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Press Release

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Office prices per tsubo in Central Tokyo decrease quarter-on-quarter

Grade-A offices decrease by 9.1%, Grade-B offices decrease by 1.6%

Both Grade-A and B offices increase by 8.5% year-on-year

'Office Price Index' in 4Q 2015 (Oct-Dec)

by Daiwa Real Estate Appraisal

Daiwa Real Estate Appraisal (Headquarters: Nishi-ku, Osaka/ President: Shigeki Yasugi) releases 'Office Price Index' in 4Q 2015 on January 27, 2016.

<Summary of 'Office Price Index #7', in 4Q 2015 (October - December)>

- Price of Grade-A offices in Central Tokyo is 7,920,000 yen/tsubo in 4Q 2015; it decreased by 9.1% quarter-on-quarter (8,710,000 yen/tsubo in 3Q 2015), and increased by 8.5% year-on-year (7,300,000 yen/tsubo in 4Q 2014).
- Price of Grade-B offices in Central Tokyo is 3,590,000 yen/tsubo in 4Q 2015; it decreased by 1.6% quarter-on-quarter (3,650,000 yen/tsubo in 3Q 2015), and increased by 8.5% year-on-year (3,310,000 yen/tsubo in 4Q 2014).

About DAIWA REAL ESTATE APPRAISAL

DAIWA REAL ESTATE APPRAISAL CO., LTD is an all-around consulting firm related to real estate with many license holders including licensed real estate appraisers and first-class architects. We offer various consulting services including real estate appraisal, fixed assets system valuation, real estate consulting, compensation consultation and architectural engineering including creating engineering reports and soil contamination assessment. DAIWA will help you create new business opportunities.

For further Information, please contact:

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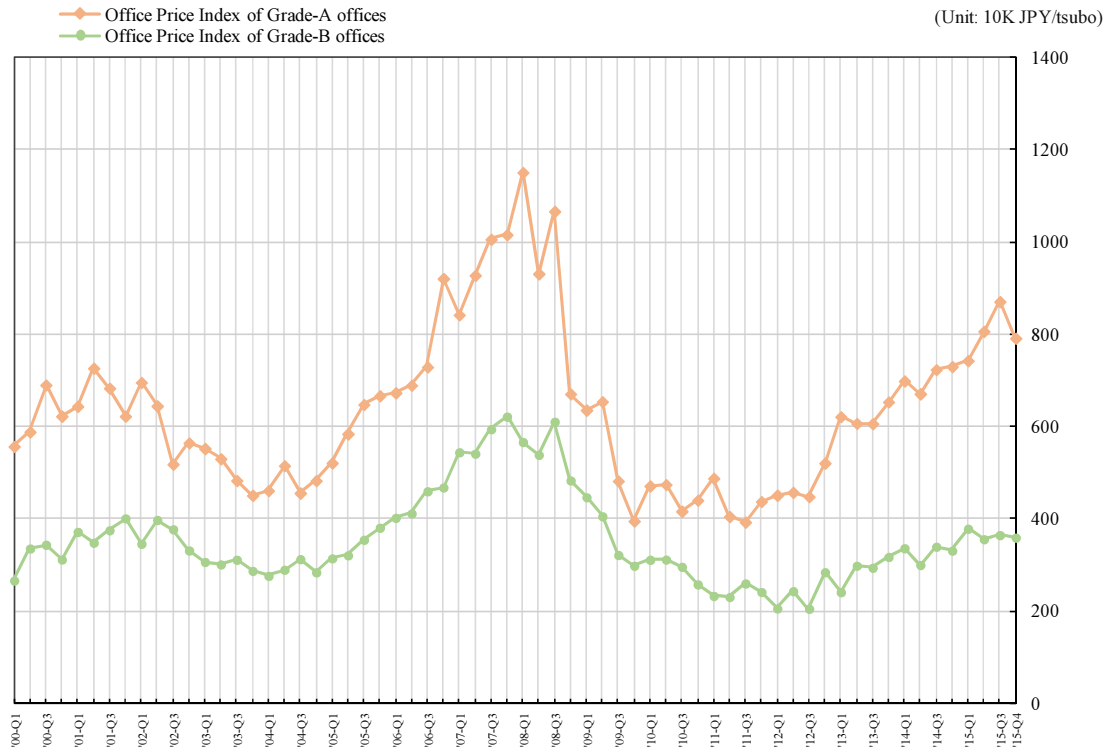
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‘Office Price Index’ in 4Q 2015

(Price per tsubo of Grade-A and -B offices in Central Tokyo from 1Q 2000 to 4Q 2015)



Office Price Index	'12Q4	'13Q1	'13Q2	'13Q3	'13Q4	'14Q1	'14Q2	'14Q3	'14Q4	'15Q1	'15Q2	'15Q3	'15Q4
Grade-A offices in Central Tokyo	521	621	607	606	654	699	671	723	730	743	806	871	792
Grade-B offices in Central Tokyo	284	241	298	294	317	336	300	340	331	379	356	365	359

● Methodology of ‘Office Price Index’

‘Office Price Index’ is generated based on the income capitalization approach (direct income capitalization method: annual net cash flow is capitalized by cap rate.)

To estimate gross income, the rent is adopted from ‘Office Rent Index’ Grade-A and Grade-B offices in Central Tokyo (data from Sanko Estate·NLI Research Institute).

Expenses are estimated by Daiwa Real Estate Appraisal.

●Definition of ‘Grade-A and -B office in Central Tokyo’

The definition of the ‘Grade-A and -B office in Central Tokyo’ in the ‘Office Price Index’ is the same as the one by Sanko Estate・NLI Research Institute.

‘Grade-A office’

Standard floor area: 600 tsubo

Floor above the ground: 35 floors

Age of building: 12 years

Distance from the nearest station: 3minutes’walk

‘Grade-B office’

Standard floor area: 450 tsubo

Floor above the ground: 18 floors

Age of building: 16 years

Distance from the nearest station: 3minutes’walk

‘Central Tokyo’

Tokyo Central 5 Wards and major business districts in surrounding areas

● ‘Office Rent Index’

The ‘Office Rent Index’ is the rent index based on contract rents jointly developed by Sanko Estate and NLI Research Institute. The ‘Office Rent Index’ has been published quarterly since January 2011.

A press release and published data of the current ‘Office Rent Index’ can be seen from the following URL.

<http://www.sanko-e.co.jp>

●Transition of ‘Capitalization Rate (Cap rate)’

The ‘Office Price Index’ is generated based on the income capitalization approach. Cap rate which is used to capitalize annual Net Cash Flow is seen in the graph below.

