

## (REIT) Interim Financial Report for Fiscal Period Ending February 2017

November 14, 2016

REIT Securities Issuer: Sakura Sogo REIT Investment Corporation      Stock Exchange Listing: Tokyo Stock Exchange  
Securities Code: 3473      URL: <http://sakurasogoreit.com/>  
Representative: Makoto Muranaka, Executive Director

Asset Management Company: Sakura Real Estate Funds Management, Inc.  
Representative: Makoto Muranaka, Representative Director and President  
Contact: Mayumi Kobiki, Chief Financial Officer  
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Scheduled date of submission of semiannual securities report: December 27, 2016

Preparation of supplementary interim financial results briefing materials: No  
Holding of interim financial results briefing session: No

(Amounts are rounded down to the nearest million yen)

### 1. Status of Management and Assets for Fiscal Period Ending February 2017 (Interim period from April 1, 2016 to September 30, 2016)

#### (1) Management Status

(% figures are the rate of period-on-period increase (decrease))

	Operating revenue		Operating profit		Ordinary profit (loss)		Profit (loss)	
	million yen	%	million yen	%	million yen	%	million yen	%
Interim period ended Sept. 2016	292	-	138	-	(294)	-	(295)	-

	Interim net profit(loss) per unit
Interim period ended Sept. 2016	yen (6,629)

(Note 1) The calculation period for the interim period ended September 2016 of the fiscal period ending February 2017 of Sakura Sogo REIT Investment Corporation (the "Investment Corporation") is a period of 183 days from April 1, 2016 to September 30, 2016, but the actual asset management period was a period of 22 days from September 9, 2016.

(Note 2) Interim net profit (loss) per unit is calculated by dividing Interim net profit (loss) by the daily weighted average number of investment units (44,542 units).

For the interim period ended September 2016, the Interim net profit (loss) per unit is calculated based on the daily weighted average number of investment units (333,001 units) with the actual asset management period commencement date (September 9, 2016) deemed as the beginning of the period, which amounts to an Interim net loss per unit of 886 yen.

(Note 3) Percentage figures for operating revenue, operating profit, ordinary profit and interim net profit are the rate of period-on-period increase (decrease), but are not applicable for the interim period ended September 2016, because it is the first fiscal period.

#### (2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per unit
	million yen	million yen	%	yen
Interim period ended Sept. 2016	63,851	28,959	45.4	86,964

#### (3) Cash Flow Status

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Interim period ended Sept. 2016	(1,009)	(57,829)	60,072	1,233

**2. Management Status and Distribution Forecast for Fiscal Period Ending February 2017 (from April 1, 2016 to February 28, 2017) and Fiscal Period Ending August 2017 (from March 1, 2017 to August 31, 2017)**

(% figures are the rate of period-on-period increase (decrease))

Fiscal period	Operating revenue		Operating profit		Ordinary profit		Net profit for the term		Distribution per unit (excluding distribution in excess of earnings)	Distribution in excess of earnings per unit
	million yen	%	million yen	%	million yen	%	million yen	%		
Ending Feb. 2017	2,280	-	965	-	387	-	387	-	1,164	0
Ending Aug. 2017	2,419	6.1	1,090	13.0	953	146.3	953	146.3	2,863	0

(Reference) Forecast net profit per unit [Forecast net profit ÷ Forecast average number of investment units during period]

Fiscal period ending February 2017: 2,216 yen

Fiscal period ending August 2017: 2,863 yen

(Note) Percentage figures for operating revenue, operating profit, ordinary profit and net profit are the rate of period-on-period increase (decrease), but are not applicable for the fiscal period ending February 2017, because it is the first fiscal period.

**\* Other**

**(1) Changes in Accounting Policies, Changes in Accounting Estimates, and Retrospective Restatement**

- ① Changes in accounting policies accompanying amendments to accounting standards, etc.: No
- ② Changes in accounting policies other than ①: No
- ③ Changes in accounting estimates: No
- ④ Retrospective restatement: No

**(2) Total Number of Investment Units Issued and Outstanding**

- ① Total number of investment units issued and outstanding (including treasury investment units) at end of period  
Interim period ended September 2016: 333,001 units
- ② Number of treasury investment units at end of period  
Interim period ended September 2016: 0 units

(Note) For the number of investment units serving as the basis for calculation of interim net profit (loss) per unit, please see "Notes on Per Unit Information" on page 19.

**\* Presentation of Status of Implementation of Interim Audit Procedures**

At the time of disclosure of this interim financial report, audit procedures for interim financial statements pursuant to the Financial Instruments and Exchange Act have not been completed.

**\* Explanation of Appropriate Use of Management Status Forecast, and Other Matters of Special Note**

The management status outlook and other forward-looking statements contained in this document are based on information currently available to and certain assumptions deemed reasonable by the Investment Corporation. Accordingly, the actual management status, etc. may differ materially due to various factors. In addition, the forecast is not a guarantee of the amount of distribution.

The calculation period for the first fiscal period of the Investment Corporation is from April 1, 2016 to February 28, 2017. An interim settlement of accounts has been conducted because the calculation period exceeds nine months. Please note that subsequent fiscal periods of the Investment Corporation end on the last day of February and the last day of August.

**1. Related Parties of the Investment Corporation**

Disclosure is omitted because there is no significant change from “Structure of the Investment Corporation” as set out in the securities registration statement (submitted on August 5, 2016, as amended).

## 2. Management Policy and Management Status

### (1) Management Policy

Disclosure is omitted because there is no significant change from “Investment Policy,” “Investment Targets” and “Distribution Policy” as set out in the securities registration statement (submitted on August 5, 2016, as amended).

### (2) Management Status

#### *Overview of the Interim Period Under Review*

#### ① Brief History of the Investment Corporation

The Investment Corporation was established under the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended) (the “Investment Trusts Act”) with Sakura Real Estate Funds Management, Inc. (the “Asset Management Company”) as the organizer and investments, with capital of 100.1 million yen (1,001 units) on April 1, 2016, and completed the registration with the Kanto Local Finance Bureau under the Investment Trusts Act on April 26, 2016 (Director-General of the Kanto Local Finance Bureau Registration No. 116). Later, the Investment Corporation implemented an issuance of new investment units through a public offering in the amount of 29,154 million yen (332,000 units) on September 7, 2016, and listed on the Tokyo Stock Exchange, Inc. (“Tokyo Stock Exchange”) Real Estate Investment Trust Securities Market (Securities Code: 3473) on September 8, 2016. These resulted in unitholders’ capital of 29,254 million yen and a total number of investment units issued and outstanding of 333,001 units as of the end of the interim period under review.

The basic philosophy of the Investment Corporation is to leverage its core feature as a diversified REIT, to secure stable income over the medium to long term and maximize unitholder value by building a portfolio that the Investment Corporation believes to be optimal in light of the real estate investment environment and pursuing both cash-flow growth and stability.

#### ② Investment Environment and Management Performance

##### *Investment Environment*

During the interim period the Japanese economy performed relatively well considering the Yen continued to strengthen. Private consumption benefited from a decline in the unemployment rate, which is at around a two-decade low. Further gains in household spending may be constrained by weak salary growth as a critical part of recent employment gains has been part-time jobs. Industrial activity has been positive in recent months, with manufacturing levels jumping to a nine-month high in October. The Japanese real estate investment market continues to benefit from robust investor demand as real estate continues to provide an attractive spread over Japanese government bonds and domestic lenders are still supportive of the sector.

Within this macro-economic backdrop, prices within the Tokyo Metropolitan area have continued to rise resulting in investors now considering higher yielding properties in regional cities, particularly the Kinki region. This has resulted in property value increases within regional markets. Vacancy rates continue to trend downward within the Tokyo office market and asking rents continue to rise. Conversely, due to an increase in supply, rents for rental apartments overall have remained stable.

##### *Management Performance*

The Investment Corporation acquired the 18 properties it holds as of the last day of the interim period under review for 57,360 million yen in total on September 9, 2016. Accordingly, the actual asset management period during the interim period under review was a period of 22 days.

As of the last day of the interim period under review, the total leasable area for the 18 properties held was 187,245.13m<sup>2</sup> and the average occupancy rate was 97.9%.

**③ Overview of Fund Procurement**

The Investment Corporation procures funds with agility and financial stability in mind under the basic financial policy of building a stable and sound financial base aimed at maintaining and increasing income over the medium to long term.

***Equity Financing***

In the interim period under review, 29,154 million yen was procured in funds from implementing an issuance of investment units in a capital increase through a public offering accompanying its new listing on the Tokyo Stock Exchange on September 8, 2016.

***Debt Financing***

In the interim period under review, a total amount of 30,900 million yen was borrowed from loan syndicates with Sumitomo Mitsui Banking Corporation as the arranger on September 9, 2016. As a result, the balance of loans outstanding as of the end of the interim period under review was 30,900 million yen (of which, 22,000 million yen is long-term loans). The long-term loans were procured at fixed interest rates in order to mitigate the risk of interest rates rising.

**④ Overview of Business Performance**

Actual asset management during the interim period under review was for a period of 22 days from September 9, 2016 to September 30, 2016. As a result of accounting for deferred organization expenses and investment unit issuance expenses totaling 217 million yen in the interim period under review, business performance in the interim period under review was operating revenue of 292 million yen, operating profit of 138 million yen, ordinary loss of 294 million yen and loss of 295 million yen.

## **Future Outlook**

### **① Investment Environment Going Forward**

Japan's economic environment is showing signs of improvement with a number of positive indicators such as employment trends, employee wage growth, steady increase of inbound tourism, active investment towards the Tokyo Olympic Games in 2020, advances in IoT (Internet of Things) and financial technology.

However, it remains uncertain whether the economy will demonstrate consistent growth particularly if the Yen continues to strengthen making trading conditions more challenging for domestic corporates. Looking forward, exchange rate movements, crude oil prices and factors associated with emerging economies may impact significantly on the Japanese economy.

Within this environment, it is expected that the domestic money supply from continued low interest rate policies and foreign capital inflow subject to exchange rate trends will continue. As for the Japan real estate investment market, due to some potential volatility within the capital markets, real estate offering stable yields contrast potential unpredictable factors, adding further support to investment demand for real estate.

### **② Future Management Policy and Challenges to Address**

The basic philosophy of the Investment Corporation is to leverage its core feature as a diversified REIT, to secure stable income over the medium to long term and maximize unitholder value by building a portfolio that the Investment Corporation believes to be optimal in light of the real estate investment environment and pursuing both cash-flow growth and stability.

#### **(a) External Growth**

As part of the building of a framework for stable incoming flow of property information, efforts will be made to source property information by strengthening pipeline support agreements. The Asset Management Company is currently in the process of contracting with two parties that are scheduled to provide pipeline support services. In addition, co-sponsor group, the Nippon Kanzai Group, has already secured pipeline support agreements for the Investment Corporation with four parties. Continued efforts will be made to develop similar information networks not only in the Tokyo metropolitan area but also regional major cities in line with the asset management guidelines. Such pipeline strengthening efforts are believed to boost the sourcing capabilities of the Investment Corporation. The property information obtained will be carefully examined by leveraging the building management know-how of the Nippon Kanzai Group.

In addition, bridge funds and warehousing functions will be fully utilized in an aim to meet the most appropriate timing in the acquisition of properties.

#### **(b) Internal Growth**

Upward rent revision negotiations will be pursued for properties where current rent falls below market rent. Furthermore, efforts will be made to quickly re-tenant vacancies in order to shorten the assumed downtime period by conducting leasing activities while sufficiently verifying the cost effectiveness of advertising expenses, etc.

In addition, along with striving to reduce costs by upgrading equipment and facilities as appropriate, such as switching to LED lighting, efforts will be made to also promote measures to boost revenue, such as installing rooftop telecommunications antennas at properties.

These and other measures will be underway in pursuit of potential for internal growth through enhancement of tenant satisfaction by monitoring tenant needs via each property's property management company and building management company so as to be responsive to changes in the market.

### **③ Significant Subsequent Events**

Not applicable.

**④ Management Status Outlook**

The following is the Investment Corporation's management status projected for the fiscal period ending February 2017 and the fiscal period ending August 2017.

Fiscal period	Operating revenue	Operating profit	Ordinary profit	Net profit for the term	Distribution per unit (excluding distribution in excess of earnings)	Distribution in excess of earnings per unit
	million yen	million yen	million yen	million yen	yen	yen
Ending Feb. 2017	2,280	965	387	387	1,164	0
Ending Aug. 2017	2,419	1,090	953	953	2,863	0

For the assumptions underlying this outlook, please refer to "Assumptions Underlying Management Status Forecast for Fiscal Period Ending February 2017 and Fiscal Period Ending August 2017" below.

(Note) The forecast figures above are the current forecast figures calculated under certain assumptions. Accordingly, the actual operating revenue, operating profit, ordinary profit, net profit, distribution per unit (excluding distribution in excess of earnings) and distribution in excess of earnings per unit may vary due to various factors, such as future acquisition or sale of real estate, etc., real estate market or other developments, interest rate fluctuations, or other circumstances surrounding the Investment Corporation. In addition, the forecast is not a guarantee of the amount of distribution.

**Assumptions Underlying Management Status Forecast for Fiscal Period Ending February 2017 and Fiscal Period Ending August 2017**

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> <li>● Fiscal period ending February 2017 (1st fiscal period) (from April 1, 2016 to February 28, 2017) (334 days)</li> <li>● Fiscal period ending August 2017 (2nd fiscal period) (from March 1, 2017 to August 31, 2017) (184 days)</li> </ul>
Assets under management	<ul style="list-style-type: none"> <li>● The assumption is the real estate trust beneficiary rights that were newly acquired on September 9, 2016 (total of 18 properties) (the "current portfolio assets") without any change (acquisition of new properties, disposition of portfolio properties, etc.) through to the end of the fiscal period ending August 2017.</li> <li>● Change may arise in the event of acquisition of new properties other than the current portfolio assets or disposition of portfolio properties, etc.</li> </ul>
Operating revenue	<ul style="list-style-type: none"> <li>● Revenue from leasing of the current portfolio assets is calculated on the basis of such factors as the rent stated in the lease agreements currently in effect.</li> <li>● Operating revenue is based on the assumption that there will be no delinquent or unpaid rent by tenants.</li> </ul>

Item	Assumptions																														
Operating expenses	<ul style="list-style-type: none"> <li>● The main items of operating expenses are as follows (rounded down to the nearest specified unit; the same shall apply hereinafter):</li> </ul>																														
	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: center; width: 20%;">Fiscal period ending February 2017</th> <th style="text-align: center; width: 20%;">Fiscal period ending August 2017</th> </tr> </thead> <tbody> <tr> <td>Expenses related to leasing business [Total]</td> <td style="text-align: right;">912 million yen</td> <td style="text-align: right;">1,124 million yen</td> </tr> <tr> <td style="padding-left: 20px;">Management fees</td> <td style="text-align: right;">279 million yen</td> <td style="text-align: right;">296 million yen</td> </tr> <tr> <td style="padding-left: 40px;"><i>Of which:</i> Maintenance and management fee</td> <td style="text-align: right;">202 million yen</td> <td style="text-align: right;">214 million yen</td> </tr> <tr> <td style="padding-left: 40px;"><i>Of which:</i> Property management fee</td> <td style="text-align: right;">77 million yen</td> <td style="text-align: right;">82 million yen</td> </tr> <tr> <td style="padding-left: 20px;">Repair expenses</td> <td style="text-align: right;">17 million yen</td> <td style="text-align: right;">16 million yen</td> </tr> <tr> <td style="padding-left: 20px;">Property taxes</td> <td style="text-align: right;">0 million yen</td> <td style="text-align: right;">202 million yen</td> </tr> <tr> <td style="padding-left: 20px;">Depreciation</td> <td style="text-align: right;">240 million yen</td> <td style="text-align: right;">243 million yen</td> </tr> <tr> <td>Other than expenses related to leasing business [Total]</td> <td style="text-align: right;">403 million yen</td> <td style="text-align: right;">204 million yen</td> </tr> <tr> <td style="padding-left: 20px;">Asset management fee</td> <td style="text-align: right;">108 million yen</td> <td style="text-align: right;">128 million yen</td> </tr> </tbody> </table>		Fiscal period ending February 2017	Fiscal period ending August 2017	Expenses related to leasing business [Total]	912 million yen	1,124 million yen	Management fees	279 million yen	296 million yen	<i>Of which:</i> Maintenance and management fee	202 million yen	214 million yen	<i>Of which:</i> Property management fee	77 million yen	82 million yen	Repair expenses	17 million yen	16 million yen	Property taxes	0 million yen	202 million yen	Depreciation	240 million yen	243 million yen	Other than expenses related to leasing business [Total]	403 million yen	204 million yen	Asset management fee	108 million yen	128 million yen
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<ul style="list-style-type: none"> <li>● Of expenses related to the leasing business of the current portfolio assets, which are the main operating expenses, expenses other than depreciation are calculated on a historical data basis based on information provided by the previous owner, etc. of each current portfolio asset and by reflecting variable factors.</li> <li>● Repair expenses for buildings are projected to be 17 million yen for the fiscal period ending February 2017 and 16 million yen for the fiscal period ending August 2017 based on the repair plans formulated by the Asset Management Company. However, such factors as emergency repair expenses possibly arising due to building damage, etc. from unforeseeable causes, the variation in the amount depending on the fiscal year generally being large and not being an amount that arises periodically may result in each fiscal period's repair expenses differing materially from the forecast amount.</li> <li>● Depreciation, which is calculated using the straight-line method, is projected to be 240 million yen for the fiscal period ending February 2017 and 243 million yen for the fiscal period ending August 2017.</li> <li>● At the Investment Corporation, the amount equivalent to fixed asset tax, city planning tax, depreciable asset tax, etc. ("fixed asset tax, etc."), which are settled upon acquisition of real estate, etc. by prorating for the period with the previous owner, is included in the cost of acquisition in the fiscal year of acquisition. In addition, for fixed asset tax, etc. on real estate or trust beneficiary rights that have real estate as trust assets held, the accounting is that, of the tax amount assessed and determined, the amount corresponding to the concerned calculation period is expensed as expenses related to the leasing business.</li> <li>● Of the fees payable to the Asset Management Company, an agreement has been reached for the NOI-linked fee Asset Management Fee ②* that the fee rate shall be 0% until the fiscal period ending August 2017 on the agreement that it is within the upper limit provided in the Articles of Incorporation of the Investment Corporation. Accordingly, the asset management fee for the fiscal period ending February 2017 and the fiscal period ending August 2017 is lower than the asset management fee for the fiscal period ending February 2018 and subsequent fiscal periods. The amount of the asset management fee for the fiscal period ending February 2017 and the fiscal period ending August 2017 that would be payable if the asset management fee were to be at the fee rate that would apply to the fiscal period ending February 2018 and subsequent fiscal periods based on the other assumptions presented herein (estimate only) and the asset management fee underlying the earnings forecast for each fiscal period would be a difference in amount of approximately 48 million yen for the fiscal period ending February 2017 and approximately 46 million yen for the fiscal period ending August 2017.</li> </ul>																															
<p>* Asset Management Fee ② = The amount arrived at when NOI (the amount arrived at when the total of expenses related to the leasing business (excluding depreciation and loss on retirement of non-current assets) is subtracted from the total of leasing business revenue on the statement of income for the relevant fiscal period of the Investment Corporation) is multiplied by the fee rate separately agreed upon between the Investment Corporation and the Asset Management Company of no more than 3%.</p>																															

Item	Assumptions
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Non-operating expenses	<ul style="list-style-type: none"> <li>● Deferred organization expenses of 51 million yen and expenses associated with issuance of new investment units and listing of investment units of 193 million yen are projected as one-time expenses for the fiscal period ending February 2017. The deferred organization expenses and expenses associated with issuance of new investment units and listing of investment units are scheduled to be amortized in a lump sum.</li> <li>● Interest expenses and other borrowing related expenses are projected to be 333 million yen for the fiscal period ending February 2017 and 136 million yen for the fiscal period ending August 2017.</li> </ul>
Debt financing	<ul style="list-style-type: none"> <li>● The balance of interest-bearing liabilities outstanding is assumed to be 30,900 million yen at the end of the fiscal period ending February 2017 and 29,000 million yen at the end of the fiscal period ending August 2017.</li> <li>● Regarding the expecting refund of consumption taxes associated with the acquisition of assets and payment of various expenses in the fiscal period ending August 2017, the assumption is that the refund will be used as the source of funds for loan repayment in the amount of 1,000 million yen during the fiscal period.</li> <li>● LTV at end of the fiscal period ending February 2017 (1st fiscal period) is projected to be about 48.6% and LTV at the end of the fiscal period ending August 2017 (2nd fiscal period) is projected to be 46.6%. The following formula is used in the calculation of LTV. LTV = Total interest-bearing liabilities ÷ Total assets × 100</li> </ul>
Investment units	<ul style="list-style-type: none"> <li>● The assumption is the investment units issued and outstanding as of today, which is 333,001 units, without any change in the number of investment units due to issuance of new investment units, etc. through to the end of the fiscal period ending August 2017.</li> </ul>
Distribution per unit	<ul style="list-style-type: none"> <li>● Distribution per unit (excluding distribution in excess of earnings) is calculated on the assumption that distribution will be made in accordance with the cash distribution policy provided in the Articles of Incorporation of the Investment Corporation.</li> <li>● Distribution per unit (excluding distribution in excess of earnings) may vary due to various factors, including fluctuations in leasing revenue accompanying changes in assets under management, changes in tenants and other events, and incurrence of unexpected repairs, etc.</li> </ul>
Distribution in excess of earnings per unit	<ul style="list-style-type: none"> <li>● The Articles of Incorporation of the Investment Corporation provide for distribution in excess of earnings, but considering the ratio of capital expenditures to depreciation and in view of conservative financial management, no distribution in excess of earnings is scheduled to be implemented for the time being.</li> </ul>
Other	<ul style="list-style-type: none"> <li>● The assumption is that there will be no revision or amendment 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.</li> <li>● The assumption is that there will be no unforeseen serious change in general economic trends and real estate market conditions, etc.</li> </ul>

**(3) Investment Risks**

Disclosure is omitted because there is no significant change from “Investment Risks” as set out in the securities registration statement (submitted on August 5, 2016, as amended).

### 3. Interim Financial Statements

#### (1) Interim Balance Sheet

(Unit: thousand yen)

	Interim period (As of Sept. 30, 2016)
<b>Assets</b>	
Current assets	
Cash and deposits	731,102
Cash and deposits in trust	3,577,506
Operating accounts receivable	47,202
Prepaid expenses	97,172
Consumption taxes receivable	1,291,140
Other	0
Total current assets	5,744,124
Non-current assets	
Property, plant and equipment	
Buildings in trust	14,968,206
Accumulated depreciation	(38,083)
Buildings in trust, net	14,930,123
Structures in trust	427,935
Accumulated depreciation	(2,948)
Structures in trust, net	424,987
Land in trust	41,774,028
Total property, plant and equipment	57,129,139
Intangible assets	
Leasehold rights in trust	670,865
Other	19,300
Total intangible assets	690,165
Investments and other assets	
Long-term prepaid expenses	109,026
Long-term deposits	169,235
Other	10,000
Total investments and other assets	288,261
Total non-current assets	58,107,566
Total assets	63,851,691

(Unit: thousand yen)

	Interim period (As of Sept. 30, 2016)
<b>Liabilities</b>	
Current liabilities	
Operating accounts payable	247,550
Short-term loans payable	8,900,000
Accounts payable – other	155,446
Accrued expenses	9,857
Income taxes payable	605
Advances received	286,448
Other	217,707
Total current liabilities	9,817,615
Non-current liabilities	
Long-term loans payable	22,000,000
Tenant leasehold and security deposits in trust	3,074,706
Total non-current liabilities	25,074,706
Total liabilities	34,892,322
<b>Net assets</b>	
Unitholders' equity	
Unitholders' capital	29,254,680
Surplus	
Unappropriated retained earnings (undisposed loss)	(295,310)
Total surplus	(295,310)
Total unitholders' equity	28,959,369
Total net assets	*1 28,959,369
Total liabilities and net assets	63,851,691

(2) Interim Statement of Income

(Unit: thousand yen)

	Interim period From: Apr. 1, 2016 To: Sept. 30, 2016
<b>Operating revenue</b>	
Lease business revenue	*1 255,529
Other lease business revenue	*1 36,504
<b>Total operating revenue</b>	<b>292,034</b>
<b>Operating expenses</b>	
Expenses related to rent business	*1 116,360
Asset management fee	13,829
Asset custody fee	1,479
Administrative service fees	2,938
Directors' compensations	6,000
Other operating expenses	12,614
<b>Total operating expenses</b>	<b>153,222</b>
<b>Operating profit</b>	<b>138,812</b>
<b>Non-operating income</b>	
Interest income	0
<b>Total non-operating income</b>	<b>0</b>
<b>Non-operating expenses</b>	
Interest expenses	11,003
Deferred organization expenses	51,056
Investment unit issuance expenses	166,659
Borrowing related expenses	204,797
<b>Total non-operating expenses</b>	<b>433,518</b>
<b>Ordinary profit (loss)</b>	<b>(294,705)</b>
<b>Interim net profit (loss) before income taxes</b>	<b>(294,705)</b>
<b>Income taxes – current</b>	<b>605</b>
<b>Income taxes – deferred</b>	<b>-</b>
<b>Total income taxes</b>	<b>605</b>
<b>Interim net profit (loss)</b>	<b>(295,310)</b>
<b>Unappropriated retained earnings (undisposed loss)</b>	<b>(295,310)</b>

**(3) Interim Statement of Unitholders' Equity**

Interim period (from April 1, 2016 to September 30, 2016)

(Unit: thousand yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of current period	-	-	-	-	-
Changes of items during period					
Issuance of new investment units	29,254,680			29,254,680	29,254,680
Interim net profit (loss)		(295,310)	(295,310)	(295,310)	(295,310)
Total changes of items during period	29,254,680	(295,310)	(295,310)	28,959,369	28,959,369
Balance at end of current period	29,254,680	(295,310)	(295,310)	28,959,369	28,959,369

**(4) Interim Statement of Cash Flows**

(Unit: thousand yen)

	Interim period From: Apr. 1, 2016 To: Sept. 30, 2016
<b>Cash flows from operating activities</b>	
Interim net profit (loss) before income taxes	(294,705)
Depreciation	41,531
Investment unit issuance expenses	166,659
Interest income	0
Interest expenses	11,003
Decrease (increase) in operating accounts receivable	(47,193)
Decrease (increase) in consumption taxes refund receivable	(1,281,843)
Decrease (increase) in prepaid expenses	(97,172)
Decrease (increase) in long-term prepaid expenses	(109,026)
Decrease (increase) in long-term deposits paid	(169,235)
Decrease (increase) in other assets	(10,000)
Increase (decrease) in operating accounts payable	247,550
Increase (decrease) in accounts payable – other	29,937
Increase (decrease) in advances received	286,448
Increase (decrease) in other liabilities	217,707
<b>Subtotal</b>	<b>(1,008,338)</b>
Interest income received	0
Interest expenses paid	(1,146)
<b>Net cash provided by (used in) operating activities</b>	<b>(1,009,484)</b>
<b>Cash flows from investing activities</b>	
Purchase of property, plant and equipment in trust	(57,148,079)
Purchase of intangible assets	(10,200)
Purchase of intangible assets in trust	(670,865)
Proceeds from tenant leasehold and security deposits in trust	3,074,697
Payments into restricted deposits in trust	(3,074,706)
<b>Net cash provided by (used in) investing activities</b>	<b>(57,829,153)</b>
<b>Cash flows from financing activities</b>	
Increase in short-term loans payable	8,900,000
Proceeds from long-term loans payable	22,000,000
Proceeds from issuance of investment units	29,172,541
<b>Net cash provided by (used in) financing activities</b>	<b>60,072,541</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,233,903</b>
Cash and cash equivalents at beginning of period	-
<b>Cash and cash equivalents at end of period</b>	<b>*1 1,233,903</b>

**(5) Notes on the Going Concern Assumption**

Not applicable.

**(6) Notes on Matters Concerning Significant Accounting Policies**

<p>1. Method of depreciation of non-current assets</p>	<p>(1) Property, plant and equipment (including trust assets) The straight-line method is adopted. The useful life of core property, plant and equipment is as follows: Buildings      2-49 years Structures      2-43 years</p>
<p>2. Accounting for deferred assets</p>	<p>(1) Deferred organization expenses The entire amount is expensed as incurred. (2) Investment unit issuance expenses The entire amount is expensed as incurred.</p>
<p>3. Standards for revenue and expense recognition</p>	<p>Accounting for fixed asset tax, etc. For fixed asset tax, city planning tax, depreciable asset tax, etc. on real estate or trust beneficiary rights that have real estate as trust assets held, the accounting is that, of the tax amount assessed and determined, the amount corresponding to the concerned calculation period is expensed as expenses related to rent business. The amount equivalent to fixed asset tax, etc. in the initial fiscal year borne by the Investment Corporation upon acquisition of real estate or trust beneficiary rights that have real estate as trust assets is not recognized as expenses but included in the cost of acquisition of the concerned real estate, etc. In the interim period under review, the amount equivalent to fixed asset tax, etc. included in the cost of acquisition of real estate, etc. was 125.927 million yen.</p>
<p>4. Scope of funds in the interim statement of cash flows</p>	<p>The funds (cash and cash equivalents) in the interim statement of cash flows comprise cash on hand and cash in trust, demand deposits and deposits in trust, and short-term investments with a maturity of three months or less from the date of acquisition that are readily convertible to cash and that are subject to an insignificant risk of changes in value.</p>
<p>5. Other significant matters serving as the basis for preparation of the interim financial statements</p>	<p>(1) Accounting for trust beneficiary rights that have real estate, etc. as trust assets For trust beneficiary rights that have real estate, etc. as trust assets held, all accounts of assets and liabilities within trust assets and all accounts of revenue and expenses from the trust assets are recognized in the relevant account item of the interim balance sheet and the interim statement of income. The following material items of the trust assets recognized in the relevant account item are separately listed on the interim balance sheet. ① Cash and deposits in trust ② Buildings in trust; Structures in trust; Land in trust ③ Leasehold rights in trust ④ Tenant leasehold and security deposits in trust (2) Accounting for consumption tax, etc. The accounting for consumption tax and local consumption tax is that the taxes are excluded from the transaction amounts.</p>

**(7) Notes to the Interim Financial Statements**

**[Notes to the Interim Balance Sheet]**

\*1. Minimum net assets as provided in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations

	Interim period (As of Sept. 30, 2016)
	50,000 thousand yen

**[Notes to the Interim Statement of Income]**

\*1. Breakdown of operating income (loss) from real estate leasing

(Unit: thousand yen)

	Interim period From: Apr. 1, 2016 To: Sept. 30, 2016
A. Operating revenue from real estate leasing	
Lease business revenue	
Rental revenue	219,185
Common area maintenance revenue	36,343
Other lease business revenue	255,529
Utilities reimbursement	24,869
Parking revenue	9,372
Other revenue	2,262
Total operating revenue from real estate leasing	36,504
B. Operating expenses from real estate leasing	
Expenses related to rent business	
Management fees	40,007
Utilities expenses	27,577
Repair expenses	511
Insurance premium	662
Trust fees	1,569
Depreciation	41,031
Other expenses	5,000
Total operating expenses from real estate leasing	116,360
C. Operating income (loss) from real estate leasing [A—B]	175,674

**[Notes to the Interim Statement of Unitholders' Equity]**

Total number of investment units authorized, and total number of investment units issued and outstanding

	Interim period From: Apr. 1, 2016 To: Sept. 30, 2016
Total number of investment units authorized	10,000,000 units
Total number of investment units issued and outstanding	333,001 units

**[Notes to the Interim Statement of Cash Flows]**

\*1. Reconciliation of cash and cash equivalents at end of period to the amount of interim balance sheet items

	Interim period From: Apr. 1, 2016 To: Sept. 30, 2016
Cash and deposits	731,102 thousand yen
Cash and deposits in trust	3,577,506 thousand yen
Restricted deposits in trust (Note)	(3,074,706 thousand yen)
Cash and cash equivalents	1,233,903 thousand yen

(Note) Deposits in trust retained for repayment of tenant leasehold and security deposits to tenants.

**[Notes on Lease Transactions]**

Operating leases (as lessor)

Future minimum lease payments under non-cancellable operating leases

	Interim period (As of Sept. 30, 2016)
Not later than 1 year	3,792,851 thousand yen
Later than 1 year	12,724,349 thousand yen
Total	16,517,200 thousand yen

**[Notes on Financial Instruments]**

Matters concerning fair value, etc. of financial instruments

The carrying amount and fair value as of September 30, 2016, and the amount of difference between these, are as follows:

	Carrying amount (thousand yen)	Fair value (thousand yen)	Amount of difference (thousand yen)
(1) Cash and deposits	731,102	731,102	-
(2) Cash and deposits in trust	3,577,506	3,577,506	-
Assets total	4,308,609	4,308,609	-
(3) Short-term loans payable	8,900,000	8,900,000	-
(4) Long-term loans payable	22,000,000	22,016,176	16,176
Liabilities total	30,900,000	30,916,176	16,176

(Note 1) Method of measurement of fair value of financial instruments

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

Because these are settled in a short period of time, the fair value is approximately the same as the book value and thus stated at that book value.

(3) Short-term loans payable

Because these are settled in a short period of time and have floating interest rates, the fair value is approximately the same as the book value and thus stated at that book value.

(4) Long-term loans payable

Measurement is at the present value arrived at when the sum total amount of principal and interest is discounted by the rate assumed to apply in the event of a new similar drawdown.

(Note 2) Financial instruments for which fair value is recognized to be extremely difficult to determine

(Unit: thousand yen)

Category	Interim period (As of Sept. 30, 2016)
Tenant leasehold and security deposits in trust	3,074,706

Tenant leasehold and security deposits in trust are not subject to fair value measurement, because fair value is recognized to be extremely difficult to determine due to there being no market price and cash flows not being reasonably estimable.

**[Notes on Securities]**

Not applicable.

**[Notes on Derivative Transactions]**

Not applicable.

**[Notes on Share of Profit (Loss) of Entities Accounted for Using Equity Method, etc.]**

Not applicable.

**[Notes on Asset Retirement Obligations]**

Not applicable.

**[Notes on Segment Information, etc.]**

*Segment Information*

Segment information is omitted, because the Investment Corporation operates a single segment, which is the real estate leasing business.

*Related Information*

Interim period (from April 1, 2016 to September 30, 2016)

(1) Information about products and services

Information about products and services is omitted, because operating revenue from external customers for a single products and services category is in excess of 90% of operating revenue on the interim statement of income.

(2) Information about geographic areas

① Operating revenue

Information about geographic areas of operating revenue is omitted, because operating revenue from external customers in Japan is in excess of 90% of operating revenue on the interim statement of income.

② Property, plant and equipment

Information about geographic areas of property, plant and equipment is omitted, because the amount of property, plant and equipment located in Japan is in excess of 90% of the amount of property, plant and equipment on the interim balance sheet.

(3) Information about major customers

Information about major customers is omitted, because no single customer accounted for 10% or more of the total amount of operating revenue.

**[Notes on Investment and Rental Properties]**

The Investment Corporation owns office, retail, residential and other properties in mainly the Tokyo metropolitan area and regional major cities for the purpose of earning revenue from leasing. The carrying amount, amount of increase (decrease) during period and fair value of these investment and rental properties are as follows:

(Unit: thousand yen)

	Interim period From: Apr. 1, 2016 To: Sept. 30, 2016
Carrying amount	
Balance at beginning of period	-
Amount of increase (decrease) during period	57,800,004
Balance at end of period	57,800,004
Fair value at end of period	58,258,000

(Note 1) Carrying amount is the amount of the cost of acquisition, less accumulated depreciation.

(Note 2) Of the amount of increase (decrease) during period, the amount of increase is mainly attributable to acquisition of real estate trust beneficiary rights of 18 properties (57,841,035 thousand yen), while the amount of decrease is mainly attributable to depreciation (41,031 thousand yen).

(Note 3) Fair value at end of period is the appraisal value by an outside real estate appraiser.

The income (loss) concerning investment and rental properties is presented in "Notes to the Interim Statement of Income."

**[Notes on Per Unit Information]**

	Interim period From: Apr. 1, 2016 To: Sept. 30, 2016
Net assets per unit	86,964 yen
Interim net profit (loss) per unit	(6,629 yen) [(886 yen)]

(Note 1) Interim net profit (loss) per unit is calculated by interim net profit (loss) by the average number of investment units during the period (daily weighted average number of investment units: 44,542 units). In addition, interim net profit (loss) per unit calculated based on the daily weighted average number of investment units with the actual asset management period commencement date (September 9, 2016) deemed as the beginning of the period (333,001 units) is also shown, presented in square brackets.

(Note 2) The basis for calculation of basic earnings (loss) per unit is as follows:

	Interim period From: Apr. 1, 2016 To: Sept. 30, 2016
Interim net profit (loss)	(295,310 thousand yen)
Amount not available to common unitholders	- thousand yen
Interim net profit (loss) attributable to common investment units	(295,310 thousand yen)
Average number of investment units during period	44,542 units

**[Notes on Significant Subsequent Events]**

Not applicable.

**(8) Changes in Total Number of Investment Units Issued and Outstanding**

The following is the status of capital increase, etc. during the interim period under review.

Date	Description	Unitholders' capital (thousand yen)		Total number of investment units issued and outstanding (units)		Notes
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
April 1, 2016	Establishment through private placement	100,100	100,100	1,001	1,001	(Note 1)
September 7, 2016	Capital increase through public offering	29,154,580	29,254,680	332,000	333,001	(Note 2)

(Note 1) The Investment Corporation was established at an issue price of 100,000 yen per unit.

(Note 2) New investment units were issued through public offering at an issue price of 91,000 yen (paid-in amount of 87,815 yen) per unit for the purpose of procuring funds for acquisition of new properties.

#### **4. Changes in Directors**

##### **(1) Directors of the Investment Corporation**

There were no changes in directors during the interim period under review.

##### **(2) Directors of the Asset Management Company**

There were no changes in directors during the interim period under review.

## 5. Reference Information

### (1) Investment Status

Asset type	Asset use	Geographic area (Note 1)	Interim period (As of Sept. 30, 2016)	
			Total amount held (million yen) (Note 2)	As a percentage of total amount of assets (%) (Note 3)
Real estate in trust	Office	Tokyo metropolitan area	24,838	38.9
		Regional major cities	-	-
		Other	-	-
	Retail	Tokyo metropolitan area	-	-
		Regional major cities	18,453	28.9
		Other	4,177	6.5
	Residential	Tokyo metropolitan area	2,204	3.5
		Regional major cities	4,279	6.7
		Other	-	-
	Other	Tokyo metropolitan area	2,429	3.8
		Regional major cities	1,415	2.2
		Other	-	-
	Subtotal			57,800
Deposits and other assets			6,051	9.5
Total amount of assets			63,851	100.0

	Interim period (As of Sept. 30, 2016)	
	Amount (million yen)	As a percentage of total amount of assets (%) (Note 3)
Total amount of liabilities	34,892	54.6
Total amount of net assets	28,959	45.4
Total amount of assets	63,851	100.0

(Note 1) "Tokyo metropolitan area" refers to Tokyo, Kanagawa Prefecture, Chiba Prefecture and Saitama Prefecture. The same shall apply hereinafter.

"Regional major cities" refers to cities designated by cabinet order and peripheral areas within commutable distance of those cities, other than those in the Tokyo metropolitan area. The same shall apply hereinafter.

"Other" refers to areas other than those in the Tokyo metropolitan area and regional major cities. The same shall apply hereinafter.

(Note 2) "Total amount held" is the amount on the interim balance sheet as of September 30, 2016 (in the case of real estate in trust, then the depreciated book value), rounded down to the nearest million yen.

(Note 3) "As a percentage of total amount of assets" is rounded to one decimal place.

## (2) Investment Assets

The Investment Corporation has acquired trust beneficiary rights of 18 properties as of the date of this document.

The following are the assets (real estate or trust beneficiary rights that have real estate as trust assets; hereinafter, collectively referred to as "portfolio assets") held by the Investment Corporation as of September 30, 2016.

Property no.	Real estate in trust (Property name)	Location	Construction completion date (Note 1)	Acquisition price (Note 2)		Book value (million yen) (Note 3)	Appraisal value (million yen) (Note 4)	Number of tenants (Note 5)	Annual rent (million yen) (Note 6)	Total leasable area (m <sup>2</sup> ) (Note 7)	Total leased area (m <sup>2</sup> ) (Note 8)	Occupancy rate (%) (Note 9)
				Price (million yen)	Share of portfolio (%)							
OF-01	Seishin Building	Shinjuku-ku, Tokyo	1989/03/31	7,880	13.7	7,935	7,960	22	413	5,616.89	5,616.89	100.0
OF-02	NK Building	Chiyoda-ku, Tokyo	1991/10/28	3,730	6.5	3,758	3,780	4	218	3,394.35	3,394.35	100.0
OF-03	Tsukasacho Building	Chiyoda-ku, Tokyo	1988/01/20	3,820	6.7	3,846	3,860	4	201	3,250.68	3,250.68	100.0
OF-04	Takadanobaba Access	Shinjuku-ku, Tokyo	1994/01/14	3,330	5.8	3,353	3,370	7	172	3,691.34	3,691.34	100.0
OF-05	Azabu Amerex Building	Minato-ku, Tokyo	1988/06/30	2,020	3.5	2,039	2,050	7	122	2,240.02	2,240.02	100.0
OF-06	Hiei-Kudan Building	Chiyoda-ku, Tokyo	1991/09/17	1,960	3.4	1,978	1,990	10	129	2,298.86	2,298.86	100.0
OF-07	Shin-Yokohama Nara Building	Yokohama-shi, Kanagawa	1992/03/17	1,910	3.3	1,927	1,930	16	127	4,049.99	3,646.62	90.0
Office (7 properties) total				24,650	42.9	24,838	24,940	70	1,382	24,542.13	24,138.76	98.4
RT-01	La Park Kishiwada	Kishiwada-shi, Osaka	1994/08/30	6,460	11.3	6,515	6,510	46	768	38,099.10	36,362.62	95.4
RT-02	Suroy Mall Chikushino	Chikushino-shi, Fukuoka	2007/06/22	7,670	13.4	7,727	7,810	24	589	32,159.64	32,159.64	100.0
RT-03	Seiyu Minakuchi	Koka-shi, Shiga	1999/05/31	4,150	7.2	4,177	4,240	1	Not disclosed (Note 10)	23,814.88	23,814.88	100.0
RT-04	Suroy Mall Nagamine	Kumamoto-shi, Kumamoto	2007/08/23	4,180	7.3	4,210	4,320	21	297	12,600.68	12,368.58	98.2
Retail (4 properties) total				22,460	39.2	22,631	22,880	92	Not disclosed (Note 10)	106,674.30	104,705.72	98.2
RS-01	Shiroi Logiman	Shiroi-shi, Chiba	1995/05/09	2,180	3.8	2,204	2,190	284	260	21,896.86	20,805.03	95.0
RS-02	Matsuya Residence Sekime	Osaka-shi, Osaka	1989/08/18	1,820	3.2	1,836	1,850	128	157	7,749.11	7,550.00	97.4
RS-03	Royal Hill Kobe Sannomiya II	Kobe-shi, Hyogo	2004/09/17	1,480	2.6	1,492	1,500	111	109	3,217.93	3,128.74	97.2
RS-04	Urban Plaza Imazato	Osaka-shi, Osaka	1991/12/20	940	1.6	950	959	65	75	4,648.64	4,434.33	95.4
Residential (4 properties) total				6,420	11.2	6,483	6,499	588	601	37,512.54	35,918.10	95.7
OT-01	Funabashi Hidan	Funabashi-shi, Chiba	2003/05/19	1,720	3.0	1,743	1,760	1	Not disclosed (Note 10)	Not disclosed (Note 10)	Not disclosed (Note 10)	100.0
OT-02	Funabashi Hi-Tech (Note 11)	Funabashi-shi, Chiba	2001/09/05	710	1.2	686	749	1	Not disclosed (Note 10)	Not disclosed (Note 10)	Not disclosed (Note 10)	100.0
OT-03	Confomall Sapporo	Sapporo-shi, Hokkaido	2003/03/10	1,400	2.4	1,415	1,430	47	123	5,941.26	5,899.23	99.3
Other (3 properties) total				3,830	6.7	3,845	3,939	49	Not disclosed (Note 10)	18,516.16	18,474.13	99.8
Portfolio total/average				57,360	100.0	57,800	58,258	799	4,189	187,245.13	183,236.71	97.9

- (Note 1) "Construction completion date" is the date of new construction in the real estate registry for the main building.
- (Note 2) "Acquisition price" is the sale and purchase price stated in the real estate trust beneficiary right sale and purchase agreement for the portfolio asset. The sale and purchase price does not include consumption tax, local consumption tax and the expenses required for the acquisition.
- (Note 3) "Book value" is the depreciated book value of the asset as of September 30, 2016, rounded down to the nearest million yen.
- (Note 4) "Appraisal value" has February 19, 2016 as the date of value. In the case of Suroy Mall Chikushino and Suroy Mall Nagamine, because an appraisal report was obtained on May 20, 2016 prior to the 2016 Kumamoto Earthquake (the "Kumamoto Earthquake"), another appraisal report was obtained on July 15, 2016 in light of the completion of restoration work on the damaged portions conducted thereafter and the amount is based on the latter report.
- (Note 5) "Number of tenants" is the sum total of the number of tenants (excluding warehouse, signboard, parking lot, etc. tenants) under the lease contract for the real estate in trust as of September 30, 2016. In cases where multiple rental units are contracted under a single name, the tenant is counted as 1 tenant. In cases where there is a pass-through-type master lease agreement concluded or to be concluded for the asset, the total number of end-tenants (excluding warehouse, signboard, parking lot, etc. end-tenants) is stated. In the case of La Park Kishiwada, Suroy Mall Chikushino and Suroy Mall Nagamine, ATM tenants and those subleasing from tenants are not included.
- (Note 6) "Annual rent" is the annual rent or the amount annualized by multiplying by 12 the monthly rent stated in the lease contract for the real estate in trust as of September 30, 2016 (in the case of real estate in trust under multiple lease agreements, then the sum total amount of these) (including common area maintenance charges, but excluding warehouse, signboard, parking lot, etc. usage fees, not factoring in for rent-free periods, and excluding consumption tax), rounded to the nearest million yen. However, in cases where there is a pass-through-type master lease agreement concluded between the master lease company and lessors, etc., it is the annual rent or the amount annualized by multiplying by 12 the monthly rent stated in the sublease contract with end-tenants for the real estate in trust as of September 30, 2016 (in the case of real estate in trust under multiple sublease agreements, then the sum total amount of these) (including common area maintenance charges, but excluding warehouse, signboard, parking lot, etc. usage fees, not factoring in for rent-free periods, and excluding consumption tax), rounded to the nearest million yen. Accordingly, the figures for each property may not necessarily add up to the total figures. In the case of La Park Kishiwada, Suroy Mall Chikushino and Suroy Mall Nagamine, rent from ATM tenants and those subleasing from tenants are not included.
- (Note 7) "Total leasable area" in the case of real estate in trust is the floor area regarded as being available for leasing based on the lease agreement or building drawing, etc. of the building for the asset as of September 30, 2016.
- (Note 8) "Total leased area" is the sum total of the leased area stated in the lease contract for the real estate in trust as of September 30, 2016. However, in cases where there is a pass-through-type master lease agreement concluded between the master lease company and lessors, etc., it is the sum total of the leased area of end-tenants stated in the sublease contract for the real estate in trust as of September 30, 2016. There may be cases where total leased area exceeds total floor area, because there are cases where portions that are not included in total floor area are included in leased area in the lease contract, etc. In the case of La Park Kishiwada, Suroy Mall Chikushino and Suroy Mall Nagamine, the ATM area is not included.
- (Note 9) "Occupancy rate" is the occupancy rate (total leased area expressed as a percentage of total leasable area) as of September 30, 2016, rounded to one decimal place.
- (Note 10) Not disclosed, because it is information for which consent for disclosure has not been obtained from the tenant and, if disclosed, could undermine the relationship of trust with the tenant and thereby create disadvantages, such as difficulty maintaining the lease agreement over the long term, and ultimately undermine the interests of unitholders.
- (Note 11) Fulfillment of the condition precedent provided in the building lease agreement dated March 30, 2016 with the tenant. (The condition precedent, which is that the tenant be confirmed by the City of Funabashi as a company that can set up operations at the property, was fulfilled on October 11, 2016.)