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For Immediate Release

&lt;Investment Corporation&gt;

Japan Real Estate Investment Corporation

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## Announcement of Revision of Forecast Results for the September 2018 Period and Forecast Results for the March 2019 Period

Please be informed that Japan Real Estate Investment Corporation (“JRE”) revised its forecast results as shown below for the September 2018 period (April 1, 2018 through September 30, 2018), which had been announced in “FINANCIAL RESULTS FOR THE FISCAL PERIOD ENDED SEPTEMBER 2017” on November 15, 2017, and also announced its forecast results for the March 2019 period (October 1, 2018 through March 31, 2019) as shown below.

Please note, however, that, as of today, there is no revision of the forecast results for the March 2018 period (October 1, 2017 through March 31, 2018), announced on November 15, 2017.

### 1. Revision of Forecast Results for the September 2018 period (April 1, 2018 through September 30, 2018)

	Operating revenues	Operating income	Ordinary income	Net income	Dividend per Unit Excluding Excess of Accounting Profits	Dividend in Excess of Accounting Profits per Unit
Previously announced forecast (A)	million yen 31,760	million yen 13,010	million yen 11,790	million yen 11,780	yen 9,000	yen 0
Revised forecast (B)	million yen 32,490	million yen 13,830	million yen 12,620	million yen 12,610	yen 9,100	yen 0
Amount of increase/decrease (B-A)	million yen 730	million yen 820	million yen 830	million yen 830	yen 100	yen 0
Rate of increase/decrease	% 2.3	% 6.3	% 7.0	% 7.0	% 1.1	% -

(Note 1) The number of investment units outstanding is under the assumption that 1,385,210 units are comprised of the current outstanding and issued 1,309,310 units, as of March 28, 2018, plus 69,000 units to be issued through public offering, and 6,900 units to be issued through a third-party allotment available as determined by resolution at the Board of Directors meeting held on March 28, 2018. In addition, the number of issuance units by a third-party allotment is under the assumption that all of the maximum investment units are issued. The same applies below.

(Note 2) The above forecast figures are computed as of March 28, 2018, under the assumption described in the Attachment, titled “Assumptions Underlying Revision of Forecast Results for the September 2018 period and Forecast Results for the March 2019 period.” However, the actual operating revenues, operating income, ordinary income, net income, and dividend per unit may fluctuate depending on future acquisitions or sales of properties and the market environment. In addition, these forecasts do not guarantee the actual results or dividend. The same applies below.

(Note 3) Figures for operating revenues, operating income, ordinary income, and net income have been rounded down to the nearest 10 million yen. The same applies to below.

## 2. Reasons for the Revision

JRE will carry out the issuance of new investment units and a secondary offering of investment units as resolved by the Board of Directors' meeting held today for the purpose of funding in order to acquire specified assets for medium and long-term growth of JRE (please refer to "Announcement of Issuance of New Investment Units and Secondary Offering of Investment Units" released today for further details). Also JRE has decided to acquire "Shinjuku Eastside Square (additional acquisition)" and "Shinjuku Front Tower" (hereinafter collectively referred to as "properties to be newly acquired") during the March 2018 period and the September 2018 period (please refer to "Announcement of Acquisition of Trust Beneficiary Rights of Domestic Properties" released today). Accordingly, the forecast results for the September 2018 period announced on November 15, 2017 in "FINANCIAL RESULTS FOR THE FISCAL PERIOD ENDED SEPTEMBER 2017" have been revised due to a change in the preconditions used as the basis of its computation.

## 3. Forecast Results for the March 2019 period (from October 1, 2018 to March 31, 2019)

	Operating revenues	Operating income	Ordinary income	Net income	Dividend per Unit Excluding Excess of Accounting Profits	Dividend in Excess of Accounting Profits per Unit
Forecast Results for March 2019 period	million yen 32,630	million yen 14,070	million yen 12,900	million yen 12,880	yen 9,300	yen 0

This is the English translation of the announcement in Japanese dated March 28, 2018.

However, no assurance or warranties are given for the completeness or accuracy of this English translation.

**Assumptions Underlying Revision of Forecast Results for the September 2018 period**  
**and Forecast Results for the March 2019 period**

Computation period	<p>The September 2018 period: April 1, 2018 through September 30, 2018 (183 days)</p> <p>The March 2019 period: October 1, 2018 through March 31, 2019 (182 days)</p>
Number of properties held by JRE	<ul style="list-style-type: none"> <li>• The number of properties is under the assumption that JRE's property portfolio consists of 71 properties. It consists of 70 properties as of March 2018, in addition to Shinjuku Eastside Square (additional acquisition) to be acquired in the March 2018 period, and Shinjuku Front Tower to be acquired in the September 2018 period. However, the actual number will vary depending on additional acquisitions or sales of properties.</li> <li>• JRE, as of March 28, 2018, does not have any of the forward commitments described in the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc."</li> </ul>
Number of investment units outstanding	<ul style="list-style-type: none"> <li>• The number of investment units outstanding is under the assumption that 1,385,210 units comprise the current outstanding and issued 1,309,310 units, as of March 28, 2018, plus 69,000 units to be issued through public offering and 6,900 units to be issued through a third-party allotment available as determined by resolution at the Board of Directors meeting held on March 28, 2018. In addition, the number of issuance units by third-party allotment is under the assumption that all of the maximum 6,900 units are issued.</li> </ul>
Interest-bearing debt	<ul style="list-style-type: none"> <li>• JRE assumes an operational guideline of interest-bearing debt ratio over total assets to be in the 30% to 40% range.</li> <li>• JRE assumes that the proceeds raised through the public offering, as determined by resolution at the Board of Directors meeting held on March 28, 2018, will be applied toward the funds for the acquisition of Shinjuku Front Tower and the repayment of a part of the short-term loans, in case the price determination date falls on Monday, April 9, 2018 or Tuesday, April 10, 2018. In case the price determination date falls on Wednesday, April 11, 2018 or Thursday, April 12, 2018, the proceeds will be applied toward the repayment of a part of loans (in this case, Shinjuku Front Tower will be acquired by loans executed on April 17, 2018 and the proceeds raised through the public offering will be applied toward the repayment of a part of the loans including loans executed on April 17, 2018). Any remaining proceeds will be used as cash reserves for acquisitions of newly specified assets or repayments of loans. Proceeds raised through the issuance of new investment units through a third-party allotment determined by the resolution at the same meeting mentioned above, will be applied to the repayments of a part of the short-term loans. Any remaining proceeds will be used as cash reserves for acquisitions of new specified assets or repayments of loans. As a result, the interest-bearing debt amount is expected to be around ¥388 billion. However, the above interest-bearing debt amount may vary depending on the final number of investment units to be issued and the issuance price.</li> <li>• In the September 2018 period, as of March 28, 2018, the long-term loans, whose balance is ¥18 billion (repayment dates: April 24, 2018; June 1, 2018; August 31, 2018), and the short-term loan, whose balance is ¥10 billion (repayment dates: April 3, 2018; June 15, 2018; September 3, 2018), are assumed to be refinanced, excluding the repayment of a part of the existing loans by the proceeds from the issuance of new investment units by the above-mentioned public offering. As for the 9th investment corporate bonds totaling ¥10 billion that will be matured on August 30, 2018, they are assumed to be redeemed by issuance of investment corporation bonds or funds to be procured through loans.</li> <li>• In the March 2019 period, as of March 28, 2018, the long-term loans, whose balance is ¥9.5 billion (repayment dates: November 15, 2018; March 1, 2019 and March 25, 2019) and the short-term loans, whose balance is ¥4.3 billion (repayment dates: December 26, 2018; March 26, 2019) are assumed to be refinanced. No investment corporate bonds that will be matured in the March 2019 period.</li> </ul>

Operating revenues	<ul style="list-style-type: none"> <li>Revenues from the properties held by JRE are calculated taking the finalized conclusions of the new contracts and cancellations of the contracts as of March 28, 2018 into consideration, as well as the revised rent considering the recent market trends for leasing office space and variable factors such as risk to decrease revenue from rent due to starting and ending leasing contracts. Revenues from the properties to be newly acquired (Shinjuku Eastside Square (additional acquisition), Shinjuku Front Tower) are calculated based on the estimated leasing contract conditions, etc. after the scheduled date of the acquisitions, as of March 28, 2018.</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>Property taxes, city planning taxes, and depreciable property taxes levied on properties held by JRE will be booked on the property-related expenses in proportion to the duration of each computation period. However, when an adjustment amount of property taxes, etc. (so-called “amount equivalent to fixed asset tax”) arises between JRE and a seller in the acquisition of new property in a calendar year covering the relevant computation period, such adjustment amount of property taxes, etc. will not be expensed in the relevant computation period but booked at acquisition cost of such new property. Estimated property taxes, city planning taxes and depreciable property taxes for 2019, levied on the properties acquired in 2018 are as below. Front Place Nihonbashi; ¥82 million, additionally acquired shares of Shinjuku Eastside Square; ¥98 million, Shinjuku Front Tower; ¥112 million.</li> <li>Property and Other Taxes have been estimated at ¥3,040 million for the September 2018 period and at ¥3,040 million for the March 2019 period.</li> <li>Depreciation has been estimated at ¥6,440 million for the September 2018 period and at ¥6,370 million for the March 2019 period.</li> <li>Repair expenses may, however, differ significantly from estimated amounts due to significant difference between fiscal periods and not being regular expenses, etc.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>The non-operating expenses, such as interest expenses on loans and investment corporation bonds, have been estimated at ¥1,220 million for the September 2018 period and at ¥1,180 million for the March 2019 period.</li> </ul>
Amount of dividend	<ul style="list-style-type: none"> <li>The estimated reserve for reduction entry made on the gain on the sale of Shibuya Cross Tower (Building) is expected to be around ¥100 million of the ¥130 million (estimation) gain on the sale in the March 2018 period under Article 65-7 of the application of the Special Provisions for Taxation. (The estimated balance of internal reserves after the reserve for reduction entry is ¥660 million.)</li> <li>JRE assumes that it will not pay a dividend in excess of accounting profits. Accordingly, the envisaged dividend policy is to pay cash dividends to the extent of accounting profits or at least the amount equivalent to 90% of the amount of distributable profit, pursuant to the provisions stipulated in the Articles of Incorporation.</li> <li>Dividends for the September 2018 period and for the March 2019 period are based on the premise that there will be no reversal of internal reserves.</li> </ul>
Other	<ul style="list-style-type: none"> <li>Forecasts are based on the assumption that there will be no amendments to the law, taxation system, accounting standards, listing rules, or regulations of the Investment Trust Association, Japan, which affect the aforementioned forecast figures.</li> <li>Forecasts are based on the assumption that there will be no unexpected significant change in general economic trends and real estate market trends and other conditions.</li> <li>Taxes such as income taxes are computed in consideration of the above-mentioned deferred income taxes, and taxes such as income taxes levied on amortized term leasehold interest of buildings with a term leasehold interest and asset retirement obligations.</li> </ul>