, 2017)

(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	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	86,495	79,916	54,012	202,154	149,828	61,405
Rental revenues	77,683	76,892	49,683	184,244	136,629	55,061
Other revenues related to property leasing	8,811	3,023	4,328	17,910	13,198	6,343
(2)Property related expenses	17,038	15,578	13,718	51,115	28,622	12,068
Property management fees	3,349	5,041	2,428	10,130	8,248	2,859
Utility expenses	6,270	4,729	2,523	12,174	7,832	3,786
Insurance expenses	57	61	42	124	117	44
Repair expenses	1,093	114	3,149	2,951	746	139
Taxes and dues	2,354	5,253	4,751	17,615	9,866	4,696
Trust fees	350	350	350	350	350	350
Others	3,561	28	473	7,770	1,460	193
(3)NOI (1)-(2)	69,456	64,338	40,293	151,038	121,205	49,337
(4)Depreciation	13,411	13,000	6,062	28,121	35,884	7,555
(5) Loss on retirement of non-current assets	—	—	—	—	—	—
(6)Income from property leasing (3)-(4)-(5)	56,045	51,338	34,231	122,916	85,321	41,781

(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	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	590,491	202,811	91,734	87,550	77,056	91,492
Rental revenues	533,707	188,144	82,331	80,304	67,932	77,784
Other revenues related to property leasing	56,783	14,667	9,402	7,245	9,123	13,708
(2)Property related expenses	197,862	43,556	25,803	22,737	19,041	23,012
Property management fees	37,222	15,870	5,885	5,265	3,584	4,870
Utility expenses	39,159	12,419	6,780	5,650	5,524	8,981
Insurance expenses	438	197	89	80	74	96
Repair expenses	2,153	2,255	892	2,935	1,174	1,356
Taxes and dues	15,736	9,798	7,691	8,223	7,072	7,112
Trust fees	350	350	350	350	350	350
Others	102,802	2,665	4,113	231	1,261	245
(3)NOI (1)-(2)	392,629	159,255	65,931	64,812	58,015	68,480
(4)Depreciation	26,336	11,153	6,860	4,621	15,973	6,622
(5) Loss on retirement of non-current assets	—	—	—	—	—	—
(6)Income from property leasing (3)-(4)-(5)	366,293	148,101	59,071	60,191	42,041	61,858



(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	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	110,080	86,291	190,789	83,513	220,409	118,354
Rental revenues	105,370	79,256	164,412	75,024	205,804	108,806
Other revenues related to property leasing	4,710	7,035	26,376	8,488	14,605	9,548
(2)Property related expenses	26,014	13,707	82,571	13,040	41,524	21,822
Property management fees	8,520	3,307	21,516	3,367	9,247	6,239
Utility expenses	6,472	3,910	24,265	3,270	12,066	6,289
Insurance expenses	135	50	372	39	171	113
Repair expenses	1,292	535	3,477	952	1,656	1,431
Taxes and dues	8,452	5,554	31,236	4,728	16,843	6,445
Trust fees	350	350	350	350	350	350
Others	791	—	1,353	332	1,189	952
(3)NOI (1)-(2)	84,066	72,584	108,217	70,472	178,885	96,531
(4)Depreciation	12,357	3,700	29,154	2,864	14,189	9,691
(5) Loss on retirement of non-current assets	—	—	—	—	—	—
(6)Income from property leasing (3)-(4)-(5)	71,709	68,884	79,062	67,608	164,695	86,839

(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	Pigeon Building
Operating periods	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	60,207	40,944	90,246	81,402	73,763	Not disclosed (Note)
Rental revenues	51,731	38,546	85,506	78,578	70,270	
Other revenues related to property leasing	8,475	2,398	4,739	2,824	3,493	
(2)Property related expenses	17,392	9,073	24,264	19,368	18,630	
Property management fees	5,904	2,660	7,357	6,669	6,553	
Utility expenses	3,513	2,284	6,718	4,267	5,774	
Insurance expenses	46	45	98	87	76	
Repair expenses	1,123	417	1,558	2,007	610	
Taxes and dues	6,371	3,115	7,636	5,712	5,143	
Trust fees	350	350	350	350	350	
Others	84	200	545	274	121	
(3)NOI (1)-(2)	42,814	31,870	65,981	62,034	55,132	66,964
(4)Depreciation	2,282	3,399	6,591	7,286	4,419	6,854
(5) Loss on retirement of non-current assets	—	—	—	342	—	—
(6)Income from property leasing (3)-(4)-(5)	40,532	28,471	59,390	54,404	50,713	60,110

(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	FORECAST Ningyocho	FORECAST Ningyocho PLACE	FORECAST Shin-Tokiwabashi	Nishi-Shinjuku Sanko Building	Iidabashi Reeplex B's	FORECAST Shinagawa
Operating periods	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	60,300	54,636	46,734	69,576	44,045	64,421
Rental revenues	54,998	48,850	39,520	64,119	35,499	57,081
Other revenues related to property leasing	5,301	5,785	7,213	5,456	8,545	7,339
(2)Property related expenses	17,678	14,053	14,355	17,484	13,471	18,500
Property management fees	4,399	3,293	2,540	4,070	2,777	4,903
Utility expenses	3,779	4,459	3,544	5,129	5,388	4,756
Insurance expenses	71	47	47	65	35	73
Repair expenses	2,330	387	2,815	399	2,219	2,268
Taxes and dues	5,774	3,759	3,400	6,260	2,691	5,664
Trust fees	350	350	350	350	350	350
Others	973	1,756	1,656	1,209	9	484
(3)NOI (1)-(2)	42,621	40,582	32,378	52,091	30,573	45,921
(4)Depreciation	5,538	3,563	3,030	4,009	3,435	6,527
(5) Loss on retirement of non-current assets	—	—	—	—	—	—
(6)Income from property leasing (3)-(4)-(5)	37,082	37,018	29,348	48,082	27,138	39,393

(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	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	78,452	73,379	172,072	102,640	41,084	95,944
Rental revenues	64,574	66,426	155,264	91,724	35,891	85,972
Other revenues related to property leasing	13,877	6,953	16,807	10,915	5,192	9,971
(2)Property related expenses	24,798	18,099	36,269	29,124	9,981	27,927
Property management fees	7,143	6,487	9,781	9,062	3,076	8,710
Utility expenses	6,813	4,647	13,379	6,796	2,843	8,166
Insurance expenses	81	87	164	123	44	117
Repair expenses	1,155	452	593	1,453	115	2,287
Taxes and dues	7,315	5,657	11,863	7,753	2,366	7,418
Trust fees	350	350	350	350	350	350
Others	1,938	417	138	3,585	1,185	877
(3)NOI (1)-(2)	53,653	55,280	135,803	73,515	31,103	68,016
(4)Depreciation	4,789	6,517	13,308	9,791	3,258	6,539
(5) Loss on retirement of non-current assets	—	—	—	—	—	—
(6)Income from property leasing (3)-(4)-(5)	48,864	48,762	122,494	63,724	27,845	61,477

(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	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	146,384	51,869	57,248	50,823	94,887	Not disclosed (Note)
Rental revenues	118,421	44,813	52,240	46,170	86,460	
Other revenues related to property leasing	27,963	7,055	5,008	4,652	8,426	
(2)Property related expenses	46,977	12,255	22,729	13,606	27,643	
Property management fees	19,060	3,773	6,284	3,777	6,153	
Utility expenses	14,783	3,819	4,905	2,837	8,431	
Insurance expenses	147	61	66	49	135	
Repair expenses	824	291	4,972	4,229	2,382	
Taxes and dues	8,560	3,809	4,809	2,301	9,260	
Trust fees	350	350	350	350	350	
Others	3,252	150	1,340	60	930	
(3)NOI (1)-(2)	99,406	39,613	34,519	37,217	67,243	30,897
(4)Depreciation	14,918	7,279	4,784	2,871	11,360	4,806
(5) Loss on retirement of non-current assets	—	—	—	—	—	—
(6)Income from property leasing (3)-(4)-(5)	84,488	32,334	29,734	34,345	55,882	26,090

(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	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	74,027	52,963	83,894	58,436	48,392	35,637
Rental revenues	68,421	49,218	79,784	55,009	43,678	34,315
Other revenues related to property leasing	5,605	3,745	4,109	3,427	4,714	1,322
(2)Property related expenses	22,856	14,233	27,656	11,673	11,747	7,199
Property management fees	7,752	3,917	7,280	3,645	2,449	2,304
Utility expenses	5,903	2,775	5,335	2,495	3,792	1,552
Insurance expenses	110	44	91	44	43	29
Repair expenses	1,572	1,315	1,723	480	1,069	221
Taxes and dues	5,500	5,664	8,407	4,619	3,254	2,741
Trust fees	350	350	350	350	350	350
Others	1,667	166	4,468	37	788	—
(3)NOI (1)-(2)	51,171	38,730	56,238	46,763	36,645	28,438
(4)Depreciation	8,553	2,336	6,873	1,972	2,982	2,812
(5) Loss on retirement of non-current assets	—	—	—	—	—	—
(6)Income from property leasing (3)-(4)-(5)	42,617	36,393	49,364	44,791	33,663	25,625

(Yen in thousands)

Property number	A-49	A-50	A-51	A-52	A-53	A-54
Property name	FORECAST kayabacho	FORECAST Waseda FIRST	FORECAST Gotanda WEST	Omiya Center Building	Sumitomo Mitsui Bank Koraibashi Building	NORE Fushimi
Operating periods	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	84,404	119,849	227,906	509,372	124,416	105,452
Rental revenues	75,727	109,583	207,139	476,459	96,287	89,927
Other revenues related to property leasing	8,677	10,266	20,766	32,912	28,129	15,525
(2)Property related expenses	25,861	34,162	71,764	89,891	47,450	26,948
Property management fees	7,326	9,298	20,833	34,885	11,689	7,213
Utility expenses	5,592	8,407	21,442	26,036	15,968	9,429
Insurance expenses	103	127	284	497	191	98
Repair expenses	1,614	606	350	719	1,804	2,383
Taxes and dues	7,545	11,028	26,028	26,583	15,951	7,084
Trust fees	350	350	350	350	350	350
Others	3,328	4,345	2,475	819	1,495	388
(3)NOI (1)-(2)	58,543	85,686	156,142	419,480	76,966	78,503
(4)Depreciation	9,130	9,548	9,709	56,600	11,516	18,991
(5) Loss on retirement of non-current assets	—	—	—	—	—	—
(6)Income from property leasing (3)-(4)-(5)	49,413	76,138	146,432	362,880	65,449	59,512

(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	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	95,354	403,211	61,068	51,789	38,406	27,729
Rental revenues	82,139	393,275	61,056	48,511	38,395	27,663
Other revenues related to property leasing	13,214	9,936	12	3,277	10	65
(2)Property related expenses	28,820	77,603	7,812	13,857	7,451	5,502
Property management fees	7,113	30,843	346	3,732	2,429	2,445
Utility expenses	7,642	4,281	—	662	466	404
Insurance expenses	107	409	117	64	58	43
Repair expenses	2,815	9,802	446	2,512	215	318
Taxes and dues	8,998	19,426	6,550	3,368	2,581	1,939
Trust fees	350	350	350	350	350	350
Others	1,792	12,489	1	3,167	1,350	—
(3)NOI (1)-(2)	66,534	325,607	53,255	37,931	30,955	22,226
(4)Depreciation	16,964	73,459	16,901	14,482	14,095	9,296
(5) Loss on retirement of non-current assets	—	—	—	—	—	—
(6)Income from property leasing (3)-(4)-(5)	49,569	252,147	36,354	23,449	16,859	12,929

(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	181days	181days	181days	181days	181days	
(1)Revenues from property leasing	24,727	24,442	54,333	92,834	138,925	6,906,687
Rental revenues	24,726	23,209	52,308	84,980	107,355	6,278,141
Other revenues related to property leasing	1	1,233	2,025	7,854	31,569	628,546
(2)Property related expenses	4,674	6,348	9,623	18,383	65,695	1,795,533
Property management fees	1,926	1,376	3,078	4,276	22,582	501,878
Utility expenses	—	657	—	7,971	30,411	465,569
Insurance expenses	33	29	51	42	187	7,058
Repair expenses	280	1,474	1,356	400	510	101,572
Taxes and dues	1,600	1,208	2,493	5,260	8,895	500,143
Trust fees	350	350	350	350	350	22,750
Others	483	1,251	2,292	82	2,758	196,561
(3)NOI (1)-(2)	20,053	18,094	44,709	74,450	73,230	5,111,153
(4)Depreciation	7,029	6,194	8,377	10,711	21,228	734,495
(5) Loss on retirement of non-current assets	—	—	—	—	—	342
(6)Income from property leasing (3)-(4)-(5)	13,024	11,900	36,332	63,739	52,001	4,376,314