

Fiscal Period 26

(6 months ended Nov 2014)

Materials for Analyst Meeting

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HEIWA REAL ESTATE REIT, Inc.



Asset Management Company

HEIWA REAL ESTATE Asset Management CO., LTD.

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



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I. Overview of the 26th Fiscal Period (ended in Nov 2014)

1 Stage 3: Trajectory for Stable Growth

STAGE 1 Re-establish Infrastructure for Growth

STAGE 2 Re-establish a Growth Path

STAGE 3 Trajectory for Stable Growth

- Stage 3 is a phase of full-fledged growth through stable fund procurements.
- In Stage 3, our goal is to increase dividends through steady external and internal growth.

2012 Public Offering

Acquired 3 office properties



Kobe Kyukyoryuchi Heiwa Building



Mita Heiwa Building (Land)



Sakae Minami Heiwa Building

2013 Public Offering

Acquired 3 office properties



HF Nihonbashi Hamacho Building



HF SAKURADORI BUILDING



HF Sendai Honcho Building

2014 Public Offering

Acquired 3 office/1 Residence properties



Daiwa Ueno Building



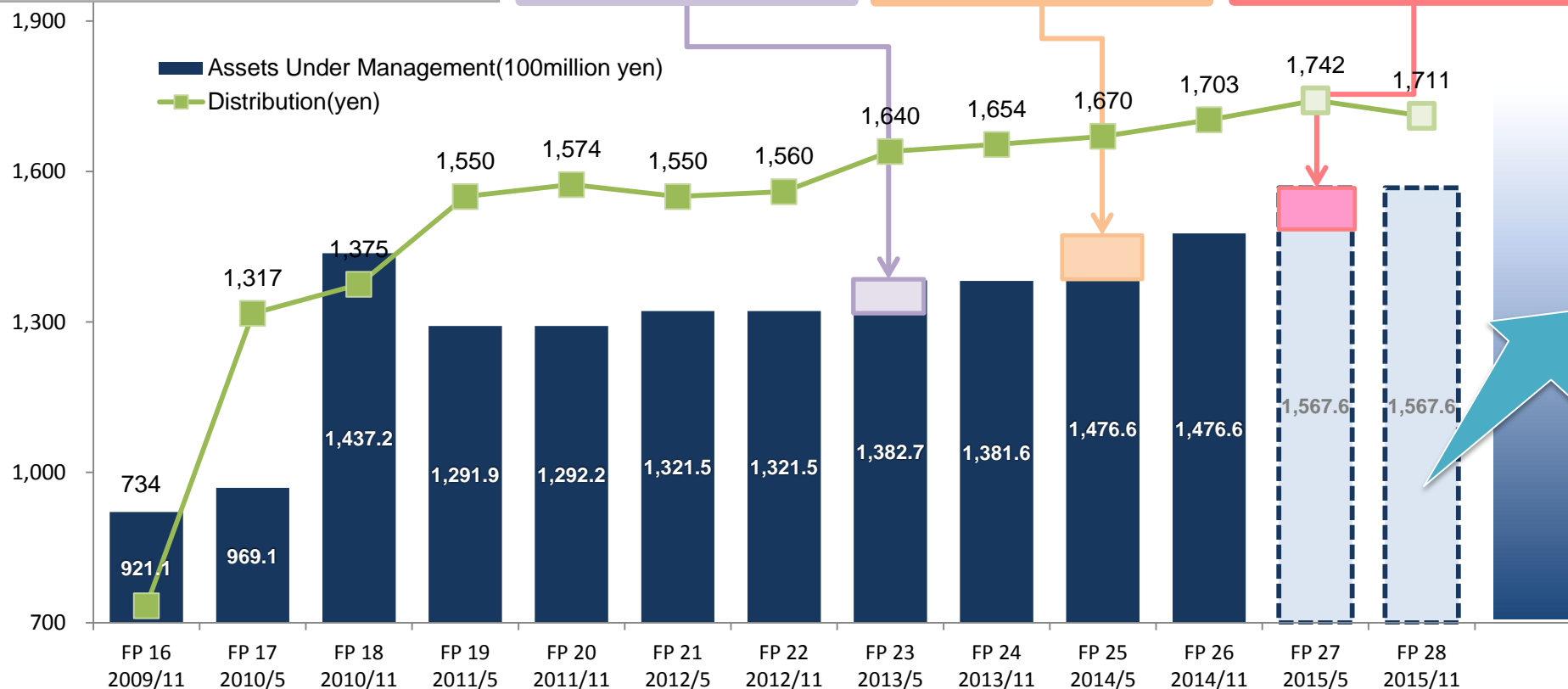
Kojimachi HF Building



HF Kudan-Minami Building



HF Sendai Residence EAST



2 Highlights of the 26th Fiscal Period

External Growth

- ◆ **Measures for third consecutive year of capital increase through a public offering of additional units**
 - Acquisition of three office properties and 1 residential property in December 2014
- ◆ **Assets under management at the end of the fiscal period: 147.6 billion yen**
- ◆ **Number of properties held at the end of the fiscal period: 92 properties**

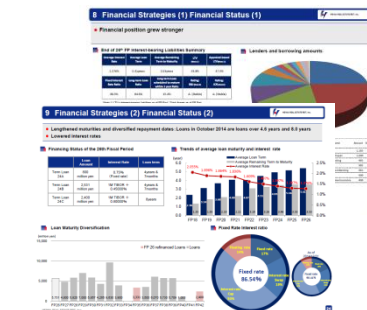
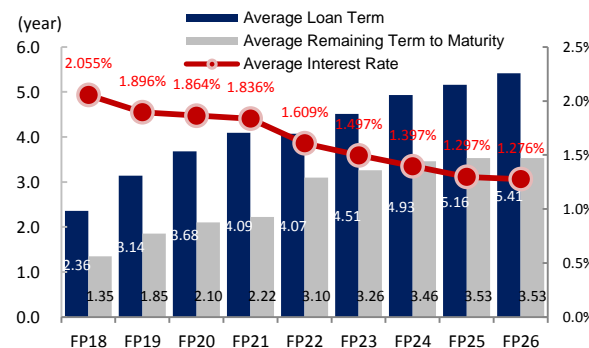
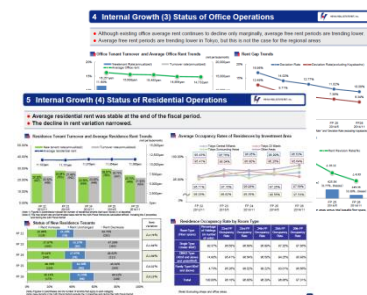
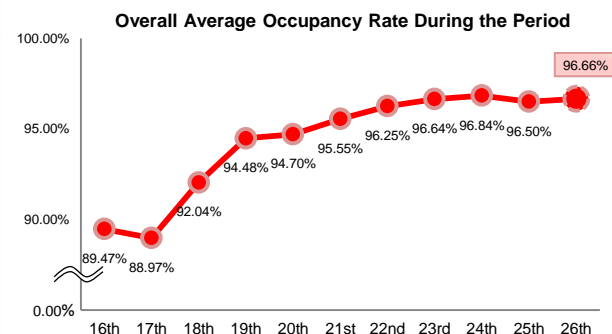
Internal Growth

- ◆ **Maintained stable high occupancy rates**
 - Office properties: Shortened free rent periods: 3.4 months
 - Residential properties: Shortened restoration duration: 15 days
- ◆ **Measures to save on electricity bills by switching PPS* and installation of LED lighting**

Improved Financial Base

- ◆ **Made further progress on extension of loan periods, diversification of repayment dates, interest rate decrease and conversion to fixed rate**
- ◆ **Lowered average borrowing rate**
1.297% at the end of the 25th fiscal period ⇒ 1.276% at the end of the 26th period

*PPS: Power Producer and Supplier



3 Financial Performance for the 26th Fiscal Period

Financial Performance for the 26th Fiscal Period

(Unit: million yen)					
	25th FP Actual Performance	26th FP Actual Performance	Change from previous period	26th FP Budget	Change from Budget
Operating revenue	5,059	5,052	△6	5,052	—
Operating expenses	2,891	2,903	12	2,919	△16
Operating income	2,168	2,148	△19	2,133	15
Non-operating income	4	3	△0	1	2
Non-operating expenses	727	650	△76	649	—
Ordinary income	1,445	1,502	56	1,484	17
Net income	1,444	1,501	56	1,484	16
EPS (net income per unit) (yen)	1,638	1,703	65	1,684	19
Appropriated retained earnings	27	—	△27	—	—
Internal reserve	—	—	—	—	—
DPS (Distribution per unit) (yen)	1,670	1,703	33	1,684	19

Attributes for Change from Previous Period (26th Fiscal Period – 25th Fiscal Period)		
Attributes		Amount
Operating revenue	Existing Offices	40
	Existing Residences	△45
	Silent Partnership Dividends	△1
Operating expenses	Existing Offices (of which, utilities exp.)	69 (30)
	Existing Residences	△70
	Asset Management Fee	3
	SG&A	9
Non-operating expenses	Interest expenses	△12
	Loan-related expenses	△64

Attributes for Change from Budget (26th FP Actual – 26th FP Budget)		
Attributes		Amount
Operating revenue	Offices	4
	Residences	△6
Operating expenses	Offices	3
	Residences	△13
	SGA	△5

Forecasts for the 26th Fiscal Period are forecast figures announced on July 16, 2014

4 Forecasts for 27th Fiscal Period and 28th Fiscal Period Operations

Forecast for the 27th and 28th Fiscal Period

(Unit: million yen)

	26th Fiscal Period Result (a)	27th Fiscal Period Forecast (b)	28th Fiscal Period Forecast (b)	Variation (b-a)	Variation (c-b)
Operating revenue	5,052	5,394	5,391	341	△3
Operating expenses	2,903	3,095	3,122	191	27
Operating income	2,148	2,299	2,268	150	△30
Non-operating income	3	1	5	△2	4
Non-operating expenses	650	642	645	△8	2
Ordinary income	1,502	1,658	1,628	155	△29
Net income	1,501	1,657	1,627	156	△30
EPS (net income per unit) (yen)	1,703	1,742	1,711	39	△31
Appropriated retained earnings	—	—	—	—	—
DPS (distribution per unit) (yen)	1,703	1,742	1,711	39	△31

Key assumptions for forecasts		26 th FP (Actual)	27 th FP	28 th FP	
Occupancy rates	Total of Portfolio	96.66%	96.79%	96.46%	
	Office	96.27%	96.67%	96.03%	
	Residence	96.63%	96.61%	96.47%	
	Hotel	100.00%	100.00%	100.00%	
NOI yield	Total of Portfolio	4.90%	4.94%	4.92%	
	Office	4.87%	5.05%	4.94%	
	Residence	4.85%	4.78%	4.83%	
	Hotel	6.13%	6.18%	6.20%	
Allotment from Negative Goodwill		None	None	None	
Outstanding investment Units		881,447 Units	951,147 Units	951,147 Units	

Forecasted Dividend per Unit

27th Fiscal Period 28th Fiscal Period

1,742 yen 1,711 yen

Breakdown	26th Fiscal Period Result (a)	27th Fiscal Period Forecast (b)	28th Fiscal Period Forecast (c)	Variation (b-a)	Variation (c-b)
PM fees	534	562	545	28	△17
Public charges and taxes	358	360	391	2	31
Utilities expenses	230	239	262	9	22
Maintenance and repair fees	144	187	164	43	△22
Other rental business expenses	163	172	173	8	1
Depreciation	838	899	906	60	7
Sales, General and Administrative expenses	634	672	678	38	5
Total	2,903	3,095	3,122	191	27

End of 25th FP Retained Earnings 3,062 million yen

End of 26th FP Appropriated Retained Earnings 0million yen

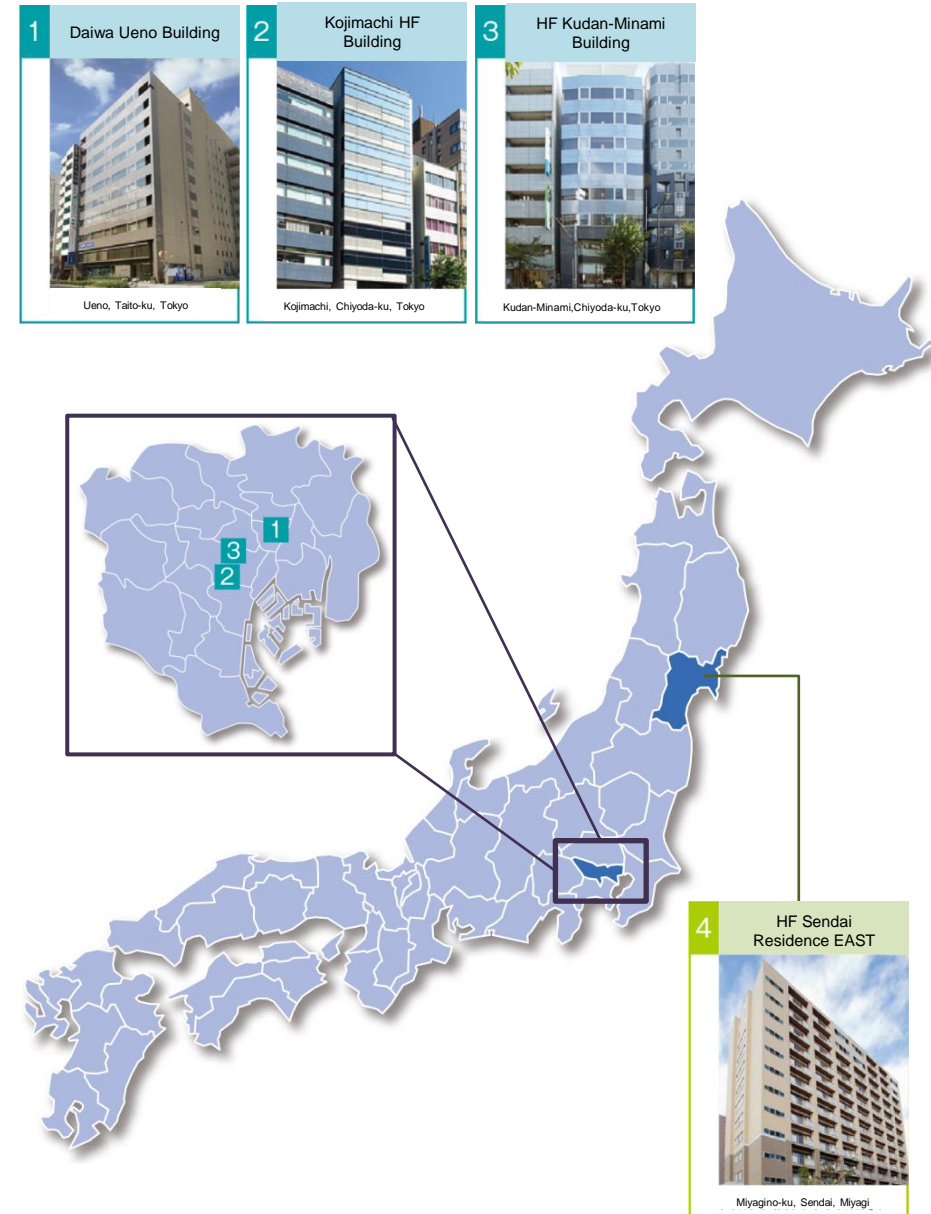
End of 26th FP Retained Earnings 3,063 million yen

(Note) Forecasted figures were announced on January 21, 2015. These forecasted figures are calculated based on certain assumptions made as of this date, and actual net income and dividends may vary in accordance with changes in conditions. This forecast should not be construed as a guarantee of the dividend amount.

II Overview of Public Offering

1 Overview of Dec 2014 Public Offering

Launch date	November 7, 2014	
Newly issued Units	PO	66,400 units
	OA	3,300 units
	Total	69,700 units
Units outstanding prior to the offering	881,447 units	
Units outstanding after Issuance of new units	951,147 units	
Offer price	86,790 yen	
Issue price	83,852 yen	
Total issue price	5,844 million yen	
Pricing date	November 17, 2014	
Payment date	PO December 1, 2014 OA December 24, 2014	
Delivery date	December 2, 2014	
Property acquisition date	December 4, 2014	
Newly acquired Properties	Office Tokyo ① Daiwa Ueno building ② Kojimachi HF Building ③ HF Kudan-Minami Building Residence Sendai ④ HF Sendai Residence EAST	



2 Properties acquired through Public Offering (December 2014)

- Acquired 3 office properties (Tokyo) and 1 Residence property (Sendai) with the capital increase through public offering (December 2014)
- Utilized warehousing functions and Bridge fund functions provided by our sponsors

4 Properties Acquired with Capital Increase through Public Offering

Daiwa Ueno Building



Kojimachi HF Building



HFKudan-Minami Building



HF Sendai Residence EAST



Location	Taito-ku, Tokyo	Chiyoda-ku, Tokyo	Chiyoda-ku, Tokyo	Sendai City, Miyagi
Acquisition Price	3,400 million yen	1,350million yen	2,720million yen	1,630million yen
Appraisal Value(end of Sep 2014)	3,660million yen	1,550million yen	2,830million yen	1,660million yen
Total Leasable Floor Space	4,160.67m ²	2,117.45m ²	2,614.25m ²	4,088.40m ²
Construction Completion Date	February 1990	March 1994	March 1991	July 2008
Occupancy Rate(Date of acquisition)	100.00%	100.00%	100.00%	97.57%
NOI Yield ^(Note)	5.39%	5.44%	5.00%	6.26%
NOI Yield After Depreciation ^(Note)	4.27%	4.66%	4.31%	4.31%
Date of Acquisition	December 4, 2014	December 4, 2014	December 4, 2014	December 4, 2014

Note) NOI Yield = Net operating income (NOI)* of each acquired asset ÷ Acquisition price of each acquired asset

NOI Yield After Depreciation = (Net operating income (NOI)* - Depreciation**) of each acquired asset ÷ Acquisition price of each acquired asset

* NOI is 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 of each acquired asset,

**Depreciation is depreciation for 12 months, which we estimated by the depreciation ratio in the straight-line method corresponding to the service life, in the same way as for our existing assets under management

3 The Effect of the Capital Increase through Public

- This was the third consecutive year of capital increase through a public offering, and 3 office properties and 1 residential property were acquired.
- “Stable asset size growth,” “Building a strategic portfolio” and “Improving on financial base stability” were the goals of the capital increase.

	22 nd FP 2012.11	PO 2012.12	23 rd FP 2013.05	24 th FP 2013.11	PO 2013.12	25 th FP 2014.05	26 th FP 2014.11	PO 2014.12	27 th FP 2015.5
Number of Units Issued(Units)	695,897	99,550	795,447	795,447	86,000	881,447	881,447	69,700	951,147
Issue Price (Yen)		52,640			68,316			86,790	
Amount Raised (Million Yen)		5,240			5,875			6,049	
Amount Borrowed (Million Yen)		1,520			3,800			3,500	
Total Amount Raised (Million Yen)		6,760			9,675			9,549	
Number of Properties	88	3	91	89	3	92	92	4	96
Asset Size (Million Yen)	132,159	6,120	138,279	138,309	9,500	147,669	147,669	9,100	156,769
Office Ratio	35.3%	100.0%	38.2%	38.2%	100.0%	42.2%	42.2%	82.1%	44.5%
Residence Ratio	61.5%	0.0%	58.8%	58.8%	0.0%	55.0%	55.0%	17.9%	52.9%
NOI Yield	4.69%	6.11%	4.71%	4.85%	6.26%	4.95%	4.90%	5.44%	4.94%
Occupancy rate	96.63%		96.91%	96.79%		96.24%	97.31%		96.79%
Unrealized Gain/Loss (Million Yen)	-9,157	300	-6,139	-4,664	900	-1,595	1,308	600	1,908
Appraisal LTV	52.9%	24.8%	50.2%	50.0%	40.0%	48.4%	47.5%	36.1%	46.8%
Borrowing Rate	1.609%	0.862%	1.497%	1.397%	0.705%	1.297%	1.276%	0.835%	1.248%
Number of ILenders	13	2	13	13	7(New:2)	15	15	7(New:1)	16
Secured/Unsecured	Secured	Secured	Secured	Secured	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured
Price of Investment Units at End of Fiscal Period (Yen)	54,000		68,500	76,800		82,800	90,200		
Market Cap at End of Fiscal Period (Million Yen)	37,578		54,488	61,090		72,984	79,507		

Appraisal LTV for the 27th fiscal period = Forecast amount of outstanding interest-bearing debt after acquisition of new properties ÷ (Total of appraisal values of each asset under management as of the end of the 26th fiscal period + Total of appraisal values of new properties)

Occupancy rate for the 27th fiscal period = Estimate as of January 21, 2015

Unrealized gain/loss of each PO = Total of appraisal values of each acquired property – Total of acquisition prices of acquired properties

NOI yield for the 27th fiscal period = (NOI yield at the end of the 26th fiscal period + Estimated NOI yield of newly acquired properties) ÷ Estimated total of acquisition prices after acquisition of new properties)

4 Diversification of Property Acquisition Methods

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

Direct acquisitions from third parties

1 properties **1,158** million yen



HF WAKAMATSU KAWADA RESIDENCE

Utilizing bridge funds

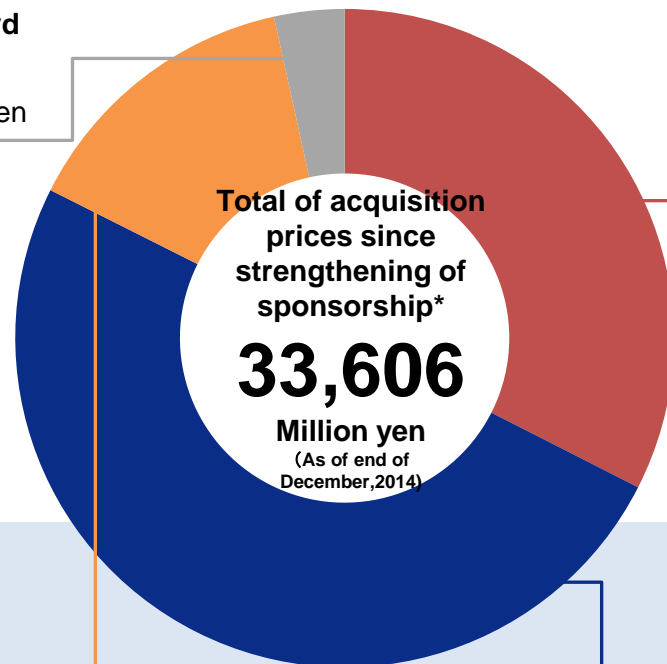
2 properties **4,750** million yen



Daiwa Ueno Building



Kojimachi HF Building



Sponsors' Support

Direct acquisitions from sponsors

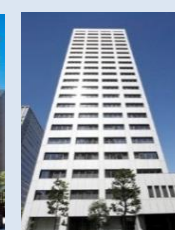
4 properties **10,918** million yen



Kayabacho Heiwa Building



Kobe Kyukyoryuchi Heiwa Building



Mita Heiwa Building (Land)



Sakae Minami Heiwa Building

Ratio of acquisition from HEIWA REAL ESTATE since strengthening of sponsorship 96.6%

Warehousing 6 properties 16,780 million yen



Hirokoji Aqua Place



HF SAKURADORI BUILDING



HF Nihonbashi Hamacho Building



HF Sendai Honcho Building



HF Kudan- Minami Building



HF Sendai Residence EAST

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

III Status of Operations

1 Status of Portfolio

Status of Portfolio

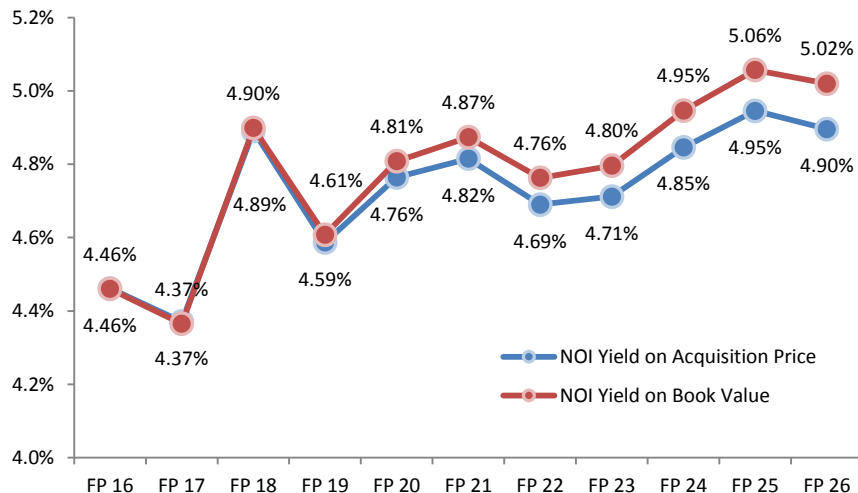
		25th Fiscal Period				26th Fiscal Period			
			Office	Residence	Hotel	Overall	Office	Residence	Hotel
Asset size at end of period (million yen)		147,669	62,266	81,223	4,180	147,669	62,266	81,223	4,180
Number of properties (buildings) at end of period		92	28	60	4	92	28	60	4
Occupancy rates: (%)	End of period	96.24	95.93	96.12	100.00	97.31	96.91	97.34	100.00
	Period average	96.50	96.02	96.51	100.00	96.66	96.27	96.63	100.00
Portfolio NOI yield (%) (Note 1)		4.95	5.06	4.79	6.21	4.90	4.87	4.85	6.13
Book Value Yield (%) (Note 2)		5.06	5.06	4.98	6.57	5.02	4.88	5.05	6.54
Yield after depreciation (%) (Note 3)		3.80	4.00	3.60	4.79	3.76	3.82	3.66	4.79

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

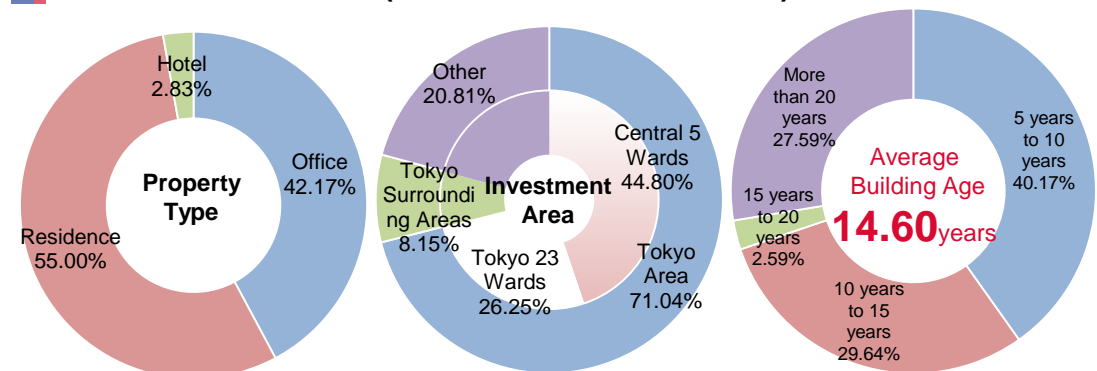
(Note 2) BV Yield = Actual NOI (Annualized) ÷ ((beginning of BV ÷ end of BV) ÷ 2)

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

NOI Yield trends



Portfolio Breakdown (as of the end of Nov 2014)

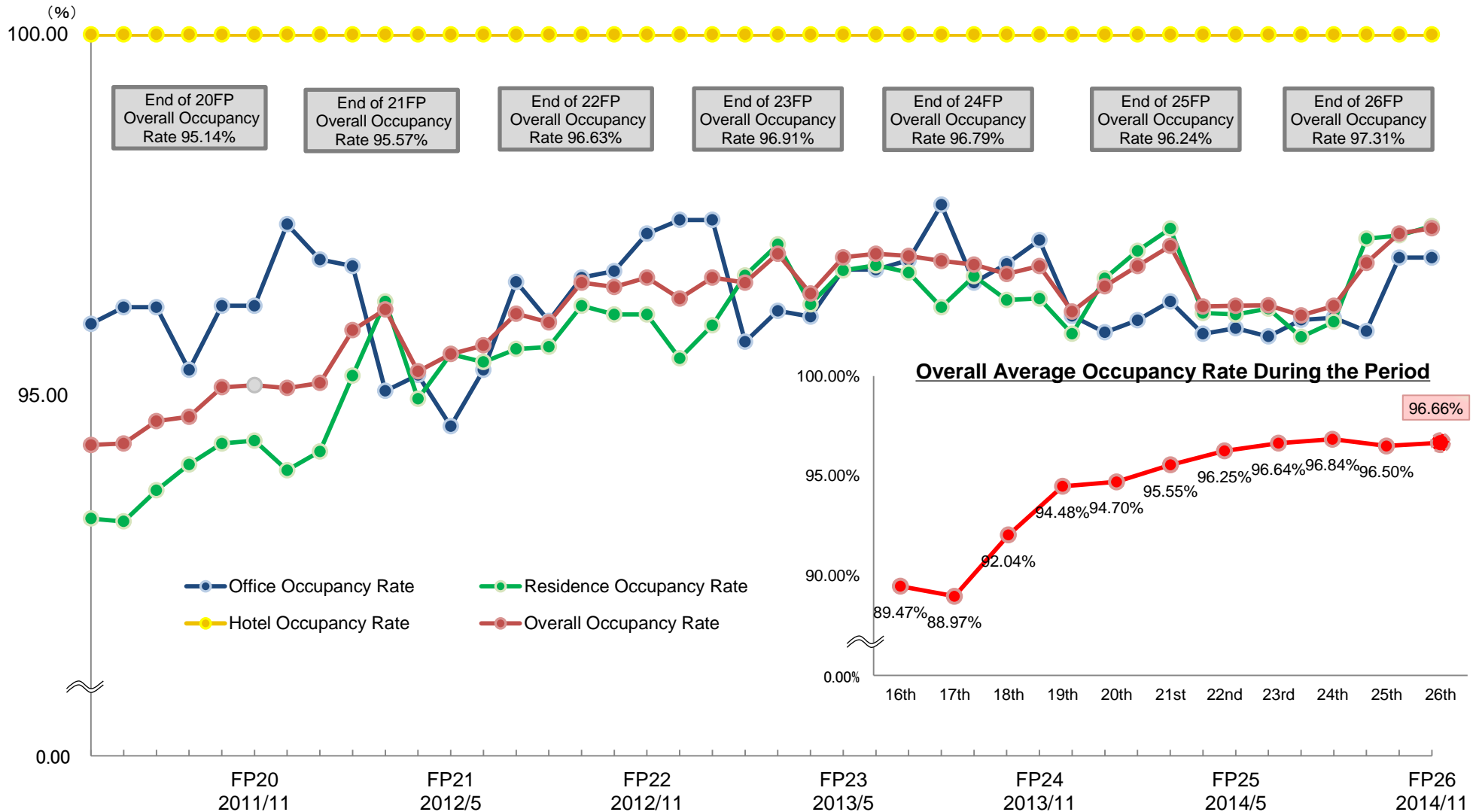


Average Office Building Age : 20.57 years
Average Residential Building Age : 10.45 years

(Note 1) The figures in the graphs indicate the ratio of acquisition price of each item versus the total acquisition price of each category, and are rounded to the second decimal place.
 (Note 2) Silent partnership holdings are excluded from the portfolio breakdown.

2 Internal Growth (1) Historical Occupancy Rates

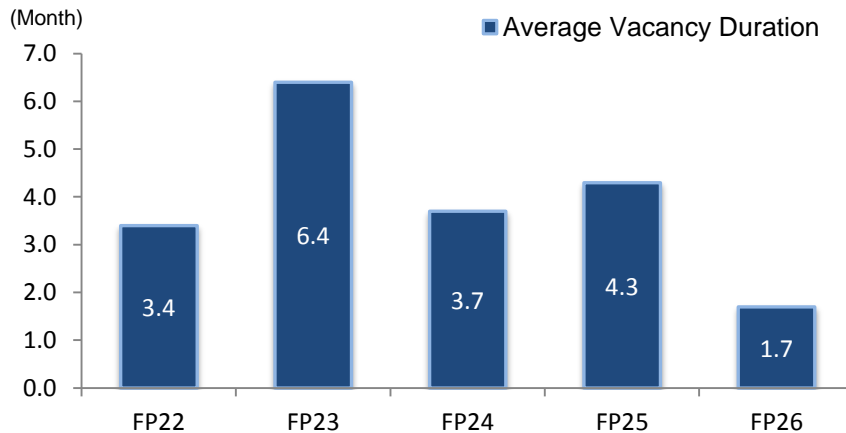
- Maintained stable and high occupancy rates throughout the period for offices, residential properties, and hotels
- The average occupancy rate for 26th FP was 96.66%



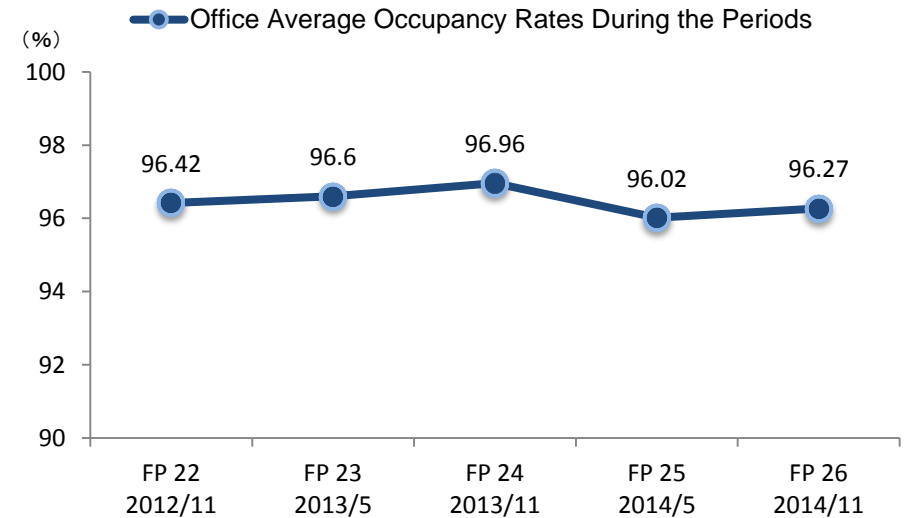
3 Internal Growth (2) Status of Leases

- (Office) Shortened vacancy duration and increased average occupancy rates during the period: 96.02% in the 25th FP ⇒ 96.27% in the 26th FP
- (Residence) Shortened restoration duration and increased average occupancy rates during the period: 96.51% in the 25th FP ⇒ 96.63% in the 26th FP

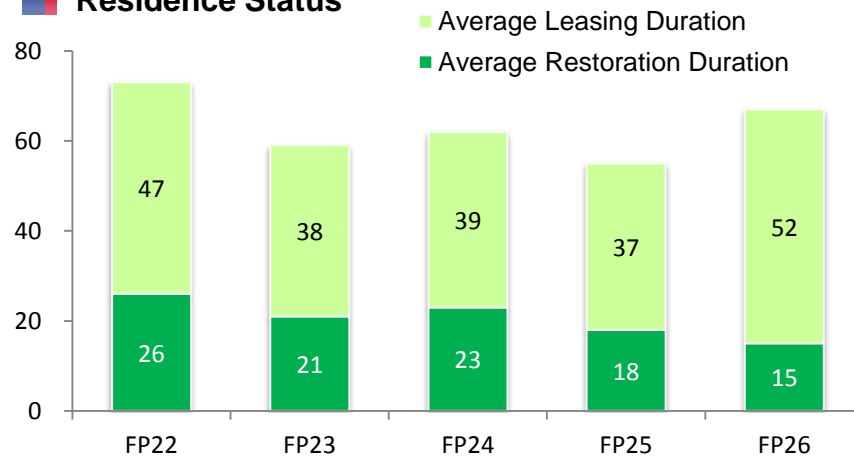
Office Status



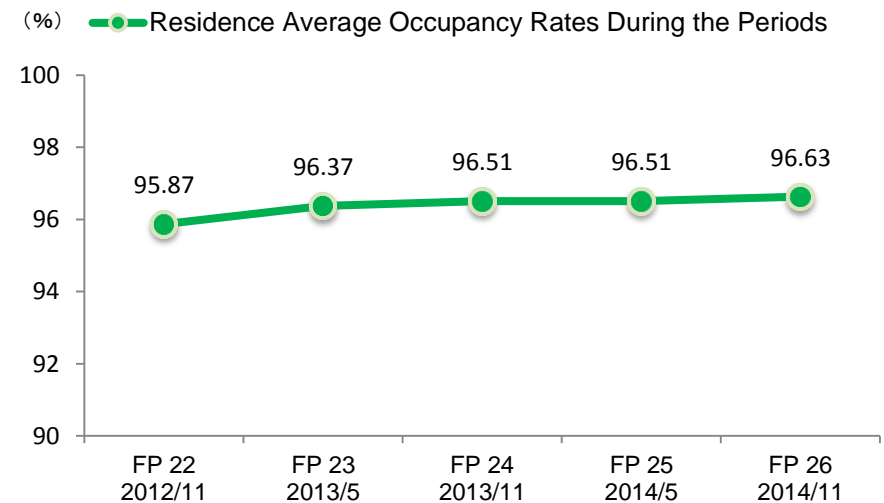
(Note) The average office vacancy duration is defined as the vacancy duration for offices with new tenants.



Residence Status



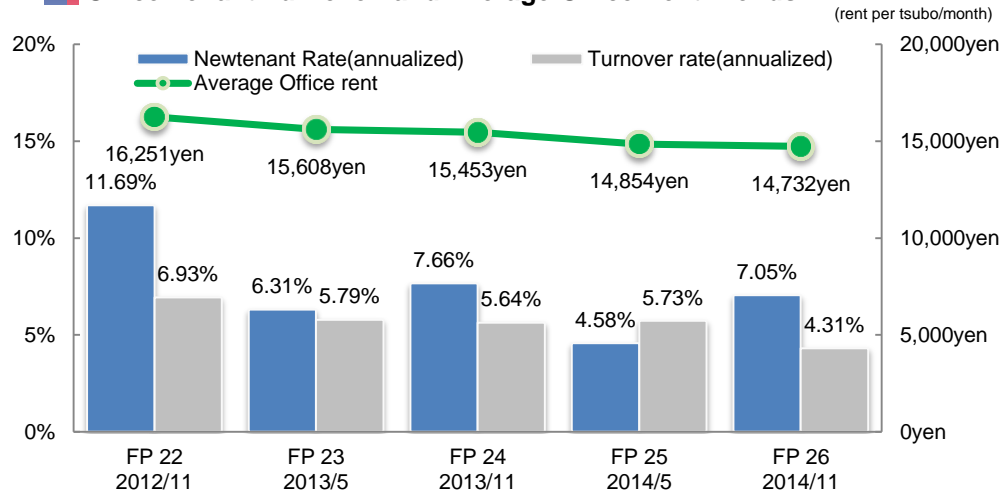
(Note) The average restoration duration is measured from the day of lease termination to the day of restoration work completion.



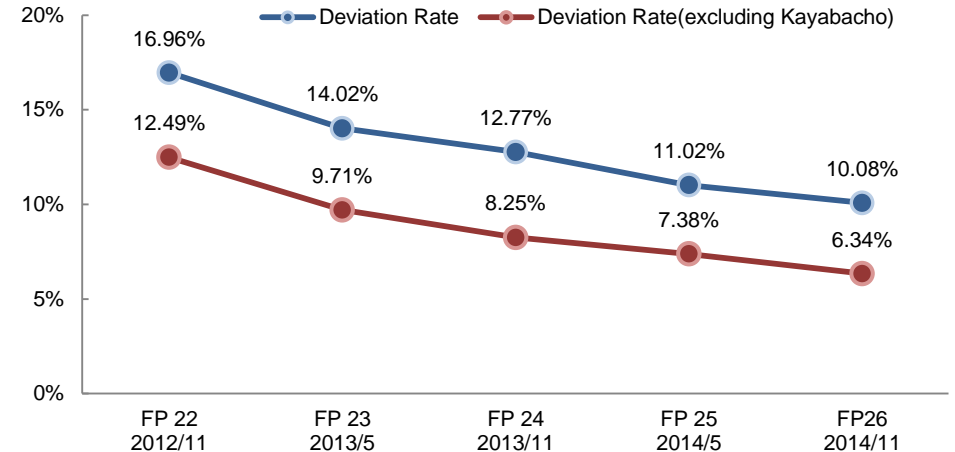
4 Internal Growth (3) Status of Office Operations

- Although existing office average rent continues to decline only marginally, average free rent periods are trending lower.
- Average free rent periods are trending lower in Tokyo, but this is not the case for the regional areas

Office Tenant Turnover and Average Office Rent Trends

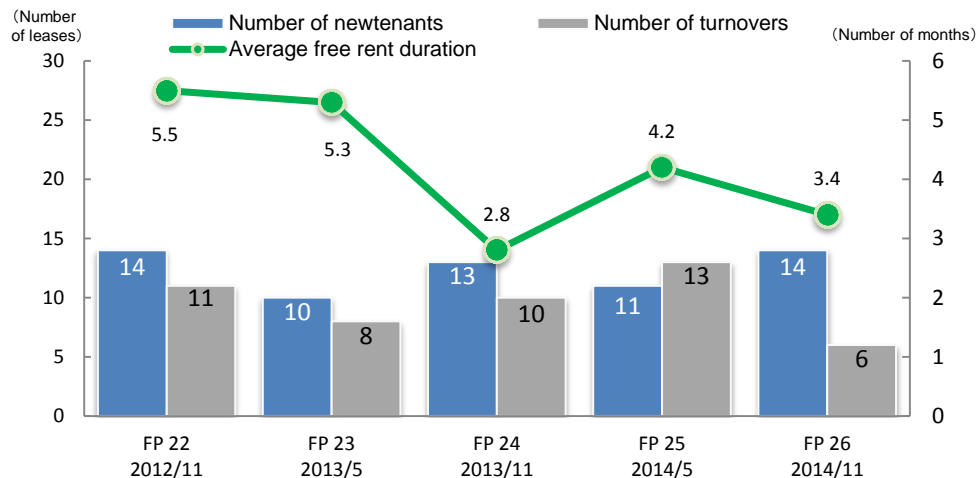


Rent Gap Trends

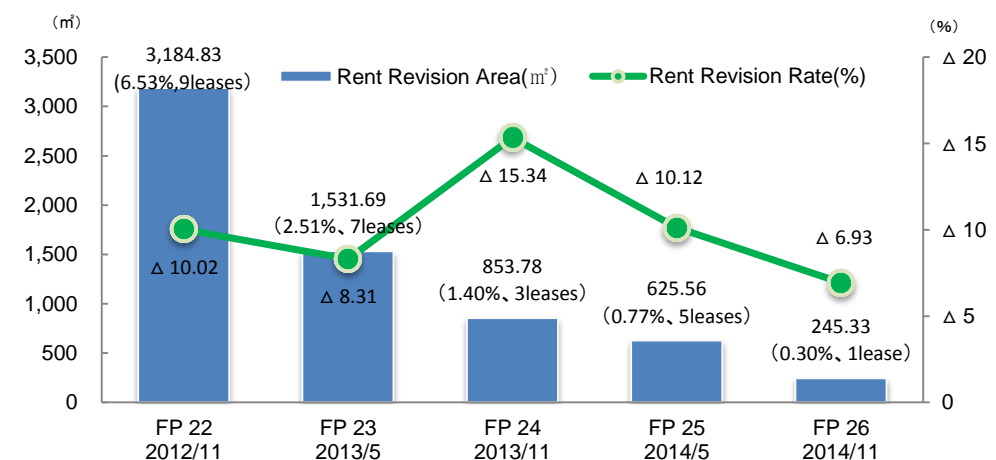


(Note) The rent gap in the 23rd Fiscal Period' onward for both "Deviation Rate " and "Deviation Rate (excluding Kayabacho)" are calculated without the inclusion of Mita Heiwa Building (leasehold land).

Status of New Tenants



Status of Existing Tenant Rent Revision

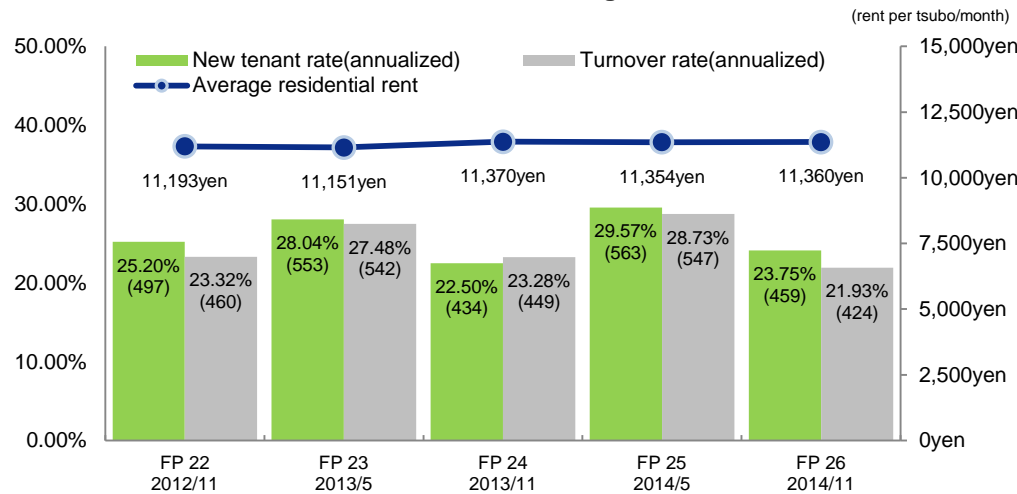


(Note) Figures in the parentheses are the ratios of rent revision areas versus total leasable floor space, and the numbers of tenants whose rents were revised.

5 Internal Growth (4) Status of Residential Operations

- Average residential rent was stable at the end of the fiscal period.
- The decline in rent variation narrowed.

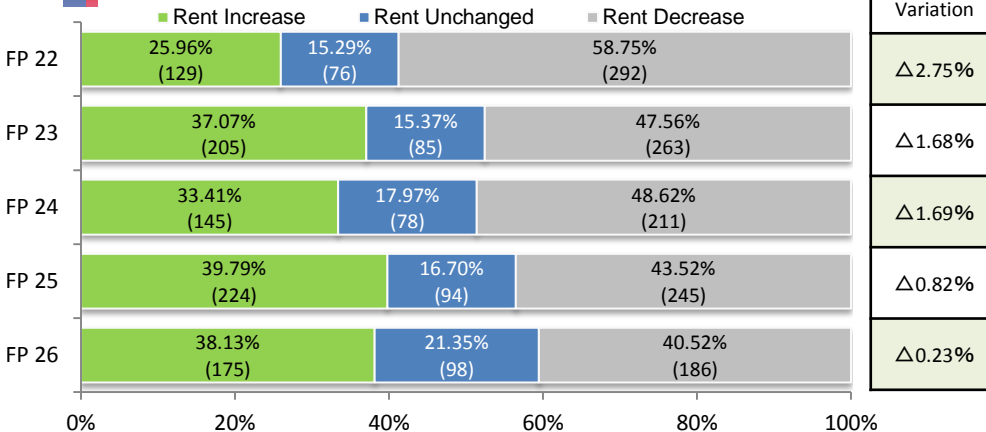
Residence Tenant Turnover and Average Residence Rent Trends



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

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

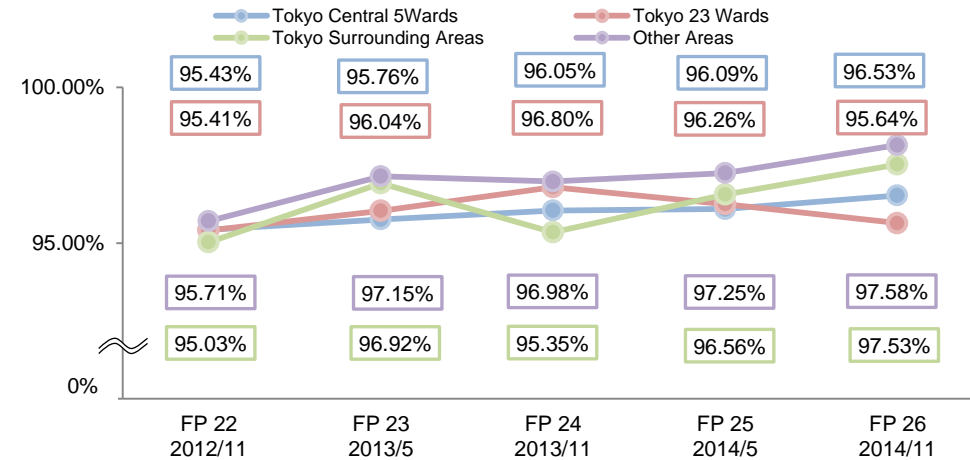
Status of New Residence Tenants



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

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

Average Occupancy Rates of Residences by Investment Area



Residence Occupancy Rate by Room Type

Room Type (Floor space)	Percentage of Holdings (in number of units)	22nd FP Occupancy Rate	23rd FP Occupancy Rate	24th FP Occupancy Rate	25th FP Occupancy Rate	26th FP Occupancy Rate
Single Type (Under 40㎡)	80.37%	96.58%	96.69%	95.89%	97.20%	97.86%
DINKS Type (40㎡ and above and under 60㎡)	14.90%	95.41%	96.54%	96.50%	94.25%	95.98%
Family Type (60㎡ and above)	4.73%	95.26%	98.02%	98.22%	93.01%	96.66%
Total	100.00%	96.18%	96.80%	96.29%	96.06%	97.31%

(Note) Excluding shops and office areas.

- Switched to PPS as a result of rising electricity bills.
- Received environmental certification.

Switching power companies

We switched power companies to PPS (Power Producer and Supplier) to control rising electricity bills. At residential properties, we are gradually installing LED lighting and cost-cutting breakers in common areas.

Office : Effect of switching PPS

Fiscal Period	Number of Properties	Amount Saved*
22 nd Fiscal Period	4 properties	803,256 yen per year
24 th Fiscal Period	14 properties	3,202,222 yen per year (cumulative)
27 th Fiscal Period	20 properties	9,260,349 yen per year (cumulative)

Residence : Effect of cost-cutting breakers

Fiscal Period	Number of Properties	Amount Saved*
23 rd Fiscal period	5 properties	107,000 yen per month
24 th Fiscal Period	24 properties	320,460 yen per month (cumulative)
25 th Fiscal period	35 properties	452,508 yen per month (cumulative)
26 th Fiscal Period	38 properties	483,336 yen per month (cumulative)

* Amount saved is calculated by multiplying the amount of electricity used by the unit price and is not the actual saving.

Measures for the Environment



HF Sakuradori Building

DBJ Green Building Certification*



SMBC Sustainability Assessment Loan Program**



Hirokoji Aqua Place

SMBC Sustainability Assessment Loan Program**



*DBJ Green Building Certification

The DBJ Green Building Certification System assigns scores to real estate using a scoring model with five subcategories originally developed by the Development Bank of Japan (DBJ) and certifies superior real estate that meets the demands of the times. Its purpose is to promote buildings that are friendly to the environment, sufficiently equipped to prevent crime and mitigate disaster, as well as that meet the various social requirements of real estate stakeholders.

**SMBC Sustainability Assessment Loan Program

The SMBC Sustainability Assessment Loan Program conducts an assessment on the environmentally friendliness of buildings owned or to be constructed by companies, pursuant to assessment criteria created by SMBC and CSR Design & Landscape Co., Ltd

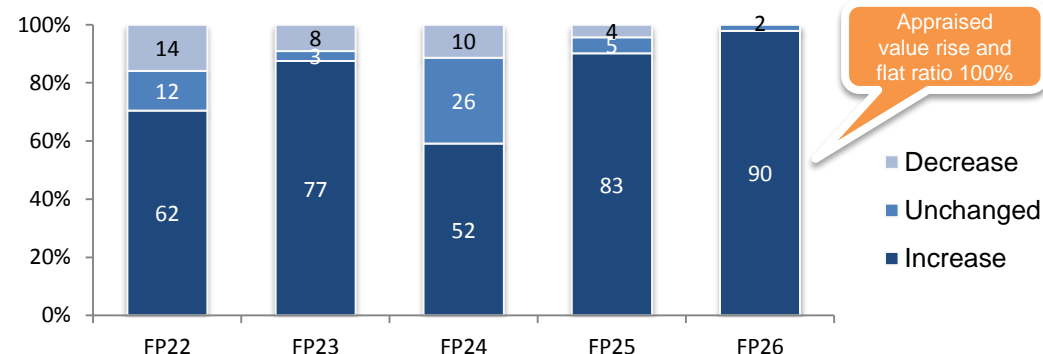
7 Historical Appraisal Values

- Conversion to unrealized gains
- Cap rates have declined for 89 out of the 92 properties owned as of end of 26th FP (rate decline range is 0.1%~0.2%)
- Appraisal value increase: 90 properties Appraisal value unchanged: 2 properties (compared to each respective prior period (note))

Appraisal Value Overview

Appraisal Value at end of 26 th FP
145,176 million yen
Unrealized gain
1,308 million yen

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



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

Historical unrealized gains and losses

(million yen)



	FP 16 th	FP 17 th	FP 18 th	FP 19 th	FP 20 th	FP 21 st	FP 22 nd	FP 23 rd	FP 24 th	FP 25 th	FP 26 th	FP 27 th
New investment assets						790	804	1,384	1,617	2,976	3,338	3,938
Existing assets	-11,895	-13,181	-14,356	-10,410	-10,012	-10,932	-9,962	-7,523	-6,282	-4,572	-2,058	-2,058
Total	-11,895	-13,181	-14,356	-10,410	-10,012	-10,142	-9,158	-6,139	-4,665	-1,596	1,308	1,908

8 Financial Strategies (1) Financial Status (1)

● Financial position grew stronger

■ End of 26th FP Interest-bearing Liabilities Summary

Average Interest Rate	Average Loan Term	Average Remaining Term to Maturity	LTV (Note 1)	Appraisal-based LTV(Note 2)
1.276%	5.41years	3.53years	43.8%	47.5%
Fixed Interest Rate Ratio	Long-term Loan Ratio	Long-term Loan scheduled to mature within 1 year Ratio	Rating: R&I (Note3)	Rating: JCR (Note4)
86.5%	84.6%	15.4%	A- (Stable)	A- (Stable)

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

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

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

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

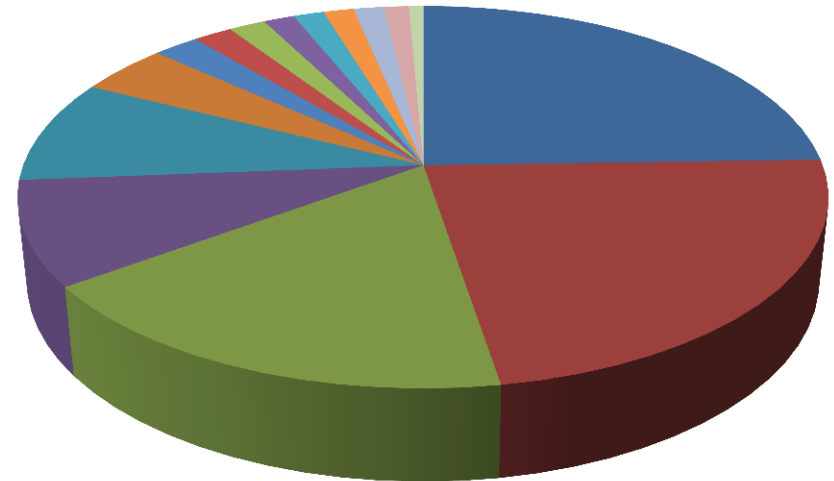
■ Credit Commitment Lines

Sumitomo Mitsui Banking Corporation Loan Commitment 2.5 billion yen Committed Period From: March 31, 2014 To: March 31, 2015 Unsecured, Unguaranteed	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Loan Commitment 2.0 billion yen Commitment Period From: March 31, 2014 To: March 31, 2015 Unsecured, Unguaranteed	Mizuho Bank, Ltd. Loan Commitment 1.5 billion yen Commitment Period From: March 31, 2014 To: March 31, 2015 Unsecured, Unguaranteed
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■ Shelf registration of investment corporation bonds

Shelf registration amount	10 billion yen
Effective period of comprehensive resolution on issuance of bonds	Until April 24, 2016

■ Lenders and borrowing amounts



Lender's name	Amount	Share	Lender's name	Amount	Share
Sumitomo Mitsui Banking	16,922	24.5%	Shinsei Bank	1,185	1.7%
Aozora Bank	15,794	22.9%	Development Bank of Japan	1,000	1.4%
Resona Bank	12,100	17.5%	Nomura Trust and Banking	985	1.4%
Bank of Tokyo-Mitsubishi UFJ	6,085	8.8%	Bank of Fukuoka	985	1.4%
Mizuho Trust & Banking	6,017	8.7%	Mitsubishi UFJ Trust and Banking	985	1.4%
Sumitomo Mitsui Trust Bank	2,929	4.2%	Mizuho Bank	800	1.2%
Norinchukin	1,477	2.1%	Sompo Japan Nipponkoa Insurance	469	0.7%
ORIX Bank	1,280	1.9%			

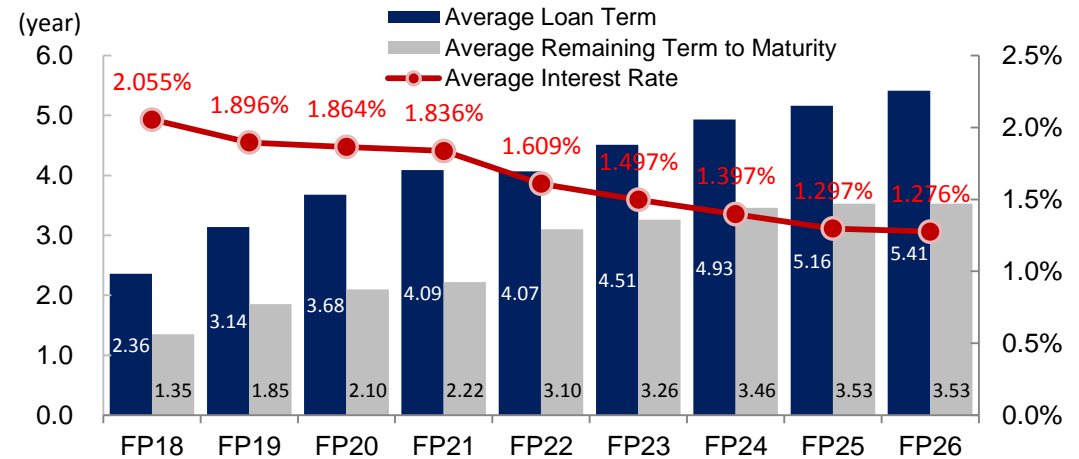
9 Financial Strategies (2) Financial Status (2)

- Lengthened maturities and diversified repayment dates : Loans in October 2014 are loans over 4.6 years and 8.0 years
- Lowered interest rates

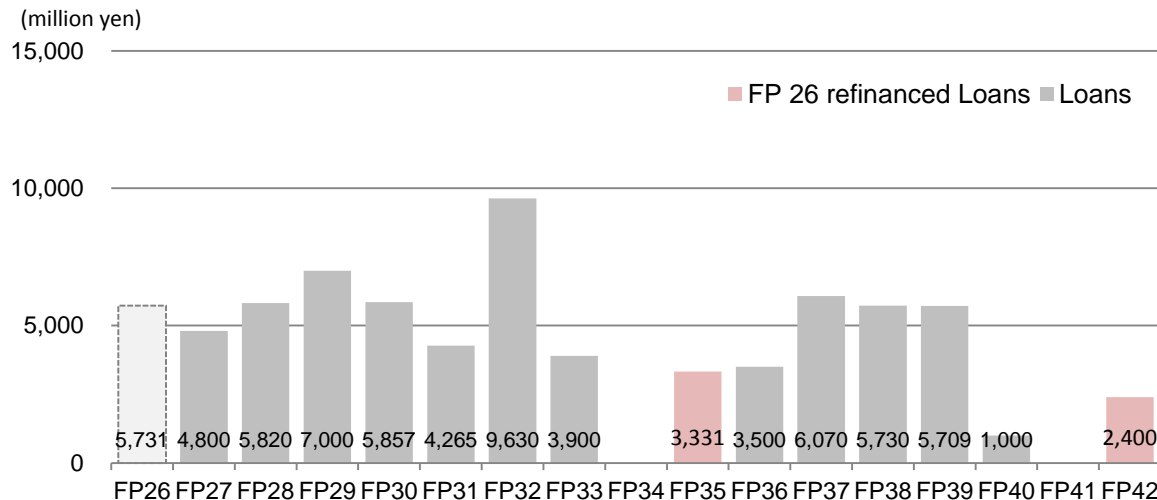
Financing Status of the 26th Fiscal Period

	Loan Amount	Interest Rate	Loan term
Term Loan 24A	800 million yen	0.75% (Fixed rate)	4years & 7months
Term Loan 24B	2,531 million yen	1M TIBOR + 0.45000%	4years & 7months
Term Loan 24C	2,400 million yen	1M TIBOR + 0.80000%	8years

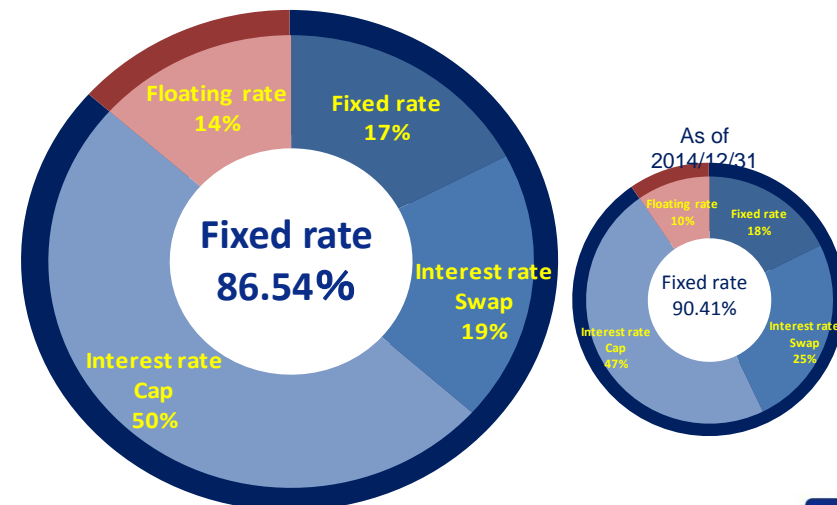
Trends of average loan maturity and interest rate



Loan Maturity Diversification

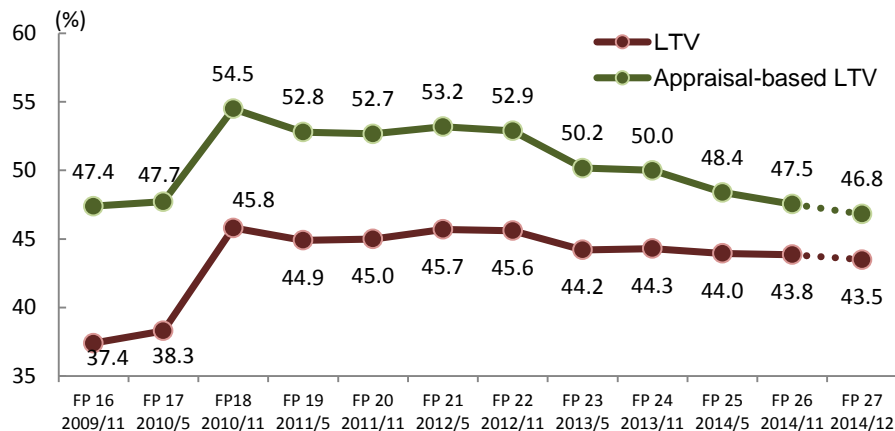


Fixed Rate Interest ratio



- Continued to lower our LTV. Increased our free cash amount. Increased our borrowing capacity.

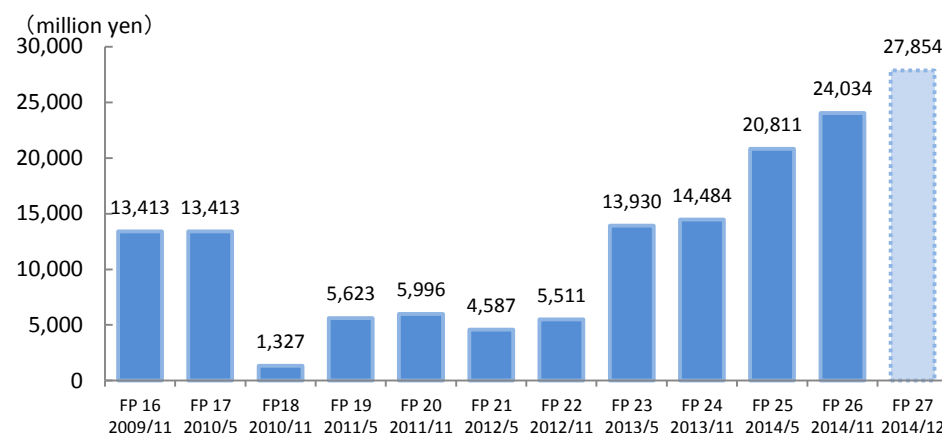
Trends in ratio of interest-bearing liabilities to total assets (LTV)



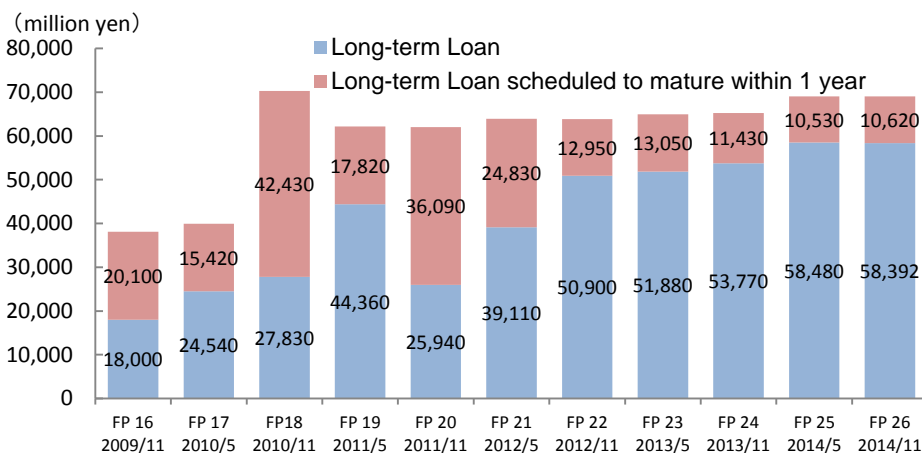
(Note 1) LTV = Interest-bearing liabilities as of FP End / Total Assets as of FP End

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

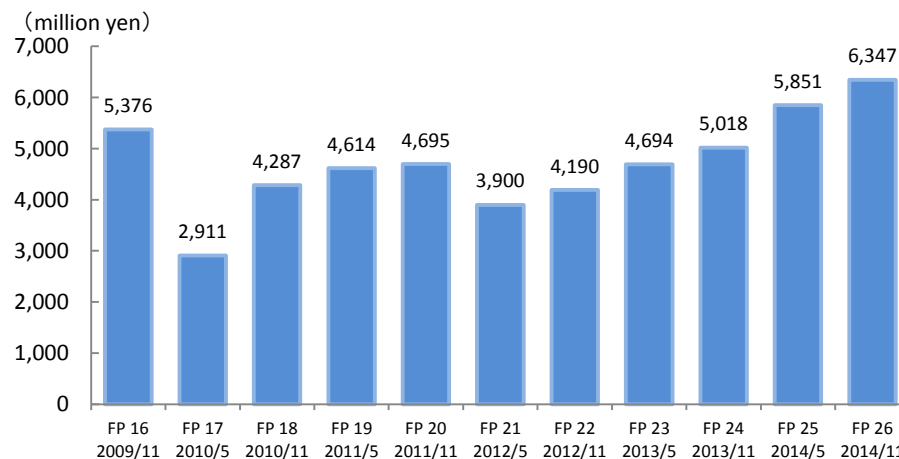
Borrowing capacity until appraisal based LTV = 55%



Composition of short term debt



Trends of free cash (FC) amount



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

Efforts in External Growth

- ◆ **Stable and continuous external growth**
 - Continuous property acquisition including asset replacing
 - Strengthen pipelines with Heiwa Real Estate
 - Diversify acquisition methods and informational channels
- ◆ **Property acquisition policy**
 - Investment expectations are NOI yield of 5% and yield after depreciation of 4%
 - Focus on offices with upside revenue potential
 - Invest mainly in Tokyo's Wards

Efforts in Internal Growth

- ◆ **Secure and improve on revenue. Maintain and improve asset value**
- ◆ **Improve revenues and asset value**
 - Improve occupancy rates through leasing measures
 - Operational management efficiencies and quality improvements
 - Improve building environment and provide a comfortable space with good service
 - Appropriate and well planned repair and renovation work
 - Carry out CS work

Efforts in Financial Strategies

- ◆ **Continuous strengthening of financial base**
 - Decrease financial costs, lengthen and diversify loan maturities
 - Appropriate LTV management (maximum LTV will be set at 55% appraisal value based LTV)
 - Diversify fundraising methods, including further issuance of investment corporation bonds
- ◆ **Stabilize dividends**
 - Actively utilize retained earnings(3 billion yen) (to appropriate in cases where unexpected factors materialize, or for strategic expenditures, etc.)
 - Actively utilize loss carried forward for tax purposes (6.2 billion yen)(to be used to retain gains in the event of gain on sale of properties)



Stable growth in asset size



Increase in cash flows



Reinforcement of financial base

IV Appendix

1 Balance Sheet

■ Assets

(unit: thousand yen)

Period Category	25th Fiscal Period May 31, 2014		26th Fiscal Period November 30, 2014		Variation	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
(Assets)						
I Current assets						
Cash and deposits	5,408,327		6,472,394		1,064,066	
Cash and deposits in trust	5,715,432		5,726,641		11,208	
Accounts receivable-trade	102,193		103,949		1,755	
Prepaid expenses	268,841		250,304		(18,537)	
Consumption taxes receivable	210,729		0		(210,729)	
Other	1,334		7,051		5,717	
Allowance for doubtful accounts	△ 466		△ 387		78	
Current assets	11,706,392	7.5	12,559,953	8.0	853,560	7.3
II Noncurrent assets						
1. Property, plant and equipment						
Buildings	9,276,802		9,178,448		(98,354)	
Structures	42,042		40,685		(1,357)	
Machinery and equipment	123,861		119,481		(4,380)	
Tools, furniture and fixtures	47,979		63,286		15,307	
Land	27,452,042		27,452,042		0	
Buildings in trust	35,182,079		34,896,392		(285,686)	
Structures in trust	243,083		237,657		(5,425)	
Machinery and equipment in trust	228,042		220,244		(7,798)	
Tools, furniture and fixtures in trust	255,089		283,249		28,159	
Land in trust	67,315,435		67,315,435		0	
Total property, plant and equipment	140,166,458	89.3	139,836,924	88.9	(329,533)	△ 0.2
2. Intangible assets						
Leasehold right	715,719		715,719		0	
Leasehold rights in trust	3,315,665		3,315,665		0	
Other	3,669		2,485		(1,184)	
Total intangible assets	4,035,055	2.6	4,033,871	2.6	(1,184)	△ 0.0
3. Investments and other assets						
Investment securities	143,061		143,061		0	
Guarantee deposits	10,016		10,016		0	
Long-term prepaid expenses	498,724		434,040		(64,683)	
Derivatives	224,729		134,898		(89,830)	
Other	185,322		195,396		10,073	
Total investments and other assets	1,061,854	0.7	917,413	0.6	(144,440)	(13.6)
Total noncurrent assets	145,263,367	92.5	144,788,209	92.0	(475,158)	△ 0.3
III Deferred assets						
Investment unit issuance expenses	46,454		34,619		(11,834)	
Total deferred assets	46,454	0.0	34,619	0.0	(11,834)	△ 25.5
Total assets	157,016,215	100.0	157,382,782	100.0	366,567	0.2

■ Liabilities and net assets

(unit: thousand yen)

Period Category	25th Fiscal Period May 31, 2014		26th Fiscal Period November 30, 2014		Variation	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
(Liabilities)						
I Current Liabilities						
Accounts payable	336,028		615,028		278,999	
Current portion of long-term loans payable	10,531,000		10,620,000		89,000	
Accrued expenses	650,449		658,496		8,046	
Income taxes payable	-		-		-	
Accrued consumption taxes	-		97,748		97,748	
Advances received	807,945		779,315		(28,630)	
Other	11,253		8,284		(2,969)	
Total current liabilities	12,336,678	7.9	12,778,872	8.1	442,194	3.6
II Noncurrent liabilities						
Long-term loans payable	58,480,700		58,391,700		(89,000)	
Tenant leasehold and security deposits	948,709		922,620		(26,088)	
Tenant leasehold and security deposits in trust	3,101,410		3,132,314		30,904	
Derivatives liabilities	32,812		123,460		90,647	
Total noncurrent liabilities	62,563,632	39.8	62,570,095	39.8	6,463	0.0
Total liabilities	74,900,310	47.7	75,348,968	47.9	448,657	0.6
(Net assets)						
I Unitholders' equity						
1. Unitholders' capital	70,527,819	44.9	70,527,819	44.8	-	0.0
2. Surplus						
Capital surplus	7,406,652	4.7	7,406,652	4.7	-	
Unappropriated retained earnings	4,534,660	2.9	4,564,300	2.9	29,640	0.7
Total surplus	11,941,312	7.6	11,970,952	7.6	29,640	0.2
Total unitholders' equity	82,469,131	52.5	82,498,771	52.4	29,640	0.0
II Valuation and translation adjustments						
Deferred gains or losses on hedges	(353,226)		(464,957)		(111,730)	
Total valuation and translation adjustments	(353,226)	(0.2)	(464,957)	(0.3)	(111,730)	31.6
Total net assets	82,115,904	52.3	82,033,814	52.1	(82,090)	(0.1)
Total liabilities and net assets	157,016,215	100.0	157,382,782	100.0	366,567	0.2

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

cumulated depreciation

25th fiscal period: 9,020,542 thousand yen 26th fiscal period: 9,858,918 thousand yen

Note 2 Total outstanding investment units

25th fiscal period: 881,447 units 26th fiscal period: 881,447 units

Note 3 Net assets per investment unit

25th fiscal period: 93,160 yen 26th fiscal period: 93,067 yen

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

2 Profit and Loss Statement

(unit: thousand yen)

Category	Period	25th Fiscal period (Dec. 1, 2013-May 31, 2014)			26th Fiscal period (Jun. 1, 2014-Nov 30, 2014)			Variation	
		Amount	Share (%)		Amount	Share (%)		Amount	Share (%)
Operating revenue	Note 1								
Rent revenue-real estate		4,626,607			4,650,423				
Other lease business revenue		424,889			395,900				
Gain on sales of real estate properties		-			-				
Dividends income		8,103	5,059,600	100.0	6,395	5,052,718	100.0	△ 6,882	(0.1)
Operating expenses	Note 2								
Expenses related to rent		2,267,121			2,269,925				
Asset management fee		452,301			455,872				
Asset custody fee		19,635			19,346				
Administrative service fees		42,372			39,575				
Directors' compensations		8,006			8,006				
Audit fee		9,660			9,664				
Other operating expenses		92,083	2,891,181	57.1	101,572	2,903,964	57.5	12,783	0.4
Operating income (loss)			2,168,419	42.9		2,148,754	42.5	(19,665)	(0.9)
Non-operating income									
Interest income		756			818				
Reversal of dividends payable		847			817				
Other		240			2,243	3,880	0.1	(194)	(4.8)
Non-operating expenses			4,074	0.1					
Interest expenses		514,004			501,843				
Borrowing related expenses		199,129			134,377				
New investment unit issuance costs		11,834			11,834				
Other		2,237	727,206	14.4	2,316	650,372	12.9	(76,833)	(10.6)
Ordinary income (loss)			1,445,287	28.6		1,502,261	29.7	56,973	3.9
Income (Loss) before income taxes			1,445,287	28.6		1,502,261	29.7	56,973	3.9
Income taxes-current		605			605				
Income taxes			605	0.0		605	0.0	0	0.0
Net income (loss)			1,444,682	28.6		1,501,656	29.7	56,973	3.9
Retained earnings brought forward			3,089,977			3,062,643		(27,333)	
Unappropriated retained earnings (undisposed loss)			4,534,660			4,564,300		29,640	

* 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 25th fiscal period and 183 days for the 26th fiscal period.

Note 2 The depreciation costs of this total are 836,500 thousand yen for the 25th fiscal period and 838,593 thousand yen for the 26th fiscal period.

3 Debts

as of November 30, 2014

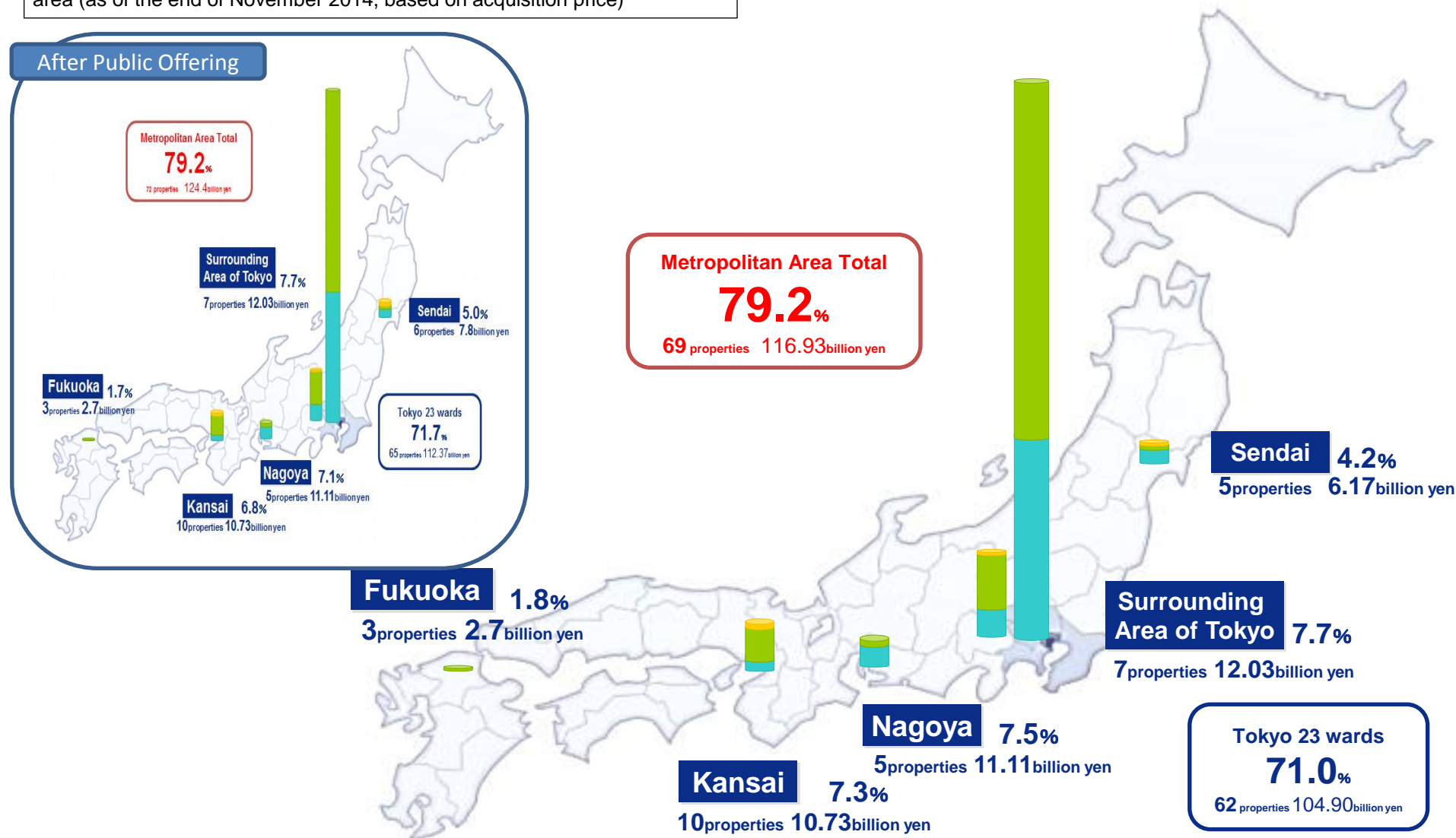
	Breakdown	Balance at Period End (million yen)	Interest Rate (%)	Borrowing Date	Repayment Date	Description		Breakdown	Balance at Period End (million yen)	Interest Rate (%)	Borrowing Date	Repayment Date	Description
	Lender							Lender					
Long-term loans payable Due within One Year	Term Loan9 Aozora Bank, Ltd. Sumitomo Mitsui Banking Corporation Resona Bank, Limited.	2,820	2.10000	October 27, 2010	October 31, 2015	Unsecured and Unguaranteed		Term Loan16 Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Resona Bank, Limited. Sumitomo Mitsui Trust Bank, Limited.	3,900	1.15164	October 31, 2012	May 31, 2018	
	Term Loan12 Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,000	1.24364	March 30, 2012	October 30, 2015			Term Loan17 Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Resona Bank, Limited. Shinsei Bank, Limited.	3,500	1.29364	October 31, 2012	October 31, 2019	
	Term Loan13B ORIX Bank Corporation	480	1.14364	October 25, 2012	May 31, 2015			Term Loan19 Sumitomo Mitsui Banking Corporation Resona Bank, Limited. Mizuho Trust & Banking Co., Ltd.	6,070	1.09364	March 29, 2013	March 31, 2020	
	Term Loan18 Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,520	0.78273	December 17, 2012	May 31, 2015			Term Loan20 Mizuho Trust & Banking Co., Ltd.	1,230	1.20000	September 13, 2013	October 30, 2020	
	Term Loan22 TrancheA Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Resona Bank, Limited. The Bank of Tokyo-Mitsubishi UFJ, Ltd. Shinsei Bank, Limited. Mizuho Bank, Ltd.	2,800	0.40730	December 20, 2013	May 31, 2015			Term Loan21 TrancheA The Nomura Trust and Banking Co., Ltd. Mitsubishi UFJ Trust and Banking Corporation	1,970	0.60700	October 31, 2013	May 31, 2017	
	Subtotal	10,620						Term Loan21 TrancheB Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Resona Bank, Limited. The Bank of Tokyo-Mitsubishi UFJ, Ltd.	4,500	1.20000	October 31, 2013	October 31, 2020	
								Term Loan22 TrancheB Development Bank of Japan Inc.	1,000	1.46168	December 20, 2013	May 31, 2021	
Long-term loans payable	Term LoanG Aozora Bank, Ltd. Resona Bank, Limited. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited.	4,000	2.14200	May 31, 2011	May 31, 2016	Unsecured and Unguaranteed	Long-term loans payable	Term Loan23 TrancheA Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Resona Bank, Limited. The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mizuho Trust & Banking Co., Ltd. Sumitomo Mitsui Trust Bank, Limited.	4,708.7	1.16500	May 30, 2014	May 31, 2021	Unsecured and Unguaranteed
	Term Loan11 Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Resona Bank, Limited.	5,857	1.39364	October 31, 2011	October 31, 2016			Term Loan23 TrancheB The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,000	1.20000	May 30, 2014	October 31, 2021	
	Term Loan14 Aozora Bank, Ltd. Resona Bank, Limited.	6,130	1.89206	May 31, 2012	October 31, 2017			Term Loan24 TrancheA ORIX Bank Corporation	800	0.75000	October 31, 2014	May 31, 2019	
	Term Loan13 TrancheC Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Resona Bank, Limited.	3,000	1.24364	October 25, 2012	May 31, 2016			Term Loan24 TrancheB Sumitomo Mitsui Banking Corporation The Norinchukin Bank The Bank of Fukuoka Sompo Japan Nipponkoa Insurance	2,531	0.58273	October 31, 2014	May 31, 2019	
	Term Loan13 TrancheD Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Resona Bank, Limited.	3,500	1.39364	October 25, 2012	October 31, 2017			Term Loan24 TrancheC Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Mizuho Trust & Banking Co., Ltd. The Bank of Fukuoka	2,400	0.93273	October 31, 2014	October 31, 2022	
	Term Loan15 Sumitomo Mitsui Banking Corporation Resona Bank, Limited. Shinsei Bank, Limited.	2,295	1.05164	October 31, 2012	May 31, 2017			Subtotal	58,391.7				
								Total	69,011.7				

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 2014, based on acquisition price)

After Public Offering

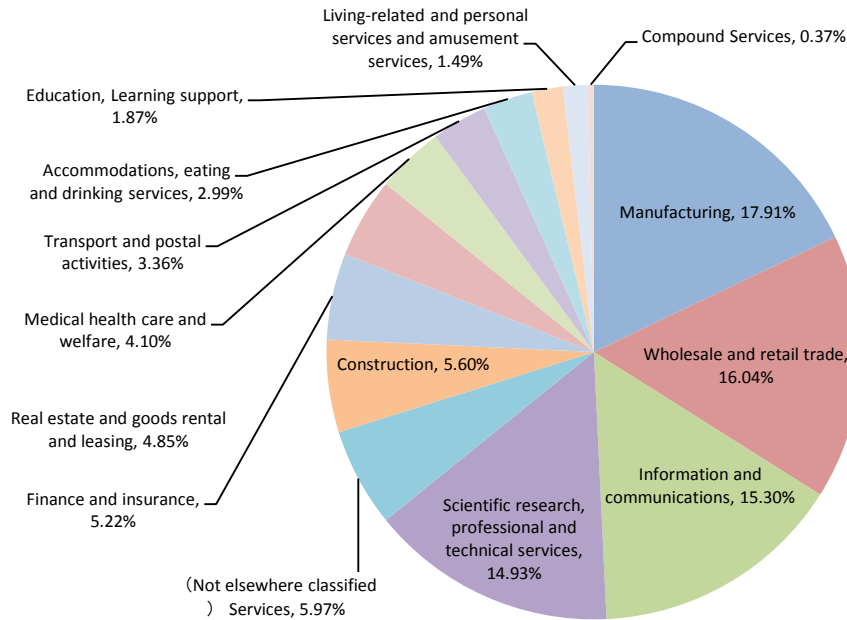


5 Office Portfolio Performance

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

(Note) The management status of offices below is calculated with figures as of November 30, 2014.

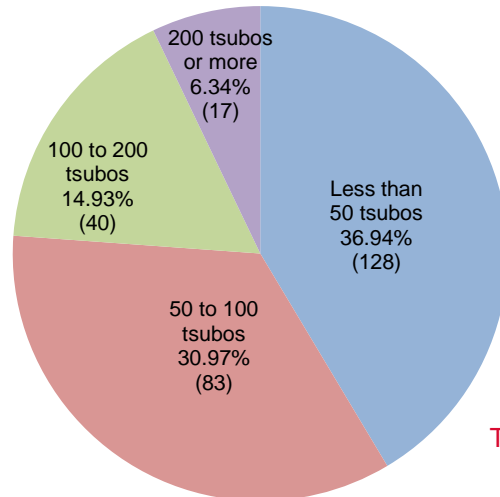
Office Tenant Condition



Tenants with Largest Rent Share (Includes Residence and Hotel)

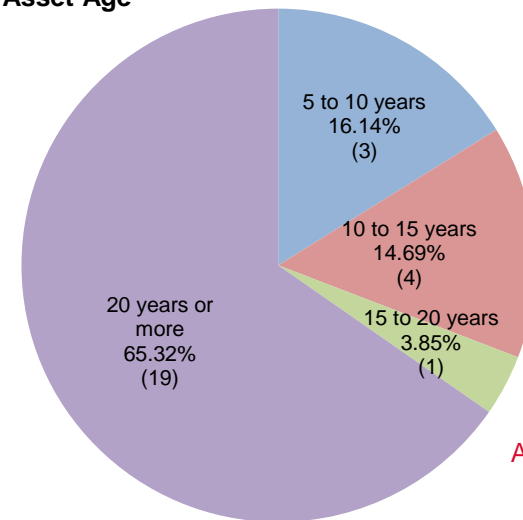
Ranking	Tenant	Property Name	Share of total rent
1	Company A	Kayabacho Heiwa Bldg	4.23%
2	Company B	Super Hotel (4 properties)	3.13%
3	Company C	HIROKOJI AQUA PLACE	1.73%
4	Company D	HF SAKURADORI BUILDING	1.67%
5	Company E	Funabashi Face Bldg.	1.36%
Total			12.11%

Tenant Diversification by Area



Total number of office tenant
268 tenants

Office Asset Age



Average office asset age
20.57 years

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

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

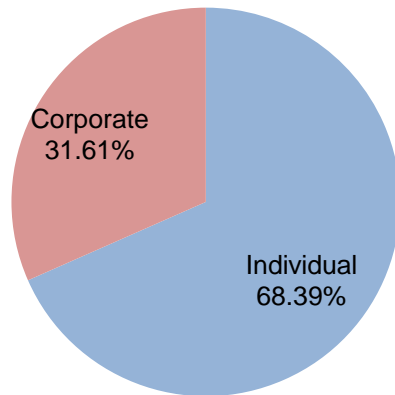
6 Residential Portfolio Performance

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

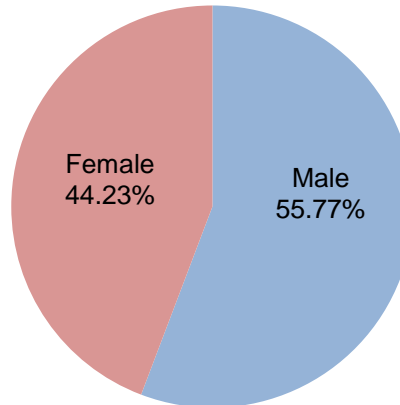
(Note) The management status of residences below is calculated with figures as of November 30, 2014.

Residence Types

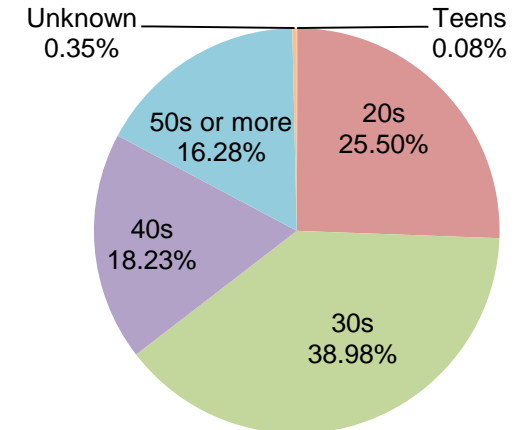
Agreement Categories



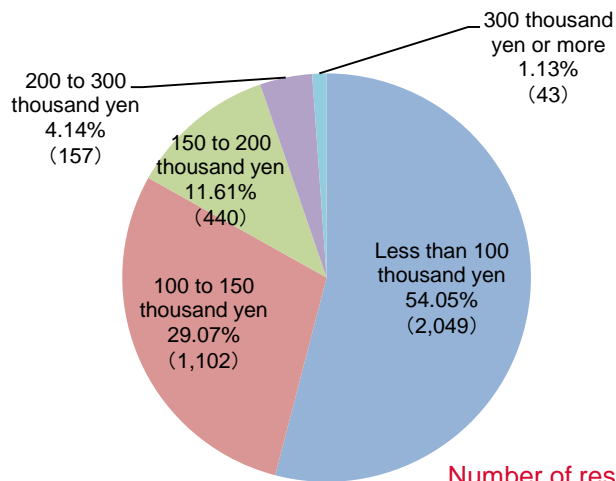
Gender Breakdown for Individual Contracts



Age Distribution



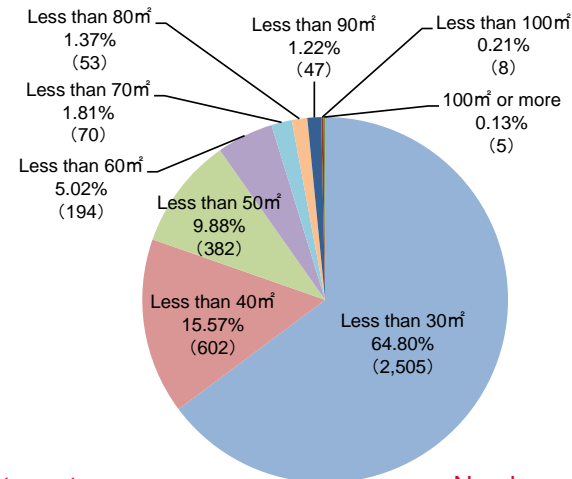
Status by Monthly Rent



Number of residential tenants

3,791 tenants

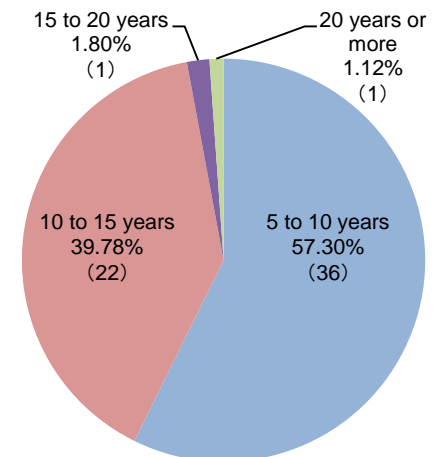
Status by Leasable Floor Space



Number of leasable units

3,866 units

Residence Asset Age



Average residence asset age

10.45 years

(Note) Figures in parenthesis and the total number of residential tenants are the number of tenants as of November 30, 2014.

(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	25th Fiscal Period	26th Fiscal Period
Rents and common expenses	4,626,607	4,650,423
Other income	424,889	395,900
Rental business income total	5,051,497	5,046,323
PM fees	538,703	534,423
Public charges and taxes	337,175	358,550
Utilities	199,460	230,298
Maintenance and repair fees	190,316	144,385
Insurance fees	5,029	4,955
Trust fees	46,481	46,307
Other expenses	113,454	112,411
Rental business expenses total	1,430,621	1,431,332
NOI	3,620,876	3,614,991
Depreciation	836,500	838,593
Rental business profit	2,784,376	2,776,397

Residence	25th Fiscal Period	26th Fiscal Period
Rents and common expenses	2,463,397	2,456,455
Other income	157,862	119,224
Rental business income total	2,621,259	2,575,679
PM fees	302,115	284,170
Public charges and taxes	141,920	144,139
Utilities	30,657	29,974
Maintenance and repair fees	144,830	91,213
Insurance fees	2,846	2,752
Trust fees	32,178	31,993
Other expenses	19,883	19,866
Rental business expenses total	674,431	604,111
NOI	1,946,827	1,971,568
Depreciation	484,827	484,270
Rental business profit	1,462,000	1,487,297

Office	25th Fiscal Period	26th Fiscal Period
Rents and common expenses	2,014,452	2,045,210
Other income	267,027	276,675
Rental business income total	2,281,479	2,321,886
PM fees	236,588	250,252
Public charges and taxes	178,714	197,903
Utilities	168,802	200,323
Maintenance and repair fees	45,485	51,581
Insurance fees	2,000	2,021
Trust fees	12,002	12,013
Other expenses	93,571	92,544
Rental business expenses total	737,165	806,641
NOI	1,544,314	1,515,244
Depreciation	322,054	326,261
Rental business profit	1,222,259	1,188,983

Hotel	25th Fiscal Period	26th Fiscal Period
Rents and common expenses	148,758	148,758
Other income	-	-
Rental business income total	148,758	148,758
PM fees	-	-
Public charges and taxes	16,541	16,507
Utilities	-	-
Maintenance and repair fees	-	1,590
Insurance fees	181	182
Trust fees	2,300	2,300
Other expenses	-	-
Rental business expenses total	19,023	20,579
NOI	129,734	128,178
Depreciation	29,618	28,061
Rental business profit	100,116	100,116

8 Portfolio Overview and Performance (Office)

Property Name	Of-01 HF GOTANDA BUILDING	Of-05 Suitengu Heiwa Building	Of-06 HF MONZENNAKACHO BUILDING	Of-07 HF HAMAMATSUCHO BUILDING	Of-08 Kokusai Tameike Building
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Address	Shinagawa-ku, Tokyo		Chuo-ku, Tokyo		Koto-ku, Tokyo		Minato-ku, Tokyo		Minato-ku, Tokyo	
Lot Area (m ²)	605.72		316.73		748.36		294.50		533.32	
Total Floor Area (m ²)	2,921.56		2,177.81		4,558.01		2,184.76		3,089.73	
Constructed	May 1980		August 1991		December 1990		December 1991		February 1992	
Period-end occupancy rate (%)	100.00		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)	1,283		1,246		2,310		1,520		2,590	
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)	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	43,986	45,168	46,076	45,160	81,670	81,670	46,172	44,721	73,433	73,433
Other income	4,448	4,409	6,020	6,885	10,297	11,630	5,933	5,220	8,202	9,632
①Rental business income total (unit: thousand yen)	48,435	49,577	52,097	52,046	91,968	93,301	52,105	49,941	81,636	83,066
PM fees	6,005	5,682	6,917	6,516	11,080	10,901	4,542	4,880	5,849	5,713
Public charges and taxes	5,428	5,446	4,831	4,878	5,973	5,915	6,590	6,499	7,231	7,177
Utilities	3,156	3,396	5,590	6,333	9,410	10,788	4,824	4,663	6,192	7,420
Maintenance and repair fees	2,594	850	1,412	4,916	2,564	1,805	416	237	2,454	1,180
Insurance fees	55	55	43	43	80	80	40	40	60	60
Trust fees	1,036	1,025	701	690	911	900	761	750	1,377	1,366
Other expenses	961	384	40	40	1,077	157	435	143	209	241
②Rental business expenses total (unit: thousand yen)	19,237	16,841	19,536	23,417	31,098	30,549	17,609	17,213	23,374	23,160
③NOI (① - ②)	29,197	32,735	32,560	28,628	60,869	62,751	34,496	32,727	58,262	59,905
Depreciation	8,684	9,482	8,129	7,955	16,430	16,597	6,718	6,885	7,405	7,444
Rental business profit	20,513	23,253	24,431	20,673	44,439	46,153	27,777	25,842	50,856	52,461

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

8 Portfolio Overview and Performance (Office)

Property Name	Of-09 Grace Building Sengakujimae		Of-10 HF SHIN- YOKOHAMA BUILDING		Of-11 Nihonbashi Daiichi Building		Of-12 Hatchobori SF Building		Of-13 Shibuya AX Hills	
										
Address	Minato-ku, Tokyo		Yokohama City, Kanagawa		Chuo-ku, Tokyo		Chuo-ku, Tokyo		Shibuya-ku, Tokyo	
Lot Area (m ²)	538.50		668.00		520.69		543.31		160.42	
Total Floor Area (m ²)	2,401.74		4,321.23		3,455.35		3,425.91		1,071.22	
Constructed	June 1994		February 1993		March 1988		October 1991		March 2006	
Period-end occupancy rate (%)	100.00		80.01		100.00		100.00		97.53	
Acquisition Price (mm yen)	1,220		1,550		2,150		3,092		1,860	
Appraisal Price (mm yen)	1,490		1,080		1,760		2,410		1,400	
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)	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	51,471	53,525	38,436	32,505	50,567	50,777	69,668	67,740	27,846	30,361
Other income	13,845	9,055	9,118	8,017	8,715	9,153	6,482	6,818	4,800	3,419
①Rental business income total (unit: thousand yen)	65,316	62,580	47,554	40,522	59,283	59,931	76,151	74,559	32,647	33,780
PM fees	5,837	5,236	8,192	7,913	5,740	6,040	7,032	6,546	3,819	3,533
Public charges and taxes	2,296	2,291	4,865	4,863	4,870	4,890	8,227	8,229	2,780	2,777
Utilities	5,923	6,600	4,922	4,670	5,454	5,945	5,384	5,903	2,670	2,856
Maintenance and repair fees	991	1,123	1,472	636	882	1,482	1,039	521	2,465	5,639
Insurance fees	49	49	78	78	63	63	68	68	25	25
Trust fees	710	699	-	-	1,266	1,255	-	-	-	-
Other expenses	5,815	5,104	483	258	182	316	285	145	17	67
②Rental business expenses total (unit: thousand yen)	21,623	21,107	20,014	18,420	18,460	19,995	22,036	21,414	11,779	14,899
③NOI (① - ②)	43,692	41,473	27,539	22,102	40,823	39,935	54,114	53,145	20,868	18,881
Depreciation	6,601	6,658	17,924	18,209	12,389	12,765	8,652	8,817	4,770	4,838
Rental business profit	37,090	34,815	9,615	3,893	28,433	27,169	45,462	44,327	16,097	14,042

(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 ²)	224.17		1,078.04		251.95		205.83		264.36	
Total Floor Area (m ²)	1,562.30		4,040.53		1,412.45		1,432.44		1,290.12	
Constructed	November 1987		February 1988		October 1990		January 1988		January 1970	
Period-end occupancy rate (%)	82.20		88.55		85.29		100.00		100.00	
Acquisition Price (mm yen)	1,730		2,870		1,385		1,110		3,418	
Appraisal Price (mm yen)	1,086		2,080		1,100		935		4,315	
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)	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	31,298	31,487	53,620	56,114	29,976	27,493	28,747	28,878	87,097	89,891
Other income	222	342	12,847	12,418	4,064	4,733	2,771	2,627	12,514	8,735
①Rental business income total (unit: thousand yen)	31,521	31,830	66,467	68,533	34,040	32,227	31,518	31,505	99,612	98,626
PM fees	4,983	5,106	9,182	7,460	2,563	2,571	2,522	2,752	6,003	5,169
Public charges and taxes	3,555	3,558	7,048	7,065	2,140	2,147	2,548	2,546	5,030	5,301
Utilities	228	227	6,240	7,256	2,661	3,402	2,872	2,862	4,821	5,682
Maintenance and repair fees	1,788	-	1,911	2,817	340	342	273	5,602	2,548	708
Insurance fees	29	29	79	79	27	27	26	26	31	31
Trust fees	-	-	-	-	-	-	-	-	1,412	1,401
Other expenses	148	335	766	212	93	373	36	145	893	49
②Rental business expenses total (unit: thousand yen)	10,734	9,257	25,229	24,891	7,826	8,865	8,279	13,936	20,740	18,343
③NOI (① - ②)	20,787	22,573	41,238	43,641	26,213	23,362	23,238	17,569	78,871	80,283
Depreciation	4,171	4,218	16,120	16,538	8,487	8,613	4,170	4,222	8,695	8,726
Rental business profit	16,616	18,355	25,117	27,102	17,726	14,748	19,068	13,347	70,176	71,556

(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 ²)	488.13		125.91		260.55		188.31		400.86	
Total Floor Area (m ²)	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		100.00		100.00		100.00	
Acquisition Price (mm yen)	3,900		640		1,675		1,314		1,434	
Appraisal Price (mm yen)	2,920		456		1,271		1,110		1,410	
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)	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	119,967	108,009	11,052	11,052	36,350	33,819	31,471	31,161	48,520	48,520
Other income	5,885	4,375	1,376	1,826	3,017	2,954	4,251	4,496	4,689	4,981
①Rental business income total (unit: thousand yen)	125,853	112,384	12,428	12,879	39,368	36,773	35,723	35,657	53,210	53,502
PM fees	17,703	25,731	964	868	3,168	3,437	2,732	3,807	4,766	4,710
Public charges and taxes	7,617	7,598	767	766	3,634	3,612	2,108	2,114	2,479	2,497
Utilities	7,905	7,058	1,471	1,852	2,418	2,221	3,283	3,836	3,174	3,516
Maintenance and repair fees	-	-	263	980	1,102	203	127	303	69	662
Insurance fees	76	76	9	9	30	30	26	26	43	43
Trust fees	-	-	391	391	-	-	-	-	-	-
Other expenses	9	9	20	9	414	56	406	384	4,362	4,076
②Rental business expenses total (unit: thousand yen)	33,311	40,474	3,887	4,877	10,768	9,560	8,684	10,472	14,894	15,507
③NOI (① - ②)	92,541	71,910	8,541	8,002	28,600	27,213	27,038	25,185	38,316	37,995
Depreciation	20,015	20,015	2,243	2,259	4,191	4,280	4,856	4,860	6,728	6,752
Rental business profit	72,525	51,895	6,297	5,742	24,408	22,932	22,182	20,325	31,587	31,243

(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 ²)	811.59		1,389.39		1,008.86		4,441.79		707.05	
Total Floor Area (m ²)	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		97.94		100.00		100.00	
Acquisition Price (mm yen)	4,798		2,930		2,310		2,230		1,580	
Appraisal Price (mm yen)	5,770		4,097		2,580		2,563		1,810	
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)	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	200,809	200,809	129,308	130,899	123,378	122,808	90,900	90,900	71,849	71,415
Other income	10,430	10,968	37,249	38,228	14,709	18,476	-	-	10,653	12,176
①Rental business income total (unit: thousand yen)	211,239	211,777	166,557	169,127	138,087	141,284	90,900	90,900	82,502	83,592
PM fees	8,529	8,935	17,743	17,783	21,725	20,921	300	300	12,139	12,997
Public charges and taxes	8,842	8,891	11,898	11,892	11,488	11,486	36,899	36,899	6,549	6,520
Utilities	10,424	10,966	14,519	16,832	15,519	20,756	-	-	8,846	10,527
Maintenance and repair fees	2,146	483	2,101	2,418	1,103	3,732	-	-	2,042	491
Insurance fees	103	103	189	189	167	167	-	-	112	112
Trust fees	1,148	1,148	452	441	324	324	176	176	324	324
Other expenses	45	10	387	864	1,453	377	-	-	332	185
②Rental business expenses total (unit: thousand yen)	31,240	30,541	47,291	50,421	51,782	57,766	37,375	37,375	30,348	31,160
③NOI (① - ②)	179,998	181,236	119,266	118,706	86,305	83,517	53,524	53,524	52,154	52,431
Depreciation	8,657	8,726	29,097	29,249	20,478	20,668	-	-	13,526	13,636
Rental business profit	171,341	172,509	90,169	89,456	65,826	62,848	53,524	53,524	38,628	38,795

((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-30 HF SAKURADORI BUILDING		Of-31 HF Nihonbashi Hamacho Building		Of-22 HFSendai Honcho Building	
						
Address	Nagoya City, Aichi		Chuo-ku, Tokyo		Sendai City, Miyagi	
Lot Area (m ²)	1,662.49		599.34		1,598.83	
Total Floor Area (m ²)	13,160.83		4,226.25		8,988.49	
Constructed	February 2009		February 1987		September 2003	
Period-end occupancy rate (%)	97.69		100.00		93.04	
Acquisition Price (mm yen)	4,900		1,900		2,700	
Appraisal Price (mm yen)	5,580		2,150		3,050	
Property Management Company	Heiwa Real Estate Co., Ltd.		Heiwa Real Estate Co., Ltd.		Heiwa Real Estate Co., Ltd.	
PML (%)	9.2		12.7		2.6	
Rental business balance (Note 1)	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period
Operation days	163	183	163	183	163	183
Rents and common expenses	233,190	260,206	56,910	65,785	100,671	110,891
Other income	36,759	40,199	7,562	11,441	20,156	23,450
①Rental business income total (unit: thousand yen)	269,950	300,406	64,473	77,226	120,828	134,342
PM fees	32,662	36,190	6,910	9,701	16,969	18,841
Public charges and taxes	7,872	15,745	-	6,013	5,138	10,276
Utilities	12,827	20,005	5,037	8,170	13,018	16,568
Maintenance and repair fees	9,156	4,372	1,751	8,526	2,467	1,548
Insurance fees	270	280	73	75	140	145
Trust fees	306	339	306	339	395	439
Other expenses	73,403	76,574	831	550	459	1,467
②Rental business expenses total (unit: thousand yen)	136,499	153,508	14,911	33,376	38,589	49,287
③NOI (① - ②)	133,450	146,898	49,562	43,850	82,238	85,054
Depreciation	35,701	35,793	8,935	9,075	28,270	28,968
Rental business profit	97,749	111,104	40,626	34,775	53,967	56,085

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

9 Portfolio Overview and Performance (Residence)

Property Name	Re-03 HF ICHIKAWA RESIDENCE		Re-05 HF MEGURO RESIDENCE		Re-09 HF KASAI RESIDENCE		Re-11 HF WAKABAYASHI-KOEN RESIDENCE		Re-12 HF HIMONYA RESIDENCE	
										
Address	Ichikawa City, Chiba		Meguro-ku, Tokyo		Edogawa-ku, Tokyo		Setagaya-ku, Tokyo		Meguro-ku, Tokyo	
Lot Area (m ²)	218.22		213.45		416.87		2,892.06		856.19	
Total Floor Area (m ²)	884.60		948.48		1,392.74		6,689.03		2,412.83	
Constructed	March 2003		April 2003		November 2002		February 2004		February 2004	
Period-end occupancy rate (%)	100.00		95.07		97.87		100.00		96.72	
Acquisition Price (mm yen)	430		660		650		3,610		1,560	
Appraisal Price (mm yen)	491		599		664		3,775		1,519	
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)	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	17,280	17,280	19,120	18,391	21,908	22,822	102,338	100,116	43,093	42,556
Other income	26	8	983	460	1,454	1,091	10,182	9,307	3,130	3,313
①Rental business income total (unit: thousand yen)	17,306	17,288	20,103	18,851	23,363	23,914	112,521	109,423	46,224	45,870
PM fees	1,079	1,064	2,454	2,154	2,237	1,777	8,401	12,158	4,624	4,778
Public charges and taxes	725	724	981	978	1,227	1,226	6,452	6,434	2,508	2,508
Utilities	212	226	283	260	282	289	1,262	1,233	487	375
Maintenance and repair fees	218	33	3,347	335	414	225	5,080	1,537	2,661	2,435
Insurance fees	13	13	15	15	19	19	113	113	37	37
Trust fees	577	577	603	603	603	603	879	879	655	655
Other expenses	110	110	90	50	228	216	869	1,067	368	264
②Rental business expenses total (unit: thousand yen)	2,937	2,749	7,775	4,398	5,014	4,358	23,058	23,425	11,342	11,054
③NOI (① - ②)	14,369	14,538	12,327	14,453	18,349	19,555	89,462	85,998	34,882	34,815
Depreciation	2,781	2,808	3,490	3,682	4,247	4,280	22,970	23,212	7,464	7,543
Rental business profit	11,587	11,729	8,836	10,771	14,101	15,275	66,492	62,785	27,417	27,271

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

9 Portfolio Overview and Performance (Residence)

Property Name	Re-14 HF MINAMIAZABU RESIDENCE		Re-15 HF AZABUJUBAN RESIDENCE		Re-16 HF GAKUGEIDAIGAKU RESIDENCE		Re-17 HF HIGASHIKANDA RESIDENCE		Re-18 HF HIGASHINIHONBASHI RESIDENCE	
										
Address	Minato-ku, Tokyo		Minato-ku, Tokyo		Meguro-ku, Tokyo		Chiyoda-ku, Tokyo		Chuo-ku, Tokyo	
Lot Area (m ²)	279.73		499.24		268.70		262.07		312.76	
Total Floor Area (m ²)	1,673.32		1,225.85		1,431.57		1,596.11		2,101.31	
Constructed	April 2004		January 2005		March 2005		June 2005		June 2005	
Period-end occupancy rate (%)	95.00		97.13		96.41		98.44		98.80	
Acquisition Price (mm yen)	1,370		1,260		1,000		1,100		1,210	
Appraisal Price (mm yen)	1,212		1,080		881		1,190		1,370	
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)	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	35,052	34,047	27,837	27,795	24,647	24,342	33,194	33,782	38,913	39,295
Other income	1,666	749	1,943	1,884	1,115	439	2,302	1,307	2,217	1,752
①Rental business income total (unit: thousand yen)	36,719	34,796	29,780	29,679	25,763	24,781	35,496	35,089	41,130	41,048
PM fees	4,407	5,038	3,603	5,587	3,014	2,302	3,757	3,167	3,988	3,404
Public charges and taxes	1,926	1,919	1,833	1,816	1,363	1,361	1,498	1,481	1,999	1,990
Utilities	449	415	268	265	451	296	311	299	394	392
Maintenance and repair fees	1,629	1,341	705	688	1,102	1,039	683	289	1,406	1,318
Insurance fees	26	26	26	26	24	25	29	29	38	38
Trust fees	631	631	629	629	548	548	574	574	592	592
Other expenses	120	312	133	268	441	225	3	340	50	360
②Rental business expenses total (unit: thousand yen)	9,189	9,684	7,202	9,282	6,947	5,799	6,858	6,181	8,469	8,097
③NOI (① - ②)	27,529	25,112	22,578	20,397	18,815	18,982	28,638	28,907	32,660	32,950
Depreciation	5,414	5,422	8,802	8,808	5,067	5,142	10,241	10,266	11,002	11,008
Rental business profit	22,114	19,689	13,776	11,588	13,747	13,839	18,396	18,641	21,658	21,941

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

9 Portfolio Overview and Performance (Residence)

Property Name	Re-19 HF NERIMA RESIDENCE		Re-20 HF SHIROKANETAKANAWA RESIDENCE		Re-21 HF MEIDAIMAE RESIDENCE		Re-22 HF NIHONBASHI RESIDENCE		Re-23 HF KAMISHAKUJII RESIDENCE	
										
Address	Nerima-ku, Tokyo		Minato-ku, Tokyo		Setagaya-ku, Tokyo		Chuo-ku, Tokyo		Nerima-ku, Tokyo	
Lot Area (m ²)	368.67		922.21		485.01		222.40		536.09	
Total Floor Area (m ²)	1,200.77		5,282.41		1,374.87		1,546.01		1,676.83	
Constructed	May 2005		August 2005		June 2005		May 2005		May 2006	
Period-end occupancy rate (%)	100.00		98.75		95.80		96.32		98.60	
Acquisition Price (mm yen)	690		4,030		1,070		1,130		950	
Appraisal Price (mm yen)	721		3,950		903		975		897	
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)	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	22,766	23,081	104,000	102,684	27,033	26,906	29,654	30,241	29,136	29,183
Other income	1,445	944	8,248	6,057	1,408	551	1,367	351	1,730	2,068
① Rental business income total (unit: thousand yen)	24,211	24,025	112,249	108,741	28,442	27,457	31,022	30,592	30,866	31,251
PM fees	3,055	2,285	11,167	14,694	3,413	3,212	4,104	2,888	3,321	3,830
Public charges and taxes	1,203	1,193	5,582	5,618	1,486	1,496	1,522	1,525	1,760	1,764
Utilities	260	252	954	977	307	310	459	460	370	397
Maintenance and repair fees	722	212	3,165	3,584	1,026	544	1,602	693	1,224	1,875
Insurance fees	22	23	107	107	26	26	29	29	33	33
Trust fees	459	459	-	-	-	-	752	752	-	-
Other expenses	170	340	761	465	345	460	496	728	146	120
② Rental business expenses total (unit: thousand yen)	5,893	4,766	21,737	25,448	6,605	6,050	8,967	7,077	6,855	8,021
③ NOI (① - ②)	18,318	19,259	90,511	83,293	21,837	21,406	22,054	23,515	24,010	23,229
Depreciation	6,462	6,465	22,481	22,360	5,025	5,025	4,928	4,915	5,874	5,863
Rental business profit	11,856	12,793	68,029	60,932	16,812	16,381	17,126	18,600	18,136	17,366

(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 ²)	256.23		822.01		805.00		1,390.68		2,357.97	
Total Floor Area (m ²)	1,571.87		6,387.67		5,415.20		3,998.98		3,566.18	
Constructed	March 2005		March 2005		September 2006		January 2000		August 2001	
Period-end occupancy rate (%)	98.25		98.92		97.02		94.28		93.99	
Acquisition Price (mm yen)	1,100		5,940		3,350		2,350		1,630	
Appraisal Price (mm yen)	1,040		4,350		2,520		1,700		1,210	
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)	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	30,373	29,800	114,254	116,664	75,308	77,216	50,763	50,952	37,852	35,895
Other income	959	1,485	8,991	7,869	7,576	6,146	3,682	3,460	5,485	3,913
① Rental business income total (unit: thousand yen)	31,332	31,286	123,245	124,534	82,884	83,363	54,446	54,412	43,338	39,808
PM fees	2,841	3,701	11,260	9,635	9,731	7,630	5,453	4,536	3,077	2,611
Public charges and taxes	1,412	1,414	6,246	6,246	4,646	4,676	3,590	3,680	3,106	3,145
Utilities	345	362	1,182	1,233	428	459	590	627	492	484
Maintenance and repair fees	577	2,028	4,711	2,248	1,871	1,008	5,766	1,645	1,561	9,293
Insurance fees	29	29	116	116	89	89	65	66	58	58
Trust fees	-	-	1,750	1,750	-	-	-	-	-	-
Other expenses	530	203	736	243	1,017	985	143	132	89	207
② Rental business expenses total (unit: thousand yen)	5,736	7,740	26,003	21,474	17,784	14,850	15,610	10,689	8,385	15,800
③ NOI (① - ②)	25,595	23,545	97,241	103,060	65,099	68,513	38,836	43,723	34,952	24,008
Depreciation	5,144	5,149	27,170	26,848	20,701	20,705	14,094	14,284	11,675	11,721
Rental business profit	20,451	18,396	70,071	76,211	44,397	47,807	24,741	29,438	23,277	12,286

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

9 Portfolio Overview and Performance (Residence)

Property Name	Re-31 HF GAKUGEIDAIGAKU RESIDENCE II		Re-33 HF KAMEIDO RESIDENCE		Re-34 HF TANASHI RESIDENCE		Re-36 HF SHIBA-KOEN RESIDENCE		Re-36 HF MITA RESIDENCE	
										
Address	Meguro-ku, Tokyo		Koto-ku, Tokyo		Nishitokyo City, Tokyo		Minato-ku, Tokyo		Minato-ku, Tokyo	
Lot Area (m ²)	847.14		246.34		1,639.65		311.02		303.10	
Total Floor Area (m ²)	1,863.67		1,782.74		3,414.75		1,362.79		1,705.22	
Constructed	January 2005		January 2008		March 1989		August 2003		March 2004	
Period-end occupancy rate (%)	91.04		100.00		94.54		89.65		100.00	
Acquisition Price (mm yen)	1,650		1,050		911		836		1,080	
Appraisal Price (mm yen)	1,110		1,010		753		793		1,120	
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)	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	32,010	28,258	32,154	31,752	28,832	29,252	21,895	23,176	33,038	33,306
Other income	948	2,131	5,216	40	3,260	1,189	1,616	1,451	1,408	1,311
①Rental business income total (unit: thousand yen)	32,959	30,390	37,370	31,792	32,092	30,441	23,512	24,628	34,447	34,617
PM fees	2,193	5,479	4,675	2,135	4,535	3,557	3,651	3,076	4,743	3,699
Public charges and taxes	1,916	1,914	1,752	1,752	2,433	2,444	1,553	1,557	2,172	2,186
Utilities	323	260	436	410	418	397	533	532	453	452
Maintenance and repair fees	1,921	2,904	37	21	3,785	2,412	2,526	536	2,141	1,466
Insurance fees	32	33	33	33	50	50	27	27	33	33
Trust fees	1,061	1,061	-	-	-	-	500	500	500	500
Other expenses	472	401	368	368	60	60	465	306	362	327
②Rental business expenses total (unit: thousand yen)	7,921	12,054	7,303	4,721	11,283	8,921	9,258	6,536	10,407	8,667
③NOI (① - ②)	25,037	18,335	30,067	27,071	20,808	21,520	14,253	18,091	24,040	25,950
Depreciation	6,568	6,568	6,064	6,055	8,830	9,223	4,672	4,586	5,848	5,688
Rental business profit	18,469	11,767	24,002	21,015	11,978	12,296	9,581	13,505	18,191	20,262

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

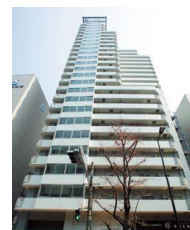
9 Portfolio Overview and Performance (Residence)

Property Name	Re-37 HF TAKANAWA RESIDENCE		Re-38 La Residence de Shirokanedai		Re-39 HF GINZA RESIDENCE EAST II		Re-40 HF HATCHOBORI RESIDENCE II		Re-41 HF HATCHOBORI RESIDENCE III	
										
Address	Minato-ku, Tokyo		Minato-ku, Tokyo		Chuo-ku, Tokyo		Chuo-ku, Tokyo		Chuo-ku, Tokyo	
Lot Area (m ²)	432.36		344.25		368.35		427.32		203.98	
Total Floor Area (m ²)	1,176.06		1,180.73		2,334.73		3,351.26		1,756.88	
Constructed	February 2003		February 2004		February 1999		January 2002		January 2004	
Period-end occupancy rate (%)	100.00		100.00		98.64		98.90		91.21	
Acquisition Price (mm yen)	749		730		1,460		1,890		793	
Appraisal Price (mm yen)	774		813		1,530		1,970		889	
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)	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	23,900	24,686	23,927	24,233	47,656	47,009	58,366	57,807	27,540	25,853
Other income	1,610	625	1,330	562	2,377	2,569	4,691	2,502	947	1,432
①Rental business income total (unit: thousand yen)	25,510	25,311	25,257	24,795	50,034	49,578	63,058	60,310	28,488	27,285
PM fees	3,301	2,351	4,157	3,162	6,408	5,285	7,300	7,272	2,669	3,776
Public charges and taxes	1,352	1,406	1,425	1,438	2,005	2,048	2,816	2,834	1,766	1,769
Utilities	35	-	-	12	454	450	711	763	381	394
Maintenance and repair fees	341	350	831	709	2,095	1,370	2,852	1,816	230	685
Insurance fees	24	24	89	89	42	42	59	59	32	32
Trust fees	500	500	500	420	535	454	450	450	375	375
Other expenses	121	141	100	244	444	40	83	266	486	238
②Rental business expenses total (unit: thousand yen)	5,676	4,775	7,104	6,076	11,987	9,692	14,273	13,463	5,942	7,273
③NOI (① - ②)	19,834	20,536	18,153	18,719	38,046	39,886	48,784	46,847	22,546	20,012
Depreciation	4,596	4,562	2,912	2,855	9,037	9,011	12,311	12,483	6,934	6,820
Rental business profit	15,238	15,974	15,240	15,863	29,008	30,875	36,472	34,363	15,611	13,192

(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
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Address	Chuo-ku, Tokyo		Setagaya-ku, Tokyo		Osaka City, Osaka		Osaka City, Osaka		Osaka City, Osaka	
Lot Area (m ²)	175.16		2,425.44		631.79		375.95		296.88	
Total Floor Area (m ²)	1,375.97		11,468.94		7,105.00		1,486.57		1,999.88	
Constructed	July 2004		January 2001		August 2003		June 2001		March 2002	
Period-end occupancy rate (%)	100.00		95.31		98.85		93.42		98.32	
Acquisition Price (mm yen)	944		6,520		1,920		453		577	
Appraisal Price (mm yen)	1,030		6,650		1,990		472		648	
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)	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	30,420	31,454	199,609	199,465	77,985	76,798	18,076	18,267	23,890	24,009
Other income	1,071	366	10,009	9,613	2,531	2,300	713	550	1,198	871
①Rental business income total (unit: thousand yen)	31,492	31,820	209,618	209,079	80,516	79,099	18,789	18,817	25,089	24,880
PM fees	3,308	2,678	24,944	22,708	12,066	11,359	3,003	2,313	3,629	3,146
Public charges and taxes	1,667	1,646	10,953	11,024	6,067	6,080	1,259	1,267	1,715	1,712
Utilities	446	414	3,955	3,956	2,285	2,157	433	365	5	51
Maintenance and repair fees	1,001	1,730	46,032	7,175	2,764	3,956	1,557	435	551	402
Insurance fees	24	24	299	200	118	118	27	27	35	35
Trust fees	500	500	581	581	625	625	450	450	500	483
Other expenses	96	16	2,218	2,142	146	340	288	268	60	76
②Rental business expenses total (unit: thousand yen)	7,044	7,011	88,985	47,789	24,073	24,636	7,019	5,128	6,498	5,907
③NOI (① - ②)	24,448	24,808	120,633	161,289	56,443	54,462	11,769	13,689	18,591	18,973
Depreciation	8,393	8,424	29,379	30,859	21,609	21,355	3,839	4,041	6,353	6,397
Rental business profit	16,054	16,384	91,254	130,430	34,833	33,106	7,930	9,647	12,237	12,576

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

9 Portfolio Overview and Performance (Residence)

Property Name	Re-47 HF MARUNOUCHI RESIDENCE	Re-48 HF HIRAO RESIDENCE	Re-49 HF KAWARAMACHI NIJO RESIDENCE	Re-52 HF TENJIN-HIGASHI RESIDENCE	Re-53 HF SHIJO KAWARAMACHI RESIDENCE
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Address	Nagoya City, Aichi		Fukuoka City, Fukuoka		Kyoto City, Kyoto		Fukuoka City, Fukuoka		Kyoto City, Kyoto	
Lot Area (m ²)	545.08		1,599.97		206.84		429.63		863.39	
Total Floor Area (m ²)	2,284.30		6,476.24		1,547.19		2,283.63		5,217.41	
Constructed	February 2004		March 2003		February 2005		August 2005		March 2007	
Period-end occupancy rate (%)	98.61		98.98		98.01		97.40		96.31	
Acquisition Price (mm yen)	624		1,780		534		502		1,820	
Appraisal Price (mm yen)	673		1,820		514		553		2,050	
Property Management Company	Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.	
PML (%)	16.5		3.4		6.5		5.3		5.5	
Rental business balance (Note 1)	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	25,857	25,775	72,216	73,187	19,201	19,337	23,300	23,953	66,841	67,824
Other income	1,547	1,468	5,212	5,210	764	663	1,807	1,734	5,226	5,040
①Rental business income total (unit: thousand yen)	27,405	27,243	77,429	78,397	19,966	20,001	25,108	25,687	72,067	72,865
PM fees	3,133	3,195	9,304	8,450	3,110	2,344	3,841	2,979	7,491	6,437
Public charges and taxes	1,671	1,667	5,515	5,490	1,145	1,145	1,651	1,650	4,391	4,397
Utilities	40	9	1,865	1,916	481	466	809	799	2,358	2,491
Maintenance and repair fees	1,923	874	3,265	1,876	778	208	779	1,173	2,420	1,127
Insurance fees	36	36	116	116	23	23	36	36	85	85
Trust fees	500	492	1,000	1,000	500	500	500	500	650	650
Other expenses	106	81	78	609	460	55	108	298	1,530	1,266
②Rental business expenses total (unit: thousand yen)	7,412	6,358	21,145	19,458	6,499	4,744	7,728	7,439	18,928	16,455
③NOI (① - ②)	19,993	20,885	56,283	58,939	13,466	15,256	17,379	18,248	53,139	56,409
Depreciation	7,202	7,110	19,635	19,677	3,268	3,208	5,750	5,676	11,033	10,459
Rental business profit	12,790	13,774	36,647	39,262	10,198	12,048	11,629	12,572	42,105	45,950

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

9 Portfolio Overview and Performance (Residence)

Property Name	Re-54 La Residence de Sendagi	Re-55 HF SENDAGI RESIDENCE	Re-56 HF KOMAZAWA-KOEN RESIDENCE	Re-57 HF MUSASHIKOYAMA RESIDENCE	Re-58 HF KOKUBUNJI RESIDENCE
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Address	Bunkyo-ku, Tokyo		Bunkyo-ku, Tokyo		Setagaya-ku, Tokyo		Shinagawa-ku, Tokyo		Kokubunji City, Tokyo	
Lot Area (m ²)	269.15		249.06		709.54		455.93		257.06	
Total Floor Area (m ²)	1,307.91		1,667.29		1,124.69		1,495.61		1,295.58	
Constructed	February 2006		February 2006		July 2006		November 2006		January 2006	
Period-end occupancy rate (%)	100.00		97.16		94.44		96.44		98.36	
Acquisition Price (mm yen)	820		870		615		842		839	
Appraisal Price (mm yen)	883		946		647		974		879	
Property Management Company	Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Nihon Housing Co., Ltd.	
PML (%)	4.4		9.2		4.3		6.3		6.3	
Rental business balance (Note 1)	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	28,483	28,536	30,975	31,563	20,114	19,318	29,673	29,160	29,516	29,891
Other income	4,144	-	4,172	387	830	728	1,489	1,300	1,319	1,486
①Rental business income total (unit: thousand yen)	32,628	28,536	35,147	31,950	20,944	20,047	31,163	30,460	30,836	31,378
PM fees	4,648	2,521	5,224	3,082	2,842	2,698	2,866	3,185	2,968	2,537
Public charges and taxes	1,280	1,285	1,541	1,542	1,316	1,324	1,513	1,515	1,548	1,540
Utilities	-	-	-	-	324	309	246	263	299	278
Maintenance and repair fees	51	335	47	491	510	731	375	275	1,349	636
Insurance fees	22	22	28	28	19	20	24	24	24	24
Trust fees	600	600	600	600	650	650	650	650	600	600
Other expenses	-	221	-	285	88	106	159	179	100	49
②Rental business expenses total (unit: thousand yen)	6,603	4,986	7,441	6,029	5,752	5,840	5,835	6,092	6,891	5,666
③NOI (① - ②)	26,025	23,549	27,705	25,921	15,192	14,206	25,327	24,367	23,945	25,711
Depreciation	3,227	3,234	3,758	3,775	3,221	3,242	3,379	3,227	4,087	4,087
Rental business profit	22,797	20,314	23,947	22,146	11,970	10,963	21,948	21,139	19,857	21,623

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

9 Portfolio Overview and Performance (Residence)

Property Name	Re-59 HF HISAYAODORI RESIDENCE		Re-60 HF KARASUMA KURAMAGUCHI RESIDENCE		Re-61 HF NISHI-SHINJUKU RESIDENCE WEST		Re-62 HF NISHI-SHINJUKU RESIDENCE EAST		Re-63 HF HIGASHI-SHINJUKU RESIDENCE	
										
Address	Nagoya City, Aichi		Kyoto City, Kyoto		Shinjuku-ku, Tokyo		Shinjuku-ku, Tokyo		Shinjuku-ku, Tokyo	
Lot Area (m ²)	362.02		471.10		575.67		347.29		313.96	
Total Floor Area (m ²)	3,633.19		1,362.90		2,979.31		1,787.97		2,233.42	
Constructed	March 2006		March 2007		March 2006		March 2006		March 2007	
Period-end occupancy rate (%)	96.97		95.95		97.16		100.00		98.60	
Acquisition Price (mm yen)	1,080		572		1,990		1,170		1,360	
Appraisal Price (mm yen)	1,140		627		2,160		1,260		1,480	
Property Management Company	Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.	
PML (%)	9.3		9.9		4.6		3.5		2.6	
Rental business balance (Note 1)	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	43,986	44,620	20,726	20,467	65,943	63,177	39,782	38,084	46,524	48,039
Other income	1,893	1,146	1,307	842	3,845	2,581	2,694	1,131	1,136	1,487
①Rental business income total (unit: thousand yen)	45,879	45,767	22,034	21,309	69,789	65,759	42,477	39,216	47,661	49,526
PM fees	4,614	3,413	2,120	1,973	7,113	8,147	5,315	6,406	7,145	6,393
Public charges and taxes	2,695	2,696	1,104	1,103	3,060	3,077	1,934	1,944	2,276	2,285
Utilities	640	436	565	569	15	9	11	4	11	4
Maintenance and repair fees	1,511	692	225	220	5,888	9,201	3,733	7,229	1,082	775
Insurance fees	56	56	23	23	55	55	34	34	39	39
Trust fees	750	750	650	650	750	750	600	600	600	600
Other expenses	455	328	40	20	368	528	291	521	-	60
②Rental business expenses total (unit: thousand yen)	10,724	8,374	4,729	4,559	17,252	21,769	11,919	16,741	11,154	10,158
③NOI (① - ②)	35,155	37,392	17,304	16,749	52,537	43,990	30,557	22,474	36,507	39,368
Depreciation	6,183	6,099	3,127	2,935	6,754	6,558	4,339	4,216	6,777	6,614
Rental business profit	28,972	31,293	14,177	13,814	45,783	37,431	26,218	18,258	29,729	32,754

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

9 Portfolio Overview and Performance (Residence)

Property Name	Re-64 HF HIGASHI-SHINSAIBASHI RESIDENCE		Re-65 HF KITA-YOBANCHO RESIDENCE		Re-66 HF ATAGOBASHI RESIDENCE		Re-67 HF KYUDAIBYOINMAE RESIDENCE		Re-68 HF ASAKUSABASHI RESIDENCE	
										
Address	Osaka City, Osaka		Sendai City, Miyagi		Sendai City, Miyagi		Fukuoka City, Fukuoka		Taito-ku, Tokyo	
Lot Area (m ²)	343.80		475.70		717.53		400.00		267.42	
Total Floor Area (m ²)	1,295.71		2,834.54		2,381.24		1,650.19		1,341.38	
Constructed	September 2006		January 2007		January 2007		January 2007		September 2006	
Period-end occupancy rate (%)	97.72		98.89		98.75		96.74		100.00	
Acquisition Price (mm yen)	566		809		684		426		771	
Appraisal Price (mm yen)	602		966		807		456		827	
Property Management Company	Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.		Apamanshop Sublease Co., Ltd.	
PML (%)	10.3		1.0		1.0		1.0		6.3	
Rental business balance (Note 1)	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	20,503	20,690	37,799	38,594	31,739	31,790	18,075	18,267	25,778	25,106
Other income	254	313	1,659	1,182	1,998	1,989	801	795	863	504
①Rental business income total (unit: thousand yen)	20,757	21,003	39,459	39,777	33,737	33,779	18,876	19,062	26,641	25,610
PM fees	2,909	2,560	4,026	3,877	2,879	2,991	3,254	2,097	2,519	3,050
Public charges and taxes	1,218	1,213	2,260	2,256	2,197	2,200	1,390	1,383	1,302	1,304
Utilities	15	-	6	-	6	-	442	302	6	-
Maintenance and repair fees	172	488	2,718	658	1,920	891	607	130	513	558
Insurance fees	21	21	45	45	43	43	28	28	26	26
Trust fees	600	600	600	600	600	600	650	650	600	600
Other expenses	80	60	-	20	-	20	237	100	72	40
②Rental business expenses total (unit: thousand yen)	5,018	4,944	9,658	7,458	7,647	6,746	6,610	4,693	5,040	5,580
③NOI (① - ②)	15,738	16,059	29,801	32,318	26,090	27,033	12,265	14,369	21,601	20,030
Depreciation	2,651	2,667	6,479	6,237	6,172	5,933	3,916	3,753	3,427	3,328
Rental business profit	13,087	13,392	23,321	26,080	19,917	21,099	8,349	10,615	18,173	16,701

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

9 Portfolio Overview and Performance (Residence)

Property Name	Re-69 HF ICHIBANCHO RESIDENCE		Re-70 HF HIGASHI-NAKANO RESIDENCE		Re-72 HF WASEDA RESIDENCE		Re-73 HF WASEDA RESIDENCE II		Re-74 HF WAKAMATSUKAWADA RESIDENCE	
										
Address	Sendai City, Miyagi		Nakano-ku, Tokyo		Shinjuku-ku, Tokyo		Shinjuku-ku, Tokyo		Shinjuku-ku, Tokyo	
Lot Area (m ²)	398.14		538.53		820.34		319.83		412.42	
Total Floor Area (m ²)	2,404.41		1,705.22		3,440.06		1,356.68		1,858.51	
Constructed	February 2007		February 2007		May 2007		May 2007		February 2004	
Period-end occupancy rate (%)	100.00		96.76		98.51		100.00		84.70	
Acquisition Price (mm yen)	834		942		2,090		872		1,158	
Appraisal Price (mm yen)	969		991		2,280		932		1,210	
Property Management Company	Apamanshop Sublease Co., Ltd.		Nihon Housing Co., Ltd.		Haseko Livenet, Inc.		Haseko Livenet, Inc.		Tokyu Community Co., Ltd.	
PML (%)	1.1		3.0		4.0		3.6		5.0	
Rental business balance (Note 1)	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period
Operation days	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	38,585	38,638	28,562	28,466	71,646	70,841	30,061	30,029	33,663	32,703
Other income	1,656	1,666	956	1,339	3,785	2,561	1,479	597	2,159	2,383
①Rental business income total (unit: thousand yen)	40,242	40,304	29,518	29,806	75,432	73,403	31,541	30,627	35,822	35,087
PM fees	3,293	3,548	3,315	3,378	13,119	12,257	4,920	4,461	4,549	3,715
Public charges and taxes	2,603	2,590	1,643	1,645	3,353	3,349	1,373	1,375	-	1,866
Utilities	6	-	357	369	726	762	378	398	370	341
Maintenance and repair fees	438	767	627	398	1,653	1,434	602	353	3,480	1,326
Insurance fees	44	44	28	28	63	64	25	25	32	32
Trust fees	600	600	650	650	850	850	650	650	440	440
Other expenses	32	52	338	109	1,196	1,229	514	521	997	762
②Rental business expenses total (unit: thousand yen)	7,019	7,603	6,960	6,580	20,963	19,948	8,464	7,785	9,870	8,486
③NOI (① - ②)	33,223	32,700	22,557	23,225	54,469	53,455	23,076	22,841	25,952	26,600
Depreciation	5,547	5,305	4,191	4,077	8,507	8,531	3,562	3,573	6,228	6,290
Rental business profit	27,676	27,395	18,366	19,148	45,962	44,923	19,514	19,268	19,723	20,310

(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 ²)	490.65		337.23		597.25		549.10	
Total Floor Area (m ²)	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)	1,170		989		1,130		1,270	
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)	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th Fiscal Period	25th Fiscal Period	26th 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	-	-	-	-	-	-	-	-
①Rental business income total (unit: thousand yen)	37,620	37,620	31,182	31,182	35,736	35,736	44,220	44,220
PM fees	-	-	-	-	-	-	-	-
Public charges and taxes	3,518	3,512	3,080	3,075	4,357	4,348	5,585	5,570
Utilities	-	-	-	-	-	-	-	-
Maintenance and repair fees	-	-	-	1,590	-	-	-	-
Insurance fees	42	42	34	34	50	50	54	54
Trust fees	550	550	550	550	600	600	600	600
Other expenses	-	-	-	-	-	-	-	-
②Rental business expenses total (unit: thousand yen)	4,110	4,104	3,664	5,250	5,007	4,998	6,239	6,225
③NOI (① - ②)	33,509	33,515	27,517	25,931	30,728	30,737	37,980	37,994
Depreciation	6,940	6,843	5,766	5,680	7,402	6,935	9,508	8,601
Rental business profit	26,568	26,671	21,751	20,250	23,325	23,801	28,471	29,392

(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						26th Fiscal Period Book Value (B)	Latent Profits and Losses (A) – (B)	Profit/Loss Ratio (%)	
		21st Fiscal Period	22nd Fiscal Period	23rd Fiscal Period	24th Fiscal Period	25th Fiscal Period	26th Fiscal Period(A)				
Of-01 HF GOTANDA BUILDING	1,290	1,212	1,197	1,201	1,237	1,263	1,283	1,350	(67)	(4.96)	
Of-05 Suteigu Heiwa Bldg	1,550	1,224	1,225	1,226	1,202	1,225	1,246	1,461	(215)	(14.74)	
Of-06 HF MONZENNAKACHO BUILDING	2,500	2,220	2,230	2,220	2,240	2,280	2,310	2,405	(95)	(3.95)	
Of-07 HF HAMAMATSUCHO BUILDING	1,530	1,460	1,470	1,510	1,490	1,490	1,520	1,548	(28)	(1.80)	
Of-08 Kokusai Tameike Bldg	2,700	2,380	2,460	2,490	2,540	2,550	2,590	2,789	(199)	(7.15)	
Of-09 Grace Building Sengakujima	1,220	1,430	1,450	1,450	1,450	1,470	1,490	1,178	312	26.51	
Of-10 HF SHIN-YOKOHAMA BUILDING	1,550	1,450	1,220	1,170	1,110	1,070	1,080	1,417	(337)	(23.79)	
Of-11 Nihonbashi Daiichi Bldg	2,150	1,770	1,700	1,720	1,710	1,740	1,760	2,239	(479)	(21.40)	
Of-12 Hatchobori SF Bldg	*1	3,092	2,360	2,310	2,340	2,340	2,360	2,410	3,126	(716)	(22.91)
Of-13 Shibuya AX Hills	1,860	1,330	1,330	1,340	1,350	1,360	1,400	1,830	(430)	(23.49)	
Of-14 KCA Bldg	1,730	1,029	1,034	1,032	1,069	1,086	1,086	1,727	(641)	(37.13)	
Of-15 HF NAKAMEGURO BUILDING	2,870	2,150	2,130	2,120	2,050	2,050	2,080	2,914	(834)	(28.62)	
Of-16 Anwa Tsukasacho Bldg	1,385	1,070	1,070	1,090	1,090	1,090	1,100	1,314	(214)	(16.27)	
Of-17 Hatchobori MF Bldg	1,110	907	897	908	909	919	935	1,126	(191)	(16.96)	
Of-18 M2 Harajuku	*2	3,418	4,036	3,903	4,010	4,134	4,214	4,315	3,497	818	23.40
Of-20 Funabashi Face Bldg	3,900	3,000	3,100	3,110	3,160	2,850	2,920	3,656	(736)	(20.13)	
Of-21 Adesso Nishiazabu	640	450	430	430	448	446	456	625	(169)	(27.03)	
Of-22 HF TORANOMON BUILDING	1,675	1,263	1,237	1,236	1,257	1,270	1,271	1,729	(458)	(26.50)	
Of-23 HF IKEBUKURO BUILDING	1,314	1,040	1,040	1,070	1,090	1,090	1,110	1,332	(222)	(16.66)	
Of-24 HF YUSHIMA BUILDING	1,434	1,320	1,320	1,340	1,360	1,380	1,410	1,458	(48)	(3.28)	
Of-25 Kayabacho Heiwa Bldg	4,798	5,150	5,230	5,410	5,500	5,610	5,770	4,814	956	19.85	
Of-26 HIROKOJI AQUA PLACE	2,930	3,742	3,756	3,848	3,946	4,024	4,097	2,848	1,249	43.84	
Of-27 Kobe Kyukyoryuchi Heiwa Building	2,310	—	—	2,550	2,550	2,560	2,580	2,285	295	12.91	
Of-28 Mita Heiwa Building (leasehold land)	2,230	—	—	2,310	2,447	2,504	2,563	2,269	294	12.94	
Of-29 Sakae Minami Heiwa Building	1,580	—	—	1,770	1,770	1,790	1,810	1,558	252	16.20	
Of-30 HF SAKURADORI BUILDING	4,900	—	—	—	—	5,510	5,580	4,869	711	14.61	
Of-31 HF Nihonbashi Hamacho Building	1,900	—	—	—	—	2,110	2,150	1,909	241	12.65	
Of-32 HF Sendai Honcho Building	2,700	—	—	—	—	2,990	3,050	2,729	321	11.77	
Total Office Buildings	62,266	41,993	41,739	48,901	49,449	60,301	61,372	62,003	(631)	(1.02)	
Re-03 HF ICHIKAWA RESIDENCE	430	429	454	461	474	483	491	397	94	23.77	
Re-05 HF MEGURO RESIDENCE	660	517	536	547	566	578	599	650	(51)	(7.80)	
Re-09 HF KASAI RESIDENCE	650	605	619	623	639	653	664	597	67	11.29	
Re-11 HF WAKABAYASHI – KOEN RESIDENCE	3,610	3,409	3,426	3,493	3,631	3,695	3,775	3,248	527	16.24	
Re-12 HF HIMONVA RESIDENCE	1,560	1,383	1,418	1,410	1,456	1,489	1,519	1,458	61	4.18	
Re-14 HF MINAMAZABU RESIDENCE	1,370	1,127	1,169	1,174	1,182	1,186	1,212	1,317	(105)	(7.97)	
Re-15 HF AZABUJUBAN RESIDENCE	1,260	1,030	1,020	1,040	1,040	1,070	1,080	1,183	(103)	(8.72)	
Re-16 HF GAKUGEIDAIGAKU RESIDENCE	1,000	808	817	833	843	863	881	939	(58)	(6.16)	
Re-17 HF HIGASHIKANDA RESIDENCE	1,100	1,070	1,090	1,120	1,140	1,160	1,190	968	222	22.94	
Re-18 HF HIGASHINIHOONBASHI RESIDENCE	1,210	1,220	1,260	1,280	1,310	1,340	1,370	278	298	27.82	
Re-19 HF NERIMA RESIDENCE	690	649	665	681	697	709	721	609	112	18.30	
Re-20 HF SHIROKANETAKANAWA RESIDENCE	4,030	3,800	3,780	3,870	3,870	3,880	3,950	3,852	98	2.54	
Re-21 HF KAMIDAMAE RESIDENCE	1,070	836	832	853	867	887	903	1,014	(111)	(10.93)	
Re-22 HF NIHOONBASHI RESIDENCE	1,130	905	918	941	934	960	975	1,088	(113)	(10.42)	
Re-23 HF KAMSHAKUJII RESIDENCE	950	852	852	859	865	885	897	905	(8)	(0.90)	
Re-24 HF KINSHICHO RESIDENCE	1,100	988	990	990	1,000	1,020	1,040	1,100	(60)	(5.46)	
Re-25 HF GINZA RESIDENCE EAST	5,940	4,110	4,120	4,230	4,230	4,250	4,350	5,689	(1,339)	(23.54)	
Re-26 HF SHIN-YOKOHAMA RESIDENCE	3,350	2,350	2,390	2,450	2,470	2,470	2,520	3,149	(629)	(19.96)	
Re-29 HF HAKUSAN RESIDENCE	2,350	1,620	1,630	1,650	1,650	1,670	1,700	2,331	(631)	(27.06)	
Re-30 HF MAGOME RESIDENCE	1,630	1,130	1,130	1,160	1,160	1,190	1,210	1,579	(369)	(23.37)	
Re-31 HF GAKUGEIDAIGAKU RESIDENCE II	1,650	1,040	1,050	1,070	1,070	1,090	1,110	1,603	(493)	(30.74)	
Re-33 HF KAMEIDO RESIDENCE	1,050	938	953	972	989	984	1,010	1,042	(32)	(3.09)	
Re-34 HF TANASHI RESIDENCE	911	750	759	738	738	741	753	968	(215)	(22.24)	

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

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

Property Name	Acquisition Prices	Appraisal Amount						26th Fiscal Period Book Value (B)	Latent Profits and Losses (A) – (B)	Profit/Loss Ratio (%)
		21st Fiscal Period	22nd Fiscal Period	23rd Fiscal Period	24th Fiscal Period	25th Fiscal Period	26th Fiscal Period(A)			
Re-35 HF SHIBA-KOEN RESIDENCE	836	755	750	772	773	780	793	809	(16)	(1.92)
Re-36 HF MITA RESIDENCE	1,080	1,090	1,070	1,090	1,090	1,100	1,120	1,042	78	7.48
Re-37 HF TAKANAWA RESIDENCE	749	728	731	742	744	760	774	723	51	7.11
Re-38 La Residence de Shirokanedai	730	765	777	790	790	800	813	708	105	14.85
Re-39 HF GINZA RESIDENCE EAST II	1,460	1,450	1,450	1,490	1,490	1,500	1,530	1,448	82	5.69
Re-40 HF HATCHOBORI RESIDENCE II	1,890	1,840	1,860	1,890	1,910	1,940	1,970	1,823	147	8.07
Re-41 HF HATCHOBORI RESIDENCE III	793	793	833	857	858	870	889	744	145	19.56
Re-42 HF GINZA RESIDENCE	944	944	964	988	990	1,010	1,030	879	151	17.12
Re-43 HF KOMAZAWA-KOEN RESIDENCE TOWER	6,520	6,280	6,320	6,490	6,490	6,560	6,650	6,562	88	1.34
Re-44 HF UMEDA RESIDENCE TOWER	1,920	1,930	1,930	1,960	1,950	1,980	1,990	1,774	216	12.16
Re-45 HF NAKANOSHIMA RESIDENCE	453	455	456	462	462	466	472	435	37	8.56
Re-46 HF AWAZA RESIDENCE	577	602	610	619	621	643	648	538	110	20.46
Re-47 HF MARUNOUCHI RESIDENCE	624	634	639	647	647	658	673	577	96	16.68
Re-48 HF HIRAO RESIDENCE	1,780	1,740	1,740	1,770	1,770	1,800	1,820	1,677	143	8.56
Re-49 HF KAWARAMACHI NIJO RESIDENCE	534	517	519	506	493	504	514	513	1	0.24
Re-52 HF TENJIN-HIGASHI RESIDENCE	502	510	529	542	542	546	553	454	99	21.90
Re-53 HF SHUO KAWARAMACHI RESIDENCE	1,820	1,900	1,920	1,960	1,960	2,000	2,050	1,728	322	18.67
Re-54 La Residence de Sendagi	820	825	839	852	852	872	883	794	89	11.24
Re-55 HF SENDAGI RESIDENCE	870	880	903	913	912	935	946	839	107	12.80
Re-56 HF KOMAZAWA-KOEN RESIDENCE	615	624	628	632	632	637	647	590	57	9.66
Re-57 HF MUSASHIKOYAMA RESIDENCE	842	880	899	918	938	960	974	813	161	19.74
Re-58 HF KOKUBUNJI RESIDENCE	839	829	832	842	852	862	879	808	71	8.78
Re-59 HF HISAYODORI RESIDENCE	1,080	1,080	1,080	1,100	1,100	1,120	1,140	1,033	107	10.35
Re-60 HF KARASUMA KURAMAGUCHI RESIDENCE	572	585	590	600	600	613	627	545	82	15.08
Re-61 HF NISHI-SHINJUKU RESIDENCE WEST	1,990	1,980	2,030	2,060	2,090	2,130	2,160	2,001	159	7.95
Re-62 HF NISHI-SHINJUKU RESIDENCE EAST	1,170	1,170	1,180	1,200	1,210	1,230	1,260	1,176	84	7.16
Re-63 HF HIGASHI-SHINJUKU RESIDENCE	1,360	1,380	1,390	1,420	1,420	1,460	1,480	1,308	172	13.17
Re-64 HF HIGASHI-SHINSAIBASHI RESIDENCE	566	580	590	598	596	602	602	547	55	10.09
Re-65 HF KITA-YOBANCHO RESIDENCE	809	824	855	890	906	936	966	764	202	26.42
Re-66 HF ATAGOBASHI RESIDENCE	684	693	716	744	758	782	807	632	175	27.75
Re-67 HF KYUDAIYONINMAE RESIDENCE	426	424	427	434	435	444	456	400	56	14.06
Re-68 HF ASAKUSABASHI RESIDENCE	771	779	790	794	800	816	827	743	84	11.33
Re-69 HF ICHIBANCHO RESIDENCE	834	864	876	899	916	940	969	786	183	23.34
Re-70 HF HIGASHI-NAKANO RESIDENCE	942	932	938	943	958	976	991	909	82	9.01
Re-72 HF WASEDA RESIDENCE	2,090	2,090	2,100	2,190	2,190	2,230	2,280	2,028	252	12.45
Re-73 HF WASEDA RESIDENCE II	872	873	874	890	892	913	932	848	84	9.96
Re-74 HF WAKAMATSUKAWADA RESIDENCE	1,158	—	—	—	1,170	1,190	1,210	1,208	2	0.16
Total Residential Properties	81,223	72,791	73,513	74,939	76,628	77,818	79,245	77,958	1,287	1.65
Ho-01 Super Hotel Osaka Tennoji	1,080	1,090	1,090	1,110	1,130	1,150	1,170	1,017	153	15.06
Ho-02 Super Hotel Kyoto Karasumagyojo	900	905	921	939	956	973	989	847	142	16.76
Ho-03 Super Hotel Saitama Omiya	1,050	1,060	1,060	1,080	1,100	1,110	1,130	983	147	14.95
Ho-04 Super Hotel Sendai Hirose-dori	1,150	1,160	1,180	1,210	1,230	1,250	1,270	1,061	209	19.73
Total Hotels	4,180	4,215	4,251	4,339	4,416	4,483	4,559	3,908	651	16.67
Total properties in portfolio	147,669	118,999	119,503	128,179	130,493	142,602	145,176	143,868	1,308	0.91

12 Historical Actual NOI Return

		Actual NOI Returns*						(%)
Property Name		21st	22nd	23rd	24th	25th	26th	
Of-01 HF GOTANDA BUILDING		5.02	4.09	4.35	4.78	4.53	5.08	
Of-05 Suitengu Heiwa Bldg		3.50	0.82	4.28	4.27	4.20	3.69	
Of-06 HF MONZENNAKACHO BUILDING		4.67	5.12	2.51	4.86	4.87	5.02	
Of-07 HF HAMAMATSUCHO BUILDING		4.04	4.35	1.50	5.03	4.51	4.28	
Of-08 Kokusai Tameike Bldg		4.25	4.14	3.15	4.55	4.32	4.44	
Of-09 Grace Building Sengakujimae		7.73	7.12	2.44	6.44	7.16	6.80	
Of-10 Nisso Dai 15 Bldg		5.60	4.20	3.78	2.99	3.55	2.85	
Of-11 Nihonbashi Daiichi Bldg		3.56	0.76	3.32	3.71	3.80	3.71	
Of-12 Hatchobori SF Bldg		2.07	2.14	3.31	3.62	3.50	3.44	
Of-13 Shibuya AX Hills		2.87	3.06	2.66	2.19	2.24	2.03	
Of-14 KCA Bldg		2.78	2.80	2.84	2.44	2.40	2.61	
Of-15 Daiwa Nakameguro Bldg		4.00	4.23	1.67	3.35	2.87	3.04	
Of-16 Anwa Tsukasacho Bldg		3.84	4.36	0.98	3.70	3.79	3.37	
Of-17 Hatchobori MF Bldg		2.97	2.12	4.16	4.10	4.19	3.17	
Of-18 M2 Harajuku	*1	5.50	5.16	5.47	4.35	4.62	4.70	
Of-20 Funabashi Face Bldg		4.73	4.70	4.68	4.65	4.75	3.69	
Of-21 Adesso Nishiazabu		3.04	2.61	1.96	2.44	2.67	2.50	
Of-22 CIC Toranomom Bldg		3.35	3.14	3.26	3.72	3.41	3.25	
Of-23 Aria Ikebukuro		4.32	1.63	2.37	4.01	4.12	3.83	
Of-24 CIC Yushima Bldg		4.96	3.93	3.65	5.41	5.34	5.30	
Of-25 Kayabacho Heiwa Bldg		7.44	7.50	6.17	7.53	7.50	7.55	
Of-26 HIROKOJI AQUA PLACE		8.47	8.76	8.64	8.22	8.14	8.10	
Of-27 Kobe Kyukyoryuchi Heiwa Building		-	-	7.61	7.45	7.47	7.23	
Of-28 Mita Heiwa Building (leasehold land)		-	-	8.17	4.80	4.80	4.80	
Of-29 Sakae Minami Heiwa Building		-	-	6.78	5.74	6.60	6.64	
Of-30 HF SAKURADORI BUILDING		-	-	-	-	6.10	6.00	
Of-31 HF Nihonbashi Hamacho Building		-	-	-	-	5.84	4.62	
Of-32 HF Sendai Honcho Building		-	-	-	-	6.82	6.30	
Total Office Buildings		4.75	4.37	4.35	4.84	5.06	4.87	
Re-03 HF ICHIKAWA RESIDENCE		6.50	5.93	5.94	5.46	6.68	6.76	
Re-05 HF MEGURO RESIDENCE		3.69	4.69	4.08	3.84	3.74	4.38	
Re-09 HF KASAI RESIDENCE		5.77	4.84	5.17	5.35	5.65	6.02	
Re-11 HF WAKABAYASHI-KOEN RESIDENCE		4.88	5.16	4.84	5.11	4.96	4.76	
Re-12 HF HIMONYA RESIDENCE		4.33	4.27	4.68	4.53	4.47	4.46	
Re-14 HF MINAMIZABU RESIDENCE		3.67	3.97	4.30	4.17	4.02	3.66	
Re-15 HF AZABUJUBAN RESIDENCE		3.39	4.09	3.69	3.91	3.58	3.24	
Re-16 HF GAKUGEIDAGAKU RESIDENCE		3.93	3.72	3.88	3.86	3.76	3.80	
Re-17 HF HIGASHIKANDA RESIDENCE		5.14	4.99	4.93	5.16	5.21	5.26	
Re-18 HF HIGASHINIHONBASHI RESIDENCE		5.30	5.04	5.41	5.55	5.40	5.45	
Re-19 HF NERIMA RESIDENCE		5.68	4.80	5.45	5.68	5.31	5.58	
Re-20 HF SHIROKANETAKANAWA RESIDENCE		4.11	4.40	4.24	4.43	4.49	4.13	
Re-21 HF MEIDAIMAE RESIDENCE		3.60	4.09	4.39	4.25	4.08	4.00	
Re-22 HF NIHONBASHI RESIDENCE		4.63	4.53	4.01	4.12	3.90	4.16	
Re-23 HF KAMISHAKUJII RESIDENCE		6.09	4.55	4.85	4.04	5.05	4.89	
Re-24 HF KINSHICHO RESIDENCE		4.24	4.18	4.69	4.63	4.65	4.28	
Re-25 HF GINZA RESIDENCE EAST		3.13	3.21	3.19	3.40	3.27	3.47	
Re-26 HF SHIN-YOKOHAMA RESIDENCE		4.09	4.04	3.99	3.71	3.89	4.09	
Re-29 HF HAKUSAN RESIDENCE		3.48	3.19	3.64	3.11	3.31	3.72	
Re-30 HF MAGOME RESIDENCE		3.45	3.82	3.90	4.47	4.29	2.95	
Re-31 HF GAKUGEIDAGAKU RESIDENCE II		3.46	3.45	3.00	3.37	3.03	2.22	
Re-33 HF KAMEIDO RESIDENCE		5.87	5.20	5.08	4.83	5.73	5.16	
Re-34 HF TANASHI RESIDENCE		4.45	4.36	4.07	3.24	4.57	4.72	

		Actual NOI Returns*						(%)
Property Name		21st	22nd	23rd	24th	25th	26th	
Re-35 HF SHIBA-KOEN RESIDENCE		3.56	3.86	4.00	4.54	3.41	4.33	
Re-36 HF MITA RESIDENCE		4.31	5.37	4.95	4.62	4.45	4.81	
Re-37 HF TAKANAWA RESIDENCE		4.63	4.19	4.32	4.61	5.30	5.48	
Re-38 La Residence de Shirokanedai		4.86	5.35	5.65	5.04	4.97	5.13	
Re-39 HF GINZA RESIDENCE EAST II		4.74	5.22	5.22	4.23	5.21	5.46	
Re-40 HF HATCHOBORI RESIDENCE II		4.89	4.27	4.77	5.03	5.16	4.96	
Re-41 HF HATCHOBORI RESIDENCE III		5.30	4.53	5.47	5.02	5.69	5.05	
Re-42 HF GINZA RESIDENCE		5.13	5.41	5.26	4.20	5.18	5.26	
Re-43 HF KOMAZAWA-KOEN RESIDENCE TOWER		4.16	4.52	4.59	4.05	3.70	4.95	
Re-44 HF UMEDA RESIDENCE TOWER		5.91	5.73	5.88	5.73	5.88	5.67	
Re-45 HF NAKANOSHIMA RESIDENCE		5.72	5.36	5.50	5.96	5.20	6.04	
Re-46 HF AWAZA RESIDENCE		6.52	5.23	6.50	6.86	6.44	6.58	
Re-47 HF MARUNOUCHI RESIDENCE		6.79	7.12	6.82	5.72	6.41	6.69	
Re-48 HF HIRAO RESIDENCE		6.17	5.11	6.28	6.62	6.32	6.62	
Re-49 HF KAWARAMACHI NIJO RESIDENCE		5.44	5.79	5.02	4.20	5.04	5.71	
Re-50 HF MINAMI 6JO RESIDENCE	*2	6.68	7.51	7.95	8.07	-	-	
Re-51 HF TENJIN-MINAMI RESIDENCE	*2	6.28	6.52	5.00	6.62	-	-	
Re-52 HF TENJIN-HIGASHI RESIDENCE		7.23	7.59	7.25	7.30	6.92	7.27	
Re-53 HF SHUJO KAWARAMACHI RESIDENCE		6.44	6.29	6.36	6.23	5.84	6.20	
Re-54 La Residence de Sendagi		6.10	5.53	5.69	5.64	6.35	5.74	
Re-55 HF SENDAGI RESIDENCE		5.89	5.86	5.89	5.75	6.37	5.96	
Re-56 HF KOMAZAWA-KOEN RESIDENCE		5.09	4.88	5.45	4.89	4.94	4.62	
Re-57 HF MUSASHIKOYAMA RESIDENCE		5.77	5.66	5.81	6.12	6.02	5.79	
Re-58 HF KOKUBUNJI RESIDENCE		5.40	5.87	6.06	5.78	5.71	6.13	
Re-59 HF HISAYADORI RESIDENCE		6.40	6.62	6.53	6.64	6.51	6.92	
Re-60 HF KARASUMA KURAMAGUCHI RESIDENCE		5.77	6.05	5.95	5.76	6.05	5.86	
Re-61 HF NISHI-SHINJUKU RESIDENCE WEST		5.40	5.42	5.35	5.21	5.28	4.42	
Re-62 HF NISHI-SHINJUKU RESIDENCE EAST		4.82	4.85	5.09	5.16	5.22	3.84	
Re-63 HF HIGASHI-SHINJUKU RESIDENCE		5.57	5.50	5.38	5.98	5.37	5.79	
Re-64 HF HIGASHI-SHINSAIBASHI RESIDENCE		5.89	5.74	5.92	6.20	5.56	5.67	
Re-65 HF KITA-YOBANCHO RESIDENCE		7.26	7.51	7.51	7.67	7.37	7.99	
Re-66 HF ATAGOBASHI RESIDENCE		7.53	7.45	7.70	8.00	7.63	7.90	
Re-67 HF KYUDAIYOINMAE RESIDENCE		5.55	5.57	6.00	5.20	5.76	6.75	
Re-68 HF ASAKUSABASHI RESIDENCE		5.23	5.59	5.59	4.48	5.60	5.20	
Re-69 HF ICHIBANCHO RESIDENCE		6.92	7.39	7.58	7.63	7.97	7.84	
Re-70 HF HIGASHI-NAKANO RESIDENCE		4.34	4.63	5.05	4.92	4.79	4.93	
Re-71 HF MINAMI 5JO RESIDENCE	*3	5.29	4.27	5.21	5.26	-	-	
Re-72 HF WASEDA RESIDENCE		5.05	4.90	5.32	5.15	5.21	5.12	
Re-73 HF WASEDA RESIDENCE II		5.46	5.17	4.84	4.93	5.29	5.24	
Re-74 HF WAKAMATSUKAWADA RESIDENCE		-	-	-	3.66	4.48	4.59	
Total Residential Properties		4.80	4.79	4.79	4.87	4.79	4.85	
Ho-01 Super Hotel Osaka Tennoji		6.17	6.20	6.15	6.18	6.21	6.21	
Ho-02 Super Hotel Kyoto Karasumagojyo		6.08	6.11	6.05	6.12	6.11	5.76	
Ho-03 Super Hotel Saitama Omiya		5.81	5.85	5.85	5.85	5.85	5.85	
Ho-04 Super Hotel Sendai Hirose-dori		6.53	6.61	6.59	6.60	6.61	6.61	
Total Hotels		6.16	6.20	6.17	6.20	6.21	6.13	
Total properties in portfolio		4.82	4.69	4.71	4.85	4.95	4.90	

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

*1 Transferred part of asset on October 6, 2009

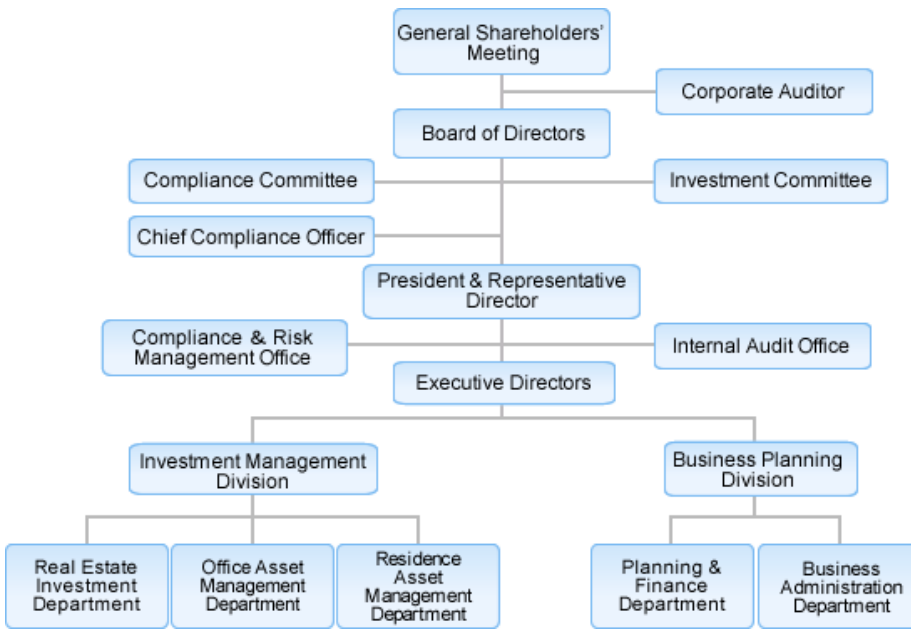
*2 Transferred on September 27, 2013

*3 Transferred on October 25, 2013

13 Historical Occupancy

Property Name	31-May-2014	30-Jun-2014	31-Jul-2014	31-Aug-2014	30-Sep-2014	31-Oct-2014	30-Nov-2014	(%)	Property Name	31-May-2014	30-Jun-2014	31-Jul-2014	31-Aug-2014	30-Sep-2014	31-Oct-2014	30-Nov-2014	(%)
Of-01 HF GOTANDA BUILDING	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-35 HF SHIBA-KOEN RESIDENCE	97.07	90.32	92.59	92.59	92.59	93.26	89.65	
Of-05 Sultengu Heiw a Bldg	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-36 HF MTA RESIDENCE	97.91	91.59	89.22	91.29	95.68	97.92	100.00	
Of-06 HF MONZENNAKACHO BUILDING	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-37 HF TAKANAWA RESIDENCE	100.00	100.00	96.71	100.00	100.00	100.00	100.00	
Of-07 HF HAMAMATSUCHO BUILDING	88.81	88.81	88.81	100.00	100.00	100.00	100.00	100.00	Re-38 La Residence de Shirokanedai	96.39	96.39	96.39	92.84	92.84	92.84	100.00	
Of-08 Kokusai Tameike Bldg	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-39 HF GINZA RESIDENCE EAST II	100.00	100.00	95.67	95.67	97.27	97.27	98.64	
Of-09 Grace Building Sengakujimae	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-40 HF HATCHOBORI RESIDENCE II	95.35	92.94	92.90	98.09	98.72	98.54	98.90	
Of-10 HF SHIN-YOKOHAMA BUILDING	80.01	80.01	80.01	80.01	80.01	80.01	80.01	80.01	Re-41 HF HATCHOBORI RESIDENCE III	91.18	94.26	84.01	92.38	97.37	97.37	91.21	
Of-11 Nihonbashi Daiichi Bldg	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-42 HF GINZA RESIDENCE	98.13	100.00	95.98	97.85	100.00	97.87	100.00	
Of-12 Hatchobori SF Bldg	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-43 HF KOMAZAWA-KOEN RESIDENCE TOWER	97.86	96.41	97.33	99.08	98.98	95.66	95.31	
Of-13 Shibuya AX Hills	97.53	97.53	97.53	97.53	97.53	97.53	97.53	97.53	Re-44 HF UMEDA RESIDENCE TOWER	95.77	95.78	95.21	93.89	95.78	98.04	98.85	
Of-14 KCA Bldg	82.20	82.20	82.20	82.20	82.20	82.20	82.20	82.20	Re-45 HF NAKANOSHIMA RESIDENCE	94.89	94.89	93.42	89.92	89.92	93.42	93.42	
Of-15 HF NAKAMEGURO BUILDING	88.56	88.56	88.56	88.56	82.84	88.55	88.55	88.55	Re-46 HF AWAZA RESIDENCE	96.96	95.11	95.27	95.27	96.63	98.32	98.32	
Of-16 Anwa a Tsukasacho Bldg	85.29	85.29	85.29	85.29	85.29	85.29	85.29	85.29	Re-47 HF MARUNOUCHI RESIDENCE	98.62	94.44	93.05	97.23	98.61	97.23	98.61	
Of-17 Hatchobori MF Bldg	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-48 HF HIRAO RESIDENCE	98.98	98.46	98.30	97.97	99.40	100.00	98.98	
Of-18 M2 Harajuku	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-49 HF KAWARAMACHI NUO RESIDENCE	100.00	97.77	98.21	100.00	95.78	95.78	98.01	
Of-20 Funabashi Face Bldg	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-52 HF TENJIN-HIGASHI RESIDENCE	97.40	100.00	98.70	98.70	100.00	98.70	97.40	
Of-21 Adesso Nishiazabu	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-53 HF SHUJO KAWARAMACHI RESIDENCE	96.36	97.56	95.73	96.93	99.38	98.75	96.31	
Of-22 HF TORANOMON BUILDING	100.00	100.00	100.00	86.51	86.51	100.00	100.00	100.00	Re-54 La Residence de Sendagi	100.00	100.00	100.00	100.00	100.00	100.00	100.00	
Of-23 HF KEBUKURO BUILDING	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-55 HF SENDAGI RESIDENCE	100.00	100.00	100.00	100.00	100.00	97.16	97.16	
Of-24 HF YUSHIMA BUILDING	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-56 HF KOMAZAWA-KOEN RESIDENCE	97.22	91.67	97.22	91.67	97.22	91.66	94.44	
Of-25 Kayabacho Heiw a Bldg	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-57 HF MUSASHIKOYAMA RESIDENCE	100.00	100.00	96.40	94.65	96.45	96.45	96.44	
Of-26 HIROKUI AQUA PLACE	95.16	95.16	95.16	95.16	95.16	95.16	95.16	95.16	Re-58 HF KOKUBUNJI RESIDENCE	96.35	96.35	98.06	96.35	98.30	98.36	98.36	
Of-27 Kobe Kyukyoryuchi Heiw a Building	97.09	97.09	97.94	97.94	97.94	97.94	97.94	97.94	Re-59 HF HISAYA ODORI RESIDENCE	99.01	99.01	100.00	99.03	99.03	97.98	96.97	
Of-28 Mita Heiw a Building (leasehold land)	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-60 HF KARASUMA KURAMAGUCHI RESIDENCE	93.24	93.24	95.95	97.98	97.98	97.98	95.95	
Of-29 Sakae Minami Heiw a Building	94.64	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-61 HF NISHI-SHINJUKU RESIDENCE WEST	92.17	92.16	93.74	94.99	93.74	96.25	97.16	
Of-30 HF SAKURADORI BUILDING	97.69	96.53	96.53	96.53	96.53	97.69	97.69	97.69	Re-62 HF NISHI-SHINJUKU RESIDENCE EAST	95.18	93.17	93.59	100.00	95.59	98.49	100.00	
Of-31 HF Nihonbashi Hamacho Building	88.53	88.53	88.53	88.53	88.53	100.00	100.00	100.00	Re-63 HF HIGASHI-SHINJUKU RESIDENCE	100.00	100.00	97.22	98.62	97.22	100.00	98.60	
Of-32 HF Sendai Honcho Building	92.90	90.83	93.04	93.04	93.04	93.04	93.04	93.04	Re-64 HF HIGASHI-SHINJUKU RESIDENCE	93.15	95.43	92.70	92.70	95.43	100.00	97.72	
Total Office Buildings	95.93	95.81	96.04	96.07	95.89	96.91	96.91		Re-65 HF KITA-YOBANCHO RESIDENCE	97.77	98.89	98.89	100.00	100.00	98.89	98.89	
Re-03 HF ICHIKAWA RESIDENCE	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Re-66 HF ATAGOBASHI RESIDENCE	98.75	98.75	97.49	96.25	97.51	98.75	98.75	
Re-05 HF MEGURO RESIDENCE	100.00	100.00	90.88	95.07	100.00	100.00	95.07	100.00	Re-67 HF KYUDABYONINAE RESIDENCE	94.95	94.95	94.95	95.85	98.37	98.37	96.74	
Re-09 HF KASAI RESIDENCE	100.00	100.00	97.94	100.00	97.94	100.00	97.87	97.87	Re-68 HF ASAKUSABASHI RESIDENCE	94.87	94.87	94.87	97.44	94.87	97.44	100.00	
Re-11 HF WAKABAYASHI-KOEN RESIDENCE	88.04	89.14	91.26	92.29	95.60	96.99	100.00	100.00	Re-69 HF ICHIBANCHO RESIDENCE	100.00	100.00	98.82	95.83	100.00	100.00	100.00	
Re-12 HF HIMONYA RESIDENCE	98.36	98.36	100.00	97.25	91.24	91.99	96.72	96.72	Re-70 HF HIGASHI-NAKANO RESIDENCE	92.32	92.32	87.19	90.65	94.93	94.78	96.76	
Re-14 HF MINAMAZABU RESIDENCE	96.64	93.32	93.34	91.68	91.66	98.34	95.00	95.00	Re-72 HF WASEDA RESIDENCE	95.46	96.38	96.47	97.17	97.80	95.55	98.51	
Re-15 HF AZABUJUBAN RESIDENCE	86.33	100.00	89.53	89.53	96.20	97.13	97.13	97.13	Re-73 HF WASEDA RESIDENCE II	91.36	96.54	96.24	96.24	97.97	100.00	100.00	
Re-16 HF GAKUGEDAI GAKU RESIDENCE	92.16	88.34	92.16	92.16	96.41	96.41	96.41	96.41	Re-74 HF WAKAMATSUKAWADA RESIDENCE	90.91	94.19	94.19	92.04	95.69	91.28	84.70	
Re-17 HF HIGASHIKANDA RESIDENCE	95.36	98.45	98.45	100.00	100.00	95.36	98.44	98.44	Total Residential Properties	96.12	96.20	95.81	96.02	97.17	97.22	97.34	
Re-18 HF HIGASHINONBASHI RESIDENCE	98.80	100.00	100.00	98.79	100.00	98.69	98.80	98.80	Ho-01 Super Hotel Osaka Tennoji	100.00	100.00	100.00	100.00	100.00	100.00	100.00	
Re-19 HF NERIMA RESIDENCE	98.08	96.16	94.24	98.08	100.00	100.00	100.00	100.00	Ho-02 Super Hotel Kyoto Karasumagojo	100.00	100.00	100.00	100.00	100.00	100.00	100.00	
Re-20 HF SHROKANETAKANAWA RESIDENCE	93.11	98.32	100.00	96.89	94.02	96.46	98.75	98.75	Ho-03 Super Hotel Saitama Omiya	100.00	100.00	100.00	100.00	100.00	100.00	100.00	
Re-21 HF MEDAIMAE RESIDENCE	92.48	92.46	94.57	94.31	96.10	96.10	95.80	95.80	Ho-04 Super Hotel Sendai Hirose-dori	100.00	100.00	100.00	100.00	100.00	100.00	100.00	
Re-22 HF Nihonbashi RESIDENCE	95.31	95.31	92.35	92.35	94.07	97.04	96.32	96.32	Total Hotels	100.00	100.00	100.00	100.00	100.00	100.00	100.00	
Re-23 HF KAMISHAKUJI RESIDENCE	98.11	97.19	95.69	94.42	95.93	97.24	98.60	98.60	Total properties in portfolio	96.24	96.25	96.11	96.24	96.83	97.24	97.31	
Re-24 HF KINSHICHO RESIDENCE	94.78	92.76	92.81	92.62	98.02	98.25	98.25	98.25									
Re-25 HF GINZA RESIDENCE EAST	97.76	95.55	97.11	97.11	100.00	100.00	98.92	98.92									
Re-26 HF SHIN-YOKOHAMA RESIDENCE	97.38	98.41	100.00	99.13	97.50	97.11	97.02	97.02									
Re-29 HF HAKUSAN RESIDENCE	96.20	98.10	98.10	94.02	94.28	94.28	94.28	94.28									
Re-30 HF MAGOME RESIDENCE	93.57	90.97	90.97	90.97	93.99	93.99	93.99	93.99									
Re-31 HF GAKUGEDAI GAKU RESIDENCE II	86.96	91.35	82.40	82.40	91.05	86.84	91.04	91.04									
Re-33 HF KAMEDO RESIDENCE	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00									
Re-34 HF TANASHI RESIDENCE	97.15	97.15	97.15	94.79	97.39	94.54	94.54	94.54									

14 Organization of the Asset Management Company



Mission PEACE

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

1. Priority

Our number one priority is to improve investor value.

2. Earning Trust

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

3. Aggressiveness

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

4. Comfort

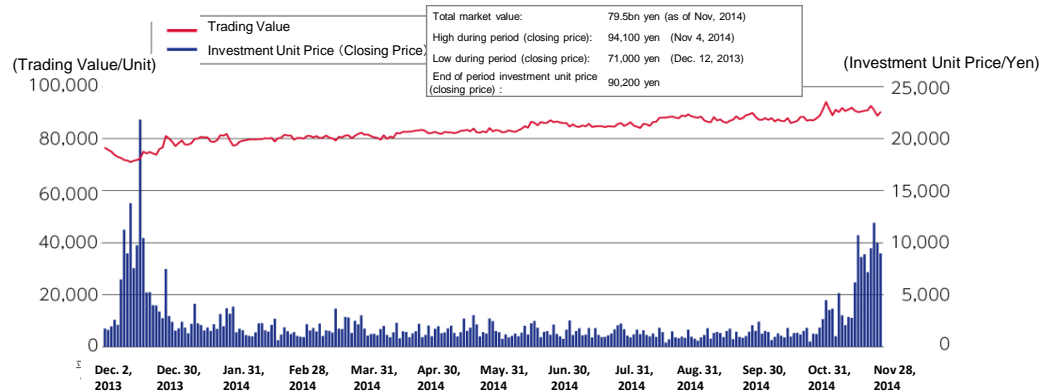
We provide comfortable spaces for urban life and other related services through investments and management of numerous profitable properties.

5. Ethics

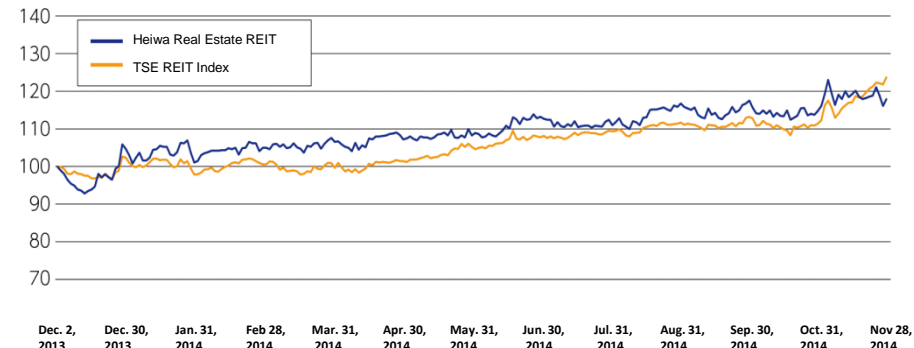
We conduct our business under the highest ethical standards. We are committed to organization-wide compliance and transparency.

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

<History of Investment Unit Price>



<Comparison with TSE REIT Index>

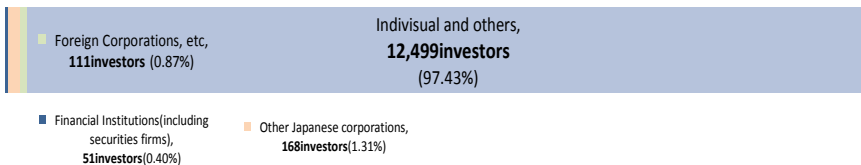


(Note) Figures as of Dec 2, 2013 for investment unit price and TSE REIT Index are indicated as 100%.

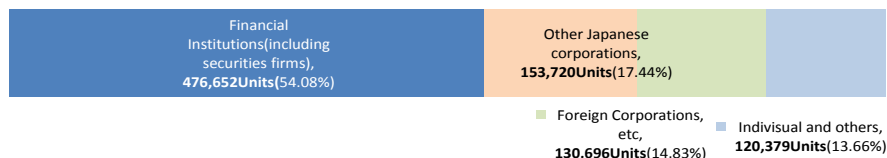
<Configuration of Investors at End of 25th Fiscal Period>

Based on number of investors (12,829 investors)

(As of Nov 30, 2014)



Based on quantity of investment units (881,447 units)



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

<Condition of Unitholders>

(As of November 30, 2014)

Name		Units Owned (units)	Share ^(Note) (%)
1	Japan Trustee Services Bank, Ltd. (trust account)	297,469	33.74
2	Heiwa Real Estate Co., Ltd.	135,845	15.41
3	The Master Trust Bank of Japan, Ltd. (trust account)	78,319	8.88
4	NOMURA BANK (LUXEMBOURG) S.A.	38,337	4.34
5	Trust & Custody Services Bank, Ltd. (securities investment trust account)	36,511	4.14
6	JP MORGAN CHASE BANK 380180	36,338	4.12
7	The Nomura Trust and Banking Co., Ltd. (trust account)	23,116	2.62
8	THE BANK OF NEW YORK MELLON 140030	6,900	0.78
9	The Gibraltar Life Insurance Co., Ltd. (General Account J-REIT)	6,886	0.78
10	Shikoku Railway Company	4,273	0.48
Total		663,994	75.32

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

