

Summary of Financial Results
for the Fiscal Period Ended December 31, 2017 (REIT)

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

Asset Management Company: Sojitz REIT Advisors K.K.
 Representative: Toshio Sugita, President & CEO
 Contact Information: Takahiro Ishii, General Manager, Corporate Planning Dept.
 TEL +81-3-5501-0080

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Scheduled date of delivery of distributions: March 20, 2018

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, 2017 (July 1, 2017 – December 31, 2017)

(1) Operating Results

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

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%
For the fiscal period ended								
December 31, 2017	7,553	8.7	4,115	11.3	3,608	12.1	3,607	12.1
June 30, 2017	6,947	1.6	3,696	4.8	3,218	5.3	3,218	5.4

	Net Income per Unit	Return on Equity	Return on Assets	Ordinary Income to Operating Revenues
	Yen	%	%	%
For the fiscal period ended				
December 31, 2017	9,209	3.2	1.6	47.8
June 30, 2017	8,215	2.9	1.4	46.3

(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, 2017	9,211	3,608	0	0	100.0	3.2
June 30, 2017	8,217	3,219	0	0	100.0	2.9

(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, 2017	230,417	112,924	49.0	288,248
June 30, 2017	226,434	112,540	49.7	287,268

(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, 2017	4,076	(2,133)	(626)	18,058
June 30, 2017	3,873	(558)	(3,048)	16,740

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

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

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Cash Distributions per Unit (excluding excess of earnings per Unit)	Cash Distributions in Excess of Earnings per Unit
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen	Yen
For the fiscal period ending										
June 30, 2018	7,219	(4.4)	3,801	(7.6)	3,286	(8.9)	3,285	(8.9)	8,387	-
December 31, 2018	7,183	(0.5)	3,780	(0.6)	3,217	(2.1)	3,216	(2.1)	8,211	-

(Reference)

Forecast net income per unit for the fiscal period ending June 30, 2018 : 8,387yen

Forecast net income per unit for the fiscal period ending December 31, 2018 : 8,211yen

(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, 2017 391,760 units As of June 30, 2017 391,760 units

(b) Number of investment treasury units:

As of December 31, 2017 0 unit As of June 30, 2017 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 2018 (from January 1, 2018 to June 30, 2018) and Fiscal Period Ending December 2018 (from July 1, 2018 to December 31, 2018)" on page 8.

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 26, 2017).

2. Management Policy and Management Status

(1) Management Policy

Disclosure is omitted because there have been no significant changes from “Investment Policy,” “Investment Targets” and “Distribution Policy” in the latest securities report (submitted on September 26, 2017).

(2) Management Status

I. Overview of the Fiscal Period under Review

A. Brief History of NIPPON REIT

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

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

Furthermore, NIPPON REIT issued investment units through public offerings in February and July 2015 and third-party allotments in March and July 2015, and the total number of investment units issued and outstanding as of the end of the fiscal period under review (December 31, 2017) is 391,760 units.

B. Investment Environment and Management Performance

(i) Investment Environment

The Japanese economy during the fiscal period under review (fiscal period ended December 2017) saw a increase by 0.6% (an annual increase by 2.5%) in the real GDP growth rate (second preliminary figures) for the third quarter compared to the same period of previous year, seven consecutive period increase, and the gradual recovery trend is ongoing.

Private consumption and exports are picking up, business investment and Industrial production increase moderately. Though consumer prices are flat, corporate profits, firms' judgment on current business conditions and the employment situation are improving. With regard to future prospects, a gradual recovery is expected, supported by the effects of the policies, while employment and income environment is improving. However, attention should be given to the uncertainty in overseas economies and the effects of fluctuations in the financial and capital markets.

In the office properties leasing market, the vacancy rate in Tokyo's five central wards (Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards) as of the end of December 2017 as announced by Miki Shoji Co., Ltd. was 3.12%, down 0.49% from the same month last year. Moreover, the average rent in the same area as of the end of December 2017 was 19,173 yen per tsubo, up 3.41% 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. The situation is expected to continue backed by the well-balanced supply and demand due to populations has been concentrating in Japan's three major metropolitan areas in spite of limited supply of residential properties for lease in the same area.

The retail properties leasing market saw a 2.1% year-on-year increase in retail sales according to figures announced by the Ministry of Economy, Trade and Industry in November 2017, showing gradual recovering trend mainly in retail business such as -fuel retailing, machinery/equipment, textiles, apparel including woven fabrics, apparel, accessories and notions, car dealing, medicinal supplies and cosmetics . Sales at department stores and GMS increased by 1.4% year-on-year basis. As for short-term prospects, private consumption is expected to move toward recovery, supported by the improving environment in the employment market and income growth.

As regards the real estate transaction market, transaction yields remain low at seller's market sustained by aggressive lending attitude maintained by financial institutions and excellent properties on sale becoming less. Overseas investors and tax-oriented investors as buyers stay positive, while on the other hand trend of some JREIT's unit price is somehow downed with bearish tone, external growth opportunity of J-REITs is decreasing.

(ii) Management Performance

a. External Growth

NIPPON REIT owned 65 properties (with a total acquisition price of 204,852 million yen) and silent partnership equity interest (investment amount 870 million yen, 15 real estate-backed properties) as of the end of the fiscal period ended June 2017.

During the fiscal period under review (fiscal period ended December 2017) NIPPON REIT transferred 2 properties and acquired 3 properties as follow, as exchange applying "Inclusion of Deductible Expenses of Reduced Amount of Assets Acquired through Exchange" in Article 50 of the Corporation Tax Act.

Transaction	Property Number	Property Name	Transfer price or acquisition price (¥mn)(Note)	Transfer date or acquisition date
Transfer	A-12	GreenOak Okachimachi	3,650	September 28, 2017
Transfer	A-15	JS Progres Building	6,350	
Acquisition	A-56	Homat Horizon Building	6,705	
Acquisition	A-57	Sannomiya First Building	1,390	
Acquisition	B-9	Splendid Namba	3,502	

(Note) As "Transfer price or acquisition price", respective prices of trust beneficiary rights stated on exchange agreement, and exclude consumption taxes, local consumption taxes, various expenses required for the transaction, and is rounded down to the nearest million yen.

Furthermore NIPPON REIT acquired the following silent partnership equity interest as pipelines for external growth, and has been granted the right of first negotiation pertaining to the acquisition for total of 6 real estate-backed properties (Note1). In addition to them NIPPON REIT received right of first negotiation from Sojitz Corporation which is sponsor of NIPPON REIT for 2 properties (with total first negotiation price of ¥8,310mn).

Name	Number of backed real estate properties	Investment amount (Yen in millions) (Note2)	Acquisition date
Godo Kaisha Nicolas Capital 11 silent partnership equity interest	6(Note)	500	October 30, 2017

(Note1) Operator of the silent partnership acquired 7 properties and NIPPON REIT has been granted the right of first negotiation for all of them on the day of acquisition by the operator, but currently it is 6 because operator transferred a property to third party on December 22, 2017.

(Note2) The amount does not include the fees required for acquisition.

As a result the portfolio as of the end of the fiscal period under review consisted of 55 office properties (with a total acquisition price of 179,107 million yen), 9 residential properties (with a total acquisition price of 23,275 million yen) and 2 retail properties (with a total acquisition price of 5,413 million yen), totaling 66 properties (with a total acquisition price of 207,795 million yen; not including equity interest in a silent partnership) with a total leased area

of 255,279.80m² and a 99.8% average occupancy rate and 2 equity interests in a silent partnership (investment amount 550 million yen, 11 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 were kept, the portfolio occupancy rate was maintained at a high level of 99.8% as of the end of the fiscal period under review.

C. Procurement of Funds

(i) Borrowings and Repayments

In order to prepare funds for repayment of loans due on August 21, 2017 (total amount 10,200 million yen), borrowings of total 10,200 million yen were implemented on the same day as the loan due. Furthermore, borrowings of 2,600 million yen implemented on September 28, 2017 were appropriate for the part of acquisition price of To-be-acquired Assets and the part of the related expenses.

As a result, the balance of borrowings as of December 31, 2017 was 106,170 million yen and the ratio of interest-bearing debt to total assets (LTV) was 46.1%.

(iii) Credit Rating

NIPPON REIT's credit rating as of December 31, 2017 is as follows.

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

D. Overview of Business Performance and Distributions

As a result of the operations described above, business performance in the fiscal period under review generated operating revenues of 7,553 million yen, operating income of 4,115 million yen, ordinary income of 3,608million yen and net income of 3,607 million yen.

Concerning distributions, NIPPON REIT is set 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), ensuring a scope that does not exceed unappropriated retained earnings, and also minimizing unitholders' burdens of income tax, etc.. For the fiscal period, NIPPON REIT decided to distribute 3,608,501,360 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 9,211 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 unitholders' value through flexible and timely investment, also seek the best interest of unitholders by utilizing the features of a diversified REIT and focus on the growth of 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 establish 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 46.1% 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 2018 (January 1, 2018 to June 30, 2018) and the fiscal period ending December 2018 (July 1, 2018 to December 31, 2018) are as follows. For details of the assumptions underlying forecast of management status, please refer to “Assumptions Underlying Forecast of Management Status for Fiscal Period Ending June 2018 (January 1, 2018 to June 30, 2018) and Fiscal Period Ending December 2018 (July 1, 2018 to December 31, 2018)” described later.

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

Operating revenues	7,219 million yen
Operating income	3,801 million yen
Ordinary income	3,286 million yen
Net income	3,285 million yen
Cash distributions per unit	8,387 yen
Cash distributions in excess of earnings per unit	0 yen

Fiscal period ending December 2018 (July 1, 2018 to December 31, 2018)

Operating revenues	7,183 million yen
Operating income	3,780 million yen
Ordinary income	3,217 million yen
Net income	3,216 million yen
Cash distributions per unit	8,211 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, 2018. 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 2018 (January 1, 2018 to June 30, 2018) and Fiscal Period Ending December 2018 (July 1, 2018 to December 31, 2018)

Item	Assumption
Calculation period	<ul style="list-style-type: none"> · Fiscal period ending June 2018 (12th fiscal period): (from January 1, 2018 to June 30, 2018)(181 days) · Fiscal period ending December 2018 (13th fiscal period): (from July 1, 2018 to December 31, 2018)(184 days)
Assets under management	<ul style="list-style-type: none"> · The assumption is that, in addition to the trust beneficiary interests in real estate held by NIPPON REIT as of today (total of 66 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 2018. · In actual practice, there may be any changes due to acquisition of new property, or disposition of portfolio property, etc.
Operating revenues	<ul style="list-style-type: none"> · Revenues from property leasing are estimated based on the historical data and respectively taking into account such factors as market trends and property competitiveness. The total amounts of revenues from property leasing are assumed 7,175 million yen in the fiscal period ending June 2018 and 7,160 million yen in the fiscal period ending December 2018 respectively. · Dividend income is assumed 43 million yen in the fiscal period ending June 2018 and 23 million yen in the fiscal period ending December 2018 respectively. · Operating revenues are based on the assumption that there will be no delinquent or unpaid rent by tenants.
Operating expenses	<ul style="list-style-type: none"> · 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 1,917 million yen in the fiscal period ending June 2018 and 1,884 million yen in the fiscal period ending December 2018 respectively. · Depreciation, which is calculated using the straight-line method on the acquisition price including incidental expenses, is assumed 777 million yen in the fiscal period ending June 2018 and 808 million yen in the fiscal period ending December 2018. · The total amounts of property taxes and city planning taxes are assumed 512 million yen in the fiscal period ending June 2018 and 512 million yen in the fiscal period ending December 2018 respectively. · Repair expenses are recognized in the amount assumed to be necessary based on the repair plan formulated by the Asset Management Company. However, as the repairs may be carried out from unforeseeable causes, the variation in the amount depending on the fiscal year is generally large and the repairs are not carried out periodically, repair expenses may materially differ from the forecast amount. · Asset management fees are assumed 533 million yen in the fiscal period ending June 2018 and 533 million yen in the fiscal period ending December 2018 respectively.
Non-operating revenues	<ul style="list-style-type: none"> · They are assumed neither in the fiscal period ending June 2018 nor the fiscal period ending December 2018.
Non-operating expenses	<ul style="list-style-type: none"> · Interest expense and borrowing related expenses are assumed 514 million yen in the fiscal period ending June 2018 and 562 million yen in the fiscal period ending December 2018.
Loans	<ul style="list-style-type: none"> · NIPPON REIT’s outstanding balance of interest-bearing debt as of today is 106,170 million yen. · The assumption is that all loans which will come due before the end of the fiscal period ending December 2018 (22,900 million yen) will be refinanced. · LTV is expected to be approximately 46.3% as of June 30, 2018 and approximately 46.3% as of December 31, 2018 respectively. · The following formula is used in the calculation of LTV. $LTV = \frac{\text{Total interest-bearing debt}}{\text{Total assets}} \times 100$
Investment units	<ul style="list-style-type: none"> · 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 2018.
Cash Distributions per unit	<ul style="list-style-type: none"> · Cash distributions per unit is calculated based on the assumption that the entire amount of earnings will be distributed in accordance with the cash distribution policy set forth in NIPPON REIT’s Articles of Incorporation. · Deferred gains or losses on hedges as valuation and translation adjustments are expected to be the same amount with the fiscal period ended December 2017 both in the fiscal period ending June 2018 and the fiscal period ending December 2018. Furthermore, assumption is that there will be no change in the market price of the interest rate swaps through to the end of the fiscal period ending June 2018. · 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.

Cash Distributions in excess of earnings per unit	<ul style="list-style-type: none"> · There are no plans at this time to distribute cash in excess of earnings. · Furthermore, in case the differed gains or losses on hedges become negative, taking the effect of a deduction in net assets (as stipulated in Article 2, (2), (xxx), (b) of the Rules for the Calculation of the Investment Corporation) on distributions into consideration, NIPPON REIT may distribute the amount equivalent to the deduction in net assets determined by NIPPON REIT as the allowance for temporary difference.
Others	<ul style="list-style-type: none"> · The assumption is that there will be no revision of laws and regulations, tax systems, accounting standards, listing regulations of Tokyo Stock Exchange, Inc., rules of The Investment Trusts Association, Japan, etc. that will impact the forecast figures above. · The assumption is that there will be no unforeseen serious change in general economic trends and real estate market conditions, etc.

(3) Investment Risks

As there have been no significant changes in the “Investment Risks” as described in the latest Securities Report (submitted on September 26, 2017), the disclosure is omitted.

3. Financial Statements

(1) Balance Sheets

(Yen in thousands)

	The 10th Fiscal Period (as of June 30, 2017)	The 11th Fiscal Period (as of December 31, 2017)
Assets		
Current Assets		
Cash and deposits	11,217,610	13,081,408
Cash and deposits in trust	5,523,380	4,976,650
Tenant receivables	112,358	87,232
Prepaid expenses	370,288	370,628
Income taxes refundable	8,006	7,553
Other current assets	5,554	70,500
Allowance for doubtful accounts	(0)	(0)
Total Current Assets	17,237,198	18,593,973
Non-Current Assets		
Property, plant and equipment		
Buildings in trust	※1 48,602,616	※1 50,201,105
Accumulated depreciation	(4,820,866)	(5,363,472)
Buildings in trust, net	43,781,749	44,837,632
Structures in trust	157,997	164,967
Accumulated depreciation	(32,975)	(34,263)
Structures in trust, net	125,021	130,704
Machinery and equipment in trust	156,868	219,713
Accumulated depreciation	(8,993)	(17,878)
Machinery and equipment in trust, net	147,875	201,835
Tools, furniture and fixtures in trust	64,963	72,890
Accumulated depreciation	(12,010)	(15,146)
Tools, furniture and fixtures in trust, net	52,952	57,743
Land in trust	147,626,696	※2 149,411,625
Construction in progress in trust	—	8,417
Total property, plant and equipment	191,734,295	194,647,958
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	895,866	561,951
Lease and guarantee deposits	10,110	10,110
Long-term prepaid expenses	699,633	760,904
Other	50,535	35,801
Total investments and other assets	1,656,145	1,368,767
Total Non-Current Assets	209,196,843	211,823,128
Total Assets	226,434,042	230,417,101

(Yen in thousands)

	The 10th Fiscal Period (as of June 30, 2017)	The 11th Fiscal Period (as of December 31, 2017)
Liabilities		
Current Liabilities		
Accounts payable	611,972	1,371,522
Short term debt	—	2,600,000
Long-term debt due within one year	19,700,000	20,300,000
Accrued expenses	223,658	222,805
Accrued consumption taxes	107,251	138,589
Deferred tax liabilities	495	3,333
Advances received	1,172,706	1,146,470
Other current liabilities	360,827	628,326
Total Current Liabilities	22,176,913	26,411,047
Long-Term Liabilities		
Long-term debt	83,870,000	83,270,000
Tenant security deposits in trust	7,841,792	7,811,739
Deferred tax liabilities	5,034	—
Total Long-Term Liabilities	91,716,827	91,081,739
Total Liabilities	113,893,741	117,492,787
Net Assets		
Unitholders' Equity		
Unitholders' capital	109,285,298	109,285,298
Surplus		
Unappropriated retained earnings (undisposed loss)	3,242,988	3,631,760
Total Surplus	3,242,988	3,631,760
Total Unitholders' Equity	112,528,286	112,917,058
Valuation and translation adjustments		
Deferred gains or losses on hedges	12,014	7,254
Total Valuation and Translation Adjustments	12,014	7,254
Total Net Assets	※3 112,540,301	※3 112,924,313
Total Liabilities and Net Assets	226,434,042	230,417,101

(2) Statements of Income and Retained Earnings

(Yen in
thousands)

	The 10th Fiscal Period (as of June 30, 2017)	The 11th Fiscal Period (as of December 31, 2017)
Operating Revenues		
Rental revenues	※ ¹ 6,278,141	※ ¹ 6,437,641
Other revenues related to property leasing	※ ¹ 628,546	※ ¹ 705,324
Gain on exchange of real estate properties	—	※ ² 376,123
Dividend income	40,482	34,393
Total Operating Revenues	6,947,169	7,553,483
Operating Expenses		
Property-related expenses	※ ¹ 2,530,372	※ ¹ 2,679,827
Asset management fees	527,524	530,433
Asset custody fees	12,841	13,056
Administrative service fees	49,256	50,012
Directors' compensation	4,200	3,300
Independent auditors' fees	13,000	13,000
Other operating expenses	113,783	148,441
Total Operating Expenses	3,250,978	3,438,071
Operating Income	3,696,191	4,115,411
Non-Operating Revenues		
Interest income	77	80
Reversal of distributions payable	—	1,652
Interest on refund	2	22
Total Non-Operating Revenues	80	1,755
Non-Operating Expenses		
Interest expense	250,354	279,994
Borrowing related expenses	227,077	228,623
Total Non-Operating Expenses	477,432	508,617
Ordinary Income	3,218,840	3,608,549
Extraordinary Income		
Subsidy income	※ ³ 44,834	—
Total Extraordinary Income	44,834	—
Extraordinary Losses		
Loss on reduction of non-current assets	※ ⁴ 44,593	—
Total Extraordinary Losses	44,593	—
Income Before Income Taxes	3,219,081	3,608,549
Income taxes - current	638	687
Income taxes - deferred	0	(2)
Total Income Taxes	638	685
Net Income	3,218,442	3,607,863
Retained Earnings at Beginning of Period	24,545	23,896
Retained Earnings at End of Period	3,242,988	3,631,760

(3) Statement of Change in Net Assets

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

(Yen in thousands)

	Unitholders' Equity				Valuation and Translation Adjustments		Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
		Unappropriated retained earnings (undisposed loss)	Total surplus				
Balance at the beginning of current period	109,285,298	3,080,273	3,080,273	112,365,572	23,761	23,761	112,389,333
Changes of items during the period							
Distributions of surplus		△3,055,728	△3,055,728	△3,055,728			△3,055,728
Net income		3,218,442	3,218,442	3,218,442			3,218,442
Changes of items during the period other than unitholders' equity (net)					△11,746	△11,746	△11,746
Total changes of items during the period	—	162,714	162,714	162,714	△11,746	△11,746	150,967
Balance at the end of current Period	※ 1 109,285,298	3,242,988	3,242,988	112,528,286	12,014	12,014	112,540,301

The 11th Fiscal Period (from July 1, 2017 to December 31, 2017)

(Yen in thousands)

	Unitholders' Equity				Valuation and Translation Adjustments		Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
		Unappropriated retained earnings (undisposed loss)	Total surplus				
Balance at the beginning of current period	109,285,298	3,242,988	3,242,988	112,528,286	12,014	12,014	112,540,301
Changes of items during the period							
Distributions of surplus		△3,219,091	△3,219,091	△3,219,091			△3,219,091
Net income		3,607,863	3,607,863	3,607,863			3,607,863
Changes of items during the period other than unitholders' equity (net)					△4,759	△4,759	△4,759
Total changes of items during the period	—	388,772	388,772	388,772	△4,759	△4,759	384,012
Balance at the end of current Period	※ 1 109,285,298	3,631,760	3,631,760	112,917,058	7,254	7,254	112,924,313

(4) Statements of Cash Distribution

	The 10th Fiscal Period from January 1, 2017 to June 30, 2017	The 11th Fiscal Period from July 1, 2017 to December 31, 2017
	(Yen)	(Yen)
I Unappropriated retained earnings	3,242,988,043	3,631,760,058
II Cash distributions (Cash distributions per unit)	3,219,091,920 (8,217)	3,608,501,360 (9,211)
III Retained earnings carried forward to the next period	23,896,123	23,258,698

Calculation method for cash distributions	<p>Based on the distribution policy set forth in Article 35, Paragraph 1 of the Articles of Incorporation of NIPPON REIT, the amount of cash distributions shall be limited to the amount of profit in excess of an amount equivalent to 90% of distributable profits, as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation.</p> <p>In consideration of this policy, NIPPON REIT decided to distribute 3,219,091,920 yen, which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding, 391,760 units, within the limits that does not exceed the unappropriated retained earnings and shall minimize the unitholders' expense pertaining to income taxes.</p> <p>e, 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 3,608,501,360 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.</p> <p>e, 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 10th Fiscal Period (as of June 30, 2017)	The 11th Fiscal Period (as of December 31, 2017)
Cash Flows from Operating Activities		
Income before income taxes	3,219,081	3,608,549
Depreciation and amortization	734,495	751,698
Gain on exchange of real estate properties	-	(376,123)
Loss on retirement of non-current assets	342	1,134
Loss on reduction of non-current assets	44,593	-
Interest income	(77)	(80)
Interest expense	250,354	279,994
(Increase) Decrease in tenant receivables	(11,614)	25,125
(Increase) Decrease in prepaid expenses	(19,266)	(340)
(Increase) Decrease in long-term prepaid expenses	(85,320)	(61,270)
Increase (Decrease) in accrued consumption taxes	(69,490)	31,337
Increase (decrease) in accounts payable	(22,860)	109,602
Increase (decrease) in accrued expenses	5,642	(3,970)
Increase (decrease) in advances received	80,915	(26,236)
Others, net	4,052	14,494
Subtotal	4,130,848	4,353,916
Interest income received	77	80
Interest expense paid	(250,911)	(276,877)
Income taxes refunded (paid)	(6,047)	(234)
Net Cash Provided by (Used in) Operating Activities	3,873,967	4,076,885
Cash Flows from Investing Activities		
Payments for purchases of investment properties in trust other than leasehold rights in trust	(568,669)	(2,640,773)
Proceeds from tenant security deposits in trust	261,839	783,213
Payments of tenant security deposits in trust	(200,895)	(538,141)
Proceeds from refunds of investment securities	2,402	768,367
Payments for purchases of investment securities	(51,887)	(505,202)
Other payments	(1,244)	(1,244)
Net Cash Provided by (Used in) Investing Activities	(558,454)	(2,133,780)
Cash Flows from Financing Activities		
Proceeds from short-term debt	-	2,600,000
Proceeds from long-term debt	11,600,000	10,200,000
Repayments of long-term debt	(11,600,000)	(10,200,000)
Distributions paid	(3,048,932)	(3,226,036)
Net Cash Provided by (Used in) Financing Activities	(3,048,932)	(626,036)
Net Change in Cash and Cash Equivalents	266,581	1,317,068
Cash and Cash Equivalents at Beginning of Period	16,474,409	16,740,990
Cash and Cash Equivalents at End of Period	※1 16,740,990	※1 18,058,058

(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 was amount of property taxes included in acquisition costs for properties in the previous fiscal period. The amount of property taxes included in acquisition costs for properties acquired during the fiscal period under review was 18,199 thousand yen.
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, 2017)	Current Period (As of December 31, 2017)
	Buildings in trust	97,370	97,370
*2	Reduction entry amount of tangible fixed assets acquired through exchanging	(Yen in thousands)	
		Prior Period (As of June 30, 2017)	Current Period (As of December 31, 2017)
	Lands in trust	—	416,596
*3.	Minimum net assets as required by Article 67, Paragraph 4 of the Investment Trust Act	(Yen in thousands)	
		Prior Period (As of June 30, 2017)	Current Period (As of December 31, 2017)
		50,000	50,000

(Notes to Income Statements)

*1. Rental revenues and expenses	(Yen in thousands)			
	Prior Period from January 1, 2017 to June 30, 2017		Current Period from July 1, 2017 to December 31, 2017	
A. Revenues from property leasing:				
Rental revenues				
Base rents	5,105,044		5,239,434	
Common area charges	947,489		973,447	
Parking space rental revenues	225,607	6,278,141	224,760	6,437,641
Other revenues related to property leasing				
Utilities charge reimbursements	528,783		579,186	
Others	99,762	628,546	126,137	705,324
Total revenues from property leasing		6,906,687		7,142,966
B. Property-related expenses:				
Property-related expenses				
Property management fees	501,878		511,052	
Utility expenses	465,569		512,400	
Insurance expenses	7,058		7,357	
Repair expenses	101,572		161,630	
Taxes and dues	500,143		482,351	
Depreciation	734,495		751,698	
Loss on retirement of non-current assets	342		1,134	
Trust fees	22,750		23,337	
Others	196,561		228,863	
Total property-related expenses		2,530,372		2,679,827
C. Income from property leasing(A-B)		4,376,314		4,463,138
*2 Breakdown of Gain on exchange of real estate properties				
Prior Period (from January 1,2017 to June 30, 2017)				
None				
Current Period (from July 1, 2017 to December 31, 2017)				
				(Yen in thousands)
JS Progres Building				
Revenue from transfer of real estate property		6,350,000		
Cost of real estate property transferred		5,398,830		
Other transfer expenses incurred		226,451		
Compressed amount of fixed assets		395,686		
Gain on exchange of real estate properties			329,031	
GreenOak Okachimachi				
Revenue from transfer of real estate property		3,650,000		
Cost of real estate property transferred		3,451,294		
Other transfer expenses incurred		130,704		
Compressed amount of fixed assets		20,909		
Gain on exchange of real estate properties			47,091	
*3 Breakdown of Subsidy income				
Prior Period (from January 1,2017 to June 30, 2017)				
Subsidy income is received from Energy Use Rationalization Business Support Program 2016.				
Current Period (from July 1, 2017 to December 31, 2017)				

None

*4. 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, 2017 to June 30, 2017	Current Period from July 1, 2017 to December 31, 2017
Buildings in trust	44,593	—

(Notes to Statements of Change in Net Assets)

	Prior Period from January 1, 2017 to June 30, 2017	Current Period from July 1, 2017 to December 31, 2017
*1. Total number of investment units authorized and number of investment units issued and outstanding		
Number of investment units authorized	4,000,000 units	4,000,000 units
Number of investment units issued and outstanding	391,760 units	391,760 units

(Notes to Statements of Cash Flows)

	Prior Period from January 1, 2017 to June 30, 2017	Current Period from July 1, 2017 to December 31, 2017
*1. Reconciliation between cash and deposits and cash and deposits in trust in the balance sheets and cash and cash equivalents in the statements of cash flows		(Yen in thousands)
Cash and deposits	11,217,610	13,081,408
Cash and deposits in trust	5,523,380	4,976,650
Cash and cash equivalents	16,740,990	18,058,058

(Notes to Lease Transactions)

Existing non-cancelable operating leases (As lessor)

Future minimum rental revenues	Prior Period (As of June 30, 2017)	Current Period (As of December 31, 2017)
Due within one year	420,855	324,079
Due after one year	690,360	668,985
Total	1,111,215	993,064

(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, 2017 were as follows. The financial instruments whose fair values are deemed extremely difficult to determine (Note 2) are excluded from the table below.

(Yen in thousands)

	Book value	Fair value	Difference
(1)Cash and deposits	11,217,610	11,217,610	—
(2)Cash and deposits in trust	5,523,380	5,523,380	—
Total assets	16,740,990	16,740,990	—
(3)Short-term debt	—	—	—
(4)Long-term debt due within one year	19,700,000	19,714,848	14,848
(5)Long-term debt	83,870,000	83,845,800	(24,199)
Total liabilities	103,570,000	103,560,649	(9,350)
(6)Derivative transactions	17,546	17,546	—

Book value, fair value and difference between the two as of December 31, 2017 were as follows. The financial instruments whose fair values are deemed extremely difficult to determine (Note 2) are excluded from the table below.

(Yen in thousands)

	Book value	Fair value	Difference
(1)Cash and deposits	13,081,408	13,081,408	—
(2)Cash and deposits in trust	4,976,650	4,976,650	—
Total assets	18,058,058	18,058,058	—
(3)Short-term debt	2,600,000	2,600,000	—
(4)Long-term debt due within one year	20,300,000	20,310,290	10,290
(5)Long-term debt	83,270,000	83,096,330	(173,669)
Total liabilities	106,170,000	106,006,620	(163,379)
(6)Derivative transactions	10,592	10,592	—

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

(1) Cash and deposits, (2) Cash and deposits in trust and (3)Short-term debt

Due to the short maturities, the book value of these assets or liabilities is deemed a reasonable approximation of the fair value; therefore, the book value is used as the fair value equivalent.

(4) Long-term debt due within one year and (5) Long-term debt

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

(6) Derivative transactions

Please refer to "(Derivative Transactions)" below.

(Note 2) Financial instruments whose fair values are deemed extremely difficult to determine are as follows:

The fair value of tenant security deposits in trust (Book value: 7,841,792 thousand yen in previous period and 7,811,739 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: 895,866 thousand yen in previous period and 561,951 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, 2017)

(Yen in thousands)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Cash and deposits	11,217,610	-	-	-	-	-
Cash and deposits in trust	5,523,380	-	-	-	-	-
Total	16,740,990	-	-	-	-	-

Current Period (December 31, 2017)

(Yen in thousands)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Cash and deposits	13,081,408	-	-	-	-	-
Cash and deposits in trust	4,976,650	-	-	-	-	-
Total	18,058,058	-	-	-	-	-

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

Prior Period (June 30, 2017)

(Yen in thousands)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Long-term debt	19,700,000	21,770,000	20,500,000	19,500,000	10,000,000	12,100,000
Total	19,700,000	21,770,000	20,500,000	19,500,000	10,000,000	12,100,000

Current Period (December 31, 2017)

(Yen in thousands)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Short-term debt	2,600,000	-	-	-	-	-
Long-term debt	20,300,000	21,970,000	20,500,000	18,500,000	-	22,300,000
Total	22,900,000	21,970,000	20,500,000	18,500,000	-	22,300,000

(Notes to Investment Securities)

Prior Period (As of June 30, 2017)

The fair value of Equity interests in silent partnerships (Book value: 895,866 thousand yen) is not disclosed because these securities do not have available market price, and it is difficult to estimate fair values.

Current Period (As of December 31, 2017)

The fair value of Equity interests in silent partnerships (Book value: 561,951 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, 2017)

None

Current Period (December 31, 2017)

None

2. Derivative transactions to which hedge accounting is applied:

Prior Period (June 30, 2017)

(Yen in thousands)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value measurement
				Due after one year		
Principle method	Interest rate swaps Receive floating / Pay fix	Long-term debt	21,000,000	10,800,000	17,546	According to the price that the counterparty applied
Special treatment for interest rate swaps	Interest rate swaps Receive floating / Pay fix	Long-term debt	64,500,000	62,000,000	(Note)	-
	Total		85,500,000	72,800,000	17,546	

(Note) Since those with special treatment of interest rate swaps are treated integrally with hedged long-term debt, the market values of such are shown as included in the market value in "(4) Long-term debt due within one year and (5) Long-term debt, Financial Instruments, 2. Fair Value of Financial Instruments" above.

Current Period (December 31, 2017)

(Yen in thousands)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value measurement
				Due after one year		
Principle method	Interest rate swaps Receive floating / Pay fix	Long-term debt	10,800,000	—	10,592	According to the price that the counterparty applied
Special treatment for interest rate swaps	Interest rate swaps Receive floating / Pay fix	Long-term debt	74,700,000	72,200,000	(Note)	-
	Total		85,500,000	72,200,000	10,592	

(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 due within one year and (5) Long-term debt, Financial Instruments, 2. Fair Value of Financial Instruments" above.

(Note on Employee Retirement Benefits)

Prior period (June 30, 2017)

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

Current period (December 31, 2017)

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

(Notes to Deferred Tax Accounting)

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

(Yen in thousands)

	Prior Period (As of June 30, 2017)	Current Period (As of December 31, 2017)
Deferred tax assets:		
Accrued enterprise tax	1	3
Allowance for doubtful accounts	0	0
Total deferred tax assets	1	4
Deferred tax liabilities:		
Deferred gains or losses on hedges	5,532	3,337
Total deferred tax liabilities	5,532	3,337
Net deferred tax assets (liabilities)	(5,530)	(3,333)

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, 2017)	Current Period (As of December 31, 2017)
Statutory tax rate	31.74%	31.74%
(Adjustments)		
Deductible cash distributions	(31.74%)	(31.74%)
Per capita inhabitant taxes	0.02%	0.02%
Others	0.00%	0.00%
Effective tax rate	0.02%	0.02%

(Notes to Equity in Income)

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

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

Current Period (from July 1, 2017 to December 31, 2017)

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

(Notes to Related Party Transactions)

1. Related party transactions

(1) Parent company and major corporate unitholders

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

None

Current Period (from July 1, 2017 to December 31, 2017)

None

(2) Affiliates

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

None

Current Period (from July 1, 2017 to December 31, 2017)

None

(3) Companies under common control

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

None

Current Period (from July 1, 2017 to December 31, 2017)

None

(4) Board of Officers and major individual unitholders

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

None

Current Period (from July 1, 2017 to December 31, 2017)

Attribute	Name	Address	Capital or investment amount (¥mn)	Line of business	Right to vote holding (owned) rates	Content of transaction	Transaction price (¥thousand)	subjects	Balance at the end of the period (¥thousand)
Executive and its relatives	Toshio Sugita	—	—	Executive Officer, NIPPON REIT Investment Corporation and President & CEO, Sojitz REIT Advisors K.K.	—	Payment of Asset management fee to Sojitz REIT Advisors K.K.(Note1)	701,411	Accrued expenses	141,390

(Note1) Toshio Sugita implemented the transaction as President & CEO of third party (Sojitz REIT Advisors K.K.), and Asset management fee is following conditions stipulated in articles of incorporation. Furthermore total amount of the price paid during the period under review is stated even though Toshio Sugita was appointed to the same position on October 1, 2017.

(Note2) Transaction price excludes consumption tax, but Balance at the end of the period includes.

(Notes to Asset Retirement Obligation)

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

None

Current Period (from July 1, 2017 to December 31, 2017)

None

(Notes to Investment Properties)

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

(Yen in thousands)

	Prior Period from January 1, 2017 to June 30, 2017	Current Period from July 1, 2017 to December 31, 2017
Book value		
Balance at beginning of period	207,922,916	207,540,698
Change during period	(382,218)	2,905,245
Balance at end of period	207,540,698	210,445,943
Fair value	224,082,000	228,382,000

(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 acquisition of 3 properties such as Homat Horizon Building etc. (total 11,327,967 thousand yen), and the main decrease was due to transfer of 2 properties such as GreenOak Okachimachi etc. (total 8,850,124 thousand yen).

(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, 2017 to June 30, 2017)

1. Information about Products and Services

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

2. Information by Geographic Areas

(1) Operating revenues

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

(2) Investment properties

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

3. Information on Major Customers

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

Current Period (from July 1, 2017 to December 31, 2017)

1. Information about Products and Services

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

2. Information by Geographic Areas

(1) Operating revenues

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

(2) Investment properties

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

3. Information on Major Customers

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

(Notes to Per Unit Information)

	Prior Period from January 1, 2017 to June 30, 2017	Current Period from July 1, 2017 to December 31, 2017
Net assets per unit	287,268yen	288,248yen
Net income per unit	8,215yen	9,209yen

(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, 2017 to June 30, 2017	Current Period from July 1, 2017 to December 31, 2017
Net income (Yen in thousands)	3,218,442	3,607,863
Amount not attributable to ordinary unitholders (Yen in thousands)	—	—
Net income attributable to ordinary unitholders (Yen in thousands)	3,218,442	3,607,863
Weighted average number of units outstanding (units)	391,760	391,760

(Notes to Significant Subsequent Events)

None

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

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

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

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

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

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

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

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

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

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

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

4. Changes in Officers and Directors

(1) Changes in Officers of NIPPON REIT

According to the resolution of its General Meeting of Unitholders held on September 20, 2017, Toshio Sugita as Executive officer, Yasuhiro Shimada and Hisashi Yahagi as Supervising officers were appointed. The term of office of Executive officer and Supervising officers shall be two years, commencing from October 1, 2017, as stipulated under the current Articles of Incorporation of NIPPON REIT.

(2) Changes in Directors of the Asset Management Company

Regarding Officers as of the date of this summary, please refer to the latest Securities Report (Submitted on September 26, 2017).

Furthermore, during the period under review Toshio Sugita resigned Deputy Senior General Manager, Finance & Planning Division on October 31, 2017 and Yukihiro Hayashi was appointed the position on November 1, 2017.

Furthermore, Toshio Sugita is President & CEO as of the date of this summary.

5. Reference Information

(1) Status of Investment

Type of assets	Property type	Area	Prior period (June 30, 2017)		Current period (December 31, 2017)		
			Total amount held (Yen in millions) (Note 1)	Percentage to total assets (%) (Note 2)	Total amount held (Yen in millions) (Note 1)	Percentage to total assets (%) (Note 2)	
Real estate in trust (Note 3)	Office properties	Six central wards of Tokyo (Note 4)	122,158	53.9	129,121	56.0	
		Three major metropolitan areas (Note 5) (excluding Six central wards of Tokyo)	60,942	26.9	53,528	23.2	
		Subtotal	183,100	80.9	182,649	79.3	
	Residential properties	Three major metropolitan areas (Note 5) (including Six central wards of Tokyo)	16,708	7.4	20,057	8.7	
		Certain ordinance-designated and other cities (Note 6)	2,214	1.0	2,192	1.0	
		Subtotal	18,922	8.4	22,249	9.7	
	Retail Properties	—	5,517	2.4	5,546	2.4	
	Total			207,540	91.7	210,445	91.3
	Investment securities (Note 7)			895	0.4	561	0.2
	Deposits and other assets			17,997	7.9	19,409	8.4
Total assets			226,434	100.0	230,417	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, Godo Kaisha Nicolas Capital 10 as operators respectively for previous period, and the equity interest in silent partnerships of Godo Kaisha Nicolas Capital 10 and Godo Kaisha Nicolas Capital 11 for the fiscal period under review as operators respectively.

(2) Investment Assets

I. Major investment securities

(as of December 31, 2017)

Type	Name	Quantity (Unit)	Book value (Yen in millions) (Note 1)	Fair value (Yen in millions) (Note 1) (Note 2)	Percentage to total asset (%) (Note 3)	Note
Equity interest in a silent partnership	Godo Kaisha Nicolas Capital 10 subordinated Equity interest in silent partnership	—	52	52	0.0	(Note 4)
Equity interest in a silent partnership	Godo Kaisha Nicolas Capital 11 Equity interest in silent partnership	—	509	509	0.2	(Note 5)
Total		—	561	561	0.2	

(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 (Tentative)Residence Hiroo, Merveille Senzoku, Splendid Shin-osakaⅢ, Charmant Fuji Osakajominami, Piacere Fuminosato.

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

II. Investment Properties

Not applicable as of December 31, 2017.

III. Other Major Investment Assets

(i) Summary of real estate in trust

The summary of real estate in trust held by NIPPON REIT as of December 31, 2017 is as follows:

Property Number	Property name	Asset type	Location	Total leasable area (㎡) (Note 1)	Acquisition price (Yen in millions) (Note 2)	Investment ratio (%) (Note 3)
A-1	FORECAST Nishishinjuku	Office property	Shinjuku Ward, Tokyo	1,945.68	2,260	1.1
A-2	Nihombashi Playa Building	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	3.1
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	6.7
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	1.3
A-11	GreenOak Takanawadai	Office property	Minato Ward, Tokyo	2,621.74	2,260	1.1
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-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	2.5
A-19	Kudankita 325 Building	Office property	Chiyoda Ward, Tokyo	2,007.07	1,850	0.9
A-20	FORECAST Uchikanda	Office property	Chiyoda Ward, Tokyo	1,230.44	1,240	0.6
A-21	Itohpia Iwamotocho 2-chome Building	Office property	Chiyoda Ward, Tokyo	3,447.16	2,810	1.4
A-22	Itohpia Iwamotocho 1-chome Building	Office property	Chiyoda Ward, Tokyo	3,056.56	2,640	1.3
A-23	Itohpia Iwamotocho ANNEX Building	Office property	Chiyoda Ward, Tokyo	3,064.20	2,100	1.0
A-24	Pigeon Building	Office property	Chuo Ward, Tokyo	3,022.25	2,837	1.4

Property Number	Property name	Asset type	Location	Total leasable area (m ²) (Note 1)	Acquisition price (Yen in millions) (Note 2)	Investment ratio (%) (Note 3)
A-25	FORECAST Ningyocho	Office property	Chuo Ward, Tokyo	2,277.62	2,070	1.0
A-26	FORECAST Ningyocho PLACE	Office property	Chuo Ward, Tokyo	1,867.95	1,650	0.8
A-27	FORECAST Shin-Tokiwabashi	Office property	Chuo Ward, Tokyo	1,804.09	2,030	1.0
A-28	Nishi-Shinjuku Sanko Building	Office property	Shinjuku Ward, Tokyo	2,479.80	2,207	1.1
A-29	Itabashi 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
A-31	Nishi-Gotanda 8-chome Building	Office property	Shinagawa Ward, Tokyo	2,999.68	2,210	1.1
A-32	Towa Higashi-Gotanda Building	Office property	Shinagawa Ward, Tokyo	2,939.16	2,033	1.0
A-33	FORECAST Takadanobaba	Office property	Toshima Ward, Tokyo	5,614.35	5,550	2.7
A-34	Mejiro NT Building	Office property	Toshima Ward, Tokyo	4,497.27	3,094	1.5
A-35	Toshin Higashi-Ikebukuro Building	Office property	Toshima Ward, Tokyo	1,645.18	979	0.5
A-36	Mitsui Woody Building	Office property	Koto Ward, Tokyo	4,006.20	2,475	1.2
A-37	Itabashi Honcho Building	Office property	Itabashi Ward, Tokyo	6,356.89	3,146	1.5
A-38	ANTEX24 Building	Office property	Taito Ward, Tokyo	2,267.59	1,691	0.8

Property Number	Property name	Asset type	Location	Total leasable area (m ²) (Note 1)	Acquisition price (Yen in millions) (Note 2)	Investment ratio (%) (Note 3)
A-39	Itohpia Kiyosubashidori Building	Office property	Taito Ward, Tokyo	2,659.67	1,550	0.7
A-40	East Side Building	Office property	Taito Ward, Tokyo	2,096.92	1,372	0.7
A-41	I•S Minamimorimachi Building	Office property	Osaka, Osaka	4,164.82	2,258	1.1
A-42	Sunworld Building	Office property	Osaka, Osaka	3,314.58	1,200	0.6
A-43	Marunouchi Sanchome Building	Office property	Nagoya, Aichi	4,219.19	1,626	0.8
A-44	MK Kojimachi Building	Office property	Chiyoda Ward, Tokyo	1,748.92	1,781	0.9
A-45	Toranomon Sakura Building	Office property	Minato Ward, Tokyo	3,049.79	4,120	2.0
A-46	La Verite AKASAKA	Office property	Minato Ward, Tokyo	1,707.18	2,000	1.0
A-47	Kanda Ocean Building	Office property	Chiyoda Ward, Tokyo	1,484.74	1,440	0.7
A-48	Shinto GINZA EAST	Office property	Chuo Ward, Tokyo	1,206.28	1,352	0.7
A-49	FORECAST Kayabacho	Office property	Chuo Ward, Tokyo	3,882.61	3,000	1.4
A-50	FORECAST Waseda FIRST	Office property	Shinjuku Ward, Tokyo	4,340.66	4,775	2.3
A-51	FORECAST Gotanda WEST	Office property	Shinagawa Ward, Tokyo	8,981.55	6,520	3.1
A-52	Omiya Center Building	Office property	Saitama, Saitama	14,311.77	15,585	7.5
A-53	Sumitomo Mitsui Bank Koraibashi Building	Office property	Osaka, Osaka	5,102.55	2,850	1.4
A-54	NORE Fushimi	Office property	Nagoya, Aichi	3,857.58	2,840	1.4
A-55	NORE Meieki	Office property	Nagoya, Aichi	4,280.75	2,520	1.2
A-56	Homat Horizon Building	Office property	Chiyoda Ward, Tokyo	6,038.51	6,705	3.2
A-57	Sannomiya First Building	Office property	Kobe, Hyogo	3,630.88	1,390	0.7
B-1	Tower Court Kitashinagawa	Residential property	Shinagawa Ward, Tokyo	16,913.29	11,880	5.7
B-2	Sky Hills N11	Residential property	Sapporo, Hokkaido	8,567.50	1,570	0.8
B-3	my atria Meieki	Residential property	Nagoya, Aichi	2,890.78	1,280	0.6
B-4	my atria Sakae	Residential property	Nagoya, Aichi	3,121.60	1,110	0.5
B-5	Mac Village Heian	Residential property	Nagoya, Aichi	2,250.00	785	0.4

Property Number	Property name	Asset type	Location	Total leasable area (m ²) (Note 1)	Acquisition price (Yen in millions) (Note 2)	Investment ratio (%) (Note 3)
B-6	Seam Dwell Tsutsui	Residential property	Nagoya, Aichi	1,800.00	695	0.3
B-7	Ciel Yakuin	Residential property	Fukuoka, Fukuoka	1,544.87	640	0.3
B-8	Kanda Reeplex R's	Residential property	Chiyoda Ward, Tokyo	2,183.93	1,813	0.9
B-9	Splendid Namba	Residential property	Osaka, Osaka	6,212.36	3,502	1.7
C-1	Otakibashi Pacifica Building	Retail property	Shinjuku Ward, Tokyo	1,383.31	3,350	1.6
C-2	Komyoike Act	Retail property	Sakai, Osaka	6,173.41	2,063	1.0
	Total			255,783.88	207,795	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.

(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	158
A-2	Nihombashi Playa Building	2,490.08	2,490.08	100.0	2	152
A-3	FORECAST Yotsuya	1,678.15	1,678.15	100.0	13	100
A-4	FORECAST Shinjuku AVENUE	4,337.15	4,337.15	100.0	6	384
A-5	FORECAST Ichigaya	3,844.66	3,844.66	100.0	23	269
A-6	FORECAST Mita	1,786.18	1,786.18	100.0	5	111
A-7	FORECAST Shinjuku SOUTH	13,875.04	13,875.04	100.0	18	1,054
A-8	FORECAST Sakurabashi	6,566.76	6,566.76	100.0	5	382
A-9	GreenOak Kayabacho	2,984.94	2,984.94	100.0	6	180
A-10	GreenOak Kudan	2,594.46	2,594.46	100.0	3	176
A-11	GreenOak Takanawadai	2,621.74	2,621.74	100.0	11	147
A-13	Higashi Ikebukuro Center Building	4,219.65	4,219.65	100.0	6	214
A-14	Central Daikanyama	1,898.83	1,898.83	100.0	4	162
A-16	Hiroo Reeplex B's	1,500.85	1,500.85	100.0	8	151
A-17	Shibakoen Sanchome Building	7,882.60	7,882.60	100.0	4	413
A-18	FORECAST Iidabashi	4,066.50	4,066.50	100.0	24	238
A-19	Kudankita 325 Building	2,007.07	2,007.07	100.0	8	106
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	173
A-22	Itohpia Iwamotocho 1-chome Building	3,056.56	3,056.56	100.0	9	154
A-23	Itohpia Iwamotocho ANNEX Building	3,064.20	3,064.20	100.0	6	144
A-24	Pigeon Building (Note5)	3,022.25	3,022.25	100.0	1	Not disclosed (Note 5)
A-25	FORECAST Ningyocho	2,277.62	2,277.62	100.0	6	107
A-26	FORECAST Ningyocho PLACE	1,867.95	1,867.95	100.0	6	96
A-27	FORECAST Shin-Tokiwabashi	1,804.09	1,804.09	100.0	11	99
A-28	Nishi-Shinjuku Sanko Building	2,479.80	2,479.80	100.0	8	128
A-29	Iidabashi Reeplex B's	1,401.68	1,401.68	100.0	6	71
A-30	FORECAST Shinagawa	2,385.47	2,385.47	100.0	6	119
A-31	Nishi-Gotanda 8-chome Building	2,999.68	2,999.68	100.0	8	135
A-32	Towa Higashi-Gotanda Building	2,939.16	2,939.16	100.0	7	130
A-33	FORECAST Takadanobaba	5,614.35	5,614.35	100.0	7	306
A-34	Mejiro NT Building	4,497.27	4,497.27	100.0	5	195
A-35	Toshin Higashi-Ikebukuro Building	1,645.18	1,645.18	100.0	3	69
A-36	Mitsui Woody Building	4,006.20	4,006.20	100.0	6	161
A-37	Itabashi Honcho Building	6,356.89	6,356.89	100.0	4	222
A-38	ANTEX24 Building	2,267.59	2,267.59	100.0	7	91
A-39	Itohpia Kiyosubashidori Building	2,659.67	2,659.67	100.0	8	113

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-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	167
A-42	Sunworld Building	3,314.58	3,314.58	100.0	1	Not disclosed (Note 6)
A-43	Marunouchi Sancho Building	4,219.19	4,219.19	100.0	22	126
A-44	MK Kojimachi Building	1,748.92	1,748.92	100.0	9	98
A-45	Toranomon Sakura Building	3,049.79	3,049.79	100.0	12	209
A-46	La Verite AKASAKA	1,707.18	1,707.18	100.0	6	111
A-47	Kanda Ocean Building	1,484.74	1,484.74	100.0	24	88
A-48	Shinto GINZA EAST	1,206.28	1,206.28	100.0	6	72
A-49	FORECAST Kayabacho	3,882.61	3,882.61	100.0	14	158
A-50	FORECAST Waseda FIRST	4,340.66	4,340.66	100.0	8	244
A-51	FORECAST Gotanda WEST	8,981.55	8,981.55	100.0	13	422
A-52	Omiya Center Building	14,311.77	14,311.77	100.0	27	915
A-53	SumitomoMitsui Bank Koraihashi Building	5,102.55	5,102.55	100.0	23	190
A-54	NORE Fushimi	3,857.58	3,857.58	100.0	7	169
A-55	NORE Meieki	4,280.75	4,200.49	98.1	20	171
A-56	Homat Horizon Building	6,038.51	6,038.51	100.0	12	376
A-57	Sannomiya First Building	3,630.88	3,630.88	100.0	23	115
B-1	Tower Court Kitashinagawa	16,913.29	16,872.59	99.8	277	777
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	89
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	1,445.46	93.6	39	41
B-8	Kanda Replex R's	2,183.93	2,183.93	100.0	41	106
B-9	Splendid Namba	6,212.36	6,018.05	96.9	243	221
C-1	Otakibashi Pacifica Building	1,383.31	1,383.31	100.0	8	169
C-2	Komyoike Act	6,173.41	6,173.41	100.0	25	182
	Total	255,783.88	255,279.80	99.8	1,242	12,852

(Note 1) "Total leased area" is the aggregate leased area described in the relevant lease agreements as of December 31, 2017. For properties subject to pass-through master leases, total leased area is the aggregate of the leased areas indicated in the relevant sublease agreements with end-tenants as of December 31, 2017.

(Note 2) "Occupancy rate" is calculated by dividing total leased area by total leasable area as of December 31, 2017, and rounding to the first decimal place.

(Note 3) "Number of tenants" is the aggregate number of tenants as described in the relevant lease agreements for respective properties as of December 31, 2017, excluding warehouses, signboards and parking lots. For properties subject to a pass-through master lease, the number of tenant is the total number of end-tenants, except for certain pass-through master leases under which properties are leased en bloc to a sublessee who pays a fixed amount of rent to the master lessee, we consider number of the tenants to be "1".

(Note 4) "Annual contracted rent" is the aggregate annual rent as described in the relevant lease agreements as of December 31, 2017. In the case of monthly rent payments, annual rent is calculated by multiplying the aggregate monthly rent by 12. Annual contracted rent includes common area maintenance charges but excludes usage fees for warehouses, signboards and parking lots as well as consumption taxes. Free rent periods are not taken into account in determining annual contracted rent. For properties subject to a pass-through master lease, annual contracted rent is based on the relevant sublease agreements as of December 31, 2017. Figures have been truncated to the nearest million yen and may not add up to total.

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

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

(iii) Summary on Appraisal Report (As of December 31, 2017)

Property Number	Property name	Acquisition price (Yen in millions)	Book value (Yen in millions) (Note 2)	Appraisal value (Yen in millions) (Note 3)	Direct capitalization method		Discounted cash flow method		
					Appraisal value (Yen in millions)	Direct capitalization rate	Appraisal value (Yen in millions)	Discount rate	Terminal capitalization rate
A-1	FORECAST Nishishinjuku	2,260	2,174	2,900	2,940	4.2%	2,860	3.8%	4.4%
A-2	Nihombashi Playa Building	2,130	2,051	2,380	2,400	4.5%	2,350	4.3%	4.7%
A-3	FORECAST Yotsuya	1,430	1,389	1,810	1,840	4.1%	1,780	3.9%	4.3%
A-4	FORECAST Shinjuku AVENUE	6,500	6,316	7,660	7,770	3.8%	7,550	3.6%	4.0%
A-5	FORECAST Ichigaya	4,800	4,630	5,690	5,790	3.8%	5,580	3.6%	4.0%
A-6	FORECAST Mita	1,800	1,758	2,190	2,220	4.0%	2,150	3.8%	4.2%
A-7	FORECAST Shinjuku SOUTH	13,990	14,730	16,300	16,500	3.8%	16,100	3.5%	4.0%
A-8	FORECAST Sakurabashi	5,760	6,056	6,250	6,330	4.3%	6,170	4.1%	4.5%
A-9	GreenOak Kayabacho	2,860	3,011	3,200	3,250	4.2%	3,150	4.0%	4.4%
A-10	GreenOak Kudan	2,780	2,871	3,180	3,220	4.0%	3,130	3.8%	4.2%
A-11	GreenOak Takanawadai	2,260	2,234	2,510	2,530	4.3%	2,480	4.1%	4.5%
A-13	Higashi Ikebukuro Center Building	2,520	2,703	2,860	2,870	4.8%	2,840	4.6%	5.0%
A-14	Central Daikanyama	3,510	3,649	3,590	3,660	3.8%	3,520	3.6%	4.0%
A-16	Hiroo Reeplex B's	2,827	2,858	3,110	3,160	4.2%	3,060	4.0%	4.4%
A-17	Shibakoen Sanchome Building	7,396	7,436	9,640	10,000	3.7%	9,480	3.5%	3.9%
A-18	FORECAST Iidabashi	5,230	5,409	5,490	5,530	4.0%	5,440	3.7%	4.1%
A-19	Kudankita 325 Building	1,850	1,947	1,960	1,990	4.0%	1,920	3.8%	4.2%
A-20	FORECAST Uchikanda	1,240	1,295	1,270	1,290	4.2%	1,250	4.0%	4.4%
A-21	Itohpia Iwamotocho 2-chome Building	2,810	2,841	3,000	3,040	4.3%	2,950	4.1%	4.5%
A-22	Itohpia Iwamotocho 1-chome Building	2,640	2,737	2,700	2,740	4.3%	2,660	4.1%	4.5%
A-23	Itohpia Iwamotocho ANNEX Building	2,100	2,207	2,350	2,380	4.3%	2,320	4.1%	4.5%
A-24	Pigeon Building	2,837	2,914	2,920	2,960	4.3%	2,870	4.1%	4.5%
A-25	FORECAST Ningyocho	2,070	2,149	2,070	2,110	4.4%	2,030	4.2%	4.6%
A-26	FORECAST Ningyocho PLACE	1,650	1,658	1,760	1,790	4.4%	1,730	4.2%	4.6%
A-27	FORECAST Shin-Tokiwabashi	2,030	2,125	2,070	2,090	4.4%	2,050	4.1%	4.5%
A-28	Nishi-Shinjuku Sanko Building	2,207	2,236	2,270	2,300	4.4%	2,230	4.2%	4.6%
A-29	Iidabashi Reeplex B's	1,249	1,296	1,390	1,410	3.9%	1,360	3.7%	4.1%
A-30	FORECAST Shinagawa	2,300	2,394	2,310	2,340	4.3%	2,270	4.1%	4.5%
A-31	Nishi-Gotanda 8-chome Building	2,210	2,300	2,360	2,380	4.3%	2,330	4.1%	4.5%
A-32	Towa Higashi-Gotanda Building	2,033	2,058	2,140	2,170	4.3%	2,100	4.1%	4.5%
A-33	FORECAST Takadanobaba	5,550	5,803	5,580	5,660	4.6%	5,490	4.4%	4.8%
A-34	Mejiro NT Building	3,094	3,115	3,300	3,340	4.7%	3,260	4.5%	4.9%
A-35	Toshin Higashi-Ikebukuro Building	979	995	1,050	1,060	4.8%	1,040	4.6%	5.0%

Property Number	Property name	Acquisition price (Yen in millions)	Book value (Yen in millions) (Note 2)	Appraisal value (Yen in millions) (Note 3)	Direct capitalization method		Discounted cash flow method		
					Appraisal value (Yen in millions)	Direct capitalization rate	Appraisal value (Yen in millions)	Discount rate	Terminal capitalization rate
A-36	Mitsui Woody Building	2,475	2,625	2,680	2,690	4.8%	2,660	4.5%	4.9%
A-37	Itabashi Honcho Building	3,146	3,140	3,320	3,350	4.9%	3,280	4.6%	5.1%
A-38	ANTEX24 Building	1,691	1,791	1,730	1,740	4.7%	1,710	4.4%	4.8%
A-39	Itohpia Kiyosubashidori Building	1,550	1,602	1,770	1,780	4.8%	1,750	4.5%	5.0%
A-40	East Side Building	1,372	1,382	1,470	1,490	4.8%	1,450	4.6%	5.0%
A-41	I・S Minamimorimachi Building	2,258	2,276	2,460	2,480	4.7%	2,440	4.5%	4.9%
A-42	Sunworld Building	1,200	1,302	1,230	1,240	5.0%	1,220	4.8%	5.2%
A-43	Marunouchi Sanhome Building	1,626	1,624	1,870	1,890	4.9%	1,850	4.7%	5.1%
A-44	MK Kojimachi Building	1,781	1,808	1,960	1,970	3.9%	1,940	3.6%	4.0%
A-45	Toranomon Sakura Building	4,120	4,301	4,280	4,310	3.7%	4,250	3.4%	3.8%
A-46	La Verite AKASAKA	2,000	2,159	2,130	2,160	3.9%	2,090	3.7%	4.1%
A-47	Kanda Ocean Building	1,440	1,464	1,560	1,590	4.1%	1,530	3.9%	4.3%
A-48	Shinto GINZA EAST	1,352	1,362	1,400	1,410	4.1%	1,390	3.8%	4.2%
A-49	FORECAST Kayabacho	3,000	3,130	2,970	2,990	4.4%	2,950	4.1%	4.5%
A-50	FORECAST Waseda FIRST	4,775	4,810	4,900	4,990	4.2%	4,800	4.0%	4.4%
A-51	FORECAST Gotanda WEST	6,520	6,833	6,890	7,010	4.0%	6,760	3.8%	4.2%
A-52	Omiya Center Building	15,585	15,579	17,700	18,000	4.5%	17,400	4.3%	4.7%
A-53	Sumitomo Mitsui BankKoraibashi Building	2,850	2,892	2,950	2,990	4.6%	2,900	4.4%	4.8%
A-54	NORE Fushimi	2,840	2,786	3,090	3,130	4.6%	3,040	4.4%	4.8%
A-55	NORE Meieki	2,520	2,484	2,860	2,890	4.7%	2,830	4.5%	4.9%
A-56	Homat Horizon Building	6,705	6,507	6,800	6,840	4.0%	6,750	3.7%	4.1%
A-57	Sannomiya First Building	1,390	1,422	1,500	1,510	5.3%	1,480	5.1%	5.5%
B-1	Tower Court Kitashinagawa	11,880	11,018	13,600	13,800	4.3%	13,400	4.1%	4.5%
B-2	Sky Hills N11	1,570	1,550	1,730	1,740	5.5%	1,710	5.3%	5.7%
B-3	my atria Meieki	1,280	1,258	1,490	1,500	4.8%	1,470	4.6%	5.0%
B-4	my atria Sakae	1,110	1,077	1,210	1,220	5.0%	1,190	4.8%	5.2%
B-5	Mac Village Heian	785	768	866	875	5.1%	856	4.9%	5.3%
B-6	Seam Dwell Tsutsui	695	701	769	777	5.0%	760	4.8%	5.2%
B-7	Ciel Yakuin	640	641	707	716	4.7%	698	4.5%	4.9%
B-8	Kanda Reeplex R's	1,813	1,771	1,930	1,950	4.3%	1,910	4.0%	4.5%
B-9	Splendid Namba	3,502	3,460	3,640	3,690	4.8%	3,590	4.6%	5.0%
C-1	Otakibashi Pacifica Building	3,350	3,443	3,470	3,530	4.0%	3,400	3.8%	4.2%
C-2	Komyoike Act	2,063	2,102	2,190	2,210	5.3%	2,170	5.1%	5.5%
	Total	207,795	210,445	228,382	231,518		225,124		

(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, 2017 (for real estate and real estate in trust, acquisition price (including acquisition-related expenses) less depreciation expenses).

(Note 3) "Appraisal value" represents the appraisal value as set forth on the relevant appraisal reports as of December 31, 2017. Furthermore NIPPON REIT requests real estate appraisal to DAIWA REAL ESTATE APPRAISAL CO.,LTD.for A-17, to Morii Appraisal & Investment Consulting, Inc for A-51 and B-9, to Japan Real Estate Institute for rest of all properties.

(iv) Earnings Performance for the Individual Properties

The 11th Fiscal Period (from July 1, 2017 to December 31, 2017)

(Yen in thousands)

Property number	A-1	A-2	A-3	A-4	A-5	A-6
Property name	FORECAST Nishishinjuku	Nihombashi Playa Building	FORECAST Yotsuya	FORECAST Shinjuku AVENUE	FORECAST Ichigaya	FORECAST Mita
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	84,935	80,328	53,964	194,159	148,588	63,230
Rental revenues	76,124	76,892	50,444	175,408	135,488	55,510
Other revenues related to property leasing	8,810	3,435	3,520	18,751	13,099	7,720
(2)Property related expenses	18,562	16,122	10,645	45,943	34,464	12,872
Property management fees	3,442	5,115	2,506	9,441	8,483	2,971
Utility expenses	7,061	5,254	2,829	12,516	8,701	4,651
Insurance expenses	58	62	42	126	119	44
Repair expenses	152	61	128	5,414	1,316	86
Taxes and dues	2,354	5,254	4,758	17,684	9,937	4,704
Trust fees	350	350	350	350	350	350
Others	5,142	23	29	410	5,555	63
(3)NOI (1)-(2)	66,373	64,206	43,319	148,216	114,123	50,357
(4)Depreciation	12,161	11,868	5,455	27,013	35,888	7,581
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	54,211	52,337	37,864	121,203	78,235	42,776

(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 Takawada i	GreenOak Okachimachi
Operating periods	184days	184days	184days	184days	184days	89days
(1)Revenues from property leasing	594,448	209,934	98,432	98,867	74,941	45,959
Rental revenues	531,104	175,730	88,425	90,190	67,198	37,514
Other revenues related to property leasing	63,343	34,203	10,007	8,677	7,743	8,444
(2)Property related expenses	214,483	53,844	22,167	21,706	19,854	22,108
Property management fees	36,265	15,828	6,068	5,688	3,709	2,315
Utility expenses	40,759	12,116	7,263	6,730	6,266	6,218
Insurance expenses	445	200	91	81	75	91
Repair expenses	15,762	3,759	628	493	662	964
Taxes and dues	15,768	9,830	7,754	8,278	7,144	3,409
Trust fees	350	350	350	350	350	170
Others	105,133	11,759	11	84	1,646	8,937
(3)NOI (1)-(2)	379,964	156,089	76,265	77,161	55,086	23,851
(4)Depreciation	28,895	11,999	7,402	4,653	15,973	3,327
(5) Loss on retirement of non-current assets	188	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	350,880	144,089	68,863	72,507	39,112	20,524

(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 Sanchohome Building	FORECAST Iidabashi
Operating periods	184days	184days	89days	184days	184days	184days
(1)Revenues from property leasing	108,868	87,559	125,898	85,191	225,311	132,979
Rental revenues	104,543	79,256	96,450	75,548	208,785	122,592
Other revenues related to property leasing	4,324	8,302	29,447	9,642	16,526	10,386
(2)Property related expenses	28,532	15,951	48,527	13,885	46,170	22,984
Property management fees	8,740	3,292	12,309	3,272	9,831	6,704
Utility expenses	6,206	4,477	19,843	3,748	13,735	7,155
Insurance expenses	137	51	356	40	174	115
Repair expenses	1,051	1,226	533	636	5,218	1,400
Taxes and dues	8,467	5,554	15,314	4,729	16,843	6,528
Trust fees	350	350	170	350	350	350
Others	3,579	1,000	0	1,108	17	730
(3)NOI (1)-(2)	80,335	71,608	77,371	71,305	179,141	109,994
(4)Depreciation	12,999	3,727	14,609	2,864	14,338	9,794
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	67,335	67,880	62,761	68,441	164,802	100,200

(Yen in thousands)

Property number	A-19	A-20	A-21	A-22	A-23	A-24
Property name	Kudankita 325 Building	FORECAST Uchikanda	Itohpia Iwamotocho 2-chome Building	Itohpia Iwamotocho 1-chome Building	Itohpia Iwamotocho ANNEX Building	Pigeon Building
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	58,367	41,111	97,951	83,643	77,612	Not disclosed (Note)
Rental revenues	50,991	38,513	92,612	80,717	73,332	
Other revenues related to property leasing	7,375	2,597	5,338	2,925	4,279	
(2)Property related expenses	18,416	10,767	25,721	21,657	24,148	
Property management fees	5,434	3,073	7,868	6,801	6,674	
Utility expenses	3,391	2,698	7,123	4,319	6,338	
Insurance expenses	47	45	99	88	77	
Repair expenses	810	426	2,441	4,311	5,340	
Taxes and dues	6,372	3,160	7,705	5,755	5,161	
Trust fees	350	350	350	350	350	
Others	2,010	1,012	133	30	206	
(3)NOI (1)-(2)	39,951	30,344	72,229	61,985	53,463	63,405
(4)Depreciation	2,369	3,479	6,956	7,885	5,080	7,497
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	37,581	26,865	65,273	54,099	48,383	55,908

(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-Tokiwab ashi	Nishi-Shinju ku Sanko Building	Iidabashi Reeplex B's	FORECAST Shinagawa
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	61,192	52,243	52,385	70,740	45,823	71,353
Rental revenues	55,382	46,323	45,066	65,076	35,196	62,809
Other revenues related to property leasing	5,809	5,919	7,319	5,664	10,626	8,543
(2)Property related expenses	16,081	14,528	13,932	18,919	12,381	19,683
Property management fees	4,393	3,561	3,001	4,386	2,584	5,149
Utility expenses	4,105	4,966	3,837	5,533	6,021	5,423
Insurance expenses	73	48	47	66	35	75
Repair expenses	1,076	1,712	1,064	1,871	426	2,729
Taxes and dues	5,887	3,759	3,400	6,301	2,692	5,785
Trust fees	350	350	350	350	350	350
Others	195	130	2,231	409	271	171
(3)NOI (1)-(2)	45,110	37,715	38,452	51,821	33,442	51,669
(4)Depreciation	5,963	3,572	3,758	4,102	3,644	6,604
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	39,147	34,142	34,694	47,718	29,797	45,064

(Yen in thousands)

Property number	A-31	A-32	A-33	A-34	A-35	A-36
Property name	Nishi-Gotan da 8-chone Building	Towa Higashi-Gotand a Building	FORECAST Takadanoba ba	Mejiro NT Building	Toshin Higashi-Ikebuk uro Building	Mitsui Woody Building
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	85,003	74,254	175,716	114,401	41,215	96,283
Rental revenues	68,060	66,497	155,293	102,143	36,264	85,972
Other revenues related to property leasing	16,943	7,757	20,423	12,258	4,950	10,310
(2)Property related expenses	23,085	20,312	42,784	25,564	9,792	30,297
Property management fees	6,775	6,397	9,905	8,473	3,306	8,436
Utility expenses	7,305	5,191	15,090	7,730	2,983	9,055
Insurance expenses	82	88	167	125	45	119
Repair expenses	640	1,262	5,365	548	334	4,456
Taxes and dues	7,329	5,753	11,874	7,920	2,405	7,628
Trust fees	350	350	350	350	350	350
Others	602	1,268	32	416	367	251
(3)NOI (1)-(2)	61,918	53,942	132,932	88,836	31,423	65,986
(4)Depreciation	5,194	6,948	13,443	10,320	3,336	8,054
(5) Loss on retirement of non-current assets	-	-	-	-	-	150
(6)Income from property leasing (3)-(4)-(5)	56,723	46,993	119,488	78,516	28,087	57,781

(Yen in thousands)

Property number	A-37	A-38	A-39	A-40	A-41	A-42
Property name	Itabashi Honcho Building	ANTEX24 Building	Ithopia Kiyosubashi dori Building	East Side Building	I・S Minamimorim achi Building	Sunworld Building
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	146,928	52,869	65,472	46,291	96,038	Not disclosed (Note)
Rental revenues	118,421	45,989	59,124	40,470	86,563	
Other revenues related to property leasing	28,506	6,879	6,348	5,821	9,475	
(2)Property related expenses	52,815	14,801	18,864	10,880	25,080	
Property management fees	19,933	3,866	5,412	3,846	6,210	
Utility expenses	15,735	4,241	5,920	3,162	8,885	
Insurance expenses	149	62	67	50	137	
Repair expenses	4,934	2,374	1,700	165	145	
Taxes and dues	8,559	3,823	4,829	2,302	9,260	
Trust fees	350	350	350	350	350	
Others	3,152	84	584	1,004	91	
(3)NOI (1)-(2)	94,112	38,067	46,608	35,411	70,957	29,518
(4)Depreciation	14,949	7,733	4,834	2,986	11,697	5,134
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	79,162	30,333	41,773	32,424	59,259	24,384

(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 Sanchoe 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	75,391	53,037	106,783	58,388	48,941	36,561
Rental revenues	68,580	49,218	102,135	55,146	43,119	35,209
Other revenues related to property leasing	6,811	3,819	4,647	3,241	5,821	1,351
(2)Property related expenses	25,193	13,023	24,779	29,812	12,501	7,382
Property management fees	7,767	3,758	7,549	3,824	2,516	2,151
Utility expenses	6,123	2,969	5,886	2,643	4,486	1,624
Insurance expenses	111	44	93	45	44	29
Repair expenses	3,652	66	2,035	18,305	1,149	437
Taxes and dues	5,500	5,664	8,403	4,620	3,254	2,741
Trust fees	350	350	350	350	350	350
Others	1,687	171	461	23	699	46
(3)NOI (1)-(2)	50,198	40,014	82,004	28,576	36,440	29,179
(4)Depreciation	8,657	2,336	6,997	2,404	3,049	2,814
(5) Loss on retirement of non-current assets	-	-	-	549	-	-
(6)Income from property leasing (3)-(4)-(5)	41,540	37,677	75,007	25,621	33,391	26,364

(Yen in thousands)

Property number	A-49	A-50	A-51	A-52	A-53	A-54
Property name	FORECAST kayabacho	FORECAST Waseda FIRST	FORECAST Gotanda WEST	Omiya Center Building	Sumitomo Mitsui Bank Koraibashi Building	NORE Fushimi
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	87,097	128,032	232,777	513,241	130,097	105,671
Rental revenues	76,934	116,078	208,284	478,620	98,775	89,927
Other revenues related to property leasing	10,163	11,954	24,492	34,620	31,322	15,743
(2)Property related expenses	22,724	34,182	74,277	121,415	49,442	32,006
Property management fees	7,401	9,807	21,432	36,822	12,021	7,036
Utility expenses	6,715	10,293	21,977	24,689	19,949	10,379
Insurance expenses	105	129	289	505	194	100
Repair expenses	411	2,273	3,446	2,699	692	1,660
Taxes and dues	7,545	11,038	26,258	26,580	15,949	7,084
Trust fees	350	350	350	350	350	550
Others	195	290	523	29,767	284	5,195
(3)NOI (1)-(2)	64,373	93,850	158,499	391,825	80,654	73,665
(4)Depreciation	9,635	9,774	10,151	56,139	11,817	19,083
(5) Loss on retirement of non-current assets	245	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	54,492	84,075	148,347	335,686	68,837	54,581

(Yen in thousands)

Property number	A-55	A-56	A-57	B-1	B-2	B-3
Property name	NORE Meieki	Homat Horizon Building	Sannomiya First Building	Tower Court Kitashinaga wa	Sky Hills N11	my atria Meieki
Operating periods	184days	95days	95days	184days	184days	184days
(1)Revenues from property leasing	92,226	102,781	35,416	404,694	61,128	52,267
Rental revenues	78,725	99,195	30,321	396,668	61,056	49,321
Other revenues related to property leasing	13,500	3,586	5,095	8,026	72	2,946
(2)Property related expenses	30,243	14,244	9,219	77,942	11,410	13,698
Property management fees	6,963	6,541	4,387	32,167	671	3,756
Utility expenses	9,210	5,321	4,257	5,162	-	554
Insurance expenses	109	90	50	416	119	65
Repair expenses	438	2,087	341	9,567	3,717	3,317
Taxes and dues	8,997	-	-	19,426	6,550	3,368
Trust fees	550	182	182	350	350	350
Others	3,973	21	0	10,852	1	2,286
(3)NOI (1)-(2)	61,982	88,537	26,197	326,752	49,717	38,569
(4)Depreciation	17,045	5,620	4,710	64,570	16,908	14,507
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	44,937	82,917	21,486	262,182	32,808	24,061

(Yen in thousands)

Property number	B-4	B-5	B-6	B-7	B-8	B-9
Property name	my atria Sakae	Mac Village Heian	Seam Dwell Tsutsui	Ciel Yakuin	Kanda Reeplex R's	Splendid Namba
Operating periods	184days	184days	184days	184days	184days	95days
(1)Revenues from property leasing	38,339	27,843	24,547	24,692	56,302	56,819
Rental revenues	38,329	27,834	24,546	23,759	53,197	55,669
Other revenues related to property leasing	10	9	1	933	3,105	1,150
(2)Property related expenses	10,115	6,348	5,218	5,465	11,203	7,063
Property management fees	1,879	1,895	1,884	1,374	4,493	3,123
Utility expenses	390	308	-	676	-	318
Insurance expenses	59	44	33	30	52	69
Repair expenses	3,504	1,811	867	1,142	1,054	924
Taxes and dues	2,581	1,939	1,600	1,208	2,493	-
Trust fees	350	350	350	350	350	182
Others	1,350	-	483	684	2,759	2,445
(3)NOI (1)-(2)	28,224	21,494	19,328	19,227	45,099	49,756
(4)Depreciation	14,104	9,305	7,039	6,227	8,435	21,834
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	14,119	12,189	12,289	13,000	36,663	27,922

(Yen in thousands)

Property number	C-1	C-2	
Property name	Otakibashi Pacifica Building	Komyoike Act	Total
Operating periods	184days	184days	
(1)Revenues from property leasing	92,731	142,487	7,142,966
Rental revenues	83,543	108,568	6,437,641
Other revenues related to property leasing	9,187	33,918	705,324
(2)Property related expenses	20,028	77,464	1,926,994
Property management fees	4,313	22,016	511,052
Utility expenses	9,093	39,058	512,400
Insurance expenses	42	190	7,357
Repair expenses	883	3,529	161,630
Taxes and dues	5,260	8,890	482,351
Trust fees	350	350	23,337
Others	83	3,429	228,863
(3)NOI (1)-(2)	72,703	65,023	5,215,971
(4)Depreciation	10,396	22,027	751,698
(5) Loss on retirement of non-current assets	-	-	1,134
(6)Income from property leasing (3)-(4)-(5)	62,306	42,996	4,463,138