



# Premier Investment Corporation

Fiscal Period

**28**

(6-month Period Ended October 2016)

# Earnings Presentation

# Table of Contents

## Fiscal Period 28 Earnings Report

■ Fiscal Period 28 Earnings Overview	P.02	■ Residential: Rent Revisions	P.16
■ Fiscal Period 28 Earnings Overview (Major Indicators)	P.03	■ Apartment Rent Trends in Tokyo	P.17
■ DPU Analysis (Comparison to Results from Previous Period)	P.04	■ Tokyo Population Statistics	P.18
■ DPU Analysis (Comparison to Forecast)	P.05	■ Financial Information	P.19
■ Strengthening Sponsor Ties (FP 29)	P.06	■ Status of Interest-bearing Liabilities	P.20
■ Status of the Portfolio	P.07	■ List of Borrowings	P.21
■ Growth in Asset Size	P.08	■ Lenders, Bonds and Ratings	P.22
■ Office: Tenant Turnover and Occupancy Rates	P.09	■ Change in Book Value and Appraisal Values	P.23
■ Office: Rent Revisions	P.10	■ Appraisal Values (Comparison to Previous Period)	P.24
■ Office: Rent Analysis (Greater Tokyo)	P.11	■ Performance Forecasts for Fiscal Periods 29 and 30	P.25
■ Office: Lease Renewals Schedule (Greater Tokyo)	P.12	■ Occupancy Rates Assumptions for FP 29 and 30 Forecasts	P.26
■ Office: Status of Tenants	P.13	■ DPU Forecasts for Fiscal Periods 29 and 30	P.27
■ Office: Market Trends in Tokyo	P.14	■ Strategy of Premier Investment Corporation (PIC)	P.28
■ Residential: Tenant Turnover and Occupancy Rates	P.15	■ (Reference) Enhancing Competitiveness with Value-added Renovations	P.29

## Supplementary Data on Fiscal Period 28 Earnings

■ Fiscal Period 28 Balance Sheet	P.31	■ Basic Information on Properties	P.43
■ Fiscal Period 28 Income Statement and Statement of Unitholders' Equity	P.32	■ Acquisition of Environmental Certifications from Third Party Institutions	P.47
■ Fiscal Period 29 Income Statement (Forecast)	P.33	■ Investment Unit Price and Distribution per Unit	P.48
■ Performance Forecast Assumptions	P.34	■ Status of Unitholders	P.49
■ P/L by Property	P.35	■ Features of PIC	P.50
■ Appraisal Values	P.39	■ Terminology Used in this Presentation	P.52
■ Monthly Occupancy Rates	P.41	■ Disclaimers	P.53

# Fiscal Period 28 Earnings Overview

(million yen)

	Actual			Forecast *1	
	FP 27 (Ended Apr. 2016) [1]	FP 28 (Ended Oct. 2016) [2]	Change [2]-[1]	[3]	Change [2]-[3]
Operating revenues	8,094	8,423	+ 328	8,333	+ 89
Gain on property sale	-	-	-	-	-
Operating expenses	4,344	4,582	+ 237	4,597	- 15
Operating income	3,749	3,840	+ 91	3,736	+ 104
Real estate rental income	3,897	3,949	+ 51	3,865	+ 83
Ordinary income	3,241	3,338	+ 96	3,228	+ 109
Net Income	3,240	3,335	+ 95	3,227	+ 108
Rental NOI	5,597	5,723	+ 125	5,615	+ 107
FFO	4,538	4,656	+ 118	4,545	+ 111
Reserve for reduction entry					
Provisions	-	-	-	-	-
Reversals	-	-	-	-	-
Balance (after profit appropriation)	260	260	-	260	-
Distribution per unit	2,460 yen	2,533 yen	+ 73 yen	2,450 yen	+ 83 yen
Number of investment properties	59	59	-	59	-

\*1 Here, "Forecast" refers to the forecast of the operating environment in FP 28 disclosed in the release published June 17, 2016, entitled, "Financial Report for the 27th Fiscal Period Ended April 30, 2016."

# Fiscal Period 28 Earnings Overview (Major Indicators)

## Average Occupancy Rate

	FP 27 (Ended Apr. 2016)	FP 28 (Ended Oct. 2016)
Office	97.0%	97.3%
Residential	96.6%	97.0%
Total	96.9%	97.2%

## Borrowings (intra-period change)

	Repaid	Borrowed
Amount	15.5 bn yen	14.5 bn yen
Average interest rate *1	0.42%	0.39%
Average loan duration	2.2 years	4.8 years

## NOI Yield

	FP 27 (Ended Apr. 2016)	FP 28 (Ended Oct. 2016)
Office	5.1%	5.2%
Residential	4.9%	4.9%
Total	5.0%	5.1%

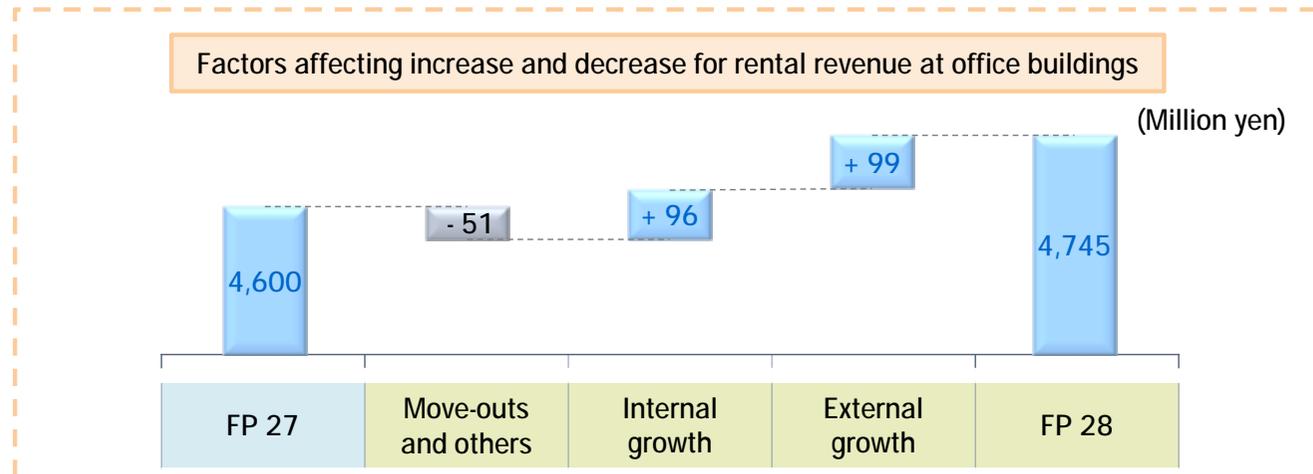
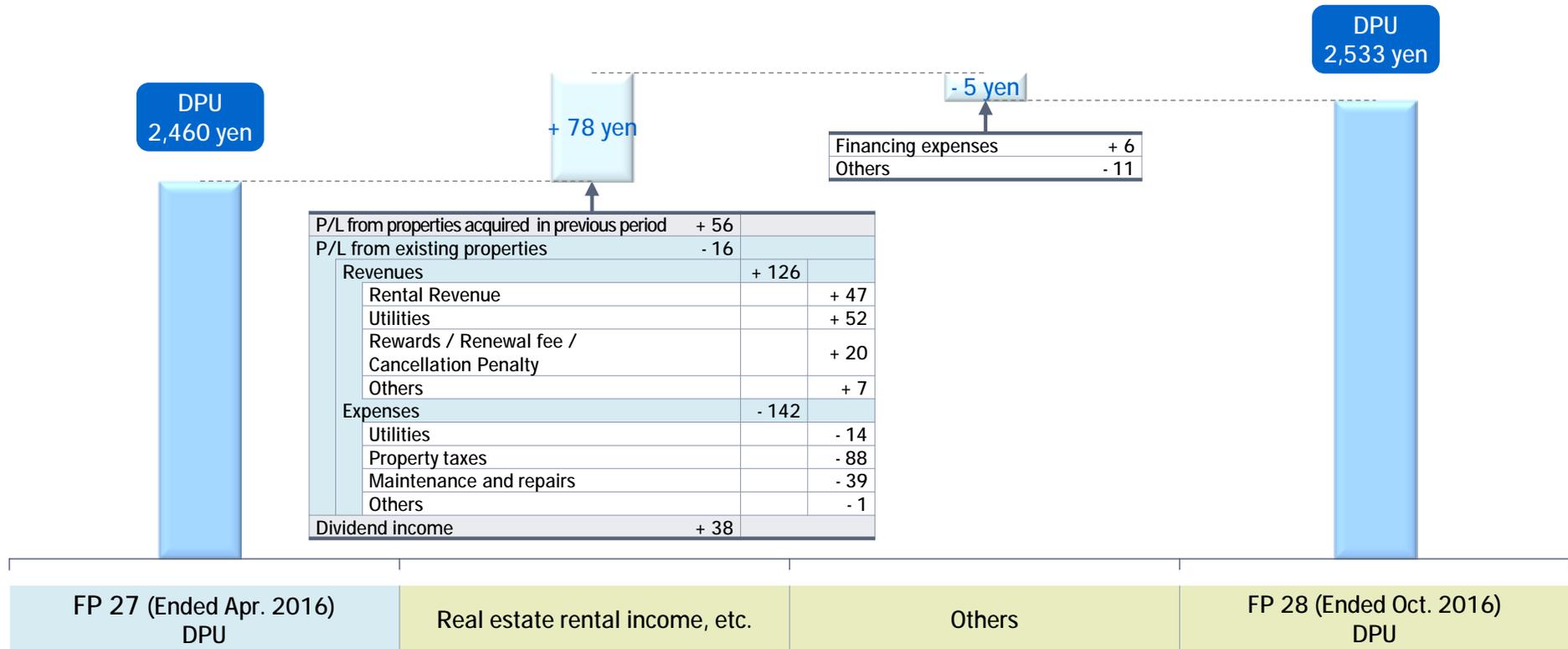
## Interest-bearing Liabilities

	FP 27 (Ended Apr. 2016)	FP 28 (Ended Oct. 2016)
LTV (Loan To Value)	46.9%	46.7%
Average interest rate *2	0.83%	0.83%
Average remaining maturity on debt	3.2 years	3.4 years

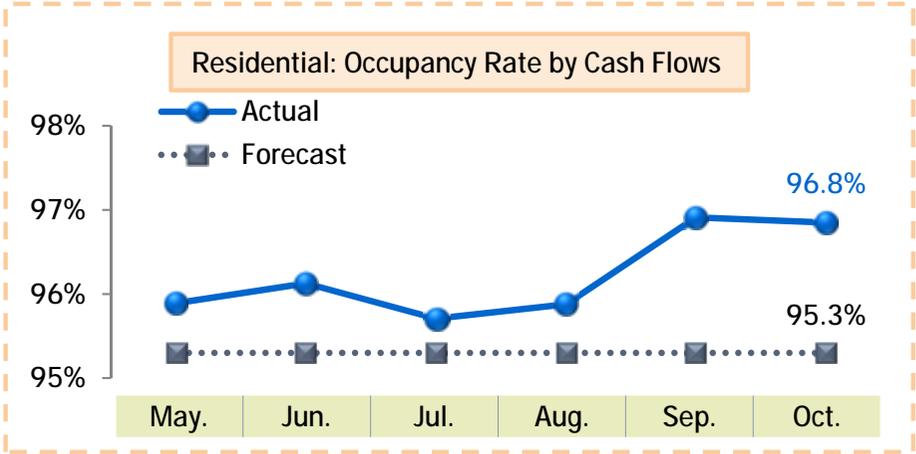
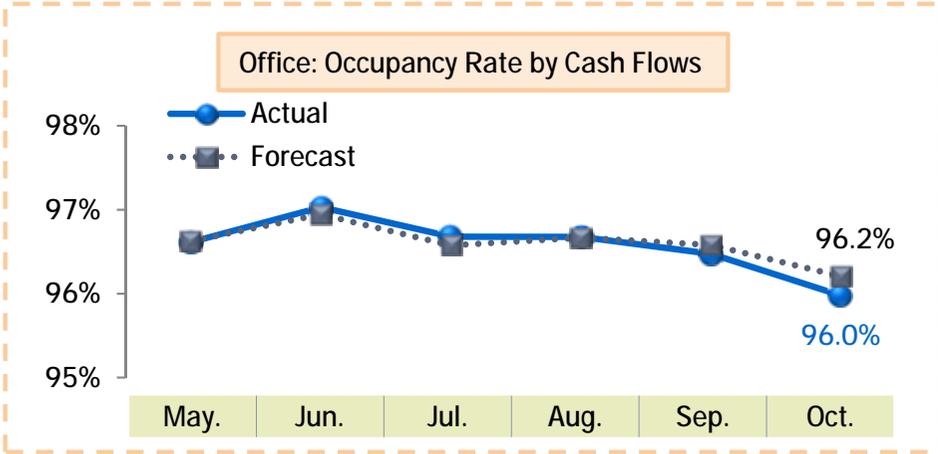
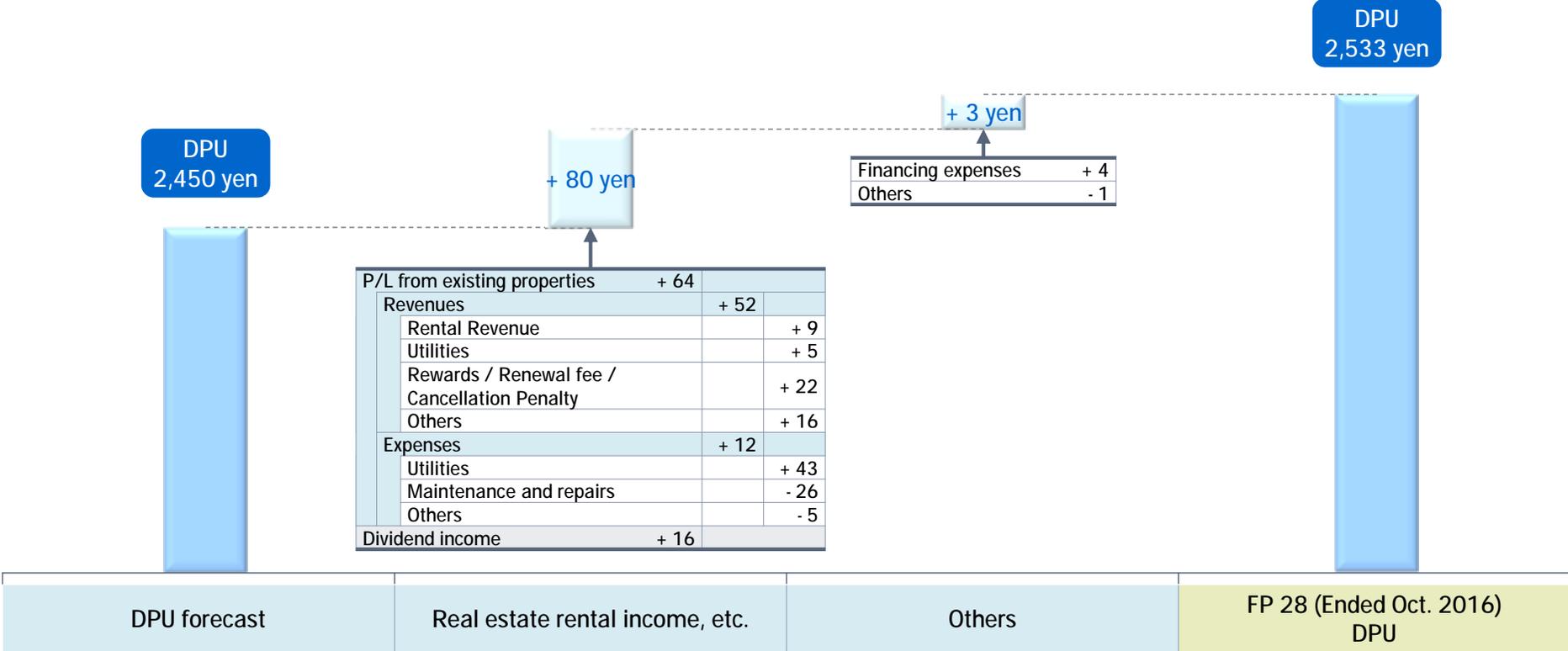
\*1 The average interest rate for borrowings with floating interest rates is calculated using the applicable interest rate from the time of repayment or procurement.

\*2 Calculated using the interest rate in effect as of the end of the applicable fiscal period.

# DPU Analysis (Comparison to Results from Previous Period)



# DPU Analysis (Comparison to Forecast)



\*1 Here, "Forecast" refers to the forecast of the operating environment in FP 28 disclosed in the release published June 17, 2016, entitled, "Financial Report for the 27th Fiscal Period Ended April 30, 2016."

# Strengthening Sponsor Ties (FP 29)

- Upgraded portfolio by swapping Osaka assets with NTT Urban Development.

## Bought from NTT UD

Property name (Location)	Urban Ace Higobashi Bldg. (Osaka City)
	
Asset type	Office
Acquisition price	4,600 million yen
(Appraisal value at acquisition)	4,810 million yen
Site	1,663 m <sup>2</sup>
Gross floor area *1	11,561 m <sup>2</sup> (exclusively-owned section)
Building age (at acquisition)	19.7 years
Occupancy rate (at acquisition)*2	100%
Appraisal NOI yield	5.1%



## Sold to NTT UD

Property name (Location)	Tradepia Yodoyabashi (land) (Osaka City)
	
Asset type	Office
Sale price	6,700 million yen
Gain on property sale (estimate)	138 million yen
Site	6,517 m <sup>2</sup>
Occupancy rate (as of end of FP 28)	100%
Rental NOI yield (FP 28)	4.0%

\*1 This property is structured as a co-ownership building. The REIT is acquiring the exclusively-owned section associated with office space between floors B2 and 15.

\*2 Occupancy rate is shown as of the end of October 2016



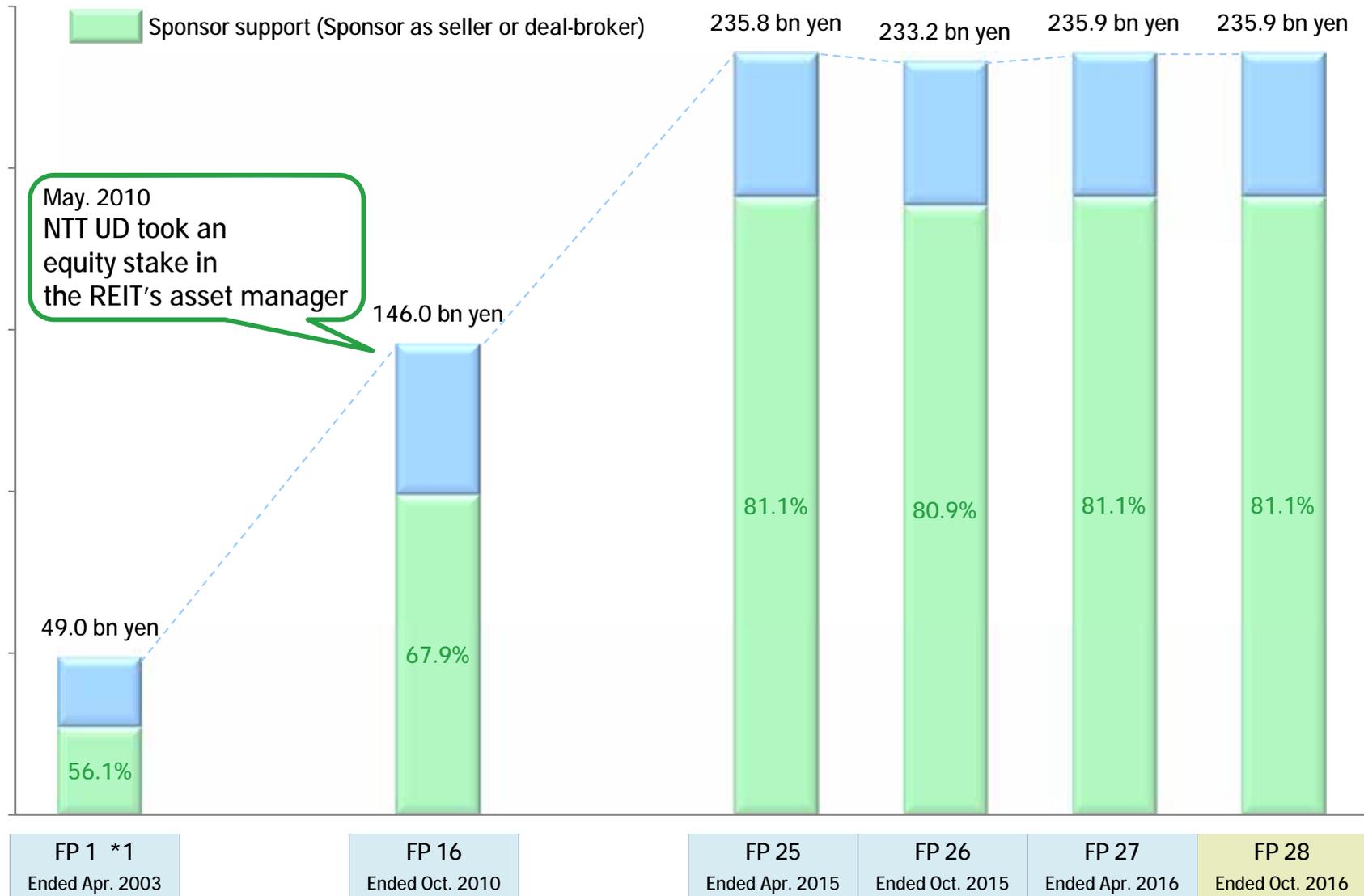
# Status of the Portfolio



		FP 27 (Ended Apr. 2016)	FP 28 (Ended Oct. 2016)
Number of properties		59	59
Asset size		235.9 billion yen	235.9 billion yen
Average age across portfolio		20.4 years	20.9 years
Distribution of the Portfolio	By asset type		
	By geographical area		
NOI yields		5.0%	5.1%
Yields after depreciation		3.8%	4.0%



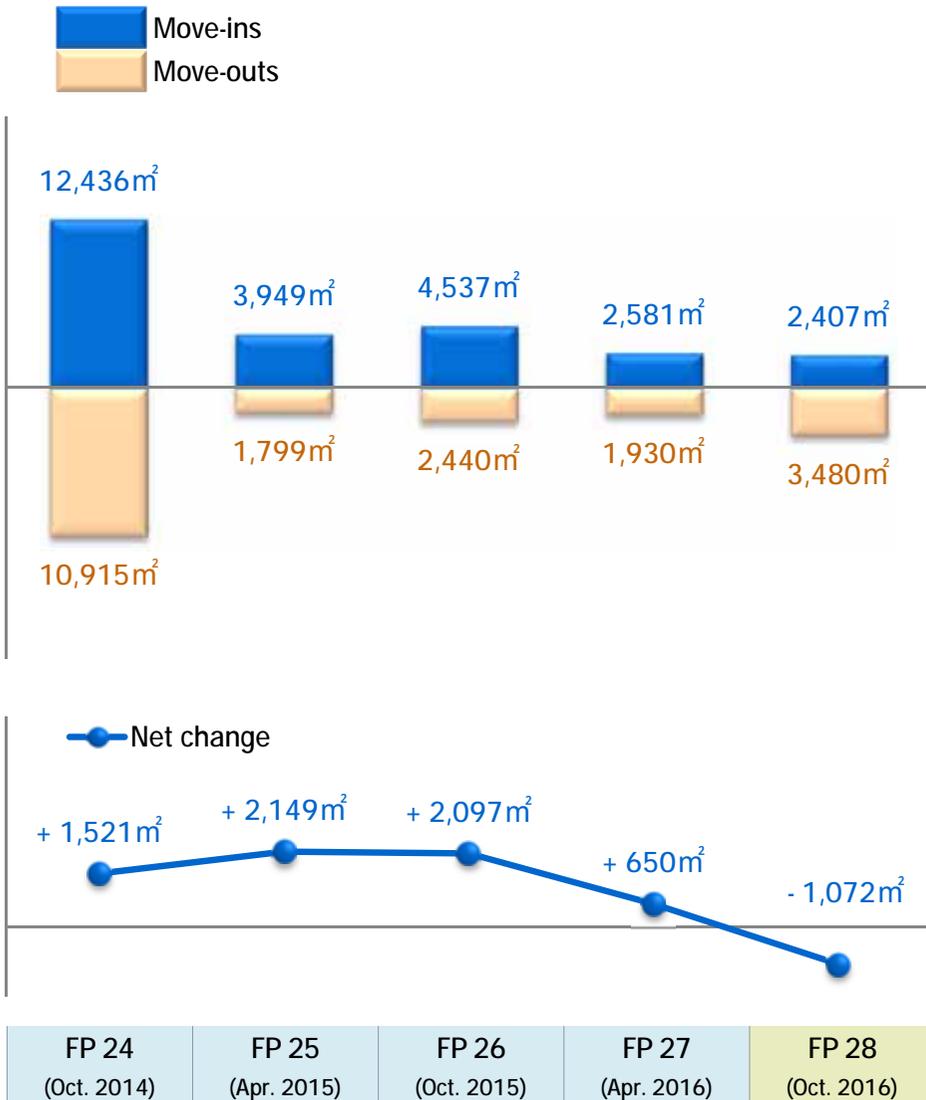
# Growth in Asset Size



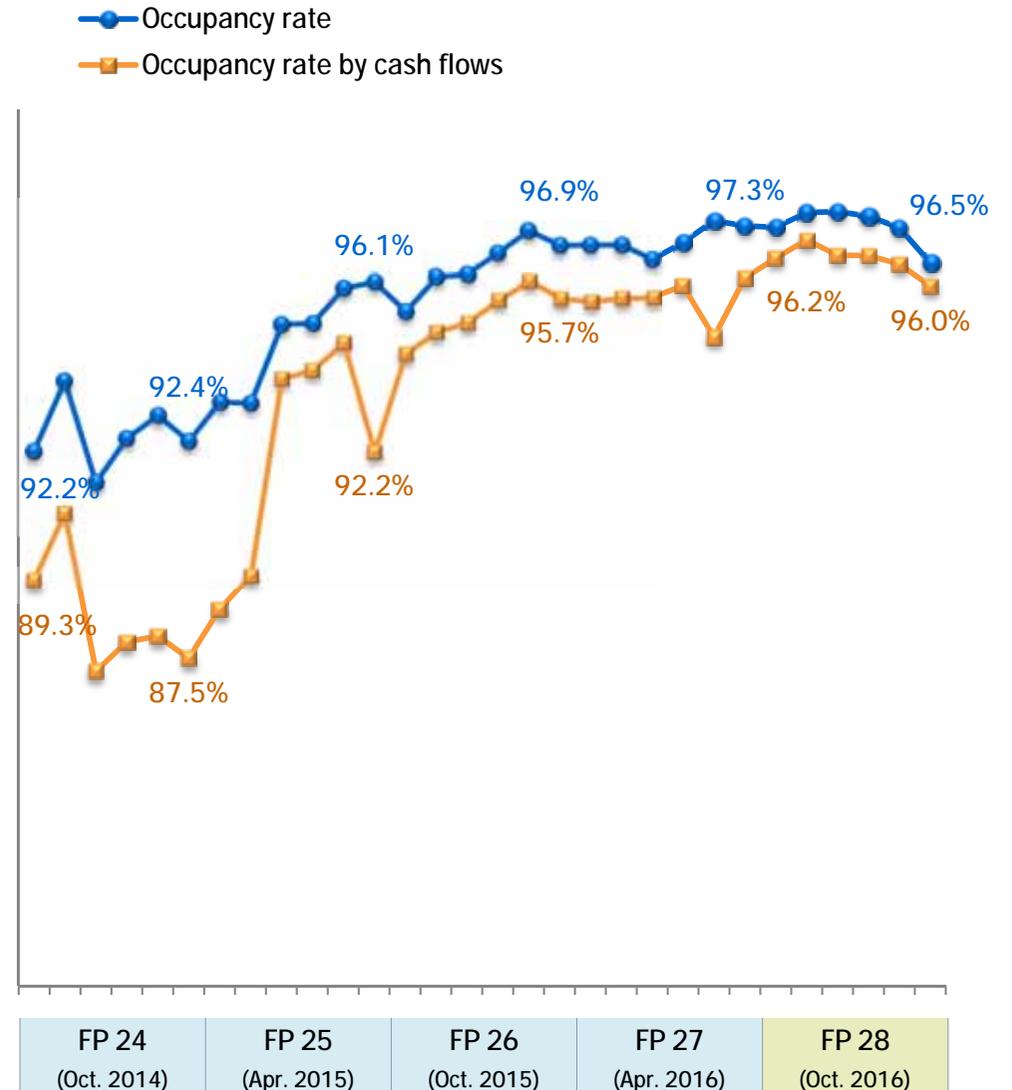
\*1 PIC was listed on the Tokyo Stock Exchange (J-REIT securities market) at September 10, 2002.

# Office: Tenant Turnover and Occupancy Rates

Office Tenant Turnover (Area)



Occupancy Rate and Occupancy Rate by Cash Flows

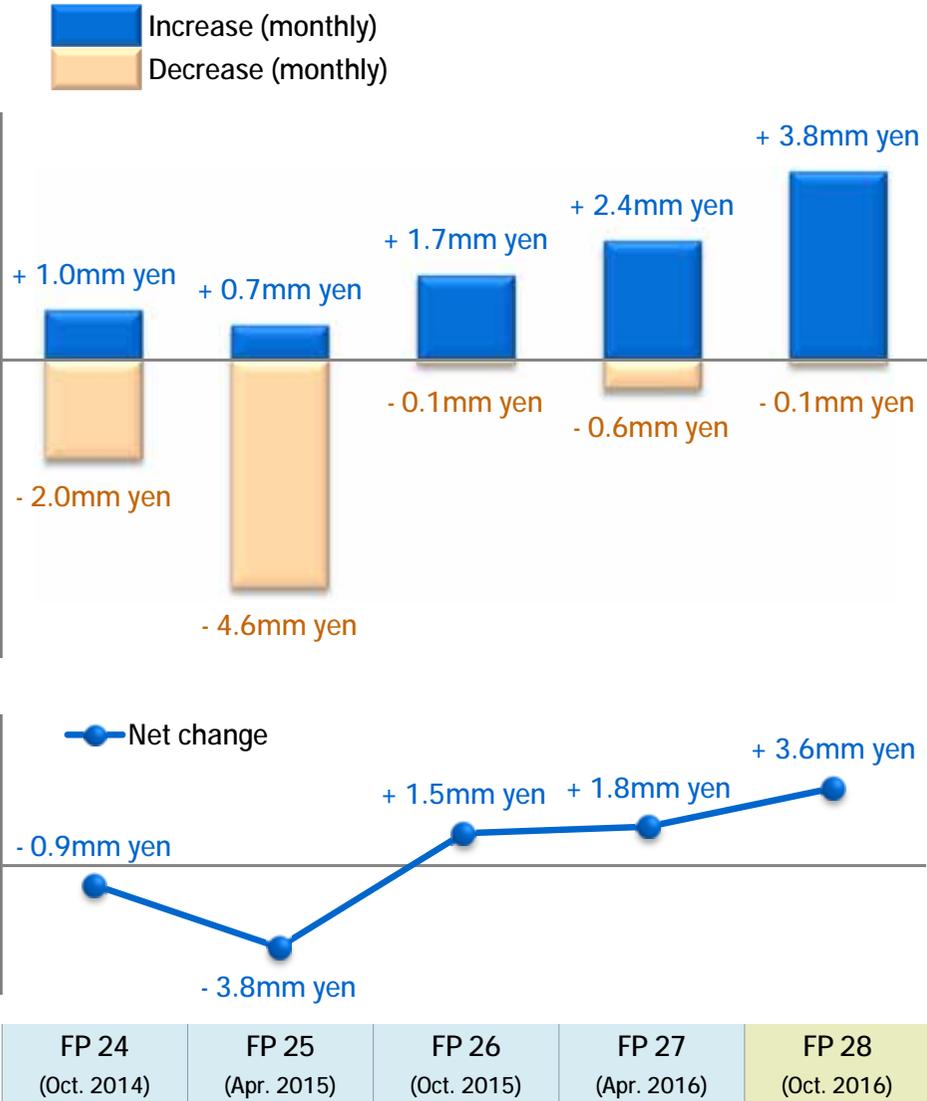




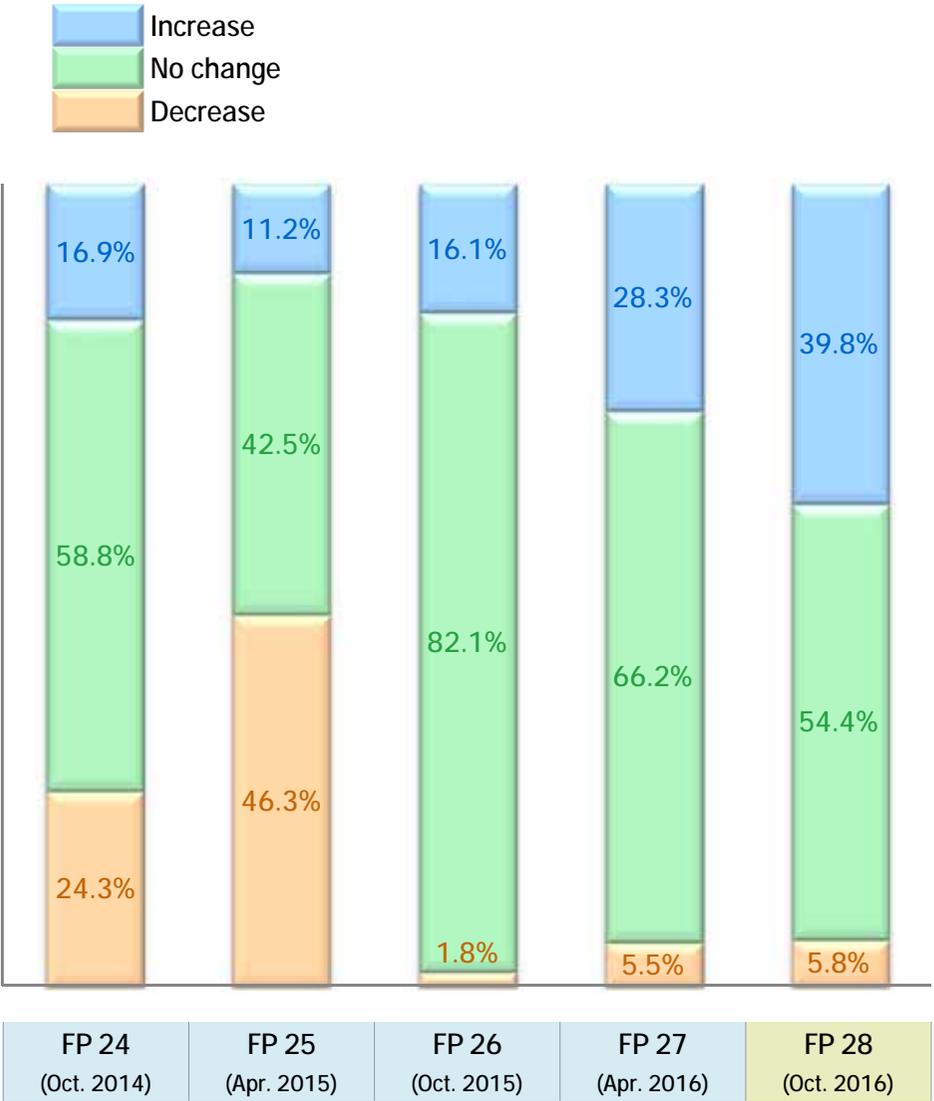
# Office: Rent Revisions



Lease Renewals (change in rent)

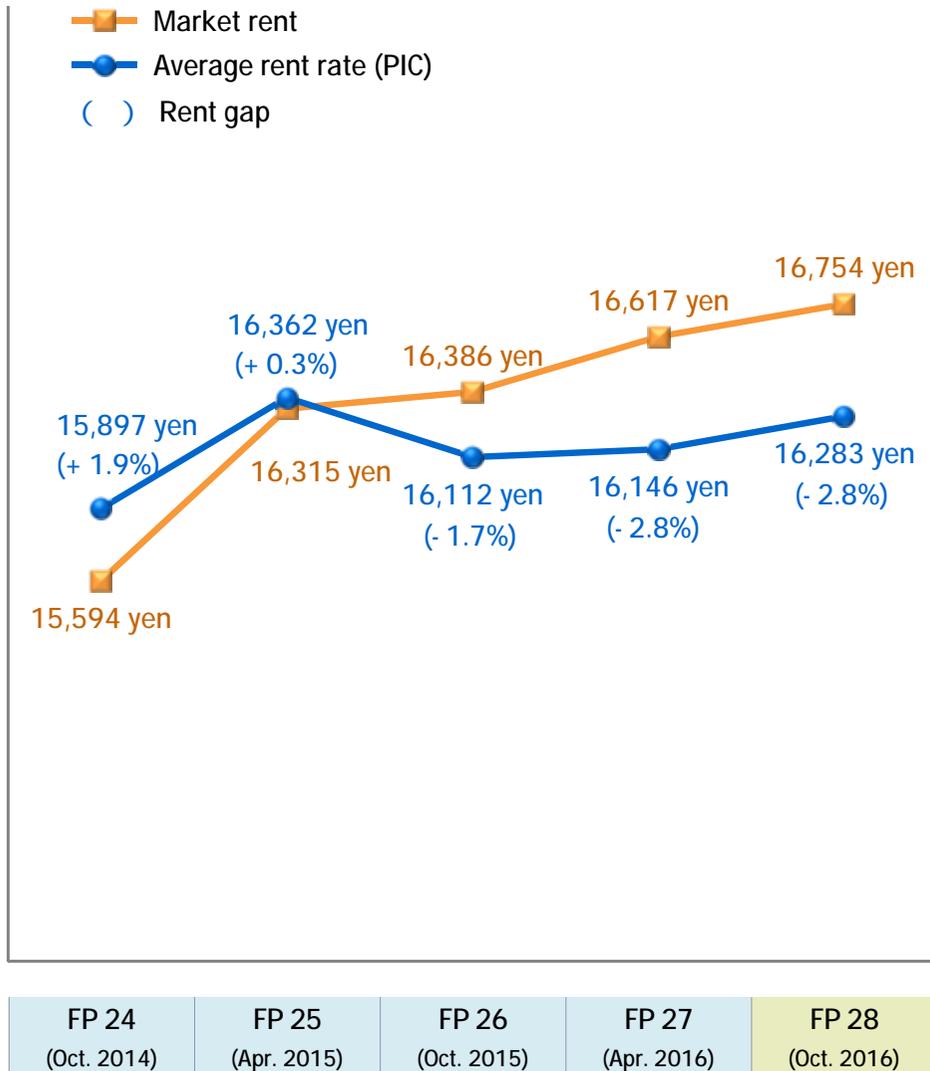


Lease Renewals (area)



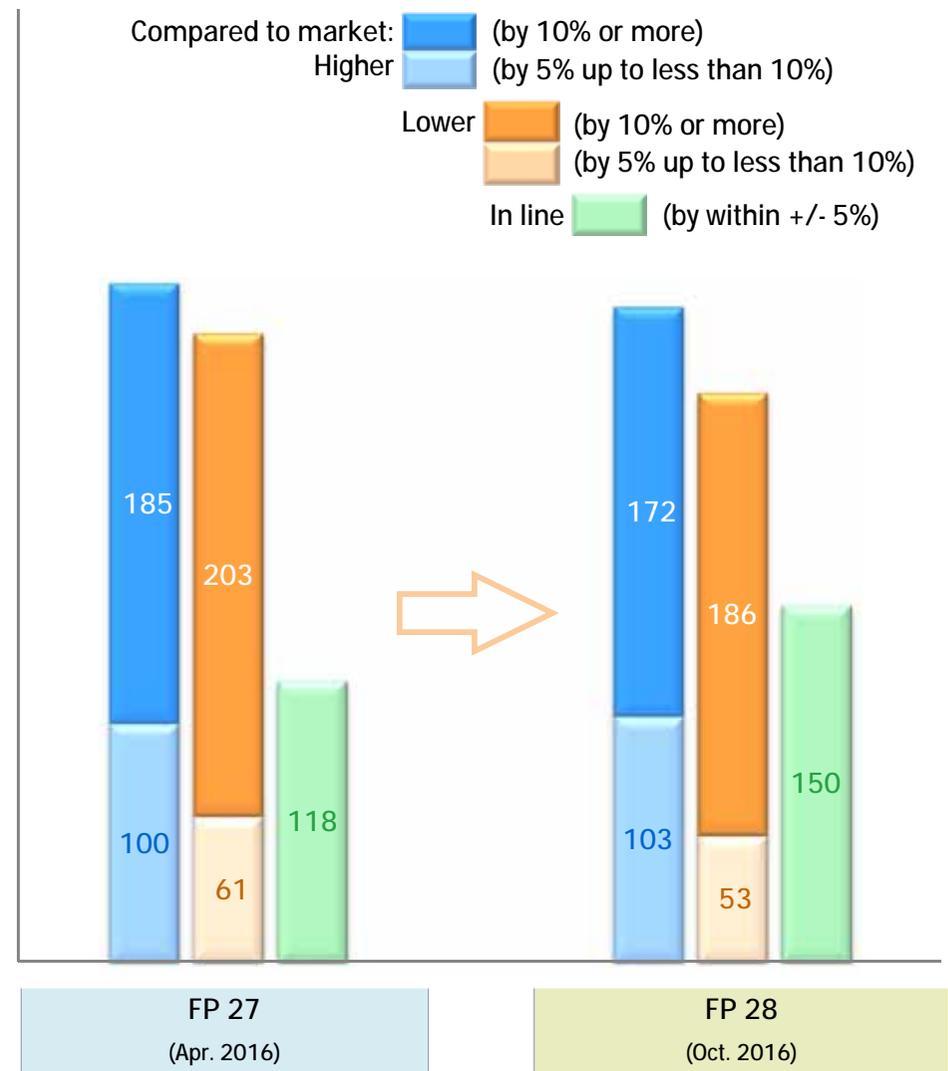
# Office: Rent Analysis (Greater Tokyo)

Gap Versus Market Rents (per tsubo) \*1



Rent Gap Analysis

(Million yen)



\*1 The rent gap is calculated based on the gap between the market rent (surveyed every March and September) and the contract rent (as of the end of each fiscal period) for each office building in the portfolio, based on leasable area. Does not include properties located in major regional cities.

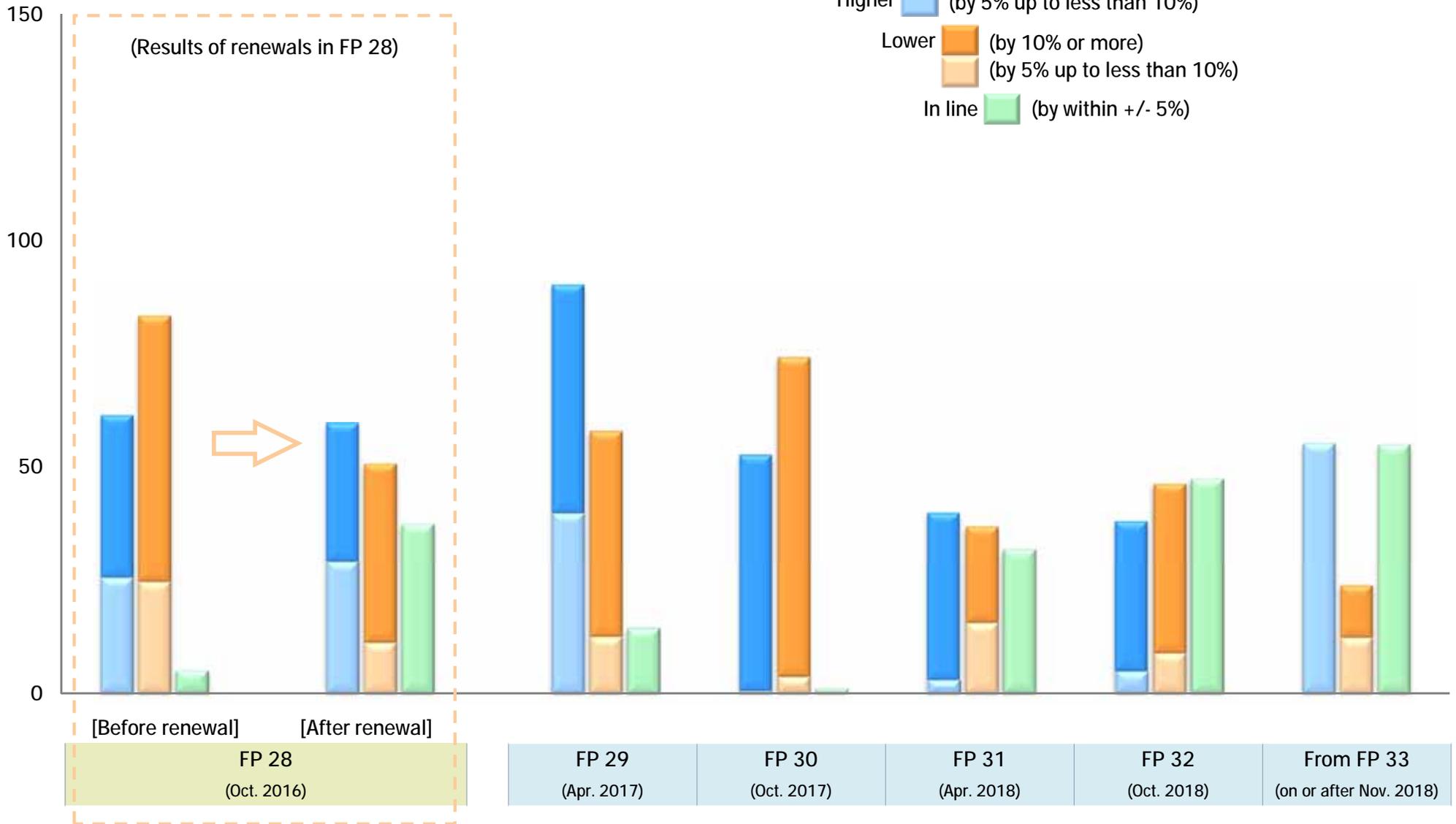


# Office: Lease Renewals Schedule (Greater Tokyo)



## Lease Renewals Schedule

(Million yen)

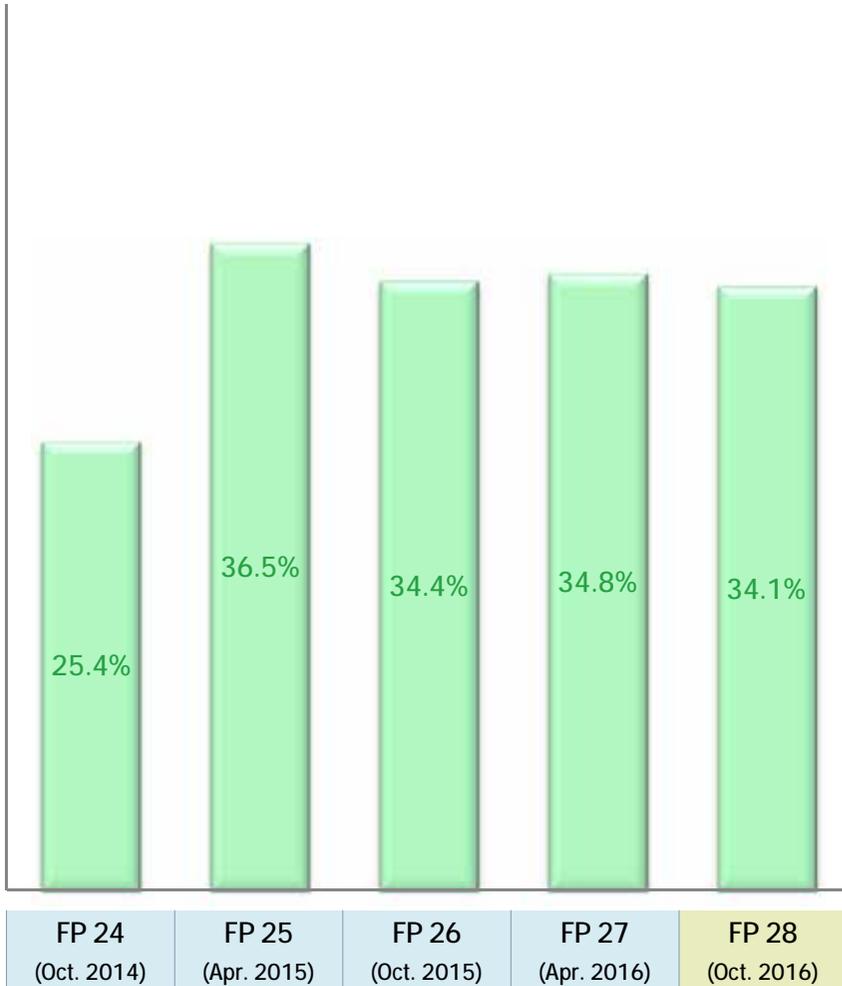




# Office: Status of Tenants



## Office Tenant Exposure to NTT Group



## Top 10 Office Tenants \*1

(as of October 31, 2016)

	Tenant	Space leased	%	Property name	Next lease renewal
1	Docomo CS Inc. 	8,773m <sup>2</sup>	5.3%	UN Ikebukuro Bldg.	Mar. 2019 FP 33
2	NTT Business Associe East Co., Ltd. 	7,125m <sup>2</sup>	4.3%	UN Omori Bldg.	Mar. 2017 FP 29
3	Sumitomo Osaka Cement Co., Ltd.	6,872m <sup>2</sup>	4.2%	Rokubancho Bldg.	May 2017 FP 30
4	NTT Urban Development Corporation 	6,798m <sup>2</sup>	4.1%	TP Yodoyabashi (land) and others *2	A standard leasehold right for 30 years
5	NTT Data 	5,530m <sup>2</sup>	3.4%	UN Mita Bldg.	Dec. 2018 FP 33
6	NTT Finance Corporation 	5,417m <sup>2</sup>	3.3%	UN Ikebukuro Bldg.	Jun. 2018 FP 32
7	FIELDS Corporation	4,882m <sup>2</sup>	3.0%	KN Shibuya No.3	Apr. 2017 FP 29
8	NTT Learning Systems Corporation 	4,801m <sup>2</sup>	2.9%	UN Azabu Bldg.	Mar. 2018 FP 31
9	Japan Display Inc.	4,140m <sup>2</sup>	2.5%	Landic Shimbashi 2 Bldg.	Sep. 2018 FP 32
10	ITOKI Corporaion	4,037m <sup>2</sup>	2.5%	UN Irifune Bldg.	Jun. 2017 FP 30

\*1 A calculation of the office space leased by such tenants (at the end of the each fiscal period) as a percentage of gross area under lease in office of PIC's portfolio. Where PIC owns a partial stake in a property, the calculation has been adjusted for PIC's stake of ownership. Gross area under lease in office is the sum of area under lease in office properties less any residential space plus any office space from residential properties.

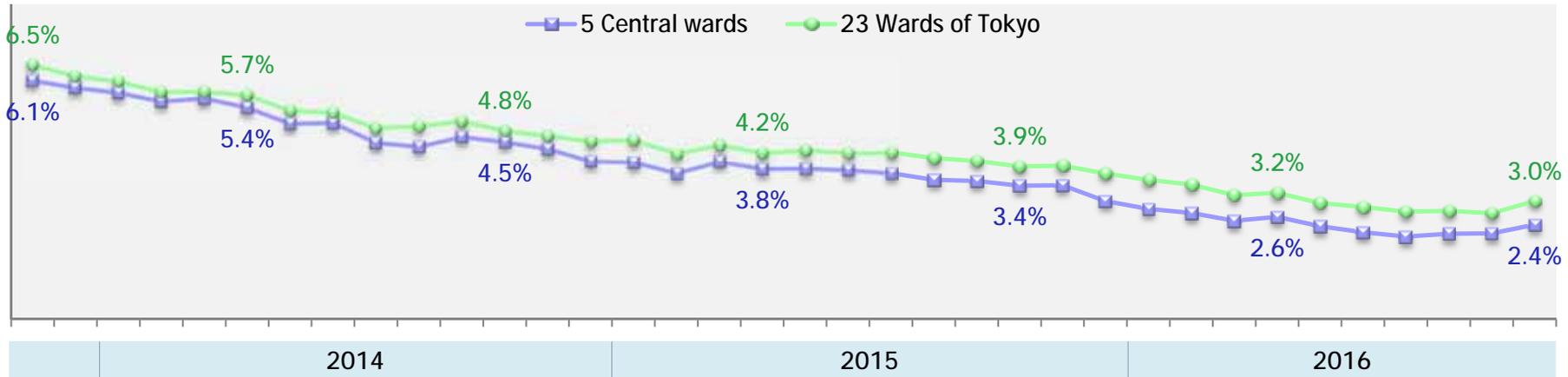
\*2 NTTUD is entered as tenant of Tradepia Yodoyabashi (Land), as it is in effect the leaseholder of the relevant land (the beneficiary of the beneficiary interest in real estate trust for the entire building standing on the land as trust property). Furthermore, the leaseholder under the land leasehold establishment agreement is Sumitomo Mitsui Trust Bank, Limited, the trustee.



# Office: Market Trends in Tokyo



Vacancy Rates of Large Buildings \*1



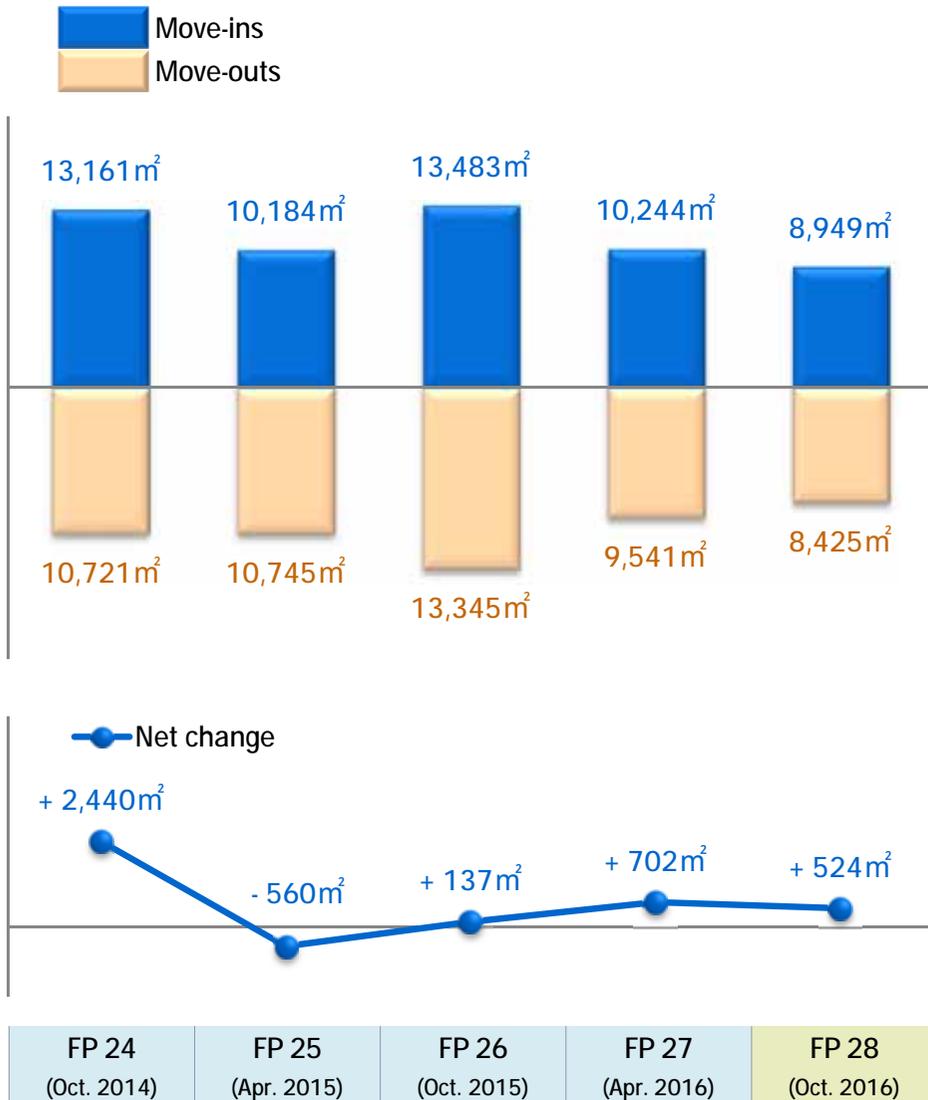
Average Rents (per tsubo) of Large Buildings \*1



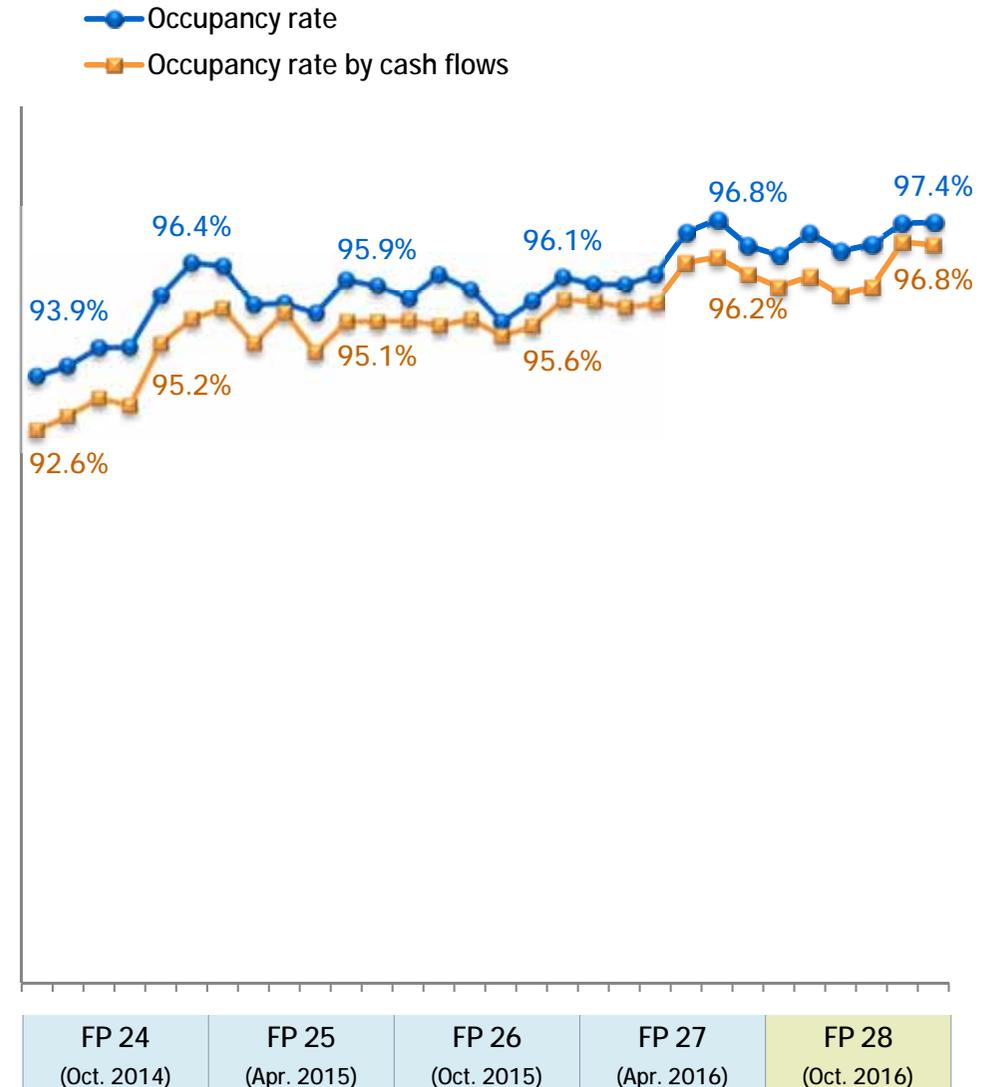
\*1 Prepared by Premier REIT Advisors based on market data (Nov. 2013, until Oct. 2016) from Sanko Estate Co., Ltd. "Large buildings" refer to office buildings with at least 200 tsubo (roughly 660 m<sup>2</sup> or 7,100 ft<sup>2</sup>) per floor (as defined by Sanko Estate Co., Ltd.)

# Residential: Tenant Turnover and Occupancy Rates

Residential: Tenant Turnover (area)

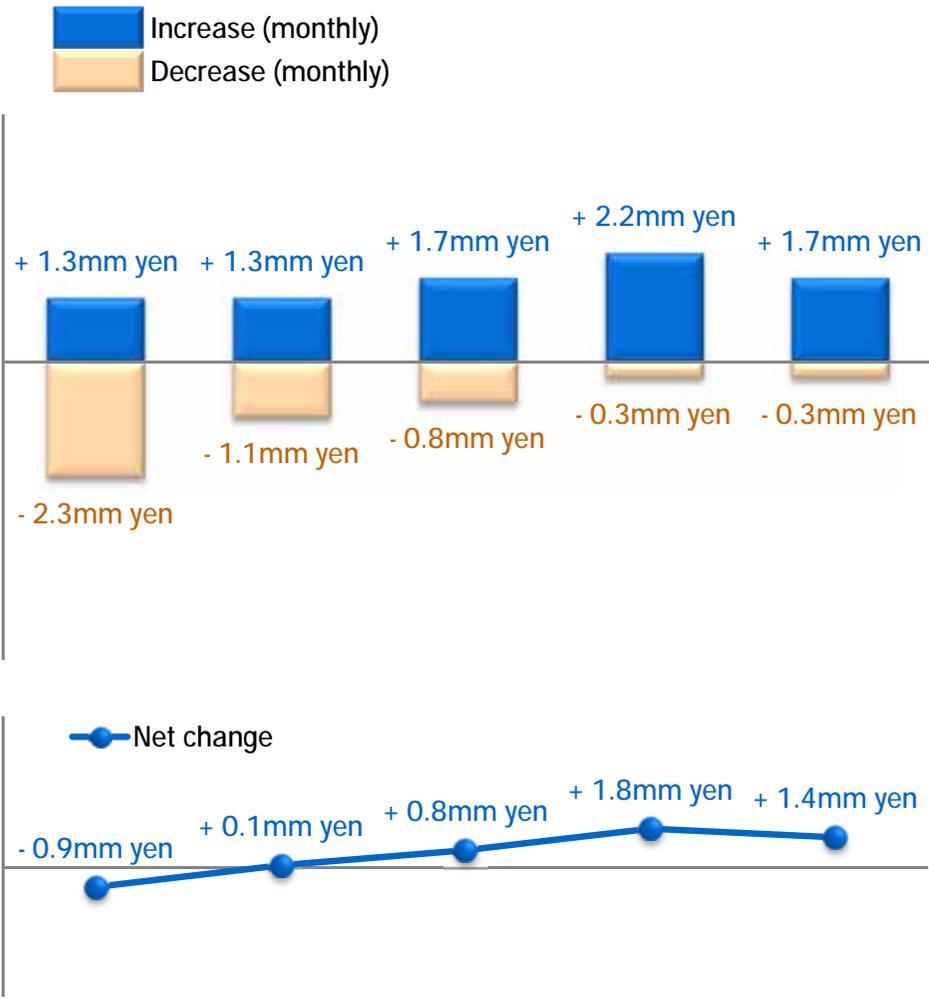


Occupancy Rate and Occupancy Rate by Cash Flows



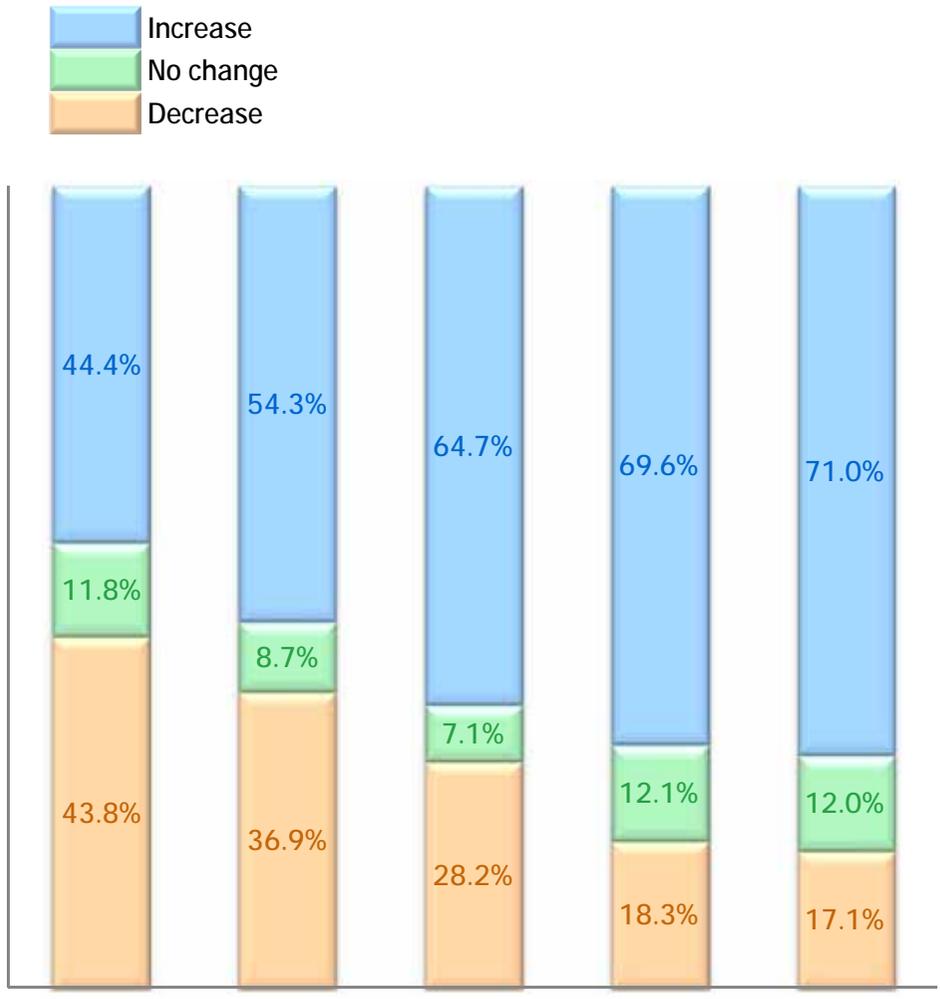
# Residential: Rent Revisions

Tenant Turnover (change in rent)



FP 24	FP 25	FP 26	FP 27	FP 28
(Oct. 2014)	(Apr. 2015)	(Oct. 2015)	(Apr. 2016)	(Oct. 2016)

Tenant Turnover (area)

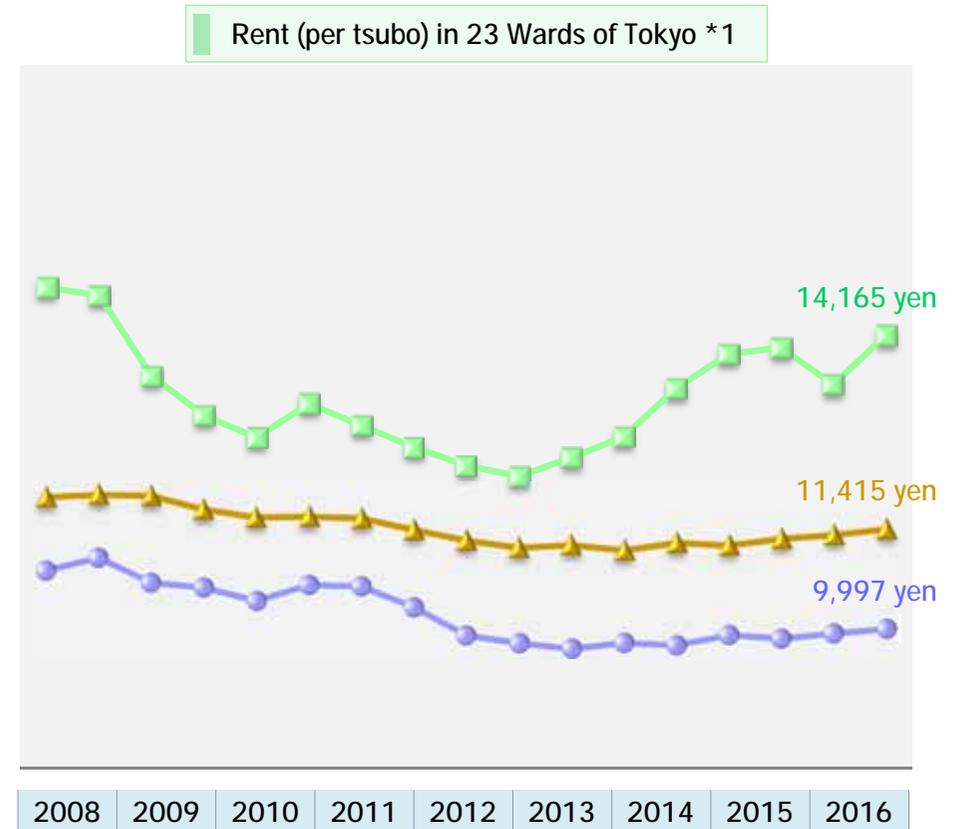


FP 24	FP 25	FP 26	FP 27	FP 28
(Oct. 2014)	(Apr. 2015)	(Oct. 2015)	(Apr. 2016)	(Oct. 2016)



# Apartment Rent Trends in Tokyo

- Large (80 m<sup>2</sup> or more)
- Standard (40 m<sup>2</sup> to 80 m<sup>2</sup>)
- ▲ Small (Less than 40 m<sup>2</sup>)



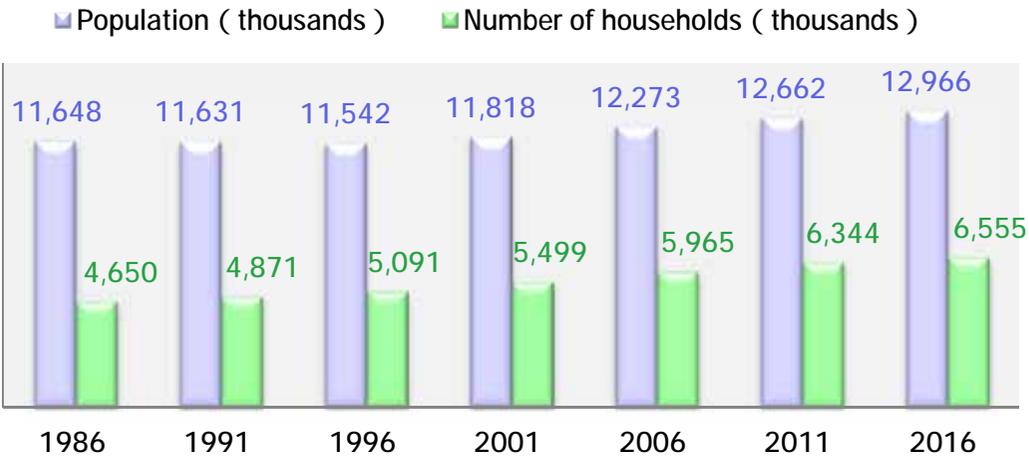
\*1 Prepared by PRA based on the Residential Market Index from the Japan Real Estate Institute (JREI). Based on sample data collected by JREI every six months, It is an average rent price (excluding management fees and common-area costs) assuming that each property has a building age of 10 years.



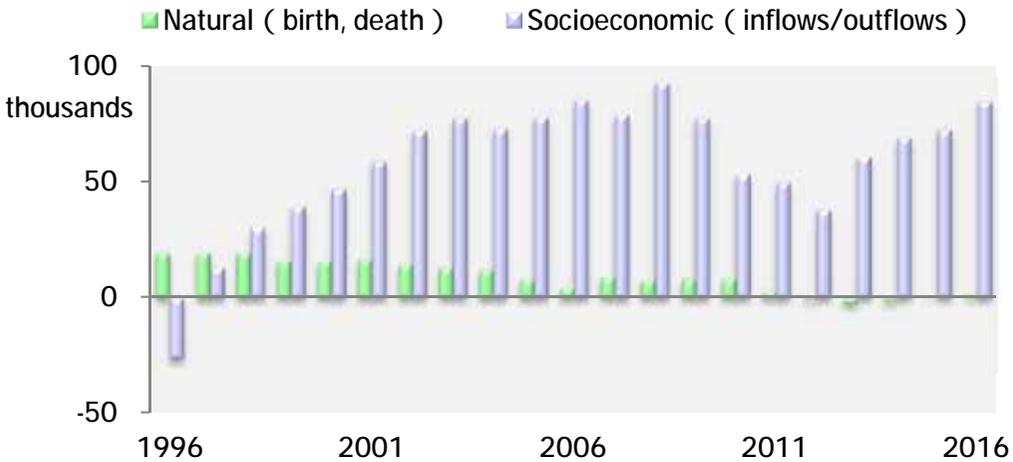
# Tokyo Population Statistics



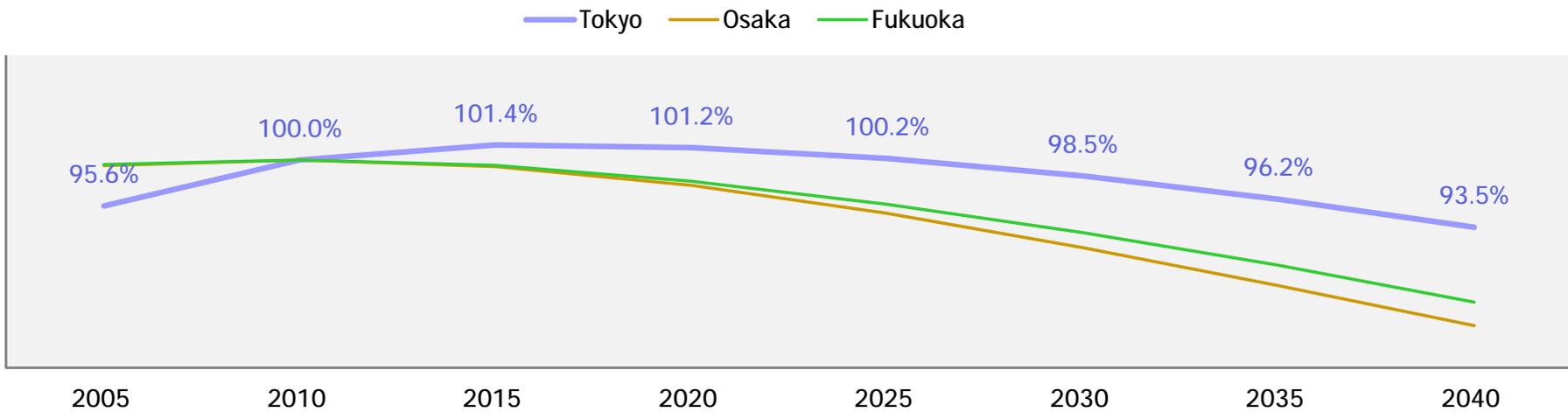
Population and Households in Tokyo \*1



Population Changes in Tokyo \*1



Projected Future Populations by Geography \*2



\*1 Prepared by Premier REIT Advisors based on the Survey of Population, Demography and Number of Households based on the Basic Resident Registration system by the Ministry of Internal Affairs and Communications.

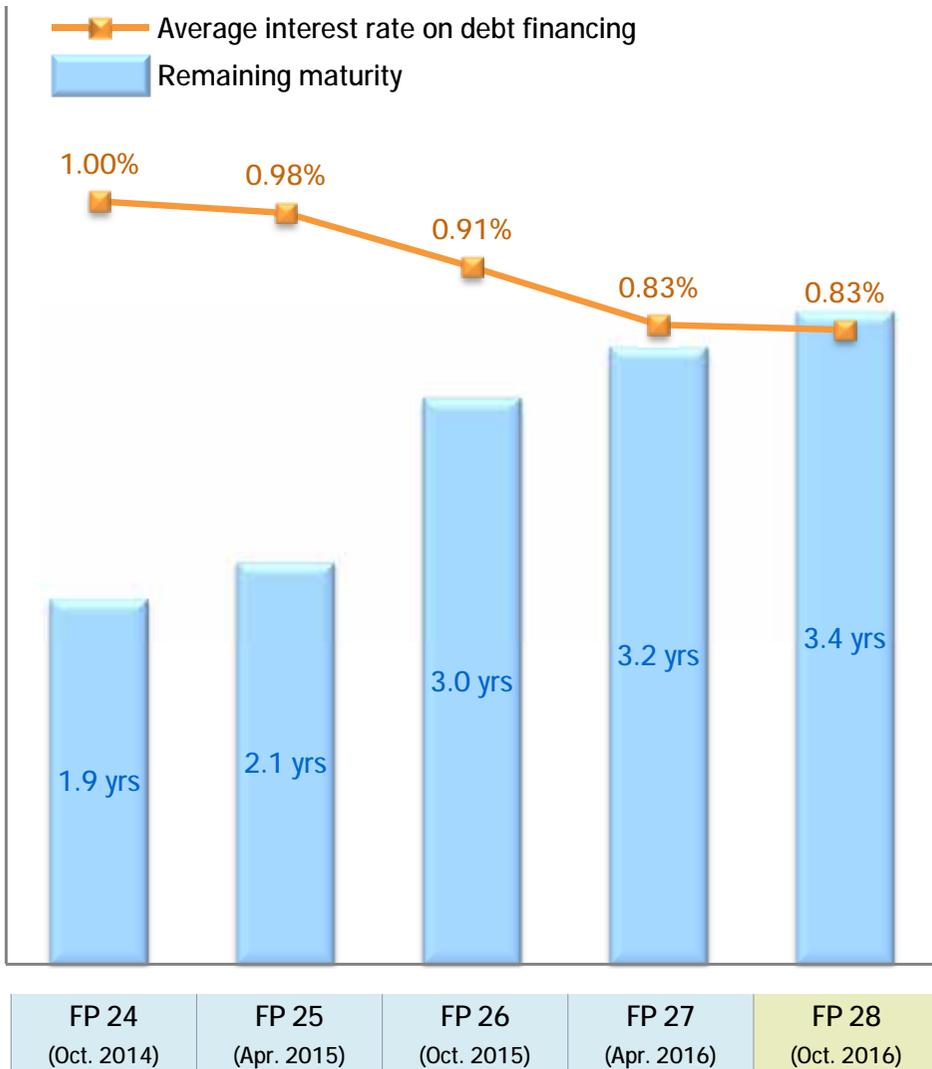
\*2 Prepared by Premier REIT Advisors based on the Regional Population Projections for Japan by the National Institute of Population and social Security Research. Populations of respective geographies as of 2010 have been indexed to 100.



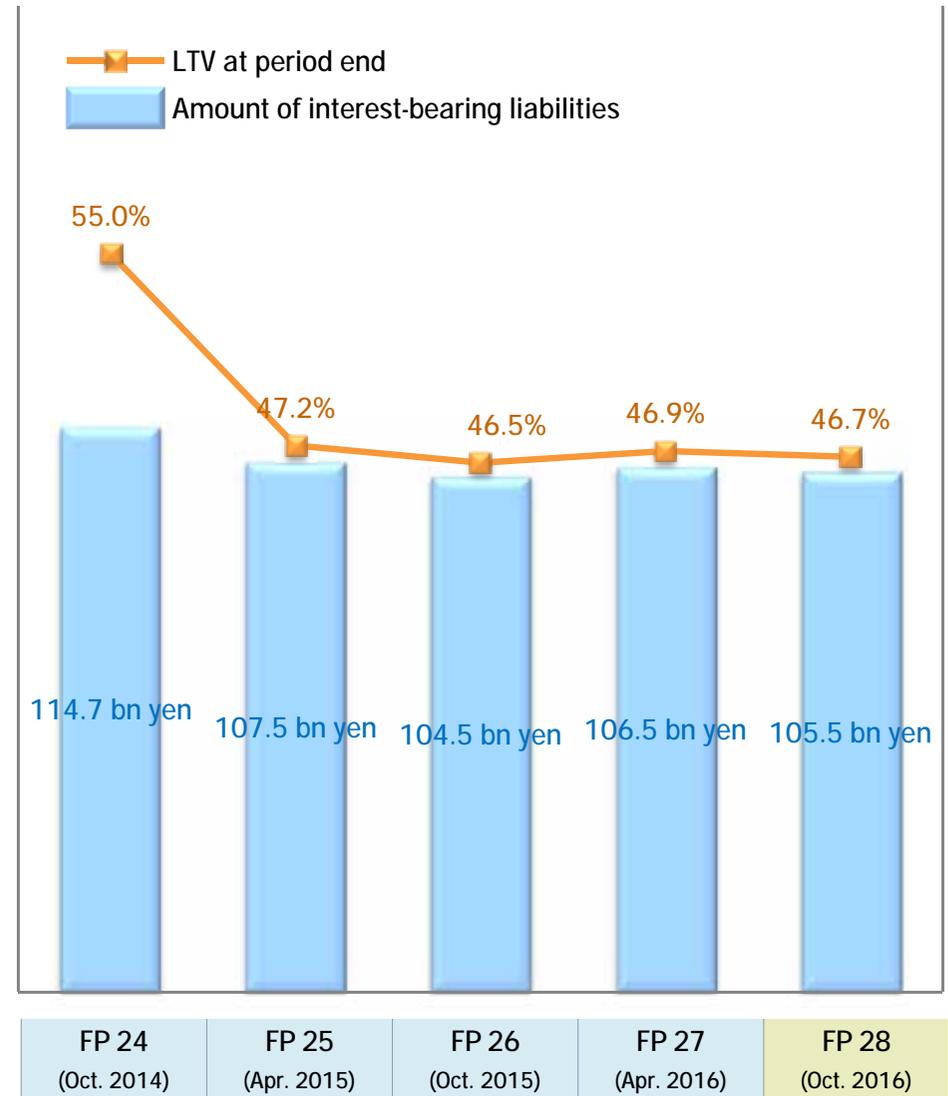
# Financial Information



Average Rate and Remaining Maturity \*1



LTV (Loan to Value)



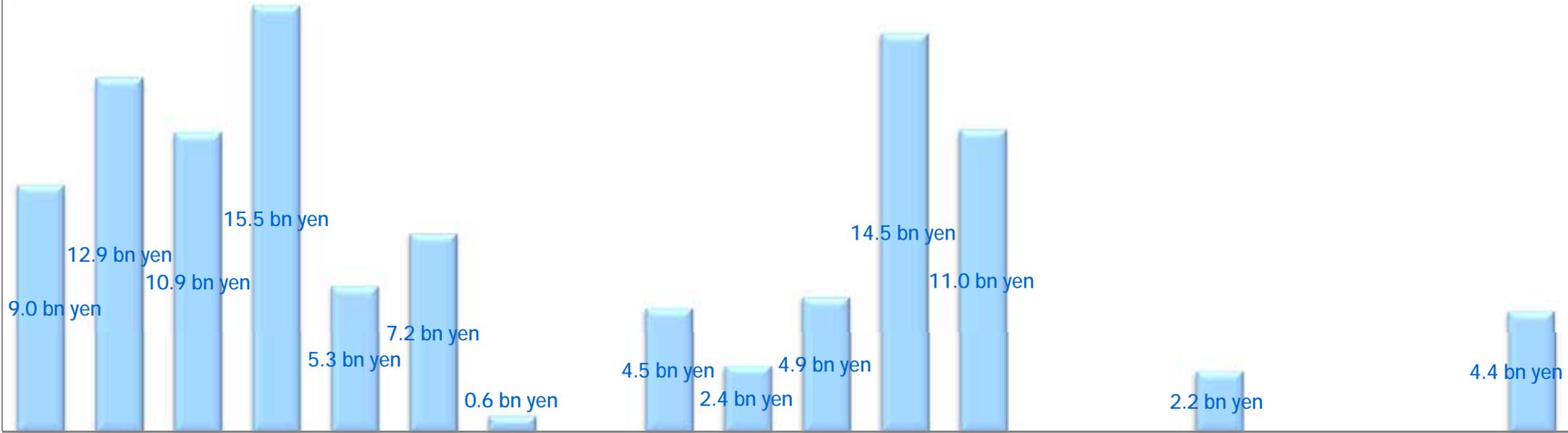
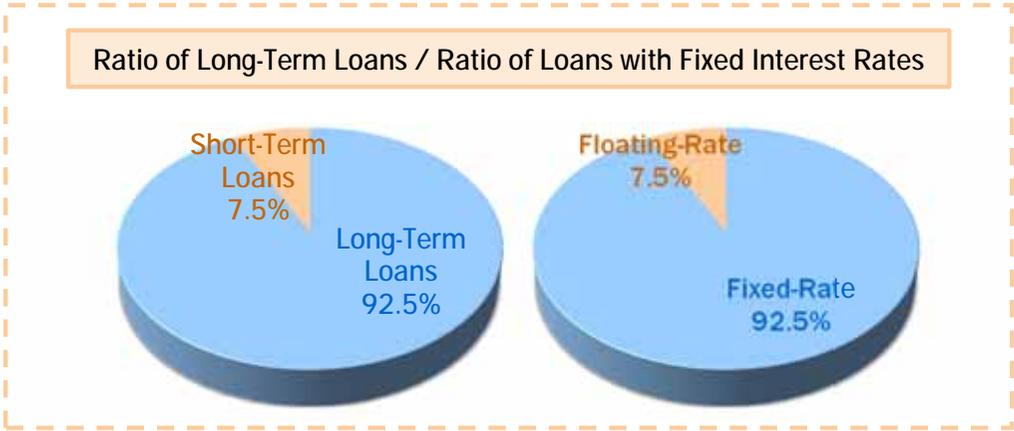
\*1 Average interest rate is an average weighted for balances outstanding as of the end of the period for each nominal interest rate.



# Status of Interest-bearing Liabilities



Schedule on Debt Maturity



2017		2018		2019		2020		2021		2022		2023		2024		2025		2026	
Apr.	Oct.																		

# List of Borrowings

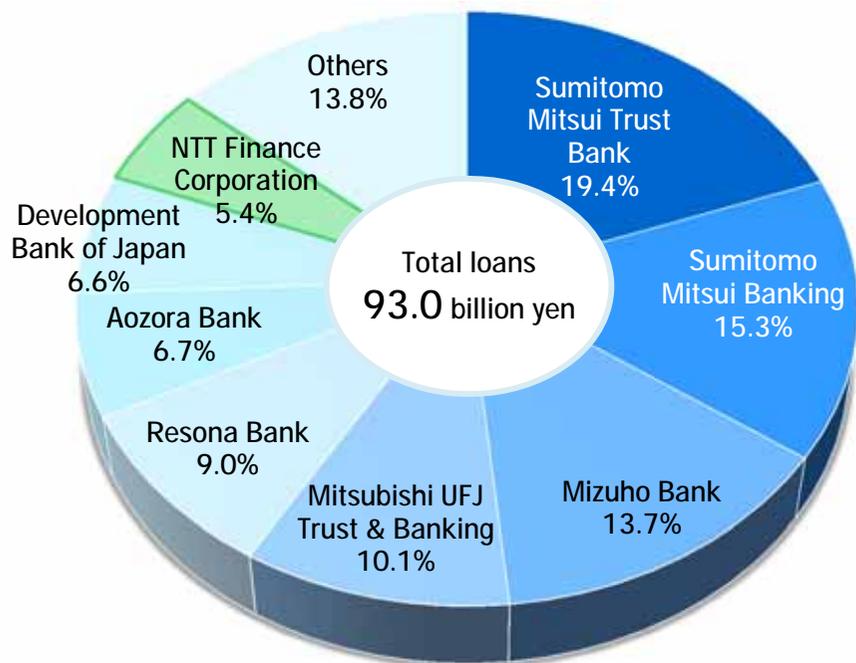
Lender	Balance (Million yen)	Interest rate	Maturity (Year)	Maturity date	
<b>Short-term loans</b>	<b>7,900</b>				
Sumitomo Mitsui Trust Bank, etc.	4,500	0.24%	1	Jul. 2017	FP 30
Sumitomo Mitsui Banking Corp., etc.	3,400	0.23%	1	Sep. 2017	
<b>Long-term loans</b>	<b>85,100</b>				
Sumitomo Mitsui Trust Bank, etc.	9,000	1.43%	5	Dec. 2016	FP 29
The Bank of Fukuoka, etc.	5,000	0.95%	5	Sep. 2017	FP 30
Development Bank of Japan, etc.	3,000	0.98%	5	Nov. 2017	FP 31
Sumitomo Mitsui Trust Bank, etc.	7,900	0.88%	5	Mar. 2018	
Development Bank of Japan	3,000	1.15%	5	May. 2018	FP 32
Mizuho Bank, etc.	5,000	1.21%	6	Sep. 2018	
Resona Bank, etc.	2,850	1.03%	6	Feb. 2019	FP 33
Development Bank of Japan	2,400	0.72%	5	Sep. 2019	FP 34
Sumitomo Mitsui Banking Corp.	2,400	0.72%	5	Sep. 2019	
Mitsubishi UFJ Trust & Banking	2,400	0.72%	5	Sep. 2019	
Aozora Bank	650	0.69%	5	Mar. 2020	FP 35
NTT Finance Corporation	2,000	0.41%	5	Jan. 2021	FP 37
Mizuho Bank	2,400	0.91%	7	Sep. 2021	FP 38
Sumitomo Mitsui Trust Bank	1,050	0.87%	7	Mar. 2022	FP 39
Sumitomo Mitsui Trust Bank, etc.	3,900	0.91%	7	Apr. 2022	
Sumitomo Mitsui Trust Bank, etc.	6,500	0.87%	7	Jul. 2022	FP 40
Mitsubishi UFJ Trust & Banking, etc.	8,000	0.80%	7	Aug. 2022	
Aozora Bank	3,000	0.74%	7	Nov. 2022	FP 41
NTT Finance Corporation, etc.	8,000	0.73%	7	Nov. 2022	
Sumitomo Mitsui Banking Corp., etc.	1,550	0.52%	8	Aug. 2024	FP 44
Aozora Bank	700	0.52%	8	Aug. 2024	
Mizuho Bank, etc.	3,180	0.62%	10	Oct. 2026	FP 48
Mitsubishi UFJ Trust & Banking	1,220	0.62%	10	Oct. 2026	
<b>Total loans</b>	<b>93,000</b>				

\*1 Figures for floating rates on these loans represent the rates applicable as of the end of FP 28 (October 31, 2016).

\*2 For floating-rate denominated borrowings with interest-rate swaps, the interest rate is expressed as the fixed rate reflecting the effect of the relevant swap transaction.

# Lenders, Bonds and Ratings

## Lender Formation



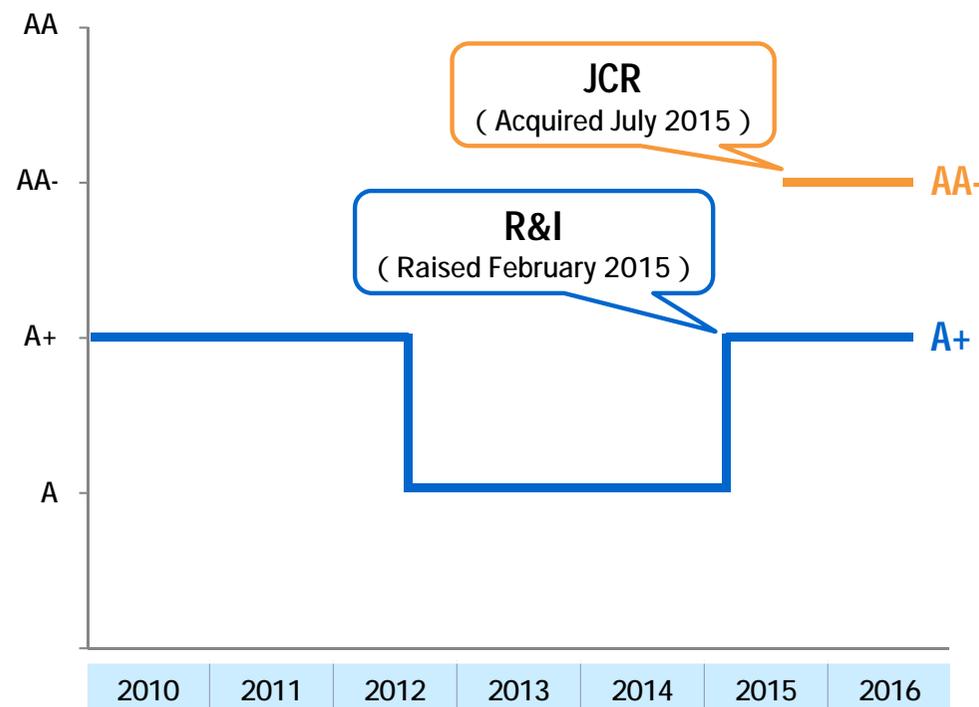
## List of Corporate Bonds

Name	Issue amount (Million yen)	Interest rate (%)	Maturity	Redemption date
Unsecured Bond No. 4	7,500	0.72%	7	Jul. 2018   FP 32
Unsecured Bond No. 5	2,500	0.45%	5	Mar. 2019   FP 33
Unsecured Bond No. 6	2,500	0.72%	7	Mar. 2021   FP 37
Corporate bond total	12,500			

## Credit Rating

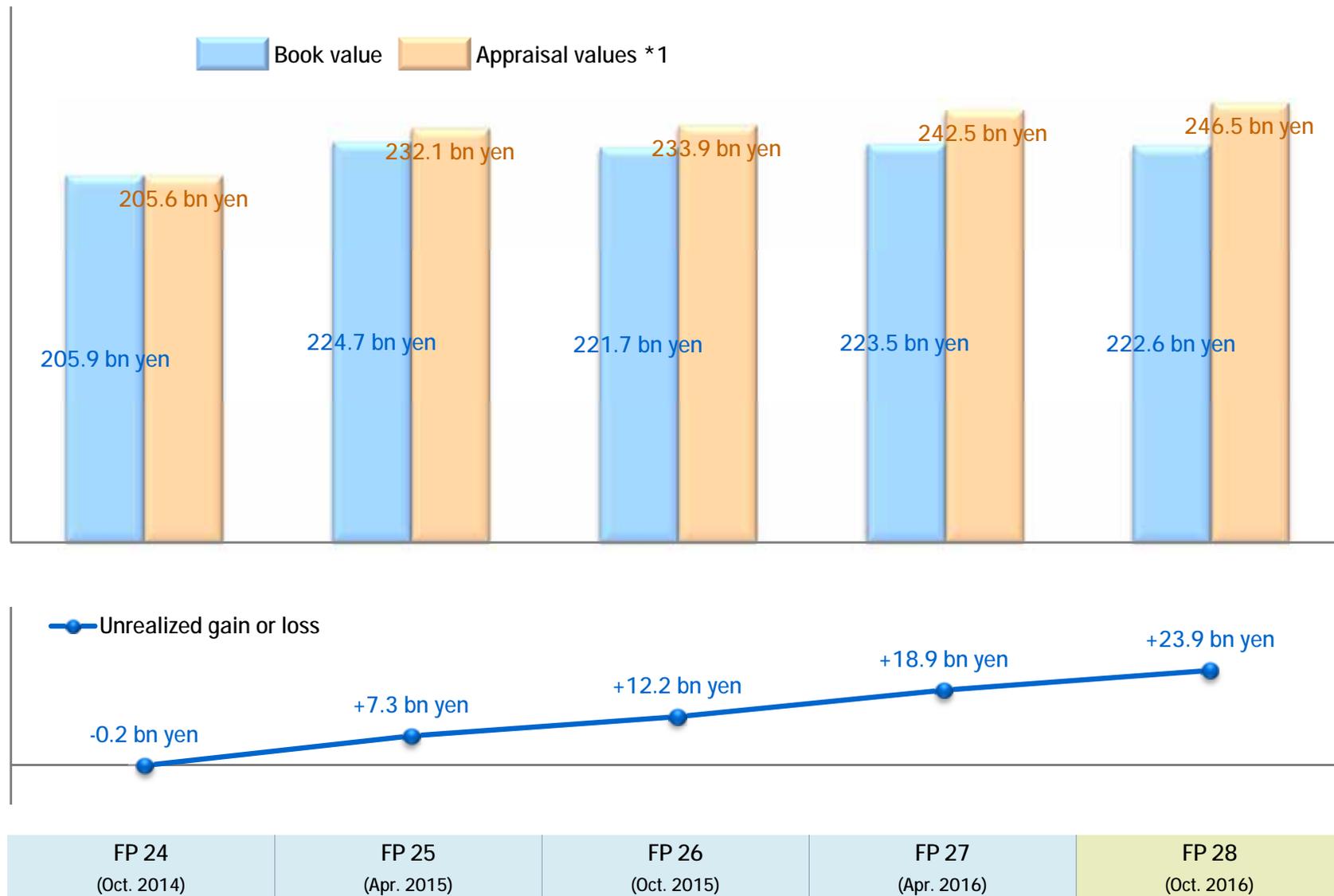
Rating Agency	Rating
Japan Credit Rating Agency Ltd. (JCR)	Issuer rating: AA - Rating outlook: Stable
Rating and Investment Information, Inc. (R&I)	Issuer rating: A+ Rating outlook: Stable

## Historical Credit Rating





# Change in Book Value and Appraisal Values



\*1 Appraisal values indicate appraisal value or survey value.

\*2 Includes UDX Special Purpose Company Preferred Securities (Akihabara UDX). The following formula is used to approximate the period-end appraisal value of Akihabara UDX. Period-end appraisal value (approximate value) = [(Total assets (\*) - total specific assets (\*) + period-end reference survey price for Akihabara UDX - total liabilities (\*)) attributable to UDX SPC] X [PIC's percentage of ownership]

\* Uses book value as of end of June or December in each fiscal period.

# Appraisal Values (Comparison to Previous Period)

( Billion yen )

	FP 27 (Ended Apr. 2016)	FP 28 (Ended Oct. 2016)	Change
Number of properties	59	59	-
Appraisal values	242.5	246.5	+ 4.0
Book value	223.5	222.6	- 0.9
Unrealized gain or loss	18.9	23.9	+ 5.0
Unrealized gain or loss as % of total value	8.5%	10.8%	+ 2.3%

( Number of properties )

Cap rate *1	Raised	-	1	+ 1
	No change	12	3	- 9
	Lowered	46	54	+ 8
Appraisal rent *2	Raised	11	17	+ 6
	No change	35	33	- 2
	Lowered	7	5	- 2

\*1 About cap rates on portfolio properties as of the end of FP 28

(1) Cap rate arrived at using the direct capitalization method is used as a comparison to the end of the previous fiscal period. However, a discount rate is used for valuation has been performed using only DCF method.

(2) Of properties owned as of the end of the fiscal period, the Preferred Securities (1 name) have been excluded.

\*2 About appraisal rents on portfolio properties as of the end of Fiscal Period 28

(1) Appraisal rents arrived at using the direct capitalization method are used as a comparison to the end of the previous fiscal period.

(2) Of properties owned as of the end of the fiscal period under review, the following 4 properties have been excluded.

[1] Preferred Securities: 1 name. [2] Land-only ownership: 1 office property. [3] Properties for which valuation has been performed using only DCF method (not being valued by direct capitalization method) : 2 residential properties.

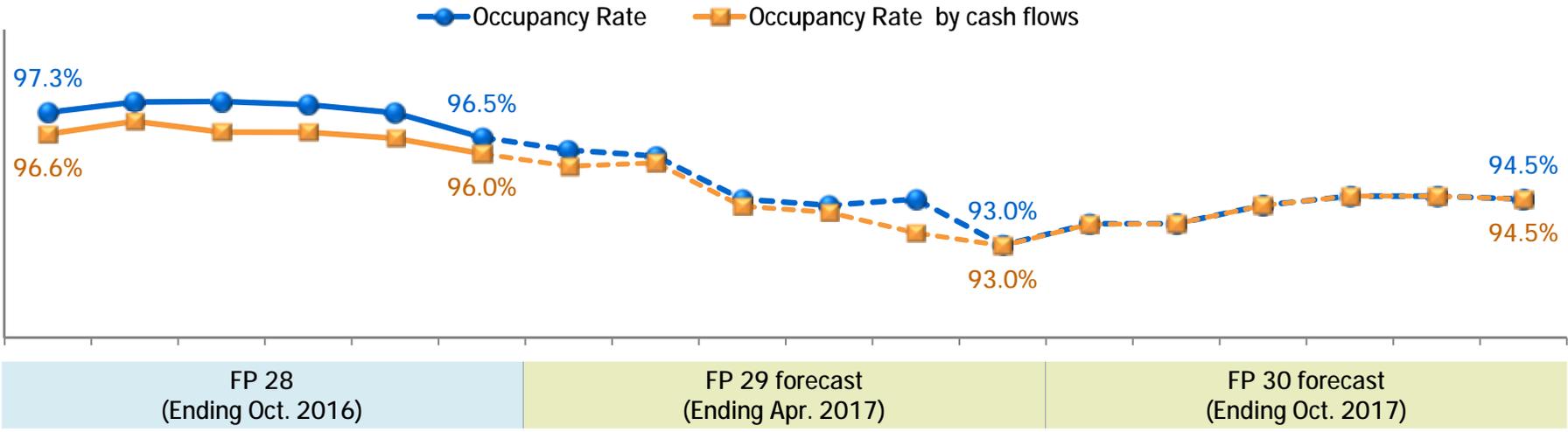
# Performance Forecasts for Fiscal Periods 29 and 30

( Million yen )

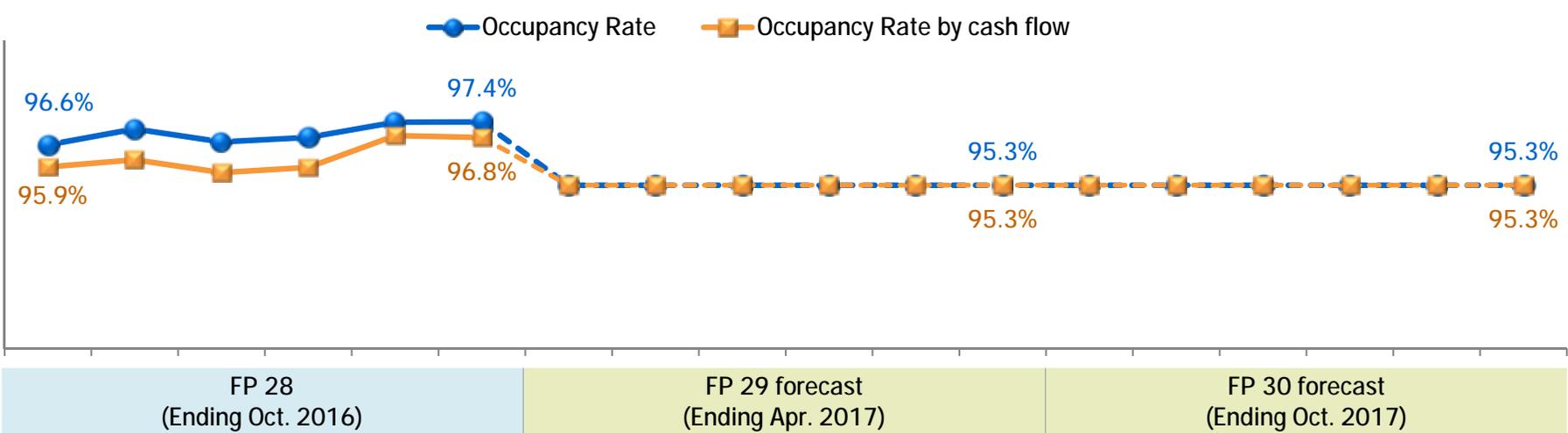
	FP 28 (Ending Oct. 2016) Actual [1]	FP 29 (Ending Apr. 2017) Forecast [2]	Change [2]-[1]	FP 30 (Ending Oct. 2017) Forecast [3]	Change [3]-[2]
Operating revenues	8,423	8,344	- 78	8,285	- 58
Gain on property sale	-	138	+ 138	-	- 138
Operating expenses	4,582	4,648	+ 66	4,638	- 10
Operating income	3,840	3,695	- 145	3,647	- 47
Real estate rental income	3,949	3,745	- 204	3,757	+ 12
Ordinary income	3,338	3,228	- 109	3,179	- 48
Net income	3,335	3,227	- 108	3,178	- 48
Rental NOI	5,273	5,511	- 211	5,566	+ 55
FFO	4,656	4,438	- 218	4,540	+ 102
Reserve for reduction entry					
Provisions	-	-	-	-	-
Reversals	-	-	-	48	+ 48
Balance (after profit appropriation)	260	260	-	212	- 48
Distribution per unit	2,533 yen	2,450 yen	- 83 yen	2,450 yen	-
Average Occupancy Rate					
Office	97.3%	94.7%	- 2.6%	94.2%	- 0.5%
Residential	97.0%	95.3%	- 1.7%	95.3%	-
Total	97.2%	94.9%	- 2.3%	94.6%	- 0.3%
Number of investment properties	59	59	-	59	-

# Occupancy Rates Assumptions for FP 29 and 30 Forecasts

## Office

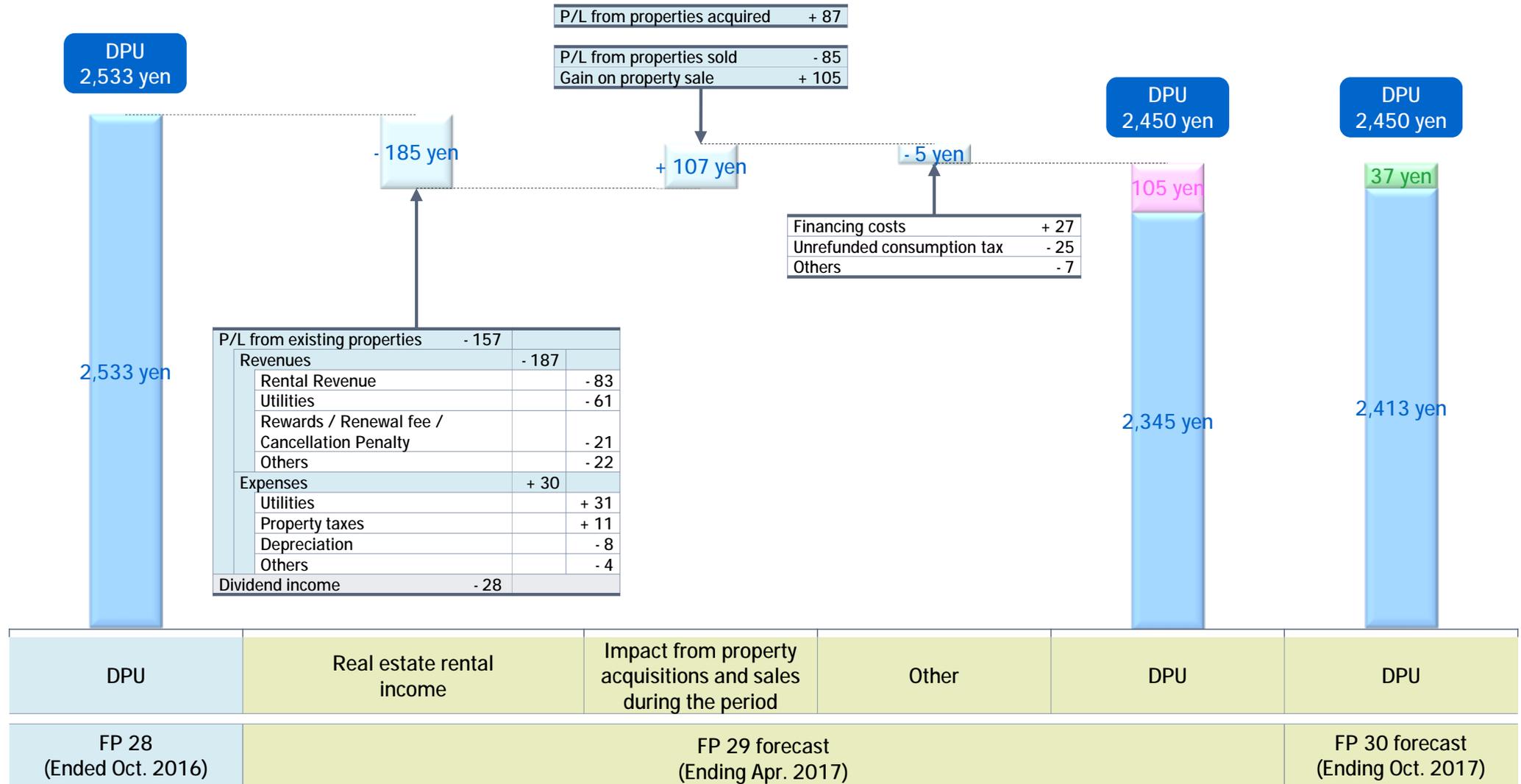


## Residential



# DPU Forecasts for Fiscal Periods 29 and 30

- Gain on property sale
- Reserve for reduction entry
- EPS (excluding capital gains)



# Strategy of Premier Investment Corporation (PIC)

## External growth

### Market environment

**Office**

- Overheated competition to acquire limited supply of quality properties
- Cap rates compressing in Greater Tokyo as well as other parts of Japan

**Residential**

- Individuals participating in an overheated acquisition market
- Cap rate compressing even further for quality, centrally located properties

### Management direction

- Strengthening ties with NTT Urban Development Corporation
- External growth with a focus on cash flows

## Internal growth

### Market environment

**Office**

- Grade A buildings in greater Tokyo have falling vacancy rates and rising rents on newly signed leases

**Residential**

- Occupancy rates and rents remain mostly stable
- Occupancy rates also improving in centrally located high-end properties

### Management direction

- Strengthening ties with tenants, sponsor and tenant brokers
- Enhancing competitiveness with value-added renovations and improvements implemented according to plan

## Financial operations

### Market environment

- Debt remains cheap, despite the need to keep an eye on trends in long-term interest rates
- Investment unit prices performing solidly

### Management direction

- Extending maturities and lowering funding costs
- Maintaining positive relationships with existing lenders
- Studying a bond issuance

## Management objectives

**Solid asset growth**  
**Keep and grow distributions**  
**Implement financial controls**

# (Reference) Enhancing Competitiveness with Value-added Renovations

## Exterior Walls Renovation

Improvements to exterior wall to upgrade design and ambiance based on mid-long term repair plan.

### ■ Premier Garden Hongo ( FP 27 )



### ■ Landic Shimbashi 2 Bldg. ( FP 25 )



### ■ MEW ( FP 28 )



## Common Area Renovation

Upgraded common areas to improve leasing and tenant satisfaction.

### ■ Renai Shinjuku-Gyoen Tower ( FP 26 )



### ■ Urbannet Mita Bldg. ( FP 25 )



### ■ Premier Kaigan Bldg. ( FP 25 )





# Supplementary Data on Fiscal Period **28** Earnings

## Table of Contents

■ Fiscal Period 28 Balance Sheet	P.31	■ Basic Information on Properties	P.43
■ Fiscal Period 28 Income Statement and Statement of Unitholders' Equity	P.32	■ Acquisition of Environmental Certifications from Third Party Institutions	P.47
■ Fiscal Period 29 Income Statement (Forecast)	P.33	■ Investment Unit Price and Distribution per Unit	P.48
■ Performance Forecast Assumptions	P.34	■ Status of Unitholders	P.49
■ P/L by Property	P.35	■ Features of PIC	P.50
■ Appraisal Values	P.39	■ Terminology Used in this Presentation	P.52
■ Monthly Occupancy Rates	P.41	■ Disclaimers	P.53

# Fiscal Period 28 Balance Sheet



(Million yen)

Item	FP 27 (2016/4) [1]	FP 28 (2016/10) [2]	Change [2]-[1]
Current assets	15,514	15,708	+ 193
Cash and deposits	3,208	3,279	+ 70
Cash and deposits held in trust	11,990	12,073	+ 83
Other current assets	314	354	+ 40
Tenant receivable	97	136	+ 38
Prepaid expenses	131	122	- 8
Income taxes refund receivables	80	92	+ 11
Deferred tax assets	3	1	- 1
Other current assets	1	1	0
Long-term assets	224,452	223,538	- 913
Property and equipment	201,765	200,802	- 962
Buildings held in trust, net	62,511	61,563	- 948
Structures held in trust, net	1,005	977	- 28
Tools, furniture and fixture held in trust, net	73	86	+ 13
Land held in trust	138,175	138,175	-
Intangible fixed assets	1,780	1,792	+ 11
Lease hold held in trust	1,777	1,777	-
Other intangible fixed assets held in trust	2	2	- 0
Intangible fixed assets	0	12	+ 12
Investment and other assets	20,906	20,943	+ 37
Investment securities	20,035	20,035	-
Other deposits	10	10	-
Long-term prepaid expenses	237	275	+ 37
Other deposits held in trust	623	623	-
Deferred assets	50	37	- 13
New investment units issuance costs	15	8	- 6
Corporate bond issuance costs	34	28	- 6
<b>Total assets</b>	<b>240,017</b>	<b>239,284</b>	<b>- 733</b>

(Million yen)

Item	FP 27 (2016/4) [1]	FP 28 (2016/10) [2]	Change [2]-[1]
Current liabilities	26,933	24,424	- 2,508
Accounts payable	1,047	1,124	+ 76
Short-term loans payable	7,900	7,900	-
Long-term loans payable within 1 year	16,650	14,000	- 2,650
Accrued expenses	153	145	- 7
Rents received in advance	1,035	1,000	- 34
Other current liabilities	146	254	+ 107
Income taxes payable	1	0	- 0
Consumption taxes payable	35	160	+125
Business office taxes payable	9	5	- 4
Deposits received	88	75	- 12
Distribution payable	12	12	- 0
Long-term liabilities	89,233	90,912	+ 1,679
Long-term loans	69,450	71,100	+ 1,650
Corporate bonds	12,500	12,500	-
Tenant security deposits held in trust	7,283	7,312	+ 29
<b>Total liabilities</b>	<b>116,166</b>	<b>115,337</b>	<b>- 829</b>
Unitholders' equity	123,850	123,946	+ 96
Unitholders' capital	120,350	120,350	-
Surplus			
Voluntary reserve			
Reserve for reduction entry	260	260	-
Total voluntary reserve	260	260	-
Unappropriated income	3,240	3,336	+ 96
<b>Total equity</b>	<b>123,850</b>	<b>123,946</b>	<b>+ 96</b>
<b>Total liabilities and equity</b>	<b>240,017</b>	<b>239,284</b>	<b>- 733</b>

# Fiscal Period 28 Income Statement and Statement of Unitholders' Equity



( Million yen )

Item	FP 27 (2016/4) [1]	FP 28 (2016/10) [2]	Change [2]-[1]	Office			Residential		
				FP 27	FP 28	Change	FP 27	FP 28	Change
Total real estate rental revenue [1]	7,692	7,970	+ 278	5,267	5,525	+ 258	2,425	2,445	+ 20
Rental revenue	6,852	7,013	+ 161	4,600	4,745	+ 144	2,251	2,268	+ 17
Rents	5,704	5,847	+ 142	3,506	3,633	+ 126	2,197	2,213	+ 16
Common area charge	1,147	1,166	+ 18	1,093	1,111	+ 18	54	54	+ 0
Other rental revenues	839	956	+ 116	666	780	+ 113	173	176	+ 3
Parking fees	212	217	+ 5	146	150	+ 4	66	67	+ 1
Facilities fees	60	61	+ 0	52	53	+ 1	8	7	- 0
Incidental revenue	476	547	+ 70	463	534	+ 71	13	13	- 0
Miscellaneous income	89	129	+ 39	4	41	+ 37	85	88	+ 2
Total real estate rental expenses [2]	3,794	4,020	+ 226	2,481	2,685	+ 203	1,312	1,335	+ 22
Property management fees	949	952	+ 2	657	662	+ 5	292	289	- 2
Utilities	524	550	+ 26	481	509	+ 28	42	41	- 1
Taxes and public dues	462	578	+ 115	335	451	+ 115	127	127	- 0
Insurance	15	15	+ 0	10	10	+ 0	4	4	- 0
Maintenance and repairs	347	400	+ 52	216	251	+ 34	131	149	+ 18
Trust fees	35	35	+ 0	17	17	+ 0	17	17	- 0
Depreciation	1,297	1,321	+ 23	703	725	+ 21	593	595	+ 1
Miscellaneous expenses	160	166	+ 5	58	56	- 2	102	109	+ 7
Real estate rental income [1]-[2]	3,897	3,949	+ 51	2,785	2,839	+ 54	1,112	1,109	- 2
Rental NOI	5,597	5,723	+ 125	3,891	4,018	+ 126	1,706	1,705	- 0
Dividend income [3]	402	452	+ 50	402	452	+ 50	-	-	-
Capital gains on property sales [4]	-	-	-	-	-	-	-	-	-
[A] Operating revenues [1]+[3]+[4]	8,094	8,423	+ 328	5,669	5,977	+ 308	2,425	2,445	+ 20
Other operating expenses [5]	550	561	+ 11						
Asset management fees	331	342	+ 10						
Directors' compensation	9	9	-						
Custodian fees	11	11	+ 0						
Administration fees	85	82	- 2						
Audit fees	8	8	-						
Other expenses	104	107	+ 3						
[B] Operating expenses [2]+[5]	4,344	4,582	+ 237						
[A]-[B] Operating income	3,749	3,840	+ 91						
Non-operating income	3	1	- 2						
Interest expenses	495	488	- 7						
Other expenses	15	15	+ 0						
Non-operating expenses	511	503	- 7						
Ordinary income	3,241	3,338	+ 96						
Income tax	1	2	+ 0						
Net income	3,240	3,335	+ 95						

## Statement of Unitholders' Equity

Item	FP 27 (2016/4)	FP 28 (2016/10)
I. Unappropriated income	3,240,527,890	3,336,604,286
II. Voluntary reserve	-	-
Reversal of reserve for reduction entry	-	-
III. Cash distribution declared (distribution per unit)	3,239,807,700 2,460	3,335,948,335 2,533
IV. Voluntary reserve	-	-
Provision to reserve for reduction entry	-	-
V. Income carried forward	720,190	655,951

# Fiscal Period 29 Income Statement (Forecast)



(Million yen)

Item	FP 28 Actual (2016/10) [1]	FP 29 Forecast (2017/4) [2]	Change [2]-[1]	Office			Residential		
				FP 28 Actual	FP 29 Forecast	Change	FP 28 Actual	FP 29 Forecast	Change
Total real estate rental revenue [1]	7,970	7,789	- 181	5,525	5,376	- 149	2,445	2,413	- 32
Rental revenue	7,013	6,950	- 63	4,745	4,701	- 43	2,268	2,249	- 19
Rents	5,847	5,761	- 85	3,633	3,566	- 66	2,213	2,195	- 18
Common area charge	1,166	1,188	+ 21	1,111	1,134	+ 22	54	53	- 0
Other rental revenues	956	838	- 117	780	674	- 105	176	164	- 12
Parking fees	217	215	- 2	150	154	+ 3	67	61	- 5
Facilities fees	61	58	- 2	53	50	- 2	7	7	+ 0
Incidental revenue	547	477	- 70	534	464	- 70	13	12	- 0
Miscellaneous income	129	87	- 42	41	5	- 35	88	81	- 6
Total real estate rental expenses [2]	4,020	4,044	+ 23	2,685	2,746	+ 61	1,335	1,297	- 38
Property management fees	952	975	+ 22	662	686	+ 23	289	288	- 1
Utilities	550	524	- 26	509	486	- 23	41	37	- 3
Taxes and public dues	578	561	- 16	451	434	- 16	127	127	+ 0
Insurance	15	15	+ 0	10	11	+ 0	4	4	- 0
Maintenance and repairs	400	402	+ 1	251	286	+ 35	149	115	- 33
Trust fees	35	34	- 1	17	18	+ 0	17	16	- 1
Depreciation	1,321	1,349	+ 28	725	753	+ 27	595	595	+ 0
Miscellaneous expenses	166	180	+ 14	56	69	+ 12	110	111	+ 1
Real estate rental income [1]-[2]	3,949	3,745	- 204	2,839	2,629	- 210	1,109	1,115	+ 6
Rental NOI * 1	5,723	5,511	- 211	4,018	3,799	- 218	1,705	1,711	+ 6
Dividend income [3]	452	416	- 36	452	416	- 36	-	-	-
Capital gains on property sales [4]	-	138	+ 138	-	138	+ 138	-	-	-
[A] Operating revenues [1]+[3]+[4]	8,423	8,344	- 78	5,977	5,930	- 46	2,445	2,413	- 32
Other operating expenses [5]	561	604	+ 43						
Asset management fees	342	335	- 6						
Directors' compensation	9	9	-						
Custodian fees	11	11	- 0						
Administration fees	82	89	+ 7						
Audit fees	8	8	-						
Other expenses	107	151	+ 43						
[B] Operating expenses [2]+[5]	4,582	4,648	+ 66						
[A]-[B] Operating income	3,840	3,695	- 145						
Non-operating income	1	2	+ 0						
Interest expenses	488	456	- 32						
Other expenses	15	12	- 3						
Non-operating expenses	503	468	- 35						
Ordinary income	3,338	3,228	- 109						
Income tax	2	1	- 0						
Net income	3,335	3,227	- 108						

## Major Components of Maintenance and Repair Expenses

			(Million yen)
Maintenance and repairs	FP 28 Actual [400 mm yen]	NU Kannai Bldg: HVAC maintenance and repair	42
		MEW: Exterior repairs	22
Capital expenditures	FP 29 Plan [402 mm yen]	Premier Kaigan Bldg.: Exterior repairs	81
		NU Kannai Bldg: HVAC maintenance and repair	41
Capital expenditures	FP 28 Actual [359 mm yen]	KN Shibuya 3: New HVAC	73
		NU Kannai Bldg: HVAC maintenance and repair	49
Capital expenditures	FP 29 Plan [388 mm yen]	The Kanagawa Science Park R&D Bldg: New HVAC	168
		Urbannet Ikebukuro Bldg: New automated fire alarms	79



# Performance Forecast Assumptions



	Fiscal Period 29 (Ending Apr. 2017)	Fiscal Period 30 (Ending Oct. 2017)																
Investment properties	Assumes the acquisition and sale of one office building each slated for December 20, 2016. This will bring the total number of assets in the portfolio to 59, compared to 59 properties as of the end of Fiscal Period 28.	Assumes no change in the number of portfolio assets (59) from the end of Fiscal Period 29.																
Number of units outstanding	Assumes no change from the 1,316,995 units outstanding as of the end of Fiscal Period 28.	Assumes no change from the 1,316,995 units outstanding as of the end of Fiscal Period 29.																
Interest-bearing liabilities	Assumes the following changes from the 105,500 million yen in interest-bearing liabilities outstanding as of the end of Fiscal Period 28. (Refinancing) <ul style="list-style-type: none"> <li>Long-term borrowings of 9,000 million yen due December 8, 2016: Roll over the same amount.</li> <li>Short-term borrowings of 7,900 million yen due December 30, 2016: Pre-pay 2,500 million yen.</li> </ul> (Expected balance as of the period-end: 103,000 million yen)	Assumes the following changes from the 103,000 million yen in interest-bearing liabilities expected to be outstanding as of the end of Fiscal Period 29 (Refinancing) <ul style="list-style-type: none"> <li>Short-term borrowings of 3,080 million yen due July 31, 2017: Roll over same amount.</li> <li>Long-term borrowings of 5,000 million yen due September 5, 2017: Roll over same amount.</li> <li>Short-term borrowings of 2,320 million yen due September 29, 2017: Roll over same amount.</li> </ul> (Expected balance as of the period-end: 103,000 million yen)																
Average occupancy rate	Office: 94.7% Residential: 95.3% Overall: 94.9%	Office: 94.2% Residential: 95.3% Overall: 94.6%																
Other	<p>(Operating revenue) Forecasting a net decrease in revenue compared to the previous period. Leasing revenue should rise due to the new acquisition of a office property and there will be a posting of property capital gain. However, we expect some tenant departures and a decline in utilities revenue due to seasonal factors.</p> <p>(Operating expenses) Major items are as follows.</p> <table border="0"> <tr> <td>Property management fees:</td> <td>975 million yen</td> </tr> <tr> <td>Property taxes, etc.:</td> <td>561 million yen</td> </tr> <tr> <td>Depreciation:</td> <td>1,349 million yen</td> </tr> <tr> <td>Non-rental operating expenses:</td> <td>604 million yen</td> </tr> </table> <p>(Non-operating expenses) Interest expenses (including bond interest): 456 million yen</p> <p>(Distributions) Assuming that the entire amount of capital gains of 138 million yen (forecast) will be paid out in cash distributions to unitholders.</p>	Property management fees:	975 million yen	Property taxes, etc.:	561 million yen	Depreciation:	1,349 million yen	Non-rental operating expenses:	604 million yen	<p>(Operating revenue) Forecasting a net decrease in revenue compared to the previous period. Leasing revenue should rise as the office property bought in the previous period contributes for the entire period. Also, revenue should increase as a result of increased dividends from preferred securities. However, the capital gain posted in the previous period will go away.</p> <p>(Operating expenses) Major items are as follows.</p> <table border="0"> <tr> <td>Property management fees:</td> <td>974 million yen</td> </tr> <tr> <td>Property taxes, etc.:</td> <td>570 million yen</td> </tr> <tr> <td>Depreciation:</td> <td>1,362 million yen</td> </tr> <tr> <td>Non-rental operating expenses:</td> <td>556 million yen</td> </tr> </table> <p>(Non-operating expenses) Interest expenses (including bond interest): 457 million yen</p> <p>(Distributions) Assuming that a reversal of 48 million yen will be drawn from the 260 million-yen reserve for reduction entry associated with property capital gains accumulated to date, and that the reversal will be added to net income and paid out as cash distributions to unitholders.</p>	Property management fees:	974 million yen	Property taxes, etc.:	570 million yen	Depreciation:	1,362 million yen	Non-rental operating expenses:	556 million yen
Property management fees:	975 million yen																	
Property taxes, etc.:	561 million yen																	
Depreciation:	1,349 million yen																	
Non-rental operating expenses:	604 million yen																	
Property management fees:	974 million yen																	
Property taxes, etc.:	570 million yen																	
Depreciation:	1,362 million yen																	
Non-rental operating expenses:	556 million yen																	

# P/L by Property (1)



(million yen)

	Landic Shimbashi Bldg.		Landic Shimbashi 2 Bldg.		Premier Dogenzaka Bldg.		KN Shibuya No.3 *1		Takadanobaba Center Bldg.		Rokubancho Bldg. *1		Ougaku Bldg.		Premier Kaigan Bldg.	
	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28
Real estate rental revenue	196	197	209	205	79	77			248	249			63	64	116	132
Rental revenue	177	178	190	185	69	66			207	206			55	55	92	105
Other income	19	18	18	19	10	10			41	43			8	8	23	27
Real estate rental expenses	89	95	91	97	28	27			100	110			27	26	90	74
Property management fees	14	16	19	21	5	6	Non-disclosure	Non-disclosure	25	25	Non-disclosure	Non-disclosure	6	6	13	13
Utilities	9	9	14	13	4	4			15	16			4	4	9	10
Taxes and public dues	22	22	15	15	5	5			20	20			4	4	14	14
Maintenance and repairs	11	14	3	8	3	0			1	11			0	0	19	2
Depreciation	29	30	36	36	9	9			36	36			10	10	30	31
Miscellaneous expenses	1	2	1	1	0	0			1	1			1	0	2	2
Real estate rental income	106	101	118	108	51	50	92	115	148	138	124	132	36	37	25	57
Rental NOI	136	131	154	144	61	59	108	136	184	174	155	164	47	47	56	88
Rental NOI yield	4.4%	4.3%	4.5%	4.3%	8.1%	8.0%	4.4%	5.5%	8.3%	7.9%	4.0%	4.2%	5.5%	5.6%	2.3%	3.5%

(million yen)

	Urbannet Mita Bldg.		Urbannet Azabu Bldg. *1		Urbannet Ichigaya Bldg. *1		Urbannet Irifune Bldg. *1		Granpark		Urbannet Kojimachi Bldg.		Premier Toyochō Bldg.		Ueno TH Bldg.	
	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28
Real estate rental revenue	277	291							442	465	161	161	93	107	113	120
Rental revenue	258	267							386	397	150	151	82	93	98	103
Other income	18	24							55	68	10	10	11	14	14	16
Real estate rental expenses	130	133							209	199	40	57	65	66	66	70
Property management fees	39	35	Non-disclosure	Non-disclosure	Non-disclosure	Non-disclosure	Non-disclosure	Non-disclosure	58	50	23	22	9	9	13	13
Utilities	20	23							59	63	7	7	8	9	7	8
Taxes and public dues	29	29							37	37	-	18	8	8	8	8
Maintenance and repairs	10	13							12	6	1	0	3	2	2	6
Depreciation	28	29							36	36	6	6	35	35	15	15
Miscellaneous expenses	1	2							4	4	1	0	1	1	18	17
Real estate rental income	146	158	93	83	36	37	94	81	232	265	121	104	27	41	46	50
Rental NOI	175	187	109	99	45	45	112	99	268	302	127	111	63	76	62	66
Rental NOI yield	3.5%	3.7%	4.5%	4.1%	5.5%	5.6%	7.9%	7.0%	4.7%	5.3%	7.0%	6.1%	3.3%	4.0%	2.8%	2.9%

\*1 Details on leasing P/L are not disclosed herein because consent to disclose the information has not been obtained from major tenants.

## P/L by Property (2)



(million yen)

	Gotanda NT Bldg.		Ueno Tosei Bldg.		Urbannet Ikebukuro Bldg.		Urbannet Omori Bldg.		Premier Yokohama Nishiguchi Bldg.		The Kanagawa Science Park R&D Bldg.		NU Kannai Bldg.		Tradepia Yodoyabashi (land) *1	
	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28
Real estate rental revenue	88	88	204	205	715	746	252	251	133	152	390	416	149	153	Non-disclosure	Non-disclosure
Rental revenue	75	74	186	186	629	639	239	238	105	107	308	313	130	131		
Other income	12	13	18	18	85	106	13	13	27	45	81	102	19	22		
Real estate rental expenses	43	46	89	90	265	309	94	136	71	69	260	256	92	128		
Property management fees	10	10	13	13	82	79	35	37	15	15	61	62	28	26		
Utilities	6	6	10	10	75	83	16	16	10	10	87	94	16	14		
Taxes and public dues	8	8	12	12	0	33	0	18	10	10	33	33	13	13		
Maintenance and repairs	2	5	0	1	26	30	2	24	3	2	20	7	3	42		
Depreciation	13	13	51	51	77	77	38	38	29	29	55	56	28	29		
Miscellaneous expenses	2	1	1	1	3	3	1	1	2	1	2	1	1	1		
Real estate rental income	44	41	115	114	450	436	158	115	61	82	130	159	57	25		
Rental NOI	58	55	167	165	527	514	196	153	91	112	185	216	86	54		
Rental NOI yield	2.8%	2.7%	5.9%	5.9%	7.8%	7.6%	8.3%	6.5%	5.6%	7.0%	7.2%	8.5%	5.2%	3.3%	4.0%	4.0%

(million yen)

	NTT CRED Okayama Bldg.		Urbannet Shizuoka Ote-machi Bldg.*2		Urbannet Shizuoka Bldg.*2		Park Axis Yotsuya Stage		Park Axis Meiji-Jingumae		Cabin Arena Akasaka		Cabin Arena Minami-Aoyama		Bureau Kioicho	
	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28
Real estate rental revenue	254	251	42	107	31	78	155	154	53	54	38	39	36	36	37	37
Rental revenue	175	168	37	95	27	69	144	142	50	49	36	37	34	34	37	37
Other income	78	83	5	12	3	8	10	12	3	4	2	2	2	1	-	-
Real estate rental expenses	170	205	14	37	10	27	76	76	21	23	20	18	17	16	14	16
Property management fees	65	65	6	15	5	12	18	18	4	4	4	4	4	3	-	-
Utilities	35	35	2	7	1	5	1	0	1	1	0	0	0	0	-	-
Taxes and public dues	-	44	0	0	0	0	8	8	2	2	1	1	1	1	2	2
Maintenance and repairs	8	3	-	0	0	0	5	4	2	2	4	3	1	1	0	2
Depreciation	34	34	4	12	2	7	37	37	9	9	8	8	8	8	11	11
Miscellaneous expenses	26	23	0	0	0	0	5	6	1	2	0	0	0	0	0	0
Real estate rental income	83	46	27	70	20	51	78	78	31	30	18	20	18	19	22	21
Rental NOI	117	80	32	83	23	58	116	115	40	39	26	29	27	28	34	32
Rental NOI yield	6.5%	4.5%	10.1%	10.1%	10.7%	10.4%	5.3%	5.3%	3.3%	3.2%	4.6%	5.0%	6.0%	6.3%	4.1%	3.9%

\*1 Details on leasing P/L are not disclosed herein because consent to disclose the information has not been obtained from leaseholder.

\*2 Urbannet Shizuoka Ote-machi Bldg. and Urbannet Shizuoka Bldg. were acquired on February 19, 2016.

# P/L by Property (3)



(million yen)

	Roppongi Green Terrace		Premier Stage Shibakoen II		Langue Tower Kyobashi		Premier Stage MitaKeidaimae		Premier Rosso		Premier Blanc Yoyogikouen		Premier Stage Uchikanda		Premier Stage Ichigayakawadacho	
	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28
Real estate rental revenue	125	128	58	57	36	36	53	51	51	54	63	64	58	59	45	45
Rental revenue	123	126	54	55	35	34	51	50	46	49	60	61	55	56	44	44
Other income	1	1	4	1	1	1	1	1	5	4	3	3	3	3	0	1
Real estate rental expenses	68	60	28	26	15	15	20	19	24	21	31	34	22	22	22	27
Property management fees	12	11	4	4	3	3	4	5	6	5	5	7	5	5	4	4
Utilities	2	2	0	0	0	0	0	0	1	1	1	1	1	2	0	0
Taxes and public dues	7	7	3	3	1	1	2	2	2	2	3	3	2	2	1	1
Maintenance and repairs	12	4	1	0	0	1	3	1	3	1	2	4	1	1	5	9
Depreciation	32	33	16	16	7	7	8	8	9	9	17	17	10	10	10	10
Miscellaneous expenses	1	1	1	0	0	0	1	1	1	0	1	0	1	0	0	0
Real estate rental income	56	68	29	30	21	20	32	32	27	32	31	30	36	37	23	18
Rental NOI	89	101	46	47	28	28	41	41	37	42	48	47	46	48	33	28
Rental NOI yield	4.5%	5.1%	5.0%	5.2%	7.3%	7.2%	5.7%	5.7%	4.9%	5.6%	4.8%	4.6%	6.0%	6.3%	5.0%	4.3%

(million yen)

	Walk Akasaka		Premier Stage Shibakoen		MEW		Shibaura Island Air Tower		Storia Akasaka		Renai Shinjuku-Gyoen Tower		Shibaura Island Bloom Tower		Questcourt Harajuku	
	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28
Real estate rental revenue	48	49	43	44	35	36	331	333	86	90	177	180	273	272	143	144
Rental revenue	44	45	41	42	30	32	292	291	80	82	159	162	250	247	132	135
Other income	3	3	2	2	5	4	38	42	6	7	18	18	23	25	11	8
Real estate rental expenses	28	26	19	20	24	43	235	245	42	40	107	99	164	171	54	57
Property management fees	5	4	5	5	4	4	51	52	9	9	34	33	38	39	14	13
Utilities	0	0	0	0	0	0	9	9	1	1	5	5	2	2	3	3
Taxes and public dues	2	2	2	2	1	2	16	16	6	6	11	11	13	13	6	6
Maintenance and repairs	1	0	1	1	2	22	13	19	3	2	9	3	9	13	5	9
Depreciation	16	16	8	8	12	12	96	96	18	18	43	43	66	66	23	23
Miscellaneous expenses	1	1	1	2	2	1	48	52	1	1	3	2	33	35	0	1
Real estate rental income	19	22	24	24	11	-6	96	87	44	50	70	81	109	101	88	86
Rental NOI	36	39	32	33	23	6	192	184	62	68	113	124	175	167	111	109
Rental NOI yield	4.2%	4.6%	4.3%	4.4%	3.4%	0.9%	6.2%	6.0%	3.3%	3.6%	3.6%	4.0%	7.1%	6.9%	5.1%	5.1%

# P/L by Property (4)



(million yen)

	Urbancourt Ichigaya		B-Site Osaki		Premier Garden Hongo		Premier Grande Magome		Premier Nozze Yutenji		Premier Stage Yushima		Premier Stage Komagome		Premier Stage Otsuka	
	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28	FP 27	FP 28
Real estate rental revenue	59	61	29	29	29	30	41	41	38	38	50	50	53	52	41	42
Rental revenue	56	56	29	29	28	29	37	37	35	36	48	48	50	50	40	40
Other income	2	4	0	-	1	0	3	3	2	2	2	2	3	2	1	2
Real estate rental expenses	21	23	10	11	30	13	24	21	20	20	28	28	29	44	21	22
Property management fees	7	7	-	-	3	3	5	4	3	4	6	6	5	6	3	4
Utilities	0	0	-	-	0	0	0	0	0	0	0	0	0	0	0	0
Taxes and public dues	3	3	1	1	2	2	2	2	2	1	2	2	2	2	1	1
Maintenance and repairs	2	5	0	1	19	2	3	1	1	2	1	2	2	16	2	2
Depreciation	7	7	8	8	3	3	11	11	10	10	14	14	15	15	10	10
Miscellaneous expenses	0	0	0	0	0	1	1	1	2	0	1	1	2	3	2	2
Real estate rental income	37	37	18	17	-0	16	17	19	17	18	21	21	23	7	20	20
Rental NOI	45	44	26	25	3	20	28	30	28	29	36	35	39	23	31	31
Rental NOI yield	6.5%	6.4%	6.1%	6.0%	0.7%	4.4%	4.3%	4.6%	3.9%	4.1%	4.7%	4.6%	4.9%	3.0%	5.2%	5.3%

(million yen)

	Premier Stage Honjo-Azumabashi		Premier Stage Ryogoku	
	FP 27	FP 28	FP 27	FP 28
Real estate rental revenue	80	80	46	45
Rental revenue	73	76	45	43
Other income	7	4	1	2
Real estate rental expenses	42	40	23	24
Property management fees	8	7	4	4
Utilities	0	0	0	0
Taxes and public dues	4	4	2	2
Maintenance and repairs	2	2	0	1
Depreciation	22	22	14	14
Miscellaneous expenses	2	2	1	1
Real estate rental income	38	40	23	20
Rental NOI	61	63	38	35
Rental NOI yield	5.1%	5.3%	5.8%	5.4%

# Appraisal Values (1)

	Property name	Appraisal values			Cap rate *2		Book value [3] (million yen)	Unrealized gain or loss [2]-[3] (million yen)	
		FP 27 (2016/4) [1] (million yen)	FP 28 (2016/10) [2] (million yen)	Change *1 [2]-[1] (million yen)	FP 28 (2016/10)	Change			
Office	5 Central Wards of Tokyo	Landic Shimbashi Bldg.	6,440	6,440	-	3.8%	-0.1%	6,140	+ 299
		Landic Shimbashi 2 Bldg.	7,230	7,360	+ 130	4.0%	-0.1%	6,773	+ 586
		Premier Dogenzaka Bldg.	2,470	2,620	+ 150	3.9%	-0.1%	1,495	+ 1,124
		KN Shibuya No.3	6,980	7,070	+ 90	3.8%	-0.1%	5,021	+ 2,048
		Takadanobaba Center Bldg.	6,120	6,170	+ 50	4.3%	-0.1%	4,406	+ 1,763
		Rokubancho Bldg.	8,380	8,390	+ 10	4.3%	-0.1%	7,803	+ 586
		Ougaku Bldg.	1,530	1,540	+ 10	4.4%	-0.1%	1,715	- 175
		Premier Kaigan Bldg.	3,610	3,740	+ 130	4.2%	-0.1%	4,984	- 1,244
		Urbannet Mita Bldg.	10,700	10,900	+ 200	3.9%	-0.1%	10,171	+ 728
		Urbannet Azabu Bldg.	4,960	4,870	- 90	4.2%	-0.1%	4,886	- 16
		Urbannet Ichigaya Bldg.	1,720	1,620	- 100	4.7%	-0.1%	1,621	- 1
		Urbannet Irifune Bldg.	3,740	3,870	+ 130	4.6%	-0.2%	2,832	+ 1,037
		Granpark	13,000	13,600	+ 600	3.9%	-0.1%	11,356	+ 2,243
		Urbannet Kojimachi Bldg.	4,010	4,030	+ 20	4.0%	-0.1%	3,627	+ 402
	Other 18 Wards of Tokyo	Premier Toyoko Bldg.	3,380	3,400	+ 20	4.8%	-0.1%	3,791	- 391
		Ueno TH Bldg.	2,710	2,730	+ 20	4.7%	-0.1%	4,528	- 1,798
		Gotanda NT Bldg.	2,500	2,590	+ 90	4.6%	-0.1%	4,159	- 1,569
		Ueno Tosei Bldg.	6,650	6,440	- 210	4.4%	-0.1%	5,604	+ 835
		Urbannet Ikebukuro Bldg.	16,100	17,300	+ 1,200	4.2%	-0.1%	13,461	+ 3,838
		Urbannet Omori Bldg.	5,460	5,510	+ 50	4.7%	-0.1%	4,743	+ 766
	Urban Areas Surrounding Tokyo	Premier Yokohama Nishiguchi Bldg.	3,200	3,280	+ 80	4.6%	-0.2%	3,222	+ 57
		The Kanagawa Science Park R&D Bldg.	5,410	5,420	+ 10	5.9%	+ 0.1%	5,096	+ 323
		NU Kannai Bldg.	3,400	3,060	- 340	4.9%	0.0%	3,326	- 266
	Major Regional Cities	Tradepia Yodoyabashi (land)	6,540	6,700	+ 160	3.9%	-0.1%	6,558	+ 141
		NTT CRED Okayama Bldg.	3,570	3,570	-	6.2%	-0.1%	3,571	- 1
		Urbannet Shizuoka Ote-machi Bldg.	1,732	1,740	+ 8	6.6%	-0.1%	1,640	+ 99
Urbannet Shizuoka Bldg.		1,200	1,200	-	6.6%	-0.1%	1,128	+ 71	
Subtotal		142,742	145,160	+ 2,418			133,667	+ 11,492	
Residential	5 Central Wards of Tokyo	Park Axis Yotsuya Stage	4,730	4,800	+ 70	4.3%	-0.1%	4,382	+ 417
		Park Axis Meiji-Jingumae	1,800	1,700	- 100	4.3%	-0.1%	2,446	- 746
		Cabin Arena Akasaka	1,190	1,220	+ 30	4.3%	-0.1%	1,172	+ 47

\*1 Excludes the increase over the previous period attributable to properties newly acquired during FP 28.

\*2 Here, the cap rate is a capitalization yield arrived at using the direct capitalization method. However, a discount rate is provided in place of a cap rate for 2 residential properties (Shibaura Island Air Tower and Shibaura Island Bloom Tower) for which valuation has been performed using only a DCF method.

## Appraisal Values (2)



	Property name	Appraisal values			Cap rate *2		Book value [3] (million yen)	Unrealized gain or loss [2]-[3] (million yen)
		FP 27 (2016/4) [1] (million yen)	FP 28 (2016/10) [2] (million yen)	Change *1 [2]-[1] (million yen)	FP 28 (2016/10)	Change		
Residential	5 Central Wards of Tokyo							
	Cabin Arena Minami-Aoyama	1,050	1,070	+ 20	4.3%	- 0.1%	896	+ 173
	Bureau Kioicho	1,420	1,420	-	4.1%	- 0.1%	1,663	- 243
	Roppongi Green Terrace	4,250	4,340	+ 90	4.2%	0.0%	3,973	+ 366
	Premier Stage Shibakoen II	1,830	1,870	+ 40	4.3%	- 0.1%	1,845	+ 24
	Langue Tower Kyobashi	1,020	1,060	+ 40	4.2%	- 0.1%	790	+ 269
	Premier Stage MitaKeidaimae	1,820	1,840	+ 20	4.4%	- 0.1%	1,449	+ 390
	Premier Rosso	1,640	1,670	+ 30	4.3%	- 0.1%	1,497	+ 172
	Premier Blanc Yoyogikouen	2,250	2,270	+ 20	4.4%	- 0.1%	2,026	+ 243
	Premier Stage Uchikanda	1,900	1,950	+ 50	4.3%	- 0.1%	1,530	+ 419
	Premier Stage Ichigayakawadacho	1,610	1,650	+ 40	4.5%	- 0.1%	1,311	+ 338
	Walk Akasaka	1,610	1,650	+ 40	4.2%	- 0.1%	1,721	- 71
	Premier Stage Shibakoen	1,460	1,450	- 10	4.3%	- 0.1%	1,498	- 48
	MEW	1,110	1,140	+ 30	4.6%	- 0.1%	1,383	- 243
	Shibaura Island Air Tower	7,080	7,080	-	4.1%	0.0%	6,131	+ 948
	Storia Akasaka	3,070	3,160	+ 90	4.1%	- 0.1%	3,815	- 655
	Renai Shinjuku-Gyoen Tower	5,160	5,270	+ 110	4.3%	- 0.1%	6,206	- 936
	Shibaura Island Bloom Tower	6,210	6,350	+ 140	4.1%	- 0.1%	4,877	+ 1,472
	Questcourt Harajuku	5,030	4,970	- 60	4.2%	- 0.1%	4,322	+ 647
	Urbancourt Ichigaya	1,570	1,660	+ 90	4.7%	- 0.1%	1,395	+ 264
Other 18 Wards of Tokyo								
B-Site Osaki	1,010	1,030	+ 20	4.6%	- 0.1%	869	+ 160	
Premier Garden Hongo	890	932	+ 42	4.3%	- 0.1%	953	- 21	
Premier Grande Magome	1,170	1,180	+ 10	4.6%	- 0.1%	1,333	- 153	
Premier Nozze Yutenji	1,310	1,340	+ 30	4.5%	- 0.1%	1,411	- 71	
Premier Stage Yushima	1,640	1,680	+ 40	4.4%	- 0.1%	1,548	+ 131	
Premier Stage Komagome	1,790	1,820	+ 30	4.4%	- 0.1%	1,567	+ 252	
Premier Stage Otsuka	1,360	1,380	+ 20	4.7%	- 0.1%	1,180	+ 199	
Premier Stage Honjo-Azumabashi	2,740	2,800	+ 60	4.3%	- 0.1%	2,405	+ 394	
Premier Stage Ryogoku	1,560	1,590	+ 30	4.4%	- 0.1%	1,305	+ 284	
Subtotal	72,280	73,342	+ 1,062			68,914	+ 4,427	
Total	215,022	218,502	+ 3,480			202,582	+ 15,919	

\*1 Excludes the increase over the previous period attributable to properties newly acquired during FP 28.

\*2 Here, the cap rate is a capitalization yield arrived at using the direct capitalization method. However, a discount rate is provided in place of a cap rate for 2 residential properties (Shibaura Island Air Tower and Shibaura Island Bloom Tower) for which valuation has been performed using only a DCF method.

# Monthly Occupancy Rates (1)



(%)

	Property name	FP 27 (2016/4)							FP 28 (2016/10)							
		Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	Avg.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Avg.	
Office	5 Central Wards of Tokyo	Landic Shimbashi Bldg.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Landic Shimbashi 2 Bldg.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Premier Dogenzaka Bldg.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	KN Shibuya No.3	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Takadanobaba Center Bldg.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Rokubancho Bldg.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Ougaku Bldg.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Premier Kaigan Bldg.	100.0	100.0	90.7	100.0	100.0	100.0	100.0	98.5	100.0	100.0	100.0	100.0	100.0	96.6	99.4
	Urbannet Mita Bldg.	92.5	92.5	92.5	92.5	92.5	92.5	92.5	92.5	92.5	100.0	100.0	100.0	100.0	100.0	98.7
	Urbannet Azabu Bldg.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Urbannet Ichigaya Bldg.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Urbannet Irifune Bldg.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Granpark	99.1	99.2	99.2	98.9	99.0	99.1	99.1	98.6	98.8	99.1	99.0	99.2	99.3	99.3	99.0
	Urbannet Kojimachi Bldg.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Other 18 wards of Tokyo	Premier Toyochō Bldg.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Ueno TH Bldg.	95.1	95.1	95.1	95.1	100.0	100.0	96.8	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Gotanda NT Bldg.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Ueno Tosei Bldg.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Urbannet Ikebukuro Bldg.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Urbannet Omori Bldg.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	95.7	99.3
Urban Areas Surrounding Tokyo	Premier Yokohama Nishiguchi Bldg.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	85.1	97.5	
The Kanagawa Science Park R&D Bldg.	90.9	90.9	90.9	90.6	94.9	94.9	92.2	94.9	92.7	92.7	92.6	92.2	92.2	92.2	92.9	
NU Kannai Bldg.	81.7	81.7	81.7	81.7	81.7	80.2	81.5	80.2	81.7	81.7	80.7	80.7	80.7	80.7	81.0	
Regional Cities	Tradepia Yodoyabashi (land)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
NTT CRED Okayama Bldg.	88.3	88.3	88.3	88.0	88.0	87.0	88.0	87.0	87.0	87.0	87.4	83.3	82.9	85.8		
Urbannet Shizuoka Ote-machi Bldg. *1	-	-	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0	97.5	97.5	97.5	98.8		
Urbannet Shizuoka Bldg. *1	-	-	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	98.8	99.8		
subtotal		96.9	96.9	96.6	97.0	97.5	97.3	97.0	97.3	97.7	97.7	97.6	97.3	96.5	97.3	
Residential	5 Central Wards of Tokyo	Park Axis Yotsuya Stage	96.8	97.9	97.3	99.5	98.7	96.7	97.8	94.8	96.8	97.3	98.2	98.5	99.5	97.5
	Park Axis Meiji-Jingumae	100.0	100.0	97.3	97.3	94.4	89.6	96.4	92.5	94.7	97.3	97.3	97.3	100.0	96.5	
	Cabin Arena Akasaka	94.5	81.4	94.8	97.4	100.0	96.8	94.2	100.0	96.8	95.4	100.0	100.0	100.0	98.7	
	Cabin Arena Minami-Aoyama	87.7	96.9	100.0	100.0	100.0	100.0	97.4	97.4	97.9	100.0	95.7	97.9	95.3	97.4	
	Bureau Kioicho	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	

\*1 Urbannet Shizuoka Ote-machi bldg. and Urbannet Shizuoka bldg. were acquired on February 19, 2016.

# Monthly Occupancy Rates (2)



(%)

	Property name	FP 27 (2016/4)							FP 28 (2016/10)							
		Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	Avg.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Avg.	
Residential	5 Central Wards of Tokyo	Roppongi Green Terrace	95.8	92.7	100.0	100.0	100.0	100.0	98.1	96.1	96.1	96.1	100.0	100.0	95.5	97.3
	Premier Stage Shibakoen II	91.7	92.9	96.5	94.3	95.3	94.3	94.2	96.6	99.0	99.0	99.0	97.7	94.3	97.6	
	Langue Tower Kyobashi	100.0	100.0	100.0	100.0	100.0	98.3	99.7	96.6	100.0	100.0	100.0	100.0	98.3	99.1	
	Premier Stage MitaKeidaimae	100.0	96.6	95.0	95.3	100.0	90.5	96.2	88.9	93.7	95.3	96.8	96.8	100.0	95.3	
	Premier Rosso	89.9	92.7	90.4	94.2	93.4	96.4	92.8	97.8	97.8	96.4	94.8	97.0	100.0	97.3	
	Premier Blanc Yoyogikouen	92.2	91.7	92.4	94.0	95.5	95.6	93.6	100.0	100.0	93.9	89.1	90.7	92.1	94.3	
	Premier Stage Uchikanda	95.9	94.2	96.5	98.3	96.7	98.7	96.7	97.1	100.0	97.4	97.4	100.0	100.0	98.6	
	Premier Stage Ichigayakawadacho	96.7	98.2	98.4	100.0	100.0	97.1	98.4	98.2	96.6	95.2	95.2	93.8	94.6	95.6	
	Walk Akasaka	96.6	94.1	94.1	94.1	91.2	100.0	95.0	100.0	96.6	93.8	97.2	97.2	97.2	97.0	
	Premier Stage Shibakoen	97.7	95.3	90.9	93.2	95.3	93.2	94.3	95.7	93.6	97.9	95.6	95.6	100.0	96.4	
	MEW	94.6	94.6	86.1	95.2	95.2	100.0	94.3	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
	Shibaura Island Air Tower	96.2	96.8	97.1	96.5	96.1	95.6	96.4	96.0	96.6	96.2	96.4	96.7	96.9	96.5	
	Storia Akasaka	94.1	94.1	92.4	93.0	93.0	96.5	93.8	96.3	96.3	94.7	95.2	96.9	98.5	96.3	
	Renai Shinjuku-Gyoen Tower	92.3	95.1	96.9	96.5	97.3	96.9	95.8	95.0	95.4	96.5	96.4	98.3	98.8	96.7	
	Shibaura Island Bloom Tower	97.4	97.5	97.6	98.3	98.0	97.6	97.7	96.8	97.3	97.0	96.6	97.2	97.0	97.0	
	Questcourt Harajuku	100.0	100.0	94.8	94.4	97.7	97.7	97.4	100.0	98.4	98.4	98.4	100.0	100.0	99.2	
	Urbancourt Ichigaya	100.0	100.0	97.3	100.0	100.0	100.0	99.5	100.0	100.0	100.0	100.0	97.4	94.8	98.7	
	Other 18 wards of Tokyo	B-Site Osaki	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Premier Garden Hongo	93.2	93.2	93.2	93.2	100.0	93.8	94.4	100.0	100.0	93.1	93.1	93.1	91.8	95.2	
	Premier Grande Magome	97.0	97.0	93.9	97.0	97.0	90.8	95.4	88.2	97.4	96.9	96.9	100.0	100.0	96.6	
Premier Nozze Yutenji	93.1	93.1	93.1	96.6	100.0	100.0	96.0	100.0	100.0	100.0	97.4	91.7	94.8	97.3		
Premier Stage Yushima	92.4	94.2	100.0	98.2	97.1	94.6	96.1	94.4	93.9	93.9	94.9	96.4	98.9	95.4		
Premier Stage Komagome	96.3	93.4	98.7	98.9	98.7	96.8	97.1	96.8	95.5	95.5	97.4	97.4	96.3	96.5		
Premier Stage Otsuka	93.8	92.4	93.8	96.8	95.1	95.3	94.5	95.3	92.2	92.2	89.3	93.9	96.9	93.3		
Premier Stage Honjo-Azumabashi	95.1	95.7	91.0	96.5	98.8	98.2	95.9	96.4	99.4	96.3	97.6	98.8	97.6	97.7		
Premier Stage Ryogoku	96.6	96.6	96.6	98.8	97.7	96.6	97.1	96.6	94.4	94.4	92.1	90.0	88.8	92.7		
subtotal		96.0	95.9	96.2	97.1	97.4	96.8	96.6	96.6	97.1	96.7	96.9	97.3	97.4	97.0	
Total		96.6	96.6	96.4	97.0	97.5	97.2	96.9	97.1	97.5	97.3	97.3	97.3	96.8	97.2	



# Basic Information on Properties (1)



	Landic Shimbashi Bldg.	Landic Shimbashi 2 Bldg.	Premier Dogenzaka Bldg.	KN Shibuya No.3	Takadanobaba Center Bldg.	Rokubancho Bldg.	Ougaku Bldg.	Premier Kaigan Bldg.
								
Location	Minato Ward, Tokyo	Minato Ward, Tokyo	Shibuya Ward, Tokyo	Shibuya Ward, Tokyo	Shinjuku Ward, Tokyo	Chiyoda Ward, Tokyo	Chiyoda Ward, Tokyo	Minato Ward, Tokyo
Acquisition price (million yen)	6,341	7,045	1,727	5,348	5,118	7,860	1,796	5,100
Gross floor area	6,914m <sup>2</sup>	8,332m <sup>2</sup>	2,721m <sup>2</sup>	7,737m <sup>2</sup>	9,906m <sup>2</sup>	9,339m <sup>2</sup>	2,776m <sup>2</sup>	8,476m <sup>2</sup>
Completed	1982/06	1978/12	1991/06	1993/02	1992/05	1987/04	1988/03	1993/01

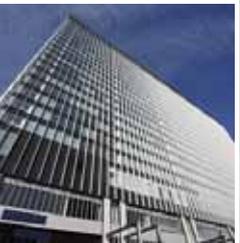
	Urbannet Mita Bldg.	Urbannet Azabu Bldg.	Urbannet Ichigaya Bldg.	Urbannet Irifune Bldg.	Granpark	Urbannet Kojimachi Bldg.	Premier Toyochō Bldg.	Ueno TH Bldg.
								
Location	Minato Ward, Tokyo	Minato Ward, Tokyo	Shinjuku Ward, Tokyo	Chuo Ward, Tokyo	Minato Ward, Tokyo	Chiyoda Ward, Tokyo	Koto Ward, Tokyo	Bunkyo Ward, Tokyo
Acquisition price (million yen)	10,300	5,000	1,650	2,900	11,490	3,600	4,310	4,380
Gross floor area	13,987m <sup>2</sup>	6,486m <sup>2</sup>	4,217m <sup>2</sup>	6,058m <sup>2</sup>	160,042m <sup>2</sup>	6,231m <sup>2</sup>	5,054m <sup>2</sup>	4,799m <sup>2</sup>
Completed	1987/09	1992/04	1993/12	1990/07	1996/08	1987/05	2006/10	1985/12



## Basic Information on Properties (2)



	Gotanda NT Bldg.	Ueno Tosei Bldg.	Urbannet Ikebukuro Bldg.	Urbannet Omori Bldg.	Premier Yokohama Nishiguchi Bldg.	The Kanagawa Science Park R&D Bldg.	NU Kannai Bldg.	Tradepia Yodoyabashi (land)
								
Location	Shinagawa Ward, Tokyo	Taito Ward, Tokyo	Toshima Ward, Tokyo	Ota Ward, Tokyo	Yokohama City, Kanagawa	Kawasaki City, Kanagawa	Yokohama City, Kanagawa	Osaka City, Osaka
Acquisition price (million yen)	4,100	5,900	13,600	4,800	3,558	6,556	3,300	6,500
Gross floor area	7,545m <sup>2</sup>	6,868m <sup>2</sup>	25,050m <sup>2</sup>	11,937m <sup>2</sup>	7,562m <sup>2</sup>	83,500m <sup>2</sup>	10,963m <sup>2</sup>	-
Completed	1987/11	2007/05	1988/09	1992/07	1986/04	1989/07	1987/02	-

	NTT CRED Okayama Bldg.	Urbannet Shizuoka Ote-machi Bldg.	Urbannet Shizuoka Bldg.	Akihabara UDX *1	Park Axis Yotsuya Stage	Park Axis Meiji-Jingumae	Cabin Arena Akasaka	Cabin Arena Minami-Aoyama
								
Location	Okayama City, Okayama	Shizuoka city, Shizuoka	Shizuoka city, Shizuoka	Chiyoda Ward, Tokyo	Shinjuku Ward, Tokyo	Shibuya Ward, Tokyo	Minato Ward, Tokyo	Minato Ward, Tokyo
Acquisition price (million yen)	3,600	1,628	1,119	19,940	5,208	2,604	1,330	1,070
Gross floor area	35,299m <sup>2</sup>	13,817m <sup>2</sup>	8,997m <sup>2</sup>	155,629m <sup>2</sup>	8,158m <sup>2</sup>	1,913m <sup>2</sup>	1,793m <sup>2</sup>	1,399m <sup>2</sup>
Completed	1999/02	1996/03	1991/11	2006/01	2001/11	2002/03	2002/11	2003/02

\*1 PIC owns 53,850 units (19%) of the 282,000 preferred securities outstanding backed by the asset Akihabara UDX.



## Basic Information on Properties (3)



	Bureau Kioicho	Roppongi Green Terrace	Premier Stage Shibakoen II	Langue Tower Kyobashi	Premier Stage MitaKeidaimae	Premier Rosso	Premier Blanc Yoyogikouen	Premier Stage Uchikanda
								
Location	Chiyoda Ward, Tokyo	Minato Ward, Tokyo	Minato Ward, Tokyo	Chuo Ward, Tokyo	Minato Ward, Tokyo	Shibuya Ward, Tokyo	Shibuya Ward, Tokyo	Chiyoda Ward, Tokyo
Acquisition price (million yen)	1,840	4,678	2,181	927	1,580	1,662	2,330	1,723
Gross floor area	2,008m <sup>2</sup>	8,332m <sup>2</sup>	2,548m <sup>2</sup>	1,714m <sup>2</sup>	1,748m <sup>2</sup>	2,487m <sup>2</sup>	3,086m <sup>2</sup>	2,458m <sup>2</sup>
Completed	2002/11	2002/10	2003/02	2003/02	2004/11	2004/11	2005/06	2005/08

	Premier Stage Ichigayakawadacho	Walk Akasaka	Premier Stage Shibakoen	MEW	Shibaura Island Air Tower	Storia Akasaka	Renai Shinjuku-Gyoen Tower	Shibaura Island Bloom Tower
								
Location	Shinjuku Ward, Tokyo	Minato Ward, Tokyo	Minato Ward, Tokyo	Minato Ward, Tokyo	Minato Ward, Tokyo	Minato Ward, Tokyo	Shinjuku Ward, Tokyo	Minato Ward, Tokyo
Acquisition price (million yen)	1,460	2,043	1,585	1,556	7,590	3,930	6,500	5,500
Gross floor area	1,779m <sup>2</sup>	2,357m <sup>2</sup>	2,129m <sup>2</sup>	1,826m <sup>2</sup>	81,760m <sup>2</sup>	6,329m <sup>2</sup>	11,203m <sup>2</sup>	104,186m <sup>2</sup>
Completed	2005/07	2004/11	2006/09	2005/08	2007/03	2002/12	2002/12	2008/09



## Basic Information on Properties (4)



	Questcourt Harajuku	Urbancourt Ichigaya	B-Site Osaki	Premier Garden Hongo	Premier Grande Magome	Premier Nozze Yutenji	Premier Stage Yushima	Premier Stage Komagome
								
Location	Shibuya Ward, Tokyo	Shinjuku Ward, Tokyo	Shinagawa Ward, Tokyo	Bunkyo Ward, Tokyo	Ota Ward, Tokyo	Setagaya Ward, Tokyo	Bunkyo Ward, Tokyo	Toshima Ward, Tokyo
Acquisition price (million yen)	4,500	1,385	1,072	975	1,560	1,525	1,803	1,830
Gross floor area	5,408m <sup>2</sup>	3,662m <sup>2</sup>	1,462m <sup>2</sup>	1,583m <sup>2</sup>	2,446m <sup>2</sup>	1,904m <sup>2</sup>	2,527m <sup>2</sup>	2,400m <sup>2</sup>
Completed	2004/01	1993/01	2002/12	2002/03	2005/02	2006/03	2006/03	2007/01

	Premier Stage Otsuka	Premier Stage Honjo-Azumabashi	Premier Stage Ryogoku
			
Location	Toshima Ward, Tokyo	Sumida Ward, Tokyo	Sumida Ward, Tokyo
Acquisition price (million yen)	1,310	2,640	1,496
Gross floor area	1,894m <sup>2</sup>	3,852m <sup>2</sup>	2,475m <sup>2</sup>
Completed	2006/08	2007/11	2008/03

# Acquisition of Environmental Certifications from Third Party Institutions

## GRESB

- GRESB (Global Real Estate Sustainability Benchmark) is an assessment system for measuring annually the environmental and social awareness of real assets. It was developed in 2009 by major European pension funds and others.
- As a result of the GRESB real estate assessment implemented in 2016, PIC was selected Sector Leader (1st place) in the Asian mixed-use sector (residential and office).  
PIC also received 2 stars under the 5-star GRESB rating system (5 being the highest)



## BELS

- BELS (Building Energy-efficiency Labeling System) is a system for the assessment and labeling, performed by a third party, of the energy efficiency of non-residential buildings, based on the 2013 Evaluation Guideline for Energy-efficiency Performance of Non-residential Buildings.
- At PIC, the Ueno Tosei Bldg. received this certification (★★★★☆).



## CASBEE

- CASBEE (Comprehensive Assessment System for Built Environment Efficiency) is a system for evaluating the environmental performance of buildings being developed in Japan. The system operates under the guidance of Japan's Ministry of Land, Infrastructure, Transport and Tourism.
- At PIC, the following 9 properties have been granted (A rank / ) certification.

### 2016 certification ( )

- Landic Shimbashi Bldg.
- Landic Shimbashi 2 Bldg.
- Urbannet Azabu Bldg.
- Urbannet Ichigaya Bldg.
- Urbannet Irifune Bldg.
- Premier Yokohama Nishiguchi Bldg.



### 2015 certification ( )

- Takadanobaba Center Bldg:
- Premier Kaigan Bldg.
- Premier Toyochō Bldg.

## Tokyo Mid- to Low- Carbon Footprint Model Building

- The Tokyo Mid- to Low-Carbon Footprint Model Building is a low-carbon footprint building assessment indicator (low-carbon footprint building benchmark) announced in May 2012 by the Metropolis of Tokyo with the aim to form a real estate market where low-carbon footprint buildings with little CO<sub>2</sub> emissions are valued.
- At PIC, the following 3 properties have been granted certification ranging between A1 and A4: Premier Dogenzaka Bldg., Rokubancho Bldg. and Urbannet Mita Bldg.



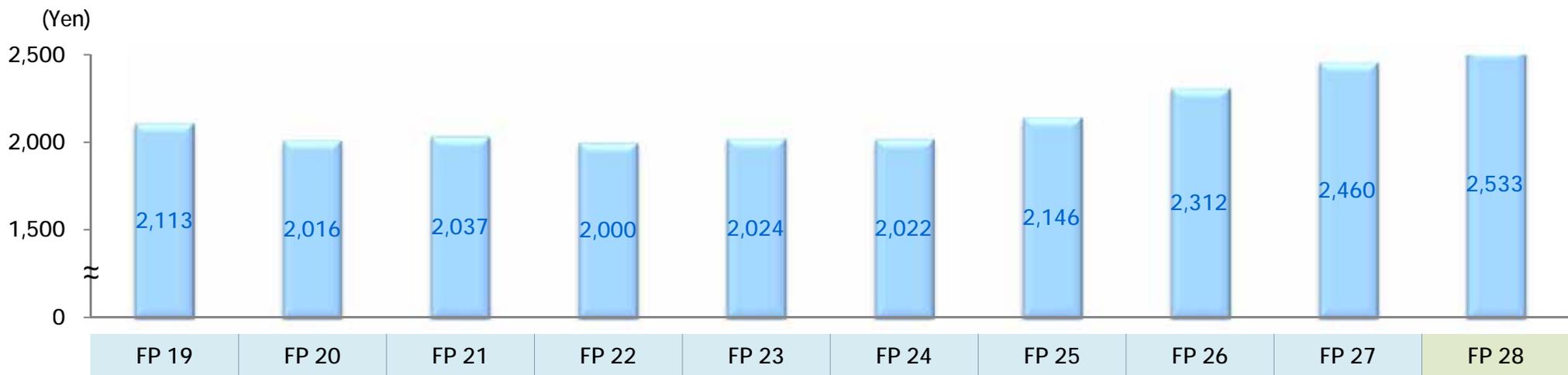


# Investment Unit Price and Distribution per Unit

Investment Unit Price\*1



Change in Distribution per Unit \*2



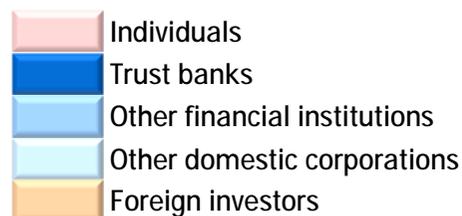
\*1 Investment Unit Price is based on the closing price from the last trading day of each week. Trading volume is the total weekly volume of buy- and sell-trades. Furthermore, investment unit prices before and on October 27, 2015 (the final day of trading at the former price) have been adjusted to reflect the 5-for-1 investment unit split implemented effective November 1, 2015.

\*2 DPU figures from Fiscal Period 26 and before have been adjusted for the unit split.



# Status of Unitholders

Breakdown of Unitholders \*1



Total no. of investment units	FP 24	FP 25	FP 26	FP 27	FP 28
	218,699	263,399	263,399	1,316,995 *	1,316,995

	FP 24	FP 25	FP 26	FP 27	FP 28
--	-------	-------	-------	-------	-------

\* 5 for 1 unit split

Major Unitholders

FP 28 (Investment units outstanding: 1,316,995 units)				
Rank	Unitholder	Units held (Units)	Share *1	Change*2 (Units)
1	Japan Trustee Services Bank, Ltd. (Trust Account)	465,806	35.3%	- 17,705
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	125,286	9.5%	+ 1,607
3	Trust & Custody Service Bank, Ltd. (Money Trust Tax Account)	117,540	8.9%	+ 974
4	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	48,973	3.7%	- 823
5	NTT Urban Development Corporation	43,500	3.3%	
6	STATE STREET BANK AND TRUST COMPANY 505012	18,193	1.3%	+ 13,802
7	STATE STREET BANK AND TRUST COMPANY 505223	18,163	1.3%	+ 532
8	STATE STREET BANK - WEST PENSION FUND CLIENTS - EXEMPT 505233	15,587	1.1%	+ 833
9	Mitsubishi UFJ Trust and Banking Corporation	14,795	1.1%	- 2,460
10	CBNY DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	14,162	1.0%	+ 1,772
Total		882,005	66.9%	

\*1 Percentage figures have been rounded down to the first decimal place.



# Features of PIC (1)

## Comprehensive Support from NTTUD, the Main Sponsor



- Abundant track record of development and pipelines for office buildings
- Operating capability in real estate rental business
- Fund-raising capability based on its high credibility

## A Portfolio Comprising Both Office and Residential Assets

- Mitigates the impact of economic fluctuations by combining asset types that have low correlation to each other in terms of market rent fluctuations
- Diversifies the tenant base into different types such as corporations and individuals



Office



Residential

### Profitability

( Exerts strengths when the economy is recovering )

### Stability

( Stable demands even in the receding economy )

## Focused Investments in Greater Tokyo

- Focuses investments in Greater Tokyo, which enjoys an established economic base due to a high concentration of population and industry
- Partially expands the target investment area to Major Regional Cities (strengthening ties with NTTUD)



Potencial Tenant Needs

More Efficiency by Concentrating Investment Areas



# Features of PIC (2)

## Portfolio (at period-end FP 28)

Asset size	235.9 billion yen (all 59 properties)	
By asset type		
	<ul style="list-style-type: none"> <li><span style="color: blue;">■</span> Office</li> <li><span style="color: orange;">■</span> Residential</li> </ul>	
By geographical area		
	<ul style="list-style-type: none"> <li><span style="color: blue;">■</span> 5 Central Wards of Tokyo</li> <li><span style="color: blue;">■</span> Other 18 Wards of Tokyo</li> <li><span style="color: blue;">■</span> Urban Areas Surrounding Tokyo</li> <li><span style="color: orange;">■</span> Major Regional Cities</li> </ul>	
NOI yield	5.1%	
Occupancy rate at period-end	96.8%	
Major properties	 <b>AkihabaraUDX</b> (Chiyoda Ward, Tokyo)	 <b>Urbannet Ikebukuro Bldg</b> (Toshima Ward, Tokyo)
	 <b>Granpark</b> (Minato Ward, Tokyo)	

## Financial Standing (at period-end FP 28)

Issuer ratings	JCR (Japan Credit Rating Agency)	AA- (stable)
	R&I (Rating and Investment Information)	A+ (stable)
LTV (Loan To Value)	46.7%	
Amount of interest-bearing liabilities	105.5 billion yen	

## Overview of the Asset Management Company

Tradename	<b>Premier REIT Advisors Co., Ltd.</b>	
	(Financial Instruments Business Operator: Kanto Local Finance Bureau Director-General No. 393)	
Establishment	July 17, 2001	
Paid – in capital	300 million yen (as of September 30, 2016)	
Shareholders	NTT Urban Development Corporation	53.1%
	Kenedix, Inc.	30.0%
	SOHGOH REAL ESTATE CO., LTD.	10.0%
	Sumitomo Mitsui Trust Bank, Limited	4.9%
	Nikko Properties Corporation	2.0%

# Terminology Used in this Presentation

Term	Definition
<ul style="list-style-type: none"> <li>■ Investment areas</li> </ul>	<ul style="list-style-type: none"> <li>• 5 Central Wards of Tokyo: The 3 central wards of Tokyo (Chiyoda, Chuo and Minato) plus Shinjuku and Shibuya</li> <li>• Other 18 Wards of Tokyo: The remaining 18 of 23 Wards of Tokyo, after excluding the 5 central wards of Tokyo</li> <li>• Urban Areas Surrounding Tokyo: Other urban areas within Greater Metropolitan Tokyo, which comprises The Metropolis of Tokyo (excluding 23 Wards of Tokyo), Kanagawa Prefecture (densely populated areas such as Yokohama City and Kawasaki City), Saitama Prefecture (densely populated areas such as Saitama City) and Chiba Prefecture (densely populated areas such as Chiba City)</li> <li>• Major Regional Cities: Major cities such as Sapporo, Sendai, Shizuoka, Nagoya, Osaka, Kyoto, Kobe, Hiroshima, Okayama and Fukuoka</li> </ul>
<ul style="list-style-type: none"> <li>■ Akihabara UDX</li> </ul>	<p>An office building located in Tokyo's Chiyoda Ward that is the underlying asset to UDX SPC Preferred Securities            PIC owns 53,580 units(19.0%) of the 282,000 Preferred Securities. Unless noted otherwise, the Preferred Securities are represented herein as "Akihabara UDX". We categorize it as an office building located within the Central 5 Wards of Tokyo.</p>
<ul style="list-style-type: none"> <li>■ Acquisition price / Transfer price</li> </ul>	<p>The transaction price before taxes, not considering various expenses (such as transaction brokerage fees and real estate taxes) required for the acquisition or transfer of the property in question.</p>
<ul style="list-style-type: none"> <li>■ Occupancy rate</li> </ul>	<p>Occupancy rate = [Total area under lease ÷ Gross leasable area (GLA)] X 100 (%)</p>
<ul style="list-style-type: none"> <li>■ Occupancy rate by cash flows</li> </ul>	<p>For any given month, the area actually generating cash flow (*) ÷ Gross leasable area (GLA) X 100 (%)</p> <ul style="list-style-type: none"> <li>• The portion of area under lease remaining after excluding any area for which the rent (including common services charges) stipulated under the lease agreement is not being received due to special incentives such as free rent. (the area actually generating cash flows during the month in question.)</li> </ul>
<ul style="list-style-type: none"> <li>■ Rental NOI</li> </ul>	<p>Rental NOI = Real estate rental income (*) + depreciation (for each property in the portfolio during the fiscal period in question)            * Rental NOI of the portfolio includes dividends received on preferred securities as office operating revenues.</p>
<ul style="list-style-type: none"> <li>■ FFO</li> </ul>	<p>FFO = Net income + Depreciation (as rental business expenses) - capital gains on real estate sales</p>
<ul style="list-style-type: none"> <li>■ Rental NOI yield</li> </ul>	<p>Rental NOI yield = Annualized rental NOI (*) ÷ Amount invested (**) (for each property in the portfolio during the fiscal period in question) X 100 (%)</p> <ul style="list-style-type: none"> <li>* Annualized rental NOI = Real estate rental income + Depreciation (annualized for properties in the portfolio during the fiscal period in question)               <ul style="list-style-type: none"> <li>• Annualized = Actual results from the fiscal period in question X 2 (For properties bought or sold at some point within the fiscal period in question, actual results from the period in question X 365 / Number of days the property was held in the portfolio)</li> </ul> </li> <li>** Amount invested = Book value at the end of the period for properties in the portfolio during the period in question               <ul style="list-style-type: none"> <li>• For properties sold, the book value at the time of sale is used in place of book value at the end of the period.</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>■ Appraisal NOI yield (of portfolio)</li> </ul>	<p>Appraisal NOI yield = (Appraisal NOI (*) ÷ Acquisition price) X 100(%)            * Appraisal NOI = Net operating income arrived at using the direct capitalization method described in the real estate appraisal document created upon acquisition of the property in question.</p>
<ul style="list-style-type: none"> <li>■ NOI yield (of portfolio)</li> </ul>	<p>NOI yield = Annualized rental NOI (*) ÷ Amount invested (**) for assets (including preferred securities) held during the period in question X 100 (%)</p> <ul style="list-style-type: none"> <li>* Annualized rental NOI = The total of {(Real estate rental income) + (Depreciation) + (Dividend income from preferred securities)} X 2, for assets held during the period in question</li> <li>** Amount invested = Total book value at the end of the period for assets held during the period in question</li> </ul>
<ul style="list-style-type: none"> <li>■ Yield after depreciation (of portfolio)</li> </ul>	<p>Yield after depreciation = {Annualized real estate rental income (*) ÷ Amount invested (**)} for assets (including preferred securities) held during the period in question X 100 (%)</p> <ul style="list-style-type: none"> <li>* Annualized real estate rental income = The total of {(Real estate rental income) + (Dividend income from preferred securities)} X 2, for assets held during the period in question</li> <li>** Amount invested = Total book value at the end of the period for assets held during the period in question</li> </ul>
<ul style="list-style-type: none"> <li>■ LTV (Loan to Value)</li> </ul>	<p>LTV (loan to value) = [Interest-bearing liabilities ÷ (interest-bearing liabilities + unitholders' capital)] X 100(%)</p>



# Disclaimers



- Unless indicated otherwise, amounts and figures have been rounded down to the nearest unit and percentages have been rounded to the first decimal place.
- These materials include forward-looking performance forecasts, future plans, management objectives and strategies. These forward-looking statements are based on current assumptions and premises made by Premier Investment Corporation (PIC) concerning anticipated events, business environment trends and other issues. Inherent to these assumptions are known and unknown risks, uncertainties and other factors, all of which may have an impact on PIC. Therefore, these forward-looking statements are no guarantee of PIC's future business performance, management results or financial conditions. Actual results may differ materially from any explicit or implicit forward-looking statements about PIC's future business performance, management results or financial conditions.
- These materials were not prepared for the purpose of soliciting the purchase of investment units issued by PIC or execution of other financial product transaction agreements. When purchasing PIC's investment units, please do so based on your own judgment and responsibility after consulting with relevant securities firms.
- The investment units issued by PIC are closed-end units, and unitholders cannot make a claim for the refund of investment units. Accordingly, unitholders can monetize them only through selling them to third parties. The market price of PIC's investment units are affected by the supply and demand conditions from investors on the respective exchange markets, and fluctuate under the influence of interest rates, the economic situation, real estate market conditions and various other factors surrounding the market. Thus, unitholders may not be able to sell the investment units at the price for which they were purchased, and consequently may suffer losses.
- PIC intends to distribute cash dividends to unitholders, but whether the distribution is actually made and the amounts of the distribution are not guaranteed on any account. Profitability in any given fiscal period may vary materially depending on any gains or losses accompanying the sale of real estate, losses on the write-down of any assets subject to redevelopment, or other factors, causing fluctuations in the distributions to unitholders.
- Aside from the above, due to changes in the price and profitability of the underlying real estate asset, among other factors, transaction prices for real estate investment securities may decline, resulting in a loss. Furthermore, deterioration in the financial standing, including but not limited to a bankruptcy, of the issuer may also result in a loss. For other risks related to investments in real estate securities, please refer to the Investment Securities Report (Section 1: Information on the Fund; Paragraph 1: Status of the Fund; Sub-paragraph 3: Investment Risks) published by PIC on the latest edition.
- Unless otherwise specified, the information provided in these materials does not constitute disclosure documents or management reports that are required by the Financial Instruments and Exchange Act or Investment Trusts and Investment Corporations Act or any related ministerial, government or cabinet ordinances, or sought by the listing regulations of the Tokyo Stock Exchange or other related rules and regulations.
- Use and perusal of these materials shall be made at the responsibility of the reader. PIC and other related parties involved in the preparation and disclosure, etc., of these materials shall not be liable for any damages (regardless of whether they are direct or indirect damages, or by whatever cause) that arise from the use of these materials.
- PIC takes the utmost care to ensure that the information provided in these materials contains no errors or omissions. However, these materials have been prepared for the convenience of your quick and easy reference, and the information provided may include inaccurate descriptions or typographical errors. PIC shall not be liable as to the accuracy, completeness, appropriateness and fairness of the information contained in these materials. Also, please be aware that the information may be subject to change or repeal without advance notice.
- PIC holds the copyrights for the information in these materials. No permission is granted to copy, modify, publish, distribute, reuse, reprint or post, or make commercial use of any of the information without the prior consent of PIC. Moreover, any trademarks and other marks (trademark, logo and service marks) related to PIC in these materials are the sole property of PIC. No permission is granted to copy, modify, publish, distribute, reuse, reprint or post, or make commercial use of any of these without the prior expressed approval of PIC.

Investment Corporation:  
**Premier Investment Corporation (PIC)**

Asset Management Company

**Premier REIT Advisors Co., Ltd.**

Financial Products Transaction Operator Registration No.: Kanto Local Finance Bureau Director-General No. 393  
Member of the Investment Trusts Association, Japan