

**Japan Real Estate Investment Corporation**  
**Performance Review for the 26th Period (September 2014)**  
**November 17, 2014**



**Japan Real Estate Asset Management Co., Ltd.**

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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 space," "Leased 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 space by total leasable space at the end of every month during the period.
- (4) "Leasable space" and "Leased space" do not include the area used for or leased as rental meeting rooms and maintenance/stock rooms and Nippon Brunswick (land with leasehold interest).
- (5) The data pertaining to the residential portions are not included in "Leasable space," "Leased space," "Occupancy rate" and "Number of tenants" for "Kitanomaru Square," "Nibancho Garden," "Akasaka Park Building," "Ebisu Neonato" and "Nishiki Park Building."
- (6) "Rent" means tenant rent for "Leasable 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 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, and collected electricity charges, etc.) + Non-rental revenues (cancellation fees and other miscellaneous income)
- (15) "Gain on transfer of properties" = Gain on sale 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 Nippon Brunswick (building) was transferred as of August 23, 2013, the acquisition price of Nippon Brunswick (land with leasehold interest, ¥5,500 million), represents the acquisition price of Nippon Brunswick (¥ 6,670 million) net of the acquisition price of the building (¥1,170 million) on March 24, 2004.
- (17) "Sponsors" refers to the following two shareholders of Japan Real Estate Asset Management Co., Ltd. (J-Rea): 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."

Property name	Abbreviation of property name	Property name	Abbreviation of property name
Genki Medical Plaza	Genki Medical Plaza	Shibuya Cross Tower	Shibuya Cross Tower
Kitanomaru Square	Kitanomaru Square	Ebisu Neonato	Ebisu Neonato
MD Kanda Building	MD Kanda	Harmony Tower	Harmony Tower
Kandabashi Park Building	Kandabashi Park	Otsuka Higashi-Ikebukuro Building	Otsuka Higashi-Ikebukuro
Otemachi Financial City North Tower	Otemachi FCN	Ikebukuro 2Chome Building	Ikebukuro 2Chome
Nibancho Garden	Nibancho Garden	Ikebukuro YS Building	Ikebukuro YS
Mitsubishi UFJ Trust and Banking Building	Mitsubishi UFJ Trust	Hachioji First Square	Hachioji First
Burex Kojimachi Building	Burex Kojimachi	Saitama Urawa Building	Saitama Urawa
Sanno Grand Building	Sanno Grand	MM Park Building	MM Park
Yurakucho Denki Building	Yurakucho Denki	Queen's Tower A	Queen's
Kodenmacho Shin-Nihonbashi Building	Kodenmacho	Kawasaki Isago Building	Kawasaki Isago
Kyodo Building (Kayabacho 2Chome)	Kyodo (Kayabacho 2Chome)	Musashi Kosugi STM Building	Musashi Kosugi STM
Burex Kyobashi Building	Burex Kyobashi	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	Kanazawa Park Building	Kanazawa Park
Akasaka Park Building	Akasaka Park	Nishiki Park Building	Nishiki Park
Aoyama Crystal Building	Aoyama Crystal	Nagoya Hirokoji Place	Hirokoji Place
Shiodome Building	Shiodome	Hirokoji Sakae Building	Hirokoji Sakae
Shiba 2Chome Daimon Building	Shiba 2Chome Daimon	Nagoya Hirokoji Building	Nagoya Hirokoji
Cosmo Kanasugibashi Building	Cosmo Kanasugibashi	Nagoya Misono Building	Nagoya Misono
Shinjuku Eastside Square	Shinjuku East	Shijo Karasuma Center Building	Shijo Karasuma
Shinwa Building	Shinwa	Kyoto Shijo Kawaramachi Building	Kyoto Kawaramachi
Tokyo Opera City Building	Tokyo Opera City	Shin-Fujita Building	Shin-Fujita
TIXTOWER UENO	TIX UENO	Sakaisujihonmachi Building	Sakaisujihonmachi
Higashi-Gotanda 1Chome Building	Higashi-Gotanda 1Chome	Midosuji Daiwa Building	Midosuji Daiwa
Osaki Front Tower	Osaki Front Tower	Lit City Building	Lit City
Omori-Eki Higashiguchi Building	Omori-Eki Higashiguchi	NHK Hiroshima Broadcasting Center Building	NHK Hiroshima
Nippon Brunswick Building (Land with leasehold interest)	Nippon Brunswick (Land with leasehold interest)	Tosei Tenjin Building	Tosei Tenjin
Yoyogi 1Chome Building	Yoyogi 1Chome	Tenjin Crystal Building	Tenjin Crystal
da Vinci Harajuku	da Vinci Harajuku	Hinode Tenjin Building	Hinode Tenjin
Jingumae Media Square Building	Jingumae MS		



# Executive Summary

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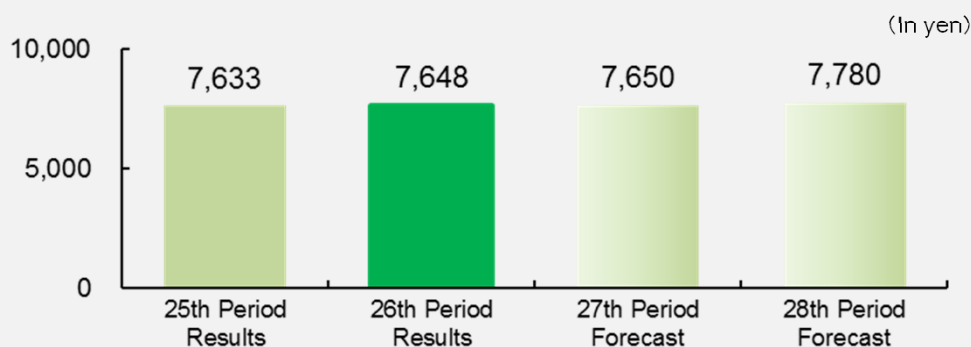
## Summary of Financial Results for the 26th Period and Forecasts for the 27th and the 28th Periods

### Operating Results and Forecasts

#### ◆ Operating results and forecasts

	25th Period Results	26th Period Results	27th Period Forecast	28th Period Forecast
Operating Revenue	¥26,582 million	¥27,760 million	¥28,070 million	¥28,440 million
Operating Income	¥10,831 million	¥11,255 million	¥11,230 million	¥11,340 million
Ordinary Income	¥9,083 million	¥9,582 million	¥9,580 million	¥9,750 million
Net Income	¥9,070 million	¥9,572 million	¥9,570 million	¥9,740 million
Dividend Per Unit	7,633 yen	7,648 yen	7,650 yen	7,780 yen

#### ◆ Results and forecasts of dividend distribution





### Highlight

#### ◆ Issuance of new investment units

Number of units issued : 63,250 units (public offering : 57,500 units / third-party allocation : 5,750 units)

Aggregate amount of issue price : ¥30,764 million

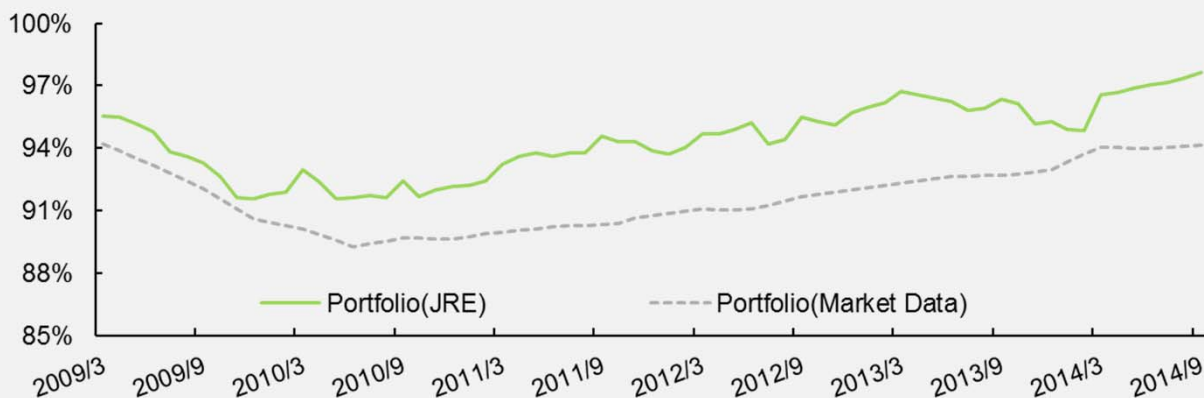
#### ◆ Property acquisitions

	Property acquired in the 26th Period Nishiki Park Building (additional share)	Property acquired in the 27th Period Shinjuku Eastside Square
Property photo		
Location	Nishiki, Naka-ku, Nagoya	Shinjuku, Shinjuku-ku, Tokyo
Acquisition date	June 9, 2014	October 1, 2014
Acquisition price	¥650 million	¥23,100 million
Appraisal value	¥737 million (as of May 15, 2014)	¥23,800 million (as of September 1, 2014)
Occupancy rate	98.0% (as of June 9, 2014)	88.7% (as of October 1, 2014)
Completion date	August, 1995	March, 2012
Reason for the acquisition	<ul style="list-style-type: none"> <li>•Superior location</li> <li>•Improvement of building operation and management efficiency, along with asset value</li> </ul>	<ul style="list-style-type: none"> <li>•Superior location</li> <li>•Brand new office building with sophisticated features</li> </ul>

## Property Management

### ◆ Trend in occupancy rate

- Occupancy rate at the end of 26th Period : 97.8% (at the end of 25th Period : 96.7%)



### ◆ Rent

- Status of rent revision during the 26th Period:
- Status of new rent assessed during the 26th Period:  
\* Please refer to the page 10 for individual properties.

Net change in rent has **decreased by ¥38 million**  
at monthly rent base

**For 21 properties** among 63 properties held,  
assessed rents have risen compared to the  
preceding assessment

## Financial Condition

### ◆ Sound financial position (at the end of 26th Period)

**LTV**  
(Interest-bearing debts / Total assets)

**39.8 %**

(41.1% as of November 17, 2014) (Note 2)

**Long-term, fixed-interest bearing  
debt ratio** (Note 1)

**90.3 %**

(90.8% as of November 17, 2014) (Note 2)

**Weighted average interest rate**

**0.96 %**

(0.93% as of November 17, 2014) (Note 2)

(Note 1) Long-term, fixed-interest bearing debt ratio = (Long-term, fixed-interest loans + Investment corporation bonds [including current portion of Long-term, fixed-interest loans and Investment corporation bonds]) / Total interest-bearing debts

(Note 2) For acquisition of Shinjuku East, JRE procured ¥7,000 million in long-term loans and ¥13,000 million in short-term loans on October 1, 2014. Since then, JRE prepaid ¥13,000 million of existing short-term loans using ¥13,000 million procured in long-term syndicated loans, and refinanced ¥1,000 million of existing long-term loan. The bracketed figures as of November 17, 2014 reflect those finance activities. The bracketed figure of LTV is a rough estimation.

### ◆ JRE's credit ratings (at the end of 26th Period)

**S&P**

**A+**  
(Stable)

**Moody's**

**A1**  
(Negative)

**R&I**

**AA**  
(Stable)

(As of November 17, 2014)

## Financial Results for the 26th Period and Forecasts for the 27th and the 28th Periods

(In millions of yen [excluding items where the unit is specified])

	25th Period Performance (Mar 31, 2014) Oct 2013-Mar 2014	26th Period Performance (Sep 30, 2014) Apr 2014-Sep 2014	27th Period Forecast (Mar 31, 2015) Oct 2014-Mar 2015	28th Period Forecast (Sep 30, 2015) Apr 2015-Sep 2015
Operating Revenues	26,582	27,760	28,070	28,440
(% change from the preceding period)	(+1.4%)	(+4.4%)	(+1.1%)	(+1.3%)
(variance from the initial forecast)	(+2.3%)	(+0.5%)	(+1.7%)	
Initial Forecast	25,980	27,610	27,600	
Property-related Revenues	26,582	27,760	28,070	28,440
(% change from the preceding period)	(+1.4%)	(+4.4%)	(+1.1%)	(+1.3%)
(variance from the initial forecast)	(+2.3%)	(+0.5%)	(+1.7%)	
Initial Forecast	25,980	27,610	27,600	
Operating Income	10,831	11,255	11,230	11,340
(preceding period)	(10,781)	(10,831)	(11,255)	(11,230)
(% change from the preceding period)	(+0.5%)	(+3.9%)	(-0.2%)	(+1.0%)
(variance from the initial forecast)	(+0.6%)	(+0.5%)	(-0.1%)	
Initial Forecast	10,770	11,200	11,240	
Ordinary Income	9,083	9,582	9,580	9,750
(% change from the preceding period)	(-0.7%)	(+5.5%)	(-0.0%)	(+1.8%)
(variance from the initial forecast)	(+0.7%)	(+0.6%)	(+0.0%)	
Initial Forecast	9,020	9,530	9,580	
Net Income	9,070	9,572	9,570	9,740
(% change from the preceding period)	(-0.7%)	(+5.5%)	(-0.0%)	(+1.8%)
(variance from the initial forecast)	(+0.8%)	(+0.5%)	(+0.0%)	
Initial Forecast	9,000	9,520	9,570	
Units Outstanding	1,188,280 units	1,251,530 units	1,251,530 units	1,251,530 units
Dividend per Unit	7,633 yen	7,648 yen	7,650 yen	7,780 yen
Total Assets	817,130	813,931	-	-
Net Assets	405,355	436,622	-	-
Total Liabilities	411,774	377,308	-	-
Interest-bearing Debts	358,900	323,550	-	-
LTV	43.9%	39.8%	-	-
Unit Price	518,000 yen	564,000 yen	-	-
Market Capitalization	615,529	705,862	-	-
Number of Properties	64	64	65	65
Leasable Space	750,956 m <sup>2</sup>	752,723 m <sup>2</sup>	769,085 m <sup>2</sup>	769,085 m <sup>2</sup>
Occupancy Rate at Period-end	96.7%	97.8%	97.5%	-

\* The Information as of the end of each fiscal period

\* The initial forecast for the 25th Period means the 25th Period performance forecast announced on November 18, 2013 and for the 26th and 27th Periods mean the 26th and 27th Periods performance forecast announced on May 19, 2014.

\* Assumptions for performance forecast

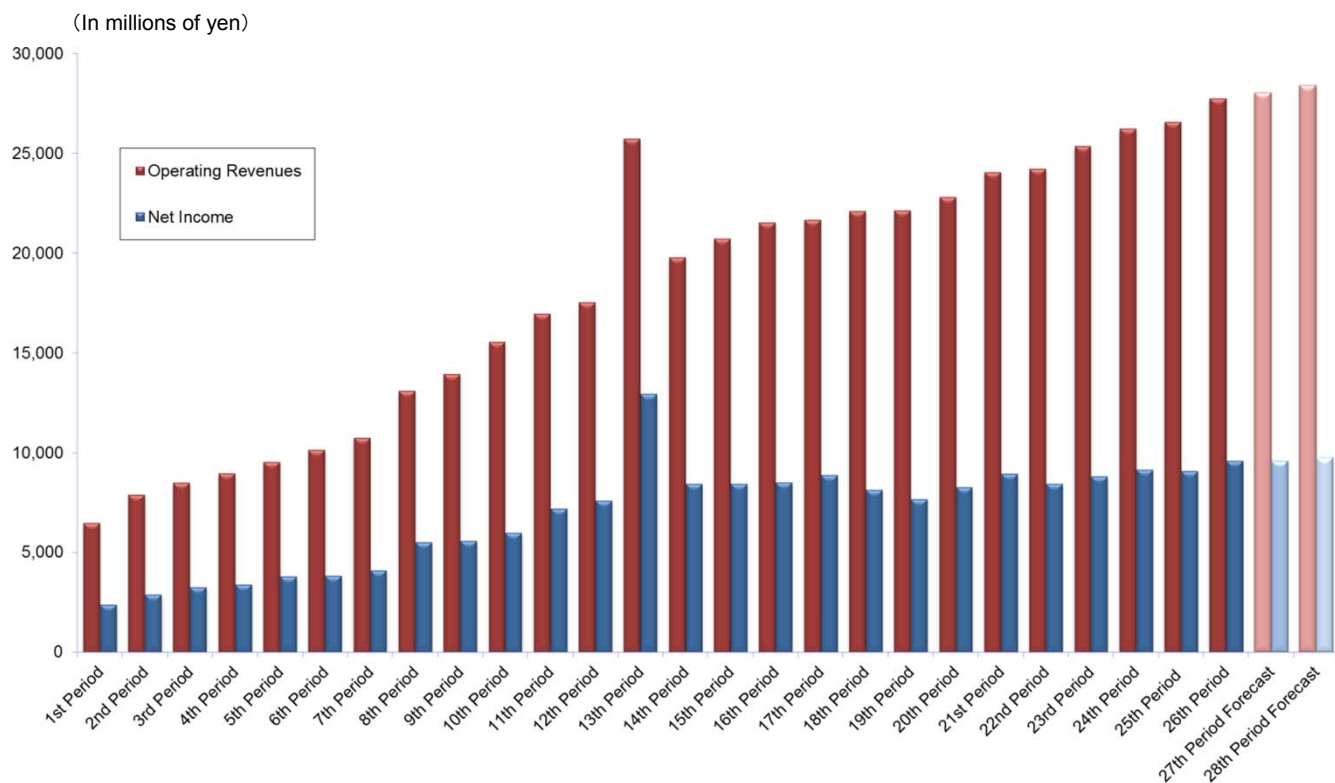
• Performance forecast is based on the 65 properties which are the 64 properties (including Nippon Brunswick (land with leasehold interest)) held as of September 30, 2014 and Shinjuku Eastside Square acquired on October 1, 2014.

• The number of properties at the end of the period includes land with leasehold interest.

• The risk of decreasing revenues due to return of leased space and reduced rent is assumed, in addition to the increases and decreases already confirmed. Vacant spaces due to termination of agreements are assumed to be leased gradually after a certain period of time.



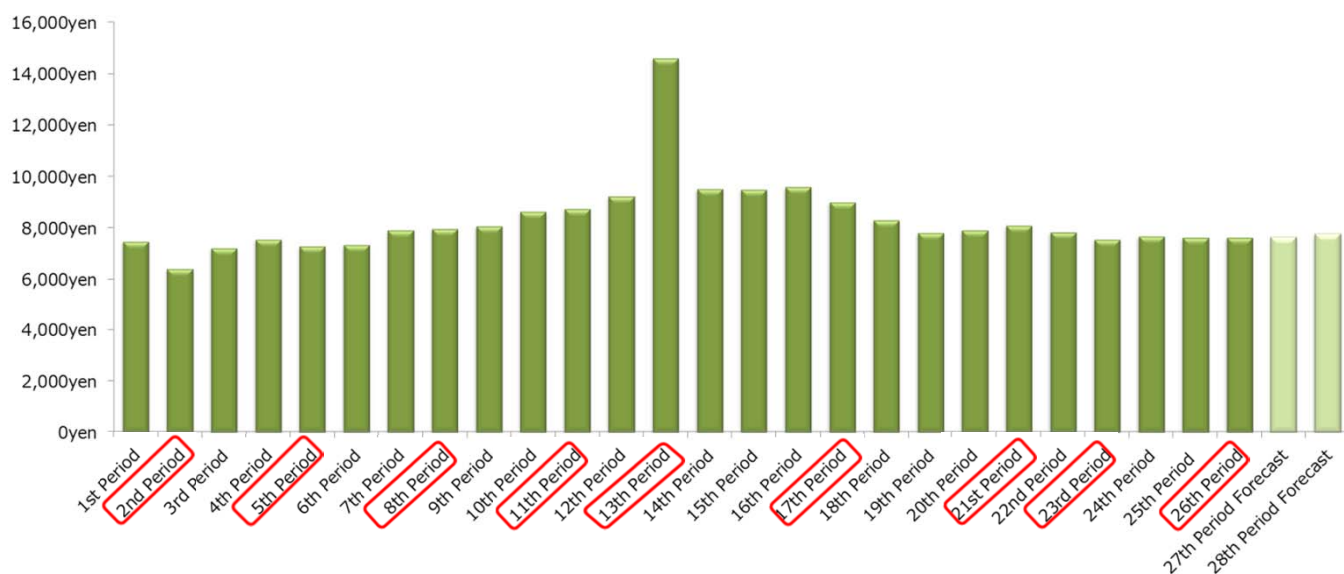
## Trend in Operating Revenues and Net Income



## Trend in Dividend per Unit

\* JRE implemented a 2-for-1 split of each investment unit as of January 1, 2014. Dividend per unit for the 1st through the 24th periods are taken the split into account.

□ The fiscal period when the additional units are issued



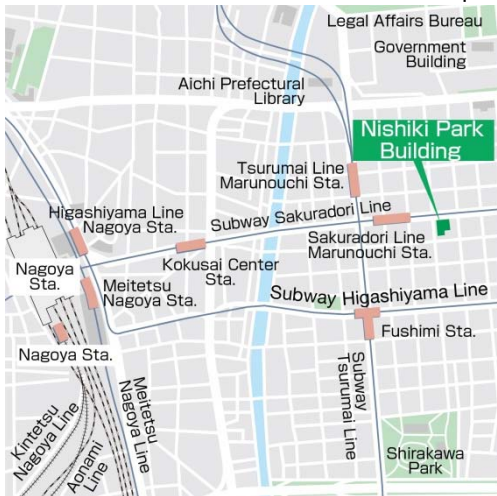
# Acquisition of an Additional Share in the 26th Period (Nagoya)

## Nishiki Park Building

<Exterior>



<Map>



### Property Summary (as of June 9, 2014)

- Location : 2-4-3 Nishiki, Naka-ku, Nagoya City, Aichi Prefecture
- Area : <Land> 2,170.45㎡ <Building> 25,091.91㎡
- Structure : Steel-framed, steel-framed concrete, and steel-reinforced concrete structure, flat roof  
Above ground : 22 floors Below ground : 4 floors
- Completion date : August 1995
- Type of ownership : Real Property Land : Ownership (137,135/1,000,000 co-ownership of 1 lot :1,786.45 ㎡)  
Building : Compartmentalized building units (share of co-ownership)  
138,158/1,000,000 co-ownership from the 1st floor to the 20th floor  
in office and shop spaces : 13,296.06 ㎡  
\*Share of ownership of the building : 11.5918%  
\*Changes in JRE's share of ownership of this building after the acquisition of additional share :  
57.04651%→68.63831%
- Leasable space : 1,820㎡ (additional share(11.5918%))  
\*JRE's total share 9,850㎡
- Occupancy rate : 98.0%

### Transaction Summary

- Seller : DYNAS, Ltd., 1 corporation and 5 individuals
- Acquisition price : ¥ 650 million
- Appraisal value : ¥ 737 million  
(as of May 15, 2014)
- Acquisition date : June 9, 2014

### Estimation of NOI and Depreciation

- <Estimated NOI> ¥ 55 million per year  
(Estimated under normal leasing operation)
- <Estimated Depreciation> ¥ 13 million per year  
(Estimated under normal leasing operation)

# Acquisition in the 27th Period (Tokyo 23 Wards)

## Shinjuku Eastside Square

<Exterior>



<Map>



## Property Summary (as of October 1, 2014)

- Location : 27-30, 6 Chome, Shinjuku, Shinjuku-ku, Tokyo
- Area : <Land> 25,320.28㎡ <Building> 167,245.46㎡
- Structure : Steel-framed, reinforced concrete structure, flat roof  
Above ground: 20 floors Below: 2 floors
- Completion date : March 2012
- Type of ownership : Real Property  
Land : Ownership (14/100 co-ownership of 1 lot:25,320.28㎡)  
Building : Ownership (14/100 co-ownership of 1 building 167,245.46㎡)
- Leasable space : 16,365㎡
- Occupancy rate : 88.7% \* Estimated rate will reach to 95.1% by March 31, 2015

## Transaction Summary

- Seller : Shinjuku Rokuchome Special Purpose Company
- Acquisition price : ¥23,100 million
- Appraisal value : ¥23,800 million  
(as of September 1, 2014)
- Acquisition date : October 1, 2014

## Estimation of NOI and Depreciation

- <Estimated NOI> ¥ 1,019 million per year  
(Estimated under normal leasing operation)
- <Estimated Depreciation> ¥ 264 million per year  
(Estimated under normal leasing operation)



## External Growth (Consideration of Property Acquisitions)

### Deal Sources

\*The details are given on pages 46 and 47.

#### Strong pipelines of sponsors

The property acquisition price from sponsors (including introduction from sponsors) against total property acquisition price is:

**73.2%**

#### Acquisition through negotiated transactions based on high creditworthiness

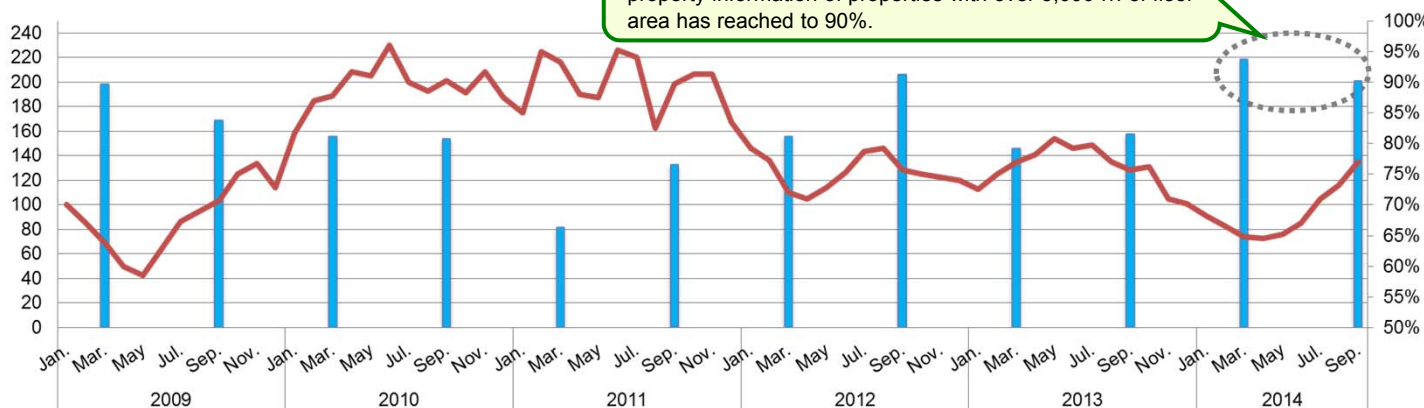
The property acquisition price of negotiated transaction against total property acquisition price is:

**78.5%**

### Trend of Property Information

- 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.
- Bar graph shows property-related information at the end of periods regarding a ratio of the number of properties with over 3,000m<sup>2</sup> of floor area to the number of properties obtained over the past six months.

As the acquisition market environment remained severe, property information of properties with over 3,000 m<sup>2</sup> of floor area has reached to 90%.



Apr 2013- Mar 2014

Area	24th Period							25th Period							Total	%
	Apr	May	Jun	Jul	Aug	Sep	Total	Oct	Nov	Dec	Jan	Feb	Mar	Total		
Tokyo Metropolitan Area	19	22	9	9	7	6	72	10	9	8	4	4	2	37	109	67.3%
Other Major Cities	0	13	4	4	6	4	31	11	5	2	1	2	1	22	53	32.7%
<b>Total</b>	<b>19</b>	<b>35</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>10</b>	<b>103</b>	<b>21</b>	<b>14</b>	<b>10</b>	<b>5</b>	<b>6</b>	<b>3</b>	<b>59</b>	<b>162</b>	<b>100.0%</b>

Apr 2014- Sep 2015

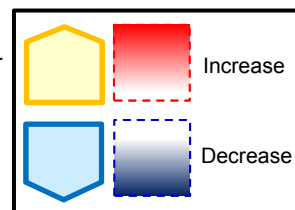
Area	26th Period							%
	Apr	May	Jun	Jul	Aug	Sep	Total	
Tokyo Metropolitan Area	12	9	12	16	10	16	75	69.4%
Other Major Cities	8	8	5	5	5	2	33	30.6%
<b>Total</b>	<b>20</b>	<b>17</b>	<b>17</b>	<b>21</b>	<b>15</b>	<b>18</b>	<b>108</b>	<b>100.0%</b>

**Property valued at ¥75 billion are under specific review (multiple properties)**

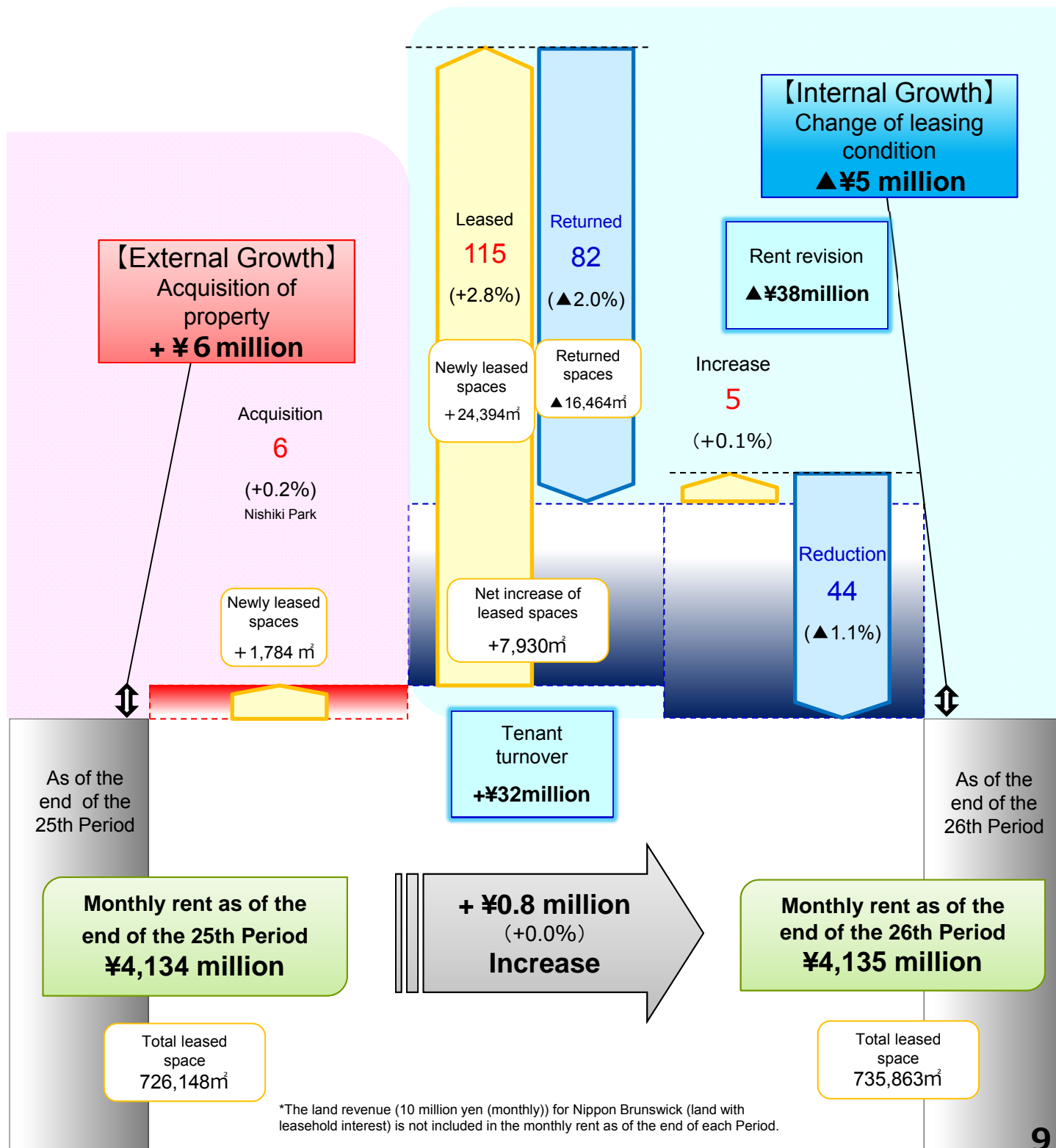


# Factors in the Net Increase of Monthly Contract Rent

- 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)



# Trend in New 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 June 30, 2014 set at 100.
- The assessment was made for 56 properties. 7 properties in unusual situations, including single-tenant leased properties, are excluded from the 63 properties (building) (Note 2) held in total as of September 30, 2014.

(Note 1) JRE requests CBRE to assess the new rent levels (between the range of upper and lower limits) regarding properties held by JRE (excluding properties in unusual situations, including single-tenant leased properties) on a semi-annual basis.

(Note 2) Nippon Brunswick (land with leasehold interest) is not included.

Area	Property Name	Trend in assessed new rent (intermediate value of upper and lower limits: index) at time of survey																								
		'03/06	'03/12	'04/06	'04/12	'05/06	'05/12	'06/06	'06/12	'07/06	'07/12	'08/06	'08/12	'09/06	'09/12	'10/06	'10/12	'11/06	'11/12	'12/06	'12/12	'13/06	'13/12	'14/06		
Tokyo 23 Wards	Chiyoda	Genki Medical Plaza													102	96	92	91	87	87	87	91	94	98	100	
		Kitanomaru Square																								
		MD Kanda	139	139	139	144	150	150	172	172	188	194	175	156	131	119	109	109	103	100	100	100	100	100	100	
		Kandabashi Park	127	127	127	134	140	143	177	177	194	194	183	160	137	123	114	106	100	97	97	100	100	100	100	
		Otemachi FCN																						100		
		Nibancho Garden																								
		Mitsubishi UFJ Trust																								
		Burex Kojimachi																								
		Sanno Grand				120	127	144	166	171	180	180	173	151	127	117	107	102	102	98	98	98	98	98	100	
		Yurakucho Denki		108	108	121	129	142	163	171	192	192	183	152	121	113	106	104	102	98	98	98	100	100	100	
	Chuo	Kodenmacho	107	107	107	111	119	119	126	126	159	170	163	152	137	122	107	107	104	100	100	100	100	100	100	
		Kyodo (Kayabacho 2Chome)																	103	100	100	100	100	100	100	
		Burex Kyobashi																								
		Ginza Sanwa					128	137	143	150	161	161	159	124	109	109	98	93	91	91	91	91	93	98	100	
		Ryoshin Ginza EM					152	152	158	167	176	176	167	155	133	118	106	106	100	97	97	97	97	100	100	
		Harumi Front																								
		Harumi Center										181	181	173	154	142	127	123	119	104	100	100	100	100	100	
		Minato	Akasaka Park																	93	93	93	93	96	98	100
			Aoyama Crystal	119	116	114	121	133	144	147	158	165	165	160	144	119	107	100	100	98	93	93	95	98	98	100
			Shiodome													117	106	100	96	94	94	94	96	96	98	100
	Shiba 2Chome Daimon		131	131	131	146	162	165	173	177	185	188	188	177	154	131	112	104	104	100	100	100	100	100	100	
	Cosmo Kanasugibashi		129	129	129	138	150	158	167	175	183	192	192	167	138	129	113	104	104	100	100	100	100	100	100	
	Shinjuku	Shinwa				121	127	133	158	170	176	176	176	152	121	115	112	100	100	94	94	97	97	97	100	
		Tokyo Opera City						147	160	167	172	172	167	142	116	112	107	107	105	98	95	95	93	95	100	
	Taito	TIX UENO																		100	100	100	100	100	100	
	Shinagawa	Higashi-Gotanda 1Chome			137	152	152	156	156	163	170	170	170	156	141	126	115	111	107	100	100	100	100	100	100	
		Osaki Front Tower																								
	Ota	Omori-Eki Higashiguchi	127	123	123	123	123	123	135	142	150	150	131	127	112	112	104	100	100	100	100	100	100	100	100	
	Shibuya	Yoyogi 1Chome					138	153	169	175	178	181	181	156	125	119	116	109	103	100	100	100	100	100	100	
		da Vinci Harajuku	134	129	129	129	129	146	146	146	146	146	140	114	106	103	100	100	100	100	100	100	100	100	100	
		Jingumae MS		107	105	105	107	128	135	144	144	149	144	135	105	98	95	93	88	88	88	91	91	93	100	
		Shibuya Cross Tower	96	96	96	108	114	130	150	150	154	154	144	126	92	88	88	88	84	86	88	92	96	96	100	
		Ebisu Neonato		98	100	110	118	133	143	149	155	155	147	122	94	92	90	86	86	86	88	92	96	96	100	
	Nakano	Harmony Tower				129	135	141	153	159	159	159	147	124	109	109	103	100	97	97	97	97	97	97	100	
		Toshima	Otsuka Higashi-Ikebukuro	120	120	110	110	110	110	115	135	135	140	140	135	125	125	125	115	100	100	100	100	100	100	
			Ikebukuro 2Chome	98	98	98	98	100	100	104	104	112	112	112	112	108	100	100	100	100	100	100	100	100	100	
	Ikebukuro YS					107	114	121	131	138	141	141	141	134	114	107	107	100	100	100	100	100	100	100	100	
	Other Areas	Hachioji	Hachioji First				125	125	125	125	125	130	130	125	115	110	110	110	100	100	100	100	100	100	100	
Saitama		Saitama Urawa	100	100	86	86	105	105	114	118	123	123	123	114	95	95	95	95	95	95	95	95	95	100		
Yokohama		MM Park											141	137	119	104	104	104	104	100	100	100	100	100		
		Queen's																					98	100		
Kawasaki		Kawasaki Isago	130	125	125	125	125	125	125	125	130	130	130	125	115	115	115	115	105	90	90	90	90	95	100	
		Musashi Kosugi STM											122	115	107	107	107	107	100	100	100	100	100	100		
Sapporo		8・3 Square Kita									104	108	108	104	104	104	104	104	100	100	100	100	100	100		
Sendai		Jozenji Park				121	124	132	132	132	134	134	134	118	111	105	105	105	105	100	100	100	100	100	100	
		Higashi Nibancho																				96	96	96	100	
		Sendai Honma	156	150	144	144	147	156	156	156	159	159	159	144	131	125	113	106	106	100	100	100	100	100	100	
Kanazawa		Kanazawa Park	119	114	114	114	114	112	126	126	126	124	114	105	100	100	100	100	100	100	100	100	100	100	100	
		Nagoya	Nishiki Park								152	152	152	148	143	135	126	109	109	104	104	100	98	98	98	100
Hirokoji Place																								100	100	
Hirokoji Sakae										150	144	144	144	144	144	139	128	128	111	106	106	100	100	100	100	
Nagoya Hirokoji			135	135	135	135	135	143	143	143	143	143	143	139	135	130	109	109	104	104	104	100	100	100	100	
Nagoya Misono				155	155	155	155	164	158	158	158	158	158	152	152	145	127	127	115	115	103	103	97	97	100	
Kyoto		Shijo Karasuma																						96	100	
		Kyoto Kawaramachi	123	110	110	110	110	110	116	123	129	129	123	110	110	106	106	106	106	106	106	106	100	100	100	
Osaka		Shin-Fujita												132	128	112	100	100	100	100	100	100	100	100	100	
		Sakaisujihonmachi	144	139	122	122	128	139	150	161	161	161	156	144	128	117	106	106	100	100	100	100	100	100	100	
		Midotsuji Daiwa	139	122	117	117	126	135	161	161	165	165	161	143	117	109	109	109	109	109	109	109	100	100	100	
Okayama		Lit City							106	106	106	106	106	102	102	98	98	98	98	98	98	100	100	100	100	
Hiroshima		NHK Hiroshima			95	95	95	98	109	109	109	113	113	113	105	102	102	102	100	100	100	100	100	100	100	
Fukuoka		Tosei Tenjin	120	114	109	109	109	109	114	114	120	120	120	120	109	103	103	103	100	100	100	100	100	100	100	
		Tenjin Crystal					124	124	129	129	129	129	124	110	100	90	90	90	90	90	90	90	90	95	100	
	Hinode Tenjin	124	107	98	98	98	102	111	111	111	111	111	111	102	98	98	98	98	93	93	93	93	98	100		

# Comparison of Portfolio Rent vs Market Rent

63 properties held as of September 30, 2014

Monthly rent in the entire portfolio,  
including common service charges : **¥4,135 million**

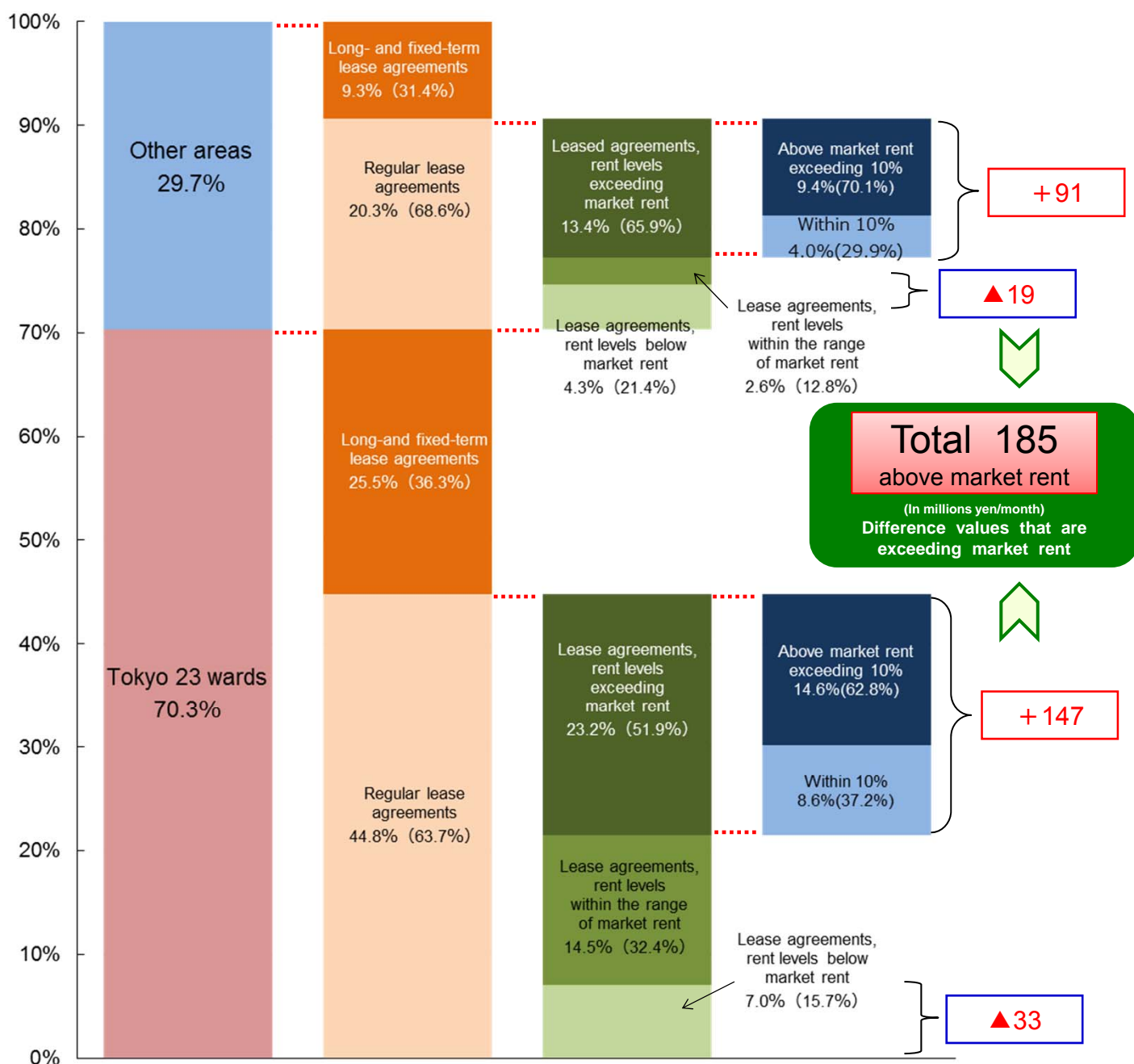
\*Nippon Brunswick (land with leasehold interest) is not included.

- Percentages represent the share of the entire portfolio. The numbers in parenthesis show the percentage of the share classified in the previous step.
- Long-and fixed-term lease agreements are contracts in which revenues are promised for a period of one year or longer from the end of the 26th Period.

① Classification  
by area

② Classification by type  
of lease agreement

③ Classification by comparison  
with market rent



\* Lease agreements, rent levels within the range of market rent are contracts in which the rent level falls in the range of the upper and lower limits of the CBRE assessed rent. At the same time, lease agreements for special purposes, such as office space in the basement and machine rooms, etc., are included in this category.

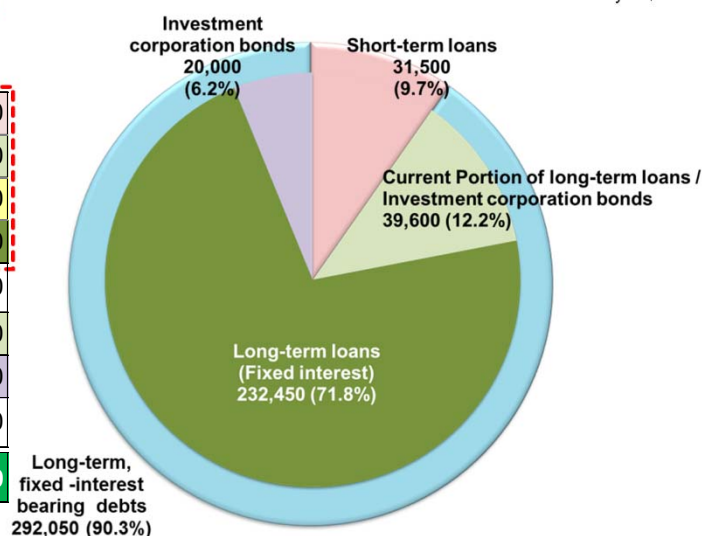
# Summary of Debts for the 26th Period Ended September 30, 2014

## Breakdown of short-term and long-term debts

(In millions of yen)

Short-term loans	31,500
Current portion of long-term loans	19,600
Long-term loans (Variable interest)	0
Long-term loans (Fixed interest)	232,450
<b>Total amount of loans</b>	<b>283,550</b>
Current portion of Investment corporation bonds	20,000
Investment corporation bonds	20,000
<b>Total amount of investment corporation bonds</b>	<b>40,000</b>
<b>Total amount of interest-bearing debts</b>	<b>323,550</b>

(In millions of yen)



## Outstanding balance of loans by financial institutions

(In millions of yen)

Mitsubishi UFJ Trust and Banking Corporation	64,000
Mizuho Bank, Ltd.	40,000
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	40,000
Sumitomo Mitsui Trust Bank, Limited	31,000
Shinkin Central Bank	13,000
The Development Bank of Japan Inc.	11,550
The Dai-ichi Life Insurance Company, Limited	10,000
The Bank of Fukuoka, Ltd.	10,000
Shinsei Bank, Limited	8,000
The Norinchukin Bank	6,500
The Iyo Bank, Ltd.	5,500
The Chugoku Bank, Ltd.	5,000
Resona Bank, Ltd.	5,000
Sumitomo Mitsui Banking Corporation	5,000
Taiyo Life Insurance Company	4,500
The Hachijuni Bank, Ltd.	4,000
The Gunma Bank, Ltd.	3,000
The Hiroshima Bank, Ltd.	3,000
The Yamaguchi Bank, Ltd.	3,000
The Daishi Bank, Ltd.	2,500
Nippon Life Insurance Company	2,000
The Nishi-nippon City Bank, Ltd.	2,000
The Yamanashi Chuo Bank, Ltd.	2,000
The Ashikaga Bank, Ltd.	1,000
The Joyo Bank, Ltd.	1,000
The 77 Bank, Ltd.	1,000

## Interest rate and maturity (year)

Weighted average interest rate 0.96 %

Average maturity of total interest-bearing debts 3.84 years

	Average interest rate	Maturity(year)
Short-term loans	0.22%	0.49
Current portion of long-term loans/ Investment corporation bonds	1.28%	0.65
Long-term loans/ Investment corporation bonds	1.01%	4.76

\* The maturity (year) of "Long-term loans/investment corporation bonds" disregards the installment repayment of long-term loans from the Development Bank of Japan Inc.

## as of November 17, 2014 (Ref.)

	At the end of the 26th Period		After refinancing (Note)
Long-term, fixed- interest bearing debts	90.3%	→	90.8%
Weighted average interest rate	0.96%	→	0.93%
Average maturity of total interest-bearing debts	3.84 years	→	3.93 years

(Note) For acquisition of Shinjuku East, JRE procured ¥ 7,000 million in long-term loans and ¥ 13,000 million in short-term loans on October 1, 2014. Since then, JRE prepaid ¥ 13,000 million of existing short-term loans using ¥ 13,000 million procured in long-term syndicated loans, and refinanced ¥ 1,000 million of existing long-term loans.



## Overview of the Interest-bearing Debts as of September 30, 2014

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

\* Loans drawn down and investment corporation bonds issued during the 26th Period are shown in blue.

### <Short-term Loans>

Lender	Borrowing Date	EOB	Interest	Repayment Date (Period)
Mizuho Bank, Ltd.	'14/01/07	2,000	0.2263	'15/01/07 1 year
The Dai-ichi Bank, Ltd.	'14/01/07	1,500	0.2263	'15/01/07 1 year
Mitsubishi UFJ Trust and Banking Corporation	'14/01/07	1,500	0.2263	'15/01/07 1 year
The 77 Bank, Ltd.	'14/01/07	1,000	0.2263	'15/01/07 1 year
Mitsubishi UFJ Trust and Banking Corporation	'14/03/24	2,300	0.2263	'15/03/24 1 year
Mizuho Bank, Ltd.	'14/03/31	2,000	0.2163	'15/03/31 1 year
Mitsubishi UFJ Trust and Banking Corporation	'14/03/31	3,700	0.2163	'15/03/31 1 year
Sumitomo Mitsui Trust Bank, Limited	'14/03/31	3,700	0.2163	'15/03/31 1 year
Mizuho Bank, Ltd.	'14/06/17	4,000	0.2163	'15/03/17 9 months
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	'14/06/17	4,000	0.2163	'15/03/17 9 months
The Dai-ichi Bank, Ltd.	'14/06/17	1,000	0.2163	'15/03/17 9 months
The Gunma Bank, Ltd.	'14/06/17	1,000	0.2163	'15/03/17 9 months
Sumitomo Mitsui Trust Bank, Limited	'14/09/02	3,800	0.1963	'15/09/02 1 year
<b>Total</b>		<b>31,500</b>		

### <Long-term Loans>

Lender	Borrowing Date	EOB	Interest	Repayment Date (Period)
Taiyo Life Insurance Company	'08/04/24	1,000	1.595	'16/04/25 8 years
The Dai-ichi Life Insurance Company, Limited	'09/03/30	5,000	1.54375	'17/03/30 8 years
The Development Bank of Japan Inc. (*1)	'10/03/24	1,450	1.665	'17/03/24 7 years
Mizuho Bank, Ltd.	'10/12/21	5,000	1.30625	'16/12/21 6 years
Sumitomo Mitsui Trust Bank, Limited	'11/01/17	3,000	1.43375	'18/01/17 7 years
Resona Bank, Ltd.	'11/03/01	2,000	1.255	'17/03/01 6 years
Nippon Life Insurance Company	'11/03/01	2,000	1.465	'18/03/01 7 years
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	'11/03/24	2,000	1.3975	'18/03/26 7 years
Taiyo Life Insurance Company	'11/03/30	2,000	1.39625	'18/03/30 7 years
Mitsubishi UFJ Trust and Banking Corporation	'11/04/04	5,000	1.0325	'16/04/04 5 years
Mitsubishi UFJ Trust and Banking Corporation	'11/04/04	5,000	1.205	'17/04/04 6 years
Mitsubishi UFJ Trust and Banking Corporation	'11/06/01	12,000	1.12625	'17/06/01 6 years
Mitsubishi UFJ Trust and Banking Corporation	'11/06/01	10,000	1.31125	'18/06/01 7 years
Mitsubishi UFJ Trust and Banking Corporation	'11/06/23	6,000	0.90875	'16/06/23 5 years
Mizuho Bank, Ltd.	'11/06/23	6,000	0.90875	'16/06/23 5 years
Sumitomo Mitsui Trust Bank, Limited	'11/06/23	6,000	0.90875	'16/06/23 5 years
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	'11/06/23	6,000	0.90875	'16/06/23 5 years
The Bank of Fukuoka, Ltd.	'11/08/31	2,000	0.9025	'17/08/31 6 years
Shinsei Bank, Limited	'11/08/31	3,000	1.0475	'18/08/31 7 years
Sumitomo Mitsui Trust Bank, Limited	'11/09/26	5,500	1.16	'19/09/26 8 years
Mizuho Bank, Ltd.	'11/11/01	6,000	1.2075	'19/11/01 8 years
Shinkin Central Bank	'11/11/15	1,000	0.7525	'16/11/15 5 years
Sumitomo Mitsui Banking Corporation	'11/11/15	3,000	0.98375	'18/11/15 7 years
Sumitomo Mitsui Trust Bank, Limited	'11/11/15	3,000	0.98375	'18/11/15 7 years
Mitsubishi UFJ Trust and Banking Corporation	'11/11/15	3,000	1.13875	'19/11/15 8 years
Mizuho Bank, Ltd.	'11/11/15	3,000	1.13875	'19/11/15 8 years
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	'11/11/15	3,000	1.13875	'19/11/15 8 years
The Bank of Fukuoka, Ltd.	'12/06/15	2,500	0.66	'17/06/15 5 years
The Iyo Bank, Ltd.	'12/06/15	2,500	0.66	'17/06/15 5 years
Shinsei Bank, Limited	'12/06/15	2,500	0.66	'17/06/15 5 years
The Hachijuni Bank, Ltd.	'12/06/15	1,000	0.66	'17/06/15 5 years
Mitsubishi UFJ Trust and Banking Corporation	'12/06/15	4,000	0.9525	'20/06/15 8 years
Sumitomo Mitsui Trust Bank, Limited	'12/06/15	4,000	0.9525	'20/06/15 8 years
Mizuho Bank, Ltd.	'12/06/15	4,000	1.07375	'21/06/15 9 years
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	'12/06/15	4,000	1.1975	'22/06/15 10 years
Mitsubishi UFJ Trust and Banking Corporation	'12/06/15	2,500	1.2725	'22/06/15 10 years
Shinsei Bank, Limited	'12/06/15	2,500	1.2725	'22/06/15 10 years
The Bank of Fukuoka, Ltd.	'12/08/31	1,000	0.57125	'17/08/31 5 years
The Yamaguchi Bank, Ltd.	'12/10/29	2,000	0.8	'20/10/29 8 years
The Hachijuni Bank, Ltd.	'12/12/20	1,000	0.45625	'17/12/20 5 years
Mitsubishi UFJ Trust and Banking Corporation	'12/12/21	5,000	0.80125	'20/12/21 8 years
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	'12/12/21	5,000	0.80125	'20/12/21 8 years
The Ashikaga Bank, Ltd.	'13/01/07	1,000	0.49125	'18/01/09 5 years
The Joyo Bank, Ltd.	'13/01/07	1,000	0.49125	'18/01/09 5 years
Shinkin Central Bank	'13/01/07	2,000	0.71375	'20/01/07 7 years
Sumitomo Mitsui Banking Corporation	'13/01/07	2,000	0.98	'22/01/07 9 years
The Development Bank of Japan Inc.	'13/01/07	3,000	1.115	'23/01/06 10 years
The Hachijuni Bank, Ltd.	'13/01/15	1,000	0.3825	'16/01/15 3 years
The Iyo Bank, Ltd.	'13/01/15	1,000	0.3825	'16/01/15 3 years
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	'13/01/15	5,500	0.71	'20/01/15 7 years
Shinkin Central Bank	'13/01/15	5,000	0.71	'20/01/15 7 years
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	'13/01/15	5,500	0.83625	'21/01/15 8 years
Mizuho Bank, Ltd.	'13/01/15	5,000	0.96625	'22/01/17 9 years
Resona Bank, Ltd.	'13/03/25	3,000	0.45	'18/03/26 5 years
The Chugoku Bank, Ltd.	'13/03/25	2,000	0.45	'18/03/26 5 years
The Hachijuni Bank, Ltd.	'13/03/25	1,000	0.45	'18/03/26 5 years
The Yamaguchi Bank, Ltd.	'13/03/25	1,000	0.945	'23/03/24 10 years
Shinkin Central Bank	'13/04/24	5,000	0.52775	'18/04/24 5 years
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	'13/04/24	5,000	0.775	'21/04/26 8 years
Mizuho Bank, Ltd.	'13/04/24	3,000	0.87375	'22/04/25 9 years
Mitsubishi UFJ Trust and Banking Corporation (*2)	'14/01/31	4,000	0.64225	'21/01/29 7 years
The Bank of Fukuoka, Ltd. (*2)	'14/01/31	2,500	0.63849	'21/01/29 7 years
Sumitomo Mitsui Trust Bank, Limited (*2)	'14/01/31	2,000	0.62575	'21/01/29 7 years
The Norinchukin Bank (*2)	'14/01/31	3,500	0.757	'22/01/31 8 years
The Development Bank of Japan Inc.	'14/01/31	5,000	0.9325	'23/01/31 9 years
The Gunma Bank, Ltd. (*2)	'14/03/24	1,000	0.4105	'19/03/25 5 years
The Iyo Bank, Ltd. (*2)	'14/03/24	2,000	0.6035	'21/03/24 7 years
The Nishi-Nippon City Bank, Ltd. (*2)	'14/06/17	2,000	0.621	'21/12/17 7.5 years
The Norinchukin Bank (*2)	'14/06/17	3,000	0.6785	'22/06/17 8 years
<b>Total</b>		<b>232,450</b>		

### <Current Portion of Long-term Loans/ Investment Corporation Bonds>

Lender/Bond Name	Borrowing Date/ Issue Date	EOB	Interest	Repayment / Maturity Date (Period)
The Dai-ichi Life Insurance Company, Limited	'07/05/31	5,000	1.86875	'15/05/29 8 years
Taiyo Life Insurance Company	'07/05/31	1,500	1.86875	'15/05/29 8 years
The Development Bank of Japan Inc.	'08/09/01	2,000	1.65	'15/09/01 7 years
The Bank of Fukuoka, Ltd.	'10/03/24	2,000	1.39875	'15/03/24 5 years
The Development Bank of Japan Inc. (*1)	'10/03/24	100	1.665	'17/03/24 7 years
7th Investment Corporation Bond	'10/04/23	10,000	1.26	'15/04/23 5 years
The Hiroshima Bank, Ltd.	'10/06/14	3,000	1.1875	'15/06/15 5 years
The Chugoku Bank, Ltd.	'10/06/15	3,000	1.20875	'15/06/15 5 years
8th Investment Corporation Bond	'10/07/23	10,000	1.05	'15/07/23 5 years
The Gunma Bank, Ltd.	'11/11/15	1,000	0.615	'14/11/17 3 years
The Yamanashi Chuo Bank, Ltd.	'11/12/15	2,000	0.645	'14/12/15 3 years
<b>Total</b>		<b>39,600</b>		

(\*1) The 2,000-million-yen loan dated March 24, 2010 (principal outstanding: 1,550 million yen as of the end of September 2014) will be repaid according to the repayment schedule under which 50 million yen will be repaid every six months and 1,350 million yen on the final repayment date.

### <Investment Corporation Bonds>

Bond Name	Issue Date	EOB	Interest	Maturity Date (Period)
4th Investment Corporation Bond	'05/09/29	10,000	2.56	'25/09/29 20 years
9th Investment Corporation Bond	'13/08/30	10,000	0.497	'18/08/30 5 years
<b>Total</b>		<b>20,000</b>		

**Total amount of interest-bearing debts  
as of September 30, 2014  
323,550 million yen**

### Outline of commitment line agreement

Commitment line (1)

- Borrowing limit: ¥40 billion
- Expiry of the contract: September 19, 2017
- Participating financial institutions:  
Mizuho Bank, Ltd.  
The Bank of Tokyo-Mitsubishi UFJ, Ltd.  
Sumitomo Mitsui Trust Bank, Limited  
Mitsubishi UFJ Trust and Banking Corporation

Commitment line (2)

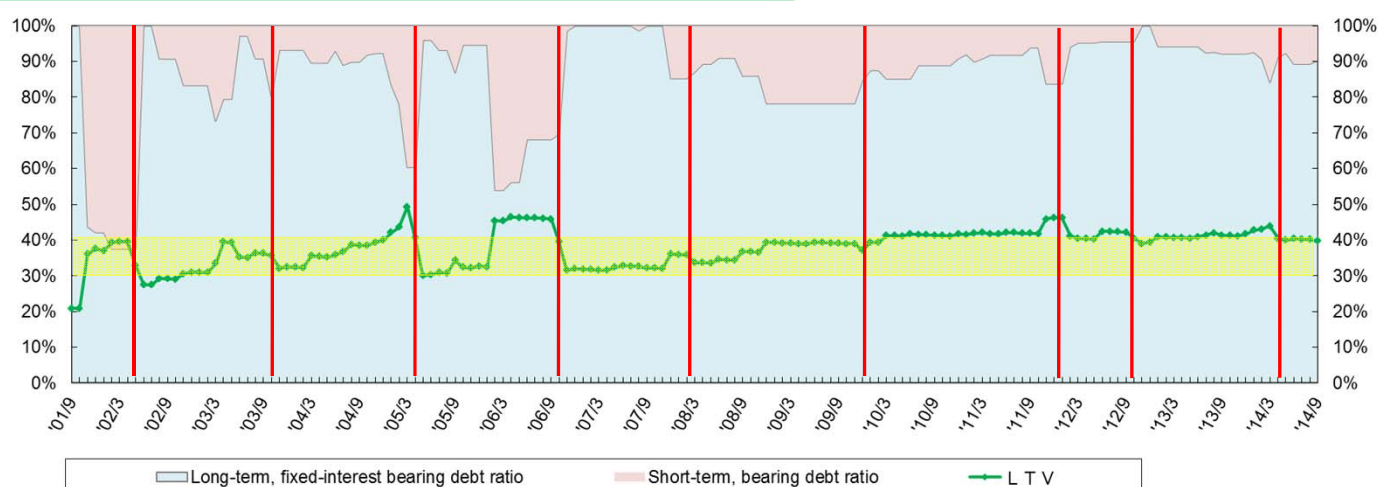
- Borrowing limit: ¥3 billion
- Expiry of the contract: September 18, 2015
- Lender: Shinsei Bank, Limited

**There is no outstanding balance  
as of the end of the 26th Period**

(\*2) 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.

# LTV / Debt Capacity / Diversification of Repayment Date

## LTV (Interest-bearing Debts / Total Assets)



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

Issue of new investment units

LTV in the range of 30-40%

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

**Ensure financial soundness by constantly maintaining conservative LTV**

## Debt Capacity

(As of the end of September 2014)

(In millions of yen)

Total assets	Interest-bearing debts	L T V	Debt capacity	
813,931	323,550	39.8%	Up to 45% of LTV	77,671
			Up to 40% of LTV	3,371

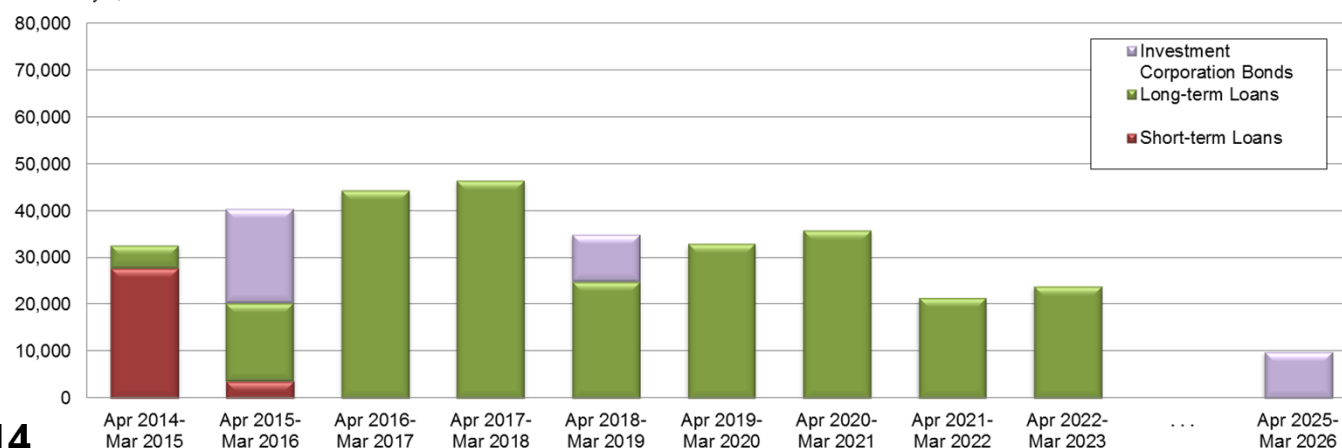
## Diversification of Repayment Dates

(As of the end of September 2014)

(In millions of yen)

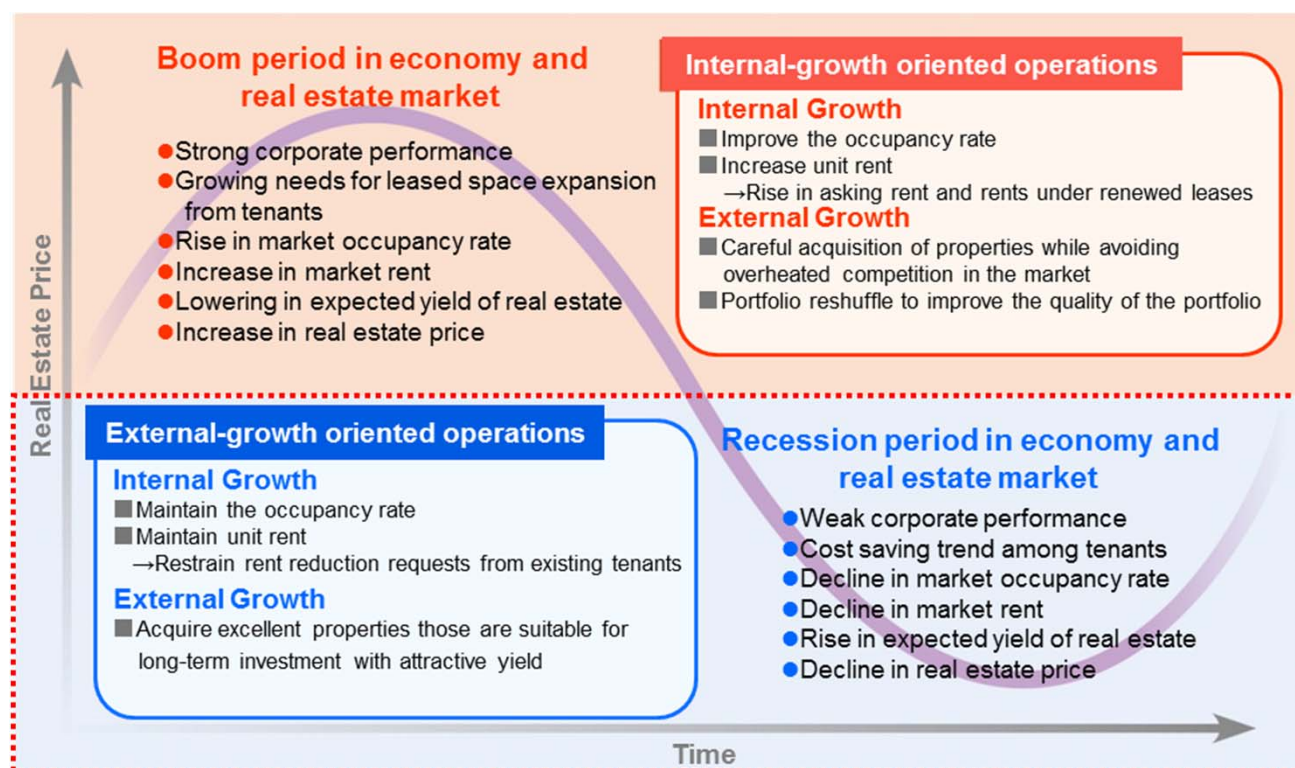
	Apr 2014- Mar 2015 (0.5year)	Apr 2015- Mar 2016 (1.5years)	Apr 2016- Mar 2017 (2.5years)	Apr 2017- Mar 2018 (3.5years)	Apr 2018- Mar 2019 (4.5years)	Apr 2019- Mar 2020 (5.5years)	Apr 2020- Mar 2021 (6.5years)	Apr 2021- Mar 2022 (7.5years)	Apr 2022- Mar 2023 (8.5years)	...	Apr 2025- Mar 2026 (11.5years)	Total
Short-term Loans	27,700	3,800	0	0	0	0	0	0	0		0	31,500
Long-term Loans	5,050	16,600	44,400	46,500	25,000	33,000	36,000	21,500	24,000		0	252,050
Investment Corporation Bonds	0	20,000	0	0	10,000	0	0	0	0		10,000	40,000
Total	32,750	40,400	44,400	46,500	35,000	33,000	36,000	21,500	24,000		10,000	323,550

(In millions of yen)



# Image of JRE Growth

## Market Environment and Growth Strategy (Image)



Continue to focus on “external-growth oriented operations” with an emphasis on quality, viewing the timing of real estate market, which is about to reach a turnaround point, as an opportunity

- Acquisition (Additional share) June 2014 Nishiki Park Building
- Acquisition October 2014 Shinjuku Eastside Square

## Summary of Issuance of new investment units

- Number of units issued : 63,250 units  
(Public offering 57,500 units + Third-party allocation 5,750 units )
- (Number of units outstanding after issuance) : 1,251,530 units
- Aggregate amount of issue price : ¥30,764 million
- Launch date : March 27, 2014 (Thursday)
- Price determination date : April 8, 2014 (Tuesday)
- Payment date (public offering) : April 15, 2014 (Tuesday)

# Appraisal Values of Properties

(In millions of yen)

Area		Name	26th Period Appraisal Value (Sep 30, 14)	25th Period Appraisal Value (Mar 31, 14)	Amount of Difference	26th Period Book Value (Sep 30, 14)	26th Period Appraisal Value — Book Value	Acquisition Price
Tokyo 23 Wards	Chiyoda	Genki Medical Plaza	6,640	6,510	130	4,870	1,769	5,000
		Kitanomaru Square	76,100	74,200	1,900	74,798	1,301	81,555
		MD Kanda	7,620	7,480	140	8,780	-1,160	9,520
		Kandabashi Park	4,130	4,100	30	4,544	-414	4,810
		Otemachi FCN	17,200	16,600	600	15,575	1,624	15,462
		Nibancho Garden	17,400	17,300	100	13,005	4,394	14,700
		Mitsubishi UFJ Trust	44,600	44,600	0	29,339	15,260	44,700
		Burex Kojimachi	6,220	6,220	0	5,980	239	7,000
		Sanno Grand	30,000	29,600	400	21,167	8,832	20,900
	Yurakucho Denki	7,410	7,220	190	7,780	-370	7,200	
	Chuo	Kodenmacho	2,940	2,910	30	2,824	115	3,173
		Kyodo (Kayabacho 2Chome)	5,060	5,030	30	4,300	759	4,410
		Burex Kyobashi	6,560	6,400	160	4,608	1,951	5,250
		Ginza Sanwa	15,800	15,400	400	17,143	-1,343	16,830
		Ryoshin Ginza EM	5,400	5,390	10	7,518	-2,118	7,999
		Harumi Front	37,400	36,600	800	30,580	6,819	31,300
		Harumi Center	20,100	20,500	-400	23,658	-3,558	26,800
	Minato	Akasaka Park	64,800	62,900	1,900	61,038	3,761	60,800
		Aoyama Crystal	7,150	6,980	170	7,224	-74	7,680
		Shiodome	80,000	78,800	1,200	73,439	6,560	75,850
		Shiba 2Chome Daimon	6,070	6,060	10	5,082	987	4,859
		Cosmo Kanasugibashi	2,810	2,780	30	2,585	224	2,808
	Shinjuku	Shinwa	5,620	5,500	120	7,554	-1,934	7,830
		Tokyo Opera City	29,900	29,500	400	29,314	585	31,776
	Taito	TIX UENO	24,100	23,700	400	21,188	2,911	22,000
	Shinagawa	Higashi-Gotanda 1Chome	5,700	5,570	130	4,691	1,008	5,500
		Osaki Front Tower	15,800	15,500	300	10,869	4,930	12,300
	Ota	Omori-Eki Higashiguchi	5,210	5,170	40	4,498	711	5,123
	Shibuya	Nippon Brunswick (Land with leasehold interest)	5,420	5,360	60	5,572	-152	5,500
		Yoyogi 1Chome	9,880	9,940	-60	7,340	2,539	8,700
		da Vinci Harajuku	6,400	6,280	120	4,898	1,501	4,885
		Jingumae MS	9,750	9,560	190	10,744	-994	12,200
		Shibuya Cross Tower	42,900	42,500	400	38,249	4,650	34,600
		Ebisu Neonato	14,400	14,100	300	14,356	43	14,612
	Nakano	Harmony Tower	11,000	10,800	200	8,095	2,904	9,020
	Toshima	Otsuka Higashi-Ikebukuro	4,040	3,960	80	3,509	530	3,541
		Ikebukuro 2Chome	1,600	1,610	-10	1,599	0	1,728
		Ikebukuro YS	4,130	4,310	-180	4,278	-148	4,500
	Other Areas	Hachioji	Hachioji First	4,480	4,440	40	5,023	-543
Saitama		Saitama Urawa	2,120	2,090	30	2,473	-353	2,574
Yokohama		MM Park	36,100	35,500	600	33,728	2,371	37,400
		Queen's	17,700	17,500	200	17,201	498	17,200
Kawasaki		Kawasaki Isago	2,430	2,390	40	2,858	-428	3,375
		Musashi Kosugi STM	3,910	3,840	70	3,889	20	4,000
Sapporo		8-3 Square Kita	6,900	6,770	130	6,359	540	7,100
Sendai		Jozenji Park	907	892	15	998	-91	1,000
		Higashi Nibancho	12,400	11,700	700	9,773	2,626	9,950
		Sendai Honma	2,250	2,240	10	2,940	-690	3,174
Kanazawa		Kanazawa Park	4,380	4,350	30	4,288	91	4,580
Nagoya		Hirokoji Place	9,690	9,250	440	8,536	1,153	8,567
		Hirokoji Sakae	1,560	1,550	10	1,685	-125	1,680
		Nagoya Hirokoji	11,900	11,800	100	15,465	-3,565	14,533
		Nagoya Misono	1,130	1,110	20	1,374	-244	1,865
Kyoto		Shijo Karasuma	4,620	4,550	70	4,342	277	4,400
		Kyoto Kawaramachi	1,770	1,760	10	2,564	-794	2,650
Osaka		Shin-Fujita	16,900	16,700	200	22,469	-5,569	24,000
		Sakaisujihonmachi	3,170	3,150	20	3,731	-561	4,164
		Midosuji Daiwa	13,000	12,800	200	13,175	-175	14,314
Okayama		Lit City	4,290	4,230	60	3,536	753	4,650
Hiroshima		NHK Hiroshima	2,510	2,470	40	2,783	-273	2,770
Fukuoka		Tosei Tenjin	1,300	1,300	0	1,399	-99	1,550
		Tenjin Crystal	2,510	2,490	20	4,342	-1,832	5,000
	Hinode Tenjin	3,600	3,650	-50	3,429	170	3,657	
Properties held as of the end of the 25th and 26th Periods during which the shares of ownership remain unchanged		Tokyo 23 Wards	667,260	656,940	10,320	602,609	64,650	642,423
		Other Areas	171,527	168,522	3,005	178,374	-6,847	189,832
		Total (63 properties)	838,787	825,462	13,325	780,983	57,803	832,255

Property acquired during the 26th Period

Other Areas	Nagoya	Nishiki Park	4,580	-	-	5,122	-542	5,800
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64 properties held as of the end of the 26th Period

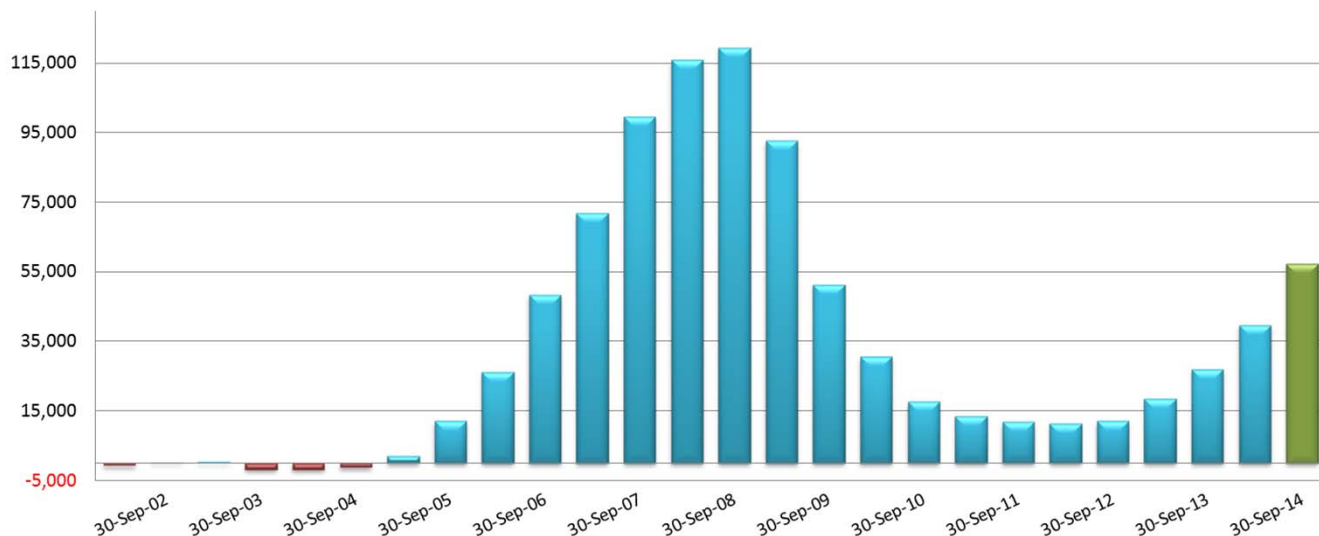
Tokyo 23 Wards	667,260	-	-	602,609	64,650	642,423
Other Areas	176,107	-	-	183,496	-7,389	195,632
Total (64 properties)	843,367	-	-	786,106	57,260	838,055

16 \*The properties for which additional shares were acquired/transferred during the 26th Period among properties held at the end of the 25th Period are included in "Property acquired during the 26th Period". (The appraisal value at the end of the 25th Period has been left out of the above.)



## Trend of Unrealized Gain or Loss

(In millions of yen)



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

		1st Period 31-Mar-02	2nd Period 30-Sep-02	3rd Period 31-Mar-03	4th Period 30-Sep-03	5th Period 31-Mar-04	6th Period 30-Sep-04	7th Period 31-Mar-05	8th Period 30-Sep-05	9th Period 31-Mar-06
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
Book value	B	145,580	165,088	184,304	193,058	219,032	240,134	291,350	327,005	413,708
Unrealized gain or loss	A-B=C	-640	162	399	-1,787	-1,882	-1,173	1,991	12,023	26,090
<Reference> Units outstanding	D	320,800 units	450,800 units	450,800 units	450,800 units	520,800 units	520,800 units	520,800 units	690,800 units	690,800 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
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
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
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	510,000 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

		10th Period 30-Sep-06	11th Period 31-Mar-07	12th Period 30-Sep-07	13th Period 31-Mar-08	14th Period 30-Sep-08	15th Period 31-Mar-09	16th Period 30-Sep-09	17th Period 31-Mar-10	18th Period 30-Sep-10
Appraisal value at the end of period	A	467,001	498,741	531,100	619,160	644,700	636,770	591,920	645,239	632,112
Book value	B	418,607	427,013	431,463	503,376	525,503	544,245	540,709	614,734	614,593
Unrealized gain or loss	A-B=C	48,393	71,727	99,636	115,783	119,196	92,524	51,210	30,504	17,518
<Reference> Units outstanding	D	690,800 units	820,000 units	820,000 units	886,000 units	886,000 units	886,000 units	886,000 units	978,400 units	978,400 units
Unrealized gain or loss per unit	C/D=E	70,053 yen	87,472 yen	121,507 yen	130,681 yen	134,533 yen	104,429 yen	57,799 yen	31,177 yen	17,905 yen
Net asset value per unit	F	300,302 yen	331,545 yen	332,035 yen	350,504 yen	345,429 yen	345,403 yen	345,492 yen	340,585 yen	339,877 yen
Adjusted net asset value per unit	E+F=G	370,356 yen	419,018 yen	453,543 yen	481,186 yen	479,962 yen	449,832 yen	403,291 yen	371,763 yen	357,783 yen
Unit price at the end of period	H	500,000 yen	780,000 yen	690,000 yen	580,000 yen	418,000 yen	378,000 yen	367,000 yen	398,500 yen	379,500 yen
H/G		1.35 times	1.86 times	1.52 times	1.21 times	0.87 times	0.84 times	0.91 times	1.07 times	1.06 times

		19th Period 31-Mar-11	20th Period 30-Sep-11	21st Period 31-Mar-12	22nd Period 30-Sep-12	23rd Period 31-Mar-13	24th Period 30-Sep-13	25th Period 31-Mar-14	26th Period 30-Sep-14
Appraisal value at the end of period	A	642,220	634,357	693,230	712,888	758,210	775,147	829,152	843,367
Book value	B	628,689	622,542	681,970	700,829	739,901	748,257	789,543	786,106
Unrealized gain or loss	A-B=C	13,530	11,814	11,259	12,058	18,308	26,889	39,608	57,260
<Reference> Units outstanding	D	978,400 units	978,400 units	1,098,080 units	1,098,080 units	1,188,280 units	1,188,280 units	1,188,280 units	1,251,530 units
Unrealized gain or loss per unit	C/D=E	13,828 yen	12,075 yen	10,253 yen	10,981 yen	15,407 yen	22,629 yen	33,332 yen	45,752 yen
Net asset value per unit	F	339,385 yen	340,014 yen	339,565 yen	339,164 yen	341,065 yen	341,178 yen	341,128 yen	348,871 yen
Adjusted net asset value per unit	E+F=G	353,213 yen	352,090 yen	349,818 yen	350,145 yen	356,472 yen	363,807 yen	374,461 yen	394,623 yen
Unit price at the end of period	H	393,500 yen	377,000 yen	364,500 yen	393,000 yen	644,500 yen	574,000 yen	518,000 yen	564,000 yen
H/G		1.11 times	1.07 times	1.04 times	1.12 times	1.81 times	1.58 times	1.38 times	1.43 times

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

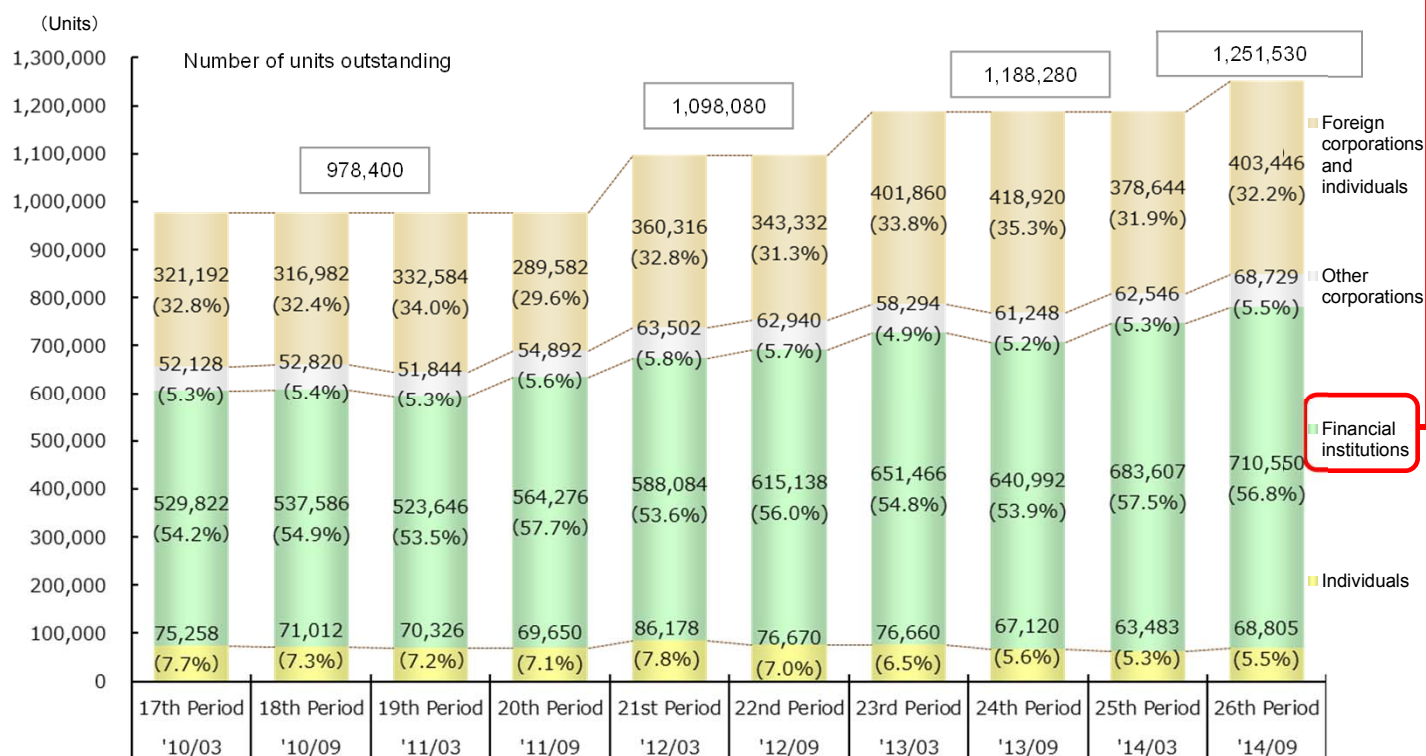
\* Appraisal values at the end of period are survey values determined by institutional appraisers for the 1st Period through the 9th Period, or appraisal values determined by institutional appraisers for the 10th Period through 26th Period, at the end of each fiscal period.

\* As JRE implemented a 2-for-1 split of each investment unit as of January 1, 2014. The figures for the 1st Period through the 24th Period are taken the split into account.

## 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

#### 26th Period

	Company	Units	% of Total Units Outstanding
1	Japan Trustee Services Bank, Ltd. (Shintaku Acc.)	215,403	17.21%
2	Trust & Custody Services Bank, Ltd. (Toshin Acc.)	102,378	8.18%
3	The Master Trust Bank of Japan, Ltd. (Shintaku Acc.)	101,683	8.12%
4	The Nomura Trust and Banking Co., Ltd. (Toshin Acc.)	56,933	4.55%
5	STATE STREET BANK AND TRUST COMPANY 505223	28,924	2.31%
6	CBLDN-STICHTING PGGM DEPOSITARY-LISTED REAL ESTATE PF FUND	25,238	2.02%
7	NOMURA BANK (LUXEMBOURG) S. A.	21,707	1.73%
8	Mitsubishi Estate Co., Ltd.	20,320	1.62%
9	STATE STREET BANK WEST CLIENT-TREATY	18,226	1.46%
10	STATE STREET BANK-WEST PENSION FUND CLIENTS-EXEMPT	17,534	1.40%
	Mitsui & Co., Ltd.	3,200	0.26%

#### 25th Period

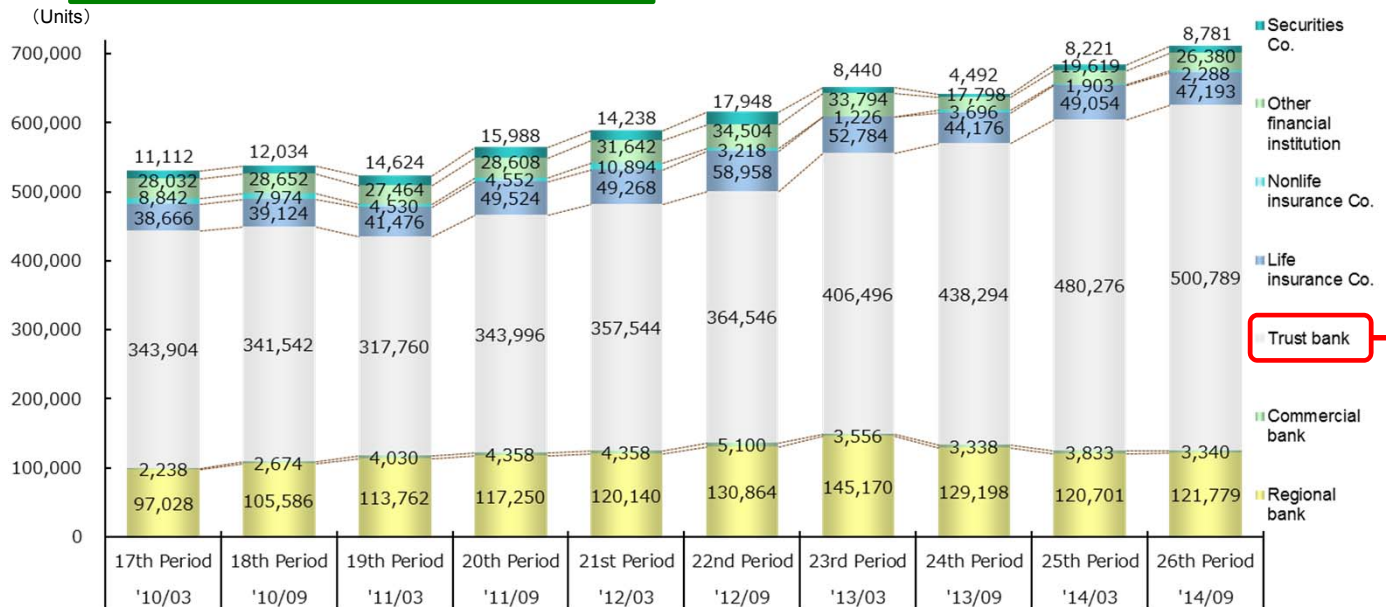
	Company	Units	% of Total Units Outstanding
1	Japan Trustee Services Bank, Ltd. (Shintaku Acc.)	204,533	17.21%
2	The Master Trust Bank of Japan, Ltd. (Shintaku Acc.)	98,930	8.33%
3	Trust & Custody Services Bank, Ltd. (Toshin Acc.)	88,897	7.48%
4	The Nomura Trust and Banking Co., Ltd. (Toshin Acc.)	66,723	5.62%
5	STATE STREET BANK AND TRUST COMPANY 505223	24,524	2.06%
6	THE BANK OF NEW YORK, NON-TREATY JASDEC ACCOUNT	23,743	2.00%
7	NOMURA BANK (LUXEMBOURG) S. A.	23,183	1.95%
8	Mitsubishi Estate Co., Ltd.	20,320	1.71%
9	The Chugoku Bank, Ltd.	16,780	1.41%
10	STATE STREET BANK-WEST PENSION FUND CLIENTS-EXEMPT	15,721	1.32%
	Mitsui & Co., Ltd.	3,200	0.27%

### Number of Unitholders by Sector

	26th Period (Sep-14)		25th Period (Mar-14)	
	Unitholders	%	Unitholders	%
Individuals	15,078	93.2%	13,005	93.0%
Financial institutions	226	1.4%	202	1.4%
Other corporations	442	2.7%	384	2.7%
Foreign corporations / individuals	428	2.6%	395	2.8%
Total	16,174	100.0%	13,986	100.0%

## Financial Institutions

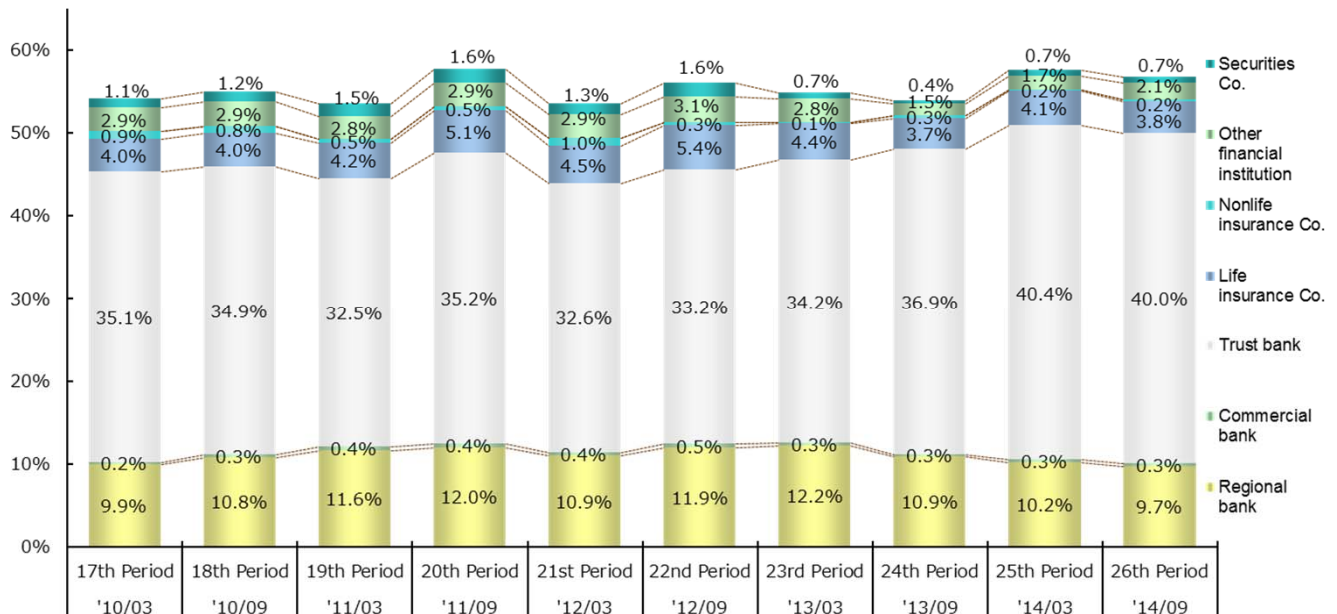
### Distribution of Total Units Outstanding by Financial Institutions Segment



<Number of investment trust units>

	17th Period Oct 09-Mar 10	18th Period Apr 10-Sep 10	19th Period Oct 10-Mar 11	20th Period Apr 11-Sep 11	21st Period Oct 11-Mar 12	22nd Period Apr 12-Sep 12	23rd Period Oct 12-Mar 13	24th Period Apr 13-Sep 13	25th Period Oct 13-Mar 14	26th Period Apr 14-Sep 14
Number of units outstanding	978,400	978,400	978,400	978,400	1,098,080	1,098,080	1,188,280	1,188,280	1,188,280	1,251,530
Trust banks	343,904	341,542	317,760	343,996	357,544	364,546	406,496	438,294	480,276	500,789
Investment trust	320,032	315,096	282,310	288,234	285,850	278,266	316,986	336,156	374,564	389,165
% against total units outstanding	32.7%	32.2%	28.9%	29.5%	26.0%	25.3%	26.7%	28.3%	31.5%	31.1%
% against units owned by trust banks	93.1%	92.3%	88.8%	83.8%	79.9%	76.3%	78.0%	76.7%	78.0%	77.7%

### Proportion of Total Units Outstanding by Financial Institutions Segment



## Future Management Policies

### External Growth

Steady external growth with  
a focus on quality

- **Secure steady external growth by strengthening the collaboration with two sponsors**
  - Acquire properties by negotiated transactions mainly with two sponsors
  - Work to diversify the property acquisition processes
- **Continued efforts to strengthen portfolio quality**
  - 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 quality 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 incomes**
  - Continuous efforts to rise rent levels
  - Ongoing efforts to carry out the property management cost reduction plan
- **Enhance the value of properties**
  - Conduct timely renovation work



# Growth of Dividends

Hang-gliding is a popular sport because you can fly the skies freely. In order to fly as you like and in safety, you need to have good judgment and knowledge of meteorology as well as a good sense of balance.

Just as it is difficult to understand changes in air currents, it is also difficult to understand the market environment. Nevertheless, JRE will leap forward while striving to achieve stable growth, riding the rising currents of improving market conditions while making appropriate judgments.



## Financial Strategy

### Sustain and enhance financial soundness

- **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 fundraising by limiting the covenants or other restrictive terms of financing
- **Appropriate response to interest risk**
  - Maintain conservative interest-bearing debt / total assets ratio (cruising speed of 30-40% level)
  - Lengthen the term of interest-bearing debt, stabilize the interest rate and diversify repayment dates

MEMO



# 1. Overview of Financial Results and Forecasts

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# Income Statement for the 26th Period

Term	(In millions of yen; Dividend per unit in yen)						
	25th Period (Mar 31, 2014)	→ change →		26th Period (Sep 30, 2014)	← change ←		26th Period (Sep 30, 2014)
	Actual/Forecast Actual	(amount)	(%)	Actual	(amount)	(%)	Initial Forecast (*1)
<b>Operating Revenues</b>	<b>26,582</b>	<b>1,177</b>	<b>4.4%</b>	<b>27,760</b>	<b>150</b>	<b>0.5%</b>	<b>27,610</b>
Property-related Revenues	26,582	1,177	4.4%	27,760	150	0.5%	27,610
Rental Revenues	26,357			27,604			
Non-rental Revenues	225			155			
<b>Operating Expenses</b>	<b>15,751</b>	<b>754</b>	<b>4.8%</b>	<b>16,505</b>	<b>95</b>	<b>0.6%</b>	<b>16,410</b>
Property-related Expenses (*2)	9,101	553	6.1%	9,654	84	0.9%	9,570
Property Management Expenses	3,247	131	4.0%	3,378			
Property Management Costs	3,154			3,244			
Brokerage Fees, etc.	93			134			
Utilities Expenses	2,414	354	14.7%	2,768			
Property and Other Taxes	2,335	195	8.4%	2,530			
Casualty Insurance	53	1	2.8%	55			
Repairing Expenses	887	(153)	-17.3%	733			
Other Expenses	162	24	15.1%	187			
<b>NOI</b>	<b>17,481</b>	<b>624</b>	<b>3.6%</b>	<b>18,105</b>	<b>65</b>	<b>0.4%</b>	<b>18,040</b>
Depreciation	5,649	233	4.1%	5,883	13	0.2%	5,870
<b>Property-related Profits and Losses</b>	<b>11,832</b>	<b>390</b>	<b>3.3%</b>	<b>12,222</b>	<b>52</b>	<b>0.4%</b>	<b>12,170</b>
Gross Operating Income	11,832	390	3.3%	12,222	52	0.4%	12,170
Administrative Expenses	1,000	(32)	-3.3%	967	7	0.8%	960
Asset Management Fees	675	(36)	-5.4%	638	8	1.4%	630
Other Administrative Expenses	325			328			
<b>Operating Income</b>	<b>10,831</b>	<b>423</b>	<b>3.9%</b>	<b>11,255</b>	<b>55</b>	<b>0.5%</b>	<b>11,200</b>
Non-operating Revenues	8			48			
Interest Income	6			6			
Other Non-operating Revenues	2			41			
Non-operating Expenses	1,757			1,720			
Interest Expense	1,297	(6)	-0.5%	1,291	(9)	-0.6%	1,630
Interest Expense on Investment Corporation Bonds	410	(81)	-19.8%	329			
Amortization of Investment Corporation Bond Issuance Costs	21			18			
Other Non-operating Expenses	26			80			
<b>Ordinary Income</b>	<b>9,083</b>	<b>499</b>	<b>5.5%</b>	<b>9,582</b>	<b>52</b>	<b>0.6%</b>	<b>9,530</b>
Income before Income Taxes	9,083			9,582			
Income Taxes	13			10			
<b>Net Income</b>	<b>9,070</b>	<b>502</b>	<b>5.5%</b>	<b>9,572</b>	<b>52</b>	<b>0.5%</b>	<b>9,520</b>
Retained Earnings at Period-end	9,100			9,603			
<b>FFO (*3)</b>	<b>14,719</b>	<b>735</b>	<b>5.0%</b>	<b>15,455</b>			
<b>Dividend per Unit</b>	<b>7,633</b>	<b>15</b>	<b>0.2%</b>	<b>7,648</b>	<b>48</b>	<b>0.6%</b>	<b>7,600</b>

\*1 The initial forecast means the 26th Period performance forecast announced on May 19, 2014.

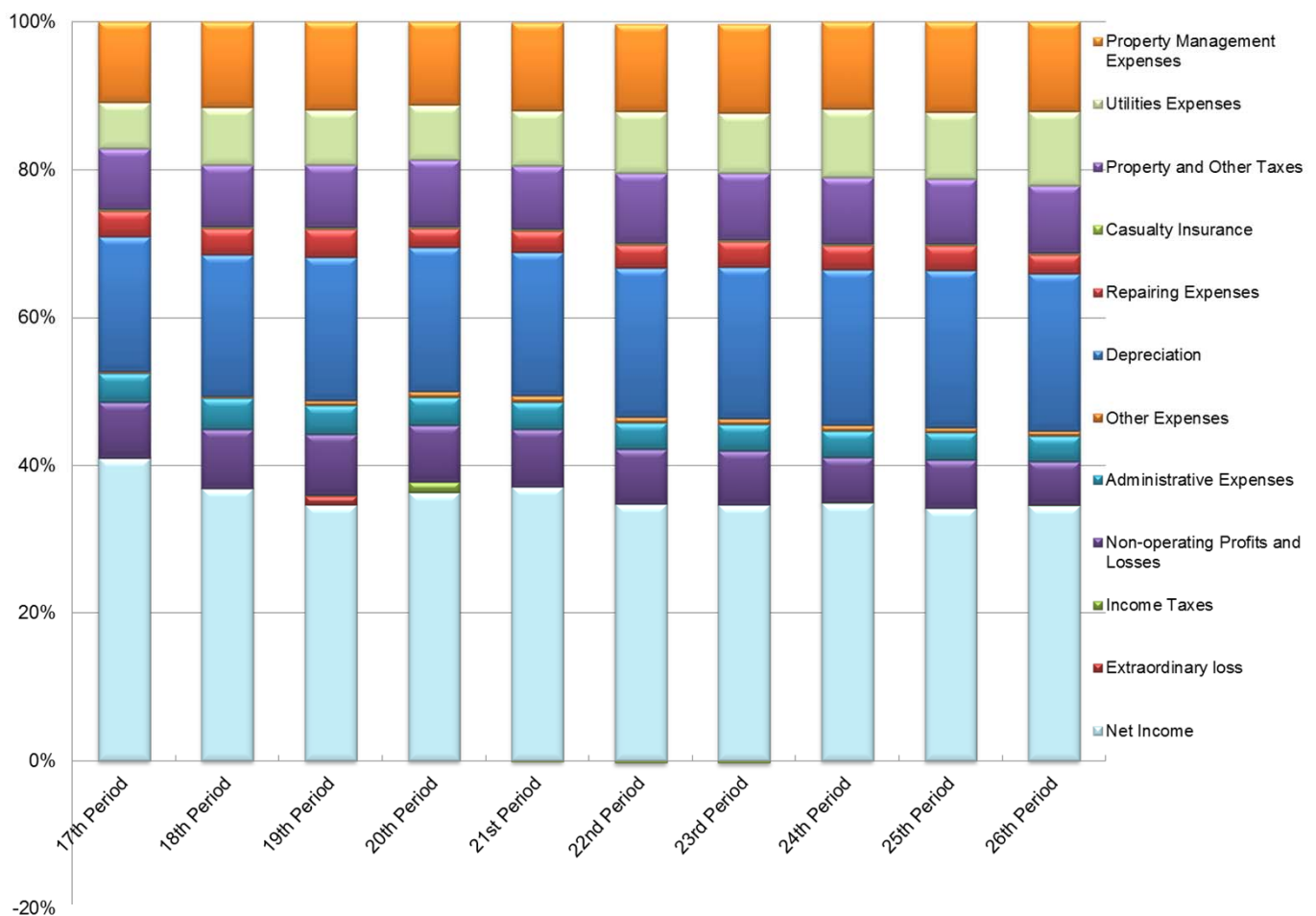
\*2 Excluding Depreciation

\*3 Net income + Depreciation

## Breakdown of Operating Revenues

	17th Period 31-Mar-10	18th Period 30-Sep-10	19th Period 31-Mar-11	20th Period 30-Sep-11	21st Period 31-Mar-12	22nd Period 30-Sep-12	23rd Period 31-Mar-13	24th Period 30-Sep-13	25th Period 31-Mar-14	26th Period 30-Sep-14
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	10.9%	11.5%	11.9%	11.3%	11.9%	11.9%	12.1%	11.7%	12.2%	12.2%
Utilities Expenses	6.3%	7.9%	7.5%	7.4%	7.5%	8.4%	8.2%	9.3%	9.1%	10.0%
Property and Other Taxes	8.2%	8.3%	8.5%	9.1%	8.6%	9.5%	9.1%	9.0%	8.8%	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	3.5%	3.6%	3.8%	2.6%	2.9%	3.2%	3.5%	3.3%	3.3%	2.6%
Depreciation	18.2%	19.1%	19.4%	19.4%	19.5%	20.3%	20.5%	21.0%	21.3%	21.2%
Other Expenses	0.2%	0.2%	0.6%	0.8%	0.8%	0.8%	0.8%	0.8%	0.6%	0.7%
Administrative Expenses	3.9%	4.2%	3.9%	3.7%	3.7%	3.6%	3.7%	3.6%	3.8%	3.5%
Non-operating Profits and Losses	7.7%	8.2%	8.4%	7.8%	8.0%	7.6%	7.4%	6.2%	6.6%	6.0%
Income Taxes	0.0%	0.0%	0.0%	1.5%	-0.1%	-0.3%	-0.3%	0.1%	0.0%	0.0%
Extraordinary loss	0.0%	0.0%	1.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Income	41.0%	36.8%	34.6%	36.2%	37.1%	34.9%	34.8%	34.8%	34.1%	34.5%

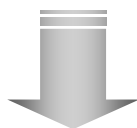
\*In Operating revenues, Gain on sale of properties and Compensation for the property transfer are included in the 17th Period, Gain on sale of properties and Extraordinary income are included in the 20th Period, Extraordinary income is included in the 21st Period and Gain on sale of properties is included in the 24th Period.



# Performance Comparison (the 25th Period vs the 26th Period)

(In millions of yen)

**Increase and decrease in the entire portfolio**  
=The total sum of groups A・B・C below



**Factors affecting increase and decrease in each group**

## \* Asset Group A \*

60 properties operated all through the 25th and 26th Periods including Nippon Brunswick (Land with leasehold interest)

<Main factors affecting increase and decrease Repairing Expenses>

Shibuya Cross Tower	164
Kitanomaru Square	34
Shijo Karasuma	10
Kanazawa Park	-140
Midosuji Daiwa	-43
Sendai Honma	-37

	25th Period (Oct 2013- Mar 2014)	26th Period (Apr 2014- Sep 2014)	Change	% Change
Property-related Revenues	26,582	27,760	1,177	4.4%
Property-related Expenses (1)	14,750	15,538	787	5.3%
Property-related Profits and Losses	11,832	12,222	390	3.3%
NOI (2)	17,481	18,105	624	3.6%
Occupancy Rate at the end of Period	96.7%	97.8%	1.1%	
Average Occupancy Rate during Period	95.6%	97.2%	1.6%	

(1) Property-related Expenses include Depreciation.

(2) NOI = Net Operating Income: Property-related Profits and Losses + Depreciation

	25th Period (Oct 2013- Mar 2014)	26th Period (Apr 2014- Sep 2014)	Change	% Change
Property-related Revenues	25,793	25,834	40	0.2%
Property-related Expenses	14,305	14,457	151	1.1%
Property Management Expenses	3,112	3,044	-68	-2.2%
Property Management Costs	3,019	2,912	-107	-3.6%
Brokerage Fees, etc.	92	131	39	42.1%
Utilities Expenses	2,388	2,589	200	8.4%
Property and Other Taxes	2,305	2,500	195	8.5%
Casualty Insurance	51	49	-2	-4.3%
Repairing Expenses	865	684	-181	-21.0%
Other Expenses	156	175	18	12.1%
Depreciation	5,426	5,415	-11	-0.2%
Property-related Profits and Losses	11,487	11,377	-110	-1.0%
NOI	16,913	16,792	-121	-0.7%
Occupancy Rate at the end of Period	96.6%	97.7%	1.1%	
Average Occupancy Rate during Period	95.6%	97.2%	1.6%	

## \* Asset Group B \*

3 properties acquired during the 25th Period  
(Otemachi FCN, Ebisu Neonato(additional share), Queen's )

	25th Period (Oct 2013- Mar 2014)	26th Period (Apr 2014- Sep 2014)	Change	% Change
Property-related Revenues	583	1,682	1,099	188.5%
Property-related Expenses	298	920	621	208.3%
Property Management Expenses	90	284	194	213.6%
Property Management Costs	90	283	192	212.2%
Brokerage Fees, etc.	-	1	1	-
Utilities Expenses	6	156	149	2177.3%
Property and Other Taxes	10	10	0	-0.3%
Casualty Insurance	1	5	3	193.0%
Repairing Expenses	6	34	27	428.8%
Other Expenses	0	6	5	3321.3%
Depreciation	181	422	240	132.4%
Property-related Profits and Losses	284	762	477	167.7%
NOI	466	1,184	718	154.0%

## \* Asset Group C \*

1 property acquired during the 26th Period  
(Nishiki Park (additional share) )

	25th Period (Oct 2013- Mar 2014)	26th Period (Apr 2014- Sep 2014)	Change	% Change
Property-related Revenues	205	243	37	18.2%
Property-related Expenses	146	160	13	9.6%
Property-related Profits and Losses	59	83	23	39.6%
NOI	101	128	27	27.3%

\*Please refer to the "Property Data" (excel file) downloadable from

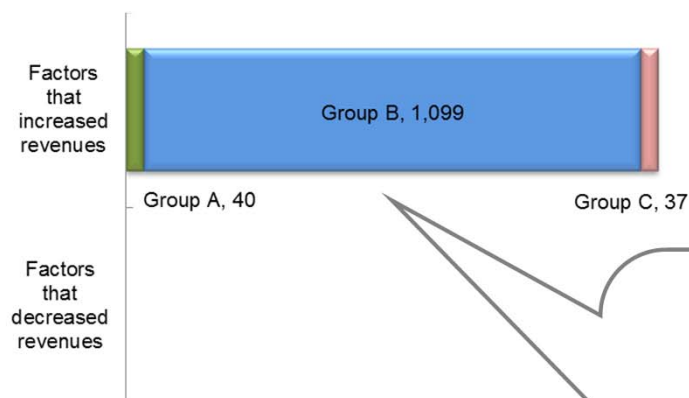


**26** on the JRE website (<http://www.j-re.co.jp/english/>) for the performance comparison, by building, of the 26th Period.

## Factors affecting Increase and Decrease

(In millions of yen)

### Property-related revenues



**Increase in revenues:  
¥ 1,177 million**

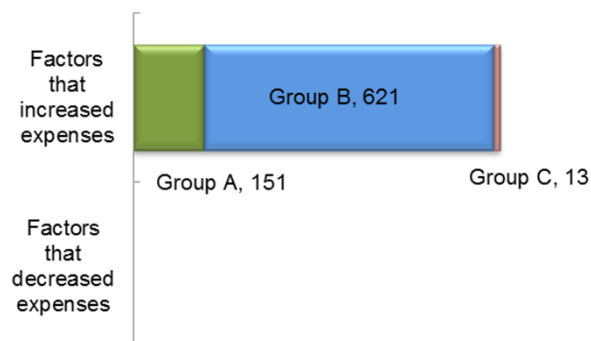
#### Main Factors affecting Increase and Decrease

Property Name	25th Period (Oct 2013- Mar 2014)	26th Period (Apr 2014- Sep 2014)	Change	% Change
Shiodome	1,740	1,862	122	7.0%
Shibuya Cross Tower	1,291	1,339	48	3.7%
Tokyo Opera City	1,315	1,345	29	2.3%
Shinwa	160	188	28	17.5%
Shin-Fujita	696	718	22	3.2%
Akasaka Park	2,265	2,169	-96	-4.3%
Higashi Nibancho	531	454	-77	-14.6%
8・3 Square Kita	309	290	-19	-6.2%
Sanno Grand	914	897	-17	-1.9%
Kyodo(Kayabacho 2Chome)	145	129	-15	-10.4%

Best 5

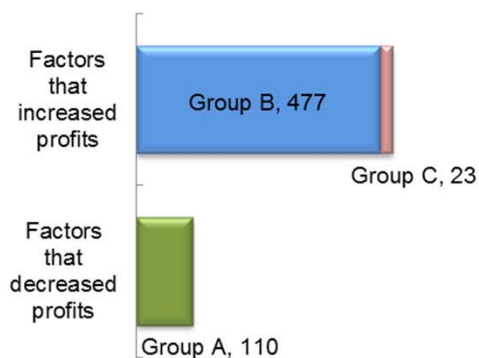
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### Property-related expenses



**Increase in expenses:  
¥ 787 million**

### Property-related profits and losses



**Increase in profits:  
¥ 390 million**



# Performance (Operating Results) of Each Property in the 26th Period

(In millions of yen)

Property Name	Performance (April 1, 2014 - September 30, 2014)												
	Property-related Revenues	Property-related Expenses	Property Management Expenses	Utilities Expenses	Property and Other Taxes	Casualty Insurance	Repairing Expenses	Depreciation (1)	Other Expenses	(2) Property-related Profits and Losses	(3) NOI ((1)-(2))	(4) Capex	NCF ((3)-(4))
Genki Medical Plaza	225	71	13	18	16	0	0	20	2	153	173	0	172
Kitanomaru Square	1,680	792	160	80	94	2	44	410	-	887	1,298	6	1,291
MD Kanda	222	91	15	23	20	0	2	28	-	131	159	8	150
Kandabashi Park	113	43	1	-	16	0	8	16	-	70	86	9	77
Otemachi FCN	252	127	21	18	-	0	-	87	-	124	212	-	212
Nibancho Garden	477	242	60	32	53	0	5	90	-	235	325	-	325
Mitsubishi UFJ Trust	993	360	52	64	131	1	2	107	1	632	740	7	732
Burex Kojimachi	150	78	-	-	13	0	2	62	-	72	134	-	134
Sanno Grand	897	378	100	65	105	1	28	77	-	519	596	46	549
Yurakucho Denki	240	127	32	20	41	0	0	31	-	112	144	6	138
Kodenmachi	115	55	15	9	11	0	2	12	3	60	72	0	72
Kyodo (Kayabacho 2Chome)	129	62	11	11	11	0	5	20	-	67	88	5	83
Burex Kyobashi	150	51	-	-	11	0	1	38	-	98	136	-	136
Ginza Sanwa	378	135	28	20	59	0	5	19	0	242	262	5	257
Ryoshin Ginza EM	152	87	17	17	14	0	1	36	0	64	101	-	101
Harumi Front	1,242	713	141	135	73	1	-	359	0	529	889	-	889
Harumi Center	644	387	69	52	48	1	2	212	0	257	470	0	469
Akasaka Park	2,169	1,316	244	276	279	3	94	413	3	852	1,266	336	930
Aoyama Crystal	198	94	12	18	28	0	3	30	0	104	134	1	133
Shiodome	1,862	687	131	125	124	2	7	292	3	1,174	1,467	4	1,462
Shiba 2Chome Daimon	269	149	36	33	38	0	7	32	0	120	152	60	92
Cosmo Kanasugibashi	109	45	10	8	12	0	0	13	-	64	77	2	75
Shinwa	188	88	20	22	19	0	1	24	-	99	124	13	110
Tokyo Opera City	1,345	1,103	Undisclosed	Undisclosed	Undisclosed	Undisclosed	Undisclosed	Undisclosed	Undisclosed	242	Undisclosed	75	Undisclosed
TIX UENO	685	387	59	48	39	1	0	237	-	298	535	0	535
Higashi-Gotanda 1Chome	171	95	13	22	14	0	0	43	0	76	119	-	119
Osaki Front Tower	667	506	72	53	28	0	3	256	91	160	416	1	415
Omori-Eki Higashiguchi	229	108	28	25	25	0	4	24	-	120	145	4	140
Nippon Brunswick	60	20	-	-	20	-	-	-	-	39	39	-	39
Yoyogi 1Chome	291	142	21	25	23	0	2	68	-	149	217	2	215
da Vinci Harajuku	191	54	10	12	16	0	0	14	-	137	151	0	151
Jingumae MS	312	142	23	37	39	0	3	36	1	169	205	0	205
Shibuya Cross Tower	1,339	1,113	180	150	126	2	229	423	1	226	649	413	236
Ebisu Neonato	432	177	52	21	10	2	1	89	-	254	343	20	323
Harmony Tower	374	148	39	-	48	1	10	49	-	225	275	-	275
Otsuka Higashi-Ikebukuro	204	102	20	30	12	0	1	36	-	101	138	5	133
Ikebukuro 2Chome	67	29	7	6	5	0	1	7	0	37	45	7	38
Ikebukuro YS	173	83	19	17	14	0	0	30	-	89	120	-	120
Hachioji First	238	121	50	3	26	0	2	37	-	117	155	2	153
Saitama Urawa	102	52	14	10	9	0	2	15	-	49	64	2	62
MM Park	1,235	773	141	200	79	1	13	337	-	461	799	31	768
Queen's	998	614	211	116	-	3	32	244	6	383	628	1	627
Kawasaki Isago	136	81	24	18	13	0	4	19	-	55	74	3	70
Musashi Kosugi STM	158	66	21	3	10	0	5	24	-	92	117	1	116
8-3 Square Kita	290	184	32	56	21	0	2	71	-	105	176	35	141
Jozenji Park	66	38	9	9	6	0	3	9	-	27	37	4	32
Higashi Nibancho	454	306	85	45	40	0	6	127	-	147	275	4	270
Sendai Honma	128	68	17	16	15	0	2	16	0	60	76	15	61
Kanazawa Park	471	298	99	60	64	1	11	60	0	172	232	19	213
Nishiki Park	243	160	49	23	19	0	15	45	6	83	128	20	108
Hirokoji Place	360	200	41	40	33	0	1	82	-	160	242	6	235
Hirokoji Sakae	86	53	13	13	11	0	5	9	0	32	42	-	42
Nagoya Hirokoji	582	383	90	62	61	1	34	133	0	199	333	147	186
Nagoya Misono	70	52	10	9	6	0	5	20	-	17	38	6	32
Shijo Karasuma	196	124	25	17	11	0	10	59	-	71	130	1	129
Kyoto Kawaramachi	116	83	20	14	10	0	9	28	0	32	60	0	60
Shin-Fujita	718	513	83	102	77	1	38	208	-	205	414	174	240
Sakaisujihonmachi	230	143	42	35	36	0	5	22	-	87	109	1	108
Midosuji Daiwa	537	247	62	49	75	1	4	55	0	290	345	3	341
Lit City	263	153	31	29	19	1	5	65	0	110	175	-	175
NHK Hiroshima	264	177	50	28	23	0	8	40	24	87	128	203	-75
Tosei Tenjin	77	40	12	8	7	0	1	10	0	37	47	3	43
Tenjin Crystal	148	123	22	19	19	0	1	61	0	24	86	0	85
Hinode Tenjin	173	69	20	15	14	0	0	18	0	103	121	-	121
Total	27,760	15,538	3,378	2,768	2,530	55	733	5,883	187	12,222	18,105	1,738	16,366

\* At the request of the co-owners of Tokyo Opera City Building, the breakdown of property-related expenses and NOI and 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).

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## Balance Sheet for the 26th Period

(In millions of yen)

Item	25th Period (Mar 31, 2014)	26th Period (Sep 30, 2014)	Change	Reason for change
<b>Assets</b>				
<b>I Current Assets</b>				
Cash and Bank Deposits	25,043	25,589	545	Increase due to rent revenues, etc.
Other Current Assets	697	442	(255)	Decrease due to deposit of consumption taxes refund, etc.
<b>Total Current Assets</b>	<b>25,741</b>	<b>26,031</b>	<b>290</b>	
<b>II Fixed Assets</b>				
<b>Property and Equipment</b>				
Buildings (including those held in trust)	312,346	314,179	1,833	Increase due to capital expenditure and the acquisition of properties
Structures (including those held in trust)	3,378	3,516	138	
Machinery and Equipment (including that held in trust)	4,071	4,125	54	
Land (including that held in trust)	538,445	538,855	410	
Accumulated Depreciation	(76,076)	(81,940)	(5,864)	
<b>Total Property and Equipment</b>	<b>782,165</b>	<b>778,737</b>	<b>(3,428)</b>	
<b>Intangible Assets</b>				
Leasehold rights, etc. (including those held in trust)	7,377	7,368	(8)	
<b>Total Intangible Assets</b>	<b>7,377</b>	<b>7,368</b>	<b>(8)</b>	
<b>Investments and Other Assets</b>				
Investment Securities	577	577	-	
Long-term Prepaid Expenses, etc.	1,191	1,157	(33)	
<b>Total Investments and Other Assets</b>	<b>1,768</b>	<b>1,734</b>	<b>(33)</b>	
<b>Total Fixed Assets</b>	<b>791,311</b>	<b>787,841</b>	<b>(3,470)</b>	
<b>III Deferred Assets</b>				
Deferred Investment Corporation Bond Issuance Costs	77	58	(18)	
<b>Total Deferred Assets</b>	<b>77</b>	<b>58</b>	<b>(18)</b>	
<b>Total Assets</b>	<b>817,130</b>	<b>813,931</b>	<b>(3,199)</b>	

(In millions of yen)

Item	25th Period (Mar 31, 2014)	26th Period (Sep 30, 2014)	Change	Reason for change
<b>Liabilities</b>				
<b>I Current Liabilities</b>				Decrease due to redemption at maturity and repayment of loans. Increase due to refinancing from current portion of investment corporation bonds.
Short-term Loans	56,800	31,500	(25,300)	
Current Portion of Long-term Loans	5,100	19,600	14,500	Decrease due to repayment at maturity and redemption. Increase due to decrease of remaining periods of loans and investment corporation bonds.
Current Portion of Investment Corporation Bonds	15,000	20,000	5,000	
Rent Received in Advance	3,288	3,280	(7)	
Other Current Liabilities	3,702	4,245	542	
<b>Total Current Liabilities</b>	<b>83,890</b>	<b>78,625</b>	<b>(5,264)</b>	Increase due to unpaid consumption tax, decrease in accrued construction costs and unadjusted amount at the end of the 25th Period due to the acquisition of properties, etc
<b>II Long-term Liabilities</b>				
Investment Corporation Bonds	40,000	20,000	(20,000)	Decrease due to transfer to current portion of investment corporation bonds
Long-term Loans	242,000	232,450	(9,550)	Decrease due to transfer to current portion of long-term loans. Increase due to refinancing from current portion of investment corporation bonds.
Deposits Received from Tenants	45,418	45,766	347	
Other Long-term Liabilities	464	465	1	
<b>Total Long-term Liabilities</b>	<b>327,883</b>	<b>298,682</b>	<b>(29,201)</b>	
<b>Total Liabilities</b>	<b>411,774</b>	<b>377,308</b>	<b>(34,466)</b>	
<b>Net Assets</b>				
Unitholders' Capital	396,018	426,783	30,764	Increase due to new unit issuance
Reserve for Reduction Entry	236	236	-	
Retained Earnings	9,100	9,603	502	
<b>Total Net Assets</b>	<b>405,355</b>	<b>436,622</b>	<b>31,267</b>	
<b>Total Liabilities and Net Assets</b>	<b>817,130</b>	<b>813,931</b>	<b>(3,199)</b>	

## Cash Flow and Dividend Statement for the 26th Period

### Cash Flow Statement

(In millions of yen)

Item	26th Period (183 days)
Cash Flow from Operating Activities	16,811
Income before income taxes	9,582
Depreciation	5,883
Other	1,345
Cash Flow from Investing Activities	(3,556)
Cash Flow from Financial Activities	(13,709)
Proceeds from short-term loans	13,800
Repayment of short-term loans	(39,100)
Proceeds from long-term loans	5,000
Repayment of long-term loans	(50)
Proceeds from investment corporation bonds	-
Redemption of investment corporation bonds	(15,000)
Payments of investment corporation bond issuance costs	-
Proceeds from issuance of units	30,764
Payment of new unit issuance costs	(53)
Dividends to unitholders	(9,070)
Net Change in Cash and Cash Equivalents	(454)
Cash and Cash Equivalents at the Beginning of Period	21,043
Cash and Cash Equivalents at the End of Period	20,589

### Dividend Statement

(In yen)

Item	26th Period (183 days)
Retained Earnings at the End of Period	9,603,143,216
Total Amount of Dividends	9,571,701,440
Reserve for Reduction Entry	35,954
Retained Earnings Brought Forward	31,405,822

Dividend per unit: **7,648 yen** for the 26th Period  
(25th Period: 7,633 yen)

■ Based on the cash distribution policy stipulated in Article 32 (2) of the bylaws of JRE, in making cash distributions to the extent of account profits, JRE will distribute profits as cash distributions in excess of 90% of the “amount of distributable profit” as set forth Article 67-15 of the Act on Special Measures Concerning Taxation of Japan. Accordingly, JRE determined that it would pay dividends for the 26th Period in the amount of 9,571,701,440 yen, which is an integral multiple of 1,251,530—the number of units outstanding, while adding the reversal of reserve for reduction entry to retained earnings and securing retained earnings brought forward.



## Historical Summary of Selected Financial Index in the Previous 5 Periods

Financial Ratio	Term Number of Days	22nd Period Ended Sep 30, 2012 183days	23rd Period Ended Mar 31, 2013 182days	24th Period Ended Sep 30, 2013 183days	25th Period Ended Mar 31, 2014 182days	26th Period Ended Sep 30, 2014 183days
Return on Assets (ROA) (annualized)		1.2% 2.3%	1.2% 2.4%	1.2% 2.4%	1.1% 2.3%	1.2% 2.3%
Return on Equity (ROE) (annualized)		2.3% 4.5%	2.2% 4.4%	2.3% 4.5%	2.2% 4.5%	2.2% 4.4%
EOP Equity Ratio		51.4%	52.9%	52.3%	49.6%	53.6%
LTV (1)		42.2%	40.6%	41.3%	43.9%	39.8%
LTV (2)		45.7%	44.0%	44.7%	47.5%	43.1%
LTV (3)		41.3%	39.8%	40.3%	42.9%	38.6%
LTV (4)		42.9%	41.0%	41.3%	43.3%	38.4%
EOP Long-term Debt to Capitalization		112.2%	106.2%	106.2%	109.3%	108.6%
Debt Service Coverage Ratio (DSCR)		8.3 times	8.7 times	9.5 times	9.6 times	10.5 times
NOI (In millions of yen)		15,997	16,768	17,205	17,481	18,105
FFO (In millions of yen)		13,356	14,032	14,619	14,719	15,455
FFO Dividend Payout Ratio		64.5%	64.1%	62.4%	61.6%	61.9%
AFFO (In millions of yen)		11,893	12,178	13,073	12,286	13,716
AFFO Dividend Payout Ratio		72.5%	73.9%	69.8%	73.8%	69.8%

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

Average of total assets during the period is using the total values of the beginning and end of the period.

\* ROE= Net income / Average of net assets during the period

Average of net assets during the period is using the total values of the beginning and end of the period.

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

\* EOP equity ratio = EOP net worth / 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 value

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

\* EOP long-term debt to capitalization = EOP fixed assets / (EOP long-term loans and others + EOP unitholders' capital)

\* DSCR = Net income before interest, taxes, depreciation and amortization / Interest expenses

\* NOI = (Property-related revenues – Property-related expenses) + Depreciation

\* FFO = Net income + Depreciation – Gain on transfer of properties

\* FFO Dividend Payout Ratio = Total Amount of Dividends / FFO

\* AFFO = FFO - Capital Expenditures

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

# Income Statement for the 26th Period and Forecasts for the 27th and the 28th Periods

(In millions of yen [excluding items where the unit is specified])

Term	25th Period		26th Period		27th Period		28th Period
	Ended Mar 31, 2014		Ended Sep 30, 2014		Ending Mar 31, 2015		Ending Sep 30, 2015
Actual/Forecast	Actual	→ Change →	Actual	→ Change →	Forecast	→ Change →	Forecast
Number of Properties	64		64		65		65
Number of Days	(182 days)		(183 days)		(182 days)		(183 days)
Operating Revenues	26,582	+1,177	27,760	+309	28,070	+370	28,440
Property-related Revenues	26,582	+1,177	27,760	+309	28,070	+370	28,440
Operating Expenses	15,751	+754	16,505	+334	16,840	+260	17,100
Property-related Expenses (excluding Depreciation)	9,101	+553	9,654	+135	9,790	+270	10,060
Depreciation	5,649	+233	5,883	+66	5,950	-10	5,940
Administrative Expenses	1,000	-32	967	+122	1,090	+10	1,100
(Asset Management Fees (*1))	(675)	(-36)	(638)	(+98)	(737)	(+13)	(750)
NOI	17,481	+624	18,105	+174	18,280	+100	18,380
Property-related Profits and Losses	11,832	+390	12,222	+97	12,320	+120	12,440
Gross Operating Income	11,832	+390	12,222	+97	12,320	+120	12,440
Operating Income	10,831	+423	11,255	-25	11,230	+110	11,340
Non-operating Revenues	8	+39	48	-18	30	+20	50
Non-operating Expenses	1,757	-36	1,720	-50	1,670	-30	1,640
(Interest Expense)	(1,708)	(-87)	(1,620)	(+9)	(1,630)	(-30)	(1,600)
Ordinary Income	9,083	+499	9,582	-2	9,580	+170	9,750
Net Income	9,070	+502	9,572	-2	9,570	+170	9,740
Units Outstanding	1,188,280 units	+63,250units	1,251,530 units		1,251,530 units		1,251,530 units
Dividend per Unit	7,633 yen	+15 yen	7,648 yen	+2 yen	7,650 yen	+130 yen	7,780 yen
Occupancy Rate at Period-end	96.7%	+1.1%	97.8%	-0.3%	97.5%		

\*1 Term fee and Incentive fee

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

- 26th→27th Period: Increase due to the full term operation of the properties acquired in the 26th Period (Nishiki Park (additional share)) and the 27th Period (Shinjuku East) throughout the 26th and 27th Periods  
Decrease due to factors including estimated reduction associated with rent revision and tenant turnover in properties under operation for the full term in both the 26th and 27th Periods
- 27th→28th Period: Increase due to factors including estimated rent rise associated with rise of occupancy rate in properties under operation for the full term in both the 27th and 28th Periods

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

- 26th→27th Period: Increase in expenses due to the full term operation of the properties acquired in the 26th Period (Nishiki Park (additional share)) and the 27th Period (Shinjuku East) throughout the 26th and 27th Periods
- 27th→28th Period: Increase in expenses due to seasonal factor, etc associated with properties under operation for the full term in both the 27th and 28th Periods  
Increase in property and other taxes, etc for the properties acquired in the 25th, 26th and 27th Periods (Otemachi FCN, other 4 properties)

## Breakdown of Factors in the Net Increase of Operating Revenues and Operating Income

(In millions of yen)

	25th Period Actual	26th Period Actual	27th Period Forecast	28th Period Forecast
Operating Revenues	26,582	27,760	28,070	28,440

	25th → 26th	26th → 27th	27th → 28th
<b>Change</b>	<b>1,177</b>	<b>309</b>	<b>370</b>
Property-related Profits and Losses	1,177	309	370
Existing Property (full-year operation)	40	(27)	370
Acquired Property			
Acquired Property in the 25th Period	1,099		
Acquired Property in the 26th Period	37	16	
Acquired Property in the 27th Period		310	

	25th Period Actual	26th Period Actual	27th Period Forecast	28th Period Forecast
Operating Income	10,831	11,255	11,230	11,340

	25th → 26th	26th → 27th	27th → 28th
<b>Change</b>	<b>423</b>	<b>(25)</b>	<b>110</b>
Property-related Profits and Losses	390	97	120
Existing Property (full-year operation)	(110)	(29)	120
Acquired Property			
Acquired Property in the 25th Period	477		
Acquired Property in the 26th Period	23	6	
Acquired Property in the 27th Period		110	
Administrative Expenses	32	(122)	(10)

Profit increased by ¥350 million, excluding a decrease factor amounting to ¥230 million due to property and other taxes for the property acquired in the 25th, 26th and 27th Periods.

## Balance Sheet Forecast for the 27th Period

(In millions of yen)

Item	26th Period 30-Sep-14	27th Period 31-Mar-15	Change	Reason for change
<b>Assets</b>				
<b>Current Assets</b>				
Cash and Bank Deposits	25,589	25,267	(322)	Increase due to rent revenues and decrease due to payment by cash reserve for acquisition of properties, etc
Other Current Assets	442	294	(148)	Decrease due to reduction of acquisition cost prepaid in the 26th Period for the 27th Period
<b>Total Current Assets</b>	<b>26,031</b>	<b>25,561</b>	<b>(470)</b>	
<b>Fixed Assets</b>				
<b>Property and Equipment</b>				
Buildings (including those held in trust)	314,179	322,880	8,701	Increase due to capital expenditure and acquisition of properties, etc
Structures (including those held in trust)	3,516	3,685	169	
Machinery and Equipment (including that held in trust)	4,125	4,181	56	
Land (including that held in trust)	538,855	556,427	17,572	
Accumulated Depreciation	(81,940)	(87,900)	(5,960)	
<b>Total Property and Equipment</b>	<b>778,737</b>	<b>799,272</b>	<b>20,535</b>	
<b>Intangible Assets</b>				
Leasehold rights, etc. (including those held in trust)	7,368	7,352	(16)	
<b>Total Intangible Assets</b>	<b>7,368</b>	<b>7,352</b>	<b>(16)</b>	
<b>Investments and Other Assets</b>				
Investment Securities	577	577	-	
Long-term Prepaid Expenses, etc.	1,157	1,155	(2)	
<b>Total Investments and Other Assets</b>	<b>1,734</b>	<b>1,732</b>	<b>(2)</b>	
<b>Total Fixed Assets</b>	<b>787,841</b>	<b>808,356</b>	<b>20,515</b>	
<b>Deferred Assets</b>				
Deferred Investment Corporation Bond Issuance Costs	58	41	(17)	
<b>Total Deferred Assets</b>	<b>58</b>	<b>41</b>	<b>(17)</b>	
<b>Total Assets</b>	<b>813,931</b>	<b>833,958</b>	<b>20,027</b>	

(In millions of yen)

Item	26th Period 30-Sep-14	27th Period 31-Mar-15	Change	Reason for change
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Short-term Loans	31,500	31,500	-	Increase due to loans for acquisition of properties and decrease due to refinancing to long-term loans
Current Portion of Long-term Loans	19,600	16,600	(3,000)	Decrease due to transfer to long-term loans for refinancing and increase due to decrease of remaining periods of loans
Current Portion of Investment Corporation Bonds	20,000	20,000	-	
Rent Received in Advance	3,280	3,340	60	
Other Current Liabilities	4,245	3,091	(1,154)	Decrease due to accrued consumption taxes, etc. in the 26th Period
<b>Total Current Liabilities</b>	<b>78,625</b>	<b>74,531</b>	<b>(4,094)</b>	
<b>Long-term Liabilities</b>				
Investment Corporation Bonds	20,000	20,000	-	
Long-term Loans	232,450	255,400	22,950	Increase due to loans for acquisition of properties and refinancing from short-term loans. Decrease due to transfer to current portion of long-term loans, etc
Deposits Received from Tenants	45,766	46,937	1,171	Increase due to acquisition of properties, etc
Other Long-term Liabilities	465	464	(1)	
<b>Total Long-term Liabilities</b>	<b>298,682</b>	<b>322,801</b>	<b>24,119</b>	
<b>Total Liabilities</b>	<b>377,308</b>	<b>397,332</b>	<b>20,024</b>	
<b>Net Assets</b>				
Unitholders' Capital	426,783	426,783	-	
Reserve for Reduction Entry	236	236	-	
Retained Earnings	9,603	9,607	4	
<b>Total Net Assets</b>	<b>436,622</b>	<b>436,626</b>	<b>4</b>	
<b>Total Liabilities and Net Assets</b>	<b>813,931</b>	<b>833,958</b>	<b>20,027</b>	



# JRE's Achievement after IPO and Performance Forecasts

\*The land and building adjacent to Ryoshin Ginza East Mirror Building are not included in the number of properties and total acquisition price of properties as of 14th Period - 17th Period.

\*The acquisition price related to the transfer of the part of Jingumae Media Square Building site is not excluded.

\*As Nippon Brunswick (building) was transferred as of August 23, 2013, JRE owns the land with leasehold interest, leasable space and occupancy rate for Nippon Brunswick are excluded.

	1st Period Mar 31, 2002 May 2001-Mar 2002	2nd Period Sep 30, 2002 Apr 2002-Sep 2002	3rd Period Mar 31, 2003 Oct 2002-Mar 2003	4th Period Sep 30, 2003 Apr 2003-Sep 2003	5th Period Mar 31, 2004 Oct 2003-Mar 2004	6th Period Sep 30, 2004 Apr 2004-Sep 2004	7th Period Mar 31, 2005 Oct 2004-Mar 2005	8th Period Sep 30, 2005 Apr 2005-Sep 2005	9th Period Mar 31, 2006 Oct 2005-Mar 2006
Operating Revenues	6,492	7,910	8,500	8,965	9,560	10,151	10,747	13,119	13,962
(% change from the preceding period)	—	(+21.8%)	(+7.5%)	(+5.5%)	(+6.6%)	(+6.2%)	(+5.9%)	(+22.1%)	(+6.4%)
Property-related Revenues	6,492	7,910	8,500	8,965	9,560	10,151	10,747	13,119	13,962
(% change from the preceding period)	—	(+21.8%)	(+7.5%)	(+5.5%)	(+6.6%)	(+6.2%)	(+5.9%)	(+22.1%)	(+6.4%)
Gain on Transfer of Unused Development Rights of Floor Area	—	—	—	—	—	—	—	—	—
Gain on Transfer of Properties	—	—	—	—	—	—	—	—	—
Dividends Earned	—	—	—	—	—	—	—	—	—
Compensation for the Property Transfer	—	—	—	—	—	—	—	—	—
Operating Income	2,961	3,386	3,687	3,898	4,341	4,358	4,701	6,226	6,319
(% change from the preceding period)	—	(+14.4%)	(+8.9%)	(+5.7%)	(+11.4%)	(+0.4%)	(+7.9%)	(+32.4%)	(+1.5%)
Ordinary Income	2,405	2,898	3,259	3,408	3,803	3,831	4,121	5,510	5,586
(% change from the preceding period)	—	(+20.5%)	(+12.5%)	(+4.6%)	(+11.6%)	(+0.7%)	(+7.6%)	(+33.7%)	(+1.4%)
Net Income	2,403	2,897	3,258	3,407	3,802	3,830	4,120	5,509	5,585
(% change from the preceding period)	—	(+20.5%)	(+12.5%)	(+4.6%)	(+11.6%)	(+0.7%)	(+7.6%)	(+33.7%)	(+1.4%)
Units Outstanding	160,400units	225,400units	225,400units	225,400units	260,400units	260,400units	260,400units	345,400units	345,400units
[ Ref ] Units Outstanding on a Post-split Basis (*1)	320,800units	450,800units	450,800units	450,800units	520,800units	520,800units	520,800units	690,800units	690,800units
Dividend per Unit	14,983yen	12,853yen	14,455yen	15,117yen	14,602yen	14,711yen	15,824yen	15,951yen	16,172yen
[ Ref ] Dividend per Unit on a Post-split Basis (*1)	7,491yen	6,426yen	7,227yen	7,558yen	7,301yen	7,355yen	7,912yen	7,975yen	8,086yen
Total Assets	161,809	185,397	200,022	209,581	244,523	257,372	322,358	355,968	433,552
Net Assets	83,663	115,049	115,410	115,559	137,250	137,279	137,569	206,982	207,058
Net Assets per Unit (*1)	260,795yen	255,212yen	256,013yen	256,344yen	263,538yen	263,592yen	264,149yen	299,627yen	299,737yen
Total Liabilities	78,146	70,347	84,611	94,021	107,272	120,093	184,789	148,985	226,493
Interest-bearing Debts	64,000	54,000	66,800	76,000	87,000	99,000	159,000	122,000	196,500
LTV	39.6%	29.1%	33.4%	36.3%	35.6%	38.5%	49.3%	34.3%	45.3%
Unit Price (period-end) (*1)	265,000yen	255,500yen	296,000yen	324,000yen	415,000yen	437,500yen	437,500yen	457,500yen	510,000yen
Market Capitalization	85,012	115,179	133,436	146,059	216,132	227,850	227,850	316,041	352,308
Number of Properties	24	27	30	32	36	39	46	50	52
Total Acquisition Price of Properties	144,697	164,277	183,542	192,607	218,437	239,827	290,510	326,560	412,766
Leasable Space	201,884㎡	215,928㎡	236,693㎡	246,062㎡	273,157㎡	293,105㎡	336,026㎡	364,610㎡	400,090㎡
Occupancy Rate	94.0%	95.3%	94.4%	95.1%	94.8%	93.6%	97.6%	98.6%	98.7%
Public Offerings of New Units									
Number of Newly Issued Units	—	65,000units	—	—	35,000units	—	—	85,000units	—
Offer Price	—	490,980yen	—	—	629,000yen	—	—	826,000yen	—
Aggregate Amount of Offer Price	—	31,913	—	—	22,015	—	—	70,210	—
Issue Price	—	475,268yen	—	—	608,456yen	—	—	800,288yen	—
Aggregate Amount of Issue Price	—	30,892	—	—	21,295	—	—	68,024	—
Payment Date	—	2002/5/7	—	—	2003/10/24	—	—	2005/4/26	—

(In millions of yen [excluding items where the unit is specified])

10th Period Sep 30, 2006 Apr 2006-Sep 2006	11th Period Mar 31, 2007 Oct 2006-Mar 2007	12th Period Sep 30, 2007 Apr 2007-Sep 2007	13th Period Mar 31, 2008 Oct 2007-Mar 2008	14th Period Sep 30, 2008 Apr 2008-Sep 2008	15th Period Mar 31, 2009 Oct 2008-Mar 2009	16th Period Sep 30, 2009 Apr 2009-Sep 2009	17th Period Mar 31, 2010 Oct 2009-Mar 2010	18th Period Sep 30, 2010 Apr 2010-Sep 2010	19th Period Mar 31, 2011 Oct 2010-Mar 2011
15,570 (+11.5%)	16,960 (+8.9%)	17,530 (+3.4%)	25,743 (+46.9%)	19,805 (-23.1%)	20,716 (+4.6%)	21,524 (+3.9%)	21,665 (+0.7%)	22,112 (+2.1%)	22,135 (+0.1%)
15,169 (+8.6%)	16,500 (+8.8%)	17,132 (+3.8%)	17,807 (+3.9%)	19,805 (+11.2%)	20,716 (+4.6%)	20,795 (+0.4%)	20,758 (-0.2%)	22,112 (+6.5%)	22,135 (+0.1%)
—	—	—	—	—	—	728	—	—	—
400	459	397	—	—	—	—	885	—	—
—	—	—	7,935	—	—	—	—	—	—
—	—	—	—	—	—	—	21	—	—
7,041 (+11.4%)	8,304 (+17.9%)	8,739 (+5.2%)	14,218 (+62.7%)	9,807 (-31.0%)	9,955 (+1.5%)	10,054 (+1.0%)	10,538 (+4.8%)	9,939 (-5.7%)	9,802 (-1.4%)
5,977 (+7.0%)	7,184 (+20.2%)	7,586 (+5.6%)	12,946 (+70.7%)	8,449 (-34.7%)	8,426 (-0.3%)	8,505 (+0.9%)	8,876 (+4.4%)	8,135 (-8.3%)	7,938 (-2.4%)
5,976 (+7.0%)	7,183 (+20.2%)	7,585 (+5.6%)	12,945 (+70.7%)	8,448 (-34.7%)	8,425 (-0.3%)	8,504 (+0.9%)	8,875 (+4.4%)	8,134 (-8.4%)	7,652 (-5.9%)
345,400units	410,000units	410,000units	443,000units	443,000units	443,000units	443,000units	489,200units	489,200units	489,200units
690,800units	820,000units	820,000units	886,000units	886,000units	886,000units	886,000units	978,400units	978,400units	978,400units
17,302yen	17,521yen	18,500yen	29,223yen	19,072yen	19,020yen	19,198yen	18,043yen	16,628yen	15,642yen
8,651yen	8,760yen	9,250yen	14,611yen	9,536yen	9,510yen	9,599yen	9,021yen	8,314yen	7,821yen
441,163	443,973	449,643	527,537	542,920	565,022	564,528	637,326	634,974	646,847
207,449	271,867	272,269	310,547	306,050	306,027	306,106	333,228	332,536	332,054
300,302yen	331,545yen	332,035yen	350,504yen	345,429yen	345,403yen	345,492yen	340,585yen	339,877yen	339,385yen
233,714	172,105	177,374	216,990	236,869	258,994	258,422	304,097	302,437	314,793
202,500	140,000	144,500	177,500	199,500	220,500	220,500	262,500	262,450	272,400
45.9%	31.5%	32.1%	33.6%	36.7%	39.0%	39.1%	41.2%	41.3%	42.1%
500,000yen	780,000yen	690,000yen	580,000yen	418,000yen	378,000yen	367,000yen	398,500yen	379,500yen	393,500yen
345,400	639,600	565,800	513,880	370,348	334,908	325,162	389,892	371,302	385,000
49	50	50	53	54	55	55	55	55	57
418,693	441,276	446,940	518,969	542,969	564,219	564,219	641,245	643,891	660,601
396,173m <sup>2</sup>	397,928m <sup>2</sup>	406,605m <sup>2</sup>	479,877m <sup>2</sup>	508,296m <sup>2</sup>	516,411m <sup>2</sup>	516,421m <sup>2</sup>	566,277m <sup>2</sup>	567,612m <sup>2</sup>	588,984m <sup>2</sup>
98.2%	97.8%	98.7%	95.9%	96.1%	95.5%	93.3%	93.0%	92.4%	93.2%
—	64,600units	—	33,000units	—	—	—	46,200units	—	—
—	1,009,400yen	—	1,029,000yen	—	—	—	597,520yen	—	—
—	65,207	—	33,957	—	—	—	(*) 25,095	—	—
—	978,500yen	—	997,500yen	—	—	—	579,040yen	—	—
—	63,211	—	32,917	—	—	—	26,751	—	—
—	2006/10/24	—	2008/3/12	—	—	—	2009/12/8 2009/12/22	—	—

(\*) JRE implemented a 2-for-1 split of each investment unit as of January 1, 2014.

The figures for the 1st through the 24th periods are taken the split into account.

(\*) 2) 17th Period: Aggregate amount of offer price by the public offering of 42,000 new units

(In millions of yen [excluding items where the unit is specified])

	20th Period Sep 30, 2011 Apr 2011-Sep 2011	21st Period Mar 31, 2012 Oct 2011-Mar 2012	22nd Period Sep 30, 2012 Apr 2012-Sep 2012	23rd Period Mar 31, 2013 Oct 2012-Mar 2013	24th Period Sep 30, 2013 Apr 2013-Sep 2013	25th Period Mar 31, 2014 Oct 2013-Mar 2014	26th Period Sep 30, 2014 Apr 2014-Sep 2014	27th Period Forecast Mar 31, 2015 Oct 2014-Mar 2015	28th Period Forecast Sep 30, 2015 Apr 2015-Sep 2015
Operating Revenues	22,829	24,059	24,222	25,357	26,225	26,582	27,760	28,070	28,440
(% change from the preceding period)	(+3.1%)	(+5.4%)	(+0.7%)	(+4.7%)	(+3.4%)	(+1.4%)	(+4.4%)	(+1.1%)	(+1.3%)
Property-related Revenues	22,283	24,059	24,222	25,357	26,206	26,582	27,760	28,070	28,440
(% change from the preceding period)	(+0.7%)	(+8.0%)	(+0.7%)	(+4.7%)	(+3.4%)	(+1.4%)	(+4.4%)	(+1.1%)	(+1.3%)
Gain on Transfer of Unused Development Rights of Floor Area	—	—	—	—	—	—	—	—	—
Gain on Transfer of Properties	546	—	—	—	18	—	—	—	—
Dividends Earned	—	—	—	—	—	—	—	—	—
Compensation for the Property Transfer	—	—	—	—	—	—	—	—	—
Operating Income	10,380	10,786	10,212	10,631	10,781	10,831	11,255	11,230	11,340
(% change from the preceding period)	(+5.9%)	(+3.9%)	(-5.3%)	(+4.1%)	(+1.4%)	(+0.5%)	(+3.9%)	(-0.2%)	(+1.0%)
Ordinary Income	8,603	8,863	8,372	8,749	9,143	9,083	9,582	9,580	9,750
(% change from the preceding period)	(+8.4%)	(+3.0%)	(-5.5%)	(+4.5%)	(+4.5%)	(-0.7%)	(+5.5%)	(-0.0%)	(+1.8%)
Net Income	8,268	8,934	8,448	8,824	9,129	9,070	9,572	9,570	9,740
(% change from the preceding period)	(+8.1%)	(+8.1%)	(-5.4%)	(+4.5%)	(+3.5%)	(-0.7%)	(+5.5%)	(-0.0%)	(+1.8%)
Units Outstanding	489,200units	549,040units	549,040units	594,140units	594,140units	1,188,280units	1,251,530units	1,251,530units	1,251,530units
[ Ref ] Units Outstanding on a Post-split Basis (*1)	978,400units	1,098,080units	1,098,080units	1,188,280units	1,188,280units	—	—	—	—
Dividend per Unit	15,850yen	16,190yen	15,700yen	15,140yen	15,366yen	7,633yen	7,648yen	7,650yen	7,780yen
[ Ref ] Dividend per Unit on a Post-split Basis (*1)	7,925yen	8,095yen	7,850yen	7,570yen	7,683yen	—	—	—	—
Total Assets	643,949	703,085	724,851	765,628	775,066	817,130	813,931	—	—
Net Assets	332,670	372,869	372,429	405,280	405,415	405,355	436,622	—	—
Net Assets per Unit (*1)	340,014yen	339,565yen	339,164yen	341,065yen	341,178yen	341,128yen	348,871yen	—	—
Total Liabilities	311,279	330,215	352,422	360,347	369,651	411,774	377,308	—	—
Interest-bearing Debts	269,350	284,300	305,750	311,200	320,150	358,900	323,550	—	—
LTV	41.8%	40.4%	42.2%	40.6%	41.3%	43.9%	39.8%	—	—
Unit Price (period-end) (*1)	377,000yen	364,500yen	393,000yen	644,500yen	574,000yen	518,000yen	564,000yen	—	—
Market Capitalization	368,856	400,250	431,545	765,846	682,072	615,529	705,862	—	—
Number of Properties	56	57	58	60	62	64	64	65	65
Total Acquisition Price of Properties	657,863	718,663	740,663	782,433	794,230	837,405	838,055	861,155	861,155
Leasable Space	584,964㎡	629,761㎡	645,787㎡	700,759㎡	713,180㎡	750,956㎡	752,723㎡	769,085㎡	769,085㎡
Occupancy Rate	94.6%	94.7%	95.5%	96.7%	96.3%	96.7%	97.8%	97.5%	—
Public Offerings of New Units									
Number of Newly Issued Units	—	59,840units	—	45,100units	—	—	63,250units	—	—
Offer Price	—	672,750yen	—	746,850yen	—	—	501,760yen	—	—
Aggregate Amount of Offer Price	—	(*) 36,597	—	(*) 30,620	—	—	(*) 28,851	—	—
Issue Price	—	652,050yen	—	723,870yen	—	—	486,400yen	—	—
Aggregate Amount of Issue Price	—	39,018	—	32,646	—	—	30,764	—	—
Payment Date	—	2012/2/28 2012/3/27	—	2012/10/29 2012/11/28	—	—	2014/4/15 2014/5/14	—	—

(\*1) JRE implemented a 2-for-1 split of each investment unit as of January 1, 2014.

The figures for the 1st through the 24th periods are taken the split into account.

(\*2) 21st Period: Aggregate amount of offer price by the public offering of 54,400 new units

23rd Period: Aggregate amount of offer price by the public offering of 41,000 new units

26th Period: Aggregate amount of offer price by the public offering of 57,500 new units

# MEMO

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## 2. Portfolio Growth / Owned Properties Data

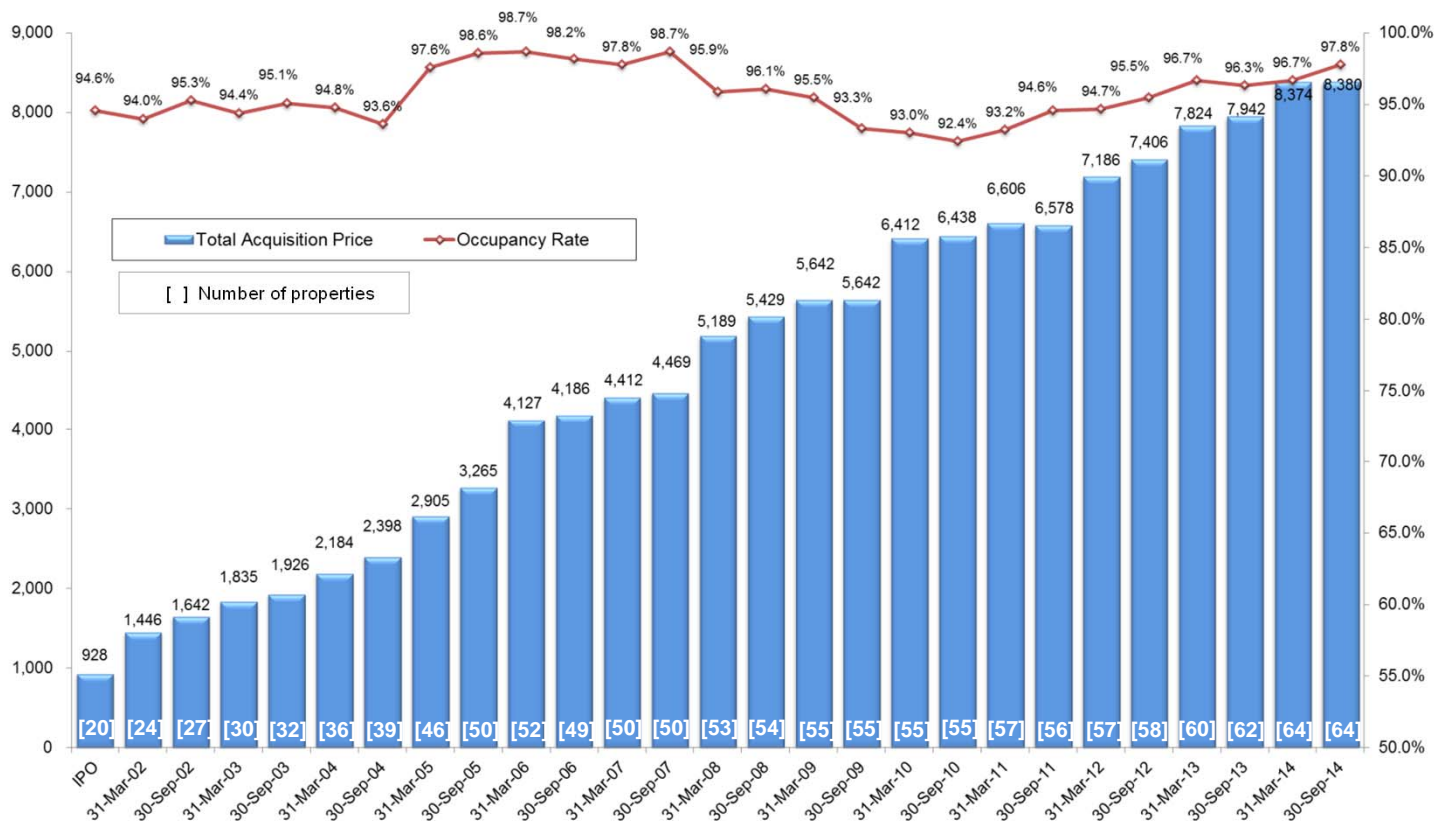
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# Historical Asset Size and Occupancy Rate

## Historical Asset Size and Occupancy Rate

(In 100 millions of yen)

JRE aims at maintaining stable occupancy rate and steady expansion of its asset size



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

## Performance of Property Acquisition and Transfer

(In millions of yen)

	At IPO ~'01/09	1st Period '01/10~'02/03	2nd Period '02/04~'02/09	3rd Period '02/10~'03/03	4th Period '03/04~'03/09	5th Period '03/10~'04/03	6th Period '04/04~'04/09	7th Period '04/10~'05/03	8th Period '05/04~'05/09	9th Period '05/10~'06/03	10th Period '06/04~'06/09	11th Period '06/10~'07/03	12th Period '07/04~'07/09	13th Period '07/10~'08/03
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	7,100	72,029
Transfer	—	—	—	—	—	—	—	—	—	—	7,003	41,900	1,770	—

	14th Period '08/04~'08/09	15th Period '08/10~'09/03	16th Period '09/04~'09/09	17th Period '09/10~'10/03	18th Period '10/04~'10/09	19th Period '10/10~'11/03	20th Period '11/04~'11/09	21st Period '11/10~'12/03	22nd Period '12/04~'12/09	23rd Period '12/10~'13/03	24th Period '13/04~'13/09	25th Period '13/10~'14/03	26th Period '14/04~'14/09	Total
Acquisition	24,000	21,250	—	77,026	2,645	16,710	—	60,800	22,000	41,770	12,967	43,174	650	877,369
Transfer	—	—	—	1,507	—	—	3,160	—	—	—	1,220	—	—	56,560

\* Each of the prices in the above table represents either the "acquisition price" or the "transfer price" at the time of acquisition or transfer.

**Achieved steady growth since IPO in 2001 and established a portfolio worth over ¥830 billion (total acquisition price)**



# Geographic Diversification and Historical Building Age of Properties

At IPO (The end of September 2001)  
**20 properties**

After 13 years

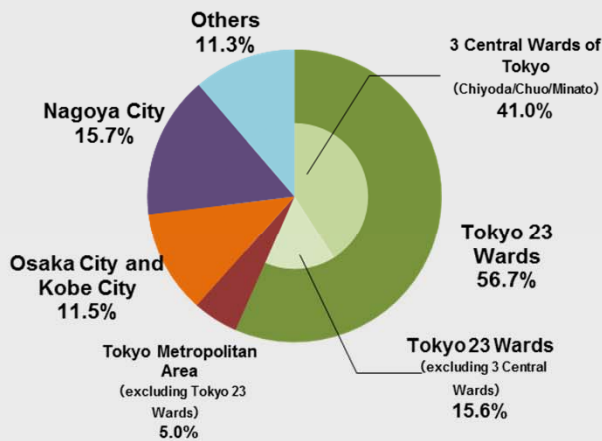
As of the end of September 2014  
**64 properties**

## Geographical Diversification

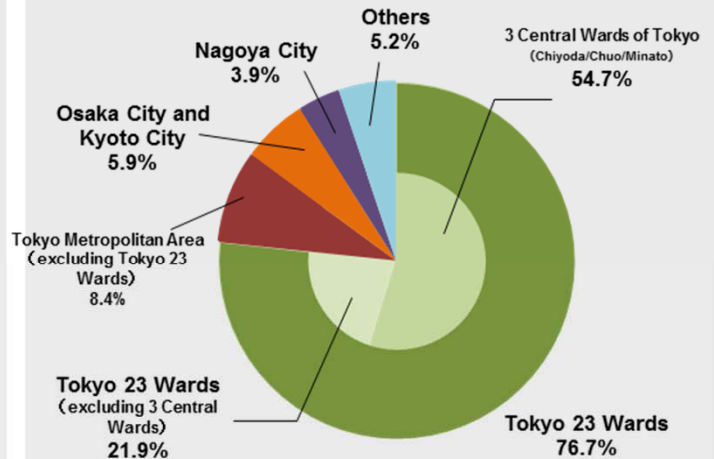
\* Acquisition price basis

\* Tokyo metropolitan area represents Tokyo, Saitama, Chiba, and Kanagawa prefectures.

Asset Size at IPO :¥92,845 million



Asset size : ¥838,055 million



Highly competitive and liquid portfolio, mainly concentrated in 3 Central Wards of Tokyo / Tokyo 23 Wards

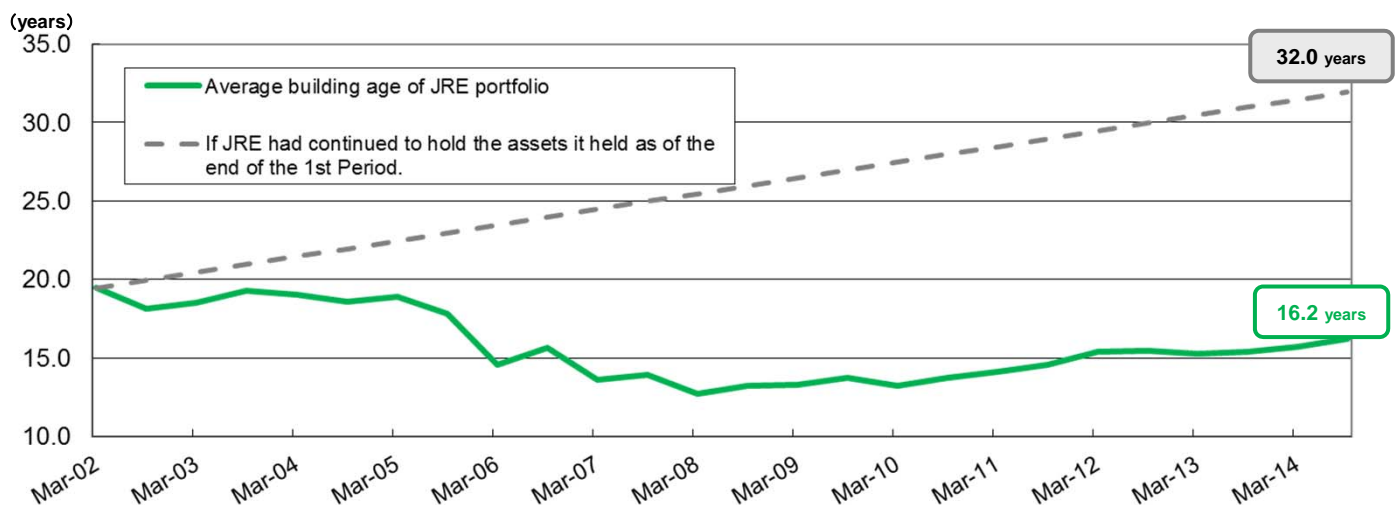
## Trend in Average Building Age

\*Weighted average based on acquisition prices

\*Nippon Brunswick (land with leasehold interest) is not included.

Average Building Age at IPO : 17.9 years

Average Building Age : 16.2 years



Even after 13 years since IPO, overall building age is lower in the current portfolio

## External Growth (Acquisition Criteria)

### Geographic Diversification

70% and over  
in the Tokyo metropolitan area  
Balance among major local cities,  
including Osaka and Nagoya

70% and over  
in the Tokyo  
metropolitan area

30% and less  
in the other major  
local cities



### Structure

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

Adaptation to new earthquake-  
resistance standards



### Size of Property

There are 36 large-sized buildings  
for which floor area exceeds  
over 10,000 m<sup>2</sup>

\* whole building area

Equal to / more than 3,000 m<sup>2</sup> of floor area

Acquiring the properties for  
which floor area exceeds  
over 3,000 m<sup>2</sup>



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

## External Growth (Deal Sources)



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. <sup>(\*)1</sup>

**\* 39 deals** <sup>(\*)2</sup>  
**\* ¥390,449 million**



Harumi Front



Akasaka Park Building

Sponsors' introductions  
(Negotiated Transactions)

**\* 12 deals**  
**\* ¥94,512 million**



Shiodome Building  
(The share acquired in December 2008)

Negotiated Transactions  
from others

**\* 27 deals**  
**\* ¥203,498 million**



Nagoya Hirokoji Place

The acquisition through  
negotiated transaction  
against total acquisition is:

**78.5%**

\* Property Acquisition Price Base

### Acquisition through negotiated transactions

Type of transaction	Number of deals		Amount (In 100 millions of yen)	
Negotiated Transactions	78	(89.7%)	6,884	(78.5%)
Acquisition from sponsors, etc.	39	(44.8%)	3,904	(44.5%)
Acquisition through sponsors' introduction	12	(13.8%)	945	(10.8%)
Others	27	(31.0%)	2,034	(23.2%)
Tender Transactions	9	(10.3%)	1,889	(21.5%)
Acquisition from sponsors, etc.	2	(2.3%)	407	(4.6%)
Acquisition through sponsors' introduction	2	(2.3%)	1,161	(13.2%)
Others	5	(5.7%)	320	(3.7%)
<b>Total</b>	<b>87</b>	<b>(100.0%)</b>	<b>8,773</b>	<b>(100.0%)</b>

Tender Transactions  
from sponsors, etc.

**\* 2 deals**

**\* ¥40,700 million**



MM Park Building

Sponsors' introduction  
(Tender Transactions)

**\* 2 deals**

**\* ¥116,156 million**



Kitanomaru Square

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

**73.2%**

\* Property Acquisition Price Base

### Acquisition / Introduction by parties other than sponsors

Acquisition through tender  
transactions from others

**\* 5 deals**

**\* ¥32,056 million**

Yurakucho Denki Building

**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).

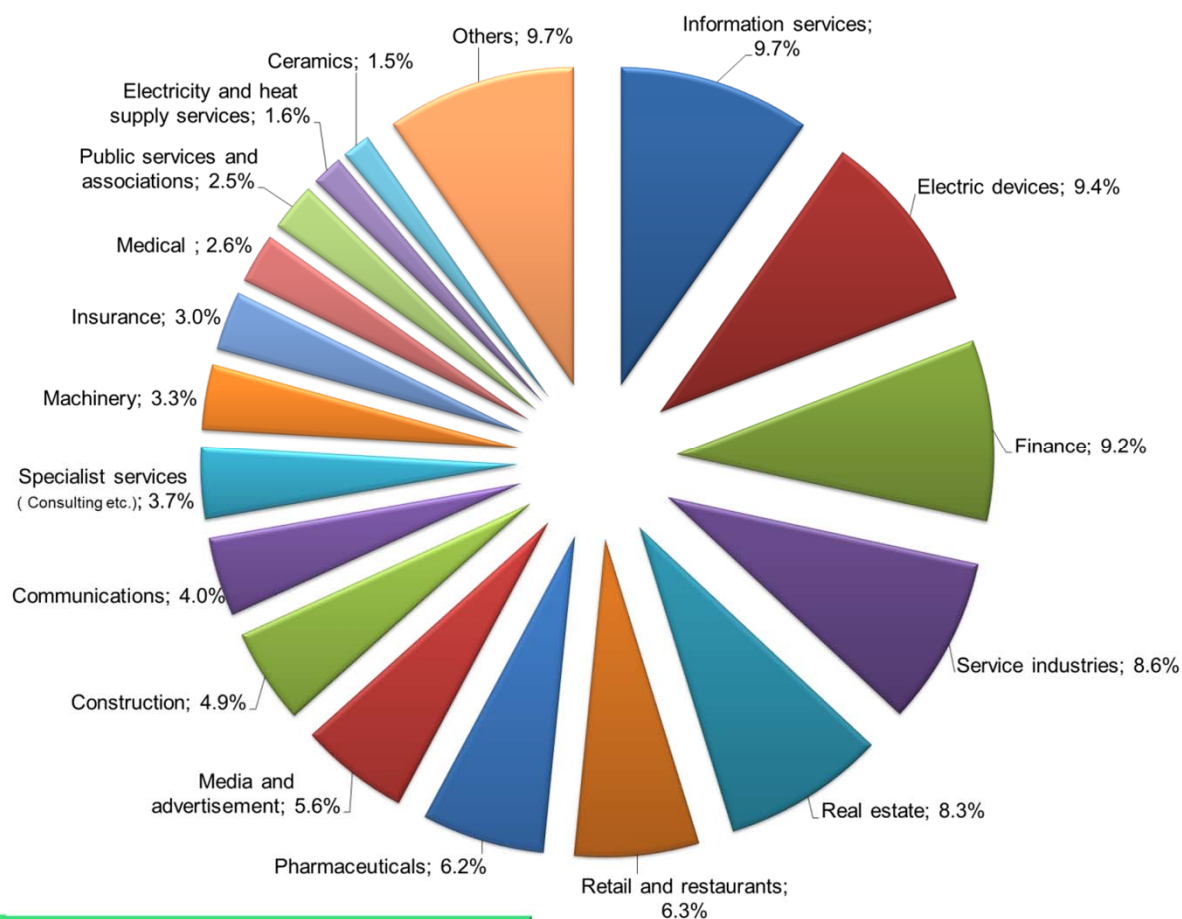
(\*2) The additional shares of Saitama Urawa Building and Kanazawa Park Building and the share of Otemachi Financial City North Tower were acquired from the sponsors and unrelated companies, respectively; however, each deal was counted as one sponsor-related transaction, together with another acquisition of shares from sponsors, etc. on the same date.

# Tenant Diversification and Changes in the Number of Tenants

## Tenant Diversification

63 properties as of September 30, 2014  
Based on the leased space

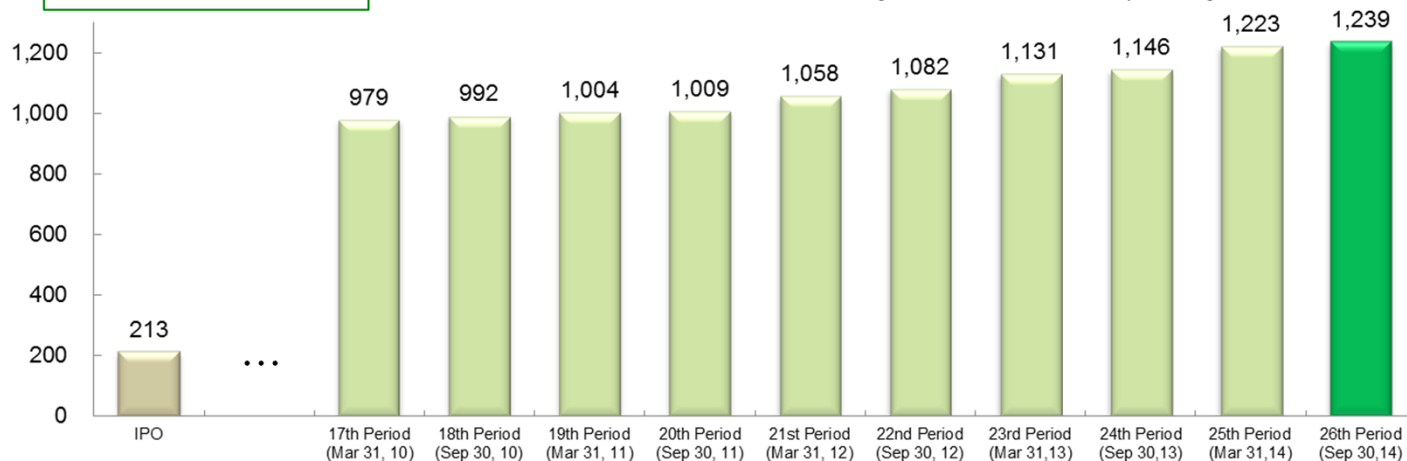
\*Nippon Brunswick (land with leasehold interest) is not included.



## Changes in the Number of Tenants

Gross 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

63 properties as of September 30, 2014 Based on the leased space

\*Nippon Brunswick (land with leasehold interest) is not included.

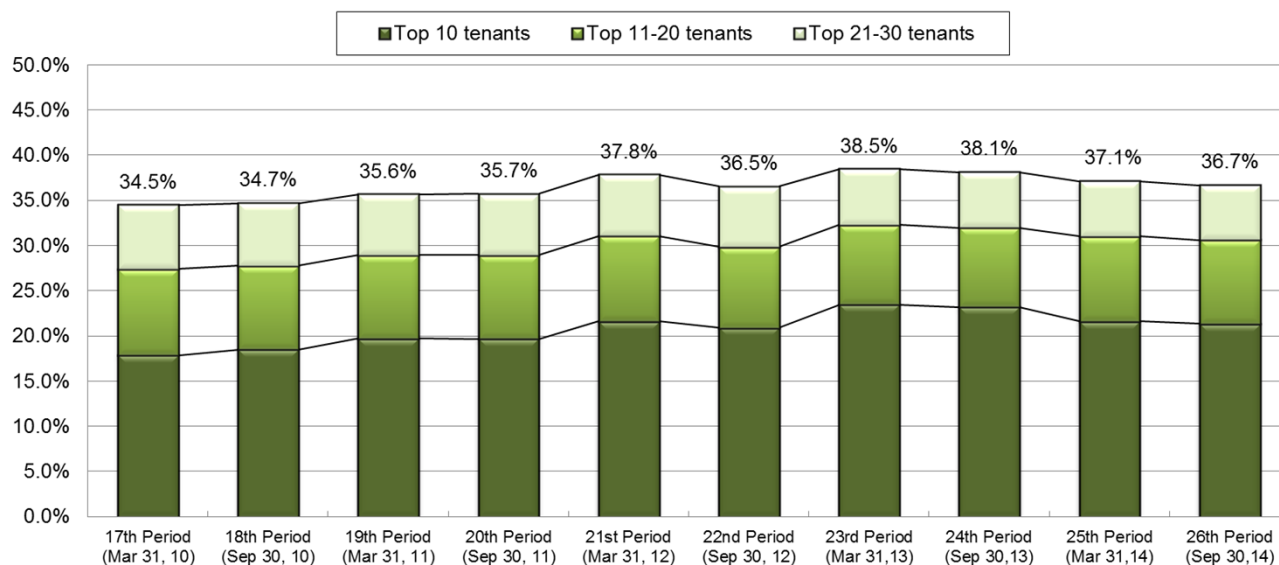
26th Period-end					25th Period-end		Leased Space Change(m)
Rank	Tenant	Property	Leased Space(m <sup>2</sup> )	% of Total Leased Space	Rank	Leased Space(m <sup>2</sup> )	
1	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Harumi Front (also includes 3 other buildings)	33,910	4.6%	1	33,901	8
2	(Note)	Kitanomaru Square (also includes 2 other buildings)	26,061	3.5%	2	26,061	0
3	Mitsubishi Estate Co., Ltd.	Osaki Front Tower (also includes 1 other building)	17,213	2.3%	3	17,213	0
4	General Electric Company	Akasaka Park Building	13,683	1.9%	4	13,683	0
5	HAKUHODO DY HOLDINGS INCORPORATED	Akasaka Park Building (also includes 1 other building)	12,831	1.7%	5	12,831	0
6	NTT Communications Corporation	Shiodome Building	11,813	1.6%	6	11,813	0
7	JGC Corporation	MM Park Building (also includes 1 other building)	10,649	1.4%	7	10,649	0
8	Mitsubishi UFJ Trust and Banking Corporation	Mitsubishi UFJ Trust and Banking Building	10,598	1.4%	8	10,598	0
9	TOTO LTD.	Shiodome Building (also includes 2 other buildings)	10,570	1.4%	9	10,570	0
10	Minato Mirai 21 District Heating and Cooling Co., Ltd	Queen's Tower A	9,536	1.3%	10	9,536	0
11	Company A		9,316	1.3%	11	9,316	0
12	Company B		8,774	1.2%	12	8,774	0
13	Company C		8,567	1.2%	13	8,567	0
14	Company D		7,073	1.0%	14	7,073	0
15	Company E		6,657	0.9%	15	6,657	0

(Note) Not disclosed due to tenant's request

## Percentage of Major Tenants

63 properties as of September 30, 2014 Based on the leased space

\*Nippon Brunswick (land with leasehold interest) is not included.





# Historical NOI Yield (Investment Yield)

## Historical Property- related Revenues, Occupancy Rate, NOI Yield (Properties with Constantly Held Share of Ownership)

- Comparison of JRE's portfolio of properties with constantly held shares of ownership throughout the year and on which JRE has paid property and city planning taxes
- Property-related revenues are scaled as 100 at the end of each period (starting point).

\* NOI Yield = Annualized NOI/Acquisition Price

		18th Period Sep-10	19th Period Mar-11	20th Period Sep-11	21st Period Mar-12	22nd Period Sep-12	23rd Period Mar-13	24th Period Sep-13	25th Period Mar-14	26th Period Sep-14
47 properties held as of the beginning of the 18th Period Acquisition price: ¥501.1 billion	Property-related revenues	100.0	98.8	98.3	97.2	95.6	94.7	95.4	95.4	95.8
	Average occupancy rate during period	92.2%	92.9%	93.9%	93.9%	94.6%	95.1%	96.3%	96.5%	97.3%
	NOI yield	4.50%	4.42%	4.49%	4.34%	4.20%	4.22%	4.15%	4.15%	4.19%
50 properties held as of the beginning of the 20th Period Acquisition price: ¥616.7 billion	Property-related revenues			100.0	99.0	97.0	96.1	94.4	93.9	95.0
	Average occupancy rate during period			93.9%	93.9%	94.6%	95.4%	95.8%	95.8%	97.3%
	NOI yield			4.54%	4.39%	4.25%	4.19%	4.03%	4.01%	4.08%
53 properties held as of the beginning of the 22nd Period Acquisition price: ¥694.2 billion	Property-related revenues					100.0	99.9	98.6	97.4	97.9
	Average occupancy rate during period					94.9%	95.8%	96.1%	95.6%	97.4%
	NOI yield					4.36%	4.34%	4.17%	4.13%	4.14%
55 properties held as of the beginning of the 24th Period Acquisition price: ¥725.2 billion	Property-related revenues							100.0	99.0	99.4
	Average occupancy rate during period							96.2%	95.7%	97.5%
	NOI yield							4.21%	4.16%	4.18%

47 properties (18th Period): Excluding 1 property already transferred and Nippon Brunswick (land with leasehold interest), Ebisu Neonato, Harmony Tower, Ryoshin Ginza EM, Tokyo Opera City, Shiodome and Nishiki Park from 55 properties at the beginning of the 18th period.

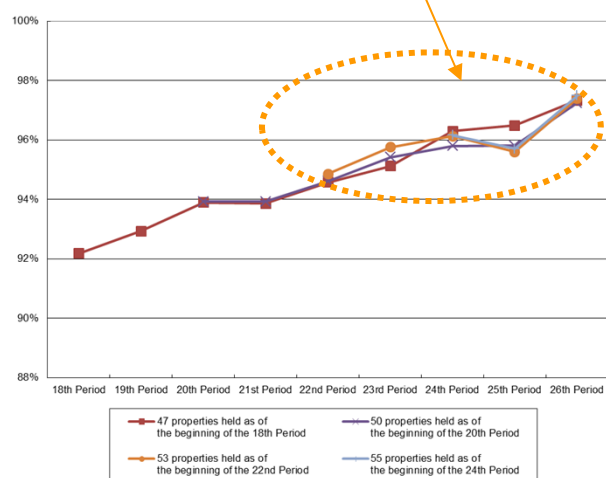
50 Properties (20th Period): Excluding 1 property already transferred and Nippon Brunswick (land with leasehold interest), Ebisu Neonato, Harmony Tower, Osaki Front Tower, Kyodo Building (Kayabacho 2Chome) and Nishiki Park Building from 57 properties at the beginning of the 20th period.

53 properties (22nd Period): Excluding Nippon Brunswick (land with leasehold interest), Ebisu Neonato, Harmony Tower and Nishiki Park Building from 57 properties at the beginning of the 22nd period.

55 properties (24th Period): Excluding Nippon Brunswick (land with leasehold interest), Ebisu Neonato, Hrumi Front, Higashi Nibancho and Nishiki Park Building from 60 properties at the beginning of the 24th period.

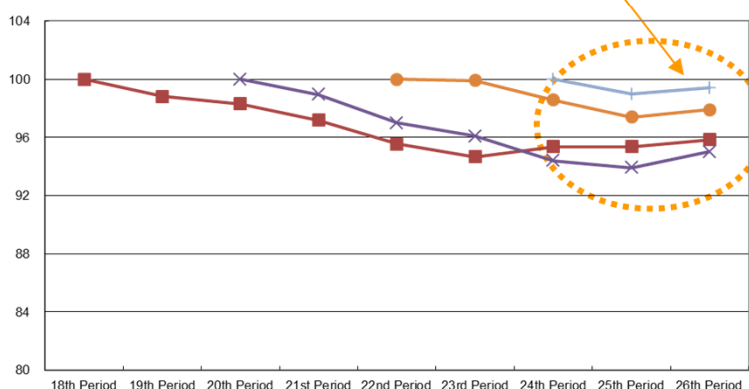
### Average Occupancy Rate during the Period

Average occupancy rate during the Period shows a steady recovery trend.



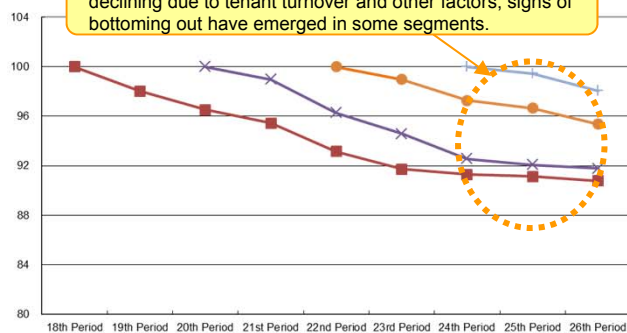
### Property-related Revenues

Property-related revenues show some signs of bottoming out.



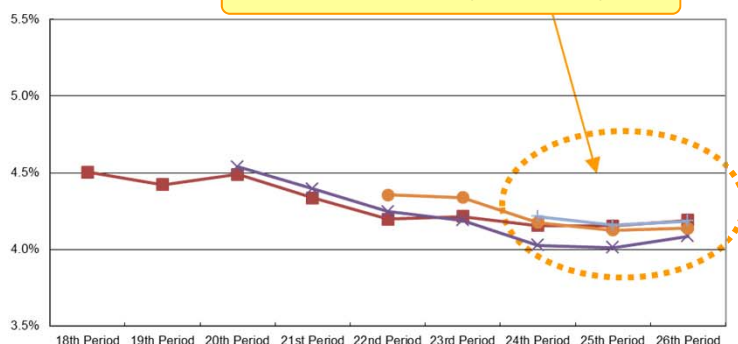
### Revenues / Average Occupancy Rate during the Period

Although revenue per unit space (leased space) had been declining due to tenant turnover and other factors, signs of bottoming out have emerged in some segments.



### NOI Yield

NOI Yield shows some signs of bottoming out.

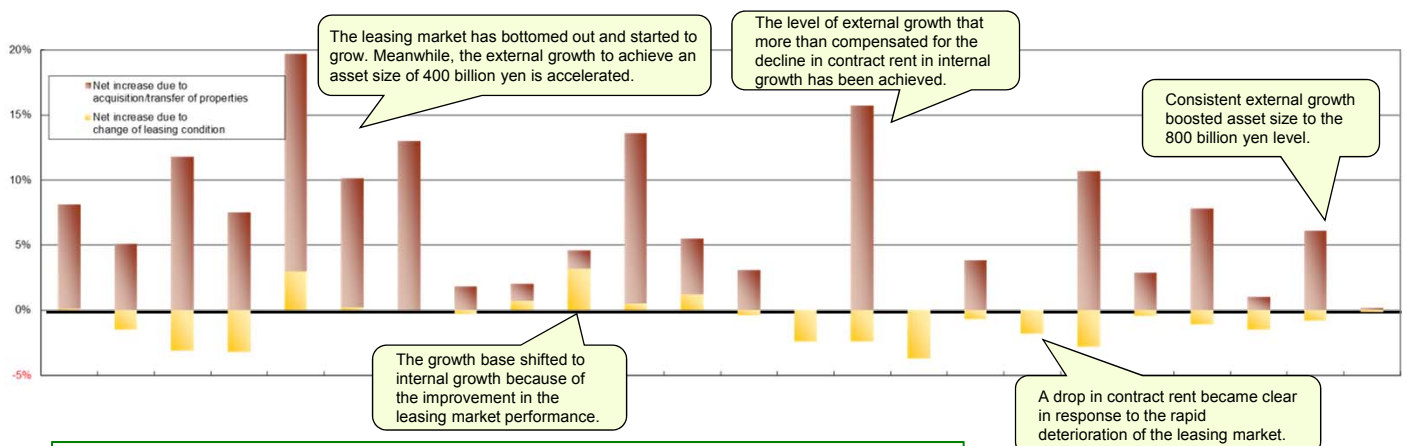


# Net Increase of Monthly Contract Rent

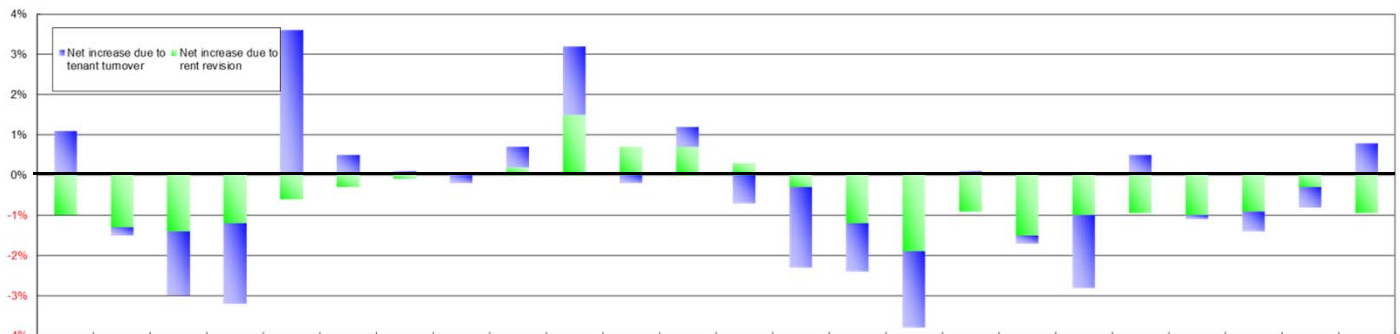
\* Percentages represent the rates of net increase of rent over monthly total portfolio contract rent (including common service charges) as of the end of the previous period (prior six months). Data for residential portions are excluded.

	11th Period Oct 06- Mar 07	12th Period Apr 07- Sep 07	13th Period Oct 07- Mar 08	14th Period Apr 08- Sep 08	15th Period Oct 08- Mar 09	16th Period Apr 09- Sep 09	17th Period Oct 09- Mar 10	18th Period Apr 10- Sep 10	19th Period Oct 10- Mar 11	20th Period Apr 11- Sep 11	21st Period Oct 11- Mar 12	22nd Period Apr 12- Sep 12	23rd Period Oct 12- Mar 13	24th Period Apr 13- Sep 13	25th Period Oct 13- Mar 14	26th Period Apr 14- Sep 14
Rate of net increase of rent over the end of the previous period ... I + II	2.0%	4.6%	13.6%	5.5%	2.7%	-2.4%	13.3%	-3.7%	3.2%	-1.8%	7.9%	2.4%	6.6%	-0.5%	5.3%	0.0%
Net increase due to acquisition/transfer of properties ... I (= ① + ②)	1.3%	1.4%	13.1%	4.3%	3.1%	0.0%	15.7%	0.0%	3.9%	0.0%	10.7%	2.9%	7.8%	1.0%	6.1%	0.2%
Increase due to property acquisition ... ①	8.2%	1.8%	13.1%	4.3%	3.1%	0.0%	15.7%	0.0%	3.9%	0.0%	10.7%	2.9%	7.8%	2.0%	6.1%	0.2%
Reduction due to property transfer ... ②	-7.0%	-0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-1.0%	0.0%	0.0%
Net increase due to change of leasing condition ... II (= ③ + ④)	0.7%	3.2%	0.5%	1.2%	-0.4%	-2.4%	-2.4%	-3.7%	-0.7%	-1.8%	-2.8%	-0.5%	-1.1%	-1.5%	-0.8%	-0.1%
Net increase due to tenant turnover ... ③ (= a + b)	0.5%	1.7%	-0.2%	0.5%	-0.7%	-2.0%	-1.2%	-1.9%	0.1%	-0.2%	-1.8%	0.5%	-0.1%	-0.5%	-0.5%	0.8%
Increase due to newly leased spaces ... a	3.8%	5.7%	4.4%	4.0%	4.5%	2.6%	3.5%	3.9%	3.5%	6.7%	4.2%	3.4%	3.5%	2.0%	3.3%	2.8%
Reduction due to returned spaces ... b	-3.3%	-4.1%	-4.5%	-3.5%	-5.2%	-4.6%	-4.7%	-5.8%	-3.4%	-7.0%	-6.0%	-3.0%	-3.6%	-2.5%	-3.7%	-2.0%
Net increase due to rent revision ... ④ (= c + d)	0.2%	1.5%	0.7%	0.7%	0.3%	-0.3%	-1.2%	-1.9%	-0.9%	-1.5%	-1.0%	-0.9%	-1.0%	-0.9%	-0.3%	-0.9%
Increase due to rent revision ... c	0.2%	1.5%	0.7%	0.7%	0.4%	0.3%	0.0%	0.0%	0.0%	0.1%	0.1%	0.0%	0.4%	0.1%	0.1%	0.1%
Reduction due to rent revision ... d	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.6%	-1.3%	-1.9%	-0.9%	-1.6%	-1.1%	-1.0%	-1.4%	-1.0%	-0.4%	-1.1%

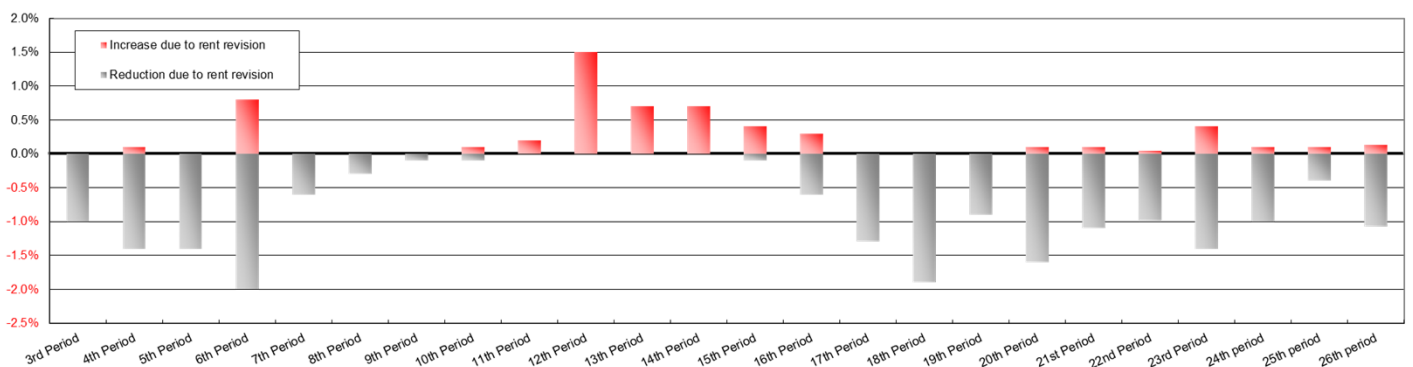
Breakdown of net increase of rent due to external growth and internal growth



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

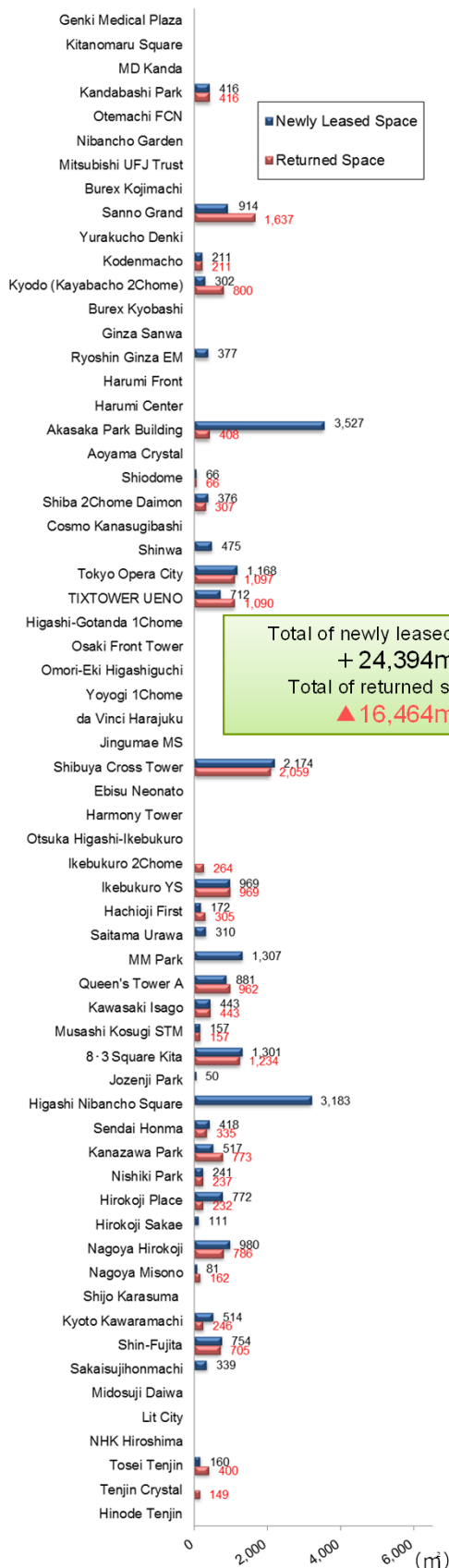


Breakdown of net increase of rent due to rent increase revision and rent reduction revision

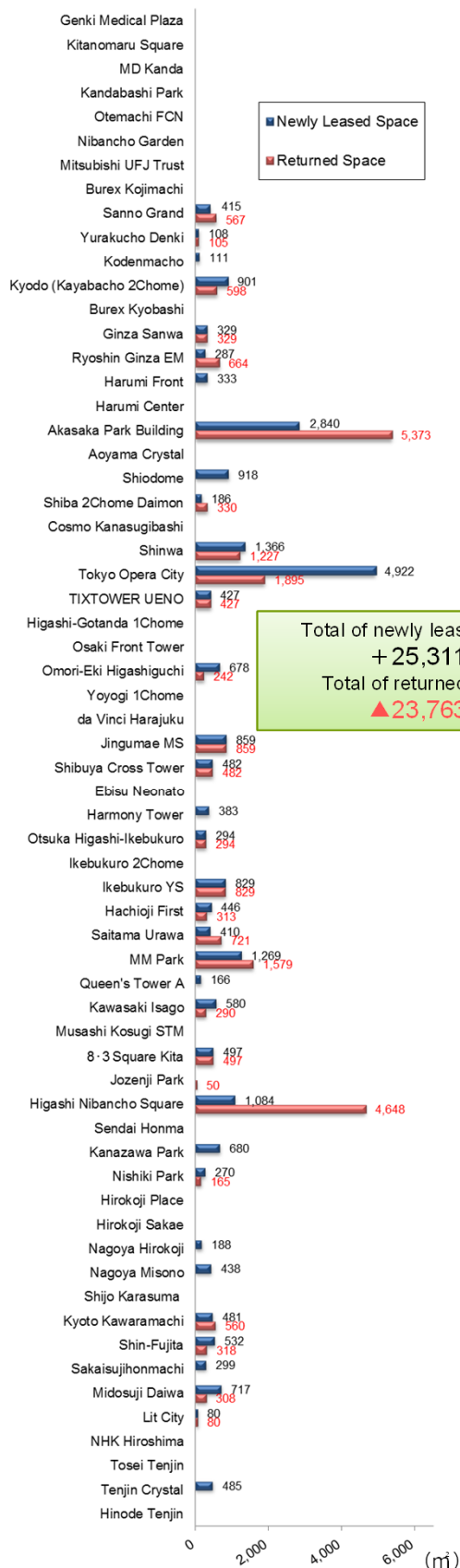


# Newly Leased & Returned Space of Each Property

Ratio of Annual Tenant Turnover  
in the 26th Period



Ratio of Annual Tenant Turnover  
in the 25th Period



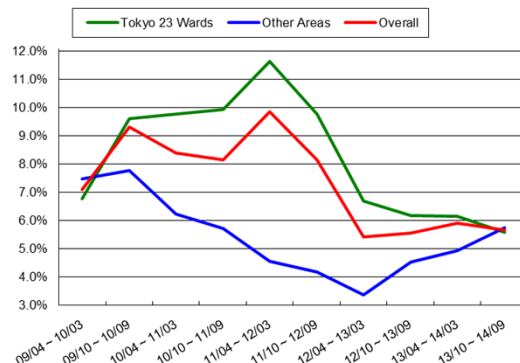
# Status of Tenant Turnover (By Area and Rent Change)

## Ratio of Annual Tenant Turnover

Ratio of Annual Tenant Turnover\*

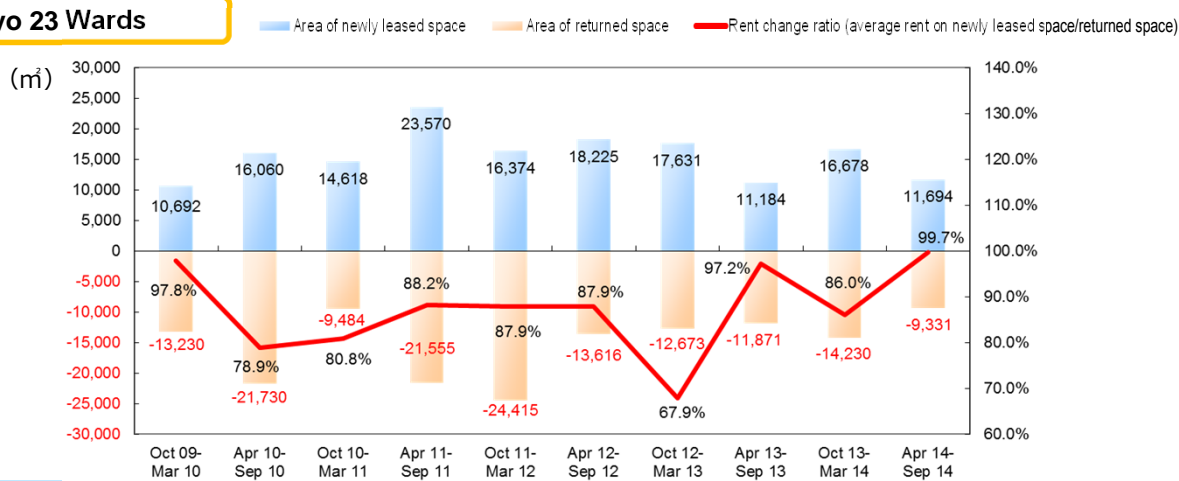
	09/04~ 10/03	09/10~ 10/09	10/04~ 11/03	10/10~ 11/09	11/04~ 12/03	11/10~ 12/09	12/04~ 13/03	12/10~ 13/09	13/04~ 14/03	13/10~ 14/09
Tokyo 23 Wards	6.8%	9.6%	9.8%	9.9%	11.7%	9.8%	6.7%	6.2%	6.2%	5.6%
Other Areas	7.5%	7.8%	6.2%	5.7%	4.6%	4.2%	3.4%	4.5%	4.9%	5.8%
Overall	7.1%	9.3%	8.4%	8.2%	9.9%	8.2%	5.4%	5.6%	5.9%	5.7%

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

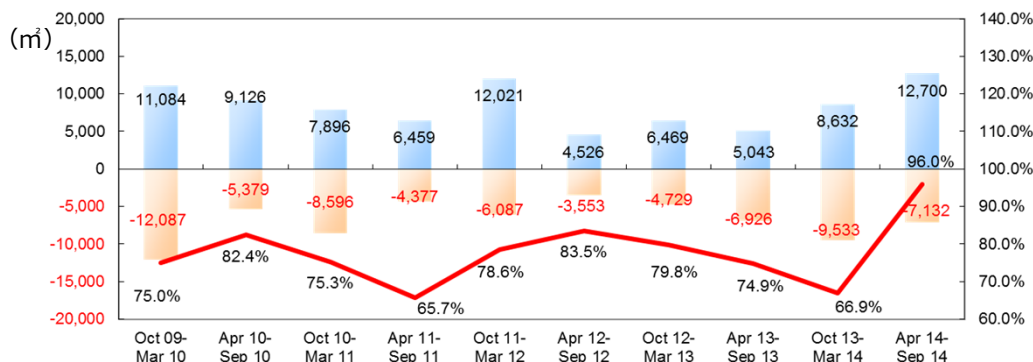


## Trend in Area of Newly Leased & Returned Space and Rent Change Ratio

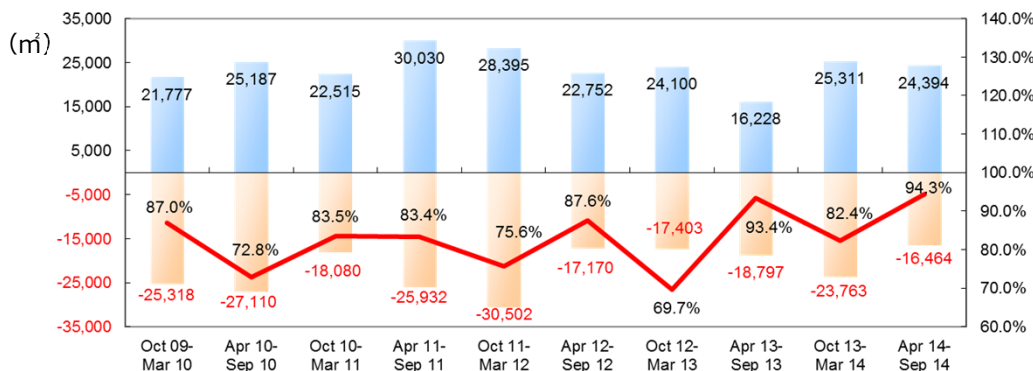
### Tokyo 23 Wards



### Other Areas



### Overall



# Trend of Rent Revision

## Rent increase on revision of monthly rent

● Rent increase revision data for the Sep-05 Period or before are not listed due to insufficient samples.

(In thousands of yen/month)

	Oct 04-Mar 05	Apr 05-Sep 05	Oct 05-Mar 06	Apr 06-Sep 06	Oct 06-Mar 07	Apr 07-Sep 07	Oct 07-Mar 08	Apr 08-Sep 08	Oct 08-Mar 09	Apr 09-Sep 09
Tokyo 23 Wards			646	1,706	4,979	35,780	15,600	17,771	11,006	4,326
Other Areas			32	109	6	1,560	1,685	2,329	1,191	4,391
Overall			678	1,815	4,986	37,341	17,286	20,101	12,198	8,718

	Oct 09-Mar 10	Apr 10-Sep 10	Oct 10-Mar 11	Apr 11-Sep 11	Oct 11-Mar 12	Apr 12-Sep 12	Oct 12-Mar 13	Apr 13-Sep 13	Oct 13-Mar 14	Apr 14-Sep 14
Tokyo 23 Wards	258	1,169	288	1,004	443	1,319	10,004	374	888	2,616
Other Areas	954	165	588	121	1,467	184	4,935	2,809	1,741	2,976
Overall	1,213	1,335	876	1,125	1,911	1,503	14,940	3,184	2,630	5,593

## Rent reduction on revision of monthly rent

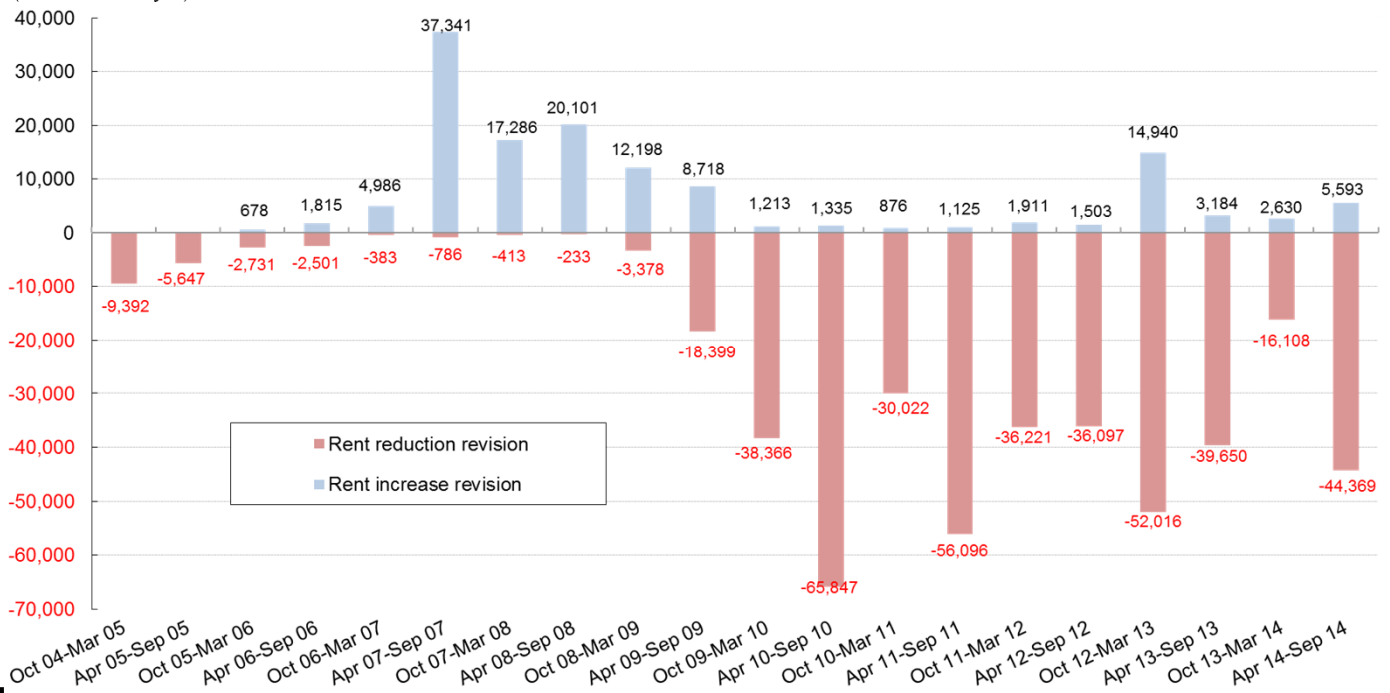
(In thousands of yen/month)

	Oct 04-Mar 05	Apr 05-Sep 05	Oct 05-Mar 06	Apr 06-Sep 06	Oct 06-Mar 07	Apr 07-Sep 07	Oct 07-Mar 08	Apr 08-Sep 08	Oct 08-Mar 09	Apr 09-Sep 09
Tokyo 23 Wards	-2,179	-3,311	-393	-89	0	-22	-350	-26	-2,218	-10,806
Other Areas	-7,213	-2,335	-2,337	-2,412	-383	-763	-63	-207	-1,159	-7,592
Overall	-9,392	-5,647	-2,731	-2,501	-383	-786	-413	-233	-3,378	-18,399

	Oct 09-Mar 10	Apr 10-Sep 10	Oct 10-Mar 11	Apr 11-Sep 11	Oct 11-Mar 12	Apr 12-Sep 12	Oct 12-Mar 13	Apr 13-Sep 13	Oct 13-Mar 14	Apr 14-Sep 14
Tokyo 23 Wards	-27,211	-49,726	-22,157	-44,791	-25,312	-31,407	-40,836	-18,288	-10,405	-42,019
Other Areas	-11,155	-16,121	-7,865	-11,304	-10,908	-4,689	-11,179	-21,362	-5,702	-2,350
Overall	-38,366	-65,847	-30,022	-56,096	-36,221	-36,097	-52,016	-39,650	-16,108	-44,369

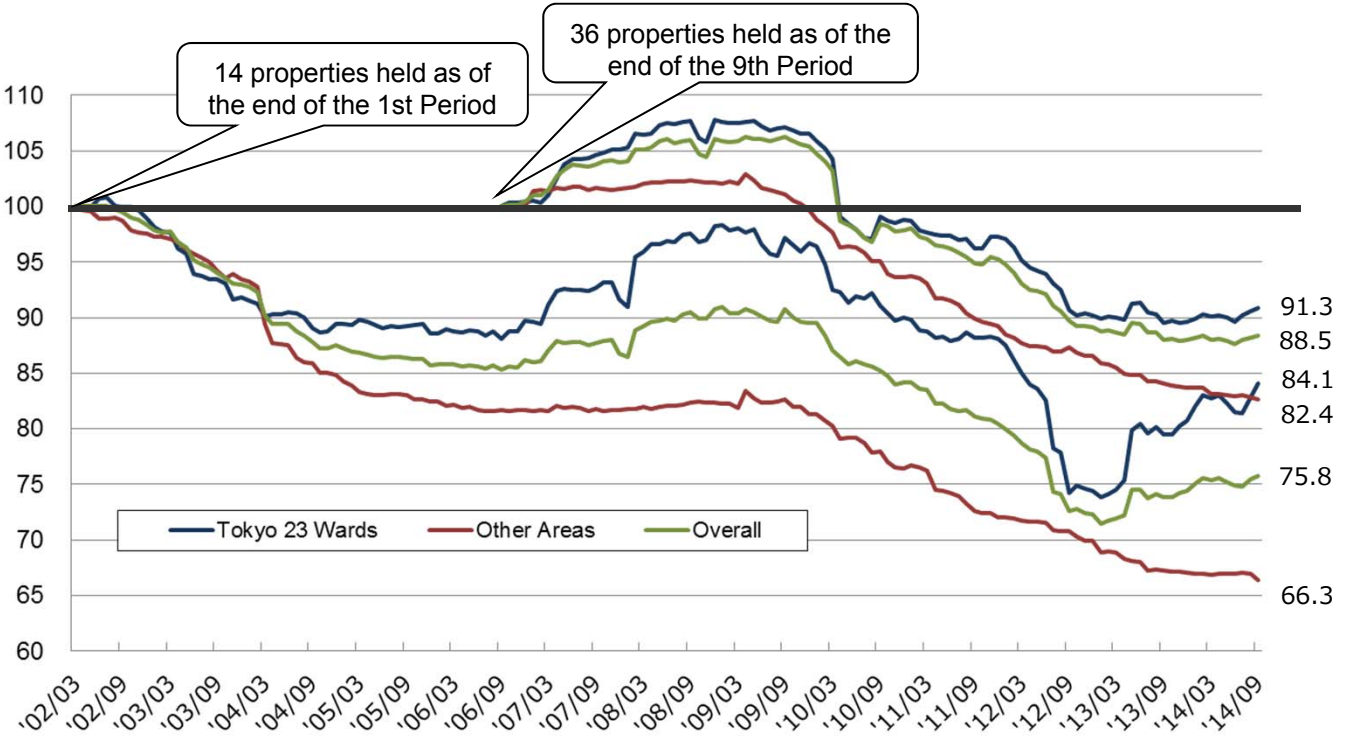
## <Entire portfolio / Trend of rent increase and reduction>

(In thousands of yen)



# Changes in Average Rent Level

- Comparison of JRE’s portfolio of properties with constantly held shares of ownership in which no increase or decrease (including transfer) of shares has been seen since the ends of the 1st and the 9th Periods.
- The trend sets the average rent as of the ends of the 1st and 9th Periods (the start of each trend) at 100.

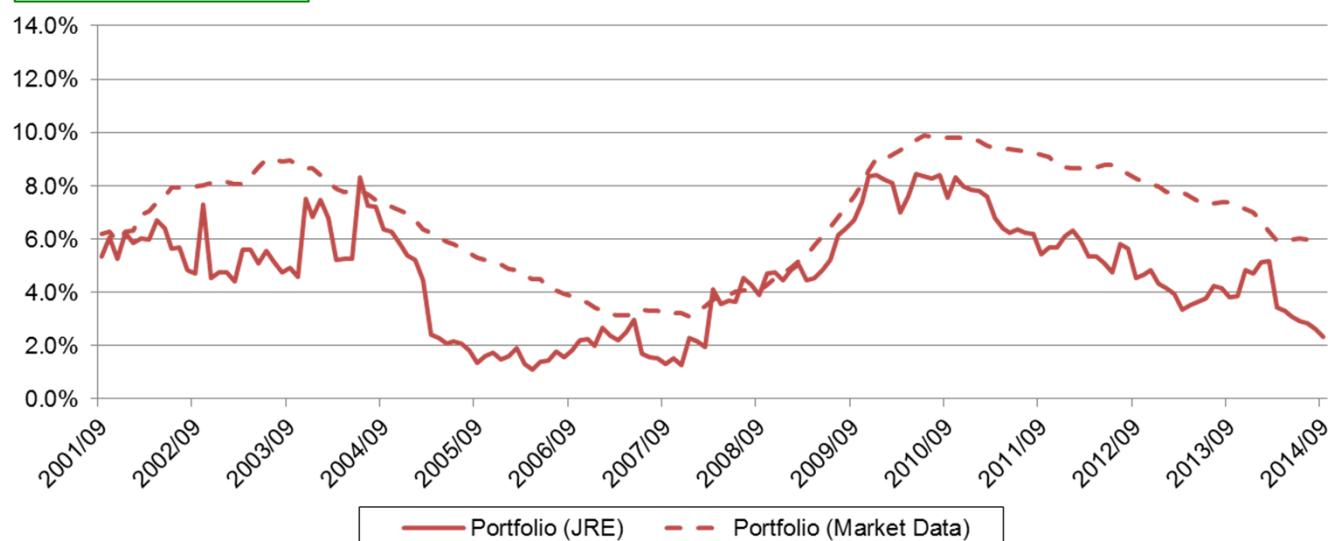


## MEMO

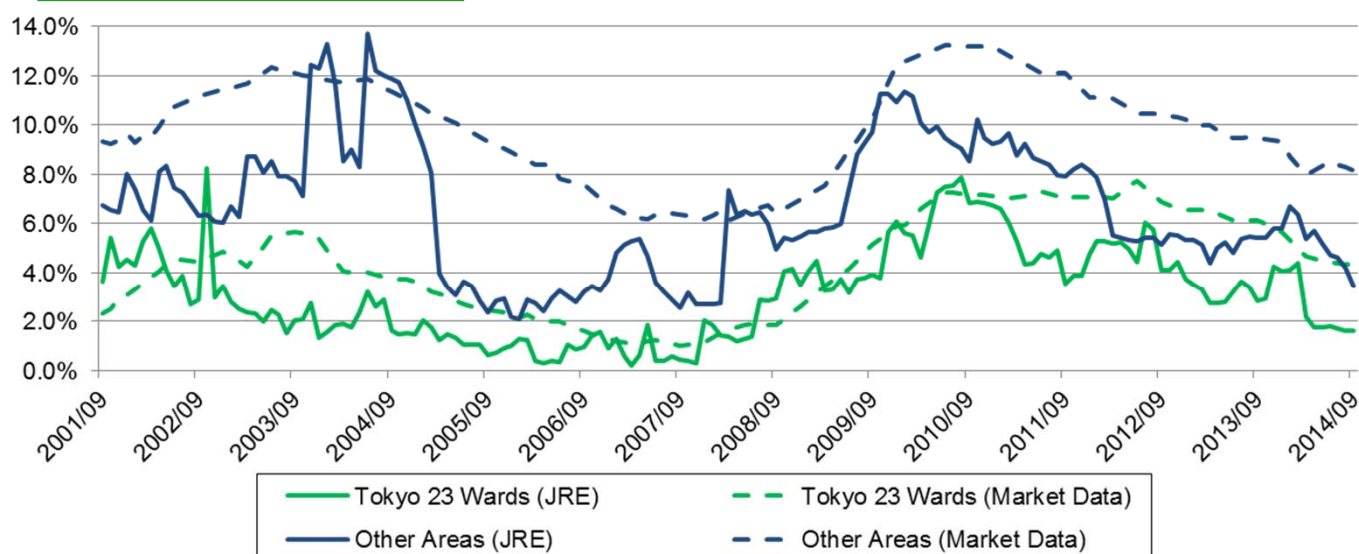


## Trend in Vacancy Rate (Comparison with Market Vacancy Rate)

### Overall



### Tokyo 23 Wards/Other Areas



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

Properties owned by JRE	Leasable Space (m <sup>2</sup> )	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%

$$⑥ = (① \times ④ + ② \times ⑤) \div ③$$

$$⑨ = (① \times ⑦ + ② \times ⑧) \div ③$$

\* 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, office building properties with total floor space of 500 tsubo or larger.

Data from January 2013 and thereafter, applying new area grouping, reflects office building properties with total floor space of 1,000 tsubo or larger and filling New Earthquake Resistance Standard.

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

**Maintaining lower vacancy rate than the market**

MEMO

## Portfolio List at the End of the 26th Period (Occupancy Rate, etc.)

Area		Name	Acquisition Date	Additional Acquisition Date	Ownership	Leasable Space (㎡)	Leased Space (㎡)	Vacant Area (㎡)		Occupancy Rate		Number of Tenants	
								End of 26th Period	Variation from End of 25th Period	End of 26th Period	Variation from End of 25th Period		
Tokyo 23 Wards	Chiyoda	Genki Medical Plaza	'02/10/31	-	100.0%	4,791	4,791	0		100.0%		1	
		Kitanomaru Square	'06/02/24	-	100.0%	25,678	25,678	0		100.0%		4	
		MD Kanda	'02/05/31	-	100.0%	6,269	6,269	0		100.0%		8	
		Kandabashi Park	'02/08/15	-	56.76%	3,687	3,687	0		100.0%		9	
		Otemachi FCN	'14/03/31	-	3.3852192%	5,112	5,112	0		100.0%		2	
		Nibancho Garden	'05/04/01	-	31.345%	9,316	9,316	0		100.0%		1	
		Mitsubishi UFJ Trust	'07/03/28	-	19.38402%	11,904	11,904	0		100.0%		10	
		Burex Kojimachi	'05/07/29	-	100.0%	4,495	4,495	0		100.0%		1	
		Sanno Grand	'05/01/31	'06/04/03	99.0%	20,858	19,571	1,286	726	93.8%	-3.5%	34	
	Yurakucho Denki	'03/08/01	-	10.78%	4,697	4,185	511		89.1%		12		
	Kyodo (Kayabacho 2Chome)	'11/03/01	-	100.0%	4,467	4,015	452	452	89.9%	-10.1%	8		
	Burex Kyobashi	'02/07/22	-	100.0%	4,279	4,279	0		100.0%		1		
	Ginza Sanwa	'05/03/10	-	70.95%	4,329	4,329	0		100.0%		10		
	Ryoshin Ginza EM	'05/03/15	'10/05/24	100.0%	4,255	4,255	0	-377	100.0%	8.9%	12		
	Harumi Front	'13/01/07	-	100.0%	33,369	33,183	185		99.4%		5		
	Harumi Center	'07/12/18	-	100.0%	20,812	20,812	0		100.0%		9		
	Akasaka Park	'11/11/15	-	100.0%	45,013	45,013	0	-3,119	100.0%	6.9%	27		
	Shiodome	'08/12/19	'10/01/15	40.0%	32,155	31,590	565		98.2%		35		
	Shiba 2Chome Daimon	'01/09/10	-	100.0%	9,606	9,530	76	-68	99.2%	0.7%	24		
	Cosmo Kanasugibashi	'01/09/25	-	100.0%	4,062	4,062	0		100.0%		6		
	Shinjuku	Shinwa	'04/09/01	-	100.0%	5,997	5,997	0	-475	100.0%	7.9%	14	
	Osaki Front Tower	'11/02/01	-	100.0%	16,856	16,856	0		100.0%		1		
	da Vinci Harajuku	'02/11/22	-	100.0%	3,147	3,147	0		100.0%		4		
	Jingumae MS	'03/10/09	-	100.0%	5,558	5,558	0		100.0%		5		
	Shibuya Cross Tower	'01/11/30	-	100.0%	30,532	28,904	1,628	-114	94.7%	0.4%	61		
	Ebisu Neonato	'03/11/14	'04/04/01 '14/02/18	44.718394%	8,700	8,700	0		100.0%		5		
	Ikebukuro 2Chome	'01/09/25	-	100.0%	2,186	1,921	264	264	87.9%	-12.1%	8		
	Ikebukuro YS	'04/08/02	-	100.0%	5,932	5,932	0		100.0%		10		
	Queen's	'14/01/31	-	11.11481%	26,667	26,273	393	81	98.5%	-0.3%	52		
	Musashi Kosugi STM	'08/03/25	-	34.32%	5,378	5,378	0		100.0%		26		
	Higashi Nibancho	'13/01/07	-	100.0%	20,526	19,546	980	-3,183	95.2%	15.5%	20		
	Sendai Honma	'01/09/25	'06/06/28	100.0%	6,234	6,064	169	-82	97.3%	1.3%	24		
	Hirokoji Place	'13/07/31	-	100.0%	13,200	12,593	606	-539	95.4%	4.1%	23		
	Hirokoji Sakae	'06/09/22	-	100.0%	3,911	3,232	679	-111	82.6%	2.8%	13		
	Nagoya Hirokoji	'01/09/10	-	100.0%	21,624	21,497	127	-194	99.4%	0.9%	34		
	Nagoya Misono	'03/08/08	-	100.0%	3,448	3,367	81	81	97.6%	-2.4%	15		
	Kyoto Kawaramachi	'01/12/20	-	100.0%	6,805	6,079	725	-268	89.3%	4.0%	33		
	Sakaisujihonmachi	'01/09/25	'03/12/26	100.0%	11,520	11,520	0	-375	100.0%	3.3%	22		
	Midosuji Daiwa	'01/09/25	'02/02/28	100.0%	20,450	20,200	249		98.8%		42		
	Tenjin Crystal	'05/06/01	-	100.0%	5,973	5,823	149	149	97.5%	-2.5%	29		
	Hinode Tenjin	'01/09/10	-	74.4844%	5,841	5,841	0		100.0%		4		
	Tokyo 23 Wards						436,906	429,771	7,134	-2,373	98.4%	0.5%	517
	Other Areas						315,816	306,091	9,725	-5,575	96.9%	1.8%	722
Portfolio						752,723	735,863	16,860	-7,948	97.8%	1.1%	1,239	

\*The above-mentioned occupancy rates do not include the residential portions. Leasable space and occupancy rates of the residential portions as of the end of the 26th period are 11,694㎡・90.1% of Kitanomaru Square, 10,780㎡・92.0% of Akasaka Park Building, 1,686㎡・100.0% of Nibancho Garden and 954㎡・86.7% of Nishiki Park Building.

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

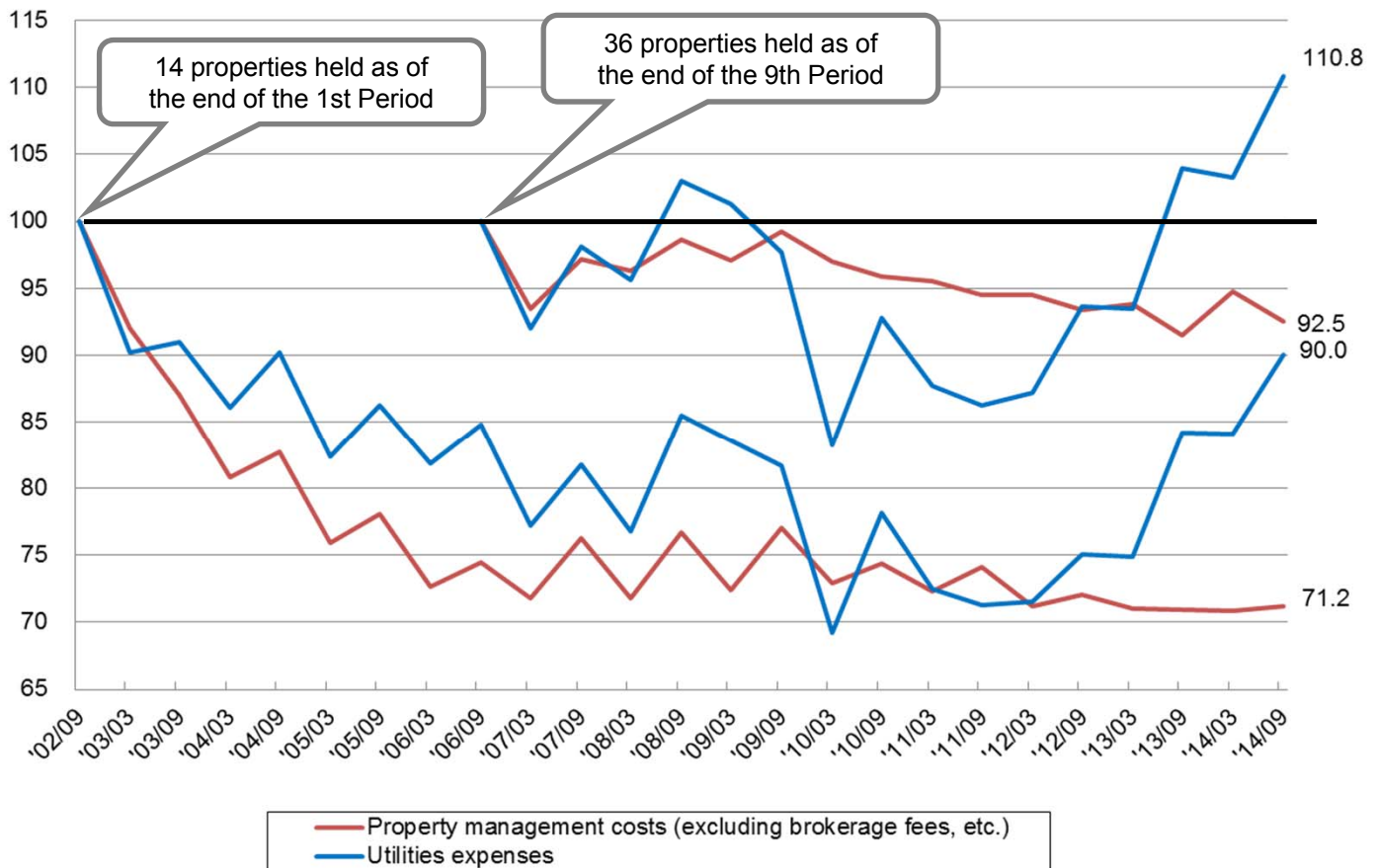
## Portfolio List at the End of the 27th Period (Forecasted Occupancy Rate, etc.)

Area		Name	Floor Area (Whole Building) (㎡)	Leasable Space (㎡)	Leased Space (㎡)	Vacant Area (㎡)		Occupancy Rate		Property Management Company
						End of 27th Period	Variation from End of 26th Period	End of 27th Period	Variation from End of 26th Period	
Tokyo 23 Wards	Chiyoda	Genki Medical Plaza	6,722.02	4,791	4,791	0		100.0%		MTSUBISHI JISHO PROPERTY MANAGEMENT Co., Ltd.
		Kitanomaru Square	57,279.20	25,678	25,678	0		100.0%		MTSUBISHI JISHO PROPERTY MANAGEMENT Co., Ltd.
		MD Kanda	8,185.11	6,269	6,019	249	249	96.0%	-4.0%	Bussan Property Management Co., Ltd.
		Kandabashi Park	9,370.25	3,687	3,687	0		100.0%		Mitsubishi Estate Co., Ltd.
		Otemachi FCN	239,769.07	5,112	5,112	0		100.0%		NTT Urban Development Builservice Co.
		Nibancho Garden	57,031.06	9,316	9,316	0		100.0%		The Dai-ichi Building Co., Ltd.
		Mitsubishi UFJ Trust	108,171.67	11,904	11,904	0		100.0%		Mitsubishi Estate Co., Ltd.
		Burex Kojimachi	6,526.64	4,495	4,495	0		100.0%		Space Design, Inc.
		Sanno Grand	33,875.95	20,830	19,956	873	-413	95.8%	2.0%	Mitsubishi Estate Co., Ltd.
		Yurakucho Denki	70,287.65	4,697	4,430	266	-244	94.3%	5.2%	Yuden Building Kanri Co., Ltd.
	Chuo	Kodenmacho	5,822.88	3,897	3,897	0		100.0%		The Dai-ichi Building Co., Ltd.
		Kyodo (Kayabacho 2Chome)	5,505.80	4,467	4,265	202	-250	95.5%	5.6%	Bussan Property Management Co., Ltd.
		Burex Kyobashi	5,470.54	4,279	4,279	0		100.0%		Space Design, Inc.
		Ginza Sanwa	8,851.00	4,329	4,329	0		100.0%		MTSUBISHI JISHO PROPERTY MANAGEMENT Co., Ltd.
		Ryoshin Ginza EM	5,751.68	4,255	4,255	0		100.0%		The Dai-ichi Building Co., Ltd.
		Harumi Front	45,458.90	33,369	33,183	185		99.4%		Mitsubishi Estate Co., Ltd.
		Harumi Center	26,447.27	20,812	20,812	0		100.0%		Mitsubishi Estate Co., Ltd.
		Minato	Akasaka Park	97,489.16	45,013	45,013	0		100.0%	
	Aoyama Crystal		8,094.36	4,898	4,898	0		100.0%		XYMAX PROPERTIES Corporation
	Shiodome		115,930.83	32,155	32,063	92	-472	99.7%	1.5%	MTSUBISHI JISHO PROPERTY MANAGEMENT Co., Ltd.
	Shiba 2Chome Daimon		16,235.10	9,606	9,606	0	-76	100.0%	0.8%	Tokio Marine & Nichido Facilities, Inc.
	Cosmo Kanasugibashi		5,420.93	4,062	4,062	0		100.0%		The Dai-ichi Building Co., Ltd.
	Shinjuku	Shinjuku East	167,245.46	16,365	15,565	799	-	95.1%	-	Mitsubishi Estate Co., Ltd.
		Shinwa	8,291.69	5,997	5,997	0		100.0%		Tokio Marine & Nichido Facilities, Inc.
		Tokyo Opera City	232,996.81	35,082	33,866	1,216	-402	96.5%	1.1%	Tokyo Operacity Property Management co.,Ltd.
	Taito	TIX UENO	23,727.48	15,020	15,020	0	-544	100.0%	3.6%	The Dai-ichi Building Co., Ltd.
	Shinagawa	Higashi-Gotanda 1Chome	6,460.39	5,205	5,205	0		100.0%		Sohgo Housing Co., Ltd
		Osaki Front Tower	23,673.92	16,856	16,856	0		100.0%		Mitsubishi Estate Co., Ltd.
	Ota	Omori-Eki Higashiguchi	14,095.34	7,756	7,756	0		100.0%		Tokio Marine & Nichido Facilities, Inc.
	Shibuya	Yoyogi 1Chome	10,778.10	7,745	7,745	0		100.0%		Tokio Marine & Nichido Facilities, Inc.
		da Vinci Harajuku	4,359.20	3,147	3,147	0		100.0%		XYMAX PROPERTIES Corporation
		Jingumae MS	9,420.42	5,558	5,558	0		100.0%		The Dai-ichi Building Co., Ltd.
		Shibuya Cross Tower	61,862.33	30,532	29,236	1,296	-332	95.8%	1.1%	MTSUBISHI JISHO PROPERTY MANAGEMENT Co., Ltd.
		Ebisu Neonato	36,598.38	8,700	8,700	0		100.0%		Tokio Marine & Nichido Facilities, Inc.
	Nakano	Harmony Tower	72,729.31	11,998	11,998	0		100.0%		MTSUBISHI JISHO PROPERTY MANAGEMENT Co., Ltd.
	Toshima	Otsuka Higashi-Ikebukuro	9,531.28	7,224	7,224	0		100.0%		Sohgo Housing Co., Ltd
		Ikebukuro 2Chome	3,157.51	2,186	2,186	0	-264	100.0%	12.1%	Sohgo Housing Co., Ltd
		Ikebukuro YS	7,464.64	5,932	5,932	0		100.0%		XYMAX PROPERTIES Corporation
Other Areas	Hachioji	Hachioji First	18,329.98	10,068	10,068	0	-133	100.0%	1.3%	Sohgo Housing Co., Ltd
	Saitama	Saitama Urawa	6,258.59	4,510	4,421	89	89	98.0%	-2.0%	The Dai-ichi Building Co., Ltd.
	Yokohama	MM Park	49,037.51	38,426	36,792	1,633		95.7%		Mitsubishi Estate Co., Ltd.
		Queen's	498,282.77	26,667	25,967	680	286	97.4%	-1.1%	Mitsubishi Estate Co., Ltd.
	Kawasaki	Kawasaki Isago	9,623.83	6,831	6,831	0		100.0%		Sohgo Housing Co., Ltd
		Musashi Kosugi STM	22,839.61	5,378	5,378	0		100.0%		Sohgo Housing Co., Ltd
	Sapporo	8-3 Square Kita	16,096.97	12,265	12,265	0	-120	100.0%	1.0%	MTSUBISHI JISHO PROPERTY MANAGEMENT Co., Ltd.
	Sendai	Jozenji Park	7,648.33	2,518	2,316	201	201	92.0%	-8.0%	Mitsubishi Estate Co., Ltd.
		Higashi Nibancho	27,680.45	20,526	20,254	272	-708	98.7%	3.4%	MTSUBISHI JISHO PROPERTY MANAGEMENT Co., Ltd.
		Sendai Honma	8,247.50	6,234	6,151	82	-86	98.7%	1.4%	The Dai-ichi Building Co., Ltd.
	Kanazawa	Kanazawa Park	43,481.20	20,889	17,400	3,489	2,491	83.3%	-11.9%	Mitsubishi Estate Co., Ltd.
	Nagoya	Nishiki Park	25,091.91	9,850	9,527	323		96.7%		Mitsubishi Estate Co., Ltd.
		Hirokoji Place	15,947.29	13,200	12,593	606		95.4%		The Dai-ichi Building Co., Ltd.
		Hirokoji Sakae	6,445.08	3,911	3,581	330	-349	91.6%	8.9%	MTSUBISHI JISHO PROPERTY MANAGEMENT Co., Ltd.
		Nagoya Hirokoji	33,377.73	21,649	21,470	178	51	99.2%	-0.2%	MTSUBISHI JISHO PROPERTY MANAGEMENT Co., Ltd.
		Nagoya Misono	5,348.00	3,448	3,448	0	-81	100.0%	2.4%	MTSUBISHI JISHO PROPERTY MANAGEMENT Co., Ltd.
	Kyoto	Shijo Karasuma	9,185.98	6,634	5,364	1,269	1,269	80.9%	-19.1%	MTSUBISHI JISHO PROPERTY MANAGEMENT Co., Ltd.
		Kyoto Kawaramachi	9,701.04	6,805	5,873	931	205	86.3%	-3.0%	XYMAX PROPERTIES Corporation
	Osaka	Shin-Fujita	45,411.31	28,414	25,052	3,362	1,244	88.2%	-4.4%	MTSUBISHI JISHO PROPERTY MANAGEMENT Co., Ltd.
		Sakaisujihonmachi	17,145.59	11,520	11,520	0		100.0%		The Dai-ichi Building Co., Ltd.
		Midosuji Daiwa	31,213.27	20,450	20,200	249		98.8%		The Dai-ichi Building Co., Ltd.
	Okayama	Lit City	52,653.19	9,965	9,965	0		100.0%		Taisei-Yuraku Real Estate Co.,Ltd.
	Hiroshima	NHK Hiroshima	35,217.28	9,860	9,860	0		100.0%		Mitsubishi Estate Co., Ltd.
	Fukuoka	Tosei Tenjin	5,588.57	3,995	3,920	75	-159	98.1%	4.0%	The Dai-ichi Building Co., Ltd.
		Tenjin Crystal	10,432.04	5,973	5,973	0	-149	100.0%	2.5%	The Dai-ichi Building Co., Ltd.
		Hinode Tenjin	12,527.07	5,841	5,841	0		100.0%		Tokio Marine & Nichido Facilities, Inc.
Tokyo 23 Wards				453,243	448,061	5,181	-1,952	98.9%	0.5%	
Other Areas				315,841	302,064	13,777	4,051	95.6%	-1.3%	
Portfolio				769,084	750,125	18,958	2,098	97.5%	-0.2%	

## Trend in Property Management Costs and Utilities Expenses

- Comparison of JRE's portfolio with constantly held shares of ownership in which no increase or decrease (including transfer) of shares has been seen since the ends of the 1st and the 9th Periods.
- The trend sets the property management costs and utilities expenses as of the ends of the 1st and 9th Periods (the start of each trend) at 100

\* Brokerage fees, etc. are excluded from the property management costs.



Achieved steady cost reduction by reviewing the management system and renewing facilities

# Efforts to Strengthen Portfolio Competitiveness

## Examples of Efforts taken for each Building to Strengthen Competitiveness

### Disaster Countermeasures • Added Value Renovations • Environmental Measures

- Organize an emergency drill and AED training
- Stock emergency food and portable toilets
- Set up an MCA wireless communication system for emergency purposes at the asset management company and property management companies
- Install a Visual Sensor System for Earthquakes (Kitanomaru Square, Mitsubishi UFJ Trust, Harumi Front, Akasaka Park, Shibuya Cross Tower, and MM Park)
- Installation work of an outside oil tank (Akasaka Park)
- Air-conditioning renewal work (Nagoya Hirokoji)
- Repair and decorative work on common areas (Aoyama Crystal, Shin-Fujita, and Sanno Grand)
- Planting renewal work (Omori Eki Higashiguchi)
- Construction of rails on the steps outside to prevent people from falling down (Shijo Karasuma)

#### (Ex.) Akasaka Park



Installed an additional fuel tank for the emergency generator as a part of BCP measures. With this additional tank, power can be supplied to the common area for 72 hours continuously in the case of a disaster !

#### (Ex.) Shijo Karasuma



Before reinforcement



After reinforcement

Reinforced the railing on the steps outside to prevent falling accidents. Safe use of the steps is now ensured !

## Environmental & Social Awareness (DBJ Green Building Certification)



“For the first time on a property owned by a J-REIT”  
obtained the top “**Five Stars**” rank  
(previously “**Platinum**” rank)

#### Harumi Front

- Adopts LED lighting and a light control systems that utilizes daylight in the common spaces
- Possesses excellent environmental function due to rich greening in exterior and rooftops/walls
- Ensures an emergency standby power supply that can operate for many hours
- Possesses highly effective disaster-prevention features such as the installment of regional disaster- prevention warehouse and the adoption of an earthquake-control method
- Installs toilets that adopt a universal design

JRE owns three more buildings that have attained the “Four Stars” rank (previously “Gold” rank).

MM Park

Osaki Front Tower

Harumi Center

**JRE will continue to make efforts for maintaining and improving competitiveness in the market over the mid- to long- term**



## 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 after identifying the degree of degradation
- Had a third-party review on the construction estimates and costs (orders placed), and carried out proper construction management

### Trend in Construction Costs and Depreciation (Actual)

(In millions of yen)

	1st Period May 01-Mar 02	2nd Period Apr 02-Sep 02	3rd Period Oct 02-Mar 03	4th Period Apr 03-Sep 03	5th Period Oct 03-Mar 04	6th Period Apr 04-Sep 04	7th Period Oct 04-Mar 05	8th Period Apr 05-Sep 05	9th Period Oct 05-Mar 06	10th Period Apr 06-Sep 06	11th Period Oct 06-Mar 07	12th Period Apr 07-Sep 07	13th Period Oct 07-Mar 08
Construction costs	794	453	933	841	1,585	1,161	1,178	1,025	1,728	1,654	2,857	1,520	2,760
Repairing expenses (reported as expense)	321	152	323	289	365	363	471	474	528	513	916	580	991
Capital expenditure (capitalized as asset)	472	301	609	552	1,219	797	706	550	1,200	1,141	1,940	939	1,769
Depreciation	1,100	1,194	1,310	1,393	1,498	1,657	1,641	2,017	2,359	2,682	2,717	2,835	3,068
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
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	17,132	17,807

	14th Period Apr 08-Sep 08	15th Period Oct 08-Mar 09	16th Period Apr 09-Sep 09	17th Period Oct 09-Mar 10	18th Period Apr 10-Sep 10	19th Period Oct 10-Mar 11	20th Period Apr 11-Sep 11	21st Period Oct 11-Mar 12	22nd Period Apr 12-Sep 12	23rd Period Oct 12-Mar 13	24th Period Apr 13-Sep 13	25th Period Oct 13-Mar 14	26th Period Apr 14-Sep 14
Construction costs	1,138	1,721	2,313	2,074	1,563	2,315	1,328	2,493	2,227	2,741	2,411	3,320	2,472
Repairing expenses (reported as expense)	511	676	1,119	756	790	833	585	700	764	886	866	887	733
Capital expenditure (capitalized as asset)	627	1,044	1,193	1,318	773	1,481	743	1,792	1,463	1,854	1,545	2,433	1,738
Depreciation	3,560	3,788	3,801	3,945	4,218	4,286	4,433	4,690	4,908	5,208	5,507	5,649	5,883
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
Property-related revenues	19,805	20,716	20,795	20,758	22,112	22,135	22,283	24,059	24,222	25,357	26,206	26,582	27,760

\*Property-related revenues do not include gain on sale of properties, dividends earned on preferred capital contributions, gain on the transfer of development rights of floor area nor compensation for property transfer.

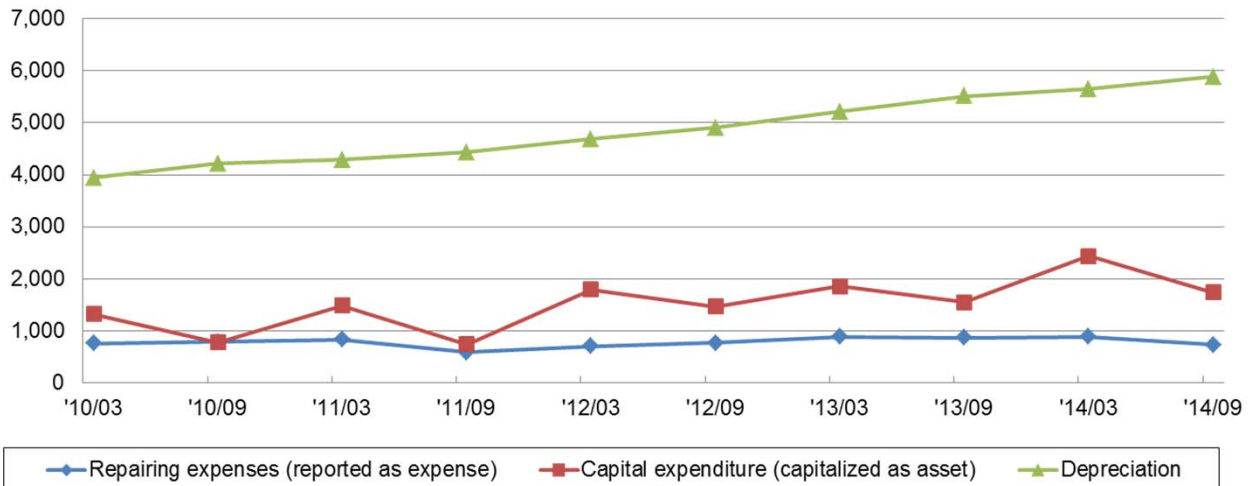
### 5-year Plan for Capital Expenditure and Depreciation (Forecast)

(In 100 millions of yen)

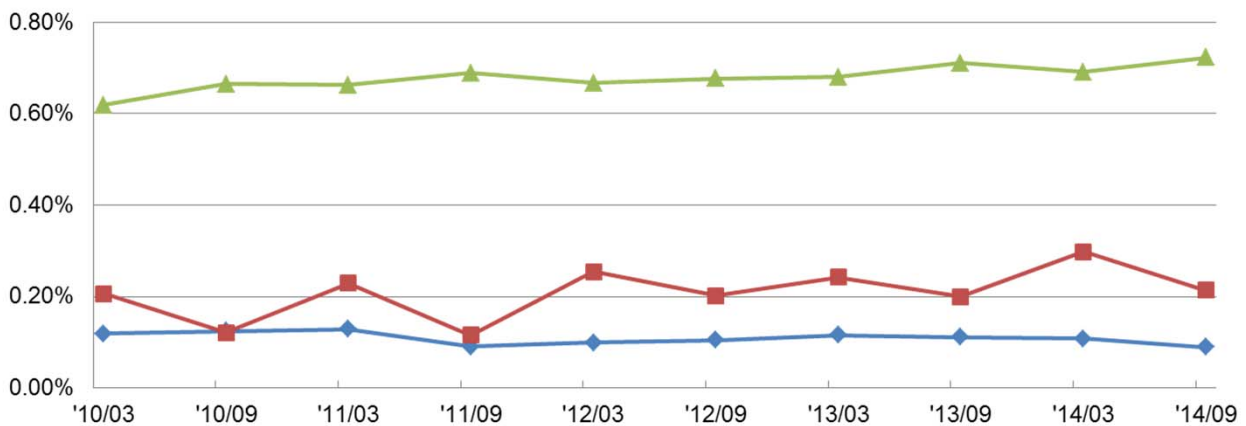
	Apr 14-Mar 15	Apr 15-Mar 16	Apr 16-Mar 17	Apr 17-Mar 18	Apr 18-Mar 19	Total
Capital expenditure (capitalized as asset)	51	46	48	50	50	245
Depreciation	118	118	119	118	117	590

### Repair work expenses, capital expenditure, depreciation (Actual)

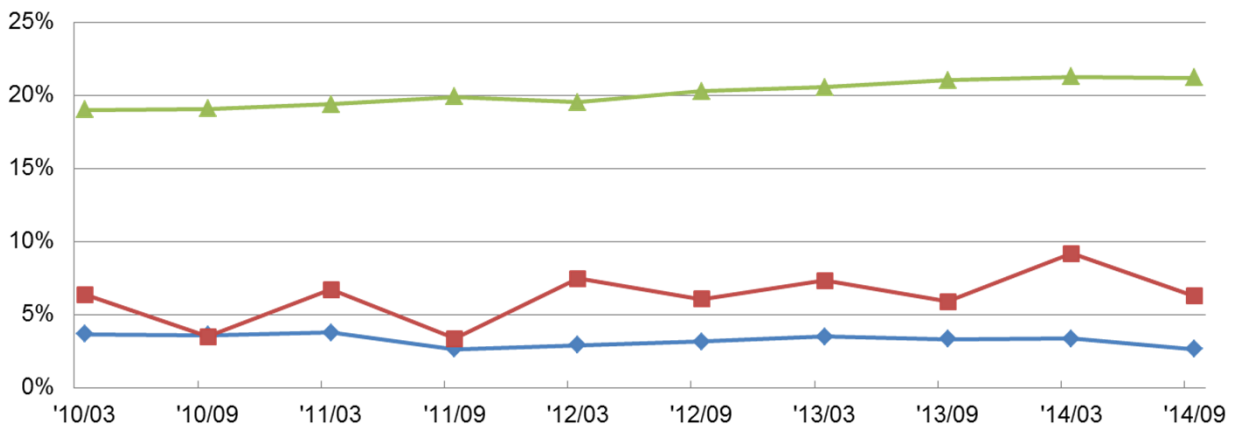
(In millions of yen)



### Percentage of repair work expenses, capital expenditure, depreciation in total assets



### Percentage of repair work expenses, capital expenditure, depreciation in property-related revenues



# Details of Appraisal Values at the End of the 26th Period

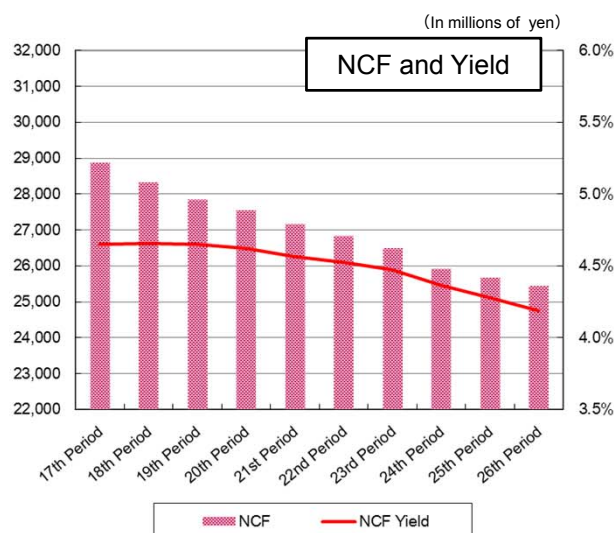
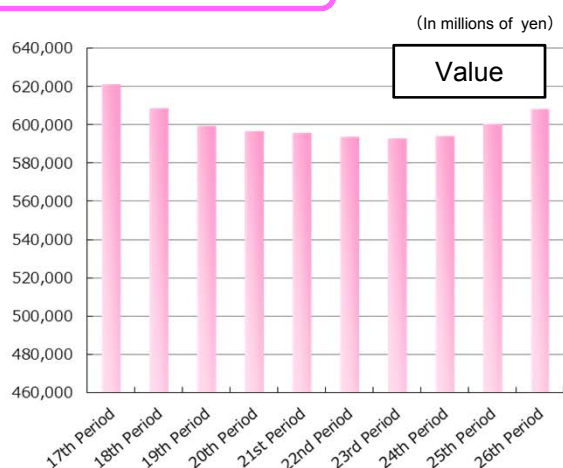
(In millions of yen)

Name	Acquisition Price	Appraisal Value as of the End of Period															
		25th Period					26th 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		
Genki Medical Plaza	5,000	6,510	5.10%	336	4.70%	5.40%	6,640	5.00%	336	4.60%	5.30%	130	2.0%	-0.10%	0.0%	-0.10%	-0.10%
Kitanomaru Square	81,555	74,200	3.80%	2,894	3.60%	4.00%	76,100	3.70%	2,887	3.50%	3.90%	1,900	2.6%	-0.10%	-0.2%	-0.10%	-0.10%
MD Kanda	9,520	7,480	4.20%	325	4.00%	4.40%	7,620	4.10%	323	3.90%	4.30%	140	1.9%	-0.10%	-0.6%	-0.10%	-0.10%
Kandabashi Park	4,810	4,100	4.30%	178	4.10%	4.50%	4,130	4.20%	178	4.00%	4.40%	30	0.7%	-0.10%	0.0%	-0.10%	-0.10%
Otemachi FCN	15,462	16,600	3.60%	628	3.30%	3.70%	17,200	3.50%	629	3.20%	3.60%	600	3.6%	-0.10%	0.2%	-0.10%	-0.10%
Nibancho Garden	14,700	17,300	4.40%	777	4.20%	4.60%	17,400	4.30%	766	4.10%	4.50%	100	0.6%	-0.10%	-1.4%	-0.10%	-0.10%
Mitsubishi UFJ Trust	44,700	44,600	3.40%	1,534	3.10%	3.50%	44,600	3.40%	1,533	3.10%	3.50%	0	0.0%	0.00%	-0.1%	0.00%	0.00%
Burex Kojimachi	7,000	6,220	4.00%	252	3.80%	4.20%	6,220	4.00%	253	3.80%	4.20%	0	0.0%	0.00%	0.1%	0.00%	0.00%
Sanno Grand	20,900	29,600	4.20%	1,266	3.90%	4.30%	30,000	4.10%	1,254	3.80%	4.20%	400	1.4%	-0.10%	-1.0%	-0.10%	-0.10%
Yurakucho Denki	7,200	7,220	4.20%	310	4.00%	4.40%	7,410	4.10%	311	3.90%	4.30%	190	2.6%	-0.10%	0.3%	-0.10%	-0.10%
Kodenmacho	3,173	2,910	4.70%	142	4.50%	4.90%	2,940	4.60%	140	4.40%	4.80%	30	1.0%	-0.10%	-1.3%	-0.10%	-0.10%
Kyodo (Kayabacho 2Chome)	4,410	5,030	4.30%	221	4.10%	4.50%	5,060	4.20%	218	4.00%	4.40%	30	0.6%	-0.10%	-1.5%	-0.10%	-0.10%
Burex Kyobashi	5,250	6,400	4.00%	260	3.80%	4.20%	6,560	3.90%	260	3.70%	4.10%	160	2.5%	-0.10%	0.0%	-0.10%	-0.10%
Ginza Sanwa	16,830	15,400	3.70%	585	3.60%	3.80%	15,800	3.60%	585	3.50%	3.70%	400	2.6%	-0.10%	0.0%	-0.10%	-0.10%
Ryoshin Ginza EM	7,999	5,390	4.20%	234	4.00%	4.40%	5,400	4.10%	230	3.90%	4.30%	10	0.2%	-0.10%	-2.1%	-0.10%	-0.10%
Harumi Front	31,300	36,600	4.70%	1,709	4.30%	5.00%	37,400	4.60%	1,712	4.30%	4.90%	800	2.2%	-0.10%	0.2%	0.00%	-0.10%
Harumi Center	26,800	20,500	4.50%	952	4.30%	4.70%	20,100	4.40%	916	4.20%	4.60%	-400	-2.0%	-0.10%	-3.8%	-0.10%	-0.10%
Akasaka Park	60,800	62,900	4.00%	2,600	3.80%	4.20%	64,800	3.90%	2,618	3.70%	4.10%	1,900	3.0%	-0.10%	0.7%	-0.10%	-0.10%
Aoyama Crystal	7,680	6,980	4.10%	295	3.90%	4.30%	7,150	4.00%	295	3.80%	4.20%	170	2.4%	-0.10%	0.1%	-0.10%	-0.10%
Shiodome	75,850	78,800	3.80%	3,065	3.60%	4.00%	80,000	3.70%	3,037	3.50%	3.90%	1,200	1.5%	-0.10%	-0.9%	-0.10%	-0.10%
Shiba 2Chome Daimon	4,859	6,060	4.60%	290	4.40%	4.80%	6,070	4.50%	284	4.30%	4.70%	10	0.2%	-0.10%	-2.0%	-0.10%	-0.10%
Cosmo Kanasugibashi	2,808	2,780	4.70%	133	4.50%	4.90%	2,810	4.60%	132	4.40%	4.80%	30	1.1%	-0.10%	-0.8%	-0.10%	-0.10%
Shinwa	7,830	5,500	4.40%	247	4.20%	4.60%	5,620	4.30%	247	4.10%	4.50%	120	2.2%	-0.10%	-0.1%	-0.10%	-0.10%
Tokyo Opera City	31,776	29,500	4.40%	1,372	4.20%	4.60%	29,900	4.30%	1,361	4.10%	4.50%	400	1.4%	-0.10%	-0.8%	-0.10%	-0.10%
TIX UENO	22,000	23,700	4.30%	1,034	4.10%	4.50%	24,100	4.20%	1,029	4.00%	4.40%	400	1.7%	-0.10%	-0.5%	-0.10%	-0.10%
Higashi-Gotanda 1Chome	5,500	5,570	4.40%	246	4.10%	4.50%	5,700	4.30%	246	4.00%	4.40%	130	2.3%	-0.10%	-0.2%	-0.10%	-0.10%
Osaki Front Tower	12,300	15,500	4.70%	912	4.40%	4.90%	15,800	4.60%	913	4.40%	4.80%	300	1.9%	-0.10%	0.0%	0.00%	-0.10%
Omori-Eki Higashiguchi	5,123	5,170	5.10%	277	4.90%	5.30%	5,210	5.00%	272	4.80%	5.20%	40	0.8%	-0.10%	-1.7%	-0.10%	-0.10%
Nippon Brunswick (Land with leasehold interest)	5,500	5,360	-	180	3.30%	-	5,420	-	180	3.30%	-	60	1.1%	-	0.0%	0.00%	-
Yoyogi 1Chome	8,700	9,940	4.20%	427	4.00%	4.40%	9,880	4.10%	416	3.90%	4.30%	-60	-0.6%	-0.10%	-2.7%	-0.10%	-0.10%
da Vinci Harajuku	4,885	6,280	4.40%	277	4.10%	4.50%	6,400	4.30%	276	4.00%	4.40%	120	1.9%	-0.10%	-0.4%	-0.10%	-0.10%
Jingumae MS	12,200	9,560	4.00%	391	3.80%	4.20%	9,750	3.90%	390	3.70%	4.10%	190	2.0%	-0.10%	-0.3%	-0.10%	-0.10%
Shibuya Cross Tower	34,600	42,500	3.90%	1,697	3.70%	4.10%	42,900	3.80%	1,669	3.60%	4.00%	400	0.9%	-0.10%	-1.7%	-0.10%	-0.10%
Ebisu Neonato	14,612	14,100	4.10%	601	3.90%	4.30%	14,400	4.00%	602	3.80%	4.20%	300	2.1%	-0.10%	0.1%	-0.10%	-0.10%
Harmony Tower	9,020	10,800	4.40%	494	4.20%	4.60%	11,000	4.30%	494	4.10%	4.50%	200	1.9%	-0.10%	0.0%	-0.10%	-0.10%
Otsuka Higashi-Ikebukuro	3,541	3,960	5.50%	217	5.20%	5.60%	4,040	5.40%	217	5.10%	5.50%	80	2.0%	-0.10%	0.2%	-0.10%	-0.10%
Ikebukuro 2Chome	1,728	1,610	5.10%	82	4.90%	5.30%	1,600	5.00%	81	4.80%	5.20%	-10	-0.6%	-0.10%	-1.6%	-0.10%	-0.10%
Ikebukuro YS	4,500	4,310	4.90%	214	4.70%	5.10%	4,130	4.80%	204	4.60%	5.00%	-180	-4.2%	-0.10%	-4.8%	-0.10%	-0.10%
Hachioji First	5,679	4,440	5.30%	233	5.10%	5.50%	4,480	5.20%	231	5.00%	5.40%	40	0.9%	-0.10%	-0.8%	-0.10%	-0.10%
Saitama Urawa	2,574	2,090	5.60%	121	5.40%	5.80%	2,120	5.50%	121	5.30%	5.70%	30	1.4%	-0.10%	-0.1%	-0.10%	-0.10%
MM Park	37,400	35,500	4.80%	1,723	4.60%	5.00%	36,100	4.70%	1,721	4.50%	4.90%	600	1.7%	-0.10%	-0.2%	-0.10%	-0.10%
Queen's	17,200	17,500	5.10%	895	4.80%	5.40%	17,700	5.00%	892	4.70%	5.30%	200	1.1%	-0.10%	-0.3%	-0.10%	-0.10%
Kawasaki Isago	3,375	2,390	5.40%	132	5.20%	5.60%	2,430	5.30%	132	5.10%	5.50%	40	1.7%	-0.10%	-0.2%	-0.10%	-0.10%
Musashi Kosugi STM	4,000	3,840	5.30%	205	5.10%	5.50%	3,910	5.20%	204	5.00%	5.40%	70	1.8%	-0.10%	0.0%	-0.10%	-0.10%
8-3 Square Kita	7,100	6,770	5.50%	377	5.40%	5.70%	6,900	5.40%	377	5.30%	5.60%	130	1.9%	-0.10%	-0.1%	-0.10%	-0.10%
Jozenji Park	1,000	892	6.20%	54	6.10%	6.40%	907	6.10%	54	6.00%	6.30%	15	1.7%	-0.10%	0.0%	-0.10%	-0.10%
Higashi Nibancho	9,950	11,700	5.80%	662	5.50%	6.10%	12,400	5.50%	651	5.30%	5.70%	700	6.0%	-0.30%	-1.7%	-0.20%	-0.40%
Sendai Honma	3,174	2,240	5.80%	136	5.70%	6.00%	2,250	5.80%	136	5.60%	6.00%	10	0.4%	0.00%	-0.3%	-0.10%	0.00%
Kanazawa Park	4,580	4,350	6.60%	292	6.40%	6.80%	4,380	6.30%	281	6.10%	6.50%	30	0.7%	-0.30%	-3.5%	-0.30%	-0.30%
Hirokoji Place	8,567	9,250	5.10%	477	4.90%	5.30%	9,690	5.00%	489	4.80%	5.20%	440	4.8%	-0.10%	2.6%	-0.10%	-0.10%
Hirokoji Sakae	1,680	1,550	5.30%	83	5.10%	5.50%	1,560	5.20%	82	5.00%	5.40%	10	0.6%	-0.10%	-1.6%	-0.10%	-0.10%
Nagoya Hirokoji	14,533	11,800	5.20%	623	5.00%	5.40%	11,900	5.10%	619	4.90%	5.30%	100	0.8%	-0.10%	-0.5%	-0.10%	-0.10%
Nagoya Misono	1,865	1,110	5.60%	63	5.40%	5.80%	1,130	5.50%	63	5.30%	5.70%	20	1.8%	-0.10%	0.2%	-0.10%	-0.10%
Shijo Karasuma	4,400	4,550	5.70%	261	5.50%	5.90%	4,620	5.60%	260	5.40%	5.80%	70	1.5%	-0.10%	-0.2%	-0.10%	-0.10%
Kyoto Kawaramachi	2,650	1,760	5.90%	108	5.80%	6.10%	1,770	5.90%	108	5.80%	6.10%	10	0.6%	0.00%	0.0%	0.00%	0.00%
Shin-Fujita	24,000	16,700	4.90%	843	4.70%	5.10%	16,900	4.80%	840	4.60%	5.00%	200	1.2%	-0.10%	-0.4%	-0.10%	-0.10%
Sakaisujihonmachi	4,164	3,150	5.30%	176	5.10%	5.50%	3,170	5.20%	173	5.00%	5.40%	20	0.6%	-0.10%	-1.6%	-0.10%	-0.10%
Midosuji Daiwa	14,314	12,800	4.70%	612	4.50%	4.90%	13,000	4.60%	608	4.40%	4.80%	200	1.6%	-0.10%	-0.8%	-0.10%	-0.10%
Lit City	4,650	4,230	6.30%	269	6.20%	6.50%	4,290	6.20%	268	6.10%	6.40%	60	1.4%	-0.10%	-0.4%	-0.10%	-0.10%
NHK Hiroshima	2,770	2,470	6.20%	146	6.10%	6.40%	2,510	6.10%	146	6.00%	6.30%	40	1.6%	-0.10%	0.1%	-0.10%	-0.10%
Tosei Tenjin	1,550	1,300	5.90%	80	5.80%	6.10%	1,300	5.80%	78	5.70%	6.00%	0	0.0%	-0.10%	-1.6%	-0.10%	-0.10%
Tenjin Crystal	5,000	2,490	5.50%	138	5.40%	5.70%	2,510	5.40%	137	5.30%	5.60%	20	0.8%	-0.10%	-1.0%	-0.10%	-0.10%
Hinode Tenjin	3,657	3,650	5.50%	203	5.20%	5.50%	3,600	5.40%	197	5.10%	5.40%	-50	-1.4%	-0.10%	-3.1%	-0.10%	-0.10%
Subtotal (63 properties)	832,255	825,462					838,787					13,325	1.6%				
Nishiki Park	5,800						4,580	5.40%	256	5.20%	5.60%						
Total (64 properties)	838,055						843,367										

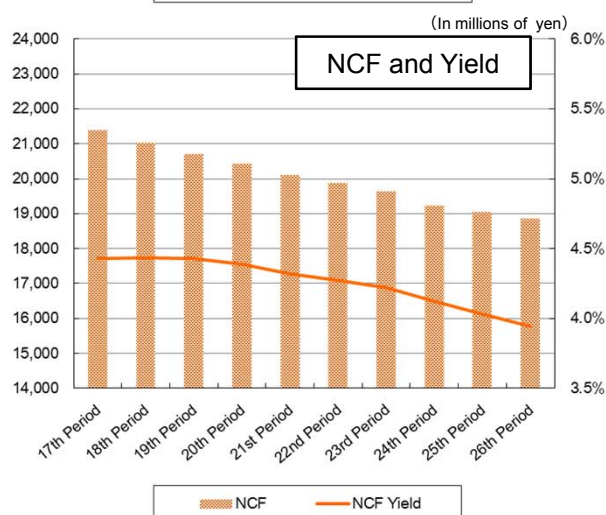
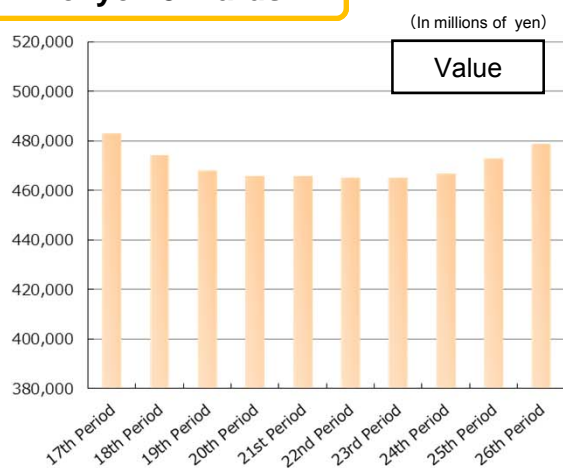
# Historical Appraisal Values and NCF

JRE's portfolio of 49 properties with constantly held ownership without increase or decrease of share between the end of the 17th Period and the end of the 26th Period.

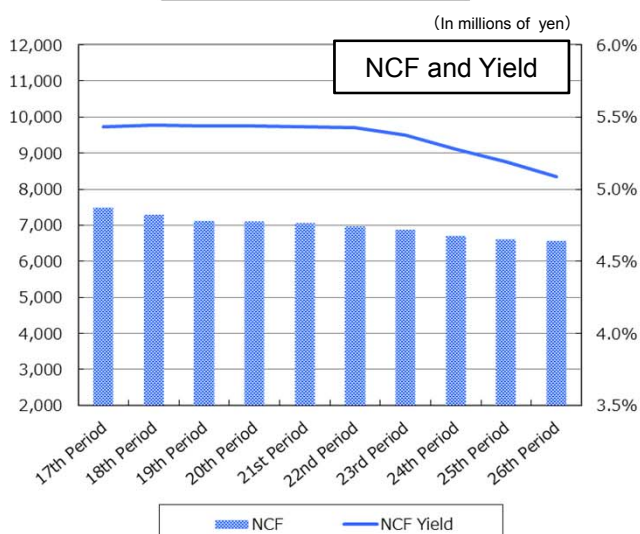
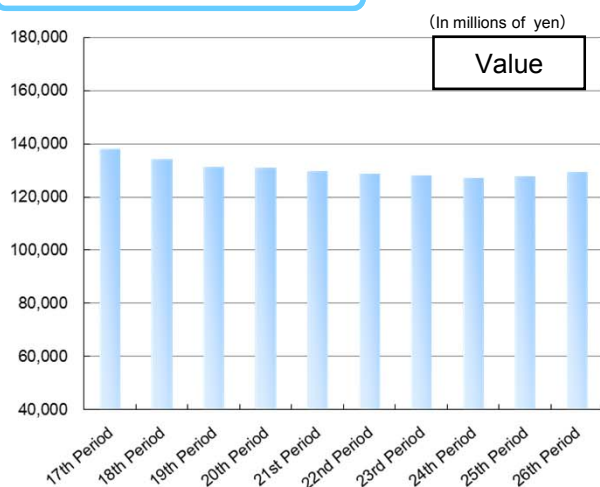
## Overall



## Tokyo 23 Wards



## Other Areas



Value: Calculated using direct capitalization (DC) method based on survey or appraisal value as of the end of each period  
 NCF: Net cash flow in the above DC method  
 Yield:  $NCF / Value$

# Portfolio Classification by Area and Floor Space

## Floor Size by Area, Property and PM Companies

Blue Italic shows the property acquired in the 26th period. Red Italic shows the transferred properties

(As of September 30, 2014)

Area Tsubo per Standard floor (Tsubo $\approx$ 3.3 m <sup>2</sup> )	Area						Total Number of Buildings
	Tokyo 23 Wards		Other Areas				Total Acquisition Price (¥mm)
	3 Central Wards	Other Areas	Tokyo Metropolitan Area (excl. 23 Wards)	Osaka / Kyoto / Kobe	Nagoya	Other	(%)
450 -	Nibancho Garden 1,117	Tokyo Opera City 653	MM Park 828			Kanazawa Park 625	16
	Shiodome 1,059		Musashi Kosugi 619			Lit City 550	481,625
	Otemachi Financial 709		STM			Higashi Nibancho 468	(57.8%)
	City North 693		Queen's 476				
	Harumi Front 666						
	Sanno Grand 666						
	Harumi Center 648						
	Akasaka Park 617						
300 - 450	Kitanomaru Square 568						
	Mitsubishi UFJ 537						
	Trust						
	Property E	Harmony Tower 413	Hachioji First 335	Shin-Fujita 440	Hirokoji Place 421	8-3 Square Kita 373	14
	Yurakucho Denki 398	Ebisu Neonato 373		Midosuji Daiwa 341	Nagoya Hirokoji 333	NHK Hiroshima 301	181,554
200 - 300	Shiba 2Chome 352	Osaki Front Tower 368					(21.8%)
	Daimon	TIX UENO 329					
		Shibuya Cross Tower 313					
150 - 200	Kandabashi Park 212	Property H	Property B	Sakaisujihonmachi 284	Nishiki Park 209	Hinode Tenjin 252	12
		Otsuka Higashi-Ikebukuro 273		Shijo Karasuma 264			60,675
		Ikebukuro YS 251		Kyoto Kawaramachi 223			(7.3%)
		Yoyogi 1Chome 230					
		Shinwa 227					
		Omori-Eki 218					
		Higashiguchi 201					
		Higashi-Gotanda 1Chome					
100 - 150	Ginza Sanwa 198	Property A	Kawasaki Isago 197		Nagoya Misono 157	Jozenji Park 191	14
	MD Kanda 198		Saitama Urawa 189			Sendai Honma 179	68,528
	Genki Medical Plaza 183					Property C	(8.2%)
	Kyodo (Kayabacho 2Chome) 181					Tosei Tenjin 167	
	Burex Kyobashi 176						
	Ryoshin Ginza EM 173						
	Cosmo 160						
	Kanasugibashi 150						
- 100	Burex Kojimachi 132	Jingumae MS 146		Property F	Hirokoji Sakae 144	Property D	6
	Aoyama Crystal 117	da Vinci Harajuku 117				Tenjin Crystal 112	38,445
		Property G					(4.6%)
		Ikebukuro 2Chome 74					1
							1,728
							(0.2%)
Total Number of Buildings	22	15	6	5	5	10	63
Total Acquisition Price (¥mm)	458,607	178,315	70,228	49,528	32,445	43,431	832,555
(%)	(55.1%)	(21.4%)	(8.4%)	(5.9%)	(3.9%)	(5.2%)	(100.0%)
Number of PM Companies	9	7	3	3	3	5	12

- Balanced portfolio of properties, mostly large scale and competitive properties.
- The ratio of properties with standard floor area of 200 tsubo is approximately 87% on an acquisition price basis.
- JRE keeps property management agreements with several property management companies in each area with a view to assure fair competition among them and accumulate know-how through them.

# Portfolio Classification by Building Age and Location

## Building Age and Walking Time from the Nearest Station

show s properties conveniently located where multiple lines are available in Tokyo 23 Wards.  
*Blue Italic shows the property acquired in the 26th period. Red Italic shows the transferred properties.*

(As of September 30, 2014)

Time Building Age	Area								Total Number of Buildings
	Tokyo 23 Wards				Other Areas				Total Acquisition Price (¥mm) (%)
	- 1 min. walk	1 - 5 min.	5 - 10 min.	10 min. -	- 1 min. walk	1 - 5 min.	5 - 10 min.	10 min. -	
- 10 years	Otemachi Financial City North Kitanomaru Square Burex Kojimachi	TIX UENO  Shiodome  Osaki Front Tower	Harumi Front  Harumi Center		Shijo Karasuma  Higashi Nibancho  MM Park 8・3 Square Kita Lit City	Hirokoji Place			14  344,335 (41.4%)
10 - 20 years	Mitsubishi UFJ Trust MD Kanda Harmony Tower Tokyo Opera City Ebisu Neonato	Higashi-Gotanda 1Chome Nibancho Garden Yoyogi 1Chome Burex Kyobashi Ryoshin Ginza Jingumae MS			Queen's  Hachioji First <i>Nishiki Park</i>	Shin-Fujita			15  216,657 (26.0%)
20 -30 years	Kodenmacho  Kyodo (Kayabacho 2Chome) <i>Property G</i>  Omori-Eki Higashiguchi Genki Medical Plaza	Kandabashi Park  Akasaka Park  Otsuka Higashi- Ikebukuro	Cosmo Kanasugibashi <i>Property A</i>  Ikebukuro 2Chome Ikebukuro YS  Shinwa  da Vinci Harajuku		NHK Hiroshima  Sakaisujihonmachi  Sendai Honma  Midosuji Daiwa  Musashi Kosugi STM	Tenjin Crystal  Jozenji Park  Kanazawa Park  Nagoya Misono  Kawasaki Isago  Saitama Urawa Hirokoji Sakae Hinode Tenjin Nagoya Hirokoji	Tosei Tenjin  <i>Property F</i>	<i>Property B</i>  <i>Property D</i>  <i>Property C</i>	27  176,844 (21.2%)
30 years -	Ginza Sanwa  Yurakucho Denki <i>Property E</i>  Sanno Grand	Shiba 2Chome Daimon Aoyama Crystal Shibuya Cross Tower <i>Property H</i>				Kyoto Kawaramachi			7  94,719 (11.4%)
Total Number of Buildings	15	15	7	0	13	12	1	0	63
Total Acquisition Price (¥mm) (%)	276,283 (33.2%)	280,789 (33.7%)	79,851 (9.6%)	0 (0.0%)	120,601 (14.5%)	73,481 (8.8%)	1,550 (0.2%)	0 (0.0%)	832,555 (100.0%)

- Properties aged 10 years or less account for approx. 41% of the total properties on an acquisition price basis.
- The ratio of properties located within a five-minute walk from the nearest station is approx.90% of the total number of properties on an acquisition price basis.



## PML Values

### Tokyo 23 Wards

Area		Name	Completion Date	PML Value
Tokyo 23 Wards	Chiyoda	Genki Medical Plaza	1985/09	3.4%
		Kitanomaru Square	2006/01	1.6%
		MD Kanda	1998/02	5.0%
		Kandabashi Park	1993/07	5.0%
		Otemachi FCN	2012/10	0.9%
		Nibancho Garden	2004/04	2.1%
		Mitsubishi UFJ Trust	2003/02	1.4%
		Burex Kojimachi	2005/01	4.1%
		Sanno Grand	1966/09	3.6%
		Yurakucho Denki	1975/09	3.7%
	Chuo	Kodenmachi	1991/11	3.3%
		Kyodo (Kayabacho 2Chome)	1991/04	3.6%
		Burex Kyobashi	2002/02	4.7%
		Ginza Sanwa	1982/10	3.7%
		Ryoshin Ginza EM	1998/10	2.8%
		Harumi Front	2012/02	2.0%
		Harumi Center	2006/11	3.5%
	Minato	Akasaka Park	1993/07	1.4%
		Aoyama Crystal	1982/12	5.4%
		Shiodome	2007/12	1.4%
		Shiba 2Chome Daimon	1984/03	3.0%
		Cosmo Kanasugibashi	1992/03	7.3%
	Shinjuku	Shinwa	1989/11	7.0%
		Tokyo Opera City	1996/07	2.0%
	Taito	TIXTOWER UENO	2010/07	2.0%
	Shinagawa	Higashi-Gotanda 1Chome	2004/07	2.6%
		Osaki Front Tower	2005/06	3.4%
	Ota	Omori-Eki Higashiguchi	1989/07	2.8%
	Shibuya	Yoyogi 1Chome	2003/10	2.2%
		da Vinci Harajuku	1987/12	9.6%
Jingumae MS		1998/03	3.3%	
Shibuya Cross Tower		1976/04	2.2%	
Ebisu Neonato		1994/10	2.4%	
Nkano	Harmony Tower	1997/03	2.0%	
Toshima	Otsuka Higashi-Ikebukuro	1987/11	6.1%	
	Ikebukuro 2Chome	1990/05	3.4%	
	Ikebukuro YS	1989/12	5.7%	

## Other Areas

Area		Name	Completion Date	PML Value
Other Areas	Hachioji	Hachioji First	1996/07	3.9%
	Saitama	Saitama Urawa	1990/03	7.2%
	Yokohama	MM Park	2007/12	4.0%
		Queen's	1997/06	3.3%
	Kawasaki	Kawasaki Isago	1990/12	4.1%
		Musashi Kosugi STM	1990/10	3.8%
	Sapporo	8・3 Square Kita	2006/12	1.6%
	Sendai	Jozenji Park	1993/01	3.3%
		Higashi Nibancho Square	2008/07	1.8%
		Sendai Honma	1991/11	2.2%
	Kanazawa	Kanazawa Park	1991/10	4.8%
	Nagoya	Nishiki Park	1995/08	2.4%
		Hirokoji Place	2004/12	3.1%
		Hirokoji Sakae	1987/09	5.2%
		Nagoya Hirokoji	1987/05	2.4%
		Nagoya Misono	1991/09	4.1%
	Kyoto	Shijo Karasuma	2010/01	11.7%
		Kyoto Kawaramachi	1982/11	12.1%
	Osaka	Shin-Fujita	1995/04	4.0%
		Sakaisujihonmachi	1992/10	7.4%
		Midosuji Daiwa	1991/09	6.9%
	Okayama	Lit City	2005/06	0.6%
	Hiroshima	NHK Hiroshima	1994/08	1.1%
	Fukuoka	Tosei Tenjin	1992/03	4.3%
		Tenjin Crystal	1993/08	3.1%
		Hinode Tenjin	1987/08	4.2%
Portfolio PML				1.9%

\* Completion date is the date of construction.

### PML (Probable Maximum Loss) Value: 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).

# Key Properties of JRE

(As of September 30, 2014)

**Kitanomaru Square**  
(Chiyoda-ku, Tokyo)



- Acquisition Date February 24, 2006
- Acquisition Price ¥81,555.5 million
- Area Land: 5,821.03 m<sup>2</sup>  
Building: 57,289.20 m<sup>2</sup>
- Completion Date January 2006

**Mitsubishi UFJ Trust and Banking Building**  
(Chiyoda-ku, Tokyo)



- Acquisition Date March 28, 2007
- Acquisition Price ¥44,700 million
- Area Land: 8,100.39 m<sup>2</sup>  
Building: 108,171.67 m<sup>2</sup>  
(Ownership: 19.38402%)
- Completion Date February 2003

**Harumi Front**  
(Chuo-ku, Tokyo)



- Acquisition Date January 7, 2013
- Acquisition Price ¥31,300 million
- Area Land: 7,250.15 m<sup>2</sup>  
Building: 45,458.90 m<sup>2</sup>
- Completion Date February 2012

**Tokyo Opera City Building**  
(Shinjuku-ku, Tokyo)



- Acquisition Date September 13, 2005/March 24, 2010
- Acquisition Price ¥31,776.8 million
- Area Land: 18,236.94 m<sup>2</sup>  
Building: 232,996.81 m<sup>2</sup>  
(Ownership: 31.325%)
- Completion Date July 1996

**Akasaka park Building  
(Minato-ku, Tokyo)**



- Acquisition Date November 15, 2011
- Acquisition Price ¥60,800 million
- Area Land: 14,198.20 m<sup>2</sup>  
Building: 97,489.16m<sup>2</sup>
- Completion Date July 1993

**Shiodome Building  
(Minato-ku, Tokyo)**



- Acquisition Date December 19, 2008/January 15, 2010
- Acquisition Price ¥75,850 million
- Area Land: approx. 12,046 m<sup>2</sup>  
Building: 115,930.83 m<sup>2</sup>  
(Quasi-co-ownership: 40.0% of the trust beneficiary right)
- Completion Date December 2007

**Shibuya Cross Tower  
(Shibuya-ku, Tokyo)**



- Acquisition Date November 30, 2001
- Acquisition Price ¥34,600 million
- Area Land: 5,153.45 m<sup>2</sup>  
Building: 61,862.33 m<sup>2</sup>
- Completion Date April 1976

**MM Park Building  
(Yokohama City, Kanagawa Prefecture)**



- Acquisition Date March 25, 2008
- Acquisition Price ¥37,400 million
- Area Land: 6,825.77 m<sup>2</sup>  
Building: 49,037.51 m<sup>2</sup>
- Completion Date December 2007

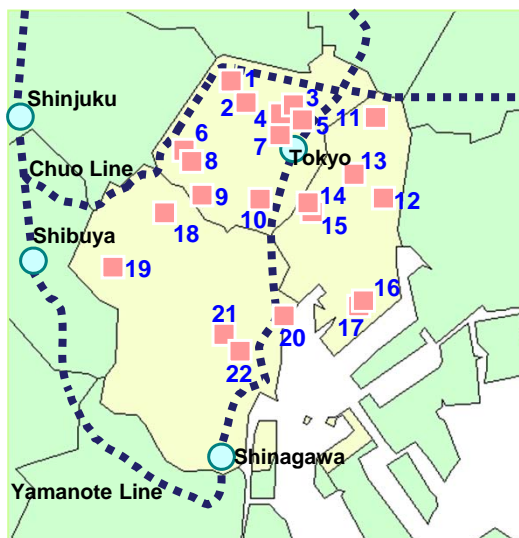


# Portfolio Map

## 3 Central Wards of Tokyo (Chiyoda/Chuo/Minato)

As of September 30, 2014

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



Nibancho Garden



Sanno Grand Building



Ginza Sanwa Building

## 23 Wards of Tokyo (excluding 3 Central Wards)



- 1 Shinwa Building
- 2 Tokyo Opera City Building
- 3 TIXTOWER UENO
- 4 Higashi-Gotanda 1Chome Building
- 5 Osaki Front Tower
- 6 Omori-Eki Higashiguchi Building
- 7 Nippon Brunswick Building  
(Land with leasehold interest)
- 8 Yoyogi 1Chome Building
- 9 da Vinci Harajuku
- 10 Jingumae Media Square Building
- 11 Shibuya Cross Tower
- 12 Ebisu Neonato
- 13 Harmony Tower
- 14 Otsuka Higashi-Ikebukuro Building
- 15 Ikebukuro 2Chome Building
- 16 Ikebukuro YS Building



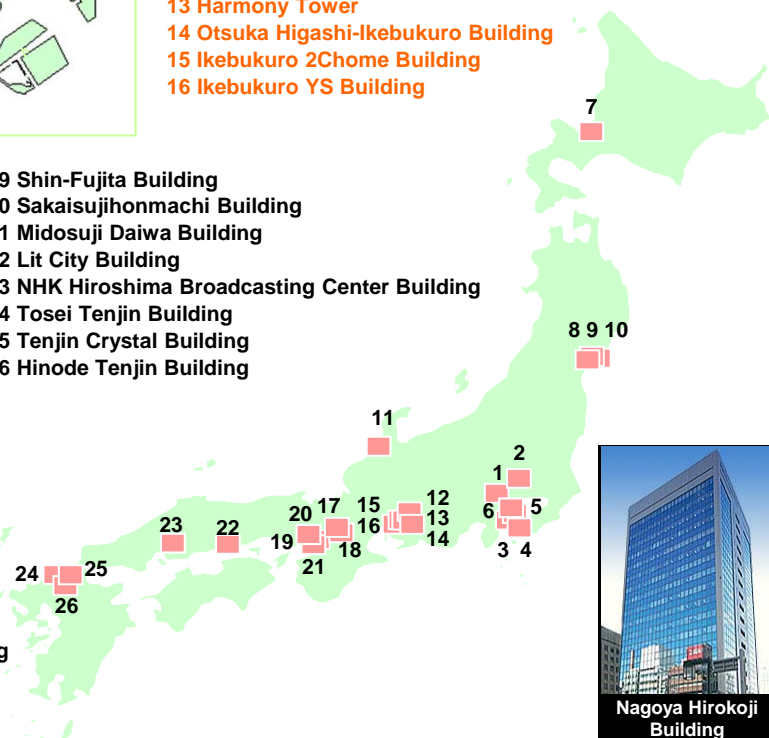
Osaki Front Tower



Jingumae Media Square 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 Kanazawa Park Building
- 12 Nishiki Park Building
- 13 Nagoya Hirokoji Place
- 14 Hirokoji Sakae Building
- 15 Nagoya Hirokoji Building
- 16 Nagoya Misono Building
- 17 Shijo Karasuma Center Building
- 18 Kyoto Shijo Kawaramachi Building
- 19 Shin-Fujita Building
- 20 Sakaisujihonmachi Building
- 21 Midosuji Daiwa Building
- 22 Lit City Building
- 23 NHK Hiroshima Broadcasting Center Building
- 24 Tosei Tenjin Building
- 25 Tenjin Crystal Building
- 26 Hinode Tenjin Building



8·3 Square Kita Building



Nagoya Hirokoji Building



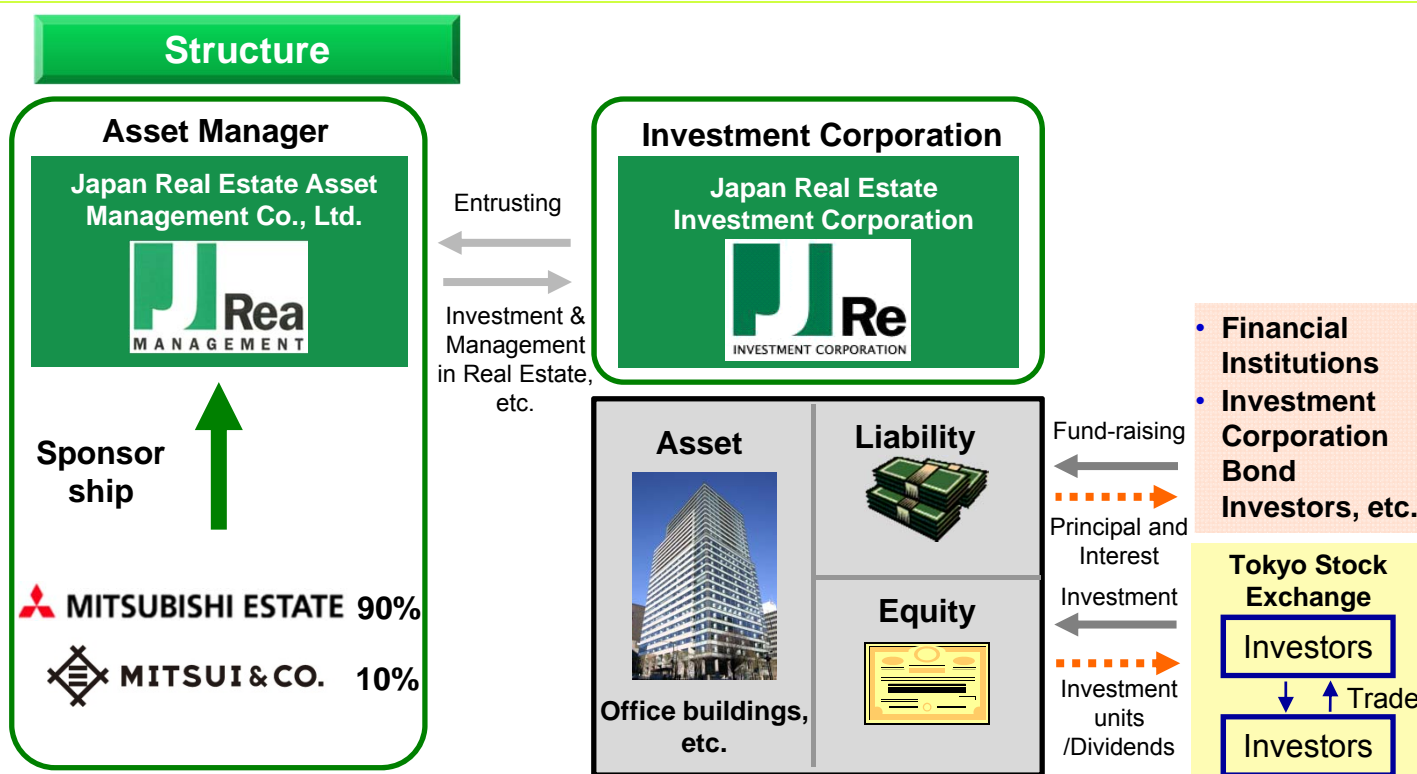
Midosuji Daiwa Building

## 3. Appendix

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# Outline of Japan Real Estate Investment Corporation



## Points

- J-Rea specializes in managing office building portfolios
- 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 September 30, 2014)

### ① Collaboration with the sponsors:



#### Property pipeline support

- Providing properties
- Property information, etc.



#### Operating support

- Providing expertise on attracting tenants
- Property management, etc.



#### Human resource support

- Sending experienced professionals

### <Protection against conflicts of interest>

Compliance Committee including external expert as members serves as protection against conflicts of interest.

### ② Investment Corporation **focused on office buildings**

(64 office buildings, total acquisition price: ¥838 billion\*)

### ③ **The first listed J-REIT**, showing steady performance for 26 consecutive periods

### ④ **Sound financial strength**

- **Conservative LTV** (cruising speed of 30%- 40% level)
- **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 transfer of the part of Jingumae MS site

# Compliance Structure

## Basic Principle of Compliance for the Investment Corporation

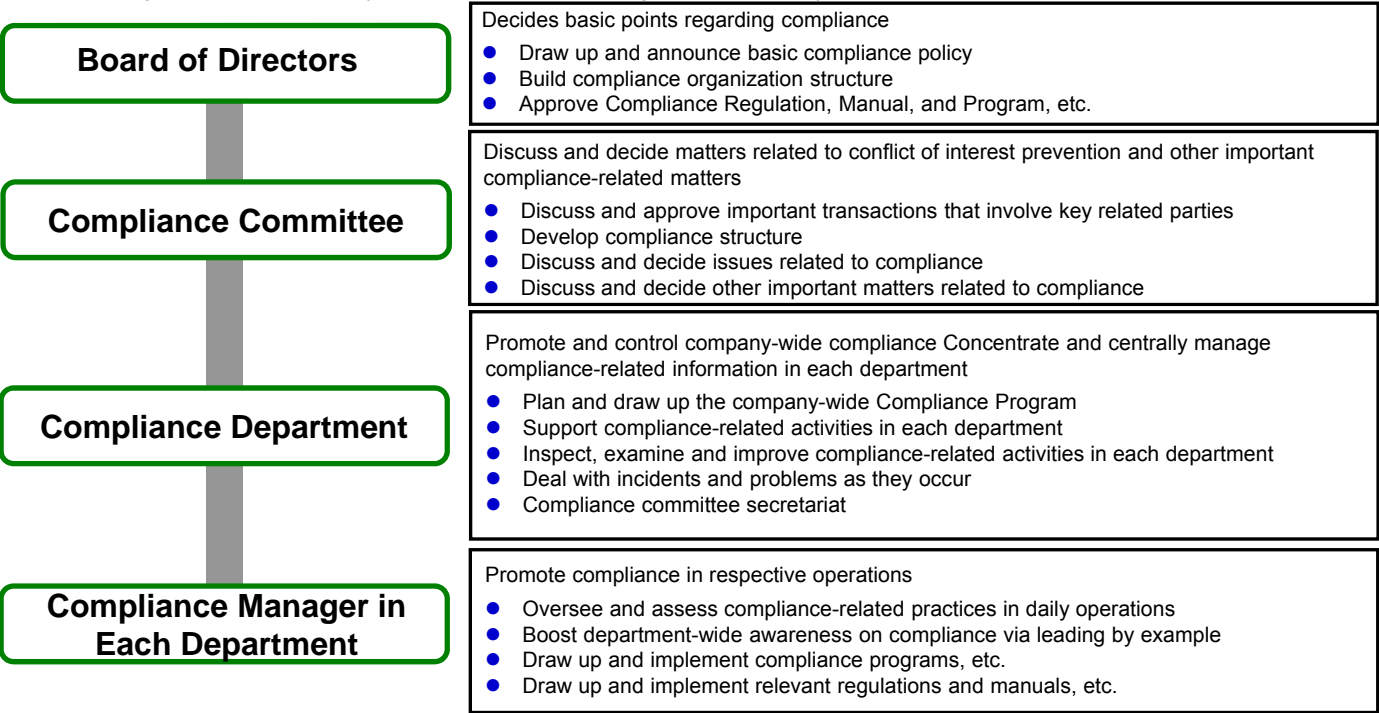
JRE's basic principle of compliance is to thoroughly observe legal and other relevant norms in regard to the business operation as well as to respond to the requirements from society. This means that the investment corporation administers and oversees the outsourcing companies from the same standpoint, 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.



- J-Rea has entered into a 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 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 J-Rea 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.

# Structure and Past Record of Fees to Asset Management Company

## Structure of Fees to Asset Management Company

### Term fee

(As of September 30, 2014)

Each amount calculated in the following formula is based on the current cash flow (CF).

$$CF = \text{Income or loss before income taxes} + (\text{Depreciation expenses and the amortization of deferred assets}) - (\text{Gain or loss on sales and valuation of the Specified Assets})$$

Furthermore, calculation of the term fee shall be based on the CF before deduction of the relevant term and incentive fees.

[Formula]\*

For the portion of the CF that is not more than 2.5 billion yen, the amount equivalent to such portion is multiplied by 8.0%

For the portion of the CF that is more than 2.5 billion yen but not more than 4 billion yen, the amount equivalent to such portion is multiplied by 5.0%

For the portion of the CF that is more than 4 billion yen, the amount equivalent to such portion is multiplied by 3.0%

\* Reduction in term-fee rates was agreed upon at the unitholders' meeting held on March 28, 2003. The new rates above apply from the 4th Period.

### Incentive fee

1. If (i) during the recent six (6) consecutive fiscal periods, including the relevant fiscal period, the CF per Unit for the fiscal period is equal to or larger than that of the previous fiscal period, and (ii) the CF per Unit for the relevant fiscal period with respect to when the incentive fee is calculated, increases from that in the previous fiscal period, the following formula applies:

[Formula]

$$([CF \text{ per Unit as of the last day of the relevant fiscal period}] - [CF \text{ per Unit as of the last day of the immediately preceding fiscal period}]) \times (\text{Total number of outstanding Units as of the last day of the relevant fiscal period}) \times 30.0\%$$

2. If, although the requirement in (1) (i) above is not satisfied, such CF per Unit exceeds the arithmetic average of the CF per Unit during the recent six consecutive fiscal periods and the requirement in (1) (ii) above is satisfied, the following formula applies:

[Formula]

$$([CF \text{ per Unit as of the last day of the relevant fiscal period}] - [\text{Arithmetic average of the CF per Unit during the recent six fiscal periods, including the relevant fiscal period}]) \times (\text{Total number of outstanding Units as of the last day of the relevant fiscal period}) \times 30.0\%$$

CF per Unit shall be calculated by dividing the CF by the total number of outstanding Units as at the end of each fiscal period; provided, however, that if either of the below events come into force and the total number of outstanding Units increases or decreases during the recent six fiscal periods including the relevant fiscal period, in order to exclude the effects on CF per Unit by such increase or decrease in the number of Units, the figure of CF per Unit during the recent six consecutive fiscal periods shall be adjusted and calculated.

(i) Consolidation or Split of Units

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

Calculation of the incentive fee shall be based on the CF before deduction of any incentive fee.

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

### 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 and local consumption taxes 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.

### Transfer fee

In the case of transfer of Real Estate Assets or other Specified Assets, an amount equivalent to the sales price 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.

## Asset Management Fees Paid to the Asset Management Company

→New Asset Management Fee Rate (reduction)														(In millions of yen)	
	1st Period Mar-02	2nd Period Sep-02	3rd Period Mar-03	4th Period Sep-03	5th Period Mar-04	6th Period Sep-04	7th Period Mar-05	8th Period Sep-05	9th Period Mar-06	10th Period Sep-06	11th Period Mar-07	12th Period Sep-07	13th Period Mar-08	14th Period Sep-08	
Term Fee (*a)	389	382	408	312	325	330	342	392	410	422	452	476	713	531	
Incentive Fee (*a)	0	0	24	80	0	32	134	0	160	230	0	185	1,860	0	
Acquisition Fee (*b)	649	88	185	90	192	213	464	180	475	33	134	71	386	78	
Transfer Fee (*c)	0	0	0	0	0	0	0	0	0	20	154	8	0	0	
Total AM Fee	1,038	470	617	484	518	576	941	573	1,046	707	741	741	2,960	609	
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	542,920	
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	24,000	
Amount of Transfer Price during the Period	0	0	0	0	0	0	0	0	0	7,003	41,900	1,770	0	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%	0.10%	
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%	0.33%	
Transfer Fee / Amount of Transfer 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%	0.11%	

→New Asset Management Fee Rate (change of acquisition)														Average after 4th Period	
	15th Period Mar-09	16th Period Sep-09	17th Period Mar-10	18th Period Sep-10	19th Period Mar-11	20th Period Sep-11	21st Period Mar-12	22nd Period Sep-12	23rd Period Mar-13	24th Period Sep-13	25th Period Mar-14	26th Period Sep-14	per period	per year	
Term Fee (*a)	537	540	529	542	538	546	579	571	592	613	617	638	502	1,005	
Incentive Fee (*a)	0	0	0	0	0	0	0	0	0	8	57	0	119	239	
Acquisition Fee (*b)	53	0	373	0	83	0	277	110	208	64	215	3	161	322	
Transfer Fee (*c)	0	0	7	0	0	15	0	0	0	6	0	0	9	18	
Total AM Fee	591	540	910	542	622	562	856	681	800	692	891	641	792	1,585	
Total Assets	565,022	564,523	637,326	634,974	646,847	643,949	703,085	724,851	765,628	775,066	817,130	813,931	544,388(*2)		
Amount of Acquisition Price during the Period	21,250	0	77,026	0(*3)	16,710	0	60,800	22,000	41,770	12,967	43,174	650	30,051	60,102	
Amount of Transfer Price during the Period	0	0	1,507	0	0	3,160	0	0	0	1,220	0	0	2,459	4,918	
Term Fee / Total Assets	0.10%	0.10%	0.08%	0.09%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.09%	0.18%	
Incentive Fee / Total Assets	-	-	-	-	-	-	-	-	-	0.00%	0.01%	-	0.02%	0.04%	
Acquisition Fee / Amount of Acquisition Price during the Period	0.25%	-	0.49%	-	0.50%	-	0.46%	0.50%	0.50%	0.50%	0.50%	0.50%	0.54%	0.54%	
Transfer Fee / Amount of Transfer Price during the Period	-	-	0.50%	-	-	0.50%	-	-	-	0.50%	-	-	0.38%	0.38%	
Total AM Fee/Total Assets	0.10%	0.10%	0.14%	0.09%	0.10%	0.09%	0.12%	0.09%	0.10%	0.09%	0.11%	0.08%	0.15%	0.29%	

(\*1) Accounting treatment of asset management fees

(\*a) Expense (Administrative expenses)

(\*b) Capitalized for asset

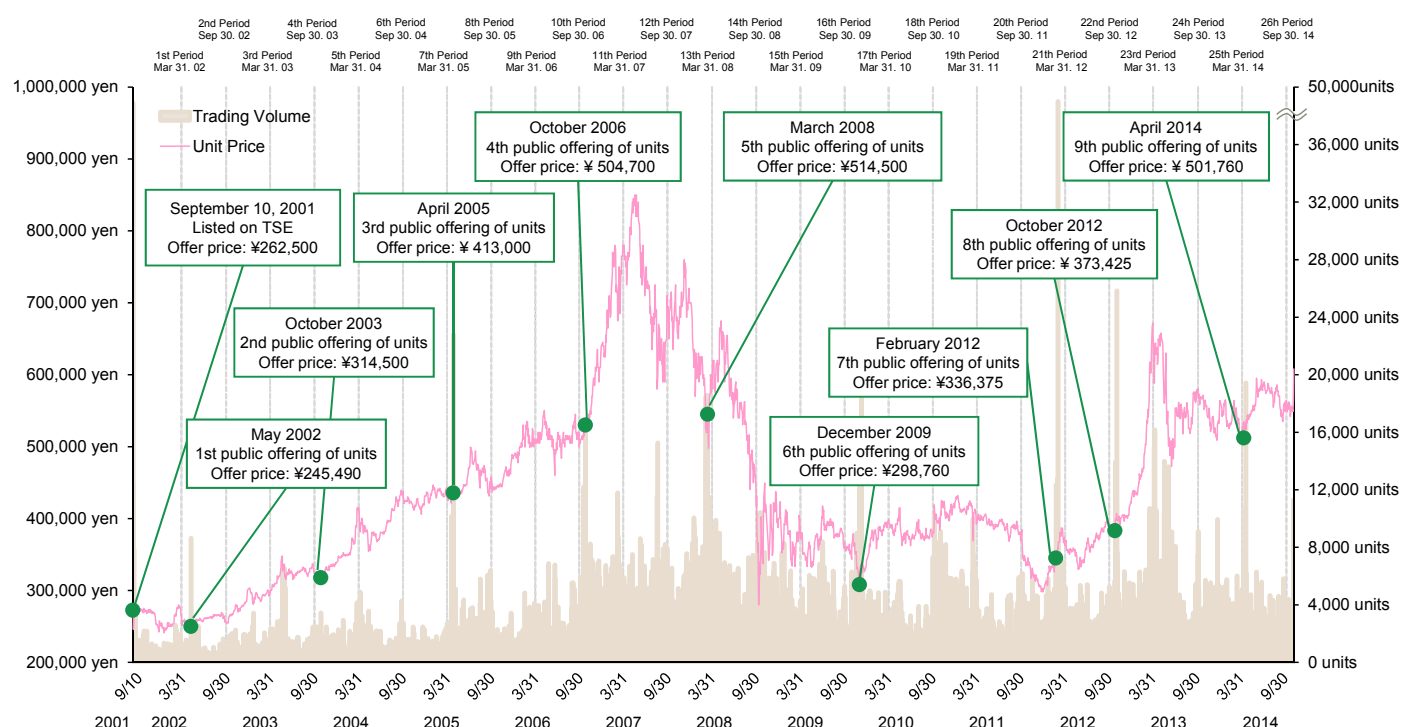
(\*c) Expense (reflected in capital gain/loss as transfer expense)

(\*2) Total assets are a simple 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.

# Unit Price Performance ① (After IPO)

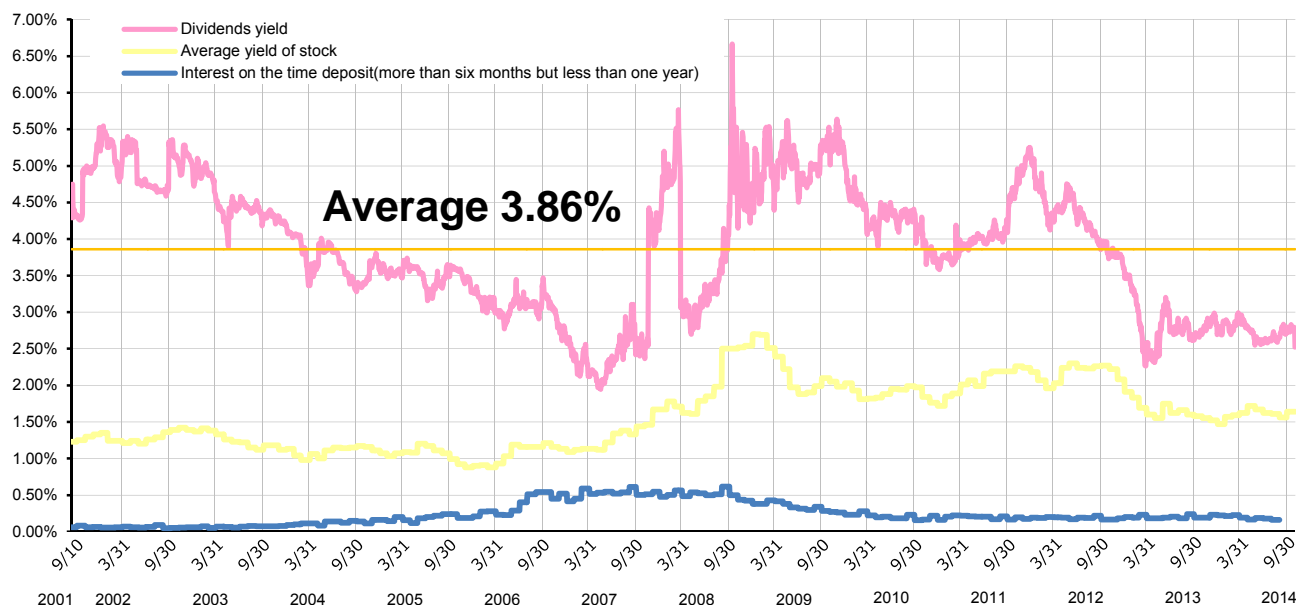
## ◆ Unit Price Performance



\* Unit prices are based on daily closing prices.

\* JRE has conducted 2-for-1 investment unit split on January 1, 2014.  
Unit price and Offer price are all noted after the split.

## ◆ Historical Dividend Yield of JRE Unit



\* The Dividends yield is computed by annualizing the disclosed projected dividend per unit divided by the unit price (daily closing price from September 10, 2001 to October 31, 2014) .

\* The average yield of stocks is based on fixed dividends and is simple average of dividends yield of stocks listed on the 1st section of TSE on a monthly basis as of October 2014.

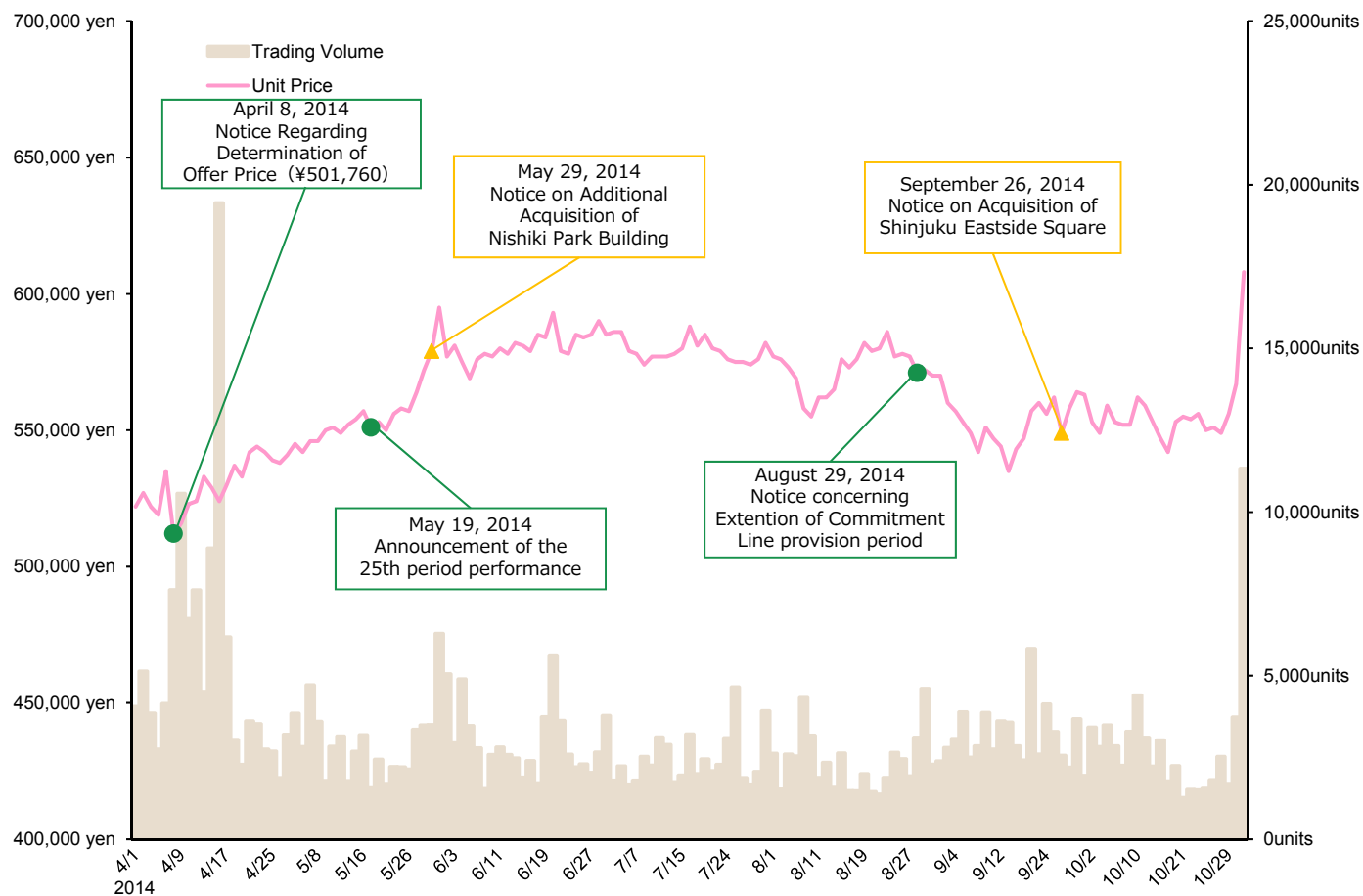
\* Interest on the time deposit (more than six months but less than one year) is on a monthly basis as of August 2014.

\* Gray lines show ex-dividend dates.

\* Source: Bank of Japan, Tokyo Stock Exchange

## Unit Price Performance ② (From the 26th Period to Date)

As of October 31, 2014



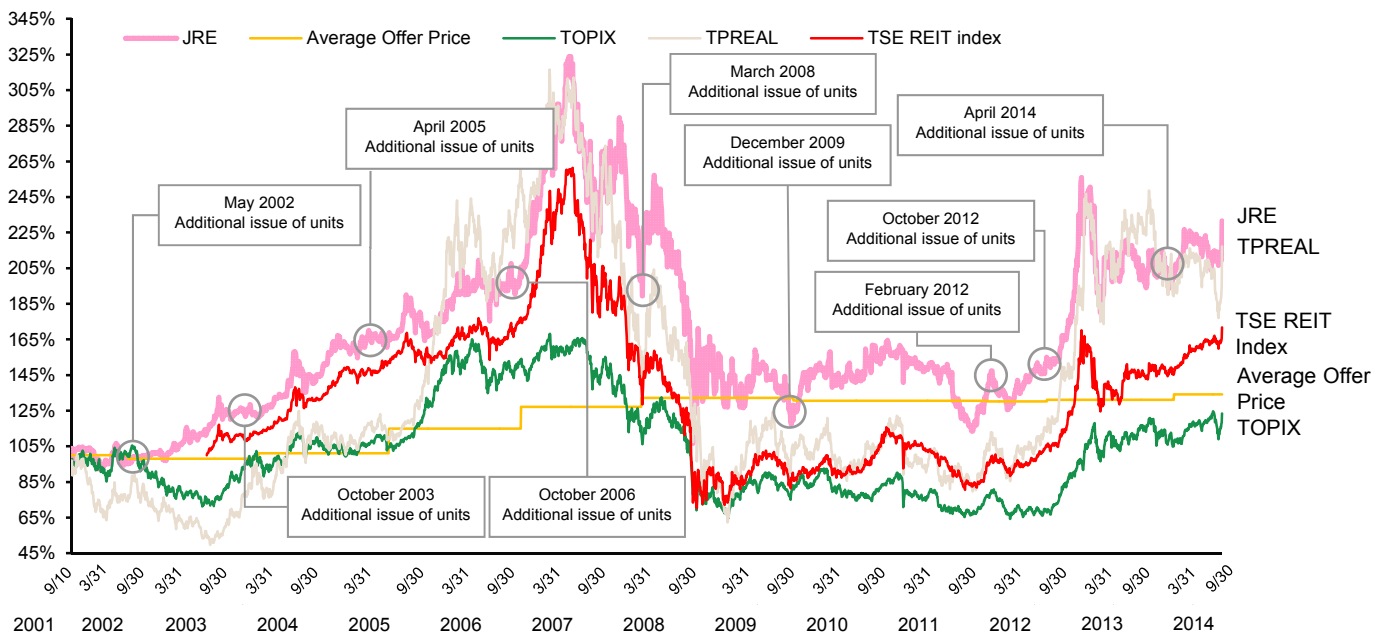
- \* Unit prices are based on daily closing prices.
- \* JRE has conducted 2-for-1 investment unit split on January 1, 2014.  
Unit price and Offer price are all noted after the split.
- \* Circles (●) show announcements of JRE's events.
- \* Triangles (▲) show announcements of acquisition and transfer.

## MEMO



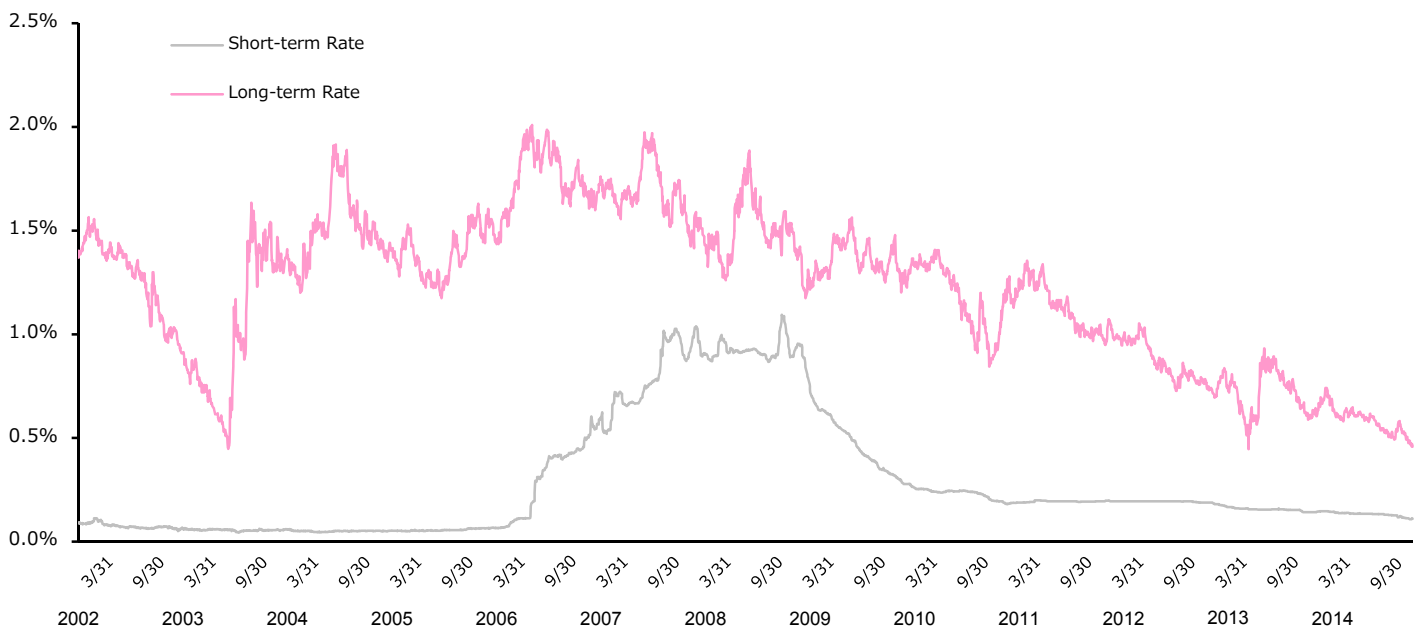
## Unit Price Performance ③ (Relative to Major Indices)

### ◆ Unit Price Performance (as of October 31, 2014)



- \* Stock 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 yen for TOPIX and 770.21 yen for TPREAL on September 7, 2001. The TSE REIT index is a ratio against the closing price on March 31, 2003.
- \* TPREAL (TOPIX Real Estate Index) is a weighted index designed to measure the performance of the real estate sector of the TOPIX index.
- \* Stock prices are based on the closing prices of each day.
- \* The stock price performance above is historical and not an indication of future performance.

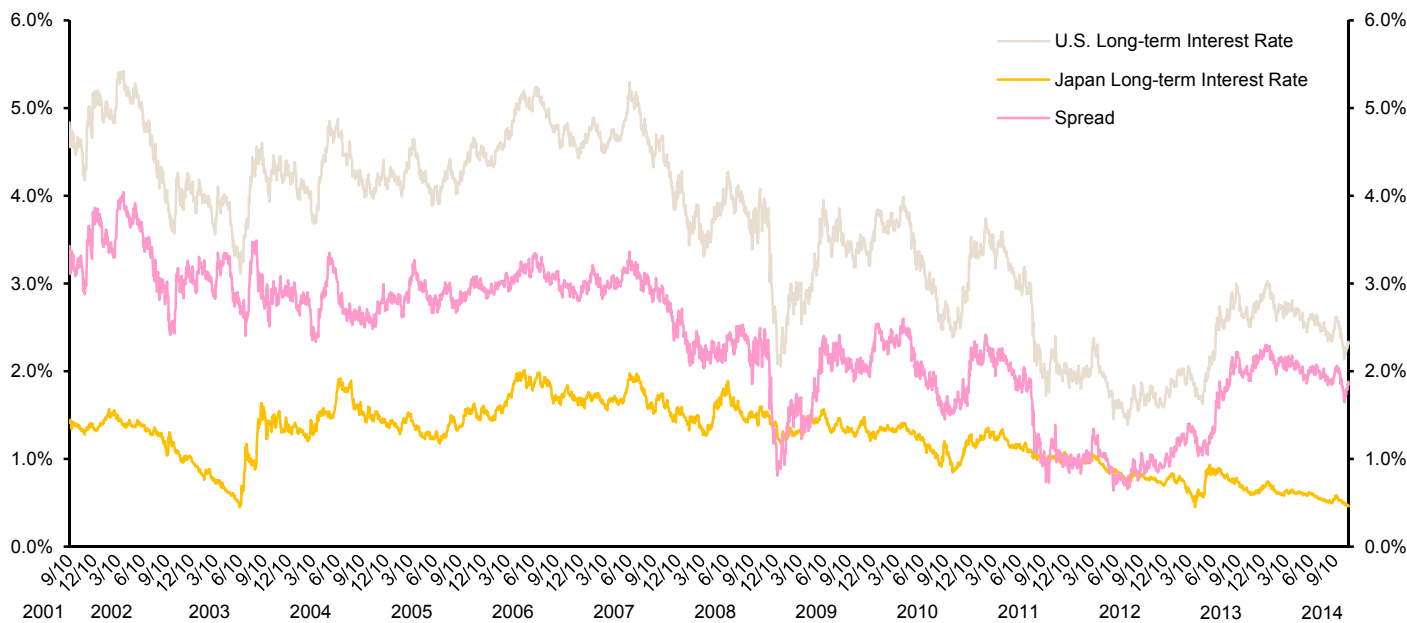
### ◆ Change in Long- and Short-term Interest Rates



- \* Long-term rate is based on 10-year JGB yield and short-term rate is based on 3-month LIBOR.

# Interest Rate Comparison of Japan and U.S.

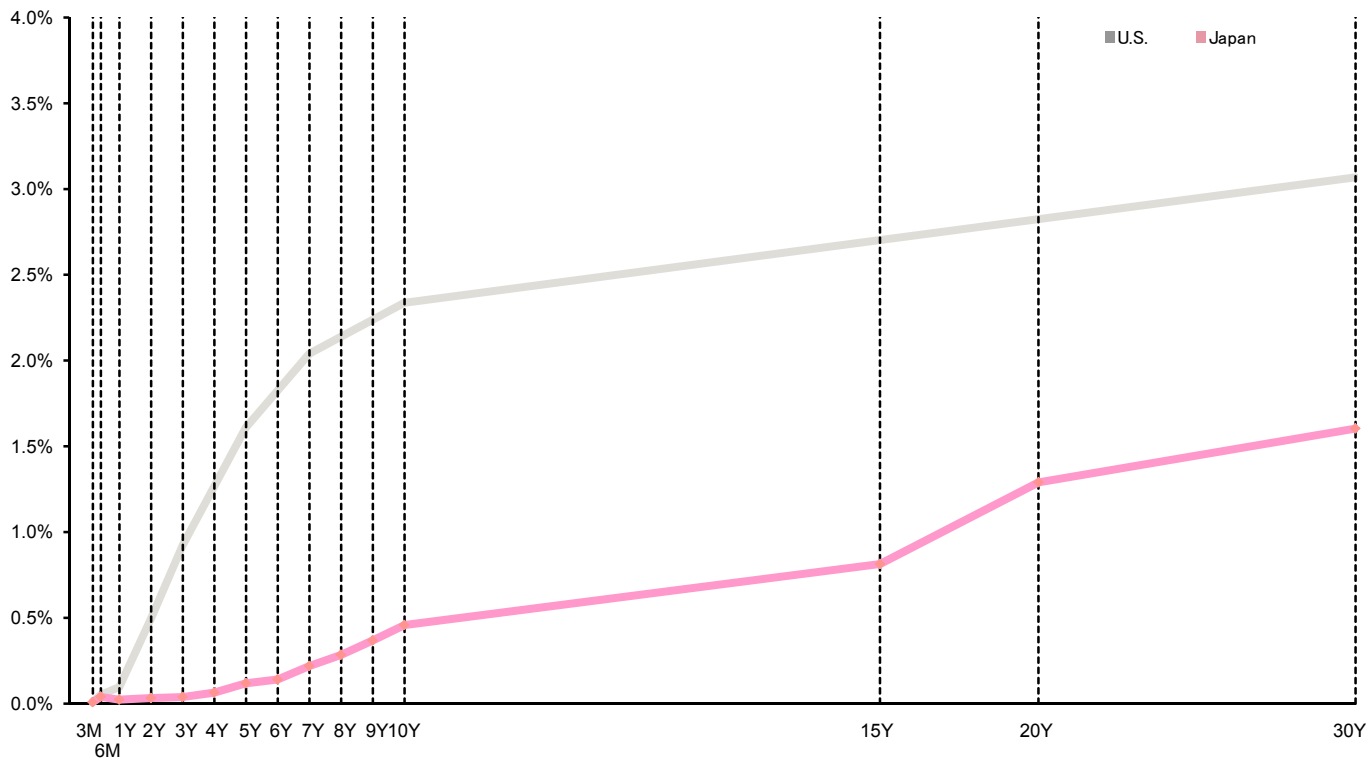
## ◆ Long-term Interest Rate Comparison of Japan and U.S. (As of October 31, 2014)



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

\* Source: Bloomberg

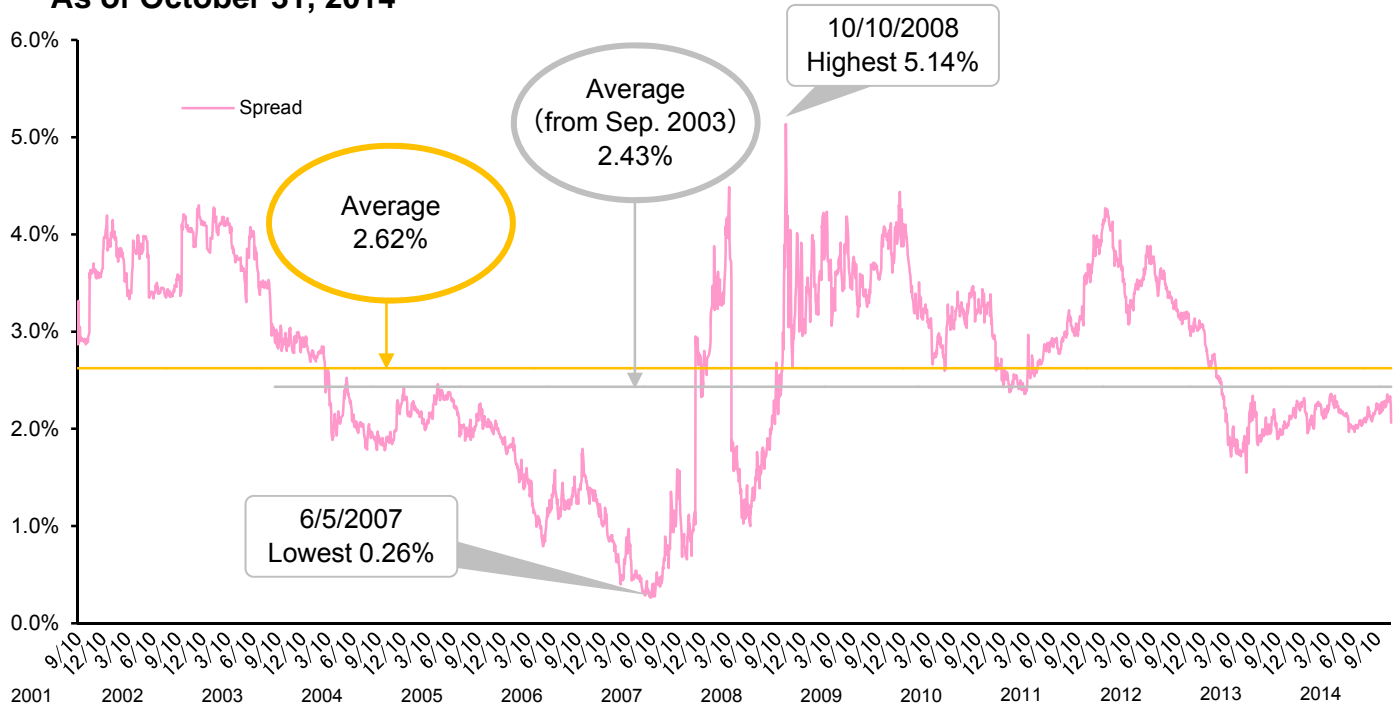
## ◆ Yield Curve Comparison of Japan and U.S. (As of October 31, 2014)



\* Source: Bloomberg

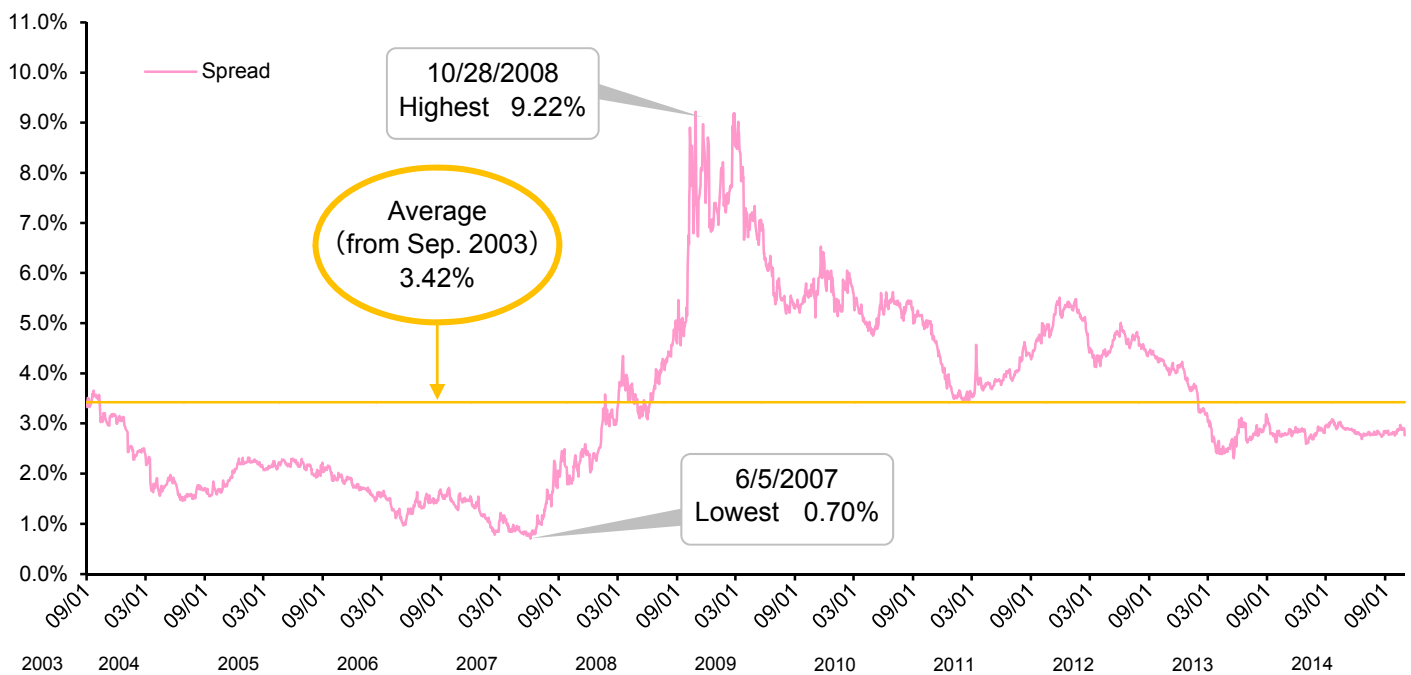
# Yield Spread Comparison

## ◆JRE Dividend Yield Spread against JGB As of October 31, 2014



\* Source: Bloomberg (dividend yield is based on forecasts)

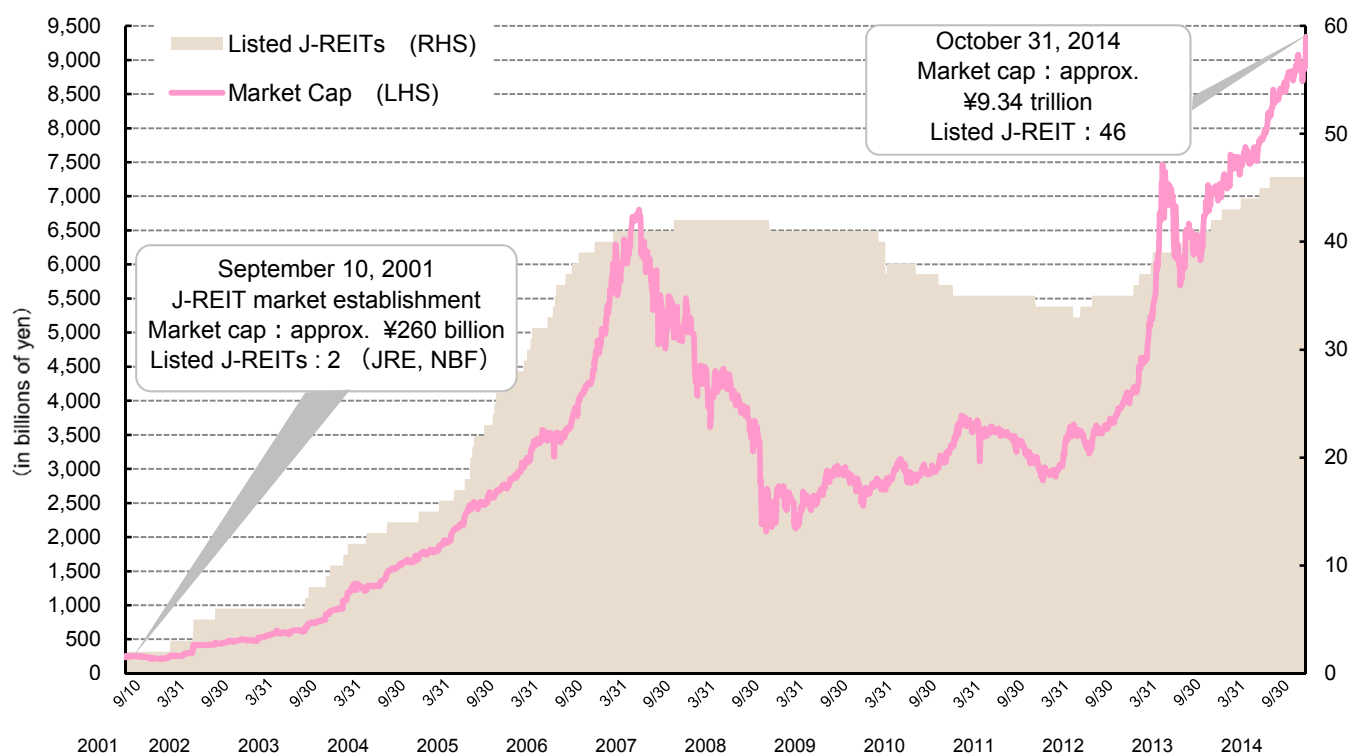
## ◆TSE REIT Dividend Yield Spread against JGB As of October 31, 2014



\* Source: Bloomberg (Calculated based on the dividend yield of TSE REIT index. Dividend yield is based on the actual performance.)

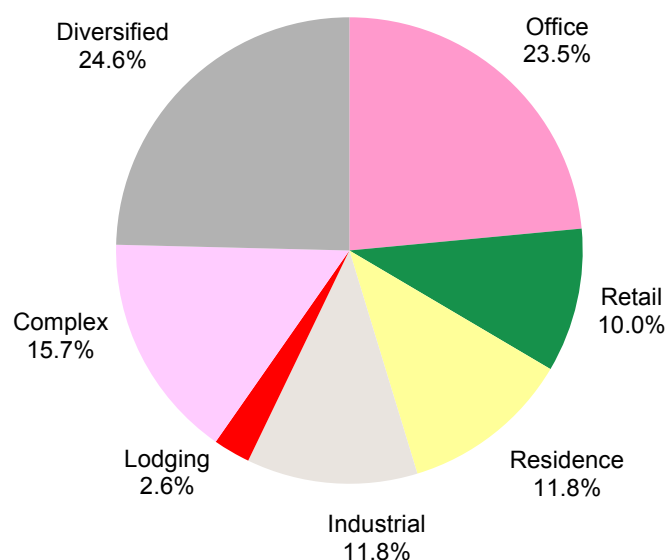
## J-REIT Market Trend

### ◆ J-REIT Market Capitalization and the Number of Listed J-REITs (As of October 31, 2014)



\* Source: Bloomberg

### ◆ Sector Breakdown by Market Capitalization (As of October 31, 2014)



\* Source: Security registration statements, financial statements and websites of each J-REITs.

\* "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.

# Introduction of JRE Website

<http://www.j-re.co.jp/english/>

## <Main Functions>

The screenshot shows the JRE website homepage. At the top, the JRE logo and name 'Japan Real Estate Investment Corporation' are displayed. Navigation tabs include 'JRE Information', 'Portfolio', 'Investor Relations', and 'News Releases'. A large illustration depicts a cityscape with a tree and people. Below this, a 'What's New' section lists recent news items with dates and titles. On the right, a 'JRE Latest Data' sidebar provides key metrics as of November 4, 2011.

Number of Properties	56
Asset Size	¥657,863 million (Total Acquisition Price)
Occupancy Rate	as of September 30, 2011: 94.6%
Dividend per Unit	
20th Period (September 30, 2011)	Dividend (Forecast): ¥15,740
19th Period (March 31, 2011)	Dividend (Actual): ¥15,642

Below the main content, there are links for 'To Individual Investors' (Strength of JRE, Financial Results/Dividends, Occupancy Rate) and 'What's New' (Back Issues, RSS). At the bottom right, there are links for 'Stock Quotation (TSE code 8952)' and 'Property Data Download (631KB)'.

"JRE Information" contains organizational structure and management policy, "Portfolio Information" includes locations of properties and occupancy rate, and "Investor Relations" contains news releases and other disclosure information.

The latest data is always shown on the right. You can easily check the latest information on forecast dividends, etc

JRE's disclosed data can be downloaded in Excel file format.

## Disclaimer on 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 (J-Rea) 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 on Translation

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 translation. The original Japanese documents shall take precedence in the event of any discrepancies arising from the translations or interpretations contained in this report.



Issued on November 17, 2014





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