# Premier Investment Corporation

Fiscal Period

25

(6-month Period Ended April 2015)

# Earnings Presentation





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outstanding (as of end of period)

# **Fiscal Period 25 Earnings Overview**



		Actual		Foreca	ast *1	
		FP 24 [1]	FP 25 [2]	Difference [2]-[1]	[3]	Difference [2]-[3]
Operating reve (million yen)	nue	6,822	7,460	638	7,375	85
Gain on p	roperty sale	214	251	36	251	
Operating expe (million yen)	enses	3,820	4,005	185	4,032	- 27
Operating inco (million yen)	me	3,002	3,454	452	3,342	112
Real esta	te rental income	2,917	3,403	485	3,311	91
Ordinary incon (million yen)	пе	2,342	2,828	485	2,714	113
Net income (million yen)		2,340	2,826	486	2,713	113
Reserve for reduction entry	Reversals	56	-	- 56	-	
(million yen)	Provisions	185	-	- 185	-	
Distribution per unit (Yen)		10,110	10,731	621	10,300	431
Rental NOI (m	illion yen)	4,072	4,626	553	4,534	91
Number of inv	estment	56	58	2	58	
Number of investment units		218,699	263,399	44,700	263,399	

Average Occupancy Rate	Fiscal Period 24	Fiscal Period 25
Office	92.6%	94.8%
Residential	94.9%	95.8%
Total	93.6%	95.3%

NOI Yield	Fiscal Period 24	Fiscal Period 25
Office	4.2%	4.3%
Residential	4.5%	4.7%
Total	4.3%	4.4%

#### **Borrowings (intra-period change)**

	Repaid	Borrowed
Amount (billion yen)	18.5	11.3
Average interest rate *2	0.90%	0.77%
Average loan duration	2.3 years	5.6 years

#### LTV and Average Remaining Maturity on Debt

	Fiscal Period 24	Fiscal Period 25
LTV (Interest bearing liabilities)	55.0%	47.2%
Average remaining maturity on debt	1.9 years	2.1 years

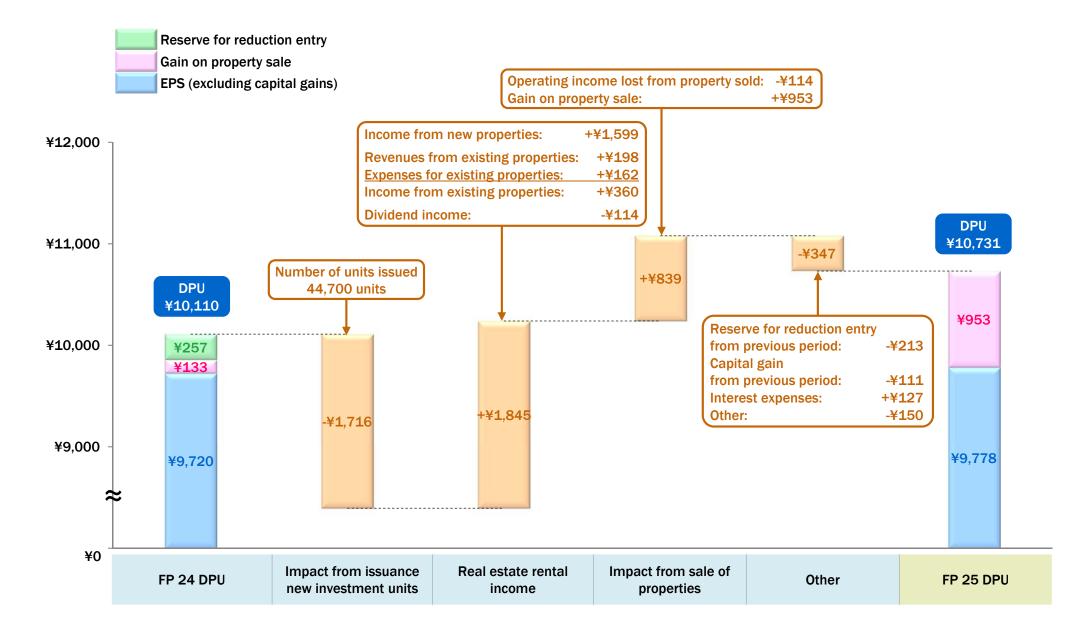
<sup>\*1 &</sup>quot;Forecast" refers to the forecast of the operating environment disclosed in the release published January 5, 2015, entitled, "Notice Concerning Revision to Performance Forecasts for the Fiscal Period Ending April 2015 (the 25th Fiscal Period) and Ending October 2015 (the 26th Fiscal Period)."

<sup>\*2</sup> The average interest rate for borrowings with floating interest rates is calculated using the applicable interest rate from the time of repayment for loans repaid and from the time of procurement for loans borrowed.



# **DPU Analysis (Comparison to Results from Previous Period)**

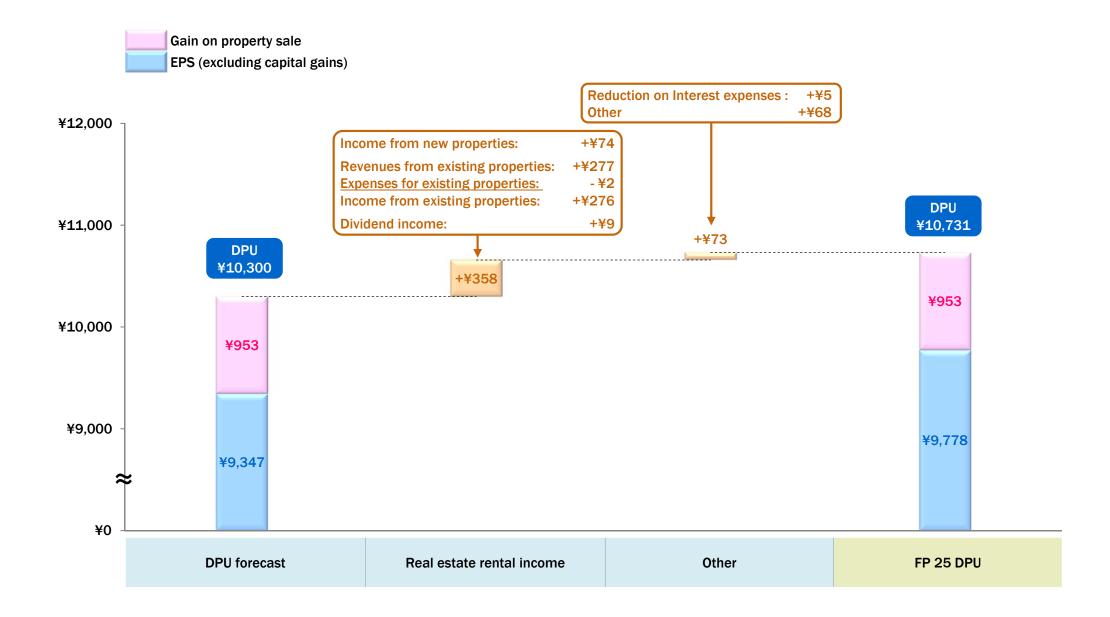






# **DPU Analysis (Comparison to Forecast from Beginning of Period)**





<sup>\*1 &</sup>quot;Forecast" refers to the forecast of the operating environment disclosed in the release published January 5, 2015, entitled, "Notice Concerning Revision to Performance Forecasts for the Fiscal Period Ending April 2015 (the 25th Fiscal Period) and Ending October 2015 (the 26th Fiscal Period)."



# **Fiscal Period 25 Issuance of New Investment Units (Offering Summery)**



#### Offering Summery

Resolution date of issuance	January 5, 2015 Offer price			609,375 yen (discount rate: 2.5%)
Finalization date of offer price and other items	January 14, 2015 (closing price: 625,000 yen)	Payment date	public offering	January 21, 2015
44 700 units in total		third-party allotment	February 18, 2015	
Number of new investment units issued (42,500 units through the public offering and 2,200 units through the third-party allotment)		Total paid amount		Approximately 26.3 billion yen
Number of outstanding investment units after offering	263,399 units	loint lead managers		SMBC Nikko Securities Inc. Nomura Securities Co., Ltd.

#### **Newly Acquired Properties**

Property name	Office Urbannet Ikebukuro Bldg.	Office Urbannet Kojimachi Bldg.	Office Urbannet Omori Bldg.	
Seller	Limited Liability Company Godo Ka	nisha NU-6 (a private equity fund formed by	NTT Urban Development Corporation)	
Acquisition date		January 22, 2015		
Acquisition price	13,600 million yen	3,600 million yen	4,800 million yen	
Appraisal value at time of acquisition	14,400 million yen	3,730 million yen	5,110 million yen	
Location	Toshima Ward, Tokyo	Chiyoda Ward, Tokyo	Ota Ward, Tokyo	
Site	4,090m²	839m²	2,126m²	
Gross floor area	25,050m <sup>2</sup>	6,231m²	11,937m²	
Age (as of end of FP 25)	26.6 years	27.9 years	22.7 years	
Occupancy rate (as of end of FP 25)	100.0%	100.0%	100.0%	
Appraised NOI yield	5.4%	4.9%	6.0%	



# **Fiscal Period 26 Reshuffling of Assets**



Reshuffled assets as part of efforts to strengthen ties with NTT Urban Development, helping upgrade the portfolio.

**Asset Acquired** 

#### Acquired a prime property from NTT UD

	NTT CRED Okayama Bldg.
Property name	
Asset type	Office
Seller	NTTUD
Acquisition date	May 15, 2015
Acquisition price	3,600 million yen
Appraisal value	3,600 million yen
Location	Okayama City, Okayama
Site	4,160m²
Gross floor area	35,299m <sup>2</sup>
Age (as of May 15, 2015)	<b>16.2</b> years
Occupancy rate *1	91.4%
Appraised NOI yield	7.0%



Premier Investment Corporation

**Assets Sold** 

#### **Sold 2 residential properties to NTT UD**

	Sun palace Minami-Azabu	Homat Woodville	
Property name			
Asset type	Residential		
Buyer	NTTUD and a domestic corporation		
Date of sale	May 15	5, 2015	
Sale price	1,017 million yen	4,861 million yen	
Gain or loss on sale	92 mill	ion yen	
Location	Minato Ward, Tokyo	Minato Ward, Tokyo	
Site	677m <sup>2</sup>	2,983m <sup>2</sup>	
Gross floor area	2,227m <sup>2</sup>	8,269m <sup>2</sup>	
Age *2	25.4 years	26.7 years	
Occupancy rate	92.0%	95.9%	
Rental NOI Yield	4.2%	4.0%	

<sup>\*1</sup> Occupancy rate as of the end of May 2015

<sup>\*2</sup> Figures as of the end of Fiscal Period 25 (ended April 2015)



# **Status of the Portfolio**



	Fiscal Period 24 (Actual)	Fiscal Period 25 (Actual)	Fiscal Period 26 (Forecast)	
umber of properties 56		58	57	
Asset size (total acquisition price)	216.3 billion yen	235.8 billion yen	233.2 billion yen	
Average age across portfolio	<b>18.4</b> years	<b>19.6</b> years	19.8 years	
By asset type  ☑ Office ☑ Residential	61.3%	35.5%	66.8%	
By geographical area  5 central wards of Tokyo  Other 18 wards of Tokyo  Urban areas surrounding Tokyo  Major regional cities  By building age 15 years or less More than 15 years	6.2% 3.0% 15.2% 75.6%	5.7% 2.8% 21.8% 69.8%	5.8% <b>4.3</b> % <b>22.0</b> % <b>67.9</b> %	
By building age  15 years or less  More than 15 years	54.6% 45.4%	58.8%	58.3%	
By acquisition source  ✓ Sponsor support ✓ Other	79.4%	81.1%	80.9%	
NOI yield	4.3%	4.4%	4.8%	
Yield after depreciation 3.2%		3.3%	3.6%	



#### **Growth in Asset Size**



¥233.2

80.9%

**FP 26** 

(Forecast)



■ Premier (PIC) has steadily grown its asset size. More than 80% of properties have been acquired from the sponsor.

¥216.3

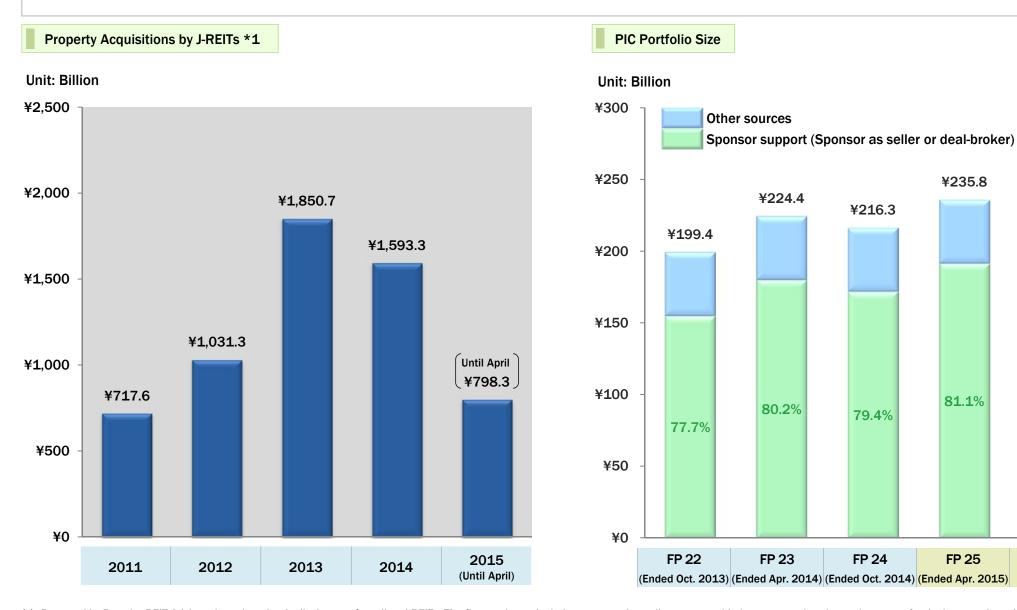
79.4%

**FP 24** 

¥235.8

81.1%

**FP 25** 



<sup>\*1</sup> Prepared by Premier REIT Advisors based on timely disclosures from listed REITs. The figures do not include assets such as silent partnership investments in private placement funds that may have been acquired by any of the REITs surveyed.

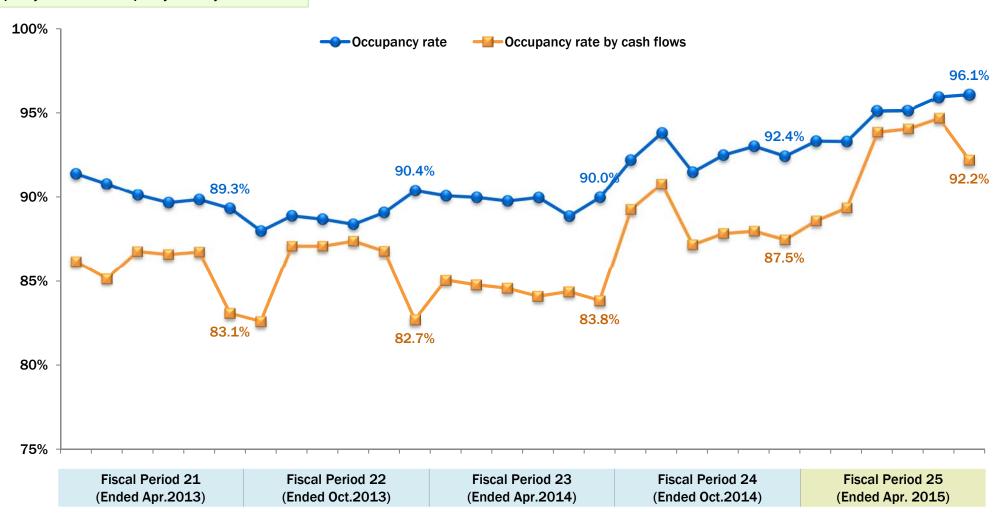


# **Office: Occupancy Rates**



■ The occupancy rate in our office segment has improved steadily, reaching 96.1% as of the end of Fiscal Period 25.

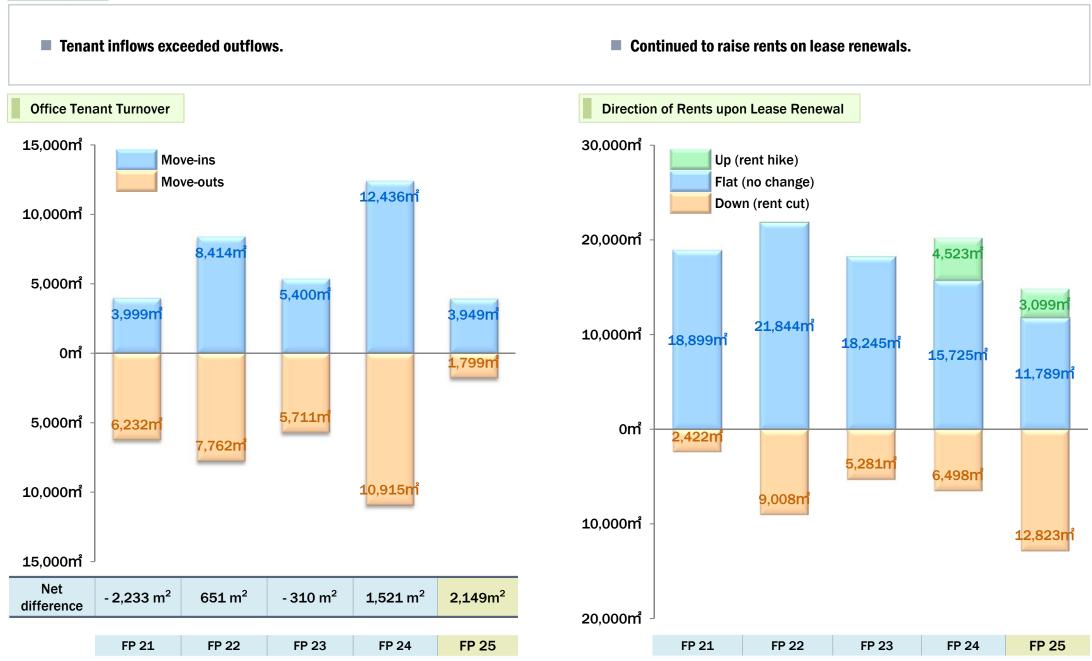
#### Occupancy Rate and Occupancy Rate by Cash Flows





# **Office: Space Leased and Lease Renewals**







¥15,000

¥14,000

¥13,000

#### **Office: Rent Levels and Tenant Profile**



- Average rent rate in portfolio moving upward. Surrounding market rents also heading up.
- Gap between Premier (PIC) in-place rents and surrounding market rents has nearly vanished.

¥15,594

**FP 24** 

15,243

**FP 23** 

(5.9%

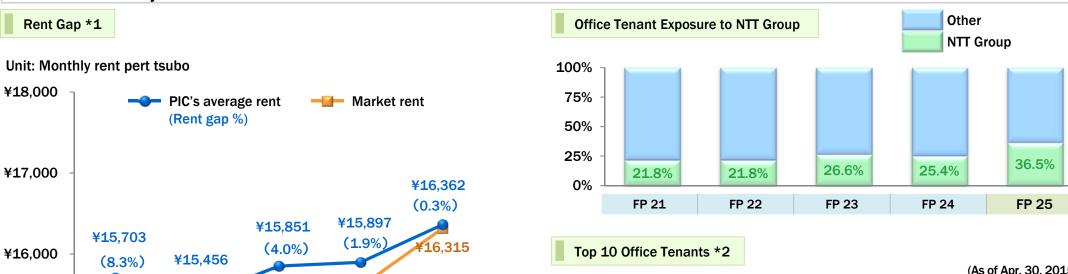
¥14,592

**FP 22** 

¥14.397

**FP 21** 

- About 36.5% of tenants belong to the NTT group of companies.
- Many major tenants belong to the NTT Group.



			(As of Apr. 30, 2015)
Tenant	Space	%	Property name

	Tenant	Space Leased	%	Property name
1	Docomo CS Inc.	9,204m <sup>2</sup>	6.3	UN Ikebukuro Bldg.
2	NTT Business Associe East Co., Ltd.	7,125m <sup>2</sup>	4.8	UN Omori bldg.
3	Sumitomo Osaka Cement Co., Ltd.	6,872m <sup>2</sup>	4.7	Rokubancho Bldg.
4	NTT Urban Development Corporation	6,731m <sup>2</sup>	4.6	Tradepia Yodoyabashi (land) and others *3
5	NTT Data	5,530m <sup>2</sup>	3.8	UN Mita Bldg.
6	NTT Finance Corporation	5,417m <sup>2</sup>	3.7	UN Ikebukuro Bldg.
7	FIELDS Corporation	4,882m <sup>2</sup>	3.3	KN Shibuya No.3
8	NTT Learning Systems Corporation	4,801m <sup>2</sup>	3.3	UN Azabu Bidg.
9	Japan Display Inc.	4,140m <sup>2</sup>	2.8	Landic Shimbashi 2 Bldg.
10	ITOKI Corporation	4,037m <sup>2</sup>	2.7	UN Irifune Bldg.

<sup>\*1</sup> The rent gap represents the gap between the market rent (surveyed every March) and the contract rent (as of the end of each fiscal period) for each office building in the portfolio, based on leasable area.

**FP 25** 

<sup>\*2</sup> A calculation of the office space leased by such tenants (as of the end of the applicable fiscal period) as a percentage of gross leasable area in PIC's portfolio. Where PIC owns a partial stake in a property, the calculation has been adjusted PIC's stake of ownership. Office gross leasable area is the sum of leasable area in office properties less any residential space plus any office space from residential properties.

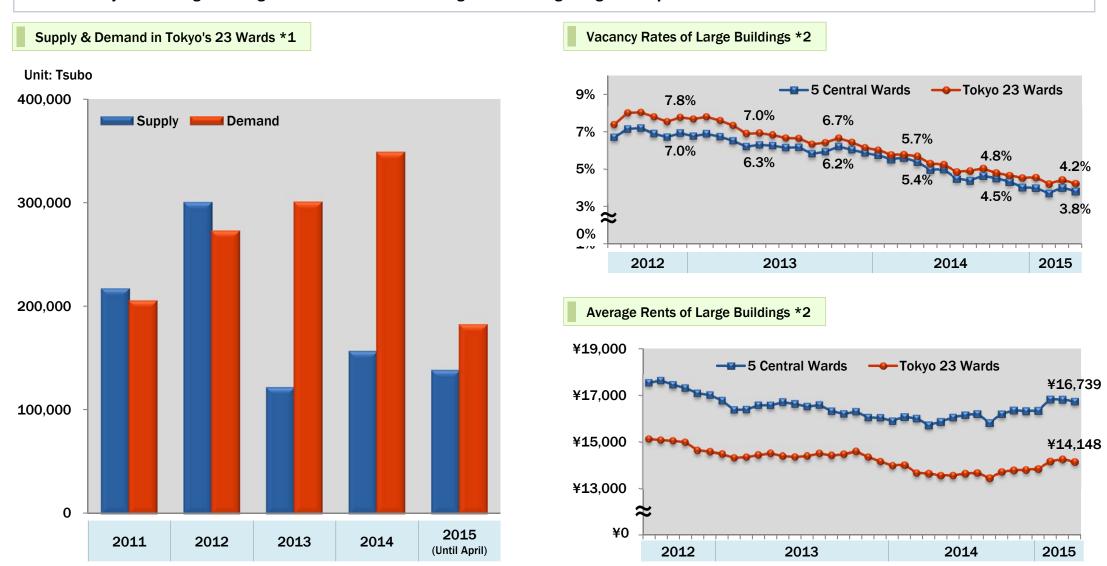
<sup>\*3</sup> Under the land lease agreement, Sumitomo Mitsui Trust Bank is lessee of the land, trustee of a trust for the building, and lessor of the building to NTT Urban Development (beneficiary).



## **Office: Market Trends in Tokyo**



- Demand continues to outstrip new supply of office buildings
- Vacancy rates of large buildings have fallen below 5%. Average rents also signaling a turn upward.



<sup>\*1</sup> Prepared by Premier REIT Advisors based on the Monthly Office Market Survey by Sanko Estate Co., Ltd. The following figures are used to represent supply and demand. Supply = Combined gross leasable area of newly completed office buildings. Demand = Vacant space (unoccupied space) as of the beginning of the period + New supply (space available for lease in new buildings that came online during the period) - Vacant space as the end of the period.

<sup>\*2</sup> Prepared by Premier REIT Advisors based on market data (May 1, 2011, until Apr. 1, 2015) from Sanko Estate Co., Ltd. "Large buildings" refer to office buildings with at least 200 tsubo (roughly 660 m² or 7,100 ft²) per floor (as defined by Sanko Estate Co., Ltd.)

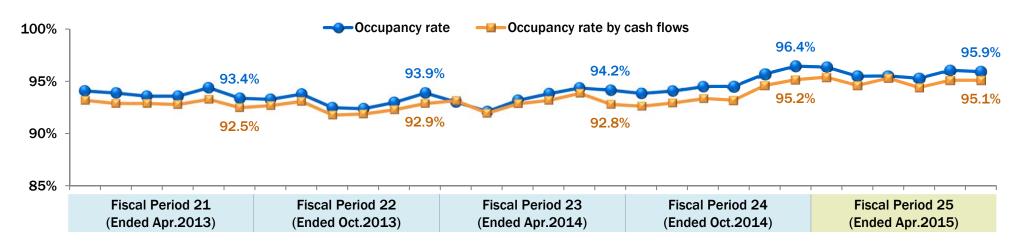


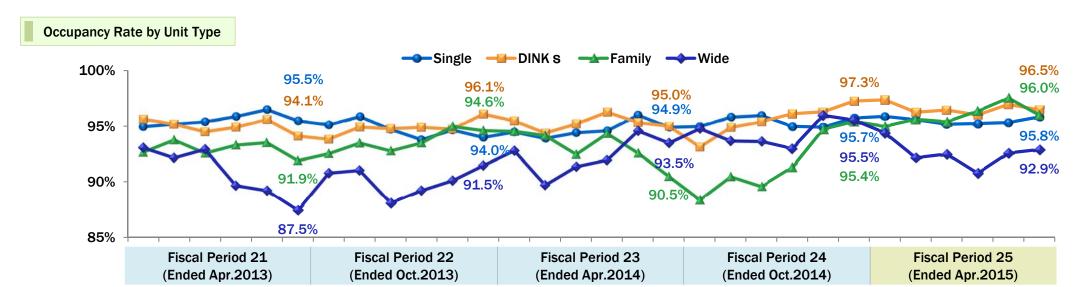
## **Residential: Occupancy Rates**



- Occupancy was a high 95.9% as of the end of Fiscal Period 25.
- Occupancy in Wide-type units dipped temporarily, but is now trending toward recovery.

#### Occupancy Rate and Occupancy Rate by Cash Flows







# **Residential: Space Leased and Tenant Turnover**



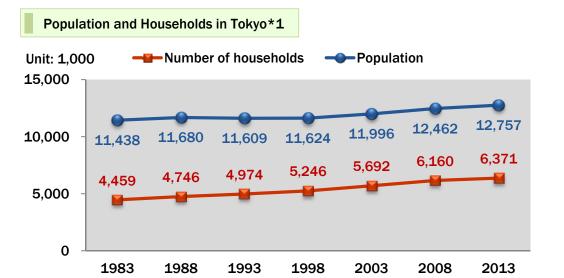


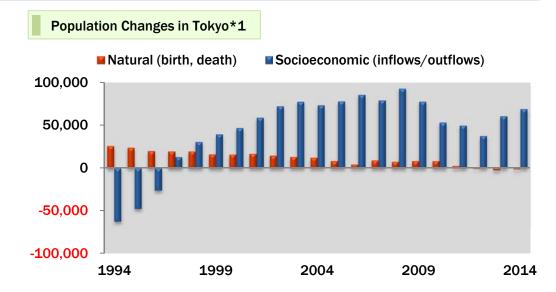


## **Population Changes in Tokyo Prefecture**

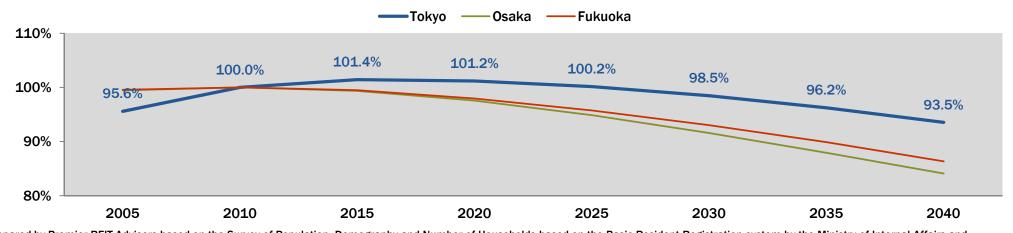


- Population and households in Tokyo increasing due to inflows and other socioeconomic factors.
- Tokyo's population is projected to increase for some time.





#### Projected Future Populations by Geography\*2



<sup>\*1</sup> Prepared by Premier REIT Advisors 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.

<sup>\*2</sup> Prepared by Premier REIT Advisors based on the Regional Population Projections for Japan by the National Institute of Population and social Security Research. Populations of respective geographies as of 2010 have been indexed to 100.

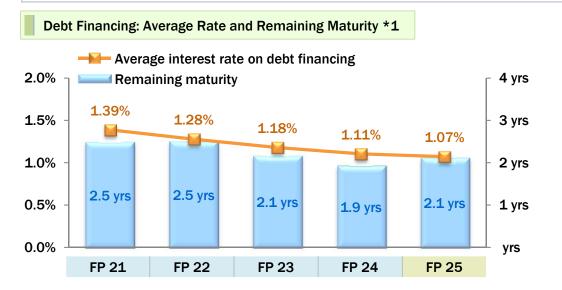


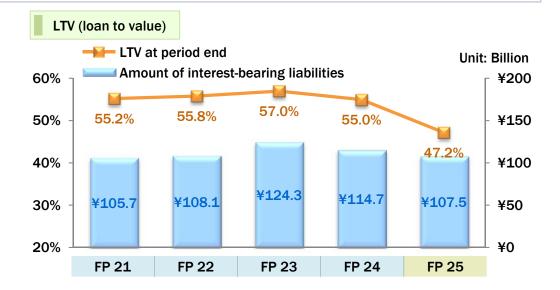
#### **Financial Information**

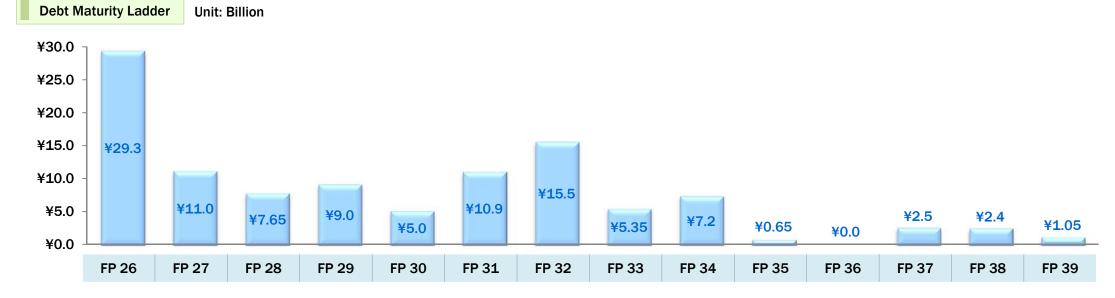


Average debt financing interest rate down to 1.07%. Average remaining maturity 2.1 years.

■ LTV (loan to value) improved significantly to 47.2%.







<sup>\*1</sup> Figures have been rounded to the second decimal place for average interest rates on debt financing and to the first decimal place for remaining maturity.



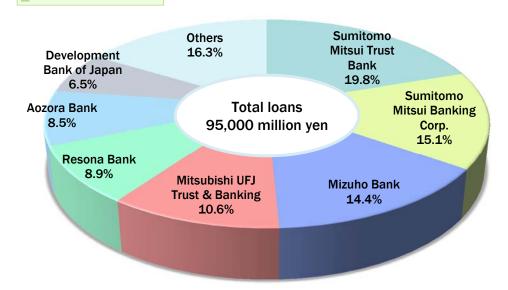
# **Interest-bearing Liabilities**



#### List of Borrowings

Lender	Balance (million yen)	Interest rate *1 (%)	Drawdown date	Repayment date
Sumitomo Mitsui Trust Bank, etc.	6,500	floating: 0.35091	2014/07/31	2015/07/31
Sumitomo Mitsui Banking Corp., etc.	4,400	floating: 0.35091	2014/10/31	2015/09/30
Subtotal short-term loans	10,900			
Sumitomo Mitsui Trust Bank, etc.	3,900	fixed: 1.72750	2010/05/14	2015/05/14
Mitsubishi UFJ Trust & Banking, etc.	8,000	fixed: 1.14250	2010/09/06	2015/09/04
Sumitomo Mitsui Trust Bank, etc.	6,500	fixed: 1.39250	2011/07/29	2015/07/29
Aozora Bank, etc.	11,000	fixed: 1.29375	2011/12/08	2015/12/08
Sumitomo Mitsui Trust Bank, etc.	9,000	fixed: 1.43375	2011/12/08	2016/12/08
Sumitomo Mitsui Banking Corp., etc.	2,250	fixed: 1.34525	2012/02/29	2016/08/31
Mizuho Bank, etc.	5,000	fixed: 1.21000	2012/09/05	2018/09/05
The Bank of Fukuoka, etc.	5,000	fixed: 0.95375	2012/09/05	2017/09/05
Development Bank of Japan, etc.	3,000	fixed: 0.98250	2012/11/16	2017/11/16
Resona Bank, etc.	2,850	fixed: 1.02875	2013/02/28	2019/02/28
Sumitomo Mitsui Trust Bank, etc.	7,900	fixed: 0.88250	2013/03/27	2018/03/27
Development Bank of Japan	3,000	fixed: 1.15125	2013/05/22	2018/05/22
Mizuho Bank, etc.	5,400	floating: 0.42182	2013/11/08	2016/10/31
Development Bank of Japan	2,400	fixed: 0.71625	2014/11/18	2019/09/30
Sumitomo Mitsui Banking Corp.	2,400	fixed: 0.71625	2014/11/18	2019/09/30
Mitsubishi UFJ Trust & Banking	2,400	fixed: 0.71625	2014/11/18	2019/09/30
Mizuho Bank	2,400	fixed: 0.91125	2014/11/18	2021/09/30
Sumitomo Mitsui Trust Bank	1,050	fixed: 0.87000	2015/03/31	2022/03/31
Aozora Bank	650	fixed: 0.69000	2015/03/31	2020/03/31
Subtotal of long-term loans	84,100			
Total loans	95,000			

#### **Lender Formation**



#### **List of Corporate Bonds**

Name	Issue amount (million yen)	Interest rate	Date issued	Redemption date
Unsecured Bond No. 4	7,500	Fixed: 0.72	2013/07/25	2018/07/25
Unsecured Bond No. 5	2,500	Fixed: 0.45	2014/03/06	2019/03/06
Unsecured Bond No. 6	2,500	Fixed: 0.72	2014/03/06	2021/03/05
Corporate bond total	12,500			

#### Credit Ratings

Rating agency	Rating and Investment Information, Inc. (R&I)	Moody's Japan K.K. (Moody's)
Dating	Issuer rating: A+	Issuer rating: Baa1
Rating	Rating outlook: Stable	Rating outlook: Stable

<sup>\*1</sup> Figures for floating rates represent the rates applicable as of the end of Fiscal Period 25 (Apr. 30, 2015).

<sup>\*2</sup> 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.



#### **Appraisal Value at End of Period**



■ Unrealized gain of ¥7.3 billion due to increased appraisal values (taken at the period-end)

Cap rates continued to compress.

Lowered

Raised

No change

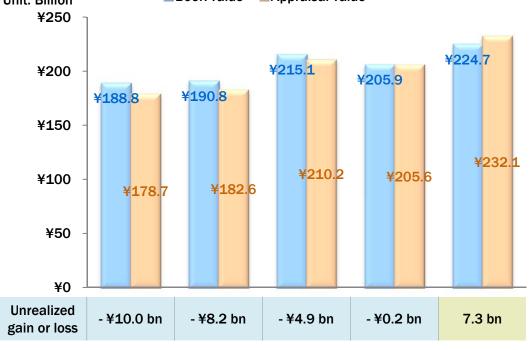
Lowered

Period-on-period Change

Appraisal rent \*3

(No. of properties)

#### Book Value and Period-end Appraisal Value\*1 ■Book value ■Appraisal value **Unit: Billion** ¥250 ¥215.1 ¥200



		FP 24	FP 25	Change
Number of properties	S	56	58	2
Appraisal value at end	of period (billion yen)	205.6	232.1	26.4
(Excluding property b	uy and sale in FP 25)	(203.0)	(208.2)	(5.2)
Book value (billion yen)		205.9	224.7	18.7
(Excluding property buy and sale in FP 25)		(203.5)	(202.6)	(- 0.8)
Unrealized gain or loss (billion yen)		- 0.2	7.3	7.6
(Excluding property buy and sale in FP 25)		(- 0.4)	(5.6)	(6.1)
Unrealized gain or loss as % of total value		- 0.1%	3.3%	3.4%
	Raised	-	-	-
Cap rate *2 (No. of properties)	No change	20	6	- 14
( 1111				

35

12

27

11

49

12

23

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\*1 Includes UDX Special Purpose Company Preferred Securities (Akihabara UDX). The following formula is used to approximate the period-end appraisal value of Akihabara UDX. Period-end appraisal value (approximate value) = [{Total assets (\*) - total specific assets (\*) + period-end reference survey price for Akihabara UDX - total liabilities (\*)} attributable to UDX SPC] X [PIC's percentage of ownership] Uses book value as of the last day of June or the last day of December from each fiscal period.

**FP 25** 

\*2 About cap rates on portfolio properties as of the end of Fiscal Period 25

FP 21

Cap rate arrived at using the direct capitalization method is used as a comparison to the end of the previous fiscal period. However, a discount rate is used for those properties valued using DCF. Further, properties acquired during the period are compared to the appraisal value upon acquisition.

Of properties owned as of the end of the fiscal period, the following 3 properties have been excluded.

FP 23

- (1) Preferred Securities: 1 name. (2) Assets not appraised using earnings capitalization models due to their planned sale in the following period: 2 residential properties.
- About appraisal rents on portfolio properties as of the end of Fiscal Period 25

FP 22

Appraisal rents arrived at using the direct capitalization method are used as a comparison to the end of the previous fiscal period.

**FP 24** 

Of properties owned as of the end of the fiscal period under review, the following 6 properties have been excluded.

(1) Preferred Securities: 1 name. (2) Land-only ownership: 1 office property. (3) Assets where DCF was used instead of a direct capitalization valuation model: 2 residential properties. (4) Assets not appraised using earnings capitalization models due to their planned sale in the following period: 2 residential properties.

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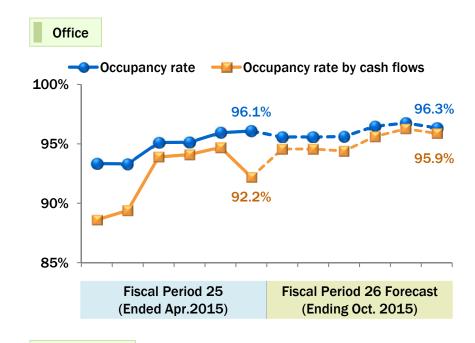
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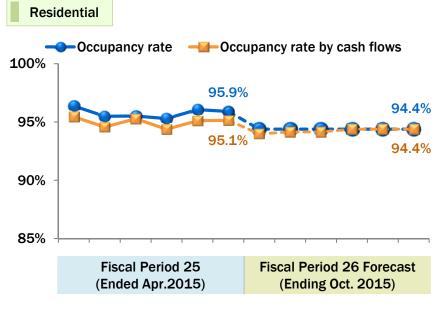


## **Overview of Performance Forecasts for Fiscal Periods 26 and 27**



		FP 25 Actual [1]	FP 26 forecast [2]	Difference [2]-[1]	FP 27 forecast [3]	Difference [3]-[2]
Operating reven	ue (million yen)	7,460	7,983	523	7,898	- 84
Gain on p	roperty sale	251	92	- 158	-	- 92
Operating exper	nses (million yen)	4,005	4,504	498	4,427	- 77
Operating incor	me (million yen)	3,454	3,479	24	3,471	- 7
Real estate	e rental income	3,403	3,684	281	3,676	- 8
Ordinary incom	e (million yen)	2,828	2,906	78	2,925	18
Net income (mi	llion yen)	2,826	2,905	78	2,923	18
Reserve for reduction entry	Reversals	-	-	-	-	-
(million yen)	Provisions	-	73	73	-	- 73
Distribution per	unit (yen)	10,731	10,750	19	11,100	350
Rental NOI (mil	lion yen)	4,626	4,962	336	4,956	- 5
Average	Office	94.8%	96.1%	1.3%	-	-
occupancy	Residential	95.8%	94.4%	- 1.4%	-	-
rate	Total	95.3%	95.4%	0.1%	-	-
Number of inve	stment	58	57	-1	57	-
Number of investoutstanding (as	stment units of end of period)	263,399	263,399	-	263,399	-

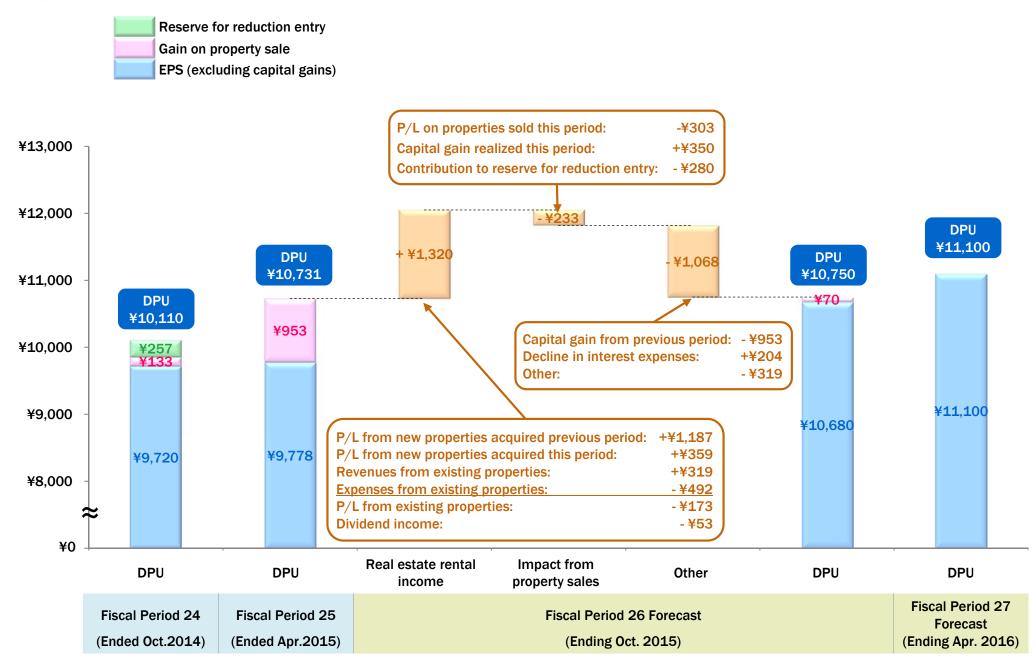






## **Performance Forecasts for Fiscal Periods 26 and 27 (DPU Analysis)**







## **Market Environment and Management Policy**



#### **External growth**

#### Market environment

## Office



Residential



 J-REITs and private equity funds continue to be active players in the acquisition market

 Limited opportunities to acquire quality properties in greater Tokyo

#### Broad range of potential buyers competing in over-heated acquisition market

#### **Management direction**

- Strengthening ties with NTT Urban Development Corporation
- External growth with a focus on cash flows

#### Internal growth

#### Market environment

#### Office



Grade A buildings in greater
 Tokyo have falling vacancy rates
 and rising rents on newly signed
 leases

#### Residential



- Occupancy rates and rents remain mostly stable
- Occupancy rates also improving in centrally located high-end properties

#### **Management direction**

- Strengthening ties with tenants, sponsor and tenant brokers
- Enhancing competitiveness with value-added renovations and planned improvements

# **Financial operations**

#### Market environment

- Funding environment favorable as monetary easing continues
- Investment unit prices perform solidly after follow-on equity offerings

#### **Management direction**

- Longer remaining maturities
- Maintaining positive relationships with existing lenders
- Studying a bond issuance

# Management objectives

Solid asset growth

Keep and grow distributions

Promote financial controls



# (Reference) Enhancing Competitiveness with Value-added Renovations



■ Renovated exterior walls of 36 year-old office building

■ Updated common areas to improve leasing and tenant satisfaction

Landic Shimbashi 2 Bldg. (exterior)



Premier Kaigan Bldg. (common areas)





**Urbannet Mita Bldg. (entrance)** 





# Supplementary Data on Fiscal Period 25 Earnings

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# **Fiscal Period 25 Balance Sheet**



Current assets	(million yen)					
Current assets		FP 24 FP 25 Change				
Cash and deposits         2,757         2,449         -308           Cash and deposits held in trust         8,914         11,046         2,132           Other current assets         304         799         494           Tenant receivable         87         97         9           Prepaid expenses         134         159         25           Income taxes refund receivables         77         69         -8           Consumption taxes refund receivables         -         460         460           Deferred tax assets         1         3         2           Other current assets         206,680         225,488         18,808           Property and equipment         184,134         202,927         18,793           Buildings, etc.         58,882         63,676         4,793           Buildings held in trust         75,839         81,769         5,930           Structures held in trust         1,736         1,776         39           Tools, furniture and fixture held in trust         242         258         15           Less accumulated depreciation         -18,935         -20,127         -1,191           Land held in trust         125,251         139,251         13,999 <t< td=""><td></td><td>item</td><td>[1]</td><td>[2]</td><td></td></t<>		item	[1]	[2]		
Cash and deposits held in trust         8,914         11,046         2,132           Other current assets         304         799         494           Tenant receivable         87         97         9           Prepaid expenses         134         159         25           Income taxes refund receivables         77         69         -8           Consumption taxes refund receivables         -         460         460           Deferred tax assets         1         3         2           Other current assets         3         9         5           Long-term assets         206,680         225,488         18,808           Property and equipment         184,134         202,927         18,793           Buildings, etc.         58,882         63,676         4,793           Buildings held in trust         75,839         81,769         5,930           Structures held in trust         1,736         1,776         39           Tools, furniture and fixture held in trust         242         258         15           Less accumulated depreciation         -18,935         -20,127         -1,191           Land held in trust         125,251         139,251         13,999           <	Curi	rent assets	11,976	14,295	2,319	
Other current assets         304         799         494           Tenant receivable         87         97         9           Prepaid expenses         134         159         25           Income taxes refund receivables         77         69         -8           Consumption taxes refund receivables         -         460         460           Deferred tax assets         1         3         2           Other current assets         206,680         225,488         18,808           Property and equipment         184,134         202,927         18,793           Buildings, etc.         58,882         63,676         4,793           Buildings held in trust         75,839         81,769         5,930           Structures held in trust         1,736         1,776         39           Tools, furniture and fixture held in trust         242         258         15           Less accumulated depreciation         -18,935         -20,127         -1,191           Land held in trust         125,251         139,251         13,999           Property and equipment, net         184,134         202,927         18,793           Intangible fixed assets         1,782         1,782         -0	Cas	h and deposits	2,757	2,449	- 308	
Tenant receivable         87         97         9           Prepaid expenses         134         159         25           Income taxes refund receivables         77         69         -8           Consumption taxes refund receivables         -         460         460           Deferred tax assets         1         3         2           Other current assets         3         9         5           Long-term assets         206,680         225,488         18,808           Property and equipment         184,134         202,927         18,793           Buildings, etc.         58,882         63,676         4,793           Buildings held in trust         1,736         1,776         39           Structures held in trust         1,736         1,776         39           Tools, furniture and fixture held in trust         242         258         15           Less accumulated depreciation         -18,935         -20,127         -1,191           Land held in trust         125,251         139,251         13,999           Property and equipment, net         184,134         202,927         18,793           Intangible fixed assets         1,782         1,782         -0	Cas	h and deposits held in trust	8,914	11,046	2,132	
Prepaid expenses	Oth	er current assets	304	799	494	
Income taxes refund receivables		Tenant receivable	87	97	9	
Consumption taxes refund receivables         -         460         460           Deferred tax assets         1         3         2           Other current assets         3         9         5           Long-term assets         206,680         225,488         18,808           Property and equipment         184,134         202,927         18,793           Buildings, etc.         58,882         63,676         4,793           Buildings held in trust         75,839         81,769         5,930           Structures held in trust         1,736         1,776         39           Tools, furniture and fixture held in trust         242         258         15           Less accumulated depreciation         -18,935         -20,127         -1,191           Land held in trust         125,251         139,251         13,999           Property and equipment, net         184,134         202,927         18,793           Intangible fixed assets         1,782         1,782         -0           Lease hold held in trust         1,777         1,777         -           Other intangible fixed assets         0         0         -0           Investment and other assets         20,762         20,778         16 </td <td></td> <td>Prepaid expenses</td> <td>134</td> <td>159</td> <td>25</td>		Prepaid expenses	134	159	25	
Deferred tax assets         1         3         2           Other current assets         3         9         5           Long-term assets         206,680         225,488         18,808           Property and equipment         184,134         202,927         18,793           Buildings, etc.         58,882         63,676         4,793           Buildings held in trust         75,839         81,769         5,930           Structures held in trust         1,736         1,776         39           Tools, furniture and fixture held in trust         242         258         15           Less accumulated depreciation         -18,935         -20,127         -1,191           Land held in trust         125,251         139,251         13,999           Property and equipment, net         184,134         202,927         18,793           Intangible fixed assets         1,782         1,782         -0           Lease hold held in trust         1,777         1,777         -           Other intangible fixed assets         0         0         -0           Investment and other assets         20,762         20,778         16           Investment securities         20,035         20,035         -     <		Income taxes refund receivables	77	69	-8	
Other current assets         3         9         5           Long-term assets         206,680         225,488         18,808           Property and equipment         184,134         202,927         18,793           Buildings, etc.         58,882         63,676         4,793           Buildings held in trust         75,839         81,769         5,930           Structures held in trust         1,736         1,776         39           Tools, furniture and fixture held in trust         242         258         15           Less accumulated depreciation         -18,935         -20,127         -1,191           Land held in trust         125,251         139,251         13,999           Property and equipment, net         184,134         202,927         18,793           Intangible fixed assets         1,782         1,782         -0           Lease hold held in trust         1,777         1,777         -7           Other intangible fixed assets held in trust         4         3         -0           Intangible fixed assets         0         0         -0           Investment and other assets         20,762         20,778         16           Investment securities         20,035         20,035		Consumption taxes refund receivables	-	460	460	
Long-term assets   206,680   225,488   18,808   Property and equipment   184,134   202,927   18,793   Buildings, etc.   58,882   63,676   4,793   Buildings held in trust   75,839   81,769   5,930   Structures held in trust   1,736   1,776   39   Tools, furniture and fixture held in trust   242   258   15   Less accumulated depreciation   -18,935   -20,127   -1,191   Land held in trust   125,251   139,251   13,999   Property and equipment, net   184,134   202,927   18,793   Intangible fixed assets   1,782   1,782   -0   Lease hold held in trust   1,777   1,777   -7   Other intangible fixed assets held in trust   4   3   -0   Intangible fixed assets   20,762   20,778   16   Investment and other assets   20,035   20,035   -0   Other deposits   10   10   -1   Long-term prepaid expenses   113   129   16   Other deposits held in trust   604   604   -1   Deferred assets   66   76   10   New investment units issuance costs   53   47   -6		Deferred tax assets	1	3	2	
Property and equipment         184,134         202,927         18,793           Buildings, etc.         58,882         63,676         4,793           Buildings held in trust         75,839         81,769         5,930           Structures held in trust         1,736         1,776         39           Tools, furniture and fixture held in trust         242         258         15           Less accumulated depreciation         -18,935         -20,127         -1,191           Land held in trust         125,251         139,251         13,999           Property and equipment, net         184,134         202,927         18,793           Intangible fixed assets         1,782         1,782         -0           Lease hold held in trust         1,777         1,777         -7           Other intangible fixed assets held in trust         4         3         -0           Intangible fixed assets         0         0         -0           Investment and other assets         20,762         20,778         16           Investment securities         20,035         20,035         -           Other deposits         10         10         -           Long-term prepaid expenses         113         129 <td< td=""><td></td><td>Other current assets</td><td>3</td><td>9</td><td>5</td></td<>		Other current assets	3	9	5	
Buildings, etc.         58,882         63,676         4,793           Buildings held in trust         75,839         81,769         5,930           Structures held in trust         1,776         39           Tools, furniture and fixture held in trust         242         258         15           Less accumulated depreciation         -18,935         -20,127         -1,191           Land held in trust         125,251         139,251         13,999           Property and equipment, net         184,134         202,927         18,793           Intangible fixed assets         1,782         1,782         -0           Lease hold held in trust         1,777         1,777         -           Other intangible fixed assets held in trust         4         3         -0           Intangible fixed assets         0         0         -0           Investment and other assets         20,762         20,778         16           Investment securities         20,035         20,035         -           Other deposits         10         10         -           Long-term prepaid expenses         113         129         16           Other deposits held in trust         604         604         -	Lon	g-term assets	206,680	225,488	18,808	
Buildings held in trust         75,839         81,769         5,930           Structures held in trust         1,736         1,776         39           Tools, furniture and fixture held in trust         242         258         15           Less accumulated depreciation         -18,935         -20,127         -1,191           Land held in trust         125,251         139,251         13,999           Property and equipment, net         184,134         202,927         18,793           Intangible fixed assets         1,782         1,782         -0           Lease hold held in trust         1,777         1,777         -           Other intangible fixed assets held in trust         4         3         -0           Intangible fixed assets         0         0         -0           Investment and other assets         20,762         20,778         16           Investment securities         20,035         20,035         -           Other deposits         10         10         -           Long-term prepaid expenses         113         129         16           Other deposits held in trust         604         604         -           Deferred assets         66         76         10	Proj	perty and equipment	184,134	202,927	18,793	
Structures held in trust         1,736         1,776         39           Tools, furniture and fixture held in trust         242         258         15           Less accumulated depreciation         -18,935         -20,127         -1,191           Land held in trust         125,251         139,251         13,999           Property and equipment, net         184,134         202,927         18,793           Intangible fixed assets         1,782         1,782         -0           Lease hold held in trust         1,777         1,777         -           Other intangible fixed assets held in trust         4         3         -0           Intangible fixed assets         0         0         -0           Investment and other assets         20,762         20,778         16           Investment securities         20,035         20,035         -           Other deposits         10         10         -           Long-term prepaid expenses         113         129         16           Other deposits held in trust         604         604         -           Deferred assets         66         76         10           New investment units issuance costs         13         29         16	В	uildings, etc.	58,882	63,676	4,793	
Tools, furniture and fixture held in trust         242         258         15           Less accumulated depreciation         - 18,935         - 20,127         - 1,191           Land held in trust         125,251         139,251         13,999           Property and equipment, net         184,134         202,927         18,793           Intangible fixed assets         1,782         1,782         - 0           Lease hold held in trust         1,777         1,777         - 0           Other intangible fixed assets held in trust         4         3         - 0           Investment and other assets         0         0         - 0           Investment securities         20,762         20,778         16           Investment securities         20,035         20,035         -           Other deposits         10         10         -           Long-term prepaid expenses         113         129         16           Other deposits held in trust         604         604         -           Deferred assets         66         76         10           New investment units issuance costs         53         47         -6	В	uildings held in trust	75,839	81,769	5,930	
Less accumulated depreciation         - 18,935         - 20,127         - 1,191           Land held in trust         125,251         139,251         13,999           Property and equipment, net         184,134         202,927         18,793           Intangible fixed assets         1,782         1,782         - 0           Lease hold held in trust         1,777         1,777         -           Other intangible fixed assets held in trust         4         3         - 0           Intangible fixed assets         0         0         - 0           Investment and other assets         20,762         20,778         16           Investment securities         20,035         20,035         -           Other deposits         10         10         -           Long-term prepaid expenses         113         129         16           Other deposits held in trust         604         604         -           Deferred assets         66         76         10           New investment units issuance costs         13         29         16           Corporate bond issuance costs         53         47         -6	S	tructures held in trust	1,736	1,776	39	
Land held in trust       125,251       139,251       13,999         Property and equipment, net       184,134       202,927       18,793         Intangible fixed assets       1,782       1,782       -0         Lease hold held in trust       1,777       1,777       -         Other intangible fixed assets held in trust       4       3       -0         Intangible fixed assets       0       0       -0         Investment and other assets       20,762       20,778       16         Investment securities       20,035       20,035       -         Other deposits       10       10       -         Long-term prepaid expenses       113       129       16         Other deposits held in trust       604       604       -         Deferred assets       66       76       10         New investment units issuance costs       13       29       16         Corporate bond issuance costs       53       47       -6	T	ools, furniture and fixture held in trust	242	258	15	
Property and equipment, net         184,134         202,927         18,793           Intangible fixed assets         1,782         1,782         -0           Lease hold held in trust         1,777         1,777         -           Other intangible fixed assets held in trust         4         3         -0           Intangible fixed assets         0         0         -0           Investment and other assets         20,762         20,778         16           Investment securities         20,035         20,035         -           Other deposits         10         10         -           Long-term prepaid expenses         113         129         16           Other deposits held in trust         604         604         -           Deferred assets         66         76         10           New investment units issuance costs         13         29         16           Corporate bond issuance costs         53         47         -6		Less accumulated depreciation	- 18,935	- 20,127	- 1,191	
Intangible fixed assets         1,782         1,782         -0           Lease hold held in trust         1,777         1,777         -           Other intangible fixed assets held in trust         4         3         -0           Intangible fixed assets         0         0         -0           Investment and other assets         20,762         20,778         16           Investment securities         20,035         20,035         -           Other deposits         10         10         -           Long-term prepaid expenses         113         129         16           Other deposits held in trust         604         604         -           Deferred assets         66         76         10           New investment units issuance costs         13         29         16           Corporate bond issuance costs         53         47         -6	L	and held in trust	125,251	139,251	13,999	
Lease hold held in trust         1,777         1,777         -           Other intangible fixed assets held in trust         4         3         - 0           Intangible fixed assets         0         0         - 0           Investment and other assets         20,762         20,778         16           Investment securities         20,035         20,035         -           Other deposits         10         10         -           Long-term prepaid expenses         113         129         16           Other deposits held in trust         604         604         -           Deferred assets         66         76         10           New investment units issuance costs         13         29         16           Corporate bond issuance costs         53         47         -6	Proj	perty and equipment, net	184,134	202,927	18,793	
Other intangible fixed assets held in trust         4         3         -0           Intangible fixed assets         0         0         -0           Investment and other assets         20,762         20,778         16           Investment securities         20,035         20,035         -           Other deposits         10         10         -           Long-term prepaid expenses         113         129         16           Other deposits held in trust         604         604         -           Deferred assets         66         76         10           New investment units issuance costs         13         29         16           Corporate bond issuance costs         53         47         -6	Inta	ngible fixed assets	1,782	1,782	- 0	
Intangible fixed assets         0         0         -0           Investment and other assets         20,762         20,778         16           Investment securities         20,035         20,035         -           Other deposits         10         10         -           Long-term prepaid expenses         113         129         16           Other deposits held in trust         604         604         -           Deferred assets         66         76         10           New investment units issuance costs         13         29         16           Corporate bond issuance costs         53         47         -6	L	ease hold held in trust	1,777	1,777	-	
Investment and other assets         20,762         20,778         16           Investment securities         20,035         20,035         -           Other deposits         10         10         -           Long-term prepaid expenses         113         129         16           Other deposits held in trust         604         604         -           Deferred assets         66         76         10           New investment units issuance costs         13         29         16           Corporate bond issuance costs         53         47         -6	0	ther intangible fixed assets held in trust	4	3	- 0	
Investment securities   20,035   20,035   - Other deposits   10   10   - Long-term prepaid expenses   113   129   16   Other deposits held in trust   604   604   - Deferred assets   66   76   10   New investment units issuance costs   13   29   16   Corporate bond issuance costs   53   47   -6	Ir	ntangible fixed assets	0	0	- 0	
Other deposits         10         10         -           Long-term prepaid expenses         113         129         16           Other deposits held in trust         604         604         -           Deferred assets         66         76         10           New investment units issuance costs         13         29         16           Corporate bond issuance costs         53         47         -6	Inve	estment and other assets	20,762	20,778	16	
Long-term prepaid expenses       113       129       16         Other deposits held in trust       604       604       -         Deferred assets       66       76       10         New investment units issuance costs       13       29       16         Corporate bond issuance costs       53       47       -6	Ir	nvestment securities	20,035	20,035	-	
Other deposits held in trust         604         604         -           Deferred assets         66         76         10           New investment units issuance costs         13         29         16           Corporate bond issuance costs         53         47         -6	0	ther deposits	10	10	-	
Deferred assets 66 76 10  New investment units issuance costs 13 29 16  Corporate bond issuance costs 53 47 -6	L	ong-term prepaid expenses	113	129	16	
New investment units issuance costs132916Corporate bond issuance costs5347-6	0	ther deposits held in trust	604	604	-	
Corporate bond issuance costs 53 47 -6	Def	erred assets	66	76	10	
	Nev	v investment units issuance costs	13	29	16	
Total assets 218,723 239,861 21,138	Corp	porate bond issuance costs	53	47	- 6	
	Total a	ssets	218,723	239,861	21,138	

	_		(million yen)
Item	FP 24 [1]	FP 25 [2]	Change [2]-[1]
Current liabilities	50,120	42,590	- 7,259
Accounts payable	678	998	320
Accrued expenses	198	175	- 23
Short-term loans payable	17,400	10,900	- 6,500
Long-term loans payable within 1 year	30,400	29,400	- 1,000
Rents received in advance	1,017	965	- 51
Other current liabilities	425	150	- 275
Income taxes payable	0	1	1
Consumption taxes payable	302	-	- 302
Business office taxes payable	3	9	5
Deposits received	105	125	19
Distribution payable	12	13	1
Long-term payable	72,201	73,908	1,707
Corporate bonds	12,500	12,500	-
Long-term loans	54,400	54,700	300
Tenant security deposits held in trust	5,301	6,708	1,407
Total liabilities	122,321	116,499	- 5,822

Unitholders' equity	96,401	123,362	26,960
Unitholders' capital	94,005	120,350	26,345
Surplus			
Voluntary reserve			
Reserve for reduction entry	56	185	129
Total voluntary reserve	56	185	129
Unappropriated income	2,340	2,826	486
Total equ	ity 96,401	123,362	26,960

Total liabilities and equity	218,723	239,861	21,138
------------------------------	---------	---------	--------



Income tax

# Fiscal Period 25 Income Statement and Statement of Unitholders' Equity



(million yen)

Vs. Forecast

25

18

3 0

0

12

45

- 3

- 0

- 0

0

0

- 9

- 10

55

56

2

		FP 24 Actual	FP 25 Actual	01		Resu	Ilts versus foreca	st for Fiscal Period 25		L
	Item	(Total)	(Total)	Change		Office		R	esidential	
		[1]	[2]	[2]-[1]	Forecast *1	Actual	Vs. Forecast	Forecast *1	Actual	
	Rental revenue	5,547	6,162	614	3,786	3,790	3	2,344	2,371	
	Rents	4,672	5,173	500	2,850	2,853	3	2,294	2,319	
	Common area charge	874	989	114	936	937	0	50	51	
	Other rental revenues	679	696	17	488	522	33	155	173	
	Parking fees	155	166	10	99	99	0	62	66	
	Facilities fees	47	52	4	41	43	1	8	9	
	Incidental revenue	380	386	5	346	372	26	12	13	
	Miscellaneous income	95	91	- 4	2	7	4	71	84	
	[1] Total real estate rental revenue	6,226	6,858	631	4,275	4,313	37	2,499	2,545	
	[2] Dividend income	380	350	- 29						
	[3] Capital gains on property sales	214	251	36						
	[A] Operating income ([1]+[2]+[3])	6,822	7,460	638						
	Property management fees	762	824	62	509	517	8	310	307	
0	Utilities	458	489	30	413	435	21	51	53	
pe	Real estate taxes	476	460	- 15	315	323	8	138	137	
<u>a</u>	Insurance	13	14	0	9	8	- 0	5	5	
Operating	Maintenance and repairs	266	268	1	175	148	- 27	119	119	
P/L	Trust fees	39	40	1	17	17	- 0	22	22	
erating P/L	Depreciation	1,155	1,223	67	593	593	- 0	629	630	
	Miscellaneous expenses	137	134	- 2	40	32	-8	112	102	
	[4] Total real estate rental expenses	3,309	3,455	145	2,074	2,076	1	1,389	1,379	
	Real estate rental income ([1]-[4])	2,917	3,403	485	2,200	2,237	36	1,110	1,165	
	Rental NOI	4,072	4,626	553	2,794	2,830	35	1,740	1,796	ĺ
	Asset management fees	262	295	33						
	Directors' compensation	9	9	-						
	Custodian fees	10	10	0	Stateme	ent of Unithol	ders' Fauity			
	Administration fees	81	90	8	Stateme		ucis Equity			
	Audit fees	8	8	- 0						
	Other expenses	138	135	- 2		Item		Fiscal Period 24	Fiscal Pe	r
	[5] Other operating expenses	510	550	39	I. Unapprop	riated income		¥2,340,611,918		-
	[B] Operating expenses ([4]+[5])	3,820	4,005	185	II. Voluntary			, 0 . 0, 0, 0 _ 0	1.2,52	ĺ
	Operating income ([A]-[B])	3,002	3,454	452	Reversal	of reserve for rec	luction entry	¥56,156,181		
9	Non-operating income	2	1	- 0	III. Cash distri	bution declared		¥2,211,046,890		•
Non- perati	Interest expenses	645	589	- 56		on per unit)		¥2,211,046,890 ¥10,110		
Non- operating P/L	Other expenses	16	38	22	IV. Voluntary	<u> </u>		+10,110		l
<u>~</u>	Non-operating expenses	661	628	- 33		to reserve for re	d., atia a a atm.	¥185 554 064		

	Item	Fiscal Period 24	Fiscal Period 25
I.	Unappropriated income	¥2,340,611,918	¥2,826,693,685
II.	Voluntary reserve		
	Reversal of reserve for reduction entry	¥56,156,181	-
III.	Cash distribution declared	¥2,211,046,890	¥2,826,534,669
	(distribution per unit)	¥10,110	¥10,731
IV.	Voluntary reserve		
	Provision to reserve for reduction entry	¥185,554,064	-
٧.	Income carried forward	¥167,145	¥159,016

2,828

2,828

2,826

2,342

2,342

2,340

2

**Ordinary income** 

Net income

Income before income taxes

485

485 - 0

486

<sup>\*1 &</sup>quot;Forecast" refers to the forecast of the operating environment disclosed in the release published January 5, 2015, entitled, "Notice Concerning Revision to Performance Forecasts for the Fiscal Period Ending April 2015 (the 25th Fiscal Period) and Ending October 2015 (the 26th Fiscal Period)."



# **Fiscal Period 26 Income Statement (Forecast)**



												(million yen)
		FP 25					Fiscal Period 2					
	Item	Total		Total			Office broken or	ut		dential broken	out	Change
		Actual [1]	Previous Forecast *1	New Forecast [2] *2	Difference	Previous Forecast*1	New Forecast*2	Difference	Previous Forecast*1	New Forecast*2	Difference	[2]-[1]
	Rental revenue	6,162	6,642	6,707	64	4,299	4,501	202	2,343	2,205	- 137	545
	Rents	5,173	5,557	5,589	31	3,264	3,435	170	2,293	2,153	- 139	416
	Common area charge	989	1,084	1,118	33	1,034	1,065	31	50	52	1	128
	Other rental revenues	696	748	847	98	593	690	97	155	156	0	150
	Parking fees	166	168	200	31	106	138	32	62	62	- 0	34
	Facilities fees	52	49	52	2	40		3	8	7	- 1	- 0
	Incidental revenue	386	457	513	55	445	501	56	12	12	- 0	127
	Miscellaneous income	91	72	80	8	1	6	5	71	74	2	- 10
	[1] Total real estate rental revenue	6,858	7,391	7,554	162	4.892	5,192	299	2,498	2,361	- 136	696
	[2] Dividend income	350	355	336	- 18							- 13
	[3] Capital gains on property sales	251	-	92	92							- 158
	[A] Operating income ([1]+[2]+[3])	7,460	7,746	7,893	236							523
	Property management fees	824	881	938	57	571	641	70	309	297	- 12	114
0	Utilities	489	563	605	42	511	556	45	52	49	- 3	116
pe	Real estate taxes	460	473	470	- 2	335		0	138	135	- 2	9
Operating Or	Insurance	14	16	15	- 0	10	10	- 0	5	5	- 0	1
Q	Maintenance and repairs	268	311	297	- 14	191	154	- 36	120	142	22	29
di P	Trust fees	40	37	37	- 0	17	17	0	19	19	- 0	- 3
ng P/L Ordinary P/L	Depreciation	1,223	1,279	1,277	- 1	649	682	32	629	595	- 34	54
ا ر	Miscellaneous expenses	134	206	225	19	95	119	23	111	106	- 4	91
-	[4] Total real estate rental expenses	3,455	3,769	3,869	99	2,382	2,517	135	1,387	1,351	- 35	414
	Real estate rental income ([1]-[4])	3,403	3,621	3,684	62	2,510	2,674	163	1,111	1,010	- 100	281
	Rental NOI	4,626	4,901	4,962	61	3,159	3,356	196	1,741	1,606	- 135	336
	Asset management fees	295	308	315	7							20
	Directors' compensation	9	9	9	-							
	Custodian fees	10	11	11	- 0	(1) (1) (1)		£ 8.4 = ! £		! <b></b>		0
	Administration fees	90	85	87	1	(Iviajor C	omponents o	r waintenan	ce and Repa			- 3
	Audit fees	8	8	8	-					(n	nillion yen)	0
	Other expenses	135	134	203	68	_ ಎ ≦	FP 25 Actual	Landic Shimb	ashi 2 Bldg:	Exterior wa	alls 32	67
	[5] Other operating expenses	550	556	634	77	<u>d</u> <u>fi</u> (	268 mm yen)	Takadanobab	a Center Bldg:	HVAC faciliti	ies 13	84
	[B] Operating expenses ([4]+[5])	4,005	4,326	4,504	177	en:	ED OC Diam	Landic Shimb		Exterior wa	alls 40	498
	Operating income ([A]-[B])	3,454	3,420	3,479	59	Maintenance and repairs	FP 26 Plan 297 mm yen)					24
<u>ප</u>	Non-operating income	1	2	2	-	w e (,	297 mm yen)	Premier Gard		Exterior wa	alls 18	0
P	Interest expenses	589	587	559	- 28	ex	FP 25 Actual	Landic Shimb	ashi 2 Bldg:	Exterior wa	alls 95	- 30
operating P/L	Other expenses	38	15	15	0	Capital	258 mm yen)	Renai Shiniul	ku-Gyoen Towe	r: Common ar	ea 34	- 23
Oro.	The second of th	628	602	574	- 27	pit:	ED OG Dlan	NU Kannai Bl		HVAC faciliti	ies 140	- 53
	Ordinary income	2,828	2,819	2,906	86	ure .	FP 26 Plan					78
	Income before income taxes	2,828	2,819	2,906	86	<b>%</b> (-	339 mm yen)	Renai Shinjul	ku-Gyoen Towe	r: Renovati	ion 61	78
Income t		1	1	1	-							- 0
	Net income	2,826	2,818	2,905	86							78

<sup>\*1 &</sup>quot;Forecast" refers to the forecast of the operating environment disclosed in the release published January 5, 2015, entitled, "Notice Concerning Revision to Performance Forecasts for the Fiscal Period Ending April 2015 (the 25th Fiscal Period) and Ending October 2015 (the 26th Fiscal Period)."

<sup>\*2 &</sup>quot;New forecast" refers to the forecast of the operating environment disclosed in a release published June 18, 2015, entitled, "Financial Report for the 25th Fiscal Period Ended April 30, 2015".



# **Performance Forecast Assumptions**



	Figure Davied OC (Finding Oct 2015)	Figure I Provided 0.7 (Fording April 2004C)
	Fiscal Period 26 (Ending Oct. 2015)	Fiscal Period 27 (Ending Apr. 2016)
	Assumes the acquisition of 1 office building and sale of 2 residential properties in May 2015. This will bring the total number of assets in the portfolio to 57 as of the end of Fiscal Period 26, compared to 58 properties as of the end of Fiscal Period 25. Includes 1 one position in preferred investment securities.	Assumes no change from the number of assets (57) expected to be in the portfolio as of the end of Fiscal Period 26.
No. of units outstanding	Assumes no change from the 263,399 units outstanding as of the end of Fiscal Period 25.	Assumes no change from the number of units outstanding as of the end of Fiscal Period 26.
Interest- bearing liabilities	Assumes the following changes from the ¥107,500 million in interest-bearing liabilities outstanding as of the end of Fiscal Period 25. (Refinancing)  • Long-term borrowings of ¥3,900 million due May 14, 2015: Roll over the same amount.  • Short-term borrowings of ¥6,500 million due May 29, 2015: Pre-pay ¥2,000 million.  • Other short- and long-term borrowings scheduled to come due during the period (¥23,400 million in total): Roll over the same amount. (Expected balance as of the period-end: ¥105,500 million)	Assumes the following changes from the ¥105,500 million in debt expected to be outstanding as of the end of Fiscal Period 26. (Refinancing)  • Long-term borrowings of ¥11,000 million scheduled to come due during the period: Roll over the same amount. (Expected balance as of the period-end: ¥105,500 million)
Average occupancy rate	Office: 96.1% Residential: 94.4% Overall: 95.4%	N/A
Other	(Operating revenue) Assumes increased revenue compared to the previous period, because rental revenue from 3 office buildings acquired in the previous period and 1 office building acquired in the beginning of this period far surpasses revenue lost from the sale of residential assets.  (Operating expenses) Major items are as follows.  Outsourcing:  Property taxes, etc:  Property taxes, etc:  Page 1,277 million  Operating expenses other than rental expenses:  Interest expenses (including bond interest):  (Distributions) Assumes projected capital gains on the sale of real estate of ¥92 million and provisions to the reserve for reduction entry of ¥73 million. Funds available for distribution to unitholders are net income less said provision.	(Operating revenue) Assumes a decline in revenue due to the absence of capital gains from the sale of real estate. (Operating expenses) Major items are as follows. Outsourcing: Property taxes, etc: Y462 million Pereciation: V1,280 million Operating expenses other than rental expenses: Interest expenses (including bond interest): Interest expenses (including bond interest): V533 million (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.



# **Statement of Cash Flows**



					(million yen)
Item	Fiscal Period 21	Fiscal Period 22	Fiscal Period 23	Fiscal Period 24	Fiscal Period 25
Income before income taxes	2,004	1,924	2,215	2,342	2,828
Depreciation	1,125	1,145	1,194	1,155	1,223
Amortization of bond issue costs	5	5	4	6	6
Amortization of new investment unit issuance costs	6	3	7	7	5
Interest income	-1	-0	- 1	-1	- 1
Refund of unpaid distributions	-1	- 0	- 1	- 0	- 0
Interest expenses	740	699	695	645	589
Decrease (Increase) in tenant receivables	22	0	- 5	- 7	- 9
(Decrease) Increase in accounts payable	8	39	94	- 2	227
Decrease (Increase) in consumption tax refund receivables	-	- 18	-8	27	- 460
(Decrease) Increase in consumption taxes payable	- 80	- 31	-	302	- 302
(Decrease) Increase in rent received in advance	16	- 73	308	- 47	- 51
Increase in deposits received	17	84	20	- 50	19
Decrease in carrying amounts of property and equipment held in trust due to sale	-	-	-	8,216	2,441
Others	3	5	- 45	27	- 35
Subtotal	3,867	3,781	4,479	12,621	6,479
Interest received	1	0	1	1	1
Interest paid	- 765	- 642	- 642	- 596	- 620
Income taxes paid	- 5	-1	- 13	-8	5
Net cash provided by operating activities	3,098	3,139	3,824	12,018	5,865
Payments for purchases of property and equipment held in trust	- 249	- 3,109	- 19,871	- 183	- 22,361
Payments for purchases of intangible fixed assets held in trust	-	-0	- 0	- 0	- (
Proceeds from tenant security deposits held in trust	183	630	297	459	1,642
Payments of tenant security deposits held in trust	- 308	- 305	- 339	- 935	- 234
Payments for purchases of investment securities	-	-	- 5,656	-	
Payments for purchases of intangible fixed assets	-	- 0	- 0	-	
Others	- 0	- 0	-	-	
Net cash used in investing activities	- 374	- 2,786	- 25,570	- 659	- 20,955
Proceeds from short-term loans payable	2,000	11,500	11,500	10,900	
Proceeds from long-term loans payable	13,750	3,000	5,400	-	11,300
Repayments of short-term loans payable	- 5,400	- 8,500	- 600	- 14,900	- 6,500
Repayments of long-term loans payable	- 10,825	- 4,075	- 5,075	- 5,687	- 12,000
Payments of distributions	- 1,981	- 2,001	- 1,965	- 2,213	- 2,209
Proceeds from issuance of corporate bonds	-	7,500	5,000	-	,
Payments in redemption of corporate bonds	-	- 7,000	-	-	
Payments of bond issuance costs	-	- 38	- 28	-	
Proceeds from issuance of new investment units	-	-	8,360	_	26,345
Payments of new investment unit issuance costs	-	-	- 19	_	- 22
Net cash provided by financing activities	- 2,456	384	22,571	- 11,900	16,913
Net change in cash and cash equivalents	267	737	826	- 541	1,824
Cash and cash equivalents at beginning of period	10,382	10.650	11.387	12.213	11,617
Cash and cash equivalents at end of period	10,650	11,387	12.213	11.671	13,496



#### **Financial Indicators**



	Item		Fiscal Period 21	Fiscal Period 22	Fiscal Period 23	Fiscal Period 24	Fiscal Period 25
	Return on assets (ROA)	*1	1.0%	1.0%	1.0%	1.0%	1.2%
	Annualized		2.0%	1.9%	2.1%	2.1%	2.5%
	Return on equity (ROE)	*2	2.3%	2.2%	2.4%	2.4%	2.6%
	Annualized		4.6%	4.3%	4.9%	4.8%	5.2%
	Unitholders' equity ratio (period-end)	*3	43.7%	43.1%	42.1%	44.1%	51.4%
	Loan to value (LTV) (period-end)	*4	52.7%	53.2%	54.4%	52.4%	44.8%
Fina	Fixed assets to equity and fixed liabilities (period-end)	*5	108.2%	106.3%	115.2%	122.6%	114.3%
ınci	Debt service coverage ratio (times)	*6	5.2	5.4	5.9	6.1	7.4
<u> </u>	Earnings before interest and depreciation (EBID) (million yen)		3,868	3,767	4,102	3,927	4,388
Financial Indicators	Interest paid (Includes interest paid on bonds) (million yen)		740	699	695	645	589
T To	Rental NOI (million yen)		4,024	3,924	4,216	4,072	4,626
0,	Portfolio NOI yield		4.6%	4.4%	4.3%	4.3%	4.4%
	Rental NCF (million yen)	*7	3,774	3,653	3,948	3,877	4,367
	Depreciation (as rental business expenses) (million yen)		1,125	1,145	1,193	1,155	1,223
	Capital expenditures (million yen)		249	271	268	195	258
	Annualized NCF yield	*8	4.0%	3.8%	3.9%	4.2%	4.3%
	FFO (million yen)	*9	3,127	3,066	3,406	3,281	3,798
	Number of properties at end of period		54	55	58	56	58
	Number of tenants as of end of period		3,308	3,341	3,564	3,597	3,610
	Gross leasable area (GLA) (period-end)		219,864.68m <sup>2</sup>	223,713.73m <sup>2</sup>	244,419.40m <sup>2</sup>	234,319.30m <sup>2</sup>	261,471.39m <sup>2</sup>
zo	Occupancy rate (period average)		91.9%	90.9%	91.5%	93.6%	95.3%
efe	(as of period-end)		91.2%	92.0%	91.8%	94.3%	96.0%
Reference	Appraisal value as of period-end (includes Akihabara UDX) (million yen)		178,739	182,622	210,201	205,674	232,119
Ö	Investment units outstanding (period-end)		196,699	196,699	218,699	218,699	263,399
	Unitholders' capital (period-end) (million yen)		85,644	85,644	94,005	94,005	120,350
	Unitholders' equity (period-end) (million yen)		87,748	87,667	96,274	96,401	123,362
	Unitholders' equity per unit	*10	¥446,105	¥445,694	¥440,215	¥440,796	¥468,348

<sup>\*1</sup> Return on assets (ROA) = [Ordinary income ÷ {(Total assets as of the beginning of the period + Total assets as of the end of the period) ÷ 2}] X 100 (%)

<sup>\*2</sup> Return on equity (ROE) = [Net income ÷ {(Unitholders' equity as of the beginning of the period + Unitholders' equity as of the end of the period) ÷ 2)]] X 100 (%)

<sup>\*3</sup> Unitholders' equity ratio (period-end) = (Unitholders' equity as of the end of the period + Total assets as of the end of the period) X 100 (%)

<sup>\*4</sup> Loan to value (LTV) (period-end) = (Total interest-bearing liabilities as of the end of the period ÷ Total assets as of the end of the period) X 100 (%)

<sup>\*5</sup> Fixed assets to equity and fixed liabilities (period-end) = {Fixed assets as of the end of the period ÷ (Fixed liabilities as of the end of the period + Unitholders' equity as of the end of the period)} X 100 (%)

<sup>\*6</sup> Debt service coverage ratio = {Earnings before interest and depreciation (excluding gains from property sales) ÷ Interest paid} X 100 (%)

<sup>\*7</sup> Rental NCF = Rental NOI — Capital expenditures

<sup>\*8</sup> Annualized NCF yield = Annualized rental NCF ÷ Amount of investments

<sup>\*9</sup> FFO = Net income + Depreciation (as rental business expenses) - capital gains on real estate sales

<sup>\*10</sup> Unitholders' equity per unit = Unitholders' equity (as of the end of the period) + Number of investment units outstanding (as of the end of the period)



# P/L by Property (1)



															(11)	illion yen)
	Landic Sh Bld		Landic Shi Blo		Premier De Bld		KN Shib	uya No.3 <sup>•</sup> 1	Takada Center		Rokuban *	cho Bldg. 1	Ougakı	ı Bldg.	Premier Ka	nigan Bldg. 2
	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25
Real estate rental revenue [A]	187	193	200	211	61	71			226	241			64	64	79	99
Rental revenue	168	173	180	192	50	61			185	199			55	55	64	79
Other income	19	19	19	19	10	10			41	42			9	8	15	20
Real estate rental expenses [B]	80	82	92	123	25	26			124	117			31	30	74	75
Property management fees	14	14	18	20	4	5			24	25			6	6	14	14
Utilities	12	11	16	17	4	4	Non-	Non-	21	19	Non-	Non-	5	5	8	9
Real estate taxes	21	21	15	15	5	5	disclosure	1	20	20	disclosure	disclosure	4	4	14	14
Insurance	0	0	0	0	0	0	alcolocaro	diodiodaro	0	0	dicolocaro	alcolocaro	0	0	0	0
Maintenance and repairs	1	3	6	34	0	0			22	14			2	3	4	3
Trust fees	0	0	0	0	0	0			1	0			0	1	1	1
Depreciation	28	28	34	34	9	9			32	35			10	10	30	30
Miscellaneous expenses	0	0	0	0	0	0			0	0			0	0	0	0
Real estate rental income [A]-[B]	106	110	107	87	35	45	105	114	102	124	133	147	33	33	5	24
Rental NOI	135	139	141	122	45	54	121	131	135	159	164	179	44	44	35	54
Rental NOI yield	4.4%	4.5%	4.2%	3.6%	5.9%	7.2%	5.0%	5.4%	6.1%	7.1%	4.2%	4.5%	5.1%	5.1%	1.4%	2.2%

	yen)

															(m	illion yen)
	Urbannet	Mita Bldg.		annet Bldg. *1	Urbannet Ichigaya Bldg. *1		Kanda Chu *;			nnet Bldg. *1	Gran	park	Urbannet Kojimachi Bldg.		Premier Toyocho Bldg.	
	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25
Real estate rental revenue [A]	293	294					54	1			416	428	/	89	72	83
Rental revenue	267	271					49	1			357	374	/	83	62	73
Other income	26	23					4	0			59	53	/	6	10	9
Real estate rental expenses [B]	142	125					31	8			224	227		22	68	65
Property management fees	40	35					6	0			70	64	/	13	11	10
Utilities	26	24	Non-	Non-	Non-	Non-	3	0	Non-	Non-	61	61	/	5	8	8
Real estate taxes	28	28	disclosure	_	1		10	7	disclosure	-	42	42		-	8	8
Insurance	0	0	disclosure	alsolosare	disclosure	alsolosaic	0	0	disclosure	disclosure	1	1	/	0	0	0
Maintenance and repairs	18	7					4	0			7	17		-	1	1
Trust fees	0	0					0	0			1	1	/	0	1	1
Depreciation	26	27					5	-			36	36		3	35	35
Miscellaneous expenses	0	0					0	0			2	3		0	2	0
Real estate rental income [A]-[B]	151	169	93	76	40	36	22	- 7	92	95	192	200		66	4	17
Rental NOI	177	196	109	92	48	44	28	- 7	109	113	228	236		70	39	53
Rental NOI vield	3.5%	3.9%	4.4%	3.8%	5.9%	5.4%	2.3%	- 17.7%	7.6%	7.9%	4.0%	4.1%	/	7.1%	2.0%	2.7%

<sup>\*1</sup> Details on leasing P/L are not disclosed herein because consent to disclose the information has not been obtained from major tenant(s).

<sup>\*2</sup> Effective April 1, 2015, the property name was changed. The new name is Premier Kaigan Bldg. The former name was YS Kaigan Bldg.

<sup>\*3</sup> Kanda Chuodori Bldg. was sold November 7, 2014.



# P/L by Property (2)



(million yen)

	Ueno Ti	H Bldg.	Gotanda	NT Bldg.	Ueno Tos	ei Bldg.	Urbannet Ikebukuro Bldg.		Urbannet (	Omori Bldg.	Premier Y		The Kanaga Park R&		NU Kann	ai Bldg.
	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25
Real estate rental revenue [A]	89	90	81	85	206	206		398		145	93	82	417	408	182	149
Rental revenue	78	79	59	74	186	186		348		136	77	66	314	318	151	124
Other income	11	11	22	11	19	19		49		9	16	16	102	89	30	25
Real estate rental expenses [B]	60	64	52	40	93	93		133		54	68	71	263	274	96	97
Property management fees	9	12	9	8	13	13		46	/	20	14	17	60	59	27	27
Utilities	7	6	8	7	13	12		42		10	9	9	106	96	19	19
Real estate taxes	8	8	8	7	12	12		-		-	10	10	33	33	13	13
Insurance	0	0	0	0	0	0		0		0	0	0	1	1	0	0
Maintenance and repairs	2	0	11	0	1	1		0		1	2	2	7	29	11	12
Trust fees	1	1	1	1	0	0		0		0	0	0	0	0	0	0
Depreciation	15	15	13	13	51	51		42		21	29	29	54	54	23	23
Miscellaneous expenses	17	19	0	0	0	1		0		0	0	0	0	0	0	0
Real estate rental income [A]-[B]	29	26	28	45	112	112		264	/	90	24	11	153	133	86	51
Rental NOI	44	41	41	59	164	164		307	]/	111	54	41	207	187	109	75
Rental NOI yield	2.0%	1.8%	2.0%	2.8%	5.7%	5.7%		8.3%		8.5%	3.3%	2.5%	7.9%	7.3%	6.8%	4.7%

															(111	illion yen)
		odoyabashi d) *1	Park Yotsuya		Park Meiji-Jin	Axis Igumae	Sun P Minami-A		Cabin A		Cabin Minami-	Arena Aoyama	Bureau Kioicho		Homat Wo	odville *2
	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25
Real estate rental revenue [A]			146	152	55	53	30	31	38	39	35	36	37	37	119	124
Rental revenue			136	144	51	49	29	31	36	37	33	34	37	37	112	123
Other income			10	7	3	4	0	0	1	2	1	1	-	-	7	1
Real estate rental expenses [B]			84	73	22	24	20	18	17	17	16	17	14	15	81	60
Property management fees			18	16	5	4	3	3	4	4	3	3	-	-	16	11
Utilities			1	1	1	1	1	2	0	0	0	0	-	-	2	2
Real estate taxes	Non-	Non-	8	8	2	2	2	2	1	1	1	1	2	2	8	8
Insurance	disclosure	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Maintenance and repairs	disclosure	alsolosare	12	4	2	4	3	1	2	1	0	2	0	1	18	4
Trust fees			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation			37	37	8	8	7	7	7	7	8	8	11	11	31	31
Miscellaneous expenses			5	3	1	1	0	0	0	0	0	0	0	0	2	1
Real estate rental income [A]-[B]			61	79	32	28	9	13	21	22	19	18	23	22	38	64
Rental NOI			98	116	41	37	17	21	28	30	27	26	34	33	69	95
Rental NOI yield	4.7%	4.8%	4.4%	5.2%	3.4%	3.0%	3.4%	4.2%	4.8%	5.1%	6.0%	5.8%	4.0%	4.0%	2.9%	4.0%

<sup>\*1</sup> Details on leasing P/L are not disclosed herein because consent to disclose rent information has not been obtained from the land lessor.

<sup>\*2</sup> Sun Palace Minami-Azabu and Homat Woodville were sold May 15, 2015.



# P/L by Property (3)



(million yen)

	Roppong Terra		Premier Shibak		Langue Kyoba		Premier MitaKeio		Premier	Rosso	Premier Yoyogil		Premier Uchik		Premier Stage Ichigayakawadacho	
	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25
Real estate rental revenue [A]	119	111	55	55	35	35	52	53	52	53	63	65	50	57	45	45
Rental revenue	117	109	54	53	34	34	52	51	48	48	60	63	47	54	44	44
Other income	1	1	1	2	1	1	0	2	4	5	2	2	3	3	1	1
Real estate rental expenses [B]	57	66	27	27	15	16	18	19	23	22	31	30	25	22	18	20
Property management fees	10	12	4	4	3	3	4	4	5	5	5	6	7	4	4	4
Utilities	2	2	0	0	0	0	0	0	1	1	1	1	2	2	0	0
Real estate taxes	7	7	2	2	1	1	2	2	2	2	3	3	2	2	1	1
Insurance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Maintenance and repairs	2	10	1	1	1	2	0	1	2	1	2	1	1	1	0	2
Trust fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	32	32	16	16	7	7	8	8	9	9	17	17	10	10	9	9
Miscellaneous expenses	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0
Real estate rental income [A]-[B]	61	44	28	27	20	18	34	34	28	31	31	35	25	35	26	25
Rental NOI	93	76	44	44	27	26	43	43	38	41	48	52	35	45	36	35
Rental NOI yield	4.6%	3.8%	4.7%	4.7%	6.8%	6.4%	5.8%	5.9%	5.0%	5.4%	4.7%	5.0%	4.5%	5.8%	5.5%	5.3%

	(m								nillion yen)							
	Walk Al	kasaka	Premier Shiba		ME	MEW		a Island ower	Storia Akasaka		Renai Shinjuku- Gyoen Tower		Shibaura Island Bloom Tower		Questcourt Harajuku	
	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25
Real estate rental revenue [A]	46	44	43	42	34	36	326	332	80	87	180	180	268	274	117	126
Rental revenue	42	41	42	40	30	31	288	294	75	80	162	159	243	248	110	117
Other income	4	3	1	1	3	5	38	38	5	6	17	20	24	25	7	8
Real estate rental expenses [B]	29	32	18	28	21	21	239	239	43	42	105	110	168	163	56	56
Property management fees	5	6	4	5	3	3	51	53	9	8	32	34	39	39	17	15
Utilities	0	0	0	0	0	0	10	10	2	2	6	6	3	3	3	3
Real estate taxes	2	2	2	2	1	1	16	16	6	6	11	11	13	13	6	6
Insurance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Maintenance and repairs	1	3	1	10	0	0	18	15	4	3	8	9	12	9	5	6
Trust fees	0	1	0	0	0	0	0	0	1	1	1	1	0	0	0	0
Depreciation	16	16	8	8	12	12	96	96	18	18	43	44	66	66	23	23
Miscellaneous expenses	1	0	0	0	1	0	44	45	0	2	1	3	31	30	0	0
Real estate rental income [A]-[B]	17	12	25	13	13	15	87	93	37	44	74	69	99	110	61	69
Rental NOI	33	29	33	22	25	28	183	189	56	63	118	113	165	176	84	92
Rental NOI yield	3.8%	3.3%	4.3%	2.9%	3.6%	4.0%	5.6%	5.9%	2.9%	3.3%	3.8%	3.6%	6.4%	7.0%	3.8%	4.2%



# P/L by Property (4)



(million yen)

	Urban Ichig		B-Site	Osaki	Osaki Premier Garden Hongo		Premier Grande Premier Nozze Yutenji		Premier Stage Yushima		Premier Stage Komagome		Premier Stage Otsuka			
	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25	FP 24	FP 25
Real estate rental revenue [A]	51	57	29	29	28	30	41	41	37	37	50	51	50	51	41	41
Rental revenue	47	54	29	29	28	29	37	38	36	34	48	48	48	49	39	40
Other income	3	3	-	0	0	1	3	3	1	2	2	3	2	1	1	1
Real estate rental expenses [B]	23	21	10	10	12	12	21	20	17	21	28	30	28	27	20	22
Property management fees	8	7	-	-	3	3	4	3	3	5	5	6	5	5	3	4
Utilities	0	0	-	-	0	0	0	0	0	0	1	1	0	0	0	0
Real estate taxes	3	3	1	1	2	2	2	2	1	1	2	2	2	2	1	1
Insurance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Maintenance and repairs	4	2	0	-	1	2	1	0	0	1	1	2	1	1	1	2
Trust fees	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0
Depreciation	6	6	8	8	3	3	11	11	10	10	14	14	15	15	10	10
Miscellaneous expenses	0	0	0	0	0	0	1	0	0	0	1	1	1	1	1	1
Real estate rental income [A]-[B]	27	36	18	19	16	18	19	20	19	16	21	21	22	23	21	19
Rental NOI	34	43	27	27	20	22	30	31	30	26	36	36	37	39	31	30
Rental NOI yield	4.9%	6.1%	6.0%	6.1%	4.2%	4.6%	4.4%	4.7%	4.2%	3.7%	4.5%	4.5%	4.7%	4.9%	5.2%	5.0%

		Premiei Honjo-Azu	_	Premier Stage Ryogoku			
		FP 24	FP 25	FP 24	FP 25		
Real estate rental revenue [A]		77	78	45	46		
	Rental revenue	73	73	43	43		
	Other income	4	4	2	3		
Re	al estate rental expenses [B]	39	40	24	24		
	Property management fees	7	7	4	4		
	Utilities	0	0	0	0		
	Real estate taxes	4	4	2	2		
	Insurance	0	0	0	0		
	Maintenance and repairs	1	2	1	0		
	Trust fees	1	1	0	0		
	Depreciation	22	22	14	14		
	Miscellaneous expenses	1	0	0	0		
Re	al estate rental income [A]-[B]	37	38	21	22		
Re	ntal NOI	60 61 35			36		
Re	ntal NOI yield	4.8%	5.0%	5.3%	5.5%		



# **Period-end Appraisal Values (1)**



				Appraisal value		Direct	cap rate	DCF m	nethod		Unrealized
		Property name	FP 24 [1] (million yen)	FP 25 [2] (million yen)	Change *1 [2]-[1] (million yen)	FP 25	Change	Discount rate	Terminal cap rate	Book value [3] (million yen)	gain or loss [2]-[3] (million yen)
		Landic Shimbashi Bldg.	6,010	6,050	40	4.1%	- 0.1%	3.9%	4.3%	6,164	- 114
		Landic Shimbashi 2 Bldg.	6,850	6,900	50	4.3%	- 0.1%	4.0%	4.4%	6,852	47
		Premier Dogenzaka Bldg.	2,210	2,310	100	4.2%	- 0.2%	4.0%	4.4%	1,518	791
		KN Shibuya No.3	6,500	6,780	280	4.1%	- 0.2%	3.8%	4.2%	4,853	1,926
		Takadanobaba Center Bldg.	5,660	5,820	160	4.6%	- 0.1%	4.4%	4.8%	4,468	1,351
		Rokubancho Bldg.	8,360	8,370	10	4.4%	- 0.3%	4.1%	4.5%	7,882	487
	5 Central Wards of	Ougaku Bldg.	1,440	1,470	30	4.7%	- 0.1%	4.5%	4.9%	1,735	- 265
	Tokyo	Premier Kaigan Bldg. *2	3,380	3,420	40	4.5%	- 0.1%	4.2%	4.7%	5,050	- 1,630
		Urbannet Mita Bldg.	10,100	10,200	100	4.2%	- 0.1%	3.9%	4.4%	10,198	1
		Urbannet Azabu Bldg.	4,830	4,920	90	4.4%	- 0.1%	4.2%	4.6%	4,920	- 0
		Urbannet Ichigaya Bldg.	1,630	1,660	30	5.0%	- 0.1%	4.8%	5.2%	1,642	17
9		Urbannet Irifune Bldg.	3,070	3,240	170	5.0%	- 0.1%	4.7%	5.0%	2,869	370
Office		Granpark	11,800	12,100	300	4.2%	- 0.1%	3.9%	4.4%	11,454	645
		Urbannet Kojimachi Bldg.	-	3,810	-	4.2%	-	4.0%	4.4%	3,645	164
	Other 18 Wards of Tokyo	Premier Toyocho Bldg.	3,370	3,360	- 10	5.1%	- 0.1%	4.8%	5.3%	3,897	- 537
		Ueno TH Bldg.	2,720	2,700	- 20	5.0%	- 0.1%	4.6%	5.4%	4,569	- 1,869
		Gotanda NT Bldg.	2,440	2,440	-	4.9%	- 0.1%	4.5%	5.3%	4,188	- 1,748
		Ueno Tosei Bldg.	6,250	6,370	120	4.7%	- 0.1%	4.4%	4.9%	5,759	610
		Urbannet Ikebukuro Bidg.	-	14,800	-	4.6%	-	4.5%	4.9%	13,654	1,145
		Urbannet Omori Bldg.	-	5,210	-	5.0%	-	4.8%	5.2%	4,831	378
	Urban	Nisso No.3 Bldg.	3,080	3,130	50	5.4%	- 0.2%	5.0%	5.4%	3,310	- 180
	Areas Surroundin	The Kanagawa Science Park R&D Bldg.	5,000	5,170	170	6.3%	- 0.2%	6.0%	6.4%	5,174	- 4
	g Tokyo	NU Kannai Bldg.	3,590	3,620	30	5.0%	- 0.1%	4.7%	5.2%	3,196	423
	Regional Cities	Tradepia Yodoyabashi (land)	6,540	6,540	-	4.0%	-	4.0%	4.0%	6,558	- 18
		Subtotal	104,830	130,390	1,740	-	-			128,398	1,991
		Park Axis Yotsuya Stage	4,670	4,790	120	4.4%	- 0.2%	4.2%	4.6%	4,488	301
R		Park Axis Meiji-Jingumae	1,760	1,800	40	4.4%	- 0.2%	4.2%	4.6%	2,470	- 670
bis	5 Central Wards of	Sun Palace Minami-Azabu	703	948	245	-	-	-	-	1,027	- 79
Residential	Tokyo	Cabin Arena Akasaka	1,120	1,170	50	4.5%	- 0.2%	4.3%	4.7%	1,189	- 19
<u> </u>		Cabin Arena Minami-Aoyama	1,020	1,030	10	4.5%	- 0.2%	4.3%	4.7%	919	110
		Bureau Kioicho	1,410	1,410	-	4.3%	-	4.2%	4.6%	1,695	- 285

<sup>\*1</sup> Excludes the increase over the previous period attributable to properties newly acquired during the period.

<sup>\*2</sup> Effective April 1, 2015, the property name was changed. The new name is Premier Kaigan Bldg. The former name was YS Kaigan Bldg.



# **Period-end Appraisal Values (2)**



				Appraisal value		Direct	cap rate	DCF m	ethod		Unrealized
		Property name	FP 24 [1] (million yen)	FP 25 [2] (million yen)	Change *1 [2]-[1] (million yen)	FP 25	Change	Discount rate	Terminal cap rate	Book value [3] (million yen)	gain or loss [2]-[3] (million yen)
		Homat Woodville	3,290	4,530	1,240	-	-	-	-	4,753	- 223
		Roppongi Green Terrace	3,560	3,770	210	4.4%	- 0.2%	4.2%	4.6%	4,056	- 286
		Premier Stage Shibakoen II	1,720	1,790	70	4.5%	- 0.2%	4.3%	4.7%	1,893	- 103
		Langue Tower Kyobashi	964	996	32	4.4%	- 0.2%	4.2%	4.6%	812	183
		Premier Stage MitaKeidaimae	1,770	1,780	10	4.7%	-	4.4%	4.9%	1,474	305
		Premier Rosso	1,550	1,600	50	4.5%	- 0.2%	4.3%	4.7%	1,527	72
		Premier Blanc Yoyogikouen	2,150	2,160	10	4.7%	-	4.4%	4.9%	2,075	84
		Premier Stage Uchikanda	1,830	1,870	40	4.5%	- 0.1%	4.3%	4.7%	1,560	309
	5 Central Wards of	Premier Stage Ichigayakawadacho	1,560	1,570	10	4.8%	-	4.5%	5.0%	1,337	232
	Tokyo	Walk Akasaka	1,520	1,540	20	4.4%	- 0.2%	4.2%	4.6%	1,763	- 223
	, .	Premier Stage Shibakoen	1,380	1,400	20	4.6%	- 0.1%	4.3%	4.8%	1,523	- 123
		MEW	1,090	1,100	10	4.9%	-	4.6%	5.1%	1,417	- 317
Res		Shibaura Island Air Tower	6,900	7,080	180	-	-	4.2%	6.3%	6,418	661
ide		Storia Akasaka	2,840	2,960	120	4.4%	- 0.2%	4.2%	4.6%	3,863	- 903
Residential		Renai Shinjuku-Gyoen Tower	4,990	5,080	90	4.5%	- 0.2%	4.3%	4.7%	6,266	- 1,186
		Shibaura Island Bloom Tower	5,970	6,140	170	-	-	4.3%	6.4%	5,076	1,063
		Questcourt Harajuku	4,740	4,890	150	4.4%	- 0.2%	4.2%	4.6%	4,390	499
		Urbancourt Ichigaya	1,440	1,500	60	5.0%	- 0.1%	4.7%	5.2%	1,404	95
		B-Site Osaki	948	987	39	4.8%	- 0.2%	4.4%	4.8%	894	92
		Premier Garden Hongo	819	863	44	4.5%	- 0.2%	4.3%	4.7%	965	- 102
		Premier Grande Magome	1,120	1,160	40	4.8%	- 0.2%	4.6%	5.0%	1,363	- 203
	Other 18	Premier Nozze Yutenji	1,250	1,270	20	4.8%	- 0.1%	4.5%	5.0%	1,442	- 172
	Wards of	Premier Stage Yushima	1,540	1,570	30	4.7%	- 0.1%	4.4%	4.9%	1,591	- 21
	Tokyo	Premier Stage Komagome	1,680	1,710	30	4.7%	- 0.1%	4.4%	4.9%	1,614	95
		Premier Stage Otsuka	1,310	1,360	50	4.8%	- 0.2%	4.6%	5.0%	1,209	150
		Premier Stage Honjo-Azumabashi	2,570	2,690	120	4.5%	- 0.2%	4.3%	4.7%	2,474	215
		Premier Stage Ryogoku	1,450	1,530	80	4.6%	- 0.2%	4.4%	4.8%	1,349	180
		Subtotal	72,634	76,044	3,410					76,310	- 266
		Total	177,464	206,434	5,150					204,709	1,724

<sup>\* 1</sup> Excludes the increase over the previous period attributable to properties newly acquired during the period.



## **Monthly Occupancy Rates (1)**



				Fiscal Period 24 (ended October 31, 2014)							15 : 10	-		1.5\	(%)	
		Name	May						Ave	Nov		al Period 25			· ·	Ave
		Landia Chimhachi Dida	May	Jun. 92.7	Jul.	Aug.	Sep. 100.0	Oct.	Avg.	Nov.	Dec.	Jan. 100.0	Feb.	Mar.	Apr.	Avg.
		Landic Shimbashi 2 Plds	92.7		92.7 100.0	100.0		100.0	96.3	100.0	100.0		100.0	100.0	100.0	100.0
		Landic Shimbashi 2 Bldg.	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.	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	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.	91.1	91.1	100.0	100.0	100.0	100.0	97.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
		Rokubancho Bldg.	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
	5 Central	Ougaku Bldg.	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
	Wards of Tokyo	YS Kaigan Bldg. *1	53.7	53.7	53.7	62.9	72.2	81.5	62.9	79.6	79.6	79.6	79.6	79.6	75.1	78.8
	, ,	Urbannet Mita Bldg.	99.9	99.9	99.9	99.9	100.0	100.0	99.9	100.0	100.0	100.0	100.0	100.0	100.0	100.0
		Urbannet Azabu Bldg.	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.	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
		Kanda Chuodori Bldg. *2	58.4	70.0	70.0	70.0	70.0	46.8	64.2	-	-	-	-	-	-	-
윷		Urbannet Irifune Bldg.	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
Office		Granpark	78.6	95.1	93.9	95.2	94.9	95.8	92.2	95.9	95.6	95.5	95.9	99.1	99.5	96.9
		Urbannet Kojimachi Bldg. *3	-	-	-	-	-	-	-	-	-	100.0	100.0	100.0	100.0	100.0
		Premier Toyocho Bldg.	80.4	80.4	80.4	80.4	80.4	80.4	80.4	80.4	80.4	80.4	80.4	80.4	100.0	83.7
		Ueno TH Bldg.	61.7	61.7	61.7	61.7	61.7	61.7	61.7	61.7	61.7	61.7	61.7	74.5	74.5	66.0
	Other 18 Wards of	Gotanda NT Bldg.	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
	Tokyo	Ueno Tosei Bldg.	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. *3	-	-	-	-	-	-	-	-	-	100.0	100.0	100.0	100.0	100.0
		Urbannet Omori Bldg. *3	-	-	-	-	-	-	-	-	-	100.0	100.0	100.0	100.0	100.0
	Urban	Premier Yokohama Nishiguchi Bldg.	100.0	100.0	35.0	41.0	41.0	58.8	62.6	58.8	58.8	75.2	75.2	70.6	70.6	68.2
	Areas Surroundi	The Kanagawa Science Park R&D Bldg.	97.3	97.3	97.6	97.6	97.6	97.6	97.5	97.6	97.6	97.5	97.5	97.7	97.7	97.6
	ng Tokyo	NU Kannai Bldg.	100.0	100.0	98.3	96.8	98.5	77.6	95.2	77.6	77.6	77.6	77.6	84.1	80.1	79.1
	Regional Cities	Tradepia Yodoyabashi (land)	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	92.2	93.8	91.5	92.5	93.0	92.4	92.6	93.3	93.3	95.1	95.1	95.9	96.1	94.8
		Park Axis Yotsuya Stage	89.3	93.0	94.4	95.1	95.1	98.2	94.2	98.0	98.6	99.0	98.9	97.4	95.6	97.9
Z,		Park Axis Meiji-Jingumae	94.7	100.0	100.0	100.0	100.0	94.8	98.3	94.8	88.6	88.3	97.9	97.3	100.0	94.5
Residential	5 Central Wards of	Sun Palace Minami-Azabu *4	92.7	92.7	86.4	93.6	100.0	100.0	94.2	100.0	100.0	100.0	100.0	100.0	92.0	98.7
enti	Tokyo	Cabin Arena Akasaka	93.7	93.7	93.7	100.0	100.0	97.4	96.4	97.4	94.8	97.4	97.4	97.4	100.0	97.4
<u>a</u>		Cabin Arena Minami-Aoyama	89.6	91.7	91.7	94.8	94.8	97.4	93.3	97.4	94.8	94.8	94.8	100.0	100.0	97.0
		Bureau Kioicho	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

<sup>\*1</sup> Effective April 1, 2015, the property name was changed. The new name is Premier Kaigan Bldg. The former name was YS Kaigan Bldg.

<sup>\*2</sup> Kanda Chuodori Bldg. was sold November 7, 2014.

<sup>\*3</sup> Urbannet Kojimachi Bldg., Urbannet Ikebukuro Bldg. and Urbannet Omori Bldg. were acquired January 22, 2015.

<sup>\*4</sup> Sun Palace Minami-Azabu was sold May 15, 2015.



## **Monthly Occupancy Rates (2)**



				Fiscal Period 24 (ended October 31, 2014)				Fisc	al Period 2	5 (ended A	nril 30 20°	15)	(%)			
		Name	May	Jun.	Jul.	Aug.	Sep.	Oct.	Avg.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	Avg.
		Homat Woodville *1	92.1	88.6	87.3	83.3	93.3	95.9	90.1	95.9	92.9	92.9	92.9	95.9	95.9	94.4
		Roppongi Green Terrace	100.0	97.1	97.9	97.9	97.9	95.8	97.8	90.4	90.0	90.0	87.0	92.4	90.8	90.1
		Premier Stage Shibakoen II	97.8	97.8	96.8	94.5	91.0	93.3	95.2	95.5	95.5	93.2	94.3	94.1	95.3	94.7
		Langue Tower Kyobashi	100.0	100.0	100.0	98.3	96.6	94.9	98.3	96.6	95.0	95.0	100.0	100.0	98.3	97.5
		Premier Stage MitaKeidaimae	93.4	98.4	98.4	96.8	96.8	100.0	97.3	100.0	98.4	95.3	92.1	92.1	90.5	94.7
		Premier Rosso	96.9	93.6	95.5	96.0	100.0	100.0	97.0	100.0	100.0	100.0	94.1	91.1	89.4	95.8
		Premier Blanc Yoyogikouen	97.0	97.0	93.6	90.9	93.3	95.0	94.5	98.6	100.0	98.7	98.7	97.0	95.3	98.0
		Premier Stage Uchikanda	83.9	85.7	85.7	85.7	98.1	100.0	89.8	100.0	98.4	96.4	96.4	98.1	96.0	97.6
	5 Central Wards of	Premier Stage Ichigayakawadacho	96.9	98.2	98.2	98.2	98.2	98.2	98.0	100.0	100.0	98.4	98.4	91.4	93.0	96.9
	Tokyo	Walk Akasaka	88.1	88.1	94.1	100.0	94.1	87.6	92.0	93.4	87.5	87.5	82.3	94.8	96.6	90.3
		Premier Stage Shibakoen	100.0	100.0	97.9	93.4	97.9	100.0	98.2	93.3	90.9	88.8	91.1	97.7	100.0	93.6
		MEW	96.3	92.6	92.6	96.3	100.0	100.0	96.3	100.0	100.0	100.0	96.5	100.0	100.0	99.4
Z.		Shibaura Island Air Tower	94.8	95.5	95.4	94.3	95.1	96.4	95.2	97.5	96.7	97.1	96.9	97.2	97.0	97.1
Residential		Storia Akasaka	87.9	87.9	90.0	94.4	96.1	96.1	92.1	98.1	95.4	95.4	88.0	88.0	88.6	92.2
enti		Renai Shinjuku-Gyoen Tower	96.6	97.1	96.5	96.4	96.3	95.7	96.4	93.6	95.7	94.8	94.7	96.3	96.8	95.3
<u>a</u>		Shibaura Island Bloom Tower	95.0	95.1	95.9	96.8	97.8	97.9	96.4	98.3	97.7	98.0	96.9	97.2	96.4	97.4
		Questcourt Harajuku	88.4	82.0	87.8	87.8	86.2	91.4	87.3	91.4	89.5	89.5	96.3	94.6	96.9	93.0
		Urbancourt Ichigaya	87.4	95.0	95.0	95.0	95.0	100.0	94.5	97.3	94.7	97.3	94.6	97.3	97.3	96.4
		B-Site Osaki	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	93.1	93.1	93.1	93.1	93.8	100.0	94.4	100.0	100.0	100.0	100.0	92.3	93.1	97.6
		Premier Grande Magome	94.0	97.0	97.0	97.0	100.0	93.9	96.5	93.9	93.9	93.9	97.0	100.0	100.0	96.4
	Other 18	Premier Nozze Yutenji	100.0	100.0	96.6	96.6	93.3	93.3	96.6	93.3	89.9	93.1	93.1	90.8	97.4	92.9
	Wards of Tokyo	Premier Stage Yushima	93.7	94.4	95.5	95.5	93.7	95.5	94.7	97.1	97.1	95.3	93.7	94.2	89.9	94.5
	ТОКУО	Premier Stage Komagome	94.4	93.4	92.3	90.9	89.4	93.4	92.3	94.7	95.7	96.8	98.4	94.1	96.0	96.0
		Premier Stage Otsuka	92.6	93.7	95.3	93.7	95.1	93.5	94.0	95.1	93.9	97.1	95.5	95.4	97.0	95.7
		Premier Stage Honjo-Azumabashi	91.6	92.8	97.0	95.2	98.1	97.5	95.4	94.6	95.2	95.2	97.0	97.5	97.5	96.2
		Premier Stage Ryogoku	94.3	94.3	93.1	94.3	91.9	90.8	93.1	93.1	90.8	89.7	94.4	100.0	100.0	94.7
	Subtotal		93.9	94.1	94.5	94.5	95.7	96.4	94.9	96.4	95.5	95.5	95.3	96.1	95.9	95.8
	Total			93.9	92.9	93.4	94.2	94.3	93.6	94.7	94.3	95.3	95.2	96.0	96.0	95.3



## **Basic Information on Properties (1)**



	Landic Shimbashi Bldg.	Landic Shimbashi 2 Bldg.	Premier Dogenzaka Bldg.	KN Shibuya No.3	Takadanobaba Center Bldg.	Rokubancho Bldg.	Ougaku Bldg.	Premier Kaigan Bldg. *1
	TOA SOME							
Location	Minato Ward, Tokyo	Minato Ward, Tokyo	Shibuya Ward, Tokyo	Shibuya Ward, Tokyo	Shinjuku Ward, Tokyo	Chiyoda Ward, Tokyo	Chiyoda Ward, Tokyo	Minato Ward, Tokyo
Acquisition price (million yen)	6,341	7,045	1,727	5,348	5,118	7,860	1,796	5,100
Leasable space	5,567.79m <sup>2</sup>	6,948.72m <sup>2</sup>	1,926.01m <sup>2</sup>	5,761.34m <sup>2</sup>	6,313.02m <sup>2</sup>	6,872.77m <sup>2</sup>	2,100.93m <sup>2</sup>	5,944.76m <sup>2</sup>
Completed	June 1982	December 1978	June 1991	February 1993	May 1992	April 1987	March 1988	January 1993

Urbannet Mita Bldg.		Urbannet Azabu Bldg.	Urbannet Ichigaya Bldg.	Urbannet Irifune Bldg.	Granpark *2	Urbannet Kojimachi Bldg.	Premier Toyocho Bldg.	Ueno TH Bldg.
							W III III III III III III III III III I	
Location	Minato Ward, Tokyo	Minato Ward, Tokyo	Shinjuku Ward, Tokyo	Chuo Ward, Tokyo	Minato Ward, Tokyo	Chiyoda Ward, Tokyo	Koto Ward, Tokyo	Bunkyo Ward, Tokyo
Acquisition price (million yen)	10,300	5,000	1,650	2,900	11,490	3,600	4,310	4,380
Leasable space	10,088.55m <sup>2</sup>	4,801.06m <sup>2</sup>	2,600.82m <sup>2</sup>	4,037.67m <sup>2</sup>	10,615.56m <sup>2</sup>	4,262.82m <sup>2</sup>	3,857.04m <sup>2</sup>	4,437.78m <sup>2</sup>
Completed	September 1987	April 1992	December 1993	July 1990	August 1996	May 1987	October 2006	December 1985

<sup>\*1</sup> Effective April 1, 2015, the property name was changed. The new name is Premier Kaigan Bldg. The former name was YS Kaigan Bldg.

<sup>\*2</sup> The figure for leasable space provided for Granpark represents the proportion of PIC's quasi co-ownership stake (about 13%) in the building and land site as a whole.



## **Basic Information on Properties (2)**



	Gotanda NT Bldg. *1	Ueno Tosei Bldg.	Urbannet Ikebukuro Bldg.	Urbannet Omori Bldg.	Premier Yokohama Nishiguchi Bldg. *2	The Kanagawa Science Park R&D Bldg. *2	NU Kannai Bldg.	Tradepia Yodoyabashi (land)
Location	Shinagawa Ward, Tokyo	Taito Ward, Tokyo	Toshima Ward, Tokyo	Ota Ward, Tokyo	Yokohama City, Kanagawa	Kawasaki City, Kanagawa	Yokohama City, Kanagawa	Osaka City, Osaka
Acquisition price (million yen)	4,100	5,900	13,600	4,800	3,558	6,556	3,300	6,500
Leasable space	3,056.54m <sup>2</sup>	5,432.43m <sup>2</sup>	17,036.34m <sup>2</sup>	8,524.54m <sup>2</sup>	5,017.77m <sup>2</sup>	15,084.22m <sup>2</sup>	8,003.93m <sup>2</sup>	6,517.29m <sup>2</sup>
Completed	November 1987	May 2007	September 1988	July 1992	April 1986	July 1989	February 1987	-

	Park Axis Yotsuya Stage	Park Axis Meiji-Jingumae	Sun Palace Minami-Azabu	Cabin Arena Akasaka	Cabin Arena Minami-Aoyama	Bureau Kioicho	Homat Woodville	Roppongi Green Terrace
Location	Shinjuku Ward, Tokyo	Shibuya Ward, Tokyo	Minato Ward, Tokyo	Minato Ward, Tokyo	Minato Ward, Tokyo	Chiyoda Ward, Tokyo	Minato Ward, Tokyo	Minato Ward, Tokyo
Acquisition price (million yen)	5,208	2,604	1,150	1,330	1,070	1,840	5,090	4,678
Leasable space	6,732.18m <sup>2</sup>	1,706.94m <sup>2</sup>	1,577.42m <sup>2</sup>	1,378.02m <sup>2</sup>	1,187.12m <sup>2</sup>	1,728.98m <sup>2</sup>	5,793.93m <sup>2</sup>	5,748.89m <sup>2</sup>
Completed	November 2001	March 2002	November 1989	November 2002	February 2003	November 2002	August 1988	October 2002

<sup>\*1</sup> The figure for leasable space provided for Gotanda NT Bldg. represents the proportion of PIC's co-ownership stake (45%) in the compartmentalized ownership scheme.
\*2 The figure for leasable space provided for Kanagawa Science Park R&D Bldg. represents the proportion of PIC's co-ownership stake (27%).



### **Basic Information on Properties (3)**



	Premier Stage Shibakoen II	Langue Tower Kyobashi	Premier Stage MitaKeidaimae	Premier Rosso	Premier Blanc Yoyogikouen	Premier Stage Uchikanda	Premier Stage Ichigayakawadacho	Walk Akasaka
Location	Minato Ward, Tokyo	Chuo Ward, Tokyo	Minato Ward, Tokyo	Shibuya Ward, Tokyo	Shibuya Ward, Tokyo	Chiyoda Ward, Tokyo	Shinjuku Ward, Tokyo	Minato Ward, Tokyo
Acquisition price (million yen)	2,181	927	1,580	1,662	2,330	1,723	1,460	2,043
Leasable space	2,312.75m <sup>2</sup>	1,216.10m <sup>2</sup>	1,597.73m <sup>2</sup>	1,878.60m <sup>2</sup>	2,336.95m <sup>2</sup>	2,036.96m <sup>2</sup>	1,655.66m <sup>2</sup>	1,736.70m <sup>2</sup>
Completed	February 2003	February 2003	November 2004	November 2004	June 2005	August 2005	July 2005	November 2004

	Premier Stage Shibakoen	MEW	Shibaura Island Air Tower *1	Storia Akasaka	Renai Shinjuku-Gyoen Tower	Shibaura Island Bloom Tower *2	Questcourt Harajuku	Urbancourt Ichigaya	
Location	Minato Ward, Tokyo	Minato Ward, Tokyo	Minato Ward, Tokyo	Minato Ward, Tokyo	Shinjuku Ward, Tokyo	Minato Ward, Tokyo	Shibuya Ward, Tokyo	Shinjuku Ward, Tokyo	
Acquisition price (million yen)	1,585	1,556	7,590	3,930	6,500	5,500	4,500	1,385	
Leasable space	1,759.89m²	1,551.65m <sup>2</sup>	13,060.46m <sup>2</sup>	3,988.86m <sup>2</sup>	6,555.04m <sup>2</sup>	12,254.17m <sup>2</sup>	4,612.19m <sup>2</sup>	3,609.91m <sup>2</sup>	
Completed	September 2006	August 2005	March 2007	December 2002	December 2002	September 2008	January 2004	January 1993	

<sup>\*1</sup> Shibaura Island Air Tower refers collectively to two buildings, Air Tower and Air Terrace. The figure provided for leasable space represents the proportion of PIC's total co-ownership stake (23%) in the two buildings combined.

<sup>\*2</sup> Shibaura Island Bloom Tower refers collectively to two buildings, Bloom Tower and Bloom Homes. The figure provided for leasable space represents the proportion of PIC's total co-ownership stake (16%) in the two buildings combined.



## **Basic Information on Properties (4)**



	B-Site Osaki	Premier Garden Hongo	Premier Grande Magome	Premier Nozze Yutenji	Premier Stage Yushima	Premier Stage Komagome	Premier Stage Otsuka	Premier Stage Honjo- Azumabashi
Location	Shinagawa Ward, Tokyo	Bunkyo Ward, Tokyo	Ota Ward, Tokyo	Setagaya Ward, Tokyo	Bunkyo Ward, Tokyo	Toshima Ward, Tokyo	Toshima Ward, Tokyo	Sumida Ward, Tokyo
Acquisition price (million yen)	1,072	975	1,560	1,525	1,803	1,830	1,310	2,640
Leasable space	1,318.40m <sup>2</sup>	1,573.87m <sup>2</sup>	2,378.13m <sup>2</sup>	1,734.04m <sup>2</sup>	2,065.58m <sup>2</sup>	2,249.25m <sup>2</sup>	1,644.64m <sup>2</sup>	3,465.00m <sup>2</sup>
Completed	December 2002	March 2002	February 2005	March 2006	March 2006	January 2007	August 2006	November 2007

	Premier Stage Ryogoku
cocation	Sumida Ward, Tokyo
Acquisition price million yen)	1,496
easable space	2,215.68m <sup>2</sup>
Completed	March 2008



### **Basic Information on Premier Investment Corporation (PIC) (1)**



■ A J-REIT that invests in multiple asset types (office and residential) with a portfolio concentrated in Greater Tokyo.

Investment Policy

#### A Portfolio Comprising Both Office and Residential Assets

- 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







#### **Profitability**

Exerts strengths when the economy is recovering

Tenant demand and rent trends are prone to be affected by business cycles and other economic trends

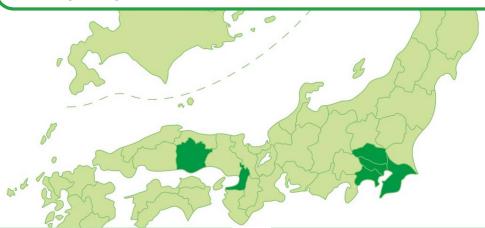
#### **Stability**

Exerts strengths when the economy is receding

Tenant demand and rent trends are relatively resistant to changes in economic and social conditions

## Focused Investments in Greater Tokyo

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



#### **Potential Tenant Needs**

- The population is returning to city centers
- The rate of owner-occupiers is decreasing while rental demand is growing
- Socio-economic and government functions are concentrated in city centers

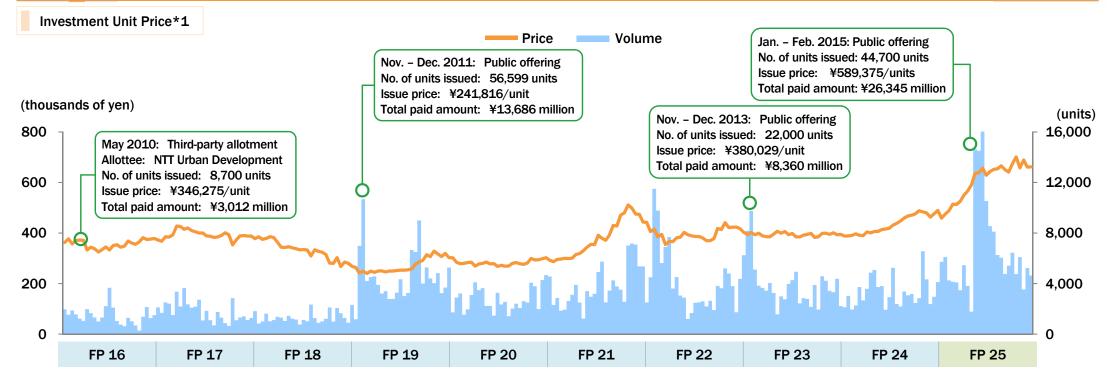
# More Efficiency by Concentrating Investment Areas

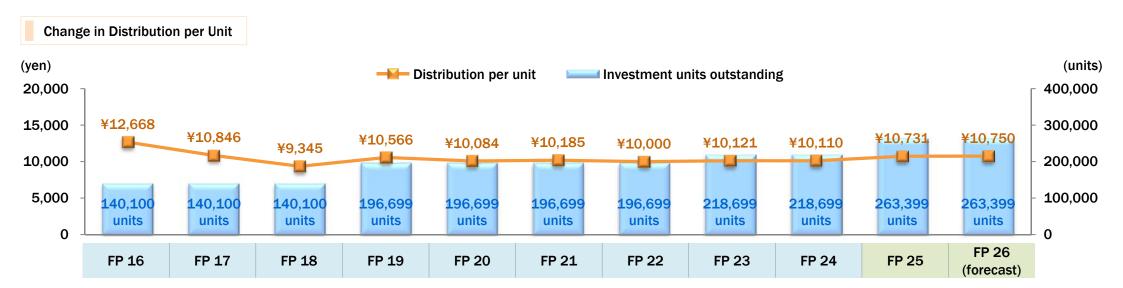
- Realizes low management fee rates thanks to a lean asset management organization
- Enables greater consistency in property-management fees and quality



### **Basic Information on Premier Investment Corporation (PIC) (2)**





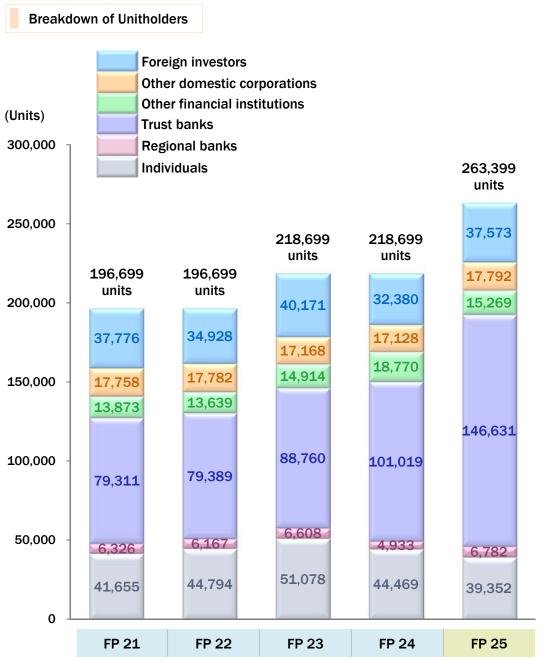


<sup>\*1</sup> Investment unit price is based on the closing price of the final trading day of each weekend, and trading volume indicates the total transaction volume by week.



## **Basic Information on Premier Investment Corporation (PIC) (3)**





**Major Unitholders** 

# Fiscal Period 25 (Investment units outstanding: 263,399 units)

	Unitholder	Units held	Share *1	Change
1	Japan Trustee Services Bank, Ltd. (Trust Account)	85,239	32.36%	22,200
2	Trust & Custody Service Bank, Ltd. (Money Trust Tax Account)	23,437	8.89%	10,969
3	The Master Trust Bank of Japan, Ltd. (Trust Account)	22,138	8.40%	11,054
4	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	10,155	3.85%	827
5	NTT Urban Development Corporation	8,700	3.30%	-
6	Mitsubishi UFJ Trust and Banking Corporation	3,451	1.31%	294
7	STATE STREET BANK AND TRUST COMPANY 505223	3,341	1.26%	2,574
8	STATE STREET BANK-WEST PENSION FUND CLIENTS-EXEMPT 505233	2,781	1.05%	749
9	The Dai-ichi Life Insurance Company, Limited	2,693	1.02%	2,693
10	GOLDMAN SACHS INTERNATIONAL	2,344	0.88%	1,011
	Total	164,279	62.36%	-



### **About the Asset Management Company**



#### Overview of the Asset Management Company

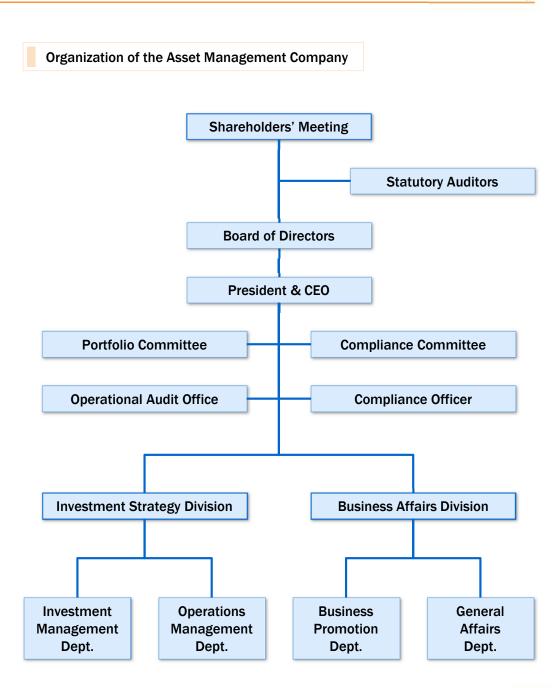
Company Name	Premier REIT Advisors (PRA)
Establishment	July 17, 2001
Paid-in capital	300 million yen (as of April 30, 2015)

#### **Participation of NTT Urban Development**

May 14, 2010	Acquired majority of PRA shares (53.1%)
	Underwrote 8,700 units of PIC's investment units newly issued by way of third-party allotment

### **Shareholder Composition**

Shareholders	No. of stocks (share)	Corporate profile
NTT Urban Development Corporation	3,186 units (53.1%)	The only diversified real estate company in the NTT Group Total assets of ¥1,332 billion as of the end of March 2015 (consolidated)
Kenedix, Inc.	1,800 units (30.0%)	One of Japan's leading independent realestate asset managers
SOHGOH REAL ESTATE CO., LTD.	600 units (10.0%)	A comprehensive real-estate solutions provider with a focus on condominium development services
Sumitomo Mitsui Trust Bank, Limited	294 units (4.9%)	One of the leading trust banks in Japan
Nikko Properties Co., Ltd.	120 units (2.0%)	An asset management company belonging to the SMBC Nikko Securities Group





# **Terminology Used in this Presentation**



Term	Definition		
Investment areas	<ul> <li>5 central wards of Tokyo:         <ul> <li>The 3 central wards of Tokyo (Chiyoda, Chuo and Minato) plus Shinjuku and Shibuya</li> </ul> </li> <li>Other 18 wards of Tokyo:         <ul> <li>The remaining 18 of Tokyo's 23 wards, after excluding the 5 central wards of Tokyo</li> </ul> </li> <li>Urban areas surrounding Tokyo:         <ul> <li>Other urban areas within Greater Metropolitan Tokyo, which comprises The Metropolis of Tokyo (excluding Tokyo's 23 Wards), Kanagawa Prefecture (densely populated areas such as Yokohama City and Kawasaki City), Saitama Prefecture (densely populated areas such as Saitama City) and Chiba Prefecture (densely populated areas such as Chiba City)</li> </ul> </li> <li>Major regional cities:         <ul> <li>Major cities such as Sapporo, Sendai, Shizuoka, Nagoya, Osaka, Kyoto, Kobe, Hiroshima, Okayama and Fukuoka</li> </ul> </li> </ul>		
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 (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 Central 5 Wards of Tokyo.		
Acquisition price/Transfer price	The transaction price before taxes. Does not include various expenses (transaction brokerage fees, real estate taxes, etc.), required for the acquisition or transfer of the property in question.		
Occupancy rate	Occupancy rate = [Total area under lease ÷ Gross leasable area (GLA)] X 100 (%)		
<ul><li>Occupancy rate by cash flows</li></ul>	For any given month, the area actually generating cash flow (*) ÷ Gross leasable area (GLA) X 100 (%)  • The portion of leasable area remaining after excluding any area for which the rent (including common services 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.)		
Rental NOI	Rental NOI = Real estate rental income + depreciation (for each property in the portfolio during the fiscal period in question)		
Rental NOI yield	Rental NOI yield = Annualized rental NOI (*) ÷ Amount invested (**) (for each property in the portfolio during the fiscal period in question) X 100 (%)  * Annualized rental NOI = Real estate rental income + Depreciation (annualized for properties in the portfolio during the fiscal period in question)  • Annualized = Actual results from the fiscal period in question X 2 (For properties bought or sold at some point within the fiscal period in question, actual results from the period in question X 365 / Number of days the property was held in the portfolio)  ** Amount invested = Book value (after depreciation) as of the end of the period for properties in the portfolio during the period in question  • For properties sold, the book value at the time of sale is used in place of book value as of the end of the period.		
Appraisal NOI yield	Appraisal NOI yield = (Appraisal NOI (*) ÷ Acquisition cost) X 100(%)  * Appraisal NOI = Net operating income arrived at using the direct capitalization method described in the real estate appraisal document created upon acquisition of the property in question.		
Portfolio NOI yield	NOI yield = Annualized rental NOI (*) ÷ Amount invested (**) for assets (including preferred securities) held during the period in question X 100 (%)  * Annualized rental NOI = The total of {(Real estate rental income) + (Depreciation) + (Dividend income from preferred securities)} X 2, for assets held during the period in question  ** Amount invested = Total book value (after depreciation) as of the end of the period for assets held during the period in question		
<ul><li>Portfolio yield (after depreciation)</li></ul>	Yield after depreciation = {Annualized real estate rental income (*) ÷ Amount invested (**)} for assets (including preferred securities) held during the period in question X 100 (%)  * Annualized real estate rental income = The total of {(Real estate rental income) + (Dividend income from preferred securities)} X 2, for assets held during the period in question  ** Amount invested = Total book value (after depreciation) as of the end of the period for assets held during the period in question		
LTV (loan to value)	LTV (loan to value) = [Interest-bearing liabilities ÷ (interest-bearing liabilities + unitholders' capital)] X 100(%)		
Tsubo	A Japanese unit of areal measure, roughly 3.31m² or 35.5ft².		



### **Disclaimers**



- Unless indicated otherwise, amounts and figures have been rounded down to the nearest unit and percentages have been rounded to the first decimal place.
- These materials include forward-looking performance forecasts, future plans, management objectives and strategies. These forward-looking statements are based on current assumptions and premises made by Premier Investment Corporation (PIC) concerning anticipated events, business environment trends and other issues. Inherent to these assumptions are known and unknown risks, uncertainties and other factors, all of which may have an impact on PIC. Therefore, these forward-looking statements are no guarantee of PIC's future business performance, management results or financial conditions. Actual results may differ materially from any explicit or implicit forward-looking statements about PIC's future business performance, management results or financial conditions.
- These materials were not prepared for the purpose of soliciting the purchase of investment units issued by PIC or execution of other financial product transaction agreements. When purchasing PIC's investment units, please do so based on your own judgment and responsibility after consulting with relevant securities firms.
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- PIC intends to distribute cash dividends to unitholders, but whether the distribution is actually made and the amounts of the distribution are not guaranteed on any account. Profitability in any given
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