

\*This press release was distributed at the press conference of Ministry of Land, Infrastructure,  
Transport and Tourism.



# Press Release

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For press — February 3, 2015

**Office price per tsubo in Central Tokyo  
remains relatively steady q-o-q  
'Office Price Index' in 4Q 2014 (Oct-Dec)  
by Daiwa Real Estate Appraisal**

Daiwa Real Estate Appraisal (Headquarters: Nishi-ku, Osaka/ President: Shigeki Yasugi) releases  
'Office Price Index' in 4Q 2014 on February 3.

From this period, price of Grade-B offices in Central Tokyo is also published.

**<Summary of 'Office Price Index #3', in 4Q 2014 (October-December)>**

- Price of Grade-A offices in Central Tokyo is 7,300,000 yen/tsubo in 4Q 2014; it increased by 1.0 % quarter-on-quarter. (7,230,000 yen/tsubo in 3Q 2014.) and by 11.6 % year-on-year. (6,540,000 yen/tsubo in 4Q 2013)
- Price of Grade-B offices in Central Tokyo is 3,310,000 yen/tsubo in 4Q 2014; it decreased by 2.6 % quarter-on-quarter. (3,400,000 yen/tsubo in 3Q 2014.) and increased by 4.4 % year-on-year. (3,170,000 yen/tsubo in 4Q 2013)

## **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:

DAIWA REAL ESTATE APPRAISAL CO.,LTD.

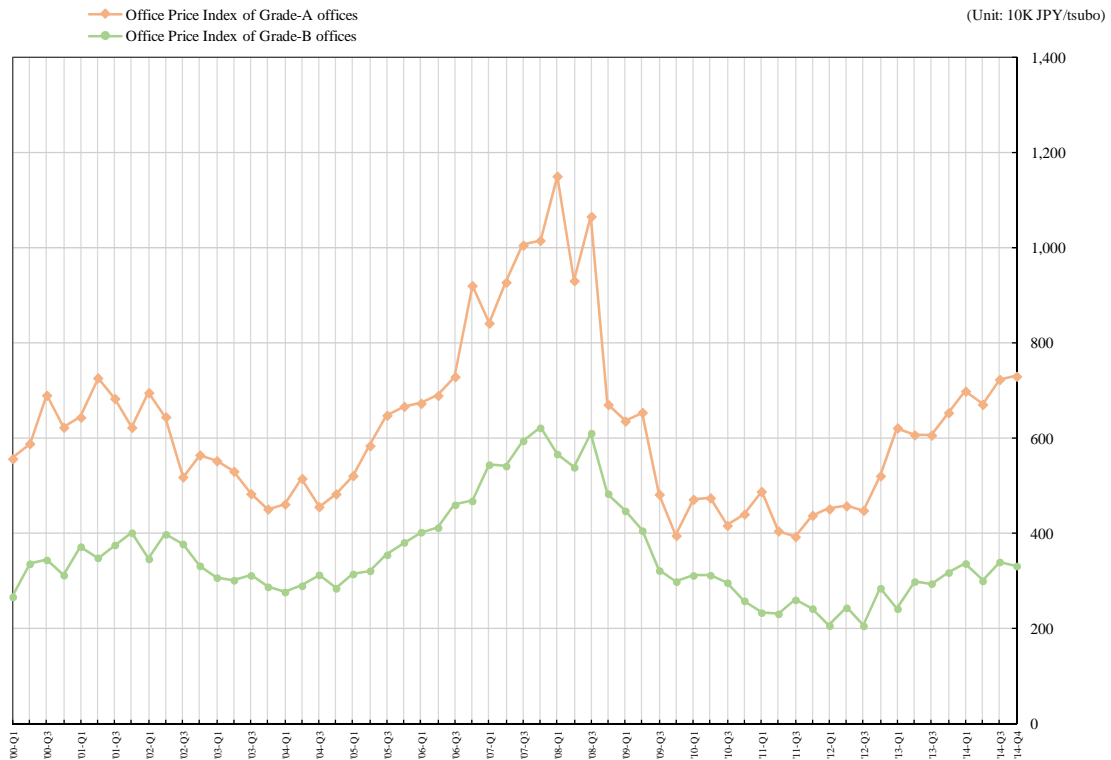
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## ‘Office Price Index’ in 4Q 2014

(Price per tsubo of Grade-A and -B offices in Central Tokyo from 1Q 2000 to 4Q 2014)



Office Price Index	'11Q4	'12Q1	'12Q2	'12Q3	'12Q4	'13Q1	'13Q2	'13Q3	'13Q4	'14Q1	'14Q2	'14Q3	'14Q4
Grade-A offices in Central Tokyo	437	451	457	448	521	621	607	606	654	699	671	723	730
Grade-B offices in Central Tokyo	241	206	243	205	284	241	298	294	317	336	300	340	331

(Unit: 10K JPY/tsubo)

### ● 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 Price Index’ Grade-A 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.

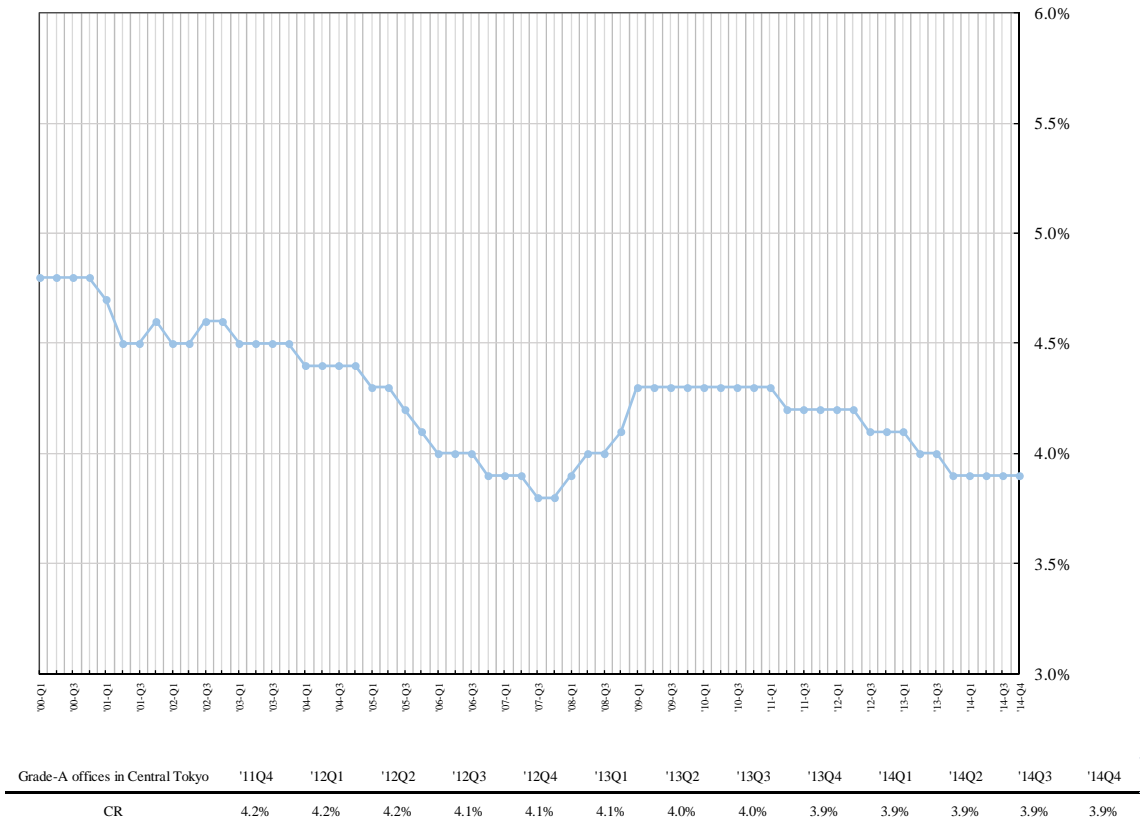
A press release and published data of the current ‘Office Rent Index’ can be seen from the following URL.

<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.

— CR of Grade-A offices



## Office Price Index (Grade-B offices in Central Tokyo)

Grade-B offices in Central Tokyo	'00Q1	'00Q2	'00Q3	'00Q4	'01Q1	'01Q2	'01Q3	'01Q4
Office Price Index (10K JPY/tsubo)	266	336	344	312	372	348	375	401
Rent Price (JPY/tsubo)*	16,346	19,596	19,970	18,474	20,913	19,213	20,403	21,897
CR	5.2%	5.2%	5.2%	5.2%	5.1%	4.9%	4.9%	5.0%

Grade-B offices in Central Tokyo	'02Q1	'02Q2	'02Q3	'02Q4	'03Q1	'03Q2	'03Q3	'03Q4
Office Price Index (10K JPY/tsubo)	346	398	377	331	307	301	311	287
Rent Price (JPY/tsubo)*	19,042	21,316	20,760	18,697	17,261	17,022	17,468	16,408
CR	4.9%	4.9%	5.0%	5.0%	4.9%	4.9%	4.9%	4.9%

Grade-B offices in Central Tokyo	'04Q1	'04Q2	'04Q3	'04Q4	'05Q1	'05Q2	'05Q3	'05Q4
Office Price Index (10K JPY/tsubo)	276	290	313	284	314	321	355	381
Rent Price (JPY/tsubo)*	15,669	16,239	17,229	16,006	17,102	17,383	18,483	19,222
CR	4.8%	4.8%	4.8%	4.8%	4.7%	4.7%	4.6%	4.5%

Grade-B offices in Central Tokyo	'06Q1	'06Q2	'06Q3	'06Q4	'07Q1	'07Q2	'07Q3	'07Q4
Office Price Index (10K JPY/tsubo)	402	412	460	468	544	541	594	622
Rent Price (JPY/tsubo)*	20,153	20,530	22,430	22,333	25,276	25,161	26,676	27,707
CR	4.4%	4.4%	4.4%	4.3%	4.3%	4.3%	4.2%	4.2%

Grade-B offices in Central Tokyo	'08Q1	'08Q2	'08Q3	'08Q4	'09Q1	'09Q2	'09Q3	'09Q4
Office Price Index (10K JPY/tsubo)	567	539	610	483	447	405	322	298
Rent Price (JPY/tsubo)*	26,148	25,553	28,392	23,792	22,866	21,117	17,576	16,592
CR	4.3%	4.4%	4.4%	4.5%	4.7%	4.7%	4.7%	4.7%

Grade-B offices in Central Tokyo	'10Q1	'10Q2	'10Q3	'10Q4	'11Q1	'11Q2	'11Q3	'11Q4
Office Price Index (10K JPY/tsubo)	311	312	296	258	233	230	260	241
Rent Price (JPY/tsubo)*	17,220	17,237	16,579	14,969	14,074	13,762	14,978	14,215
CR	4.7%	4.7%	4.7%	4.7%	4.7%	4.6%	4.6%	4.6%

Grade-B offices in Central Tokyo	'12Q1	'12Q2	'12Q3	'12Q4	'13Q1	'13Q2	'13Q3	'13Q4
Office Price Index (10K JPY/tsubo)	206	243	205	284	241	298	294	317
Rent Price (JPY/tsubo)*	12,798	14,350	12,595	15,800	14,066	16,111	15,940	16,577
CR	4.6%	4.6%	4.5%	4.5%	4.5%	4.4%	4.4%	4.3%

Grade-B offices in Central Tokyo	'14Q1	'14Q2	'14Q3	'14Q4
Office Price Index (10K JPY/tsubo)	336	300	340	331
Rent Price (JPY/tsubo)*	17,346	15,926	17,461	17,132
CR	4.3%	4.3%	4.3%	4.3%

\* 'Rent Price' is base on 'Office Price Index' Grade-B offices of Sanko Estate and NLI Research Institute