

March 21, 2025

For Immediate Release

Investment Corporation

Japan Real Estate Investment Corporation

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(TSE code: 8952)

Asset Management Company

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Announcement of Acquisition and Disposition of Domestic Real Estates

Japan Real Estate Investment Corporation (“JRE”) hereby announces that Japan Real Estate Asset Management Co., Ltd. (“JRE-AM”), the asset management company to which JRE entrusts asset investment, today decided to acquire and dispose of domestic real estates (the “Acquisition” and the “Disposition” respectively; the “Transaction” collectively) as follows:

<<Property to be acquired>>

Property name	Location	Acquisition Price (planned)	Contract date (scheduled)	Transfer date (scheduled)
CO・MO・RE YOTSUYA (Ratio of ownership interest: 13.5%)	Shinjuku-ku, Tokyo	JPY 29,050 million	March 26, 2025	March 26, 2025

<<Property to be disposed of>>

Property name	Location	Disposition Price (planned)		Contract date (scheduled)	Transfer date (scheduled)
Akasaka Park Building	Minato-ku, Tokyo	JPY 80,700 million	① JPY 13,476 million (Ratio of ownership interest: 16.70%)	April 1, 2025	① April 1, 2025
			② JPY 13,444 million (Ratio of ownership interest: 16.66%)		② October 1, 2025

			③JPY 13,444 million (Ratio of ownership interest: 16.66%)		③April 1, 2026
			④JPY 13,444 million (Ratio of ownership interest: 16.66%)		④October 1, 2026
			⑤JPY 13,444 million (Ratio of ownership interest: 16.66%)		⑤April 1, 2027
			⑥JPY 13,444 million (Ratio of ownership interest: 16.66%)		⑥October 1, 2027

«Purpose of the Transaction»

The transaction is part of our portfolio reshuffling strategy aimed at improving its medium- to long-term competitiveness. We decided to make the acquisition based on our judgment that it would help improve the competitiveness of our portfolio given the good metropolitan location and strong basic specifications and functionality of the property to be acquired. Meanwhile, we decided to conduct the disposition based on a comprehensive assessment through qualitative and quantitative evaluations of the properties we own from the viewpoints of profitability and asset value.

«Property to be acquired: CO•MO•RE YOTSUYA»

1. Outline of the Acquisition

Property name	CO•MO•RE YOTSUYA (Ratio of ownership interest: 13.5%)
Acquisition price (planned)	JPY 29,050 million
Seller	Mitsubishi Estate Co., Ltd.
Brokerage	No
Decision date	March 21, 2025
Contract date (scheduled)	March 26, 2025
Transfer date (scheduled)	March 26, 2025
Payment date (scheduled)	March 26, 2025

2. Reason for the Acquisition

We particularly valued the following factors in our consideration of the property.

(1) Building and facilities

Completed in 2020, this property is a landmark office building in the Yotsuya area, boasting high standards such as approximately 650 tsubo per floor, a ceiling height of 2,800mm, and a 100mm OA floor. In addition to its open office space, it features a scenic view and a lush green area of about 1,500 tsubo, contributing to the comfort and efficiency of office workers. The commercial area on the lower floors houses a variety of retail and dining establishments, offering excellent convenience. Furthermore, various initiatives have been implemented to reduce environmental impact, including the planned introduction of 100% renewable electricity. The building is also highly competitive in terms of both environmental and disaster prevention measures, such as the installation of emergency generators capable of operating for 72 hours and securing temporary accommodation for those unable to return home during disasters.



(COMOREBI Square)



(Commercial area on the lower floors)

(2) Location

The Yotsuya area, where this property is located, is the "middle of the central city," adjacent to Tokyo's representative areas such as Marunouchi, Kasumigaseki, Roppongi, Shinjuku, and Shibuya. It is highly accessible, being a 2-minute walk from Yotsuya Station on the JR lines, Tokyo Metro Namboku Line, and Marunouchi Line. The surrounding area includes Akasaka Imperial Grounds, the State Guest House, Sotobori Park, the Imperial Palace, and Shinjuku Gyoen National Garden, providing a calm environment surrounded by greenery.

3. Description of the Property to Be Acquired

Property name	CO・MO・RE YOTSUYA (Ratio of ownership interest: 13.5%)	
Type of specified asset	Domestic real estate	
Type of ownership		
Land	23/100 co-ownership interest in the right of site (Ratio of right of site: 63.6%)	
Building	Co-ownership interest in sectional ownership interest below ・ Office spaces 3rd through 8th floors, 11th through 12 floors, and 17th through 30th floors (44,782.02 m ²): 23/100 ・ Retail spaces 3rd through 2nd underground floor and 1st through 2nd floors (2,128.78 m ²): 23/100 ・ Others Co-ownership interest in portions treated as common areas set forth in the management bylaws * Ratio of ownership interest: 13.5%	
Location (Building address)	1-6-1 Yotsuya, Shinjuku-ku, Tokyo	
Usage	Offices and shops	
Area		
Land	17,931.82 m ² (area stated in the real property registry)	
Building	131,882.54 m ² (gross floor area stated in the real property registry)	
Structure	S/RC/SRC structure with flat roof, 30 stories above the ground and 4 basement level	
Typical floor area	2,143 m ²	
Completion	January 2020	
Matters related to earthquake resistance	PML: 1.3% (based on the seismic risk assessment report by Tokio Marine dR Co., Ltd.)	
Mortgage	No	
Appraisal value (Date of value)	JPY 29,200 million (as of March 1, 2025)	
Appraisal institution	Daiwa Real Estate Appraisal Co., Ltd.	
Outline of lease		
Total number of tenants	19	
Total rent revenues	JPY 1,449 million per year	
Security deposit	JPY 1,326 million	
Total leased area	10,986 m ²	
Net rentable area	10,997 m ²	
Occupancy rate	March 31, 2023	100.0%
	September 30, 2023	100.0%
	March 31, 2024	100.0%
	September 30, 2024	100.0%
	Scheduled acquisition date	99.9%
Special notes	Matters pertaining to the first option on the transfer of sectional ownership interest in the property is provided for in the co-owners' agreement. Note that a right of the site pertaining to the sectional ownership interest is established over said land.	
(Note)		
・ JRE, upon acquisition of the property, will lease the whole space to be acquired to Mitsubishi Estate, which will then sublease it to third parties under a master lease contract of a pass-through		

type.

- “Area” represents ones stated in the real property registry, which is subject to the entire building and site, encompassing offices, shops, residences, educational facilities, and public facilities.
- “Structure,” and “Completion” show the same entries stated in the real property registry. “Usage,” however, indicates the main entries, among those listed in the real property registry.
- “Outline of lease” is based on the data provided by the seller and calculated on the basis of JRE’s interest. “Total number of tenants” shows the number pertaining to the entire property.
- “Total rent revenues” shows the actual revenues for the year through January 2025.
- “Total number of tenants,” “Total leased area,” “Net rentable area,” and “Occupancy rate on the scheduled acquisition date” are forecasts as of the scheduled transfer date.
- NOI (Net Operating Income): JPY 919 million a year (an estimated amount)
- Depreciation: JPY 274 million a year (an estimated amount)

4. Outline of Seller

Corporate name	Mitsubishi Estate Co., Ltd.
Location	1-1-1, Otemachi, Chiyoda-ku, Tokyo
Representative	Atsushi Nakajima, President & Chief Executive Officer
Principal business	Real estate business
Paid-in capital	JPY 142,414 million (as of Dec. 31, 2024)
Date of establishment	May 7, 1937
Net assets	(Consolidated): JPY 2,614,021 million (as of Dec. 31, 2024)
Total assets	(Consolidated): JPY 7,873,537 million (as of Dec. 31, 2024)
Major shareholders and their shareholding percentages (as of September 30, 2023)	The Master Trust Bank of Japan, Ltd. (Trust Acc.): 16.88% Custody Bank of Japan, Ltd. (Trust Acc.): 5.88% Meiji Yasuda Life Insurance Company: 3.37%
Relationship with JRE and JRE-AM	
Capital relationship	Mitsubishi Estate Co., Ltd. (hereinafter referred to as “the company” in this table) is a parent company of JRE-AM, holding a 100% stake as of March 21, 2025. The company also holds 17,120 investment units of JRE as of September 30, 2024, which accounts for 1.20% of the number of units outstanding.
Personnel relationship	Fourteen personnel from the company are on loan to JRE-AM as of March 21, 2025, and JRE’s executive director concurrently serves as corporate advisor of the company.
Business relationship	The company is the previous owner and trust beneficiary of some of the JRE-owned properties. It is also a lessee for JRE. In addition, it has several collateral contracts regarding properties held by JRE.
Applicability to related parties	The company falls within the definition of related party of JRE-AM under the Regulation for Terminology, Forms, and Preparation Methods of Financial Statements. Furthermore, the company falls within the definition of interested persons, etc. of JRE-AM under the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (Cabinet Order No. 480 of 2000, including later amendments), and also falls within the definition of interested parties under the internal rules of JRE-AM.

5. Status of Owners, Etc. of the Property

Property name (Location)	CO・MO・RE YOTSUYA (1-6-1 Yotsuya, Shinjuku-ku, Tokyo)		
Status of owners, etc. of the property	Previous owner	Second previous owner	
	Corporate name	Mitsubishi Estate Co., Ltd.	—
	Relationship with interested parties of JRE	See “Outline of Seller” above	—
	Acquisition background and reason, etc.	Newly built in January 2020	—
	Acquisition price	— (Note)	—
	Acquisition date	— (Note)	—

(Note) The descriptions are omitted because there is no second previous owner, as the building was developed by the previous owner.

6. Settlement Method

1) Acquisition fund

Loans and cash on hand

(Note) For more information about the loans for the acquisition will be announced as soon as decided.

2) Settlement method

Lump-sum payment at the time of transfer

7. Summary of Appraisal Report

Property name	CO・MO・RE YOTSUYA (Ratio of ownership interest: 13.5%)
Appraisal value	JPY 29,200 million
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
Date of value	March 1, 2025

Item	Amount	Description
Value indicated by the income approach	29,200,000	Indicated by the income approach, placing more weight on the DCF method that incorporates fluctuations of the future net cash flow, while employing the direct capitalization method for verification
Value indicated by the direct capitalization method	30,300,000	
(1) Operating income [①-②]	1,383,064	
① Potential rental income	1,440,501	Estimated considering the new rent level of comparable properties, the medium- to long-term competitiveness of the subject property, etc.
② Vacancy loss	57,436	Recorded based on expenses incurred in previous years and average vacancy rates of comparable properties, considering the competitiveness of the subject property
(2) Operating expenses	407,341	
Maintenance and management fee	204,650	Estimated based on expenses incurred in previous years for the maintenance and management fee, and the current contract for property management fee
Property management fee	(note)	
Utilities expenses	29,959	Estimated based on past and future projected expenses
Repair expenses	17,065	Estimated according to the average annual expenses stated in the engineering report
Leasing cost	11,135	Estimated referring to the leasing cost of comparable properties, etc.
Property tax and city planning tax	124,186	Recorded based on the taxes levied for fiscal year 2024

	Insurance Premium	1,689	Estimated referring to the Insurance Premium of comparable properties
	Other expenses	18,652	Recorded re-contract fee and contingency fund
	(3) Net operating income [(1)-(2)]	975,723	
	(4) Operating profit on lump-sum payments	13,363	Estimated under the assumption of an investment yield of 1.0%
	(5) Capital expenditures	18,803	Estimated based on the building replacement cost in the engineering reports, and taking the construction management fee into consideration
	(6) Net cash flow [(3)+(4) - (5)]	970,283	
	(7) Capitalization rate	3.2%	Estimated referring to the market capitalization rates of comparable properties
	Value indicated by the DCF method	28,700,000	
	Discount rate	3.0%	Estimated from the discount rates in the transactions of comparable properties and comparisons with the yields of other financial instruments, etc.
	Terminal capitalization rate	3.4%	Estimated on the basis of the capitalization rate, while taking into account the marketability of the subject property at the end of the holding period
	Value indicated by the cost approach	33,900,000	
	Land ratio	76.8%	
	Building ratio	23.2%	

* In thousands of yen (amounts are rounded down to the nearest thousand yen)

Any special considerations in the reconciliation between indicated values and determination of the final appraisal value	Nothing in particular
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Note: No consent has been obtained from the property management company to disclose the property management fee as a separate item. Moreover, if the property management fee for the subject property is disclosed separately, it might potentially affect other deals done by the property management company, which could negatively affect JRE in efficiently delegating property management services under its policy on the maintenance and management of target investment properties. This could in turn undermine the interests of its unitholders. Accordingly, the maintenance and management fee and the property management fee are shown by the combined amount.

<<Property to be disposed of: Akasaka Park Building>>

1. Outline of the Disposition

Property name	Akasaka Park Building	
Disposition price (planned)	JPY 80,700 million	① JPY 13,476 million (Ratio of ownership interest: 16.70%)
		② JPY 13,444 million (Ratio of ownership interest: 16.66%)
		③ JPY 13,444 million (Ratio of ownership interest: 16.66%)
		④ JPY 13,444 million (Ratio of ownership interest: 16.66%)
		⑤ JPY 13,444 million (Ratio of ownership interest: 16.66%)
		⑥ JPY 13,444 million (Ratio of ownership interest: 16.66%)

Estimated book value	JPY 56,080 million	①JPY 9,390 million
		②JPY 9,380 million
		③JPY 9,340 million
		④JPY 9,330 million
		⑤JPY 9,330 million
		⑥JPY 9,280 million
Estimated gain on disposition	JPY 23,310 million	①JPY 3,870 million
		②JPY 3,900 million
		③JPY 3,890 million
		④JPY 3,880 million
		⑤JPY 3,990 million
		⑥JPY 3,770 million
Buyer	Mitsubishi Estate Co., Ltd.	
Brokerage	No	
Decision date	March 21, 2025	
Contract date (scheduled)	April 1, 2025	
Transfer date (scheduled)	①April 1, 2025	②October 1, 2025
	③April 1, 2026	④October 1, 2026
	⑤April 1, 2027	⑥October 1, 2027
Payment date (scheduled)	①April 1, 2025	②October 1, 2025
	③April 1, 2026	④October 1, 2026
	⑤April 1, 2027	⑥October 1, 2027
(Notes)	<ul style="list-style-type: none"> The disposition price does not include disposition expenses, property tax and city planning tax adjustments and consumption taxes. The estimated book value is the book value estimated as of today, calculated by JRE-AM on the basis of capital expenditures planned to be incurred by and depreciation estimated as of the transfer date. The estimated gain on disposition is the estimated amount as of today derived by subtracting the estimated book value and disposition expenses (partially undetermined) from the disposition price. 	

2. Reason for the Disposition

In the Akasaka area where this property is located, the rental market remains sluggish due to the supply of large-scale offices. Considering the accessibility from the nearest station and other location factors, the medium- to long-term competitiveness of this property as an office requires close attention. Additionally, as a large mixed-use building that has been in existence over 30 years, there is a risk of decreased revenue due to expected increasing repair and renewal expenses in the future. Against this backdrop, JRE-AM compared the options of operating this property in the medium- to long-term and selling it. As a result, taking into account the transaction proposal received from the buyer under the above conditions, the decision was made to proceed with the disposition.

In connection with this disposition, a replacement property provision agreement is scheduled to be concluded on April 1, 2025 with Mitsubishi Estate Co., Ltd. (“the sponsor”). This agreement grants JRE the right to preferentially acquire properties the sponsor is considering for sale until the total acquisition price reach even to the disposition price of Akasaka Park Building, without the obligation to acquire them.

In addition, the proceeds from this sale are expected to be used for loan repayment and as funds on

hand for the future acquisition of specific assets.

3. Description of the Property to Be Disposed of

Property name	Akasaka Park Building		
Type of specified assets	Domestic real estate		
Type of ownership			
	Land	Ownership	
	Building	Ownership	
Location (Building address)	5-2-20 Akasaka, Minato-ku, Tokyo		
Completion	July 1993		
Usage	Offices, shops, residence		
Appraisal value (Date of value)	JPY 80,700 million (as of March 1, 2025)		
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.		
Outline of lease			
	Total number of tenants	39	
	Total rent revenues	JPY 2,006 million (for the September 2024 period)	
	Security deposit	JPY 4,068 million	
	Total leased area	40,460 m ²	
	Net rentable area	44,954 m ²	
	Occupancy rate	September 30, 2022	91.7%
		March 31, 2023	97.6%
		September 30, 2023	97.6%
		March 31, 2024	94.4%
		September 30, 2024	90.0%
Special notes	None		
(Notes)	<ul style="list-style-type: none"> · The property will be transferred in the form of quasi-co-ownership of trust beneficiary interest in real estate after concluding the real estate management and disposition trust agreement and establishing the trust on April 1, 2025. · “Usage” shows the main entries, among those listed in the real property registry. · “Outline of lease” indicates the figures as of the end of the fiscal period ended September 2024. · “Total number of tenants”, “Security deposit”, “Total leased area”, “Net rentable area”, and “Occupancy rate” do not include the residential portions. 		

4. Outline of Buyer

See “Outline of Seller” above.

5. Settlement Method

A lump-sum payment is to be made on each of the transfer dates.

6. Summary of Appraisal Report

Property name	Akasaka Park Building
Appraisal value	JPY 80,700 million
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
Date of value	March 1, 2025

Item	Amount	Description
Value indicated by the income approach	80,700,000	Indicated by the income approach, placing more weight on the DCF method that incorporates fluctuations of the future net cash flow, while employing the direct capitalization method for verification
Value indicated by the direct capitalization method	82,700,000	
(1) Operating income [①-②]	4,761,630	
① Potential rental income	5,081,718	Estimated considering the new rent levels of comparable properties, the current contracts, as well as the medium- to long-term competitiveness of the subject property, etc.
② Vacancy loss	320,087	Recorded based on average vacancy rates in previous years and of comparable properties, considering the competitiveness of the subject property
(2) Operating expenses	1,896,941	
Maintenance and management fee	572,060 (note)	Estimated based on expenses incurred in previous years for the maintenance and management fee, and the current contract, the expenses of comparable properties for property management fee
Property management fee		
Utilities expenses	525,000	Estimated referring to expenses incurred in previous years, taking into account occupancy rates
Repair expenses	146,240	Estimated according to the average annual expenses stated in the engineering report, etc.
Leasing cost	49,533	Estimated referring to the leasing cost of comparable properties, etc.
Property tax and city planning tax	594,191	Estimated based on the taxes levied for fiscal year 2024
Insurance Premium	5,356	Recorded based on insurance premiums incurred in previous years
Other expenses	4,559	Recorded based on the renewal fee of residence
(3) Net operating income [(1)-(2)]	2,864,688	
(4) Operating profit on lump-sum payments	41,701	Estimated under the assumption of an investment yield of 1.0%
(5) Capital expenditures	341,756	Estimated based on the building replacement cost in the engineering reports, and taking the construction management fee into consideration
(6) Net cash flow [(3)+(4) - (5)]	2,564,634	
(7) Capitalization rate	3.1%	Estimated referring to the market capitalization rates of comparable properties
Value indicated by the DCF method	79,900,000	
Discount rate	2.9%	Estimated from the discount rates in the transactions of comparable properties and comparisons with the yields of other financial instruments, etc.
Terminal capitalization rate	3.3%	Estimated on the basis of the capitalization rate, while taking into account the marketability of the subject property at the end of the holding period
Value indicated by the cost approach	82,400,000	
Land ratio	92.8%	
Building ratio	7.2%	

* In thousands of yen (amounts are rounded down to the nearest thousand yen)

Any special considerations in the reconciliation between indicated values and determination of the final appraisal value	Nothing in particular
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Note: No consent has been obtained from the property management company to disclose the property management fee as a separate item. Moreover, if the property management fee for the subject property is disclosed separately, it might potentially affect other deals done by the property management company, which could negatively affect JRE in efficiently delegating property management services under its policy on the maintenance and management of target investment properties. This could in turn undermine the interests of its unitholders. Accordingly, the maintenance and management fee and the property management fee are shown by the combined amount.

<<Transaction with Interested Party>>

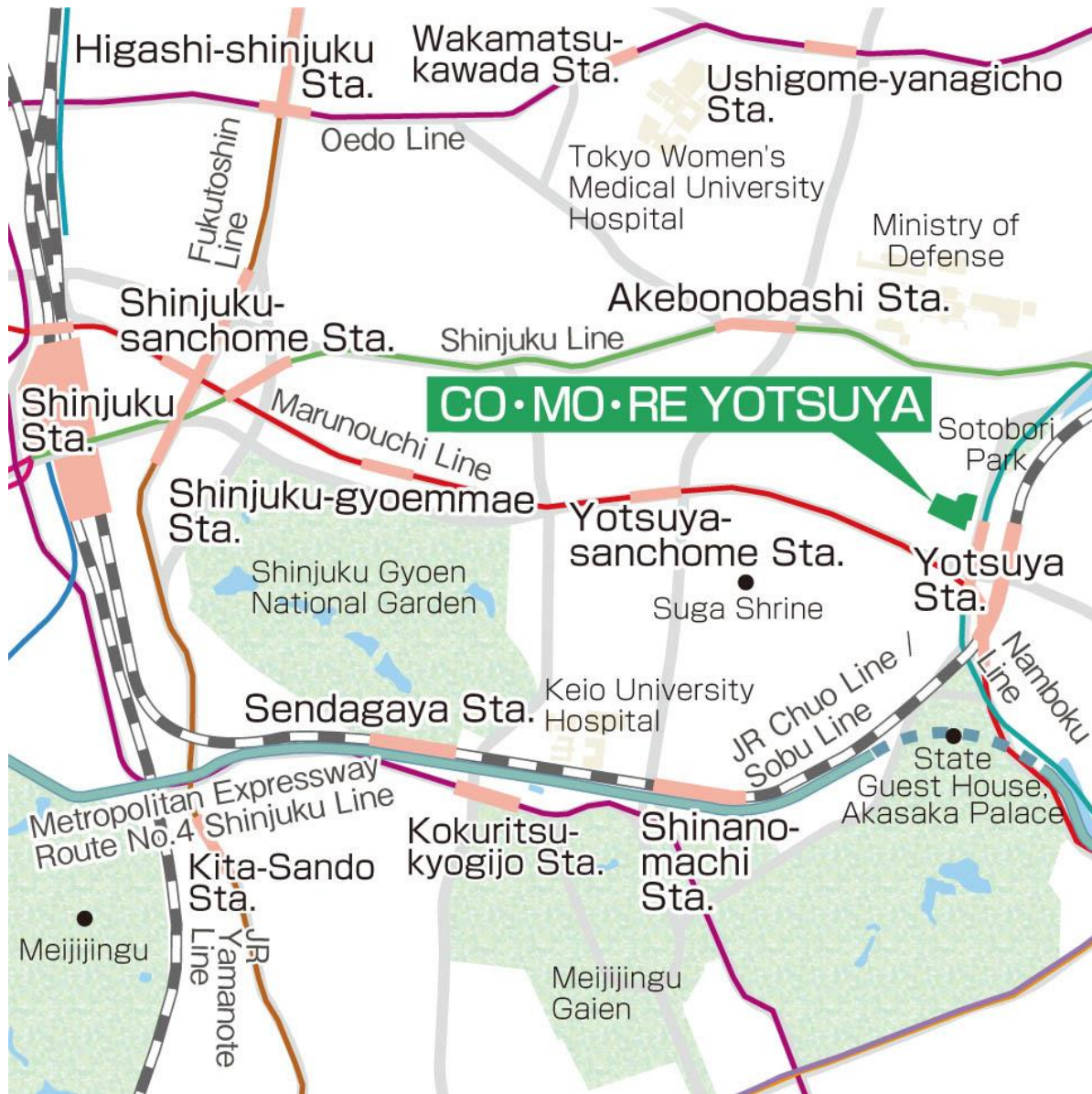
This acquisition falls under a transaction with an interested party. In order for such an acquisition to proceed, JRE-AM first goes through the deliberation and approval process at its compliance committee, and then obtains approval from its investment management council pursuant to the rules for interested-party transactions.

<<Future Outlook>>

There are no revisions to the operating performance forecasts for the fiscal period ending March 2025 (October 1, 2024 to March 31, 2025) as the acquisition will likely have only a marginal effect on performance. Regarding forecast revisions for the fiscal period ending September 2025 (from April 1, 2025 to September 30, 2025), please refer to the press release titled “Announcement of Forecast Revisions for the September 2025 Period” announced today.

This is the English translation of the announcement in Japanese dated March 21, 2025.
No assurance or warranties are given for the completeness or accuracy of this English translation.

(Reference) map of CO·MO·RE YOTSUYA



(Reference) Exterior of CO·MO·RE YOTSUYA



● Cross sectional view of CO·MO·RE YOTSUYA

