

Summary of Financial Results  
for the Fiscal Period Ended December 31, 2016 (REIT)

Name of issuer: NIPPON REIT Investment Corporation  
 URL: <http://www.nippon-reit.com/>  
 Listed Stock Exchange: Tokyo Stock Exchange  
 Securities Code: 3296  
 Representative: Hisao Ishikawa, Executive Officer

Asset Management Company: Sojitz REIT Advisors K.K.  
 Representative: Toshio Sugita, President & CEO  
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Scheduled filing date of securities report: March 24, 2017

Scheduled date of delivery of distributions: March 17, 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 December 31, 2016 (July 1, 2016 – December 31, 2016)

(1) Operating Results

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

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%
For the fiscal period ended								
December 31, 2016	6,836	3.5	3,527	7.3	3,055	3.8	3,054	3.8
June 30, 2016	6,607	(1.1)	3,287	(11.3)	2,944	(0.8)	2,944	(0.8)

	Net Income per Unit	Return on Equity	Return on Assets	Ordinary Income to Operating Revenues
	Yen	%	%	%
For the fiscal period ended				
December 31, 2016	7,797	2.7	1.4	44.7
June 30, 2016	7,515	2.6	1.3	44.6

(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						
December 31, 2016	7,800	3,055	0	0	100.0	2.7
June 30, 2016	7,519	2,945	0	0	100.1	2.6

(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				
December 31, 2016	226,398	112,389	49.6	286,883
June 30, 2016	225,842	112,263	49.7	286,562

(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				
December 31, 2016	3,826	(59)	2,935	16,474
June 30, 2016	4,517	(1,132)	(3,863)	15,642

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

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

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Cash Distributions per Unit (excluding excess of earnings per Unit)	Cash Distributions in Excess of Earnings per Unit
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen	Yen
For the fiscal period ending June 30, 2017	6,915	1.2	3,618	2.6	3,136	2.7	3,136	2.7	8,005	—
December 31, 2017	6,965	0.7	3,660	1.2	3,137	0.0	3,136	0.0	8,006	—

(Reference)

Forecast net income per unit for the fiscal period ending June 30, 2017 : 8,005yen

Forecast net income per unit for the fiscal period ending December 31, 2017 : 8,006yen

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

(b) Number of investment treasury units:

As of December 31, 2016 0 unit As of June 30, 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 June 2017 (from January 1, 2017 to June 30 2017) and Fiscal Period Ending December 2017 (from July 1, 2017 to December 31, 2017)" 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 September 27, 2016, and revised on October 28, 2016 as amendment, same apply hereinafter).

## 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 September 27, 2016).

### (2) Management Status

#### I. Overview of the Fiscal Period under Review

##### A. Brief History of NIPPON REIT

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

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

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

##### B. Investment Environment and Management Performance

###### (i) Investment Environment

The Japanese economy during the fiscal period under review (fiscal period ended December 2016) saw a increase by 0.3% (an annual increase by 1.3%) in the real GDP growth rate (second preliminary figures) for the third quarter compared to the same period of previous year, and the gradual recovery trend is ongoing while delayed improvement in part can be seen. Private consumption, production and exports show movements of picking up, business investment appears to be pausing. Corporate profits remain at a high level, although its improvement appears to be pausing, firms’ judgment on current business condition is improving slowly. Employment situation are improving, consumer prices are flat. 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 December 2016 as announced by Miki Shoji Co., Ltd. was 3.61%, down 0.42% from the same month last year. Moreover, the average rent in the same area as of the end of December 2016 was 18,540 yen per tsubo, up 4.79% from the same month last year. Such small-scale upward trends are ongoing.

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

The retail properties leasing market saw a 1.7% year-on-year increase in retail sales according to figures announced by the Ministry of Economy, Trade and Industry in November 2016, showing gradual recover trend mainly in the motor vehicles-retailing sector and retail trade (woven fabrics, apparel, accessories and notions) sector. Sales at large retail stores decreased by 0.3% 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, since properties managed by short-term trading oriented private funds have continuously been acquired by long-term holding oriented J-REITs, superior investment-grade properties for sale are decreasing. Therefore, transaction yield is declining for not only S grade and A grade building in central Tokyo and excellent properties at major regional cities but aged buildings at major regional cities provided that location of such properties are excellent, and decline in transaction yields is spreading over a wide range of properties.

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, that buyers concentrate in a small amount of superior investment-grade properties for sale is expected to make transaction yields remain at the current low level..

(ii) Management Performance

a. External Growth

No property was acquired during the period. 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 252,220.72m<sup>2</sup> and a 98.8% average occupancy rate and 3 equity interest in a silent partnership (investment amount 820 million yen, 10 real estate-backed properties).

b. Internal Growth

NIPPON REIT emphasizes management that maintains and increases the portfolio's asset value and actively reaches out to new and existing tenants with business activities while strengthening relations with existing tenants, implementing measures that boost the competitiveness of properties in light of tenant needs and the features of each property. Through such efforts, the portfolio occupancy rate was maintained at a high level of 98.8% 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 August 22, 2016 (loan amount 10,000 million yen), borrowings of total 10,000 million yen was implemented on the same day as the loan due.

As a result, the balance of borrowings as of December 31, 2016 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 December 31, 2016 is as follows.

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

D. Overview of Business Performance and Distributions

As a result of the operations described above, business performance in the fiscal period under review generated operating revenues of 6,836 million yen, operating income of 3,527 million yen, ordinary income of 3,055million

yen and net income of 3,054 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 3,055,728,000 yen, which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding, 391,760 units. As such, cash distributions per unit were 7,800 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 June 2017 (January 1, 2017 to June 30, 2017) and the fiscal period ending December 2017 (July 1, 2017 to December 31, 2017) are as follows. For details of the assumptions underlying forecast of management status, please refer to “Assumptions Underlying Forecast of Management Status for Fiscal Period Ending June 2017 (January 1, 2017 to June 30, 2017) and Fiscal Period Ending December 2017 (July 1, 2017 to December 31, 2017)” described later.

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

Operating revenues	6,915 million yen
Operating income	3,618 million yen
Ordinary income	3,136 million yen
Net income	3,136 million yen
Cash distributions per unit	8,005 yen
Cash distributions in excess of earnings per unit	0 yen

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

Operating revenues	6,965 million yen
Operating income	3,660 million yen
Ordinary income	3,137 million yen
Net income	3,136 million yen
Cash distributions per unit	8,006 yen
Cash distributions in excess of earnings per unit	0 yen

(Note) The above figures are calculated based on certain assumptions as of February 16, 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 June 2017 (January 1, 2017 to June 30, 2017) and Fiscal Period Ending December 2017 (July 1, 2017 to December 31, 2017)

Item	Assumption
Calculation period	<ul style="list-style-type: none"> <li>· Fiscal period ending June 2017 (10th fiscal period): (from January 1, 2017 to June 30, 2017) (181 days)</li> <li>· Fiscal period ending December 2017 (11th fiscal period): (from July 1, 2017 to December 31, 2017)(184 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 December 2017.</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 6,890 million yen in the fiscal period ending June 2017 and 6,939 million yen in the fiscal period ending December 2017 respectively.</li> <li>· Dividend income is assumed 24 million yen in the fiscal period ending June 2017 and 25 million yen in the fiscal period ending December 2017 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 1,822 million yen in the fiscal period ending June 2017 and 1,843 million yen in the fiscal period ending December 2017 respectively.</li> <li>· Depreciation, which is calculated using the straight-line method on the acquisition price including incidental expenses, is assumed 738 million yen in the fiscal period ending June 2017 and 750 million yen in the fiscal period ending December 2017.</li> <li>· The total amounts of property taxes and city planning taxes are assumed 499 million yen in the fiscal period ending June 2017 and 499 million yen in the fiscal period ending December 2017 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 522 million yen in the fiscal period ending June 2017 and 526 million yen in the fiscal period ending December 2017 respectively.</li> </ul>
Non-operating revenues	<ul style="list-style-type: none"> <li>· They are assumed neither in the fiscal period ending June 2017 nor the fiscal period ending December 2017.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>· Interest expense and borrowing related expenses are assumed 481 million yen in the fiscal period ending June 2017 and 523 million yen in the fiscal period ending December 2017.</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 December 2017 (21,800 million yen) will be refinanced.</li> <li>· LTV is expected to be approximately 45.8% as of June 30, 2017 and approximately 45.7% as of December 31, 2017 respectively.</li> <li>· The following formula is used in the calculation of LTV.  <math display="block">LTV = \frac{\text{Total interest-bearing debt}}{\text{Total assets}} \times 100</math> </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 December 2017.</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 December 2016 both in the fiscal period ending June 2017 and the fiscal period ending December 2017. Furthermore, assumption is that there will be no change in the market price of the interest rate swaps through to the end of the fiscal period ending December 2017.</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 September 27, 2016), the disclosure is omitted.

### 3. Financial Statements

#### (1) Balance Sheets

(Yen in thousands)

	The 8th Fiscal Period (as of June 30, 2016)	The 9th Fiscal Period (as of December 31, 2016)
<b>Assets</b>		
Current Assets		
Cash and deposits	3,735,973	4,269,839
Cash and deposits in trust	11,906,745	12,204,569
Tenant receivables	128,226	100,762
Prepaid expenses	356,318	351,021
Income taxes refundable	—	2,597
Other current assets	3,479	12,520
Allowance for doubtful accounts	(0)	(0)
Total Current Assets	16,130,743	16,941,311
Non-Current Assets		
Property, plant and equipment		
Buildings in trust	※1 47,963,163	※1 48,349,873
Accumulated depreciation	(3,356,559)	(4,100,611)
Buildings in trust, net	44,606,603	44,249,261
Structures in trust	148,697	155,644
Accumulated depreciation	(24,249)	(28,886)
Structures in trust, net	124,447	126,758
Machinery and equipment in trust	20,277	74,342
Accumulated depreciation	(2,023)	(3,527)
Machinery and equipment in trust, net	18,254	70,815
Tools, furniture and fixtures in trust	33,979	50,572
Accumulated depreciation	(4,351)	(7,590)
Tools, furniture and fixtures in trust, net	29,628	42,982
Land in trust	147,626,696	147,626,696
Construction in progress in trust	—	3,146
Total property, plant and equipment	192,405,630	192,119,660
Intangible assets		
Leasehold rights in trust	15,806,402	15,806,402
Total intangible assets	15,806,402	15,806,402
Investments and other assets		
Investment securities	835,615	848,175
Lease and guarantee deposits	10,110	10,110
Long-term prepaid expenses	613,474	614,313
Other	40,786	58,074
Total investments and other assets	1,499,986	1,530,672
Total Non-Current Assets	209,712,019	209,456,735
Total assets	225,842,763	226,398,047

(Yen in thousands)

	The 8th Fiscal Period (as of June 30, 2016)	The 9th Fiscal Period (as of December 31, 2016)
<b>Liabilities</b>		
Current Liabilities		
Accounts payable	608,203	809,189
Long-term debt due within one year	21,600,000	21,800,000
Accrued expenses	203,011	218,573
Income taxes payable	399	—
Accrued consumption taxes	173,668	176,742
Deferred tax liabilities	669	3,160
Advances received	1,095,942	1,091,790
Other current liabilities	443,197	251,084
<b>Total current liabilities</b>	<b>24,125,092</b>	<b>24,350,541</b>
Long-Term Liabilities		
Long-term debt	81,970,000	81,770,000
Tenant security deposits in trust	7,481,160	7,880,370
Deferred tax liabilities	2,767	7,802
<b>Total Long-Term liabilities</b>	<b>89,453,927</b>	<b>89,658,172</b>
<b>Total Liabilities</b>	<b>113,579,020</b>	<b>114,008,714</b>
Net Assets		
Unitholders' Equity		
Unitholders' capital	109,285,298	109,285,298
Surplus		
Unappropriated retained earnings (undisposed loss)	2,971,047	3,080,273
<b>Total Surplus</b>	<b>2,971,047</b>	<b>3,080,273</b>
<b>Total Unitholders' Equity</b>	<b>112,256,346</b>	<b>112,365,572</b>
Valuation and translation adjustments		
Deferred gains or losses on hedges	7,395	23,761
<b>Total valuation and translation adjustments</b>	<b>7,395</b>	<b>23,761</b>
<b>Total Net Assets</b>	<b>※2 112,263,742</b>	<b>※2 112,389,333</b>
<b>Total Liabilities and Net Assets</b>	<b>225,842,763</b>	<b>226,398,047</b>

## (2) Statements of Income and Retained Earnings

(Yen in thousands)

	The 8th Fiscal Period from January 1, 2016 to June 30, 2016	The 9th Fiscal Period from July 1, 2016 to December 31, 2016
<b>Operating Revenues</b>		
Rental revenues	※ <sup>1</sup> 5,978,263	※ <sup>1</sup> 6,110,177
Other revenues related to property leasing	※ <sup>1</sup> 622,699	※ <sup>1</sup> 693,951
Dividend income	6,283	32,307
<b>Total Operating Revenues</b>	<b>6,607,246</b>	<b>6,836,436</b>
<b>Operating Expenses</b>		
Property-related expenses	※ <sup>1</sup> 2,631,928	※ <sup>1</sup> 2,606,741
Asset management fees	511,448	527,285
Asset custody fees	12,887	12,995
Administrative service fees	49,751	50,230
Directors' compensation	2,160	4,200
Independent auditors' fees	13,000	13,000
Other operating expenses	98,266	94,725
<b>Total Operating Expenses</b>	<b>3,319,442</b>	<b>3,309,177</b>
<b>Operating Income</b>	<b>3,287,804</b>	<b>3,527,258</b>
<b>Non-Operating Revenues</b>		
Interest income	1,576	76
Refunded consumption taxes	117,700	—
Interest on refund	1,527	—
<b>Total Non-Operating Revenues</b>	<b>120,805</b>	<b>76</b>
<b>Non-Operating Expenses</b>		
Interest expense	256,152	247,058
Borrowing related expenses	207,946	224,763
<b>Total Non-Operating Expenses</b>	<b>464,099</b>	<b>471,822</b>
<b>Ordinary Income</b>	<b>2,944,509</b>	<b>3,055,512</b>
<b>Extraordinary income</b>		
Subsidy income	※ <sup>2</sup> 53,077	—
<b>Total of extraordinary income</b>	<b>53,077</b>	<b>—</b>
<b>Extraordinary losses</b>		
Loss on reduction of non-current assets	※ <sup>3</sup> 52,776	—
<b>Total of extraordinary losses</b>	<b>52,776</b>	<b>—</b>
<b>Income Before Income Taxes</b>	<b>2,944,810</b>	<b>3,055,512</b>
Income taxes - current	641	643
Income taxes - deferred	2	(0)
<b>Total Income Taxes</b>	<b>643</b>	<b>643</b>
<b>Net Income</b>	<b>2,944,167</b>	<b>3,054,868</b>
<b>Retained Earnings at Beginning of Period</b>	<b>26,880</b>	<b>25,404</b>
<b>Retained Earnings at End of Period</b>	<b>2,971,047</b>	<b>3,080,273</b>

## (3) Statement of Change in Net Assets

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

(Yen in thousands)

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

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	※ 1 109,285,298	3,080,273	3,080,273	112,365,572	23,761	23,761	112,389,333

## (4) Statements of Cash Distribution

	The 8th Fiscal Period from January 1, 2016 to June 30, 2016	The 9th Fiscal Period from July 1, 2016 to December 31, 2016
	(yen)	(yen)
I Unappropriated retained earnings	2,971,047,942	3,080,273,361
II Cash distributions	2,945,643,440	3,055,728,000
(Cash distributions per unit)	(7,519)	(7,800)
III Retained earnings carried forward to the next period	25,404,502	24,545,361

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 2,945,643,440 yen, which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding, 391,760 units, within the limits that does not exceed the unappropriated retained earnings and shall minimize the unitholders' expense pertaining to income taxes. Furthermore, NIPPON REIT does not distribute cash distributions in excess of its earnings as stipulated in Articles 35, Paragraph 2 of its Articles of Incorporation.</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 3,055,728,000 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>
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## (5) Statements of Cash Flows

(Yen in thousands)

	The 8th Fiscal Period from January 1, 2016 to June 30, 2016	The 9th Fiscal Period from July 1, 2016 to December 31, 2016
<b>Cash Flows from Operating Activities</b>		
Income before income taxes	2,944,810	3,055,512
Depreciation and amortization	743,048	753,613
Loss on retirement of non-current assets	938	1,849
Loss on reduction of non-current assets	52,776	—
Interest income	(1,576)	(76)
Interest expense	256,152	247,058
(Increase) Decrease in tenant receivables	(2,597)	27,093
(Increase) Decrease in prepaid expenses	(16,019)	5,296
(Increase) Decrease in long-term prepaid expenses	(2,662)	(839)
(Increase) Decrease in consumption taxes refundable	606,571	—
Increase (Decrease) in accrued consumption taxes	173,668	3,074
Increase (decrease) in accounts payable	8,160	(6,439)
Increase (decrease) in accrued expenses	(23,808)	13,872
Increase (decrease) in advances received	59,315	(4,151)
Others, net	(25,302)	(20,327)
Subtotal	4,773,474	4,075,535
Interest income received	1,576	76
Interest expense paid	(258,924)	(245,369)
Income taxes refunded (paid)	1,344	(3,640)
Net Cash Provided by (Used in) Operating Activities	4,517,472	3,826,602
<b>Cash Flows from Investing Activities</b>		
Payments for purchases of investment properties in trust other than leasehold rights in trust	(547,295)	△255,360
Payments for purchases of leasehold rights in trust	(377)	—
Proceeds from tenant security deposits in trust	448,548	431,227
Payments of tenant security deposits in trust	(310,869)	(232,627)
Proceeds from refunds of investment securities	—	3,935
Payments for purchases of investment securities	(721,241)	(5,579)
Other payments	(1,244)	(1,244)
Net Cash Provided by (Used in) Investing Activities	(1,132,479)	(59,648)
<b>Cash Flows from Financing Activities</b>		
Proceeds from long-term debt	8,500,000	10,000,000
Repayments of long-term debt	(9,400,000)	(10,000,000)
Distributions paid	(2,963,452)	(2,935,264)
Net Cash Provided by (Used in) Financing Activities	(3,863,452)	(2,935,264)
Net Change in Cash and Cash Equivalents	(478,459)	831,690
Cash and Cash Equivalents at Beginning of Period	16,121,179	15,642,719
Cash and Cash Equivalents at End of Period	※ 1 15,642,719	※ 1 16,474,409



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

  

*2.	Minimum net assets as required by Article 67, Paragraph 4 of the Investment Trust Act	(Yen in thousands)	
	Prior Period (As of June 30, 2016)	Current Period (As of December 31, 2016)	
		50,000	50,000

(Notes to Income Statements)

*1. Rental revenues and expenses	(Yen in thousands)			
	Prior Period from January 1, 2016 to June 30, 2016		Current Period from July 1, 2016 to December 31, 2016	
A. Revenues from property leasing:				
Rental revenues				
Base rents	4,791,335		4,937,931	
Common area charges	976,457		951,841	
Parking space rental revenues	210,470	5,978,263	220,404	6,110,177
Other revenues related to property leasing				
Utilities charge reimbursements	517,826		577,592	
Others	104,872	622,699	116,358	693,951
Total revenues from property leasing		6,600,962		6,804,128
B. Property-related expenses:				
Property-related expenses				
Property management fees	502,692		505,020	
Utility expenses	490,760		482,195	
Insurance expenses	6,951		7,175	
Repair expenses	117,424		86,342	
Taxes and dues	499,659		499,639	
Depreciation	743,048		753,613	
Loss on retirement of non-current assets	938		1,849	
Trust fees	23,550		22,750	
Others	246,903		248,155	
Total property-related expenses		2,631,928		2,606,741
C. Income from property leasing(A-B)		3,969,034		4,197,387
*2 Subsidy income is received from Energy Use Rationalization Business Support Program 2015.	(Yen in thousands)			
	Prior Period from January 1, 2016 to June 30, 2016		Current Period from July 1, 2016 to December 31, 2016	
		53,077		—
*3. Loss on reduction of non-current assets is the value directly deducted from acquired value, due to the acceptance of subsidies. The breakdown is as follows.	(Yen in thousands)			
	Prior Period from January 1, 2016 to June 30, 2016		Current Period from July 1, 2016 to December 31, 2016	
	Buildings in trust	52,776		—

(Notes to Statements of Change in Net Assets)

	Prior Period from January 1, 2016 to June 30, 2016	Current Period from July 1, 2016 to December 31, 2016
*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 January 1, 2016 to June 30, 2016	Current Period from July 1, 2016 to December 31, 2016
*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	3,735,973	4,269,839
Cash and deposits in trust	11,906,745	12,204,569
Cash and cash equivalents	15,642,719	16,474,409

(Notes to Lease Transactions)

Existing non-cancelable operating leases (As lessor)

Future minimum rental revenues	Prior Period (As of June 30, 2016)	Current Period (As of December 31, 2016)
Due within one year	416,365	467,772
Due after one year	244,493	478,601
Total	660,858	946,374

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

(Yen in thousands)

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

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	—

(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: 7,481,160 thousand yen in previous period and 7,880,370 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: 835,615 thousand yen in previous period and 848,175 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 (June 30, 2016)

(Yen in thousands)

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

Current 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	-	-	-	-	-

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

Prior Period (June 30, 2016)

(Yen in thousands)

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

Current 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

(Notes to Investment Securities)

Prior Period (As of June 30, 2016)

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

Current 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.

(Notes to Derivative Transactions)

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

Prior Period (June 30, 2016)

None

Current Period (December 31, 2016)

None

2. Derivative transactions to which hedge accounting is applied:

Prior Period (June 30, 2016)

(Yen in thousands)

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

(Note) Since those with special treatment of interest rate swaps are treated integrally with hedged long-term debt, the market values of such are shown as included in the market value in "(4) Long-term debt, Financial Instruments, 2. Fair Value of Financial Instruments" above.

Current Period (June 30, 2016)

(Yen in thousands)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value measurement
				Due after one year		
Principle method	Interest rate swaps Receive floating / Pay fix	Long-term debt	32,600,000	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.

(Note on Employee Retirement Benefits)

Prior period (June 30, 2016)

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

Current period (December 31, 2016)

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

(Notes to Deferred Tax Accounting)

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

(Yen in thousands)

	Prior Period (As of June 30, 2016)	Current Period (As of December 31, 2016)
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	3,438	10,964
Total deferred tax liabilities	3,438	10,964
Net deferred tax assets (liabilities)	(3,437)	(10,962)

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

	Prior Period (As of June 30, 2016)	Current Period (As of December 31, 2016)
Statutory tax rate	32.31%	31.74%
(Adjustments)		
Deductible cash distributions	(32.32%)	(31.74%)
Per capita inhabitant taxes	0.02%	0.02%
Others	0.01%	0.00%
Effective tax rate	0.02%	0.02%

(Notes to Equity in Income)

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

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

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

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



(Notes to Related Party Transactions)

1. Related party transactions

(1) Parent company and major corporate unitholders

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

None

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

None

(2) Affiliates

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

None

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

None

(3) Companies under common control

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

None

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

None

(4) Board of Officers and major individual unitholders

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

Classification	Name	Address	Capital stock (Yen in millions)	Principal business or occupation	Ratio of voting rights (owned)	Nature of transaction	Amount of transaction (Yen in thousands)	Account	Balance at the end of period (Yen in thousands)
Directors and their relatives	Hisao Ishikawa	-	-	Executive Officer of NIPPON REIT and President, Director & CEO of Sojitz REIT Advisors K.K.	-	Payment of asset management fees to Sojitz REIT Advisors K.K. (Note 1)	518,623	Accrued expenses	130,600

(Note 1) Hisao Ishikawa resigned president, Director & CEO of Sojitz REIT Advisors K.K. on June 30, 2016.

(Note 2) This was executed by Hisao Ishikawa as a representative director of a third party (Sojitz REIT Advisors K.K.) and terms and conditions of related-party transactions are based on those stipulated in NIPPON REIT'S Article of Incorporation for asset management fees.

(Note 3) Consumption taxes are not included in transaction amounts and are included in the balance at the end of the period.

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

None

(Notes to Asset Retirement Obligation)

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

None

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

None

(Notes to Investment Properties)

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

(Yen in thousands)

	Prior Period from January 1, 2016 to June 30, 2016	Current Period from July 1, 2016 to December 31, 2016
Book value		
Balance at beginning of period	208,681,494	208,212,032
Change during period	(469,461)	(289,116)
Balance at end of period	208,212,032	207,922,916
Fair value	217,243,000	

(Note 1) Amounts recorded in the balance sheet are figures in which accumulated depreciation is deducted from the acquisition costs.

(Note 2) Amounts recorded in the balance sheet include the amount of leasehold right in trust, 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 January 1, 2016 to June 30, 2016)

#### 1. Information about Products and Services

Disclosure of this information is omitted as operating revenues to external customers for a single product/service category accounts for more than 90% of the operating revenues on the statements of income and retained earnings.

#### 2. Information by Geographic Areas

##### (1) Operating revenues

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

##### (2) Investment properties

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

#### 3. Information on Major Customers

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

Current 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.

(Notes to Per Unit Information)

	Prior Period from January 1, 2016 to June 30, 2016	Current Period from July 1, 2016 to December 31, 2016
Net assets per unit	286,562 yen	286,883 yen
Net income per unit	7,515 yen	7,797 yen

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

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

	Prior Period from January 1, 2016 to June 30, 2015	Current Period from July 1, 2016 to December 31, 2016
Net income (Yen in thousands)	2,944,167	3,054,868
Amount not attributable to ordinary unitholders (Yen in thousands)	-	-
Net income attributable to ordinary unitholders (Yen in thousands)	2,944,167	3,054,868
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

Regarding Officers and Directors as of the date of this summary, please refer to the latest Securities Report (Submitted on September 27, 2016). Other changes in Officers and Directors of NIPPON REIT and the Asset Management Company will be announced at the time of decision.

## 5. Reference Information

### (1) Status of Investment

Type of assets	Property type	Area	Prior period (June 30, 2016)		Current period (December 31, 2016)	
			Total amount held (Yen in millions) (Note 1)	Percentage to total assets (%) (Note 2)	Total amount held (Yen in millions) (Note 1)	Percentage to total assets (%) (Note 2)
Real estate in trust (Note 3)	Office properties	Six central wards of Tokyo (Note 4)	122,397	54.2	122,349	54.0
		Three major metropolitan areas (Note 5) (excluding Six central wards of Tokyo)	61,059	27.0	60,991	26.9
		Subtotal	183,457	81.2	183,340	81.0
	Residential properties	Three major metropolitan areas (Note 5) (including Six central wards of Tokyo)	16,959	7.5	16,814	7.4
		Certain ordinance-designated and other cities (Note 6)	2,255	1.0	2,233	1.0
		Subtotal	19,215	8.5	19,048	8.4
	Retail Properties	-	5,539	2.5	5,533	2.4
	Total		208,212	92.2	208,212	92.2
	Investment securities (Note 7)		835	0.4	835	0.4
	Deposits and other assets		16,795	7.4	16,795	7.4
Total assets		225,842	100.0	225,842	100.0	

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

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

(Note 3) 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.

## (2) Investment Assets

### I. Major investment securities

(as of December 31, 2016)

Type	Name	Quantity (Unit)	Book value (Yen in millions)	Fair value (Yen in millions) (Note 1)	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 3)
Equity interest in a silent partnership	Godo Kaisha Nicolas Capital 9 Equity interest in silent partnership	-	99	99	0.0	(Note 4)
Equity interest in a silent partnership	Godo Kaisha Nicolas Capital 8 Equity interest in silent partnership	-	521	521	0.2	(Note 5)
Total		-	848	848	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.

### II. Investment Properties

Not applicable as of December 31, 2016.

III. Other Major Investment Assets

(i) Summary of real estate in trust

The summary of real estate in trust held by NIPPON REIT as of December 31, 2016 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	Hisamatsucho Reeplex B's	Office property	Chuo Ward, Tokyo	3,022.25	2,837	1.4
A-25	FORECAST Ningyocho (Note 5)	Office property	Chuo Ward, Tokyo	2,277.61	2,070	1.0
A-26	FORECAST Ningyocho PLACE (Note 5)	Office property	Chuo Ward, Tokyo	1,867.95	1,650	0.8
A-27	FORECAST Shin-Tokiwabashi	Office property	Chuo Ward, Tokyo	1,794.97	2,030	1.0
A-28	Nishi-Shinjuku Sanko Building	Office property	Shinjuku Ward, Tokyo	2,479.80	2,207	1.1
A-29	Iidabashi Reeplex B's	Office property	Shinjuku Ward, Tokyo	1,401.68	1,249	0.6
A-30	FORECAST Shinagawa	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	1.5
A-32	Towa Higashi-Gotanda Building	Office property	Shinagawa Ward, Tokyo	2,939.16	2,033	0.8
A-33	FORECAST Takadanobaba	Office property	Toshima Ward, Tokyo	5,614.35	5,550	0.8
A-34	Mejiro NT Building	Office property	Toshima Ward, Tokyo	4,497.27	3,094	0.7
A-35	Toshin Higashi-Ikebukuro Building	Office property	Toshima Ward, Tokyo	1,645.19	979	1.1
A-36	Mitsui Woody Building	Office property	Koto Ward, Tokyo	4,006.20	2,475	0.6
A-37	Itabashi Honcho Building	Office property	Itabashi Ward, Tokyo	6,356.89	3,146	0.8
A-38	ANTEX24 Building	Office property	Taito Ward, Tokyo	2,267.59	1,691	0.9
A-39	Itohpia Kiyosubashidori Building	Office property	Taito Ward, Tokyo	2,659.67	1,550	2.0
A-40	East Side Building	Office property	Taito Ward, Tokyo	2,096.92	1,372	1.0
A-41	I・S Minamimorimachi Building	Office property	Osaka, Osaka	4,164.82	2,258	0.7
A-42	Sunworld Building	Office property	Osaka, Osaka	3,314.58	1,200	0.7
A-43	Marunouchi Sanchome Building	Office property	Nagoya, Aichi	4,219.19	1,626	1.5
A-44	MK Kojimachi Building	Office property	Chiyoda Ward, Tokyo	1,748.92	1,781	2.3
A-45	Toranomon Sakura Building	Office property	Minato Ward, Tokyo	3,049.80	4,120	3.2
A-46	La Verite Akasaka	Office property	Minato Ward, Tokyo	1,707.18	2,000	7.6
A-47	Kanda Ocean Building	Office property	Chiyoda Ward, Tokyo	1,484.74	1,440	1.4
A-48	Shinto GINZA EAST	Office property	Chuo Ward, Tokyo	1,206.28	1,352	1.4
A-49	New River Building	Office property	Chuo Ward, Tokyo	3,882.61	3,000	1.2
A-50	FORECAST Waseda FIRST	Office property	Shinjuku Ward, Tokyo	4,340.66	4,775	5.8
A-51	FORECAST Gotanda WEST	Office property	Shinagawa Ward, Tokyo	8,981.55	6,520	0.8
A-52	Omiya Center Building	Office property	Saitama, Saitama	14,311.77	15,585	0.6
A-53	Sumitomo Mitsui Bank Koraibashi Building	Office property	Osaka, Osaka	5,102.55	2,850	0.5
A-54	NORE Fushimi	Office property	Nagoya, Aichi	3,857.58	2,840	0.4
A-55	NORE Meieki	Office property	Nagoya, Aichi	4,296.12	2,520	0.3
B-1	Tower Court Kitashinagawa	Residential property	Shinagawa Ward, Tokyo	16,913.29	11,880	0.3
B-2	Sky Hills N11	Residential property	Sapporo, Hokkaido	8,567.50	1,570	0.9
B-3	my atria Meieki	Residential property	Nagoya, Aichi	2,890.78	1,280	1.6
B-4	my atria Sakae	Residential property	Nagoya, Aichi	3,121.60	1,110	1.0
B-5	Mac Village Heian	Residential property	Nagoya, Aichi	2,250.00	785	1.5
B-6	Seam Dwell Tsutsui	Residential property	Nagoya, Aichi	1,800.00	695	0.8
B-7	Ciel Yakuin	Residential property	Fukuoka, Fukuoka	1,544.87	640	0.8
B-8	Kanda Reeplex R's	Residential property	Chiyoda Ward, Tokyo	2,183.93	1,813	0.7
C-1	Otakibashi Pacifica Building	Retail property	Shinjuku Ward, Tokyo	1,383.31	3,350	1.1
C-2	Komyoike Act	Retail property	Sakai, Osaka	6,173.41	2,063	0.6
	Total			255,393.62	204,852	100.0

(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.

Property No.	Date of change	Old name	New name
A-25	September 1, 2016	DaVinci Ningyocho	FORECAST Ningyocho
A-26	December 1, 2016	KDX Ningyocho	FORECAST Ningyocho PLACE

## (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	383
A-5	FORECAST Ichigaya	3,844.66	3,747.44	97.5	21	264
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	1,033
A-8	FORECAST Sakurabashi	6,566.76	6,566.76	100.0	6	366
A-9	GreenOak Kayabacho	2,984.94	2,577.73	86.4	5	160
A-10	GreenOak Kudan	2,594.46	2,594.46	100.0	4	176
A-11	GreenOak Takanawadai	2,621.74	2,621.74	100.0	11	140
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	147
A-17	Shibakoen Sanchome Building	7,882.60	7,882.60	100.0	4	403
A-18	FORECAST Iidabashi	4,066.50	4,066.50	100.0	23	232
A-19	Kudankita 325 Building	2,007.07	2,007.07	100.0	8	98
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	171
A-22	Itohpia Iwamotocho 1-chome Building	3,056.56	3,056.56	100.0	9	158
A-23	Itohpia Iwamotocho ANNEX Building	3,064.20	3,064.20	100.0	6	142
A-24	Hisamatsucho Reeplex B's	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	1,794.97	1,530.45	85.3	10	80
A-28	Nishi-Shinjuku Sanko Building	2,479.80	2,479.80	100.0	8	124
A-29	Iidabashi Reeplex B's	1,401.68	1,401.68	100.0	6	70
A-30	FORECAST Shinagawa	2,385.47	2,385.47	100.0	6	116
A-31	Nishi-Gotanda 8-chome Building	2,999.68	2,999.68	100.0	8	124
A-32	Towa Higashi-Gotanda Building	2,939.16	2,939.16	100.0	8	131
A-33	FORECAST Takadanobaba	5,614.35	5,614.35	100.0	7	306
A-34	Mejiro NT Building	4,497.27	4,497.27	100.0	5	196
A-35	Toshin Higashi-Ikebukuro Building	1,645.19	1,645.19	100.0	4	66
A-36	Mitsui Woody Building	4,006.20	4,006.20	100.0	6	160
A-37	Itabashi Honcho Building	6,356.89	6,356.89	100.0	4	222

Property Number	Property name	Total leasable area (㎡)	Total leased area (㎡) (Note 1)	Occupancy rate (%) (Note 2)	Number of tenants (Note 3)	Annual contracted rent (Yen in millions) (Note 4)
A-38	ANTEX24 Building	2,267.59	2,267.59	100.0	7	91
A-39	Itohpia Kiyosubashidori Building	2,659.67	2,288.07	86.0	7	99
A-40	East Side Building	2,096.92	2,096.92	100.0	4	92
A-41	I・S Minamimorimachi Building	4,164.82	4,164.82	100.0	16	166
A-42	Sunworld Building	3,314.58	3,314.58	100.0	1	Not disclosed (Note 6)
A-43	Marunouchi Sanchome Building	4,219.19	4,219.19	100.0	22	119
A-44	MK Kojimachi Building	1,748.92	1,748.92	100.0	9	98
A-45	Toranomon Sakura Building	3,049.80	2,729.60	89.5	9	186
A-46	La Verite Akasaka	1,707.18	1,707.18	100.0	6	111
A-47	Kanda Ocean Building	1,484.74	1,484.74	100.0	24	87
A-48	Shinto GINZA EAST	1,206.28	1,206.28	100.0	6	71
A-49	New River Building	3,882.61	3,498.87	90.1	13	141
A-50	FORECAST Waseda FIRST	4,340.66	3,697.54	85.2	6	220
A-51	FORECAST Gotanda WEST	8,981.55	8,981.55	100.0	13	401
A-52	Omiya Center Building	14,311.77	14,311.77	100.0	27	906
A-53	Sumitomo Mitsui Bank Koraihashi 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	4,296.12	100.0	20	166
B-1	Tower Court Kitashinagawa	16,913.29	16,573.63	98.0	273	760
B-2	Sky Hills N11	8,567.50	8,567.50	100.0	1	115
B-3	my atria Meieki	2,890.78	2,801.38	96.9	66	90
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	1,474.59	95.5	40	42
B-8	Kanda Reeplex R's	2,183.93	2,183.93	100.0	41	105
C-1	Otakibashi Pacifica Building	1,383.31	1,383.31	100.0	8	169
C-2	Komyoike Act	6,173.41	5,987.46	97.0	24	179
	Total	255,393.62	252,220.72	98.8	966	12,378

(Note 1) "Total leased area" is the aggregate leased area described in the relevant lease agreements as of December 31, 2016. For properties subject to pass-through master leases, total leased area is the aggregate of the leased areas indicated in the relevant sublease agreements with end-tenants as of December 31, 2016.

(Note 2) "Occupancy rate" is calculated by dividing total leased area by total leasable area as of December 31, 2016, and rounding to the first decimal place.

(Note 3) "Number of tenants" is the aggregate number of tenants as described in the relevant lease agreements for respective properties as of December 31, 2016, excluding warehouses, signboards and parking lots. For properties subject to a pass-through master lease, the number of tenant is the total number of end-tenants, except for certain pass-through master leases under which properties are leased en bloc to a sublessee who pays a fixed amount of rent to the master lessee, we consider number of the tenants to be "1".

(Note 4) "Annual contracted rent" is the aggregate annual rent as described in the relevant lease agreements as of December 31, 2016. In the case of monthly rent payments, annual rent is calculated by multiplying the aggregate monthly rent by 12. Annual contracted rent includes common area maintenance charges but excludes usage fees for warehouses, signboards and parking lots as well as consumption taxes. Free rent periods are not taken into account in determining annual contracted rent. For properties subject to a pass-through master lease, annual contracted rent is based on the relevant sublease agreements as of June 30, 2016. Figures have been truncated to the nearest million yen and may not add up to total.

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

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

## (iii) Summary on Appraisal Report (As of December 31, 2016)

Property Number	Property name	Acquisition price (Yen in millions)	Book value (Yen in millions) (Note 2)	Appraisal value (Yen in millions) (Note 3)	Direct capitalization method		Discounted cash flow method		
					Appraisal value (Yen in millions)	Direct capitalization rate	Appraisal value (Yen in millions)	Discount rate	Terminal capitalization rate
A-1	FORECAST Nishishinjuku	2,260	2,200	2,830	2,860	4.3%	2,790	3.9%	4.5%
A-2	Nihombashi Playa Building	2,130	2,075	2,330	2,350	4.6%	2,310	4.4%	4.8%
A-3	FORECAST Yotsuya	1,430	1,400	1,770	1,800	4.2%	1,740	4.0%	4.4%
A-4	FORECAST Shinjuku AVENUE	6,500	6,371	7,150	7,170	4.0%	7,130	3.7%	4.1%
A-5	FORECAST Ichigaya	4,800	4,701	5,550	5,640	3.9%	5,450	3.7%	4.1%
A-6	FORECAST Mita	1,800	1,772	2,090	2,120	4.1%	2,050	3.9%	4.3%
A-7	FORECAST Shinjuku SOUTH	13,990	14,519	15,900	16,000	3.9%	15,700	3.6%	4.1%
A-8	FORECAST Sakurabashi	5,760	6,031	6,160	6,240	4.4%	6,080	4.2%	4.6%
A-9	GreenOak Kayabacho	2,860	2,972	3,110	3,150	4.3%	3,060	4.1%	4.5%
A-10	GreenOak Kudan	2,780	2,879	3,100	3,140	4.1%	3,050	3.9%	4.3%
A-11	GreenOak Takanawadai	2,260	2,266	2,430	2,460	4.4%	2,390	4.2%	4.6%
A-12	GreenOak Okachimachi	3,330	3,458	3,000	3,010	4.7%	2,980	4.4%	4.8%
A-13	Higashi Ikebukuro Center Building	2,520	2,685	2,730	2,740	4.8%	2,710	4.6%	5.0%
A-14	Central Daikanyama	3,510	3,655	3,490	3,550	3.9%	3,430	3.7%	4.1%
A-15	JS Progres Building	5,325	5,408	5,240	5,290	5.3%	5,180	5.0%	5.4%
A-16	Hiroo Reeplex B's	2,827	2,864	2,990	3,030	4.3%	2,940	4.1%	4.5%
A-17	Shibakoen Sanchome Building	7,396	7,450	9,400	9,770	3.8%	9,240	3.6%	4.0%
A-18	FORECAST Iidabashi	5,230	5,423	5,440	5,500	4.1%	5,380	3.8%	4.2%
A-19	Kudankita 325 Building	1,850	1,936	1,950	1,960	4.1%	1,940	3.8%	4.2%
A-20	FORECAST Uchikanda	1,240	1,300	1,260	1,270	4.3%	1,240	4.1%	4.5%
A-21	Itohpia Iwamotocho 2-chome Building	2,810	2,836	2,960	3,000	4.4%	2,920	4.2%	4.6%
A-22	Itohpia Iwamotocho 1-chome Building	2,640	2,686	2,690	2,720	4.4%	2,650	4.2%	4.6%
A-23	Itohpia Iwamotocho ANNEX Building	2,100	2,121	2,320	2,350	4.4%	2,280	4.2%	4.6%
A-24	Hisamatsucho Reeplex B's	2,837	2,869	2,890	2,930	4.4%	2,840	4.2%	4.6%
A-25	FORECAST Ningyocho	2,070	2,150	2,070	2,110	4.5%	2,030	4.3%	4.7%
A-26	FORECAST Ningyocho PLACE	1,650	1,665	1,760	1,790	4.5%	1,720	4.3%	4.7%
A-27	FORECAST Shin-Tokiwabashi	2,030	2,115	2,030	2,050	4.5%	2,000	4.2%	4.6%
A-28	Nishi-Shinjuku Sanko Building	2,207	2,240	2,270	2,310	4.4%	2,220	4.2%	4.6%
A-29	Iidabashi Reeplex B's	1,249	1,290	1,360	1,380	4.0%	1,330	3.8%	4.2%
A-30	FORECAST Shinagawa	2,300	2,400	2,300	2,340	4.4%	2,260	4.2%	4.6%
A-31	Nishi-Gotanda 8-chome Building	2,210	2,300	2,240	2,270	4.4%	2,210	4.2%	4.6%
A-32	Towa Higashi-Gotanda Building	2,033	2,044	2,120	2,140	4.4%	2,090	4.2%	4.6%
A-33	FORECAST Takadanobaba	5,550	5,803	5,570	5,660	4.7%	5,480	4.5%	4.9%

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	3,240	3,270	4.8%	3,200	4.6%	5.0%
A-35	Toshin Higashi-Ikebukuro Building	979	994	1,030	1,040	4.9%	1,020	4.7%	5.1%
A-36	Mitsui Woody Building	2,475	2,544	2,640	2,660	4.9%	2,620	4.6%	5.0%
A-37	Itabashi Honcho Building	3,146	3,168	3,220	3,250	5.0%	3,190	4.7%	5.2%
A-38	ANTEX24 Building	1,691	1,786	1,730	1,750	4.7%	1,710	4.4%	4.8%
A-39	Itohpia Kiyosubashidori Building	1,550	1,580	1,720	1,730	4.9%	1,700	4.6%	5.1%
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	2,276	2,410	2,430	4.8%	2,390	4.6%	5.0%
A-42	Sunworld Building	1,200	1,257	1,230	1,230	5.1%	1,220	4.9%	5.3%
A-43	Marunouchi Sanchome Building	1,626	1,633	1,790	1,800	4.9%	1,770	4.7%	5.1%
A-44	MK Kojimachi Building	1,781	1,813	1,960	1,970	4.0%	1,940	3.7%	4.1%
A-45	Toranomon Sakura Building	4,120	4,304	4,270	4,320	3.7%	4,220	3.4%	3.8%
A-46	La Verite Akasaka	2,000	2,102	2,080	2,110	4.0%	2,050	3.8%	4.2%
A-47	Kanda Ocean Building	1,440	1,460	1,520	1,540	4.2%	1,500	4.0%	4.4%
A-48	Shinto GINZA EAST	1,352	1,366	1,400	1,410	4.2%	1,390	3.9%	4.3%
A-49	New River Building	3,000	3,163	2,960	2,980	4.5%	2,930	4.2%	4.6%
A-50	FORECAST Waseda FIRST	4,775	4,812	4,900	4,940	4.4%	4,850	4.1%	4.5%
A-51	FORECAST Gotanda WEST	6,520	6,782	6,790	6,850	4.1%	6,730	3.9%	4.3%
A-52	Omiya Center Building	15,585	15,670	17,100	17,300	4.6%	16,800	4.4%	4.8%
A-53	Sumitomo Mitsui Bank Koraibashi Building	2,850	2,900	2,900	2,920	4.7%	2,870	4.5%	4.9%
A-54	NORE Fushimi	2,840	2,821	3,020	3,060	4.7%	2,980	4.5%	4.9%
A-55	NORE Meieki	2,520	2,506	2,830	2,860	4.8%	2,800	4.6%	5.0%
B-1	Tower Court Kitashinagawa	11,880	11,134	13,200	13,400	4.4%	13,000	4.2%	4.6%
B-2	Sky Hills N11	1,570	1,584	1,700	1,710	5.6%	1,690	5.4%	5.8%
B-3	my atria Meieki	1,280	1,286	1,450	1,460	4.9%	1,440	4.7%	5.1%
B-4	my atria Sakae	1,110	1,105	1,190	1,200	5.1%	1,180	4.9%	5.3%
B-5	Mac Village Heian	785	786	849	857	5.2%	841	5.0%	5.4%
B-6	Seam Dwell Tsutsui	695	714	768	775	5.1%	760	4.9%	5.3%
B-7	Ciel Yakuin	640	649	690	698	4.8%	682	4.6%	5.0%
B-8	Kanda Reeplex R's	1,813	1,786	1,890	1,910	4.4%	1,870	4.1%	4.6%
C-1	Otakibashi Pacifica Building	3,350	3,464	3,470	3,530	4.0%	3,410	3.8%	4.2%
C-2	Komyoike Act	2,063	2,069	2,170	2,180	5.3%	2,150	5.1%	5.5%
	Total	204,852	207,922	220,087	222,730		217,173		

(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 December 31, 2016 (for real estate and real estate in trust, acquisition price (including acquisition-related expenses) less depreciation expenses).

(Note 3) "Appraisal value" represents the appraisal value as set forth on the relevant appraisal reports as of December 31, 2016. 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 9th Fiscal Period (from July 1, 2016 to December 31, 2016)

(Yen in thousands)

Property number	A-1	A-2	A-3	A-4	A-5	A-6
Property name	FORECAST Nishishinjuku	Nihombashi Playa Building	FORECAST Yotsuya	FORECAST Shinjuku AVENUE	FORECAST Ichigaya	FORECAST Mita
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	82,420	79,926	52,581	204,410	138,055	60,604
Rental revenues	70,401	76,892	49,131	183,646	125,222	53,432
Other revenues related to property leasing	12,018	3,033	3,450	20,763	12,832	7,172
(2)Property related expenses	18,084	15,390	11,231	40,984	28,781	12,272
Property management fees	3,338	4,980	2,312	9,378	8,113	2,967
Utility expenses	6,742	4,669	2,632	12,703	7,641	4,016
Insurance expenses	58	62	42	126	119	44
Repair expenses	142	20	1,045	318	1,170	117
Taxes and dues	2,371	5,271	4,759	17,640	9,968	4,712
Trust fees	350	350	350	350	350	350
Others	5,081	35	89	467	1,418	63
(3)NOI (1)-(2)	64,335	64,536	41,349	163,425	109,273	48,332
(4)Depreciation	16,715	16,003	7,669	29,285	35,804	7,548
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	47,620	48,532	33,679	134,139	73,469	40,783

(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	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	575,825	203,999	89,734	98,597	80,176	97,096
Rental revenues	510,810	187,544	80,549	90,044	70,709	77,784
Other revenues related to property leasing	65,014	16,454	9,184	8,552	9,467	19,311
(2)Property related expenses	202,067	45,202	22,425	24,893	18,943	24,399
Property management fees	37,290	15,820	5,931	5,492	3,766	4,999
Utility expenses	39,599	12,754	7,186	6,317	6,107	9,971
Insurance expenses	445	200	91	81	75	97
Repair expenses	2,173	4,854	795	797	325	1,613
Taxes and dues	15,282	9,649	7,637	8,231	7,099	7,120
Trust fees	350	350	350	350	350	350
Others	106,927	1,572	432	3,622	1,218	245
(3)NOI (1)-(2)	373,757	158,797	67,308	73,704	61,233	72,696
(4)Depreciation	24,237	11,023	6,707	4,424	15,973	6,330
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	349,519	147,774	60,601	69,279	45,259	66,366



(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	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	110,821	86,568	165,138	79,945	219,593	128,263
Rental revenues	105,387	79,256	140,477	71,411	203,577	118,659
Other revenues related to property leasing	5,433	7,311	24,660	8,533	16,015	9,604
(2)Property related expenses	26,106	13,431	107,550	12,774	39,617	23,031
Property management fees	8,647	3,284	20,775	3,844	9,093	5,994
Utility expenses	7,051	4,041	22,527	3,284	12,311	6,058
Insurance expenses	137	51	378	40	174	115
Repair expenses	1,303	150	2,555	188	460	-
Taxes and dues	8,456	5,554	31,058	4,728	16,860	6,430
Trust fees	350	350	350	350	350	350
Others	160	-	29,905	337	367	4,082
(3)NOI (1)-(2)	84,714	73,137	57,587	67,170	179,975	105,231
(4)Depreciation	12,127	3,717	28,516	2,803	14,177	9,671
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	72,586	69,419	29,071	64,367	165,798	95,560

(Yen in thousands)

Property number	A-19	A-20	A-21	A-22	A-23	A-24
Property name	Kudankita 325 Building	FORECAST Uchikanda	Itohpia Iwamotocho 2-chome Building	Itohpia Iwamotocho 1-chome Building	Itohpia Iwamotocho ANNEX Building	Hisamatsucho Reeplex B's
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	57,015	41,770	79,987	87,009	71,941	Not disclosed (Note)
Rental revenues	48,281	39,274	75,467	83,744	67,789	
Other revenues related to property leasing	8,734	2,495	4,520	3,264	4,152	
(2)Property related expenses	20,225	10,133	26,930	19,871	18,982	
Property management fees	5,508	2,853	6,633	6,564	5,932	
Utility expenses	3,597	2,367	6,218	4,711	6,116	
Insurance expenses	47	45	99	88	77	
Repair expenses	4,051	654	2,519	1,174	87	
Taxes and dues	6,360	3,108	7,636	5,679	5,132	
Trust fees	350	350	350	350	350	
Others	309	755	3,472	1,302	1,286	
(3)NOI (1)-(2)	36,790	31,637	53,056	67,138	52,958	65,890
(4)Depreciation	2,264	3,389	6,484	6,869	4,337	6,336
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	34,525	28,248	46,572	60,268	48,620	59,553

(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	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	60,650	55,013	46,652	69,526	49,007	48,909
Rental revenues	54,608	48,578	39,943	63,707	35,382	42,889
Other revenues related to property leasing	6,041	6,435	6,708	5,818	13,625	6,019
(2)Property related expenses	16,266	13,159	11,213	17,764	12,055	25,342
Property management fees	5,231	3,255	2,459	4,355	2,575	5,060
Utility expenses	3,893	4,807	3,321	4,964	5,892	4,078
Insurance expenses	73	48	47	66	35	75
Repair expenses	472	908	532	1,428	419	4,959
Taxes and dues	5,764	3,758	3,398	6,261	2,681	5,659
Trust fees	350	350	350	350	350	350
Others	479	32	1,104	336	100	5,158
(3)NOI (1)-(2)	44,383	41,853	35,438	51,761	36,951	23,566
(4)Depreciation	5,375	3,538	2,865	3,817	3,010	6,373
(5) Loss on retirement of non-current assets	-	-	-	-	1,849	-
(6)Income from property leasing (3)-(4)-(5)	39,007	38,315	32,573	47,944	32,091	17,193

(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	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	76,983	76,199	172,704	114,843	40,156	94,470
Rental revenues	62,377	68,140	152,113	102,505	35,144	83,141
Other revenues related to property leasing	14,605	8,059	20,590	12,337	5,011	11,329
(2)Property related expenses	22,098	18,524	39,196	28,016	9,891	27,721
Property management fees	6,472	6,324	9,723	9,141	3,104	9,531
Utility expenses	7,012	5,046	13,884	7,195	2,839	8,802
Insurance expenses	82	88	167	125	45	119
Repair expenses	494	685	2,621	73	705	623
Taxes and dues	7,312	5,660	11,890	7,755	2,366	7,416
Trust fees	350	350	350	350	350	350
Others	373	370	560	3,374	480	877
(3)NOI (1)-(2)	54,885	57,674	133,507	86,827	30,264	66,749
(4)Depreciation	4,724	6,126	13,308	9,669	3,127	6,429
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	50,160	51,548	120,198	77,157	27,137	60,320

(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	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	146,540	45,327	64,347	52,655	96,060	Not disclosed (Note)
Rental revenues	118,306	40,101	58,429	46,170	86,509	
Other revenues related to property leasing	28,233	5,226	5,917	6,485	9,550	
(2)Property related expenses	46,509	17,759	19,452	11,227	26,475	
Property management fees	19,394	3,828	5,298	3,876	7,083	
Utility expenses	14,689	3,285	5,549	2,855	8,933	
Insurance expenses	149	62	67	50	137	
Repair expenses	215	625	1,474	1,399	676	
Taxes and dues	8,507	3,811	4,825	2,294	9,258	
Trust fees	350	350	350	350	350	
Others	3,202	5,795	1,886	401	35	
(3)NOI (1)-(2)	100,030	27,568	44,895	41,428	69,584	32,292
(4)Depreciation	14,826	6,456	3,870	2,775	10,361	4,760
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	85,204	21,111	41,024	38,652	59,222	27,532

(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 Sanchoime Building	MK Kojimachi Building	Toranomon Sakura Building	La Verite Akasaka	Kanda Ocean Building	Shinto GINZA EAST
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	73,103	61,702	67,578	56,032	48,895	36,944
Rental revenues	67,287	42,247	62,822	52,724	43,650	35,288
Other revenues related to property leasing	5,816	19,455	4,756	3,307	5,244	1,656
(2)Property related expenses	34,606	15,467	33,234	11,727	10,531	7,076
Property management fees	7,902	3,869	6,165	3,350	2,592	2,187
Utility expenses	5,932	2,152	4,740	2,284	3,977	1,661
Insurance expenses	111	44	93	45	44	29
Repair expenses	14,566	874	878	1,084	-	113
Taxes and dues	5,570	5,665	8,417	4,611	3,252	2,731
Trust fees	350	350	350	350	350	350
Others	173	2,510	12,590	1	314	3
(3)NOI (1)-(2)	38,497	46,235	34,344	44,304	38,363	29,867
(4)Depreciation	8,506	2,333	6,682	1,934	2,708	2,738
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	29,990	43,902	27,661	42,370	35,654	27,129

(Yen in thousands)

Property number	A-49	A-50	A-51	A-52	A-53	A-54
Property name	New River Building	FORECAST Waseda FIRST	FORECAST Gotanda WEST	Omiya Center Building	Sumitomo Mitsui Bank Koraibashi Building	NORE Fushimi
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	65,917	116,431	228,368	479,309	121,073	106,768
Rental revenues	57,195	105,845	203,451	446,975	92,017	89,927
Other revenues related to property leasing	8,721	10,586	24,917	32,334	29,055	16,841
(2)Property related expenses	28,151	32,213	72,663	96,532	46,123	30,525
Property management fees	7,221	9,684	21,386	34,771	11,647	7,523
Utility expenses	5,548	8,381	22,879	27,919	16,942	9,750
Insurance expenses	105	129	289	505	194	100
Repair expenses	811	929	895	1,447	670	775
Taxes and dues	7,555	11,024	26,024	26,569	15,857	7,095
Trust fees	350	350	350	350	350	350
Others	6,560	1,713	837	4,969	459	4,930
(3)NOI (1)-(2)	37,765	84,217	155,705	382,777	74,950	76,243
(4)Depreciation	7,350	9,400	9,709	56,307	10,739	18,949
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	30,415	74,817	145,996	326,469	64,210	57,293

(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	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	97,227	393,063	61,056	50,717	38,472	27,782
Rental revenues	83,431	385,010	61,056	49,321	38,462	27,773
Other revenues related to property leasing	13,796	8,053	-	1,395	10	9
(2)Property related expenses	26,701	80,535	8,384	11,720	7,129	4,826
Property management fees	7,255	34,511	881	3,772	1,879	1,895
Utility expenses	8,320	5,244	-	688	437	377
Insurance expenses	109	416	119	65	59	44
Repair expenses	369	7,687	480	1,912	460	208
Taxes and dues	9,018	19,525	6,551	3,373	2,592	1,951
Trust fees	350	350	350	350	350	350
Others	1,277	12,800	1	1,558	1,350	-
(3)NOI (1)-(2)	70,526	312,527	52,671	38,996	31,343	22,955
(4)Depreciation	16,925	97,861	16,855	14,405	14,094	9,292
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	53,601	214,665	35,815	24,591	17,249	13,662

(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	184days	184days	184days	184days	184days	
(1)Revenues from property leasing	24,907	24,528	53,802	93,532	140,987	6,804,128
Rental revenues	24,906	23,699	51,311	83,543	107,508	6,110,177
Other revenues related to property leasing	1	828	2,491	9,988	33,478	693,951
(2)Property related expenses	4,433	4,797	12,573	19,707	69,395	1,851,278
Property management fees	1,884	1,395	4,497	4,253	22,242	505,020
Utility expenses	-	658	-	8,464	34,750	482,195
Insurance expenses	33	30	52	42	190	7,175
Repair expenses	75	487	2,305	-	100	86,342
Taxes and dues	1,607	1,211	2,544	5,295	8,912	499,639
Trust fees	350	350	350	350	350	22,750
Others	483	664	2,824	1,301	2,849	248,155
(3)NOI (1)-(2)	20,473	19,731	41,228	73,824	71,592	4,952,850
(4)Depreciation	7,020	6,177	8,338	11,322	20,118	753,613
(5) Loss on retirement of non-current assets	-	-	-	-	-	1,849
(6)Income from property leasing (3)-(4)-(5)	13,453	13,553	32,890	62,502	51,473	4,197,387