Premier Investment Corporation

Premier Investment Corporation

Fiscal Period

34

(6-month Period Ended October 2019)

Earnings Presentation

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Financial Summary (Fiscal Period 34)

■ **Continuously improved unitholder value with strong internal growth as the main driving force.**

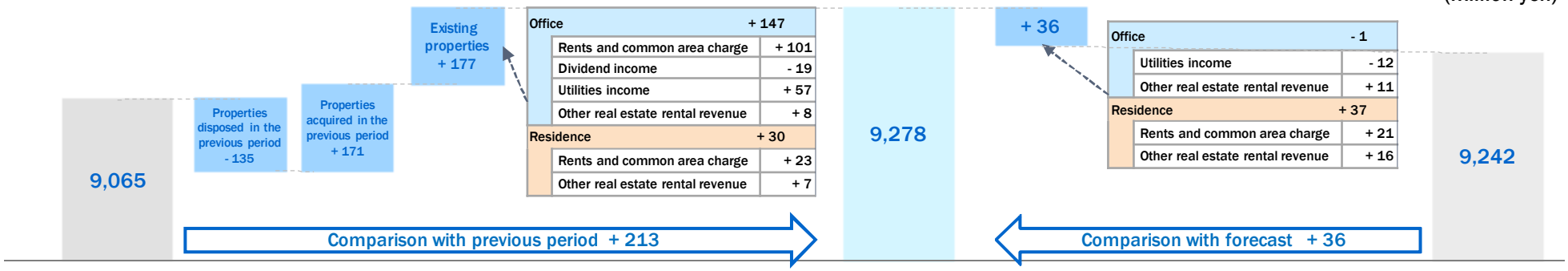
ASSET	**Asset size**	**Unrealized gain**	**Average occupancy rate**	**NOI yield**
	243.7 billion yen	60.8 billion yen (+ 8.6 billion yen)	98.2% (+ 0.4%)	5.4% (+ 0.3%)
DEBT	**Average interest rate**	**Remaining maturity**	**LTV (unitholders' capital basis)**	**LTV (market value basis)**
	0.61% (- 0.02%)	4.7 years (+ 0.1 year)	47.8% (- 0.0%)	38.2% (- 1.2%)
EQUITY	**Distribution per unit**	**NAV per unit**	**Market capitalization**	**Period-end balance of reserve for reduction entry**
	2,792 yen (- 184 yen) Excluding the impact of gain on property sale in the previous period (+ 206 yen)	140,931 yen (+ 6,357 yen)	213.4 billion yen (+ 31.8 billion yen)	762 million yen [578 yen per unit]

*1 Figures in parentheses indicate the increase or decrease compared to the previous period.

Fiscal Period 34 Earnings Overview (Comparison with Results from Previous Period/Forecast)

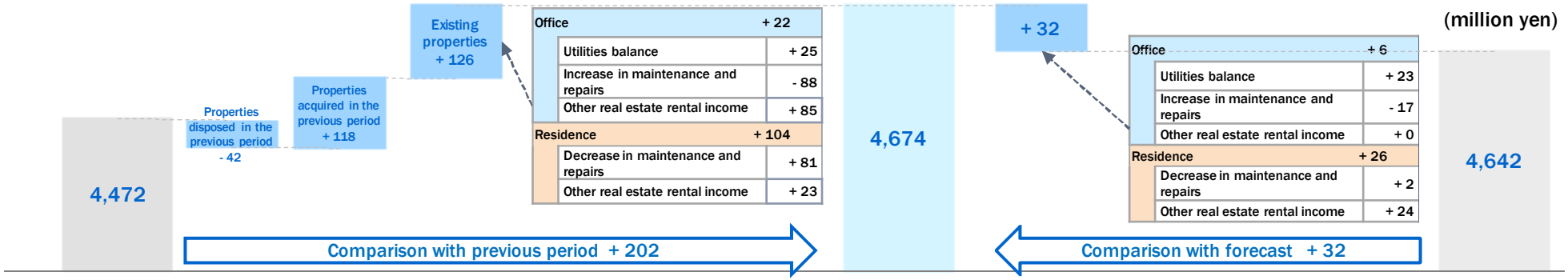
Real Estate Rental Revenue (incl. dividend income)

(million yen)



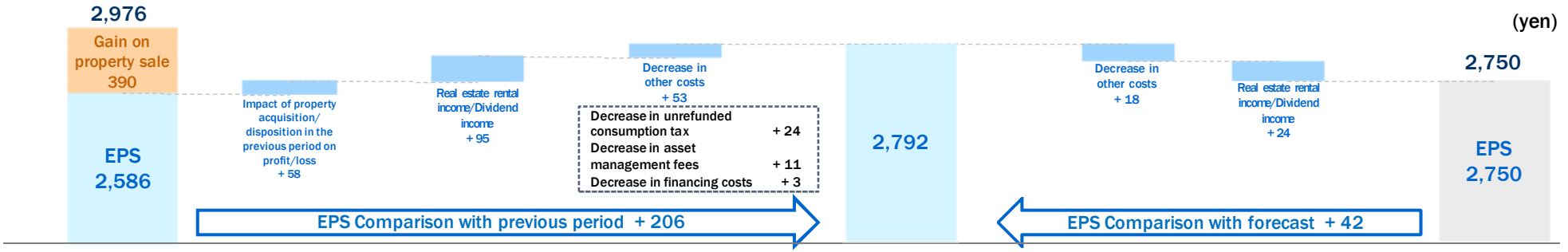
Real Estate Rental Income (incl. dividend income)

(million yen)



Distribution per Unit

(yen)

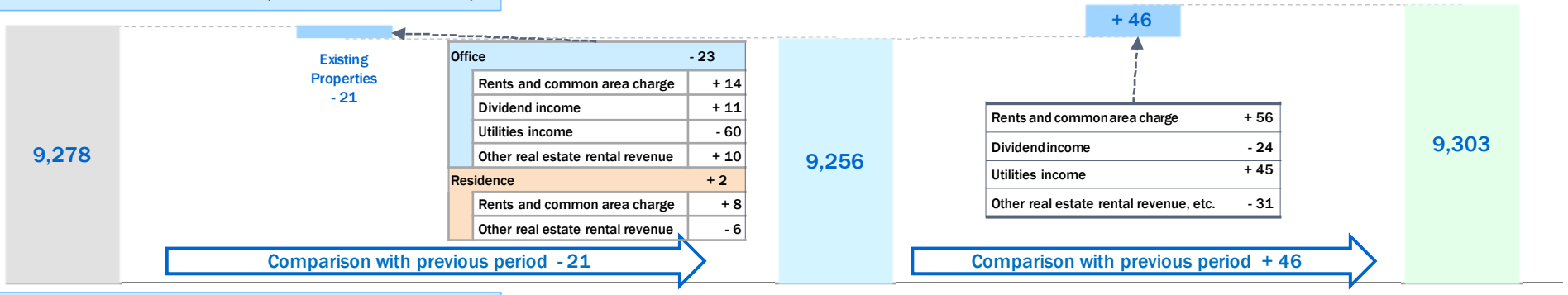


FP 33 Actual (Apr. 2019)	FP 34 Actual (Oct. 2019)	FP 34 Forecast (Oct. 2019)

Performance Forecasts for Fiscal Periods 35 and 36

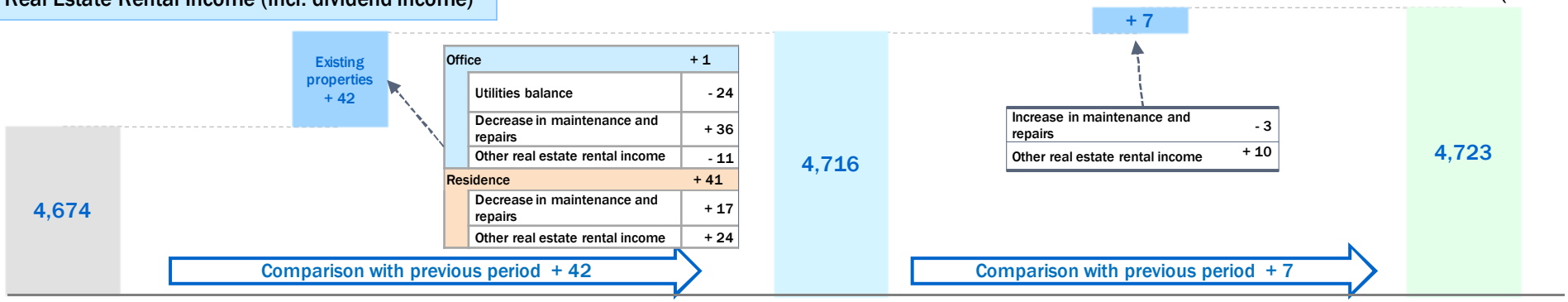
Real Estate Rental Revenue (incl. dividend income)

(million yen)



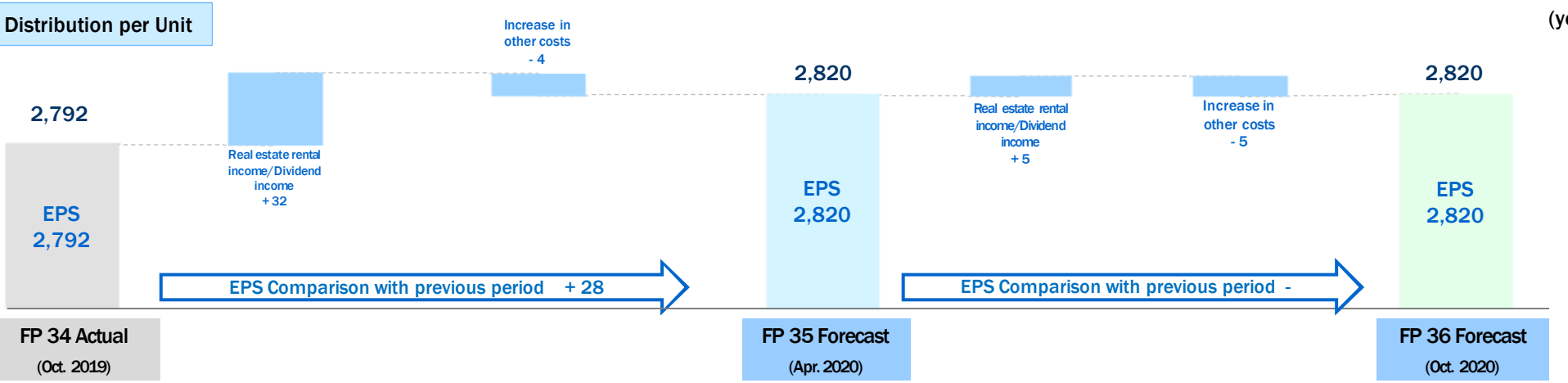
Real Estate Rental Income (incl. dividend income)

(million yen)



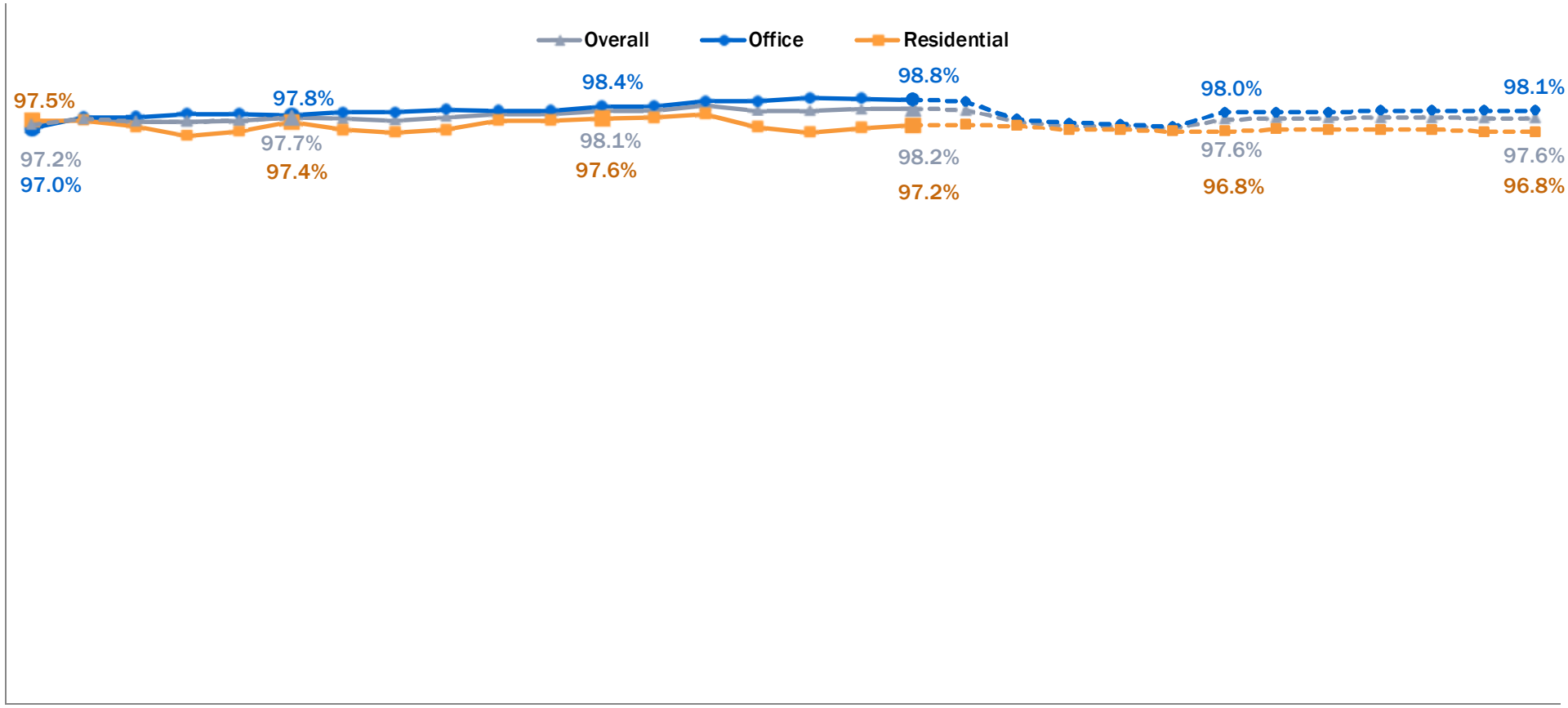
Distribution per Unit

(yen)



Occupancy Rate Assumptions for Fiscal Periods 35 and 36

- **The occupancy rate has remained stable at a high level in recent years against the backdrop of a robust market environment.**



2018 May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	2019 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	2020 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.
FP 32 Actual						FP 33 Actual						FP 34 Actual						FP 35 Forecast						FP 36 Forecast					

Asset Size

- **Since NTT UD became the main sponsor, we've steadily expanded the asset size and improved portfolio quality through collaborative transactions.**
- **We will draw out opportunities for further external growth capitalizing on the capital demands arising in urban development projects promoted by the NTT Group.**

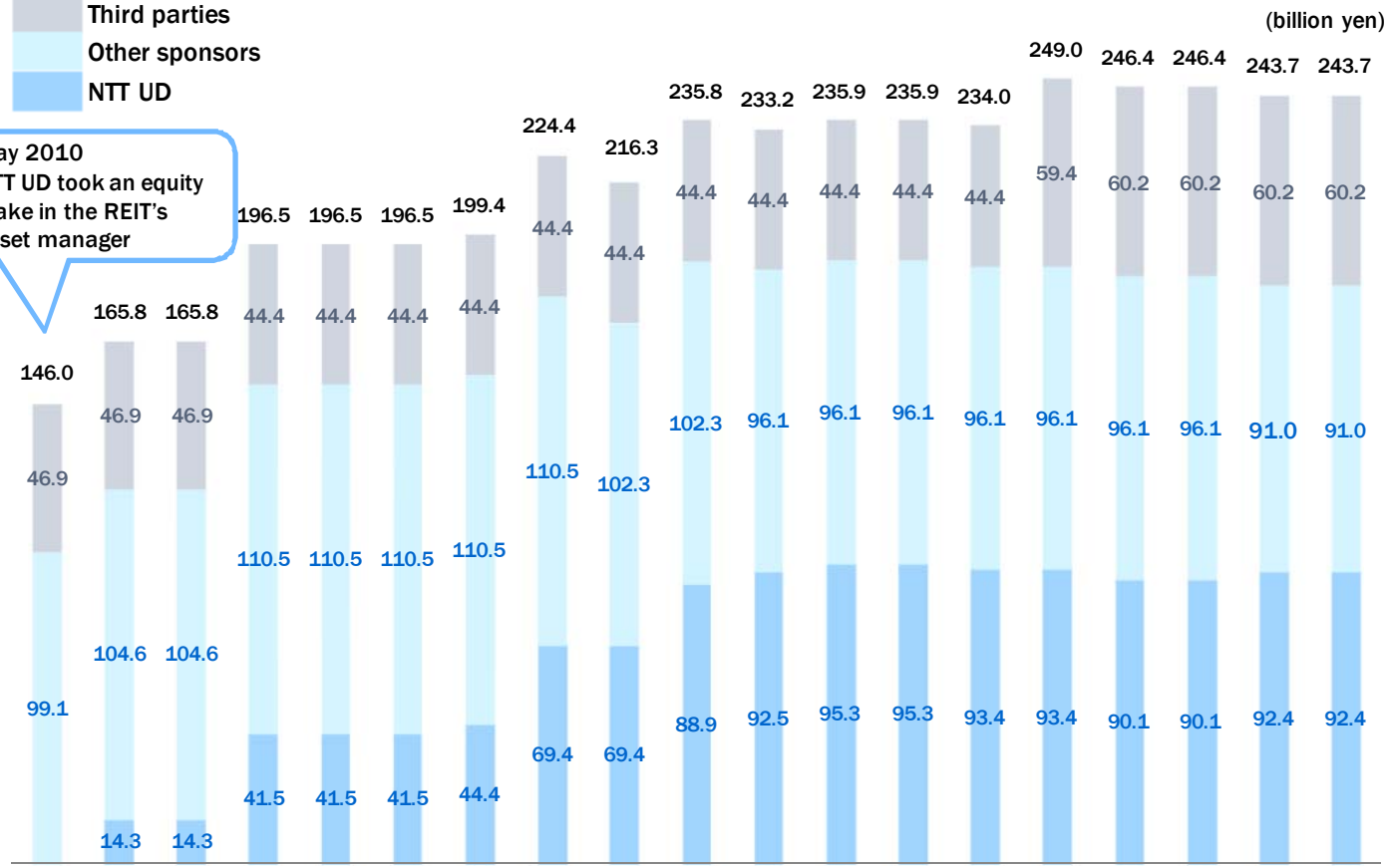
Growth in Asset Size

(As seller or deal-broker)

Third parties
Other sponsors
NTT UD

(billion yen)

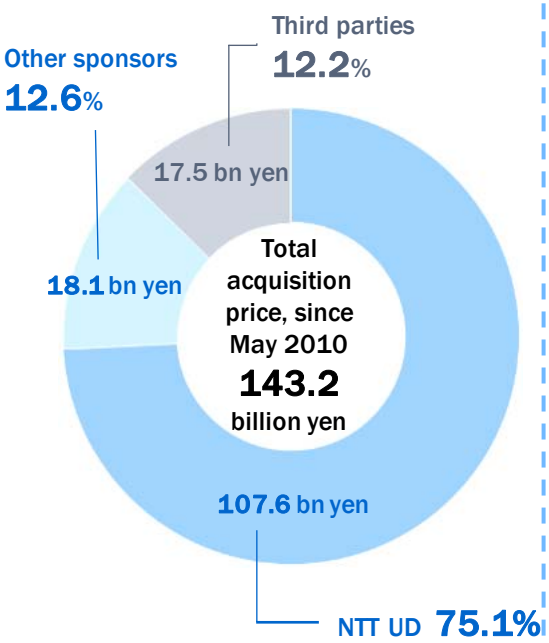
May 2010
NTT UD took an equity stake in the REIT's asset manager



FP 16	FP 17	FP 18	FP 19	FP 20	FP 21	FP 22	FP 23	FP 24	FP 25	FP 26	FP 27	FP 28	FP 29	FP 30	FP 31	FP 32	FP 33	FP 34
Oct. 2010	Apr. 2011	Oct. 2011	Apr. 2012	Oct. 2012	Apr. 2013	Oct. 2013	Apr. 2014	Oct. 2014	Apr. 2015	Oct. 2015	Apr. 2016	Oct. 2016	Apr. 2017	Oct. 2017	Apr. 2018	Oct. 2018	Apr. 2019	Oct. 2019

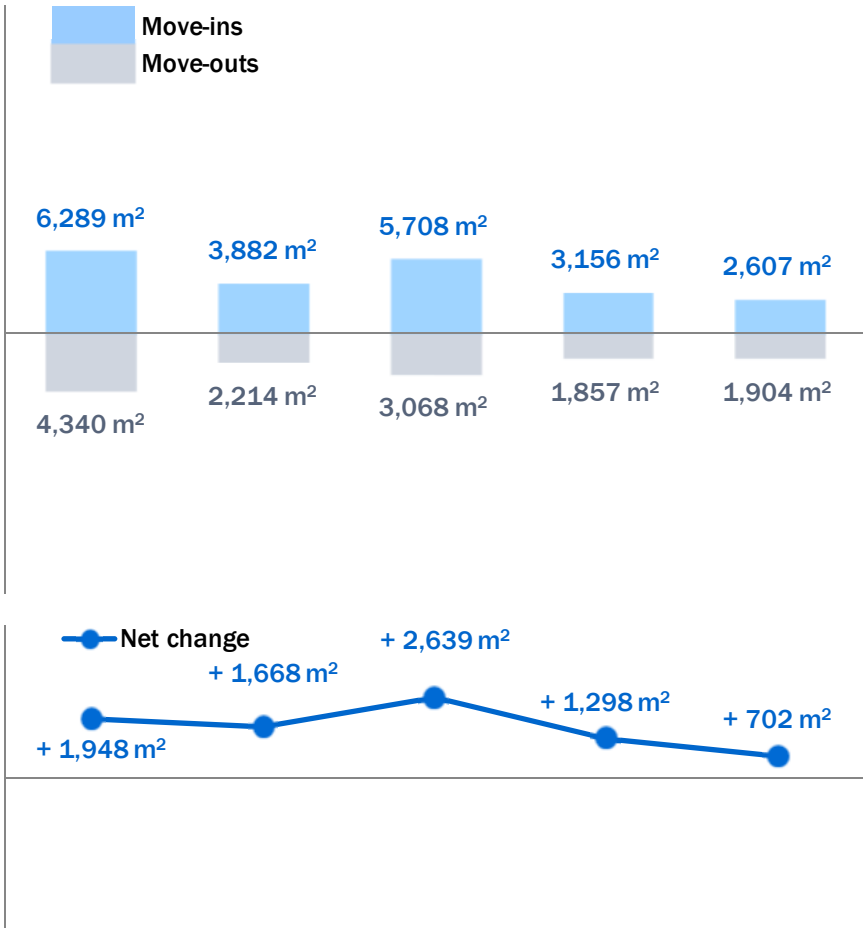
Property Acquisitions since NTT UD Joined as Sponsor

(End of FP 34)



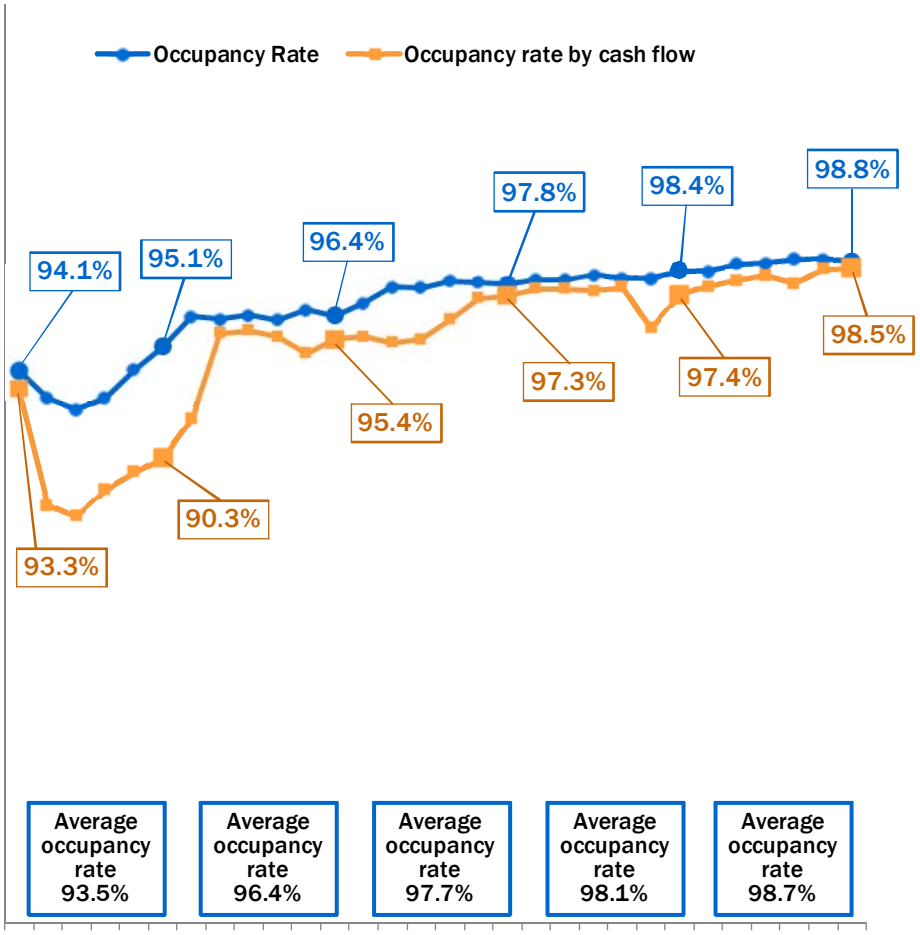
Office: Tenant Turnover and Occupancy Rates

Office Tenant Turnover (area)



FP 30 (Oct. 2017)	FP 31 (Apr. 2018)	FP 32 (Oct. 2018)	FP 33 (Apr. 2019)	FP 34 (Oct. 2019)

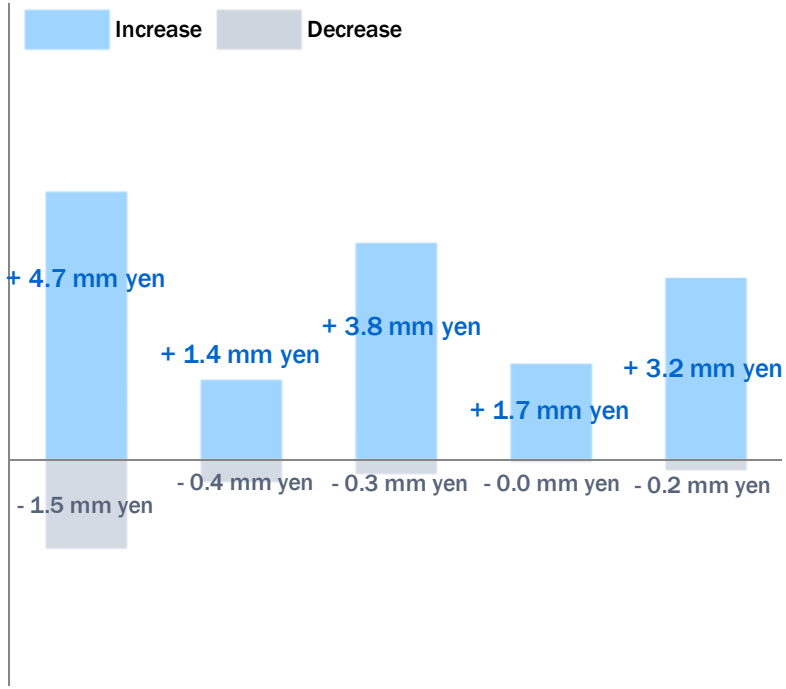
Occupancy Rate and Occupancy Rate by Cash Flow



FP 30 (Oct. 2017)	FP 31 (Apr. 2018)	FP 32 (Oct. 2018)	FP 33 (Apr. 2019)	FP 34 (Oct. 2019)

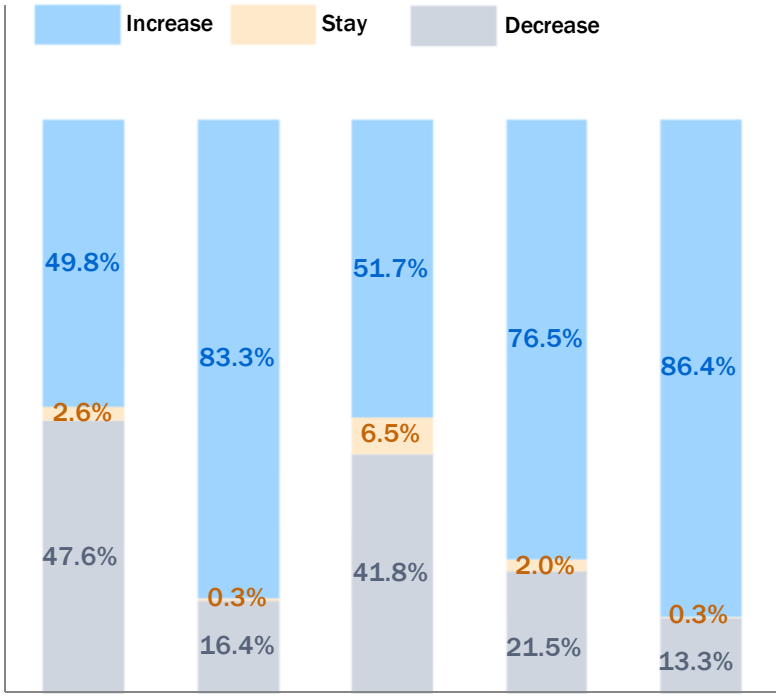
Office: Rent Revision Trends (at Tenant Turnover)

Change in Rents at Tenant Turnover (monthly)



	FP 30 (Oct. 2017)	FP 31 (Apr. 2018)	FP 32 (Oct. 2018)	FP 33 (Apr. 2019)	FP 34 (Oct. 2019)
Increase rate*1	+ 26.6%	+ 14.7%	+ 33.2%	+ 25.9%	+ 33.9%
Decrease rate*2	- 8.7%	- 27.0%	- 2.1%	- 1.4%	- 13.5%
Net change rate*3	+ 3.4%	+ 9.1%	+ 14.0%	+ 17.2%	+ 27.4%

Analysis of Rents Subject to Tenant Turnover

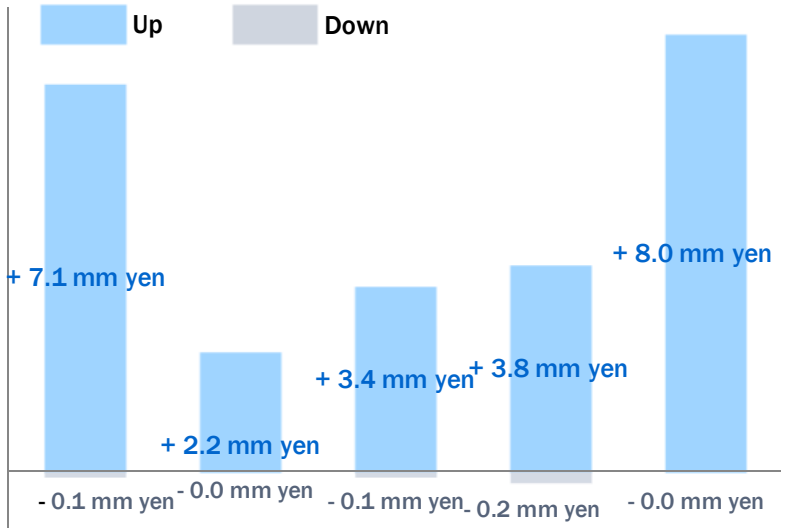


FP 30 (Oct. 2017)	FP 31 (Apr. 2018)	FP 32 (Oct. 2018)	FP 33 (Apr. 2019)	FP 34 (Oct. 2019)
6,289 m²	3,882 m²	5,708 m²	3,156 m²	2,607 m²

*1 "Increase rate" = Amount of increase in rent for sections with rent increase among sections subject to tenant turnover / Total rent for the sections in the previous period
*2 "Decrease rate" = Amount of decrease in rent for sections with rent decrease among sections subject to tenant turnover / Total rent for the sections in the previous period
*3 "Net change rate" = Amount of change in rent for sections with rent increase/decrease among sections subject to tenant turnover / Total rent for sections subject to tenant turnover in the previous period (including sections with unchanged rent after tenant turnover)

Office: Rent Revision Trends (at Contract Renewal)

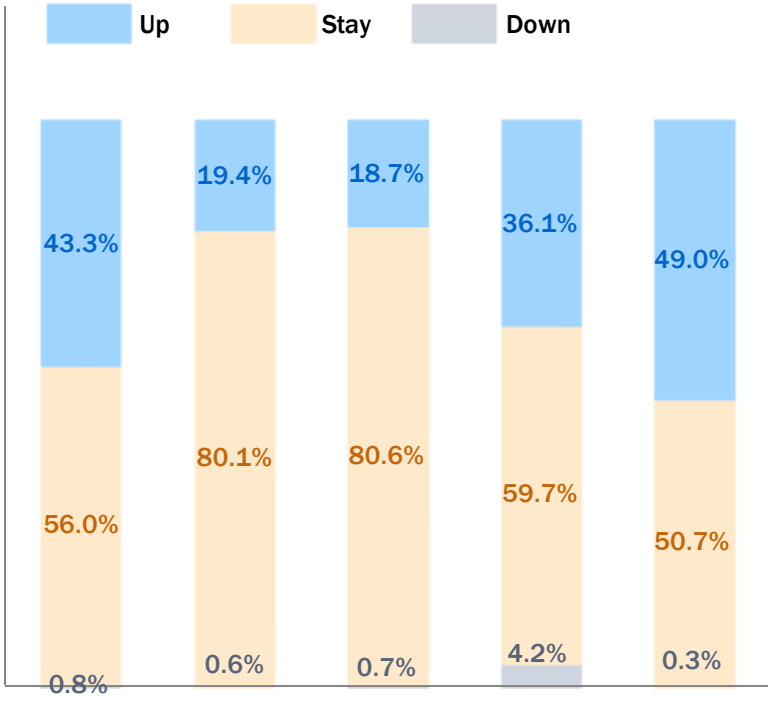
Change in Rents at Contract Renewal (monthly)



	FP 30 (Oct. 2017)	FP 31 (Apr. 2018)	FP 32 (Oct. 2018)	FP 33 (Apr. 2019)	FP 34 (Oct. 2019)
Increase rate*1	+ 9.6%	+ 9.3%	+ 10.7%	+ 5.8%	+ 8.6%
Decrease rate*2	- 12.1%	- 1.6%	- 11.8%	- 2.5%	- 6.9%
Net change rate*3	+ 4.2%	+ 1.3%	+ 1.4%	+ 1.9%	+ 4.3%

(Reference)
Total rent of all tenants as of the end of FP33 vs Total rent change as of the end of FP34 (renewal + turnover) = + 1.2%

Analysis of Rent Changes for Sections Subject to Contract Renewal

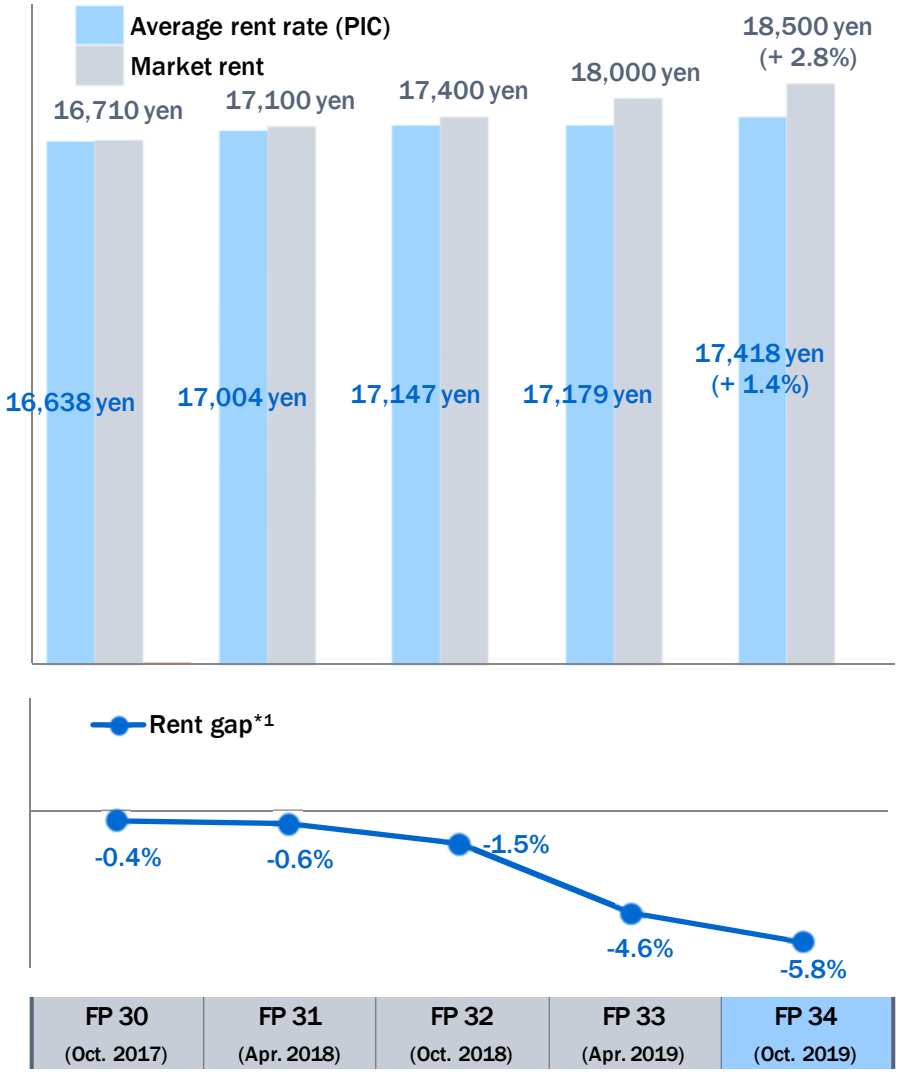


FP 30 (Oct. 2017)	FP 31 (Apr. 2018)	FP 32 (Oct. 2018)	FP 33 (Apr. 2019)	FP 34 (Oct. 2019)
35,776 m²	36,874 m²	43,578 m²	39,719 m²	35,418 m²

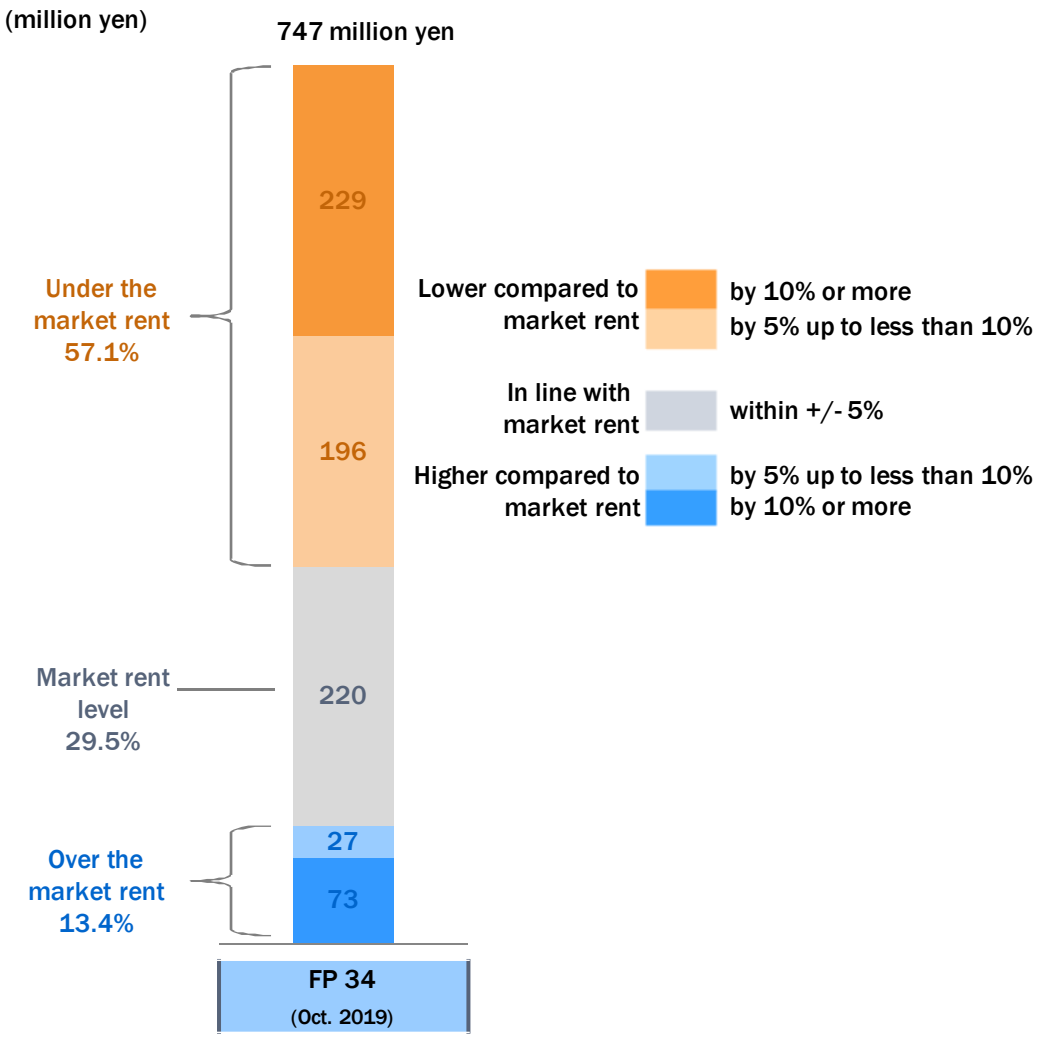
*1 "Increase rate" = Amount of increase in rent for sections with rent increase among sections subject to contract renewal / Total rent for the sections in the previous period
*2 "Decrease rate" = Amount of decrease in rent for sections with rent decrease among sections subject to contract renewal / Total rent for the sections in the previous period
*3 "Net change rate" = Amount of change in rent for sections with rent increase/decrease among sections subject to contract renewal / Total rent for sections subject to contract renewal in the previous period (including sections with unchanged rent after contract renewal)

Office: Rent Analysis (Greater Tokyo)

Comparison with Market Rents (per tsubo)

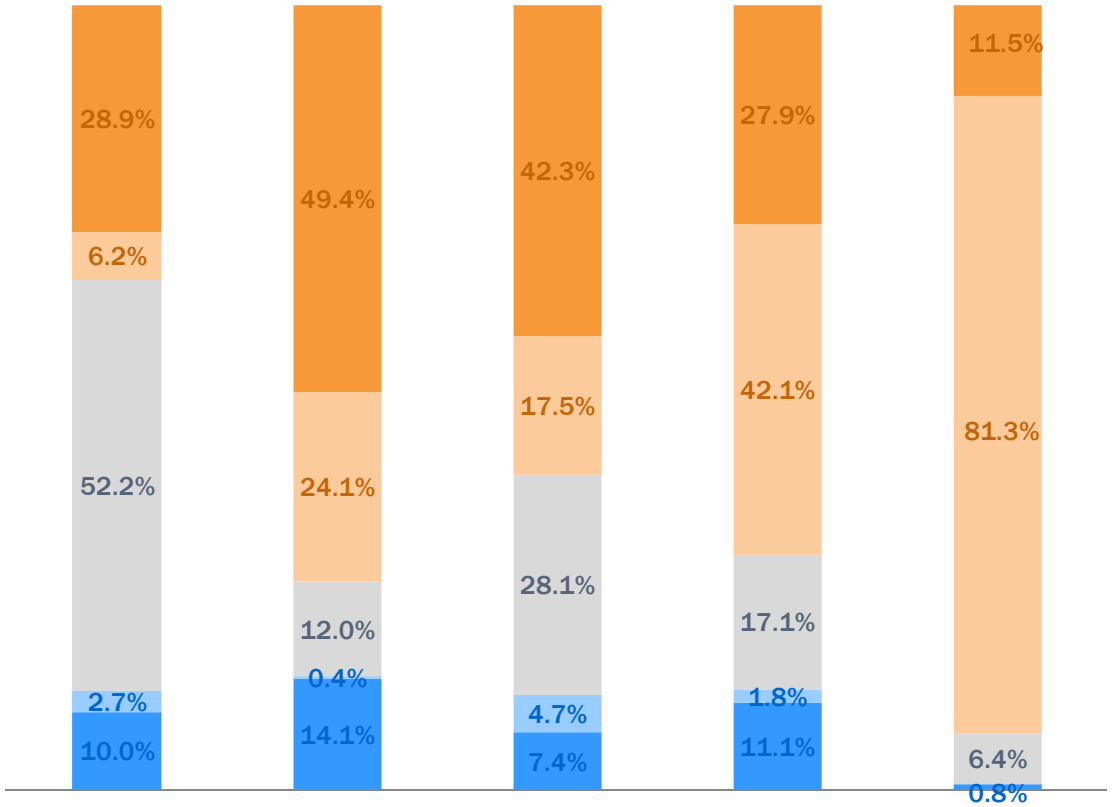


Breakdown of Rent Gap



*1 The rent gap is the calculated weighted average based on leased area for the gap between market rent (surveyed every March and September) and contract rent (as of the end of each fiscal period) for each office building in the portfolio. It does not include properties located in major regional cities.

Office: Contract Renewal Schedule (Greater Tokyo)



Lower compared to market rent: by 10% or more; by 5% up to less than 10%

In line with market rent: within +/- 5%

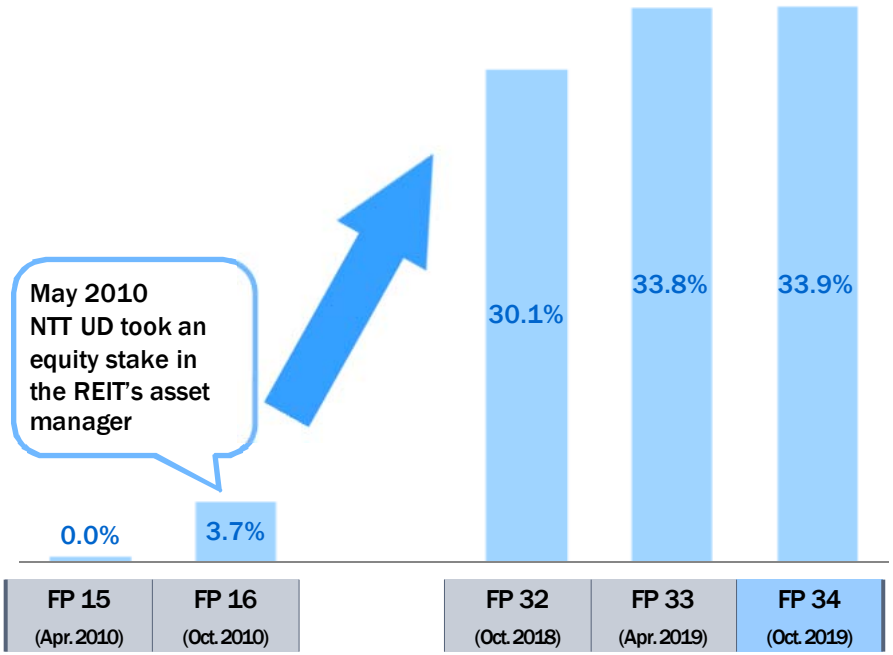
Higher compared to market rent: by 5% up to less than 10%; by 10% or more

Area subject to contract renewal	42,443 m²	32,710 m²	31,421 m²	27,314 m²	7,924 m²
	FP 35 (Apr. 2020)	FP 36 (Oct. 2020)	FP 37 (Apr. 2021)	FP 38 (Oct. 2021)	FP 39 and after (in and after Nov. 2021)

Office: Status of Tenants

- **NTT Group tenants often occupy a medium-sized building with a relatively large floor area at a rent level of about 15,000 to 20,000 yen per tsubo.**
- **Consistent with the characteristics of the offices owned by PIC, this contributes to benefitting both parties. The average contract rent is at the same level as the market rent.**

Office Tenant Exposure to NTT Group



Top 10 Office Tenants

NTT Group Company

(As of October 31, 2019)

Ranking	Tenant	Space leased	%*1	Property name
1	NTT Facilities, Inc.	10,681 m^2	6.1%	UA Higobashi Bldg. and others
2	Docomo CS, Inc.	10,525 m^2	6.0%	UN Ikebukuro Bldg.
3	NTT Business Associe East Co., Ltd.	7,488 m^2	4.3%	UN Omori Bldg.
4	Sumitomo Osaka Cement Co., Ltd.	6,872 m^2	3.9%	Rokubancho Bldg.
5	SoftBank Corp.	6,293 m^2	3.6%	Sphere Tower Tennozu
6	NTT Data Corporation	5,871 m^2	3.3%	UN Mita Bldg.
7	NTT Finance Corporation	5,417 m^2	3.1%	UN Ikebukuro Bldg.
8	NTT Data Business Systems Corporation	5,182 m^2	2.9%	UN Gotanda NN Bldg.
9	NTT Learning Systems Corporation	4,801 m^2	2.7%	UN Azabu Bldg.
10	Japan Display Inc.*2	4,140 m^2	2.4%	Landic Shimbashi 2 Bldg.

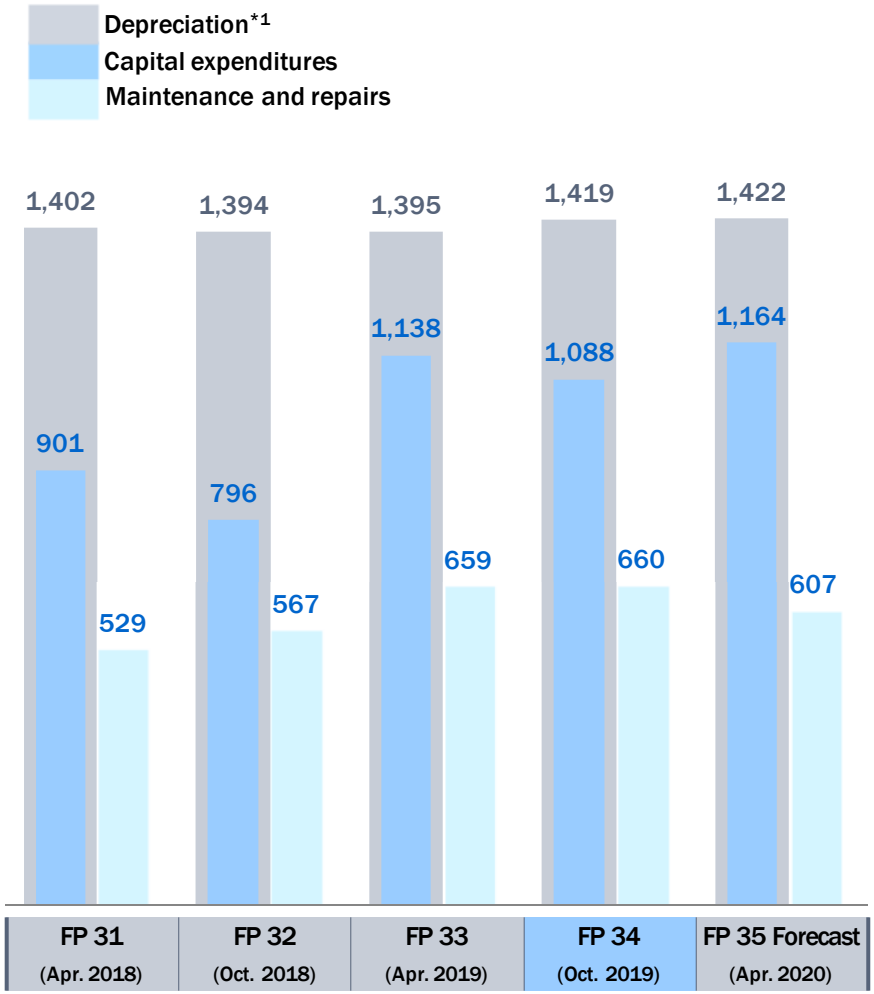
*1 The ratio pertaining to gross area under lease in office-use sections of the entire PIC portfolio is shown.
*2 PIC received a notice of partial move-out from Japan Display Inc. with December 23, 2019 (FP35), as the planned contract cancellation date.

Status of Construction Works

■ **Carried out scheduled leveling of medium-term to long-term construction costs. Capital expenditures for each period is controlled within the scope of depreciation.**

Changes in Construction Costs and Depreciation

(million yen)



Maintenance and Repairs

(million yen)

	Property name	Expenditures	Main details of work
FP 34 actual [660 million yen]	Urbannet Ikebukuro Bldg.	132	Renovation of HVAC
	Premier Yokohama Nishiguchi Bldg.	58	Repairing of exterior wall
	KN Shibuya No.3	48	Repairing of exterior wall
FP 35 planned [607 million yen]	Urbannet Ikebukuro Bldg.	81	Renovation of HVAC
	Walk Akasaka	68	Repairing of exterior wall
	Urbannet Mita Bldg.	41	Repairing of exterior wall

Capital Expenditures

(million yen)

	Property name	Expenditures	Main details of work
FP 34 actual [1,088 million yen]	Urbannet Ikebukuro Bldg.	297	Renovation of sanitation facilities
	NTT CRED Okayama Bldg.	125	Work related to tenant move-in (conversion)
	Urbannet Mita Bldg.	87	Work related to tenant move-in (conversion)
FP 35 planned [1,164 million yen]	Urbannet Ikebukuro Bldg.	454	Renovation of HVAC
	The Kanagawa Science Park R&D Bldg.	138	Renovation of HVAC
	Urban Ace Higobashi Bldg.	113	Long-period ground motion countermeasure work

*1 Depreciation expenses indicate the amount related to real estate rental expenses.

Improvement of Tenant Satisfaction Through Value-added Renovations

■ **Implemented large-scale renovation at large luxury residences, contributing to improving property value and tenant satisfaction.**

Roppongi Green Terrace

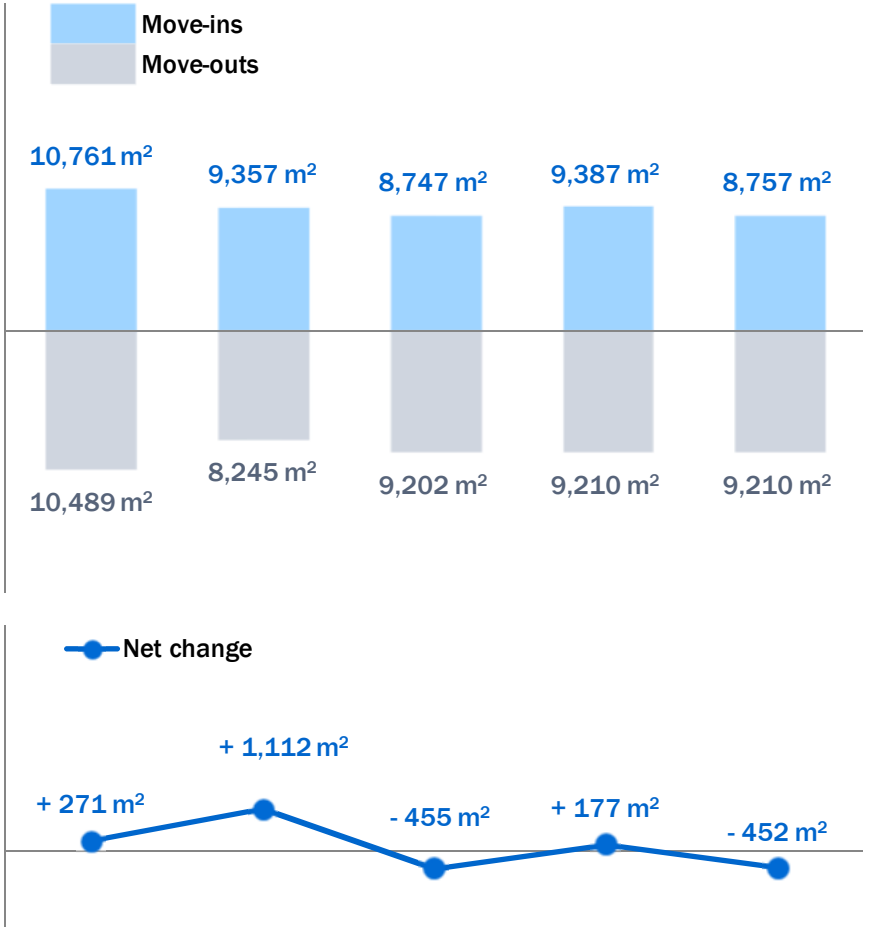
- Drastically renovated common areas such as the entrance hall and elevator halls, creating an elegant and warm space like a hotel lounge.

Storia Akasaka

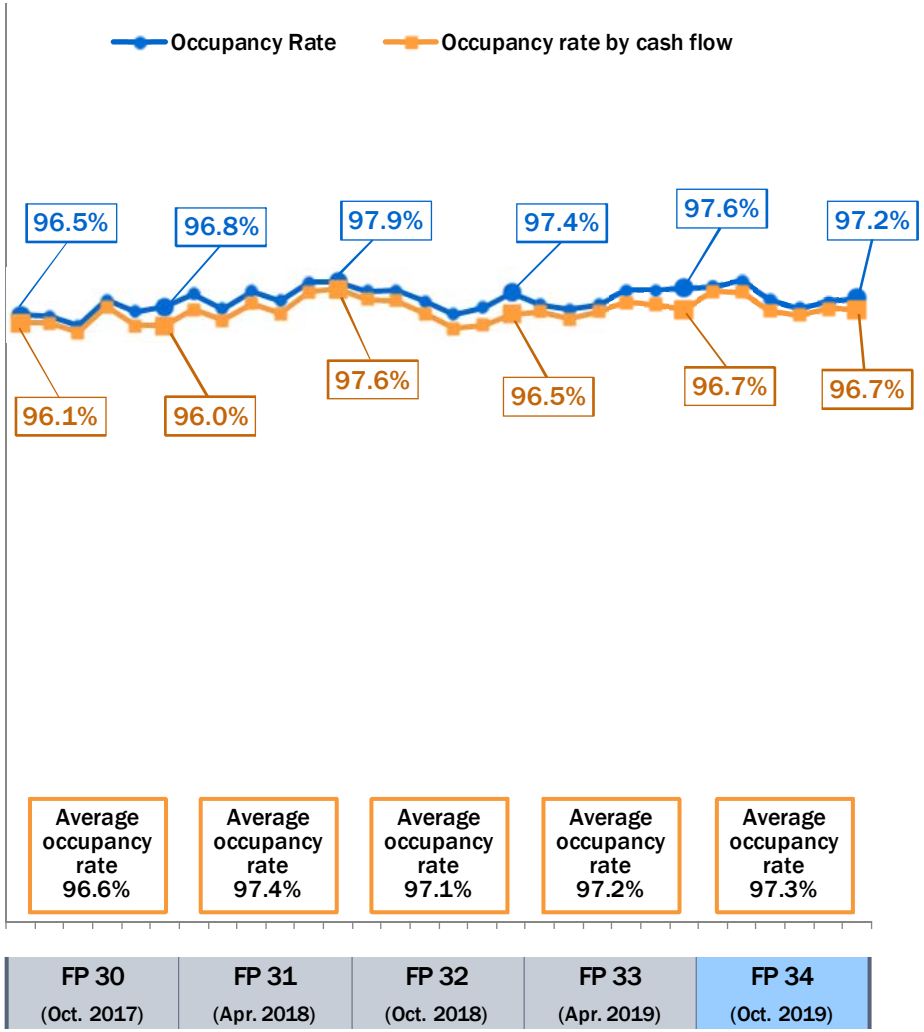
- In response to tenants' demands, renovated the gym room (common area), which was used infrequently, into a study corner serving also as business meeting space.

Residential: Tenant Turnover and Occupancy Rates

Residential: Tenant Turnover (area)

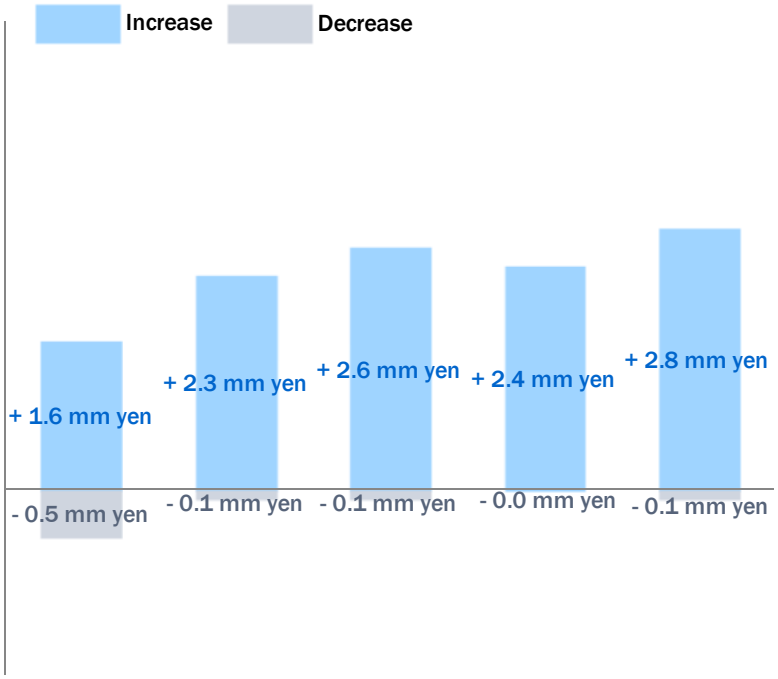


Occupancy Rate and Occupancy Rate by Cash Flow



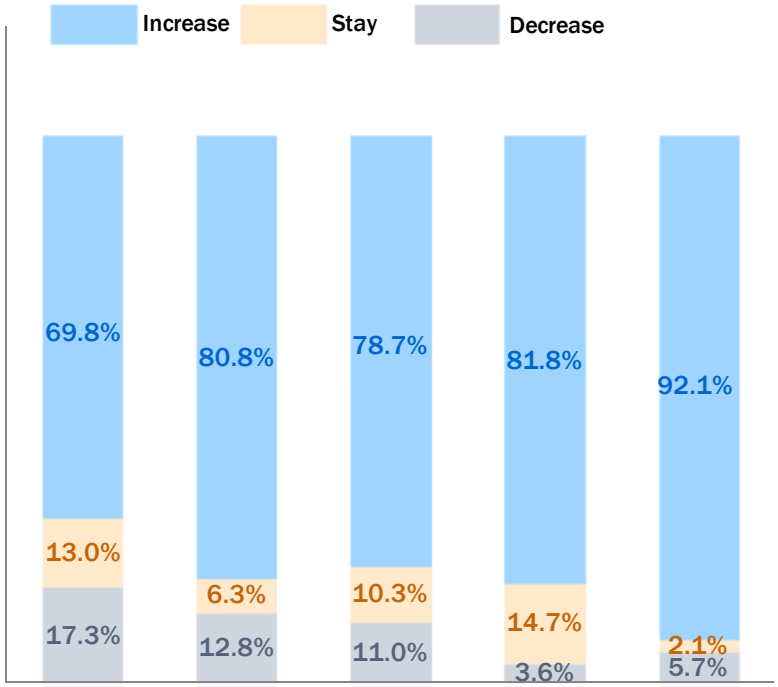
Residential: Rent Revision Trends (at Tenant Turnover)

Change in Rents at Tenant Turnover (monthly)



	FP 30 (Oct. 2017)	FP 31 (Apr. 2018)	FP 32 (Oct. 2018)	FP 33 (Apr. 2019)	FP 34 (Oct. 2019)
Increase rate*1	+ 6.1%	+ 8.0%	+ 8.7%	+ 7.6%	+ 9.1%
Decrease rate*2	- 7.0%	- 3.8%	- 4.7%	- 5.7%	- 7.7%
Net change rate*3	+ 2.7%	+ 5.9%	+ 6.2%	+ 5.9%	+ 7.8%

Analysis of Rents Subject to Tenant Turnover

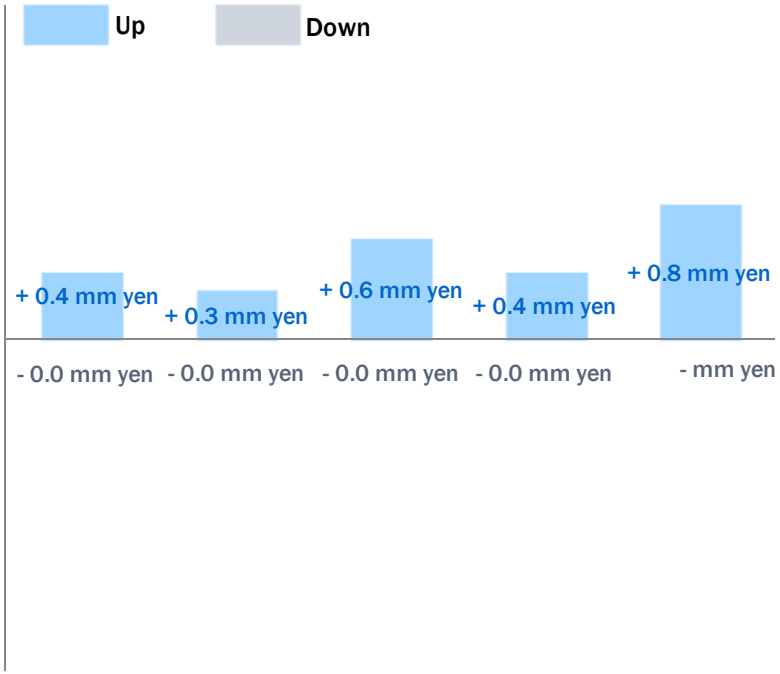


FP 30 (Oct. 2017)	FP 31 (Apr. 2018)	FP 32 (Oct. 2018)	FP 33 (Apr. 2019)	FP 34 (Oct. 2019)
10,761 m²	9,357 m²	8,747 m²	9,387 m²	8,757 m²

*1 "Increase rate" = Amount of increase in rent for sections with rent increase among sections subject to tenant turnover / Total rent for the sections in the previous period
*2 "Decrease rate" = Amount of decrease in rent for sections with rent decrease among sections subject to tenant turnover / Total rent for the sections in the previous period
*3 "Net change rate" = Amount of change in rent for sections with rent increase/decrease among sections subject to tenant turnover / Total rent for sections subject to tenant turnover in the previous period (including sections with unchanged rent after tenant turnover)

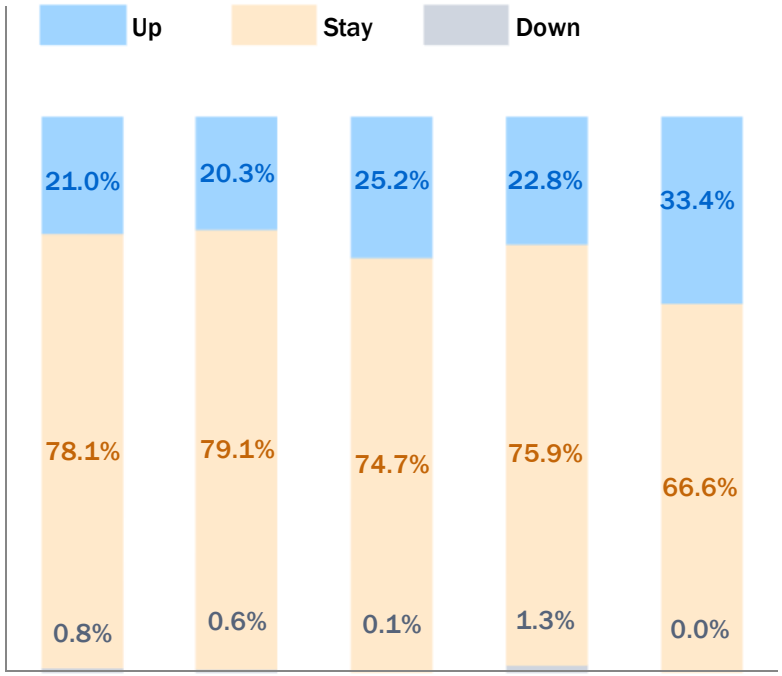
Residential: Rent Revision Trends (at Contract Renewal)

Change in Rents at Contract Renewal (monthly)



	FP 30 (Oct. 2017)	FP 31 (Apr. 2018)	FP 32 (Oct. 2018)	FP 33 (Apr. 2019)	FP 34 (Oct. 2019)
Increase rate*1	+ 3.1%	+ 2.8%	+ 3.9%	+ 3.3%	+ 3.4%
Decrease rate*2	- 4.6%	- 3.6%	- 13.3%	- 3.0%	-
Net change rate*3	+ 0.6%	+ 0.5%	+ 0.9%	+ 0.7%	+ 1.1%

Change in Rents Subject to Contract Renewal



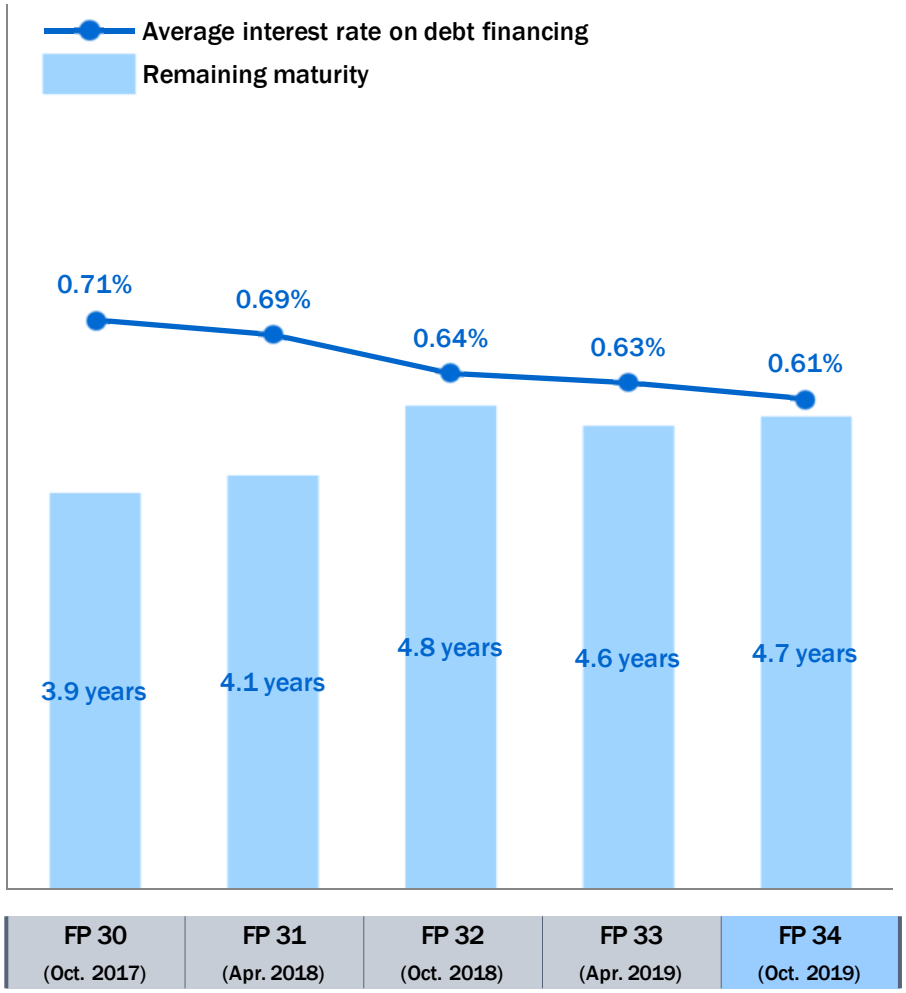
FP 30 (Oct. 2017)	FP 31 (Apr. 2018)	FP 32 (Oct. 2018)	FP 33 (Apr. 2019)	FP 34 (Oct. 2019)
18,133 m²	15,797 m²	18,080 m²	16,540 m²	19,276 m²

(Reference)
Total rent of all tenants as of the end of FP33 vs Total rent change as of the end of FP34 (renewal + turnover) = + 0.8%

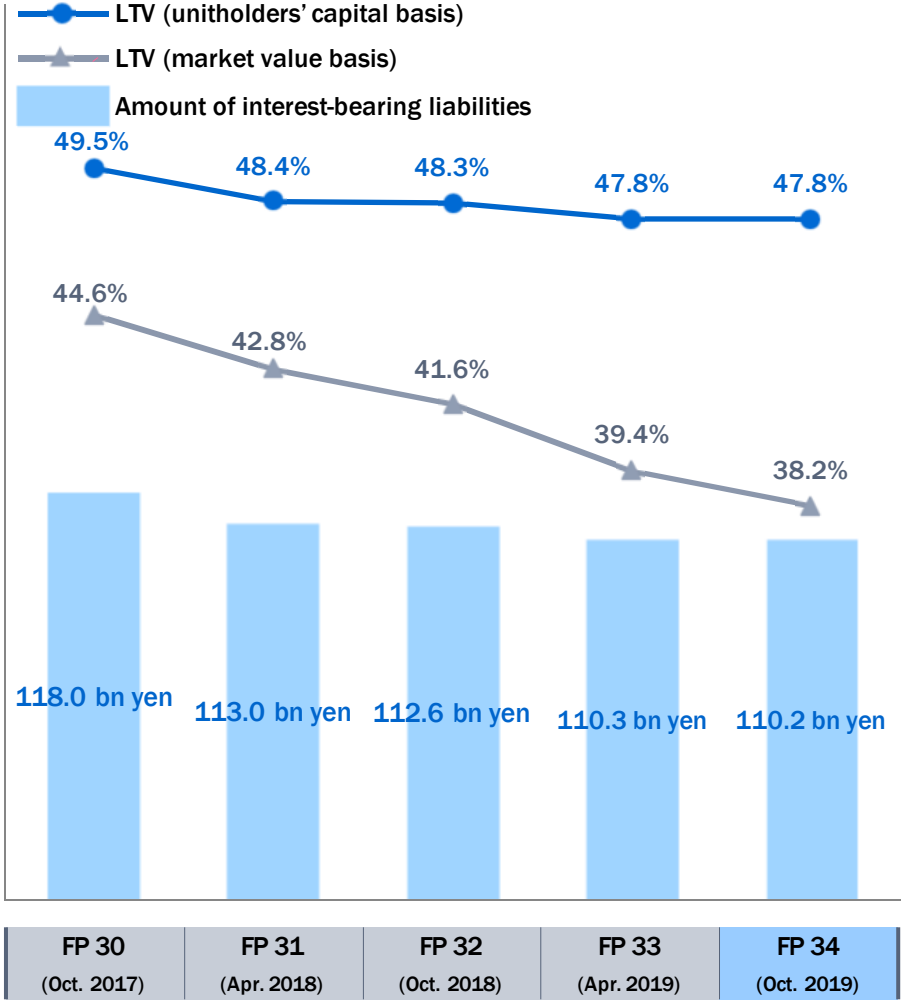
*1 "Increase rate" = Amount of increase in rent for sections with rent increase among sections subject to contract renewal / Total rent for the sections in the previous period
*2 "Decrease rate" = Amount of decrease in rent for sections with rent decrease among sections subject to contract renewal / Total rent for the sections in the previous period
*3 "Net change rate" = Amount of change in rent for sections with rent increase/decrease among sections subject to contract renewal / Total rent for sections subject to contract renewal in the previous period (including sections with unchanged rent after contract renewal)

Financial Information

Average Interest Rate and Remaining Maturity*1



LTV (Loan to Value)



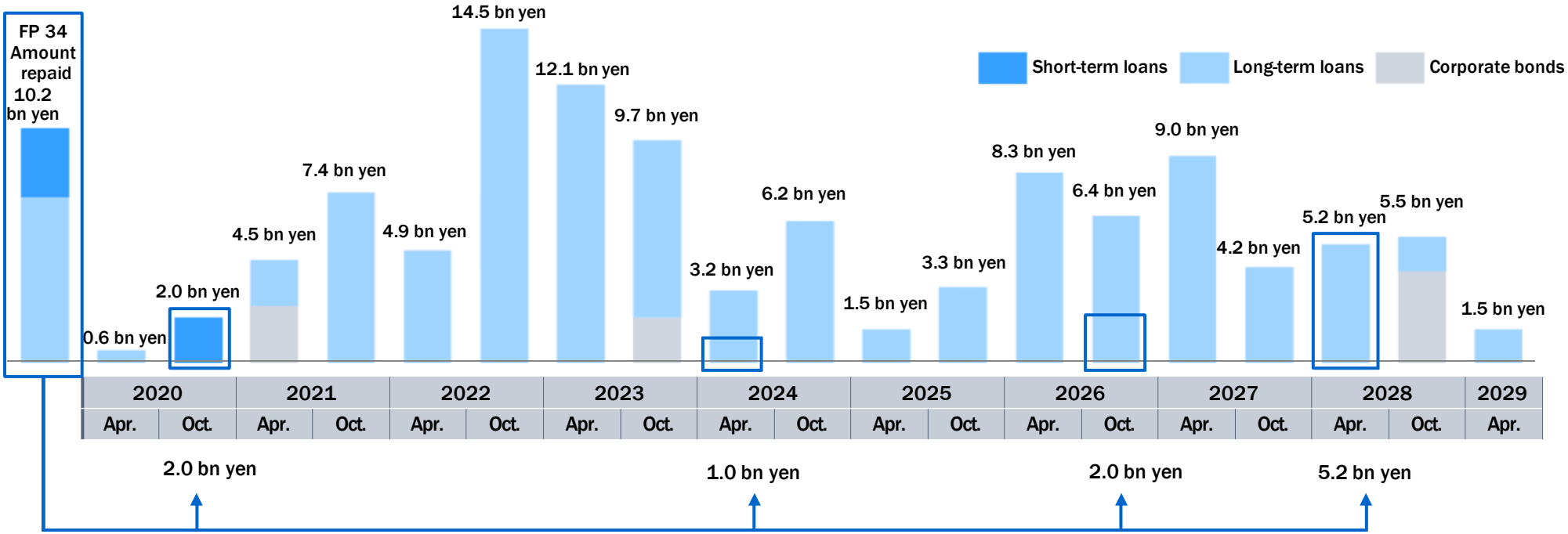
*1 Average interest rate is the calculated weighted average for the nominal interest rate as of the end of each period based on remaining balance. Financing fee, etc. paid to lenders are excluded.

Repayment Schedule

■ **Through refinancing in FP34, further lowered financial costs by extending loan duration and reducing interest payment.**

■ Repaid and Borrowed during the Fiscal Period

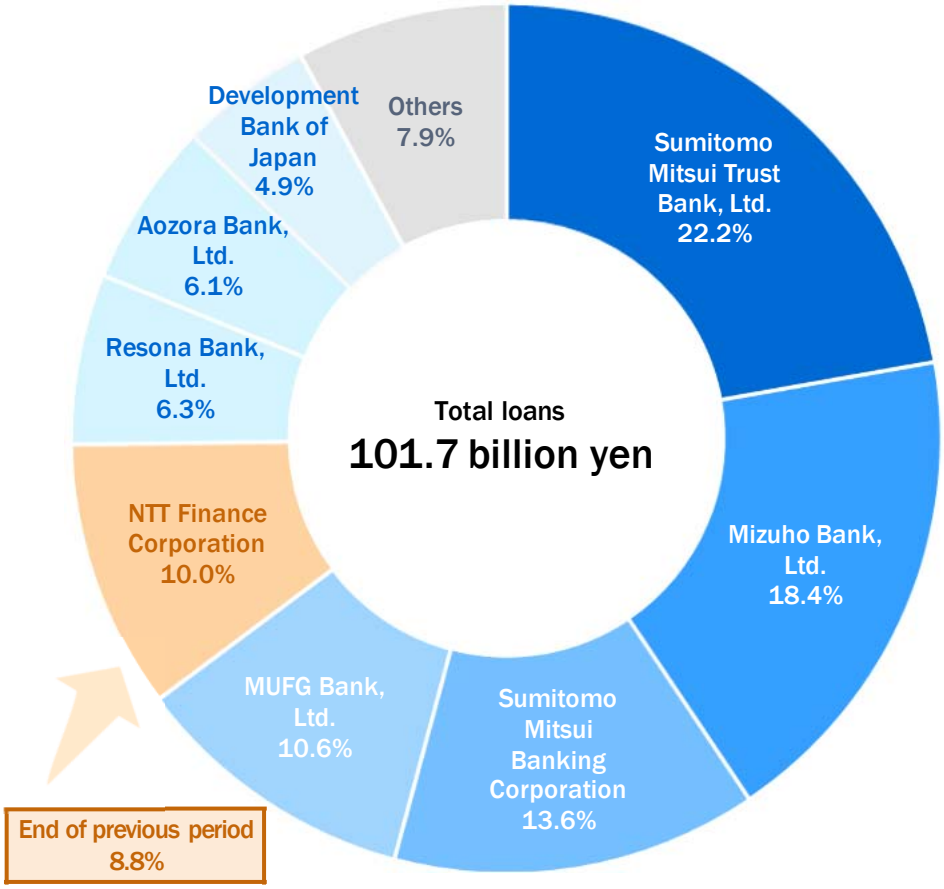
	Amount	Average loan duration	Average interest rate on debt financing
Repaid	**10.2** billion yen Long-term loans: 7.2 billion yen Short-term loans: 3.0 billion yen	3.8 years Long-term loans: 5.0 years Short-term loans: 1.0 years	0.58% Long-term loans: 0.72% Short-term loans: 0.25%
Borrowed	**10.2** billion yen Long-term loans: 8.2 billion yen Short-term loans: 2.0 billion yen	6.3 years Long-term loans: 7.6 years Short-term loans: 1.0 years	0.36% Long-term loans: 0.40% Short-term loans: 0.21%



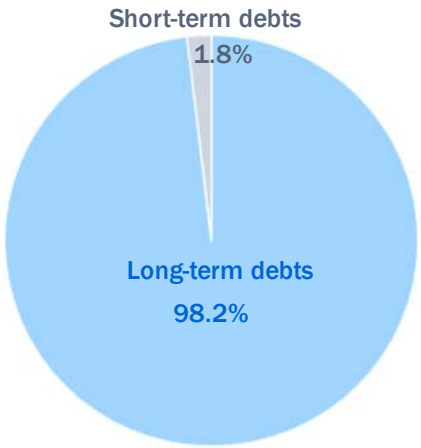
Interest-Bearing Liabilities and Rating

Lender Formation

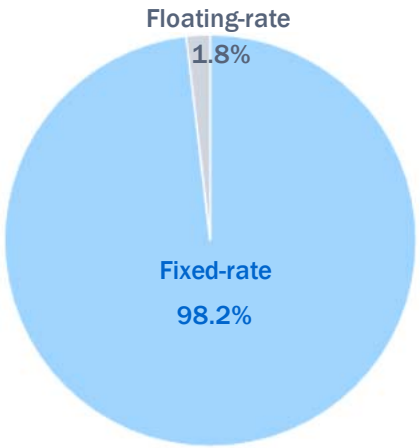
(As of October 31, 2019)



Ratio of Long-term Debts



Ratio of Debts with Fixed Interest Rates

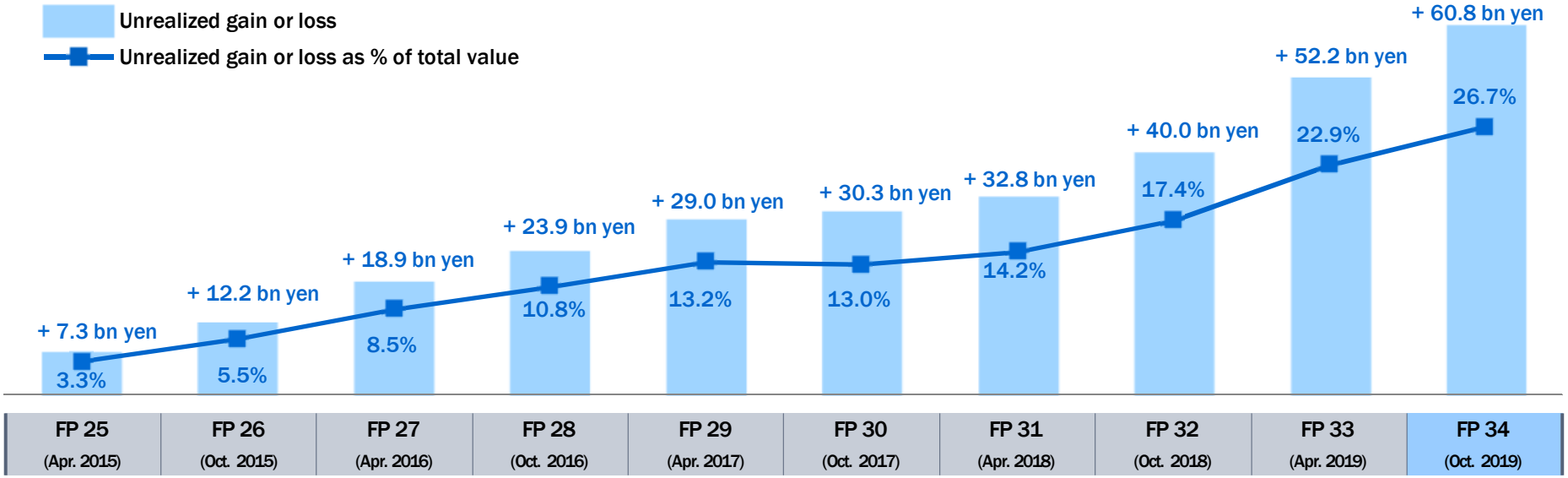


Credit Rating

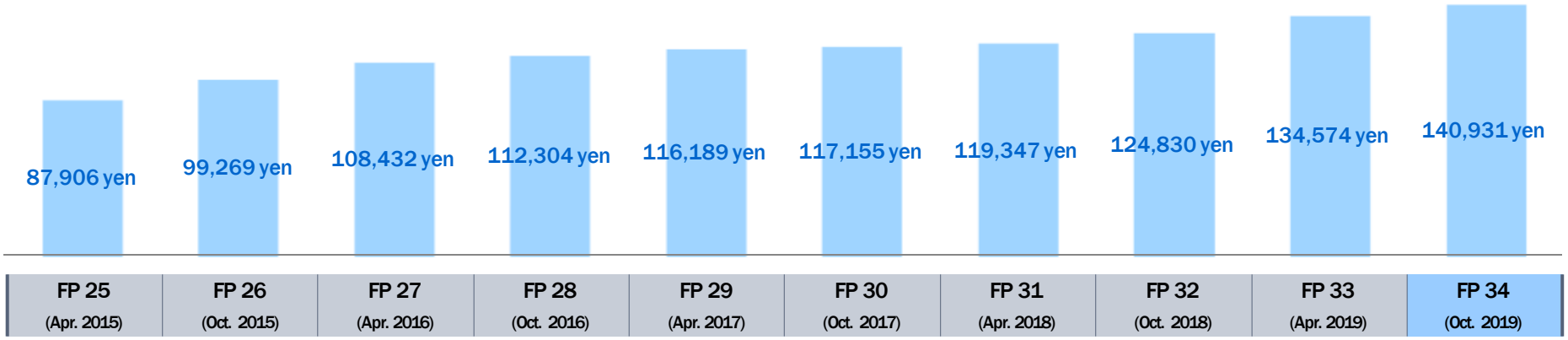
Rating Agency	Rating
Japan Credit Rating Agency Ltd. (JCR)	Issuer rating: AA- Rating outlook: Stable
Rating and Investment Information, Inc. (R&I)	Issuer rating: A+ Rating outlook: Stable

Change in Unrealized Gain or Loss

Unrealized Gain or Loss



NAV per Unit*1



*1 NAV per unit = (Unitholders' equity + unrealized P/L of assets held) ÷ number of investment units outstanding, for the period end (The amounts for FP26 and before have been adjusted for the unit split.)

Analysis of Period-End Appraisal Values

Analysis of Unrealized Gain or Loss

(billion yen)

	FP 33 (Apr. 2019)	FP 34 (Oct. 2019)	Change
Number of assets	59	59	-
Period-End Appraisal Values	280.1	288.4	+ 8.2
Book value	227.9	227.6	- 0.3
Unrealized gain or loss	52.2	60.8	+ 8.6
Unrealized gain or loss as % of total value	22.9%	26.7%	+ 3.8%

Analysis of Cap Rates and Appraisal Rents

(Number of properties)

		FP 33 (Apr. 2019)	FP 34 (Oct. 2019)	Change
Cap rate*1	Raised	0	0	0
	No change	6	3	- 3
	Lowered	52	55	+ 3
Appraisal rent*2	Raised	34	30	- 4
	No change	16	24	+ 8
	Lowered	3	0	- 3

*1 (1) Capitalization yield based on direct capitalization method. (For those properties valued using DCF and not direct capitalization approach, the analysis is performed using a discount rate.)
(2) Excludes preferred equity securities in 1 issue from the number of properties held at the end of each period.
*2 (1) Appraisal rents arrived at using the direct capitalization method.
(2) Excludes from the number of properties held at the end of each period [1] properties acquired during the period (1 office property in FP 33 and none in FP 34), [2] preferred equity securities in 1 issue and [3] 4 residential properties valued using the DCF method instead of direct capitalization.

Collaboration with NTT Group

■ **Through further strengthening of ties with NTT Urban Development, seek to make new "urban development" by NTT Urban Solutions Group an opportunity for PIC to grow.**

NTT Urban Solutions

Promote unique new urban solutions by NTT Group, leveraging on our collective strength

Cooperation

100.0%

■ Major development properties

Shinagawa Season Terrace

Otemachi First Square

100.0%

Tokyo Opera City

Otemachi Financial City North Tower

NTT FACILITIES

- Architectures which support ICT infrastructure
- Management of energy business

NTT UD

- Real estate development
- Management

NTT Group companies

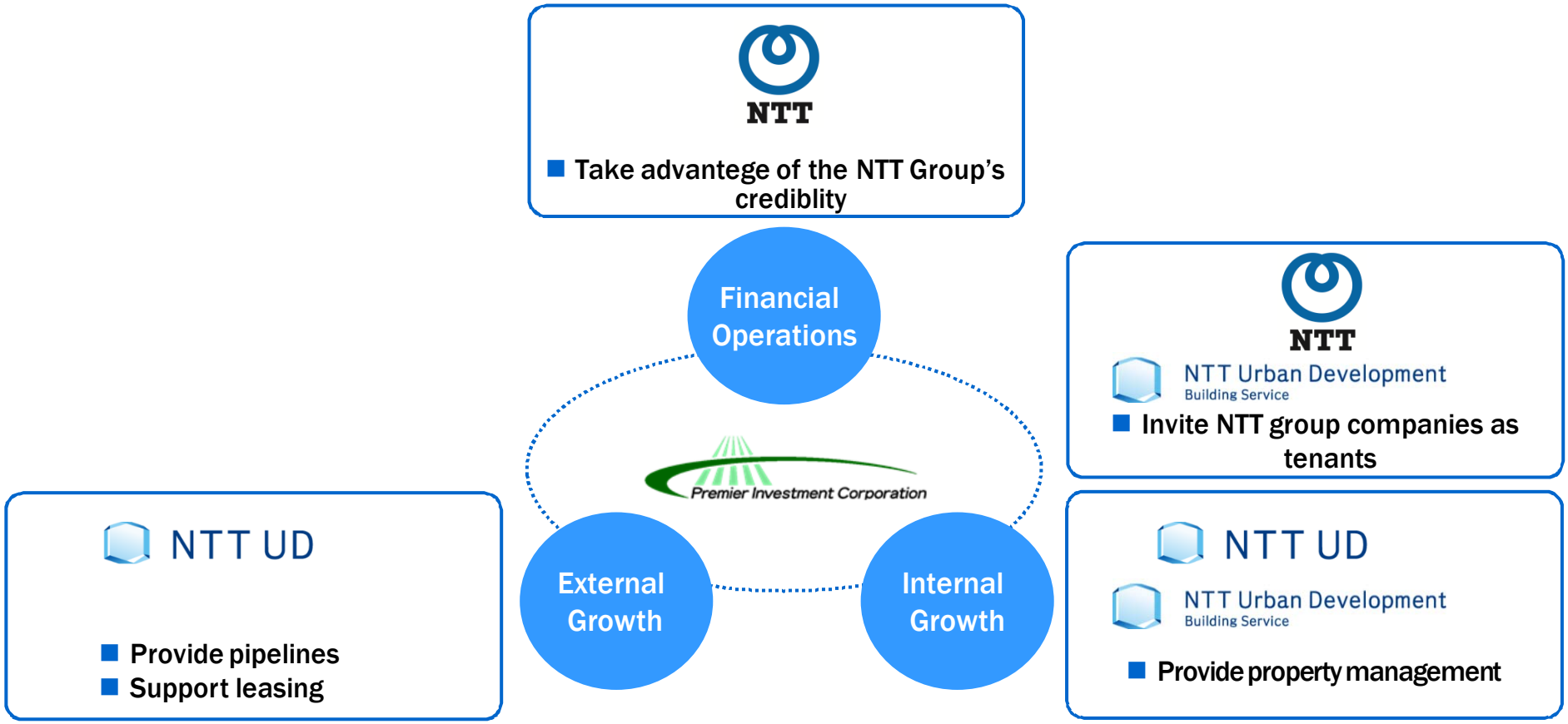
- Asset ownership
- ICT services, etc.

Premier Investment Corporation

Work to further improve the portfolio by strengthening ties with the NTT Group

Strengthening Ties with Main Sponsor (NTT Urban Development)

- Continuous pipeline provision by NTT UD and asset replacement. [External Growth]
- Inviting NTT group companies as tenants; operation of PM business by NTT Urban Development Building Service. [Internal Growth]
- Promoting reduction of finance costs by taking advantage of the NTT Group's credibility. [Financial Operations]



<Reference> ESG Initiatives (Acquisition of External Environmental Certification)

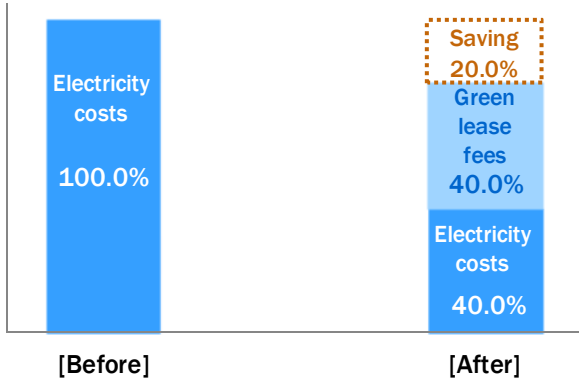
GRESB

- Acquired Green Star in 2019 GRESB Real Estate Assessment.
- The total score was up from 75 in the previous fiscal year to 78 this fiscal year.
- Acquired 3 Stars in GRESB Rating, which is a relative evaluation on total GRESB score.

Execution of Green Lease Contract

- Executed green lease contracts with tenants in some office buildings and installed LED lighting in tenant-exclusive spaces.
- The building saw improved environmental performance due to energy efficiency. Tenants can expect to save on electricity costs while the owner can recover some of the construction costs through green lease fees.
- Properties that entered into green lease contracts: Urbannet Ichigaya Building, Gotanda NT Building, Landic Shimbashi Building, Landic Shimbashi 2 Bldg.

(Approximation of Tenant Cost Savings)



CASBEE for Real Estate

- Of 59 properties, 4 properties acquired Rank S and 12 properties acquired Rank A.

Rank S	Urbannet Omori Bldg.
	NTT CRED Okayama Bldg.
	Urbannet Shizuoka Ote-machi Bldg.
	Urban Ace Higobashi Bldg.

Purchase of the Green Power Certificate

- The "Tradable Green Certificates System" is a scheme in which the certification issuer obtains certification of a third-party certification organization and trades the environmental added value of electricity generated from natural energy in the form of a "Green Power Certificate."
- "Environmental added value" refers to saved energy and curbed CO2 emissions other than the "value of electricity itself" of natural energy.
- A contract to purchase this certificate is scheduled to be signed in 2019 with regard to the power supply at Sphere Tower Tennozu. This will contribute indirectly to the widespread use of natural energy and the prevention of global warming.

*Sample image

<Reference> ESG Initiatives (Contribution to Local Communities)

Support of Community Events, Etc.

- Implemented initiatives that contribute to local communities, seeking to coexist with and revitalize communities.

Sprinkling Water Event
(Akihabara UDX)

Granpark Summer Festival
(Granpark)

CRED Christmas Tree Lighting Event
(NTT CRED Okayama Building)

KSP Summer Festival
(The Kanagawa Science Park R&D Building)

Introduction of a Bike Share Service

- Implemented a bike share and cycle port service at Urbannet Gotanda NN Building's open space above ground by outsourcing to Docomo Bike Share, Inc.
- In addition to responding to the request of the municipality which aims to expand cycle ports, the service was implemented with the hope that it will improve tenant satisfaction levels by improving access to the nearest station.

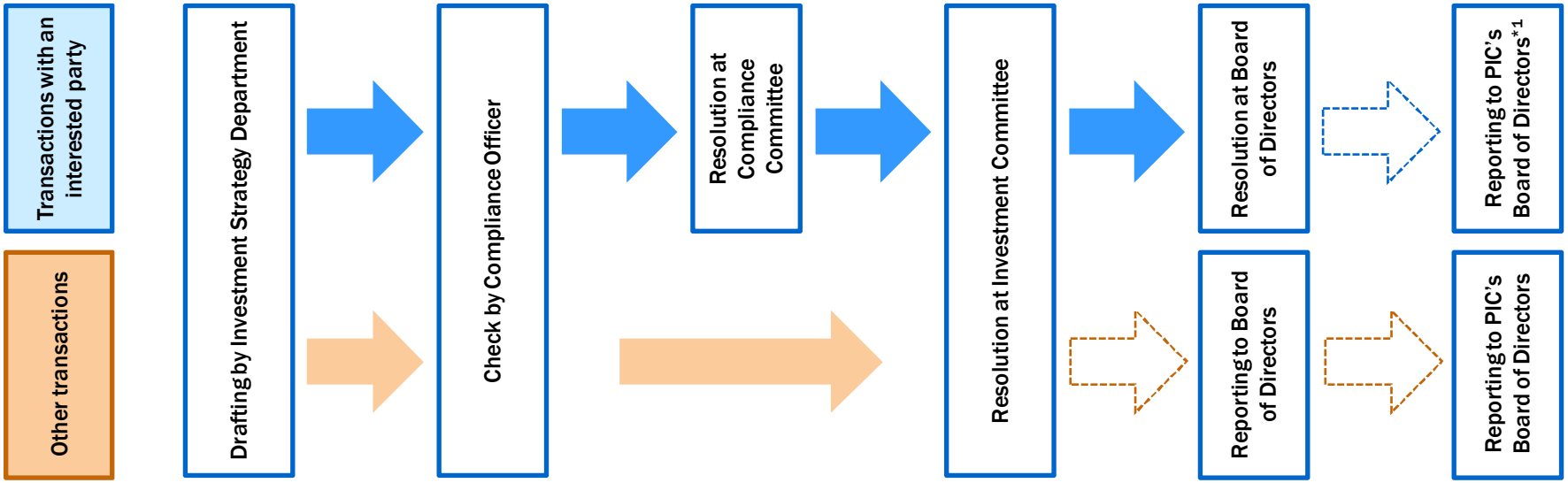
Support of Community Bus Service Operation

- At Kanagawa Science Park, a community shuttle bus service is operated between the property and Mizonokuchi Station on the Tokyu Denen Toshi Line. The service is made available not only to the tenants of the properties but also to local residents free-of-charge.

<Reference> ESG Initiatives (Governance at the Asset Management Company)

Decision-Making Flow for Property Sale/Purchase

- Revised asset management guidelines, etc. and established Investment Committee rules on July 1, 2019.
- Started checking of transactions with any party from various angles, carried out by the Investment Committee.
- Particularly, for transactions with an interested party, resolution is made by the Compliance Committee, which includes third-party members (strengthening of governance).



*1 Prior approval from PIC is required for transactions that exceed a certain amount and involve an interested party, etc.

Asset Management Fee System

- Adopted an asset management fee system which links revenue/profit with fees to align the interest of unitholders and that of the asset management company. Total-asset-linked fee and property transfer fee were not adopted.

Fees linked to PIC's performance	Asset Management Fee 1 [Revenue-linked]	Operating revenues (excluding utilities and gains on property sales) x 3%
	Asset Management Fee 2 [Profit-linked]	Net income before tax (before deducting Asset Management Fee 2) x 3%
Fees linked to the acquisition price of properties acquired by PIC	Asset Management Fee 3 [Acquisition price-linked]	Acquisition price of each property × 0.5% (at a maximum) *Transaction with interested parties, etc.: Basic fee rate x 1/2 (Transfer fee is not adopted)

Fully demonstrate the attitude of pursuing unitholders' interest through the fee system

Premier Investment Corporation

Fiscal Period 34 Data Sheet

Fiscal Period 34 Data Sheet

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Fiscal Period 34 Balance Sheet

Settlement

(million yen)

Item	FP 33 Actual (2019/4) [1]	FP 34 Actual (2019/10) [2]	Change [2]-[1]
Current assets	16,929	17,403	+ 474
Cash and deposits	3,741	3,714	- 26
Cash and deposits held in trust	12,793	13,295	+ 502
Other current assets	394	393	- 1
Tenant receivable	122	139	+ 17
Prepaid expenses	163	147	- 15
Income taxes refund receivables	106	104	- 2
Other current assets	1	1	- 0
Long-term assets	229,033	228,695	- 338
Property and equipment	206,173	205,837	- 335
Buildings held in trust, net	61,305	60,918	- 386
Structures held in trust, net	869	877	+ 8
Tools, furniture and fixture held in trust, net	173	218	+ 45
Land held in trust	143,794	143,795	+ 0
Construction in progress held in trust	30	27	- 3
Intangible fixed assets	1,783	1,782	- 1
Leasehold held in trust	1,777	1,777	-
Other intangible fixed assets held in trust	0	0	- 0
Other intangible fixed assets	5	4	- 1
Investment and other assets	21,076	21,075	- 1
Investment securities	20,035	20,035	-
Other deposits	10	10	-
Long-term prepaid expenses	397	397	+ 0
Other deposits held in trust	630	630	-
Deferred tax assets	3	1	- 1
Deferred assets	33	30	- 3
Corporate bond issuance costs	33	30	- 3
Total assets	245,996	246,128	+ 132

(million yen)

Item	FP 33 Actual (2019/4) [1]	FP 34 Actual (2019/10) [2]	Change [2]-[1]
Current liabilities	13,965	6,041	- 7,923
Accounts payable	1,388	1,759	+ 370
Short-term loans payable	3,055	2,000	- 1,055
Long-term loans payable within 1 year	7,850	650	- 7,200
Accrued expenses	116	113	- 2
Rents received in advance	1,372	1,348	- 24
Other current liabilities	183	169	- 13
Income taxes payable	1	0	- 0
Consumption taxes payable	85	73	- 11
Business office taxes payable	10	5	- 5
Deposits received	75	79	+ 3
Distribution payable	10	10	+ 0
Long-term liabilities	106,998	115,297	+ 8,299
Long-term loans payable	90,900	99,100	+ 8,200
Corporate bonds	8,500	8,500	-
Tenant security deposits held in trust	7,598	7,697	+ 99
Total liabilities	120,964	121,339	+ 375
Unitholders' equity	125,032	124,789	- 242
Unitholders' capital	120,350	120,350	-
Surplus			
Voluntary reserve			
Reserve for reduction entry	400	762	+ 362
Total voluntary reserve	400	762	+ 362
Unappropriated income	4,281	3,677	- 604
Total equity	125,032	124,789	- 242
Total liabilities and equity	245,996	246,128	+ 132

Fiscal Period 34 Income Statement and Distribution Information

Settlement

(million yen)

	Item		FP 33 Actual (2019/4) [1]	FP 34 Actual (2019/10) [2]	Change [2]-[1]	Office			Residential		
						FP 33 Actual	FP 34 Actual	Change	FP 33 Actual	FP 34 Actual	Change
Operating P/L	Total real estate rental revenue	[1]	8,535	8,768	+ 232	5,926	6,129	+ 202	2,608	2,638	+ 30
	Rental revenue		7,572	7,736	+ 163	5,162	5,302	+ 140	2,409	2,433	+ 23
	Rents		6,379	6,557	+ 177	4,031	4,186	+ 154	2,348	2,371	+ 23
	Common area charge		1,192	1,178	- 13	1,130	1,116	- 14	61	61	+ 0
	Other rental revenues		963	1,032	+ 68	764	826	+ 61	198	205	+ 6
	Parking fees		219	224	+ 5	151	156	+ 4	67	68	+ 1
	Facilities fees		59	54	- 5	48	44	- 4	11	10	- 0
	Incidental revenue		566	625	+ 59	551	610	+ 59	15	15	- 0
	Rewards		31	32	+ 1	-	0	+ 0	31	32	+ 1
	Miscellaneous income		86	94	+ 8	12	15	+ 3	74	79	+ 5
	Dividend income	[2]	529	509	- 19	529	509	- 19	-	-	-
	Capital gains on property sales	[3]	876	-	- 876	876	-	- 876	-	-	-
	[A] Operating revenues	[1]+[2]+[3]	9,941	9,278	- 663	7,332	6,639	- 693	2,608	2,638	+ 30
	Total real estate rental expenses	[4]	4,593	4,603	+ 10	3,118	3,202	+ 84	1,474	1,400	- 73
	Property management fees		1,063	1,056	- 6	744	741	- 2	319	315	- 4
	Utilities		621	659	+ 37	577	616	+ 38	44	42	- 1
	Taxes and public dues		622	607	- 15	495	475	- 19	127	132	+ 4
	Insurance		15	10	- 4	11	7	- 4	3	3	- 0
	Maintenance and repairs		659	660	+ 0	358	439	+ 81	301	220	- 80
	Trust fees		29	29	- 0	15	15	- 0	13	13	+ 0
	Depreciation		1,395	1,419	+ 23	834	854	+ 19	560	565	+ 4
	Other expenses		184	160	- 24	81	53	- 27	103	107	+ 3
	Real estate rental income (incl. dividend income)	[1]+[2]-[4]	4,472	4,674	+ 202	3,338	3,436	+ 98	1,134	1,237	+ 103
	NOI (incl. dividend income)		5,867	6,093	+ 225	4,173	4,290	+ 117	1,694	1,802	+ 108
	Other operating expenses	[5]	658	590	- 67						
	Asset management fees		391	376	- 15						
	Directors' compensation		4	4	-						
	Custodian fees		11	11	+ 0						
	Administration fees		92	83	- 8						
	Audit fees		8	8	-						
	Other expenses		149	105	- 44						
	[B] Operating expenses	[4]+[5]	5,251	5,193	- 57						
[A]-[B] Operating income			4,690	4,084	- 606						
Non-operating P/L	Non-operating income		1	1	- 0						
	Interest expenses		403	400	- 2						
	Other expenses		6	5	- 1						
	Non-operating expenses		410	406	- 3						
Ordinary income			4,282	3,679	- 602						
Income tax			0	2	+ 1						
Net income			4,281	3,676	- 604						

Statement of Distribution Information

(yen)

Item	FP 33 (2019/4)	FP 34 (2019/10)
I. Unappropriated income	3,919,607,872	3,677,052,318
II. Cash distribution declared	3,919,377,120	3,677,050,040
(Distribution per unit)	2,976	2,792
III. Income carried forward	230,752	2,278

Fiscal Period 35 Income Statement (Forecast)

Settlement

(million yen)

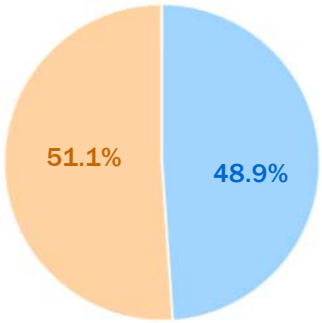
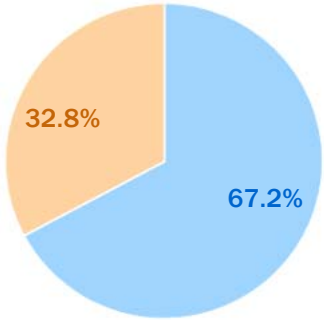
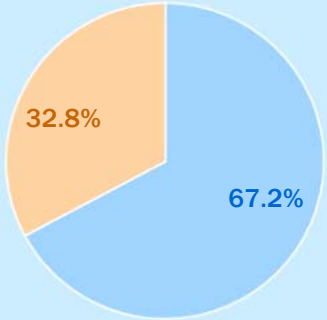
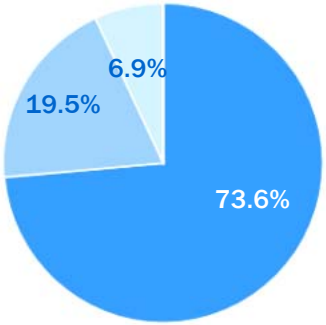
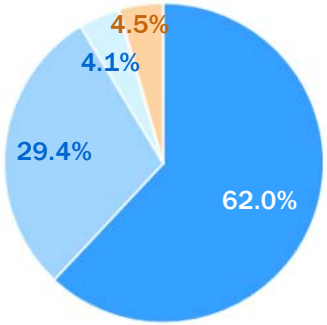
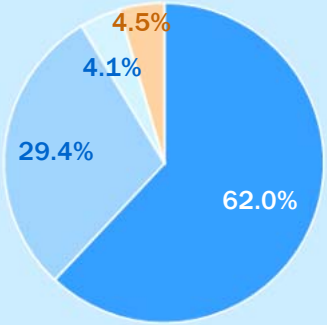
	Item	FP 34 Actual (2019/10) [1]	FP 35 Forecast (2020/4) [2]	Change [2]-[1]	Office			Residential		
					FP 34 Actual	FP 35 Forecast	Change	FP 34 Actual	FP 35 Forecast	Change
Operating P/L	Total real estate rental revenue [1]	8,768	8,735	- 33	6,129	6,093	- 35	2,638	2,641	+ 2
	Rental revenue	7,736	7,758	+ 22	5,302	5,317	+ 14	2,433	2,441	+ 7
	Rents	6,557	6,594	+ 36	4,186	4,214	+ 28	2,371	2,379	+ 8
	Common area charge	1,178	1,164	- 14	1,116	1,102	- 14	61	61	- 0
	Other rental revenues	1,032	976	- 55	826	776	- 49	205	200	- 5
	Parking fees	224	224	- 0	156	156	- 0	68	68	+ 0
	Facilities fees	54	57	+ 2	44	45	+ 1	10	11	+ 1
	Incidental revenue	625	566	- 59	610	549	- 61	15	17	+ 2
	Rewards	32	29	- 3	0	0	- 0	32	29	- 3
	Miscellaneous income	94	99	+ 4	15	25	+ 9	79	73	- 5
	Dividend income [2]	509	521	+ 11	509	521	+ 11	-	-	-
	Capital gains on property sales [3]	-	-	-	-	-	-	-	-	-
	[A] Operating revenues [1]+[2]+[3]	9,278	9,256	- 21	6,639	6,615	- 23	2,638	2,641	+ 2
	Total real estate rental expenses [4]	4,603	4,540	- 63	3,202	3,178	- 24	1,400	1,361	- 39
	Property management fees	1,056	1,061	+ 4	741	747	+ 5	315	313	- 1
	Utilities	659	623	- 36	616	580	- 36	42	42	+ 0
	Taxes and public dues	607	607	- 0	475	475	- 0	132	132	- 0
	Insurance	10	10	+ 0	7	7	+ 0	3	3	- 0
	Maintenance and repairs	660	607	- 52	439	403	- 35	220	203	- 16
	Trust fees	29	29	+ 0	15	15	+ 0	13	13	- 0
	Depreciation	1,419	1,422	+ 3	854	878	+ 24	565	544	- 20
	Other expenses	160	178	+ 17	53	70	+ 17	107	107	- 0
	Real estate rental income (incl. dividend income) [1]+[2]- [4]	4,674	4,716	+ 42	3,436	3,437	+ 0	1,237	1,279	+ 41
	NOI (incl. dividend income)	6,093	6,139	+ 46	4,290	4,315	+ 25	1,802	1,824	+ 21
	Other operating expenses [5]	590	608	+ 18						
	Asset management fees	376	378	+ 2						
	Directors' compensation	4	4	-						
	Custodian fees	11	11	- 0						
	Administration fees	83	86	+ 2						
	Audit fees	8	8	-						
	Other expenses	105	119	+ 13						
	[B] Operating expenses [4]+[5]	5,193	5,148	- 45						
[A]-[B] Operating income		4,084	4,108	+ 23						
Non-operating P/L	Non-operating income	1	2	+ 0						
	Interest expenses	400	388	- 12						
	Other expenses	5	5	- 0						
	Non-operating expenses	406	393	- 12						
Ordinary income		3,679	3,716	+ 37						
Income tax		2	1	- 1						
Net income		3,676	3,714	+ 38						

Performance Forecast Assumptions

	Fiscal period 35 (2020/4)	Fiscal period 36 (2020/10)
Investment properties	Assumes no change to the number of investment properties (59) owned as of the end of FP 34.	Assumes no change to the number of investment properties (59) owned as of the end of FP 35.
Number of investment units outstanding	Assumes no change from the 1,316,995 investment units outstanding as of the end of FP 34	Assumes no change from the 1,316,995 investment units outstanding as of the end of FP 35.
Interest-bearing liabilities	Assumes the following changes from the 110,250 million yen in interest-bearing liabilities expected to be outstanding as of the end of FP 34. (Refinancing) Roll over same amount for the following loans. • Long-term loan of 650 million yen due to mature on March 31, 2020 (Planned period-end balance: 110,250 million yen)	Assumes the following changes from the 110,250 million yen in interest-bearing liabilities expected to be outstanding as of the end of FP 35. (Refinancing) Roll over same amount for the following loans. • Short-term loan of 2,000 million yen due to mature on July 31, 2020 (Planned period-end balance: 110,250 million yen)
Average occupancy rate	Office: 97.7% Residential: 96.9% Total: 97.4%	Office: 98.1% Residential: 96.8% Total: 97.6%
Other	(Operating revenues) Forecasting a decrease in revenue compared with the previous period because of decrease in utilities due to seasonal factors, despite anticipated increases with the rent revision of office buildings, etc. (Major operating expenses) Property management fees: 1,061 million yen Property taxes: 607 million yen Maintenance and repairs: 607 million yen Depreciation: 1,422 million yen Operating expenses excluding rental expenses: 608 million yen (Major non-operating expenses) Interest expenses (including bond interest): 388 million yen (Distributions) Assuming no reversals or provisions to the reserve for reduction entry. Assuming that net income will be roughly equivalent to funds available for cash distributions.	(Operating revenues) Forecasting a increase in revenue compared with the previous period because of an improvement in the occupancy rates of office buildings and increase in utilities due to seasonal factors, etc. (Major operating expenses) Property management fees: 1,036 million yen Property taxes: 626 million yen Maintenance and repairs: 610 million yen Depreciation: 1,433 million yen Operating expenses excluding rental expenses: 612 million yen (Major non-operating expenses) Interest expenses (including bond interest): 392 million yen (Distributions) Assuming no reversals or provisions to the reserve for reduction entry. Assuming that net income will be roughly equivalent to funds available for cash distributions.

Status of the Portfolio

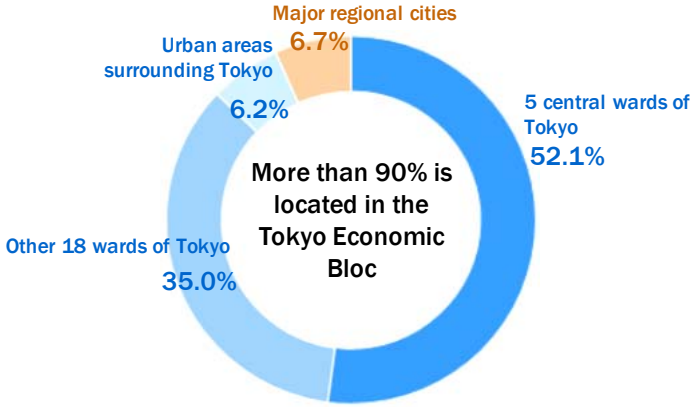
May 2010
NTT UD joined as sponsor

Distribution of the Portfolio	FP 16 (Ended Oct. 2010)	FP 33 (Ended Apr. 2019)	FP 34 (Ended Oct. 2019)
By asset type Office Residential			
By geographical area 5 central wards of Tokyo Other 18 wards of Tokyo Urban areas surrounding Tokyo Major regional cities			
Number of properties	46	59	59
Asset size	146.0 billion yen	243.7 billion yen	243.7 billion yen
NOI yield	5.3% (Office 6.0% Residential 4.6%)	5.1% (Office 5.2% Residential 4.9%)	5.4% (Office 5.4% Residential 5.3%)
Average age across portfolio	15.3 years (Office 23.3 years Residential 7.6 years)	22.4 years (Office 26.2 years Residential 14.7 years)	22.9 years (Office 26.7 years Residential 15.2 years)

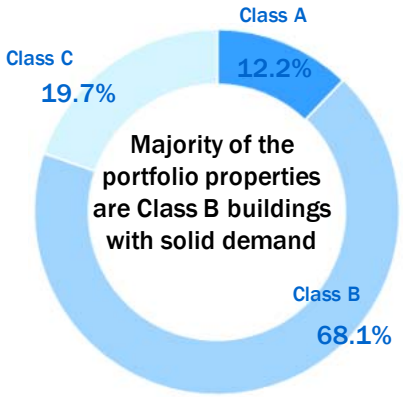
Office: Portfolio Analysis

(As of October 31, 2019)

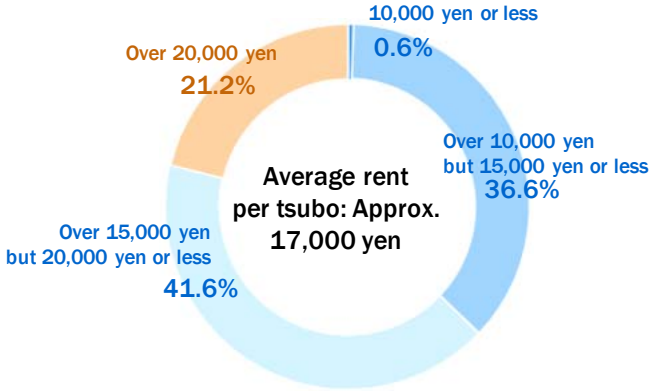
Geographical Distribution (based on acquisition price)



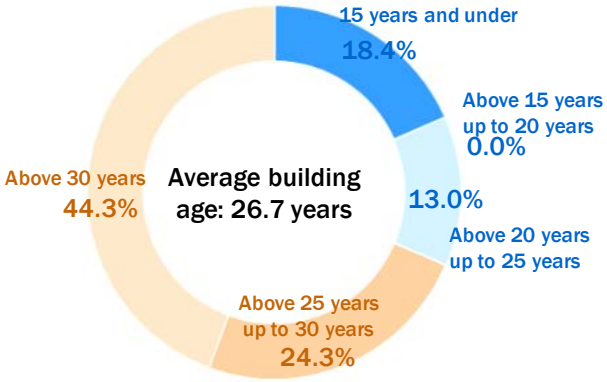
Asset Class*1 (based on acquisition price)



Rent per Tsubo (based on area)



Building Age (based on acquisition price)



*1 "Asset Class" is categorized based on the following standards set by PRA.

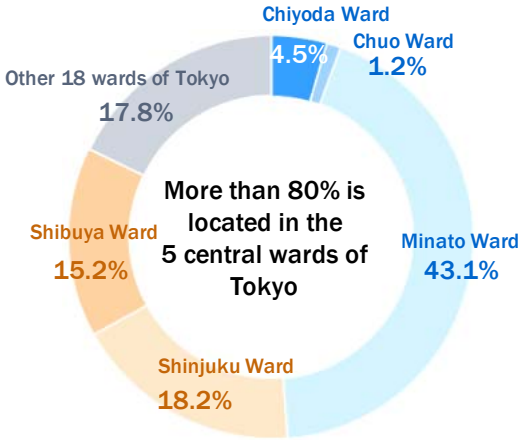
	Gross floor area	Typical floor plate	Years since construction	Facilities
Class A	10,000 tsubos or more	300 tsubos or more	15 years and under	Ceiling height 2.7 m and above
Class B	No limits	200 tsubos or more	No limits	No limits
Class C	No limits	100 tsubos or more and less than 200 tsubos	No limits	No limits

Residential: Portfolio Analysis

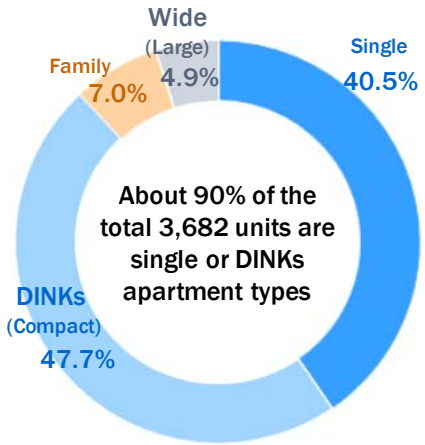
Properties

(As of October 31, 2019)

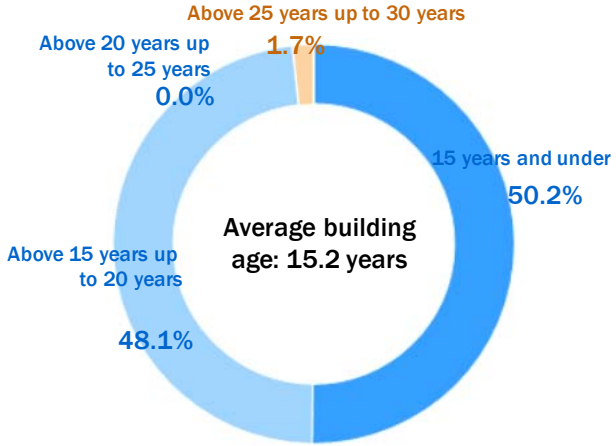
Geographical Distribution (based on acquisition price)



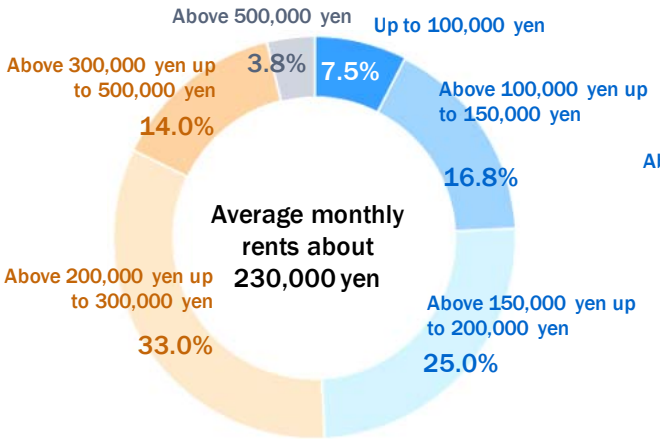
Apartment Type (by number of apartment units)



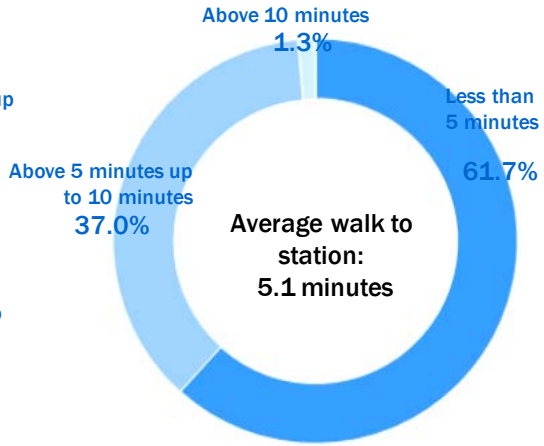
Building Age (based on acquisition price)



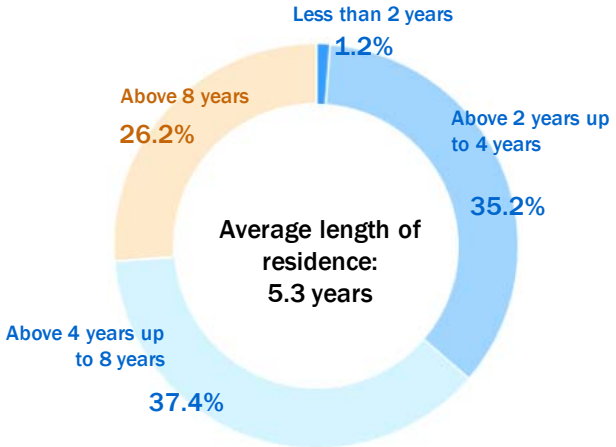
Monthly Rent (by number of apartment units)



Access to Closest Train Station (based on acquisition price)

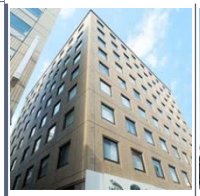
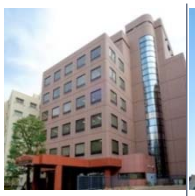


Length of Residence (by number of apartment units)



P/L by Property (1)

(million yen)

Property name	Landic Shimbashi Bldg.		Landic Shimbashi 2 Bldg.		Premier Dogenzaka Bldg.		KN Shibuya No.3		Takadanobaba Center Bldg.		Rokubancho Bldg.		Premier Kaigan Bldg.*1		Urbannet Mita Bldg.		Urbannet Azabu Bldg.	
Property photo																		
Location	Minato Ward, Tokyo		Minato Ward, Tokyo		Shibuya Ward, Tokyo		Shibuya Ward, Tokyo		Shinjuku Ward, Tokyo		Chiyoda Ward, Tokyo		Minato Ward, Tokyo		Minato Ward, Tokyo		Minato Ward, Tokyo	
Acquisition price	6,341		7,045		1,727		5,348		5,118		7,860		5,100		10,300		5,000	
Gross floor area	6,914 m^2		8,332 m^2		2,721 m^2		7,737 m^2		9,906 m^2		9,339 m^2		8,476 m^2		13,987 m^2		6,486 m^2	
Completed	1982/6		1978/12		1991/6		1993/2		1992/5		1987/4		1993/1		1987/9		1992/4	
Fiscal Period	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34
Real estate rental revenue	187	196	223	226	81	88	247	255	251	254	N/A*2	N/A*2	70	N/A*1	305	312	N/A*2	N/A*2
Rental revenue	171	179	205	207	71	78	210	218	211	213			56		284	291		
Other income	16	16	18	18	10	10	36	37	40	41			13		20	21		
Real estate rental expenses	100	95	101	99	33	26	93	134	108	131			60		130	140		
Property management fees	18	16	20	20	9	5	24	21	25	32			7		35	38		
Utilities	8	8	13	12	3	4	23	22	16	16			5		20	21		
Taxes and public dues	24	24	16	16	5	5	16	16	20	20			15		31	32		
Maintenance and repairs	16	13	10	10	3	0	3	48	7	22			2		6	7		
Depreciation	31	31	38	38	9	9	23	23	37	37			17		34	36		
Miscellaneous expenses	1	1	1	1	1	0	1	1	1	1			12		1	3		
Real estate rental income	87	100	122	127	48	62	153	120	142	123	164	181	10		174	172	49	87
NOI	118	131	160	165	57	71	176	144	180	160	196	213	27		209	209	66	105
NOI yield	3.9%	4.4%	4.9%	5.0%	7.9%	9.9%	7.2%	5.9%	8.5%	7.6%	5.2%	5.6%	2.2%		4.1%	4.1%	2.8%	4.3%

*1 Premier Kaigan Building was disposed on January 30, 2019.
*2 Details on leasing P/L are not disclosed herein because consent to disclose the information has not been obtained from major tenants.

P/L by Property (2)

(million yen)

Property name	Urbannet Ichigaya Bldg.	Urbannet Irifune Bldg.*1	Granpark (13%)*2	Urbannet Kojimachi Bldg.	Premier Toyocho Bldg.	Ueno TH Bldg.	Gotanda NT Bldg. (45%)*2	Ueno Tosei Bldg.	Urbannet Ikebukuro Bldg.
Property photo									
Location	Shinjuku Ward, Tokyo	Chuo Ward, Tokyo	Minato Ward, Tokyo	Chiyoda Ward, Tokyo	Koto Ward, Tokyo	Bunkyo Ward, Tokyo	Shinagawa Ward, Tokyo	Taito Ward, Tokyo	Toshima Ward, Tokyo
Acquisition price	1,650	2,900	11,490	3,600	4,310	4,380	4,100	5,900	13,600
Gross floor area	4,217 m^2	6,058 m^2	160,042 m^2	6,231 m^2	5,054 m^2	4,799 m^2	7,545 m^2	6,868 m^2	25,050 m^2
Completed	1993/12	1990/7	1996/8	1987/5	2006/10	1985/12	1987/11	2007/5	1988/9

Fiscal Period	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34
Real estate rental revenue	N/A*3	N/A*3	N/A*3	N/A*1	451	468	165	166	110	112	125	126	96	97	205	210	733	752
Rental revenue					395	402	154	155	97	97	109	109	86	86	181	185	645	645
Other income					56	66	11	11	12	14	15	16	9	10	23	24	87	106
Real estate rental expenses					224	217	59	59	64	66	64	65	43	41	90	95	423	447
Property management fees					54	55	22	22	9	9	12	12	9	9	12	16	79	77
Utilities					60	65	7	7	9	9	8	9	6	6	10	11	77	77
Taxes and public dues					38	39	20	20	8	7	8	8	8	8	12	12	33	33
Maintenance and repairs					27	10	1	1	1	2	0	2	4	1	0	1	115	132
Depreciation					39	41	6	7	35	35	16	16	13	13	52	52	113	121
Miscellaneous expenses					4	4	1	0	1	1	17	16	1	0	1	1	3	3
Real estate rental income	35	28	31		227	251	106	106	45	46	61	60	53	56	114	114	310	305
NOI	45	37	38		267	292	113	113	81	81	78	77	67	70	167	166	423	426
NOI yield	5.6%	4.8%	6.5%		4.7%	5.2%	6.3%	6.3%	4.5%	4.5%	3.5%	3.5%	3.3%	3.4%	6.2%	6.3%	6.0%	6.0%

*1 Urbannet Irifune Building was disposed on January 16, 2019.
*2 The number in parentheses represents the real percentage stake of co-ownership in the property building.
*3 Details on leasing P/L are not disclosed herein because consent to disclose the information has not been obtained from major tenants.

P/L by Property (3)

(million yen)

Property name	Urbannet Omori Bldg.		Sphere Tower Tennozu (67%)*1		Urbannet Gotanda NN Bldg.*2		Premier Yokohama Nishiguchi Bldg.		The Kanagawa Science Park R&D Bldg. (27%)*1		NTT CRED Okayama Bldg. (60%)*1		Urbannet Shizuoka Ote-machi Bldg. (40%)*1		Urbannet Shizuoka Bldg. (40%)*1		Urban Ace Higobashi Bldg.	
Property photo																		
Location	Ota Ward, Tokyo		Shinagawa Ward, Tokyo		Shinagawa Ward, Tokyo		Yokohama City, Kanagawa		Kawasaki City, Kanagawa		Okayama City, Okayama		Shizuoka City, Shizuoka		Shizuoka City, Shizuoka		Osaka City, Osaka	
Acquisition price	4,800		15,000		5,250		3,558		6,556		3,600		1,628		1,119		4,600	
Gross floor area	11,937 m^2		43,477 m^2		6,852 m^2		7,562 m^2		83,500 m^2		35,299 m^2		13,817 m^2		8,997 m^2		11,561 m^2	
Completed	1992/7		1993/4		1989/8		1986/4		1989/7		1999/2		1996/3		1991/11		1997/5	
Fiscal Period	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34
Real estate rental revenue	249	250	586	608	28	199	143	151	406	429	264	273	108	109	77	80	245	251
Rental revenue	238	238	464	480	26	183	119	125	329	337	196	206	95	95	70	69	218	218
Other income	11	12	121	127	1	15	24	26	77	91	68	66	13	13	7	11	27	32
Real estate rental expenses	118	120	343	355	7	60	74	127	283	285	234	221	46	48	31	33	103	119
Property management fees	33	35	70	62	3	21	16	16	60	63	74	67	15	15	12	13	36	35
Utilities	14	15	107	118	1	16	10	11	87	92	32	32	6	6	4	5	19	25
Taxes and public dues	18	18	57	58	0	-	10	10	33	33	29	29	5	5	5	5	19	19
Maintenance and repairs	7	6	35	46	-	1	6	58	28	18	25	25	1	1	0	2	0	10
Depreciation	42	42	58	62	2	20	29	28	72	75	44	48	16	17	7	7	26	26
Miscellaneous expenses	2	1	14	6	0	1	1	1	1	2	27	17	0	0	0	0	2	1
Real estate rental income	131	130	242	252	20	139	69	23	122	143	30	51	62	61	46	47	142	132
NOI	173	173	301	314	23	159	98	52	195	219	74	99	78	78	53	54	168	158
NOI yield	7.5%	7.5%	3.9%	4.1%	6.2%	6.0%	6.4%	3.4%	7.2%	8.2%	4.0%	5.3%	9.4%	9.4%	9.8%	10.1%	7.4%	6.9%

*1 The number in parentheses represents the real percentage stake of co-ownership in the property building.
*2 Urbannet Gotanda NN Building was acquired on April 5, 2019.

P/L by Property (4)

(million yen)

Property name	Akihabara UDX (19%)*1		Park Axis Yotsuya Stage		Park Axis Meiji-Jingumae		Cabin Arena Akasaka		Cabin Arena Minami-Aoyama		Bureau Kioicho		Roppongi Green Terrace		Premier Stage Shibakoen II		Langue Tower Kyobashi	
Property photo																		
Location	Chiyoda Ward, Tokyo		Shinjuku Ward, Tokyo		Shibuya Ward, Tokyo		Minato Ward, Tokyo		Minato Ward, Tokyo		Chiyoda Ward, Tokyo		Minato Ward, Tokyo		Minato Ward, Tokyo		Chuo Ward, Tokyo	
Acquisition price	19,940		5,208		2,604		1,330		1,070		1,840		4,678		2,181		927	
Gross floor area	155,629 m^2		8,158 m^2		1,913 m^2		1,793 m^2		1,399 m^2		2,008 m^2		8,332 m^2		2,548 m^2		1,714 m^2	
Completed	2006/1		2001/11		2002/3		2002/11		2003/2		2002/11		2002/10		2003/2		2003/2	
Fiscal Period	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34
Real estate rental revenue	N/A	N/A	152	158	54	54	41	40	35	36	38	38	126	134	59	60	37	38
Rental revenue			144	146	51	51	38	37	34	34	38	38	123	132	56	58	35	35
Other income			7	11	3	3	2	2	1	2	-	-	3	2	3	1	2	3
Real estate rental expenses			187	97	19	19	14	16	17	25	11	11	67	54	23	21	13	14
Property management fees			20	19	4	5	4	5	3	4	-	-	18	12	4	4	3	4
Utilities			1	1	1	1	0	0	0	0	-	-	2	1	0	0	0	0
Taxes and public dues			8	8	2	2	1	1	1	1	2	2	7	8	3	3	1	1
Maintenance and repairs			124	34	1	2	0	1	3	10	1	1	14	5	3	2	1	2
Depreciation			27	27	6	6	6	6	6	7	7	7	23	24	10	10	4	4
Miscellaneous expenses			5	6	2	1	0	0	0	0	0	0	1	1	0	0	0	0
Real estate rental income	529*2	509*2	- 35	61	35	35	27	23	18	11	27	27	59	79	36	38	24	23
NOI	529*2	509*2	- 7	89	41	41	33	30	25	18	34	34	82	103	47	49	29	28
NOI yield	5.3%*2	5.1%*2	- 0.4%	4.2%	3.5%	3.5%	5.9%	5.3%	5.8%	4.3%	4.3%	4.3%	4.3%	5.3%	5.3%	5.6%	7.7%	7.6%

*1 PIC owns 53,850 units (19%) of the 282,000 preferred securities outstanding backed by the asset Akihabara UDX.
*2 Here, indicated based on dividends received from preferred securities.

P/L by Property (5)

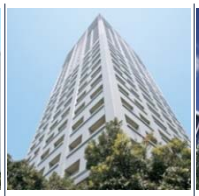
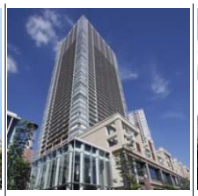
(million yen)

Property name	Premier Stage MitaKeidaimae		Premier Rosso		Premier Blanc Yoyogikouen		Premier Stage Uchikanda		Premier Stage Ichigayakawadacho		Walk Akasaka		Premier Stage Shibakoen		MEW		Shibaura Island Air Tower (23%)*1	
Property photo																		
Location	Minato Ward, Tokyo		Shibuya Ward, Tokyo		Shibuya Ward, Tokyo		Chiyoda Ward, Tokyo		Shinjuku Ward, Tokyo		Minato Ward, Tokyo		Minato Ward, Tokyo		Minato Ward, Tokyo		Minato Ward, Tokyo	
Acquisition price	1,580		1,662		2,330		1,723		1,460		2,043		1,585		1,556		7,590	
Gross floor area	1,748 m^2		2,487 m^2		3,086 m^2		2,458 m^2		1,779 m^2		2,357 m^2		2,129 m^2		1,826 m^2		81,760 m^2	
Completed	2004/11		2004/11		2005/6		2005/8		2005/7		2004/11		2006/9		2005/8		2007/3	
Fiscal Period	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34
Real estate rental revenue	54	53	57	56	67	68	61	62	46	47	48	45	47	46	38	37	356	360
Rental revenue	52	52	51	52	63	65	57	57	44	46	45	42	43	42	31	32	313	315
Other income	1	1	5	4	3	3	3	4	2	1	2	2	3	3	6	5	43	44
Real estate rental expenses	18	18	27	23	34	31	26	24	19	18	30	40	19	18	24	22	248	250
Property management fees	4	4	6	5	6	6	5	5	5	4	5	6	5	5	4	4	54	56
Utilities	0	0	1	1	1	0	2	2	0	0	0	0	0	0	0	0	9	10
Taxes and public dues	2	2	2	2	3	3	2	2	1	1	2	2	2	2	2	2	15	15
Maintenance and repairs	1	1	5	1	4	2	4	1	1	1	2	11	1	1	3	1	22	20
Depreciation	9	9	10	10	17	17	10	10	10	10	17	17	8	8	13	13	96	96
Miscellaneous expenses	0	1	0	1	0	0	0	1	0	0	1	1	0	0	0	0	49	50
Real estate rental income	36	35	29	33	33	36	35	37	26	29	18	5	28	27	13	14	108	110
NOI	45	44	40	43	50	54	46	48	37	39	36	23	36	35	26	27	205	206
NOI yield	6.5%	6.3%	5.5%	6.1%	5.2%	5.7%	6.2%	6.6%	5.9%	6.3%	4.3%	2.8%	5.0%	4.9%	4.0%	4.3%	7.2%	7.4%

*1 The number in parentheses represents the real percentage stake of co-ownership in the property building.

P/L by Property (6)

(million yen)

Property name	Storia Akasaka		Renai Shinjuku-Gyoen Tower		Shibaura Island Bloom Tower (16%)*1		Questcourt Harajuku		Urbancourt Ichigaya		Premier Stage Azabu-Juban		Premier Stage Sasazuka		B-site Osaki		Premier Garden Hongo	
Property photo																		
Location	Minato Ward, Tokyo		Shinjuku Ward, Tokyo		Minato Ward, Tokyo		Shibuya Ward, Tokyo		Shinjuku Ward, Tokyo		Minato Ward, Tokyo		Shibuya Ward, Tokyo		Shinagawa Ward, Tokyo		Bunkyo Ward, Tokyo	
Acquisition price	3,930		6,500		5,500		4,500		1,385		1,420		1,080		1,072		975	
Gross floor area	6,329 m^2		11,203 m^2		104,186 m^2		5,408 m^2		3,662 m^2		1,354 m^2		1,452 m^2		1,462 m^2		1,583 m^2	
Completed	2002/12		2002/12		2008/9		2004/1		1993/1		2005/1		2005/1		2002/12		2002/3	
Fiscal Period	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34
Real estate rental revenue	96	99	188	188	287	289	150	152	61	63	39	39	32	32	29	29	31	33
Rental revenue	86	89	163	167	262	264	141	141	57	58	35	35	30	30	29	29	30	31
Other income	9	9	24	21	24	24	8	11	4	4	4	3	2	1	0	0	1	1
Real estate rental expenses	33	34	108	106	173	181	51	56	23	23	18	15	11	11	9	7	11	10
Property management fees	10	10	37	34	40	40	12	14	7	7	5	3	2	2	-	-	3	3
Utilities	1	2	5	6	3	3	3	3	0	0	0	0	0	0	-	-	0	0
Taxes and public dues	6	6	11	11	13	13	6	6	3	3	-	1	-	1	1	1	2	2
Maintenance and repairs	1	2	9	10	13	21	2	5	2	2	6	2	1	0	2	0	2	1
Depreciation	11	11	42	42	66	66	24	25	8	8	5	5	5	5	5	5	2	2
Miscellaneous expenses	1	2	2	1	36	36	0	0	1	0	0	0	0	0	0	0	1	0
Real estate rental income	62	64	79	81	113	107	98	96	38	39	20	24	21	20	19	21	20	22
NOI	74	76	121	123	179	173	123	121	46	48	25	29	26	26	24	26	23	25
NOI yield	4.0%	4.1%	4.0%	4.1%	7.9%	7.7%	5.8%	5.8%	6.8%	7.0%	3.6%	4.1%	4.9%	4.8%	6.0%	6.4%	4.9%	5.4%

*1 The number in parentheses represents the real percentage stake of co-ownership in the property building.

P/L by Property (7)

(million yen)

Property name	Premier Grande Magome	Premier Nozze Yutenji	Premier Stage Yushima	Premier Stage Komagome	Premier Stage Otsuka	Premier Stage Honjo-Azumabashi	Premier Stage Ryogoku
Property photo							
Location	Ota Ward, Tokyo	Setagaya Ward, Tokyo	Bunkyo Ward, Tokyo	Toshima Ward, Tokyo	Toshima Ward, Tokyo	Sumida Ward, Tokyo	Sumida Ward, Tokyo
Acquisition price	1,560	1,525	1,803	1,830	1,310	2,640	1,496
Gross floor area	2,446 m^2	1,904 m^2	2,527 m^2	2,400 m^2	1,894 m^2	3,852 m^2	2,475 m^2
Completed	2005/2	2006/3	2006/3	2007/1	2006/8	2007/11	2008/3

Fiscal Period	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34	FP 33	FP 34
Real estate rental revenue	42	43	42	42	52	53	54	54	43	45	81	82	49	48
Rental revenue	39	39	38	38	49	50	51	50	42	42	76	76	45	45
Other income	2	3	3	3	2	3	3	4	1	2	4	5	3	2
Real estate rental expenses	22	27	18	63	59	31	36	31	20	19	48	45	23	23
Property management fees	3	4	4	6	7	6	6	7	4	3	8	8	4	4
Utilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Taxes and public dues	2	2	2	2	2	2	2	2	1	1	3	3	2	2
Maintenance and repairs	3	7	0	43	32	4	9	3	1	1	11	7	1	0
Depreciation	11	11	10	10	14	14	15	15	10	10	22	22	14	14
Miscellaneous expenses	0	1	0	0	1	2	1	2	1	1	1	1	0	0
Real estate rental income	20	16	23	- 20	- 7	21	17	23	23	25	32	36	25	24
NOI	31	27	34	- 10	6	36	33	39	34	36	55	59	40	39
NOI yield	4.9%	4.3%	5.1%	- 1.5%	0.9%	5.0%	4.5%	5.4%	6.0%	6.6%	4.9%	5.3%	6.5%	6.5%

Period-End Appraisal Values (1)

Area		Property name	Period-End Appraisal Values			Cap rate*2		Book value [3] (million yen)	Unrealized gain or loss [2]-[3] (million yen)
			FP 33 (2019/4) [1] (million yen)	FP 34 (2019/10) [2] (million yen)	Change*1 [2]-[1] (million yen)	FP 34 (2019/10)	Change		
Office	5 central wards of Tokyo	Landic Shimbashi Bldg.	7,200	7,200	-	3.4%	- 0.1%	5,978	+ 1,221
		Landic Shimbashi 2 Bldg.	7,800	7,970	+ 170	3.6%	- 0.1%	6,611	+ 1,358
		Premier Dogenzaka Bldg.	3,030	3,080	+ 50	3.5%	- 0.1%	1,455	+ 1,624
		KN Shibuya No.3	9,880	10,100	+ 220	3.3%	- 0.1%	4,943	+ 5,156
		Takadanobaba Center Bldg.	6,460	7,020	+ 560	3.9%	- 0.1%	4,244	+ 2,775
		Rokubancho Bldg.	10,200	10,400	+ 200	3.8%	- 0.1%	7,614	+ 2,785
		Urbannet Mita Bldg.	11,400	11,900	+ 500	3.6%	- 0.1%	10,211	+ 1,688
		Urbannet Azabu Bldg.	5,030	5,100	+ 70	3.9%	- 0.1%	4,849	+ 250
		Urbannet Ichigaya Bldg.	1,760	1,770	+ 10	4.2%	- 0.1%	1,592	+ 177
		Granpark	13,900	14,600	+ 700	3.6%	- 0.1%	11,258	+ 3,341
		Urbannet Kojimachi Bldg.	5,050	5,140	+ 90	3.5%	- 0.1%	3,608	+ 1,531
	Other 18 wards of Tokyo	Premier Toyocho Bldg.	3,320	3,410	+ 90	4.5%	- 0.1%	3,600	- 190
		Ueno TH Bldg.	3,040	3,250	+ 210	4.2%	- 0.1%	4,458	- 1,208
		Gotanda NT Bldg.	3,020	3,170	+ 150	4.1%	- 0.1%	4,089	- 919
		Ueno Tosei Bldg.	7,260	7,670	+ 410	4.1%	- 0.1%	5,310	+ 2,359
		Urbannet Ikebukuro Bldg.	20,100	20,500	+ 400	4.0%	- 0.1%	14,289	+ 6,210
		Urbannet Omori Bldg.	5,910	5,990	+ 80	4.3%	- 0.1%	4,625	+ 1,364
		Sphere Tower Tennozu	16,200	16,700	+ 500	3.5%	- 0.1%	15,419	+ 1,280
		Urbannet Gotanda NN Building	5,420	5,750	+ 330	4.1%	- 0.1%	5,287	+ 462
	Urban areas surrounding Tokyo	Premier Yokohama Nishiguchi Bldg.	3,880	4,160	+ 280	4.1%	- 0.1%	3,070	+ 1,089
		The Kanagawa Science Park R&D Bldg.	6,170	6,230	+ 60	5.4%	- 0.1%	5,370	+ 859
	Major regional cities	NTT CRED Okayama Bldg.	3,438	3,438	-	6.2%	- %	3,797	- 359
		Urbannet Shizuoka Ote-machi Bldg.	1,752	1,752	-	6.6%	- %	1,674	+ 77
		Urbannet Shizuoka Bldg.	1,224	1,224	-	6.6%	- %	1,086	+ 137
		Urban Ace Higobashi Bldg.	5,190	5,220	+ 30	4.2%	- 0.1%	4,580	+ 639
Subtotal			167,634	172,744	+ 5,110			139,029	+ 33,714

Period-End Appraisal Values (2)

Properties

Area		Property name	Period-End Appraisal Values			Cap rate*2		Book value [3] (million yen)	Unrealized gain or loss [2]-[3] (million yen)
			FP 33 (2019/4) [1] (million yen)	FP 34 (2019/10) [2] (million yen)	Change*1 [2]-[1] (million yen)	FP 34 (2019/10)	Change		
Residential	5 central wards of Tokyo	Park Axis Yotsuya Stage	5,230	5,450	+ 220	3.9%	- 0.1%	4,236	+ 1,213
		Park Axis Meiji-Jingumae	1,900	2,010	+ 110	3.7%	- 0.2%	2,411	- 401
		Cabin Arena Akasaka	1,250	1,330	+ 80	3.9%	- 0.2%	1,153	+ 176
		Cabin Arena Minami-Aoyama	1,080	1,140	+ 60	3.9%	- 0.2%	871	+ 268
		Bureau Kioicho	1,400	1,470	+ 70	3.6%	- 0.2%	1,614	- 144
		Roppongi Green Terrace	4,640	4,940	+ 300	3.7%	- 0.2%	3,913	+ 1,026
		Premier Stage Shibakoen II	1,840	1,900	+ 60	4.0%	- 0.1%	1,764	+ 135
		Langue Tower Kyobashi	1,130	1,160	+ 30	3.9%	- 0.1%	753	+ 406
		Premier Stage MitaKeidaimae	1,980	2,040	+ 60	3.9%	- 0.1%	1,400	+ 639
		Premier Rosso	1,670	1,720	+ 50	4.0%	- 0.1%	1,452	+ 267
		Premier Blanc Yoyogikouen	2,460	2,520	+ 60	3.9%	- 0.1%	1,929	+ 590
		Premier Stage Uchikanda	2,200	2,280	+ 80	3.9%	- 0.1%	1,470	+ 809
		Premier Stage Ichigayakawadacho	1,780	1,820	+ 40	4.0%	- 0.1%	1,252	+ 567
		Walk Akasaka	1,440	1,520	+ 80	3.8%	- 0.2%	1,648	- 128
		Premier Stage Shibakoen	1,630	1,700	+ 70	3.9%	- 0.1%	1,451	+ 248
		MEW	1,300	1,330	+ 30	4.1%	- 0.1%	1,308	+ 21
		Shibaura Island Air Tower	7,410	7,590	+ 180	3.7%	- 0.1%	5,579	+ 2,010
		Storia Akasaka	3,480	3,720	+ 240	3.6%	- 0.2%	3,754	- 34
		Renai Shinjuku-Gyoen Tower	5,400	5,580	+ 180	4.0%	- 0.1%	6,057	- 477
		Shibaura Island Bloom Tower	6,820	6,690	- 130	3.7%	- 0.2%	4,490	+ 2,199
		Questcourt Harajuku	5,290	5,420	+ 130	3.9%	- 0.1%	4,223	+ 1,196
		Urbancourt Ichigaya	1,970	2,020	+ 50	4.2%	- 0.1%	1,369	+ 650
		Premier Stage Azabu-Juban	1,510	1,520	+ 10	3.8%	- 0.1%	1,449	+ 70
		Premier Stage Sasazuka	1,140	1,170	+ 30	4.0%	- 0.1%	1,083	+ 86

Period-End Appraisal Values (3)

Area		Property name	Period-End Appraisal Values			Cap rate*2		Book value [3] (million yen)	Unrealized gain or loss [2]-[3] (million yen)
			FP 33 (2019/4) [1] (million yen)	FP 34 (2019/10) [2] (million yen)	Change*1 [2]-[1] (million yen)	FP 34 (2019/10)	Change		
Residential	Other 18 wards of Tokyo	B-site Osaki	1,010	1,030	+ 20	3.9%	- 0.1%	827	+ 202
		Premier Garden Hongo	1,070	1,110	+ 40	3.7%	- 0.1%	946	+ 163
		Premier Grande Magome	1,240	1,280	+ 40	4.3%	- 0.1%	1,268	+ 11
		Premier Nozze Yutenji	1,500	1,540	+ 40	4.1%	- 0.1%	1,349	+ 190
		Premier Stage Yushima	1,820	1,860	+ 40	4.0%	- 0.1%	1,463	+ 396
		Premier Stage Komagome	1,990	2,030	+ 40	4.0%	- 0.1%	1,475	+ 554
		Premier Stage Otsuka	1,420	1,450	+ 30	4.3%	- 0.1%	1,118	+ 331
		Premier Stage Honjo-Azumabashi	2,890	2,980	+ 90	4.0%	- 0.1%	2,275	+ 704
		Premier Stage Ryogoku	1,630	1,680	+ 50	4.1%	- 0.1%	1,219	+ 460
Subtotal			80,520	83,000	+ 2,480			68,585	+ 14,414
Total			248,154	255,744	+ 7,590			207,615	+ 48,128

*1 This table addresses those properties owned as of the end of the period (excluding Akihabara UDX). Previous-period comparisons of "period-end appraisal value" excludes increases for newly acquired properties.

*2 Capitalization yield arrived at through the direct capitalization method is used for cap rates. However, a discount rate is provided in place of a cap rate for 4 residential properties (Bureau Kioicho, B-site Osaki, Shibaura Island Air Tower and Shibaura Island Bloom Tower) for which valuation has been performed using a DCF method.

Monthly Occupancy Rates (1)

Properties

(%)

Area		Property name	Gross leasable area (m^2)*4	Gross leased area (m^2)*4	FP 33 (2019/4)							FP 34 (2019/10)						
					Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	Ave.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Ave.
Office	5 central wards of Tokyo	Landic Shimbashi Bldg.	5,567	5,567	100.0	100.0	93.7	93.7	93.7	100.0	96.9	100.0	100.0	100.0	100.0	100.0	100.0	100.0
		Landic Shimbashi 2 Bldg.	6,948	6,948	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
		Premier Dogenzaka Bldg.	1,926	1,926	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
		KN Shibuya No.3	5,743	5,743	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
		Takadanobaba Center Bldg.	6,313	6,313	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
		Rokubancho Bldg.	6,872	6,872	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
		Premier Kaigan Bldg.*1	-	-	100.0	100.0	-	-	-	-	100.0	-	-	-	-	-	-	-
		Urbannet Mita Bldg.	10,081	10,081	100.0	100.0	100.0	100.0	100.0	96.6	99.4	96.6	100.0	100.0	100.0	100.0	100.0	99.4
		Urbannet Azabu Bldg.	4,801	4,801	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
		Urbannet Ichigaya Bldg.	2,600	2,600	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
		Urbannet Irifune Bldg.*2	-	-	100.0	100.0	-	-	-	-	100.0	-	-	-	-	-	-	-
		Granpark	10,613	10,512	99.4	99.3	98.9	99.0	99.1	98.8	99.1	98.4	98.8	98.7	98.7	99.0	99.0	98.8
		Urbannet Kojimachi Bldg.	4,262	4,262	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Other 18 wards of Tokyo	Premier Toyocho Bldg.	3,857	3,857	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
		Ueno TH Bldg.	4,376	4,376	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
		Gotanda NT Bldg.	3,020	3,020	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
		Ueno Tosei Bldg.	5,432	5,432	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
		Urbannet Ikebukuro Bldg.	17,036	17,036	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
		Urbannet Omori Bldg.	8,524	8,524	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
		Sphere Tower Tennozu	17,909	17,839	94.9	94.9	100.0	100.0	100.0	100.0	98.3	100.0	100.0	100.0	100.0	100.0	99.6	99.9
		Urbannet Gotanda NN Bldg.*3	6,852	6,852	-	-	-	-	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Urban areas surrounding Tokyo	Premier Yokohama Nishiguchi Bldg.	4,990	4,990	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
		The Kanagawa Science Park R&D Bldg.	15,093	14,051	90.4	90.8	90.7	90.7	90.8	90.8	90.7	90.8	90.8	91.0	93.1	93.1	93.1	92.0
	Major regional cities	NTT CRED Okayama Bldg.	10,709	9,965	88.6	88.6	88.6	87.6	87.5	92.6	88.9	92.6	92.6	92.6	93.1	93.1	93.1	92.8
		Urbannet Shizuoka Ote-machi Bldg.	3,927	3,927	97.5	97.5	97.5	97.5	97.5	97.5	97.5	97.5	100.0	100.0	100.0	100.0	100.0	99.6
		Urbannet Shizuoka Bldg.	2,922	2,736	100.0	100.0	100.0	100.0	100.0	96.7	99.4	96.7	100.0	100.0	100.0	97.5	93.7	98.0
		Urban Ace Higobashi Bldg.	8,393	8,393	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Subtotal			178,778	176,635	98.0	98.0	98.2	98.1	98.1	98.4	98.1	98.4	98.7	98.7	98.9	98.9	98.8	98.7

*1 Premier Kaigan Building was disposed on January 30, 2019.
*2 Urbannet Irifune Building was disposed on January 16, 2019.
*3 Urbannet Gotanda NN Building was acquired on April 5, 2019.
*4 The figures as of fiscal period 34 (end of October 2019).

Monthly Occupancy Rates (2)

Properties

(%)

Area		Property name	Gross leasable area (m^2)*1	Gross leased area (m^2)*1	FP 33 (2019/4)							FP 34 (2019/10)						
					Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	Ave.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Ave.
Residential	5 central wards of Tokyo	Park Axis Yotsuya Stage	6,732	6,679	98.0	96.1	96.6	95.5	96.4	93.7	96.1	95.5	99.0	96.4	94.0	99.0	99.2	97.2
		Park Axis Meiji-Jingumae	1,706	1,644	95.6	92.7	100.0	97.3	96.9	100.0	97.1	100.0	97.5	90.1	92.6	96.3	96.3	95.5
		Cabin Arena Akasaka	1,378	1,334	96.8	100.0	100.0	100.0	94.8	97.4	98.2	94.3	94.3	91.9	96.8	96.8	96.8	95.2
		Cabin Arena Minami-Aoyama	1,187	1,114	97.9	97.9	97.9	97.9	100.0	97.9	98.2	97.9	95.3	96.9	96.9	97.4	93.9	96.4
		Bureau Kioicho	1,728	1,728	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
		Roppongi Green Terrace	5,748	5,748	94.0	90.6	90.6	92.1	91.3	100.0	93.1	97.6	97.6	94.7	94.7	94.7	100.0	96.5
		Premier Stage Shibakoen II	2,312	2,285	97.8	96.7	97.0	99.0	99.0	98.8	98.1	100.0	100.0	100.0	100.0	100.0	98.8	99.8
		Langue Tower Kyobashi	1,190	1,148	95.1	98.5	98.5	98.5	100.0	96.8	97.9	93.3	94.8	94.7	98.3	100.0	96.5	96.3
		Premier Stage MitaKeidaimae	1,597	1,597	98.4	98.1	98.1	95.0	96.6	98.1	97.4	100.0	96.3	96.3	94.7	98.4	100.0	97.6
		Premier Rosso	1,878	1,822	96.4	97.0	97.0	100.0	97.1	97.6	97.5	100.0	98.2	97.8	100.0	97.0	97.0	98.3
		Premier Blanc Yoyogikouen	2,336	2,303	96.0	93.9	96.5	98.4	96.8	98.3	96.6	98.2	100.0	98.7	98.7	96.8	98.6	98.5
		Premier Stage Uchikanda	2,036	1,965	95.8	98.2	96.5	96.5	98.3	100.0	97.5	95.5	98.2	98.2	95.8	93.6	96.5	96.3
		Premier Stage Ichigayakawadacho	1,655	1,655	96.9	89.2	96.9	98.2	98.4	100.0	96.6	100.0	96.7	94.9	100.0	100.0	100.0	98.6
		Walk Akasaka	1,736	1,487	89.4	95.4	94.1	94.1	95.4	95.4	94.0	95.4	95.4	86.6	85.7	85.7	85.7	89.1
		Premier Stage Shibakoen	1,759	1,677	100.0	100.0	97.7	100.0	95.3	97.7	98.5	95.4	100.0	95.3	95.3	93.0	95.3	95.7
		MEW	1,551	1,551	100.0	95.1	95.1	100.0	100.0	96.5	97.8	96.5	96.3	96.3	96.3	100.0	100.0	97.6
		Shibaura Island Air Tower	13,060	12,732	97.8	97.8	98.3	98.6	98.7	98.0	98.2	98.0	97.8	97.2	97.4	97.4	97.5	97.5
		Storia Akasaka	3,988	3,920	92.7	94.5	94.5	94.1	96.1	96.1	94.6	96.1	97.7	97.7	98.3	98.3	98.3	97.7
		Renai Shinjuku-Gyoen Tower	6,555	6,228	95.1	95.1	94.9	95.2	97.2	96.8	95.7	96.8	96.6	96.6	95.9	96.4	95.0	96.2
		Shibaura Island Bloom Tower	12,254	12,004	98.3	97.8	98.1	98.4	98.1	98.0	98.1	97.8	97.2	97.9	97.5	97.5	98.0	97.6
		Questcourt Harajuku	4,612	4,432	100.0	100.0	100.0	100.0	98.0	96.3	99.1	98.3	100.0	100.0	100.0	98.4	96.1	98.8
		Urbancourt Ichigaya	3,609	3,516	97.3	97.4	97.4	100.0	97.6	97.6	97.9	100.0	97.3	97.3	97.3	94.8	97.4	97.4
		Premier Stage Azabu-Juban	1,177	1,144	91.7	94.4	91.7	94.4	97.2	94.4	94.0	94.4	100.0	100.0	91.7	91.7	97.2	95.8
		Premier Stage Sasazuka	1,167	1,124	98.1	98.1	98.2	100.0	98.3	100.0	98.8	100.0	100.0	98.3	98.3	98.3	96.4	98.5

*1 The figures as of fiscal period 34 (end of October 2019).

Monthly Occupancy Rates (3)

Properties

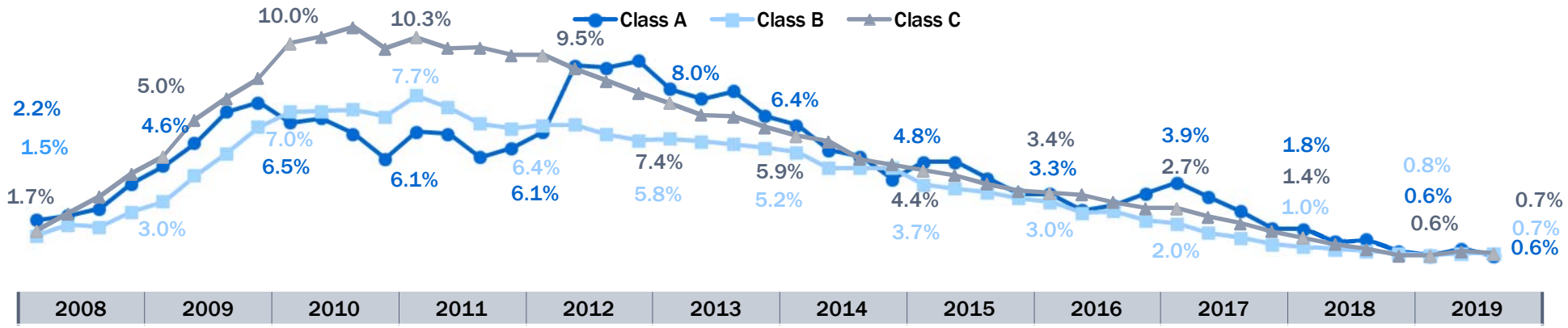
(%)

Area	Property name	Gross leasable area (m^2)*1	Gross leased area (m^2)*1	FP 33 (2019/4)							FP 34 (2019/10)						
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	Ave.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Ave.
Other 18 wards of Tokyo	B-site Osaki	1,318	1,318	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Premier Garden Hongo	1,573	1,573	100.0	93.1	93.1	93.1	100.0	93.1	95.4	93.1	93.1	100.0	100.0	100.0	100.0	97.7
	Premier Grande Magome	2,378	2,242	97.4	100.0	100.0	100.0	97.0	100.0	99.1	100.0	97.0	97.0	97.0	97.0	94.3	97.1
	Premier Nozze Yutenji	1,734	1,734	100.0	96.7	100.0	100.0	100.0	96.6	98.9	96.6	100.0	97.6	100.0	100.0	100.0	99.0
	Premier Stage Yushima	2,065	2,005	94.6	96.6	96.6	97.1	98.2	96.4	96.6	96.6	98.2	98.9	96.2	97.8	97.1	97.5
	Premier Stage Komagome	2,249	2,123	92.1	95.8	97.4	100.0	98.7	97.4	96.9	97.4	97.4	94.2	93.1	97.6	94.4	95.7
	Premier Stage Otsuka	1,644	1,619	96.9	98.3	95.3	97.0	100.0	98.5	97.7	98.5	100.0	100.0	100.0	97.0	98.5	99.0
	Premier Stage Honjo-Azumabashi	3,465	3,190	98.2	98.2	94.6	95.2	98.8	98.2	97.2	98.8	99.4	97.0	95.1	93.9	92.1	96.0
	Premier Stage Ryogoku	2,215	2,091	96.7	98.9	99.0	100.0	97.9	100.0	98.7	100.0	100.0	100.0	94.4	94.4	94.4	97.2
Subtotal		101,608	98,751	96.9	96.7	96.9	97.5	97.5	97.6	97.2	97.6	97.9	97.1	96.7	97.0	97.2	97.3
Total		280,387	275,386	97.6	97.5	97.7	97.9	97.9	98.1	97.8	98.1	98.4	98.1	98.1	98.2	98.2	98.2

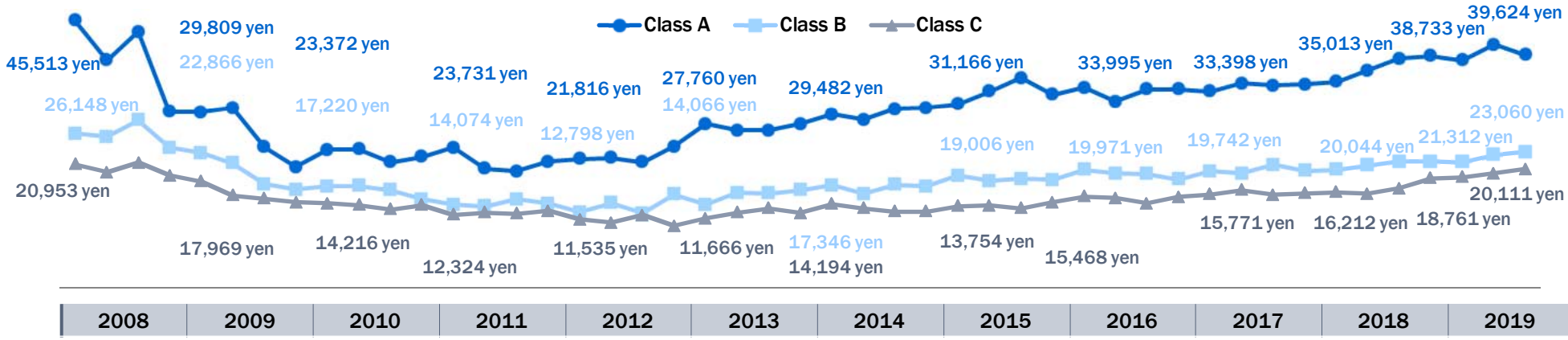
*1 The figures as of fiscal period 34 (end of October 2019).

Office Market Trends (Tokyo)

Market Vacancy Rate*1



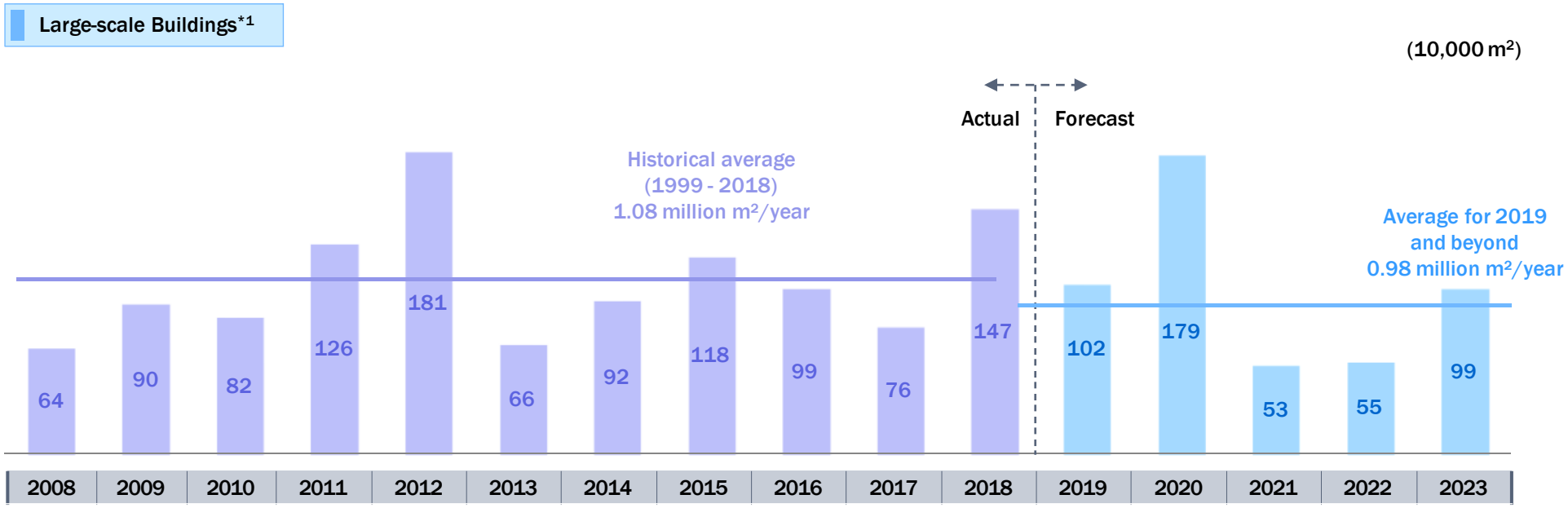
Market Rents per Month per Tsubo*1

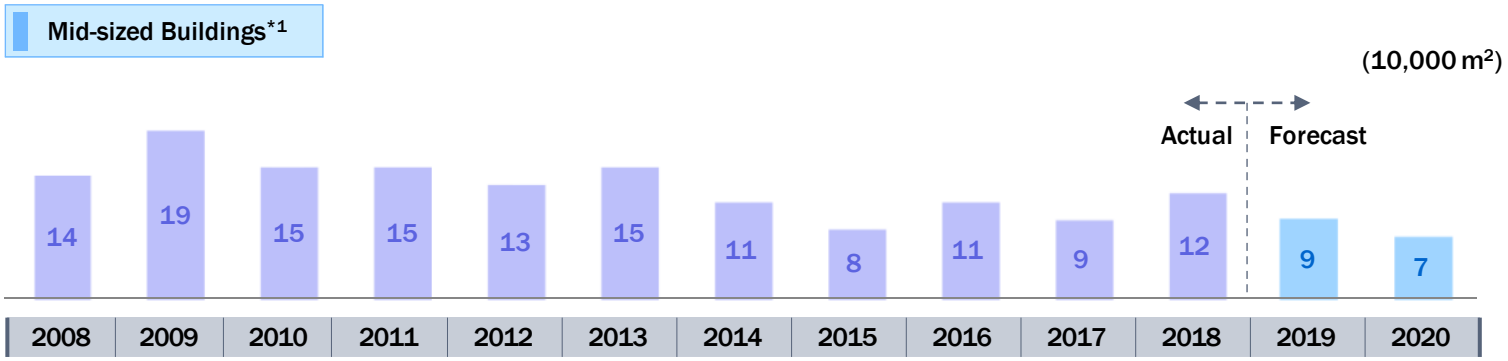


*1 Prepared by PRA based on "Office Rent Index" from Sanko Estate Co., Ltd. "Market rents per month per tsubo" display prices based on contracted rents, not including common area charges. Moreover, the indices are categorized by the standards below.

	Area located	Gross floor area	Typical floor plate	Years since construction	Facilities
Class A	Main office districts in five central Tokyo wards and office building areas in surrounding wards (Gotanda/Osaki, Kita-Shinagawa/Higashi-Shinagawa, Yushima/Hongo/Koraku, Meguro-ku)	10,000 tsubos or more	300 tsubos or more	15 years and under	Ceiling height 2.7 m and above
Class B		No limits	200 tsubos or more	No limits	No limits
Class C		No limits	100 tsubos or more and less than 200 tsubos	No limits	No limits

Office Supply (23 Wards of Tokyo)

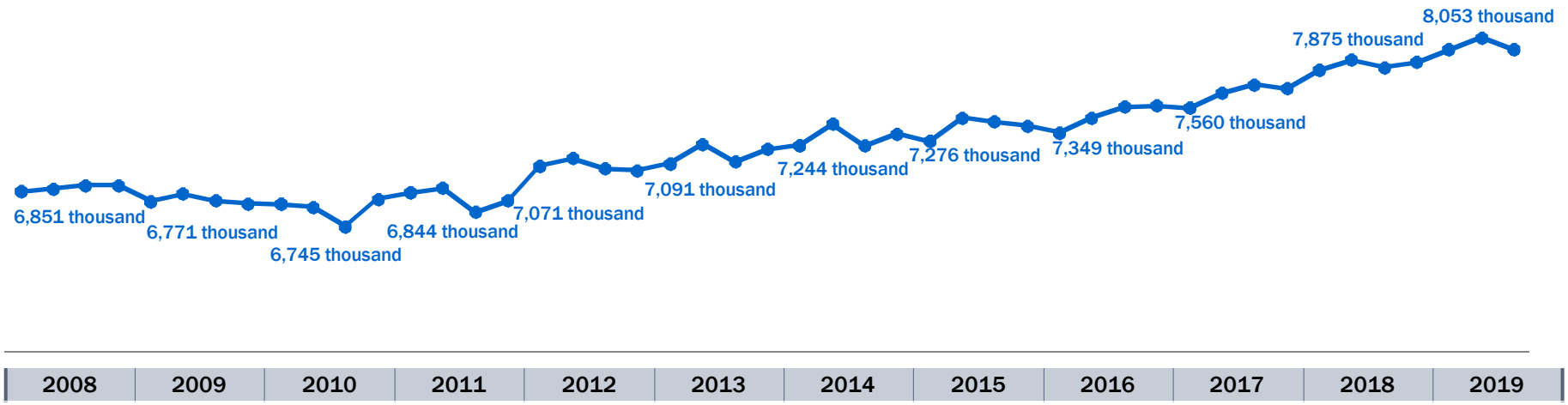




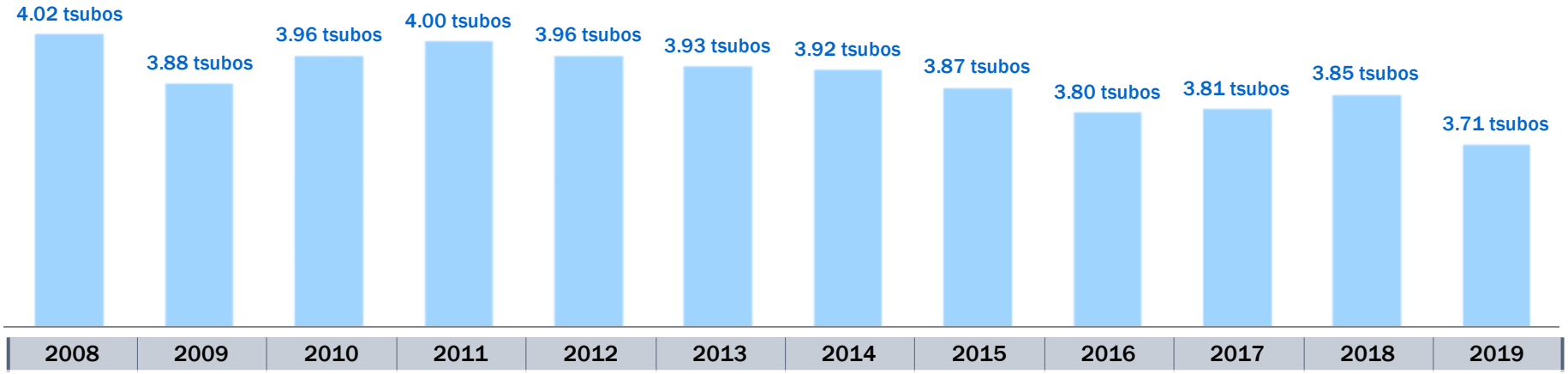
*1 Prepared by PRA based on Mori Trust Co., Ltd.'s "Survey of Large-Scale Office Building Supply in Tokyo's 23 Wards 2019" (dated April 15, 2019) and "Survey of Large-Scale Office Building Supply in Tokyo's 23 Wards 2018" (dated April 25, 2018). Large-scale buildings refers to properties with 10,000 m² or more in gross floor area in office space. Mid-sized buildings refers to office buildings with gross floor area of 5,000 m² to less than 10,000 m².

Office Demand Trends

Number of workers in Tokyo*1



Office space per person (23 Wards of Tokyo)*2

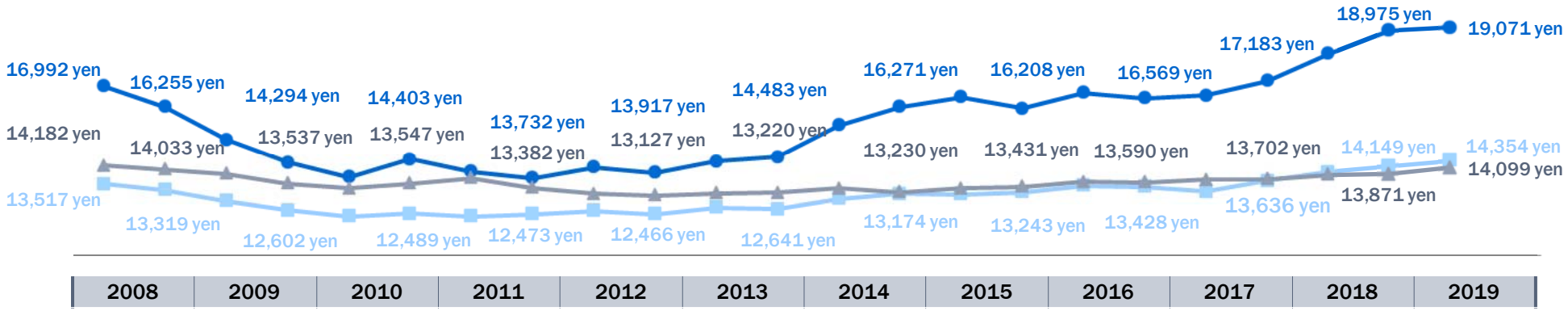


*1 Prepared by PRA based on "Workforce in Tokyo" by Statistics Division, Bureau of General Affairs of the Tokyo Metropolitan Government
*2 Prepared by PRA based on "Office Space per Person" by XYMAX REAL ESTATE INSTITUTE Corporation.

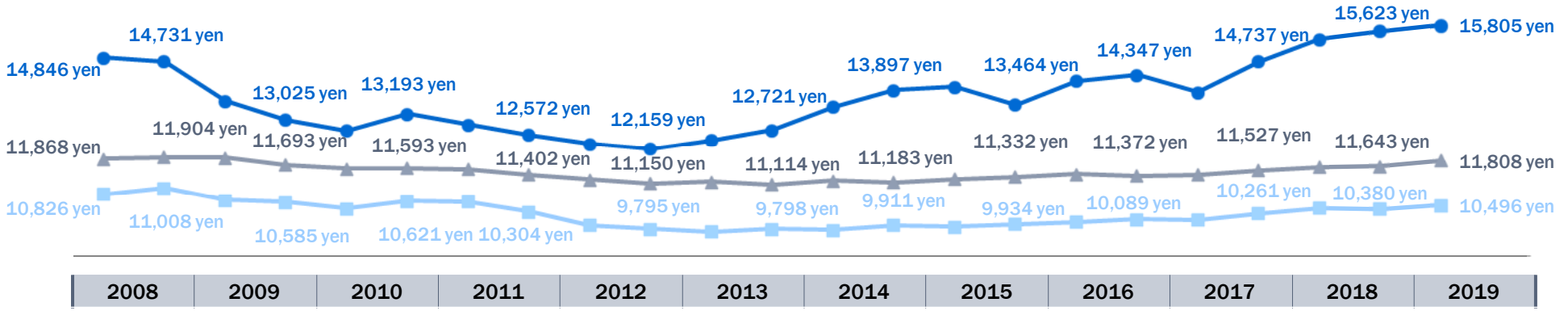
Residential Market Trends (Tokyo)

Large (80 m² or more)
Standard (40 m² to 80 m²)
Small (Less than 40 m²)

Rent (per tsubo) in 5 Central Wards of Tokyo*1



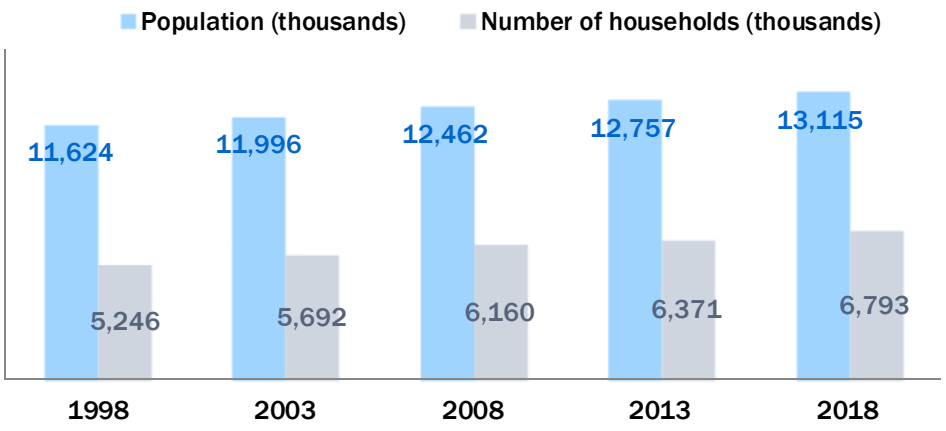
Rent per tsubo in 23 Wards of Tokyo*1



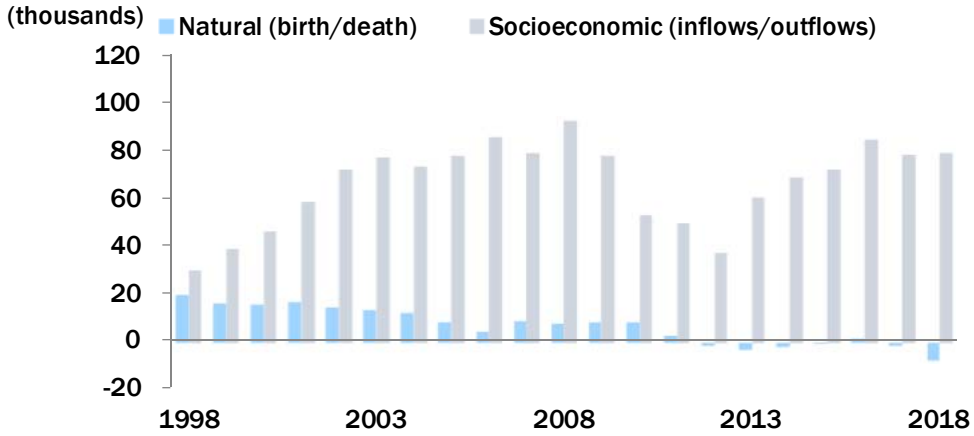
*1 Prepared by PRA based on the Residential Market Index from the Japan Real Estate Institute (JREI), Ken Corporation Ltd. and At Home Co., Ltd.

Residential: Macro Environment (Tokyo)

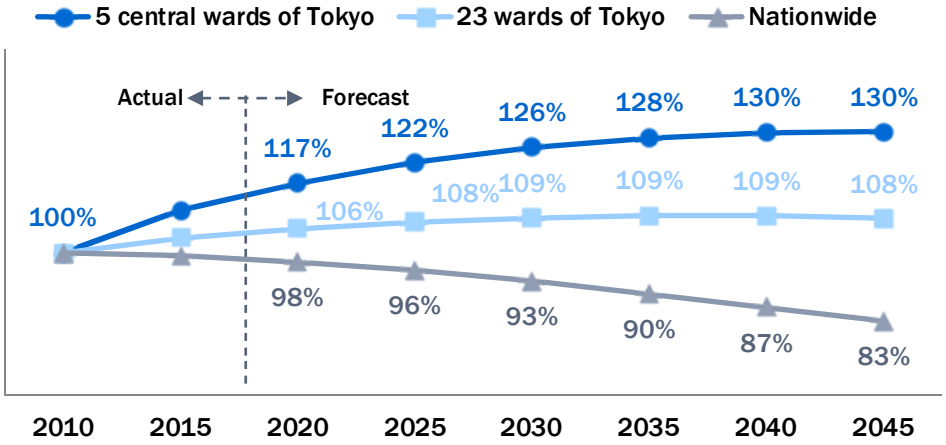
Population and Households (Tokyo)*1



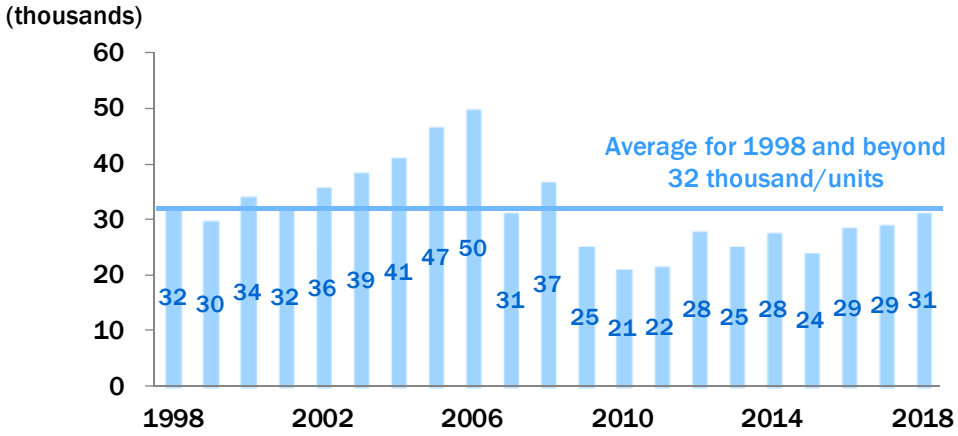
Population Change (Tokyo)*1



Projected Future Population*2



Housing Starts of Rental Condominiums (Tokyo)*3



*1 Prepared by PRA based on the Survey of Population, Demography and Number of Households based on the Basic Resident Registration system by the Ministry of Internal Affairs and Communications.
*2 Prepared by PRA based on the Population Census by the Ministry of Internal Affairs and Communications and the 2018 Population Projections for Japan by the National Institute of Population and Social Security Research. Populations as of 2010 have been indexed to 100%.
*3 Prepared by PRA based on the "Housing Starts Statistical Survey" (reinforced concrete structure & steel-framed reinforced concrete structure) by the Ministry of Land, Infrastructure, Transport and Tourism. Figures have been rounded to the nearest thousand.

Fiscal Period 34 List of Interest-bearing Liabilities

Settlement

Lender	Balance (million yen)	Interest rate*1*2	Maturity (years)	Maturity date	
Short-term loans	2,000				
Mizuho Bank	2,000	0.22%	1.0	Jul. 2020	FP 36
Long-term loans	99,750				
Aozora Bank	650	0.69%	5.0	Mar. 2020	FP 35
NTT Finance Corp.	2,000	0.41%	5.0	Jan. 2021	FP 37
Sumitomo Mitsui Banking Corp., etc.	5,000	0.24%	4.0	May 2021	FP 38
Mizuho Bank	2,400	0.91%	7.0	Sep. 2021	
Sumitomo Mitsui Trust Bank	1,050	0.87%	7.0	Mar. 2022	FP 39
Sumitomo Mitsui Trust Bank, etc.	3,900	0.91%	7.0	Apr. 2022	
Sumitomo Mitsui Trust Bank, etc.	6,500	0.87%	7.0	Jul. 2022	FP 40
MUFG Bank, etc.	8,000	0.80%	7.0	Aug. 2022	
Aozora Bank	3,000	0.74%	7.0	Nov. 2022	FP 41
NTT Finance Corp., etc.	8,000	0.73%	7.0	Nov. 2022	
Aozora Bank	1,100	0.40%	5.0	Mar. 2023	
Mizuho Bank	2,700	0.43%	6.0	May 2023	FP 42
The Bank of Fukuoka, etc. (Syndicated loan)	5,000	0.29%	6.0	Aug. 2023	
Aozora Bank	750	0.50%	5.5	Feb. 2024	FP 43
Sumitomo Mitsui Trust Bank	1,500	0.23%	5.0	Mar. 2024	
Sumitomo Mitsui Trust Bank	1,000	0.20%	4.7	Mar. 2024	
NTT Finance Corp.	4,000	0.53%	7.0	May 2024	FP 44
Sumitomo Mitsui Banking Corp., etc.	1,550	0.52%	8.0	Aug. 2024	
Aozora Bank	700	0.52%	8.0	Aug. 2024	
Sumitomo Mitsui Banking Corp.	1,500	0.55%	7.0	Mar. 2025	FP 45
Sumitomo Mitsui Trust Bank	3,300	0.60%	8.0	May 2025	FP 46
Sumitomo Mitsui Trust Bank, etc.	3,800	0.61%	8.0	Mar. 2026	FP 47
MUFG Bank	1,500	0.61%	8.0	Mar. 2026	
Development Bank of Japan	3,000	0.67%	8.0	Apr. 2026	
Mizuho Bank, etc.	3,180	0.62%	10.0	Oct. 2026	FP 48
MUFG Bank	1,220	0.62%	10.0	Oct. 2026	
Sumitomo Mitsui Banking Corp.	2,000	0.38%	7.0	Sep. 2026	
Sumitomo Mitsui Trust Bank, etc.	9,000	0.74%	10.0	Nov. 2026	FP 49
MUFG Bank	1,250	0.77%	9.0	Aug. 2027	FP 50
Mizuho Bank, etc.	3,000	0.77%	9.0	Aug. 2027	
NTT Finance Corp.	1,200	0.45%	8.5	Mar. 2028	FP 51
Development Bank of Japan, etc.	4,000	0.45%	8.5	Mar. 2028	
Mizuho Bank, etc.	1,500	0.77%	10.0	Jul. 2028	FP 52
Mizuho Bank, etc.	1,500	0.65%	10.0	Mar. 2029	FP 53
Total loans	101,750				

List of Corporate Bonds	Issue amount (million yen)	Interest rate	Maturity (years)	Redemption date	
Unsecured Bond No. 6	2,500	0.72%	7.0	Mar. 2021	FP 37
Unsecured Bond No. 7	2,000	0.25%	5.0	Jul. 2023	FP 42
Unsecured Bond No. 8	4,000	0.58%	10.0	Jul. 2028	FP 52
Corporate bond total	8,500				
Interest-bearing Liabilities total	110,250				

Breakdown by Lender

Rank	Lender	Balance (million yen)			Share
		Long-term	Short-term	Total	
1	Sumitomo Mitsui Trust Bank, Limited	22,590	-	22,590	22.2%
2	Mizuho Bank, Ltd.	16,690	2,000	18,690	18.4%
3	Sumitomo Mitsui Banking Corporation	13,850	-	13,850	13.6%
4	MUFG Bank, Ltd.	10,770	-	10,770	10.6%
5	NTT Finance Corporation	10,200	-	10,200	10.0%
6	Resona Bank, Limited	6,450	-	6,450	6.3%
7	Aozora Bank, Ltd.	6,200	-	6,200	6.1%
8	Development Bank of Japan Inc.	5,000	-	5,000	4.9%
9	The Norinchukin Bank	2,500	-	2,500	2.5%
10	The Bank of Fukuoka, Ltd.	2,000	-	2,000	2.0%
11	Mitsui Sumitomo Insurance Co., Ltd.	1,000	-	1,000	1.0%
12	The Nomura Trust and Banking Co., Ltd.	1,000	-	1,000	1.0%
13	The 77 Bank, Ltd.	1,000	-	1,000	1.0%
14	The Higashi-Nippon Bank, Limited	500	-	500	0.5%
	Total	99,750	2,000	101,750	100.0%

*1 Figures for floating rates on these loans represent the rates applicable as of the end of FP 34 (October 31, 2019).
*2 For floating-rate denominated borrowings with interest-rate swaps, the interest rate is expressed as the fixed rate reflecting the effect of the relevant swap transaction.

Financial Indicators

Settlement

Item		FP 30 (2017/10)	FP 31 (2018/4)	FP 32 (2018/10)	FP 33 (2019/4)	FP 34 (2019/10)
Return on assets (annualized)		2.7%	3.0%	2.8%	3.5%	3.0%
Return on equity (annualized)		5.3%	6.0%	5.7%	6.9%	5.8%
Unitholders' equity ratio		49.2%	50.1%	50.2%	50.8%	50.7%
LTV (unitholders' capital basis)	*1	49.5%	48.4%	48.3%	47.8%	47.8%
LTV (market value basis)	*2	44.6%	42.8%	41.6%	39.4%	38.2%
DSCR (multiple)	*3	11.0	11.8	12.5	12.9	13.7
NOI (million yen)	*4	5,785	5,855	5,969	5,867	6,093
FFO (million yen)	*5	4,739	4,809	4,944	4,800	5,095
NOI yield (Office / Residential)	*6	4.9% (4.9%/5.1%)	5.1% (5.0%/5.1%)	5.2% (5.3%/4.9%)	5.1% (5.2%/4.9%)	5.4% (5.4%/5.3%)
Yield after depreciation (Office / Residential)	*7	3.7% (3.9%/3.4%)	3.9% (4.0%/3.4%)	4.0% (4.3%/3.3%)	3.9% (4.2%/3.3%)	4.1% (4.3%/3.6%)
Implied cap rate	*8	4.8%	4.8%	4.6%	4.1%	3.9%
NAV per unit (yen)	*9	117,155	119,347	124,830	134,574	140,931
Investment unit price at period-end		100,300	107,100	116,700	137,900	162,100
NAV multiple		0.9	0.9	0.9	1.0	1.2
Unitholders' equity per unit [BPS] (yen)		94,117	94,373	94,382	94,937	94,753
FFO per unit (yen)	*10	3,599	3,652	3,755	3,645	3,869
Market capitalization at period-end (million yen)		132,094	141,050	153,693	181,613	213,484

*1 LTV (unitholders' capital basis) = Total Interest-bearing liabilities ÷ (total interest-bearing liabilities + unitholders' capital) for each period-end

*2 LTV (market value basis) = Total Interest-bearing liabilities ÷ (Total period-end appraisal value for assets held) for each period-end

*3 DSCR (Debt Service Coverage Ratio) = (Net income - gains from property sales + depreciation + interest paid) ÷ interest paid

*4 NOI = Real estate rental income + Depreciation (as rental business expenses) + dividends received from preferred securities

*5 FFO = Net income + depreciation (as rental business expenses) - capital gains on real estate sales

6 NOI yield = Annualized NOI ÷ Amount invested**
* NOI from each period × 2 ** Total book value of assets held as of the period end

7 Yield after depreciation = Annualized real estate rental income ÷ Amount invested**
* (Real estate rental income + dividends received from preferred securities) for each period × 2 ** Total book value of assets held as of the period end

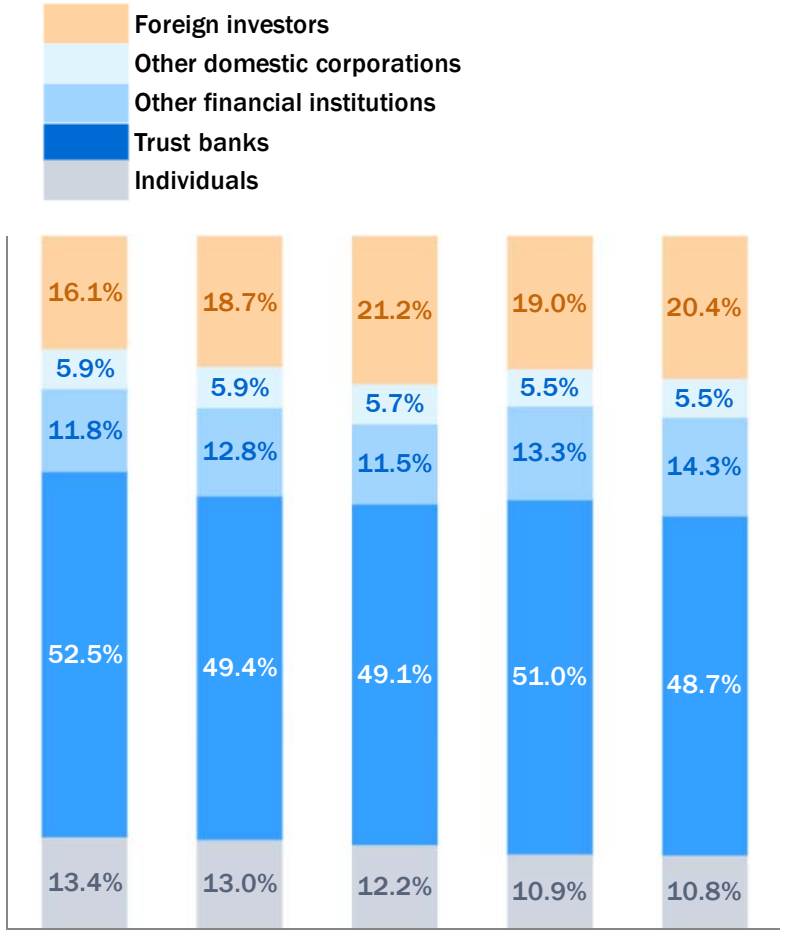
8 Implied cap rate = Annualized NOI ÷ (market capitalization of investment units + interest-bearing liabilities outstanding + balance of security deposits - cash balance**)
* NOI from each period × 2 ** Balance as of the end of the period

*9 NAV per unit = (Unitholders' equity + unrealized P/L of assets held) ÷ number of investment units outstanding, for the period-end

*10 FFO per unit = FFO ÷ number of investment units outstanding (average for the period)

Status of Unitholders

Breakdown of Unitholders*1



	FP 30	FP 31	FP 32	FP 33	FP 34
Total no. of investment units	1,316,995	1,316,995	1,316,995	1,316,995	1,316,995

*1 Percentage figures have been rounded down to the first decimal place.

Major Unitholders

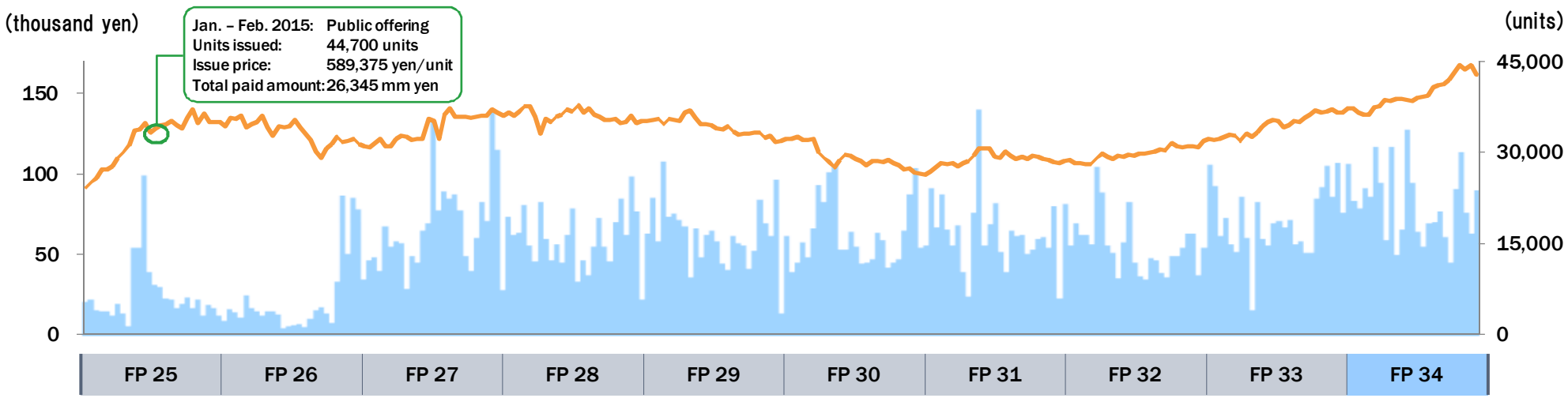
(As of October 31, 2019)

Rank	Unitholder	Units held (units)	Share*1	Change (units)
1	Japan Trustee Services Bank, Ltd. (Trust Account)	305,744	23.2%	- 22,209
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	233,023	17.6%	+ 9,736
3	NTT Urban Development Corporation	43,500	3.3%	-
4	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	41,962	3.1%	- 11,956
5	Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	34,555	2.6%	- 4,248
6	Nomura Bank (Luxembourg) S.A.	32,943	2.5%	+ 31,358
7	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	22,129	1.6%	+ 4,746
8	SMBC Nikko Securities Inc.	21,768	1.6%	- 353
9	STATE STREET BANK WEST CLIENT - TREATY 505234	18,705	1.4%	- 761
10	JPMC GOLDMAN SACHS TRUST JASDEC LENDING ACCOUNT	18,232	1.3%	+ 10,204
Total		772,561	58.6%	

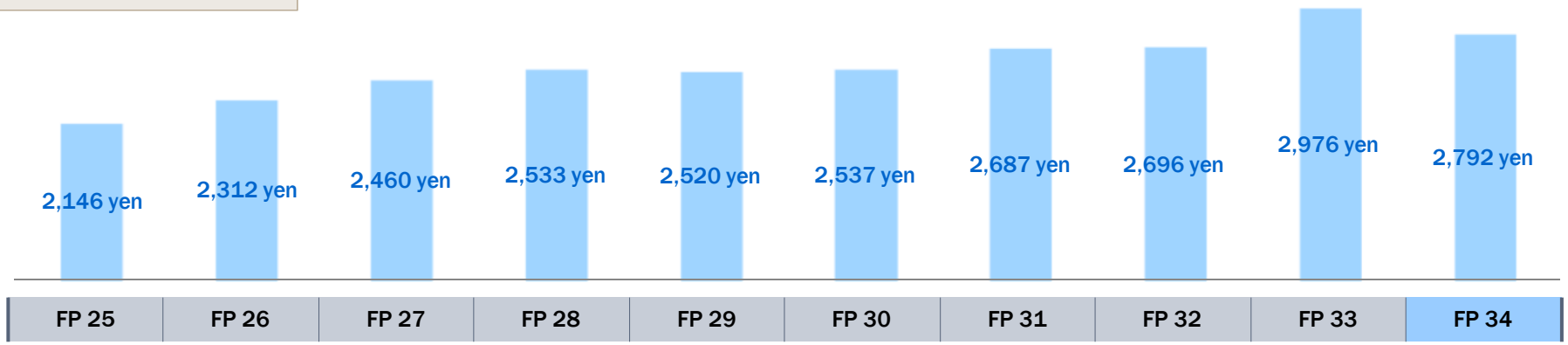
Investment Unit Price and Distribution per Unit

Basic Information

Investment Unit Price*1



Change in Distribution per Unit*2



*1 Investment unit price is based on the closing price from the last trading day of each week. Trading volume is the total weekly volume of buy and sell-trades.
Furthermore, investment unit prices before and on October 27, 2015 (the final day of trading at the former price) have been adjusted to reflect the 5-for-1 investment unit split implemented effective November 1, 2015.

*2 DPU figures from FP 26 and before have been adjusted for the unit split.

Features of PIC (1)

1. Comprehensive Support from NTT UD, the Main Sponsor

NTT UD

〈NTT UD acquired an equity stake in the REIT's asset manager in May 2010〉

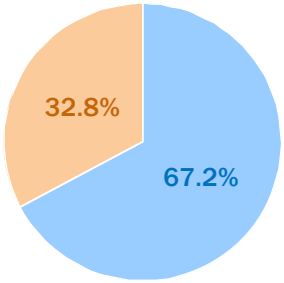
- Abundant track record of development and pipelines for office buildings.
- Operating capability in real estate rental business.
- Fund-raising capability based on high credibility.

2. Compound Portfolio with Office Buildings and Residential Properties as Main Investment Targets

(As of October 31, 2019)

Office: Profitability
Exerts strengths when the economy is recovering

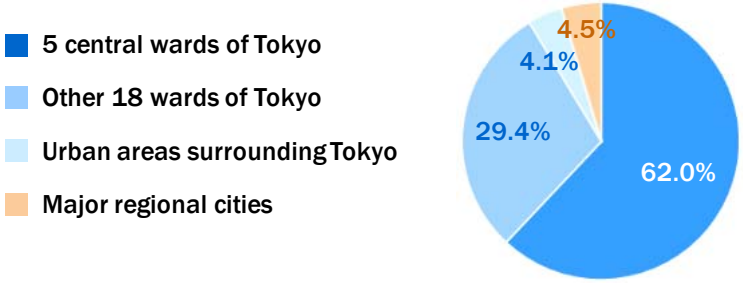
Residential: Stability
Stable demand even in the receding economy



- Mitigates the impact of economic fluctuations by combining asset types that have low correlation to each other in terms of market rent fluctuations.
- Diversifies the tenant base into different types such as corporations and individuals.

3. Portfolio Focused in the Tokyo Economic Bloc

(As of October 31, 2019)



- Focuses investments in Greater Tokyo, which enjoys an established economic base due to a high concentration of population and industry.
- Partially expands the target investment area to Major Regional Cities (strengthening ties with NTT UD).

Features of PIC (2)

Portfolio (at period-end FP 34)

Number of properties	59		
Asset size	243.7 billion yen		
Average building age	22.9 years		
NOI yield	5.4%		
Yield after depreciation	4.1%		
Occupancy rate at period-end	98.2%		
Major properties	Akihabara UDX (Chiyoda Ward, Tokyo)	Sphere Tower Tennozu (Shinagawa Ward, Tokyo)	Urbannet Ikebukuro Bldg. (Toshima Ward, Tokyo)

Financial Standing (at period-end FP 34)

Issuer ratings	JCR (Japan Credit Rating Agency)	AA- (stable)
	R&I (Rating and Investment Information)	A+ (stable)
LTV (Unitholders' capital basis)	47.8%	
LTV (Market value basis)	38.2%	
Amount of interest-bearing liabilities	110.2 billion yen	

Overview of the Asset Management Company (at period-end FP 34)

Trade name	Premier REIT Advisors Co., Ltd. (Financial Instruments Business Operator Registration No.: Kanto Local Finance Bureau (FIBO) Director-General No. 393)	
Establishment	July 17, 2001	
Paid-in capital	300 million yen	
Shareholders	NTT Urban Development Corporation	70.0%
	Kenedix, Inc.	30.0%

Terminology Used in this Presentation

Term	Definition
■ Investment areas	5 central wards of Tokyo: Chiyoda, Chuo, Minato, Shinjuku and Shibuya Wards Other 18 wards of Tokyo: The remaining 18 of 23 wards of Tokyo, after excluding the 5 central wards of Tokyo Urban areas surrounding Tokyo: Other urban areas within Greater Metropolitan Tokyo, which comprises the Metropolis of Tokyo (excluding 23 wards of Tokyo), Kanagawa Prefecture (areas such as Yokohama City and Kawasaki City), Saitama Prefecture (areas such as Saitama City) and Chiba Prefecture (areas such as Chiba City) Major regional cities: Major cities such as Sapporo, Sendai, Shizuoka, Nagoya, Osaka, Kyoto, Kobe, Hiroshima, Okayama and Fukuoka
■ Akihabara UDX	An office building located in Tokyo's Chiyoda Ward that is the underlying asset to UDX SPC Preferred Securities * PIC owns 53,580 units (19.0%) of the 282,000 Preferred Securities. Unless noted otherwise, the Preferred Securities are represented herein as "Akihabara UDX." We categorize it as an office building located within the 5 central wards of Tokyo.
■ Acquisition price or transfer price	The transaction price before taxes, not considering various expenses (such as real estate taxes) required for the acquisition or transfer of the property in question.
■ Occupancy rate by cash flows	For any given month, the area actually generating cash flow* ÷ Gross leasable area * The portion of area under lease remaining after excluding any area for which the rent, common area charges stipulated under the lease agreement is not being received due to special incentives such as free rent. (= the area actually generating cash flows during the month in question.)
■ NOI	Real estate rental income* + Depreciation (as rental business expenses) * NOI of the portfolio includes dividends received on preferred securities as office operating revenues.
■ FFO	Net income + Depreciation (as rental business expenses) - Capital gains on real estate sales
■ NOI yield (for individual properties)	Annualized NOI* ÷ Amount invested** * NOI × 2, for assets held during the fiscal period in question (For properties bought or sold at some point within the fiscal period in question, actual results from the period in question × 365 ÷ Number of days the property was held in the portfolio) ** Total book value for assets held at the end of the period in question (for properties sold, the book value at the time of sale is used)
■ NOI yield (of portfolio)	Annualized NOI* ÷ Amount invested** * NOI × 2, for the fiscal period in question ** Total book value for assets held at the end of the period in question
■ Yield after depreciation (of portfolio)	Annualized real estate rental income* ÷ Amount invested** * The total of (Real estate rental income + Dividend income from preferred securities) × 2, for the fiscal period in question ** Total book value for assets held at the end of the period in question
■ Appraisal NOI yield (each property)	Appraisal NOI* ÷ Acquisition price or transfer price * Net operating income arrived at using the direct capitalization method described in the real estate appraisal document issued in the acquisition or transfer of the property in question
■ LTV (unitholders' capital basis)	Total Interest-bearing liabilities ÷ (Total interest-bearing liabilities + unitholders' capital) for each period-end
■ LTV (market value basis)	Total Interest-bearing liabilities ÷ (period-end appraisal values of asset holdings) for each period-end

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- Unless indicated otherwise, amounts and figures have been rounded down to the nearest unit and percentages have been rounded to the first decimal place.
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