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REIT Financial Report for the 15th Fiscal Period

July 19, 2013

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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*): August 26, 2013

Scheduled date of start of distribution payments: August 12, 2013

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 15th Fiscal Period

15th Fiscal Period: Fiscal period ended May 2013 (from December 1, 2012 to May 31, 2013)

14th Fiscal Period: Fiscal period ended November 2012 (from June 1, 2012 to November 30, 2012)

(1) Management

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

	Operating revenue		Operating income		Ordinary income		Net income	
15th Period	¥7,615 million	0.6%	¥3,308 million	5.1%	¥2,590 million	9.5%	¥2,589 million	9.3%
14th Period	¥7,566 million	1.8%	¥3,146 million	1.8%	¥2,364 million	16.9%	¥2,369 million	17.2%

	Net income per unit	Net income to unitholders' equity	Ordinary income to total assets	Ordinary income to operating revenue
15th Period	¥6,541	1.3%	0.8%	34.0%
14th Period	¥5,986	1.2%	0.7%	31.3%

(2) Distributions

	Distribution amount per unit (excluding distribution amount in excess of earnings)	Total distribution amount	Distribution amount in excess of earnings per unit	Total distribution amount in excess of earnings	Dividend payout	Distribution amount to net assets
15th Period	¥6,542	¥2,589 million	¥0	¥- million	100.0%	1.3%
14th Period	¥5,986	¥2,369 million	¥0	¥- million	100.0%	1.2%

(3) Financial Position

	Total assets	Net assets	Unitholders' equity to total assets	Net assets per unit
15th Period	¥342,572 million	¥201,345 million	58.8%	¥508,707
14th Period	¥325,665 million	¥201,117 million	61.8%	¥508,132

(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
15th Period	¥3,349 million	(¥17,187 million)	¥13,848 million	¥16,057 million
14th Period	¥3,465 million	(¥2,889 million)	(¥1,330 million)	¥16,046 million

2. Management Status Forecasts for the 16th Fiscal Period

16th Fiscal Period: Fiscal period ended November 2013 (from June 1, 2013 to November 30, 2013)

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

	Operating revenue		Operating income		Ordinary income		Net income	
16th Period	¥8,242 million	8.2%	¥3,576 million	8.1%	¥2,852 million	10.1%	¥2,850 million	10.1%

	Distribution amount per unit (excluding distribution amount in excess of earnings)	Distribution amount in excess of earnings per unit
16th Period	¥7,200	¥0

(Reference) Estimated net income per unit for the 16th Fiscal Period: ¥7,200

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) Number of Investment Units Issued and Outstanding

- (i) Number of investment units issued and outstanding at end of period (including treasury units):
15th Fiscal Period: 395,798 units 14th Fiscal Period: 395,798 units
- (ii) Number of treasury units at end of period:
15th Fiscal Period: – units 14th Fiscal Period: – units

(Note) Please refer to “Notes to Per Unit Information” on page 28 for the number of investment units used as the basis for calculating the net income per unit.

***Explanation on the Appropriate Use of the Management Status Forecasts, and Other Matters of Special Note**

The forecast figures set forth herein are the current prospects based on information currently available to the Investment Corporation and contain elements of uncertainty. Accordingly, the actual operating revenue, operating income, ordinary income, net income and distribution amount 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. For details on the assumptions underlying the forecast figures above, please refer to “2. Management Policy and Management Status; 2.2. Management Status; Assumptions for the Management Status Forecasts for the 16th Fiscal Period and 17th 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 February 22, 2013).

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 February 22, 2013) as at the date of this document.

2.2. Management Status

(1) Overview of the Fiscal Period under Review

A. Brief History of the Investment Corporation

Daiwa Office Investment Corporation (former name DA Office Investment Corporation) (the “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 332,086 million yen as of the last day of May 2013.

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 2,000m² 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 December 2012 to May 2013)

The Japanese economy during the fiscal period under review saw economic policies, centering on monetary policies, lead to rapid correction of the appreciation of the yen and rise of stock prices. In addition, improvement in consumer confidence was accompanied by recovery in personal consumption as well as improvement in corporate earnings and employment.

In the office building leasing market in central Tokyo, the vacancy rate was on a decreasing trend, but there were signs of the decrease ceasing in the second half. On the other hand, office rent showed increase for large buildings depending on area and was on a slightly downward trend as a market on the whole.

In the office building transaction market, with the ongoing favorable equity financing environment and positive lending attitude of financial institutions, property acquisitions by real estate companies and funds (including J-REITs) increased substantially.

b. Management Performance

In view of increasing the long-term EPS (EPS (net income per unit) after deducting gain on sales of 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 existing properties.

Concerning external growth, the Investment Corporation acquired “shinyon curumu Building” (acquisition price: 9,650 million yen) in a partly vacant state in December 2012 and April 2013. The Investment Corporation also acquired “Honshu Meieki Building” (acquisition price: 5,300 million yen) in February 2013 and “Kamiooka Eye Mark Building” (acquisition price: 2,000 million yen) in March 2013. Additional acquisition of the compartmentalized ownership interest, etc. of “Sunline Building No. 7” (acquisition price: 230 million yen) was also made, resulting in the Investment Corporation holding all of the property’s compartmentalized ownership interest, etc. As a result, the Investment Corporation’s assets under management as of the end of the 15th Fiscal Period (May 31, 2013) totaled 41 properties, the sum total of acquisition prices of which amounted to 332,086 million yen.

Concerning internal growth, while the office leasing market weakened, the Investment Corporation did acquire a low-occupancy property. Nevertheless, striving to enhance tenant satisfaction levels and conducting proactive leasing, such as strengthening collaboration with leasing brokers and property managers, proved effective in increasing the floor area contracted for tenancy in the 15th Fiscal Period to a level above that of the previous fiscal period. As a result, the occupancy rate as of the end of the 15th Fiscal Period (May 31, 2013) was 95%.

C. Overview of Capital Procurement

a. Status of Interest-Bearing Liabilities

(i) Procurement of Capital for New Property Acquisitions

In the 15th Fiscal Period, the Investment Corporation made the following borrowings to fund the acquisition of shinyon curumu Building, Honshu Meieki Building and Kamiooka Eye Mark Building (each a new property) and the compartmentalized ownership interest, etc. portion of the existing property Sunline Building No. 7.

- A total amount of 4,000 million yen was borrowed from Development Bank of Japan Inc. and Shinsei Bank, Ltd. on December 3, 2012 to fund the acquisition of a new property (shinyon curumu Building; December 3, 2012 delivery portion).
- A total amount of 5,500 million yen was borrowed from Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Tokio Marine & Nichido Fire Insurance Co., Ltd., The Yamaguchi Bank, Ltd. and The Higashi-Nippon Bank, Limited on February 1, 2013 to fund the acquisition of a new property (Honshu Meieki Building; February 1, 2013 delivery).
- 2,000 million yen was borrowed from Resona Bank, Ltd. on March 1, 2013 to fund the acquisition of a new property (Kamiooka Eye Mark Building; March 1, 2013 delivery).
- 200 million yen was borrowed from Fukoku Mutual Life Insurance Company on March 29, 2013 to fund the acquisition of the compartmentalized ownership interest, etc. portion of the existing property Sunline Building No. 7 (March 29, 2013 and May 29, 2013 delivery).
- A total amount of 4,500 million yen was borrowed from Sumitomo Mitsui Trust Bank, Limited, Development Bank of Japan Inc., Aozora Bank, Ltd., The Gunma Bank, Ltd. and The Musashino Bank, Ltd. on April 12, 2013 to fund the acquisition of a new property (shinyon curumu Building; April 12, 2013 delivery portion).

(ii) Procurement of Capital for Repayment of Borrowings (Refinancing)

In the 15th Fiscal Period, the Investment Corporation made the following borrowings to fund the repayment of borrowings that were due for repayment.

- 1,000 million yen was borrowed from ORIX Bank Corporation on January 10, 2013 to fund the repayment of the 1,000 million yen borrowed from said bank that was due for repayment on January 10, 2013.
- A total amount of 4,500 million yen was borrowed from Aozora Bank, Ltd. and The Kagawa Bank, Ltd. on February 28, 2013 to fund the repayment of the total amount of 4,481 million yen borrowed from Aozora Bank, Ltd. and The Kagawa Bank, Ltd. that was due for repayment on February 28, 2013.

(iii) 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 15th Fiscal Period (May 31, 2013) stood at 128,300 million yen (long-term loans payable: 119,800 million yen; investment corporation bonds: 8,500 million yen). The balance of the current portion of long-term loans payable stood at 32,400 million yen and the balance of the current portion of investment corporation bonds stood at 5,000 million yen.

Concerning borrowings in the 15th Fiscal Period, the Investment Corporation advanced diversification of lenders by borrowing from new lenders (life insurance companies, nonlife insurance companies and regional banks). In addition, with borrowings centering on periods of between 5 years and 7 years, the average remaining period was extended from 2.25 years (14th Fiscal Period) to 2.49 years (15th Fiscal Period). Furthermore, liabilities costs were lowered by reducing credit spread interest.

List of Borrowings in the 15th Fiscal Period

Lender	Loan amount (million yen)	Drawdown date	Repayment date	Loan period
Development Bank of Japan Inc.	2,000	2012/12/03	2017/11/30	5.0 years
Shinsei Bank, Ltd.	2,000	2012/12/03	2017/11/30	5.0 years
ORIX Bank Corporation	1,000	2013/01/10	2018/02/28	5.1 years
Sumitomo Mitsui Banking Corporation	2,000	2013/02/01	2020/02/28	7.1 years
Sumitomo Mitsui Trust Bank, Limited	1,500	2013/02/01	2020/02/28	7.1 years
Tokio Marine & Nichido Fire Insurance Co., Ltd.	1,000	2013/02/01	2017/11/30	4.8 years
The Yamaguchi Bank, Ltd.	500	2013/02/01	2017/11/30	4.8 years
The Higashi-Nippon Bank, Limited	500	2013/02/01	2018/02/28	5.1 years
Aozora Bank, Ltd.	2,000	2013/02/28	2020/02/28	7.0 years
Aozora Bank, Ltd.	1,500	2013/02/28	2016/08/31	3.5 years
The Kagawa Bank, Ltd.	1,000	2013/02/28	2019/02/28	6.0 years
Resona Bank, Ltd.	2,000	2013/03/01	2020/02/28	7.0 years
Fukoku Mutual Life Insurance Company	200	2013/03/29	2016/05/31	3.2 years
Sumitomo Mitsui Trust Bank, Limited	1,500	2013/04/12	2019/11/29	6.6 years
Development Bank of Japan Inc.	1,000	2013/04/12	2019/11/29	6.6 years
Aozora Bank, Ltd.	1,000	2013/04/12	2019/05/31	6.1 years
The Gunma Bank, Ltd.	500	2013/04/12	2018/05/31	5.1 years
The Musashino Bank, Ltd.	500	2013/04/12	2018/05/31	5.1 years

Balance of Borrowings from Each Financial Institution (as of May 31, 2013)

Lender	End of the 15th Fiscal Period (million yen)	Share
Sumitomo Mitsui Banking Corporation	23,500	19.62%
Development Bank of Japan Inc.	16,750	13.98%
Sumitomo Mitsui Trust Bank, Limited	16,350	13.65%
Shinsei Bank, Ltd.	10,000	8.35%
Resona Bank, Ltd.	9,000	7.51%
Mizuho Bank, Ltd. (Note 2)	7,900	6.59%
Aozora Bank, Ltd.	6,000	5.01%
Kansai Urban Banking Corporation	5,000	4.17%
Mizuho Trust and Banking Co., Ltd.	4,500	3.76%
Mitsubishi UFJ Trust and Banking Corporation	3,000	2.50%
The Bank of Fukuoka, Ltd.	3,000	2.50%
ORIX Bank Corporation	2,500	2.09%
The Gunma Bank, Ltd.	2,500	2.09%
The Shizuoka Bank, Ltd.	2,000	1.67%
The Musashino Bank, Ltd.	1,500	1.25%
The Hiroshima Bank, Ltd.	1,000	0.83%
The 77 Bank, Ltd.	1,000	0.83%
The Kagawa Bank, Ltd.	1,000	0.83%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	1,000	0.83%
The Bank of Yokohama, Ltd.	500	0.42%
The Yamaguchi Bank, Ltd.	500	0.42%
The Higashi-Nippon Bank, Limited	500	0.42%
Taiyo Life Insurance Company	300	0.25%
Nippon Life Insurance Company	300	0.25%
Fukoku Mutual Life Insurance Company	200	0.17%
Total	119,800	100%

(Note 1) Share is rounded to two decimal places.

(Note 2) Mizuho Corporate Bank, Ltd. merged with Mizuho Bank, Ltd. with itself as the surviving company on July 1, 2013 and changed its trade name to Mizuho Bank, Ltd. on the same date.

b. Rating Information (as of May 31, 2013)

Credit rating agency	Rating	Outlook
R&I	A	Stable

c. Shelf Registration

The Investment Corporation filed a shelf registration statement on April 3, 2012 as below.

Investment corporation bonds (excluding short-term investment corporation bonds)	
Planned issue amount	100 billion yen
Planned issue period	From April 11, 2012 to April 10, 2014
Use of funds	Funds for acquisition of specified assets, repayment of loans, redemption of investment corporation bonds (including short-term investment corporation bonds), refund of leasehold and security deposits, and payment of repairs, etc.; funds for working capital; etc.

D. Overview of Financial Performance and Distributions

As a result of the management described above, the Investment Corporation posted financial performance for the 15th Fiscal Period of 7,615 million yen in operating revenue, 3,308 million yen in operating income, 2,590 million yen in ordinary income and 2,589 million yen in net income.

Concerning distributions, to ensure 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”)), the Investment Corporation decided to distribute the entire amount of unappropriated retained earnings, excluding fractions of the distribution amount per unit that are less than 1 yen. Accordingly, the Investment Corporation declared a distribution amount per unit of 6,542 yen.

(2) Outlook for the Next Fiscal Period**A. Investment Environment**

The Japanese economy ahead is expected to see the effects of monetary easing and various economic measures as well as pickup in overseas economies lead to moderate economic recovery through improvement in corporate earnings, centering on public-investment- and exports-related companies, and recovery in personal spending. However, the rise in long-term interest rates, overseas economic / overseas financial market uncertainty, relations with various other countries and consumption tax hike may likely serve as downward risks on the Japanese economy and are thus thought to require attention.

In the office building leasing market, improvement in corporate earnings / employment, decrease in supply of newly-built buildings / vacancies and undervalued rent are expected to stimulate demand, resulting in moderate improvement in both the vacancy rate and rent, centering on prime properties. In addition, in the office building transaction market, backed by the favorable financing environment, drop in expected cap rate and expectations of rent hitting bottom, etc., the demand to purchase by real estate companies and funds (including J-REITs) is thought to grow even stronger.

B. Future Management Policy and Tasks

a. Strategy for Managing Existing Properties

Under the office leasing market conditions described above, the tenant side is also expected to become more selective with properties. 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 vacancy 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 services that are of higher satisfaction levels than competing properties 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 2,000m² 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.

In the 15th Fiscal Period, the Investment Corporation acquired "shinyon curumu Building," which is located in Tokyo, "Honshu Meieki Building," which is located in Nagoya City, Aichi Prefecture, and "Kamiooka Eye Mark Building," which is located in Yokohama City, Kanagawa Prefecture, as well as making additional acquisition of the compartmentalized ownership interest, etc. of "Sunline Building No. 7" remaining other than the part of the compartmentalized ownership interest, etc. already held by the Investment Corporation. The Investment Corporation believes that acquisition of these properties will contribute to further stabilization and enhancement of the portfolio. 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. Starting from the 16th Fiscal Period, the management indices in financial management will be changed from the ratio of interest-bearing liabilities to acquisition price that has been used to date to the ratio of interest-bearing liabilities to total assets (LTV).

(i) Control leverage by keeping the ratio of interest-bearing liabilities to total assets within the range of 40% to 50% at maximum, taking into consideration also the real LTV, etc., 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 total 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 a trust beneficial interest in real estate on July 3, 2013 as follows.

Summary of Acquired Asset

Property name	Tosen Dogenzaka Daini Building
Type of asset	Trust beneficial interest in real estate
Location (indication of residential address)	28-1 Maruyamacho, Shibuya-ku, Tokyo
Acquisition price	4,500 million yen (excluding acquisition costs, consumption tax, etc.)
Date of execution of purchase agreement	June 25, 2013
Date of delivery	July 3, 2013
Seller	Not disclosed

- (ii) The Investment Corporation determined to acquire a trust beneficial interest in real estate on July 19, 2013 as follows.

Summary of Acquired Asset

Property name	Akasaka Business Place
Type of asset	Trust beneficial interest in real estate
Location (indication of residential address)	2-14-5 Akasaka, Minato-ku, Tokyo
Acquisition price	9,200 million yen (excluding acquisition costs, consumption tax, etc.)
Date of execution of purchase agreement	July 19, 2013
Date of delivery	August 9, 2013 (scheduled)
Seller	Hakuba Capital 1 TMK

b. Borrowing of Funds

- (i) The Investment Corporation borrowed funds on July 3, 2013 as below.

The funds were borrowed to provide for the acquisition of the new property listed above in “a. Acquisition of Assets (i),” etc.

Lender	Drawdown date	Loan amount (million yen)	Interest rate	Repayment date	Borrowing/Repayment method
Shinsei Bank, Ltd.	2013/07/03	1,000	BBA 3 month Japanese Yen LIBOR + 0.35% (Note 1)	2020/11/30	Unsecured Repayment in lump sum
The Higashi-Nippon Bank, Limited	2013/07/03	1,000	JBA 1 month Japanese Yen TIBOR + 0.35% (Note 2)	2020/11/30	Unsecured Repayment in lump sum
Sumitomo Mitsui Banking Corporation	2013/07/03	1,600	JBA 1 month Japanese Yen TIBOR + 0.35% (Note 2)	2020/08/31	Unsecured Repayment in lump sum
Development Bank of Japan Inc.	2013/07/03	1,000	0.833%	2018/08/31	Unsecured Repayment in lump sum

(Note 1) Interest payment dates shall be the end of February, May, August and November and the repayment 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 immediately last business day of the month.). The base rate applicable to the calculation period for the interest payable on an interest payment date shall be calculated based on the 3 month Japanese Yen LIBOR which British Banker’s Association (“BBA”) announces 2 business days prior to the first day of the interest calculation period.

(Note 2) Interest payment dates shall be the end of every month and the repayment 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 immediately last business day of the month.). The base rate applicable to the calculation period for the interest payable on an interest payment date shall be calculated based on the 1 month Japanese Yen TIBOR which Japanese Bankers Association (“JBA”) announces 2 business days prior to the first day of the interest calculation period.

- (ii) The Investment Corporation decided to borrow funds on July 19, 2013 as below.
The funds will be borrowed to provide for part of the acquisition of the new property listed above in “a. Acquisition of Assets (ii),” etc.

Lender	Drawdown date	Loan amount (million yen)	Interest rate	Repayment date	Borrowing/Repayment method
Sumitomo Mitsui Banking Corporation	2013/08/09	1,400	JBA 1 month Japanese Yen TIBOR + 0.35% (Note 1)	2021/05/31	Unsecured Repayment in lump sum
Sumitomo Mitsui Trust Bank, Limited	2013/08/09	1,000	JBA 1 month Japanese Yen TIBOR + 0.35% (Note 1)	2021/02/26	Unsecured Repayment in lump sum
The Bank of Fukuoka, Ltd.	2013/08/09	1,000	JBA 1 month Japanese Yen TIBOR + 0.27% (Note 1)	2018/08/31	Unsecured Repayment in lump sum
Tokio Marine & Nichido Fire Insurance Co., Ltd.	2013/08/09	1,000	BBA 3 month Japanese Yen LIBOR + 0.27% (Note 2)	2018/07/31	Unsecured Repayment in lump sum

(Note 1) Interest payment dates shall be the end of every month and the repayment 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 immediately last business day of the month.). The base rate applicable to the calculation period for the interest payable on an interest payment date shall be calculated based on the 1 month Japanese Yen TIBOR which Japanese Bankers Association (“JBA”) announces 2 business days prior to the first day of the interest calculation period.

(Note 2) Interest payment dates shall be the end of February, May, August and November and the repayment 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 immediately last business day of the month.). The base rate applicable to the calculation period for the interest payable on an interest payment date shall be calculated based on the 3 month Japanese Yen LIBOR which British Banker’s Association (“BBA”) announces 2 business days prior to the first day of the interest calculation period.

D. Outlook for Management Status

The Investment Corporation forecasts the following management status for the 16th Fiscal Period (fiscal period ending November 2013 (from June 1, 2013 to November 30, 2013)). For the assumptions underlying the management status forecasts, please refer to the “Assumptions for the Management Status Forecasts for the 16th Fiscal Period and 17th Fiscal Period” on page 10.

The following is forecast as the main factors of increase/decrease from the 15th Fiscal Period.
(Increase in operating revenue and operating income)

- Acquisition of new properties (Tosen Dogenzaka Daini Building and Akasaka Business Place) leading to increase in rent revenue.

16th Fiscal Period (fiscal period ending November 2013 (from June 1, 2013 to November 30, 2013))

Operating revenue	8,242 million yen
Operating income	3,576 million yen
Ordinary income	2,852 million yen
Net income	2,850 million yen
Distribution amount per unit	7,200 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 16th Fiscal Period and 17th Fiscal Period” will remain unchanged, the Investment Corporation forecasts the following management status for the 17th Fiscal Period (fiscal period ending May 2014 (from December 1, 2013 to May 31, 2014)).

17th Fiscal Period (fiscal period ending May 2014 (from December 1, 2013 to May 31, 2014))

Operating revenue	8,235 million yen
Operating income	3,628 million yen
Ordinary income	2,891 million yen
Net income	2,889 million yen
Distribution amount per unit	7,300 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 16th Fiscal Period and 17th Fiscal Period

Item	Assumptions
Assets under management	<ul style="list-style-type: none"> • 16th Fiscal Period: Assets under management are assumed to be the 41 properties held as of May 31, 2013, plus the 1 property delivered on July 3, 2013 and the 1 property scheduled to be delivered on August 9, 2013, to total 43 properties. • 17th Fiscal Period: Assets under management are assumed to be the 43 properties above. • The actual number of properties may vary due to changes in the assets under management.
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. • It is assumed that there is no gain (loss) on sales of real estate properties.
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 sales of real estate properties) after deducting expenses related to rent business (including depreciation) is expected to be 4,462 million yen in the 16th Fiscal Period and 4,506 million yen in the 17th Fiscal Period. • Consignment expenses are expected to be 622 million yen in the 16th Fiscal Period and 621 million yen in the 17th Fiscal Period. • Taxes and dues (fixed property tax, city planning tax, etc.) are expected to be 693 million yen in the 16th Fiscal Period and 700 million yen in the 17th Fiscal Period. • Depreciation is expected to be 1,323 million yen in the 16th Fiscal Period and 1,334 million yen in the 17th Fiscal Period.

Item	Assumptions
Non-operating expenses	<ul style="list-style-type: none"> • Non-operating expenses in the 16th Fiscal Period are expected to be 723 million yen, of which the interest expenses, interest expenses on investment corporation bonds, and borrowing related expenses are expected to be 718 million yen. • Non-operating expenses in the 17th Fiscal Period are expected to be 737 million yen, of which the interest expenses, interest expenses on investment corporation bonds, and borrowing related expenses are expected to be 732 million yen.
Interest-bearing liabilities	<ul style="list-style-type: none"> • The total amount of interest-bearing liabilities is assumed to be 142,300 million yen at the end of the 16th Fiscal Period and 142,300 million yen at the end of the 17th Fiscal Period. • The assumption is that, in the 16th Fiscal Period, the 5,000 million yen in investment corporation bonds that became due for redemption on June 24, 2013, the 5,000 million yen in loans that became due for repayment on June 28, 2013, the 6,000 million yen in loans that became due for repayment on July 8, 2013, the 2,000 million yen in loans that is to become due for repayment on July 31, 2013, the 3,500 million yen in loans that is to become due for repayment on September 30, 2013 and the 6,000 million yen in loans that is to become due for repayment on November 29, 2013 will be refinanced in the entire amount. In addition, new borrowing of 4,600 million yen (drawdown on July 3, 2013) as funds for the acquisition of Tosen Dogenzaka Daini Building, which was acquired on July 3, 2013, is assumed. Furthermore, new borrowing of 9,400 million yen (drawdown scheduled for August 9, 2013) as funds for the acquisition of Akasaka Business Place, for which a real estate trust beneficial interest purchase agreement was executed on July 19, 2013, is assumed. • The assumption is that, in the 17th Fiscal Period, the 4,000 million yen in loans that is to become due for repayment on March 18, 2014, the 2,000 million yen in loans that is to become due for repayment on March 25, 2014 and the 8,900 million yen in loans that is to become due for repayment on March 31, 2014 will each be refinanced in the entire amount.
Number of investment units issued and outstanding	<ul style="list-style-type: none"> • The number of investment units issued and outstanding is assumed to be the 395,798 units issued and outstanding as of the date of submission of this document, and there is assumed to be no additional issuance of investment units through to May 31, 2014.
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. • 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, 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 February 22, 2013).

3. Financial Statements

3.1. Balance Sheets

(Unit: thousand yen)

	14th Fiscal Period [As of Nov. 30, 2012]	15th Fiscal Period [As of May 31, 2013]
Assets		
Current assets		
Cash and deposits	11,336,277	10,948,755
Cash and deposits in trust	4,710,687	5,109,017
Operating accounts receivable	261,649	230,151
Consumption taxes receivable	—	248,781
Prepaid expenses	246,572	262,955
Deferred tax assets	18	3,166
Other	94,278	119,179
Total current assets	16,649,484	16,922,006
Noncurrent assets		
Property, plant and equipment		
Buildings	3,047,562	3,107,374
Accumulated depreciation	(1,192,192)	(1,279,598)
Buildings, net	1,855,370	1,827,775
Structures	10,296	10,296
Accumulated depreciation	(1,655)	(1,924)
Structures in trust, net	8,641	8,372
Tools, furniture and fixtures	7,299	7,299
Accumulated depreciation	(4,836)	(5,214)
Tools, furniture and fixtures, net	2,463	2,085
Other	3,741	3,741
Accumulated depreciation	(3,741)	(3,741)
Other, net	—	—
Land	12,302,226	12,502,216
Construction in progress	787	4,031
Buildings in trust	66,638,834	72,858,509
Accumulated depreciation	(13,210,517)	(14,356,490)
Buildings in trust, net	*1 53,428,316	*1 58,502,018
Structures in trust	831,407	848,241
Accumulated depreciation	(112,263)	(123,691)
Structures in trust, net	719,144	724,550
Machinery and equipment in trust	802,223	822,579
Accumulated depreciation	(342,212)	(370,945)
Machinery and equipment in trust, net	460,011	451,634
Tools, furniture and fixtures in trust	81,324	86,066
Accumulated depreciation	(37,945)	(44,192)
Tools, furniture and fixtures in trust, net	43,379	41,874
Other in trust	6,017	6,017
Accumulated depreciation	(6,017)	(6,017)
Other in trust, net	—	—
Land in trust	236,574,999	248,202,878
Construction in progress in trust	352,661	35,796
Total property, plant and equipment	305,748,002	322,303,233

Daiwa Office Investment Corporation (8976) Financial Report for the 15th Fiscal Period

	(Unit: thousand yen)	
	14th Fiscal Period [As of Nov. 30, 2012]	15th Fiscal Period [As of May 31, 2013]
Intangible assets		
Right of trademark	1,824	1,636
Leasehold rights	2,407,101	2,407,101
Leasehold rights in trust	306,884	306,884
Other	4,055	3,583
Total intangible assets	2,719,866	2,719,206
Investments and other assets		
Lease and guarantee deposits in trust	113,684	113,684
Long-term prepaid expenses	387,956	483,942
Deferred tax assets	18,817	11,321
Derivatives assets	1,119	1,234
Other	10,020	10,020
Total investments and other assets	531,597	620,202
Total noncurrent assets	308,999,466	325,642,642
Deferred assets		
Investment corporation bonds issuance costs	16,752	8,216
Total deferred assets	16,752	8,216
Total assets	325,665,703	342,572,865
Liabilities		
Current liabilities		
Operating accounts payable	546,346	571,325
Current portion of investment corporation bonds	5,000,000	5,000,000
Current portion of long-term loans payable	22,981,250	32,400,000
Accounts payable – other	258,426	261,090
Income taxes payable	797	779
Accrued consumption taxes	85,802	32,427
Advances received	831,967	874,930
Other	207,903	120,598
Total current liabilities	29,912,493	39,261,151
Noncurrent liabilities		
Investment corporation bonds	3,500,000	3,500,000
Long-term loans payable	80,600,000	87,400,000
Tenant leasehold and security deposits	6,457,058	6,659,828
Tenant leasehold and security deposits in trust	4,025,769	4,374,420
Derivatives liabilities	52,638	32,093
Total noncurrent liabilities	94,635,466	101,966,343
Total liabilities	124,547,959	141,227,494
Net Assets		
Unitholders' equity		
Unitholders' capital	198,780,951	198,780,951
Surplus		
Unappropriated retained earnings (undisposed loss)	2,369,494	2,589,422
Total surplus	2,369,494	2,589,422
Total unitholders' equity	201,150,445	201,370,373
Valuation and translation adjustments		
Deferred gains or losses on hedges	(32,701)	(25,003)
Total valuation and translation adjustments	(32,701)	(25,003)
Total net assets	*2 201,117,743	*2 201,345,370
Total liabilities and net assets	325,665,703	342,572,865

3.2. Statements of Income

(Unit: thousand yen)

	14th Fiscal Period [From: June 1, 2012 To: Nov. 30, 2012]		15th Fiscal Period [From: Dec. 1, 2012 To: May 31, 2013]	
Operating revenue				
Rent revenue – real estate	*1	7,384,164	*1	7,519,690
Other lease business revenue	*1	182,049	*1	95,383
Total operating revenue		7,566,213		7,615,074
Operating expenses				
Expenses related to rent business	*1	3,601,886	*1	3,499,437
Asset management fees		621,489		634,585
Asset custody fees		16,264		16,654
Administrative service fees		63,886		61,078
Trust fees		23,137		20,657
Directors' compensation		5,400		5,400
Other operating expenses		87,362		68,525
Total operating expenses		4,419,425		4,306,339
Operating income		3,146,788		3,308,734
Non-operating income				
Interest income		1,386		923
Reversal of distribution payable		1,082		1,023
Miscellaneous income		2,938		13,275
Total non-operating income		5,406		15,222
Non-operating expenses				
Interest expenses		534,555		492,196
Interest expenses on investment corporation bonds	*2	97,319	*2	95,533
Borrowing expenses		142,687		135,545
Other		12,684		10,632
Total non-operating expenses		787,247		733,907
Ordinary income		2,364,947		2,590,049
Extraordinary income				
Gain on donation of noncurrent assets		5,314		—
Total extraordinary income		5,314		—
Income before income taxes		2,370,262		2,590,049
Income taxes – current		977		869
Income taxes – deferred		(1)		5
Total income taxes		976		874
Net income		2,369,286		2,589,175
Retained earnings brought forward		207		247
Unappropriated retained earnings (undisposed loss)		2,369,494		2,589,422

3.3. Statements of Unitholders' Equity

(Unit: thousand yen)

	14th Fiscal Period [From: June 1, 2012 To: Nov. 30, 2012]	15th Fiscal Period [From: Dec. 1, 2012 To: May 31, 2013]
Unitholders' equity		
Unitholders' capital		
Balance at beginning of current period	198,780,951	198,780,951
Changes of items during the period		
Total changes of items during the period	—	—
Balance at end of current period	*1 198,780,951	*1 198,780,951
Surplus		
Unappropriated retained earnings (undisposed loss)		
Balance at beginning of current period	2,021,548	2,369,494
Changes of items during the period		
Dividends from surplus	(2,021,340)	(2,369,246)
Net income	2,369,286	2,589,175
Total changes of items during the period	347,945	219,928
Balance at end of current period	2,369,494	2,589,422
Total Surplus		
Balance at beginning of current period	2,021,548	2,369,494
Changes of items during the period		
Dividends from surplus	(2,021,340)	(2,369,246)
Net income	2,369,286	2,589,175
Total changes of items during the period	347,945	219,928
Balance at end of current period	2,369,494	2,589,422
Total unitholders' equity		
Balance at beginning of current period	200,802,499	201,150,445
Changes of items during the period		
Dividends from surplus	(2,021,340)	(2,369,246)
Net income	2,369,286	2,589,175
Total changes of items during the period	347,945	219,928
Balance at end of current period	201,150,445	201,370,373
Valuation and translation adjustments		
Deferred gains or losses on hedges		
Balance at beginning of current period	(2,032)	(32,701)
Changes of items during the period		
Net changes of items other than shareholders' equity	(30,669)	7,698
Total changes of items during the period	(30,669)	7,698
Balance at end of current period	(32,701)	(25,003)
Total valuation and translation adjustments		
Balance at beginning of current period	(2,032)	(32,701)
Changes of items during the period		
Net changes of items other than shareholders' equity	(30,669)	7,698
Total changes of items during the period	(30,669)	7,698
Balance at end of current period	(32,701)	(25,003)
Total net assets		
Balance at beginning of current period	200,800,467	201,117,743
Changes of items during the period		
Dividends from surplus	(2,021,340)	(2,369,246)
Net income	2,369,286	2,589,175
Net changes of items other than shareholders' equity	(30,669)	7,698
Total changes of items during the period	317,276	227,626
Balance at end of current period	201,117,743	201,345,370

3.4. Statements of Cash Distributions

Item	14th Fiscal Period [From: June 1, 2012 To: Nov. 30, 2012]	15th Fiscal Period [From: Dec. 1, 2012 To: May 31, 2013]
	Amount (yen)	Amount (yen)
I. Unappropriated retained earnings	2,369,494,076	2,589,422,414
II. Distribution amount [Distribution amount per unit]	2,369,246,828 [5,986]	2,589,310,516 [6,542]
III. Retained earnings carried forward	247,248	111,898
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 number of units issued and outstanding (395,798 units) in an amount that is not in excess of unappropriated retained earnings. Accordingly, the Investment Corporation declared a distribution amount of 2,369,246,828 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 number of units issued and outstanding (395,798 units) in an amount that is not in excess of unappropriated retained earnings. Accordingly, the Investment Corporation declared a distribution amount of 2,589,310,516 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)	
	14th Fiscal Period [From: June 1, 2012 To: Nov. 30, 2012]	15th Fiscal Period [From: Dec. 1, 2012 To: May 31, 2013]
Net cash provided by (used in) operating activities		
Income before income taxes	2,370,262	2,590,049
Depreciation and amortization	1,306,935	1,281,373
Amortization of investment corporation bonds issuance costs	8,583	8,536
Interest income	(1,386)	(923)
Interest expenses	631,875	587,730
(Increase) Decrease in operating accounts receivable	23,151	31,498
(Increase) Decrease in consumption taxes refund receivable	—	(248,781)
(Increase) Decrease in prepaid expenses	(2,169)	(16,382)
Increase (decrease) in operating accounts payable	(23,542)	(68,851)
Increase (decrease) in accounts payable – other	(3,278)	(884)
Increase (decrease) in accrued consumption taxes	(77,344)	(53,374)
Increase (decrease) in advances received	(44,959)	42,962
(Increase) Decrease in long-term prepaid expenses	(19,879)	(95,986)
Other, net	(68,087)	(103,539)
Subtotal	4,100,160	3,953,427
Interest income received	1,386	923
Interest expenses paid	(634,768)	(604,367)
Income taxes paid	(857)	(887)
Net cash provided by (used in) operating activities	3,465,920	3,349,095
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(10,842)	(238,242)
Purchase of property, plant and equipment in trust	(2,745,006)	(17,500,043)
Purchase of intangible assets	—	(279)
Proceeds from tenant security deposits	456,312	311,407
Proceeds from tenant security deposits in trust	189,987	759,494
Repayments of tenant security deposits	(475,954)	(229,658)
Repayments of tenant security deposits in trust	(304,396)	(289,821)
Net cash provided by (used in) investing activities	(2,889,900)	(17,187,143)
Net cash provided by (used in) financing activities		
Proceeds from long-term loans payable	17,500,000	21,700,000
Repayment of long-term loans payable	(16,810,000)	(5,481,250)
Dividends paid	(2,020,153)	(2,369,894)
Net cash provided by (used in) financing activities	(1,330,153)	13,848,855
Net increase (decrease) in cash and cash equivalents	(754,133)	10,807
Cash and cash equivalents at beginning of period	16,801,099	16,046,965
Cash and cash equivalents at end of period	*1 16,046,965	*1 16,057,772

3.6. Notes to the Going Concern

Not applicable.

3.7. Notes to Significant Accounting Policies

1. 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:</p> <table border="0"> <tr> <td>Buildings</td> <td>2~64 years</td> </tr> <tr> <td>Structures</td> <td>4~56 years</td> </tr> <tr> <td>Machinery and equipment</td> <td>2~23 years</td> </tr> <tr> <td>Tools, furniture and fixtures</td> <td>5~18 years</td> </tr> </table> <p>(2) Intangible assets The straight-line method is adopted.</p> <p>(3) Long-term prepaid expenses The straight-line method is adopted.</p>	Buildings	2~64 years	Structures	4~56 years	Machinery and equipment	2~23 years	Tools, furniture and fixtures	5~18 years
Buildings	2~64 years								
Structures	4~56 years								
Machinery and equipment	2~23 years								
Tools, furniture and fixtures	5~18 years								
2. Accounting policies for deferred assets	Investment corporation bonds issuance costs Amortized using the straight-line method over the period up to redemption.								
3. 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 in the 14th Fiscal Period is 7,947 thousand yen and 15th Fiscal Period is 49,317 thousand yen.</p>								
4. 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 cap 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>								

5. Scope of funds in the statements of cash flows	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.
6. Other significant matters forming basis for preparation of financial statements	<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, other tangible assets 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>

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.

14th Fiscal Period [As of November 30, 2012]	15th Fiscal Period [As of May 31, 2013]
32,898 thousand yen	32,898 thousand yen

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

14th Fiscal Period [As of November 30, 2012]	15th Fiscal Period [As of May 31, 2013]
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)

	14th Fiscal Period [From: June 1, 2012 To: Nov. 30, 2012]	15th Fiscal Period [From: Dec. 1, 2012 To: May 31, 2013]
A. Property leasing revenue		
Rent revenue – real estate	7,384,164	7,519,690
Other lease business revenue	182,049	95,383
Total property leasing revenue	7,566,213	7,615,074
B. Property leasing expenses		
Consignment expenses	549,515	591,513
Utilities expenses	737,020	678,874
Taxes and dues	652,109	671,598
Non-life insurance expenses	11,847	12,101
Repair expenses	280,098	215,111
Depreciation	1,305,782	1,280,206
Other lease business expenses	65,511	50,031
Total property leasing expenses	3,601,886	3,499,437
C. Operating income (loss) from property leasing [A – B]	3,964,327	4,115,636

***2. Transactions with major unitholders**

(Unit: thousand yen)

	14th Fiscal Period [From: June 1, 2012 To: Nov. 30, 2012]	15th Fiscal Period [From: Dec. 1, 2012 To: May 31, 2013]
Transactions other than business transaction		
Interest expenses on investment corporation bonds	50,313	48,527

[Notes to Statements of Unitholders' Equity]

	14th Fiscal Period [From: June 1, 2012 To: Nov. 30, 2012]	15th Fiscal Period [From: Dec. 1, 2012 To: May 31, 2013]
*1. 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
Number of investment units issued and outstanding	395,798 units	395,798 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)

	14th Fiscal Period [From: June 1, 2012 To: Nov. 30, 2012]	15th Fiscal Period [From: Dec. 1, 2012 To: May 31, 2013]
Cash and deposits	11,336,277	10,948,755
Cash and deposits in trust	4,710,687	5,109,017
Cash and cash equivalents	16,046,965	16,057,772

[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 safe and highly liquid money claims and securities (in principle, deposits).

Derivative transactions are limited to hedge operations which hedge against interest rate risks.

(b) Contents and risk of financial instruments and policies 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 with floating interest rates are exposed to interest rate risk and the risk is controlled by using derivative instruments (interest swap transaction).

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.

Security deposits from tenants 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, 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)).

14th Fiscal Period [As of November 30, 2012]

(Unit: thousand yen)

	Carrying amount	Fair value	Difference
(1) Cash and deposits	11,336,277	11,336,277	—
(2) Cash and deposits in trust	4,710,687	4,710,687	—
Total assets	16,046,965	16,046,965	—
(1) Current portion of investment corporation bonds	5,000,000	5,004,000	4,000
(2) Current portion of long-term loans payable	22,981,250	22,983,566	2,316
(3) Investment corporation bonds	3,500,000	3,500,000	—
(4) Long-term loans payable	80,600,000	80,596,241	(3,758)
Total liabilities	112,081,250	112,083,807	2,557
Derivative transactions (*)	(51,519)	(51,519)	—

15th Fiscal Period [As of May 31, 2013]

(Unit: thousand yen)

	Carrying amount	Fair value	Difference
(1) Cash and deposits	10,948,755	10,948,755	—
(2) Cash and deposits in trust	5,109,017	5,109,017	—
Total assets	16,057,772	16,057,772	—
(1) Current portion of investment corporation bonds	5,000,000	5,005,500	5,500
(2) Current portion of long-term loans payable	32,400,000	32,400,577	577
(3) Investment corporation bonds	3,500,000	3,500,000	—
(4) Long-term loans payable	87,400,000	87,010,905	(389,094)
Total liabilities	128,300,000	127,916,982	(383,017)
Derivative transactions (*)	(39,478)	(39,478)	—

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

(Note 1) Method of calculation of fair value of financial instruments and matters concerning derivatives.

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

(1) Current portion of investment corporation bonds; (3) Investment corporation bonds

Concerning the fair value of investment corporation bonds issued by the Investment Corporation, as these are based on floating interest rates and 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.

(2) Current portion of long-term loans payable; (4) 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 are 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.)

Derivative transactions

Please refer to [Notes to Derivative transactions] below.

(Note 2) Financial products for which it is extremely difficult to estimate fair value.

(Unit: thousand yen)

	14th Fiscal Period [As of Nov. 30, 2012]	15th Fiscal Period [As of May 31, 2013]
Tenant leasehold and security deposits	6,457,058	6,659,828
Tenant leasehold and security deposits in trust	4,025,769	4,374,420
Total	10,482,828	11,034,249

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 market price because discerning of the market price is recognized to be extremely difficult as future cash flows cannot be reasonably estimated due to there being no fair value and difficulty in calculation of the actual deposit period.

Daiwa Office Investment Corporation (8976) Financial Report for the 15th Fiscal Period

(Note 3) Amount of redemption of monetary claims scheduled to be due after the settlement of accounts.

14th Fiscal Period [As of November 30, 2012]

(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	11,336,277	—	—	—	—	—
Cash and deposits in trust	4,710,687	—	—	—	—	—
Total	16,046,965	—	—	—	—	—

15th Fiscal Period [As of May 31, 2013]

(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	10,948,755	—	—	—	—	—
Cash and deposits in trust	5,109,017	—	—	—	—	—
Total	16,057,772	—	—	—	—	—

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

14th Fiscal Period [As of November 30, 2012]

(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
Current portion of investment corporation bonds	5,000,000	—	—	—	—	—
Current portion of long-term loans payable	22,981,250	—	—	—	—	—
Investment corporation bonds	—	—	—	—	—	3,500,000
Long-term loans payable	—	33,900,000	16,600,000	2,000,000	22,750,000	5,350,000
Total	27,981,250	33,900,000	16,600,000	2,000,000	22,750,000	8,850,000

15th Fiscal Period [As of May 31, 2013]

(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
Current portion of investment corporation bonds	5,000,000	—	—	—	—	—
Current portion of long-term loans payable	32,400,000	—	—	—	—	—
Investment corporation bonds	—	—	—	—	—	3,500,000
Long-term loans payable	—	29,500,000	8,300,000	18,200,000	19,400,000	12,000,000
Total	37,400,000	29,500,000	8,300,000	18,200,000	19,400,000	15,500,000

[Notes to Derivative Transactions]

(1) Transactions for which hedge accounting is not applied

14th Fiscal Period [As of November 30, 2012]

Not applicable.

15th Fiscal Period [As of May 31, 2013]

Not applicable.

(2) Transactions for which hedge accounting is applied

14th Fiscal Period [As of November 30, 2012]

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	43,900,000	37,900,000	(51,519)	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	27,350,000	27,350,000	(*)	
Total			71,250,000	65,250,000	(51,519)	

15th Fiscal Period [As of May 31, 2013]

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	43,900,000	26,000,000	(39,478)	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	27,350,000	27,350,000	(*)	
Total			71,250,000	53,350,000	(39,478)	

(*) 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 (2) (4)”).

[Notes to Transactions with Related Parties]

(1) Transactions with related parties

14th Fiscal Period [From: June 1, 2012 To: November 30, 2012]

Classification	Name of company, etc.	Location	Capital stock or investments in capital	Business description	Percentage of voting rights, etc. held by related party (held in the Investment Corporation)	Relationship with related party	Nature of transaction	Amount of transaction (thousand yen)	Accounting item	Balance at end of period (thousand yen)
Parent company	Daiwa Securities Group Inc.	Chiyoda-ku, Tokyo	247.3 billion yen	Holding company	(Held in the Investment Corporation) Directly: 13.11% Indirectly: 32.57%	Provision of capital	Payment of interest expenses on investment corporation bonds (Notes 1 and 2)	50,313	Investment corporation bonds	3,500,000
									Other (current liabilities)	21,166

Of the amounts above, the amount of transaction does not include consumption tax, etc.

(Note 1) Issuance terms, etc. for investment corporation bonds were determined by conducting a multifaceted analysis, including the disparity in the spread of investment corporation bonds of other similar investment corporation bonds and the spread of senior bonds and subordinated bonds in the market (bank bonds) and verification from the spread of subordinated investment corporation bonds issued in the past in Japan.

(Note 2) Terms and conditions with interested persons were determined according to the regulation concerning conflict of interest in the internal rule of the Asset Manager.

15th Fiscal Period [From: December 1, 2012 To: May 31, 2013]

Classification	Name of company, etc.	Location	Capital stock or investments in capital	Business description	Percentage of voting rights, etc. held by related party (held in the Investment Corporation)	Relationship with related party	Nature of transaction	Amount of transaction (thousand yen)	Accounting item	Balance at end of period (thousand yen)
Parent company	Daiwa Securities Group Inc.	Chiyoda-ku, Tokyo	247.3 billion yen	Holding company	(Held in the Investment Corporation) Directly: 14.99% Indirectly: 32.57%	Provision of capital	Payment of interest expenses on investment corporation bonds (Notes 1 and 2)	48,527	Investment corporation bonds	3,500,000
									Other (current liabilities)	20,304

Of the amounts above, the amount of transaction does not include consumption tax, etc.

(Note 1) Issuance terms, etc. for investment corporation bonds were determined by conducting a multifaceted analysis, including the disparity in the spread of investment corporation bonds of other similar investment corporation bonds and the spread of senior bonds and subordinated bonds in the market (bank bonds) and verification from the spread of subordinated investment corporation bonds issued in the past in Japan.

(Note 2) Terms and conditions with interested persons were determined according to the regulation concerning conflict of interest in the internal rule of the Asset Manager.

(2) Notes to parent company and significant affiliated companies

14th Fiscal Period [From: June 1, 2012 To: November 30, 2012]

Parent company's information

Daiwa Securities Group Inc. (listed on the Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange)

15th Fiscal Period [From: December 1, 2012 To: May 31, 2013]

Parent company's information

Daiwa Securities Group Inc. (listed on the Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange)

[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)

	14th Fiscal Period [From: June 1, 2012 To: Nov. 30, 2012]	15th Fiscal Period [From: Dec. 1, 2012 To: May 31, 2013]
Carrying amount		
Balance at beginning of period	307,324,542	308,107,273
Amount of increase (decrease) during period	782,731	16,869,079
Balance at end of period	308,107,273	324,976,352
Fair value at end of period	276,330,000	302,510,000

(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 14th Fiscal Period, the amount of increase is mainly attributable to acquisition of West Park Osaki (1,650 million yen) and the amount of decrease is mainly attributable to depreciation (1,305 million yen). Of the amount of increase (decrease) for rental properties during the 15th Fiscal Period, the amount of increase is mainly attributable to acquisition of shinyon curumu Building (9,650 million yen), Honshu Meieki Building (5,300 million yen) and Kamiooka Eye Mark Building (2,000 million yen) and the amount of decrease is mainly attributable to depreciation (1,280 million yen).

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

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

[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

14th Fiscal Period [From: June 1, 2012 To: November 30, 2012]

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 to a single external customer accounts for less than 10% of the operating revenue on statements of income.

15th Fiscal Period [From: December 1, 2012 To: May 31, 2013]

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 to a single external customer accounts for less than 10% of the operating revenue on statements of income.

[Notes to Per Unit Information]

	14th Fiscal Period [From: June 1, 2012 To: Nov. 30, 2012]	15th Fiscal Period [From: Dec. 1, 2012 To: May 31, 2013]
Net assets per unit	508,132 yen	508,707 yen
Net income per unit	5,986.09 yen	6,541.66 yen

(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.

	14th Fiscal Period [From: June 1, 2012 To: Nov. 30, 2012]	15th Fiscal Period [From: Dec. 1, 2012 To: May 31, 2013]
Net income (thousand yen)	2,369,286	2,589,175
Amounts not attributable to common unitholders (thousand yen)	—	—
Net income attributable to common investment units (thousand yen)	2,369,286	2,589,175
Average number of investment units during the period (unit)	395,798	395,798

[Notes to Significant Subsequent Events]

(1) Acquisition of Assets

(i) The Investment Corporation acquired a trust beneficial interest in real estate on July 3, 2013 as follows.

Summary of Acquired Asset

Property name	Tosen Dogenzaka Daini Building
Type of asset	Trust beneficial interest in real estate
Location (indication of residential address)	28-1 Maruyamacho, Shibuya-ku, Tokyo
Acquisition price	4,500 million yen (excluding acquisition costs, consumption tax, etc.)
Date of execution of purchase agreement	June 25, 2013
Date of delivery	July 3, 2013
Seller	Not disclosed

(ii) The Investment Corporation determined to acquire a trust beneficial interest in real estate on July 19, 2013 as follows.

Summary of Acquired Asset

Property name	Akasaka Business Place
Type of asset	Trust beneficial interest in real estate
Location (indication of residential address)	2-14-5 Akasaka, Minato-ku, Tokyo
Acquisition price	9,200 million yen (excluding acquisition costs, consumption tax, etc.)
Date of execution of purchase agreement	July 19, 2013
Date of delivery	August 9, 2013 (scheduled)
Seller	Hakuba Capital 1 TMK

(2) Borrowing of Funds

(i) The Investment Corporation borrowed funds on July 3, 2013 as below.

The funds were borrowed to provide for the acquisition of the new property listed above in “(1) Acquisition of Assets (i),” etc.

Lender	Drawdown date	Loan amount (million yen)	Interest rate	Repayment date	Borrowing/Repayment method
Shinsei Bank, Ltd.	2013/07/03	1,000	BBA 3 month Japanese Yen LIBOR + 0.35% (Note 1)	2020/11/30	Unsecured Repayment in lump sum
The Higashi-Nippon Bank, Limited	2013/07/03	1,000	JBA 1 month Japanese Yen TIBOR + 0.35% (Note 2)	2020/11/30	Unsecured Repayment in lump sum
Sumitomo Mitsui Banking Corporation	2013/07/03	1,600	JBA 1 month Japanese Yen TIBOR + 0.35% (Note 2)	2020/08/31	Unsecured Repayment in lump sum
Development Bank of Japan Inc.	2013/07/03	1,000	0.833%	2018/08/31	Unsecured Repayment in lump sum

(Note 1) Interest payment dates shall be the end of February, May, August and November and the repayment 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 immediately last business day of the month.). The base rate applicable to the calculation period for the interest payable on an interest payment date shall be calculated based on the 3 month Japanese Yen LIBOR which British Banker's Association ("BBA") announces 2 business days prior to the first day of the interest calculation period.

(Note 2) Interest payment dates shall be the end of every month and the repayment 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 immediately last business day of the month.). The base rate applicable to the calculation period for the interest payable on an interest payment date shall be calculated based on the 1 month Japanese Yen TIBOR which Japanese Bankers Association ("JBA") announces 2 business days prior to the first day of the interest calculation period.

- (ii) The Investment Corporation decided to borrow funds on July 19, 2013 as below. The funds will be borrowed to provide for part of the acquisition of the new property listed above in "(1) Acquisition of Assets (ii)," etc.

Lender	Drawdown date	Loan amount (million yen)	Interest rate	Repayment date	Borrowing/Repayment method
Sumitomo Mitsui Banking Corporation	2013/08/09	1,400	JBA 1 month Japanese Yen TIBOR + 0.35% (Note 1)	2021/05/31	Unsecured Repayment in lump sum
Sumitomo Mitsui Trust Bank, Limited	2013/08/09	1,000	JBA 1 month Japanese Yen TIBOR + 0.35% (Note 1)	2021/02/26	Unsecured Repayment in lump sum
The Bank of Fukuoka, Ltd.	2013/08/09	1,000	JBA 1 month Japanese Yen TIBOR + 0.27% (Note 1)	2018/08/31	Unsecured Repayment in lump sum
Tokio Marine & Nichido Fire Insurance Co., Ltd.	2013/08/09	1,000	BBA 3 month Japanese Yen LIBOR + 0.27% (Note 2)	2018/07/31	Unsecured Repayment in lump sum

(Note 1) Interest payment dates shall be the end of every month and the repayment 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 immediately last business day of the month.). The base rate applicable to the calculation period for the interest payable on an interest payment date shall be calculated based on the 1 month Japanese Yen TIBOR which Japanese Bankers Association (“JBA”) announces 2 business days prior to the first day of the interest calculation period.

(Note 2) Interest payment dates shall be the end of February, May, August and November and the repayment 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 immediately last business day of the month.). The base rate applicable to the calculation period for the interest payable on an interest payment date shall be calculated based on the 3 month Japanese Yen LIBOR which British Banker’s Association (“BBA”) announces 2 business days prior to the first day of the interest calculation period.

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

Payment date	Description	Number of investment units issued and outstanding (units)		Unitholders’ capital (million yen)		Notes
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
July 11, 2005	Incorporation through private placement	400	400	200	200	(Note 1)
October 18, 2005	Capital increase through public offering	99,600	100,000	49,498	49,698	(Note 2)
July 10, 2007	Capital increase through public offering	100,000	200,000	75,316	125,015	(Note 3)
August 7, 2007	Capital increase by way of a third-party allotment	5,000	205,000	3,765	128,781	(Note 4)
June 4, 2008	Capital increase by way of a third-party allotment	138,905	343,905	59,999	188,780	(Note 5)
July 1, 2009	Capital increase by way of a third-party allotment	51,893	395,798	10,000	198,780	(Note 6)

(Note 1) The Investment Corporation was incorporated at an issue price of 500,000 yen per unit.

(Note 2) The Investment Corporation issued new investment units through public offering at an issue price of 515,000 yen per unit (amount to be paid in: 496,975 yen) to procure funds for acquisition of properties to be acquired upon listing, etc.

(Note 3) The Investment Corporation issued new investment units through public offering at an issue price of 781,060 yen per unit (amount to be paid in: 753,165 yen) to procure funds for acquisition of acquisition properties, etc.

(Note 4) The Investment Corporation issued new investment units by way of a third-party allotment at an issue price of 753,165 yen per unit (amount to be paid in: 753,165 yen) to fund part of acquisition of acquisition properties, etc.

(Note 5) The Investment Corporation issued new investment units by way of a third-party allotment at an issue price of 431,949 yen per unit (amount to be paid in: 431,949 yen) to fund repayment of loans and redemption of investment corporation bonds.

(Note 6) The Investment Corporation issued new investment units by way of a third-party allotment at an issue price of 192,705 yen per unit (amount to be paid in: 192,705 yen) to fund repayment of loans, capital expenditure to enhance property value, acquisition of property, 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	15th Fiscal Period (As of May 31, 2013)	
			Total amount owned (million yen) (Note 1)	As a percentage of total assets (%)
Real estate (Note 2)	Office	Five Central Wards of Tokyo	16,746	4.9
Trust beneficial interest in real estate	Office	Five Central Wards of Tokyo	276,153	80.6
		Greater Tokyo	21,756	6.4
		Major Regional Cities	10,319	3.0
Total			324,976	94.9
Deposits and other assets			17,596	5.1
Total amount of assets (Note 3)			342,572	100.0
			[324,976]	[94.9]

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

(Note 2) Additional acquisition of the compartmentalized ownership interest, etc. of “Sunline Building No. 7” was made in March 2013 and May 2013. The additionally-acquired compartmentalized ownership interest, etc. is categorized and counted as real estate.

(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 Real Estate Properties (As of May 31, 2013)

5.2.1. 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	13,600	14,700	4.2
	Daiwa Ginza Annex		3,050	2,902	3,100	0.9
	Daiwa Shibaura	Trust beneficial interest in real estate	8,265	8,093	7,470	2.5
	Daiwa Minami-Aoyama		4,550	4,470	4,010	1.4
	Daiwa Sarugakucho		3,190	3,275	3,090	1.0
	Daiwa A Hamamatsucho (Note 8)		2,865	2,808	2,830	0.9
	Daiwa Jingumae		2,800	2,727	2,050	0.8
	Daiwa Shibadaimon		2,578	2,422	2,640	0.8
	Daiwa Misakicho		2,346	2,196	2,480	0.7
	Daiwa Shimbashi 510		2,080	2,126	2,310	0.6
	Daiwa Tsukijiekimae (Note 9)		1,560	1,398	1,400	0.5
	Daiwa Tsukiji		1,240	1,200	1,420	0.4
	Daiwa Tsukiji 616		2,440	2,275	2,370	0.7
	Daiwa Tsukishima		7,840	7,081	7,850	2.4
	Nihombashi MS		2,520	2,480	2,410	0.8
	Daiwa Azabudai		1,600	1,552	1,730	0.5
	Daiwa Shibuya SS		3,930	3,799	3,830	1.2
	Daiwa Nihombashi Honcho		7,420	7,130	6,980	2.2
	Daiwa Ginza 1-chome		4,620	4,523	4,480	1.4
	Daiwa Kyobashi		3,460	3,348	3,030	1.0
	Sunline Building No. 7 (Note 10)		Real estate / Trust beneficial interest in real estate	2,910	2,873	2,600
	Daiwa Onarimon	Trust beneficial interest in real estate	13,860	13,597	13,300	4.2
	Shinjuku Maynds Tower (Note 8)		133,800	130,907	113,000	40.3
	SHIBUYA EDGE		5,900	5,792	4,040	1.8
	Daiwa Kodenmacho		2,460	2,429	1,960	0.7
	Daiwa Jimbocho		4,150	4,121	2,780	1.2
	Daiwa Nishi-Shimbashi		5,000	5,037	4,710	1.5
Daiwa Kudan	4,000		3,937	2,830	1.2	
Daiwa Kayabacho	5,600		5,535	6,300	1.7	
Jimbocho Place	3,550		3,567	3,670	1.1	
E SPACE TOWER	24,000		23,980	26,500	7.2	
Nihonbashi Hongokucho Tosei	1,721		1,719	1,830	0.5	
shinyon curumu	9,650		9,983	10,100	2.9	
Total for Five Central Wards of Tokyo (33 properties)			299,055	292,899	273,800	90.1

Daiwa Office Investment Corporation (8976) Financial Report for the 15th Fiscal Period

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 Kinshicho	Trust beneficial interest in real estate	3,653	3,395	3,320	1.1
	Daiwa Higashi-Ikebukuro		2,958	2,784	3,480	0.9
	Benex S-3		4,950	4,375	3,260	1.5
	Daiwa Shinagawa North		7,710	7,421	5,820	2.3
	West Park Osaki		1,650	1,704	1,930	0.5
	Kamiooka Eye Mark		2,000	2,074	2,040	0.6
Total for Greater Tokyo (6 properties)			22,921	21,756	19,850	6.9
Major Regional Cities (Note 3)	Daiwa Minami-Senba	Trust beneficial interest in real estate	4,810	4,800	2,860	1.4
	Honshu Meieki		5,300	5,519	6,000	1.6
Total for Major Regional Cities (2 properties)			10,110	10,319	8,860	3.0
Total (41 properties)			332,086	324,976	302,510	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 deducting depreciation as of May 31, 2013.

(Note 6) Estimated price at end of period is the price as of May 31, 2013 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 property name was changed from the former name BPS Square to Daiwa Tsukijiekimae Building on May 1, 2013. Please note that, in principle, the property is referred to by the new name in this document.

(Note 10) The type of specified asset of the compartmentalized ownership portion that was additionally acquired on March 29, 2013 and May 29, 2013 is real estate.

5.2.2. 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 (Note 3)	Leased floor area (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	8,267.13	7,977.58	27	96.4	355,700
	Daiwa Ginza Annex	SRC B3 / 8F	Aug. 1972	2,032.99	2,032.99	7	100.0	90,295
	Daiwa Shibaura	SRC B1 / 12F	Oct. 1987	9,626.38	8,418.78	50	87.4	225,225
	Daiwa Minami-Aoyama	S / SRC B2 / 5F	Sept. 1990	2,715.54	2,556.80	5	94.1	119,924
	Daiwa Sarugakuchō (Note 8)	SRC 8F	June 1985	3,657.43	3,657.43	1	100.0	-
	Daiwa A Hamamatsuchō	SRC B2 / 10F	July 1993	3,663.38	3,663.38	13	100.0	132,443
	Daiwa Jingumae	RC B1 / 4F	Dec. 1997	2,198.61	2,198.61	4	100.0	52,939
	Daiwa Shibadaimon	SRC / RC B1 / 7F	Nov. 1996	2,386.02	2,386.02	7	100.0	83,062
	Daiwa Misakicho (Note 8)	S 8F	July 1996	2,137.53	2,137.53	1	100.0	-
	Daiwa Shimbashi 510	SRC B1 / 8F	Apr. 1974	2,693.06	2,686.24	7	99.7	80,418
	Daiwa Tsukijiekimae (Note 8)	SRC 10F	Jan. 1996	2,659.59	275.41	1	10.3	-
	Daiwa Tsukiji	SRC B1 / 7F	Jan. 1990	1,487.82	1,487.82	5	100.0	46,955
	Daiwa Tsukiji 616	SRC B1 / 9F	Mar. 1994	2,931.93	2,931.93	9	100.0	66,064
	Daiwa Tsukishima	S 5F	July 1996	8,426.85	8,426.85	3	100.0	279,484
	Nihombashi MS	SRC B2 / 7F	Apr. 1993	2,850.81	2,850.81	9	100.0	83,012
	Daiwa Azabudai	SRC B2 / 9F	Apr. 1984	1,697.38	1,697.38	10	100.0	42,213
	Daiwa Shibuya SS	SRC / S B1 / 9F	July 1977	2,969.11	2,969.11	12	100.0	98,516
	Daiwa Nihombashi Honcho	SRC B1 / 10F	Jan. 1964	7,418.61	7,247.52	13	97.6	180,903
	Daiwa Ginza 1-chome	SRC B2 / 11F	Jan. 1962	3,758.43	3,347.84	11	89.0	112,364
	Daiwa Kyobashi	SRC B1 / 8F	Oct. 1974	3,265.83	3,252.75	9	99.5	70,037
	Sunline Building No. 7	SRC B2 / 9F	Oct. 1987	2,690.90	2,584.70	8	96.0	83,931
	Daiwa Onarimon	SRC 9F	Apr. 1973	11,615.37	11,615.37	9	100.0	350,652
	Shinjuku Maynds Tower (Note 9)	S / SRC B3 / 34F	Sept. 1995	45,544.00	43,233.10	34	94.9	2,285,878
	SHIBUYA EDGE	RC B1 / 9F	Aug. 2006	2,480.65	2,480.65	5	100.0	108,956
	Daiwa Kodenmachi	SRC 8F	Mar. 1985	2,379.31	2,379.31	8	100.0	59,201
	Daiwa Jimbocho	S B1 / 8F	Mar. 1997	3,164.26	3,164.26	7	100.0	53,640
	Daiwa Nishi-Shimbashi	SRC B1 / 10F	July 1993	4,815.84	4,815.84	12	100.0	120,566
	Daiwa Kudan	SRC 9F	Mar. 1987	2,882.61	2,882.61	7	100.0	51,072
Daiwa Kayabacho (Note 8)	S / SRC B1 / 8F	Apr. 2010	5,899.11	5,899.11	1	100.0	-	

Daiwa Office Investment Corporation (8976) Financial Report for the 15th Fiscal Period

Region	Property name	Structure and number of floors (Note 1)	Construction completion (Note 2)	Leasable floor area (Note 3)	Leased floor area (Note 4)	Total number of tenants (Note 5)	Occupancy rate (%) (Note 6)	Rent revenue during current period (thousand yen) (Note 7)
	Jimbocho Place	S 9F	Feb. 2010	2,889.34	2,889.34	7	100.0	111,999
	E SPACE TOWER	S / SRC B1 / 15F	Oct. 2002	13,960.85	13,960.85	7	100.0	682,517
	Nihonbashi Hongokuchō Tosei	S 8F	May 2010	2,143.08	2,143.08	6	100.0	60,975
	shinyon curumu	S / RC B2 / 11F	Jan. 2012	6,756.45	3,778.98	7	55.9	117,318
Total for Five Central Wards of Tokyo (33 properties)				184,066.20	174,029.98	322	94.5	6,576,637
Greater Tokyo	Daiwa Kinshicho	S B1 / 5F	Jan. 1992	5,378.02	5,378.02	6	100.0	129,646
	Daiwa Higashi-Ikebukuro	SRC / S B1 / 9F	June 1993	4,589.17	4,589.17	6	100.0	132,296
	Benex S-3	S / SRC B1 / 12F	Feb. 1994	7,470.18	7,338.82	25	98.2	145,592
	Daiwa Shinagawa North	SRC B1 / 11F	July 1991	6,549.98	6,549.98	13	100.0	176,375
	West Park Osaki	S / RC B1 / 6F	Sept. 2007	1,786.58	1,786.58	5	100.0	57,409
	Kamiooka Eye Mark	S / SRC B3 / 7F	May 2011	2,630.30	2,630.30	9	100.0	40,768
Total for Greater Tokyo (6 properties)				28,404.23	28,272.87	64	99.5	682,088
Major Regional Cities	Daiwa Minami-Senba	SRC B1 / 8F	Sept. 1986	5,719.54	5,719.54	6	100.0	114,133
	Honshu Meieki	S 12F	Dec. 1997	7,461.90	6,378.61	18	85.4	146,830
Total for Major Regional Cities (2 properties)				13,181.44	12,098.15	24	91.7	260,964
Total (41 properties)				225,651.87	214,401.00	410	95.0	7,519,690

(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 investment real estate property that is leasable, not including the leasable area of the land (including level parking space), and is the floor area indicated in the leasing contract, etc.

(Note 4) “Leased floor area” is the sum total of the floor area that is actually leased based on lease or sublease agreements executed with end-tenants as of May 31, 2013.

(Note 5) “Total number of tenants” is the number of end-tenants (Properties excluding Daiwa Ginza Building, Daiwa Ginza Annex and the compartmentalized ownership portion of Sunline Building No. 7 that was additionally acquired on March 29, 2013 and May 29, 2013 have a master lease agreement). 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 during the 15th 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 property.

(Note 9) Leasable floor area and leased floor area are calculated for the common ownership interest in the real estate in trust pertaining to trust beneficial interest held by the Investment Corporation, which corresponds 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.

5.2.3. Capital Expenditures for Assets under Management

A. Capital Expenditures for 16th 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
Shinjuku Maynds Tower (Shibuya-ku, Tokyo)	Renovation work for common area	From: Aug. 2013 To: Oct. 2013	41	—	—
Shinjuku Maynds Tower (Shibuya-ku, Tokyo)	Upgrading of lighting for exclusive area	From: Aug. 2013 To: Oct. 2013	40	—	—
Shinjuku Maynds Tower (Shibuya-ku, Tokyo)	Replacement of CO ₂ fire extinguisher cylinder valve	From: Aug. 2013 To: Oct. 2013	27	—	—
Daiwa Shibuya SS (Shibuya-ku, Tokyo)	Renovation work for north side curtain wall portion	From: Oct. 2013 To: Nov. 2013	22	—	—
Daiwa Ginza (Chuo-ku, Tokyo)	Renovation work for below-ground ventilation system	From: Sept. 2013 To: Nov. 2013	20	—	—

B. Capital Expenditures during 15th Fiscal Period

The following summarizes the primary construction work that constitutes capital expenditures implemented during the 15th Fiscal Period. Capital expenditures for the 15th Fiscal Period amounted to 277 million yen and, when combined with the 215 million yen in repair expenses charged to 15th Fiscal Period expenses, totals 493 million yen in construction work implemented.

Name of real estate properties (Location)	Purpose	Period	Construction amount paid (million yen)
Shinjuku Maynds Tower (Shibuya-ku, Tokyo)	Renovation work for common area on 4F, 15F and 17F	From: Nov. 2012 To: Dec. 2012	22
Shinjuku Maynds Tower (Shibuya-ku, Tokyo)	Renovation work for common area on 3F, 18F and 21F	From: Apr. 2013 To: May 2013	20
Shinjuku Maynds Tower (Shibuya-ku, Tokyo)	Construction work for upgrading of integrating watt-meters, etc.	From: Apr. 2013 To: May 2013	19
Other		From: Dec. 2012 To: May 2013	215
Total			277

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	11th Fiscal Period	12th Fiscal Period	13th Fiscal Period	14th Fiscal Period	15th Fiscal Period
	[From: Dec. 1, 2010 To: May 31, 2011]	[From: June 1, 2011 To: Nov. 30, 2011]	[From: Dec. 1, 2011 To: May 31, 2012]	[From: June 1, 2012 To: Nov. 30, 2012]	[From: Dec. 1, 2012 To: May 31, 2013]
Balance of reserve at end of previous period	803	1,369	1,239	1,058	611
Amount of reserve in current period	601	—	306	89	619
Reversal of reserve in current period	36	130	487	536	424
Amount carried forward to next period	1,369	1,239	1,058	611	806

5.2.4. Summary of Estimated Price at End of Period (As of May 31, 2013)

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	14,700	15,700	4.3	14,200	4.0	4.6
Daiwa Ginza Annex	3,100	3,150	4.2	3,040	3.9	4.5
Daiwa Shibaura	7,470	7,560	5.0	7,430	4.8	5.2
Daiwa Minami-Aoyama	4,010	4,090	4.6	3,930	4.3	4.9
Daiwa Sarugakucho	3,090	3,140	5.1	3,040	4.8	5.4
Daiwa A Hamamatsucho (Note 2)	2,830	2,860	4.7	2,820	4.5	4.9
Daiwa Jingumae	2,050	2,060	4.5	2,040	4.2	4.8
Daiwa Shibadaimon	2,640	2,700	4.6	2,610	4.4	4.8
Daiwa Misakicho	2,480	2,500	5.1	2,470	4.9	5.3
Daiwa Shimbashi 510	2,310	2,390	4.8	2,270	4.5	5.1
Daiwa Tsukijiekimae	1,400	1,500	5.1	1,360	5.1	5.4
Daiwa Tsukiji	1,420	1,450	5.0	1,410	5.0	5.3
Daiwa Tsukiji 616	2,370	2,400	4.9	2,360	4.6	5.1
Daiwa Tsukishima	7,850	7,890	5.1	7,830	4.8	5.3
Nihombashi MS	2,410	2,460	4.8	2,350	4.5	5.1
Daiwa Azabudai	1,730	1,770	4.6	1,690	4.3	4.9
Daiwa Shibuya SS	3,830	4,010	4.6	3,750	4.3	4.9
Daiwa Nihombashi Honcho	6,980	7,330	4.7	6,830	4.3	5.0
Daiwa Ginza 1-chome	4,480	4,730	4.5	4,370	4.1	4.8
Daiwa Kyobashi	3,030	3,090	4.7	2,960	4.4	5.0
Sunline Building No. 7	2,600	2,730	4.4	2,540	4.1	4.7
Daiwa Onarimon	13,300	13,500	4.5	13,100	4.2	4.8
Shinjuku Maynds Tower (Note 3)	113,000	139,000	3.8	129,000	3.6	4.0
SHIBUYA EDGE	4,040	4,240	4.4	3,960	4.1	4.7
Daiwa Kodenmacho	1,960	2,000	5.0	1,910	4.7	5.3
Daiwa Jimbocho	2,780	2,970	5.0	2,700	5.0	5.3
Daiwa Nishi-Shimbashi	4,710	4,890	4.8	4,630	4.5	5.0
Daiwa Kudan	2,830	3,040	4.8	2,750	4.8	5.1
Daiwa Kayabacho	6,300	6,390	4.4	6,260	4.2	4.6
Jimbocho Place	3,670	3,760	4.4	3,630	4.2	4.6
E SPACE TOWER	26,500	26,900	4.2	26,100	4.0	4.4
Nihonbashi Hongokucho Tosei	1,830	1,860	5.0	1,820	4.8	5.2
shinyon curumu	10,100	10,400	4.3	10,000	4.1	4.5
Daiwa Kinshicho	3,320	3,380	5.3	3,290	5.1	5.5
Daiwa Higashi-Ikebukuro	3,480	3,510	5.2	3,470	5.0	5.4
Benex S-3	3,260	3,320	5.6	3,200	5.3	5.9
Daiwa Shinagawa North	5,820	5,960	5.0	5,680	4.7	5.3
West Park Osaki	1,930	1,950	4.8	1,920	4.6	5.0
Kamiooka Eye Mark	2,040	2,030	5.6	2,040	5.4	5.8
Daiwa Minami-Senba	2,860	2,900	5.5	2,820	5.2	5.8
Honshu Meieki	6,000	6,100	5.2	5,950	5.2	5.4
Total	302,510	333,610	-	315,530	-	-

- (Note 1) “Estimated price at end of period” is the price as of May 31, 2013 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) 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.

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

The following table lists the status of income (loss), etc. of each property for the 15th Fiscal Period (from December 1, 2012 to May 31, 2013). 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 (%)	4.2	0.9	2.5	1.4	1.0
	Carrying amount (million yen)	13,600	2,902	8,093	4,470	3,275
	Estimated price at end of period (million yen)	14,700	3,100	7,470	4,010	3,090
Leasing information	Number of tenants (Note 1)	27	7	50	5	1
	Leasable floor area (m ²)	8,267.13	2,032.99	9,626.38	2,715.54	3,657.43
	Leased floor area (m ²)	7,977.58	2,032.99	8,418.78	2,556.80	3,657.43
	Occupancy rate (%)					
	End of May 2011	80.1	88.0	98.8	100.0	100.0
	End of Nov. 2011	84.9	100.0	99.1	100.0	0.0
	End of May 2012	86.9	100.0	98.3	100.0	100.0
End of Nov. 2012	94.3	100.0	98.8	100.0	100.0	
End of May 2013	96.4	100.0	87.4	94.1	100.0	
Income (loss) information	Number of days of asset management	182	182	182	182	182
	Total property leasing revenue (A) (thousand yen)	355,700	90,295	241,949	122,624	—
	Rent revenue – real estate	355,700	90,295	225,225	119,924	—
	Other lease business revenue	—	—	16,724	2,700	—
	Total property leasing expenses (B) (thousand yen)	165,483	38,784	98,110	39,483	—
	Consignment expenses	19,084	5,269	15,938	5,825	—
	Utilities expenses	28,850	5,820	20,051	7,594	—
	Taxes and dues	27,680	9,116	19,262	11,573	—
	Non-life insurance expenses	456	109	432	157	—
	Repair expenses	8,062	396	17,113	3,094	—
	Depreciation (C)	69,507	18,072	25,292	11,239	—
	Other lease business expenses	11,841	—	20	—	—
	Operating income (loss) from property leasing (D) [(A) – (B)] (thousand yen)	190,216	51,511	143,838	83,140	—
NOI (E) [(D) + (C)] (thousand yen)	259,724	69,583	169,131	94,379	88,287	
Capital expenditures (F) (thousand yen)	11,017	5,081	5,091	5,484	1,152	
NCF [(E) – (F)] (thousand yen)	248,707	64,501	164,039	88,894	87,134	
Reference information	Expense rate (%) [(B) ÷ (A)]	46.52	42.95	40.55	32.20	—
	Annual amount of fixed property tax, etc. for fiscal 2013 (thousand yen)	55,191	18,053	37,885	22,923	13,299
	Estimated long-term repair expenses (thousand yen) (Note 2)	128,190	34,770	218,640	111,190	162,170

Daiwa Office Investment Corporation (8976) Financial Report for the 15th Fiscal Period

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 (%)	0.9	0.8	0.8	0.7	0.6
	Carrying amount (million yen)	2,808	2,727	2,422	2,196	2,126
	Estimated price at end of period (million yen)	2,830	2,050	2,640	2,480	2,310
Leasing information	Number of tenants (Note 1)	13	4	7	1	7
	Leasable floor area (m ²)	3,663.38	2,198.61	2,386.02	2,137.53	2,693.06
	Leased floor area (m ²)	3,663.38	2,198.61	2,386.02	2,137.53	2,686.24
	Occupancy rate (%)					
	End of May 2011	100.0	78.5	100.0	100.0	100.0
	End of Nov. 2011	100.0	78.5	100.0	100.0	97.4
	End of May 2012	100.0	100.0	78.0	100.0	99.7
End of Nov. 2012	100.0	100.0	100.0	100.0	99.7	
End of May 2013	100.0	100.0	100.0	100.0	99.7	
Income (loss) information	Number of days of asset management	182	182	182	182	182
	Total property leasing revenue (A) (thousand yen)	132,443	52,939	83,062	—	80,418
	Rent revenue – real estate	132,443	52,939	83,062	—	80,418
	Other lease business revenue	—	—	—	—	—
	Total property leasing expenses (B) (thousand yen)	73,021	26,313	32,012	—	28,075
	Consignment expenses	10,912	4,215	6,677	—	5,930
	Utilities expenses	9,512	5,001	6,698	—	5,957
	Taxes and dues	8,655	6,354	6,271	—	5,612
	Non-life insurance expenses	197	85	118	—	118
	Repair expenses	1,950	507	91	—	3,728
	Depreciation (C)	12,391	10,142	12,156	—	6,677
	Other lease business expenses	29,400	7	—	—	50
	Operating income (loss) from property leasing (D) [(A) – (B)] (thousand yen)	59,422	26,626	51,050	—	52,342
NOI (E) [(D) + (C)] (thousand yen)	71,813	36,769	63,206	68,908	59,020	
Capital expenditures (F) (thousand yen)	21,396	1,233	1,199	3,344	410	
NCF [(E) – (F)] (thousand yen)	50,417	35,535	62,007	65,564	58,610	
Reference information	Expense rate (%) [(B) ÷ (A)]	55.13	49.70	38.54	—	34.91
	Annual amount of fixed property tax, etc. for fiscal 2013 (thousand yen)	17,037	12,604	12,162	10,293	11,087
	Estimated long-term repair expenses (thousand yen) (Note 2)	115,840	84,980	98,390	129,500	117,390

Daiwa Office Investment Corporation (8976) Financial Report for the 15th Fiscal Period

Region		Five Central Wards of Tokyo				
Property name		Daiwa Tsukijiekimae (Note 4)	Daiwa Tsukiji	Daiwa Tsukiji 616	Daiwa Tsukishima	Nihombashi MS
Acquisition date		Jan. 2006	Jan. 2006	Mar. 2006	Mar. 2006	May 2006
Price information	Acquisition price (million yen)	1,560	1,240	2,440	7,840	2,520
	Investment ratio (%)	0.5	0.4	0.7	2.4	0.8
	Carrying amount (million yen)	1,398	1,200	2,275	7,081	2,480
	Estimated price at end of period (million yen)	1,400	1,420	2,370	7,850	2,410
Leasing information	Number of tenants (Note 1)	1	5	9	3	9
	Leasable floor area (m ²)	2,659.59	1,487.82	2,931.93	8,426.85	2,850.81
	Leased floor area (m ²)	275.41	1,487.82	2,931.93	8,426.85	2,850.81
	Occupancy rate (%)					
	End of May 2011	100.0	100.0	100.0	100.0	100.0
	End of Nov. 2011	100.0	100.0	100.0	100.0	100.0
	End of May 2012	0.0	100.0	89.7	100.0	100.0
End of Nov. 2012	0.0	100.0	100.0	100.0	100.0	
End of May 2013	10.3	100.0	100.0	100.0	100.0	
Income (loss) information	Number of days of asset management	182	182	182	182	182
	Total property leasing revenue (A) (thousand yen)	—	52,983	72,638	279,484	83,012
	Rent revenue – real estate	—	46,955	66,064	279,484	83,012
	Other lease business revenue	—	6,028	6,574	—	—
	Total property leasing expenses (B) (thousand yen)	—	20,103	44,818	120,965	34,363
	Consignment expenses	—	5,454	7,553	12,188	4,945
	Utilities expenses	—	3,028	6,756	24,421	6,088
	Taxes and dues	—	3,847	6,741	13,268	6,575
	Non-life insurance expenses	—	59	130	320	135
	Repair expenses	—	573	2,981	2,801	4,953
	Depreciation (C)	—	7,141	20,655	67,964	11,664
	Other lease business expenses	—	—	—	—	—
	Operating income (loss) from property leasing (D) [(A) – (B)] (thousand yen)	—	32,880	27,820	158,519	48,648
NOI (E) [(D) + (C)] (thousand yen)	(10,908)	40,021	48,475	226,484	60,313	
Capital expenditures (F) (thousand yen)	5,698	495	4,749	690	1,597	
NCF [(E) – (F)] (thousand yen)	(16,607)	39,526	43,726	225,794	58,715	
Reference information	Expense rate (%) [(B) ÷ (A)]	—	37.94	61.70	43.28	41.40
	Annual amount of fixed property tax, etc. for fiscal 2013 (thousand yen)	10,007	7,589	13,194	26,427	12,941
	Estimated long-term repair expenses (thousand yen) (Note 2)	114,750	49,770	73,410	331,450	139,000

Daiwa Office Investment Corporation (8976) Financial Report for the 15th Fiscal Period

Region		Five Central Wards of Tokyo				
Property name		Daiwa Azabudai	Daiwa Shibuya SS	Daiwa Nihombashi Honcho	Daiwa Ginza 1-chome	Daiwa Kyobashi
Acquisition date		May 2006	May 2006	July 2006	July 2006	July 2006
Price information	Acquisition price (million yen)	1,600	3,930	7,420	4,620	3,460
	Investment ratio (%)	0.5	1.2	2.2	1.4	1.0
	Carrying amount (million yen)	1,552	3,799	7,130	4,523	3,348
	Estimated price at end of period (million yen)	1,730	3,830	6,980	4,480	3,030
Leasing information	Number of tenants (Note 1)	10	12	13	11	9
	Leasable floor area (m ²)	1,697.38	2,969.11	7,418.61	3,758.43	3,265.83
	Leased floor area (m ²)	1,697.38	2,969.11	7,247.52	3,347.84	3,252.75
	Occupancy rate (%)					
	End of May 2011	100.0	100.0	73.5	97.9	42.1
	End of Nov. 2011	100.0	100.0	73.5	88.1	53.7
	End of May 2012	100.0	87.0	85.2	96.9	88.6
End of Nov. 2012	80.2	100.0	97.6	98.8	100.0	
End of May 2013	100.0	100.0	97.6	89.0	99.5	
Income (loss) information	Number of days of asset management	182	182	182	182	182
	Total property leasing revenue (A) (thousand yen)	42,213	98,516	180,903	112,364	72,272
	Rent revenue – real estate	42,213	98,516	180,903	112,364	70,037
	Other lease business revenue	–	–	–	–	2,234
	Total property leasing expenses (B) (thousand yen)	22,498	51,273	63,963	47,596	44,576
	Consignment expenses	5,601	6,521	8,260	6,674	6,088
	Utilities expenses	3,469	9,120	13,552	7,659	8,026
	Taxes and dues	4,865	9,537	11,843	7,873	7,043
	Non-life insurance expenses	87	140	297	148	141
	Repair expenses	615	9,694	579	5,318	5,790
	Depreciation (C)	7,858	16,259	29,429	19,848	17,487
	Other lease business expenses	–	–	–	74	–
	Operating income (loss) from property leasing (D) [(A) – (B)] (thousand yen)	19,715	47,243	116,939	64,768	27,695
NOI (E) [(D) + (C)] (thousand yen)	27,573	63,502	146,369	84,616	45,182	
Capital expenditures (F) (thousand yen)	3,701	1,818	7,902	2,237	13,875	
NCF [(E) – (F)] (thousand yen)	23,871	61,683	138,467	82,378	31,307	
Reference information	Expense rate (%) [(B) ÷ (A)]	53.30	52.05	35.36	42.36	61.68
	Annual amount of fixed property tax, etc. for fiscal 2013 (thousand yen)	9,605	18,517	22,961	15,567	13,798
	Estimated long-term repair expenses (thousand yen) (Note 2)	67,880	113,840	116,900	191,730	61,450

Daiwa Office Investment Corporation (8976) Financial Report for the 15th Fiscal Period

Region		Five Central Wards of Tokyo				
Property name		Sunline Building No. 7 (Note 5)	Daiwa Onarimon	Shinjuku Maynds Tower	SHIBUYA EDGE	Daiwa Kodenmacho
Acquisition date		Oct. 2006	Dec. 2006	July and Nov. 2007	July 2007	Aug. 2007
Price information	Acquisition price (million yen)	2,910	13,860	133,800	5,900	2,460
	Investment ratio (%)	0.9	4.2	40.3	1.8	0.7
	Carrying amount (million yen)	2,873	13,597	130,907	5,792	2,429
	Estimated price at end of period (million yen)	2,600	13,300	113,000	4,040	1,960
Leasing information	Number of tenants (Note 1)	8	9	34	5	8
	Leasable floor area (m ²)	2,690.90	11,615.37	45,544.00	2,480.65	2,379.31
	Leased floor area (m ²)	2,584.70	11,615.37	43,233.10	2,480.65	2,379.31
	Occupancy rate (%)					
	End of May 2011	79.7	100.0	99.9	100.0	100.0
	End of Nov. 2011	68.1	87.1	99.9	100.0	100.0
	End of May 2012	88.4	100.0	99.9	100.0	100.0
	End of Nov. 2012	100.0	100.0	98.3	100.0	100.0
End of May 2013	96.0	100.0	94.9	100.0	100.0	
Income (loss) information	Number of days of asset management	182	182	182	182	182
	Total property leasing revenue (A) (thousand yen)	83,931	350,802	2,337,137	108,956	59,201
	Rent revenue – real estate	83,931	350,652	2,285,878	108,956	59,201
	Other lease business revenue	—	150	51,258	—	—
	Total property leasing expenses (B) (thousand yen)	41,415	105,614	1,174,345	36,506	22,710
	Consignment expenses	5,756	16,207	170,767	5,807	3,993
	Utilities expenses	6,851	24,391	269,350	6,583	4,684
	Taxes and dues	13,616	33,677	253,706	7,319	3,632
	Non-life insurance expenses	146	434	3,987	110	86
	Repair expenses	4,759	1,357	106,439	222	1,103
	Depreciation (C)	10,284	29,545	365,375	16,462	8,387
	Other lease business expenses	—	—	4,718	—	822
	Operating income (loss) from property leasing (D) [(A) – (B)] (thousand yen)	42,515	245,188	1,162,792	72,450	36,491
	NOI (E) [(D) + (C)] (thousand yen)	52,800	274,734	1,528,167	88,913	44,878
Capital expenditures (F) (thousand yen)	372	3,091	117,449	2,156	851	
NCF [(E) – (F)] (thousand yen)	52,427	271,643	1,410,717	86,757	44,026	
Reference information	Expense rate (%) [(B) ÷ (A)]	49.34	30.11	50.25	33.51	38.36
	Annual amount of fixed property tax, etc. for fiscal 2013 (thousand yen)	26,673	67,268	494,001	14,538	7,190
	Estimated long-term repair expenses (thousand yen) (Note 2)	68,810	236,800	2,502,610	48,290	70,970

Daiwa Office Investment Corporation (8976) Financial Report for the 15th Fiscal Period

Region		Five Central Wards of Tokyo				
Property name		Daiwa Jimbocho	Daiwa Nishi-Shimbashi	Daiwa Kudan	Daiwa Kayabacho (Note 4)	Jimbocho Place
Acquisition date		Mar. 2010	Aug. 2010	Sept. 2010	Mar. 2011	Mar. 2011
Price information	Acquisition price (million yen)	4,150	5,000	4,000	5,600	3,550
	Investment ratio (%)	1.2	1.5	1.2	1.7	1.1
	Carrying amount (million yen)	4,121	5,037	3,937	5,535	3,567
	Estimated price at end of period (million yen)	2,780	4,710	2,830	6,300	3,670
Leasing information	Number of tenants (Note 1)	7	12	7	1	7
	Leasable floor area (m ²)	3,164.26	4,815.84	2,882.61	5,899.11	2,889.34
	Leased floor area (m ²)	3,164.26	4,815.84	2,882.61	5,899.11	2,889.34
	Occupancy rate (%)					
	End of May 2011	100.0	79.1	100.0	100.0	100.0
	End of Nov. 2011	100.0	55.0	88.1	100.0	100.0
	End of May 2012	20.6	79.6	88.0	100.0	100.0
End of Nov. 2012	86.7	80.7	100.0	100.0	100.0	
End of May 2013	100.0	100.0	100.0	100.0	100.0	
Income (loss) information	Number of days of asset management	182	182	182	182	182
	Total property leasing revenue (A) (thousand yen)	53,640	120,566	51,072	—	111,999
	Rent revenue – real estate	53,640	120,566	51,072	—	111,999
	Other lease business revenue	—	—	—	—	—
	Total property leasing expenses (B) (thousand yen)	52,566	97,579	48,494	—	44,028
	Consignment expenses	8,951	18,963	5,197	—	7,484
	Utilities expenses	7,367	10,559	7,334	—	7,269
	Taxes and dues	10,784	15,806	8,550	—	9,433
	Non-life insurance expenses	139	256	119	—	133
	Repair expenses	621	1,431	2,867	—	—
	Depreciation (C)	24,463	50,560	24,424	—	19,708
	Other lease business expenses	238	3	—	—	—
	Operating income (loss) from property leasing (D) [(A) – (B)] (thousand yen)	1,074	22,986	2,578	—	67,970
NOI (E) [(D) + (C)] (thousand yen)	25,537	73,546	27,003	148,155	87,678	
Capital expenditures (F) (thousand yen)	4,069	9,280	1,835	—	—	
NCF [(E) – (F)] (thousand yen)	21,468	64,266	25,168	148,155	87,678	
Reference information	Expense rate (%) [(B) ÷ (A)]	98.00	80.93	94.95	—	39.31
	Annual amount of fixed property tax, etc. for fiscal 2013 (thousand yen)	20,912	30,996	16,875	25,185	18,663
	Estimated long-term repair expenses (thousand yen) (Note 2)	126,090	187,140	141,450	38,440	26,390

Daiwa Office Investment Corporation (8976) Financial Report for the 15th Fiscal Period

Region		Five Central Wards of Tokyo			Greater Tokyo	
Property name		E-SPACE TOWER	Nihonbashi Hongokuchō Tosei	shinyon curumu (Note 6)	Daiwa Kinshicho	Daiwa Higashi-Ikebukuro
Acquisition date		July 2011	May 2012	Dec. 2012 and Apr. 2013	Oct. 2005	Oct. 2005
Price information	Acquisition price (million yen)	24,000	1,721	9,650	3,653	2,958
	Investment ratio (%)	7.2	0.5	2.9	1.1	0.9
	Carrying amount (million yen)	23,980	1,719	9,983	3,395	2,784
	Estimated price at end of period (million yen)	26,500	1,830	10,100	3,320	3,480
Leasing information	Number of tenants (Note 1)	7	6	7	6	6
	Leasable floor area (m ²)	13,960.85	2,143.08	6,756.45	5,378.02	4,589.17
	Leased floor area (m ²)	13,960.85	2,143.08	3,778.98	5,378.02	4,589.17
	Occupancy rate (%)					
	End of May 2011	—	—	—	100.0	97.9
	End of Nov. 2011	100.0	—	—	100.0	97.9
	End of May 2012	100.0	100.0	—	100.0	90.1
	End of Nov. 2012	100.0	100.0	—	100.0	100.0
End of May 2013	100.0	100.0	55.9	100.0	100.0	
Income (loss) information	Number of days of asset management	182	182	180	182	182
	Total property leasing revenue (A) (thousand yen)	689,373	60,975	117,318	129,646	132,296
	Rent revenue – real estate	682,517	60,975	117,318	129,646	132,296
	Other lease business revenue	6,856	—	—	—	—
	Total property leasing expenses (B) (thousand yen)	225,216	20,947	52,205	70,878	60,574
	Consignment expenses	55,716	4,208	22,216	13,443	12,029
	Utilities expenses	45,302	3,490	5,750	12,481	16,128
	Taxes and dues	57,369	5	1	11,984	8,794
	Non-life insurance expenses	700	85	234	268	255
	Repair expenses	2,521	—	—	4,026	1,190
	Depreciation (C)	63,489	13,157	24,003	28,674	22,175
	Other lease business expenses	116	—	—	—	—
	Operating income (loss) from property leasing (D) [(A) – (B)] (thousand yen)	464,156	40,027	65,112	58,768	71,722
	NOI (E) [(D) + (C)] (thousand yen)	527,646	53,184	89,116	87,443	93,898
Capital expenditures (F) (thousand yen)	6,200	150	5,043	4,930	6,959	
NCF [(E) – (F)] (thousand yen)	521,446	53,034	84,072	82,512	86,938	
Reference information	Expense rate (%) [(B) ÷ (A)]	32.67	34.35	44.50	54.67	45.79
	Annual amount of fixed property tax, etc. for fiscal 2013 (thousand yen)	112,922	8,856	35,420	23,356	17,468
	Estimated long-term repair expenses (thousand yen) (Note 2)	317,590	22,401	65,855	285,600	141,210

Daiwa Office Investment Corporation (8976) Financial Report for the 15th Fiscal Period

Region		Greater Tokyo				Major Regional Cities
Property name		Benex S-3	Daiwa Shinagawa North	West Park Osaki	Kamiooka Eye Mark	Daiwa Minami-Senba
Acquisition date		May 2006	July 2007	Sept. 2012	Mar. 2013	Aug. 2007
Price information	Acquisition price (million yen)	4,950	7,710	1,650	2,000	4,810
	Investment ratio (%)	1.5	2.3	0.5	0.6	1.4
	Carrying amount (million yen)	4,375	7,421	1,704	2,074	4,800
	Estimated price at end of period (million yen)	3,260	5,820	1,930	2,040	2,860
Leasing information	Number of tenants (Note 1)	25	13	5	9	6
	Leasable floor area (m ²)	7,470.18	6,549.98	1,786.58	2,630.30	5,719.54
	Leased floor area (m ²)	7,338.82	6,549.98	1,786.58	2,630.30	5,719.54
	Occupancy rate (%)					
	End of May 2011	95.6	100.0	—	—	91.7
	End of Nov. 2011	89.5	100.0	—	—	91.7
	End of May 2012	96.6	100.0	—	—	100.0
	End of Nov. 2012	88.0	100.0	100.0	—	92.7
End of May 2013	98.2	100.0	100.0	100.0	100.0	
Income (loss) information	Number of days of asset management	182	182	182	92	182
	Total property leasing revenue (A) (thousand yen)	145,592	176,375	57,409	40,768	116,990
	Rent revenue – real estate	145,592	176,375	57,409	40,768	114,133
	Other lease business revenue	—	—	—	—	2,857
	Total property leasing expenses (B) (thousand yen)	99,335	83,853	18,916	15,094	71,372
	Consignment expenses	20,566	15,302	3,834	4,085	13,631
	Utilities expenses	18,764	15,052	3,655	2,068	9,848
	Taxes and dues	15,269	18,714	4	16	10,874
	Non-life insurance expenses	397	378	75	71	254
	Repair expenses	4,563	1,714	413	—	5,357
	Depreciation (C)	39,774	32,690	10,933	8,852	31,406
	Other lease business expenses	—	—	—	—	—
	Operating income (loss) from property leasing (D) [(A) – (B)] (thousand yen)	46,256	92,521	38,492	25,674	45,618
	NOI (E) [(D) + (C)] (thousand yen)	86,030	125,211	49,425	34,527	77,025
Capital expenditures (F) (thousand yen)	10,093	3,956	—	—	3,032	
NCF [(E) – (F)] (thousand yen)	75,936	121,254	49,425	34,527	73,993	
Reference information	Expense rate (%) [(B) ÷ (A)]	68.23	47.54	32.95	37.02	61.01
	Annual amount of fixed property tax, etc. for fiscal 2013 (thousand yen)	30,484	36,155	7,890	—	21,206
	Estimated long-term repair expenses (thousand yen) (Note 2)	402,880	191,640	37,912	24,782	107,090

Region		Major Regional Cities
Property name		Honshu Meieki
Acquisition date		Feb. 2013
Price information	Acquisition price (million yen)	5,300
	Investment ratio (%)	1.6
	Carrying amount (million yen)	5,519
	Estimated price at end of period (million yen)	6,000
Leasing information	Number of tenants (Note 1)	18
	Leasable floor area (m ²)	7,461.90
	Leased floor area (m ²)	6,378.61
	Occupancy rate (%)	
	End of May 2011	—
	End of Nov. 2011	—
	End of May 2012	—
End of Nov. 2012	—	
End of May 2013	85.4	
Income (loss) information	Number of days of asset management	120
	Total property leasing revenue (A) (thousand yen)	146,830
	Rent revenue – real estate	146,830
	Other lease business revenue	—
	Total property leasing expenses (B) (thousand yen)	58,814
	Consignment expenses	21,889
	Utilities expenses	6,574
	Taxes and dues	17
	Non-life insurance expenses	296
	Repair expenses	6,890
	Depreciation (C)	23,135
	Other lease business expenses	11
	Operating income (loss) from property leasing (D) [(A) – (B)] (thousand yen)	88,016
NOI (E) [(D) + (C)] (thousand yen)	111,151	
Capital expenditures (F) (thousand yen)	325	
NCF [(E) – (F)] (thousand yen)	110,826	
Reference information	Expense rate (%) [(B) ÷ (A)]	40.06
	Annual amount of fixed property tax, etc. for fiscal 2013 (thousand yen)	—
	Estimated long-term repair expenses (thousand yen) (Note 2)	170,803

- (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.
- (Note 5) Additional acquisition of compartmentalized ownership interest of “Sunline Building No. 7” was made in March 2013 and May 2013. The number of days of asset management, annual amount of fixed property tax, etc. for fiscal 2013 and estimated long-term repair expenses are shown without taking into consideration the additionally-acquired compartmentalized ownership interest portion.
- (Note 6) “shinyon curumu Building” was acquired in December 2012 and April 2013. The number of days of asset management and annual amount of fixed property tax, etc. for fiscal 2013 is shown for the December 2012 acquisition portion only.