



Financial Briefing for the 29th Fiscal Period ended August 31, 2016

October 17, 2016

Prepared by

ORIX Asset Management Corporation

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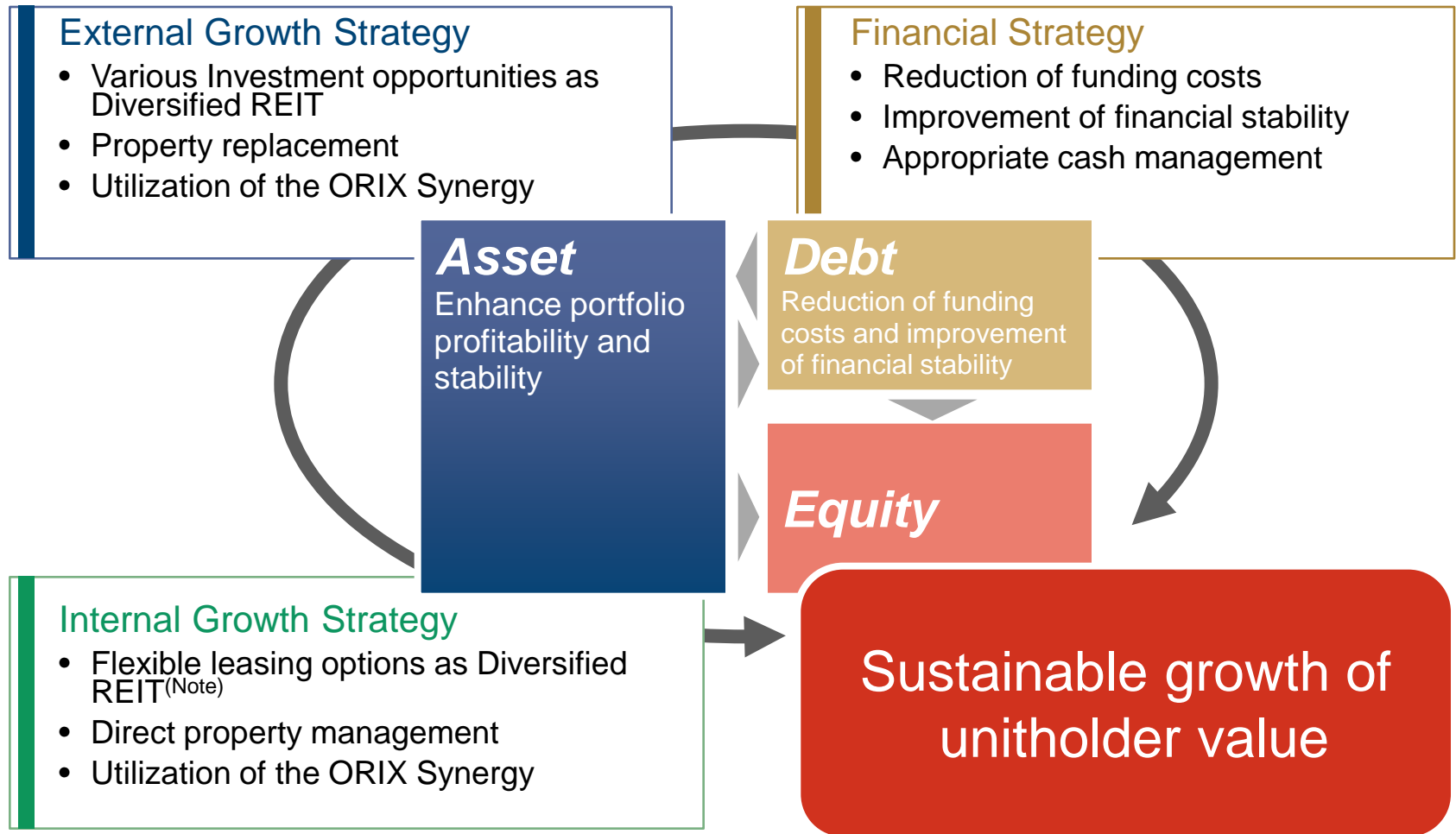
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- ✓ We aim for creating unitholder value by improving profitability and stability of our portfolio, reducing funding costs and increasing financial stability



Note: We may seek rent growth opportunities by changing the use of our properties. e.g. inviting a retail tenant to our office space.

- ✓ **Enhance Portfolio and Financial Stability**
- ✓ **Diversify Growth Opportunities**
- ✓ **Drive Stable Growth of Unitholder Value**



Results of Performance

Asset

Enhance portfolio profitability and stability

Internal growth -Improvement in leasing conditions-

- Office occupancy rates assumed to remain around 97% in and after FP29
*See P.23
- Rent increase for 10,000m²+ expected in office/retail spaces through rent revision
*See P.24

External growth -Selective investment in properties that can leverage our strengths-

- Acquisition of "Hotel Nikko Himeji" operated by ORIX Group (JPY 4.8bn)
*See P.16
- Selective acquisition of a offices building in central Tokyo, an urban retail facility, a complex facility, a hotel and a serviced apartment that can leverage our strengths (5 properties, JPY 22.4bn)
*See P.10
- Disposed of a office building in view of its future competitiveness
*See P.42

Debt

Reduce financing costs and increase financial stability

Reduction of financing costs while increasing financial stability

- Reduction of funding cost: 1.20% in Feb. 2016 → 1.09% in Aug. 2016 *See P.28
- Higher credit rating due to improvement in financial and portfolio stability (S&P long-term rating: "A- (positive)" ⇒ "A (stable)"
*See P.51

Extension of acquisition capacity for flexible property acquisition

- LTV lowered by 1.6% through the PO in Sep. 2016 after the Initiatives announced in Apr. 2016^(Note1), adding approx. JPY 21bn to our existing borrowing capacity to arrive at approx. JPY71bn (based on a LTV limit of 50%), which will secure us more flexibility in financing future acquisitions
*See P.6

Equity

Create unitholder value

- Execute various strategies to create unitholder value
- Set aside approx. JPY300mn as internal reserves, which will contribute to stabilizing future DPU growth (Approx. JPY 1.8bn)
*See P.6

Key Performance Indicators

	End of FP 28 (Feb. 2016)	After the initiatives announced in Apr. 2016 (Note1)	End of FP 29 (Aug. 2016)	After the initiatives (Note2)		Forecasts announced in Apr. 2016	As of this financial announcement (Oct. 17, 2016)
AUM (Acquisition price)	558,056	580,068	582,478	600,828	FP29 (Aug. 2016)	2,900 yen	3,000 yen (Actual)
Number of properties	102	105	106	109	FP30 (Feb. 2017)	2,980 yen	3,000 yen
NOI yield	4.9%	5.0%	5.1%	5.1%	FP31 (Aug. 2017)	—	2,970 yen
Yield after depreciation	3.8%	3.8%	4.0%	4.0%			
Unrealized gain/loss	69,837	70,965	82,635	82,995			
		After PO in Mar. 2016		After PO in Sep. 2016		After the initiatives announced in Apr. 2016 (Note1)	After the initiatives (Note2)
Balance of interest-bearing debt	256,950	269,117	269,117	269,117		1,536 million yen (Approx. 630 yen per unit)	1,847 million yen (Approx. 730 yen per unit)
LTV (based on total assets)	45.9%	45.4%	45.8%	44.2%		After the initiatives announced in Apr. 2016 ^(Note1)	After the initiatives (Note2)
						145,893 yen	151,591 yen

Note1: "The initiatives announced in Apr. 2016" refers to the acquisition of "SAPPORO BRICK CUBE", including procurement of interest-bearing debts in line with the acquisitions announced dated Apr. 13, 2016.

Note2: "The Initiatives" collectively refer to the PO in Sep. 2016, the acquisitions of "TAKANAWA DUPLEX C's, Albore Kagoshima, Gaien Nishi-dori Building, PRIZE TENJIN and Hotel Nikko Himeji" and the disposition of "Nihonbashi East Building" announced in and after Apr. 14, 2016.

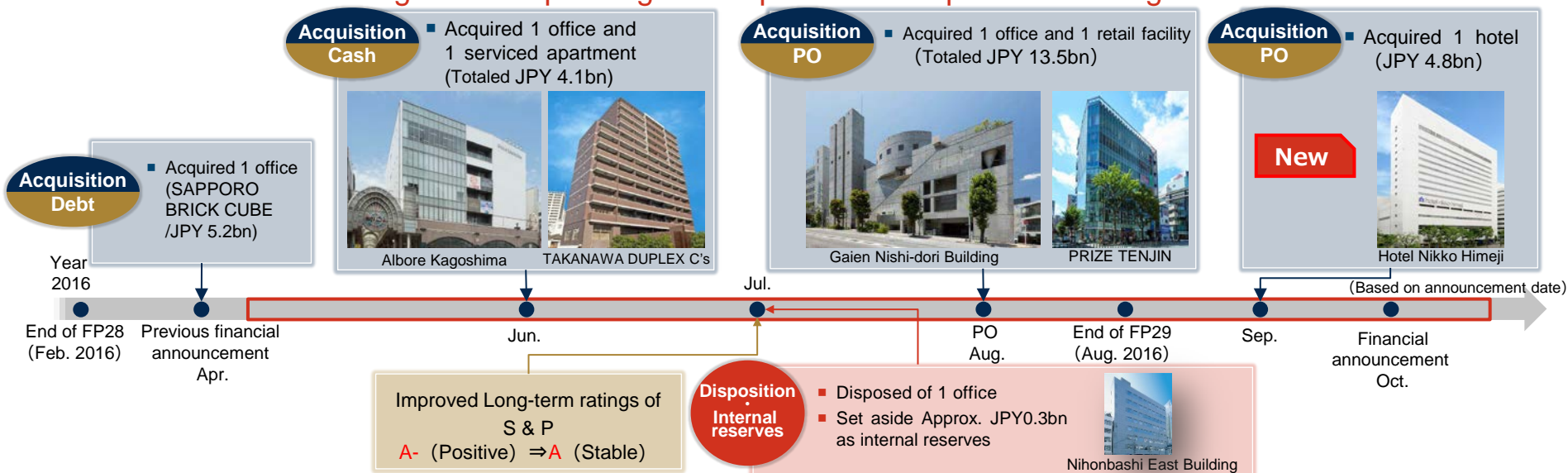
Note3: "NAV per unit (after consideration of internal reserve)" refers to the amount calculated by the following formula.

(The sum of unitholders' capital + unrealized gain/loss + accumulated internal reserves) / number of issued investment units

Impacts of the Initiatives Implemented after Apr. 13, 2016

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- ✓ Execute strategies with single focus on creating unitholder value
- ✓ Achieve solid DPU growth despite negative impacts from departure of a large tenant



		After the initiatives announced in Apr. 2016	After the PO in Sep. 2016	After the initiatives	Impacts of the Initiatives	
Borrowing capacity (Note2) (LTV based on total asset)		Approx. JPY50bn (45.8%)	Approx. JPY71bn (44.2%)	Approx. JPY71bn (44.2%)	JPY+21.0bn (-1.6%)	Increase borrowing capacity
Internal reserve (DPU equivalent amount) (Note3)		Approx. JPY1.5bn (Approx. 630yen)	Approx. JPY1.8bn (Approx. 730yen)	Approx. JPY1.8bn (Approx. 730yen)	JPY+0.3bn (Approx. +100yen)	Improve stability of DPU
DPU	FP30 (Feb. 2017)	2,980yen	2,980yen	3,000yen	Stable Growth of DPU	
	FP31 (Aug. 2017)		2,930yen	2,970yen		
	Estimated property-related tax per unit	Approx. 120yen (Note4)			Effect of on-going operations	Impacts of the initiatives
	Adjusted DPU forecast	2,860yen (Note5)	2,930yen (Note6)	2,970yen (Note6)	Increase of rent revenue and cost management of repair & maintenance of existing properties : Approx. +80yen	Approx. +30yen

Note1: The figures indicate estimated figures at the timing of announcements regarding each initiative. Borrowing capacity (LTV based on total asset) and Internal reserve as well as DPU equivalent amount are calculated according to the actual results both in FP29(Aug. 2016) and after PO in Sep. 2016.

Note2: "Borrowing capacity" is calculated by assuming Borrowing capacity up to 50% of LTV limit (based on total asset) and it's rounded to the nearest billion yen. "Acquisition capacity" collectively refers to "Borrowing capacity" and "Free Cash Flow".

Note3: "DPU equivalent amount" as "After the initiatives announced in Apr. 2016" is calculated by dividing the actual amount of internal reserves at the end of FP28(Feb. 2016) by the number of issued investment units after the PO in Mar. 2016. In addition, "DPU equivalent amounts" both "after the PO in Sep. 2016" and "After the initiatives" are calculated by dividing the actual amount of internal reserves at the end of FP29(Aug. 2016) by the number of issued investment units at each foregoing timing. The figures are rounded to the nearest 10 yen.

Note4: "Estimated property-related tax per unit" after the initiatives announced in Apr. 2016 is calculated by dividing the property-related tax to be imposed on both 5 properties acquired upon the PO in Mar. 2016 and 1 acquired property (Sapporo) by the number of issued investment units after the PO in Mar. 2016. The figures are rounded to the nearest 10 yen.

Note5: The figure is calculated by deducting specific factors such as estimated property-related tax per unit from DPU forecast as of FP30(Feb. 2017).

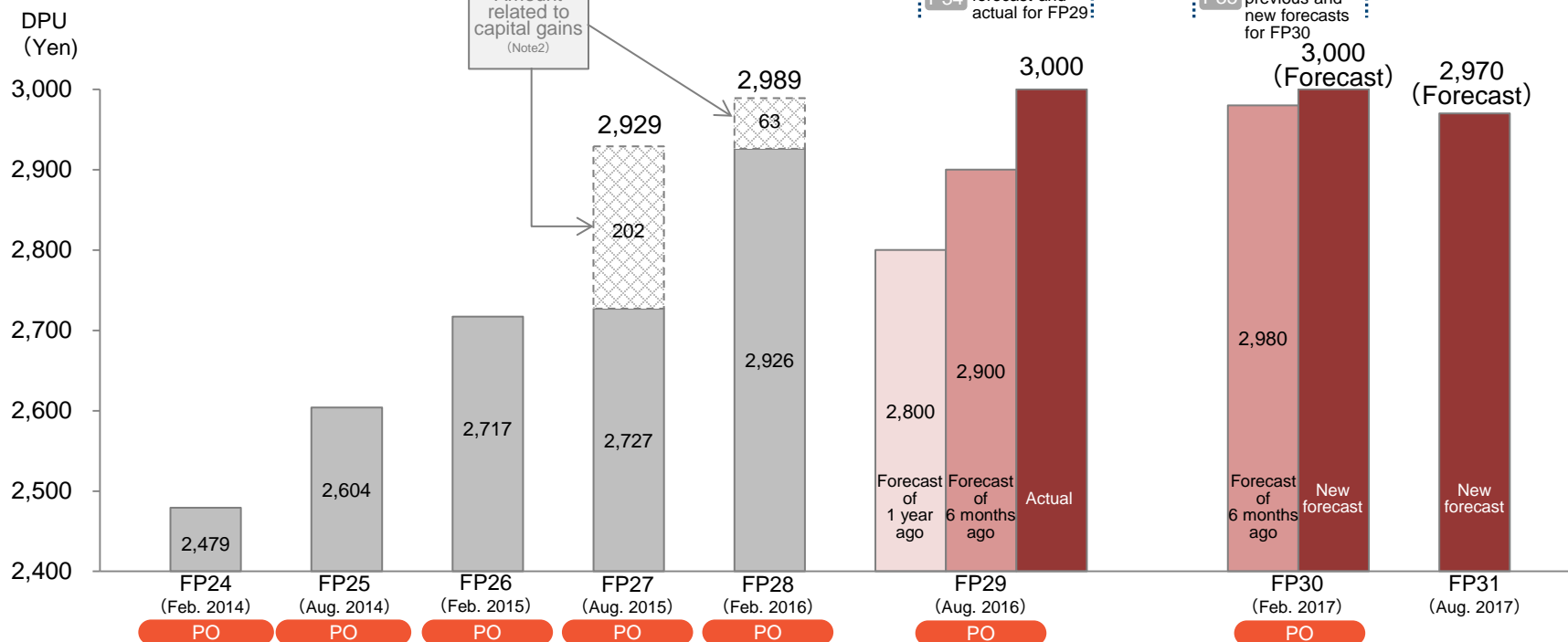
Note6: The figure is calculated by deducting specific factors such as estimated property-related tax per unit from DPU forecast as of FP31(Aug. 2017).

Stable Growth of DPU

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- ✓ Drive DPU growth through a combination of Internal/External Growth Strategy and Financial Strategy
- ✓ Increase DPU for FP29 (Aug. 2016) by 100 yen from Forecast of 6 months ago, while setting aside c.JPY300mn (DPU equivalent amount:130yen) as internal reserves through property disposition

DPU Trend (Note1)



Main initiatives for further DPU growth	External Growth Strategy	Flexible property acquisition using acquisition capacity	Annual free cash flow : approx. 6 billion yen
	Internal Growth Strategy	Improvement in lease conditions such as rent increase	Borrowing capacity if LTV were allowed to increase up to 50% : approx. 71 billion yen
	Financial Strategy	Reduction of average funding costs through refinance	

Note1: "Forecast of 1 year ago" refers to the forecast DPU as of the financial announcement date in the previous 2 fiscal periods prior to the current fiscal period, and "Forecast of 6 months ago" refers to forecast DPU as of the financial announcement date in the previous fiscal period prior to the current fiscal period.

Note2: "Amount related to capital gains" is calculated by deducting the amount allocated for internal reserves and expenses for early repayment by capital gains from disposition during the respective fiscal period, and dividing the obtained amount by the number of investment units issued as of the end of the fiscal period. Figures are rounded down to the nearest yen. For FP29 (Aug. 2016), there was no amount related to capital gains in the actual DPU, since internal reserves for this period exceeded capital gains from dispositions. Please refer to Page 34

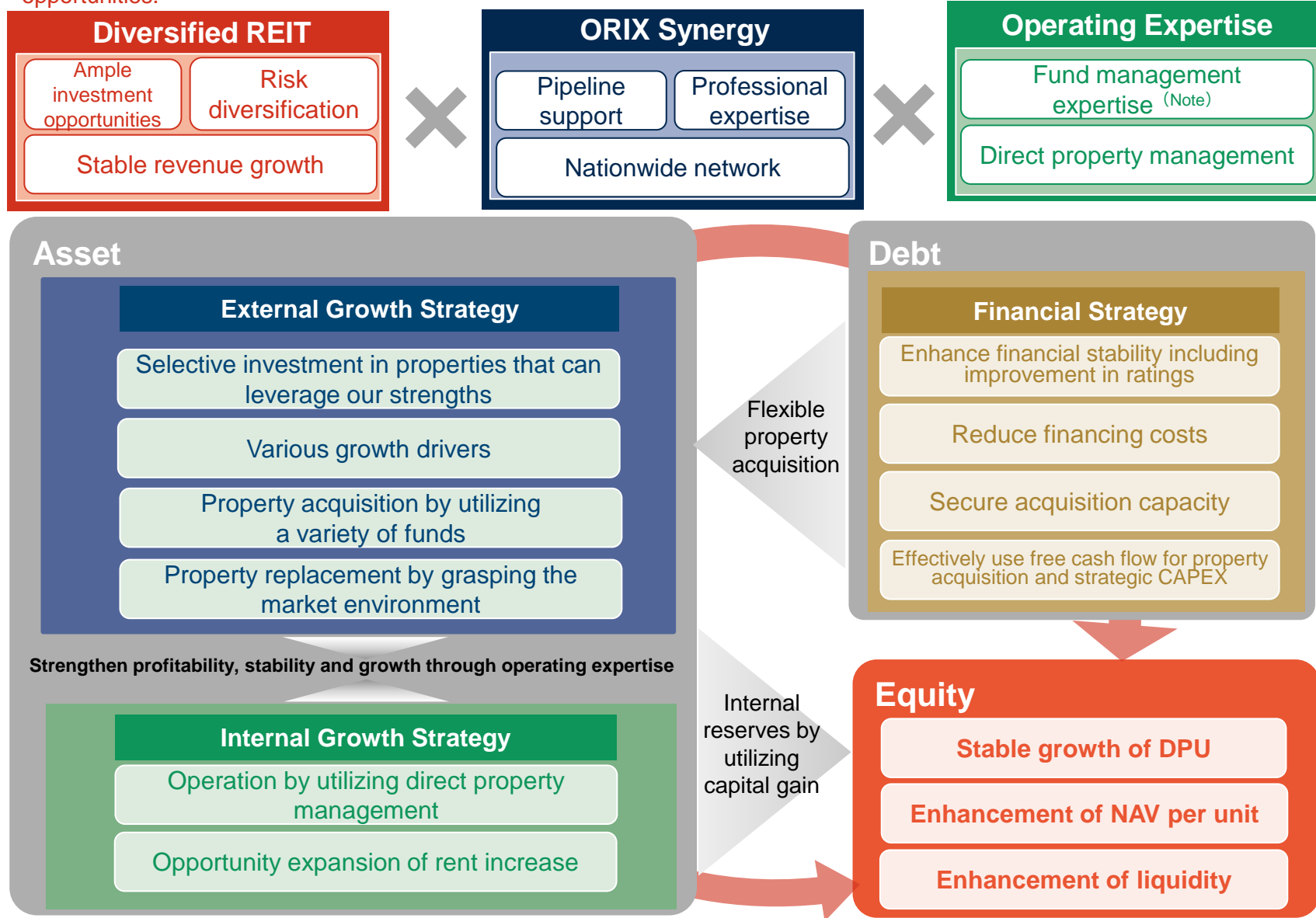


Promote Growth Strategy

Our Growth Strategy

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- ✓ Implement various strategies backed by “Diversified REIT”, “ORIX Synergy” and “Operating Expertise”.
- ✓ Execute on creating unitholder value by strengthening our portfolio as well as our financial stability and diversifying our growth opportunities.



Note : "Fund management expertise" indicates our expertise in targeting stable growth of unitholder value by leveraging our external growth, internal growth and financial strategies.

Selective Investment in Properties that can Leverage Our Strength

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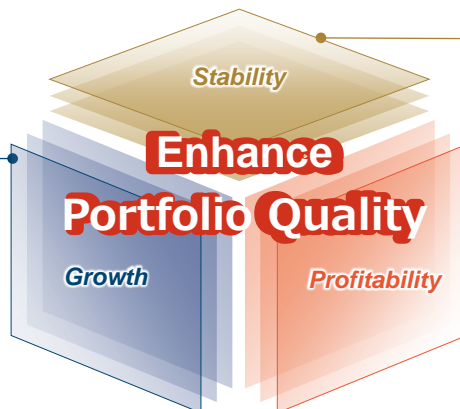
- ✓ Aim for diversified growth opportunities by continuing selective investments in properties that can leverage our strength

Our competitive advantage

Diversified REIT	ORIX Synergy	Operating Expertise
<ul style="list-style-type: none"> Ample opportunities to invest in properties of various Asset types Investment opportunities in complex facilities 	<ul style="list-style-type: none"> JPY 463.2 bn of properties such as offices and retail facilities mainly in Greater Tokyo and JPY 170.5 bn of operational assets including hotels owned by ORIX Group as of June 30, 2016 Expertise through experience in development, operation and finance in a range of Asset types and areas Synergy composed of ORIX Group strength and wide range of business fields and nationwide network 	<ul style="list-style-type: none"> Enhancement of property competitiveness and strengthening of relationships with tenants through Direct PM Flexible property acquisition by utilizing acquisition capacity through effective fund management

Characteristics of our portfolio

- ORIX Group's professional expertise (e.g. operation of hotels)
- Internal growth through Direct PM
- Various growth drivers
 - Performance of tenant's business (Office)
 - Consumer spending (Retail facility)
 - Demand from travelers and tourism (Hotel)



- Diversification of Asset types and tenant types
- ORIX Group's proprietary know-how in managing downside risk ^(Note)
 - Flexible leasing such as change uses of property and sectional leasing
 - Strong relationships with various companies nationwide leveraged to leasing
 - Solid track record in operation of hotels and serviced apartments as a back-up operator etc. for over 25 years
- Expansion of opportunities in property acquisition of complex facilities etc. as Diversified REIT
- Improving profitability through property replacement

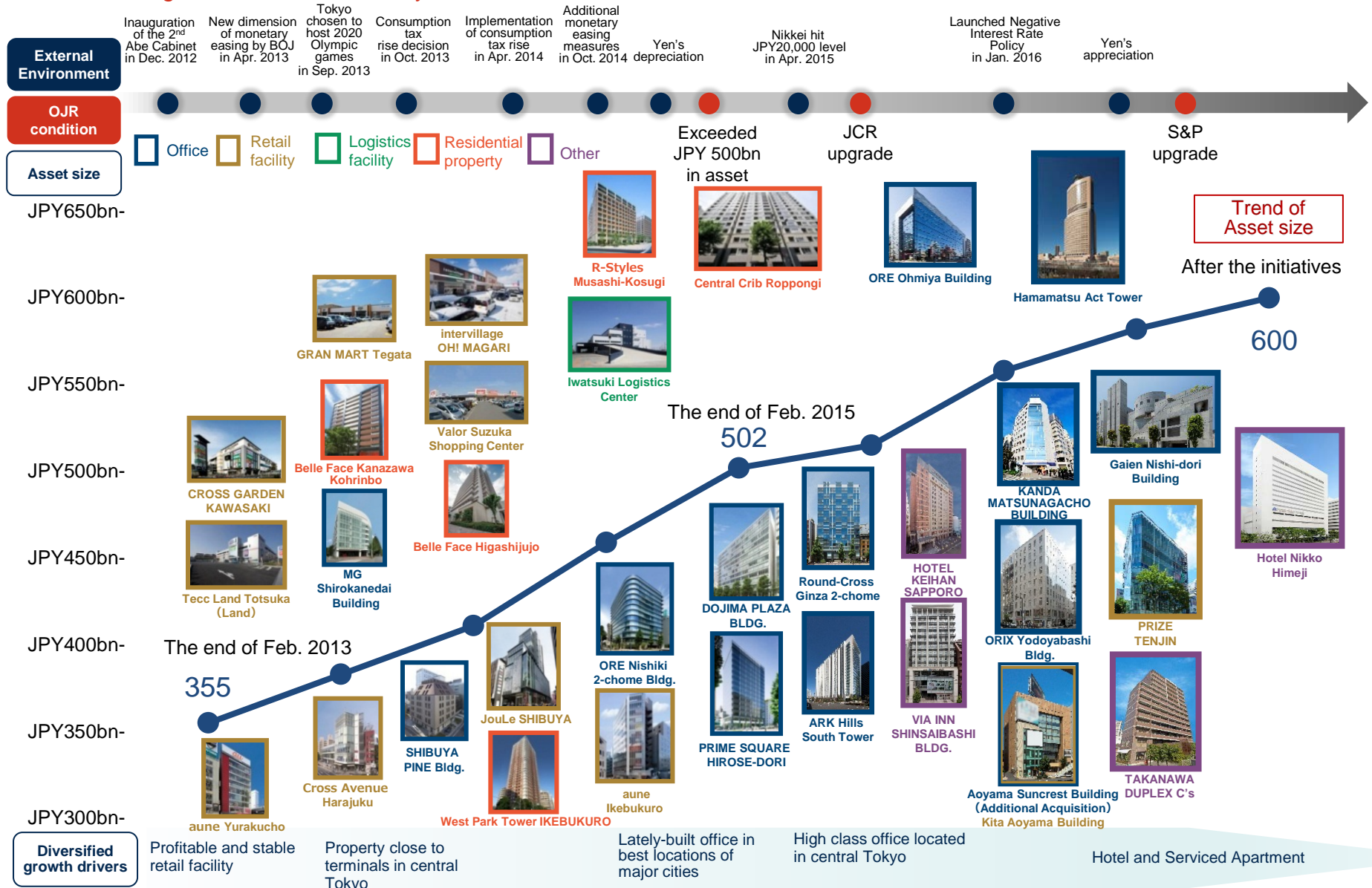
(Note) "Managing downside risk" is to avoid or minimize the value decrease of our properties due to cash flow subtraction resulted from tenants move-out and economy slowdown, etc.

Factors in change of profitability of each Asset type and our competitive advantages leveraged

Properties	Asset type	Factors in profit change	Locational characteristics	Our competitive advantage leveraged
Gaien Nishi-dori Building	Office	<ul style="list-style-type: none"> Business performance Supply and demand in office market 	Trendsetting area	<ul style="list-style-type: none"> Ample track records in developments and leasing of offices etc. in the area where the property is situated. Flexible leasing that can leverage our strength as Diversified REIT and Direct PM.
Albore Kagoshima	Office/Retail	<ul style="list-style-type: none"> Consumer Spending Business Momentum 	Pivotal location for business and commerce	<ul style="list-style-type: none"> Offer conversion and leasing which meet tenants' needs in the area Solid track records in managing complex facilities by leveraging our strength as Diversified REIT
PRIZE TENJIN	Retail	<ul style="list-style-type: none"> Consumer Spending Business Momentum 	The largest downtown area in Kyushu	<ul style="list-style-type: none"> Ample internal growth track record in urban-type retail facilities Tenant Merchandising
Hotel Nikko Himeji	Hotel	<ul style="list-style-type: none"> Demand from travelers and tourism Increase of foreign visitors Relaxation of entry requirements for foreigners from emerging countries and relaxation of regulations for Low-cost carrier 	Located in front of "Shinkansen", Bullet train station in a core city	<ul style="list-style-type: none"> Approx. 9 years experience in holding and managing the property by ORIX Group Initiatives to improve GOP in cooperation with tenants
TAKANAWA DUPLEX C's	Serviced Apartment	<ul style="list-style-type: none"> Demand from travelers and tourism Increase of foreign visitors Relaxation of entry requirements for foreigners from emerging countries and relaxation of regulations for Low-cost carrier 	Easily accessible and High-end residential area located in central Tokyo	<ul style="list-style-type: none"> Ample management track records in both hotels and rental units Ample management track records in serviced apartments by ORIX Group

Diversified Growth Drivers Pursuant to Environmental Changes 11

✓ Diversified growth drivers pursuant to external environment and OJR's conditions such as expansion of OJR's asset size and our strengthened financial stability



Note 1: The above line chart shows part of property acquired by OJR in and after FY23 ended August 2013.

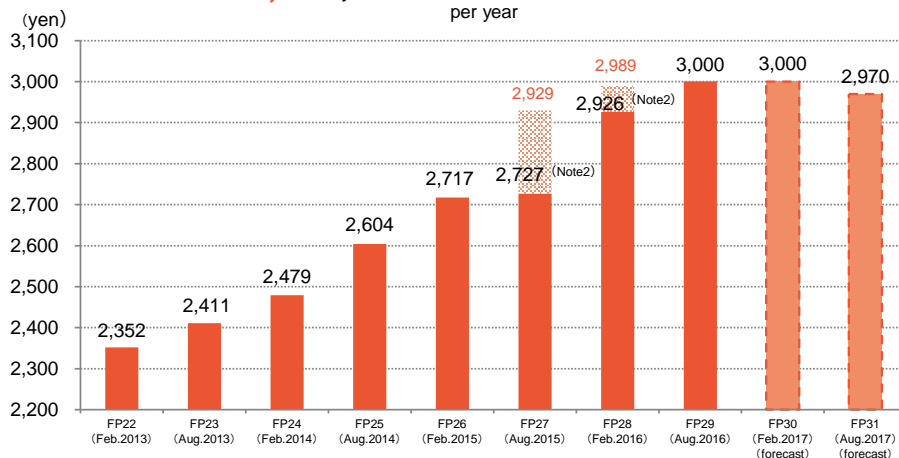
Note 2: "Trend of Asset size" refers to the total of acquisition prices both as of the end of each fiscal period and after the initiatives.

✓ Aim to achieve mid-to long-term growth of unitholder value by diversifying our growth opportunities

▶ Stable Growth of DPU

■ DPU :

FP22 (Feb. 2013) **2,352** yen (Note1) $\xrightarrow{+5.3\% \text{ per year}}$ FP31 (Aug. 2017) (forecast) **2,970** yen

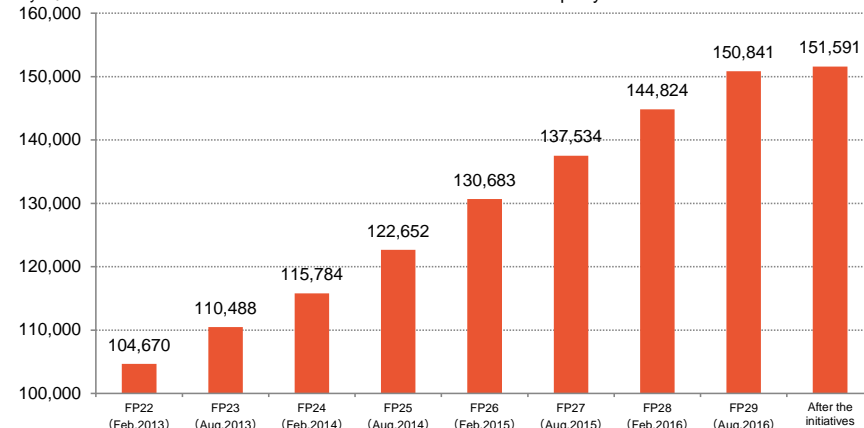


Note1: OJR set a record date on Feb. 28, 2013 and an effective date on Mar. 1, 2013 respectively and split each investment unit into one-fifth.
Actual DPU in FP22 (Feb. 2013) is calculated by dividing DPU as of the fiscal period by 5 and then it's rounded off to the nearest whole number.
Note2: Amount related to capital gain are deducted in the above-mentioned figures.

▶ Increase of NAV per unit

■ NAV per Unit :

after consideration of internal reserve
FP22 (Feb. 2013) **104,670** yen (Note) $\xrightarrow{+10.8\% \text{ per year}}$ after the initiatives **151,591** yen

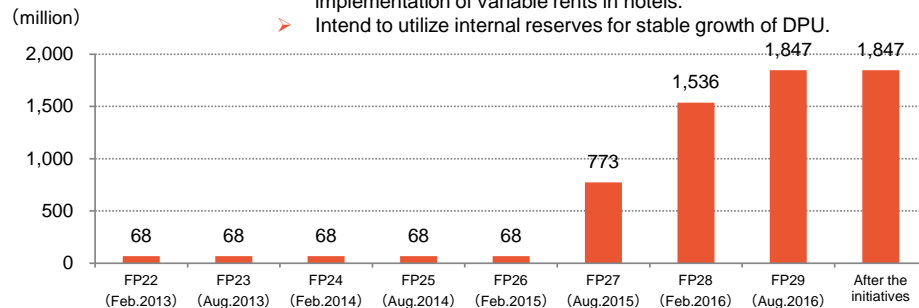


(注) OJR set a record date on Feb. 28, 2013 and an effective date on Mar. 1, 2013 respectively and split each investment unit into one-fifth. NAV per unit after consideration of internal reserve as of FP22 (Feb. 2013) is calculated by dividing NAV per unit in the fiscal period by 5 and then rounded off to the nearest whole number.

■ Internal reserve :

FP22 (Feb. 2013) **68** million $\xrightarrow{\text{after the initiatives}}$ **1,847** million
(Approx. 50 yen per unit) (Approx. 730 yen per unit)

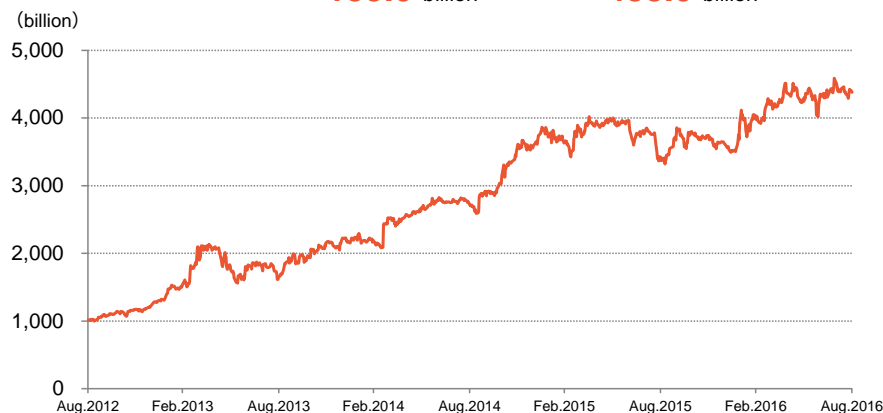
- Equivalent to approx. 25% of DPU forecast as of FP30(Feb. 2017) after the initiatives.
- Accumulate Internal reserves to achieve growth strategy for implementation of variable rents in hotels.
- Intend to utilize internal reserves for stable growth of DPU.



▶ Enhanced the liquidity of the investment units

■ Capitalization :

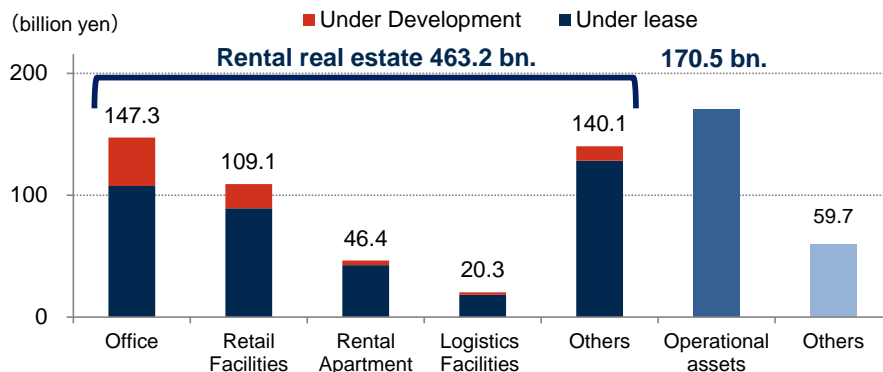
FP22 (Feb. 2013) **155.0** billion $\xrightarrow{2.8 \text{ times}}$ FP29 (Aug. 2013) **438.0** billion



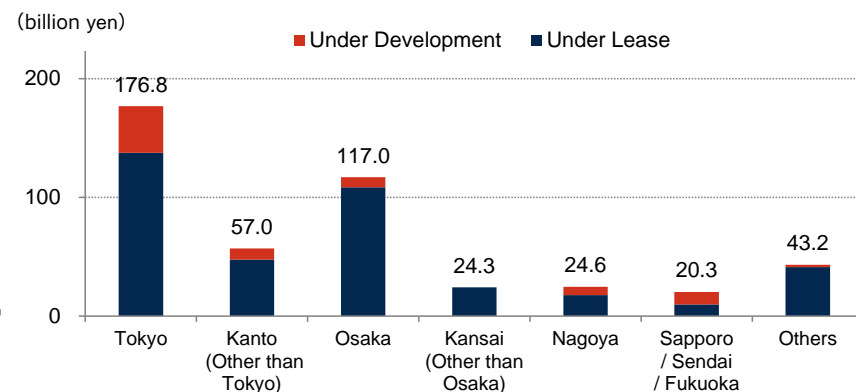
✓ Drive external growth by utilizing ORIX Synergy

ORIX Group's real estate segment assets ^(Note) based on book value as of Jun. 30, 2016

Rental real estate by asset type and operational assets etc.



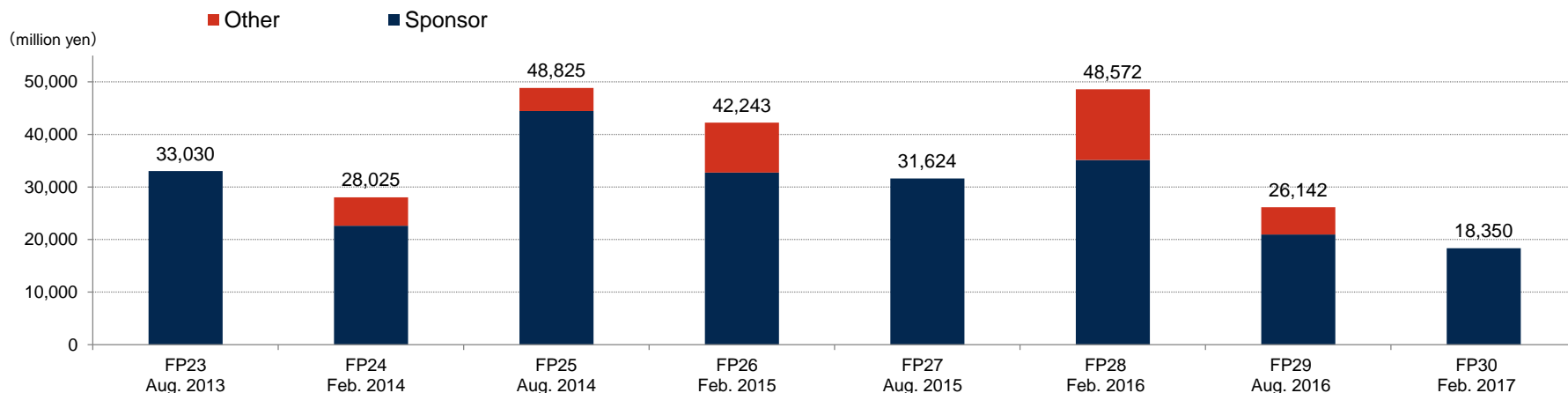
Rental real estate by Region



Note: "ORIX Group's real estate segment assets" is prepared independently by OAM based on "Consolidated Financial Results Supplementary Information for the Three-month Ended June 30, 2016" prepared by ORIX Corporation in Jul. 2016. The definitions of "asset type" and "region" rely on those of ORIX Corporation.

Our track record in asset acquisition from ORIX Group

► Acquisition properties totaled 276.8 billion yen after FP23 (Aug. 2013) that started POs in 8 consecutive fiscal periods. The properties sold by our sponsor account for 86% of the all acquisition properties.



Note1: The figure for FP23 (Aug. 2013) includes "intervillage OH! MAGARI (Silent Partnership Equity Interest)". The figure for FP27 (Aug. 2015) includes "ARK Hills South Tower (Preferred Equity Securities)".

Note2: The figure for FP30 (Feb. 2017) indicates amount of properties acquired in FP30 by the timing of Initiatives.

✓ Leverage ORIX Group's comprehensive expertise such as development, leasing and management in various Asset Types.

Onyado Toho (Aizuwakamatsu City, Fukushima)



Inn

Opened in Mar. 1961

Long-established Inn with open-air hot springs where users can enjoy a whole view of Aizu Basin surrounded by a wealth of nature.

Renovation of the main dining hall, open-air hot spring, chapel and banquet rooms completed by ORIX Group.

HUNDRED CIRCUS East Tower (Hyakunin-cho, Shinjuku-ku, Tokyo)



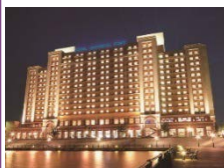
Residential

Hotel, Serviced Apartment

Completed in Aug. 1992

A complex facility composed of rental units, hotel as well as serviced apartment and office.

HOTEL UNIVERSAL PORT (Konohana-ku, Osaka City, Osaka)



Hotel

Opened in Jul. 2005

USJ's official hotel with 600 guest rooms.
3 min walk from JR Universal Studio Station.

Renovation of the main dining hall and guest rooms, together with installation of concept (character) rooms and suite rooms completed by ORIX Group.

Ueno 1-chome Building (Ueno, Taito-ku, Tokyo)



Office

Completed in Sep. 2016

An office located within walking distance from 7 lines of JR and Subway facing Chuo-dori avenue.

Naha Shin-Toshin Center Building (Naha City, Okinawa)



Office

Hotel

Completed in Jul. 2011

A complex facility located in Naha Shin-Toshin Omoromachi, jointly developed by Daiwa House Group and ORIX Group.

(Tentative name) New Kyobashi Project (Hatchobori, Chuo-ku, Tokyo)



Office

Scheduled for completion in the spring of 2017

A central Tokyo office located within 5 minutes walk distance from Subway Takaracho Station, Kyobashi Station and Hatchobori Station.

SIX HARAJUKU TERRACE (Jingu-mae, Shibuya-ku, Tokyo)



Retail Facility

Opened in Apr. 2015

An urban-type retail facility with tenants such as apparel retailers and restaurants located in "Cat Street Area" that stretches from Omotesando to Shibuya.

S-GATE AKASAKA-SANNO (Akasaka, Minato-ku, Tokyo)



Office

Scheduled for completion in Nov. 2016

A central Tokyo office jointly developed by ORIX Group and THE SANKEI BUILDING CO.,LTD, facing Sotobori-dori.

(Tentative name) Yaesu-dori Project (Hatchobori, Chuo-ku, Tokyo)



Office

Scheduled for completion in the summer of 2017

Office building in central Tokyo facing Yaesu Dori. 4 mins from Hatchobori Station of Tokyo Metro and within walking distance from JR Tokyo Station.



External Growth Strategy

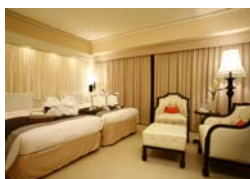
- ✓ Leading domestic brand hotel operated by ORIX Group facing World Heritage “Himeji castle”

OTHER



Hotel Nikko Himeji

NEW



Acquisition Price	4,800million yen
Appraisal value	4,820million yen
NOI Yield	7.1%
Yield after depreciation	5.7%
Occupancy rate	100%
Guest rooms	257 rooms (single rooms : 170)
Type	Other
Address	Himeji-shi, Hyogo
Land space	5,353.41m ²
Building space	35,011.19m ²
Construction	Steel-frame reinforced concrete with flat roof, 15 floors with 1 underground floor
Completion	September 1990
Terms	Fixed-term lease



Location features

- No.1 full-service hotel in Himeji located in front of Shinkansen Himeji Station, with large and small banquet halls, a chapel and fitness facilities held and operated by ORIX group since 2007.
- With a population of 530 thousand, Himeji features as an industrialized city where manufactures concentrate on the coastal region, and functions as the economic and business center of the Western Hyogo and Banshu area.
- Himeji castle, Japan's first registered World Heritage, is within walking distance. Selected as No.1 in “TripAdvisor Best Castle Ranking 2016”, Himeji castle enjoys high recognition among foreigners and welcomed around 2.8 million domestic and international travelers in 2015.
- The contribution to room demand from business travelers and tourists are 60% and 40% respectively, and inbound travelers account for around 15% of the room demand. FY2015 saw an ADR^(Note1) of approx. 9,600 yen and a hotel room occupancy rate of approx. 83%.

Tenant features

- “Nikko” is the largest Japanese chained-brand hotel in Asia, and has strong presence among Asian tourists.

Wide map around Himeji. *Photos show “World Heritage”



Lease scheme

- Variable rent is set up based on GOP^(Note2) of Hotel parts.
- The ratio of fixed and variable rents is about half and half according to the Appraisal report.



Note1: The Average Daily Rate(ADR) is calculated by dividing the total revenue from the hotel accommodation division (excl. service fees) during a certain period by the total number of rooms sold.

Note2: “GOP” stands for Gross Operating Profit, which is calculated by deducting expenses relating to the hotel operation (operation outsourcing<MC fee>, personnel, utilities, advertising and other miscellaneous costs) from the revenue of the hotel.

- OFFICE



Feb. 2017 (FP30)



Type	Office
Address	Jingumae, Shibuya-ku, Tokyo
Land space	1,797.68m ²
Building space	6,440.85m ²
Construction	Reinforced concrete , flat roof, 5 floors with 4 underground floors
Completion	December 1991



- The office block is occupied by a major IT company.
- The road-side retail space is occupied by a dealer of luxury imported cars and a seminar facility.

-
- (yen/tsubo)
- Average assumed achievable rent (left axis)
- Vacancy rate (right axis)
- (%)
- 40,000
- 30,000
- 20,000
- 10,000
- 0
- 16
- 12
- 8
- 4
- 0
- 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016
- 1Q 1Q 1Q 1Q 1Q 1Q 1Q 1Q 1Q 1Q 1Q 1Q

Reference : Data from CBRE Inc.

- ✓ A complex facility consisted of office and retail areas located in the center of Kagoshima City
- ✓ Upper floors converted from retail spaces to office spaces by ORIX Group

OFFICE



Albore Kagoshima

Aug. 2016 (FP29)



Acquisition Price	1,300million yen
Appraisal value	1,510million yen
NOI Yield	6.9%
Yield after depreciation	5.4%
Occupancy rate	100%

Type	Office
Address	Kagoshima-shi, Kagoshima
Land space	963.35m ²
Building space	5,113.55m ²
Construction	Steel-frame, reinforced concrete, flat roof, 6 floors with 1 underground floor
Completion	November 2007



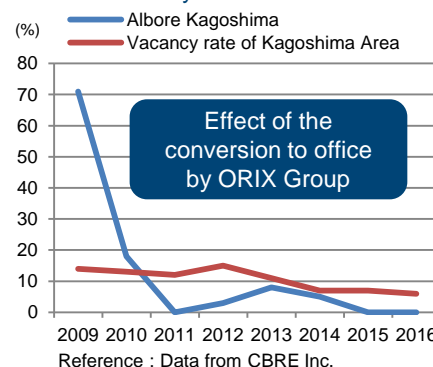
Location features

- The Property is located in the “Tenmonkan” area, which is the central business and retail district of Kagoshima City, which has a population in excess of 600 thousand people. Conveniently located only approx. 1-minute walk from “Izurodori” Stop, which is the closest stop on the Kagoshima City Tram and 5 stops and approx. 11 minutes from “Kagoshima-Chuo ekimae” Stop.
- The surrounding area is a shopping district with department stores, large shopping malls, and shops catering to local residents. The area is close to financial district where is home to the main branch of local financial institutions as well as civil service district such as City Hall. Demands from both of offices and retails can be expected.
- In 2010, ORIX Group converted the upper floors to office space with approx. 170 tsubo (561 m² of standard floor), ceiling heights of 2,800 mm and raised flooring of 100 mm as OA floor.
- Office vacancy rate of central Kagoshima City is at a low level of 5.6% as of the end of March 2016 and new supply such as large-scale development is expected to be limited. Lately built properties are also scarce.
- The neighborhood features arcades, protecting visitors from rain and falling ash from “Sakurajima” volcano.

Tenant features

- There are 12 tenants including a call center, a law firm, and a finance business on the 4th to 6th office floor and a drug store, hairdresser, and beauty salon on the 1st to 3rd retail floor.
- The office area comprises 53% of the total leased space compared to the retail area’s 47%, accounting for 33% of the rental income as opposed to the retail area’s 67%.

Office vacancy rate



New Acquisitions



19

- ✓ An urban-type retail facility located in Tenjin area where the largest shopping district in Kyushu
- ✓ Housing a large apparel name's flagship store & first outlet in Kyushu as its main tenant

RETAIL

PRIZE TENJIN

Feb. 2017 (FP30)

Acquisition Price	4,550million yen
Appraisal value	4,740million yen
NOI yield	4.7%
Yield after depreciation	4.0%
Occupancy rate	100%
Type	Retail Facility
Address	Chuo-ku, Fukuoka-shi, Fukuoka
Land space	470.34m ²
Building space	2,914.80m ²
Construction	Steel-frame with flat roof, 7floors with 1 under-ground floor
Completion	August 2009
Terms	Fixed-term lease



Location features

- The property is an urban-type retail facility located in Tenjin, the largest shopping district in Kyushu, located within an approx. 1-minute walk from "Nishitetsu Fukuoka (Tenjin)" Station on the Tenjin-Omuta Line and 2-minute walk from "Tenjin-Minami" Station on the Fukuoka City Subway Nanakuma Line.
- Tenjin area is a giant commercial area where department stores, various retail facilities and luxury brand stores are featured and shoppers gather not only from Fukuoka City but also from neighboring prefectures. It can take in demand from office workers since it is an area where the Fukuoka City Hall as well as various offices such as banks concentrate.
- The property has a high visibility facing "Kokutai-doro" street that connects the Tenjin area and JR "Hakata" Station and has excellent promotion effect of tenant images with glass facade.
- Further enhancement of convenience in the area is expected, as the extension to JR "Hakata" Station on the Fukuoka City Subway Nanakuma Line is in progress.

Tenant features

- The first to third floors are occupied by the Kyushu flagship store of a major men's clothing store, the master lessee of entire the property, and the upper floors are occupied by family restaurants and other retail tenants.

■ Extension project of the subway Nanakuma Line.

The project is to extend from "Tenjin-minami" station to JR "Hakata" Station. The operation will commence in 2020. It will contribute to get accessible to the entire Kyushu area through JR "Hakata" station.

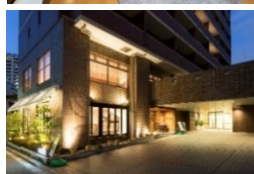
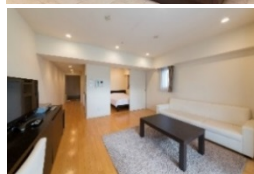
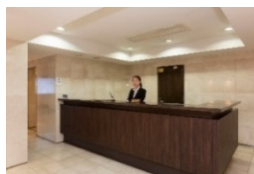


- ✓ Located in a high-end residential area, with great convenience for but limited supply of serviced apartments
- ✓ A serviced apartment with features of both a hotel and a rental apartment, where we can leverage our sponsor group's operating expertise

OTHER

TAKANAWA DUPLEX C's

Aug. 2016 (FP29)



Acquisition Price	2,830million yen
Appraisal value	2,840million yen
NOI Yield	5.0%
Yield after depreciation	4.1%
Occupancy rate	100%

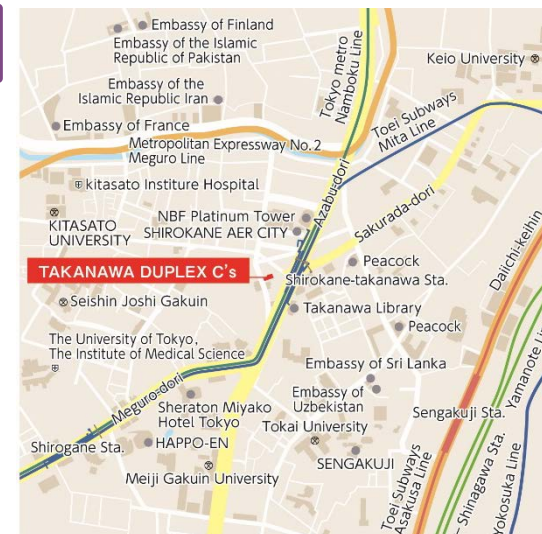
Type	Other
Address	Shirokane, Minato-ku, Tokyo
Land space	865.57m ²
Building space	4,404.33m ²
Construction	Reinforced concrete with flat roof, 13floors
Completion	August 2005
Terms	Land : Lease hold Building : Fee simple ownership

Location features

- The property is located approx. 3-minute walk from "Shirokane-Takanawa" Station on Tokyo Metro Namboku Line and Toei Mita Line. Despite being in central Tokyo, the surrounding areas offer a quiet living environment. The property stands close to various business areas in Tokyo, such as the Roppongi/Akasaka area and Shinagawa where many foreign companies are concentrated. It also boasts easy access to airports as there are limousine bus services from/to both Haneda Airport (Tokyo International Airport) and Narita International Airport available nearby.
- With a commercial facility housing a high-end supermarket, convenience store, drug store, restaurants along with other facilities, the location offers high living convenience for guests staying for short-term as well as long-term, closely situated to "Shirokane-Takanawa" Station.
- Serviced apartments are furnished rental apartments that provide hotel-like services such as front desk service, room cleaning and offer a more affordable stay compared to hotels.
- In times of economic recession, the property can be managed as a rental apartment to seek maintaining stable operation.

Tenant features

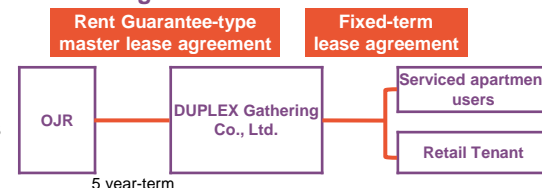
- DUPLEX Gathering Co., Ltd. is the lessee and the serviced apartment operator.
- The property takes in demand of a broad range of end users including individuals/companies in Japan and abroad. Much of the demand comes from airport-related companies and foreign companies with headquarters located nearby, as well as from European/American/Australian nationals. As the property accommodates various needs by allowing for a stay from as short as one month to over one year, stable operation can be expected.
- An Italian restaurant is housed on the 1st floor.



General Features of Serviced Apartment

	Hotel	Serviced Apartment	Rental Apartment
Contract term	On a daily basis	On a monthly basis	2 years
Key money			
Security deposit	Not necessary	Not necessary	Necessary
Joint guarantor	Not necessary	Not necessary	Necessary
Front desk	Yes	Yes	No
Furniture	Furniture only for staying nights	Furniture for daily living	No furniture
Kitchen	No	Yes	Yes
Room cleaning service	Yes	Yes	No
Utilities payment	Not necessary	Not necessary (included in rent)	Necessary

Leasing scheme

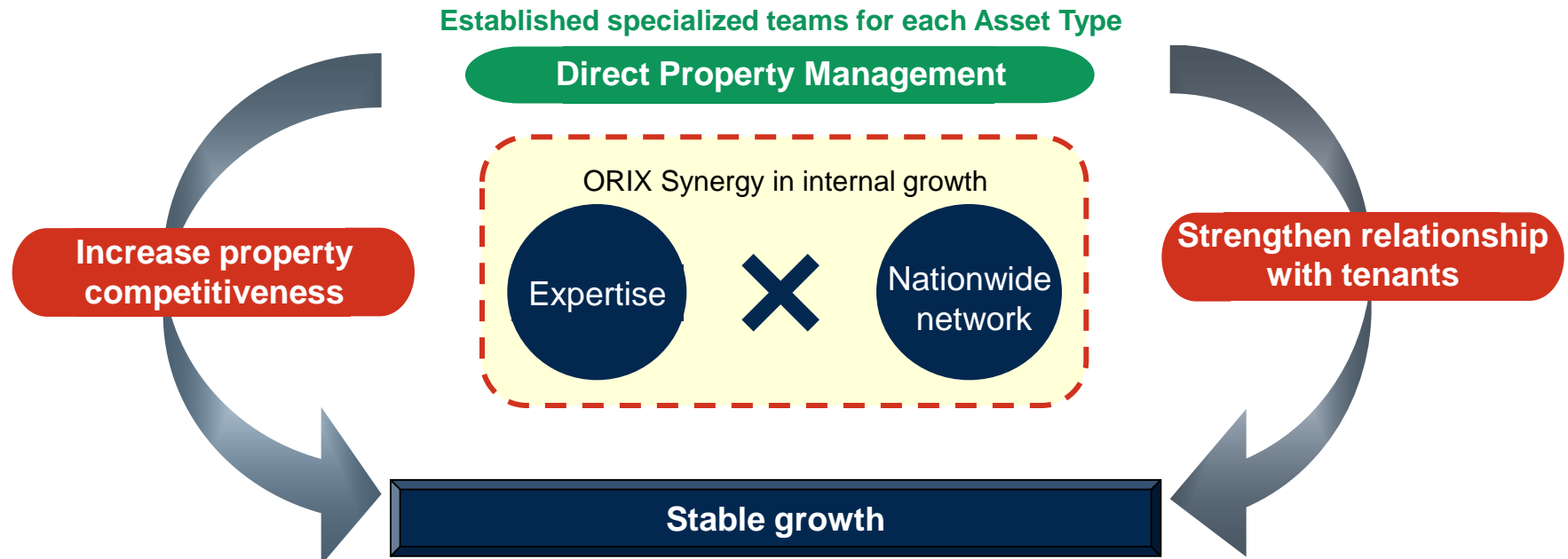




Internal Growth Strategy

- ✓ Achieve rent increase in more diverse asset classes and types, by foreseeing and taking advantage of environmental changes through Direct Property Management, leveraging ORIX Synergy

Management policy leveraging Direct Property Management



Specific measures of Direct PM

Increase property competitiveness	Strengthen relationship with tenants
<ul style="list-style-type: none"> ● Flexible in leasing ⇒ Subdivision of rentable areas, the change of use, etc. ● Tenant merchandising ⇒ Attracting tenants whose business types are currently lacking and those having high-synergy with existing tenants ● Strategic use of CAPEX ⇒ Improvement of exterior, installment of energy saving equipment, etc. 	<ul style="list-style-type: none"> ● Understand tenants' business ● Identify potential needs of tenants ● Increase tenant satisfaction ⇒ Business matching, etc. with ORIX Group

- ✓ Despite impacts from large tenants' departure in FP29(Aug. 2016) and FP30(Feb.2017), office occupancy rates is expected to hover around 97% in FP29 (Aug. 2016) and after as a result of our leasing efforts

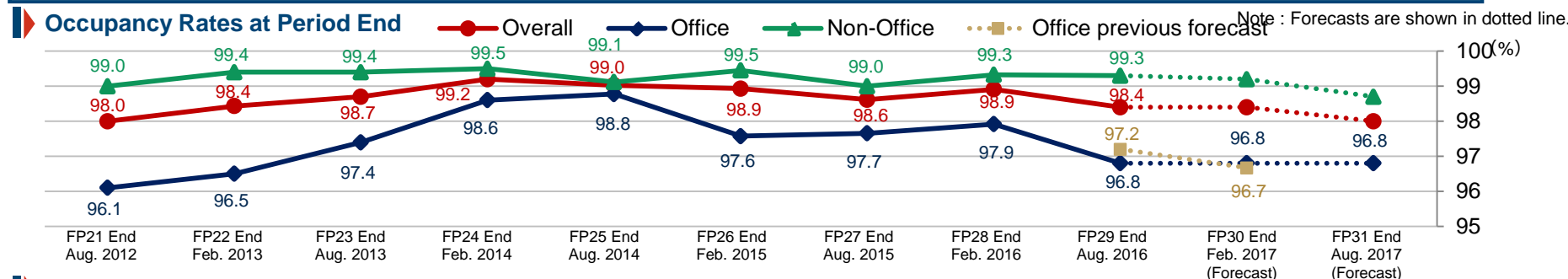
Assumptions for forecasts

Assumptions for Tenant Move-in

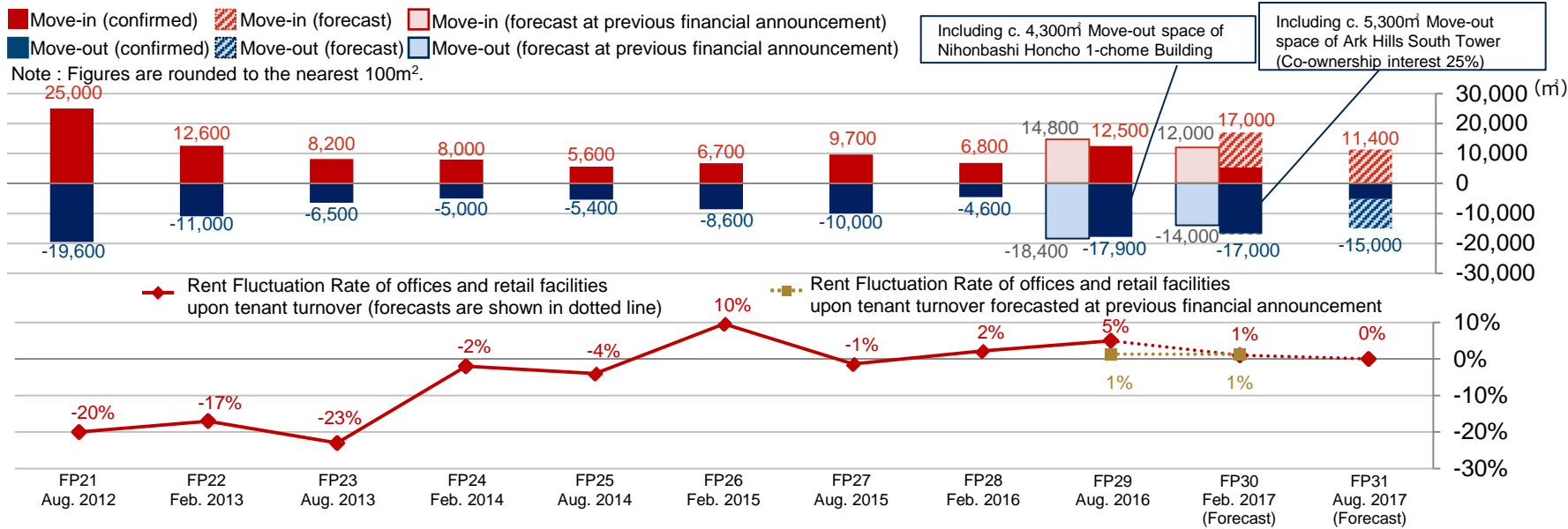
- Move-in spaces are forecasted with consideration to the confirmed contracts (both increased and decreased rent revisions), as well as tenants' inquiries and conditions of the leasing market

Assumptions for Tenant Move-out

- Move-out spaces are forecasted with consideration to the confirmed contracts (both increased and decreased rent revisions), as well as tenants' inquiries and conditions of the leasing market



Above) Move-in / Move-out Space, Below) Rent Fluctuation Rate of offices and retail facilities only upon Tenant Turnover



- ✓ Rent revisions : Achieved upward rent revision for approx. 13,700m² in FP29 (Aug. 2016)
- ✓ Rent Fluctuation Rate: Achieved approx. +9% net increase in FP29, upwardly revised from +6% forecast at previous financial announcement

Assumptions for forecasts

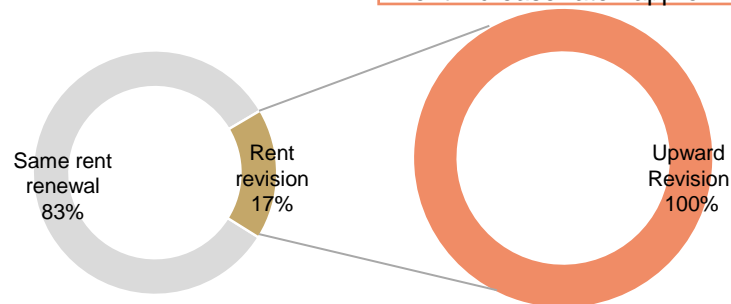
Assumptions for Upward Rent Revision and Downward Rent Revision

- Upward rent revisions and Downward rent revisions are forecasted at a certain level with consideration to the confirmed contracts, as well as the rent gap from the market and negotiation status

Existing Tenants' Rent Revision Space (offices and retail facilities only)

<FP29 (Aug. 2016) >

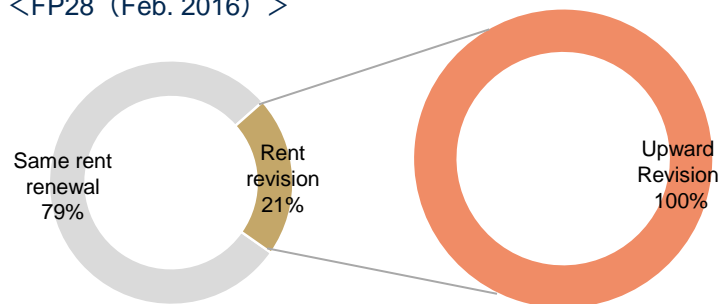
Spaces with upward rent revision: approx. 13,700m²
Rent increase rate : approx. 9%



Total Space : approx. 78,300m²

Spaces with downward rent revision : 0m²

<FP28 (Feb. 2016) >

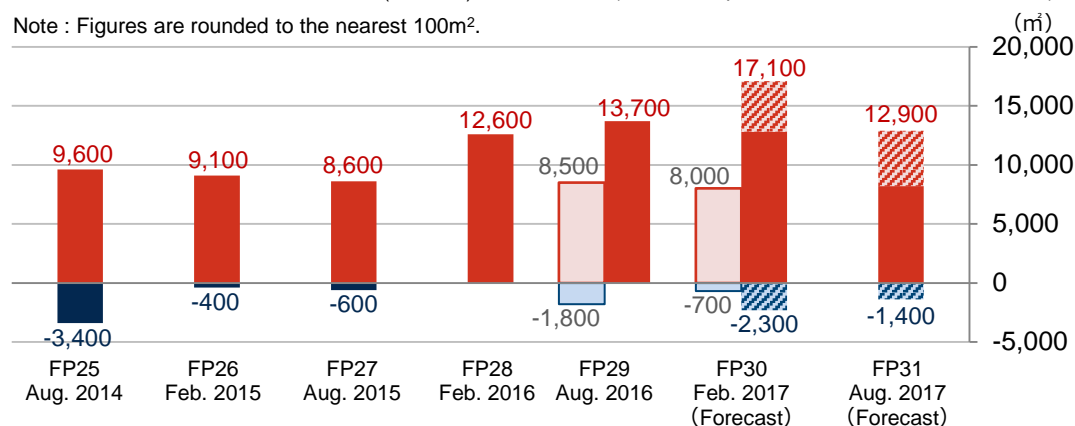


Total Space : approx. 59,400m²

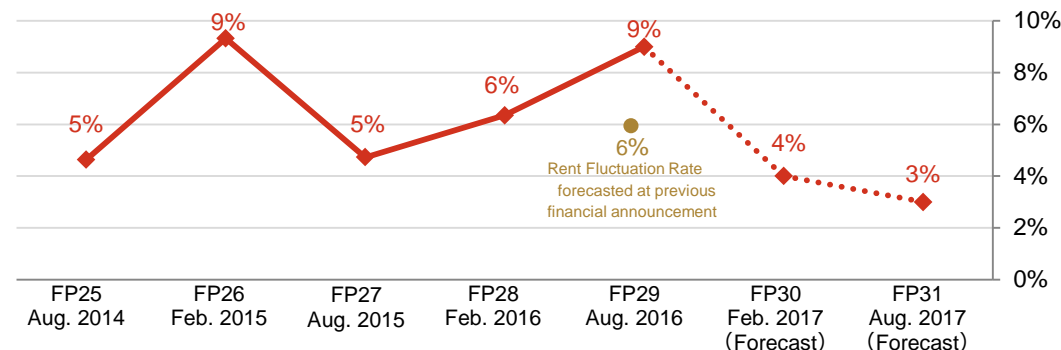
Existing Tenants' Rent Revision Space (offices and retail facilities only)

- Upward (confirmed) ■ Upward(forecast) ■ Upward(forecast at previous financial announcement)
- Downward (confirmed) ■ Downward(forecast) ■ Downward(forecast at previous financial announcement)

Note : Figures are rounded to the nearest 100m².



Rent Fluctuation Rate of offices and retail facilities



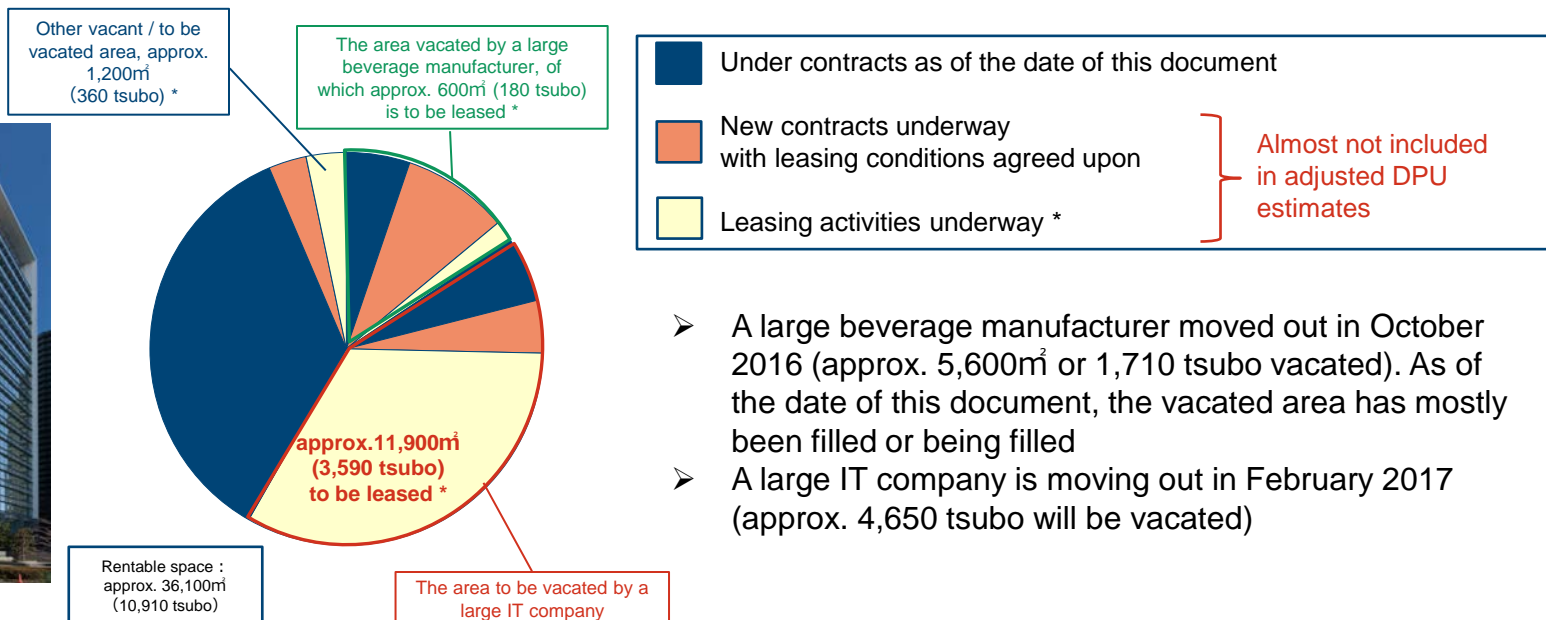
- ✓ Vacancies have been filled steadily after the departure of large tenants

Nihonbashi Honcho 1-Chome Building



- A leasing company, which occupied approx. 4,300m², moved out in March 2016 (approx. 1,310 tsubo on 9 floors, representing nearly 85% of the total rentable space)
- About 86% of the vacated space has been filled with new contracts as of the date of this document; the area left vacant is approx. 600m² (approx. 190 tsubo)
- The newly contracted area is leased to 6 tenants, which helps diversify the tenant base

ARK Hills South Tower (25% co-owned. Figures in the chart represent the total floor area)



- A large beverage manufacturer moved out in October 2016 (approx. 5,600m² or 1,710 tsubo vacated). As of the date of this document, the vacated area has mostly been filled or being filled
- A large IT company is moving out in February 2017 (approx. 4,650 tsubo will be vacated)

✓ Internal growth has been progressing steadily backed by direct PM

Office

[Continued upward rent revisions]

Round-Cross Shibuya

(Shibuya-ku, Tokyo)



- An office building in the Shibuya area where vacancy rates are falling sharply and unit rent is recovering rapidly
- Rents increased by 9% on average for 8 properties from FP25 (Aug. 2014) to FP26 (Feb. 2015)
- Rents increased by 19% on average for 7 properties since FP27 (Aug. 2015), as a result of rent revision and tenant replacement

Urban-type retail facility

[Strategic tenant reshuffle]

Cross Avenue Harajuku

(Shibuya-ku, Tokyo)



- A highly visible urban-type retail facility located in front of “Harajuku” Station on the corner lot facing Jingumae-dori and Omotesando
- Rents increased by 21% on average since FP28 (Feb. 2016) through the replacement of a tenant, which had occupied two floors, upon expiration of the fixed-term lease
- The area is leased to 2 tenants through tenants replacement: a beauty clinic, which is highly sensitive to economic conditions, and a “cat café”, which is increasingly popular among inbound tourists

[Upward rent revision for large space] ORIX Real Estate Nishi Shinjuku Building (Shinjuku-ku, Tokyo)



- Contracted area: approx. 7,100m² (2,140 tsubo)
- Further increases in the unit rent expected in the Shinjuku area where vacancy rates have continued to fall and the supply of new office buildings is limited
- The contracted rent rose by 5% in FP30 (Feb. 2017)

Neighborhood Shopping Center (NSC)

[Value enhancement through building extension]

Intervillage OH! MAGAERI

(Kitahiroshima-shi, Hokkaido)



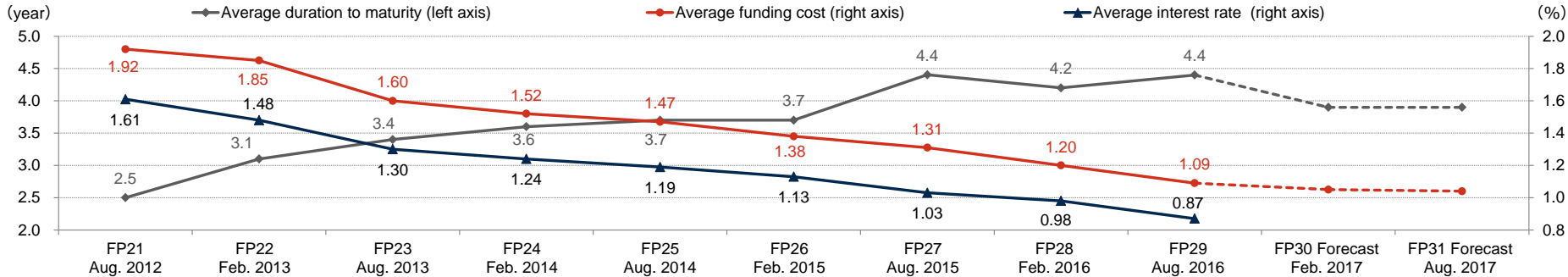
- Signed a contract with ORIX Group on a building extension project using the under-utilized floor-area ratio
- The increased space is expected to be leased to a fast-food restaurant that can attract families with young children



Financial Strategy

✓ Secure borrowing capacity for flexible future acquisitions and maintain financial stability while reducing financing costs

Average Funding Costs and Average Duration to Maturity



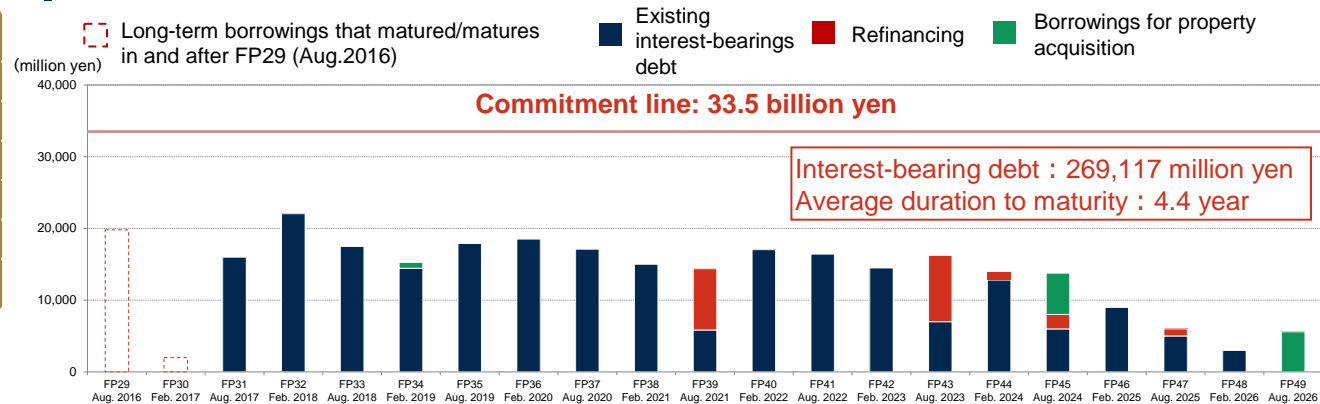
Debt finance in and after FP29 (Aug. 2016)

Draw down date	Period	Loan amount (million yen)	Average interest rate
Mar. 30, 2016	6.4 years	7,300	0.41%
Mar. 30, 2016	9.2 years	7,737	0.61%
May 31, 2016	8.5 years	3,630	0.49%
July 27, 2016	6.5 years	5,000	0.30%
Sep. 28, 2016	7.8 years	2,000	0.43%
Total/Average	7.7 years	25,667	0.46%

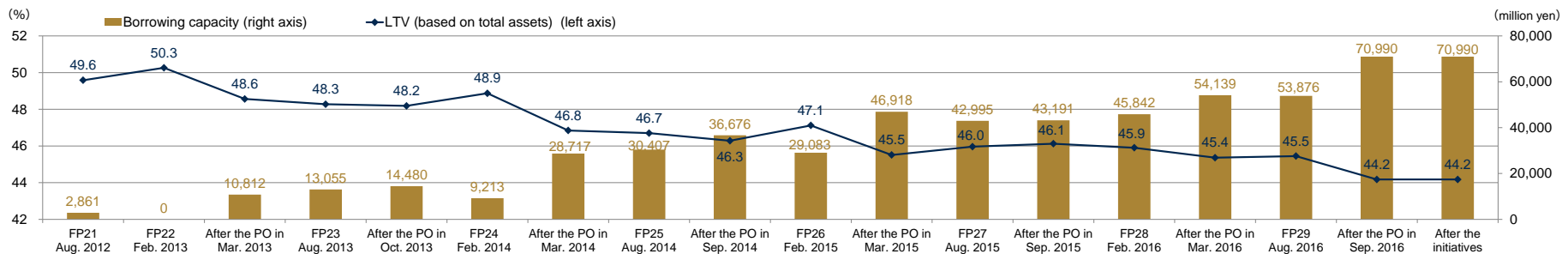
Note : The above chart shows the actual total fixed-interest debt amount calculated by adding each amount executed in and after the end of Aug. 2016. Each period and average interest rate are weighted average amounts based on loan amount. Each figure is rounded to the first decimal place.

Maturity and Duration of Interest-bearing debt

As of financial announcement on Oct. 17, 2016



LTV (Based on Total Assets) and Borrowing Capacity





Future Management Tactics

✓ Execute various strategies to create unitholder value

Asset

Internal Growth Strategy

■ Environmental Perceptions

- Vacancy rates of office building in Tokyo is low and rent level is on a gradually recovering trend, though large supply remains a concern
- Mid-to-long term growth in retail and hotel sectors is expected as a result of increasing inbound visitors, despite temporary impact from yen appreciation

■ Management Tactics

- Seek to achieve stable occupancy and improvement in leasing conditions by leveraging our strengths in each asset type

External Growth Strategy

■ Environmental Perceptions

- Competition for asset acquisition continues to be overheated and chances to invest in prime properties are scarce

■ Investment Tactics

- Enhance our portfolio quality (measured by profitability, stability and growth potential) by leveraging the 3 pillars of our strengths – “Diversified REIT”, “ORIX Synergy” and “Operational Expertise”
- Focus on assets with high growth potential (office/retail/hotel) under our policy of “selective investment in various asset types”
- Continue to consider flexible replacement strategy (disposal of some properties with concerns on future competitiveness or relatively low profitability)

Debt

Financial strategy

■ Environmental Perceptions

- Financing environment remains positive with low interest due to monetary easing policies

■ Management Tactics

- Reduce financing costs while maintaining financial stability
- Secure borrowing capacity for flexible future acquisitions
- Utilize free cash flow in property acquisitions and strategic CAPEX

Equity

■ Environmental Perceptions

- Increasing uncertainty from economic and political environment both home and abroad

■ Policy

- Aim for creating unitholder value through a combination of Internal/External Growth Strategies and Financial Strategy
 - Aim to enhance our DPU, NAV per unit and the liquidity of our units
 - Set aside internal reserves from capital gains to stabilize our financial status



Appendix

Actual Financial Highlights

32

(million yen)

	FP25 (Aug. 2014)	FP26 (Feb. 2015)	FP27 (Aug. 2015)	FP28 (Feb. 2016)	FP29 (Aug. 2016)
Operating Revenues	15,786	17,028	19,403	19,895	20,365
Operating Income	6,918	7,469	9,121	9,369	9,155
Ordinary Income	5,129	5,776	7,275	7,705	7,591
Net Income	5,120	5,762	7,252	7,698	7,575
Unitholders' Capital	215,092	234,589	252,424	264,720	280,753
Net Assets	220,281	240,421	259,747	273,193	289,865
Total Assets	460,763	504,894	532,695	559,742	592,110
Number of issued investment units (unit)	1,966,174	2,120,884	2,235,735	2,320,701	2,421,323
Net Assets per Unit (yen)	112,036	113,359	116,180	117,720	119,714
Distribution per Unit (yen)	2,604	2,717	2,929	2,989	3,000
Net Asset Value per Unit (yen) ^(Note1)	122,618	130,651	137,188	144,162	150,078
Net Asset Value per Unit (yen) ^(Note2) (after consideration of internal reserve)	122,652	130,683	137,534	144,824	150,841

(million yen)

	FP25 (Aug. 2014)	FP26 (Feb. 2015)	FP27 (Aug. 2015)	FP28 (Feb. 2016)	FP29 (Aug. 2016)
Acquisition price	459,944	502,187	525,399	558,056	582,478
Number of properties	89	96	97	102	106
NOI yield	5.1%	5.0%	5.0%	4.9%	5.1%
Yield after depreciation	3.8%	3.8%	3.8%	3.8%	4.0%
Unrealized gain/loss	25,996	42,507	54,293	69,837	82,635
Funds From Operation	8,404	9,341	9,675	10,549	11,447
Depreciation	3,192	3,487	3,629	3,718	3,860
Finance Lease Cost	90	91	92	86	74
CAPEX	699	624	253	794	454
Free Cash Flow	2,583	2,954	3,467	3,010	3,479

Note1: "Net Asset Value per unit" refers to the amount calculated by the following formula at any given point in time.

(The sum of unitholders' capital + unrealized gain/loss) ÷ number of issued investment units

Note2: "Net Asset Value per unit (after consideration of internal reserve)" refers to the amount calculated by the following formula at any given point in time.

(The sum of unitholders' capital + unrealized gain/loss + accumulated internal reserves) ÷ number of issued investment units

FP28 (Feb. 2016) – FP31 (Aug. 2017) Profit and Loss

33

(million yen)					
	Actual for FP28 (Feb. 2016)	Actual for FP29 (Aug. 2016)	Forecast for FP30 (Feb. 2017)	Forecast for FP31 (Aug. 2017)	
Rental revenue	16,705	17,892	18,631	18,801	
Other operating revenue	2,235	2,410	2,381	2,510	
Gains on sale of real estate properties	954	62	-	-	
Total Operating revenue	19,895	20,365	21,013	21,311	
Property management cost	1,655	1,876	2,027	1,993	
Utility cost	1,375	1,682	1,913	2,022	
Property-related taxes	1,320	1,424	1,416	1,741	
Repair cost	450	426	453	403	
Depreciation	3,718	3,860	3,971	3,971	
Others	499	400	487	512	
Property-related expense	9,020	9,669	10,270	10,646	
Asset management fee	1,151	1,220	1,298	1,328	
Administrative service fee	163	156	166	165	
Other expense	189	164	175	185	
Expenses other than property-related expense	1,505	1,540	1,639	1,679	
Total operating expense	10,525	11,210	11,910	12,325	
Operating income	9,369	9,155	9,102	8,985	
Non-operating income	5	4	2	2	
Financing-related cost ^(Note1)	1,625	1,521	1,456	1,463	
Issuance costs of new investment units	36	38	41	-	
Other expense	7	8	14	7	
Non-operating expense	1,669	1,568	1,512	1,471	
Ordinary income	7,705	7,591	7,592	7,516	
Extraordinary income or loss	-	-	-	-	
Income before income taxes	7,705	7,591	7,592	7,516	
Provision for income taxes	6	16	19	19	
Net income	7,698	7,575	7,573	7,497	
Balance brought forward income	1	0	0	0	
Unappropriated retained earnings or unappropriated processing loss (Δ)	7,700	7,575	7,574	7,498	

Note1: The figures refer to the sum of interest expenses, interests on investment corporation bonds, depreciations of investment corporation bonds issuance cost and financing-related costs.

[Reference1] Assumption of property-related income / loss from 5 acquired properties^(Note2), which includes in forecasts above.

(million yen)					
	Actual for FP28 (Feb. 2016)	Actual for FP29 (Aug. 2016)	Forecast for FP30 (Feb. 2017)	Forecast for FP31 (Aug. 2017)	Assumption (per FP) based on appraisal value at the time of acquisitions ^(Note3)
Rental revenues	-	53	501	666	
Other operating revenue	-	3	28	30	
Total property-related rental revenue	-	57	530	697	709
Total property-related expense	-	21	184	245	217
Property-related taxes	-	-	-	36	35
depreciation	-	9	79	90	88
Property-related rental income / loss	-	36	345	451	492

Note2: "5 acquired properties" refers to "TAKANAWA DUPLEX C's", "Albore Kagoshima", "Gaien Nishi-dori Building", "PRIZE TENJIN" and "Hotel Nikko Himeji."

Note3: The figures are calculated based on appraisal values and depreciation amounts assumed by OJR at the time of decision to acquire properties.

[Reference2] Assumption of property-related income / loss from 1 disposed property, which includes in forecasts above: Capital gain and deletion of rental income.

(million yen)				
	Actual for FP28 (Feb. 2016)	Actual for FP29 (Aug. 2016)	Forecast for FP30 (Feb. 2017)	Forecast for FP31 (Aug. 2017)
Property-related rental income / loss	-	53	-29	-28

Note4: "1 disposed property" refers to "Nihonbashi East Building".

* Capital Gain: 62 million yen

Variance between actual and previous forecast for FP29 (Aug. 2016)

	Operating Revenue	Net Income		DPU	
				Amount related to capital gains /unit ^(note1)	DPU excluding amount related to capital gains
Previous forecast (A)	20,297 million yen	7,021 million yen	2,900 yen		2,900 yen
Actual (B)	20,365 million yen	7,575 million yen	3,000 yen	-102 yen	3,102 yen
Change (C)=(B)-(A)	+68 million yen	+553 million yen	+100 yen	-102 yen	+202 yen
Percentage change (C)/(A)	+0.3%	+7.9%	+3.4%		+7.0%

Breakdowns of Variance

(million yen)

	Effect of on-going operations	Effect of initiatives through PO in Sep. 2016	Total (Breakdown of change in net income)
Increase of contribution of 6 properties acquired in the PO in Sep. 2016, such as decrease in cost of "Hamamatsu Act Tower"	+87		+87
Increase of contribution of 1 acquired property (Sapporo)	+43		+43
Contribution of 2 acquired properties (Takanawa, Kagoshima)		+36	+36
Capital gains of 1 disposed property (Nihonbashi East)		+53	+53
Total of external growth factors	+130	+90	+220
Increase in rental revenue from existing properties	+9		+9
Increase in revenue from utility cost for existing properties	+121		+121
Decrease in repair cost for existing properties	+10		+10
Decrease in management cost such as tenant advertisement cost for existing properties	+46		+46
Decrease in loss on retirement of existing properties	+13		+13
Others	+80		+80
Total of internal growth factors	+282		+282
Decrease in Issuance cost of new investment units	+11		+11
Others	+48	- 9	+39
Total of financial strategy factors	+59	- 9	+50
Total (a)	+472	+81	+553
Net income forecasted at previous financial announcement (b)	7,021		7,021
Net income actual (c=a+b)	7,494	+81	7,575
Internal reserve (b') ^(Note2)		+310	310
Distributable profit (c'=c-b')	7,494	- 229	7,264
Number of issued investment units (d)	2,421,323		2,421,323
DPU actual (yen) (e=c'/d)	3,095	- 95	3,000
DPU forecast at previous financial announcement (yen) (f)	2,900		2,900
Effects on DPU (yen) (e-f)	+195	- 95	+100
Amount related to capital gains / unit (yen) ^(Note1)		- 102	- 102
DPU excl. amount related to capital gains / unit (yen)	+195	+7	+202

Note1: For breakdown of amount related to capital gains, please refer to the following.

(million yen)

	Forecast for FP29 at previous financial announcement	FP29 (Aug. 2016) actual	Change
Capital gains		62	+62
Effect on net income		62	+62
Internal reserve		-310	-310
Effect on distributable profit		-248	- 248
Number of issued investment units (unit)		2,421,323	
Effect on DPU (yen)		-102	- 102

Note2: With the internal reserves, the balance of internal reserves as of the end of FP29 (Aug. 2016) was around 1.8 billion yen.

Note3: As for the definitions of terms, please refer to Definitions on P.56 and after.

Variance between previous and new forecasts for FP30 (Feb. 2017)

	Operating Revenue	Net Income	DPU
Previous forecast (A)	20,571 million yen	7,216 million yen	2,980 yen
New forecast (B)	21,013 million yen	7,573 million yen	3,000 yen
Change (C)=(B)-(A)	+441 million yen	+357 million yen	+20 yen
Percentage change (C)/(A)	+2.1%	+4.9%	+0.7%

Breakdowns of Variance

(million yen)				
	Effect of on-going operations	The initiatives		Total (Breakdown of change in net income)
		Effect of initiatives through PO in Sep. 2016	Effect of additional initiatives	
Increase of contribution of 6 properties acquired in the PO in Mar. 2016 including ahead of the original schedule in Aoyama Suncrest Building	+60			+60
Contribution of 2 acquired properties (Takanawa, Kagoshima)		+94		+94
Decrease in revenue due to the disposition of 1 disposed property (Nihonbashi East)		- 29		- 29
Contribution from 2 acquired properties (Gaien Nishi-dori, Tenjin)		+236		+236
Contribution of 1 acquired property (Himeji)			+13	+13
Others	+3			+3
Total of External growth factors	+64	+302	+13	+380
Increase in rental revenue from existing properties	+1			+1
Decrease in repair cost for existing properties	+38			+38
Others	- 7			- 7
Total of internal growth factors	+32			+32
Generation of issuance cost of new investment units		- 41		- 41
Others	- 10	- 3		- 14
Total of financial strategy factors	- 10	- 45		- 55
Total (a)	+86	+257	+13	+357
Net income forecast at previous financial announcement (b)	7,216			7,216
Net income new forecast (c=a+b)	7,302	+257	+13	7,573
Number of issued investment units (d)	2,421,323	+103,300		2,524,623
DPU new forecast (yen) (e=c/d)	3,016	- 22	+6	3,000
DPU forecast at previous financial announcement (yen) (f)	2,980			2,980
Effects on DPU (yen) (e-f)	+36	- 22	+6	+20

Note: As for the definitions of terms, please refer to Definitions on P.56 and after.

Comparison of Actual for FP28 (Feb. 2016) and FP29 (Aug.2016)

36

Variance between actual for FP28 (Feb. 2016) and FP29 (Aug. 2016)

	Operating Revenue	Net Income	DPU		
			Amount related to capital gains /unit ^(note1)	DPU excluding amount related to capital gains	
Actual for FP28 (Feb. 2016) (A)	19,895 million yen	7,698 million yen	2,989 yen	63 yen	2,926 yen
Actual for FP29 (Aug. 2016) (B)	20,365 million yen	7,575 million yen	3,000 yen	-102 yen	3,102 yen
Change (C)=(B)-(A)	+470 million yen	-123 million yen	+11 yen	-165 yen	+176 yen
Percentage change (C)/(A)	+2.4%	-1.6%	+0.4%		+6.0%

Breakdowns of Variance

(million yen)

	Effect of on-going operations	Effect of initiatives through PO in Sep. 2016	Total (Breakdown of change in net income)
Property-related tax for 6 properties acquired in 2015	- 59		- 59
Annualized contribution of 5 properties acquired in the PO in Sep. 2015	+29		+29
Decease of contribution of 1 acquired property (ARK)	(Note2) -193		- 193
Disappearance of capital gains of 2 disposed properties (Nishi azabu, Kitahama)	- 1,033		- 1,033
Contribution of 6 properties acquired in the PO in Mar. 2016	+693		+693
Contribution of 1 acquired property (Sapporo)	+128		+128
Contribution of 2 acquired properties (Takanawa, Kagoshima)		+36	+36
Capital gains of 1 disposed property (Nihonbashi East)		+53	+53
Others	- 7		- 7
Total of external growth factors	- 442	+90	- 352
Decrease in rental revenue from existing properties	- 116		- 116
Property-related tax for 2 properties acquired in 2015	- 35		- 35
Decrease in repair cost for existing properties	+101		+101
Increase in revenue from utility cost for existing properties	+87		+87
Decrease in loss on retirement of existing properties	+109		+109
Others	+28		+28
Total of internal growth factors	+174		+174
Decrease in early repayment cost	+44		+44
Others	+19	- 9	+10
Total of financial strategy factors	+63	- 9	+54
Total (a)	- 204	+81	- 123
Net income actual for FP28 (b)	7,698		7,698
Net income actual for FP29 (c=a+b)	7,494	+81	7,575
Internal reserve (b) ^(Note3)		+310	310
Distributable profit (c=c-b)	7,494	- 229	7,264
Number of issued investment units (d)	2,421,323		2,421,323
DPU actual for FP29 (yen) (e=c/d)	3,095	- 95	3,000
DPU actual for FP28 (yen) (f)	2,989		2,989
Effects on DPU (yen) (e-f)	+106	- 95	+11
Amount related to capital gains / unit (yen) ^(Note1)	- 63	- 102	- 165
DPU excl. amount related to capital gains / unit (yen)	+169	+7	+176

Note1: For breakdown of amount related to capital gains, please refer to the following.

(million yen)

	FP28 (Feb. 2016) Actual	FP29 (Aug. 2016) Actual	Change
Capital gains	954	62	-891
Early repayment cost	-44	0	+44
Effect on net income	910	62	-847
Internal reserve	-761	-310	+450
Effect on distributable profit	149	-248	-397
Number of issued investment units (unit)	2,320,701	2,421,323	+100,622
Effect on DPU (yen)	+63	- 102	- 165
Net income	7,698	7,575	-123
Effect on net income by capital gains	910	62	-847
Net income (excluding capital gains)	6,788	7,513	+724

Note2: OJR acquired ARK Hills South Tower by exercising the rights of first negotiation in FP28 (Feb. 2016) "(Trust beneficiary interest)". In line with this acquisition, the preferred equity securities of "Hiratsuka Holding Tokutei Mokuteki Kaisha" "(TMK)" were cancelled. Please see below for the breakdowns of revenue contributions based on the aforementioned series of transactions.

(Breakdown of Chang in revenue for ARK Hills South Tower)

(million yen)

	FP28 (Feb. 2016) Actual	FP29 (Aug. 2016) Actual	Change
Profit and loss from investing in TMK from April 10, 2015 to October 14, 2015	238	0	- 238
Rental income upon acquisition of trust beneficiary interest	293	338	+45
Property-related rental income	532	* 338	-193
Financing cost in line with acquisition of trust beneficiary interest	-33	-44	-11
Total	498	294	-203

* Property related rental income as of FP29 (Aug. 2016) stands for the figure after JPY32million deduction for property-related tax for ARK Hills South Tower.

Note3: With the internal reserves, the balance of internal reserves as of the end of FP29 (Aug. 2016) was around 1.8 billion yen.

Note4: As for the definitions of terms, please refer to Definitions on P.56 and after.

Variance between actual for FP29 (Aug. 2016) and forecast FP30 (Feb. 2017)

	Operating Revenue	Net Income		DPU	
				Amount related to capital gains /unit ^(note1)	DPU excluding amount related to capital gains
Actual for FP29 (Aug. 2016) (A)	20,365 million yen	7,575 million yen	3,000 yen	-102 yen	3,102 yen
Forecast for FP30 (Feb. 2017) (B) ^(Note1)	21,013 million yen	7,573 million yen	3,000 yen		3,000 yen
Change (C)=(B)-(A)	+647 million yen	-1 million yen		+102 yen	-102 yen
Percentage change (C)/(A)	+3.2%	-0.0%			-3.3%

Breakdowns of Variance

(million yen)

	Effect of on-going operations	The initiatives		Total (Breakdown of change in net income)
		Effect of initiatives through PO in Sep. 2016	Effect of additional initiatives	
Annualized contribution of 6 properties acquired in the PO in Mar. 2016	+166			+166
Annualized contribution of 2 acquired properties (Takanawa, Kagoshima)		+58		+58
Disappearance of capital gain of 1 disposed property (Nihonbashi East)		- 82		- 82
Contribution of the 2 acquired properties (Gaien Nishi-dori, Tenjin)		+236		+236
Contribution of 1 acquired property (Himeji)			+13	+13
Others	- 7			- 7
Total of external growth factor	+158	+212	+13	+384
Decrease of rental revenue from existing properties	- 45			- 45
Decrease of contribution of 1 acquired property (ARK)	- 95			- 95
Decrease in repair cost for existing properties	+28			+28
Decrease in income utility cost for existing properties	- 121			- 121
Increase in property management cost such as tenant advertisement cost for existing properties	- 26			- 26
Increase in loss of retirement of existing properties	- 14			- 14
Others	- 63			- 63
Total of internal growth factors	- 339			- 339
Increase / Decrease in issuance cost of new investment units	+38	- 41		- 3
Others	- 49	+5		- 44
Total of financial strategy factors	- 11	- 36		- 47
Total (a)	- 191	+176	+13	- 1
Net income actual for FP29 (b)	7,494	+81		7,575
Net income forecast for FP30 (c=a+b)	7,302	+257	+13	7,573
Number of issued investment units (d)	2,421,323	+103,300		2,524,623
DPU forecast for FP30 (yen) (e=c/d)	3,016	- 22	+6	3,000
DPU actual for FP29 (yen) (f)	3,095	- 95		3,000
Effects on DPU (yen) (e-f)	- 79	+73	+6	
Amount related to capital gains / unit (yen) ^(Note1)		+102		+102
DPU excl. amount related to capital gains / unit (yen)	- 79	- 29	+6	- 102

Note1: For breakdown of amount related to capital gains, please refer to the following.

(million yen)

	FP29 (Aug. 2016) Actual	FP30 (Feb. 2017) Forecast	Change
Capital gains	62		-62
Effect on net income	62		-62
Internal reserve	-310		+310
Effect on distributable profit	-248		+248
Number of issued investment units (unit)	2,421,323	2,524,623	+103,300
Effect on DPU (yen)	-102		+102
Net income	7,575	7,573	- 1
Effect on net income by capital gains	62		-62
Net income (excluding capital gains)	7,513	7,573	+60

Note2: As for the definitions of terms, please refer to Definitions on P.56 and after.

Variance between forecasts for FP30 (Feb. 2017) and FP31 (Aug. 2017)

	Operating Revenue	Net Income	DPU
Forecast for FP30 (Feb. 2017) (A)	21,013 million yen	7,573 million yen	3,000 yen
Forecast for FP31 (Aug. 2017) (B) ^(Note1)	21,311 million yen	7,497 million yen	2,970 yen
Change (C)=(B)-(A)	+298 million yen	-75 million yen	-30 yen
Percentage change (C)/(A)	+1.4%	-1.0%	-1.0%

Breakdowns of Variance

(million yen)

	Effect of on-going operations	The initiatives		Total (Breakdown of change in net income)
		Effect of initiatives through PO in Sep. 2016	Effect of additional initiatives	
Asset related tax for 6 properties acquired in 2016	- 18	- 29	- 7	- 55
Annualized contribution of the 2 acquired properties (Gaien Nishi-dori, Tenjin)		+46		+46
Contribution of 1 acquired property (Himeji)			+97	+97
Others	- 21			- 21
Total of external growth factors	- 39	+16	+89	+67
Increase in rental revenue from existing properties	+147			+147
Decrease in revenue from 1 acquired property (ARK)	- 149			- 149
Asset related tax for 5 properties acquired in the PO in Mar. 2016	- 269			- 269
Decrease in repair cost for existing properties	+73			+73
Others	+54			+54
Total of internal growth factors	- 143			- 143
Loss of issuing new investment units cost		+41		+41
Others	- 2	- 37		- 40
Total of financial strategy factors	- 2	+4		+0
Total (a)	- 186	+21	+89	- 75
Net income forecast for FP30 (b)	7,302	+257	+13	7,573
Net income forecast for FP31 (c=a+b)	7,116	+278	+103	7,497
Number of issued investment units (unit) (d)	2,421,323	+103,300		2,524,623
DPU forecast for FP31 (yen) (e=c/d)	2,939	- 10	+41	2,970
DPU forecast for FP30(yen) (f)	3,016	- 22	+6	3,000
Effects on DPU (yen) (e-f)	- 77	+12	+35	-30

Note1: As for details of revenue forecast for FP31 (Aug. 2017), please refer to the following.

(million yen)

Impacts of the initiatives in FP31 (Aug. 2017) forecast

	Effect of on-going operations	The initiatives		Total
		Effect of initiatives through PO in Sep. 2016	Effect of additional initiatives	
Property-related rental income	10,242	+319	+103	10,665
NOI	14,212	+363	+135	14,711
Depreciation and cost for finance lease of property	3,969	+44	+32	4,045
Non-property-related expenses	-1,638	- 40	+0	-1,679
Non-operating profit and loss	-1,468			-1,468
Corporate taxes	-19			-19
Net income	7,116	+278	+103	7,497
Number of issued investment units (unit)	2,421,323	+103,300		2,524,623
DPU (yen)	2,939	- 10	+41	2,970

Note2: As for the definitions of terms, please refer to Definitions on P.56 and after.

✓ Pursue stable DPU growth through a combination of various growth opportunities

▶ Simulations: Potential contribution of each measure to adjusted DPU forecast

Note: The following figures represent the potential effect of each measure on DPU calculated by OAM based on a certain of assumptions. We, however, do not provide any guarantee with respect to the probability, the amount and the timing of such effect. In particular, we can not guarantee that the new acquisitions will be completed with the terms below, since the terms are subject to changes due to the condition of real estate market. DPU may also change due to other factors not listed below.

Effect of Initiatives on portfolio / financial position		Effect of external growth opportunities utilizing diverse funding sources	
0.5% change of rent on existing offices 20 yen/unit	0.1% pt change of funding costs 40 yen/unit	JPY6 bn additional acquisitions by FCF 40 yen/unit	JPY10 bn additional acquisitions by debt 50 yen/unit
➤ DPU impact (Note1) assuming 0.5% net change in our total office rent revenue (approx. JPY10 bn) after all Initiatives, in consideration of tenant turnovers and rent revisions for FP26 (Feb. 2015)- FP29 (Aug. 2016) periods	➤ DPU impact assuming 0.1% pt change in forecast average funding costs for the total debt (approx. JPY269.1 bn) after all Initiatives	➤ DPU impact assuming additional acquisitions with an average yield after depreciation of 3.8% (the actual yield after depreciation for FP26 (Feb. 2015)-FP29 (Aug. 2016) periods), financed by the JPY6.0 bn of annual free cash flow after netting for added AM fees	➤ DPU impact assuming additional acquisitions of JPY10 bn with an average yield after depreciation of 3.8% (the actual yield after depreciation for FP26 (Feb. 2015)-FP29 (Aug. 2016) periods), financed by debt (resulting in 1% increase in LTV) after netting for added AM fees and funding costs

Note1: DPU Impact of the estimated net rent change of only offices, which contributes to more than half of our total rent revenue, are shown in the above simulation, because of a little frequency of tenant replacements or rent revisions of except offices.
Note2: DPU simulations are based on a total of 2,524,623 outstanding units after the Measures.

✓ Pursuing Stable Growth of Unitholder Value through POs by adapting to Favorable Capital Market

Items	FP23 (March 2013)	FP24 (October 2013)	FP25 (March 2014)	FP26 (September 2014)	FP27 (March 2015)	FP28 (September 2015)	FP29 (March 2016)	FP30 (September 2016)
Number of newly issued investment units	168,947 units	96,377 units	278,680 units	154,710 units	114,851 units	84,966 units	100,622 units	103,300 units
	【Breakdown】 Public offering : 160,915 units Third-party allotment : 8,032 units	【Breakdown】 Public offering : 91,788 units Third-party allotment : 4,589 units	【Breakdown】 Public offering : 265,410 units Third-party allotment : 13,270 units	【Breakdown】 Public offering : 147,343 units Third-party allotment : 7,367 units	【Breakdown】 Public offering : 109,381 units Third-party allotment : 5,470 units	【Breakdown】 Public offering : 84,966 units Third-party allotment : 0 units	【Breakdown】 Public offering : 95,830 units Third-party allotment : 4,792 units	【Breakdown】 Public offering : 98,381 units Third-party allotment : 4,919 units
Number of issued investment units (after the issue of new investment units)	1,591,117 units	1,687,494 units	1,966,174 units	2,120,884 units	2,235,735 units	2,320,701 units	2,421,323 units	2,524,623 units
Base Price (closing price of pricing date)	125,800 yen	121,500 yen	126,000 yen	133,500 yen	164,500 yen	156,100 yen	168,800 yen	178,400 yen
Issue Price	122,655 yen	118,462 yen	122,850 yen	130,162 yen	160,387 yen	149,467 yen	164,580 yen	171,112 yen
Total issue price	20,722 million yen	11,417 million yen	34,235 million yen	20,137 million yen	18,420 million yen	12,699 million yen	16,560 million yen	17,675 million yen
Paid-in amount	118,629 yen	114,574 yen	118,818 yen	126,023 yen	155,287 yen	144,714 yen	159,347 yen	165,671 yen
Total paid-in amount	20,042 million yen	11,042 million yen	33,112 million yen	19,497 million yen	17,834 million yen	12,295 million yen	16,033 million yen	17,113 million yen
Date of resolution in authorizing issuance	March 8, 2013	October 15, 2013	March 3, 2014	September 1, 2014	March 2, 2015	August 14, 2015	March 1, 2016	August 15, 2016
Pricing date	March 18, 2013	October 23, 2013	March 11, 2014	September 9, 2014	March 10, 2015	August 24, 2015	March 9, 2016	August 23, 2016
Payment date (Public offering)	March 26, 2013	October 30, 2013	March 18, 2014	September 17, 2014	March 17, 2015	September 1, 2015	March 16, 2016	September 1, 2016
Payment date (Third-party allotment)	April 24, 2013	November 27, 2013	April 16, 2014	October 9, 2014	April 10, 2015	—	April 12, 2016	September 28, 2016

- ✓ Mainly consisted of tenants that executed long-term lease contracts regarding retail and logistic facilities

- ✓ Diversified tenants in offices

Major 10 Tenants in All Property Asset Types

Name of Tenant		Business Type	Property Name	Asset Type	Rented Space (㎡)	Share of Total Rented Space (%)
1	ORIX Corporation	Finance	Round-Cross Akasaka	Office	119,668.87	11.1
			ORIX Shiba 2-chome Building			
			Omiya Shimocho 1-chome Building			
			ORE Sapporo Building			
			ORIX Kobe Sannomiya Building			
			Hamamatsu Act Tower			
			Albore Kagoshima	Retail Facility		
			aune Yurakucho			
			Cross Avenue Harajuku			
			JouLe SHIBUYA			
			aune Ikebukuro ^(Note1)			
			CROSS GARDEN KAWASAKI			
			Morioka Minami Shopping Center Sansa			
			Cross Mall Shimonoseki-Chofu			
			intervillage OH! MAGARI			
			Valor Suzuka Shopping Center			
2	AEON TOWN Co., Ltd	Real Estate	AEON TOWN Sendai- Izumiosawa (Land)	Retail Facility	74,930.65	6.9
3	NIPPON EXPRESS Co., Ltd.	Transportation	Sakai Logistics Center North Building	Logistics Facility	64,004.80	5.9
4	Arcland Sakamoto Co., Ltd.	Retailer	Home Center Musashi Sendai Izumi (Land)	Retail Facility	56,109.95	5.2
5	SENKO Co., Ltd.	Transportation	Ichikawa Logistics Center	Logistics Facility	37,456.96	3.5
6	Okura Nikko Hotel Management Co.,Ltd.	Hotel	Hamamatsu Act Tower ^(Note2)	Office	37,024.51	3.4
7	Keiyo Distribution Warehouse Co., Ltd.	Warehousing	Toda Logistics Center	Logistics Facility	36,158.60	3.3
8	DAIKYO ANABUKI REAL ESTATE INCORPORATED	Real Estate	Round-Cross Minamiazabu ^(Note3)	Office	29,894.04	2.8
			Round-Cross Tsukiji ^(Note3)			
			We Will Hatchobori			
			Belle Face Togoshi Statio			
			Belle Face Kamata			
			Belle Face Hongo Yumicho			
			Belle Face Higashijujo			
9	R.A. Asset Management Inc.	Real Estate	West Park Tower IKEBUKURO	Residential Property	24,053.85	2.2
10	Yamada Denki Co., Ltd.	Retailer	Tecc Land Totsuka(Land)	Retail Facility	20,422.17	1.9
			Kobe Momoyamadai Shopping Center (Land)			
Total					499,724.40	46.3

Note1: OJR changed its property name from “ORE Ikebukuro” to “aune Ikebukuro” on Aug.1, 2016.

Note2: While “Hamamatsu Act Tower” is mainly used as an office, but lease agreement with a tenant stated in the above was executed about the hotel part. Each figure in “Overview of Office Tenants” as of the end of FP29 (Aug. 2016) was calculated by excluding the above tenant.

Note3: While “Round-Cross Minamiazabu” and “Round-Cross Tsukiji” are mainly used as offices, but lease agreements with tenants stated in the above were executed about residential parts.

Overview of Office Tenants

Classification	Rented Space (㎡)	Share of Total Rented Space (%)	Share of Office Space (%)
1st place :ORIX Corporation	10,236.46	0.9	3.0
Top 5 companies total	42,994.74	4.0	12.5
Top 10 companies total	70,906.31	6.6	20.6
Total number of office tenants		826	

Disposition of Property in FP29 (Aug. 2016)

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- ✓ Disposed of one office in view of future competitiveness, with consideration of market situation
- ✓ Set aside internal reserve by utilizing Capital gain in order to stabilize future DPU

Property Name		Area	Buyer	Contract date	Acquisition price (million yen) (Note1)	Disposition price (million yen)	Book value (million yen)	Gain on disposition (million yen)	NOI yield (Note2)	Yield after depreciation (Note2)
Office	Nihonbashi East Building	6 Central Tokyo Wards	A Third Party (Not-disclosed)	Jul. 22, 2016	1,720	1,600	1,518	62	5.0%	3.8%

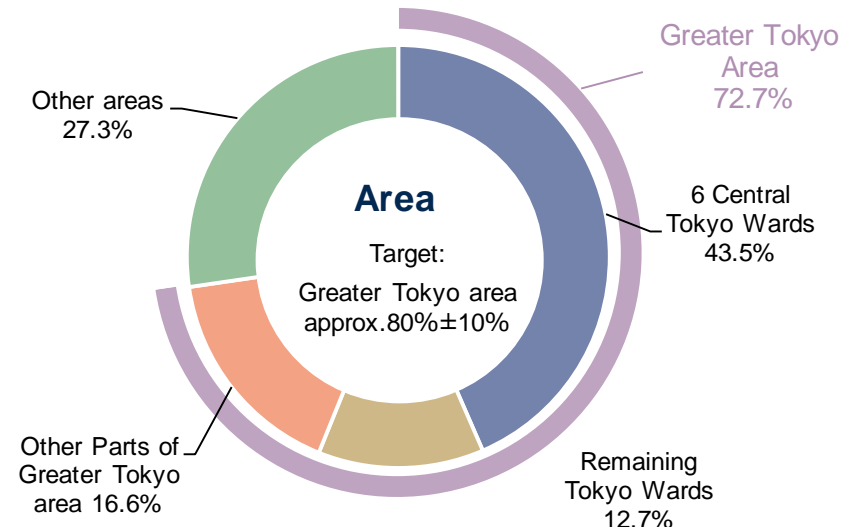
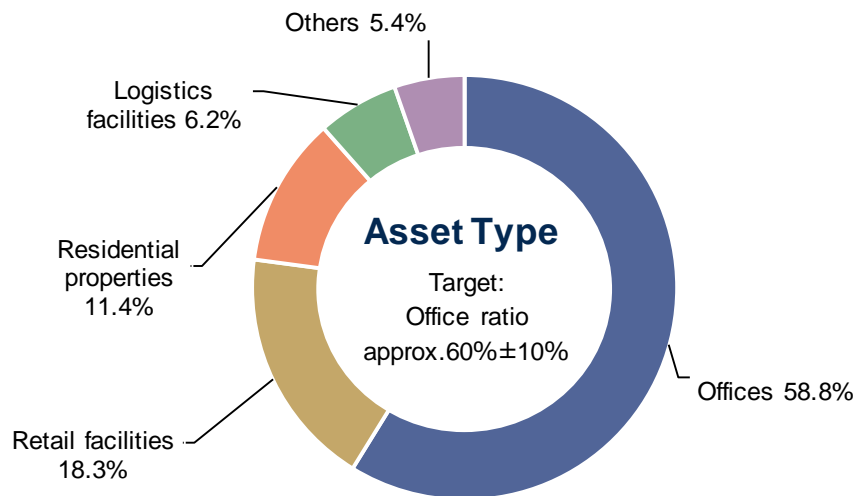
Note1 : "Acquisition price" refers to the price indicated in the sales and purchase agreement, which consumption taxes are not included in the price.

Note2 : Actual figures in FP28 (Feb.2016) are used.

Portfolio Profile (After the initiatives)

	Total acquisition price (billion yen)	Number of properties	Occupancy rate (Note) (%)	NOI yield (%)	Yield after depreciation (%)
Offices	353.3	54	96.9	4.9	3.9
Retail facilities	109.9	29	100	5.7	4.8
Residential properties	68.2	14	95.9	5.1	3.5
Logistics facilities	37.1	5	100	5.6	3.8
Others	32.1	7	99.8	5.7	4.2
Portfolio overall	600.8	109	98.5	5.1	4.0

Portfolio composition (based on acquisition price) (After the initiatives)

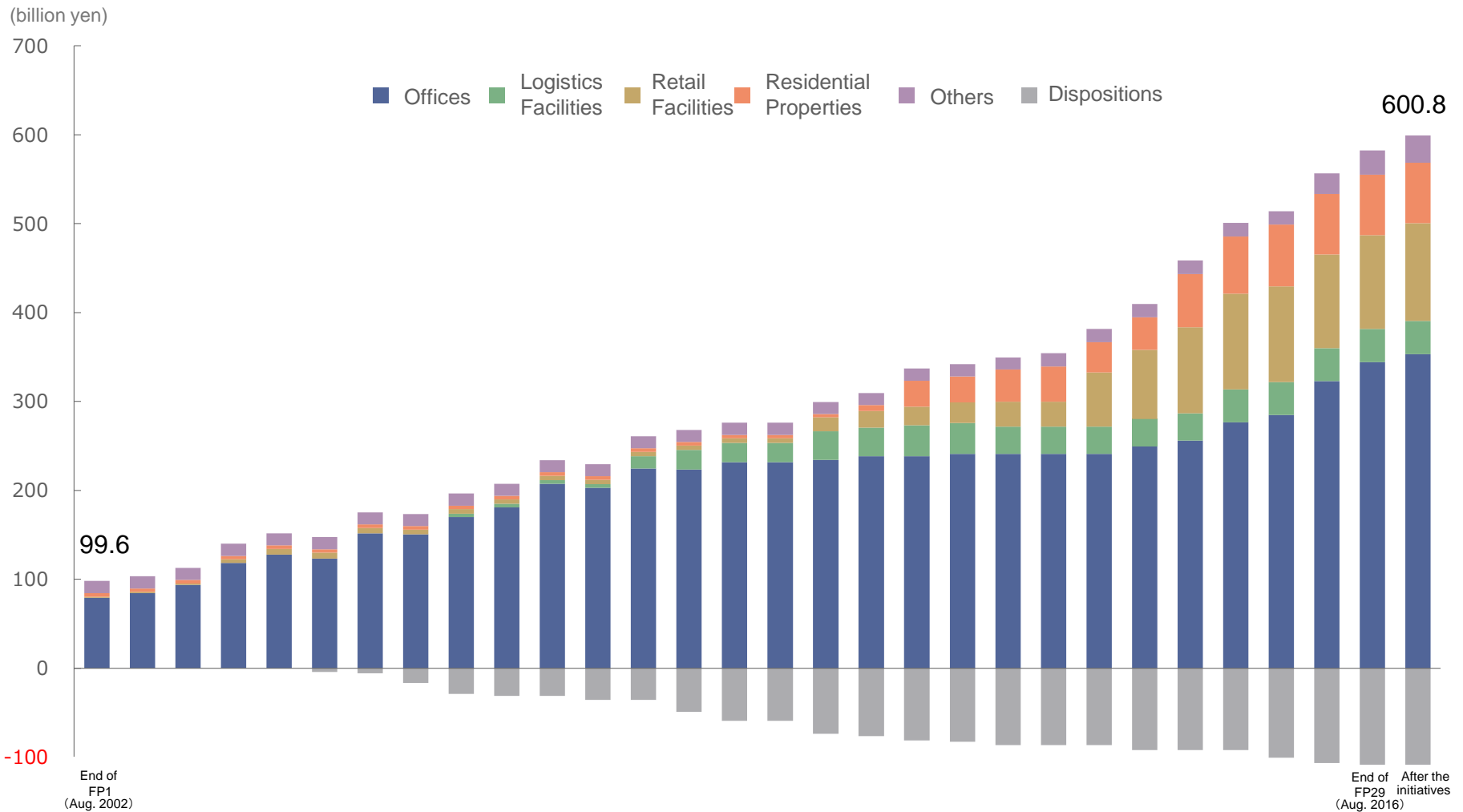


Note: Occupancy rate is stated according to figures as of Aug.31,2016, the occupancy rates of properties during the FP30 Feb.28, 2017 are based on figures as of Aug.31, 2016 provided by the sellers.



✓ Aim for flexible property replacements in consideration of the real estate market changes

▮ Trend of Portfolio Growth



Portfolio Summary

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Asset Type	Area	Property	Acquisition		Total Acquisition Price (%) (Note1) (Note2)
			Date	Price (million yen)	
Offices	6 Central Tokyo Wards	Aoyama Suncrest Building	Dec. 1, 2001		1.7
			Feb. 2, 2016	10,076	
		Round-Cross Ichi-bancho	Dec. 1, 2001	3,526	0.6
		Round-Cross Nishi Shinjuku	Dec. 1, 2001	2,650	0.4
		DT Gaien	Dec. 21, 2001	2,430	0.4
		Yoyogi Forest Building	Dec. 21, 2001	1,406	0.2
		Round-Cross Minami Azabu	Dec. 21, 2001	1,394	0.2
		Round-Cross Akasaka	Jan. 10, 2002	2,624	0.4
		Round-Cross Mitu	Jan. 10, 2002	1,748	0.3
		Round-Cross Shiba Daimon ^(Note4)	Jan. 10, 2002	2,195	0.4
		Round-Cross Tsukiji	Jan. 10, 2002	3,378	0.6
		ORIX Shiba 2-chome Building	Sep. 29, 2003	7,500	1.2
		Aoyama 246 Building	Mar. 3, 2004	5,200	0.9
		Round-Cross Shinjuku	Apr. 28, 2006	8,020	1.3
		Seafort Square Center Building	Sep. 30, 2005		
			Apr. 28, 2006	18,000	3.0
		ORIX Akasaka 2-chome Building	Jun. 26, 2006		
			Dec. 4, 2006	21,860	3.6
		Round-Cross Shinjuku 5-chome	Apr. 26, 2007	4,500	0.7
		Nishinobashi Honcho 1-chome Building	Mar. 28, 2007	10,500	1.7
		Round-Cross Shibuya	Mar. 28, 2008	3,500	0.6
		ORIX Sudobashi Building	Mar. 28, 2008	3,000	0.5
		ORIX Shinagawa Building	Jun. 27, 2008	15,200	2.5
		ORIX Real Estate Nishi Shinjuku Building	Mar. 27, 2009	13,600	2.3
		OX Tamachi Building	Mar. 29, 2010	6,730	1.1
		MG Shirokanedai Building	Nov. 1, 2013	8,500	1.4
		SHIBUYA PINE BUILDING	Mar. 20, 2014	3,400	0.6
		MG Ichigaya Building	Apr. 4, 2014	3,100	0.5
		Round-Cross Ginza 2-chome ^(Note4)	Sep. 30, 2015	5,200	0.9
		ARK Hills South Tower	Oct. 15, 2015	22,000	3.7
		KANDA MATSUNAGACHO BUILDING	Jan. 26, 2016	4,202	0.7
		Gaien Nishi-dori Building ^(Note3)	Sep. 30, 2016	9,000	1.5
		Subtotal 29 properties		204,440	34.0
	Remaining Tokyo Wards	Carrot Tower	Dec. 1, 2001	5,479	0.9
		Toyo MK Building	Dec. 1, 2001	5,270	0.9
		Beside Kiba	Dec. 21, 2001	2,450	0.4
		ORIX Ikebukuro Building	Apr. 18, 2003	9,577	1.6
		KN Jiyugaoka Plaza	May 30, 2007	3,110	0.5
		ORIX Meguro Building	Jul. 29, 2010	6,350	1.1
		Akihabara Business Center	Jun. 1, 2011	5,060	0.8
		Subtotal 7 properties		37,296	6.2
	Other Parts of the Greater Tokyo Area	Neo City Mitaka	Dec. 1, 2001	2,200	0.4
		Round-Cross Kawasaki	Apr. 27, 2004	4,130	0.7
		Omiya Miyacho Building	Mar. 27, 2009	4,400	0.7
		Omiya Shimochi 1-chome Building	Mar. 29, 2010	3,750	0.6
		ORE Omiya Building	Apr. 15, 2015	7,030	1.2
		Subtotal 5 properties		21,510	3.6
	Other Areas	Nagoya Itochu Building	Sep. 29, 2003	4,500	0.7
		ORIX Koraihashi Building	Apr. 27, 2005	5,560	0.9
		Lunar Sendai	Jun. 28, 2007	8,500	1.4
		ORIX Nagoya Nishiki Building	Sep. 29, 2008	12,500	2.1
		ORE Sapporo Building	Oct. 1, 2010	4,250	0.7
		ORIX Kobe Sannomiya Building	Sep. 29, 2011	3,800	0.6
		ORE Nishiki 2-chome Building	Oct. 1, 2014	10,900	1.8
		DOJIMA PLAZA BLDG.	Dec. 22, 2014	9,500	1.6
		PRIME SQUARE HIROSE-DORI	Apr. 1, 2015	7,280	1.2
		Hamamatsu Act Tower ^(Note3)	Apr. 15, 2016	11,800	2.0
		ORIX Yodoyabashi Bldg. ^(Note3)	May 2, 2016	5,012	0.8
		SAPPORO BRICK CUBE ^(Note3)	Apr. 14, 2016	5,200	0.9
		Abore Kaogoshima ^(Note3)	Jul. 1, 2016	1,300	0.2
		Subtotal 13 properties		90,102	15.0
Logistics Facilities	Other Parts of the Greater Tokyo Area	Offices Total 54 properties		353,348	58.8
		Toda Logistics Center	Mar. 28, 2008	9,600	1.6
		Ichikawa Logistics Center	Sep. 29, 2008	8,300	1.4
		Iwatsuki Logistics Center	Oct. 1, 2014	6,300	1.0
		Subtotal 3 properties		24,200	4.0
	Other Areas	Sakai Logistics Center North Building	Mar. 30, 2010	10,200	1.7
		Komaki Logistics Center	Jun. 30, 2011	2,700	0.4
		Subtotal 2 properties		12,900	2.1
		Logistics Facilities Total 5 properties		37,100	6.2

Note1: "Percentage to the total acquisition price" refers to the acquisition price of each property under management as a proportion of the total acquisition price.

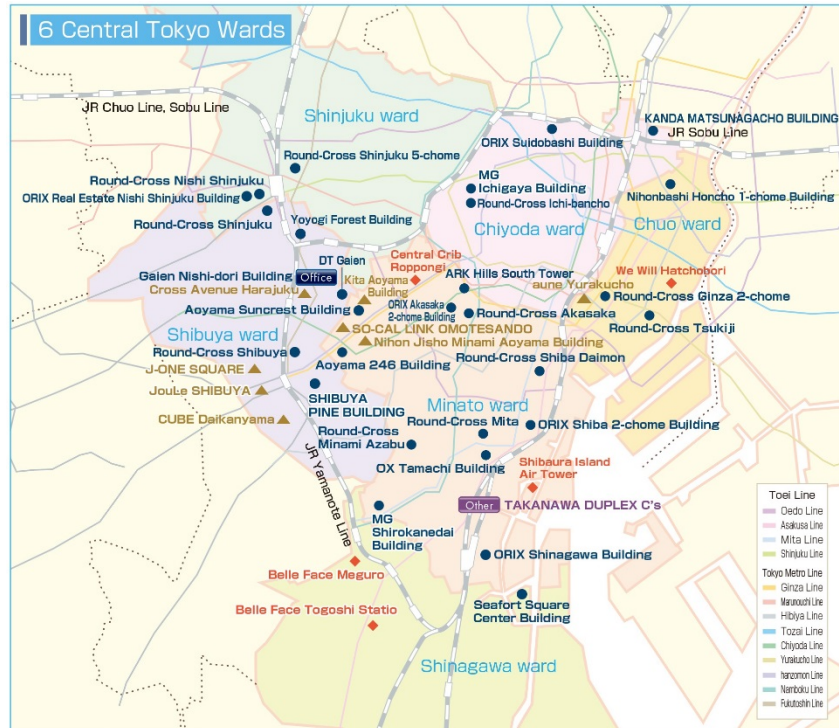
Note2: Figures are rounded to the first decimal place for the "Percentage to the total acquisition price." Totals for the "Percentage to the total acquisition price" may not tally due to this rounding.

Note3: The properties acquired in and after FP29 (Aug. 2016) are shown in red.

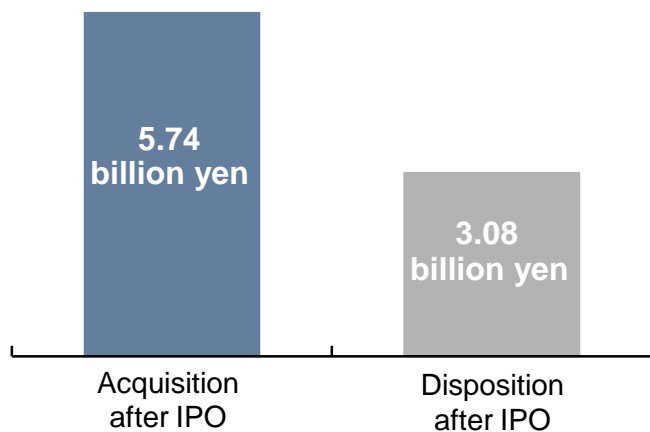
Note4: OJR changed its properties' names from "ORE Ikebukuro" to "aune Ikebukuro" on Aug. 1, 2016, from "DUPLEX GINZA TOWER 2/11" to "Round-Cross Ginza 2-Chome" and from "Shiba Daimon Building" to "Round-Cross Shiba Daimon" on Oct. 1, 2016

After the initiatives

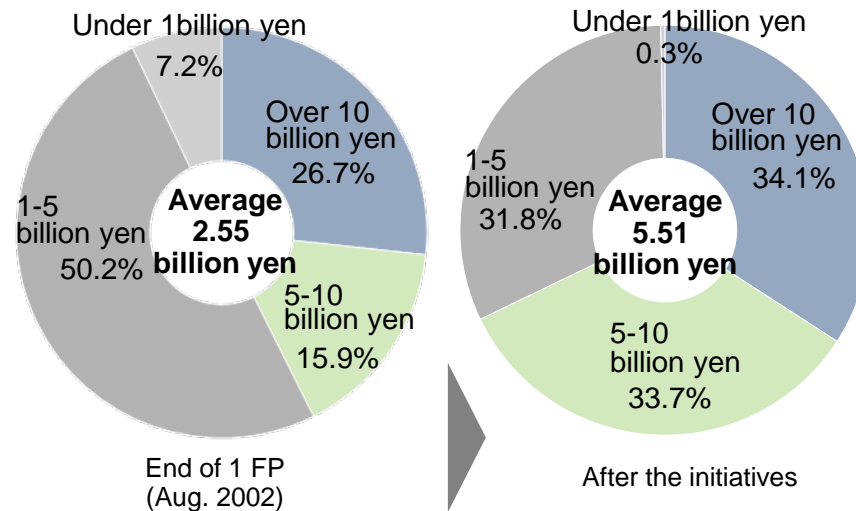
Asset Type	Area	Property	Acquisition		Total Acquisition Price (%) (Note1) (Note2)
			Date	Price (million yen)	
Offices	6 Central Tokyo Wards	Nihon Jisho Minami Aoyama Building	Oct. 31, 2003	2,548	0.4
		CUBE Daikanyama	Mar. 31, 2004	2,435	0.4
		aune Yurakucho	Apr. 1, 2013	9,900	1.6
		Cross Avenue Harajuku	Nov. 1, 2013	4,815	0.8
		J-ONE SQUARE	Jan. 31, 2014	1,510	0.3
		Joule SHIBUYA	Apr. 1, 2014	7,550	1.3
		SO-CAL LINK OMOTESANDO	Oct. 1, 2014	2,300	0.4
		Kita Aoyama Building	Feb. 1, 2016	900	0.1
		Subtotal 8 properties		31,958	5.3
	Remaining Tokyo Wards	aune Ikebukuro ^(Note4)	Sep. 30, 2014	6,410	1.1
		Subtotal 1 property		6,410	1.1
	Other Parts of the Greater Tokyo Area	aune Kohoku	Mar. 10, 2010	4,000	0.7
		aune Makuhari	Mar. 10, 2010	3,600	0.6
		Manuetsu Sagamino	Mar. 1, 2011	2,350	0.4
		CROSS GARDEN KAWASAKI	Mar. 29, 2013	12,950	2.2
		Tecco Land Totsuka (Land)	Apr. 1, 2013	6,020	1.0
		Clo Fujisawaekimae	Dec. 20, 2013	3,900	0.6
		Subtotal 6 properties		32,820	5.5
	Other Areas	Kobe Momoyamada Shopping Center (Land)	Mar. 5, 2010	3,260	0.5
		Okayama Kume Retail Facility	Jan. 31, 2011	2,750	0.5
		Home Center Musashi Sendai Izumi (Land)	Jan. 11, 2012	2,350	0.4
		aune Sapporo Ekimae	Jun. 29, 2012	1,900	0.3
		Morioka Minami Shopping Center Sansa	Jul. 31, 2012	2,800	0.5
		GRAN MART Tegata	Nov. 1, 2013	980	0.2
		AEON TOWN Sendai-Izumisawa (Land)	Nov. 1, 2013	3,510	0.6
		Cross Mall Shimonoseki-Chofu	Jan. 10, 2014	2,400	0.4
		intervillage OHI MAGARI	Apr. 1, 2014	5,100	0.8
		Valor Suzuka Shopping Center	Apr. 1, 2014	3,200	0.5
		aune Sendai	Jun. 20, 2014	2,000	0.3
		Friend Town Fukabashi (Land)	Sep. 30, 2014	2,400	0.4
		KONAMI SPORTS CLUB KORIEN	Oct. 30, 2015	1,600	0.3
		PRIZE TENJIN ^(Note3)	Oct. 3, 2016	4,550	0.8
		Subtotal 14 properties		38,800	6.5
		Retail Facilities Total 29 properties		109,988	18.3
Residential Properties	6 Central Tokyo Wards	We Will Hatchobori	Jun. 1, 2011	2,370	0.4
		Shibaura Island Air Tower	Jul. 28, 2011	6,030	1.0
		Belle Face Togoshi Statio	May 9, 2012	2,642	0.4
		Belle Face Meguro	Oct. 19, 2012	3,330	0.6
		Central Crib Roppongi	Apr. 1, 2015	7,493	1.2
		Subtotal 5 properties		21,865	3.6
	Remaining Tokyo Wards	Belle Face Kamata	Jun. 1, 2011	3,550	0.6
		Belle Face Hongo Yumicho	Jun. 1, 2011	3,340	0.6
		Belle Face Mishuku	Mar. 30, 2012	2,000	0.3
		West Park Tower Ikebukuro	Apr. 1, 2014	20,500	3.4
		Belle Face Higashijuku	Apr. 4, 2014	3,000	0.5
		Subtotal 5 properties		32,390	5.4
	Other Parts of the Greater Tokyo Area	R-Stayles Musashi-Kosugi	Oct. 1, 2014	4,433	0.7
		Subtotal 1 property		4,433	0.7
	Other Areas	Belle Face Osaka Shinmachi	Jun. 1, 2011	3,684	0.6
		Belle Face Amagasaki	Jun. 1, 2011	3,440	0.6
		Belle Face Kanazawa Kohrinbo	Nov. 1, 2013	2,410	0.4
		Subtotal 3 properties		9,534	1.6
		Residential Properties Total 14 properties		68,222	11.4
Others	6 Central Tokyo Wards	TAKANAWA DUPLEX C's ^(Note3)	Jun. 21, 2016	2,830	0.5
		Subtotal 1 properties		2,830	0.5
	Other Parts of the Greater Tokyo Area	Cross Gate	Jan. 10, 2002	15,040	2.5
		GOOD TIME LIVING Shin-urayasu	Sep. 6, 2012	1,550	0.3
		Subtotal 2 properties		16,590	2.8
	Other Areas	VIA INN SHINABASHI BLDG.	Sep. 30, 2015	3,100	0.5
		HOTEL KEIHAN SAPPORO	Sep. 30, 2015	2,550	0.4
		Richmond Hotel Yamagata Ekimae	Sep. 30, 2015	2,300	0.4
		Hotel Nikko Himeji ^(Note3)	Sep. 30, 2016	4,800	0.8
		Subtotal 4 properties		12,750	2.1
		Others Total 7 properties		32,170	5.4
		Grand Total 109 properties		600,828	100.0



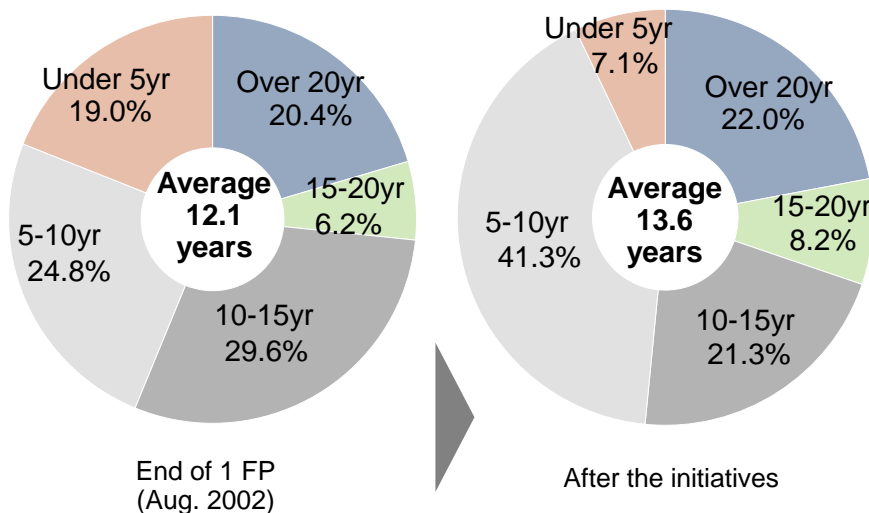
Average Acquisition/Disposition Price after IPO (Note1)



Acquisition Price



Building Age (Note2)



Note1: The figures exclude an additional acquisition of "Aoyama Suncrest Building" owned at IPO and dispositions of a part of properties.

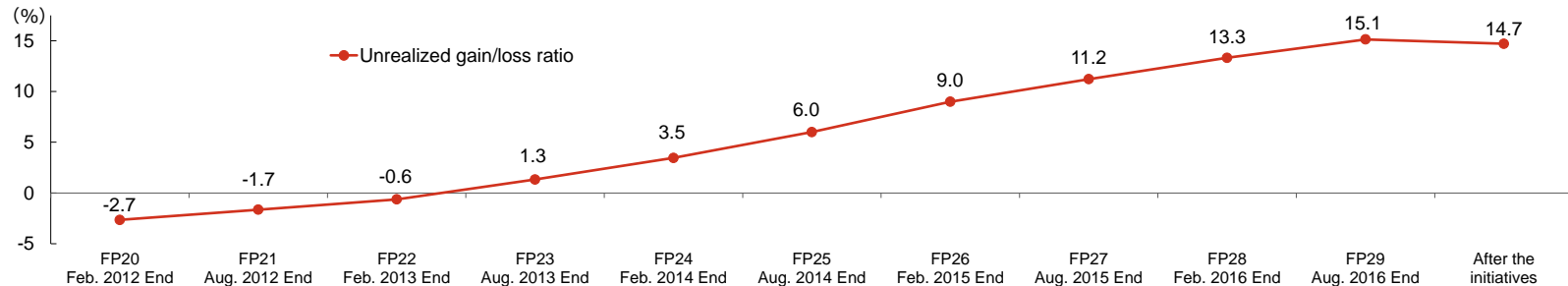
Note2: The figures do not include "Kobe Momoyamadai SC (Land)", "Home Center Musashi Sendai Izumi (Land)", "Tecc Land Totsuka (Land)", "AEON TOWN Sendai-Izumiosawa (Land)" and "Friend Town Fukaebashi (Land)".

Overview of Appraisal Value

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✓ Stable growth of unrealized gain mainly due to compression of cap rates with additional contribution from improvement of lease conditions

	FP20 Feb. 2012 End	FP21 Aug. 2012 End	FP22 Feb. 2013 End	FP23 Aug. 2013 End	FP24 Feb. 2014 End	FP25 Aug. 2014 End	FP26 Feb. 2015 End	FP27 Aug. 2015 End	FP28 Feb. 2016 End	FP29 Aug. 2016 End	After the initiatives
Number of properties	63	68	70	73	81	89	96	96	102	106	109
Appraisal value (billion yen)	318.1	327.1	333.0	365.1	399.6	459.0	515.3	538.2	594.2	628.7	647.4
Book value (billion yen)	326.7	332.6	335.1	360.3	386.2	433.0	472.8	483.9	524.3	546.0	564.4
Unrealized gain/loss (billion yen) (Note1)	-8.6	-5.4	-2.1	4.7	13.3	25.9	42.5	54.2	69.8	82.6	82.9
Unrealized gain/loss ratio (%) (Note2)	-2.7	-1.7	-0.6	1.3	3.5	6.0	9.0	11.2	13.3	15.1	14.7



● Appraisal value by Asset type (Note 3)

Asset type	No. of Properties	FP29 (Aug. 2016)				Change from FP28 (Feb. 2016)			
		Book Value (million yen)	Appraisal (million yen)	Cap Rate	Gain/Loss (million yen)	Change of Appraisal (million yen)	Change of Appraisal Ratio	Change of Cap Rate	Change of Gain/Loss (million yen)
Offices	48	289,646	322,080	4.3%	32,433	5,500	1.7%	-0.1%	7,110
Logistics Facilities	5	32,395	41,960	4.8%	9,564	60	0.1%	-0.0%	485
Retail Facilities	23	85,321	103,020	4.6%	17,698	1,750	1.7%	-0.1%	2,267
Residential Properties	14	64,662	75,410	4.5%	10,747	-50	-0.1%	-0.0%	538
Others	5	19,392	27,500	5.0%	8,107	930	3.5%	-0.2%	1,181
Total: excluding properties not appraised by the direct capitalization method ^(Note 4) and acquired in and after FP29 (Aug. 2016)	95	491,418	569,970	4.4%	78,551	8,190	1.5%	-0.1%	11,583
<Reference>									
Properties not appraised by the direct capitalization method ^(Note 4)	6	28,047	30,940	-	2,892	-	-	-	-
Properties acquired in FP29 (Aug. 2016)	5	26,618	27,810	5.3%	1,191	-	-	-	-
Properties owned as of the end of FP29 (Aug. 2016)	106	546,084	628,720	-	82,635	-	-	-	-
Properties acquired in FP30 (Feb. 2017)	3	18,350	18,710	4.5%	360	-	-	-	-
Properties owned after the initiatives	109	564,434	647,430	-	82,995	-	-	-	-

Note 1: Unrealized gain/loss is calculated by subtracting the book value from the appraisal value at the same time. However, regarding after the initiatives, the appraisal value and book value as of the end of FP29 (Aug. 2016) are used for properties acquired in or before FP29 (Aug. 2016) and the appraisal value as of the decision of acquisitions and acquisition price are used for properties acquired in FP30 (Feb. 2017).

Note 2: Unrealized gain/loss ratio is calculated in dividing the unrealized gain/loss by the book value at the same time.

Note 3: Figures for "Cap Rate" in "Appraisal value by asset type" are calculated on a weighted average basis and rounded to the first decimal place.

Note 4: The term refers to "Aoyama Suncrest Building", "Tecc Land Totsuka (Land)", "Kobe Momoyamadai Shopping Center (Land)", "Home Center Musashi Sendai Izumi (Land)", "AEON TOWN Sendai-Izumiosawa (Land)" and "Friend Town Fukaebashi (Land)" for which the Cap Rate are not calculated based on the direct capitalization method.

Appraisal value of all properties after the initiatives

*Area symbol: ● 6 Central Tokyo Wards ▲ Remaining Tokyo Wards ■ Other Parts of the Greater Tokyo Area ★ Other Areas

Type	Area	Property	FP29 (Aug. 2016)				Change from FP28 (Feb. 2016)			
			Book Value (million yen)	Appraisal (million yen)	Cap Rate	Gain/Loss (million yen)	Change of Appraisal (million yen)	Change of Appraisal Ratio	Change of Cap Rate	Change of Gain/Loss (million yen)
Offices	●	Aoyama Suncrest Building ^(Note 1)	10,235	12,210	-	1,974	40	0.3%	-	22
	●	Round-Cross Ichi-bancho	3,014	3,550	4.2%	535	130	3.8%	-0.1%	146
	●	Round-Cross Nishi Shinjuku	2,420	3,500	3.8%	1,079	0	0.0%	-0.1%	10
	●	DT Gaen	2,133	2,690	4.2%	556	60	2.3%	-0.1%	72
	●	Yoyogi Forest Building	1,419	1,500	4.4%	80	30	2.0%	-0.1%	18
	●	Round-Cross Minami Azabu	1,243	1,420	5.2%	176	0	0.0%	-0.1%	7
	●	Round-Cross Akasaka	2,727	2,620	4.8%	-107	20	0.8%	-0.1%	30
	●	Round-Cross Mita	1,707	1,520	4.7%	-187	30	2.0%	-0.1%	35
	●	Round-Cross Shiba Daimon	2,198	3,060	4.5%	861	100	3.4%	-0.4%	110
	●	Round-Cross Tsukiji	2,940	3,740	4.7%	799	50	1.4%	-0.1%	70
	●	ORIX Shiba 2-chome Building	6,283	9,080	4.5%	2,796	180	2.0%	-0.1%	226
	●	Aoyama 246 Building	5,325	8,280	3.8%	2,954	420	5.3%	-0.1%	424
	●	Round-Cross Shinjuku	7,476	9,820	3.7%	2,343	530	5.7%	-0.2%	561
	●	Seafort Square / Center Building	16,631	13,700	4.2%	-2,931	100	0.7%	-0.1%	89
	●	ORIX Akasaka 2-chome Building	19,961	22,000	3.5%	2,038	500	2.3%	-0.1%	601
	●	Round-Cross Shinjuku 5-chome	3,916	4,100	4.0%	183	140	3.5%	-0.1%	171
	●	Nihonbashi Honcho 1-chome Building	9,583	7,970	4.1%	-1,613	-150	-1.8%	0.0%	-102
	●	Round-Cross Shibuya	3,280	2,980	3.9%	-300	390	15.1%	0.0%	404
	●	ORIX Suidobashi Building	2,748	2,950	4.4%	201	20	0.7%	0.0%	37
	●	ORIX Shinagawa Building	14,385	12,700	3.8%	-1,685	0	0.0%	0.0%	57
	●	ORIX Real Estate Nishi Shinjuku Building	13,148	13,800	3.8%	651	300	2.2%	-0.1%	343
	●	OX Tamachi Building	6,635	7,480	4.3%	844	50	0.7%	-0.1%	66
	●	MG Shirokanedai Building	8,575	8,640	4.1%	64	60	0.7%	-0.1%	34
	●	SHIBUYA PINE Bldg.	3,405	4,210	3.7%	804	160	4.0%	-0.1%	166
	●	MG Ichigaya Building	3,057	3,390	3.9%	332	30	0.9%	0.0%	44
	●	Round-Cross Ginza 2-chome	5,211	5,720	3.7%	508	150	2.7%	-0.1%	163
	●	ARK Hills South Tower	22,028	23,100	3.5%	1,071	300	1.3%	-0.1%	359
	●	KANDA MATSUNAGACHO BUILDING	4,358	4,330	3.6%	-28	0	0.0%	0.0%	7
	●	Gaien Nishi-dori Building ^(Note 2)	9,000	9,150	3.9%	150	-	-	-	-
	▲	Carrot Tower	3,845	6,620	4.5%	2,774	170	2.6%	-0.1%	225
	▲	Toyo MK Building	3,861	4,910	4.8%	1,048	-620	-11.2%	-0.1%	-573
	▲	Beside Kiba	2,007	2,820	4.6%	812	40	1.4%	-0.1%	63
	▲	ORIX Ikebukuro Building	8,256	12,600	4.2%	4,343	300	2.4%	-0.1%	347
	▲	KN Jiyugaoka Plaza	3,072	2,950	4.2%	-122	50	1.7%	0.0%	55
	▲	ORIX Meguro Building	6,081	7,350	4.4%	1,268	140	1.9%	-0.1%	191
	▲	Akihabara Business Center	4,625	6,090	4.1%	1,464	310	5.4%	-0.1%	357
	■	Neo City Mitaka	1,948	2,960	4.8%	1,011	70	2.4%	-0.1%	86
	■	Round-Cross Kawasaki	3,979	6,040	4.8%	2,060	120	2.0%	0.0%	155
	■	Omiya Miyacho Building	3,845	4,860	5.0%	1,014	100	2.1%	-0.1%	141
	■	Omiya Shimochō 1-chome Building	3,365	4,500	5.0%	1,134	240	5.6%	-0.1%	275
	■	ORE Omiya Building	7,189	7,790	5.4%	600	130	1.7%	-0.1%	154
	★	Nagoya Itochu Building	4,599	5,430	5.2%	830	140	2.6%	-0.1%	181
	★	ORIX Koraibashi Building	4,520	5,040	4.3%	519	130	2.6%	-0.1%	174
	★	Lunar Sendai	7,509	6,160	5.0%	-1,349	0	0.0%	0.0%	84
	★	ORIX Nagoya Nishiki Building	10,902	8,320	4.6%	-2,582	10	0.1%	-0.1%	122
	★	ORE Sapporo Building	3,480	5,870	5.9%	2,389	230	4.1%	-0.1%	302
	★	ORIX Kobe Sannomiya Building	3,335	4,090	5.5%	754	20	0.5%	-0.1%	71
	★	ORE Nishiki-2chome Bldg.	10,574	11,700	4.9%	1,125	300	2.6%	-0.1%	396
	★	DOJIMA PLAZA BLDG.	9,627	9,960	4.5%	332	0	0.0%	0.0%	59
	★	PRIME SQUARE HIROSE-DORI	7,195	8,170	4.8%	974	20	0.2%	-0.1%	74
	★	Hamamatsu Act Tower	12,108	12,700	6.0%	591	-	-	-	-
	★	ORIX Yodoyabashi Bldg.	5,063	5,330	4.3%	266	-	-	-	-
	★	SAPPRO BRICK CUBE	5,257	5,390	4.7%	132	-	-	-	-
	★	Albore Kagoshima	1,320	1,510	5.9%	189	-	-	-	-
		Offices Total	332,632	368,370	-	35,737	-	-	-	-

Note1: For the "Aoyama Suncrest Building", the appraisal value and Cap Rate of the property is not calculated based on the direct capitalization method.

Note2: For the "Gaien Nishi-dori Building" acquired in FP30 (Feb. 2017), figure of the book value is based on acquisition price and figures of the appraisal value and Cap Rate are based on appraisal value and Cap rate according to the direct capitalization method stated in the appraisal report obtained at the decision of acquisition of the property.

Appraisal Value List—2

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*Area symbol: ● 6 Central Tokyo Wards ▲ Remaining Tokyo Wards ■ Other Parts of the Greater Tokyo Area ★ Other Areas

Type	Area	Property	FP29 (Aug. 2016)				Change from FP28 (Feb. 2016)			
			Book Value (million yen)	Appraisal (million yen)	Cap Rate	Gain/Loss (million yen)	Change of Appraisal (million yen)	Change of Appraisal Ratio	Change of Cap Rate	Change of Gain/Loss (million yen)
Logistics Facilities	■	Toda Logistics Center	8,539	10,700	4.5%	2,160	0	0.0%	0.0%	74
	■	Ichikawa Logistics Center	7,166	8,900	4.7%	1,733	0	0.0%	0.0%	82
	■	Iwatsuki Logistics Center	6,077	6,960	4.8%	882	20	0.3%	0.0%	90
	★	Sakai Logistics Center North Building	8,299	12,400	5.0%	4,100	200	1.6%	-0.1%	357
	★	Komaki Logistics Center	2,312	3,000	5.3%	687	-160	-5.1%	-0.1%	-118
		Logistics Facilities Total	32,395	41,960	-	9,564	-	-	-	-
Retail Facilities	●	Nihon Jisho Minami Aoyama Building	2,467	4,020	3.7%	1,552	90	2.3%	-0.1%	94
	●	CUBE Daikanyama	2,394	3,450	4.4%	1,055	70	2.1%	-0.1%	75
	●	aune Yurakucho	9,894	11,800	3.4%	1,905	300	2.6%	-0.1%	316
	●	Cross Avenue Harajuku	4,802	5,720	3.4%	917	80	1.4%	0.0%	87
	●	J-ONE SQUARE	1,518	1,650	3.9%	131	10	0.6%	0.0%	12
	●	JouLe SHIBUYA	7,540	8,550	3.6%	1,009	20	0.2%	0.0%	34
	●	SO-CAL LINK OMOTESANDO	2,313	2,630	3.7%	316	0	0.0%	0.0%	1
	●	Kita Aoyama Building	950	920	3.6%	-30	0	0.0%	0.0%	1
	▲	aune Ikebukuro	6,301	6,970	4.0%	668	10	0.1%	0.0%	51
	■	aune Kohoku	3,539	4,400	4.9%	860	90	2.1%	-0.1%	136
	■	aune Makuhari	3,159	4,550	5.1%	1,390	130	2.9%	-0.1%	167
	■	Maruetsu Sagamino	2,218	2,650	5.3%	431	50	1.9%	-0.1%	60
	■	CROSS GARDEN KAWASAKI	12,299	14,900	4.5%	2,600	500	3.5%	-0.1%	613
	■	Tecc Land Totsuka (Land) (Note 1)	6,073	6,010	-	-63	-10	-0.2%	-	-10
	■	Clio Fujisawaekimae	3,910	4,570	5.6%	659	90	2.0%	-0.1%	117
	★	Kobe Momoyamadai Shopping Center (land) (Note 1)	3,390	3,270	-	-120	-20	-0.6%	-	-18
	★	Okayama Kume Retail Facility	2,457	3,240	6.1%	782	70	2.2%	-0.1%	100
	★	Home Center Musashi Sendai Izumi (Land) (Note 1)	2,381	2,920	-	538	20	0.7%	-	20
	★	aune Sapporo Ekimae	1,867	2,260	5.3%	392	60	2.7%	-0.1%	67
	★	Morioka Minami Shopping Center Sansa	2,723	3,440	6.2%	716	40	1.2%	-0.1%	65
	★	AEON TOWN Sendai-Izumiosawa (Land) (Note 1)	3,540	3,850	-	309	30	0.8%	-	30
	★	GRAN MART Tegata	955	1,110	6.3%	154	10	0.9%	0.0%	16
	★	Cross Mall Shimonoseki-Chofu	2,331	2,600	6.2%	268	-40	-1.5%	0.1%	-20
	★	intervillage OH! MAGARI	4,935	6,140	6.0%	1,204	20	0.3%	0.0%	75
	★	Valor Suzuka Shopping Center	3,136	3,520	5.9%	383	60	1.7%	-0.1%	82
	★	aune Sendai	2,004	2,210	5.1%	205	60	2.8%	-0.1%	67
	★	Friend Town Fukaebashi (Land) (Note 1)	2,424	2,680	-	255	0	0.0%	-	0
	★	KONAMI SPORTS CLUB KORIEN	1,599	1,720	5.5%	120	30	1.8%	-0.1%	39
	★	PRIZE TENJIN (Note 2)	4,550	4,740	4.4%	190	-	-	-	-
		Retail Facilities Total	107,683	126,490	-	18,806	-	-	-	-
Residential Properties	●	We Will Hatchobori	2,163	2,480	4.3%	316	-60	-2.4%	-0.1%	-37
	●	Shibaura Island Air Tower	5,161	7,110	4.8%	1,948	0	0.0%	0.0%	98
	●	Belle Face Togoshi Statio	2,432	3,050	4.2%	617	20	0.7%	-0.1%	48
	●	Belle Face Meguro	3,183	3,820	4.2%	636	0	0.0%	0.0%	23
	●	Central Crib Roppongi	7,532	7,950	4.2%	417	20	0.3%	0.0%	40
	▲	Belle Face Kamata	3,177	4,200	4.5%	1,022	10	0.2%	-0.1%	51
	▲	Belle Face Hongo Yumicho	3,065	3,630	4.3%	564	-90	-2.4%	-0.1%	-57
	▲	Belle Face Mishuku	1,947	2,300	4.5%	352	0	0.0%	0.0%	13
	▲	West Park Tower Ikebukuro	20,300	22,000	4.3%	1,699	0	0.0%	0.0%	96
	▲	Belle Face Higashijujo	2,941	3,170	4.6%	228	0	0.0%	0.0%	21
	■	R-Styles Musashi-Kosugi	4,289	4,820	5.3%	530	40	0.8%	0.1%	100
	★	Belle Face Osaka Shinmachi	3,152	4,460	4.8%	1,307	0	0.0%	-0.1%	57
	★	Belle Face Amagasaki	3,011	3,830	5.0%	818	10	0.3%	-0.1%	58
	★	Belle Face Kanazawa Kohrinbo	2,304	2,590	5.8%	285	0	0.0%	-0.1%	23
		Residential Properties Total	64,662	75,410	-	10,747	-	-	-	-
Others	●	TAKANAWA DUPLEX C's	2,868	2,880	4.7%	11	-	-	-	-
	■	Cross Gate	10,032	16,500	5.1%	6,467	600	3.8%	-0.2%	755
	■	GOOD TIME LIVING Shin-urayasu	1,502	1,950	5.4%	447	0	0.0%	0.0%	8
	★	VIA INN SHINSAIBASHI BLDG.	3,084	3,480	4.3%	395	150	4.5%	-0.2%	171
	★	HOTEL KEIHAN SAPPORO	2,507	3,040	4.7%	532	110	3.8%	-0.2%	145
	★	Richmond Hotel Yamagata Ekimae	2,265	2,530	5.7%	264	70	2.8%	-0.2%	100
	★	Hotel Nikko Himeji (Note 2)	4,800	4,820	5.8%	20	-	-	-	-
		Others Total	27,060	35,200	-	8,139	-	-	-	-
Total			564,434	647,430	-	82,995	-	-	-	-

Note1: For the "Tecc Land Totsuka (Land)", "Kobe Momoyamadai Shopping Center (Land)", "Home Center Musashi Sendai Izumi (Land)", "AEON TOWN Sendai-Izumiosawa (Land)" and "Friend Town Fukaebashi (Land)", the appraisal value and Cap Rate are not calculated based on the direct capitalization method.

Note2: For the "PRIZE TENJIN" and "Hotel Nikko Himeji" acquired in FP30 (Feb. 2017), figures of the book value are based on acquisition price and figures of the appraisal value and Cap Rate are based on appraisal value and Cap rate according to the direct capitalization method stated in the appraisal report obtained at the decision to acquire properties.

Financial Indicators

	FP29 Aug. 31, 2016	After the initiatives
Interest-bearing debt	269,117 million yen	269,117 million yen
LTV based on total assets	45.5 %	44.2 %
LTV based on unitholders capital	48.9 %	47.5 %
Average interest rate	0.87 %	-
Average funding cost	1.09 %	-
Fixed-interest debt ratio	89.3 %	89.3 %
Average duration to maturity	4.4 years	4.3 years

Investment corporation bonds

Total: 19,500 million yen
As of financial announcement
on Oct. 17, 2016

	Balance (million yen)	Interest rate	Issue date	Term
Unsecured Investment Corporation Bond No. 5	5,000	0.760%	Feb. 8, 2013	5 yrs.
Unsecured Investment Corporation Bond No. 6	5,000	0.440%	Jan. 20, 2014	4.5 yrs.
Unsecured Investment Corporation Bond No. 7	2,500	1.200%	Jan. 20, 2014	10 yrs.
Unsecured Investment Corporation Bond No. 8	2,000	0.308%	Aug. 11, 2014	5 yrs.
Unsecured Investment Corporation Bond No. 9	3,000	0.901%	Aug. 11, 2014	10 yrs.
Unsecured Investment Corporation Bond No. 10	2,000	0.886%	Dec. 19, 2014	10 yrs.

Credit Ratings

As of financial announcement
on Oct. 17, 2016

S&P	Long-term rating : A- → A Short-term rating : A-2 → A-1	Outlook : Positive → Stable
R&I	Issuer rating : A+	Rating outlook : Stable
JCR	Long-term issuer rating : AA	Rating outlook : Stable

List of Long-term Loan Lenders

**29 institutions/
249,617 million yen in total**
As of financial announcement
on Oct. 17, 2016

Financial Institution	Outstanding (million yen)	Ratio
Sumitomo Mitsui Trust Bank, Limited	38,835	15.6 %
Sumitomo Mitsui Banking Corporation	33,428	13.4 %
Mitsubishi UFJ Trust and Banking Corporation	26,605	10.7 %
Development Bank of Japan Inc.	25,440	10.2 %
Mizuho Bank, Ltd.	20,259	8.1 %
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	18,590	7.4 %
Resona Bank, Limited	11,860	4.8 %
The Norinchukin Bank	11,350	4.5 %
Shinsei Bank, Limited	11,260	4.5 %
Mizuho Trust & Banking Co., Ltd.	9,840	3.9 %
Aozora Bank, Ltd.	6,550	2.6 %
The Bank of Fukuoka, Ltd.	5,900	2.4 %
The Shinkumi Federation Bank	5,800	2.3 %
National Mutual Insurance Federation of Agricultural Cooperatives	5,000	2.0 %
THE NISHINIPPON CITY BANK, LTD.	3,800	1.5 %

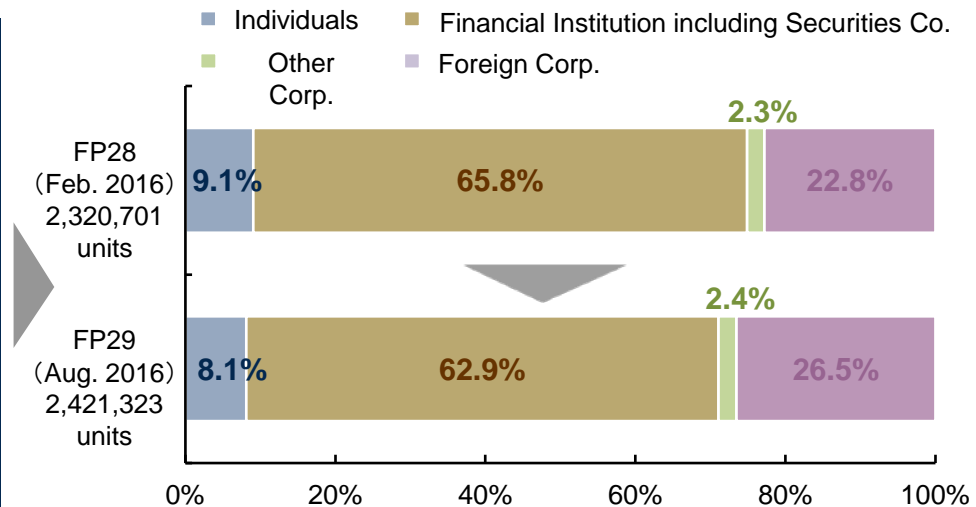
Financial Institution	Outstanding (million yen)	Ratio
The Shizuoka Bank, Ltd.	2,000	0.8 %
The 77 Bank, Ltd.	2,000	0.8 %
The Daishi Bank, Ltd.	2,000	0.8 %
ORIX Bank Corporation	1,000	0.4 %
THE KAGAWA BANK, Ltd.	1,000	0.4 %
Taiyo Life Insurance Company	1,000	0.4 %
The Hyakugo Bank, Ltd.	1,000	0.4 %
The Hiroshima Bank, Ltd.	1,000	0.4 %
Mitsui Sumitomo Insurance Company, Limited	1,000	0.4 %
The Bank of Yokohama, Ltd.	1,000	0.4 %
THE MINATO BANK, LTD.	800	0.3 %
ShinGinko Tokyo, Limited	500	0.2 %
The Toho Bank, Ltd.	500	0.2 %
Shimane bank, Ltd.	300	0.1 %

Status of Commitment Line

As of financial announcement
on Oct. 17, 2016

Financial institution	Commitment Line (million yen)	Due date	Term
Aozora Bank, Ltd.	7,500	Dec. 29, 2017	2 yrs.
Sumitomo Mitsui Trust Bank, Limited	6,000	Jun. 12, 2018	2 yrs.
Mitsubishi UFJ Trust and Banking Corporation	6,000		
Mizuho Bank, Ltd.	3,000		
Sumitomo Mitsui Banking Corporation	5,000	Feb. 24, 2018	2 yrs.
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	4,000	Aug. 27, 2019	3 yrs.
Resona Bank, Ltd.	2,000	July 31, 2018	2 yrs.
Total	33,500	-	-
Drawdown Amount	0		
Available Commitment Line	33,500		

Breakdown by Unit	FP28 (Feb. 2016)		FP29 (Aug. 2016)		Change	
	Number of Units	Share %	Number of Units	Share %	Number of Units	Ratio %
Individuals, etc.	210,096	9.1	196,430	8.1	-13,666	-0.9
Financial Institution	1,527,841	65.8	1,523,411	62.9	-4,430	-2.9
Major Banks, etc.	2,307	0.1	3,128	0.1	821	0.0
Regional Banks	104,659	4.5	113,798	4.7	9,139	0.2
Trust Banks	1,222,849	52.7	1,211,111	50.0	-11,738	-2.7
Life Insurance Co.	79,337	3.4	65,554	2.7	-13,783	-0.7
General Insurance Co.	12,737	0.6	15,028	0.6	2,291	0.1
Securities Co.	62,162	2.7	58,369	2.4	-3,793	-0.3
Others	43,790	1.9	56,423	2.3	12,633	0.4
Other Corp.	53,670	2.3	58,758	2.4	5,088	0.1
Foreign Corp.	529,094	22.8	642,724	26.5	113,630	3.7
Total	2,320,701	100.0	2,421,323	100.0	100,622	—



Breakdown by Unitholders	FP28 (Feb. 2016)		FP29 (Aug. 2016)		Change	
	Number of Unitholders	Share %	Number of Unitholders	Share %	Number of Unitholders	Ratio %
Individuals, etc.	20,872	96.3	20,101	96.0	-771	-0.3
Financial Institution	168	0.8	182	0.9	14	0.1
Major Banks, etc.	1	0.0	1	0.0	0	0.0
Regional Banks	39	0.2	40	0.2	1	0.0
Trust Banks	16	0.1	16	0.1	0	0.0
Life Insurance Co.	10	0.0	10	0.0	0	0.0
General Insurance Co.	4	0.0	4	0.0	0	0.0
Securities Co.	20	0.1	19	0.1	-1	0.0
Others	78	0.4	92	0.4	14	0.0
Other Corp.	333	1.5	329	1.6	-4	0.1
Foreign Corp.	293	1.4	323	1.5	30	0.1
Total	21,666	100.0	20,935	100.0	-731	—

Top 10 Unitholders	FP28 (Feb. 2016)		FP29 (Aug. 2016)		Change	
	Number of Units	Share %	Number of Units	Share %	Number of Units	Ratio %
Japan Trustee Services Bank, Ltd. (Trust accounts)	548,566	23.6	537,992	22.2	-10,574	-1.4
Trust & Custody Services Bank, Ltd. (Securities investment trust accounts)	292,014	12.5	290,672	12.0	-1,342	-0.6
The Master Trust Bank of Japan, Ltd. (Trust accounts)	242,256	10.4	229,858	9.4	-12,398	-0.9
The Nomura Trust and Banking Co., Ltd. (Investment accounts)	88,927	3.8	95,070	3.9	6,143	0.1
NOMURA BANK (LUXEMBOURG) S.A.	30,639	1.3	92,772	3.8	62,133	2.5
STATE STREET BANK AND TRUST COMPANY 505223	32,083	1.3	33,558	1.3	1,475	0.0
STATE STREET BANK - WEST PENSION FUND CLIENTS - EXEMPT 505233	25,146	1.0	27,217	1.1	2,071	0.0
THE BANK OF NEW YORK MELLON SA/NV 10	24,884	1.0	22,488	0.9	-2,396	-0.2
THE BANK OF NEW YORK, NON - TREATY JASDEC ACCOUNT	30,830	1.3	22,415	0.9	-8,415	-0.4
GOLDMAN SACHS INTERNATIONAL (Note 2)	-	-	20,422	0.8	-	-

Note 1: Each share other than Ratio of change in Top 10 Unitholders is rounded down to the nearest whole number.

Note 2: As the Unitholder regarding Note 2 didn't rank Top 10 Unitholders as of FP28(Feb. 2016), its number of units and ratio regarding Change are not stated.

- ✓ Obtained “Green Star” assessment from GRESB, an index created by European institutional investors
- ✓ Obtained DBJ Green Building Certification for 17 properties as of FY29 financial announcement date as a result of environmental efforts

GRESB



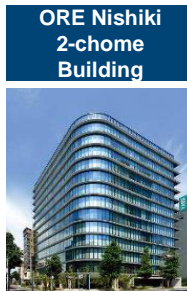
OJR has participated in the “Global Real Estate Sustainability Benchmark (GRESB) survey” since FY2013. In FY2015 and FY2016, OJR received the highest rating “Green Star” among 4 ranks for its environmental and sustainability initiatives with high evaluation of its “Management & Policy” and “Implementation & Measurement”

***Global Real Estate Sustainability Benchmark (GRESB)** is a benchmark developed by a group consisting primarily of European pension funds to evaluate environmental, social and other considerations of real estate companies and real estate managers. Major European, U.S. and Asian institutional investors utilize the benchmark in their investment decision-making processes.

DBJ Green Building Certification



DBJ Green Building
2015 ∞∞∞
Properties with
exceptionally high
environmental &
social awareness
★ ★ ★ ★

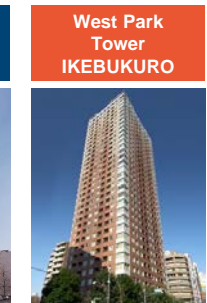
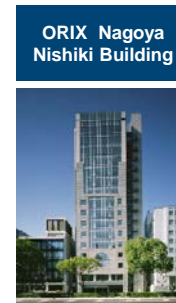
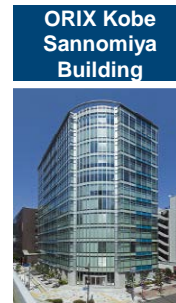
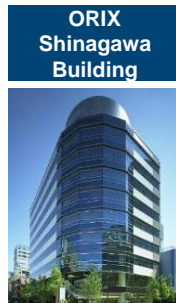
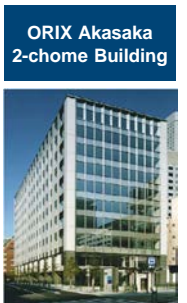


DBJ Green Building
2015 ∞
Properties with high
environmental &
social awareness
★ ★

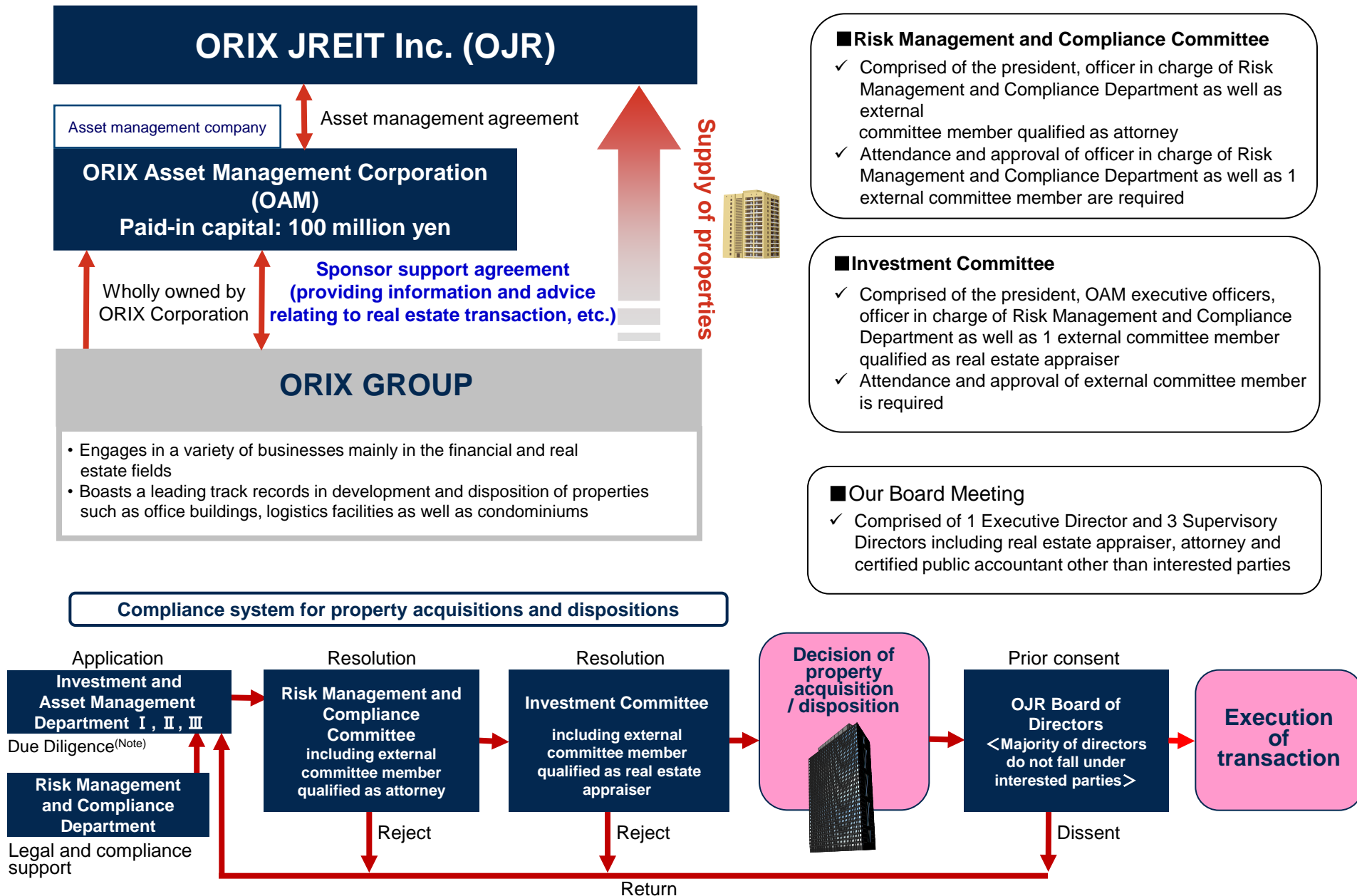
Properties
Seafort Square Center Building
Nihonbashi Honcho 1-chome Building
Toda Logistics Center
Komaki Logistics Center
Ichikawa Logistics Center
CROSS GARDEN KAWASAKI



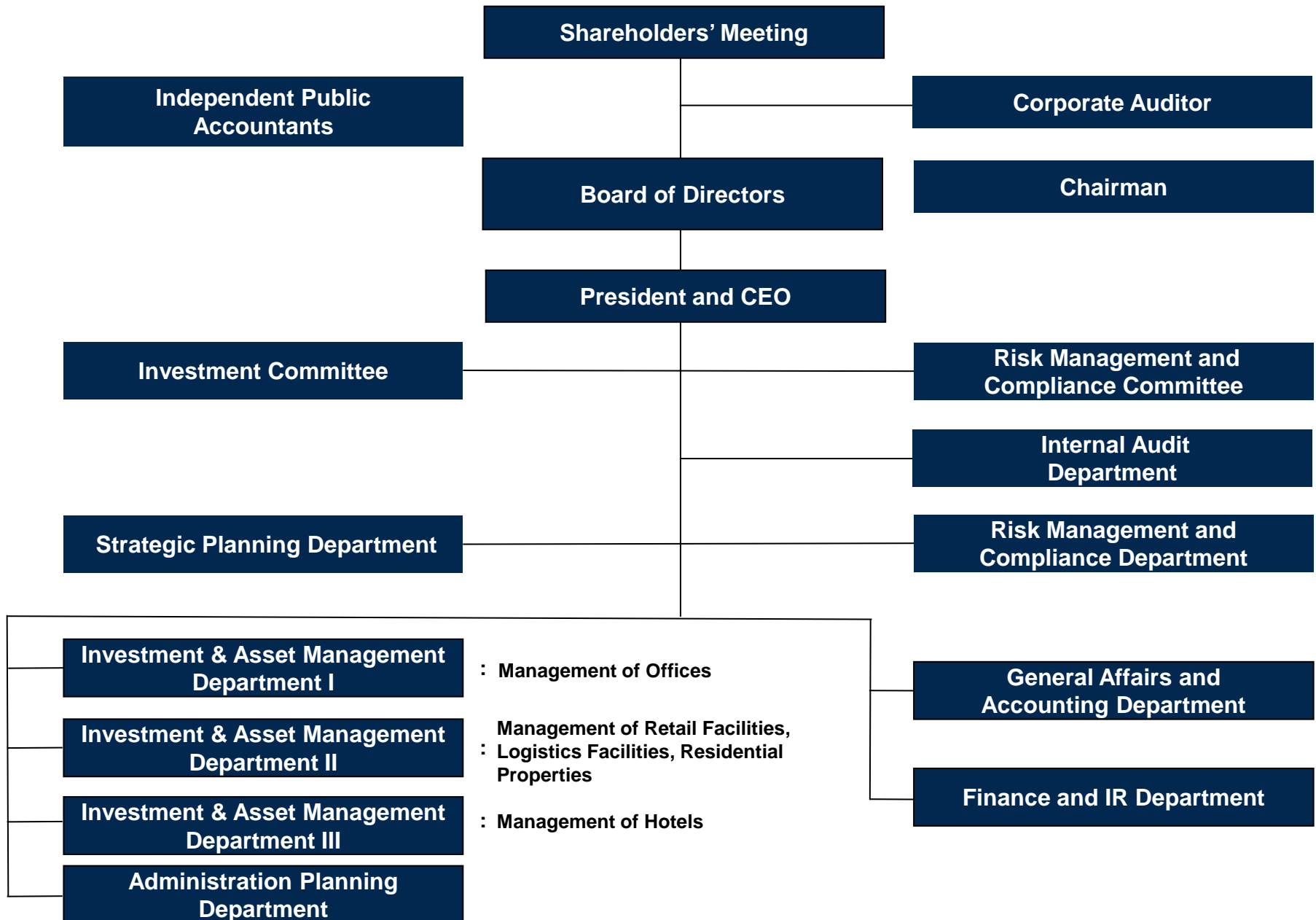
DBJ Green Building
2015 ∞∞
Properties with
excellent
environmental &
social awareness
★ ★ ★



***DBJ Green Building Certification** is a system under which the objective of promoting an increase of real estate that demonstrates high consideration not only for environmental performance of the building but also disaster prevention and anticrime measures as well as societal demands from various stakeholders of real estate (Green Building), the Development Bank of Japan Inc. conducts an assessment based on a scoring model that it developed and then selects real estate that meets the needs of the times.



Note: "Due Diligence" means inspection and assessment of properties from physical, legal and economic perspectives.



Terminology (1)

【Numerical Data】

• Numerical data is rounded down to the nearest whole number. However, percentages for occupancy rate, LTV, etc. as well as building age, duration to maturity and multiples are, in principle, rounded to the first decimal place.

【Glossary】

Term	Definition
Acquisition of ARK Hills South Tower (trust beneficial interest)	The term indicates to obtain the trust beneficial interest, which is related to 25% co-ownership interest in ARK Hills South Tower, by exercising the first refusal right granted to us when we acquired the preferred equity securities.
Acquisition price	The term stands for the acquisition price indicated in the sales and purchase agreement, which consumption tax and the other related costs are excluded.
Additional initiative	The term collectively refers to the acquisition of "Hotel Nikko Himeji" announced on Sep. 29, 2016.
Amount related to capital gains	The term is calculated by deducting internal reserves and expenses for early repayment from capital gain on dispositions in each fiscal period, and dividing the said calculated result by the number of issued investment units as of the end of each fiscal period. Figures are rounded down to the nearest whole number.
Annualized income after depreciation	<p>The term uses either of the following figures:</p> <p>I. As of the end of each fiscal period, the term refers to annualized figures of actual income after depreciation regarding properties owned in the end of each fiscal period.</p> <p>II. After the initiatives announced in Apr. 2016, the term is calculated by adding following (i) to (ii). (i) For the properties owned as of the end of FP28 (Feb. 2016), annualized figures of actual income after depreciation for FP28 (Feb. 2016), and (ii) for the properties acquired in FP29 (Aug. 2016), the figures calculated by deducting the depreciation expenses estimated by OJR from the net operating income according to the direct capitalization methods in the appraisal report obtained upon the decision of acquisition of each property.</p> <p>III. After the initiatives, the term is calculated by adding following (i) to (ii). (i) For the properties owned as of the end of FP29 (Aug. 2016), annualized figures of actual income after depreciation for FP29 (Aug. 2016), and (ii) for the properties acquired in FP30 (Feb. 2017), the figures calculated by deducting the depreciation expense estimated by OJR from net operating income according to the direct capitalization methods in the appraisal report obtained upon the decision of acquisition of each property.</p> <p>IV. As for the respective indications of the 5 properties acquired in the initiatives, the term are calculated by deducting the depreciation expense estimated by OJR from net operating income according to the direct capitalization methods in the appraisal report obtained upon the decision of acquisition of each property.</p> <p>V. As for the indications in the "Portfolio" regarding the 5 properties acquired in the initiatives, the term indicates the total of the annualized income after depreciation about 5 properties mentioned in the above.</p> <p>VI. "The estimated depreciation expense" is calculated according to a straight-line method pursuant to each useful life of the said properties, which is applicable to OJR's existing properties, after comprehensive consideration of related information in the engineering reports.</p>
Annualized NOI	<p>The term uses either of the following figures:</p> <p>I. As of the end of each fiscal period, the term indicates annualized figures of actual NOI in each fiscal period.</p> <p>II. For After the initiatives announced in Apr. 2016, the term is calculated by adding following (i) to (ii). (i) For the properties owned as of the end of FP28 (Feb. 2016), annualized figures of actual NOI for FP28 (Feb. 2016), and (ii) for the properties acquired in FP29 (Aug. 2016), the net operating income according to the direct capitalization methods in the appraisal report obtained upon the decision of acquisition of each property.</p> <p>III. For After the initiatives, the term is calculated by adding following (i) to (ii). (i) For the properties owned as of the end of FP29 (Aug. 2016), annualized figures of actual NOI in FP29 (Aug. 2016), and (ii) for the properties acquired in FP30 (Feb. 2017), the net operating income according to the direct capitalization methods in the appraisal report obtained upon the decision of acquisition of each property.</p> <p>IV. As for the respective indications for the 5 properties acquired in the initiatives, each of the net operating income according to the direct capitalization methods in the appraisal report obtained upon the decision of acquisition of each property.</p> <p>V. As for the indications in the "Portfolio" for the 5 properties acquired in the initiatives, the total of the net operating income mentioned in the above.</p>

Terminology (2)

Term	Definition
Appraisal value	<p>The term uses either of the following figures:</p> <p>I. As of the end of each fiscal period, the term refers to the appraisal value as of the end of each fiscal period.</p> <p>II. For After the initiatives announced in Apr. 2016, the term is calculated by adding following (i) to (ii). (i) For the properties owned as of the end of FP28 (Feb. 2016), the appraisal value as of the end of FP28 (Feb. 2016), and (ii) for the properties acquired in FP29 (Aug. 2016), the appraisal value in the appraisal report obtained upon the decision of acquisition of each property.</p> <p>III. For After the initiatives, the term is calculated by adding following (i) to (ii). (i) For the properties owned as of the end of FP29 (Aug. 2016), the appraisal value as of the end of FP29 (Aug. 2016), and (ii) for the properties acquired in FP30 (Feb. 2017), the appraisal value in the appraisal report obtained upon the decision of acquisition of each property.</p> <p>IV. As for the respective indications of the 5 properties acquired in the initiatives, the term indicates the appraisal value in the appraisal report obtained upon the decision of acquisition of each property.</p>
ARK Hills South Tower (Preferred Equity Securities)	The term refers to 379,282 units of preferred equity securities, which accounts for 49.9% interest in 758,566 units of preferred equity securities issued by Hiratsuka Holding Tokutei Mokuteki Kaisha and backed by 50% co-ownership in ARK Hills South Tower.
Average duration to maturity	The term indicates the weighted-average calculated according to the remaining duration of each interest-bearing debt from each time point to its repayment date or maturity date and the total outstanding of interest-bearing debt as of the same time point. Figures are rounded to the first decimal place.
Average funding cost	The term indicates the annualized figures calculated by dividing (i) the total of interest expenses, interest on investment corporation bonds, funding related expenses (excluding expenses related to both early repayments and commitment line contracts) and accumulated depreciation of investment corporation bonds issuance costs in the profit and loss statements by (ii) the average outstanding of the total interest-bearing debt in the same fiscal period. The figure is rounded to the nearest second decimal place.
Average interest rate	The term indicates the weighted-average interest rate (annual rate) based on the total outstanding of interest-bearing debt as of each time point. The figure is rounded to the second decimal place. With regard to the average interest rate on the portion of borrowings for which interest-rate swaps are executed to hedge against the risk of interest rate hike, the weighted-average interest rates are adjusted by the effect of relevant interest-rate swaps.
Book value	<p>The term uses either of the following figures:</p> <p>I. As of the end of each fiscal period, the term indicates the book value as of the end of each fiscal period.</p> <p>II. After the initiatives announced in Apr. 2016, the term is calculated by adding following (i) to (ii). (i) For the properties owned as of the end of FP28 (Feb. 2016), the book value as of the end of FP28 (Feb. 2016), and (ii) for the properties acquired in FP29 (Aug. 2016), the acquisition price of each property.</p> <p>III. For After the initiatives, the term is calculated by adding following (i) to (ii). (i) For the properties owned as of the end of FP29 (Aug. 2016), the book value as of the end of FP29 (Aug. 2016), and (ii) for the properties acquired in FP30 (Feb. 2017), the acquisition price of each property.</p> <p>IV. As for the respective indications for the 5 properties acquired in the initiatives, the term indicates the acquisition price of each property.</p> <p>V. As for the indications in the "Portfolio" for the 5 properties acquired in the initiatives, the term indicates the total of the acquisition prices of the said properties.</p>
Direct PM	The term indicates the supplemental work of property management operations including leasing activities and activities to improve values of properties by ORIX Asset Management Corporation (hereinafter "OAM") which is the asset management company of OJR, while utilizing the ORIX Synergy.
Diversified REIT	The term indicates a real estate investment corporation that invests in various types of property such as offices, logistics facilities, retail facilities, residential properties and other types of real estate.
FFO	<p>The term stands for "Funds From Operation" and it indicates the figure calculated by following formula:</p> $\text{"FFO"} = \text{Net income} + \text{Depreciation expenses} + \text{Finance Lease Cost} - \text{capital gain/loss from disposition}$
Fixed-interest debt ratio	The term is calculated by dividing outstanding of fixed-rate interest-bearing debt including interest-bearing debt rate fixed through interest rate swap as of each time point by the total outstanding of interest-bearing debt as of the same time point. The figure is rounded to the first decimal place.
Free cash flow	<p>The term or FCF is calculated by the following formula:</p> $\text{Free cash flow} = \text{Depreciation expense} + \text{Finance Lease Cost} - \text{CAPEX}$
Income after depreciation	<p>The term is calculated by the following formula:</p> $\text{Income after depreciation} = \text{NOI} - \text{Depreciation expense as of the fiscal period} - \text{Finance lease cost}$

Terminology (3)

Term	Definition
LTV (based on total assets)	<p>The term is calculated by dividing outstanding of interest-bearing debt as of each time point by total assets as of the same time point. The figure is rounded to the first decimal place. It is also called “LTV” in this material.</p> <p>The “total assets” for each time point on the table is calculated as follows:</p> <ul style="list-style-type: none"> I. As of the end of each fiscal period, the total assets as of the end of each fiscal period. II. For after each PO, the total assets = total assets as of the end of the previous fiscal period of the fiscal period in that payments for each PO were made on payment dates + net increase of unitholders' capital through each PO + net increase of interest-bearing debt during the period from the beginning of the fiscal period in that payments for each PO were made on payment dates to the completion of Initiatives announced at each PO. III. For “After the initiatives announced in Apr. 2016”, the total assets = the total assets as of the end of the FP28 (Feb. 2016) + net increase of unitholders' capital through PO in Mar. 2016 + net increase of interest-bearing debt during the period from the beginning of the FP29 (Aug. 2016) to the completion of the initiatives announced in Apr. 2016. IV. For “After the initiatives”, the total assets = the total assets as of the end of the FP29 (Aug. 2016) + net increase of unitholders' capital through PO in Sep. 2016 + net increase of interest-bearing debt during the period from the beginning of the FP30 (Feb. 2017) to the completion of the initiatives.
LTV (based on unitholders' capital)	The term is calculated by dividing outstanding of interest-bearing debt by the total of unitholders' capital and outstanding of interest-bearing debt as of the same time point. The figure is rounded to the first decimal place.
NAV	<p>The term stands for “Net Asset Value” and is calculated by the following formula:</p> $\text{NAV} = \text{Unitholders' capital} + \text{Unrealized gain/loss}$
NAV (After consideration of internal reserves)	<p>The term is calculated by the following formula:</p> $\text{NAV} = \text{unitholders' capital} + \text{unrealized gain/loss} + \text{accumulated internal reserves}$
NOI (Net Operating Income)	<p>The term is calculated by adding depreciation expenses as of the fiscal period to “Rental operating income” (Rental operating revenue – Rental operating expenses). “Finance lease revenue” and “Finance lease cost” are included in “Rental operating revenue” and “Rental operating expenses” respectively. In the calculation of “NOI”, the amount of “Finance lease cost” is added back in the “Rental operating income” of the relevant fiscal period.</p>
NOI yield	The term is calculated by dividing “Annualized NOI” by “Acquisition price”. The figure is rounded to the first decimal place.
Occupancy rate	The term is calculated by dividing “Rented space” as of each time point by “Rentable space” as of the same time point. The figure is rounded to the first decimal place. In addition, the occupancy rates of properties acquired in FP30 (Feb. 2017) are figures as of the end of Aug. 2016 provided by the sellers.
On-going operations	The term refers to the operation of the existing properties at the end of FP28 (Feb. 2016) and the 3 properties which are “ORIX Yodoyabshi Bldg., Hamamatsu Act Tower and SAPPORO BRICK CUBE” including financial-related operation.
ORIX Synergy	The term refers to the cooperative relationship among OJR and ORIX Corporation and its group companies.
PO in Mar. 2013	The term collectively refers to the public offering on the payment date of Mar. 26, 2013 and the third-party allotment on the payment date of Apr. 24, 2013.
PO in Mar. 2014	The term collectively refers to the public offering on the payment date of Mar. 18, 2014 and the third-party allotment on the payment date of Apr. 16, 2014.
PO in Mar. 2015	The term collectively refers to the public offering on the payment date of Mar. 17, 2015 and the third-party allotment on the payment date of Apr. 10, 2015.
PO in Mar. 2016	The term collectively refers to the public offering on the payment date of Mar. 16, 2016 and the third-party allotment on the payment date of Apr. 12, 2016.
PO in Sep. 2014	The term collectively refers to the public offering on the payment date of Sep. 17, 2014 and the third-party allotment on the payment date of Oct. 9, 2014.
PO in Sep. 2015	The term refers to the public offering on the payment date of Sep. 1, 2015.
PO in Sep. 2016	The term collectively refers to the public offering on the payment date of Sep. 1, 2016 and the third-party allotment on the payment date of Sep. 28, 2016.
PO in Oct. 2013	The term collectively refers to the public offering on the payment date of Oct. 30, 2013 and the third-party allotment on the payment date of Nov. 27, 2013.
Previous financial announcement	The term refers to the financial announcement for FP28 (Feb. 2016) on Apr 13, 2016.

Terminology (4)

Term	Definition
Rent Fluctuation Rate	<p>The term refers to the definitions below:</p> <p>At the time of tenant turnover</p> <ul style="list-style-type: none"> ➤ For compartments of which new monthly contract rents (including assumed rents) for each occupied compartment and former tenants' contract rents are comparable among new move-ins (including assumed move-ins) in each fiscal period, rent fluctuation rate is calculated by dividing the variance between the total of new monthly contract rents and the total of former tenants' contract rents by the total of former tenants' contract rents. <p>At the time of rent revision of existing tenant</p> <ul style="list-style-type: none"> ➤ For tenants for which rent was revised (including assumed revisions) in each period, rent fluctuation rate is calculated by dividing the variance between the total of new monthly contract rents (including assumed rents) and the total of monthly contract rents before the rent revision by the total of monthly contract rents before the rent revision. Furthermore, rates calculated according to figures of tenants with upward rent revisions including assumed revisions are called rates of rent increase and those calculated according to figures of tenants with downward revisions including assumed revisions are called rates of rent decrease. Neither case includes unchanged rents.
Rentable space	The term means to the total floor space in OJR's ownership portion of each real estate that is practically leasable including the common spaces, etc, if actually leased. The owned portions or ownership ratio of OJR for each property are stated.
Rented space	The term means the space included in the rentable space, which is actually under lease contracts and leased to tenants. The owned portions or ownership ratio of OJR for each property are stated.
The initiatives	The term collectively refers to the PO in Sep. 2016, the acquisition of "TAKANAWA DUPLEX C's, Albore Kagoshima, Gaien Nishi-dori Building, PRIZE TENJIN and Hotel Nikko Himeji" and the disposition of "Nihonbashi East Building" announced in and after Apr. 14, 2016.
The initiatives announced in Apr. 2016	The term refers to the acquisition of "SAPPORO BRICK CUBE" including procurement of interest-bearing debts in line with the acquisitions announced dated Apr. 13, 2016.
The initiatives through PO in Sep. 2016	The term collectively refers to the PO in Sep. 2016, the acquisition of "TAKANAWA DUPLEX C's, Albore Kagoshima, Gaien Nishi-dori Building and PRIZE TENJIN" and the disposition of "Nihonbashi East Building" announced in and after Apr. 14, 2016.
Unrealized gain/loss	The term indicates the variance between "Appraisal value" and "Book value" and it is rounded down to the nearest whole number
Yield after depreciation	The term is calculated by dividing "Annualized income after depreciation" by "Book value". The figure is rounded to the first decimal place.
1 acquired property (ARK)	The term refers to "ARK Hills South Tower (Preferred Equity Securities) or ARK Hills South Tower "
1 acquired property (Himeji)	The term refers to "Hotel Nikko Himeji"
1 acquired property (Sapporo)	The term refers to "SAPPORO BRICK CUBE"
1 disposed property (Nihonbashi East)	The term refers to "Nihonbashi East Building"
2 disposed properties (Nishi Azabu, Kitahama)	The term refers to "Park Axis Nishi Azabu Stage and The Kitahama PLAZA"
2 properties acquired in 2015	The term refers to "PRIME SQUARE HIROSE-DORI and Central Crib Roppongi"
2 acquired properties (Gaen Nishi-dori, Tenjin)	The term refers to "Gaen Nishi-dori Building and PRIZE TENJIN"
2 acquired properties (Takanawa, Kagoshima)	The term refers to "TAKANAWA DUPLEX C's and Albore Kagoshima"
5 properties acquired in PO in Mar. 2016	The term refers to "Kita Aoyama building, KANDA MATSUNAGACHO BUILDING, 62% stake in landownership and 60% stake in building ownership of Aoyama Suncrest Building, ORIX Yodoyabashi Bldg. and Hamamatsu Act Tower".
5 properties acquired in PO in Sep. 2015	The term refers to "ORE Omiya Building, Round-Cross Ginza 2-chome, VIA INN SHINSAIBASHI BLDG., HOTEL KEIHAN SAPPORO and Richmond Hotel Yamagata Ekimae"
5 properties acquired in the initiatives	The term refers to "TAKANAWA DUPLEX C's, Albore Kagoshima, Gaen Nishi-dori Building, PRIZE TENJIN and Hotel Nikko Himeji"

Terminology (5)

Term	Definition
6 properties acquired in PO in Mar. 2016	The term refers to “KONAMI SPORTS CLUB KORIENT, Kita Aoyama building, KANDA MATSUNAGACHO BUILDING, 62% stake in landownership and 60% stake in building ownership of Aoyama Suncrest Building, ORIX Yodoyabashi Bldg. and Hamamatsu Act Tower”.
6 properties acquired in 2015	The term refers to “ORE Omiya Building, Round-Cross Ginza 2-chome, VIA INN SHINSAIBASHI BLDG., HOTEL KEIHAN SAPPORO, Richmond Hotel Yamagata Ekimae and KONAMI SPORTS CLUB KORIENT”
6 properties acquired in 2016	The term refers to “SAPPORO BRICK CUBE, TAKANAWA DUPLEX C's, Albore Kagoshima, Gaien Nishi-dori Building, PRIZE TENJIN and Hotel Nikko Himeji”

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