

真面目に、地道に、堅実に  
**Serious Steady Solid**



Nippon REIT Investment Corporation

# Investor Presentation

for the 8<sup>th</sup> Period (Ended June 30, 2016)

August 17, 2016

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# 1. Executive Summary

# Highlights of Financial Results

## Financial Results (8<sup>th</sup> Period (June 2016))

Operating Revenue	¥ <b>6,607</b> mm
Operating Income	¥ <b>3,287</b> mm
Ordinary Income	¥ <b>2,944</b> mm
Net Income	¥ <b>2,944</b> mm
DPU	¥ <b>7,519</b>

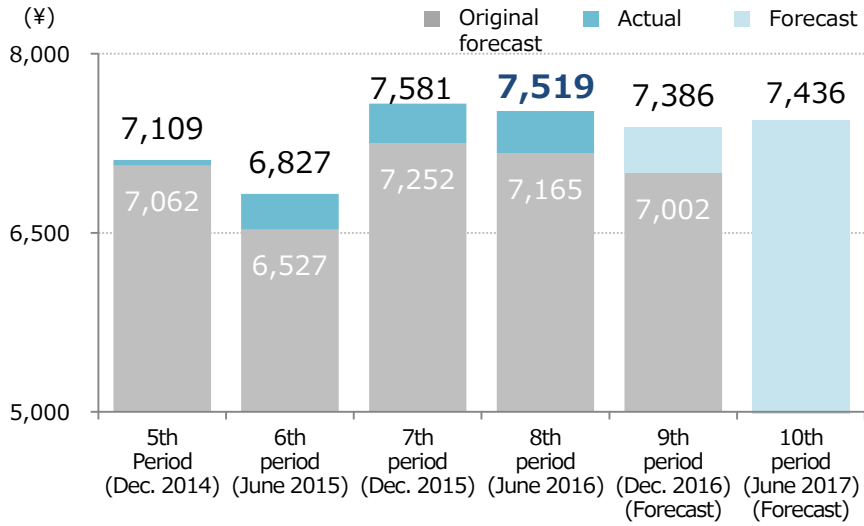
## Forecast (9<sup>th</sup> Period (Dec. 2016))

Operating Revenue	¥6,775 mm
Operating Income	¥3,371 mm
Ordinary Income	¥2,894 mm
Net Income	¥2,893 mm
DPU	¥7,385

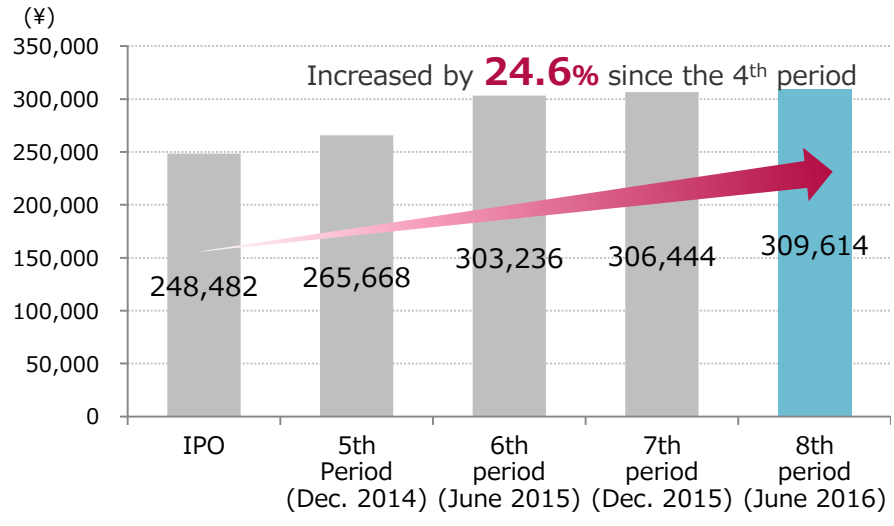
## Forecast (10<sup>th</sup> Period (June 2017))

Operating Revenue	¥6,685 mm
Operating Income	¥3,400 mm
Ordinary Income	¥2,913 mm
Net Income	¥2,913 mm
DPU	¥7,436

## DPU Transition



## Growth in NAV per Unit<sup>(1)</sup>



**Highlights of achievements in the 8<sup>th</sup> period**

**Summary of growth strategies**

**External Growth Strategy**

**Keep the target NOI yield<sup>(1)</sup> and Achieve AUM Target of ¥300bn by 2018~2020**

■ **Steady increase in pipeline (10 properties, ¥22.5bn <sup>(2)</sup>)**  
 Additional acquisition of **Godou Kaisha Nicolas Capital 6 (1 property, ¥1.3bn)**  
 Establishment of **Godou Kaisha Nicolas Capital 8 and 9 (7 properties, ¥10.9bn)**

■ **Disciplined external growth**  
 > To achieve mid-and long-term target while keeping the same-level NOI yield and sticking to the acquisition policy (location (area competitiveness), ratio of properties located in metropolitan areas, tenant diversification, rent gaps, scrutiny of building conditions)

**Internal Growth Strategy**

**Strengthened profitability with improved occupancy rate and rent increase, enhanced profitability and competitiveness through engineering management**

■ **Occupancy rate on recovery track**  
 7<sup>th</sup> period 96.8% → End of Feb. 2016 94.3% → 8<sup>th</sup> period **95.9%**

■ **Steady increase in rent**  
 Rent revision for **2,476** tsubo (19.5% of total rentable area<sup>(3)</sup>)  
 Overall rent increase<sup>(4)</sup> : 7<sup>th</sup> 0.8% → 8<sup>th</sup> **1.7%**

■ **Execution of engineering management**  
 Proper review of repair plans and reduction in capital expenditure and expenses to achieve strengthened profitability, cost reduction and higher tenant satisfaction

■ **Further rise in the occupancy rate**  
 ■ **Further improvement in cash flow**  
 > Shorten down time and free-rent periods  
 ■ **1% or more overall rent increase**  
 ■ **Enhanced competitiveness of portfolio**  
 > Execution of effective engineering management

**Financing Strategy**

**Further stabilization of finance status in consideration of interest costs**

■ **Strengthening our financial stability with reduced interest costs under negative interest circumstances**  
 LTV<sup>(5)</sup> 7<sup>th</sup> period 46.1% → 8<sup>th</sup> period **45.9%**  
 Fixed interest rate ratio 7<sup>th</sup> period 50.2% → 8<sup>th</sup> period **90.3%**  
 Average borrowing cost (incl. upfront fee and agent fee) 7<sup>th</sup> period 0.90% → 8<sup>th</sup> period **0.84%**

■ **Further stabilization of finance status**  
 > Shift to longer-term borrowings with fixed interest rates

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## **2. Financial Results for the 8<sup>th</sup> Period (June 2016)**

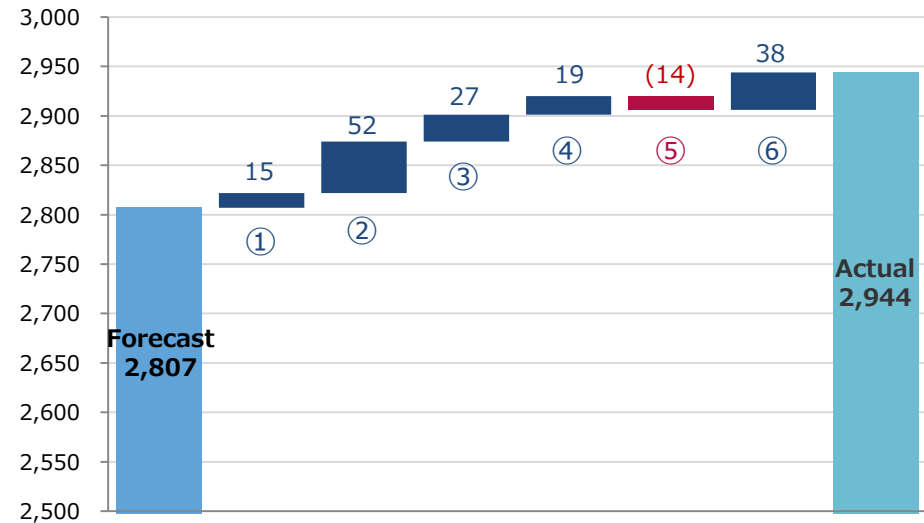
## Income statement summary for the 8<sup>th</sup> fiscal period (June 2016)

Unit: ¥million

	8 <sup>th</sup> Period Forecast as of Feb. 18, 2016 (a)	8 <sup>th</sup> Period Actual as of June 16, 2016 (b)	(b-a)
Operating Revenues	6,596	<b>6,607</b>	10
Operating Income	3,189	<b>3,287</b>	98
Ordinary Income	2,807	<b>2,944</b>	136
Net Income	2,807	<b>2,944</b>	137
DPU	7,165円	<b>7,519円</b>	¥354
NOI	4,612	<b>4,713</b>	100
NOI Yield <sup>(1)</sup>	4.5%	<b>4.6%</b>	
FFO per Unit <sup>(2)</sup>	-	<b>¥9,414</b>	
NAV per Unit	-	<b>¥309,614</b>	
Unrealized Gains <sup>(3)</sup>	-	<b>9,030</b>	
Days	<b>182</b>	<b>182</b>	

## Net income changing factors<sup>(4)</sup> (vs. Forecast)

Unit: ¥million



- ① **Increase in rental revenues** **15**
- ② **Improvement of utilities balance** **52**
- ③ **Increase in other operating revenues** **27**  
(Dividend income, Miscellaneous income)
- ④ **Decrease of property-related expenses** **19**  
(Repair expenses, Depreciation, Property taxes, etc.)
- ⑤ **Increase in other operating expenses** **(14)**  
(Asset management fee, etc.)
- ⑥ **Decrease of non-operating expenses etc.** **38**  
(Financing costs, etc.)

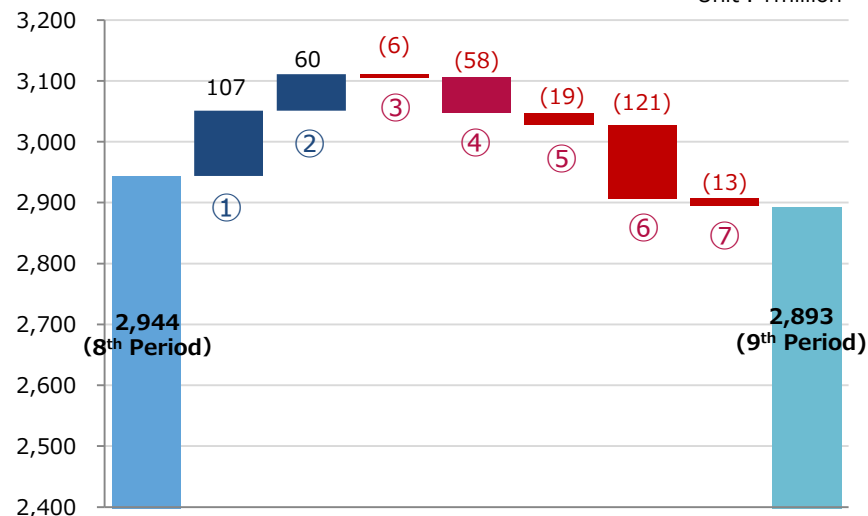
## Financial forecast for the 9<sup>th</sup> fiscal period (Dec. 2016)

Unit : ¥million

	8 <sup>th</sup> period actual (a)	9 <sup>th</sup> period forecast as of Aug.16, 2016 (b)	(b-a)	(reference) 9 <sup>th</sup> period forecast as of Feb.18, 2016
Operating Revenues	6,607	<b>6,775</b>	168	6,680
Operating Income	3,287	<b>3,371</b>	83	3,274
Ordinary Income	2,944	<b>2,894</b>	(50)	2,744
Net Income	2,944	<b>2,893</b>	(50)	2,743
DPU	¥7,519	<b>¥7,385</b>	(134)	¥7,002
NOI	4,713	<b>4,822</b>	109	4,728
NOI Yield	4.6%	<b>4.7%</b>	-	-
Days	182	<b>184</b>	-	-

## Net income changing factors (vs. 8<sup>th</sup> period actual)

Unit : ¥million



- ① **Increase in rental revenues** 107
- ② **Improvement of utilities balance** 60
- ③ **Decrease of other operating revenues** (6)  
(Dividend income, Miscellaneous income)
- ④ **Increase in property-related expenses** (58)  
(Repair expenses, Depreciation, etc.)
- ⑤ **Increase in other operating expenses** (19)  
(Asset management fee, etc.)
- ⑥ **Decrease of non-operating income** (121)  
(Non-occurrence of consumption tax refund, etc.)
- ⑦ **Increase in non-operating expenses, etc.** (13)  
(Financing costs, etc.)



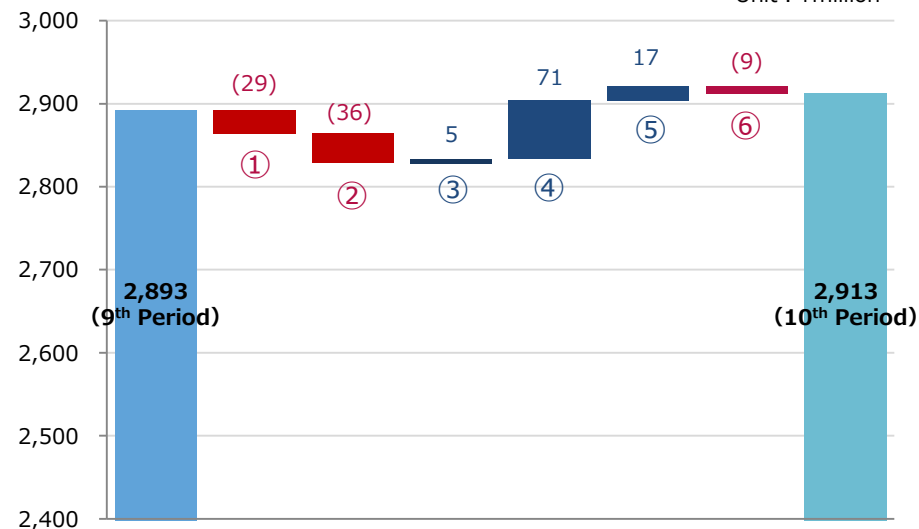
## Financial forecast for the 10<sup>th</sup> fiscal period (June 2017)

Unit : ¥million

	9 <sup>th</sup> period forecast as of Aug.16, 2016 (a)	10 <sup>th</sup> period Forecast as of Aug.16, 2016 (b)	(b-a)
Operating Revenues	6,775	<b>6,685</b>	(90)
Operating Income	3,371	<b>3,400</b>	29
Ordinary Income	2,894	<b>2,913</b>	19
Net Income	2,893	<b>2,913</b>	19
DPU	¥7,385	<b>¥7,436</b>	¥51
NOI	4,822	<b>4,824</b>	2
NOI Yield	4.7%	<b>4.7%</b>	-
Days	184	<b>181</b>	-

## Net income changing factors (vs. 9<sup>th</sup> period forecast)

Unit : ¥million

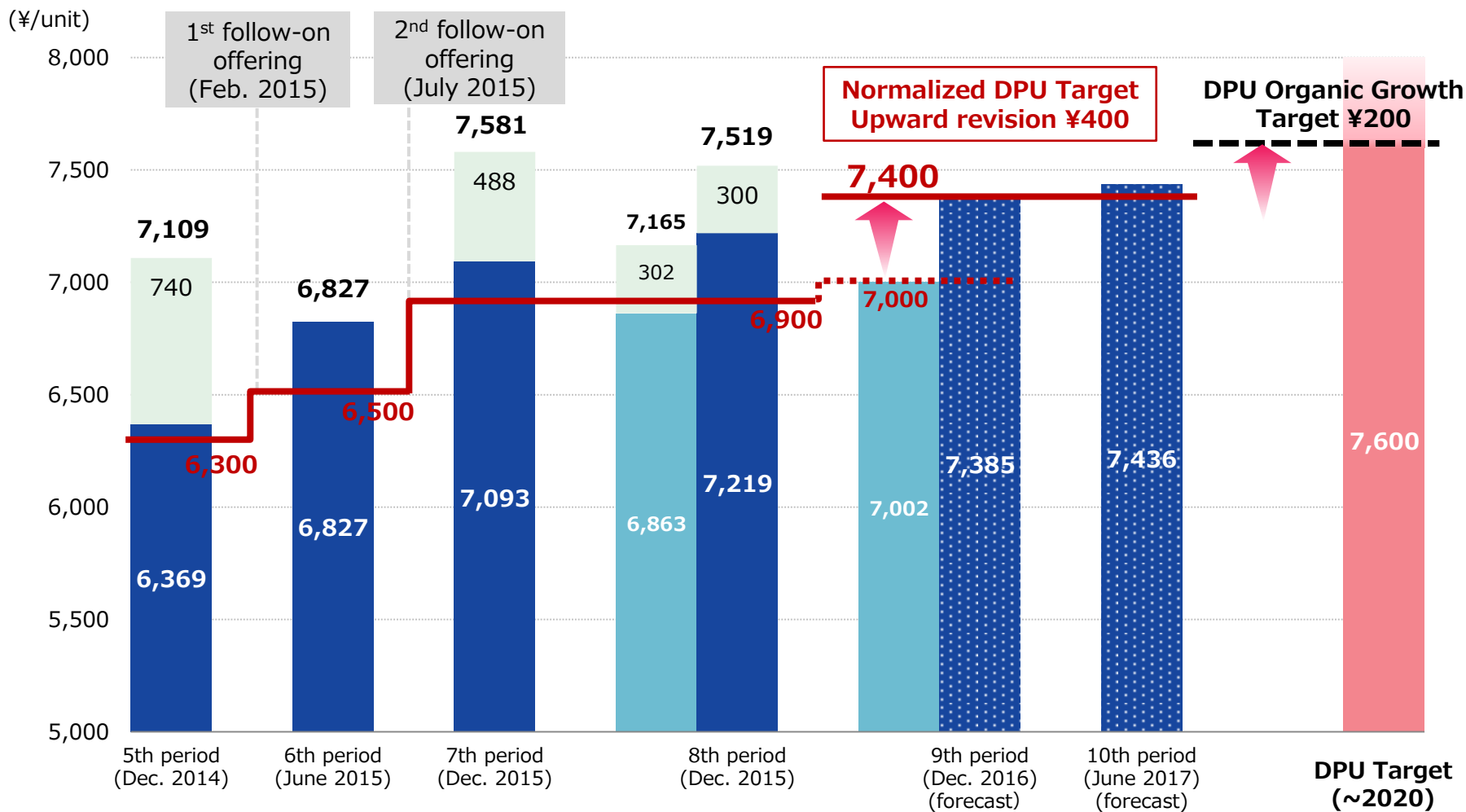


- ① **Decrease of rental revenues** (29)
- ② **Deterioration of utilities balance** (36)
- ③ **Increase in other operating revenues** 5  
(Dividend income, Miscellaneous income)
- ④ **Decrease of property-related expenses** 71  
(Repair expenses, Depreciation, Leasing cost, etc.)
- ⑤ **Decrease of other operating expenses** 17  
(Asset management fee, etc.)
- ⑥ **Increase in non-operating expenses etc.** (9)  
(Financing costs, etc.)

# Track Record and Forecast of Normalized DPU

Revised Normalized DPU target upward from ¥7,000 to ¥7,400

Set new medium to long term DPU Target at ¥7,600, assuming contributions from organic growth

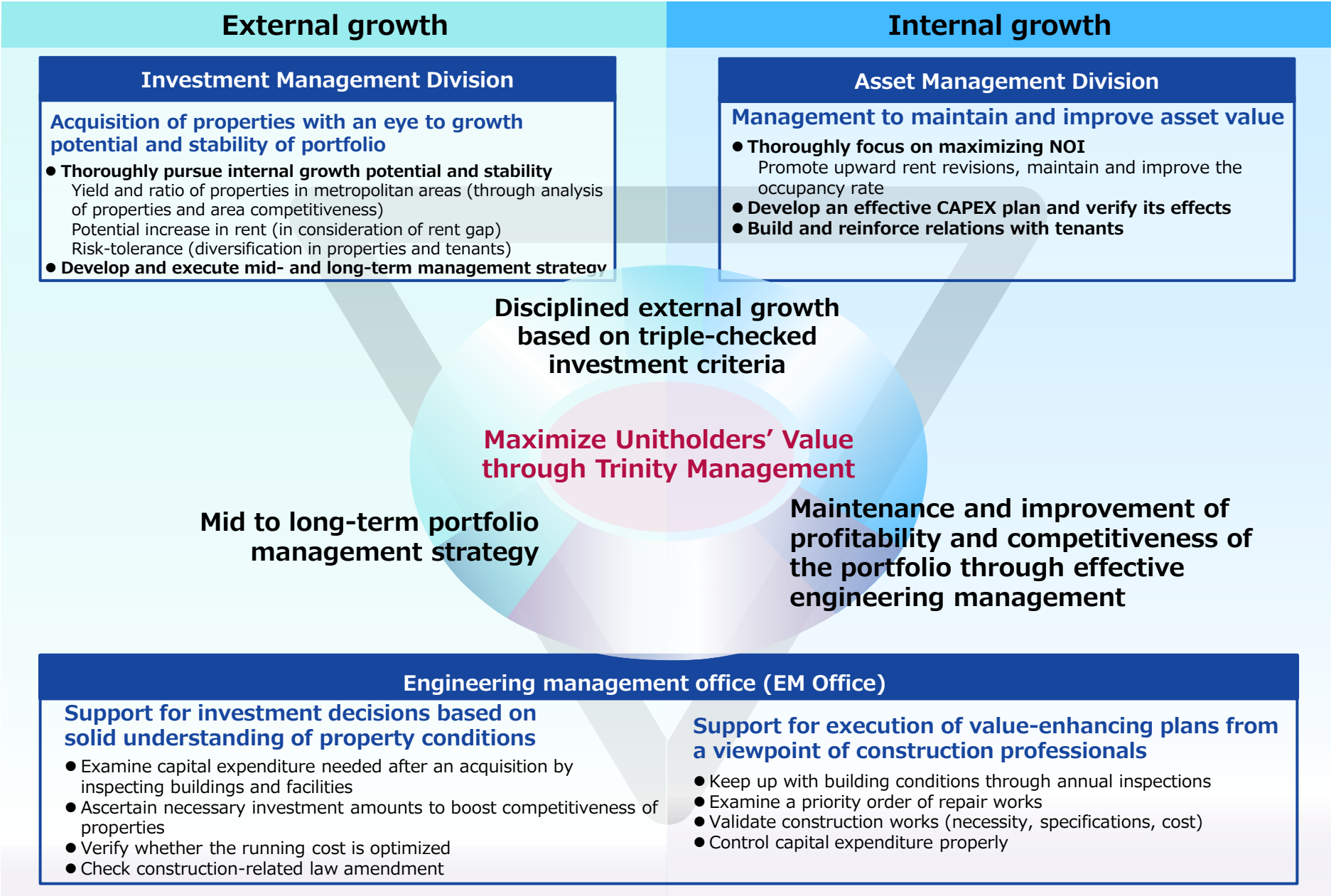


: Normalized DPU(  Forecast)  
 : Normalized DPU  
 (as of Feb.18, 2016)  
 : Normalized DPU Target

: One-time extraordinary factors  
 5th period : Real estate tax capitalized (per unit)  
 7th period : Real estate tax capitalized – expenses related to public offering (per unit)  
 8th period : Consumption tax settlement difference (per unit)

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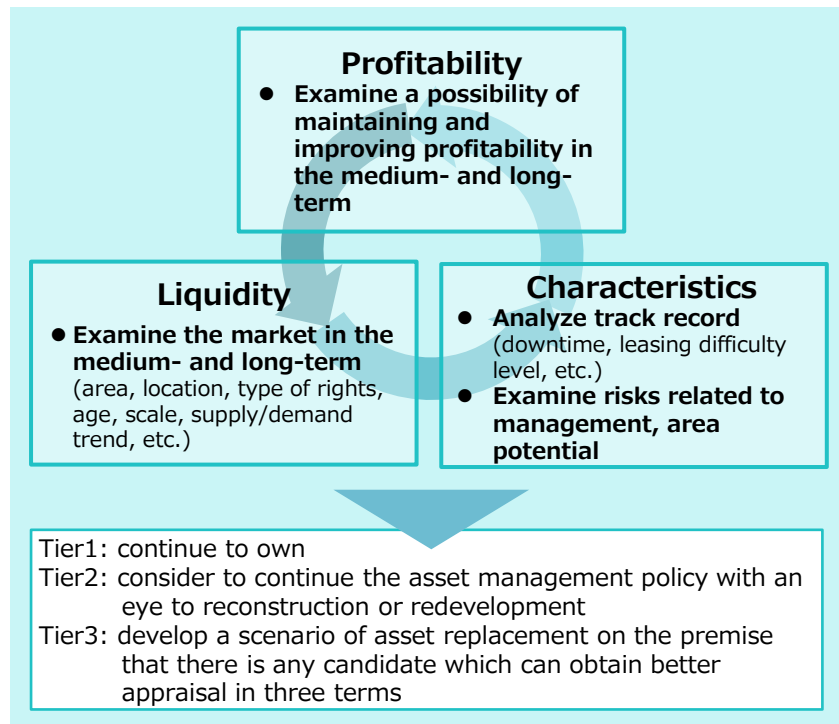
## **3. Growth Strategies**



# Summary of Growth Strategies ② : Medium to Long Term Management Strategies and Effective Engineering Management

## Develop/Execute mid-long management strategy

- 1 Analyze properties in terms of **profitability, liquidity and characteristics** and then classify them into any of Tier1, 2 or 3.



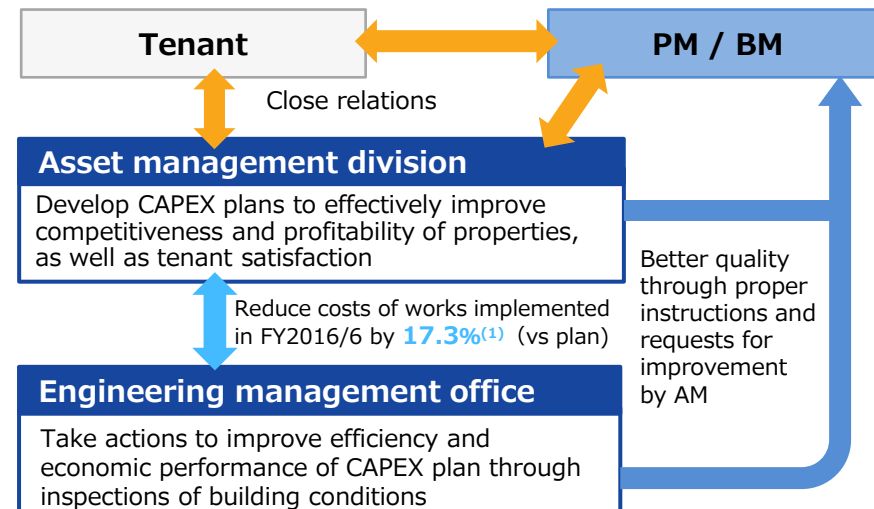
- 2 Develop 3-5 years management strategy according to the classification. (Consider efficient CAPEX plan and asset replacement)

- 3 Execute efficient asset management strategy (Review the classification through periodic verification)

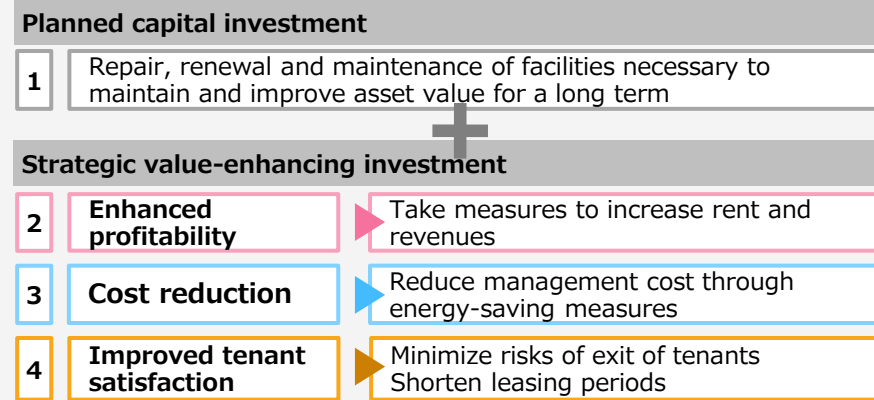
**Maintain and improve of profitability and competitiveness of the portfolio**

## Effective engineering management

### 《Structure to Execute Engineering Management》

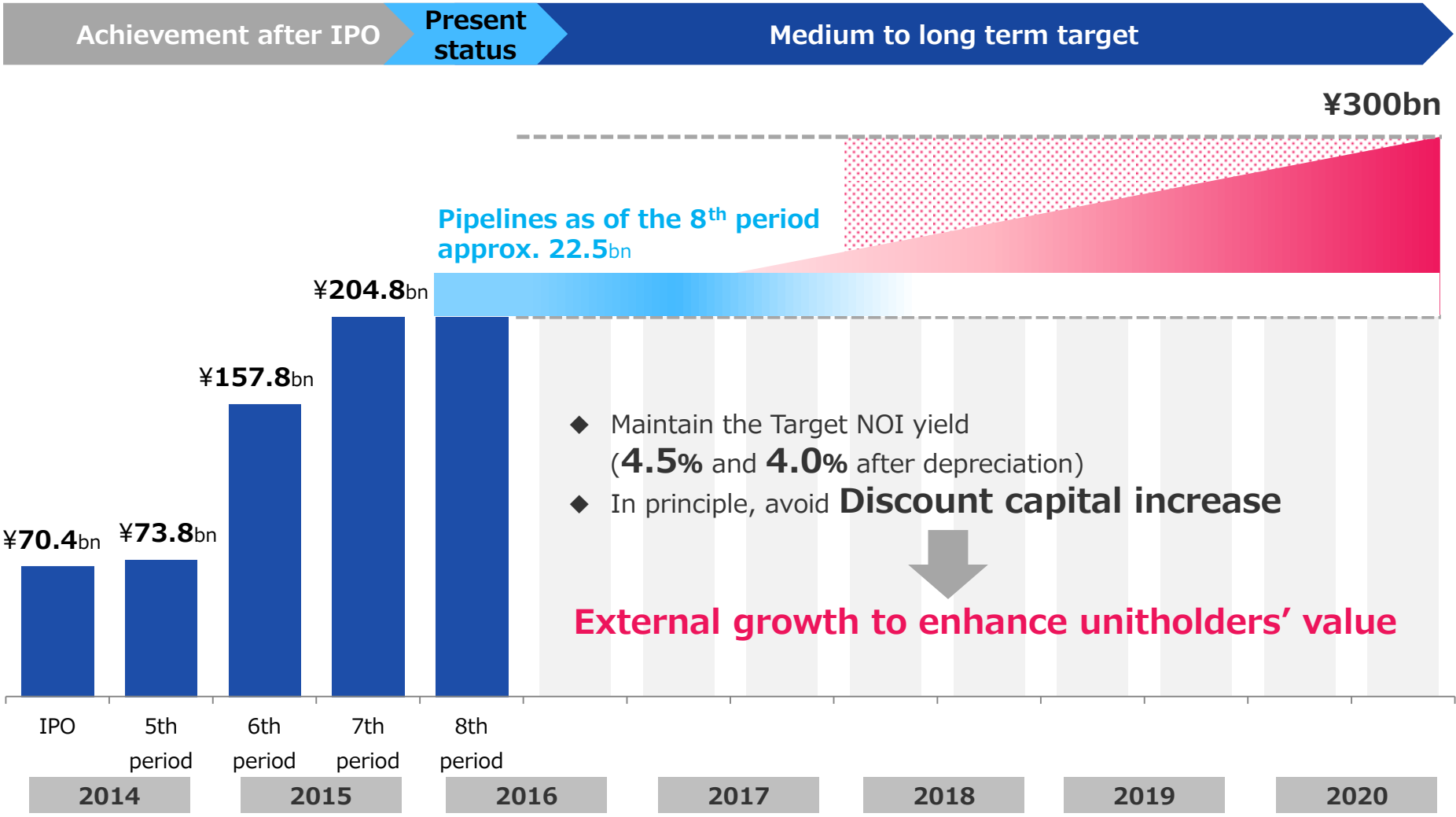


### 《Outline of Engineering Management》



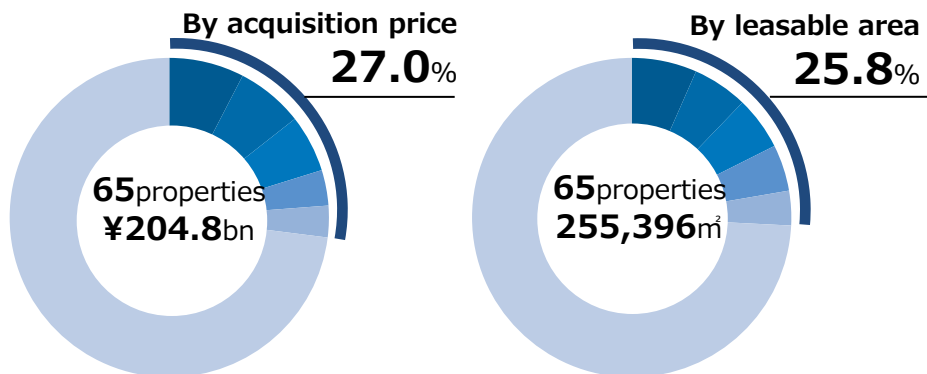
# External Growth Strategy ① : AUM Target

Approx. ¥22.5bn pipelines towards medium to long term AUM target of ¥300bn

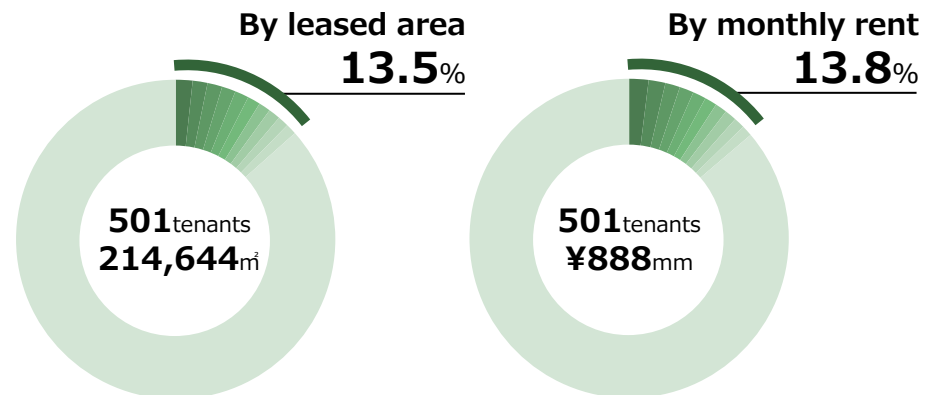


# External Growth Strategy ② : Risk Diversification

## Portfolio Diversification (Proportion of the 5 largest properties)



## Tenant diversification (Proportion of the 10 largest tenants<sup>(1)</sup>)



## 5 largest properties (by acquisition price)

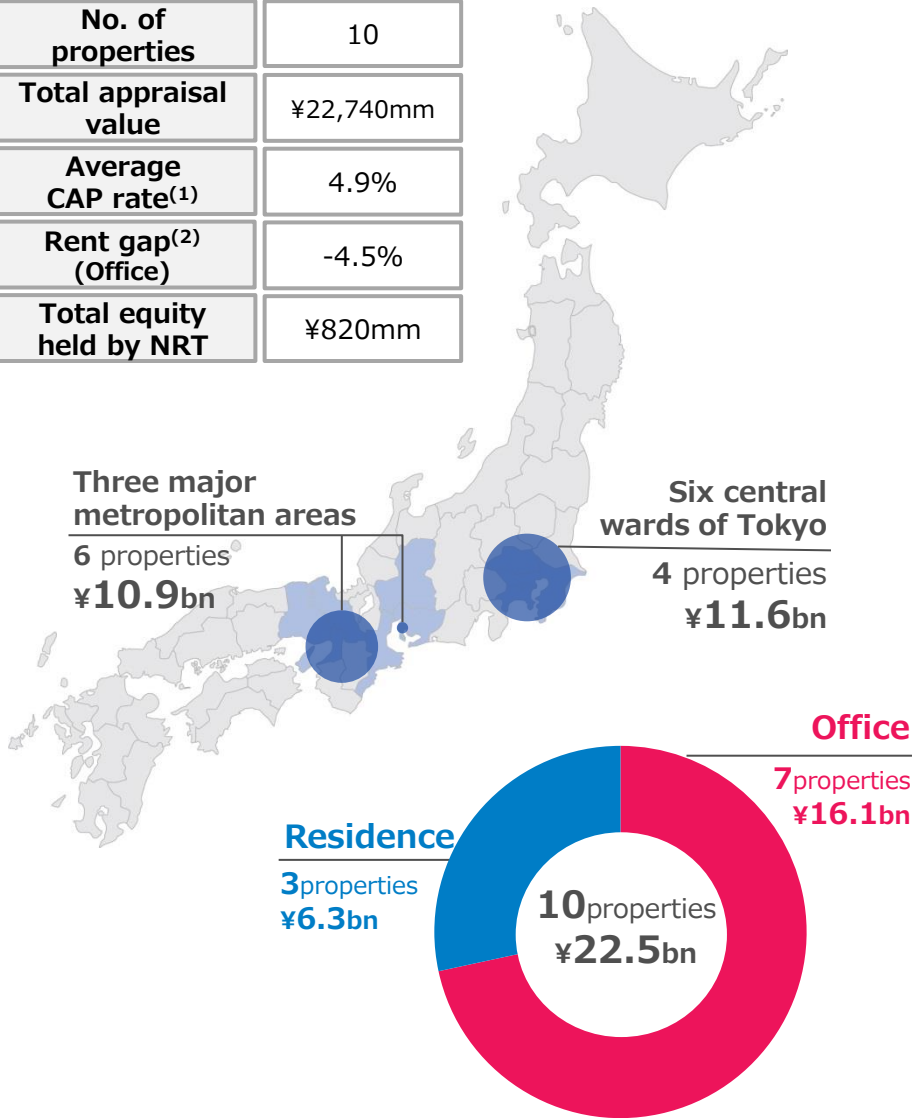
	Property Name	Acquisition price(¥mm)	Share
1	Omiya Center Building	15,585	7.6%
2	FORECAST Shinjuku SOUTH	13,990	6.8%
3	Tower Court Kitashinagawa	11,880	5.8%
4	Shibakoen Sanhome Building	7,396	3.6%
5	FORECAST Gotanda WEST	6,520	3.2%

## 10 largest tenants (by leased area)

	Property Name	Business category	Leased area(m <sup>2</sup> )	Share
1	Shibakoen Sanhome Building	Telecommu- nication	3,559.85	1.7%
2	Sunworld Building	Real estate	3,314.58	1.5%
3	Itabashi Honcho Building	Service	3,189.12	1.5%
4	GreenOak Okachimachi	Building constructor	3,048.47	1.4%
5	Hisamatsucho Reeplex B's	Manufacturing	3,022.25	1.4%
6	FORECAST Shinjuku SOUTH FORECAST Shinjuku AVENUE	Telecommu- nication	2,817.67	1.3%
7	JS Progres Building	Finance/ insurance	2,662.11	1.2%
8	Shibakoen Sanhome Building	Wholesale /retail	2,579.22	1.2%
9	Komyoike Act	Service	2,350.50	1.1%
10	JS Progres Building	Service	2,328.26	1.1%

## Summary of pipeline assets

No. of properties	10
Total appraisal value	¥22,740mm
Average CAP rate <sup>(1)</sup>	4.9%
Rent gap <sup>(2)</sup> (Office)	-4.5%
Total equity held by NRT	¥820mm



Fund name	Godo Kaisha Nicolas Capital 6
Equity investment amount	¥220mm
Total price upon first negotiation	¥11,597mm (Deadline : Feb. 2018)
Total appraisal value of properties	¥11,700m (CAP rate : 4.8%)

## Summary of backed properties

①Name ②Address ③Total floor space ④Completion  
⑤Appraisal value (CAP rate) ⑥First negotiation price

Office	
	① Homat Horizon Building
	② Chiyoda-ku, Tokyo
	③ 8,143.02㎡
	④ Sep. 1987
	⑤ ¥6,710mm (4.3%)
	⑥ ¥6,705mm
Residence	
	① Splendid Namba
	② Naniwa-ku, Osaka
	③ 8,031.78㎡
	④ Jan. 2015
	⑤ ¥3,520mm (5.3%)
	⑥ ¥3,502mm
Office	
	① Sannomiya First Building
	② Chuo-ku, Kobe
	③ 5,019.79㎡
	④ Nov. 1993
	⑤ ¥1,470mm (6.2%)
	⑥ ¥1,390mm



# External Growth Strategy ③ : Summary of bridge funds (2)

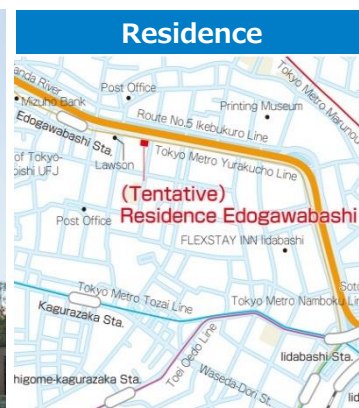
<b>Fund name</b>	Godo Kaisha Nicolas Capital 9	<b>Total appraisal value of properties</b>	¥4,090mm
<b>Agreement conclusion date</b>	Mar. 29, 2016	<b>CAP rate</b>	4.6%
<b>Equity investment amount</b>	¥100mm	<b>Deadline of the right of first negotiation</b>	Feb. 2018

## Summary of properties

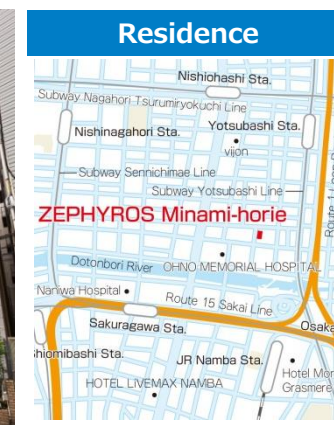
①Name ②Address ③Total floor space ④Completion ⑤Appraisal value (CAP rate)



①	Yusen Higashi-Nihombashi Ekimae Building
②	Chuo-ku, Tokyo
③	1,879.72m <sup>2</sup>
④	Feb. 2001
⑤	¥1,200mm (4.7%)



①	(Tentative) Residence Edogawabashi
②	Shinjuku-ku, Tokyo
③	1,323.15m <sup>2</sup>
④	Mar. 2000
⑤	¥1,250mm (4.7%)

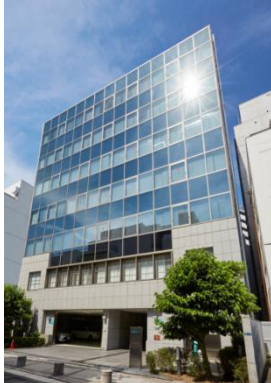


①	ZEPHYROS Minami-horie
②	Nishi-ku, Osaka
③	3,114.33m <sup>2</sup>
④	Mar. 2002
⑤	¥1,640mm (4.4%)

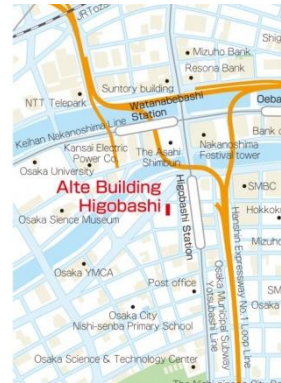
<b>Fund name</b>	Godo Kaisha Nicolas Capital 8	<b>Total appraisal value of properties (CAP rate)</b>	¥6,950mm (5.2%)
<b>Agreement conclusion date</b>	June 27, 2016	<b>Deadline of the right of first negotiation</b>	Dec. 2017
<b>Equity investment amount</b>	¥500mm	<b>Price upon first negotiation</b>	¥6,835mm

## Summary of properties

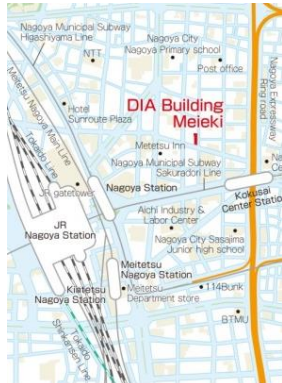
①Name ②Address ③Total floor space ④Completion ⑤Appraisal value (CAP rate) ⑥First negotiation price



Office	
①	SC Sakaisujihonmachi Building
②	Chuo-ku, Osaka
③	6,075.86m <sup>2</sup>
④	Mar. 1998
⑤	¥1,790mm (5.6%)
⑥	¥1,723mm



Office	
①	Alte Building Higobashi
②	Nishi-ku, Osaka
③	4,503.74 m <sup>2</sup>
④	June 1993
⑤	¥1,480mm (5.7%)
⑥	¥1,476mm



Office	
①	DIA Building Meieki
②	Nakamura-ku, Nagoya
③	2,909.28 m <sup>2</sup>
④	Dec. 1991
⑤	¥1,190mm (5.5%)
⑥	¥1,186mm

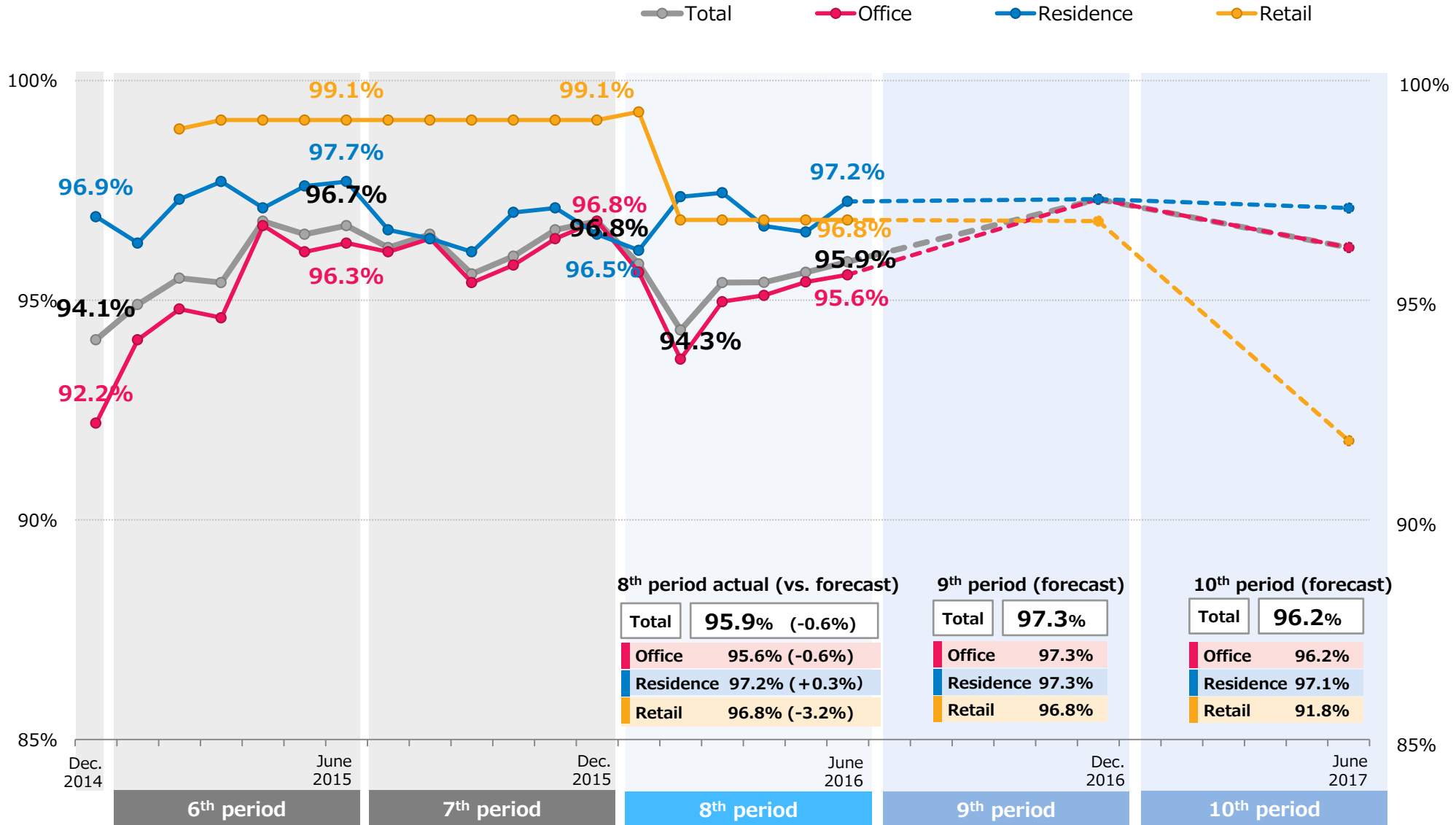


Office	
①	Hiroo ON Building
②	Shibuya-ku, Tokyo
③	2,707.95 m <sup>2</sup>
④	Mar. 1995
⑤	¥2,490 mm (4.6%)
⑥	¥2,450 mm



# Internal Growth Strategy ① : Occupancy Rate Trends and Forecasts

Occupancy rate shows moderate recovery as replacement of vacated floors has progressed

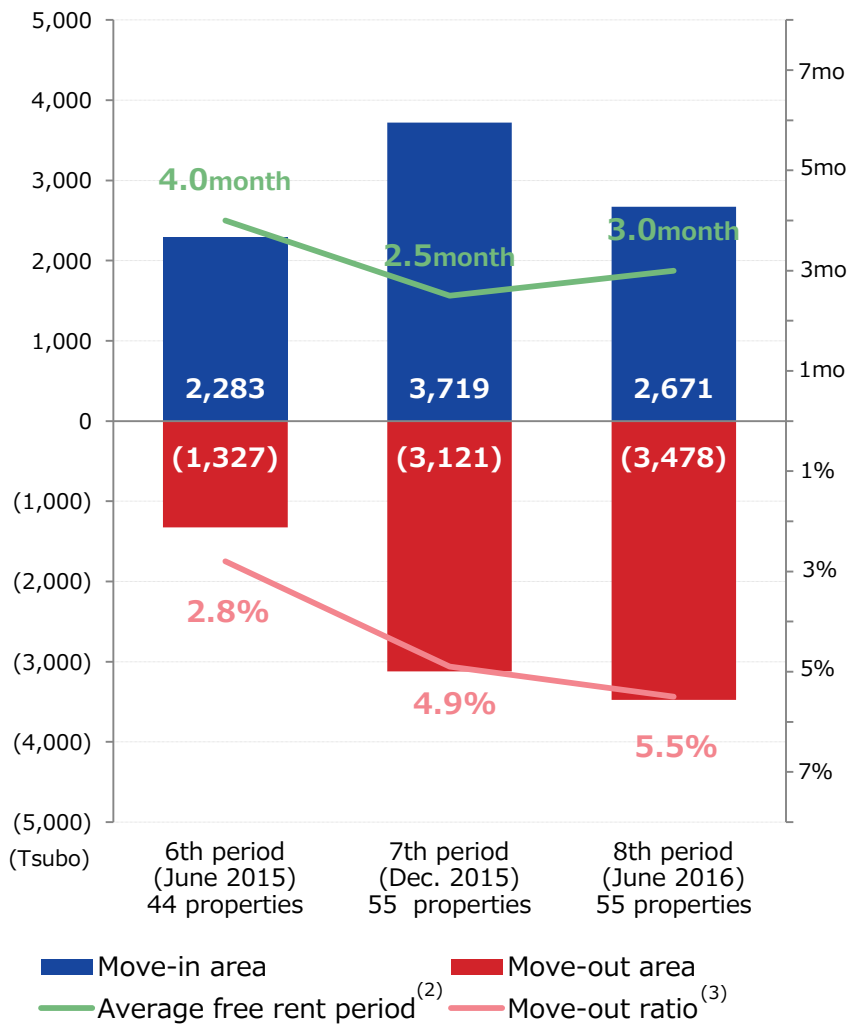


8 <sup>th</sup> period actual (vs. forecast)		9 <sup>th</sup> period (forecast)		10 <sup>th</sup> period (forecast)	
Total	95.9% (-0.6%)	Total	97.3%	Total	96.2%
Office	95.6% (-0.6%)	Office	97.3%	Office	96.2%
Residence	97.2% (+0.3%)	Residence	97.3%	Residence	97.1%
Retail	96.8% (-3.2%)	Retail	96.8%	Retail	91.8%

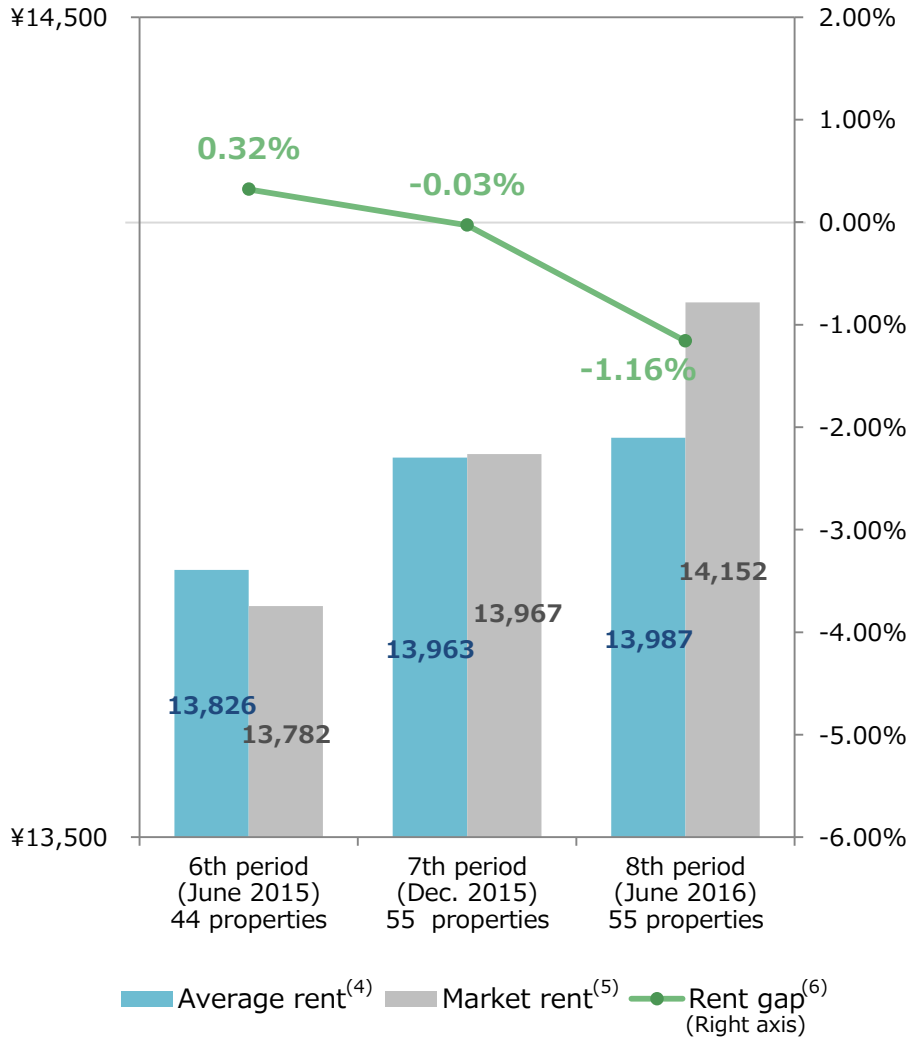
Please refer to p.37 for major changing factors affecting occupancy rate

**Tenant move-in and move-out<sup>(1)</sup>**

Total leasable area as of end 8<sup>th</sup> period (office) : 63,091 tsubo

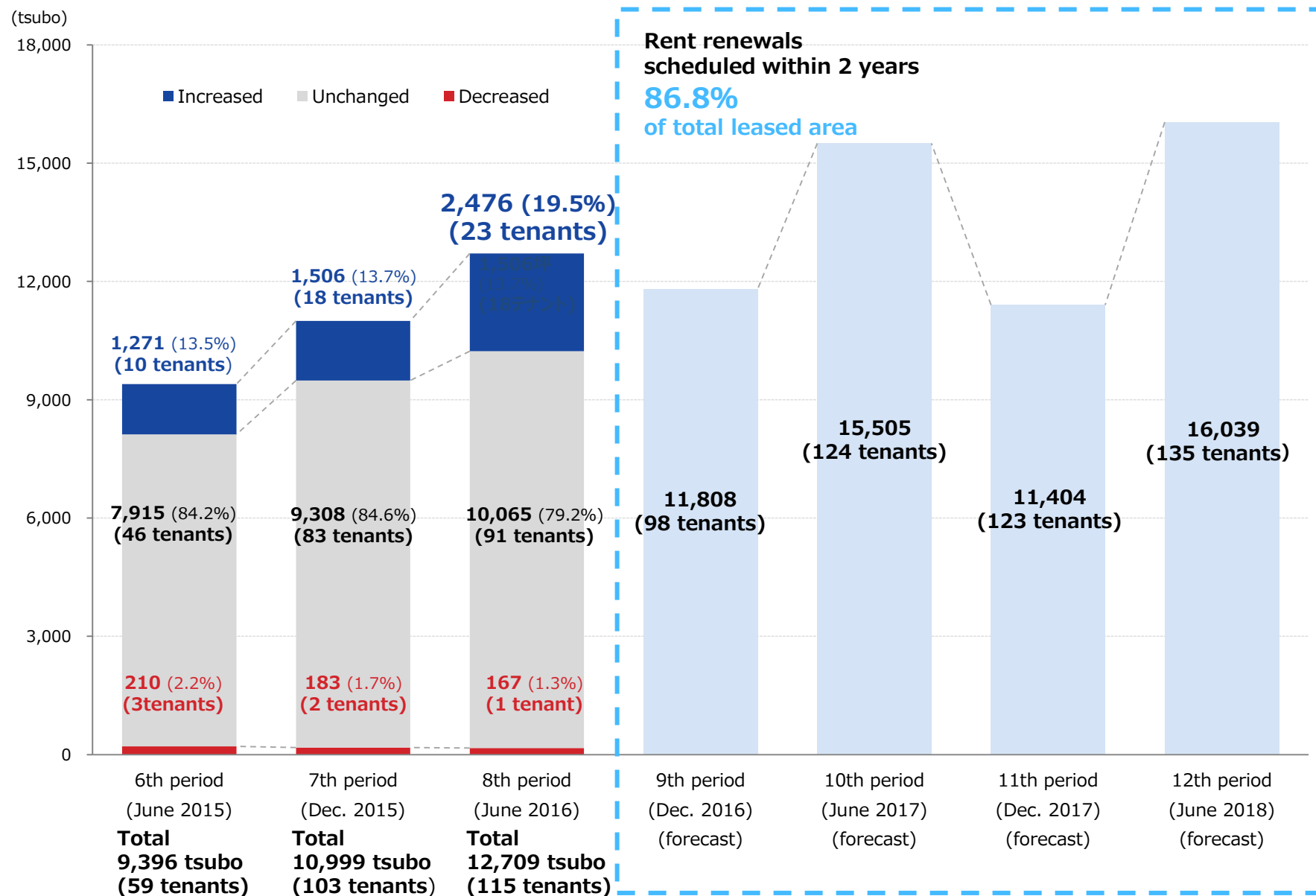


**Rent gap trend**



## Internal Growth Strategy ③ : Track Record and Schedule of Rent Renewals

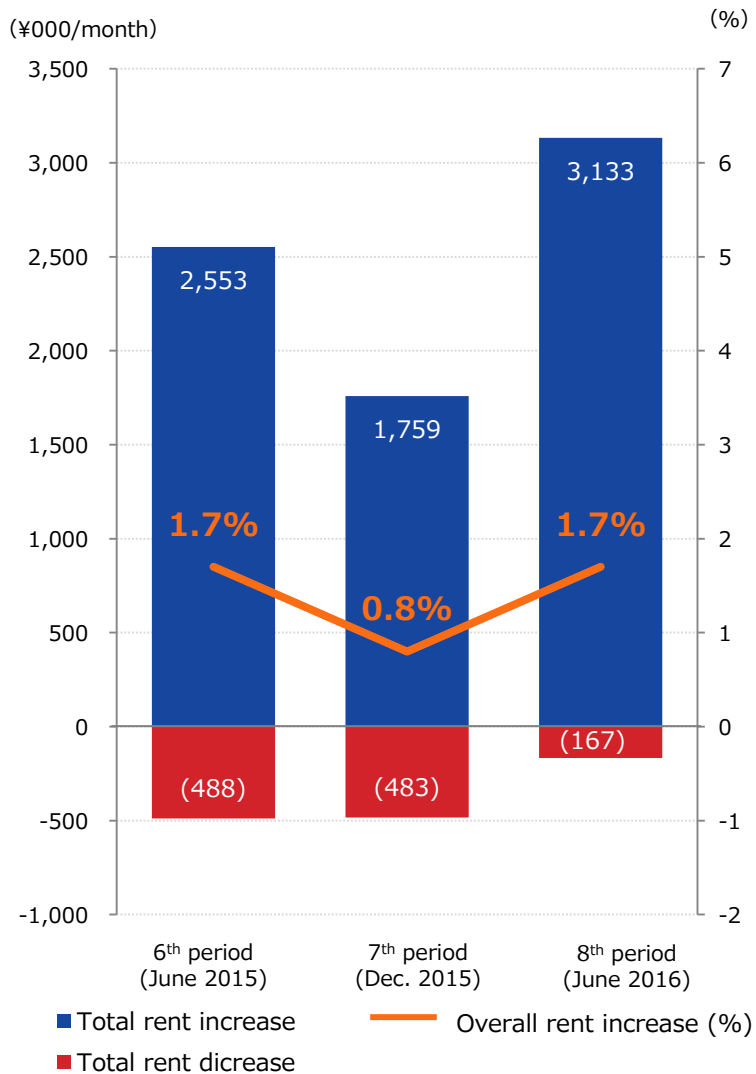
Achieved rent increase for 23 tenants (2,476 tsubo) out of 115 tenants (12,709 tsubo)



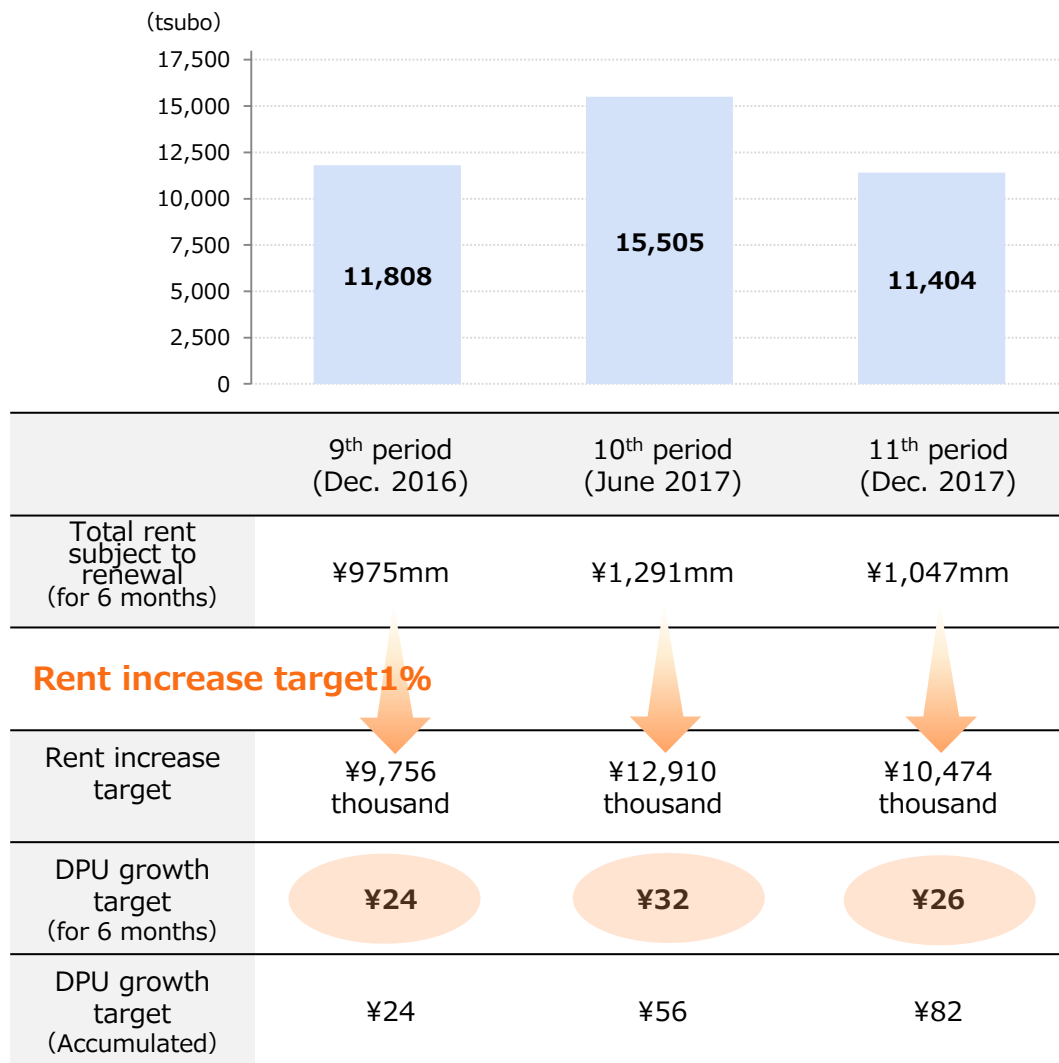
# Internal growth Strategy ④ : Rent Increase-Decrease by Rent Renewals, and Rent Increase Target

Achieved 1.7% (¥3,133 thousand) rent increase during 8<sup>th</sup> period which is beyond target of 1%

## Status of rent increase(decrease) upon contract renewals (office / monthly rent)

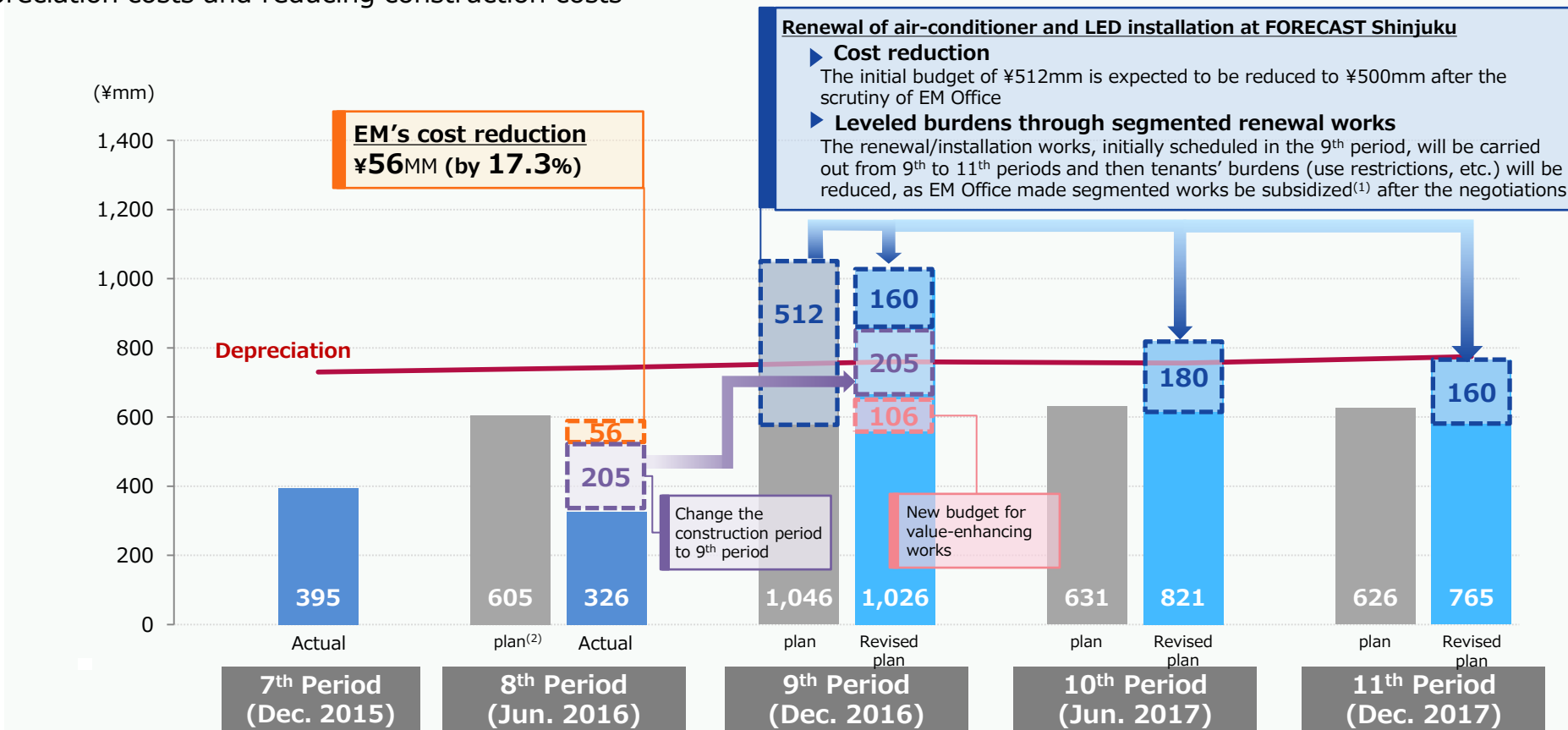


## Rent increase target (office)



# Internal Growth Strategy ⑤ : Plan and Budget of Engineering Management

Engineering Management Office plays a key role in reviewing construction plans with resources of budgeted and unused depreciation costs and reducing construction costs



《Planned Engineering Management Expenses and Its Resources》 (¥mm)

Depreciation cost (A)	730	743	760	756	775
CAPEX (B)	395	326	1,026	821	765
Surplus / Shortage (A) - (B)	335	417	(266)	(65)	10
Accumulated surplus <sup>(3)</sup> (as of end of period)	1,105	1,522	1,256	1,191	1,201



# Internal Growth Strategy ⑥ : Examples of Engineering Management

## A-36 Mitsui Woody Building

### Tenant questionnaire

The tenant questionnaire found that many tenants wanted to improve sanitation facilities

### PM-AM collaboration

Leasing activities showed there were many possible tenants which turned down the property due to few women's toilets



### Consideration on value-enhancing plan

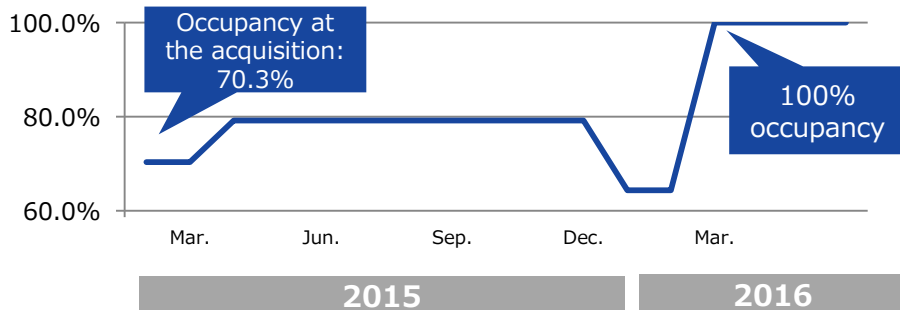
Toilet renewal was planned including addition of stalls in women's toilet without any reduction in hand-wash and makeup areas. It also intended to renovate the elevator hall and other communal areas with new interior materials and warmer lighting

### Collaboration with PM

Images of the renewal plan were utilized for leasing activities

### 100% Occupancy

Thanks to the renewal plan, the property accepts a new tenant and achieves 100% occupancy in this period



## A-24 Hisamatsucho Replex B's

### Good relations with tenants

Through in-depth communication with tenants, their conditions and requests were grasped

### PM-AM-EM collaboration

Whether any value-enhancing plan is needed was determined in consideration of tenants' strong requests and building conditions



### Consideration and implementation of effective value-enhancing plans based on understanding of tenants' needs

- ① Emergency reserve stock in the elevator in response to the strong request from tenants
- ② Renewal of toilets in response to strong requests for improvement of the sanitary environment
- ③ Renewal of corridors within the scope of not hampering tenants' business

### Stronger and better relations with tenants

A series of discussions with tenants were held from the planning phase to achieve tenant satisfaction more effectively and the work schedule was determined with due attention to tenants' businesses



# Internal Growth Strategy ⑦ : Achievements of Profitability(NOI) Enhancement through Engineering Management<sup>(1)</sup>

## Major results of Engineering Management for profitability (NOI) enhancement and cost reduction

9th Period (Planned)	<b>19 properties</b> Replacement of sublessee operator <b>Revenue increase</b> Approx. <b>¥25.50mm p.a.</b>	<b>8 properties</b> Installment of water saving device <b>Cost reduction</b> Approx. <b>¥3.70mm p.a.</b>	<b>Total NOI increase</b> Approx. <b>¥29.0mm p.a.</b>
	<b>8th Period (Completed)</b>		
8th Period (Completed)	<b>La verite AKASAKA</b> Increase in new rent accompanied by utility space renovation <b>Revenue increase</b> Approx. <b>¥0.83mm p.a.</b>	<b>La verite AKASAKA / Shinto Ginza EAST</b> Leasable area expansion (inclusion of common area) <b>Revenue increase</b> Approx. <b>¥1.18mm p.a.</b>	<b>Total NOI increase</b> Approx. <b>¥63.8mm p.a.</b>
	<b>Mitsui Woody Building</b> Parking lot expansion <b>Revenue increase</b> Approx. <b>¥0.36mm p.a.</b>	<b>Toshin Higashi-Ikebukuo Building</b> Installment of LED light (common area) <b>Cost reduction</b> Approx. <b>¥0.14mm p.a.</b>	
	<b>Omiya Center Building</b> Catering wagon service contract <b>Revenue increase</b> Approx. <b>¥0.48mm p.a.</b>	<b>40 properties</b> Energy cost reduction through replacing energy provider <b>Cost reduction</b> Approx. <b>¥60.83mm p.a.</b>	
7th Period (Completed)	<b>Mejiro NT Building</b> Parking lot expansion <b>Revenue increase</b> Approx. <b>¥2.50mm p.a.</b>	<b>Hiroo Reeplex B's / GreenOak Okachimachi</b> Installation of signboard <b>Revenue increase</b> Approx. <b>¥4.40mm p.a.</b>	<b>Total NOI increase</b> Approx. <b>¥8.9mm p.a.</b>
	<b>FORECAST Nishishinjuku</b> Setting up new leasing area <b>Revenue increase</b> Approx. <b>¥2.00mm p.a.</b>		
	<b>7th Period (Completed)</b>		

Expect to achieve

**¥100mm p.a.**  
NOI increase

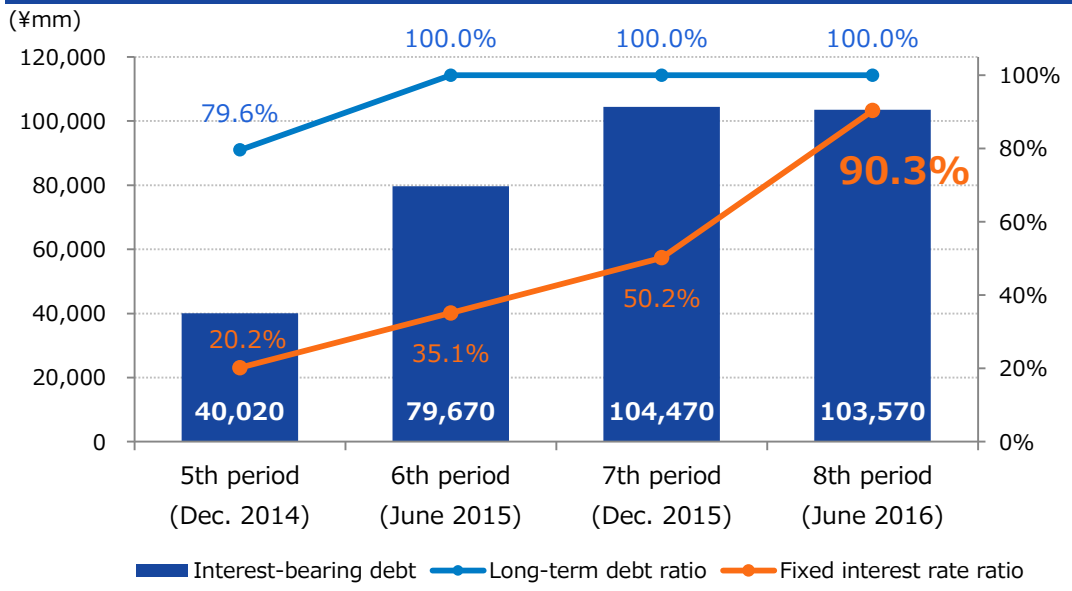
¥29.0mm  
(Planned)

¥63.8mm  
(Completed)

¥8.9mm  
(Completed)



**Historical Total interest-bearing debt, Long-term debt ratio and Fixed interest rate ratio**

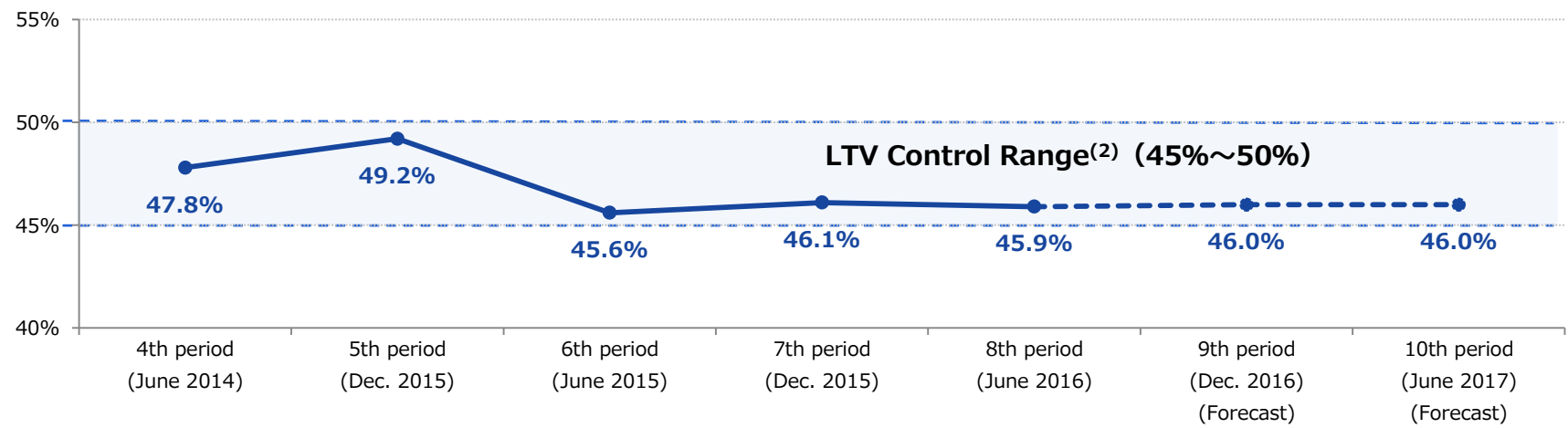


**Change in rating outlook (Apr. 2016)**

Japan Credit Rating Agency, Ltd.(JCR)  
Long-term issuer rating<sup>(1)</sup>

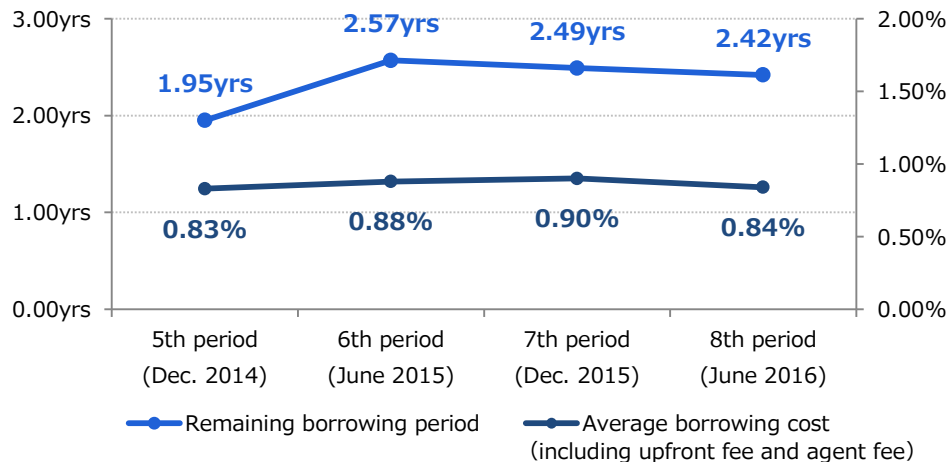
**A-(Stable) ▶ A- (Positive)**

**Historical and forecast LTV**



# Financial Strategy ② : Debt Maturity Extension Maintaining the Balance with Cost, and Debt Diversification

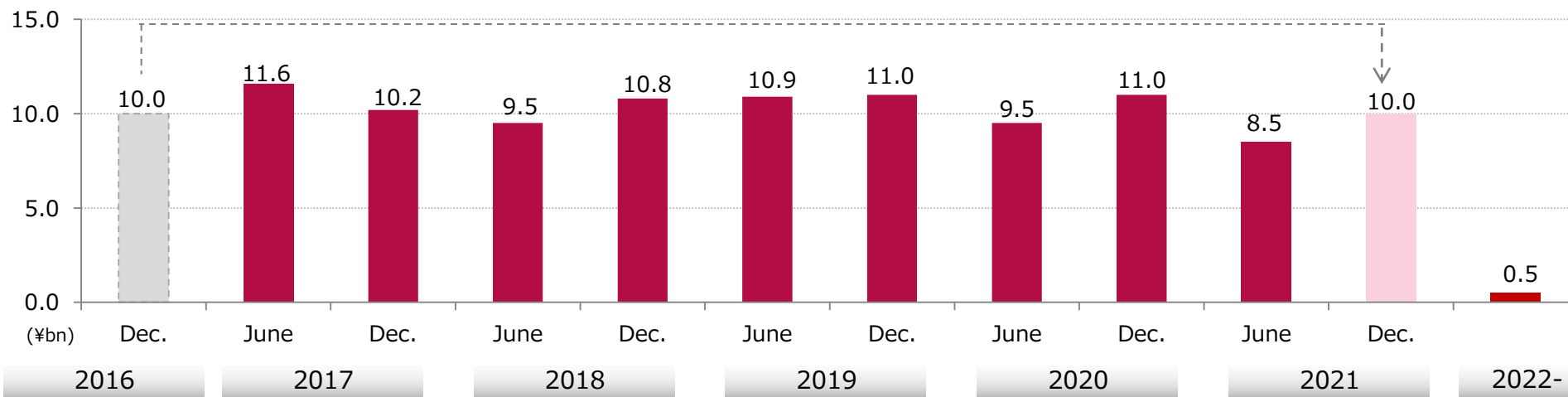
## Historical Average remaining borrowing period and Average borrowing cost



## Overview of refinancing (Executed in Apr. 2016)

	Before refinancing	After refinancing
Lender	Syndicate group with the Bank of Tokyo Mitsubishi UFJ, Ltd. as arranger	
Amount	¥8,500mm	
Term	2yrs	5yrs
Interest rate	Base rate +0.275%	Base rate +0.37%
	Average rate 7 <sup>th</sup> period <b>0.41%</b>	Substantive fixed rate by swap agreement <b>0.3625%</b>

## Debt Maturity Schedule



Unless otherwise specified, figures are truncated and % figures are rounded to the relevant unit.


- P3** 1 "Original forecast" refers to the forecasts announced as of following dates.  
5<sup>th</sup> period : Aug. 14, 2014  
6<sup>th</sup> period : Feb. 19, 2015  
7<sup>th</sup> period : Aug. 20, 2015  
8<sup>th</sup> and 9<sup>th</sup> period : Feb. 18, 2016
- 2 "NAV per unit" is calculated by following formula, with figures as of the end of respective period. The same applies hereafter.  
(Net Asset + Total Appraisal Value – Total Book Value) / Investment Units Issued and Outstanding
- P4** 1 "Acquisition NOI Yield" refers to the NOI yield based on NIPPON REIT's cash flow projection at the time of the acquisition against acquisition price. The same applies hereafter.
- 2 Amounts of properties held by bridge funds are stated based on first negotiation price for Godo Kaisha Nicolas Capital 6 and 8, and appraisal value for Godo Kaisha Nicolas Capital 9. The same applies hereafter.
- 3 Calculated based on the leased area of office tenants that has extended lease contract.
- 4 "Overall rent increase" refers to the increase (decrease) ratio of total rent for office tenants after rent renewal against total rent before renewal. The same applies hereafter.
- 5 "LTV" = Total Interest-Bearing Debt / Total Assets. Rounded to one decimal place. The same applies hereafter.
- P6** 1 "NOI Yield" is calculated by Annualized NOI / Acquisition Price, using annualized NOIs of respective properties and rounded to one decimal place. The same applies hereafter.
- 2 "FFO per unit" = (Net income + Depreciation+Loss on retirement of non-current assets+Deferred assets amortization-Real estate buying and selling income) / Investment units issued and outstanding
- 3 "Unrealized gain" = Total appraisal value – Total book value as of the end of the period.
- 4 Figures of changing factors on the page 6-8 are rounded to the nearest million yen.
- P12** 1 The rate of construction cost decrease on this page and page 23 are calculated based on the aggregated amount of original quotations (¥328mm) and actual cost (¥271mm) of total capital expenditures in the 8<sup>th</sup> period.
- P14** 1 "Proportion of the 10 largest tenants" are calculated based on the leased area and total rent (including CAM) for end-tenants of office (excluding residence area) and retail properties.
- P15** 1 "CAP rate" on the page 15-17 are calculated as "appraisal NOI\* / first negotiation price (for Godo Kaisha Nicolas Capital 6 and 8) or appraisal value (for Godo Kaisha Nicolas Capital 9)".  
\*Appraisal NOI : NOI stated in respective appraisal report prepared upon acquisition .
- 2 "Rent gap" of properties held by bridge funds is calculated as "Average rent of all offices / Average market rent – 1" based on market reports as requested as part of due diligence upon acquisition.
- P16** 1 The operator of the silent partnership (Godo Kaisha Nicolas Capital 9) intends to change the name of the property. The new name after intended change is shown as "(Tentative)".
- P20** 1 We changed aggregation method for tenant move-in and move-out. Therefore, part of the figures of tenant move-in and move-out area, average free rent period and move-out announced in the past have been modified.
- 2 "Average free rent period" is calculated for end tenants conducted new lease contract during respective period as "total loss from free-rent / total contracted rent without free-rent".
- 3 "Move-out ratio" is calculated as "total move-out area during respective period / total leasable area as of the end of the respective period". Furthermore, the area of tenant that move-out on the end of respective month is counted as the move-out area of next month from this material onward.
- 4 "Average rent" is represented by the contract-based rent, which is a weighted-average of each office property based on the occupied floor area. Each weighted average excludes tenants which have submitted a notice of cancelation and which occupy the retail section between the second floor to the basement floor of buildings.
- 5 "Market rent" is represented by an average of the maximum and minimum of the rent of respective properties, as described in the market reports prepared by Sanko Estate and CBRE K.K. Such average is a weighted-average of each office properties based on the occupied floor area.
- 6 "Rent gap" is calculated as "Average rent / Market rent – 1".
- P23** 1 "Subsidy" refers to "Subsidy for Energy Use Rationalization Business Support Program" sponsored by "Sustainable Open Innovation Initiative".
- 2 "Previous plan" refers to the forecast announced on Feb. 18, 2016.
- 3 "Accumulated surplus" refers to the accumulated amount of total depreciation from 4<sup>th</sup> period(June 2014) to 6<sup>th</sup> period(June 2015) less total capital expenditures for the same period (¥770mm) plus surplus (or minus shortfall) of respective period.
- P25** 1 The result and forecast of NOI increase on this page is proprietary calculated by the asset management company based on contracts, quotations and/or proposals for respective items. Therefore, such information does not constitute a guarantee of NIPPON REIT's future financial results.
- P26** 1 The rating is the issuer rating for NIPPON REIT as of the date of this presentation material, and does not represent a rating with respect to the investment units. The investment units have no credit rating and there is no expectation that they will receive any rating.
- 2 "LTV control range" refers to the LTV level that NIPPON REIT intend to maintain within the NIPPON REIT's current policy (between 45% and 55%) stated in the "Summary of Financial Results for the Fiscal Period Ended June 30, 2016 (REIT) announced on August 16, 2016.

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**Company Profile of Asset Management Company**

<b>Name</b>	Sojitz REIT Advisors K.K.
<b>Established</b>	November 2, 2006
<b>Paid-in capital</b>	150 million yen
<b>President Director&amp;CEO</b>	Toshio Sugita
<b>Registration and Licenses, etc.</b>	<ul style="list-style-type: none"> <li>◆ Registered as a financial instruments business operator: Registration No.1632 (Kinsho) issued by the Director-General of the Kanto Finance Bureau</li> <li>◆ Licensed for building lots and buildings transaction business: License No.(2) 86984 issued by the Governor of Tokyo</li> <li>◆ Certified as entrustment-based agency under the building lots and buildings transaction business: License No.56 issued by the Ministry of Land, Infrastructure, Transportation and Tourism</li> </ul>



**Serious**  
**Solid**  
**Steady**

Timely and Flexible Investment

Diversified Portfolio

Growth strategies with Sponsor's network

**Asset Management Company**  **Sojitz REIT Advisors K.K.**

**Sponsors**



**Sojitz Corporation**



**CUSHMAN & WAKEFIELD**



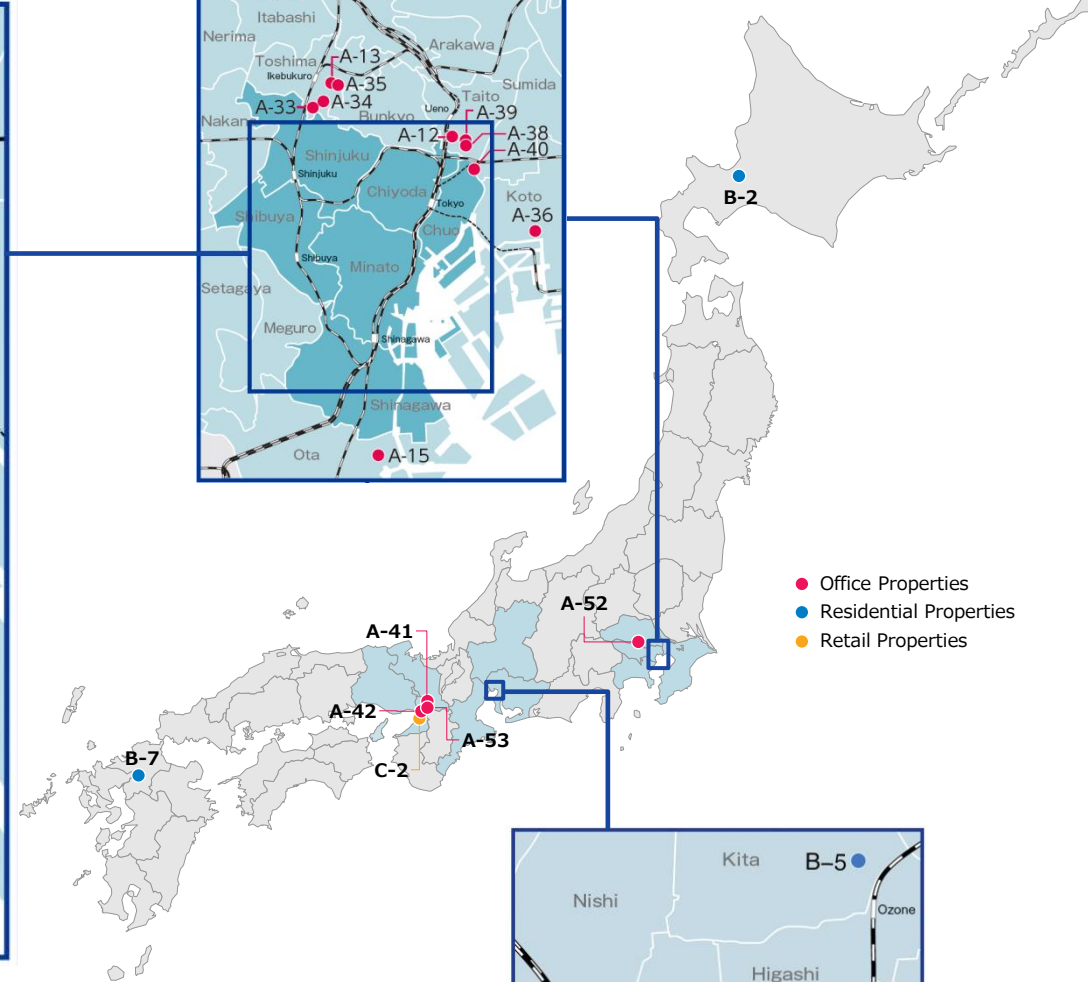
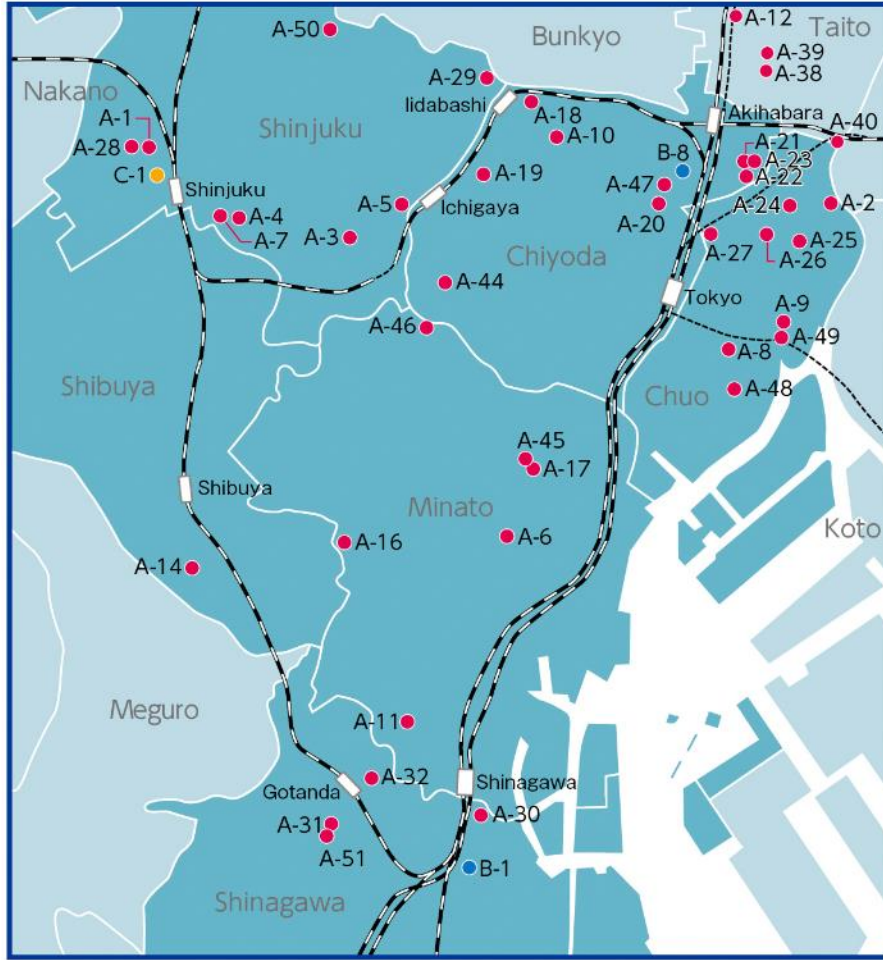
**AGILITY ASSET ADVISERS**



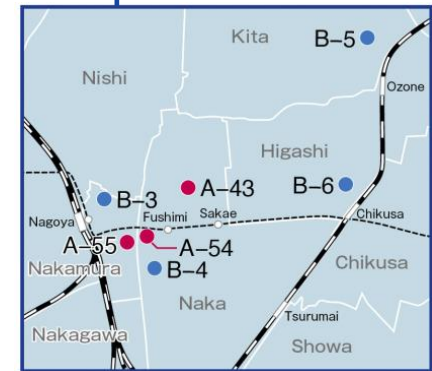
				¥157.8bn	¥204,8bn	¥204.8bn	
<b>AUM (Acquisition price)</b>		¥70.4bn	¥73.8bn				
<b>Portfolio</b>		As of end of 4 <sup>th</sup> period	As of end of 5 <sup>th</sup> period	As of end of 6 <sup>th</sup> period	As of end of 7 <sup>th</sup> period	As of end of 8 <sup>th</sup> period	
		<b>Appraisal value</b>	¥72.4bn	¥77.5bn	¥165.6bn	¥216.4bn	¥217.2bn
		<b>Appraisal NOI yield</b>	5.0%	5.1%	5.0%	4.9%	4.9%
		<b>Leasable area</b>	89,839.03㎡	91,840.93㎡	203,359.35㎡	255,560.43㎡	255,396.84㎡
		<b>Number of properties (proportion of the 5 largest properties)<sup>(1)</sup></b>	20 properties (61.0%)	21 properties (58.1%)	54 properties (29.2%)	65 properties (27.0%)	65 properties (27.0%)
		<b>Number of tenants (proportion of the 10 largest tenants)<sup>(2)</sup></b>	92 tenants (29.5%)	94 tenants (29.1%)	347 tenants (18.2%)	492 tenants (13.9%)	501 tenants (13.5%)
<b>Unitholder value</b>	<b>NAV per unit</b>	¥248,482	¥265,668	¥303,236	¥306,444	¥309,614	
	<b>DPU</b>	¥1,207	¥7,109	¥6,827	¥7,581	¥7,519	
	<b>Unrealized gains<sup>(3)</sup></b>	¥0.5bn	¥2.3bn	¥4.7bn	¥7.7bn	¥9.0bn	

Note

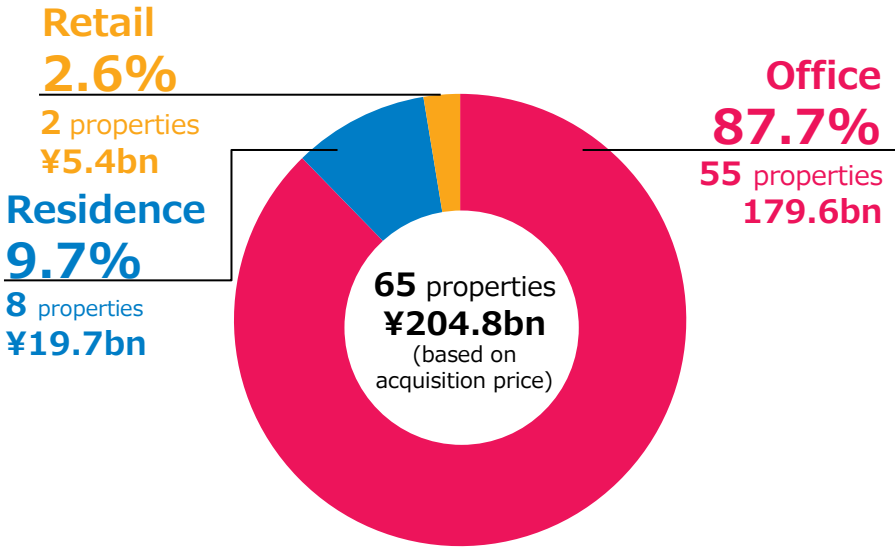
1. Based on acquisition price.
2. End tenants of office and retail properties only. Based on the leased area and number of end tenants as of respective period.
3. Calculated by the following formula : Appraisal value as of respective period – Book value as of the end of the period.



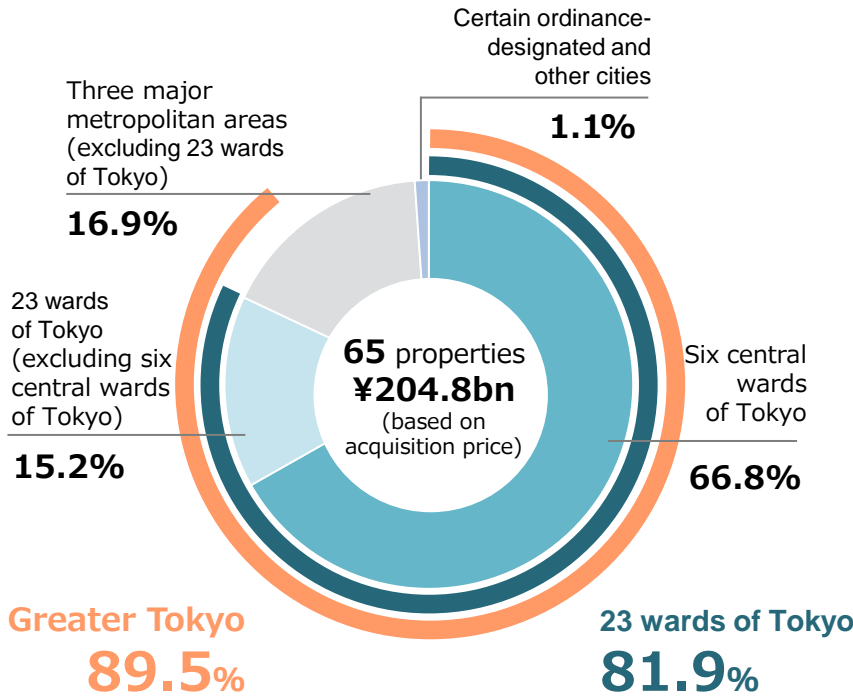
- Office Properties
- Residential Properties
- Retail Properties



Type of Property



Area<sup>(1)</sup>



Note  
 1. "Six central wards of Tokyo" refers to Chiyoda, Chuo, Minato, Shinjuku, Shibuya and Shinagawa Wards. "Three major metropolitan area" refers to the three Major Metropolitan Areas (i.e. Tokyo economic bloc (Tokyo, Kanagawa, Chiba and Saitama), Osaka economic bloc (Osaka, Kyoto and Hyogo) and Nagoya economic bloc (Aichi, Gifu and Mie)). "Certain ordinance-designated and other cities" refers to the ordinance-designated cities located in areas other than "Three major metropolitan areas" (i.e. Sapporo, Sendai, Niigata, Shizuoka, Hamamatsu, Okayama, Hiroshima, Fukuoka, Kitakyushu and Kumamoto) and prefectural capitals.

# Characteristic of Grade B (small- and medium-sized) office (1) -Stable rent-

Rent of grade B offices is more stable and less volatile compared to Grade A and Grade A- offices.

## Office Scale Distribution

All of office properties in our portfolio are Grade B office or smaller

### Grade B office

(Having 2,000 tsubo or more and less than 7,000 tsubo of total floor space)

**36.8%**

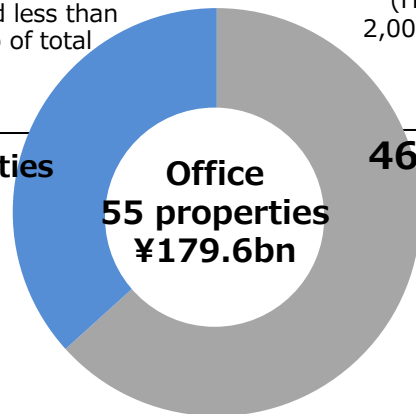
**9 properties**  
(¥66.1bn)

### Office smaller than Grade B office

(Having less than 2,000 tsubo of total floor space)

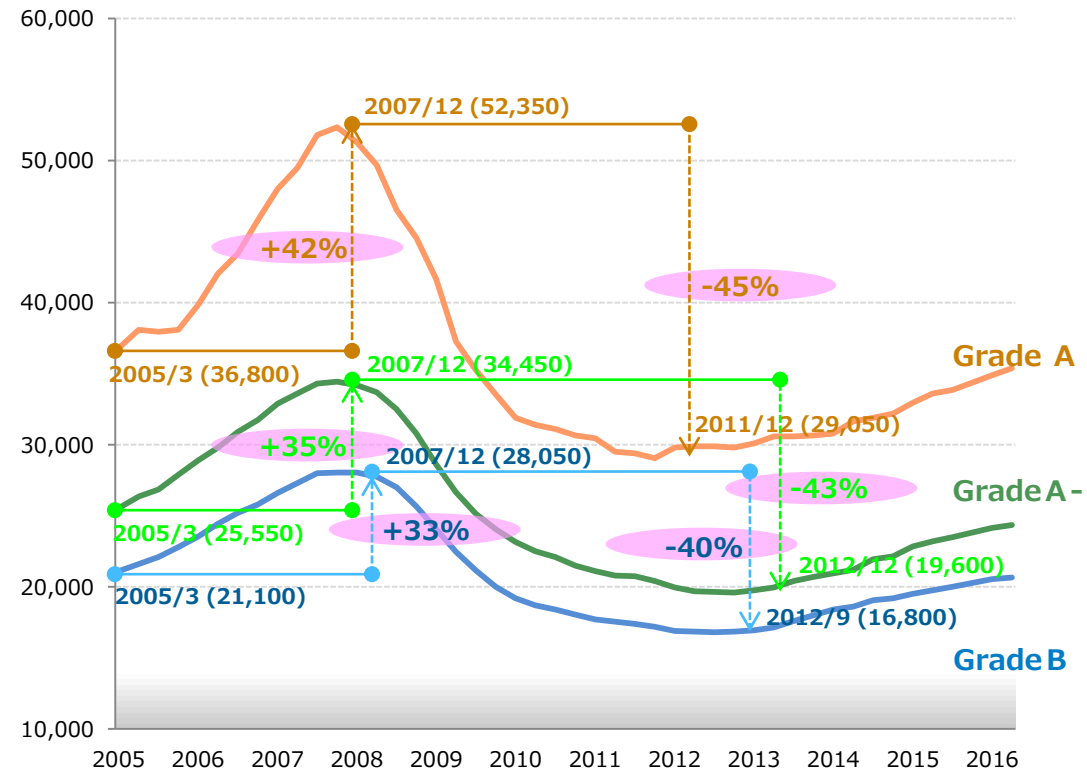
**63.2%**

**46 properties**  
(¥113.5bn)



## Office Rent Trend by Building Grade

Average assumed rent (¥/Tsubo)



Source : CBRE K.K.

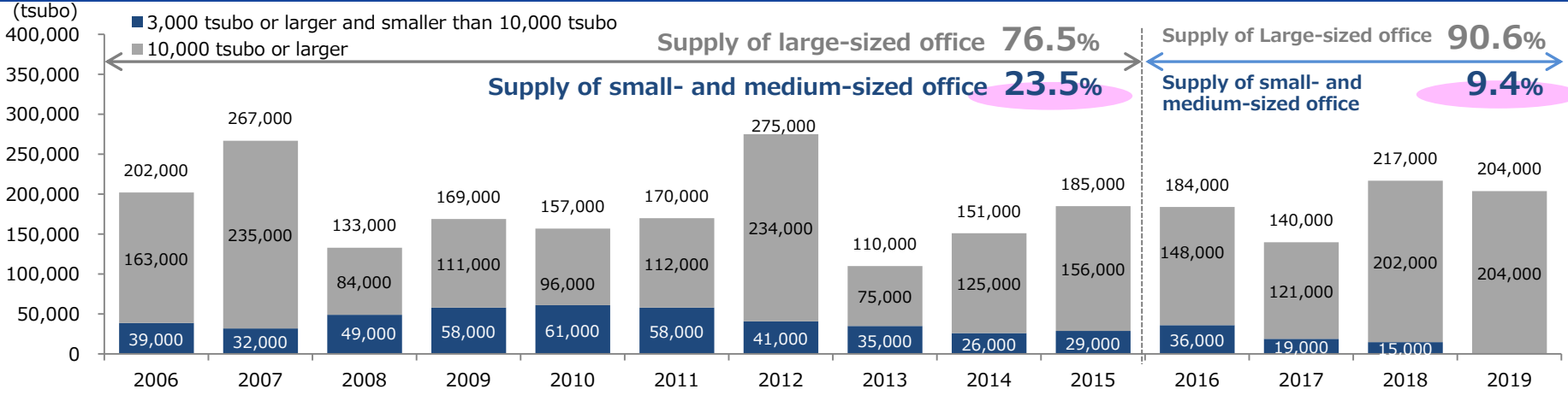
Note

1. "Grade B office" refers to the office buildings having total floor space of 2,000 tsubo or more and less than 7,000 tsubo as defined in the report prepared by CBRE K.K.
2. Definitions of terms are conformed to the report prepared by CBRE K.K.

# Characteristic of Grade B (small- and medium-sized) office (2) -Limited supply and stable rental demand-

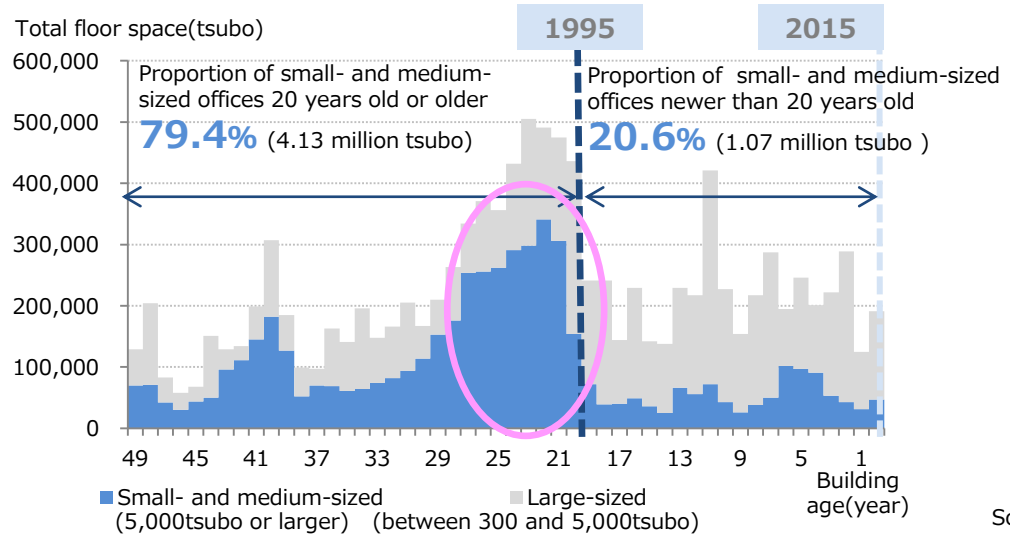
- ◆ Future supply of small- and medium-sized office is limited. (The supply has passed its recent peak 20-30 years before.)
- ◆ Stable rental demand for small- and medium-sized office is expected, as 95.1% of offices in Japan have 29 or fewer employees.

## Office Building Supply in 23 wards of Tokyo



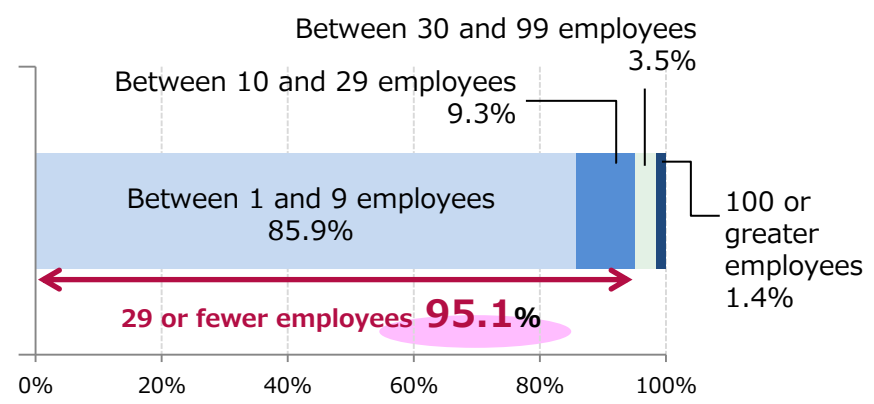
Source : Xymax Real Estate Institute Corporation

## Office building Stocks in 23 wards of Tokyo



Source : Xymax Real Estate Institute Corporation

## Composition of offices by number of employees



Source : prepared by Asset management company based on data provided from Statistics Bureau, MIC

# Major Occupancy Rate Changing Factors (Dec. 2015 – June 2016)

## Major occupancy rate changing factors

Property name	Dec. 2015	Jan. 2016	Feb. 2016	Mar. 2016	Apr. 2016	May 2016	June 2016	Change in leased area during 8 <sup>th</sup> period (tsubo)
Mitsui Woody Building <b>EM</b>	79.2%	64.3%	64.3%	100.0%	100.0%	100.0%	100.0%	↗ 252
Toranomon Sakura Building <b>EM</b>	48.5%	48.5%	48.5%	56.8%	56.8%	67.6%	72.5%	↗ 220
FORECAST Ichigaya	86.3%	86.3%	86.3%	87.2%	87.2%	87.2%	100.0%	↗ 158
La Verite AKASAKA <b>EM</b>	73.7%	73.7%	73.7%	73.7%	86.9%	86.9%	100.0%	↗ 138
Omiya Center Building	95.8%	95.8%	95.8%	97.2%	97.2%	97.2%	98.6%	↗ 121
Itohpia Iwamotocho ANNEX Building	87.2%	87.2%	87.2%	100.0%	100.0%	100.0%	100.0%	↗ 118
my atria Meieki	88.9%	79.9%	82.3%	89.5%	89.6%	94.5%	99.1%	↗ 89
Sumitomo Mitsui Bank Koraibashi Building	98.6%	87.2%	87.2%	87.2%	90.0%	98.6%	98.6%	0
JS Progres Building	90.3%	90.3%	60.7%	70.4%	70.4%	70.4%	70.4%	↘ (721)
New River Building	100%	100.0%	83.3%	69.5%	69.5%	69.5%	69.5%	↘ (358)
FORECAST Shinagawa	100%	83.3%	83.3%	66.7%	69.8%	69.8%	69.8%	↘ (251)
Itohpia Iwamotocho 2-chome building	100%	79.0%	86.4%	86.4%	79.2%	79.2%	79.2%	↘ (216)
GreenOak Kayabacho	100%	100.0%	100.0%	100.0%	100.0%	100.0%	86.4%	↘ (123)
FORECAST Nishishinjuku	100%	98.6%	100.0%	100.0%	100.0%	100.0%	89.0%	↘ (64)

**EM** : Properties of which occupancy rate has recovered through enhancement of competitiveness and improvement of tenant satisfaction with effective Engineering Management.

## Major properties under leasing initiative<sup>(1)</sup>

Property name	Occupancy rate (June 2016)	Vacant floors / Sections	Vacant area (tsubo)	Status of leasing activities and Assumed occupancy rates <sup>(2)</sup>
JS Progres Building	70.4%	4 floors	1,073	Lease contract : 2 floors Assumed occupancy rate : 80.6% (Sep. 2016)
New River Building	69.5%	3 floors	358	Lease contract : 2 floors Assumed occupancy rate : 90.1% (Aug. 2016)
Toranomon Sakura Building	72.5%	3 floors/ 4 Sections	288	Termination notice : 1 section Assumed occupancy rate : 68.8% (Sep. 2016)
FORECAST Shinagawa	69.8%	2 floors	217	Lease contract : 2floors (July 2016) Assumed occupancy rate : 100% (Sep. 2016)
Itohpia Iwamotocho 2-chome Building	79.2%	2 floors/ 2 sections	217	Tenancy application : 1 floors Assumed occupancy rate : 86.4% (Oct. 2016)
ANTEX24 Building	73.5%	2 floors	181	Lease contract : 1 floors / Tenancy application : 1 floors Assumed occupancy rate : 100% (Nov. 2016)
MK Kojimachi Building	74.0%	3 floors	138	Tenancy application : 3 floors Assumed occupancy rate : 100% (Sep. 2016)
GreenOak Kayabacho	86.4%	1 floor	123	
FORECAST Shin-Tokiwabashi	85.3%	1floor	80	
FORECAST Nishishinjuku	89.0%	1フロア	65	Tenancy application : 1 floor Assumed occupancy rate : 100% (Aug. 2016)

## Status of termination notices

Property name	Occupancy rate (June 2016)	Status of termination notices and Assumed occupancy rates <sup>(2)</sup>
GreenOak Kudan	100%	Termination notice : 2 floors / Assumed occupancy rate : 72.4% (Feb. 2017)
FORECAST Waseda FIRST	100%	Termination notice : 2 floors(4 sections) / Lease contract :2 sections / Tenancy application : 1 section Assumed occupancy rate : 95.5% (Feb. 2017)
Mejiro NT Building	100%	Termination notice : 1 floor / Assumed occupancy rate : 87.5% (Jan. 2017)
Itohpia Iwamotocho ANNEX Building	100%	Termination notice : 1 floor / Assumed occupancy rate : 89.0% (Sep.2016)
Itohpia Kiyosubashidori Building	100%	Termination notice : 2 floors / Tenancy application : 1 section Assumed occupancy rate : 86.0% (Jan.2017)
Itohpia Iwamotocho 1-chome Building	100%	Termination notice : 1 floor / Assumed occupancy rate : 89.8% (Jan. 2017)
FORECAST Iidabashi	100%	Termination notice : 1 floor and 1 section / Lease contract :1 floor Assumed occupancy rate : 97.0% (Jan. 2017)

### Notes


- Properties 90% of below in occupancy rate as of the end of June 2016 are stated.
- Assumed occupancy rate refers to the occupancy rate after the realization of all tenancy applications and termination notices.


# List of Interest-Bearing Debts and Bank Formation

## List of interest-bearing debts

As of June 30, 2016

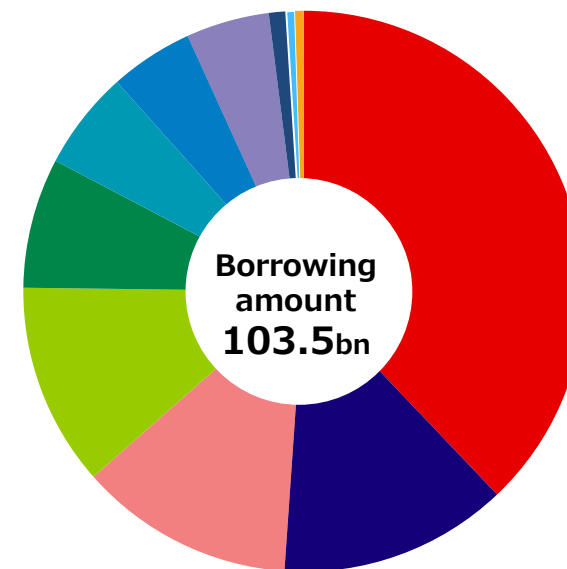
Lender	Amount (¥mm)	Interest rate	Floating / Fixed	Drawdown date	Repayment date
The Bank of Tokyo Mitsubishi UFJ, Ltd. And Syndicate groups with The Bank of Tokyo Mitsubishi UFJ, Ltd. as arranger	10,000	Base rate + 0.275%	Floating	Feb.12, 2015	Aug.22, 2016
	11,600	0.254% <sup>(1)</sup>	Floating (Substantively Fixed)	Apr.24, 2014	Apr.24, 2017
	3,700	0.236% <sup>(1)</sup>	Floating (Substantively Fixed)	Dec.19, 2014	Aug.21, 2017
	6,500	0.236% <sup>(1)</sup>	Floating (Substantively Fixed)	Feb.12, 2015	Aug.21, 2017
	7,000	0.80448%	Fixed	Apr.24, 2014	Apr.24, 2018
	2,500	0.44375% <sup>(1)</sup>	Floating (Substantively Fixed)	July 2, 2015	Apr.24, 2018
	5,700	0.221% <sup>(1)</sup>	Floating (Substantively Fixed)	Jan.8, 2015	Aug.20, 2018
	5,100	0.221% <sup>(1)</sup>	Floating (Substantively Fixed)	Feb.12, 2015	Aug.20, 2018
	1,070	0.91443%	Fixed	Apr.24, 2014	Apr.24, 2019
	9,900	0.51040% <sup>(1)</sup>	Floating (Substantively Fixed)	Apr.24, 2015	Apr.24, 2019
	11,000	0.54175% <sup>(1)</sup>	Floating (Substantively Fixed)	July 2, 2015	July 22, 2019
	6,000	0.85306%	Fixed	Feb.12, 2015	Feb.20, 2020
	3,500	0.84355%	Fixed	Mar.12, 2015	Feb.20, 2020
	11,000	0.65425% <sup>(1)</sup>	Floating (Substantively Fixed)	July 2, 2015	July 21, 2020
	8,500	0.3625% <sup>(1)</sup>	Floating (Substantively Fixed)	Apr.25, 2016	Apr.20, 2021
500	1.23580%	Fixed	Feb.12, 2015	Feb.20, 2023	
<b>Total</b>	<b>103,570</b>				

 Borrowings subject to interest rate swap contract

 Borrowings that NRT decided on finance as of Mar. 28, 2016

## Bank formation

As of June 30, 2016



### 11 Banks

	The Bank of Tokyo Mitsubishi UFJ, Ltd.	37.9%
	Mizuho Bank, Ltd.	13.2%
	Mitsubishi UFJ Trust and Banking Corporation	12.4%
	Sumitomo Mitsui Banking Corporation	11.7%
	Resona Bank, Limited	7.5%
	Sumitomo Mitsui Trust Bank, Limited	5.7%
	Shinsei Bank, Limited	4.8%
	Mizuho Trust & Banking Corporation	4.8%
	Development Bank of Japan Inc.	1.0%
	Aozora Bank, Ltd.	0.5%
	The Nomura Trust and Banking Co., Ltd.	0.5%

#### Notes

1. The interest rate is substantively fixed by the interest rate swap contract, thus the interest rate shown above is the fixed rate.





## NIPPON REIT Investment Corporation

### External growth strategy

### Internal growth strategy

#### Utilize the Proprietary Networks of the Asset Management Company :



- ◆ Build the Asset Management Company's proprietary networks for property acquisitions by assigning human resources who have experiences at respective sponsor companies in property acquisitions mainly through negotiated transactions with third parties

- ◆ Maintain and enhance competitiveness in accordance with the characteristics of the portfolio and individual properties, based on the proprietary networks and knowledge fostered through operations at respective sponsor companies.
- ◆ Build an appropriate administration and operation system by selecting the most suitable property management companies



#### Utilize the Support of Respective Sponsor Companies :



- ◆ **Utilize the networks of respective sponsor companies**
  - Preferentially obtain property information and be granted a exclusive negotiation right to purchase properties (from respective sponsor companies)
  - Provision of information on sales of qualified real estate <sup>(1)</sup> owned by business partners (from Sojitz)
- ◆ **Utilize bridge funds that are formed with the involvement of respective sponsor companies**
  - Avoid missing acquisition opportunities and maximize growth opportunities by taking advantage of the bridge funds that are formed with the involvement of the respective sponsor companies for the purpose of future acquisition

- ◆ **PM and BM operations utilizing a subsidiary of Sojitz**
  - Consign PM and BM services for assets under management primary to Sojitz General Property Management Corporation, assuming that appropriate selection processes are taken
  - Upon implementing systematic maintenance and repair work, provide full support ranging from building diagnostics to repair planning , constructor selection and work supervision, utilizing knowledge fostered through consulting services for large-scale repairs at for-sale condominiums consigned to manage
  - Make various proposals and provide improvement measures in line with the tenant needs by taking advantage of knowledge fostered through large-scale relocation and integration projects at office buildings

#### Other

- ◆ **Provision of human resources**
  - Cooperation in securing human resources (by respective sponsor companies)
  - Provision of training to the officers and employees (by Sojitz and AAA)
- ◆ **Trademarks**
  - Gratis licensing of the "FORECAST" trademark (by Sojitz)
- ◆ **Survey of real estate and market trends**
  - Survey and provision of information regarding qualified real estate and trends in the real estate transaction or rental market, etc. (by Cushman)

Note  
 1. "Qualified real estate" refers to real estate, trust beneficiary interest in real estate, real estate-backed securities or equity interest in silent partnership backed by real estate (including real estate under development), which are consistent with the investment policy established by NIPPON REIT and Sojitz REIT Advisors K.K..

# Sojitz Corporation

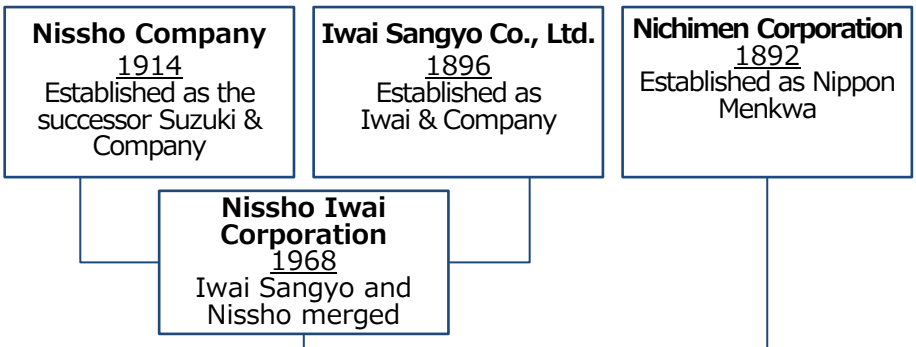
A major general trading company

- ◆ The Sojitz Group consists of approximately 400 subsidiaries and affiliates located in Japan and throughout the world, and it is developing its operations in approximately 50 countries and regions.

(as of Mar. 31, 2015)

<b>No. of Branches &amp; Offices</b>	Domestic : <b>4</b> Overseas : <b>84</b>
<b>No. of subsidiaries and affiliates</b>	Domestic : <b>113</b> Overseas : <b>283</b>
<b>No. of employees</b>	Non consolidated : <b>2,270</b> Consolidated : <b>14,330</b>

## History



- 2003**
- ◆ Nissho Iwai-Nichimen holdings Corporation was established and made Nichimen Corporation and Nissho Iwai Corporation, its wholly owned subsidiaries
- 2005**
- ◆ Sojitz Holdings Corporation merged with Sojitz Corporation and changed the company name to Sojitz Corporation

- 2004**
- ◆ Nichimen Corporation and Nissho Iwai Corporation merged to form a new company "Sojitz Corporation"
  - ◆ Nissho Iwai-Nichimen Holdings Corporation changed its name to Sojitz Holdings Corporation



Note

1. Properties on this page shows Sojitz's achievements. NIPPON REIT have not acquired nor plan to acquire, as of the date of this material, these properties, except FORECAST Shinjuku AVENUE, FORECAST Ichigaya and Tower Court Kitashinagawa.

## Sojitz group's real estate business

### (a) Income Producing Property Business

- ◆ Developed 15 office buildings, 5 retail facilities and 54 residential properties in approx. 10 years from fiscal year 2003 to 2012
- ◆ Among the properties above, Sojitz owned and managed 12 office buildings, 3 retail facilities and 1 residential property

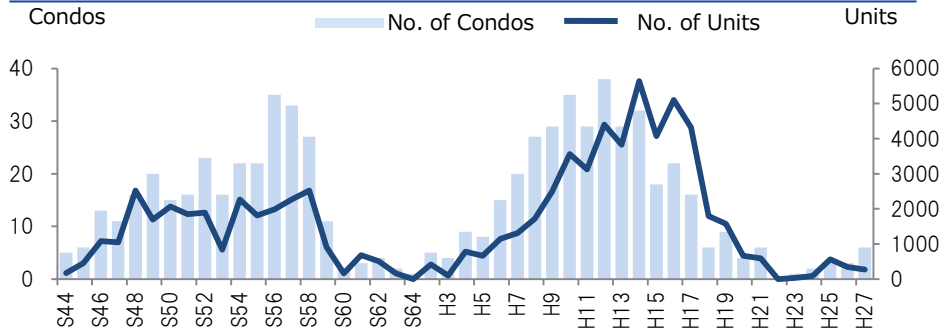
### (b) For-sale condominium business

- ◆ Over 40 years of history of business in the construction and real estate areas.
- ◆ Track record of Approx. 75,000 units developed
- ◆ Sojitz General Property Management (a sub-subsidiary of Sojitz) consigned to manage approx. 27,000 units (as of June 1, 2015)

## Major development achievements (1)



## Track record of for-sale condominiums supply in Tokyo and Osaka economic blocs (by fiscal year)



Source: Sojitz

# Cushman & Wakefield Asset Management K.K. (CWAM)

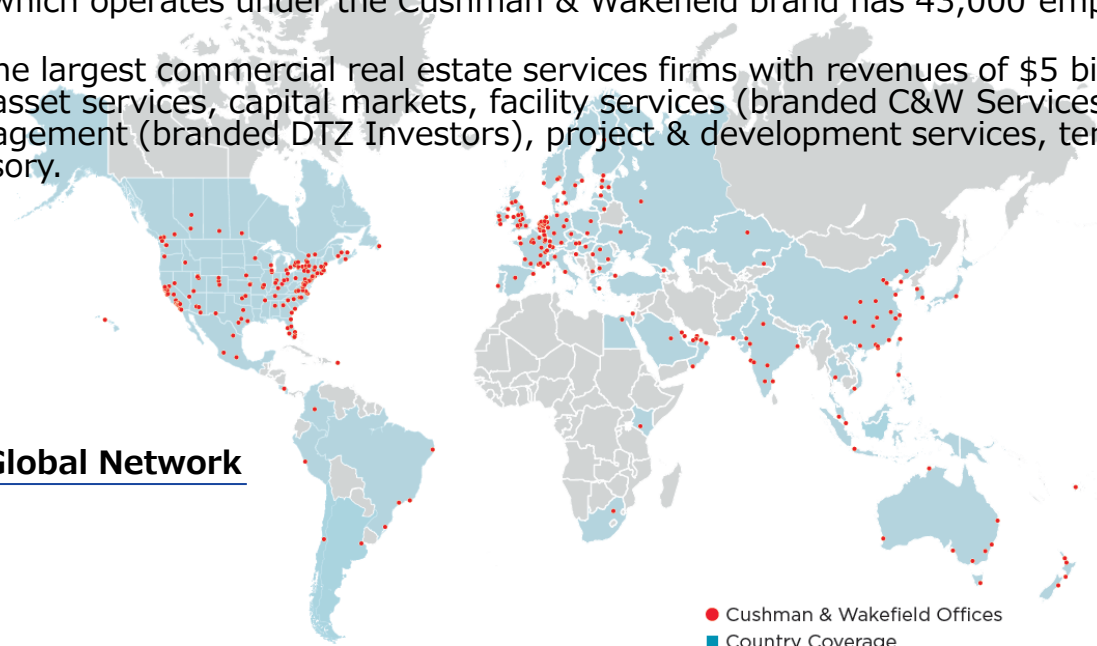
The asset management company owned by C&W group<sup>(1)</sup>

- ◆ Accumulated total investment track record of over 600 billion yen since 2005
- ◆ CWAM managed property investment funds which invest mainly in office, residential and retail properties and financed by domestic financial institutions
- ◆ After 2009, CWAM was consigned to manage private funds from overseas investors and J-REIT bridge funds

## One of the largest commercial real estate services firms in the world

- ◆ C&W Group, a global commercial real estate services firm was merged with DTZ Group (Headquarters in Illinois) on September 1, 2015.
- ◆ The new Group which operates under the Cushman & Wakefield brand has 43,000 employees in more than 60 countries.
- ◆ C&W is among the largest commercial real estate services firms with revenues of \$5 billion across core services of agency leasing, asset services, capital markets, facility services (branded C&W Services), global occupier services, investment management (branded DTZ Investors), project & development services, tenant representation<sup>(2)</sup> and valuation & advisory.

### C&W Group Global Network



# 250+ Cities in 69 Countries

Note

1. "C&W group" or "C&W" refers to Cushman & Wakefield Inc. (Headquarters in NY) and its group companies including its Japanese subsidiaries, Cushman & Wakefield K.K. and Cushman & Wakefield Asset Management K.K. It also includes DTZ Group after integration as of 1 September 2015.
2. "Tenant representation" refers to a consulting business that provide with services including identifying office and retail spaces, supporting lease contract and aftercare on behalf of clients.

# Agility Asset Advisers Inc.(AAA)

Founder of NIPPON REIT

- ◆ AAA was established in January 2005
- ◆ AAA offers wide range of business including fund management, advisory, property investment, brokerage, property management etc.
- ◆ AAA is a founding sponsor of NIPPON REIT and has become one of the members of Philip Capital Group in Singapore.
- ◆ Philip capital group is a comprehensive financing group that provides financial services in 16 countries and regions, with above \$1billion net worth and more than 3,500 employees as a whole group.

## Investment strategy of AAA

- ◆ Invest mainly in residential properties located in 6 major metropolitan areas in Japan including Sapporo, Sendai, Tokyo economic bloc, Nagoya, Osaka economic bloc, and Fukuoka economic bloc (Fukuoka and Kitakyusyu) which AAA perceives relatively stable cash flows are expected, as brisk economic activities are anticipated in those areas.
- ◆ Focus on the difference between potential value and market price of office, residential and retail properties located in 6 central wards of Tokyo.

## Major Investment Achievements (1)

Residential properties

Office buildings, and retail facilities

Storia  
Shinagawa



Across Ginza



The Residence  
Meguro



Harbor  
Executive Building



VEXA  
Omotesando



BUREX  
Hirakawacho



Notes

1. Properties on this page shows AAA's achievements. NIPPON REIT has not acquired nor plan to acquire, as of the date of this material, these properties.

# Governance Structure

Management structure for pursuing the interest of NRT Unitholders

## Method for pursuing the interest of Unitholders

### Management fee system linked to DPU

#### <Asset management (AM) fee 1 and Asset management fee 2>

	Calculation method
AM fee1	Total assets of the immediately preceding period × annual rate of 0.35%(maximum rate)
AM fee2	NOI×DPU volatility <sup>(1)</sup> ×2.5%(maximum rate)

#### <Acquisition fee and Disposition fee>

	Calculation method
Acquisition fee	Acquisition price×1.0%(maximum rate) ※Acquisition from interested parties : acquisition price ×0.5%(maximum rate)
Disposition fee	Transfer price×1.0%(maximum rate) ※Transfer to interested parties : transfer price ×0.5%(maximum rate)

### Same-boat investment by the sponsor

Sojitz,  
the main sponsor

Owns 15,500 investment units of NIPPON REIT

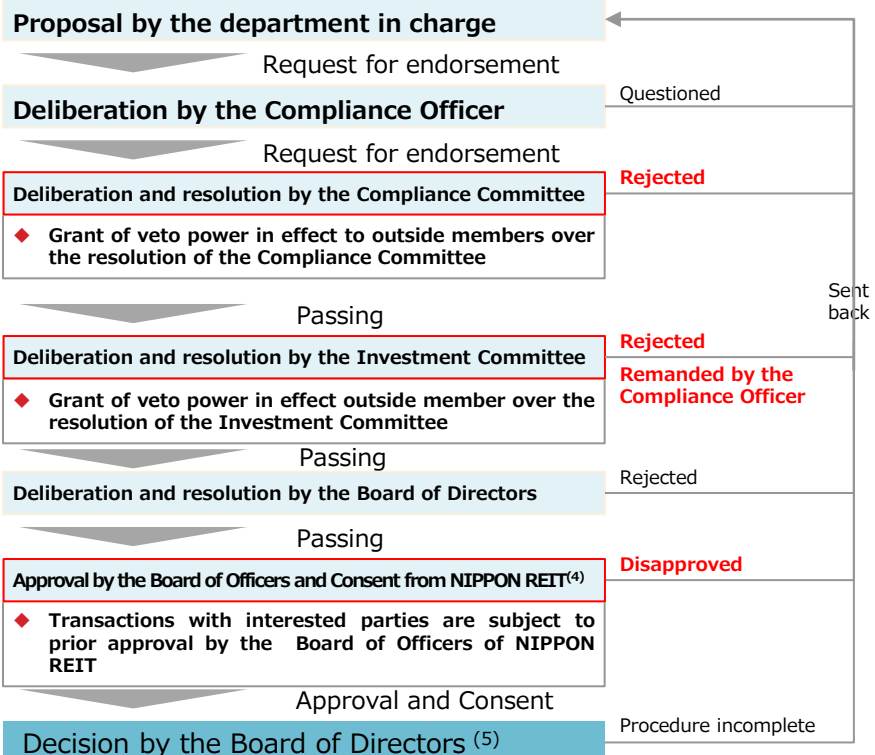
#### Notes

1.  $DPU\ volatility = \frac{\text{Adjusted DPU for a certain fiscal period}^{(2)} - \text{adjusted DPU for the preceding fiscal period}}{\text{adjusted DPU for the previous fiscal period} + 1}$
2. "Adjusted DPU" is the amount obtained by dividing the distributable amount before deducting fees and compensations<sup>(3)</sup> for a certain fiscal period by the number of investment units issued and outstanding as of the settlement date for the fiscal period (rounded down to the nearest one yen)
3. "Distributable amount before deducting fees and compensations" is the amount of income before income taxes for the fiscal period in accordance with the accounting practices generally accepted in Japan (on the condition that the AM fee2 and gain or loss on sale of specified assets are not added to or subtracted from the amount)
4. Consent from NIPPON REIT shall not be required but approval from the Board of Officers shall be required for the transactions stipulated in article 2-1 of the Investment Trusts act and articles 245-2 of the Order for Enforcement of the Investment Trust Acts.
5. The Board of Directors makes a decision after confirming that each procedure has been appropriately completed

## Governance system

### Decision-making process

#### < Decision-making process regarding transaction of assets under management with interested parties>



No.	Property Name	Acquisition Price (¥ mm)	Book Value End 8 <sup>th</sup> Period (a) (¥ mm)	Appraisal profit or loss End 8 <sup>th</sup> Period (b-a) (¥ mm)	Appraisal Value				Direct Capitalization	Discount Cash Flow		Appraiser (1)
					End 7 <sup>th</sup> Period (¥ mm)	End 8 <sup>th</sup> Period (b) (¥ mm)	Variance (¥ mm)	Change rate	CAP rate	Discount rate	Terminal rate	
<b>Office Properties</b>												
A-1	FORECAST NishiShinjuku	2,260	2,215	544	2,690	2,760	70	2.6%	4.4%	4.0%	4.6%	JREI
A-2	Nihombashi Playa Building	2,130	2,091	218	2,310	2,310	0	0.0%	4.7%	4.5%	4.9%	JREI
A-3	FORECAST Yotsuya	1,430	1,407	332	1,740	1,740	0	0.0%	4.3%	4.1%	4.5%	JREI
A-4	FORECAST Shinjuku AVENUE	6,500	6,400	699	7,090	7,100	10	0.1%	4.0%	3.7%	4.1%	JREI
A-5	FORECAST Ichigaya	4,800	4,730	709	5,420	5,440	20	0.4%	4.0%	3.8%	4.2%	JREI
A-6	FORECAST Mita	1,800	1,779	290	2,070	2,070	0	0.0%	4.2%	4.0%	4.4%	JREI
A-7	FORECAST Shinjuku SOUTH	13,990	14,493	1,306	15,700	15,800	100	0.6%	4.0%	3.7%	4.2%	JREI
A-8	FORECAST Sakurabashi	5,760	6,038	1	6,040	6,040	0	0.0%	4.5%	4.3%	4.7%	JREI
A-9	GreenOak Kayabacho	2,860	2,975	94	3,070	3,070	0	0.0%	4.4%	4.2%	4.6%	JREI
A-10	GreenOak Kudan	2,780	2,879	220	3,050	3,100	50	1.6%	4.1%	3.9%	4.3%	JREI
A-11	GreenOak Takanawadai	2,260	2,282	87	2,370	2,370	0	0.0%	4.5%	4.3%	4.7%	JREI
A-12	GreenOak Okachimachi	3,330	3,459	(469)	2,970	2,990	20	0.7%	4.7%	4.4%	4.8%	JREI
A-13	Higashi Ikebukuro Center Building	2,520	2,696	(6)	2,670	2,690	20	0.7%	4.9%	4.7%	5.1%	JREI
A-14	Central Daikanyama	3,510	3,658	(168)	3,490	3,490	0	0.0%	4.0%	3.8%	4.2%	JREI
A-15	JS Progres Building	5,325	5,420	(180)	5,270	5,240	(30)	(0.6%)	5.4%	5.1%	5.5%	JREI
A-16	Hiroo Reeplex B's	2,827	2,865	114	2,960	2,980	20	0.7%	4.3%	4.1%	4.5%	JREI
A-17	Shibakoen Sanchome Building	7,396	7,464	1,675	9,130	9,140	10	0.1%	3.9%	3.7%	4.1%	Daiwa
A-18	FORECAST Iidabashi	5,230	5,431	(71)	5,360	5,360	0	0.0%	4.2%	3.9%	4.3%	JREI
A-19	Kudankita 325 Building	1,850	1,936	(26)	1,910	1,910	0	0.0%	4.2%	3.9%	4.3%	JREI
A-20	FORECAST Uchikanda	1,240	1,303	(63)	1,240	1,240	0	0.0%	4.3%	4.1%	4.5%	JREI
A-21	Itohpia Iwamotocho 2-chome Building	2,810	2,839	80	2,910	2,920	10	0.3%	4.5%	4.3%	4.7%	JREI
A-22	Itohpia Iwamotocho 1-chome Building	2,640	2,678	11	2,690	2,690	0	0.0%	4.6%	4.4%	4.8%	JREI
A-23	Itohpia Iwamotocho ANNEX Building	2,100	2,124	135	2,240	2,260	20	0.9%	4.5%	4.3%	4.7%	JREI
A-24	Hisamatsucho Reeplex B's	2,837	2,864	25	2,890	2,890	0	0.0%	4.5%	4.3%	4.7%	JREI
A-25	(Tentative) FORECAST Ningyocho	2,070	2,154	(84)	2,070	2,070	0	0.0%	4.6%	4.4%	4.8%	JREI

Note

1. "JREI" refers to Japan Real Estate Institute and "Daiwa" refers to Daiwa Real Estate Appraisal. Co.,Ltd.

No.	Property Name	Acquisition Price (¥ mm)	Book Value End 8 <sup>th</sup> Period (a) (¥ mm)	Appraisal profit or loss End 8 <sup>th</sup> Period (b-a) (¥ mm)	Appraisal Value				Direct Capitalization	Discount Cash Flow		Appraiser (1)
					End 7 <sup>th</sup> Period (¥ mm)	End 8 <sup>th</sup> Period (b) (¥ mm)	Variance (¥ mm)	Change rate	CAP rate	Discount rate	Terminal rate	
A-26	KDX Ningyocho Building	1,650	1,666	63	1,730	1,730	0	0.0%	4.6%	4.4%	4.8%	JREI
A-27	FORECAST Shin-Tokiwabashi	2,030	2,117	(87)	2,040	2,030	(10)	(0.5%)	4.5%	4.3%	4.7%	JREI
A-28	Nishi-shinjuku Sanko Building	2,207	2,241	48	2,290	2,290	0	0.0%	4.4%	4.2%	4.6%	JREI
A-29	Iidabashi Reeplex B's	1,249	1,273	46	1,310	1,320	10	0.8%	4.1%	3.9%	4.3%	JREI
A-30	FORECAST Shinagawa	2,300	2,401	(101)	2,300	2,300	0	0.0%	4.5%	4.3%	4.7%	JREI
A-31	Nishi-Gotanda 8-chome Building	2,210	2,304	(64)	2,240	2,240	0	0.0%	4.5%	4.3%	4.7%	JREI
A-32	Towa Higashi-Gotanda Building	2,033	2,049	70	2,120	2,120	0	0.0%	4.5%	4.3%	4.7%	JREI
A-33	FORECAST Takadanobaba	5,550	5,808	(318)	5,560	5,490	(70)	(1.3%)	4.8%	4.6%	5.0%	JREI
A-34	Mejiro NT Building	3,094	3,117	92	3,210	3,210	0	0.0%	4.9%	4.7%	5.1%	JREI
A-35	Toshin Higashi-Ikebukuro Building	979	996	13	1,010	1,010	0	0.0%	5.0%	4.8%	5.2%	JREI
A-36	Mitsui Woody Building	2,475	2,550	29	2,620	2,580	(40)	(1.5%)	5.0%	4.7%	5.1%	JREI
A-37	Itabashi Honcho Building	3,146	3,172	17	3,220	3,190	(30)	(0.9%)	5.1%	4.8%	5.3%	JREI
A-38	ANTEX24 Building	1,691	1,767	(37)	1,730	1,730	0	0.0%	4.8%	4.5%	4.9%	JREI
A-39	Itohpia Kiyosubashidori Building	1,550	1,577	102	1,670	1,680	10	0.6%	4.9%	4.6%	5.1%	JREI
A-40	East Side Building	1,372	1,387	62	1,450	1,450	0	0.0%	4.9%	4.7%	5.1%	JREI
A-41	I·S Minamimorimachi Building	2,258	2,276	133	2,400	2,410	10	0.4%	4.9%	4.7%	5.1%	JREI
A-42	Sunworld Building	1,200	1,260	(50)	1,210	1,210	0	0.0%	5.2%	5.0%	5.4%	JREI
A-43	Marunouchi Sanchome Building	1,626	1,642	117	1,740	1,760	20	1.1%	5.0%	4.8%	5.2%	JREI
A-44	MK Kojimachi Building	1,781	1,815	104	1,920	1,920	0	0.0%	4.2%	3.8%	4.2%	JREI
A-45	Toranomon Sakura Building	4,120	4,307	(177)	4,130	4,130	0	0.0%	3.9%	3.5%	3.9%	JREI
A-46	La Verite Akasaka	2,000	2,099	(19)	2,040	2,080	40	2.0%	4.1%	3.9%	4.3%	JREI
A-47	Kanda Ocean Building	1,440	1,456	23	1,480	1,480	0	0.0%	4.3%	4.1%	4.5%	JREI
A-48	Shinto GINZA EAST	1,352	1,367	32	1,380	1,400	20	1.4%	4.3%	4.0%	4.4%	JREI
A-49	New River Building	3,000	3,068	(108)	3,010	2,960	(50)	(1.7%)	4.6%	4.3%	4.7%	JREI
A-50	FORECAST Waseda FIRST	4,775	4,819	50	4,930	4,870	(60)	(1.2%)	4.5%	4.2%	4.6%	JREI

Note

1. "JREI" refers to Japan Real Estate Institute.

No.	Property Name	Acquisition Price (¥ mm)	Book Value End 8 <sup>th</sup> Period (a) (¥ mm)	Appraisal profit or loss End 8 <sup>th</sup> Period (b-a) (¥ mm)	Appraisal Value				Direct Capitalization	Discount Cash Flow		Appraiser <sup>(1)</sup>
					End 7 <sup>th</sup> Period (¥ mm)	End 8 <sup>th</sup> Period (b) (¥ mm)	Variance (¥ mm)	Change rate	CAP rate	Discount rate	Terminal rate	
A-51	FORECAST Gotanda WEST	6,520	6,792	(52)	6,660	6,740	80	1.2%	4.2%	4.0%	4.4%	Morii
A-52	Omiya Center Building	15,585	15,683	1,016	16,200	16,700	500	3.1%	4.7%	4.5%	4.9%	JREI
A-53	Sumitomo Mitsui Bank Koraibashi Building	2,850	2,880	9	2,890	2,890	0	0.0%	4.8%	4.6%	5.0%	JREI
A-54	NORE Fushimi	2,840	2,839	180	2,960	3,020	60	2.0%	4.8%	4.6%	5.0%	JREI
A-55	NORE Meieki	2,520	2,523	136	2,640	2,660	20	0.8%	4.9%	4.7%	5.1%	JREI
<b>Subtotal office properties</b>		179,666	183,457	6,812	189,440	190,270	830	0.4%				
<b>Residential Properties</b>												
B-01	Tower Court Kitashinagawa	11,880	11,229	1,670	12,900	12,900	0	0.0%	4.5%	4.3%	4.7%	JREI
B-02	Sky Hills N11	1,570	1,600	69	1,670	1,670	0	0.0%	5.7%	5.5%	5.9%	JREI
B-03	my atria Meieki	1,280	1,299	130	1,430	1,430	0	0.0%	5.0%	4.8%	5.2%	JREI
B-04	my atria Sakae	1,110	1,119	70	1,190	1,190	0	0.0%	5.1%	4.9%	5.3%	JREI
B-05	Mac Village Heian	785	795	53	848	849	1	0.1%	5.2%	5.0%	5.4%	JREI
B-06	Seam Dwell Tsutsui	695	721	45	767	767	0	0.0%	5.1%	4.9%	5.3%	JREI
B-07	Ciel Yakuin	640	655	31	687	687	0	0.0%	4.9%	4.7%	5.1%	JREI
B-08	Kanda Reeplex R's	1,813	1,793	76	1,910	1,870	(40)	(2.1%)	4.5%	4.2%	4.7%	JREI
<b>Subtotal residential properties</b>		19,773	19,211	2,147	21,402	21,363	(39)	(0.2%)				
<b>Retail Properties</b>												
C-01	Otakibashi Pacifica Building	3,350	3,475	(25)	3,450	3,450	0	0.0%	4.1%	3.9%	4.3%	JREI
C-02	Komyoike Act	2,063	2,064	95	2,160	2,160	0	0.0%	5.4%	5.2%	5.6%	JREI
<b>Subtotal retail properties</b>		5,413	5,539	70	5,610	5,610	0	0.0%				
<b>Total</b>		204,852	208,212	9,030	216,452	217,243	791	0.4%				

Note

1. "JREI" refers to Japan Real Estate Institute and "Morii" refers to Morii Appraisal & Investment Consulting, Inc.



# Earnings Performance for the Individual Properties (The 8<sup>th</sup> period)

Property No.	A-1	A-2	A-3	A-4	A-5	A-6	A-7	A-8
Property name	FORECAST NishiShinjuku	Nihombashi Playa Building	FORECAST Yotsuya	FORECAST Shinjuku AVENUE	FORECAST Ichigaya	FORECAST Mita	FORECAST Shinjuku SOUTH	FORECAST Sakurabashi
Operating days	182	182	182	182	182	182	182	182
Revenues from property leasing	84,206	80,317	51,625	197,734	123,775	54,655	575,852	196,670
Rental revenues	75,872	76,892	46,598	178,562	112,101	48,543	517,318	180,698
Other revenues	8,334	3,424	5,027	19,172	11,673	6,111	58,534	15,971
Property Related Expenses	17,238	16,244	12,994	42,150	33,709	11,851	205,346	44,137
PM fees	3,352	4,944	2,508	9,805	7,860	2,795	36,952	15,817
Utility expenses	6,952	5,113	2,666	13,331	7,169	3,911	40,492	12,706
Insurance expenses	64	69	47	139	132	49	491	220
Repair expenses	427	473	1,669	878	797	29	7,332	4,244
Taxes and dues	2,372	5,271	4,759	17,640	9,968	4,712	15,282	9,649
Trust fees	350	350	350	350	350	350	350	350
Others	3,719	23	993	5	7,432	3	104,444	1,149
NOI	66,967	64,072	38,630	155,583	90,065	42,803	370,506	152,532
Depreciation	16,694	15,994	7,650	29,285	35,785	7,548	23,547	9,770
Loss on disposal of fixed assets	-	-	-	-	-	-	-	-
Income from property leasing	50,273	48,078	30,979	126,297	54,279	35,254	346,958	142,762

Property No.	A-9	A-10	A-11	A-12	A-13	A-14	A-15	A-16
Property name	GreenOak Kayabacho	GreenOak Kudan	GreenOak Takanawadai	GreenOak Okachimachi	Higashi Ikebukuro Center Building	Central Daikanyama	JS Progres Building	Hiroo Reeplex B's
Operating days	182	182	182	182	182	182	182	182
Revenues from property leasing	98,698	97,748	78,265	92,560	90,160	86,421	149,592	78,267
Rental revenues	88,891	89,619	71,034	77,784	84,114	79,256	131,684	69,945
Other revenues	9,806	8,128	7,231	14,776	6,045	7,164	17,907	8,322
Property Related Expenses	24,863	25,003	18,558	21,218	26,209	13,650	96,101	15,402
PM fees	7,534	5,455	3,549	4,849	8,407	3,148	20,813	3,374
Utility expenses	8,113	6,412	6,060	8,546	7,409	4,239	20,251	3,487
Insurance expenses	100	90	83	107	151	44	301	34
Repair expenses	997	4,131	1,277	-	1,176	205	6,352	2,078
Taxes and dues	7,637	8,231	7,099	7,120	8,456	5,554	31,058	4,728
Trust fees	350	350	350	350	550	350	350	350
Others	130	332	139	243	57	108	16,973	1,349
NOI	73,835	72,744	59,707	71,342	63,950	72,770	53,490	62,864
Depreciation	6,634	4,327	15,973	6,224	11,967	3,721	27,585	2,761
Loss on disposal of fixed assets	-	-	-	-	236	-	-	-
Income from property leasing	67,200	68,416	43,733	65,118	51,746	69,049	25,904	60,103

# Earnings Performance for the Individual Properties (The 8<sup>th</sup> period)

Property No.	A-17	A-18	A-19	A-20	A-21	A-22	A-23	A-24
Property name	Shibakoan Sanchoe Building	FORECAST Iidabashi	Kudankita 325 Building	FORECAST Uchikanda	Itohpia Iwamotocho 2-chome Building	Itohpia Iwamotocho 1-chome Building	Itohpia Iwamotocho ANNEX Building	Hisamatsucho Reeplex B's
Operating days	182	182	182	182	182	182	182	182
Revenues from property leasing	215,676	129,400	56,432	40,487	80,850	87,101	64,343	Not disclosed <sup>(1)</sup>
Rental revenues	201,770	120,113	47,914	37,953	71,338	83,613	60,473	
Other revenues	13,906	9,287	8,518	2,534	9,512	3,487	3,870	
Property Related Expenses	39,089	20,360	17,491	9,637	22,303	18,340	19,826	
PM fees	8,719	5,924	5,285	2,857	6,130	6,114	6,096	
Utility expenses	12,349	7,089	3,885	2,735	6,529	5,117	6,030	
Insurance expenses	150	99	40	39	86	76	67	
Repair expenses	653	288	1,485	442	1,440	992	841	
Taxes and dues	16,860	6,430	6,360	3,108	7,636	5,679	5,132	
Trust fees	350	350	350	350	350	350	350	
Others	6	177	83	103	130	9	1,308	
NOI	176,587	109,040	38,941	30,849	58,546	68,760	44,517	65,276
Depreciation	14,157	9,584	2,203	3,069	6,431	6,582	4,320	6,115
Loss on disposal of fixed assets	-	-	-	107	-	-	-	-
Income from property leasing	162,429	99,456	36,737	27,672	52,115	62,178	40,196	59,161

Property No.	A-25	A-26	A-27	A-28	A-29	A-30	A-31	A-32
Property name	(Tentative) FORECAST Ningyocho	KDX Ningyocho Building	FORECAST Shin-Tokiwabashi	Nishi-Shinjuku Sanko Building	Iidabashi Reeplex B's	FORECAST Shinagawa	Nishi-Gotanda 8- chome Building	Towa Higashi- Gotanda Building
Operating days	182	182	182	182	182	182	182	182
Revenues from property leasing	59,640	54,541	46,150	67,567	44,534	46,568	72,538	73,410
Rental revenues	54,327	48,578	39,841	62,261	35,034	41,157	58,564	66,426
Other revenues	5,313	5,962	6,309	5,306	9,500	5,410	13,973	6,983
Property Related Expenses	16,844	12,907	13,708	17,471	12,445	17,720	22,508	22,446
PM fees	5,576	3,353	2,497	4,405	2,793	5,242	6,300	6,427
Utility expenses	4,202	4,914	3,715	5,220	6,236	3,951	7,286	4,948
Insurance expenses	63	42	41	57	31	64	71	76
Repair expenses	887	463	3,440	991	350	1,711	1,187	4,960
Taxes and dues	5,764	3,758	3,398	6,261	2,681	5,659	7,312	5,660
Trust fees	350	350	350	350	350	350	350	350
Others	-	25	265	183	2	739	-	23
NOI	42,796	41,633	32,441	50,095	32,088	28,847	50,030	50,963
Depreciation	5,330	3,515	2,834	3,780	2,620	6,195	4,682	6,111
Loss on disposal of fixed assets	-	-	-	-	-	-	-	-
Income from property leasing	37,465	38,118	29,607	46,314	29,467	22,651	45,348	44,851

Note

1.This information is not disclosed as tenant's consent to disclosure has not been obtained.

# Earnings Performance for the Individual Properties (The 8<sup>th</sup> period)

Property No.	A-33	A-34	A-35	A-36	A-37	A-38	A-39	A-40
Property name	FORECAST Takadanobaba	Mejiro NT Building	Toshin Higashi-Ikebukuro Building	Mitsui Woody Building	Itabashi Honcho Building	ANTEX24 Building	Itohpia Kiyosubashidori Building	East Side Building
Operating days	182	182	182	182	182	182	182	182
Revenues from property leasing	162,722	115,043	40,402	77,792	139,021	43,295	63,326	50,719
Rental revenues	146,565	101,348	35,220	70,406	112,226	38,306	57,673	46,170
Other revenues	16,156	13,695	5,182	7,385	26,795	4,988	5,652	4,549
Property Related Expenses	37,831	31,047	9,520	39,141	67,271	12,891	18,081	11,103
PM fees	9,631	9,110	3,153	8,579	18,511	3,618	5,294	3,775
Utility expenses	14,080	8,957	3,096	7,408	14,572	3,712	5,802	3,095
Insurance expenses	144	108	39	103	129	54	58	43
Repair expenses	507	4,100	74	3,611	2,494	703	1,439	1,542
Taxes and dues	11,890	7,755	2,366	7,416	8,508	3,811	4,825	2,294
Trust fees	350	350	550	350	350	350	350	350
Others	1,227	665	241	11,672	22,704	641	310	2
NOI	124,891	83,996	30,882	38,651	71,750	30,403	45,244	39,615
Depreciation	12,709	9,608	3,054	5,887	14,426	6,279	3,749	2,720
Loss on disposal of fixed assets	-	-	-	-	-	478	-	-
Income from property leasing	112,181	74,387	27,827	32,764	57,324	23,645	41,495	36,895

Property No.	A-41	A-42	A-43	A-44	A-45	A-46	A-47	A-48	
Property name	IoS Minamimorimachi Building	Sunworld Building	Marunouchi Sanchoime Building	MK Kojimachi Building	Toranomon Sakura Building	La Verite Akasaka	Kanda Ocean Building	Shinto GINZA EAST	
Operating days	182	182	182	182	182	182	182	182	
Revenues from property leasing	92,891	Not disclosed <sup>(1)</sup>	72,196	47,641	52,255	41,717	47,285	32,711	
Rental revenues	84,807		66,415	45,117	49,832	39,379	42,540	29,466	
Other revenues	8,083		5,780	2,524	2,423	2,337	4,744	3,245	
Property Related Expenses	29,015		20,928	12,449	30,263	15,774	14,111	9,090	
PM fees	6,154		7,649	3,767	6,312	3,289	2,962	2,149	
Utility expenses	8,919		6,178	2,333	4,162	2,215	4,233	1,625	
Insurance expenses	119		96	39	92	45	43	29	
Repair expenses	1,658		564	126	3,991	2,936	2,397	73	
Taxes and dues	9,258		5,570	5,665	8,420	4,611	3,252	2,731	
Trust fees	550		350	350	350	350	550	350	
Others	2,354		518	166	6,933	2,326	670	2,131	
NOI	63,876		32,313	51,267	35,192	21,991	25,942	33,173	23,621
Depreciation	10,221		4,596	8,378	2,306	6,451	1,806	2,661	2,688
Loss on disposal of fixed assets	-	-	-	-	-	-	-	-	
Income from property leasing	53,654	27,717	42,889	32,886	15,540	24,136	30,511	20,933	

Note

1.This information is not disclosed as sublessee's consent to disclosure has not been obtained.

# Earnings Performance for the Individual properties (The 8<sup>th</sup> period)

Property No.	A-49	A-50	A-51	A-52	A-53	A-54	A-55	
Property name	New River Building	FORECAST Waseda FIRST	FORECAST Gotanda WEST	Omiya Center Building	Sumitomo Mitsui Bank Koraibashi Building	NORE Fushimi	NORE Meiki	Office Properties Total
Operating days	182	182	182	182	183	182	182	
Revenues from property leasing	68,258	141,569	215,433	477,390	108,837	104,271	92,117	5,694,435
Rental revenues	60,664	128,397	194,948	446,536	83,992	88,596	79,787	5,132,284
Other revenues	7,594	13,171	20,484	30,853	24,845	15,674	12,329	562,151
Property Related Expenses	24,503	35,148	73,381	107,392	51,164	27,957	25,879	1,645,883
PM fees	7,253	9,948	23,649	34,955	12,011	7,454	7,174	428,017
Utility expenses	6,817	11,167	23,059	29,169	16,576	10,336	8,515	442,918
Insurance expenses	104	128	286	500	193	99	108	5,853
Repair expenses	793	847	-94	2,813	2,175	2,390	368	89,197
Taxes and dues	7,555	11,024	26,024	26,571	15,858	7,095	9,018	446,087
Trust fees	350	350	350	350	350	350	350	20,050
Others	1,630	1,681	104	13,031	3,999	231	344	213,759
NOI	43,755	106,420	142,051	369,997	57,673	76,313	66,237	4,048,552
Depreciation	6,737	9,332	9,679	54,146	10,522	18,936	16,911	536,822
Loss on disposal of fixed assets	-	-	-	-	-	-	-	821
Income from property leasing	37,017	97,088	132,372	315,851	47,150	57,377	49,326	3,510,907

# Earnings performance for the individual properties (The 8<sup>th</sup> period)

Property No.	B-1	B-2	B-3	B-4	B-5	B-6	B-7	B-8	Residential Properties Total
Property name	Tower Court Kitashinagawa	Sky Hills N11	my atria Meieki	my atria Sakae	Mac Village Heian	Seam Dwell Tsutsui	Ciel Yakuin	Kanda Reeplex R's	
Operating days	182	182	182	182	182	182	182	182	
Revenues from property leasing	392,107	61,056	49,386	38,496	27,810	24,907	23,824	55,086	672,675
Rental revenues	380,240	61,056	45,173	38,462	27,723	24,906	22,912	52,183	652,658
Other revenues	11,867	-	4,212	33	87	1	912	2,902	20,017
Property Related Expenses	93,165	8,536	19,075	6,768	5,078	4,386	7,597	12,237	156,844
PM fees	33,322	300	3,775	1,879	1,895	1,884	1,365	3,412	47,835
Utility expenses	4,615	-	801	485	420	-	677	-	7,001
Insurance expenses	458	131	71	65	48	37	33	45	892
Repair expenses	16,696	1,201	5,019	45	410	24	2,218	2,142	27,759
Taxes and dues	19,525	6,551	3,373	2,592	1,952	1,607	1,211	2,544	39,359
Trust fees	350	350	350	350	350	350	350	350	2,800
Others	18,196	1	5,684	1,350	-	483	1,739	3,741	31,197
NOI	298,942	52,519	30,310	31,728	22,731	20,521	16,227	42,849	515,830
Depreciation	97,849	16,849	14,352	14,690	9,462	7,285	6,166	8,307	174,963
Loss on disposal of fixed assets	-	-	116	-	-	-	-	-	116
Income from property leasing	201,093	35,670	15,841	17,037	13,269	13,235	10,060	34,542	340,750

Property No.	C-1	C-2	
Property name	Otakibashi Pacifica Building	Komyoike Act	Retail properties Total
Operating days	182	182	
Revenues from property leasing	93,351	140,499	233,851
Rental revenues	84,980	108,340	193,320
Other revenues	8,371	32,158	40,530
Property Related Expenses	18,538	66,674	85,213
PM fees	4,274	22,565	26,839
Utility expenses	8,493	32,347	40,841
Insurance expenses	39	165	205
Repair expenses	-	467	467
Taxes and dues	5,295	8,917	14,212
Trust fees	350	350	700
Others	85	1,861	1,946
NOI	74,812	73,825	148,637
Depreciation	11,322	19,939	31,261
Loss on disposal of fixed assets	-	-	-
Income from property leasing	63,490	53,886	117,376

Portfolio Total	
Revenues from property leasing	6,600,962
Rental revenues	5,978,263
Other revenues	622,699
Property Related Expenses	1,887,941
PM fees	502,692
Utility expenses	490,760
Insurance expenses	6,951
Repair expenses	117,424
Taxes and dues	499,659
Trust fees	23,550
Others	246,903
NOI	4,713,020
Depreciation	743,048
	938
Income from property leasing	3,969,034

# List of Properties : Office (1)

As of June 30, 2016






Property Name	A-1 FORECAST NishiShinjuku	A-2 Nihombashi Playa Building	A-3 FORECAST Yotsuya	A-4 FORECAST Shinjuku AVENUE	A-5 FORECAST Ichigaya
Picture					
Address	Shinjuku ward, Tokyo	Chuo ward, Tokyo	Shinjuku ward, Tokyo	Shinjuku ward, Tokyo	Shinjuku ward, Tokyo
Acquisition Price	¥2,260 million	¥2,130 million	¥1,430 million	¥6,500 million	¥4,800 million
Appraisal Value	¥2,760 million	¥2,310 million	¥1,740 million	¥7,100 million	¥5,440 million
Appraisal NOI yield	5.5%	5.2%	5.3%	4.4%	4.6%
Occupancy rate	89.0%	100%	100%	100%	100%
Completed	Feb. 2009	Feb. 2009	Jan. 2009	Sep. 2008	Aug. 2009
PML	2.7%	3.7%	3.6%	2.1%	2.9%
Acquisition source	Sponsors	Sponsors	Sponsors	Sponsors	Sponsors
Access	Approx. a 5min. walk from Shinjuku Station on the JR lines	Approx. a 3min. walk from Hamacho Station on the Toei Subway Shinjuku Line. within walking distance from Higashi-Nihonbashi Station on the Toei Subway Asakusa Line and Ningyocho station on the Tokyo Metro Hibiya Line	Approx. a 4min. walk from Yotsuya-Sanchoe Station and approx. a 6min. walk from Yotsuya Station on the Tokyo Metro Marunouchi Line	Approx. a 3min. walk from Shinjuku-Sanchoe Station on the Tokyo Metro Marunouchi and Fukutoshin Lines and Toei subway Shinjuku Line.	Approx. a 2min. walk from Ichigaya Station on the Tokyo Metro Nanboku Line.
Features	<ul style="list-style-type: none"> <li>◆ Located in the Nishi-Shinjuku area, which is one of the largest terminal stations in the world</li> <li>◆ As the Property is in an environment with a strong retail atmosphere, demand is expected from a wide variety of business categories, including offices that serve visiting customers</li> </ul>	<ul style="list-style-type: none"> <li>◆ The surrounding environment is favorable, with Hamacho park, one of the representative park in Chuo ward, in the neighborhood</li> <li>◆ The building is relatively new (completed in 2009) and features a high scarcity value over the neighboring areas with plenty of buildings that were built many years ago</li> </ul>	<ul style="list-style-type: none"> <li>◆ The area is highly regarded for its access convenience, as railway lines that allow easy access to major areas are available at Yotsuya Station, incl. the JR and Tokyo Metro Lines</li> <li>◆ The building was completed in 2009, being one of the few buildings in the neighborhood that was built in 2000 and after</li> </ul>	<ul style="list-style-type: none"> <li>◆ Located in the Higashi-Shinjuku area, which is one of the largest terminal stations in the world</li> <li>◆ Completed in 2008, the building has a scarcity value in terms of newness, and its glass covered appearance is also impressive</li> <li>◆ Its leasing areas are highly versatile, mostly regularly shaped and no pillars</li> </ul>	<ul style="list-style-type: none"> <li>◆ The area has good traffic convenience, as JR Chuo and Sobu Lines, Tokyo Metro Yurakucho and Nanboku Lines and Toei Subway Shinjuku Line are available at Ichigaya Station</li> <li>◆ The building is fairly new, completed in 2009, and equipped with a high level of basic facilities</li> </ul>

# List of Properties : Office (2)

As of June 30, 2016

Property Name	A-6 FORECAST Mita	A-7 FORECAST Shinjuku SOUTH	A-8 FORECAST Sakurabashi	A-9 GreenOak Kayabacho	A-10 GreenOak Kudan
Picture					
Address	Minato ward, Tokyo	Shinjuku ward, Tokyo	Chuo ward, Tokyo	Chuo ward, Tokyo	Chiyoda ward, Tokyo
Acquisition Price	¥1,800 million	¥13,990 million	¥5,760 million	¥2,860 million	¥2,780 million
Appraisal Value	¥2,070 million	¥15,800 million	¥6,040 million	¥3,070 million	¥3,100 million
Appraisal NOI yield	4.9%	4.6%	5.1%	5.0%	4.8%
Occupancy rate	100%	100%	100%	86.4%	100%
Completed	Sep. 2009	Nov. 1980	Apr. 1985	Mar. 1990	Dec. 1987
PML	2.9%	7.0%	4.2%	2.6%	5.1%
Acquisition source	Sponsors	Third party	Third party	Third party	Third party
Access	Approx. a 2min. from Akabanebashi Station on the Toei Subway Oedo Line, and approx. a 5min. walk from Shibakoen Station on the Toei subway Mita Line and Azabu-Juban Station on the Tokyo Metro Nanboku Line.	Approx a 5min. walk from the south exit or the new south exit of Shinjuku Station on the JR Lines, and approx. a 1min. walk from Shinjuku-Sanchome Station on the Tokyo Metro Marunouchi Line.	Approx. a 3min. walk from Hatchobori Station on the Tokyo Metro Hibiya Line and JR Keiyo Line, and approx. a 5 min. walk from Takaracho Station on the Toei Subway Asakusa Line.	Approx. a 2min. walk from Kayabacho Station on the Tokyo Metro Tozai and Hibiya Lines.	Approx. a 1min. walk from Kudanshita Station on the Tokyo Metro Tozai and Hanzomon Lines and the Toei Subway Shinjuku Line.
Features	<ul style="list-style-type: none"> <li>◆ Having well-established transportation networks such as JR, Tokyo Metro and Toei Subway Lines</li> <li>◆ The building is fairly new, completed in 2009, and equipped with high level basic facilities</li> <li>◆ The leasing areas are highly versatile and regularly shaped with no pillars</li> </ul>	<ul style="list-style-type: none"> <li>◆ Located in the east of Shinjuku Station, which is one of the largest terminal stations in the world</li> <li>◆ The building has the benefits of its scale, with a standard floor area of approx. 540tsubo</li> <li>◆ It underwent large-scale renovation work including seismic reinforcement</li> </ul>	<ul style="list-style-type: none"> <li>◆ The nearest station is Hatchobori Station where the Tokyo Metro Line and JR Line are available. After a further walk, the Tokyo Metro Ginza Line is also available</li> <li>◆ It underwent large-scale renovation works including repair of the outer walls so that its specifications are sufficiently set to meet the recent tenant requirements</li> </ul>	<ul style="list-style-type: none"> <li>◆ A select property featuring good location with excellent visibility</li> <li>◆ It underwent renovation works centering on common areas, and it also features bright and open spaces for lease</li> </ul>	<ul style="list-style-type: none"> <li>◆ The area enjoys good traffic convenience as many railway lines are available at Kudanshita Station</li> <li>◆ It underwent renovation work centering on common areas so that its facilities as a whole are sufficiently set to meet the recent tenant requirements</li> </ul>

# List of Properties : Office (3)

Property Name	A-11 GreenOak Takanawadai	A-12 GreenOak Okachimachi	A-13 Higashi Ikebukuro Center Building	A-14 Central Daikanyama	A-15 JS Progres Building
Picture					
Address	Minato ward, Tokyo	Taito ward, Tokyo	Toshima ward, Tokyo	Shibuya ward, Tokyo	Ota ward, Tokyo
Acquisition Price	¥2,260 million	¥3,330 million	¥2,520 million	¥3,510 million	¥5,325 million
Appraisal Value	¥2,370 million	¥2,990 million	¥2,690 million	¥3,490 million	¥5,240 million
Appraisal NOI yield	4.8%	4.5%	5.7%	4.1%	5.6%
Occupancy rate	100%	100%	100%	100%	70.4%
Completed	Jan. 2010	Jan. 1977	Nov. 1991	Aug. 1991	Apr. 1993
PML	3.6%	7.7%	4.5%	7.1%	6.9%
Acquisition source	Third party	Third party	Third party	Third party	Third party
Access	Approx. a 1min. walk from Takanawadai Station on the Toei Subway Asakusa Line.	Approx. a 1min. walk from Naka-Okachimachi Station on the Tokyo Metro Hibiya Line.	Approx. a 7min. walk from Otsuka Station on the JR Yamanote Line.	Approx. a 5min. walk from Daikanyama Station on the Tokyu Toyoko Line	Approx. a 9min. walk from Heiwajima Station on Keikyu Main Lin
Features	<ul style="list-style-type: none"> <li>◆ The area has traffic convenience, as the Toei Subway Mita Line and the Tokyo Metro Nanboku Line are available at Shirokane Takanawa Station and Shirokanedai Station also within walking distance</li> <li>◆ Completed in 2010, it is recognized to have high scarcity value in the area where there are many small- and medium-sized buildings built many years ago</li> </ul>	<ul style="list-style-type: none"> <li>◆ The area has traffic convenience with many railway lines and stations within a close proximity and is also near to Ueno Station, a terminal station</li> <li>◆ It underwent renovation works incl. seismic reinforcement</li> <li>◆ It has a competitive advantage in terms of size within the area, as many of the office buildings in neighboring areas are small-sized with a standard floor area of several tens of tsubo</li> </ul>	<ul style="list-style-type: none"> <li>◆ Located in the Ikebukuro area, one of the subcenters of Tokyo, around Ikebukuro Station, which is one of the largest terminal stations in the world</li> <li>◆ The area has fewer newly-built buildings compared with other major office districts. This is why the supply and demand balance is relatively stable in the area, without any surge of supply to cause major excess supply</li> </ul>	<ul style="list-style-type: none"> <li>◆ The surrounding area is lined with many unique shops of varying size including a landmark complex of Daikanyama</li> <li>◆ Insistent demand is observed from such business categories as apparel, IT and advertisement that set a high value on the atmosphere and fashion-consciousness, etc. of the area</li> </ul>	<ul style="list-style-type: none"> <li>◆ The property has solicitation power for tenants using commercial vehicle and tenants with product carry-in and -out usage because of a proximity to the Metropolitan expressway or major arterial road.</li> <li>◆ The building has equipped with a superior specification as it has a 2.6m of sufficient ceiling height and is 500Kg/m<sup>2</sup> floor loading carrying capacity which meet tenant needs.</li> </ul>



# List of Properties : Office (4)

As of June. 30, 2016

Property Name	A-16 Hiroo Reeplex B's	A-17 Shibakoen Sanhome Building	A-18 (Tentative) FORECAST Iidabashi	A-19 Kudankita 325 Building	A-20 (Tentative) FORECAST Uchikanda
Picture					
Address	Minato ward, Tokyo	Minato ward, Tokyo	Chiyoda ward, Tokyo	Chiyoda ward, Tokyo	Chiyoda ward, Tokyo
Acquisition Price	¥2,827 million	¥7,396 million	¥5,230 million	¥1,850 million	¥1,240 million
Appraisal Value	¥2,980 million	¥9,140 million	¥5,360 million	¥1,910 million	¥1,240 million
Appraisal NOI yield	4.6%	5.0%	4.4%	4.5%	4.6%
Occupancy rate	100%	100%	100%	100%	100%
Completed	May 1987	June 1981	Nov. 1978	Aug. 1987	Dec. 1976
PML	4.4%	11.3%	7.1%	4.5%	9.9%
Acquisition source	Third party	Third party	Third party	Third party	Third party
Access	Approx. a 1min. walk from Hiroo station on the Tokyo Metro Hibiya Line	Approx. a 5min. walk from Onarimon Station on the Toei Subway Mita Line and Kamiyacho Station on the Tokyo Metro Hibiya Line	Approx. a 4min. walk from Iidabashi station on the JR Lines, the Tokyo Metro Lines and the Toei Subway Line	Approx. a 4min. walk from Ichigaya station on the Toei Subway Line, and a 7min. walk from Ichigaya station on the JR Lines, the Tokyo Metro Lines	Approx. a 4min. walk from Otemachi Station on several Tokyo Metro Lines and the Toei Subway Line
Features	<ul style="list-style-type: none"> <li>◆ As the surrounding area has been considered as an upper-class residential area, it seems attractive to companies which target the wealthy population or those placing importance on a locational impression.</li> <li>◆ Within one minute walk to the nearest station and a proximity to the station and good access to the central Tokyo area has an appealing power.</li> </ul>	<ul style="list-style-type: none"> <li>◆ The surrounding area has cultural facilities such as Atago Shrine, Seishoji Temple and Zojoji Temple and green space in a park (the Shiba Koen), producing a composed atmosphere for an office district.</li> <li>◆ Categorized as mid-sized building with total floor area of 2,700 tsubo, while the building's standard floor area is approximately 420 tsubo, boasting the scale similar to a large-sized building.</li> </ul>	<ul style="list-style-type: none"> <li>◆ In recent years, the zone receives increased recognition, in addition to the traffic convenience, with respect to the quality of office stock after a series of supplies of large-sized buildings due to the area redevelopment.</li> <li>◆ The shaped and astylar floors provide versatility in layouts and good usage efficiency.</li> </ul>	<ul style="list-style-type: none"> <li>◆ In recent years, the zone receives increased recognition in, in addition to the traffic convenience, with respect to the quality of office stock after a series of supplies of large-sized buildings due to the area redevelopment.</li> <li>◆ The shaped and astylar floors provide versatility in layouts and good usage efficiency.</li> </ul>	<ul style="list-style-type: none"> <li>◆ The zone is positioned as a submarket adjacent to office areas in central Tokyo, there are many cases where the buildings in the zone absorb cost-cutting demand due to the high access convenience and discounted rents. Therefore, tenants in a wide range of businesses are present.</li> <li>◆ The shaped and astylar floors provide versatility in layouts and good usage efficiency.</li> </ul>

# List of Properties : Office (5)

As of June 30, 2015

Property Name	A-21 Itohpia Iwamotocho 2-chome Building	A-22 Itohpia Iwamotocho 1-chome Building	A-23 Itohpia Iwamotocho ANNEX Building	A-24 Hisamatsucho Reeplex B's	A-25 (Tentative) FORECAST Ningyocho
Picture					
Address	Chiyoda ward, Tokyo	Chiyoda ward, Tokyo	Chiyoda ward, Tokyo	Chuo ward, Tokyo	Chuo ward, Tokyo
Acquisition Price	¥2,810 million	¥2,640 million	¥2,100 million	¥2,837 million	¥2,070 million
Appraisal Value	¥2,920 million	¥2,690 million	¥2,260 million	¥2,890 million	¥2,070 million
Appraisal NOI yield	5.0%	4.9%	5.1%	4.9%	4.8%
Occupancy rate	79.2%	100%	100%	100%	100%
Completed	Feb. 1991	Jan. 1991	Nov. 1991	Aug. 1989	Nov. 1990
PML	4.1%	9.0%	4.1%	5.6%	11.1%
Acquisition source	Third party	Third party	Third party	Third party	Third party
Access	Approx. a 3min. walk from Iwamotocho Station on the Toei Subway Line, approx. a 5min. walk from Kodenchomacho Station on the Tokyo Metro Line and approx. an 8min. walk from Kanda Station on the JR Lines and the Tokyo Metro Line	Approx. a 3min. walk from Kodenchomacho Station on the Tokyo Metro Hibiya Line, and approx. an 8min. walk from Shin-nihombashi Station on the JR Sobu Line	Approx. a 4min. walk from Iwamotocho Station on the Tokyo Metro Line, approx. a 5min. walk from Kodenchomacho Station on the Tokyo Metro Line, approx. a 9min. walk from Kanda Station on the JR Lines and the Tokyo Metro Line	Approx. a 3min. walk from Bakuroyokoyama Station on the Toei Subway Line, approx. a 3min. walk from Higashi-nihombashi Station on the Toei Subway Line and approx. a 6min. walk from Bakurocho Station on the JR Line	Approx. a 2min. walk from Suitengumae Station on the Tokyo Metro Line and approx. a 3min. walk from Ningyocho Station on the Tokyo Metro Line and the Toei Subway Line
Features	<ul style="list-style-type: none"> <li>◆ The area's function of accepting the demand from tenants seeking buildings with relatively discounted rents while being equipped with excellent access convenience and demand from those that have spilled out of the market core become a strong feature.</li> <li>◆ The power outlet capacity of 70VA/m<sup>2</sup> which is higher than standard offices that meet tenant needs.</li> </ul>	<ul style="list-style-type: none"> <li>◆ The area's function of accepting the demand from tenants seeking buildings with relatively discounted rents while being equipped with excellent access convenience and demand from those that have spilled out of the market core become a strong feature.</li> <li>◆ The power outlet capacity of 70VA/m<sup>2</sup> which is higher than standard offices that meet tenant needs.</li> </ul>	<ul style="list-style-type: none"> <li>◆ The area's function of accepting the demand from tenants seeking buildings with relatively discounted rents while being equipped with excellent access convenience and demand from those that have spilled out of the market core become a strong feature.</li> <li>◆ The power outlet capacity of 70VA/m<sup>2</sup> which is higher than standard offices that meet tenant needs.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Companies that prioritize cost tend to gather due to its discounted rent level although it's part of Chuo-ku.</li> <li>◆ A demand specific to the area can also be observed, such as many apparel wholesale companies being located in the zone as it has flourished for years centering on the textile industry.</li> </ul>	<ul style="list-style-type: none"> <li>◆ There are many small-sized buildings and few mid- and large-sized office buildings compared to adjacent zones. The supply of new buildings are also few and accumulation of office building stock is not progressing.</li> <li>◆ It is considered to have strong solicitation power in terms of proximity to the nearest station and availability of several train routes.</li> </ul>

# List of Properties : Office (6)

As of June 30, 2016

Property Name	A-26 KDX Ningyocho Building	A-27 FORECAST Shin-Tokiwabashi	A-28 Nishi-Shinjuku Sanko Building	A-29 Iidabashi Reeplex B's	A-30 FORECAST Shinagawa
Picture					
Address	Chuo ward, Tokyo	Chuo ward, Tokyo	Shinjuku ward, Tokyo	Shinjuku ward, Tokyo	Shinagawa ward, Tokyo
Acquisition Price	¥1,650 million	¥2,030 million	¥2,207 million	¥1,249 million	¥2,300 million
Appraisal Value	¥1,730 million	¥2,030 million	¥2,290 million	¥1,320 million	¥2,300 million
Appraisal NOI yield	5.0%	4.6%	4.9%	4.6%	4.7%
Occupancy rate	100%	85.3%	100%	100%	69.8%
Completed	Feb. 1984	Aug. 1991	Sep. 1987	June 1992	Feb. 1989
PML	7.1%	4.1%	12.7%	4.4%	11.6%
Acquisition source	Third party	Third party	Third party	Third party	Third party
Access	Approx. a 1min. walk from Ningyocho Station on the Tokyo Metro Hibiya Line and the Toei Subway Asakusa Line	Approx. a 4min. walk from Mitsukoshimae Station on the Tokyo Metro Lines, and approx. a 5min. walk from Shin-nihombashi Station on the JR Line	Approx. a 5min. walk from Shinjuku Station on the Seibu Shinjuku Line and approx. an 11min. walk from Shinjuku Station on the JR Lines	Approx. a 4min. walk from Iidabashi Station on the JR Chuo and Sobu Line	Approx. a 10min. walk from Shinagawa Station on the JR Lines and approx. a 5min. walk from Kitashinagawa Station on the Keikyu Main Line
Features	<ul style="list-style-type: none"> <li>◆ There are many small-sized buildings and few mid- and large-sized office buildings compared to adjacent zones. The supply of new buildings are also few and accumulation of office building stock is not progressing.</li> <li>◆ It has strong solicitation power in terms of proximity to the nearest station and accessibility to locations in Tokyo and having high visibility as facing Kinza-dori street.</li> </ul>	<ul style="list-style-type: none"> <li>◆ A concentration of domestic financial institutions (including regional banks) and pharmaceutical industry can be observed in the zone.</li> <li>◆ It has superior traffic convenience with several train routes within walking distance, it is located at Edo-Dori street, Sotobori-Dori Street intersect and highly visible.</li> </ul>	<ul style="list-style-type: none"> <li>◆ As for the features of the tenants, various customer-visiting type services related businesses including worker dispatching services and financial services targeting end users like insurance companies are concentrated within the zone. A concentration of call center operators and IT related companies can also be observed.</li> </ul>	<ul style="list-style-type: none"> <li>◆ As universities and hospitals are concentrated in the zone and neighboring areas, it can be expected to have relatively high demand for establishing sub-offices of such and demand from companies related to pharmaceutical or medical equipment.</li> <li>◆ It can also be said to have high visibility as a building facing the main street.</li> </ul>	<ul style="list-style-type: none"> <li>◆ The area was traditionally concentrated with factories and warehouses, but presently it has become a zone with top-ranking area potential even among the 23 wards of Tokyo.</li> <li>◆ The building is equipped with specifications rarely seen in usual buildings of similar size, such as 3 elevators and some floors are equipped with a shower room, etc.</li> </ul>

# List of Properties : Office (7)

As of June 30, 2016

Property Name	A-31 Nishi-Gotanda 8-chome Building	A-32 Towa Higashi-Gotanda Building	A-33 FORECAST Takadanobaba	A-34 Mejiro NT Building	A-35 Toshin Higashi-Ikebukuro Building
Picture					
Address	Shinagawa ward, Tokyo	Shinagawa ward, Tokyo	Toshima ward, Tokyo	Toshima ward, Tokyo	Toshima ward, Tokyo
Acquisition Price	¥2,210 million	¥2,033 million	¥5,550 million	¥3,094 million	¥979 million
Appraisal Value	¥2,240 million	¥2,120 million	¥5,490 million	¥3,210 million	¥1,010 million
Appraisal NOI yield	4.8%	5.2%	4.9%	5.4%	5.6%
Occupancy rate	100%	100%	100%	100%	100%
Completed	Dec. 1993	Sep. 1985	Jan. 1986	July 1990	Nov. 1989
PML	3.9%	5.1%	12.4%	6.6%	3.6%
Acquisition source	Third party	Third party	Third party	Third party	Third party
Access	Approx. a 7min. walk from Gotanda Station on the JR Yamanote Line, and approx. a 4min. walk from Osakihirokouji Station on the Tokyu Ikegami Line	Approx. a 5min. walk from Gotanda Station on the JR Line and the Tokyu Ikegami Line, and approx. a 3min. walk from Gotanda Station on the Toei Subway Line	Approx. a 6min. walk from Takadanobaba Station on the JR Yamanote Line and the Tokyu Metro Tozai Line	Approx. a 2min. walk from Zoshigaya Station on the Tokyo Metro Fukutoshin Line	Approx. a 5min. walk from Otsuka Station on the JR Yamanote Line and approx. a 4min. walk from Shin-Otsuka Station on the Tokyo Metro Marunouchi Line
Features	<ul style="list-style-type: none"> <li>◆ Demand for offices in the zone is mainly from those looking for sales offices in Tokyo and the surrounding regions, thus the business types of tenants vary widely.</li> <li>◆ The location is nearby the entrance/exit of Route 2 Shuto Expressway Megro Line. Due to this, the Property has a good access convenience by vehicles.</li> </ul>	<ul style="list-style-type: none"> <li>◆ It has the feature of taking in demand from tenants who prioritize costs utilizing factors such as access convenience of a JR station and discounted rent levels compared to central Tokyo.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Not only rental office buildings but headquarters of listed companies, etc. are also located in the area, resulting in the area providing a strong atmosphere of an office district.</li> <li>◆ It maintains competitiveness through renewal and adopted a spot network power receiving system from the viewpoint of business continuity.</li> </ul>	<ul style="list-style-type: none"> <li>◆ The train route's access convenience has improved dramatically in recent years as the mutual connection service between Tokyo Metro Fukutoshin Line and Tokyu Toyoko Line was started in 2013.</li> <li>◆ Though having a low concentration of office buildings, it is near to Zoshigaya station and has certain solicitation power over tenants who focus on image of location or car use.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Amidst a expected stable demand due to comparatively discounted rents, a moderate competitive climate is maintained as there have been no new office supplied.</li> <li>◆ Floors are regularly shaped and have no pillars, so it can be said to have flexibility in layouts and high space use efficiency. It is equipped with standard specification while it has a 2.6m of sufficient ceiling height.</li> </ul>


# List of Properties : Office (8)

As of June 30, 2016

Property Name	A-36 Mitsui Woody Building	A-37 Itabashi Honcho Building	A-38 ANTEX24 Building	A-39 Itohpia Kiyosubashidori Building	A-40 East Side Building
Picture					
Address	Koto ward, Tokyo	Itabashi ward, Tokyo	Taito ward, Tokyo	Taito ward, Tokyo	Taito ward, Tokyo
Acquisition Price	¥2,475 million	¥3,146 million	¥1,691 million	¥1,550 million	¥1,372 million
Appraisal Value	¥2,580 million	¥3,190 million	¥1,730 million	¥1,680 million	¥1,450 million
Appraisal NOI yield	5.7%	5.6%	5.2%	5.6%	5.5%
Occupancy rate	100%	100%	73.5%	100%	100%
Completed	Mar. 1990	Jan. 1993	Feb. 1988	Mar. 1988	May 1988
PML	11.9%	7.8%	3.7%	3.6%	3.6%
Acquisition source	Third party	Third party	Third party	Third party	Third party
Access	Approx. a 3min. walk from Toyocho Station on the Tokyo Metro Tozai Line	Approx. a 3min. walk from Itabashi Honcho Station on the Toei Subway Mita Line	Approx. a 9min. walk from Asakusabashi Station on the JR Line and the Toei Subway Line, and approx. an 11min. walk from Akihabara Station on the JR Line and the Tokyo Metro Line	Approx. an 8min. walk from Shin-Okachimachi Station on the Toei Subway Line and Tsukuba Express Line, approx. a 10min. walk from Asakusabashi Station on the JR Line and the Toei Subway Line	Approx. a 3min. walk from Asakusabashi Station on the JR Sobu Line and the Toei Subway Asakusa Line
Features	<ul style="list-style-type: none"> <li>◆ Due to superior access to central Tokyo, Its locational condition may have a solicitation power on demand for back-office functions of financial, IT and other companies depending on the rents. Moreover, there is also demand for establishing branch offices that supervise the eastern part of Tokyo.</li> <li>◆ It has a parking lot for 45 units (flat lot) that are sufficient compared to its building size. In this regard, the building can be said to be equipped with high solicitation power over tenants who prioritize car usage.</li> </ul>	<ul style="list-style-type: none"> <li>◆ The zone is a submarket of the adjacent Ikebukuro area and depends on the overflow of demand.</li> <li>◆ The building has a total floor space of around 2,700 tsubo and a standard floor area of around 260 tsubo. Floors are U-shaped (regularly shaped) without pillars, highly versatile in terms of layout and the building has high space use efficiency.</li> </ul>	<ul style="list-style-type: none"> <li>◆ There are many businesses that establish sales offices for covering the eastern part of Tokyo in the zone, favoring Ueno's feature as a hub.</li> <li>◆ Although its office building concentration level is low, the building faces the main street and its visibility is favorable..</li> </ul>	<ul style="list-style-type: none"> <li>◆ There are many businesses that establish sales offices for covering the eastern part of Tokyo in the zone, favoring Ueno's feature as a hub.</li> <li>◆ It is equipped with a standard specification while the power outlet capacity of 100VA/m2 which is more than double of standard offices that meet tenant needs.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Demand from companies related to manufacturers, wholesalers, etc. are observed centering on office buildings with sizable standard floor areas due to its rent level, which is inexpensive compared to central Tokyo, being preferred.</li> <li>◆ Floors are U-shaped (regularly shaped) and have flexibility in layouts and high space use efficiency.</li> </ul>

# List of Properties : Office (9)

As of June 30, 2016

Property Name	A-41 I•S Minamimorimachi Building	A-42 Sunworld Building	A-43 Marunouchi Sancho Building	A-44 MK Kojimachi Building	A-45 Toranomom Sakura Building
Picture					
Address	Osaka, Osaka	Osaka, Osaka	Nagoya, Aichi	Chiyoda ward, Tokyo	Minato ward, Tokyo
Acquisition Price	¥2,258 million	¥1,200 million	¥1,626 million	¥1,781 million	¥4,120 million
Appraisal Value	¥2,410 million	¥1,210 million	¥1,760 million	¥1,920 million	¥4,130 million
Appraisal NOI yield	5.5%	5.5%	5.9%	4.6%	3.9%
Occupancy rate	100%	100%	100%	74.0%	72.5%
Completed	Aug. 1993	Mar. 1993	July 1988	Mar. 1997	July 1983
PML	9.6%	12.0%	7.1%	4.3%	8.2%
Acquisition source	Third party	Third party	Third party	Third party	Third party
Access	Approx. a 1min. walk from Osaka Tenmangu Station on the JR Tozai Line	Approx. a 1min. walk from Yotsubashi Station on the Osaka Municipal Subway Yotsubashi Line	Approx. a 4min. walk from Marunouchi Station on the Nagoya City Subway Sakuradori and Tsurumai Lines	Approx. a 1min. walk from Kojimachi station on the Tokyo Metro Yurakucho Line and a 5min. walk from Hanzomon station on the Tokyo Metro Hanzomon Line	Approx. a 5min. walk from Onarimon station on the Toei Mita Line and Kamiyacho station on the Tokyo Metro Hibiya Line
Features	<ul style="list-style-type: none"> <li>◆ As for access convenience, Higashi-Umeda Station is one station away from Minamimorimachi Station and it is approximately a 3-minute ride on the Tanimachi Line. The Kita-Shinchi Station, Kobe area and Kita-Kawachi area (Higashi-Osaka City and Daito City) are also accessible using the Osaka Tenmangu Station. Thus, the area enjoys good access convenience.</li> <li>◆ The number of young buildings is very limited in the zone as there is almost no supply of new buildings, and 21-year old I•S Minamimorimachi Building is expected to be considered as a competitive building.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Located in the zone with a mix of retail facilities, residences and offices.</li> <li>◆ It can be said that the location is being evaluated highly due to the location being near the intersection of Nagahori-Dori and Yotsubashi-Suji streets along which there are major office buildings.</li> </ul>	<ul style="list-style-type: none"> <li>◆ In the zone, a concentration of certain businesses such as foundations, law firms, attorneys' offices and judicial scriveners' offices were observed since the old days as an administrative district is located to the north, the area seems to attract needs from tenants looking for low cost office buildings within Nagoya City recently.</li> <li>◆ The building's size as mid-sized office has advantage in the zone as many of the office buildings located in the zone are small-sized buildings.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Located in the area where quiet cityscape spread out, with a high concentration of foreign embassies and educational institutions, and condominiums lines sparsely along the main street, etc.</li> <li>◆ The building is considered to be highly competitive towards specialty service business like law firm and accounting firm etc., and management consulting company because of the close proximity to the government facilities and the public agencies.</li> </ul>	<ul style="list-style-type: none"> <li>◆ The surrounding area has cultural facilities and green space in a park, producing a composed atmosphere for an office district.</li> <li>◆ The property maintains the competitiveness as it underwent the large-scale renovation work including exterior, interior, air conditioning system and restrooms in 2008.</li> </ul>

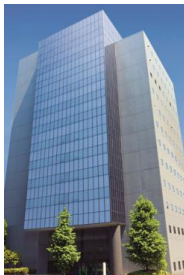




# List of Properties : Office (10)

As of June 30, 2016

Property Name	A-46 La Verite Akasaka	A-47 Kanda Ocean Building	A-48 Shinto Ginza EAST	A-49 New River Building	A-50 FORECAST Waseda FIRST
Picture					
Address	Minato ward, Tokyo	Chiyoda ward, Tokyo	Chuo ward, Tokyo	Chuo ward, Tokyo	Shinjuku ward, Tokyo
Acquisition Price	¥2,000 million	¥1,440 million	¥1,352 million	¥3,000 million	¥4,775 million
Appraisal Value	¥2,080 million	¥1,480 million	¥1,400 million	¥2,960 million	¥4,870 million
Appraisal NOI yield	4.4%	4.7%	4.6%	4.7%	4.7%
Occupancy rate	100%	100%	100%	69.5%	100%
Completed	Dec. 1986	Jan. 1990	Sep. 1990	Jan. 1990	July 1986
PML	4.5%	9.3%	5.3%	5.2%	3.5%
Acquisition source	Third party	Third party	Third party	Third party	Third party
Access	Approx. a 3min. walk from Akasaka station on the Tokyo Lines, and Approx. a 5min. walk from Nagatacho station on the Tokyo Metro Line	Approx. a 5min. walk from JR Kanda Station, Approx. a 6min. walk from Otemachi station on several Tokyo Metro Lines and the Toei Subway Line	Approx. a 2min. walk from the Tsukiji Station on the Tokyo Metro Line, Approx. a minute walk from the Shintomicho Station on the Tokyo Metro Line	Approx. a 5min. walk from Kayabacho station on the Tokyo Metro Tozai and Hibiya Lines	Approx. a 1min. walk from Waseda station on the Tokyo Metro Tozai Line
Features	<ul style="list-style-type: none"> <li>◆ There are high concentration of offices of top companies in many industries and foreign affiliated companies in the neighboring office areas, because Tokyo Broadcasting System Holdings, Inc. has its main office in the zone, offices of creative sector are also concentrated, thus the zone has solicitation power over tenants who focus on a locational impression.</li> <li>◆ The property is equipped with specifications which meet the recent tenant needs, such as OA floor and an individual air conditioning system.</li> </ul>	<ul style="list-style-type: none"> <li>◆ The zone is positioned as a submarket adjacent to office areas in central Tokyo. There are many cases where the buildings in the zone absorb cost-cutting demand, due to the high access convenience and discounted rents.</li> <li>◆ The building can meet the demand for offices in the zone by subdividing the office floors from 2nd to 4th floor into smaller parts of 5-15 tsubo through renovation works in 2013.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Mid-sized office buildings are concentrated along the artery roads such as Harumi-Dori street and Shin-Ohashi-Dori street, while small-sized buildings and condominiums are located back from such artery roads.</li> <li>◆ The property is equipped with a standard level of specifications, which can meet tenants' needs.</li> </ul>	<ul style="list-style-type: none"> <li>◆ There is a concentration of the securities companies around Nihombashi Kabutocho as Tokyo Stock Exchange is located in the zone.</li> <li>◆ The building can be said to have high solicitation power over tenants who prioritize car usage as it has a parking lot for 26 unit.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Waseda Middle School, High School and University are located around the station and residential district spread out in the surrounding area, thus a demand is recognized from tenants related to Waseda and from service businesses for students, etc. within the area.</li> <li>◆ As the limited supply of office buildings around the station means a rarity, It can be highly evaluated from the tenants related to education, such as various schools.</li> </ul>





# List of Properties : Office (11)

As of June 30, 2016





Property Name	A-51 FORECAST Gotanda WEST	A-52 Omiya Center Building	A-53 Sumitomo Mitsui Bank Koraibashi Building	A-54 NORE Fushimi	A-55 NORE Meieki
Picture					
Address	Shinagawa ward, Tokyo	Saitama, Saitama	Osaka, Osaka	Nagoya, Aichi	Nagoya, Aichi
Acquisition Price	¥6,520 million	¥15,585 million	¥2,850 million	¥2,840 million	¥2,520 million
Appraisal Value	¥6,740 million	¥16,700 million	¥2,890 million	¥3,020 million	¥2,660 million
Appraisal NOI yield	4.6%	5.1%	5.1%	5.2%	5.3%
Occupancy rate	100%	98.6%	98.6%	100%	100%
Completed	Sep. 1989	Mar. 1993	Mar. 1994	Nov. 2006	Jan. 2007
PML	2.3%	2.0%	7.6%	4.5%	4.2
Acquisition source	Third party	Third party	Third party	Third party	Third party
Access	Approx. a 6min. walk from Osakihirokoji station on the Tokyu Line, and Approx. a 9min. walk from Gotanda station on the JR Line, the Toei Subway Line and the Tokyu Line	Approx. a 3min. walk from Omiya station on the JR Lines	Approx. a 2min. walk from Kitahama station on the Keikyu Keihan Line and the Osaka City Subway Sakaisuji Line	Approx. a 5min. walk from Fushimi station on the Nagoya City Subway Line, Approx. an 11min. walk from Nagoya station on the JR Line	Approx. a 7min. walk from Fushimi station on the Nagoya City Subway Line, Approx. a 10min. walk from Nagoya station on the JR Line
Features	<ul style="list-style-type: none"> <li>◆ Demand for offices in the zone is mainly from those looking for sales offices in Tokyo and the surrounding regions, thus the business types of tenants vary widely.</li> <li>◆ The total floor space of about 4,100 tsubo and the standard floor space of about 230 tsubo. The property has an appealing power in terms of size primarily targeting at potential tenants requiring a certain space.</li> <li>◆ The property has a parking lot for 43 cars and is located near the exit of Metropolitan Expressway Route 2 (the Meguro Route), both of which also constitute an appealing power.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Office buildings in Omiya Nishiguchi zone attract strong demand from potential tenants which are intended to use them as a branch administering the Northern Kanto and Joshinetsu regions or an office in the Saitama City, because of its advantages as a base.</li> <li>◆ The property is expected to be evaluated highly in terms of its size as it is categorized as mid-sized building with the total floor space of about 6,700 tsubo and the standard floor space of about 330 tsubo.</li> </ul>	<ul style="list-style-type: none"> <li>◆ It is considered as a sub market for areas around Mido-Suji street, stretching from Yodoyabashi station on the Keihan Electric Railway Main Line and the Osaka Municipal Subway Mido-Suji Line.</li> <li>◆ The ceiling height of the office parts is about 2.5m. The property is equipped with specifications which meet the recent tenant needs, such as a free-access floor and an individual air conditioning system.</li> </ul>	<ul style="list-style-type: none"> <li>◆ In the Fushimi zone, offices of financial institutions are concentrated due to the proximity to the Bank of Japan Nagoya Branch on the north side, while headquarters of Daido Metal, Okaya and Sintokogyo are located there and offices of other manufacturers using commercial vehicles are concentrated.</li> <li>◆ It has the slightly greater size than that of buildings in the volume zone. The property has an appealing power as an office building due to the fact that it is a younger building, in addition to the reason above.</li> </ul>	<ul style="list-style-type: none"> <li>◆ The Meieki zone enjoys excellent traffic convenience as Nagoya Station is a hub of the city's transportation network connected to the JR Lines, the Meitetsu Lines, the Kintetsu Line, the Nagoya City Subway Higashiyama Line and other routes.</li> <li>◆ The property has an appealing power as an office building as it is newly built.</li> </ul>





# List of Properties : Residence (1)

Property Name	B-1 Tower Court Kitashinagawa	B-2 Sky Hills N11	B-3 my atria Meieki	B-4 my atria Sakae
Picture				
Address	Shinagawa ward, Tokyo	Sapporo , Hokkaido	Nakamura ward, Nagoya, Aichi	Naka ward, Nagoya, Aichi
Acquisition Price	¥11,880 million	¥1,570 million	¥1,280 million	¥1,110 million
Appraisal Value	¥12,900 million	¥1,670 million	¥1,430 million	¥1,190 million
Appraisal NOI yield	5.0%	6.7%	5.7%	5.7%
Occupancy rate	94.4%	100%	99.1%	100%
Completed	Feb. 2009	Mar. 2001	Mar. 2006	Mar. 2007
PML	2.6%	1.3%	4.4%	4.1%
Acquisition source	Sponsors	Third party	Third party	Third party
Access	Approx. a 4min. walk from Shimbamba Station on the Keikyu Main Line.	Approx. a 2min. walk from Kita-12-jo Station on the Sapporo City Subway Nanboku Line.	Approx. a 5min. walk from Kokusai Center Station on the Nagoya City Subway Sakura-Dori Line, and approx. an 8min. walk from Nagoya Station of various lines.	Approx. a 7min. walk From Osu-Kannon Station on Nagoya City Subway Tsurumai Line.
Features	<ul style="list-style-type: none"> <li>◆ The property has relatively good traffic convenience, as it is approx. 4min. walk to the nearest station, and it takes approx. 20min. by train from the station to central Tokyo</li> <li>◆ The building is relatively new tower condominium having 36 floors, completed in 2009. It has a competitive edge both in terms of the facilities and specifications compared with condominiums in the vicinity</li> </ul>	<ul style="list-style-type: none"> <li>◆ The property has good traffic convenience, as it is approx. a 2min. walk from the nearest station, and approx. a 10min. walk from Sapporo Station on the JR Lines</li> <li>◆ As it is in close proximity to Hokkaido University, it has a comparable competitive edge as a rental condominium for students because of close proximity to Hokkaido University</li> </ul>	<ul style="list-style-type: none"> <li>◆ The property has good traffic convenience as it is approx. a 5min. walk from the nearest station, and a 8min. walk from Nagoya Station</li> <li>◆ It has a competitive advantage in terms of living environment, with an abundance of living convenience facilities around Nagoya Station. Stable demand for rental condominiums for singles, primarily from commuters to the central area of Nagoya City, can be expected</li> </ul>	<ul style="list-style-type: none"> <li>◆ The property is located almost in the middle between the Sakae district and the Meieki district, the two largest thriving towns in Nagoya City</li> <li>◆ It offers the convenience of life and stable demand for rental condominiums for singles, primarily from commuters to the central area of Nagoya City, can be expected</li> </ul>

# List of Properties : Residence (2)

Property Name	B-5 Mac Village Heian	B-6 Seam Dwell Tsuitsui	B-7 Ciel Yakuin	B-8 Kanda Reeplex R's
Picture				
Address	Kita ward, Nagoya, Aichi	Higashi ward, Nagoya, Aichi	Chuo ward, Fukuoka, Fukuoka	Chiyoda ward, Tokyo
Acquisition Price	¥785 million	¥695 million	¥640 million	¥1,813 million
Appraisal Value	¥849 million	¥767 million	¥687 million	¥1,870 million
Appraisal NOI yield	6.0%	5.9%	5.5%	4.8%
Occupancy rate	100%	100%	95.8%	97.9%
Completed	Sep. 2006	Feb. 2007	Mar. 2005	Jan. 2006
PML	3.2%	5.0%	5.4%	4.4%
Acquisition source	Third party	Third party	Third party	Third party
Access	Approx. a 4min. walk from Heian-Dori Station on the Nagoya City Subway Mejiro Line and Ozone Station on various lines	Approx. a 3min. walk from Kurumamichi Station on Nagoya City Subway Sakura-Dori Line	Approx. a 2min. walk from Yakuin Station on Nishitetsu (Nishi-Nippon Railroad) Tenjin-Omuta Line	Approx. a 3min. walk from Awajicho Station on the Tokyo Metro Marunouchi Line
Features	<ul style="list-style-type: none"> <li>◆ The property has good traffic convenience as it is approx. 4min. walk from the nearest station and is approx. 9min. walk from Ozone Station, the terminal station</li> <li>◆ There is an abundance of living convenience facilities near the property. Stable demand for rental condominiums for singles, primarily from commuters to the central area of Nagoya City, can be expected</li> </ul>	<ul style="list-style-type: none"> <li>◆ The property has relatively good traffic convenience as it is approx. 3min. walk from the nearest station</li> <li>◆ It has a competitive advantage in terms of living environment, with convenience stores and other facilities available in the neighborhood. Stable demand for rental condominiums for singles, primarily from commuters to the central area of Nagoya City, can be expected</li> </ul>	<ul style="list-style-type: none"> <li>◆ The property has the convenience of transportation and living, and is within walking distance from Tenjin, the central part of Fukuoka City</li> <li>◆ It has a competitive advantage strong enough to absorb demand from singles, primarily workers commuting to the central parts of Fukuoka City</li> </ul>	<ul style="list-style-type: none"> <li>◆ The property has excellent access convenience to central Tokyo, as it takes approximately 2-minutes from the station to Otemachi station and several stations and train routes are available.</li> <li>◆ The building is a rental condominium for singles and small households, and relatively young age should be a certain competitive edge in this area compared to other condominiums in the vicinity.</li> </ul>

# List of Properties : Retail

Property Name	C-1 Otakibashi Pacifica Building	C-2 Komyoike Act
Picture		
Address	Shinjuku ward, Tokyo	Sakai, Osaka
Acquisition Price	¥3,350 million	¥2,063 million
Appraisal Value	¥3,450 million	¥2,160 million
Appraisal NOI yield	4.3%	6.4%
Occupancy rate	100%	96.1%
Completed	Oct. 2008	Apr. 1988
PML	4.6%	12.7%
Acquisition source	Third party	Third party
Access	Approx. a 5min. walk of JR Shinjuku Station	Approx. a 2min. walk from the south exit of Komyoike Station on the Semboku Rapid Railway
Features	<ul style="list-style-type: none"> <li>◆ Offices and vocational schools are located in the area where the building is situated and the Otakibashi-Dori Street has heavy pedestrian traffic mainly by students and office workers for small- and mid-sized companies. Thus, the location can be said to be suitable especially for restaurants and service businesses.</li> <li>◆ The building is decorated with wood-tone louvers, and the creative design not seen in the surroundings catches people's eyes.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Semboku New Town was developed during 1965 to 1982 in the Semboku region. Residential areas are concentrated along Semboku Rapid Railway and a "new town" market with high residential density is created around the station front.</li> <li>◆ The property is the retail facility nearest to the station among those connected to the station by the deck, It is superior in terms of convenience and the visibility is also favorable.</li> </ul>

## Total

Office	
Acquisition Price	¥179,666 million
Appraisal Value	¥190,270 million
Appraisal NOI Yield	4.9%
Occupancy rate	95.6%

Residence	
Acquisition Price	¥19,773 million
Appraisal Value	¥21,363 million
Appraisal NOI yield	5.3%
Occupancy rate	97.2%

Retail	
Acquisition Price	¥5,413 million
Appraisal Value	¥5,610 million
Appraisal NOI yield	5.1%
Occupancy rate	96.8%

Total	
Acquisition Price	¥204,852 million
Appraisal Value	¥217,243 million
Appraisal NOI yield	4.9%
Occupancy rate	95.9%
Portfolio PML	4.0%

# Balance Sheets

(Yen in thousands)	The 7th Fiscal Period (as of December 31, 2015)	The 8th Fiscal Period (as of June 30, 2016)
<b>Assets</b>		
<b>Current Assets</b>		
Cash and deposits	4,357,068	3,735,973
Cash and deposits in trust	11,764,110	11,906,745
Tenant receivables	126,082	128,226
Prepaid expenses	340,299	356,318
Deferred tax assets	3	–
Income taxes refundable	1,586	–
Consumption taxes refundable	606,571	–
Other current assets	274	3,479
Allowance for doubtful accounts	(0)	(0)
<b>Total Current Assets</b>	<b>17,195,997</b>	<b>16,130,743</b>
<b>Non-Current Assets</b>		
<b>Property, plant and equipment</b>		
Buildings in trust	47,703,906	47,963,163
Accumulated depreciation	(2,621,440)	(3,356,559)
Buildings in trust, net	45,082,466	44,606,603
Structures in trust	146,869	148,697
Accumulated depreciation	(19,834)	(24,249)
Structures in trust, net	127,034	124,447
Machinery and equipment in trust	18,705	20,277
Accumulated depreciation	(1,067)	(2,023)
Machinery and equipment in trust, net	17,638	18,254
Tools, furniture and fixtures trust	23,982	33,979
Accumulated depreciation	(2,146)	(4,351)
Tools, furniture and fixtures in trust, net	21,835	29,628
Land in trust	147,626,494	147,626,696
<b>Total property, plant and equipment</b>	<b>192,875,469</b>	<b>192,405,630</b>
<b>Intangible assets</b>		
Leasehold rights in trust	15,806,025	15,806,402
<b>Total intangible assets</b>	<b>15,806,025</b>	<b>15,806,402</b>
<b>Investments and other assets</b>		
Investment securities	104,015	835,615
Lease and guarantee deposits	10,110	10,110
Long-term prepaid expenses	610,811	613,474
Other	31,118	40,786
<b>Total investments and other assets</b>	<b>756,055</b>	<b>1,499,986</b>
<b>Total Non-Current Assets</b>	<b>209,437,549</b>	<b>209,712,019</b>
<b>Total Assets</b>	<b>226,633,547</b>	<b>225,842,763</b>

(Yen in thousands)	The 7th Fiscal Period (as of December 31, 2015)	The 8th Fiscal Period (as of June 30, 2016)
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	815,105	608,203
Long-term debt due within one year	19,400,000	21,600,000
Accrued expenses	229,591	203,011
Income taxes payable	–	399
Accrued consumption taxes	–	173,668
Deferred tax liabilities	–	669
Advances received	1,036,627	1,095,942
Other current liabilities	419,616	443,197
<b>Total current liabilities</b>	<b>21,900,940</b>	<b>24,125,092</b>
<b>Long-Term Liabilities</b>		
Long-term debt	85,070,000	81,970,000
Tenant security deposits in trust	7,380,495	7,481,160
Deferred tax liabilities	–	2,767
<b>Total Long-Term Liabilities</b>	<b>92,450,495</b>	<b>89,453,927</b>
<b>Total Liabilities</b>	<b>114,351,435</b>	<b>113,579,020</b>

<b>Net Assets</b>		
<b>Unitholders' equity</b>		
Unitholders' capital	109,285,298	109,285,298
<b>Surplus</b>		
Unappropriated retained earnings (undisposed loss)	2,996,813	2,971,047
<b>Total surplus</b>	<b>2,996,813</b>	<b>2,971,047</b>
<b>Total unitholders' equity</b>	<b>112,282,111</b>	<b>112,256,346</b>
<b>Valuation and translation adjustments</b>		
Deferred gains or losses on hedges	–	7,395
<b>Total valuation and translation adjustments</b>	<b>–</b>	<b>7,395</b>
<b>Total Net Assets</b>	<b>112,282,111</b>	<b>112,263,742</b>
<b>Total Liabilities and Net Assets</b>	<b>226,633,547</b>	<b>225,842,763</b>

# Income Statements

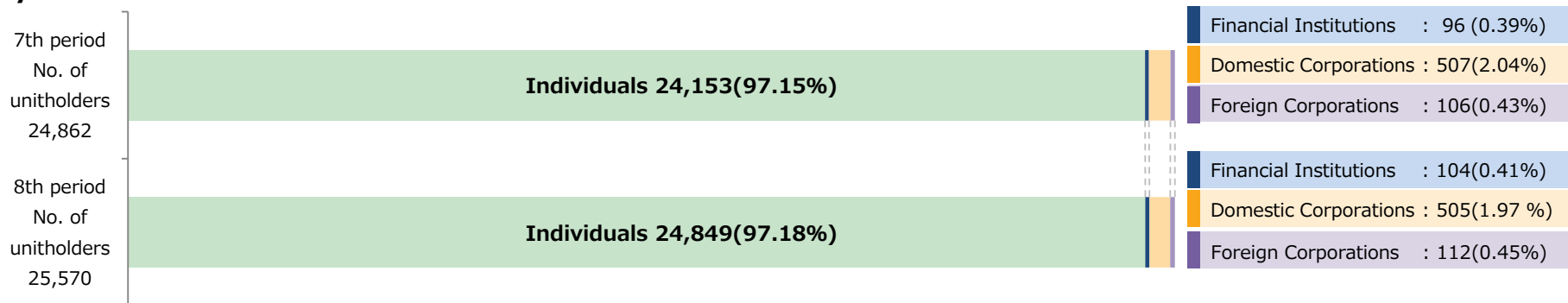
(Yen in thousands)	The 7th Fiscal Period (from July 1, 2015 to Dec. 31, 2015)	The 8th Fiscal Period (from Jan. 1, 2016 to June 30, 2016)
<b>Operating Revenues</b>		
Rental revenues	6,011,649	5,978,263
Other revenues related to property leasing	660,827	622,699
Dividend income	9,874	6,283
<b>Total Operating Revenues</b>	<b>6,682,351</b>	<b>6,607,246</b>
<b>Operating Expenses</b>		
Property-related expenses	2,343,286	2,631,928
Asset management fees	449,570	511,448
Asset custody fees	10,616	12,887
Administrative service fees	43,286	49,751
Directors' compensation	1,920	2,160
Independent auditors' fees	13,900	13,000
Other operating expenses	113,231	98,266
<b>Total Operating Expenses</b>	<b>2,975,811</b>	<b>3,319,442</b>
<b>Operating Income</b>	<b>3,706,539</b>	<b>3,287,804</b>
<b>Non-Operating income</b>		
Interest income	1,242	1,576
Refunded consumption taxes	–	117,700
Interest on refund	1,883	1,527
<b>Total non-operating Revenues</b>	<b>3,125</b>	<b>120,805</b>
<b>Non-Operating Expenses</b>		
Interest expense	288,328	256,152
Borrowing related expenses	291,462	207,946
Investment unit issuance expenses	160,447	–
Loss on valuation of derivatives	13	–
<b>Total Non-Operating Expenses</b>	<b>740,251</b>	<b>464,099</b>
<b>Ordinary Income</b>	<b>2,969,414</b>	<b>2,944,509</b>
<b>Extraordinary Income</b>		
Subsidy income	–	53,077
<b>Total extraordinary income</b>	<b>–</b>	<b>53,077</b>
<b>Extraordinary Losses</b>		
Loss on reduction of non-current assets	–	52,776
<b>Total extraordinary losses</b>	<b>–</b>	<b>52,776</b>
<b>Income Before Income Taxes</b>	<b>2,969,414</b>	<b>2,944,810</b>
Income taxes – current	682	641
Income taxes – deferred	(1)	2
<b>Total income taxes</b>	<b>681</b>	<b>643</b>
<b>Net Income</b>	<b>2,968,733</b>	<b>2,944,167</b>
Retained Earnings at Beginning of Period	28,079	26,880
<b>Retained Earnings at End of Period</b>	<b>2,996,813</b>	<b>2,971,047</b>

# Unitholder Compositions

## ■ By Number of Unit



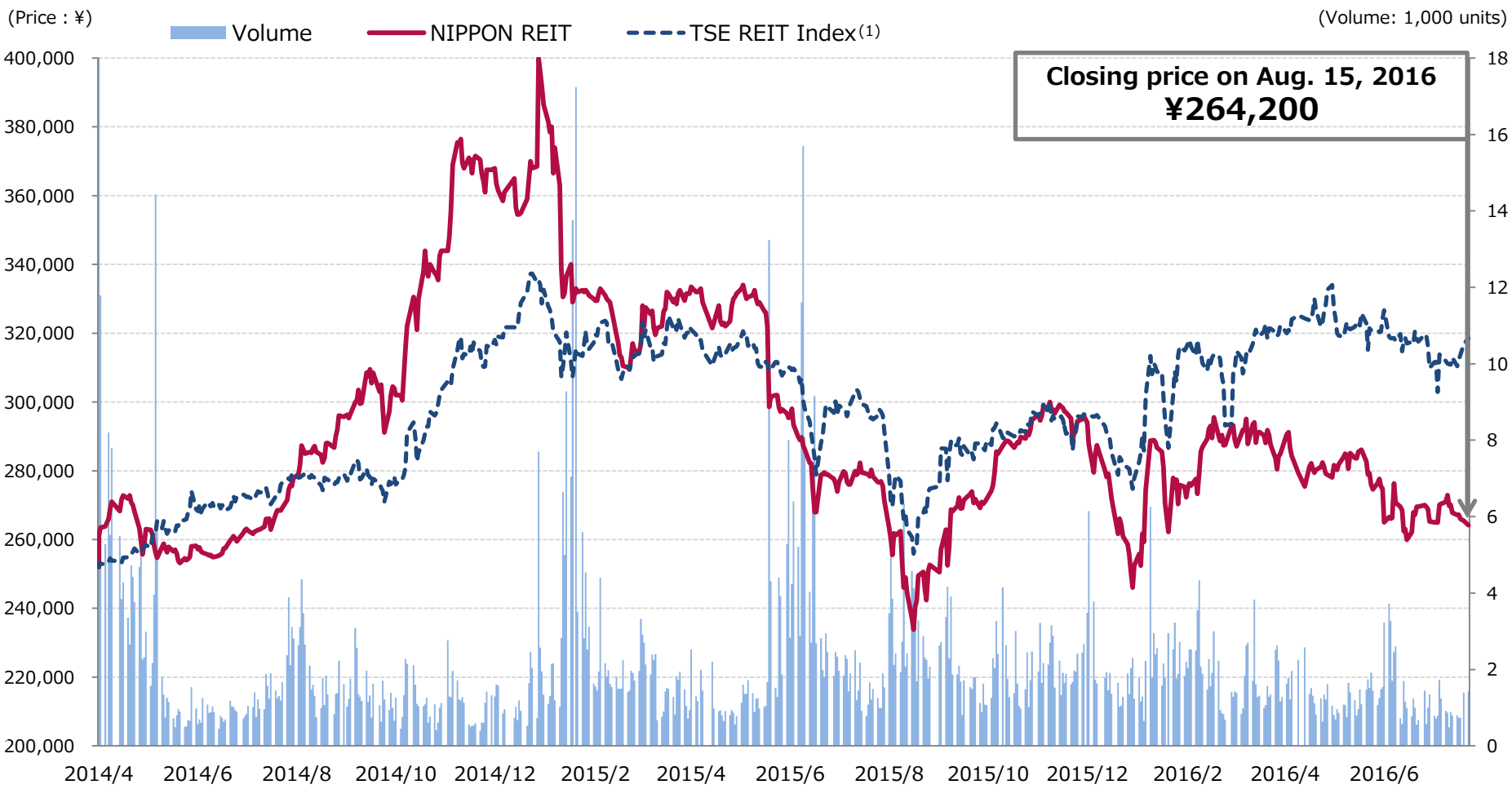
## ■ By Number of Unitholder



## ■ Top 10 Major Unitholders (8th Period)

	Name	Number of unit	Share		Name	Number of unit	Share
1	Japan Trustee Services Bank, Ltd. (Trust Account)	66,675	17.02%	6	NOMURA BANK (LUXEMBOURG) S.A.	5,751	1.47%
2	Trust & Custody Service Bank, Ltd.(Securities Investment Trust Account)	23,658	6.04%	7	STATE STREET BANK AND TRUST COMPANY 505001	4,452	1.14%
3	The Master Trust Bank of Japan, Ltd. (Trust Account)	21,358	5.45%	8	MSIP CLIENT SECURITIES	4,371	1.10%
4	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	16,597	4.23%	9	THE BANK OF NEW YORK MELLON (INTERNATIONAL) LIMITED 131800	3,133	0.80%
5	Sojitz Corporation	15,500	3.95%	10	SBI Securities Co., Ltd.	2,428	0.62%
<b>Total</b>						<b>163,869</b>	<b>41.83%</b>

# Historical Unit Price



Note  
1. TSE REIT Index is indexed to the IPO issue price of NIPPON REIT on April 24, 2014 (¥252,000)

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