

Summary of Financial Results
for the Fiscal Period Ended June 30, 2015 (REIT)

Name of issuer: NIPPON REIT Investment Corporation
 URL: <http://www.nippon-reit.com/>
 Listed Stock Exchange: Tokyo Stock Exchange
 Securities Code: 3296
 Representative: Hisao Ishikawa, Executive Officer
 Asset Management Company: Sojitz REIT Advisors K.K.
 Representative: Hisao Ishikawa, President, Director & CEO
 Contact Information: Kanehisa Nango, General Manager, Corporate Planning Dept.
 TEL +81-3-3552-8883

Scheduled filing date of securities report: September 28, 2015

Scheduled date of delivery of distributions: September 18, 2015

Supplementary materials for the financial results: Yes

Investor conference for the financial results: Yes (for analysts and institutional investors, in Japanese)

(Amount of less than one million yen is omitted)

1. Financial Results for the Fiscal Period Ended June 30, 2015 (January 1, 2015 – June 30, 2015)

(1) Operating Results

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

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
For the fiscal period ended	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%
June 30, 2015	4,596	90.8	2,556	105.2	2,077	92.6	2,075	92.6
December 31, 2014	2,408	27.4	1,245	30.5	1,078	485.8	1,077	492.1

	Net Income per Unit	Return on Equity	Return on Assets	Ordinary Income to Operating Revenues
For the fiscal period ended	Yen	%	%	%
June 30, 2015	7,708	3.3	1.6	45.2
December 31, 2014	7,100	2.9	1.4	44.8

(2) Distributions

	Cash Distributions per Unit (excluding cash distributions in excess of earnings per unit)	Total Cash Distributions (excluding cash distributions in excess of earnings)	Cash Distributions in Excess of Earnings per Unit	Total Cash Distributions in Excess of Earnings	Payout Ratio	Cash Distributions Ratio to Net Assets
For the fiscal period ended	Yen	Yen in millions	Yen	Yen in millions	%	%
June 30, 2015	6,827	2,075	0	0	100.0	2.5
December 31, 2014	7,109	1,079	0	0	100.1	2.9

(Note) The following formula is used in the calculation of Payout Ratio for the fiscal period ended June 30, 2015 due to the Issuance of the new investment units.

$$\text{Payout Ratio} = \text{Total Cash Distributions} \div \text{Net income} \times 100$$

(3) Financial Position

	Total Assets	Total Net Assets	Equity Ratio	Net Assets per Unit
For the fiscal period ended	Yen in millions	Yen in millions	%	Yen
June 30, 2015	174,642	87,468	50.1	287,667
December 31, 2014	81,353	38,027	46.7	250,491

(4) Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
For the fiscal period ended	Yen in millions	Yen in millions	Yen in millions	Yen in millions
June 30, 2015	1,805	(82,589)	86,905	11,178
December 31, 2014	2,392	(4,388)	2,789	5,057

2. Forecast of management status for the Fiscal Period Ending December 2015 (from July 1, 2015 to December 31, 2015) and the Fiscal Period Ending June 2016 (from January 1, 2016 to June 30, 2016)

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

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Cash Distributions per Unit (excluding excess of earnings per Unit)	Cash Distributions in Excess of Earnings per Unit
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen	Yen
For the fiscal period ending December 31, 2015	6,683	45.4	3,597	40.7	2,841	36.8	2,841	36.9	7,252	-
June 30, 2016	6,640	(0.6)	3,197	(11.1)	2,689	(5.4)	2,688	(5.4)	6,862	-

(Reference)

Forecast net income per unit for the fiscal period ending December 31, 2015: 7,252 yen

Forecast net income per unit for the fiscal period ending June 30, 2016: 6,862 yen

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

* Others

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

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

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

(c) Changes in accounting estimates: None

(d) Retrospective restatement: None

(2) Number of investment units issued and outstanding

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

As of June 30, 2015 304,060 units As of December 31, 2014 151,810 units

(b) Number of investment treasury units:

As of June 30, 2015 0 unit As of December 31, 2014 0 unit

* The Status of Statutory Audit

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

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

Forward-looking statements contained in this material are based on the information that NIPPON REIT has obtained as of the date hereof and certain assumptions that NIPPON REIT believes reasonable and the actual management status, etc. may significantly differ due to various reasons. In addition, the forecast is not a guarantee of the amount of distributions. For details of the assumptions underlying forecast of management status, please refer to the "Assumptions Underlying Forecast of Management Status for Fiscal Period Ending December 2015 (from July 1, 2015 to December 31 2015) and Fiscal Period Ending June 2016 (from January 1, 2016 to June 30, 2016)" on page 9.

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

1. Associated Corporations of NIPPON REIT

Structure of NIPPON REIT

Disclosure is omitted because there have been no significant changes in the name, operational roles and overview of associated business operations of NIPPON REIT Investment Corporation (“NIPPON REIT”) and the associated corporations of NIPPON REIT (including other main associated parties of NIPPON REIT) from those of “Structure of NIPPON REIT” in the latest securities report (submitted on March 27, 2015, including amendments thereto).

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 securities registration statement (submitted on June 10, 2015, including amendments thereto).

(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 Co., Ltd. (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 to 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 a public offering in February 2015 and a third-party allotment in March 2015, and the total number of investment units issued and outstanding as of the end of the fiscal period under review (June 30, 2015) is 304,060 units.

B. Investment Environment and Management Performance

(i) Investment Environment

The Japanese economy during the fiscal period under review (fiscal period ended June 2015) saw 1.0% year-on-year increase of the real GDP growth rate (second preliminary figures) in the first quarter of the year beginning from April 1, 2015, the second consecutive quarter of growth, and the gradual recovery trend is ongoing. Production, while showing partial weakness, is picking up, and there are signs of recovery in individual consumption. With regard to future prospects, a gradual recovery is expected with the employment and income environment improving while there are also the impact caused by oil prices falling and the effects of various policies. However, risks that could put downward pressure on the Japanese economy, such as downswings of overseas economies, must be closely watched.

In the office properties leasing market, the vacancy rate of Tokyo's five central wards (Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards) as of the end of June 2015 as announced by Miki Shoji Co., Ltd. was 5.12%, down 1.33% from the same period last year. Moreover, the average rent in the same area as of June 30, 2015 was 17,401 yen, up 4.8% from the same period last year. Such small-scale upward trends are ongoing.

In terms of the rental residential properties market, the situation continues to be generally stable for both the occupancy rate and rent level, and the trend of populations concentrating in the three major metropolitan areas is expected to continue.

The commercial properties' leasing market saw 3.0% year-on-year increase of retail sales according to figures announced by the Ministry of Economy, Trade and Industry in May 2015, the second consecutive month of increase, and the market is flat while some weakness can be seen. Sales at large retail stores also increased by

5.3% year-on-year, increase of sales at urban commercial properties is expected and daily necessities commercial properties are expected to have stable revenues backed by the stable demand for daily necessities.

Furthermore, while the real estate transaction market starts to see some cautious investors as transaction yields continue to decrease with the increase of real estate prices, the overall situation continues to be one of generally high investment appetite. Recently, property sales have settled down and transactions of large properties are decreasing. In addition, due to the increase of prices of excellent properties in central Tokyo, preference for medium- and small-scale properties with relatively high yields as well as properties in the peripheries of cities and in regional cities is increasing and transaction yields are decreasing for such properties.

(ii) Management Performance

a. External Growth

In the fiscal period under review (fiscal period ended June 2015), in addition to the total of 21 properties (total acquisition price of 73,890 million yen) owned as of the end of the 5th fiscal period (December 31, 2014), NIPPON REIT acquired one property (acquisition price of 5,325 million yen) on January 8, 2015, 30 properties (total acquisition price of 73,503 million yen) on February 12, 2015 through the public offering in February 2015, one property (acquisition price of 3,350 million yen) on March 12, 2015 and one property (acquisition price of 1,781 million yen) on March 27, 2015 through the new borrowing (hereinafter, above-mentioned 33 properties are collectively may referred to as “assets acquired in the fiscal period under review”). In addition, NIPPON REIT acquired the following equity interests in silent partnership as pipelines for external growth and acquired preferential negotiation rights for a total of eight real estate properties as backing.

Name	Number of backed real estate properties	Investment amount (Yen in millions) (Note 2)	Acquisition date
Godo Kaisha Nicolas Capital 3 Equity interest in silent partnership	3 (Note 1)	100 (Note 1)	March 12, 2015
Nicolas Capital 5 Equity interest in silent partnership	1	100	March 12, 2015
Nicolas Capital 7 Equity interest in silent partnership	4	50	April 27, 2015

(Note 1) Among the backed real estate properties, it was decided that the preferential negotiation right for one property would be waived on May 27, 2015, and transfer to a third party was implemented on June 30, 2015. As a result, NIPPON REIT has received partial refund of a portion of the investment in relation to the equity interest in silent partnership on June 30, 2015 and the balance of the investment was 80 million yen as of June 30, 2015.

(Note 2) Investment 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 44 office properties (total acquisition price of 132,663 million yen), eight residential properties (total acquisition price of 19,773 million yen) and two commercial properties (total acquisition price of 5,413 million yen), totaling 54 properties (total acquisition price of 157,850 million yen; this does not include equity interests in silent partnership and preferred equity securities) with a total leasable area of 196,666.29 m² and a 96.7% average occupancy rate.

(Reference)

Apart from assets acquired in the fiscal period under review, NIPPON REIT has acquired 11 properties (total acquisition price of 46,747 million yen) which includes seven properties (total acquisition price of 31,107 million yen) from the properties for which preferential negotiation rights were acquired as stated above, excluding the property that was transferred to a third party. For details please see “III. Significant Subsequent Events, B. Acquisition of Properties” below.

b. Internal Growth

NIPPON REIT emphasized management that maintained and increased the portfolio's asset value and actively

reached out to new and existing tenants with business activities while strengthening relations with existing tenants, thereby implementing measures that led to increasing competitiveness of properties in light of tenant needs and features of each property. Through such efforts, the portfolio occupancy rate was maintained at a high level of 96.7% as of the end of the fiscal period under review.

c. Procurement of Funds

(i) Issuance of Investment Units

NIPPON REIT issued new investment units (145,000 units) through public offering on February 10, 2015 as the payment date. In addition, on March 10, 2015 new investment units (7,250 units) were issued through third-party allotment. As a result, as of June 30, 2015 unitholders' capital was 85,364 million yen and the total number of investment units issued and outstanding was 304,060 units.

(ii) Borrowings and Repayments

In order to allocate funds for the acquisition of new properties and payment of related costs, borrowings of 5,700 million yen was implemented on January 8, 2015 as well as borrowings of 31,100 million yen on February 12, 2015, 3,500 million yen on March 12, 2015 and 1,800 million yen on March 27, 2015.

Primarily using funds procured from the issuance of new investment units through third-party allotment stated in “(i) Issuance of Investment Units” above, borrowings of 2,400 million yen was repaid on March 27, 2015.

At the timing of the maturation of borrowings of 9,950 million yen on April 24, 2015, 9,900 million yen was refinanced and cash on hand was allotted to the remaining 50 million yen.

As a result, the balance of borrowings as of June 30, 2015 was 79,670 million yen and the ratio of interest-bearing debt to total assets (LTV) was 45.6%.

(iii) Credit Rating

The acquisition status of NIPPON REIT's credit rating as of June 30, 2015 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 management described above, business performance in the fiscal period under review was operating revenues of 4,596 million yen, operating income of 2,556 million yen, ordinary income of 2,077 million yen and net income of 2,075 million yen.

Concerning distributions, in order to be eligible for application of the special provisions for taxation on investment corporations (Article 67-15 of the Special Taxation Measure Act of Japan) and having a scope that does not exceed unappropriated retained earnings and that can minimize unitholder burdens of income tax, etc., NIPPON REIT decided to distribute 2,075,817,620 yen, which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding, 304,060 units. As such, cash distributions per unit was 6,827 yen.

II. Outlook for the Next Fiscal Period

Future Management Policy and Challenges to Address

A. Management Policy

With the basic policy of “thorough pursuit of acting in the best interest of unitholders” NIPPON REIT plans to engage in the following measures to maximize unitholder value through flexible and timely investment and seeking the best interest of unitholders by utilizing the features of a diversified REIT and focusing on the growth potential and stability of revenues.

B. External Growth Strategy

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

Furthermore, with the Asset Management Company's own property acquisition network as the base and also utilizing the various 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 Advisors Co., Ltd., NIPPON REIT will increase the asset size through property acquisitions centering on negotiation transactions with third parties and promote external growth.

Furthermore, regarding property acquisitions from third parties, NIPPON REIT will consider temporary ownership functions provided by bridge funds in which sponsor companies are involved in the formations, so as 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 know-hows 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 of profitability through the utilization of Sojitz General Property Management Corporation's knowledge based on experience and cost reduction effects via economies of scale.

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

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

D. Financial Strategy

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

Regarding interest-bearing debt, the targeted ceiling of LTV is set at 60%. NIPPON REIT's LTV as of the end of the fiscal period under review is 45.6% 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

A. Issuance of New Investment Units

At meetings of the board of directors held on June 10, 2015 and June 22, 2015, NIPPON REIT resolved on the issuance of new investment units as described below. Payment for the issuance of new investment units through public offering (including international offering, the same shall apply hereinafter) was completed on July 1, 2015. Also, payment for the issuance of new investment units through third-party allotment was completed on July 28, 2015.

(i) Issuance of new investment units through public offering (Primary offering)

Number of new investment units issued: 84,000 units

(Domestic offering 35,600 units, International offering 48,400 units)

Paid amount (issue price): 272,761 yen per unit

Total paid amount (issue price): 22,911,924,000 yen

Payment date: July 1, 2015

Use of proceeds: To use as a part of fund for acquisition of specific properties

(refer to "B Acquisition of Properties" below)

(ii) Issuance of new investment units through third-party allotment

Number of new investment units issued: 3,700 units

Paid amount (issue price): 272,761 yen per unit

Total paid amount (issue price): 1,009,215,700 yen

Allottee (number of units allotted): Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (3,700 units)

Payment date: July 28, 2015

Use of proceeds: To use for repayment of borrowings

B. Acquisition of Properties

NIPPON REIT acquired trust beneficially interests in real estate (11 properties, total acquisition price 46,747 million yen) on July 2, 2015 as described below.

Property name	Location	Acquisition price (Yen in millions) (Note 1)	Seller
Toranomon Sakura Building	Minato Ward, Tokyo	4,120	Not disclosed (Note 2)
La Verite Akasaka	Minato Ward, Tokyo	2,000	Not disclosed (Note 2)
Kanda Ocean Building	Chiyoda Ward, Tokyo	1,440	Godo Kaisha Nicolas Capital 7
Shinto GINZA EAST	Chuo Ward, Tokyo	1,352	Godo Kaisha Nicolas Capital 7
New River Building	Chuo Ward, Tokyo	3,000	Not disclosed (Note 2)
(Tentative) FORECAST Waseda FIRST (Waseda SIA Building) (Note 3)	Shinjuku Ward, Tokyo	4,775	Godo Kaisha Nicolas Capital 3
(Tentative) FORECAST Gotanda WEST (POLA Daisan Gotanda Building) (Note 3)	Shinagawa Ward, Tokyo	6,520	Gotanda Ohashi Investment Tokutei Mokuteki Kaisha
Omiya Center Building	Saitama, Saitama	15,330	Godo Kaisha Nicolas Capital 5
Sumitomo Mitsui Bank Koraibashi Building	Osaka, Osaka	2,850	Godo Kaisha Nicolas Capital 3
NORE Fushimi	Nagoya, Aichi	2,840	Godo Kaisha Nicolas Capital 7
NORE Meieki	Nagoya, Aichi	2,520	Godo Kaisha Nicolas Capital 7
Total		46,747	

(Note 1) The acquisition prices represent amount of consideration stated in the purchase agreements of the trust beneficiary interests in real estate. The acquisition price does not include expenses related to the acquisition and consumption taxes.

Furthermore, the acquisition price of less than one million yen is omitted.

(Note 2) This information is not disclosed as the seller's consent to disclosure has not been obtained.

(Note 3) NIPPON REIT is planning to change the property name promptly. Therefore, the planned new name is stated as "(Tentative)" along with the current name in parentheses on the above table. NIPPON REIT will change the property name after notifying end tenants of the timing of the change, etc. The new names presented on the above table are based on the current plans and may be changed without prior notice, or the name may not be changed.

C. Borrowing of Funds

NIPPON REIT borrowed funds on July 2, 2015 for use as a part of funds for acquisition of the properties described in "B. Acquisition of Properties" above.

Lender	Amount (Yen in millions)	Interest rate	Fix / Floating	Repayment due date	Repayment method
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,000 (Note 1)	One month Japanese Yen TIBOR + 0.50% (Note 2)	Floating	August 22, 2016	Lump-sum payment at maturity
A syndicate group with The Bank of Tokyo-Mitsubishi UFJ, Ltd. as arranger	2,500	One month Japanese Yen TIBOR + 0.30% (Note 2)(Note 3)	Floating (Substantively fixed)	April 24, 2018	
	11,000	One month Japanese Yen TIBOR + 0.35% (Note 2)(Note 4)		July 22, 2019	
	11,000	One month Japanese Yen TIBOR + 0.40% (Note 2)(Note 5)		July 21, 2020	
Total	26,500				

(Note 1) NIPPON REIT made early repayment of 1,100 million yen on July 31, 2015 with the proceeds from the issuance of new investment units through third-party allotment as described A. (ii) above and cash on hand.

(Note 2) Interest rate is calculated based on the one month Japanese Yen TIBOR published by the JBA TIBOR Administration ("JBATA") two business days prior to the interest payment date immediately preceding the respective interest payment date.

(Note 3) The interest rate is substantively fixed at 0.44375% by the interest rate swap contract.

(Note 4) The interest rate is substantively fixed at 0.54175% by the interest rate swap contract.

(Note 5) The interest rate is substantively fixed at 0.65425% by the interest rate swap contract.

IV. Forecast of Management Status

The forecast of management status for the fiscal period ending December 2015 (July 1, 2015 to December 31, 2015) and the fiscal period ending June 2016 (January 1, 2016 to June 30, 2016) are as follows. For details of the assumptions underlying forecast of management status, please refer to “Assumptions Underlying Forecast of Management Status for Fiscal Period Ending December 2015 (July 1, 2015 to December 31, 2015) and Fiscal Period Ending June 2016 (January 1, 2016 to June 30, 2016).”

Fiscal period ending December 2015 (July 1, 2015 to December 31, 2015)

Operating revenues	6,683 million yen
Operating income	3,597 million yen
Ordinary income	2,841 million yen
Net income	2,841 million yen
Cash distributions per unit	7,252 yen
Cash distributions in excess of earnings per unit	- yen

Fiscal period ending June 2016 (January 1, 2016 to June 30, 2016)

Operating revenues	6,640 million yen
Operating income	3,197 million yen
Ordinary income	2,689 million yen
Net income	2,688 million yen
Cash distributions per unit	6,862 yen
Cash distributions in excess of earnings per unit	- yen

(Note) The above figures are calculated based on certain assumptions as of August 20, 2015. Actual net income, distributions, etc. may fluctuate due to changing circumstances. In addition, the figures do not guarantee the amount of distributions.

Assumptions Underlying Forecast of Management Status for Fiscal Period Ending December 2015 (from July 1, 2015 to December 31, 2015) and Fiscal Period Ending June 30 2016 (from January 1, 2016 to June 30, 2016)

Item	Assumption
Calculation period	<ul style="list-style-type: none"> · Fiscal period ending December 2015 (7th fiscal period): (from July 1, 2015 to December 31, 2015) (184 days) · Fiscal period ending June 2016 (8th fiscal period): (from January 1, 2016 to June 30, 2016) (182 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 65 properties) (the “acquired assets”) there will be no change (no acquisition of new property, no disposition of portfolio property, etc.) through to the end of the fiscal period ending June 2016. · 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 to be 6,675 million yen in the fiscal period ending December 2015 and 6,640 million yen in the fiscal period ending June 2016 respectively. · Dividend income is assumed to be 7 million yen in the fiscal period ending December 2015 and no dividend income is assumed in the fiscal period ending June 2016. · 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 1,737 million yen in the fiscal period ending December 2015 and 2,014 million yen in the fiscal period ending June 2016 respectively. · Depreciation, which is calculated using the straight-line method, etc., is assumed to be 734 million yen in the fiscal period ending December 2015 and 753 million yen in the fiscal period ending June 2016. · The total amounts of property taxes and city planning taxes are assumed to be 150 million yen in the fiscal period ending December 2015 and 506 million yen in the fiscal period ending June 2016 respectively. In general, property taxes and city planning taxes upon transactions of real estate, etc. are calculated on a pro rata basis and reimbursed at the time of acquisition with the seller, but the amount equivalent to the reimbursement is capitalised as acquisition cost rather than recognized as expenses. Accordingly, as to 44 properties acquired during the period from January 1, 2015 to August 20, 2015, property taxes and city planning taxes are not recognized as expenses in the fiscal period ending December 2015. Furthermore, the total amounts of property taxes and city planning taxes capitalized as acquisition cost of abovementioned assets are assumed to be 353 million yen in the fiscal period ending December 2015. · 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 to be 437 million yen in the fiscal period ending December 2015 and 503 million yen in the fiscal period ending June 2016 respectively. Furthermore, among the asset management fees, acquisition fee is included in the acquisition cost and thus not recognized as expenses.
Non-operating expenses	<ul style="list-style-type: none"> · The total amount of expenses related to the issuance of new investment units is expected to be 179 million yen and be recognized as expenses in a lump sum in the fiscal period ending December 2015. · Interest expense and borrowing related expenses are expected to be 585 million yen in the fiscal period ending December 2015 and 508 million yen in the fiscal period ending June 2016.
Loans	<ul style="list-style-type: none"> · NIPPON REIT's outstanding balance of interest-bearing debt as of today is 105,070 million yen. · Expecting that the consumption taxes accompanying the acquisition of properties during the fiscal period ended June 2015 will be refunded during the fiscal period ending December 2015, the assumption is that such refund will be used as the source of funds to repay 600 million yen in loans in the fiscal period ending December 2015. · Expecting that the consumption taxes accompanying the acquisition of properties in July 2015 will be refunded during the fiscal period ending June 2016, the assumption is that such refund will be used as the source of funds to repay 700 million yen in loans in the fiscal period ending June 2016. · The assumption is that all loans which will come due before the end of the fiscal period ending June 2016 (8,500 million yen), which will remain after the above repayment, will be refinanced. · LTV as of December 31, 2015 and June 30, 2016 are expected to be approximately 46.3% and 46.1% respectively. · The following formula is used in the calculation of LTV.

	$\text{LTV} = \text{Total interest-bearing debt} \div \text{Total assets} \times 100$
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 June 2016.
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. Cash distributions per unit may vary materially due to various factors, including fluctuation in rent income accompanying future additional acquisition or disposition of real estate, etc., change in tenants and other events, incurrence of unexpected repairs and other changes in the management environment, fluctuation in interest rates, the actually determined number of new investment units to be issued and issue price, or future additional issuance of new investment units and other events.
Cash Distributions in excess of earnings per unit	<ul style="list-style-type: none"> There are no plans at this time to distribute cash in excess of earnings.
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, 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 Securities Registration Statement (submitted on June 10, 2015 and including amendments thereto), the disclosure is omitted.

3. Financial Statements

(1) Balance Sheets

(Yen in thousands)

	The 5th Fiscal Period (as of December 31, 2014)	The 6th Fiscal Period (as of June 30, 2015)
Assets		
Current Assets		
Cash and deposits	1,113,741	2,291,302
Cash and deposits in trust	3,943,906	8,887,346
Tenant receivables	36,317	122,224
Prepaid expenses	124,691	277,811
Deferred tax assets	500	2
Income taxes refundable	-	3,611
Consumption taxes refundable	-	1,318,463
Other current assets	6,776	13,842
Allowance for doubtful accounts	(1,458)	(0)
Total Current Assets	5,224,475	12,914,604
Non-Current Assets		
Property, plant and equipment		
Buildings in trust	20,573,922	37,371,083
Accumulated depreciation	(1,352,458)	(1,897,144)
Buildings in trust, net	19,221,463	35,473,939
Structures in trust	135,341	141,062
Accumulated depreciation	(12,036)	(15,425)
Structures in trust, net	123,304	125,636
Machinery and equipment in trust	2,678	8,847
Accumulated depreciation	(89)	(517)
Machinery and equipment in trust, net	2,588	8,330
Tools, furniture and fixtures in trust	6,478	14,838
Accumulated depreciation	(211)	(812)
Tools, furniture and fixtures in trust, net	6,267	14,025
Land in trust	40,662,441	109,521,024
Total property, plant and equipment	60,016,065	145,142,955
Intangible assets		
Leasehold rights in trust	15,243,932	15,806,025
Total intangible assets	15,243,932	15,806,025
Investments and other assets		
Investment securities	707,940	282,269
Lease and guarantee deposits	10,050	10,110
Long-term prepaid expenses	151,243	456,632
Other	132	29,886
Total investments and other assets	869,366	778,898
Total Non-Current Assets	76,129,364	161,727,878
Total assets	81,353,840	174,642,483

(Yen in thousands)

	The 5th Fiscal Period (as of December 31, 2014)	The 6th Fiscal Period (as of June 30, 2015)
Liabilities		
Current Liabilities		
Accounts payable	257,009	706,752
Short-term debt	8,150,000	-
Long-term debt due within one year	-	9,100,000
Accrued expenses	78,922	147,306
Income taxes payable	595	-
Accrued consumption taxes	67,412	-
Advances received	354,906	823,284
Other current liabilities	257,642	328,923
Total current liabilities	9,166,488	11,106,266
Long-Term Liabilities		
Long-term debt	31,870,000	70,570,000
Tenant security deposits in trust	2,290,209	5,498,160
Total Long-Term liabilities	34,160,209	76,068,160
Total Liabilities	43,326,698	87,174,426
Net Assets		
Unitholders' Equity		
Unitholders' capital	36,919,883	85,364,159
Surplus		
Unappropriated retained earnings (undisposed loss)	1,107,258	2,103,897
Total Surplus	1,107,258	2,103,897
Total Unitholders' Equity	38,027,142	87,468,056
Total Net Assets	(*1) 38,027,142	(*1) 87,468,056
Total Liabilities and Net Assets	81,353,840	174,642,483

(2) Statements of Income and Retained Earnings

(Yen in thousands)

	The 5th Fiscal Period from July 1, 2014 to December 31, 2014	The 6th Fiscal Period from January 1, 2015 to June 30, 2015
Operating Revenues		
Rental revenues	(*1) 2,198,367	(*1) 4,142,720
Other revenues related to property leasing	(*1) 209,574	(*1) 434,822
Dividend income	800	19,376
Total Operating Revenues	2,408,742	4,596,919
Operating Expenses		
Property-related expenses	(*1) 907,349	(*1) 1,690,565
Asset management fees	182,861	223,520
Asset custody fees	2,871	5,882
Administrative service fees	12,852	25,577
Directors' compensation	1,920	1,920
Independent auditors' fees	11,000	14,000
Other operating expenses	44,236	78,947
Total Operating Expenses	1,163,090	2,040,413
Operating Income	1,245,651	2,556,505
Non-Operating Revenues		
Interest income	309	744
Interest on refund	1,727	-
Total Non-Operating Revenues	2,037	744
Non-Operating Expenses		
Interest expense	95,325	183,682
Borrowing related expenses	73,846	184,030
Investment unit issuance expenses	-	112,404
Loss on valuation of derivatives	172	119
Total Non-Operating Expenses	169,343	480,235
Ordinary Income	1,078,344	2,077,014
Income Before Income Taxes	1,078,344	2,077,014
Income taxes - current	658	659
Income taxes - deferred	(260)	497
Total Income Taxes	397	1,157
Net Income	1,077,946	2,075,856
Retained Earnings at Beginning of Period	29,312	28,041
Retained Earnings at End of Period	1,107,258	2,103,897

(3) Statement of Change in Net Assets

The 5th Fiscal Period (from July 1, 2014 to December 31, 2014)

(Yen in thousands)

	Unitholders' Equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings	Total surplus		
Balance at the beginning of current period	36,919,883	212,546	212,546	37,132,430	37,132,430
Changes of items during the period					
Distributions of surplus		(183,234)	(183,234)	(183,234)	(183,234)
Net income		1,077,946	1,077,946	1,077,946	1,077,946
Total changes of items during the period	-	894,711	894,711	894,711	894,711
Balance at the end of current period	(*1) 36,919,883	1,107,258	1,107,258	38,027,142	38,027,142

The 6th Fiscal Period (from January 1, 2015 to June 30, 2015)

(Yen in thousands)

	Unitholders' Equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings	Total surplus		
Balance at the beginning of current period	36,919,883	1,107,258	1,107,258	38,027,142	38,027,142
Changes of items during the period					
Issuance of new investment units	48,444,275			48,444,275	48,444,275
Distributions of surplus		(1,079,217)	(1,079,217)	(1,079,217)	(1,079,217)
Net income		2,075,856	2,075,856	2,075,856	2,075,856
Total changes of items during the period	48,444,275	996,639	996,639	49,440,914	49,440,914
Balance at the end of current period	(*1) 85,364,159	2,103,897	2,103,897	87,468,056	87,468,056

(4) Statements of Cash Distribution

	The 5th Fiscal Period from July 1, 2014 to December 31, 2014	The 6th Fiscal Period from January 1, 2015 to June 30, 2015
	(yen)	(yen)
I Unappropriated retained earnings	1,107,258,608	2,103,897,612
II Cash distributions	1,079,217,290	2,075,817,620
(Cash distributions per unit)	(7,109)	(6,827)
III Retained earnings carried forward to the next period	28,041,318	28,079,992

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 1,079,217,290 yen, which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding, 151,810 units, within the limits that does not exceed the unappropriated retained earnings and shall minimize the unitholders' expense pertaining to income taxes. Furthermore, NIPPON REIT does not distribute cash distributions in excess of its earnings as stipulated in Articles 35, Paragraph 2 of its Articles of Incorporation.</p>	<p>Based on the distribution policy set forth in Article 35, Paragraph 1 of the Articles of Incorporation of NIPPON REIT, the amount of cash distributions shall be limited to the amount of profit in excess of an amount equivalent to 90% of distributable profits, as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation.</p> <p>In consideration of this policy, NIPPON REIT decided to distribute 2,075,817,620 yen, which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding, 304,060 units, within the limits that does not exceed the unappropriated retained earnings and shall minimize the unitholders' expense pertaining to income taxes. Furthermore, NIPPON REIT does not distribute cash distributions in excess of its earnings as stipulated in Articles 35, Paragraph 2 of its Articles of Incorporation.</p>
---	---	---

(5) Statements of Cash Flows

(Yen in thousands)

	The 5th Fiscal Period from July 1, 2014 to December 31, 2014	The 6th Fiscal Period from January 1, 2015 to June 30, 2015
Cash Flows from Operating Activities		
Income before income taxes	1,078,344	2,077,014
Depreciation and amortization	348,586	549,104
Investment unit issuance expenses	-	112,404
Interest income	(309)	(744)
Interest expense	95,325	183,682
(Increase) Decrease in tenant receivables	91,441	(87,580)
(Increase) Decrease in prepaid expenses	1,335	(153,119)
(Increase) Decrease in long-term prepaid expenses	28,322	(305,388)
(Increase) Decrease in consumption taxes refundable	797,388	(1,318,463)
Increase (Decrease) in accrued consumption taxes	67,412	(67,412)
Increase (decrease) in accounts payable	16,388	452,268
Increase (decrease) in accrued expenses	26,345	49,135
Increase (decrease) in advances received	(73,976)	468,378
Others, net	7,544	14,395
Subtotal	2,484,150	1,973,373
Interest income received	246	744
Interest expense paid	(94,582)	(164,434)
Income taxes refunded (paid)	2,452	(4,866)
Net Cash Provided by (Used in) Operating Activities	2,392,267	1,805,117
Cash Flows from Investing Activities		
Payments for purchases of investment properties in trust other than leasehold rights in trust	(3,720,700)	(85,679,606)
Payments for purchases of leasehold rights in trust	-	(562,092)
Proceeds from tenant security deposits in trust	173,399	3,495,990
Payments of tenant security deposits in trust	(136,031)	(231,092)
Payments of tenant security deposits	-	(60)
Proceeds from refunds of investment securities	-	671,800
Payments for purchases of investment securities	(705,640)	(254,200)
Other payments	-	(29,873)
Net Cash Provided by (Used in) Investing Activities	(4,388,973)	(82,589,135)
Cash Flows from Financing Activities		
Proceeds from short-term debt	-	1,800,000
Repayments of short-term debt	(730,000)	(9,950,000)
Proceeds from long-term debt	3,700,000	50,200,000
Repayments of long-term debt	-	(2,400,000)
Proceeds from issuance of investment units	-	48,331,871
Distributions paid	(180,332)	(1,076,852)
Net Cash Provided by (Used in) Financing Activities	2,789,667	86,905,018
Net Change in Cash and Cash Equivalents	792,960	6,121,000
Cash and Cash Equivalents at Beginning of Period	4,264,687	5,057,648
Cash and Cash Equivalents at End of Period	(*1) 5,057,648	(*1) 11,178,648

(6) Notes to the Going Concern Assumption

Not applicable

(7) Summary of Significant Accounting Policies

1. Basis and Method of Valuation of Assets	<p>Securities</p> <p>Other securities</p> <p>Non-marketable securities</p> <p>The moving average method is employed as the cost method.</p> <p>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</p>								
2. Method of Depreciation of Non-Current Assets	<p>(1) Investment Properties Including Trust Assets</p> <p>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:</p> <table> <tr> <td>Buildings in trust</td><td>2-63 years</td></tr> <tr> <td>Structures in trust</td><td>2-41 years</td></tr> <tr> <td>Machinery and equipment in trust</td><td>10 years</td></tr> <tr> <td>Tools, furniture and fixtures in trust</td><td>3-15 years</td></tr> </table> <p>(2) Long-Term Prepaid Expenses</p> <p>Long-term prepaid expenses are amortized using the straight-line method.</p>	Buildings in trust	2-63 years	Structures in trust	2-41 years	Machinery and equipment in trust	10 years	Tools, furniture and fixtures in trust	3-15 years
Buildings in trust	2-63 years								
Structures in trust	2-41 years								
Machinery and equipment in trust	10 years								
Tools, furniture and fixtures in trust	3-15 years								
3. Accounting Treatment for Deferred Assets	<p>Investment Units Issuance Costs</p> <p>The issuance costs of new investment units are expensed when incurred.</p>								
4. Allowance for Doubtful Accounts Recognition	<p>Allowance for Doubtful Accounts</p> <p>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.</p>								
5. Revenue and Expense Recognition	<p>Real Estate Taxes</p> <p>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.</p> <p>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.</p> <p>The amount of property taxes included in acquisition prices for the previous fiscal period amounted to 364 thousand yen and for the fiscal period under review amounted to 406,793 thousand yen.</p>								
6. Method of Hedge Accounting	<p>(1) Method of Hedge Accounting</p> <p>For interest rate swaps, special treatment is applied since the swaps satisfy the requirements for special treatment.</p> <p>(2) Hedging instruments and hedge items</p> <p>Hedging instruments: Interest rate swaps</p> <p>Hedged items: Interest on borrowings</p> <p>(3) Hedging policy</p> <p>NIPPON REIT conducts derivative transactions for the purpose of hedging risks provided for in the Articles of Incorporation of NIPPON REIT pursuant to the financing policy.</p> <p>(4) Method of assessing hedge effectiveness</p> <p>The assessment of hedge effectiveness is omitted since the interest rate swaps satisfy the requirements for special treatment.</p>								

7. 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 which are highly 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.
8. 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. Land in trust, buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust and leasehold rights in trust</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. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations (Yen in thousands)

	Prior Period (As of December 31, 2014)	Current Period (As of June 30, 2015)
	50,000	50,000

(Notes to Income Statements)

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

	Prior Period from July 1, 2014 to December 31, 2014	Current Period from January 1, 2015 to June 30, 2015
A. Revenues from property leasing:		
Rental revenues		
Base rents	1,837,879	3,367,201
Common area charges	300,240	633,935
Parking space rental revenues	60,247	141,582
Other revenues related to property leasing	2,198,367	4,142,720
Utilities charge reimbursements	174,874	356,978
Others	34,699	77,843
Total revenues from property leasing	2,407,942	4,577,542
B. Property-related expenses:		
Property-related expenses		
Property management fees	155,970	344,898
Utility expenses	181,886	384,148
Insurance expenses	2,612	5,206
Repair expenses	43,112	75,307
Taxes and dues	25,189	150,801
Depreciation	348,586	549,104
Trust fees	7,024	16,893
Others	142,965	164,205
Total property-related expenses	907,349	1,690,565
C. Income from property leasing (A-B)	1,500,593	2,886,976

(Notes to Statements of Change in Net Assets)

	Prior Period from July 1, 2014 to December 31, 2014	Current Period from January 1, 2015 to June 30, 2015
*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	151,810 units	304,060 units

(Notes to Statements of Cash Flows)

*1. Reconciliation between cash and deposits and cash and deposits in trust in the balance sheets and cash and cash equivalents in the statements of cash flows		(Yen in thousands)
	Prior Period from July 1, 2014 to December 31, 2014	Current Period from January 1, 2015 to June 30, 2015
Cash and deposits	1,113,741	2,291,302
Cash and deposits in trust	3,943,906	8,887,346
Cash and cash equivalents	5,057,648	11,178,648

(Notes to Lease Transactions)

Existing non-cancelable operating leases (As lessor)

Future minimum rental revenues

(Yen in thousands)

	Prior Period (As of December 31, 2014)	Current Period (As of June 30, 2015)
Due within one year	90,493	140,309
Due after one year	124,819	233,260
Total	215,312	373,569

(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 the 6th fiscal period, NIPPON REIT had a derivative (interest rate swap) as hedging instrument for the purpose of fixing the interest rate of floating-rate loans to avoid the interest volatility risk. The assessment of hedge effectiveness is omitted based on the

judgment that the interest rate swap satisfies the requirements for special treatment.

Credit risk concerning bank deposits is managed by diversifying the depositing financial institutions.

(4) Supplemental Explanation regarding Fair Value of Financial Instruments

The fair value of financial instruments is based on their quoted market price. When there is no observable market price available, fair value is based on a price that may be reasonably estimated. Since certain assumptions and factors are reflected in estimating the fair value, different assumptions and factors could result in a different value.

2. Fair Value of Financial Instruments

Book value, fair value and difference between the two as of December 31, 2014 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	1,113,741	1,113,741	-
(2)Cash and deposits in trust	3,943,906	3,943,906	-
(3)Consumption taxes refundable	-	-	-
Total assets	5,057,648	5,057,648	-
(4)Short-term debt	8,150,000	8,150,000	-
(5)Long-term debt due within one year	-	-	-
(6)Long-term debt	31,870,000	31,933,961	63,961
Total liabilities	40,020,000	40,083,961	63,961
(7)Derivative transactions	132	132	-

Book value, fair value and difference between the two as of June 30, 2015 were as follows. The financial instruments whose fair values are deemed extremely difficult to determine (Note 2) are excluded from the table below.

(Yen in thousands)

	Book value	Fair value	Difference
(1)Cash and deposits	2,291,302	2,291,302	-
(2)Cash and deposits in trust	8,887,346	8,887,346	-
(3)Consumption taxes refundable	1,318,463	1,318,463	-
Total assets	12,497,111	12,497,111	-
(4)Short-term debt	-	-	-
(5)Long-term debt due within one year	9,100,000	9,100,000	-
(6)Long-term debt	70,570,000	70,652,461	82,461
Total liabilities	79,670,000	79,752,461	82,461
(7)Derivative transactions	13	3,283	3,270

(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, (3) Consumption taxes refundable and (4) 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.

(5) Long-term debt due within one year and (6) 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.

(7) 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: 2,290,209 thousand yen in previous period and 5,498,160 thousand yen in current period) is not disclosed because these deposits do not have a readily available market price, and it is difficult to estimate a period as to when these deposits will be returned. Although the tenant agreements stipulate a tenancy period, the historical analysis of actual tenancy periods do not indicate any pattern of tenancy period due to their unique nature as early termination or renewal/re-contract of tenancy agreements is possible, which makes it impracticable to reasonably estimate the future cash flows.

The fair value of investment securities (Book value: 707,940 thousand yen in previous period and 282,269 thousand yen in current period) is not disclosed because these securities do not have available market price, and it is difficult to estimate fair values.

(Note 3) Redemption schedule for monetary claims

Prior Period (December 31, 2014)

(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	1,113,741	-	-	-	-	-
Cash and deposits in trust	3,943,906	-	-	-	-	-
Total	5,057,648	-	-	-	-	-

Current Period (June 30, 2015)

(Yen in thousands)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Cash and deposits	2,291,302	-	-	-	-	-
Cash and deposits in trust	8,887,346	-	-	-	-	-
Consumption taxes refundable	1,318,463	-	-	-	-	-
Total	12,497,111	-	-	-	-	-

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

Prior Period (December 31, 2014)

(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	8,150,000	-	-	-	-	-
Long-term debt	-	8,500,000	15,300,000	7,000,000	1,070,000	-
Total	8,150,000	8,500,000	15,300,000	7,000,000	1,070,000	-

Current Period (June 30, 2015)

(Yen in thousands)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Long-term debt	9,100,000	21,600,000	17,200,000	21,770,000	9,500,000	500,000
Total	9,100,000	21,600,000	17,200,000	21,770,000	9,500,000	500,000

(Notes to Investment Securities)

Prior Period (As of December 31, 2014)

The fair value of Equity interests in silent partnerships (Book value: 657,430 thousand yen) and Preferred equity securities (Book value: 50,510 thousand yen) are not disclosed because these securities do not have available market price, and it is difficult to estimate fair values.

Current Period (As of June 30, 2015)

The fair value of Equity interests in silent partnerships (Book value: 231,759 thousand yen) and Preferred equity securities (Book value: 50,510 thousand yen) are not disclosed because these securities do not have available market price, and it is difficult to estimate fair values.

(Notes to Derivative Transactions)

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

Prior Period (December 31, 2014)

(Yen in thousands)

Hedge accounting method	Type of derivative transaction	Contracted amount and other		Fair value	Unrealized loss
			Due after one year		
Off-market transactions	Interest cap contracts	4,644,770	4,528,990	132	(172)
	Total	4,644,770	4,528,990	132	(172)

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

(Note 2) The fair value is provided by financial institutions.

Current Period (June 30, 2015)

(Yen in thousands)

Hedge accounting method	Type of derivative transaction	Contracted amount and other		Fair value	Unrealized loss
			Due after one year		
Off-market transactions	Interest cap contracts	4,586,880	-	13	(119)
	Total	4,586,880	-	13	(119)

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

(Note 2) The fair value is provided by financial institutions.

2. Derivative transactions to which hedge accounting is applied:

Prior Period (December 31, 2014)

None

Current Period (June 30, 2015)

(Yen in thousands)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value measurement
				Due after one year		
Special treatment for interest rate swaps	Interest rate swaps Receive floating / Pay fix	Long-term debt	34,400,000 (Note 1)	34,400,000 (Note 1)	3,270 (Note 2)	(Note 3)
	Total		34,400,000	34,400,000	3,270	

(Note 1) The amount includes the contract amount of the interest rate swap agreement concluded as of June 30, 2015 (24,500,000 thousand yen). The execution date for the borrowing hedged by the interest rate swap is July 2, 2015.

(Note 2) Regarding the interest rate swap concluded as of June 30, 2015, since the occurrence of a long-term debt treated integrally is not recognized due to the special treatment of interest rate swaps as of June 30, 2015, the market value as of June 30, 2015 is indicated. As those with special treatment of interest rate swap other than the above are treated integrally with hedged long-term debt, the market values of such are shown as included in the market value in "(6) Long-term debt, due within one year and long-term debt, Financial Instruments, 2. Fair Value of Financial Instruments" above.

(Note 3) The calculation of market value is based on values indicated by transacting financial institutions.

[Note on Employee Retirement Benefits]

Previous fiscal period (December 31, 2014)

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

Fiscal period under review (June 30, 2015)

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

(Notes to Deferred Tax Accounting)

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

	(Yen in thousands)	
	Prior Period (As of December 31, 2014)	Current Period (As of June 30, 2015)
Deferred tax assets:		
Accrued enterprise tax	2	2
Allowance for doubtful accounts	497	0
Total deferred tax assets	500	2
Net deferred tax assets	500	2

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

	Prior Period (As of December 31, 2014)	Current Period (As of June 30, 2015)
Statutory tax rate	34.16%	34.15%
(Adjustments)		
Deductible cash distributions	(34.19%)	(34.13%)
Per capita inhabitant taxes	0.06%	0.03%
Others	0.01%	0.01%
Effective tax rate	0.04%	0.06%

3. Amendment of amounts of deferred tax assets and deferred tax liabilities due to change in corporate tax rates.

In line with the promulgation on March 31, 2015 of the "Act for Partial Revision of the Income Tax Act, etc." (Act No. 9 of 2015), the rates of the corporate income tax have been reduced effective from the fiscal periods beginning on or after April 1, 2015. Accordingly, for temporary differences expected to be reversed in the fiscal periods beginning on or after July 1, 2015, the statutory tax rate to calculate deferred tax assets and liabilities has been changed from 34.15% to 32.31%. There is little impact from this change.

(Notes to Equity in Income)

Prior Period (from July 1, 2014 to December 31, 2014)

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

Current Period (from January 1, 2015 to June 30, 2015)

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

(Notes to Related Party Transactions)

1. Related party transactions

(1) Parent company and major corporate unitholders

Prior Period (from July 1, 2014 to December 31, 2014)

None

Current Period (from January 1, 2015 to June 30, 2015)

None

(2) Affiliates

Prior Period (from July 1, 2014 to December 31, 2014)

None

Current Period (from January 1, 2015 to June 30, 2015)

None

(3) Companies under common control

Prior Period (from July 1, 2014 to December 31, 2014)

Classification	Name	Location	Capital stock (Yen in millions)	Principal business	Ratio of voting rights (owned)	Relation to the related party	Nature of transaction	Amount of transaction (Yen in thousands)	Account	Balance at the end of period (Yen in thousands)
Company which major corporate unitholders hold a majority of voting rights	Sojitz REIT Advisors K.K.	Chuo Ward, Tokyo	150	Investment management business	-	1 concurrent director Entrustment of asset management	Payment of asset management fees	224,961	Accounts Payable	39,528
									Accrued expenses	49,927
Company which major corporate unitholders hold a majority of voting rights	Sojitz General Property Management Corporation	Minato Ward, Tokyo	324	Asset management business	-	Entrustment of property management	Property management fees	142,919	Accounts Payable	73,205
							Repair works (Note 3)	69,334		
							Other rental expenses	22,068		

(Note 1) Consumption taxes are not included in transaction amounts and are included in the balance at the end of the period.

(Note 2) Terms and conditions of related-party transactions are based on those stipulated in NIPPON REIT's Article of Incorporation for asset management fees and arm's length basis for others.

(Note 3) Repair works include repair expenses and capital expenditures.

Current Period (from January 1, 2015 to June 30, 2015)

Classification	Name	Location	Capital stock (Yen in millions)	Principal business	Ratio of voting rights (owned)	Relation to the related party	Nature of transaction	Amount of transaction (Yen in thousands)	Account	Balance at the end of period (Yen in thousands)
Company which major corporate unitholders hold a majority of voting rights	Sojitz REIT Advisors K.K.	Chuo Ward, Tokyo	150	Investment management business	-	1 concurrent director Entrustment of asset management	Payment of asset management fees	1,065,623	Accounts Payable	88,907
Company which major corporate unitholders hold a majority of voting rights	Sojitz General Property Management Corporation	Minato Ward, Tokyo	324	Asset management business	-	Entrustment of property management	Property management fees	220,529	Accounts Payable	128,209
							Repair works (Note 3)	131,319		
							Other rental expenses	17,219		
Company which major corporate unitholders hold a majority of voting rights	Sojitz New Urban Development Corporation	Minato Ward, Tokyo	1,000	Real estate business	-	Brokerage services agreement	Payment of brokerage commissions	710,400	-	-

(Note 1) Consumption taxes are not included in transaction amounts and are included in the balance at the end of the period.

(Note 2) Terms and conditions of related-party transactions are based on those stipulated in NIPPON REIT's Article of Incorporation for asset management fees and arm's length basis for others.

(Note 3) Repair works include repair expenses and capital expenditures.

(Note 4) The figures above include all transactions during current period whilst Sojitz REIT Advisors K.K., Sojitz General Property Management Corporation and Sojitz New Urban Development Corporation came to no longer fall under the category of the related party on and after February 10, 2015.

(4) Board of Officers and major individual unitholders

Prior Period (from July 1, 2014 to December 31, 2014)

None

Current Period (from January 1, 2015 to June 30, 2015)

None

(Asset Retirement Obligation)

Prior Period (from July 1, 2014 to December 31, 2014)

None

Current Period (from January 1, 2015 to June 30, 2015)

None

(Notes to Investment Properties)

The book value, net changes in the book value and the fair value of the investment properties including office, residential and retail properties were as follows:

(Yen in thousands)

	Prior Period (As of December 31, 2014)	Current Period (As of June 30, 2015)
Book value		
Balance at beginning of period	71,904,230	75,259,998
Change during period	3,355,767	85,688,982
Balance at end of period	75,259,998	160,948,980
Fair value	77,564,000	165,683,000

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

(Note 2) Amounts recorded in the balance sheet include the amount of leasehold right in trust.

(Note 3) Among changes in the amount of real estate for rental purposes that occurred during the previous fiscal period, the main increase was due to the acquisition of Central Daikanyama (3,670,577 thousand yen) and the main decrease was due to the recording of depreciation.

(Note 4) Among changes in the amount of real estate for rental purposes that occurred during the fiscal period under review, the main increase was due to the acquisition of 33 properties including Shibakoen Sanhome Building (total 86,144,173 thousand yen) and the main decrease was due to the recording of depreciation.

(Note 5) The fair value is determined based on appraisal values provided by external real estate appraisers.

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

[Segment and Related Information]

(Segment Information)

Segment information is omitted as NIPPON REIT has one segment, which is property leasing business.

(Notes to Related Information)

Prior Period (from July 1, 2014 to December 31, 2014)

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

Current Period (from January 1, 2015 to June 30, 2015)

1. Information about Products and Services

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

2. Information by Geographic Areas

(1) Operating revenues

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

(2) Investment properties

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

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

(Notes to Per Unit Information)

	Prior Period from July 1, 2014 to December 31, 2014	Current Period from January 1, 2015 to June 30, 2015
Net assets per unit	250,491 yen	287,667 yen
Net income per unit	7,100 yen	7,708 yen

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

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

	Prior Period from July 1, 2014 to December 31, 2014	Current Period from January 1, 2015 to June 30, 2015
Net income (Yen in thousands)	1,077,946	2,075,856
Amount not attributable to ordinary unitholders (Yen in thousands)	-	-
Net income attributable to ordinary unitholders (Yen in thousands)	1,077,946	2,075,856
Weighted average number of units outstanding (units)	151,810	269,292

(Notes to Significant Subsequent Events)

1. Issuance of New Investment Units

At meetings of the board of officers held on June 10, 2015 and June 22, 2015, NIPPON REIT resolved on the issuance of new investment units as described below. Payment for the issuance of new investment units through public offering (including international offering, the same shall apply hereinafter) was completed on July 1, 2015. Also, payment for the issuance of new investment units through third-party allotment was completed on July 28, 2015.

(1) Issuance of new investment units through public offering

Number of new investment units issued: 84,000 units (Domestic offering 35,600 units, International offering 48,400 units)

Paid amount (issue price): 272,761 yen per unit

Total paid amount (issue price): 22,911,924,000 yen

Payment date: July 1, 2015

Use of proceeds: To use as a part of fund for acquisition of specific properties (refer to "2. Acquisition of Properties" below)

(2) Issuance of new investment units through third-party allotment

Number of new investment units issued: 3,700 units

Paid amount (issue price): 272,761 yen per unit

Total paid amount (issue price): 1,009,215,700 yen

Allottee (number of units allotted): Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (3,700 units)

Payment date: July 28, 2015

Use of proceeds: To use for repayment of borrowings

2. Acquisition of Properties

NIPPON REIT acquired trust beneficially interests in real estate (11 properties, total acquisition price 46,747 million yen) on July 2, 2015 as described below.

Property name	Location	Acquisition price (Yen in millions) (Note1)	Seller
Toranomon Sakura Building	Minato Ward, Tokyo	4,120	Not disclosed (Note 2)

La Verite Akasaka	Minato Ward, Tokyo	2,000	Not disclosed (Note 2)
Kanda Ocean Building	Chiyoda Ward, Tokyo	1,440	Godo Kaisha Nicolas Capital 7
Shinto GINZA EAST	Chuo Ward, Tokyo	1,352	Godo Kaisha Nicolas Capital 7
New River Building	Chuo Ward, Tokyo	3,000	Not disclosed (Note 2)
(Tentative) FORECAST Waseda FIRST (Waseda SIA Building) (Note 3)	Shinjuku Ward, Tokyo	4,775	Godo Kaisha Nicolas Capital 3
(Tentative) FORECAST Gotanda WEST (POLA Daisan Gotanda Building) (Note 3)	Shinagawa Ward, Tokyo	6,520	Gotanda Ohashi Investment Tokutei Mokuteki Kaisha
Omiya Center Building	Saitama, Saitama	15,330	Godo Kaisha Nicolas Capital 5
Sumitomo Mitsui Bank Koraibashi Building	Osaka, Osaka	2,850	Godo Kaisha Nicolas Capital 3
NORE Fushimi	Nagoya, Aichi	2,840	Godo Kaisha Nicolas Capital 7
NORE Meieki	Nagoya, Aichi	2,520	Godo Kaisha Nicolas Capital 7
Total		46,747	

(Note 1) The acquisition price represents amount of consideration stated in the purchase agreement of the trust beneficiary interests in real estate. The acquisition price does not include expenses related to the acquisition and consumption taxes. Furthermore, the acquisition price is truncated to the nearest million yen.

(Note 2) This information is not disclosed as the seller's consent to disclosure has not been obtained.

(Note 3) NIPPON REIT is planning to change the property name promptly. Therefore, the planned new name is stated as "(Tentative)" along with the current name in parentheses on the above table. NIPPON REIT will change the property name after notifying end tenants of the timing of the change, etc. The new names presented on the above table are based on the current plans and may be changed without prior notice, or the name may not be changed.

3. Borrowing of Funds

NIPPON REIT borrowed funds on July 2, 2015 for use as a part of funds for acquisition of the properties described in "2. Acquisition of Properties" above.

Lender	Amount (Yen in millions)	Interest rate	Fix / Floating	Repayment due date	Repayment method
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,000 (Note 1)	One month Japanese Yen TIBOR + 0.50% (Note 2)	Floating	August 22, 2016	Lump-sum payment at maturity
A syndicate group with The Bank of Tokyo-Mitsubishi UFJ, Ltd. as arranger	2,500	One month Japanese Yen TIBOR + 0.30% (Note 2)(Note 3)	Floating (Substantively fixed)	April 24, 2018	
	11,000	One month Japanese Yen TIBOR + 0.35% (Note 2)(Note 4)		July 22, 2019	
	11,000	One month Japanese Yen TIBOR + 0.40% (Note 2)(Note 5)		July 21, 2020	
Total	26,500				

(Note 1) NIPPON REIT made early repayment of 1,100 million yen on July 31, 2015 with the proceeds from the issuance of new investment units through third-party allotment as described 1. (2) above and funds on hand.

(Note 2) Interest rate is calculated based on the one month Japanese Yen TIBOR published by the JBA TIBOR Administration ("JBATA") two business days prior to the interest payment date immediately preceding the respective interest payment date.

(Note 3) The interest rate is substantively fixed at 0.44375% by the interest rate swap contract.

(Note 4) The interest rate is substantively fixed at 0.54175% by the interest rate swap contract.

(Note 5) The interest rate is substantively fixed at 0.65425% by the interest rate swap contract.

(9) Changes in Number 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	
September 8, 2010	Establishment through private placement	200	200	100	100	(Note 2)
January 17, 2014	Unit split	200	400	-	100	(Note 3)
April 23, 2014	Public offering	144,200	144,600	35,066	35,166	(Note 4)
May 23, 2014	Issuance of new investment units through third-party allotment	7,210	151,810	1,753	36,919	(Note 5)
February 10, 2015	Public offering	145,000	296,810	46,137	83,057	(Note 6)
March 10, 2015	Issuance of new investment units through third-party allotment	7,250	304,060	2,306	85,364	(Note 7)

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

(Note 2) NIPPON REIT was established at the issue price of 500,000 yen per unit.

(Note 3) NIPPON REIT implemented a two-for-one split of investment units with an effective date of January 17, 2014.

(Note 4) 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 5) 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 6) 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 7) 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.

4. Changes in Officers and Directors

There has been no change in Officers of NIPPON REIT during the fiscal period under review.

NIPPON REIT resolved to present a proposal concerning an appointment (reappointment) of one Executive officer (candidate : Hisao Ishikawa) and two Supervising officers (candidate : Yasuhiro Shimada and Hisashi Yahagi) to its General Meeting of Unitholders to be held on September 18, 2015, since Executive officer Hisao Ishikawa and Supervising officers Yasuhiro Shimada and Hisashi Yahagi have offered to expediently resign from office as of September 30, 2015 in order to adjust the term of office. Furthermore, the term of office of Executive officer and Supervising officers shall be two years, commencing from October 1, 2015, as stipulated under the current Articles of Incorporation of NIPPON REIT.

5. Reference Information

(1) Status of Investment

7) Status of investment

Type of assets	Property type	Area	The 5th fiscal period (December 31, 2014)		The 6th fiscal period (June 30, 2015)	
			Total amount held (Yen in millions) (Note 1)	Percentage to total assets (%) (Note 2)	Total amount held (Yen in millions) (Note 1)	Percentage to total assets (%) (Note 2)
Real estate in trust	Office properties	Six central wards of Tokyo (Note 3)	51,257	63.0	98,771	56.6
		Three major metropolitan areas (Note 4) (excluding Six central wards of Tokyo)	6,082	7.5	37,029	21.2
		Subtotal	57,340	70.5	135,800	77.8
	Residential properties	Three major metropolitan areas (Note 4) (including Six central wards of Tokyo)	15,595	19.2	17,261	9.9
		Certain ordinance-designated and other cities (Note 5)	2,324	2.9	2,301	1.3
		Subtotal	17,919	22.0	19,563	11.2
	Retail Properties	-	-	-	5,584	3.2
	Total		75,259	92.5	160,948	92.2
	Investment securities (Note 6)		707	0.9	282	0.2
	Deposits and other assets		5,385	6.6	13,411	7.7
Total assets		81,353	100.0	174,642	100.0	

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

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

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

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

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

(Note 6) Investment securities represents the equity interest in silent partnerships of Godo Kaisha Nicolas Capital 2, Godo Kaisha Nicolas Capital1 and Godo Kaisha Nicolas Capital 4 as operators, respectively and the preferred equity securities of Gotanada Ohashi Investment Tokutei Mokuteki Kaisha as of the end of the 5th fiscal period, and the equity interest in silent partnerships of Godo Kaisha Nicolas Capital 3, Godo Kaisha Nicolas Capital 5 and Godo Kaisha Nicolas Capital 7 as operators, respectively and the preferred equity securities of Gotanada Ohashi Investment Tokutei Mokuteki Kaisha as of the end of the sixth period.

(2) Investment Assets

I. Major investment securities

Type	Name	Quantity (Unit)	Book value (Yen in millions)	Fair value (Yen in millions) (Note 1)	Percentage to total asset (%) (Note 2)	Note
Preferred equity securities	Gotanda Ohashi Investment Tokutei Mokuteki Kaisha preferred equity securities	1,000	50	50	0.0%	(Note 3)
Equity interest in a silent partnership	Godo Kaisha Nicolas Capital 3 Equity interest in silent partnership	-	80	80	0.0%	(Note 4)
Equity interest in a silent partnership	Godo Kaisha Nicolas Capital 5 Equity interest in silent partnership	-	101	101	0.1%	(Note 5)
Equity interest in a silent partnership	Godo Kaisha Nicolas Capital 7 Equity interest in silent partnership	-	50	50	0.0%	(Note 6)
Total		-	282	282	0.2%	

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

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

(Note 3) The specified asset is (Tentative) FORECAST Gotanda WEST (POLA daisan gotanda building).

(Note 4) The assets under management are trust beneficiary interests in real estate of (Tentative) FORECAST Waseda FIRST (Waseda SIA Building) and Sumitomo Mitsui Bank Koraibashi Building. Furthermore, the assets under management are initially three properties while transfer of one property among them to a third-party was implemented on June 30, 2015. As a result, NIPPON REIT received a partial refund of the investment in relation to the concerned equity interest in silent partnership on June 30, 2015 and the balance of the investment was 80 million yen as of June 30, 2015.

(Note 5) The asset under management is a trust beneficiary interest in real estate of Omiya Center Building.

(Note 6) The assets under management are trust beneficiary interests in real estate of Kanda Ocean Building, Shinto GINZA EAST, NORE Fushimi and NORE Meieki.

II. Investment Properties

Not applicable as of June 30, 2015.

III. Other Major Investment Assets

(i) Summary of real estate in trust

The summary of real estate in trust held by NIPPON REIT as of June 30, 2015 is as follows:

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-1	FORECAST Nishishinjuku	Office property	Shinjuku Ward, Tokyo	1,945.68	2,260	1.4%
A-2	(Tentative) FORECAST Nihonbashi EAST (Nihonbashi Playa Building) (Note 4)	Office property	Chuo Ward, Tokyo	2,490.08	2,130	1.3%
A-3	FORECAST Yotsuya	Office property	Shinjuku Ward, Tokyo	1,678.15	1,430	0.9%
A-4	FORECAST Shinjuku AVENUE	Office property	Shinjuku Ward, Tokyo	4,337.15	6,500	4.1%
A-5	FORECAST Ichigaya (Note 5)	Office property	Shinjuku Ward, Tokyo	3,844.67	4,800	3.0%
A-6	FORECAST Mita	Office property	Minato Ward, Tokyo	1,786.18	1,800	1.1%
A-7	FORECAST Shinjuku SOUTH	Office property	Shinjuku Ward, Tokyo	13,875.04	13,990	8.9%
A-8	FORECAST Sakurabashi	Office property	Chuo Ward, Tokyo	6,566.76	5,760	3.6%
A-9	GreenOak Kayabacho	Office property	Chuo Ward, Tokyo	2,984.94	2,860	1.8%
A-10	GreenOak Kudan	Office property	Chiyoda Ward, Tokyo	2,594.46	2,780	1.8%
A-11	GreenOak Takanawadai	Office property	Minato Ward, Tokyo	2,621.74	2,260	1.4%
A-12	GreenOak Okachimachi	Office property	Taito Ward, Tokyo	3,497.09	3,330	2.1%
A-13	Higashi Ikebukuro Center Building	Office property	Toshima Ward, Tokyo	4,219.65	2,520	1.6%
A-14	Central Daikanyama	Office property	Shibuya Ward, Tokyo	1,897.67	3,510	2.2%
A-15	JS Progres Building	Office property	Ota Ward, Tokyo	11,988.14	5,325	3.4%
A-16	Hiroo Reeplex B's	Office property	Minato Ward, Tokyo	1,500.83	2,827	1.8%
A-17	Shibakoen Sanchome Building	Office property	Minato Ward, Tokyo	7,882.60	7,396	4.7%
A-18	(Tentative) FORECAST Iidabashi (DaVinci Iidabashi) (Note 4)	Office property	Chiyoda Ward, Tokyo	4,066.50	5,230	3.3%
A-19	Kudankita 325 Building	Office property	Chiyoda Ward, Tokyo	2,007.07	1,850	1.2%
A-20	(Tentative) FORECAST Uchikanda (DaVinci Uchikanda 133) (Note 4)	Office property	Chiyoda Ward, Tokyo	1,230.44	1,240	0.8%
A-21	Itohpia Iwamotocho 2-chome Building	Office property	Chiyoda Ward, Tokyo	3,446.99	2,810	1.8%
A-22	Itohpia Iwamotocho 1-chome Building	Office property	Chiyoda Ward, Tokyo	3,056.56	2,640	1.7%
A-23	Itohpia Iwamotocho ANNEX Building	Office property	Chiyoda Ward, Tokyo	3,064.20	2,100	1.3%
A-24	Hisamatsucho Reeplex B's	Office property	Chuo Ward, Tokyo	3,022.25	2,837	1.8%
A-25	(Tentative) FORECAST Ningyocho (DaVinci Ningyocho) (Note 4)	Office property	Chuo Ward, Tokyo	2,277.61	2,070	1.3%
A-26	KDX Ningyocho Building	Office property	Chuo Ward, Tokyo	1,867.95	1,650	1.0%
A-27	(Tentative) FORECAST Shin-Tokiwabashi (DaVinci Shin-Tokiwabashi) (Note 4)	Office property	Chuo Ward, Tokyo	1,794.97	2,030	1.3%
A-28	Nishi-Shinjuku Sanko Building	Office property	Shinjuku Ward, Tokyo	2,479.80	2,207	1.4%
A-29	Iidabashi Reeplex B's	Office property	Shinjuku Ward, Tokyo	1,401.68	1,249	0.8%
A-30	(Tentative) FORECAST Shinagawa (DaVinci Shinagawa) (Note 4)	Office property	Shinagawa Ward, Tokyo	2,498.93	2,300	1.5%

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-31	Nishi-Gotanda 8-chome Building	Office property	Shinagawa Ward, Tokyo	2,999.68	2,210	1.4%
A-32	Towa Higashi-Gotanda Building	Office property	Shinagawa Ward, Tokyo	2,939.16	2,033	1.3%
A-33	(Tentative) FORECAST Takadanobaba (DaVinci Takada 3-chome) (Note 4)	Office property	Toshima Ward, Tokyo	5,614.35	5,550	3.5%
A-34	Mejiro NT Building	Office property	Toshima Ward, Tokyo	4,497.27	3,094	2.0%
A-35	Toshin Higashi-Ikebukuro Building	Office property	Toshima Ward, Tokyo	1,645.19	979	0.6%
A-36	Mitsui Woody Building	Office property	Koto Ward, Tokyo	4,006.20	2,475	1.6%
A-37	Itabashi Honcho Building	Office property	Itabashi Ward, Tokyo	6,356.89	3,146	2.0%
A-38	ANTEX24 Building	Office property	Taito Ward, Tokyo	2,267.59	1,691	1.1%
A-39	Itohpia Kiyosubashidori Building	Office property	Taito Ward, Tokyo	2,659.67	1,550	1.0%
A-40	East Side Building	Office property	Taito Ward, Tokyo	2,096.92	1,372	0.9%
A-41	I-S Minamimorimachi Building	Office property	Osaka, Osaka	4,164.82	2,258	1.4%
A-42	Sunworld Building	Office property	Osaka, Osaka	3,314.58	1,200	0.8%
A-43	Marunouchi Sanchome Building	Office property	Nagoya, Aichi	4,219.19	1,626	1.0%
A-44	MK Kojimachi Building	Office property	Chiyoda Ward, Tokyo	1,752.31	1,781	1.1%
B-1	Tower Court Kitashinagawa	Residential property	Shinagawa Ward, Tokyo	16,913.29	11,880	7.5%
B-2	Sky Hills N11	Residential property	Sapporo, Hokkaido	8,567.50	1,570	1.0%
B-3	my atria Meieki	Residential property	Nagoya, Aichi	2,891.22	1,280	0.8%
B-4	my atria Sakae	Residential property	Nagoya, Aichi	3,121.60	1,110	0.7%
B-5	Mac Village Heian	Residential property	Nagoya, Aichi	2,250.00	785	0.5%
B-6	Seam Dwell Tsutsui	Residential property	Nagoya, Aichi	1,800.00	695	0.4%
B-7	Ciel Yakuin	Residential property	Fukuoka, Fukuoka	1,544.87	640	0.4%
B-8	Kanda Reeplex R's	Residential property	Chiyoda Ward, Tokyo	2,183.93	1,813	1.1%
C-1	Otakibashi Pacifica Building	Retail property	Shinjuku Ward, Tokyo	1,383.31	3,350	2.1%
C-2	Komyoike Act	Retail property	Sakai, Osaka	6,244.03	2,063	1.3%
	Total			203,359.35	157,850	100.0%

(Note 1) "Total leasable area" is the total area of the relevant building (excluding warehouses, signboards and parking lots) that NIPPON REIT consider leasable based on relevant lease agreements or floor plans as of June 30, 2015. The same shall apply hereinafter.

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

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

(Note 4) NIPPON REIT intend to change the name of the property but have not obtained our end-tenants' consent to the name change as of the end of current period and therefore still use the current name. The new name after intended change is shown as "(Tentative)" and the current name is shown in parentheses and only the new name after intended chaneg is shown hereinafter. The tentative property name reflects NIPPON REIT's plans as of the end of current period and is subject to change without prior notice, or the name may not be changed.

(Note 5) The name "FORECAST Ichigaya" is used for the first through seventh floors which are used as offices, and the name "Eponoqu Ichigaya" is used for the eighth and ninth floors which 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	16	150
A-2	(Tentative) FORECAST Nihonbashi EAST	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	7	382
A-5	FORECAST Ichigaya	3,844.67	3,312.53	86.2	20	232
A-6	FORECAST Mita	1,786.18	1,786.18	100.0	5	110
A-7	FORECAST Shinjuku SOUTH	13,875.04	13,246.07	95.5	20	944
A-8	FORECAST Sakurabashi	6,566.76	5,610.53	85.4	5	312
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	4	172
A-11	GreenOak Takanawadai	2,621.74	2,621.74	100.0	11	139
A-12	GreenOak Okachimachi	3,497.09	3,497.09	100.0	5	169
A-13	Higashi Ikebukuro Center Building	4,219.65	3,709.15	87.9	4	166
A-14	Central Daikanyama	1,897.67	1,776.61	93.6	4	153
A-15	JS Progres Building	11,988.14	11,988.14	100.0	7	406
A-16	Hiroo Reeplex B's	1,500.83	1,500.83	100.0	8	138
A-17	Shibakoen Sanchoe Building	7,882.60	7,882.60	100.0	4	388
A-18	(Tentative) FORECAST Iidabashi	4,066.50	4,066.50	100.0	24	229
A-19	Kudankita 325 Building	2,007.07	2,007.07	100.0	8	95
A-20	(Tentative) FORECAST Uchikanda	1,230.44	1,230.44	100.0	5	68
A-21	Itohpia Iwamotocho 2-chome Building	3,446.99	3,446.99	100.0	9	175
A-22	Itohpia Iwamotocho 1-chome Building	3,056.56	3,056.56	100.0	9	158
A-23	Itohpia Iwamotocho ANNEX Building	3,064.20	3,064.20	100.0	7	139
A-24	Hisamatsucho Reeplex B's	3,022.25	3,022.25	100.0	1	Not disclosed (Note 5)
A-25	(Tentative) FORECAST Ningyocho	2,277.61	2,277.61	100.0	7	103
A-26	KDX Ningyocho Building	1,867.95	1,867.95	100.0	6	96
A-27	(Tentative) FORECAST Shin-Tokiwabashi	1,794.97	1,794.97	100.0	11	93
A-28	Nishi-Shinjuku Sanko Building	2,479.80	2,479.80	100.0	8	119
A-29	Iidabashi Reeplex B's	1,401.68	1,401.68	100.0	6	70
A-30	(Tentative) FORECAST Shinagawa	2,498.93	2,082.44	83.3	6	106
A-31	Nishi-Gotanda 8-chome Building	2,999.68	2,999.68	100.0	8	119

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-32	Towa Higashi-Gotanda Building	2,939.16	2,415.97	82.2	6	112
A-33	(Tentative) FORECAST Takadanobaba	5,614.35	5,614.35	100.0	7	302
A-34	Mejiro NT Building	4,497.27	4,497.27	100.0	5	191
A-35	Toshin Higashi-Ikebukuro Building	1,645.19	1,645.19	100.0	4	66
A-36	Mitsui Woody Building	4,006.20	3,172.46	79.2	5	147
A-37	Itabashi Honcho Building	6,356.89	5,485.56	86.3	3	189
A-38	ANTEX24 Building	2,267.59	2,267.59	100.0	6	93
A-39	Itohpia Kiyosubashidori Building	2,659.67	2,659.67	100.0	7	110
A-40	East Side Building	2,096.92	2,096.92	100.0	4	92
A-41	I・S Minamimorimachi Building	4,164.82	4,045.15	97.1	15	161
A-42	Sunworld Building	3,314.58	3,314.58	100.0	1	Not disclosed (Note 6)
A-43	Marunouchi Sanchome Building	4,219.19	3,996.52	94.7	21	113
A-44	MK Kojimachi Building	1,752.31	1,752.31	100.0	9	98
B-1	Tower Court Kitashinagawa	16,913.29	16,238.46	96.0	266	739
B-2	Sky Hills N11	8,567.50	8,567.50	100.0	1	115
B-3	my atria Meieki	2,891.22	2,891.22	100.0	68	91
B-4	my atria Sakae	3,121.60	3,121.60	100.0	1	74
B-5	Mac Village Heian	2,250.00	2,250.00	100.0	1	55
B-6	Seam Dwell Tsutsui	1,800.00	1,800.00	100.0	1	49
B-7	Ciel Yakuin	1,544.87	1,515.74	98.1	41	43
B-8	Kanda Reeplex R's	2,183.93	2,001.44	91.6	37	96
C-1	Otakibashi Pacifica Building	1,383.31	1,383.31	100.0	8	169
C-2	Komyoike Act	6,244.03	6,173.41	98.9	25	198
	Total	203,359.35	196,666.29	96.7	798	9,431

(Note 1) "Total leased area" is the aggregate leased area described in the relevant lease agreements as of June 30, 2015. For properties subject to pass-through master leases, total leased area is the aggregate of the leased areas indicated in the relevant sublease agreements with end-tenants as of June 30, 2015.

(Note 2) "Occupancy rate" is calculated by dividing total leased area by total leasable area as of June 30, 2015, and rounding to the first decimal place.

(Note 3) "Number of tenants" is the aggregate number of tenants as described in the relevant lease agreements for respective properties as of June 30, 2015, excluding warehouses, signboards and parking lots. For properties subject to a pass-through master lease, the number of tenant is the total number of end-tenants, except for certain pass-through master leases under which properties are leased en bloc to a sublessee who pays a fixed amount of rent to the master lessee, we consider number of the tenants to be "1".

(Note 4) "Annual contracted rent" is the aggregate annual rent as described in the relevant lease agreements as of June 30, 2015. 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 tax. Free rent periods are not taken into account in determining annual contracted rent. For properties subject to a pass-through master lease, annual contracted rent is based on the relevant sublease agreements as of June 30, 2015. Figures have been truncated to the nearest million yen and may not add up to total.

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

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

(iii) Summary on Appraisal Report (As of June 30, 2015)

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	2,235	2,630	2,660	4.5%	2,600	4.1%	4.7%
A-2	(Tentative) FORECAST Nihonbashi EAST	2,130	2,121	2,310	2,330	4.7%	2,280	4.5%	4.9%
A-3	FORECAST Yotsuya	1,430	1,423	1,690	1,710	4.4%	1,670	4.2%	4.6%
A-4	FORECAST Shinjuku AVENUE	6,500	6,459	6,910	6,930	4.1%	6,890	3.8%	4.2%
A-5	FORECAST Ichigaya	4,800	4,801	5,290	5,380	4.1%	5,190	3.9%	4.3%
A-6	FORECAST Mita	1,800	1,794	2,020	2,050	4.3%	1,980	4.1%	4.5%
A-7	FORECAST Shinjuku SOUTH	13,990	14,478	15,700	15,800	4.1%	15,500	3.8%	4.3%
A-8	FORECAST Sakurabashi	5,760	5,976	5,910	6,010	4.6%	5,810	4.4%	4.8%
A-9	GreenOak Kayabacho	2,860	2,967	3,000	3,040	4.5%	2,960	4.3%	4.7%
A-10	GreenOak Kudan	2,780	2,884	2,970	3,010	4.2%	2,930	4.0%	4.4%
A-11	GreenOak Takanawadai	2,260	2,314	2,320	2,340	4.6%	2,290	4.4%	4.8%
A-12	GreenOak Okachimachi	3,330	3,472	2,950	2,980	4.8%	2,910	4.5%	4.9%
A-13	Higashi Ikebukuro Center Building	2,520	2,621	2,590	2,620	5.1%	2,550	4.8%	5.2%
A-14	Central Daikanyama	3,510	3,666	3,490	3,550	4.1%	3,420	3.9%	4.3%
A-15	JS Progres Building	5,325	5,432	5,420	5,490	5.4%	5,340	5.2%	5.6%
A-16	Hiroo Reeplex B's	2,827	2,865	2,870	2,920	4.4%	2,810	4.2%	4.6%
A-17	Shibakoen Sanchoe Building	7,396	7,492	8,690	9,050	4.1%	8,530	3.9%	4.3%
A-18	(Tentative) FORECAST Iidabashi	5,230	5,448	5,230	5,290	4.3%	5,170	4.0%	4.4%
A-19	Kudankita 325 Building	1,850	1,938	1,850	1,870	4.3%	1,830	4.0%	4.4%
A-20	(Tentative) FORECAST Uchikanda	1,240	1,298	1,240	1,250	4.4%	1,220	4.2%	4.6%
A-21	Itohpia Iwamotocho 2-chome Building	2,810	2,851	2,870	2,880	4.8%	2,860	4.5%	4.9%
A-22	Itohpia Iwamotocho 1-chome Building	2,640	2,676	2,680	2,720	4.7%	2,640	4.5%	4.9%
A-23	Itohpia Iwamotocho ANNEX Building	2,100	2,131	2,140	2,170	4.7%	2,110	4.5%	4.9%
A-24	Hisamatsucho Reeplex B's	2,837	2,876	2,890	2,930	4.7%	2,840	4.5%	4.9%
A-25	(Tentative) FORECAST Ningyocho	2,070	2,163	2,070	2,110	4.6%	2,020	4.4%	4.8%
A-26	KDX Ningyocho Building	1,650	1,672	1,720	1,750	4.7%	1,680	4.5%	4.9%
A-27	(Tentative) FORECAST Shin-Tokiwabashi	2,030	2,121	2,030	2,080	4.5%	1,980	4.3%	4.7%
A-28	Nishi-Shinjuku Sanko Building	2,207	2,248	2,290	2,340	4.4%	2,230	4.2%	4.6%
A-29	Iidabashi Reeplex B's	1,249	1,267	1,290	1,310	4.2%	1,260	4.0%	4.4%
A-30	(Tentative) FORECAST Shinagawa	2,300	2,402	2,300	2,330	4.6%	2,260	4.4%	4.8%

Property Number	Property name	Acquisition price (Yen in millions)	Book value (Yen in millions) (Note 2)	Appraisal value (Yen in millions) (Note 3)	Direct capitalization method		Discounted cash flow method		
					Appraisal value (Yen in millions)	Direct capitalization rate	Appraisal value (Yen in millions)	Discount rate	Terminal capitalization rate
A-31	Nishi-Gotanda 8-chome Building	2,210	2,312	2,210	2,250	4.6%	2,170	4.4%	4.8%
A-32	Towa Higashi-Gotanda Building	2,033	2,061	2,110	2,120	4.7%	2,090	4.4%	4.8%
A-33	(Tentative) FORECAST Takadanobaba	5,550	5,790	5,560	5,650	4.7%	5,460	4.5%	4.9%
A-34	Mejiro NT Building	3,094	3,133	3,170	3,210	4.9%	3,130	4.7%	5.1%
A-35	Toshin Higashi-Ikebukuro Building	979	995	1,010	1,020	5.1%	994	4.9%	5.3%
A-36	Mitsui Woody Building	2,475	2,512	2,610	2,620	5.1%	2,600	4.8%	5.2%
A-37	Itabashi Honcho Building	3,146	3,184	3,210	3,260	5.1%	3,160	4.8%	5.3%
A-38	ANTEX24 Building	1,691	1,716	1,730	1,760	4.8%	1,690	4.6%	5.0%
A-39	Itohpia Kiyosubashidori Building	1,550	1,576	1,640	1,650	5.0%	1,620	4.7%	5.2%
A-40	East Side Building	1,372	1,389	1,450	1,460	4.9%	1,430	4.7%	5.1%
A-41	I・S Minamimorimachi Building	2,258	2,291	2,330	2,350	5.1%	2,310	4.9%	5.3%
A-42	Sunworld Building	1,200	1,263	1,210	1,220	5.2%	1,200	5.0%	5.4%
A-43	Marunouchi Sanchome Building	1,626	1,648	1,730	1,750	5.2%	1,710	5.0%	5.4%
A-44	MK Kojimachi Building	1,781	1,818	1,920	1,920	4.2%	1,920	3.8%	4.2%
B-1	Tower Court Kitashinagawa	11,880	11,424	12,600	12,700	4.6%	12,400	4.4%	4.8%
B-2	Sky Hills N11	1,570	1,633	1,640	1,650	5.8%	1,630	5.6%	6.0%
B-3	my atria Meieki	1,280	1,327	1,400	1,410	5.1%	1,380	4.9%	5.3%
B-4	my atria Sakae	1,110	1,149	1,180	1,190	5.2%	1,170	5.0%	5.4%
B-5	Mac Village Heian	785	814	841	849	5.5%	833	5.3%	5.7%
B-6	Seam Dwell Tsutsui	695	736	752	760	5.2%	744	5.0%	5.4%
B-7	Ciel Yakuin	640	667	680	688	5.0%	672	4.8%	5.2%
B-8	Kanda Reeplex R's	1,813	1,810	1,900	1,920	4.5%	1,880	4.2%	4.7%
C-1	Otakibashi Pacifica Building	3,350	3,498	3,350	3,400	4.2%	3,290	4.0%	4.4%
C-2	Komyoike Act	2,063	2,086	2,090	2,100	5.6%	2,070	5.4%	5.8%
	Total	157,850	160,948	165,683	167,807		163,313		

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

(Note 2) "Book value" is the value recorded on the balance sheets as of June 30, 2015 (for real estate and real estate in trust, acquisition price (including acquisition-related expenses) less depreciation expenses).

(Note 3) "Appraisal value" represents the appraisal value as set forth on the relevant appraisal reports as of June 30, 2015.

(iv) Earnings Performance for the Individual Properties

The 6th Fiscal Period (from January 1, 2015 to June 30, 2015)

(Yen in thousands)

Property number	A-1	A-2	A-3	A-4	A-5	A-6
Property name	FORECAST Nishishinjuku	(Tentative) FORECAST Nihonbashi EAST	FORECAST Yotsuya	FORECAST Shinjuku AVENUE	FORECAST Ichigaya	FORECAST Mita
Operating periods	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	83,439	81,235	49,556	180,497	159,224	57,304
Rental revenues	73,703	76,892	45,580	163,511	132,915	51,220
Others	9,735	4,342	3,975	16,986	26,308	6,083
(2)Property related expenses	20,189	16,940	12,597	43,303	29,764	12,851
Property management fees	3,511	4,939	2,443	10,151	8,298	2,914
Utility expenses	9,773	6,208	3,271	14,797	9,505	4,577
Insurance expenses	63	68	46	138	130	48
Repair expenses	492	57	233	205	174	223
Taxes and dues	2,367	5,292	4,768	17,653	10,094	4,732
Trust fees	350	350	350	350	350	350
Others	3,630	23	1,484	6	1,211	4
(3)NOI (1)-(2)	63,249	64,294	36,958	137,194	129,459	44,452
(4)Depreciation	16,431	15,937	7,650	29,230	35,695	7,548
(5)Income from property leasing (3)-(4)	46,817	48,357	29,307	107,964	93,763	36,904

Property number	A-7	A-8	A-9	A-10	A-11	A-12
Property name	FORECAST Shinjuku SOUTH	FORECAST Sakurabashi	GreenOak Kayabacho	GreenOak Kudan	GreenOak Takanawadai	GreenOak Okachimachi
Operating periods	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	538,949	175,504	99,183	96,263	69,376	64,506
Rental revenues	479,158	160,061	88,775	87,994	62,295	56,063
Others	59,791	15,443	10,408	8,268	7,080	8,443
(2)Property related expenses	210,304	47,744	26,063	24,480	18,245	44,604
Property management fees	37,078	15,926	6,191	5,425	3,446	5,720
Utility expenses	49,818	14,647	9,267	7,752	6,849	9,199
Insurance expenses	486	218	99	89	82	106
Repair expenses	9,761	4,903	2,495	2,622	351	11,774
Taxes and dues	15,287	9,664	7,650	8,230	7,130	7,141
Trust fees	350	350	350	350	350	1,150
Others	97,523	2,034	8	9	35	9,512
(3)NOI (1)-(2)	328,644	127,759	73,120	71,783	51,130	19,901
(4)Depreciation	21,126	8,052	5,995	4,251	15,973	5,954
(5)Income from property leasing (3)-(4)	307,518	119,707	67,124	67,532	35,156	13,946

Property number	A-13	A-14	A-15	A-16	A-17	A-18
Property name	Higashi Ikebukuro Center Building	Central Daikanyama	JS Progres Building	Hiroo Reeplex B's	Shibakoen Sanchome Building	(Tentative) FORECAST Iidabashi
Operating periods	181days	181days	174days	139days	139days	139days
(1)Revenues from property leasing	96,102	69,105	237,356	58,378	159,645	95,667
Rental revenues	87,833	62,157	205,709	53,311	148,274	89,893
Others	8,269	6,947	31,647	5,067	11,371	5,773
(2)Property related expenses	32,211	17,992	55,620	6,158	17,659	14,817
Property management fees	8,173	4,208	19,811	2,916	6,071	7,221
Utility expenses	11,617	5,089	34,143	2,910	11,072	6,099
Insurance expenses	149	54	380	32	141	93
Repair expenses	2,315	606	942	6	92	357
Taxes and dues	8,415	5,410	-	-	-	-
Trust fees	350	350	334	267	267	267
Others	1,189	2,273	7	25	15	779
(3)NOI (1)-(2)	63,890	51,113	181,736	52,219	141,986	80,849
(4)Depreciation	8,814	3,713	26,149	2,162	11,794	7,957
(5)Income from property leasing (3)-(4)	55,076	47,399	155,586	50,057	130,191	72,892

Property number	A-19	A-20	A-21	A-22	A-23	A-24
Property name	Kudankita 325 Building	(Tentative) FORECAST Uchikanda	Itohpia Iwamotocho 2-chome Building	Itohpia Iwamotocho 1-chome Building	Itohpia Iwamotocho ANNEX Building	Hisamatsucho Reeplex B's
Operating periods	139days	139days	139days	139days	139days	139days
(1)Revenues from property leasing	37,779	38,171	62,288	67,174	51,178	Not disclosed (Note)
Rental revenues	32,599	29,142	57,992	63,906	48,191	
Others	5,179	9,028	4,296	3,268	2,987	
(2)Property related expenses	8,596	6,515	13,931	12,356	13,036	
Property management fees	4,209	2,668	5,139	4,919	4,399	
Utility expenses	3,148	2,507	5,990	4,455	4,931	
Insurance expenses	38	37	80	72	62	
Repair expenses	17	1,028	1,137	1,736	1,123	
Taxes and dues	-	-	-	-	-	
Trust fees	267	267	267	267	267	
Others	916	7	1,316	906	2,252	
(3)NOI (1)-(2)	29,182	31,656	48,356	54,818	38,141	53,928
(4)Depreciation	1,766	2,486	5,345	5,103	3,568	5,096
(5)Income from property leasing (3)-(4)	27,416	29,169	43,011	49,715	34,572	48,832

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

Property number	A-25	A-26	A-27	A-28	A-29	A-30
Property name	(Tentative) FORECST NIngyocho	KDX Ningyocho Building	(Tentative) FORECAST Shin-Tokiwabashi	Nishi-Shinjuku Sanko Building	Iidabashi Reeplex B's	(Tentative) FORECAST Shinagawa
Operating periods	139days	139days	139days	139days	139days	139days
(1)Revenues from property leasing	44,856	38,029	40,657	50,625	31,089	50,040
Rental revenues	41,057	33,906	35,889	46,982	26,901	43,587
Others	3,799	4,122	4,767	3,642	4,187	6,452
(2)Property related expenses	9,925	7,512	6,768	9,739	8,797	11,467
Property management fees	4,636	2,868	2,780	3,453	2,572	4,770
Utility expenses	3,903	3,808	3,327	4,825	5,142	4,546
Insurance expenses	59	39	38	54	29	60
Repair expenses	1,059	517	348	1,136	781	1,823
Taxes and dues	-	-	-	-	-	-
Trust fees	267	267	267	267	267	267
Others	-	13	6	3	5	-
(3)NOI (1)-(2)	34,931	30,516	33,889	40,885	22,291	38,573
(4)Depreciation	4,415	2,925	2,311	2,946	1,875	5,036
(5)Income from property leasing (3)-(4)	30,515	27,591	31,577	37,938	20,416	33,536

Property number	A-31	A-32	A-33	A-34	A-35	A-36
Property name	Nishi-Gotanda 8-chone Building	Towa Higashi-Gotanda Building	(Tentative) FORECAST Takadanobaba	Mejiro NT Building	Toshin Higashi-Ikebukuro Building	Mitsui Woody Building
Operating periods	139days	139days	139days	139days	139days	139days
(1)Revenues from property leasing	55,529	44,796	122,405	86,734	30,701	62,687
Rental revenues	46,042	40,367	110,370	76,419	27,044	57,408
Others	9,487	4,429	12,034	10,315	3,656	5,278
(2)Property related expenses	11,682	14,221	21,675	15,635	5,638	16,640
Property management fees	5,269	4,411	7,308	7,006	2,489	6,747
Utility expenses	5,711	3,732	13,149	7,361	2,586	6,039
Insurance expenses	67	71	135	101	36	96
Repair expenses	198	573	800	579	71	1,170
Taxes and dues	-	-	-	-	-	-
Trust fees	267	267	267	267	267	267
Others	169	5,165	14	319	186	2,319
(3)NOI (1)-(2)	43,846	30,574	100,729	71,099	25,062	46,046
(4)Depreciation	3,888	5,035	10,398	7,879	2,323	4,044
(5)Income from property leasing (3)-(4)	39,958	25,539	90,331	63,220	22,739	42,002

Property number	A-37	A-38	A-39	A-40	A-41	A-42
Property name	Itabashi Honcho Building	ANTEX24 Building	Itohpia Kiyosubashidori Building	East Side Building	I•S Minamimorimachi Building	Sunworld Building
Operating periods	139days	139days	139days	139days	139days	139days
(1)Revenues from property leasing	96,035	43,713	46,704	38,095	70,466	Not disclosed (Note)
Rental revenues	77,696	38,068	42,337	34,605	64,541	
Others	18,338	5,645	4,367	3,489	5,924	
(2)Property related expenses	28,036	9,302	9,838	6,118	13,162	
Property management fees	13,257	3,255	4,012	2,757	4,645	
Utility expenses	11,569	4,977	5,170	2,409	7,655	
Insurance expenses	121	50	55	41	111	
Repair expenses	444	734	318	641	472	
Taxes and dues	-	-	-	-	-	
Trust fees	267	267	267	267	267	
Others	2,376	16	14	2	11	
(3)NOI (1)-(2)	67,998	34,411	36,866	31,976	57,303	29,954
(4)Depreciation	11,556	3,506	2,740	2,193	8,300	3,752
(5)Income from property leasing (3)-(4)	56,441	30,904	34,125	29,782	49,003	26,201

Property number	A-43	A-44	B-1	B-2	B-3	B-4
Property name	Marunouchi Sanchoe Building	MK Kojimachi Building	Tower Court Kitashinagawa	Sky Hills N11	my atria Meieki	my atria Sakae
Operating periods	139days	96days	181days	181days	181days	181days
(1)Revenues from property leasing	52,305	26,105	383,092	61,056	50,250	38,855
Rental revenues	47,451	24,862	376,633	61,056	48,767	38,850
Others	4,853	1,242	6,459	-	1,483	5
(2)Property related expenses	12,869	4,184	88,900	7,596	10,870	6,915
Property management fees	5,780	2,508	32,954	323	3,768	1,879
Utility expenses	5,488	1,333	5,626	-	792	534
Insurance expenses	90	25	453	130	70	64
Repair expenses	-	20	12,877	232	1,028	137
Taxes and dues	-	-	19,642	6,558	3,367	2,599
Trust fees	267	184	350	350	350	350
Others	1,242	113	16,997	1	1,493	1,350
(3)NOI (1)-(2)	39,435	21,920	294,191	53,459	39,380	31,939
(4)Depreciation	6,664	1,522	97,788	16,849	14,336	15,244
(5)Income from property leasing (3)-(4)	32,771	20,397	196,402	36,610	25,043	16,695

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

Property number	B-5	B-6	B-7	B-8	C-1	C-2
Property name	Mac Village Heian	Seam Dwell Tsutsui	Ciel Yakuin	Kanda Reeplex R's	Otakibashi Pacifica Building	Komyoike Act
Operating periods	181days	181days	181days	139days	111days	139days
(1)Revenues from property leasing	29,244	24,907	24,995	40,729	55,325	108,004
Rental revenues	29,193	24,906	23,765	37,420	49,467	83,268
Others	50	1	1,229	3,308	5,857	24,736
(2)Property related expenses	4,933	4,454	6,186	7,998	8,301	48,366
Property management fees	1,895	1,884	1,377	3,383	2,588	18,754
Utility expenses	437	-	733	-	4,603	26,543
Insurance expenses	48	36	32	42	28	153
Repair expenses	236	90	1,012	1,842	319	405
Taxes and dues	1,965	1,609	1,217	-	-	-
Trust fees	350	350	350	267	213	267
Others	-	483	1,462	2,462	548	2,243
(3)NOI (1)-(2)	24,310	20,453	18,809	32,730	47,023	59,637
(4)Depreciation	9,622	7,514	6,148	6,826	7,464	16,182
(5)Income from property leasing (3)-(4)	14,688	12,938	12,660	25,904	39,559	43,455

Property number	Total
Property name	
Operating periods	
(1)Revenues from property leasing	4,577,542
Rental revenues	4,142,720
Others	434,822
(2)Property related expenses	1,141,461
Property management fees	344,898
Utility expenses	384,148
Insurance expenses	5,206
Repair expenses	75,307
Taxes and dues	150,801
Trust fees	16,893
Others	164,205
(3)NOI (1)-(2)	3,436,081
(4)Depreciation	549,104
(5)Income from property leasing (3)-(4)	2,886,976