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REIT Financial Report for the 24th Fiscal Period

January 18, 2018

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 Stock Code No.: 8976
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 Name of Asset Manager: Daiwa Real Estate Asset Management Co., Ltd.
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Scheduled date of submission of periodic securities report (*yuka shoken hokokusho*): February 21, 2018
 Scheduled date of start of distribution payments: February 15, 2018

Preparing presentation material: Yes
 Holding financial brief meeting: Yes (for institutional investors and analysts)

[Amounts are rounded down to the nearest million yen, except for per unit figures]

1. Status of Management and Assets for the 24th Fiscal Period

24th Fiscal Period: Fiscal period ended November 2017 (from June 1, 2017 to November 30, 2017)

23rd Fiscal Period: Fiscal period ended May 2017 (from December 1, 2016 to May 31, 2017)

(1) Management

[% figures show the period-over-period increase (decrease)]

	Operating revenue		Operating income		Ordinary income		Net income	
24th Period	¥12,735 million	1.5%	¥6,177 million	0.7%	¥5,456 million	1.8%	¥5,455 million	1.8%
23rd Period	¥12,547 million	(2.4%)	¥6,133 million	(0.2%)	¥5,360 million	0.7%	¥5,359 million	0.7%

	Net income per unit	Net income to unitholders' equity	Ordinary income to total assets	Ordinary income to operating revenue
24th Period	¥10,957	2.1%	1.1%	42.8%
23rd Period	¥10,764	2.1%	1.1%	42.7%

(2) Distributions

	Distribution amount per unit (excluding distribution amount in excess of earnings)	Total distribution amount (excluding distribution amount in excess of earnings)	Distribution amount in excess of earnings per unit	Total distribution amount in excess of earnings	Dividend payout	Distribution amount to net assets
24th Period	¥10,957	¥5,455 million	¥0	¥- million	100.0%	2.1%
23rd Period	¥10,764	¥5,359 million	¥0	¥- million	100.0%	2.1%

(3) Financial Position

	Total assets	Net assets	Unitholders' equity to total assets	Net assets per unit
24th Period	¥483,173 million	¥256,796 million	53.1%	¥515,790
23rd Period	¥483,730 million	¥256,560 million	53.0%	¥515,317

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(4) Cash Flows

	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
24th Period	¥6,572 million	(¥5,233 million)	(¥5,358 million)	¥15,958 million
23rd Period	¥7,510 million	(¥2,875 million)	(¥5,324 million)	¥19,978 million

2. Management Status Forecasts for the 25th Fiscal Period and 26th Fiscal Period

25th Fiscal Period: Fiscal period ending May 2018 (from December 1, 2017 to May 31, 2018)

26th Fiscal Period: Fiscal period ending November 2018 (from June 1, 2018 to November 30, 2018)

[% figures show the period-over-period increase (decrease)]

	Operating revenue		Operating income		Ordinary income		Net income	
25th Period	¥13,365 million	4.9%	¥6,589 million	6.7%	¥5,863 million	7.5%	¥5,861 million	7.4%
26th Period	¥12,803 million	(4.2%)	¥6,306 million	(4.3%)	¥5,678 million	(3.2%)	¥5,676 million	(3.2%)

	Distribution amount per unit (excluding distribution amount in excess of earnings)	Distribution amount in excess of earnings per unit
25th Period	¥11,000	¥0
26th Period	¥11,400	¥0

(Reference) Estimated net income per unit for the 25th Fiscal Period: ¥11,772; 26th Fiscal Period: ¥11,400

(Note) Distribution amount per unit for the 25th Fiscal Period is calculated based on the assumption that the amount for reserve for reduction entry (384 million yen) deducted from net income will be distributed.

3. Other

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

- (i) Changes in accounting policies due to amended accounting standards, etc.: None
- (ii) Changes in accounting policies other than (i): None
- (iii) Changes in accounting estimates: None
- (iv) Retrospective restatement: None

(2) Total Number of Investment Units Issued and Outstanding

- (i) Total number of investment units issued and outstanding at end of period (including treasury units):
 24th Fiscal Period: 497,869 units 23rd Fiscal Period: 497,869 units
- (ii) Total number of treasury units at end of period:
 24th Fiscal Period: – units 23rd Fiscal Period: – units

(Note) Please refer to “Notes to Per Unit Information” on page 29 for the number of investment units used as the basis for calculating the net income per unit.

*** Presentation of the status of implementation of audit procedures**

This financial report (*kessan tanshin*) is exempt from the audit procedures pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948; including amendments thereto) (hereinafter referred to as the “Financial Instruments and Exchange Act”) and, at the time of disclosure of this financial report (*kessan tanshin*), the audit procedures pursuant to the Financial Instruments and Exchange Act have not been completed.

*** Explanation of the appropriate use of the management status forecasts, and other matters of special note**

The forecast figures are forward-looking statements based on information currently available to Daiwa Office Investment Corporation and involve uncertainties. Accordingly, the actual operating revenue, operating income, ordinary income, net income and distribution amount per unit may vary due to changes in the status. In addition, the forecast is not a guarantee of the distribution amount. For details on the assumptions underlying the forecast figures above, please refer to “Assumptions for the Management Status Forecasts for the 25th Fiscal Period and 26th Fiscal Period” on page 10.

1. Affiliated Juridical Persons of the Investment Corporation

Disclosure is omitted because there are no significant changes from the “Structure of the Investment Corporation” set out in the most recent periodic securities report (*yuka shoken hokokusho*) (submitted on August 24, 2017).

2. Management Policy and Management Status

2.1. Management Policy

Disclosure is omitted because there are no significant changes from the “Investment Policy,” “Investment Target” and “Distribution Policy” set out in the most recent periodic securities report (*yuka shoken hokokusho*) (submitted on August 24, 2017) as of date of this document.

2.2. Management Status

(1) Overview of the Fiscal Period under Review

A. Brief History of the Investment Corporation

Investment Corporation was established on July 11, 2005 in accordance with the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951; including amendments thereto) with Daiwa Real Estate Asset Management Co., Ltd. (former name K.K. daVinci Select) (the “Asset Manager”) as the organizer. After its establishment, the Investment Corporation implemented an additional issuance of investment units through a public offering (99,600 units) on October 18, 2005 and then listed on the Tokyo Stock Exchange, Inc. (TSE) Real Estate Investment Trust Section (stock code: 8976) on the following day.

Though initial assets under management were 79,573 million yen (sum total of acquisition price), subsequent activities, such as additional acquisition of properties and replacement of portfolio properties, resulted in the assets under management amounting to 469,341 million yen as of the last day of November 2017.

The Investment Corporation strives to secure stable revenue and sustained growth of the investment assets based on a clear portfolio development policy of specializing in investment in office buildings, with a particular focus on investment in a total floor area of more than about 2,000 m² situated in downtown Tokyo, as well as through dedicated efforts to heighten tenant satisfaction levels.

B. Investment Environment and Management Performance

a. Investment Environment (from June 2017 to November 2017)

The Japanese economy during the fiscal period under review continued to show a modest recovery trend with real GDP growth rate (Second Preliminary Estimates) for July to September 2017 at an annual rate of 2.5%, recording a positive figure for seven consecutive quarters under the ongoing quantitative/qualitative monetary easing policy by the Bank of Japan.

In the office building leasing market in central Tokyo, with new supply having settled down, the vacancy rate took a turn after peaking in June 2013, dropping to 3.03% at the end of November 2017. Led by improvement in the vacancy rate for existing large buildings, the overall vacancy rate that includes small- to medium-sized buildings also continues to be on an improving trend. The drop in the vacancy rate has led to an increase in office rent in some areas, and the market as a whole continues to see increase in rent, albeit slight.

For the office building transaction market, a strong appetite for property acquisitions continued among real estate companies, funds (including J-REITs) and overseas investors with the continuing proactive lending attitude by financial institutions.

b. Management Performance

In view of increasing the long-term EPS (EPS (net income per unit) after deducting gain on sale from properties) over the medium to long term, the Investment Corporation continued to work on “external growth,” which aims to boost revenue through acquisition of properties, and “internal growth,” which aims to maximize income generating from owned properties.

Concerning external growth, the Investment Corporation acquired Godo kaisha Yokohama Office Management Silent Partnership Equity Interest (acquisition price: 3,920 million yen (10% of total investment amount in the silent partnership)). The silent partnership was set up to manage 75% quasi co-ownership in trust beneficial interest in domestic real estate (CONCURRED Yokohama) as an asset in trust. With this acquisition, the Investment Corporation acquired preferential negotiation rights pertaining to the acquisition of the quasi co-ownership interest. As a result, the Investment Corporation’s assets under management as of the end of the 24th Fiscal Period (November 30, 2017) totaled 54 properties (sum total of acquisition prices: 469,341 million yen, excluding silent partnership equity interest) and one silent partnership equity interest (3,920 million yen).

Concerning internal growth, while the office leasing market remained strong, the Investment Corporation conducted proactive leasing, such as capturing needs for floor expansion within the same property through strengthening relationships with existing tenants and reinforcing collaboration with leasing brokers and property managers. Consequently, the occupancy rate as of the end of the 24th Fiscal Period (November 30, 2017) was 98.2%.

C. Overview of Capital Procurement**a. Procurement of Capital for Repayment of Borrowings**

In the 24th Fiscal Period, the Investment Corporation made the following borrowings to fund the repayment of borrowings that were due for repayment.

- A total amount of 6,050 million yen was borrowed from Development Bank of Japan Inc., Sumitomo Mitsui Banking Corporation and Mizuho Bank, Ltd. on August 31, 2017 to fund the repayment of the same amount borrowed from Development Bank of Japan Inc., Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd. and The Hiroshima Bank, Ltd. due the same day.
- A total amount of 5,500 million yen was borrowed from Shinsei Bank, Limited., Development Bank of Japan Inc., Tokio Marine & Nichido Fire Insurance Co., Ltd. and The Yamaguchi Bank, Ltd. on November 30, 2017 to fund the repayment of the same amount borrowed from the respective banks due the same day.

b. Status of Interest-Bearing Liabilities at End of the Fiscal Period under Review

As a result of the above, the balance of interest-bearing liabilities outstanding as of the end of the 24th Fiscal Period (November 30, 2017) stood at 204,300 million yen in total (short-term loans payable: 2,000 million yen; long-term loans payable: 197,200 million yen; investment corporation bonds: 5,100 million yen). The balance of the current portion of long-term loans payable stood at 17,350 million yen.

The average remaining period of interest-bearing liabilities as of the end of the 24th Fiscal Period stands at 4.2 years.

List of Borrowings in the 24th Fiscal Period

Lender	Loan amount (million yen)	Drawdown date	Repayment date	Loan period
Sumitomo Mitsui Banking Corporation	1,000	2017/8/31	2018/8/31	1.0 year
Development Bank of Japan Inc.	2,550	2017/8/31	2025/5/30	7.8 years
Sumitomo Mitsui Banking Corporation	1,500	2017/8/31	2026/8/31	9.0 years
Mizuho Bank, Ltd.	1,000	2017/8/31	2026/8/31	9.0 year
Tokio Marine & Nichido Fire Insurance Co., Ltd.	1,000	2017/11/30	2022/11/30	5.0 years
Development Bank of Japan Inc.	2,000	2017/11/30	2025/5/30	7.5 years
The Yamaguchi Bank, Ltd.	500	2017/11/30	2025/11/28	8.0 years
Shinsei Bank, Ltd.	2,000	2017/11/30	2026/5/29	8.5 years

Balance of Borrowings from Each Financial Institution (as of November 30, 2017)

Lender	End of the 24th Fiscal Period (million yen)	Share (%) (Note)
Sumitomo Mitsui Banking Corporation	42,400	21.29
Sumitomo Mitsui Trust Bank, Limited	24,850	12.47
Development Bank of Japan Inc.	21,750	10.92
Mizuho Bank, Ltd.	19,400	9.74
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	16,000	8.03
Shinsei Bank, Ltd.	14,000	7.03
Resona Bank, Ltd.	12,500	6.28
Mitsubishi UFJ Trust and Banking Corporation	8,500	4.27
Mizuho Trust and Banking Co., Ltd.	6,000	3.01
The Bank of Fukuoka, Ltd.	5,500	2.76
Kansai Urban Banking Corporation	5,000	2.51
Aozora Bank, Ltd.	3,000	1.51
The Nishi-Nippon City Bank Limited	3,000	1.51
ORIX Bank Corporation	2,500	1.26
The Gunma Bank, Ltd.	2,500	1.26
The 77 Bank, Ltd.	2,000	1.00
The Musashino Bank, Ltd.	2,000	1.00
Tokio Marine & Nichido Fire Insurance Co., Ltd.	2,000	1.00
The Yamaguchi Bank, Ltd.	2,000	1.00
The Higashi-Nippon Bank, Limited	1,500	0.75
Nippon Life Insurance Company	1,300	0.65
The Kagawa Bank, Ltd.	1,000	0.50
Taiyo Life Insurance Company	300	0.15
Fukoku Mutual Life Insurance Company	200	0.10
Total	199,200	100.00

(Note) Share is rounded to two decimal places.

c. Rating Information (as of November 30, 2017)

Credit rating agency	Rating	Outlook
R&I	A+	Stable
Japan Credit Rating Agency	AA-	Stable

D. Overview of Financial Performance and Distributions

As a result of the management described above, the Investment Corporation posted financial performance for the 24th Fiscal Period of 12,735 million yen in operating revenue, 6,177 million yen in operating income, 5,456 million yen in ordinary income and 5,455 million yen in net income.

Concerning distributions, it is planned that the amount equivalent to distributions from earnings would be included in the amount of tax-deductible expenses based on application of special provisions for taxation of corporation tax (Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957; including amendments thereto) (the "Special Taxation Measures Act")). Accordingly, the Investment Corporation decided to distribute almost the entire amount of unappropriated retained earnings (excluding fractions of the distribution amount per unit that are less than 1 yen), and declared a distribution amount per unit of 10,957 yen.

(2) Outlook for the Next Fiscal Period

A. Investment Environment

The Japanese economy going forward is expected to continue expansion through solid trends in personal spending against the backdrop of a favorable employment environment and the improved income environment while the monetary easing policy implemented by Bank of Japan continues. However, the degree of growth is forecasted to be moderate. In addition, factors such as policies set out by the U.S. President Donald Trump, the downward swing of the Chinese economy, upsets in emerging markets accompanying the U.S. “exit strategy” from the monetary easing policy and “risk off” due to geopolitical risks and political risks, pose potential risks of disrupting the Japanese real economy and financial environment, and are thus thought to require attention.

In the Tokyo office building leasing market, factors such as improvement in employment are stimulating demand, resulting in the vacancy rate dropping. Improvement in corporate performance is forecasted to increase demand for office floor space and rent is expected to continue rising as a consequence. In the office building transaction market, backed by the favorable financing environment, among other factors, the property acquisition appetite among investors overseas, real estate companies and funds (including J-REITs) is thought to remain strong.

B. Future Management Policy and Tasks

a. Strategy for Managing Existing Properties

Despite such strong office leasing market conditions, the tenant side is becoming more heavily selective with properties considering operational aspects such as security systems, efforts on environmental consideration and operations/management in addition to location and building specifications. Consequently, the Investment Corporation will carry out operational management under the following policy with an aim to enhance the competitiveness of existing properties and thereby increase the long-term EPS over the medium to long term.

(i) Maintain and raise occupancy rates

Concerning existing tenants, strive to reduce cancellation risks by improving the quality of buildings, equipment and management system. In addition, concerning new tenants, strive to maintain and raise occupancy rates through the provision of highly satisfactory services from gaining deeper understanding of tenant needs through proactive participation in the market.

(ii) Maintain and raise profitability

Aim to secure stable revenue over the medium to long term through further strengthening good relationships with existing tenants, as well as proactively tapping the needs of new tenants by discerning the market environment.

(iii) Lower operational management costs

Strive to lower operational management costs based on maintaining office environments of high tenant satisfaction levels by implementing efficient operational management and reviewing systematic construction work by optimally leveraging the economies of scale achieved from proactively realizing external growth.

b. Strategy for New Property Investments

The Investment Corporation will invest in office buildings that have a total floor area of about 2,000 m² or more based on various external growth strategies, while maintaining a balance with the asset acquisition environment and financing situation. In principle, considerations will focus on Tokyo as the investment target area, but the Investment Corporation will also consider investing in competitive properties in cities other than Tokyo from a viewpoint of territorially-distributed investments.

As pipeline support, in addition to expanding its own information-sourcing channels, the Investment Corporation will continue to search for properties that meet its investment criteria by proactively gathering real estate transaction market information through greater collaboration with the Asset Manager and Sponsor Group and utilizing the Group’s extensive network of clients, partners, etc.

Furthermore, in the 24th Fiscal Period, the Investment Corporation acquired Godo kaisha Yokohama Office Management Silent Partnership Equity Interest (acquisition price: 3,290 million yen (10% of total investment amount in the silent partnership)). The silent partnership was set up to manage 75% quasi co-ownership in trust beneficial interest in domestic real estate (CONCURRED Yokohama) as an asset in trust. With this acquisition, the Investment Corporation acquired preferential negotiation rights pertaining to the acquisition of the quasi co-ownership interest.

The Investment Corporation will continue to strive to acquire properties in line with the investment strategy described above.

c. Financial Strategy

The Investment Corporation will conduct disciplined financial management of the following basic content.

(i) Control leverage by keeping the ratio of interest-bearing liabilities to total assets (LTV) within the range of 40% to 50% at maximum, taking into consideration also the LTV, etc. based on appraisal value, as a principle.

(ii) Diversify repayment deadlines, targeting 30.0 billion yen as the maximum amount of interest-bearing liabilities that shall become due during any single fiscal period as a principle.

(iii) Aim to have long-term loans account for at least 70% of balance of loans as a principle.

(iv) Achieve diversification of lenders, which shall mainly be Japanese financial institutions.

(v) Pursuant to its fund management rules, maintain stability in its financial standing by managing necessary funds, such as the amount equivalent to distributions paid, separately from working capital.

C. Significant Subsequent Events**a. Acquisition of Assets**

(i) The Investment Corporation acquired trust beneficial interest in real estate on January 11, 2018 as follows.

Summary of Asset Acquired

Property name	CONCURRED Yokohama (Note 1)
Type of asset	Trust beneficial interest in domestic real estate (Note 2)
Location	3-1 Kinkocho, Kanagawa-ku, Yokohama City, Kanagawa
Acquisition Price	38,100 million yen (excluding associated acquisition costs, consumption tax, etc.)
Date of conclusion of purchase agreement	December 19, 2017
Date of delivery	January 11, 2018
Seller	Godo kaisha Yokohama Office Management

(Note 1) The Investment Corporation held preferential negotiation rights pertaining to trust beneficial interest in real estate owned by Godo kaisha Yokohama Office Management and acquired the trust beneficial interest in real estate as a result of negotiation for acquisition.

(Note 2) The Investment Corporation acquired 75% quasi co-ownership in trust beneficial interest in the above real estate as a primary asset in trust.

(ii) The Investment Corporation acquired a trust beneficial interest in real estate on January 12, 2018 as follows.

Summary of Asset Acquired

Property name	Nippon Manpower Building
Type of asset	Trust beneficial interest in domestic real estate
Location	47-1 Kanda-Higashi Matsushitacho, Chiyoda-ku, Tokyo
Acquisition Price	4,200 million yen (excluding associated acquisition costs, consumption tax, etc.)
Date of conclusion of purchase agreement	December 19, 2017
Date of delivery	January 12, 2018
Seller	Not disclosed (Note)

(Note) Seller is a domestic corporation which has not agreed to disclose its name.

b. Transfer of Assets

(i) The Investment Corporation transferred trust beneficial interest in real estate on December 20, 2017 as follows.

Summary of Asset Transferred

Property name	Daiwa Meieki Building
Type of asset	Trust beneficial interest in domestic real estate
Sales price	8,300 million yen (excluding settlement money for fixed property tax and city planning tax as well as consumption tax and local consumption tax)
Date of conclusion of sales agreement	December 19, 2017
Date of transfer	January 12, 2018
Buyer	Not disclosed (Note)

(Note) Buyer is a domestic corporation which has not agreed to disclose its name.

- (ii) The Investment Corporation determined on December 19, 2017 to transfer trust beneficial interest in real estates as follows.

Summary of Asset to be Transferred

Property name	Shinjuku Maynds Tower (3/7 of co-ownership interest) (Note)
Type of asset	Trust beneficial interest in domestic real estate
Sales price (scheduled)	62,500 million yen (excluding settlement money for fixed property tax and city planning tax as well as consumption tax and local consumption tax)
Date of conclusion of sales agreement	December 19, 2017
Date of transfer (scheduled)	February 28, 2018
Buyer	MAY Tokutei Mokuteki Kaisha

(Note) The Investment Corporation holds 6/7 of co-ownership interest in Shinjuku Maynds Tower. Therefore, co-ownership interest in the property is scheduled to be 3/7 following the transfer of the asset to be transferred (3/7 of co-ownership interest).

c. Borrowing of Funds

- (i) The Investment Corporation borrowed funds on January 11, 2018 as below. The funds were borrowed to provide for the acquisition of the new property listed above in “a. Acquisition of Assets (i)” etc.

Detail of Borrowings

Lender	Loan Amount (million yen)	Interest Rate	Borrowing Date	Borrowing/Repayment Method	Repayment Date
Sumitomo Mitsui Banking Corporation	12,000	JBA 1 month Japanese Yen TIBOR+0.25% (Note)	January 11, 2018	Unsecured Repayment in lump sum	May 31, 2018
Sumitomo Mitsui Trust Bank, Limited	9,000				
Mizuho Bank, Ltd.	9,000				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	9,000				

(Note) Interest payments shall be made at the end of every month and the maturity date (If any such date is not a business day, the immediately following business day; and if such date falls within the next month, the preceding last business day of the month). Interest rate is calculated based on the JBA 1 month Japanese Yen TIBOR which Japanese Bankers Association announces two business days prior to the first day of the applicable calculation period.

D. Outlook for Management Status

The Investment Corporation forecasts the following management status for the 25th Fiscal Period (fiscal period ending May 2018 (from December 1, 2017 to May 31, 2018)). For the assumptions underlying the management status forecasts, please refer to the “Assumptions for the Management Status Forecasts for the 25th Fiscal Period and 26th Fiscal Period” on page 10.

25th Fiscal Period (fiscal period ending May 2018 (from December 1, 2017 to May 31, 2018))

Operating revenue	13,365 million yen
Operating income	6,589 million yen
Ordinary income	5,863 million yen
Net income	5,861 million yen
Distribution amount per unit	11,000 yen
Distribution amount in excess of earnings per unit	0 yen

In addition, on the basis that the “Assumptions for the Management Status Forecasts for the 25th Fiscal Period and 26th Fiscal Period” will remain unchanged, the Investment Corporation forecasts the following management status for the 26th Fiscal Period (fiscal period ending November 2018 (from June 1, 2018 to November 30, 2018)).

26th Fiscal Period (fiscal period ending November 2018 (from June 1, 2018 to November 30, 2018))

Operating revenue	12,803 million yen
Operating income	6,306 million yen
Ordinary income	5,678 million yen
Net income	5,676 million yen
Distribution amount per unit	11,400 yen
Distribution amount in excess of earnings per unit	0 yen

(Note) The forecast figures above are the current forecasts calculated based on certain assumptions. Accordingly, the actual operating revenue, operating income, ordinary income, net income, distribution amount per unit and distribution amount in excess of earnings per unit may vary due to changes in the status. Moreover, the forecasts set forth herein should not be construed as a guarantee of distribution amounts.

Assumptions for the Management Status Forecasts for the 25th Fiscal Period and 26th Fiscal Period

Item	Assumptions
Assets under management	<ul style="list-style-type: none"> • 25th Fiscal Period: Assets under management are assumed to be the 54 properties owned as of November 30, 2017, plus the two properties acquired in January 2018, minus Daiwa Meieki Building transferred in December 2017 and 3/7 of co-ownership interest in Shinjuku Maynds Tower scheduled to be transferred in February 2018, to total 55 properties. • 26th Fiscal Period: Assets under management are assumed to be the above 55 properties. • The actual number of properties may vary due to changes in the assets under management other than above.
Operating revenue	<ul style="list-style-type: none"> • Rent revenue from existing properties is calculated based on historical data and taking into account variable factors. • 464 million yen of gain on sale from real estate properties from the transfer of existing properties and 53 million yen of dividend income are expected in the 25th Fiscal Period.
Operating expenses	<ul style="list-style-type: none"> • Expenses related to rent business, which constitute a major component of operating expenses, are calculated based on historical data and taking into account variable factors. • Repair expenses for buildings are recorded as expenses in the amount expected to be necessary in the respective fiscal period based on the medium to long term repair plan established by the Asset Manager. • Operating income from property leasing (excluding gain on sale from real estate properties) after deducting expenses related to rent business (including depreciation) is expected to be 7,436 million yen in the 25th Fiscal Period and 7,595 million yen in the 26th Fiscal Period. • Consignment expenses are expected to be 946 million yen in the 25th Fiscal Period and 861 million yen in the 26th Fiscal Period. • Taxes and dues (fixed property tax, city planning tax, etc.) are expected to be 1,108 million yen in the 25th Fiscal Period and 1,046 million yen in the 26th Fiscal Period. • While, in general, fixed property tax, city planning tax, etc. in the transaction of real estate, etc. are calculated on a pro rata basis and reimbursed at the time of acquisition with the current owner, but for the Investment Corporation, the amount equivalent to the reimbursement is included in the cost of acquisition and thus it is not recognized as expenses in the period of acquisition of properties. • Depreciation is expected to be 1,784 million yen in the 25th Fiscal Period and 1,708 million yen in the 26th Fiscal Period.
Non-operating income	<ul style="list-style-type: none"> • Insurance income in the 25th Fiscal Period is expected to be 191 million yen.
Non-operating expenses	<ul style="list-style-type: none"> • Non-operating expenses in the 25th Fiscal Period are expected to be 918 million yen, of which the interest expenses, interest expenses on investment corporation bonds, and borrowing related expenses are expected to be 713 million yen, expenses related to the prepayment to be 91 million yen and insurance-related expenses to be 109 million yen. • Non-operating expenses in the 26th Fiscal Period are expected to be 628 million yen, of which the interest expenses, interest expenses on investment corporation bonds, and borrowing related expenses are expected to be 623 million yen.
Interest-bearing liabilities	<ul style="list-style-type: none"> • The total amount of interest-bearing liabilities is assumed to be 187,300 million yen at the end of the 25th Fiscal Period and 187,300 million yen at the end of the 26th Fiscal Period • In the 25th Fiscal Period, a total of 39,000 million yen was newly borrowed on January 11, 2018 to fund the acquisition of “CONCURRED Yokohama” announced on December 19, 2017. It is assumed that the borrowings will be repaid by the end of the 25th Fiscal Period by using funds obtained from the transfer of “Shinjuku Maynds Tower” announced on December 19, 2017. • It is assumed that scheduled payment or prepayment of part of the borrowings due for repayment in the 25th Fiscal Period and a total of 17,000 million yen out of borrowings that will reach maturity in the 26th Fiscal Period onwards will be conducted by the end of the 25th Fiscal Period. • In the 26th Fiscal Period, it is assumed that the entire amount of borrowings due for repayment in the period will be refinanced.
Total number of investment units issued and outstanding	<ul style="list-style-type: none"> • The total number of investment units issued and outstanding is assumed to be 497,869 units as of November 30, 2017. • It is assumed that there are no changes to the number of investment units other than stated above until the end of the 26th Fiscal Period through the issuance of new investment units, etc.
Distribution amount per unit	<ul style="list-style-type: none"> • The distribution amount per unit is calculated based on the cash distribution policy as set out in the articles of incorporation of the Investment Corporation. • Part of the gain on sale from the transfers of “Daiwa Meieki Building” and “Shinjuku Maynds Tower (3/7 of co-ownership interest)” expected for the 25th Fiscal Period is assumed to be retained as internal reserves with the application of “Special Provisions for Taxation in the Case of Advance Acquisition of Land, etc. in 2009 and 2010” and expected to be retained as reserve for reduction entry (384 million yen). • The distribution amount per unit may vary depending on a variety of factors, such as changes in the assets under management, changes in the rent revenue due to tenant changes and other causes,

Item	Assumptions
	and incurrence of unforeseen repairs.
Distribution amount in excess of earnings per unit	<ul style="list-style-type: none"> • At present, there is no plan to make any distribution in excess of earnings (distribution amount in excess of earnings per unit).
Other	<ul style="list-style-type: none"> • It is assumed that there are no changes to laws and ordinances, the tax system, accounting standards, listing regulations, the rules of Tokyo Stock Exchange, Inc. and The Investment Trusts Association, Japan, etc. that will affect the abovementioned forecast figures. • It is assumed that there will be no major unforeseen changes in general economic trends, real estate market conditions, etc.

2.3. Investment Risks

Disclosure is omitted because there are no significant changes from the “Part I: Fund Information; Section 1: Fund Status; 3. Investment Risks” set out in the most recent periodic securities report (*yuka shoken hokokusho*) (submitted on August 24, 2017).

3. Financial Statements

3.1. Balance Sheets

(Unit: thousand yen)

	23rd Fiscal Period [As of May 31, 2017]	24th Fiscal Period [As of Nov. 30, 2017]
Assets		
Current assets		
Cash and deposits	18,280,633	14,289,857
Cash and deposits in trust	1,697,781	1,668,622
Operating accounts receivable	145,154	222,262
Prepaid expenses	371,845	344,392
Deferred tax assets	2,087	4,896
Other	44,307	84,121
Total current assets	20,541,810	16,614,151
Noncurrent assets		
Property, plant and equipment		
Buildings	3,245,133	3,253,750
Accumulated depreciation	(1,981,221)	(2,064,500)
Buildings, net	1,263,911	1,189,250
Structures	14,344	14,344
Accumulated depreciation	(4,749)	(5,220)
Structures, net	9,595	9,124
Tools, furniture and fixtures	19,953	23,975
Accumulated depreciation	(10,789)	(11,726)
Tools, furniture and fixtures, net	9,163	12,249
Land	12,302,226	12,302,226
Construction in progress	773	3,619
Buildings in trust	104,660,217	105,126,884
Accumulated depreciation	(22,145,961)	(23,767,949)
Buildings in trust, net	*1 82,514,255	*1 81,358,934
Structures in trust	959,436	970,959
Accumulated depreciation	(208,706)	(222,278)
Structures in trust, net	750,730	748,681
Machinery and equipment in trust	968,629	998,774
Accumulated depreciation	(441,667)	(475,578)
Machinery and equipment in trust, net	526,961	523,196
Tools, furniture and fixtures in trust	242,357	257,137
Accumulated depreciation	(111,213)	(125,831)
Tools, furniture and fixtures in trust, net	131,144	131,306
Land in trust	360,772,887	360,772,887
Construction in progress in trust	741,404	1,519,315
Total property, plant and equipment	459,023,054	458,570,791

(Unit: thousand yen)

	23rd Fiscal Period [As of May 31, 2017]	24th Fiscal Period [As of Nov. 30, 2017]
Intangible assets		
Right of trademark	487	433
Leasehold rights	2,398,275	2,398,275
Leasehold rights in trust	306,884	306,884
Other	31,733	28,199
Total intangible assets	2,737,381	2,733,792
Investments and other assets		
Investment securities	-	3,951,142
Lease and guarantee deposits in trust	113,684	113,684
Long-term prepaid expenses	1,071,191	1,002,820
Deferred tax assets	159,766	92,582
Derivatives	50,507	63,861
Other	10,020	10,020
Total investments and other assets	1,405,169	5,234,111
Total noncurrent assets	463,165,605	466,538,695
Deferred assets		
Investment corporation bonds issuance costs	23,543	20,589
Total deferred assets	23,543	20,589
Total assets	483,730,959	483,173,437
Liabilities		
Current liabilities		
Operating accounts payable	1,394,961	814,019
Short-term loans payable	1,000,000	2,000,000
Current portion of long-term loans payable	19,400,000	17,350,000
Accounts payable – other	457,360	425,557
Income taxes payable	943	869
Accrued consumption taxes	336,451	256,957
Advances received	2,040,616	2,046,248
Other	571,466	304,745
Total current liabilities	25,201,798	23,198,399
Noncurrent liabilities		
Investment corporation bonds	5,100,000	5,100,000
Long-term loans payable	178,800,000	179,850,000
Tenant leasehold and security deposits	16,768,298	17,140,303
Tenant leasehold and security deposits in trust	504,009	491,739
Derivatives liabilities	796,226	596,906
Total noncurrent liabilities	201,968,535	203,178,949
Total liabilities	227,170,333	226,377,349
Net Assets		
Unitholders' equity		
Unitholders' capital	251,551,759	251,551,759
Surplus		
Voluntary retained earnings		
Reserve for reduction entry	164,162	164,162
Total voluntary retained earnings	164,162	164,162
Unappropriated retained earnings (undisposed loss)	5,359,285	5,455,377
Total surplus	5,523,447	5,619,540
Total unitholders' equity	257,075,206	257,171,299
Valuation and translation adjustments		
Deferred gains or losses on hedges	(514,581)	(375,211)
Total valuation and translation adjustments	(514,581)	(375,211)
Total net assets	*2 256,560,625	*2 256,796,087
Total liabilities and net assets	483,730,959	483,173,437

3.2. Statements of Income

	(Unit: thousand yen)			
	23rd Fiscal Period		24th Fiscal Period	
	[From: Dec. 1, 2016 To: May 31, 2017]		[From: June 1, 2017 To: Nov. 30, 2017]	
Operating revenue				
Rent revenue – real estate	*1	12,513,018	*1	12,718,363
Other lease business revenue	*1	33,995	*1	16,863
Total operating revenue		12,547,014		12,735,226
Operating expenses				
Expenses related to rent business	*1	5,151,041	*1	5,279,234
Asset management fees		1,034,063		1,048,416
Asset custody fees		24,104		24,124
Administrative service fees		75,571		75,117
Trust fees		18,606		18,594
Directors' compensation		7,200		7,200
Other operating expenses		103,258		105,291
Total operating expenses		6,413,845		6,557,978
Operating income		6,133,168		6,177,247
Non-operating income				
Interest income		140		91
Reversal of distribution payable		603		479
Miscellaneous income		6,548		1,589
Total non-operating income		7,292		2,160
Non-operating expenses				
Interest expenses		587,969		548,019
Interest expenses on investment corporation bonds		16,892		16,707
Borrowing expenses		170,990		153,930
Other		4,433		4,708
Total non-operating expenses		780,286		723,366
Ordinary income		5,360,175		5,456,041
Income before income taxes		5,360,175		5,456,041
Income taxes – current		964		883
Income taxes – deferred		(6)		3
Total income taxes		957		887
Net income		5,359,217		5,455,154
Retained earnings brought forward		67		223
Unappropriated retained earnings (undisposed loss)		5,359,285		5,455,377

3.3. Statements of Unitholders' Equity

23rd Fiscal Period (from December 1, 2016 to May 31, 2017)

(Unit: thousand yen)

	Unitholders' equity					
	Unitholders' capital	Surplus				Total unitholders' equity
		Voluntary retained earnings		Unappropriated retained earnings (undisposed loss)	Total Surplus	
		Reserve for reduction entry	Total voluntary retained earnings			
Balance at beginning of current fiscal period	251,551,759	164,162	164,162	5,324,776	5,488,939	257,040,698
Changes of items during the period						
Dividends from surplus				(5,324,708)	(5,324,708)	(5,324,708)
Net income				5,359,217	5,359,217	5,359,217
Net changes of items other than shareholders' equity						
Total changes of items during the period	—	—	—	34,508	34,508	34,508
Balance at end of current fiscal period	251,551,759	164,162	164,162	5,359,285	5,523,447	257,075,206

	Total valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of current fiscal period	(523,375)	(523,375)	256,517,323
Changes of items during the period			
Dividends from surplus			(5,324,708)
Net income			5,359,217
Net changes of items other than shareholders' equity	8,793	8,793	8,793
Total changes of items during the period	8,793	8,793	43,301
Balance at end of current fiscal period	(514,581)	(514,581)	256,560,625

24th Fiscal Period (from June 1, 2017 to November 30, 2017)

(Unit: thousand yen)

	Unitholders' equity					
	Unitholders' capital	Surplus				Total unitholders' equity
		Voluntary retained earnings		Unappropriated retained earnings (undisposed loss)	Total Surplus	
		Reserve for reduction entry	Total voluntary retained earnings			
Balance at beginning of current fiscal period	251,551,759	164,162	164,162	5,359,285	5,523,447	257,075,206
Changes of items during the period						
Dividends from surplus				(5,359,061)	(5,359,061)	(5,359,061)
Net income				5,455,154	5,455,154	5,455,154
Net changes of items other than shareholders' equity						
Total changes of items during the period	—	—	—	96,092	96,092	96,092
Balance at end of current fiscal period	251,551,759	164,162	164,162	5,455,377	5,619,540	257,171,299

	Total valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of current fiscal period	(514,581)	(514,581)	256,560,625
Changes of items during the period			
Dividends from surplus			(5,359,061)
Net income			5,455,154
Net changes of items other than shareholders' equity	139,369	139,369	139,369
Total changes of items during the period	139,369	139,369	235,462
Balance at end of current fiscal period	(375,211)	(375,211)	256,796,087

3.4. Statements of Cash Distributions

Item	23rd Fiscal Period [From: Dec. 1, 2016 To: May 31, 2017]	24th Fiscal Period [From: June 1, 2017 To: Nov. 30, 2017]
	Amount (yen)	Amount (yen)
I. Unappropriated retained earnings	5,359,285,070	5,455,377,793
II. Distribution amount [Distribution amount per unit]	5,359,061,916 [10,764]	5,455,150,633 (10,957)
III. Retained earnings carried forward	223,154	227,160
Method for calculating distribution amount	Pursuant to the policy that “the Investment Corporation shall distribute an amount in excess of the amount equivalent to 90% of its distributable earnings as defined in Article 67-15 of the Act on Special Measures Concerning Taxation” but no more than the amount of earnings as specified in Article 32, Item 1 of the Investment Corporation’s articles of incorporation, the Investment Corporation decided the distributions from earnings that it shall pay out shall be the maximum value of the integral multiple of the total number of units issued and outstanding (497,869 units) in an amount that is not in excess of unappropriated retained earnings. Accordingly, the Investment Corporation declared a distribution amount of 5,359,061,916 yen. Furthermore, the Investment Corporation shall not distribute cash in excess of earnings as stipulated in Article 32, Item 2 of its articles of incorporation.	Pursuant to the policy that “the Investment Corporation shall distribute an amount in excess of the amount equivalent to 90% of its distributable earnings as defined in Article 67-15 of the Act on Special Measures Concerning Taxation” but no more than the amount of earnings as specified in Article 32, Item 1 of the Investment Corporation’s articles of incorporation, the Investment Corporation decided the distributions from earnings that it shall pay out shall be the maximum value of the integral multiple of the total number of units issued and outstanding (497,869 units) in an amount that is not in excess of unappropriated retained earnings. Accordingly, the Investment Corporation declared a distribution amount of 5,455,150,633 yen. Furthermore, the Investment Corporation shall not distribute cash in excess of earnings as stipulated in Article 32, Item 2 of its articles of incorporation.

3.5. Statements of Cash Flows

	(Unit: thousand yen)	
	23rd Fiscal Period [From: Dec. 1, 2016 To: May 31, 2017]	24th Fiscal Period [From: June 1, 2017 To: Nov. 30, 2017]
Net cash provided by (used in) operating activities		
Income before income taxes	5,360,175	5,456,041
Depreciation and amortization	1,772,265	1,772,415
Amortization of investment corporation bonds issuance costs	2,938	2,954
Interest income	(140)	(91)
Interest expenses	604,861	564,727
(Increase) Decrease in operating accounts receivable	80	(77,107)
(Increase) Decrease in consumption taxes refund receivable	55,305	—
(Increase) Decrease in prepaid expenses	(2,749)	27,453
Increase (decrease) in operating accounts payable	(176,463)	(286,501)
Increase (decrease) in accounts payable – other	(6,759)	(543)
Increase (decrease) in accrued consumption taxes	247,309	(79,493)
Increase (decrease) in advances received	12,335	5,631
(Increase) Decrease in long-term prepaid expenses	2,967	68,370
Other, net	243,585	(316,146)
Subtotal	8,115,711	7,137,710
Interest income received	140	91
Interest expenses paid	(604,769)	(564,819)
Income taxes paid	(852)	(956)
Net cash provided by (used in) operating activities	7,510,230	6,572,025
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(68,655)	(48,802)
Purchase of property, plant and equipment in trust	(3,126,686)	(1,562,150)
Purchase of intangible assets	—	(31,259)
Purchase of investment securities	—	(3,951,142)
Proceeds from tenant security deposits	936,065	970,585
Proceeds from tenant security deposits in trust	25,619	—
Repayments of tenant security deposits	(641,475)	(610,851)
Net cash provided by (used in) investing activities	(2,875,133)	(5,233,620)
Net cash provided by (used in) financing activities		
Proceeds from short-term loans payable	1,000,000	1,000,000
Repayment of short-term loans payable	(1,000,000)	—
Proceeds from long-term loans payable	16,700,000	10,550,000
Repayment of long-term loans payable	(16,700,000)	(11,550,000)
Dividends paid	(5,324,546)	(5,358,341)
Net cash provided by (used in) financing activities	(5,324,546)	(5,358,341)
Net increase (decrease) in cash and cash equivalents	(689,449)	(4,019,936)
Cash and cash equivalents at beginning of period	20,667,865	19,978,415
Cash and cash equivalents at end of period	*1 19,978,415	*1 15,958,479

3.6. Notes to the Going Concern

Not applicable.

3.7. Notes to Significant Accounting Policies

1. Evaluation criteria and method for assets	<p>Securities Other securities Securities without fair value Moving-average cost method is adopted. A method to take in the amount equivalent to ownership interest in silent partnership on a net basis is adopted for silent partnership equity interest.</p>
2. Accumulated depreciation method for noncurrent assets	<p>(1) Property, plant and equipment (including trust assets) The straight-line method is adopted. The useful life of primary property, plant and equipment are as follows: Buildings 2~64 years Structures 10~56 years Machinery and equipment 7~23 years Tools, furniture and fixtures 5~15 years</p> <p>(2) Intangible assets The straight-line method is adopted.</p> <p>(3) Long-term prepaid expenses The straight-line method is adopted.</p>
3. Accounting policies for deferred assets	<p>Investment corporation bonds issuance costs Amortized using the straight-line method over the period up to redemption.</p>
4. Accounting standards for recording revenues and expenses	<p>Accounting for fixed property tax, etc. Concerning fixed property tax, city planning tax, depreciated asset tax, etc. for owned real estate in trust, of the tax amount that has been broken down into installments, the method of accounting for the amount corresponding to the concerned fiscal period as expenses related to rent business is adopted. Concerning the amount equivalent to fixed property tax, etc. for the initial fiscal year that shall be borne by the Investment Corporation in correlation with acquisitions of real estate or trust beneficial interest that have real estate as assets in trust, the amount is not expensed but is rather included in the cost of acquisition of the concerned real estate property. The amount equivalent to fixed property tax, etc. that was included in the cost of acquisition of real estate properties is 188 thousand yen in the 23rd Fiscal Period and 0 yen in the 24th Fiscal Period.</p>
5. Hedge accounting approaches	<p>(1) Hedge accounting approach Deferral hedge accounting is adopted. Special accounting is adopted for interest rate swaps that meet the requirements for special accounting.</p> <p>(2) Hedging instruments and hedged items Hedging instruments: Interest rate swap transactions Hedged items: Interest on loans</p> <p>(3) Hedging policy The Investment Corporation conducts derivative transactions to hedge risks stipulated in the Investment Corporation's articles of incorporation in accordance with the Investment Corporation's risk management policy.</p> <p>(4) Method for assessing the effectiveness of hedging The effectiveness of hedging is assessed by the correlation between the change in aggregated amount of cash flow of the hedging instruments and the change in aggregated amount of cash flow of the hedged items. Interest rate swaps that meet the requirements for special accounting are omitted from assessment of the effectiveness.</p>
6. Scope of funds in the statements of cash flows	<p>The funds (cash and cash equivalents) in the statements of cash flows consist of cash on hand and cash in trust; deposits that can be withdrawn at any time and deposits in trust; and short-term investments with a maturity of 3 months or less from the date of acquisition, which are readily convertible to cash and bear only an insignificant risk of price fluctuation.</p>

<p>7. Other significant matters forming basis for preparation of financial statements</p>	<p>(1) Accounting method for trust beneficial interest in real estate, etc. Concerning owned trust beneficial interest that have real estate properties as assets in trust, all accounts of assets and liabilities within assets in trust as well as all accounts of revenues and expenses incurred from the assets in trust are recorded in the relevant account item of the balance sheets and statements of income. The following material items of the assets in trust recorded in the relevant account item are separately listed on the balance sheets.</p> <ul style="list-style-type: none"> (i) Cash and deposits in trust (ii) Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust and construction in progress in trust (iii) Leasehold rights in trust (iv) Lease and guarantee deposits in trust (v) Tenant leasehold and security deposits in trust <p>(2) Accounting method for consumption taxes Consumption tax and local consumption tax are accounted for by the tax-exclusion method and consumption taxes that are not tax-deductible are expensed in the fiscal period under review. The consumption taxes relating to noncurrent assets, etc. that are not tax-deductible are amortized in equal installments over 5 years.</p>
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3.8. Notes to Financial Statements

Concerning notes to lease transactions, securities, retirement benefits, tax-effect accounting and asset retirement obligations, disclosure is omitted because there is no substantial need for such disclosure in the financial report (*kessan tanshin*).

[Notes to Balance Sheets]

*1. Advanced depreciation amount for noncurrent assets acquired by government subsidies, etc.

23rd Fiscal Period [As of May 31, 2017]		24th Fiscal Period [As of November 30, 2017]	
Buildings in trust	32,898 thousand yen	Buildings in trust	32,898 thousand yen

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

23rd Fiscal Period [As of May 31, 2017]		24th Fiscal Period [As of November 30, 2017]	
	50,000 thousand yen		50,000 thousand yen

[Notes to Statements of Income]

*1. Breakdown of operating income (loss) from property leasing

(Unit: thousand yen)				
	23rd Fiscal Period [From: Dec. 1, 2016 To: May 31, 2017]		24th Fiscal Period [From: June 1, 2017 To: Nov. 30, 2017]	
A. Property leasing revenue				
Rent revenue – real estate		12,513,018		12,718,363
Other lease business revenue		33,995		16,863
Total property leasing revenue		12,547,014		12,735,226
B. Property leasing expenses				
Consignment expenses		980,112		969,049
Utilities expenses		985,941		1,095,647
Taxes and dues		1,034,433		1,110,288
Non-life insurance expenses		14,657		14,770
Repair expenses		316,200		267,966
Depreciation		1,770,760		1,768,826
Other lease business expenses		48,934		52,684
Total property leasing expenses		5,151,041		5,279,234
C. Operating income (loss) from property leasing [A – B]		7,395,973		7,455,991

[Notes to Statements of Unitholders' Equity]

	23rd Fiscal Period [From: Dec. 1, 2016 To: May 31, 2017]	24th Fiscal Period [From: June 1, 2017 To: Nov. 30, 2017]
Total number of investment units authorized and number of investment units issued and outstanding		
Total number of investment units authorized	2,000,000 units	2,000,000 units
Total number of investment units issued and outstanding	497,869 units	497,869 units

[Notes to Statements of Cash Flows]

*1. Reconciliation of balance sheet items to cash and cash equivalents at end of period in the statements of cash flows

	(Unit: thousand yen)	
	23rd Fiscal Period [From: Dec. 1, 2016 To: May 31, 2017]	24th Fiscal Period [From: June 1, 2017 To: Nov. 30, 2017]
Cash and deposits	18,280,633	14,289,857
Cash and deposits in trust	1,697,781	1,668,622
Cash and cash equivalents	19,978,415	15,958,479

[Notes to Financial Instruments]

(1) Matters Concerning Status of Financial Instruments

(a) Policy for financial instruments

The Investment Corporation raises funds through bank borrowings, issuance of investment corporation bonds and issuance of new investment units, etc. for the acquisition and repair of investment properties, the payments of dividends and the reimbursement of bank borrowings.

As for debt finance, the Investment Corporation focuses on lengthening maturities, fixing interest rates, and dispersing maturity dates in order to secure financial stability and avoid future fluctuation risk of interest rates.

The Investment Corporation manages surplus funds through deposits and safe and highly liquid money claims and securities (in principle, deposits).

Derivative transactions are limited to hedge operations which hedge against interest rate risks attributable to liabilities of the Investment Corporation.

(b) Contents and risk of financial instruments and related risk management

The Investment Corporation uses the proceeds from the financing of debts and investment corporation bonds for the acquisition of investment properties (such as trust beneficial interest in real estate) and the reimbursement of current debts and bonds. While these debts and bonds are exposed to liquidity risk, the Investment Corporation manages the risk by maintaining the LTV ratio at low levels, dispersing maturity dates, maintaining the ratio of long-term debt to total debt at high levels, and diversifying lenders with particular focus on domestic financial institutions.

Bank borrowings etc. with floating interest rates are exposed to interest rate risk and the risk is controlled by using derivative instruments (interest rate swap transaction) for some long-term borrowings to avoid interest rate rise and to fix interest expense.

The effectiveness of hedging is assessed by the correlation between the change in aggregated amount of cash flow of the hedging instruments and the change in aggregated amount of cash flow of the hedged items. Interest rate swaps that meet the requirements for special accounting are omitted from assessment of the effectiveness.

Enforcement and management of derivative transactions are carried out in accordance with the provisions established by the basic policy of risk management. Tenant leasehold and security deposits and tenant leasehold and security deposits in trust are exposed to liquidity risk upon tenants moving out and the Investment Corporation reduces the risk by pooling funds to a certain degree.

Surplus funds by deposits are exposed to credit risk of counterparties (financial institutions and so on) and are managed by limiting the terms to short durations and establishing credit rating level of counterparties (except for checkable deposit), etc.

Investment securities are for investments in silent partnerships and are exposed to credit risk of issuers, fluctuation risk of values, etc., of real estate, etc. and interest rate. However, such risks are controlled by regularly discerning the financial status of issuers and values, etc. of real estate, etc.

(c) Supplementary explanation for fair value of financial instruments

The fair value of financial instruments is based on their market price. The fair value of financial instruments with no available market price is determined by using price reasonably estimated. As various factors are incorporated into these calculations, the resulting value may differ if different assumptions are provided. Furthermore, the contractual amounts of derivative transactions do not represent the market risk involved in these derivative transactions.

(2) Matters Concerning Fair Value, etc. of Financial Instruments

The carrying amounts and fair values and their differences are as follows. Please note that the following table does not include those for which discerning of fair value is recognized to be extremely difficult (please refer to (Note 2)).

23rd Fiscal Period [As of May 31, 2017]

(Unit: thousand yen)

	Carrying amount	Fair value	Difference
(1) Cash and deposits	18,280,633	18,280,633	—
(2) Cash and deposits in trust	1,697,781	1,697,781	—
Total assets	19,978,415	19,978,415	—
(3) Short-term loans payable	1,000,000	1,000,000	—
(4) Current portion of long-term loans payable	19,400,000	19,422,667	22,667
(5) Investment corporation bonds	5,100,000	5,178,750	78,750
(6) Long-term loans payable	178,800,000	178,786,894	(13,105)
Total liabilities	204,300,000	204,388,312	88,312
Derivative transactions (*)	(752,224)	(752,224)	—

24th Fiscal Period [As of November 30, 2017]

(Unit: thousand yen)

	Carrying amount	Fair value	Difference
(1) Cash and deposits	14,289,857	14,289,857	—
(2) Cash and deposits in trust	1,668,622	1,668,622	—
Total assets	15,958,479	15,958,479	—
(3) Short-term loans payable	2,000,000	2,000,000	—
(4) Current portion of long-term loans payable	17,350,000	17,364,931	14,931
(5) Investment corporation bonds	5,100,000	5,175,450	75,450
(6) Long-term loans payable	179,850,000	179,753,467	(96,532)
Total liabilities	204,300,000	204,293,849	(6,150)
Derivative transactions (*)	(548,483)	(548,483)	—

(*) The value of receivables and payables arising from derivatives are indicated at net basis. The amount in parentheses represents the net liability position.

(Note 1) Methods to estimate fair value of financial instruments and matters concerning derivative transactions.

Assets

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

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

Liabilities

(3) Short-term loans payable; (4) Current portion of long-term loans payable; (6) Long-term loans payable

As those with floating interest rates reflect market interest rates within a short period of time and the Investment Corporation's credit capability does not differ markedly from the execution, the fair value is approximately the same as the book value and thus is stated at that book value. Those with fixed interest rates, on the other hand, are based on the method of calculating by discounting the sum total amount of principal and interest (*) by the reasonably estimated interest rate in the case that the same type of borrowings is undertaken.

(*) For long-term loans payable that are subject to special accounting for interest rate swaps, the interest is handled together with applicable interest rate swaps. (Please refer to [Notes to Derivative Transactions] below.)

(5) Investment corporation bonds

The fair value of the investment corporation bonds issued by the Investment Corporation is based on the market price.

Derivative transactions

Please refer to [Notes to Derivative transactions] below.

(Note 2) Carrying amount of financial products for which it is extremely difficult to estimate fair value

(Unit: thousand yen)

	23rd Fiscal Period [As of May 31, 2017]	24th Fiscal Period [As of November 30, 2017]
Investment securities	—	3,951,142
Tenant leasehold and security deposits	16,768,298	17,140,303
Tenant leasehold and security deposits in trust	504,009	491,739
Total	17,272,308	21,583,184

Silent partnership equity interest recorded as investment securities are not subject to disclosure of fair value as there is no market price and discerning of the fair value is recognized to be extremely difficult.

Tenant leasehold and security deposits and tenant leasehold and security deposits in trust that are deposited by lessees of rental properties are not subject to disclosure of fair value because discerning of the fair value is recognized to be extremely difficult as future cash flows cannot be reasonably estimated due to there being no market price and difficulty in calculation of the actual deposit period, which is the period from tenants' move-ins to move-outs.

(Note 3) Redemption schedule for monetary claims due after the settlement of accounts.

23rd Fiscal Period [As of May 31, 2017]

(Unit: thousand yen)

	Within 1 year	Within 2 years, but over 1 year	Within 3 years, but over 2 years	Within 4 years, but over 3 years	Within 5 years, but over 4 years	Over 5 years
Cash and deposits	18,280,633	—	—	—	—	—
Cash and deposits in trust	1,697,781	—	—	—	—	—
Total	19,978,415	—	—	—	—	—

24th Fiscal Period [As of November 30, 2017]

(Unit: thousand yen)

	Within 1 year	Within 2 years, but over 1 year	Within 3 years, but over 2 years	Within 4 years, but over 3 years	Within 5 years, but over 4 years	Over 5 years
Cash and deposits	14,289,857	—	—	—	—	—
Cash and deposits in trust	1,668,622	—	—	—	—	—
Total	15,958,479	—	—	—	—	—

(Note 4) Amount of repayment of short-term loans payable, current portion of long-term loans payable, long-term loans payable and investment corporation bonds scheduled to be due after the settlement of accounts.

23rd Fiscal Period [As of May 31, 2017]

(Unit: thousand yen)

	Within 1 year	Within 2 years, but over 1 year	Within 3 years, but over 2 years	Within 4 years, but over 3 years	Within 5 years, but over 4 years	Over 5 years
Short-term loans payable	1,000,000	—	—	—	—	—
Current portion of long-term loans payable	19,400,000	—	—	—	—	—
Investment corporation bonds	—	—	3,000,000	—	—	2,100,000
Long-term loans payable	—	21,500,000	25,000,000	33,300,000	21,500,000	77,500,000
Total	20,400,000	21,500,000	28,000,000	33,300,000	21,500,000	79,600,000

24th Fiscal Period [As of November 30, 2017]

(Unit: thousand yen)

	Within 1 year	Within 2 years, but over 1 year	Within 3 years, but over 2 years	Within 4 years, but over 3 years	Within 5 years, but over 4 years	Over 5 years
Short-term loans payable	2,000,000	—	—	—	—	—
Current portion of long-term loans payable	17,350,000	—	—	—	—	—
Investment corporation bonds	—	3,000,000	—	—	—	2,100,000
Long-term loans payable	—	22,000,000	31,600,000	24,200,000	31,600,000	70,450,000
Total	19,350,000	25,000,000	31,600,000	24,200,000	31,600,000	72,550,000

[Notes to Derivative Transactions]

(1) Transactions for which hedge accounting is not applied

23rd Fiscal Period [As of May 31, 2017]

Not applicable.

24th Fiscal Period [As of November 30, 2017]

Not applicable.

(2) Transactions for which hedge accounting is applied

23rd Fiscal Period [As of May 31, 2017]

About derivative transactions for which hedge accounting is applied, the contract amount, amount equivalent to the principal provided in the contract, etc. as of the settlement of accounts for each hedge accounting approach are as follows.

(Unit: thousand yen)

Hedge accounting approach	Type, etc. of derivative transaction	Main hedged item	Contract amount, etc.		Fair value	Method of calculation of that fair value
				Of which, over 1 year		
Principle accounting method	Interest rate swap transaction Fixed payable Floating receivable	Long-term loans payable	112,600,000	110,100,000	(752,224)	Based on price quoted by partner financial institution
Special accounting for interest rate swaps	Interest rate swap transaction Fixed payable Floating receivable	Long-term loans payable	19,850,000	9,000,000	(*)	—
Total			132,450,000	119,100,000	(752,224)	—

24th Fiscal Period [As of November 30, 2017]

About derivative transactions for which hedge accounting is applied, the contract amount, amount equivalent to the principal provided in the contract, etc. as of the settlement of accounts for each hedge accounting approach are as follows.

(Unit: thousand yen)

Hedge accounting approach	Type, etc. of derivative transaction	Main hedged item	Contract amount, etc.		Fair value	Method of calculation of that fair value
				Of which, over 1 year		
Principle accounting method	Interest rate swap transaction Fixed payable Floating receivable	Long-term loans payable	112,600,000	105,100,000	(548,483)	Based on price quoted by partner financial institution
Special accounting for interest rate swaps	Interest rate swap transaction Fixed payable Floating receivable	Long-term loans payable	14,350,000	7,000,000	(*)	—
Total			126,950,000	112,100,000	(548,483)	—

(*) Since the derivative financial instruments qualifying for the special accounting for interest rate swaps are accounted for as one transaction together with their hedged item, long-term loans payable, the fair value of these derivatives is included in that of related long-term loans payable. (Please refer to “Notes to Financial Instruments (2) Matters Concerning Fair Value, etc. of Financial Instruments (Note 1) Liabilities (4) (6)”.)

[Notes to Transactions with Related Parties]

23rd Fiscal Period [From: December 1, 2016 To: May 31, 2017]
Not applicable.

24th Fiscal Period [From: June 1, 2017 To: November 30, 2017]
Not applicable.

[Notes to Investment and Rental Properties]

The Investment Corporation has rental office buildings, etc. (including land) in Tokyo and other regions. The carrying amount, amount of increase (decrease) during period and fair value for these rental properties are as follows.

(Unit: thousand yen)

	23rd Fiscal Period [From: Dec. 1, 2016 To: May 31, 2017]	24th Fiscal Period [From: June 1, 2017 To: Nov. 30, 2017]
Carrying amount		
Balance at beginning of period	460,321,339	460,986,036
Amount of increase (decrease) during period	664,697	(1,233,019)
Balance at end of period	460,986,036	459,753,017
Fair value at end of period	518,560,000	527,130,000

(Note 1) The carrying amount is the amount after accumulated depreciation is deducted from the cost of acquisition.

(Note 2) Of the amount of increase (decrease) for rental properties during the 23th Fiscal Period, the amount of increase is mainly attributable to acquisition of Daiwa Kanda Mikuracho Building (1,529 million yen) and the amount of decrease is mainly attributable to depreciation (1,770 million yen). The amount of decrease in the 24th Fiscal Period is mainly attributable to depreciation (1,768 million yen).

(Note 3) The fair value at end of period presents the appraisal value estimated by external real estate appraisers.

The income (loss) for investment and rental properties are as presented in the aforementioned "Notes to Statements of Income."

[Notes to Segment Information, etc.]

(1) Segment Information

Segment information has been omitted because the Investment Corporation has no segment except the property leasing business.

(2) Related Information

23rd Fiscal Period [From: December 1, 2016 To: May 31, 2017]

① Information about products and services

Information about products and services has been omitted because net sales to external customers for one segment are in excess of 90% of the operating revenue on statements of income.

② Information about geographical areas

A. Net sales

Information about net sales has been omitted because net sales to external customers in Japan are in excess of 90% of the operating revenue on statements of income.

B. Property, plant and equipment

Information about property, plant and equipment has been 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 balance sheets.

③ Information about major customers

Information about principal customers has been omitted because each net sales figure to a single external customer accounts for less than 10% of the operating revenue on statements of income.

24th Fiscal Period [From: June 1, 2017 To: November 30, 2017]

① Information about products and services

Information about products and services has been omitted because net sales to external customers for one segment are in excess of 90% of the operating revenue on statements of income.

② Information about geographical areas

A. Net sales

Information about net sales has been omitted because net sales to external customers in Japan are in excess of 90% of the operating revenue on statements of income.

B. Property, plant and equipment

Information about property, plant and equipment has been 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 balance sheets.

③ Information about major customers

Information about principal customers has been omitted because each net sales figure to a single external customer accounts for less than 10% of the operating revenue on statements of income.

[Notes to Per Unit Information]

	23rd Fiscal Period [From: Dec. 1, 2016 To: May 31, 2017]	24th Fiscal Period [From: June 1, 2017 To: Nov. 30, 2017]
Net assets per unit	515,317 yen	515,790 yen
Net income per unit	10,764.31yen	10,957.01yen

(Note 1) The net income per unit was calculated by dividing the net income by the daily weighted average number of investment units issued and outstanding. The diluted net income per unit is not stated as there are no diluted investment units.

(Note 2) The basis for calculating the net income per unit is as follows.

	23rd Fiscal Period [From: Dec. 1, 2016 To: May 31, 2017]	24th Fiscal Period [From: June 1, 2017 To: Nov. 30, 2017]
Net income (thousand yen)	5,359,217	5,455,154
Amounts not attributable to common unitholders (thousand yen)	—	—
Net income attributable to common investment units (thousand yen)	5,359,217	5,455,154
Average number of investment units during the period (unit)	497,869	497,869

[Notes to Significant Subsequent Events]**1. Acquisition of Assets**

(a) The Investment Corporation acquired trust beneficial interest in real estate on January 11, 2018 as follows.

Summary of Asset Acquired

Property name	CONCURRED Yokohama (Note 1)
Type of asset	Trust beneficial interest in domestic real estate (Note 2)
Location	3-1 Kinkocho, Kanagawa-ku, Yokohama City, Kanagawa
Acquisition Price	38,100 million yen (excluding associated acquisition costs, consumption tax, etc.)
Date of conclusion of purchase agreement	December 19, 2017
Date of delivery	January 11, 2018
Seller	Godo kaisha Yokohama Office Management

(Note 1) The Investment Corporation held preferential negotiation rights pertaining to trust beneficial interest in real estate owned by Godo kaisha Yokohama Office Management and acquired the trust beneficial interest in real estate as a result of negotiation for acquisition.

(Note 2) The Investment Corporation acquired 75% quasi co-ownership in trust beneficial interest in the above real estate as a primary asset in trust.

(b) The Investment Corporation acquired trust beneficial interest in real estate on January 12, 2018 as follows.

Summary of Asset Acquired

Property name	Nippon Manpower Building
Type of asset	Trust beneficial interest in domestic real estate
Location	47-1 Kanda-Higashi Matsushitacho, Chiyoda-ku, Tokyo
Acquisition Price	4,200 million yen (excluding associated acquisition costs, consumption tax, etc.)
Date of conclusion of purchase agreement	December 19, 2017
Date of delivery	January 12, 2018
Seller	Not disclosed (Note)

(Note) Seller is a domestic corporation which has not agreed to disclose its name.

2. Transfer of Assets

(a) The Investment Corporation transferred trust beneficial interest in real estate on December 20, 2017 as follows.

Summary of Asset Transferred

Property name	Daiwa Meieki Building
Type of asset	Trust beneficial interest in domestic real estate
Sales price	8,300 million yen (excluding settlement money for fixed property tax and city planning tax as well as consumption tax and local consumption tax)
Date of conclusion of sales agreement	December 19, 2017
Date of delivery	January 12, 2018
Buyer	Not disclosed (Note)

(Note) Buyer is a domestic corporation which has not agreed to disclose its name.

(b) The Investment Corporation determined on December 19, 2017 to transfer trust beneficial interest in real estate as follows.

Summary of Asset to be Transferred

Property name	Shinjuku Maynds Tower (3/7 of co-ownership interest) (Note)
Type of asset	Trust beneficial interest in domestic real estate
Sales price (scheduled)	62,500 million yen (excluding settlement money for fixed property tax and city planning tax as well as consumption tax and local consumption tax)
Date of conclusion of sales agreement	December 19, 2017
Date of delivery (scheduled)	February 28, 2018
Buyer	MAY Tokutei Mokuteki Kaisha

(Note) The Investment Corporation holds 6/7 of co-ownership interest in Shinjuku Maynds Tower. Therefore, co-ownership interest in the property is scheduled to be 3/7 following the transfer of the asset to be transferred (3/7 of co-ownership interest).

3. Borrowing of Funds

(a) The Investment Corporation borrowed funds on January 11, 2018 as below. The funds were borrowed to provide for the acquisition of the new property listed above in "(1) Acquisition of Assets (a)" etc.

Detail of Borrowings

Lender	Loan Amount (million yen)	Interest Rate	Borrowing Date	Borrowing/Repayment Method	Repayment Date
Sumitomo Mitsui Banking Corporation	12,000	JBA 1 month Japanese Yen TIBOR+0.25% (Note)	January 11, 2018	Unsecured Repayment in lump sum	May 31, 2018
Sumitomo Mitsui Trust Bank, Limited	9,000				
Mizuho Bank, Ltd.	9,000				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	9,000				

(Note) Interest payments shall be made at the end of every month and the maturity date (If any such date is not a business day, the immediately following business day; and if such date falls within the next month, the preceding last business day of the month). Interest rate is calculated based on the JBA 1 month Japanese Yen TIBOR which Japanese Bankers Association announces two business days prior to the first day of the applicable calculation period.

3.9. Increase (Decrease) in Number of Investment Units Issued and Outstanding

Since no capital increase, etc. were conducted in the 24th Fiscal Period, there is no change to unitholders' capital, etc.

The overview of capital increase in the most recent 5 years up to the end of the 24th Fiscal Period is as follows.

Payment date	Description	Number of investment units issued and outstanding (units)		Unitholders' capital (million yen)		Notes
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
July 2, 2014	Capital increase through public offering	41,092	436,890	18,522	217,303	(Note 1)
July 30, 2014	Capital increase by way of a third-party allotment	4,110	441,000	1,852	219,155	(Note 2)
June 1, 2015	Capital increase through public offering	41,045	482,045	23,145	242,301	(Note 3)
June 24, 2015	Capital increase by way of a third-party allotment	1,955	484,000	1,102	243,403	(Note 4)
August 2, 2016	Capital increase through public offering	12,700	496,700	7,461	250,864	(Note 5)
August 31, 2016	Capital increase by way of a third-party allotment	1,169	497,869	686	251,551	(Note 6)

(Note 1) The Investment Corporation issued new investment units through public offering at an issue price of 466,537 yen per unit (paid-in price: 450,746 yen) to procure funds for acquisition of properties, etc.

(Note 2) The Investment Corporation issued new investment units by way of a third-party allotment at an issue price of 450,746 yen per unit (paid-in price: 450,746 yen) to procure funds for acquisition of properties, etc.

(Note 3) The Investment Corporation issued new investment units through public offering at an issue price of 583,050 yen per unit (paid-in price: 563,914 yen) to procure funds for acquisition of properties, repayment of borrowings, etc.

(Note 4) The Investment Corporation issued new investment units by way of a third-party allotment at an issue price of 563,914 yen per unit (paid-in price: 563,914 yen) to procure funds for acquisition of properties, repayment of borrowings, etc.

(Note 5) The Investment Corporation issued new investment units through public offering at an issue price of 607,425 yen per unit (paid-in price: 587,489 yen) to procure funds for repayment of borrowings, etc.

(Note 6) The Investment Corporation issued new investment units by way of a third-party allotment at an issue price of 587,489 yen per unit (paid-in price: 587,489 yen) to procure funds for repayment of borrowings, etc.

4. Changes in Directors

4.1. Changes in Directors at the Investment Corporation

Not applicable.

4.2. Changes in Directors at the Asset Manager

Not applicable.

5. Reference Information

5.1. Investment Status

Type of asset	Use	Region	24th Fiscal Period (As of November 30, 2017)	
			Total amount owned (million yen) (Note 1)	As a percentage of total assets (%)
Real estate	Office	Five Central Wards of Tokyo	15,911	3.3
Trust beneficial interest in real estate	Office	Five Central Wards of Tokyo	391,433	81.0
		Greater Tokyo	37,864	7.8
		Major Regional Cities	14,544	3.0
Total			459,753	95.2
Investment securities (Note 2)			3,951	0.8
Deposits and other assets			19,469	4.0
Total amount of assets (Note 3)			483,173	100.0
			[459,753]	[95.2]

(Note 1) The total amount owned is the carrying amount (the book value after depreciation in the case of real estate and trust beneficial interest in real estate).

(Note 2) The asset is a silent partnership equity interest operated by Godo kaisha Yokohama Office Management.

(Note 3) The figures in parentheses [] under "Total amount of assets" shows the portion of the applicable asset that, in effect, corresponds to the holding of real estate properties. The amount of construction in progress (including construction in progress in trust) is not included in the amount of real estate and trust beneficial interest in real estate.

5.2. Investment Assets

5.2.1. Major Investment Securities

Name	Type of asset	Quantity	Book value (thousand yen)		Appraisal value (thousand yen) (Note 1)		As a percentage of total assets (%)	Notes
			Unit price	Amount	Unit price	Amount		
Godo kaisha Yokohama Office Management Silent Partnership Equity Interest	Equity interest in silent partnership	-	-	3,951,142	-	3,951,142	0.8	(Note 2)
Total	-	-	-	3,951,142	-	3,951,142	0.8	-

(Note 1) "Appraisal value" indicates the book value.

(Note 2) The asset under management is 75% quasi co-ownership in trust beneficial interest in domestic real estate (CONCURRED Yokohama) as an asset in trust.

5.2.2 Investment Real Estate Properties (As of November 30, 2017)

A. Price and Investment Ratio of Investment Real Estate Properties

Region	Property name	Type of specified asset	Acquisition price (million yen) (Note 4)	Carrying amount (million yen) (Note 5)	Estimated price at end of period (million yen) (Note 6)	Investment ratio (%) (Note 7)
Five Central Wards of Tokyo (Note 1)	Daiwa Ginza	Real estate	14,100	13,134	17,200	3.0
	Daiwa Ginza Annex		3,050	2,776	3,840	0.6
	Daiwa Shibaura		8,265	8,040	7,870	1.8
	Daiwa Minami-Aoyama		4,550	4,437	4,640	1.0
	Daiwa Sarugakucho		3,190	3,210	3,840	0.7
	Daiwa A Hamamatsucho (Note 8)		2,865	2,791	3,560	0.6
	Daiwa Jingumae		2,800	2,719	2,460	0.6
	Daiwa Shibadaimon		2,578	2,410	3,090	0.5
	Daiwa Misakicho		2,346	2,163	2,850	0.5
	Daiwa Shimbashi 510		2,080	2,128	2,530	0.4
	Daiwa Tsukijiekimae		1,560	1,301	1,880	0.3
	Daiwa Tsukiji		1,240	1,144	1,610	0.3
	Daiwa Tsukishima		7,840	6,937	10,100	1.7
	Daiwa Nihonbashi Horidomecho		2,520	2,469	2,660	0.5
	Daiwa Azabudai	1,600	1,515	1,930	0.3	
	Daiwa Kyobashi	3,460	3,244	3,490	0.7	
	Daiwa Kojimachi 4-chome	2,910	2,843	2,830	0.6	
	Daiwa Onarimon	13,860	13,369	13,900	3.0	
	Shinjuku Maynds Tower (Note 8)	133,800	129,391	125,000	28.5	
	Daiwa SHIBUYA EDGE (Note 9)	5,900	5,672	5,190	1.3	
	Daiwa Kodenmacho	2,460	2,383	2,260	0.5	
	Daiwa Jimbocho	4,150	4,024	3,620	0.9	
	Daiwa Nishi-Shimbashi	5,000	4,767	6,520	1.1	
	Daiwa Kayabacho Building	5,600	5,287	8,160	1.2	
	Daiwa Jimbocho 3-chome	3,550	3,393	4,900	0.8	
	E SPACE TOWER	24,000	23,589	33,400	5.1	
	Daiwa Nihonbashi Hongokucho	1,721	1,604	2,470	0.4	
	shinyon curumu	9,650	9,706	15,500	2.1	
	Daiwa Akasaka	9,200	9,400	13,700	2.0	
	Daiwa Shibuya Miyamasuzaka	7,000	7,221	8,740	1.5	
	Daiwa Azabu Terrace	14,000	14,114	16,100	3.0	
	Daiwa Ebisu 4-chome	4,135	4,266	5,950	0.9	
	LAQUAS Higashi Shinjuku	8,450	8,516	10,700	1.8	
	Daiwa Aoyama	9,800	10,051	12,400	2.1	
	Shinsen Place	4,800	4,904	6,710	1.0	
	Glass City Shibuya	16,000	16,012	18,300	3.4	
	Daiwa River Gate	28,000	28,113	30,200	6.0	
	Daiwa Hatchobori ekimae	2,871	2,954	3,300	0.6	
	Daiwa Hatchobori ekimae West	1,647	1,730	1,850	0.4	
	Daiwa Nishi-Shinjuku (Note 9)	13,710	13,957	15,500	2.9	
	Kirin Nihonbashi Building	8,180	8,299	8,290	1.7	
	Daiwa Higashi-nihonbashi	6,370	6,363	6,780	1.4	
	Square Daikanyama Building	2,280	2,389	2,600	0.5	
	Shinjuku West Building	942	983	1,230	0.2	
	Shin Kanda Mikura-cho Building (Note 9)	1,592	1,604	1,710	0.3	
Total for Five Central Wards of Tokyo (45 Properties)			415,622	407,344	461,360	88.6

Region	Property name	Type of specified asset	Acquisition price (million yen) (Note 4)	Carrying amount (million yen) (Note 5)	Estimated price at end of period (million yen) (Note 6)	Investment ratio (%) (Note 7)
Greater Tokyo (Note 2)	Daiwa Higashi-Ikebukuro	Trust beneficial interest in real estate	2,958	2,679	3,880	0.6
	Daiwa Shinagawa North		7,710	7,185	6,170	1.6
	Daiwa Osaki 3-chome		1,650	1,617	2,340	0.4
	Daiwa Kamiooka		2,000	1,930	2,750	0.4
	Integral Tower		15,220	14,898	19,700	3.2
	Daiwa Meguro Square		5,600	5,553	6,750	1.2
	Daiwa Ogikubo		3,800	4,001	4,490	0.8
Total for Greater Tokyo (7 properties)			38,938	37,864	46,080	8.3
Major Regional Cities (Note 3)	Daiwa Meieki	Trust beneficial interest in real estate	5,300	5,222	7,990	1.1
	Daiwa Kitahama		9,481	9,321	11,700	2.0
Total for Major Regional Cities (2 properties)			14,781	14,544	19,690	3.1
Total (54 properties)			469,341	459,753	527,130	100.0

(Note 1) "Five Central Wards of Tokyo" means Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards.

(Note 2) "Greater Tokyo" means Tokyo excluding the Five Central Wards of Tokyo, Kanagawa, Chiba and Saitama prefectures.

(Note 3) "Major Regional Cities" means Osaka area (i.e., Osaka, Kyoto and Hyogo prefectures), Nagoya area (Aichi, Mie and Gifu prefectures) and ordinance-designated cities and core cities under the Local Autonomy Act.

(Note 4) Acquisition price is excluding acquisition costs, fixed property tax, city planning tax, consumption tax and local consumption tax.

(Note 5) Carrying amount is the book value after depreciation as of November 30, 2017.

(Note 6) Estimated price at end of period is the price as of November 30, 2017 stated in appraisal reports prepared by real estate appraisers of Tanizawa Sogo Appraisal Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd., Morii Appraisal & Investment Consulting, Inc. and Japan Real Estate Institute in accordance with the articles of incorporation of the Investment Corporation and the rules of The Investment Trusts Association, Japan.

(Note 7) Investment ratio is the acquisition price of each property expressed as a percentage of the total amount of acquisition prices, rounded to one decimal place.

(Note 8) For Daiwa A Hamamatsucho Building and Shinjuku Maynds Tower, the figures are those pertaining to the Investment Corporation's ownership interest.

(Note 9) The Investment Corporation changed the names of assets under management from Shin Kanda Mikuracho Building to Daiwa Kanda Mikuracho Building on September 1, 2017, from Nikko Building to Daiwa Nishi-Shinjuku Building on October 1, 2017, and from SHIBUYA EDGE to Daiwa SHIBUYA EDGE on November 1, 2017. The same applies hereinafter in this document.

B. Summary of Building and Leasing of Investment Real Estate

Region	Property name	Structure and number of floors (Note 1)	Construction completion (Note 2)	Leasable floor area (m ²) (Note 3)	Leased floor area (m ²) (Note 4)	Total number of tenants (Note 5)	Occupancy rate (%) (Note 6)	Rent revenue during current period (thousand yen) (Note 7)
Five Central Wards of Tokyo	Daiwa Ginza	SRC B3 / 12F	July 1963	8,112.77	7,252.63	25	89.3	370,118
	Daiwa Ginza Annex	SRC B3 / 8F	Aug. 1972	2,032.11	2,032.11	7	100.0	87,031
	Daiwa Shibaura	SRC B1 / 12F	Oct. 1987	9,619.67	9,538.13	54	99.1	237,052
	Daiwa Minami-Aoyama	S / SRC B2 / 5F	Sept. 1990	2,715.54	2,715.54	6	100.0	131,445
	Daiwa Sarugakuchō (Note 8)	SRC 8F	June 1985	3,657.43	3,657.43	2	100.0	(Not disclosed)
	Daiwa A Hamamatsuchō	SRC B2 / 10F	July 1993	3,663.38	3,663.38	12	100.0	134,360
	Daiwa Jingumae	RC B1 / 4F	Dec. 1997	2,198.61	2,198.61	4	100.0	64,837
	Daiwa Shibadaimon	SRC / RC B1 / 7F	Nov. 1996	2,386.48	2,386.48	6	100.0	86,875
	Daiwa Misakichō (Note 8)	S 8F	July 1996	2,137.53	2,137.53	1	100.0	(Not disclosed)
	Daiwa Shimbashi 510	SRC B1 / 8F	Apr. 1974	2,641.56	2,364.00	6	89.4	79,144
	Daiwa Tsukijiekimae	SRC 10F	Jan. 1996	2,659.59	2,659.59	6	100.0	55,027
	Daiwa Tsukiji	SRC B1 / 7F	Jan. 1990	1,487.44	1,487.44	5	100.0	51,463
	Daiwa Tsukishima	S 5F	July 1996	8,425.69	8,425.69	4	100.0	183,601
	Daiwa Nihonbashi Horidomechō	SRC B2 / 7F	Apr. 1993	2,850.81	2,850.81	8	100.0	84,642
	Daiwa Azabudai	SRC B2 / 9F	Apr. 1984	1,697.88	1,697.88	10	100.0	56,083
	Daiwa Kyobashi	SRC B1 / 8F	Oct. 1974	3,265.83	2,871.69	9	87.9	81,539
	Daiwa Kojimachi 4-chōme	SRC B2 / 9F	Oct. 1987	2,695.31	2,695.31	7	100.0	93,504
	Daiwa Onarimon	SRC 9F	Apr. 1973	11,614.92	11,614.92	8	100.0	353,113
	Shinjuku Maynds Tower (Note 9)	S / SRC B3 / 34F	Sept. 1995	45,543.97	44,014.57	37	96.6	2,566,311
	Daiwa SHIBUYA EDGE	RC B1 / 9F	Aug. 2006	2,480.65	2,480.65	5	100.0	127,518
	Daiwa Kodenmachō	SRC 8F	Mar. 1985	2,379.31	2,379.31	8	100.0	65,113
Daiwa Jimbochō	S B1 / 8F	Mar. 1997	3,164.26	3,164.26	7	100.0	107,066	
Daiwa Nishi-Shimbashi	SRC B1 / 10F	July 1993	4,815.84	4,815.84	11	100.0	174,153	
Daiwa Kayabachō Building (Note 8)	S / SRC B1 / 8F	Apr. 2010	5,899.11	5,899.11	1	100.0	(Not disclosed)	

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Region	Property name	Structure and number of floors (Note 1)	Construction completion (Note 2)	Leasable floor area (m ²) (Note 3)	Leased floor area (m ²) (Note 4)	Total number of tenants (Note 5)	Occupancy rate (%) (Note 6)	Rent revenue during current period (thousand yen) (Note 7)
	Daiwa Jimbocho 3-chome	S 9F	Feb. 2010	2,889.34	2,889.34	8	100.0	90,094
	E SPACE TOWER	S / SRC B1 / 15F	Oct. 2002	13,960.87	12,960.31	7	92.8	765,656
	Daiwa Nihonbashi Hongokucho	S 8F	May 2010	2,143.08	2,143.08	5	100.0	64,018
	shinyon curumu	S / RC B2 / 11F	Jan. 2012	6,751.31	6,720.81	17	99.5	361,496
	Daiwa Akasaka	SRC B2 / 7F	Sept. 1990	8,739.17	7,993.78	19	91.4	336,091
	Daiwa Shibuya Miyamasuzaka	S B1 / 12F	Dec. 1988	6,329.00	6,329.00	8	100.0	237,913
	Daiwa Azabu Terrace	S / RC B1 / 6F	Sept. 2009	13,234.39	13,192.63	11	99.6	473,068
	Daiwa Ebisu 4-chome (Note 8)	SRC B1 / 9F	Dec. 1997	2,885.64	2,885.64	1	100.0	(Not disclosed)
	LAQUAS Higashi Shinjuku	S 10F	Aug. 2010	7,498.33	7,498.33	4	100.0	226,954
	Daiwa Aoyama	S / RC B1 / 7F	Nov. 2001	4,426.10	4,426.10	7	100.0	212,474
	Shinsen Place (Note 8)	RC B1 / 9F	Sept. 2001	2,811.35	2,811.35	1	100.0	(Not disclosed)
	Glass City Shibuya	S / SRC B1 / 11F	Feb. 2004	8,566.73	8,566.73	9	100.0	397,641
	Daiwa River Gate	S / SRC / RC B2 / 20F	Feb. 1994	32,055.85	31,452.60	85	98.1	909,946
	Daiwa Hatchobori ekimae	S / SRC B1 / 10F	Feb. 2006	2,622.42	2,622.42	9	100.0	76,957
	Daiwa Hatchobori ekimae West	SRC B1 / 9F	Feb. 1996	1,723.15	1,723.15	8	100.0	46,545
	Nikko Building	SRC / RC / S B2 / 11F	Aug. 1991	6,967.61	6,967.61	7	100.0	324,970
	Kirin Nihonbashi Building (Note 8)	S / SRC 7F	Feb. 1999	5,630.17	5,630.17	1	100.0	(Not disclosed)
	Daiwa Higashi-nihonbashi Building	S 7F	Mar. 2008	5,015.88	5,015.88	5	100.0	167,565
	Square Daikanyama Building (Note 8)	S 6F	Mar. 2001	1,588.35	1,588.35	1	100.0	(Not disclosed)
	Shinjuku West Building	RC 4F	Mar. 1989	1,120.58	1,120.58	8	100.0	37,990
	Daiwa Kanda Mikura-cho Building	SRC B1 / 7F	Jan. 1991	1,719.51	1,719.51	7	100.0	24,954
Total for Five Central Wards of Tokyo (45 properties)				276,824.52	271,260.28	477	97.9	10,771,019
Greater Tokyo	Daiwa Higashi-Ikebukuro	SRC / S B1 / 9F	June 1993	4,461.47	4,461.47	8	100.0	119,909
	Daiwa Shinagawa North	SRC B1 / 11F	July 1991	6,548.17	6,548.17	13	100.0	194,598
	Daiwa Osaki 3-chome	S / RC B1 / 6F	Sept. 2007	1,786.06	1,786.06	5	100.0	65,526
	Daiwa Kamiooka	S / SRC B3 / 7F	May 2011	2,630.30	2,630.30	9	100.0	92,232
	Integral Tower (Note 10)	S / SRC B2 / 18F	June 1993	17,778.14	17,778.14	9	100.0	604,576
	Meguro Place Tower	S / SRC B2 / 14F	July 2009	3,519.50	3,519.50	16	100.0	152,041
	Daiwa Ogikubo	SRC B1 / 7F	Nov. 1990	3,849.63	3,849.63	11	100.0	124,931
Total for Greater Tokyo (7 properties)				40,573.27	40,573.27	71	100.0	1,353,817
Major Regional Cities	Daiwa Meieki	S 12F	Dec. 2007	7,461.90	7,243.18	25	97.0	254,455
	Daiwa Kitahama	S / SRC B1 / 16F	Feb. 2008	13,517.62	13,517.62	7	100.0	339,071
Total for Major Regional Cities (2 properties)				20,979.52	20,760.80	32	98.9	593,526
Total (54 properties)				338,377.31	332,594.35	580	98.2	12,718,363

(Note 1) "Structure and number of floors" are the entries in the real estate registry of the building of the applicable investment real estate property. "S" refers to steel-framed structure, "RC" refers to reinforced concrete structure, "SRC" refers to steel-framed reinforced concrete structure, "B" refers to floors below ground and "F" refers to floors above ground.

- (Note 2) “Construction completion” is the entry in the real estate registry of the building of the applicable investment real estate property.
- (Note 3) “Leasable floor area” represents the floor area of the building of the applicable property that is leasable, not including the leasable area of the land (including level parking space), and is the floor area indicated in the lease contract, etc. as of November 30, 2017.
- (Note 4) “Leased floor area” is the sum total of the floor area that is actually leased based on lease agreements, etc. executed with end-tenants as of November 30, 2017.
- (Note 5) “Total number of tenants” is the number of end-tenants. When there is a tenant occupying multiple buildings, the concerned tenant is counted and stated for each individual building.
- (Note 6) “Occupancy rate” is the figure arrived at when leased floor area is divided by leasable floor area, rounded down to one decimal place.
- (Note 7) “Rent revenue during current period” is rent income, common area charges income, parking lot income and other income generated from the applicable investment real estate property (excluding other lease business revenue) during the 24th Fiscal Period, rounded down to the nearest thousand yen.
- (Note 8) Not shown for such reasons as consent was not obtained from major tenants to disclose the rent revenue during current period for the properties.
- (Note 9) The real estate in trust pertaining to trust beneficial interest held by the Investment Corporation is the common ownership interest corresponding to six-sevenths of the entire property. Accordingly, leasable floor area and leased floor area are the floor areas corresponding to six-sevenths of the entire building.
- (Note 10) The buildings consist of three registrations. Of these, the details of the major building are shown here.

C. Capital Expenditures for Assets under Management

a. Scheduled Capital Expenditures for the 24th Fiscal Period

The following are the principal capital expenditures arising from renovation construction work, etc. currently planned for existing portfolio properties. Please note that the expected construction amount includes portions that are expensed as a separate account item of accounting costs.

Name of real estate properties (Location)	Purpose	Scheduled implementation period	Expected construction amount (million yen)		
			Total amount	Amount paid during current period	Total amount already paid
Daiwa Akasaka (Minato-ku, Tokyo)	Upgrading of air-conditioning system	From: Nov. 2016 To: Jun. 2018	1,091	327	327
Integral Tower (Suginami-ku, Tokyo)	Upgrading of air-conditioning system	From: Mar. 2017 To: Apr. 2018	935	380	277
Integral Tower (Suginami-ku, Tokyo)	Construction of power receiving and transforming facility	From: Mar. 2017 To: Dec. 2017	178		
E SPACE TOWER (Shibuya-ku, Tokyo)	Upgrading of air-conditioning system	From: Feb. 2018 To: May 2018	160	—	—
Shinjuku Maynds Tower (Shibuya-ku, Tokyo)	Changing lighting in exclusive areas to LED (green leasing)	From: Dec. 2017 To: May 2018	70	—	—

b. Capital Expenditures during the 24th Fiscal Period

The following summarizes the primary construction work that constitutes capital expenditures implemented during the 24th Fiscal Period. Capital expenditures for the 24th Fiscal Period amounted to 535 million yen and, when combined with the 267 million yen in repair expenses charged to the 24th Fiscal Period expenses, totals 803 million yen in construction work were implemented.

Name of real estate properties (Location)	Purpose	Period	Construction amount paid (million yen)
Shinjuku Maynds Tower (Shibuya-ku, Tokyo)	Remodeling of gray water facility	From: Oct. 2017 To: Nov. 2017	61
Daiwa Ebisu 4-chome (Shibuya-ku, Tokyo)	Upgrading of cubicle	From: Jun. 2017 To: Aug. 2017	39
Daiwa River Gate (Chuo-ku, Tokyo)	Upgrading of air conditioning controller	From: Oct. 2017 To: Nov. 2017	35
Other			399
Total			535

c. Reserve Amount for Long-Term Repair Plans (Reserve for Repairs)

The Investment Corporation sets aside the following reserve for repairs from cash flows during the fiscal period for the payment of future major repairs.

(Unit: million yen)

Fiscal period	20th Fiscal Period	21st Fiscal Period	22nd Fiscal Period	23rd Fiscal Period	24th Fiscal Period
	[From: June 1, 2015 To: Nov. 30, 2015]	[From: Dec. 1, 2015 To: May 31, 2016]	[From: June 1, 2016 To: Nov. 30, 2016]	[From: Dec. 1, 2016 To: May 31, 2017]	[From: June 1, 2017 To: Nov. 30, 2017]
Balance of reserve at beginning of current period	2,742	1,060	1,843	2,043	1,900
Amount of reserve in current period	—	1,255	524	84	1,417
Reversal of reserve in current period	1,682	472	324	227	1,478
Amount carried forward to next period	1,060	1,843	2,043	1,900	1,839

D. Summary of Estimated Price at End of Period (As of November 30, 2017)

Property name	Estimated price at end of period (million yen) (Note 1)	Summary of Appraisal Report				
		Direct capitalization method		DCF method		
		Price (million yen)	Cap rate (%)	Price (million yen)	Discount rate (%)	Terminal cap rate (%)
Daiwa Ginza	17,200	17,800	3.5	16,900	3.3	3.7
Daiwa Ginza Annex	3,840	3,870	3.4	3,810	3.2	3.6
Daiwa Shibaura	7,870	7,900	4.0	7,850	3.8	4.2
Daiwa Minami-Aoyama	4,640	4,690	3.8	4,580	3.6	4.0
Daiwa Sarugakucho	3,840	3,900	4.4	3,770	4.2	4.6
Daiwa A Hamamatsucho (Note 2)	3,560	3,620	3.7	3,540	3.5	3.9
Daiwa Jingumae	2,460	2,490	3.8	2,420	3.6	4.0
Daiwa Shibadaimon	3,090	3,160	3.6	3,060	3.4	3.8
Daiwa Misakicho	2,850	2,890	3.9	2,830	3.7	4.1
Daiwa Shimbashi 510	2,530	2,560	4.0	2,500	3.8	4.2
Daiwa Tsukijiekimae (Note 3)	1,880	1,890	4.2	1,880	4.2	4.4
Daiwa Tsukiji	1,610	1,620	4.1	1,610	4.1	4.3
Daiwa Tsukishima	10,100	10,200	4.1	10,100	3.8	4.3
Daiwa Nihonbashi Horidomecho	2,660	2,710	4.0	2,600	3.8	4.2
Daiwa Azabudai	1,930	1,970	3.9	1,880	3.7	4.1
Daiwa Kyobashi	3,490	3,540	3.9	3,440	3.7	4.1
Daiwa Kojimachi 4-chome	2,830	2,840	3.7	2,810	3.5	3.9
Daiwa Onarimon	13,900	14,200	3.7	13,600	3.5	3.9
Shinjuku Maynds Tower (Note 4)	125,000	148,000	3.2	144,000	3.0	3.4
Daiwa SHIBUYA EDGE	5,190	5,300	3.7	5,070	3.5	3.9
Daiwa Kodenmacho	2,260	2,270	4.2	2,240	4.0	4.4
Daiwa Jimbocho	3,620	3,700	3.9	3,590	3.9	4.1
Daiwa Nishi-Shimbashi	6,520	6,670	3.5	6,460	3.3	3.7
Daiwa Kayabacho Building	8,160	8,280	3.3	8,110	3.1	3.5
Daiwa Jimbocho 3-chome	4,900	5,020	3.3	4,850	3.1	3.5
E SPACE TOWER	33,400	34,100	3.4	32,600	3.2	3.6
Daiwa Nihonbashi Hongokucho	2,470	2,500	3.9	2,450	3.7	4.1
shinyon curumu	15,500	15,800	3.2	15,300	3.0	3.4
Daiwa Akasaka	13,700	14,000	3.2	13,600	3.0	3.4
Daiwa Shibuya Miyamasuzaka	8,740	8,900	3.7	8,580	3.5	3.9
Daiwa Azabu Terrace	16,100	16,400	3.9	15,800	3.7	4.1
Daiwa Ebisu 4-chome	5,950	5,950	3.7	5,950	3.8	3.9
LAQUAS Higashi Shinjuku	10,700	11,100	3.3	10,500	3.1	3.5
Daiwa Aoyama	12,400	12,700	3.2	12,200	3.0	3.4
Daiwa Nishi-Shinjuku	6,710	6,820	3.3	6,660	3.2	3.5
Glass City Shibuya	18,300	18,400	3.5	18,100	3.2	3.6
Daiwa River Gate	30,200	30,300	4.1	30,000	3.8	4.2
Daiwa Hatchobori ekimae	3,300	3,440	3.5	3,240	3.3	3.7
Daiwa Hatchobori ekimae West	1,850	1,930	3.6	1,820	3.4	3.8
Nikko Building	15,500	16,100	3.3	15,300	3.1	3.5
Kirin Nihonbashi Building	8,290	8,450	4.0	8,120	3.7	4.1
Daiwa Higashi-nihonbashi Building	6,780	6,950	3.9	6,710	3.7	4.1
Square Daikanyama Building (Note 5)	2,600	2,630	3.4	2,590	3.4	3.6
Shinjuku West Building	1,230	1,240	3.7	1,220	3.5	3.9
Shin Kanda Mikura-cho Building	1,710	1,750	4.0	1,690	4.0	4.2
Daiwa Higashi-Ikebukuro	3,880	3,920	4.1	3,860	3.9	4.3
Daiwa Shinagawa North	6,170	6,240	4.2	6,100	4.0	4.4

Property name	Estimated price at end of period (million yen) (Note 1)	Summary of Appraisal Report				
		Direct capitalization method		DCF method		
		Price (million yen)	Cap rate (%)	Price (million yen)	Discount rate (%)	Terminal cap rate (%)
Daiwa Osaki 3-chome	2,340	2,370	3.8	2,330	3.6	4.0
Daiwa Kamiooka	2,750	2,760	4.5	2,740	4.3	4.7
Integral Tower	19,700	20,000	3.7	19,500	3.5	3.9
Daiwa Meguro Square	6,750	6,950	3.5	6,670	3.3	3.7
Daiwa Ogikubo	4,490	4,580	3.9	4,450	3.7	4.1
Daiwa Meieki	7,990	8,120	4.2	7,940	4.0	4.4
Daiwa Kitahama	11,700	12,000	3.8	11,500	3.6	4.0
Total	527,130	557,490	-	541,020	-	-

(Note 1) "Estimated price at end of period" is the price as of November 30, 2017 stated in appraisal reports prepared by real estate appraisers of Tanizawa Sogo Appraisal Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd., Morii Appraisal & Investment Consulting, Inc. and Japan Real Estate Institute in accordance with the articles of incorporation of the Investment Corporation and the rules of The Investment Trusts Association, Japan.

(Note 2) For Daiwa A Hamamatsucho, the prices are those pertaining to the Investment Corporation's ownership interest.

(Note 3) Discount rate for Daiwa Tsukijiekimae is the figure after the 4th fiscal year (4.1% for the 3rd fiscal year).

(Note 4) For Shinjuku Maynds Tower, the estimated price at end of period is the price pertaining to the Investment Corporation's ownership interest, and the price indicated by the direct capitalization method and price indicated by the DCF method are the prices pertaining to the entire Property.

(Note 5) Discount rate for Square Daikanyama Building is the figure after the 11th fiscal year (3.5% up to the 10th fiscal year).

E. Status of Income (Loss), etc. of Individual Properties

The following table lists the status of income (loss), etc. of each property for the 24th Fiscal Period (from June 1, 2017 to November 30, 2017). Income (loss) information is presented in accordance with “3. Financial Statements; 3.7. Notes to Significant Accounting Policies” outlined earlier.

Region		Five Central Wards of Tokyo				
Property name		Daiwa Ginza	Daiwa Ginza Annex	Daiwa Shibaura	Daiwa Minami-Aoyama	Daiwa Sarugakucho (Note 4)
Acquisition date		Oct. 2005	Oct. 2005	Oct. 2005	Oct. 2005	Oct. 2005
Price information	Acquisition price (million yen)	14,100	3,050	8,265	4,550	3,190
	Investment ratio (%)	3.0	0.6	1.8	1.0	0.7
	Carrying amount (million yen)	13,134	2,776	8,040	4,437	3,210
	Estimated price at end of period (million yen)	17,200	3,840	7,870	4,640	3,840
Leasing information	Number of tenants (Note 1)	25	7	54	6	2
	Leasable floor area (m ²)	8,112.77	2,032.11	9,619.67	2,715.54	3,657.43
	Leased floor area (m ²)	7,252.63	2,032.11	9,538.13	2,715.54	3,657.43
	Occupancy rate (%)					
	End of Nov. 2015	93.9	100.0	98.7	100.0	100.0
	End of May 2016	93.9	100.0	99.1	84.8	100.0
	End of Nov. 2016	94.9	100.0	97.6	100.0	100.0
End of May 2017	96.9	100.0	90.3	100.0	100.0	
End of Nov. 2017	89.3	100.0	99.1	100.0	100.0	
Income (loss) information	Number of days of asset management	183	183	183	183	183
	Total property leasing revenue (A) (thousand yen)	370,118	87,031	238,130	131,445	(Not disclosed)
	Rent revenue – real estate	370,118	87,031	237,052	131,445	(Not disclosed)
	Other lease business revenue	–	–	1,078	–	(Not disclosed)
	Total property leasing expenses (B) (thousand yen)	177,533	38,804	103,820	43,752	(Not disclosed)
	Consignment expenses	23,307	9,214	25,226	5,853	(Not disclosed)
	Utilities expenses	26,518	6,364	19,311	7,814	(Not disclosed)
	Taxes and dues	27,915	9,106	19,599	11,931	(Not disclosed)
	Non-life insurance expenses	370	86	339	135	(Not disclosed)
	Repair expenses	13,157	3,767	10,501	3,975	(Not disclosed)
	Depreciation (C)	74,422	10,264	28,842	14,041	(Not disclosed)
	Other lease business expenses	11,841	–	–	–	(Not disclosed)
	Operating income (loss) from property leasing (D) [(A) – (B)] (thousand yen)	192,585	48,227	134,309	87,693	(Not disclosed)
NOI (E) [(D) + (C)] (thousand yen)	267,007	58,492	163,151	101,734	67,383	
Capital expenditures (F) (thousand yen)	10,954	1,685	30,743	9,014	280	
NCF [(E) – (F)] (thousand yen)	256,052	56,806	132,408	92,720	67,103	
Reference information	Expense rate (%) [(B) ÷ (A)]	47.97	44.59	43.60	33.29	(Not disclosed)
	Annual amount of fixed property tax, etc. for fiscal 2017 (thousand yen)	55,785	18,067	38,645	23,401	13,316
	Estimated long-term repair expenses (thousand yen) (Note 2)	346,060	86,510	347,210	185,215	171,199

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Region		Five Central Wards of Tokyo				
Property name		Daiwa A Hamamatsucho	Daiwa Jingumae	Daiwa Shibadaimon	Daiwa Misakicho (Note 4)	Daiwa Shimbashi 510
Acquisition date		Oct. 2005	Oct. 2005	Oct. 2005	Oct. 2005	Oct. 2005
Price information	Acquisition price (million yen)	2,865	2,800	2,578	2,346	2,080
	Investment ratio (%)	0.6	0.6	0.5	0.5	0.4
	Carrying amount (million yen)	2,791	2,719	2,410	2,163	2,128
	Estimated price at end of period (million yen)	3,560	2,460	3,090	2,850	2,530
Leasing information	Number of tenants (Note 1)	12	4	6	1	6
	Leasable floor area (m ²)	3,663.38	2,198.61	2,386.48	2,137.53	2,641.56
	Leased floor area (m ²)	3,663.38	2,198.61	2,386.48	2,137.53	2,364.00
	Occupancy rate (%)					
	End of Nov. 2015	100.0	100.0	100.0	100.0	99.6
	End of May 2016	100.0	100.0	100.0	100.0	88.0
	End of Nov. 2016	100.0	100.0	100.0	100.0	99.6
End of May 2017	100.0	100.0	100.0	100.0	99.6	
End of Nov. 2017	100.0	100.0	100.0	100.0	89.4	
Income (loss) information	Number of days of asset management	183	183	183	183	183
	Total property leasing revenue (A) (thousand yen)	134,360	64,837	86,875	(Not disclosed)	79,144
	Rent revenue – real estate	134,360	64,837	86,875	(Not disclosed)	79,144
	Other lease business revenue	–	–	–	(Not disclosed)	–
	Total property leasing expenses (B) (thousand yen)	73,134	28,269	34,420	(Not disclosed)	27,002
	Consignment expenses	10,338	7,107	7,177	(Not disclosed)	5,028
	Utilities expenses	8,694	4,843	6,641	(Not disclosed)	6,415
	Taxes and dues	8,775	6,357	6,254	(Not disclosed)	5,665
	Non-life insurance expenses	158	73	107	(Not disclosed)	110
	Repair expenses	656	675	2,793	(Not disclosed)	1,361
	Depreciation (C)	15,111	9,204	11,445	(Not disclosed)	8,421
	Other lease business expenses	29,400	7	–	(Not disclosed)	–
	Operating income (loss) from property leasing (D) [(A) – (B)] (thousand yen)	61,225	36,568	52,455	(Not disclosed)	52,142
NOI (E) [(D) + (C)] (thousand yen)	76,337	45,772	63,900	63,514	60,563	
Capital expenditures (F) (thousand yen)	–	2,283	733	1,063	–	
NCF [(E) – (F)] (thousand yen)	76,337	43,488	63,167	62,451	60,563	
Reference information	Expense rate (%) [(B) ÷ (A)]	54.43	43.60	39.62	(Not disclosed)	34.12
	Annual amount of fixed property tax, etc. for fiscal 2017 (thousand yen)	17,366	12,714	12,173	10,329	11,296
	Estimated long-term repair expenses (thousand yen) (Note 2)	100,430	117,930	150,927	182,856	169,555

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Region		Five Central Wards of Tokyo				
Property name		Daiwa Tsukijiekimae	Daiwa Tsukiji	Daiwa Tsukishima	Daiwa Nihonbashi Horidomecho	Daiwa Azabudai
Acquisition date		Jan. 2006	Jan. 2006	Mar. 2006	May 2006	May 2006
Price information	Acquisition price (million yen)	1,560	1,240	7,840	2,520	1,600
	Investment ratio (%)	0.3	0.3	1.7	0.5	0.3
	Carrying amount (million yen)	1,301	1,144	6,937	2,469	1,515
	Estimated price at end of period (million yen)	1,880	1,610	10,100	2,660	1,930
Leasing information	Number of tenants (Note 1)	6	5	4	8	10
	Leasable floor area (m ²)	2,659.59	1,487.44	8,425.69	2,850.81	1,697.88
	Leased floor area (m ²)	2,659.59	1,487.44	8,425.69	2,850.81	1,697.88
	Occupancy rate (%)					
	End of Nov. 2015	100.0	89.2	100.0	100.0	100.0
	End of May 2016	100.0	89.2	100.0	100.0	100.0
	End of Nov. 2016	100.0	100.0	56.7	100.0	100.0
End of May 2017	100.0	100.0	100.0	100.0	100.0	
End of Nov. 2017	100.0	100.0	100.0	100.0	100.0	
Income (loss) information	Number of days of asset management	183	183	183	183	183
	Total property leasing revenue (A) (thousand yen)	55,027	51,763	183,601	84,642	56,083
	Rent revenue – real estate	55,027	51,463	183,601	84,642	56,083
	Other lease business revenue	–	300	–	–	–
	Total property leasing expenses (B) (thousand yen)	30,353	17,810	99,662	32,855	22,057
	Consignment expenses	5,790	3,571	11,370	5,407	4,020
	Utilities expenses	6,164	2,764	14,088	5,192	3,421
	Taxes and dues	5,066	3,861	13,727	6,720	4,916
	Non-life insurance expenses	86	56	257	117	66
	Repair expenses	99	198	2,769	700	733
	Depreciation (C)	13,127	7,359	57,448	14,718	8,900
	Other lease business expenses	18	–	–	–	–
	Operating income (loss) from property leasing (D) [(A) – (B)] (thousand yen)	24,674	33,952	83,939	51,786	34,025
NOI (E) [(D) + (C)] (thousand yen)	37,801	41,312	141,387	66,504	42,925	
Capital expenditures (F) (thousand yen)	122	824	163	9,913	840	
NCF [(E) – (F)] (thousand yen)	37,679	40,488	141,224	56,591	42,085	
Reference information	Expense rate (%) [(B) ÷ (A)]	55.16	34.41	54.28	38.82	39.33
	Annual amount of fixed property tax, etc. for fiscal 2017 (thousand yen)	10,101	7,663	27,454	13,193	9,813
	Estimated long-term repair expenses (thousand yen) (Note 2)	120,530	109,848	102,930	234,846	108,280

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Region		Five Central Wards of Tokyo				
Property name		Daiwa Kyobashi	Daiwa Kojimachi 4-chome	Daiwa Onarimon	Shinjuku Maynds Tower	Daiwa SHIBUYA EDGE
Acquisition date		Jul. 2006	Oct. 2006	Dec. 2006	Jul. 2007 and Nov. 2007	Jul. 2007
Price information	Acquisition price (million yen)	3,460	2,910	13,860	133,800	5,900
	Investment ratio (%)	0.7	0.6	3.0	28.5	1.3
	Carrying amount (million yen)	3,244	2,843	13,369	129,391	5,672
	Estimated price at end of period (million yen)	3,490	2,830	13,900	125,000	5,190
Leasing information	Number of tenants (Note 1)	9	7	8	37	5
	Leasable floor area (m ²)	3,265.83	2,695.31	11,614.92	45,543.97	2,480.65
	Leased floor area (m ²)	2,871.69	2,695.31	11,614.92	44,014.57	2,480.65
	Occupancy rate (%)					
	End of Nov. 2015	100.0	100.0	100.0	96.1	100.0
	End of May 2016	100.0	100.0	100.0	98.8	100.0
	End of Nov. 2016	88.2	100.0	100.0	99.2	100.0
End of May 2017	87.9	100.0	100.0	96.6	100.0	
End of Nov. 2017	87.9	100.0	100.0	96.6	100.0	
Income (loss) information	Number of days of asset management	183	183	183	183	183
	Total property leasing revenue (A) (thousand yen)	81,539	93,504	353,113	2,574,643	127,518
	Rent revenue – real estate	81,539	93,504	353,113	2,566,311	127,518
	Other lease business revenue	—	—	—	8,331	—
	Total property leasing expenses (B) (thousand yen)	41,875	42,501	115,579	1,121,334	50,162
	Consignment expenses	6,326	6,445	17,434	161,783	6,926
	Utilities expenses	7,308	7,692	24,890	281,692	7,639
	Taxes and dues	7,111	14,946	34,925	253,488	7,227
	Non-life insurance expenses	114	127	356	3,242	93
	Repair expenses	1,018	458	6,685	18,691	11,851
	Depreciation (C)	19,995	12,832	31,287	395,550	16,424
	Other lease business expenses	—	—	—	6,885	—
	Operating income (loss) from property leasing (D) [(A) – (B)] (thousand yen)	39,664	51,003	237,534	1,453,308	77,355
NOI (E) [(D) + (C)] (thousand yen)	59,660	63,835	268,821	1,848,859	93,780	
Capital expenditures (F) (thousand yen)	2,649	5,828	5,571	150,948	7,239	
NCF [(E) – (F)] (thousand yen)	57,010	58,006	263,250	1,697,910	86,540	
Reference information	Expense rate (%) [(B) ÷ (A)]	51.36	45.45	32.73	43.55	39.34
	Annual amount of fixed property tax, etc. for fiscal 2017 (thousand yen)	14,092	29,646	69,800	500,692	14,448
	Estimated long-term repair expenses (thousand yen) (Note 2)	140,200	169,753	459,880	4,460,870	62,460

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Region		Five Central Wards of Tokyo				
Property name		Daiwa Kodenmacho	Daiwa Jimbocho	Daiwa Nishi- Shimbashi	Daiwa Kayabacho Building (Note 4)	Daiwa Jimbocho 3-chome
Acquisition date		Aug. 2007	Mar. 2010	Aug. 2010	Mar. 2011	Mar. 2011
Price information	Acquisition price (million yen)	2,460	4,150	5,000	5,600	3,550
	Investment ratio (%)	0.5	0.9	1.1	1.2	0.8
	Carrying amount (million yen)	2,383	4,024	4,767	5,287	3,393
	Estimated price at end of period (million yen)	2,260	3,620	6,520	8,160	4,900
Leasing information	Number of tenants (Note 1)	8	7	11	1	8
	Leasable floor area (m ²)	2,379.31	3,164.26	4,815.84	5,899.11	2,889.34
	Leased floor area (m ²)	2,379.31	3,164.26	4,815.84	5,899.11	2,889.34
	Occupancy rate (%)					
	End of Nov. 2015	100.0	100.0	100.0	100.0	100.0
	End of May 2016	100.0	100.0	100.0	100.0	100.0
	End of Nov. 2016	100.0	100.0	100.0	100.0	100.0
	End of May 2017	100.0	100.0	100.0	100.0	100.0
End of Nov. 2017	100.0	100.0	100.0	100.0	100.0	
Income (loss) information	Number of days of asset management	183	183	183	183	183
	Total property leasing revenue (A) (thousand yen)	65,113	107,066	174,153	(Not disclosed)	90,094
	Rent revenue – real estate	65,113	107,066	174,153	(Not disclosed)	90,094
	Other lease business revenue	–	–	–	(Not disclosed)	–
	Total property leasing expenses (B) (thousand yen)	30,472	49,282	81,916	(Not disclosed)	50,758
	Consignment expenses	4,248	6,604	15,992	(Not disclosed)	11,791
	Utilities expenses	4,781	7,210	11,801	(Not disclosed)	7,039
	Taxes and dues	3,642	10,898	15,751	(Not disclosed)	9,366
	Non-life insurance expenses	83	119	215	(Not disclosed)	111
	Repair expenses	7,415	3,351	3,447	(Not disclosed)	2,614
	Depreciation (C)	9,477	21,058	34,707	(Not disclosed)	19,836
	Other lease business expenses	822	40	–	(Not disclosed)	–
	Operating income (loss) from property leasing (D) [(A) – (B)] (thousand yen)	34,641	57,783	92,237	(Not disclosed)	39,335
	NOI (E) [(D) + (C)] (thousand yen)	44,118	78,842	126,945	148,273	59,171
Capital expenditures (F) (thousand yen)	9,005	–	10,487	–	–	
NCF [(E) – (F)] (thousand yen)	35,112	78,842	116,457	148,273	59,171	
Reference information	Expense rate (%) [(B) ÷ (A)]	46.80	46.03	47.04	(Not disclosed)	56.34
	Annual amount of fixed property tax, etc. for fiscal 2017 (thousand yen)	7,285	21,506	31,196	24,822	18,699
	Estimated long-term repair expenses (thousand yen) (Note 2) (Note 3)	100,234	128,200	187,580	125,988 (Note 3)	82,470

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Region		Five Central Wards of Tokyo				
Property name		E-SPACE TOWER	Daiwa Nihonbashi Hongokuchō	shinyon curumu	Daiwa Akasaka	Daiwa Shibuya Miyamasuzaka
Acquisition date		Jul. 2011	May 2012	Dec. 2012 and Apr. 2013	Aug. 2013	Sep. 2013
Price information	Acquisition price (million yen)	24,000	1,721	9,650	9,200	7,000
	Investment ratio (%)	5.1	0.4	2.1	2.0	1.5
	Carrying amount (million yen)	23,589	1,604	9,706	9,400	7,221
	Estimated price at end of period (million yen)	33,400	2,470	15,500	13,700	8,740
Leasing information	Number of tenants (Note 1)	7	5	17	19	8
	Leasable floor area (m ²)	13,960.87	2,143.08	6,751.31	8,739.17	6,329.00
	Leased floor area (m ²)	12,960.31	2,143.08	6,720.81	7,993.78	6,329.00
	Occupancy rate (%)					
	End of Nov. 2015	100.0	100.0	100.0	88.4	100.0
	End of May 2016	100.0	100.0	100.0	100.0	100.0
	End of Nov. 2016	96.8	100.0	100.0	100.0	100.0
End of May 2017	100.0	100.0	99.5	100.0	100.0	
End of Nov. 2017	92.8	100.0	99.5	91.4	100.0	
Income (loss) information	Number of days of asset management	183	183	183	183	183
	Total property leasing revenue (A) (thousand yen)	765,656	65,448	361,496	336,091	240,163
	Rent revenue – real estate	765,656	64,018	361,496	336,091	237,913
	Other lease business revenue	–	1,429	–	–	2,250
	Total property leasing expenses (B) (thousand yen)	244,872	27,617	128,879	141,527	89,181
	Consignment expenses	51,508	6,267	29,072	32,291	26,251
	Utilities expenses	55,081	3,220	23,270	42,131	15,597
	Taxes and dues	56,763	4,398	33,357	33,151	20,068
	Non-life insurance expenses	574	65	278	360	252
	Repair expenses	11,538	477	6,944	7,397	5,046
	Depreciation (C)	69,333	13,187	35,956	26,194	21,964
	Other lease business expenses	72	–	–	–	–
	Operating income (loss) from property leasing (D) [(A) – (B)] (thousand yen)	520,783	37,830	232,617	194,563	150,982
NOI (E) [(D) + (C)] (thousand yen)	590,117	51,018	268,573	220,758	172,946	
Capital expenditures (F) (thousand yen)	41,568	2,412	716	11,754	20,664	
NCF [(E) – (F)] (thousand yen)	548,548	48,606	267,857	209,004	152,281	
Reference information	Expense rate (%) [(B) ÷ (A)]	31.98	42.20	35.65	42.11	37.13
	Annual amount of fixed property tax, etc. for fiscal 2017 (thousand yen)	113,486	8,784	66,671	66,067	40,089
	Estimated long-term repair expenses (thousand yen) (Note 2) (Note 3)	574,150	50,940	166,089	430,612	416,816

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Region		Five Central Wards of Tokyo				
Property name		Daiwa Azabu Terrace	Daiwa Ebisu 4-chome (Note 4)	LAQUAS Higashi Shinjuku	Daiwa Aoyama	Shinsen Place (Note 4)
Acquisition date		Jul. 2014	Dec. 2014	Dec. 2014	Mar. 2015	Mar. 2015
Price information	Acquisition price (million yen)	14,000	4,135	8,450	9,800	4,800
	Investment ratio (%)	3.0	0.9	1.8	2.1	1.0
	Carrying amount (million yen)	14,114	4,266	8,516	10,051	4,904
	Estimated price at end of period (million yen)	16,100	5,950	10,700	12,400	6,710
Leasing information	Number of tenants (Note 1)	11	1	4	7	1
	Leasable floor area (m ²)	13,234.39	2,885.64	7,498.33	4,426.10	2,811.35
	Leased floor area (m ²)	13,192.63	2,885.64	7,498.33	4,426.10	2,811.35
	Occupancy rate (%)					
	End of Nov. 2015	100.0	100.0	100.0	100.0	100.0
	End of May 2016	94.9	100.0	100.0	91.4	100.0
	End of Nov. 2016	99.6	100.0	100.0	100.0	100.0
	End of May 2017	99.6	100.0	100.0	85.9	100.0
End of Nov. 2017	99.6	100.0	100.0	100.0	100.0	
Income (loss) information	Number of days of asset management	183	183	183	183	183
	Total property leasing revenue (A) (thousand yen)	473,068	(Not disclosed)	226,954	212,474	(Not disclosed)
	Rent revenue – real estate	473,068	(Not disclosed)	226,954	212,474	(Not disclosed)
	Other lease business revenue	–	(Not disclosed)	–	–	(Not disclosed)
	Total property leasing expenses (B) (thousand yen)	168,678	(Not disclosed)	79,777	60,254	(Not disclosed)
	Consignment expenses	33,394	(Not disclosed)	11,183	20,584	(Not disclosed)
	Utilities expenses	48,639	(Not disclosed)	13,660	6,605	(Not disclosed)
	Taxes and dues	31,730	(Not disclosed)	20,334	12,742	(Not disclosed)
	Non-life insurance expenses	512	(Not disclosed)	264	132	(Not disclosed)
	Repair expenses	3,423	(Not disclosed)	1,717	648	(Not disclosed)
	Depreciation (C)	50,977	(Not disclosed)	32,459	19,541	(Not disclosed)
	Other lease business expenses	–	(Not disclosed)	158	–	(Not disclosed)
	Operating income (loss) from property leasing (D) [(A) – (B)] (thousand yen)	304,390	(Not disclosed)	147,176	152,220	(Not disclosed)
NOI (E) [(D) + (C)] (thousand yen)	355,367	55,547	179,635	171,761	112,101	
Capital expenditures (F) (thousand yen)	3,795	39,018	1,107	478	941	
NCF [(E) – (F)] (thousand yen)	351,572	16,529	178,527	171,282	111,160	
Reference information	Expense rate (%) [(B) ÷ (A)]	35.66	(Not disclosed)	35.15	28.36	(Not disclosed)
	Annual amount of fixed property tax, etc. for fiscal 2017 (thousand yen)	63,132	17,886	40,350	25,421	16,292
	Estimated long-term repair expenses (thousand yen) (Note 2)	325,054	115,410	125,440	97,530	112,510

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Region		Five Central Wards of Tokyo				
Property name		Glass City Shibuya	Daiwa River Gate	Daiwa Hatchobori ekimae	Daiwa Hatchobori ekimae West	Daiwa Nishi-Shinjuku
Acquisition date		May 2015	Jun. 2015	Sep. 2015	Sep. 2015	Mar. 2016
Price information	Acquisition price (million yen)	16,000	28,000	2,871	1,647	13,710
	Investment ratio (%)	3.4	6.0	0.6	0.4	2.9
	Carrying amount (million yen)	16,012	28,113	2,954	1,730	13,957
	Estimated price at end of period (million yen)	18,300	30,200	3,300	1,850	15,500
Leasing information	Number of tenants (Note 1)	9	85	9	8	7
	Leasable floor area (m ²)	8,566.73	32,055.85	2,622.42	1,723.15	6,967.61
	Leased floor area (m ²)	8,566.73	31,452.60	2,622.42	1,723.15	6,967.61
	Occupancy rate (%)					
	End of Nov. 2015	100.0	95.3	100.0	100.0	—
	End of May 2016	100.0	98.6	100.0	100.0	99.3
	End of Nov. 2016	100.0	95.1	100.0	100.0	99.3
End of May 2017	100.0	90.3	100.0	100.0	99.3	
End of Nov. 2017	100.0	98.1	100.0	100.0	100.0	
Income (loss) information	Number of days of asset management	183	183	183	183	183
	Total property leasing revenue (A) (thousand yen)	397,641	913,419	76,957	46,545	324,970
	Rent revenue – real estate	397,641	909,946	76,957	46,545	324,970
	Other lease business revenue	—	3,473	—	—	—
	Total property leasing expenses (B) (thousand yen)	113,680	549,172	38,250	16,923	94,935
	Consignment expenses	19,782	89,777	9,607	4,450	17,875
	Utilities expenses	26,193	118,875	6,457	2,846	18,649
	Taxes and dues	27,190	103,867	8,980	4,025	35,320
	Non-life insurance expenses	316	1,537	110	57	266
	Repair expenses	7,211	71,120	2,878	296	4,452
	Depreciation (C)	32,986	163,993	10,216	5,247	18,371
	Other lease business expenses	—	—	—	—	—
	Operating income (loss) from property leasing (D) [(A) – (B)] (thousand yen)	283,960	364,247	38,706	29,621	230,034
NOI (E) [(D) + (C)] (thousand yen)	316,947	528,241	48,923	34,868	248,405	
Capital expenditures (F) (thousand yen)	3,085	98,783	5,591	1,969	8,115	
NCF [(E) – (F)] (thousand yen)	313,861	429,457	43,332	32,899	240,289	
Reference information	Expense rate (%) [(B) ÷ (A)]	28.59	60.12	49.70	36.36	29.21
	Annual amount of fixed property tax, etc. for fiscal 2017 (thousand yen)	53,883	202,886	17,772	7,988	70,212
	Estimated long-term repair expenses (thousand yen) (Note 2)	202,340	1,970,900	114,190	84,620	284,170

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Region		Five Central Wards of Tokyo				
Property name		Kirin Nihonbashi Building (Note 4)	Daiwa Higashi-nihonbashi Building	Square Daikanyama Building (Note 4)	Shinjuku West Building	Daiwa Kanda Mikura-cho Building
Acquisition date		May 2016	Jun. 2016	Jun. 2016	Jul. 2016	Dec. 2016
Price information	Acquisition price (million yen)	8,180	6,370	2,280	942	1,592
	Investment ratio (%)	1.7	1.4	0.5	0.2	0.3
	Carrying amount (million yen)	8,299	6,363	2,389	983	1,604
	Estimated price at end of period (million yen)	8,290	6,780	2,600	1,230	1,710
Leasing information	Number of tenants (Note 1)	1	5	1	8	7
	Leasable floor area (m ²)	5,630.17	5,015.88	1,588.35	1,120.58	1,719.51
	Leased floor area (m ²)	5,630.17	5,015.88	1,588.35	1,120.58	1,719.51
	Occupancy rate (%)					
	End of Nov. 2015	—	—	—	—	—
	End of May 2016	100.0	—	—	—	—
	End of Nov. 2016	100.0	100.0	100.0	100.0	—
End of May 2017	100.0	100.0	100.0	100.0	69.5	
End of Nov. 2017	100.0	100.0	100.0	100.0	100.0	
Income (loss) information	Number of days of asset management	183	183	183	183	183
	Total property leasing revenue (A) (thousand yen)	(Not disclosed)	167,565	(Not disclosed)	37,990	24,954
	Rent revenue – real estate	(Not disclosed)	167,565	(Not disclosed)	37,990	24,954
	Other lease business revenue	(Not disclosed)	—	(Not disclosed)	—	—
	Total property leasing expenses (B) (thousand yen)	(Not disclosed)	58,494	(Not disclosed)	13,600	23,140
	Consignment expenses	(Not disclosed)	7,606	(Not disclosed)	3,275	9,936
	Utilities expenses	(Not disclosed)	9,966	(Not disclosed)	2,779	1,808
	Taxes and dues	(Not disclosed)	11,337	(Not disclosed)	3,113	3,370
	Non-life insurance expenses	(Not disclosed)	179	(Not disclosed)	37	48
	Repair expenses	(Not disclosed)	4,281	(Not disclosed)	2,198	2,812
	Depreciation (C)	(Not disclosed)	25,123	(Not disclosed)	2,185	4,935
	Other lease business expenses	(Not disclosed)	—	(Not disclosed)	12	228
	Operating income (loss) from property leasing (D) [(A) – (B)] (thousand yen)	(Not disclosed)	109,070	(Not disclosed)	24,389	1,813
NOI (E) [(D) + (C)] (thousand yen)	160,691	134,193	44,110	26,574	6,748	
Capital expenditures (F) (thousand yen)	4,344	—	3,752	2,280	709	
NCF [(E) – (F)] (thousand yen)	156,347	134,193	40,358	24,294	6,039	
Reference information	Expense rate (%) [(B) ÷ (A)]	(Not disclosed)	34.91	(Not disclosed)	35.80	92.73
	Annual amount of fixed property tax, etc. for fiscal 2017 (thousand yen)	21,272	22,479	9,096	6,198	6,704
	Estimated long-term repair expenses (thousand yen) (Note 2)	216,720	158,880	45,044	79,330	74,026

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Region		Greater Tokyo				
Property name		Daiwa Higashi-Ikebukuro	Daiwa Shinagawa North	Daiwa Osaki 3-chome	Daiwa Kamiooka	Integral Tower
Acquisition date		Oct. 2005	Jul. 2007	Sep. 2012	Mar. 2013	May 2014
Price information	Acquisition price (million yen)	2,958	7,710	1,650	2,000	15,220
	Investment ratio (%)	0.6	1.6	0.4	0.4	3.2
	Carrying amount (million yen)	2,679	7,185	1,617	1,930	14,898
	Estimated price at end of period (million yen)	3,880	6,170	2,340	2,750	19,700
Leasing information	Number of tenants (Note 1)	8	13	5	9	9
	Leasable floor area (m ²)	4,461.47	6,548.17	1,786.06	2,630.30	17,778.14
	Leased floor area (m ²)	4,461.47	6,548.17	1,786.06	2,630.30	17,778.14
	Occupancy rate (%)					
	End of Nov. 2015	100.0	100.0	100.0	100.0	99.5
	End of May 2016	100.0	100.0	78.9	89.8	99.5
	End of Nov. 2016	100.0	100.0	100.0	93.7	100.0
End of May 2017	100.0	100.0	100.0	100.0	100.0	
End of Nov. 2017	100.0	100.0	100.0	100.0	100.0	
Income (loss) information	Number of days of asset management	183	183	183	183	183
	Total property leasing revenue (A) (thousand yen)	119,909	194,598	65,526	92,232	604,576
	Rent revenue – real estate	119,909	194,598	65,526	92,232	604,576
	Other lease business revenue	—	—	—	—	—
	Total property leasing expenses (B) (thousand yen)	60,960	87,222	22,599	37,800	262,558
	Consignment expenses	13,901	15,841	3,916	5,657	58,794
	Utilities expenses	12,445	15,692	3,243	7,601	76,772
	Taxes and dues	8,580	18,327	3,922	6,284	44,426
	Non-life insurance expenses	189	292	58	101	746
	Repair expenses	2,121	2,446	57	89	8,664
	Depreciation (C)	23,721	34,622	11,401	18,065	72,973
	Other lease business expenses	—	—	—	—	180
	Operating income (loss) from property leasing (D) [(A) – (B)] (thousand yen)	58,948	107,375	42,926	54,432	342,018
NOI (E) [(D) + (C)] (thousand yen)	82,670	141,998	54,327	72,498	414,992	
Capital expenditures (F) (thousand yen)	5,448	9,219	—	—	3,876	
NCF [(E) – (F)] (thousand yen)	77,221	132,778	54,327	72,498	411,116	
Reference information	Expense rate (%) [(B) ÷ (A)]	50.84	44.82	34.49	40.98	43.43
	Annual amount of fixed property tax, etc. for fiscal 2017 (thousand yen)	17,084	35,553	7,845	12,567	88,483
	Estimated long-term repair expenses (thousand yen) (Note 2)	228,260	331,160	54,915	63,700	834,324

Region		Greater Tokyo		Major Regional Cities	
Property name		Meguro Daiwa Square	Daiwa Ogikubo	Daiwa Meieki	Daiwa Kitahama
Acquisition date		May 2015	Jul. 2016	Feb. 2013	Aug. 2014
Price information	Acquisition price (million yen)	5,600	3,800	5,300	9,481
	Investment ratio (%)	1.2	0.8	1.1	2.0
	Carrying amount (million yen)	5,553	4,001	5,222	9,321
	Estimated price at end of period (million yen)	6,750	4,490	7,990	11,700
Leasing information	Number of tenants (Note 1)	16	11	25	7
	Leasable floor area (m ²)	3,519.50	3,849.63	7,461.90	13,517.62
	Leased floor area (m ²)	3,519.50	3,849.63	7,243.18	13,517.62
	Occupancy rate (%)				
	End of Nov. 2015	100.0	—	100.0	100.0
	End of May 2016	100.0	—	100.0	100.0
	End of Nov. 2016	96.1	100.0	100.0	100.0
End of May 2017	100.0	100.0	100.0	98.8	
End of Nov. 2017	100.0	100.0	97.0	100.0	
Income (loss) information	Number of days of asset management	183	183	183	183
	Total property leasing revenue (A) (thousand yen)	152,041	124,931	254,455	339,071
	Rent revenue – real estate	152,041	124,931	254,455	339,071
	Other lease business revenue	—	—	—	—
	Total property leasing expenses (B) (thousand yen)	57,650	37,762	101,181	155,075
	Consignment expenses	10,157	9,838	22,245	29,800
	Utilities expenses	8,753	6,167	16,623	35,600
	Taxes and dues	13,524	7,773	20,169	32,771
	Non-life insurance expenses	148	127	327	497
	Repair expenses	2,359	1,037	6,225	2,634
	Depreciation (C)	22,706	12,817	35,583	53,676
	Other lease business expenses	—	—	7	96
	Operating income (loss) from property leasing (D) [(A) – (B)] (thousand yen)	94,391	87,169	153,273	183,995
NOI (E) [(D) + (C)] (thousand yen)	117,098	99,987	188,857	237,671	
Capital expenditures (F) (thousand yen)	1,570	1,084	1,993	1,125	
NCF [(E) – (F)] (thousand yen)	115,528	98,903	186,864	236,546	
Reference information	Expense rate (%) [(B) ÷ (A)]	37.92	30.23	39.76	45.74
	Annual amount of fixed property tax, etc. for fiscal 2017 (thousand yen)	26,671	15,467	40,334	65,541
	Estimated long-term repair expenses (thousand yen) (Note 2)	110,053	161,340	170,803	264,054

(Note 1) Number of tenants is the number of end-tenants. When there is a tenant occupying multiple buildings, the concerned tenant is counted and stated for each individual building.

(Note 2) Estimated long-term repair expenses are the total amount of repair expenses and renewal expenses estimated to arise over the 12-year period from the 1st year to the 12th year as stated in the building investigation diagnosis report.

(Note 3) Estimated long-term repair expenses of “Daiwa Kayabacho Building” are the total amount of repair expenses and renewal expenses estimated to arise over the 10-year period from the 1st year to the 10th year as stated in the building investigation diagnosis report.

(Note 4) Not disclosed for such reasons as consent was not obtained from major tenants to disclose the rent revenue, etc. for the property.