

## 5. Appendix

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# 5-1 Financial highlights

Indices	21st period Period ended Jan. 31, 2017	22nd period Period ended Jul. 31, 2017	Calculation formula
Net income	4,562 mn yen	4,755 mn yen	
Depreciation and amortization	995 mn yen	1,000 mn yen	
CAPEX	462 mn yen	343 mn yen	
Total assets	349,100 mn yen	348,673 mn yen	Average of total assets during the period: 348,887 mn yen
Total net assets	178,921 mn yen	179,115 mn yen	Average of total net assets during the period: 179,018 mn yen
Total net assets/unit (BPS)	102,203 yen	102,314 yen	Total net assets/Total units outstanding
Unit price (as of end of each period)	153,500 yen	138,900 yen	
Total units outstanding	1,750,640 units	1,750,640 units	
Total dividends	4,562 mn yen	4,569 mn yen	
Dividends/unit	2,606 yen	2,610 yen	
Dividend yield	3.4%	3.8%	Dividends per unit (annualized)/Unit price as of end of period
FFO	5,557 mn yen	5,343 mn yen	Net income + Depreciation and amortization - Gain or loss on sales of real estate properties
FFO/unit	3,174 yen	3,052 yen	FFO/Total units outstanding
Annualized	6,297 yen	6,154 yen	Based on a period of 365 days
FFO multiple	24.4x	22.6x	Unit price as of end of period/FFO per unit (annualized)
PER	29.7x	25.4x	Unit price as of end of period/Net income per unit (average during the periods, annualized)
PBR	1.5x	1.4x	Unit price as of end of period/Net assets per unit
ROA	1.3%	1.4%	Ordinary income/Average of total assets during the period
Annualized	2.6%	2.7%	Based on a period of 365 days
ROE	2.6%	2.7%	Net income/Average of total net assets during the period
Annualized	5.1%	5.4%	Based on a period of 365 days
NAV	197,492 mn yen	201,137 mn yen	Total net assets + Total appraisal value - Total book value - Total liabilities
NAV/unit	112,811 yen	114,893 yen	
NAV multiple	1.4x	1.2x	Unit price as of end of period/NAV per unit
Interest-bearing debt	156,000 mn yen	156,022 mn yen	
LTV (book value basis)	44.7%	44.7%	Interest-bearing debt/Total assets
LTV (appraisal value basis)	42.4%	42.1%	Interest-bearing debt/(Total assets + Total appraisal value - Total book value)
Operating days	184 days	181 days	

(Note) As the accounting policy for rent revenues was changed in the 21st period, the figures for the 20th period are figures after retrospective application. The same applies hereafter.

# 5-2 Balance sheet

(thousand yen)

	21st period Period ended Jan. 31, 2017	22nd period Period ended Jul. 31, 2017
<b>Assets</b>		
Current assets	15,573,718	17,591,985
Cash and deposits	7,297,437	9,609,786
Cash and deposits in trust	7,759,698	7,321,280
Other	516,582	660,917
Noncurrent assets	333,293,538	330,895,097
Property, plant and equipment	301,685,377	299,414,737
Intangible assets	30,655,937	30,654,927
Investments and other assets	952,222	825,432
Deferred assets	233,133	186,550
<b>Total assets</b>	<b>349,100,390</b>	<b>348,673,632</b>

(thousand yen)

	21st period Period ended Jan. 31, 2017	22nd period Period ended Jul. 31, 2017
<b>Liabilities</b>		
Current liabilities	8,674,401	19,335,284
Current portion of investment corporation bonds	2,000,000	5,000,000
Current portion of long-term loans payable	4,578,000	12,600,000
Other	2,096,401	1,735,284
Noncurrent liabilities	161,504,272	150,222,930
Investment corporation bonds	26,000,000	25,000,000
Long-term loans payable	123,422,000	113,422,000
Lease and guarantee deposited in trust	12,082,272	11,800,930
<b>Total liabilities</b>	<b>170,178,674</b>	<b>169,558,214</b>
<b>Net assets</b>		
Unitholders' equity	178,921,716	179,115,418
Unitholders' capital	174,231,870	174,231,870
Total surplus	4,689,845	4,883,548
Voluntary retained earnings	105,244	105,244
Unappropriated retained earnings	4,584,601	4,778,304
<b>Total net assets</b>	<b>178,921,716</b>	<b>179,115,418</b>
<b>Total liabilities and net assets</b>	<b>349,100,390</b>	<b>348,673,632</b>

# 5-3 Income statement

(thousand yen)

	21st period Period ended Jan. 31, 2017	22nd period Period ended Jul. 31, 2017	
Operating revenue	8,248,756	8,491,973	
Rent revenues	8,056,295	7,853,452	Office 6,327,478
Other operating revenues	192,460	225,208	Residential 800,232
Gain on sales of real estate properties	–	413,312	Retail 91,999
Operating expenses	3,041,041	3,096,102	Land 629,400
Expenses related to properties	2,696,520	2,788,717	Other rent revenue 4,342
Asset management fee	234,850	201,529	
Directors' compensation	5,400	5,200	
Asset custody fee	8,654	8,727	
Administrative service fees	19,321	19,899	
Other operating expenses	76,294	72,028	
Operating income	5,207,714	5,395,871	
Non-operating income	2,002	919	
Interest income	86	58	Parking revenue 43,065
Gain on forfeiture of unclaimed dividends	1,510	861	Utilities and other revenue 140,750
Other	404	–	Cancellation penalty 41,392
Non-operating expenses	643,250	640,124	
Interest expenses	326,571	316,623	
Interest expenses on investment corporation bonds	85,983	92,264	
Amortization of investment corporation bonds issuance cost	13,154	14,073	
Borrowing expenses	166,987	166,568	
Amortization of investment unit issuance cost	48,664	48,664	
Other	1,888	1,930	
Ordinary income	4,566,466	4,756,667	
Income before income taxes	4,566,466	4,756,667	
Net income	4,562,484	4,755,870	
Unappropriated retained earnings	4,584,601	4,778,304	

Office	6,327,478
Residential	800,232
Retail	91,999
Land	629,400
Other rent revenue	4,342

Parking revenue	43,065
Utilities and other revenue	140,750
Cancellation penalty	41,392

Property management fees	936,590
Property taxes	516,999
Utilities	117,171
Maintenance and repairs	64,009
Insurance premium	14,985
Custodian fees	6,638
Depreciation	1,000,345
Rent expenses	112,673
Other lease business expenses	19,304

# 5-4 Statement of cash flows/Retained earnings

## Statement of cash flows

(thousand yen)

	21st period Period ended Jan. 31, 2017	22nd period Period ended Jul. 31, 2017
Net cash provided by (used in) operating activities	6,642,067	7,117,018
Income before income taxes	4,566,466	4,756,667
Depreciation and amortization	995,006	1,000,732
Amortization of investment corporation bonds issuance cost	13,154	14,073
Amortization of investment unit issuance cost	48,664	48,664
Interest income	△ 86	△ 58
Gain on forfeiture of unclaimed dividends	△ 1,510	△ 861
Interest expenses	412,555	408,887
Decrease (increase) in operating accounts receivable	1,630	△ 145,505
Decrease (increase) in consumption taxes refund receivable	431,471	—
Increase (decrease) in operating accounts payable	14,234	40,242
Increase (decrease) in accounts payable—other	12,981	△ 13,377
Increase (decrease) in accrued expenses	28,403	△ 36,811
Increase (decrease) in accrued consumption taxes	403,057	△ 238,864
Increase (decrease) in advances received	△ 9,834	△ 31,409
Increase (decrease) in deposits received	△ 2,788	166
Decrease (increase) in prepaid expenses	△ 16,476	4,553
Decrease (increase) in long-term prepaid expenses	161,305	126,790
Decrease in property, plant and equipment in trust due to sale	—	1,608,849
Other, net	△ 2,182	△ 3,574
Subtotal	7,056,053	7,539,164
Interest income received	86	58
Interest expenses paid	△ 413,226	△ 408,061
Income taxes paid	△ 845	△ 14,143

(thousand yen)

	21st period Period ended Jan. 31, 2017	22nd period Period ended Jul. 31, 2017
Net cash provided by (used in) investing activities	62,536	△ 686,980
Purchase of property, plant and equipment in trust	△ 266,574	△ 405,638
Repayments of lease and guarantee deposited in trust	△ 479,825	△ 780,144
Proceeds from lease and guarantee deposited in trust	808,936	498,801
Net cash provided by (used in) financing activities	△ 2,521,386	△ 4,556,105
Repayments of long-term loans payable	△ 2,000,000	△ 1,978,000
Proceeds from issuance of investment corporation bonds	3,971,823	1,983,845
Dividends paid	△ 4,493,210	△ 4,561,951
Net increase (decrease) in cash and cash equivalents	4,183,217	1,873,931
Cash and cash equivalents at beginning of the period	10,873,917	15,057,135
Cash and cash equivalents at the end of the period	15,057,135	16,931,067

## Retained earnings

(yen)

	21st period Period ended Jan. 31, 2017	22nd period Period ended Jul. 31, 2017
I Unappropriated retained earnings	4,584,601,465	4,778,304,094
II Total dividends	4,562,167,840	4,569,170,400
Dividends per unit	2,606	2,610
III Voluntary retained earnings		
Reserve for reduction entry	—	186,700,069
IV Retained earnings carried forward	22,433,625	22,433,625

# 5-5 Status of income and expenditures (1)

(thousand yen)

Property number	O-0			O-1			O-4			O-6		
Property name	Roppongi Hills Mori Tower			ARK Mori Building			Koraku Mori Building			Akasaka Tameike Tower		
Acquisition price	115,380,000			62,480,000			27,200,000			43,930,000		
Period	21st Jan. 2017	22nd Jul. 2017	Difference	21st Jan. 2017	22nd Jul. 2017	Difference	21st Jan. 2017	22nd Jul. 2017	Difference	21st Jan. 2017	22nd Jul. 2017	Difference
Operation days	184 days	181 days	△ 3 days	184 days	181 days	△ 3 days	184 days	181 days	△ 3 days	184 days	181 days	△ 3 days
Occupancy rate	100%	100%	0.0PT	100%	100%	0.0PT	93.4%	97.6%	4.2PT	95.8%	94.0%	△ 1.8PT
Avg. Occupancy rate (during period)	100%	100%	0.0PT	100%	100%	0.0PT	93.0%	94.5%	1.5PT	96.8%	91.4%	△ 5.4PT
Number of tenants	1	1	0	1	1	0	20	22	2	135	134	△ 1
Rent revenues	2,943,450	2,943,450	—	1,351,486	1,351,486	—	592,172	605,650	13,477	737,328	699,002	△ 38,326
Other operating revenues	—	—	—	—	—	—	92,328	131,006	38,678	74,415	74,049	△ 366
Total property operating revenue	2,943,450	2,943,450	—	1,351,486	1,351,486	—	684,500	736,656	52,156	811,743	773,051	△ 38,692
Property management	412,351	412,351	—	181,872	181,872	—	63,698	71,730	8,031	159,375	160,855	1,479
Property taxes (Note 1)	134,381	178,071	43,690	73,024	73,601	576	30,668	32,894	2,226	41,713	41,710	△ 3
Utilities	—	—	—	—	—	—	72,950	66,433	△ 6,517	24,422	24,901	479
Maintenance and repairs	—	—	—	370	—	△ 370	8,568	17,938	9,369	27,206	34,786	7,579
Insurance premium	3,972	4,053	80	1,949	1,882	△ 66	1,778	1,720	△ 57	2,039	2,010	△ 29
Depreciation (1)	442,171	444,416	2,244	60,280	59,973	△ 306	96,192	97,560	1,368	133,145	135,206	2,061
Other expenses (Note 2)	371	377	5	2,793	3,297	504	75,779	75,376	△ 403	10,853	11,695	841
Total property operating expenses	993,248	1,039,269	46,021	320,289	320,627	337	349,635	363,654	14,018	398,757	411,165	12,408
Property operating income (2)	1,950,202	1,904,180	△ 46,021	1,031,196	1,030,859	△ 337	334,864	373,002	38,138	412,986	361,885	△ 51,100
NOI (3) ((1)+(2))	2,392,373	2,348,596	△ 43,776	1,091,477	1,090,832	△ 644	431,056	470,563	39,506	546,131	497,092	△ 49,039
Annualized NOI	4,745,740	4,736,120	△ 9,619	2,165,158	2,199,745	34,587	855,084	948,925	93,840	1,083,358	1,002,423	△ 80,935
Annualized NOI/ Acquisition price	4.1%	4.1%	△ 0.0PT	3.5%	3.5%	0.1PT	3.1%	3.5%	0.4PT	2.5%	2.3%	△ 0.2PT
CAPEX (4)	4,061	129,568	125,507	261,395	32,918	△ 228,477	43,660	56,386	12,725	88,426	48,436	△ 39,989
NCF (3)-(4)	2,388,312	2,219,028	△ 169,284	830,081	1,057,914	227,833	387,395	414,176	26,781	457,705	448,655	△ 9,050

(Note 1) For property tax, city planning tax and depreciable assets tax, MHR charges the amount of property taxes assessed and determined applicable to the fiscal period to expenses related to properties. Registered owners of properties in Japan as of January 1 are responsible for paying property taxes for the calendar year based on assessments by local governments. Therefore, registered owners who sold properties to MHR were liable for property taxes for the calendar year, including the period from the date of the acquisition by MHR until the end of the year. MHR reimbursed sellers of properties for the equivalent amount of property taxes and included the amount in the acquisition cost of real estate.

(Note 2) "Other expenses" denotes the sum of custodian fees, rent expenses, and other lease business expenses (residential property management costs, and other property-related miscellaneous expenses) in aggregate.

(Note 3) Property disposed during the relevant period. "Annualized NOI/ Acquisition price" was calculated by taking into consideration the changes in acquisition price during the relevant period.

"Annualized NOI" denotes the value which is based on the acquisition price as of the end of the relevant period.

# 5-6 Status of income and expenditures (2)

(thousand yen)

Property number	O-7			O-8			R-1			R-3		
Property name	Atago Green Hills			ARK Hills South Tower			Moto-Azabu Hills			Roppongi First Plaza		
Acquisition price	42,090,000			19,150,000			— (before disposition 1,706,440)			2,100,000		
Period	21st Jan. 2017	22nd Jul. 2017	Difference	21st Jan. 2017	22nd Jul. 2017	Difference	21st Jan. 2017	22nd(Note 3) Jul. 2017	Difference	21st Jan. 2017	22nd Jul. 2017	Difference
Operation days	184 days	181 days	△ 3 days	184 days	181 days	△ 3 days	184 days	180 days	△ 4 days	184 days	181 days	△ 3 days
Occupancy rate	100%	100%	0.0PT	90.4%	73.8%	△ 16.6PT	86.9%	—	△ 86.9PT	95.7%	100%	4.3PT
Avg. Occupancy rate (during period)	100%	100%	0.0PT	92.2%	68.4%	△ 23.8PT	97.8%	86.9%	△ 10.9PT	92.8%	97.6%	4.8PT
Number of tenants	1	1	0	31	36	5	6	—	△ 6	40	42	2
Rent revenues	1,111,765	1,062,042	△ 49,722	465,970	334,011	△ 131,959	64,420	56,581	△ 7,838	72,058	77,965	5,906
Other operating revenues	—	—	—	24,301	18,396	△ 5,904	1,416	1,596	180	—	—	—
Total property operating revenue	1,111,765	1,062,042	△ 49,722	490,271	352,407	△ 137,864	65,836	58,178	△ 7,658	72,058	77,965	5,906
Property management	2,664	2,664	—	53,429	72,138	18,708	9,180	8,176	△ 1,004	12,876	13,229	352
Property taxes (Note 1)	69,353	69,124	△ 229	32,916	33,360	444	2,103	2,282	178	7,126	7,126	△ 0
Utilities	—	—	—	27,818	23,866	△ 3,951	1	57	55	1,171	1,002	△ 169
Maintenance and repairs	—	—	—	1,155	1,806	651	2,689	2,427	△ 261	1,138	6,615	5,477
Insurance premium	3,546	3,436	△ 110	1,096	1,055	△ 40	151	247	95	268	245	△ 22
Depreciation (1)	183,077	183,263	186	44,322	44,120	△ 201	7,143	7,109	△ 33	12,496	12,456	△ 39
Other expenses (Note 2)	37,869	37,825	△ 43	2,842	1,481	△ 1,360	4,085	4,197	111	3,771	3,773	1
Total property operating expenses	296,510	296,313	△ 197	163,579	177,830	14,250	25,356	24,498	△ 858	38,850	44,450	5,599
Property operating income (2)	815,254	765,729	△ 49,525	326,691	174,577	△ 152,114	40,480	33,680	△ 6,800	33,208	33,514	306
NOI (3) ((1)+(2))	998,331	948,992	△ 49,339	371,013	218,697	△ 152,316	47,623	40,789	△ 6,833	45,704	45,971	266
Annualized NOI	1,980,386	1,913,714	△ 66,672	735,978	441,020	△ 294,958	94,470	—	△ 94,470	90,664	92,704	2,040
Annualized NOI/Acquisition price	4.7%	4.5%	△ 0.2PT	3.8%	2.3%	△ 1.5PT	5.5%	4.8%	△ 0.7PT	4.3%	4.4%	0.1PT
CAPEX (4)	12,133	32,713	20,579	709	1,313	603	—	—	—	22,768	2,636	△ 20,132
NCF (3)-(4)	986,198	916,279	△ 69,918	370,304	217,384	△ 152,919	47,623	40,789	△ 6,833	22,936	43,335	20,399

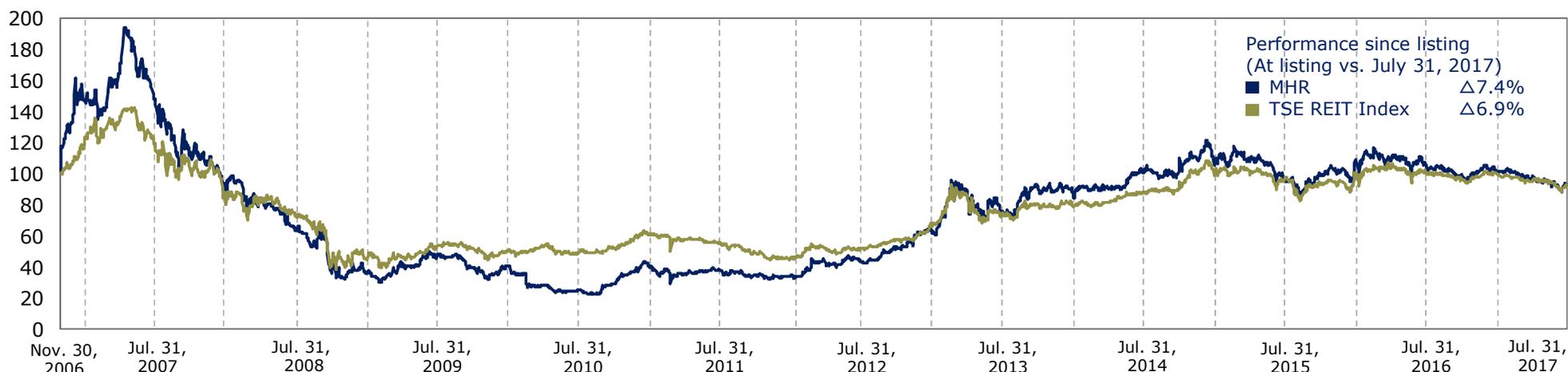
# 5-7 Status of income and expenditures (3)

(thousand yen)

Property number	R-4			S-1			Portfolio total		
Property name	Roppongi View Tower			Laforet Harajuku (Land)					
Acquisition price	4,000,000			21,820,000			338,150,000 (before disposition 339,856,440)		
Period	21st Jan. 2017	22nd Jul. 2017	Difference	21st Jan. 2017	22nd Jul. 2017	Difference	21st Jan. 2017	22nd(Note 3) Jul. 2017	Difference
Operation days	184 days	181 days	△ 3 days	184 days	181 days	△ 3 days	184 days	181 days	△ 3 days
Occupancy rate	93.1%	93.3%	0.2PT	100%	100%	0.0PT	97.8%	97.2%	△ 0.6PT
Avg. Occupancy rate (during period)	94.5%	94.1%	△ 0.4PT	100%	100%	0.0PT	98.1%	96.1%	△ 2.0PT
Number of tenants	86	86	0	1	1	0	322	324	2
Rent revenues	93,242	93,862	619	624,400	629,400	5,000	8,056,295	7,853,452	△ 202,842
Other operating revenues	—	160	160	—	—	—	192,460	225,208	32,748
Total property operating revenue	93,242	94,022	779	624,400	629,400	5,000	8,248,756	8,078,661	△ 170,094
Property management	13,355	13,572	217	—	—	—	908,803	936,590	27,787
Property taxes (Note 1)	10,860	10,870	9	67,956	67,957	1	470,104	516,999	46,894
Utilities	870	910	40	—	—	—	127,234	117,171	△ 10,063
Maintenance and repairs	553	434	△ 119	—	—	—	41,682	64,009	22,326
Insurance premium	311	332	20	—	—	—	15,115	14,985	△ 129
Depreciation (1)	15,791	16,238	447	—	—	—	994,619	1,000,345	5,725
Other expenses (Note 2)	592	591	△ 1	—	—	—	138,960	138,616	△ 344
Total property operating expenses	42,336	42,950	614	67,956	67,957	1	2,696,520	2,788,717	92,196
Property operating income (2)	50,906	51,072	165	556,444	561,442	4,998	5,552,235	5,289,944	△ 262,291
NOI (3) ((1)+(2))	66,698	67,311	612	556,444	561,442	4,998	6,546,855	6,290,289	△ 256,565
Annualized NOI	132,309	135,737	3,428	1,103,815	1,132,190	28,374	12,986,968	12,621,496	△ 365,471
Annualized NOI/ Acquisition price	3.3%	3.4%	0.1PT	5.1%	5.2%	0.1PT	3.8%	3.7%	△ 0.1PT
CAPEX (4)	29,168	39,844	10,676	—	—	—	462,323	343,817	△ 118,505
NCF (3)-(4)	37,530	27,466	△ 10,064	556,444	561,442	4,998	6,084,531	5,946,472	△ 138,059

# 5-8 Unit price performance since IPO

## Relative price performance (Since IPO~July 31, 2017)



(Source) Prepared by the Asset Manager based on Thomson Reuters.  
 (Note) Rebased to 100 as per IPO price

## Unit price per period-end (closing price)

Accounting period	Unit price
1st (January 2007)	1,100,000 yen
2nd (July 2007)	1,080,000 yen
3rd (January 2008)	716,000 yen
4th (July 2008)	465,000 yen
5th (January 2009)	265,000 yen
6th (July 2009)	352,000 yen
7th (January 2010)	264,900 yen
8th (July 2010)	177,300 yen
9th (January 2011)	281,000 yen
10th (July 2011)	258,100 yen

Accounting period	Unit price
11th (January 2012)	252,200 yen
12th (July 2012)	330,500 yen
13th (January 2013)	485,000 yen
14th (July 2013)	548,000 yen
15th (January 2014)	135,900 yen
16th (July 2014)	151,100 yen
17th (January 2015)	166,600 yen
18th (July 2015)	145,300 yen
19th (January 2016)	152,100 yen
20th (July 2016)	160,500 yen

Accounting period	Unit price
21st (January 2017)	153,500 yen
22nd (July 2017)	138,900 yen

### (Reference)

IPO Price (November 30, 2006) (Split adjusted)	750,000 yen (150,000 yen)
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High (May 8, 2007: in trade) (Split adjusted)	1,460,000 yen (292,000 yen)
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Low (August 12, 2010: in trade) (Split adjusted)	168,200 yen (33,640 yen)
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(Note) Implemented a 5-for-1 investment unit split on February 1, 2014 (effective date).

## Investments focusing on Premium Properties for development of urban-type portfolio

### Investments focusing on Premium Properties

Among properties that are located in Tokyo's five central wards and in surrounding areas, our investments mainly focus on "Premium Properties" that are able to maintain their competitiveness going forward based on their quality, size and specification.

Focus on Premium Properties
<p>Premium properties</p> <p><b>50%</b> or more</p> <p>〈Office buildings〉 〈Residential properties〉 〈Retail facilities〉</p>

#### Premium Properties

Type	Location	Scale
Office buildings	Tokyo's five central wards and their vicinity	Gross floor area of 10,000㎡ or more per building Standard leasable floor area of 1,000㎡ or more
Residential properties	Tokyo's five central wards and their vicinity (Primarily in the "three-A" area)	Gross floor area of 2,000㎡ or more per building
Retail facilities	〈Department stores, downtown shopping centers, large specialty stores & retail complexes, etc.〉	
	Flourishing areas of Tokyo's five central wards and their vicinity	Gross floor area of 10,000㎡ or more per-building
	〈Street front luxury brand shops, etc.〉	
	Exclusive, well-known retail destinations such as Ginza area, Aoyama area, and Omotesando area	Gross floor area of 1,000㎡ or more per building

(Note 1) Tokyo's five central wards: Minato, Chiyoda, Chuo, Shinjuku and Shibuya ward  
 (Note 2) Three-A area: Akasaka and Roppongi area, Aoyama and Harajuku area and Azabu and Hiroo area  
 (Note 3) Ratios are based on the acquisition prices.  
 (Note 4) Tokyo Metropolitan Area: Tokyo Metropolis, Kanagawa Prefecture, Chiba Prefecture and Saitama Prefecture

Office building focus
<p>Office building</p> <p><b>50%</b> or more</p>

Tokyo's five central wards focus
<p>Tokyo's five central wards and their vicinity</p> <p><b>50%</b> or more</p> <p>(Tokyo Metropolitan Area: 80% or more)</p>

Earthquake-resistance focus
<p>Investment focused on properties' earthquake resistance, the safety of the area, disaster countermeasures, etc.</p>

## Corporate governance

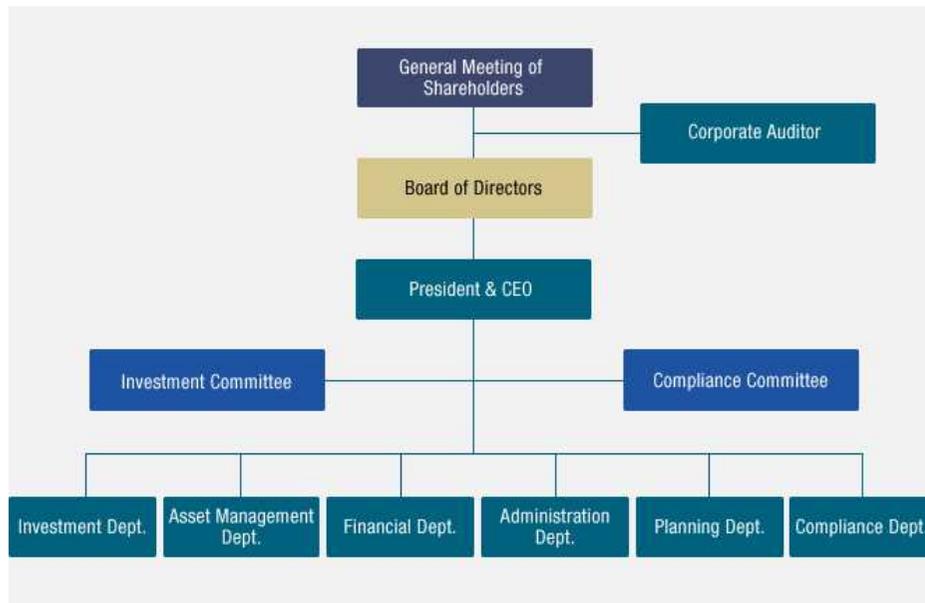
### Corporate governance

MHR shall have at least one executive director and at least two supervisory directors (or, at least one more than the number of the executive directors), and the board of directors shall be comprised of the executive directors and supervisory directors.

In addition to a general meeting of unitholders, which shall be composed of unitholders, MHR's structure consists of one executive director, two supervisory directors, the board of directors and an accounting auditor.

### Structure of asset manager for the Investment Corporation

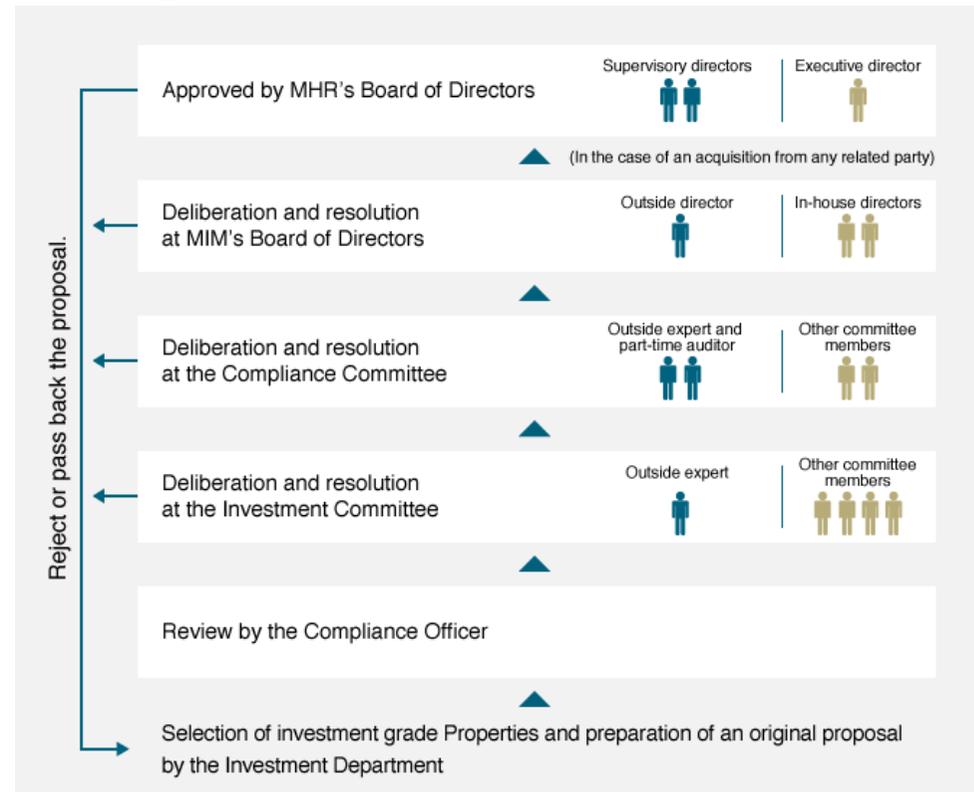
MHR entrusts the management of its assets to the asset manager. The following is the organizational structure of the asset manager.



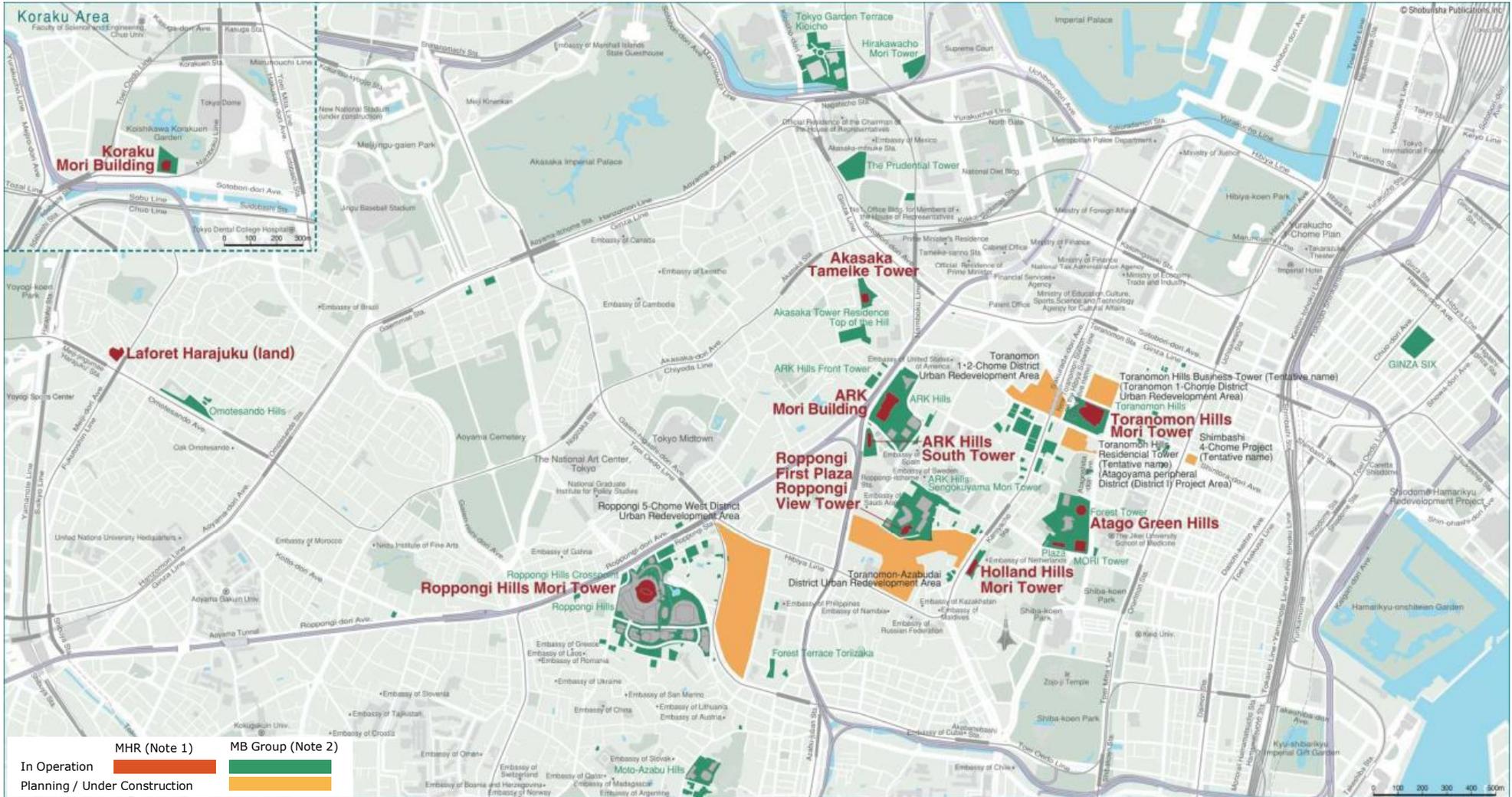
## Compliance

The asset manager shall perform its business in good faith and with the due care of a prudent manager for MHR in line with the purpose of the investment management business, and be well aware that failure to ensure thorough compliance, especially inappropriate transactions or transactions involving conflicts of interest with the sponsor company group, may undermine investors' trust in the securities markets, the corporate management base of MHR and the asset manager. Therefore, the asset manager will use its efforts to prevent any negative impact from transactions involving conflicts of interest and carry out strict compliance as follows.

### Process to Counter Transactions Involving Conflicts of Interest



# 5-11 Portfolio Map (As of August 1, 2017)



(Source) Prepared by the Asset Manager based on Mori Building's "Mori Building Handy Map Mori Building Map/Home Route Support Map 2017."

(Note 1) Some of the properties have been partially acquired and held by MHR. Alternatively, the properties scheduled to be acquired as of March 1, 2018 are also included.

(Note 2) Properties are developed, owned, managed and planned for development by Mori Building Group, and there are no properties currently anticipated to be acquired by MHR.

# 5-12 Portfolio overview (As of August 1, 2017)

Type	Office building						Office building (Partly residential)				Residential		Retail	
Property name	Roppongi Hills Mori Tower	ARK Mori Building	Koraku Mori Building	ARK Hills South Tower	Toranomon Hills Mori Tower	Holland Hills Mori Tower	Akasaka Tameike Tower	Atago Green Hills			Roppongi First Plaza	Roppongi View Tower	Laforet Harajuku (Land)	
	O-0	O-1	O-4	O-8	O-9	O-10	O-6	MORI Tower	Forest Tower	Plaza	R-3	R-4	S-1	
Photo														
Premium	Premium	Premium	Premium	Premium	Premium	Premium	Premium	Premium			Premium	-	Premium	
Location	Roppongi, Minato-ku, Tokyo	Akasaka, Minato-ku, Tokyo	Koraku, Bunkyo-ku, Tokyo	Roppongi, Minato-ku, Tokyo	Toranomon, Minato-ku, Tokyo	Toranomon, Minato-ku, Tokyo	Akasaka, Minato-ku, Tokyo	Atago, Minato-ku, Tokyo		Toranomon, Minato-ku, Tokyo	Roppongi, Minato-ku, Tokyo		Jingumae, Shibuya-ku, Tokyo	
Completion	Apr. 2003	Mar. 1986 (large-scale renovation in 2005)	Mar. 2000	Jul. 2013	May. 2014	Jan. 2005	Sep. 2000	Jul. 2001	Oct. 2001	Jul. 2001	Oct. 1993		-	
Building age	14 years 4 months	31 years 4 months	17 years 4 months	4 years 0 months	3 years 2 months	12 years 6 months	16 years 10 months	16 years 0 months	15 years 9 months	16 years 0 months	23 years 9 months		-	
Total number of floors	54 above ground, 6 below	37 above ground, 4 below	19 above ground, 6 below	20 above ground, 4 below	52 above ground, 5 below	24 above ground, 2 below	25 above ground, 2 below	42 above ground, 2 below	43 above ground, 4 below	2 above ground, 1 below	20 above ground, 1 below		-	
Gross floor area	approx. 442,150m <sup>2</sup>	approx. 177,486m <sup>2</sup>	approx. 46,154m <sup>2</sup>	approx. 53,043m <sup>2</sup>	approx. 241,581m <sup>2</sup>	approx. 35,076m <sup>2</sup>	approx. 46,971m <sup>2</sup>	approx. 85,266m <sup>2</sup>	approx. 60,815m <sup>2</sup>	approx. 2,083m <sup>2</sup>	approx. 22,906m <sup>2</sup>		-	
Ownership (Note 1)	Land	Co-ownership (approx. 17.7%)	Co-ownership (approx. 10.9%)	Leased	Co-ownership (approx. 2.5%)	Co-ownership (approx. 1.8%)	Co-ownership (approx. 35.9%)	Co-ownership (approx. 56.4%)	Co-ownership (approx. 28.8%)			Co-ownership (approx. 4.7%)	Co-ownership (approx. 4.6%)	Ownership
	Building	Compartmentalized ownership (approx. 13.6%)	Compartmentalized ownership (approx. 17.9%)	Compartmentalized ownership (approx. 57.9%)	Co-ownership (approx. 2.5%)	Co-ownership (approx. 1.0%)	Co-ownership (approx. 27.6%)	Compartmentalized ownership (approx. 65.5%)	Co-ownership (approx. 32.9%)			Compartmentalized ownership (approx. 46.4%)	Compartmentalized ownership (approx. 44.7%)	-
PML (Note 2)	0.59%	0.78%	0.73%	1.56%	0.50%	0.85%	1.79%	2.35%	2.34%	5.94%	2.20%	2.20%	-	
Earthquake-resistant feature (Note 3)	Seismic Damping	Seismic Damping	Seismic Damping	Seismic Damping	Seismic Damping	-	-	-						
Acquisition price (mn yen)	115,380	62,480	27,200	19,150	5,070	9,330	43,930	42,090			2,100	4,000	21,820	
Occupancy rate (Note 4)	100%	100%	97.6%	73.8%	100%	100%	94.0%	100%			100%	93.3%	100%	

**Average building age**  
17.7years (Note 5)

**Portfolio PML**  
0.98% (Note 2)

**Total acquisition price**  
352,550 mn yen

## 5-13 Portfolio overview (Note)

- (Note 1) "Type of ownership" denotes the type of rights held by MHR or the Trustee. "Ownership" stands for ownership, "Co-ownership" stands for the ownership of beneficiary interests, "Compartmentalized ownership" denotes ownership and right for exclusive use in or over parts of a building, and "Leased land" denotes Leasehold land. The land site of Atago Green Hills includes joint ownership in quasi-undivided interests of leasehold land and easement.
- (Note 2) This indicates the figure described in the "Report on evaluation of seismic PML for portfolio" dated February 21, 2017 by Sompo Japan Nipponkoa Risk Management Inc. (Presently, Sompo Risk Management & Health Care Inc.)
- (Note 3) ARK Mori Building adopts "slitwall" as earthquake-resistant feature.
- (Note 4) "Occupancy rate" indicates the figures as of July 31, 2017.
- (Note 5) For calculation of the "Average building age" of Atago Green Hills, we have assumed that construction of the building was completed on July 30, 2001.