



Fiscal Period **29** Materials for Analyst Meeting

6 months ended May 2016

www.heiwa-re.co.jp

July 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



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II Status of Operations

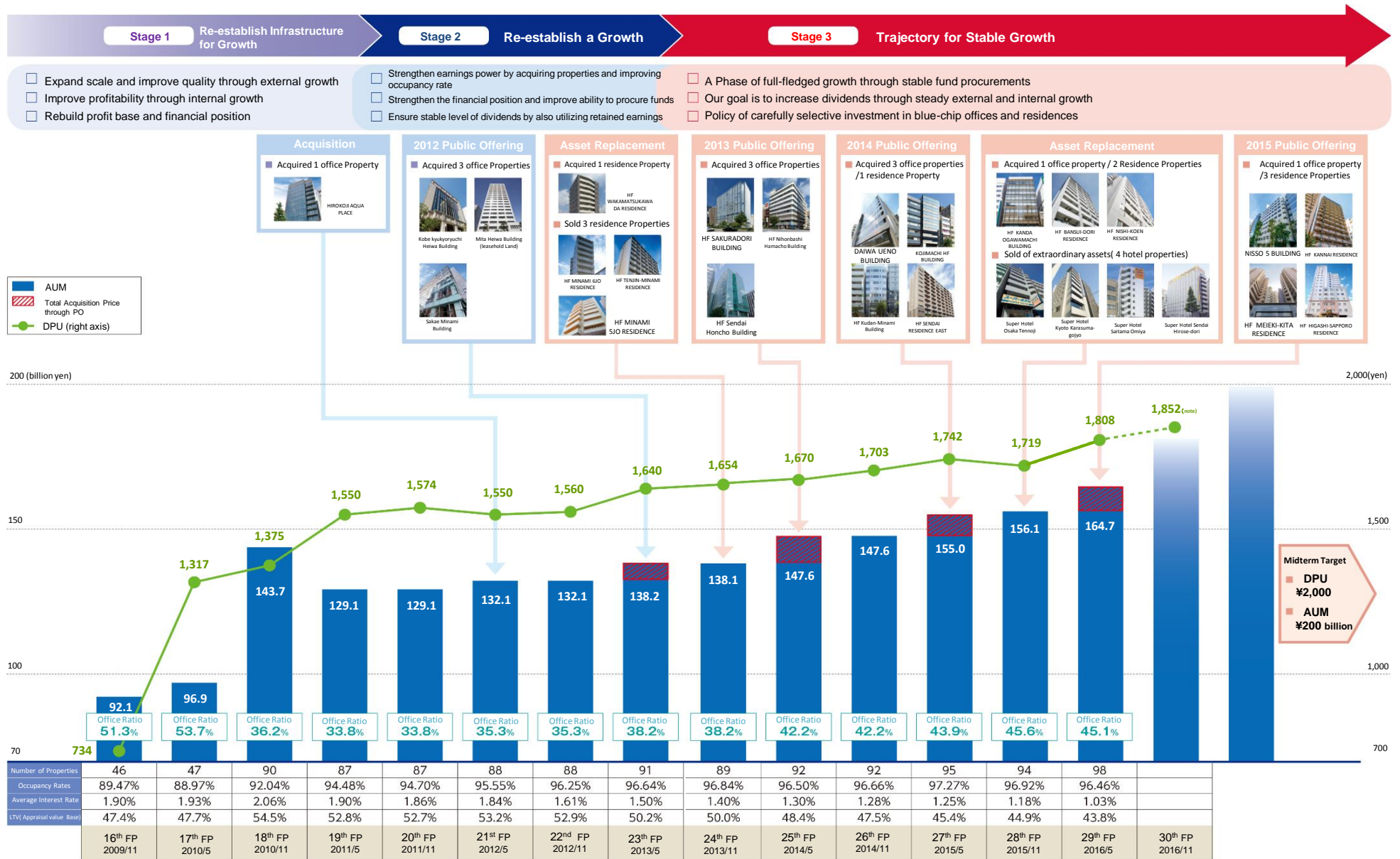
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I. Overview of the 29th Fiscal Period (ended in May 2016)

I -1 Trajectory for Stable Growth of HEIWA REAL ESTATE Inc.



(Note) Forecasts are figures approved at the Meeting of the Board of Directors of the REIT held on July 15, 2016.

I -2 Highlights of the 29th Fiscal Period

External Growth

- ◆ Equity procurement through Public Offering and property acquisition for four consecutive years
- ◆ Total acquisition price: 8.6 billion yen
 - 1 Office Building (Yokohama)
 - 3 Residential Properties (Yokohama, Nagoya, Sapporo)

28th Fiscal Period
AUM: 156.1billion yen
Number of Properties: 94

29th Fiscal Period
AUM: **164.7billion yen**
Number of Properties: **98**

Internal Growth

- ◆ Maintained stable high occupancy rate and made progress on the lease-up of acquired properties.
- ◆ Office: Rent gap almost closed. Made upward revisions of rents and expect profitability of office rentals to improve in the future.
- ◆ Residence: New and existing rents continued to increase.
- ◆ Unrealized gain and NAV increased significantly.

28th Fiscal Period
Office Rent Gap: 2.24%

29th Fiscal Period
Office Rent Gap: 0.31%

28th Fiscal Period
Number of Upward Rent
Revision Tenants: 4

29th Fiscal Period
Number of Upward Rent
Revision Tenants: 15

Financial Operation

- ◆ Borrowing costs continued to fall
- ◆ Loan periods extended, terms of repayment staggered, Appraised-based LTV continued to lower, Increase of borrowing capacity
- ◆ Borrowing costs are likely to fall in the future
- ◆ Began reversal of RTA (Reserve for Temporary difference Adjustment) (40 yen per unit) .

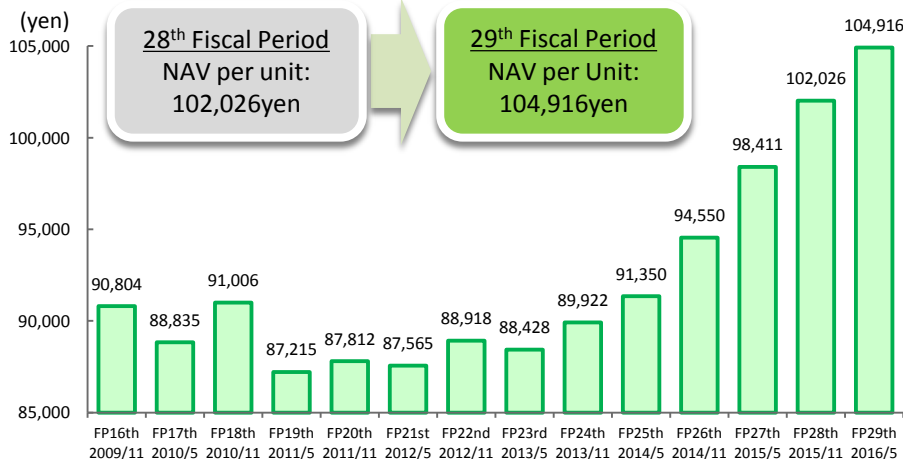
28th Fiscal Period
Average Interest Rate:
1.179%

29th Fiscal Period
Average Interest Rate:
1.034%

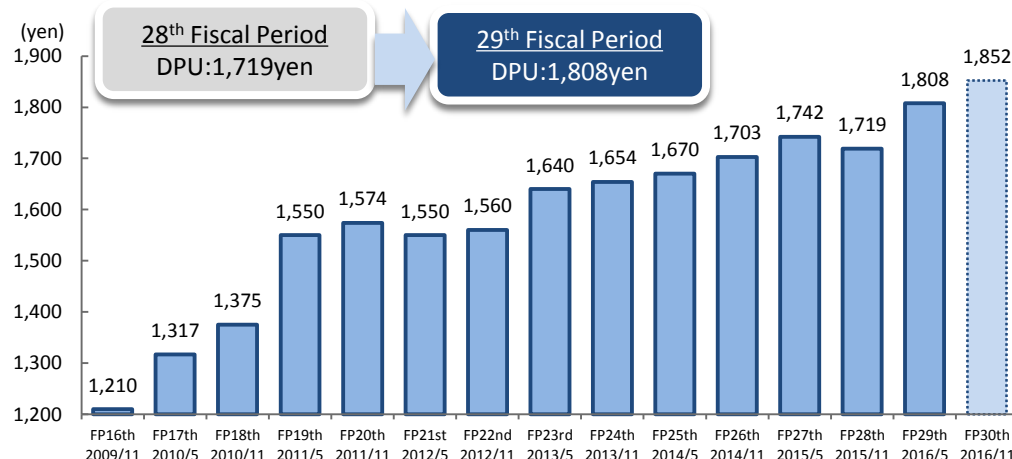
28th Fiscal Period
Average Loan Term:
6.19years

29th Fiscal Period
Average Loan Term:
6.35years

History of NAV per Unit



History of Distribution per Unit (DPU)



Distribution

Increased by 89yen vs. 28th FP,
Increased by 44yen vs. the forecast

I -3 Financial Performance for the 29th Fiscal Period

- Distribution per unit improved considerably from the previous fiscal period.
- Newly acquired properties (replacement in the 28th fiscal period, public offering at the beginning of the 29th fiscal period) contributed to profit.
- Began reversal of RTA (Reserve for Temporary difference Adjustment) of 40 yen per unit each fiscal period

(Unit: million yen)

	28th FP Actual Performance	29th FP Actual Performance	Variance	29th FP Forecasts	Variance
Operating revenue	5,923	5,632	-291	5,623	8
Operating expenses	3,136	3,237	101	3,263	-26
Operating income	2,787	2,394	-392	2,359	34
Non-operating income	10	10	0	4	6
Non-operating expenses	687	610	-77	613	-3
Ordinary income	2,110	1,795	-314	1,750	44
Net income	2,109	1,794	-314	1,750	44
EPU (net income per unit) (yen)	2,218	1,768	-440	1,724	44
Internal Reserve	474	-	-474	0	0
Reversal of RTA	-	40	40	40	0
DPU (Distribution per unit) (yen)	1,719	1,808	89	1,764	44

Major Factors of Variance (29th FP Actual vs 28th FP Actual)		
Major Factors		Amount
Operating revenue	Gain on sale of properties	-551
	Earning from properties sold in 28 th FP	-122
	Office: 1 Property acquired(PO) in 29 th FP	74
	Existing properties	43
Residence:	3 Properties acquired(PO) in 29 th FP	165
	Existing properties	98
Operating expenses	Hotel: Properties sold in 28 th FP	-36
	Office: 1 Property acquired(PO) in 29 th FP	22
	Existing properties	5
	Residence: 3 Properties acquired(PO) in 29 th FP	71
	Existing properties	46
Non-operating expenses	SGA	-8
	Interest expenses	-15
Non-operating expenses	Loan-related expenses	-62

※28th FP : Sold 4 hotel properties (October 29, 2015)

Acquired 1 Office building and 2 Residences (October 29, 2015)

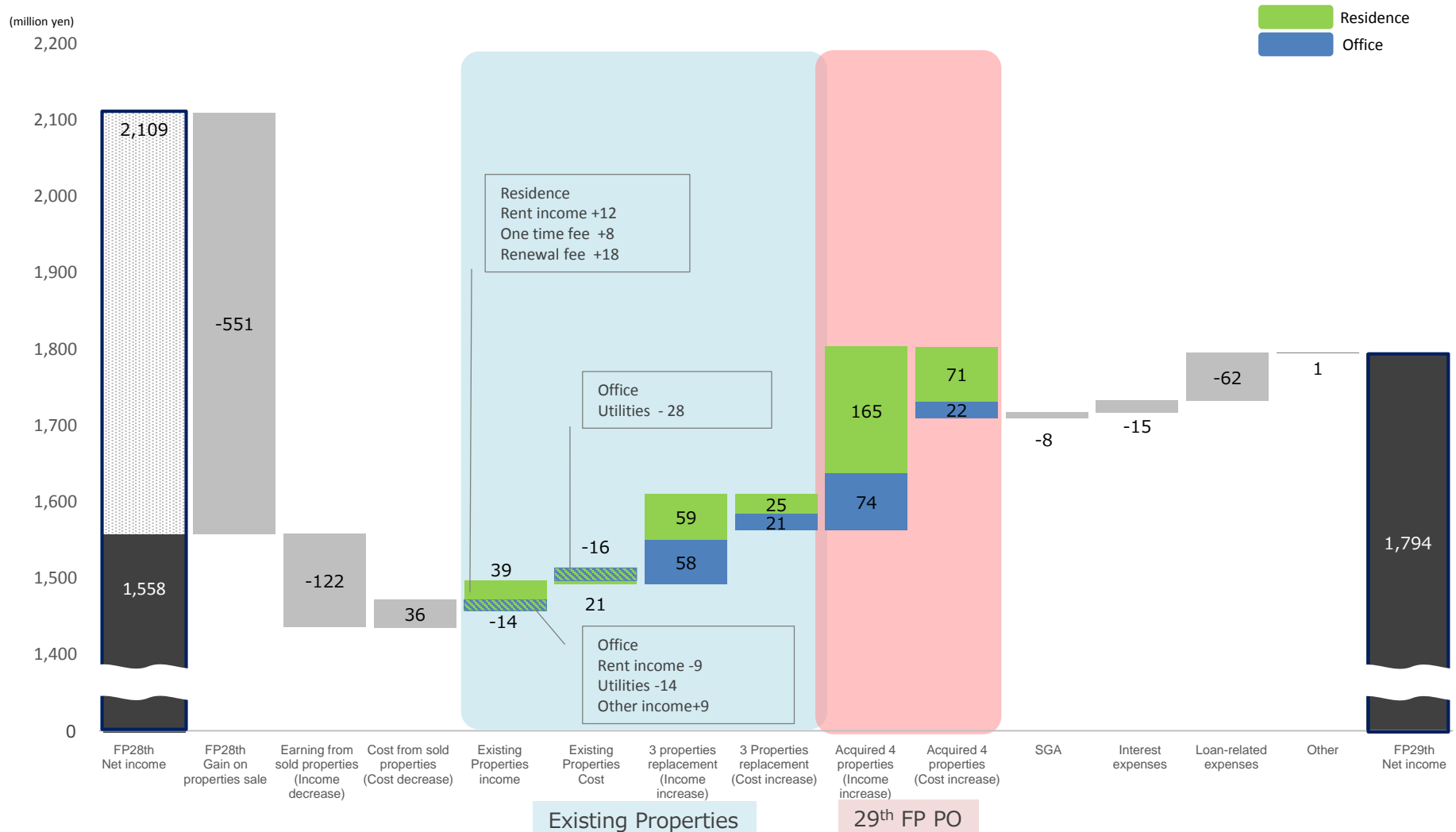
※29th FP : Acquired 1 Office building (December 21, 2015) and 3 Residence (December 18, 2015)

Major Factors of Variance (29th FP Actual vs 29th FP Forecasts)		
Major Factors		Amount
Operating revenue	Office : Rent/Other income	14
	Utilities	-13
Residence:	One time fees	9
Operating expenses	Office: Utilities	-36
	SGA: Non-deductible consumption taxes	7
Non-operating income	Insurance benefit	6
Non-operating expenses	Interest expense	-5

(Note) Forecasts for the 29th Fiscal Period are forecast figures announced on January 18, 2016(Note) EPU is net income divided by the number of investment units at the fiscal period end (951,147 units) for the 28th fiscal period and the number of investment units at the fiscal period end (1,014,847 units) for the 29th fiscal period.

I -4 Factors for Change in Net income(vs 28th Fiscal Period)

- Excluding gains on sales during the 28th fiscal period, net income increased.
- The busy period for Residence contributed to revenue growth and newly acquired properties (replacement in the 28th fiscal period, public offering at the beginning of the 29th fiscal period) contributed to profit.



(Note) "3 Properties replacement" are HF KANDA OGAWAMACHI BUILDING, HF NISHI-KOEN RESIDENCE and HF BANSUI-DORI RESIDENCE.

(Note) "Acquired 4 Properties" are NISSO 5 BUILDING, HF KANNAI RESIDENCE, HF MEIEKI-KITA RESIDENCE and HF HIGASHI-SAPPORO RESIDENCE.

I -5 Forecasts for the 30th Fiscal Period

- Progress on the lease-up of acquired properties is expected to contribute to profit.
- Continuous upward revision of office rents and stable profits from residential properties are expected.
- Efforts to continually reduce costs (management costs, interest expenses)

(Unit: million yen)

	29 th FP Actual Performance (a)	30 th FP Forecasts (b)	Variance (b-a)
Operating revenue	5,632	5,682	50
Operating expenses	3,237	3,289	52
Operating income	2,394	2,392	-1
Non-operating income	10	9	-1
Non-operating expenses	610	561	-48
Ordinary income	1,795	1,840	45
Net income	1,794	1,839	45
EPU(net income per unit) (yen)	1,768	1,812	44
Reversal of RTA	40	40	-
DPU(Distribution per unit) (yen)	1,808	1,852	44
Key Assumption for forecasts		29 th FP(Actual)	30 th FP
Occupancy Rate	Portfolio	96.46%	97.21%
	Office	97.04%	98.07%
	Residence	96.07%	96.64%
NOI Yield	Portfolio	4.96%	4.93%
	Office	4.98%	5.02%
	Residence	4.94%	4.86%
Reversal of RTA		40million yen	40million yen
Outstanding investment Units		1,014,847units	1,014,847units

Forecast Dividend per Unit

30th Fiscal Period

1,852 yen

Major Factors of Variance

Major Factors		Variance
Operating revenue	Office : Increased rent revenue mainly due to higher occupation rate, etc. Decline following penalty charge, etc. which arose in the previous fiscal period.	53 -8
	Residence : Increase rent revenue mainly due to higher occupation rate, etc. Decreased revenue from one time fees, etc. due to decline in number of occupied units	30 -26
Operating expenses	Office Public charges and taxes (HF Kanda Ogawamachi Building, NISSO 5 Building)	14
	Utility expenses	11
	Residence Public charges and taxes (2 Properties acquired in 28 th FP, 3 Properties acquired(PO) in 29 th FP) Repairs	8 13
Non-operating expenses	Interest expenses	-35
	Loan-related expenses	-10

Outstanding amount of RTA

End of the 29th FP

Outstanding amount	2,497million yen	Retained Earnings 495 million yen
Reversal amount	40million yen	
Amount after Reversal	2,457million yen	

(Note) Forecasted figures were announced on July 15, 2016. 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.

(Note) EPU is net income divided by the number of investment units at the fiscal period end (1,014,847 units) for the 29th fiscal period.

II Status of Operations

II-1 Status of Portfolio

Summary of Portfolio

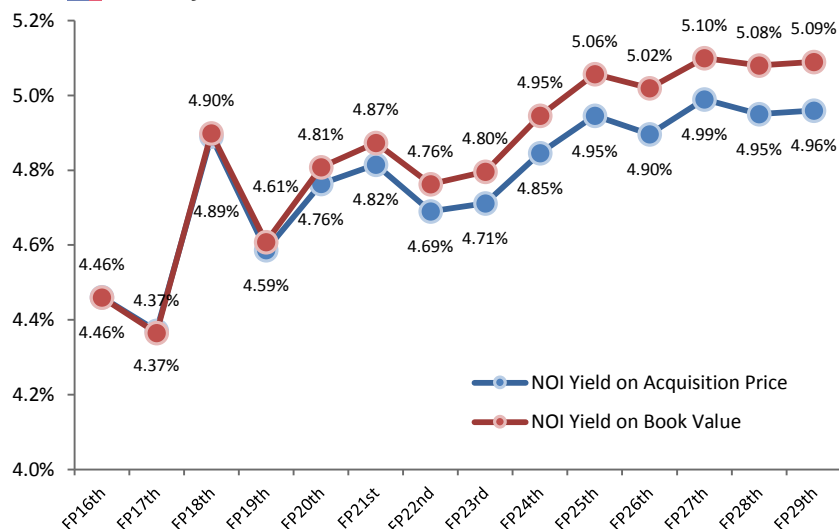
		FP 28th				FP 29th		
		Overall	Office	Residence	Hotel	Overall	Office	Residence
Asset size at the end of period (million yen)		156,109	71,156	84,953	-	164,738	74,256	90,482
Number of properties (buildings) at the end of the period		94	31	63	-	98	32	66
Occupancy rates: (%)	End of the period	96.59	97.01	96.31	-	96.66	97.69	95.99
	Period average	96.92	97.70	96.21	100.00	96.46	97.04	96.07
Portfolio NOI yield (%) (Note 1)		4.95	4.95	4.88	6.32	4.96	4.98	4.94
Book value yield (%) (Note 2)		5.08	4.97	5.09	6.76	5.09	5.00	5.15
Yield after depreciation (%) (Note 3)		3.76	3.89	3.60	4.96	3.78	3.92	3.67

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

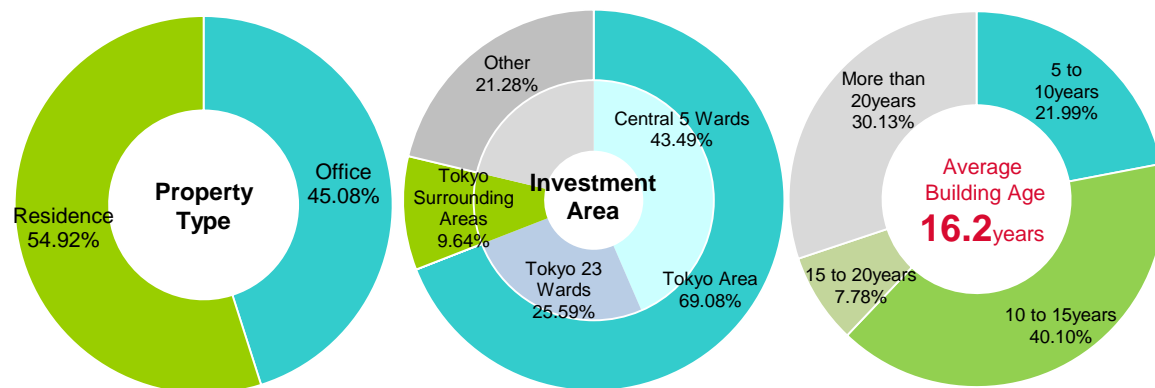
(Note 2) BV Yield = Actual NOI (Annualized) ÷ ((beginning of BV ÷ end of BV) ÷ 2)

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

History of NOI Yield



Portfolio Breakdown (as of the end of May 2016)



Average Office Building Age : 21.92 years
 Average Residential Property Age : 11.64 years

(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.

II -2 External Growth Overview of Dec 2015 Public Offering

Overview of Public Offering

Launch Date	November 27, 2015
Newly Issued Units	63,700 units
Units Outstanding after Issuance of New Units	1,014,847 units
Issue Price	81,217 yen
Total Issue Amount	4,998 million yen
Total Acquisition Price	8,620 million yen
Total Appraisal Value ^(note)	9,080 million yen
NOI Yield (Average of 4 properties) ^(note)	5.32%
NOI Yield after Depreciation (Average of 4 properties) ^(note)	4.09%

Newly Acquired Properties

NISSO 5 Building		
	Location	Yokohama, Kanagawa
	Acquisition Price	3,100 million yen
	Appraisal Price	3,280million yen
	Total Floor Space	5,893.08㎡
	Construction Completion Date	July, 1987
	NOI Yield ^(note)	4.72%
	NOI Yield After Depreciation ^(note)	3.71%

HF MEIEKI-KITA RESIDENCE		
	Location	Nagoya, Aichi
	Acquisition Price	2,160 million yen
	Appraisal Price	2,240 million yen
	Total Floor Space	4,692.26㎡
	Construction Completion Date	August, 2007
	NOI Yield ^(note)	5.41%
	NOI Yield After Depreciation ^(note)	4.23%

HF KANNAI RESIDENCE		
	Location	Yokohama, Kanagawa
	Acquisition Price	1,800million yen
	Appraisal Price	1,930million yen
	Total Floor Space	2,963.30㎡
	Construction Completion Date	November, 2006
	NOI Yield ^(note)	5.56%
	NOI Yield After Depreciation ^(note)	4.25%

HF HIGASHI- SAPPORO RESIDENCE		
	Location	Sapporo, Hokkaido
	Acquisition Price	1,560million yen
	Appraisal Price	1,630million yen
	Total Floor Space	7,161.70㎡
	Construction Completion Date	March, 2008
	NOI Yield ^(note)	6.10%
	NOI Yield After Depreciation ^(note)	4.46%

Investment Highlight

Seek to strengthen the profitability of the portfolio and get rid of exceptional assets, and aim to improve the quality of the portfolio and maximize investor value.

1. Achieve steady growth in the scale of assets.

Achieve continuous expansion in the scale of assets through public offering for the fourth consecutive year.

2. Build a strategic portfolio.

Lease up acquired properties in a short space of time and seek to strengthen the portfolio's future earnings power and improve its quality.

3. Strengthen financial position.

Reduce average interest rate through acquisition of properties and new borrowing, keeping LTV low. Meanwhile, lengthen maturities and diversify repayment dates.

4. Improve investor value

Achieve continuous growth in distribution per unit and NAV. Reverse RTA by 40 yen per unit each fiscal period and utilize for distribution.

(Note) "Appraisal value" represents the value at the time of acquisition (December 21, 2015 for the one office property and December 18, 2015 for the three residential properties). "NOI yield" and "NOI yield after depreciation" are based on appraised NOI at the time of acquisition divided by the acquisition price.

Ⅱ-3 The Effect of the Capital Increase through Public Offering

- Improvement in the profitability of the portfolio :
The newly acquired properties in 28th FP/ 29th FP through portfolio replacement and PO are contributed to income. From the 30th fiscal period, public charges are subject to taxation, however, rent income are expected to contribute to offset them.

		27 th Fiscal Period	Portfolio Replacement ^(note1)	28 th Fiscal Period	Public Offering ^(note2)	29 th Fiscal Period
Office	Number of Properties	30	1	31	1	32
	Acquisition Price	68.0billion yen	3.1billion yen	71.1billion yen	3.1billion yen	74.2billion yen
	Appraisal Value	69.5billion yen	3.5billion yen	74.7billion yen	3.2billion yen	79.8billion yen
	NOI Yield	5.06%	4.80%	4.95%	4.72%	4.98%
	Occupancy Rate	97.25%	80.84%	97.01%	100.0%	97.69%
Residence	Number of Properties	61	2	63	3	66
	Acquisition Price	82.8billion yen	2.1billion yen	84.9billion yen	5.5billion yen	90.4billion yen
	Appraisal Value	82.8billion yen	2.2billion yen	86.4billion yen	5.8billion yen	94.0billion yen
	NOI Yield	4.86%	6.10%	4.88%	5.66%	4.94%
	Occupancy Rate	96.30%	91.63%	96.31%	91.48%	95.99%
Hotel	Number of Properties	4	4			
	Acquisition Price	4.1billion yen	4.1billion yen			
	Appraisal Value	4.5billion yen	4.5billion yen			
	NOI Yield	6.20%	6.20%			
	Occupancy Rate	100%	100%			

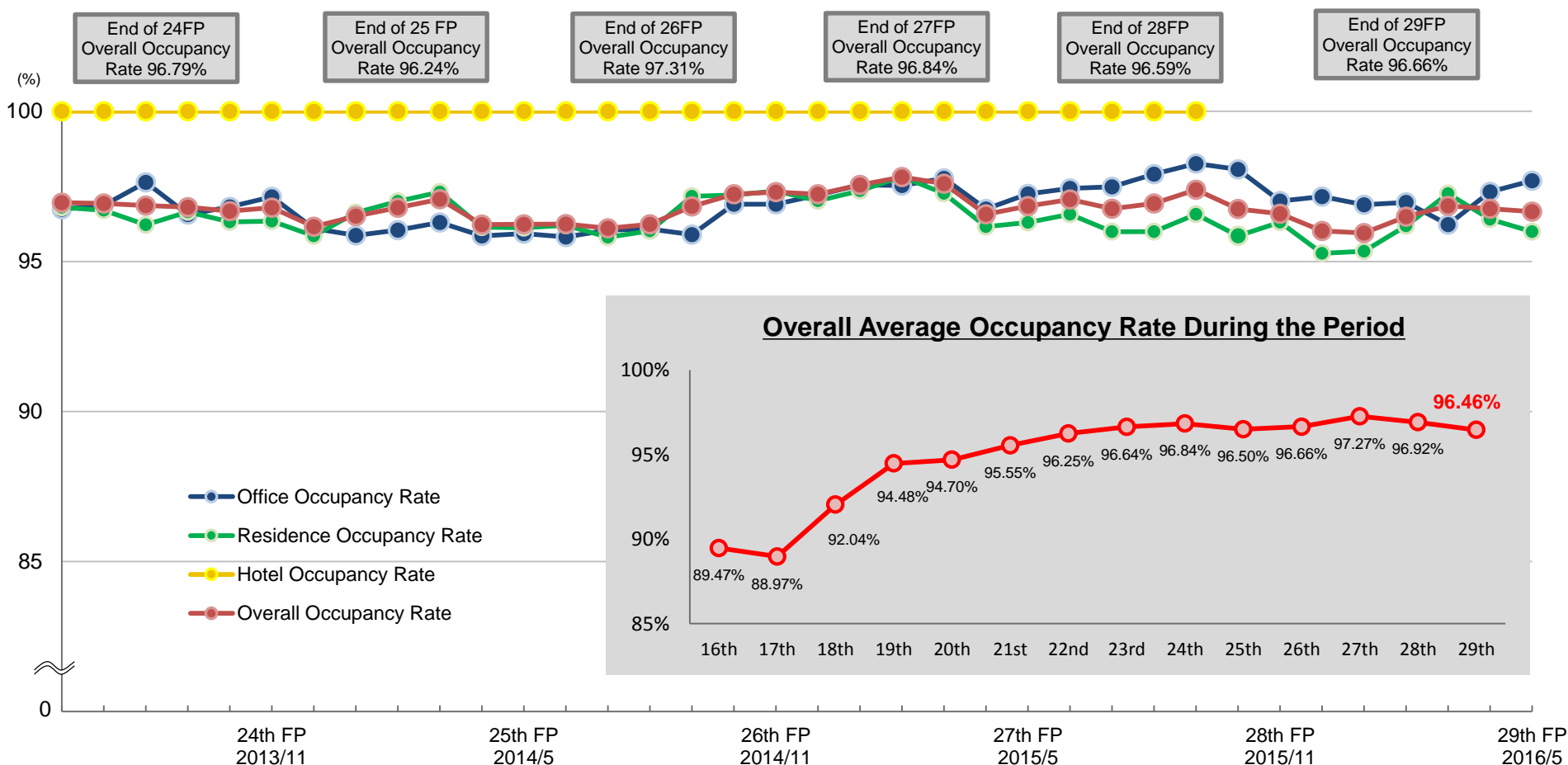
(Note1) "Appraisal value" represents the value at the time of acquisition (October 29, 2015). "NOI yield" and "NOI yield after depreciation" are based on appraised NOI at the time of acquisition divided by the acquisition price.

(Note2) "Appraisal value" represents the value at the time of acquisition (December 21, 2015 for the one office property and December 18, 2015 for the three residential properties). "NOI yield" and "NOI yield after depreciation" are based on appraised NOI at the time of acquisition divided by the acquisition price.

Ⅱ-4 Internal Growth (1) : Historical Occupancy Rates

- The average occupancy rate for the 29th FP : 96.46% (the average overall occupancy rate exceeded 95% for the 9th consecutive periods.)
- Made progress on lease-up of acquired properties (average occupancy rate during the period fell slightly, reflecting low occupancy prior to lease-up).
 Office: HF KANDA OGAWAMACHI BUILDING 57.6%(end of 28th FP) ⇒ 81.4%(end of 29th FP) (100% occupancy rate from July, 2016)
 Residence: HF NISHI-KOEN RESIDENCE 89.3%(end of 28th FP) ⇒ 93.2%(end of 29th FP)
 HF HIGASHI-SAPPORO RESIDENCE 88.6%(end of 28th FP) ⇒ 95.4%(end of 29th FP)

History of Occupancy Rates



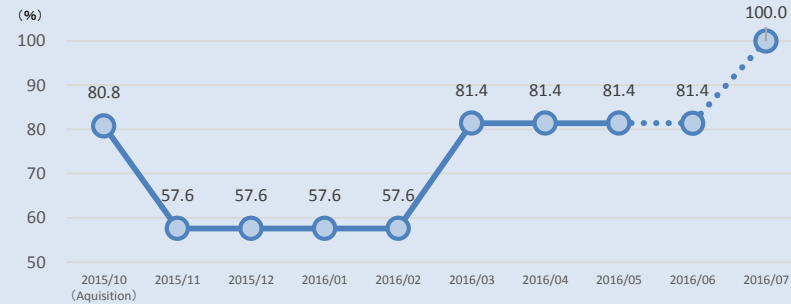
II -5 Internal Growth (2) : Historical Occupancy Rates

HF OGAWAMACHI BUILDING



The vacation of two floors of HF Kanda Ogawamachi Building was planned from the time of acquisition, and it had been established that the occupancy rate would fall to 57.6% in November 2015. Immediately after acquisition, the REIT renamed the building and at the same time stepped up leasing activities. As a result, the occupancy rate improved to 81.4% by March 2016. With contracts concluded for all the remaining space, 100% occupancy is expected from July 2016.

Historical Occupancy Rates



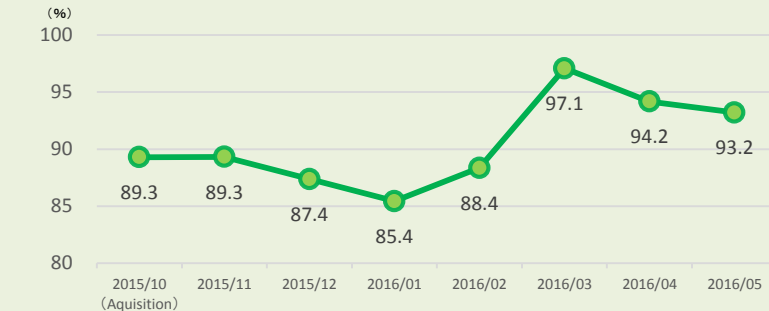
HF NISHI-KOEN RESIDENCE



The occupancy rate of HF Nishikoen Residence fell from 89.3% at the time of acquisition to 85.4% in January 2016.

The REIT improved the appearance of the common areas including renewing the interiors of the elevators and cleaning the area around the entrance. The REIT also strengthened leasing activities, holding viewings for estate agents and setting up a model room, and the occupancy rate recovered to 97.1% in March 2016. The occupancy rate remains at a stable high level.

Historical Occupancy Rates



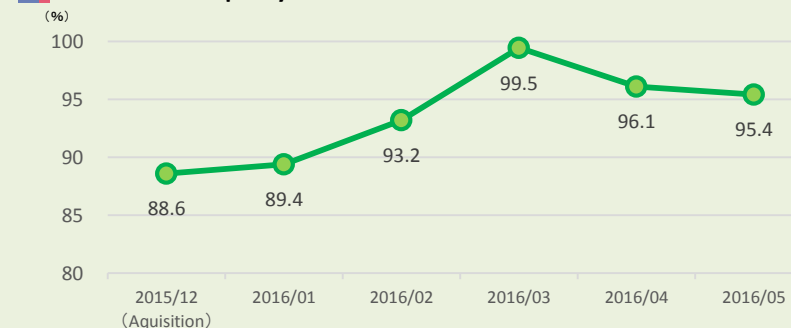
HF HIGASHI-SAPPORO RESIDENCE



HF Higashi-Sapporo Residence had an occupancy rate of 88.6% in December 2015 at the time of acquisition.

As a result of intensive leasing activities including the establishment of a model room, the occupancy rate recovered to 99.5% in March 2016. The occupancy rate is currently at a stable, high level.

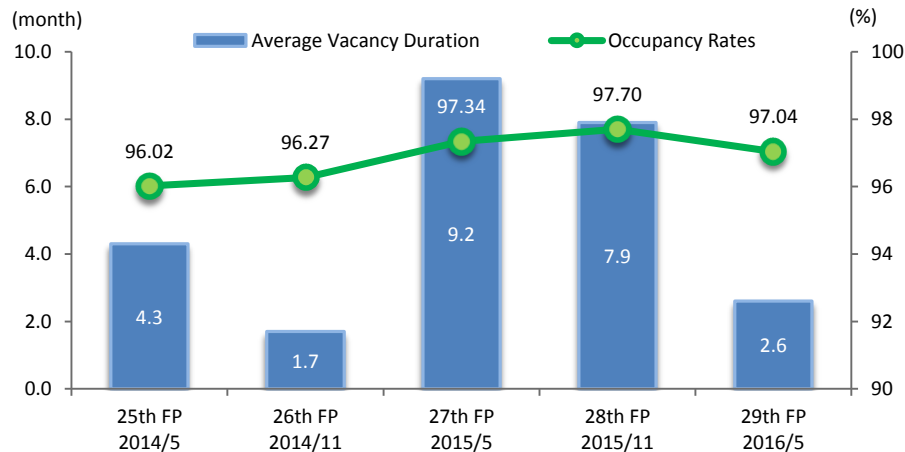
Historical Occupancy Rates



II -6 Internal Growth(3): Status of Office Operations(1)

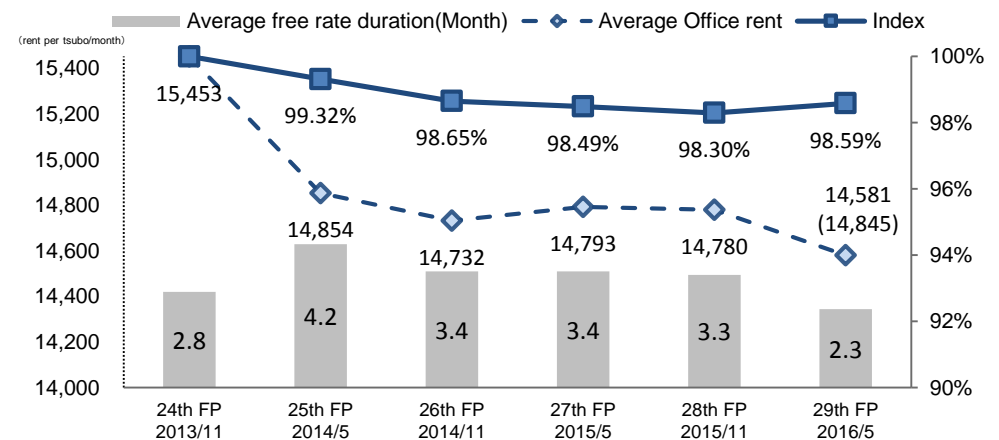
- Shortened vacancy periods (completed filling long-term empty properties) and shortened free-rent periods.
- Made progress on the lease-up of HF KANDA OGAWAMACHI BUILDING (the low level of the occupancy rate prior to lease up slightly lowered the average occupancy rate for the fiscal period).
- Rent unit price began to increase, driven by the rise in rent rates of new tenants.

Occupancy Rates and Vacancy Duration



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

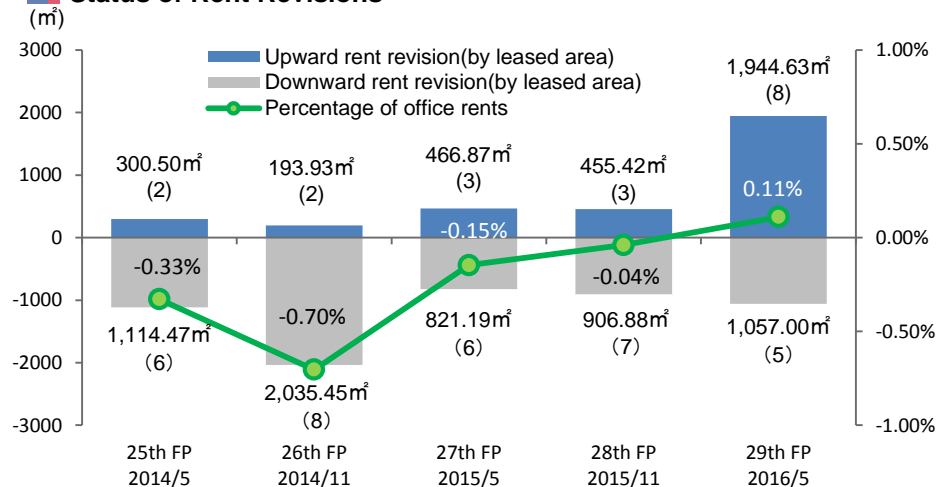
History of Office Rent's Average, Free rent



(Note) Figures in parenthesis for the 29th FP indicate average Office rent excluding NISSO 5 BUILDING

(Note) Index shows change other than effects of sale and purchase of properties (based on 100 for the 24th FP)

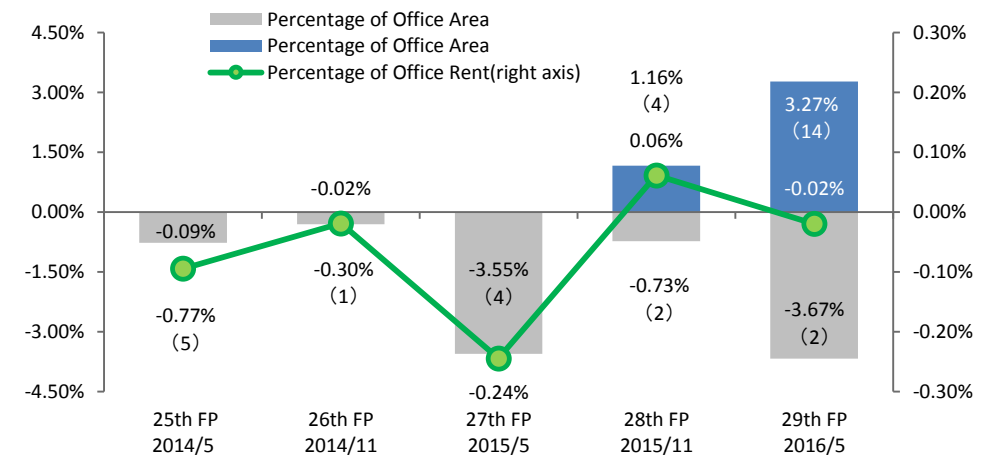
Status of Rent Revisions



(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 Existing Tenant Rent Revision



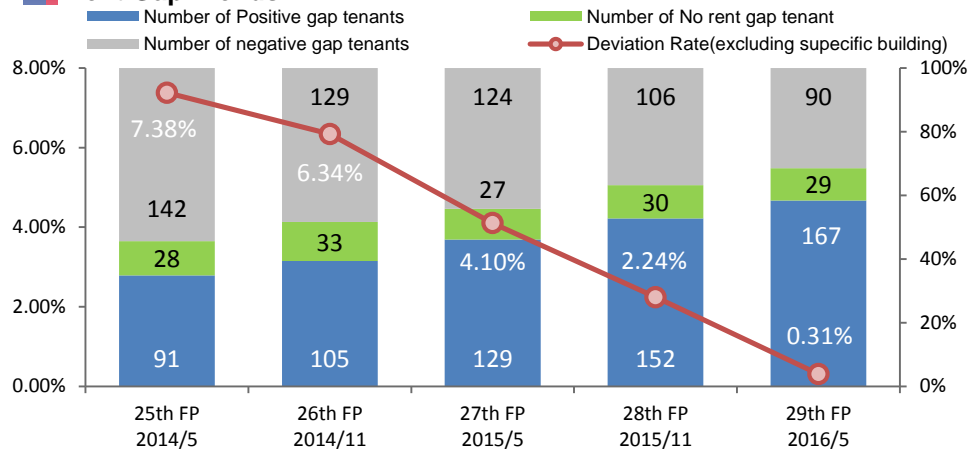
(Note) Figures in parentheses indicate the number of tenants with rent revisions.

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

II -7 Internal Growth(4): Status of Office Operations(2)

- The rent gap almost closed.
- Steady progress was made on the upward revision of rents under existing agreements.
- From the 30th fiscal period, upward rent revisions are expected to far outweigh downward revisions and contribute significantly to increased revenues in the rental business.

Rent Gap Trends

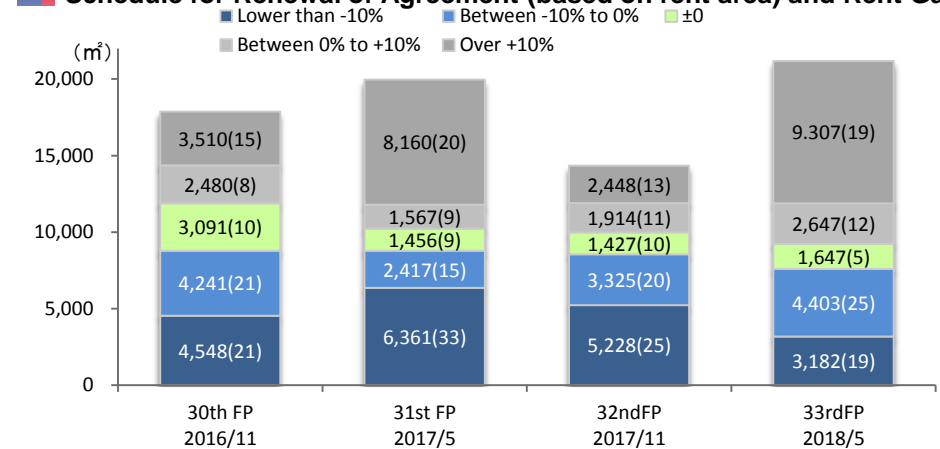


(Note) "Positive gap" refers to the tenant's rent being lower than the market rent.

(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).

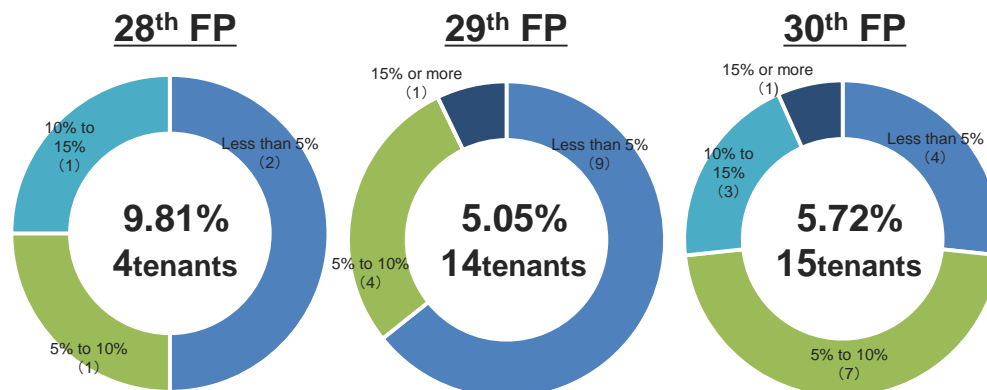
Schedule for Renewal of Agreement (based on rent area) and Rent Gap



(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

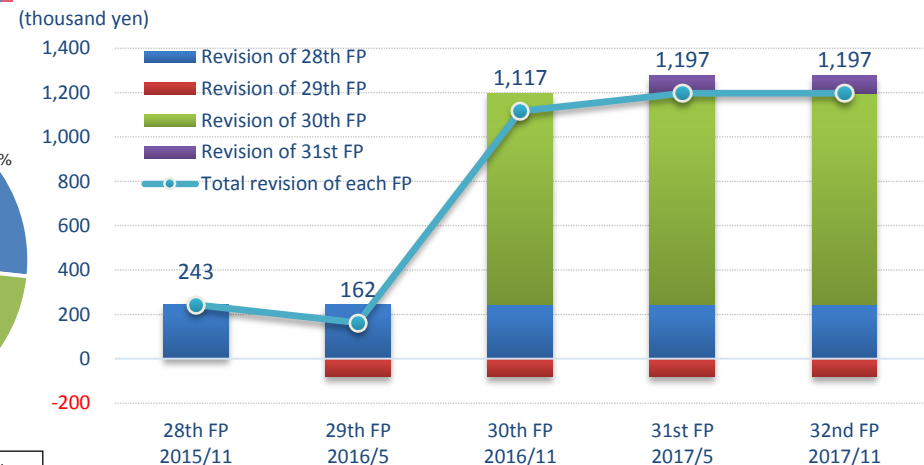
Status of Agreement on Upward Rent Revisions



Upper: Revision rate (based on rent)
Lower: Number of rent revision

(Note) The number of tenants subject to upward revision for the 30th FP indicates the number of agreements on upward revision as of June 30, 2016.

Contribution of actual rent revisions to future revenue (based on monthly rent)

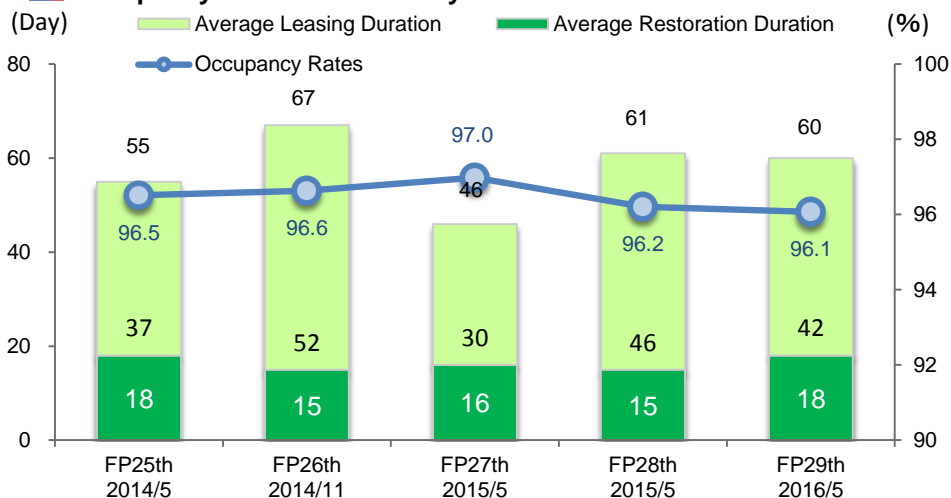


(Note) Shows the impact that the upward and downward rent revisions that were made (or will be made) each fiscal period have on total monthly rents in each fiscal period.

Ⅱ-8 Internal Growth (5) : Status of Residential Operations (1)

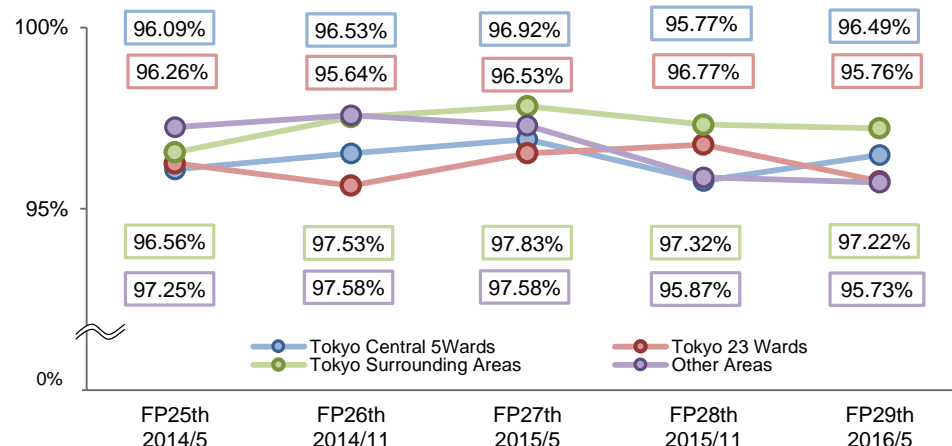
- The occupancy rates of HF NISHI-KOEN RESIDENCE and HF HIGASHI-SAPPORO RESIDENCE recovered to a stable, high level.
- Occupancy rates prior to recovery to a stable-high level lowered the overall occupancy rate. However, the average occupancy rate for the fiscal period remained at the high level of 96.1%.

Occupancy Rates and Vacancy Duration

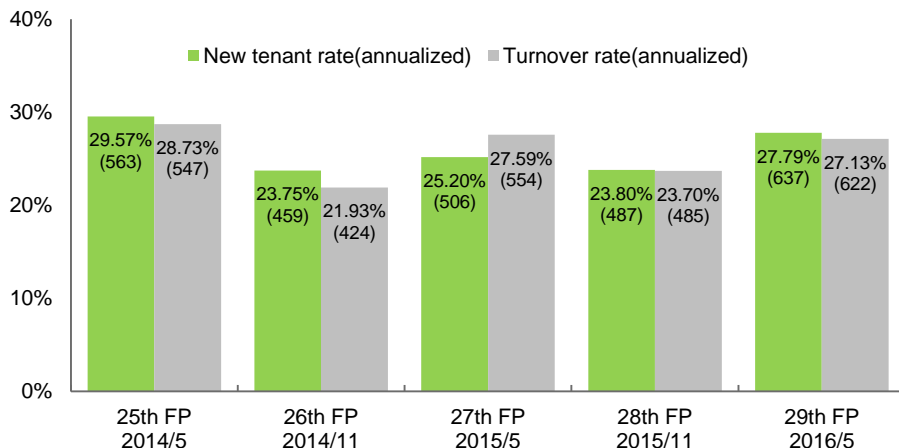


(Note) The average restoration duration is measured from the day of lease termination to the day of restoration work completion.

Average Occupancy Rates of Residence by Investment Area



History of Tenants Turnover



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

Residence Occupancy Rates by Room Type

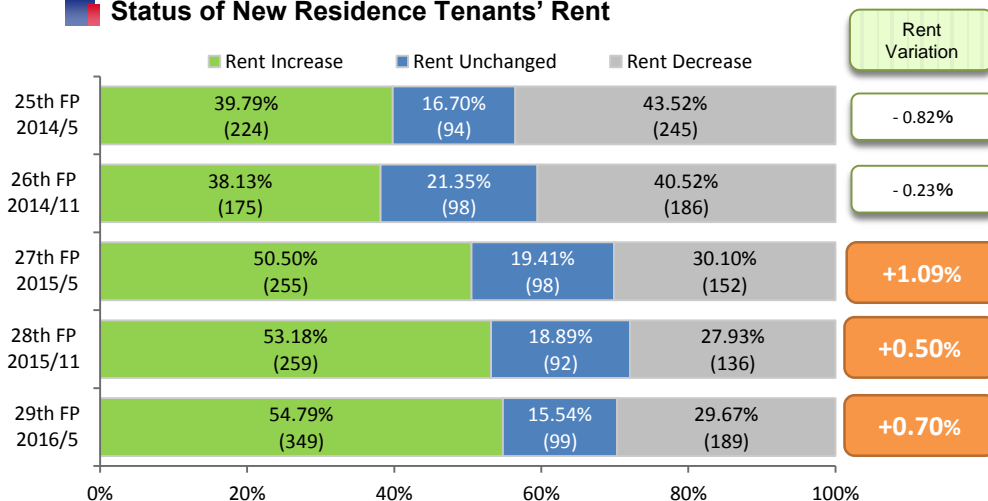
Room Type (Floor space)	Percentage of Holdings (in number of units)	25th FP Occupancy Rate	26th FP Occupancy Rate	27th FP Occupancy Rate	28th FP Occupancy Rate	29th FP Occupancy Rate
Single Type (Under 40㎡)	82.07%	97.20%	97.86%	96.39%	96.33%	96.07%
DINKS Type (Between 40㎡ to 60㎡)	13.92%	94.25%	95.98%	95.21%	95.96%	95.57%
Family Type (Above 60㎡)	4.01%	93.01%	96.66%	97.44%	96.41%	95.74%
Total	100.00%	96.06%	97.31%	96.25%	96.26%	95.93%

(Note) Excluding shops and office areas.

Ⅱ -9 Internal Growth (6) : Status of Residential Operations (2)

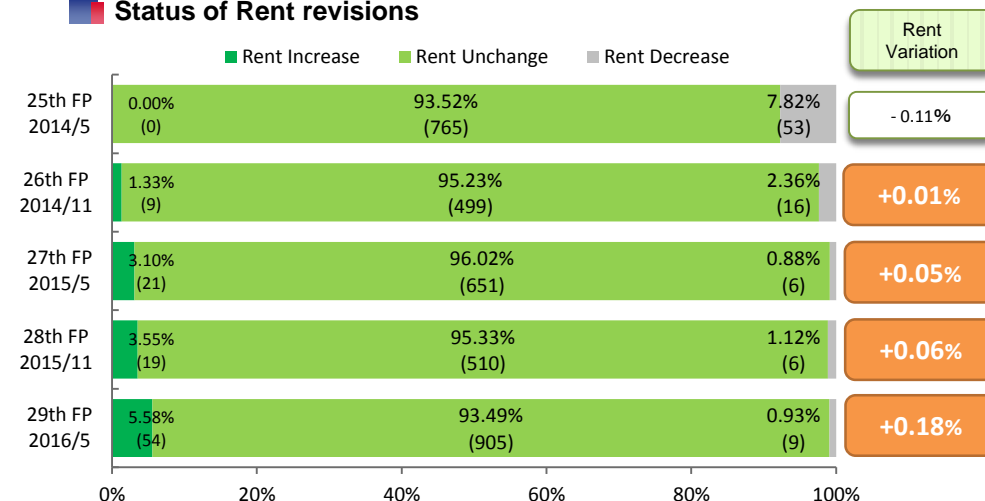
- Rents under new agreements and rents on renewal continued to increase.
- Rent unit price continued to rise, albeit at a modest pace.

Status of New Residence Tenants' Rent



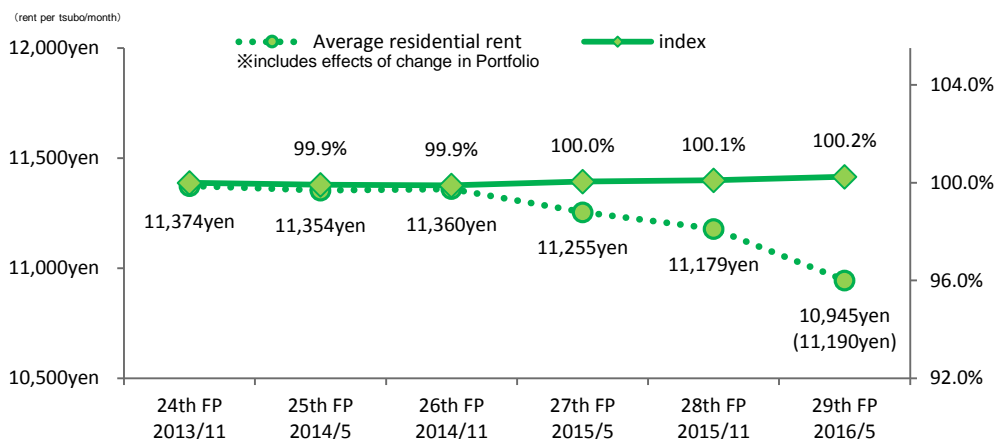
(Note) Figures in parentheses are the number of tenants that apply to each category.

Status of Rent revisions



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

History of Residence Average Rents



(Note 1) Figures in parenthesis for the 29th FP indicate average residence rent(including common service charge) excluding the 3properties acquired of the 29th FP.

(Note 2) Index shows change other than effects of sale and purchase of properties(based on 100 for the 24th FP)

Trends in One Time Fees, Renewal Fees

	25 th FP 2014/5	26 th FP 2014/11	27 th FP 2015/5	28 th FP 2015/11	29 th FP 2016/5
Number of properties for which one time fees obtained	171	112	169	133	266
Ratio of one time fees taken	30.37%	24.40%	33.47%	27.31%	41.76%
One time fees (Number of months)	1.07	1.04	1.08	1.11	1.08
Number of properties for which rental contract was renewed	995	685	889	535	968
Renewal rate	82.21%	76.50%	76.27%	78.10%	79.41%
Renewal fees (Number of months)	0.94	0.89	0.85	0.86	0.69

II -10 Internal Growth(7) : Refurbishment Construction Work

- Renovation Works: To strengthen the market competitiveness and to improve the asset value of properties
— Improved occupancy rate and expanded profitability

HF HIRAO RESIDENCE

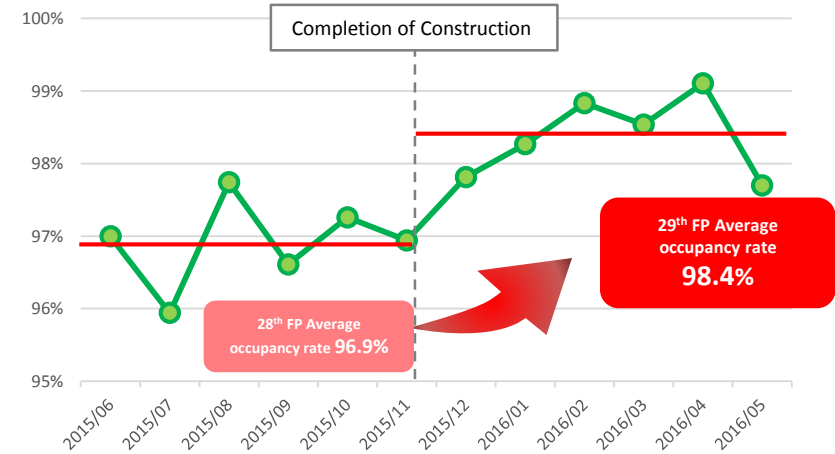
After



Renovation Works

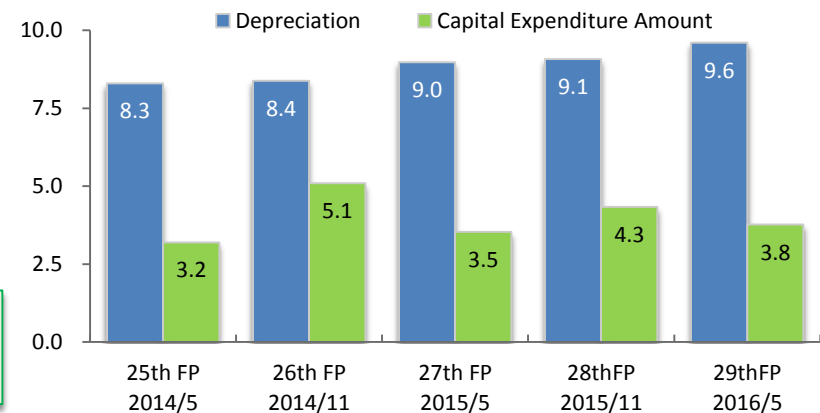
- Improved outward walls of building
- Improved EV hall, communal corridors, balcony and roof waterproofing.

Historical Occupancy Rates (HF HIRAO RESEIDENCE)



Change in Capital Expenditure

(100 million yen)



II -11 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. The four properties newly acquired through public offering contributed to the growth in latent profits.
- Existing properties: Latent profits increased due to the falling cap rate and upward revision of rents.

(million yen)

18,000

15,000

12,000

9,000

6,000

3,000

0

(3,000)

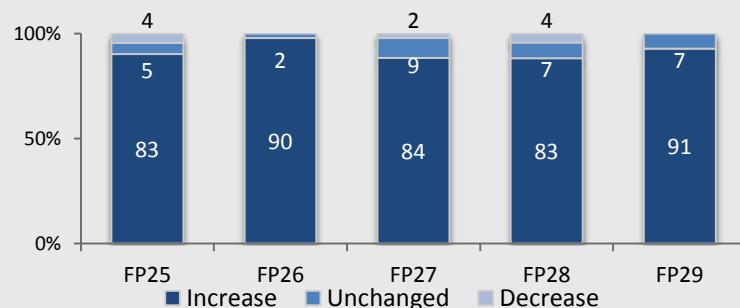
(6,000)

(9,000)

(12,000)

(15,000)

Appraisal Value Comparison to Previous Periods
(by number of properties)



FP16th FP17th FP18th FP19th FP20th FP21st FP22nd FP23rd FP24th FP25th FP26th FP27th FP28th FP29th

■ New investment assets
■ Existing assets
● Total

Appraisal Value at the end of FP29th

173,983 million yen

Unrealized Gain

13,650 million yen

	FP16th	FP17th	FP18th	FP19th	FP20th	FP21st	FP22nd	FP23rd	FP24th	FP25th	FP26th	FP27th	FP28th	FP29th
New Investment assets						790	804	1,384	1,617	2,976	3,365	4,602	5,834	7,338
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	6,313
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	13,650

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

II-12 Financial Strategies : Financial Status (1)

- More solid financial characteristics
(Average borrowing rate 1.252% \Rightarrow 1.179%, Average borrowing term 5.76 years \Rightarrow 6.19 years)

Summary of Interest-bearing Liabilities(end of FP29th)

Average Interest Rate	Average Loan Term	Average Remaining Term to Maturity	LTV (Note 1)	Appraisal-based LTV(Note 2)
1.033%	6.35years	4.16years	43.3%	43.8%
Fixed Interest Rate Ratio	Long-term Loan Ratio	Long-term Loan scheduled to mature within 1 year Ratio	Rating: R&I (Note3)	Rating: JCR (Note4)
91.8%	86.7%	13.3%	A- (Stable)	A (Stable)

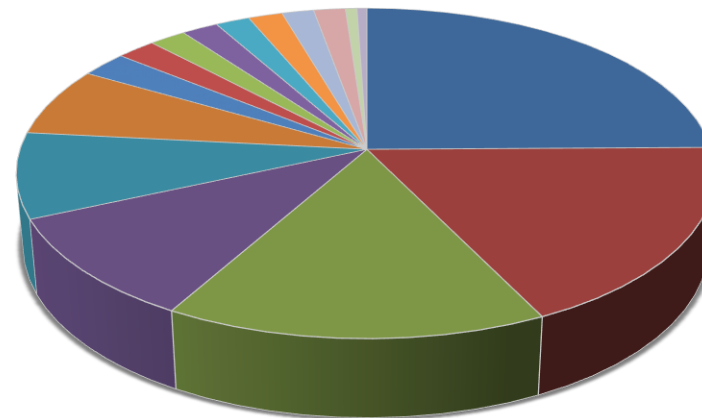
(Note 1) LTV = Interest-bearing liabilities as of FP End / Total Assets as of FP End

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

Lender Formation and Borrowing Amounts



Credit Commitment Lines

Sumitomo Mitsui Banking Corporation Loan Commitment 2.5 billion yen Committed Period From: June 1, 2016 To: May 31, 2017 Unsecured, Unguaranteed	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Loan Commitment 2.0 billion yen Commitment Period From: June 1, 2016 To: May 31, 2017 Unsecured, Unguaranteed	Mizuho Bank, Ltd. Loan Commitment 1.5 billion yen Commitment Period From: June 1, 2016 To: May 31, 2017 Unsecured, Unguaranteed
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Lender's name	Amount	Share	Lender's name	Amount	Share
Sumitomo Mitsui Banking	18,922	24.8%	Nomura Trust and Banking	1,485	1.9%
Aozora Bank	13,694	18.0%	Norinchukin	1,477	1.9%
Resona Bank	11,750	15.4%	Bank of Fukuoka	1,385	1.8%
Bank of Tokyo-Mitsubishi UFJ	7,735	10.1%	Mitsubishi UFJ Trust and Banking	1,385	1.8%
Mizuho Trust & Banking	6,367	8.3%	Shinsei Bank	1,285	1.7%
Sumitomo Mitsui Trust Bank	5,129	6.7%	ORIX bank	1,280	1.7%
Development Bank of Japan	1,900	2.5%	Sompo Japan Nipponkoa Insurance	469	0.6%
Mizuho Bank	1,600	2.1%	The 77 Bank	400	0.5%

Shelf Registration of Investment Corporation Bonds

Shelf registration amount	10 billion yen
Effective period of comprehensive resolution on issuance of bonds	Until May 27, 2018

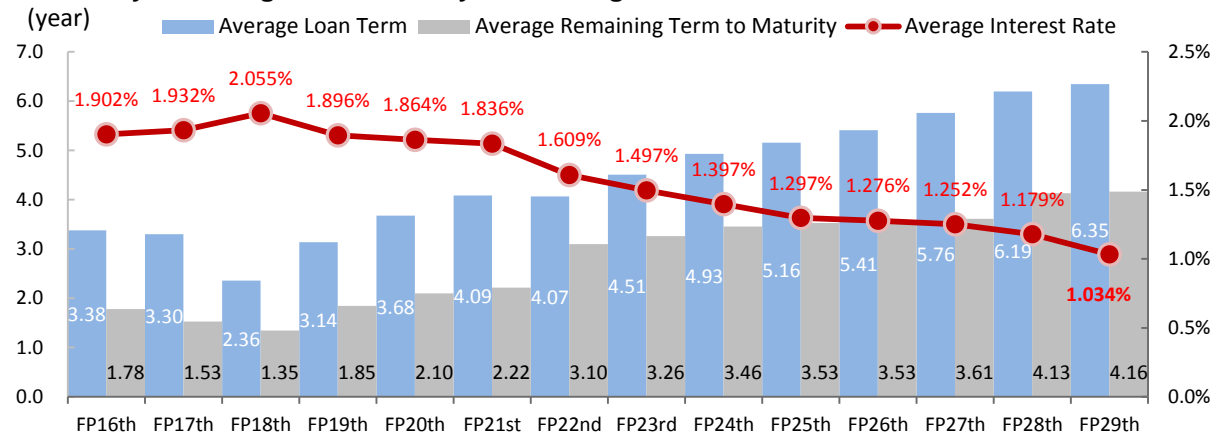
II-13 Financial Strategies : Financial Status (2)

- Lengthened maturities and diversified repayment dates.
- Lowered interest rates: Refinancing and new borrowing lowered the average interest rate, and the introduction of negative interest rates by the Bank of Japan caused interest rates to fall further.
- Interest rates are likely to fall in the future.

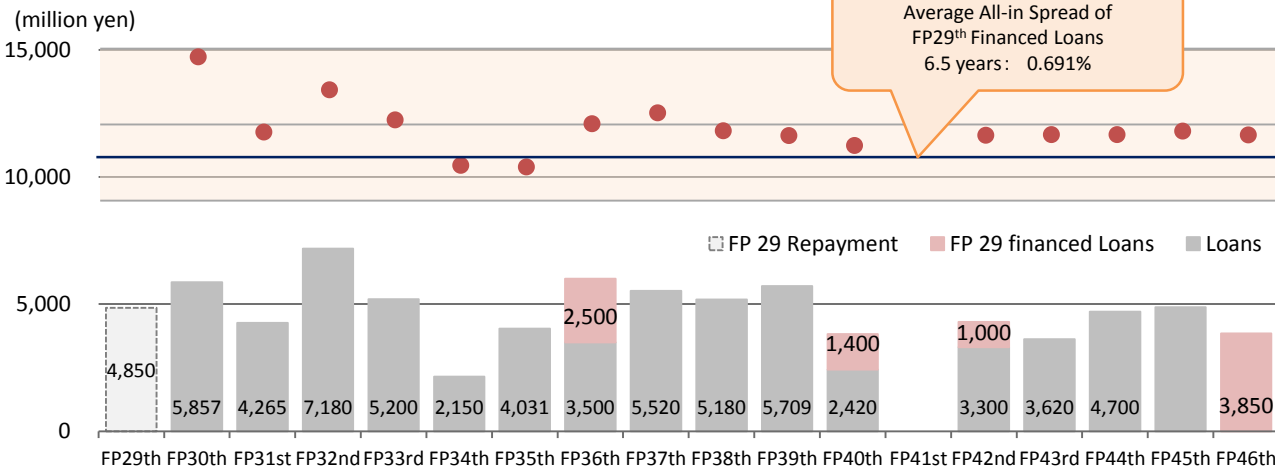
Financing Status of FP29th

	Loan Amount (million yen)	Interest Rate	Borrowing Date	Maturity Date	Loan Term (year)
Term Loan 29A	2,500	Tibor 1M + 0.35%	18-Dec-15	31-Oct-19	3.87
Term Loan 29B	1,400	Tibor 1M + 0.55%	18-Dec-15	31-Oct-21	5.87
Term Loan 30A	1,000	Tibor 1M + 0.60%	31-May-16	31-Oct-22	6.42
Term Loan 30B	3,850	Tibor 1M + 0.80%	31-May-16	31-Oct-24	8.42

History of Average Loan Maturity and Average Interest Rate

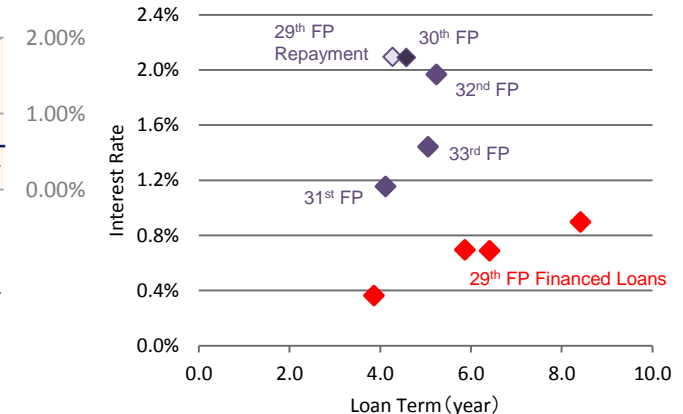


Loan Maturity Diversification and All-in Spread



*All-in spread includes the spread, the upfront fee and the arrangement fee but does not include the base rate and hedging cost.

Correlation between maturities and All-in Interest Rates

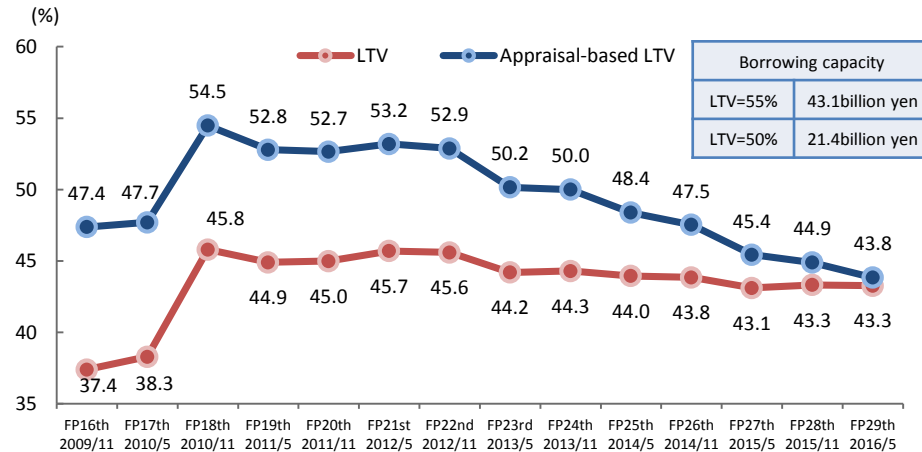


*All-in interest rate includes the spread, the upfront fee, the arrangement fee and base rate and hedging cost.

II-14 Financial Strategies: Financial Status (3)

- Continued to lower appraisal based LTV and expanded investment capacity.
- Lower base rates contributed significantly to improvement in borrowing portfolio.

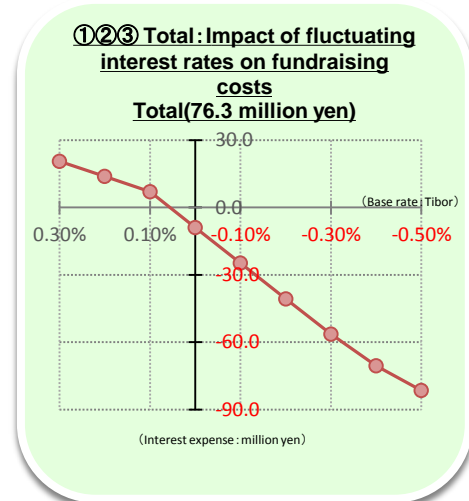
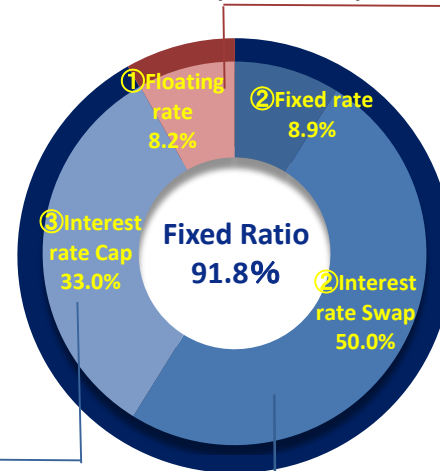
History of Loan to Value (LTV)



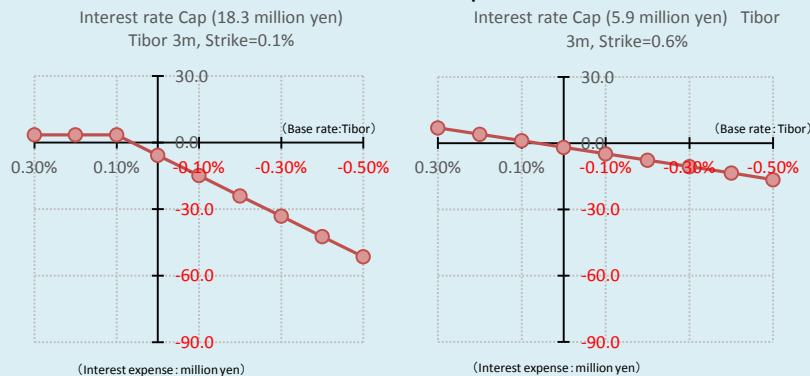
(Note 1) LTV = Interest-bearing liabilities as of FP End / Total Assets as of FP End

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

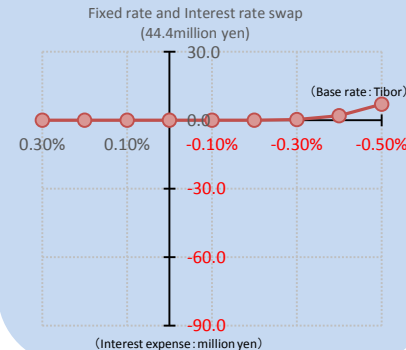
Changes in interest expenses due to fixed interest rates and falling base rates (simulation)



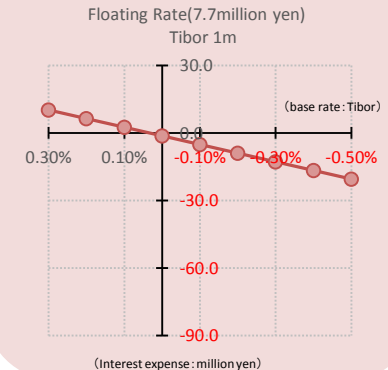
③ Impact of fluctuating interest rates on fundraising costs Interest rate Cap



② Impact of fluctuating interest rates on fundraising costs Fixed Rate and Interest rate Swap



① Impact of fluctuating interest rates on fundraising costs Floating rate



(Reference) As of the end of May,2016 TIBOR 1M 0.03455% / TIBOR 3M 0.06273%

II -15 Growth Strategy

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, etc.
 - Utilize borrowing capacity to flexibly acquire properties.
- ◆ **Continuous 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 Operation

- ◆ **Create a solid financial structure**
 - Create a solid financial structure that is not vulnerable to fluctuations in market interest rates, by extending loan periods, diversifying debt maturities, and fixing interest rates on borrowings
- ◆ **Control of LTV**
 - Seek continuous expansion of portfolio and earnings through the stable acquisition of properties not influenced by the financial environment by property controlling LTV.
- ◆ **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**
 - Implement strategic financial operations to ensure that the current low interest rate environment can help reduce our financial costs in the future.

30th FP Distribution : 1,852yen/unit (forecast)

- ◆ 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

Midterm Target

DPU: 2,000 yen
 AUM: 200 billion yen

(Appendix) Diversified Property Acquisition Methods

- Diversified property acquisition methods by utilizing sponsors' support.
- Increased opportunities for acquiring assets through the diversified property acquisition methods.

Direct acquisitions from third parties

4 properties **6,408** million yen



HF WAKAMATSU KAWADA RESIDENCE
HF KANDA OGAWAMACHI BUILDING



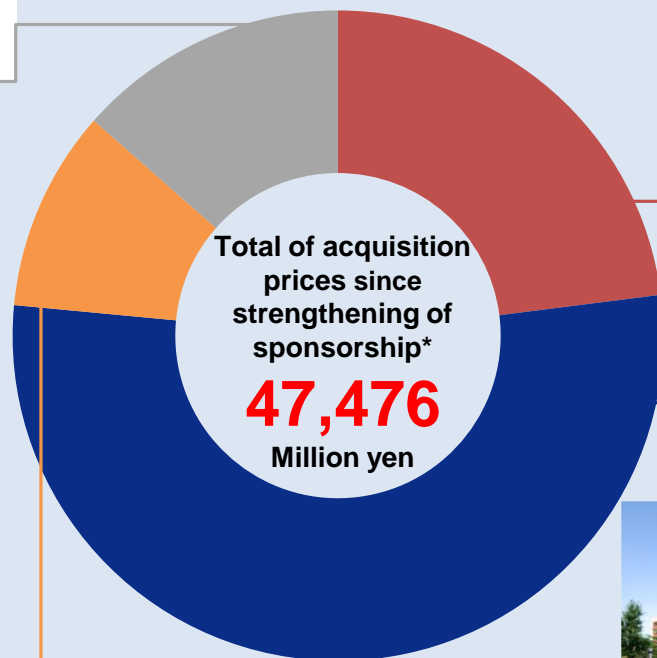
HF NISHIKOEN RESIDENCE
HF BANSUIDORI RESIDENCE

Utilizing bridge fund

2 properties **4,750** million yen



Daiwa Ueno Building
KOJIMACHI HF BUILDING



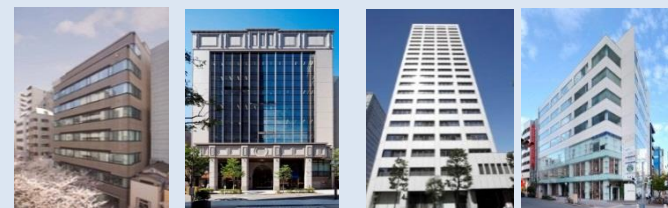
Ratio of acquisition by HEIWA REAL ESTATE's support since strengthening of sponsorship

97.6%

Sponsor's Support

Direct acquisitions from sponsor

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

III-1 Balance Sheet

■ Assets

(unit: thousand yen)

Period Category	28th Fiscal Period November 30, 2015		29th Fiscal Period May 31, 2016		Variation	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
(Assets)						
I Current assets						
Cash and deposits	7,723,610		8,107,992		384,382	
Cash and deposits in trust	6,237,557		6,659,433		421,876	
Accounts receivable-trade	86,151		80,744		(5,407)	
Prepaid expenses	219,072		193,230		(25,842)	
Consumption taxes receivable	0		127,422		127,422	
Other	2,859		8,139		5,280	
Allowance for doubtful accounts	△ 340		△ 417		(77)	
Current assets	14,268,910	8.5	15,176,544	8.6	907,634	6.4
II Noncurrent assets						
1. Property, plant and equipment	Note 1					
Buildings	8,645,300		8,495,164		(150,136)	
Structures	36,998		35,330		(1,668)	
Machinery and equipment	117,048		114,796		(2,252)	
Tools, furniture and fixtures	57,771		53,697		(4,074)	
Land	25,945,334		25,945,334		-	
Buildings in trust	37,970,016		40,997,036		3,027,020	
Structures in trust	222,041		226,213		4,172	
Machinery and equipment in trust	247,021		249,645		2,624	
Tools, furniture and fixtures in trust	311,551		325,436		13,885	
Land in trust	74,430,093		79,858,725		5,428,632	
Total property, plant and equipment	147,983,178	88.6	156,301,379	88.7	8,318,201	5.6
2. Intangible assets						
Leasehold right	715,719		715,719		-	
Leasehold rights in trust	3,315,665		3,315,665		-	
Other	325		242		(83)	
Total intangible assets	4,031,711	2.4	4,031,627	2.3	(84)	(0)
3. Investments and other assets						
Guarantee deposits	10,252		10,252		-	
Long-term prepaid expenses	427,515		403,886		(23,629)	
Derivatives	58,834		20,741		(38,093)	
Other	221,652		236,413		14,761	
Total investments and other assets	718,254	0.4	671,293	0.4	(46,961)	(6.5)
Total noncurrent assets	152,733,144	91.4	161,004,301	91.4	8,271,157	5.4
III Deferred assets						
Investment unit issuance expenses	34,946		54,318		19,372	
Total deferred assets	34,946	0.0	54,318	0.0	19,372	55
Total assets	167,037,001	100.0	176,235,164	100.0	9,198,163	5.5

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

■ Liabilities and net assets

(unit: thousand yen)

Period Category		28th Fiscal Period November 30, 2015		29th Fiscal Period May 31, 2016		Variation		
		Amount	Share (%)	Amount	Share (%)	Amount	Share (%)	
(Liabilities)								
I Current Liabilities								
Accounts payable		486,325		448,271		(38,054)		
Current portion of long-term loans payable		10,707,000		10,122,000		(585,000)		
Accrued expenses		680,236		687,026		6,790		
Income taxes payable		-		429		429		
Accrued consumption taxes		112,843		-		(112,843)		
Advances received		839,137		917,034		77,897		
Delivatives liabilities		-		4,829		4,829		
Other		8,334		11,857		3,523		
Total current liabilities		12,833,877	7.7	12,191,448	6.9	(642,429)	(5.0)	
II Noncurrent liabilities								
Long-term loans payable		61,654,700		66,139,700		4,485,000		
Tenant leasehold and security deposits		927,237		893,683		(33,554)		
Tenant leasehold and security deposits in trust		3,513,782		3,731,742		217,960		
Derivatives liabilities		229,932		454,949		225,017		
Total noncurrent liabilities		66,325,653	39.7	71,220,074	40.4	4,894,421	7.4	
Total liabilities		79,159,530	47.4	83,411,523	47.3	4,251,993	5.4	
(Net assets)								
I Unitholders' equity								
1. Unitholders' capital		Note 2	76,372,303	45.7	81,370,715	46.2	4,998,412	6.5
2. Surplus								
Capital surplus			7,406,652	4.4	7,406,652	4.2	-	
Voluntary retained earnings			-		2,497,604		2,497,604	
Reserve for temporary difference adjustment			-		2,497,604	1.4	2,497,604	
Total Voluntary retained earnings			-		2,290,094	1.3	(2,337,782)	(50.5)
Unappropriated retained earnings			4,627,876	2.8	12,194,351	6.9	159,823	1.3
Total surplus			12,034,528	7.2	12,194,351	6.9	159,823	1.3
Total unitholders' equity			88,406,831	52.9	93,565,066	53.1	5,158,235	5.8
II Valuation and translation adjustments								
Deferred gains or losses on hedges			(529,361)		(741,425)		(212,064)	
Total valuation and translation adjustments			(529,361)	(0.3)	(741,425)	(0.4)	(212,064)	40.1
Total net assets		Note 3	87,877,470	52.6	92,823,640	52.7	4,946,170	5.6
Total liabilities and net assets			167,037,001	100.0	176,235,164	100.0	9,198,163	5.5

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

cumulated depreciation

28th fiscal period: 11,267,190 thousand yen 29th fiscal period: 12,226,822 thousand yen

Note 2 Total outstanding investment units

28th fiscal period: 951,147 units 29th fiscal period: 1,014,847 units

Note 3 Net assets per investment unit

28th fiscal period: 92,391 yen 29th fiscal period: 91,465 yen

Ⅲ-2 Profit and Loss Statement

(unit: thousand yen)

Category	Period	28th Fiscal period (Jun. 1, 2015-Nov 30, 2015)			29th Fiscal period (Dec. 1, 2015-May 31, 2016)			Variation	
		Amount		Share (%)	Amount		Share (%)	Amount	Share (%)
Operating revenue	Note 1								
Rent revenue-real estate		4,933,587			5,141,840				
Other lease business revenue		438,026			490,173				
Gain on sales of real estate properties		551,736	5,923,350	100	-	5,632,013	100.0	(291,337)	(4.9)
Operating expenses	Note 2								
Expenses related to rent business		2,421,490			2,530,807				
Asset management fee		507,175			517,550				
Asset custody fee		18,671			18,802				
Administrative service fees		45,322			44,337				
Directors' compensations		7,970			7,970				
Audit fee		9,660			9,660				
Other operating expenses		125,910	3,136,201	52.9	108,367	3,237,496	57.5	101,295	3.2
Operating income (loss)			2,787,149	47.1		2,394,516	42.5	(392,633)	(14.1)
Non-operating income									
Interest income		6,210			4,148				
Reversal of dividends payable		593			552				
Insurance income		3,119			6,194				
Other		499	10,423	0.2	48	10,943	0.2	520	5.0
Non-operating expenses									
Interest expenses		498,079			482,724				
Borrowing related expenses		169,450			106,754				
New investment unit issuance costs		17,834			17,643				
Other		1,860	687,224	11.6	2,888	610,010	10.8	(77,214)	(11.2)
Ordinary income (loss)			2,110,347	35.6		1,795,449	31.9	(314,898)	(14.9)
Income (Loss) before income taxes			2,110,347	35.6		1,795,449	31.9	(314,898)	(14.9)
Income taxes-current		605			605				
Income taxes			605	0.0		605	0.0	0	0.0
Net income (loss)			2,109,742	35.6		1,794,844	31.9	(314,898)	(14.9)
Retained earnings brought forward			2,518,133			495,249		(2,022,884)	
Unappropriated retained earnings (undisposed loss)			4,627,876			2,290,094		(2,337,782)	

* 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 183 days for the 28th fiscal period and 183 days for the 29th fiscal period.

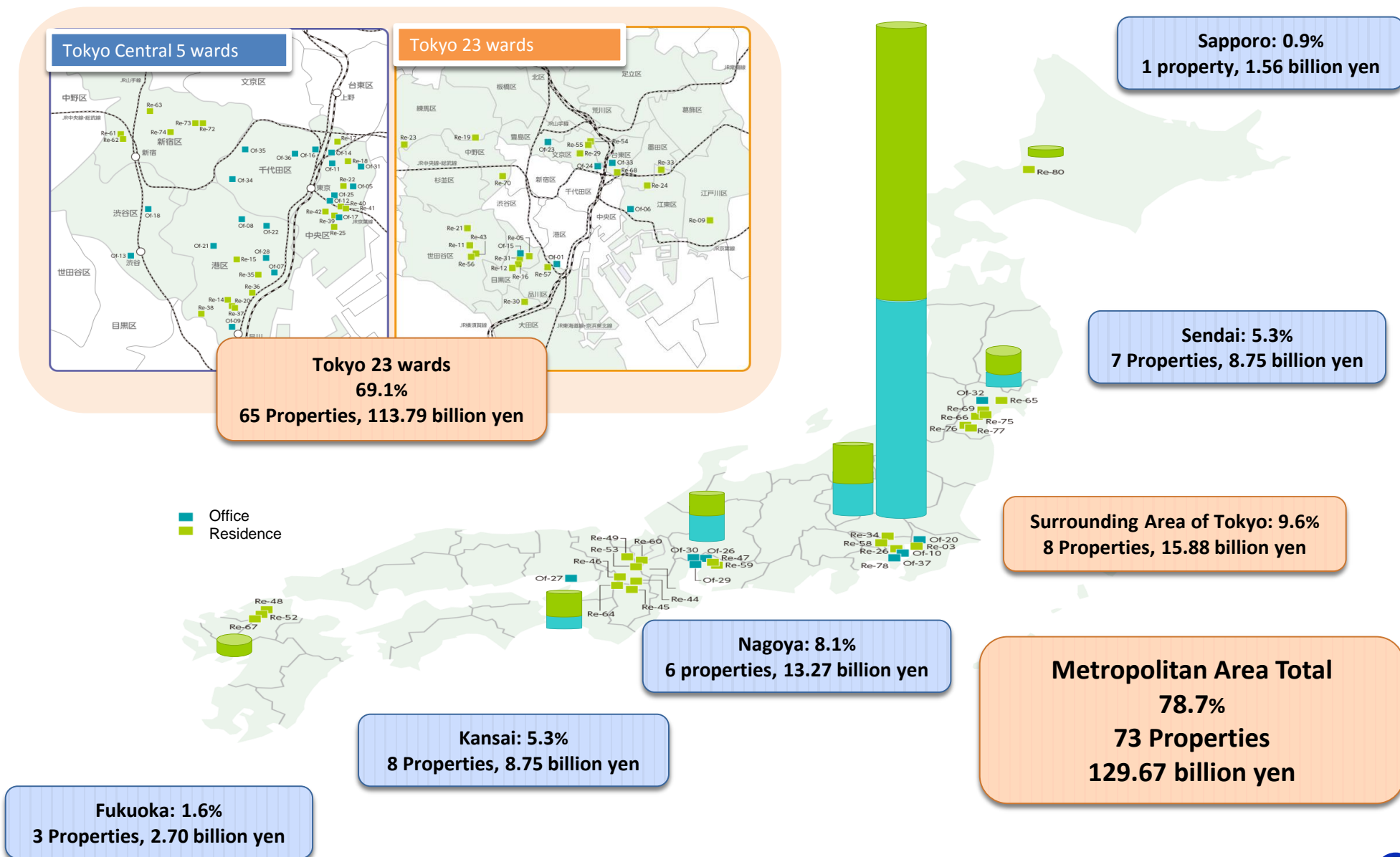
Note 2 The depreciation costs of this total are 907,625 thousand yen for the 28th fiscal period and 960,871 thousand yen for the 29th fiscal period.

III-3 Debts

as of May 31, 2016

	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 Loan11 Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Resona Bank, Limited.		5,857	1.26273	October 31, 2011	October 31, 2016	Unsecured and Unguaranteed		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	0.26500	December 4, 2014	May 31, 2018	
	Term Loan15 Sumitomo Mitsui Banking Corporation Resona Bank, Limited. Shinsei Bank, Limited.		2,295	1.02891	October 31, 2012	May 31, 2017			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	0.29625	December 4, 2014	October 31, 2018	
	Term Loan21 TrancheA The Nomura Trust and Banking Co., Ltd. Mitsubishi UFJ Trust and Banking Corporation		1,970	0.60700	October 31, 2013	May 31, 2017			Term Loan25 TrancheC Development Bank of Japan Inc.		900	1.24348	December 4, 2014	October 31, 2022	
	Subtotal		10,122						Term Loan26 TrancheA Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd.		700	0.25200	May 29, 2015	May 31, 2019	
									Term Loan26 TrancheB ORIX Bank Corporation		480	0.63455	May 29, 2015	October 31, 2021	
Long-term loans payable	Term Loan13 TrancheD Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Resona Bank, Limited.		3,100	1.26273	October 25, 2012	October 31, 2017	Unsecured and Unguaranteed	Long-term loans payable	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	1.18750	May 29, 2015	May 31, 2023	Unsecured and Unguaranteed
	Term Loan14 Aozora Bank, Ltd. Resona Bank, Limited.		4,080	1.89206	May 31, 2012	October 31, 2017			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	1.14625	October 29, 2015	October 31, 2018	
	Term Loan16 Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Resona Bank, Limited. Sumitomo Mitsui Trust Bank, Limited.		3,900	1.02073	October 31, 2012	May 31, 2018			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 Loan17 Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Resona Bank, Limited. Shinsei Bank, Limited.		3,500	1.16273	October 31, 2012	October 31, 2019			Term Loan28 TrancheA Aozora Bank, Ltd.		940	0.58455	October 31, 2015	October 31, 2021	
	Term Loan19 Sumitomo Mitsui Banking Corporation Resona Bank, Limited. Mizuho Trust & Banking Co., Ltd.		5,520	0.96273	March 29, 2013	March 31, 2020			Term Loan28 TrancheB Sumitomo Mitsui Banking Corporation Resona Bank, Limited. The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mizuho Trust & Banking Co., Ltd. Sumitomo Mitsui Trust Bank, Limited.		4,880	1.20800	October 30, 2015	October 31, 2024	
	Term Loan20 Mizuho Trust & Banking Co., Ltd.		1,230	1.20000	September 13, 2013	September 30, 2020			Term Loan29 TrancheA Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mizuho Trust & Banking Co., Ltd. Sumitomo Mitsui Trust Bank, Limited.		2,500	0.25000	December 18, 2015	October 31, 2019	
	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 Loan29 TrancheB Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mizuho Bank, Ltd.		1,400	0.58455	December 18, 2015	October 31, 2021	
	Term Loan22 TrancheB Development Bank of Japan Inc.		1,000	1.46168	December 20, 2013	May 31, 2021			Term Loan30 TrancheA Aozora Bank, Ltd.		1,000	0.63455	May 31, 2016	October 31, 2022	
	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	1.16000	May 30, 2014	May 31, 2021			Term Loan30 TrancheB Sumitomo Mitsui Banking Corporation Resona Bank, Limited. The Bank of Tokyo-Mitsubishi UFJ, Ltd. Sumitomo Mitsui Trust Bank, Limited.		3,850	0.83455	October 31, 2012	May 31, 2018	
	Term Loan23 TrancheB The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,000	1.20000	May 30, 2014	October 29, 2021			Subtotal		66,140				
	Term Loan24 TrancheA ORIX Bank Corporation		800	0.75000	October 31, 2014	May 31, 2019			Total		76,262				
	Term Loan24 TrancheB Sumitomo Mitsui Banking Corporation The Norinchukin Bank The Bank of Fukuoka Sampo Japan Nipponkoa Insurance		2,531	0.61300	October 31, 2014	May 31, 2019									
	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									

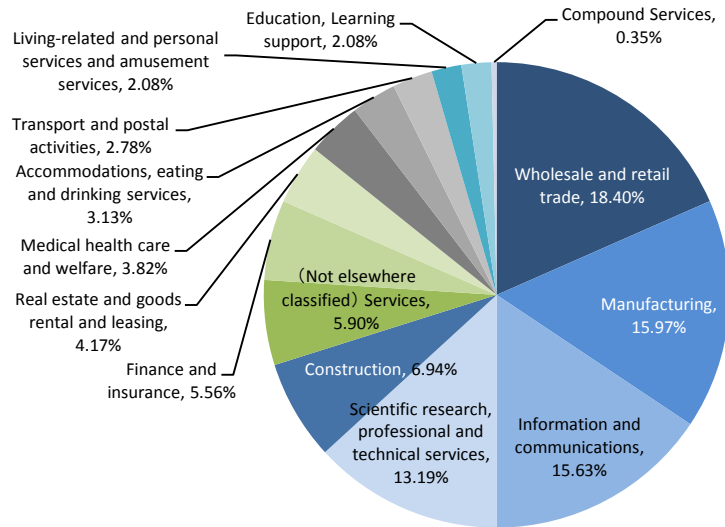
Ⅲ-4 Diversification of Investment Areas



III-5 Office Portfolio Performance (Tenant Condition, Tenant Diversification)

(Note) The following figures are calculated based on the data as of May 31, 2016

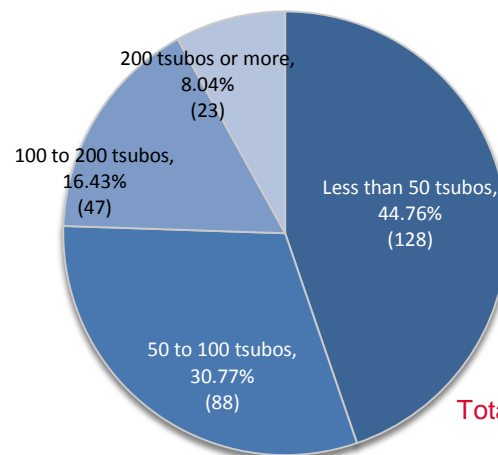
Distribution by Tenant Industry Sector



Tenants with Largest Rent Share (Includes Residence)

Ranking	Tenant	Property Name	Share of total rent
1	Company A	Kayabacho Heiwa Bldg.	3.82%
2	Company B	HIROKOJI AQUA PLACE	1.56%
3	Company C	NISSO 5 Bldg.	1.51%
4	Company D	HF SAKURADORI BUILDING	1.38%
5	Company E	Funabashi Face Bldg.	1.23%
Total			9.50%

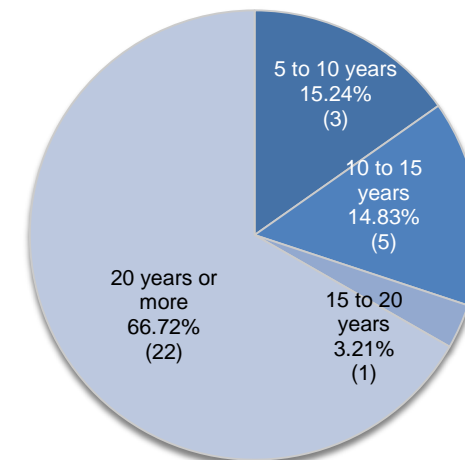
Distribution by Tenant Leasing Area



Total number of office tenant
286 tenants

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

Distribution by Property Age



Average office asset age
21.92 years

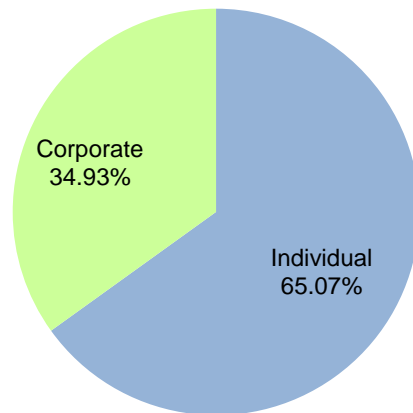
(Note) Figures in parenthesis indicate the number of office properties by building age, excluding Mita Heiwa Building (leasehold land).

III-6 Residential Portfolio Performance (Residence Types, Tenant Diversification)

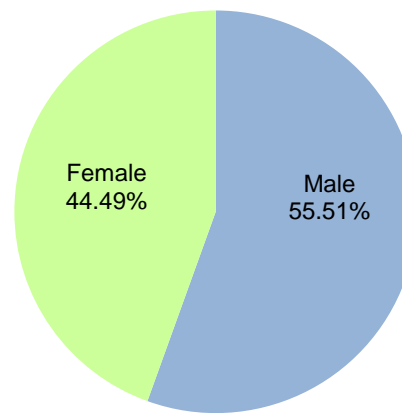
(Note) The following figures are calculated based on the data as of May 31, 2016

Residence Types

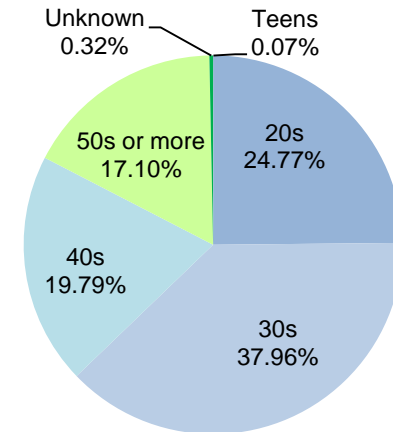
Agreement Categories



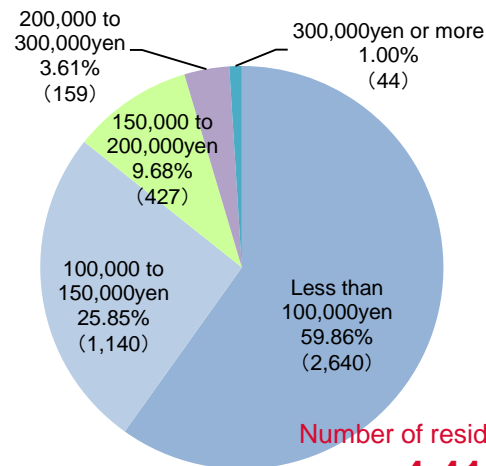
Gender Breakdown for Individual Contracts



Age Distribution



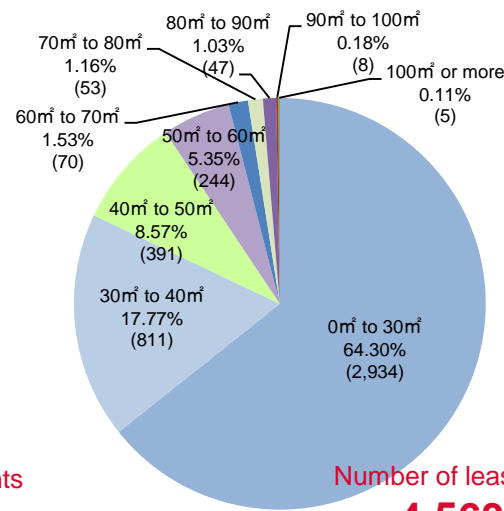
Status by Monthly Rent



Number of residential tenants

4,410 tenants

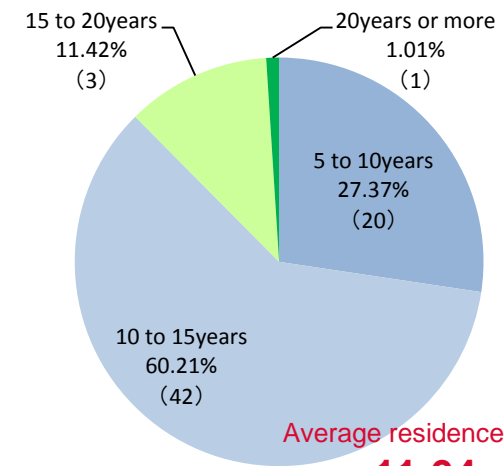
Status by Leasable Floor Space



Number of leasable units

4,563 units

Status by Asset Age



Average residence asset age

11.64 years

(Note) Figures in parenthesis and the total number of residential tenants are the number of tenants as of May 31, 2016.

(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.

Ⅲ-7 Profits from Rental Business

(unit: thousand yen)


Total	28th Fiscal Period	29th Fiscal Period
Rents and common expenses	4,933,587	5,141,840
Other income	438,026	490,173
Rental business income total	5,371,614	5,632,013
PM fees	565,670	614,568
Public charges and taxes	385,999	388,256
Utilities	237,314	218,763
Maintenance and repair fees	158,697	175,124
Insurance fees	6,032	5,645
Trust fees	45,582	45,292
Other expenses	114,568	122,283
Rental business expenses total	1,513,865	1,569,935
NOI	3,857,748	4,062,077
Depreciation	907,625	960,871
Rental business profit	2,950,123	3,101,206

Residence	28th Fiscal Period	29th Fiscal Period
Rents and common expenses	2,524,009	2,741,908
Other income	129,176	175,628
Rental business income total	2,653,185	2,917,537
PM fees	292,870	328,657
Public charges and taxes	149,005	156,913
Utilities	29,186	33,106
Maintenance and repair fees	106,667	117,438
Insurance fees	3,156	3,173
Trust fees	31,179	32,450
Other expenses	19,385	24,435
Rental business expenses total	631,452	696,176
NOI	2,021,733	2,221,361
Depreciation	517,154	570,757
Rental business profit	1,504,578	1,650,603

Office	28th Fiscal Period	29th Fiscal Period
Rents and common expenses	2,287,213	2,399,931
Other income	308,849	314,544
Rental business income total	2,596,062	2,714,475
PM fees	272,799	285,910
Public charges and taxes	226,145	231,342
Utilities	208,127	185,656
Maintenance and repair fees	52,029	57,686
Insurance fees	2,608	2,472
Trust fees	12,671	12,842
Other expenses	94,921	97,848
Rental business expenses total	869,302	873,759
NOI	1,726,760	1,840,716
Depreciation	367,017	390,113
Rental business profit	1,359,743	1,450,602

Hotel	28th Fiscal Period	29th Fiscal Period
Rents and common expenses	122,365	-
Other income	-	-
Rental business income total	122,365	-
PM fees	-	-
Public charges and taxes	10,849	-
Utilities	-	-
Maintenance and repair fees	-	-
Insurance fees	266	-
Trust fees	1,731	-
Other expenses	262	-
Rental business expenses total	13,110	-
NOI	109,255	-
Depreciation	23,452	-
Rental business profit	85,802	-

Ⅲ-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	Of-09 Grace Building Sengakujimae	Of-10 HF SHIN-YOKOHAMA BUILDING							
														
Address	Shinagawa-ku, Tokyo	Chuo-ku, Tokyo	Koto-ku, Tokyo	Minato-ku, Tokyo	Minato-ku, Tokyo	Minato-ku, Tokyo	Yokohama City, Kanagawa							
Lot Area (m²)	605.72	316.73	748.36	294.50	533.32	538.50	668.00							
Total Floor Area (m²)	2,921.56	2,177.81	4,558.01	2,184.76	3,089.73	2,401.74	4,321.23							
Constructed	May 1980	August 1991	December 1990	December 1991	February 1992	June 1994	February 1993							
Period-end occupancy rate(%)	96.35	100.00	100.00	77.62	100.00	100.00	100.00							
Acquisition Price (mm yen)	1,290	1,550	2,500	1,530	2,700	1,220	1,550							
Appraisal Price (mm yen)	1,356	1,378	2,510	1,510	2,640	1,590	1,090							
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.	Heiwa Real Estate Co., Ltd.	Heiwa Real Estate Co., Ltd.							
PML (%)	10.9	10.0	5.7	8.0	7.3	7.5	13.3							
Rental business balance (Note 1)	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period		
Operation days	183	183	183	183	183	183	183	183	183	183	183	183		
Rents and common expenses	45,932	42,881	45,913	47,901	81,917	79,817	47,003	36,824	64,523	63,986	53,537	53,083	36,066	40,100
Other income	4,099	4,107	6,356	5,157	11,007	8,573	5,044	4,088	8,207	6,950	7,856	12,465	8,080	8,823
①Rental business income total (unit: thousand yen)	48,031	46,989	52,269	53,059	92,924	88,391	52,048	40,912	72,731	70,937	61,394	65,548	44,147	48,923
PM fees	5,561	6,255	6,543	6,749	11,061	13,322	4,489	4,403	5,278	6,877	4,807	6,510	10,057	8,820
Public charges and taxes	5,413	5,484	4,920	4,920	6,056	6,116	6,498	6,601	7,238	7,280	2,239	2,239	4,932	4,923
Utilities	2,650	2,517	5,717	4,680	9,960	7,403	4,101	3,485	6,261	5,164	5,043	4,587	4,514	4,754
Maintenance and repair fees	648	1,625	505	462	2,334	1,861	633	899	8,238	1,923	535	906	1,219	671
Insurance fees	64	57	48	44	92	83	45	41	69	62	55	50	89	79
Trust fees	1,025	1,025	690	690	900	900	750	750	1,024	850	618	535	-	-
Other expenses	374	987	8	385	134	609	99	224	209	147	5,611	5,338	483	423
②Rental business expenses total (unit: thousand yen)	15,736	17,953	18,434	17,932	30,538	30,296	16,617	16,406	28,319	22,306	18,911	20,167	21,296	19,673
③NOI (① - ②)	32,295	29,035	33,834	35,126	62,386	58,094	35,431	24,506	44,412	48,630	42,482	45,380	22,850	29,250
Depreciation	9,883	9,852	8,060	8,075	16,688	16,680	6,897	7,203	7,347	7,376	6,758	6,758	17,533	17,731
Rental business profit	22,411	19,182	25,773	27,050	45,697	41,414	28,533	17,302	37,065	41,254	35,724	38,622	5,317	11,518

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

Ⅲ-8 Portfolio Overview and Performance (Office)

Property Name	Of-11 Nihonbashi Daiichi Building	Of-12 HF HATCHOBORI BUILDING	Of-13 Shibuya AX Hills	Of-15 HF NAKAMEGURO BUILDING	Of-16 Anwa Tsukasamachi Building	Of-17 Hatchobori MF Building	Of-18 M2 Harajuku							
														
Address	Chuo-ku, Tokyo	Chuo-ku, Tokyo	Shibuya-ku, Tokyo	Meguro-ku, Tokyo	Chiyoda-ku, Tokyo	Chuo-ku, Tokyo	Shibuya-ku, Tokyo							
Lot Area (m ²)	520.69	543.31	160.42	1,078.04	251.95	205.83	264.36							
Total Floor Area (m ²)	3,455.35	3,425.91	1,071.22	4,040.53	1,412.45	1,432.44	1,290.12							
Constructed	March 1988	October 1991	March 2006	February 1988	October 1990	January 1988	January 1970							
Period-end occupancy rate(%)	100.00	100.00	100.00	77.09	95.83	100.00	100.00							
Acquisition Price (mm yen)	2,150	3,092	1,860	2,870	1,385	1,110	3,418							
Appraisal Price (mm yen)	1,900	2,460	1,500	2,180	1,180	981	4,666							
Property Management Company	Heiwa Real Estate Co., Ltd.	Building Management & Strategy Inc.	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 (%)	16.5	12.5	5.1	14.5	9.2	14.7	9.8							
Rental business balance (Note 1)	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period		
Operation days	183	183	183	183	183	183	183	183	183	183	183	183		
Rents and common expenses	52,729	52,978	65,553	61,919	32,292	32,943	61,658	54,324	31,330	30,911	29,507	29,622	91,115	91,589
Other income	8,245	7,792	6,150	13,134	3,746	4,810	13,984	11,989	5,308	5,384	2,305	2,313	8,892	8,116
①Rental business income total (unit: thousand yen)	60,975	60,771	71,703	75,054	36,038	37,754	75,643	66,313	36,638	36,295	31,813	31,935	100,007	99,706
PM fees	6,438	5,898	6,245	9,318	3,302	3,435	7,206	8,194	2,842	2,869	2,653	2,632	5,725	6,758
Public charges and taxes	4,875	4,875	8,246	8,301	2,849	2,832	7,088	7,084	2,117	2,114	2,572	2,569	5,696	5,695
Utilities	5,188	4,680	5,313	4,507	2,744	2,626	6,618	5,285	3,379	2,986	2,640	2,508	5,424	4,422
Maintenance and repair fees	2,363	1,446	272	1,894	440	1,196	585	1,936	1,347	536	84	980	183	709
Insurance fees	72	65	77	70	28	25	90	80	31	28	29	26	32	30
Trust fees	1,255	1,055	-	-	-	-	-	-	-	-	-	-	1,401	1,401
Other expenses	330	190	216	264	69	65	222	176	81	83	44	53	48	418
②Rental business expenses total (unit: thousand yen)	20,524	18,212	20,372	24,357	9,436	10,181	21,811	22,758	9,799	8,617	8,024	8,771	18,512	19,436
③NOI (① - ②)	40,450	42,558	51,331	50,696	26,602	27,572	53,831	43,555	26,839	27,677	23,789	23,164	81,495	80,269
Depreciation	13,809	14,064	8,893	8,911	4,688	4,700	17,186	17,329	8,859	8,869	4,370	4,432	8,783	8,852
Rental business profit	26,641	28,494	42,437	41,784	21,913	22,872	36,645	26,226	17,980	18,807	19,418	18,732	72,711	71,417

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

Ⅲ-8 Portfolio Overview and Performance (Office)

Property Name	Of-20 Funabashi Face Building	Of-21 Adesso Nishiazabu	Of-22 HF TORANOMON BUILDING	Of-23 HF IKEBUKURO BUILDING	Of-24 HF YUSHIMA BUILDING	Of-25 Kayabacho HEIWA Building	Of-26 HIROKOJI AQUA PLACE							
														
Address	Funabashi City, Chiba	Minato-ku, Tokyo	Minato-ku, Tokyo	Toshima-ku, Tokyo	Bunkyo-ku, Tokyo	Chuo-ku, Tokyo	Nagoya City, Aichi							
Lot Area (m²)	488.13	125.91	260.55	188.31	400.86	811.59	1,389.39							
Total Floor Area (m²)	4,033.72	371.59	1,489.21	1,376.66	2,393.53	5,038.57	9,521.09							
Constructed	April 2003	October 2003	November 1990	December 1993	July 1989	April 1992	May 2008							
Period-end occupancy rate(%)	100.00	100.00	100.00	100.00	100.00	100.00	95.16							
Acquisition Price (mm yen)	3,900	640	1,675	1,314	1,434	4,798	2,930							
Appraisal Price (mm yen)	3,160	490	1,357	1,240	1,420	6,130	4,574							
Property Management Company	Building Management & Strategy Inc.	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.	Heiwa Real Estate Co., Ltd.							
PML (%)	5.9	11.1	9.2	5.5	10.9	11.7	10.6							
Rental business balance (Note 1)	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period		
Operation days	183	183	183	183	183	183	183	183	183	183	183	183		
Rents and common expenses	106,354	106,354	11,499	11,557	34,087	35,495	32,066	32,237	46,438	44,938	200,809	200,809	131,754	131,754
Other income	5,805	5,542	1,509	1,189	2,846	2,873	3,512	3,738	4,703	4,214	10,292	9,063	37,387	35,973
①Rental business income total (unit: thousand yen)	112,160	111,896	13,008	12,746	36,933	38,368	35,578	35,975	51,141	49,153	211,101	209,872	169,141	167,727
PM fees	17,307	17,900	831	960	3,135	2,869	2,646	2,836	4,990	4,985	8,938	8,779	17,398	17,598
Public charges and taxes	7,632	7,627	759	759	3,671	3,671	2,105	2,104	2,568	2,566	8,932	8,930	11,804	11,797
Utilities	8,682	8,800	1,546	1,242	2,241	2,124	2,986	2,607	3,058	2,598	10,292	9,057	16,991	11,431
Maintenance and repair fees	82	-	277	53	1,217	1,325	-	255	1,650	1,086	305	1,996	1,155	1,224
Insurance fees	85	77	10	9	34	31	30	27	49	44	116	106	217	194
Trust fees	-	-	391	391	-	-	-	-	-	-	1,148	1,148	441	441
Other expenses	8	8	8	8	207	182	588	439	4,066	4,174	48	94	730	760
②Rental business expenses total (unit: thousand yen)	33,801	34,413	3,824	3,425	10,508	10,205	8,358	8,269	16,384	15,456	29,782	30,113	48,738	43,448
③NOI (① - ②)	78,359	77,483	9,183	9,321	26,424	28,163	27,220	27,706	34,757	33,696	181,319	179,758	120,402	124,278
Depreciation	20,015	20,015	2,307	2,313	4,486	4,490	4,915	4,926	6,971	7,264	8,757	8,804	29,803	29,887
Rental business profit	58,343	57,467	6,875	7,008	21,938	23,673	22,305	22,779	27,786	26,432	172,562	170,953	90,598	94,391

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

Ⅲ-8 Portfolio Overview and Performance (Office)

Property Name	Of-27 Kobe Kyukyoryuchi Heiwa Building	Of-28 Mita Heiwa Building (leasehold land)	Of-29 Sakae Minami Heiwa Building	Of-30 HF SAKURADORI BUILDING	Of-31 HF Nihonbashi Hamacho Building	Of-32 HF Sendai Honcho Building	Of-33 DAIWA UENO BUILDING							
														
Address	Kobe City, Hyogo	Minato-ku, Tokyo	Nagoya City, Aichi	Nagoya City, Aichi	Chuo-ku, Tokyo	Sendai City, Miyagi	Taito-ku, Tokyo							
Lot Area (m²)	1,008.86	4,441.79	707.05	1,662.49	599.34	1,598.83	718.47							
Total Floor Area (m²)	7,743.98	—	3,959.12	13,160.83	4,226.25	8,988.49	6,212.84							
Constructed	February 1998	—	July 2002	February 2009	February 1987	September 2003	February 1990							
Period-end occupancy rate(%)	96.95	100.00	100.00	100.00	100.00	98.90	100.00							
Acquisition Price (mm yen)	2,310	2,230	1,580	4,900	1,900	2,700	3,400							
Appraisal Price (mm yen)	2,780	2,678	1,960	5,650	2,290	3,160	4,010							
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.	Heiwa Real Estate Co., Ltd.							
PML (%)	7.5	—	10.8	9.2	12.7	2.6	2.5							
Rental business balance (Note 1)	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period		
Operation days	183	183	183	183	183	183	183	183	183	183	183	183		
Rents and common expenses	118,235	119,735	90,900	90,900	71,751	73,360	260,153	260,533	70,444	70,357	114,809	117,058	109,146	112,811
Other income	14,724	13,866	-	-	12,658	12,343	41,124	34,990	14,776	13,289	21,963	24,610	20,476	21,920
①Rental business income total (unit: thousand yen)	132,959	133,601	90,900	90,900	84,409	85,703	301,278	295,523	85,220	83,647	136,772	141,669	129,623	134,731
PM fees	21,812	22,012	300	300	12,880	12,267	38,020	35,587	9,227	8,890	19,519	18,616	17,523	15,254
Public charges and taxes	11,177	11,180	38,572	38,572	6,573	6,564	15,423	15,345	6,226	6,216	10,026	9,974	10,229	10,659
Utilities	17,089	12,867	-	-	10,001	9,031	19,421	17,243	7,764	6,548	14,169	15,455	10,112	9,158
Maintenance and repair fees	3,381	3,773	-	-	1,585	990	1,932	1,413	8,017	2,683	2,909	1,566	3,301	7,887
Insurance fees	193	177	-	-	119	86	343	278	94	82	180	160	135	135
Trust fees	324	324	176	176	324	324	339	339	339	339	439	439	329	329
Other expenses	708	702	-	-	321	489	76,273	76,404	574	308	396	468	1,627	1,618
②Rental business expenses total (unit: thousand yen)	54,686	51,039	39,048	39,048	31,807	29,754	151,754	146,612	32,245	25,070	47,642	46,682	43,260	45,043
③NOI (① - ②)	78,273	82,562	51,851	51,851	52,602	55,948	149,523	148,911	52,974	58,577	89,130	94,987	86,363	89,687
Depreciation	20,987	18,229	-	-	13,524	13,528	36,120	36,231	9,923	10,167	31,751	32,682	19,797	21,079
Rental business profit	57,285	64,333	51,851	51,851	39,078	42,419	113,403	112,680	43,051	48,409	57,379	62,304	66,565	68,608

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

Ⅲ-8 Portfolio Overview and Performance (Office)

Property Name	Of-34 KOJIMACHI HF BUILDING		Of-35 HF KUDAN MINAMI BUILDING		Of-36 HF KANDA OGAWAMACHI BUILDING		Of-37 NISSO 5 BUILDING	
								
Address	Chiyoda-ku, Tokyo		Chiyoda-ku, Tokyo		Chuo-ku, Tokyo		Yokohama City, Kanagawa	
Lot Area (m ²)	409.15		530.00		432.54		1,029.42	
Total Floor Area (m ²)	3,314.53		3,836.10		3,016.16		5,893.08	
Constructed	March 1994		March 1991		March 2008		July 1987	
Period-end occupancy rate(%)	100.00		100.00		81.41		100.00	
Acquisition Price (mm yen)	1,350		2,720		3,150		3,100	
Appraisal Price (mm yen)	1,870		3,070		3,760		3,350	
Property Management Company	Heiwa Real Estate Co., Ltd.		Heiwa Real Estate Co., Ltd.		Heiwa Real Estate Co., Ltd.		—	
PML (%)	2.5		6.7		4.0		14.2	
Rental business balance (Note 1)	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period
Operation days	183	183	183	183	33	183	-	163
Rents and common expenses	56,283	55,274	85,410	85,410	9,987	61,564	-	70,892
Other income	7,302	6,611	10,115	9,578	364	7,068	-	3,962
①Rental business income total (unit: thousand yen)	63,585	61,885	95,526	94,989	10,352	68,632	-	74,854
PM fees	6,111	6,990	8,589	8,708	1,352	9,302	-	-
Public charges and taxes	9,939	10,170	9,756	9,756	-	-	-	4,406
Utilities	5,927	4,747	7,609	6,204	672	6,925	-	-
Maintenance and repair fees	1,397	549	5,411	13,480	15	876	-	1,476
Insurance fees	76	74	77	78	14	45	-	112
Trust fees	329	329	339	339	81	414	-	296
Other expenses	145	118	769	620	507	1,777	-	300
②Rental business expenses total (unit: thousand yen)	23,926	22,980	32,553	39,188	2,643	19,341	-	6,591
③NOI (① - ②)	39,659	38,905	62,972	55,801	7,709	49,291	-	68,263
Depreciation	5,494	6,004	9,895	10,240	2,503	7,602	-	15,805
Rental business profit	34,164	32,901	53,076	45,560	5,205	41,689	-	52,458

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

Ⅲ-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		Re-14 HF MINAMIAZABU RESIDENCE		Re-15 HF AZABUJUBAN RESIDENCE	
														
Address	Ichikawa City, Chiba		Meguro-ku, Tokyo		Edogawa-ku, Tokyo		Setagaya-ku, Tokyo		Meguro-ku, Tokyo		Minato-ku, Tokyo		Minato-ku, Tokyo	
Lot Area (m ²)	218.22		213.45		416.87		2,892.06		856.19		279.73		499.24	
Total Floor Area (m ²)	884.60		948.48		1,392.74		6,689.03		2,412.83		1,673.32		1,225.85	
Constructed	March 2003		April 2003		November 2002		February 2004		February 2004		April 2004		January 2005	
Period-end occupancy rate (%)	100.00		100.00		97.94		93.14		100.00		96.66		97.13	
Acquisition Price (mm yen)	430		660		650		3,610		1,560		1,370		1,260	
Appraisal Price (mm yen)	518		662		714		4,022		1,590		1,308		1,140	
Property Management Company	Haseko Livenet, Inc.		RA Asset Management Inc.		Haseko Livenet, Inc.		Haseko Livenet, Inc.		Tokyu Housing Lease Corp		RA Asset Management Inc.		Cosmos Initia Co., Ltd. (Note2)	
PML (%)	6.2		6.2		8.8		6.7		6.4		3.6		12.8	
Rental business balance (Note 1)	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period
Operation days	183	183	183	183	183	183	183	183	183	183	183	183	183	183
Rents and common expenses	17,280	17,280	18,805	19,136	21,910	21,909	105,419	101,774	42,851	42,880	34,328	34,902	28,323	28,823
Other income	-	32	454	633	1,617	2,225	8,741	10,256	2,159	2,653	918	1,529	888	1,662
①Rental business income total (unit: thousand yen)	17,280	17,312	19,260	19,769	23,528	24,134	114,160	112,030	45,010	45,533	35,247	36,432	29,211	30,485
PM fees	1,064	1,169	2,805	2,701	2,441	2,916	8,023	8,896	4,253	4,168	3,468	4,335	4,684	4,010
Public charges and taxes	721	718	992	989	1,224	1,224	6,455	6,452	2,536	2,535	1,919	1,923	1,818	1,818
Utilities	211	195	241	240	267	261	1,179	1,079	354	356	314	320	257	239
Maintenance and repair fees	-	188	254	838	902	12,827	1,415	3,590	531	11,387	659	777	1,636	993
Insurance fees	15	13	16	15	21	19	129	116	42	38	29	26	30	27
Trust fees	577	577	603	603	603	603	879	879	655	655	631	631	629	629
Other expenses	110	135	50	89	219	236	1,062	639	124	181	132	100	113	113
②Rental business expenses total (unit: thousand yen)	2,700	2,998	4,965	5,478	5,681	18,088	19,144	21,653	8,498	19,323	7,155	8,114	9,170	7,831
③NOI (① - ②)	14,579	14,314	14,295	14,291	17,847	6,045	95,015	90,376	36,512	26,210	28,092	28,318	20,041	22,654
Depreciation	2,822	2,857	3,693	3,702	4,300	4,322	23,446	23,703	7,711	7,763	5,526	5,492	8,970	9,017
Rental business profit	11,757	11,456	10,601	10,589	13,546	1,723	71,569	66,673	28,801	18,447	22,565	22,826	11,070	13,636

(Note1) Figures for rental business balance are the actual numbers for each period where values below 1,000 yen are rounded off






(Note2) As of July 1st, 2016, property management company has been changed to Taisei Housy Property.

Ⅲ-9 Portfolio Overview and Performance (Residence)

Property Name	Re-16 HF GAKUGEIDAIGAKU RESIDENCE	Re-17 HF HIGASHIKANDA RESIDENCE	Re-18 HF HIGASHINIHONBA SHI RESIDENCE	Re-19 HF NERIMA RESIDENCE	Re-20 HF SHIROKANETAKANA WA RESIDENCE	Re-21 HF MEIDAIMAE RESIDENCE	Re-22 HF NIHONBASHI RESIDENCE							
														
Address	Meguro-ku, Tokyo	Chiyoda-ku, Tokyo	Chuo-ku, Tokyo	Nerima-ku, Tokyo	Minato-ku, Tokyo	Setagaya-ku, Tokyo	Chuo-ku, Tokyo							
Lot Area (m²)	268.70	262.07	312.76	368.67	922.21	485.01	222.40							
Total Floor Area (m²)	1,431.57	1,596.11	2,101.31	1,200.77	5,282.41	1,374.87	1,546.01							
Constructed	March 2005	June 2005	June 2005	May 2005	August 2005	June 2005	May 2005							
Period-end occupancy rate (%)	100.00	98.47	98.77	100.00	95.43	98.14	98.10							
Acquisition Price (mm yen)	1,000	1,100	1,210	690	4,030	1,070	1,130							
Appraisal Price (mm yen)	936	1,290	1,500	763	4,260	962	1,050							
Property Management Company	Tokyu Housing Lease Corp.	Haseko Livenet, Inc.	Apamanshop Sublease Co., Ltd.	Apamanshop Sublease Co., Ltd.	Cosmos Initia Co., Ltd.(Note2)	Haseko Livenet, Inc.	Haseko Livenet, Inc.							
PML (%)	9.8	5.7	10.0	5.5	3.9	6.0	3.3							
Rental business balance (Note 1)	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period
Operation days	183	183	183	183	183	183	183	183	183	183	183	183	183	183
Rents and common expenses	24,565	23,325	33,832	33,942	38,550	39,657	22,207	22,969	103,101	103,450	27,908	27,028	30,462	31,718
Other income	714	956	2,291	2,105	2,560	1,309	936	1,033	6,847	6,665	1,023	1,488	1,197	1,375
①Rental business income total (unit: thousand yen)	25,280	24,281	36,123	36,048	41,110	40,966	23,144	24,003	109,949	110,116	28,932	28,517	31,659	33,094
PM fees	2,178	3,078	4,040	3,609	4,348	3,032	2,701	2,619	11,509	11,963	3,003	3,401	3,925	3,042
Public charges and taxes	1,367	1,361	1,475	1,471	1,977	1,977	1,190	1,186	5,615	5,612	1,503	1,496	1,526	1,526
Utilities	263	264	285	274	359	338	247	243	952	903	285	270	438	426
Maintenance and repair fees	1,402	1,484	937	1,210	2,268	796	628	551	3,445	3,531	1,051	680	892	476
Insurance fees	28	25	33	30	44	39	26	23	123	110	29	27	33	30
Trust fees	446	426	450	426	453	426	390	376	-	-	-	-	752	752
Other expenses	160	190	26	50	26	-	87	7	464	890	268	268	318	374
②Rental business expenses total (unit: thousand yen)	5,846	6,831	7,249	7,072	9,478	6,610	5,271	5,008	22,111	23,012	6,140	6,144	7,887	6,630
③NOI (① - ②)	19,433	17,450	28,874	28,975	31,632	34,355	17,872	18,995	87,837	87,103	22,791	22,372	23,772	26,464
Depreciation	5,083	5,065	10,266	10,236	11,023	10,998	6,473	6,478	22,350	22,360	5,035	5,157	4,949	4,958
Rental business profit	14,350	12,384	18,608	18,738	20,608	23,357	11,399	12,516	65,487	64,742	17,755	17,215	18,823	21,505

(Note1) Figures for rental business balance are the actual numbers for each period where values below 1,000 yen are rounded off (Note2) As of July 1st, 2016, property management company has been changed to Taisei Housy Property.

Ⅲ-9 Portfolio Overview and Performance (Residence)

Property Name	Re-23 HF KAMISHAKUJII RESIDENCE	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	Re-31 HF GAKUGEIDAIGAKU RESIDENCE II							
														
Address	Nerima-ku, Tokyo	Sumida-ku, Tokyo	Chuo-ku, Tokyo	Yokohama City, Kanagawa	Bunkyo-ku, Tokyo	Ota-ku, Tokyo	Meguro-ku, Tokyo							
Lot Area (m²)	536.09	256.23	822.01	805.00	1,390.68	2,357.97	847.14							
Total Floor Area (m²)	1,676.83	1,571.87	6,387.67	5,415.20	3,998.98	3,566.18	1,863.67							
Constructed	May 2006	March 2005	March 2005	September 2006	January 2000	August 2001	January 2005							
Period-end occupancy rate (%)	95.30	96.46	96.29	98.20	96.18	92.12	95.42							
Acquisition Price (mm yen)	950	1,100	5,940	3,350	2,350	1,630	1,650							
Appraisal Price (mm yen)	962	1,110	4,730	2,650	1,810	1,300	1,180							
Property Management Company	Haseko Livenet, Inc.	Haseko Livenet, Inc.	Haseko Livenet, Inc.	Haseko Livenet, Inc.	Haseko Livenet, Inc.	Haseko Livenet, Inc.	Haseko Livenet, Inc.							
PML (%)	6.2	10.1	5.7	13.2	4.4	4.6	14.6							
Rental business balance (Note 1)	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period		
Operation days	183	183	183	183	183	183	183	183	183	183	183	183		
Rents and common expenses	29,380	28,800	31,443	30,498	111,135	115,515	77,585	77,302	51,213	51,609	38,047	36,038	30,507	30,684
Other income	1,042	2,072	1,000	1,146	9,163	10,927	4,469	6,798	2,541	4,196	5,804	5,361	1,711	1,142
①Rental business income total (unit: thousand yen)	30,423	30,873	32,444	31,645	120,299	126,443	82,055	84,100	53,754	55,805	43,851	41,400	32,218	31,826
PM fees	2,727	3,901	2,600	3,870	11,800	12,907	7,103	8,884	4,738	5,474	3,141	4,982	3,786	3,768
Public charges and taxes	1,821	1,818	1,412	1,410	6,250	6,249	4,598	4,597	3,594	3,593	3,160	3,160	1,917	1,914
Utilities	326	307	325	332	1,114	1,086	418	406	553	485	429	412	245	254
Maintenance and repair fees	1,005	1,115	157	1,304	2,304	3,818	1,930	1,789	1,828	885	1,032	2,773	1,213	952
Insurance fees	38	34	33	30	133	120	102	92	75	68	67	60	37	33
Trust fees	-	-	-	-	1,750	1,750	-	-	-	-	-	-	1,061	1,061
Other expenses	20	-	19	152	276	280	1,295	907	77	362	18	176	191	207
②Rental business expenses total (unit: thousand yen)	5,939	7,177	4,547	7,099	23,631	26,212	15,449	16,677	10,869	10,869	7,850	11,566	8,453	8,193
③NOI (① - ②)	24,483	23,695	27,896	24,545	96,667	100,231	66,605	67,423	42,885	44,936	36,001	29,834	23,765	23,632
Depreciation	6,305	6,310	5,199	5,233	27,064	27,166	19,307	19,308	14,592	14,600	12,278	12,315	6,524	6,522
Rental business profit	18,178	17,384	22,696	19,312	69,603	73,064	47,297	48,114	28,292	30,336	23,723	17,518	17,240	17,110

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

Ⅲ-9 Portfolio Overview and Performance (Residence)

Property Name	Re-33 HF KAMEIDO RESIDENCE	Re-34 HF TANASHI RESIDENCE	Re-36 HF SHIBA-KOEN RESIDENCE	Re-36 HF MITA RESIDENCE	Re-37 HF TAKANAWA RESIDENCE	Re-38 La Residence de Shirokanedai	Re-39 HF GINZA RESIDENCE EAST Ⅱ							
														
Address	Koto-ku, Tokyo	Nishitokyo City, Tokyo	Minato-ku, Tokyo	Minato-ku, Tokyo	Minato-ku, Tokyo	Minato-ku, Tokyo	Chuo-ku, Tokyo							
Lot Area (m ²)	246.34	1,639.65	311.02	303.10	432.36	344.25	368.35							
Total Floor Area (m ²)	1,782.74	3,414.75	1,362.79	1,705.22	1,176.06	1,180.73	2,334.73							
Constructed	January 2008	March 1989	August 2003	March 2004	February 2003	February 2004	February 1999							
Period-end occupancy rate (%)	100.00	94.54	94.34	91.66	92.53	96.39	100.00							
Acquisition Price (mm yen)	1,050	911	836	1,080	749	730	1,460							
Appraisal Price (mm yen)	1,080	758	823	1,190	838	848	1,600							
Property Management Company	Haseko Livenet, Inc.	Haseko Livenet, Inc.	Haseko Livenet, Inc.	Haseko Livenet, Inc.	Apamanshop Sublease Co., Ltd.	Tokyu Housing Lease Corp	Apamanshop Sublease Co., Ltd.							
PML (%)	7.6	8.6	7.8	2.6	1.5	3.3	6.9							
Rental business balance (Note 1)	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period		
Operation days	183	183	183	183	183	183	183	183	183	183	183	183		
Rents and common expenses	31,752	31,752	29,330	29,926	24,613	24,026	33,326	33,143	23,086	22,831	24,393	25,552	46,499	47,923
Other income	4	5,109	1,893	2,311	1,131	1,750	656	1,434	889	1,065	724	1,617	2,205	2,424
①Rental business income total (unit: thousand yen)	31,756	36,861	31,223	32,237	25,744	25,777	33,983	34,577	23,975	23,896	25,117	27,169	48,705	50,348
PM fees	2,134	4,665	4,115	3,703	2,355	2,441	3,747	4,255	2,719	3,493	4,361	3,754	6,051	5,436
Public charges and taxes	1,751	1,748	2,494	2,489	1,558	1,558	2,198	2,198	1,408	1,408	1,454	1,454	2,029	2,029
Utilities	378	349	375	354	477	452	422	414	-	35	-	-	417	404
Maintenance and repair fees	130	222	1,963	862	330	885	1,533	2,501	8,047	821	1,549	832	1,442	1,078
Insurance fees	38	34	58	52	31	28	38	34	27	24	25	22	48	43
Trust fees	-	-	-	-	414	397	414	397	456	447	404	404	457	457
Other expenses	368	758	20	-	332	861	358	957	172	441	20	-	334	65
②Rental business expenses total (unit: thousand yen)	4,800	7,777	9,026	7,461	5,499	6,625	8,713	10,760	12,831	6,672	7,815	6,468	10,781	9,514
③NOI (① - ②)	26,956	29,083	22,197	24,776	20,245	19,151	25,269	23,817	11,143	17,224	17,301	20,700	37,923	40,834
Depreciation	6,010	6,010	10,085	10,139	4,702	4,637	5,811	5,797	4,620	4,717	2,899	2,874	9,093	9,195
Rental business profit	20,945	23,073	12,111	14,636	15,542	14,514	19,458	18,020	6,522	12,506	14,401	17,826	28,830	31,638

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

Ⅲ-9 Portfolio Overview and Performance (Residence)

Property Name	Re-40 HF HATCHOBORI RESIDENCE Ⅱ	Re-41 HF HATCHOBORI RESIDENCE Ⅲ	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	Chuo-ku, Tokyo	Chuo-ku, Tokyo	Setagaya-ku, Tokyo	Osaka City, Osaka	Osaka City, Osaka	Osaka City, Osaka							
Lot Area (m ²)	427.32	203.98	175.16	2,425.44	631.79	375.95	296.88							
Total Floor Area (m ²)	3,351.26	1,756.88	1,375.97	11,468.94	7,105.00	1,486.57	1,999.88							
Constructed	January 2002	January 2004	July 2004	January 2001	August 2003	June 2001	March 2002							
Period-end occupancy rate (%)	96.85	100.00	94.11	95.07	98.85	91.38	98.48							
Acquisition Price (mm yen)	1,890	793	944	6,520	1,920	453	577							
Appraisal Price (mm yen)	2,060	945	1,110	6,860	2,050	490	680							
Property Management Company	Apamanshop Sublease Co., Ltd.	Nihon Housing Co., Ltd.	RA Asset Management Inc.	Apamanshop Sublease Co., Ltd.	Apamanshop Sublease Co., Ltd.	Haseko Livenet, Inc.	Apamanshop Sublease Co., Ltd.							
PML (%)	6.0	3.2	3.0	2.7	6.2	8.6	6.0							
Rental business balance (Note 1)	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period		
Operation days	183	183	183	183	183	183	183	183	183	183	183	183		
Rents and common expenses	58,388	57,703	27,081	27,067	31,733	31,254	198,774	196,977	72,713	76,078	17,838	18,795	21,783	24,049
Other income	1,772	3,328	1,892	1,454	998	1,879	12,102	9,387	2,107	1,765	757	1,004	662	631
①Rental business income total (unit: thousand yen)	60,161	61,031	28,973	28,522	32,731	33,134	210,877	206,365	74,820	77,844	18,595	19,800	22,445	24,681
PM fees	7,436	7,755	3,135	3,361	3,252	2,678	24,780	26,454	13,113	11,868	3,256	3,041	4,063	2,840
Public charges and taxes	2,865	2,869	1,779	1,775	1,631	1,634	11,167	11,129	6,280	6,277	1,292	1,305	1,704	1,703
Utilities	716	608	365	353	404	407	3,562	3,287	2,158	2,181	380	378	51	-
Maintenance and repair fees	2,667	2,913	956	853	431	457	8,156	10,665	3,258	2,484	569	1,467	1,357	734
Insurance fees	67	60	37	33	28	25	228	305	135	121	31	28	40	36
Trust fees	450	450	372	372	456	447	581	581	522	502	450	450	451	451
Other expenses	431	50	624	238	46	386	1,874	2,007	509	559	340	329	308	20
②Rental business expenses total (unit: thousand yen)	14,636	14,710	7,271	6,988	6,251	6,037	50,349	54,429	25,979	23,995	6,321	7,001	7,977	5,786
③NOI (① - ②)	45,524	46,320	21,701	21,533	26,479	27,096	160,527	151,935	48,841	53,848	12,273	12,798	14,468	18,894
Depreciation	13,475	13,807	7,051	7,096	8,654	8,756	33,956	35,218	23,025	23,322	4,828	5,003	6,579	6,631
Rental business profit	32,048	32,513	14,649	14,437	17,824	18,340	126,570	116,717	25,816	30,526	7,445	7,795	7,889	12,263

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

Ⅲ-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	Re-54 La Residence de Sendagi	Re-55 HF SENDAGI RESIDENCE							
														
Address	Nagoya City, Aichi	Fukuoka City, Fukuoka	Kyoto City, Kyoto	Fukuoka City, Fukuoka	Kyoto City, Kyoto	Bunkyo-ku, Tokyo	Bunkyo-ku, Tokyo							
Lot Area (m²)	545.08	1,599.97	206.84	429.63	863.39	269.15	249.06							
Total Floor Area (m²)	2,284.30	6,476.24	1,547.19	2,283.63	5,217.41	1,307.91	1,667.29							
Constructed	February 2004	March 2003	February 2005	August 2005	March 2007	February 2006	February 2006							
Period-end occupancy rate (%)	98.62	97.70	92.48	94.81	97.51	100.00	100.00							
Acquisition Price (mm yen)	624	1,780	534	502	1,820	820	870							
Appraisal Price (mm yen)	698	1,930	557	599	2,160	922	987							
Property Management Company	Apamanshop Sublease Co., Ltd.	Apamanshop Sublease Co., Ltd.	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	4.4	9.2							
Rental business balance (Note 1)	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period
Operation days	183	183	183	183	183	183	183	183	183	183	183	183	183	183
Rents and common expenses	25,933	26,050	71,689	72,990	19,393	18,713	23,927	23,323	68,593	68,545	28,218	28,566	30,736	31,758
Other income	1,239	1,365	5,019	5,468	895	1,135	1,978	2,083	4,978	6,141	235	278	135	145
①Rental business income total (unit: thousand yen)	27,173	27,415	76,708	78,459	20,288	19,848	25,905	25,407	73,571	74,687	28,453	28,844	30,871	31,903
PM fees	3,046	2,783	8,055	8,506	2,394	2,703	2,887	3,198	5,860	6,532	2,826	2,823	3,479	3,100
Public charges and taxes	1,703	1,697	5,826	5,529	1,175	1,172	1,642	1,638	4,397	4,399	1,286	1,286	1,550	1,549
Utilities	9	49	1,932	1,867	472	478	796	806	2,258	2,297	-	-	-	-
Maintenance and repair fees	632	821	27,748	2,406	288	847	1,247	616	1,235	1,677	180	165	387	202
Insurance fees	42	37	133	119	27	24	42	37	98	88	24	19	31	26
Trust fees	452	452	606	527	450	450	517	452	650	650	600	570	600	570
Other expenses	471	106	215	435	35	506	464	40	1,000	1,385	-	28	20	26
②Rental business expenses total (unit: thousand yen)	6,358	5,948	44,518	19,391	4,844	6,183	7,599	6,790	15,499	17,031	4,919	4,894	6,068	5,476
③NOI (① - ②)	20,814	21,466	32,190	59,067	15,443	13,664	18,305	18,616	58,072	57,655	23,534	23,950	24,802	26,426
Depreciation	7,689	7,508	20,150	20,690	3,583	3,530	5,690	5,602	10,473	10,213	3,009	3,023	3,532	3,540
Rental business profit	13,125	13,958	12,039	38,376	11,859	10,134	12,615	13,013	47,599	47,442	20,525	20,927	21,269	22,886

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

Ⅲ-9 Portfolio Overview and Performance (Residence)

Property Name	Re-56 HF KOMAZAWA-KOEN RESIDENCE	Re-57 HF MUSASHIKOYAMA RESIDENCE	Re-58 HF KOKUBUNJI RESIDENCE	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							
														
Address	Setagaya-ku, Tokyo	Shinagawa-ku, Tokyo	Kokubunji City, Tokyo	Nagoya City, Aichi	Kyoto City, Kyoto	Shinjuku-ku, Tokyo	Shinjuku-ku, Tokyo							
Lot Area (m²)	709.54	455.93	257.06	362.02	471.10	575.67	347.29							
Total Floor Area (m²)	1,124.69	1,495.61	1,295.58	3,633.19	1,362.90	2,979.31	1,787.97							
Constructed	July 2006	November 2006	January 2006	March 2006	March 2007	March 2006	March 2006							
Period-end occupancy rate (%)	100.00	96.33	92.70	93.09	95.84	95.00	94.57							
Acquisition Price (mm yen)	615	842	839	1,080	572	1,990	1,170							
Appraisal Price (mm yen)	663	1,040	936	1,210	645	2,370	1,360							
Property Management Company	Apamanshop Sublease Co., Ltd.	Apamanshop Sublease Co., Ltd.	Nihon Housing Co., Ltd.	Apamanshop Sublease Co., Ltd.	Apamanshop Sublease Co., Ltd.	Apamanshop Sublease Co., Ltd.	Apamanshop Sublease Co., Ltd.							
PML (%)	4.3	6.3	6.3	9.3	9.9	4.6	3.5							
Rental business balance (Note 1)	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period		
Operation days	183	183	183	183	183	183	183	183	183	183	183	183		
Rents and common expenses	18,740	20,123	29,716	29,507	29,409	29,116	42,872	41,977	19,563	20,549	63,748	65,394	36,957	39,966
Other income	445	840	1,800	1,536	758	1,320	1,167	1,478	708	1,081	3,286	3,215	1,415	1,879
①Rental business income total (unit: thousand yen)	19,186	20,964	31,517	31,044	30,167	30,436	44,039	43,456	20,271	21,630	67,034	68,610	38,373	41,846
PM fees	2,653	2,179	3,098	3,472	2,320	2,681	3,805	4,742	2,245	2,417	8,655	8,611	5,936	5,054
Public charges and taxes	1,342	1,339	1,508	1,508	1,536	1,534	2,702	2,706	1,106	1,108	3,097	3,097	1,949	1,949
Utilities	311	239	269	246	275	245	366	349	575	575	9	15	4	11
Maintenance and repair fees	621	1,252	174	1,372	1,271	1,713	1,432	2,262	371	138	861	2,087	1,094	1,040
Insurance fees	22	20	28	25	27	25	65	58	26	24	63	57	38	35
Trust fees	650	650	650	650	600	600	750	750	650	650	750	750	600	600
Other expenses	486	86	549	159	3	320	814	695	123	426	439	357	317	259
②Rental business expenses total (unit: thousand yen)	6,088	5,766	6,278	7,434	6,034	7,120	9,936	11,566	5,098	5,340	13,876	14,976	9,941	8,949
③NOI (① - ②)	13,097	15,197	25,238	23,609	24,133	23,316	34,102	31,890	15,173	16,290	53,158	53,633	28,431	32,896
Depreciation	3,300	3,402	3,227	3,182	3,785	3,818	6,443	6,579	2,957	2,938	7,067	6,990	4,493	4,438
Rental business profit	9,797	11,795	22,011	20,427	20,348	19,497	27,659	25,310	12,216	13,351	46,090	46,643	23,937	28,458

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

Ⅲ-9 Portfolio Overview and Performance (Residence)

Property Name	Re-63 HF HIGASHI-SHINJUKU RESIDENCE		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		Re-69 HF ICHIBANCHO RESIDENCE	
														
Address	Shinjuku-ku, Tokyo		Osaka City, Osaka		Sendai City, Miyagi		Sendai City, Miyagi		Fukuoka City, Fukuoka		Taito-ku, Tokyo		Sendai City, Miyagi	
Lot Area (m ²)	313.96		343.80		475.70		717.53		400.00		267.42		398.14	
Total Floor Area (m ²)	2,233.42		1,295.71		2,834.54		2,381.24		1,650.19		1,341.38		2,404.41	
Constructed	March 2007		September 2006		January 2007		January 2007		January 2007		September 2006		February 2007	
Period-end occupancy rate (%)	90.70		100.00		100.00		100.00		85.05		100.00		96.40	
Acquisition Price (mm yen)	1,360		566		809		684		426		771		834	
Appraisal Price (mm yen)	1,530		640		1,050		855		485		900		1,050	
Property Management Company	Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.	
PML (%)	2.6		10.3		1.0		1.0		1.0		6.3		1.1	
Rental business balance (Note 1)	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period
Operation days	183	183	183	183	183	183	183	183	183	183	183	183	183	183
Rents and common expenses	46,689	45,543	21,439	21,234	38,193	38,851	31,156	31,330	18,597	18,004	24,649	25,319	38,989	38,853
Other income	1,913	1,258	84	158	1,382	2,327	1,529	2,410	804	769	1,002	662	1,829	3,483
①Rental business income total (unit: thousand yen)	48,603	46,802	21,523	21,392	39,575	41,178	32,686	33,740	19,402	18,774	25,651	25,982	40,818	42,336
PM fees	8,362	7,394	2,484	2,739	4,286	5,858	2,756	4,052	2,018	1,992	3,930	2,668	3,554	5,319
Public charges and taxes	2,306	2,304	1,222	1,219	2,248	2,251	2,198	2,199	1,366	1,360	1,306	1,302	2,590	2,588
Utilities	4	11	-	16	-	6	-	6	291	286	-	6	-	6
Maintenance and repair fees	1,503	928	336	1,002	1,215	1,330	1,072	883	293	619	780	540	1,003	1,387
Insurance fees	44	40	24	22	52	47	50	45	32	28	30	27	50	45
Trust fees	600	600	600	600	600	600	600	600	650	650	600	600	600	600
Other expenses	118	410	-	235	-	426	-	424	595	470	390	55	-	438
②Rental business expenses total (unit: thousand yen)	12,939	11,689	4,667	5,835	8,403	10,521	6,677	8,211	5,248	5,409	7,037	5,200	7,799	10,386
③NOI (① - ②)	35,664	35,112	16,855	15,556	31,172	30,657	26,008	25,529	14,153	13,365	18,614	20,782	33,019	31,950
Depreciation	6,731	6,572	2,675	2,659	6,300	6,266	5,966	5,876	3,762	3,734	3,331	3,269	5,340	5,284
Rental business profit	28,932	28,539	14,179	12,897	24,871	24,390	20,042	19,652	10,391	9,631	15,283	17,512	27,679	26,665




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

Ⅲ-9 Portfolio Overview and Performance (Residence)

Property Name	Re-70 HF HIGASHI-NAKANO RESIDENCE	Re-72 HF WASEDA RESIDENCE	Re-73 HF WASEDA RESIDENCE II	Re-74 HF WAKAMATSU- KAWADA RESIDENCE	Re-75 HF SENDAI RESIDENCE EAST	Re-76 HF NISHI-KOEN RESIDENCE	Re-77 HF BANSUI-DORI RESIDENCE							
														
Address	Nakano-ku, Tokyo	Shinjuku-ku, Tokyo	Shinjuku-ku, Tokyo	Shinjuku-ku, Tokyo	Sendai City, Miyagi	Sendai City, Miyagi	Sendai City, Miyagi							
Lot Area (m²)	538.53	820.34	319.83	412.42	1,133.00	733.98	401.19							
Total Floor Area (m²)	1,705.22	3,440.06	1,356.68	1,858.51	5,662.45	2,939.82	2,037.38							
Constructed	February 2007	May 2007	May 2007	February 2004	July 2008	February 2006	March 2006							
Period-end occupancy rate (%)	91.89	97.13	93.09	93.06	98.79	93.20	95.45							
Acquisition Price (mm yen)	942	2,090	872	1,158	1,630	1,310	790							
Appraisal Price (mm yen)	1,030	2,380	987	1,390	1,760	1,430	880							
Property Management Company	Nihon Housing Co., Ltd.	Haseko Livenet, Inc.	Haseko Livenet, Inc.	Tokyu Housing Lease Corp	Apamanshop Sublease Co., Ltd.	Taisei Housy Property	Taisei Housy Property							
PML (%)	3.0	4.0	3.6	5.0	1.8	2.7	1.7							
Rental business balance (Note 1)	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period
Operation days	183	183	183	183	183	183	183	183	183	183	33	183	33	183
Rents and common expenses	29,946	28,759	70,374	70,896	29,315	28,304	34,677	34,783	58,037	59,338	7,223	39,878	5,042	28,134
Other income	1,317	1,080	2,954	5,201	927	1,601	3,592	3,575	3,231	4,060	303	3,091	359	1,287
①Rental business income total (unit: thousand yen)	31,264	29,839	73,328	76,097	30,243	29,905	38,269	38,358	61,269	63,399	7,527	42,970	5,402	29,421
PM fees	3,257	3,181	12,828	12,719	4,345	5,523	3,952	3,857	3,953	4,516	564	3,967	438	1,763
Public charges and taxes	1,650	1,647	3,331	3,328	1,369	1,368	1,867	1,872	4,025	4,045	-	1,280	-	887
Utilities	353	279	700	664	370	350	312	325	1,070	715	10	559	8	368
Maintenance and repair fees	473	1,398	1,357	2,817	331	1,811	1,104	329	1,553	701	166	2,737	35	889
Insurance fees	32	29	72	65	29	26	37	34	73	80	12	39	7	25
Trust fees	650	650	850	850	650	650	440	440	331	331	81	416	81	416
Other expenses	32	408	1,272	1,052	509	549	717	551	3	76	-	502	-	223
②Rental business expenses total (unit: thousand yen)	6,450	7,594	20,413	21,498	7,605	10,279	8,433	7,412	11,009	10,466	834	9,503	570	4,574
③NOI (① - ②)	24,814	22,244	52,914	54,598	22,638	19,626	29,835	30,946	50,259	52,933	6,692	33,466	4,831	24,847
Depreciation	4,088	4,066	8,012	8,023	3,364	3,372	6,404	6,299	15,634	16,039	4,026	12,115	2,390	7,188
Rental business profit	20,725	18,178	44,901	46,575	19,273	16,253	23,431	24,647	34,625	36,893	2,666	21,351	2,440	17,659

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

Ⅲ-9 Portfolio Overview and Performance (Residence)

Property Name	Re-78 HF KANNAI RESIDENCE	Re-05 HF MEIEKI-KITA RESIDENCE	Re-09 HF HIGASHI- SAPPORO RESIDENCE			
						
Address	Yokohama City, Kanagawa	Nagoya City, Aichi	Sapporo City, Hokkaido			
Lot Area (m ²)	435.27	939.72	2,134.95			
Total Floor Area (m ²)	2,963.30	4,692.26	7,161.70			
Constructed	November 2006	August 2007	March 2008			
Period-end occupancy rate (%)	97.51	86.71	95.42			
Acquisition Price (mm yen)	1,800	2,160	1,560			
Appraisal Price (mm yen)	1,960	2,260	1,640			
Property Management Company	Haseko Livenet, Inc.	Taisei Housy Property	Apamanshop Sublease Co., Ltd.			
PML (%)	2.5	(W)12.8 (E)12.9	0.1			
Rental business balance (Note 1)	28th Fiscal Period	29th Fiscal Period	28th Fiscal Period	29th Fiscal Period		
Operation days	-	166	-	166		
Rents and common expenses	-	50,463	-	51,607	-	47,688
Other income	-	5,827	-	5,022	-	5,102
①Rental business income total (unit: thousand yen)	-	56,290	-	56,629	-	52,791
PM fees	-	5,417	-	4,716	-	5,675
Public charges and taxes	-	1,597	-	1,837	-	2,684
Utilities	-	798	-	1,238	-	2,354
Maintenance and repair fees	-	1,734	-	710	-	2,253
Insurance fees	-	51	-	58	-	67
Trust fees	-	358	-	292	-	312
Other expenses	-	207	-	1,218	-	312
②Rental business expenses total (unit: thousand yen)	-	10,164	-	10,073	-	13,660
③NOI (① - ②)	-	46,125	-	46,556	-	39,130
Depreciation	-	11,916	-	12,976	-	12,851
Rental business profit	-	34,209	-	33,579	-	26,279

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

III-10 Historical Appraisal Values

Property Name	Acquisition Prices	Appraisal Amount						29th Fiscal Period Book Value (B)	Latent Profits and Losses (A) – (B)	Profit/Loss Ratio (%)
		24th Fiscal Period	25th Fiscal Period	26th Fiscal Period	27th Fiscal Period	28th Fiscal Period	29th Fiscal Period(A)			
Of-01 HF GOTANDA BUILDING	1,290	1,237	1,263	1,283	1,308	1,328	1,356	1,331	24	1.83
Of-05 Suiyengu Heiwa Bldg	1,550	1,202	1,225	1,246	1,303	1,349	1,378	1,444	(66)	(4.59)
Of-06 HF MONZENNAKACHO BUILDING	2,500	2,240	2,280	2,310	2,350	2,390	2,510	2,357	152	6.49
Of-07 HF HAMAMATSUCHO BUILDING	1,530	1,490	1,490	1,520	1,520	1,490	1,510	1,547	(37)	(2.42)
Of-08 Kokusai Tameike Bldg	2,700	2,540	2,550	2,590	2,510	2,570	2,640	2,773	(133)	(4.80)
Of-09 Grace Building Sengakujimae	1,220	1,450	1,470	1,490	1,520	1,590	1,590	1,158	431	37.25
Of-10 HF SHIN-YOKOHAMA BUILDING	1,550	1,110	1,070	1,080	1,080	1,090	1,090	1,375	(285)	(20.75)
Of-11 Nihonbashi Daiichi Bldg	2,150	1,710	1,740	1,760	1,810	1,870	1,900	2,230	(330)	(14.82)
Of-12 HF HATCHOBORI BUILDING	3,092	2,340	2,360	2,410	2,420	2,450	2,460	3,109	(649)	(20.89)
Of-13 Shibuya AX Hills	1,860	1,350	1,360	1,400	1,420	1,470	1,500	1,817	(317)	(17.47)
Of-15 HF NAKAMEGURO BUILDING	2,870	2,050	2,050	2,080	2,120	2,130	2,180	2,885	(705)	(24.45)
Of-16 Anwa Tsukasacho Bldg	1,385	1,090	1,090	1,100	1,120	1,140	1,180	1,290	(110)	(8.54)
Of-17 Hatchobori MF Bldg	1,110	909	919	935	956	970	981	1,115	(134)	(12.02)
Of-18 M2 Harajuku	3,418	4,134	4,214	4,315	4,385	4,571	4,666	3,474	1,191	34.29
Of-20 Funabashi Face Bldg	3,900	3,160	2,850	2,920	2,960	3,020	3,160	3,596	(436)	(12.13)
Of-21 Adesso Nishiazabu	640	448	446	456	457	469	490	618	(128)	(20.79)
Of-22 HF TORANOMON BUILDING	1,675	1,257	1,270	1,271	1,294	1,322	1,357	1,719	(362)	(21.09)
Of-23 HF KEBUKURO BUILDING	1,314	1,090	1,090	1,110	1,130	1,180	1,240	1,319	(79)	(5.99)
Of-24 HF YUSHIMA BUILDING	1,434	1,360	1,380	1,410	1,420	1,410	1,420	1,457	(37)	(2.55)
Of-25 Kayabacho Heiwa Bldg	4,798	5,500	5,610	5,770	5,950	6,070	6,130	4,792	1,337	27.91
Of-26 HIROKOJI AQUA PLACE	2,930	3,946	4,024	4,097	4,279	4,499	4,574	2,773	1,800	64.90
Of-27 Kobe Kyukyoryuchi Heiwa Building	2,310	2,550	2,560	2,580	2,680	2,730	2,780	2,244	535	23.83
Of-28 Mita Heiwa Building (leasehold land)	2,230	2,447	2,504	2,563	2,627	2,678	2,678	2,269	408	18.00
Of-29 Sakae Mnami Heiwa Building	1,580	1,770	1,790	1,810	1,880	1,910	1,960	1,519	440	29.01
Of-30 HF SAKURADORI BUILDING	4,900	—	5,510	5,580	5,460	5,540	5,650	4,765	884	18.56
Of-31 HF NIHONBASHI HAMACHO BUILDING	1,900	—	2,110	2,150	2,290	2,250	2,290	1,930	359	18.64
Of-32 HF SENDAI HONCHO BUILDING	2,700	—	2,990	3,050	3,090	3,120	3,160	2,772	387	13.98
Of-33 DAIWA UENO BUILDING	3,400	—	—	—	3,790	3,850	4,010	3,517	492	14.01
Of-34 KOJIMACHI HF BUILDING	1,350	—	—	—	1,590	1,710	1,870	1,365	504	36.92
Of-35 HF KUDAN MINAMI BUILDING	2,720	—	—	—	2,930	2,980	3,070	2,746	323	11.77
Of-36 HF KANDA OGAWAMACHI BUILDING	3,150	—	—	—	—	3,600	3,760	3,276	483	14.76
Of-36 NISSO 5 BUILDING	3,100	—	—	—	—	—	3,350	3,214	135	4.22
Total Office Buildings	74,256	48,380	59,215	60,286	69,549	74,746	79,890	73,809	6,080	8.24
Re-03 HF ICHIKAWA RESIDENCE	430	474	483	491	499	508	518	389	128	33.00
Re-05 HF MEGURO RESIDENCE	660	566	578	599	618	646	662	638	23	3.62
Re-09 HF KASAI RESIDENCE	650	639	653	664	684	698	714	600	113	18.87
Re-11 HF WAKABAYASHI-KOEN RESIDENCE	3,610	3,631	3,695	3,775	3,850	3,934	4,022	3,186	835	26.22
Re-12 HF HIMONYA RESIDENCE	1,560	1,456	1,489	1,519	1,541	1,556	1,590	1,455	134	9.21
Re-14 HF MINAMAZABU RESIDENCE	1,370	1,182	1,186	1,212	1,259	1,274	1,308	1,303	4	0.32
Re-15 HF AZABUJUBAN RESIDENCE	1,260	1,040	1,070	1,080	1,120	1,120	1,140	1,158	(18)	(1.61)
Re-16 HF GAKUGEIDAIGAKU RESIDENCE	1,000	843	863	881	900	919	936	923	12	1.33
Re-17 HF HIGASHIKANDA RESIDENCE	1,100	1,140	1,160	1,190	1,220	1,250	1,290	937	352	37.60
Re-18 HF HIGASHINIHOHASHI RESIDENCE	1,210	1,310	1,340	1,370	1,410	1,460	1,500	1,039	460	44.35
Re-19 HF NERIMA RESIDENCE	690	697	709	721	738	753	763	590	172	29.23
Re-20 HF SHIROKANETAKANAWA RESIDENCE	4,030	3,870	3,880	3,950	4,040	4,160	4,260	3,787	472	12.46
Re-21 HF MEIDAIMAE RESIDENCE	1,070	867	887	903	926	944	962	1,003	(41)	(4.11)
Re-22 HF NIHONBASHI RESIDENCE	1,130	934	960	975	997	1,020	1,050	1,074	(24)	(2.25)
Re-23 HF KAMSHAKUJI RESIDENCE	950	865	885	897	933	946	962	887	74	8.38
Re-24 HF KINSHICHO RESIDENCE	1,100	1,000	1,020	1,040	1,060	1,090	1,110	1,086	23	2.12
Re-25 HF GINZA RESIDENCE EAST	5,940	4,230	4,250	4,350	4,470	4,570	4,730	5,616	(886)	(15.78)
Re-26 HF SHIN-YOKOHAMA RESIDENCE	3,350	2,470	2,470	2,520	2,600	2,650	2,650	3,090	(440)	(14.26)
Re-29 HF HAKUSAN RESIDENCE	2,350	1,650	1,670	1,700	1,740	1,770	1,810	2,296	(486)	(21.20)
Re-30 HF MAGOME RESIDENCE	1,630	1,160	1,190	1,210	1,250	1,280	1,300	1,548	(248)	(16.06)

Property Name	Acquisition Prices	Appraisal Amount						29th Fiscal Period Book Value (B)	Latent Profits and Losses (A) – (B)	Profit/Loss Ratio (%)
		24th Fiscal Period	25th Fiscal Period	26th Fiscal Period	27th Fiscal Period	28th Fiscal Period	29th Fiscal Period(A)			
Re-31 HF GAKUGEIDAIGAKU RESIDENCE II	1,650	1,070	1,090	1,110	1,130	1,150	1,180	1,584	(404)	(25.51)
Re-33 HF KAMEIDO RESIDENCE	1,050	989	984	1,010	1,030	1,060	1,080	1,024	55	5.46
Re-34 HF TANASHI RESIDENCE	911	738	741	753	758	756	758	948	(190)	(20.11)
Re-35 HF SHIBAKOEN RESIDENCE	836	773	780	793	809	813	823	797	25	3.21
Re-36 HF MITA RESIDENCE	1,080	1,090	1,100	1,120	1,160	1,160	1,190	1,029	160	15.64
Re-37 HF TAKANAWA RESIDENCE	749	744	760	774	793	812	838	733	104	14.23
Re-38 La Residence de Shirokanedai	730	790	800	813	847	848	848	700	147	21.05
Re-39 HF GINZA RESIDENCE EAST II	1,460	1,490	1,500	1,530	1,550	1,570	1,600	1,426	173	12.17
Re-40 HF HATCHOBORI RESIDENCE II	1,890	1,910	1,940	1,970	2,000	2,020	2,060	1,834	225	12.29
Re-41 HF HATCHOBORI RESIDENCE III	793	858	870	889	906	924	945	730	214	29.45
Re-42 HF GINZA RESIDENCE	944	990	1,010	1,030	1,060	1,080	1,110	860	249	29.00
Re-43 HF KOMAZAWA-KOEN RESIDENCE TOWER	6,520	6,490	6,560	6,650	6,880	6,830	6,860	6,537	322	4.94
Re-44 HF UMEDA RESIDENCE TOWER	1,920	1,950	1,980	1,990	2,020	2,030	2,050	1,733	316	18.28
Re-45 HF NAKANOSHIMA RESIDENCE	453	462	466	472	478	486	490	453	36	8.14
Re-46 HF AIWAZA RESIDENCE	577	621	643	648	655	655	680	541	138	25.56
Re-47 HF MARUNOUCHI RESIDENCE	624	647	658	673	679	687	698	555	142	25.71
Re-48 HF HIRAO RESIDENCE	1,780	1,770	1,800	1,820	1,850	1,880	1,930	1,712	217	12.70
Re-49 HF KAWARAMACHI NUJO RESIDENCE	534	493	504	514	530	541	557	502	54	10.84
Re-52 HF TENJIN-HIGASHI RESIDENCE	502	542	546	553	565	583	599	437	161	36.82
Re-53 HF SHUJO KAWARAMACHI RESIDENCE	1,820	1,960	2,000	2,050	2,100	2,140	2,160	1,697	462	27.25
Re-54 La Residence de Sendagi	820	852	872	883	901	910	922	785	136	17.43
Re-55 HF SENDAGI RESIDENCE	870	912	935	946	963	972	987	828	158	19.10
Re-56 HF KOMAZAWA-KOEN RESIDENCE	615	632	637	647	653	653	663	584	78	13.51
Re-57 HF MUSHASHIKOYAMA RESIDENCE	842	938	960	974	1,000	1,000	1,040	803	236	29.36
Re-58 HF KOKUBUNJI RESIDENCE	839	852	862	879	907	918	936	798	137	17.25
Re-59 HF HISAYADORI RESIDENCE	1,080	1,100	1,120	1,140	1,180	1,190	1,210	1,022	187	18.32
Re-60 HF KARASUMA KURAMAGUCHI RESIDENCE	572	600	613	627	633	637	645	536	108	20.13
Re-61 HF NISHI-SHINJUKU RESIDENCE WEST	1,990	2,090	2,130	2,160	2,270	2,320	2,370	1,980	389	19.66
Re-62 HF NISHI-SHINJUKU RESIDENCE EAST	1,170	1,210	1,230	1,260	1,300	1,330	1,360	1,163	196	16.92
Re-63 HF HIGASHI-SHINJUKU RESIDENCE	1,360	1,420	1,460	1,480	1,500	1,500	1,530	1,288	241	18.71
Re-64 HF HIGASHI-SHINSAIBASHI RESIDENCE	566	596	602	602	608	620	640	539	100	18.68
Re-65 HF KITA-YOBANCHO RESIDENCE	809	906	936	966	982	1,020	1,050	746	303	40.64
Re-66 HF ATAGOBASHI RESIDENCE	684	758	782	807	819	840	855	614	240	39.13
Re-67 HF KYUDAIYONINMAE RESIDENCE	426	435	444	456	464	478	485	392	92	23.72
Re-68 HF ASAKUSABASHI RESIDENCE	771	800	816	827	859	873	900	732	167	22.79
Re-69 HF ICHIBANCHO RESIDENCE	834	916	940	969	986	1,020	1,050	770	279	36.23
Re-70 HF HIGASHI-NAKANO RESIDENCE	942	958	976	991	1,010	1,010	1,030	898	131	14.64
Re-72 HF WASEDA RESIDENCE	2,090	2,190	2,230	2,280	2,280	2,330	2,380	2,003	376	18.78
Re-73 HF WASEDA RESIDENCE II	872	892	913	932	932	953	987	837	149	17.84
Re-74 HF WAKAMATSUKAWADARA RESIDENCE	1,158	1,170	1,190	1,210	1,240	1,320	1,390	1,191	198	16.66
Re-75 HF SENDAI RESIDENCE EAST	1,639	—	—	—	1,660	1,690	1,760	1,664	95	5.74
Re-76 HF NISHIKOEN RESIDENCE	1,310	—	—	—	—	1,410	1,430	1,398	31	2.23
Re-77 HF BANSUIDORI RESIDENCE	790	—	—	—	—	866	880	845	34	4.13
Re-78 HF KANNAI RESIDENCE	1,800	—	—	—	—	—	1,960	1,839	120	6.52
Re-79 HF MEIEKI-KITA RESIDENCE	2,160	—	—	—	—	—	2,260	2,201	58	2.65
Re-80 HF HIGASHI-SAPPORO RESIDENCE	1,560	—	—	—	—	—	1,640	1,596	43	2.70
Total Residence Properties	90,482	76,628	77,818	79,245	82,802	86,433	94,093	86,523	7,569	8.75
Total properties in portfolio	164,738	125,008	137,033	139,531	152,351	161,179	173,983	160,332	13,650	8.57

Ⅲ-11 Historical Actual NOI Return

(%)

Property Name						
	24th	25th	26th	27th	28th	29th
Of-01 HF GOTANDA BUILDING	4.78	4.53	5.08	4.99	5.01	4.50
Of-05 Suitengu Heiwa Bldg	4.27	4.20	3.69	4.33	4.37	4.53
Of-06 HF MONZENNAKACHO BUILDING	4.86	4.87	5.02	4.88	4.99	4.65
Of-07 HF HAMAMATSUCHO BUILDING	5.03	4.51	4.28	4.42	4.63	3.20
Of-08 Kokusai Tameike Bldg	4.55	4.32	4.44	4.25	3.29	3.60
Of-09 Grace Building Sengakujimae	6.44	7.16	6.80	6.96	6.96	7.44
Of-10 HF SHIN-YOKOHAMA BUILDING	2.99	3.55	2.85	2.93	2.95	3.77
Of-11 Nihonbashi Daiichi Bldg	3.71	3.80	3.71	3.77	3.76	3.96
Of-12 HF HATCHOBORI BUILDING	3.62	3.50	3.44	3.31	3.32	3.28
Of-13 Shibuya AX Hills	2.19	2.24	2.03	2.64	2.86	2.96
Of-14 KCA Bldg	2.44	2.40	2.61	2.33	-	-
Of-15 HF NAKAMEGURO BUILDING	3.35	2.87	3.04	3.22	3.75	3.04
Of-16 ANWA TSUKASAMACHI BUILDING	3.70	3.79	3.37	3.70	3.88	4.00
Of-17 Hatchobori MF Bldg	4.10	4.19	3.17	4.23	4.29	4.17
Of-18 M2 Harajuku	4.35	4.62	4.70	4.69	4.77	4.70
Of-20 Funabashi Face Bldg	4.65	4.75	3.69	3.96	4.02	3.97
Of-21 Adesso Nishiazabu	2.44	2.67	2.50	2.74	2.87	2.91
Of-22 HF TORANOMON BUILDING	3.72	3.41	3.25	3.42	3.16	3.36
Of-23 HF IKEBUKURO BUILDING	4.01	4.12	3.83	4.00	4.14	4.22
Of-24 HF YUSHIMA BUILDING	5.41	5.34	5.30	5.32	4.85	4.70
Of-25 Kayabacho Heiwa Bldg	7.53	7.50	7.55	7.56	7.56	7.49
Of-26 HIROKOJI AQUA PLACE	8.22	8.14	8.10	7.97	8.22	8.48
Of-27 Kobe Kyukyoryuchi Heiwa Building	7.45	7.47	7.23	7.26	7.15	7.15
Of-28 Mita Heiwa Building (leasehold land)	4.80	4.80	4.80	4.80	4.65	4.65
Of-29 Sakae Minami Heiwa Building	5.74	6.60	6.64	6.85	6.66	7.08
Of-30 HF SAKURADORI BUILDING	-	6.10	6.00	5.74	6.10	6.08
Of-31 HF NIHONBASHI HAMACHO BUILDING	-	5.84	4.62	6.22	5.58	6.17
Of-32 HF SENDAI HONCHO BUILDING	-	6.82	6.30	6.50	6.60	7.04
Of-33 DAIWA UENO BUILDING	-	-	-	5.45	5.08	5.28
Of-34 KOJIMACHI HF BUILDING	-	-	-	6.55	5.88	5.76
Of-35 HF KUDAN MINAMI BUILDING	-	-	-	5.62	4.63	4.10
Of-36 HF KANDA OGAWAMACHI BUILDING	-	-	-	-	2.71	3.13
Of-37 NISSO 5 BUILDING	-	-	-	-	-	4.93
Total Office Buildings	4.84	5.06	4.87	5.06	4.95	4.98
Re-03 HF ICHIKAWA RESIDENCE	5.46	6.68	6.76	6.74	6.78	6.66
Re-05 HF MEGURO RESIDENCE	3.84	3.74	4.38	4.15	4.33	4.33
Re-09 HF KASAI RESIDENCE	5.35	5.65	6.02	5.28	5.49	1.86
Re-11 HF WAKABAYASHI-KOEN RESIDENCE	5.11	4.96	4.76	4.95	5.26	5.01
Re-12 HF HIMONYA RESIDENCE	4.53	4.47	4.46	3.85	4.68	3.36
Re-14 HF MINAMAZABU RESIDENCE	4.17	4.02	3.66	4.03	4.10	4.13
Re-15 HF AZABUJUBAN RESIDENCE	3.91	3.58	3.24	3.67	3.18	3.60
Re-16 HF GAKUGEIDAIGAKU RESIDENCE	3.86	3.76	3.80	3.73	3.89	3.49
Re-17 HF HIGASHIKANDA RESIDENCE	5.16	5.21	5.26	4.78	5.25	5.27
Re-18 HF HIGASHINIHOHONASHI RESIDENCE	5.55	5.40	5.45	5.36	5.23	5.68
Re-19 HF NERIMA RESIDENCE	5.68	5.31	5.58	4.99	5.18	5.51
Re-20 HF SHIROKANETAKANAWA RESIDENCE	4.43	4.49	4.13	4.42	4.36	4.32
Re-21 HF MEIDAIMAE RESIDENCE	4.25	4.08	4.00	3.86	4.26	4.18
Re-22 HF NIHONBASHI RESIDENCE	4.12	3.90	4.16	4.16	4.21	4.68
Re-23 HF KAMSHAKUJI RESIDENCE	4.04	5.05	4.89	5.09	5.15	4.99
Re-24 HF KINSHICHO RESIDENCE	4.63	4.65	4.28	4.52	5.07	4.46
Re-25 HF GINZA RESIDENCE EAST	3.40	3.27	3.47	3.45	3.25	3.37
Re-26 HF SHIN-YOKOHAMA RESIDENCE	3.71	3.89	4.09	3.89	3.98	4.03
Re-29 HF HAKUSAN RESIDENCE	3.11	3.31	3.72	3.62	3.65	3.82
Re-30 HF MAGOME RESIDENCE	4.47	4.29	2.95	4.08	4.42	3.66

(%)

Property Name						
	24th	25th	26th	27th	28th	29th
Re-31 HF GAKUGEIDAIGAKU RESIDENCE II	3.37	3.03	2.22	3.15	2.88	2.86
Re-33 HF KAMEIDO RESIDENCE	4.83	5.73	5.16	5.18	5.13	5.54
Re-34 HF TANASHI RESIDENCE	3.24	4.57	4.72	4.91	4.87	5.44
Re-35 HF SHIBA-KOEN RESIDENCE	4.54	3.41	4.33	4.42	4.84	4.58
Re-36 HF MITA RESIDENCE	4.62	4.45	4.81	5.05	4.68	4.41
Re-37 HF TAKANAWA RESIDENCE	4.61	5.30	5.48	4.45	2.98	4.60
Re-38 La Residence de Shirokanedai	5.04	4.97	5.13	5.17	4.74	5.67
Re-39 HF GINZA RESIDENCE EAST II	4.23	5.21	5.46	5.58	5.20	5.59
Re-40 HF HATCHOBORI RESIDENCE II	5.03	5.16	4.96	4.31	4.82	4.90
Re-41 HF HATCHOBORI RESIDENCE III	5.02	5.69	5.05	5.48	5.47	5.43
Re-42 HF GINZA RESIDENCE	4.20	5.18	5.26	5.75	5.61	5.74
Re-43 HF KOMAZAWA-KOEN RESIDENCE TOWER	4.05	3.70	4.95	4.73	4.92	4.66
Re-44 HF UMEDA RESIDENCE TOWER	5.73	5.88	5.67	5.75	5.09	5.61
Re-45 HF NAKANOSHIMA RESIDENCE	5.96	5.20	6.04	2.22	5.42	5.65
Re-46 HF AWAZA RESIDENCE	6.86	6.44	6.58	3.78	5.01	6.55
Re-47 HF MARUNOUCHI RESIDENCE	5.72	6.41	6.69	5.46	6.67	6.88
Re-48 HF HIRAO RESIDENCE	6.62	6.32	6.62	6.64	3.62	6.64
Re-49 HF KAWARAMACHI NJO RESIDENCE	4.20	5.04	5.71	4.58	5.78	5.12
Re-50 HF MINAMI 6JO RESIDENCE	*2	8.07	-	-	-	-
Re-51 HF TENJIN-MINAMI RESIDENCE	*2	6.62	-	-	-	-
Re-52 HF TENJIN-HIGASHI RESIDENCE	7.30	6.92	7.27	7.18	7.29	7.42
Re-53 HF SHIJO KAWARAMACHI RESIDENCE	6.23	5.84	6.20	6.31	6.38	6.34
Re-54 La Residence de Sendagi	5.64	6.35	5.74	5.83	5.74	5.84
Re-55 HF SENDAGI RESIDENCE	5.75	6.37	5.96	5.59	5.70	6.08
Re-56 HF KOMAZAWA-KOEN RESIDENCE	4.89	4.94	4.62	3.89	4.26	4.94
Re-57 HF MUSASHIKOYAMA RESIDENCE	6.12	6.02	5.79	6.10	6.00	5.61
Re-58 HF KOKUBUNJI RESIDENCE	5.78	5.71	6.13	6.00	5.75	5.56
Re-59 HF HISAYADORI RESIDENCE	6.64	6.51	6.92	6.56	6.32	5.91
Re-60 HF KARASUMA KURAMAGUCHI RESIDENCE	5.76	6.05	5.86	5.59	5.31	5.70
Re-61 HF NISHI-SHINJUKU RESIDENCE WEST	5.21	5.28	4.42	5.13	5.34	5.39
Re-62 HF NISHI-SHINJUKU RESIDENCE EAST	5.16	5.22	3.84	4.86	4.86	5.62
Re-63 HF HIGASHI-SHINJUKU RESIDENCE	5.98	5.37	5.79	5.61	5.24	5.16
Re-64 HF HIGASHI-SHINSAIBASHI RESIDENCE	6.20	5.56	5.67	5.85	5.96	5.50
Re-65 HF KITA-YOBANCHO RESIDENCE	7.67	7.37	7.99	7.07	7.71	7.58
Re-66 HF ATAGOBASHI RESIDENCE	8.00	7.63	7.90	7.88	7.60	7.46
Re-67 HF KYUDAIYOINMAE RESIDENCE	5.20	5.76	6.75	6.09	6.65	6.27
Re-68 HF ASAKUSABASHI RESIDENCE	4.48	5.60	5.20	5.47	4.83	5.39
Re-69 HF ICHIBANCHO RESIDENCE	7.63	7.97	7.84	7.84	7.92	7.66
Re-70 HF HIGASHI-NAKANO RESIDENCE	4.92	4.79	4.93	5.23	5.27	4.72
Re-71 HF MINAMI 5JO RESIDENCE	*3	5.26	-	-	-	-
Re-72 HF WASEDA RESIDENCE	5.15	5.21	5.12	5.32	5.06	5.22
Re-73 HF WASEDA RESIDENCE II	4.93	5.29	5.24	5.40	5.19	4.50
Re-74 HF WAKAMATSUKAWADA RESIDENCE	3.66	4.48	4.59	4.81	5.15	5.34
Re-75 HF SENDAI RESIDENCE EAST	-	-	-	6.46	6.17	6.49
Re-76 HF NISHIKOEN RESIDENCE	-	-	-	-	5.65	5.11
Re-77 HF BANSUIDORI RESIDENCE	-	-	-	-	6.76	6.29
Re-78 HF KANNAI RESIDENCE	-	-	-	-	-	5.63
Re-79 HF MEIEKI-KITA RESIDENCE	-	-	-	-	-	4.74
Re-80 HF HIGASHI-SAPPORO RESIDENCE	-	-	-	-	-	5.52
Total Residential Properties	4.87	4.79	4.85	4.86	4.88	4.94
Ho-01 Super Hotel Osaka Tennoji	*5	6.18	6.21	6.21	6.44	-
Ho-02 Super Hotel Kyoto Karasumagojyo	*5	6.12	6.11	5.76	6.12	6.31
Ho-03 Super Hotel Saitama Omiya	*5	5.85	5.85	5.85	5.86	6.15
Ho-04 Super Hotel Sendai Hirose-dori	*5	6.60	6.61	6.61	6.56	6.37
Total Hotels	6.20	6.21	6.13	6.20	6.32	-
Total properties in portfolio	4.85	4.95	4.90	4.99	4.95	4.96

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

*1 Transferred part of asset on October 6, 2009

*2 Transferred on September 27, 2013

*3 Transferred on October 25, 2013

*4 Transferred on March 10, 2015

*5 Transferred on October 30, 2015

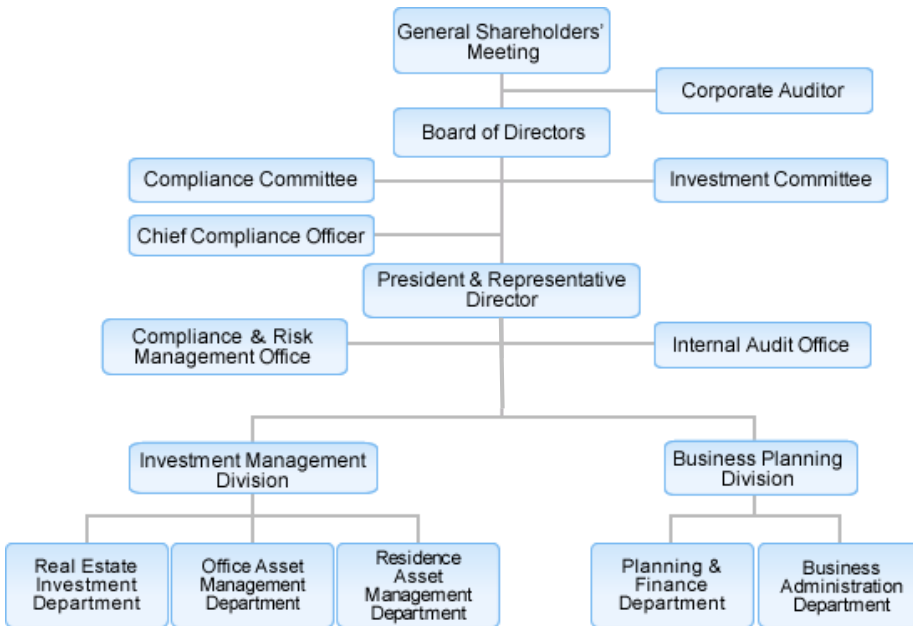
III-12 Historical Occupancy

								(%)									(%)	
Property Name		30-Nov-2015	31-Dec-2015	31-Jan-2016	29-Feb-2016	31-Mar-2016	30-Apr-2016	31-May-2016	Property Name		30-Nov-2015	31-Dec-2015	31-Jan-2016	29-Feb-2016	31-Mar-2016	30-Apr-2016	31-May-2016	(%)
Of-01	HF GOTANDA BUILDING	89.06	89.06	89.06	89.06	89.06	100.00	96.35	Re-29	HF HAKUSAN RESIDENCE	96.63	96.63	96.63	96.24	96.20	96.24	96.18	
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	93.99	90.58	87.67	90.27	100.00	94.76	92.12	
Of-06	HF MONZENNAKACHO BUILDING	100.00	100.00	100.00	100.00	86.91	86.91	100.00	Re-31	HF GAKUGEDAIGAKU RESIDENCE II	95.44	96.28	91.89	91.89	91.52	95.42	95.42	
Of-07	HF HAMAMATSUCHO BUILDING	88.81	88.81	77.62	77.62	77.62	77.62	77.62	Re-33	HF KAMEDO RESIDENCE	100.00	100.00	100.00	100.00	100.00	100.00	100.00	
Of-08	Kokusai Tameike Bldg	86.49	86.49	86.49	86.49	86.49	100.00	100.00	Re-34	HF TANASHI RESIDENCE	100.00	100.00	100.00	100.00	97.15	94.54	94.54	
Of-09	Grace Building Sengakujimae	100.00	100.00	89.64	100.00	100.00	100.00	100.00	Re-35	HF SHIBA-KOEN RESIDENCE	100.00	97.28	97.28	94.34	97.07	94.34	94.34	
Of-10	HF SHIN-YOKOHAMA BUILDING	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-36	HF MITA RESIDENCE	89.57	89.61	91.74	91.74	97.88	95.65	91.66	
Of-11	Nhonbashi Daichi Bldg	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-37	HF TAKANAWA RESIDENCE	93.44	90.40	97.17	90.17	95.51	91.77	92.53	
Of-12	HF HATCHOBORI BUILDING	100.00	100.00	100.00	93.41	92.57	100.00	100.00	Re-38	La Residence de Shirokanedai	100.00	100.00	100.00	100.00	100.00	96.51	96.39	
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	98.75	96.92	96.92	96.92	98.62	98.75	100.00	
Of-15	HF NAKAMEGURO BUILDING	100.00	100.00	100.00	100.00	77.09	77.09	77.09	Re-40	HF HATCHOBORI RESIDENCE II	99.08	97.18	96.34	95.79	97.62	91.88	96.85	
Of-16	Anwa a Tsukasacho Bldg	100.00	100.00	100.00	100.00	100.00	95.83	95.83	Re-41	HF HATCHOBORI RESIDENCE III	95.01	92.38	92.38	95.46	98.09	100.00	100.00	
Of-17	Hatchobori MF Bldg	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-42	HF GINZA RESIDENCE	100.00	100.00	100.00	95.97	94.11	95.97	94.11	
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	96.82	97.13	95.76	96.44	95.39	95.91	95.07	
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	95.65	95.49	94.91	94.50	96.23	98.27	98.85	
Of-21	Adesso Nshiazabu	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-45	HF NAKANOSHIMA RESIDENCE	97.96	97.96	97.96	100.00	94.46	86.72	91.38	
Of-22	HF TORANOMON BUILDING	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-46	HF AWAZA RESIDENCE	98.32	96.96	98.48	100.00	100.00	98.32	98.48	
Of-23	HF KEBUKURO BUILDING	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-47	HF MARUNOUCHI RESIDENCE	100.00	100.00	98.62	97.21	98.61	95.85	98.62	
Of-24	HF YUSHIMA BUILDING	90.16	90.16	90.16	90.16	90.16	100.00	100.00	Re-48	HF HIRAO RESIDENCE	96.94	97.81	98.27	98.83	98.53	99.10	97.70	
Of-25	Kayabacho Heiwa Bldg	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-49	HF KAWARAMACHI NUO RESIDENCE	96.12	96.12	100.00	95.98	94.22	92.42	92.48	
Of-26	HIROKUI AQUA PLACE	95.16	95.16	95.16	95.16	95.16	95.16	95.16	Re-52	HF TENJIN-HIGASHI RESIDENCE	96.10	93.51	94.81	97.40	100.00	94.81	94.81	
Of-27	Kobe Kyukyoryuchi Heiwa Building	93.37	93.37	96.95	96.95	96.95	96.95	96.95	Re-53	HF SHUJO KAWARAMACHI RESIDENCE	98.77	98.82	95.75	95.15	100.00	98.11	97.51	
Of-28	Mita Heiwa 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	100.00	100.00	100.00	100.00	100.00	
Of-29	Sakae Minami Heiwa Building	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-55	HF SENDAGI RESIDENCE	100.00	100.00	100.00	100.00	100.00	100.00	100.00	
Of-30	HF SAKURADORI BUILDING	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-56	HF KOMAZAWA-KOEN RESIDENCE	100.00	97.23	97.22	97.22	100.00	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	96.45	94.12	98.24	100.00	98.20	96.40	96.33	
Of-32	HF SENDAI HONCHO BUILDING	100.00	100.00	100.00	100.00	100.00	100.00	98.90	Re-58	HF KOKUBUNJI RESIDENCE	94.78	93.07	96.65	96.65	93.03	94.68	92.70	
Of-33	DAIWA UENO BUILDING	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-59	HF HISAYA ODORI RESIDENCE	90.12	90.13	94.07	95.09	94.12	93.17	93.09	
Of-34	KOJIMACHI HF BUILDING	100.00	100.00	100.00	100.00	87.82	100.00	100.00	Re-60	HF KARASUMA KURAMAGUCHI RESIDENCE	92.85	97.01	92.96	100.00	100.00	97.86	95.84	
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	98.75	97.50	100.00	100.00	92.49	96.25	95.00	
Of-36	HF KANDA OGAWAMACHI BUILDING	57.62	57.62	57.62	57.62	81.41	81.41	81.41	Re-62	HF NISHI-SHINJUKU RESIDENCE EAST	100.00	98.00	98.49	95.59	100.00	96.98	94.57	
Of-37	NISSO 5 BUILDING *1	-	100.00	100.00	100.00	100.00	100.00	100.00	Re-63	HF HIGASHI-SHINJUKU RESIDENCE	97.46	96.05	91.84	93.25	94.41	95.81	90.70	
Total Office Buildings		97.01	97.16	96.89	96.97	96.23	96.32	97.69	Re-64	HF HIGASHI-SHINSAIBASHI RESIDENCE	97.72	100.00	100.00	100.00	97.26	94.53	100.00	
Re-03	HF ICHIKAWA RESIDENCE	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-65	HF KITA-YOBANCHO RESIDENCE	89.98	92.21	92.21	96.68	96.70	98.89	100.00	
Re-05	HF MEGURO RESIDENCE	95.07	90.14	100.00	100.00	100.00	100.00	100.00	Re-66	HF ATAGOBASHI RESIDENCE	88.76	87.51	90.03	97.50	100.00	100.00	100.00	
Re-09	HF KASAI RESIDENCE	95.81	93.75	95.88	91.62	97.94	100.00	97.94	Re-67	HF KYUDAI BY OINMAE RESIDENCE	98.37	100.00	100.00	100.00	96.74	86.68	85.05	
Re-11	HF WAKABAYASHI-KOEN RESIDENCE	96.99	95.05	93.65	95.94	92.05	92.08	93.14	Re-68	HF ASAKUSABASHI RESIDENCE	100.00	94.87	97.44	97.44	97.44	97.44	100.00	
Re-12	HF HIMONYA RESIDENCE	98.36	95.63	95.84	97.48	95.81	98.33	100.00	Re-69	HF ICHIBANCHO RESIDENCE	96.45	93.46	97.63	98.82	98.20	95.22	96.40	
Re-14	HF MINAMAZABU RESIDENCE	93.34	95.00	96.68	98.34	100.00	96.66	96.66	Re-70	HF HIGASHI-NAKANO RESIDENCE	93.77	90.31	90.31	95.44	93.30	93.56	91.89	
Re-15	HF AZABUJUBAN RESIDENCE	92.40	96.85	93.98	96.85	92.36	92.36	97.13	Re-72	HF WASEDA RESIDENCE	96.36	95.59	94.17	94.18	96.37	97.87	97.13	
Re-16	HF GAKUGEDAIGAKU RESIDENCE	92.56	92.56	88.32	87.84	92.62	89.48	100.00	Re-73	HF WASEDA RESIDENCE II	96.24	92.48	83.53	83.53	94.18	94.51	93.09	
Re-17	HF HIGASHIKANDA RESIDENCE	100.00	98.47	100.00	100.00	98.44	93.80	98.47	Re-74	HF WAKAMATSUKAWADA RESIDENCE	100.00	100.00	96.71	94.56	97.85	96.35	93.06	
Re-18	HF HIGASHI-NHONBASHI RESIDENCE	100.00	100.00	98.80	98.77	100.00	100.00	98.77	Re-75	HF SENDAI RESIDENCE EAST	95.15	95.15	95.15	96.82	100.00	100.00	98.79	
Re-19	HF NERIMA RESIDENCE	92.32	96.16	100.00	98.08	100.00	100.00	100.00	Re-76	HF NISHIKOEN RESIDENCE	89.32	87.38	85.44	88.35	97.09	94.18	93.20	
Re-20	HF SHIROKANETAKANAWA RESIDENCE	95.69	94.52	97.31	98.15	98.36	99.35	95.43	Re-77	HF BANSUDORI RESIDENCE	100.00	100.00	98.48	100.00	98.48	96.97	95.45	
Re-21	HF MEDAIMAE RESIDENCE	95.59	89.84	93.51	93.51	100.00	98.14	98.14	Re-78	HF KANNAI RESIDENCE *2	-	94.86	93.99	96.59	99.15	97.51	97.51	
Re-22	HF NHONBASHI RESIDENCE	98.28	100.00	100.00	100.00	100.00	98.10	98.10	Re-79	HF MIEKI-KITA RESIDENCE *2	-	90.74	89.13	90.83	94.60	88.61	86.71	
Re-23	HF KAMISHAKUJI RESIDENCE	90.92	88.21	95.01	93.75	97.28	97.28	95.30	Re-80	HF HIGASHI-SAPPORO RESIDENCE *2	-	88.60	89.40	93.21	99.45	96.11	95.42	
Re-24	HF KINSHICHO RESIDENCE	96.46	93.05	94.82	94.78	100.00	98.23	96.46	Total Residential Properties		96.31	95.27	95.34	96.18	97.26	96.40	95.99	
Re-25	HF GINZA RESIDENCE EAST	94.48	95.94	96.76	97.42	98.18	98.92	96.29	Total properties in portfolio		96.59	96.02	95.95	96.49	96.85	96.76	96.66	
Re-26	HF SHIN-YOKOHAMA RESIDENCE	96.33	96.33	96.25	98.20	96.45	100.00	98.20	%1 Aquired on December 21 2015									

*1 Acquired on December 21, 2015

*2 Acquired on December 18, 2015

III-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.

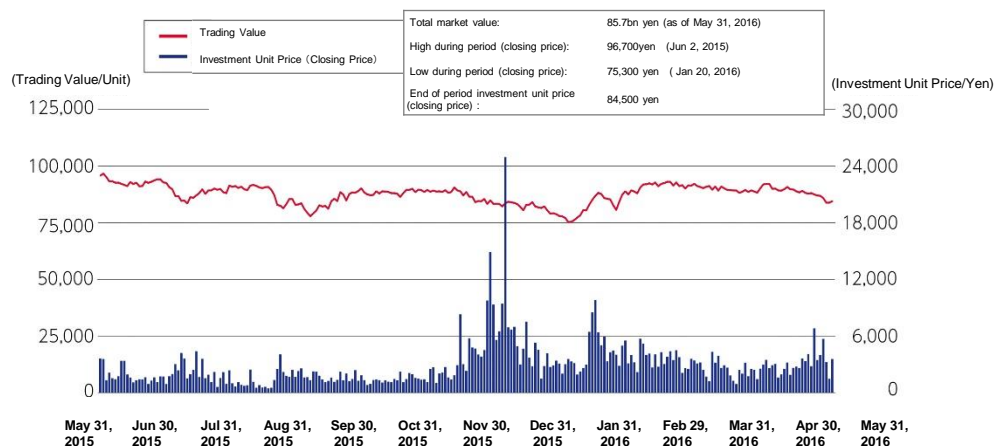
5. Ethics

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. (4) 79529, Governor of Tokyo
	Discretionary transaction Agent	Lic. No.8, Minister of Land, Infrastructure, Transportation and Tourism

Ⅲ-14 Condition of Investment Unit Price

History of Investment Unit Price



Comparison with TSE REIT Index

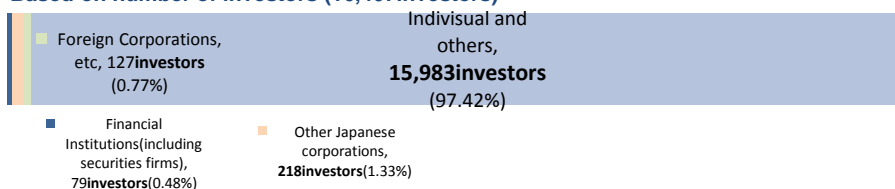


(Note) Figures as of May 31, 2015 for investment unit price and TSE REIT Index are indicated as 100%.

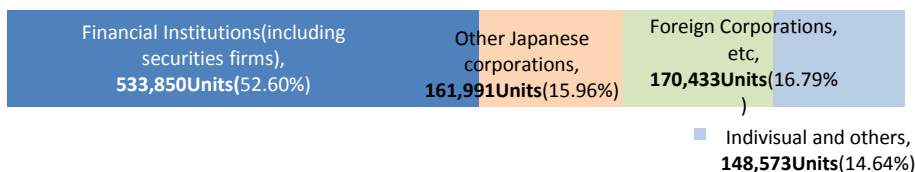
Configuration of Investors at End of 29th Fiscal Period

(As of May 31, 2016)

Based on number of investors (16,407investors)



Based on quantity of investment units (1,014,847units)



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

Condition of Unitholders

(As of May 31, 2016)

Name	Units Ow ned (units)	Share ^(Note) (%)
1 Japan Trustee Services Bank, Ltd. (trust account)	326,410	32.16
2 Heiwa Real Estate Co., Ltd.	135,845	13.39
3 NOMURA BANK (LUXEMBOURG) S.A.	85,151	8.39
4 The Master Trust Bank of Japan ,Ltd. (trust account)	53,417	5.26
5 Trust & Custody Services Bank, Ltd. (securities investment trust account)	39,208	3.86
6 The Nomura Trust and Banking Co., Ltd. (trust account)	34,080	3.36
7 CREDIT SUISSE SECURITIES (EUROPE) LIMITED PB OMNIBUS CLIENT ACCOUNT	13,139	1.29
8 Shikoku Railway Company	10,249	1.01
9 Japan Trustee Services Bank, Ltd. (trust account 9)	7,936	0.78
10 The Gibraltar Life Insurance Co., Ltd. (General Account J-REIT)	7,509	0.74
Total	712,944	70.25

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



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