

**Steady Growth & Sustainable Profit**



**Fiscal Period 24**  
(6 months ended November 2013)

**Materials for Analyst Meeting** [www.heiwa-re.co.jp](http://www.heiwa-re.co.jp)

January 17, 2014

8966



**HEIWA REAL ESTATE REIT, Inc.**



Asset Management Company

**HEIWA REAL ESTATE Asset Management CO., LTD.**

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# **I Overview of the 24th Fiscal Period**

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# 1 Positioning of the 24th Fiscal Period

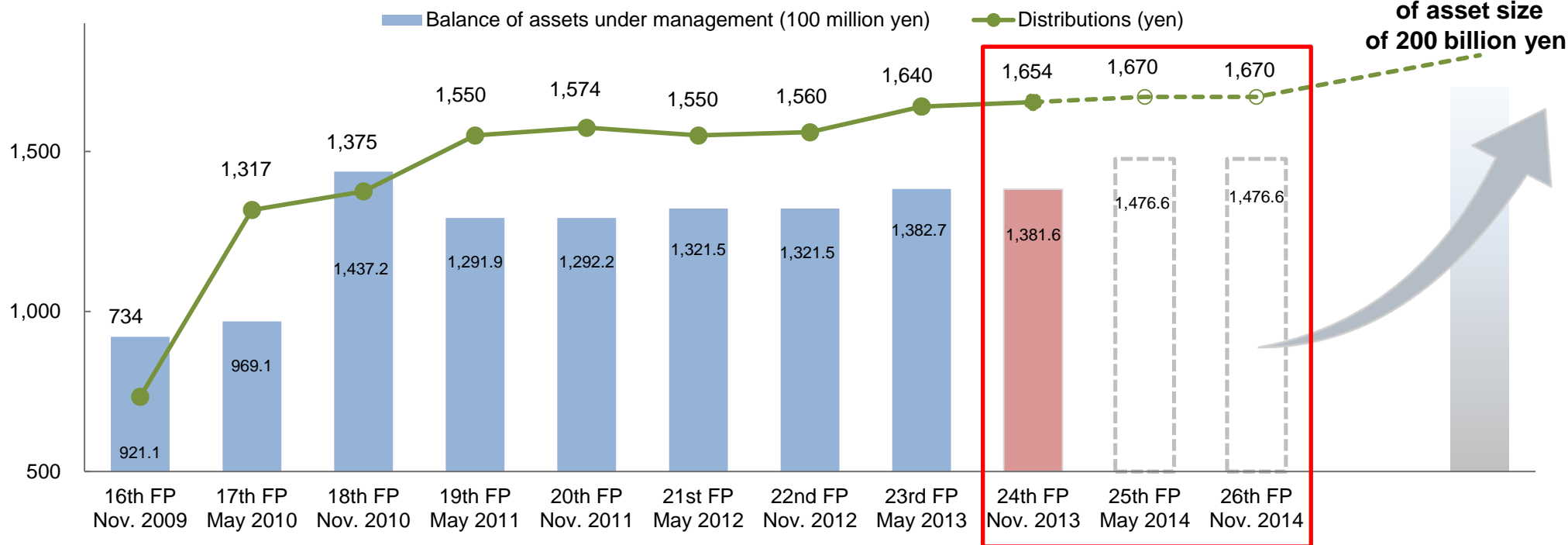
- We transitioned from Stage 2 to Stage 3, which aims for a stable growth path
- Stage 3 is defined as a steady growth phase with stable fund procurements
- Our goal is to increase dividends through steady external and internal growth

## [State 1] Reconstruction of Base for Growth

## [Stage 2] Re-establishing a Growth Path

## [Stage 3] On a Stable Growth Path

Present target of asset size of 200 billion yen



(Note) Balance of assets under management and distributions of 25th and 26th fiscal periods are figures announced on January 16, 2014.

## 2 Highlights of the 24th Fiscal Period

### External Growth

- ✓ Acquisition of 1 residential property in Tokyo and the sale of 3 residential properties in other regions (Asset replacement)
- ✓ Assets under management at the end of the fiscal period: **138.1 billion yen** (-100 million yen compared to previous period)  
Number of properties held at the end of the fiscal period: **89 properties** (-2 properties compared to previous period)
- ✓ Securement of preferential negotiation rights through the investment in bridge funds (2 office properties in Tokyo)

### Internal Growth

- ✓ Continued to maintain stable high occupancy rates  
Period average occupancy rate 23rd FP 96.64% → **24th FP 96.84%**
- ✓ Implemented measures to maintain and enhance asset value  
(Repaired exterior walls of residential properties, etc.)
- ✓ Developed the “HF” brand (2 offices, 1 residence) (Note)

(Note) This includes changes made on December 1, 2013.

### Improved Financial Base

- ✓ Continued extension of loan periods, diversification of repayment dates, interest rate decrease and conversion to fixed rate
- ✓ Continued building a stronger lender base

### Announcement of capital increase through public offering for two consecutive years (November 2013)

- Acquisition of 3 office properties
- Improvement of credit rating (to A-)
- Realized unsecured status of loans
- Invited new lenders



### 3 Financial Highlights of the 24th Fiscal Period

(Unit: million yen)

#### Financial Highlights of the 24th Fiscal Period

(Unit: million yen)

	23rd Fiscal Period	24th Fiscal Period Forecast	24th Fiscal Period	Change from previous period	Change from forecast
Operating revenue	4,610	4,563	4,615	4	51
Operating expenses	2,731	2,585	2,611	(119)	26
Operating income	1,878	1,978	2,003	124	25
Non-operating income	8	0	2	(5)	2
Non-operating expenses	675	663	670	(5)	6
Ordinary income	1,211	1,315	1,335	124	20
Net income	1,210	1,314	1,335	124	20
EPS (net income per unit) (yen)	1,521	1,652	1,678	157	26
Negative goodwill applied	93	—	—	(93)	-
Internal reserve	—	—	19	19	19
DPS (Distribution per unit) (yen)	1,640	1,652	1,654	14	2

**Gain on sales were booked as internal reserves to secure stable dividends  
(Gains on sale from 2 properties: 73 million yen, Loss on sale from 1 property: 54 million yen)**

(Note) Forecasts for the 24th Fiscal Period are forecast figures announced on July 17, 2013.

Factors of Change from Previous Period (24th Fiscal Period – 23rd Fiscal Period)		
Factors		Amount
Operating revenue	Gains on sale	19
	Existing offices	12
	Existing residences	(23)
	Sale of residences	(18)
	Acquisition of residences	15
Operating expenses	Existing offices	(136)
	(Of which, Public charges and taxes)	(51)
	(Of which, maintenance and repair fees)	((223))
	Existing residences	12
	Sale of residences	(14)
	Acquisition of residences	9
Non-operating expenses	Administrative expenses	9
	Interest expenses	3
	Borrowing related expenses	(4)
	Others	(4)

Factors of Change from Forecasts (24th Fiscal Period – 24th Fiscal Period Forecast)		
Factors		Amount
Operating revenue	Gains on sale	19
	Existing offices	20
	Existing residences	13
	Sale of residences	(17)
	Acquisition of residences	15
Operating expenses	Existing offices	19
	Existing residences	7
	Sale of residences	(9)
	Acquisition of residences	9
Non-operating expenses	Interest expenses	0
	Borrowing related expenses	6
	Others	1

## 4 Forecasts for the 25th Fiscal Period and the 26th Fiscal Period Operations

### Forecast for the 25th and 26th Fiscal Period

(Unit: million yen)

	24th Fiscal Period Result (a)	25th Fiscal Period Forecast (b)	26th Fiscal Period Forecast (c)	Variation (b-a)	Variation (c-b)
Operating revenue	4,615	5,032	5,013	417	(18)
Operating expenses	2,611	2,877	2,885	265	7
Operating income	2,003	2,154	2,128	151	(26)
Non-operating income	2	0	0	(2)	0
Non-operating expenses	670	737	655	66	(81)
Ordinary income	1,335	1,418	1,473	82	55
Net income	1,335	1,417	1,472	82	55
EPS (net income per unit) (yen)	1,678	1,608	1,670	(70)	62
Negative goodwill applied	—	54	—	54	(54)
Internal reserve	19	—	—	(19)	—
DPS (Distribution per unit) (yen)	1,654	1,670	1,670	16	0

#### Key assumptions for forecasts of the 25th Fiscal Period (ending May 2014) and 26th Fiscal Period (ending November 2014)

	25th Fiscal Period	26th Fiscal Period
• <b>Occupancy rates:</b> Total of portfolio	96.30%	96.12%
Office (Existing/New 3 properties)	95.33% (96.18%/92.71%)	94.84% (95.83%/91.79%)
Residence	96.60%	96.60%
Hotel	100.00%	100.00%
• <b>NOI yield:</b> Total of portfolio	4.90%	4.88%
Office (Existing/New 3 properties)	5.02% (4.80%/6.37%)	4.80% (4.61%/5.75%)
Residence	4.78%	4.90%
Hotel	6.21%	6.21%
• <b>Allotment from negative goodwill:</b>	54 million yen	None
• <b>Outstanding investment units:</b>	881,447 units	881,447 units
• <b>Property acquisition:</b>	Acquired 3 properties on Dec. 20, 2014	No extra property acquisitions during the period

### Forecasted Dividend per Unit

25th Fiscal Period	26th Fiscal Period
<b>1,670 yen</b>	<b>1,670 yen</b>

Breakdown	24th Fiscal Period Result (a)	25th Fiscal Period Forecast (b)	26th Fiscal Period Forecast (c)	Variation (b-a)	Variation (c-b)
PM fees	463	532	515	69	(17)
Public charges and taxes	326	337	364	10	27
Maintenance and repair fees	179	186	133	7	(53)
Other rental business expenses	272	359	388	86	29
Depreciation	777	835	835	57	0
Administrative expenses	591	625	646	33	21
Total	2,611	2,877	2,885	265	7

End of 23rd Fiscal Period	Retained earnings brought forward	3,070 million yen
24th Fiscal Period	Internal reserve	19 million yen
25th Fiscal Period	Allotment from negative goodwill	(54) million yen
End of 25th Fiscal Period	Retained earnings brought forward	3,035 million yen

(Note) Forecasted figures were announced on January 16, 2014. These forecasted figures are calculated based on certain assumptions made as of this date, and actual net income and dividends may vary in accordance with changes in conditions. This forecast should not be construed as a guarantee of the dividend amount.

## II Operations of 24th Fiscal Period

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# 1 External Growth (1) Properties Acquired During the 24th Fiscal Period

- Upgraded portfolio assets to secure stable mid to long-term earnings
- Acquired HF WAKAMATSUKAWADA RESIDENCE in Tokyo  
(Property for singles and DINKs with stable rent and proven occupancy rates located near the station)
- Sold 3 small-scale residential properties in regional areas (Total acquisition price:1,268 million yen)  
(HF MINAMI 6JO RESIDENCE, HF MINAMI 5JO RESIDENCE (Sapporo), HF TENJIN-MINAMI RESIDENCE (Fukuoka))

## Properties Acquired During the 24th Fiscal Period

### HF WAKAMATSUKAWADA RESIDENCE

Location	Shinjuku-ku, Tokyo
Acquisition Price	1,158 million yen
Appraisal value upon acquisition	1,170 million yen
Difference with appraisal value	12 million yen
Total leasable floor space	1,607.43m <sup>2</sup>
Construction Completion Date	February 2004
Number of Tenants as of the end of 24th fiscal period	33
Occupancy rate at the end of 24th fiscal period	100.00%
Expected NOI yield	5.08%
Yield after depreciation	4.08%



### Property Features

- The property is ideally located as it is approximately three minutes walking distance from Wakamatsu Kawada Station on the Toei Subway Oedo Line, from which access is possible to various places in central Tokyo including Shinjuku and Roppongi Stations.
- With multiple universities, hospitals and other facilities located in neighboring areas, the property is expected to be in high demand from a wide-ranging set of tenants including staff from these facilities, commuter households who value traffic convenience, and households who are attracted to an environment abundant with greenery and many educational facilities.
- The residential section of the property consists of one-bedroom units and two-bedroom units, with demand expected to come from singles and DINKs, among other users.

### Map



(Note) As for expected NOI yield and yield after depreciation, the net operating income (NOI) for 12 months, which serves as the assumption for the value indicated by the income approach under the direct capitalization method shown in the appraisal report at the time of acquisition, and depreciation for 12 months, which is calculated by the depreciation ratio in the straight-line method corresponding to the service life, are used.

## 2 External Growth (2) Acquisition of Silent Partnership Equity Interest

- Secured preferential negotiation rights on the acquisition of 2 office properties by investing in bridge funds
- Both properties are in Tokyo located near stations and along major streets

### 2 properties with preferential negotiation rights secured

#### Daiwa Ueno Building

Location	Taito-ku, Tokyo
Specially negotiated price	3,400 million yen
Appraisal value	3,520 million yen
Total leasable floor space	4,160.67㎡
Construction Completion Date	February 1990



#### Property Features

- Several train lines including the Tokyo Metro Hibiya Line run through Naka-Okachimachi Station. The location is excellent in terms of transportation, as it is close to the nearest train station and enjoys easy access to major Tokyo districts.
- The first floor section is highly visible, as the property is situated along Showa-dori Street, and it is easily accessible by car since it is near the entrance of Shuto Expressway No. 1 Ueno Route.
- The property is superior in size and value in the area, as it boasts approx. 134 tsubo of symmetrical space in the rental rooms on its standard floors.

#### Map



#### Kojimachi HF Building

Location	Chiyoda-ku, Tokyo
Specially negotiated price	1,350 million yen
Appraisal value	1,550 million yen
Total leasable floor space	2,115.13㎡
Construction Completion Date	March 1994



#### Property Features

- Located an approximate two-minute walk from Kojimachi Station on the Tokyo Metro Yurakucho Line and an approximate three-minute walk from Hanzomon Station on the Tokyo Metro Hanzomon Line, the property has high visibility as it is situated along National Route 20 Shinjuku-dori Street.
- Most rental rooms of standard floors are rectangular with approx. 78 tsubos of space unimpeded by pillars. Considerable demand is estimated in the same supply-demand area which is dominated by buildings with small-scale rental space.
- The property has two elevators, with efficient office layouts. Desirable features have been added to the facilities such as individual air conditioning systems, OA floors and high electricity capacity.

#### Map





### 3 External Growth (3) Diversification of Property Acquisition Methods

- Diversified property acquisition methods by utilizing sponsor support
- Increased acquisition opportunities through diversifying property acquisition methods

#### Direct acquisition from sponsors



Kayabacho  
Heiwa Bldg



Kobe  
Kyukyoryuchi  
Heiwa  
Building



Mita Heiwa  
Building  
(leasehold  
land)



Sakae Minami  
Heiwa Building

#### Warehousing



HIROKOJI  
AQUA PLACE



HF  
SAKURADORI  
BUILDING (Note)



Nihonbashi  
Hamacho  
Central  
Building (Note)



Sendai Green  
Place (Note)



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(Note) Acquired in 25th fiscal period

#### Direct acquisition from a third party



HF WAKAMATSUKAWADA  
RESIDENCE

#### Utilization of bridge funds

(Securement of preferential negotiation rights through silent partnership investments)



Daiwa Ueno Building



Kojimachi HF  
Building



## 4 External Growth (4) Portfolio Status

- Asset size of 138.1 billion yen (- 100 million yen) with 89 properties (- 2 properties) through portfolio asset replacement

### Portfolio Status

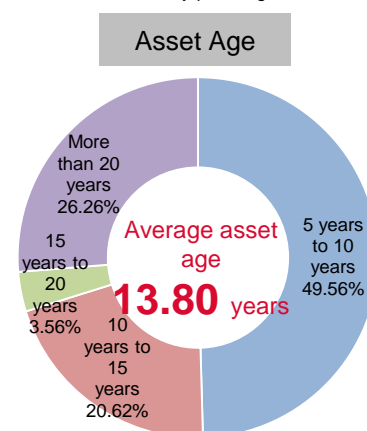
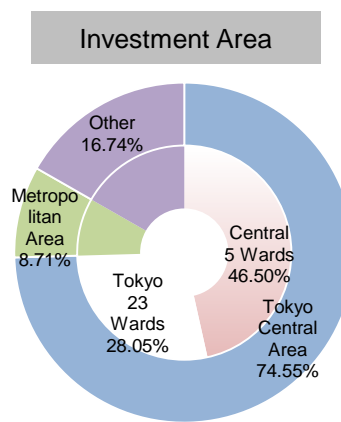
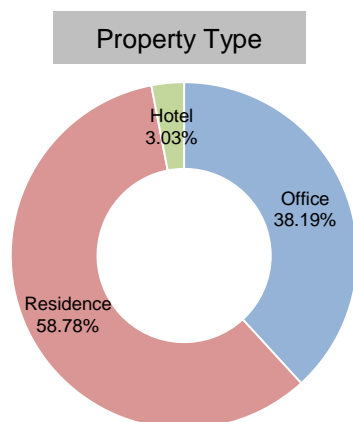
		23rd Fiscal Period				24th Fiscal Period			
		Overall	Office	Residence	Hotel	Overall	Office	Residence	Hotel
Asset size at end of period (million yen)		138,279	52,766	81,333	4,180	138,169	52,766	81,223	4,180
Number of properties (buildings) at end of period		91	25	62	4	89	25	60	4
Occupancy rates: (%)	End of period	96.91	96.74	96.73	100.00	96.79	97.15	96.34	100.00
	Period average	96.64	96.60	96.37	100.00	96.84	96.51	96.51	100.00
Portfolio NOI yield (%) (Note 1) (Note 3)		4.71 (4.88)	4.35 (4.78)	4.87	6.17	4.85	4.84	4.78	6.20
Yield after depreciation (%) (Note 2) (Note 3)		3.59 (3.74)	3.40 (3.79)	3.66	4.59	3.72	3.90	3.56	4.63

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

(Note 2) Yield after depreciation = Actual Rental business profit (annualized) / Acquisition price

(Note 3) Figures in parenthesis are ongoing basis NOI yields and yields after depreciation if repairs ahead of schedule were not implemented and in which fixed asset and city planning tax are taken into consideration.

### Portfolio Breakdown (as of the end of November 2013)



Average office asset age

**21.23** years

See page 33 for details

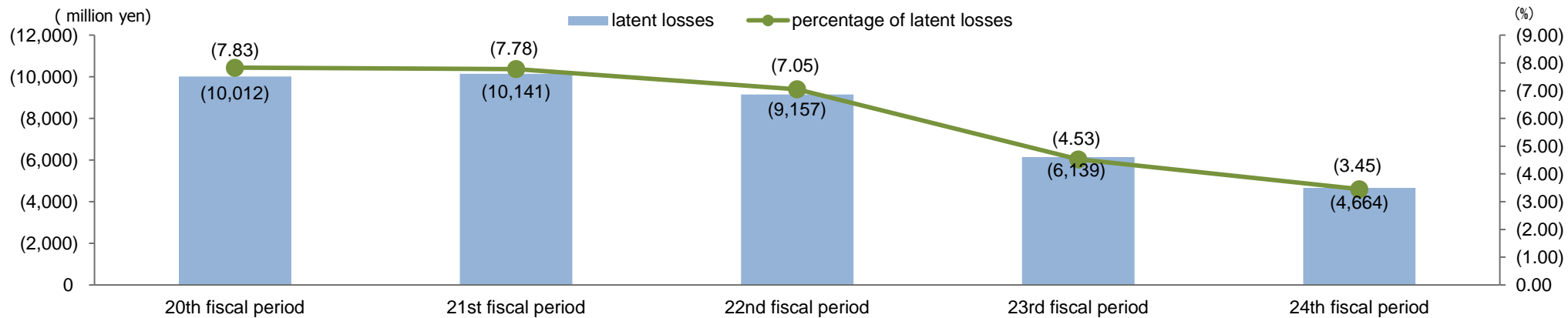
Average residence asset age

**9.45** years

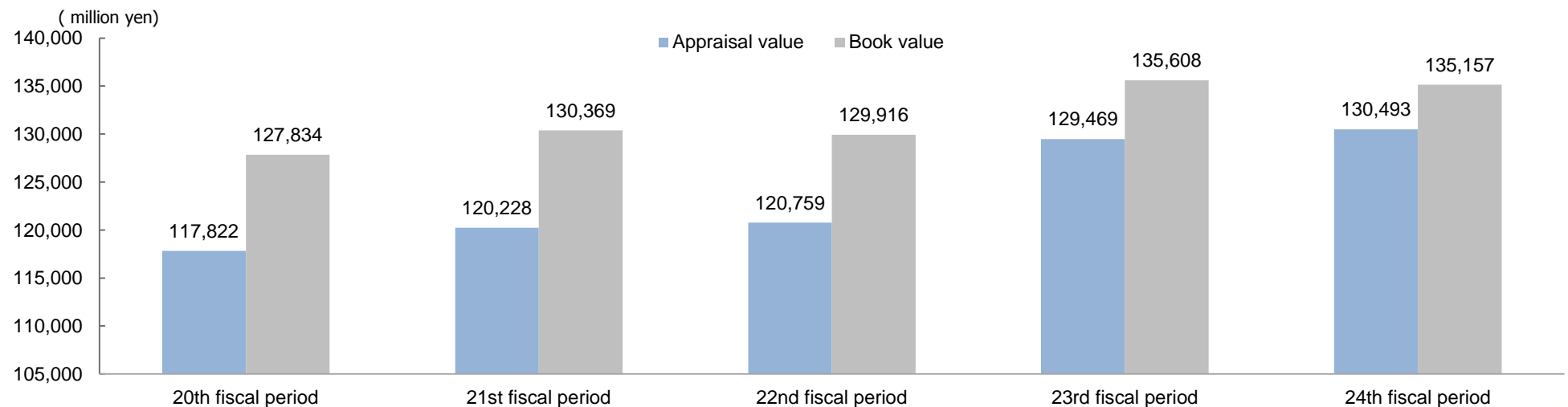
See page 34 for details

## 5 External Growth (5) Historical Appraisal Values

- Appraisal value at the end of the 24th Fiscal Period was 130,493 million yen (market value losses improved 1,474 million yen from the previous period)
- Cap rates decreased for 49 out of 89 owned properties (decreases of between 0.1% to 0.2%)
- Appraisal values increased for 51 properties, remained flat for 28 properties and decreased for 10 properties (compared to previous period (Note))



(Note) Appraisal values of properties acquired during the 24th Fiscal Period (ended November 2013) are compared to the appraisal values at the time of acquisition.



## 6 External Growth (6) 3 Properties Acquired with Funds Raised through the Public Offering (25th Fiscal Period)

- Acquired 3 office properties with the capital raised through public offering (December 2013) (Nagoya, Tokyo and Sendai)
- Utilized warehousing functions provided by our sponsors
- Plan to realize stable occupancy with support from Heiwa Real Estate

### 3 Properties Acquired with Capital Increase through Public Offering

#### HF SAKURADORI BUILDING

Location	Nagoya City, Aichi
Acquisition Price	4,900 million yen
Appraisal value	5,390 million yen
Total leasable floor space	9,934.77㎡
Construction Completion Date	February 2009
Total Number of Tenants (Note 1)	20
Occupancy Rate (Note 1)	96.33%
NOI Yield (Note 2)	6.08%
Yield after Depreciation (Note 2)	4.70%
Acquisition Date	December 20, 2013



#### Property Features

- The property is located in the Nagoya office district “Marunouchi area,” and has excellent transportation access, as it is approximately a three minute walk from Marunouchi Station on the Nagoya Municipal Subway Lines, and a four minute walk from Hisaya-odori Station.
- The property has about 240 tsubo of standard floor area with a ceiling height of 2.8m, and spacious rooms unimpeded by pillars.
- The property is appealing to tenants, with individual air-conditioning, OA area, security system with non-contact type IC cards.

#### Map



(Note 1) As of October 31, 2013.

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

## 6 External Growth (6) 3 Properties Acquired with Funds Raised through the Public Offering (25th Fiscal Period)

### Nihonbashi Hamacho Central Building

Location	Chuo-ku, Tokyo
Acquisition Price	1,900 million yen
Appraisal value	2,060 million yen
Total leasable floor space	3,286.58㎡
Construction Completion Date	February 1987
Total Number of Tenants (Note 1)	6
Occupancy Rate (Note 1)	88.53%
NOI Yield (Note 2)	6.04%
Yield after Depreciation (Note 2)	5.07%
Acquisition Date	December 20, 2013



#### Property Features

- The property has excellent transportation access to Otemachi and Shinjuku on several different lines from Higashi-Nihonbashi Station, Bakuro-yokoyama Station and Hamacho Station on Toei Subway Line, the closest stations.
- The property is located along Kiyosubashi Dori and has good visibility
- Located near Hakozaiki Junction (linked to Tokyo City Air Terminal), traffic convenience by car is excellent with easy access to both Haneda and Narita airports.

#### Map



### Sendai Green Place

Location	Sendai City, Miyagi
Acquisition Price	2,700 million yen
Appraisal value	3,000 million yen
Total leasable floor space	6,577.21㎡
Construction Completion Date	September 2003
Total Number of Tenants (Note 1)	33
Occupancy Rate (Note 1)	93.04%
NOI Yield (Note 2)	6.75%
Yield after Depreciation (Note 2)	4.75%
Acquisition Date	December 20, 2013



#### Property Features

- The property is located in Aoba-dori/Hirose-dori area, where businesses and commerce are concentrated in Sendai. It is approximately a 6 minute walk from Hirose-dori Station on the Sendai Municipal Subway and approximately an 8 minute walk from JR Sendai Station with excellent accessibility to the city center
- The property has approximately 173 tsubos of standard floor area with a ceiling height of 2.7 m, and is equipped with individual air-conditioning, OA floor, etc., features that are appealing to tenants.
- The property has good visibility along Senen-kaido.

#### Map

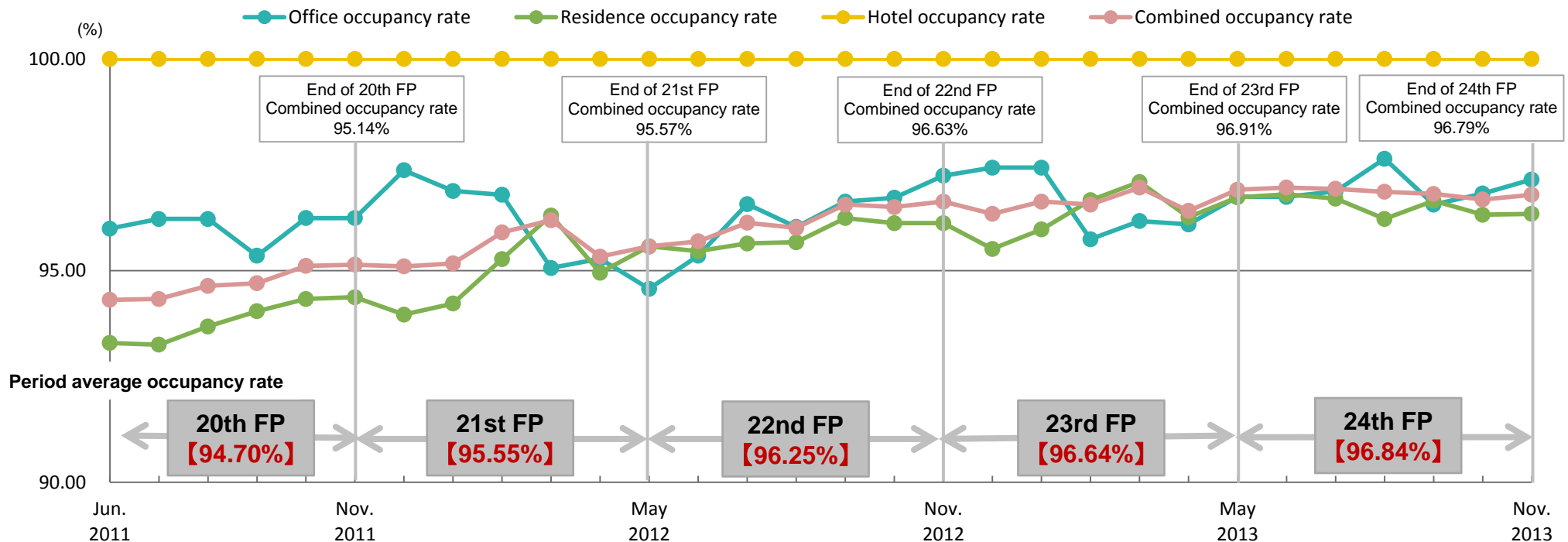


(Note 1) As of October 31, 2013.

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

## 7 Internal Growth (1) History of Occupancy Rates

- Maintained high occupancy rates throughout the period for both offices and residential properties
- Secured an average occupancy rate of 96.84%, exceeding the previous period



### Leasing Measures for Offices

- ✓ Enhanced tenant relations through PM companies
- ✓ Value-added refurbishments performed in response to tenant needs
- ✓ Focused leasing activities at properties where occupancy had dropped

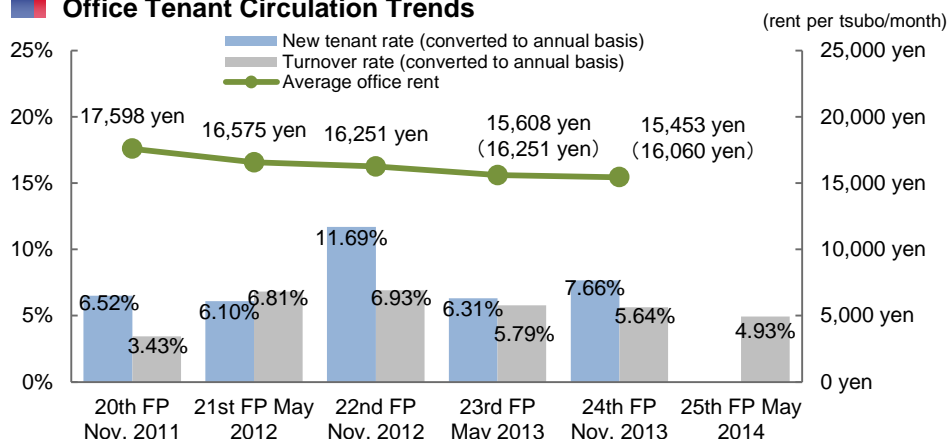
### Leasing Measures for Residences

- ✓ Establishment of new indoor facilities in response to tenant needs
- ✓ Shortened downtime by implementing progress management for restoration work
- ✓ Flexible promotional activities at properties where occupancies have dropped

## 8 Internal Growth (2) Management Status of Offices

- Tenant turnover rates have stabilized at low levels
- Rent gap and ongoing rent revision rates are decreasing

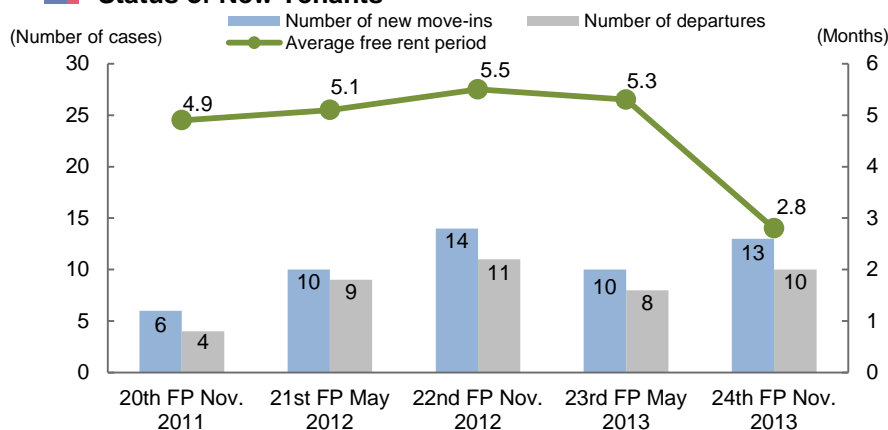
### Office Tenant Circulation Trends



(Note 1) The figures in parenthesis for the 23rd Fiscal Period and after indicate average office rent (including common service charges) excluding the 3 properties acquired at of the 23rd Fiscal Period.

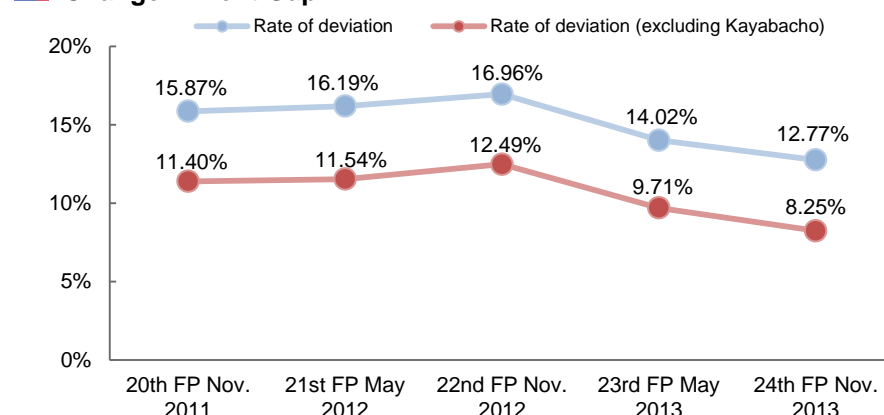
(Note 2) The turnover rate for the 25th Fiscal Period is the annualized area of departure expected as of the end of November 2013.

### Status of New Tenants



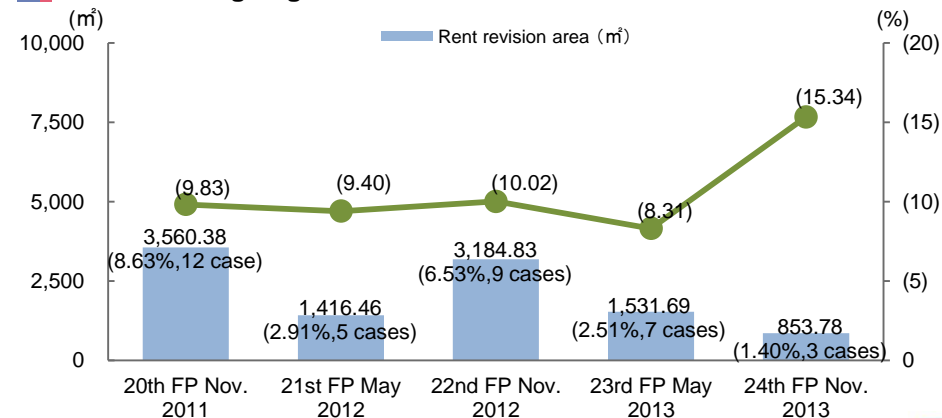
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### Change in Rent Gap



(Note) The rent gap in the "rate of deviation" and "rate of deviation (excluding Kayabacho Heiwa Building)" for the 23rd Fiscal Period and after are calculated without the inclusion of Mita Heiwa Building (leasehold land).

### Status of Ongoing Tenant Rent Revision



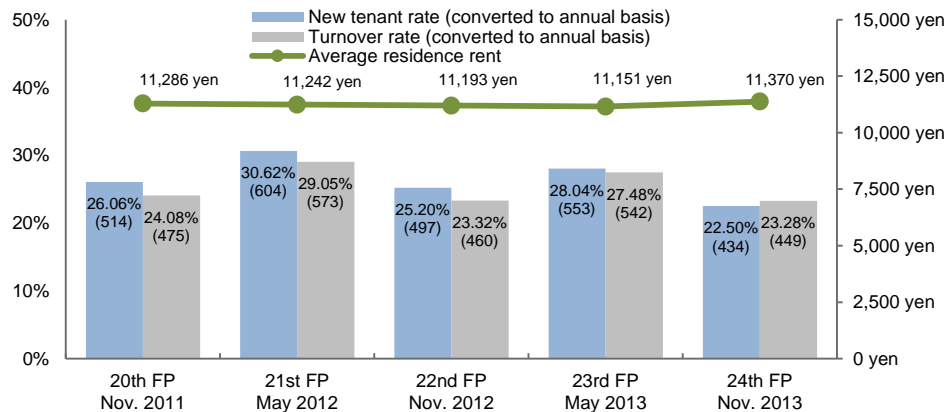
(Note) Figures in the parenthesis are the ratios of rent revision areas versus total leasable floor space, and the numbers of tenants whose rents were revised.



## 9 Internal Growth (3) Management Status of Residences

- Tenant turnover rates remained stable
- New tenant rents are bottoming out

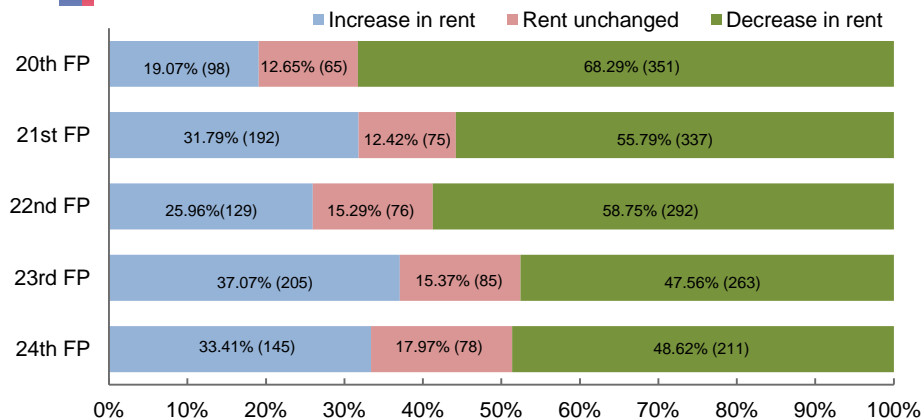
### Residence Tenant Turnover and Average Residence Rent Trends



(Note 1) Figures in parenthesis indicate the number of residential tenants that have moved in or departed.

(Note 2) The new tenant rate and turnover rate for the 24th Fiscal Period are calculated without including the 3 properties sold during the 24th Fiscal Period.

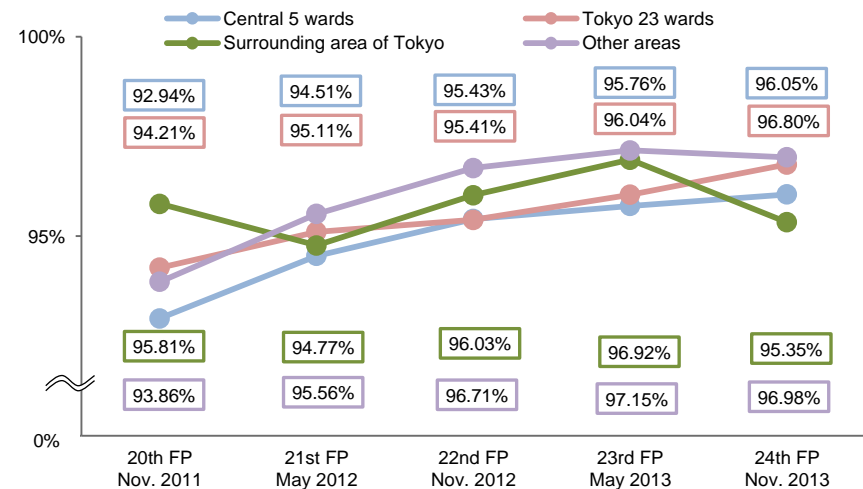
### Status of New Residence Tenants



(Note 1) Figures in parenthesis are the number of tenants that apply to each category.

(Note 2) New tenants in the 24th Fiscal Period exclude the 3 properties sold during the 24th Fiscal Period.

### Average Occupancy Rates of Residences by Investment Area



### Residence Occupancy Rate by Room Type

Room Type (Area)	Investment Share	Occupancy Rate at End of 21st Fiscal Period	Occupancy Rate at End of 22nd Fiscal Period	Occupancy Rate at End of 23rd Fiscal Period	Occupancy Rate at End of 24th Fiscal Period
Single Type (Less than 40 m <sup>2</sup> )	80.39%	95.55%	96.58%	96.69%	95.89%
DINKS Type (40 m <sup>2</sup> or more, less than 60m <sup>2</sup> )	14.87%	95.28%	95.41%	96.54%	96.50%
Family Type (60 m <sup>2</sup> or more)	4.73%	96.77%	95.26%	98.02%	98.22%
<b>Total</b>	<b>100.00%</b>	<b>95.63%</b>	<b>96.18%</b>	<b>96.80%</b>	<b>96.29%</b>

(Note) Excluding shop and office areas.

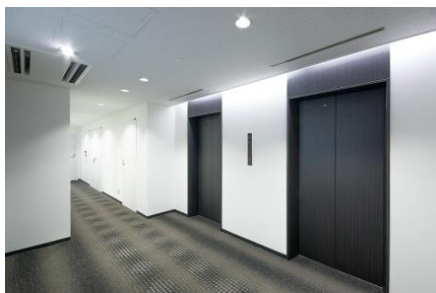
## 10 Internal Growth (4) Refurbishment Construction Work

- Implemented repair work of entire exterior walls of residences (at 4 properties) in addition to repairs at office buildings in order to maintain/improve asset values
- Capital expenditures were managed to result in numbers lower than depreciation expenses for the period

### Office

#### HF NAKAMEGURO BUILDING

Renovation of common areas and plumbing



### Other Repair Work

(Expansion of power saving)

- Installed LED lighting in common areas
- Renewed air conditioning in common areas

(Safety measures)

- Earthquake measures work for elevators

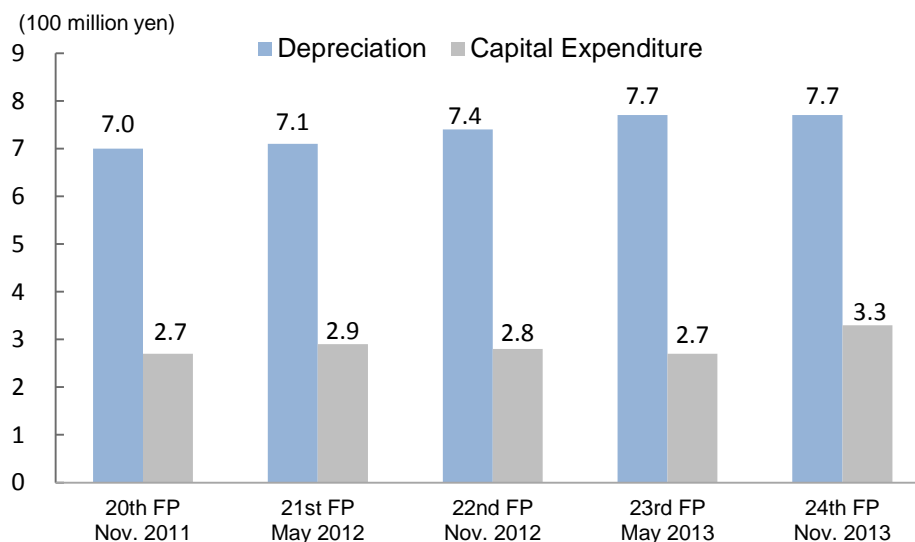
### Residence

#### HF WAKABAYASHI-KOEN RESIDENCE

Renewal work of common areas



### Change in capital expenditures



# 11 Financial Strategies (1) Financing Status

- Extended average remaining years, diversified repayment dates, and reduced average interest rates
- Reduced the risk of rising interest rates on borrowings through the purchase of interest rate caps

## Financing Status of 24th Fiscal Period

	Loan amount	Interest rate (Note)	Loan period	Use of funds
Tem Loan 20	1,230 million yen	0.920% (3M Tibor + 0.70%)	7 years 1 month	Funds for property acquisition
Tem Loan 21 Tranche A	1,970 million yen	0.600% (3M Tibor + 0.38%)	3 years 7 months	Funds for refinancing
Tem Loan 21 Tranche B	4,500 million yen	0.920% (3M Tibor + 0.70%)	7 years 0 month	Funds for refinancing

### Average remaining years

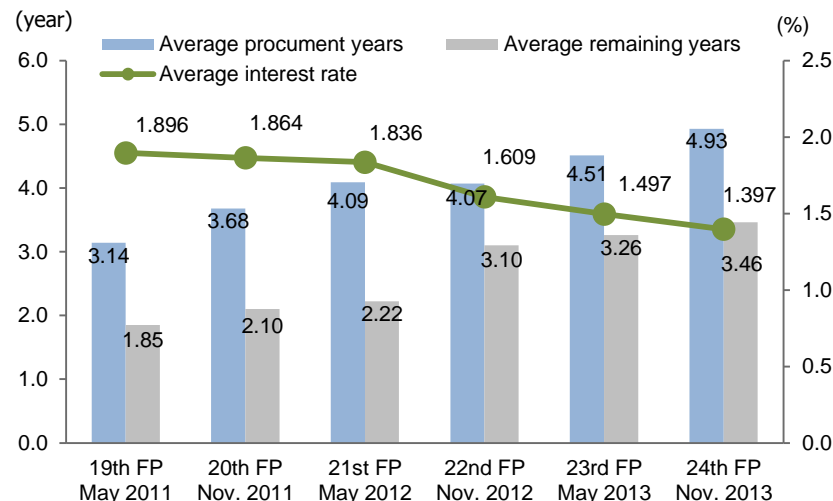
**3.26 years [End of 23rd FP]**  
→ **3.46 years [End of 24th FP]**

### Average interest rate

**1.497% [End of 23rd FP]**  
→ **1.397% [End of 24th FP]**

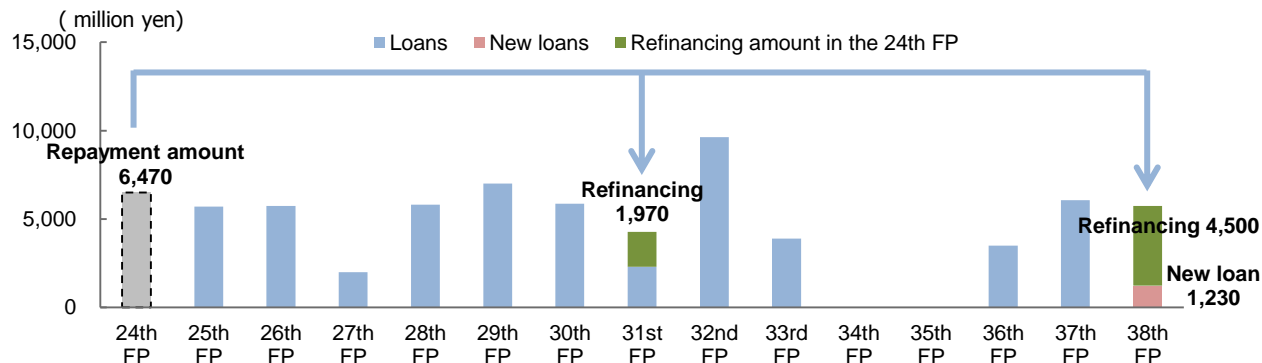
(Note) The rate applicable as of November 29, 2013 is shown.

## Change in status of interest-bearing liabilities

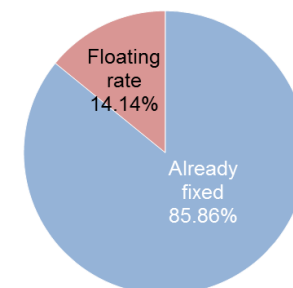


## Diversification Status of Repayment Periods

### Balance of interest-bearing liabilities by repayment date (Total balance of loans: 65,211 million yen)



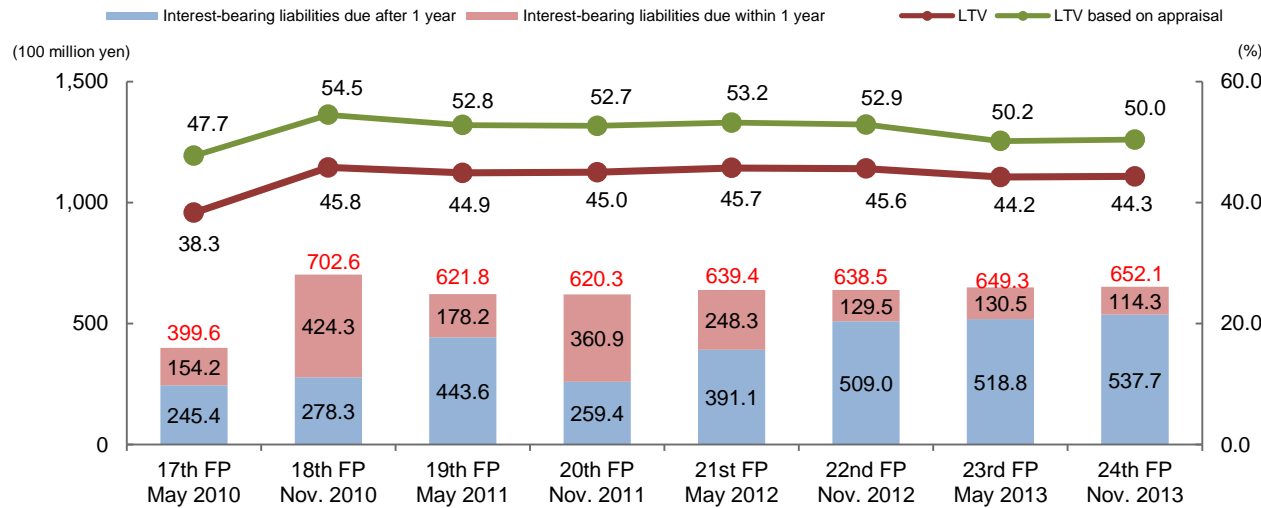
### Ratio of fixed rates



# 12 Financial Strategies (2) Condition of Interest-Bearing Liabilities

- Continued reinforcement of lender formation
- Credit ratings were raised by 1 notch, R&I BBB+ (positive) → A- (Stable)

## Balance of Period-End Interest-Bearing Liabilities and LTV



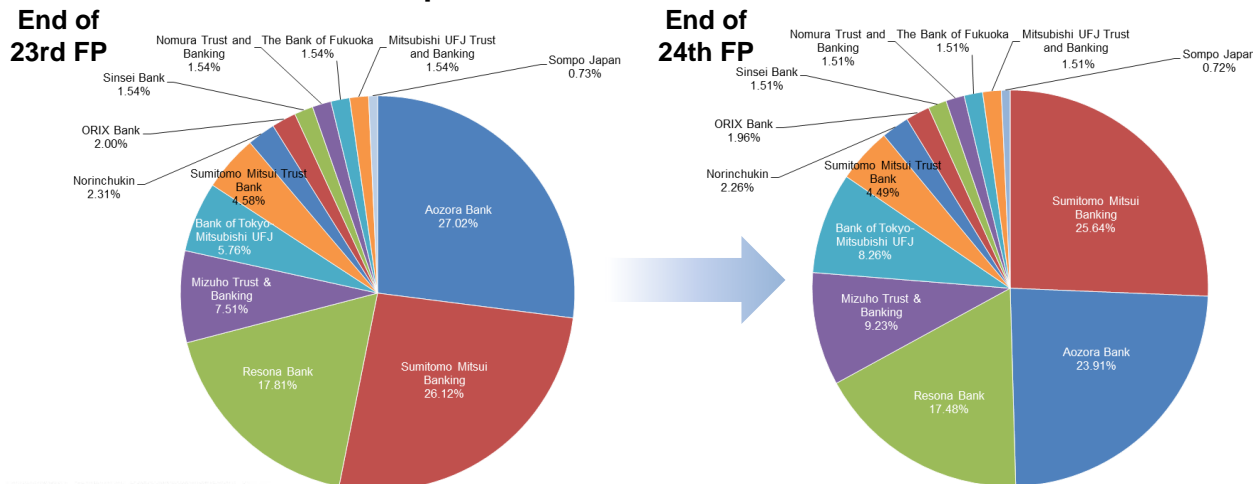
23rd Fiscal Period	24th Fiscal Period
LTV (Note 1)	
44.2%	44.3%
Appraisal-based LTV (Note 2)	
50.2%	50.0%

(Note 1) LTV = Period-end interest-bearing liabilities / Period-end total assets

(Note 2) LTV based on appraisal = Period-end interest-bearing liabilities / Period-end appraisal value

(Note 3) Each period-end balance of liabilities are indicated in red.

## Status of Lender Composition



## Rating Status

Issuer rating	
JCR	R&I (Note)
A- 【Stable】	A- 【Stable】

(Note 2) The rating indicated is that which was announced on December 16, 2013.

- Implemented capital increase through public offering for two consecutive years and acquired 3 office properties (25th Fiscal Period)
- Targeted “steady growth in asset size,” “establishment of strategic portfolio” and “increased stability in financial base”

## Overview of Capital Increase through Public Offering

Date of resolution of issuance	November 28, 2013 (Thursday)
Number of new investment units issued	86,000 units Public offering: 81,900 units Third-party allotment: 4,100 units
Pricing date	December 9, 2013 (Monday)
Amount to be paid in	68,316 yen
Total amount to be paid in	5.875 billion yen

## Effects of Capital Increase through Public Offering

	End of 24th FP	After Public Offering (estimate)
Number of properties	89 properties	<b>92 properties</b>
Asset size	138.1 billion yen	<b>147.6 billion yen</b>
Ratio of offices	38.2%	<b>42.2%</b>
LTV	44.3%	<b>44.0%</b>
Appraisal LTV	50.0%	<b>49.0%</b>

## Overview of Asset Acquisitions

Acquisition date	December 20, 2013 (Friday)
Number of properties acquired	3 properties
Total Acquisition Price	9.5 billion yen
Total Appraisal value upon acquisition	10.4 billion yen
Expected average NOI yield (Note)	6.26%
Seller	Heiwa Real Estate Co., Ltd.

(Note) Expected average NOI yields are based on the annual expected NOI yields for each property in the press release “Acquisition of Assets” dated November 28, 2013.

## Conversion of Secured Loans to Unsecured Loans

- (Preconditions)
- ✓ All capital from the public offering must be received
  - ✓ All purchase/sale transaction agreements must stay in effect



**Realized release of security interest**  
as of December 18, 2013

- Invited 2 new lenders
- Term Loan 22 Tranche B achieved the longest loan period yet of 7 years and 5 months

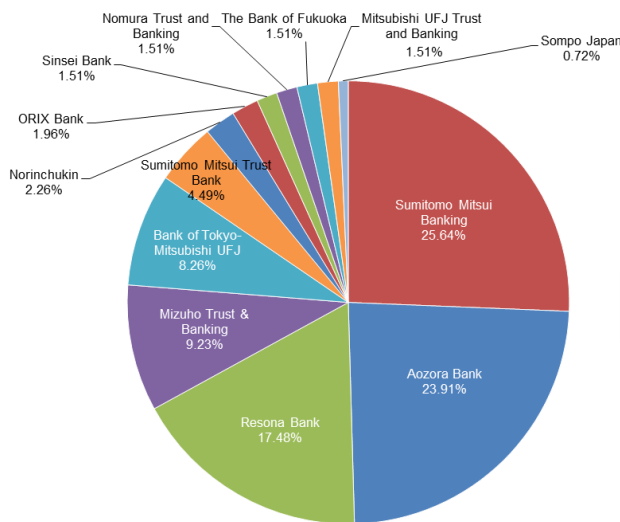
## Borrowing through Public Offering

	Loan amount	Interest rate (Note)	Loan period
Term Loan 22 Tranche A	2,800 million yen	0.434% (Note) (1M Tibor + 0.275%)	1 year 5 months
Term Loan 22 Tranche B	1,000 million yen	1.462% (Fixed)	7 years 5 months

(Note) This indicates interest rate applicable as of December 18, 2013, and a linear proportional distribution of 1-month TIBOR and 2-month TIBOR.

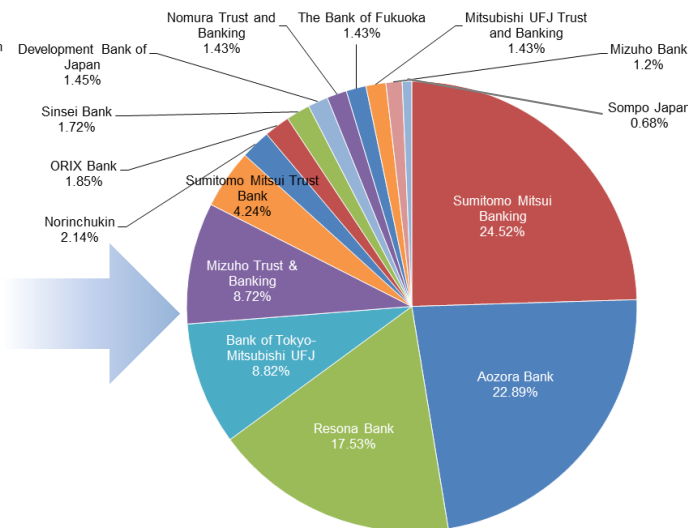
## Status of Lender Composition

End of 24th FP



No. of Lender: 13 Lenders

After Public Offering



No. of Lender: 15 Lenders

## Invited Development Bank of Japan and Mizuho Bank as new lenders

Lender	Balance (million yen)	Share
Sumitomo Mitsui Banking	16,921	24.52%
Aozora Bank	15,793	22.89%
Resona Bank	12,100	17.53%
Bank of Tokyo-Mitsubishi UFJ	6,085	8.82%
Mizuho Trust & Banking	6,016	8.72%
Sumitomo Mitsui Trust Bank	2,928	4.24%
Norinchukin	1,477	2.14%
ORIX Bank	1,280	1.85%
Shinsei Bank	1,185	1.72%
Development Bank of Japan	1,000	1.45%
Nomura Trust and Banking	985	1.43%
Bank of Fukuoka	985	1.43%
Mitsubishi UFJ Trust and Banking	985	1.43%
Mizuho Bank	800	1.16%
Sompo Japan	469	0.68%
<b>Total</b>	<b>69,011</b>	<b>100.00%</b>



## III Future Growth Strategies

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# 1 [Stage 3] Efforts for a Stable Growth Path

## Basic policy

### External Growth

- Steady and ongoing external growth
- ✓ Continuous property acquisition, including asset replacements
  - ✓ Strengthen pipeline with Heiwa Real Estate
  - ✓ Diversify acquisition methods and information channels

#### Property Acquisition Criteria

- ✓ Properties must contribute to increased portfolio quality and profitability
- ✓ Offices must have upside profitability potential
- ✓ Must be primarily located within the 23 wards of Tokyo, or regions where Heiwa Real Estate can provide support

### Internal Growth

- Secure/increase of revenues and maintenance/enhancement of asset value
- ✓ Maintain occupancy rate through various leasing measures
  - ✓ Improved and effective property management
  - ✓ Provide comfortable spaces through further improvements in building environments and services
  - ✓ Implementation of appropriate and well-planned repair works

### Financial Strategies

- Continue to strengthen the financial base (Further upgrading of rating)
- ✓ Reduce financial costs, respond to the risk of rising interest rates, extend and diversify loan maturities
  - ✓ Appropriate control of LTV  
(Secure appropriate fund procurement means with an upper limit of 55% LTV based on appraisal for the time being)
  - ✓ Expand fund procurement sources through the enhancement of lender compositions and other means
- Stabilize distributions
- ✓ Utilize negative goodwill  
(Allot to unexpected factors, strategic expenditures, etc.)
  - ✓ Utilize loss carried forward for taxation purposes  
(Posting gain on sale at the time of property sale in internal reserve)



By steadily implementing our strategy, realize steady growth of per unit dividends through asset increase

[Realize steady growth of assets under management and stable earnings over the mid to long term]  
*Steady Growth & Sustainable Profit*

# Appendix

# 1 Balance Sheet

## ■ Assets

Period		(unit: thousand yen)				
		23rd Fiscal Period May 31, 2013		24th Fiscal Period November 30, 2013		Variation
Category		Amount	Share (%)	Amount	Share (%)	Amount
(Assets)						
I Current assets						
Cash and deposits		4,767,184		5,286,986		519,802
Cash and deposits in trust		4,804,895		4,761,420		(43,475)
Accounts receivable-trade		75,078		84,700		9,622
Prepaid expenses		365,538		399,052		33,513
Consumption taxes receivable		75,882		-		(75,882)
Derivatives		44,990		-		(44,990)
Other		434		238		(196)
Allowance for doubtful accounts		(1,105)		(365)		738
Current assets		10,132,899	6.9	10,532,032	7.2	399,133
II Noncurrent assets						
1. Property, plant and equipment	Note 1					
Buildings		9,475,691		9,420,875		(54,815)
Structures		35,123		33,208		(1,915)
Machinery and equipment		123,050		120,109		(2,941)
Tools, furniture and fixtures		52,627		50,123		(2,503)
Land		27,452,042		27,452,042		-
Buildings in trust		31,604,141		30,977,606		(626,534)
Structures in trust		239,167		230,471		(8,696)
Machinery and equipment in trust		186,098		185,574		(524)
Tools, furniture and fixtures in trust		248,874		229,852		(19,021)
Land in trust		64,632,054		64,898,748		266,693
Total property, plant and equipment		134,048,872	91.3	133,598,613	90.8	(450,258)
2. Intangible assets						
Leasehold right		715,719		715,719		-
Leasehold rights in trust		843,410		843,410		-
Other		6,038		4,854		(1,184)
Total intangible assets		1,565,168	1.1	1,563,984	1.1	(1,184)
3. Investments and other assets						
Investment securities		-		143,061		143,061
Guarantee deposits		10,015		10,015		-
Long-term prepaid expenses		904,591		1,018,348		113,756
Other		163,958		172,544		8,585
Total investments and other assets		1,078,566	0.7	1,343,970	0.9	265,403
Total noncurrent assets		136,692,608	93.1	136,506,568	92.8	(186,039)
III Deferred assets						
Investment unit issuance expenses		32,295		25,439		(6,856)
Total deferred assets		32,295	0.0	25,439	0.0	(6,856)
Total assets		146,857,802	100.0	147,064,041	100.0	206,238

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

## ■ Liabilities and net assets

Period		(unit: thousand yen)				
		23rd Fiscal Period May 31, 2013		24th Fiscal Period November 30, 2013		Variation
Category		Amount	Share (%)	Amount	Share (%)	Amount
(Liabilities)						
I Current Liabilities						
Accounts payable		514,215		466,920		(47,295)
Current portion of long-term loans payable		13,054,700		11,439,700		(1,615,000)
Accrued expenses		623,909		610,711		(13,197)
Income taxes payable		474		469		(5)
Accrued consumption taxes		-		78,051		78,051
Advances received		736,924		711,426		(25,497)
Derivatives liabilities		-		272,482		272,482
Other		11,291		12,409		1,117
Total current liabilities		14,941,516	10.2	13,592,172	9.2	(1,349,346)
II Noncurrent liabilities						
Long-term loans payable		51,884,000		53,772,000		1,888,000
Tenant leasehold and security deposits		978,531		951,629		(26,901)
Tenant leasehold and security deposits in trust		2,574,533		2,555,780		(18,752)
Total noncurrent liabilities		55,437,064	37.7	57,279,410	38.9	1,842,345
Total liabilities		70,378,580	47.9	70,871,582	48.2	492,999
(Net assets)						
I Unitholders' equity						
1. Unitholders' capital	Note 2	64,652,643	44.0	64,652,643	44.0	-
2. Surplus						
Capital surplus		7,406,652	5.0	7,406,652	5.0	-
Unappropriated retained earnings		4,374,936	3.0	4,405,647	3.0	30,711
Total surplus		11,781,588	8.0	11,812,299	8.0	30,711
Total unitholders' equity		76,434,231	52.0	76,464,942	52.0	30,711
II Valuation and translation adjustments						
Deferred gains or losses on hedges		44,990		Δ 272,482		(317,472)
Total valuation and translation adjustments		44,990	0.0	Δ 272,482	(0.2)	(317,472)
Total net assets	Note 3	76,479,221	52.1	76,192,460	51.8	(286,761)
Total liabilities and net assets		146,857,802	100.0	147,064,041	100.0	206,238

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

cumulated depreciation

23rd fiscal period: 7,472,440 thousand yen 24th fiscal period: 8,185,024 thousand yen

Note 2 Total outstanding investment units

23rd fiscal period: 795,447 units 24th fiscal period: 795,447 units

Note 3 Net assets per investment unit

23rd fiscal period: 96,146 yen 24th fiscal period: 95,785 yen

## 2 Profit and Loss Statement

(unit: thousand yen)

Category	Period	23rd Fiscal period (Dec. 1, 2012-May. 31, 2013)			24th Fiscal period (Jun. 1, 2013-Nov. 30, 2013)			Variation	
		Amount		Share (%)	Amount		Share (%)	Amount	Share (%)
Operating revenue	Note 1								
Rent revenue-real estate		4,257,116			4,248,363				
Other lease business revenue		353,302			347,578				
Gain on sales of real estate properties		—	4,610,418	100.0	19,365	4,615,307	100.0	4,889	0.1
Operating expenses	Note 2								
Expenses related to rent		2,148,745			2,019,814				
Asset management fee		415,247			422,108				
Asset custody fee		22,589			19,617				
Administrative service fees		39,898			42,881				
Directors' compensations		8,006			8,006				
Audit fee		9,660			9,660				
Other operating expenses		87,391	2,731,538	59.2	89,722	2,611,810	56.6	(119,727)	(4.6)
Operating income (loss)			1,878,880	40.8		2,003,496	43.4	124,616	6.2
Non-operating income									
Interest income		641			668				
Other		7,435	8,076	0.2	2,126	2,794	0.1	(5,281)	(189.0)
Non-operating expenses									
Interest expenses		511,179			514,750				
Borrowing related expenses		149,322			144,993				
New investment unit issuance costs		7,104			6,856				
Other		8,205	675,811	14.7	3,842	670,442	14.5	(5,369)	(0.8)
Ordinary income (loss)			1,211,144	26.3		1,335,849	28.9	124,704	9.3
Income (Loss) before income taxes			1,211,144	26.3		1,335,849	28.9	124,704	9.3
Income taxes-current		605			604				
Income taxes			605	0.0		604	0.0	(1)	0.0
Net income (loss)			1,210,539	26.3		1,335,244	28.9	124,704	9.3
Retained earnings brought forward			3,164,396			3,070,402			
Unappropriated retained earnings (undisposed loss)			4,374,936			4,405,647			

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

Note 1 The management days of each period are 182 days for the 23rd fiscal period and 183 days for the 24th fiscal period.

Note 2 The depreciation costs of this total are 774,409 thousand yen for the 23rd fiscal period and 777,746 thousand yen for the 24th fiscal period.

### 3 Debts

#### Loans

(As of Nov. 30, 2013)

	Breakdown	Balance at Period End (million yen)	Interest Rate (%)	Borrowing Date	Repayment Date	Description
	Lender					
Long-term loans payable Due within One Year	Aozora Bank, Ltd. Resona Bank, Limited. Sumitomo Mitsui Banking Corporation Mizuho Trust & Banking Co., Ltd. Sumitomo Mitsui Trust Bank, Limited The Bank of Tokyo-Mitsubishi UFJ, Ltd.	5,708	1.80336	May 31, 2011	May 30, 2014	Secured and Unguaranteed (Note)
	Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Mizuho Trust & Banking Co., Ltd. The Norinchukin Bank The Bank of Fukuoka ORIX Bank Corporation Sampo Japan Insurance Inc.	5,731	1.22091	October 31, 2011	October 31, 2014	
	Subtotal	11,439				
	Aozora Bank, Ltd. Sumitomo Mitsui Banking Corporation Resona Bank, Limited.	2,820	2.12818	October 27, 2010	October 31, 2015	
	Aozora Bank, Ltd. Resona Bank, Limited. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Resona Bank, Limited.	4,000	2.14200	May 31, 2011	May 31, 2016	
	Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Resona Bank, Limited.	5,857	1.42091	October 31, 2011	October 31, 2016	
	Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,000	1.27091	March 30, 2012	October 30, 2015	
	Aozora Bank, Ltd. Resona Bank, Limited.	6,130	1.89206	May 31, 2012	October 31, 2017	
	ORIX Bank Corporation Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Resona Bank, Limited.	480	1.17091	October 25, 2012	May 31, 2015	
	Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Resona Bank, Limited.	3,000	1.27091	October 25, 2012	May 31, 2016	
Long-term loans payable	Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Resona Bank, Limited.	3,500	1.42091	October 25, 2012	October 31, 2017	Secured and Unguaranteed (Note)
	Sumitomo Mitsui Banking Corporation Resona Bank, Limited. Shinsei Bank, Limited	2,295	1.07891	October 31, 2012	May 31, 2017	
	Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Resona Bank, Limited. Sumitomo Mitsui Trust Bank, Limited Sumitomo Mitsui Banking Corporation	3,900	1.17891	October 31, 2012	May 31, 2018	
	Aozora Bank, Ltd. Resona Bank, Limited. Shinsei Bank, Limited	3,500	1.32091	October 31, 2012	October 31, 2019	
	Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,520	0.79818	December 17, 2012	May 31, 2015	
	Sumitomo Mitsui Banking Corporation Resona Bank, Limited. Mizuho Trust & Banking Co., Ltd. Mizuho Trust & Banking Co., Ltd.	6,070	1.12091	March 29, 2013	March 31, 2020	
	The Nomura Trust and Banking Co., Ltd. Mitsubishi UFJ Trust and Banking Corporation Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Resona Bank, Limited. The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,970	0.60091	October 31, 2013	May 31, 2017	
	Subtotal	53,772				
	Total	65,211				

Note: Release of security interest on December 18, 2013

#### Lenders' Share

23rd Fiscal Period End  
(May 31, 2013)

(unit: million yen)

Lender	Balance	Share
Aozora Bank, Ltd.	17,544	27.02%
Sumitomo Mitsui Banking Corporation	16,964	26.12%
Resona Bank, Limited	11,566	17.81%
Mizuho Trust & Banking Co., Ltd.	4,874	7.51%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,739	5.76%
Sumitomo Mitsui Trust Bank, Limited	2,972	4.58%
The Norinchukin Bank	1,500	2.31%
ORIX Bank Corporation	1,300	2.00%
Shinsei Bank, Limited	1,000	1.54%
The Nomura Trust and Banking Co., Ltd.	1,000	1.54%
The Bank of Fukuoka, Ltd.	1,000	1.54%
Mitsubishi UFJ Trust and Banking Corporation	1,000	1.54%
Sampo Japan Insurance Inc.	477	0.73%
Total	64,938	100.00%

24th Fiscal Period End  
(November 30, 2013)

(unit: million yen)

Lender	Balance	Share
Sumitomo Mitsui Banking Corporation	16,721	25.64%
Aozora Bank, Ltd.	15,593	23.91%
Resona Bank, Limited	11,400	17.48%
Mizuho Trust & Banking Co., Ltd.	6,016	9.23%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	5,385	8.26%
Sumitomo Mitsui Trust Bank, Limited	2,928	4.49%
The Norinchukin Bank	1,477	2.26%
ORIX Bank Corporation	1,280	1.96%
Shinsei Bank, Limited	985	1.51%
The Nomura Trust and Banking Co., Ltd.	985	1.51%
The Bank of Fukuoka, Ltd.	985	1.51%
Mitsubishi UFJ Trust and Banking Corporation	985	1.51%
Sampo Japan Insurance Inc.	469	0.72%
Total	65,211	100.00%



## 4 Diversification of Investment Areas

Office Residence Hotel

The height of the bars indicates the asset size of each property type in each area (as of the end of November 2013, based on acquisition price)

### Metropolitan Area Total

83.3%

68 properties 115.03 billion yen

### Surrounding Area of Tokyo

8.7%

7 properties  
12.03 billion yen

### Sendai

2.5%

4 properties  
3.47 billion yen

### Fukuoka

2.0%

3 properties  
2.70 billion yen

### Kansai

7.8%

10 properties  
10.73 billion yen

### Nagoya

4.5%

4 properties  
6.21 billion yen

### Tokyo 23 Wards

74.6%

61 properties 103.00 billion yen

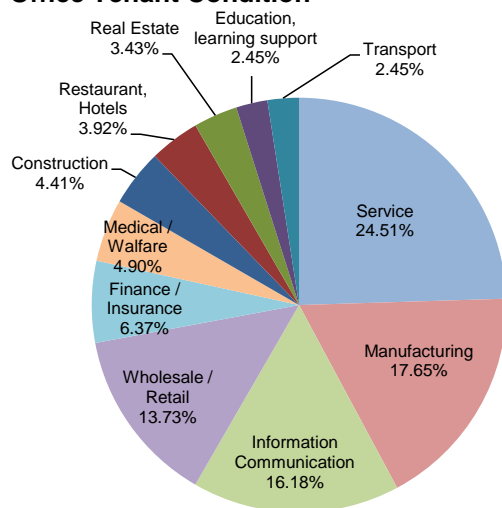
## 5 Office Portfolio Performance

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

- Office tenants are diversified and granularly dispersed across many business types
- The largest tenant accounts for only 4.68% of the total rent income

(Note) The management status of offices below is calculated with figures as of November 30, 2013.

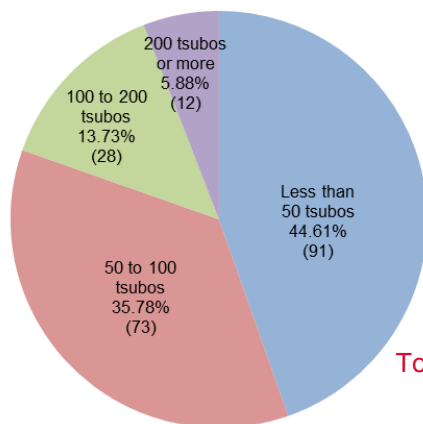
### Office Tenant Condition



### Tenants with Largest Rent Share (Includes Residence and Hotel)

Ranking	Tenant	Property Name	Share of total rent
1	Company A	Kayabacho Heiwa Bldg	4.68%
2	Company B	Super Hotel (4 properties)	3.46%
3	Company C	HIROKOJI AQUA PLACE	1.91%
4	Company D	Funabashi Face Bldg.	1.73%
5	Company E	M2 Harajuku	1.37%
Total			13.16%

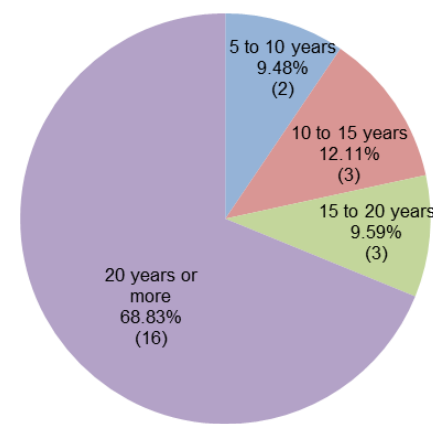
### Tenant Diversification by Area



Total number of office tenant  
**204** tenants

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

### Office Asset Age



Average office asset age  
**21.23** years

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

## 6 Residential Portfolio Performance

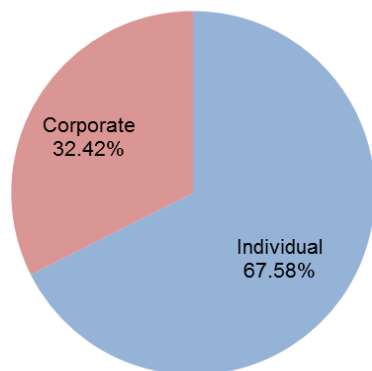
(Residence Types, Tenant Diversification by Rent, by Leasable Floor Space and by Asset Age)

- Types of residential tenants have not changed significantly compared to the previous period

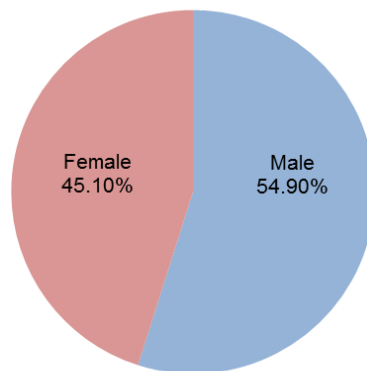
(Note) The management status of residences below is calculated with figures as of November 30, 2013.

### Residence Types

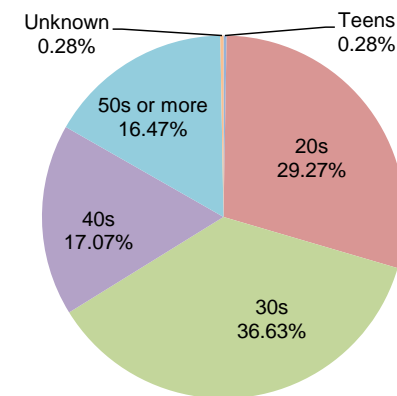
#### Agreement Categories



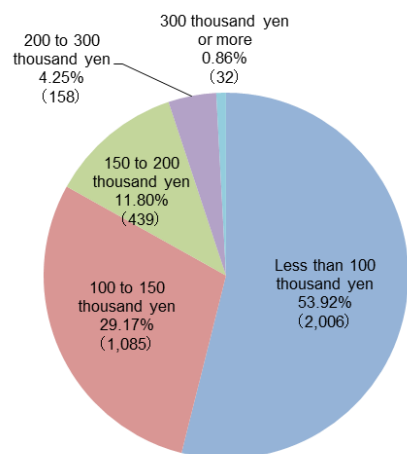
#### Gender Breakdown for Individual Contracts



#### Age Distribution



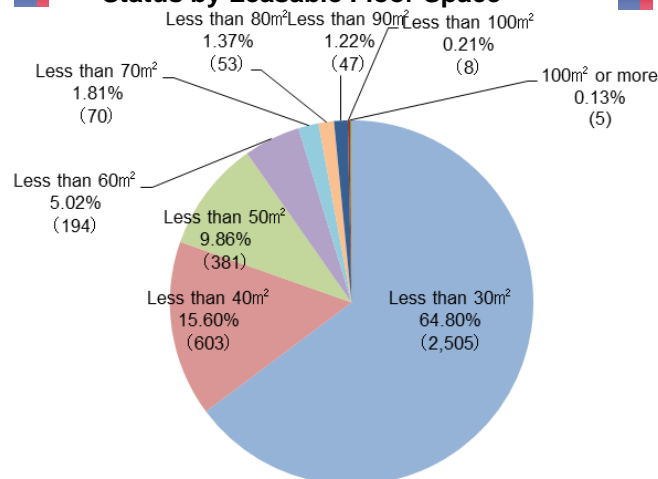
### Status by Monthly Rent



Number of residential tenants

**3,720** tenants

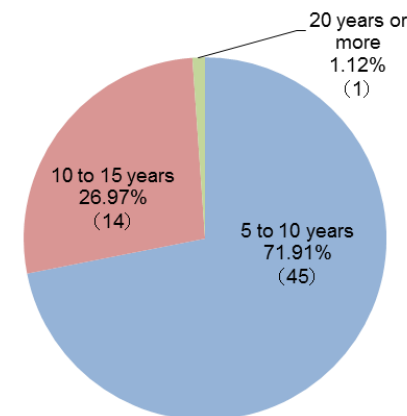
### Status by Leasable Floor Space



Number of leasable units

**3,866** units

### Residence Asset Age



Average residence asset age

**9.45** years

(Note) Figures in parenthesis and the total number of residential tenants are the number of tenants as of November 30, 2013.

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

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

## 7 Profits from Rental Business

(unit: thousand yen)

Total	23rd Fiscal Period	24th Fiscal Period
Rents and common expenses	4,257,116	4,248,363
Other income	353,302	347,578
Rental business income total	4,610,418	4,595,942
PM fees	481,119	463,010
Public charges and taxes	276,368	326,822
Utilities	154,260	187,098
Maintenance and repair fees	364,879	174,985
Insurance fees	4,605	4,526
Trust fees	47,158	46,401
Other expenses	45,943	39,223
Rental business expenses total	1,374,335	1,242,067
NOI	3,236,082	3,353,874
Depreciation	774,409	777,746
Rental business profit	2,461,673	2,576,127

Residence	23rd Fiscal Period	24th Fiscal Period
Rents and common expenses	2,485,186	2,482,963
Other income	147,289	122,030
Rental business income total	2,632,475	2,604,993
PM fees	300,439	278,833
Public charges and taxes	146,051	144,749
Utilities	32,831	32,981
Maintenance and repair fees	110,215	143,976
Insurance fees	2,925	2,837
Trust fees	33,984	33,206
Other expenses	25,146	20,120
Rental business expenses total	651,593	656,705
NOI	1,980,882	1,948,287
Depreciation	493,802	496,916
Rental business profit	1,487,080	1,451,371

Office	23rd Fiscal Period	24th Fiscal Period
Rents and common expenses	1,623,171	1,616,642
Other income	206,013	225,539
Rental business income total	1,829,184	1,842,181
PM fees	180,680	184,177
Public charges and taxes	113,684	165,511
Utilities	121,429	154,117
Maintenance and repair fees	254,663	31,008
Insurance fees	1,495	1,504
Trust fees	10,873	10,894
Other expenses	20,197	18,992
Rental business expenses total	703,024	566,206
NOI	1,126,159	1,275,974
Depreciation	247,509	247,899
Rental business profit	878,650	1,028,074

Hotel	23rd Fiscal Period	24th Fiscal Period
Rents and common expenses	148,758	148,758
Other income	-	9
Rental business income total	148,758	148,767
PM fees	-	-
Public charges and taxes	16,633	16,561
Utilities	-	-
Maintenance and repair fees	-	-
Insurance fees	184	184
Trust fees	2,300	2,300
Other expenses	600	110
Rental business expenses total	19,718	19,155
NOI	129,039	129,611
Depreciation	33,098	32,930
Rental business profit	95,941	96,681

# 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 Hamamatsucho SS Building	Of-08 Kokusai Tameike Building
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Address	Shinagawa-ku, Tokyo		Chuo-ku, Tokyo		Koto-ku, Tokyo		Minato-ku, Tokyo		Minato-ku, Tokyo	
Lot Area (m <sup>2</sup> )	605.72		316.73		748.36		294.50		533.32	
Total Floor Area (m <sup>2</sup> )	2,921.56		2,177.81		4,558.01		2,184.76		3,089.73	
Constructed	May 1980		August 1991		December 1990		December 1991		February 1992	
Period-end occupancy rate (%)	96.35		100.00		100.00		100.00		100.00	
Acquisition Price (mm yen)	1,290		1,550		2,500		1,530		2,700	
Appraisal Price (mm yen)	1,237		1,202		2,240		1,490		2,540	
Property Management Company	Heiwa Real Estate Co., Ltd.		Heiwa Real Estate Co., Ltd.		Heiwa Real Estate Co., Ltd.		Heiwa Real Estate Co., Ltd.		Heiwa Real Estate Co., Ltd.	
PML (%)	10.9		10.0		5.7		8.0		7.3	
Rental business balance (Note 1)	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	43,882	44,513	45,366	45,362	78,694	80,116	48,726	48,726	73,433	73,433
Other income	3,923	4,275	5,685	7,077	10,670	11,690	5,696	6,443	8,114	9,433
①Rental business income total (unit: thousand yen)	47,806	48,788	51,051	52,439	89,365	91,807	54,423	55,169	81,548	82,867
PM fees	6,944	5,668	6,627	6,732	11,908	10,815	4,526	4,272	6,193	5,687
Public charges and taxes	5,428	5,356	4,841	4,831	5,927	5,914	6,666	6,487	7,237	7,189
Utilities	3,025	3,445	5,338	6,484	9,450	10,938	4,560	5,001	5,871	6,705
Maintenance and repair fees	2,841	1,830	289	492	28,008	1,015	25,798	117	17,283	279
Insurance fees	56	56	43	43	81	81	40	40	61	61
Trust fees	1,025	1,025	690	690	900	900	750	750	1,366	1,366
Other expenses	450	593	42	41	1,763	1,336	587	26	992	92
②Rental business expenses total (unit: thousand yen)	19,771	17,976	17,873	19,315	58,038	31,000	42,928	16,695	39,005	21,381
③NOI (① - ②)	28,035	30,812	33,178	33,124	31,326	60,807	11,494	38,473	42,543	61,485
Depreciation	7,415	8,348	7,920	7,970	16,439	16,355	6,586	6,640	7,241	7,346
Rental business profit	20,619	22,464	25,258	25,154	14,887	44,452	4,907	31,833	35,302	54,138

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

# 8 Portfolio Overview and Performance (Office)

Property Name	Of-09 Grace Building Sengakujimae		Of-10 HF SHIN- YOKOHAMA BUILDING		Of-11 Nihonbashi Daiichi Building		Of-12 Hatchobori SF Building		Of-13 Shibuya AX Hills	
										
Address	Minato-ku, Tokyo		Yokohama City, Kanagawa		Chuo-ku, Tokyo		Chuo-ku, Tokyo		Shibuya-ku, Tokyo	
Lot Area (m <sup>2</sup> )	538.50		668.00		520.69		543.31		160.42	
Total Floor Area (m <sup>2</sup> )	2,401.74		4,321.23		3,455.35		3,425.91		1,071.22	
Constructed	June 1994		February 1993		March 1988		October 1991		March 2006	
Period-end occupancy rate (%)	100.00		94.77		100.00		100.00		79.38	
Acquisition Price (mm yen)	1,220		1,550		2,150		3,092		1,860	
Appraisal Price (mm yen)	1,450		1,110		1,710		2,340		1,350	
Property Management Company	Heiwa Real Estate Co., Ltd.		Heiwa Real Estate Co., Ltd.		Heiwa Real Estate Co., Ltd.		Building Management & Strategy Inc.		Heiwa Real Estate Co., Ltd.	
PML (%)	7.5		13.3		16.5		12.5		5.1	
Rental business balance (Note 1)	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	53,952	52,942	39,463	37,748	46,918	50,528	69,532	70,252	28,967	28,248
Other income	8,751	8,987	5,470	8,134	7,609	8,562	6,222	6,811	4,875	4,998
①Rental business income total (unit: thousand yen)	62,703	61,929	44,933	45,882	54,528	59,091	75,755	77,063	33,843	33,246
PM fees	5,543	5,436	6,563	10,858	5,658	6,179	6,506	6,363	3,097	4,493
Public charges and taxes	2,299	2,296	4,899	4,882	4,886	4,870	8,233	8,231	2,828	2,781
Utilities	5,425	6,359	2,308	4,715	4,655	5,437	4,889	5,580	2,788	2,837
Maintenance and repair fees	28,288	1,295	1,035	1,883	1,811	1,096	4,795	648	314	2,370
Insurance fees	49	49	77	78	64	64	68	68	25	25
Trust fees	699	699	-	-	1,255	1,255	-	-	-	-
Other expenses	5,503	6,491	762	316	459	266	165	169	53	364
②Rental business expenses total (unit: thousand yen)	47,809	22,629	15,645	22,733	18,791	19,171	24,658	21,061	9,106	12,872
③NOI (① - ②)	14,893	39,300	29,288	23,149	35,736	39,920	51,096	56,002	24,736	20,374
Depreciation	6,681	6,843	17,276	17,829	11,906	12,316	8,450	8,597	4,659	4,684
Rental business profit	8,212	32,457	12,012	5,319	23,830	27,603	42,645	47,404	20,077	15,689

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



# 8 Portfolio Overview and Performance (Office)

Property Name	Of-14 KCA Building		Of-15 HF NAKAMEGURO BUILDING		Of-16 Anwa Tsukasacho Building		Of-17 Hatchobori MF Building		Of-18 M2 Harajuku	
										
Address	Chiyoda-ku, Tokyo		Meguro-ku, Tokyo		Chiyoda-ku, Tokyo		Chuo-ku, Tokyo		Shibuya-ku, Tokyo	
Lot Area (m <sup>2</sup> )	224.17		1,078.04		251.95		205.83		264.36	
Total Floor Area (m <sup>2</sup> )	1,562.30		4,040.53		1,412.45		1,432.44		1,347.75	
Constructed	November 1987		February 1988		October 1990		January 1988		January 1970	
Period-end occupancy rate (%)	82.20		77.13		100.00		100.00		100.00	
Acquisition Price (mm yen)	1,730		2,870		1,385		1,110		3,418	
Appraisal Price (mm yen)	1,069		2,050		1,090		909		4,134	
Property Management Company	Property Partners Co., Ltd.		Heiwa Real Estate Co., Ltd.		Heiwa Real Estate Co., Ltd.		Heiwa Real Estate Co., Ltd.		Heiwa Real Estate Co., Ltd.	
PML (%)	13.8		14.5		9.2		14.7		9.8	
Rental business balance (Note 1)	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	33,609	30,921	67,920	59,344	29,750	30,799	28,492	27,484	97,785	70,352
Other income	162	162	14,707	14,126	3,605	4,964	2,471	4,219	34,192	25,938
①Rental business income total (unit: thousand yen)	33,772	31,084	82,627	73,471	33,356	35,764	30,964	31,703	131,978	96,290
PM fees	5,423	5,116	7,469	8,141	2,532	3,173	2,161	2,882	9,853	9,079
Public charges and taxes	3,607	3,557	6,980	7,054	2,146	2,141	2,566	2,548	4,678	5,030
Utilities	153	239	7,444	7,798	2,338	2,528	2,476	2,704	4,551	5,171
Maintenance and repair fees	-	445	36,010	1,804	19,000	2,142	620	451	17,955	1,086
Insurance fees	29	29	79	79	28	28	26	26	31	31
Trust fees	-	-	-	-	-	-	-	-	1,401	1,401
Other expenses	29	630	699	516	498	136	29	358	48	100
②Rental business expenses total (unit: thousand yen)	9,244	10,019	58,683	25,394	26,544	10,150	7,879	8,971	38,520	21,902
③NOI (① - ②)	24,528	21,065	23,944	48,077	6,812	25,613	23,084	22,732	93,457	74,388
Depreciation	4,161	4,166	15,474	15,815	8,446	8,494	4,054	4,081	8,632	8,676
Rental business profit	20,366	16,898	8,469	32,261	△ 1,634	17,119	19,029	18,650	84,825	65,711

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

# 8 Portfolio Overview and Performance (Office)

Property Name	Of-20 Funabashi Face Building		Of-21 Adesso Nishiazabu		Of-22 HF TORANOMON BUILDING		Of-23 HF IKEBUKURO BUILDING		Of-24 HF YUSHIMA BUILDING	
										
Address	Funabashi City, Chiba		Minato-ku, Tokyo		Minato-ku, Tokyo		Toshima-ku, Tokyo		Bunkyo-ku, Tokyo	
Lot Area (m <sup>2</sup> )	488.13		125.91		260.55		188.31		400.86	
Total Floor Area (m <sup>2</sup> )	4,033.72		371.59		1,489.21		1,376.66		2,393.53	
Constructed	April 2003		October 2003		November 1990		December 1993		July 1989	
Period-end occupancy rate (%)	100.00		100.00		92.71		100.00		100.00	
Acquisition Price (mm yen)	3,900		640		1,675		1,314		1,434	
Appraisal Price (mm yen)	3,160		448		1,257		1,090		1,380	
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.	
PML (%)	5.9		11.1		9.2		5.5		10.9	
Rental business balance (Note 1)	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	120,124	119,967	8,948	10,701	34,819	37,147	31,157	31,471	48,520	48,520
Other income	4,944	6,070	1,124	1,313	2,835	3,271	3,665	4,109	4,649	4,919
①Rental business income total (unit: thousand yen)	125,069	126,037	10,072	12,015	37,655	40,419	34,823	35,581	53,170	53,440
PM fees	18,066	17,149	868	1,230	3,413	2,845	3,475	2,626	5,441	4,709
Public charges and taxes	7,651	7,626	773	768	3,639	3,634	2,120	2,111	2,448	2,481
Utilities	7,915	9,713	1,266	1,425	1,990	2,274	3,038	3,548	2,875	3,309
Maintenance and repair fees	-	99	78	355	1,190	380	10,226	213	12,048	132
Insurance fees	76	76	9	9	30	30	26	26	43	43
Trust fees	-	-	441	391	-	-	-	-	-	-
Other expenses	11	660	361	16	127	93	390	713	4,108	4,009
②Rental business expenses total (unit: thousand yen)	33,720	35,325	3,799	4,196	10,391	9,259	19,277	9,239	26,965	14,685
③NOI (① - ②)	91,348	90,712	6,272	7,818	27,263	31,159	15,546	26,341	26,205	38,754
Depreciation	20,015	20,015	2,240	2,238	4,097	4,117	4,912	4,991	6,633	6,726
Rental business profit	71,333	70,697	4,032	5,579	23,165	27,042	10,633	21,349	19,572	32,028

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

# 8 Portfolio Overview and Performance (Office)

Property Name	Of-25 Kayabacho HEIWA Building		Of-26 HIROKOJI AQUA PLACE		Of-27 Kobe Kyukyoryuchi Heiwa Building		Of-28 Mita Heiwa Building (leasehold land)		Of-29 Sakae Minami Heiwa Building	
										
Address	Chuo-ku, Tokyo		Nagoya City, Aichi		Kobe City, Hyogo		Minato-ku, Tokyo		Nagoya City, Aichi	
Lot Area (m <sup>2</sup> )	811.59		1,389.39		1,008.86		4,441.79		707.05	
Total Floor Area (m <sup>2</sup> )	5,038.57		9,521.09		7,743.98		—		3,959.12	
Constructed	April 1992		May 2008		February 1998		—		July 2002	
Period-end occupancy rate (%)	100.00		95.16		99.14		100.00		100.00	
Acquisition Price (mm yen)	4,798		2,930		2,310		2,230		1,580	
Appraisal Price (mm yen)	5,500		3,946		2,550		2,447		1,770	
Property Management Company	Heiwa Real Estate Co., Ltd.		Heiwa Real Estate Co., Ltd.		Heiwa Real Estate Co., Ltd.		—		Heiwa Real Estate Co., Ltd.	
PML (%)	11.7		10.6		7.5		—		10.8	
Rental business balance (Note 1)	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period
Operation days	182	183	182	183	166	183	166	183	166	183
Rents and common expenses	200,809	200,809	129,242	129,242	113,879	124,906	83,080	90,900	66,090	72,202
Other income	10,059	10,903	37,325	39,138	11,427	18,474	-	-	7,820	11,509
①Rental business income total (unit: thousand yen)	210,868	211,712	166,568	168,381	125,307	143,380	83,080	90,900	73,910	83,712
PM fees	8,758	8,711	17,520	17,679	20,836	20,647	274	300	11,014	13,375
Public charges and taxes	8,838	8,842	5,951	11,903	5,745	11,490	-	36,899	3,289	6,578
Utilities	10,053	10,900	14,139	15,959	9,568	20,727	-	-	5,303	10,310
Maintenance and repair fees	33,816	1,018	756	1,055	7,899	3,245	-	-	4,599	7,554
Insurance fees	104	104	187	188	150	154	-	-	102	105
Trust fees	1,148	1,148	441	441	296	324	161	176	296	324
Other expenses	228	448	1,058	773	1,092	689	-	-	733	145
②Rental business expenses total (unit: thousand yen)	62,947	31,174	40,055	48,000	45,589	57,280	436	37,375	25,339	38,394
③NOI (① - ②)	147,920	180,537	126,512	120,381	79,717	86,100	82,644	53,524	48,570	45,317
Depreciation	11,927	9,038	29,035	29,066	20,008	20,160	-	-	13,290	13,379
Rental business profit	135,993	171,498	97,477	91,314	59,709	65,940	82,644	53,524	35,280	31,938


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

# 9 Portfolio Overview and Performance (Residence)

Property Name	Re-03 HF ICHIKAWA RESIDENCE		Re-05 HF MEGURO RESIDENCE		Re-09 HF KASAI RESIDENCE		Re-11 HF WAKABAYASHI-KOEN RESIDENCE		Re-12 HF HIMONYA RESIDENCE	
										
Address	Ichikawa City, Chiba		Meguro-ku, Tokyo		Edogawa-ku, Tokyo		Setagaya-ku, Tokyo		Meguro-ku, Tokyo	
Lot Area (m <sup>2</sup> )	218.22		213.45		416.87		2,892.06		856.19	
Total Floor Area (m <sup>2</sup> )	884.60		948.48		1,392.74		6,689.03		2,412.83	
Constructed	March 2003		April 2003		November 2002		February 2004		February 2004	
Period-end occupancy rate (%)	100.00		100.00		93.67		96.82		100.00	
Acquisition Price (mm yen)	430		660		650		3,610		1,560	
Appraisal Price (mm yen)	474		566		639		3,631		1,456	
Property Management Company	Haseko Livenet, Inc.		RA Asset Management Inc.		Haseko Livenet, Inc.		Haseko Livenet, Inc.		Tokyu Community Co., Ltd.	
PML (%)	6.2		6.2		8.8		6.7		6.4	
Rental business balance (Note 1)	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	17,280	17,280	18,427	19,130	21,782	21,609	103,875	105,304	43,022	42,899
Other income	26	-	1,067	353	1,832	1,282	8,893	8,190	1,841	1,825
①Rental business income total (unit: thousand yen)	17,306	17,280	19,494	19,484	23,614	22,892	112,769	113,494	44,864	44,724
PM fees	1,184	1,064	2,472	2,424	2,477	2,202	8,804	8,100	3,328	3,891
Public charges and taxes	730	727	996	982	1,253	1,228	6,530	6,441	2,518	2,508
Utilities	207	223	274	292	307	299	1,283	1,199	453	491
Maintenance and repair fees	1,375	2,828	1,190	2,441	1,501	890	6,203	3,701	1,106	1,058
Insurance fees	13	13	15	15	20	20	113	113	37	37
Trust fees	577	577	603	603	603	603	879	879	655	655
Other expenses	453	110	491	50	664	274	1,674	786	294	746
②Rental business expenses total (unit: thousand yen)	4,542	5,543	6,042	6,809	6,827	5,519	25,488	21,223	8,394	9,389
③NOI (① - ②)	12,764	11,736	13,451	12,675	16,787	17,372	87,280	92,271	36,470	35,335
Depreciation	2,754	2,766	3,319	3,334	4,166	4,220	22,610	22,815	7,439	7,456
Rental business profit	10,009	8,969	10,132	9,340	12,620	13,152	64,670	69,456	29,030	27,878

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

# 9 Portfolio Overview and Performance (Residence)

Property Name	Re-14 HF MINAMIAZABU RESIDENCE		Re-15 HF AZABUJUBAN RESIDENCE		Re-16 HF GAKUGEIDAIGAKU RESIDENCE		Re-17 HF HIGASHIKANDA RESIDENCE		Re-18 HF HIGASHINIHONBASHI RESIDENCE	
										
Address	Minato-ku, Tokyo		Minato-ku, Tokyo		Meguro-ku, Tokyo		Chiyoda-ku, Tokyo		Chuo-ku, Tokyo	
Lot Area (m <sup>2</sup> )	279.73		499.24		268.70		262.07		312.76	
Total Floor Area (m <sup>2</sup> )	1,673.32		1,225.85		1,431.57		1,596.11		2,101.31	
Constructed	April 2004		January 2005		March 2005		June 2005		June 2005	
Period-end occupancy rate (%)	95.00		100.00		82.23		95.40		100.00	
Acquisition Price (mm yen)	1,370		1,260		1,000		1,100		1,210	
Appraisal Price (mm yen)	1,182		1,040		843		1,140		1,310	
Property Management Company	RA Asset Management Inc.		Cosmos Initia Co., Ltd.		Tokyu Community Co., Ltd.		Haseko Livenet, Inc.		Apamanshop Sublease Co., Ltd.	
PML (%)	3.6		12.8		9.8		5.7		10.0	
Rental business balance (Note 1)	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	35,696	35,682	29,385	30,033	24,666	24,491	32,953	33,001	39,344	39,165
Other income	378	228	1,681	1,397	636	505	1,690	2,250	913	2,146
①Rental business income total (unit: thousand yen)	36,074	35,911	31,067	31,430	25,302	24,997	34,643	35,251	40,258	41,312
PM fees	3,048	2,948	4,247	2,852	2,865	2,151	3,584	3,724	3,760	3,454
Public charges and taxes	1,943	1,926	1,885	1,834	1,367	1,364	1,514	1,498	2,022	1,999
Utilities	451	476	326	291	443	457	348	350	499	522
Maintenance and repair fees	442	935	554	745	334	979	1,397	712	574	1,109
Insurance fees	26	26	26	26	25	25	29	29	38	39
Trust fees	631	631	629	629	548	548	574	574	592	592
Other expenses	43	372	156	413	317	186	60	-	60	4
②Rental business expenses total (unit: thousand yen)	6,586	7,316	7,827	6,792	5,902	5,712	7,510	6,890	7,547	7,721
③NOI (① - ②)	29,487	28,595	23,240	24,637	19,399	19,284	27,132	28,360	32,710	33,590
Depreciation	5,340	5,375	8,780	8,796	4,980	5,008	10,870	10,817	11,818	11,763
Rental business profit	24,147	23,219	14,460	15,841	14,419	14,276	16,262	17,543	20,891	21,826

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



# 9 Portfolio Overview and Performance (Residence)

Property Name	Re-19 HF NERIMA RESIDENCE		Re-20 HF SHIROKANETAKANAWA RESIDENCE		Re-21 HF MEIDAIMAE RESIDENCE		Re-22 HF NIHONBASHI RESIDENCE		Re-23 HF KAMISHAKUJII RESIDENCE	
										
Address	Nerima-ku, Tokyo		Minato-ku, Tokyo		Setagaya-ku, Tokyo		Chuo-ku, Tokyo		Nerima-ku, Tokyo	
Lot Area (m <sup>2</sup> )	368.67		922.21		485.01		222.40		536.09	
Total Floor Area (m <sup>2</sup> )	1,200.77		5,282.41		1,374.87		1,546.01		1,676.83	
Constructed	May 2005		August 2005		June 2005		May 2005		May 2006	
Period-end occupancy rate (%)	98.08		97.33		96.28		92.34		93.82	
Acquisition Price (mm yen)	690		4,030		1,070		1,130		950	
Appraisal Price (mm yen)	697		3,870		867		934		865	
Property Management Company	Apamanshop Sublease Co., Ltd.		Cosmos Initia Co., Ltd.		Haseko Livenet, Inc.		Haseko Livenet, Inc.		Haseko Livenet, Inc.	
PML (%)	5.5		3.9		6.0		3.3		6.2	
Rental business balance (Note 1)	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	23,133	22,678	100,555	105,110	28,043	28,059	30,189	29,541	27,718	26,953
Other income	1,343	1,883	4,971	6,468	697	794	568	1,323	754	1,009
① Rental business income total (unit: thousand yen)	24,476	24,562	105,526	111,579	28,740	28,853	30,758	30,864	28,473	27,963
PM fees	2,667	2,550	10,682	11,458	2,723	2,861	3,225	3,556	2,627	3,234
Public charges and taxes	1,215	1,203	5,604	5,584	1,496	1,488	1,528	1,522	1,770	1,762
Utilities	264	282	888	963	308	326	575	528	394	403
Maintenance and repair fees	899	455	2,263	3,702	394	1,163	1,329	887	521	3,288
Insurance fees	23	23	108	108	26	26	29	29	33	33
Trust fees	459	459	-	-	-	-	952	791	-	-
Other expenses	159	-	556	400	293	269	435	278	98	60
② Rental business expenses total (unit: thousand yen)	5,688	4,975	20,105	22,217	5,241	6,136	8,077	7,594	5,445	8,783
③ NOI (① - ②)	18,788	19,586	85,421	89,361	23,498	22,717	22,680	23,270	23,027	19,179
Depreciation	6,845	6,818	23,164	23,318	5,294	5,164	4,994	5,047	5,801	5,834
Rental business profit	11,943	12,767	62,256	66,042	18,204	17,552	17,686	18,222	17,225	13,345

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



# 9 Portfolio Overview and Performance (Residence)

Property Name	Re-24 HF KINSHICHO RESIDENCE	Re-25 HF GINZA RESIDENCE EAST	Re-26 HF SHIN-YOKOHAMA RESIDENCE	Re-29 HF HAKUSAN RESIDENCE	Re-30 HF MAGOME RESIDENCE
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Address	Sumida-ku, Tokyo		Chuo-ku, Tokyo		Yokohama City, Kanagawa		Bunkyo-ku, Tokyo		Ota-ku, Tokyo	
Lot Area (m <sup>2</sup> )	256.23		822.01		805.00		1,390.68		2,357.97	
Total Floor Area (m <sup>2</sup> )	1,571.87		6,387.67		5,415.20		3,998.98		3,566.18	
Constructed	March 2005		March 2005		September 2006		January 2000		August 2001	
Period-end occupancy rate (%)	92.96		98.24		91.62		96.22		100.00	
Acquisition Price (mm yen)	1,100		5,940		3,350		2,350		1,630	
Appraisal Price (mm yen)	1,000		4,230		2,470		1,650		1,160	
Property Management Company	Haseko Livenet, Inc.		Haseko Livenet, Inc.		Haseko Livenet, Inc.		Haseko Livenet, Inc.		Haseko Livenet, Inc.	
PML (%)	10.1		5.7		13.2		4.4		4.6	
Rental business balance (Note 1)	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	30,846	30,055	113,737	114,205	75,515	73,239	50,357	52,552	37,287	38,850
Other income	1,655	864	9,482	7,694	7,786	4,583	2,483	2,512	5,877	5,203
① Rental business income total (unit: thousand yen)	32,502	30,919	123,219	121,899	83,301	77,823	52,840	55,065	43,164	44,054
PM fees	3,794	2,785	13,619	9,070	8,715	7,644	4,834	4,323	4,294	3,093
Public charges and taxes	1,418	1,415	6,312	6,247	4,716	4,616	3,608	3,592	3,122	3,107
Utilities	376	369	1,126	1,216	400	450	674	743	569	509
Maintenance and repair fees	875	788	5,062	2,123	1,323	1,841	700	9,681	2,825	775
Insurance fees	30	30	116	116	90	90	66	66	59	59
Trust fees	-	-	1,750	1,750	-	-	-	-	-	-
Other expenses	197	39	495	259	1,173	1,113	197	98	485	39
② Rental business expenses total (unit: thousand yen)	6,691	5,429	28,482	20,784	16,419	15,756	10,082	18,505	11,355	7,584
③ NOI (① - ②)	25,810	25,490	94,737	101,115	66,882	62,066	42,758	36,560	31,808	36,470
Depreciation	5,427	5,189	28,206	28,291	20,693	20,693	12,862	13,285	11,354	11,537
Rental business profit	20,383	20,300	66,530	72,824	46,188	41,373	29,896	23,274	20,454	24,932

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

# 9 Portfolio Overview and Performance (Residence)

Property Name	Re-31 HF GAKUGEIDAIGAKU RESIDENCE II		Re-33 HF KAMEIDO RESIDENCE		Re-34 HF TANASHI RESIDENCE		Re-36 HF SHIBA-KOEN RESIDENCE		Re-36 HF MITA RESIDENCE	
										
Address	Meguro-ku, Tokyo		Koto-ku, Tokyo		Nishitokyo City, Tokyo		Minato-ku, Tokyo		Minato-ku, Tokyo	
Lot Area (m <sup>2</sup> )	847.14		246.34		1,639.65		311.02		303.10	
Total Floor Area (m <sup>2</sup> )	1,863.67		1,782.74		3,414.75		1,362.79		1,705.22	
Constructed	January 2005		January 2008		March 1989		August 2003		March 2004	
Period-end occupancy rate (%)	100.00		100.00		94.00		86.51		91.59	
Acquisition Price (mm yen)	1,650		1,050		911		836		1,080	
Appraisal Price (mm yen)	1,070		989		738		773		1,090	
Property Management Company	Haseko Livenet, Inc.		Haseko Livenet, Inc.		Haseko Livenet, Inc.		Haseko Livenet, Inc.		Haseko Livenet, Inc.	
PML (%)	14.6		7.6		8.6		7.8		2.6	
Rental business balance (Note 1)	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	32,548	32,728	32,400	32,400	29,651	29,678	24,258	23,618	34,618	33,528
Other income	1,614	1,561	80	40	2,222	1,425	1,651	1,201	1,775	787
①Rental business income total (unit: thousand yen)	34,163	34,289	32,480	32,440	31,873	31,104	25,909	24,820	36,393	34,315
PM fees	3,394	2,815	2,152	2,149	3,862	3,325	2,576	1,997	3,872	3,822
Public charges and taxes	1,910	1,921	1,766	1,756	2,414	2,420	1,559	1,553	2,188	2,172
Utilities	340	326	536	553	526	519	638	609	524	474
Maintenance and repair fees	2,472	183	876	2,225	6,381	10,007	3,142	846	2,102	1,629
Insurance fees	33	33	33	33	50	50	27	28	33	33
Trust fees	1,061	1,061	-	-	-	-	500	500	500	500
Other expenses	195	151	446	368	85	19	724	306	442	742
②Rental business expenses total (unit: thousand yen)	9,407	6,493	5,811	7,087	13,319	16,342	9,169	5,840	9,664	9,374
③NOI (① - ②)	24,756	27,795	26,668	25,353	18,553	14,761	16,740	18,979	26,728	24,940
Depreciation	6,705	6,709	5,987	6,004	7,839	7,979	4,808	4,833	6,212	6,210
Rental business profit	18,050	21,086	20,680	19,349	10,714	6,782	11,931	14,146	20,516	18,730

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

# 9 Portfolio Overview and Performance (Residence)

Property Name	Re-37 HF TAKANAWA RESIDENCE		Re-38 La Residence de Shirokanedai		Re-39 HF GINZA RESIDENCE EAST II		Re-40 HF HATCHOBORI RESIDENCE II		Re-41 HF HATCHOBORI RESIDENCE III	
										
Address	Minato-ku, Tokyo		Minato-ku, Tokyo		Chuo-ku, Tokyo		Chuo-ku, Tokyo		Chuo-ku, Tokyo	
Lot Area (m <sup>2</sup> )	432.36		344.25		368.35		427.32		203.98	
Total Floor Area (m <sup>2</sup> )	1,176.06		1,180.73		2,334.73		3,351.26		1,756.88	
Constructed	February 2003		February 2004		February 1999		January 2002		January 2004	
Period-end occupancy rate (%)	95.51		92.89		97.50		97.77		92.83	
Acquisition Price (mm yen)	749		730		1,460		1,890		793	
Appraisal Price (mm yen)	744		790		1,490		1,910		858	
Property Management Company	Apamanshop Sublease Co., Ltd.		Tokyu Community Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Nihon Housing Co., Ltd.	
PML (%)	1.5		3.3		6.9		6.0		3.2	
Rental business balance (Note 1)	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	23,257	23,548	25,403	24,243	47,121	46,468	58,277	57,984	27,132	26,752
Other income	782	504	473	931	2,479	1,809	3,301	2,059	1,822	1,691
①Rental business income total (unit: thousand yen)	24,039	24,053	25,876	25,175	49,600	48,278	61,578	60,043	28,954	28,444
PM fees	3,039	2,699	2,499	3,827	4,953	6,384	8,437	6,355	3,373	3,330
Public charges and taxes	1,360	1,352	1,415	1,425	2,008	2,005	2,825	2,816	1,775	1,766
Utilities	30	-	-	-	494	546	846	771	421	402
Maintenance and repair fees	2,395	2,083	706	897	2,952	7,571	3,362	1,513	552	2,199
Insurance fees	24	24	90	90	42	42	59	59	6	33
Trust fees	500	500	500	500	783	596	600	481	375	375
Other expenses	525	121	43	40	282	254	384	524	755	438
②Rental business expenses total (unit: thousand yen)	7,875	6,782	5,254	6,780	11,518	17,400	16,516	12,522	7,260	8,545
③NOI (① - ②)	16,163	17,271	20,622	18,394	38,081	30,877	45,062	47,520	21,693	19,899
Depreciation	4,385	4,394	3,062	3,058	8,185	8,522	12,560	12,573	7,293	7,325
Rental business profit	11,778	12,876	17,559	15,336	29,896	22,354	32,501	34,947	14,399	12,573

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

## 9 Portfolio Overview and Performance (Residence)

Property Name	Re-42 HF GINZA RESIDENCE		Re-43 HF KOMAZAWA-KOEN RESIDENCE TOWER		Re-44 HF UMEDA RESIDENCE TOWER		Re-45 HF NAKANOSHIMA RESIDENCE		Re-46 HF AWAZA RESIDENCE	
										
Address	Chuo-ku, Tokyo		Setagaya-ku, Tokyo		Osaka City, Osaka		Osaka City, Osaka		Osaka City, Osaka	
Lot Area (m <sup>2</sup> )	175.16		2,425.44		631.79		375.95		296.88	
Total Floor Area (m <sup>2</sup> )	1,375.97		11,468.94		7,105.00		1,486.57		1,999.88	
Constructed	July 2004		January 2001		August 2003		June 2001		March 2002	
Period-end occupancy rate (%)	95.69		95.92		97.38		94.89		91.93	
Acquisition Price (mm yen)	944		6,520		1,920		453		577	
Appraisal Price (mm yen)	990		6,490		1,950		462		621	
Property Management Company	RA Asset Management Inc.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Haseko Livenet, Inc.		Apamanshop Sublease Co., Ltd.	
PML (%)	3.0		2.7		6.2		8.6		6.0	
Rental business balance (Note 1)	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	30,500	29,217	197,894	197,306	78,768	77,252	18,528	18,995	24,372	24,390
Other income	1,270	607	12,476	12,134	3,639	3,319	1,061	371	1,086	837
①Rental business income total (unit: thousand yen)	31,770	29,824	210,370	209,441	82,408	80,572	19,590	19,367	25,458	25,228
PM fees	3,333	4,000	29,397	27,078	13,220	12,632	3,046	2,194	3,067	2,411
Public charges and taxes	1,691	1,667	11,007	10,957	6,071	6,054	1,251	1,249	1,729	1,719
Utilities	511	531	3,589	3,904	1,914	2,160	454	466	6	46
Maintenance and repair fees	624	2,651	13,402	32,207	3,041	3,473	1,353	985	1,314	606
Insurance fees	26	26	305	200	117	118	27	27	35	35
Trust fees	500	500	581	581	625	625	500	462	500	500
Other expenses	243	616	2,413	2,582	964	494	500	479	59	120
②Rental business expenses total (unit: thousand yen)	6,930	9,994	60,697	77,513	25,955	25,558	7,133	5,866	6,713	5,439
③NOI (① - ②)	24,839	19,830	149,672	131,927	56,453	55,013	12,456	13,501	18,745	19,788
Depreciation	8,318	8,340	26,808	28,018	23,113	23,113	3,836	3,897	6,264	6,321
Rental business profit	16,520	11,489	122,864	103,909	33,339	31,899	8,620	9,603	12,480	13,466

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

# 9 Portfolio Overview and Performance (Residence)

Property Name	Re-47 HF MARUNOUCHI RESIDENCE	Re-48 HF HIRAO RESIDENCE	Re-49 HF KAWARAMACHI NIJO RESIDENCE	Re-50 HF MINAMI 6JO RESIDENCE	Re-51 HF TENJIN-MINAMI RESIDENCE
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Address	Nagoya City, Aichi		Fukuoka City, Fukuoka		Kyoto City, Kyoto		Sapporo City, Hokkaido		Fukuoka City, Fukuoka	
Lot Area (m <sup>2</sup> )	545.08		1,599.97		206.84		282.09		609.26	
Total Floor Area (m <sup>2</sup> )	2,284.30		6,476.24		1,547.19		1,394.41		2,446.95	
Constructed	February 2004		March 2003		February 2005		March 2004		February 1998	
Period-end occupancy rate (%)	98.62		96.73		94.47		-		-	
Acquisition Price (mm yen)	624		1,780		534		229		631	
Appraisal Price (mm yen)	647		1,770		493		-		-	
Property Management Company	Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		-		-	
PML (%)	16.5		3.4		6.5		-		-	
Rental business balance (Note 1)	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period
Operation days	182	183	182	183	182	183	182	118	182	118
Rents and common expenses	26,135	26,291	72,535	72,585	19,543	17,716	11,920	7,556	28,199	18,053
Other income	1,896	1,649	5,109	4,932	836	783	614	221	1,962	1,151
①Rental business income total (unit: thousand yen)	28,032	27,940	77,644	77,517	20,380	18,500	12,535	7,778	30,162	19,205
PM fees	3,466	3,383	8,250	7,695	3,201	2,855	1,679	933	3,546	2,459
Public charges and taxes	1,671	1,670	5,567	5,533	1,149	1,144	1,018	507	2,008	1,002
Utilities	40	4	1,860	1,944	473	466	21	-	1,260	1,073
Maintenance and repair fees	900	4,211	4,279	2,107	1,518	2,093	148	48	6,892	812
Insurance fees	37	37	115	116	23	23	21	16	68	51
Trust fees	500	500	1,000	1,000	500	500	500	325	500	325
Other expenses	129	300	692	200	118	205	43	-	121	37
②Rental business expenses total (unit: thousand yen)	6,746	10,107	21,765	18,597	6,985	7,288	3,433	1,830	14,397	5,762
③NOI (① - ②)	21,286	17,833	55,879	58,920	13,394	11,211	9,102	5,947	15,764	13,442
Depreciation	7,421	7,408	17,816	17,915	3,448	3,398	2,831	1,879	4,189	2,831
Rental business profit	13,864	10,425	38,062	41,005	9,945	7,813	6,270	4,068	11,574	10,611

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



# 9 Portfolio Overview and Performance (Residence)

Property Name	Re-52 HF TENJIN-HIGASHI RESIDENCE	Re-53 HF SHIJO KAWARAMACHI RESIDENCE	Re-54 La Residence de Sendagi	Re-55 HF SENDAGI RESIDENCE	Re-56 HF KOMAZAWA-KOEN RESIDENCE
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Address	Fukuoka City, Fukuoka		Kyoto City, Kyoto		Bunkyo-ku, Tokyo		Bunkyo-ku, Tokyo		Setagaya-ku, Tokyo	
Lot Area (m <sup>2</sup> )	429.63		863.39		269.15		249.06		709.54	
Total Floor Area (m <sup>2</sup> )	2,283.63		5,217.41		1,307.91		1,667.29		1,124.69	
Constructed	August 2005		March 2007		February 2006		February 2006		July 2006	
Period-end occupancy rate (%)	97.40		98.12		100.00		97.16		97.22	
Acquisition Price (mm yen)	502		1,820		820		870		615	
Appraisal Price (mm yen)	542		1,960		852		912		632	
Property Management Company	Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.	
PML (%)	5.3		5.5		4.4		9.2		4.3	
Rental business balance (Note 1)	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	23,731	23,771	67,714	68,900	27,895	28,536	31,035	31,521	20,566	20,053
Other income	1,745	1,683	8,347	5,814	631	397	709	132	1,382	301
①Rental business income total (unit: thousand yen)	25,476	25,454	76,061	74,714	28,527	28,933	31,744	31,653	21,949	20,354
PM fees	3,370	3,162	7,964	5,902	3,163	3,861	3,620	3,985	2,492	2,326
Public charges and taxes	1,661	1,652	4,148	4,389	1,280	1,280	1,550	1,541	1,320	1,316
Utilities	814	831	2,212	2,403	-	-	-	-	336	347
Maintenance and repair fees	807	605	1,625	3,449	106	43	245	495	270	268
Insurance fees	37	37	85	85	22	22	28	28	20	20
Trust fees	500	500	650	650	600	600	600	600	650	650
Other expenses	92	338	1,469	1,156	43	-	72	-	93	403
②Rental business expenses total (unit: thousand yen)	7,284	7,127	18,156	18,036	5,216	5,807	6,116	6,651	5,183	5,332
③NOI (① - ②)	18,192	18,326	57,904	56,677	23,310	23,125	25,628	25,002	16,765	15,022
Depreciation	5,959	5,904	12,211	12,250	3,250	3,196	3,777	3,734	3,254	3,233
Rental business profit	12,232	12,422	45,693	44,427	20,060	19,929	21,850	21,267	13,510	11,788

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



# 9 Portfolio Overview and Performance (Residence)

Property Name	Re-57 HF MUSASHIKOYAMA RESIDENCE		Re-58 HF KOKUBUNJI RESIDENCE		Re-59 HF HISAYAODORI RESIDENCE		Re-60 HF KARASUMA KURAMAGUCHI RESIDENCE		Re-61 HF NISHI-SHINJUKU RESIDENCE WEST	
										
Address	Shinagawa-ku, Tokyo		Kokubunji City, Tokyo		Nagoya City, Aichi		Kyoto City, Kyoto		Shinjuku-ku, Tokyo	
Lot Area (m <sup>2</sup> )	455.93		257.06		362.02		471.10		575.67	
Total Floor Area (m <sup>2</sup> )	1,495.61		1,295.58		3,633.19		1,362.90		2,979.31	
Constructed	November 2006		January 2006		March 2006		March 2007		March 2006	
Period-end occupancy rate (%)	100.00		94.51		96.05		91.79		98.41	
Acquisition Price (mm yen)	842		839		1,080		572		1,990	
Appraisal Price (mm yen)	938		852		1,100		600		2,090	
Property Management Company	Apamanshop Sublease Co., Ltd.		Nihon Housing Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.	
PML (%)	6.3		6.3		9.3		9.9		4.6	
Rental business balance (Note 1)	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	28,250	29,744	30,193	30,119	44,175	43,888	20,504	19,822	63,897	64,681
Other income	3,930	1,522	1,561	693	2,246	1,616	2,674	1,005	4,193	2,921
①Rental business income total (unit: thousand yen)	32,181	31,266	31,754	30,812	46,421	45,504	23,179	20,827	68,090	67,603
PM fees	4,634	2,735	2,755	2,313	4,771	4,144	3,170	1,871	8,655	9,189
Public charges and taxes	1,522	1,513	1,559	1,548	2,695	2,691	1,106	1,100	3,072	3,059
Utilities	253	268	318	312	647	683	524	543	15	9
Maintenance and repair fees	444	102	1,022	1,718	1,725	1,018	591	102	1,793	2,204
Insurance fees	24	24	24	24	57	57	23	23	55	55
Trust fees	650	650	600	600	750	750	650	650	750	750
Other expenses	202	221	43	56	539	288	83	60	511	488
②Rental business expenses total (unit: thousand yen)	7,733	5,516	6,324	6,573	11,185	9,632	6,148	4,350	14,853	15,757
③NOI (① - ②)	24,448	25,750	25,430	24,239	35,236	35,872	17,030	16,477	53,237	51,845
Depreciation	3,688	3,701	4,058	4,024	6,534	6,548	3,519	3,525	7,376	7,380
Rental business profit	20,759	22,048	21,371	20,214	28,701	29,323	13,510	12,951	45,860	44,465

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

# 9 Portfolio Overview and Performance (Residence)

Property Name	Re-62 HF NISHI-SHINJUKU RESIDENCE EAST		Re-63 HF HIGASHI- SHINJUKU RESIDENCE		Re-64 HF HIGASHI- SHINSAIBASHI RESIDENCE		Re-65 HF KITA-YOBANCHO RESIDENCE		Re-66 HF ATAGOBASHI RESIDENCE	
										
Address	Shinjuku-ku, Tokyo		Shinjuku-ku, Tokyo		Osaka City, Osaka		Sendai City, Miyagi		Sendai City, Miyagi	
Lot Area (m <sup>2</sup> )	347.29		313.96		343.80		475.70		717.53	
Total Floor Area (m <sup>2</sup> )	1,787.97		2,233.42		1,295.71		2,834.54		2,381.24	
Constructed	March 2006		March 2007		September 2006		January 2007		January 2007	
Period-end occupancy rate (%)	91.17		95.81		89.96		98.91		100.00	
Acquisition Price (mm yen)	1,170		1,360		566		809		684	
Appraisal Price (mm yen)	1,210		1,420		596		906		758	
Property Management Company	Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.	
PML (%)	3.5		2.6		10.3		1.0		1.0	
Rental business balance (Note 1)	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	37,827	38,843	46,351	48,454	20,660	20,147	36,772	37,518	31,297	31,790
Other income	1,930	1,628	2,560	2,435	608	1,814	1,763	972	1,852	1,571
①Rental business income total (unit: thousand yen)	39,757	40,471	48,911	50,889	21,268	21,961	38,535	38,490	33,150	33,361
PM fees	5,701	5,791	8,551	6,852	2,339	2,095	4,009	3,699	2,866	2,627
Public charges and taxes	1,940	1,934	2,220	2,278	1,233	1,222	2,274	2,262	2,175	2,192
Utilities	11	4	11	4	14	-	6	-	6	-
Maintenance and repair fees	1,163	1,684	718	432	222	317	1,177	864	1,068	544
Insurance fees	34	34	39	39	22	22	45	45	43	43
Trust fees	600	600	600	600	600	600	600	600	600	600
Other expenses	524	260	199	-	83	160	43	-	43	-
②Rental business expenses total (unit: thousand yen)	9,975	10,310	12,341	10,207	4,516	4,417	8,157	7,472	6,803	6,008
③NOI (① - ②)	29,782	30,161	36,570	40,681	16,752	17,544	30,378	31,018	26,346	27,353
Depreciation	4,698	4,712	7,165	7,181	2,808	2,829	6,980	7,017	6,617	6,690
Rental business profit	25,084	25,449	29,405	33,500	13,944	14,714	23,397	24,000	19,728	20,663

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

# 9 Portfolio Overview and Performance (Residence)

Property Name	Re-67 HF KYUDAIBYOINMAE RESIDENCE		Re-68 HF ASAKUSABASHI RESIDENCE		Re-69 HF ICHIBANCHO RESIDENCE		Re-70 HF HIGASHI-NAKANO RESIDENCE		Re-71 HF MINAMI 5JO RESIDENCE	
										
Address	Fukuoka City, Fukuoka		Taito-ku, Tokyo		Sendai City, Miyagi		Nakano-ku, Tokyo		Sapporo City, Hokkaido	
Lot Area (m <sup>2</sup> )	400.00		267.42		398.14		538.53		439.62	
Total Floor Area (m <sup>2</sup> )	1,650.19		1,341.38		2,404.41		1,705.22		1,757.91	
Constructed	January 2007		September 2006		February 2007		February 2007		January 2007	
Period-end occupancy rate (%)	96.74		100.00		100.00		95.03		-	
Acquisition Price (mm yen)	426		771		834		942		408	
Appraisal Price (mm yen)	435		800		916		958		-	
Property Management Company	Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Nihon Housing Co., Ltd.		-	
PML (%)	1.0		6.3		1.1		3.0		-	
Rental business balance (Note 1)	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	146
Rents and common expenses	18,086	17,922	25,042	23,672	37,117	37,808	30,313	29,225	14,100	11,290
Other income	850	845	2,035	689	1,712	1,727	946	1,144	714	546
①Rental business income total (unit: thousand yen)	18,937	18,767	27,077	24,362	38,829	39,536	31,259	30,370	14,814	11,836
PM fees	2,812	2,365	2,962	3,937	3,391	3,224	3,308	3,428	583	464
Public charges and taxes	1,269	1,397	1,304	1,306	2,528	2,615	1,435	1,643	1,327	1,324
Utilities	316	344	6	-	6	-	366	397	1,060	308
Maintenance and repair fees	803	2,596	96	1,000	558	1,118	1,325	820	536	679
Insurance fees	28	28	26	26	44	44	28	28	26	21
Trust fees	650	650	600	600	600	600	650	650	600	482
Other expenses	281	317	512	201	75	115	360	223	43	-
②Rental business expenses total (unit: thousand yen)	6,159	7,700	5,508	7,073	7,205	7,718	7,474	7,192	4,177	3,280
③NOI (① - ②)	12,777	11,066	21,568	17,288	31,623	31,818	23,784	23,178	10,636	8,555
Depreciation	4,221	4,265	3,652	3,649	6,071	6,070	4,417	4,425	3,725	3,160
Rental business profit	8,556	6,801	17,915	13,639	25,552	25,747	19,367	18,753	6,910	5,395

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

## 9 Portfolio Overview and Performance (Residence)

Property Name	Re-72 HF WASEDA RESIDENCE	Re-73 HF WASEDA RESIDENCE II	Re-74 HF WAKAMATSUKAWADA RESIDENCE
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Address	Shinjuku-ku, Tokyo	Shinjuku-ku, Tokyo	Shinjuku-ku, Tokyo
Lot Area (m <sup>2</sup> )	820.34	319.83	412.42
Total Floor Area (m <sup>2</sup> )	3,440.06	1,356.68	1,858.51
Constructed	May 2007	May 2007	February 2004
Period-end occupancy rate (%)	95.58	96.24	100.00
Acquisition Price (mm yen)	2,090	872	1,158
Appraisal Price (mm yen)	2,190	892	1,170
Property Management Company	Haseko Livenet, Inc.	Haseko Livenet, Inc.	Tokyu Community Co., Ltd.
PML (%)	4.0	3.6	5.0

Rental business balance (Note 1)	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period
Operation days	182	183	182	183	-	79
Rents and common expenses	72,888	71,299	29,876	29,199	-	14,590
Other income	3,217	3,149	936	427	-	447
①Rental business income total (unit: thousand yen)	76,105	74,448	30,812	29,626	-	15,038
PM fees	11,303	12,514	4,679	4,388	-	2,202
Public charges and taxes	3,164	3,356	1,316	1,374	-	-
Utilities	814	780	420	414	-	124
Maintenance and repair fees	2,737	1,668	1,876	645	-	3,132
Insurance fees	63	63	25	25	-	15
Trust fees	850	850	650	650	-	193
Other expenses	1,620	1,444	724	618	-	259
②Rental business expenses total (unit: thousand yen)	20,553	20,679	9,694	8,118	-	5,927
③NOI (① - ②)	55,552	53,769	21,118	21,508	-	9,110
Depreciation	8,472	8,505	3,521	3,538	-	3,097
Rental business profit	47,079	45,263	17,597	17,969	-	6,013

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

# 10 Portfolio Overview and Performance (Hotel)

Property Name	Ho-01 Super Hotel Osaka Tennoji		Ho-02 Super Hotel Kyoto Karasumagojyo		Ho-03 Super Hotel Saitama Omiya		Ho-04 Super Hotel Sendai Hirose-dori	
								
Address	Osaka City, Osaka		Kyoto City, Kyoto		Saitama City, Saitama		Sendai City, Miyagi	
Lot Area (m <sup>2</sup> )	490.65		337.23		597.25		549.10	
Total Floor Area (m <sup>2</sup> )	2,486.39		2,144.02		2,946.55		3,251.77	
Constructed	January 2004		January 2004		July 2006		January 2007	
Period-end occupancy rate (%)	100.00		100.00		100.00		100.00	
Acquisition Price (mm yen)	1,080		900		1,050		1,150	
Appraisal Price (mm yen)	1,130		956		1,100		1,230	
Property Management Company	Super Hotel Co., Ltd.		Super Hotel Co., Ltd.		Super Hotel Co., Ltd.		Super Hotel Co., Ltd.	
PML (%)	12.9		8.7		3.8		1.0	
Rental business balance (Note 1)	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period	23rd Fiscal Period	24th Fiscal Period
Operation days	182	183	182	183	182	183	182	183
Rents and common expenses	37,620	37,620	31,182	31,182	35,736	35,736	44,220	44,220
Other income	-	-	-	9	-	-	-	-
①Rental business income total (unit: thousand yen)	37,620	37,620	31,182	31,191	35,736	35,736	44,220	44,220
PM fees	-	-	-	-	-	-	-	-
Public charges and taxes	3,529	3,522	3,090	3,084	4,366	4,356	5,647	5,598
Utilities	-	-	-	-	-	-	-	-
Maintenance and repair fees	-	-	-	-	-	-	-	-
Insurance fees	42	42	34	34	51	51	55	55
Trust fees	550	550	550	550	600	600	600	600
Other expenses	300	110	300	-	-	-	-	-
②Rental business expenses total (unit: thousand yen)	4,422	4,225	3,974	3,668	5,017	5,007	6,303	6,253
③NOI (① - ②)	33,197	33,394	27,207	27,522	30,718	30,728	37,916	37,966
Depreciation	7,266	7,152	6,043	5,946	8,381	8,394	11,406	11,436
Rental business profit	25,930	26,242	21,163	21,575	22,337	22,333	26,510	26,529

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



# 11 Historical Appraisal Values

Property Name		Acquisition Prices	Appraisal Amount						24th Fiscal Period Book Value (B)	Latent Profits and Losses (A) – (B)	Profit/Loss Ratio (%)	
			19th Fiscal Period	20th Fiscal Period	21st Fiscal Period	22nd Fiscal Period	23rd Fiscal Period	24th Fiscal Period (A)				
Of-01	HF GOTANDA BUILDING	1,290	1,398	1,303	1,212	1,197	1,201	1,237	1,332	(95)	(7.18)	
Of-05	Suteitengu Heiwa Bldg	1,550	1,297	1,261	1,224	1,225	1,226	1,202	1,475	(273)	(18.55)	
Of-06	HF MONZENNAKACHO BUILDING	2,500	2,330	2,330	2,220	2,230	2,220	2,240	2,433	(193)	(7.96)	
Of-07	Hamamatsucho SS Bldg	1,530	1,530	1,530	1,460	1,470	1,510	1,490	1,551	(61)	(3.99)	
Of-08	Kokusai Tameike Bldg	2,700	2,570	2,430	2,380	2,460	2,490	2,540	2,801	(261)	(9.33)	
Of-09	Grace Building Sengakujimae	1,220	1,430	1,400	1,430	1,450	1,450	1,450	1,186	263	22.17	
Of-10	HF SHIN-YOKOHAMA BUILDING	1,550	1,460	1,460	1,450	1,220	1,170	1,110	1,437	(327)	(22.80)	
Of-11	Nihonbashi Daiichi Bldg	2,150	1,970	1,920	1,770	1,700	1,720	1,710	2,237	(527)	(23.58)	
Of-12	Hatchobori SF Bldg	*1	3,092	2,220	2,320	2,360	2,310	2,340	3,137	(797)	(25.42)	
Of-13	Shibuya AX Hills	1,860	1,420	1,360	1,330	1,330	1,340	1,350	1,834	(484)	(26.40)	
Of-14	KCA Bldg	1,730	1,082	1,069	1,029	1,034	1,032	1,069	1,733	(664)	(38.33)	
Of-15	HF NAKAMEGURO BUILDING	2,870	2,190	2,190	2,150	2,130	2,120	2,050	2,917	(867)	(29.74)	
Of-16	Anwa Tsukasacho Bldg	1,385	1,080	1,080	1,070	1,070	1,090	1,090	1,321	(231)	(17.54)	
Of-17	Hatchobori MF Bldg	1,110	925	921	907	897	908	909	1,128	(219)	(19.43)	
Of-18	M2 Harajuku	*2	3,418	4,053	4,055	4,036	3,903	4,010	4,134	3,513	620	17.67
Of-20	Funabashi Face Bldg	3,900	3,000	3,000	3,000	3,100	3,110	3,160	3,696	(536)	(14.50)	
Of-21	Adesso Nishiazabu	640	471	471	450	430	430	448	627	(179)	(28.65)	
Of-22	HF TORANOMON BUILDING	1,675	1,299	1,253	1,263	1,237	1,236	1,257	1,732	(475)	(27.44)	
Of-23	HF IKBUKURO BUILDING	1,314	1,080	1,080	1,040	1,040	1,070	1,090	1,340	(250)	(18.71)	
Of-24	HF YUSHIMA BUILDING	1,434	1,310	1,320	1,320	1,320	1,340	1,360	1,470	(110)	(7.49)	
Of-25	Kayabacho Heiwa Bldg	4,798	5,080	5,110	5,150	5,230	5,410	5,500	4,828	671	13.90	
Of-26	HIROKOJI AQUA PLACE	2,930	—	—	—	3,742	3,756	3,848	3,946	2,895	1,050	36.27
Of-27	Kobe Kyukoryuchi Heiwa Building	2,310	—	—	—	—	2,550	2,550	2,305	244	10.61	
Of-28	Mita Heiwa Building (leasehold land)	2,230	—	—	—	—	2,310	2,447	2,269	177	7.82	
Of-29	Sakae Minami Heiwa Building	1,580	—	—	—	—	1,770	1,770	1,577	192	12.20	
Total Office Buildings		52,766	39,195	38,863	41,993	41,739	48,901	49,449	52,789	(3,340)	(6.33)	
Re-03	HF ICHIKAWA RESIDENCE	430	441	447	429	454	461	474	400	73	18.32	
Re-05	HF MEGURO RESIDENCE	660	504	521	517	536	547	566	630	(64)	(10.29)	
Re-09	HF KASAI RESIDENCE	650	630	638	605	619	623	639	602	36	5.97	
Re-11	HF WAKABAYASHI – KOEN RESIDENCE	3,610	3,357	3,422	3,409	3,426	3,493	3,631	3,284	346	10.54	
Re-12	HF HIMONYA RESIDENCE	1,560	1,405	1,425	1,383	1,418	1,410	1,456	1,467	(11)	(0.75)	
Re-14	HF MINAMAZABU RESIDENCE	1,370	1,179	1,199	1,127	1,169	1,174	1,182	1,326	(144)	(10.91)	
Re-15	HF AZABUJUBAN RESIDENCE	1,260	1,060	1,060	1,030	1,020	1,040	1,040	1,197	(157)	(13.15)	
Re-16	HF GAKUJIDAI GAKU RESIDENCE	1,000	821	823	808	817	833	843	946	(103)	(10.92)	
Re-17	HF HIGASHIKANDA RESIDENCE	1,100	1,080	1,110	1,070	1,090	1,120	1,140	987	152	15.48	
Re-18	HF HIGASHININONBASHI RESIDENCE	1,210	1,220	1,250	1,220	1,260	1,280	1,310	1,092	217	19.91	
Re-19	HF NERIMA RESIDENCE	690	670	670	649	665	681	697	621	75	12.06	
Re-20	HF SHIROKANETAKANAWA RESIDENCE	4,030	3,920	3,930	3,800	3,780	3,870	3,870	3,894	(24)	(0.62)	
Re-21	HF MEIDAIMAE RESIDENCE	1,070	891	882	836	832	853	867	1,023	(156)	(15.29)	
Re-22	HF NINONBASHI RESIDENCE	1,130	915	915	905	918	941	934	1,097	(163)	(14.93)	
Re-23	HF KAMISHAKUJI RESIDENCE	950	873	891	852	852	859	865	906	(41)	(4.56)	
Re-24	HF KINSHICHO RESIDENCE	1,100	1,000	1,030	988	990	990	1,000	1,110	(110)	(9.92)	
Re-25	HF GINZA RESIDENCE EAST	5,940	4,130	4,140	4,110	4,120	4,230	4,230	5,739	(1,509)	(26.30)	
Re-26	HF SHIN-YOKOHAMA RESIDENCE	3,350	2,330	2,350	2,350	2,390	2,450	2,470	3,189	(719)	(22.56)	
Re-29	HF HAKUSAN RESIDENCE	2,350	1,590	1,600	1,620	1,630	1,650	1,650	2,342	(692)	(29.57)	
Re-30	HF MAGOME RESIDENCE	1,630	1,130	1,130	1,130	1,130	1,160	1,160	1,564	(404)	(25.87)	
Re-31	HF GAKUJIDAI GAKU RESIDENCE II	1,650	1,040	1,040	1,040	1,050	1,070	1,070	1,611	(541)	(33.61)	
Re-33	HF KAMEIDO RESIDENCE	1,050	988	994	938	953	972	989	1,052	(63)	(6.01)	
Re-34	HF TANASHI RESIDENCE	911	834	820	750	759	738	738	957	(219)	(22.91)	
Re-35 HF SHIBA-KOEN RESIDENCE		836	845	753	755	750	772	773	815	(42)	(5.18)	
Re-36 HF MITA RESIDENCE		1,080	1,090	1,100	1,090	1,070	1,090	1,090	1,051	38	3.63	
Re-37 HF TAKANAWA RESIDENCE		749	728	728	728	731	742	744	729	14	1.95	
Re-38 La Residence de Shirokanedai		730	737	760	765	777	790	790	712	77	10.88	
Re-39 HF GINZA RESIDENCE EAST II		1,460	1,450	1,450	1,450	1,450	1,490	1,490	1,460	29	1.99	
Re-40 HF HATCHOBORI RESIDENCE II		1,890	1,840	1,840	1,840	1,860	1,890	1,910	1,835	74	4.06	
Re-41 HF HATCHOBORI RESIDENCE III		793	793	793	793	833	857	858	754	103	13.73	
Re-42 HF GINZA RESIDENCE		944	939	942	944	964	988	990	895	94	10.54	
Re-43 HF KOMAZAWA-KOEN RESIDENCE TOWER		6,520	6,480	6,390	6,280	6,320	6,490	6,490	6,496	(6)	(0.10)	
Re-44 HF UMEDA RESIDENCE TOWER		1,920	1,920	1,920	1,930	1,930	1,960	1,950	1,786	163	9.15	
Re-45 HF NAKANOSHIMA RESIDENCE		453	453	453	455	456	462	462	434	27	6.40	
Re-46 HF AWAZA RESIDENCE		577	575	589	602	610	619	621	548	72	13.26	
Re-47 HF MARUNOUCHI RESIDENCE		624	624	621	634	639	647	647	583	63	10.90	
Re-48 HF HIRAO RESIDENCE		1,780	1,740	1,740	1,740	1,740	1,770	1,770	1,688	81	4.84	
Re-49 HF KAWARAMACHI NIJO RESIDENCE		534	520	516	517	519	506	493	514	(21)	(4.12)	
Re-50 HF MINAMI 6JO RESIDENCE		229	232	232	235	249	258	—	—	—	—	
Re-51 HF TENJIN-MINAMI RESIDENCE		631	622	610	615	617	629	—	—	—	—	
Re-52 HF TENJIN-HIGASHI RESIDENCE		502	501	506	510	529	542	542	464	77	16.69	
Re-53 HF SHUJO KAWARAMACHI RESIDENCE		1,820	1,820	1,900	1,900	1,920	1,960	1,960	1,748	211	12.07	
Re-54 La Residence de Sendagi		820	826	837	825	839	852	852	799	52	6.50	
Re-55 HF SENDAGI RESIDENCE		870	876	891	880	903	913	912	845	66	7.81	
Re-56 HF KOMAZAWA-KOEN RESIDENCE		615	616	619	624	628	632	632	595	36	6.20	
Re-57 HF MUSASHIKOYAMA RESIDENCE		842	854	865	880	899	918	938	820	117	14.38	
Re-58 HF KOKUBUNJI RESIDENCE		839	847	851	829	832	842	852	815	36	4.41	
Re-59 HF HISAYADORI RESIDENCE		1,080	1,080	1,080	1,080	1,100	1,100	1,041	58	5.60		
Re-60 HF KARASUMA KURAMAGUCHI RESIDENCE		572	566	572	585	590	600	600	550	49	8.91	
Re-61 HF NISHI-SHINJUKU RESIDENCE WEST		1,990	2,010	2,010	1,980	2,030	2,060	2,090	1,946	143	7.36	
Re-62 HF NISHI-SHINJUKU RESIDENCE EAST		1,170	1,180	1,180	1,170	1,180	1,200	1,210	1,144	65	5.72	
Re-63 HF HIGASHI-SHINJUKU RESIDENCE		1,360	1,360	1,360	1,380	1,390	1,420	1,420	1,319	100	7.64	
Re-64 HF HIGASHI-SHINSAIBASHI RESIDENCE		566	566	580	580	590	598	596	550	45	8.31	
Re-65 HF KITA-YOBANCHO RESIDENCE		809	795	812	824	855	890	906	775	130	16.77	
Re-66 HF ATAGOBASHI RESIDENCE		684	667	683	693	716	744	758	643	114	17.78	
Re-67 HF KYUDAIYONINAE RESIDENCE		426	424	423	424	427	434	435	407	27	6.85	
Re-68 HF ASAKUSABASHI RESIDENCE		771	770	775	779	790	794	800	749	50	6.72	
Re-69 HF ICHIBANCHO RESIDENCE		834	821	836	864	876	899	916	796	119	15.05	
Re-70 HF HIGASHI-NAKANO RESIDENCE		942	946	946	932	938	943	958	916	41	4.51	
Re-71 HF MINAMI SJO RESIDENCE		408	407	371	379	390	403	—	—	—	—	
Re-72 HF WASEDA RESIDENCE		2,090	2,070	2,080	2,090	2,100	2,190	2,190	2,043	146	7.16	
Re-73 HF WASEDA RESIDENCE II		872	860	867	873	874	890	892	854	37	4.41	
Re-74 HF WAKAMATSUKAWADA RESIDENCE		1,158	—	—	—	—	—	1,170	1,217	(47)	(3.91)	
Total Residential Properties		82,491	74,458	74,768	74,020	74,769	76,229	76,628	78,403	(1,775)	(2.26)	
Ho-01 Super Hotel Osaka Tennoji		1,080	1,080	1,080	1,090	1,090	1,110	1,130	1,030	99	9.69	
Ho-02 Super Hotel Kyoto Karasumagojo		900	900	901	905	921	939	956	858	97	11.36	
Ho-03 Super Hotel Saitama Oniya		1,050	1,050	1,050	1,060	1,060	1,080	1,100	997	102	10.28	
Ho-04 Super Hotel Sendai Hirose-dori		1,150	1,130	1,160	1,160	1,160	1,210	1,230	1,078	151	14.01	
Total Hotels		4,180	4,160	4,191	4,215	4,231	4,339	4,416	3,964	451	11.37	
Total properties in portfolio		139,437	117,813	117,822	120,228	120,759	129,469	130,493	135,157	(4,664)	(3.45)	

\*1 The acquisition price was adjusted up and from 3,060 mm yen on August 25, 2011 due to partial acquisition of the asset.

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



# 12 Historical Actual NOI Return

Property Name		Actual NOI Returns*						(%)
		19th	20th	21st	22nd	23rd	24th	
Of-01 HF GOTANDA BUILDING		2.71	5.60	5.02	4.09	4.35	4.78	
Of-05 Suitengu Heiwa Bldg		4.75	4.25	3.50	0.82	4.28	4.27	
Of-06 HF MONZENNAKACHO BUILDING		4.23	4.85	4.67	5.12	2.51	4.86	
Of-07 Hamamatsucho SS Bldg		5.55	5.45	4.04	4.35	1.50	5.03	
Of-08 Kokusai Tameike Bldg		3.82	4.00	4.25	4.14	3.15	4.55	
Of-09 Grace Building Sengakujimae		5.93	6.32	7.73	7.12	2.44	6.44	
Of-10 Nisso Dai 15 Bldg		5.43	4.90	5.60	4.20	3.78	2.99	
Of-11 Nihonbashi Daiichi Bldg		4.13	3.80	3.56	0.76	3.32	3.71	
Of-12 Hatchobori SF Bldg		2.80	2.93	2.07	2.14	3.31	3.62	
Of-13 Shibuya AX Hills		2.58	2.37	2.87	3.06	2.66	2.19	
Of-14 KCA Bldg		2.68	2.94	2.78	2.80	2.84	2.44	
Of-15 Daiwa Nakameguro Bldg		4.26	3.99	4.00	4.23	1.67	3.35	
Of-16 Anwa Tsukasacho Bldg		2.93	3.40	3.84	4.36	0.98	3.70	
Of-17 Hatchobori MF Bldg		-2.05	3.70	2.97	2.12	4.16	4.10	
Of-18 M2 Harajuku	*1	5.64	5.33	5.50	5.16	5.47	4.35	
Of-19 Sannomiya Sanwa Toyo Bldg	*2	3.91	-	-	-	-	-	
Of-20 Funabashi Face Bldg		4.69	4.72	4.73	4.70	4.68	4.65	
Of-21 Adesso Nishiazabu		3.47	3.31	3.04	2.61	1.96	2.44	
Of-22 CIC Toranomom Bldg		0.26	3.59	3.35	3.14	3.26	3.72	
Of-23 Aria Ikebukuro		4.15	4.12	4.32	1.63	2.37	4.01	
Of-24 CIC Yushima Bldg		4.88	4.32	4.96	3.93	3.65	5.41	
Of-25 Kayabacho Heiwa Bldg		7.87	7.43	7.44	7.50	6.17	7.53	
Of-26 HIROKOJI AQUA PLACE		-	-	8.47	8.76	8.64	8.22	
Of-27 Kobe Kyukoryuchi Heiwa Building		-	-	-	-	7.61	7.45	
Of-28 Mita Heiwa Building (leasehold land)		-	-	-	-	8.17	4.80	
Of-29 Sakae Minami Heiwa Building		-	-	-	-	6.78	5.74	
Total Office Buildings		4.22	4.56	4.75	4.37	4.35	4.84	
Re-03 HF ICHIKAWA RESIDENCE		6.25	6.42	6.50	5.93	5.94	5.46	
Re-05 HF MEGURO RESIDENCE		3.70	4.66	3.69	4.69	4.08	3.84	
Re-09 HF KASAI RESIDENCE		5.67	5.52	5.77	4.84	5.17	5.35	
Re-11 HF WAKABAYASHI-KOEN RESIDENCE		5.14	4.88	4.88	5.16	4.84	5.11	
Re-12 HF HIMONYA RESIDENCE		4.32	4.10	4.33	4.27	4.68	4.53	
Re-14 HF MINAMAZABU RESIDENCE		4.19	4.34	3.67	3.97	4.30	4.17	
Re-15 HF AZABUJUBAN RESIDENCE		3.79	3.69	3.39	4.09	3.69	3.91	
Re-16 HF GAKUGEIDAIGAKU RESIDENCE		3.98	3.89	3.93	3.72	3.88	3.86	
Re-17 HF HIGASHIKANDA RESIDENCE		4.94	4.88	5.14	4.99	4.93	5.16	
Re-18 HF HIGASHINIHONBASHI RESIDENCE		5.18	5.53	5.30	5.04	5.41	5.55	
Re-19 HF NERIMA RESIDENCE		4.64	4.90	5.68	4.80	5.45	5.68	
Re-20 HF SHIROKANETAKANAWA RESIDENCE		4.46	4.35	4.11	4.40	4.24	4.43	
Re-21 HF MEIDAIMAE RESIDENCE		4.18	4.33	3.60	4.09	4.39	4.25	
Re-22 HF NIHONBASHI RESIDENCE		4.66	4.16	4.63	4.53	4.01	4.12	
Re-23 HF KAMISHAKUJII RESIDENCE		5.69	5.43	6.09	4.55	4.85	4.04	
Re-24 HF KINSHICHO RESIDENCE		4.60	5.09	4.24	4.18	4.69	4.63	
Re-25 HF GINZA RESIDENCE EAST		2.83	3.22	3.13	3.21	3.19	3.40	
Re-26 HF SHIN-YOKOHAMA RESIDENCE		3.98	4.06	4.09	4.04	3.99	3.71	
Re-27 Glenpark Ikedayama	*2	1.85	-	-	-	-	-	
Re-28 Rune Higashiterao	*2	3.49	-	-	-	-	-	
Re-29 HF HAKUSAN RESIDENCE		3.54	3.80	3.48	3.19	3.64	3.11	
Re-30 HF MAGOME RESIDENCE		3.79	4.09	3.45	3.82	3.90	4.47	
Re-31 HF GAKUGEIDAIGAKU RESIDENCE II		3.20	2.96	3.46	3.45	3.00	3.37	
Re-33 HF KAMEIDO RESIDENCE		5.64	5.59	5.87	5.20	5.08	4.83	
Re-34 HF TANASHI RESIDENCE		4.82	4.53	4.45	4.36	4.07	3.24	

Property Name		Actual NOI Returns*						(%)
		19th	20th	21st	22nd	23rd	24th	
Re-35 HF SHIBA-KOEN RESIDENCE		5.68	4.36	3.56	3.86	4.00	4.54	
Re-36 HF MITA RESIDENCE		5.72	5.12	4.31	5.37	4.95	4.62	
Re-37 HF TAKANAWA RESIDENCE		4.81	4.98	4.63	4.19	4.32	4.61	
Re-38 La Residence de Shirokanedai		5.37	4.63	4.86	5.35	5.65	5.04	
Re-39 HF GINZA RESIDENCE EAST II		5.54	5.06	4.74	5.22	5.22	4.23	
Re-40 HF HATCHOBORI RESIDENCE II		5.16	4.45	4.89	4.27	4.77	5.03	
Re-41 HF HATCHOBORI RESIDENCE III		5.33	3.81	5.30	4.53	5.47	5.02	
Re-42 HF GINZA RESIDENCE		5.40	5.31	5.13	5.41	5.26	4.20	
Re-43 HF KOMAZAWA-KOEN RESIDENCE TOWER		4.14	4.17	4.16	4.52	4.59	4.05	
Re-44 HF UMEDA RESIDENCE TOWER		6.13	5.84	5.91	5.73	5.88	5.73	
Re-45 HF NAKANOSHIMA RESIDENCE		5.67	5.69	5.72	5.36	5.50	5.96	
Re-46 HF AWAZA RESIDENCE		6.64	6.15	6.52	5.23	6.50	6.86	
Re-47 HF MARUNOUCHI RESIDENCE		6.25	6.47	6.79	7.12	6.82	5.72	
Re-48 HF HIRAO RESIDENCE		5.91	5.79	6.17	5.11	6.28	6.62	
Re-49 HF KAWARAMACHI NIJO RESIDENCE		5.52	4.72	5.44	5.79	5.02	4.20	
Re-50 HF MINAMI 6JO RESIDENCE	*3	7.11	5.00	6.68	7.51	7.95	8.03	
Re-51 HF TENJIN-MINAMI RESIDENCE	*3	5.38	5.93	6.28	6.52	5.00	6.59	
Re-52 HF TENJIN-HIGASHI RESIDENCE		6.87	7.40	7.23	7.59	7.25	7.30	
Re-53 HF SHIJO KAWARAMACHI RESIDENCE		6.67	6.58	6.44	6.29	6.36	6.23	
Re-54 La Residence de Sendagi		5.60	5.50	6.10	5.53	5.69	5.64	
Re-55 HF SENDAGI RESIDENCE		5.78	5.86	5.89	5.86	5.89	5.75	
Re-56 HF KOMAZAWA-KOEN RESIDENCE		4.64	5.28	5.09	4.88	5.45	4.89	
Re-57 HF MUSASHIKOYAMA RESIDENCE		5.59	5.73	5.77	5.66	5.81	6.12	
Re-58 HF KOKUBUNJI RESIDENCE		5.68	6.19	5.40	5.87	6.06	5.78	
Re-59 HF HISAYADORI RESIDENCE		6.54	6.64	6.40	6.62	6.53	6.64	
Re-60 HF KARASUMA KURAMAGUCHI RESIDENCE		5.81	5.69	5.77	6.05	5.95	5.76	
Re-61 HF NISHI-SHINJUKU RESIDENCE WEST		5.15	5.21	5.40	5.42	5.35	5.21	
Re-62 HF NISHI-SHINJUKU RESIDENCE EAST		5.23	5.36	4.82	4.85	5.09	5.16	
Re-63 HF HIGASHI-SHINJUKU RESIDENCE		5.38	5.16	5.57	5.50	5.38	5.98	
Re-64 HF HIGASHI-SHINSAIBASHI RESIDENCE		5.86	5.83	5.89	5.74	5.92	6.20	
Re-65 HF KITA-YOBANCHO RESIDENCE		7.16	5.11	7.26	7.51	7.51	7.67	
Re-66 HF ATAGOBASHI RESIDENCE		7.19	7.18	7.53	7.45	7.70	8.00	
Re-67 HF KYUDAIYOGINMAE RESIDENCE		4.81	5.56	5.55	5.57	6.00	5.20	
Re-68 HF ASAKUSABASHI RESIDENCE		4.68	5.22	5.23	5.59	5.59	4.48	
Re-69 HF ICHIBANCHO RESIDENCE		7.07	7.19	6.92	7.39	7.58	7.63	
Re-70 HF HIGASHI-NAKANAO RESIDENCE		5.26	4.77	4.34	4.63	5.05	4.92	
Re-71 HF MINAMI 5JO RESIDENCE	*4	6.62	6.26	5.29	4.27	5.21	5.24	
Re-72 HF WASEDA RESIDENCE		5.53	5.22	5.05	4.90	5.32	5.15	
Re-73 HF WASEDA RESIDENCE II		5.43	5.36	5.46	5.17	4.84	4.93	
Re-74 HF WAKAMATSUKAWADA RESIDENCE		-	-	-	-	-	3.64	
Total Residential Properties		4.74	4.80	4.79	4.79	4.87	4.78	
Ho-01 Super Hotel Osaka Tennoji		6.14	6.14	6.17	6.20	6.15	6.18	
Ho-02 Super Hotel Kyoto Karasumagojyo		6.05	6.05	6.08	6.11	6.05	6.12	
Ho-03 Super Hotel Saitama Omiya		5.77	5.77	5.81	5.85	5.85	5.85	
Ho-04 Super Hotel Sendai Hirose-dori		5.23	6.53	6.53	6.61	6.59	6.60	
Total Hotels		5.78	6.14	6.16	6.20	6.17	6.20	
Total properties in portfolio		4.59	4.76	4.82	4.69	4.71	4.85	

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

\*1 Transferred part of asset on October 6, 2009

\*2 Transferred on February 28, 2011

\*3 Transferred on September 27, 2013

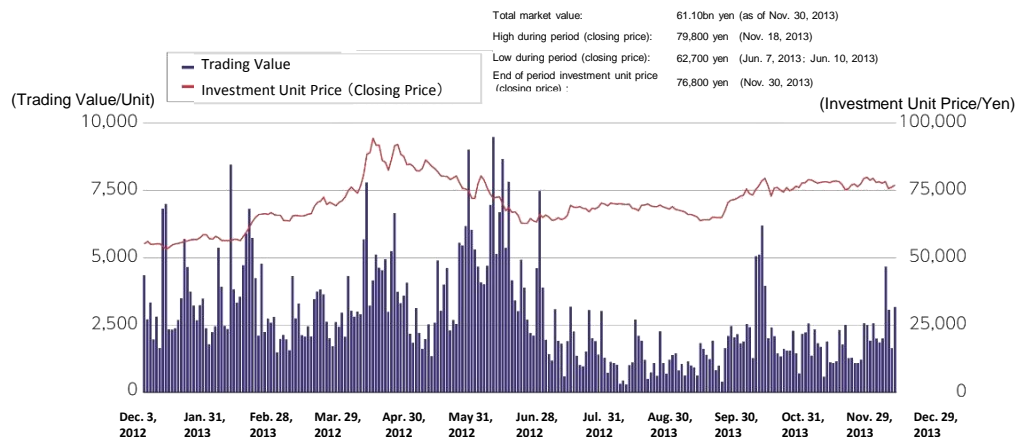
\*4 Transferred on October 25, 2013

# 13 Historical Occupancy

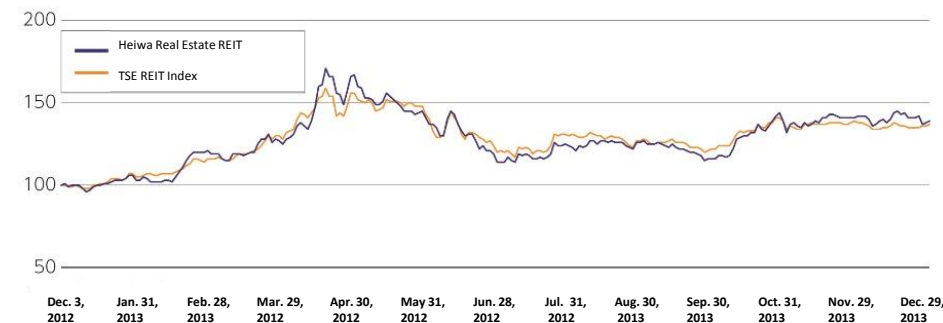
Property Name	31-May-2013	30-Jun-2013	31-Jul-2013	31-Aug-2013	30-Sep-2013	31-Oct-2013	30-Nov-2013
Of-01 HF GOTANDA BUILDING	100.00	100.00	100.00	100.00	96.35	96.35	96.35
Of-05 Suteugu Heiw a Bldg	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Of-06 HF MONZENNAKAKOHO BUILDING	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Of-07 Hamametsucho SS Bldg	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Of-08 Kokusai Tameike Bldg	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Of-09 Grace Building Sengakujimae	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Of-10 HF SHIN-YOKOHAMA BUILDING	78.50	80.93	80.93	80.93	80.93	94.77	94.77
Of-11 Nhonbashi Daichi Bldg	89.33	100.00	100.00	100.00	100.00	100.00	100.00
Of-12 Hatchobori SF Bldg	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Of-13 Shibuya AX Hills	84.35	81.89	81.89	89.74	89.74	79.38	79.38
Of-14 KCA Bldg	82.20	82.20	82.20	82.20	82.20	82.20	82.20
Of-15 HF NAKAMEGURO BUILDING	100.00	100.00	100.00	100.00	77.15	65.72	77.13
Of-16 Anwa Tsukasacho Bldg	90.38	90.38	90.38	90.38	90.38	100.00	100.00
Of-17 Hatchobori MF Bldg	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Of-18 M2 Harajuku	100.00	66.39	66.39	100.00	100.00	100.00	100.00
Of-20 Funabashi Face Bldg	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Of-21 Adesso Nshiazabu	75.06	75.06	100.00	100.00	100.00	100.00	100.00
Of-22 HF TORANOMON BUILDING	100.00	100.00	100.00	100.00	100.00	100.00	92.71
Of-23 HF KEBUKURO BUILDING	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Of-24 HF YUSHIMA BUILDING	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Of-25 Kayabacho Heiw a Bldg	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Of-26 HIROKUI AQUA PLACE	95.16	95.16	95.16	95.16	95.16	95.16	95.16
Of-27 Kobe Kyukyoryuchi Heiw a Building	99.14	99.14	99.14	99.14	99.14	99.14	99.14
Of-28 Mita Heiw a Building (leasehold land)	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Of-29 Sakae Minami Heiw a Building	97.80	100.00	100.00	100.00	100.00	100.00	100.00
<b>Total Office Buildings</b>	<b>96.74</b>	<b>96.74</b>	<b>96.87</b>	<b>97.64</b>	<b>96.56</b>	<b>96.82</b>	<b>97.15</b>
Re-03 HF ICHIKAWA RESIDENCE	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Re-05 HF MEGURO RESIDENCE	95.07	95.07	100.00	95.81	100.00	100.00	100.00
Re-09 HF KASAI RESIDENCE	97.87	93.67	89.40	95.73	95.73	93.75	93.67
Re-11 HF WAKABAYASHI-KOEN RESIDENCE	96.94	98.00	98.05	96.28	96.28	98.94	96.82
Re-12 HF HIMONYA RESIDENCE	93.99	92.35	95.63	95.60	98.33	98.17	100.00
Re-14 HF MINAMAZABU RESIDENCE	96.68	95.02	100.00	100.00	96.68	98.34	95.00
Re-15 HF AZABUJUBAN RESIDENCE	100.00	100.00	100.00	100.00	100.00	97.13	100.00
Re-16 HF GAKUGEDAIKAKU RESIDENCE	96.24	96.24	96.86	93.79	90.65	93.79	82.23
Re-17 HF HIGASHIKANDA RESIDENCE	93.83	96.94	93.84	93.84	98.47	96.94	95.40
Re-18 HF HIGASHINONBASHI RESIDENCE	100.00	100.00	100.00	96.23	100.00	96.29	100.00
Re-19 HF NERIMA RESIDENCE	98.08	96.16	96.16	96.16	94.24	96.16	98.08
Re-20 HF SHIROKANETAKANAWA RESIDENCE	95.54	98.15	100.00	98.07	98.07	96.53	97.33
Re-21 HF MEDAIMAE RESIDENCE	94.28	92.48	97.90	97.90	100.00	100.00	96.28
Re-22 HF NIKONBASHI RESIDENCE	91.07	89.35	87.62	97.02	95.31	92.34	92.34
Re-23 HF KAMISHAKUJI RESIDENCE	85.14	86.64	83.86	93.87	95.23	92.46	93.82
Re-24 HF KINSHOHO RESIDENCE	94.55	96.26	94.55	91.17	93.21	94.88	92.96
Re-25 HF GINZA RESIDENCE EAST	97.31	96.56	96.16	95.98	95.98	95.98	98.24
Re-26 HF SHIN-YOKOHAMA RESIDENCE	97.17	97.94	94.97	93.17	93.17	89.62	91.62
Re-29 HF HAKUSAN RESIDENCE	98.53	98.53	100.00	97.82	97.82	100.00	96.22
Re-30 HF MAGOME RESIDENCE	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Re-31 HF GAKUGEDAIKAKU RESIDENCE II	96.28	96.28	96.28	96.28	100.00	100.00	100.00
Re-33 HF KAMEDO RESIDENCE	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Re-34 HF TANASHI RESIDENCE	100.00	94.54	94.54	100.00	97.00	97.00	94.00

Property Name	31-May-2013	30-Jun-2013	31-Jul-2013	31-Aug-2013	30-Sep-2013	31-Oct-2013	30-Nov-2013
Re-35 HF SHIBA-KOEN RESIDENCE	97.28	97.28	93.26	93.26	95.98	93.26	86.51
Re-36 HF MITA RESIDENCE	91.29	93.52	95.54	89.48	91.88	96.01	91.59
Re-37 HF TAKANAWA RESIDENCE	96.27	96.27	91.77	92.46	96.27	95.51	95.51
Re-38 La Residence de Shirokaneda	89.34	96.51	96.44	96.44	96.44	96.44	92.89
Re-39 HF GINZA RESIDENCE EAST II	94.99	96.12	97.39	93.74	96.24	98.75	97.50
Re-40 HF HATCHOBORI RESIDENCE II	95.87	95.87	94.91	92.58	96.19	96.19	97.77
Re-41 HF HATCHOBORI RESIDENCE III	98.09	93.10	87.15	92.58	95.46	92.83	92.83
Re-42 HF GINZA RESIDENCE	93.54	91.67	91.67	85.49	91.95	91.95	95.69
Re-43 HF KOMAZA-WA-KOEN RESIDENCE TOWER	97.23	97.85	96.01	95.79	94.27	95.21	95.92
Re-44 HF UMEDA RESIDENCE TOWER	97.73	93.89	97.12	93.30	95.65	95.65	97.38
Re-45 HF NAKANOSHIMA RESIDENCE	90.95	93.42	96.93	96.93	96.93	96.93	94.89
Re-46 HF AWAZA RESIDENCE	98.32	100.00	100.00	96.96	96.96	93.61	91.93
Re-47 HF MARUNOUCHI RESIDENCE	98.61	98.61	100.00	100.00	100.00	97.21	98.62
Re-48 HF HIRA-O RESIDENCE	98.57	99.15	98.36	96.54	95.93	95.56	96.73
Re-49 HF KAWARAMACHI NUO RESIDENCE	92.04	94.18	89.99	85.97	91.55	96.41	94.47
Re-50 HF MINAMI 6JO RESIDENCE	100.00	96.29	96.29	96.29	-	-	-
Re-51 HF TENJIN-MINAMI RESIDENCE	95.70	97.85	96.77	100.00	-	-	-
Re-52 HF TENJIN-HIGASHI RESIDENCE	94.81	96.10	100.00	98.70	96.10	97.40	97.40
Re-53 HF SHUJO KAWARAMACHI RESIDENCE	97.48	98.75	99.37	98.17	98.17	98.16	98.12
Re-54 La Residence de Sendagi	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Re-55 HF SENDAGI RESIDENCE	96.91	100.00	100.00	100.00	100.00	100.00	97.16
Re-56 HF KOMAZA-WA-KOEN RESIDENCE	91.66	94.44	97.22	100.00	97.22	97.22	97.22
Re-57 HF MUSA-SHIKYOAMA RESIDENCE	98.12	98.12	98.20	98.20	100.00	100.00	100.00
Re-58 HF KOKUBUNJI RESIDENCE	98.30	98.11	98.11	98.30	98.30	96.40	94.51
Re-59 HF HISA-YA-ODORI RESIDENCE	99.02	97.04	98.02	95.07	97.05	100.00	96.05
Re-60 HF KARASUMA-KURAMAGUCHI RESIDENCE	93.70	93.70	93.70	93.70	93.82	91.79	91.79
Re-61 HF NISHI-SHINJUKU RESIDENCE WEST	93.75	98.75	93.08	98.75	98.41	93.41	98.41
Re-62 HF NISHI-SHINJUKU RESIDENCE EAST	98.00	98.49	97.59	100.00	95.59	91.17	91.17
Re-63 HF HIGASHI-SHINJUKU RESIDENCE	98.60	100.00	100.00	100.00	100.00	97.16	95.81
Re-64 HF HIGASHI-SHINSAIBASHI RESIDENCE	92.24	92.24	94.53	89.51	89.51	89.51	89.96
Re-65 HF KITA-YOBANCHO RESIDENCE	100.00	98.89	97.77	97.77	100.00	97.79	98.91
Re-66 HF ATAGOBASHI RESIDENCE	100.00	100.00	100.00	100.00	100.00	97.51	100.00
Re-67 HF KYUDAI-BOYONINAE RESIDENCE	93.48	93.48	93.48	95.11	96.74	96.74	96.74
Re-68 HF ASAKUSABASHI RESIDENCE	94.87	94.87	94.87	92.31	97.44	100.00	100.00
Re-69 HF ICHIBANCHO RESIDENCE	100.00	100.00	100.00	97.02	98.82	97.63	100.00
Re-70 HF HIGASHI-NAKANO RESIDENCE	98.43	93.85	90.77	96.76	96.66	90.28	95.03
Re-71 HF MINAMI 5JO RESIDENCE	100.00	100.00	100.00	100.00	100.00	-	-
Re-72 HF WASEDA RESIDENCE	96.46	94.26	97.15	94.87	98.49	97.70	95.58
Re-73 HF WASEDA RESIDENCE II	90.75	92.48	92.78	90.45	92.18	93.90	96.24
Re-74 HF WAKAMATSUKAWADA RESIDENCE	-	-	-	-	89.41	96.35	100.00
<b>Total Residential Properties</b>	<b>96.73</b>	<b>96.80</b>	<b>96.70</b>	<b>96.22</b>	<b>96.65</b>	<b>96.32</b>	<b>96.34</b>
Ho-01 Super Hotel Osaka Tennoji	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Ho-02 Super Hotel Kyoto Karasumagogyo	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Ho-03 Super Hotel Saitama Omiya	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Ho-04 Super Hotel Sendai Hirose-dori	100.00	100.00	100.00	100.00	100.00	100.00	100.00
<b>Total Hotels</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>Total properties in portfolio</b>	<b>96.91</b>	<b>96.96</b>	<b>96.93</b>	<b>96.86</b>	<b>96.81</b>	<b>96.68</b>	<b>96.79</b>

## <History of Investment Unit Price>



## <Comparison with TSE REIT Index>

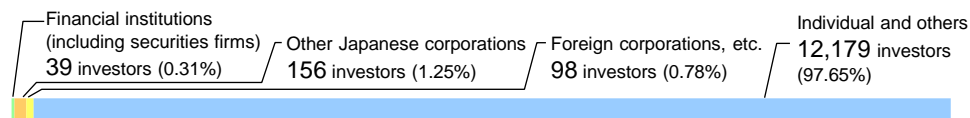


(Note) Figures as of December 3, 2012 for investment unit price and TSE REIT Index are indicated as 100%.

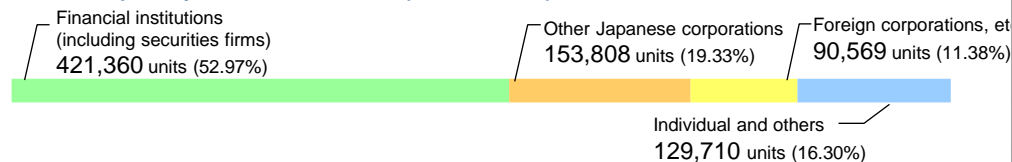
## <Configuration of Investors at End of 23rd Fiscal Period>

(As of November, 31, 2013)

### Based on number of investors (12,472 investors)



### Based on quantity of investment units (795,447 units)



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

## <Condition of Unitholders>

(As of November, 31, 2013)

	Name	Units Owned (units)	Share <sup>(Note)</sup> (%)
1	Japan Trustee Services Bank, Ltd. (trust account)	257,163	32.32
2	Heiwa Real Estate Co., Ltd.	135,845	17.07
3	The Master Trust Bank of Japan, Ltd. (trust account)	58,538	7.35
4	Trust & Custody Services Bank, Ltd. (securities investment trust account)	57,692	7.25
5	JP MORGAN CHASE BANK 380180	36,444	4.58
6	The Nomura Trust and Banking Co., Ltd. (trust account)	24,162	3.03
7	THE BANK OF NEW YORK MELLON AS AGENT BNYM AS EA DUTCH PENSION OMNIBUS 140016	6,900	0.86
8	The Gibraltar Life Insurance Co., Ltd. (General Account J-REIT)	6,469	0.81
9	NOMURA BANK (LUXEMBOURG)S.A.	6,281	0.78
10	Shikoku Railway Company.	4,273	0.53
<b>Total</b>		<b>593,767</b>	<b>74.64</b>

(Note) Share is the ratio of investment units owned against total investment units outstanding rounded 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