



Fiscal Period 28 Materials for Analyst Meeting

6 months ended November 2015 www.heiwa-re.co.jp January 20, 2016

8966



HEIWA REAL ESTATE REIT, Inc.



Asset Management Company

HEIWA REAL ESTATE Asset Management CO., LTD.

Financial Instruments Business Agent
Reg. No. 316, Director-General, Kanto Finance Bureau (Financial Instruments and Exchange Act)
Member, The Investment Trusts Association, Japan



Table of Contents

I Overview of the 28th Fiscal Period (ended in November 2015)

1	Trajectory for Stable Growth of HEIWA REAL ESTATE REIT Inc	4
2	Highlights of the 28th Fiscal Period	6
3	Financial Performance for the 28 th Fiscal Period	7
4	Forecasts for 29 th Fiscal Period and 30 th Fiscal Period Operations	8

II Status of Operations

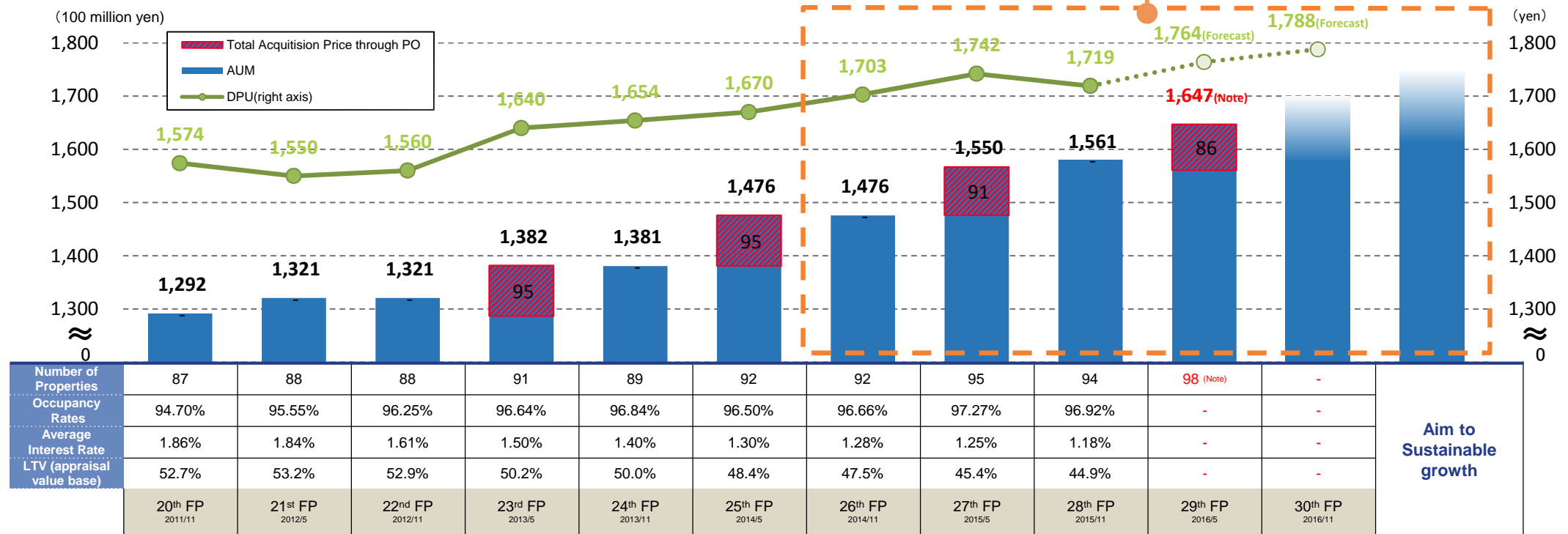
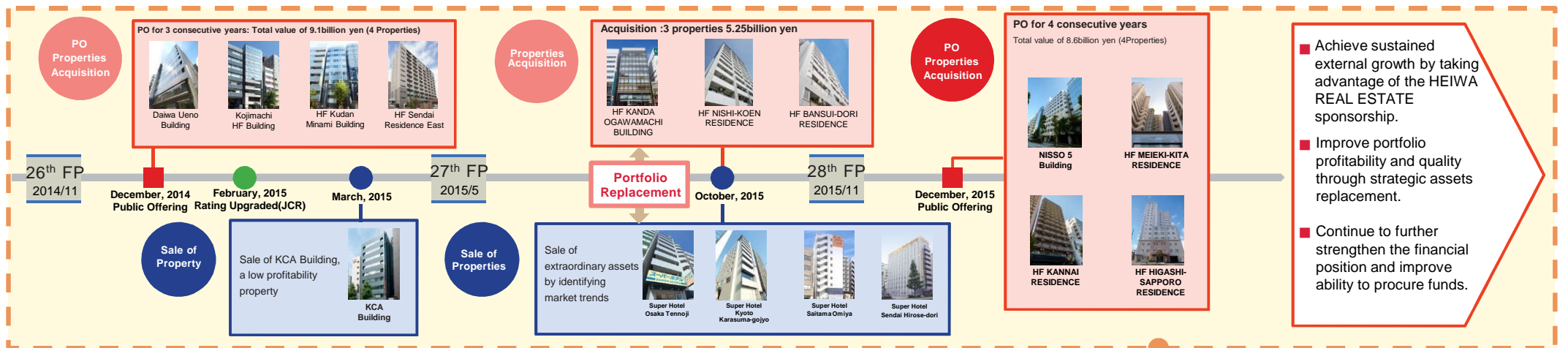
1	Status of Portfolio	10
2	External Growth: Portfolio Replacement	11
3	External Growth(reference): Properties acquired through Public Offering(29 th FP)	13
4	Internal Growth(1): Historical Occupancy Rates	15
5	Internal Growth(2): Status of Office Moving in/out	16
6	Internal Growth(3): Status of Office Operations	17
7	Internal Growth(4): Residential rental trends	18
8	Internal Growth(5): Status of Residential Operations	19
9	Internal Growth(6): Refurbishment Construction Work	20
10	Historical Appraisal Values	21
11	Financial Strategies(1): Financial Status(1)	22
12	Financial Strategies(2): Financial Status(2)	23
13	Financial Strategies(3): Financial Status(3)	24
14	Growth Strategy	25
	Appendix Diversification of Property Acquisition Methods	26

III Appendix

1	Balance Sheet	28
2	Profit and Loss Statement	29
3	Debts	30
4	Diversification in Investment Areas	31
5	Office Portfolio Performance (Tenant Attributes, Property Diversification by Office Size, Rent Share, Building Age)	32
6	Residential Portfolio Performance (Tenant Attributes, Property Diversification by Rent Amount and Office Size, Building Age)	33
7	Profits from Rental Business	34
8	Portfolio Overview and Performance (Offices)	35
9	Portfolio Overview and Performance (Residential Properties)	42
10	Historical Appraisal Values	55
11	Historical Actual NOI Return	56
12	Historical Monthly Occupancy Rates	57
13	Organization of the Asset Management Company	58
14	Status of Investment Unit Price	59

I. Overview of the 28th Fiscal Period (ended in Nov 2015)

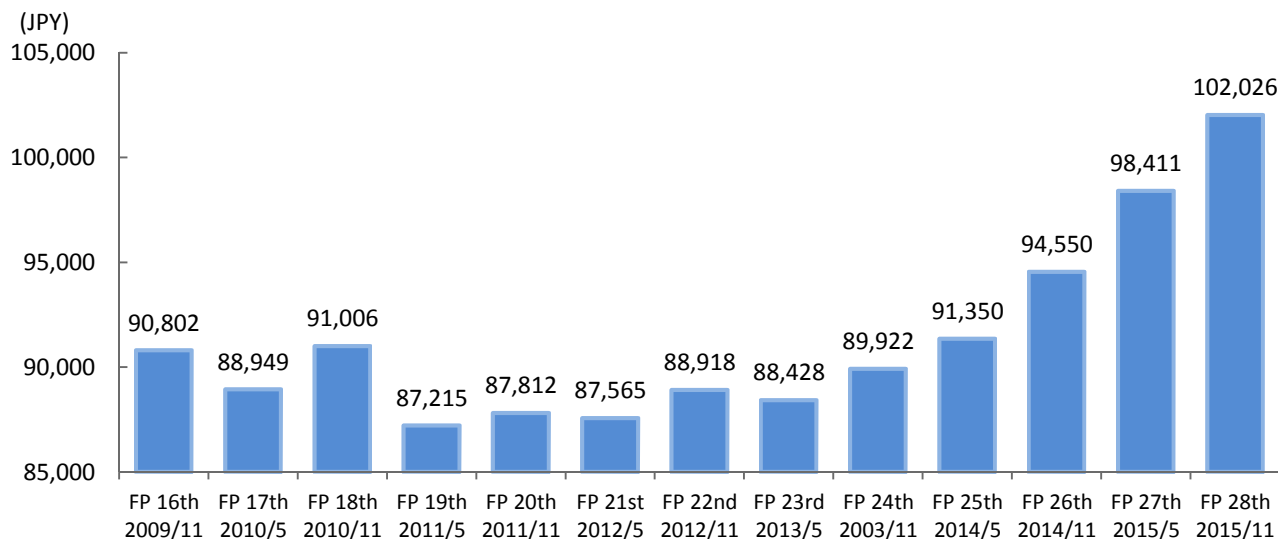
1 Trajectory for Stable Growth of HEIWA REAL ESTATE Inc.



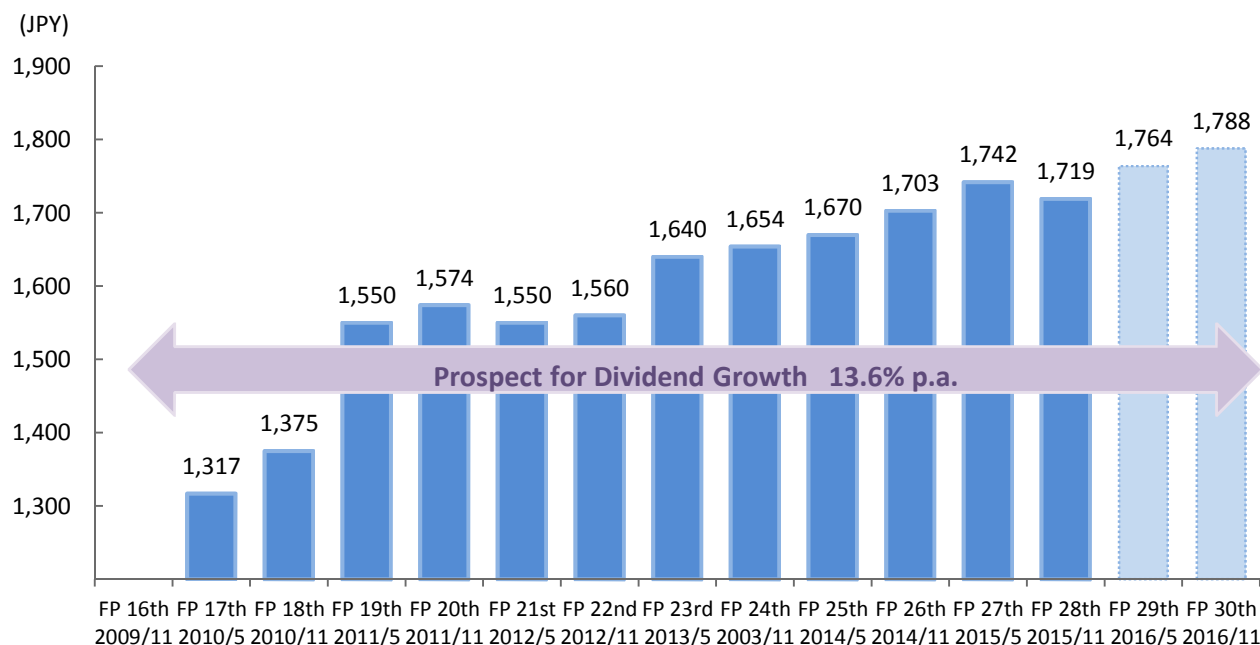
(Note) Forecast as of December 31, 2015

1 Trajectory for Stable Growth of HEIWA REAL ESTATE Inc.

Changes in NAV per unit



Changes in Distribution per unit (DPU)



Policy for utilizing negative goodwill

In accordance with the revision to the Calculation Rules for Investment Corporations, etc., the remaining amount of internal reserve due to gain on negative goodwill is transferred to “RTA (Reserve for Temporary difference Adjustment)” under the money distribution statements for the 28th Fiscal Period (six months ended Nov 2015). From the 29th Fiscal Period (six months ending May 2016), 40 yen per unit shall be broken into each period within the scope of the reserve funds to stabilize dividends.

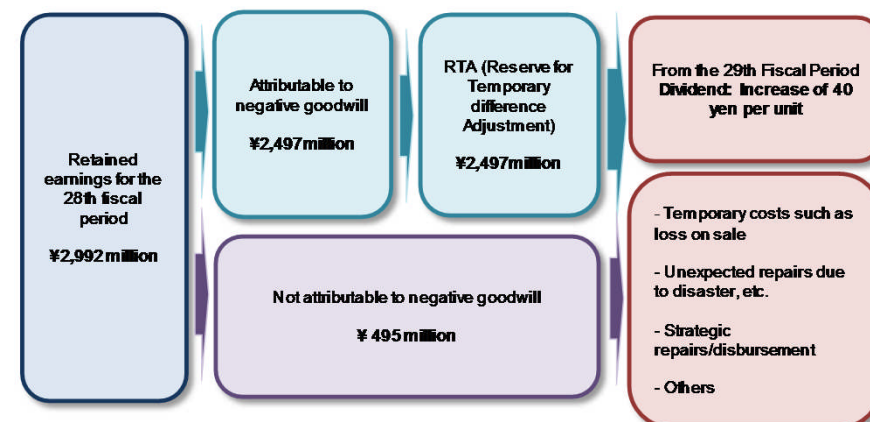
Amount transferred to RTA (Reserve for Temporary difference Adjustment):

2,497 million yen

From the 29th Fiscal Period (six months ending May 2016), 40 yen per unit shall be added to the dividends and broken into each period.

When any temporary losses, unexpected expenditures, strategic disbursement of repair costs, or other expenses are incurred, the relevant amount shall be added to the amount described above and broken into in order to stabilize the dividend.

Policy for utilizing Retained Earnings



2 Highlights of the 28th Fiscal Period

External Growth

- Portfolio Replacement
 - Sale of extraordinary assets of four hotel buildings (transfer price in total: 4.5 billion yen)
 - Purchase of one office property in Chiyoda-ku, Tokyo and two residential properties in Aoba-ku, Sendai (total acquisition cost: 5.2 billion yen)
 - Office ratio of 45.58%. Ratio in Tokyo wards rose to 72.90%.
- The 29th Fiscal Period (six months ending May 2016): Realization of equity procurement through Public Offering and property acquisition for four consecutive years
 - Total value of 8.6 billion yen: Purchase of 1 office building and 3 residential buildings

27th Fiscal Period
AUM 155.0 billion yen
Number of Properties 95

28th Fiscal Period
AUM **156.1 billion yen**
Number of properties **94**

Internal Growth

- Stably maintained high occupancy rate
- Office: Successfully improved rent gap and made upward revision
 - Number of tenants which agreed to increase:
4 for the 28th FP/11 for the 29th FP/ 3 for the 30th FP
- Residence: New rent and existing rent exhibited more obvious tendency to increase.
- Realization of gain on sales and additional increase in unrealized gain

27th Fiscal Period
Unrealized Gain :
6,106 million yen

28th Fiscal Period
Unrealized Gain :
9,164 million yen

27th Fiscal Period
Average Occupancy rate
during the period : 97.27%

28th Fiscal Period
Average Occupancy rate
during the period: 96.92%

Financial Operations

- Loan periods extended, terms of repayment staggered, and interest charges lowered
- High hedge ratio
- Interest charges continued to lower
- Expansion of investment capacity with cash on hand and by borrowing

27th Fiscal Period
Average of Loan Term : 5.76years

28th Fiscal Period
Average of Loan Term : 6.19years

27th Fiscal Period
Average of Interest Rate : 1.252%

28th Fiscal Period
Average of Interest Rate : 1.179%

Distribution

- Expensed the public charges and taxes for the assets acquired during the 27th FP
- The dividends for the 29th and 30th FP are expected to increase as a result of the contribution made by the properties acquired at the beginning of the 29th FP
- Determined the policy for utilizing negative goodwill (addition of 40 yen per unit for each period)

27th Fiscal Period : 1,742 yen/unit

28th Fiscal Period : 1,719 yen/unit

29th Fiscal Period : 1,764 yen/unit

30th Fiscal Period : 1,788 yen/unit

3 Financial Performance for the 28th Fiscal Period

- Aside from the effects of property replacement, achieved the level initially expected in a steady manner
- Expensed the public charges and taxes for the properties acquired at the beginning of the 27th Fiscal Period
- Included gain on sales owing to the disposal of properties and costs for the prepayment of borrowings

(Unit: million yen)

	27th FP Actual Performance	28th FP Actual Performance	Change from previous period	28th FP Budget	Change from Budget
Operating revenue	5,415	5,923	507	5,921	1
Operating expenses	3,654	3,136	△518	3,150	△13
Operating income	1,760	2,787	1,026	2,771	15
Non-operating income	3	10	6	6	4
Non-operating expenses	651	687	35	695	△8
Ordinary income	1,112	2,110	997	2,081	28
Net income	1,111	2,109	997	2,081	28
EPU (net income per unit) (yen)	1,169	2,218	1,049	2,188	30
Appropriated retained earnings	545	—	△545	—	—
Internal Reserve	—	474	474	446	28
DPU (Distribution per unit) (yen)	1,742	1,719	△23	1,719	0

Attributes for Change from Previous Period (28th Fiscal Period – 27th Fiscal Period)				
Attributes			Amount	
Operating revenue	Office	Property acquired in 28 th FP	10	
		Property sold in 27 th FP	△17	
		Existing properties	9	
	Residence	Properties acquired in 28 th FP	12	
		Existing properties	△32	
Hotel		Properties sold in 28 th FP	△26	
		Gain on sale of properties	551	
Operating expenses	Office	Property acquired in 28 th FP	5	
		Property sold in 27 th FP	△9	
		Existing properties	35	
	Residence	Properties acquired in 28 th FP	7	
		Existing properties	△24	
	Hotel	Properties sold in 28 th FP	△10	
	SGA		40	
		Loss on sale of property	△559	
Non-operating revenue	Interest income		5	
Non-operating expenses	Loan-related expenses		38	

※28th FP(October 29,2015) : Acquired 1 Office building and 2 Residences
 ※28th FP (October 30,2015) : Sold of 4 hotel Properties

Attributes for Change from Budget (28th FP Actual – 28th FP Budget)				
Attributes			Amount	
Operating revenue	Office	Decreased utilities expenses	△21	
		Increased repair expense	5	
	SGA		3	
Operating expenses	Loan-related expenses		△8	

(Note) Forecasts for the 28th Fiscal Period are forecast figures announced on October 15,2015

4 Forecasts for 29th Fiscal Period and 30th Fiscal Period Operations

- The properties acquired at the beginning of the 29th FP are expected to contribute to dividends.
- The 29th FP is projected to be a busy period for Residence, and thus a continuously high occupancy rate will be maintained.
- Efforts to continually reduce costs (management costs, interest expenses)

(Unit: million yen)

	28th Fiscal Period Result (a)	29th Fiscal Period Forecast (b)	30th Fiscal Period Forecast (b)	Variation (b-a)	Variation (c-b)
Operating revenue	5,923	5,623	5,653	△300	30
Operating expenses	3,136	3,263	3,294	127	31
Operating income	2,787	2,359	2,359	△427	0
Non-operating income	10	4	4	△6	0
Non-operating expenses	687	613	588	△73	△25
Ordinary income	2,110	1,750	1,775	△359	24
Net income	2,109	1,750	1,774	△359	24
EPU (net income per unit)(yen)	2,218	1,724	1,748	△494	24
Internal Reserve	474	—	—	△474	—
Reversal of RTA	—	40	40	40	0
DPU (Distribution per unit) (yen)	1,719	1,764	1,788	45	24

Key Assumption for forecast		28 th FP(Actual)	29 th FP	30 th FP
Occupancy Rate	Portfolio	96.92%	96.61%	96.77%
	Office	97.70%	96.66%	97.08%
	Residence	96.21%	96.58%	96.58%
NOI Yield	Portfolio	4.95%	4.91%	4.88%
	Office	4.95%	4.90%	4.91%
	Residence	4.88%	4.91%	4.86%
Reversal of RTA		-	40million yen	40million yen
Outstanding investment Units		951,147units	1,014,847units	1,014,847units

Forecast Dividend per Unit				
29 th Fiscal Period			30 th Fiscal Period	
1,764 yen			1,788 yen	
Attributes for Change				
Attributes			29th FP Forecast	30th FP Forecast
Operating revenue	Office	Properties acquired in 28 th FP/29 th FP	133	-
		Existing properties	△15	38
	Residence	Properties acquired in 28 th FP/29 th FP	228	-
		Existing properties	27	△8
	Hotel	Properties sold in 28 th FP	△122	-
	Gain on properties sale		△551	-
Operating expenses	Office	Properties acquired in 28 th FP/29 th FP	46	-
		Existing properties	13	26
	Residence	Properties acquired in 28 th FP/29 th FP	99	-
		Existing properties	23	2
	Hotel	Properties sold in 28 th FP	△36	-
	SGA		△17	2
Non-operating expenses	Interest expenses		△10	△15
	Loan-related expenses		△62	△9

End of 27th FP Retained Earnings **2,518 million yen**

End of 28th FP Internal Reserve **474 million yen**

End of 28th FP Retained Earnings **2,992 million yen**

↳ Reserve for temporary difference adjustment 2,497 million yen
 ↳ Retained Earnings 495 million yen

(note) Forecasted figures were announced on November 27, 2015. These forecasted figures are calculated based on certain assumptions made as of this date, and actual net income and dividends may vary in accordance with changes in conditions. This forecast should not be construed as a guarantee of the dividend amount.

II Status of Operations

1 Status of Portfolio

Summary of Portfolio

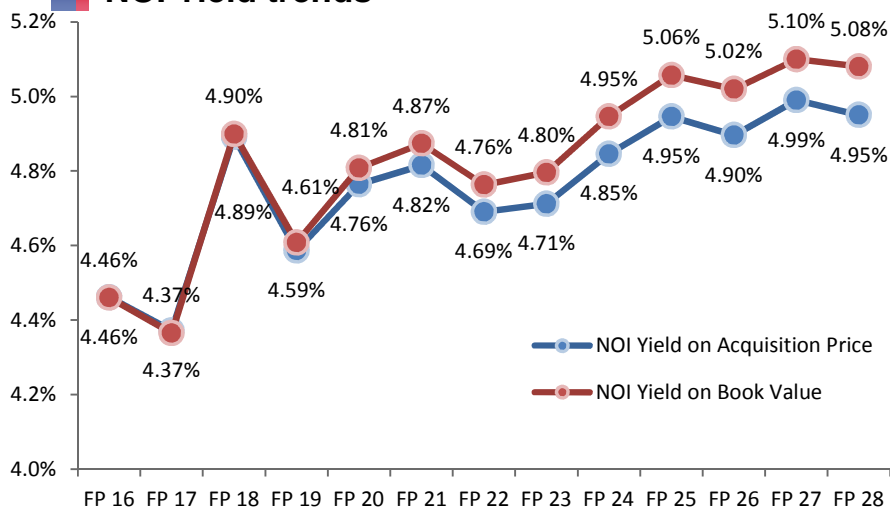
		27th Fiscal Period				28th Fiscal Period			
		Overall	Office	Residence	Hotel	Overall	Office	Residence	Hotel
Asset size at end of period (million yen)		155,039	68,006	82,853	4,180	156,109	71,156	84,953	-
Number of properties (buildings) at end of period		95	30	61	4	94	31	63	-
Occupancy rates: (%)	End of period	96.84	97.25	96.30	100.00	96.59	97.01	96.31	-
	Period average	97.27	97.34	96.98	100.00	96.92	97.70	96.21	100.00
Portfolio NOI yield (%) (Note 1)		4.99	5.06	4.86	6.20	4.95	4.95	4.88	6.32
Book Value Yield (%) (Note 2)		5.10	5.04	5.07	6.66	5.08	4.97	5.09	6.76
Yield after depreciation (%) (Note 3)		3.84	4.01	3.64	4.86	3.76	3.89	3.60	4.96

(Note 1) NOI return = Actual NOI (Annualized) / Acquisition price.

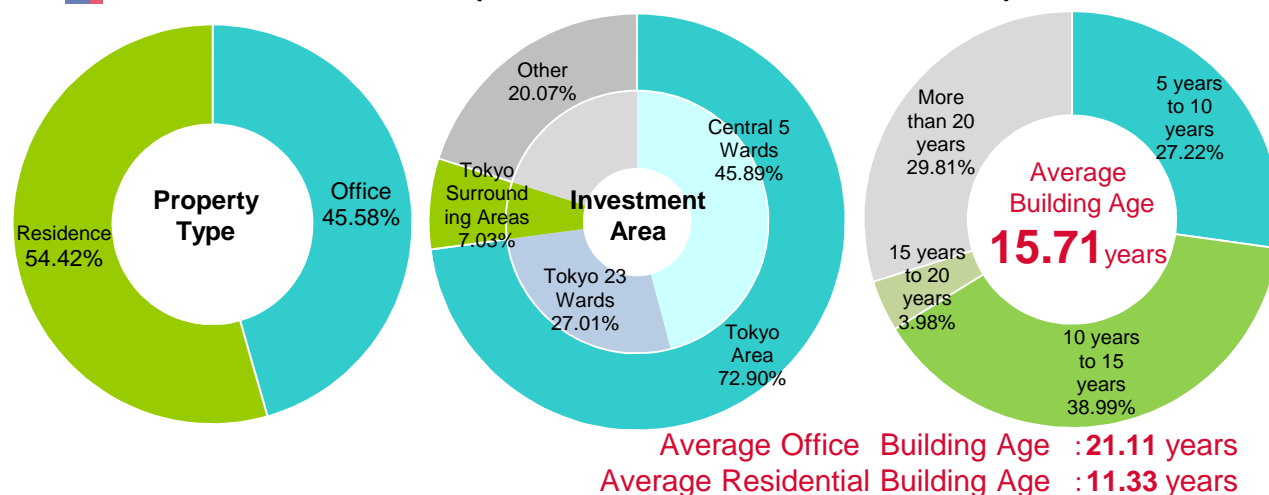
(Note 2) BV Yield = Actual NOI (Annualized) ÷ ((beginning of BV ÷ end of BV) ÷ 2)

(Note 3) Yield after depreciation = Actual Rental business profit (annualized) / Acquisition price

NOI Yield trends



Portfolio Breakdown (as of the end of November 2015)

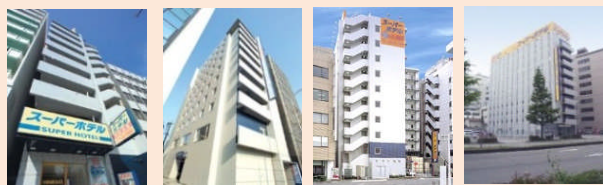


(Note) The figures in the graphs indicate the ratio of acquisition price of each item versus the total acquisition price of each category, and are rounded to the second decimal place.

1 External Growth: Portfolio Replacement

- Replaced extraordinary assets of 4 hotel properties with 1 office property and 2 residential properties that are main investment assets.
- Replaced with office and residential properties that have prospects for future upside when hotels with fixed rent are disposed.
- Expanded the investment ratio for the 5 wards in central Tokyo to secure earnings stability in future.

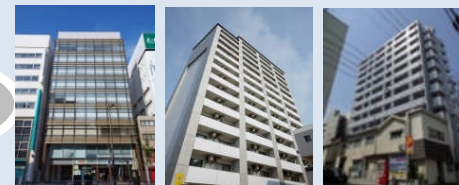
Transfer of 4 exceptional hotel assets



Super Hotel Osaka Tennoji Super Hotel Kyoto Karasuma-gojo Super Hotel Saitama Omiya Super Hotel Sendai Hirose-dori

Total Acquisition Price	4,180 million yen
Total Appraisal Value	4,559 million yen
Total Sales Price	4,559 million yen
Total Gain on sale	551million yen
Transfer Date	Oct 30, 2015

Acquisition of 1 office asset and 2 residence assets



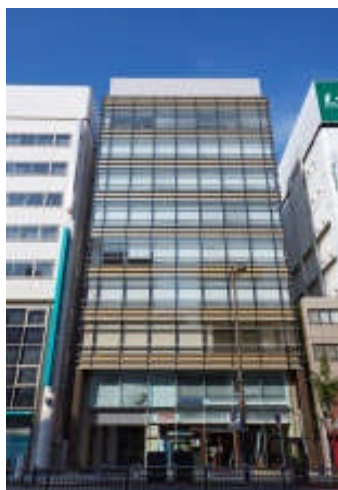
HF Kanda Ogawamachi Building HF NISHIKOEN RESIDENCE HF BANSUIDORI RESIDENCE

Total Acquisition Price	5,250 million yen
Total Appraisal Value	5,805 million yen
NOI Yield	5.32%
NOI Yield After Depreciation	4.31%
Acquisition Date	Oct 29, 2015

Overview of the newly acquired properties

HF KANDA OGAWAMACHI BUILDING^(note1)

Location	Chiyoda-ku, Tokyo
Acquisition Price	3,150 million yen
Appraisal Value	3,530 million yen
Total Leasable Floor Space	3,016.16㎡
Construction Completion Date	March ,2008
Total Number of Tenants ^(Note2)	5
NOI Yield ^(Note3)	4.80%
NOI Yield After Depreciation ^(Note3)	4.33%
Date of Acquisition	Oct 29 ,2015



Characteristics of Property

- Located about a 5 minute-walk from Jinbocho Station on the Tokyo Metro Hanzomon Line/Toei Shinjuku Line/Toei Mita Line, Awajicho Station on the Tokyo Metro Marunouchi Line, and Ogawamachi Station of the Toei Shinjuku Line, and about a 7 minute-walk from Ochanomizu Station on the JR lines/Tokyo Metro Marunouchi Line. The convenience of using multiple lines and stations offers great accessibility to various parts of Tokyo.
- Completed in 2008. In terms of exterior cladding (glass outer walls), appearance, and overall grade of building and materials, the specifications resemble those of buildings constructed in recent times. The size of a room for rent on a standard floor is about 99 *tsubos*. The ceiling height is 2,650 mm. It is possible to rent both a whole floor and a divided space.

Map



(Note1) The name of the property HF Kanda Ogawamachi Building is currently Kanda Ogawamachi Tosei Building II. As of February 2016, the name will be changed to HF Kanda Ogawamachi Building, and thus this name is listed in this document.

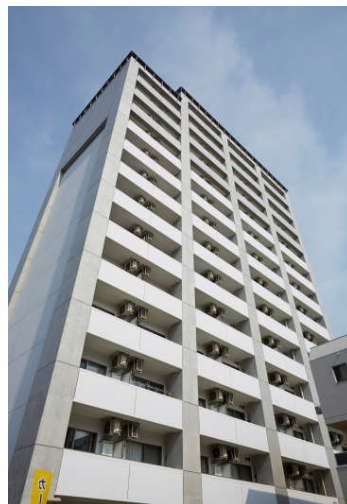
(Note2) As of November 30, 2015

(Note3) In regards to the NOI yield and the yield after depreciation, the retention period is short, about one month, and the public charges and taxes were not expensed. Thus, the depreciation for 12 months is used. This is estimated by using the depreciation ratio in the straight-line method corresponding to the net operating income (NOI) for 12 months, which serves as the assumption for the value indicated by the income approach under the direct capitalization method shown in the appraisal report at the time of acquisition, and the service life.

2 External Growth: Portfolio Replacement

HF NISHI-KOEN RESIDENCE

Location	Sendai, Miyagi
Acquisition Price	1,310 million yen
Appraisal Value	1,410million yen
Total Leasable Floor Space	2,939.82㎡
Construction Completion Date	February, 2006
Total Leasable Units	102
NOI Yield ^(Note1)	6.05%
NOI Yield After Depreciation ^(Note1)	4.22%
Date of Acquisition	Oct 29 ,2015



Characteristics of Property

• Located an 11 minute-walk from Hirose-dori Station on the Sendai Subway Namboku Line and a 7 minute-walk from Omachi Nishi-koen Station on the Sendai Subway Tozai Line, which opened in December 2015. Two lines available. Great access to downtown Sendai.

• Equipped with an automatic lock, bath and toilet that are divided, a dehumidifier for the bathroom, a built-in kitchen, an intercom with a television monitor, delivery boxes, etc. Facility standards adequately satisfy the demands of unmarried individuals.

Map



HF BANSUI-DORI RESIDENCE

Location	Sendai, Miyagi
Acquisition Price	790 million yen
Appraisal Value	866 million yen
Total Leasable Floor Space	2,037.38㎡
Construction Completion Date	February, 2006
Total Leasable Units	66
NOI Yield ^(Note)	6.19%
NOI Yield After Depreciation ^(Note)	4.38%
Date of Acquisition	Oct 29 ,2015



Characteristics of Property

• Located a 6 minute-walk from Hirose-dori Station on the Sendai Subway Namboku Line and a 6 minute-walk from Aoba-dori Ichibancho Station on the Sendai Subway Tozai Line, which opened in December 2015. Two lines are available in the area. Great access to central Sendai.

• Equipped with an automatic lock, bath and toilet which are divided, a dehumidifier for the bathroom, a built-in kitchen, an intercom with a television monitor, delivery boxes, etc. Facility standards adequately satisfy the demands of unmarried individuals.

MAP



(Note)In regards to the NOI yield and the yield after depreciation, the retention period is short, about one month, and the public charges and taxes were not expensed. Thus, the depreciation for 12 months is used. This is estimated by using the depreciation ratio in the straight-line method corresponding to the net operating income (NOI) for 12 months, which serves as the assumption for the value indicated by the income approach under the direct capitalization method shown in the appraisal report at the time of acquisition, and the service life.

3 External Growth(reference) :Properties acquired through Public Offering(29th FP)

NISSO 5 Building

Location	Yokohama, Kanagawa
Acquisition Price	3,100 million yen
Appraisal Value	3,280 million yen
Total Leasable Floor Space	5,893.08m ²
Construction Completion Date	July, 1987
Total Number of Tenants ^(Note2)	1
Occupancy Rate ^(Note1)	100%
NOI Yield ^(Note3)	4.72%
NOI Yield After Depreciation ^(Note3)	3.71%
Date of Acquisition	December 21, 2015



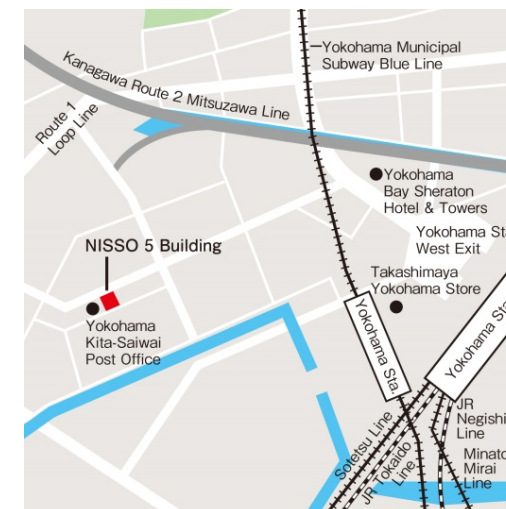
Characteristics of Property

• Located about an 8 minute-walk from Yokohama Station, where JR lines and private rail lines are available, and about a 6 minute-walk from Yokohama Station on the Yokohama Municipal Subway Blue Line. Great access in terms of transportation.

• In 2011, the entrance was substantially renovated. Well maintained and managed.

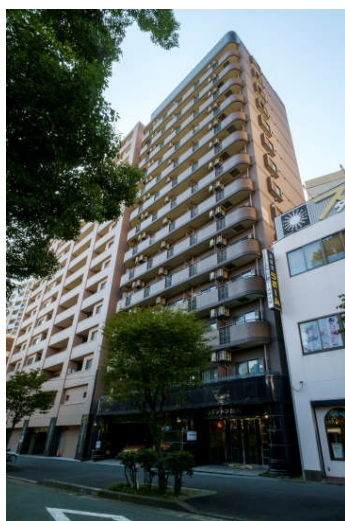
• The ceiling height is 2,440 mm (including 40 mm for the OA floor). Facility standards sufficient to attract tenants, such as the OA floor (partial), two elevator units, individual air conditioning systems, and parking spaces for 33 vehicles.

Map



HF KANNAI RESIDENCE

Location	Yokohama, Kanagawa
Acquisition Price	1,800 million yen
Appraisal Value	1,930 million yen
Total Leasable Floor Space	2,963.30m ²
Construction Completion Date	November, 2006
Total Leasable Units	117
Occupancy Rate ^(Note1)	96.50%
NOI Yield ^(Note2)	5.56%
NOI Yield After Depreciation ^(Note2)	4.25%
Date of Acquisition	December 18, 2015

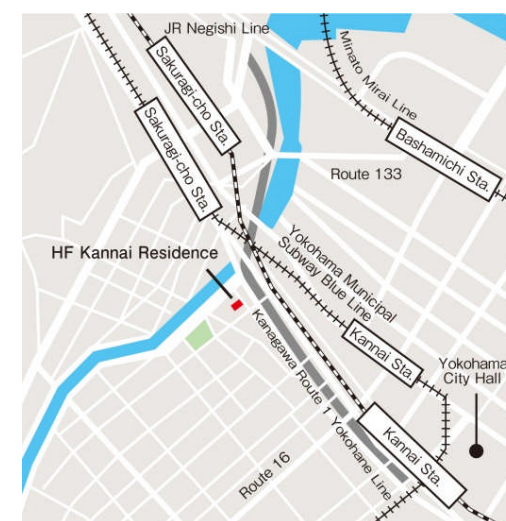


Characteristics of Property

• Located about a 6 minute-walk from Sakuragicho Station/Kannai Station on the JR lines, about 3 minutes from Sakuragicho Station on the Yokohama Municipal Subway Blue Line, and about a 10 minute-walk from Bashamichi Station on the Minatomirai Line. Great access to both central Tokyo and central Yokohama.

• Equipped with an automatic lock, bath and toilet which are divided, a dehumidifier for the bathroom, a kitchen with a two-burner gas stove, an intercom with a television monitor, delivery boxes and a douche-equipped toilet seat. Facility standards satisfy the demands of unmarried individuals, which are the main consumer group.

Map



(Note 1) As of October 31, 2015

(Note 2) In regards to the NOI yield and the yield after depreciation, the following depreciation is used: The depreciation for 12 months, which is estimated by using the depreciation ratio in the straight-line method corresponding to the net operating income (NOI) for 12 months, which serves as the assumption for the value indicated by the income approach under the direct capitalization method shown in the appraisal report at the time of acquisition, and the service life.

3 External Growth(reference) :Properties acquired through Public Offering(29th FP)

HF MEIEKI-KITA RESIDENCE

Location	Nagoya, Aichi
Acquisition Price	2,160 million yen
Appraisal Value	2,240 million yen
Total Leasable Floor Space	4,692.26㎡
Construction Completion Date	August, 2007
Total Leasable Units	113
Occupancy Rate (Note1)	91.59%
NOI Yield (Note2)	5.41%
NOI Yield After Depreciation (Note2)	4.23%
Date of Acquisition	December 18, 2015



Characteristics of Property

• Located about an 8 minute-walk from Nagoya Station on the JR lines and the Nagoya Municipal Subway Sakuradori Line/Higashiyama Line, about an 8 minute-walk from Nagoya Station on the Meitetsu Nagoya Main Line, and about a 6 minute-walk from Kamejima Station on the Nagoya Municipal Subway Higashiyama Line. Multiple lines are available. Great access to the downtown commercial district.

• Equipped with an automatic lock, bath and toilet which are divided, a dehumidifier for the bathroom, a reheating function, a kitchen with a two-burner gas stove, an intercom with a television monitor, delivery boxes and a douche-equipped toilet seat. Facility standards satisfy the demands of unmarried individuals which are the main consumer group.

Map



HF HIGASHI-SAPPORO RESIDENCE

Location	Sapporo, Hokkaido
Acquisition Price	1,560 million yen
Appraisal Value	1,630 million yen
Total Leasable Floor Space	7,161.70㎡
Construction Completion Date	March, 2008
Total Leasable Units	151
Occupancy Rate (Note1)	93.76%
NOI Yield (Note2)	6.10%
NOI Yield After Depreciation (Note2)	4.46%
Date of Acquisition	December 18, 2015

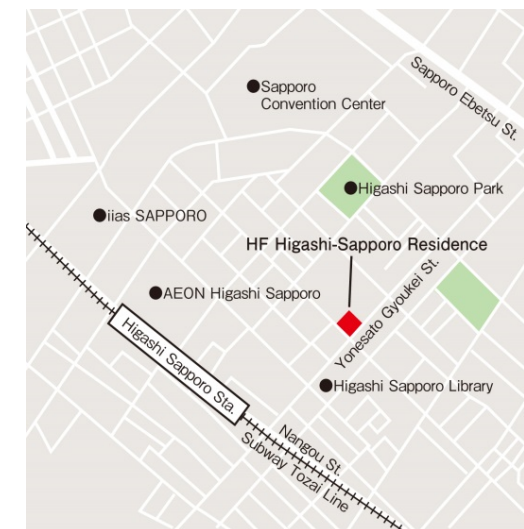


Characteristics of Property

• Located about a 9 minute-walk from Higashisapporo Station on the Sapporo Municipal Subway Tozai Line and about an 11 minutes ride from Higashisapporo Station to Sapporo Station. Great access to central Sapporo.

• Equipped with an automatic lock, bath and toilet which are divided, a city gas water heater, a city gas FF stove, a kitchen with a two/three-burner gas stove, an intercom with a television monitor, delivery boxes, and a douche-equipped toilet seat. The city gas facilities provide a cheaper unit price than the propane gas facilities, which is the main factor in attracting more tenants that demand city gas. Facility standards satisfy the demands of unmarried individuals, which are the main consumer group. In addition, the land is large in area (about 2,134 m²), with parking spaces equipped with a road heating system for 82 vehicles, and can meet the demands for parking lots.

Map



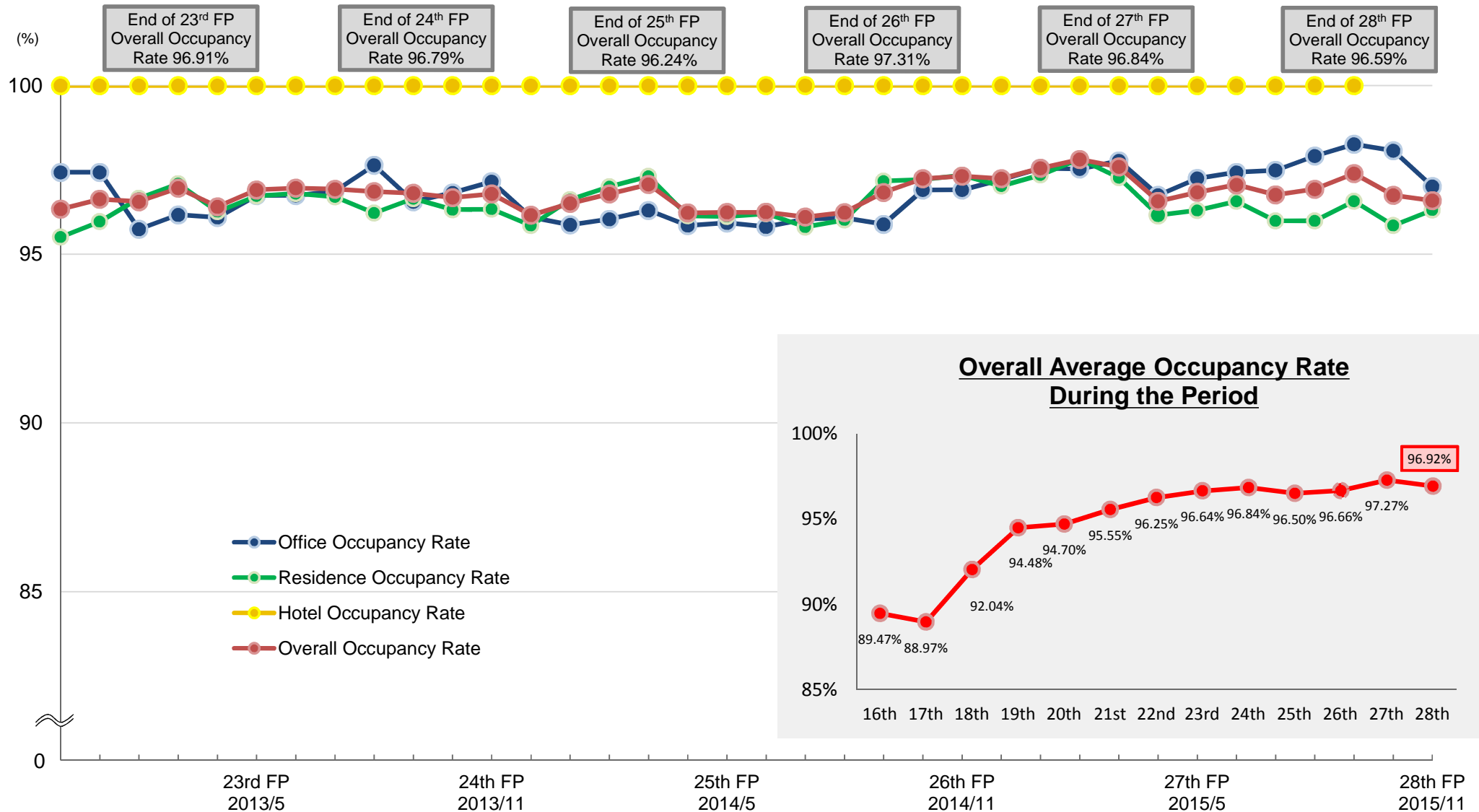
(Note 1) As of October 31, 2015

(Note 2) In regards to the NOI yield and the yield after depreciation, the following depreciation is used: The depreciation for 12 months, which is estimated by using the depreciation ratio in the straight-line method corresponding to the net operating income (NOI) for 12 months, which serves as the assumption for the value indicated by the income approach under the direct capitalization method shown in the appraisal report at the time of acquisition, and the service life.

4 Internal Growth (1) : Historical Occupancy Rates

- The average occupancy rate for the 28th FP: 96.92% (the average overall occupancy rate exceeded 95% for eight consecutive periods.)
- Maintained stable and high occupancy rates throughout the period both for Offices and Residential Properties, despite the slightly negative effects of property replacement on the occupancy rate (the occupancy rate of properties sold is 100%).

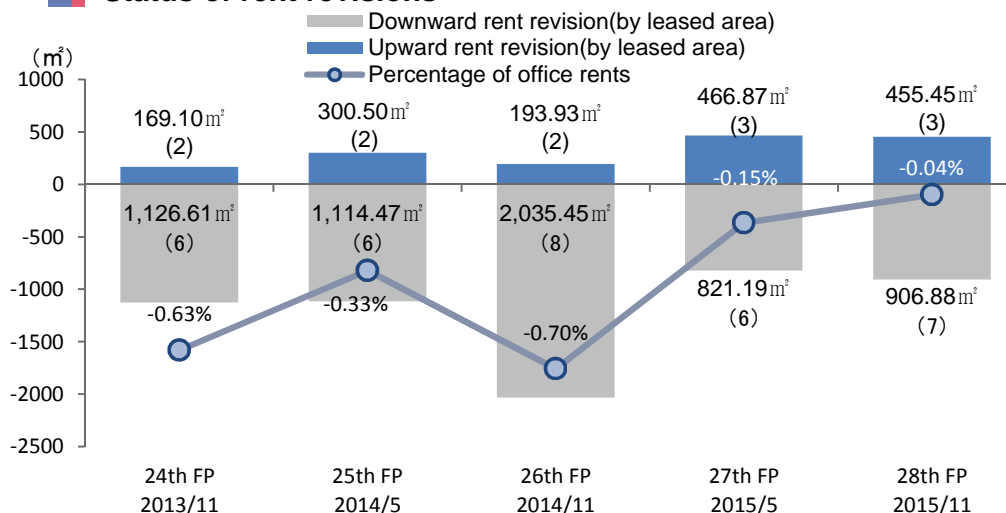
Historical Data of Occupancy Rates



5 Internal Growth(2): Status of Office Moving in/out

- Long-term vacancies were utilized, the free rent duration was shortened, and the average occupancy rate increased.
- Signs of change in trends of new residence tenants

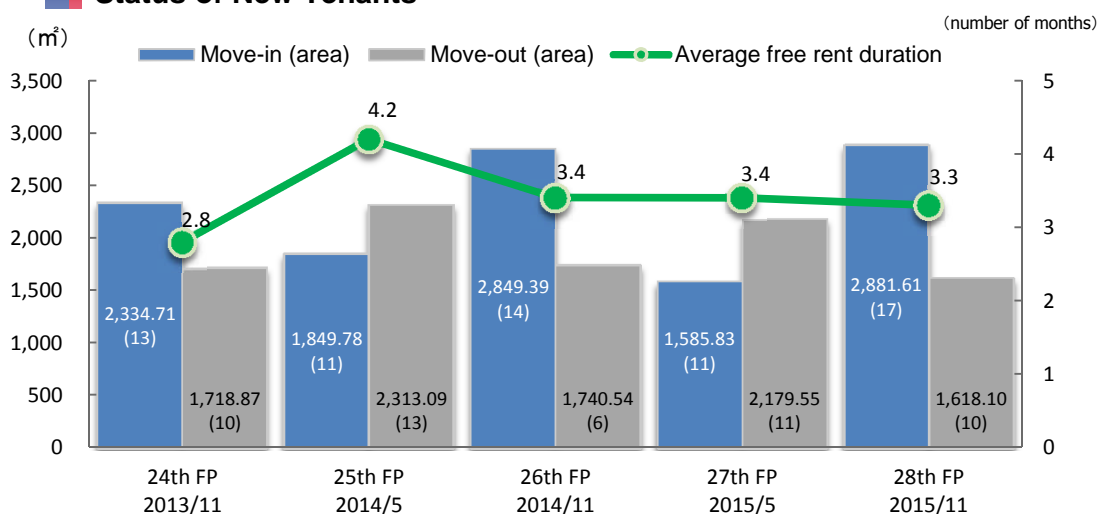
Status of rent revisions



(Note) Figures in parentheses indicate the number of tenants with rent revisions.

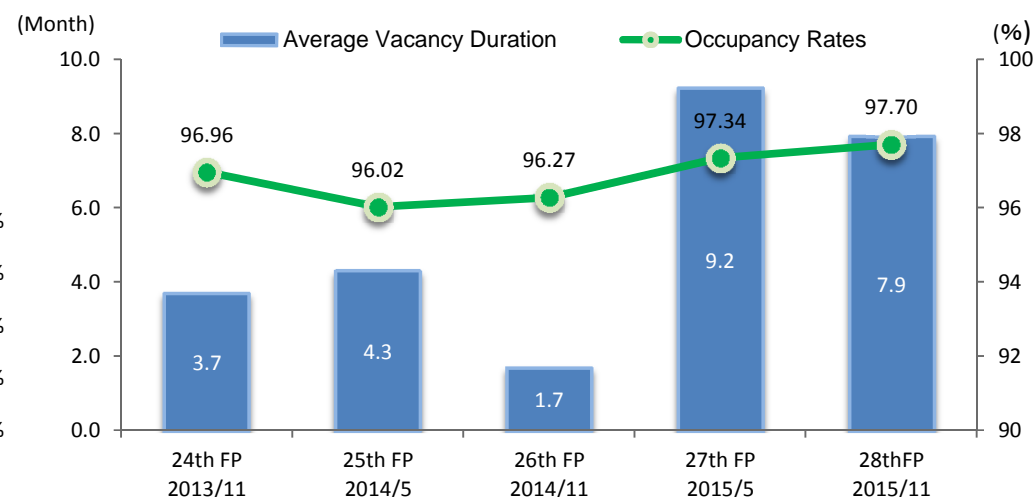
(Note) The rent ratio is the ratio of monthly office rent revenue.

Status of New Tenants



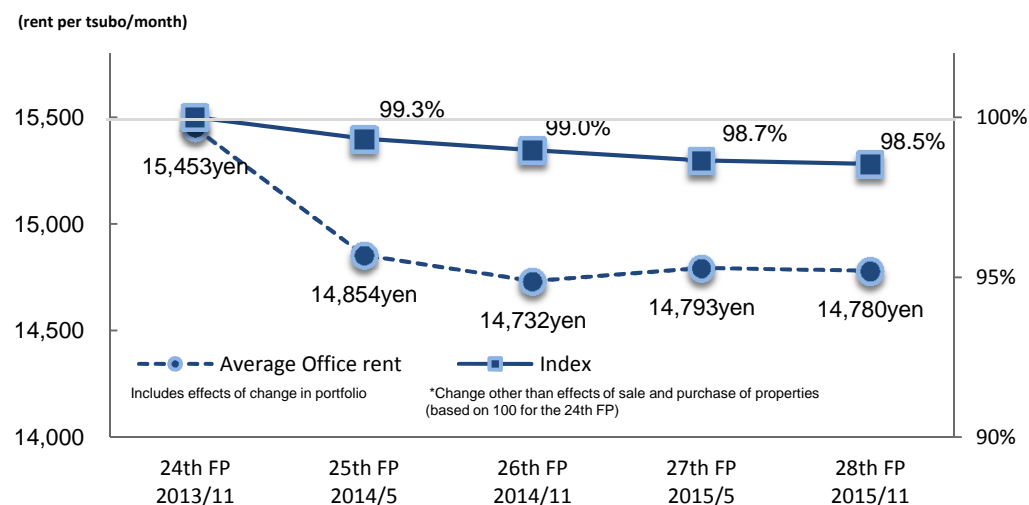
(Note) Figures in parentheses indicate the number of tenants with rent revisions.

Occupancy Rates and Vacancy Duration



(Note) The average office vacancy duration is defined as the vacancy duration for offices with new tenants.

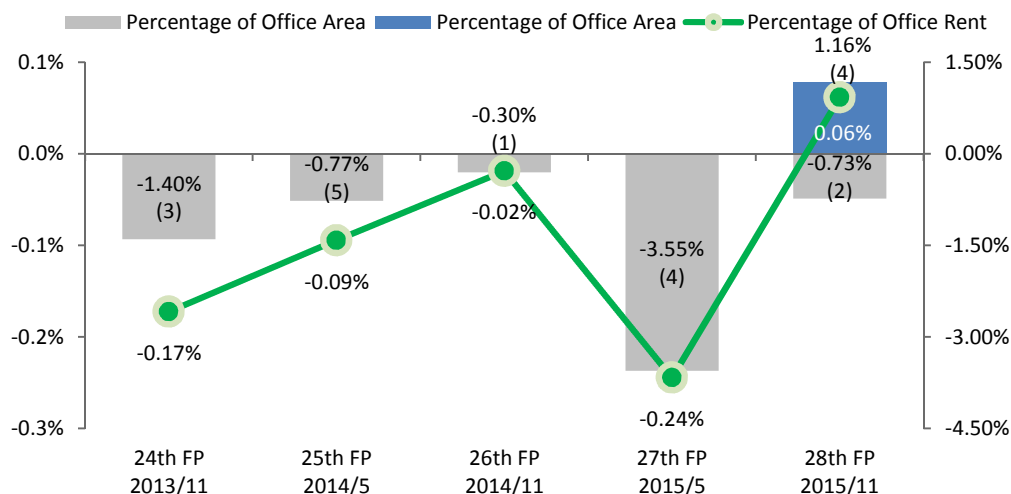
Average of Office Rent Trends



6 Internal Growth (3) : Status of Office Operations

- Rent revision of the existing tenants turned to positive.
- Rise in market rents and downward rent revision to a certain extent resulted in a substantial reduction in the rent gap.
- The number of tenants with positive gap increased, and upward revision is expected to be made in the future.

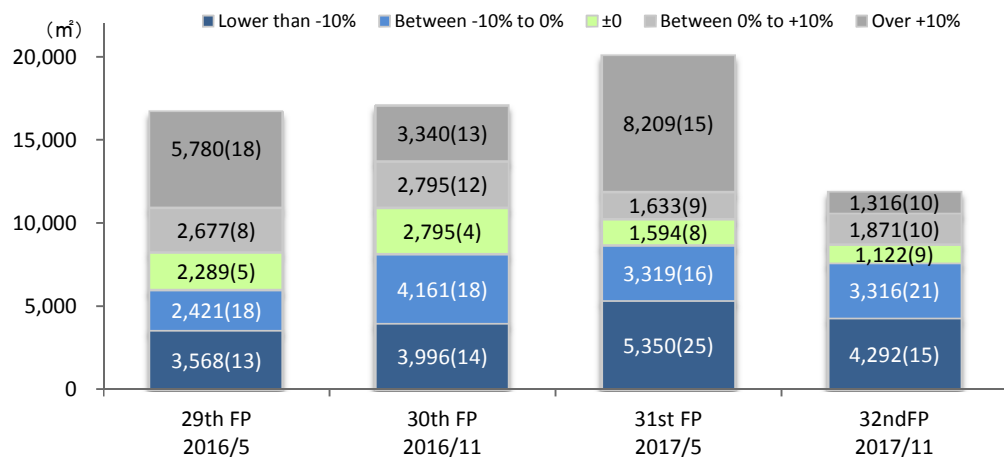
Status of Existing Tenant Rent Revision



(Note) Figures in parentheses indicate the number of tenants with rent revisions.

(Note) The rent ratio is the ratio of monthly office rent revenue.

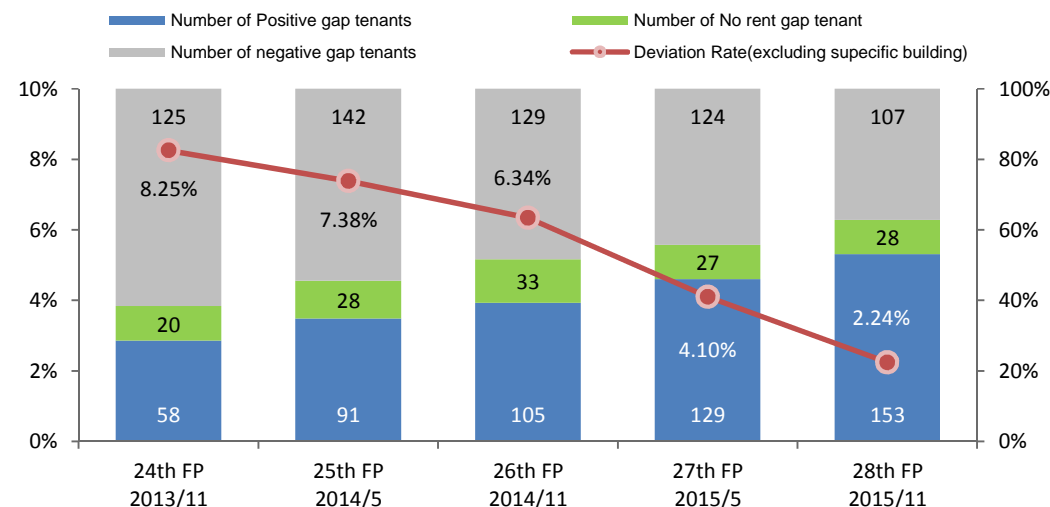
Schedule for renewal of agreement (based on rent area) and rent gap (rent/market rent)



(Note) Excludes Kayabacho Heiwa Building, whose specifications have been substantially changed because of a single tenant, and Mita Heiwa Building (leasehold land property).

(Note) Figures in parentheses indicate the number of tenants with rent revisions

Rent Gap Trends



(Note) "Positive gap" refers to the tenant's rent being lower than the market rent.

(Note) "Negative gap" refers to the tenant's rent being higher than the market rent.

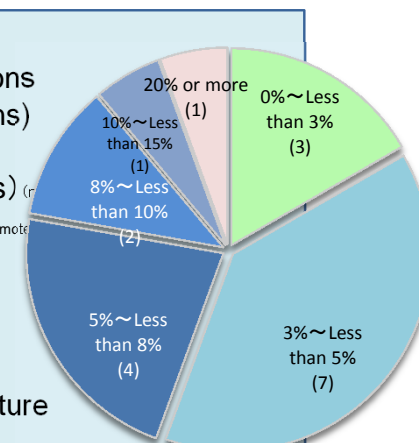
(Note) Excludes Kayabacho Heiwa Building, whose specifications have been substantially changed because of a single tenant, and Mita Heiwa Building (leasehold land property).

● Status of agreement on upward rent revisions (average revision rate and number of revisions)

- 28th FP (Nov, 2015): 9.81% (4 tenants)
- 29th FP (May, 2016): 4.67% (11 tenants)
- 30th FP (Nov, 2016): 11.65% (3 tenants)

● Number of tenants and area with a positive gap are expected to increase for each period.

-> Greater prospects for upward revision in future

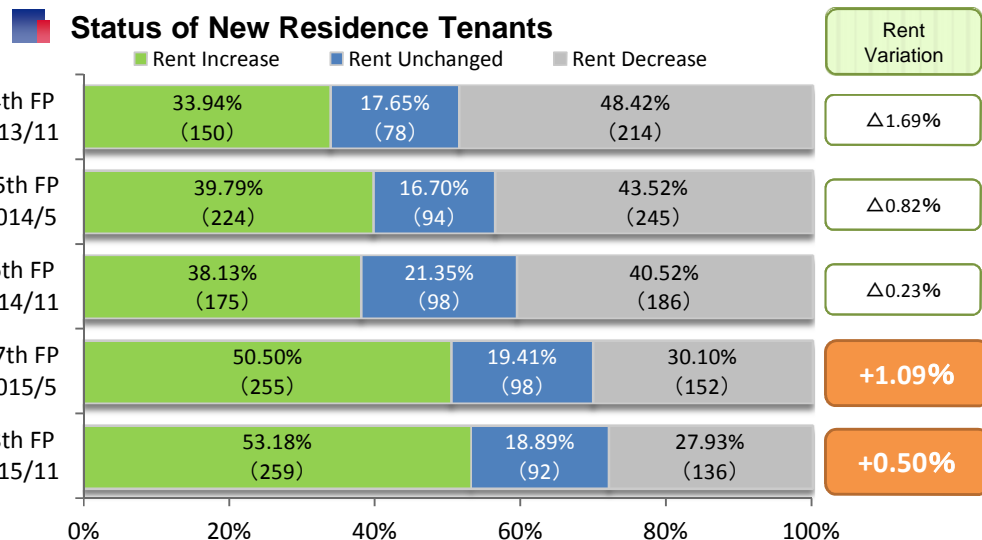


Status of the rents revised upward from the 28th FP (ratio of tenants by the rate of monthly rent revision)

(Note) The number of tenants subject to upward revision for the 29th and 30th Fiscal Periods indicates the number of agreements on upward revision as of December 31, 2015.

7 Internal Growth (4) : Residential rental trends

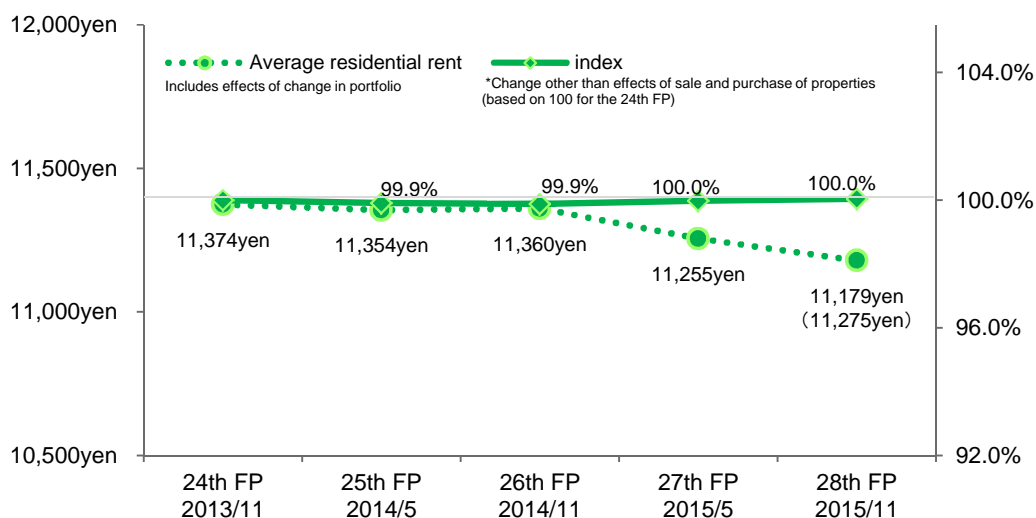
- Trends in the increase of new residence tenants and rent revisions became clearer.
- Average of rent began to increase.



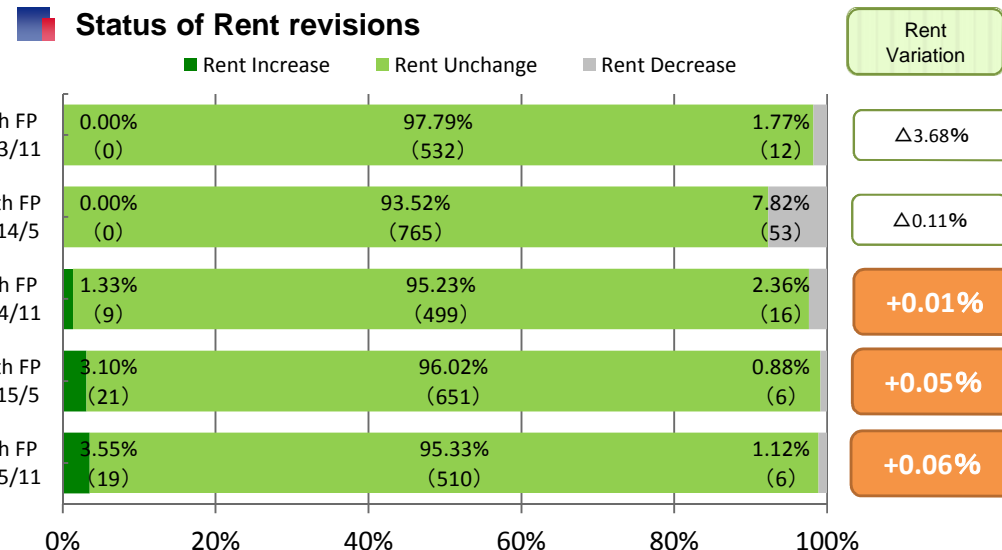
(Note) Figures in parentheses are the number of tenants that apply to each category.

(Note) New tenants in the 24th Fiscal Period exclude the 3 properties sold during the 24th Fiscal Period

Average of Residence Rent Trends

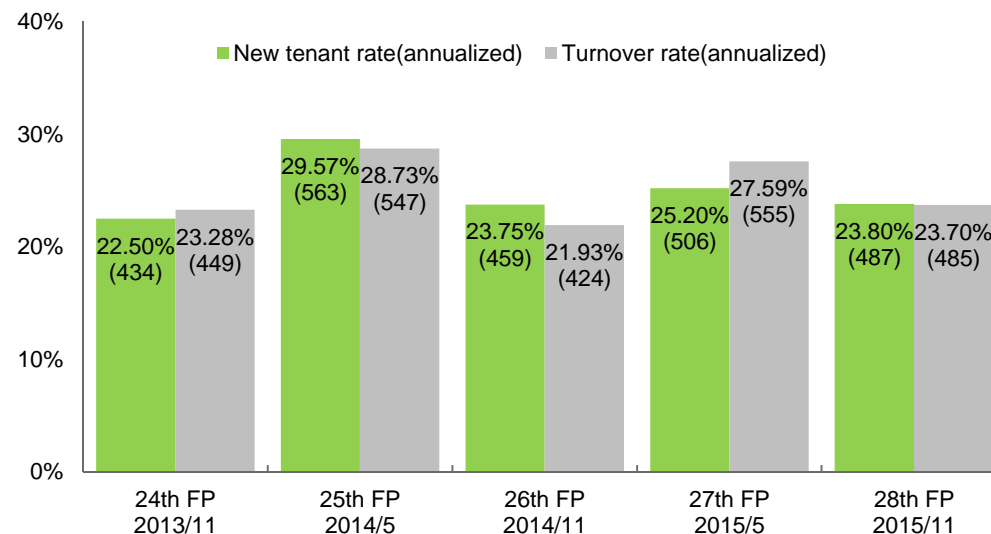


(Note) Figures in parenthesis for the 28th FP indicate average residence rent(including common Service Charge) excluding the 2 properties acquired of the 28th FP.



(Note) Figures in parentheses indicate the number of tenants with rent revisions.

Tenants Turnover Trends



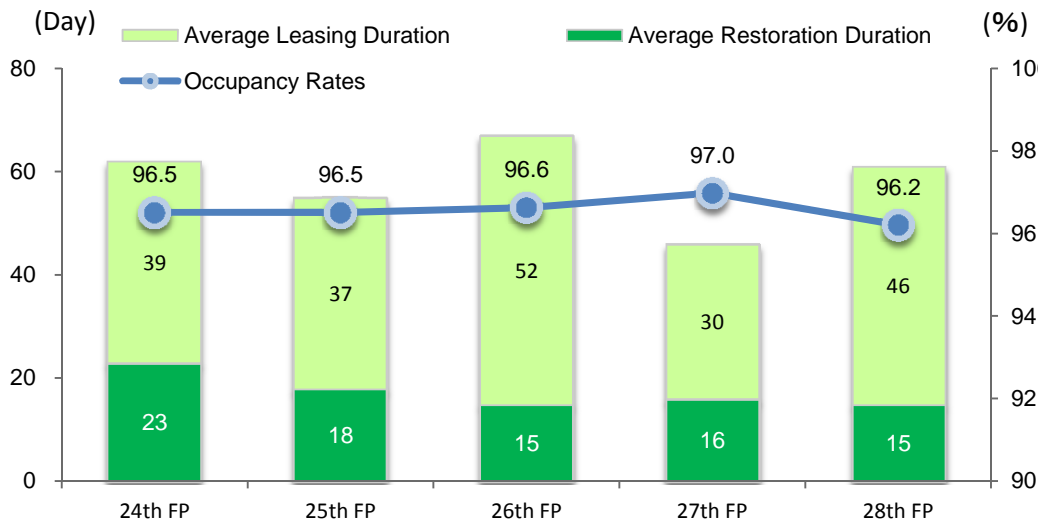
(Note) Figures in parenthesis indicate the number of residential tenants that have moved in or departed.

(Note) The new tenant rate and terminated lease rate for the 24th Fiscal Period are calculated without including the 3 properties sold during the 24th Fiscal Period

8 Internal Growth (5) : Status of Residential Operations

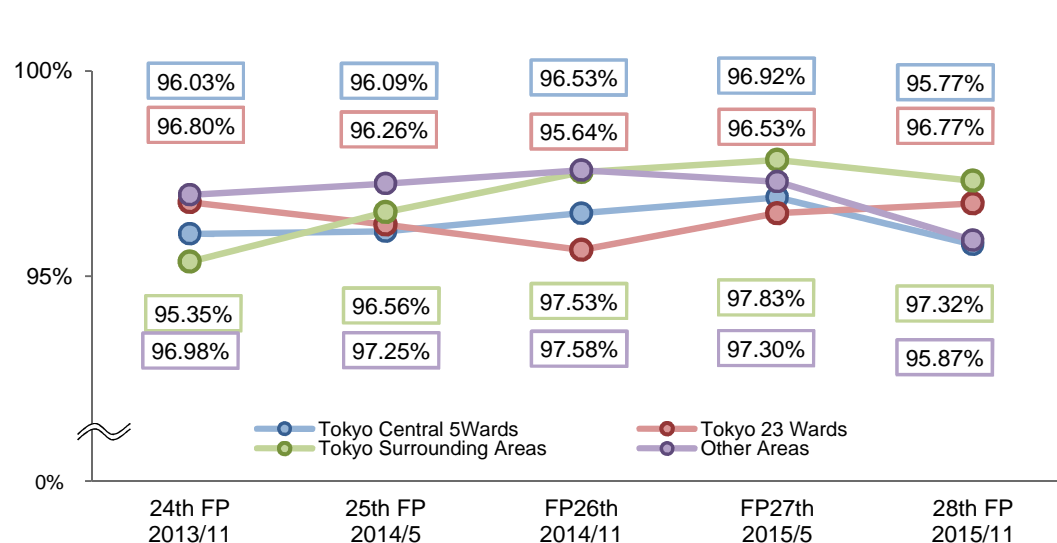
- Reduced of average restoration duration
- Continued to maintain stable high occupancy rates

Occupancy Rates and Vacancy Duration



(Note) The average restoration duration is measured from the day of lease termination to the day of restoration work completion.

Average Occupancy Rates of Residences by Investment Area



Residence Occupancy Rate by Room Type

Room Type (Floor space)	Percentage of Holdings (in number of units)	24th FP Occupancy Rate	25th FP Occupancy Rate	26th FP Occupancy Rate	27th FP Occupancy Rate	28th FP Occupancy Rate
Single Type (Under 40㎡)	81.58%	95.89%	97.20%	97.86%	96.39%	96.33%
DINKS Type (Between 40㎡ to 60㎡)	14.05%	96.50%	94.25%	95.98%	95.21%	95.96%
Family Type (Above 60㎡)	4.37%	98.22%	93.01%	96.66%	97.44%	96.41%
Total	100.00%	96.29%	96.06%	97.31%	96.25%	96.26%

(Note) Excluding shops and office areas.

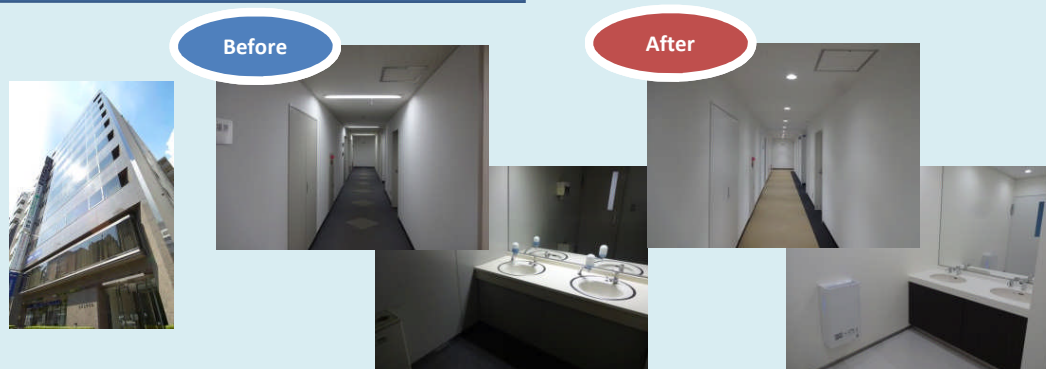
Trends in one time fees, renewal fees

	24 th FP 2013/11	25 th FP 2014/5	26 th FP 2014/11	27 th FP 2015/5	28 th FP 2015/11
No. of properties for which one time fees obtained	119	171	112	169	133
Ratio of one time fees taken	26.92%	30.37%	24.40%	33.47%	27.31%
No. of months' one time fees	1.12	1.07	1.04	1.08	1.11
No. of properties for which rental contract was renewed	680	995	685	889	535
Renewal rate	80.00%	82.21%	76.50%	76.27%	78.10%
No. of months' renewal fee	1.02	0.94	0.89	0.85	0.86

9 Internal Growth(6) : Refurbishment Construction Work

- Renovation work : to improve the strengthening of properties competitiveness and maintenance of asset value
— Improved occupancy rate and expand profitability

Office : Daiwa Ueno Building



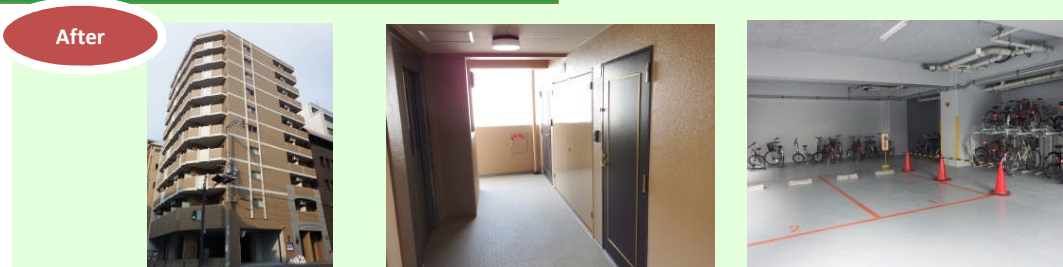
Nature of renovation work

- Improved outward walls of building
- Improved communal corridors
- Improved wet areas
- Replaced LED illumination

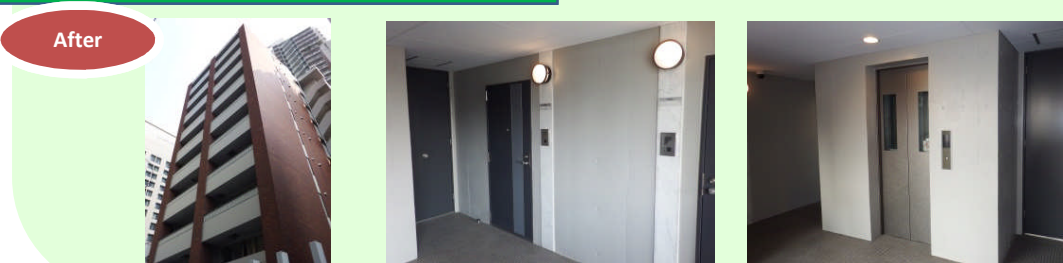
Status of Properties following renovation

- Daiwa Ueno Building
Occupancy Rate: FP27th 89.4% ⇒ FP28th 100.0%
- HF AWAZA Residence
Occupancy Rate: FP27th 88.7% ⇒ FP28th 98.3%
- HF NAKANOSHIMA Residence
Occupancy Rate: FP27th 89.9% ⇒ FP28th 97.9%

Residence: HF AWAZA Residence

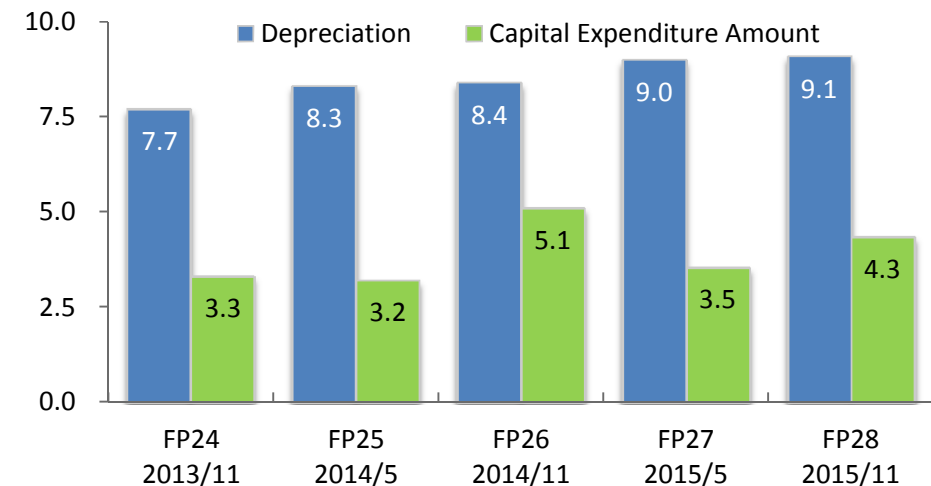


Residence: HF NAKANOSHIMA Residence



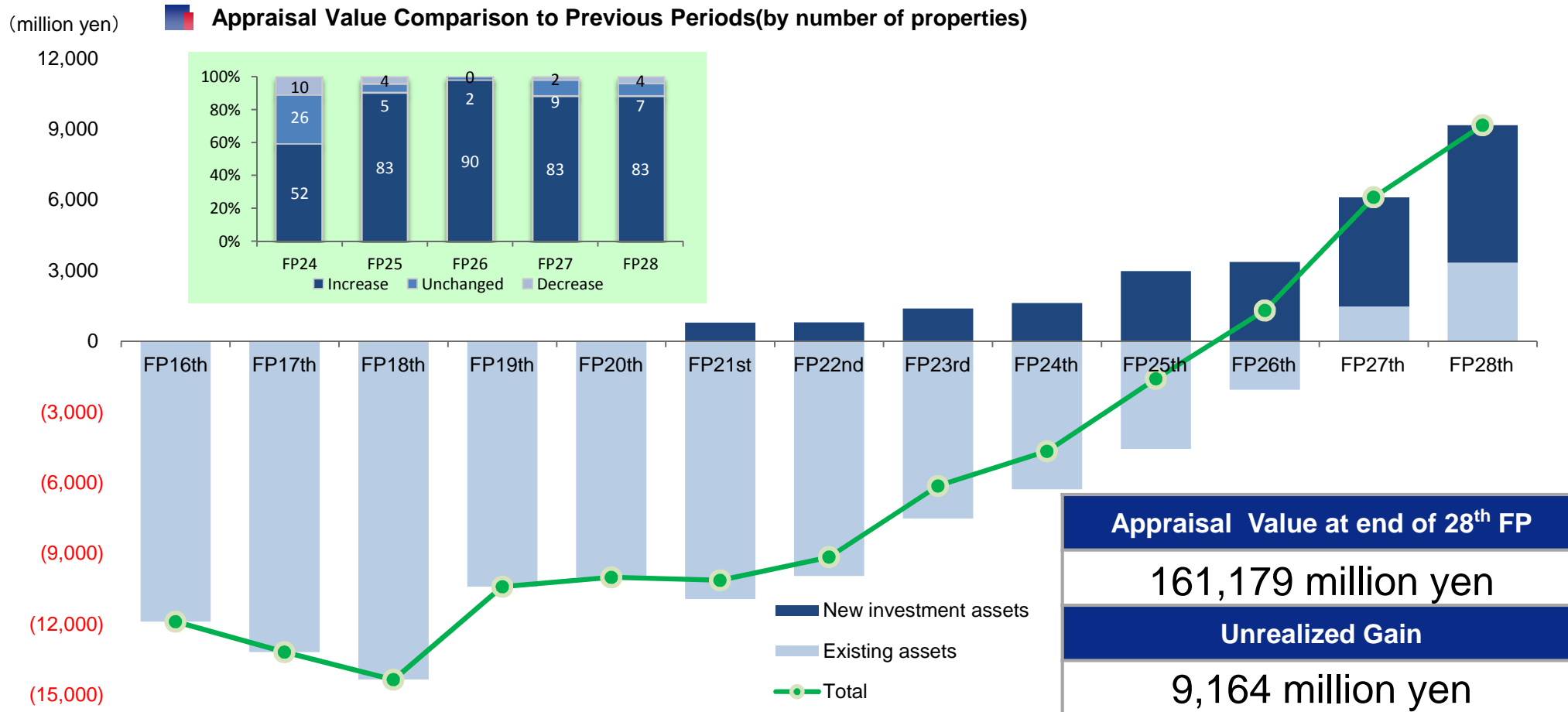
Change in Capital Expenditure

(100 million yen)



10 Historical Appraisal Values

- Latent profits continued to increase due to progress of depreciation, the acquisition of sound properties, and the continual improvement of the market.
- New properties: Latent profits continued to increase. Latent profits of the properties to be acquired at the beginning of the 29th Fiscal Period are expected to be added.
- Existing properties: Despite the partial realization of latent profits, those of existing properties increased further. The upward rent revision is expected to influence the appraisal for and after the following fiscal period.



	FP16th	FP17th	FP18th	FP19th	FP20th	FP21st	FP22nd	FP23rd	FP24th	FP25th	FP26th	FP27th	FP28th
New Investment assets						790	804	1,384	1,617	2,976	3,365	4,602	5,834
Existing assets	-11,895	-13,181	-14,356	-10,410	-10,012	-10,932	-9,962	-7,523	-6,282	-4,572	-2,058	1,514	3,330
Total	-11,895	-13,181	-14,356	-10,410	-10,012	-10,142	-9,158	-6,139	-4,665	-1,596	1,308	6,106	9,164

(Note) Increased, unchanged, and decreased status for each period compares properties against their appraisal values of the prior period.

11 Financial Strategies (1) : Financial Status (1)

- Financial position grew stronger
(Average Interest Rate 1.252% ⇒ 1.179% , Average Loan Term 5.76 years ⇒ 6.19 years)

End of 28th FP Interest-bearing Liabilities Summary

Average Interest Rate	Average Loan Term	Average Remaining Term to Maturity	LTV (Note 1)	Appraisal-based LTV (Note 2)
1.179%	6.19 years	4.13 years	43.3%	44.9%
Fixed Interest Rate Ratio	Long-term Loan Ratio	Long-term Loan scheduled to mature within 1 year Ratio	Rating: R&I (Note 3)	Rating: JCR (Note 4)
95.0%	85.2%	14.8%	A- (Stable)	A (Stable)

(Note 1) LTV = Interest-bearing liabilities as of FP End / Total Assets as of FP End

(Note 2) Appraisal-based LTV = Interest-bearing liabilities as of FPE / Appraised Value as of FP End

(Note 3) R&I is an abbreviation for Rating and Investment Information, Inc.

(Note 4) JCR is an abbreviation for The Japan Credit Rating Agency

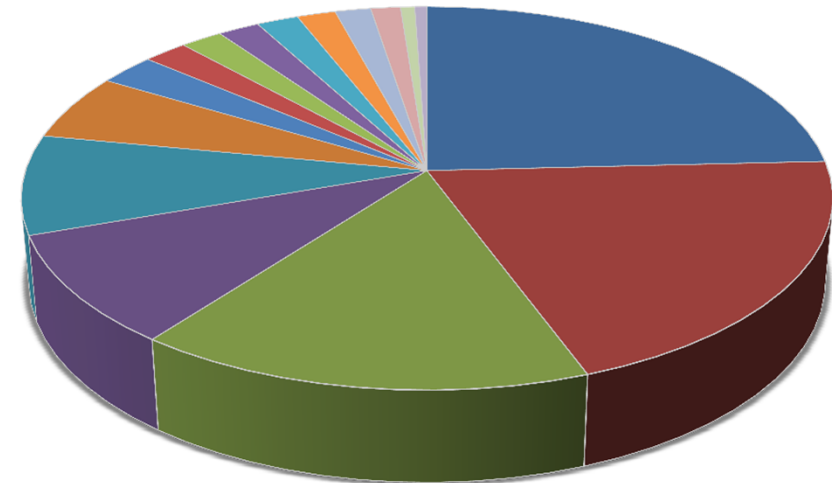
Credit Commitment Lines

Sumitomo Mitsui Banking Corporation Loan Commitment 2.5 billion yen Committed Period From: April 1, 2015 To: May 31, 2016 Unsecured, Unguaranteed	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Loan Commitment 2.0 billion yen Commitment Period From: April 1, 2015 To: May 31, 2016 Unsecured, Unguaranteed	Mizuho Bank, Ltd. Loan Commitment 1.5 billion yen Commitment Period From: April 1, 2015 To: May 31, 2016 Unsecured, Unguaranteed
--	--	---

Shelf registration of investment corporation bonds

Shelf registration amount	10 billion yen
Effective period of comprehensive resolution on issuance of bonds	Until May 2, 2016

Lenders and borrowing amounts



Lender's name	Amount	Share	Lender's name	Amount	Share
Sumitomo Mitsui Banking	17,522	24.2%	Mizuho Bank	1,400	1.9%
Aozora Bank	14,594	20.2%	Bank of Fukuoka	1,385	1.9%
Resona Bank	11,550	16.0%	Mitsubishi UFJ Trust and Banking	1,385	1.9%
Bank of Tokyo-Mitsubishi UFJ	6,735	9.3%	ORIX bank	1,280	1.8%
Mizuho Trust & Banking	6,067	8.4%	Shinsei Bank	1,185	1.6%
Sumitomo Mitsui Trust Bank	4,029	5.6%	Nomura Trust and Banking	985	1.4%
Development Bank of Japan	1,900	2.6%	Sompo Japan Nipponkoa Insurance	469	0.6%
Norinchukin	1,477	2.0%	The 77 Bank	400	0.6%

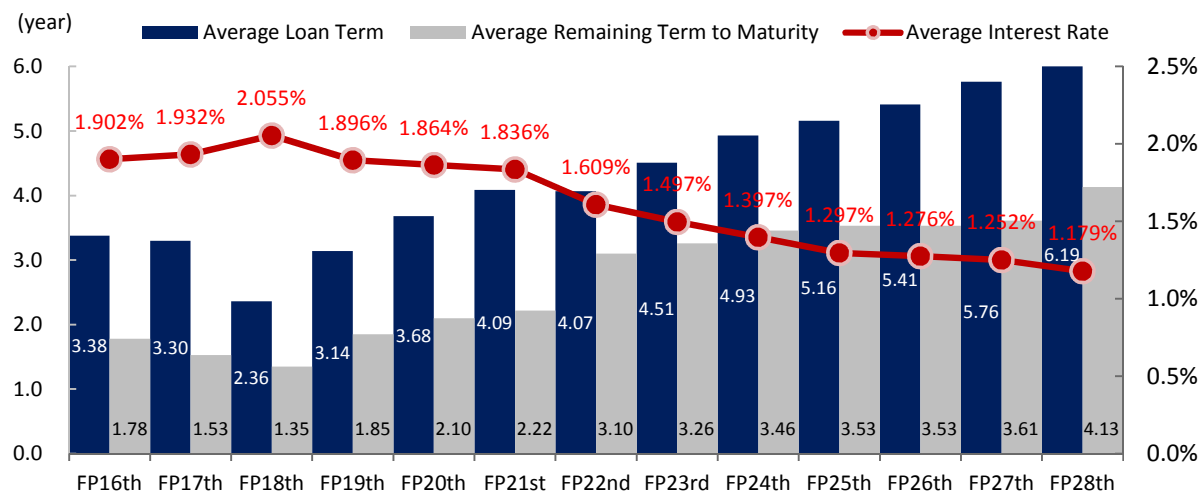
12 Financial Strategies (2) : Financial Status (2)

- Lengthened maturities and diversified repayment dates
- Lowered interest rates

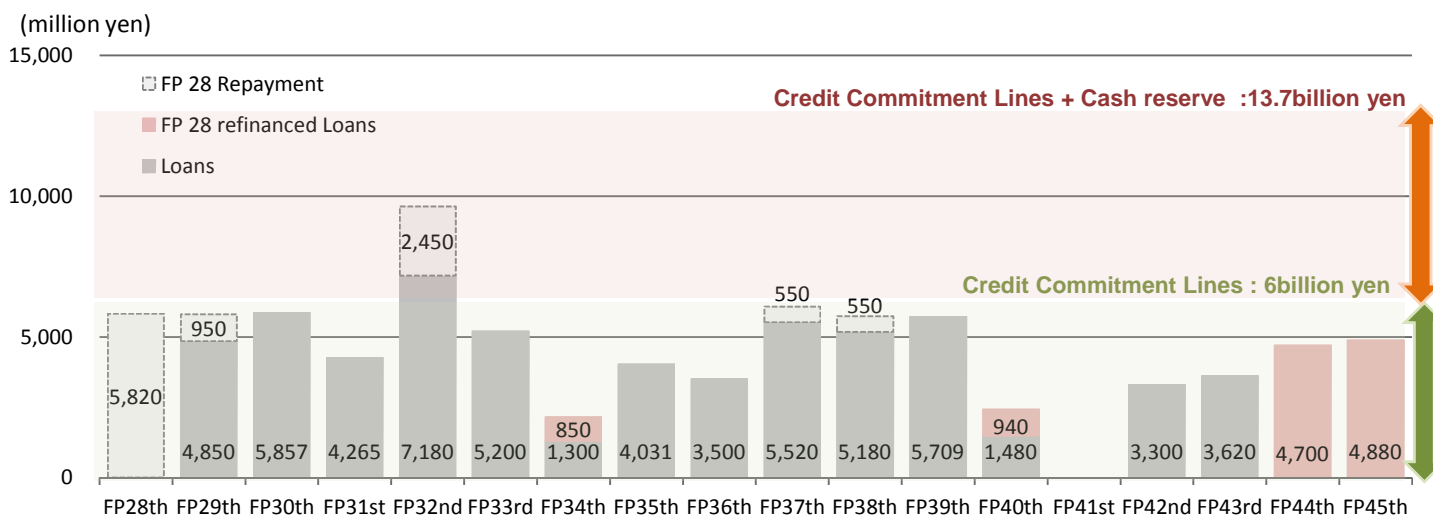
Financing Status of the 28th Fiscal Period

	Loan Amount (million yen)	Interest Rate	Borrowing Date	Maturity Date	Loan Term (year)
Term Loan 27A	850,000,000	1M Tibor + 0.25%	29-Oct-15	31-Oct-18	3.01
Term Loan 27B	4,700,000,000	1M Tibor + 0.75%	29-Oct-15	31-Oct-23	8.01
Term Loan 28A	940,000,000	1M Tibor + 0.55%	30-Oct-15	31-Oct-21	6.00
Term Loan 28B	4,880,000,000	1M Tibor + 0.80%	30-Oct-15	31-May-24	8.58

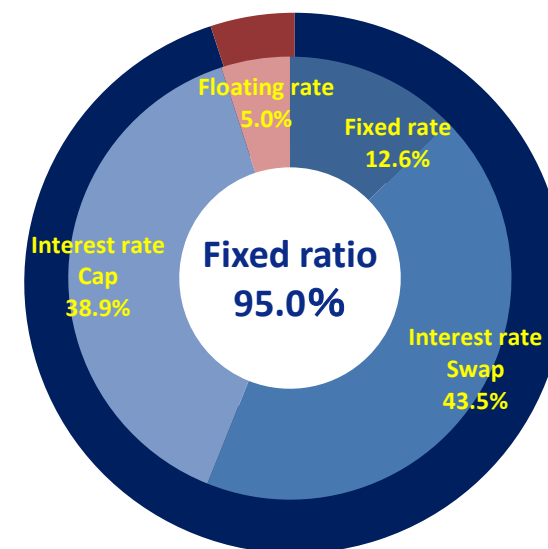
Trends of average loan maturity and interest rate



Loan Maturity Diversification



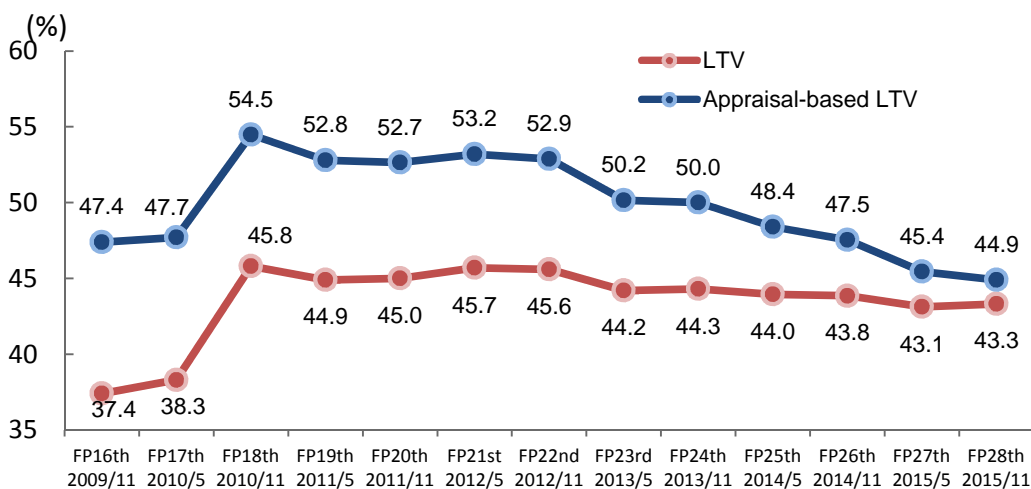
Fixed Rate Interest ratio



13 Financial Strategies (3) : Financial Status (3)

- Continued to lower our LTV
- Expanded investment capacity by borrowing

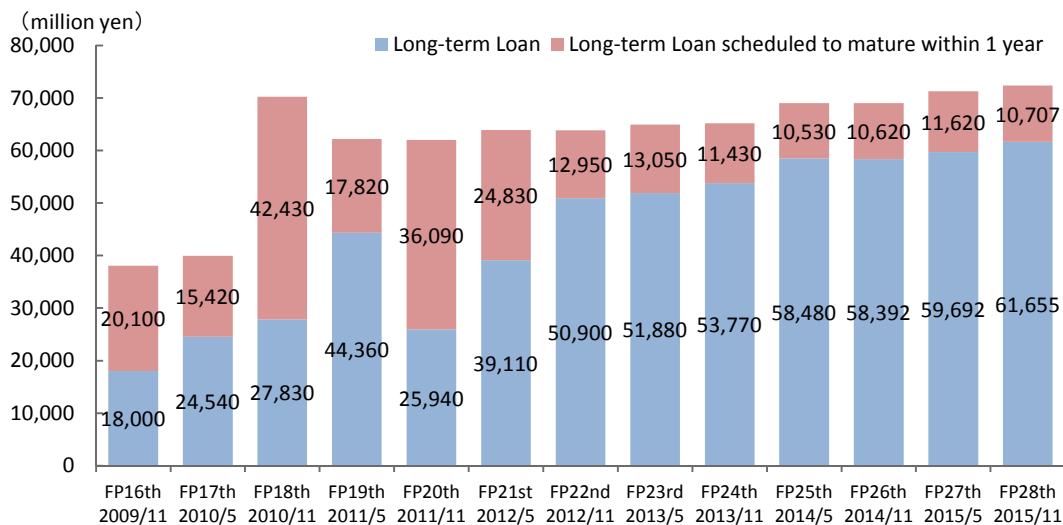
Trends in ratio of interest-bearing liabilities to total assets (LTV)



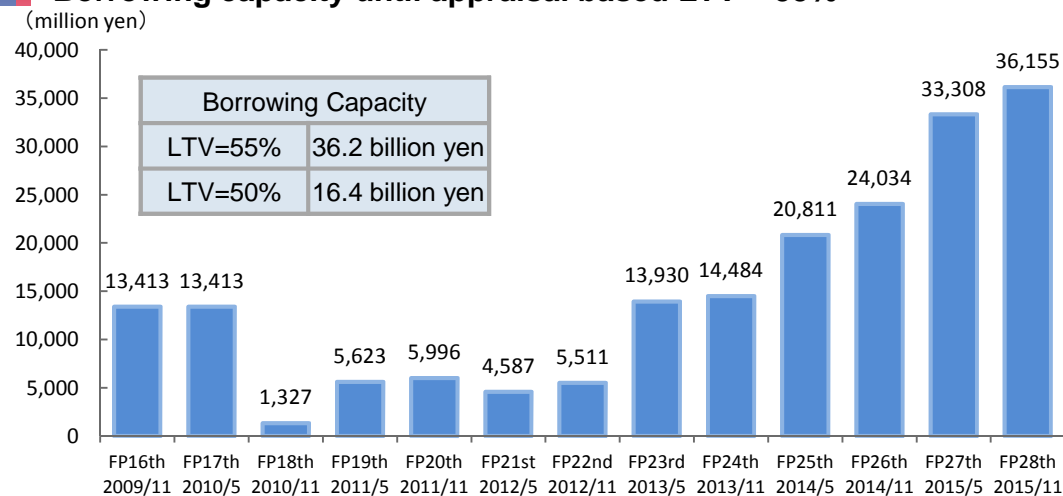
(Note 1) LTV = Interest-bearing liabilities as of FP End / Total Assets as of FP End

(Note 2) Appraisal-based LTV = Interest-bearing liabilities as of FPE / Appraised Value as of FP End

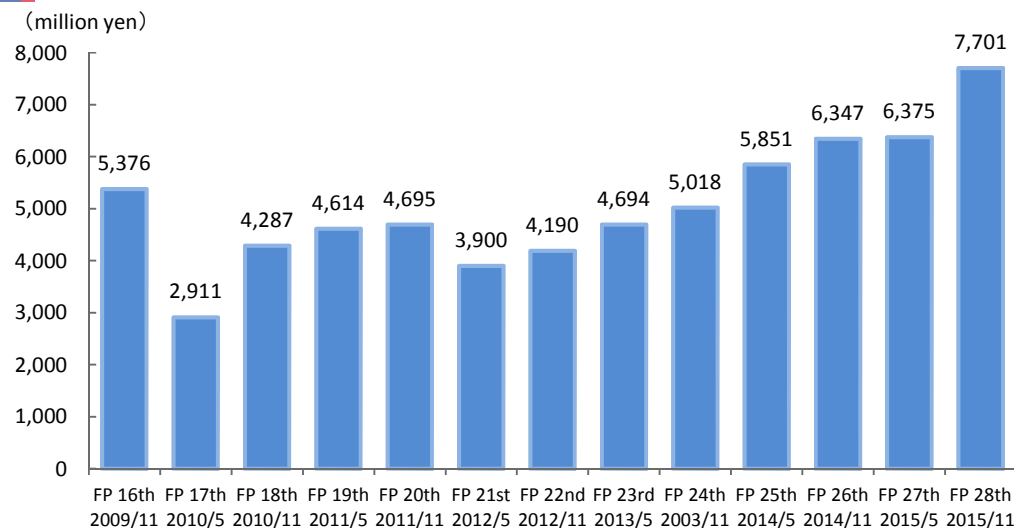
Composition of short term debt



Borrowing capacity until appraisal based LTV = 55%



Trends of free cash (FC) amount



(Note) FC = (Total current assets - Allowance for doubtful accounts) - ((Total current liabilities - Current portion of long-term loans payable - short-term debt - Current portion of investment corporation bonds repayable) + (Tenant leasehold and security deposits + Tenant leasehold and security deposits in trust))

External Growth

- ◆ Continued healthy and steady external growth
 - Carefully selective investment in properties that will contribute to the improvement of portfolio quality and profitability, without being swayed by an overheated market
 - Employ diverse methods to expand opportunities for acquisition by collaborating with sponsors in development, warehousing, bridging loans, bulk sales, M&A, debt purchasing, CRE proposals, etc.
- ◆ Continue replacement strategies
 - In order to improve portfolio quality and profitability, replacement from low profitability properties, small-scale residences, etc. to blue-chip offices and residences
- ◆ Purpose / Area
 - Policy of carefully selective investment in blue-chip offices and residences
 - Retain Tokyo wards as main area, but also carry out selective investment in large regional cities where support from sponsors can be obtained

Internal Growth

- ◆ Maintain and improve high occupancy rate
 - Collaborate with sponsors and PM in initiatives to create tenant demand by implementing appropriate and timely leasing measures
 - Prevent tenants from leaving through high quality operation and management, and CS measures
 - Shorten downtime
- ◆ Improve rent earnings through rent increases
 - Promote rent increases (revisions) when tenancy changes or when lease is renewed
- ◆ Implement strategic CAPEX investment
 - Systematically implement added value renovations resulting in upward rent revisions and improved CS
- ◆ Continue to increase subsidiary revenue and make cost reductions

Financial Operations

- ◆ Create a stable debt structure
 - Create a debt structure that is not vulnerable to fluctuations in market interest rates, by extending loan periods, staggering repayment terms, and fixing interest rates on borrowings
- ◆ Control of LTV
 - Create a strong financial base that will allow ongoing expansion of the portfolio even when the credit environment has deteriorated or during periods when it is difficult to procure equity by properly controlling LTV in accordance with the financial environment and property acquisition environment
- ◆ Diversify methods of procuring funds
 - Create access to various kinds of funds, such as equity procurement through public offering, creation of a lender formation comprising a wide range of industries, issuing of investment corporation bonds, commitment lines, and commitment-type term loans
- ◆ Reduce financial costs

Distribution : 1,764yen/unit (forecast 29th FP) 1,788yen/unit (forecast 30th FP)

- ◆ Sustained dividend growth
- ◆ Stabilization of dividend by utilizing retained earnings and RTA (reserve for temporary difference adjustment)
 - When a loss occurs as a result of property sale, stabilize dividend by appropriating retained earnings in respect of strategic large-scale expenditures, unexpected factors, and any other expenditures

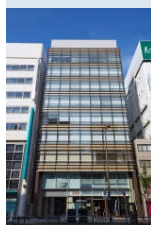
(Appendix) Diversification of Property Acquisition Methods

- Diversify property acquisition methods by utilizing sponsors' support
- Increase opportunities to acquire assets through the diversification of property acquisition methods

Direct acquisitions from third parties
4 properties 6,408 million yen



HF WAKAMATSU
KAWADA Residence



HF Kanda
Ogawamachi Building



HF NISHIKOEN
Residence



HF BANSUIDORI
Residence

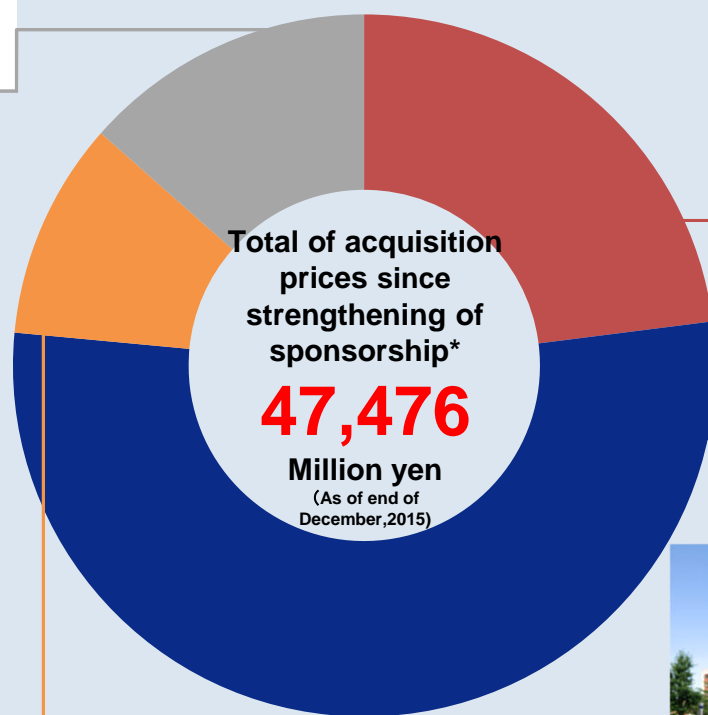
Utilizing bridge funds
2 properties 4,750 million yen



Daiwa Ueno
Building



Kojimachi
HF Building



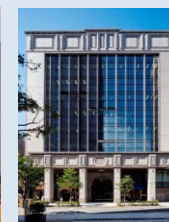
Ratio of acquisition from HEIWA REAL ESTATE since strengthening of sponsorship
97.6%

Sponsors' Support
Direct acquisitions from sponsors

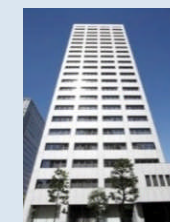
4 properties 10,918 million yen



Kayabacho
Heiwa Building



Kobe
Kyukyoryuchi
Heiwa Building



Mita Heiwa
Building
(Land)



Sakae Minami
Heiwa Building

Warehousing 10 properties 25,400 million yen



Hirokoji Aqua
Place



HF SAKURADORI
Building



HF Nihonbashi
Hamacho Building



HF Sendai
Honcho Building



HF Kudan-Minami
Building



HF Sendai
Residence EAST



NISSO 5 Building



HF KANNAI
Residence



HF MEIEKI-KITA
Residence



HF Higashi-Sapporo
Residence

*"Since strengthening of sponsorship" means since the 16th fiscal period (fiscal period ended November 2009) when we undertook the strengthening of sponsorship.

III Appendix

1 Balance Sheet

■ Assets

(unit: thousand yen)

Category	Period	27th Fiscal Period May 31, 2015		28th Fiscal Period November 30, 2015		Variation	
		Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
(Assets)							
I Current assets							
Cash and deposits		6,073,141		7,723,610		1,650,469	
Cash and deposits in trust		6,278,912		6,237,557		(41,355)	
Accounts receivable-trade		88,270		86,151		(2,119)	
Prepaid expenses		229,357		219,072		(10,285)	
Consumption taxes receivable		144,396		0		(144,396)	
Other		5,672		2,859		(2,813)	
Allowance for doubtful accounts		△ 213		△ 340		(127)	
Current assets		12,819,537	7.8	14,268,910	8.5	1,449,373	11.3
II Noncurrent assets							
1. Property, plant and equipment	Note 1						
Buildings		8,803,359		8,645,300		(158,059)	
Structures		38,666		36,998		(1,668)	
Machinery and equipment		118,180		117,048		(1,132)	
Tools, furniture and fixtures		62,204		57,771		(4,433)	
Land		25,945,334		25,945,334		0	
Buildings in trust		37,763,471		37,970,016		206,545	
Structures in trust		238,900		222,041		(16,859)	
Machinery and equipment in trust		267,664		247,021		(20,643)	
Tools, furniture and fixtures in trust		295,039		311,551		16,512	
Land in trust		73,240,003		74,430,093		1,190,090	
Total property, plant and equipment		146,772,826	88.7	147,983,178	88.6	1,210,352	0.8
2. Intangible assets							
Leasehold right		715,719		715,719		0	
Leasehold rights in trust		3,315,665		3,315,665		0	
Other		1,301		325		(976)	
Total intangible assets		4,032,686	2.4	4,031,711	2.4	(975)	(0)
3. Investments and other assets							
Investment securities		1,000,083		0		(1,000,083)	
Guarantee deposits		10,016		10,252		236	
Long-term prepaid expenses		399,492		427,515		28,023	
Derivatives		102,397		58,834		(43,563)	
Other		207,556		221,652		14,096	
Total investments and other assets		1,719,546	1.0	718,254	0.4	(1,001,292)	(58.2)
Total noncurrent assets		152,525,060	92.2	152,733,144	91.4	208,084	0.1
III Deferred assets							
Investment unit issuance expenses		52,780		34,946		(17,834)	
Total deferred assets		52,780	0.0	34,946	0.0	(17,834)	(34)
Total assets		165,397,378	100.0	167,037,001	100.0	1,639,623	1.0

■ Liabilities and net assets

(unit: thousand yen)

Category	Period	27th Fiscal Period May 31, 2015		28th Fiscal Period November 30, 2015		Variation	
		Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
(Liabilities)							
I Current liabilities							
Accounts payable		479,937		486,325		6,388	
Current portion of long-term loans payable		10,620,000		10,707,000		87,000	
Accrued expenses		694,768		680,236		(14,532)	
Income taxes payable		0		0		0	
Accrued consumption taxes		-		112,843		112,843	
Advances received		856,028		839,137		(16,891)	
Other		8,567		8,334		(233)	
Total current liabilities		13,659,302	8.3	12,833,877	7.7	(825,425)	(6.0)
II Noncurrent liabilities							
Long-term loans payable		59,691,700		61,654,700		1,963,000	
Tenant leasehold and security deposits		904,062		927,237		23,175	
Tenant leasehold and security deposits in trust		3,501,369		3,513,782		12,413	
Derivatives liabilities		132,598		229,932		97,334	
Total noncurrent liabilities		64,229,729	38.8	66,325,653	39.7	2,095,924	3.3
Total liabilities		77,889,032	47.1	79,159,530	47.4	1,270,498	1.6
(Net assets)							
I Unitholders' equity							
1. Unitholders' capital	Note 2	76,372,303	46.2	76,372,303	45.7	0	0.0
2. Surplus							
Capital surplus		7,406,652	4.5	7,406,652	4.4	0	
Unappropriated retained earnings		4,175,031	2.5	4,627,876	2.8	452,845	10.8
Total surplus		11,581,683	7.0	12,034,528	7.2	452,845	3.9
Total unitholders' equity		87,953,987	53.2	88,406,831	52.9	452,844	0.5
II Valuation and translation adjustments							
Deferred gains or losses on hedges		(445,640)		(529,361)		(83,721)	
Total valuation and translation adjustments		(445,640)	(0.3)	(529,361)	(0.3)	(83,721)	18.8
Total net assets	Note 3	87,508,346	52.9	87,877,470	52.6	369,124	0.4
Total liabilities and net assets		165,397,378	100.0	167,037,001	100.0	1,639,623	1.0

Note 1 The cumulated depreciation is directly subtracted from property, plant and equipment

cumulated depreciation

27th fiscal period: 10,686,946 thousand yen 28th fiscal period: 11,267,190 thousand yen

Note 2 Total outstanding investment units

27th fiscal period: 951,147 units 28th fiscal period: 951,147 units

Note 3 Net assets per investment unit

27th fiscal period: 92,002 yen 28th fiscal period: 92,391 yen

* Figures below a thousand yen have been rounded off. Percentages are shown with figures rounded to the tenth place.

2 Profit and Loss Statement

(unit: thousand yen)

Category	Period	27th Fiscal period (Dec. 1, 2014-May 31, 2015)			28th Fiscal period (Jun. 1, 2015-Nov 30, 2015)			Variation	
		Amount	Share (%)		Amount	Share (%)		Amount	Share (%)
Operating revenue	Note 1								
Rent revenue-real estate		4,975,976			4,933,587				
Other lease business revenue		438,527			438,026				
Gain on sales of real estate properties		-			551,736				
Dividends income		1,031	5,415,535	100.0	-	5,923,350	100.0	507,815	9.4
Operating expenses									
Expenses related to rent	Note 2	2,421,026			2,421,490				
Loss on sales of real estate properties		559,833			-				
Asset management fee		486,101			507,175				
Asset custody fee		19,347			18,671				
Administrative service fees		41,953			45,322				
Directors' compensations		8,006			7,970				
Audit fee		9,660			9,660				
Other operating expenses		108,968	3,654,898	67.5	125,910	3,136,201	52.9	△ 518,697	△ 14.2
Operating income (loss)			1,760,636	32.5		2,787,149	47.1	1,026,513	58.3
Non-operating income									
Interest income		1,145			6,210				
Reversal of dividends payable		623			593				
Other		1,762	3,530	0.1	3,619	10,423	0.2	6,893	195.3
Non-operating expenses									
Interest expenses		497,969			498,079				
Borrowing related expenses		130,536			169,450				
New investment unit issuance costs		17,834			17,834				
Other		5,387	651,727	12.0	1,860	687,224	11.6	35,497	5.4
Ordinary income (loss)			1,112,439	20.5		2,110,347	35.6	997,908	89.7
Income (Loss) before income taxes			1,112,439	20.5		2,110,347	35.6	997,908	89.7
Income taxes-current		605			605				
Income taxes			605	0.0		605	0.0	0	0.0
Net income (loss)			1,111,834	20.5		2,109,742	35.6	997,908	89.8
Retained earnings brought forward			3,063,196			2,518,133		△ 545,063	
Unappropriated retained earnings (undisposed loss)			4,175,031			4,627,876		452,845	

* Figures below a thousand yen have been rounded off. Percentages are shown with figures rounded to the tenth place.

Note 1 The management days of each period are 182 days for the 27th fiscal period and 183 days for the 28th fiscal period.

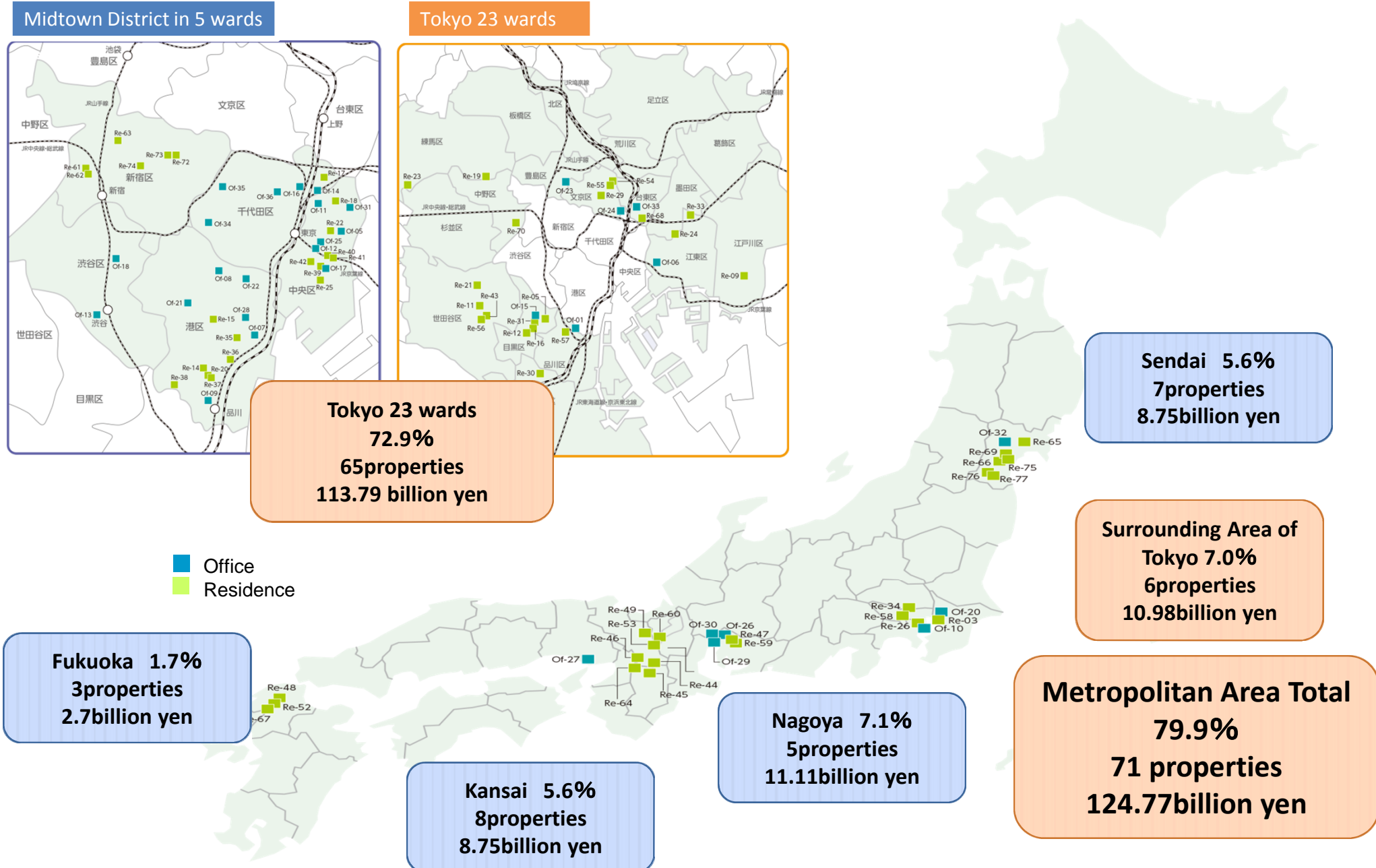
Note 2 The depreciation costs of this total are 898,194 thousand yen for the 27th fiscal period and 907,625 thousand yen for the 28th fiscal period.

3 Debts

as of November 30, 2015

	Breakdown		Balance at Period End (million yen)	Interest Rate (%)	Borrowing Date	Repayment Date	Description		Breakdown		Balance at Period End (million yen)	Interest Rate (%)	Borrowing Date	Repayment Date	Description	
	Lender								Lender							
Long-term loans payable Due within One Year	Term LoanG Aozora Bank, Ltd. Resona Bank, Limited. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited.		2,350	2.14200	May 31, 2011	May 31, 2016	Unsecured and Unguaranteed		Term Loan24 TrancheB Sumitomo Mitsui Banking Corporation The Norinchukin Bank The Bank of Fukuoka Sompo Japan Nipponkoa Insurance		2,531	0.61300	October 31, 2014	May 31, 2019		
	Term Loan11 Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Resona Bank, Limited.		5,857	1.37091	October 31, 2011	October 31, 2016			Term Loan24 TrancheC Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Mizuho Trust & Banking Co., Ltd. The Bank of Fukuoka		2,400	1.17500	October 31, 2014	October 31, 2022		
	Term Loan13 TrancheC Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Resona Bank, Limited.		2,500	1.22091	October 25, 2012	May 31, 2016			Term Loan25 TrancheA Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited. The Bank of Fukuoka Mitsubishi UFJ Trust and Banking Corporation The 77 Bank, Ltd.		1,300	0.48000	December 4, 2014	May 31, 2018		
	Subtotal		10,707													
Long-term loans payable	Term Loan13 TrancheD Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Resona Bank, Limited.		3,100	1.37091	October 25, 2012	October 31, 2017		Long-term loans payable	Term Loan25 TrancheB Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited. The Bank of Fukuoka Mitsubishi UFJ Trust and Banking Corporation The 77 Bank, Ltd.		1,300	0.53000	December 4, 2014	October 31, 2018	Unsecured and Unguaranteed	
	Term Loan14 Aozora Bank, Ltd. Resona Bank, Limited.		4,080	1.89206	May 31, 2012	October 31, 2017			Term Loan25 TrancheC Development Bank of Japan Inc.		900	1.24348	December 4, 2014	October 31, 2022		
	Term Loan15 Sumitomo Mitsui Banking Corporation Resona Bank, Limited. Shinsei Bank, Limited.		2,295	1.02891	October 31, 2012	May 31, 2017			Term Loan26 TrancheA Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd.		700	0.48000	May 29, 2015	May 31, 2019		
	Term Loan16 Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Resona Bank, Limited. Sumitomo Mitsui Trust Bank, Limited.		3,900	1.12891	October 31, 2012	May 31, 2018		Unsecured and Unguaranteed	Term Loan26 TrancheB ORIX Bank Corporation		480	0.73000	May 29, 2015	October 31, 2021		
	Term Loan17 Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Resona Bank, Limited. Shinsei Bank, Limited.		3,500	1.27091	October 31, 2012	October 31, 2019			Term Loan26 TrancheC Sumitomo Mitsui Banking Corporation Resona Bank, Limited. The Bank of Tokyo-Mitsubishi UFJ, Ltd. Shinsei Bank, Limited. Mizuho Bank, Ltd.		3,620	0.88000	May 29, 2015	May 31, 2023		
	Term Loan19 Sumitomo Mitsui Banking Corporation Resona Bank, Limited. Mizuho Trust & Banking Co., Ltd.		5,520	1.07109	March 29, 2013	March 31, 2020			Term Loan27 TrancheA Sumitomo Mitsui Banking Corporation Resona Bank, Limited. The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mizuho Trust & Banking Co., Ltd. Sumitomo Mitsui Trust Bank, Limited. Mizuho Bank, Ltd.		850	0.38000	October 29, 2015	October 31, 2018		
	Term Loan20 Mizuho Trust & Banking Co., Ltd.		1,230	1.20000	September 13, 2013	September 30, 2020	Term Loan27 TrancheB Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Resona Bank, Limited. The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mizuho Trust & Banking Co., Ltd. Sumitomo Mitsui Trust Bank, Limited. Mizuho Bank, Ltd.		4,700	1.13300	October 29, 2015	October 31, 2023				
	Term Loan21 TrancheA The Nomura Trust and Banking Co., Ltd. Mitsubishi UFJ Trust and Banking Corporation		1,970	0.60501	October 31, 2013	May 31, 2017	Term Loan28 TrancheA Aozora Bank, Ltd.		940	0.68000	October 31, 2015	October 31, 2021				
	Term Loan21 TrancheB Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Resona Bank, Limited. The Bank of Tokyo-Mitsubishi UFJ, Ltd.		3,950	1.20000	October 31, 2013	October 31, 2020	Term Loan28 TrancheB Sumitomo Mitsui Banking Corporation Resona Bank, Limited. The Bank of Tokyo-Mitsubishi UFJ, Ltd.		4,880	1.20800	October 30, 2015	October 31, 2024				
	Term Loan22 TrancheB Development Bank of Japan Inc.		1,000	1.46168	December 20, 2013	May 31, 2021	Subtotal		61,655							
	Term Loan23 TrancheA Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Resona Bank, Limited. The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mizuho Trust & Banking Co., Ltd. Sumitomo Mitsui Trust Bank, Limited.		4,709	1.16500	May 30, 2014	May 31, 2021	Total		72,362							
	Term Loan23 TrancheB The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,000	1.20000	May 30, 2014	October 29, 2021										
	Term Loan24 TrancheA ORIX Bank Corporation		800	0.75000	October 31, 2014	May 31, 2019										

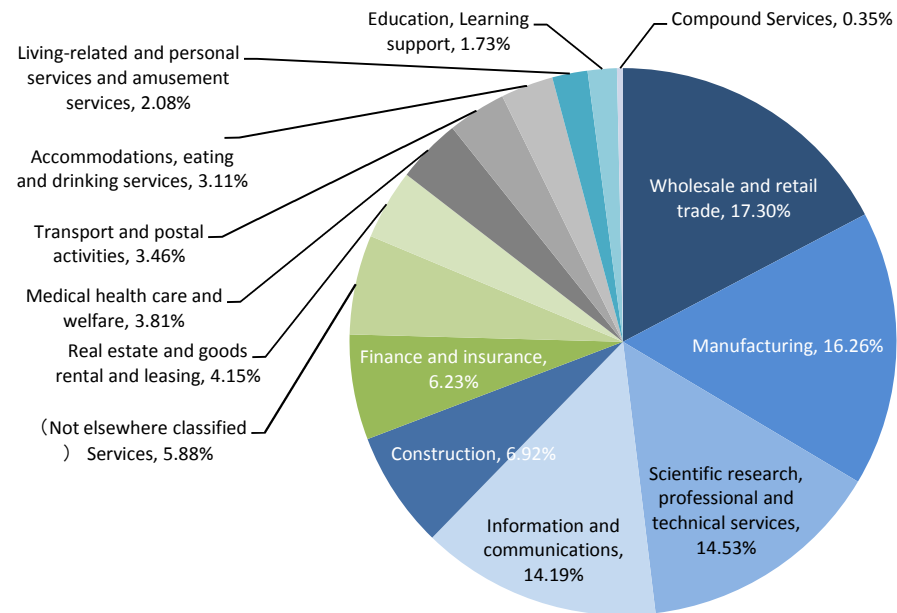
4 Diversification of Investment Areas



5 Office Portfolio Performance

(Tenant Condition, Tenant Diversification by Area, Rent Share and Asset Age)

Office Tenant Condition

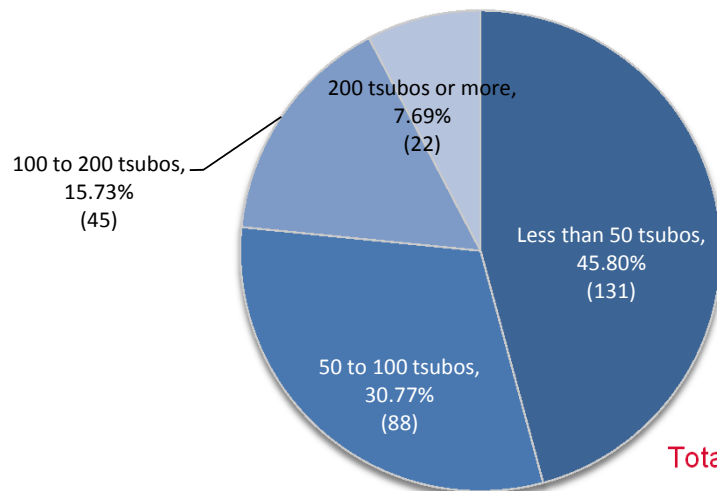


(Note) The management status of offices below is calculated with figures as of November 30, 2015.

Tenants with Largest Rent Share (Includes Residence and Hotel)

Ranking	Tenant	Property Name	Share of total rent
1	Company A	Kayabacho Heiwa Bldg	4.03%
2	Company B	HIROKOJI AQUA PLACE	1.65%
3	Company C	HF SAKURADORI BUILDING	1.52%
4	Company D	Funabashi Face Bldg.	1.29%
5	Company E	M2 Harajuku	1.18%
Total			9.67%

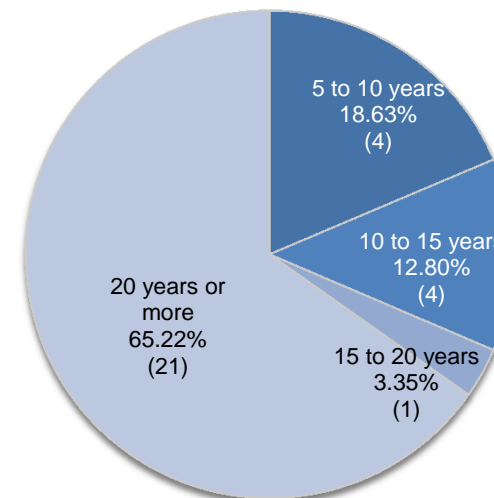
Tenant Diversification by Area



Total number of office tenant
286 tenants

(Note) Figures in parenthesis indicate the number of office tenants by area.

Office Asset Age



Average office asset age
21.11 years

(Note) Figures in parenthesis indicate the number of office properties by building age, excluding Mita Heiwa Building (leasehold land).

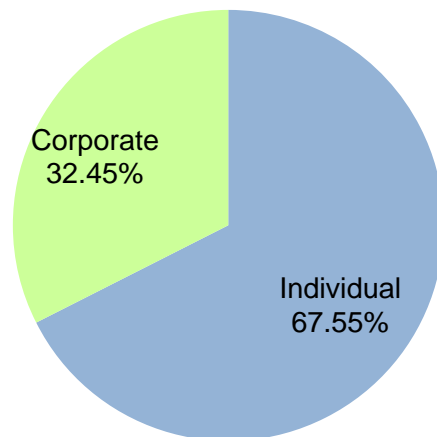
6 Residential Portfolio Performance

(Residence Types, Tenant Diversification by Rent, by Leasable Floor Space and by Asset Age)

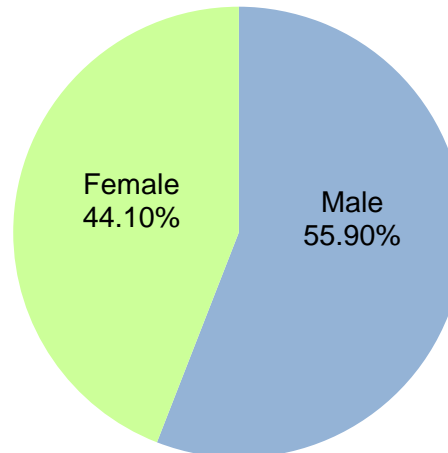
(Note) The management status of residences below is calculated with figures as of November 30, 2015.

Residence Types

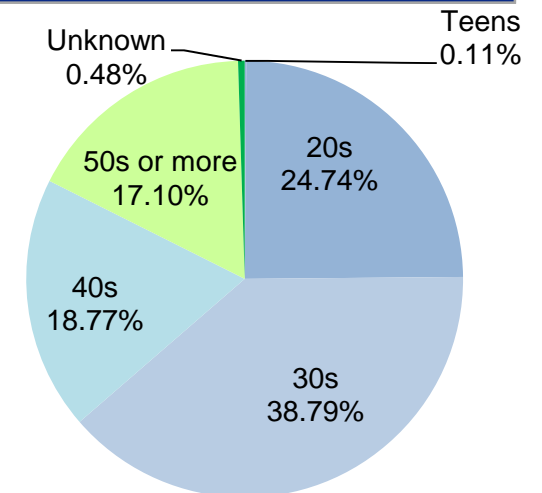
Agreement Categories



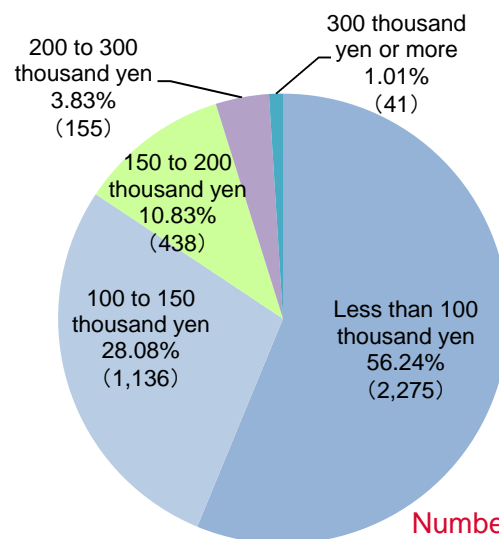
Gender Breakdown for Individual Contracts



Age Distribution



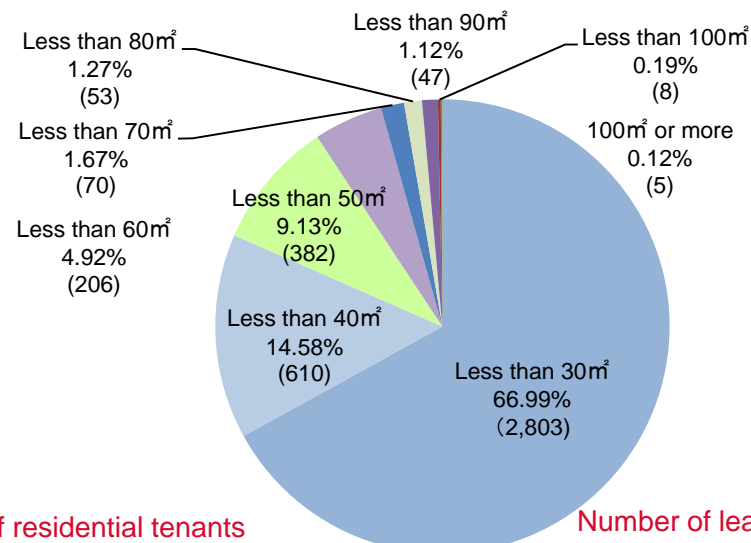
Status by Monthly Rent



Number of residential tenants

4,045 tenants

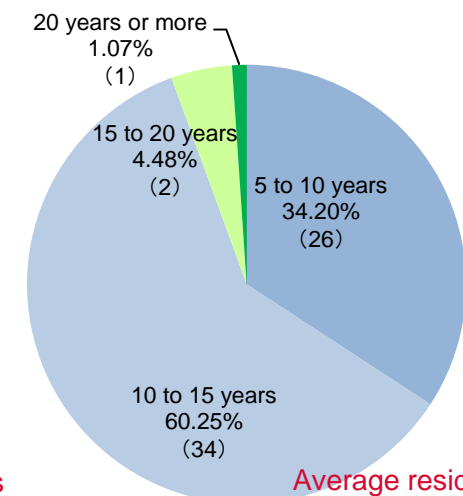
Status by Leasable Floor Space



Number of leasable units

4,184 units

Residence Asset Age



Average residence asset age

11.33 years

(Note) Figures in parenthesis and the total number of residential tenants are the number of tenants as of November 30, 2015.

(Note) Figures in parenthesis are the number of total leasable units by leasable floor space. (Excluding shop areas.)

(Note) Figures in parenthesis are the number of residential properties by building age.

7 Profits from Rental Business

(unit: thousand yen)

Total	27th Fiscal Period	28th Fiscal Period
Rents and common expenses	4,975,976	4,933,587
Other income	438,527	438,026
Rental business income total	5,414,504	5,371,614
PM fees	556,222	565,670
Public charges and taxes	360,622	385,999
Utilities	237,898	237,314
Maintenance and repair fees	188,239	158,697
Insurance fees	5,366	6,032
Trust fees	47,513	45,582
Other expenses	123,908	114,568
Rental business expenses total	1,519,770	1,513,865
NOI	3,894,733	3,857,748
Depreciation	898,194	907,625
Rental business profit	2,996,538	2,950,123

Residence	27th Fiscal Period	28th Fiscal Period
Rents and common expenses	2,534,429	2,524,009
Other income	137,955	129,176
Rental business income total	2,672,385	2,653,185
PM fees	288,873	292,870
Public charges and taxes	146,233	149,005
Utilities	31,030	29,186
Maintenance and repair fees	130,327	106,667
Insurance fees	2,881	3,156
Trust fees	32,221	31,179
Other expenses	26,809	19,385
Rental business expenses total	658,378	631,452
NOI	2,014,007	2,021,733
Depreciation	506,932	517,154
Rental business profit	1,507,074	1,504,578

Office	27th Fiscal Period	28th Fiscal Period
Rents and common expenses	2,292,788	2,287,213
Other income	300,572	308,849
Rental business income total	2,593,360	2,596,062
PM fees	267,348	272,799
Public charges and taxes	198,021	226,145
Utilities	206,868	208,127
Maintenance and repair fees	57,911	52,029
Insurance fees	2,302	2,608
Trust fees	12,992	12,671
Other expenses	96,756	94,921
Rental business expenses total	842,200	869,302
NOI	1,751,160	1,726,760
Depreciation	363,189	367,017
Rental business profit	1,387,971	1,359,743

Hotel	27th Fiscal Period	28th Fiscal Period
Rents and common expenses	148,758	122,365
Other income	-	-
Rental business income total	148,758	122,365
PM fees	-	-
Public charges and taxes	16,367	10,849
Utilities	-	-
Maintenance and repair fees	-	-
Insurance fees	181	266
Trust fees	2,300	1,731
Other expenses	342	262
Rental business expenses total	19,192	13,110
NOI	129,565	109,255
Depreciation	28,072	23,452
Rental business profit	101,493	85,802

8 Portfolio Overview and Performance (Office)

Property Name	Of-01 HF GOTANDA BUILDING		Of-05 Suitengu Heiwa Building		Of-06 HF MONZENNAKACHO BUILDING		Of-07 HF HAMAMATSUCHO BUILDING		Of-08 Kokusai Tameike Building	
										
Address	Shinagawa-ku, Tokyo		Chuo-ku, Tokyo		Koto-ku, Tokyo		Minato-ku, Tokyo		Minato-ku, Tokyo	
Lot Area (m ²)	605.72		316.73		748.36		294.50		533.32	
Total Floor Area (m ²)	2,921.56		2,177.81		4,558.01		2,184.76		3,089.73	
Constructed	May 1980		August 1991		December 1990		December 1991		February 1992	
Period-end occupancy rate (%)	89.06		100.00		100.00		88.81		86.49	
Acquisition Price (mm yen)	1,290		1,550		2,500		1,530		2,700	
Appraisal Price (mm yen)	1,328		1,349		2,390		1,490		2,570	
Property Management Company	Heiwa Real Estate Co., Ltd.		Heiwa Real Estate Co., Ltd.		Heiwa Real Estate Co., Ltd.		Heiwa Real Estate Co., Ltd.		Heiwa Real Estate Co., Ltd.	
PML (%)	10.9		10.0		5.7		8.0		7.3	
Rental business balance (Note 1)	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	45,299	45,932	45,903	45,913	80,897	81,917	47,447	47,003	73,433	64,523
Other income	4,568	4,099	5,910	6,356	10,399	11,007	5,446	5,044	8,493	8,207
Rental business income total (unit: thousand yen)	49,868	48,031	51,814	52,269	91,297	92,924	52,893	52,048	81,927	72,731
PM fees	5,638	5,561	6,664	6,543	10,827	11,061	4,310	4,489	5,633	5,278
Public charges and taxes	5,517	5,413	4,896	4,920	5,975	6,056	6,602	6,498	7,219	7,238
Utilities	3,292	2,650	5,515	5,717	9,397	9,960	4,626	4,101	6,456	6,261
Maintenance and repair fees	1,786	648	424	505	2,745	2,334	2,628	633	3,683	8,238
Insurance fees	55	64	42	48	80	92	39	45	60	69
Trust fees	1,025	1,025	690	690	900	900	750	750	1,366	1,024
Other expenses	347	374	40	8	362	134	115	99	82	209
Rental business expenses total (unit: thousand yen)	17,662	15,736	18,273	18,434	30,290	30,538	19,073	16,617	24,502	28,319
NOI (-)	32,206	32,295	33,540	33,834	61,006	62,386	33,819	35,431	57,425	44,412
Depreciation	9,627	9,883	7,999	8,060	16,681	16,688	6,852	6,897	7,351	7,347
Rental business profit	22,578	22,411	25,540	25,773	44,325	45,697	26,967	28,533	50,074	37,065

(Note 1) Figures for rental business balance are the actual numbers for each period where values below 1,000 yen are rounded off.

8 Portfolio Overview and Performance (Office)

Property Name	Of-09 Grace Building Sengakujimae		Of-10 HF SHIN- YOKOHAMA BUILDING		Of-11 Nihonbashi Daiichi Building		Of-12 Hatchobori SF Building		Of-13 Shibuya AX Hills	
										
Address	Minato-ku, Tokyo		Yokohama City, Kanagawa		Chuo-ku, Tokyo		Chuo-ku, Tokyo		Shibuya-ku, Tokyo	
Lot Area (m ²)	538.50		668.00		520.69		543.31		160.42	
Total Floor Area (m ²)	2,401.74		4,321.23		3,455.35		3,425.91		1,071.22	
Constructed	June 1994		February 1993		March 1988		October 1991		March 2006	
Period-end occupancy rate (%)	100.00		100.00		100.00		100.00		100.00	
Acquisition Price (mm yen)	1,220		1,550		2,150		3,092		1,860	
Appraisal Price (mm yen)	1,590		1,090		1,870		2,450		1,470	
Property Management Company	Heiwa Real Estate Co., Ltd.		Heiwa Real Estate Co., Ltd.		Heiwa Real Estate Co., Ltd.		Building Management & Strategy Inc.		Heiwa Real Estate Co., Ltd.	
PML (%)	7.5		13.3		16.5		12.5		5.1	
Rental business balance (Note 1)	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	53,537	53,537	32,505	36,066	49,858	52,729	67,235	65,553	31,033	32,292
Other income	8,011	7,856	8,427	8,080	8,623	8,245	6,462	6,150	5,489	3,746
Rental business income total (unit: thousand yen)	61,549	61,394	40,933	44,147	58,482	60,975	73,697	71,703	36,522	36,038
PM fees	4,858	4,807	7,745	10,057	5,844	6,438	7,834	6,245	4,423	3,302
Public charges and taxes	2,291	2,239	4,893	4,932	4,890	4,875	8,229	8,246	2,774	2,849
Utilities	5,635	5,043	4,935	4,514	5,458	5,188	5,432	5,313	2,805	2,744
Maintenance and repair fees	478	535	464	1,219	264	2,363	687	272	1,897	440
Insurance fees	49	55	77	89	63	72	67	77	25	28
Trust fees	699	618	-	-	1,255	1,255	-	-	-	-
Other expenses	5,104	5,611	141	483	183	330	213	216	70	69
Rental business expenses total (unit: thousand yen)	19,116	18,911	18,257	21,296	17,960	20,524	22,465	20,372	11,996	9,436
NOI (-)	42,433	42,482	22,675	22,850	40,522	40,450	51,232	51,331	24,525	26,602
Depreciation	6,747	6,758	18,277	17,533	13,190	13,809	8,800	8,893	4,747	4,688
Rental business profit	35,686	35,724	4,398	5,317	27,331	26,641	42,432	42,437	19,777	21,913



(Note 1) Figures for rental business balance are the actual numbers for each period where values below 1,000 yen are rounded off.

8 Portfolio Overview and Performance (Office)

Property Name	Of-15 HF NAKAMEGURO BUILDING		Of-16 Anwa Tsukasacho Building		Of-17 Hatchobori MF Building		Of-18 M2 Harajuku		Of-20 Funabashi Face Building	
										
Address	Meguro-ku, Tokyo		Chiyoda-ku, Tokyo		Chuo-ku, Tokyo		Shibuya-ku, Tokyo		Funabashi City, Chiba	
Lot Area (m ²)	1,078.04		251.95		205.83		264.36		488.13	
Total Floor Area (m ²)	4,040.53		1,412.45		1,432.44		1,290.12		4,033.72	
Constructed	February 1988		October 1990		January 1988		January 1970		April 2003	
Period-end occupancy rate (%)	100.00		100.00		100.00		100.00		100.00	
Acquisition Price (mm yen)	2,870		1,385		1,110		3,418		3,900	
Appraisal Price (mm yen)	2,130		1,140		970		4,571		3,020	
Property Management Company	Heiwa Real Estate Co., Ltd.		Heiwa Real Estate Co., Ltd.		Heiwa Real Estate Co., Ltd.		Heiwa Real Estate Co., Ltd.		Building Management & Strategy Inc.	
PML (%)	14.5		9.2		14.7		9.8		5.9	
Rental business balance (Note 1)	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	58,971	61,658	30,069	31,330	29,376	29,507	89,891	91,115	105,824	106,354
Other income	12,419	13,984	4,965	5,308	2,883	2,305	7,843	8,892	5,420	5,805
Rental business income total (unit: thousand yen)	71,390	75,643	35,035	36,638	32,260	31,813	97,734	100,007	111,244	112,160
PM fees	9,118	7,206	2,949	2,842	2,407	2,653	5,278	5,725	17,806	17,307
Public charges and taxes	7,060	7,088	2,147	2,117	2,544	2,572	5,301	5,696	7,620	7,632
Utilities	6,694	6,618	3,405	3,379	2,991	2,640	4,872	5,424	8,435	8,682
Maintenance and repair fees	1,960	585	811	1,347	786	84	730	183	-	82
Insurance fees	78	90	27	31	26	29	29	32	75	85
Trust fees	-	-	-	-	-	-	1,401	1,401	-	-
Other expenses	311	222	79	81	53	44	46	48	8	8
Rental business expenses total (unit: thousand yen)	25,224	21,811	9,420	9,799	8,809	8,024	17,660	18,512	33,947	33,801
NOI (-)	46,166	53,831	25,614	26,839	23,451	23,789	80,074	81,495	77,297	78,359
Depreciation	16,914	17,186	8,789	8,859	4,324	4,370	8,747	8,783	20,015	20,015
Rental business profit	29,252	36,645	16,825	17,980	19,126	19,418	71,326	72,711	57,281	58,343

(Note 1) Figures for rental business balance are the actual numbers for each period where values below 1,000 yen are rounded off.

8 Portfolio Overview and Performance (Office)

Property Name	Of-21 Adesso Nishiazabu		Of-22 HF TORANOMON BUILDING		Of-23 HF Ikebukuro Building		Of-24 HF Yushima Building		Of-25 Kayabacho HEIWA Building	
										
Address	Minato-ku, Tokyo		Minato-ku, Tokyo		Toshima-ku, Tokyo		Bunkyo-ku, Tokyo		Chuo-ku, Tokyo	
Lot Area (m ²)	125.91		260.55		188.31		400.86		811.59	
Total Floor Area (m ²)	371.59		1,489.21		1,376.66		2,393.53		5,038.57	
Constructed	October 2003		November 1990		December 1993		July 1989		April 1992	
Period-end occupancy rate (%)	100.00		100.00		100.00		90.16		100.00	
Acquisition Price (mm yen)	640		1,675		1,314		1,434		4,798	
Appraisal Price (mm yen)	469		1,322		1,180		1,410		6,070	
Property Management Company	Heiwa Real Estate Co., Ltd.		MS Building Support Co., Ltd.		MS Building Support Co., Ltd.		MS Building Support Co., Ltd.		Heiwa Real Estate Co., Ltd.	
PML (%)	11.1		9.2		5.5		10.9		11.7	
Rental business balance (Note 1)	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	11,052	11,499	34,254	34,087	31,502	32,066	48,520	46,438	200,809	200,809
Other income	1,565	1,509	4,341	2,846	3,466	3,512	4,804	4,703	10,395	10,292
Rental business income total (unit: thousand yen)	12,618	13,008	38,596	36,933	34,968	35,578	53,324	51,141	211,204	211,101
PM fees	958	831	2,898	3,135	2,617	2,646	5,019	4,990	8,768	8,938
Public charges and taxes	766	759	3,651	3,671	2,108	2,105	2,494	2,568	8,890	8,932
Utilities	1,626	1,546	2,720	2,241	3,071	2,986	3,316	3,058	10,389	10,292
Maintenance and repair fees	98	277	528	1,217	381	-	233	1,650	442	305
Insurance fees	9	10	30	34	26	30	43	49	103	116
Trust fees	391	391	-	-	-	-	-	-	1,148	1,148
Other expenses	8	8	84	207	477	588	4,091	4,066	44	48
Rental business expenses total (unit: thousand yen)	3,858	3,824	9,914	10,508	8,682	8,358	15,197	16,384	29,788	29,782
NOI (-)	8,760	9,183	28,682	26,424	26,286	27,220	38,126	34,757	181,416	181,319
Depreciation	2,296	2,307	4,349	4,486	4,900	4,915	6,810	6,971	8,742	8,757
Rental business profit	6,464	6,875	24,332	21,938	21,385	22,305	31,316	27,786	172,674	172,562

(Note 1) Figures for rental business balance are the actual numbers for each period where values below 1,000 yen are rounded off.

8 Portfolio Overview and Performance (Office)

Property Name	Of-26 HIROKOJI AQUA PLACE		Of-27 Kobe Kyukyoryuchi Heiwa Building		Of-28 Mita Heiwa Building (leasehold land)		Of-29 Sakae Minami Heiwa Building		Of-30 HF SAKURADORI BUILDING	
										
Address	Nagoya City, Aichi		Kobe City, Hyogo		Minato-ku, Tokyo		Nagoya City, Aichi		Nagoya City, Aichi	
Lot Area (m ²)	1,389.39		1,008.86		4,441.79		707.05		1,662.49	
Total Floor Area (m ²)	9,521.09		7,743.98		—		3,959.12		13,160.83	
Constructed	May 2008		February 1998		—		July 2002		February 2009	
Period-end occupancy rate (%)	95.16		93.37		100.00		100.00		100.00	
Acquisition Price (mm yen)	2,930		2,310		2,230		1,580		4,900	
Appraisal Price (mm yen)	4,499		2,730		2,678		1,910		5,540	
Property Management Company	Heiwa Real Estate Co., Ltd.		Heiwa Real Estate Co., Ltd.		—		Heiwa Real Estate Co., Ltd.		Heiwa Real Estate Co., Ltd.	
PML (%)	10.6		7.5		—		10.8		9.2	
Rental business balance (Note 1)	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	131,313	131,754	120,702	118,235	90,900	90,900	72,501	71,751	260,859	260,153
Other income	36,658	37,387	14,334	14,724	-	-	11,141	12,658	36,525	41,124
Rental business income total (unit: thousand yen)	167,972	169,141	135,036	132,959	90,900	90,900	83,642	84,409	297,384	301,278
PM fees	17,690	17,398	21,274	21,812	300	300	12,287	12,880	35,782	38,020
Public charges and taxes	11,848	11,804	11,331	11,177	36,899	38,572	6,547	6,573	15,584	15,423
Utilities	15,600	16,991	15,312	17,089	-	-	9,295	10,001	19,041	19,421
Maintenance and repair fees	2,596	1,155	2,072	3,381	-	-	659	1,585	9,411	1,932
Insurance fees	189	217	166	193	-	-	111	119	311	343
Trust fees	441	441	324	324	176	176	324	324	339	339
Other expenses	2,792	730	726	708	-	-	301	321	76,310	76,273
Rental business expenses total (unit: thousand yen)	51,158	48,738	51,208	54,686	37,375	39,048	29,527	31,807	156,781	151,754
NOI (-)	116,813	120,402	83,827	78,273	53,524	51,851	54,114	52,602	140,602	149,523
Depreciation	29,708	29,803	20,966	20,987	-	-	13,584	13,524	36,088	36,120
Rental business profit	87,104	90,598	62,861	57,285	53,524	51,851	40,530	39,078	104,513	113,403

((Note 1) Figures for rental business balance are the actual numbers for each period where values below 1,000 yen are rounded off.)

8 Portfolio Overview and Performance (Office)

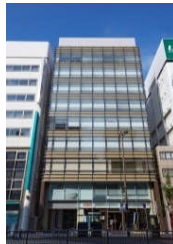
Property Name	Of-31 HF Nihonbashi Hamacho Building		Of-32 HFSendai Honcho Building		Of-33 DAIWA UENO BUILDING		Of-34 KOJIMACHI HF BUILDING		Of-35 HF KUDAN MINAMI BUILDING	
										
Address	Chuo-ku, Tokyo		Sendai City, Miyagi		Taito-ku, Tokyo		Chiyoda-ku, Tokyo		Chiyoda-ku, Tokyo	
Lot Area (m ²)	599.34		1,598.83		718.47		409.15		530.00	
Total Floor Area (m ²)	4,226.25		8,988.49		6,212.84		3,314.53		3,836.10	
Constructed	February 1987		September 2003		February 1990		March 1994		March 1991	
Period-end occupancy rate (%)	100.00		100.00		100.00		100.00		100.00	
Acquisition Price (mm yen)	1,900		2,700		3,400		1,350		2,720	
Appraisal Price (mm yen)	2,250		3,120		3,850		1,710		2,980	
Property Management Company	Heiwa Real Estate Co., Ltd.		Heiwa Real Estate Co., Ltd.		Heiwa Real Estate Co., Ltd.		Heiwa Real Estate Co., Ltd.		Heiwa Real Estate Co., Ltd.	
PML (%)	12.7		2.6		2.5		2.5		6.7	
Rental business balance (Note 1)	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period
Operation days	182	183	182	183	179	183	179	183	179	183
Rents and common expenses	70,484	70,444	112,040	114,809	109,158	109,146	55,375	56,283	84,810	85,410
Other income	12,398	14,776	25,898	21,963	19,481	20,476	6,097	7,302	7,909	10,115
Rental business income total (unit: thousand yen)	82,882	85,220	137,938	136,772	128,639	129,623	61,473	63,585	92,719	95,526
PM fees	8,710	9,227	19,361	19,519	13,755	17,523	5,620	6,111	8,234	8,589
Public charges and taxes	6,013	6,226	10,151	10,026	139	10,229	74	9,939	-	9,756
Utilities	7,819	7,764	18,338	14,169	9,406	10,112	5,120	5,927	5,699	7,609
Maintenance and repair fees	390	8,017	877	2,909	12,346	3,301	6,351	1,397	2,180	5,411
Insurance fees	83	94	158	180	113	135	64	76	64	77
Trust fees	339	339	439	439	322	329	322	329	332	339
Other expenses	459	574	850	396	1,717	1,627	524	145	1,215	769
Rental business expenses total (unit: thousand yen)	23,815	32,245	50,177	47,642	37,800	43,260	18,078	23,926	17,726	32,553
NOI (-)	59,067	52,974	87,761	89,130	90,838	86,363	43,394	39,659	74,993	62,972
Depreciation	9,380	9,923	30,532	31,751	19,171	19,797	5,323	5,494	9,447	9,895
Rental business profit	49,687	43,051	57,228	57,379	71,667	66,565	38,071	34,164	65,545	53,076

((Note 1) Figures for rental business balance are the actual numbers for each period where values below 1,000 yen are rounded off.

8 Portfolio Overview and Performance (Office)

Property Name

Of-36 HF KANDA
OGAWAMACHI BUILDING



Address	Chuo-ku, Tokyo	
Lot Area (m ²)	432.54	
Total Floor Area (m ²)	3,016.16	
Constructed	March 2008	
Period-end occupancy rate (%)	57.62	
Acquisition Price (mm yen)	3,150	
Appraisal Price (mm yen)	3,600	
Property Management Company	Heiwa Real Estate Co., Ltd.	
PML (%)	4.0	
Rental business balance (Note 1)	27th Fiscal Period	28th Fiscal Period
Operation days	-	33
Rents and common expenses	-	9,987
Other income	-	364
Rental business income total (unit: thousand yen)	-	10,352
PM fees	-	1,352
Public charges and taxes	-	-
Utilities	-	672
Maintenance and repair fees	-	15
Insurance fees	-	14
Trust fees	-	81
Other expenses	-	507
Rental business expenses total (unit: thousand yen)	-	2,643
NOI (-)	-	7,709
Depreciation	-	2,503
Rental business profit	-	5,205


((Note 1) Figures for rental business balance are the actual numbers for each period where values below 1,000 yen are rounded off.

9 Portfolio Overview and Performance (Residence)

Property Name	Re-03 HF ICHIKAWA RESIDENCE		Re-05 HF MEGURO RESIDENCE		Re-09 HF KASAI RESIDENCE		Re-11 HF WAKABAYASHI- KOEN RESIDENCE		Re-12 HF HIMONYA RESIDENCE	
										
Address	Ichikawa City, Chiba		Meguro-ku, Tokyo		Edogawa-ku, Tokyo		Setagaya-ku, Tokyo		Meguro-ku, Tokyo	
Lot Area (m ²)	218.22		213.45		416.87		2,892.06		856.19	
Total Floor Area (m ²)	884.60		948.48		1,392.74		6,689.03		2,412.83	
Constructed	March 2003		April 2003		November 2002		February 2004		February 2004	
Period-end occupancy rate (%)	100.00		95.07		95.81		96.99		98.36	
Acquisition Price (mm yen)	430		660		650		3,610		1,560	
Appraisal Price (mm yen)	508		646		698		3,934		1,556	
Property Management Company	Haseko Livenet, Inc.		RA Asset Management Inc.		Haseko Livenet, Inc.		Haseko Livenet, Inc.		Tokyu Housing Lease Corp	
PML (%)	6.2		6.2		8.8		6.7		6.4	
Rental business balance (Note 1)	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	17,280	17,280	18,465	18,805	22,401	21,910	103,467	105,419	42,408	42,851
Other income	32	-	983	454	1,584	1,617	7,983	8,741	1,687	2,159
Rental business income total (unit: thousand yen)	17,312	17,280	19,448	19,260	23,986	23,528	111,451	114,160	44,096	45,010
PM fees	1,064	1,064	2,980	2,805	2,335	2,441	8,339	8,023	3,941	4,253
Public charges and taxes	722	721	978	992	1,226	1,224	6,434	6,455	2,507	2,536
Utilities	221	211	293	241	286	267	1,293	1,179	378	354
Maintenance and repair fees	37	-	703	254	2,021	902	4,132	1,415	6,141	531
Insurance fees	13	15	15	16	19	21	113	129	37	42
Trust fees	577	577	603	603	603	603	879	879	655	655
Other expenses	194	110	193	50	347	219	910	1,062	422	124
Rental business expenses total (unit: thousand yen)	2,831	2,700	5,767	4,965	6,840	5,681	22,103	19,144	14,084	8,498
NOI (-)	14,480	14,579	13,680	14,295	17,146	17,847	89,347	95,015	30,011	36,512
Depreciation	2,822	2,822	3,693	3,693	4,315	4,300	23,314	23,446	7,662	7,711
Rental business profit	11,658	11,757	9,987	10,601	12,831	13,546	66,032	71,569	22,349	28,801

(Note 1) Figures for rental business balance are the actual numbers for each period where values below 1,000 yen are rounded off.

9 Portfolio Overview and Performance (Residence)

Property Name	Re-14 HF MINAMIAZABU RESIDENCE		Re-15 HF AZABUJUBAN RESIDENCE		Re-16 HF GAKUGEIDAIGAKU RESIDENCE		Re-17 HF HIGASHIKANDA RESIDENCE		Re-18 HF HIGASHINIHONBASHI RESIDENCE	
										
Address	Minato-ku, Tokyo		Minato-ku, Tokyo		Meguro-ku, Tokyo		Chiyoda-ku, Tokyo		Chuo-ku, Tokyo	
Lot Area (m ²)	279.73		499.24		268.70		262.07		312.76	
Total Floor Area (m ²)	1,673.32		1,225.85		1,431.57		1,596.11		2,101.31	
Constructed	April 2004		January 2005		March 2005		June 2005		June 2005	
Period-end occupancy rate (%)	93.34		92.40		92.56		100.00		100.00	
Acquisition Price (mm yen)	1,370		1,260		1,000		1,100		1,210	
Appraisal Price (mm yen)	1,274		1,120		919		1,250		1,460	
Property Management Company	RA Asset Management Inc.		Cosmos Initia Co., Ltd.		Tokyu Housing Lease Corp.		Haseko Livenet, Inc.		Apamanshop Sublease Co., Ltd.	
PML (%)	3.6		12.8		9.8		5.7		10.0	
Rental business balance (Note 1)	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	34,564	34,328	30,427	28,323	25,003	24,565	33,680	33,832	39,220	38,550
Other income	789	918	1,205	888	1,109	714	1,551	2,291	1,787	2,560
Rental business income total (unit: thousand yen)	35,353	35,247	31,633	29,211	26,113	25,280	35,231	36,123	41,007	41,110
PM fees	3,900	3,468	3,797	4,684	3,029	2,178	3,335	4,040	3,476	4,348
Public charges and taxes	1,919	1,919	1,816	1,818	1,361	1,367	1,481	1,475	1,990	1,977
Utilities	384	314	253	257	291	263	317	285	388	359
Maintenance and repair fees	725	659	1,809	1,636	2,067	1,402	3,062	937	2,064	2,268
Insurance fees	26	29	26	30	24	28	29	33	38	44
Trust fees	631	631	629	629	548	446	574	450	592	453
Other expenses	130	132	162	113	155	160	130	26	30	26
Rental business expenses total (unit: thousand yen)	7,717	7,155	8,493	9,170	7,479	5,846	8,929	7,249	8,581	9,478
NOI (-)	27,636	28,092	23,139	20,041	18,634	19,433	26,301	28,874	32,426	31,632
Depreciation	5,488	5,526	8,920	8,970	5,115	5,083	10,266	10,266	11,017	11,023
Rental business profit	22,147	22,565	14,219	11,070	13,518	14,350	16,035	18,608	21,408	20,608

(Note 1) Figures for rental business balance are the actual numbers for each period where values below 1,000 yen are rounded off.

9 Portfolio Overview and Performance (Residence)

Property Name	Re-19 HF NERIMA RESIDENCE		Re-20 HF SHIROKANETAKANAWA RESIDENCE		Re-21 HF MEIDAIMAE RESIDENCE		Re-22 HF NIHONBASHI RESIDENCE		Re-23 HF KAMISHAKUJII RESIDENCE	
										
Address	Nerima-ku, Tokyo		Minato-ku, Tokyo		Setagaya-ku, Tokyo		Chuo-ku, Tokyo		Nerima-ku, Tokyo	
Lot Area (m ²)	368.67		922.21		485.01		222.40		536.09	
Total Floor Area (m ²)	1,200.77		5,282.41		1,374.87		1,546.01		1,676.83	
Constructed	May 2005		August 2005		June 2005		May 2005		May 2006	
Period-end occupancy rate (%)	92.32		95.69		95.59		98.28		90.92	
Acquisition Price (mm yen)	690		4,030		1,070		1,130		950	
Appraisal Price (mm yen)	753		4,160		944		1,020		946	
Property Management Company	Apamanshop Sublease Co., Ltd.		Cosmos Initia Co., Ltd.		Haseko Livenet, Inc.		Haseko Livenet, Inc.		Haseko Livenet, Inc.	
PML (%)	5.5		3.9		6.0		3.3		6.2	
Rental business balance (Note 1)	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	22,880	22,207	105,798	103,101	26,665	27,908	30,757	30,462	29,903	29,380
Other income	1,092	936	4,512	6,847	1,117	1,023	801	1,197	1,063	1,042
Rental business income total (unit: thousand yen)	23,972	23,144	110,311	109,949	27,782	28,932	31,558	31,659	30,967	30,423
PM fees	2,731	2,701	9,147	11,509	3,530	3,003	3,138	3,925	2,819	2,727
Public charges and taxes	1,193	1,190	5,576	5,615	1,490	1,503	1,525	1,526	1,760	1,821
Utilities	259	247	1,010	952	312	285	463	438	372	326
Maintenance and repair fees	2,034	628	4,237	3,445	908	1,051	1,664	892	1,271	1,005
Insurance fees	22	26	107	123	26	29	29	33	33	38
Trust fees	459	390	-	-	-	-	752	752	-	-
Other expenses	52	87	1,171	464	884	268	508	318	520	20
Rental business expenses total (unit: thousand yen)	6,753	5,271	21,250	22,111	7,151	6,140	8,081	7,887	6,775	5,939
NOI (-)	17,219	17,872	89,060	87,837	20,631	22,791	23,477	23,772	24,191	24,483
Depreciation	6,465	6,473	22,362	22,350	5,026	5,035	4,932	4,949	6,283	6,305
Rental business profit	10,754	11,399	66,697	65,487	15,604	17,755	18,544	18,823	17,907	18,178

(Note 1) Figures for rental business balance are the actual numbers for each period where values below 1,000 yen are rounded off.

9 Portfolio Overview and Performance (Residence)

Property Name	Re-24 HF KINSHICHO RESIDENCE	Re-25 HF GINZA RESIDENCE EAST	Re-26 HF SHIN-YOKOHAMA RESIDENCE	Re-29 HF HAKUSAN RESIDENCE	Re-30 HF MAGOME RESIDENCE
---------------	---------------------------------	----------------------------------	--	-------------------------------	------------------------------

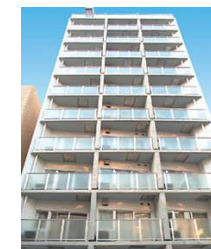


Address	Sumida-ku, Tokyo		Chuo-ku, Tokyo		Yokohama City, Kanagawa		Bunkyo-ku, Tokyo		Ota-ku, Tokyo	
Lot Area (m ²)	256.23		822.01		805.00		1,390.68		2,357.97	
Total Floor Area (m ²)	1,571.87		6,387.67		5,415.20		3,998.98		3,566.18	
Constructed	March 2005		March 2005		September 2006		January 2000		August 2001	
Period-end occupancy rate (%)	96.46		94.48		96.33		96.63		93.99	
Acquisition Price (mm yen)	1,100		5,940		3,350		2,350		1,630	
Appraisal Price (mm yen)	1,090		4,570		2,650		1,770		1,280	
Property Management Company	Haseko Livenet, Inc.		Haseko Livenet, Inc.		Haseko Livenet, Inc.		Haseko Livenet, Inc.		Haseko Livenet, Inc.	
PML (%)	10.1		5.7		13.2		4.4		4.6	
Rental business balance (Note 1)	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	30,623	31,443	117,170	111,135	76,615	77,585	51,905	51,213	38,157	38,047
Other income	1,378	1,000	11,988	9,163	7,354	4,469	3,254	2,541	5,104	5,804
Rental business income total (unit: thousand yen)	32,002	32,444	129,158	120,299	83,970	82,055	55,160	53,754	43,262	43,851
PM fees	3,694	2,600	10,905	11,800	9,350	7,103	5,421	4,738	4,673	3,141
Public charges and taxes	1,410	1,412	6,245	6,250	4,640	4,598	3,679	3,594	3,140	3,160
Utilities	355	325	1,246	1,114	441	418	605	553	484	429
Maintenance and repair fees	1,213	157	6,287	2,304	3,312	1,930	2,540	1,828	1,436	1,032
Insurance fees	29	33	116	133	89	102	66	75	58	67
Trust fees	-	-	1,750	1,750	-	-	-	-	-	-
Other expenses	412	19	289	276	976	1,295	268	77	197	18
Rental business expenses total (unit: thousand yen)	7,114	4,547	26,840	23,631	18,811	15,449	12,581	10,869	9,990	7,850
NOI (-)	24,887	27,896	102,317	96,667	65,158	66,605	42,579	42,885	33,271	36,001
Depreciation	5,178	5,199	26,948	27,064	19,914	19,307	14,440	14,592	12,224	12,278
Rental business profit	19,708	22,696	75,369	69,603	45,244	47,297	28,139	28,292	21,047	23,723

(Note 1) Figures for rental business balance are the actual numbers for each period where values below 1,000 yen are rounded off.

9 Portfolio Overview and Performance (Residence)

Property Name	Re-31 HF GAKUGEIDAIGAKU RESIDENCE II	Re-33 HF KAMEIDO RESIDENCE	Re-34 HF TANASHI RESIDENCE	Re-36 HF SHIBA-KOEN RESIDENCE	Re-36 HF MITA RESIDENCE
---------------	--	-------------------------------	-------------------------------	-------------------------------------	----------------------------



Address	Meguro-ku, Tokyo		Koto-ku, Tokyo		Nishitokyo City, Tokyo		Minato-ku, Tokyo		Minato-ku, Tokyo	
Lot Area (m ²)	847.14		246.34		1,639.65		311.02		303.10	
Total Floor Area (m ²)	1,863.67		1,782.74		3,414.75		1,362.79		1,705.22	
Constructed	January 2005		January 2008		March 1989		August 2003		March 2004	
Period-end occupancy rate (%)	95.44		100.00		100.00		100.00		89.57	
Acquisition Price (mm yen)	1,650		1,050		911		836		1,080	
Appraisal Price (mm yen)	1,150		1,060		756		813		1,160	
Property Management Company	Haseko Livenet, Inc.		Haseko Livenet, Inc.		Haseko Livenet, Inc.		Haseko Livenet, Inc.		Haseko Livenet, Inc.	
PML (%)	14.6		7.6		8.6		7.8		2.6	
Rental business balance (Note 1)	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	31,185	30,507	31,752	31,752	29,215	29,330	24,308	24,613	34,718	33,326
Other income	2,117	1,711	274	4	2,090	1,893	1,035	1,131	923	656
Rental business income total (unit: thousand yen)	33,302	32,218	32,026	31,756	31,305	31,223	25,344	25,744	35,642	33,983
PM fees	3,269	3,786	2,234	2,134	4,097	4,115	2,763	2,355	3,637	3,747
Public charges and taxes	1,908	1,917	1,750	1,751	2,470	2,494	1,557	1,558	2,186	2,198
Utilities	282	245	402	378	400	375	525	477	448	422
Maintenance and repair fees	489	1,213	37	130	1,658	1,963	1,033	330	1,138	1,533
Insurance fees	32	37	33	38	50	58	27	31	33	38
Trust fees	1,061	1,061	-	-	-	-	500	414	500	414
Other expenses	241	191	398	368	252	20	457	332	430	358
Rental business expenses total (unit: thousand yen)	7,286	8,453	4,856	4,800	8,929	9,026	6,865	5,499	8,376	8,713
NOI (-)	26,016	23,765	27,170	26,956	22,376	22,197	18,479	20,245	27,266	25,269
Depreciation	6,546	6,524	6,010	6,010	9,877	10,085	4,680	4,702	5,755	5,811
Rental business profit	19,470	17,240	21,159	20,945	12,499	12,111	13,798	15,542	21,510	19,458

(Note 1) Figures for rental business balance are the actual numbers for each period where values below 1,000 yen are rounded off.

9 Portfolio Overview and Performance (Residence)

Property Name	Re-37 HF TAKANAWA RESIDENCE		Re-38 La Residence de Shirokanedai		Re-39 HF GINZA RESIDENCE EAST II		Re-40 HF HATCHOBORI RESIDENCE II		Re-41 HF HATCHOBORI RESIDENCE III	
										
Address	Minato-ku, Tokyo		Minato-ku, Tokyo		Chuo-ku, Tokyo		Chuo-ku, Tokyo		Chuo-ku, Tokyo	
Lot Area (m ²)	432.36		344.25		368.35		427.32		203.98	
Total Floor Area (m ²)	1,176.06		1,180.73		2,334.73		3,351.26		1,756.88	
Constructed	February 2003		February 2004		February 1999		January 2002		January 2004	
Period-end occupancy rate (%)	93.44		100.00		98.75		99.08		95.01	
Acquisition Price (mm yen)	749		730		1,460		1,890		793	
Appraisal Price (mm yen)	812		848		1,570		2,020		924	
Property Management Company	Apamanshop Sublease Co., Ltd.		Tokyu Housing Lease Corp		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Nihon Housing Co., Ltd.	
PML (%)	1.5		3.3		6.9		6.0		3.2	
Rental business balance (Note 1)	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	22,852	23,086	24,490	24,393	48,194	46,499	58,797	58,388	27,051	27,081
Other income	673	889	150	724	1,971	2,205	3,366	1,772	1,562	1,892
Rental business income total (unit: thousand yen)	23,525	23,975	24,640	25,117	50,165	48,705	62,164	60,161	28,614	28,973
PM fees	3,557	2,719	2,955	4,361	5,501	6,051	6,202	7,436	3,282	3,135
Public charges and taxes	1,406	1,408	1,438	1,454	2,048	2,029	2,838	2,865	1,769	1,779
Utilities	35	-	-	-	449	417	754	716	394	365
Maintenance and repair fees	1,070	8,047	779	1,549	720	1,442	10,979	2,667	779	956
Insurance fees	24	27	67	25	42	48	59	67	32	37
Trust fees	500	456	404	404	457	457	450	450	375	372
Other expenses	272	172	130	20	185	334	141	431	269	624
Rental business expenses total (unit: thousand yen)	6,865	12,831	5,774	7,815	9,404	10,781	21,426	14,636	6,902	7,271
NOI (-)	16,659	11,143	18,865	17,301	40,761	37,923	40,737	45,524	21,712	21,701
Depreciation	4,568	4,620	2,898	2,899	9,033	9,093	12,948	13,475	6,919	7,051
Rental business profit	12,090	6,522	15,966	14,401	31,728	28,830	27,789	32,048	14,793	14,649

(Note 1) Figures for rental business balance are the actual numbers for each period where values below 1,000 yen are rounded off.

9 Portfolio Overview and Performance (Residence)

Property Name	Re-42 HF GINZA RESIDENCE		Re-43 HF KOMAZAWA-KOEN RESIDENCE TOWER		Re-44 HF UMEDA RESIDENCE TOWER		Re-45 HF NAKANOSHIMA RESIDENCE		Re-46 HF AWAZA RESIDENCE	
										
Address	Chuo-ku, Tokyo		Setagaya-ku, Tokyo		Osaka City, Osaka		Osaka City, Osaka		Osaka City, Osaka	
Lot Area (m ²)	175.16		2,425.44		631.79		375.95		296.88	
Total Floor Area (m ²)	1,375.97		11,468.94		7,105.00		1,486.57		1,999.88	
Constructed	July 2004		January 2001		August 2003		June 2001		March 2002	
Period-end occupancy rate (%)	100.00		96.82		95.65		97.96		98.32	
Acquisition Price (mm yen)	944		6,520		1,920		453		577	
Appraisal Price (mm yen)	1,080		6,830		2,030		486		655	
Property Management Company	RA Asset Management Inc.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Haseko Livenet, Inc.		Apamanshop Sublease Co., Ltd.	
PML (%)	3.0		2.7		6.2		8.6		6.0	
Rental business balance (Note 1)	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	31,484	31,733	195,666	198,774	77,459	72,713	17,711	17,838	23,325	21,783
Other income	1,574	998	10,422	12,102	2,588	2,107	838	757	765	662
Rental business income total (unit: thousand yen)	33,059	32,731	206,089	210,877	80,047	74,820	18,550	18,595	24,090	22,445
PM fees	2,842	3,252	25,128	24,780	11,814	13,113	2,465	3,256	3,145	4,063
Public charges and taxes	1,645	1,631	11,013	11,167	6,174	6,280	1,280	1,292	1,708	1,704
Utilities	457	404	4,012	3,562	2,275	2,158	395	380	-	51
Maintenance and repair fees	275	431	8,335	8,156	3,309	3,258	8,168	569	7,602	1,357
Insurance fees	24	28	299	228	117	135	27	31	35	40
Trust fees	500	456	581	581	625	522	450	450	451	451
Other expenses	167	46	2,630	1,874	527	509	733	340	256	308
Rental business expenses total (unit: thousand yen)	5,913	6,251	52,002	50,349	24,844	25,979	13,521	6,321	13,199	7,977
NOI (-)	27,145	26,479	154,087	160,527	55,202	48,841	5,028	12,273	10,890	14,468
Depreciation	8,480	8,654	32,523	33,956	22,300	23,025	4,485	4,828	6,523	6,579
Rental business profit	18,664	17,824	121,563	126,570	32,902	25,816	542	7445	4,367	7,889

(Note 1) Figures for rental business balance are the actual numbers for each period where values below 1,000 yen are rounded off.

9 Portfolio Overview and Performance (Residence)

Property Name	Re-47 HF MARUNOUCHI RESIDENCE		Re-48 HF HIRAO RESIDENCE		Re-49 HF KAWARAMACHI NIJO RESIDENCE		Re-52 HF TENJIN-HIGASHI RESIDENCE		Re-53 HF SHIJO KAWARAMACHI RESIDENCE	
										
Address	Nagoya City, Aichi		Fukuoka City, Fukuoka		Kyoto City, Kyoto		Fukuoka City, Fukuoka		Kyoto City, Kyoto	
Lot Area (m ²)	545.08		1,599.97		206.84		429.63		863.39	
Total Floor Area (m ²)	2,284.30		6,476.24		1,547.19		2,283.63		5,217.41	
Constructed	February 2004		March 2003		February 2005		August 2005		March 2007	
Period-end occupancy rate (%)	100.00		96.94		96.12		96.10		98.77	
Acquisition Price (mm yen)	624		1,780		534		502		1,820	
Appraisal Price (mm yen)	687		1,880		541		583		2,140	
Property Management Company	Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.	
PML (%)	16.5		3.4		6.5		5.3		5.5	
Rental business balance (Note 1)	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	25,622	25,933	73,199	71,689	19,372	19,393	23,636	23,927	67,929	68,593
Other income	1,594	1,239	5,067	5,019	847	895	1,977	1,978	7,489	4,978
Rental business income total (unit: thousand yen)	27,217	27,173	78,267	76,708	20,220	20,288	25,613	25,905	75,419	73,571
PM fees	3,194	3,046	8,287	8,055	2,635	2,394	3,798	2,887	7,702	5,860
Public charges and taxes	1,687	1,703	5,532	5,826	1,160	1,175	1,646	1,642	4,395	4,397
Utilities	48	9	1,859	1,932	478	472	809	796	2,381	2,258
Maintenance and repair fees	4,434	632	2,215	27,748	2,972	288	477	1,247	1,445	1,235
Insurance fees	36	42	115	133	23	27	36	42	85	98
Trust fees	453	452	1,000	606	487	450	500	517	650	650
Other expenses	336	471	190	215	222	35	328	464	1,320	1,000
Rental business expenses total (unit: thousand yen)	10,191	6,358	19,200	44,518	7,982	4,844	7,597	7,599	17,980	15,499
NOI (-)	17,025	20,814	59,066	32,190	12,237	15,443	18,016	18,305	57,438	58,072
Depreciation	7,660	7,689	19,845	20,150	3,577	3,583	5,687	5,690	10,468	10,473
Rental business profit	9,365	13,125	39,220	12,039	8,660	11,859	12,328	12,615	46,970	47,599

(Note 1) Figures for rental business balance are the actual numbers for each period where values below 1,000 yen are rounded off.

9 Portfolio Overview and Performance (Residence)

Property Name	Re-54 La Residence de Sendagi		Re-55 HF SENDAGI RESIDENCE		Re-56 HF KOMAZAWA-KOEN RESIDENCE		Re-57 HF MUSASHIKOYAMA RESIDENCE		Re-58 HF KOKUBUNJI RESIDENCE	
										
Address	Bunkyo-ku, Tokyo		Bunkyo-ku, Tokyo		Setagaya-ku, Tokyo		Shinagawa-ku, Tokyo		Kokubunji City, Tokyo	
Lot Area (m ²)	269.15		249.06		709.54		455.93		257.06	
Total Floor Area (m ²)	1,307.91		1,667.29		1,124.69		1,495.61		1,295.58	
Constructed	February 2006		February 2006		July 2006		November 2006		January 2006	
Period-end occupancy rate (%)	100.00		100.00		100.00		96.45		94.78	
Acquisition Price (mm yen)	820		870		615		842		839	
Appraisal Price (mm yen)	910		972		653		1,000		918	
Property Management Company	Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Nihon Housing Co., Ltd.	
PML (%)	4.4		9.2		4.3		6.3		6.3	
Rental business balance (Note 1)	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	28,451	28,218	30,288	30,736	19,078	18,740	29,188	29,716	30,287	29,409
Other income	634	235	680	135	864	445	3,580	1,800	1,535	758
Rental business income total (unit: thousand yen)	29,085	28,453	30,968	30,871	19,942	19,186	32,769	31,517	31,823	30,167
PM fees	2,951	2,826	3,696	3,479	2,563	2,653	3,684	3,098	2,785	2,320
Public charges and taxes	1,285	1,286	1,542	1,550	1,324	1,342	1,515	1,508	1,546	1,536
Utilities	-	-	-	-	325	311	270	269	303	275
Maintenance and repair fees	280	180	659	387	2,910	621	643	174	961	1,271
Insurance fees	22	24	28	31	19	22	24	28	24	27
Trust fees	600	600	600	600	650	650	650	650	600	600
Other expenses	30	-	130	20	179	486	309	549	431	3
Rental business expenses total (unit: thousand yen)	5,170	4,919	6,656	6,068	7,973	6,088	7,097	6,278	6,653	6,034
NOI (-)	23,915	23,534	24,312	24,802	11,969	13,097	25,671	25,238	25,169	24,133
Depreciation	3,134	3,009	3,662	3,532	3,278	3,300	3,227	3,227	3,950	3,785
Rental business profit	20,780	20,525	20,649	21,269	8,690	9,797	22,443	22,011	21,218	20,348

(Note 1) Figures for rental business balance are the actual numbers for each period where values below 1,000 yen are rounded off.

9 Portfolio Overview and Performance (Residence)

Property Name	Re-59 HF HISAYADORI RESIDENCE		Re-60 HF KARASUMA KURAMAGUCHI RESIDENCE		Re-61 HF NISHI-SHINJUKU RESIDENCE WEST		Re-62 HF NISHI-SHINJUKU RESIDENCE EAST		Re-63 HF HIGASHI-SHINJUKU RESIDENCE	
										
Address	Nagoya City, Aichi		Kyoto City, Kyoto		Shinjuku-ku, Tokyo		Shinjuku-ku, Tokyo		Shinjuku-ku, Tokyo	
Lot Area (m ²)	362.02		471.10		575.67		347.29		313.96	
Total Floor Area (m ²)	3,633.19		1,362.90		2,979.31		1,787.97		2,233.42	
Constructed	March 2006		March 2007		March 2006		March 2006		March 2007	
Period-end occupancy rate (%)	90.12		92.85		98.75		100.00		97.46	
Acquisition Price (mm yen)	1,080		572		1,990		1,170		1,360	
Appraisal Price (mm yen)	1,190		637		2,320		1,330		1,500	
Property Management Company	Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.	
PML (%)	9.3		9.9		4.6		3.5		2.6	
Rental business balance (Note 1)	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	44,092	42,872	20,160	19,563	63,863	63,748	37,811	36,957	47,884	46,689
Other income	1,306	1,167	2,030	708	2,734	3,286	1,905	1,415	1,813	1,913
Rental business income total (unit: thousand yen)	45,399	44,039	22,190	20,271	66,597	67,034	39,716	38,373	49,698	48,603
PM fees	3,498	3,805	2,900	2,245	8,575	8,655	6,102	5,936	7,136	8,362
Public charges and taxes	2,699	2,702	1,105	1,106	3,077	3,097	1,944	1,949	2,283	2,306
Utilities	424	366	574	575	15	9	11	4	11	4
Maintenance and repair fees	1,979	1,432	677	371	1,841	861	1,523	1,094	1,365	1,503
Insurance fees	56	65	23	26	55	63	34	38	39	44
Trust fees	750	750	650	650	750	750	600	600	600	600
Other expenses	586	814	270	123	1,219	439	1,088	317	130	118
Rental business expenses total (unit: thousand yen)	9,994	9,936	6,201	5,098	15,535	13,876	11,305	9,941	11,566	12,939
NOI (-)	35,404	34,102	15,989	15,173	51,062	53,158	28,411	28,431	38,131	35,664
Depreciation	6,250	6,443	2,947	2,957	7,060	7,067	4,493	4,493	6,693	6,731
Rental business profit	29,154	27,659	13,042	12,216	44,001	46,090	23,917	23,937	31,438	28,932

(Note 1) Figures for rental business balance are the actual numbers for each period where values below 1,000 yen are rounded off.

9 Portfolio Overview and Performance (Residence)

Property Name	Re-64 HF HIGASHI-SHINSAIBASHI RESIDENCE		Re-65 HF KITA-YOBANCHO RESIDENCE		Re-66 HF ATAGOBASHI RESIDENCE		Re-67 HF KYUDAIBYOINMAE RESIDENCE		Re-68 HF ASAKUSABASHI RESIDENCE	
										
Address	Osaka City, Osaka		Sendai City, Miyagi		Sendai City, Miyagi		Fukuoka City, Fukuoka		Taito-ku, Tokyo	
Lot Area (m ²)	343.80		475.70		717.53		400.00		267.42	
Total Floor Area (m ²)	1,295.71		2,834.54		2,381.24		1,650.19		1,341.38	
Constructed	September 2006		January 2007		January 2007		January 2007		September 2006	
Period-end occupancy rate (%)	97.72		89.98		88.76		98.37		100.00	
Acquisition Price (mm yen)	566		809		684		426		771	
Appraisal Price (mm yen)	620		1,020		840		478		873	
Property Management Company	Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.	
PML (%)	10.3		1.0		1.0		1.0		6.3	
Rental business balance (Note 1)	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	21,342	21,439	38,436	38,193	32,456	31,156	18,442	18,597	25,168	24,649
Other income	162	84	1,507	1,382	1,849	1,529	858	804	861	1,002
Rental business income total (unit: thousand yen)	21,504	21,523	39,943	39,575	34,305	32,686	19,300	19,402	26,029	25,651
PM fees	2,447	2,484	4,057	4,286	2,815	2,756	2,768	2,018	2,403	3,930
Public charges and taxes	1,219	1,222	2,254	2,248	2,200	2,198	1,375	1,366	1,302	1,306
Utilities	15	-	6	-	6	-	298	291	6	-
Maintenance and repair fees	429	336	3,719	1,215	1,010	1,072	844	293	467	780
Insurance fees	21	24	45	52	43	50	28	32	26	30
Trust fees	600	600	600	600	600	600	650	650	600	600
Other expenses	205	-	663	-	663	-	356	595	130	390
Rental business expenses total (unit: thousand yen)	4,938	4,667	11,347	8,403	7,339	6,677	6,320	5,248	4,935	7,037
NOI (-)	16,566	16,855	28,595	31,172	26,965	26,008	12,980	14,153	21,093	18,614
Depreciation	2,674	2,675	6,254	6,300	5,939	5,966	3,756	3,762	3,331	3,331
Rental business profit	13,891	14,179	22,341	24,871	21,026	20,042	9,223	10,391	17,762	15,283

(Note 1) Figures for rental business balance are the actual numbers for each period where values below 1,000 yen are rounded off.

9 Portfolio Overview and Performance (Residence)

Property Name	Re-69 HF ICHIBANCHO RESIDENCE		Re-70 HF HIGASHI-NAKANO RESIDENCE		Re-72 HF WASEDA RESIDENCE		Re-73 HF WASEDA RESIDENCE II		Re-74 HF WAKAMATSU-KAWADA RESIDENCE	
										
Address	Sendai City, Miyagi		Nakano-ku, Tokyo		Shinjuku-ku, Tokyo		Shinjuku-ku, Tokyo		Shinjuku-ku, Tokyo	
Lot Area (m ²)	398.14		538.53		820.34		319.83		412.42	
Total Floor Area (m ²)	2,404.41		1,705.22		3,440.06		1,356.68		1,858.51	
Constructed	February 2007		February 2007		May 2007		May 2007		February 2004	
Period-end occupancy rate (%)	96.45		93.77		96.36		96.24		100.00	
Acquisition Price (mm yen)	834		942		2,090		872		1,158	
Appraisal Price (mm yen)	1,020		1,010		2,330		953		1,320	
Property Management Company	Apamanshop Sublease Co., Ltd.		Nihon Housing Co., Ltd.		Haseko Livenet, Inc.		Haseko Livenet, Inc.		Tokyu Housing Lease Corp	
PML (%)	1.1		3.0		4.0		3.6		5.0	
Rental business balance (Note 1)	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	39,232	38,989	30,062	29,946	72,118	70,374	30,189	29,315	33,539	34,677
Other income	1,984	1,829	832	1,317	2,506	2,954	721	927	2,530	3,592
Rental business income total (unit: thousand yen)	41,217	40,818	30,894	31,264	74,624	73,328	30,910	30,243	36,069	38,269
PM fees	3,461	3,554	3,036	3,257	11,264	12,828	3,890	4,345	4,364	3,952
Public charges and taxes	2,592	2,590	1,645	1,650	3,346	3,331	1,374	1,369	1,866	1,867
Utilities	6	-	366	353	757	700	391	370	347	312
Maintenance and repair fees	1,410	1,003	477	473	1,616	1,357	485	331	481	1,104
Insurance fees	44	50	28	32	63	72	25	29	32	37
Trust fees	600	600	650	650	850	850	650	650	440	440
Other expenses	397	-	48	32	1,156	1,272	533	509	697	717
Rental business expenses total (unit: thousand yen)	8,512	7,799	6,253	6,450	19,055	20,413	7,351	7,605	8,230	8,433
NOI (-)	32,704	33,019	24,640	24,814	55,569	52,914	23,559	22,638	27,839	29,835
Depreciation	5,315	5,340	4,077	4,088	8,320	8,012	3,478	3,364	6,376	6,404
Rental business profit	27,389	27,679	20,563	20,725	47,249	44,901	20,081	19,273	21,462	23,431

(Note 1) Figures for rental business balance are the actual numbers for each period where values below 1,000 yen are rounded off.

9 Portfolio Overview and Performance (Residence)

Property Name	Re-75 HF SENDAI RESIDENCE EAST		Re-76 HF NISHI-KOEN RESIDENCE		Re-77 HF BANSUI-DORI RESIDENCE	
						
Address	Sendai City, Miyagi		Sendai City, Miyagi		Sendai City, Miyagi	
Lot Area (m ²)	1,133.00		733.98		401.19	
Total Floor Area (m ²)	5,662.45		2,939.82		2,037.38	
Constructed	July 2008		February 2006		March 2006	
Period-end occupancy rate (%)	95.15		89.32		100.00	
Acquisition Price (mm yen)	1,630		1,310		790	
Appraisal Price (mm yen)	1,690		1,410		866	
Property Management Company	Apamanshop Sublease Co., Ltd.		Taisei Housy Property		Taisei Housy Property	
PML (%)	1.8		2.7		1.7	
Rental business balance (Note 1)	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period	27th Fiscal Period	28th Fiscal Period
Operation days	179	183	-	33	-	33
Rents and common expenses	56,961	58,037	-	7,223	-	5,042
Other income	3,342	3,231	-	303	-	359
Rental business income total (unit: thousand yen)	60,303	61,269	-	7,527	-	5,402
PM fees	4,342	3,953	-	564	-	438
Public charges and taxes	2,012	4,025	-	-	-	-
Utilities	817	1,070	-	10	-	8
Maintenance and repair fees	947	1,553	-	166	-	35
Insurance fees	58	73	-	12	-	7
Trust fees	324	331	-	81	-	81
Other expenses	130	3	-	-	-	-
Rental business expenses total (unit: thousand yen)	8,633	11,009	-	834	-	570
NOI (-)	51,669	50,259	-	6,692	-	4,831
Depreciation	15,525	15,634	-	4,026	-	2,390
Rental business profit	36,144	34,625	-	2,666	-	2,440

(Note 1) Figures for rental business balance are the actual numbers for each period where values below 1,000 yen are rounded off.

10 Historical Appraisal Values

Property Name	Acquisition Prices	Appraisal Amount						28th Fiscal Period Book Value (B)	Latent Profits and Losses (A) – (B)	Profit/Loss Ratio (%)
		23rd Fiscal Period	24th Fiscal Period	25th Fiscal Period	26th Fiscal Period	27th Fiscal Period	28th Fiscal Period(A)			
Of-01 HF GOTANDA BUILDING	1,290	1,201	1,237	1,263	1,283	1,308	1,328	1,341	(13)	(1.01)
Of-05 Suitengu Heiwa Bldg	1,550	1,226	1,202	1,225	1,246	1,303	1,349	1,451	(102)	(7.09)
Of-06 HF MONZENNAKACHO BUILDING	2,500	2,220	2,240	2,280	2,310	2,350	2,390	2,372	17	0.74
Of-07 HF HAMAMATSUCHO BUILDING	1,530	1,510	1,490	1,490	1,520	1,520	1,490	1,542	(52)	(3.39)
Of-08 Kokusai Tameike Bldg	2,700	2,490	2,540	2,550	2,590	2,510	2,570	2,775	(205)	(7.39)
Of-09 Grace Building Sengakujimae	1,220	1,450	1,450	1,470	1,490	1,520	1,590	1,165	424	36.46
Of-10 HF SHIN-YOKOHAMA BUILDING	1,550	1,170	1,110	1,070	1,080	1,080	1,090	1,389	(299)	(21.55)
Of-11 Nihonbashi Daiichi Bldg	2,150	1,720	1,710	1,740	1,760	1,810	1,870	2,242	(372)	(16.61)
Of-12 Hatchobori SF Bldg	3,092	2,340	2,340	2,360	2,410	2,420	2,450	3,112	(662)	(21.30)
Of-13 Shibuya AX Hills	1,860	1,340	1,350	1,360	1,400	1,420	1,470	1,821	(351)	(19.30)
Of-15 HF NAKAMEGURO BUILDING	2,870	2,120	2,050	2,050	2,080	2,120	2,130	2,888	(758)	(26.25)
Of-16 Anwa Tsukasacho Bldg	1,385	1,090	1,090	1,090	1,100	1,120	1,140	1,298	(158)	(12.21)
Of-17 Hatchobori MF Bldg	1,110	908	909	919	935	956	970	1,119	(149)	(13.35)
Of-18 M2 Harajuku	3,418	4,010	4,134	4,214	4,315	4,385	4,571	3,482	1,088	31.25
Of-20 Funabashi Face Bldg	3,900	3,110	3,160	2,850	2,920	2,960	3,020	3,616	(596)	(16.48)
Of-21 Adesso Nishiazabu	640	430	448	446	456	457	469	620	(151)	(24.46)
Of-22 HF TORANOMON BUILDING	1,675	1,236	1,257	1,270	1,271	1,294	1,322	1,724	(402)	(23.32)
Of-23 HF IKEBUKURO BUILDING	1,314	1,070	1,090	1,090	1,110	1,130	1,180	1,323	(143)	(10.83)
Of-24 HF YUSHIMA BUILDING	1,434	1,340	1,360	1,380	1,410	1,420	1,410	1,460	(50)	(3.44)
Of-25 Kayabacho Heiwa Bldg	4,798	5,410	5,500	5,610	5,770	5,950	6,070	4,800	1,269	26.44
Of-26 HIROKOJI AQUA PLACE	2,930	3,848	3,946	4,024	4,097	4,279	4,499	2,798	1,700	60.78
Of-27 Kobe Kyukyoryuchi Heiwa Building	2,310	2,550	2,550	2,560	2,580	2,680	2,730	2,255	474	21.02
Of-28 Mita Heiwa Building (leasehold land)	2,230	2,310	2,447	2,504	2,563	2,627	2,678	2,269	408	18.00
Of-29 Sakae Minami Heiwa Building	1,580	1,770	1,770	1,790	1,810	1,880	1,910	1,532	377	24.61
Of-30 HF SAKURADORI BUILDING	4,900	—	—	5,510	5,580	5,460	5,540	4,801	738	15.38
Of-31 HF Nihonbashi Hamacho Building	1,900	—	—	2,110	2,150	2,190	2,250	1,940	309	15.95
Of-32 HF Sendai Honcho Building	2,700	—	—	2,990	3,050	3,090	3,120	2,752	367	13.34
Of-33 DAWA UENO BUILDING	3,400	—	—	—	—	3,790	3,850	3,449	400	11.62
Of-34 KOJIMACHI HF BUILDING	1,350	—	—	—	—	1,590	1,710	1,371	338	24.69
Of-35 HF KUDAN MINAMI BUILDING	2,720	—	—	—	—	2,930	2,980	2,744	235	8.59
Of-36 HF Kanda Ogawamachi Building	3,150	—	—	—	—	—	3,600	3,279	320	9.78
Total Office Buildings	71,156	47,869	48,380	59,215	60,286	69,549	74,746	70,730	4,001	5.66
Re-03 HF ICHIKAWA RESIDENCE	430	461	474	483	491	499	508	391	116	29.91
Re-05 HF MEGURO RESIDENCE	660	547	566	578	599	618	646	642	3	0.54
Re-09 HF KASAI RESIDENCE	650	623	639	653	664	684	698	588	109	18.63
Re-11 HF WAKABAYASHI – KOEN RESIDENCE	3,610	3,493	3,631	3,695	3,775	3,850	3,934	3,205	728	22.74
Re-12 HF HIMONYA RESIDENCE	1,560	1,410	1,456	1,489	1,519	1,541	1,556	1,444	111	7.73
Re-14 HF MNAMAZABU RESIDENCE	1,370	1,174	1,182	1,186	1,212	1,259	1,274	1,308	(34)	(2.66)
Re-15 HF AZABUJUBAN RESIDENCE	1,260	1,040	1,040	1,070	1,080	1,120	1,120	1,167	(47)	(4.06)
Re-16 HF GAKUGEIDAIGAKU RESIDENCE	1,000	833	843	863	881	900	919	928	(9)	(1.07)
Re-17 HF HIGASHIKANDA RESIDENCE	1,100	1,120	1,140	1,160	1,190	1,220	1,250	947	302	31.94
Re-18 HF HIGASHIHIKONBASHI RESIDENCE	1,210	1,280	1,310	1,340	1,370	1,410	1,460	1,050	409	39.03
Re-19 HF NERIMA RESIDENCE	690	681	697	709	721	738	753	596	156	26.18
Re-20 HF SHIROKANETAKANAWA RESIDENCE	4,030	3,870	3,870	3,880	3,950	4,040	4,160	3,807	352	9.25
Re-21 HF MEIDAIMAE RESIDENCE	1,070	853	867	887	903	926	944	1,007	(63)	(6.33)
Re-22 HF NIHONBASHI RESIDENCE	1,130	941	934	960	975	997	1,020	1,079	(59)	(5.48)
Re-23 HF KAMISHAKUJII RESIDENCE	950	859	865	885	897	933	946	893	52	5.83
Re-24 HF KINSHICHO RESIDENCE	1,100	990	1,000	1,020	1,040	1,060	1,090	1,091	(1)	(0.12)
Re-25 HF GINZA RESIDENCE EAST	5,940	4,230	4,230	4,250	4,350	4,470	4,570	5,640	(1,070)	(18.97)
Re-26 HF SHIN-YOKOHAMA RESIDENCE	3,350	2,450	2,470	2,470	2,520	2,600	2,650	3,109	(459)	(14.79)
Re-29 HF HAKUSAN RESIDENCE	2,350	1,650	1,650	1,670	1,700	1,740	1,770	2,307	(537)	(23.30)
Re-30 HF MAGOME RESIDENCE	1,630	1,160	1,160	1,190	1,210	1,250	1,280	1,556	(276)	(17.78)
Re-31 HF GAKUGEIDAIGAKU RESIDENCE II	1,650	1,070	1,070	1,090	1,110	1,130	1,150	Δ 440	(440)	(27.69)
Re-33 HF KAMEIDO RESIDENCE	1,050	972	989	984	1,010	1,030	1,060	29	30	2.90
Re-34 HF TANASHI RESIDENCE	911	738	738	741	753	758	756	Δ 202	(203)	(21.16)
Re-35 HF SHIBA-KOEN RESIDENCE	836	772	773	780	793	809	813	12	12	1.52
Re-36 HF MITA RESIDENCE	1,080	1,090	1,090	1,100	1,120	1,160	1,160	126	127	12.27
Re-37 HF TAKANAWA RESIDENCE	749	742	744	760	774	793	812	73	74	9.98
Re-38 La Residence de Shirokanedai	730	790	790	800	813	847	848	145	145	20.63
Re-39 HF GINZA RESIDENCE EAST II	1,460	1,490	1,490	1,500	1,530	1,550	1,570	135	135	9.42
Re-40 HF HATCHOBORI RESIDENCE II	1,890	1,890	1,910	1,940	1,970	2,000	2,020	178	179	9.72
Re-41 HF HATCHOBORI RESIDENCE III	793	857	858	870	889	906	924	189	190	25.85
Re-42 HF GINZA RESIDENCE	944	988	990	1,010	1,030	1,060	1,080	212	213	24.54
Re-43 HF KOMAZAWA-KOEN RESIDENCE TOWER	6,520	6,490	6,490	6,560	6,650	6,880	6,830	282	283	4.32
Re-44 HF UMEDA RESIDENCE TOWER	1,920	1,960	1,950	1,980	1,990	2,020	2,030	282	283	16.18
Re-45 HF NAKANOSHIMA RESIDENCE	453	462	462	466	472	478	486	33	34	7.48
Re-46 HF AWAZA RESIDENCE	577	619	621	643	648	655	655	107	108	19.72
Re-47 HF MARUNOUCHI RESIDENCE	624	647	647	658	673	679	687	124	125	22.15
Re-48 HF HIRAO RESIDENCE	1,780	1,770	1,770	1,800	1,820	1,850	1,880	147	148	8.52
Re-49 HF KAWARAMACHI NUO RESIDENCE	534	506	493	504	514	530	541	35	35	6.95
Re-52 HF TENJIN-HIGASHI RESIDENCE	502	542	542	546	553	565	583	140	140	31.69
Re-53 HF SHUJO KAWARAMACHI RESIDENCE	1,820	1,960	1,960	2,000	2,050	2,100	2,140	432	432	25.33
Re-54 La Residence de Sendagi	820	852	852	872	883	901	910	121	122	15.47
Re-55 HF SENDAGI RESIDENCE	870	913	912	935	946	963	972	139	140	16.79
Re-56 HF KOMAZAWA-KOEN RESIDENCE	615	632	632	637	647	653	653	66	66	11.27
Re-57 HF MUSASHIKOYAMA RESIDENCE	842	918	938	960	974	1,000	1,000	192	193	23.92
Re-58 HF KOKUBUNJI RESIDENCE	839	842	852	862	879	907	918	116	117	14.55
Re-59 HF HISAYADORI RESIDENCE	1,080	1,100	1,100	1,120	1,140	1,180	1,190	163	164	15.93
Re-60 HF KARASUMA KURAMAGUCHI RESIDENCE	572	600	600	613	627	633	637	97	97	18.01
Re-61 HF NISHI-SHINJUKU RESIDENCE WEST	1,990	2,060	2,090	2,130	2,160	2,270	2,320	332	333	16.74
Re-62 HF NISHI-SHINJUKU RESIDENCE EAST	1,170	1,200	1,210	1,230	1,260	1,300	1,330	163	163	13.99
Re-63 HF HIGASHI-SHINJUKU RESIDENCE	1,360	1,420	1,420	1,460	1,480	1,500	1,500	204	205	15.80
Re-64 HF HIGASHI-SHINBASHI RESIDENCE	566	598	596	602	602	608	620	78	78	14.48
Re-65 HF KITA-YOBANCHO RESIDENCE	809	890	906	936	966	982	1,020	267	268	35.56
Re-66 HF ATAGOBASHI RESIDENCE	684	744	758	782	807	819	840	219	220	35.39
Re-67 HF KYUDAIYONINMAE RESIDENCE	426	434	435	444	456	464	478	85	86	21.82
Re-68 HF ASAKUSABASHI RESIDENCE	771	794	800	816	827	859	873	136	137	18.58
Re-69 HF HICHIBANCHO RESIDENCE	834	899	916	940	969	986	1,020	243	244	31.43
Re-70 HF HIGASHI-NAKANO RESIDENCE	942	943	958	976	991	1,010	1,010	107	107	11.91
Re-72 HF WASEDA RESIDENCE	2,090	2,190	2,190	2,230	2,280	2,280	2,330	318	318	15.83
Re-73 HF WASEDA RESIDENCE II	872	890	892	913	932	932	953	112	112	13.34
Re-74 HF WAKAMATSUKAWADARA RESIDENCE	1,158	—	1,170	1,190	1,210	1,240	1,320	123	123	10.29
Re-75 HF SENDAI RESIDENCE EAST	1,630	—	—	—	—	1,660	1,690	18	19	1.13
Re-76 HF NISHIKOEN RESIDENCE	1,310	—	—	—	—	—	1,410	3	3	0.24
Re-77 HF BANSUIDORI RESIDENCE	790	—	—	—	—	—	866	16	17	1.99
Total properties in portfolio	84,953	74,939	76,628	77,818	79,245	82,802	86,433	5,162	5,162	6.35
Total properties in portfolio	156,109	122,808	125,008	137,033	139,531	152,351	161,179	9,164	9,164	6.03

*1 The acquisition price was adjusted upward from 3,060 million yen on August 25, 2011 due to partial acquisition of the asset.

*2 The acquisition price was adjusted downward from 4,760 million yen on October 6, 2009 due to partial sales of the asset.

11 Historical Actual NOI Return

		(%)					
Property Name		23rd	24th	25th	26th	27th	28th
Of-01 HF GOTANDA BUILDING		4.35	4.78	4.53	5.08	4.99	5.01
Of-05 Suitengu Heiwa Bldg		4.28	4.27	4.20	3.69	4.33	4.37
Of-06 HF MONZENNAKACHO BUILDING		2.51	4.86	4.87	5.02	4.88	4.99
Of-07 HF HAMAMATSUCHO BUILDING		1.50	5.03	4.51	4.28	4.42	4.63
Of-08 Kokusai Tameike Bldg		3.15	4.55	4.32	4.44	4.25	3.29
Of-09 Grace Building Sengakujimae		2.44	6.44	7.16	6.80	6.96	6.96
Of-10 Nisso Dai 15 Bldg		3.78	2.99	3.55	2.85	2.93	2.95
Of-11 Nihonbashi Daiichi Bldg		3.32	3.71	3.80	3.71	3.77	3.76
Of-12 Hatchobori SF Bldg		3.31	3.62	3.50	3.44	3.31	3.32
Of-13 Shibuya AX Hills		2.66	2.19	2.24	2.03	2.64	2.86
Of-14 KCA Bldg	*4	2.84	2.44	2.40	2.61	2.33	-
Of-15 Daiwa Nakameguro Bldg		1.67	3.35	2.87	3.04	3.22	3.75
Of-16 Anwa Tsukasacho Bldg		0.98	3.70	3.79	3.37	3.70	3.88
Of-17 Hatchobori MF Bldg		4.16	4.10	4.19	3.17	4.23	4.29
Of-18 M2 Harajuku	*1	5.47	4.35	4.62	4.70	4.69	4.77
Of-20 Funabashi Face Bldg		4.68	4.65	4.75	3.69	3.96	4.02
Of-21 Adesso Nishiazabu		1.96	2.44	2.67	2.50	2.74	2.87
Of-22 CIC Toranomom Bldg		3.26	3.72	3.41	3.25	3.42	3.16
Of-23 Aria Ikebukuro		2.37	4.01	4.12	3.83	4.00	4.14
Of-24 CIC Yushima Bldg		3.65	5.41	5.34	5.30	5.32	4.85
Of-25 Kayabacho Heiwa Bldg		6.17	7.53	7.50	7.55	7.56	7.56
Of-26 HIROKOJI AQUA PLACE		8.64	8.22	8.14	8.10	7.97	8.22
Of-27 Kobe Kyukyoryuchi Heiwa Building		7.61	7.45	7.47	7.23	7.26	6.78
Of-28 Mita Heiwa Building (leasehold land)		8.17	4.80	4.80	4.80	4.80	4.65
Of-29 Sakae Minami Heiwa Building		6.78	5.74	6.60	6.64	6.85	6.66
Of-30 HF SAKURADORI BUILDING		-	-	6.10	6.00	5.74	6.10
Of-31 HF Nihonbashi Hamacho Building		-	-	5.84	4.62	6.22	5.58
Of-32 HF Sendai Honcho Building		-	-	6.82	6.30	6.50	6.60
Of-33 DAIWA UENO BUILDING		-	-	-	-	5.45	5.08
Of-34 KOJIMACHI HF BUILDING		-	-	-	-	6.55	5.88
Of-35 HF KUDAN MINAMI BUILDING		-	-	-	-	5.62	4.63
Of-36 HF Kanda Ogawamachi Building		-	-	-	-	-	2.71
Total Office Buildings		4.35	4.84	5.06	4.87	5.06	4.95
Re-03 HF ICHIKAWA RESIDENCE		5.94	5.46	6.68	6.76	6.74	6.78
Re-05 HF MEGURO RESIDENCE		4.08	3.84	3.74	4.38	4.15	4.33
Re-09 HF KASAI RESIDENCE		5.17	5.35	5.65	6.02	5.28	5.49
Re-11 HF WAKABAYASHI—KOEN RESIDENCE		4.84	5.11	4.96	4.76	4.95	5.26
Re-12 HF HIMONYA RESIDENCE		4.68	4.53	4.47	4.46	3.85	4.68
Re-14 HF MINAMIAZABU RESIDENCE		4.30	4.17	4.02	3.66	4.03	4.10
Re-15 HF AZABUJUBAN RESIDENCE		3.69	3.91	3.58	3.24	3.67	3.18
Re-16 HF GAKUGEIDAIGAKU RESIDENCE		3.88	3.86	3.76	3.80	3.73	3.89
Re-17 HF HIGASHIKANDA RESIDENCE		4.93	5.16	5.21	5.26	4.78	5.25
Re-18 HF HIGASHINIHONBASHI RESIDENCE		5.41	5.55	5.40	5.45	5.36	5.23
Re-19 HF NERIMA RESIDENCE		5.45	5.68	5.31	5.58	4.99	5.18
Re-20 HF SHIROKANETAKANAWA RESIDENCE		4.24	4.43	4.49	4.13	4.42	4.36
Re-21 HF MEIDAIMAE RESIDENCE		4.39	4.25	4.08	4.00	3.86	4.26
Re-22 HF NIHONBASHI RESIDENCE		4.01	4.12	3.90	4.16	4.16	4.21
Re-23 HF KAMISHAKUJII RESIDENCE		4.85	4.04	5.05	4.89	5.09	5.15
Re-24 HF KINSHICHO RESIDENCE		4.69	4.63	4.65	4.28	4.52	5.07
Re-25 HF GINZA RESIDENCE EAST		3.19	3.40	3.27	3.47	3.45	3.25
Re-26 HF SHIN-YOKOHAMA RESIDENCE		3.99	3.71	3.89	4.09	3.89	3.98
Re-29 HF HAKUSAN RESIDENCE		3.64	3.11	3.31	3.72	3.62	3.65
Re-30 HF MAGOME RESIDENCE		3.90	4.47	4.29	2.95	4.08	4.42

*Actual NOI return = Actual NOI (Annualized) / Acquisition price.

*1 Transferred part of asset on October 6, 2009

*2 Transferred on September 27, 2013

		(%)					
Property Name		23rd	24th	25th	26th	27th	28th
Re-31 HF GAKUGEIDAIGAKU RESIDENCE II		3.00	3.37	3.03	2.22	3.15	2.88
Re-33 HF KAMEIDO RESIDENCE		5.08	4.83	5.73	5.16	5.18	5.13
Re-34 HF TANASHI RESIDENCE		4.07	3.24	4.57	4.72	4.91	4.87
Re-35 HF SHIBA-KOEN RESIDENCE		4.00	4.54	3.41	4.33	4.42	4.84
Re-36 HF MITA RESIDENCE		4.95	4.62	4.45	4.81	5.05	4.68
Re-37 HF TAKANAWA RESIDENCE		4.32	4.61	5.30	5.48	4.45	2.98
Re-38 La Residence de Shirokanedai		5.65	5.04	4.97	5.13	5.17	4.74
Re-39 HF GINZA RESIDENCE EAST II		5.22	4.23	5.21	5.46	5.58	5.20
Re-40 HF HATCHOBORI RESIDENCE II		4.77	5.03	5.16	4.96	4.31	4.82
Re-41 HF HATCHOBORI RESIDENCE III		5.47	5.02	5.69	5.05	5.48	5.47
Re-42 HF GINZA RESIDENCE		5.26	4.20	5.18	5.26	5.75	5.61
Re-43 HF KOMAZAWA-KOEN RESIDENCE TOWER		4.59	4.05	3.70	4.95	4.73	4.92
Re-44 HF UMEDA RESIDENCE TOWER		5.88	5.73	5.88	5.67	5.75	5.09
Re-45 HF NAKANOSHIMA RESIDENCE		5.50	5.96	5.20	6.04	2.22	5.42
Re-46 HF AWAZA RESIDENCE		6.50	6.86	6.44	6.58	3.78	5.01
Re-47 HF MARUNOUCHI RESIDENCE		6.82	5.72	6.41	6.69	5.46	6.67
Re-48 HF HIRAO RESIDENCE		6.28	6.62	6.32	6.62	6.64	3.62
Re-49 HF KAWARAMACHI NUO RESIDENCE		5.02	4.20	5.04	5.71	4.58	5.78
Re-50 HF MINAMI 6JO RESIDENCE	*2	7.95	8.07	-	-	-	-
Re-51 HF TENJIN-MINAMI RESIDENCE	*2	5.00	6.62	-	-	-	-
Re-52 HF TENJIN-HIGASHI RESIDENCE		7.25	7.30	6.92	7.27	7.18	7.29
Re-53 HF SHUO KAWARAMACHI RESIDENCE		6.36	6.23	5.84	6.20	6.31	6.38
Re-54 La Residence de Sendagi		5.69	5.64	6.35	5.74	5.83	5.74
Re-55 HF SENDAGI RESIDENCE		5.89	5.75	6.37	5.96	5.59	5.70
Re-56 HF KOMAZAWA-KOEN RESIDENCE		5.45	4.89	4.94	4.62	3.89	4.26
Re-57 HF MUSASHIKOYAMA RESIDENCE		5.81	6.12	6.02	5.79	6.10	6.00
Re-58 HF KOKUBUNJI RESIDENCE		6.06	5.78	5.71	6.13	6.00	5.75
Re-59 HF HISAYADORI RESIDENCE		6.53	6.64	6.51	6.92	6.56	6.32
Re-60 HF KARASUMA KURAMAGUCHI RESIDENCE		5.95	5.76	6.05	5.86	5.59	5.31
Re-61 HF NISHI-SHINJUKU RESIDENCE WEST		5.35	5.21	5.28	4.42	5.13	5.34
Re-62 HF NISHI-SHINJUKU RESIDENCE EAST		5.09	5.16	5.22	3.84	4.86	4.86
Re-63 HF HIGASHI-SHINJUKU RESIDENCE		5.38	5.98	5.37	5.79	5.61	5.24
Re-64 HF HIGASHI-SHINSAIBASHI RESIDENCE		5.92	6.20	5.56	5.67	5.85	5.96
Re-65 HF KITA-YOBANCHO RESIDENCE		7.51	7.67	7.37	7.99	7.07	7.71
Re-66 HF ATAGOBASHI RESIDENCE		7.70	8.00	7.63	7.90	7.88	7.60
Re-67 HF KYUDAIYOINMAE RESIDENCE		6.00	5.20	5.76	6.75	6.09	6.65
Re-68 HF ASAKUSABASHI RESIDENCE		5.59	4.48	5.60	5.20	5.47	4.83
Re-69 HF ICHIBANCHO RESIDENCE		7.58	7.63	7.97	7.84	7.84	7.92
Re-70 HF HIGASHI-NAKANO RESIDENCE		5.05	4.92	4.79	4.93	5.23	5.27
Re-71 HF MINAMI 5JO RESIDENCE	*3	5.21	5.26	-	-	-	-
Re-72 HF WASEDA RESIDENCE		5.32	5.15	5.21	5.12	5.32	5.06
Re-73 HF WASEDA RESIDENCE II		4.84	4.93	5.29	5.24	5.40	5.19
Re-74 HF WAKAMATSUKAWADA RESIDENCE		-	3.66	4.48	4.59	4.81	5.15
Re-75 HF SENDAI RESIDENCE EAST		-	-	-	-	6.46	6.17
Re-76 HF NISHIKOEN RESIDENCE		-	-	-	-	-	5.65
Re-77 HF BANSUIDORI RESIDENCE		-	-	-	-	-	6.76
Total Residential Properties		4.79	4.87	4.79	4.85	4.86	4.88
Ho-01 Super Hotel Osaka Tennoji	*5	6.15	6.18	6.21	6.21	6.21	6.40
Ho-02 Super Hotel Kyoto Karasumagojyo	*5	6.05	6.12	6.11	5.76	6.12	6.26
Ho-03 Super Hotel Saitama Omiya	*5	5.85	5.85	5.85	5.85	5.86	6.11
Ho-04 Super Hotel Sendai Hirose-dori	*5	6.59	6.60	6.61	6.61	6.56	6.33
Total Hotels		6.17	6.20	6.21	6.13	6.20	6.28
Total properties in portfolio		4.71	4.85	4.95	4.90	4.99	4.95

*3 Transferred on October 25, 2013

*4 Transferred on March 10, 2015

*5 Transferred on October 30, 2015

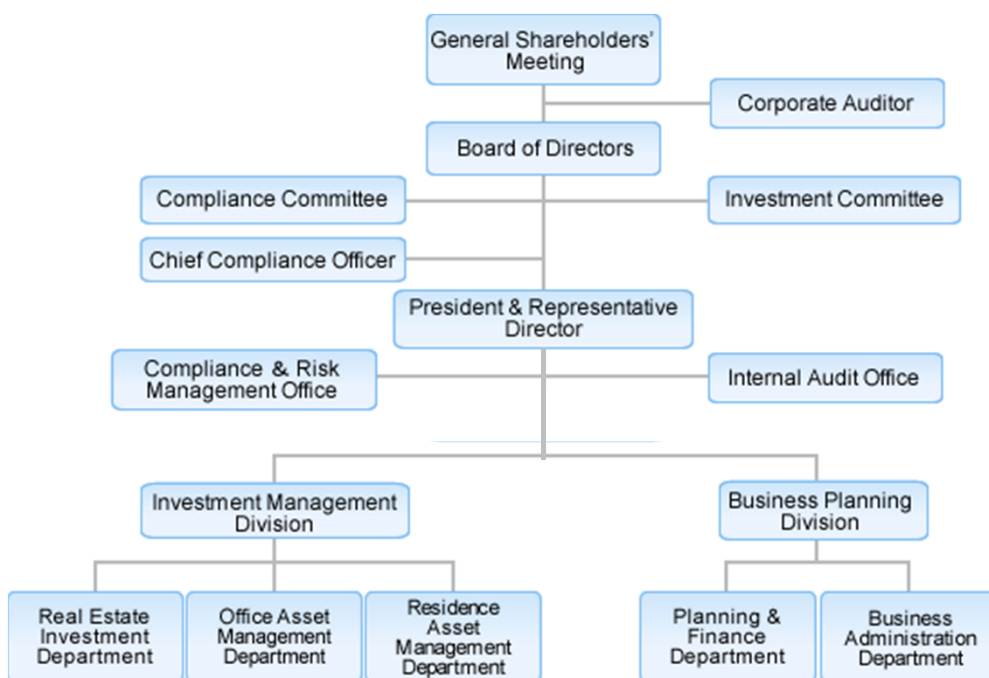
12 Historical Occupancy

		(%)									(%)						
Property Name		31-May-2015	30-Jun-2015	31-Jul-2015	31-Aug-2015	30-Sep-2015	31-Oct-2015	30-Nov-2015	Property Name		31-May-2015	30-Jun-2015	31-Jul-2015	31-Aug-2015	30-Sep-2015	31-Oct-2015	30-Nov-2015
Of-01	HF GOTANDA BUILDING	100.00	100.00	100.00	89.06	89.06	89.06	89.06	Re-29	HF HAKUSAN RESIDENCE	96.22	96.24	96.24	92.91	95.16	96.63	96.63
Of-05	Suitengu Heiw a Bldg	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-30	HF MAGOME RESIDENCE	100.00	100.00	100.00	96.59	96.59	93.99	93.99
Of-06	HF MONZENNAKACHO BUILDING	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-31	HF GAKUGEDAI GAKU RESIDENCE II	91.72	90.56	90.56	90.56	95.44	91.24	95.44
Of-07	HF HAMAMATSUCHO BUILDING	100.00	100.00	100.00	100.00	100.00	100.00	88.81	Re-33	HF KAMEDO RESIDENCE	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Of-08	Kokusai Tameike Bldg	100.00	100.00	86.49	86.49	86.49	86.49	86.49	Re-34	HF TANASHI RESIDENCE	97.00	97.14	94.14	100.00	97.00	94.14	100.00
Of-09	Grace Building Sengakujirae	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-35	HF SHIBA-KOEN RESIDENCE	97.28	94.34	97.28	100.00	100.00	100.00	100.00
Of-10	HF SHIN-YOKOHAMA BUILDING	80.01	80.01	80.01	94.68	94.68	100.00	100.00	Re-36	HF MITA RESIDENCE	95.86	93.74	95.97	93.74	93.80	93.75	89.57
Of-11	Nihonbashi Daichi Bldg	92.22	100.00	100.00	100.00	100.00	100.00	100.00	Re-37	HF TAKANAWA RESIDENCE	93.44	90.73	94.46	94.46	94.46	97.17	93.44
Of-12	Hatchobori SF Bldg	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-38	La Residence de Shirokanedai	89.40	96.51	92.90	92.90	89.34	100.00	100.00
Of-13	Shibuya AX Hills	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-39	HF GINZA RESIDENCE EAST II	100.00	97.39	97.39	91.00	97.50	98.75	98.75
Of-15	HF NAKAMEGURO BUILDING	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-40	HF HATCHOBORI RESIDENCE II	95.20	94.81	95.90	100.00	97.62	96.71	99.08
Of-16	Anw a Tsukasacho Bldg	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-41	HF HATCHOBORI RESIDENCE III	96.18	95.01	98.09	95.46	95.46	100.00	95.01
Of-17	Hatchobori MF Bldg	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-42	HF GINZA RESIDENCE	98.13	100.00	97.85	100.00	100.00	100.00	100.00
Of-18	M2 Harajuku	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-43	HF KOMAZAWA-KOEN RESIDENCE TOWER	97.64	99.69	97.85	96.41	94.88	96.83	96.82
Of-20	Funabashi Face Bldg	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-44	HF UMEDA RESIDENCE TOWER	93.31	90.31	90.77	93.04	93.77	93.08	95.65
Of-21	Adesso Nishiazabu	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-45	HF NAKANOSHIMA RESIDENCE	89.92	90.95	86.87	83.37	96.50	100.00	97.96
Of-22	HF TORANOMON BUILDING	100.00	92.71	100.00	100.00	100.00	100.00	100.00	Re-46	HF AWAZA RESIDENCE	88.71	92.07	88.57	90.23	90.39	94.95	98.32
Of-23	HF IKEBUKURO BUILDING	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-47	HF MARUNOUCHI RESIDENCE	97.21	95.82	98.61	97.21	100.00	100.00	100.00
Of-24	HF YUSHIMA BUILDING	100.00	100.00	100.00	100.00	90.16	90.16	90.16	Re-48	HF HIRAO RESIDENCE	98.06	97.00	95.94	97.74	96.61	97.26	96.94
Of-25	Kayabacho Heiw a Bldg	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-49	HF KAWARAMACHI NIJO RESIDENCE	96.21	96.41	100.00	100.00	100.00	98.06	96.12
Of-26	HIROKOJI AQUA PLACE	95.16	95.16	95.16	95.16	95.16	95.16	95.16	Re-52	HF TENJIN-HIGASHI RESIDENCE	100.00	97.40	100.00	98.70	98.70	98.70	96.10
Of-27	Kobe Kyukyoryuchi Heiw a Building	91.67	92.76	94.85	96.95	95.95	95.95	93.37	Re-53	HF SHUJO KAWARAMACHI RESIDENCE	98.78	98.15	96.30	98.77	98.77	96.35	98.77
Of-28	Mita Heiw a Building (leasehold land)	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-54	La Residence de Sendagi	100.00	100.00	98.19	98.19	98.19	97.90	100.00
Of-29	Sakae Minami Heiw a Building	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-55	HF SENDAGI RESIDENCE	93.97	93.89	93.89	93.89	100.00	100.00	100.00
Of-30	HF SAKURADORI BUILDING	97.69	97.69	97.69	97.69	100.00	100.00	100.00	Re-56	HF KOMAZAWA-KOEN RESIDENCE	88.89	88.89	88.89	94.45	97.22	100.00	100.00
Of-31	HF Nihonbashi Hamacho Building	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-57	HF MUSASHIKOYAMA RESIDENCE	94.97	98.05	100.00	98.20	100.00	96.40	96.45
Of-32	HF Sendai Honcho Building	97.31	97.31	96.68	96.68	97.78	100.00	100.00	Re-58	HF KOKUBUNJI RESIDENCE	98.11	92.57	92.48	94.37	98.06	98.06	94.78
Of-33	DAIMA UENO BUILDING	89.38	89.40	94.41	94.41	100.00	100.00	100.00	Re-59	HF HISAYA OODORI RESIDENCE	93.91	96.84	96.84	98.03	96.06	91.11	90.12
Of-34	KOJIMACHI HF BUILDING	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-60	HF KARASUMA KURAMAGUCHI RESIDENCE	91.79	89.77	93.82	93.82	93.82	93.82	92.85
Of-35	HF KUDAN MINAMI BUILDING	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-61	HF NISHI-SHINJUKU RESIDENCE WEST	90.57	94.66	96.25	92.50	97.50	98.75	98.75
Of-36	HF Kanda Ogaw amachi Building *1	-	-	-	-	-	80.84	57.62	Re-62	HF NISHI-SHINJUKU RESIDENCE EAST	95.59	92.08	93.59	93.59	100.00	91.25	100.00
Total Office Buildings		97.25	97.43	97.49	97.91	98.26	98.07	97.01	Re-63	HF HIGASHI-SHINJUKU RESIDENCE	95.75	94.40	95.81	94.41	97.19	98.60	97.46
Re-03	HF ICHIKAWA RESIDENCE	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-64	HF HIGASHI-SHINSAIBASHI RESIDENCE	95.43	95.43	100.00	97.72	100.00	97.72	97.72
Re-05	HF MEGURO RESIDENCE	95.81	95.81	95.81	90.88	100.00	100.00	95.07	Re-65	HF KITA-YOBANCHO RESIDENCE	92.23	97.77	98.89	96.66	94.43	93.32	89.98
Re-09	HF KASAI RESIDENCE	97.94	95.88	95.88	95.81	100.00	95.81	95.81	Re-66	HF ATAGOBASHI RESIDENCE	98.75	97.49	94.99	93.77	96.24	90.00	88.76
Re-11	HF WAKABAYASHI-KOEN RESIDENCE	97.16	99.11	98.94	97.83	98.94	95.94	96.99	Re-67	HF KYUDABYONINAE RESIDENCE	98.37	98.37	98.37	100.00	97.47	97.47	98.37
Re-12	HF HIMONYA RESIDENCE	93.64	95.28	93.64	96.17	97.80	98.33	98.36	Re-68	HF ASAKUSABASHI RESIDENCE	87.18	97.44	92.31	100.00	100.00	94.87	100.00
Re-14	HF MINAMIAZABU RESIDENCE	98.34	96.68	98.34	96.68	93.32	88.34	93.34	Re-69	HF ICHIBANCHO RESIDENCE	98.82	97.63	98.82	98.82	95.26	96.45	96.45
Re-15	HF AZABUJUBAN RESIDENCE	100.00	100.00	87.30	82.53	89.20	97.13	92.40	Re-70	HF HIGASHI-NAKANO RESIDENCE	98.43	100.00	98.27	95.29	98.27	90.79	93.77
Re-16	HF GAKUGEDAI GAKU RESIDENCE	100.00	100.00	91.99	91.99	91.99	88.32	92.56	Re-72	HF WASEDA RESIDENCE	94.71	95.49	95.64	94.88	97.09	98.50	96.36
Re-17	HF HIGASHIKANDA RESIDENCE	96.88	98.47	98.47	98.47	98.44	98.44	100.00	Re-73	HF WASEDA RESIDENCE II	94.48	92.45	94.48	96.54	94.51	92.48	96.24
Re-18	HF HIGASHI-NHONBASHI RESIDENCE	100.00	95.09	97.48	98.73	97.50	98.77	100.00	Re-74	HF WAKAMATSUKA WADA RESIDENCE	94.19	90.54	92.70	96.35	96.35	97.85	100.00
Re-19	HF NERIMA RESIDENCE	96.16	96.16	98.08	94.24	94.24	94.24	92.32	Re-75	HF SENDAI RESIDENCE EAST	96.82	98.79	98.79	98.18	97.29	93.65	95.15
Re-20	HF SHIROKANETAKANAWA RESIDENCE	97.74	97.78	94.63	96.20	96.52	95.55	95.69	Re-76	HF NISHIKOEN RESIDENCE *1	-	-	-	-	-	89.32	89.32
Re-21	HF MEDAIMAE RESIDENCE	94.55	98.21	97.40	97.40	97.40	97.40	95.59	Re-77	HF BANSUIDORI RESIDENCE *1	-	-	-	-	-	95.45	100.00
Re-22	HF NIIHONBASHI RESIDENCE	93.35	97.04	93.66	93.66	95.38	97.04	98.28	Total Residential Properties		96.30	96.57	95.99	95.99	96.57	95.85	96.31
Re-23	HF KAMISHAKUJI RESIDENCE	96.65	100.00	98.64	97.28	95.11	93.65	90.92	Ho-01	Super Hotel Osaka Tennoji *2	100.00	100.00	100.00	100.00	100.00	-	-
Re-24	HF KINSHICHO RESIDENCE	98.23	100.00	100.00	100.00	100.00	98.21	96.46	Ho-02	Super Hotel Kyoto Karasumagajojo *2	100.00	100.00	100.00	100.00	100.00	-	-
Re-25	HF GINZA RESIDENCE EAST	95.97	96.76	93.46	91.64	91.52	92.30	94.48	Ho-03	Super Hotel Saitama Omiya *2	100.00	100.00	100.00	100.00	100.00	-	-
Re-26	HF SHIN-YOKOHAMA RESIDENCE	98.97	98.15	95.36	98.80	99.25	98.23	96.33	Ho-04	Super Hotel Sendai Hirose-dori *2	100.00	100.00	100.00	100.00	100.00	-	-
Total Hotels		100.00	100.00	100.00	100.00	100.00	-	-	Total properties in portfolio		96.84	97.06	96.76	96.93	97.39	96.75	96.59

*1 Acquired on October 29, 2015

*2 Transferred on October 30, 2015

13 Organization of the Asset Management Company



Mission PEACE

At HEIWA REAL ESTATE Asset Management, our mission is to play a role in the enduring growth of the J-REIT market, contributing to society and to the economy through our dedication and high aspirations.

1. Priority

Our number one priority is to improve investor value.

2. Earning Trust

We work to ensure that our asset management services earn the trust of all of our stakeholders, including our investors, our tenants, and our financial institution partners.

3. Aggressiveness

We are a highly expert professional organization, engaged in aggressive, high-quality fund management that generates growing and stable profits with the assets under management.

4. Comfort

We provide comfortable spaces for urban life and other related services through investments and management of numerous profitable properties.

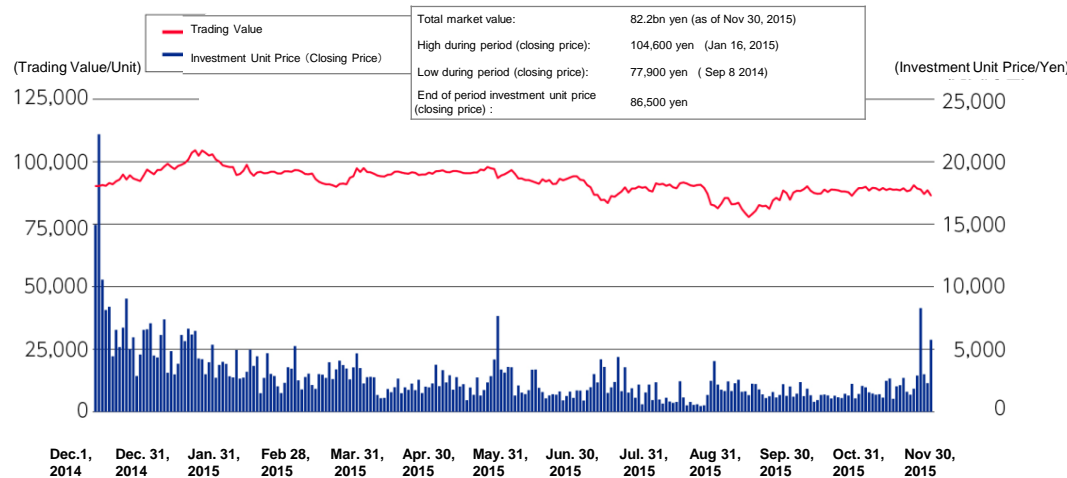
5. Ethics

We conduct our business under the highest ethical standards. We are committed to organization-wide compliance and transparency.

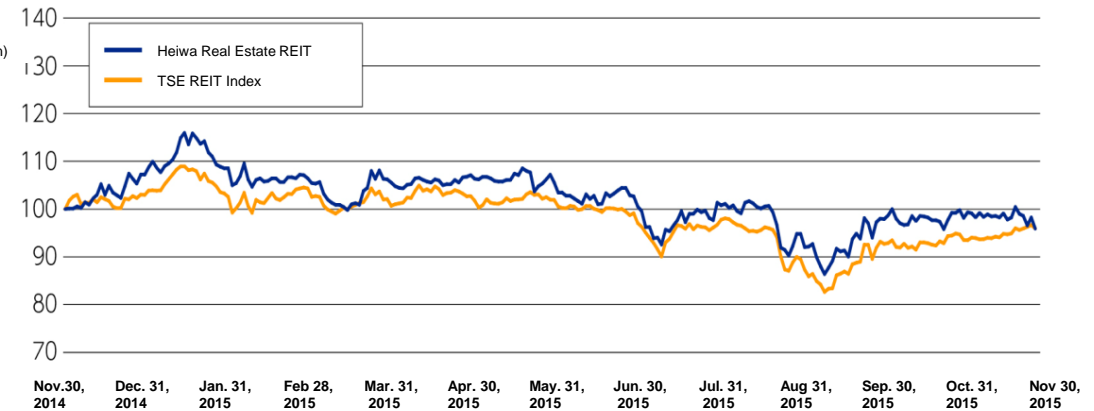
Name	HEIWA REAL ESTATE Asset Management CO., LTD.	
Head Office Location	9-1, Nihonbashi-kabutocho, Chuo-ku, Tokyo, 103-0026	
Date of Establishment	March 24, 2000	
Paid-in Capital	295,575 thousand yen	
Shareholders	HEIWA REAL ESTATE CO.,LTD.(100%)	
Directors	President & Representative Director	Takaya Ichikawa
	Executive Managing Director, Investment Management Division General Manager	Satoru Yamanaka
	Managing Director, Business Planning Division General Manager, Business Administration Dept. General Manager	Masanori Hirano
	Managing Director (part time)	Norio Iwasaki
	Managing Director (part time)	Tomoharu Nakao
	Auditor (part time)	Naoto Kato
Business Activities	Investment management Services	
Registrations , licenses , etc.	Financial instruments business	Reg. No. 316, Director-General, Kanto Finance Bureau (Financial Instruments and Exchange Act)
	Building Lots and Buildings Transaction Business	Lic. No. (3) 79529, Governor of Tokyo
	Discretionary transaction Agent	Lic. No.8, Minister of Land, Infrastructure, Transportation and Tourism

14 Condition of Investment Unit Price

History of Investment Unit Price



Comparison with TSE REIT Index

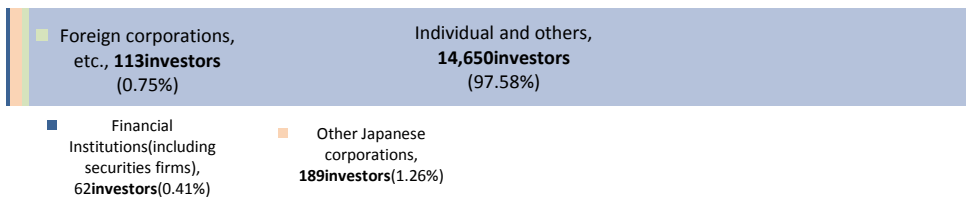


(Note) Figures as of Nov 30, 2014 for investment unit price and TSE REIT Index are indicated as 100%.

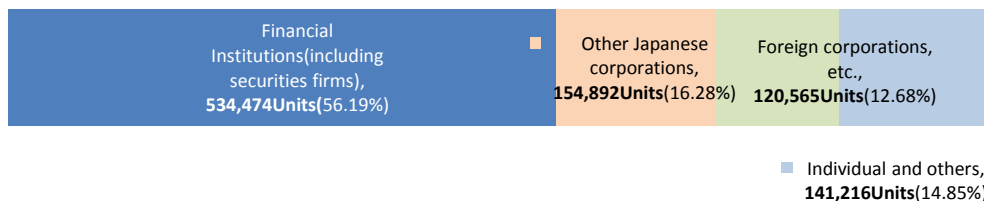
Configuration of Investors at End of 28th Fiscal Period

(As of November 30, 2015)

Based on number of investors (15,014 investors)



Based on quantity of investment units (951,147 units)



(Note) Breakdown of investors are rounded down to the second decimal place.

Condition of Unitholders

(As of November 30, 2015)

	Name	Units Owned (units)	Share ^(Note) (%)
1	Japan Trustee Services Bank, Ltd. (trust account)	313,965	33.01
2	Heiwa Real Estate Co., Ltd.	135,427	14.24
3	The Master Trust Bank of Japan, Ltd. (trust account)	92,633	9.74
4	NOMURA BANK (LUXEMBOURG) S.A.	71,400	7.51
5	Trust & Custody Services Bank, Ltd. (securities investment trust account)	40,262	4.23
6	The Nomura Trust and Banking Co., Ltd. (trust account)	32,813	3.45
7	The Gibraltar Life Insurance Co., Ltd. (General Account J-REIT)	7,509	0.79
8	Japan Trustee Services Bank, Ltd. (trust account 9)	5,235	0.55
9	Mitsubishi UFJ Morgan Stanley	4,590	0.48
10	Shikoku Railway Company	4,273	0.45
	Total	708,107	74.45

(Note) Share is the ratio of investment units owned against total investment units outstanding rounded down to the second decimal place.

- This material has been prepared for the purpose of providing information and is not intended for soliciting, encouraging, or marketing specific products.
- This material is not a disclosure document, nor is it a report as defined in the Financial Instruments and Exchange Act, Investment Trusts and Investment Corporations Act, public listing regulations of the Tokyo Stock Exchange or other related laws or regulations.
- The contents of this material includes forward looking statements. These statements are not a guarantee of future performance, management results or financial results of Heiwa Real Estate REIT, Inc. In addition, Heiwa Real Estate REIT, Inc. does not guarantee the accuracy or reliability of the contents of these materials. Please note that the content of these materials may be changed or cancelled without any prior warning.
- The contents of these materials may not be duplicated or transcribed without prior permission.



HEIWA REAL ESTATE REIT, Inc.



Asset Management Company

HEIWA REAL ESTATE Asset Management CO., LTD.

Financial Instruments Business Agent
Reg. No. 316, Director-General, Kanto Finance Bureau (Financial Instruments and Exchange Act)
Member, The Investment Trusts Association, Japan