

KENEDIX

Residential Investment Corporation

Financial Results for the Fourth Fiscal Period (Ended January 2014)

March 14, 2014





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Revised editions of our annual reports will be posted on our website if there should be major corrections going forward.

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1. Financial Results for the Fourth Fiscal Period (Ended January 2014)

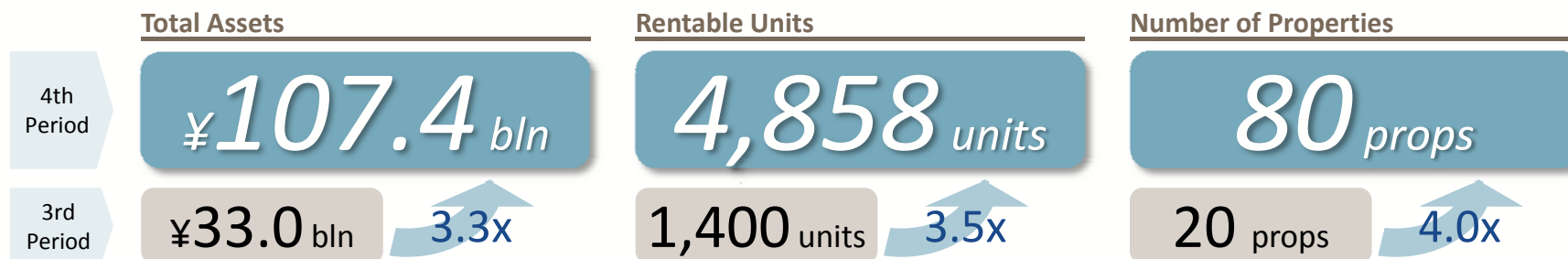
2. Toward Further Growth

Appendix

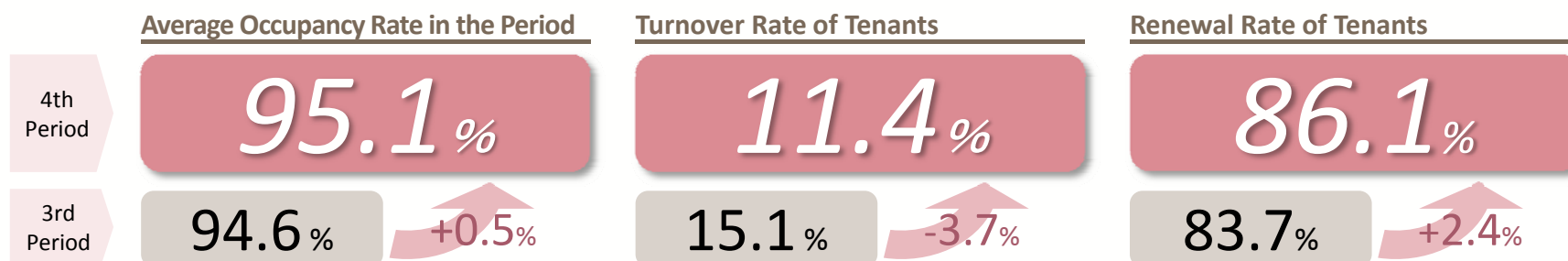
1. Financial Results for the Fourth Fiscal Period (Ended January 2014)

Highlights from the Fourth Fiscal Period (Ended January 2014)

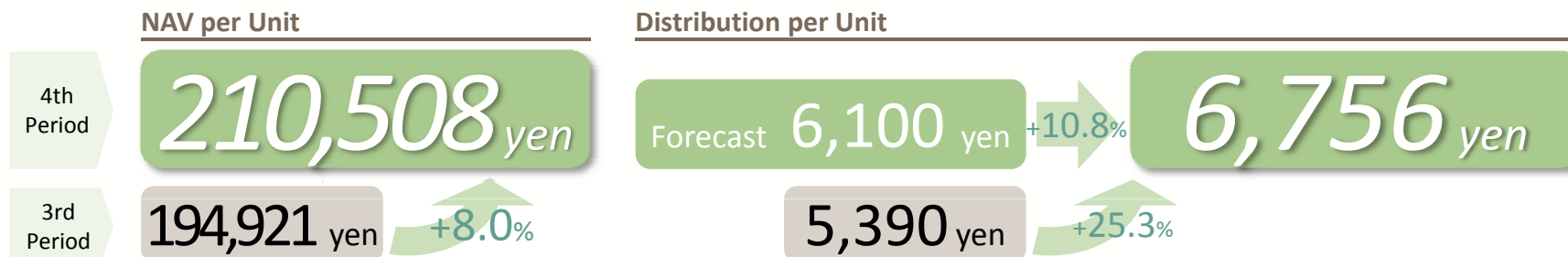
1. Achievement of Aggressive External Growth to Triple the Asset Size



2. Steady Improvement and Further Stability of Portfolio Performance



3. Growth of NAV and DPU



Highlights of the Public Offering (Issued on August 7, 2013)

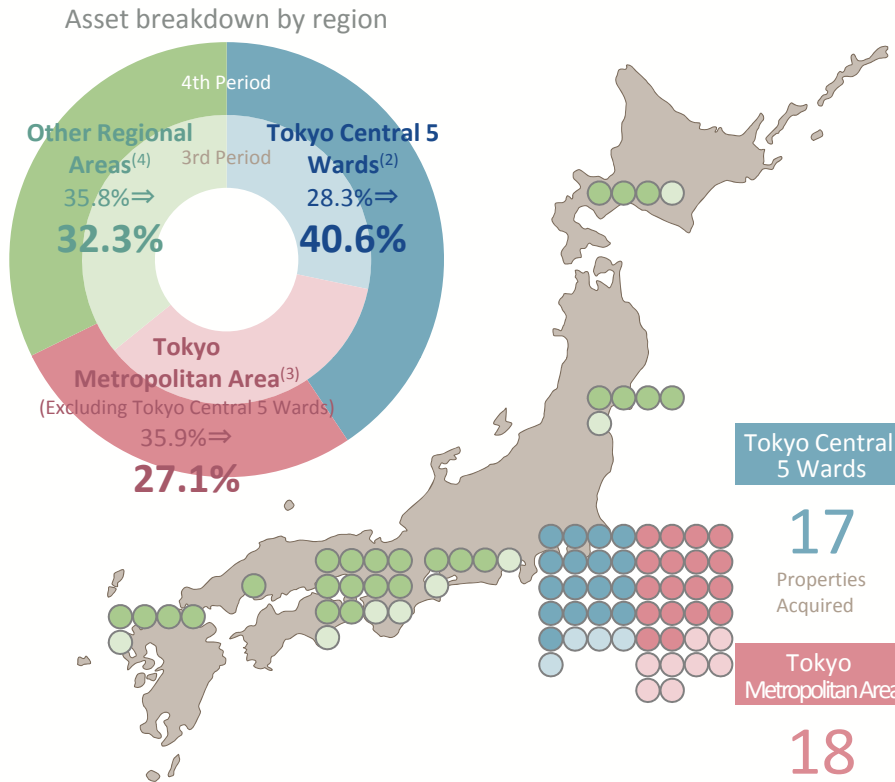
	3rd Period (Ended July 2013)	4th Period (Ended January 2014)	Properties already owned	Properties newly acquired
Operating Term	181 days	179.8 days	184 days	178 days
Number of Properties	20 props	80 props	20 props	60 props
Total Acquisition Price	¥30.5 billion	¥99.0 billion	¥30.5 billion	¥68.5 billion
Average NOI Cap Rate	5.9 %	6.0 % Adjusted ⁽¹⁾ (5.7 %)	5.8 %	6.1 % Adjusted ⁽¹⁾ (5.7 %)
Average Occupancy Rates⁽²⁾	94.6 %	95.1 %	95.8 %	94.8 %
Rentable Units	1,400 units	4,858 units	1,400 units	3,458 units
LTV	55.5 %	51.4 %		
NAV per Unit	194,921 yen	210,508 yen		

Note1: The adjusted average NOI cap rate assumes that an amount equal to property, city planning and other taxes for properties purchased during the 4th period are included in expenses related to rent business.

Note2: Average occupancy ratio is calculated based on the averages for each period

Portfolio Summary

Area



Tokyo Central 5 Wards
17
Properties Acquired

Tokyo Metropolitan Area
18
Properties Acquired

Kyusyu Hiroshima
5
Properties Acquired

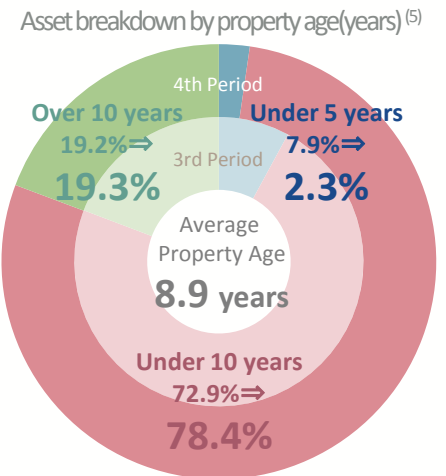
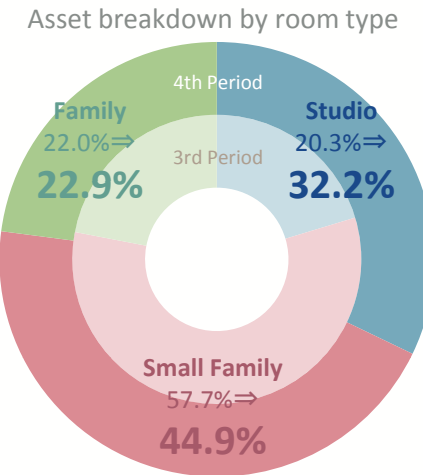
Kansai
10
Properties Acquired

Nagoya
3
Properties Acquired

Hokkaido
3
Properties Acquired

Tohoku
4
Properties Acquired

Room Type and Property Age



Note1: Asset breakdowns are indicated by percentage of acquisition prices (inner circle means 20 properties before PO, outer circle means 80 properties after PO.). Acquisition Price refers to the pre-tax price that does not include the expenses spent on the acquisition of the rear estate.

Note2: Tokyo Central 5 Wards include Chiyoda-ku, Chuo-ku, Minato-ku, Shibuya-ku and Shinjuku-ku

Note3: Tokyo Metropolitan Area includes Tokyo, Chiba, Kanagawa and Saitama

Note4: Other Regional Areas include government-designated municipalities and other regional hub cities,

Note5: Property age calculated by the weighted average in periods from completion day to the end of January, 2014

Summary of Income Statements

(in millions of yen)

Account	3rd Period		4th Period		3rd Period Actual vs 4th Period Actual Comparison		4th Period Forecast vs 4th Period Actual Comparison	
	Actual 181 days	Forecast ⁽²⁾ 179.8 days	Actual 179.8 days					
Operating revenues	¥1,135	¥3,550	¥3,616		+2,480	+218.5%	+66	+1.9%
Rent revenue-real estate	1,018	3,282	3,312		+2,294	+225.3%	+29	+0.9%
Other lease business revenue	117	253	283		+166	+141.9%	+30	+11.9%
Dividends Income	-	14	20		+20	-	+6	+42.7%
Operating Expenses	¥582	¥1,564	¥1,490		+908	+156.0%	-73	-4.7%
Expenses related to rent business	247	697	675		+427	+172.5%	-22	-3.3%
Depreciation	194	557	555		+360	+184.8%	-2	-0.5%
Other lease business expenses	139	309	260		+121	+86.6%	-48	-15.7%
Operating income	¥553	¥1,985	¥2,125		+1,572	+284.2%	+139	+7.0%
Non-operating income	0	0	0		0	+468.9%	0	+1,075.8%
Non-operating expenses	145	510	492		+346	+237.9%	-18	-3.6%
Interest expenses, etc.	128	457	451		+323	+252.3%	-5	-1.2%
Other non-operating expenses	17	53	40		+23	+132.3%	-12	-24.1%
Ordinary Income	¥407	¥1,474	¥1,633		+1,225	+300.8%	+158	+10.8%
Income before income taxes	407	1,474	1,633		+1,225	+300.8%	+158	+10.8%
Total income taxes	0	1	1		0	+6.7%	0	+1.6%
Net income	¥406	¥1,473	¥1,632		+1,225	+301.5%	+158	+10.8%
Total Dividend	406	1,473	1,632		+1,225	+301.5%	+158	+10.8%
Distribution per Unit	5,390yen	6,100yen	6,756yen		+1,366yen	+25.4%	+656yen	+10.8%
NOI ⁽³⁾	887	2,838	2,921		+2,033	+229.0%	+82	+2.9%
FFO ⁽⁴⁾	619	2,072	2,228		+1,609	+260.0%	+155	+7.5%

Occupancy rates surpassed the outlook in both the Tokyo metropolitan area and other regional areas. In other regional areas, occupancy rates increased steadily even at properties which were assumed to take the time to lease-up.

Forecasts vs. Actual

Avg. Occupancy Rates

	Forecast	Actual	Difference
Tokyo Metropolitan Area	94.3%	94.6%	+0.3%
Other Regional Areas	93.1%	95.5%	+2.4%
Total	94.0%	95.1%	+1.1%

Higher than forecast mainly due to increases in renewal fees, exit penalties and in other one-time revenue such as insurance payout income.

Leasing costs were lower than forecast because of the lower tenant replacement rate.

Other expenses were less than the forecast because the estimate was cautious considering negative impact from a sharp increase of properties and AUM while the actual portfolio performance was stable enough.

Note1: The operating term of the 4th period is 184 days, but actual operating term after acquisition of properties is 179.8 days (weighted average).

Note2: In the 4th period forecast, rent revenue-real estate of ¥15 million was transferred to other lease business revenue due to the reclassification of accounts.

Note3: NOI(Net Operating Income)=Operating income - Operating expenses(ex. Depreciation)

Note4: FFO(Funds From Operation)=Net income + Depreciation + Deferred Assets Amortization +/- Gains or Losses on Sales

Summary of Portfolio Performance

(in millions of yen)

Account	Total			Tokyo Metropolitan Area			Other Regional Areas		
Number of Properties	20 props	80 props		12 props	47 props		8 props	33 props	
Total Acquisition Price	¥30,474.5	¥99,030.5		¥19,562.0	¥67,068.0		¥10,912.5	¥31,962.5	
	3rd Period	4th Period	Period on Period	3rd Period	4th Period	Period on Period	3rd Period	4th Period	Period on Period
Operating term	181.0 days	179.8 days		181.0 days	179.8 days		181.0 days	180.0 days	
Revenues related to rent business	¥1,135.5	¥3,596.0	+216.7%	¥676.7	¥2,237.6	+230.6%	¥458.7	¥1,358.4	+196.1%
Rent revenue-real estate	1,018.4	3,312.8	+225.3%	614.3	2,079.0	+238.4%	404.0	1,233.7	+205.3%
Other lease business revenue	117.0	283.2	+141.9%	62.4	158.6	+154.2%	54.6	124.6	+128.0%
Expenses related to rent business	¥247.7	¥675.0	+172.5%	¥144.8	¥409.7	+182.9%	¥102.9	¥265.3	+157.8%
Property management fees, etc.	84.4	279.2	+230.7%	53.3	176.1	+230.3%	31.1	103.0	+231.4%
Taxes	59.6	59.8	+0.2%	34.7	34.4	-1.0%	24.9	25.3	+1.8%
Utilities	16.3	67.7	+313.6%	10.1	44.2	+335.2%	6.2	23.4	+278.1%
Repairs and maintenance costs	37.2	127.1	+241.5%	20.5	76.5	+272.2%	16.6	50.6	+203.6%
Insurance	2.2	5.6	+153.3%	1.0	3.0	+177.1%	1.1	2.6	+130.7%
Trust fees and other costs	47.7	135.4	+183.6%	24.9	75.2	+202.4%	22.8	60.1	+163.0%
NOI	¥887.7	¥2,921.0	+229.0%	¥531.9	¥1,827.9	+243.6%	¥355.8	¥1,093.0	+207.2%
NOI cap rate (per year)	5.9%	6.0%		5.5%	5.5%		6.6%	6.9%	
Depreciation	194.8	555.0	+184.8%	96.6	290.3	+200.5%	98.2	264.7	+169.4%
Depreciation Rate (per acquisition price, year)	1.3%	1.1%		1.0%	0.9%		1.8%	1.7%	
NOI Cap Rate after Depreciation (per year)	4.6%	4.8%		4.5%	4.7%		4.8%	5.3%	

Summary of Balance Sheets

(in millions of yen)

Account	3rd Period	4th Period	Difference	
Total assets	¥33,025	¥107,400	+74,375	+225.2%
Cash and deposits	1,144	4,549	+3,404	+297.4%
Total property, plant and equipment, net	31,239	101,591	+70,351	+225.2%
(Land	16,554)	59,676)	+43,122	+260.5%
(Buildings, Structures, etc.	14,685)	41,914)	+27,228	+185.4%
Other	640	1,260	+619	+96.6%
Total Liabilities	¥18,854	¥57,192	+38,337	+203.3%
Loans payable	18,330	55,200	+36,870	+201.1%
(Short-term loans payable and current portion of long-term loans payable	8,330)	7,200)	-1,130	-13.6%
(Long-term loans payable	10,000)	48,000)	+38,000	+380.0%
Tenant leasehold and security deposits in trust	245	1,103	+857	+349.7%
Other liabilities	279	888	+609	+218.4%
Net assets	¥14,171	¥50,208	+36,037	+254.3%
Unitholders' equity	13,773	48,592	+34,819	+252.8%
Unappropriated retained earnings (undisposed loss)	406	1,632	+1,225	+301.5%
Deferred gains or losses on hedges	▲8	▲16	-7	+82.6%
LTV ⁽¹⁾	55.5%	51.4%		
Capital-to-Asset ratio	42.9%	46.7%		
Appraisal values (as of the end of the period)	¥32,180	¥103,878	+71,698	+222.8%
NAV ⁽²⁾	¥14,704	¥50,863	+36,158	+245.9%

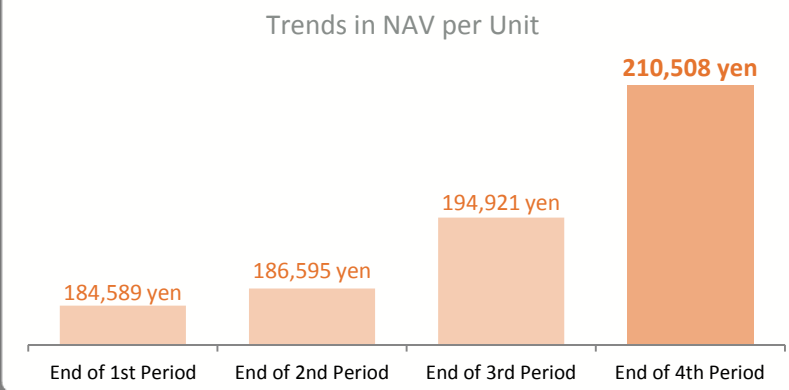
Net cash and bank deposit is ¥1,813 million, which is cash and deposits minus tenant leasehold and security deposits in trust and unappropriated retained earnings. Used cash to make a ¥565 million silent partnership investment in the 5th period.

Cash and deposits 4,549		
Unappropriated retained earnings	Tenant Deposits	Net Cash
1,632	1,103	1,813

For short-term loans payable of 1 year (Series 2-A (¥1 billion) and Series 2-B (¥1 billion)), loans were prepaid and replaced with long-term loans payable of 7 and 7.5 years (Series 4-A (¥1 billion) and Series 4-B (¥1 billion)).

For the 20 properties already owned, up ¥375 million from the end of the 3rd period (Please refer to the Appendix).

NAV per unit increased steadily because of the public offering at ¥209,525, which is higher than NAV per unit at the end of 3rd period, and growth in appraisal capital gains.



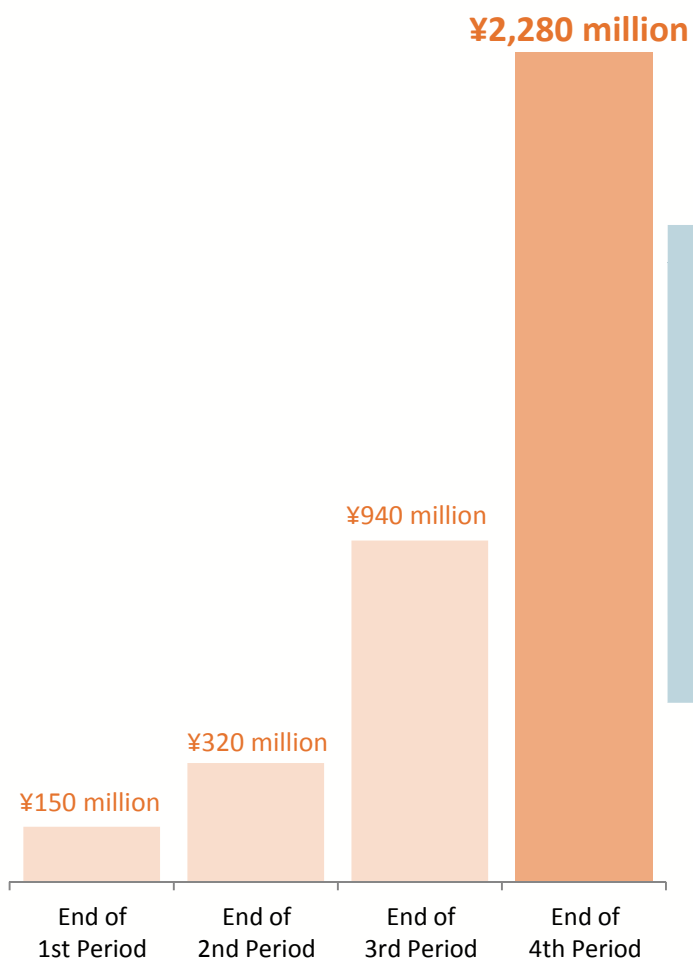
Note1: LTV (Loan To Value)=Interest-bearing Liabilities / Total Assets (Rounded to the nearest two decimal places)

Note2: NAV (Net Asset Value)=Net Assets – Unappropriated Retained earnings + Appraisal Values – Fixed Assets

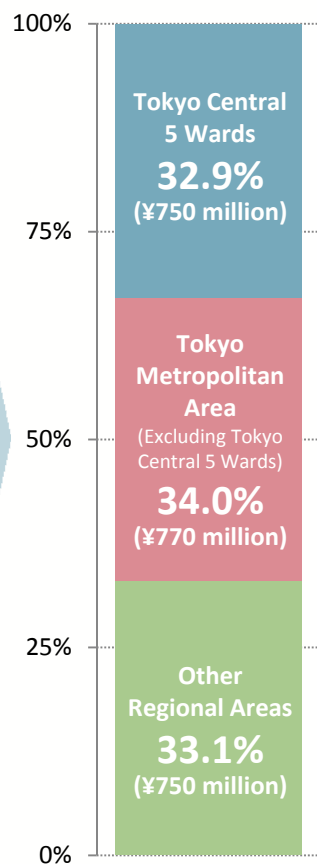
Summary of Appraisal Values

● Status of Appraisal Unrealized Capital Gains⁽¹⁾

Trends in Appraisal Unrealized Capital Gains



Appraisal Unrealized Capital Gains Breakdown by Region



Appraisal Unrealized Capital Gains by Region/Acquisition Date at the End of 4th Period

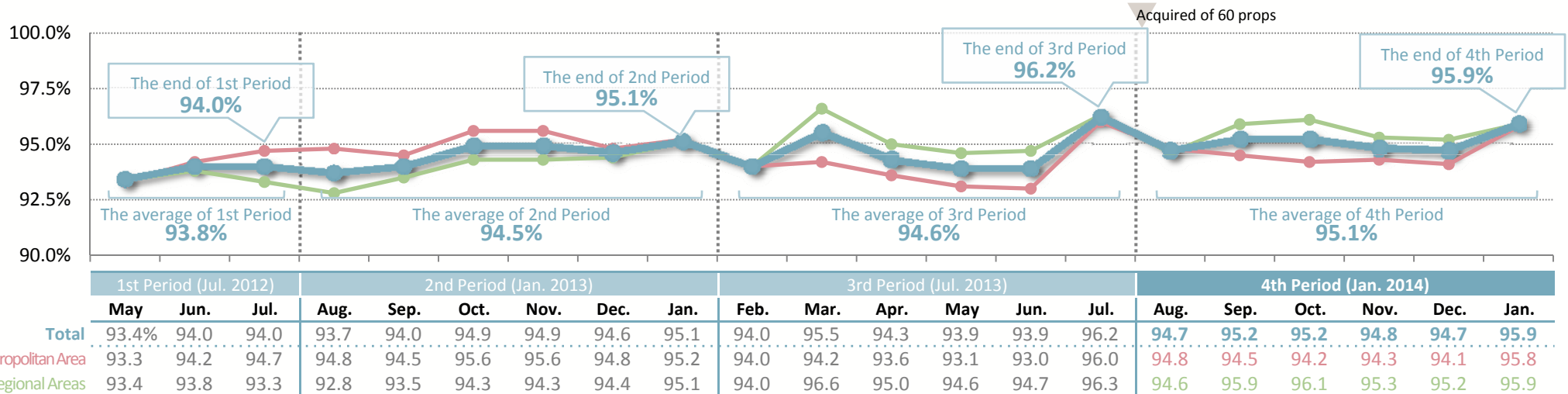
	Appraisal Values (in millions of yen)	Book Value (in millions of yen)	Unrealized Capital Gains (in millions of yen)	Unrealized Capital Gain Ratio ⁽²⁾
Tokyo Central 5 Wards	41,835	41,081	+753	+1.8%
Properties already owned	9,144	8,780	+363	+4.1%
Properties newly acquired	32,691	32,301	+389	+1.2%
Tokyo Metropolitan Area (Excluding Tokyo Central 5 Wards)	28,319	27,541	+777	+2.8%
Properties already owned	11,553	11,164	+388	+3.5%
Properties newly acquired	16,766	16,376	+389	+2.4%
Other Regional Areas	33,724	32,968	+755	+2.3%
Properties already owned	11,858	11,106	+751	+6.8%
Properties newly acquired	21,866	21,861	+4	+0.0%
Total	103,878	101,591	+2,286	+2.3%

Note1: Appraisal capital gains are the difference between the appraisal values at the end of the 4th period (appraisal date is January 31, 2014) and the book value in millions of yen rounded down.

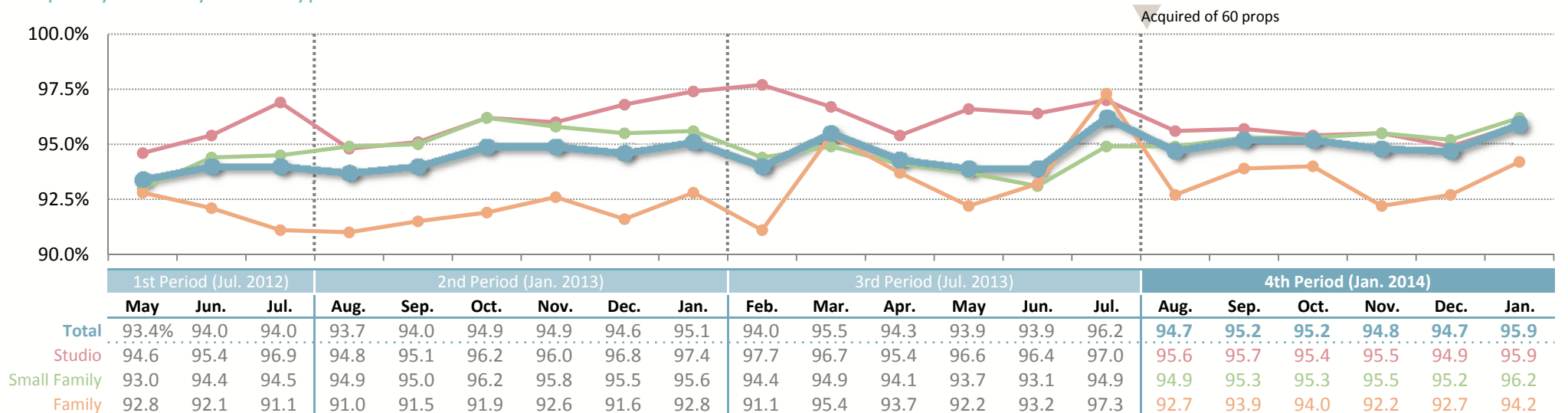
Note2: The unrealized capital gain ratio is total appraisal unrealized capital gains divided by the total book value.

Trends in Occupancy Rates

Occupancy Rates by Region⁽¹⁾



Occupancy Rates by Room Type⁽¹⁾

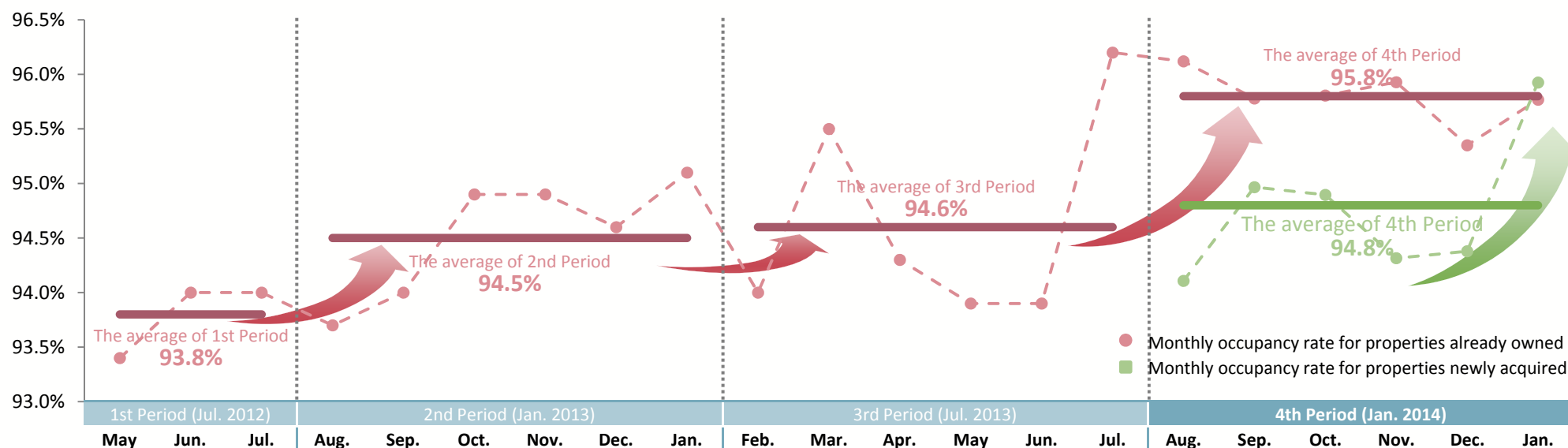


Note1: Occupancy rates by region and total of occupancy rates by room type include those from stores and offices.

Occupancy Rate Improvements over Operating Time

Occupancy Rates for Existing and New Properties⁽¹⁾

- The performance of the 18 properties owned since the initial public offering about two years ago is showing steady improvement and contributed to the high occupancy rate for the portfolio in the 4th period.
- At the newly acquired 60 properties, the average occupancy rate was slightly less than 95%. Trying to improve performance steadily by taking steps to further stabilize the occupancy rates of these new properties in the same way as existing properties.

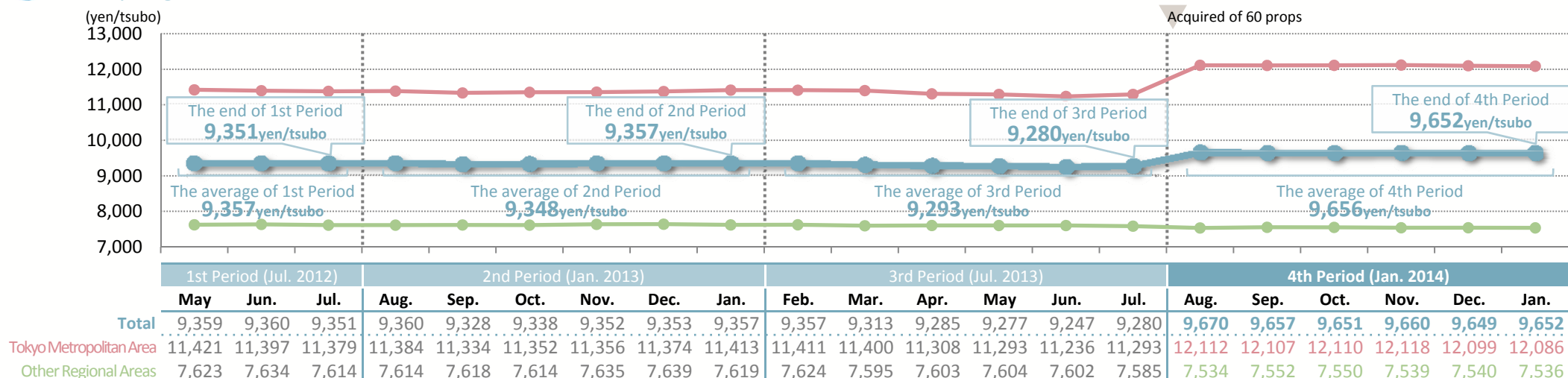


	1st Period (Jul. 2012)			2nd Period (Jan. 2013)					3rd Period (Jul. 2013)					4th Period (Jan. 2014)							
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.
Total	93.4%	94.0%	94.0%	93.7%	94.0%	94.9%	94.9%	94.6%	95.1%	94.0%	95.5%	94.3%	93.9%	93.9%	96.2%	94.7%	95.2%	95.2%	94.8%	94.7%	95.9%
	93.8%			94.5%					94.6%					95.1%							
Existing	93.4%	94.0%	94.0%	93.7%	94.0%	94.9%	94.9%	94.6%	95.1%	94.0%	95.5%	94.3%	93.9%	93.9%	96.2%	96.1%	95.8%	95.8%	95.9%	95.4%	95.8%
	93.8%			94.5%					94.6%					95.8%							
Newly Acquired																94.1%	95.0%	94.9%	94.3%	94.4%	95.9%
																94.8%					

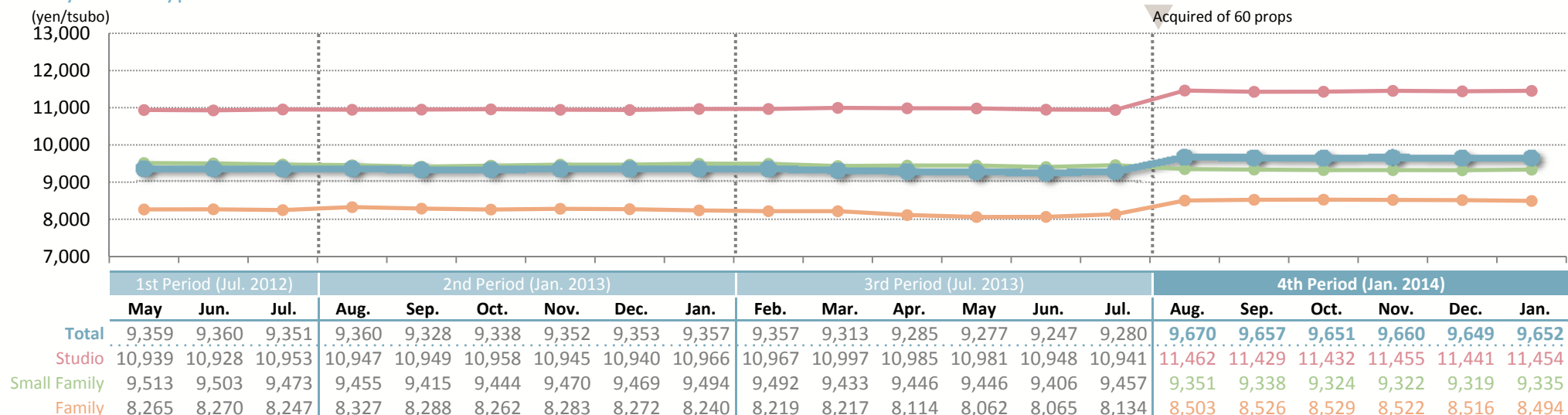
Note 1: Solid lines are average occupancy rates for each fiscal period and the dotted lines are monthly occupancy rates.

Trends in Rent

Rent by Region⁽¹⁾



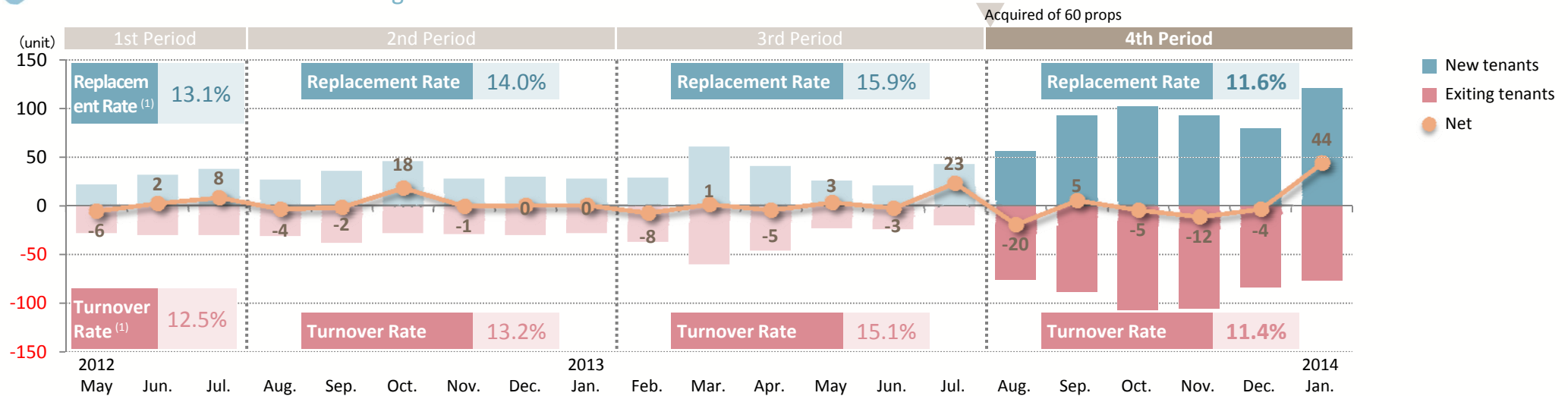
Rent by Room Type⁽¹⁾



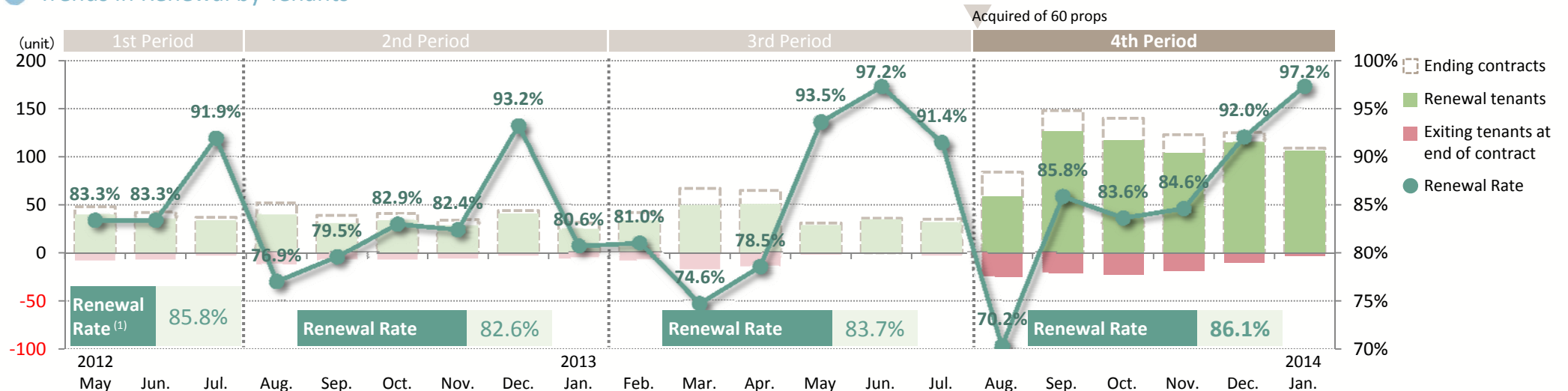
Note1: Rent per tsubo by region and rent per tsubo by room type do not include those from stores and offices.

Tenant Moving Trends for Residential Units

Trends in New Tenants and Exiting Tenants



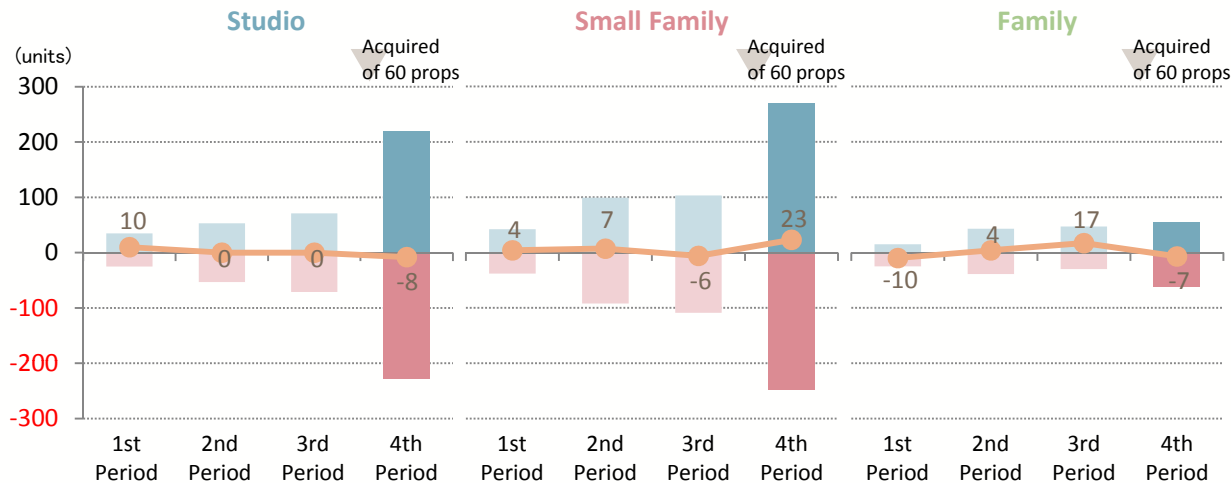
Trends in Renewal by Tenants



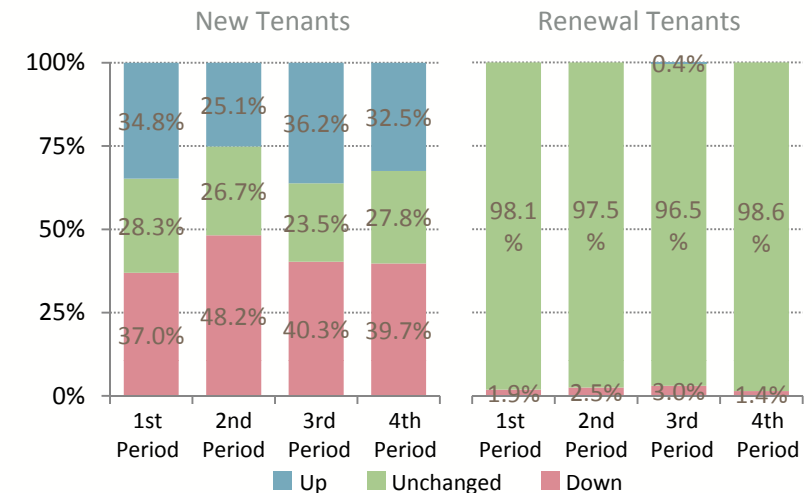
Note1: Replacement Rate=New tenants during the operating period / Rentable Units, Turnover Rate=Exiting tenants during the operating period / Rentable Units, Renewal rate=Renewal tenants during the operating period / Ending contracts during the operating period (Rounded to the nearest two decimal places)

Tenant Moving Trends Analysis

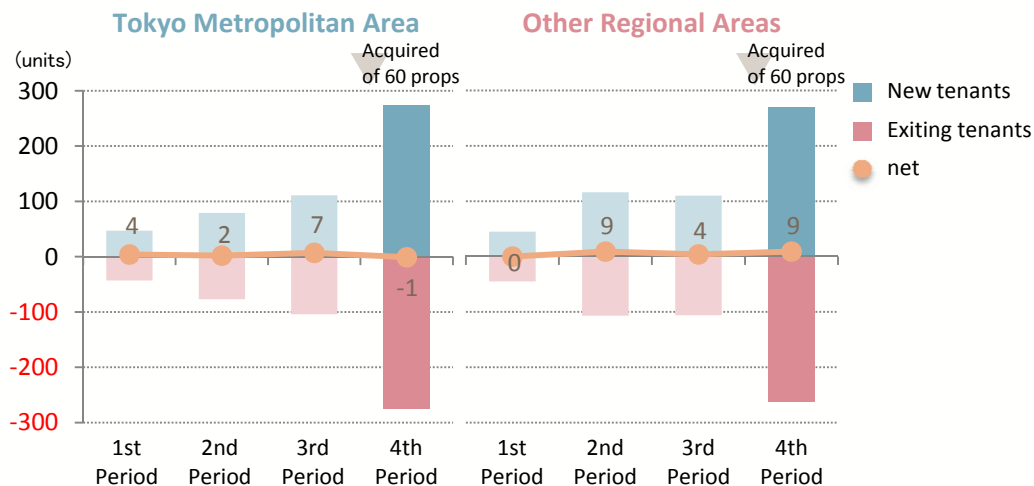
Breakdown of New Tenants and Exiting Tenants by Room Type



Trends in Rent



Breakdown of New Tenants and Exiting Tenants by Region



Average Occupancy Period⁽¹⁾ and Average Downtime⁽¹⁾

Average Occupancy Period

Room Type	1st Period	2nd Period	3rd Period	4th Period
Studio	619 days	896 days	907 days	1,145 days
Small Family	834 days	867 days	831 days	1,029 days
Family	853 days	897 days	1,033 days	1,173 days
Average	778 days	882 days	885 days	1,095 days

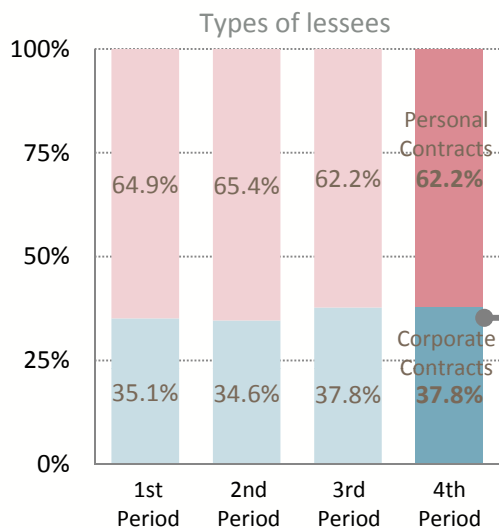
Average Downtime

Room Type	1st Period	2nd Period	3rd Period	4th Period
Studio	66 days	76 days	42 days	60 days
Small Family	66 days	77 days	75 days	67 days
Family	73 days	107 days	102 days	97 days
Average	67 days	83 days	70 days	66 days

Note1: Average occupancy rate is based on the exiting tenants during the operating period, Average downtime is based on new tenants during the operating period (Rounded to the nearest one decimal places)

Tenant Demographics Analysis

Types of Lessees⁽¹⁾



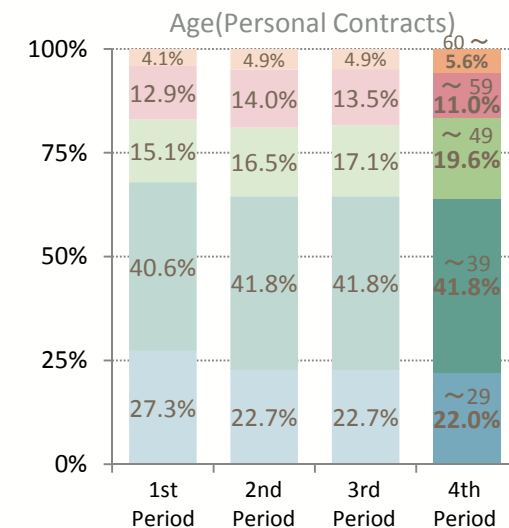
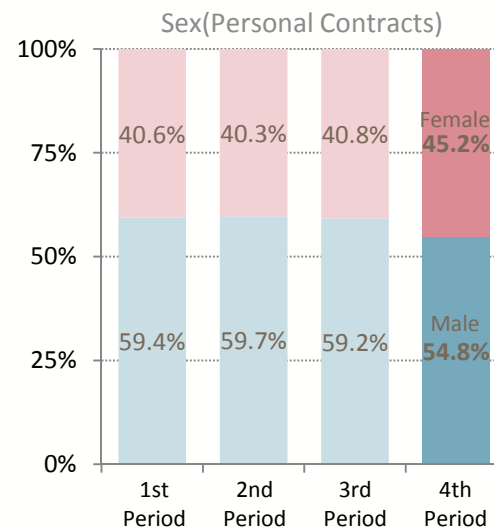
Large corporate contracts ⁽²⁾ are as below

Property Name	Number of Contracts	% in a Property
Raffine Minami-magome	whole	100.0%
KDX Residence Nihonbashi Suitengu	79 units	100.0%
KDX Residence Yoga	21 units	55.3%
KDX Residence Okachimachi	24 units	47.1%
KDX Residence Higashi-shinjuku	75 units	41.9%
KDX Shimmachi Residence	10 units	12.5%
KDX Residence Kikusui Yojo	9 units	10.7%
KDX Takarazuka Residence	10 units	10.6%

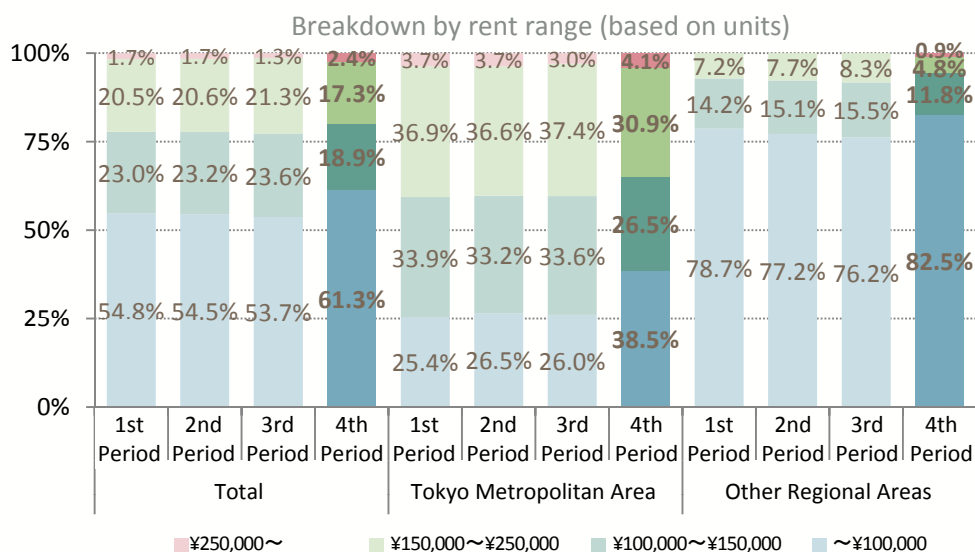
Note1: Lessees of units as of the end of each period, including stores and offices.

Note2: Large corporate contracts are those that lease over 10% of the units in a single property

Breakdown of Personal Contracts



Breakdown by Rent Range⁽³⁾



Average Rent per Unit for Residential Units as of the end of 4th period⁽³⁾

By room type and by region

Room Type \ Region	Tokyo Metropolitan Area	Other Regional Areas	Total
Studio	¥94,010	¥68,267	¥84,103
Small Family	¥167,096	¥81,727	¥111,825
Family	¥207,490	¥173,720	¥190,928
Total	¥135,161	¥89,818	¥111,627

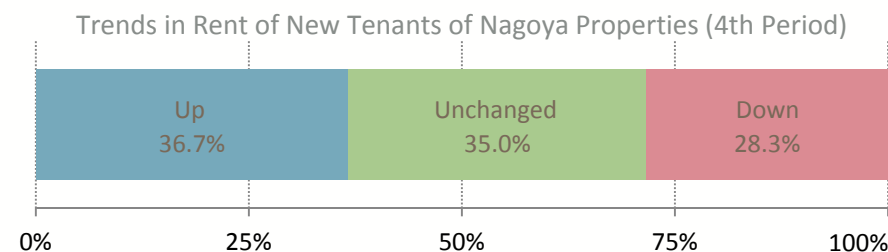
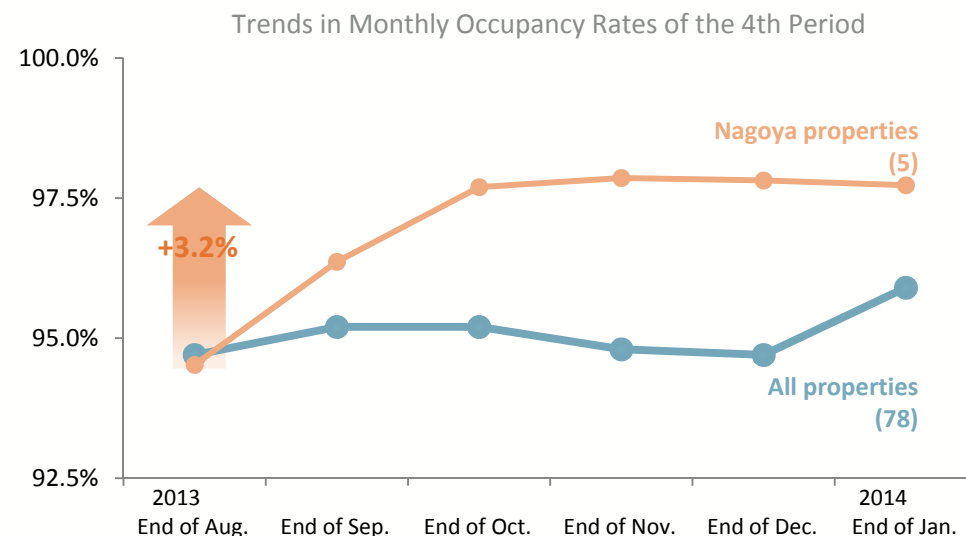
Note3: Breakdown by Rent Range and Average Rent per Unit for Residential Units do not include stores and offices.

Topic -1: Nagoya Properties Performing Well

Summary of Nagoya Properties

Property No.	R-3	R-4	R-16	R-17	R-18
Name	KDX Izumi Residence	KDX Chihaya Residence	KDX Residence Higashi-sakura I	KDX Residence Higashi-sakura II	KDX Residence Atsuta Jingu
Exterior					
Acquisition Price	¥1,120 million	¥1,080 million	¥2,350 million	¥900 million	¥840 million
Room Type	Family	Small Family	Small Family	Small Family	Small Family
Land Assessment	Convenience	Convenience	Convenience	Convenience	Convenience
Leasable Number of Units	40	92	187	66	95
Occupancy Rate (end-Aug 2013)	97.6%	98.1%	92.0%	98.5%	89.4%
Occupancy Rate (end-Jan 2014)	97.6%	95.1%	97.9%	100.0%	98.2%
Property Management Strategy	PM co.	PM co.	PM co.	PM co.	PM co.
Consolidated to a single property management company					
<ul style="list-style-type: none"> Taking advantage of flexibility as an independent asset management company, consolidated diversified property management companies for 5 Nagoya properties to a single PM Co. having solid tenant needs from many corporative clients as their corporate housing in Nagoya and knowing the residential market especially around these properties very well 					

Performance of Nagoya Properties



Various Indicators of Nagoya Properties Performance Improved in 4th Period

Increase in **Occupancy Rate**

Increase in **Rent**

Increase in **Renewal Rate**

Shorting of **Downtime**

Topic -2: Initiatives to Maintain and Improve the Performance of Properties

● Improvements Income and Expenses

Major Initiatives in the 4th Period

Increase in Rent Revenue

Item	Increase
parking spaces leased by leasing company	+¥3.0 mil/year
New/added rooftop antennas Replaced vending machines	+¥3.0 mil/year
	+¥6.0 mil/year

Decrease in Leasing Expenses

Item	Decrease
Lower cost of common area electricity	-¥1.3 mil/year
	-¥1.3 mil/year

- Income enhancement measures in the 4th period raised annual income by ¥5.95 million. Primary actions were the leasing of all vacant parking spaces by leasing companies, the installation and addition of rooftop antennas and vending machines.
- Leasing expenses were cut by ¥1.30 million by reviewing all electricity rate plans for common areas of buildings.
- More measures to increase income and cut expenses will be implemented in the 5th period.

● Branding Strategy, “KDX Residence”

Properties Leaflets

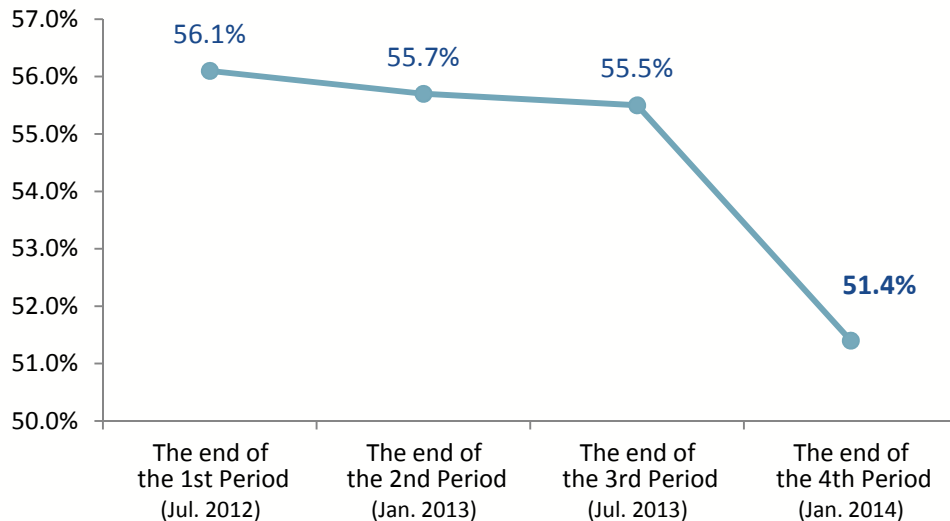
KDX RESIDENCE



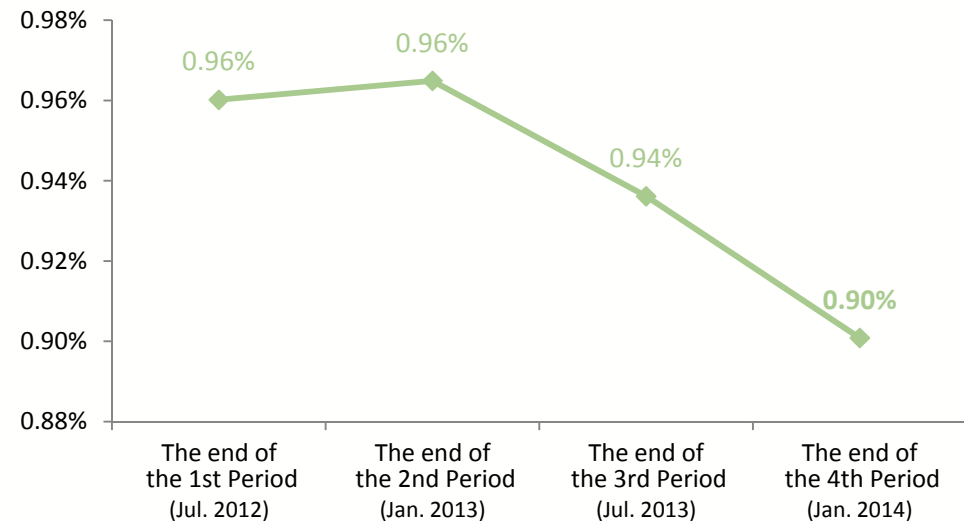
- Leaflets were made for every property (except land holdings).
- Providing specs and features of each property informed leasing agents and potential tenants alike of the high-quality of these properties without standardized image of the “KDX Residence” brand.
- More actions will be taken to reinforce the public’s perception of the KDX Residence brand.

Finance: Trends in Key Debt Indicators

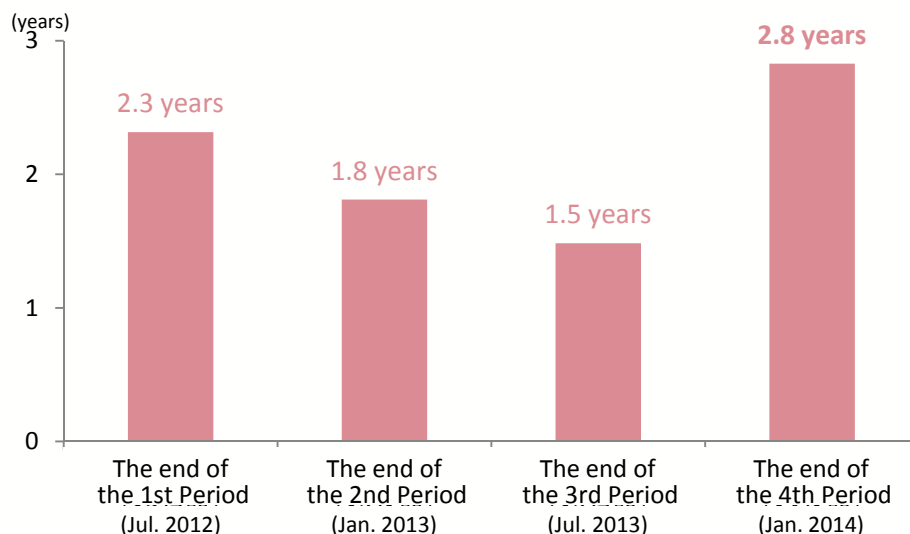
LTV (based on total assets)



Average Borrowing Interest Rate⁽¹⁾



Average Borrowing Term⁽²⁾



Other Actions for Financial Stability

Unsecured Loans

- August 2013
- Collateral was eliminated for all loans after the public offering was conducted in August 2013.

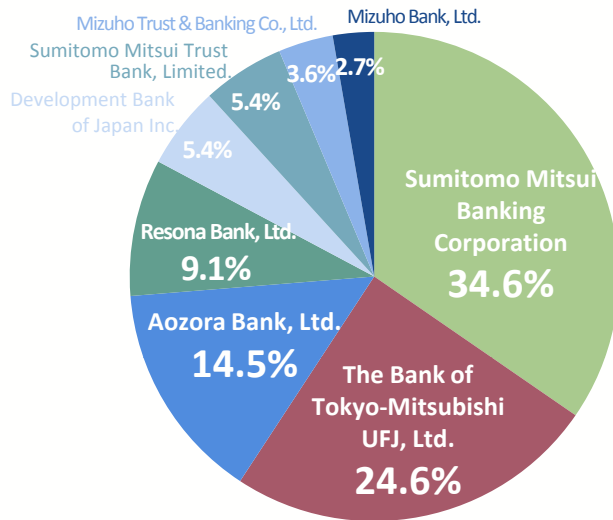
Credit Rating

- August 2013
- Received A (stable) rating of long-term issuer rating from Japan Credit Rating Agency, Ltd (JCR).

Note1: Average interest rate calculated by weighted average interest rates at the end of the period that took into consideration the effect of the interest rate cap and the interest rate swap. (Rounded to the nearest two decimal places)
 Note2: Average borrowing term calculated by weighted average remaining term in balance (Rounded to the nearest two decimal places)

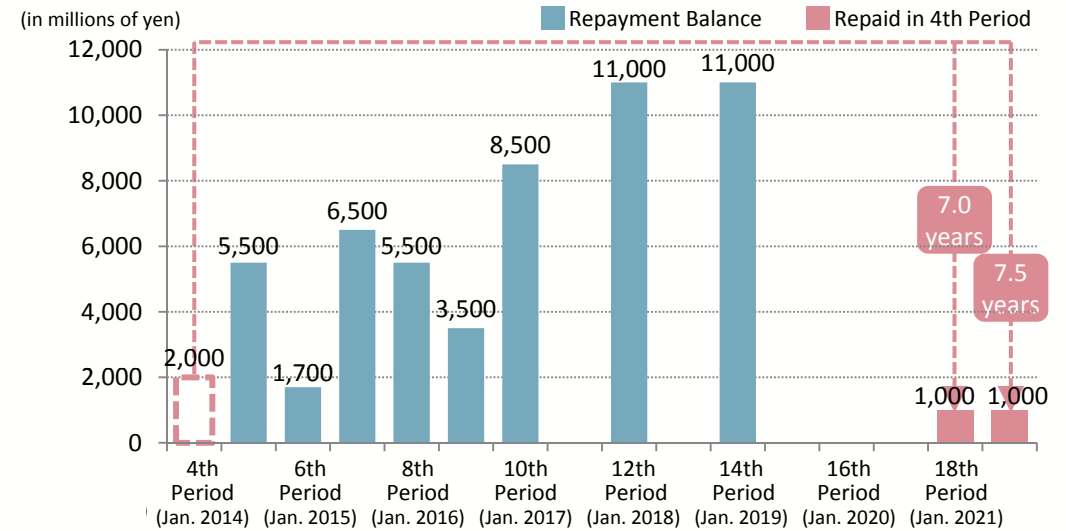
Finance: Breakdown of Borrowings at the End of the 4th Fiscal Period

Bank Formation

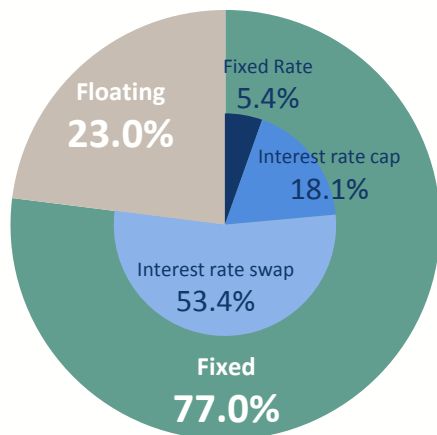


Lenders	Balance (¥million)
Sumitomo Mitsui Banking Corporation	19,100
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	13,600
Aozora Bank, Ltd.	8,000
Resona Bank, Ltd.	5,000
Development Bank of Japan Inc.	3,000
Sumitomo Mitsui Trust Bank, Limited.	3,000
Mizuho Trust & Banking Co., Ltd.	2,000
Mizuho Bank, Ltd.	1,500
Total	55,200

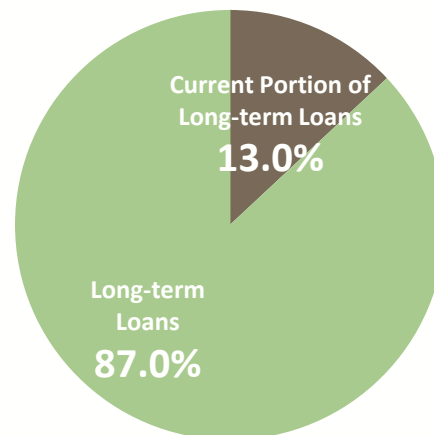
Overview of Repayment Terms



Increase in Fixed-rate, Long-term Interest-bearing Debt



Fixed Interest Rate Ratio **77.0%**



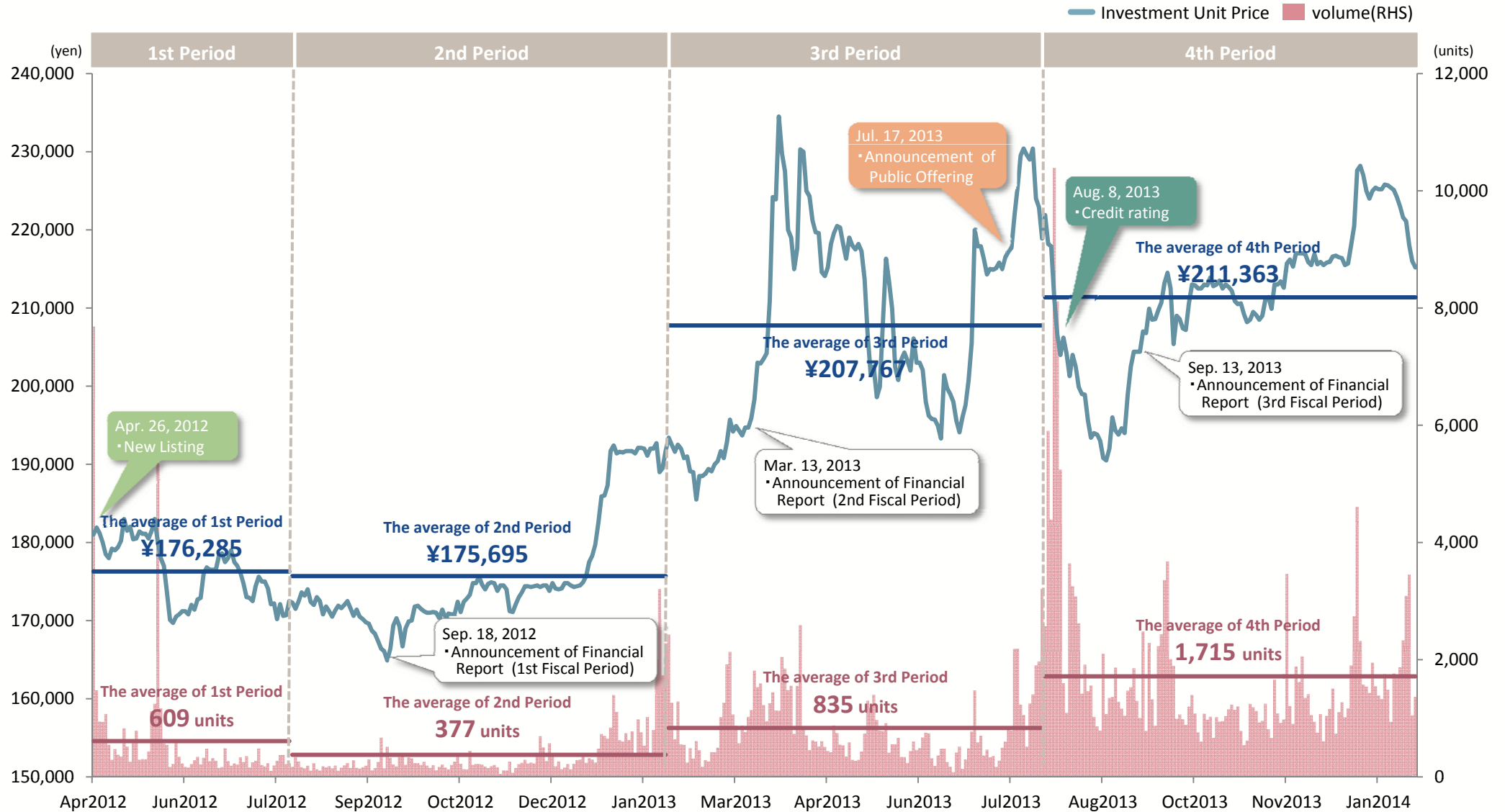
Long-term Loan Ratio **87.0%**

Overview of Loans

Series	Borrowing Date	Repayment Date	Borrowing Term	Remaining Term	Balance (¥ million)
1-B		2014/4/30	2.0 years	0.2 years	5,500
1-C	2012/5/1	2015/4/30	3.0	1.2	6,500
1-D		2016/4/30	4.0	2.2	3,500
3-A		2014/8/31	1.1	0.6	1,700
3-B		2015/8/31	2.1	1.6	5,500
3-C	2013/8/7	2016/8/31	3.1	2.6	8,500
3-D		2017/8/31	4.1	3.6	11,000
3-E		2018/8/31	5.1	4.6	8,000
3-F		2018/8/31	5.1	4.6	3,000
4-A	2014/1/31	2021/1/31	7.0	7.0	1,000
4-B		2021/7/31	7.5	7.5	1,000
Total				2.8 years	55,200

Trends in Investment Unit Price

Trends in Investment Unit Price and Major Event



Unitholders

Breakdown of Unitholders

Breakdown of Unitholders (as of the end of the fourth period)

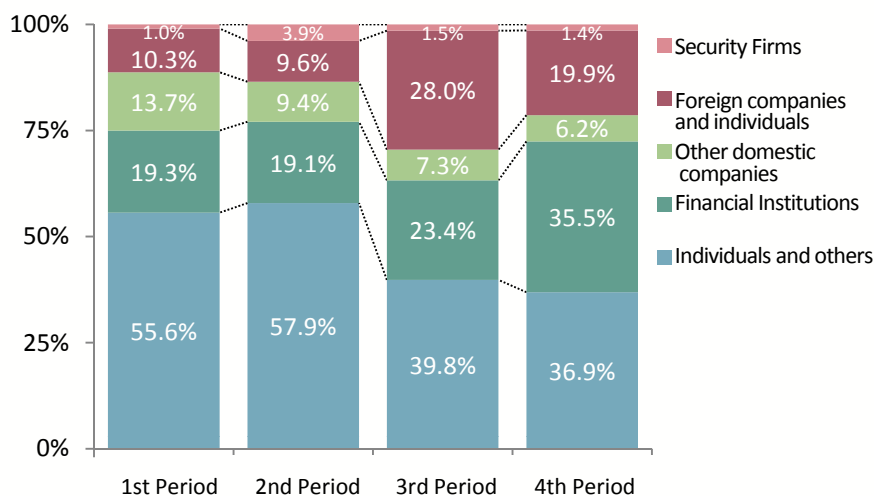
Sort	Unitholders		Units		Average number of units per unitholder (units/unitholders)
	Number of unitholders	Ratio	Number of units	Ratio	
Individuals and others	14,571	97.5%	89,116	36.9%	6.1
Financial Institutions	17	0.1%	85,843	35.5%	5,049.6
Foreign companies and individuals	100	0.7%	48,200	19.9%	482.0
Other domestic companies	226	1.5%	14,974	6.2%	66.3
Security Firms	29	0.2%	3,489	1.4%	120.3
Total	14,943	100.0%	241,622	100.0%	16.2

Major Unitholders

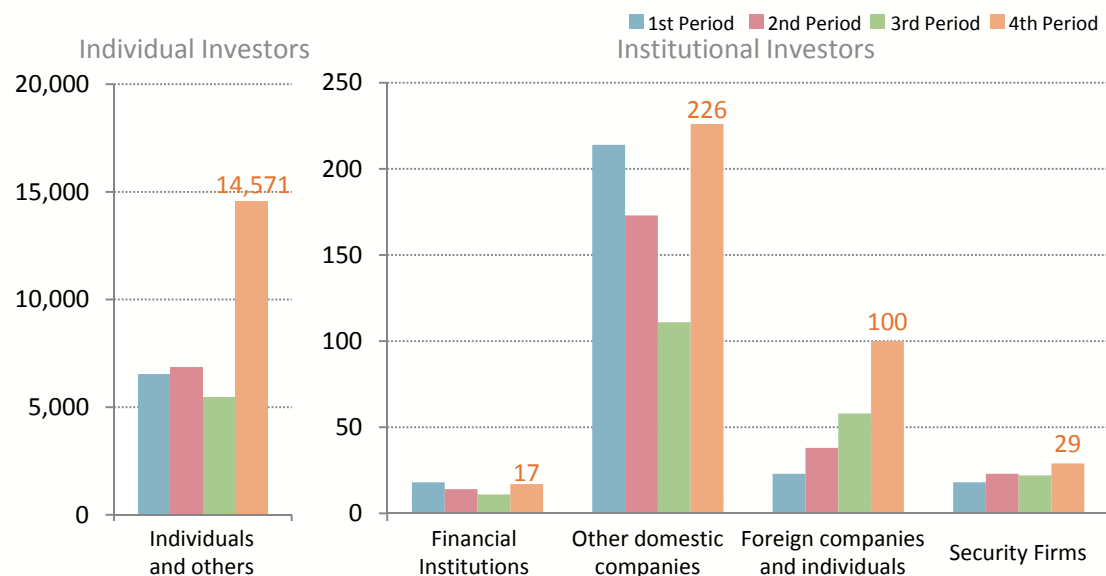
Top 10 Unitholders (as of the end of the fourth period)

Name	Units	Ratio
Japan Trustee Services Bank, Ltd. (Trust Acct.)	45,799	18.95%
Trust and Custody Services Bank, Ltd. (Securities Investment Trust Acct.)	15,120	6.25%
JP MORGAN CHASE BANK 380180	11,467	4.74%
The Nomura Trust Banking Co., Ltd. (Trust Acct.)	8,532	3.53%
The Master Trust Bank of Japan Ltd (Trust Acct)	8,502	3.51%
Kenedix, Inc.	7,310	3.02%
NOMURA BANK (LUXEMBOURG) S.A.	5,417	2.24%
THE BANK OF NEW YORK, NON-TREATY JASDEC ACCOUNT	4,295	1.77%
CREDIT SUISSE SECURITIES (EUROPE) LIMITED PB OMNIBUS CLIENT ACCOUNT	3,078	1.27%
Japan Securities Finance Co., Ltd.	2,519	1.04%
Total	112,039	46.36%

Trends in Composition of Unitholders (based on number of units)



Trends in Numbers of Unitholders by Sort



Forecast for the Fifth Fiscal Period (ending July 31, 2014)

(in millions of yen)

Account	4th Period	5th Period	4Th Period Actual vs 5th Period Forecast Comparison	
	Actual 184 days	Forecast 181 days		
Operating term				
Operating revenues	¥3,616	¥3,681	+65	+1.8%
Rent revenue-real estate	3,312	3,336	+23	+0.7%
Other lease business revenue	283	309	+26	+9.4%
Dividends Income	20	35	+15	+78.1%
Operating Expenses	¥1,490	¥1,884	+393	+26.4%
Expenses related to rent business	675	917	+243	+35.9%
Depreciation	555	555	+0	+0.1%
Other lease business expenses	260	411	+150	+57.7%
Operating income	¥2,125	¥1,797	-327	-15.4%
Non-operating income	0	0	0	-0.2%
Non-operating expenses	492	419	-72	-14.7%
Interest expenses, etc.	451	379	-72	-16.0%
Other non-operating expenses	40	40	+0	+0.2%
Ordinary Income	¥1,633	¥1,378	-255	-15.6%
Income before income taxes	1,633	1,378	-255	-15.6%
Total income taxes	1	1	0	-1.5%
Net income	¥1,632	¥1,377	-255	-15.6%
Total Dividend	1,632	1,377	-255	-15.6%
Distribution per Unit	6,756円	5,700円	-1,056円	-15.6%
NOI ⁽¹⁾	2,921	2,728	-192	-6.6%
FFO ⁽²⁾	2,228	1,973	-254	-11.4%

The estimated average occupancy rate for the 5th period is 95.0%. Average occupancy rate was 95.1% in the 4th period and is expected to increase in the 5th period due to higher occupancy rates in Tokyo area and for stores, therefore rent revenue-real estate is expected to increase.

Key money and renewal fee is expected to increase due to the busy period of tenants.

Other lease business revenue is expected to increase because of ¥565 million investment in G.K. Creek Investment II.

Plan to start in 5th period of recording property, city planning and other taxes (about ¥156 million) for the 60 properties purchased on August 7, 2013. Replacement leasing costs is expected to increase ¥50 million and repairs and maintenance costs (including restoration costs) is expected to increase ¥35 million because this is the busy period of tenants.

Renewal appraisal expenses and asset management fees are expected to be higher due to the larger number of properties.

Interest expenses, etc. are expected to decrease because one-time arrangement fee and other expenses for new loans to acquire properties in the 4th period is not charged in the 5th period.

Comparison of Distribution per Unit (cruise-based)⁽³⁾

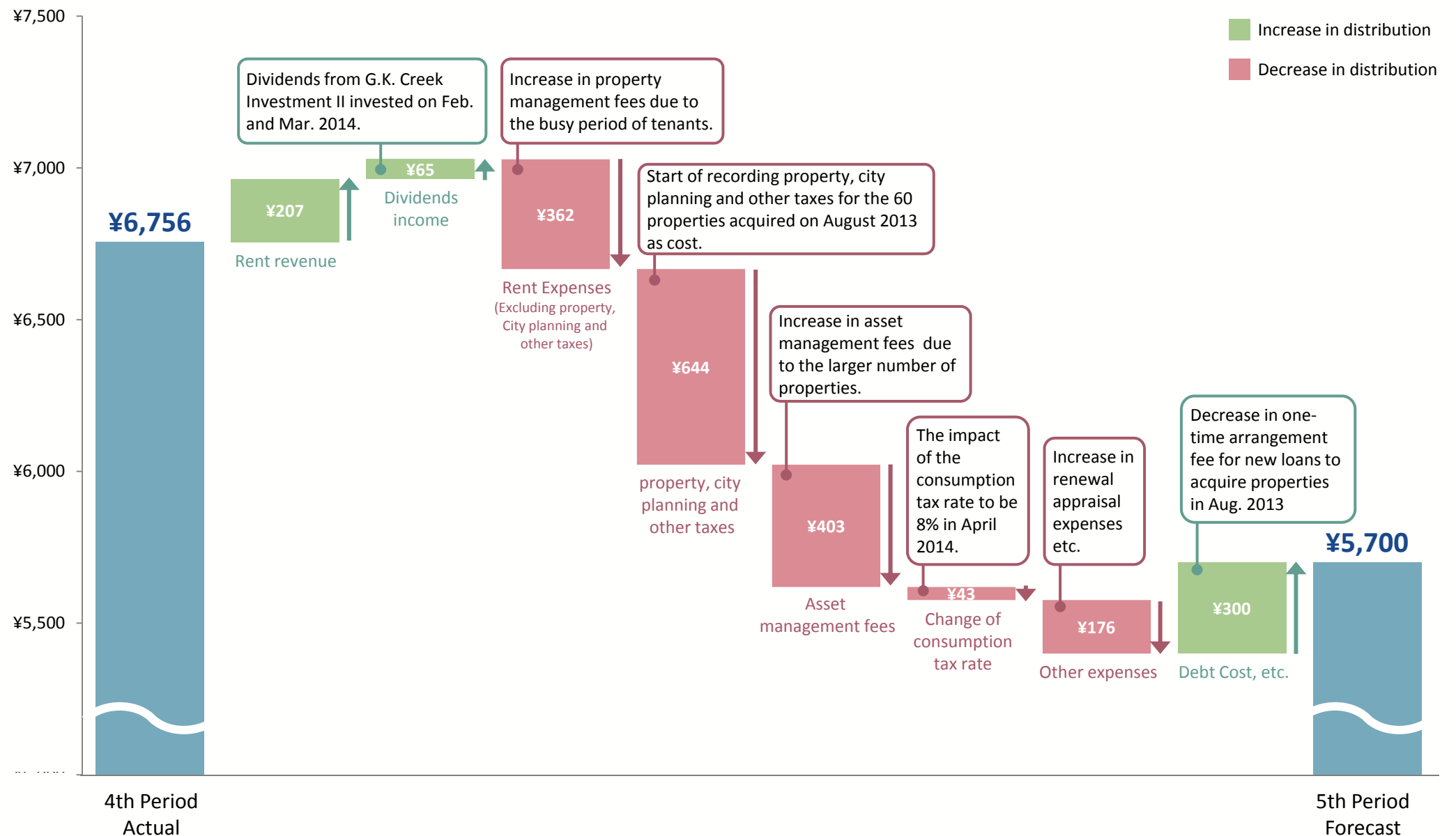
3rd Period (ended July 31, 2013)	5th Period (ending July 31, 2014)	Difference
20 props	80 props	
5,390 yen	5,700 yen	+310 yen

Note1: NOI(Net Operating Income)=Operating income - Operating expenses(ex. Depreciation)

Note2: FFO(Funds From Operation)=Net income + Depreciation + Deferred Assets Depreciation +/- Gains or Losses on Sales

Note3: Distribution per Unit (cruise-based) refers to the distribution per unit in the period starting of recording property, city planning and other tax and some fees etc. increased with the new property acquisition.

Breakdown of Changes in DPU



2. Toward Further Growth

Our Core Value

Our Philosophy

- Provide asset management services from the standpoint of investors as an independent real estate asset management company

Consistent Investment Philosophy

- Focusing on desirable locations that have the power to attract residents identified by our expert judgements, or “MEKIKI”
- Selecting types of residential properties particularly appropriate to the location.

Reliable Operation

- Careful leasing operations and rigorous cost-cutting measures derived by our professionals’ long year experience in the industry.
- A broad network of property acquisitions and flexible operations possible only with an independent AM Co.

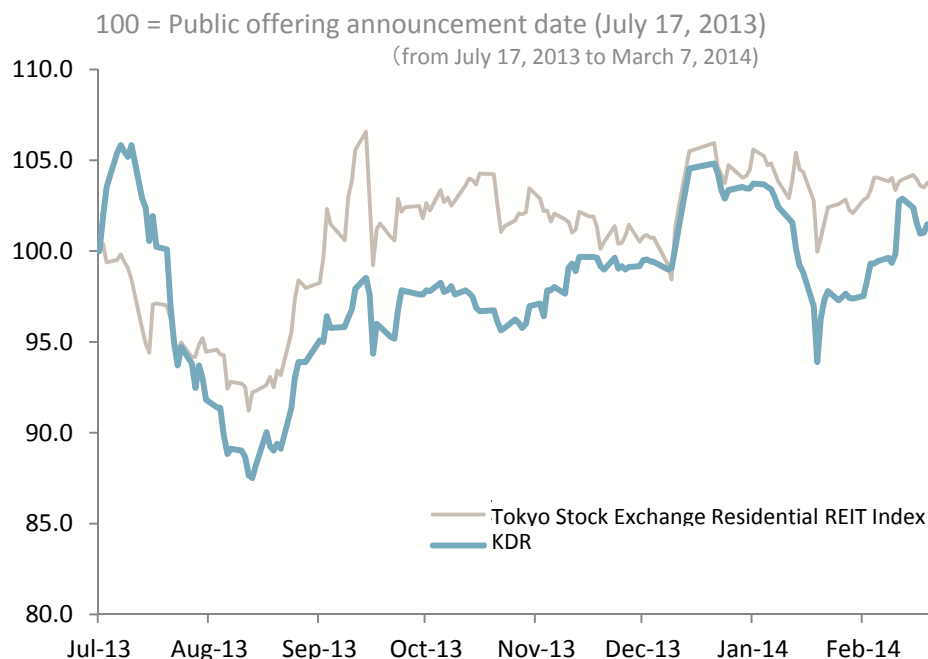
Asset Management with “Speed” and “Flexibility”

Stable Rental Income and Steady AUM Growth

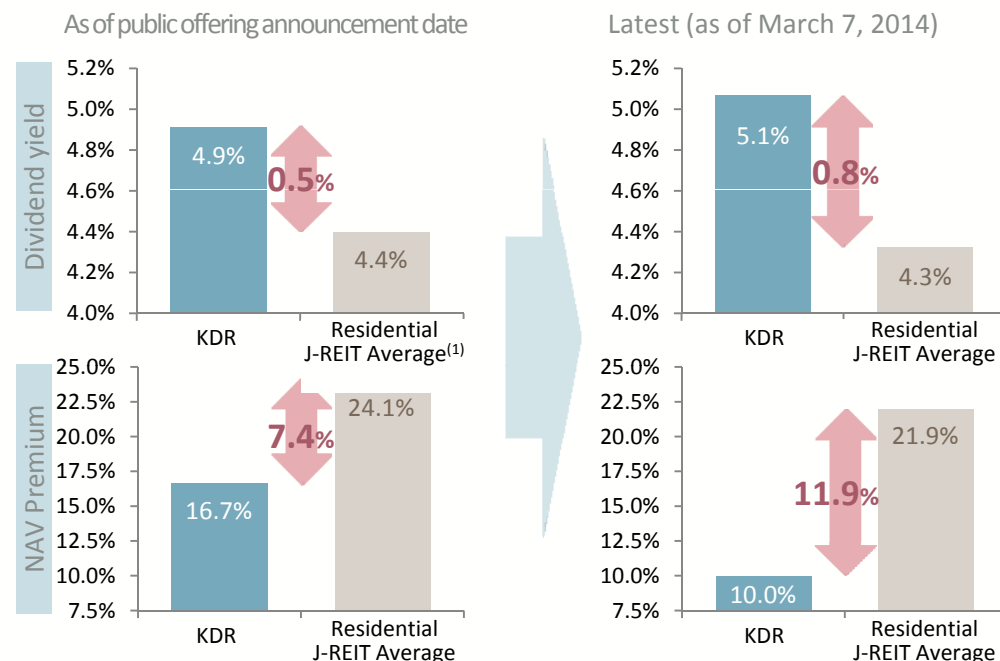
Keeping our core value over the four fiscal periods since our listing on April 2012

Our Observations on Investment Unit Price Performance

Investment Unit Price after announcement of Public Offering



Valuation Gap



Possible Key Concern

A

Concern on “further external growth”

- Didn't raising assets to ¥100 billion use up all of KDR's growth potential at once?
- Can KDR continue to rely on external growth?

B

Concern on “portfolio performance”

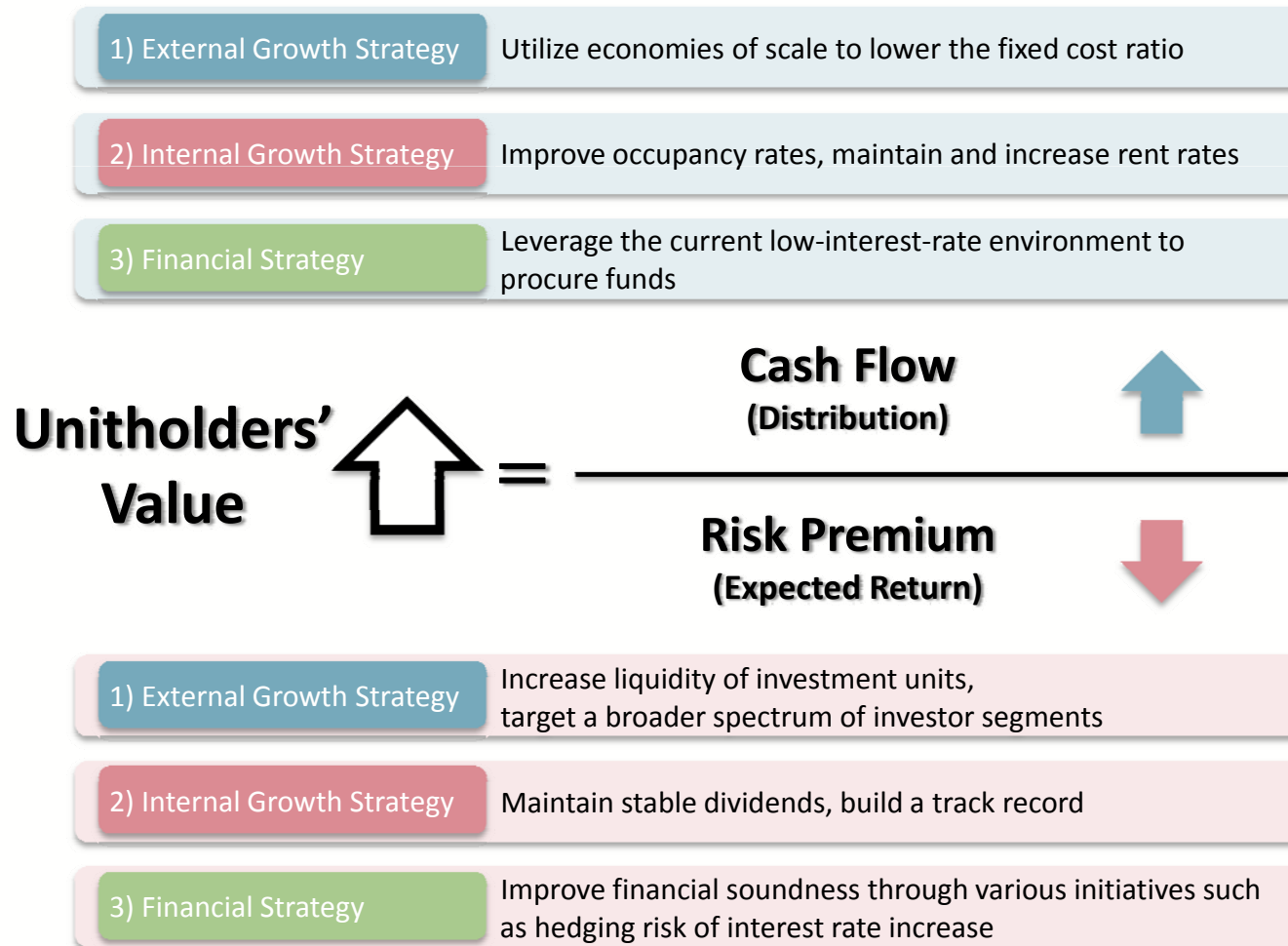
- KDR succeeded in increasing assets, but are there any problems regarding the quality of assets and their performance?
- Does KDR have enough operating resource to handle the sharp increase of properties?

We understand clearing these concerns from the market will be the key to improve our unit price performance

Note 1: “Comps Average” is estimated by KFM based on information announced by the following residential J-REITs: Nippon Accommodations Fund Inc., Nomura Real Estate Residential Fund, Inc., Advance Residence Investment Corporation, Comforia Residential REIT, Inc., Sekisui House SI Investment Corporation, Starts Proceed Investment Corporation, Daiwa House Residential Investment Corporation, and Japan Rental Housing Investments Inc. (listed in order of securities code numbers).

Our Approach to Enhance Unitholders' Value

Our Consistent Framework for Increasing Unitholders' Value



Overcoming the concerns by highlighting of Our Key Strengths



We believe we have enough strengths to overcome these concerns

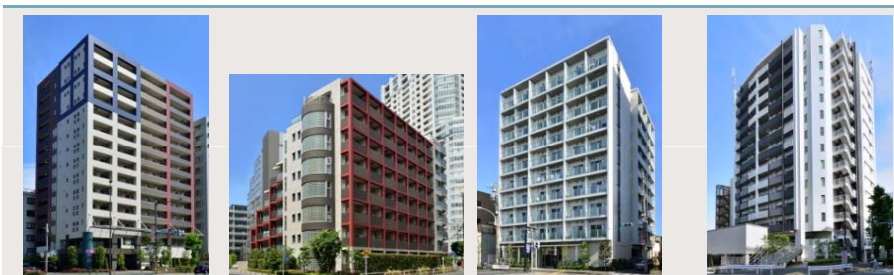
Our Strength 1 Further External Growth Potential

Acquisition of Silent Partnership Equity Interest

G.K. Creek Investment

Minimum Acquisition Price
(including consumption tax)

¥11.2 bln

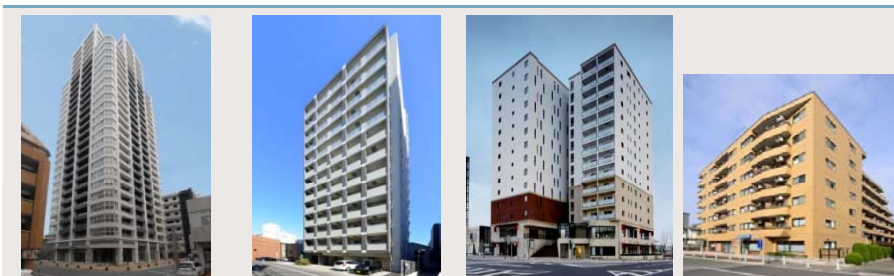


Location (Address)	Shinagawa-ku, Tokyo	Shinagawa-ku, Tokyo	Koto-ku, Tokyo	Itabashi-ku, Tokyo
Minimum Acquisition Price (including consumption tax)	¥3,837.8 mln	¥2,663.8 mln	¥1,917.8 mln	¥2,769.8 mln
Appraisal NOI Cap Rate ⁽¹⁾	5.3%	5.5%	5.4%	5.6%
Seller	External	External	External	External

G.K. Creek Investment II

Minimum Acquisition Price
(including consumption tax)

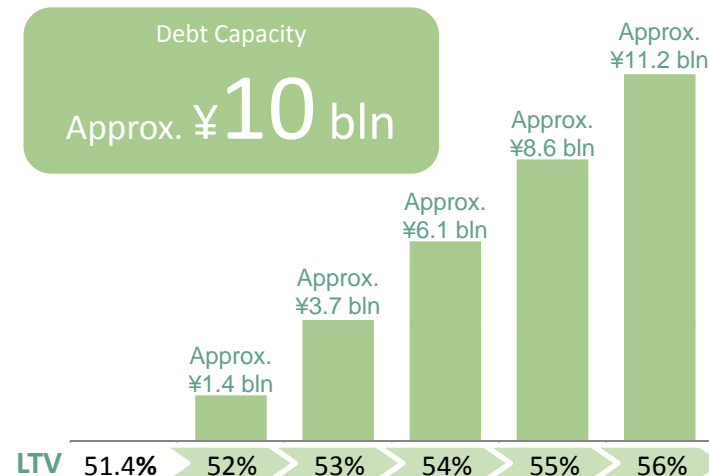
¥9.1 bln



Location (Address)	Fukuoka-shi, Fukuoka	Taito-ku, Tokyo	Kusatsu-shi, Shiga	Yokohama-shi, Yokohama
Minimum Acquisition Price (including consumption tax)	¥4,848.4 mln	¥1,095.1 mln	¥2,079.2 mln	¥1,071.2 mln
Appraisal NOI Cap Rate ⁽¹⁾	5.8%	5.7%	7.0%	7.0%
Seller	External	External	Sponsor	External

Debt Capacity for Properties Acquisitions

Debt Capacity with LTV Increasing



Sponsor Support

- Extensive property acquisition network developed as one of the largest independent real estate asset management companies in Japan.
- Access to residential properties owned or managed by the Kenedix Group.

Residential Properties AUM
of KDX Group

¥35.3 bln

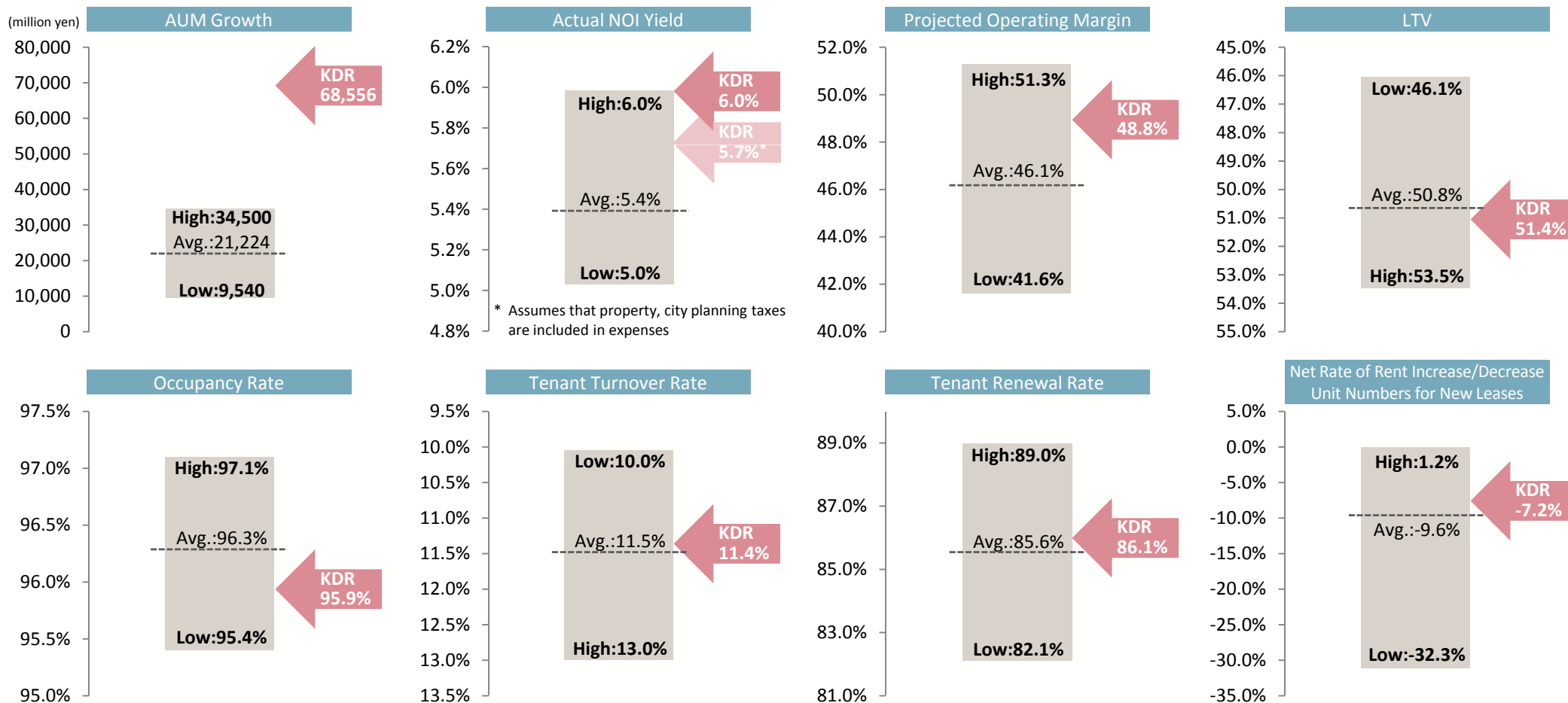
(as of the end of Dec. 2013
Excluding KDR's properties and
Properties operated in TK left.

Preparing steadily for the future external growth while leveraging the asset manager's network

Note1: Appraisal NOI Cap Rate are calculated by dividing yearly NOI described in the most recent property appraisals by Minimum Acquisition Price before tax. The divisions between prices of land and building in the minimum acquisition price (before tax) is based on the land and building prices using the values determined by the cost method as listed in the most recent property appraisal. Calculated on the assumption of consumption tax rate as 8%.

Our Strength 2 Competitive Portfolio Performance

Comparison of Portfolios of KDR and Other Residential J-REITs⁽¹⁾



We believe our portfolio has enough competitiveness even in the relative comparison

Note1: "Residential J-REIT range" is an estimate by KFM based on information announced by the residential J-REITs (most recent data available at end-Jan 2014). "Tenant Turnover Rate," "Tenant Renewal Rate" and "Rent Increase/Decrease for New Leases" are estimated using only the figures for investment corporations which discloses these information. "AUM Growth" uses total acquisition price for properties purchased during 2013. "Estimated Operating Margin" uses figures of the most recent forecasts (forecast for second period when data for two periods are disclosed). "LTV" uses total asset LTV (period-end interest-bearing debt/period-end total assets) for the most recent period-end. "Occupancy Rate" uses figures as of end-Jan 2014. "Actual NOI Yield": NOI for the most recent period/most recent period-end AUM. "Rent Increase/Decrease for New Leases" is calculated by deducting the percentage of newly leased tenants with lower rent from the percentage of newly leased tenants with higher rent, using data for the most recent period.

Enhancement of Communication with Investors through IR Activities

4th Period IR Activities

Upcoming IR Activities

For Institutional Investors

IR roadshow for earnings announcements

Visited mutual funds, investment advisers, regional banks and other institutions after the September 2013 earnings announcement; also hold small meetings with investors throughout the year

Asia IR roadshow

Visited institutional investors in Singapore and Hong Kong in October 2013 to explain results of operations, strategies and other subjects

Europe/NA roadshow

Visited institutional investors in Europe and North America in November 2013 to explain results of operations, strategies and other subjects

Domestic IR roadshow (planned for March)

Overseas IR roadshow (planned for April)

Japan Conference 2013

Date: Sep. 20, 2013
Area: Tokyo Host: Merrill Lynch Japan Securities
Hold small meetings with domestic and foreign institutional investors

Property Conference Tokyo 2013

Date: Dec. 4, 2013
Area: Tokyo Host: SMBC Nikko Securities
Hold small meetings with domestic and foreign institutional investors

For Individual Investors

J-REIT Fair 2013

Date: Sep. 28, 2013
Area: Tokyo Host: ARES
Participant: approximately 70

IR Forum 2013

Date: Dec. 8, 2013
Area: Tokyo Host: Nikko Investors Relations
Participant: approximately 160

Seminar for individual investors in Tokyo (planned for March)

Daiwa J-REIT Caravan

Date: Dec. 6, 2013
Area: Sapporo Host: Daiwa Sec
Audience: approximately 150



Presentation for individual investors

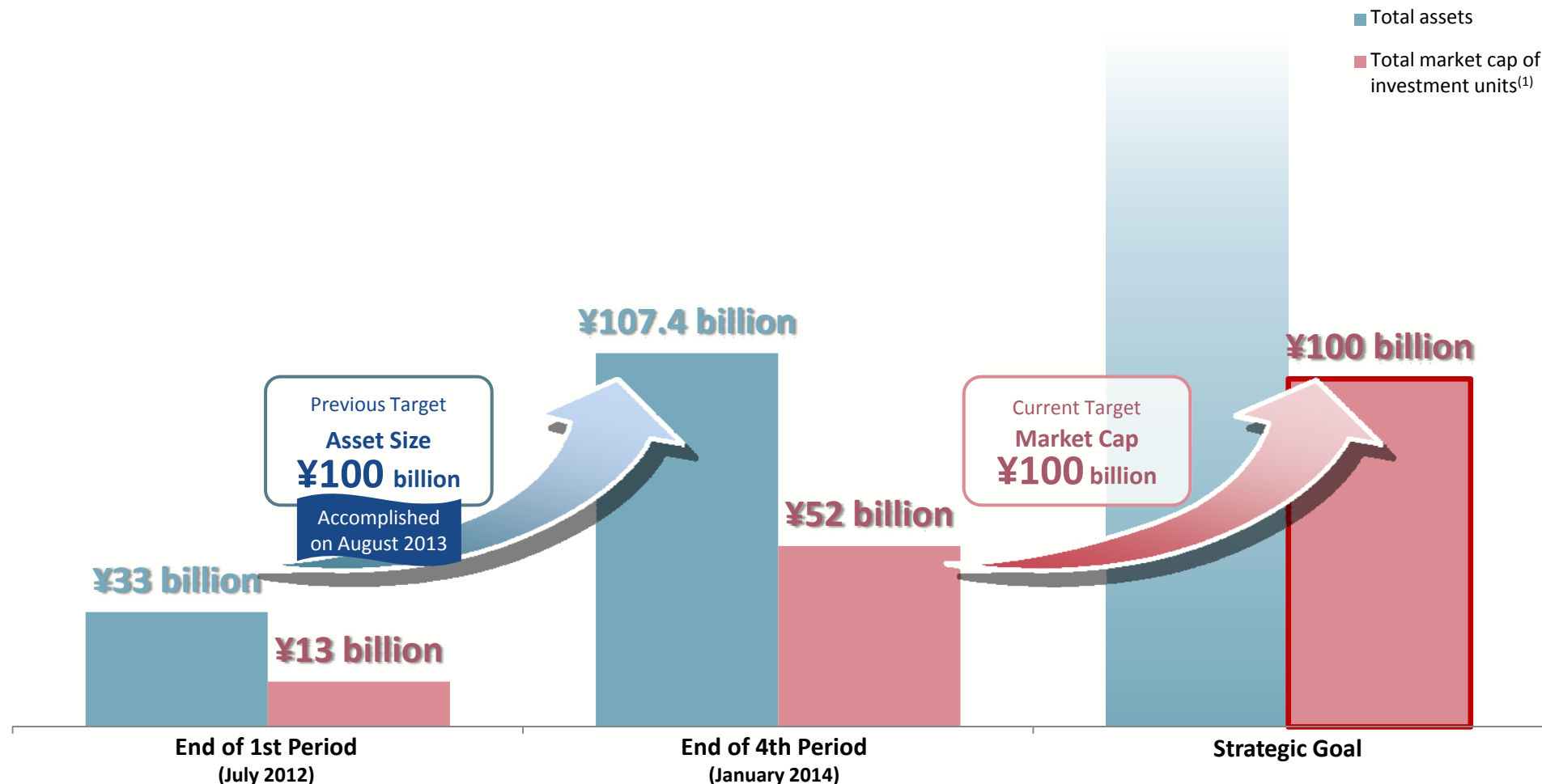
Date: Jan. 17, 2014
Area: Osaka Host: SMBC Nikko Securities
Audience: approximately 130

Seminar for individual investors in Nagoya (planned for April)

Trying to deliver our key strengths to the market by improving both quantity and quality of IR activities

Our Next Strategic Goal for External Growth

● External Growth of KDR



Note1: "Total market cap of investment units" is computed by multiplying closing price at each period-end by the number of investment units issued and outstanding.

Trying to realize ¥100 bln market cap through significant external growth with disciplined investments

Appendix

Financial Statements

Balance Sheets

(in thousands of yen)

Account	the Third Fiscal Period (as of July 31, 2013)	the Fourth Fiscal Period (as of January 31, 2014)
Assets		
Current assets		
Cash and deposits	507,326	2,159,067
Cash and deposits in trust	637,662	2,390,547
Operating accounts receivable	4,399	16,105
Prepaid expenses	9,925	7,282
Deferred tax assets	16	20
Other	-	132,373
Total current assets	¥1,159,330	¥4,705,395
Noncurrent assets		
Property, plant and equipment		
Land	2,787,376	2,787,376
Buildings in trust	14,267,405	40,983,765
Structures in trust	110,373	276,360
Machinery and equipment in trust	301,972	641,343
Tools, furniture and fixtures in trust	5,609	11,257
Land in trust	13,766,909	56,889,348
Total property, plant and fixtures in trust, net	-	1,567
Investments and other assets		
Investment securities		
Lease and guarantee deposits	405,922	405,922
Long-term prepaid expenses	10,156	10,982
Other	93,439	489,832
Total Investment and other assets	39,497	20,053
Total of Fixed Assets	¥549,014	¥926,790
Deferred assets		
Deferred organization costs		
Investment unit issuance costs	34,627	29,327
Total deferred assets	43,009	148,462
Total assets	¥77,637	¥177,789
Accounts	¥33,025,629	¥107,400,995

(in thousands of yen)

Account	the Third Fiscal Period (as of July 31, 2013)	the Fourth Fiscal Period (as of January 31, 2014)
Liabilities		
Current liabilities		
Operating accounts payable	57,095	222,804
Short-term loans payable	2,830,000	-
Current portion of long-term loans payable	5,500,000	7,200,000
Accounts payable-other	49,024	126,021
Accrued expenses	405	6,932
Income taxes payable	944	705
Accrued consumption taxes	1,836	-
Advances received	160,145	492,315
Deposits received	9,670	40,000
Total current liabilities	¥8,609,122	¥8,088,779
Noncurrent liabilities		
Long-term loans payable	10,000,000	48,000,000
Tenant leasehold and security deposits in trust	245,320	1,103,239
Total noncurrent liabilities	¥10,245,320	¥49,103,239
Total liabilities	¥18,854,443	¥57,192,018
Net assets		
Unitholders' equity		
Unitholders' capital	13,773,456	48,592,739
Surplus		
Unappropriated retained earnings (undisposed loss)	406,661	1,632,542
Total surplus	406,661	1,632,542
Total unitholders' equity	¥14,180,117	¥50,225,281
Deferred gains or losses on hedges	△8,930	△16,305
Total net assets	¥14,171,186	¥50,208,976
Total liabilities and net assets	¥33,025,629	¥107,400,995

Financial Statements

Statements of Income and Retained Earnings

(in thousands of yen)

Account	the Third Fiscal Period	the Fourth Fiscal Period
	from: Feb. 1, 2013 to: Jul. 31, 2013	from: Aug. 1, 2013 to: Jan. 31, 2014
Operating revenues		
Rent revenues-real estate	1,018,433	3,312,812
Other lease business revenue	117,075	283,257
Dividends Income	-	20,095
Total operating revenues	1,135,509	3,616,165
Operating expenses		
Expenses related to rent business	442,618	1,230,090
Asset management fees	70,886	136,124
Asset custody fee	2,074	7,400
Administrative service fees	11,017	21,965
Directors' compensation	4,500	4,500
Other operating expenses	51,247	90,741
Total operating expenses	582,345	1,490,822
Operating Income	¥553,163	¥2,125,342
Non-operating income		
Interest income	37	210
Total non-operating income	37	210
Non-operating expenses		
Interest expenses	74,611	227,924
Derivative-related expenses	11,913	12,070
Borrowing expenses	41,592	211,368
Amortization of deferred organization cost	5,214	5,300
Amortization of investment unit issuance cost	12,298	35,373
Total non-operating expenses	145,629	492,037
Ordinary Income	¥407,571	¥1,633,516
Income before income taxes	¥407,571	¥1,633,516
Income taxes-current	952	1,016
Income taxes-deferred	0	▲3
Total income taxes	952	1,013
Net Income	¥406,619	¥1,632,502
Retained earnings brought forward	41	39
Unappropriated retained earnings (undisposed loss)	¥406,661	¥1,632,542

Distributions

Account	the Third Fiscal Period	the Fourth Fiscal Period
	from: Feb. 1, 2013 to: Jul. 31, 2013	from: Aug. 1, 2013 to: Jan. 31, 2014
I Retained earnings at the end of period	406,661,143 yen	1,632,542,142 yen
II Total distributions	406,621,600 yen	1,632,398,232 yen
(Distributions per unit)	(5,390 yen)	(6,756 yen)
III Retained earnings brought forward to the next period	39,543 yen	143,910 yen

Statements of Cash Flows

(in thousands of yen)

	the Third Fiscal Period	the Fourth Fiscal Period
	from: Feb. 1, 2013 to: Jul. 31, 2013	from: Aug. 1, 2013 to: Jan. 31, 2014
Net cash provided by (used in) operating activities	686,642	2,284,795
Net cash provided by (used in) investing activities	△411,396	△70,021,999
Net cash provided by (used in) financing activities	△632,889	71,141,829
Net increase (decrease) in Cash and Cash Equivalents (△ decrease)	△357,643	3,404,626
Cash and cash equivalents at the beginning of period	1,502,632	1,144,988
Cash and cash equivalents at the End of Period	¥1,144,988	¥4,549,614

Trends in Performance

Trends in Income

	the Third Fiscal Period (as of July 31, 2013)	the Fourth Fiscal Period (as of January 31, 2014)
Operating Term	181.0 days	184.0 days
Average Days of Property Management	181.0 days	179.8 days
Operating Revenues	¥1,135 million	¥3,616 million
Operating Income	¥553 million	¥2,125 million
Ordinary Income	¥407 million	¥1,633 million
Net Income	¥406 million	¥1,632 million
Distribution per Unit	¥5,390	¥6,756
Payout Ratio	100.0 %	100.0 %

Trends in Financial Statements

	the Third Fiscal Period (as of July 31, 2013)	the Fourth Fiscal Period (as of January 31, 2014)
Total Assets	¥33,025 million	¥107,400 million
Net Assets	¥14,171 million	¥50,208 million
Capital-to-Asset Ratio	42.9 %	46.7 %
Total Unitholders' Capital	¥13,773 million	¥48,592 million
Total Investment Units Held	75,440 units	¥241,622 units
Net Assets per Unit	¥187,847	¥207,800
Return on Assets(per year) ⁽¹⁾	2.5 %	4.6 %
Return on Equity(per year) ⁽²⁾	5.8 %	10.1 %
FFO(Funds From Operation) ⁽³⁾	¥619 million	¥2,228 million
FFO per Unit	¥8,205	¥9,221
Total Interest-bearing Liabilities	¥18,330 million	¥55,200 million
Average Interest Rate	0.94 %	0.90 %
Average Borrowing Term	1.5 years	2.8 years
LTV(Loan To Value) ⁽⁴⁾	55.5 %	51.4 %
NAV(Net Asset Value) ⁽⁵⁾	¥14,704 million	¥50,863 million
NAV per unit	¥194,921	¥210,508

Note 1: Return on Assets=Ordinary Income / (Total Assets at the beginning of the period + Total Assets at the end of the period)/2 (Rounded to the nearest two decimal places) [The First Fiscal Period is calculated from April 26, 2012 as the beginning of the period]

Note 2: Return on Equity=Net Income / (Net Assets at the beginning of the period + Net Assets at the end of the period)/2 (Rounded to the nearest two decimal places) [The First Fiscal Period is calculated from April 26, 2012 as the beginning of the period]

Note 3: FFO=Net Income + Depreciation + Deferred Assets Depreciation +/- Gains and Losses on Sales (Rounded down to the nearest one decimal places)

Note 4: LTV=Interest-bearing Liabilities / Total Assets (Rounded to the nearest two decimal places)

Note 5: NAV=Net Assets – Unappropriated Retained earnings + Appraisal Values – Fixed Assets

Trends in Portfolio Performance

	the Third Fiscal Period (as of July 31, 2013)	the Fourth Fiscal Period (as of January 31, 2014)
Number of Properties	20 units	80 units
Properties Acquired during the Period	0 units	60 units
Properties Transferred during the Period	0 units	0 units
Total Acquisition Price	¥30,474 million	¥99,030 million
Total Book Value	¥31,239 million	¥101,591 million
Total Appraisal Value	¥32,180 million	¥103,878 million
Rentable Units	1,400 units	4,858 units
(of which Residential Units)	1,393 units	4,832 units
Rentable Area	59,157.37 m ²	193,404.68 m ²
(of which Residential Units)	54,823.98 m ²	187,839.98 m ²
Leasing Business Revenues	¥1,135 million	¥3,596 million
Leasing Business Expenses(ex. Depreciation)	¥247 million	¥675 million
NOI (Net Operating Income) ⁽⁶⁾	¥887 million	¥2,921 million
NOI Cap Rate(per year)	5.9 %	6.0 %
Capital Expenditure	¥15 million	¥45 million
Depreciation	¥194 million	¥555 million
Depreciation Rate(per acquisition price, year)	1.3 %	1.1 %
NOI Cap Rate after Depreciation(per year)	4.6 %	4.8 %
Occupancy Rates(average during the period)	94.6 %	95.1 %
Occupancy Rates(at the end of the period)	96.2 %	95.9 %
Rent per Tsubo(average during the period)	¥9,293	¥9,656
Rent per Tsubo(at the end of the period)	¥9,280	¥9,652
Replacement ⁽⁷⁾	15.9 %	11.6 %
Turnover ⁽⁸⁾	15.1 %	11.4 %
Renewal Rate(average during the period) ⁽⁹⁾	83.7 %	86.1 %
Average Occupancy Period ⁽¹⁰⁾	885 days	¥1,095 days
Average Downtime ⁽¹¹⁾	70 days	¥66 days

Note 6: NOI=Operating Revenues – Operating Expenses(ex. Depreciation) (Rounded down to the nearest one decimal places)

Note 7: Replacement=New tenants during the operating period / Rentable Units [The First Fiscal Period is adjusted to 6 months.] (Rounded to the nearest two decimal places)

Note 8: Turnover=Exiting tenants during the operating period / Rentable Units [The First Fiscal Period is adjusted to 6 months.] (Rounded to the nearest two decimal places)

Note 9: Renewal rate=Renewal tenants during the operating period / Ending contracts during the operating period (Rounded to the nearest two decimal places)

Note 10: Average occupancy rate is based on exiting tenants during the operating period (Rounded to the nearest one decimal places)

Note 11: Average downtime is based on new tenants during the operating period (Rounded to the nearest one decimal places)

Appraisal Values 1/4

No.	Property Name	Appraiser	Appraisal Value			Cap Rate		Discount Rate		Terminal Cap Rate		(in millions of yen)			
			Previous a	End of 4th Period b	Difference c [b-a]	Previous	End of 4th Period	Previous	End of 4th Period	Previous	End of 4th Period	Acquisition Price d	Difference e [b-d]	Book Value f	Difference g [b-f]
T-1	KDX Daikanyama Residence	F	4,880	4,940	60	4.9%	4.8%	4.7%	4.6%	5.1%	5.0%	4,700	240	4,793	147
T-2	KDX Yoyogi Residence	F	1,440	1,470	30	4.9%	4.8%	4.7%	4.6%	5.1%	5.0%	1,320	150	1,343	127
T-3	KDX Odemma Residence	F	1,860	1,870	10	4.9%	4.8%	4.7%	4.6%	5.1%	5.0%	1,775	95	1,805	65
T-4	KDX Iwamoto-cho Residence	F	863	864	1	4.9%	4.8%	4.7%	4.6%	5.1%	5.0%	822	42	840	24
T-5	KDX Bunkyo Sengoku Residence	F	1,590	1,600	10	4.9%	4.8%	4.7%	4.6%	5.1%	5.0%	1,488	112	1,515	85
T-6	KDX Azumabashi Residence	F	733	745	12	5.0%	4.9%	4.8%	4.7%	5.2%	5.1%	650	95	663	82
T-7	KDX Shimura Sakaue Residence	F	2,990	3,000	10	5.3%	5.2%	5.1%	5.0%	5.5%	5.4%	2,830	170	2,873	127
T-8	Nichii Home Tama Plaza	F	960	960	0	—	—	6.0%	6.0%	6.8%	6.8%	960	0	989	▲29
T-9	Cosmo Heim Motosumiyoshi	F	1,750	1,750	0	—	—	5.1%	5.1%	5.3%	5.3%	1,750	0	1,798	▲48
T-10	KDX Musashi Nakahara Residence	F	647	648	1	5.5%	5.5%	5.3%	5.3%	5.7%	5.7%	637	11	650	▲2
T-11	KDX Chiba Chuo Residence	D	1,550	1,580	30	5.7%	5.6%	5.5%	5.4%	5.9%	5.8%	1,480	100	1,494	86
T-12	KDX Kawaguchi Saiwai-cho Residence	F	1,240	1,270	30	5.5%	5.4%	5.3%	5.2%	5.7%	5.6%	1,150	120	1,182	88
T-13	KDX Residence Shirokane I	F	3,010	3,040	30	4.9%	4.8%	4.7%	4.6%	5.1%	5.0%	3,000	40	3,061	▲21
T-14	KDX Residence Shirokane III	F	2,920	3,090	170	4.8%	4.7%	4.6%	4.5%	5.0%	4.9%	2,900	190	2,963	127
T-15	KDX Residence Shirokane II	F	2,820	2,830	10	4.8%	4.8%	4.6%	4.6%	5.0%	5.0%	2,800	30	2,854	▲24
T-16	KDX Residence Minami-aoyama	F	2,230	2,240	10	4.8%	4.6%	4.6%	4.4%	5.0%	4.8%	2,230	10	2,267	▲27
T-17	KDX Residence Minami-azabu	F	2,100	2,130	30	4.9%	4.8%	4.7%	4.6%	5.1%	5.0%	2,080	50	2,127	3
T-18	KDX Residence Shiba Koen	F	1,820	1,840	20	4.9%	4.8%	4.7%	4.6%	5.1%	5.0%	1,781	59	1,821	19
T-19	KDX Residence Azabu East	F	1,610	1,670	60	5.1%	4.9%	4.9%	4.7%	5.3%	5.1%	1,560	110	1,592	78
T-20	KDX Residence Takanawa	F	785	802	17	4.9%	4.7%	4.7%	4.5%	5.1%	4.9%	770	32	791	11
T-21	KDX Residence Nishihara	F	1,470	1,520	50	5.1%	4.9%	4.9%	4.7%	5.3%	5.1%	1,450	70	1,485	35

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Appraisal Values 2/4

No.	Property Name	Appraiser	Appraisal Value			Cap Rate		Discount Rate		Terminal Cap Rate		(in millions of yen)			
			Previous a	End of 4th Period b	Difference c [b-a]	Previous	End of 4th Period	Previous	End of 4th Period	Previous	End of 4th Period	Acquisition Price d	Difference e [b-d]	Book Value f	Difference g [b-f]
T-22	KDX Residence Daikanyama II	F	750	756	6	5.1%	5.0%	4.9%	4.8%	5.3%	5.2%	730	26	746	10
T-23	KDX Residence Sendagaya	F	670	686	16	5.0%	4.9%	4.8%	4.7%	5.2%	5.1%	650	36	668	18
T-24	KDX Residence Nihonbashi Suitengu	D	3,240	3,400	160	5.0%	4.8%	4.8%	4.6%	5.2%	5.0%	3,240	160	3,330	70
T-25	KDX Residence Nihonbashi Hakozaki	D	1,150	1,200	50	5.0%	4.8%	4.8%	4.6%	5.2%	5.0%	1,147	53	1,180	20
T-26	KDX Residence Higashi-shinjuku	F	3,300	3,400	100	5.0%	4.8%	4.8%	4.6%	5.2%	5.0%	3,270	130	3,341	59
T-27	KDX Residence Yotsuya	F	2,280	2,290	10	5.1%	5.0%	4.9%	4.8%	5.3%	5.2%	2,260	30	2,310	▲20
T-28	KDX Residence Nishi-shinjuku	F	1,020	1,060	40	5.0%	4.8%	4.8%	4.6%	5.2%	5.0%	1,000	60	1,026	34
T-29	KDX Residence Kagurazaka	F	730	737	7	5.0%	4.9%	4.8%	4.7%	5.2%	5.1%	720	17	741	▲4
T-30	KDX Residence Futako Tamagawa	F	1,260	1,300	40	5.2%	5.0%	5.0%	4.8%	5.4%	5.2%	1,250	50	1,279	21
T-31	KDX Residence Komazawa Koen	F	920	954	34	4.9%	4.8%	4.7%	4.6%	5.1%	5.0%	920	34	946	8
T-32	KDX Residence Misyuku	F	781	792	11	4.9%	4.8%	4.7%	4.6%	5.1%	5.0%	760	32	781	11
T-33	KDX Residence Yoga	F	710	735	25	5.0%	4.9%	4.8%	4.7%	5.2%	5.1%	700	35	719	16
T-34	KDX Residence Shimouma	F	604	611	7	5.1%	5.0%	4.9%	4.8%	5.3%	5.2%	600	11	617	▲6
T-35	Raffine Minami-magome	F	1,500	1,550	50	6.1%	6.0%	5.9%	5.8%	6.3%	6.2%	1,250	300	1,274	276
T-36	KDX Residence Yukigaya Otsuka	F	1,060	1,100	40	5.4%	5.2%	5.2%	5.0%	5.6%	5.4%	1,050	50	1,081	19
T-37	KDX Residence Denen Chofu	D	1,030	1,060	30	5.3%	5.2%	5.1%	5.0%	5.5%	5.4%	1,000	60	1,023	37
T-38	KDX Residence Tamagawa	F	776	794	18	5.4%	5.2%	5.2%	5.0%	5.6%	5.4%	776	18	801	▲7
T-39	KDX Residence Monzennakacho	F	780	794	14	5.1%	5.0%	4.9%	4.8%	5.3%	5.2%	773	21	796	▲2
T-40	KDX Residence Okachimachi	F	870	871	1	5.1%	5.1%	4.9%	4.9%	5.3%	5.3%	850	21	874	▲3
T-41	KDX Residence Moto-asakusa	F	820	823	3	5.1%	5.0%	4.9%	4.8%	5.3%	5.2%	800	23	825	▲2
T-42	KDX Residence Itabashi Honcho	F	629	653	24	5.5%	5.3%	5.3%	5.1%	5.7%	5.5%	620	33	643	10

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Appraisal Values 3/4

	No.	Property Name	Appraiser	Appraisal Value			Cap Rate		Discount Rate		Terminal Cap Rate		(in millions of yen)			
				Previous a	End of 4th Period b	Difference c [b-a]	Previous	End of 4th Period	Previous	End of 4th Period	Previous	End of 4th Period	Acquisition Price d	Difference e [b-d]	Book Value f	Difference g [b-f]
Tokyo Metropolitan Area	T-43	KDX Residence Azusawa	F	561	567	6	5.5%	5.4%	5.3%	5.2%	5.7%	5.6%	550	17	570	▲3
	T-44	KDX Residence Tobu Nerima	F	430	445	15	5.4%	5.3%	5.2%	5.1%	5.6%	5.5%	420	25	437	8
	T-45	KDX Residence Yokohama Kannai	F	820	847	27	5.6%	5.4%	5.4%	5.2%	5.8%	5.6%	800	47	826	21
	T-46	KDX Residence Miyamaedaira	F	1,000	1,010	10	5.5%	5.3%	5.3%	5.1%	5.7%	5.5%	999	11	1,028	▲18
	T-47	KDX Residence Machida	F	1,850	1,860	10	5.3%	5.2%	5.1%	5.0%	5.5%	5.4%	1,800	60	1,857	3
		Subtotal			68,809	70,154	1,345							67,068	3,086	68,623
Other Regional Areas	R-1	KDX Toyohira Sanjo Residence	F	647	658	11	6.2%	6.1%	6.0%	5.9%	6.4%	6.3%	583	76	601	57
	R-2	KDX JozenjiDori Residence	D	1,130	1,150	20	6.0%	5.9%	5.8%	5.7%	6.2%	6.1%	1,015	135	1,045	105
	R-3	KDX Izumi Residence	F	1,170	1,190	20	5.6%	5.5%	5.4%	5.3%	5.8%	5.7%	1,120	70	1,142	48
	R-4	KDX Chihaya Residence	F	1,160	1,170	10	5.8%	5.7%	5.6%	5.5%	6.0%	5.9%	1,080	90	1,105	65
	R-5	KDX Sakaisuji Hommachi Residence	F	3,010	3,020	10	5.5%	5.4%	5.3%	5.2%	5.7%	5.6%	2,910	110	2,944	76
	R-6	KDX Shimmachi Residence	F	1,110	1,130	20	5.6%	5.5%	5.4%	5.3%	5.8%	5.7%	1,015	115	1,029	101
	R-7	KDX Takarazuka Residence	F	1,640	1,660	20	5.7%	5.6%	5.5%	5.4%	5.9%	5.8%	1,510	150	1,529	131
	R-8	KDX Shimizu Residence	F	1,810	1,880	70	5.9%	5.7%	5.7%	5.5%	6.1%	5.9%	1,680	200	1,711	169
	R-9	KDX Residence Odori Koen	F	775	777	2	5.8%	5.8%	5.6%	5.6%	6.0%	6.0%	765	12	800	▲23
	R-10	KDX Residence Kikusui Yojo	F	830	851	21	6.1%	6.0%	5.9%	5.8%	6.3%	6.2%	830	21	865	▲14
	R-11	KDX Residence Tokyohira Koen	F	451	460	9	6.2%	6.1%	6.0%	5.9%	6.4%	6.3%	445	15	467	▲7
	R-12	KDX Residence Kamisugi	D	710	736	26	6.0%	5.9%	5.8%	5.7%	6.2%	6.1%	700	36	729	7
	R-13	KDX Residence Ichiban-cho	D	555	566	11	6.0%	5.9%	5.8%	5.7%	6.2%	6.1%	530	36	554	12
	R-14	KDX Residence Kotodai	D	530	532	2	6.0%	5.9%	5.8%	5.7%	6.2%	6.1%	520	12	542	▲10
	R-15	KDX Residence Izumi Chuo	D	500	512	12	6.1%	6.0%	5.9%	5.8%	6.3%	6.2%	480	32	502	10

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Appraisal Values 4/4

No.	Property Name	Appraiser	Appraisal Value			Cap Rate		Discount Rate		Terminal Cap Rate		(in millions of yen)			
			Previous a	End of 4th Period b	Difference c [b-a]	Previous	End of 4th Period	Previous	End of 4th Period	Previous	End of 4th Period	Acquisition Price d	Difference e [b-d]	Book Value f	Difference g [b-f]
R-16	KDX Residence Higashi-sakura I	F	2,380	2,450	70	5.7%	5.5%	5.5%	5.3%	5.9%	5.7%	2,350	100	2,433	17
R-17	KDX Residence Higashi-sakura II	F	910	934	24	5.7%	5.6%	5.5%	5.4%	5.9%	5.8%	900	34	934	0
R-18	KDX Residence Atsuta Jingu	F	863	878	15	6.0%	5.8%	5.8%	5.6%	6.2%	6.0%	840	38	874	4
R-19	KDX Residence Nishi-oji	D	815	834	19	5.6%	5.5%	5.4%	5.3%	5.8%	5.7%	813	21	846	▲12
R-20	KDX Residence Saiin	D	463	471	8	5.6%	5.5%	5.4%	5.3%	5.8%	5.7%	440	31	461	10
R-21	KDX Residence Namba	F	1,440	1,450	10	5.9%	5.8%	5.7%	5.6%	6.1%	6.0%	1,410	40	1,460	▲10
R-22	KDX Residence Namba-minami	F	1,390	1,400	10	5.9%	5.7%	5.7%	5.5%	6.1%	5.9%	1,350	50	1,404	▲4
R-23	KDX Residence Shin-osaka	F	520	527	7	6.0%	5.8%	5.8%	5.6%	6.2%	6.0%	510	17	531	▲4
R-24	KDX Residence Ibaraki I・II	F	1,280	1,325	45	6.1%	5.9%	5.9%	5.7%	6.3%	6.1%	1,275	50	1,307	18
R-25	KDX Residence Toyonaka-minami	F	750	755	5	6.1%	5.9%	5.9%	5.7%	6.3%	6.1%	740	15	769	▲14
R-26	KDX Residence Moriguchi	F	554	560	6	6.0%	5.9%	5.8%	5.7%	6.2%	6.1%	551	9	574	▲14
R-27	KDX Residence Sannomiya	F	1,100	1,150	50	5.7%	5.5%	5.5%	5.3%	5.9%	5.7%	1,080	70	1,119	31
R-28	Ashiya Royal Homes	F	1,420	1,430	10	5.5%	5.4%	5.3%	5.2%	5.7%	5.6%	1,360	70	1,399	31
R-29	KDX Residence Funairi Saiwai-cho	F	595	597	2	6.3%	6.3%	6.1%	6.1%	6.5%	6.5%	588	9	612	▲15
R-30	KDX Residence Tenjin-higashi II	F	690	729	39	5.9%	5.7%	5.7%	5.5%	6.1%	5.9%	680	49	710	19
R-31	KDX Residence Tenjin-higashi I	F	375	376	1	5.9%	5.7%	5.7%	5.5%	6.1%	5.9%	370	6	389	▲13
R-32	KDX Residence Nishi Koen	F	771	778	7	5.7%	5.6%	5.5%	5.4%	5.9%	5.8%	763	15	793	▲15
R-33	KDX Residence Hirao Josui-machi	F	772	788	16	5.5%	5.4%	5.3%	5.2%	5.7%	5.6%	760	28	787	1
	Subtotal		33,116	33,724	608							31,963	1,762	32,968	756
	Total		101,925	103,878	1,953							99,031	4,848	101,591	2,287

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Portfolio Performance (the Fourth Fiscal Period ended January 31, 2014) 1/4

(in thousands of yen)

No.	Property Name	Acquisition Price	Book Value	Appraisal Value	Type	Rentable Units (units)	Rentable Area (m ²)	Rented Area (m ²)	Occupancy Rate (%)	Operating Days (days)	Leasing Business Revenue a	Leasing Business Expenses b	NOI c [a-b]	Depreciation d	Leasing Business Income e [c-d]	NOI Cap Rate (per Year)	NOI Cap Rate after Depreciation (per Year)
T-1	KDX Daikanyama Residence	4,700,000	4,792,630	4,940,000	SF	86	5,338.99	5,023.87	94.1%	184	150,706	31,070	119,636	15,015	104,620	5.0%	4.4%
T-2	KDX Yoyogi Residence	1,320,000	1,342,907	1,470,000	SF	50	1,593.93	1,569.53	98.5%	184	44,710	13,373	31,336	5,124	26,212	4.7%	3.9%
T-3	KDX Odemma Residence	1,775,000	1,804,844	1,870,000	SF	54	2,353.23	2,267.61	96.4%	184	56,485	11,462	45,023	10,495	34,527	5.0%	3.9%
T-4	KDX Iwamoto-cho Residence	822,000	839,967	864,000	SF	36	1,131.24	1,131.24	100.0%	184	26,712	7,237	19,474	5,192	14,282	4.7%	3.4%
T-5	KDX Bunkyo Sengoku Residence	1,488,000	1,515,433	1,600,000	S	77	2,054.10	1,874.07	91.2%	184	47,958	11,856	36,102	6,435	29,666	4.8%	4.0%
T-6	KDX Azumabashi Residence	650,000	662,588	745,000	S	41	1,054.83	1,031.09	97.7%	184	25,254	7,624	17,630	4,880	12,749	5.4%	3.9%
T-7	KDX Shimura Sakaue Residence	2,830,000	2,872,912	3,000,000	F	85	6,117.48	5,980.00	97.8%	184	102,355	18,636	83,718	21,252	62,466	5.9%	4.4%
T-8	Nichii Home Tama Plaza	960,000	989,335	960,000	-	-	-	-	-	184	34,560	604	33,956	-	33,956	7.0%	7.0%
T-9	Cosmo Heim Motosumiyoshi	1,750,000	1,798,041	1,750,000	-	-	-	-	-	184	43,749	1,006	42,743	-	42,743	4.8%	4.8%
T-10	KDX Musashi Nakahara Residence	637,000	650,092	648,000	F	35	2,123.46	1,939.78	91.3%	184	24,949	6,118	18,831	4,021	14,809	5.9%	4.6%
T-11	KDX Chiba Chuo Residence	1,480,000	1,493,515	1,580,000	S	106	3,546.91	3,355.31	94.6%	184	62,320	14,193	48,126	17,091	31,034	6.5%	4.2%
T-12	KDX Kawaguchi Saiwai-cho Residence	1,150,000	1,182,479	1,270,000	SF	61	2,491.66	2,447.98	98.2%	184	48,470	12,160	36,310	7,211	29,099	6.3%	5.0%
T-13	KDX Residence Shirokane I	3,000,000	3,060,843	3,040,000	SF	50	3,617.32	3,513.77	97.1%	178	105,685	26,607	79,077	7,367	71,710	5.4%	4.9%
T-14	KDX Residence Shirokane III	2,900,000	2,962,549	3,090,000	SF	67	3,635.33	3,469.78	95.4%	178	84,988	15,562	69,426	9,031	60,394	4.9%	4.3%
T-15	KDX Residence Shirokane II	2,800,000	2,853,777	2,830,000	S	85	2,889.66	2,858.14	98.9%	178	79,550	15,490	64,059	6,480	57,579	4.7%	4.2%
T-16	KDX Residence Minami-aoyama	2,230,000	2,267,300	2,240,000	SF	20	1,680.79	1,610.31	95.8%	178	65,397	7,338	58,058	3,195	54,863	5.3%	5.0%
T-17	KDX Residence Minami-azabu	2,080,000	2,126,704	2,130,000	SF	62	2,785.42	2,538.70	91.1%	178	67,892	11,076	56,815	6,724	50,091	5.6%	4.9%
T-18	KDX Residence Shiba Koen	1,781,000	1,821,204	1,840,000	SF	64	2,507.52	2,507.52	100.0%	178	59,064	8,244	50,819	5,749	45,069	5.9%	5.2%
T-19	KDX Residence Azabu East	1,560,000	1,592,481	1,670,000	S	76	1,849.00	1,743.95	94.3%	178	53,325	7,761	45,563	5,930	39,633	6.0%	5.2%
T-20	KDX Residence Takanawa	770,000	790,818	802,000	SF	27	1,034.27	1,034.27	100.0%	178	25,244	5,072	20,171	2,740	17,431	5.4%	4.6%
T-21	KDX Residence Nishihara	1,450,000	1,485,206	1,520,000	SF	39	2,310.08	2,189.42	94.8%	178	48,343	7,772	40,571	5,590	34,980	5.7%	4.9%

Note1: Type means principal room type of the property (If applicable to some types, type of the largest footprint unit)

Single (S): (intended primarily for single-person households) [footprint of equal or more than 18m² and less than 30m²], Small Family (SF): (intended primarily for households of couples or families with infants) [footprint of equal or more than 30m² and less than 60m²], Family (F): (intended primarily for households of three or more families) [footprint of equal or more than 60m²]

Portfolio Performance (the Fourth Fiscal Period ended January 31, 2014) 2/4

(in thousands of yen)

No.	Property Name	Acquisition Price	Book Value	Appraisal Value	Type	Rentable Units (units)	Rentable Area (m ²)	Rented Area (m ²)	Occupancy Rate (%)	Operating Days (days)	Leasing Business Revenue a	Leasing Business Expenses b	NOI c [a-b]	Depreciation d	Leasing Business Income e [c-d]	NOI Cap Rate (per Year)	NOI Cap Rate after Depreciation (per Year)
T-22	KDX Residence Daikanyama II	730,000	745,959	756,000	F	17	985.10	985.10	100.0%	178	25,907	5,984	19,923	950	18,973	5.6%	5.3%
T-23	KDX Residence Sendagaya	650,000	667,608	686,000	SF	16	748.96	748.96	100.0%	178	22,354	2,812	19,542	2,791	16,750	6.2%	5.3%
T-24	KDX Residence Nihonbashi Suitengu	3,240,000	3,330,028	3,400,000	F	79	5,534.86	5,534.86	100.0%	178	93,519	7,049	86,470	17,525	68,944	5.5%	4.4%
T-25	KDX Residence Nihonbashi Hakozaeki	1,147,000	1,179,624	1,200,000	S	60	1,537.38	1,411.82	91.8%	178	37,670	7,775	29,894	6,364	23,530	5.3%	4.2%
T-26	KDX Residence Higashi-shinjuku	3,270,000	3,341,098	3,400,000	S	179	4,358.43	4,177.75	95.9%	178	107,632	14,231	93,401	11,529	81,871	5.9%	5.1%
T-27	KDX Residence Yotsuya	2,260,000	2,309,567	2,290,000	F	42	3,101.16	2,911.32	93.9%	178	71,764	18,081	53,683	8,853	44,829	4.9%	4.1%
T-28	KDX Residence Nishi-shinjuku	1,000,000	1,025,691	1,060,000	S	54	1,345.92	1,281.60	95.2%	178	32,976	6,099	26,877	3,791	23,086	5.5%	4.7%
T-29	KDX Residence Kagurazaka	720,000	740,824	737,000	S	34	890.93	841.21	94.4%	178	22,870	3,711	19,158	3,289	15,869	5.5%	4.5%
T-30	KDX Residence Futako Tamagawa	1,250,000	1,279,401	1,300,000	F	38	2,339.62	2,270.58	97.0%	178	38,908	5,922	32,986	5,069	27,916	5.4%	4.6%
T-31	KDX Residence Komazawa Koen	920,000	946,252	954,000	SF	32	1,020.18	997.86	97.8%	178	27,390	3,874	23,515	4,562	18,953	5.2%	4.2%
T-32	KDX Residence Misyuku	760,000	781,352	792,000	S	39	1,103.82	1,078.12	97.7%	178	24,760	7,579	17,180	3,054	14,125	4.6%	3.8%
T-33	KDX Residence Yoga	700,000	718,947	735,000	S	38	1,012.80	987.48	97.5%	178	22,804	3,257	19,547	2,560	16,987	5.7%	5.0%
T-34	KDX Residence Shimouma	600,000	616,708	611,000	S	29	829.05	803.71	96.9%	178	19,527	4,588	14,938	2,181	12,757	5.1%	4.4%
T-35	Raffine Minami-magome	1,250,000	1,274,172	1,550,000	S	56	2,408.56	2,408.56	100.0%	178	66,285	11,550	54,735	3,955	50,779	9.0%	8.3%
T-36	KDX Residence Yukigaya Otsuka	1,050,000	1,080,914	1,100,000	S	72	1,526.98	1,463.97	95.9%	178	37,216	6,140	31,076	5,417	25,658	6.1%	5.0%
T-37	KDX Residence Denen Chofu	1,000,000	1,022,766	1,060,000	F	36	2,359.44	2,293.90	97.2%	178	36,303	5,277	31,026	3,253	27,772	6.4%	5.7%
T-38	KDX Residence Tamagawa	776,000	800,779	794,000	S	52	1,170.40	1,129.34	96.5%	178	26,033	6,426	19,606	5,852	13,754	5.2%	3.6%
T-39	KDX Residence Monzennakacho	773,000	796,146	794,000	S	49	1,171.41	987.81	84.3%	178	24,502	5,545	18,956	3,907	15,049	5.0%	4.0%
T-40	KDX Residence Okachimachi	850,000	873,896	871,000	S	51	1,329.79	1,278.74	96.2%	178	28,380	3,656	24,724	3,711	21,012	6.0%	5.1%
T-41	KDX Residence Moto-asakusa	800,000	825,436	823,000	SF	44	1,314.91	1,227.15	93.3%	178	27,573	5,318	22,255	4,359	17,895	5.7%	4.6%
T-42	KDX Residence Itabashi Honcho	620,000	643,001	653,000	S	46	1,127.58	1,082.98	96.0%	178	23,702	5,041	18,661	4,188	14,472	6.2%	4.8%

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Portfolio Performance (the Fourth Fiscal Period ended January 31, 2014) 3/4

(in thousands of yen)

	No.	Property Name	Acquisition Price	Book Value	Appraisal Value	Type	Rentable Units (units)	Rentable Area (m ²)	Rented Area (m ²)	Occupancy Rate (%)	Operating Days (days)	Leasing Business Revenue a	Leasing Business Expenses b	NOI c [a-b]	Depreciation d	Leasing Business Income e [c-d]	NOI Cap Rate (per Year)	NOI Cap Rate after Depreciation (per Year)
Tokyo Metropolitan Area	T-43	KDX Residence Azusawa	550,000	569,533	567,000	S	39	989.82	957.34	96.7%	178	19,425	4,746	14,678	3,194	11,484	5.5%	4.3%
	T-44	KDX Residence Tobu Nerima	420,000	436,734	445,000	S	37	931.82	931.82	100.0%	178	17,114	3,603	13,511	3,755	9,755	6.6%	4.8%
	T-45	KDX Residence Yokohama Kannai	800,000	825,764	847,000	S	72	1,602.16	1,478.29	92.3%	178	32,678	6,409	26,269	5,792	20,476	6.7%	5.2%
	T-46	KDX Residence Miyamaedaira	999,000	1,027,661	1,010,000	F	40	2,448.27	2,330.28	95.2%	178	35,753	6,467	29,285	6,115	23,170	6.0%	4.8%
	T-47	KDX Residence Machida	1,800,000	1,857,402	1,860,000	F	52	3,832.53	3,399.56	88.7%	178	56,869	8,291	48,578	14,783	33,795	5.5%	3.8%
	Subtotal			67,068,000	68,622,911	70,154,000		2,424	97,137.10	93,086.45	95.8%		2,237,651	409,710	1,827,940	290,342	1,537,598	5.5%
Other Regional Areas	R-1	KDX Toyohira Sanjo Residence	582,500	600,785	658,000	SF	63	2,868.75	2,791.97	97.3%	184	30,414	5,963	24,451	5,929	18,522	8.3%	6.3%
	R-2	KDX JozenjiDori Residence	1,015,000	1,045,000	1,150,000	S	92	3,330.15	3,260.12	97.9%	184	48,904	9,615	39,288	10,310	28,978	7.7%	5.7%
	R-3	KDX Izumi Residence	1,120,000	1,141,510	1,190,000	F	40	2,798.20	2,731.74	97.6%	184	49,388	11,220	38,167	9,090	29,077	6.8%	5.2%
	R-4	KDX Chihaya Residence	1,080,000	1,104,978	1,170,000	SF	92	2,936.40	2,791.10	95.1%	184	47,564	10,236	37,328	10,006	27,321	6.9%	5.0%
	R-5	KDX Sakaisuji Hommachi Residence	2,910,000	2,944,497	3,020,000	SF	160	6,385.70	6,003.52	94.0%	184	107,962	23,476	84,486	23,455	61,031	5.8%	4.2%
	R-6	KDX Shimmachi Residence	1,015,000	1,028,892	1,130,000	S	94	2,146.02	1,986.21	92.6%	184	39,917	8,148	31,768	8,916	22,851	6.2%	4.5%
	R-7	KDX Takarazuka Residence	1,510,000	1,529,210	1,660,000	F	80	4,631.16	4,498.49	97.1%	184	60,768	10,281	50,487	16,462	34,024	6.6%	4.5%
	R-8	KDX Shimizu Residence	1,680,000	1,711,322	1,880,000	SF	148	6,255.16	5,970.12	95.4%	184	73,841	16,281	57,560	14,174	43,385	6.8%	5.1%
	R-9	KDX Residence Odori Koen	765,000	800,072	777,000	SF	78	2,762.76	2,727.34	98.7%	178	33,314	5,948	27,366	7,821	19,544	7.3%	5.2%
	R-10	KDX Residence Kikusui Yojo	830,000	865,272	851,000	SF	84	3,413.06	3,378.36	99.0%	178	37,882	6,820	31,061	7,478	23,582	7.7%	5.8%
	R-11	KDX Residence Tokyohira Koen	445,000	467,232	460,000	SF	65	2,253.81	2,080.44	92.3%	178	23,648	4,707	18,941	4,366	14,574	8.7%	6.7%
	R-12	KDX Residence Kamisugi	700,000	729,220	736,000	SF	66	2,073.06	1,917.21	92.5%	178	31,490	5,085	26,405	6,176	20,229	7.7%	5.9%
	R-13	KDX Residence Ichiban-cho	530,000	554,347	566,000	SF	45	1,818.09	1,782.41	98.0%	178	26,233	5,980	20,252	4,999	15,253	7.8%	5.9%
	R-14	KDX Residence Kotodai	520,000	542,414	532,000	SF	27	1,475.73	1,422.11	96.4%	178	20,622	3,365	17,256	4,426	12,830	6.8%	5.1%
	R-15	KDX Residence Izumi Chuo	480,000	502,360	512,000	SF	40	2,159.25	2,034.71	94.2%	178	22,848	2,663	20,185	4,461	15,723	8.6%	6.7%

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Portfolio Performance (the Fourth Fiscal Period ended January 31, 2014) 4/4

(in thousands of yen)																		
No.	Property Name	Acquisition Price	Book Value	Appraisal Value	Type	Rentable Units (units)	Rentable Area (m ²)	Rented Area (m ²)	Occupancy Rate (%)	Operating Days (days)	Leasing Business Revenue a	Leasing Business Expenses b	NOI c [a-b]	Depreciation d	Leasing Business Income e [c-d]	NOI Cap Rate (per Year)	NOI Cap Rate after Depreciation (per Year)	
Other Regional Areas	R-16	KDX Residence Higashi-sakura I	2,350,000	2,432,738	2,450,000	SF	187	6,221.83	6,088.83	97.9%	178	98,129	22,134	75,994	17,652	58,342	6.6%	5.1%
	R-17	KDX Residence Higashi-sakura II	900,000	933,845	934,000	SF	66	2,655.31	2,655.31	100.0%	178	40,149	7,547	32,601	6,938	25,662	7.4%	5.8%
	R-18	KDX Residence Atsuta Jingu	840,000	873,824	878,000	SF	95	2,724.19	2,675.29	98.2%	178	38,613	7,380	31,233	7,289	23,944	7.6%	5.8%
	R-19	KDX Residence Nishi-oji	813,000	846,317	834,000	S	76	2,353.55	2,195.29	93.3%	178	33,519	5,888	27,631	6,304	21,326	7.0%	5.4%
	R-20	KDX Residence Saiin	440,000	461,339	471,000	S	49	1,094.81	1,049.32	95.8%	178	18,331	3,906	14,424	3,844	10,580	6.7%	4.9%
	R-21	KDX Residence Namba	1,410,000	1,459,527	1,450,000	S	118	3,387.30	3,259.11	96.2%	178	58,045	10,105	47,939	9,834	38,105	7.0%	5.5%
	R-22	KDX Residence Namba-minami	1,350,000	1,404,348	1,400,000	S	131	3,813.31	3,706.12	97.2%	178	56,029	8,515	47,513	11,716	35,797	7.2%	5.4%
	R-23	KDX Residence Shin-osaka	510,000	531,073	527,000	SF	43	1,321.04	1,230.74	93.2%	178	22,197	4,082	18,115	5,151	12,964	7.3%	5.2%
	R-24	KDX Residence Ibaraki I・II	1,275,000	1,306,693	1,325,000	F	61	4,701.87	4,548.39	96.7%	178	56,119	7,377	48,741	6,819	41,921	7.8%	6.7%
	R-25	KDX Residence Toyonaka-minami	740,000	768,919	755,000	SF	70	2,024.50	1,994.49	98.5%	178	30,945	3,660	27,284	8,122	19,162	7.6%	5.3%
	R-26	KDX Residence Moriguchi	551,000	574,359	560,000	F	28	1,942.78	1,869.10	96.2%	178	23,126	5,366	17,760	5,399	12,360	6.6%	4.6%
	R-27	KDX Residence Sannomiya	1,080,000	1,118,960	1,150,000	S	86	2,292.72	2,165.14	94.4%	178	40,907	5,446	35,461	7,679	27,781	6.7%	5.3%
	R-28	Ashiya Royal Homes	1,360,000	1,398,948	1,430,000	F	21	3,999.01	3,628.40	90.7%	178	56,283	17,189	39,094	3,781	35,312	5.9%	5.3%
	R-29	KDX Residence Funairi Saiwai-cho	588,000	611,535	597,000	S	64	1,889.53	1,799.98	95.3%	178	26,986	5,021	21,964	5,358	16,606	7.7%	5.8%
	R-30	KDX Residence Tenjin-higashi II	680,000	709,653	729,000	SF	63	2,602.53	2,561.22	98.4%	178	28,755	5,914	22,841	6,170	16,670	6.9%	5.0%
	R-31	KDX Residence Tenjin-higashi I	370,000	388,693	376,000	SF	42	1,315.16	1,221.43	92.9%	178	17,297	5,312	11,985	3,521	8,463	6.6%	4.7%
	R-32	KDX Residence Nishi Koen	763,000	793,350	778,000	F	36	2,522.16	2,303.08	91.3%	178	30,085	6,332	23,752	6,314	17,438	6.4%	4.7%
R-33	KDX Residence Hirao Josui-machi	760,000	786,860	788,000	F	24	2,098.68	2,017.93	96.2%	178	28,092	4,355	23,736	4,726	19,010	6.4%	5.1%	
Subtotal		31,962,500	32,968,108	33,724,000		2,434	96,267.58	92,345.02	95.9%		1,358,418	265,336	1,093,082	264,701	828,380	6.9%	5.3%	
Total		99,030,500	101,591,020	103,878,000		4,858	193,404.68	185,431.47	95.9%		3,596,069	675,046	2,921,023	555,044	2,365,978	6.0%	4.8%	

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