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For Immediate Release

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Announcement of Disposal and Acquisition of Domestic Properties

Japan Real Estate Investment Corporation (“JRE”) announced today that Japan Real Estate Asset Management Co., Ltd., an asset management company to which JRE entrusts the management of its assets, decided on January 11, 2018 the disposal and acquisition of domestic properties as follows:

«Property to be disposed»

Name of Property	Address	Type of Property to be disposed	Disposition Price
Shibuya Cross Tower (building section) (Note)	Shibuya-ku, Tokyo	Domestic property	¥ 10,000 million

(Note) JRE will continue to own the freehold of the land, and sign a fixed-term land lease contract with Mitsubishi Estate Co., Ltd. for 70-year leasehold.

«Property to be acquired»

Name of Property	Address	Type of Property to be acquired	Acquisition Price
Front Place Nihonbashi	Chuo-ku, Tokyo	Domestic property	¥ 17,560 million

«Purpose of the disposal and acquisition»

Mitsubishi Estate Co., Ltd. (“Mitsubishi Estate”) and Specific Purpose Company (Nihonbashi 2 Chome Kaihatsu Tokutei Mokuteki Kaisha) invested by Mitsubishi Estate is the scheduled buyer and seller of the respective properties. By disposing an aging property and acquiring a younger property, JRE will successfully improve its portfolio quality while maintaining the revenue base.

«Property to be disposed: Shibuya Cross Tower (building section)»

1. Outline of the disposal

1) Property to be disposed:	Domestic property
2) Name of property:	Shibuya Cross Tower (building section)
3) Disposition price:	¥10,000 million (Note 1)
4) Estimated book value:	¥9,758 million (Note 2)
5) Difference between the disposition price and estimated book value:	¥241 million (Note 3)
6) Scheduled contract date:	January 12, 2018
7) Scheduled closing date:	January 18, 2018
8) Buyer:	Mitsubishi Estate Co., Ltd.
9) Method of Settlement:	Lump sum payment at closing of disposition

(Note 1) Disposal costs, adjustment amounts of property taxes and city planning taxes and consumption taxes, etc. are not included in the disposition price.

(Note 2) The estimated book value means the estimated book value as of January 18, 2018 computed by the asset management company based on the book value at the end of the period ended September 30, 2017, the scheduled capital expenditures and the estimated depreciation for up to the scheduled closing date. The number is rounded down to the nearest million.

(Note 3) It does not mean the actual gain on disposition as it does not include other costs. The number is rounded down to the nearest million.

2. Reasons for the disposal

As 41 years have passed since the completion of this property which significantly exceeds the average building age of JRE's portfolio (18.0 years as of September 30, 2017) JRE faced challenges with regard to the renovation and renewal costs to be incurred in the near future.

Under such circumstances, JRE received a proposal from Mitsubishi Estate to dispose the building section and sign a fixed-term land lease contract while continue to hold the land and enjoy stable land rent. Also, Mitsubishi Estate offered that JRE purchase Front Place Nihonbashi which is 3.9 years old owned by Specific Purpose Company (Nihonbashi 2 Chome Kaihatsu Tokutei Mokuteki Kaisha) invested by Mitsubishi Estate.

Taking into consideration of these proposals, the improvement in the quality of portfolio was expected. With regard to profitability, the actual yield after depreciation for Shibuya Cross Tower was 2.2% (average of the recent six periods) while the total yield comprising of the land rent of Shibuya Cross Tower and the profit after depreciation of Front Place Nihonbashi (note) is expected to be 3.1%. Therefore, further enhancing competitiveness of the portfolio can be expected as well.

Taking into account these estimates, the characteristics of the properties and the future strategy of the portfolio based on the basic policies of asset management and investment attitude under the Articles of Incorporation of JRE, the Asset Management Company decided to dispose and acquire the respective properties.

(Note)

$$\text{Total yield after depreciation of the relevant properties (\%)} = \frac{\text{Land rent of Shibuya Cross Tower} + \text{Profit after depreciation of Front Place Nihonbashi (Estimated under ordinary state occupancy)}}{\text{Book value of the land of Shibuya Cross Tower} + \text{Acquisition price of Front Place Nihonbashi}} \times 100$$

3. Details of the property to be disposed

The relevant information is as set out below; provided that the information on “area,” “structure” and “completion date” is derived from the land registry, “usage” described below is among the main usages listed in the land registry.

(1) Details of the property

Name of property	Shibuya Cross Tower (building section)	
Type of specified assets	Real estate	
Location (Address)	2-15-1, Shibuya, Shibuya-ku, Tokyo	
Usage	Offices, Shops	
Area	Land	5,153.45 m ²
	Building	61,862.33 m ²
Structure	Steel-framed reinforced concrete structure, steel-framed structure, flat roof Above ground: 32 floors Below ground: 3 floors	
Completion date	April 1976	
Type of ownership	Land	The freehold of the land will not be disposed, but a general fixed-term leasehold for 70 years will be signed.
	Building	Ownership
Date of acquisition	November 30, 2001	
Acquisition price	¥ 8,076 million (Acquisition price of the building) Ref.) Acquisition price of the entire land and building: ¥34,600 million	
Appraisal value at the point of disposal (Appraisal institution) (Appraisal date)	¥ 9,770 million (Daiwa Real Estate Appraisal Co., Ltd.) (as of December 1, 2017) Ref.) Appraisal value as of September 30, 2017 of the entire land and building: ¥50,500 million	
Tenant details		
Total number of tenants	52 (as of January 11, 2018. Same applies to below)	
Total leasable space	29,797 m ²	
Total leased space	28,791 m ²	

Occupancy rate	96.6%
Rent revenues	¥ 1,504 million (as of September 2017 period)
Security deposit	¥ 2,177,257 thousand (as of January 11, 2018)

(2) Outline of the agreement of a fixed-term leasehold of land

JRE has agreed that a fixed-term land leasehold contract will be signed with Mitsubishi Estate as leaseholder of the land that JRE continues to keep freehold, upon the disposal of Shibuya Cross Tower (building section).

Outline of the agreement of a fixed-term leasehold is as follows.

Location	2-15-1, Shibuya, Shibuya-ku, Tokyo 2-15-2, Shibuya, Shibuya-ku, Tokyo
Area	5,153.45 m ²
Type of leasehold	General fixed-term leasehold pursuant to Article 22 of the Act on Land and Building Leases
Purpose of leasehold	① To own Shibuya Cross Tower ② To own a building (hereinafter, “new building”) that will be newly constructed on the land of Shibuya Cross Tower
Duration of leasehold	January 18, 2018 to January 17, 2088 (70 years) (The leasehold shall not be renewed or extended)
Leasehold consideration	None
Security deposit	None
Land Rent	i) January 18, 2018 (delivery date) to May 31, 2021 ¥90,000,000 per month ii) June 1, 2021 onwards Based on the land taxes and consumer price index, it shall be revised every three years.
Expiry of the land lease	<ul style="list-style-type: none"> • There will be no building purchase claim prescribed in Article 13 of the Act on Land and Building Leases. • The owner of the building shall be obliged to demolish the building and return the land as a vacant site by the expiry date of the contract. However, if JRE exempts the obligation, JRE may claim transfer of ownership of the building free of charge.
Future disposal of the property	<ul style="list-style-type: none"> • Mitsubishi Estate shall consult with JRE in advance if Mitsubishi Estate intends to sell the property to be disposed or the new building to a third party. <p>In cases where JRE does not wish to acquire the property or if JRE wishes to acquire the property but agreement is not reached after three months’ negotiation, Mitsubishi Estate will be able to market the property to a third party.</p>

4. Outline of the buyer

Corporate name	Mitsubishi Estate Co., Ltd.
Address of the registered head office	1-1-1, Otemachi, Chiyoda-ku, Tokyo
Representative	Junichi Yoshida, President & CEO
Date of establishment	May 1937
Paid-in capital	¥141,898 million (as of September 30, 2017)
Major shareholder (Ratio of shareholders) (as of September 30, 2017)	The Master Trust Bank of Japan Ltd. (trust account) (6.54%) Japan Trustee Services Bank, Ltd. (trust account) (4.07%) JP Morgan Chase Bank 380072 (3.39%)
Principal business	Real estate business
Net assets and total assets in the preceding fiscal period	Net assets (consolidated): ¥ 1,767,460 million (as of March 2017 period) Total assets (consolidated): ¥ 5,484,115 million (same as above)
Relationship with JRE or the asset management company	
Capital relationship	Mitsubishi Estate, a parent company and a shareholder that holds a 90% stake of Japan Real Estate Management Co., Ltd. (asset management company) to which JRE entrusts the management of its assets. In addition, Mitsubishi Estate holds 17,120 units of the JRE's investment units as of September 30, 2017 (1.31% of total outstanding investment units).
Personal relationship	15 personnel of the asset management company are seconded from Mitsubishi Estate as of January 11, 2018.
Business relationship	Mitsubishi Estate is the previous owner and the previous beneficiary of trust of some of the properties held by JRE. It is also one of the tenants of JRE's properties. It also enters into several associated contracts related to the properties held by JRE.
Applicability to related parties	Mitsubishi Estate falls within the definition of related party of the asset management company under the Regulation for Terminology, Forms and Preparation of Financial Statements. Furthermore, Mitsubishi Estate falls within the definition of related party of the asset management company under the Order for Enforcement of the Act on Investment Trusts and Investment Corporations, and also falls within the definition of related party under the internal rules of the asset management company.

5. Transaction with related parties

This transaction is deemed as transaction with related parties. Before executing such transaction, the asset management company has obtained the review and approval from the compliance committee, and undergone approval procedures at an asset management meeting, pursuant to the Rules for Related Party Transactions.

6. Outline of the brokerage

Not applicable

7. Schedule of the disposal

January 11, 2018	Decision of the disposal of the property
January 12, 2018	Execution of the agreement for the disposal (scheduled)
January 18, 2018	Closing of transaction (scheduled)

8. Other

As for gain of disposal of the building, an amount within a maximum limit may be reserved for reduction entry by applying the preferential tax measures in case of replacing specified assets stipulated in Article 65-7 of the Act on Special Measures Concerning Taxation for the purpose of stabilizing and leveling distribution per unit in the future.

9. Outline of appraisal report

Name of property	Shibuya Cross Tower (building section)
Appraisal value	¥ 9,770,000 thousand
Appraisal institution	Daiwa Real Estate Institute
Date of appraisal	December 1, 2017

Item	Amount (thousand yen)	General Outline
Capitalization Value	9,770,000	Estimated with DCF method which is referring net cash flow of a certain period.
Direct Capitalization Value		Direct capitalization is not applied taking into account term leasehold interest for building and the building's economic useful lives, etc. Therefore, the following details are figures of the third year calculated under DCF method.
Value under DCF method	9,770,000	
(1) Operating Revenue [① - ②]	2,908,725	
① Annual Rent Revenue	3,000,243	Estimated by taking into account tenant turnover, etc. referring to actual performance, etc. as of the appraisal date.
② Amount of Loss due to Vacancy	91,518	Estimated by assessing based on average vacancy rate, etc. of comparable properties.
(2) Operating Expenses	1,862,781	
Maintenance Cost for Building	338,248	Referenced actual costs in past years for the estimation of building maintenance cost and for the estimation of the property management fee.
Property Management Fee	(Note)	
Brokerage Fee etc.	19,605	Estimated based on the brokerage fee, etc. of tenants of comparable properties.
Utilities Expenses	270,000	Estimated taking into account the level, etc. of comparable properties based on the actual costs in past years.
Repairing Expenses	54,025	Estimated by analyzing annual average of repairing expenses listed in the engineering reports.
Property and Other Taxes	95,524	Estimated based on actual figures for fiscal 2017.
Casualty Insurance	5,378	Estimated by analyzing current insurance premiums and those for comparable cases and determined as appropriate.
Other Expenses	1,080,000	Estimated land rents based on agreement on establishment of a fixed-term leasehold.
(3) Net Operating Income [(1) - (2)]	1,045,943	
(4) Profit from Managing Security Deposit	22,196	Assessed at a rate of return on investment of 1%.

(5)Capital Expenditure	279,647	Estimated based on annual average of renewal expenses in the engineering reports.
(6)Net Cash Flow [(3)+(4)– (5)]	788,493	
Discount Rate	4.0%	Estimated by referencing the discount rates of comparable properties and comparing with yields of other financial instruments, etc.
Terminal Cap Rate		Terminal cap rate is not established as selling is not assumed and permanent capitalization method will not be applied.
Integrated Value	5,250,000	
Ratio of Land	0.0%	
Ratio of Building	100.0%	

* Values below a thousand yen are cut off.

Any special considerations made in the reconciliation of estimated value and determination of the final appraisal value	None in particular
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(Note) The property management company of the subject property did not agree to disclose the property management fee. If the fee for the subject property were to be disclosed, it may impact on other deals related to the property management company, which could negatively affect JRE to delegate effective property management service based on JRE's policy of property maintenance and operation. This could in turn undermine the interest of JRE's unitholders. Accordingly, maintenance costs for the building and property management fees are shown in total amount.

《Property to be acquired: Front Place Nihonbashi》

1. Outline of the acquisition

- 1) Property to be acquired: Domestic property
- 2) Name of property: Front Place Nihonbashi
- 3) Acquisition price: ¥17,560 million
- 4) Scheduled acquisition date: January 19, 2018
- 5) Seller: Nihonbashi 2Chome Kaihatsu Tokutei Mokuteki Kaisha
- 6) Method of Settlement: Lump sum payment at closing of acquisition
- 7) Acquisition funds: Proceeds from the disposal of Shibuya Cross Tower (building section), Loans (Note) and cash in hand

(Note) We will notify you as soon as a decision is made regarding the loans.

2. Reasons for the acquisition

Please refer to “2. Reasons for the disposal” for the property to be disposed described in page 2 for the background of decision for the acquisition.

In particular, the following points have been highly evaluated in the determination of the acquisition.

(1) Superior location

This property is located in Nihonbashi area which attracts attention and highly regarded as a business area with a series of redevelopment program. In addition, it is at a close range from Nihombashi Station of the subway line. Kayaba-cho Station, Mitsukoshi-mae Station of the subway line and Tokyo Station of the JR line is also within a walking distance, providing great traffic convenience. Furthermore, this property is highly visible facing a main avenue.

(2) Brand new and environment-friendly office building with sophisticated features

The office building was completed in 2014, and is relatively new property. The ceiling height of rental floor space is 2,800 mm (OA Floor 100 mm) and installs automatic light modulation system, with specifications based on tenants’ needs. In addition, it has high earthquake-resistant capacity and uses LED light for both the leased and common space, as well as acquiring “2016 ★★★★★” of DBJ Green Building certification program. It has high reputation in environment-friendliness and society approach.

3. Details of the property to be acquired

The relevant information is as set out below; provided that the information on “area,” “structure” and “completion date” is derived from the land registry, “usage” described below is among the main usages listed in the land registry.

(1) Details of the property

Location		
Address shown in land registry	Land	2-14-1, Nihonbashi, Chuo-ku, Tokyo and other 10 lots
	Building	2-14-1, Nihonbashi, Chuo-ku, Tokyo and other
Address	2-14-1, Nihonbashi, Chuo-ku, Tokyo	

Usage	Offices, Shops
Area	
Land	1,381.52 m ²
Building	11,672.55 m ²
Structure	Steel-framed structure, Steel-framed reinforced concrete structure, flat roof Above ground: 10 floors Below ground: 1 floor
Completion date	February 2014
Architect	Mitsubishi Jisho Sekkei Inc.
Constructor	Shimizu Corporation
Building confirmation and inspection body	The Building Center of Japan
Type of ownership	
Land	Ownership
Building	Ownership
Acquisition price	¥ 17,560 million
Appraisal value (Appraisal institution) (Appraisal date)	¥ 17,700 million (Japan Real Estate Institute) (as of December 1, 2017)
PML value	2.3% (Based on an earthquake risk assessment report issued by Tokyo Marine & Nichido Risk Consulting Co., Ltd.)
Collateral	Mortgage (the mortgage will be released before acquisition of the property)
Property management company	Mitsubishi Estate Co., Ltd. (Note 1) (Note 2)

(Note 1) The property management company to be appointed after the acquisition.

(Note 2) Please refer to “4. Outline of the buyer” related to property to be disposed on page 5 regarding outline of the property management company.

(2) Tenant details

Total number of tenants	2	
Total leasable space	8,468 m ²	
Total leased space	8,468 m ²	
Trend in occupancy rates	September 30, 2014	100.0%
	September 30, 2015	100.0%
	September 30, 2016	100.0%
	September 30, 2017	100.0%
	Scheduled acquisition date	100.0%
Total rent revenue	Undisclosed due to non-approval of disclosure by tenants	
Security and deposit	Undisclosed due to non-approval of disclosure by tenants	
Reference		
NOI (Net Operating Income)	¥ 614 million per year (Estimated under ordinary state occupancy)	
Depreciation	¥ 128 million per year (Estimated under ordinary state occupancy)	

(Note)	<ul style="list-style-type: none"> - JRE, upon acquisition of the property, will lease the space by pass-through method to Mitsubishi Estate who will sublease the space to tenants. - NOI is an estimated amount under ordinary state occupancy given the fixed property taxes and city planning taxes, etc. based on the terms and conditions of lease agreements as of the acquisition date. -The above figures, except for NOI and depreciation, are based on the data provided by the seller.
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(3) Specifications for leasable floor space

Ceiling height	2,800 mm
Standard floor area	910 m ²
Office automation floor	100 mm
Electric capacity	50 VA/ m ²
Air conditioning system	Individual air conditioning by zones (max. 24 zones per floor)
Floor load	500 kg/ m ²
Others	Around-the-clock entry and exit by card security (contactless IC card key)

(4) Outline of the engineering report

i. Outline of repair items

Date of report	December 12, 2017	
Preparer of report	Shimizu Corporation	
Repairing expenses/Capital expenditure for the next 15 years (Annual average)	Repairing expenses	¥ 8 million
	Capital expenditure	¥ 4 million
	Total	¥ 12 million

ii. Description concerning utilization status of asbestos

(Description on the possible use of asbestos)

Sprayed materials with asbestos	None
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4. Outline of the seller

Corporate name	Nihonbashi 2 Chome Kaihatsu Tokutei Mokuteki Kaisha
Address of the registered head office	2-7-1, Nihonbashi, Chuo-ku, Tokyo
Representative	Masami Mikami, Director
Establishment date	November 29, 2011
Paid-in capital	¥ 8,250 million
Major shareholders (Ratio of shareholders)	Undisclosed due to non-approval of disclosure by the seller
Principal Business	<p>(1) Operation related to transfer, management and disposition of specified assets in line with the Securitization Plan set forth in the Act on Securitization of Assets</p> <p>(2) Any other operations incidental or relating to the operation of securitization of the above specified assets</p>

Net Assets and Total Assets in the preceding fiscal period	Undisclosed due to non-approval of disclosure by the seller
Relationship with JRE or the asset management company	
Capital relationship	Mitsubishi Estate, a parent company that holds a 90% stake of the asset management company to which JRE entrusts the management of its assets, has a preferred equity investment in Nihonbashi 2 Chome Kaihatsu Tokutei Mokuteki Kaisha (“TMK”).
Personal relationship	None in particular
Business relationship	None in particular
Applicability to related parties	TMK falls within the definition of related party of the asset management company under the Regulation for Terminology, Forms and Preparation of Financial Statements. Furthermore, TMK falls within the definition of related party of the asset management company under the Order for Enforcement of the Japanese Act on Investment Trusts and Investment Corporations, and also falls within the definition of related party under the internal rules of the asset management company.

5. Information on property owners, etc.

Property name (Address)	Front Place Nihonbashi (2-14-1, Nihonbashi, Chuo-ku, Tokyo)	
Owner of the property	Previous owner	Second Previous Owner
Corporate Name	Nihonbashi 2 Chome Tokutei Mokuteki Kaisha	None
Relationship to party with special interest	Reference to the above “4.Outline of the seller”.	-
Acquisition background and reason, etc.	Newly built on February 2014	-
Acquisition price	-	-
Acquisition date	-	-

6. Transaction with related parties

This transaction is deemed as transaction with related parties. Before executing such transaction, the asset management company has obtained the review and approval from the compliance committee, and undergone approval procedures at an asset management meeting, pursuant to the Rules for Related Party Transactions.

7. Outline of the brokerage

Not applicable

8. Acquisition schedule

January 11, 2018	Decision of the acquisition of the property
January 18, 2018	Execution of the agreement for the acquisition (scheduled)
January 19, 2018	Closing of the acquisition (scheduled)

9. Outline of appraisal report

Name of property	Front Place Nihonbashi
Appraisal value	¥ 17,700,000 thousand
Appraisal institution	Japan Real Estate Institute
Date of appraisal	December 1, 2017

Item	Amount (thousand yen)	General Outline
Capitalization Value	17,700,000	Estimated by combining the capitalization values under the direct capitalization method and DCF method, as it was determined that both methods offer similar normative validity.
Direct Capitalization Value	17,900,000	
(1) Operating Revenue [①－②]	839,355	
① Annual Rent Revenue	841,839	Estimated by assessing price level of rental income that could be earned on a stable basis over the mid- to long term.
② Amount of Loss due to Vacancy	2,484	Estimated by assessing the level of occupancy rates that are expected on a stable basis over the mid- to long term.
(2) Operating Expenses	233,330	
Maintenance Cost for Building	94,302	Referenced actual costs in past years and comparable properties for the estimation of building maintenance costs, and referenced current contract terms for the estimation of the property management fee. Individual characteristics of respective properties were also analyzed for the estimation.
Property Management Fee	(Note)	
Brokerage Fee etc.	130	Estimated the average annual brokerage fee based on the assumed turnover period of tenants.
Utilities Expenses	46,000	Estimated based on the actual costs in past years and analyzing factors such as occupancy rates.
Repairing Expenses	8,886	Referenced actual costs in past years and estimated by analyzing future management plan, level of comparable properties and annual average expenses stated in the engineering reports.
Property and Other Taxes	83,085	Estimated based on property and other taxes related materials.
Casualty Insurance	927	Estimated by analyzing current insurance premiums and those for comparable properties.
Other Expenses	0	
(3) Net Operating Income [(1)－(2)]	606,025	
(4) Profit from Managing Security Deposit	8,024	Estimated by assuming an interest rate of 1%
(5) Capital Expenditure	4,077	Estimated by analyzing the level of comparable properties, age of the building and average annual expenditure stated in the engineering reports.
(6) Net Cash Flow [(3)+(4)－(5)]	609,972	
(7) Cap Rate	3.4%	Determined by applying the relevant spread derived from the locational conditions of the target properties etc. to the standard cap rate, which is assigned to each district, while also analyzing the transaction yields of comparable properties.
Discounted Cash Flow Value	17,500,000	
Discount Rate	3.1%	Determined by referencing the investment yields of comparable properties and analyzing the individual characteristics of target properties from a comprehensive perspective.

	Terminal Cap Rate	3.5%	Determined by referencing the transaction yields of comparable properties and analyzing future trends with regard to investment yields from a comprehensive perspective.
	Integrated Value	17,700,000	
	Ratio of Land	85.2%	
	Ratio of Building	14.8%	

* Values below a thousand yen are cut off.

Any special considerations made in the reconciliation of estimated value and determination of the final appraisal value	None in particular
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(Note) The property management company to be appointed of the subject property did not agree to disclose the property management fee. If the fee for the subject property were to be disclosed, it may negatively impact on other deals related to the property management company to be appointed, which could affect JRE to delegate effective property management service based on JRE's policy of property maintenance and operation. This could in turn undermine the interest of JRE's unitholders. Accordingly, maintenance costs for the building and property management fees are shown in total amount.

«Future outlook»

As the impact of the transactions on JRE's management performance for March 2018 period (from October 1, 2017 to March 31, 2018) and September 2018 period (from April 1, 2018 to September 30, 2018) is expected to be minor, no revision of the forecast for performance will be made.

Reference materials (attachments)

- Information map of Front Place Nihonbashi
- Exterior of Front Place Nihonbashi
- List of all the properties of JRE after the disposal and acquisition of these properties

This is the English translation of the announcement in Japanese dated January 11, 2018. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

(Reference) Information map of Front Place Nihonbashi



(Reference) Exterior of Front Place Nihonbashi



(Reference) List of all the properties of JRE after the disposal and acquisition of these properties

Area	Name	Location	Type of property	Acquisition date	Acquisition price (Note 1) (thousand yen)	Percentage of portfolio	Percentage by area
Tokyo metropolitan area (23 wards)	Kitanomaru Square	Chiyoda-ku, Tokyo	Real property	February 24, 2006	81,555,500	8.5%	75.4%
	MD Kanda Building	Chiyoda-ku, Tokyo	Real property	May 31, 2002	9,520,000	1.0%	
	Kandabashi Park Building	Chiyoda-ku, Tokyo	Real property	August 15, 2002	4,810,000	0.5%	
	Otemachi Financial City North Tower	Chiyoda-ku, Tokyo	Real property	March 31, 2014	15,462,900	1.6%	
	Nibancho Garden	Chiyoda-ku, Tokyo	Real property	April 1, 2005	14,700,000	1.5%	
	Mitsubishi UFJ Trust and Banking Building	Chiyoda-ku, Tokyo	Real property	March 28, 2007	44,700,000	4.6%	
	Burex Kojimachi Building	Chiyoda-ku, Tokyo	Real property	July 29, 2005	7,000,000	0.7%	
	Sanno Grand Building	Chiyoda-ku, Tokyo	Real property	January 31, 2005	10,200,000	2.2%	
				April 3, 2006	10,700,000		
				Total	20,900,000		
	Yurakucho Denki Building	Chiyoda-ku, Tokyo	Real property	August 1, 2003	7,200,000	0.7%	
	Kodenmacho Shin-Nihonbashi Building	Chuo-ku, Tokyo	Trust beneficiary right in trust of real property	September 25, 2001	3,173,000	0.3%	
	Front Place Nihonbashi	Chuo-ku, Tokyo	Real property	January 19, 2018	17,560,000	1.8%	
	Kyodo Building (Kayabacho 2Chome)	Chuo-ku, Tokyo	Trust beneficiary right in trust of real property	March 1, 2011	4,410,000	0.5%	
	Burex Kyobashi Building	Chuo-ku, Tokyo	Real property	July 22, 2002	5,250,000	0.5%	
	GINZA 1 Chome East Building	Chuo-ku, Tokyo	Trust beneficiary right in trust of real property	March 2, 2015	6,459,000	0.7%	
	GINZA Sanwa Building	Chuo-ku, Tokyo	Real property	March 10, 2005	16,830,000	1.7%	
	Ryoshin GINZA East Mirror Building	Chuo-ku, Tokyo	Real property	March 15, 2005	5,353,500	0.8%	
				May 24, 2010	2,645,922		
				Total	7,999,422		
	Harumi Front	Chuo-ku, Tokyo	Real property	January 7, 2013	31,300,000	3.2%	
	Harumi Center Building	Chuo-ku, Tokyo	Real property	December 18, 2007	26,800,000	2.8%	
	Akasaka Park Building	Minato-ku, Tokyo	Real property	November 15, 2011	60,800,000	6.3%	
	Aoyama Crystal Building	Minato-ku, Tokyo	Real property	March 14, 2003	7,680,000	0.8%	
	Clover Shiba-koen	Minato-ku, Tokyo	Trust beneficiary right in trust of real property	January 20, 2015	4,500,000	0.5%	
	Shiodome Building	Minato-ku, Tokyo	Trust beneficiary right in trust of real property	December 19, 2008	21,250,000	11.1%	
				January 15, 2010	54,600,000		
				May 1, 2015	10,100,000		
				March 30, 2017	10,450,000		
				September 1, 2017	10,530,000		
	Total	106,930,000					
	Shiba 2Chome Daimon Building	Minato-ku, Tokyo	Trust beneficiary right in trust of real property	September 10, 2001	4,859,000	0.5%	
	Cosmo Kanasugibashi Building	Minato-ku, Tokyo	Trust beneficiary right in trust of real property	September 25, 2001	2,808,000	0.3%	
	Tamachi Front Building	Minato-ku, Tokyo	Real property	March 30, 2017	6,210,000	0.6%	
	Shinjuku Eastside Square	Shinjuku-ku, Tokyo	Trust beneficiary right in trust of real property	October 1, 2014	23,100,000	3.1%	
				January 25, 2017	6,660,000		
				Total	29,760,000		
	Shinwa Building	Shinjuku-ku, Tokyo	Real property	September 1, 2004	7,830,000	0.8%	
	Tokyo Opera City Building	Shinjuku-ku, Tokyo	Real property	September 13, 2005	9,350,000	3.3%	
				March 24, 2010	22,426,831		
				Total	31,776,831		
TIXTOWER UENO	Taito-ku, Tokyo	Real property	June 15, 2012	22,000,000	2.3%		
Higashi-Gotanda 1Chome Building	Shinagawa-ku, Tokyo	Real property	November 1, 2004	5,500,000	0.6%		
Osaki Front Tower	Shinagawa-ku, Tokyo	Real property	February 1, 2011	12,300,000	1.3%		
Omori-Eki Higashiguchi Building	Ota-ku, Tokyo	Trust beneficiary right in trust of real property	September 10, 2001	5,123,000	0.5%		
Shinjuku South Gate Project (tentative name) (Land with leasehold interest)	Shibuya-ku, Tokyo	Real property	March 24, 2004	6,670,000	0.6%		
			August 23, 2013	-1,170,000			
			Total	5,500,000			
Yoyogi 1Chome Building	Shibuya-ku, Tokyo	Real property	April 1, 2004	8,700,000	0.9%		
da Vinci Harajuku	Shibuya-ku, Tokyo	Real property	November 22, 2002	4,885,000	0.5%		
Jingumae Media Square Building	Shibuya-ku, Tokyo	Real property	October 9, 2003	12,200,000	1.3%		
Shibuya Cross Tower	Shibuya-ku, Tokyo	Real property	November 30, 2001	34,600,000	2.7%		
			January 18, 2018	-8,076,000			
			Total	26,524,000			
Ebisu Neonato	Shibuya-ku, Tokyo	Real property	November 14, 2003	3,740,000	1.5%		
			April 1, 2004	360,000			
			February 18, 2014	10,512,000			
			Total	14,612,000			
Harmony Tower	Nakano-ku, Tokyo	Real property	February 28, 2005	8,500,000	1.2%		
			December 19, 2012	520,000			
			March 27, 2015	2,100,000			
			Total	11,120,000			
Otsuka Higashi-Ikebukuro Building	Toshima-ku, Tokyo	Trust beneficiary right in trust of real property	September 25, 2001	3,541,000	0.4%		
Ikebukuro 2Chome Building	Toshima-ku, Tokyo	Trust beneficiary right in trust of real property	September 25, 2001	1,728,000	0.2%		
Ikebukuro YS Building	Toshima-ku, Tokyo	Real property	August 2, 2004	4,500,000	0.5%		

Tokyo metropolitan area (excluding 23 wards)	Hachioji First Square	Hachioji City, Tokyo	Real property	March 31, 2005	3,300,000	0.6%	7.3%
				March 19, 2008	2,379,112		
				Total	5,679,112		
	Saitama Urawa Building	Saitama City, Saitama Prefecture	Real property	September 25, 2001	1,232,000	0.3%	
				October 11, 2001	1,342,000		
				Total	2,574,000		
MM Park Building	Yokohama City, Kanagawa Prefecture	Real property	March 24, 2008	37,400,000	3.9%		
Queen's Tower A	Yokohama City, Kanagawa Prefecture	Trust beneficiary right in trust of real property	January 31, 2014	17,200,000	1.8%		
Kawasaki Isago Building	Kawasaki City, Kanagawa Prefecture	Trust beneficiary right in trust of real property	September 25, 2001	3,375,000	0.3%		
Musashi Kosugi STM Building	Kawasaki City, Kanagawa Prefecture	Real property	March 25, 2008	4,000,000	0.4%		
Total: Tokyo metropolitan area					797,244,766	82.6%	82.6%
Hokkaido	8 * 3 Square Kita Building	Sapporo City, Hokkaido	Real property	June 1, 2007	7,100,000	0.7%	0.7%
Tohoku region	Jozenji Park Building	Sendai City, Miyagi Prefecture	Real property	January 31, 2005	1,000,000	0.1%	3.4%
	Higashi Nibancho Square	Sendai City, Miyagi Prefecture	Real property	January 7, 2013	9,950,000	1.0%	
	Sendai Honcho Honma Building	Sendai City, Miyagi Prefecture	Trust beneficiary right in trust of real property	September 25, 2001	2,924,000	0.3%	
				June 28, 2006	250,000		
			Total	3,174,000			
	AER	Sendai City, Miyagi Prefecture	Real property	September 1, 2015	18,640,000	1.9%	
Hokuriku region	Kanazawa Park Building	Kanazawa City, Ishikawa Prefecture	Real property	February 28, 2002	2,880,000	0.5%	0.8%
				March 3, 2003	1,700,000		
Total				4,580,000			
	Kanazawa Kamitsutsumicho Building	Kanazawa City, Ishikawa Prefecture	Real property	October 3, 2016	2,780,000	0.3%	
Chubu region	Nishiki Park Building	Nagoya City, Aichi Prefecture	Real property	October 2, 2006	3,850,000	0.6%	3.2%
				November 1, 2006	1,300,000		
				June 9, 2014	650,000		
				April 1, 2016	175,000		
			Total	5,975,000			
	Nagoya Hirokoji Place	Nagoya City, Aichi Prefecture	Trust beneficiary right in trust of real property	July 31, 2013	8,567,000	0.9%	
	Nagoya Hirokoji Building	Nagoya City, Aichi Prefecture	Real property	September 10, 2001	14,533,000	1.5%	
	Nagoya Misono Building	Nagoya City, Aichi Prefecture	Real property	August 8, 2003	1,865,000	0.2%	
Kinki region	Shijo Karasuma Center Building	Kyoto City, Kyoto Prefecture	Real property	September 3, 2013	4,400,000	0.5%	7.4%
	Umeda Square Building	Osaka City, Osaka Prefecture	Trust beneficiary right in trust of real property	April 1, 2015	15,523,520	1.6%	
	Shin-Fujita Building	Osaka City, Osaka Prefecture	Trust beneficiary right in trust of real property	September 1, 2008	24,000,000	2.5%	
	Sakaisujihonmachi Building	Osaka City, Osaka Prefecture	Real property	September 25, 2001	2,264,000	0.4%	
				December 26, 2003	1,900,000		
				Total	4,164,000		
	Midosuji Daiwa Building	Osaka City, Osaka Prefecture	Trust beneficiary right in trust of real property	September 25, 2001	6,934,000	1.5%	
			February 28, 2002	7,380,000			
			Total	14,314,000			
	Amagasaki Front Building	Amagasaki City, Hyogo Prefecture	Trust beneficiary right in trust of real property	March 25, 2015	9,300,000	1.0%	
Chugoku region	Lit City Building	Okayama City, Okayama Prefecture	Real property	February 1, 2006	4,650,000	0.5%	0.8%
	NHK Hiroshima Broadcasting Center Building	Hiroshima City, Hiroshima Prefecture	Real property	March 25, 2004	1,320,000	0.3%	
				March 3, 2008	1,450,000		
			Total	2,770,000			
Kyushu region	Tosei Tenjin Building	Fukuoka City, Fukuoka Prefecture	Real property	September 25, 2001	1,550,000	0.2%	1.1%
	Tenjin Crystal Building	Fukuoka City, Fukuoka Prefecture	Real property	June 1, 2005	5,000,000	0.5%	
	Hinode Tenjin Building	Fukuoka City, Fukuoka Prefecture	Trust beneficiary right in trust of real property	September 10, 2001	3,657,000	0.4%	
Total: Other major cities					167,492,520	17.4%	17.4%
Total: Portfolio					964,737,286	100.0%	100.0%

(Note1) Acquisition prices are expressed by cutting off the numbers below a thousand.

(Note2) The acquisition price of Shinjuku South Gate Project (land with leasehold interest) represents the acquisition price of the land and building net of the acquisition price of the building on March 24, 2004, as the building section was disposed on August 23, 2013. The name of the property was renamed to "Shinjuku South Gate Project (tentative name) (land with leasehold interest)" from "Nippon Brunswick Building (land with leasehold interest)" on May 15, 2017.

(Note3) The acquisition price of Jingumae Media Square Building is the price of the property on the date of acquisition (October 9, 2003), including the sales cost (¥614 million) of the part of the property that was sold on October 30, 2009.

(Note4) The disposal price of Shibuya Cross Tower (building section) dated January 18, 2018 is indicated minus ¥8,076 million, which is the building acquisition price on the date of the acquisition as of November 30, 2001.