



Japan Real Estate Investment Corporation

Performance Review

for Fiscal Period Ended March 31, 2018

May 15, 2018



- 01 Summary
- 02 Financial Results
- 03 Performance Forecasts
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Financial Conditions

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Summary (Financial Results for Mar. 2018 period)

DPU

JPY 9,336

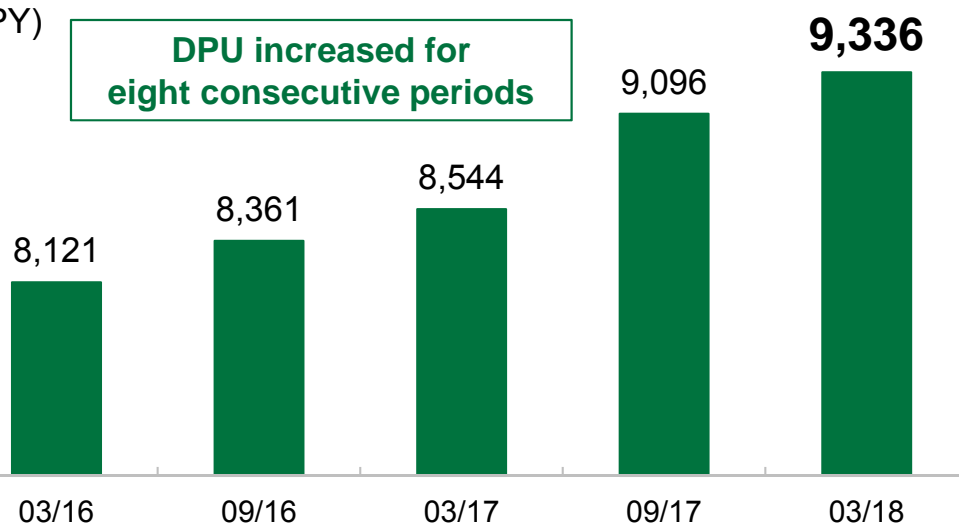
(vs. Sep. 2017 period: **+JPY 240 +2.6%**)

(vs. forecast announced in November 2017:

+JPY 236 +2.6%)

(JPY)

**DPU increased for
eight consecutive periods**



Internal Growth

- Portfolio occupancy rate at the end of Mar. 2018 **99.2%**
(highest since IPO in 2001)
- Net increase in rent by rent revision **+JPY 5 million per month**
- Net increase in rent by tenant turnover **-JPY 1 million per month**

External Growth

- Disposal **Shibuya Cross Tower** (Long Leasehold)
(JRE continue to own the freehold)
- Acquisition **Front Place Nihonbashi**
- Acquisition **Shinjuku Eastside Square** (additional share)
JPY 43,020 million in total

Financial Strategy

- Decrease in interest expenses (vs. Sep. 2017 period) **-JPY 35 million**
- Average interest rate **0.58%**
(vs. Sep. 2017 period: ↓0.06pt)

Summary (The 11th Public Offering)

Outline of PO

| | |
|---------------------------------|--|
| Type of the issuance | Domestic offering |
| Number of units of issuance | 75,900 units (Public offering: 69,000 units, O.A. : 6,900 units) |
| Price (Offering price) | JPY 533,120 per unit |
| Value (Paid in amount) | JPY 516,800 per unit |
| Total issue value | JPY 39,225,120,000 (Including Third-Party Allocation) |
| Resolution date of the issuance | 28 March 2018 |
| Price determination date | 9 April 2018 |
| Payment date | 16 April 2018 *Third-Party Allocation: 9 May 2018 |

Before and After PO

| | 30 September 2017 | After the PO |
|-------------------------|-------------------|---------------------------|
| Total acquisition price | JPY 955 billion | JPY 1.152 trillion |
| Average building age | 18.0 years | 16.9 years |
| LTV | 41.4% | c. 40.5% |

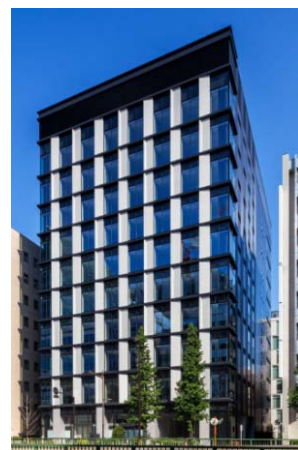
Use of funds

Acquisitions JPY 68 billion in total

- Acquired three competitive properties located in Tokyo 5 central wards -

| | Front Place Nihonbashi | Shinjuku Eastside Square | Shinjuku Front Tower |
|-------------|------------------------|--------------------------|----------------------|
| Location | Chuo-ku, Tokyo | Shinjuku-ku, Tokyo | Shinjuku-ku, Tokyo |
| Completion | 2014 | 2012 | 2011 |
| Acquisition | 19 January 2018 | 30 March 2018 | 17 April 2018 |
| Price | JPY 17.5 bn. | JPY 25.4 bn. | JPY 25.0 bn. |
| NOI yield | 3.5% | 4.2% | 4.0% |

※NOI is our estimate when stabilized.



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Financial Results for Mar. 2018 period

vs. Sep. 2017 period Actual

(In millions of JPY)

| | Actual Sep. 2017 period | Changes | Actual Mar. 2018 period |
|--------------------|----------------------------|----------|----------------------------|
| Operating revenues | 31,718 | +236 | 31,955 |
| Operating expenses | 18,539 | -181 | 18,358 |
| Operating profit | 13,178 | +417 | 13,596 |
| Ordinary profit | 11,921 | +441 | 12,362 |
| Profit | 11,909 | +381 | 12,291 |
| DPU | JPY 9,096 | +JPY 240 | JPY 9,336 |

Main factors affecting increase and decrease

■ Operating revenues

- Acquired and disposed properties +28M
- Existing properties
 - Rent -5M
 - Other revenues +74M
(Cash receipt in lieu of reinstatement cost, etc.)
- Gain on sale +138M
(Contribution to dividends is +36M because part of the gain has been reserved)

■ Operating expenses

- Acquired and disposed properties -276M
- Existing properties
 - Property management expenses +40M
 - Utilities expenses -190M
 - Repairing expenses +207M

■ Non-operating expenses

- Interest expenses -35M

Financial Results for Mar. 2018 period

vs. Forecasts

(In millions of JPY)

| | Forecast announced in Sep 2017 | Changes | Actual Mar. 2018 period |
|--------------------|--------------------------------------|----------|----------------------------|
| Operating revenues | 31,720 | +235 | 31,955 |
| Operating expenses | 18,540 | -181 | 18,358 |
| Operating profit | 13,180 | +416 | 13,596 |
| Ordinary profit | 11,920 | +442 | 12,362 |
| Profit | 11,910 | +381 | 12,291 |
| DPU | JPY 9,100 | +JPY 236 | JPY 9,336 |

Main factors affecting increase and decrease

■ Operating revenues

- Acquired and disposed properties -187M
- Existing buildings
 - Rent +12M
 - Other revenues +281M
(Cash receipt in lieu of reinstatement cost, etc.)
 - Gain on sale +138M
(Contribution to dividends is +36M because part of the gain has been reserved)

■ Operating expenses

- Acquired and disposed properties -242M
- Existing properties
 - Utilities expenses -62M
 - Repairing expenses +72M
 - Depreciation +30M

■ Non-operating expenses

- Interest expenses -9M

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Performance Forecast for Sep. 2018 period

vs. Mar. 2018 period Actual

(In millions of JPY)

| | Actual Mar. 2018 period | Changes | Forecast Sep. 2018 period |
|--------------------|----------------------------|----------|---------------------------------|
| Operating revenues | 31,955 | +674 | 32,630 |
| Operating expenses | 18,358 | +341 | 18,700 |
| Operating profit | 13,596 | +333 | 13,930 |
| Ordinary profit | 12,362 | +307 | 12,670 |
| Profit | 12,291 | +368 | 12,660 |
| DPU | JPY 9,336 | -JPY 196 | JPY 9,140 |

Main factors affecting increase and decrease

■ Operating revenues

- Acquired and disposed properties
+797M
- Existing properties
 - Rent +157M
 - Other revenues -151M
(Cash receipt in lieu of reinstatement cost, etc.)
 - Gain on sale -138M
(Impact on dividends is -36M because part of the gain has been reserved)

■ Operating expenses

- Acquired and disposed properties
-7M
- Existing properties +347M
(Includes +146M increase of land and building taxes, etc.)

Performance Forecast for Mar. 2019 period

vs. Sep. 2018 period Forecast

(In millions of JPY)

| | Forecast Sep. 2018 period | Changes | Forecast Mar. 2019 period |
|--------------------|------------------------------|----------|------------------------------|
| Operating revenues | 32,630 | -50 | 32,580 |
| Operating expenses | 18,700 | -230 | 18,470 |
| Operating profit | 13,930 | +180 | 14,110 |
| Ordinary profit | 12,670 | +270 | 12,940 |
| Profit | 12,660 | +270 | 12,930 |
| DPU | JPY 9,140 | +JPY 200 | JPY 9,340 |

Main factors affecting increase and decrease

■ Operating revenues

- Acquired properties +40M
- Existing properties
 - Rent +30M
 - Utilities and other revenues -120M

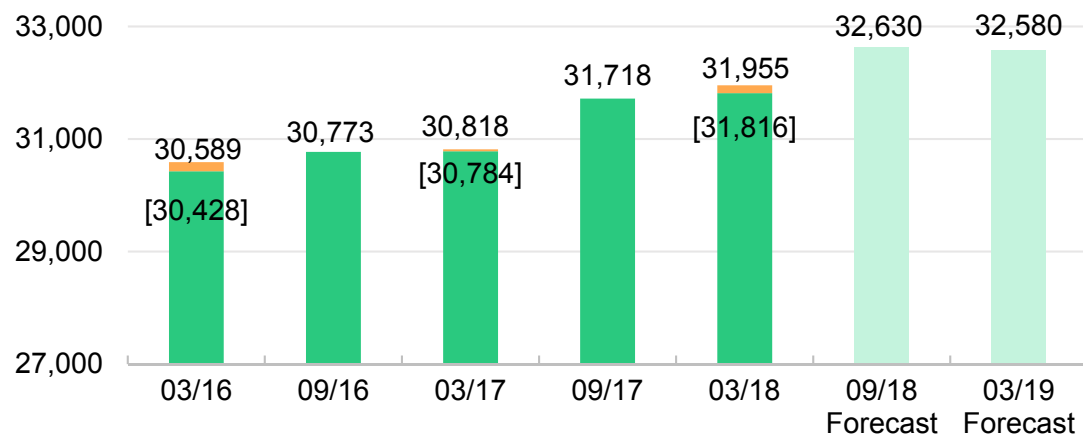
■ Operating expenses

- Acquired properties +230M
- Existing properties -260M

Summary of Performance Indices

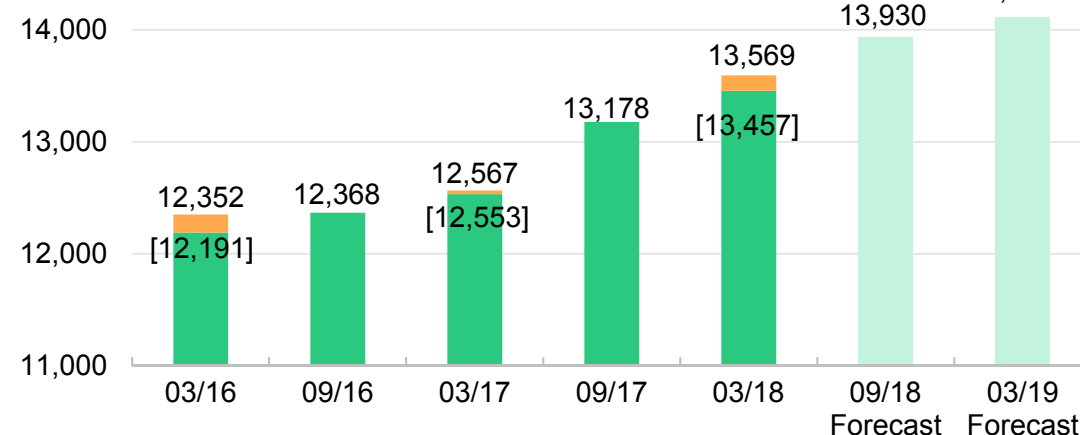
〈Operating revenues〉

(In millions of JPY) ■ Operating revenues ■ Gain on sales



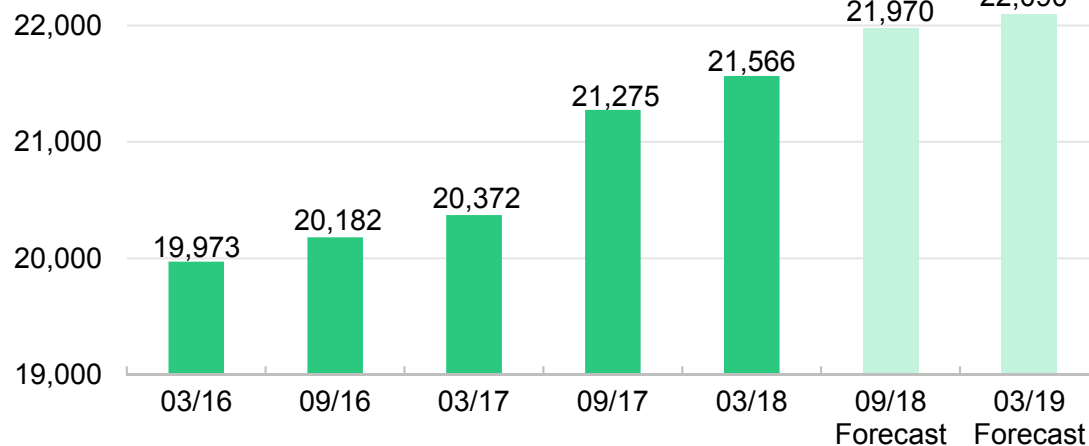
〈Operating profit〉

(In millions of JPY) ■ Operating profit ■ Gain on sales



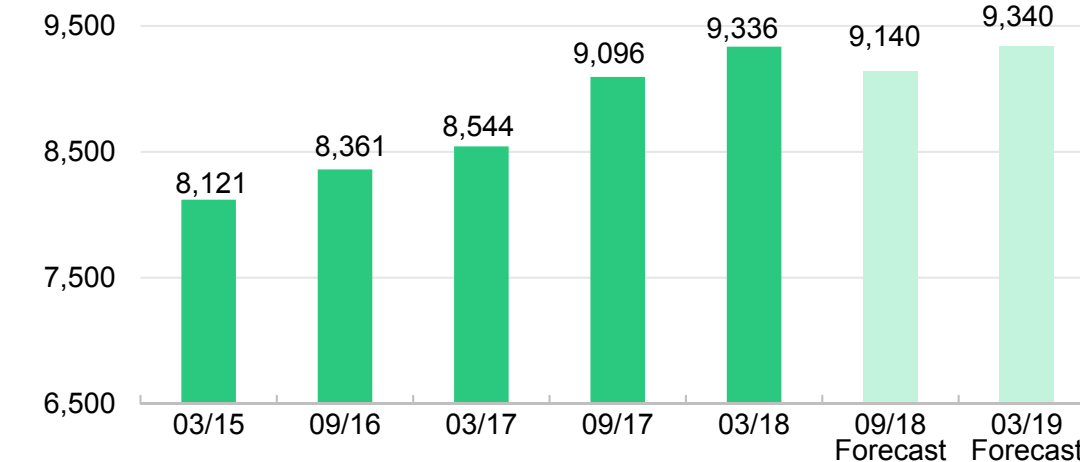
〈NOI〉

(In millions of JPY) ■ NOI



〈DPU〉

(In millions of JPY) ■ DPU

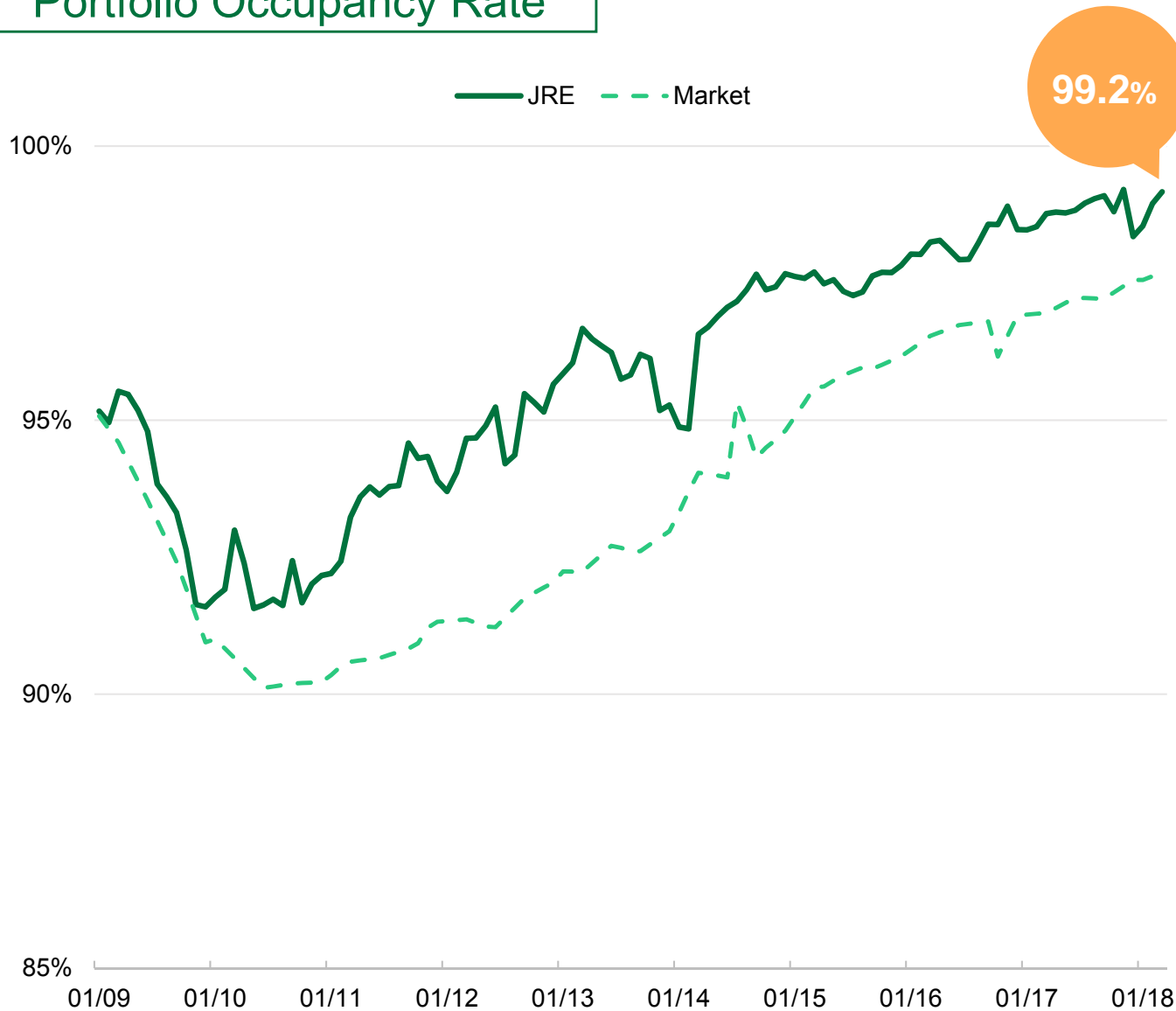


※ Amounts in [] do not include gain on sales

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Internal Growth

Portfolio Occupancy Rate



- JRE's occupancy rate always exceeds market occupancy rate
- **99.2%** occupancy rate as of 31 Mar. 2018 was the **highest** since its **IPO** in 2001
- Estimated occupancy rate at the end of Sep. 2018 is **99.0%**

※Source: CBRE

Net Increase of Monthly Contract Rent

Monthly contract rent as of 31 March 2018

JPY 4,697 million

(Increase from Sep. 2017 period: **-JPY54 million -1.2%**)

External Growth

-JPY 58 million

Property Acquisitions: **+163**

Property Disposals: **-221**※

Internal Growth

+JPY 3 million

Tenant Turnover: **-1**
(Leased +132 Returned -134)

Rent Revision: **+5**
(Increase +8 Decrease -3)

Monthly contract rent as of 30 September 2017

JPY 4,752 million

- Net rent revision has moved upward for **six consecutive periods**

※ Separately received the land rent (JPY 90 million per month) for Shibuya Cross Tower

Market Rent of the Portfolio reported by CBRE

Number of properties with the market rent increased in the last 6 months

32 out of **61** properties

Tokyo Central 5 Wards

15 out of 26 properties Average Increase rate **2.3%**

Other Tokyo 18 Wards

3 out of 7 properties Average Increase rate **1.4%**

Other Areas

14 out of 28 properties Average Increase rate **2.6%**

- Market rent continues moderate increase
- No property sees decline in market rent
- Previous 6 months for your reference
 - Total: 42 out of 61 properties
 - Tokyo central 5 wards: 20 out of 26 properties
Increase rate 2.4%
 - Other Tokyo 18 wards: 3 out of 7 properties
Increase rate 1.4%
 - Other areas: 19 out of 28 properties
Increase rate 3.8%

※ Of the 70 properties held in total by JRE as of 31 March 2018, 61 properties (excluding properties such as single-tenant properties) are subject to the comparison.

Rent Gap

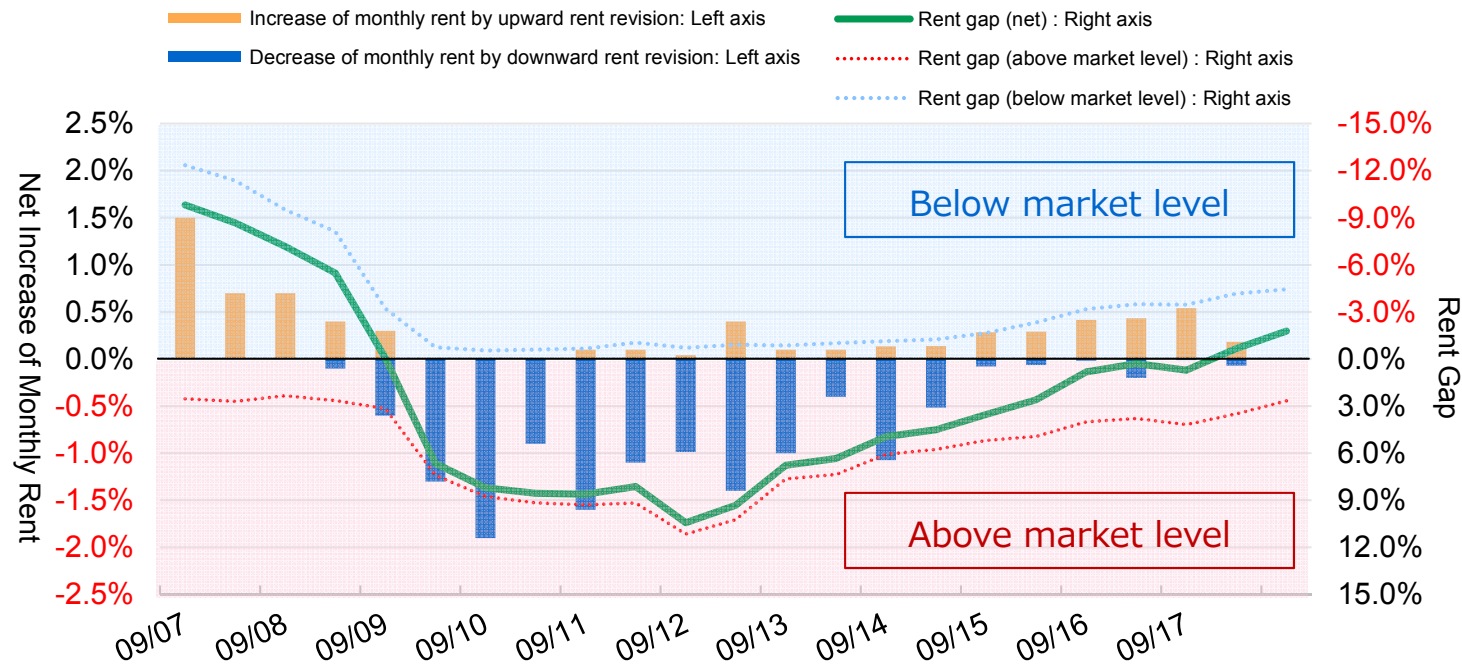
Rent gap of overall portfolio

-JPY 84 million

Gap Ratio: **-1.8%** (Below market level)

- Rent gap favourably widened by increase in market rent.
- Upward rent revision is expected to continue.

Trend of Rent Gap



※Excluding lease agreements in which revenues are fixed more than 1 year from the beginning of each period under fixed-term lease agreement.

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Disposal

Shibuya Cross Tower (Long leasehold)

■ Details of the property

Location: **2-15-1, Shibuya, Shibuya-ku, Tokyo**

Building: **Above ground: 32 floors**

Total floor area **61,862m²**

Completion: **April 1976**

■ Disposal price **JPY 10,000 million**

■ Book value **JPY 9,763 million**

■ Date of disposal **18 January 2018**

■ Buyer **Mitsubishi Estate Co., Ltd.**

■ JRE continue to own the freehold of the land, and receive monthly land rent under the fixed-term land lease contract with Mitsubishi Estate Co., Ltd.



Acquisition

Front Place Nihonbashi

■ Details of the property

Location: **2-14-1, Nihonbashi, Chuo-ku, Tokyo**

Building: **Above ground: 10 floors**

Total floor area **11,672m²**

Total leasable floor area **8,468m²**

Completion: **February 2014**

■ Acquisition price **JPY 17,560 million**

■ Date of acquisition **19 January 2018**

■ Estimated NOI **JPY 614 million per year (NOI yield 3.5%)**

■ Seller **Nihonbashi 2Chome Kaihatsu Specific Purpose Company
(TMK invested by Mitsubishi Estate Co., Ltd.)**



Additional Share Acquisition

Shinjuku Eastside Square

■ Details of the property

Location: **6-27-30, Shinjuku, Shinjuku-ku, Tokyo**

Building: **Above ground: 20 floors**

Total floor area **167,245m² (Entire building)**

Leasable floor area **15,663m² (13.4% share)**

Completion: **March 2012**

■ Acquisition price for 13.4% share **JPY 25,460 million**

(Total share JRE owns now: 31.0%)

■ Date of acquisition **30 March 2018**

■ Estimated NOI **JPY 1,066 million per year (NOI yield 4.2%)**

■ Seller **Mitsubishi Estate Co., Ltd.**



Acquisition

Shinjuku Front Tower

■ Details of the property

Location: **2-21-1, Kita-Shinjuku, Shinjuku-ku, Tokyo**

Building: **Above ground: 35 floors**

Total floor area **92,092m² (Entire building)**

Leasable floor area **15,705m² (27.24798% share)**

Completion: **August 2011**

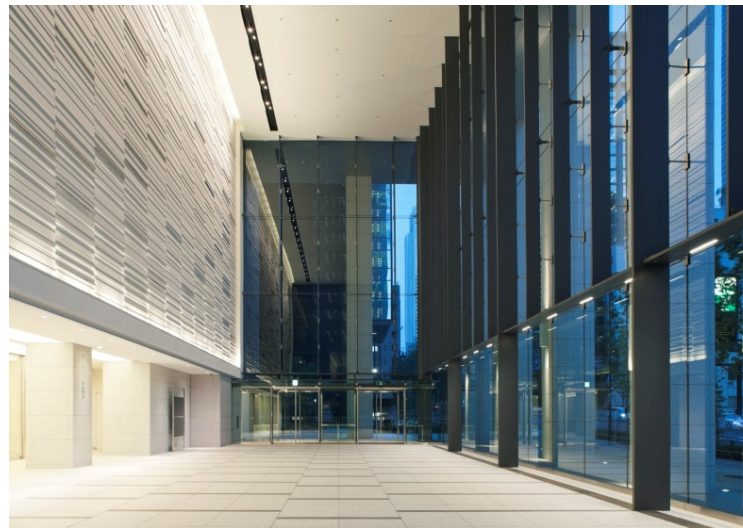
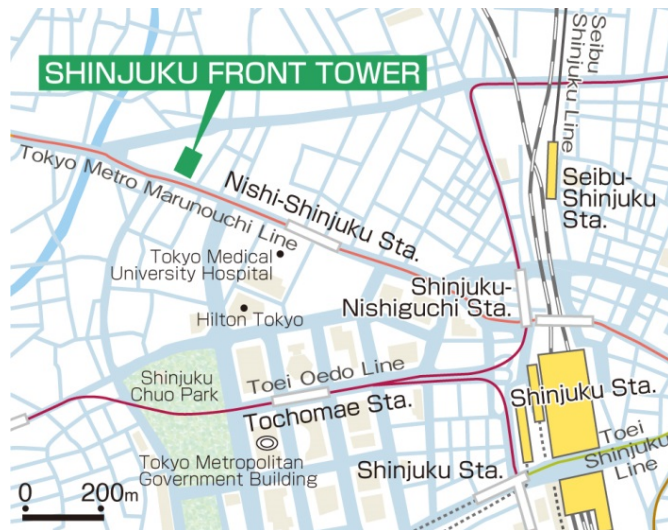
■ Acquisition price **JPY 25,025 million**

(Share of ownership: 27.24798%)

■ Date of acquisition **17 April 2018**

■ Estimated NOI **JPY 1,006 million per year (NOI yield 4.0%)**

■ Seller **Mitsubishi Estate Co., Ltd.**



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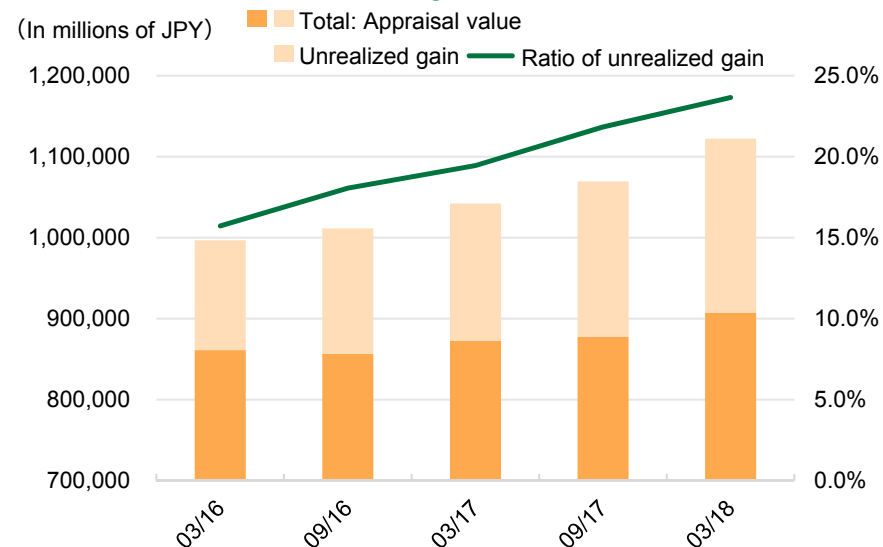
Appraisal Values

Summary of Appraisal Values

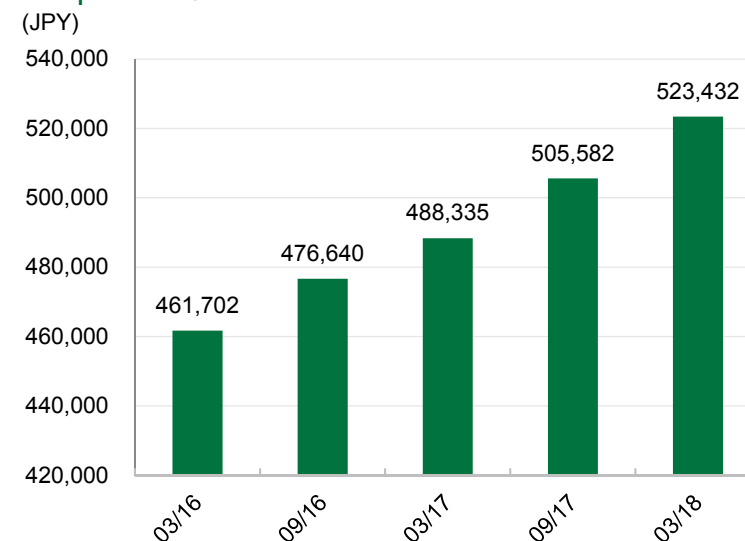
(In millions of JPY)

| | End of Sep. 2017 period | Changes | End of Mar. 2018 period |
|-----------------------------|----------------------------|-------------|----------------------------|
| Appraisal value | 1,069,480 | +52,730 | 1,122,210 |
| Unrealized gain | 191,642 | +22,990 | 214,632 |
| Ratio of unrealized gain | 21.8% | +1.8pt | 23.6% |
| | | | |
| NAV per unit | JPY 505,582 | +JPY 17,850 | JPY 523,432 |

〈Appraisal value/unrealized gain〉



〈NAV per unit〉



Financial Conditions

Summary of Debts

(In millions of JPY)

| | End of Sep. 2017 period | Changes | End of Mar. 2018 period | After PO |
|-----------------------------|-------------------------------|---------|-------------------------------|----------------|
| Balance | 375,500 | +28,493 | 403,993 | 387,993 |
| LTV (Book value basis) | 41.4% | +1.8pt | 43.2% | c.40.5% |
| LTV (Market value basis) | 35.1% | +0.9pt | 36.0% | c.33.8% |

- Total interest-bearing debts increased due to acquisition of properties while LTV has been reduced at the level of 40.5% after PO.
- Continue to maintain strong financial conditions which allow JRE procure funds flexibly.

※ Market value based LTV is calculated by appraisal value.

Average Interest Rate and Maturity

(In millions of JPY)

| | Balance | Average interest rate | Average maturity |
|---|---------|-----------------------|------------------|
| Short-term loans | 32,000 | 0.09% | 0.26 years |
| Long-term Loans (Variable interest) | 22,000 | 0.04% | 4.87 years |
| Current portion of long-term loans (Fixed interest) and Investment corporation bonds | 37,500 | 0.82% | 0.39 years |
| Long-term loans (Fixed interest) and Investment corporation bonds | 312,493 | 0.64% | 4.92 years |
| Total interest-bearing debt | 403,993 | 0.58% | 4.13 years |

Recent borrowings

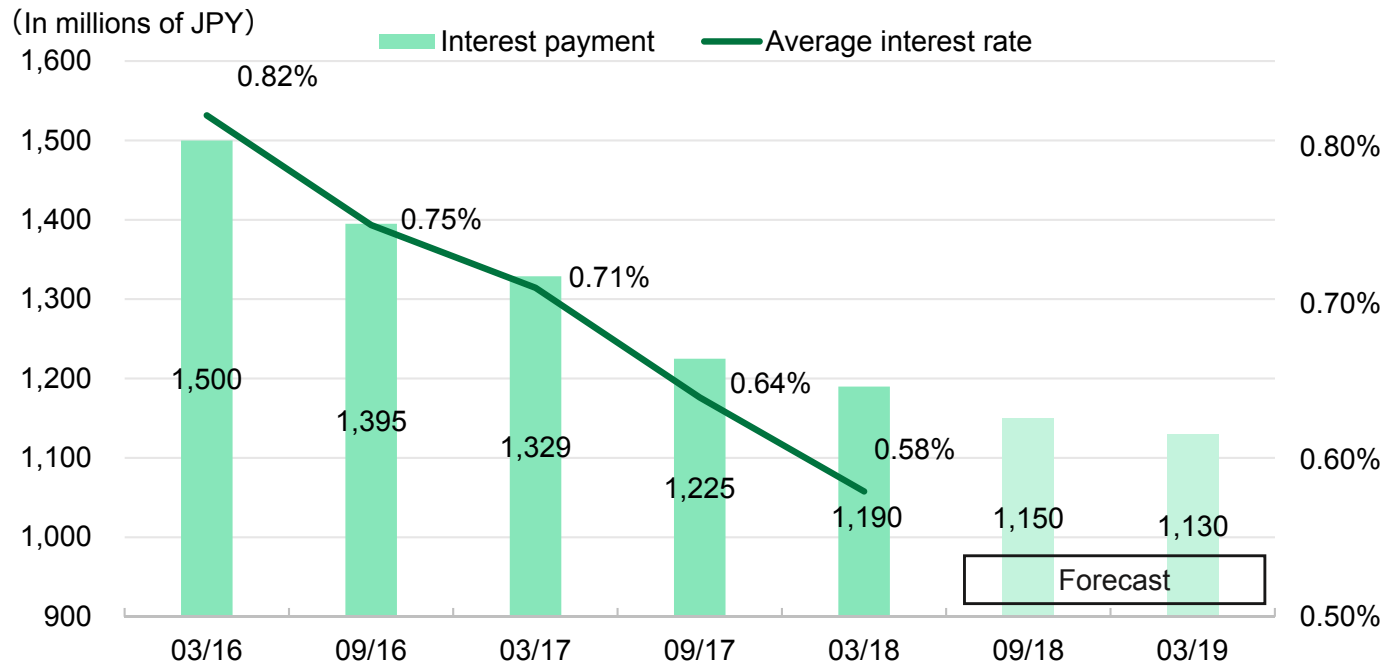
Lender **The Chugoku Bank, Limited**
 Amount of loan **JPY 2,000 million**
 Interest rate **0.1988% (Fix)**
 Borrowing period **5 years**
 Start of loan period **26 March 2018**

Lender **The Bank of Tokyo-Mitsubishi UFJ, Ltd.**
 Amount of loan **JPY 2,000 million**
 Interest rate **0.2725% (Fix)**
 Borrowing period **7 years**
 Start of loan period **26 March 2018**

Lender **Mizuho Bank, Ltd., etc.**
 Amount of loan **JPY 9,000 million**
 Interest rate **0.3963% (Fix)**
 Borrowing period **10 years**
 Start of loan period **30 March 2018**

Lender **Mizuho Bank, Ltd.**
 Amount of loan **JPY 5,500 million**
 Interest rate **0.0954%**
 (1M. JPY Tibor + 4bp as of the end of Apr. 2018)
 Borrowing period **1 year**
 Start of loan period **3 April 2018**

Interest Payment



■ Moderate decline of interest payment is expected to continue.

JRE's Credit Ratings

| | Rating | Outlook |
|---------|--------|---------|
| S & P | A+ | Stable |
| Moody's | A1 | Stable |
| R & I | AA | Stable |

■ Maintain highest rating in J-REIT

Topics : ESG

Sustainability Certification

DBJ Green Building certification

DBJ Green Building  Properties with the best class environmental & social awareness



Otemachi FCN
(Chiyoda-ku, Tokyo)



Shiodome Building
(Minato-ku, Tokyo)



Shinjuku Eastside Square
(Shinjuku-ku, Tokyo)



Harumi Front
(Chuo-ku, Tokyo)



DBJ Green Building

DBJ Green Building 



DBJ Green Building 



18 buildings certified as of 30 Apr. 2018 compared to only 6 buildings as of March 2016 period.

DBJ Green Building  Properties with exceptionally high environmental & social awareness

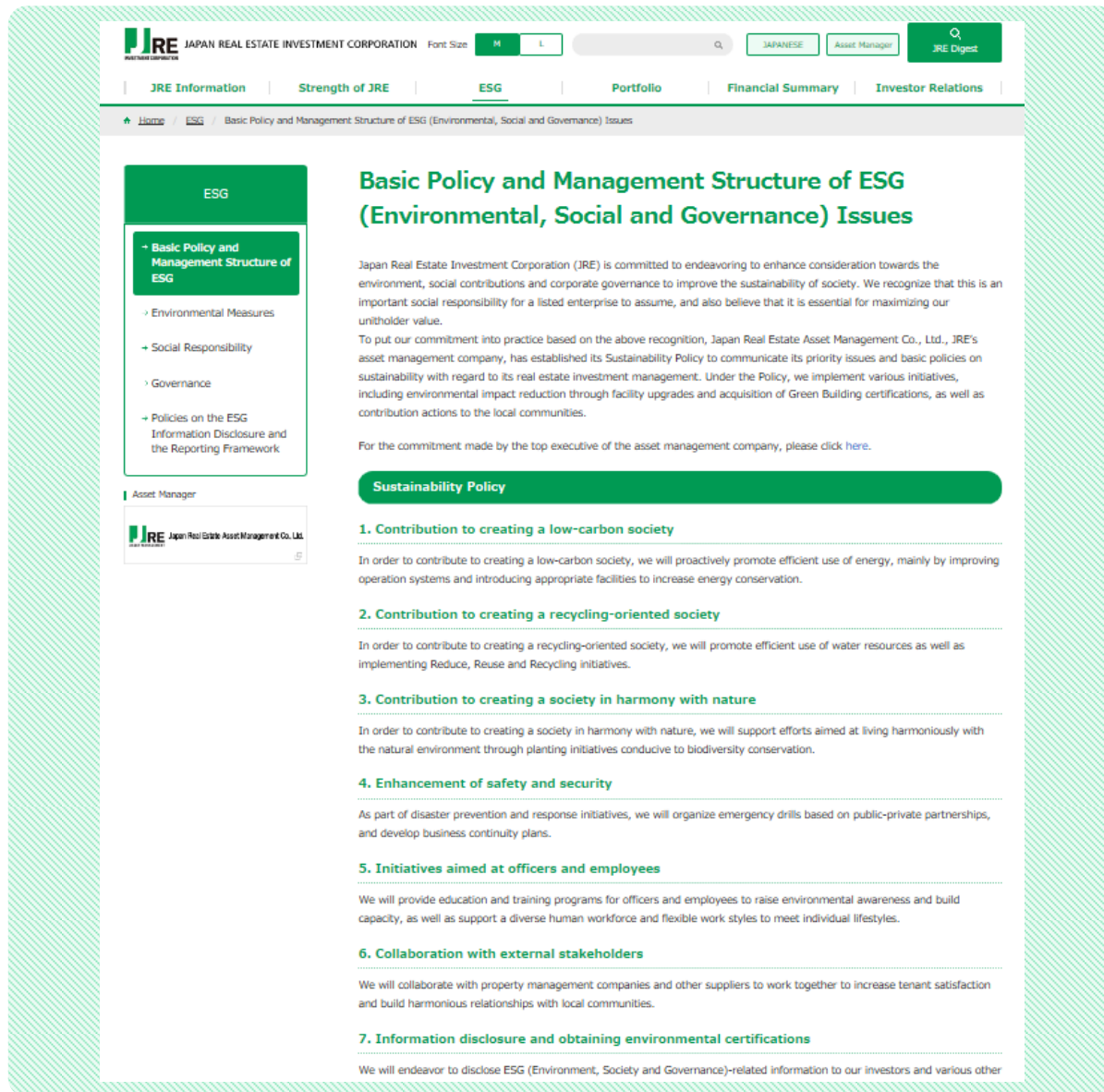


BELS Building-Housing Energy-efficiency Labeling System

14 buildings certified during 2017 period.



Enhance ESG Information Disclosure



- “ESG” page has been added on the JRE website
<https://j-re.co.jp/en/esg/index.html>
- Information on this page references **GRI (Global Reporting Initiative) STANDARDS**.



MEMO

Disclaimer concerning Forecasts

This presentation contains information regarding forecasts based on the plans and outlook of Japan Real Estate Investment Corporation (JRE). All data contained herein, other than those that describe current or historical data, are based on such forecasts. These forecasts are based on the assumptions, judgment, and data currently available from Japan Real Estate Asset Management (JRE-AM) and JRE. These data may contain known and unknown risks, uncertainty, and other factors not accounted for. The forecasts herein may be affected by known and unknown risks, uncertainty, or other factors, particularly with respect to JRE's internal and external growth and profitability-per-unit targets. The aforementioned risks, uncertainty, and other factors may result in significantly different results regarding JRE's future performance, management, and financial data implicitly or explicitly presented herein. JRE shall assume no obligation to update or further disclose data regarding these forecasts after the date of this presentation.

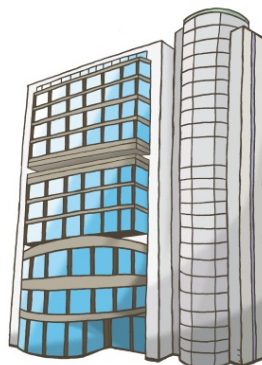
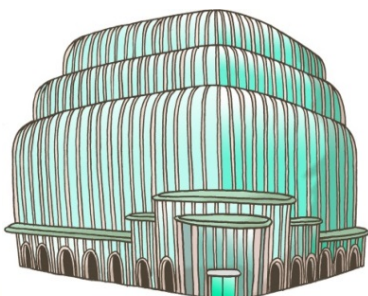
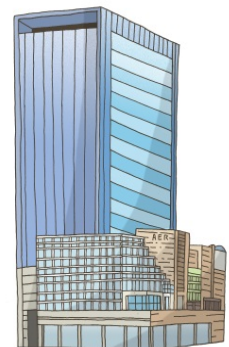
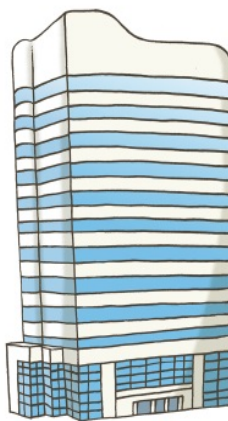
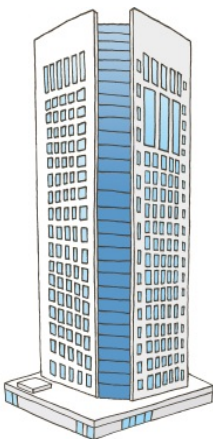
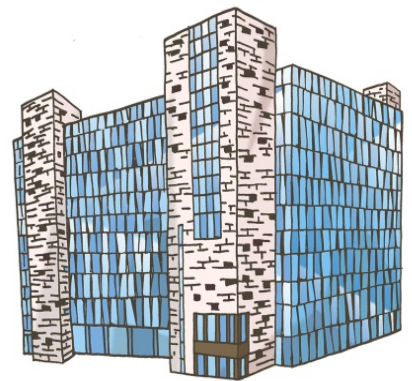
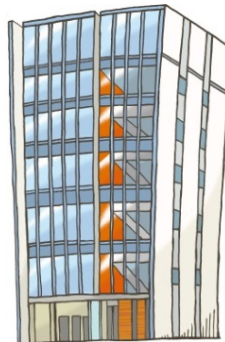
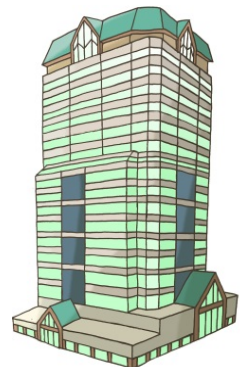
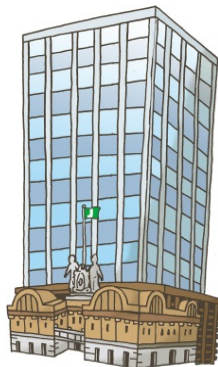
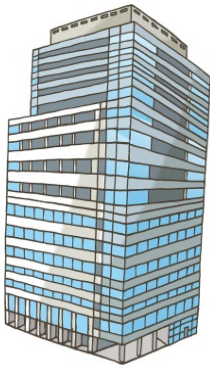


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Terms Used in this Report

- (1) All numerical data are expressed by rounding the numbers down to their respective units. Percentages, including those for occupancy rates, and interest-bearing debt/total assets ratio are rounded to the first decimal point.
- (2) The figures for "Leasable office space," "Leased office space," "Occupancy rate" and "Number of tenants" only refer to the portion of shares owned by Japan Real Estate Investment Corporation (JRE).
- (3) "Average occupancy rate" is calculated by dividing total leased office space by total leasable office space at the end of every month during the period.
- (4) "Leasable space" or "Leased space" does not include the space used for or leased as rental meeting room or control office/storage, also Shinjuku South Gate Project (tentative name) (Land with leasehold interest) and Shibuya Cross Tower (Land with leasehold interest) are not included in the above "Leasable space" or "Leased space."
- (5) Data pertaining to the residential portions is not included in "Leasable office space," "Leased office space," "Occupancy rate" and "Number of tenants" for "Kitanomaru Square," "Nibancho Garden," "Akasaka Park Building," and "Nishiki Park Building."
- (6) "Rent" means tenant rent for "Leasable office space."
- (7) "The number of tenants" refers to those tenants with whom we have concluded lease agreements for leasable floor space of building (It does not include tenants who are leasing office space other than floor space of buildings, such as parking space or side signboards).
- (8) "The number of tenants" is the number of sub-lessees in cases where a pass-through lease agreement (a type of agreement in which the rent charged to the lessee is linked to the rent to be collected from the sub-lessees) is signed with a property management company, etc.
- (9) The number of tenants for the entire portfolio is the gross number of tenants by building (If the same tenant occupies multiple properties, such tenant is counted as multiple tenants).
- (10) "Book value" includes construction in progress and leasehold rights, etc.
- (11) "Capital expenditure" represents capital expenditure for construction completed during the period (excluding the expenses capitalized as construction in progress and as home furniture, the brokerage fees, etc. related to real estate acquisition, and incidental expenses of acquisition such as real-estate acquisition tax, which are reflected in the book value). Extension work cost is not included in "Capital expenditure."
- (12) "Ratio of share of ownership" refers to: the share of co-ownership in the case of a building owned jointly with other owners; the share of common area as set forth in relevant documentation such as the rules on management of the building in the case of a compartmentalized building (including a building that shares compartmentalized building units with other owners); and the share of quasi co-ownership in the case of trust beneficiary rights owned jointly with other owners.
- (13) "Brokerage fees, etc." = brokerage fees in connection with lease contracts + incentive fees paid to the property management company for rent increase upon contract renewal.
- (14) "Property-related revenues" = Rental revenues (rent income [including rent for residential portions] , common service charges, income from parking spaces, collected electricity charges and land revenues, etc.) + Non-rental revenues (cancellation fees and other miscellaneous income)
- (15) "Gain on transfer of properties" = Gain on sales of properties + Gain on exchange of properties
- (16) The acquisition price for Ryoshin Ginza East Mirror Building (¥7,999,422,762) consists of the amount paid to acquire the building on March 15, 2005 (¥5,353,500,000), and the total amount spent to expand the property (¥2,645,922,762).
The acquisition price for Jingumae Media Square Building, part of which was sold on October 30, 2009, is the initial amount paid to acquire the property.
As former Nippon Brunswick (building) was disposed on August 23, 2013, the acquisition price of Shinjuku South Gate Project (tentative name) (Land with leasehold interest, ¥ 5,500 million) excludes the acquisition price of its building section (¥ 1,170 million) from the acquisition price of former Nippon Brunswick (¥ 6,670 million) as of March 24, 2004.
The acquisition price of Shibuya Cross Tower (Land with leasehold interest) is excluded the building price (¥ 8,076 million) from the total price (¥ 34,600 million) on the date of the acquisition as of November 30, 2001 as Shibuya Cross Tower (Building) was disposed on January 18, 2018.
- (17) "Sponsors" refers to the following two shareholders of Japan Real Estate Asset Management Co., Ltd. (JRE-AM): Mitsubishi Estate Co., Ltd. and Mitsui & Co., Ltd.
- (18) The abbreviated property name is reflected on certain pages (The abbreviations are shown in the chart below).
- (19) As JRE implemented a 2-for-1 split of each investment unit as of January 1, 2014, figures calculated on the assumption of the split are indicated by "on a post-split basis."
- (20) The name of the property was renamed to "Jingumae Terrace" from "da Vinci Harajuku" on March 1, 2018.
- (21) The Bank of Tokyo-Mitsubishi UFJ, Ltd. has changed its legal name to MUFG Bank, Ltd. effective April 1, 2018. Previous legal name is used in this report.
- (22) MUFG Bank, Ltd. (former The Bank of Tokyo-Mitsubishi UFJ, Ltd.) integrated Corporate Loan division of Mitsubishi UFJ Trust and Banking Corporation effective April 16, 2018, and the balance of loans outstanding has been transferred to MUFG Bank, Ltd. In this report, balance of loans before the integration is expressed respectively.

| Property name | Abbreviation of property name | Property name | Abbreviation of property name |
|---|------------------------------------|--|-------------------------------|
| Kitanomaru Square | Kitanomaru Square | Jingumae Media Square Building | Jingumae MS |
| MD Kanda Building | MD Kanda | Shibuya Cross Tower (Land with leasehold interest) | Shibuya Cross Tower (Land) |
| Kandabashi Park Building | Kandabashi Park | Ebisu Neonato | Ebisu Neonato |
| Otemachi Financial City North Tower | Otemachi FCN | Harmony Tower | Harmony Tower |
| Nibancho Garden | Nibancho Garden | Otsuka Higashi-Ikebukuro Building | Otsuka Higashi-Ikebukuro |
| Mitsubishi UFJ Trust and Banking Building | Mitsubishi UFJ Trust | Ikebukuro 2Chome Building | Ikebukuro 2Chome |
| Burex Kojimachi Building | Burex Kojimachi | Ikebukuro YS Building | Ikebukuro YS |
| Sanno Grand Building | Sanno Grand | Hachioji First Square | Hachioji First |
| Yurakucho Denki Building | Yurakucho Denki | Saitama Urawa Building | Saitama Urawa |
| Kodenmacho Shin-Nihonbashi Building | Kodenmacho | MM Park Building | MM Park |
| Front Place Nihonbashi | FP Nihonbashi | Queen's Tower A | Queen's |
| Kyodo Building (Kayabacho 2Chome) | Kyodo (Kayabacho 2Chome) | Kawasaki Isago Building | Kawasaki Isago |
| Burex Kyobashi Building | Burex Kyobashi | Musashi Kosugi STM Building | Musashi Kosugi STM |
| Ginza 1Chome East Building | Ginza 1Chome | 8・3 Square Kita Building | 8・3 Square Kita |
| Ginza Sanwa Building | Ginza Sanwa | Jozenji Park Building | Jozenji Park |
| Ryoshin Ginza East Mirror Building | Ryoshin Ginza EM | Higashi Nibancho Square | Higashi Nibancho |
| Harumi Front | Harumi Front | Sendai Honcho Honma Building | Sendai Honma |
| Harumi Center Building | Harumi Center | AER | AER |
| Akasaka Park Building | Akasaka Park | Kanazawa Park Building | Kanazawa Park |
| Aoyama Crystal Building | Aoyama Crystal | Kanazawa Kamitsutsumicho Building | Kanazawa Kamitsutsumicho |
| Clover Shiba-koen | Clover Shiba-koen | Nishiki Park Building | Nishiki Park |
| Shiodome Building | Shiodome | Nagoya Hirokoji Place | Hirokoji Place |
| Shiba 2Chome Daimon Building | Shiba 2Chome Daimon | Nagoya Hirokoji Building | Nagoya Hirokoji |
| Cosmo Kanasugibashi Building | Cosmo Kanasugibashi | Nagoya Misono Building | Nagoya Misono |
| Tamachi Front Building | Tamachi Front | Shijo Karasuma Center Building | Shijo Karasuma |
| Shinjuku Eastside Square | Shinjuku Eastside | Umeda Square Building | Umeda Square |
| Shinjuku Front Tower | Shinjuku Front | Shin-Fujita Building | Shin-Fujita |
| Shinwa Building | Shinwa | Sakaisujihonmachi Building | Sakaisujihonmachi |
| Tokyo Opera City Building | Tokyo Opera City | Midotsuji Daiwa Building | Midotsuji Daiwa |
| TX TOWER UENO | TX UENO | Amagasaki Front Building | Amagasaki Front |
| Higashi-Gotanda 1Chome Building | Higashi-Gotanda 1Chome | Lit City Building | Lit City |
| Osaki Front Tower | Osaki Front Tower | NHK Hiroshima Broadcasting Center Building | NHK Hiroshima |
| Omori-Eki Higashiguchi Building | Omori-Eki Higashiguchi | Tosei Tenjin Building | Tosei Tenjin |
| Shinjuku South Gate Project (tentative name) (Land with leasehold interest) | Shinjuku South Gate Project (Land) | Tenjin Crystal Building | Tenjin Crystal |
| Yoyogi 1Chome Building | Yoyogi 1Chome | Hinode Tenjin Building | Hinode Tenjin |
| Jingumae Terrace | Jingumae Terrace | | |

1

Financial Results and Forecasts

Statements of Income for the six months ended March 2018

(In millions of yen)

| Term | Sep. 2017 Actual | → change → (amount) | → change → (%) | Mar. 2018 Actual | ← change ← (amount) | ← change ← (%) | Mar. 2018 Initial forecast(*1) |
|--|---------------------|------------------------|-------------------|---------------------|------------------------|-------------------|--------------------------------------|
| Operating Revenues | 31,718 | 236 | 0.7% | 31,955 | 235 | 0.7% | 31,720 |
| Property-related revenues | 31,718 | 97 | 0.3% | 31,816 | 96 | 0.3% | 31,720 |
| Rent revenues | 31,574 | | | 31,505 | | | |
| Other lease business revenues | 144 | | | 311 | | | |
| Gain on sales of real estate properties | - | 138 | | 138 | 138 | | - |
| Operating Expenses | 18,539 | (181) | (1.0)% | 18,358 | (181) | (1.0)% | 18,540 |
| Property-related expenses (*2) | 10,442 | (192) | (1.8)% | 10,250 | (169) | (1.6)% | 10,420 |
| Property management expenses | 3,637 | (13) | (0.4)% | 3,623 | | | |
| Property management costs | 3,535 | | | 3,507 | | | |
| Brokerage fees, etc. | 101 | | | 115 | | | |
| Utilities expenses | 2,612 | (224) | (8.6)% | 2,388 | | | |
| Property and other taxes | 2,917 | (0) | (0.0)% | 2,916 | | | |
| Casualty insurance | 58 | (3) | (5.8)% | 55 | | | |
| Repairing expenses | 1,017 | 76 | 7.5% | 1,093 | | | |
| Other expenses | 198 | (26) | (13.1)% | 172 | | | |
| NOI (*3) | 21,275 | 290 | 1.4% | 21,566 | 276 | 1.3% | 21,290 |
| Depreciation | 6,556 | (56) | (0.9)% | 6,499 | (60) | (0.9)% | 6,560 |
| Property-related profits and losses (*3) | 14,719 | 346 | 2.4% | 15,066 | 336 | 2.3% | 14,730 |
| Operating gross profit | 14,719 | 485 | 3.3% | 15,205 | 475 | 3.2% | 14,730 |
| Administrative expenses | 1,540 | 67 | 4.4% | 1,608 | 58 | 3.8% | 1,550 |
| Asset management fee | 1,214 | 23 | 2.0% | 1,238 | 38 | 3.2% | 1,200 |
| Other administrative expenses | 326 | | | 370 | | | |
| Operating Profit | 13,178 | 417 | 3.2% | 13,596 | 416 | 3.2% | 13,180 |
| Non-operating income | 14 | | | 2 | | | |
| Interest income | 0 | | | 0 | | | |
| Other non-operating income | 14 | | | 2 | | | |
| Non-operating expenses | 1,272 | | | 1,236 | | | |
| Interest expenses | 1,053 | (39) | (3.8)% | 1,013 | | | |
| Interest expenses on investment corporation bonds | 172 | 4 | 2.8% | 176 | (9) | (0.8)% | 1,200 |
| Amortization of investment corporation bond issuance costs | 6 | | | 7 | | | |
| Other non-operating expenses | 41 | | | 38 | | | |
| Ordinary Profit | 11,921 | 441 | 3.7% | 12,362 | 442 | 3.7% | 11,920 |
| Profit before income taxes | 11,921 | | | 12,362 | | | |
| Income taxes | 11 | | | 71 | | | |
| Profit | 11,909 | 381 | 3.2% | 12,291 | 381 | 3.2% | 11,910 |
| Unappropriated retained earnings | 11,942 | | | 12,324 | | | |
| FFO (*4) | 18,466 | 185 | 1.0% | 18,652 | | | |
| DPU | 9,096 yen | 240 yen | 2.6% | 9,336 yen | 236 yen | 2.6% | 9,100 yen |

*1 The initial forecast means the performance forecast for the March 2018 period announced on November 15, 2017

*2 Excluding depreciation

*3 Excluding gain on sales of real estate properties

*4 Profit + Depreciation - Gain on sales of real estate properties

Financial Results for March 2018 period and Forecasts for September 2018 and March 2019 periods

(In millions of yen)

| Term | Sep. 2017 | | Mar. 2018 | | Sep. 2018 | | Mar. 2019 |
|--|-----------------|------------|-----------------|---------------|-----------------|------------|-----------------|
| Actual/Forecast | Actual | → Change → | Actual | → Change → | Forecast | → Change → | Forecast |
| Number of properties | 69 | | 70 | | 71 | | 71 |
| Number of days | 183 days | | 182 days | | 183 days | | 182 days |
| Operating Revenues | 31,718 | +236 | 31,955 | +674 | 32,630 | (50) | 32,580 |
| Property-related revenues | 31,718 | +97 | 31,816 | +813 | 32,630 | (50) | 32,580 |
| Gain on sales of real estate properties | - | +138 | 138 | (138) | - | | - |
| Operating Expenses | 18,539 | (181) | 18,358 | +341 | 18,700 | (230) | 18,470 |
| Expenses related to rent business (*1) | 10,442 | (192) | 10,250 | +399 | 10,650 | (160) | 10,490 |
| Depreciation | 6,556 | (56) | 6,499 | (59) | 6,440 | (70) | 6,370 |
| Administrative expenses | 1,540 | +67 | 1,608 | (18) | 1,590 | +10 | 1,600 |
| (Asset management fee) | 1,214 | +23 | 1,238 | +1 | 1,240 | +10 | 1,250 |
| NOI (*2) | 21,275 | +290 | 21,566 | +403 | 21,970 | +120 | 22,090 |
| Property-related profits and losses (*2) | 14,719 | +346 | 15,066 | +463 | 15,530 | +190 | 15,720 |
| Operating gross profit | 14,719 | +485 | 15,205 | +324 | 15,530 | +190 | 15,720 |
| Operating Profit | 13,178 | +417 | 13,596 | +333 | 13,930 | +180 | 14,110 |
| Non-operating income | 14 | (11) | 2 | +7 | 10 | (10) | - |
| Non-operating expenses | 1,272 | (35) | 1,236 | +23 | 1,260 | (90) | 1,170 |
| (Interest expenses) | 1,225 | (35) | 1,190 | (40) | 1,150 | (20) | 1,130 |
| Ordinary Profit | 11,921 | +441 | 12,362 | +307 | 12,670 | +270 | 12,940 |
| Profit | 11,909 | +381 | 12,291 | +368 | 12,660 | +270 | 12,930 |
| Units outstanding | 1,309,310 units | | 1,309,310 units | +75,900 units | 1,385,210 units | | 1,385,210 units |
| DPU | 9,096 yen | +240 yen | 9,336 yen | (196) yen | 9,140 yen | +200 yen | 9,340 yen |
| Occupancy rate at period-end | 99.1% | +0.1% | 99.2% | (0.2)% | 99.0% | | |

*1 Excluding depreciation

*2 Excluding gain on sales of real estate properties

<Factors that may increase or decrease property-related revenues>

- Mar. 2018 period → Sep. 2018 period: Increase due to the full term operation of the acquisition (Front Place Nihonbashi) and the additional shares (Shinjuku Eastside Square) acquired in Mar. 2018 period.
Increase due to the acquisition (Shinjuku Front Tower) acquired in Sep. 2018 period.
Decrease due to the disposal (Shibuya Cross Tower (Building)) disposed in Mar. 2018 period.
Increase in revenue due to seasonal factors, etc.
- Sep. 2018 period → Mar. 2019 period: Increase due to tenant turnover and upward rent revision.
Decrease in revenue due to seasonal factors, etc.

<Factors that may increase or decrease property-related expenses (excluding depreciation)>

- Mar. 2018 period → Sep. 2018 period: Increase due to the full term operation of the acquisition (Front Place Nihonbashi) and the additional shares (Shinjuku Eastside Square) acquired in Mar. 2018 period.
Increase due to the acquisition (Shinjuku Front Tower) acquired in Sep. 2018 period.
Decrease due to the disposal (Shibuya Cross Tower (Building)) disposed in Mar. 2018 period.
Increase in expenses due to seasonal factors, etc.
Increase in property and other taxes due to fair value adjustments, etc.
- Sep. 2018 period → Mar. 2019 period: Decrease in expenses due to seasonal factors, etc.

Balance Sheets as of March 31, 2018

| Term | As of Sep. 30, 2017 | As of Mar. 31, 2018 | Change | Reason for the change |
|---|------------------------|------------------------|---------------|--|
| Assets | | | | |
| I Current assets | | | | |
| Cash and deposits | 24,355 | 23,641 | (713) | Increased due to rent revenues and property sales, decreased due to the acquisition of properties and repayment of loans by utilizing cash on hand, etc. |
| Other current assets | 677 | 784 | 106 | |
| Total current assets | 25,033 | 24,426 | (606) | |
| II Non-current assets | | | | |
| Property, plant and equipment | | | | |
| Buildings (including those held in trust) | 355,715 | 345,778 | (9,936) | Increased due to the acquisition of properties and capital expenditure, decreased due to property sales and depreciation, etc. |
| Structures (including those held in trust) | 3,971 | 3,931 | (40) | |
| Machinery and equipment (including those held in trust) | 4,610 | 4,767 | 156 | |
| Land (including those held in trust) | 625,175 | 660,881 | 35,706 | Increased due to the acquisition of properties, etc. |
| Accumulated depreciation | (118,630) | (114,760) | 3,869 | Decreased due to property sales and increased due to depreciation, etc. |
| Total property, plant and equipment | 870,842 | 900,597 | 29,755 | |
| Intangible assets | | | | |
| Leasehold rights, etc. (including those held in trust) | 7,007 | 6,990 | (16) | |
| Total intangible assets | 7,007 | 6,990 | (16) | |
| Investments and other assets | | | | |
| Investment securities | 577 | 577 | - | |
| Long-term prepaid expenses, etc. | 3,027 | 2,921 | (105) | |
| Total investments and other assets | 3,604 | 3,498 | (105) | |
| Total non-current assets | 881,453 | 911,086 | 29,633 | |
| III Deferred assets | | | | |
| Investment corporation bond issuance costs | 20 | 48 | 28 | |
| Total deferred assets | 20 | 48 | 28 | |
| Total assets | 906,507 | 935,561 | 29,054 | |

(In millions of yen)

| Term | As of Sep. 30, 2017 | As of Mar. 31, 2018 | Change | Reason for the change |
|---|------------------------|------------------------|-----------------|--|
| Liabilities | | | | |
| I Current liabilities | | | | Decreased due to refinancing to long-term loans and increased due to loan for funding acquired properties and refinancing from the current portion of long-term loans, etc. |
| Short-term loans payable | 34,500 | 32,000 | (2,500) | |
| Current portion of long-term loans payable | 36,000 | 27,500 | (8,500) | Decreased due to repayment of loans and refinancing to short-term and long-term loans, increased due to transfer from long-term loans. |
| Current portion of investment corporation bonds | 10,000 | 10,000 | - | |
| Advances received | 3,394 | 3,248 | (146) | |
| Other current liabilities | 5,226 | 5,737 | 511 | Increased in accrued construction costs and decreased in accrued consumption taxes accompanying property sales, etc. |
| Total current liabilities | 89,120 | 78,486 | (10,634) | |
| II Non-current liabilities | | | | Increased due to the issuance of the 11th unsecured Investment Corporation Bond. |
| Investment corporation bonds | 20,000 | 22,993 | 2,993 | |
| Long-term loans payable | 275,000 | 311,500 | 36,500 | Increased due to loan for funding acquired properties and refinancing from short-term and current portion of long-term loans, decreased due to transfer to current portion of long-term loans. |
| Deposits received from tenants | 51,555 | 51,308 | (246) | Increased due to the acquisition of properties and decreased due to property sales, etc. |
| Other non-current liabilities | 509 | 570 | 61 | |
| Total non-current liabilities | 347,064 | 386,372 | 39,307 | |
| Total liabilities | 436,185 | 464,858 | 28,673 | |
| Net assets | | | | |
| Unitholders' capital | 458,016 | 458,016 | - | |
| Reserve for reduction entry | 363 | 363 | 0 | |
| Unappropriated retained earnings | 11,942 | 12,324 | 381 | |
| Total net assets | 470,321 | 470,703 | 381 | |
| Total liabilities and net assets | 906,507 | 935,561 | 29,054 | |

Statements of Cash Flows and Statements on the Distribution of Monies for March 2018 period

Statements of Cash Flows

| (In millions of yen) | |
|---|--------------------------------|
| Item | Mar. 2018 period (182 days) |
| Cash flows from operating activities | 28,120 |
| Profit before income taxes | 12,362 |
| Depreciation | 6,501 |
| Other | 9,255 |
| Cash flows from investing activities | (43,382) |
| Cash flows from financing activities | 16,548 |
| Proceeds from short-term loans payable | 32,000 |
| Repayments of short-term loans payable | (34,500) |
| Proceeds from long-term loans payable | 46,000 |
| Repayments of long-term loans payable | (18,000) |
| Proceeds from investment corporation bonds | 2,993 |
| Redemption of investment corporation bonds | - |
| Payments for investment corporation bond issuance costs | (36) |
| Proceeds from issuance of investment units | - |
| Payments for investment unit issuance expenses | - |
| Dividends paid | (11,908) |
| Net increase in cash and cash equivalents | (713) |
| Cash and cash equivalents at beginning of period | 24,355 |
| Cash and cash equivalents at end of period | 23,641 |

Statements on the Distribution of Monies

| (In yen) | |
|---|--------------------------------|
| Item | Mar. 2018 period (182 days) |
| Unappropriated retained earnings | 12,324,186,848 |
| Reversal of reserve for reduction entry | 69,182 |
| Dividends paid | 12,223,718,160 |
| Provision of reserve for reduction entry etc. | 66,643,373 |
| Retained earnings brought forward | 33,894,497 |
| DPU | 9,336 yen |

Historical Summary of Selected Financial Index in the Previous 5 periods

| Term | Mar. 2016 | Sep. 2016 | Mar. 2017 | Sep. 2017 | Mar. 2018 |
|---------------------------------------|------------|------------|------------|------------|------------|
| Number of days | 183 days | 183 days | 182 days | 183 days | 182 days |
| Return on assets (ROA) | 1.2% | 1.2% | 1.3% | 1.3% | 1.3% |
| (annualized) | 2.4% | 2.5% | 2.5% | 2.6% | 2.7% |
| Return on equity (ROE) | 2.3% | 2.3% | 2.4% | 2.5% | 2.6% |
| (annualized) | 4.6% | 4.7% | 4.8% | 5.1% | 5.2% |
| EOP Equity ratio | 52.7% | 53.1% | 52.3% | 51.9% | 50.3% |
| LTV(1) | 40.8% | 40.3% | 41.1% | 41.4% | 43.2% |
| LTV(2) | 44.2% | 43.8% | 44.6% | 45.1% | 46.9% |
| LTV(3) | 39.4% | 38.6% | 39.1% | 39.3% | 40.8% |
| LTV(4) | 36.5% | 35.2% | 35.4% | 35.1% | 36.0% |
| EOP long-term debts to capitalization | 107.6% | 110.9% | 110.1% | 109.5% | 107.9% |
| Debt service coverage ratio (DSCR) | 12.5 times | 13.5 times | 14.3 times | 16.1 times | 16.9 times |
| NOI (in millions of yen) | 19,973 | 20,182 | 20,372 | 21,275 | 21,566 |
| NOI yield (annualized) | 4.3% | 4.4% | 4.3% | 4.4% | 4.4% |
| FFO (in millions of yen) | 17,079 | 17,447 | 17,679 | 18,466 | 18,652 |
| FFO dividend payout ratio | 62.3% | 62.7% | 63.3% | 64.5% | 65.5% |
| AFFO (in millions of yen) | 14,203 | 15,834 | 14,836 | 17,273 | 15,999 |
| AFFO dividend payout ratio | 74.9% | 69.1% | 75.4% | 68.9% | 76.4% |

<Definition of each index>

* ROA = Ordinary profit / Average of total assets during the period

For calculation of the average, the total assets of beginning and end for the period is used.

* ROE = Profit / Average of total net assets during the period

For calculation of the average, the total net assets of beginning and end of the period is used.

However, if the new unit is issued during the period, the following formula is used to calculate the average,

with the number of days from the beginning of the period to the day prior to the day of new unit issuance

assumed to be A days and from the day of new unit issuance to the end of the period to be B days:

(Total net assets at the beginning of the period x A days + total net assets at the end of the period x B days) / operating days (A + B days).

* EOP equity ratio = EOP total net assets / EOP total assets

* LTV (1) = EOP interest-bearing debt / EOP total assets

* LTV (2) = EOP interest-bearing debt / (EOP interest-bearing debt + EOP unitholders' capital)

* LTV (3) = EOP interest-bearing debt / EOP total property acquisition price

* LTV (4) = EOP interest-bearing debt / EOP total property appraisal values determined by institutional appraisers

* EOP long-term debts to capitalization = EOP non-current assets / (EOP long-term loans and others + EOP unitholders' capital)

* DSCR = Profit before interest, taxes, depreciation and amortization / Interest expenses

* NOI = Property-related revenues – Property-related expenses (Excluding depreciation)

* NOI Yield = Annualized NOI / Total amount of acquisition price

* FFO = Profit + Depreciation – Gain (Loss) on sales of properties

* FFO Dividend Payout Ratio = Total amount of dividends / FFO

* AFFO = FFO – Capital expenditures

* AFFO Dividend Payout Ratio = Total Amount of Dividends / AFFO

JRE's Achievement after IPO and Performance Forecasts

| Term | Mar. 2002 | Sep. 2002 | Mar. 2003 | Sep. 2003 | Mar. 2004 | Sep. 2004 | Mar. 2005 | Sep. 2005 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 05/01 ~ 03/02 | 04/02 ~ 09/02 | 10/02 ~ 03/03 | 04/03 ~ 09/03 | 10/03 ~ 03/04 | 04/04 ~ 09/04 | 10/04 ~ 03/05 | 04/05 ~ 09/05 |
| Operating revenues | 6,492 | 7,910 | 8,500 | 8,965 | 9,560 | 10,151 | 10,747 | 13,119 |
| (% change from the preceding period) | - | (+21.8%) | (+7.5%) | (+5.5%) | (+6.6%) | (+6.2%) | (+5.9%) | (+22.1%) |
| Property-related revenues | 6,492 | 7,910 | 8,500 | 8,965 | 9,560 | 10,151 | 10,747 | 13,119 |
| (% change from the preceding period) | - | (+21.8%) | (+7.5%) | (+5.5%) | (+6.6%) | (+6.2%) | (+5.9%) | (+22.1%) |
| Gain on disposal of unused development rights of floor area | - | - | - | - | - | - | - | - |
| Gain on sales of real estate properties | - | - | - | - | - | - | - | - |
| Dividend income | - | - | - | - | - | - | - | - |
| Compensation for property disposal | - | - | - | - | - | - | - | - |
| Operating profit | 2,961 | 3,386 | 3,687 | 3,898 | 4,341 | 4,358 | 4,701 | 6,226 |
| (% change from the preceding period) | - | (+14.4%) | (+8.9%) | (+5.7%) | (+11.4%) | (+0.4%) | (+7.9%) | (+32.4%) |
| Ordinary profit | 2,405 | 2,898 | 3,259 | 3,408 | 3,803 | 3,831 | 4,121 | 5,510 |
| (% change from the preceding period) | - | (+20.5%) | (+12.5%) | (+4.6%) | (+11.6%) | (+0.7%) | (+7.6%) | (+33.7%) |
| Profit | 2,403 | 2,897 | 3,258 | 3,407 | 3,802 | 3,830 | 4,120 | 5,509 |
| (% change from the preceding period) | - | (+20.5%) | (+12.5%) | (+4.6%) | (+11.6%) | (+0.7%) | (+7.6%) | (+33.7%) |
| Units outstanding | 160,400 units | 225,400 units | 225,400 units | 225,400 units | 260,400 units | 260,400 units | 260,400 units | 345,400 units |
| (Ref) Units outstanding on a post-split basis (*1) | 320,800 units | 450,800 units | 450,800 units | 450,800 units | 520,800 units | 520,800 units | 520,800 units | 690,800 units |
| DPU | 14,983 yen | 12,853 yen | 14,455 yen | 15,117 yen | 14,602 yen | 14,711 yen | 15,824 yen | 15,951 yen |
| (Ref) DPU on a post-split basis (*1) | 7,491 yen | 6,426 yen | 7,227 yen | 7,558 yen | 7,301 yen | 7,355 yen | 7,912 yen | 7,975 yen |
| Total assets | 161,809 | 185,397 | 200,022 | 209,581 | 244,523 | 257,372 | 322,358 | 355,968 |
| Total net assets | 83,663 | 115,049 | 115,410 | 115,559 | 137,250 | 137,279 | 137,569 | 206,982 |
| Net assets per unit (*1) | 260,795 yen | 255,212 yen | 256,013 yen | 256,344 yen | 263,538 yen | 263,592 yen | 264,149 yen | 299,627 yen |
| Total liabilities | 78,146 | 70,347 | 84,611 | 94,021 | 107,272 | 120,093 | 184,789 | 148,985 |
| Interest-bearing debt | 64,000 | 54,000 | 66,800 | 76,000 | 87,000 | 99,000 | 159,000 | 122,000 |
| LTV | 39.6% | 29.1% | 33.4% | 36.3% | 35.6% | 38.5% | 49.3% | 34.3% |
| Unit price (period-end) (*1) | 265,000 yen | 255,500 yen | 296,000 yen | 324,000 yen | 415,000 yen | 437,500 yen | 437,500 yen | 457,500 yen |
| Market capitalization | 85,012 | 115,179 | 133,436 | 146,059 | 216,132 | 227,850 | 227,850 | 316,041 |
| Number of properties | 24 | 27 | 30 | 32 | 36 | 39 | 46 | 50 |
| Total acquisition price of properties | 144,697 | 164,277 | 183,542 | 192,607 | 218,437 | 239,827 | 290,510 | 326,560 |
| Total leasable floor area | 201,884m ² | 215,928m ² | 236,693m ² | 246,062m ² | 273,157m ² | 293,105m ² | 336,026m ² | 364,610m ² |
| Occupancy rate | 94.0% | 95.3% | 94.4% | 95.1% | 94.8% | 93.6% | 97.6% | 98.6% |
| Issuance of new units | | | | | | | | |
| Number of newly issued units | - | 65,000 units | - | - | 35,000 units | - | - | 85,000 units |
| Offer price | - | 490,980 yen | - | - | 629,000 yen | - | - | 826,000 yen |
| Aggregate amount of offer price | - | 31,913 | - | - | 22,015 | - | - | 70,210 |
| Issue price | - | 475,268 yen | - | - | 608,456 yen | - | - | 800,288 yen |
| Aggregate amount of issue price | - | 30,892 | - | - | 21,295 | - | - | 68,024 |
| Payment date | - | 05/07/2002 | - | - | 10/24/2003 | - | - | 04/26/2005 |

(In millions of yen)

| Mar. 2006 | Sep. 2006 | Mar. 2007 | Sep. 2007 | Mar. 2008 | Sep. 2008 | Mar. 2009 | Sep. 2009 | Mar. 2010 |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|--------------------------|
| 10/05 ~ 03/06 | 04/06 ~ 09/06 | 10/06 ~ 03/07 | 04/07 ~ 09/07 | 10/07 ~ 03/08 | 04/08 ~ 09/08 | 10/08 ~ 03/09 | 04/09 ~ 09/09 | 10/09 ~ 03/10 |
| 13,962 | 15,570 | 16,960 | 17,530 | 25,743 | 19,805 | 20,716 | 21,524 | 21,665 |
| (+6.4%) | (+11.5%) | (+8.9%) | (+3.4%) | (+46.9%) | (-23.1%) | (+4.6%) | (+3.9%) | (+0.7%) |
| 13,962 | 15,169 | 16,500 | 17,132 | 17,807 | 19,805 | 20,716 | 20,795 | 20,758 |
| (+6.4%) | (+8.6%) | (+8.8%) | (+3.8%) | (+3.9%) | (+11.2%) | (+4.6%) | (+0.4%) | (-0.2%) |
| - | - | - | - | - | - | - | 728 | - |
| - | 400 | 459 | 397 | - | - | - | - | 885 |
| - | - | - | - | 7,935 | - | - | - | - |
| - | - | - | - | - | - | - | - | 21 |
| 6,319 | 7,041 | 8,304 | 8,739 | 14,218 | 9,807 | 9,955 | 10,054 | 10,538 |
| (+1.5%) | (+11.4%) | (+17.9%) | (+5.2%) | (+62.7%) | (-31.0%) | (+1.5%) | (+1.0%) | (+4.8%) |
| 5,586 | 5,977 | 7,184 | 7,586 | 12,946 | 8,449 | 8,426 | 8,505 | 8,876 |
| (+1.4%) | (+7.0%) | (+20.2%) | (+5.6%) | (+70.7%) | (-34.7%) | (-0.3%) | (+0.9%) | (+4.4%) |
| 5,585 | 5,976 | 7,183 | 7,585 | 12,945 | 8,448 | 8,425 | 8,504 | 8,875 |
| (+1.4%) | (+7.0%) | (+20.2%) | (+5.6%) | (+70.7%) | (-34.7%) | (-0.3%) | (+0.9%) | (+4.4%) |
| 345,400 units | 345,400 units | 410,000 units | 410,000 units | 443,000 units | 443,000 units | 443,000 units | 443,000 units | 489,200 units |
| 690,800 units | 690,800 units | 820,000 units | 820,000 units | 886,000 units | 886,000 units | 886,000 units | 886,000 units | 978,400 units |
| 16,172 yen | 17,302 yen | 17,521 yen | 18,500 yen | 29,223 yen | 19,072 yen | 19,020 yen | 19,198 yen | 18,043 yen |
| 8,086 yen | 8,651 yen | 8,760 yen | 9,250 yen | 14,611 yen | 9,536 yen | 9,510 yen | 9,599 yen | 9,021 yen |
| 433,552 | 441,163 | 443,973 | 449,643 | 527,537 | 542,920 | 565,022 | 564,528 | 637,326 |
| 207,058 | 207,449 | 271,867 | 272,269 | 310,547 | 306,050 | 306,027 | 306,106 | 333,228 |
| 299,737 yen | 300,302 yen | 331,545 yen | 332,035 yen | 350,504 yen | 345,429 yen | 345,403 yen | 345,492 yen | 340,585 yen |
| 226,493 | 233,714 | 172,105 | 177,374 | 216,990 | 236,869 | 258,994 | 258,422 | 304,097 |
| 196,500 | 202,500 | 140,000 | 144,500 | 177,500 | 199,500 | 220,500 | 220,500 | 262,500 |
| 45.3% | 45.9% | 31.5% | 32.1% | 33.6% | 36.7% | 39.0% | 39.1% | 41.2% |
| 510,000 yen | 500,000 yen | 780,000 yen | 690,000 yen | 580,000 yen | 418,000 yen | 378,000 yen | 367,000 yen | 398,500 yen |
| 352,308 | 345,400 | 639,600 | 565,800 | 513,880 | 370,348 | 334,908 | 325,162 | 389,892 |
| 52 | 49 | 50 | 50 | 53 | 54 | 55 | 55 | 55 |
| 412,766 | 418,693 | 441,276 | 446,940 | 518,969 | 542,969 | 564,219 | 564,219 | 641,245 |
| 400,090m ² | 396,173m ² | 397,928m ² | 406,605m ² | 479,877m ² | 508,296m ² | 516,411m ² | 516,421m ² | 566,277m ² |
| 98.7% | 98.2% | 97.8% | 98.7% | 95.9% | 96.1% | 95.5% | 93.3% | 93.0% |
| - | - | 64,600 units | - | 33,000 units | - | - | - | 46,200 units |
| - | - | 1,009,400 yen | - | 1,029,000 yen | - | - | - | 597,520 yen |
| - | - | 65,207 | - | 33,957 | - | - | - | 27,605 |
| - | - | 978,500 yen | - | 997,500 yen | - | - | - | 579,040 yen |
| - | - | 63,211 | - | 32,917 | - | - | - | 26,751 |
| - | - | 10/24/2006 | - | 03/12/2008 | - | - | - | 12/08/2009 12/22/2009 |

- The land and building adjacent to Ryoshin Ginza EM are not included in the number of properties and total acquisition price of properties for Sep. 2008 through Mar. 2010 periods.
- The acquisition price related to the disposal of the part of Jingumae MS site is not excluded.
- As Shinjuku South Gate Project (Land) was sold as of August 23, 2013 and Shibuya Cross Tower (Land) was sold as of January 18, 2018 and JRE owns the land with leasehold interest, total leasable floor area and occupancy rate for Shinjuku South Gate Project (Land) and Shibuya Cross Tower (Land) are excluded.

(*1) JRE implemented a 2-for-1 split of each investment unit as of January 1, 2014.
The figures for Mar. 2002 through Sep. 2013 periods have taken the split into account.

| Term | Sep. 2010 | Mar. 2011 | Sep. 2011 | Mar. 2012 | Sep. 2012 | Mar. 2013 | Sep. 2013 | Mar. 2014 |
|---|-----------------------|-----------------------|-----------------------|--------------------------|-----------------------|--------------------------|-----------------------|-----------------------|
| | 04/10 ~ 09/10 | 10/10 ~ 03/11 | 04/11 ~ 09/11 | 10/11 ~ 03/12 | 04/12 ~ 09/12 | 10/12 ~ 03/13 | 04/13 ~ 09/13 | 10/13 ~ 03/14 |
| Operating revenues | 22,112 | 22,135 | 22,829 | 24,059 | 24,222 | 25,357 | 26,225 | 26,582 |
| (% change from the preceding period) | (+2.1%) | (+0.1%) | (+3.1%) | (+5.4%) | (+0.7%) | (+4.7%) | (+3.4%) | (+1.4%) |
| Property-related revenues | 22,112 | 22,135 | 22,283 | 24,059 | 24,222 | 25,357 | 26,206 | 26,582 |
| (% change from the preceding period) | (+6.5%) | (+0.1%) | (+0.7%) | (+8.0%) | (+0.7%) | (+4.7%) | (+3.4%) | (+1.4%) |
| Gain on disposal of unused development rights of floor area | - | - | - | - | - | - | - | - |
| Gain on sales of real estate properties | - | - | 546 | - | - | - | 18 | - |
| Dividend income | - | - | - | - | - | - | - | - |
| Compensation for property disposal | - | - | - | - | - | - | - | - |
| Operating profit | 9,939 | 9,802 | 10,380 | 10,786 | 10,212 | 10,631 | 10,781 | 10,831 |
| (% change from the preceding period) | (-5.7%) | (-1.4%) | (+5.9%) | (+3.9%) | (-5.3%) | (+4.1%) | (+1.4%) | (+0.5%) |
| Ordinary profit | 8,135 | 7,938 | 8,603 | 8,863 | 8,372 | 8,749 | 9,143 | 9,083 |
| (% change from the preceding period) | (-8.3%) | (-2.4%) | (+8.4%) | (+3.0%) | (-5.5%) | (+4.5%) | (+4.5%) | (-0.7%) |
| Profit | 8,134 | 7,652 | 8,268 | 8,934 | 8,448 | 8,824 | 9,129 | 9,070 |
| (% change from the preceding period) | (-8.4%) | (-5.9%) | (+8.1%) | (+8.1%) | (-5.4%) | (+4.5%) | (+3.5%) | (-0.7%) |
| Units outstanding | 489,200 units | 489,200 units | 489,200 units | 549,040 units | 549,040 units | 594,140 units | 594,140 units | 1,188,280 units |
| (Ref) Units outstanding on a post-split basis (*1) | 978,400 units | 978,400 units | 978,400 units | 1,098,080 units | 1,098,080 units | 1,188,280 units | 1,188,280 units | - |
| DPU | 16,628 yen | 15,642 yen | 15,850 yen | 16,190 yen | 15,700 yen | 15,140 yen | 15,366 yen | 7,633 yen |
| (Ref) DPU on a post-split basis (*1) | 8,314 yen | 7,821 yen | 7,925 yen | 8,095 yen | 7,850 yen | 7,570 yen | 7,683 yen | - |
| Total assets | 634,974 | 646,847 | 643,949 | 703,085 | 724,851 | 765,628 | 775,066 | 817,130 |
| Total net assets | 332,536 | 332,054 | 332,670 | 372,869 | 372,429 | 405,280 | 405,415 | 405,355 |
| Net assets per unit (*1) | 339,877 yen | 339,385 yen | 340,014 yen | 339,565 yen | 339,164 yen | 341,065 yen | 341,178 yen | 341,128 yen |
| Total liabilities | 302,437 | 314,793 | 311,279 | 330,215 | 352,422 | 360,347 | 369,651 | 411,774 |
| Interest-bearing debt | 262,450 | 272,400 | 269,350 | 284,300 | 305,750 | 311,200 | 320,150 | 358,900 |
| LTV | 41.3% | 42.1% | 41.8% | 40.4% | 42.2% | 40.6% | 41.3% | 43.9% |
| Unit price (period-end) (*1) | 379,500 yen | 393,500 yen | 377,000 yen | 364,500 yen | 393,000 yen | 644,500 yen | 574,000 yen | 518,000 yen |
| Market capitalization | 371,302 | 385,000 | 368,856 | 400,250 | 431,545 | 765,846 | 682,072 | 615,529 |
| Number of properties | 55 | 57 | 56 | 57 | 58 | 60 | 62 | 64 |
| Total acquisition price of properties | 643,891 | 660,601 | 657,863 | 718,663 | 740,663 | 782,433 | 794,230 | 837,405 |
| Total leasable floor area | 567,612m ² | 588,984m ² | 584,964m ² | 629,761m ² | 645,787m ² | 700,759m ² | 713,180m ² | 750,956m ² |
| Occupancy rate | 92.4% | 93.2% | 94.6% | 94.7% | 95.5% | 96.7% | 96.3% | 96.7% |
| Issuance of new units | | | | | | | | |
| Number of newly issued units | - | - | - | 59,840 units | - | 45,100 units | - | - |
| Offer price | - | - | - | 672,750 yen | - | 746,850 yen | - | - |
| Aggregate amount of offer price | - | - | - | 40,257 | - | 33,682 | - | - |
| Issue price | - | - | - | 652,050 yen | - | 723,870 yen | - | - |
| Aggregate amount of issue price | - | - | - | 39,018 | - | 32,646 | - | - |
| Payment date | - | - | - | 02/28/2012 03/27/2012 | - | 10/29/2012 11/28/2012 | - | - |

(In millions of yen)

| Sep. 2014 | Mar. 2015 | Sep. 2015 | Mar. 2016 | Sep. 2016 | Mar. 2017 | Sep 2017 | Mar. 2018 | Sep. 2018 forecast | Mar. 2019 forecast |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 04/14 ~ 09/14 | 10/14 ~ 03/15 | 04/15 ~ 09/15 | 10/15 ~ 03/16 | 04/16 ~ 09/16 | 10/16 ~ 03/17 | 04/17 ~ 09/17 | 10/17 ~ 03/18 | 04/18 ~ 09/18 | 10/18 ~ 03/19 |
| 27,760 | 28,314 | 29,980 | 30,589 | 30,773 | 30,818 | 31,718 | 31,955 | 32,630 | 32,580 |
| (+4.4%) | (+2.0%) | (+5.9%) | (+2.0%) | (+0.6%) | (+0.1%) | (+2.9%) | (+0.7%) | (+2.1%) | (-0.2%) |
| 27,760 | 28,314 | 29,980 | 30,428 | 30,773 | 30,784 | 31,718 | 31,816 | 32,630 | 32,580 |
| (+4.4%) | (+2.0%) | (+5.9%) | (+1.5%) | (+1.1%) | (+0.0%) | (+3.0%) | (+0.3%) | (+2.6%) | (-0.2%) |
| - | - | - | - | - | - | - | - | - | - |
| - | - | - | 161 | - | 33 | - | 138 | - | - |
| - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - |
| 11,255 | 11,243 | 12,054 | 12,352 | 12,368 | 12,567 | 13,178 | 13,596 | 13,930 | 14,110 |
| (+3.9%) | (-0.1%) | (+7.2%) | (+2.5%) | (+0.1%) | (+1.6%) | (+4.9%) | (+3.2%) | (+2.5%) | (+1.3%) |
| 9,582 | 9,625 | 10,487 | 10,816 | 10,958 | 11,197 | 11,921 | 12,362 | 12,670 | 12,940 |
| (+5.5%) | (+0.4%) | (+9.0%) | (+3.1%) | (+1.3%) | (+2.2%) | (+6.5%) | (+3.7%) | (+2.5%) | (+2.1%) |
| 9,572 | 9,619 | 10,476 | 10,753 | 10,947 | 11,186 | 11,909 | 12,291 | 12,660 | 12,930 |
| (+5.5%) | (+0.5%) | (+8.9%) | (+2.6%) | (+1.8%) | (+2.2%) | (+6.5%) | (+3.2%) | (+3.0%) | (+2.1%) |
| 1,251,530 units | 1,251,530 units | 1,309,310 units | 1,309,310 units | 1,309,310 units | 1,309,310 units | 1,309,310 units | 1,309,310 units | 1,385,210 units | 1,385,210 units |
| - | - | - | - | - | - | - | - | - | - |
| 7,648 yen | 7,681 yen | 8,001 yen | 8,121 yen | 8,361 yen | 8,544 yen | 9,096 yen | 9,336 yen | 9,140 yen | 9,340 yen |
| - | - | - | - | - | - | - | - | - | - |
| 813,931 | 852,679 | 899,938 | 890,626 | 883,633 | 898,306 | 906,507 | 935,561 | - | - |
| 436,622 | 436,671 | 468,767 | 469,044 | 469,359 | 469,598 | 470,321 | 470,703 | - | - |
| 348,871 yen | 348,909 yen | 358,026 yen | 358,238 yen | 358,478 yen | 358,661 yen | 359,213 yen | 359,505 yen | - | - |
| 377,308 | 416,007 | 431,171 | 421,581 | 414,273 | 428,707 | 436,185 | 464,858 | - | - |
| 323,550 | 361,000 | 373,450 | 363,400 | 356,350 | 369,000 | 375,500 | 403,993 | - | - |
| 39.8% | 42.3% | 41.5% | 40.8% | 40.3% | 41.1% | 41.4% | 43.2% | - | - |
| 564,000 yen | 565,000 yen | 551,000 yen | 650,000 yen | 605,000 yen | 590,000 yen | 541,000 yen | 551,000 yen | - | - |
| 705,862 | 707,114 | 721,429 | 851,051 | 792,132 | 772,492 | 708,336 | 721,429 | - | - |
| 64 | 68 | 70 | 68 | 68 | 69 | 69 | 70 | 71 | 71 |
| 838,055 | 883,514 | 927,778 | 923,448 | 923,623 | 944,723 | 955,253 | 990,197 | 1,015,222 | 1,015,222 |
| 752,723m ² | 793,976m ² | 832,030m ² | 820,381m ² | 820,917m ² | 835,069m ² | 839,035m ² | 833,335m ² | 848,966m ² | 848,966m ² |
| 97.8% | 97.8% | 97.7% | 98.3% | 98.7% | 98.8% | 99.1% | 99.2% | 99.0% | - |
| 63,250 units | - | 57,780 units | - | - | - | - | - | 75,900 units | - |
| 501,760 yen | - | 557,620 yen | - | - | - | - | - | 533,120 yen | - |
| 31,736 | - | 32,219 | - | - | - | - | - | 40,463 | - |
| 486,400 yen | - | 540,550 yen | - | - | - | - | - | 516,800 yen | - |
| 30,764 | - | 31,232 | - | - | - | - | - | 39,225 | - |
| 04/15/2014 | - | 04/06/2015 | - | - | - | - | - | 04/16/2018 | - |
| 05/14/2014 | - | 05/11/2015 | - | - | - | - | - | 05/09/2018 | - |

- The land and building adjacent to Ryoshin Ginza EM are not included in the number of properties and total acquisition price of properties for Sep. 2008 through Mar. 2010 periods.
- The acquisition price related to the disposal of the part of Jingumae MS site is not excluded.
- As Shinjuku South Gate Project (Land) was sold as of August 23, 2013 and Shibuya Cross Tower (Land) was sold as of January 18, 2018 and JRE owns the land with leasehold interest, total leasable floor area and occupancy rate for Shinjuku South Gate Project (Land) and Shibuya Cross Tower (Land) are excluded.

(*1) JRE implemented a 2-for-1 split of each investment unit as of January 1, 2014.
The figures for Mar. 2002 through Sep. 2013 periods have taken the split into account.

Performance Comparison (September 2017 period vs. March 2018 period)

(In millions of yen)

Overall portfolio 70 buildings

| | Sep. 2017 | Mar. 2018 | Change | % Change |
|--|-----------|-----------|--------|----------|
| Property-related revenues | 31,718 | 31,816 | 97 | 0.3% |
| Property-related expenses (*1) | 16,999 | 16,749 | (249) | (1.5)% |
| Property-related profits and losses | 14,719 | 15,066 | 346 | 2.4% |
| NOI (*2) | 21,275 | 21,566 | 290 | 1.4% |
| Occupancy rate as of the end of the period | 99.1% | 99.2% | 0.1% | |
| Average occupancy rate during the period | 98.9% | 98.9% | 0.0% | |

(*1) Property-related expenses include depreciation

(*2) NOI = Net operating income: Property-related profits and losses + Depreciation

Factors affecting increase and decrease in each group

Operated all through Sep. 2017 and Mar. 2018 periods 68 buildings

(Including Shiodome (existing shares), Shinjuku Eastside (existing shares))

| | Sep. 2017 | Mar. 2018 | Change | % Change |
|--|-----------|-----------|--------|----------|
| Property-related revenues | 30,177 | 30,246 | 69 | 0.2% |
| Property-related expenses | 15,985 | 16,012 | 27 | 0.2% |
| Property management expenses | 3,456 | 3,497 | 40 | 1.2% |
| Utilities expenses | 2,487 | 2,296 | (190) | (7.7)% |
| Property and other taxes | 2,793 | 2,793 | (0) | (0.0)% |
| Casualty insurance | 56 | 52 | (3) | (5.7)% |
| Repairing expenses | 871 | 1,078 | 207 | 23.8% |
| Other expenses | 197 | 170 | (27) | (13.9)% |
| Depreciation | 6,122 | 6,123 | 1 | 0.0% |
| Property-related profits and losses | 14,191 | 14,233 | 42 | 0.3% |
| NOI | 20,313 | 20,357 | 43 | 0.2% |
| Occupancy rate as of the end of the period | 99.1% | 99.2% | 0.1% | |
| Average occupancy rate during the period | 98.9% | 98.9% | 0.0% | |

Acquired during Sep. 2017 period and operated all through Mar. 2018 period

1 building

Shiodome (additional acquisition)

| | Sep. 2017 | Mar. 2018 | Change |
|-------------------------------------|-----------|-----------|--------|
| Property-related revenues | 36 | 216 | 180 |
| Property-related expenses | 11 | 69 | 57 |
| Property-related profits and losses | 25 | 147 | 122 |
| NOI | 31 | 184 | 152 |

Acquired during Mar. 2018 period

2 buildings

FP Nihonbashi
Shinjuku Eastside
(additional acquisition)

| | Sep. 2017 | Mar. 2018 | Change |
|-------------------------------------|-----------|-----------|--------|
| Property-related revenues | 0 | 160 | 160 |
| Property-related expenses | 0 | 68 | 68 |
| Property-related profits and losses | 0 | 92 | 92 |
| NOI | 0 | 144 | 144 |

Disposed during Mar. 2018 period

1 building

Shibuya Cross Tower

| | Sep. 2017 | Mar. 2018 | Change |
|-------------------------------------|-----------|-----------|--------|
| Property-related revenues | 1,504 | 1,191 | (312) |
| Property-related expenses | 1,002 | 599 | (403) |
| Property-related profits and losses | 502 | 592 | 90 |
| NOI | 930 | 879 | (50) |

Breakdown of Factors in the Net Increase of Operating Revenues and Operating Profit

(In millions of yen)

| | Sep. 2017 period Actual | Mar. 2018 period Actual | Sep. 2018 period Forecast | Mar. 2019 period Forecast |
|---|-------------------------------|-------------------------------|---------------------------------|---------------------------------|
| Operating revenues | 31,718 | 31,955 | 32,630 | 32,580 |
| Change | | 236 | 674 | (50) |
| Property-related revenues | | 97 | 813 | (50) |
| Existing property (*) | | 69 | 6 | (80) |
| Property acquired | | | | |
| Sep. 2017 period | | 180 | | |
| Mar. 2018 period | | 160 | 869 | |
| Sep. 2018 period | | | 570 | 40 |
| Property disposed | | | | |
| Mar. 2018 period | | (312) | (651) | |
| Gain on sales of real estate properties | | 138 | (138) | |

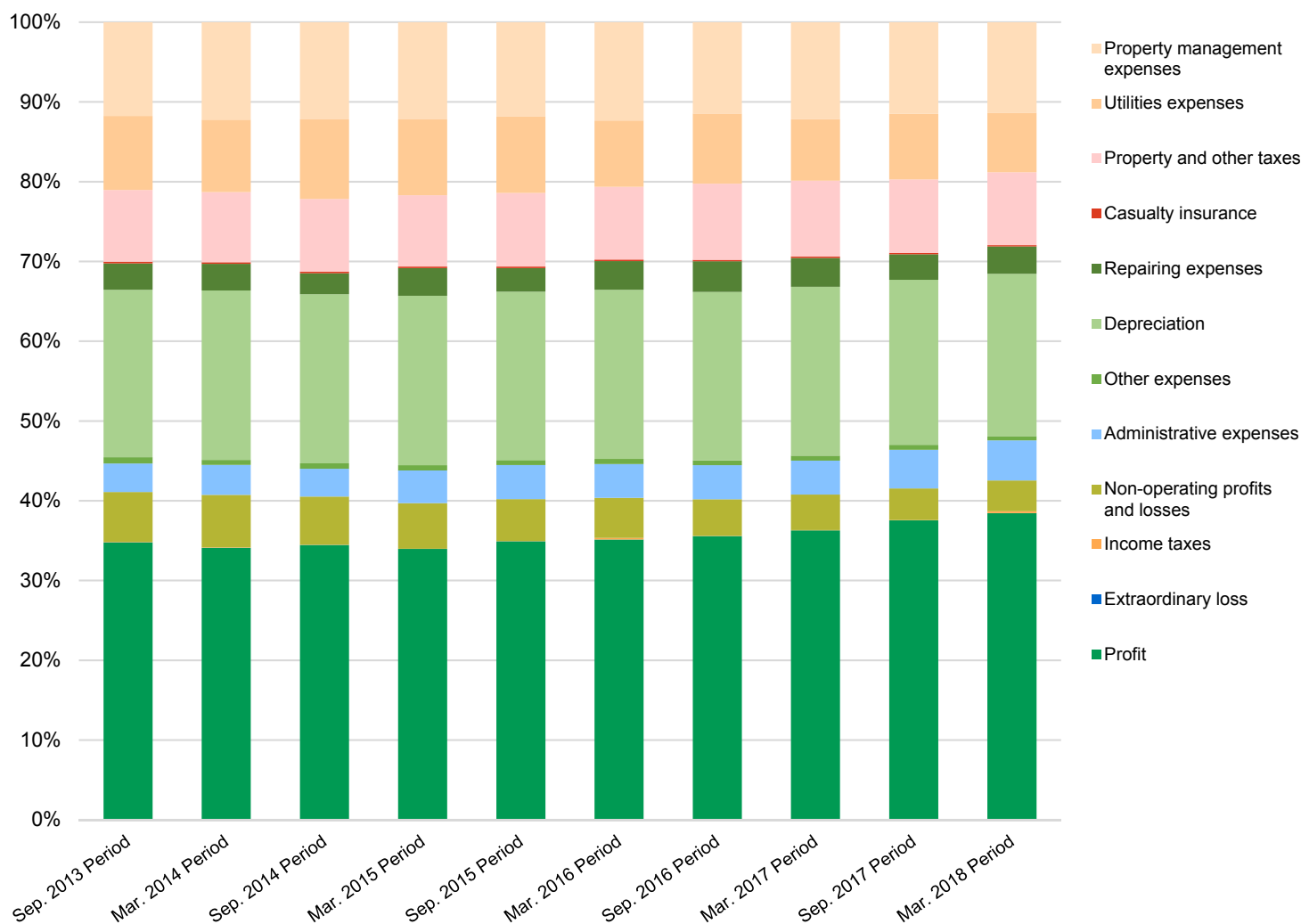
| | Sep. 2017 period Actual | Mar. 2018 period Actual | Sep. 2018 period Forecast | Mar. 2019 period Forecast |
|---|-------------------------------|-------------------------------|---------------------------------|---------------------------------|
| Operating profit | 13,178 | 13,596 | 13,930 | 14,110 |
| Change | | 417 | 333 | 180 |
| Property-related profits and losses | | 346 | 463 | 190 |
| Existing property (*) | | 42 | (341) | 180 |
| Property acquired | | | | |
| Sep. 2017 period | | 122 | | |
| Mar. 2018 period | | 92 | 607 | |
| Sep. 2018 period | | | 330 | 10 |
| Property disposed | | | | |
| Mar. 2018 period | | 90 | (142) | |
| Gain on sales of real estate properties | | 138 | (138) | |
| Administrative expenses | | (67) | 18 | (10) |

(*) Comparison made from the second term after the full term operation (6 months) on condition of the same shares.

Operating Expenses, etc. as a Percent of Operating Revenues

| | Sep. 2013 period | Mar. 2014 period | Sep. 2014 period | Mar. 2015 period | Sep. 2015 period | Mar. 2016 period | Sep. 2016 period | Mar. 2017 period | Sep. 2017 period | Mar. 2018 period |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Operating revenues | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Property management expenses | 11.7% | 12.2% | 12.2% | 12.2% | 11.8% | 12.3% | 11.4% | 12.1% | 11.5% | 11.3% |
| Utilities expenses | 9.3% | 9.1% | 10.0% | 9.5% | 9.6% | 8.3% | 8.8% | 7.7% | 8.2% | 7.5% |
| Property and other taxes | 9.0% | 8.8% | 9.1% | 8.9% | 9.2% | 9.1% | 9.5% | 9.5% | 9.2% | 9.1% |
| Casualty insurance | 0.2% | 0.2% | 0.2% | 0.2% | 0.2% | 0.2% | 0.2% | 0.2% | 0.2% | 0.2% |
| Repairing expenses | 3.3% | 3.3% | 2.6% | 3.5% | 2.9% | 3.6% | 3.8% | 3.6% | 3.2% | 3.4% |
| Depreciation | 21.0% | 21.3% | 21.2% | 21.2% | 21.1% | 21.2% | 21.1% | 21.2% | 20.7% | 20.3% |
| Other expenses | 0.8% | 0.6% | 0.7% | 0.7% | 0.6% | 0.6% | 0.6% | 0.6% | 0.6% | 0.5% |
| Administrative expenses | 3.6% | 3.8% | 3.5% | 4.1% | 4.3% | 4.2% | 4.3% | 4.3% | 4.9% | 5.0% |
| Non-operating profits and losses | 6.2% | 6.6% | 6.0% | 5.7% | 5.2% | 5.0% | 4.6% | 4.4% | 4.0% | 3.9% |
| Income taxes | 0.1% | 0.0% | 0.0% | 0.0% | 0.0% | 0.2% | 0.0% | 0.0% | 0.0% | 0.2% |
| Extraordinary loss | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Profit | 34.8% | 34.1% | 34.5% | 34.0% | 34.9% | 35.2% | 35.6% | 36.3% | 37.5% | 38.5% |

*In operating revenues, gain on sales of real estate properties is included in Sep. 2013, Mar. 2016, Mar. 2017 and Mar. 2018 periods.



Past Record of Capital Expenditure and Repairing Expenses for Renovation Work and Future Plan

JRE's Renovation Work

- Prepared mid- to long-term renovation plans, taking stable cash flow into account
- Conducted renovation work that increases profitability through such efforts as reducing costs and attracting tenants
- Conducted customer service renovation work that improves amenities for tenants, including work to improve air-conditioning systems and restrooms
- Conducted appropriate renovations to maintain building functions
- Had a third-party review on the construction estimates and costs (order placed), and carried out proper construction management

Construction Costs and Depreciation (Actual)

(In millions of yen)

| | Mar. 2002 period | Sep. 2002 period | Mar. 2003 period | Sep. 2003 period | Mar. 2004 period | Sep. 2004 period | Mar. 2005 period | Sep. 2005 period | Mar. 2006 period | Sep. 2006 period | Mar. 2007 period |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Construction costs | 794 | 453 | 933 | 841 | 1,585 | 1,161 | 1,178 | 1,025 | 1,728 | 1,654 | 2,857 |
| Repairing expenses (reported as expense) | 321 | 152 | 323 | 289 | 365 | 363 | 471 | 474 | 528 | 513 | 916 |
| Capital expenditure (capitalized as asset) | 472 | 301 | 609 | 552 | 1,219 | 797 | 706 | 550 | 1,200 | 1,141 | 1,940 |
| Depreciation | 1,100 | 1,194 | 1,310 | 1,393 | 1,498 | 1,657 | 1,641 | 2,017 | 2,359 | 2,682 | 2,717 |
| Total assets | 161,809 | 185,397 | 200,022 | 209,581 | 244,523 | 257,372 | 322,358 | 355,968 | 433,552 | 441,163 | 443,973 |
| Property-related revenues | 6,492 | 7,910 | 8,500 | 8,965 | 9,560 | 10,151 | 10,747 | 13,119 | 13,962 | 15,169 | 16,500 |

| | Sep. 2007 period | Mar. 2008 period | Sep. 2008 period | Mar. 2009 period | Sep. 2009 period | Mar. 2010 period | Sep. 2010 period | Mar. 2011 period | Sep. 2011 period | Mar. 2012 period | Sep. 2012 period |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Construction costs | 1,520 | 2,760 | 1,138 | 1,721 | 2,309 | 2,074 | 1,563 | 2,315 | 1,328 | 2,493 | 2,227 |
| Repairing expenses (reported as expense) | 580 | 991 | 511 | 676 | 1,119 | 756 | 790 | 833 | 585 | 700 | 764 |
| Capital expenditure (capitalized as asset) | 939 | 1,769 | 627 | 1,044 | 1,190 | 1,318 | 773 | 1,481 | 743 | 1,792 | 1,463 |
| Depreciation | 2,835 | 3,068 | 3,560 | 3,788 | 3,801 | 3,945 | 4,218 | 4,286 | 4,433 | 4,690 | 4,908 |
| Total assets | 449,643 | 527,537 | 542,920 | 565,022 | 564,528 | 637,326 | 634,974 | 646,847 | 643,949 | 703,085 | 724,851 |
| Property-related revenues | 17,132 | 17,807 | 19,805 | 20,716 | 20,795 | 20,758 | 22,112 | 22,135 | 22,283 | 24,059 | 24,222 |

| | Mar. 2013 period | Sep. 2013 period | Mar. 2014 period | Sep. 2014 period | Mar. 2015 period | Sep. 2015 period | Mar. 2016 period | Sep. 2016 period | Mar. 2017 period | Sep. 2017 period | Mar. 2018 period |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Construction costs | 2,741 | 2,411 | 3,320 | 2,472 | 4,216 | 2,021 | 3,977 | 2,794 | 3,956 | 2,210 | 3,746 |
| Repairing expenses (reported as expense) | 886 | 866 | 887 | 733 | 983 | 881 | 1,101 | 1,181 | 1,113 | 1,017 | 1,093 |
| Capital expenditure (capitalized as asset) | 1,854 | 1,545 | 2,433 | 1,738 | 3,233 | 1,140 | 2,876 | 1,613 | 2,842 | 1,192 | 2,652 |
| Depreciation | 5,208 | 5,507 | 5,649 | 5,883 | 6,009 | 6,332 | 6,487 | 6,500 | 6,526 | 6,556 | 6,499 |
| Total assets | 765,628 | 775,066 | 817,130 | 813,931 | 852,679 | 899,938 | 890,626 | 883,633 | 898,306 | 906,507 | 935,561 |
| Property-related revenues | 25,357 | 26,206 | 26,582 | 27,760 | 28,314 | 29,980 | 30,428 | 30,773 | 30,784 | 31,718 | 31,816 |

*Property-related revenues do not include gain on sales of real estate properties, dividends earned on preferred capital contributions, gain on disposal of unused development rights of floor area nor compensation for property disposal.

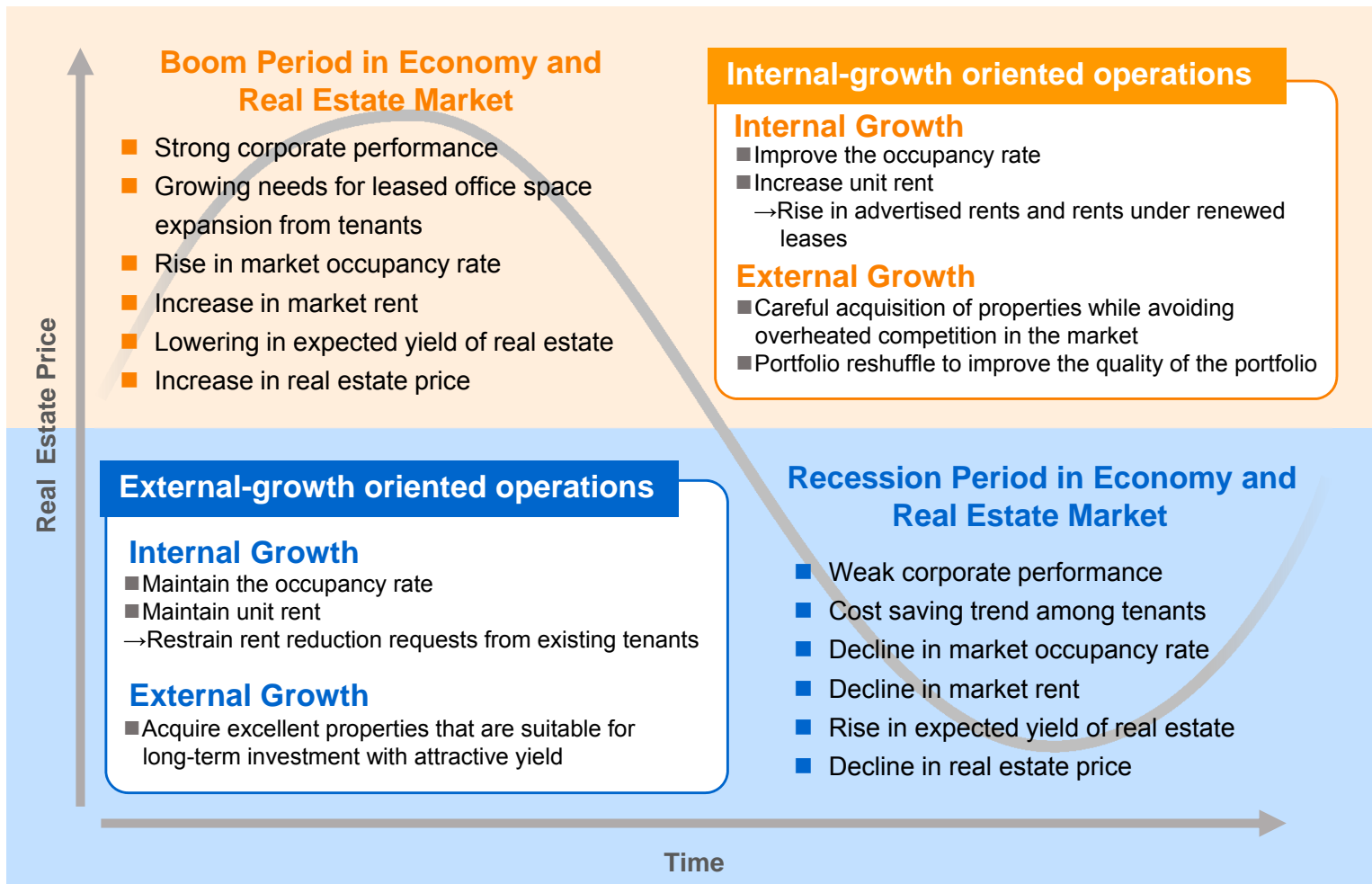
Capital Expenditure and Depreciation (Forecast)

(In billions of yen)

| | Sep. 2018 period | Mar. 2019 period | Sep. 2019 period | Mar. 2020 period | Sep. 2020 period | Mar. 2021 period | Total |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------|
| Capital expenditure | 1.6 | 2.3 | 1.6 | 2.7 | 1.5 | 2.7 | 12.6 |
| Depreciation | 6.4 | 6.3 | 6.3 | 6.2 | 6.2 | 6.1 | 37.8 |

JRE Growth Strategy

Market Environment and Growth Strategy (Image)



MEMO

External Growth

Steady external growth with a focus on quality

- **Secure steady external growth by strengthening the collaboration with two sponsors**
 - Acquire properties by negotiating transactions mainly with two sponsors
 - Work to diversify the property acquisition processes
- **Continued efforts to strengthen portfolio**
 - Acquire relatively new, large-scale competitive properties that generate stable revenues
 - Weigh the external environment and our financial standing in acquiring properties
 - Consider possibilities for reshuffling of assets that could strengthen the portfolio on a mid- to long-term basis by comprehensively examining leasing market conditions, traffic convenience, and other factors

Internal Growth

Internal growth by our continuous efforts since IPO

- **Continue to keep stable occupancy rates**
 - Strong awareness of tenant needs
 - Implement a constructive leasing strategy to meet the characteristics of each building and changes in the market
- **Enhance rental profits**
 - Continuous efforts to increase rent revenues
 - Ongoing efforts to carry out the property management cost reduction plan
- **Enhance the value of properties**
 - Conduct timely renovation work

Financial Strategy

Sustain and enhance financial stability

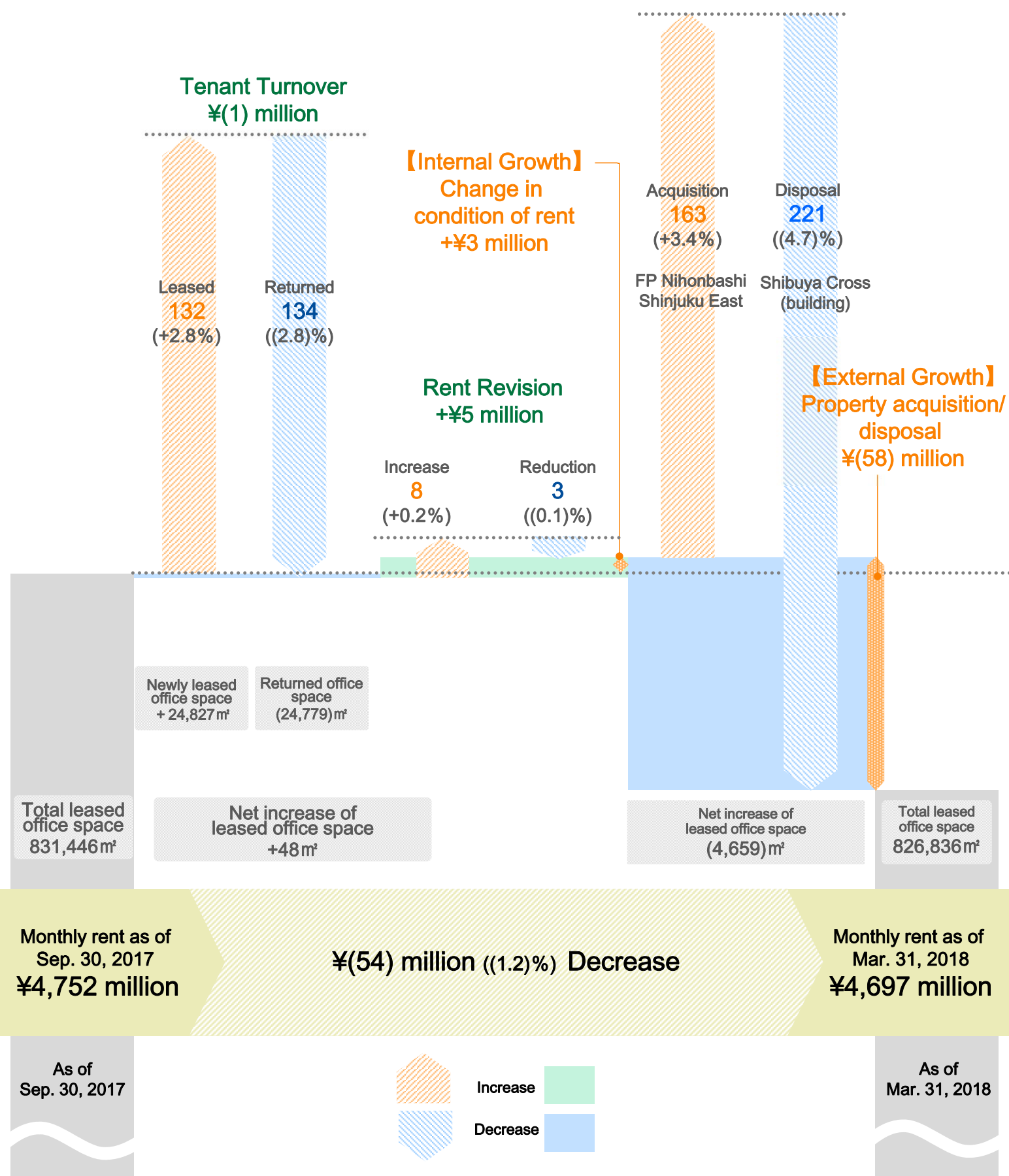
- **Maintain conservative interest-bearing debt / total assets ratio and high credit ratings by strengthening the capital base**
 - Gain and maintain debtholders' trust
 - Acquire a low-cost and long-term fund-raising capability
 - Secure flexibility in fund-raising by limiting the covenants or other restrictive terms of financing
- **Appropriate response to interest risk**
 - Maintain conservative interest-bearing debt/ total assets ratio at approximately 30-40%
 - Lengthen the term of interest-bearing debt, stabilize the interest rate and diversify repayment dates

MEMO

2 Internal Growth

Factors in the Net Increase of Monthly Contract Rent

- Net increase of monthly contract rent (including common service charges) and the rates of net increase (%) are shown in comparison with those of the end of the previous period (prior six months).
 - Data for residential portions are excluded.
- (In millions of yen)



* The land revenue (10 million yen (monthly)) for Shinjuku South Gate Project (Land) and the land revenue (90 million yen (monthly)) for Shibuya Cross Tower (Land) are not included in the monthly rent as of the end of each period.

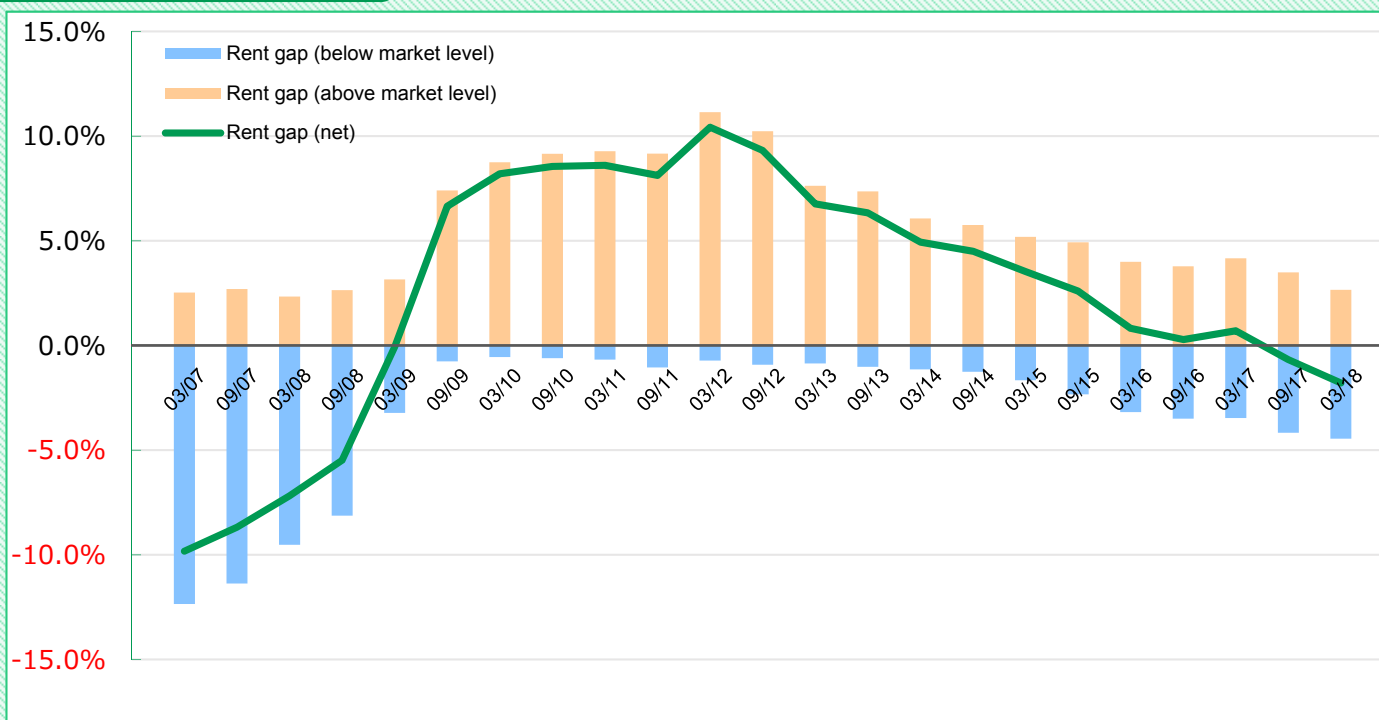
Rent Gap and Type of Lease Agreement

Rent gap of overall portfolio

-¥84 million

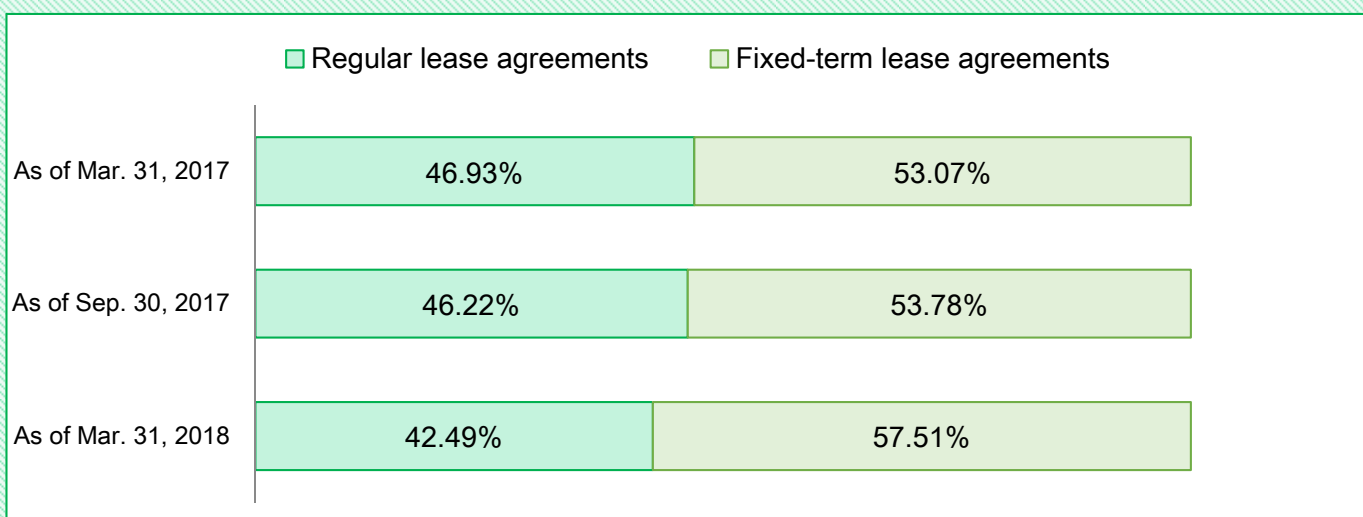
Gap Ratio : **-1.8%** (Below market level)

Trend of Rent Gap



*Aggregated calculation excluding lease agreements in which revenues are fixed more than 1 year from the beginning of each period due to fixed-term lease agreement, etc.

Breakdown of Type of Lease Agreement



*Properties excluding lands as of Mar. 31, 2018 are subject to the above data.

Trend of Market Rent Level

- With regard to the new rent data (Note 1) assessed by CBRE K.K. (CBRE), the trend shows the price as of December 31, 2017 set at 100.
- The assessment was made for 61 properties. 7 properties are excluded (excluding properties in unusual situations, including single-tenant leased properties) from the 68 properties (building) (Note 2) held in total by JRE as of March 31, 2018.

| Area | Property Name | Trend in assessed new rent (intermediate value of upper and lower limits: index) at time of survey | | | | | | | | | | | | | | | |
|----------------|---------------|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | 06/03 | 12/03 | 06/04 | 12/04 | 06/05 | 12/05 | 06/06 | 12/06 | 06/07 | 12/07 | 06/08 | 12/08 | 06/09 | 12/09 | 06/10 | 12/10 |
| Tokyo 23 Wards | Chiyoda | Kitanomaru Square | | | | | | | | | | | | 93 | 88 | 84 | 83 |
| | | MD Kanda | 120 | 120 | 120 | 124 | 130 | 130 | 149 | 149 | 162 | 168 | 151 | 135 | 114 | 103 | 95 |
| | | Kandabashi Park | 106 | 106 | 106 | 112 | 117 | 119 | 148 | 148 | 162 | 162 | 152 | 133 | 114 | 102 | 95 |
| | | Otemachi FCN | | | | | | | | | | | | | | | |
| | | Nibancho Garden | | | | | | | | | | | | | | | |
| | | Mitsubishi UFJ Trust | | | | | | | | | | | | | | | |
| | | Burex Kojimachi | | | | | | | | | | | | | | | |
| | | Sanno Grand | | | | 100 | 106 | 120 | 139 | 143 | 151 | 151 | 145 | 127 | 106 | 98 | 90 |
| | Chuo | Yurakucho Denki | | 93 | 93 | 104 | 111 | 121 | 139 | 146 | 164 | 164 | 157 | 130 | 104 | 96 | 89 |
| | | Kodenmachi | 104 | 104 | 104 | 107 | 114 | 114 | 121 | 121 | 154 | 164 | 157 | 146 | 132 | 118 | 104 |
| | | FP Nihonbashi | | | | | | | | | | | | | | | |
| | | Kyodo (Kayabacho 2Chome) | | | | | | | | | | | | | | | |
| | | Burex Kyobashi | | | | | | | | | | | | | | | |
| | | Ginza 1Chome | | | | | | | | | | | | | | | |
| | | Ginza Sanwa | | | | | 111 | 119 | 125 | 130 | 140 | 140 | 138 | 108 | 94 | 94 | 85 |
| | | Ryoshin Ginza EM | | | | | 132 | 132 | 137 | 145 | 153 | 153 | 145 | 134 | 116 | 103 | 92 |
| | Minato | Harumi Front | | | | | | | | | | | | | | | |
| | | Harumi Center | | | | | | | | | 168 | 168 | 161 | 143 | 132 | 118 | 114 |
| | | Akasaka Park | | | | | | | | | | | | | | | |
| | | Aoyama Crystal | 100 | 98 | 96 | 102 | 112 | 122 | 124 | 133 | 139 | 139 | 135 | 122 | 100 | 90 | 84 |
| | | Clover Shiba-koen | | | | | | | | | | | | | | | |
| | | Shiodome | | | | | | | | | | | | 107 | 97 | 92 | 88 |
| | | Shiba 2Chome Daimon | 103 | 103 | 103 | 115 | 127 | 130 | 136 | 139 | 145 | 148 | 148 | 139 | 121 | 103 | 88 |
| | | Cosmo Kanasugibashi | 100 | 100 | 100 | 106 | 116 | 123 | 129 | 135 | 142 | 148 | 148 | 129 | 106 | 100 | 87 |
| | Shinjuku | Tamachi Front | | | | | | | | | | | | | | | |
| | | Shinjuku Eastside | | | | | | | | | | | | | | | |
| | | Shinwa | | | 93 | 98 | 102 | 121 | 130 | 135 | 135 | 135 | 116 | 93 | 88 | 86 | 77 |
| | Taito | Tokyo Opera City | | | | | 124 | 135 | 141 | 145 | 145 | 141 | 120 | 98 | 94 | 90 | 90 |
| | | TIX UENO | | | | | | | | | | | | | | | |
| | Shinagawa | Higashi-Gotanda 1Chome | | | 112 | 124 | 124 | 127 | 133 | 139 | 139 | 139 | 127 | 115 | 103 | 94 | 91 |
| | | Osaki Front Tower | | | | | | | | | | | | | | | |
| | Ota | Omori-Eki Higashiguchi | 127 | 123 | 123 | 123 | 123 | 123 | 135 | 142 | 150 | 150 | 131 | 127 | 112 | 112 | 104 |
| | Shibuya | Yoyogi 1Chome | | | | | 105 | 117 | 129 | 133 | 136 | 138 | 138 | 119 | 95 | 90 | 88 |
| | | Jingumae Terrace | 109 | 105 | 105 | 105 | 105 | 119 | 119 | 119 | 119 | 119 | 114 | 93 | 86 | 84 | 81 |
| | | Jingumae MS | | 96 | 94 | 94 | 96 | 115 | 121 | 129 | 129 | 133 | 129 | 121 | 94 | 88 | 85 |
| | | Ebisu Neonato | | 86 | 88 | 96 | 104 | 116 | 125 | 130 | 136 | 136 | 129 | 107 | 82 | 80 | 79 |
| | Nakano | Harmony Tower | | | | | 116 | 121 | 126 | 137 | 142 | 142 | 142 | 132 | 111 | 97 | 97 |
| | Toshima | Otsuka Higashi-Ikebukuro | 100 | 100 | 92 | 92 | 92 | 92 | 96 | 113 | 113 | 117 | 117 | 113 | 104 | 104 | 104 |
| | | Ikebukuro 2Chome | 94 | 94 | 94 | 94 | 96 | 96 | 100 | 100 | 108 | 108 | 108 | 108 | 104 | 96 | 96 |
| | | Ikebukuro YS | | | | 100 | 106 | 113 | 123 | 129 | 132 | 132 | 132 | 126 | 106 | 100 | 94 |
| Other Areas | Hachioji | Hachioji First | | | | | 109 | 109 | 109 | 109 | 113 | 113 | 109 | 100 | 96 | 96 | 96 |
| | Saitama | Saitama Urawa | 92 | 92 | 79 | 79 | 96 | 96 | 104 | 108 | 113 | 113 | 104 | 88 | 88 | 88 | 88 |
| | Yokohama | MM Park | | | | | | | | | | | 119 | 116 | 100 | 88 | 88 |
| | | Queen's | | | | | | | | | | | | | | | |
| | Kawasaki | Kawasaki Isago | 104 | 100 | 100 | 100 | 100 | 100 | 100 | 104 | 104 | 104 | 100 | 92 | 92 | 92 | 92 |
| | | Musashi Kosugi STM | | | | | | | | | | | 100 | 94 | 88 | 88 | 88 |
| | Sapporo | 8・3 Square Kita | | | | | | | | 82 | 85 | 85 | 85 | 82 | 82 | 82 | 82 |
| | Sendai | Jozenji Park | | | | 121 | 124 | 132 | 132 | 132 | 134 | 134 | 134 | 118 | 111 | 105 | 105 |
| | | Higashi Nibancho | | | | | | | | | | | | | | | |
| | | Sendai Honma | 139 | 133 | 128 | 128 | 131 | 139 | 139 | 139 | 142 | 142 | 142 | 128 | 117 | 111 | 100 |
| | | AER | | | | | | | | | | | | | | | |
| | Kanazawa | Kanazawa Park | 93 | 89 | 89 | 89 | 89 | 87 | 98 | 98 | 98 | 98 | 96 | 89 | 81 | 78 | 78 |
| | | Kanazawa Kamitsutsumicho | | | | | | | | | | | | | | | |
| | Nagoya | Nishiki Park | | | | | | | 143 | 143 | 143 | 139 | 135 | 127 | 118 | 102 | 102 |
| | | Hirokoji Place | | | | | | | | | | | | | | | |
| | | Nagoya Hirokoji | 135 | 135 | 135 | 135 | 135 | 143 | 143 | 143 | 143 | 143 | 139 | 135 | 130 | 109 | 109 |
| | | Nagoya Misono | | 146 | 146 | 146 | 146 | 154 | 149 | 149 | 149 | 149 | 143 | 143 | 137 | 120 | 120 |
| | Kyoto | Shijo Karasuma | | | | | | | | | | | | | | | |
| | Osaka | Umeda Square | | | | | | | | | | | | | | | |
| | | Shin-Fujita | | | | | | | | | | | 118 | 114 | 100 | 89 | 89 |
| | | Sakaishijihonmachi | 113 | 109 | 96 | 96 | 100 | 109 | 117 | 126 | 126 | 126 | 122 | 113 | 100 | 91 | 83 |
| | | Midosuji Daiwa | 119 | 104 | 100 | 100 | 107 | 115 | 137 | 137 | 141 | 141 | 137 | 122 | 100 | 93 | 93 |
| | Amagasaki | Amagasaki Front | | | | | | | | | | | | | | | |
| | Okayama | Lit City | | | | | | 90 | 90 | 90 | 90 | 90 | 87 | 87 | 83 | 83 | 83 |
| | Hiroshima | NHK Hiroshima | | | 93 | 93 | 93 | 96 | 107 | 107 | 107 | 111 | 111 | 104 | 100 | 100 | 100 |
| | Fukuoka | Tosei Tenjin | 91 | 87 | 83 | 83 | 83 | 87 | 87 | 91 | 91 | 91 | 91 | 83 | 78 | 78 | 78 |
| | | Tenjin Crystal | | | | | 96 | 96 | 100 | 100 | 100 | 100 | 96 | 85 | 78 | 70 | 70 |
| | | Hinode Tenjin | 97 | 83 | 76 | 76 | 76 | 79 | 86 | 86 | 86 | 86 | 86 | 79 | 76 | 76 | 76 |

(Note 1) JRE requests CBRE to assess the new rent levels (between the range of upper and lower limits) regarding properties held by JRE on a semi-annual basis (June and December).

(Note 2) Shinjuku South Gate Project (Land) and Shibuya Cross Tower (Land) are not included.

| Trend in assessed new rent (intermediate value of upper and lower limits: index) at time of survey | | | | | | | | | | | | | | Property Name | Area | |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------------------------|-----------|----------------|
| 06/11 | 12/11 | 06/12 | 12/12 | 06/13 | 12/13 | 06/14 | 12/14 | 06/15 | 12/15 | 06/16 | 12/16 | 06/17 | 12/17 | | | |
| 79 | 79 | 79 | 83 | 86 | 90 | 91 | 93 | 95 | 97 | 98 | 98 | 98 | 100 | Kitanomaru Square | Chiyoda | Tokyo 23 Wards |
| 89 | 86 | 86 | 86 | 86 | 86 | 86 | 89 | 89 | 92 | 95 | 97 | 100 | 100 | MD Kanda | | |
| 83 | 81 | 81 | 83 | 83 | 83 | 83 | 86 | 88 | 93 | 95 | 98 | 100 | 100 | Kandabashi Park | | |
| | | | | | | 91 | 91 | 93 | 95 | 96 | 98 | 100 | 100 | Otemachi FCN | | |
| | | | | | | | | | | | | | | Nibancho Garden | | |
| | | | | | | | | | | | | | | Mitsubishi UFJ Trust | | |
| | | | | | | | | | | | | | | Burex Kojimachi | | |
| 86 | 82 | 82 | 82 | 82 | 82 | 84 | 86 | 90 | 94 | 96 | 98 | 100 | 100 | Sanno Grand | | |
| 88 | 84 | 84 | 84 | 86 | 86 | 86 | 88 | 91 | 93 | 96 | 96 | 98 | 100 | Yurakucho Denki | | |
| 100 | 96 | 96 | 96 | 96 | 96 | 96 | 96 | 96 | 100 | 100 | 100 | 100 | 100 | Kodenmacho | Chuo | |
| | | | | | | | | | | | | | | FP Nihonbashi | | |
| 100 | 97 | 97 | 97 | 97 | 97 | 97 | 97 | 97 | 97 | 97 | 100 | 100 | 100 | Kyodo (Kayabacho 2Chome) | | |
| | | | | | | | | | | | | | | Burex Kyobashi | | |
| | | | | | | | | 97 | 97 | 97 | 97 | 100 | 100 | Ginza 1Chome | | |
| 79 | 79 | 79 | 79 | 81 | 85 | 87 | 89 | 91 | 92 | 96 | 96 | 98 | 100 | Ginza Sanwa | | |
| 87 | 84 | 84 | 84 | 84 | 87 | 87 | 89 | 92 | 95 | 97 | 97 | 100 | 100 | Ryoshin Ginza EM | | |
| | | | | | | | | | | | | | | Harumi Front | | |
| 111 | 96 | 93 | 93 | 93 | 93 | 93 | 96 | 96 | 96 | 96 | 96 | 100 | 100 | Harumi Center | | |
| | 79 | 79 | 79 | 81 | 83 | 85 | 87 | 89 | 92 | 94 | 96 | 98 | 100 | Akasaka Park | | |
| 82 | 78 | 78 | 80 | 82 | 82 | 84 | 88 | 92 | 96 | 96 | 96 | 98 | 100 | Aoyama Crystal | | |
| | | | | | | | | 100 | 100 | 100 | 100 | 100 | 100 | Clover Shiba-koen | | |
| 86 | 86 | 86 | 88 | 88 | 90 | 92 | 95 | 95 | 97 | 98 | 98 | 98 | 100 | Shiodome | | |
| 82 | 79 | 79 | 79 | 79 | 79 | 79 | 79 | 79 | 82 | 85 | 88 | 94 | 100 | Shiba 2Chome Daimon | | |
| 81 | 77 | 77 | 77 | 77 | 77 | 77 | 77 | 77 | 84 | 84 | 87 | 90 | 100 | Cosmo Kanasugibashi | | |
| | | | | | | | | | | | | 100 | 100 | Tamachi Front | | |
| | | | | | | | 87 | 87 | 89 | 89 | 89 | 92 | 100 | Shinjuku Eastside | Shinjuku | |
| 77 | 72 | 72 | 74 | 74 | 74 | 77 | 79 | 84 | 91 | 91 | 91 | 95 | 100 | Shinwa | | |
| 88 | 82 | 80 | 80 | 78 | 80 | 84 | 86 | 98 | 90 | 92 | 92 | 96 | 100 | Tokyo Opera City | | |
| | | 93 | 93 | 93 | 93 | 93 | 95 | 95 | 100 | 100 | 100 | 100 | 100 | TIX UENO | Taito | |
| 88 | 82 | 82 | 82 | 82 | 82 | 82 | 82 | 85 | 88 | 91 | 94 | 97 | 100 | Higashi-Gotanda 1Chome | Shinagawa | |
| | | | | | | | | | | | | | | Osaki Front Tower | Ota | |
| 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | Omori-Eki Higashiguchi | | |
| 79 | 76 | 76 | 76 | 76 | 76 | 76 | 79 | 81 | 83 | 86 | 88 | 90 | 100 | Yoyogi 1Chome | Shibuya | |
| 81 | 81 | 81 | 81 | 81 | 81 | 81 | 81 | 84 | 84 | 84 | 88 | 95 | 100 | Jingumae Terrace | | |
| 79 | 79 | 79 | 81 | 81 | 83 | 90 | 90 | 92 | 94 | 94 | 98 | 98 | 100 | Jingumae MS | | |
| 75 | 75 | 75 | 77 | 80 | 84 | 88 | 91 | 93 | 95 | 96 | 96 | 98 | 100 | Ebisu Neonato | | |
| 89 | 87 | 87 | 87 | 87 | 87 | 89 | 89 | 89 | 92 | 95 | 95 | 97 | 100 | Harmony Tower | Nakano | |
| 96 | 83 | 83 | 83 | 83 | 83 | 83 | 88 | 92 | 96 | 96 | 96 | 100 | 100 | Otsuka Higashi-Ikebukuro | Toshima | |
| 96 | 96 | 96 | 96 | 96 | 96 | 96 | 96 | 96 | 96 | 96 | 96 | 96 | 100 | Ikebukuro 2Chome | | |
| 94 | 94 | 94 | 94 | 94 | 94 | 94 | 94 | 94 | 97 | 97 | 100 | 100 | 100 | Ikebukuro YS | | |
| 87 | 87 | 87 | 87 | 87 | 87 | 87 | 91 | 96 | 96 | 96 | 96 | 100 | 100 | Hachioji First | Hachioji | Other Areas |
| 88 | 88 | 88 | 88 | 88 | 88 | 92 | 92 | 96 | 96 | 96 | 96 | 100 | 100 | Saitama Urawa | Saitama | |
| 88 | 84 | 84 | 84 | 84 | 84 | 84 | 84 | 88 | 91 | 94 | 94 | 94 | 100 | MM Park | Yokohama | |
| | | | | | 81 | 82 | 85 | 88 | 97 | 100 | 100 | 100 | 100 | Queen's | Kawasaki | |
| 84 | 72 | 72 | 72 | 72 | 76 | 80 | 84 | 88 | 92 | 96 | 96 | 98 | 100 | Kawasaki Isago | | |
| 82 | 82 | 82 | 82 | 82 | 82 | 82 | 85 | 88 | 94 | 100 | 100 | 100 | 100 | Musashi Kosugi STM | | |
| 82 | 79 | 79 | 79 | 79 | 79 | 79 | 79 | 80 | 82 | 85 | 88 | 91 | 100 | 8・3 Square Kita | Sapporo | |
| 105 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | Jozenji Park | Sendai | |
| | | | 77 | 77 | 77 | 80 | 83 | 88 | 93 | 93 | 93 | 100 | 100 | Higashi Nibancho | | |
| 94 | 89 | 89 | 89 | 89 | 89 | 89 | 89 | 89 | 89 | 89 | 89 | 94 | 100 | Sendai Honma | | |
| | | | | | | | | | 79 | 81 | 91 | 95 | 100 | AER | Kanazawa | |
| 78 | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 81 | 89 | 89 | 96 | 100 | 100 | Kanazawa Park | | |
| | | | | | | | | | | | 88 | 95 | 100 | Kanazawa Kamitsutsumicho | | |
| 98 | 98 | 94 | 92 | 92 | 92 | 94 | 94 | 94 | 98 | 98 | 98 | 100 | 100 | Nishiki Park | Nagoya | |
| | | | | | 91 | 91 | 91 | 91 | 91 | 91 | 91 | 98 | 100 | Hirokoji Place | | |
| 104 | 104 | 104 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | Nagoya Hirokoji | | |
| 109 | 109 | 97 | 97 | 91 | 91 | 94 | 94 | 94 | 97 | 97 | 97 | 97 | 100 | Nagoya Misono | | |
| | | | | | 79 | 82 | 85 | 91 | 94 | 94 | 94 | 100 | 100 | Shijo Karasuma | Kyoto | |
| | | | | | | | | 89 | 89 | 91 | 96 | 100 | 100 | Umeda Square | Osaka | |
| 89 | 89 | 89 | 89 | 89 | 89 | 89 | 89 | 89 | 93 | 93 | 93 | 96 | 100 | Shin-Fujita | | |
| 78 | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 83 | 91 | 100 | Sakaisujihonmachi | | |
| 93 | 93 | 93 | 93 | 85 | 85 | 85 | 85 | 85 | 85 | 85 | 89 | 93 | 100 | Midosuji Daiwa | Fukuoka | |
| | | | | | | | | 93 | 93 | 93 | 93 | 93 | 100 | Amagasaki Front | | |
| 83 | 83 | 83 | 85 | 85 | 85 | 85 | 87 | 88 | 97 | 97 | 97 | 97 | 100 | Lit City | | |
| 98 | 98 | 98 | 98 | 98 | 98 | 98 | 98 | 100 | 100 | 100 | 100 | 100 | 100 | NHK Hiroshima | | |
| 76 | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 83 | 87 | 87 | 87 | 96 | 100 | Tosei Tenjin | | |
| 70 | 70 | 70 | 70 | 70 | 74 | 78 | 85 | 89 | 89 | 89 | 93 | 100 | 100 | Tenjin Crystal | | |
| 76 | 72 | 72 | 72 | 72 | 76 | 78 | 83 | 86 | 86 | 90 | 93 | 100 | 100 | Hinode Tenjin | | |

Assessed rent increased compared to the preceding assessment

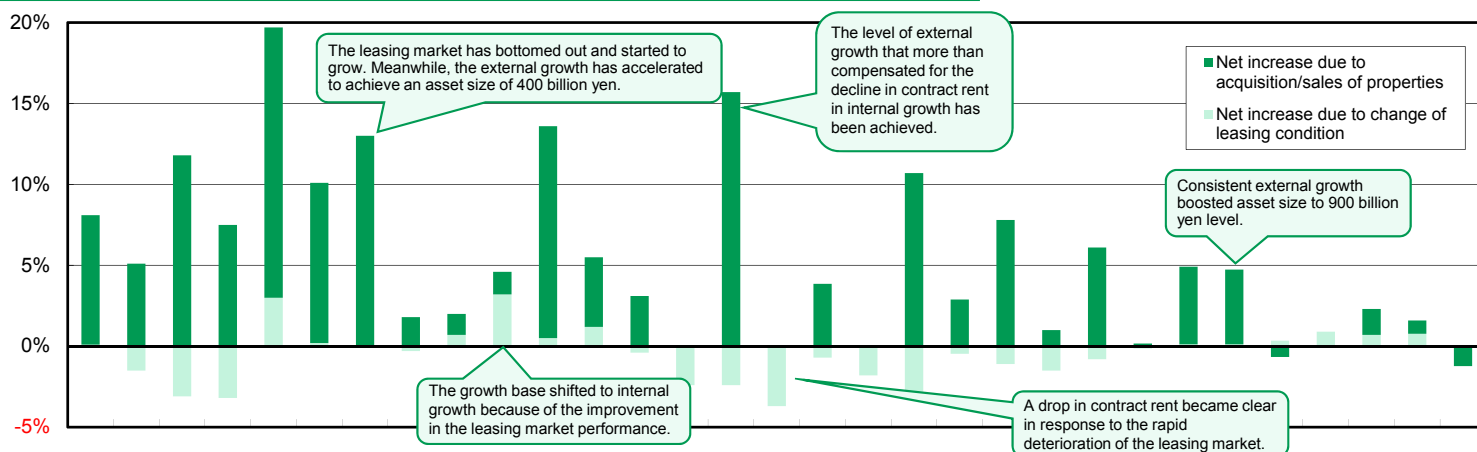
Assessed rent decreased compared to the preceding assessment

Net Increase of Monthly Contract Rent

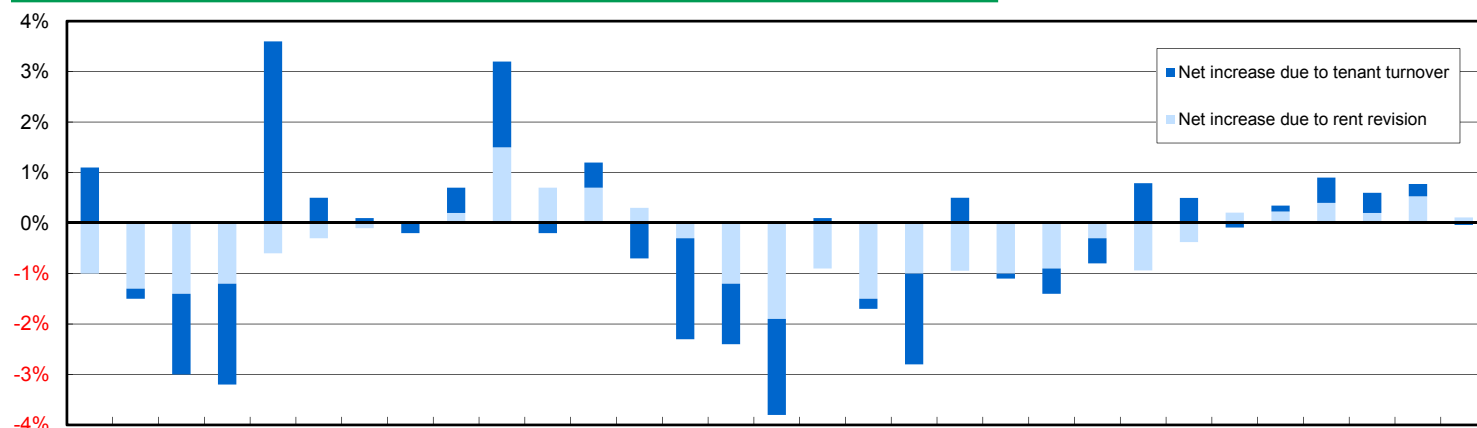
* Percentages represent the rates of net increase of rent over monthly total portfolio contract rent (including common service charges) as of the end of the previous period (prior six months). Data for residential portions are excluded.

| Term | Mar. 2011 | Sep. 2011 | Mar. 2012 | Sep. 2012 | Mar. 2013 | Sep. 2013 | Mar. 2014 | Sep. 2014 | Mar. 2015 | Sep. 2015 | Mar. 2016 | Sep. 2016 | Mar. 2017 | Sep. 2017 | Mar. 2018 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Rate of net increase of rent over the end of the previous period ... I + II | 3.2% | (1.8)% | 7.9% | 2.4% | 6.6% | (0.5)% | 5.3% | 0.0% | 4.9% | 4.7% | (0.3)% | 1.0% | 2.3% | 1.6% | (1.1)% |
| Net increase due to acquisition/sales of properties ... I (= ㊦ + ㊧) | 3.9% | 0.0% | 10.7% | 2.9% | 7.8% | 1.0% | 6.1% | 0.2% | 4.8% | 4.6% | (0.7)% | 0.0% | 1.6% | 0.8% | (1.2)% |
| Increase due to property acquisition ... ㊦ | 3.9% | 0.0% | 10.7% | 2.9% | 7.8% | 2.0% | 6.1% | 0.2% | 4.8% | 4.6% | 0.0% | 0.0% | 2.3% | 0.8% | 3.4% |
| Reduction due to property sales ... ㊧ | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | (1.0)% | 0.0% | 0.0% | 0.0% | 0.0% | (0.7)% | 0.0% | (0.7)% | 0.0% | (4.7)% |
| Net increase due to change of leasing condition ... II (= ㊨ + ㊩) | (0.7)% | (1.8)% | (2.8)% | (0.5)% | (1.1)% | (1.5)% | (0.8)% | (0.1)% | 0.1% | 0.1% | 0.3% | 0.9% | 0.7% | 0.8% | 0.1% |
| Reduction due to returned office spaces ... ㊨ (= a + b) | 0.1% | (0.2)% | (1.8)% | 0.5% | (0.1)% | (0.5)% | (0.5)% | 0.8% | 0.5% | (0.1)% | 0.1% | 0.5% | 0.4% | 0.2% | (0.0)% |
| Increase due to newly leased office spaces ... a | 3.5% | 6.7% | 4.2% | 3.4% | 3.5% | 2.0% | 3.3% | 2.8% | 2.7% | 1.5% | 2.5% | 2.5% | 1.9% | 2.1% | 2.8% |
| Reduction due to returned office spaces ... b | (3.4)% | (7.0)% | (6.0)% | (3.0)% | (3.6)% | (2.5)% | (3.7)% | (2.0)% | (2.2)% | (1.6)% | (2.4)% | (1.9)% | (1.5)% | (1.9)% | (2.8)% |
| Net increase due to rent revision ... ㊩ (= c + d) | (0.9)% | (1.5)% | (1.0)% | (0.9)% | (1.0)% | (0.9)% | (0.3)% | (0.9)% | (0.4)% | 0.2% | 0.2% | 0.4% | 0.2% | 0.5% | 0.1% |
| Increase due to rent revision ... c | 0.0% | 0.1% | 0.1% | 0.0% | 0.4% | 0.1% | 0.1% | 0.1% | 0.1% | 0.3% | 0.3% | 0.3% | 0.4% | 0.5% | 0.2% |
| Reduction due to rent revision ... d | (0.9)% | (1.6)% | (1.1)% | (1.0)% | (1.4)% | (1.0)% | (0.4)% | (1.1)% | (0.5)% | (0.1)% | (0.1)% | (0.0)% | (0.2)% | (0.0)% | (0.1)% |

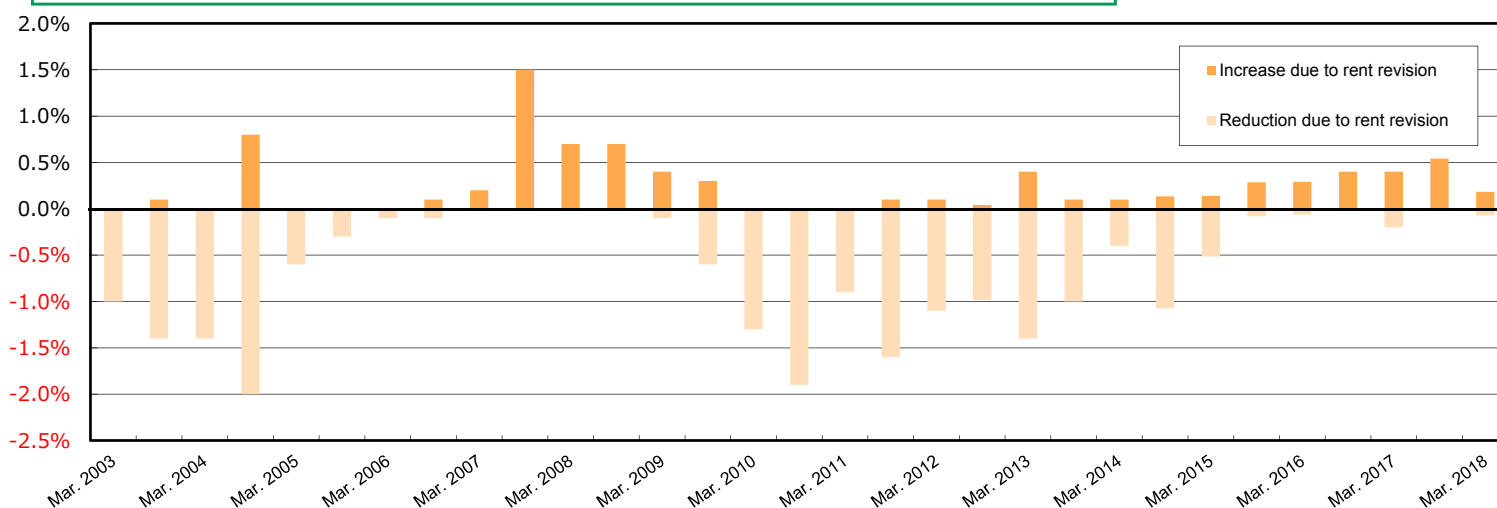
Breakdown of net increase of rent due to external growth and internal growth



Breakdown of net increase of rent due to tenant turnover and rent revision



Breakdown of net increase of rent due to rent increase revision and rent reduction revision



Trend of Rent Revision

Rent increase on revision of monthly rent

• Rent increase revision data for Sep. 2005 period or before are not listed due to insufficient samples.

(In thousands of yen-month)

| | Sep. 2005 period | Mar. 2006 period | Sep. 2006 period | Mar. 2007 period | Sep. 2007 period | Mar. 2008 period | Sep. 2008 period | Mar. 2009 period | Sep. 2009 period | Mar. 2010 period | Sep. 2010 period | Mar. 2011 period | Sep. 2011 period |
|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Tokyo 23 Wards | | 646 | 1,706 | 4,979 | 35,780 | 15,600 | 17,771 | 11,006 | 4,326 | 258 | 1,169 | 288 | 1,004 |
| Other Areas | | 32 | 109 | 6 | 1,560 | 1,685 | 2,329 | 1,191 | 4,391 | 954 | 165 | 588 | 121 |
| Overall | | 678 | 1,815 | 4,986 | 37,341 | 17,286 | 20,101 | 12,198 | 8,718 | 1,213 | 1,335 | 876 | 1,125 |
| | Mar. 2012 period | Sep. 2012 period | Mar. 2013 period | Sep. 2013 period | Mar. 2014 period | Sep. 2014 period | Mar. 2015 period | Sep. 2015 period | Mar. 2016 period | Sep. 2016 period | Mar. 2017 period | Sep. 2017 period | Mar. 2018 period |
| Tokyo 23 Wards | 443 | 1,319 | 10,004 | 374 | 888 | 2,616 | 4,258 | 11,413 | 11,209 | 15,851 | 16,083 | 19,063 | 4,388 |
| Other Areas | 1,467 | 184 | 4,935 | 2,809 | 1,741 | 2,976 | 1,503 | 995 | 2,030 | 3,204 | 3,852 | 6,280 | 4,330 |
| Overall | 1,911 | 1,503 | 14,940 | 3,184 | 2,630 | 5,593 | 5,761 | 12,409 | 13,239 | 19,056 | 19,935 | 25,343 | 8,718 |

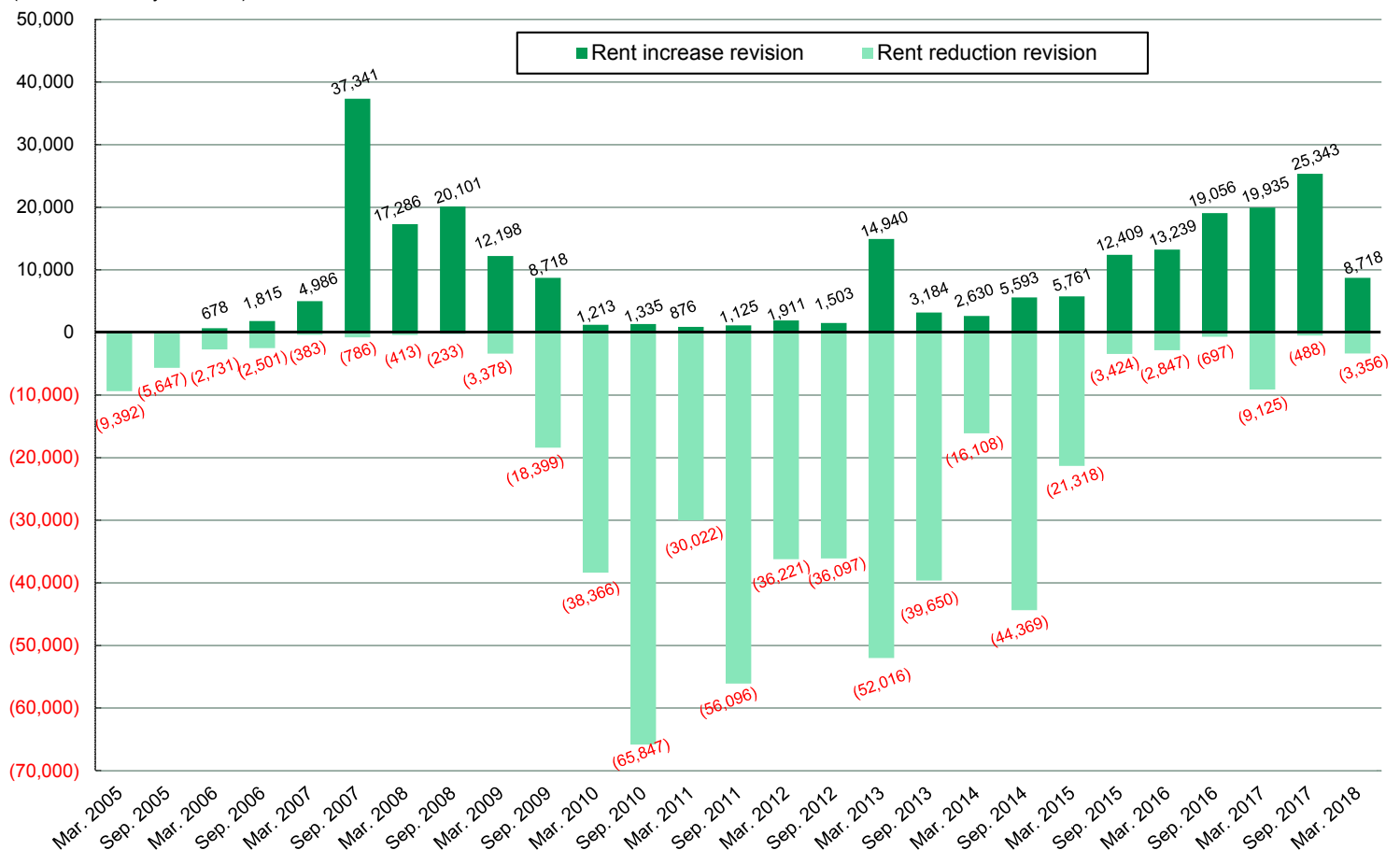
Rent reduction on revision of monthly rent

(In thousands of yen-month)

| | Sep. 2005 period | Mar. 2006 period | Sep. 2006 period | Mar. 2007 period | Sep. 2007 period | Mar. 2008 period | Sep. 2008 period | Mar. 2009 period | Sep. 2009 period | Mar. 2010 period | Sep. 2010 period | Mar. 2011 period | Sep. 2011 period |
|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Tokyo 23 Wards | (3,311) | (393) | (89) | 0 | (22) | (350) | (26) | (2,218) | (10,806) | (27,211) | (49,726) | (22,157) | (44,791) |
| Other Areas | (2,335) | (2,337) | (2,412) | (383) | (763) | (63) | (207) | (1,159) | (7,592) | (11,155) | (16,121) | (7,865) | (11,304) |
| Overall | (5,647) | (2,731) | (2,501) | (383) | (786) | (413) | (233) | (3,378) | (18,399) | (38,366) | (65,847) | (30,022) | (56,096) |
| | Mar. 2012 period | Sep. 2012 period | Mar. 2013 period | Sep. 2013 period | Mar. 2014 period | Sep. 2014 period | Mar. 2015 period | Sep. 2015 period | Mar. 2016 period | Sep. 2016 period | Mar. 2017 period | Sep. 2017 period | Mar. 2018 period |
| Tokyo 23 Wards | (25,312) | (31,407) | (40,836) | (18,288) | (10,405) | (42,019) | (17,784) | (535) | (145) | (169) | (8,943) | (203) | (223) |
| Other Areas | (10,908) | (4,689) | (11,179) | (21,362) | (5,702) | (2,350) | (3,534) | (2,888) | (2,702) | (528) | (181) | (284) | (3,133) |
| Overall | (36,221) | (36,097) | (52,016) | (39,650) | (16,108) | (44,369) | (21,318) | (3,424) | (2,847) | (697) | (9,125) | (488) | (3,356) |

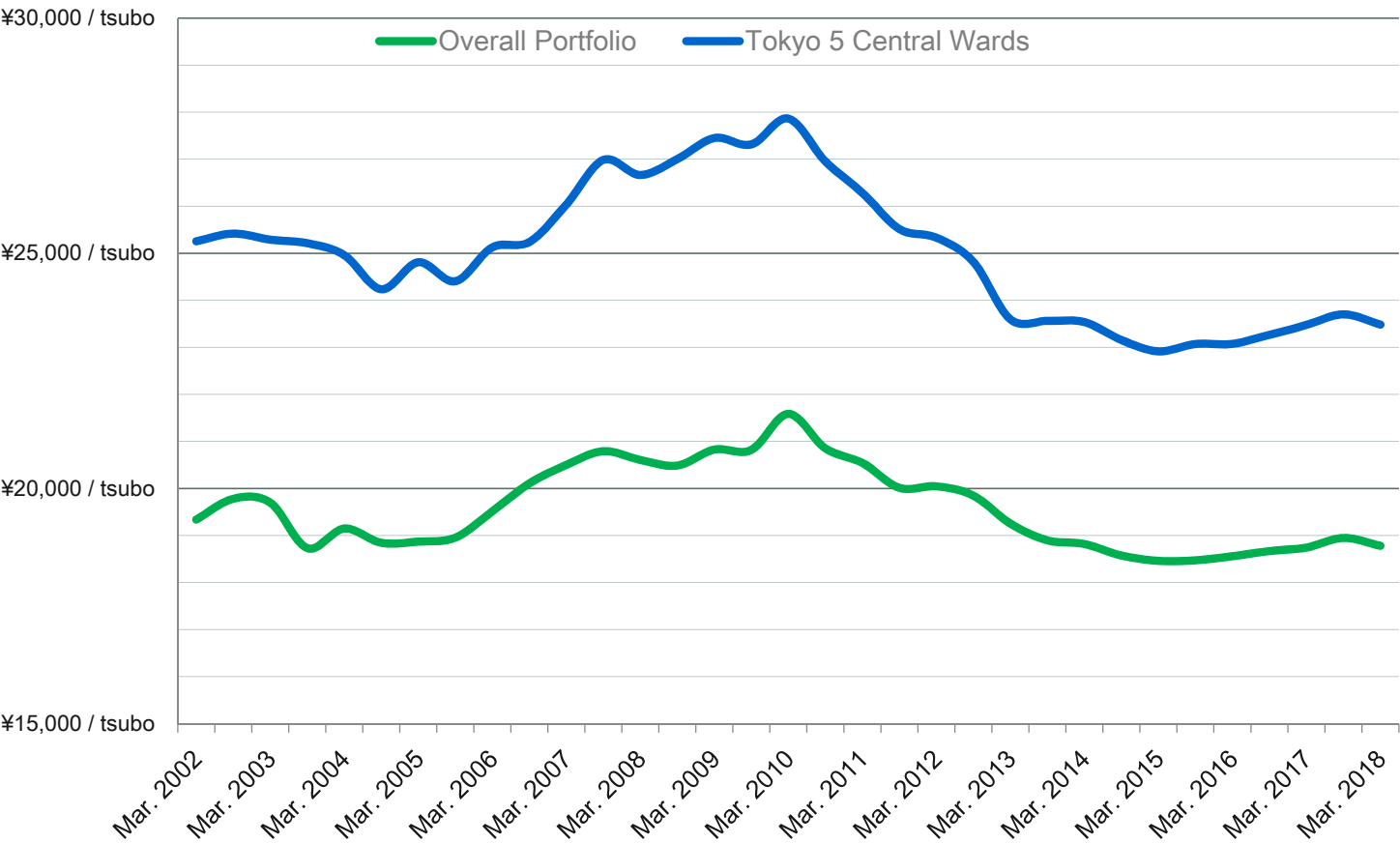
Entire portfolio / Trend of rent increase and reduction

(In thousands of yen-month)



Changes in Average Rent

● Rent including utilities and other revenues as of the last month for each period is divided by leased area(tsubo).



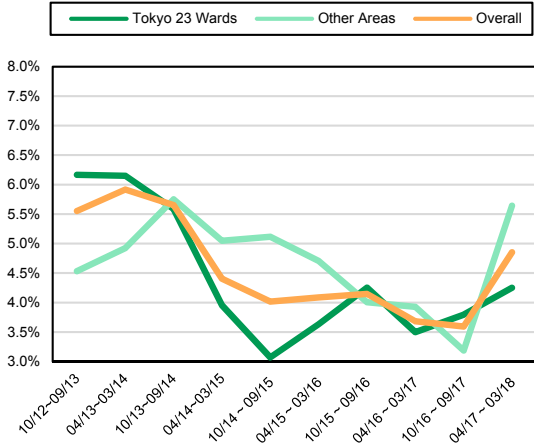
MEMO

Status of Tenant Turnover (By Area and Rent Change)

Ratio of Annual Tenant Turnover

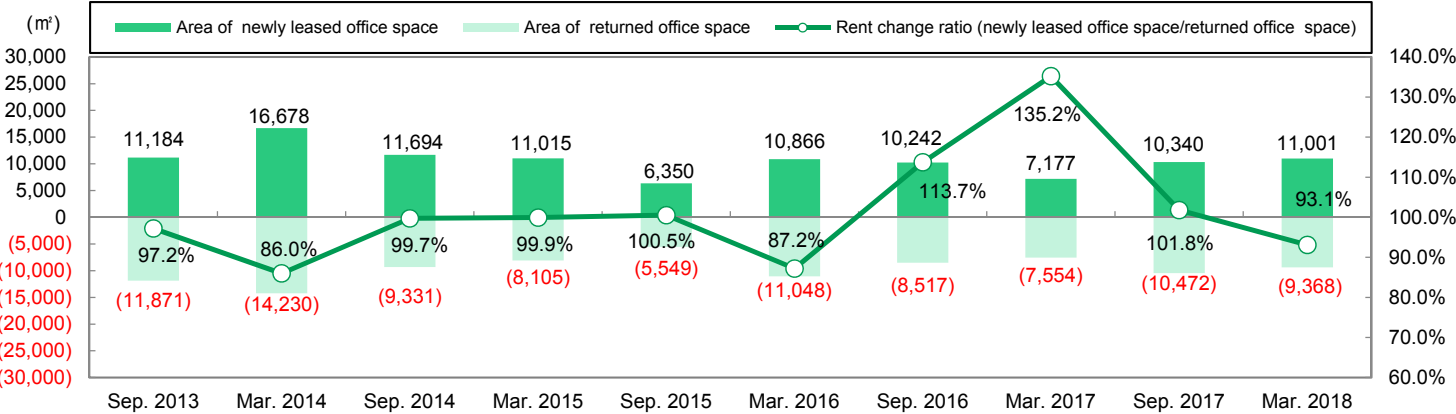
| | 10/12 ~ 09/13 | 04/13 ~ 03/14 | 10/13 ~ 09/14 | 04/14 ~ 03/15 | 10/14 ~ 09/15 | 04/15 ~ 03/16 | 10/15 ~ 09/16 | 04/16 ~ 03/17 | 10/16 ~ 09/17 | 04/17 ~ 03/18 |
|----------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Tokyo 23 Wards | 6.2% | 6.2% | 5.6% | 4.0% | 3.1% | 3.6% | 4.3% | 3.5% | 3.8% | 4.3% |
| Other Areas | 4.5% | 4.9% | 5.8% | 5.0% | 5.1% | 4.7% | 4.0% | 3.9% | 3.2% | 5.6% |
| Overall | 5.6% | 5.9% | 5.7% | 4.4% | 4.0% | 4.1% | 4.1% | 3.7% | 3.6% | 4.9% |

*Ratio of Annual Tenant Turnover is calculated using the following formula:
the area for which tenants changed (the smaller of either total leased office space or returned office space during the year) /
((area of total leased office space at the end of the period + area of total leased office space at the end of the period before
the preceding period) × 1/2)

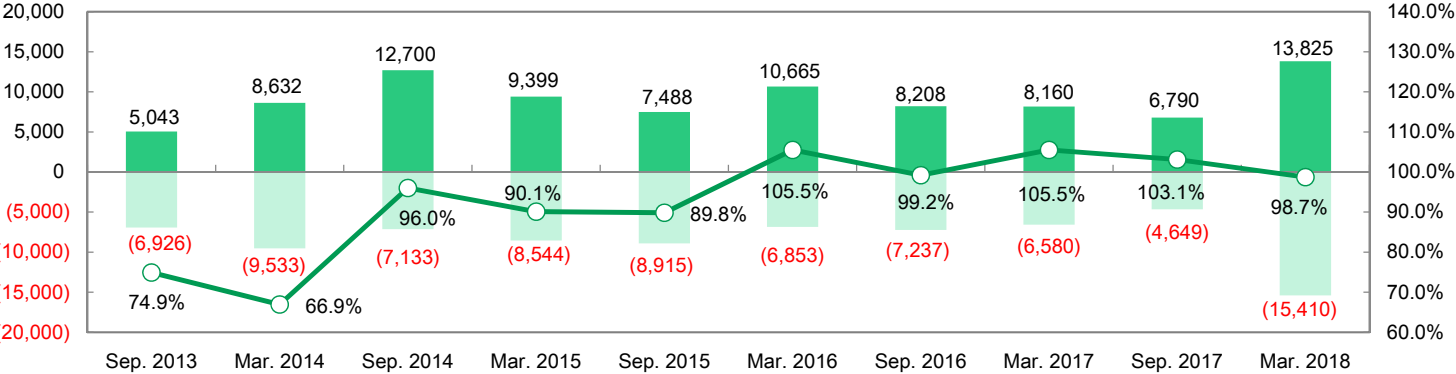


Trend in Area of Newly Leased & Returned Office Space and Rent Change Ratio

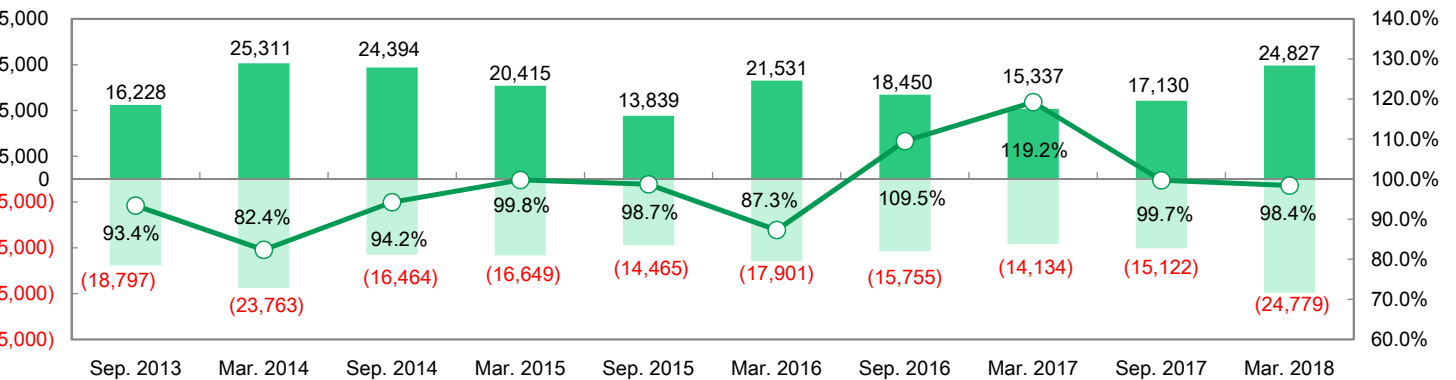
Tokyo 23 Wards



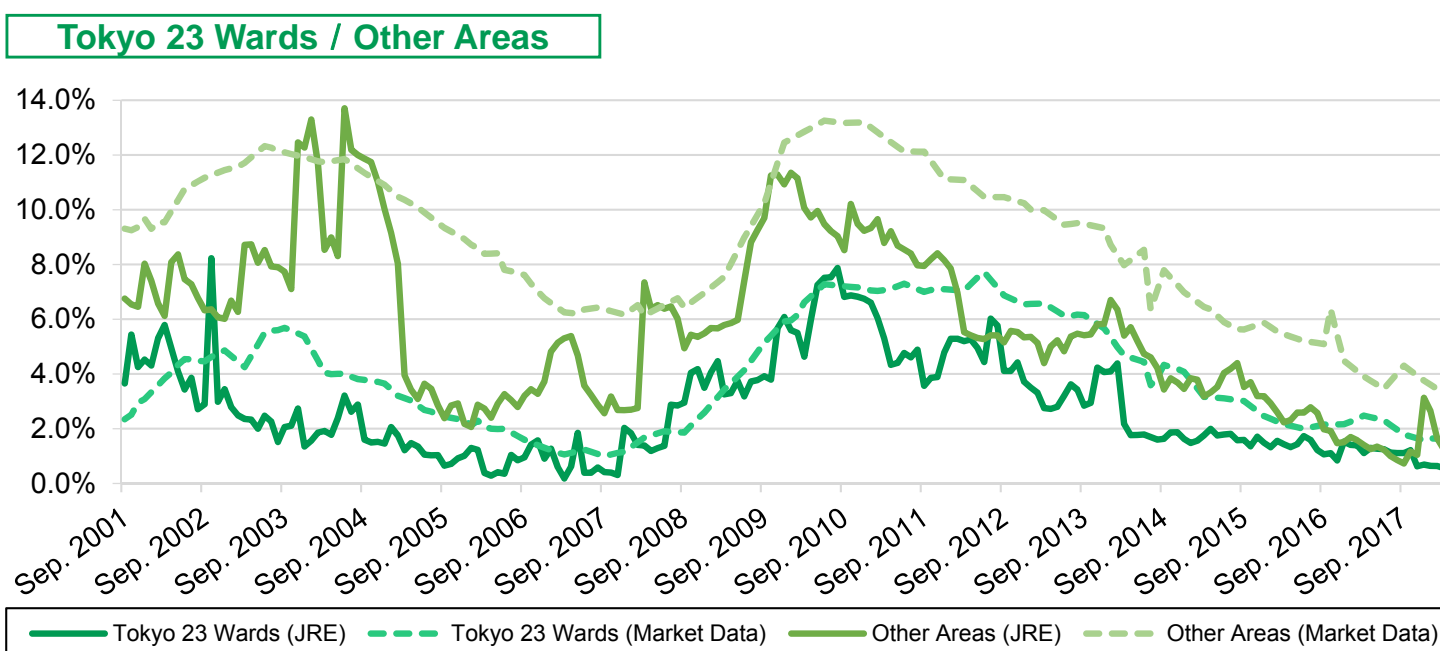
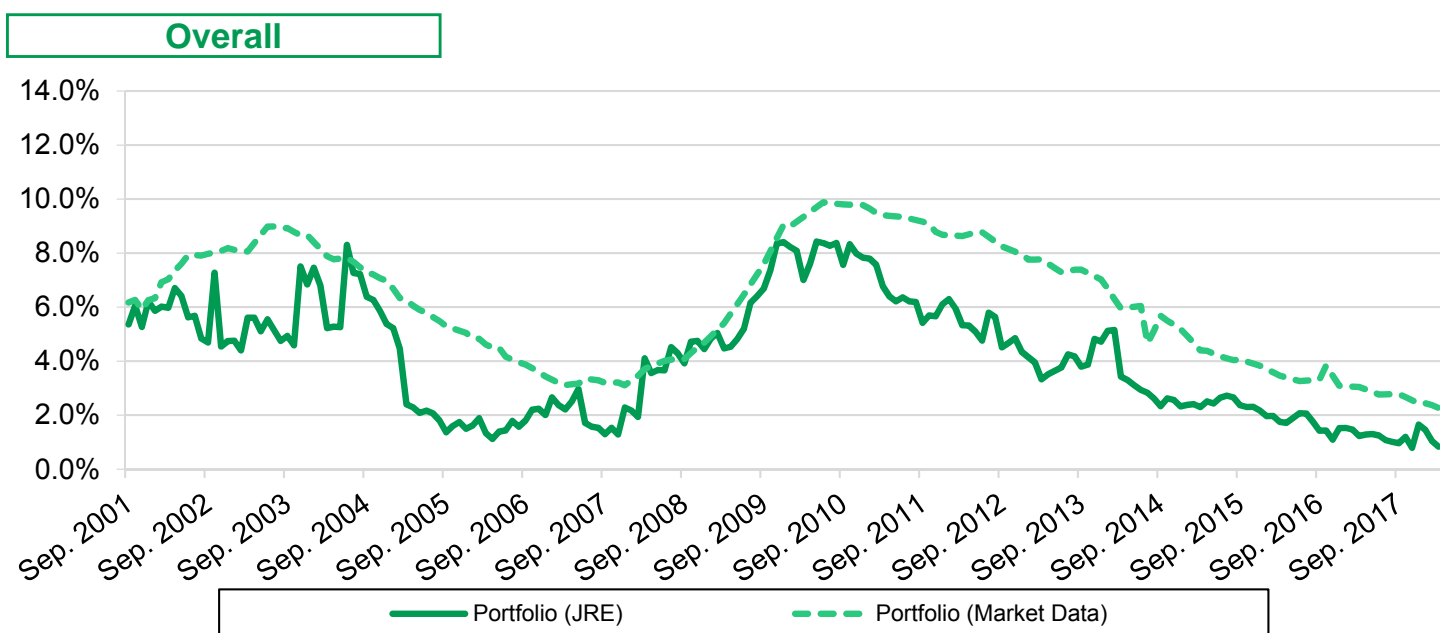
Other Areas



Overall



Trend in Vacancy Rate (Comparison with Market Vacancy Rate)



Average Vacancy Rate Computation (e.g., to compute the average rate for the following 2 properties)

| Properties owned by JRE | Leasable Office Space (㎡) | Property Vacancy Rates | Office Areas* | Vacancy Rates of Areas* |
|-------------------------|---------------------------|------------------------|---------------|-------------------------|
| A Building | ① 5,000 | ④ 3.0% | Area A | ⑦ 4.0% |
| B Building | ② 3,000 | ⑤ 6.0% | Area B | ⑧ 8.0% |
| Total / Average | ③ 8,000 | ⑥ 4.1% | | ⑨ 5.5% |

$$\textcircled{6} = (\textcircled{1} \times \textcircled{4} + \textcircled{2} \times \textcircled{5}) / \textcircled{3}$$

$$\textcircled{9} = (\textcircled{1} \times \textcircled{7} + \textcircled{2} \times \textcircled{8}) / \textcircled{3}$$

* Average vacancy rate is calculated by Japan Real Estate Asset Management Co., Ltd. using the data obtained from CBRE K.K.

* The data of CBRE K.K. reflects all office building properties in all of the researched areas until June 2011, and thereafter to December 2012 reflects office building properties with total floor area of 500 tsubo or larger. Data from January 2013 and thereafter applies new area grouping and reflects office building properties with total floor area of 1,000 tsubo or larger that is based on New Earthquake Resistant Standard.

* JRE's properties which are not located in the areas reflected in the above CBRE K.K. data are excluded from the average vacancy rate from January 2013.

Maintaining lower vacancy rate than the market

3 External Growth

Shibuya Cross Tower (building)



Property Summary

| | |
|---------------------------------------|---|
| L o c a t i o n | 2-15-1, Shibuya, Shibuya-ku, Tokyo |
| A r e a | < Building > 61,862.33m ² |
| S t r u c t u r e | Steel-framed reinforced concrete structure, steel-framed structure, flat roof Above ground: 32 floors Below ground: 3 floors |
| C o m p l e t i o n d a t e | April 1976 |
| L e a s a b l e o f f i c e s p a c e | 29,797m ² |
| O c c u p a n c y r a t e | 96.6% |

Transaction Summary (building)

| | |
|---------------------------------|---|
| B u y e r | Mitsubishi Estate Co., Ltd. |
| D i s p o s i t i o n p r i c e | ¥10,000 million |
| B o o k v a l u e | ¥9,763 million |
| A p p r a i s a l v a l u e | ¥9,770 million (as of December 1, 2017) |
| D i s p o s i t i o n d a t e | January 18, 2018 |

JRE agreed with Mitsubishi Estate Co., Ltd. to dispose a 41-year-old building, Shibuya Cross Tower, to them and acquire a 3-year-old building, Front Place Nihonbashi, from them.

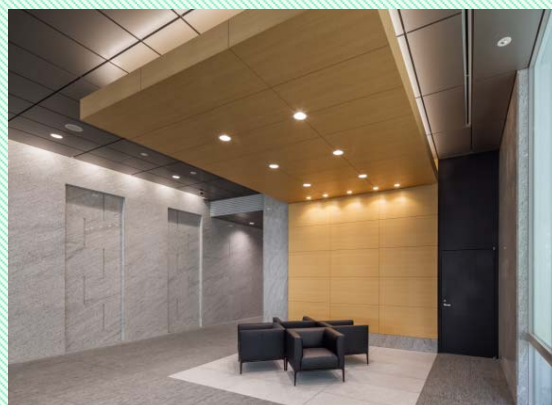
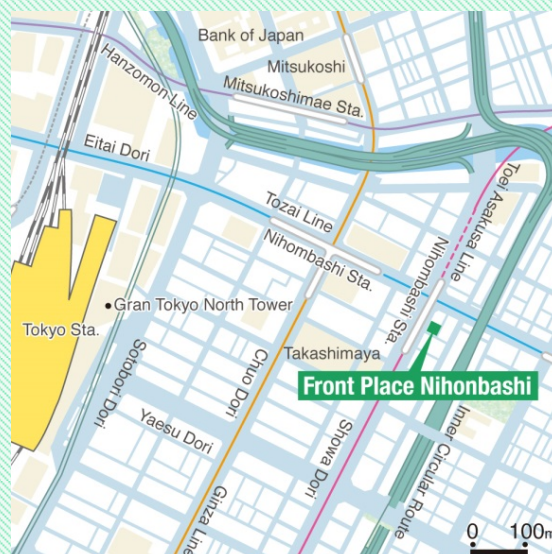
JRE continues to hold freehold and lease the land to the building purchaser. JRE receives monthly land rent while taking no tenancy risks as well as avoiding future renovation expenditure.

Through these transactions, JRE believes the portfolio quality has been further enhanced.

Outline of the agreement of a fixed-term leasehold of land

| | |
|---------------------------------------|--|
| A r e a | 5,153.45m ² |
| T y p e o f l e a s e h o l d | General fixed-term leasehold pursuant to Article 22 of the Act on Land and Building Leases |
| D u r a t i o n o f l e a s e h o l d | January 18, 2018 to January 17, 2088 (70 years) (The leasehold shall not be renewed or extended) |
| L a n d R e n t | ¥90,000,000 per month *June 1, 2021 onwards, based on the land taxes and consumer price index, it shall be revised every three years. |
| L e a s e h o l d e r | Mitsubishi Estate Co., Ltd. |

Front Place Nihonbashi



Property Summary (as of Acquisition date)

| | | | |
|-------------------------------|--|--------------------------------------|----------------------|
| L o c a t i o n | 2-14-1, Nihonbashi, Chuo-ku, Tokyo | | |
| A r e a | < Land > 1,381.52m ² | < Building > 11,672.55m ² | |
| S t r u c t u r e | Steel-framed structure, Steel-framed reinforced concrete structure, flat roof Above ground: 10 floors Below ground: 1 floor | | |
| Completion date | February 2014 | | |
| T y p e o f o w n e r s h i p | Real Property | Land : Ownership | Building : Ownership |
| Leasable office space | 8,468m ² | | |
| Occupancy rate | 100.0% *as of March 31, 2018 | | |

Transaction Summary

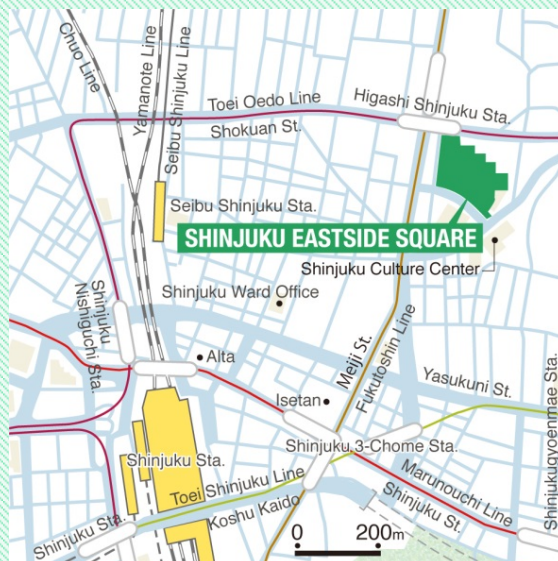
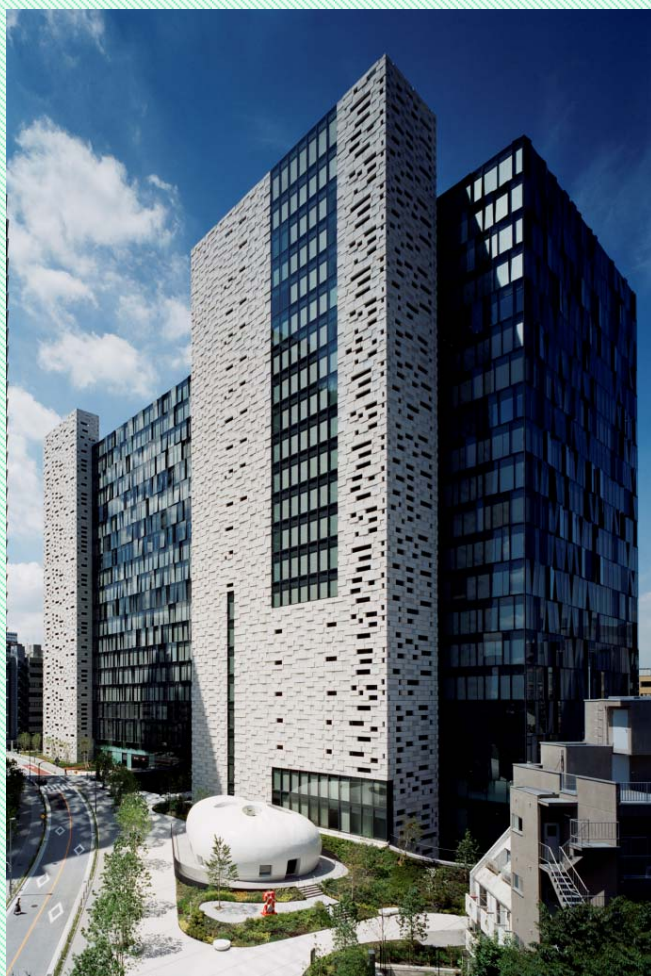
| | |
|-------------------|---|
| S e l l e r | Nihonbashi 2 Chome Kaihatsu Tokutei Mokuteki Kaisha |
| Acquisition price | ¥17,560 million |
| Appraisal value | ¥17,700 million (as of December 1, 2017) |
| Acquisition date | January 19, 2018 |

Estimation of NOI and Depreciation

(Estimated under ordinary state occupancy)

| | |
|--------------|------------------------|
| N O I | ¥ 614 million per year |
| Depreciation | ¥ 128 million per year |

Shinjuku Eastside Square



Property Summary (as of Acquisition date)

| | |
|-------------------------------|--|
| L o c a t i o n | 6-27-30, Shinjuku, Shinjuku-ku, Tokyo |
| A r e a | < Land > 25,320.28㎡ < Building > 167,245.46㎡ *Shops (214.27㎡) of attached units are included |
| S t r u c t u r e | Steel-framed, reinforced concrete structure, flat roof Above ground: 20 floors Below ground: 2 floors |
| Completion date | March 2012 |
| T y p e o f o w n e r s h i p | Trust beneficiary right in trust of domestic property (13.4% of co-ownership from the additional acquisition) Real Property Land : Freehold Building : Ownership *Change of co-ownership : 17.6% → 31.0% |
| Leasable office space | 15,663㎡ (for additional share) |
| Occupancy rate | 100.0% *as of March 31, 2018 |

Transaction Summary

| | |
|-------------------|--|
| S e l l e r | Mitsubishi Estate Co., Ltd. |
| Acquisition price | ¥25,460 million |
| Appraisal value | ¥25,500 million (as of March 1, 2018) |
| Acquisition date | March 30, 2018 |

Estimation of NOI and Depreciation

(Estimated under ordinary state occupancy)

| | |
|--------------|--------------------------|
| N O I | ¥ 1,066 million per year |
| Depreciation | ¥ 236 million per year |

Shinjuku Front Tower



Property Summary (as of Acquisition date)

| | |
|-------------------------------|---|
| L o c a t i o n | 2-21-1, Kita-Shinjuku, Shinjuku-ku, Tokyo |
| A r e a | < Land > 9,628.17 m ² < Building > 92,092.30 m ² |
| S t r u c t u r e | Steel-framed, Steel-framed reinforced concrete structure, flat roof Above ground: 35 floors Below ground: 2 floors |
| Completion date | August 2011 |
| T y p e o f o w n e r s h i p | Trust beneficiary right in trust of domestic property Land : Freehold (27.20234% co-ownership) *Share of registered right of site: 27.5/100 of co-ownership of 98,917,614,500/100,000,000,000. Building: Co-ownership of compartmentalized building units - Office units/52,713.71 m ² out of 53,248.09 m ² , from the fourth floor to the thirty-fourth floor excluding units owned by other co-owners: 27.5/100. - Retail units/4,298.89 m ² , from the first floor to the third floor: 27.5/100. *share of ownership of the building: 27.24798% |
| Leasable office space | 15,705 m ² (for additional share) |
| Occupancy rate | 99.4% |

Transaction Summary

| | |
|-------------------|--|
| S e l l e r | Mitsubishi Estate Co., Ltd. |
| Acquisition price | ¥25,025 million |
| Appraisal value | ¥25,300 million (as of March 1, 2018) |
| Acquisition date | April 17, 2018 |

Estimation of NOI and Depreciation

(Estimated under ordinary state occupancy)

| | |
|--------------|--------------------------|
| N O I | ¥ 1,006 million per year |
| Depreciation | ¥ 248 million per year |

External Growth (Consideration of Property Acquisitions)

Performance of Property Acquisitions and Sales

(In millions of yen)

| | At IPO ~09/01 | Mar. 2002 10/01~03/02 | Sep. 2002 04/02~09/02 | Mar. 2003 10/02~03/03 | Sep. 2003 04/03~09/03 | Mar. 2004 10/03~03/04 | Sep. 2004 04/04~09/04 | Mar. 2005 10/04~03/05 | Sep. 2005 04/05~09/05 | Mar. 2006 10/05~03/06 | Sep. 2006 04/06~09/06 | Mar. 2007 10/06~03/07 |
|-------------|------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Acquisition | 92,845 | 51,852 | 19,580 | 19,265 | 9,065 | 25,830 | 21,390 | 50,683 | 36,050 | 86,205 | 12,630 | 49,850 |
| Sales | - | - | - | - | - | - | - | - | - | - | 7,003 | 41,900 |

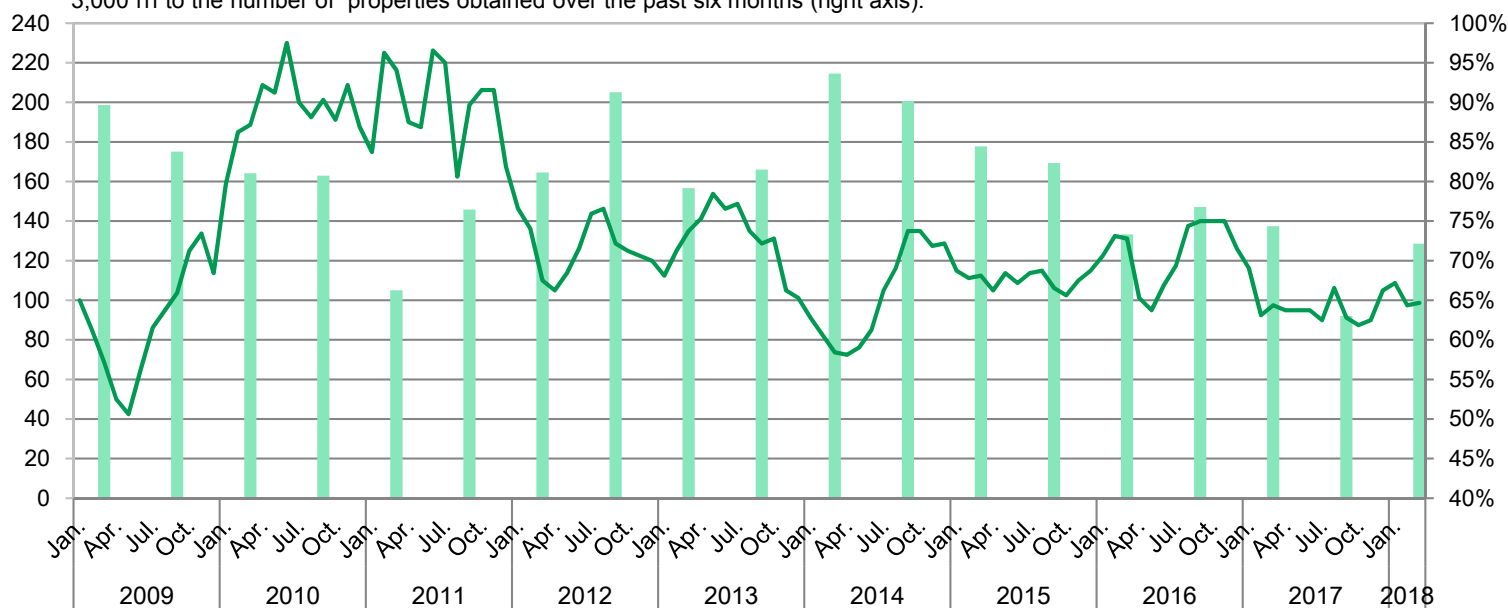
| | Sep. 2007 04/07~09/07 | Mar. 2008 10/07~03/08 | Sep. 2008 04/08~09/08 | Mar. 2009 10/08~03/09 | Sep. 2009 04/09~09/09 | Mar. 2010 10/09~03/10 | Sep. 2010 04/10~09/10 | Mar. 2011 10/10~03/11 | Sep. 2011 04/11~09/11 | Mar. 2012 10/11~03/12 | Sep. 2012 04/12~09/12 | Mar. 2013 10/12~03/13 |
|-------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Acquisition | 7,100 | 72,029 | 24,000 | 21,250 | - | 77,026 | 2,645 | 16,710 | - | 60,800 | 22,000 | 41,770 |
| Sales | 1,770 | - | - | - | - | 1,507 | - | - | 3,160 | - | - | - |

| | Sep. 2013 04/13~09/13 | Mar. 2014 10/13~03/14 | Sep. 2014 04/14~09/14 | Mar. 2015 10/14~03/15 | Sep. 2015 04/15~09/15 | Mar. 2016 10/15~03/16 | Sep. 2016 04/16~09/16 | Mar. 2017 10/16~03/17 | Sep. 2017 04/17~09/17 | Mar. 2018 10/17~03/18 | TOTAL |
|-------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-----------|
| Acquisition | 12,967 | 43,174 | 650 | 45,459 | 44,263 | - | 175 | 26,100 | 10,530 | 43,020 | 1,046,917 |
| Sales | 1,220 | - | - | - | - | 4,366 | - | 6,890 | - | 10,000 | 77,816 |

Trend of Property Information

Constantly acquire the information of properties for sales as much as possible despite the intensification of investment market for real estate.

- Line graph is based on an index calculated by obtaining the moving average for the amount of property-related information obtained over the past six months and assigning that moving average as of January 2009 as 100 (left axis).
- Bar graph shows property-related information at the end of periods regarding a ratio of the number of properties with floor area over 3,000 m² to the number of properties obtained over the past six months (right axis).



| Area | Sep. 2016 period | | | | | | | Mar. 2017 period | | | | | | | Total | % |
|-------------------------|------------------|-----|------|------|------|------|-------|------------------|------|------|------|------|------|-------|-------|--------|
| | Apr. | May | Jun. | Jul. | Aug. | Sep. | Total | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Total | | |
| Tokyo Metropolitan Area | 10 | 10 | 15 | 16 | 19 | 10 | 80 | 10 | 6 | 12 | 13 | 5 | 10 | 56 | 136 | 71.6% |
| Other Major Cities | 0 | 3 | 9 | 6 | 10 | 4 | 32 | 0 | 7 | 1 | 1 | 5 | 8 | 22 | 54 | 28.4% |
| Total | 10 | 13 | 24 | 22 | 29 | 14 | 112 | 10 | 13 | 13 | 14 | 10 | 18 | 78 | 190 | 100.0% |

| Area | Sep. 2017 period | | | | | | | Mar. 2018 period | | | | | | | Total | % |
|-------------------------|------------------|-----|------|------|------|------|-------|------------------|------|------|------|------|------|-------|-------|--------|
| | Apr. | May | Jun. | Jul. | Aug. | Sep. | Total | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Total | | |
| Tokyo Metropolitan Area | 8 | 8 | 12 | 4 | 20 | 2 | 54 | 4 | 11 | 16 | 8 | 10 | 6 | 55 | 109 | 71.7% |
| Other Major Cities | 0 | 5 | 1 | 6 | 3 | 4 | 19 | 1 | 4 | 9 | 5 | 4 | 1 | 24 | 43 | 28.3% |
| Total | 8 | 13 | 13 | 10 | 23 | 6 | 73 | 5 | 15 | 25 | 13 | 14 | 7 | 79 | 152 | 100.0% |

MEMO



Steady acquisition of good performing properties by utilization of
the extensive pipelines
of the sponsors

Acquisition from sponsors, etc. / through sponsors' introduction

Negotiated Transactions
from sponsors, etc. (*1)

45 deals (*2)

¥478,739 million



Harumi Front



Akasaka Park Building

Sponsors' introductions
(Negotiated Transactions)

13 deals

¥94,687 million



Shiodome Building
(The share acquired in December 2008)

Negotiated Transactions from others

33 deals (*2)

¥212,877 million



Nagoya Hirokoji Place

The acquisition through
negotiated transaction
against total acquisition is:

75.1%

* Acquisition Price Basis

Acquisition through negotiated transactions

(As of March 31, 2018)

| Type of transaction | Number of deals | | Amount (In billions of yen) | |
|--|-----------------|---------------|--------------------------------|---------------|
| Negotiated Transactions | 91 | 85.8% | 786 | 75.1% |
| Acquisition from sponsors, etc. | 45 | 42.5% | 478 | 45.7% |
| Acquisition through sponsors' introduction | 13 | 12.3% | 94 | 9.0% |
| Others | 33 | 31.1% | 212 | 20.3% |
| Tender Transactions | 15 | 14.2% | 260 | 24.9% |
| Acquisition from sponsors, etc. | 5 | 4.7% | 71 | 6.9% |
| Acquisition through sponsors' introduction | 2 | 1.9% | 116 | 11.1% |
| Others | 8 | 7.5% | 72 | 6.9% |
| Total | 106 | 100.0% | 1,046 | 100.0% |

Tender Transactions
from sponsors, etc. (*1)

5 deals

¥71,780 million



MM Park Building

Sponsors' introduction
(Tender Transactions)

2 deals

¥116,155 million



Kitanomaru Square

The acquisition from
sponsors / through
sponsors' introduction
against total acquisition is:

72.7%

* Acquisition Price Basis

Acquisition / Introduction
by parties other than sponsors

8 deals

¥72,678 million

Umeda Square Building
A E R

Acquisition through tender transactions

(*1) Acquisition from sponsors, etc. includes those from 1) the sponsor (two entities which are current sponsors and past sponsors, Tokio Marine & Nichido Fire Insurance Co., Ltd. and The Dai-ichi Life Insurance Company, Limited), and 2) SPC in which the sponsor has a 50% or larger equity investment (including acquisition of a trust property in the trust beneficiary right in trust of real estate owned by SPC).

(*2) The additional shares of Saitama Urawa Building and Kanazawa Park Building and the share of Otemachi Financial City North Tower were acquired from the sponsors and unrelated companies, respectively, on the same date. Therefore, these deals were counted as two transactions, one sponsor-related and one sponsor-unrelated transaction.

External Growth (Acquisition Criteria)

Geographic Diversification

70% or over:
in the Tokyo metropolitan area
30% or below:
in Osaka, Nagoya,
and other major local cities

70% or over
is in the Tokyo
metropolitan area

30% or below
is in other major
local cities



Structure

Adaptation to new earthquake-resistant standards (Earthquake Resistant Design Standard under Building Standard Law enforced in 1981) or equivalent structure/strength

Adaptation to new
earthquake-resistant
standards



Size of Property

Total floor area:
3,000m² or over

Acquire properties with
total floor area of
3,000m² or over



JRE aims to maintain and improve the quality of the portfolio by acquiring only excellent properties that satisfy the above criteria

4

Financial Strategies

Summary of Debts as of March 31, 2018

As of March 31, 2018

Total interest-bearing debt ¥403,993 million

Long-term interest-bearing debt ratio 92.1%

Long-term fixed interest-bearing debt ratio 86.6%

Weighted average interest rate 0.58%

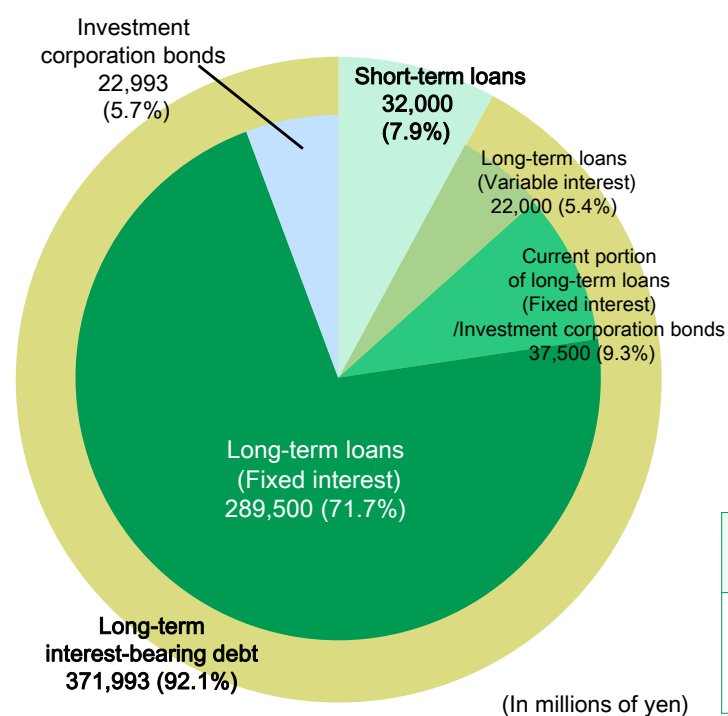
Average maturity of total interest-bearing debt 4.13 years

Breakdown of short-term and long-term debt

(In millions of yen)

| | |
|---|---------|
| Short-term loans | 32,000 |
| Long-term loans (Variable interest) | 22,000 |
| Current portion of long-term loans (Fixed interest) | 27,500 |
| Long-term loans (Fixed interest) | 289,500 |
| Total amount of loans | 371,000 |
| Investment corporation bonds | 32,993 |
| Total amount of Investment corporation bonds | 32,993 |

| | Average interest rate | Average maturity (year) |
|---|-----------------------|-------------------------|
| Short-term loans | 0.09% | 0.26 |
| Long-term loans (Variable interest) | 0.04% | 4.87 |
| Current portion of long-term loans (Fixed interest), Investment corporation bonds | 0.82% | 0.39 |
| Long-term loans (Fixed interest), Investment corporation bonds | 0.64% | 4.92 |



Outstanding balance of loans by financial institutions

(In millions of yen)

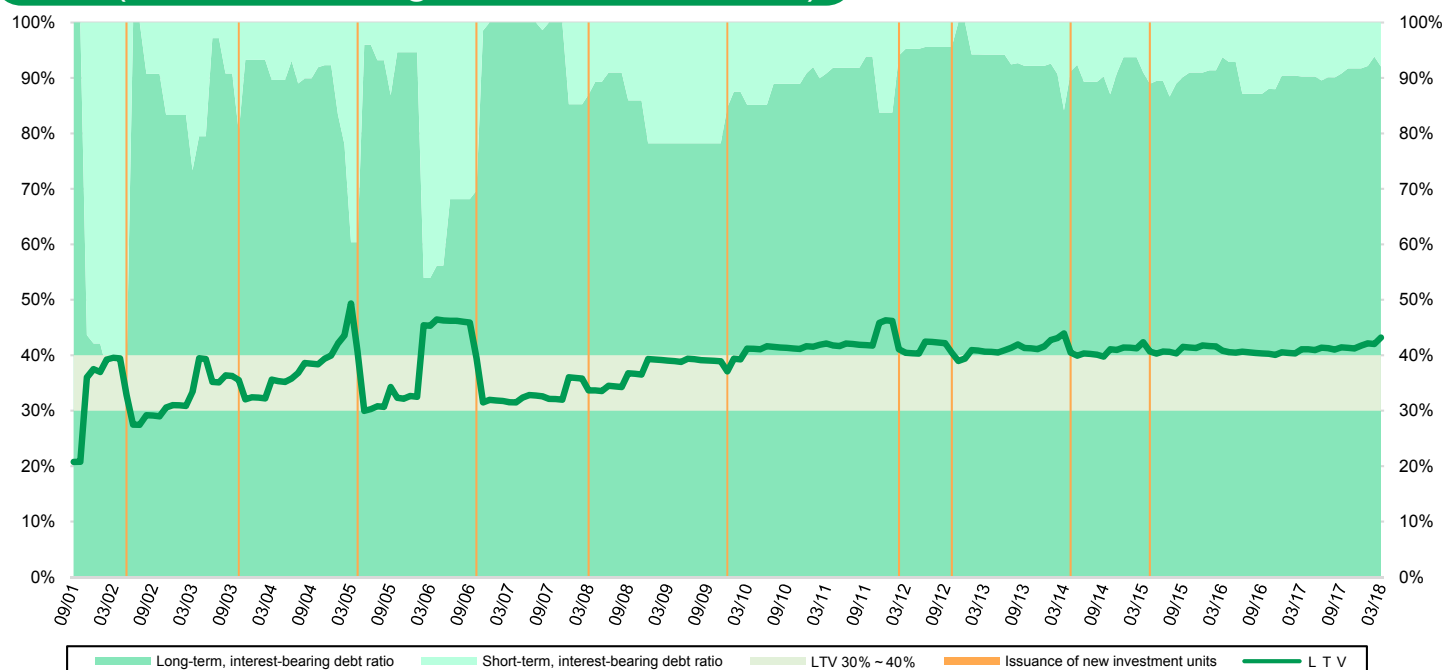
| | |
|---|--------|
| Mitsubishi UFJ Trust and Banking Corporation | 57,000 |
| Mizuho Bank, Ltd. | 56,000 |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 55,500 |
| Sumitomo Mitsui Trust Bank, Limited | 39,000 |
| Shinkin Central Bank | 23,000 |
| Development Bank of Japan Inc. | 20,000 |
| The Norinchukin Bank | 15,000 |
| Sumitomo Mitsui Banking Corporation | 13,000 |
| The Bank of Fukuoka, Ltd. | 8,500 |
| Shinsei Bank, Limited | 8,000 |
| The Iyo Bank, Ltd. | 6,500 |
| The Chugoku Bank, Limited | 6,000 |
| Taiyo Life Insurance Company | 4,500 |
| The Hachijuni Bank, Ltd. | 4,000 |
| Resona Bank, Limited | 4,000 |
| The Hiroshima Bank, Ltd. | 3,000 |
| Mizuho Trust & Banking Co., Ltd. | 3,000 |
| The Yamaguchi Bank, Ltd. | 3,000 |
| The Gunma Bank, Ltd. | 2,000 |
| The Nishi-Nippon City Bank, Ltd. | 2,000 |
| Tokio Marine & Nichido Fire Insurance Co., Ltd. | 2,000 |
| The Yamanashi Chuo Bank, Ltd. | 2,000 |
| The Daishi Bank, Ltd. | 1,500 |
| The Ashikaga Bank, Ltd. | 1,000 |
| The Joyo Bank, Ltd. | 1,000 |
| The 77 Bank, Ltd. | 1,000 |
| The first General syndication loan | 13,000 |
| The second General syndication loan | 10,000 |
| The third General syndication loan | 6,500 |

Rating

| S & P | Moody's | R & I |
|-----------|-----------|-----------|
| A+ Stable | A1 Stable | AA Stable |

LTV / Debt Capacity / Diversification of Repayment Dates

LTV (Interest-bearing Debt / Total Assets)



* LTV(%) = Interest-bearing debt / Total assets x 100

* Long-term interest-bearing debt ratio = (Long-term loans + Investment corporation bonds [including current portion of Long-term, fixed-interest loans and Investment corporation bonds]) / Total interest-bearing debt

Debt Capacity

(As of March 31, 2018)

(In millions of yen)

| Total assets | Interest-bearing debt | LTV | Debt Capacity | |
|--------------|-----------------------|----------------------------------|---------------|----------|
| 935,561 | 403,993 | 43.2% | Up to LTV45% | 30,926 |
| | | Rough estimate after PO 40.5% | Up to LTV40% | (49,613) |

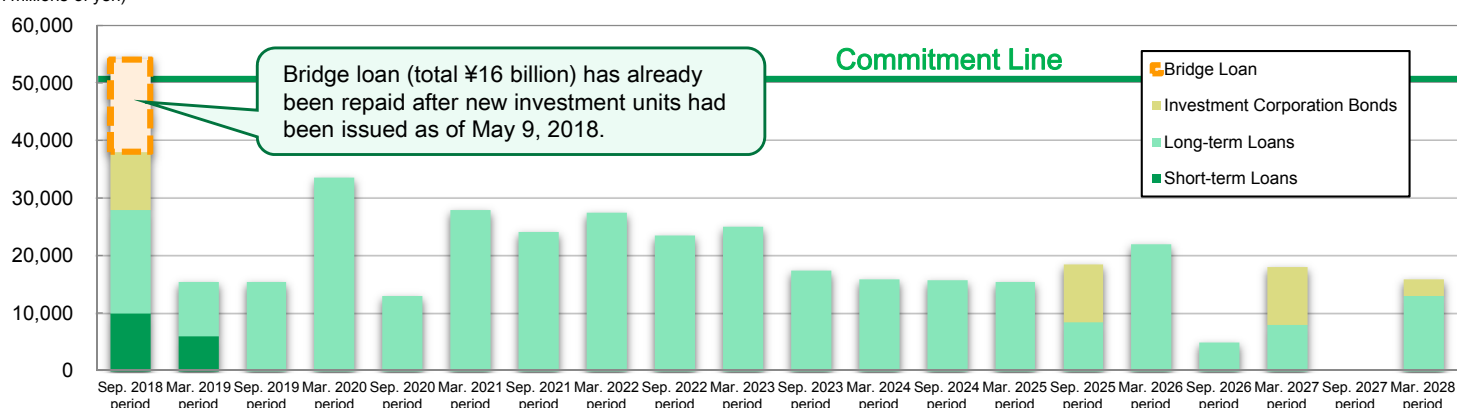
Diversification of Repayment Dates

(As of March 31, 2018)

(In millions of yen)

| | 04/18-03/19 (Within 1 year) | 04/19-03/20 (Within 2 years) | 04/20-03/21 (Within 3 years) | 04/21-03/22 (Within 4 years) | 04/22-03/23 (Within 5 years) | 04/23-03/24 (Within 6 years) | 04/24-03/25 (Within 7 years) | 04/25-03/26 (Within 8 years) | 04/26-03/27 (Within 9 years) | 04/27-03/28 (Within 10 years) | Total |
|------------------------------|--------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|----------------------------------|---------|
| Short-term Loans | 32,000 | - | - | - | - | - | - | - | - | - | 32,000 |
| Long-term Loans | 27,500 | 49,000 | 41,000 | 51,700 | 48,500 | 33,500 | 31,300 | 30,500 | 13,000 | 13,000 | 339,000 |
| Investment Corporation Bonds | 10,000 | - | - | - | - | - | - | 10,000 | 10,000 | 2,993 | 32,993 |
| Total | 69,500 | 49,000 | 41,000 | 51,700 | 48,500 | 33,500 | 31,300 | 40,500 | 23,000 | 15,993 | 403,993 |

(In millions of yen)



Overview of the Interest-bearing Debt as of March 31, 2018

Overview of the Interest-bearing Debt

| | Lender | Drawdown date | EOB | Interest | Repayment date (period) | |
|------------------|--|---------------|--------|-------------------|----------------------------------|---------|
| Short-term Loans | Mizuho Bank, Ltd. | 04/03/17 | 5,500 | 0.0954 | 04/03/18 | 1 year |
| | Shinsei Bank, Limited | 06/15/17 | 2,500 | 0.0954 | 06/15/18 | 1 year |
| | Shinkin Central Bank | 09/01/17 | 1,000 | 0.0954 | 09/03/18 | 1 year |
| | Resona Bank, Limited. | 09/01/17 | 1,000 | 0.0954 | 09/03/18 | 1 year |
| | Sumitomo Mitsui Trust Bank, Limited | 12/26/17 | 1,300 | 0.0954 | 12/26/18 | 1 year |
| | Resona Bank, Limited. | 03/26/18 | 3,000 | 0.0954 | 03/26/19 | 1 year |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 03/30/18 | 8,000 | 0.0754 | 04/27/18 | 1 month |
| | Mizuho Bank, Ltd. | 03/30/18 | 5,000 | 0.0754 | 04/27/18 | 1 month |
| | Sumitomo Mitsui Trust Bank, Limited | 03/30/18 | 3,000 | 0.0754 | 04/27/18 | 1 month |
| | Sumitomo Mitsui Trust Bank, Limited | 03/30/18 | 1,700 | 0.0954 | 03/29/19 | 1 year |
| Total | | | 32,000 | 0.09 (Average) | 0.26 years (Average maturity) | |

| | Lender | Drawdown date | EOB | Interest | Repayment date (period) | |
|--|--|---------------|--------|-------------------|----------------------------------|---------|
| Long-term Loans (Variable interest) | Mitsubishi UFJ Trust and Banking Corporation | 04/04/17 | 5,000 | 0.0458 | 04/05/21 | 4 years |
| | Mitsubishi UFJ Trust and Banking Corporation | 06/01/17 | 12,000 | 0.0267 | 06/01/23 | 6 years |
| | Mitsubishi UFJ Trust and Banking Corporation | 03/26/18 | 5,000 | 0.04664 | 03/26/24 | 6 years |
| Total | | | 22,000 | 0.04 (Average) | 4.87 years (Average maturity) | |

| | Lender | Drawdown date | EOB | Interest | Repayment date (period) | |
|---------------------------------------|--|---------------|--------|-------------------|---------------------------------|-----------|
| Current Portion of Long-term Loans | Shinkin Central Bank | 04/24/13 | 5,000 | 0.52775 | 04/24/18 | 5 years |
| | Mitsubishi UFJ Trust and Banking Corporation | 06/01/11 | 10,000 | 1.31125 | 06/01/18 | 7 years |
| | Shinsei Bank, Limited | 08/31/11 | 3,000 | 1.0475 | 08/31/18 | 7 years |
| | Sumitomo Mitsui Trust Bank, Limited | 11/15/11 | 3,000 | 0.98375 | 11/15/18 | 7 years |
| | Sumitomo Mitsui Banking Corporation | 11/15/11 | 3,000 | 0.98375 | 11/15/18 | 5 years |
| | Mizuho Bank, Ltd. | 09/01/15 | 2,500 | 0.17 | 03/01/19 | 3.5 years |
| | The Gunma Bank, Ltd. | 03/24/14 | 1,000 | 0.4105 | 03/25/19 | 5 years |
| Total | | | 27,500 | 0.93 (Average) | 0.38years (Average maturity) | |

| | Lender | Drawdown date | EOB | Interest | Repayment date (period) | |
|-------------------------------------|---|---------------|-------|----------|-------------------------|-----------|
| Long-term Loans (Fixed interest) | Sumitomo Mitsui Trust Bank, Limited | 09/26/11 | 5,500 | 1.16 | 09/26/19 | 8 years |
| | Mizuho Bank, Ltd. | 11/01/11 | 6,000 | 1.2075 | 11/01/19 | 8 years |
| | Mitsubishi UFJ Trust and Banking Corporation | 11/15/11 | 3,000 | 1.13875 | 11/15/19 | 8 years |
| | Mizuho Bank, Ltd. | 11/15/11 | 3,000 | 1.13875 | 11/15/19 | 8 years |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 11/15/11 | 3,000 | 1.13875 | 11/15/19 | 8 years |
| | Mitsubishi UFJ Trust and Banking Corporation | 06/15/12 | 4,000 | 0.9525 | 06/15/20 | 8 years |
| | Sumitomo Mitsui Trust Bank, Limited | 06/15/12 | 4,000 | 0.9525 | 06/15/20 | 8 years |
| | Mizuho Bank, Ltd. | 06/15/12 | 4,000 | 1.07375 | 06/15/21 | 9 years |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 06/15/12 | 4,000 | 1.1975 | 06/15/22 | 10 years |
| | Mitsubishi UFJ Trust and Banking Corporation | 06/15/12 | 2,500 | 1.2725 | 06/15/22 | 10 years |
| | Shinsei Bank, Limited | 06/15/12 | 2,500 | 1.2725 | 06/15/22 | 10 years |
| | The Yamaguchi Bank, Ltd. | 10/29/12 | 2,000 | 0.8 | 10/29/20 | 8 years |
| | Mitsubishi UFJ Trust and Banking Corporation | 12/21/12 | 5,000 | 0.80125 | 12/21/20 | 8 years |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 12/21/12 | 5,000 | 0.80125 | 12/21/20 | 8 years |
| | Shinkin Central Bank | 01/07/13 | 2,000 | 0.71375 | 01/07/20 | 7 years |
| | Sumitomo Mitsui Banking Corporation | 01/07/13 | 2,000 | 0.98 | 01/07/22 | 9 years |
| | Development Bank of Japan Inc. | 01/07/13 | 3,000 | 1.115 | 01/06/23 | 10 years |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 01/15/13 | 5,500 | 0.71 | 01/15/20 | 7 years |
| | Shinkin Central Bank | 01/15/13 | 5,000 | 0.71 | 01/15/20 | 7 years |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 01/15/13 | 5,500 | 0.83625 | 01/15/21 | 8 years |
| | Mizuho Bank, Ltd. | 01/15/13 | 5,000 | 0.96625 | 01/17/22 | 9 years |
| | The Yamaguchi Bank, Ltd. | 03/25/13 | 1,000 | 0.945 | 03/24/23 | 10 years |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 04/24/13 | 5,000 | 0.775 | 04/26/21 | 8 years |
| | Mizuho Bank, Ltd. | 04/24/13 | 3,000 | 0.87375 | 04/25/22 | 9 years |
| | Mitsubishi UFJ Trust and Banking Corporation (*1) | 01/31/14 | 4,000 | 0.64225 | 01/29/21 | 7 years |
| | The Bank of Fukuoka, Ltd. (*1) | 01/31/14 | 2,500 | 0.63849 | 01/29/21 | 7 years |
| | Sumitomo Mitsui Trust Bank, Limited (*1) | 01/31/14 | 2,000 | 0.62575 | 01/29/21 | 7 years |
| | The Norinchukin Bank (*1) | 01/31/14 | 3,500 | 0.757 | 01/31/22 | 8 years |
| | Development Bank of Japan Inc. | 01/31/14 | 5,000 | 0.9325 | 01/31/23 | 9 years |
| | The Iyo Bank, Ltd. (*1) | 03/24/14 | 2,000 | 0.6035 | 03/24/21 | 7 years |
| | The Nishi-Nippon City Bank, Ltd. (*1) | 06/17/14 | 2,000 | 0.621 | 12/17/21 | 7.5 years |
| | The Norinchukin Bank (*1) | 06/17/14 | 3,000 | 0.6785 | 06/17/22 | 8 years |
| | The Hiroshima Bank, Ltd. (*1) | 10/01/14 | 3,000 | 0.31575 | 10/01/19 | 5 years |

(EOB : In millions of yen, Interest : %)

| | Lender | Drawdown date | EOB | Interest | Repayment date (period) | |
|-------------------------------------|---|---------------|---------|-------------------|----------------------------------|-----------|
| Long-term Loans (Fixed interest) | The Iyo Bank, Ltd. (*1) | 10/01/14 | 1,000 | 0.46525 | 10/01/21 | 7 years |
| | The Chugoku Bank, Limited (*1) | 10/01/14 | 1,000 | 0.4725 | 10/01/21 | 7 years |
| | Taiyo Life Insurance Company | 10/01/14 | 2,000 | 0.7825 | 10/01/24 | 10 years |
| | The first General syndication loan (*1) | 11/14/14 | 13,000 | 0.463 | 11/15/21 | 7 years |
| | The Gunma Bank, Ltd. (*1) | 11/17/14 | 1,000 | 0.316 | 11/18/19 | 5 years |
| | The Yamanashi Chuo Bank, Ltd. (*1) | 12/15/14 | 2,000 | 0.266 | 12/16/19 | 5 years |
| | The second General syndication loan (*2) | 12/19/14 | 10,000 | 0.42375 | 12/19/23 | 9 years |
| | Mizuho Trust & Banking Co., Ltd. (*1) | 03/02/15 | 3,000 | 0.5585 | 03/03/25 | 10 years |
| | The Bank of Fukuoka, Ltd. | 03/24/15 | 2,000 | 0.5125 | 03/24/23 | 8 years |
| | The Norinchukin Bank (*1) | 03/25/15 | 3,500 | 0.46825 | 03/27/23 | 8 years |
| | Sumitomo Mitsui Trust Bank, Limited | 05/29/15 | 5,000 | 0.2075 | 05/29/19 | 4 years |
| | Taiyo Life Insurance Company | 05/29/15 | 1,500 | 0.7375 | 05/29/25 | 10 years |
| | Sumitomo Mitsui Trust Bank, Limited | 06/15/15 | 3,000 | 0.3425 | 06/15/20 | 5 years |
| | The Chugoku Bank, Limited (*1) | 06/15/15 | 3,000 | 0.61175 | 06/15/23 | 8 years |
| | The third General syndication loan (*1) | 08/10/15 | 6,500 | 0.3925 | 08/10/22 | 7 years |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 09/01/15 | 5,000 | 0.2 | 09/02/19 | 4 years |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 09/01/15 | 2,000 | 0.47125 | 09/01/22 | 7 years |
| | Mitsubishi UFJ Trust and Banking Corporation | 09/01/15 | 3,500 | 0.63 | 09/02/24 | 9 years |
| | Development Bank of Japan Inc. | 09/01/15 | 7,000 | 0.7175 | 09/01/25 | 10 years |
| | Sumitomo Mitsui Trust Bank, Limited (*1) | 09/02/15 | 3,800 | 0.536 | 09/02/24 | 9 years |
| | Mizuho Bank, Ltd. | 10/01/15 | 2,500 | 0.5575 | 10/01/24 | 9 years |
| | The Daishi Bank, Ltd. (*1) | 01/07/16 | 1,500 | 0.2802 | 01/10/23 | 7 years |
| | The Iyo Bank, Ltd. (*1) | 01/15/16 | 1,000 | 0.265 | 01/16/23 | 7 years |
| | The Hachijuni Bank, Ltd. (*1) | 01/15/16 | 1,000 | 0.265 | 01/16/23 | 7 years |
| | Mitsubishi UFJ Trust and Banking Corporation | 10/31/16 | 3,000 | 0.24 | 10/30/26 | 10 years |
| | Mizuho Bank, Ltd. | 12/21/16 | 5,000 | 0.415 | 12/21/26 | 10 years |
| | Sumitomo Mitsui Trust Bank, Limited | 12/26/16 | 3,700 | 0.1913 | 06/28/21 | 4.5 years |
| | Mizuho Bank, Ltd. | 12/26/16 | 5,000 | 0.3625 | 12/26/25 | 9 years |
| | Development Bank of Japan Inc. | 03/30/17 | 5,000 | 0.315 | 03/31/25 | 8 years |
| | Shinkin Central Bank | 03/30/17 | 5,000 | 0.36 | 03/30/26 | 9 years |
| | The Bank of Fukuoka, Ltd. | 06/15/17 | 2,500 | 0.2388 | 06/15/23 | 6 years |
| | The Iyo Bank, Ltd. | 06/15/17 | 2,500 | 0.275 | 06/17/24 | 7 years |
| | The Hachijuni Bank, Ltd. | 06/15/17 | 1,000 | 0.275 | 06/17/24 | 7 years |
| | Tokio Marine & Nichido Fire Insurance Co., Ltd. | 07/03/17 | 2,000 | 0.1 | 07/03/20 | 3 years |
| | The Bank of Fukuoka, Ltd. | 08/31/17 | 1,500 | 0.1325 | 08/31/21 | 4 years |
| | The Norinchukin Bank | 09/01/17 | 5,000 | 0.24 | 09/02/24 | 7 years |
| | Shinkin Central Bank | 09/01/17 | 5,000 | 0.3188 | 09/01/26 | 9 years |
| | The Hachijuni Bank, Ltd. | 12/20/17 | 1,000 | 0.1863 | 12/20/22 | 5 years |
| | The Ashikaga Bank, Ltd. | 01/09/18 | 1,000 | 0.285 | 01/09/25 | 7 years |
| | The Joyo Bank, Ltd. | 01/09/18 | 1,000 | 0.4188 | 01/11/28 | 10 years |
| | The 77 Bank, Ltd. | 01/10/18 | 1,000 | 0.205 | 01/10/23 | 5 years |
| | Sumitomo Mitsui Trust Bank, Limited | 01/17/18 | 3,000 | 0.21 | 01/17/23 | 5 years |
| | Sumitomo Mitsui Banking Corporation | 01/19/18 | 5,000 | 0.16255 | 07/20/21 | 3.5 years |
| | Sumitomo Mitsui Banking Corporation | 01/19/18 | 3,000 | 0.4338 | 01/19/28 | 10 years |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 02/26/18 | 6,500 | 0.3413 | 02/26/26 | 8 years |
| | The Chugoku Bank, Limited | 03/26/18 | 2,000 | 0.1988 | 03/27/23 | 5 years |
| | The Hachijuni Bank, Ltd. | 03/26/18 | 1,000 | 0.2338 | 03/26/24 | 6 years |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 03/26/18 | 2,000 | 0.2725 | 03/26/25 | 7 years |
| | Mizuho Bank, Ltd. | 03/27/18 | 5,500 | 0.3 | 03/27/26 | 8 years |
| | Mizuho Bank, Ltd. | 03/30/18 | 4,000 | 0.3963 | 03/30/28 | 10 years |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 03/30/18 | 4,000 | 0.3963 | 03/30/28 | 10 years |
| | Taiyo Life Insurance Company | 03/30/18 | 1,000 | 0.3963 | 03/30/28 | 10 years |
| | Total | | 289,500 | 0.59 (Average) | 4.64 years (Average maturity) | |
| Investment Corporation Bonds | Bond Name | Issue date | EOB | Interest | Redemption date (period) | |
| | The Fourth unsecured Investment Corporation Bond | 09/29/05 | 10,000 | 2.56 | 09/29/25 | 20 years |
| | The Ninth unsecured Investment Corporation Bond | 08/30/13 | 10,000 | 0.497 | 08/30/18 | 5 years |
| | The 10th unsecured Investment Corporation Bond | 03/30/17 | 10,000 | 0.3975 | 03/30/27 | 10 years |
| | The 11th unsecured Investment Corporation Bond (*3) | 10/26/17 | 2,993 | 0.2788 | 10/26/27 | 10 years |
| | Total | | 32,993 | 1.07 (Average) | 5.99 years (Average maturity) | |

Outline of Commitment Line Agreement

- Maximum Amount: ¥50 billion
- Expiry of the contract: September 19, 2020
- Participating financial institutions:
Mizuho Bank, Ltd.
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Sumitomo Mitsui Trust Bank, Limited
Mitsubishi UFJ Trust and Banking Corporation

**There is no outstanding balance
as of March 31, 2018**

*The loans drawn down and the bonds issued in Mar. 2018 period are shown in blue.

(*1) The loans were originally floating rate basis, which were swapped into fixed rates to hedge against interest rate fluctuations. Hence the fixed rates after the swap transactions are shown above.

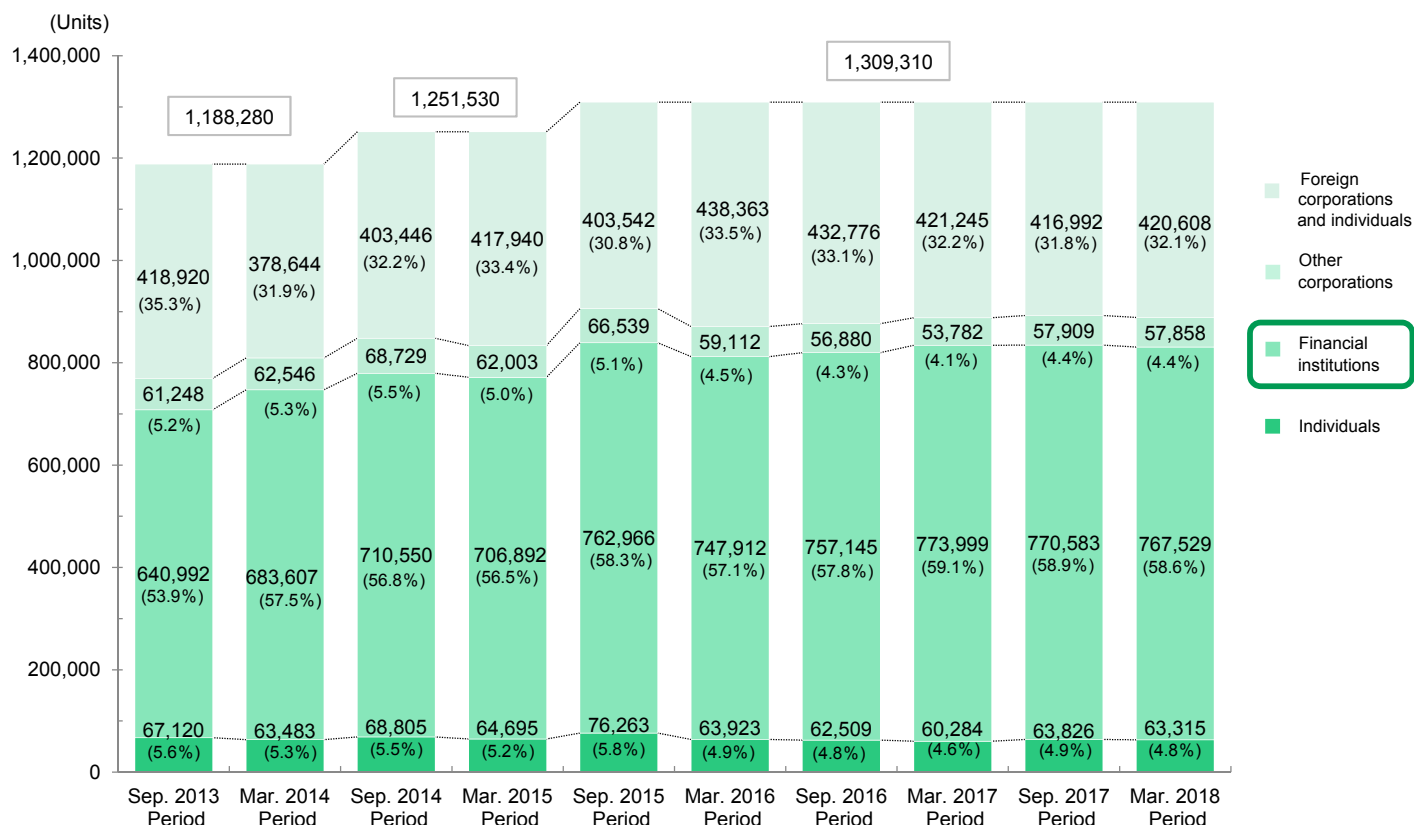
(*2) The loans were originally in US dollar, floating rate basis and the currency and interest rate swap transaction was executed in order to hedge against a risk of exchange-rate fluctuations and interest fluctuations. Hence the above rates are the fixed rates after the currency and interest rate swap transaction.

(*3) The bond was originally in US dollar and the currency swap transaction was executed in order to hedge against a risk of exchange-rate fluctuations. Hence rate after the swap transaction is shown above.

Unitholder Data

(As JRE implemented a 2-for-1 split of each investment unit as of January 1, 2014, units outstanding refers to the amount as a post-split basis.)

Unitholder Composition



Top 10 Unitholders

Mar. 2018 period

| | Name of Unitholder | Units | % of Total Units Outstanding |
|----|---|---------|------------------------------|
| 1 | Japan Trustee Services Bank, Ltd. (Shintaku Acc.) | 252,260 | 19.27% |
| 2 | The Master Trust Bank of Japan, Ltd. (Shintaku Acc.) | 176,582 | 13.49% |
| 3 | Trust & Custody Services Bank, Ltd. (Toshin Acc.) | 58,436 | 4.46% |
| 4 | The Nomura Trust and Banking Co., Ltd. (Toshin Acc.) | 55,931 | 4.27% |
| 5 | STATE STREET BANK WEST CLIENT-TREATY 505234 | 37,197 | 2.84% |
| 6 | STATE STREET BANK-WEST PENSION FUND CLIENTS-EXEMPT 505233 | 24,777 | 1.89% |
| 7 | STATE STREET BANK AND TRUST COMPANY 505012 | 19,062 | 1.46% |
| 8 | JP MORGAN CHASE BANK 385628 | 18,410 | 1.41% |
| 9 | The Chugoku Bank Ltd. | 17,970 | 1.37% |
| 10 | Mitsubishi Estate Co., Ltd. | 17,120 | 1.31% |
| | Mitsui & Co., Ltd. | 3,200 | 0.24% |

Sep. 2017 period

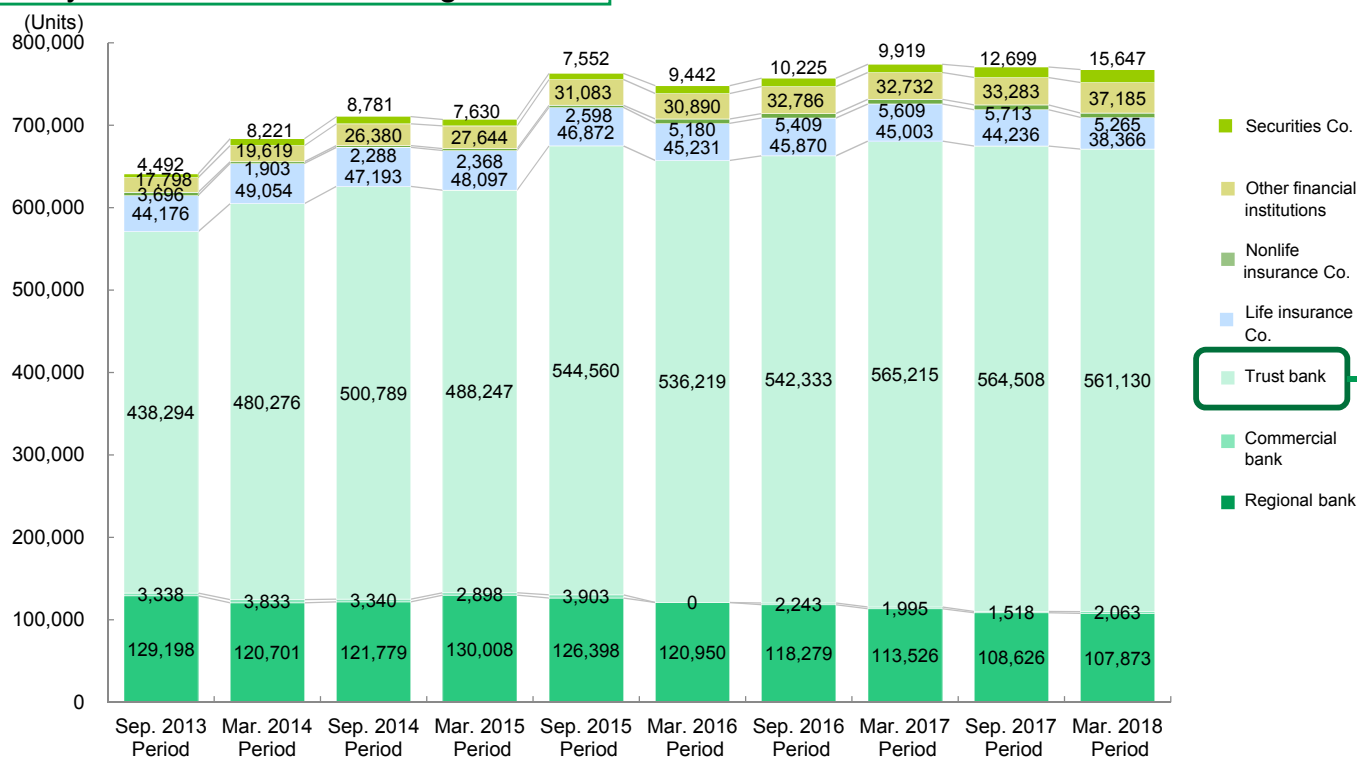
| | Name of Unitholder | Units | % of Total Units Outstanding |
|----|---|---------|------------------------------|
| 1 | Japan Trustee Services Bank, Ltd. (Shintaku Acc.) | 258,170 | 19.72% |
| 2 | The Master Trust Bank of Japan, Ltd. (Shintaku Acc.) | 165,752 | 12.66% |
| 3 | Trust & Custody Services Bank, Ltd. (Toshin Acc.) | 65,889 | 5.03% |
| 4 | The Nomura Trust and Banking Co., Ltd. (Toshin Acc.) | 54,307 | 4.15% |
| 5 | STATE STREET BANK WEST CLIENT-TREATY 505234 | 30,936 | 2.36% |
| 6 | STATE STREET BANK AND TRUST COMPANY 505012 | 27,082 | 2.07% |
| 7 | STATE STREET BANK-WEST PENSION FUND CLIENTS-EXEMPT 505233 | 25,767 | 1.97% |
| 8 | STATE STREET BANK AND TRUST COMPANY 505223 | 19,571 | 1.49% |
| 9 | The Chugoku Bank Ltd. | 17,970 | 1.37% |
| 10 | Mitsubishi Estate Co., Ltd. | 17,120 | 1.31% |
| | Mitsui & Co., Ltd. | 3,200 | 0.24% |

Number of Unitholders by Sector

| | As of March 31, 2018 | | As of September 30, 2017 | |
|------------------------------------|----------------------|---------------|--------------------------|---------------|
| | Unitholders | % | Unitholders | % |
| Individuals | 13,463 | 92.3% | 13,707 | 92.3% |
| Financial institutions | 230 | 1.6% | 236 | 1.6% |
| Other corporations | 382 | 2.6% | 386 | 2.6% |
| Foreign corporations / individuals | 511 | 3.5% | 518 | 3.5% |
| Total | 14,586 | 100.0% | 14,847 | 100.0% |

Financial Institutions

Distribution of Total Units Outstanding
by Financial Institution Segment

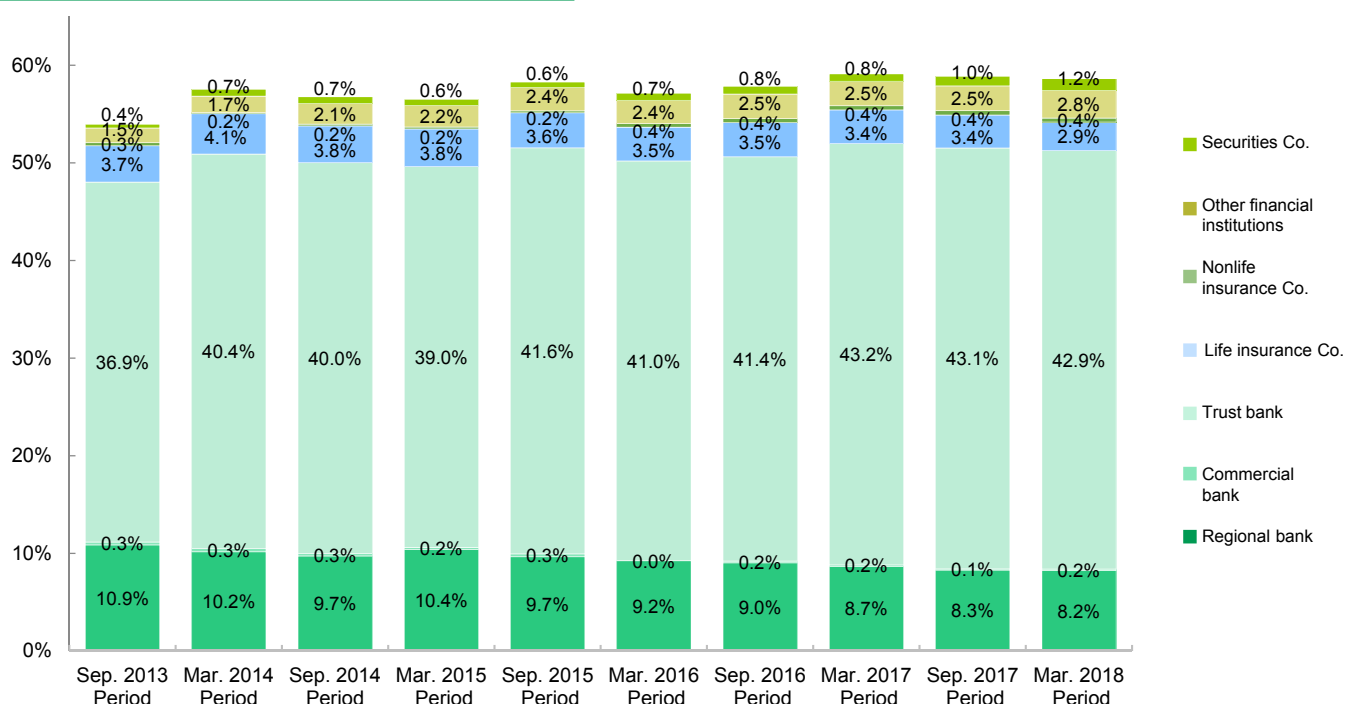


<Number of investment trust units>

(Units)

| | Sep. 2013 period | Mar. 2014 period | Sep. 2014 period | Mar. 2015 period | Sep. 2015 period | Mar. 2016 period | Sep. 2016 period | Mar. 2017 period | Sep. 2017 period | Mar. 2018 period |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Number of units outstanding | 1,188,280 | 1,188,280 | 1,251,530 | 1,251,530 | 1,309,310 | 1,309,310 | 1,309,310 | 1,309,310 | 1,309,310 | 1,309,310 |
| Trust bank | 438,294 | 480,276 | 500,789 | 488,247 | 544,560 | 536,219 | 542,333 | 565,215 | 564,508 | 561,130 |
| Investment trust | 336,156 | 374,564 | 389,165 | 370,639 | 425,120 | 415,349 | 414,234 | 433,363 | 425,624 | 417,475 |
| % against total units outstanding | 28.3% | 31.5% | 31.1% | 29.6% | 32.5% | 31.7% | 31.6% | 33.1% | 32.5% | 31.9% |
| % against units owned by trust bank | 76.7% | 78.0% | 77.7% | 75.9% | 78.1% | 77.5% | 76.4% | 76.7% | 75.4% | 74.4% |

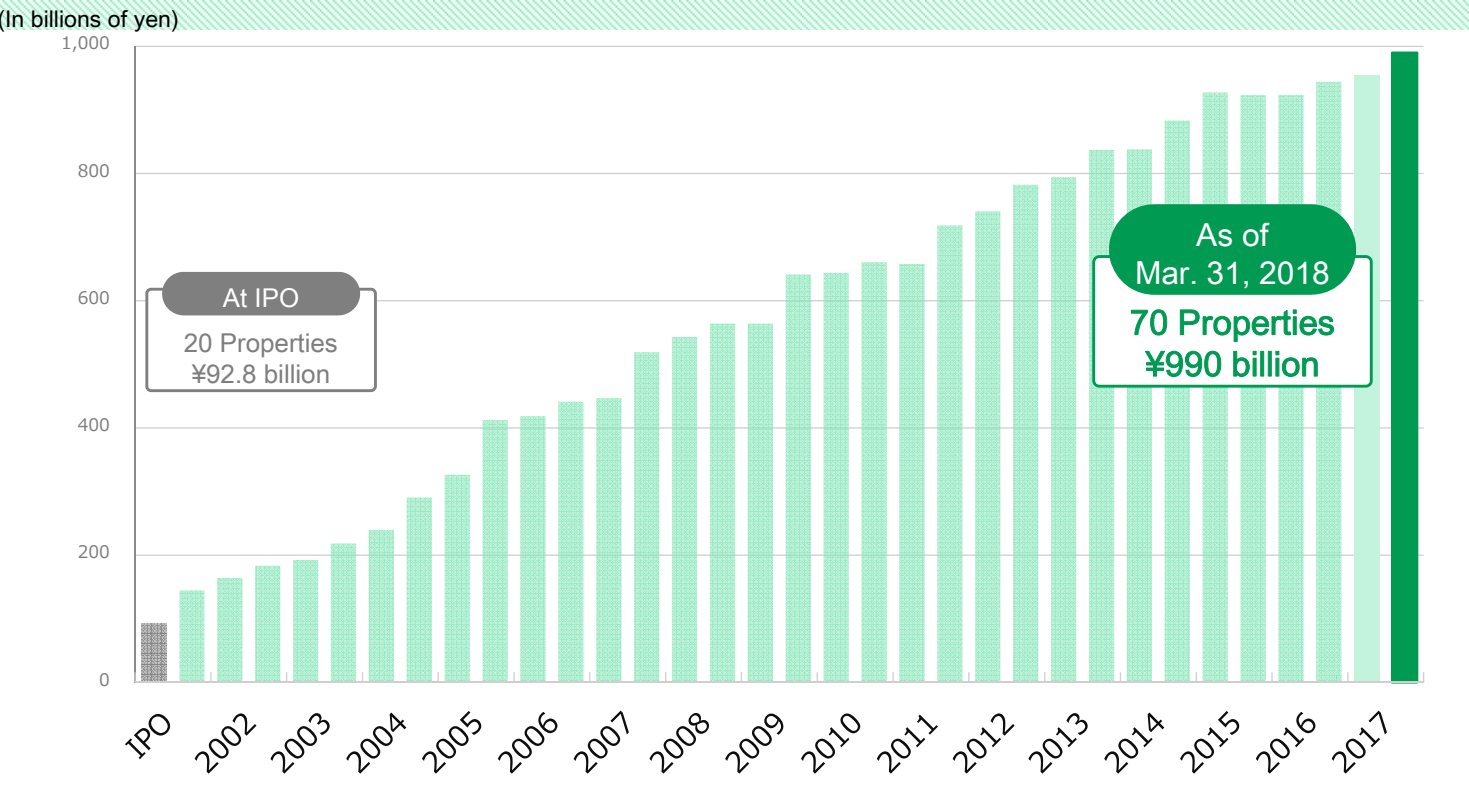
Proportion of Total Units Outstanding
by Financial Institution Segment



MEMO

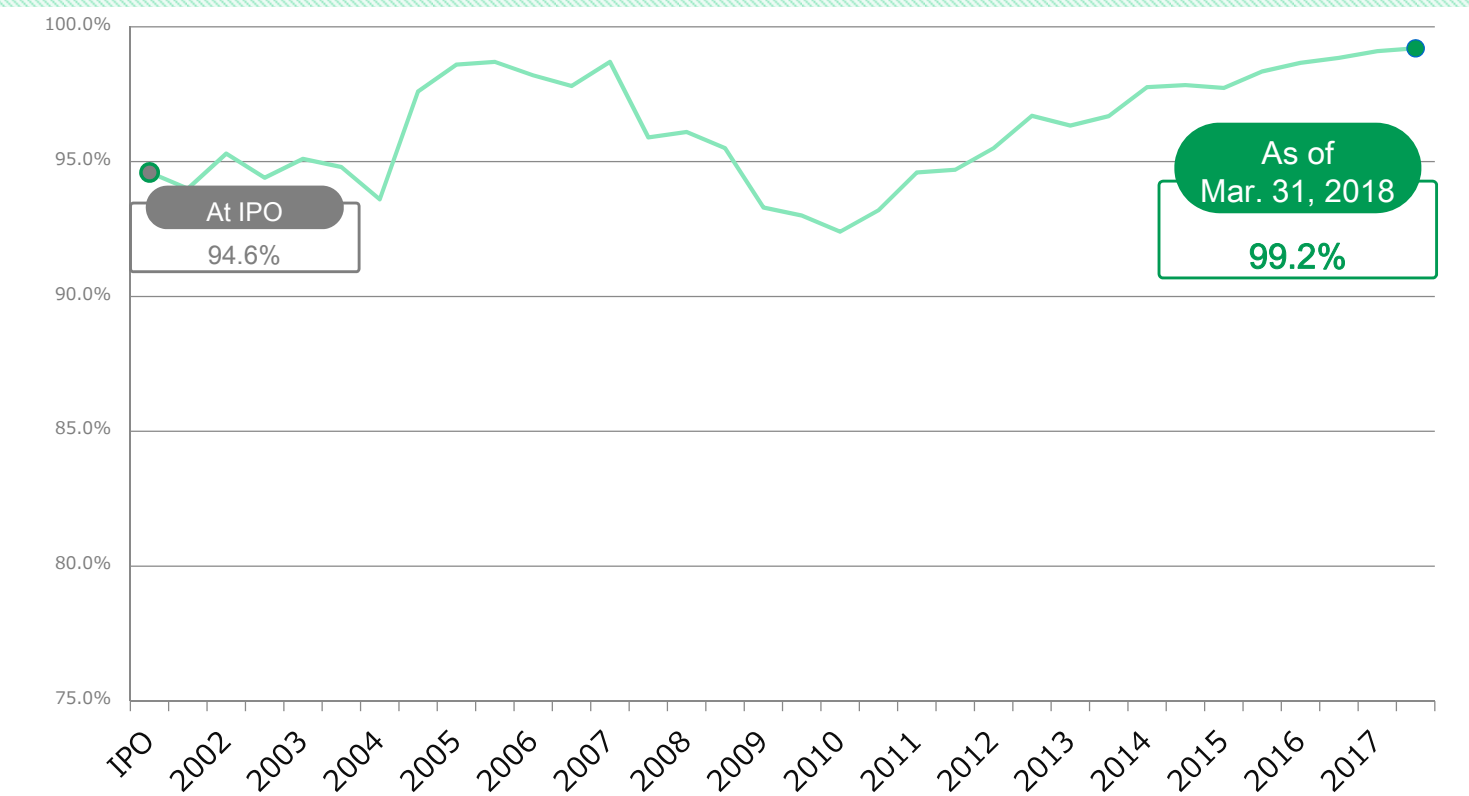
Historical Asset Size and Occupancy Rate

Asset Size



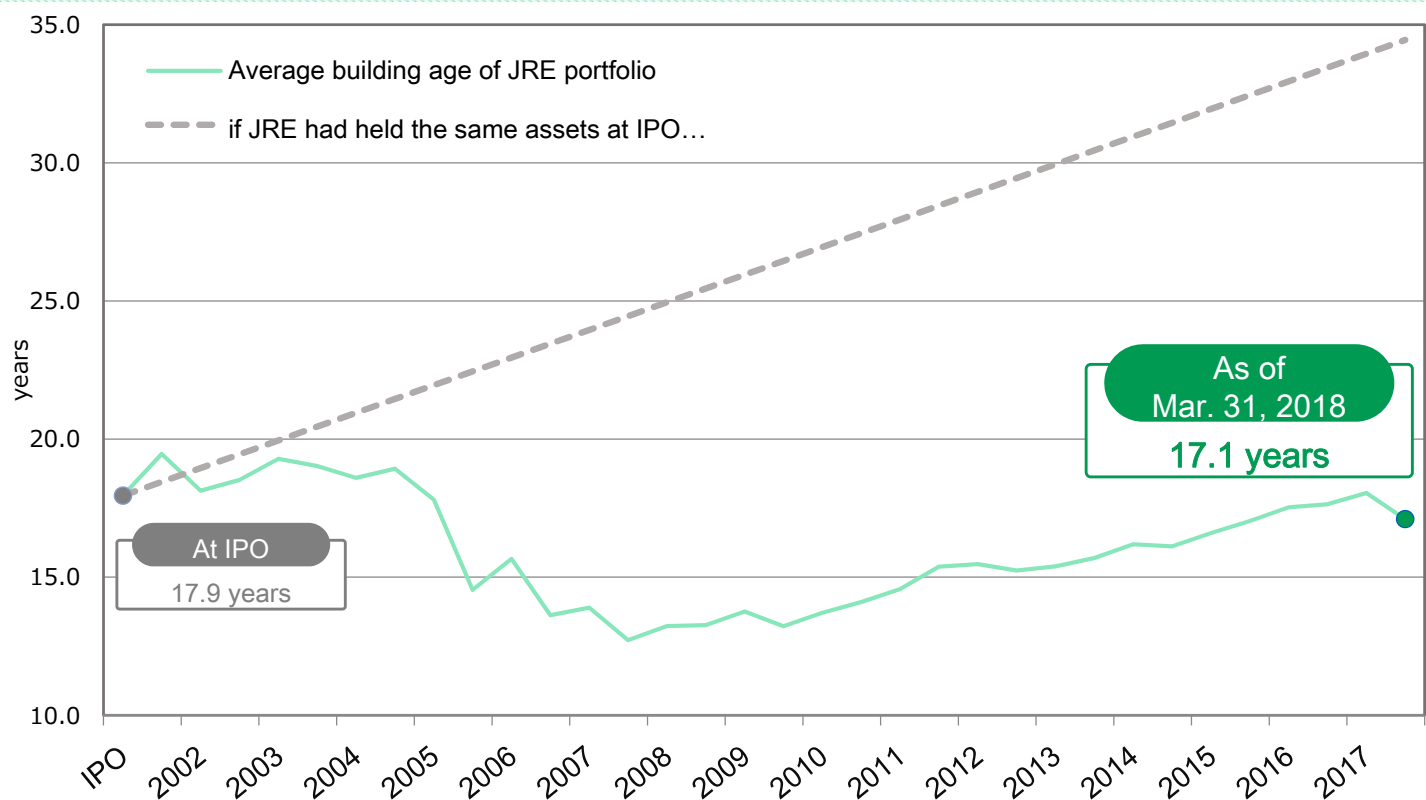
*The original acquisition price pertaining to the part of Jingumae MS site, which was disposed on October 30, 2009 has not been deducted from the total acquisition price in the above graph.

Occupancy Rate

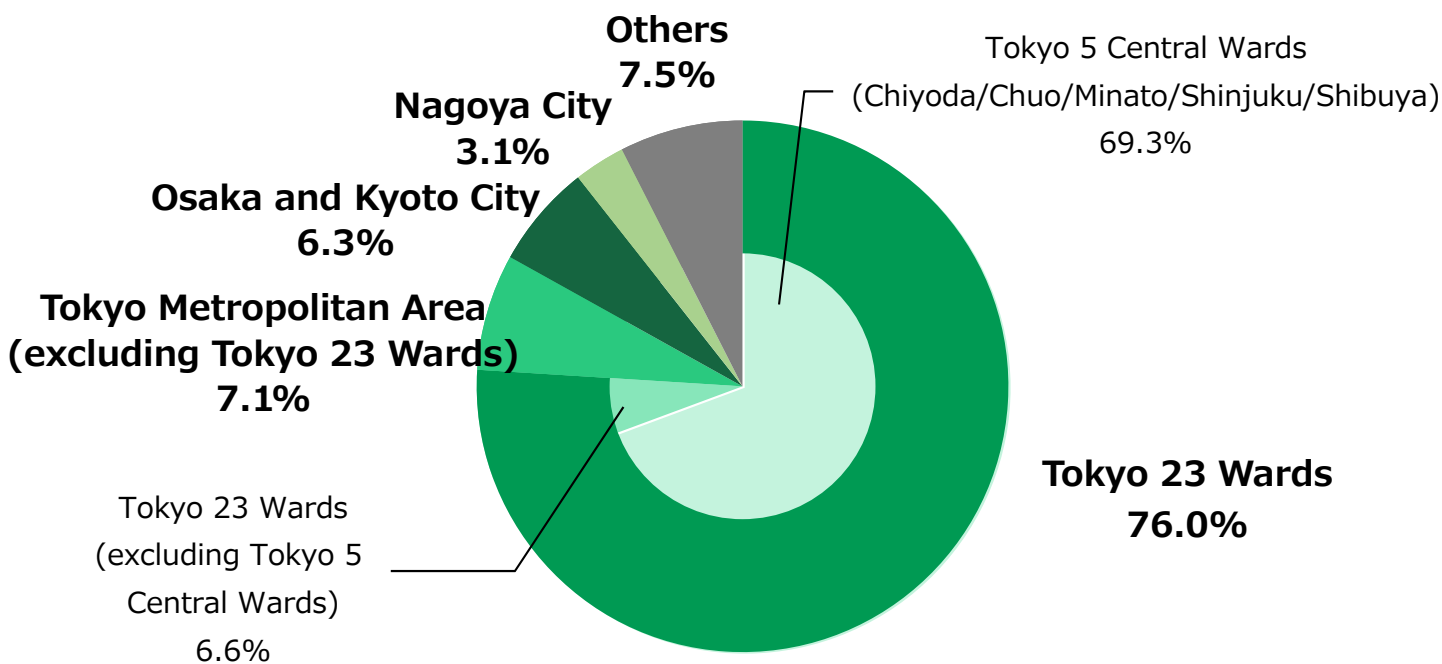


Trend in Average Building Age and Geographic Diversification

Building Age



Geographic Diversification



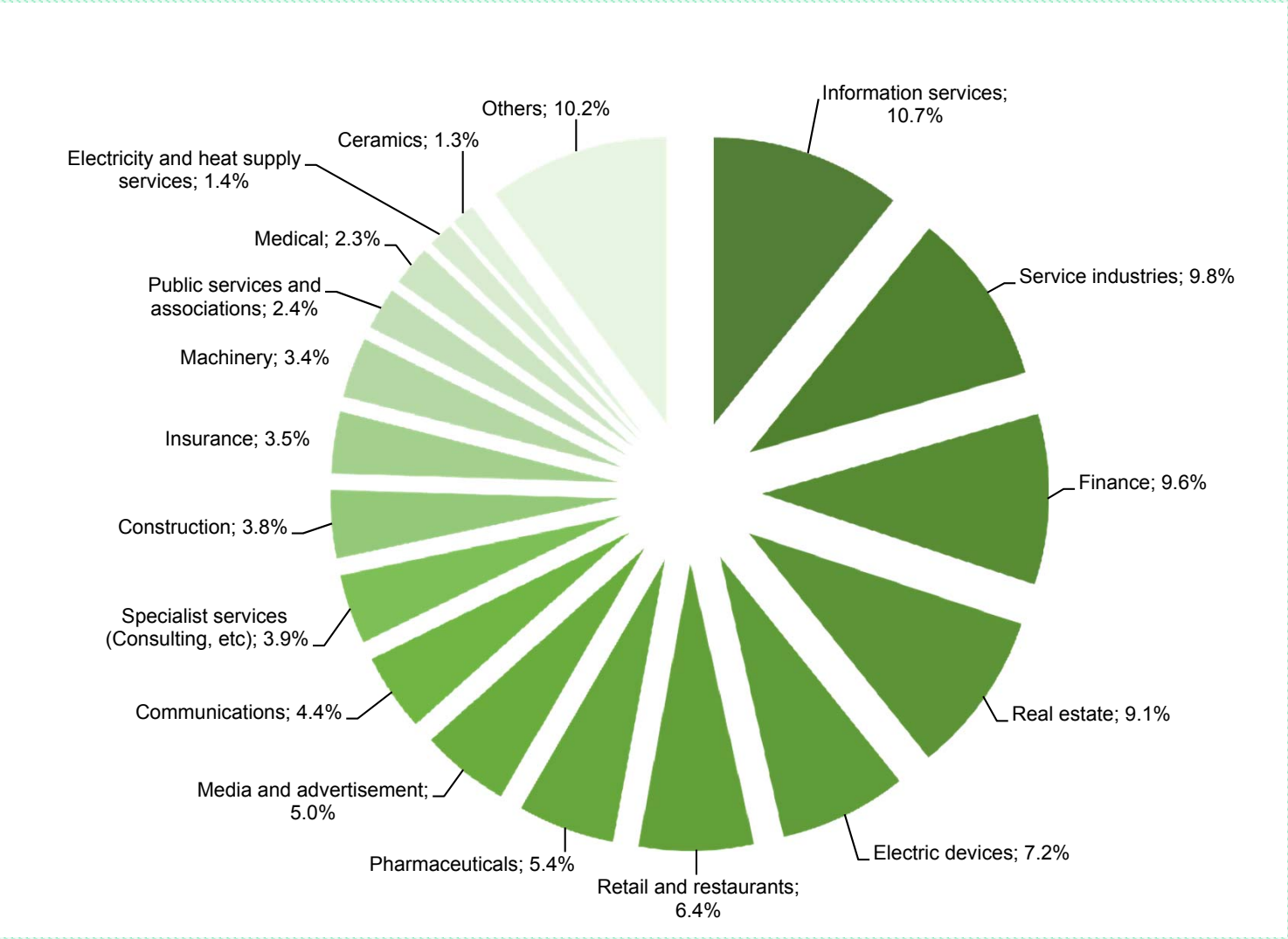
* Acquisition price basis

* Tokyo metropolitan area represents Tokyo, Saitama, Chiba and Kanagawa prefecture.

Tenant Diversification and Changes in the Number of Tenants

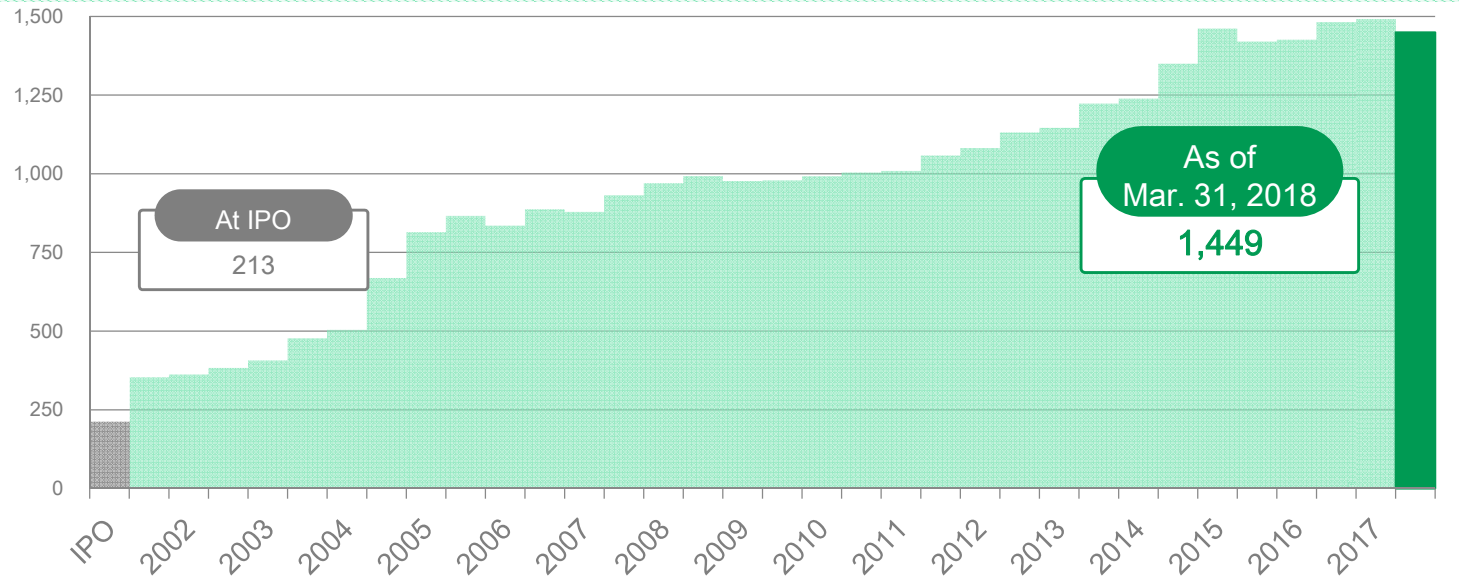
Tenant Diversification

68 properties as of March 31, 2018 Based on the office space leased
Excluding Shinjuku South Gate Project (Land) and Shibuya Cross Tower (Land)



Number of Tenants

* The number of tenants is disclosed based on the gross number of tenants by building.



Major Tenants and Ratios

Major Tenants / Top 10

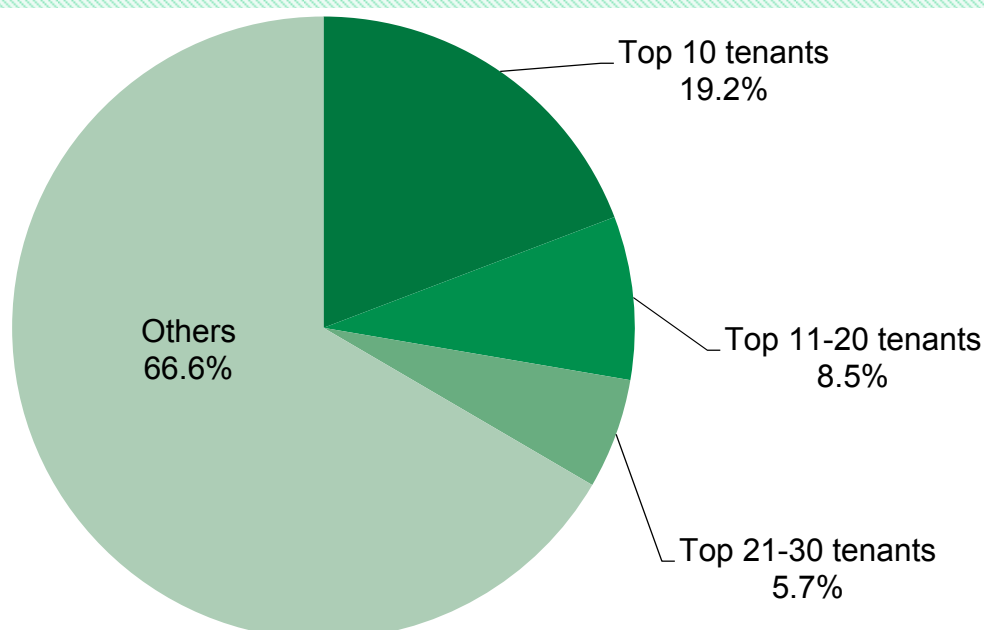
68 properties as of March 31, 2018 Based on the office space leased
Excluding Shinjuku South Gate Project (Land) and Shibuya Cross Tower (Land)

| Mar. 2018 period | | | | | Sep. 2017 period | | Leased Office Space Change(m²) |
|------------------|---|--|-------------------------|--------------------------------|------------------|-------------------------|--------------------------------|
| Rank | Tenant | Property | Leased Office Space(m²) | % of Total Leased Office Space | Rank | Leased Office Space(m²) | |
| 1 | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | Harumi Front (also includes 3 other buildings) | 33,912 | 4.1% | 1 | 33,912 | 0 |
| 2 | Not disclosed (Note) | Kitanomaru Square (also includes 2 other buildings) | 22,305 | 2.7% | 2 | 22,305 | 0 |
| 3 | Not disclosed (Note) | Osaki Front Tower (also includes 2 other buildings) | 21,672 | 2.6% | 3 | 21,849 | (177) |
| 4 | NTT Communications Corporation | Shiodome Building | 16,243 | 2.0% | 4 | 16,243 | 0 |
| 5 | HAKUHODO DY HOLDINGS INCORPORATED | Akasaka Park Building (also includes 1 other building) | 13,403 | 1.6% | 5 | 13,403 | 0 |
| 6 | SQUARE ENIX HOLDINGS CO., LTD. | Shinjuku Eastside Square | 11,321 | 1.4% | 15 | 6,427 | 4,893 |
| 7 | Mitsubishi UFJ Trust and Banking Corporation | Mitsubishi UFJ Trust and Banking Building | 10,598 | 1.3% | 6 | 10,598 | 0 |
| 8 | JGC Corporation | MM Park Building (also includes 1 other building) | 10,246 | 1.2% | 7 | 10,246 | 0 |
| 9 | TOTO LTD. | Shiodome Building (also includes 1 other building) | 9,694 | 1.2% | 8 | 9,694 | 0 |
| 10 | Minato Mirai 21 District Heating and Cooling Co., Ltd | Queen's Tower A | 9,536 | 1.2% | 9 | 9,536 | 0 |
| 11 | Company A | | 9,316 | 1.1% | 10 | 9,316 | 0 |
| 12 | Company B | | 8,774 | 1.1% | 11 | 8,774 | 0 |
| 13 | Company C | | 8,567 | 1.0% | 12 | 8,567 | 0 |
| 14 | Company D | | 6,880 | 0.8% | 13 | 6,880 | 0 |
| 15 | Company E | | 6,493 | 0.8% | 14 | 6,493 | 0 |

(Note) Not disclosed due to tenant's request

Percentage of Major Tenants

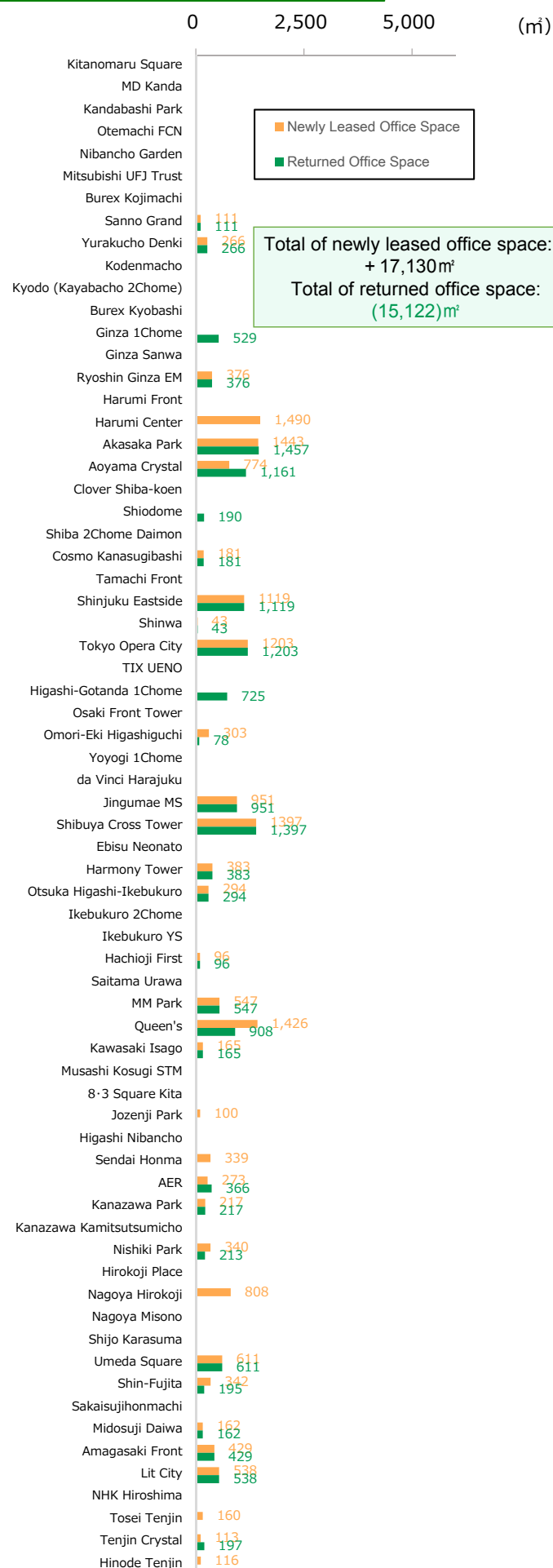
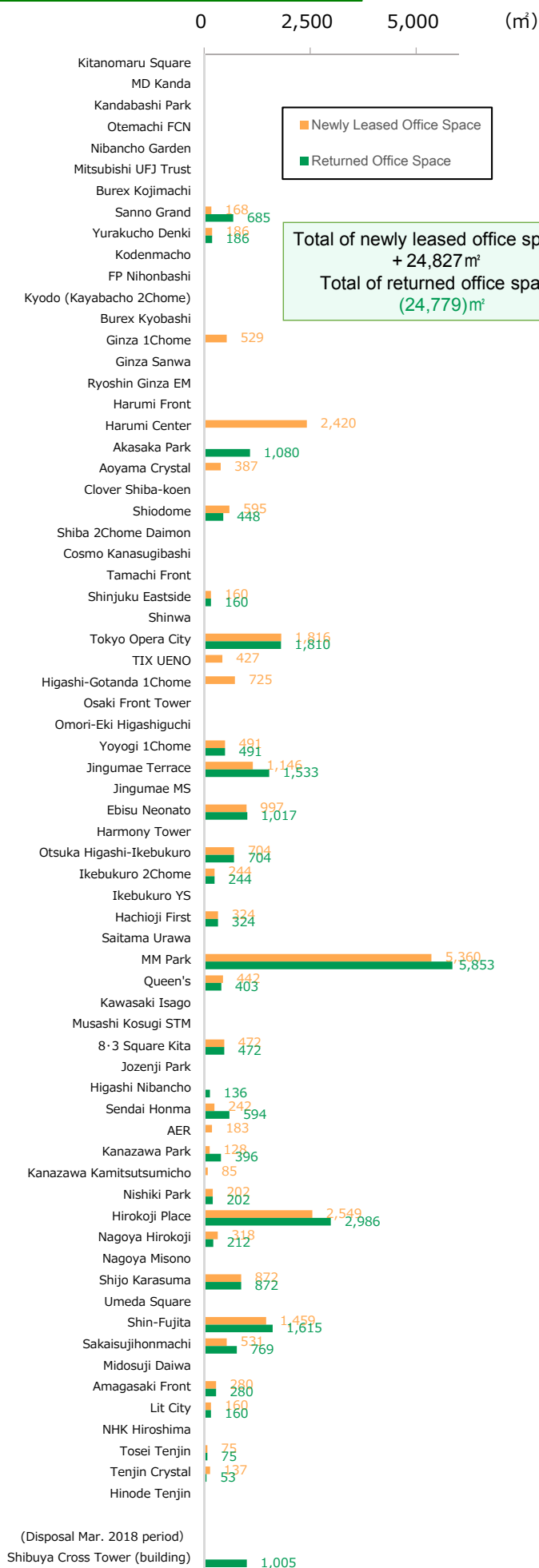
68 properties as of March 31, 2018 Based on the office space leased
Excluding Shinjuku South Gate Project (Land) and Shibuya Cross Tower (Land)



Newly Leased & Returned Office Space of Each Property

Tenant Turnover in Mar. 2018 period

Tenant Turnover in Sep. 2017 period



Portfolio List as of March 31, 2018 (Occupancy Rate, etc.)

| Area | | Name | As of March 31, 2018 (Actual) | | | | | | | As of September 30, 2018 (Forecast) | | | | | | |
|----------------|---------------------|--------------------------|-------------------------------|-------------------------|---------------------|-----------------------------|---------------------|-----------------------------|-------------------|-------------------------------------|-------------------------|---------------------|-----------------------------|---------------------|-----------------------------|--------|
| | | | Leasable Office Space (㎡) | Leased Office Space (㎡) | Vacant Area (㎡) | | Occupancy Rate | | Number of Tenants | Leasable Office Space (㎡) | Leased Office Space (㎡) | Vacant Area (㎡) | | Occupancy Rate | | |
| | | | | | As of Mar. 31, 2018 | Variance from Sep. 30, 2017 | As of Mar. 31, 2018 | Variance from Sep. 30, 2017 | | | | As of Sep. 30, 2018 | Variance from Mar. 31, 2018 | As of Sep. 30, 2018 | Variance from Mar. 31, 2018 | |
| Tokyo 23 Wards | Chiyoda | Kitanomaru Square | 25,678 | 25,678 | 0 | | 100.0% | | 5 | 25,678 | 25,678 | 0 | | 100.0% | | |
| | | MD Kanda | 6,269 | 6,269 | 0 | | 100.0% | | 9 | 6,269 | 6,269 | 0 | | 100.0% | | |
| | | Kandabashi Park | 3,687 | 3,687 | 0 | | 100.0% | | 10 | 3,687 | 3,687 | 0 | | 100.0% | | |
| | | Otemachi FCN | 5,121 | 5,121 | 0 | | 100.0% | | 2 | 5,121 | 5,121 | 0 | | 100.0% | | |
| | | Nibancho Garden | 9,316 | 9,316 | 0 | | 100.0% | | 1 | 9,316 | 9,316 | 0 | | 100.0% | | |
| | | Mitsubishi UFJ Trust | 11,904 | 11,904 | 0 | | 100.0% | | 10 | 11,904 | 11,883 | 20 | 20 | 99.8% | (0.2)% | |
| | | Burex Kojimachi | 4,495 | 4,495 | 0 | | 100.0% | | 1 | 4,495 | 4,495 | 0 | | 100.0% | | |
| | | Sanno Grand | 20,665 | 20,054 | 611 | 517 | 97.0% | (2.5)% | 43 | 20,595 | 20,595 | 0 | (611) | 100.0% | 3.0% | |
| | Chuo | Yurakucho Denki | 4,697 | 4,697 | 0 | | 100.0% | | 11 | 4,697 | 4,697 | 0 | | 100.0% | | |
| | | Kodenmacho | 3,897 | 3,897 | 0 | | 100.0% | | 11 | 3,897 | 3,897 | 0 | | 100.0% | | |
| | | FP Nihonbashi | 8,468 | 8,468 | 0 | - | 100.0% | - | 2 | 8,468 | 8,468 | 0 | | 100.0% | | |
| | | Kyodo (Kayabacho 2Chome) | 4,464 | 4,464 | 0 | | 100.0% | | 10 | 4,464 | 3,893 | 571 | 571 | 87.2% | (12.8)% | |
| | | Burex Kyobashi | 4,279 | 4,279 | 0 | | 100.0% | | 1 | 4,279 | 4,279 | 0 | | 100.0% | | |
| | | Ginza 1Chome | 4,513 | 4,513 | 0 | (529) | 100.0% | 11.7% | 8 | 4,513 | 4,513 | 0 | | 100.0% | | |
| | | Ginza Sanwa | 4,326 | 4,326 | 0 | | 100.0% | | 11 | 4,326 | 4,326 | 0 | | 100.0% | | |
| | | Ryoshin Ginza EM | 4,255 | 4,255 | 0 | | 100.0% | | 12 | 4,255 | 4,255 | 0 | | 100.0% | | |
| | | Harumi Front | 33,369 | 33,369 | 0 | | 100.0% | | 8 | 33,369 | 33,369 | 0 | | 100.0% | | |
| | | Harumi Center | 20,812 | 20,439 | 373 | (2,420) | 98.2% | 11.6% | 12 | 20,812 | 20,439 | 373 | | 98.2% | | |
| | | Minato | Akasaka Park | 44,999 | 43,919 | 1,080 | 1,080 | 97.6% | (2.4)% | 28 | 44,999 | 44,999 | 0 | (1,080) | 100.0% | 2.4% |
| | Aoyama Crystal | | 4,898 | 4,898 | 0 | (387) | 100.0% | 7.9% | 8 | 4,898 | 4,898 | 0 | | 100.0% | | |
| | Clover Shiba-koen | | 2,550 | 2,550 | 0 | | 100.0% | | 8 | 2,550 | 2,282 | 268 | 268 | 89.5% | (10.5)% | |
| | Shiodome | | 44,213 | 44,151 | 62 | (147) | 99.9% | 0.4% | 36 | 44,213 | 44,151 | 62 | | 99.9% | | |
| | Shiba 2Chome Daimon | | 9,606 | 9,606 | 0 | | 100.0% | | 24 | 9,606 | 9,494 | 112 | 112 | 98.8% | (1.2)% | |
| | Cosmo Kanasugibashi | | 4,062 | 4,062 | 0 | | 100.0% | | 8 | 4,062 | 4,062 | 0 | | 100.0% | | |
| | Tamachi Front | | 3,792 | 3,792 | 0 | | 100.0% | | 8 | 3,792 | 3,792 | 0 | | 100.0% | | |
| | Shinjuku | | Shinjuku Eastside | 36,237 | 36,237 | 0 | | 100.0% | | 41 | 36,237 | 36,237 | 0 | | 100.0% | |
| | | Shinjuku Front | - | - | - | - | - | - | - | 15,705 | 14,775 | 929 | - | 94.1% | - | |
| | | Shinwa | 5,997 | 5,997 | 0 | | 100.0% | | 14 | 5,997 | 5,037 | 960 | 960 | 84.0% | (16.0)% | |
| | | Tokyo Opera City | 34,951 | 34,824 | 127 | | 99.6% | | 100 | 34,951 | 34,817 | 134 | 7 | 99.6% | | |
| | Taito | TIX UENO | 15,020 | 15,020 | 0 | (427) | 100.0% | 2.8% | 17 | 15,016 | 14,471 | 544 | 544 | 96.4% | (3.6)% | |
| | Shinagawa | Higashi-Gotanda 1Chome | 5,205 | 5,205 | 0 | (725) | 100.0% | 13.9% | 5 | 5,205 | 5,205 | 0 | | 100.0% | | |
| | | Osaki Front Tower | 16,856 | 16,856 | 0 | | 100.0% | | 1 | 16,856 | 16,856 | 0 | | 100.0% | | |
| | Ota | Omori-Eki Higashiguchi | 7,706 | 7,706 | 0 | | 100.0% | | 26 | 7,706 | 7,706 | 0 | | 100.0% | | |
| | Shibuya | Yoyogi 1Chome | 7,745 | 7,745 | 0 | | 100.0% | | 7 | 7,745 | 7,745 | 0 | | 100.0% | | |
| | | Jingumae Terrace | 3,147 | 2,760 | 386 | 386 | 87.7% | (12.3)% | 6 | 3,147 | 3,147 | 0 | (386) | 100.0% | 12.3% | |
| | | Jingumae MS | 5,558 | 5,558 | 0 | | 100.0% | | 5 | 5,558 | 5,558 | 0 | | 100.0% | | |
| | | Ebisu Neonato | 8,659 | 8,659 | 0 | (20) | 100.0% | 0.2% | 6 | 8,659 | 8,659 | 0 | | 100.0% | | |
| | Nakano | Harmony Tower | 14,340 | 14,340 | 0 | | 100.0% | | 22 | 14,340 | 14,340 | 0 | | 100.0% | | |
| | Toshima | Otsuka Higashi-Ikebukuro | 7,224 | 7,224 | 0 | | 100.0% | | 5 | 7,224 | 7,224 | 0 | | 100.0% | | |
| | | Ikebukuro 2Chome | 2,186 | 2,186 | 0 | | 100.0% | | 9 | 2,186 | 2,186 | 0 | | 100.0% | | |
| | | Ikebukuro YS | 5,932 | 5,932 | 0 | | 100.0% | | 10 | 5,932 | 5,932 | 0 | | 100.0% | | |
| Other Areas | Hachioji | Hachioji First | 10,068 | 10,068 | 0 | | 100.0% | | 48 | 10,068 | 10,011 | 56 | 56 | 99.4% | (0.6)% | |
| | | Saitama | Saitama Urawa | 4,510 | 4,510 | 0 | | 100.0% | | 18 | 4,510 | 4,510 | 0 | | 100.0% | |
| | Yokohama | MM Park | 38,426 | 36,494 | 1,931 | 492 | 95.0% | (1.3)% | 33 | 38,426 | 37,446 | 979 | (952) | 97.5% | 2.5% | |
| | | Queen's | 26,669 | 26,496 | 172 | (38) | 99.4% | 0.2% | 51 | 26,669 | 26,410 | 258 | 85 | 99.0% | (0.4)% | |
| | Kawasaki | Kawasaki Isago | 6,831 | 6,831 | 0 | | 100.0% | | 14 | 6,831 | 6,765 | 66 | 66 | 99.0% | (1.0)% | |
| | | Musashi Kosugi STM | 5,378 | 5,378 | 0 | | 100.0% | | 26 | 5,378 | 5,378 | 0 | | 100.0% | | |
| | Sapporo | 8-3 Square Kita | 12,265 | 12,265 | 0 | | 100.0% | | 8 | 12,265 | 12,265 | 0 | | 100.0% | | |
| | Sendai | Jozenji Park | 2,518 | 2,518 | 0 | | 100.0% | | 17 | 2,518 | 2,518 | 0 | | 100.0% | | |
| | | Higashi Nibancho | 20,526 | 20,390 | 136 | 136 | 99.3% | (0.7)% | 22 | 20,526 | 20,390 | 136 | | 99.3% | | |
| | | Sendai Honma | 6,234 | 5,882 | 351 | 351 | 94.4% | (5.6)% | 26 | 6,234 | 5,882 | 351 | | 94.4% | | |
| | | AER | 23,612 | 23,612 | 0 | (183) | 100.0% | 0.8% | 65 | 23,612 | 23,612 | 0 | | 100.0% | | |
| | Kanazawa | Kanazawa Park | 20,942 | 20,674 | 268 | 268 | 98.7% | (1.3)% | 83 | 20,942 | 20,915 | 27 | (241) | 99.9% | 1.2% | |
| | | Kanazawa Kamitsutsumicho | 7,206 | 7,129 | 77 | (85) | 98.9% | 1.2% | 27 | 7,206 | 7,129 | 77 | | 98.9% | | |
| | Nagoya | Nishiki Park | 10,338 | 10,315 | 23 | | 99.8% | | 62 | 10,338 | 10,241 | 97 | 73 | 99.1% | (0.7)% | |
| | | Hirokoji Place | 13,200 | 12,763 | 436 | 436 | 96.7% | (3.3)% | 32 | 13,200 | 12,989 | 210 | (226) | 98.4% | 1.7% | |
| | | Nagoya Hirokoji | 21,427 | 21,361 | 65 | (105) | 99.7% | 0.5% | 39 | 21,427 | 21,361 | 65 | | 99.7% | | |
| | | Nagoya Misono | 3,448 | 3,448 | 0 | | 100.0% | | 16 | 3,448 | 3,448 | 0 | | 100.0% | | |
| | Kyoto | Shijo Karasuma | 6,634 | 6,634 | 0 | | 100.0% | | 12 | 6,634 | 6,634 | 0 | | 100.0% | | |
| | Osaka | Umeda Square | 10,370 | 10,370 | 0 | | 100.0% | | 42 | 10,370 | 9,436 | 934 | 934 | 91.0% | (9.0)% | |
| | | Shin-Fujita | 28,403 | 28,246 | 156 | 156 | 99.4% | (0.6)% | 49 | 28,403 | 27,516 | 886 | 729 | 96.9% | (2.5)% | |
| | | Sakaisujihonmachi | 11,520 | 11,281 | 238 | 238 | 97.9% | (2.1)% | 22 | 11,520 | 11,520 | 0 | (238) | 100.0% | 2.1% | |
| | | Midosuji Daiwa | 20,450 | 20,450 | 0 | | 100.0% | | 42 | 20,450 | 20,450 | 0 | | 100.0% | | |
| | Amagasaki | Amagasaki Front | 15,500 | 15,500 | 0 | | 100.0% | | 29 | 15,500 | 15,500 | 0 | | 100.0% | | |
| | Okayama | Lit City | 9,965 | 9,965 | 0 | | 100.0% | | 36 | 9,965 | 9,965 | 0 | | 100.0% | | |
| | Hiroshima | NHK Hiroshima | 9,860 | 9,860 | 0 | | 100.0% | | 12 | 9,860 | 9,860 | 0 | | 100.0% | | |
| | Fukuoka | Tosei Tenjin | 3,995 | 3,995 | 0 | | 100.0% | | 24 | 3,995 | 3,995 | 0 | | 100.0% | | |
| | | Tenjin Crystal | 5,964 | 5,964 | 0 | (83) | 100.0% | 1.4% | 31 | 5,964 | 5,964 | 0 | | 100.0% | | |
| | | Hinode Tenjin | 5,944 | 5,944 | 0 | | 100.0% | | 2 | 5,944 | 5,944 | 0 | | 100.0% | | |
| | Tokyo 23 Wards | | | 471,118 | 468,476 | 2,641 | (2,673) | 99.4% | 0.5% | 561 | 486,748 | 482,771 | 3,977 | 1,336 | 99.2% | (0.2)% |
| | Other Areas | | | 362,217 | 358,359 | 3,858 | 1,584 | 98.9% | (0.5)% | 888 | 362,217 | 358,069 | 4,148 | 289 | 98.9% | |
| | Portfolio | | | 833,335 | 826,836 | 6,499 | (1,089) | 99.2% | 0.1% | 1,449 | 848,966 | 840,840 | 8,125 | 1,625 | 99.0% | (0.2)% |

*The above-mentioned office space and occupancy rates do not include the residential portions. Leasable office space and occupancy rates of the residential portions as of March 31, 2018 are 11,694 m² 97.6% of Kitanomaru Square, 10,780 m² 90.5% of Akasaka Park, 1,686 m² 100.0% of Nibancho Garden, 954 m² 88.5% of Nishiki Park.

*The Number of tenants is disclosed based on the gross number of tenants by building.

Appraisal Values of Properties

(In millions of yen)

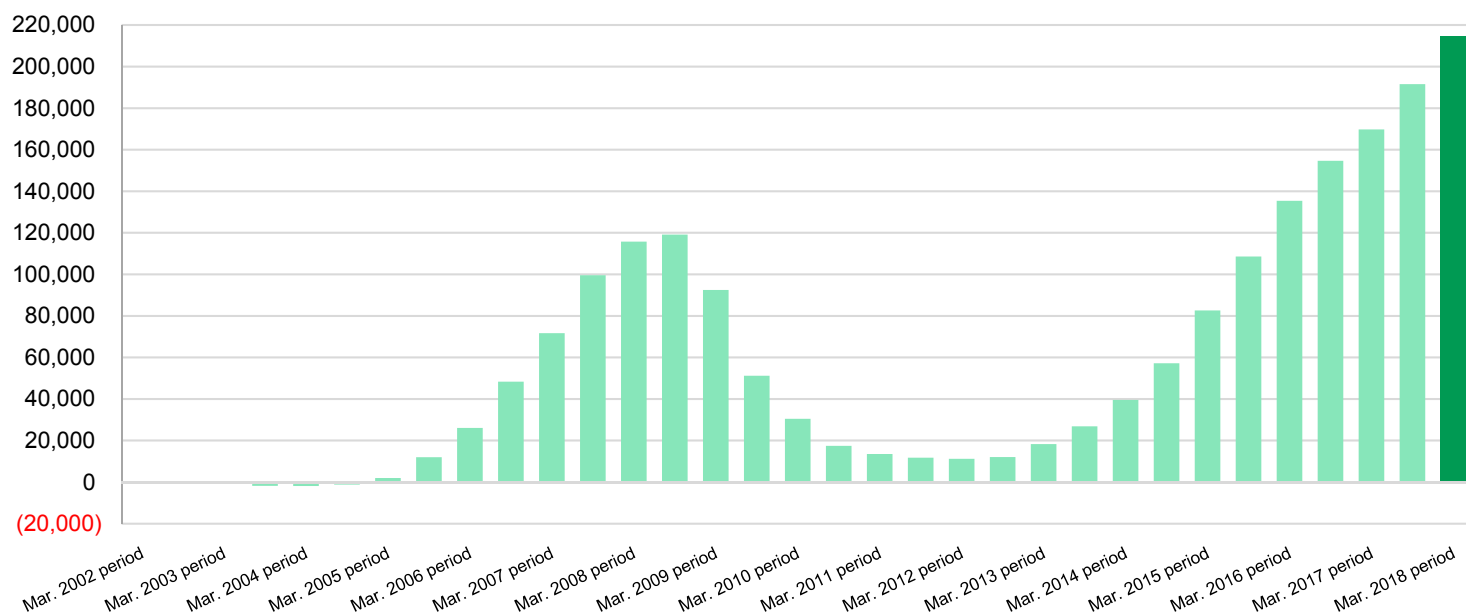
| Area | | Name | Mar. 2018 period Appraisal Value | Sep. 2017 period Appraisal Value | Amount of Difference | Mar. 2018 period Book Value | Mar. 2018 period Appraisal Value - Book Value | Acquisition Price | |
|----------------|--|------------------------------------|--|--|-------------------------|--------------------------------|---|----------------------|---------|
| Tokyo 23 Wards | Chiyoda | Kitanomaru Square | 85,000 | 82,400 | 2,600 | 72,027 | 12,972 | 81,555 | |
| | | MD Kanda | 8,490 | 8,470 | 20 | 8,706 | (216) | 9,520 | |
| | | Kandabashi Park | 4,700 | 4,740 | (40) | 4,469 | 230 | 4,810 | |
| | | Otemachi FCN | 20,200 | 19,600 | 600 | 15,022 | 5,177 | 15,462 | |
| | | Nibancho Garden | 18,800 | 18,300 | 500 | 12,404 | 6,395 | 14,700 | |
| | | Mitsubishi UFJ Trust | 55,600 | 53,600 | 2,000 | 28,828 | 26,771 | 44,700 | |
| | | Burex Kojimachi | 7,070 | 7,070 | 0 | 5,578 | 1,491 | 7,000 | |
| | | Sanno Grand | 33,300 | 33,300 | 0 | 21,283 | 12,016 | 20,900 | |
| | | Yurakucho Denki | 8,560 | 8,300 | 260 | 7,693 | 866 | 7,200 | |
| | Chuo | Kodenmacho | 2,940 | 2,930 | 10 | 2,753 | 186 | 3,173 | |
| | | Kyodo (Kayabacho 2Chome) | 5,000 | 4,990 | 10 | 4,176 | 823 | 4,410 | |
| | | Burex Kyobashi | 7,740 | 7,880 | (140) | 4,433 | 3,306 | 5,250 | |
| | | Ginza 1Chome | 7,770 | 7,540 | 230 | 6,357 | 1,412 | 6,459 | |
| | | Ginza Sanwa | 18,700 | 18,400 | 300 | 17,193 | 1,506 | 16,830 | |
| | | Ryoshin Ginza EM | 6,520 | 6,450 | 70 | 7,425 | (905) | 7,999 | |
| | | Harumi Front | 40,100 | 39,000 | 1,100 | 28,077 | 12,022 | 31,300 | |
| | | Harumi Center | 20,300 | 19,600 | 700 | 22,213 | (1,913) | 26,800 | |
| | | Minato | Akasaka Park | 76,000 | 73,900 | 2,100 | 59,784 | 16,215 | 60,800 |
| | Aoyama Crystal | | 8,790 | 8,380 | 410 | 7,072 | 1,717 | 7,680 | |
| | Clover Shiba-koen | | 4,620 | 4,620 | 0 | 4,533 | 86 | 4,500 | |
| | Shiodome | | 122,000 | 119,000 | 3,000 | 102,420 | 19,579 | 106,930 | |
| | Shiba 2Chome Daimon | | 6,910 | 6,680 | 50 | 5,006 | 1,903 | 4,859 | |
| | Cosmo Kanasugibashi | | 3,250 | 3,170 | 80 | 2,506 | 743 | 2,808 | |
| | Tamachi Front | | 6,510 | 6,510 | 0 | 6,242 | 267 | 6,210 | |
| | Shinjuku | | Shinjuku Eastside (existing share) | 33,400 | 33,700 | (300) | 29,943 | 3,456 | 29,760 |
| | | | Shinwa | 7,720 | 7,290 | 430 | 7,788 | (68) | 7,830 |
| | | Tokyo Opera City | 35,400 | 34,500 | 900 | 28,124 | 7,275 | 31,776 | |
| | Taito | TIX UENO | 25,700 | 25,700 | 0 | 19,552 | 6,147 | 22,000 | |
| | Shinagawa | Higashi-Gotanda 1Chome | 6,650 | 6,460 | 190 | 4,410 | 2,239 | 5,500 | |
| | | Osaki Front Tower | 16,900 | 16,600 | 300 | 9,111 | 7,788 | 12,300 | |
| | Ota | Omori-Eki Higashiguchi | 5,910 | 5,850 | 60 | 4,716 | 1,193 | 5,123 | |
| | Shibuya | Shinjuku South Gate Project (Land) | 5,500 | 5,490 | 10 | 5,572 | (72) | 5,500 | |
| | | Yoyogi 1Chome | 12,300 | 12,000 | 300 | 6,883 | 5,416 | 8,700 | |
| | | Jingumae Terrace | 7,050 | 6,910 | 140 | 4,896 | 2,153 | 4,885 | |
| | | Jingumae MS | 10,500 | 10,500 | 0 | 10,700 | (200) | 12,200 | |
| | | Ebisu Neonato | 18,400 | 17,800 | 600 | 14,124 | 4,275 | 14,612 | |
| | Nakano | Harmony Tower | 14,400 | 14,100 | 300 | 9,940 | 4,459 | 11,120 | |
| | Toshima | Otsuka Higashi-Ikebukuro | 4,590 | 4,500 | 90 | 3,384 | 1,205 | 3,541 | |
| | | Ikebukuro 2Chome | 1,830 | 1,750 | 80 | 1,562 | 267 | 1,728 | |
| | | Ikebukuro YS | 5,480 | 5,190 | 290 | 4,091 | 1,388 | 4,500 | |
| Other Areas | Hachioji | Hachioji First | 5,050 | 5,010 | 40 | 4,905 | 144 | 5,679 | |
| | Saitama | Saitama Urawa | 2,480 | 2,470 | 10 | 2,491 | (11) | 2,574 | |
| | Yokohama | MM Park | 40,400 | 39,800 | 600 | 31,728 | 8,671 | 37,400 | |
| | | Queen's | 21,900 | 21,500 | 400 | 16,329 | 5,570 | 17,200 | |
| | Kawasaki | Kawasaki Isago | 3,160 | 2,890 | 270 | 2,904 | 255 | 3,375 | |
| | | Musashi Kosugi STM | 4,450 | 4,360 | 90 | 3,814 | 635 | 4,000 | |
| | Sapporo | 8・3 Square Kita | 9,150 | 8,690 | 460 | 5,892 | 3,257 | 7,100 | |
| | Sendai | Jozenji Park | 1,030 | 1,020 | 10 | 1,003 | 26 | 1,000 | |
| | | Higashi Nibancho | 13,700 | 13,500 | 200 | 8,961 | 4,738 | 9,950 | |
| | | Sendai Honma | 2,610 | 2,550 | 60 | 2,871 | (261) | 3,174 | |
| | | AER | 20,000 | 19,900 | 100 | 18,251 | 1,748 | 18,640 | |
| | Kanazawa | Kanazawa Park | 5,580 | 5,340 | 240 | 4,374 | 1,205 | 4,580 | |
| | | Kanazawa Kamitsutsumicho | 3,070 | 3,020 | 50 | 2,679 | 390 | 2,780 | |
| | Nagoya | Nishiki Park | 5,240 | 5,130 | 110 | 5,129 | 110 | 5,975 | |
| | | Hirokoji Place | 11,100 | 10,900 | 200 | 8,022 | 3,077 | 8,567 | |
| | | Nagoya Hirokoji | 12,700 | 12,700 | 0 | 15,481 | (2,781) | 14,533 | |
| | | Nagoya Misono | 1,380 | 1,320 | 60 | 1,500 | (120) | 1,865 | |
| | Kyoto | Shijo Karasuma | 5,600 | 5,410 | 190 | 3,940 | 1,659 | 4,400 | |
| | Osaka | Umeda Square | 16,800 | 16,800 | 0 | 15,655 | 1,144 | 15,523 | |
| | | Shin-Fujita | 19,700 | 19,200 | 500 | 22,013 | (2,313) | 24,000 | |
| | | Sakaisujihonmachi | 3,430 | 3,480 | (50) | 3,673 | (243) | 4,164 | |
| | | Midosuji Daiwa | 14,800 | 14,600 | 200 | 13,783 | 1,016 | 14,314 | |
| | Amagasaki | Amagasaki Front | 10,100 | 10,100 | 0 | 8,712 | 1,387 | 9,300 | |
| | Okayama | Lit City | 4,610 | 4,540 | 70 | 3,085 | 1,524 | 4,650 | |
| | Hiroshima | NHK Hiroshima | 3,210 | 2,920 | 290 | 2,949 | 260 | 2,770 | |
| | Fukuoka | Tosei Tenjin | 1,430 | 1,410 | 20 | 1,368 | 61 | 1,550 | |
| | | Tenjin Crystal | 3,050 | 2,880 | 170 | 3,961 | (911) | 5,000 | |
| | | Hinode Tenjin | 4,280 | 4,190 | 90 | 3,397 | 882 | 3,657 | |
| | Existing properties excluding the properties acquired/disposed during Mar. 2018 Period | | Tokyo 23 Wards | 790,600 | 773,350 | 17,250 | 621,012 | 169,587 | 682,932 |
| | | | Other Areas | 250,010 | 245,630 | 4,380 | 218,883 | 31,126 | 237,720 |
| | | | Total (68 properties) | 1,040,610 | 1,018,980 | 21,630 | 839,896 | 200,713 | 920,653 |
| | Portion of property disposed during Mar. 2018 period. | | | | | | | | |
| | Tokyo 23 Wards | Shibuya | Shibuya Cross Tower (Land) (Note) | 38,300 | - | - | 27,186 | 11,113 | 26,524 |
| | Properties acquired during Mar. 2018 Period | | | | | | | | |
| | Tokyo 23 Wards | Chuo | FP Nihonbashi | 17,800 | - | - | 17,697 | 102 | 17,560 |
| | | Shinjuku | Shinjuku Eastside (additional share) | 25,500 | - | - | 22,798 | 2,701 | 25,460 |
| | Properties held as of Mar. 2018 Period | | | | | | | | |
| | Tokyo 23 Wards | | | 872,200 | - | - | 688,694 | 183,505 | 752,476 |
| | Other Areas | | | 250,010 | - | - | 218,883 | 31,126 | 237,720 |
| | Total (70 properties) | | | 1,122,210 | - | - | 907,577 | 214,632 | 990,197 |

*The properties for which additional shares were acquired/disposed during Mar. 2018 period among properties held at the end of Sep. 2017 are listed separately. (The appraisal value at the end of Sep. 2017 has been left out of the above.)

(Note) As Shibuya Cross Tower (Building) was disposed as of January 18, 2018, it is described as portion of property disposed during Mar. 2018 period. The figures in appraisal value and book value for Mar. 2018 period indicate only the land with leasehold interest.

Trend of Unrealized Gain or Loss

(In millions of yen)



(In millions of yen, except for per-unit data)

| | | Mar. 2002 period | Sep. 2002 period | Mar. 2003 period | Sep. 2003 period | Mar. 2004 period | Sep. 2004 period | Mar. 2005 period | Sep. 2005 period | Mar. 2006 period | Sep. 2006 period | Mar. 2007 period |
|--------------------------------------|-----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Appraisal value at the end of period | A | 144,940 | 165,251 | 184,704 | 191,271 | 217,150 | 238,961 | 293,342 | 339,029 | 439,799 | 467,001 | 498,741 |
| Book value | B | 145,580 | 165,088 | 184,304 | 193,058 | 219,032 | 240,134 | 291,350 | 327,005 | 413,708 | 418,607 | 427,013 |
| Unrealized gain or loss | A-B=C | (640) | 162 | 399 | (1,787) | (1,882) | (1,173) | 1,991 | 12,023 | 26,090 | 48,393 | 71,727 |
| Unrealized gain or loss ratio | C/B | (0.4)% | 0.1% | 0.2% | (0.9)% | (0.9)% | (0.5)% | 0.7% | 3.7% | 6.3% | 11.6% | 16.8% |
| <Reference> | Units outstanding | D | 320,800 units | 450,800 units | 450,800 units | 520,800 units | 520,800 units | 520,800 units | 690,800 units | 690,800 units | 690,800 units | 820,000 units |
| | Unrealized gain or loss per unit | C/D=E | (1,995) yen | 359 yen | 887 yen | (3,965) yen | (3,614) yen | (2,252) yen | 3,823 yen | 17,405 yen | 37,768 yen | 87,472 yen |
| | Net asset value per unit | F | 260,795 yen | 255,212 yen | 256,013 yen | 256,344 yen | 263,538 yen | 263,592 yen | 264,149 yen | 299,627 yen | 299,737 yen | 331,545 yen |
| | Adjusted net asset value per unit | E+F=G | 258,800 yen | 255,571 yen | 256,900 yen | 252,379 yen | 259,923 yen | 261,340 yen | 267,973 yen | 317,032 yen | 337,506 yen | 419,018 yen |
| | Unit price at the end of period | H | 265,000 yen | 255,500 yen | 296,000 yen | 324,000 yen | 415,000 yen | 437,500 yen | 437,500 yen | 457,500 yen | 500,000 yen | 780,000 yen |
| | H/G | | 1.02 times | 1.00 times | 1.15 times | 1.28 times | 1.60 times | 1.67 times | 1.63 times | 1.44 times | 1.51 times | 1.86 times |

| | | Sep. 2007 period | Mar. 2008 period | Sep. 2008 period | Mar. 2009 period | Sep. 2009 period | Mar. 2010 period | Sep. 2010 period | Mar. 2011 period | Sep. 2011 period | Mar. 2012 period | Sep. 2012 period |
|--------------------------------------|-----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Appraisal value at the end of period | A | 531,100 | 619,160 | 644,700 | 636,770 | 591,920 | 645,239 | 632,112 | 642,220 | 634,357 | 693,230 | 712,888 |
| Book value | B | 431,463 | 503,376 | 525,503 | 544,245 | 540,709 | 614,734 | 614,593 | 628,689 | 622,542 | 681,970 | 700,829 |
| Unrealized gain or loss | A-B=C | 99,636 | 115,783 | 119,196 | 92,524 | 51,210 | 30,504 | 17,518 | 13,530 | 11,814 | 11,259 | 12,058 |
| Unrealized gain or loss ratio | C/B | 23.1% | 23.0% | 22.7% | 17.0% | 9.5% | 5.0% | 2.9% | 2.2% | 1.9% | 1.7% | 1.7% |
| <Reference> | Units outstanding | D | 820,000 units | 886,000 units | 886,000 units | 886,000 units | 978,400 units | 978,400 units | 978,400 units | 978,400 units | 1,098,080 units | 1,098,080 units |
| | Unrealized gain or loss per unit | C/D=E | 121,507 yen | 130,681 yen | 134,533 yen | 104,429 yen | 57,799 yen | 17,905 yen | 13,828 yen | 12,075 yen | 10,253 yen | 10,981 yen |
| | Net asset value per unit | F | 332,035 yen | 350,504 yen | 345,429 yen | 345,403 yen | 345,492 yen | 340,585 yen | 339,877 yen | 339,385 yen | 340,014 yen | 339,565 yen |
| | Adjusted net asset value per unit | E+F=G | 453,543 yen | 481,186 yen | 479,962 yen | 449,832 yen | 403,291 yen | 371,763 yen | 357,783 yen | 353,213 yen | 352,090 yen | 349,818 yen |
| | Unit price at the end of period | H | 690,000 yen | 580,000 yen | 418,000 yen | 378,000 yen | 367,000 yen | 398,500 yen | 379,500 yen | 393,500 yen | 377,000 yen | 393,000 yen |
| | H/G | | 1.52 times | 1.21 times | 0.87 times | 0.84 times | 0.91 times | 1.07 times | 1.06 times | 1.11 times | 1.07 times | 1.12 times |

| | | Mar. 2013 period | Sep. 2013 period | Mar. 2014 period | Sep. 2014 period | Mar. 2015 period | Sep. 2015 period | Mar. 2016 period | Sep. 2016 period | Mar. 2017 period | Sep. 2017 period | Mar. 2018 period |
|--------------------------------------|-----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Appraisal value at the end of period | A | 758,210 | 775,147 | 829,152 | 843,367 | 912,125 | 977,666 | 996,828 | 1,011,368 | 1,042,319 | 1,069,480 | 1,122,210 |
| Book value | B | 739,901 | 748,257 | 789,543 | 786,106 | 829,449 | 869,034 | 861,360 | 856,657 | 872,534 | 877,837 | 907,577 |
| Unrealized gain or loss | A-B=C | 18,308 | 26,889 | 39,608 | 57,260 | 82,675 | 108,631 | 135,467 | 154,710 | 169,784 | 191,642 | 214,632 |
| Unrealized gain or loss ratio | C/B | 2.5% | 3.6% | 5.0% | 7.3% | 10.0% | 12.5% | 15.7% | 18.1% | 19.5% | 21.8% | 23.6% |
| <Reference> | Units outstanding | D | 1,188,280 units | 1,188,280 units | 1,251,530 units | 1,251,530 units | 1,309,310 units | 1,309,310 units | 1,309,310 units | 1,309,310 units | 1,309,310 units | 1,309,310 units |
| | Unrealized gain or loss per unit | C/D=E | 15,407 yen | 22,629 yen | 33,332 yen | 45,752 yen | 66,059 yen | 82,968 yen | 103,464 yen | 129,674 yen | 146,368 yen | 163,927 yen |
| | Net asset value per unit | F | 341,065 yen | 341,178 yen | 341,128 yen | 348,871 yen | 348,909 yen | 358,026 yen | 358,238 yen | 358,478 yen | 359,213 yen | 359,505 yen |
| | Adjusted net asset value per unit | E+F=G | 356,472 yen | 363,807 yen | 374,461 yen | 394,623 yen | 414,969 yen | 440,995 yen | 461,702 yen | 476,640 yen | 488,335 yen | 523,432 yen |
| | Unit price at the end of period | H | 644,500 yen | 574,000 yen | 518,000 yen | 564,000 yen | 565,000 yen | 551,000 yen | 650,000 yen | 605,000 yen | 590,000 yen | 541,000 yen |
| | H/G | | 1.81 times | 1.58 times | 1.38 times | 1.43 times | 1.36 times | 1.25 times | 1.41 times | 1.27 times | 1.21 times | 1.05 times |

* Unrealized gain or loss means the difference between appraisal value and book value at the end of each period.

* Appraisal values at the end of period are survey values determined by institutional appraisers for Mar. 2002 period through Mar. 2006 period, or appraisal values determined by institutional appraisers for Sep. 2006 period through Mar. 2018 period, at the end of each period.

* As JRE implemented a 2-for-1 split of each investment unit as of January 1, 2014, the figures for Mar. 2002 period through Sep. 2013 period are taken the split into account.

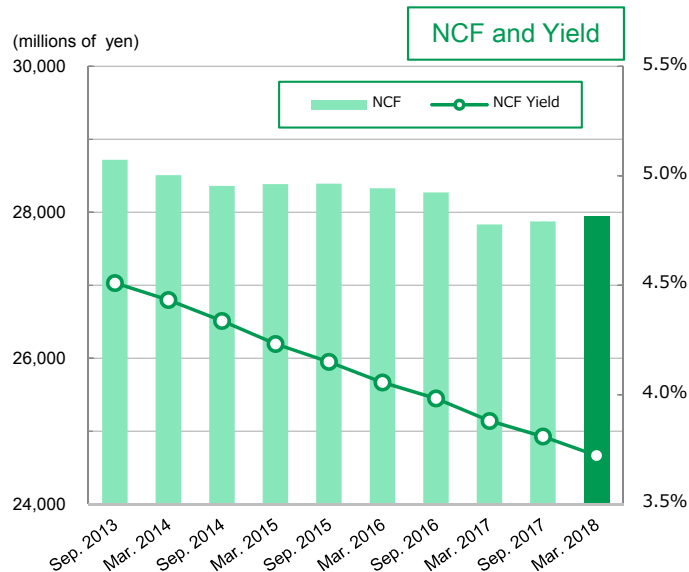
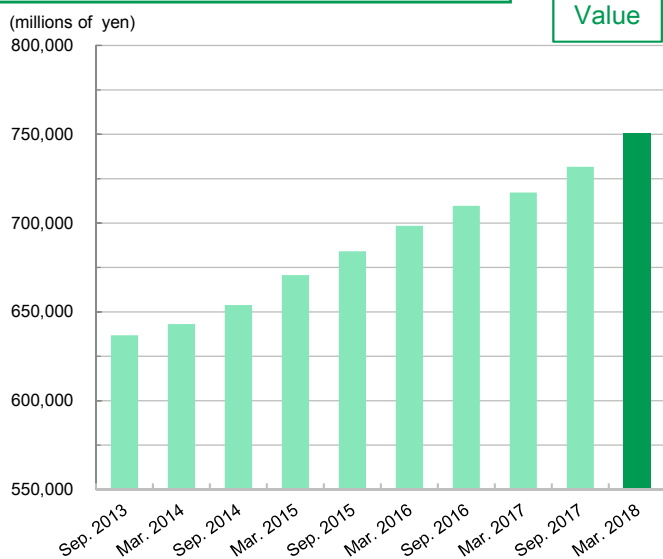
Details of Appraisal Values as of March 31, 2018

| (In million of yen) | | | | | | | | | | | | | | | | | |
|------------------------------------|-------------------|---|---------------|-------------------|----------|-------------|------------------|---------------|-------------------|----------|-------------|-----------------|-----------------|---------------|-------------------|---------|-----------|
| Name | Acquisition Price | Appraisal Value as of the End of period | | | | | | | | | | | | | | | |
| | | Sep. 2017 period | | | | | Mar. 2018 period | | | | | Change | | | | | |
| | | Appraisal Value | DC | | DCF | | Appraisal Value | DC | | DCF | | Appraisal Value | Change In Value | DC | | DCF | |
| Cap Rate | Assessed CF | | Discount Rate | Terminal Cap Rate | Cap Rate | Assessed CF | | Discount Rate | Terminal Cap Rate | Cap Rate | Assessed CF | | | Discount Rate | Terminal Cap Rate | | |
| Kitanomaru Square | 81,555 | 82,400 | 3.30% | 2,785 | 3.10% | 3.50% | 85,000 | 3.20% | 2,789 | 3.00% | 3.40% | 2600 | 3.2% | (0.10)% | 0.1% | (0.10)% | (0.10)% |
| MD Kanda | 9,520 | 8,470 | 3.60% | 314 | 3.40% | 3.80% | 8,490 | 3.60% | 314 | 3.40% | 3.80% | 20 | 0.2% | 0.00% | 0.0% | 0.00% | 0.00% |
| Kandabashi Park | 4,810 | 4,740 | 3.60% | 173 | 3.40% | 3.80% | 4,700 | 3.50% | 169 | 3.30% | 3.70% | (40) | (0.8)% | (0.10)% | (2.7)% | (0.10)% | (0.10)% |
| Otemachi FCN | 15,462 | 19,600 | 2.90% | 584 | 2.60% | 3.00% | 20,200 | 2.80% | 584 | 2.50% | 2.90% | 600 | 3.1% | (0.10)% | 0.0% | (0.10)% | (0.10)% |
| Nibancho Garden | 14,700 | 18,300 | 3.80% | 713 | 3.60% | 4.00% | 18,800 | 3.70% | 713 | 3.50% | 3.90% | 500 | 2.7% | (0.10)% | 0.0% | (0.10)% | (0.10)% |
| Mitsubishi UFJ Trust | 44,700 | 53,600 | 2.80% | 1,527 | 2.50% | 2.90% | 55,600 | 2.70% | 1,527 | 2.40% | 2.80% | 2000 | 3.7% | (0.10)% | 0.0% | (0.10)% | (0.10)% |
| Burex Kojimachi | 7,000 | 7,070 | 3.50% | 254 | 3.30% | 3.70% | 7,070 | 3.50% | 254 | 3.30% | 3.70% | 0 | 0.0% | 0.00% | 0.0% | 0.00% | 0.00% |
| Sanno Grand | 20,900 | 33,300 | 3.60% | 1,218 | 3.30% | 3.70% | 33,300 | 3.60% | 1,219 | 3.30% | 3.70% | 0 | 0.0% | 0.00% | 0.1% | 0.00% | 0.00% |
| Yurakucho Denki | 7,200 | 8,300 | 3.40% | 288 | 3.20% | 3.60% | 8,560 | 3.30% | 289 | 3.10% | 3.50% | 260 | 3.1% | (0.10)% | 0.4% | (0.10)% | (0.10)% |
| Kodenmachi | 3,173 | 2,930 | 4.00% | 122 | 3.80% | 4.20% | 2,940 | 4.00% | 122 | 3.80% | 4.20% | 10 | 0.3% | 0.00% | 0.0% | 0.00% | 0.00% |
| Kyodo (Kayabacho 2Chome) | 4,410 | 4,990 | 3.70% | 190 | 3.50% | 3.90% | 5,000 | 3.70% | 190 | 3.50% | 3.90% | 10 | 0.2% | 0.00% | 0.0% | 0.00% | 0.00% |
| Burex Kyobashi | 5,250 | 7,880 | 3.40% | 274 | 3.20% | 3.60% | 7,740 | 3.40% | 271 | 3.20% | 3.60% | (140) | (1.8)% | 0.00% | (1.2)% | 0.00% | 0.00% |
| Ginza 1Chome | 6,459 | 7,540 | 3.50% | 272 | 3.30% | 3.70% | 7,770 | 3.40% | 272 | 3.20% | 3.60% | 230 | 3.1% | (0.10)% | 0.0% | (0.10)% | (0.10)% |
| Ginza Sanwa | 16,830 | 18,400 | 2.80% | 521 | 2.80% | 2.80% | 18,700 | 2.70% | 511 | 2.70% | 2.70% | 300 | 1.6% | (0.10)% | (1.9)% | (0.10)% | (0.10)% |
| Ryoshin Ginza EM | 7,999 | 6,450 | 3.50% | 235 | 3.30% | 3.70% | 6,520 | 3.40% | 231 | 3.20% | 3.60% | 70 | 1.1% | (0.10)% | (1.6)% | (0.10)% | (0.10)% |
| Harumi Front | 31,300 | 39,000 | 4.10% | 1,637 | 3.80% | 4.40% | 40,100 | 4.00% | 1,631 | 3.80% | 4.20% | 1100 | 2.8% | (0.10)% | (0.4)% | 0.00% | (0.20)% |
| Harumi Center | 26,800 | 19,600 | 4.10% | 834 | 3.90% | 4.30% | 20,300 | 4.00% | 844 | 3.80% | 4.20% | 700 | 3.6% | (0.10)% | 1.3% | (0.10)% | (0.10)% |
| Akasaka Park | 60,800 | 73,900 | 3.40% | 2,568 | 3.20% | 3.60% | 76,000 | 3.30% | 2,571 | 3.10% | 3.50% | 2100 | 2.8% | (0.10)% | 0.1% | (0.10)% | (0.10)% |
| Aoyama Crystal | 7,680 | 8,380 | 3.40% | 292 | 3.20% | 3.60% | 8,790 | 3.30% | 298 | 3.10% | 3.50% | 410 | 4.9% | (0.10)% | 2.2% | (0.10)% | (0.10)% |
| Clover Shiba-koen | 4,500 | 4,620 | 4.00% | 186 | 3.70% | 4.10% | 4,620 | 4.00% | 186 | 3.70% | 4.10% | 0 | 0.0% | 0.00% | 0.0% | 0.00% | 0.00% |
| Shiodome | 106,930 | 119,000 | 3.40% | 4,160 | 3.20% | 3.60% | 122,000 | 3.30% | 4,149 | 3.10% | 3.50% | 3000 | 2.5% | (0.10)% | (0.3)% | (0.10)% | (0.10)% |
| Shiba 2Chome Daimon | 4,859 | 6,860 | 4.00% | 288 | 3.80% | 4.20% | 6,910 | 3.90% | 283 | 3.70% | 4.10% | 50 | 0.7% | (0.10)% | (1.8)% | (0.10)% | (0.10)% |
| Cosmo Kanasugibashi | 2,808 | 3,170 | 4.00% | 131 | 3.80% | 4.20% | 3,250 | 3.90% | 131 | 3.70% | 4.10% | 80 | 2.5% | (0.10)% | 0.1% | (0.10)% | (0.10)% |
| Tamachi Front | 6,210 | 6,510 | 3.60% | 239 | 3.40% | 3.80% | 6,510 | 3.60% | 239 | 3.40% | 3.80% | 0 | 0.0% | 0.00% | 0.0% | 0.00% | 0.00% |
| Shinjuku Eastside (existing share) | 29,760 | 33,700 | 3.90% | 1,313 | 3.50% | 4.00% | 33,400 | 3.90% | 1,306 | 3.50% | 4.00% | (300) | (0.9)% | 0.00% | (0.6)% | 0.00% | 0.00% |
| Shinwa | 7,830 | 7,290 | 3.70% | 277 | 3.50% | 3.90% | 7,720 | 3.60% | 287 | 3.40% | 3.80% | 430 | 5.9% | (0.10)% | 3.5% | (0.10)% | (0.10)% |
| Tokyo Opera City | 31,776 | 34,500 | 3.70% | 1,351 | 3.50% | 3.90% | 35,400 | 3.60% | 1,349 | 3.40% | 3.80% | 900 | 2.6% | (0.10)% | (0.2)% | (0.10)% | (0.10)% |
| TIX UENO | 22,000 | 25,700 | 3.70% | 969 | 3.50% | 3.90% | 25,700 | 3.70% | 972 | 3.50% | 3.90% | 0 | 0.0% | 0.00% | 0.3% | 0.00% | 0.00% |
| Higashi-Gotanda 1Chome | 5,500 | 6,460 | 3.80% | 248 | 3.50% | 3.90% | 6,650 | 3.70% | 249 | 3.40% | 3.80% | 190 | 2.9% | (0.10)% | 0.3% | (0.10)% | (0.10)% |
| Osaki Front Tower | 12,300 | 16,600 | 4.10% | 932 | 3.90% | 4.30% | 16,900 | 3.90% | 932 | 3.70% | 4.10% | 300 | 1.8% | (0.20)% | 0.0% | (0.20)% | (0.20)% |
| Omori-Eki Higashiguchi | 5,123 | 5,850 | 4.40% | 263 | 4.20% | 4.60% | 5,910 | 4.30% | 260 | 4.10% | 4.50% | 60 | 1.0% | (0.10)% | (1.1)% | (0.10)% | (0.10)% |
| Shinjuku South Gate Project (Land) | 5,500 | 5,490 | - | 171 | 3.45% | - | 5,500 | - | 171 | 3.50% | - | 10 | 0.2% | - | 0.0% | 0.05% | - |
| Yoyogi 1Chome | 8,700 | 12,000 | 3.50% | 428 | 3.30% | 3.70% | 12,300 | 3.40% | 428 | 3.20% | 3.60% | 300 | 2.5% | (0.10)% | 0.0% | (0.10)% | (0.10)% |
| Jingumae Terrace | 4,885 | 6,910 | 3.70% | 262 | 3.50% | 3.90% | 7,050 | 3.60% | 261 | 3.40% | 3.80% | 140 | 2.0% | (0.10)% | (0.6)% | (0.10)% | (0.10)% |
| Jingumae MS | 12,200 | 10,500 | 3.30% | 355 | 3.10% | 3.50% | 10,500 | 3.30% | 355 | 3.10% | 3.50% | 0 | 0.0% | 0.00% | 0.1% | 0.00% | 0.00% |
| Ebisu Neonato | 14,612 | 17,800 | 3.50% | 648 | 3.30% | 3.70% | 18,400 | 3.40% | 646 | 3.20% | 3.60% | 600 | 3.4% | (0.10)% | (0.3)% | (0.10)% | (0.10)% |
| Harmony Tower | 11,120 | 14,100 | 4.00% | 585 | 3.80% | 4.20% | 14,400 | 3.90% | 585 | 3.70% | 4.10% | 300 | 2.1% | (0.10)% | 0.0% | (0.10)% | (0.10)% |
| Otsuka Higashi-Ikebukuro | 3,541 | 4,500 | 4.90% | 219 | 4.60% | 5.00% | 4,590 | 4.80% | 219 | 4.50% | 4.90% | 90 | 2.0% | (0.10)% | (0.4)% | (0.10)% | (0.10)% |
| Ikebukuro 2Chome | 1,728 | 1,750 | 4.40% | 78 | 4.20% | 4.60% | 1,830 | 4.30% | 81 | 4.10% | 4.50% | 80 | 4.6% | (0.10)% | 4.0% | (0.10)% | (0.10)% |
| Ikebukuro YS | 4,500 | 5,190 | 4.20% | 224 | 4.00% | 4.40% | 5,480 | 4.10% | 233 | 3.90% | 4.30% | 290 | 5.6% | (0.10)% | 4.0% | (0.10)% | (0.10)% |
| Hachioji First | 5,679 | 5,010 | 4.70% | 245 | 4.50% | 4.90% | 5,050 | 4.70% | 248 | 4.50% | 4.90% | 40 | 0.8% | 0.00% | 1.1% | 0.00% | 0.00% |
| Saitama Urawa | 2,574 | 2,470 | 4.80% | 120 | 4.60% | 5.00% | 2,480 | 4.70% | 119 | 4.50% | 4.90% | 10 | 0.4% | (0.10)% | (0.8)% | (0.10)% | (0.10)% |
| MM Park | 37,400 | 39,800 | 4.20% | 1,698 | 4.00% | 4.40% | 40,400 | 4.10% | 1,696 | 3.90% | 4.30% | 600 | 1.5% | (0.10)% | (0.1)% | (0.10)% | (0.10)% |
| Queen's | 17,200 | 21,500 | 4.20% | 911 | 3.90% | 4.50% | 21,900 | 4.10% | 911 | 3.80% | 4.40% | 400 | 1.9% | (0.10)% | 0.0% | (0.10)% | (0.10)% |
| Kawasaki Isago | 3,375 | 2,890 | 4.70% | 135 | 4.50% | 4.90% | 3,160 | 4.60% | 147 | 4.40% | 4.80% | 270 | 9.3% | (0.10)% | 8.3% | (0.10)% | (0.10)% |
| Musashi Kosugi STM | 4,000 | 4,360 | 4.60% | 200 | 4.40% | 4.80% | 4,450 | 4.50% | 201 | 4.30% | 4.70% | 90 | 2.1% | (0.10)% | 0.1% | (0.10)% | (0.10)% |
| 8・3 Square Kita | 7,100 | 8,690 | 4.80% | 430 | 4.60% | 5.00% | 9,150 | 4.70% | 446 | 4.50% | 4.90% | 460 | 5.3% | (0.10)% | 3.9% | (0.10)% | (0.10)% |
| Jozenji Park | 1,000 | 1,020 | 5.50% | 57 | 5.30% | 5.70% | 1,030 | 5.40% | 57 | 5.20% | 5.60% | 10 | 1.0% | (0.10)% | (0.3)% | (0.10)% | (0.10)% |
| Higashi Nibancho | 9,950 | 13,500 | 5.00% | 659 | 4.80% | 5.20% | 13,700 | 4.90% | 662 | 4.70% | 5.10% | 200 | 1.5% | (0.10)% | 0.5% | (0.10)% | (0.10)% |
| Sendai Honma | 3,174 | 2,550 | 5.20% | 138 | 5.00% | 5.40% | 2,610 | 5.10% | 135 | 4.90% | 5.30% | 60 | 2.4% | (0.10)% | (2.0)% | (0.10)% | (0.10)% |
| AER | 18,640 | 19,900 | 4.10% | 841 | 3.90% | 4.30% | 20,000 | 4.10% | 843 | 3.90% | 4.30% | 100 | 0.5% | 0.00% | 0.2% | 0.00% | 0.00% |
| Kanazawa Park | 4,580 | 5,340 | 5.70% | 323 | 5.50% | 5.90% | 5,580 | 5.60% | 332 | 5.40% | 5.80% | 240 | 4.5% | (0.10)% | 2.7% | (0.10)% | (0.10)% |
| Kanazawa Kamitsutsumicho | 2,780 | 3,020 | 5.60% | 175 | 5.40% | 5.80% | 3,070 | 5.50% | 175 | 5.30% | 5.70% | 50 | 1.7% | (0.10)% | 0.0% | (0.10)% | (0.10)% |
| Nishiki Park | 5,975 | 5,130 | 4.90% | 260 | 4.70% | 5.10% | 5,240 | 4.80% | 260 | 4.60% | 5.00% | 110 | 2.1% | (0.10)% | 0.1% | (0.10)% | (0.10)% |
| Hirokoji Place | 8,567 | 10,900 | 4.30% | 472 | 4.10% | 4.50% | 11,100 | 4.20% | 472 | 4.00% | 4.40% | 200 | 1.8% | (0.10)% | (0.2)% | (0.10)% | (0.10)% |
| Nagoya Hirokoji | 14,533 | 12,700 | 4.60% | 610 | 4.40% | 4.80% | 12,700 | 4.50% | 595 | 4.30% | 4.70% | 0 | 0.0% | (0.10)% | (2.4)% | (0.10)% | (0.10)% |
| Nagoya Misono | 1,865 | 1,320 | 4.90% | 65 | 4.70% | 5.10% | 1,380 | 4.80% | 67 | 4.60% | 5.00% | 60 | 4.5% | (0.10)% | 2.8% | (0.10)% | (0.10)%</ |

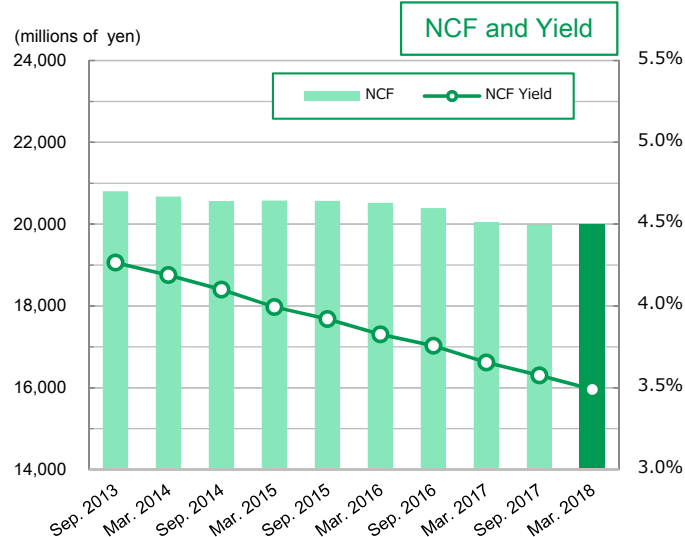
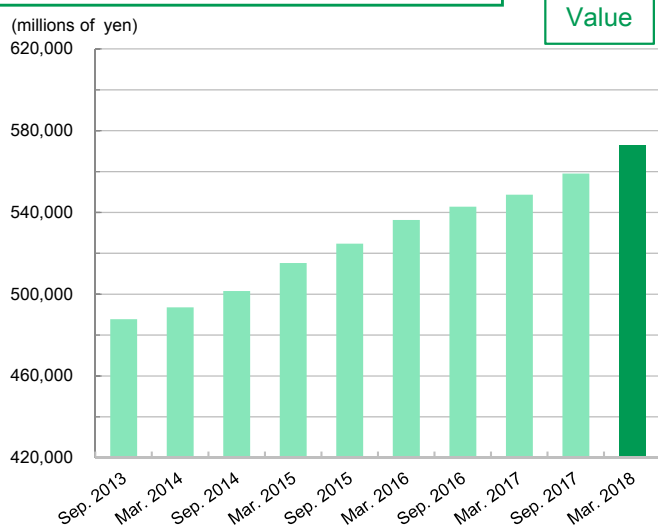
Historical Appraisal Values and NCF

53 properties of JRE's portfolio with constantly held ownership without increase or decrease of share as of September 30, 2013 through March 31, 2018.

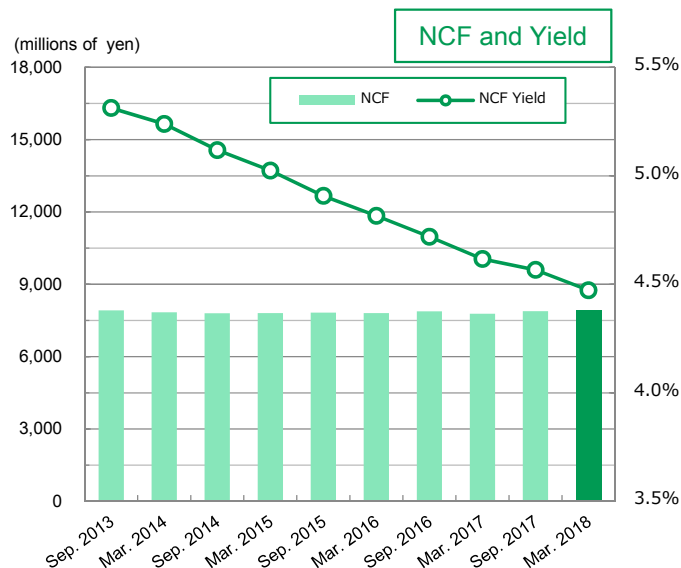
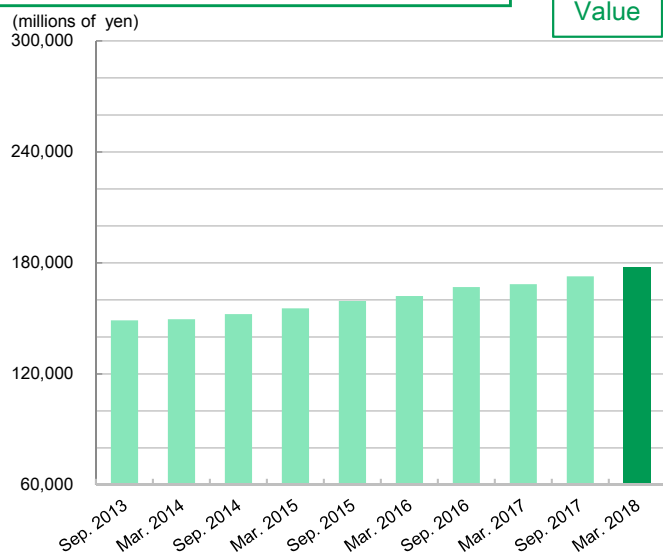
Overall



Tokyo 23 Wards



Other Areas



*Value: Calculated using direct capitalization (DC) method based on appraisal value as of the end of each period

*NCF: Net cash flow in the above DC method

*Yield: Annualized NCF / Value

Performance (Operating Results) of Each Property for Mar. 2018 period

(In millions of yen)

| Property Name | Performance (October 1, 2017 – March 31, 2018) | | | | | | | | | | | | |
|------------------------------------|---|---------------------------|------------------------------|--------------------|--------------------------|--------------------|--------------------|------------------|----------------|---|---------------------|-----------|-----------------|
| | Property-related Revenues | Property-related Expenses | | | | | | | | (2) Property-related Profits and Losses | (3) NOI ((1) + (2)) | (4) Capex | NCF ((3) - (4)) |
| | | | Property Management Expenses | Utilities Expenses | Property and Other Taxes | Casualty Insurance | Repairing Expenses | (1) Depreciation | Other Expenses | | | | |
| Kitanomaru Square | 1,732 | 772 | 140 | 70 | 94 | 2 | 52 | 412 | - | 960 | 1,373 | 36 | 1,336 |
| MD Kanda | 228 | 84 | 15 | 17 | 20 | 0 | 1 | 28 | - | 144 | 173 | 0 | 172 |
| Kandabashi Park | 120 | 39 | 1 | - | 16 | 0 | 3 | 17 | - | 80 | 98 | 6 | 92 |
| Otemachi FCN | 350 | 179 | 29 | 17 | 44 | 0 | 0 | 86 | - | 171 | 257 | - | 257 |
| Nibancho Garden | 479 | 233 | 61 | 22 | 53 | 0 | 5 | 90 | - | 246 | 336 | 13 | 322 |
| Mitsubishi UFJ Trust | 992 | 373 | 52 | 53 | 136 | 1 | 16 | 113 | 0 | 618 | 731 | 40 | 690 |
| Burex Kojimachi | 153 | 83 | - | - | 13 | 0 | 6 | 62 | - | 70 | 133 | 2 | 130 |
| Sanno Grand | 951 | 408 | 101 | 52 | 105 | 1 | 68 | 78 | - | 542 | 620 | 121 | 499 |
| Yurakucho Denki | 268 | 131 | 33 | 19 | 41 | 0 | 5 | 30 | - | 136 | 167 | 38 | 128 |
| Kodenmacho | 116 | 56 | 14 | 8 | 11 | 0 | 4 | 13 | 3 | 60 | 73 | - | 73 |
| FP Nihonbashi | 153 | 46 | 9 | 5 | 0 | 0 | - | 31 | - | 106 | 138 | - | 138 |
| Kyodo (Kayabacho 2Chome) | 148 | 56 | 11 | 10 | 11 | 0 | 1 | 21 | - | 92 | 113 | 4 | 109 |
| Burex Kyobashi | 157 | 37 | - | - | 11 | 0 | 1 | 23 | - | 120 | 144 | 2 | 142 |
| Ginza 1Chome | 168 | 98 | 18 | 8 | 10 | 0 | 2 | 58 | - | 69 | 128 | 0 | 127 |
| Ginza Sanwa | 400 | 135 | 26 | 16 | 65 | 0 | 2 | 23 | 0 | 264 | 288 | 1 | 286 |
| Ryoshin Ginza EM | 160 | 83 | 14 | 11 | 14 | 0 | 2 | 39 | - | 76 | 116 | 10 | 105 |
| Harumi Front | 1,225 | 642 | 104 | 93 | 76 | 1 | 7 | 358 | - | 583 | 941 | - | 941 |
| Harumi Center | 521 | 383 | 83 | 35 | 46 | 0 | 5 | 210 | - | 138 | 348 | 12 | 336 |
| Akasaka Park | 2,193 | 1,228 | 220 | 239 | 272 | 4 | 91 | 400 | - | 964 | 1,365 | 189 | 1,176 |
| Aoyama Crystal | 271 | 85 | 17 | 10 | 29 | 0 | 8 | 20 | - | 185 | 206 | 0 | 205 |
| Clover Shiba-koen | 114 | 51 | 9 | 6 | 6 | 0 | 5 | 22 | - | 63 | 85 | 0 | 84 |
| Shiodome | 2,385 | 903 | 185 | 123 | 142 | 1 | 38 | 405 | 5 | 1,482 | 1,888 | 22 | 1,865 |
| Shiba 2Chome Daimon | 277 | 147 | 36 | 23 | 38 | 0 | 11 | 36 | 0 | 129 | 166 | 49 | 116 |
| Cosmo Kanasugibashi | 114 | 46 | 11 | 7 | 13 | 0 | 1 | 13 | - | 67 | 81 | 2 | 78 |
| Tamachi Front | 156 | 52 | 11 | 7 | 0 | 0 | 0 | 31 | - | 103 | 135 | - | 135 |
| Shinjuku Eastside | 863 | 347 | 56 | 56 | 47 | 1 | 0 | 184 | 0 | 516 | 701 | 1 | 700 |
| Shinwa | 221 | 101 | 18 | 16 | 19 | 0 | 13 | 32 | - | 119 | 152 | 147 | 5 |
| Tokyo Opera City | 1,565 | 1,084 | Undisclosed | Undisclosed | Undisclosed | Undisclosed | Undisclosed | Undisclosed | Undisclosed | 480 | Undisclosed | 296 | Undisclosed |
| TIX UENO | 666 | 372 | 58 | 35 | 38 | 1 | 4 | 234 | - | 294 | 529 | 1 | 528 |
| Higashi-Gotanda 1Chome | 182 | 95 | 17 | 17 | 14 | 0 | 3 | 43 | - | 86 | 129 | 6 | 123 |
| Osaki Front Tower | 707 | 489 | 66 | 40 | 27 | 0 | 5 | 256 | 92 | 217 | 473 | 3 | 470 |
| Omori-Eki Higashiguchi | 230 | 114 | 28 | 17 | 25 | 0 | 5 | 36 | - | 115 | 152 | 4 | 147 |
| Shinjuku South Gate Project (Land) | 60 | 20 | - | - | 20 | - | - | - | - | 39 | 39 | - | 39 |
| Yoyogi 1Chome | 306 | 133 | 23 | 19 | 23 | 0 | 3 | 62 | - | 172 | 235 | 3 | 232 |
| Jingumae Terrace | 165 | 62 | 17 | 8 | 16 | 0 | 4 | 16 | - | 102 | 119 | 31 | 87 |
| Jingumae MS | 290 | 147 | 22 | 19 | 47 | 0 | 18 | 39 | - | 142 | 182 | 59 | 122 |
| Shibuya Cross Tower (Land) | 1,191 | 599 | 98 | 74 | 123 | 2 | 11 | 286 | 1 | 592 | 879 | 69 | 810 |
| Ebisu Neonato | 471 | 218 | 59 | 22 | 37 | 1 | 8 | 89 | - | 252 | 341 | 84 | 257 |
| Harmony Tower | 471 | 265 | 142 | - | 56 | 1 | 12 | 52 | - | 205 | 258 | - | 258 |
| Otsuka Higashi-Ikebukuro | 222 | 97 | 23 | 20 | 12 | 0 | 1 | 40 | - | 124 | 165 | 3 | 161 |
| Ikebukuro 2Chome | 72 | 33 | 9 | 5 | 5 | 0 | 5 | 7 | - | 38 | 46 | 3 | 43 |
| Ikebukuro YS | 191 | 84 | 16 | 16 | 14 | 0 | 5 | 30 | - | 107 | 137 | 18 | 119 |
| Hachioji First | 240 | 117 | 50 | 1 | 26 | 0 | 4 | 34 | - | 123 | 157 | 2 | 154 |
| Saitama Urawa | 113 | 49 | 13 | 8 | 9 | 0 | 0 | 17 | - | 63 | 81 | - | 81 |
| MM Park | 1,185 | 699 | 154 | 156 | 78 | 1 | 13 | 294 | 0 | 486 | 781 | 11 | 769 |
| Queen's | 1,011 | 651 | 203 | 95 | 111 | 3 | 28 | 203 | 6 | 360 | 563 | 202 | 361 |
| Kawasaki Isago | 154 | 124 | 22 | 14 | 13 | 0 | 50 | 23 | - | 30 | 53 | 0 | 52 |
| Musashi Kosugi STM | 162 | 64 | 22 | 1 | 11 | 0 | 1 | 27 | - | 98 | 125 | 4 | 121 |
| 8・3 Square Kita | 326 | 178 | 29 | 52 | 22 | 0 | 2 | 69 | - | 148 | 218 | 2 | 215 |
| Jozenji Park | 65 | 41 | 10 | 7 | 6 | 0 | 4 | 11 | - | 24 | 35 | 15 | 20 |
| Higashi Nibancho | 609 | 267 | 60 | 48 | 39 | 0 | 12 | 106 | - | 342 | 448 | 3 | 445 |
| Sendai Honma | 130 | 68 | 16 | 13 | 15 | 0 | 4 | 17 | - | 62 | 79 | 11 | 68 |
| AER | 663 | 356 | 86 | 57 | 62 | 0 | 0 | 149 | 0 | 306 | 456 | - | 456 |
| Kanazawa Park | 500 | 355 | 101 | 56 | 64 | 1 | 60 | 71 | - | 145 | 216 | 151 | 65 |
| Kanazawa Kamitsutsumicho | 130 | 108 | 17 | 13 | 10 | 0 | 16 | 51 | - | 22 | 73 | - | 73 |
| Nishiki Park | 278 | 200 | 54 | 22 | 24 | 0 | 36 | 55 | 6 | 77 | 132 | 21 | 111 |
| Hirokoji Place | 385 | 209 | 36 | 31 | 33 | 0 | 34 | 72 | - | 176 | 248 | 8 | 240 |
| Nagoya Hirokoji | 568 | 417 | 86 | 41 | 60 | 1 | 67 | 159 | 0 | 150 | 310 | 102 | 207 |
| Nagoya Misono | 72 | 55 | 9 | 5 | 6 | 0 | 4 | 29 | - | 17 | 47 | 16 | 30 |
| Shijo Karasuma | 183 | 116 | 28 | 13 | 11 | 0 | 3 | 59 | - | 67 | 126 | 5 | 120 |
| Umeda Square | 463 | 260 | 47 | 32 | 46 | 0 | 53 | 79 | - | 203 | 283 | 227 | 55 |
| Shin-Fujita | 696 | 524 | 87 | 80 | 75 | 1 | 42 | 236 | - | 171 | 408 | 124 | 283 |
| Sakaisujihonmachi | 227 | 140 | 42 | 26 | 35 | 0 | 7 | 27 | 0 | 86 | 114 | 2 | 112 |
| Midotsuji Daiwa | 540 | 287 | 63 | 39 | 73 | 1 | 28 | 81 | - | 252 | 333 | 347 | -13 |
| Amagasaki Front | 442 | 228 | 66 | 27 | 26 | 0 | 5 | 102 | - | 213 | 316 | 12 | 303 |
| Lit City | 255 | 145 | 28 | 19 | 19 | 1 | 10 | 65 | - | 110 | 176 | - | 176 |
| NHK Hiroshima | 263 | 202 | 50 | 23 | 23 | 0 | 30 | 48 | 24 | 60 | 109 | 38 | 71 |
| Tosei Tenjin | 83 | 39 | 11 | 7 | 7 | 0 | 1 | 10 | - | 43 | 54 | 5 | 48 |
| Tenjin Crystal | 157 | 129 | 22 | 17 | 18 | 0 | 8 | 61 | - | 27 | 88 | 27 | 61 |
| Hinode Tenjin | 178 | 78 | 21 | 17 | 14 | 0 | 4 | 20 | - | 99 | 120 | 16 | 104 |
| Total | 31,816 | 16,749 | 3,623 | 2,388 | 2,916 | 55 | 1,093 | 6,499 | 172 | 15,066 | 21,566 | 2,652 | 18,913 |

* At the request of the co-owners of Tokyo Opera City, the breakdown of Property-related Expenses, NOI•NCF are not disclosed.

* Capex represents construction cost corresponding to capital expenditure during the period (excluding the brokerage fees related to real estate acquisition, incidental expenses of acquisition such as real-estate acquisition tax, which are reflected in the book value and expenses and furniture capitalized as construction in progress).

Other Portfolio Information for March 2018 period

As of March 31, 2018

| Area | | Name | Floor Area (Whole Building) (㎡) | Acquisition Date | Additional Acquisition Date | Ownership | Property Management Company |
|----------------|--------------------------|--------------------------|---------------------------------------|----------------------|--|--|--|
| Tokyo 23 Wards | Chiyoda | Kitanomaru Square | 57,279.20 | 02/24/06 | - | 100.00% | Mitsubishi Jisho Property Management Co., Ltd. |
| | | MD Kanda | 8,185.11 | 05/31/02 | - | 100.00% | Mitsui & Co. Foresight Ltd. |
| | | Kandabashi Park | 9,370.25 | 08/15/02 | - | 56.76% | Mitsubishi Estate Co., Ltd. |
| | | Otemachi FCN | 239,769.07 | 03/31/14 | - | 3.3852192% | NTT Urban Development Building Service Corporation |
| | | Nibancho Garden | 57,031.06 | 04/01/05 | - | 31.345% | The Dai-Ichi Building Co., Ltd. |
| | | Mitsubishi UFJ Trust | 108,171.67 | 03/28/07 | - | 19.38402% | Mitsubishi Estate Co., Ltd. |
| | | Burex Kojimachi | 6,526.64 | 07/29/05 | - | 100.0% | Space Design, Inc. |
| | | Sanno Grand | 33,875.95 | 01/31/05 | 04/03/06 | 99.0% | Mitsubishi Estate Co., Ltd. |
| | | Yurakucho Denki | 70,287.65 | 08/01/03 | - | 10.78% | Yuden Building Kanri Co., Ltd. |
| | Chuo | Kodenmachi | 5,822.88 | 09/25/01 | - | 100.0% | The Dai-Ichi Building Co., Ltd. |
| | | FP Nihonbashi | 11,672.55 | 01/19/18 | - | 100.0% | Mitsubishi Estate Co., Ltd. |
| | | Kyodo (Kayabacho 2Chome) | 5,505.80 | 03/01/11 | - | 100.0% | Mitsui & Co. Foresight Ltd. |
| | | Burex Kyobashi | 5,470.54 | 07/22/02 | - | 100.0% | Space Design, Inc. |
| | | Ginza 1Chome | 4,976.85 | 03/02/15 | - | 100.0% | Mitsubishi Jisho Property Management Co., Ltd. |
| | | Ginza Sanwa | 8,851.00 | 03/10/05 | - | 70.95% | Mitsubishi Jisho Property Management Co., Ltd. |
| | | Ryoshin Ginza EM | 5,751.68 | 03/15/05 | 05/24/10 | 100.0% | Mitsubishi Jisho Property Management Co., Ltd. |
| | | Harumi Front | 45,458.90 | 01/07/13 | - | 100.0% | Mitsubishi Estate Co., Ltd. |
| | | Harumi Center | 26,447.27 | 12/18/07 | - | 100.0% | Mitsubishi Estate Co., Ltd. |
| | | Minato | Akasaka Park | 97,489.16 | 11/15/11 | - | 100.0% |
| | Aoyama Crystal | | 8,094.36 | 03/14/03 | - | 100.0% | XYMAX ALPHA Corporation |
| | Clover Shiba-koen | | 3,496.01 | 01/20/15 | - | 100.0% | Mitsubishi Jisho Property Management Co., Ltd. |
| | Shiodome | | 115,930.83 | 12/19/08 | 01/15/10 05/01/15 03/30/17 09/01/17 | 55.0% | Mitsubishi Jisho Property Management Co., Ltd. |
| | Shiba 2Chome Daimon | | 16,235.10 | 09/10/01 | - | 100.0% | Tokio Marine & Nichido Facilities, Inc. |
| | Cosmo Kanasugibashi | | 5,420.93 | 09/25/01 | - | 100.0% | The Dai-Ichi Building Co., Ltd. |
| | Tamachi Front | | 5,747.80 | 03/30/17 | - | 100.0% | Mitsubishi Estate Co., Ltd. |
| | Shinjuku | Shinjuku Eastside | 167,245.46 | 10/01/14 | 01/25/17 03/30/18 | 31.0% | Mitsubishi Estate Co., Ltd. |
| | | Shinwa | 8,291.69 | 09/01/04 | - | 100.0% | Tokio Marine & Nichido Facilities, Inc. |
| | | Tokyo Opera City | 232,996.81 | 09/13/05 | 03/24/10 | 31.325% | Tokyo Opera City Building Co., Ltd. |
| | Taito | TIX UENO | 23,727.48 | 06/15/12 | - | 94.040229% | Mitsubishi Jisho Property Management Co., Ltd. |
| | Shinagawa | Higashi-Gotanda 1Chome | 6,460.39 | 11/01/04 | - | 100.0% | Mitsubishi Jisho Property Management Co., Ltd. |
| | | Osaki Front Tower | 23,673.92 | 02/01/11 | - | 100.0% | Mitsubishi Estate Co., Ltd. |
| | Ota | Omori-Eki Higashiguchi | 14,095.34 | 09/10/01 | - | 100.0% | Tokio Marine & Nichido Facilities, Inc. |
| | Shibuya | Yoyogi 1Chome | 10,778.10 | 04/01/04 | - | 100.0% | Tokio Marine & Nichido Facilities, Inc. |
| | | Jingumae Terrace | 4,359.20 | 11/22/02 | - | 100.0% | XYMAX ALPHA Corporation |
| | | Jingumae MS | 9,420.42 | 10/09/03 | - | 100.0% | Mitsubishi Jisho Property Management Co., Ltd. |
| | | Ebisu Neonato | 36,598.38 | 11/14/03 | 04/01/04 02/18/14 | 44.718394% | Mitsubishi Jisho Property Management Co., Ltd. |
| Nakano | Harmony Tower | 72,729.31 | 02/28/05 | 12/19/12 03/27/15 | 38.382307% | Mitsubishi Jisho Property Management Co., Ltd. | |
| Toshima | Otsuka Higashi-Ikebukuro | 9,531.28 | 09/25/01 | - | 100.0% | Sohgo Housing Co., Ltd | |
| | Ikebukuro 2Chome | 3,157.51 | 09/25/01 | - | 100.0% | Sohgo Housing Co., Ltd | |
| | Ikebukuro YS | 7,464.64 | 08/02/04 | - | 100.0% | XYMAX ALPHA Corporation | |
| Other Areas | Hachioji | Hachioji First | 18,329.98 | 03/31/05 | 03/19/08 | 80.4% | Sohgo Housing Co., Ltd |
| | Saitama | Saitama Urawa | 6,258.59 | 09/25/01 | 10/11/01 | 100.0% | The Dai-Ichi Building Co., Ltd. |
| | Yokohama | MM Park | 49,037.51 | 03/24/08 | - | 100.0% | Mitsubishi Estate Co., Ltd. |
| | | Queen's | 498,282.77 | 01/31/14 | - | 11.11481% | Mitsubishi Estate Co., Ltd. |
| | Kawasaki | Kawasaki Isago | 9,623.83 | 09/25/01 | - | 100.0% | Sohgo Housing Co., Ltd |
| | | Musashi Kosugi STM | 22,839.61 | 03/25/08 | - | 34.32% | Sohgo Housing Co., Ltd |
| | Sapporo | 8-3 Square Kita | 16,096.97 | 06/01/07 | - | 100.0% | Mitsubishi Jisho Property Management Co., Ltd. |
| | Sendai | Jozenji Park | 7,648.33 | 01/31/05 | - | 50.0% | Mitsubishi Estate Co., Ltd. |
| | | Higashi Nibancho | 27,680.45 | 01/07/13 | - | 100.0% | Mitsubishi Jisho Property Management Co., Ltd. |
| | | Sendai Honma | 8,247.50 | 09/25/01 | 06/28/06 | 100.0% | The Dai-Ichi Building Co., Ltd. |
| | | AER | 73,186.57 | 09/01/15 | - | 55.35443% | Mitsubishi Jisho Property Management Co., Ltd. |
| | Kanazawa | Kanazawa Park | 43,481.20 | 02/28/02 | 03/03/03 | 89.0% | Mitsubishi Estate Co., Ltd. |
| | | Kanazawa | 9,619.96 | 10/03/16 | - | 100.0% | Mitsubishi Jisho Property Management Co., Ltd. |
| | | Kamitsutsumicho | | | | | |
| | Nagoya | Nishiki Park | 25,091.91 | 10/02/06 | 11/01/06 06/09/14 04/01/16 | 71.74301% | Mitsubishi Estate Co., Ltd. |
| | | Hirokoji Place | 15,947.29 | 07/31/13 | - | 100.0% | Mitsubishi Jisho Property Management Co., Ltd. |
| | | Nagoya Hirokoji | 33,377.73 | 09/10/01 | - | 100.0% | Mitsubishi Jisho Property Management Co., Ltd. |
| | | Nagoya Misono | 5,348.00 | 08/08/03 | - | 100.0% | Mitsubishi Jisho Property Management Co., Ltd. |
| | Kyoto | Shijo Karasuma | 9,185.98 | 09/03/13 | - | 100.0% | Mitsubishi Jisho Property Management Co., Ltd. |
| | Osaka | Umeda Square | 18,673.28 | 04/01/15 | - | 100.0% | Mitsubishi Jisho Property Management Co., Ltd. |
| | | Shin-Fujita | 45,411.31 | 09/01/08 | - | 100.0% | Mitsubishi Jisho Property Management Co., Ltd. |
| | | Sakaisujihonmachi | 17,145.59 | 09/25/01 | 12/26/03 | 100.0% | The Dai-Ichi Building Co., Ltd. |
| | | Midosuji Daiwa | 31,213.27 | 09/25/01 | 02/28/02 | 100.0% | The Dai-Ichi Building Co., Ltd. |
| | Amagasaki | Amagasaki Front | 24,055.58 | 03/25/15 | - | 100.0% | Mitsubishi Jisho Property Management Co., Ltd. |
| | Okayama | Lit City | 52,653.19 | 02/01/06 | - | 27.7488% | Taisei-Yuraku Real Estate Co.,Ltd. (Note) |
| | Hiroshima | NHK Hiroshima | 35,217.28 | 03/25/04 | 03/03/08 | 48.753% | Mitsubishi Estate Co., Ltd. |
| | Fukuoka | Tosei Tenjin | 5,588.57 | 09/25/01 | - | 100.0% | The Dai-Ichi Building Co., Ltd. |
| | | Tenjin Crystal | 10,432.04 | 06/01/05 | - | 100.0% | The Dai-Ichi Building Co., Ltd. |
| | | Hinode Tenjin | 12,527.07 | 09/10/01 | - | 74.4844% | Tokio Marine & Nichido Facilities, Inc. |

*Property management companies are the companies to be entrusted PM for the office units by JRE.

(Note) Property management company was changed to Mitsubishi Jisho Property Management Co., Ltd. on April 1, 2018.

Tokyo 23 Wards

| Area | Name | Completion Date | PML |
|-----------|---|-----------------|------|
| Chiyoda | Kitanomaru Square | 01/2006 | 1.6% |
| | MD Kanda Building | 02/1998 | 5.0% |
| | Kandabashi Park Building | 07/1993 | 5.0% |
| | Otemachi Financial City North Tower | 10/2012 | 0.9% |
| | Nibancho Garden | 04/2004 | 2.1% |
| | Mitsubishi UFJ Trust and Banking Building | 02/2003 | 1.4% |
| | Burex Kojimachi Building | 01/2005 | 4.1% |
| | Sanno Grand Building | 09/1966 | 3.6% |
| | Yurakucho Denki Building | 09/1975 | 3.7% |
| Chuo | Kodenmacho Shin-Nihonbashi Building | 11/1991 | 3.3% |
| | Front Place Nihonbashi | 02/2014 | 2.3% |
| | Kyodo Building (Kayabacho 2Chome) | 04/1991 | 3.6% |
| | Burex Kyobashi Building | 02/2002 | 4.7% |
| | Ginza 1Chome East Building | 05/2008 | 2.1% |
| | Ginza Sanwa Building | 10/1982 | 3.7% |
| | Ryoshin Ginza East Mirror Building | 10/1998 | 2.8% |
| | Harumi Front | 02/2012 | 2.0% |
| | Harumi Center Building | 11/2006 | 3.5% |
| Minato | Akasaka Park Building | 07/1993 | 1.4% |
| | Aoyama Crystal Building | 12/1982 | 5.4% |
| | Clover Shiba-koen | 02/2006 | 4.6% |
| | Shiodome Building | 12/2007 | 1.4% |
| | Shiba 2Chome Daimon Building | 03/1984 | 3.0% |
| | Cosmo Kanasugibashi Building | 03/1992 | 7.3% |
| | Tamachi Front Building | 07/2014 | 3.3% |
| | | | |
| Shinjuku | Shinjuku Eastside Square | 03/2012 | 1.2% |
| | Shinwa Building | 11/1989 | 7.0% |
| | Tokyo Opera City Building | 07/1996 | 2.0% |
| Taito | TIXTOWER UENO | 07/2010 | 2.0% |
| Shinagawa | Higashi-Gotanda 1Chome Building | 07/2004 | 2.6% |
| | Osaki Front Tower | 06/2005 | 3.4% |
| Ota | Omori-Eki Higashiguchi Building | 07/1989 | 2.8% |
| Shibuya | Yoyogi 1Chome Building | 10/2003 | 2.2% |
| | Jingumae Terrace | 12/1987 | 9.6% |
| | Jingumae Media Square Building | 03/1998 | 3.3% |
| | Ebisu Neonato | 10/1994 | 2.4% |
| Nakano | Harmony Tower | 03/1997 | 2.0% |
| Toshima | Otsuka Higashi-Ikebukuro Building | 11/1987 | 6.1% |
| | Ikebukuro 2Chome Building | 05/1990 | 3.4% |
| | Ikebukuro YS Building | 12/1989 | 5.7% |

Other Areas

| Area | Name | Completion Date | PML |
|-----------|--|-----------------|-------|
| Hachioji | Hachioji First Square | 07/1996 | 3.9% |
| Saitama | Saitama Urawa Building | 03/1990 | 7.2% |
| Yokohama | MM Park Building | 12/2007 | 4.0% |
| | Queen's Tower A | 06/1997 | 3.3% |
| Kawasaki | Kawasaki Isago Building | 12/1990 | 4.1% |
| | Musashi Kosugi STM Building | 10/1990 | 3.8% |
| Sapporo | 8・3 Square Kita Building | 12/2006 | 1.6% |
| Sendai | Jozenji Park Building | 01/1993 | 3.3% |
| | Higashi Nibancho Square | 07/2008 | 1.8% |
| | Sendai Honcho Honma Building | 11/1991 | 2.2% |
| | AER | 03/1998 | 1.3% |
| Kanazawa | Kanazawa Park Building | 10/1991 | 4.8% |
| | Kanazawa Kamitsutsumicho Building | 08/2009 | 3.8% |
| Nagoya | Nishiki Park Building | 08/1995 | 2.4% |
| | Nagoya Hirokoji Place | 12/2004 | 3.1% |
| | Nagoya Hirokoji Building | 05/1987 | 2.4% |
| | Nagoya Misono Building | 09/1991 | 4.1% |
| | Shijo Karasuma Center Building | 01/2010 | 11.7% |
| Osaka | Umeda Square Building | 07/1995 | 7.4% |
| | Shin-Fujita Building | 04/1995 | 4.0% |
| | Sakaisujihonmachi Building | 10/1992 | 7.4% |
| | Midosuji Daiwa Building | 09/1991 | 6.9% |
| | Amagasaki Front Building | 10/2008 | 5.3% |
| Okayama | Lit City Building | 06/2005 | 0.6% |
| Hiroshima | NHK Hiroshima Broadcasting Center Building | 08/1994 | 1.1% |
| Fukuoka | Tosei Tenjin Building | 03/1992 | 4.3% |
| | Tenjin Crystal Building | 08/1993 | 3.1% |
| | Hinode Tenjin Building | 08/1987 | 4.2% |

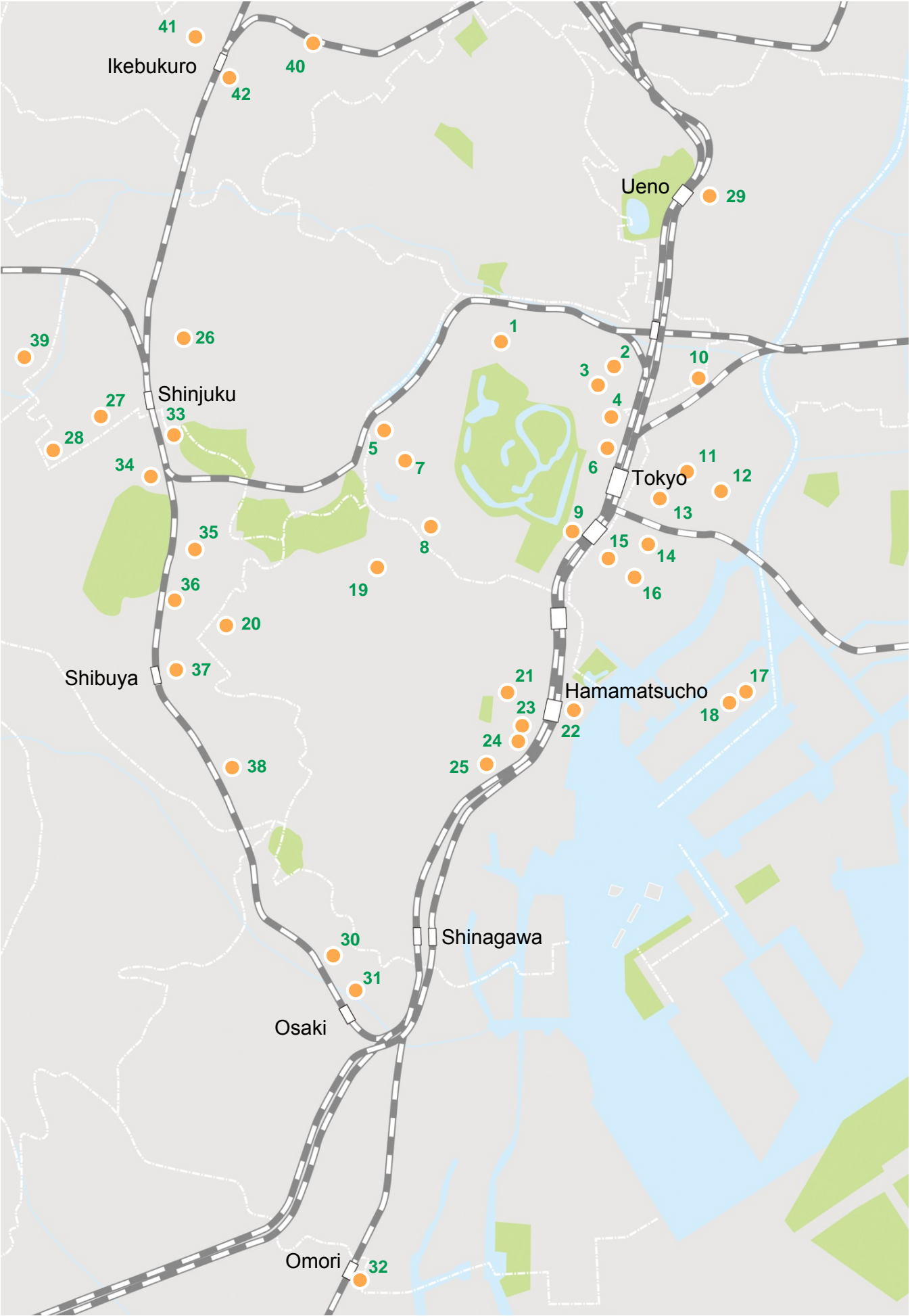
Portfolio PML

1.7%

PML (Probable Maximum Loss) : Percentage of Probable Maximum Loss due to Earthquake

The percentage of the expense in restoring an earthquake-struck building to pre-earthquake condition to the total replacement value (i.e., total expense incurred from an earthquake divided by replacement value of a building), when assuming a catastrophic earthquake that is likely to occur with a 10% probability over a span of 50 years (a 10% probability of an earthquake occurring in 50 years can be translated into one occurring once in 475 years, which means an earthquake with a recurrence span of 475 years or one that might occur once in 475 years).

Tokyo 23 Wards



- 1 Kitanomaru Square
- 2 MD Kanda Building
- 3 Kandabashi Park Building
- 4 Otemachi Financial City North Tower
- 5 Nibancho Garden
- 6 Mitsubishi UFJ Trust and Banking Building
- 7 Burex Kojimachi Building
- 8 Sanno Grand Building
- 9 Yurakucho Denki Building
- 10 Kodanmacho Shin-Nihonbashi Building
- 11 Front Place Nihonbashi
- 12 Kyodo Building (Kayabacho 2Chome)
- 13 Burex Kyobashi Building
- 14 Ginza 1Chome East Building
- 15 Ginza Sanwa Building
- 16 Ryoshin Ginza East Mirror Building
- 17 Harumi Front
- 18 Harumi Center Building
- 19 Akasaka Park Building
- 20 Aoyama Crystal Building
- 21 Clover Shiba-koen

- 22 Shiodome Building
- 23 Shiba 2Chome Daimon Building
- 24 Cosmo Kanasugibashi Building
- 25 Tamachi Front Building
- 26 Shinjuku Eastside Square
- 27 Shinwa Building
- 28 Tokyo Opera City Building
- 29 TIXTOWER UENO
- 30 Higashi-Gotanda 1Chome Building
- 31 Osaki Front Tower
- 32 Omori-Eki Higashiguchi Building
- 33 Shinjuku South Gate Project (tentative name)
(Land with leasehold interest)
- 34 Yoyogi 1Chome Building
- 35 Jingumae Terrace
- 36 Jingumae Media Square Building
- 37 Shibuya Cross Tower (Land with leasehold interest)
- 38 Ebisu Neonato
- 39 Harmony Tower
- 40 Otsuka Higashi-Ikebukuro Building
- 41 Ikebukuro 2Chome Building
- 42 Ikebukuro YS Building



Other Areas

- 1 Hachioji First Square
- 2 Saitama Urawa Building
- 3 MM Park Building
- 4 Queen's Tower A
- 5 Kawasaki Isago Building
- 6 Musashi Kosugi STM Building
- 7 8·3 Square Kita Building
- 8 Jozenji Park Building
- 9 Higashi Nibancho Square
- 10 Sendai Honcho Honma Building
- 11 AER
- 12 Kanazawa Park Building
- 13 Kanazawa Kamitsutsumicho Building
- 14 Nishiki Park Building
- 15 Nagoya Hirokoji Place
- 16 Nagoya Hirokoji Building
- 17 Nagoya Misono Building
- 18 Shijo Karasuma Center Building
- 19 Umeda Square Building
- 20 Shin-Fujita Building
- 21 Sakaisujihonmachi Building
- 22 Midosuji Daiwa Building
- 23 Amagasaki Front Building
- 24 Lit City Building
- 25 NHK Hiroshima Broadcasting Center Building
- 26 Tosei Tenjin Building
- 27 Tenjin Crystal Building
- 28 Hinode Tenjin Building



Portfolio Classification by Area and Office Space

Floor Size by Area and Property

Blue Italic shows the properties acquired in Mar. 2018 period

(As of Mar. 31, 2018)

| | | Tokyo 23 Wards | | | Other Areas | | | | | | | | |
|--|--|---|--|------------------------------|---|---|--|--|------------------|-----------------|----------------|-----------------------------|-----|
| | | Tokyo 5 Central Wards 32 buildings ¥654 billion 68.3% | Other Area 8 buildings ¥65 billion 6.9% | | Tokyo Metropolitan Area (excl.23 Wards) 6 buildings ¥70 billion 7.3% | Osaka / Kyoto / Kobe 5 buildings ¥62 billion 6.5% | Nagoya 4 buildings ¥30 billion 3.2% | Other 13 buildings ¥74 billion 7.7% | | | | | |
| Tsubo per Standard floor (Tsubo≈3.3 m²) | 450- 18 buildings Acquisition Price ¥577 billion 60.2% | Shinjuku Eastside | 1,789 | | MM Park | 828 | | | Kanazawa Park | 625 | | | |
| | | Nibancho Garden | 1,117 | | Musashi Kosugi STM | 619 | | | Lit City | 550 | | | |
| | | Shiodome | 1,059 | | Queen's | 476 | | | Amagasaki Front | 517 | | | |
| | | Otemachi FCN | 709 | | | | | | Higashi Nibancho | 468 | | | |
| | | Harumi Front | 693 | | | | | | | | | | |
| | | Sanno Grand | 666 | | | | | | | | | | |
| | | Tokyo Opera City | 653 | | | | | | | | | | |
| | | Harumi Center | 648 | | | | | | | | | | |
| | | Akasaka Park | 617 | | | | | | | | | | |
| | | Kitanomaru Square | 568 | | | | | | | | | | |
| | | Mitsubishi UFJ Trust | 537 | | | | | | | | | | |
| | 300-450 14 buildings Acquisition Price ¥167 billion 17.5% | Yurakucho Denki | 398 | Harmony Tower | 413 | Hachioji First | 335 | Shin-Fujita | 440 | Hirokoji Place | 421 | 8・3 Square Kita | 373 |
| | | Ebisu Neonato | 373 | Osaki Front Tower | 368 | | | Midosuji Daiwa | 341 | Nagoya Hirokoji | 333 | AER | 302 |
| | | Shiba 2Chome Daimon | 352 | TIX UENO | 329 | | | | | | | NHK Hiroshima | 301 |
| | 200-300 13 buildings Acquisition Price ¥78 billion 8.2% | FP Nihonbashi | 275 | Otsuka Higashi- Ikebukuro | 273 | | | Sakaisujihonmachi | 284 | Nishiki Park | 209 | Hinode Tenjin | 252 |
| | | Yoyogi 1Chome | 230 | Ikebukuro YS | 251 | | | Shijo Karasuma | 264 | | | Kanazawa Kamitsutsumicho | 209 |
| | | Shinwa | 227 | Omori-Eki Higashiguchi | 218 | | | | | | | | |
| Kandabashi Park | | 212 | Higashi-Gotanda 1Chome | 201 | | | | | | | | | |
| 150-200 15 buildings Acquisition Price ¥85 billion 8.9% | Ginza Sanwa | 198 | | | Kawasaki Isago | 197 | Umeda Square | 185 | Nagoya Misono | 157 | Jozenji Park | 191 | |
| | MD Kanda | 198 | | | Saitama Urawa | 189 | | | | | Sendai Honma | 179 | |
| | Kyodo (Kayabacho 2Chome) | 181 | | | | | | | | | Tosei Tenjin | 167 | |
| | Burex Kyobashi | 176 | | | | | | | | | | | |
| | Ryoshin Ginza EM | 173 | | | | | | | | | | | |
| | Ginza 1Chome | 160 | | | | | | | | | | | |
| | Cosmo | 160 | | | | | | | | | | | |
| | Kanasugibashi | 160 | | | | | | | | | | | |
| | Kodenmacho | 150 | | | | | | | | | | | |
| 100-150 6 buildings Acquisition Price ¥42 billion 4.5% | Jingumae MS | 146 | | | | | | | | | Tenjin Crystal | 112 | |
| | Tamachi Front | 141 | | | | | | | | | | | |
| | Burex Kojimachi | 132 | | | | | | | | | | | |
| | Aoyama Crystal | 117 | | | | | | | | | | | |
| | Jingumae Terrace | 117 | | | | | | | | | | | |
| -100 2 buildings Acquisition Price ¥6 billion 0.6% | Clover Shiba- koen | 98 | Ikebukuro 2Chome | 74 | | | | | | | | | |

- Balanced portfolio of properties, mostly large scale and competitive properties.
- The ratio of properties with standard floor area of 200 tsubo and over is approximately 86% on an acquisition price basis.

Portfolio Classification by Building Age and Location

Building Age and Walking Time from the Nearest Station

Blue Italic shows the properties acquired in Mar. 2018 period

shows properties conveniently located where multiple lines are available in Tokyo 23 Wards.

(As of March 31, 2018)

| | | Tokyo 23 Wards | | | | Time | | | |
|--------------|--|--|--|---|-----------|---|---|---|---|
| | | | | | | Other Areas | | | |
| | | - 1 min. walk 17 buildings ¥346 billion 36.1% | 1 - 5 min. 17 buildings ¥294 billion 30.7% | 5 - 10 min. 6 buildings ¥79 billion 8.3% | 10 min. - | - 1 min. walk 13 buildings ¥120 billion 12.6% | 1 - 5 min. 13 buildings ¥112 billion 11.8% | 5 - 10 min. 1 building ¥1 billion 0.2% | 10 min. - 1 building ¥2 billion 0.3% |
| Building Age | - 10 years 11 buildings ¥180 billion 18.9% | <i>FP Nihonbashi</i> Otemachi FCN <i>Shinjuku Eastside</i> | Tamachi Front TIX UENO Ginza 1Chome | Harumi Front | | Shijo Karasuma Higashi Nibancho | Amagasaki Front | | Kanazawa Kamitsutsumicho |
| | 10 - 20 years 16 buildings ¥383 billion 40.0% | Kitanomaru Square Burex Kojimachi Mitsubishi UFJ Trust | Shiodome Clover Shiba-koen Osaki Front Tower Higashi-Gotanda 1Chome Nibancho Garden Yoyogi 1Chome Burex Kyobashi Ryoshin Ginza EM | Harumi Center | | MM Park 8·3 Square Kita Lit City | Hirokoji Place | | |
| | 20 - 30 years 32 buildings ¥309 billion 32.3% | MD Kanda Harmony Tower Tokyo Opera City Ebisu Neonato Kodenmacho Kyodo (Kayabacho 2Chome) Ikebukuro 2Chome Omori-Eki Higashiguchi | Jingumae MS Kandabashi Park Akasaka Park | Cosmo Kanasugibashi Ikebukuro YS Shinwa | | Queen's Hachioji First Nishiki Park NHK Hiroshima Sakaisujihonmachi Sendai Honma Midosuji Daiwa Musashi Kosugi STM | AER Umeda Square Shin-Fujita Tenjin Crystal Jozenji Park Kanazawa Park Nagoya Misono Kawasaki Isago Saitama Urawa | Tosei Tenjin | |
| | 30 years - 9 buildings ¥84 billion 8.8% | Ginza Sanwa Yurakucho Denki Sanno Grand | Otsuka Higashi-Ikebukuro Shiba 2Chome Daimon Aoyama Crystal | Jingumae Terrace | | | Hinode Tenjin Nagoya Hirokoji | | |

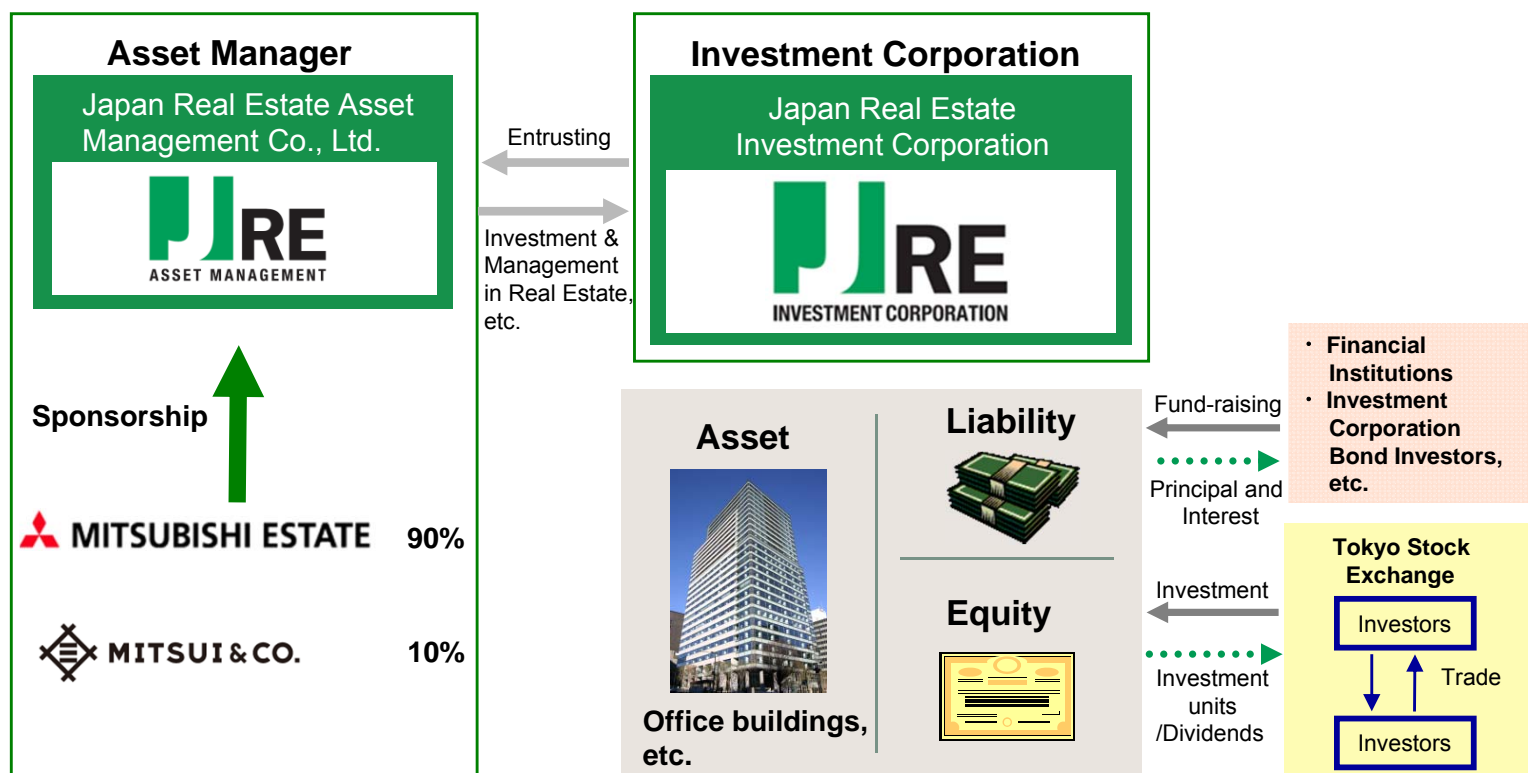
- Properties aged 10 years or less account for approx. 19% of the total properties (on an acquisition price basis).
- Approx. 91% of the total properties are located within a five-minute walk from the nearest station (on an acquisition price basis).

6

Others

Outline of Japan Real Estate Investment Corporation

Structure



Point

- Japan Real Estate Asset Management Co., Ltd. specializes in managing office building portfolio
- Expertise of Mitsubishi Estate and Mitsui & Co. is fully utilized
- Units are listed and traded on the Tokyo Stock Exchange
- Dividends are regarded as an expense if over 90% of the payable gain is paid out

The Strengths of Japan Real Estate Investment Corporation

(As of March 31, 2018)

① Collaboration with the sponsors:

Property pipeline support

- Providing properties
- Property information, etc.

Operating support

- Providing expertise to attract tenants
- Property management, etc.

Human resource support

- Sending experienced professionals

< Protection against conflicts of interest >

Compliance Committee including external expert serving as a protection against conflicts of interest.

② Investment Corporation **focused on office buildings**

(70 office buildings, total acquisition price: ¥990.1 billion*)

③ **The first listed J-REIT**, showing steady performance for 33 consecutive periods

④ **Sound financial strength**

- Maintain conservative interest-bearing debt/ total assets ratio at approximately 30-40%
- **Highest level of credit ratings** in J-REITs (S&P: A+, Moody's: A1, R&I: AA)

* Not excluding the acquisition price related to the disposal of the part of Jingumae MS site

Structure of Fees to Asset Management Company

NOI-linked Fee

Amount equivalent to NOI (Net Operating Income) for the relevant fiscal period multiplied by 4.0%.

NOI: An amount obtained by deducting the property-related expenses (excluding depreciation expenses and loss on retirement of non-current assets) from the property-related revenues shown in the statement of income for the relevant fiscal period.

* The structure of the NOI-linked fee was established in accordance with a resolution passed at the unitholders' meeting held on March 28, 2017.

Distribution-linked Fee

Amount calculated by the following formula based on the distributable amount (*a) and the DPU (*b) for the relevant fiscal period.

[Formula]

Distributable amount for the relevant fiscal period $\times 2.5\% \times (\text{DPU for the relevant fiscal period} / \text{the arithmetic average of DPU during the most recent six fiscal periods including the relevant fiscal period})$

(*a) Distributable Amount: Income before income taxes shown in the statement of income for the relevant fiscal period (which shall be an amount before deduction of the NOI-linked fee and distribution-linked fee, and non-deductible consumption taxes); or, if any retained loss brought forward exists, an amount after supplementation of such amount. If the figure is negative, the distributable amount shall be zero.

(*b) DPU: Calculated by dividing the distributable amount by the total number of outstanding units as at the end of each fiscal period.

If the Investment Corporation acquires own units and holds own units that are not disposed or canceled as at the end of each fiscal period, the figure excluding the number of own units held shall be deemed as the total number of outstanding units as at the end of each fiscal period. In addition, if either of the below events occurs and the total number of outstanding units increases or decreases during the most recent six fiscal periods including the relevant fiscal period, in order to exclude the effects of such increase or decrease on DPU, the total number of outstanding units as at the end of each fiscal period during the most recent six fiscal periods shall be adjusted by the method stated below.

(i) Consolidation or Split of Units

A consolidation or split of units conducted during the most recent six fiscal periods, including the fiscal periods in which the effective date falls, shall be deemed to have occurred at the beginning of the most recent six fiscal periods including the relevant fiscal period, and the total number of outstanding units as at the end of each fiscal period shall be adjusted.

(ii) Issuance of New Units upon Exercise of New Units Acquisition Rights concerning Allotment without Consideration for Unitholders

The number of units resulting from multiplying the number of units increased by the issuance of new units by the ratio resulting from dividing the amount to be paid per unit at the time of the exercise of the new units acquisition rights by the market value per unit (or ratio which the Board of Directors prescribes according to such ratio) (in this paragraph, the "Deemed Number of Issuance of units at Market Value") shall be deemed as an issuance of new units at market value. The number of units resulting from subtracting the Deemed Number of Issuance of units at Market Value from the number of units increased upon the issuance of new units shall be deemed to be the increase caused by the split.

* The structure of the distribution-linked fee was established in accordance with a resolution passed at the unitholders' meeting held on March 28, 2017.

Acquisition Fee

In the case of acquisition of Real Estate Assets or other Specified Assets an amount equivalent to the purchase price (excluding the consumption tax and local consumption tax imposed on buildings) multiplied by a rate no higher than 0.5%.

* The structure of the acquisition fee was revised in accordance with a resolution passed at the unitholders' meeting held on March 17, 2009.

Disposition Fee

In the case of disposition of Real Estate Assets or other Specified Assets, an amount equivalent to the sale price (excluding the consumption tax and local consumption tax imposed on buildings) multiplied by a rate no higher than 0.5%.

Merger Fee

In the case of a merger by the Investment Corporation, an amount equivalent to the valuation of real estate, etc. at the time of the merger succeeded to by the investment corporation, which is a counterparty to the merger multiplied by a rate no higher than 0.5%.

* The structure of the merger fee was established in accordance with a resolution passed at the unitholders' meeting held on February 19, 2014.

Past Record of Fees to Asset Management Company

(In millions of yen)

| | Mar. 2002 period | Sep. 2002 period | Mar. 2003 period | Sep. 2003 period | Mar. 2004 period | Sep. 2004 period | Mar. 2005 period | Sep. 2005 period | Mar. 2006 period | Sep. 2006 period | Mar. 2007 period | Sep. 2007 period | Mar. 2008 period |
|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Term Fee (*a) | 389 | 382 | 408 | 312 | 325 | 330 | 342 | 392 | 410 | 422 | 452 | 476 | 713 |
| Incentive Fee (*a) | 0 | 0 | 24 | 80 | 0 | 32 | 134 | 0 | 160 | 230 | 0 | 185 | 1,860 |
| Acquisition Fee (*b) | 649 | 88 | 185 | 90 | 192 | 213 | 464 | 180 | 475 | 33 | 134 | 71 | 386 |
| Disposition Fee (*c) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 20 | 154 | 8 | 0 |
| Total AM Fee | 1,038 | 470 | 617 | 484 | 518 | 576 | 941 | 573 | 1,046 | 707 | 741 | 741 | 2,960 |

| | | | | | | | | | | | | | |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Total Assets | 161,809 | 185,397 | 200,022 | 209,581 | 244,523 | 257,372 | 322,358 | 355,968 | 433,552 | 441,163 | 443,973 | 449,643 | 527,537 |
| Amount of Acquisition Price during the period | 144,697 | 19,580 | 19,265 | 9,065 | 25,830 | 21,390 | 50,683 | 36,050 | 86,205 | 12,630 | 49,850 | 7,100 | 72,029 |
| Amount of Disposition Price during the period | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,003 | 41,900 | 1,770 | 0 |

| | | | | | | | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Term Fee/Total Assets | 0.24% | 0.21% | 0.20% | 0.15% | 0.13% | 0.13% | 0.11% | 0.11% | 0.09% | 0.10% | 0.10% | 0.11% | 0.14% |
| Incentive Fee/Total Assets | - | - | 0.01% | 0.04% | - | 0.01% | 0.04% | - | 0.04% | 0.05% | - | 0.04% | 0.35% |
| Acquisition Fee/Amount of Acquisition Price during the period | 0.45% | 0.45% | 0.96% | 1.00% | 0.75% | 1.00% | 0.92% | 0.50% | 0.55% | 0.26% | 0.27% | 1.00% | 0.54% |
| Disposition Fee/Amount of Disposition Price during the period | - | - | - | - | - | - | - | - | - | 0.29% | 0.37% | 0.50% | - |
| Total AM Fee/Total Assets | 0.64% | 0.25% | 0.31% | 0.23% | 0.21% | 0.22% | 0.29% | 0.16% | 0.24% | 0.16% | 0.17% | 0.16% | 0.56% |

| | Sep. 2008 period | Mar. 2009 period | Sep. 2009 period | Mar. 2010 period | Sep. 2010 period | Mar. 2011 period | Sep. 2011 period | Mar. 2012 period | Sep. 2012 period | Mar. 2013 period | Sep. 2013 period | Mar. 2014 period | Sep. 2014 period |
|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Term Fee (*a) | 531 | 537 | 540 | 529 | 542 | 538 | 546 | 579 | 571 | 592 | 613 | 617 | 638 |
| Incentive Fee (*a) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8 | 57 | 0 |
| Acquisition Fee (*b) | 78 | 53 | 0 | 373 | 0 | 83 | 0 | 277 | 110 | 208 | 64 | 215 | 3 |
| Disposition Fee (*c) | 0 | 0 | 0 | 7 | 0 | 0 | 15 | 0 | 0 | 0 | 6 | 0 | 0 |
| Total AM Fee | 609 | 591 | 540 | 910 | 542 | 622 | 562 | 856 | 681 | 800 | 692 | 891 | 641 |

| | | | | | | | | | | | | | |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Total Assets | 542,920 | 565,022 | 564,528 | 637,326 | 634,974 | 646,847 | 643,949 | 703,085 | 724,851 | 765,628 | 775,066 | 817,130 | 813,931 |
| Amount of Acquisition Price during the period | 24,000 | 21,250 | 0 | 77,026 | (*)3 0 | 16,710 | 0 | 60,800 | 22,000 | 41,770 | 12,967 | 43,174 | 650 |
| Amount of Disposition Price during the period | 0 | 0 | 0 | 1,507 | 0 | 0 | 3,160 | 0 | 0 | 0 | 1,220 | 0 | 0 |

| | | | | | | | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Term Fee/Total Assets | 0.10% | 0.10% | 0.10% | 0.08% | 0.09% | 0.08% | 0.08% | 0.08% | 0.08% | 0.08% | 0.08% | 0.08% | 0.08% |
| Incentive Fee/Total Assets | - | - | - | - | - | - | - | - | - | - | 0.00% | 0.01% | - |
| Acquisition Fee/Amount of Acquisition Price during the period | 0.33% | 0.25% | - | 0.49% | - | 0.50% | - | 0.46% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% |
| Disposition Fee/Amount of Disposition Price during the period | - | - | - | 0.50% | - | - | 0.50% | - | - | - | 0.50% | - | - |
| Total AM Fee/Total Assets | 0.11% | 0.10% | 0.10% | 0.14% | 0.09% | 0.10% | 0.09% | 0.12% | 0.09% | 0.10% | 0.09% | 0.11% | 0.08% |

| | Mar. 2015 period | Sep. 2015 period | Mar. 2016 period | Sep. 2016 period | Mar. 2017 period |
|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Term Fee (*a) | 647 | 687 | 697 | 707 | 715 |
| Incentive Fee (*a) | 124 | 238 | 235 | 256 | 245 |
| Acquisition Fee (*b) | 227 | 221 | 0 | 0 | 130 |
| Disposition Fee (*c) | 0 | 0 | 21 | 0 | 34 |
| Total AM Fee | 999 | 1,147 | 955 | 965 | 1,125 |

| | | | | | |
|---|---------|---------|---------|---------|---------|
| Total Assets | 852,679 | 899,938 | 890,626 | 883,633 | 898,306 |
| Amount of Acquisition Price during the period | 45,459 | 44,263 | 0 | 175 | 26,100 |
| Amount of Disposition Price during the period | 0 | 0 | 4,366 | 0 | 6,890 |

| | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|
| Term Fee/Total Assets | 0.08% | 0.08% | 0.08% | 0.08% | 0.08% |
| Incentive Fee/Total Assets | 0.01% | 0.03% | 0.03% | 0.03% | 0.03% |
| Acquisition Fee/Amount of Acquisition Price during the period | 0.50% | 0.50% | - | 0.50% | 0.50% |
| Disposition Fee/Amount of Disposition Price during the period | - | - | 0.50% | - | 0.50% |
| Total AM Fee/Total Assets | 0.12% | 0.13% | 0.11% | 0.11% | 0.13% |

| | Sep. 2017 period | Mar. 2018 period |
|------------------------------|---------------------|---------------------|
| NOI-linked fee (*a) | 851 | 862 |
| Distribution-linked fee (*a) | 363 | 375 |
| Acquisition Fee (*b) | 52 | 225 |
| Disposition Fee (*c) | 0 | 50 |
| Total AM Fee | 1,267 | 1,513 |

| | | |
|---|---------|---------|
| Total Assets | 906,507 | 935,561 |
| Amount of Acquisition Price during the period | 10,530 | 43,020 |
| Amount of Disposition Price during the period | 0 | 10,000 |

| | | |
|---|--------------|--------------|
| NOI-linked fee /Total Assets | 0.09% | 0.09% |
| Distribution-linked fee /Total Assets | 0.04% | 0.04% |
| Acquisition Fee/Amount of Acquisition Price during the period | 0.50% | 0.52% |
| Disposition Fee/Amount of Disposition Price during the period | - | 0.50% |
| Total AM Fee/Total Assets | 0.14% | 0.16% |

(*1) Accounting treatment of asset management fees

(*a) Expense (Administrative expenses)

(*b) Capitalized for asset

(*c) Expense (reflected in capital gain/loss as disposal expense)

(*2) Total assets are arithmetic average at the end of each period

(*3) On the chart above, acquisition of extended building of Ryoshin Ginza East Mirror Building is not included in 'Amount of Acquisition Price during the period' since it is not subject to Acquisition Fee.

ESG (Environmental, Social and Governance)

Basic Policy and Management Structure of ESG

Sustainability Policy and Sustainability Committee

Japan Real Estate Investment Corporation (JRE) is committed to endeavoring to enhance consideration towards the environment, social contributions and corporate governance to improve the sustainability of society. We recognize that this is an important social responsibility for a listed enterprise to assume, and also believe that it is essential for maximizing our unitholder value.

To put our commitment into practice based on the above recognition, Japan Real Estate Asset Management Co., Ltd. (JRE-AM), JRE's asset management company, has established its Sustainability Policy to communicate its priority issues and basic policies on sustainability with regard to its real estate investment management.

JRE-AM periodically convenes its Sustainability Committee (chaired by the Chief Sustainability Officer, who is also the President and CEO of JRE-AM) with a view to implementing the Sustainability Policy in order to improve sustainability and maximize its unitholder value.

Commitment to GRESB

Achieved
GRESB's "Green Star" Status



What is GRESB?

GRESB (Global Real Estate Sustainability Benchmark) was established in 2009 by a group of European pension funds. It is an annual benchmark evaluation to assess the environment, society and governance (ESG) performance of the real estate sector. Major European, American and Asian institutional investors utilize this benchmark in their investment decision-making processes. GRESB Real Estate Assessment is unique in evaluating not the individual property itself, but the environment-friendliness and sustainability approach of each real estate company and REIT.

Acquired a "Green Star"

In the 2017 GRESB Real Estate Assessment, JRE was highly evaluated and acquired a "Green Star".

Becoming a GRESB Member

JRE-AM became a GRESB Real Estate Company & Fund Manager Member as the first Japanese real estate and asset management company. Furthermore, JRE-AM acts as a member of GRESB Asian Benchmark Committee and contributes to the discussion towards the future development of GRESB. JRE-AM will work for greater sustainability by networking and sharing information with companies that are advanced in terms of ESG as well as by showcasing Japanese practices to the global community.

ESG (Environmental, Social and Governance)

Environmental Measures

Sustainability Certification

Obtained the best status of DBJ Green Building certification, “five stars”

The DBJ Green Building certification was established by the Development Bank of Japan with the aim of encouraging real estate project activities to pursue environmental and social contributions, instead of focusing solely on economic performance. Green Building-certified properties are selected based on

a comprehensive evaluation scheme for multiple criteria including tenant amenities, involvement in local community, and risk management, in addition to the environmental performance of the building.

Under this program, 18 properties held by JRE have been highly rated, including Harumi Front, which received the highest Five Stars rank, for the first time among the properties owned by J-REIT.



DBJ Green Building



Properties with the best class environmental & social awareness



Otemachi FCN
(Chiyoda-ku, Tokyo)



Shiodome Building
(Minato-ku, Tokyo)



Shinjuku Eastside Square
(Shinjuku-ku, Tokyo)



Harumi Front
(Chuo-ku, Tokyo)

Other environmental related measures

Based on the Sustainability Policy, JRE has set reduction targets for energy consumption and greenhouse gas emissions in order to improve the environmental performance of its real estate portfolio. In order to achieve these targets, JRE-AM implements measures to improve the operational performance of buildings, conduct energy efficiency retrofits, and jointly engage tenants and suppliers on energy efficiency. Please refer to JRE website for further details.

(Examples in collaboration with tenants)

- Hold Global Warming Prevention Committee with tenants
- Distribution of sustainability guide
- Introduction of an online system that enables tenants to check their energy use
- Participation in the energy conservation month campaign and energy efficiency promotion on other occasions



ESG (Environmental, Social and Governance)

Social Responsibility

Improving Tenant Satisfaction

JRE regularly conducts tenant satisfaction surveys aiming to improve operation and management of the buildings.

(Case study)

For Ginza Sanwa Building, JRE conducted a questionnaire survey of tenants to check their level of satisfaction with the building and its operation. Reflecting the results, we renovated the common areas including the entrance hall.

In addition, JRE has been proactively implementing measures for the safety and health of tenants including below.

- Formulation of the earthquake damage identification criteria
- Introduction of an earthquake damage identification system / tool
- Establishment of a system to check and share information about the damage caused by earthquakes
- Establishment of the guidelines on evacuation judgment
- Establishment of the guidelines on actions to be taken for stranded commuters in the event of disaster
- Organization of a disaster control council and implementation of disaster control and firefighting drills
- Implementation of indoor air quality measurement and pest control for tenant spaces
- Installation of automated external defibrillators (AEDs)



Relationship with Local Communities

JRE has been participating in a range of activities to contribute to local communities and local society.

- Contribution to urban development (participation in various committees on urban development)
- Local contribution in the event of a disaster (establishment of a system to host stranded commuters in the event of a disaster, participation in disaster controls drills)
- Support for local events, local group activities, and artistic and cultural activities (support a local summer festival, regularly hold local music events at the open spaces and common areas)
- Contribution to the local environment and community health (provide a space for “community cycles” and a space to conduct blood donation activities)



ESG (Environmental, Social and Governance)

Basic Principle of Compliance for the Investment Corporation

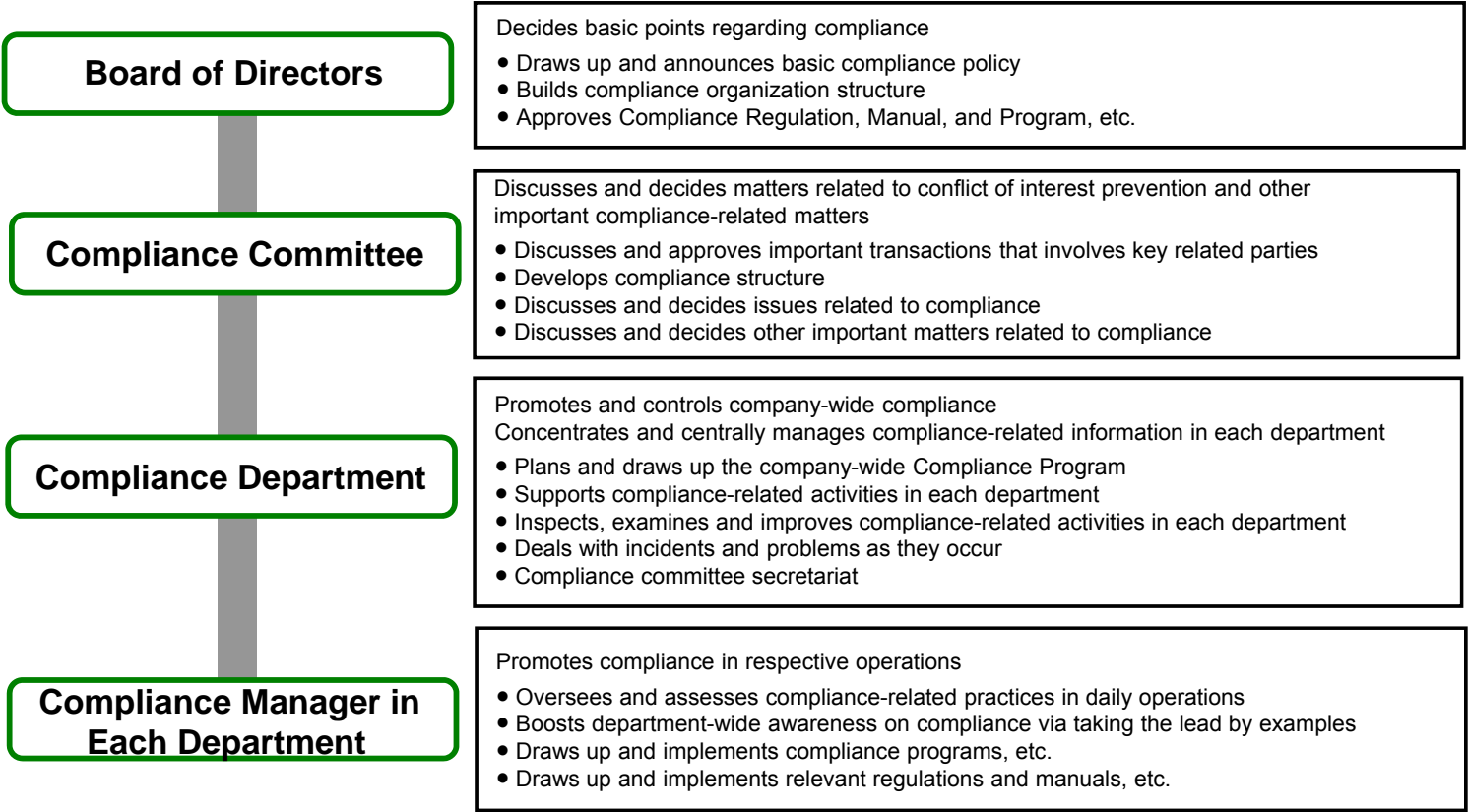
JRE's basic principle of compliance is to thoroughly observe legal and other relevant norms in regards to the business operation as well as to respond to the requirements from society. This means that the Investment Corporation administers and oversees the outsourcing companies from the same standpoint, while complying with legal and other relevant norms in its decision-making.

Basic Principle of Compliance for the Asset Management Company

- Ensuring thorough compliance is our basic management principle, since we understand that any insufficiency in compliance would affect even our management base
- As an Asset Management Company, we recognize that we bear the responsibility for realizing the values that are required by society in our business operation, and make proactive and continuous efforts for full compliance to enhance the value of our business operation qualitatively and quantitatively
- We, the Asset Management Company for REIT, are jointly managed by Mitsubishi Estate Co., Ltd., and Mitsui & Co., Ltd. across business boundaries—they are Japan's leading companies in real estate, finance, and risk management. We therefore promote a sophisticated compliance system as a key member of these companies
- We are determined to achieve a reputation for quality among our investors by promoting compliance activities, and thereby gain the trust of a wide spectrum of society

Compliance Promotion System

The following is the compliance system for the Asset Management Company.

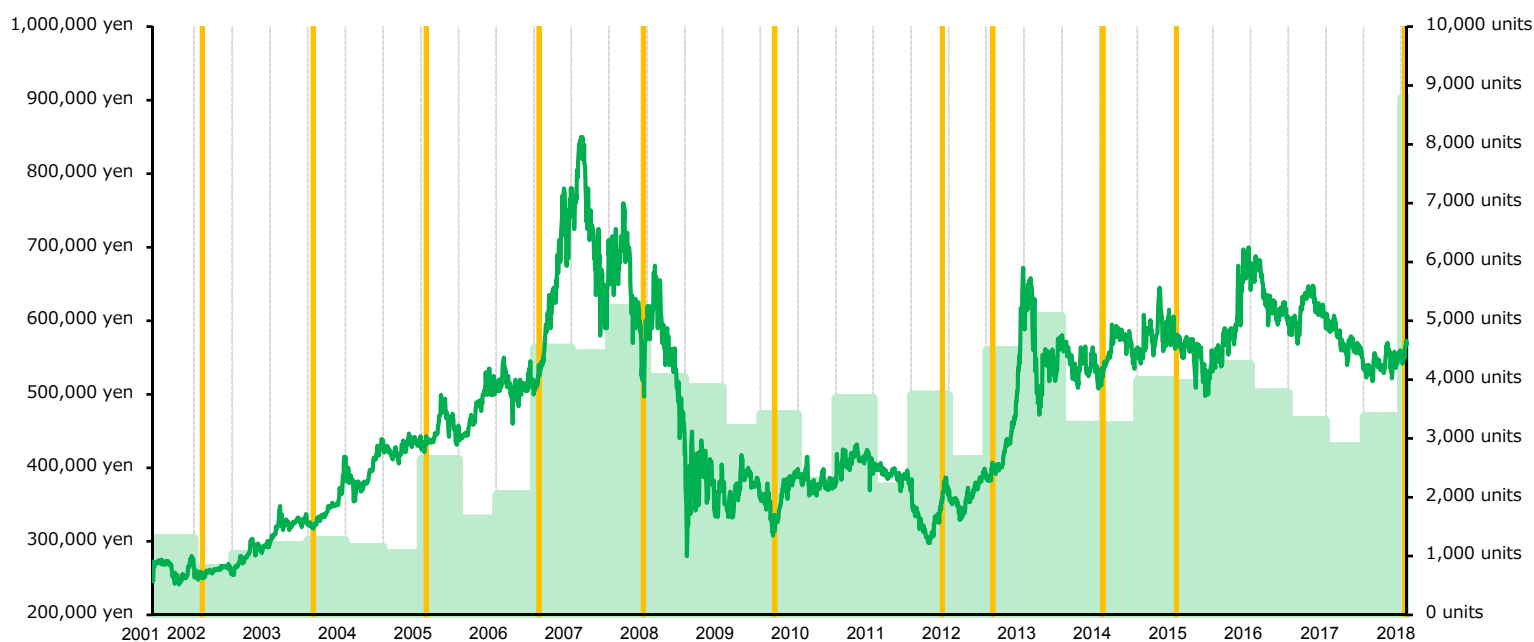


- The Asset Management Company has entered into contracts with several law firms with different specialized areas as its corporate lawyers in order to complement our knowledge of legal tasks in the company, and consults with them, as necessary, depending on the content of issues
- It has also concluded a consulting contracts with external advisors for improving and strengthening internal control, with a view to further enhancing our compliance system

The compliance system for the Asset Management Company is mainly organized by the board of directors, compliance committee and compliance department. Although the compliance manager in each department plays a central role in the compliance promotion activities, it is understood that each member of the Asset Management Company staff must be a leader in compliance promotion. Therefore, they are highly alert to compliance issues in performing their tasks, and maintain sound work ethics and strict self-discipline in observing the rules and regulations in their everyday work.

Unit Price Performance ① (After IPO)

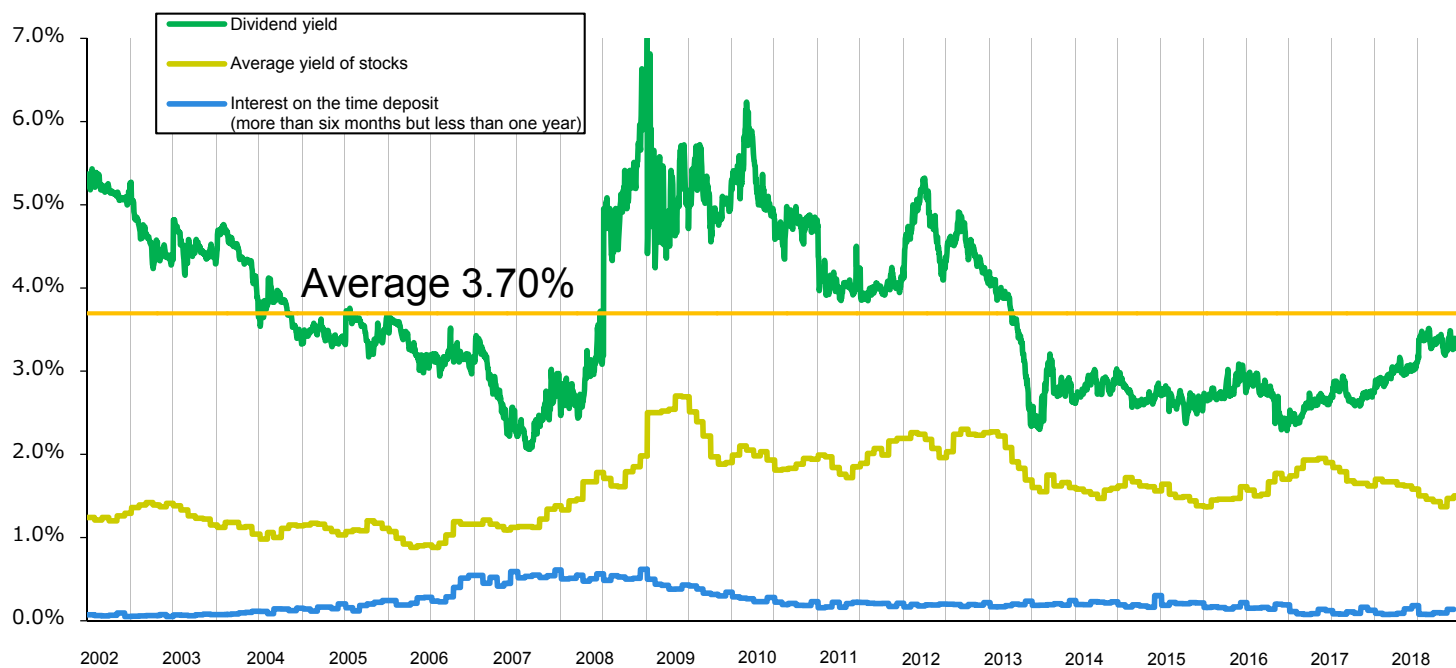
Unit Price Performance



- * Unit prices are based on daily closing prices.
- * JRE has conducted 2-for-1 investment unit split on January 1, 2014.
- * Unit prices and offer prices are all noted after the split.
- * Trading volume shows average volume during each fiscal period.

— Unit Price Trading Volume
| Issue of New Investment Units
| Fiscal period End (the end of March and September)

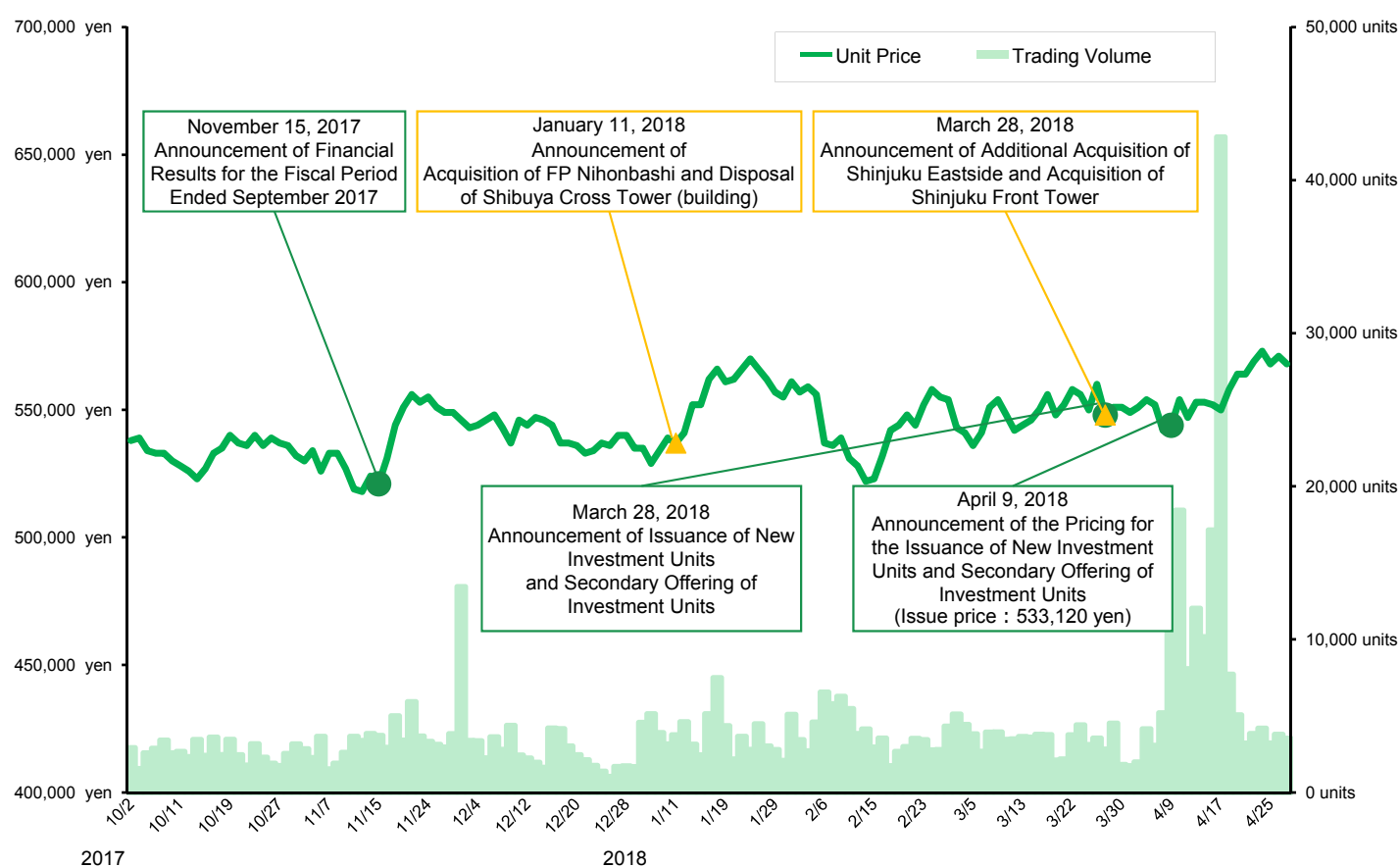
Historical Dividend Yield of JRE Unit



- * The Dividend yield is calculated by dividing annualized actual dividend by unit price (daily closing price from April 1, 2002 to March 30, 2018).
- * The average yield of stocks is based on fixed dividends and is simple average of dividend yield of stocks listed on the 1st section of TSE on a monthly basis as of March 2018.
- * Interest on the time deposit (more than six months but less than one year) is on a monthly basis as of February 2018.
- * The vertical gray lines show ex-dividend dates.
- * Source: Bank of Japan, Tokyo Stock Exchange.

Unit Price Performance ② (From March 2018 period to Date)

As of April 27, 2018

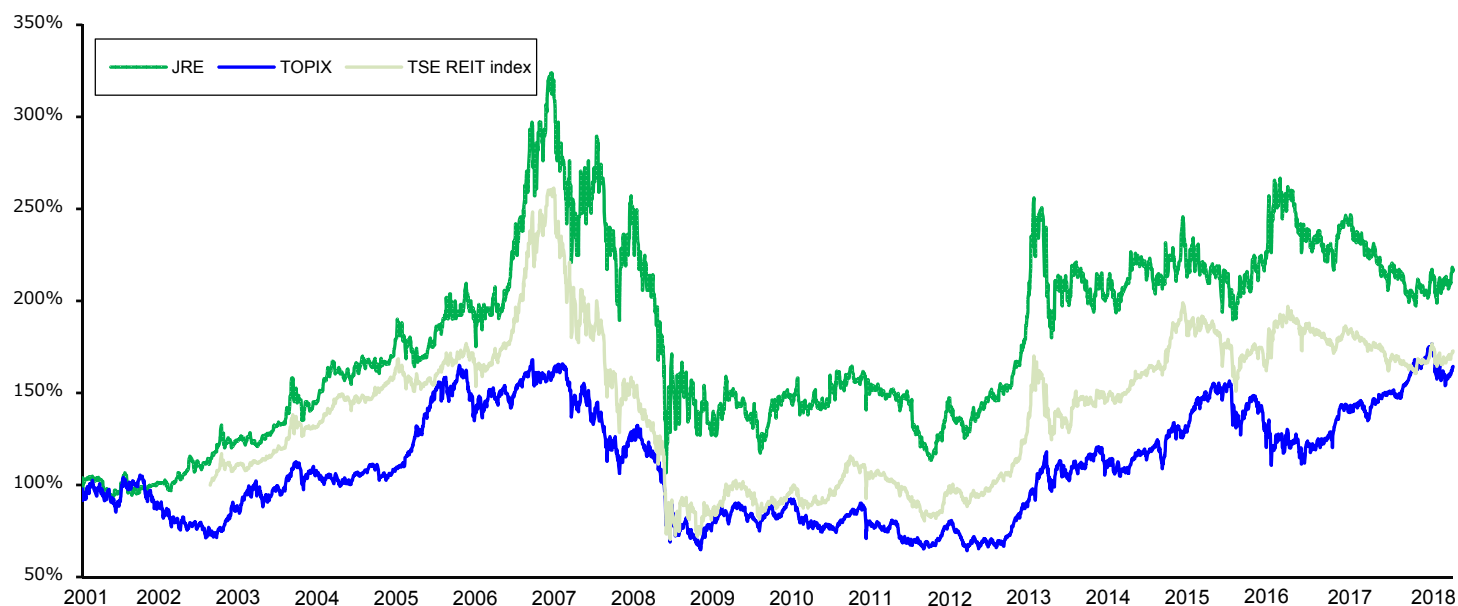


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Unit Price Performance ③ (Relative to Major Indices)

Unit Price Performance

(As of April 27, 2018)



* Unit price performance is measured based on the offer price of 262,500 yen (after the split) for JRE and the closing prices of 1,080.83 for TOPIX on September 7, 2001. The TSE REIT index is a ratio against the closing price on March 31, 2003.

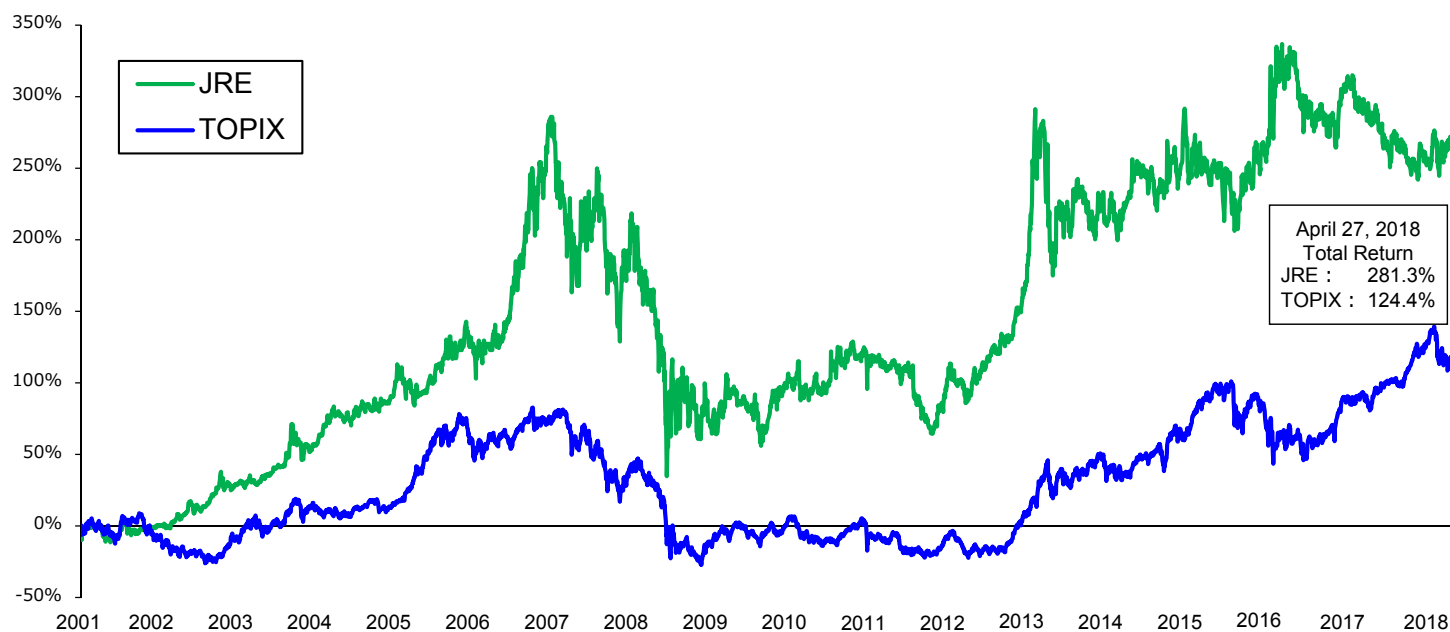
* Unit prices are based on the closing prices of each day.

* The unit price performance above is historical and not an indication of future performance.

* Source: Bloomberg

Total Return Performance

(As of April 27, 2018)



* Total return is the rate of return on investment in JRE from September 10, 2001 to the end of each holding period.

Total return = $((\text{the number of units acquired by reinvestment of dividends} + 1) \times (\text{the last closing price} / \text{the closing price on September 10, 2001}) - 1) \times 100$.

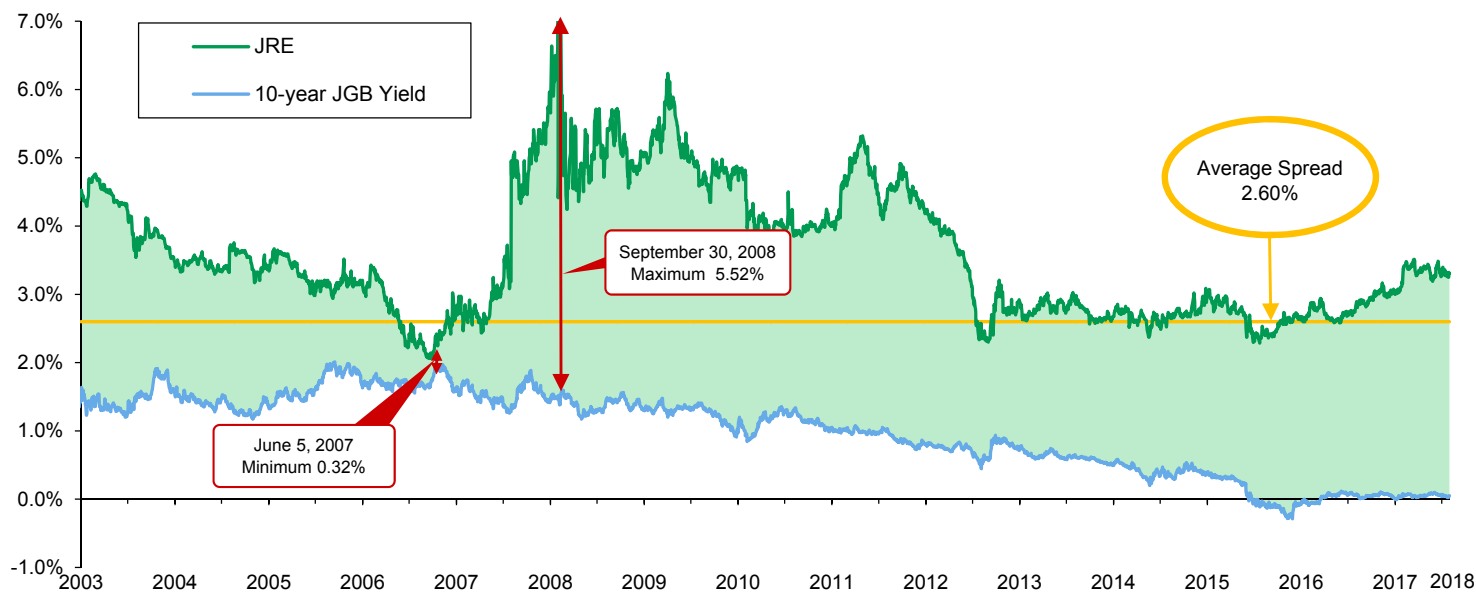
* Total return is calculated from September 10, 2001 to April 27, 2018 on a daily basis.

* Source: Bloomberg

Yield Spread Comparison

JRE Dividend Yield Spread against JGB

(As of March 30, 2018)



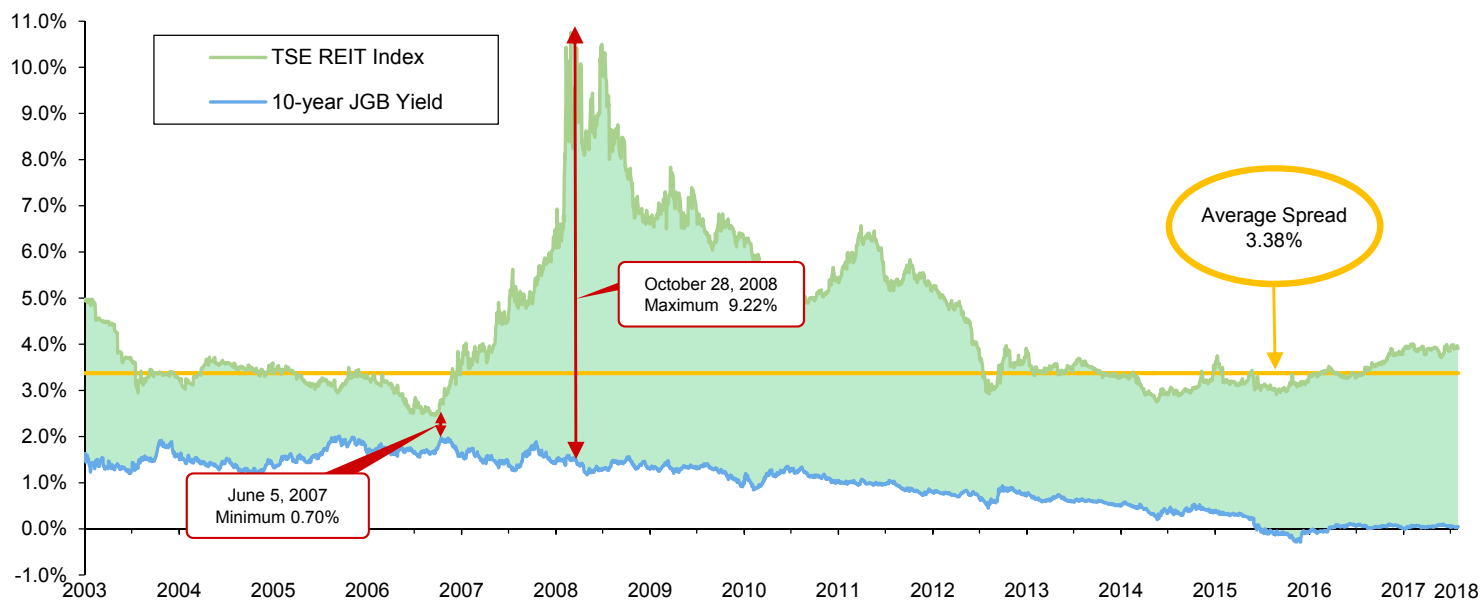
* Daily basis data from September 1, 2003 to March 30, 2018.

* Dividend yield is based on the actual performance

* Source: Bloomberg

TSE REIT Dividend Yield Spread against JGB

(As of March 30, 2018)



* Daily basis data from September 1, 2003 to March 30, 2018.

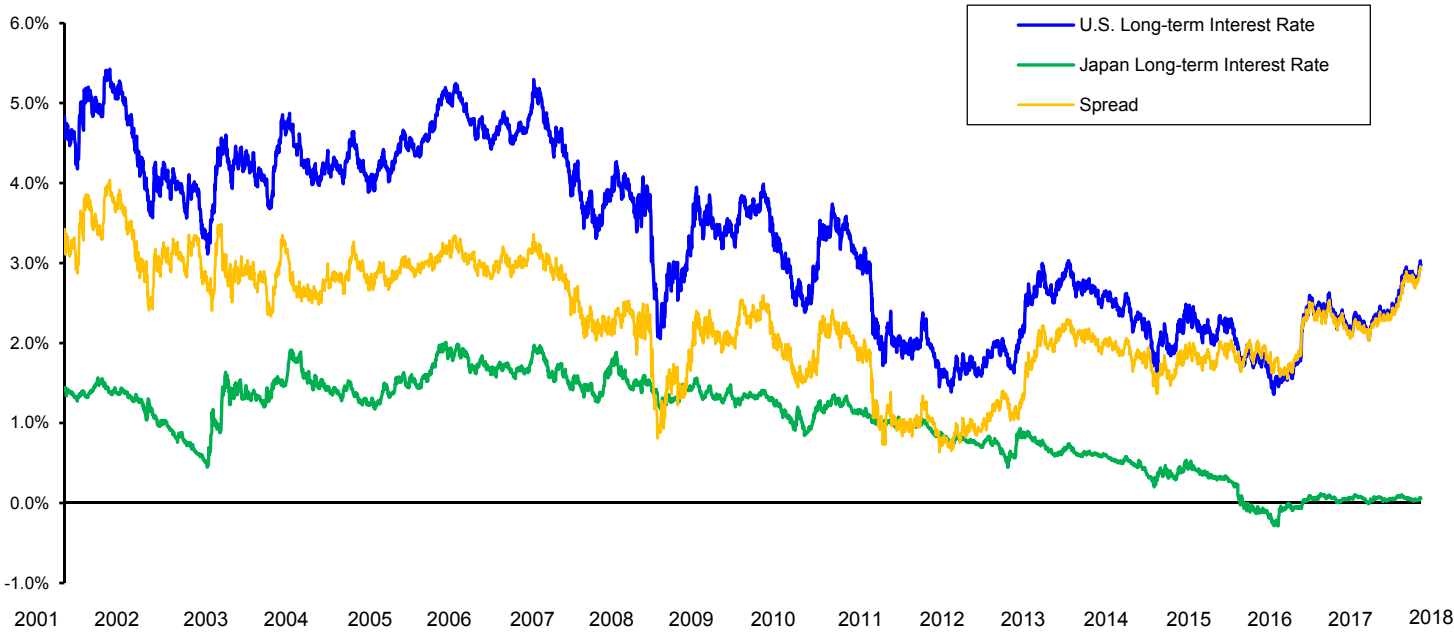
* Calculated based on the dividend yield of TSE REIT Index. Dividend yield is based on the actual performance

* Source: Bloomberg

Interest Rate Comparison of Japan and U.S.

Long-term Interest Rate Comparison of Japan and U.S.

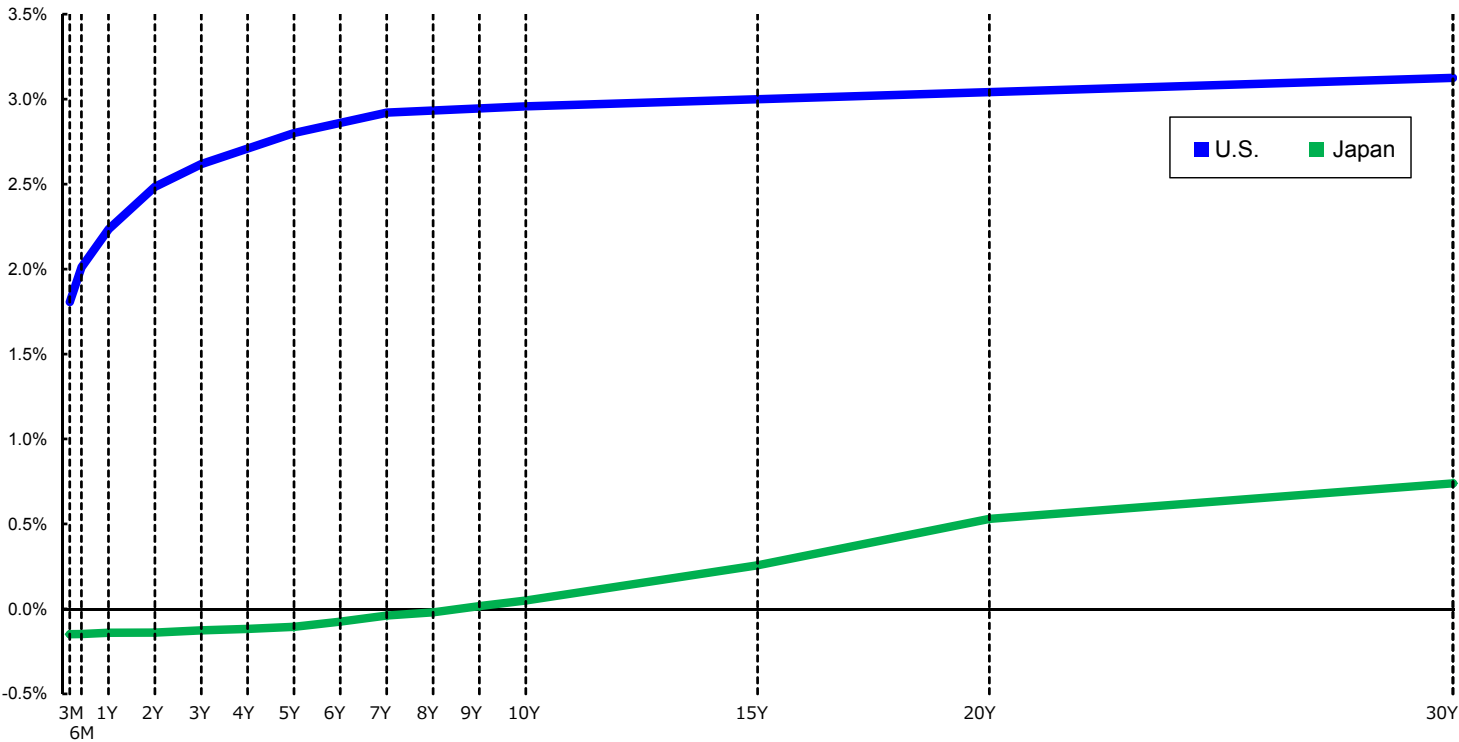
(As of April 27, 2018)



* Long-term interest rates are the yields of Japan and U.S.10-year Government Bonds.
* Source: Bloomberg

Yield Curve Comparison of Japan and U.S.

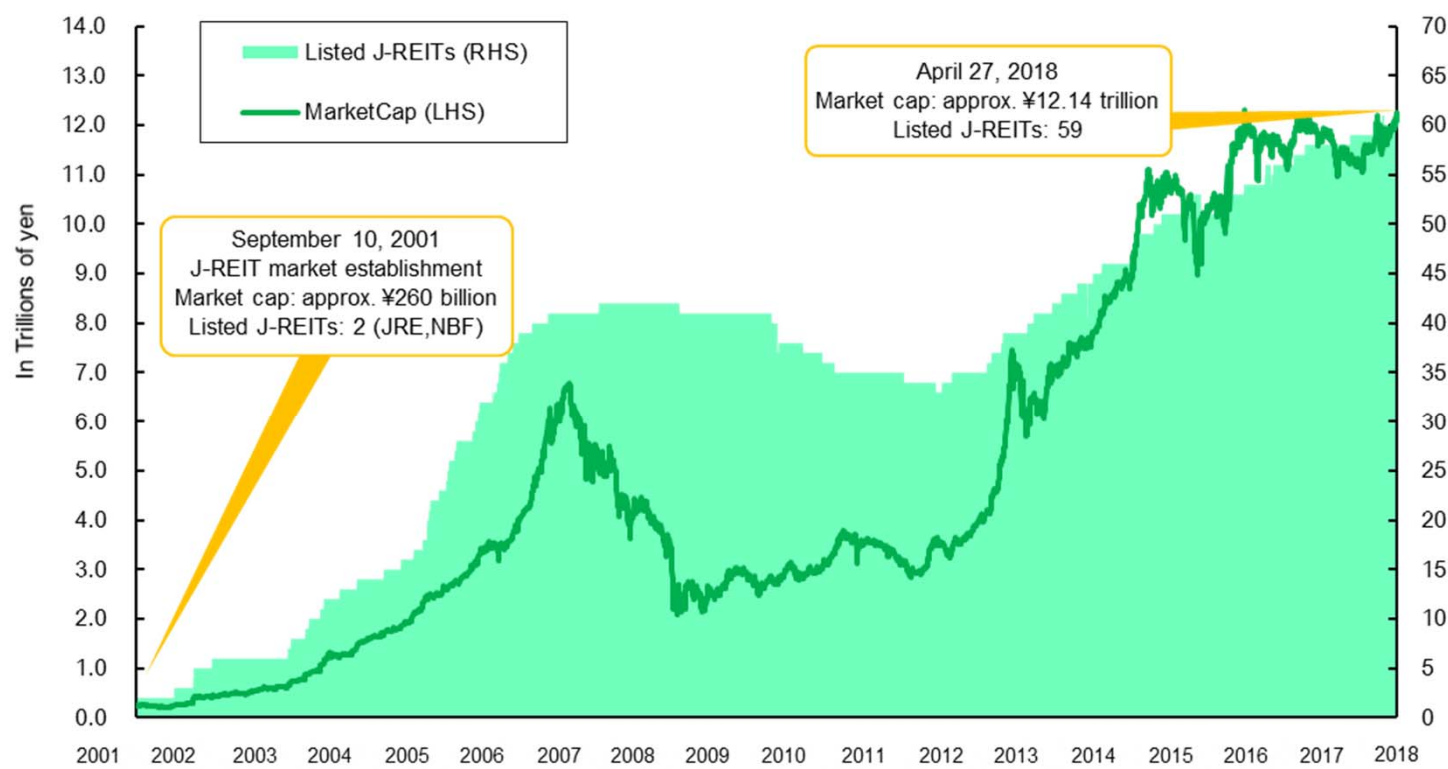
(As of April 27, 2018)



* Source: Bloomberg

J-REIT Market Capitalization and the Number of Listed J-REITs

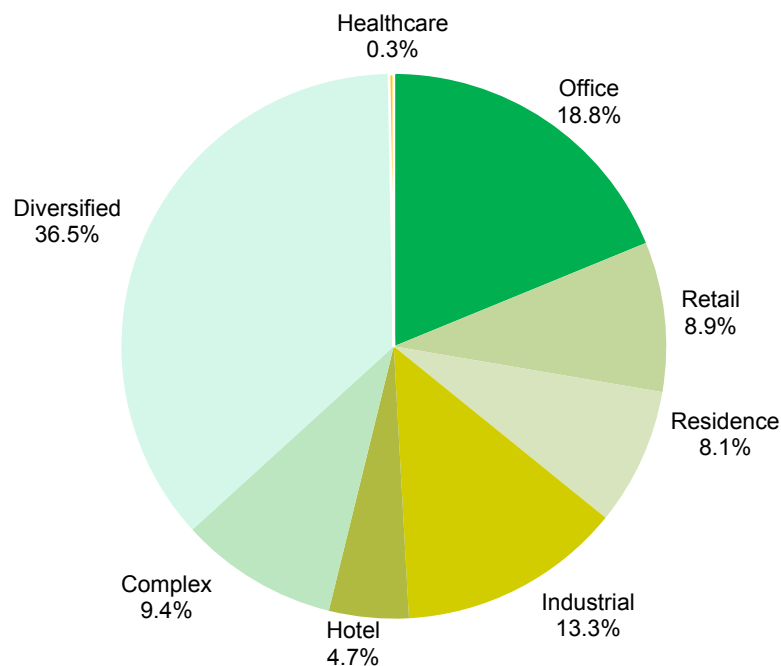
(As of April 27, 2018)



* Source: Bloomberg

Sector Breakdown by Market Capitalization

(As of April 27, 2018)



* "Complex" refers to J-REITs that invest in properties in two different sectors;
"Diversified" refers to J-REITs that invest in properties in three sectors or more.
* Source: Security registration statements, financial statements, Bloomberg and websites of each J-REITs

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Disclaimer Concerning Forecasts

This presentation contains information regarding forecasts based on the plans and outlook of Japan Real Estate Investment Corporation (JRE).

All data contained herein, other than those that describe current or historical data, are based on such forecasts.

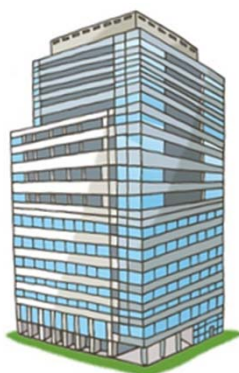
These forecasts are based on the assumptions, judgment, and data currently available from Japan Real Estate Asset Management Co., Ltd. and JRE. These data may contain known and unknown risks, uncertainty, and other factors not accounted for. The forecasts herein may be affected by known and unknown risks, uncertainty, or other factors, particularly with respect to JRE's internal and external growth and profitability-per-unit targets.

The aforementioned risks, uncertainty, and other factors may result in significantly different results regarding JRE's future performance, management, and financial data implicitly or explicitly presented herein.

JRE shall assume no obligation to update or further disclose data regarding these forecasts after the date of this presentation.

Disclaimer Concerning Translations

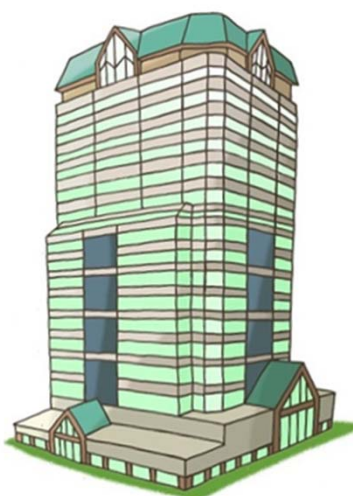
This report was prepared in English solely for the convenience of readers outside Japan. No assurance or warranties are given for the completeness or accuracy of the English translations. The original Japanese documents shall take precedence in the event of any discrepancies arising from the translations or interpretations contained in this report.



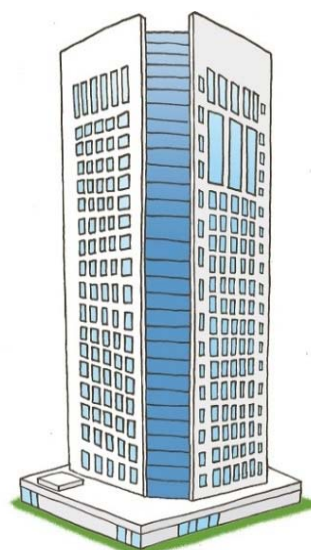
Kitanomaru Square



Shiodome Building



Akasaka Park Building



Tokyo Opera City Building

