



Japan Real Estate Investment Corporation

# Performance Review

for Fiscal Period Ended March 31, 2018

May 15, 2018



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# Summary (Financial Results for Mar. 2018 period)

**DPU**

**JPY 9,336**

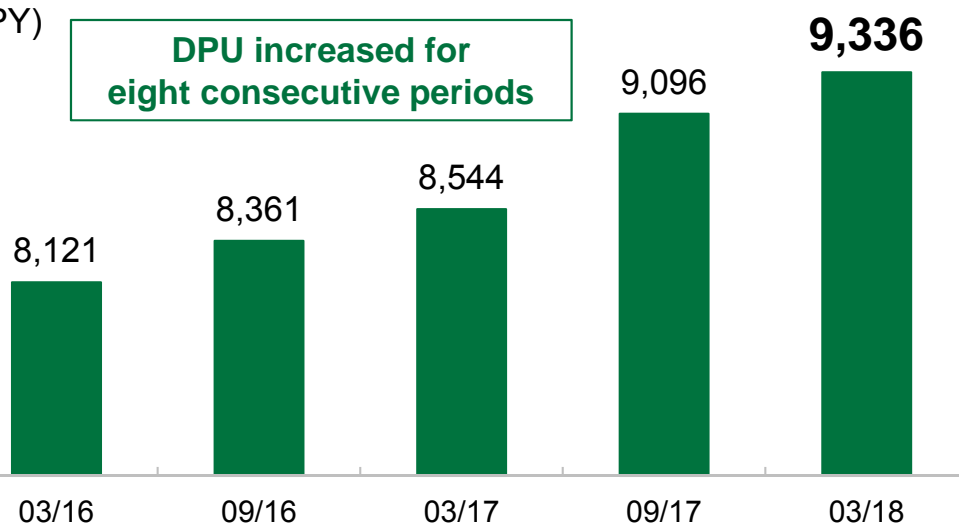
(vs. Sep. 2017 period: **+JPY 240 +2.6%**)

(vs. forecast announced in November 2017:

**+JPY 236 +2.6%**)

(JPY)

**DPU increased for  
eight consecutive periods**



## Internal Growth

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

## External Growth

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

## Financial Strategy

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

# Summary (The 11th Public Offering)

## Outline of PO

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

## Before and After PO

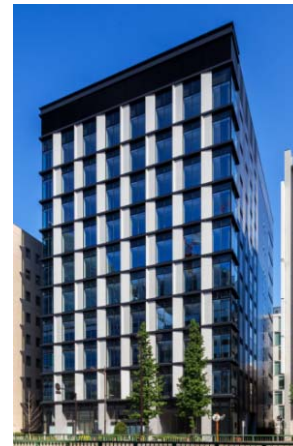
	30 September 2017	After the PO
Total acquisition price	JPY 955 billion	<b>JPY 1.0152 trillion</b>
Average building age	18.0 years	<b>16.9 years</b>
LTV	41.4%	<b>c. 40.5%</b>

## Use of funds

**Acquisitions** JPY **68 billion** in total  
- Acquired three competitive properties located in Tokyo  
5 central wards -

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

※NOI is our estimate when stabilized.





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# Financial Results for Mar. 2018 period

vs. Sep. 2017 period Actual

(In millions of JPY)

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

Main factors affecting increase and decrease

## ■ Operating revenues

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

## ■ Operating expenses

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

## ■ Non-operating expenses

- Interest expenses -35M

# Financial Results for Mar. 2018 period

## vs. Forecasts

(In millions of JPY)

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

## Main factors affecting increase and decrease

### ■ Operating revenues

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

### ■ Operating expenses

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

### ■ Non-operating expenses

- Interest expenses -9M

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# Performance Forecast for Sep. 2018 period

vs. Mar. 2018 period Actual

(In millions of JPY)

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

Main factors affecting increase and decrease

## ■ Operating revenues

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

## ■ Operating expenses

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

# Performance Forecast for Mar. 2019 period

vs. Sep. 2018 period Forecast

(In millions of JPY)

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

Main factors affecting increase and decrease

## ■ Operating revenues

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

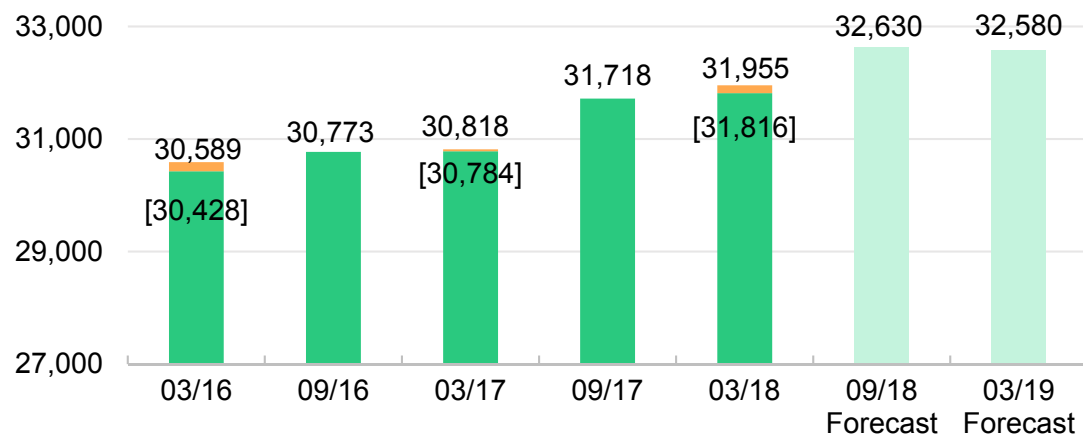
## ■ Operating expenses

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

# Summary of Performance Indices

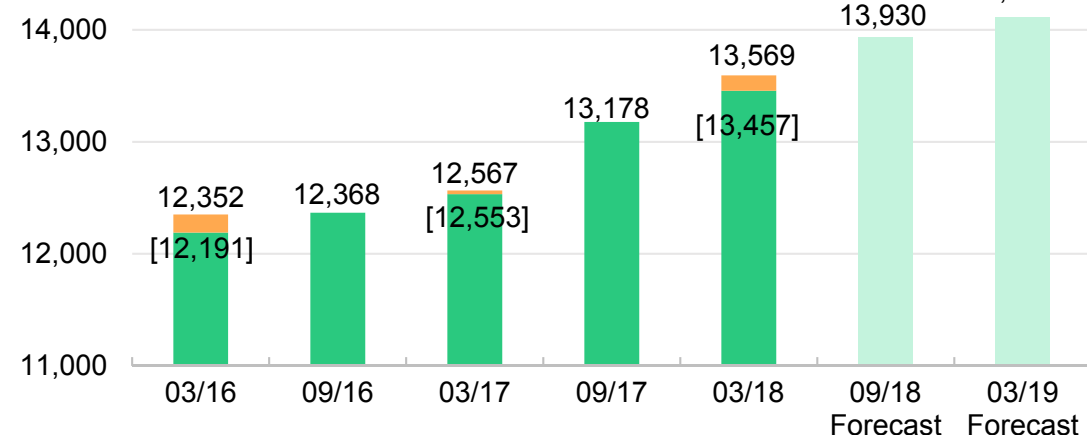
## 〈Operating revenues〉

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



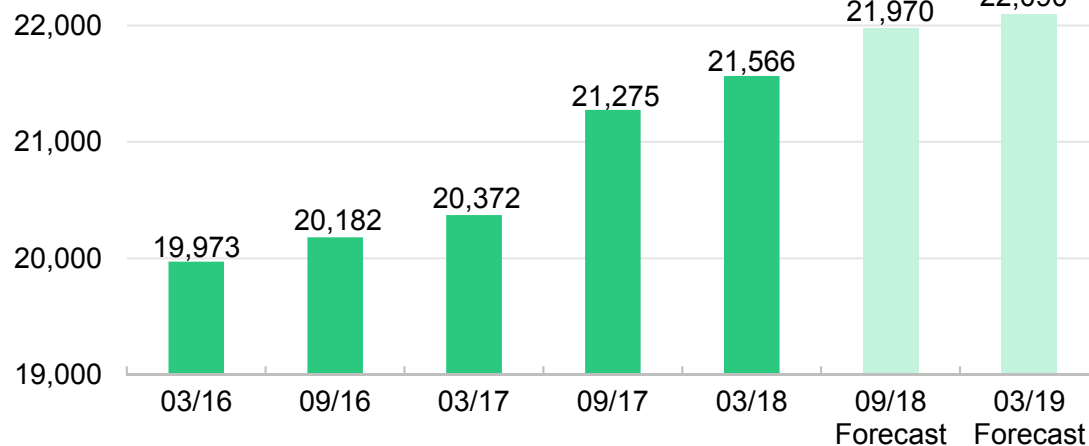
## 〈Operating profit〉

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



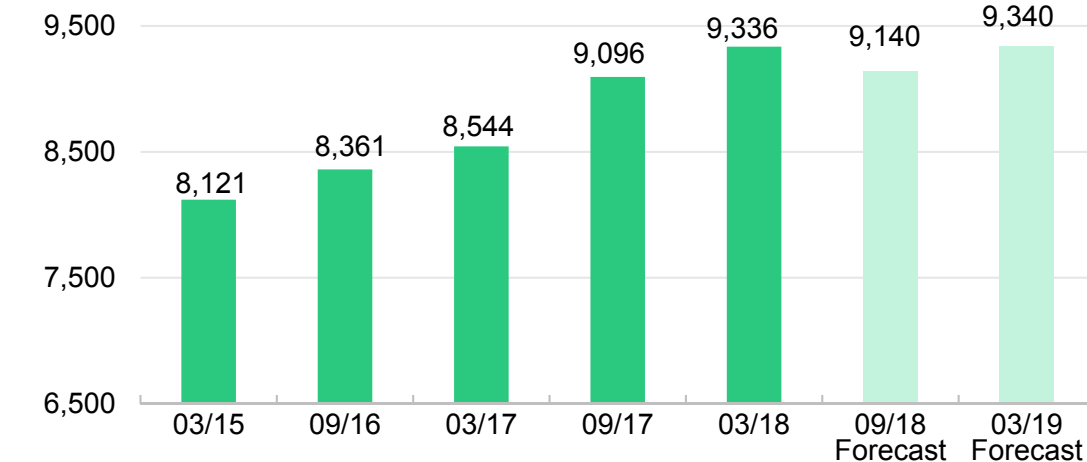
## 〈NOI〉

(In millions of JPY) ■ NOI



## 〈DPU〉

(In millions of JPY) ■ DPU



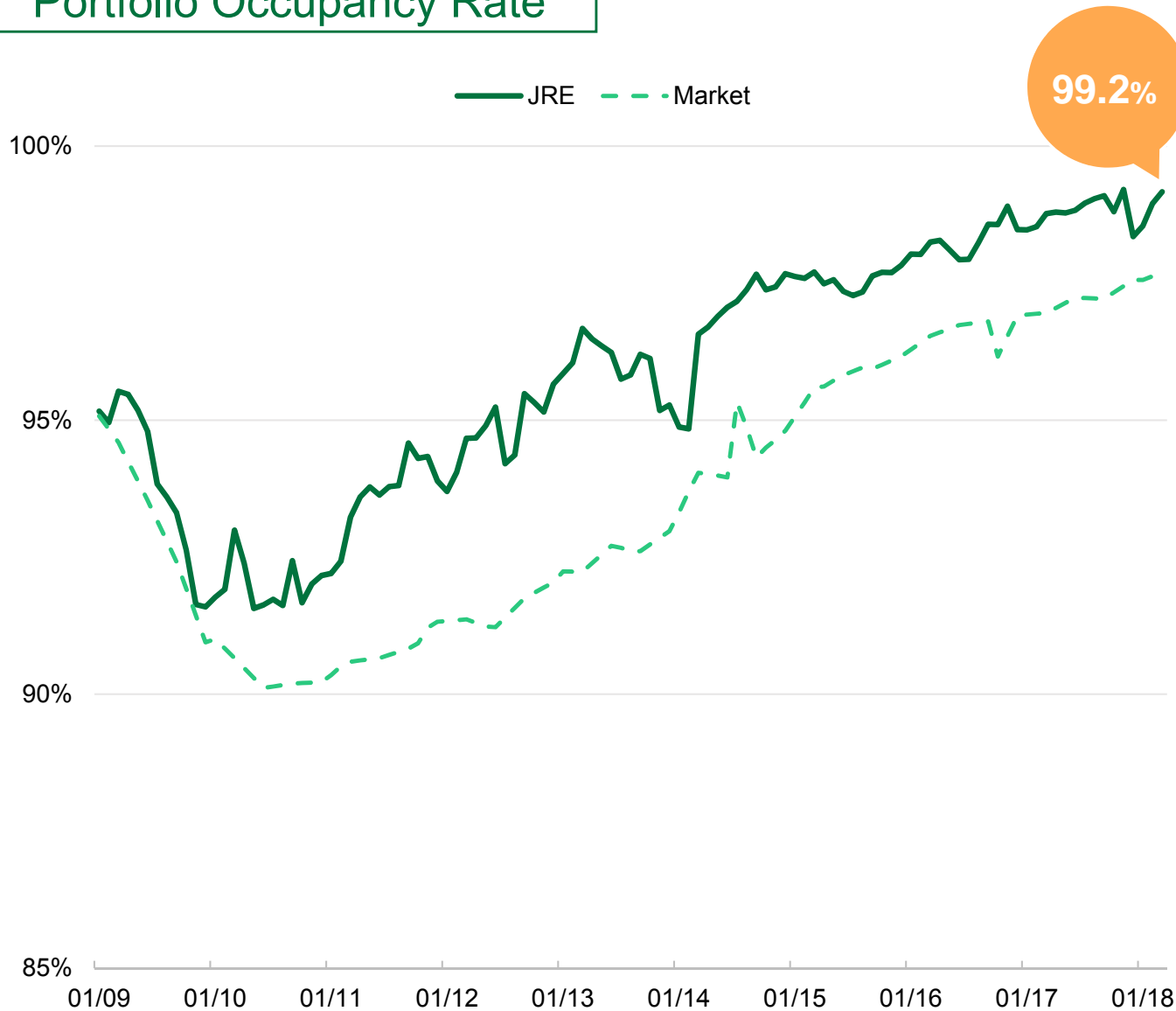
※ Amounts in [ ] do not include gain on sales

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# Internal Growth

## Portfolio Occupancy Rate



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

※Source: CBRE

# Net Increase of Monthly Contract Rent

Monthly contract rent as of 31 March 2018

**JPY 4,697 million**

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

External Growth

**-JPY 58 million**

Property Acquisitions: **+163**

Property Disposals: **-221**※

Internal Growth

**+JPY 3 million**

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

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

Monthly contract rent as of 30 September 2017

**JPY 4,752 million**

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

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

# Market Rent of the Portfolio reported by CBRE

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

**32** out of **61** properties

## Tokyo Central 5 Wards

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

## Other Tokyo 18 Wards

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

## Other Areas

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

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

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

# Rent Gap

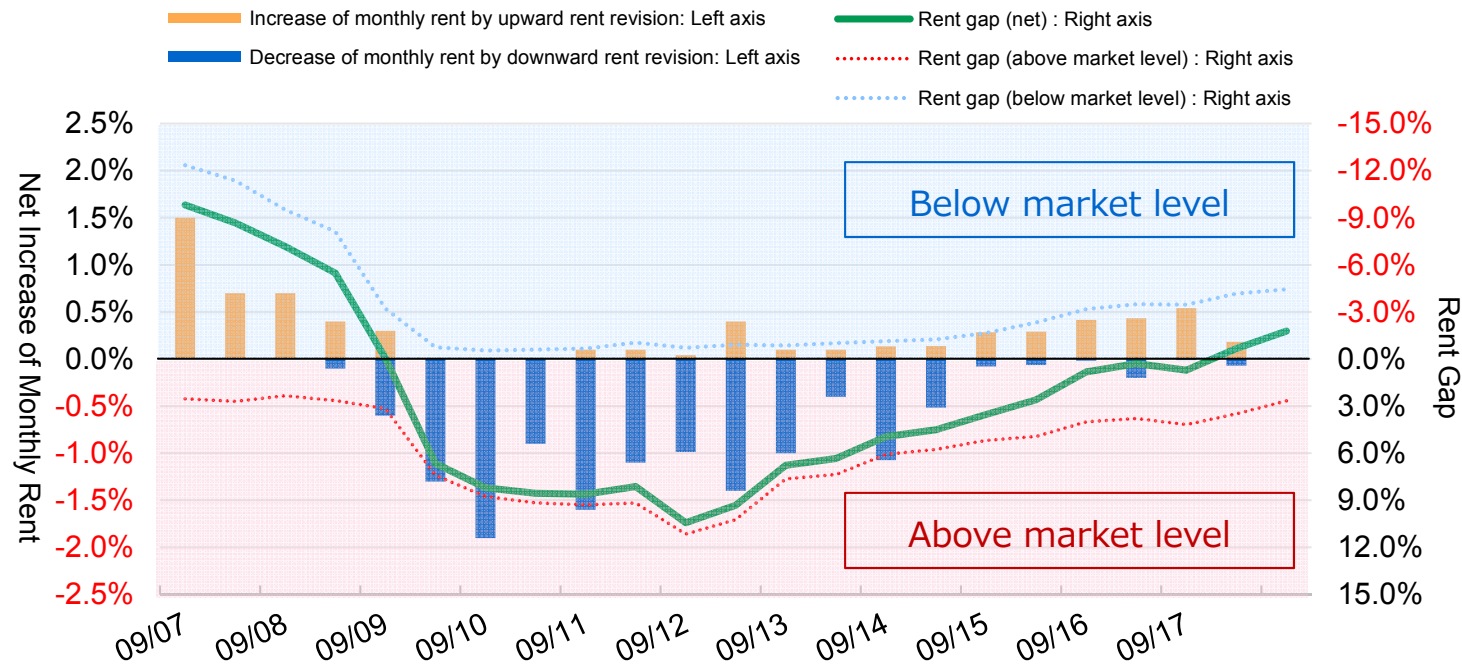
## Rent gap of overall portfolio

**-JPY 84 million**

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

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

## Trend of Rent Gap



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



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# Disposal

## Shibuya Cross Tower (Long leasehold)

### ■ Details of the property

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

Building: **Above ground: 32 floors**

Total floor area **61,862m<sup>2</sup>**

Completion: **April 1976**

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

■ Book value **JPY 9,763 million**

■ Date of disposal **18 January 2018**

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

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





# Acquisition

## Front Place Nihonbashi

### ■ Details of the property

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

Building: **Above ground: 10 floors**

Total floor area **11,672m<sup>2</sup>**

Total leasable floor area **8,468m<sup>2</sup>**

Completion: **February 2014**

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

■ Date of acquisition **19 January 2018**

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

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





# Additional Share Acquisition

## Shinjuku Eastside Square

### ■ Details of the property

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

Building: **Above ground: 20 floors**

Total floor area **167,245m<sup>2</sup> (Entire building)**

Leasable floor area **15,663m<sup>2</sup> (13.4% share)**

Completion: **March 2012**

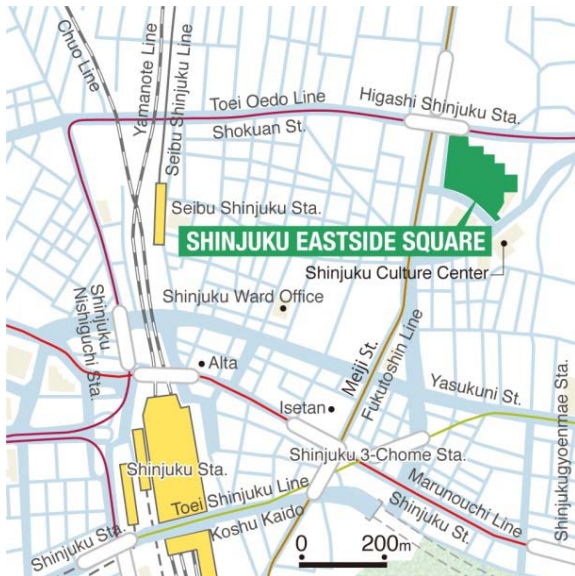
■ Acquisition price for 13.4% share **JPY 25,460 million**

(Total share JRE owns now: 31.0%)

■ Date of acquisition **30 March 2018**

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

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





# Acquisition

## Shinjuku Front Tower

### ■ Details of the property

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

Building: **Above ground: 35 floors**

Total floor area **92,092m<sup>2</sup> (Entire building)**

Leasable floor area **15,705m<sup>2</sup> (27.24798% share)**

Completion: **August 2011**

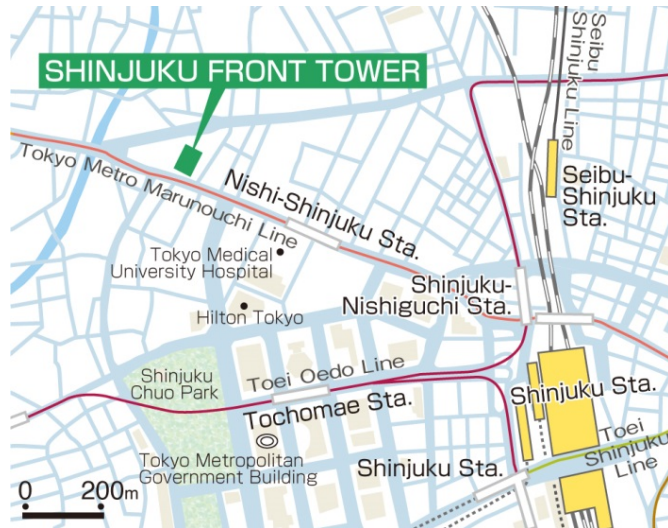
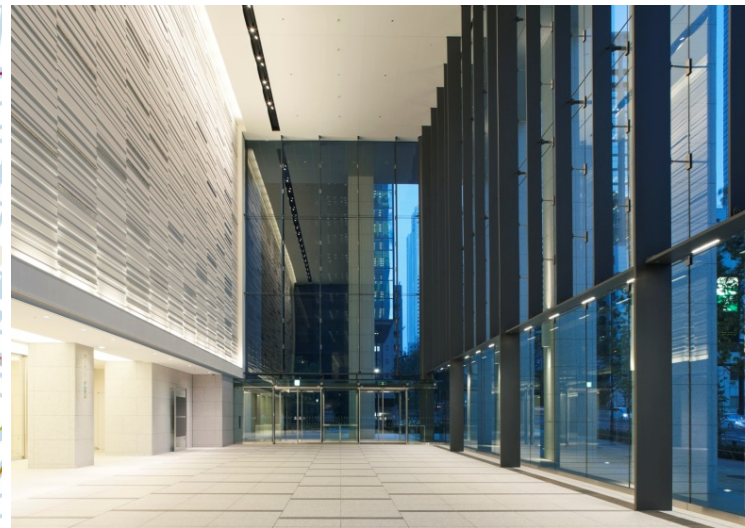
■ Acquisition price **JPY 25,025 million**

(Share of ownership: 27.24798%)

■ Date of acquisition **17 April 2018**

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

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



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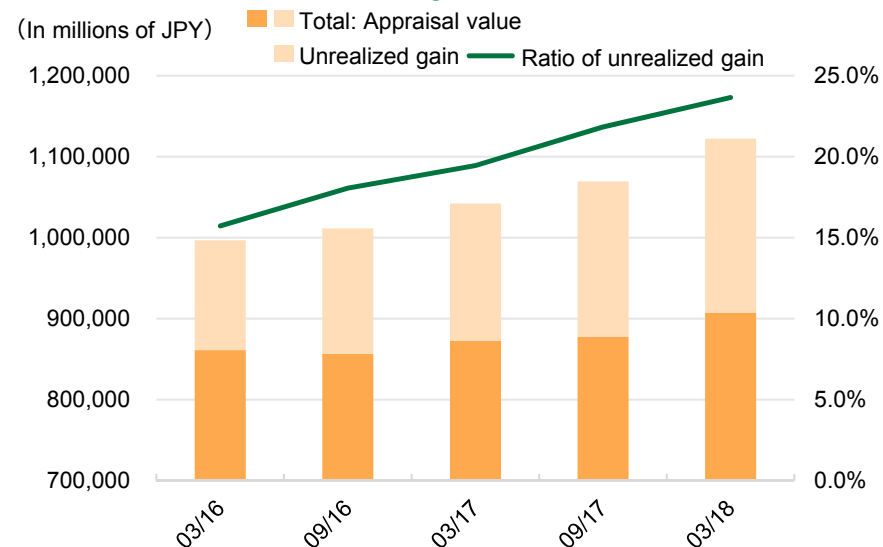
# Appraisal Values

## Summary of Appraisal Values

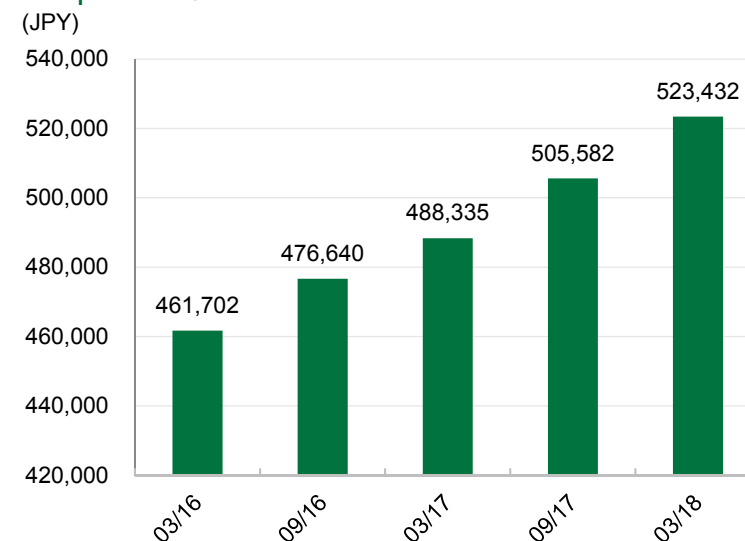
(In millions of JPY)

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

### 〈Appraisal value/unrealized gain〉



### 〈NAV per unit〉



# Financial Conditions

## Summary of Debts

(In millions of JPY)

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

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

※ Market value based LTV is calculated by appraisal value.

# Average Interest Rate and Maturity

(In millions of JPY)

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

## Recent borrowings

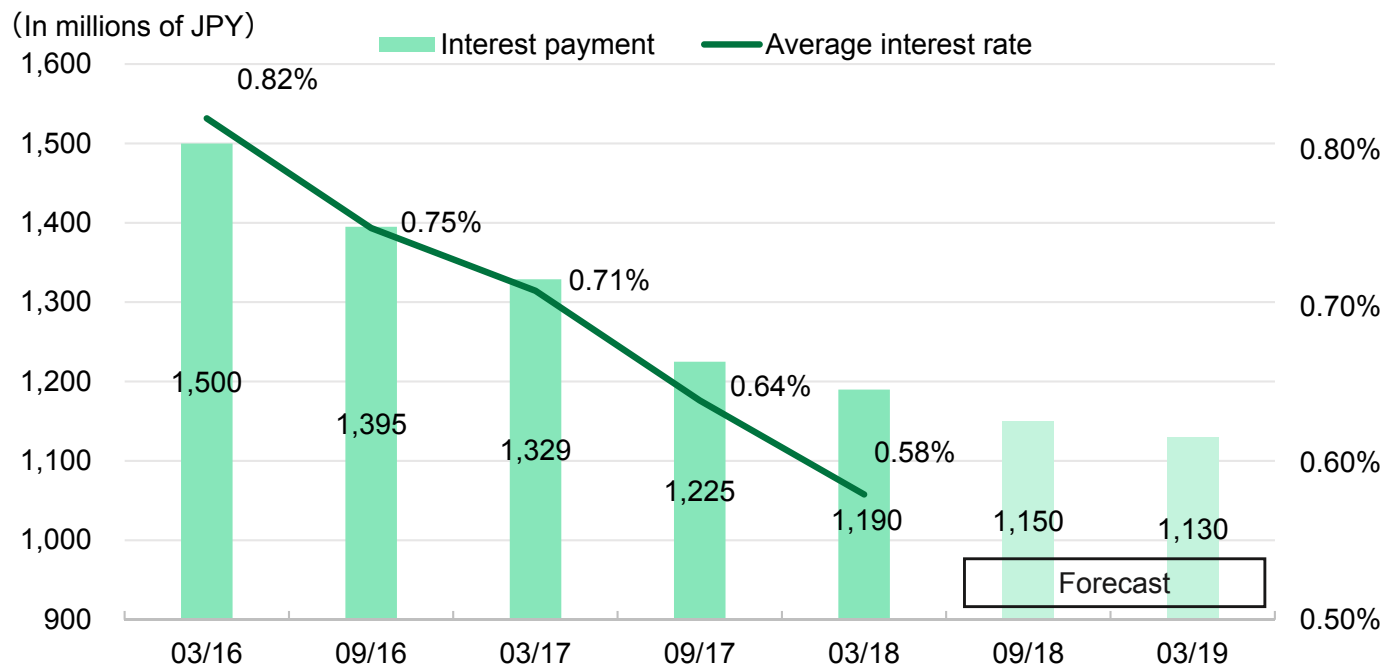
Lender **The Chugoku Bank, Limited**  
 Amount of loan **JPY 2,000 million**  
 Interest rate **0.1988% (Fix)**  
 Borrowing period **5 years**  
 Start of loan period **26 March 2018**

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

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

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

# Interest Payment



■ Moderate decline of interest payment is expected to continue.

## JRE's Credit Ratings

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

■ Maintain highest rating in J-REIT

## Topics : ESG



# Sustainability Certification

## DBJ Green Building certification

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



Otemachi FCN  
(Chiyoda-ku, Tokyo)



Shiodome Building  
(Minato-ku, Tokyo)



Shinjuku Eastside Square  
(Shinjuku-ku, Tokyo)



Harumi Front  
(Chuo-ku, Tokyo)



DBJ Green Building

DBJ Green Building 



DBJ Green Building 



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

DBJ Green Building  Properties with exceptionally high environmental & social awareness



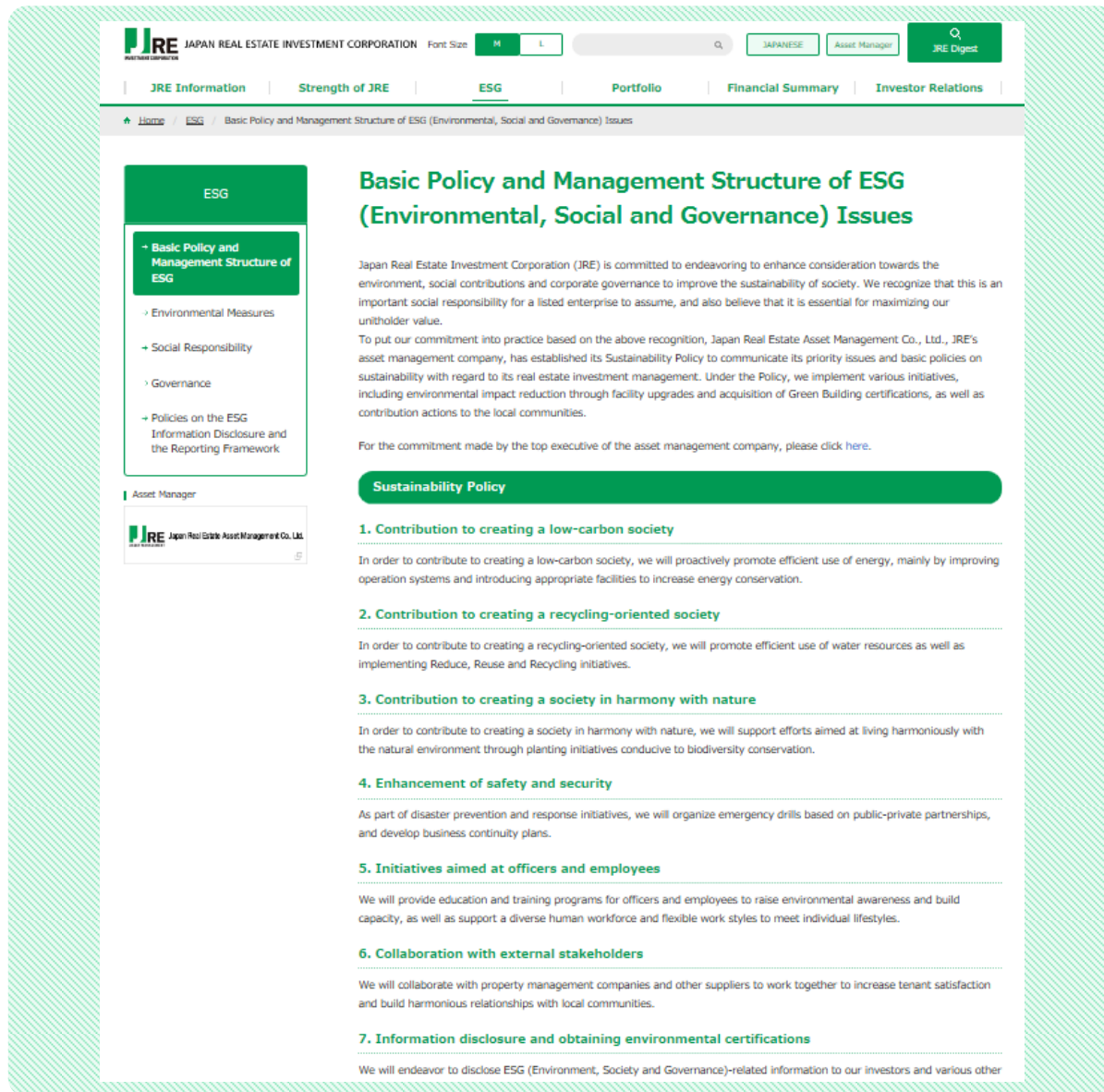
## BELS Building-Housing Energy-efficiency Labeling System

**14 buildings** certified during 2017 period.





# Enhance ESG Information Disclosure



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

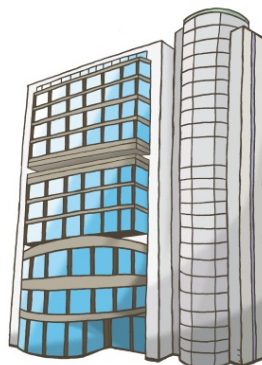
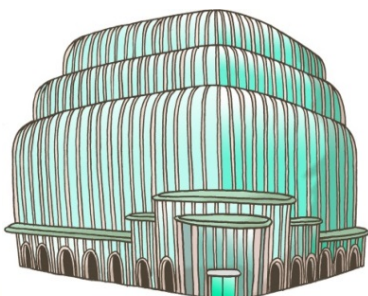
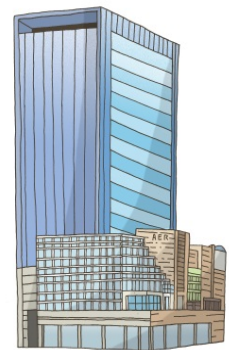
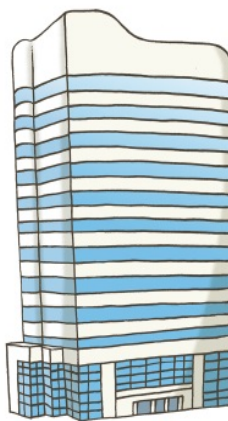
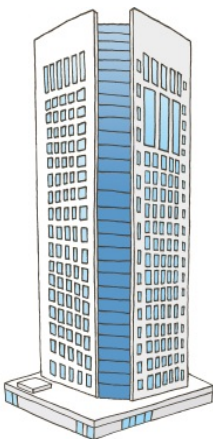
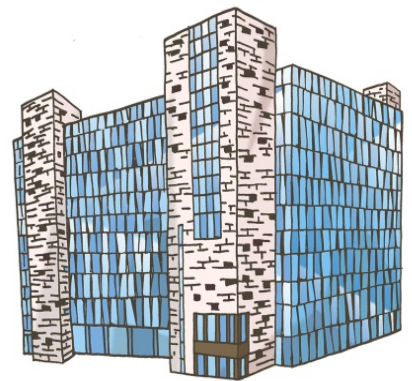
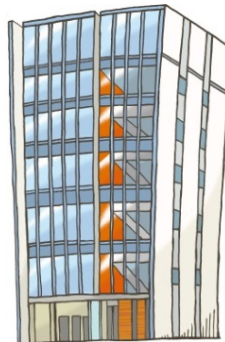
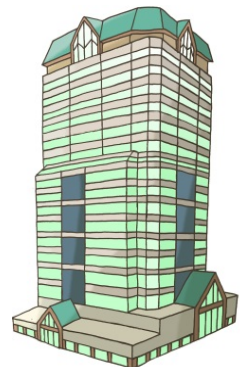
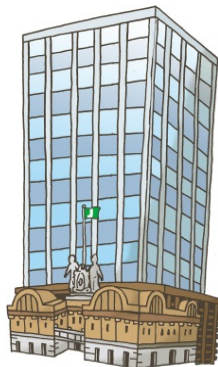
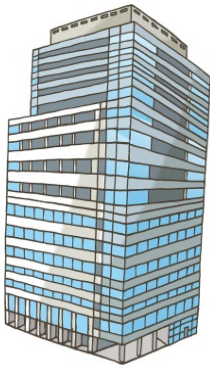


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## **Disclaimer concerning Forecasts**

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



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# Terms Used in this Report

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

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



# 1

## Financial Results and Forecasts

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# Statements of Income for the six months ended March 2018

(In millions of yen)

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

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

\*2 Excluding depreciation

\*3 Excluding gain on sales of real estate properties

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

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

(In millions of yen)

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

\*1 Excluding depreciation

\*2 Excluding gain on sales of real estate properties

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

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

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

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

# Balance Sheets as of March 31, 2018

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

(In millions of yen)

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

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

## Statements of Cash Flows

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

## Statements on the Distribution of Monies

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

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

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

## <Definition of each index>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

\* AFFO = FFO – Capital expenditures

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

# JRE's Achievement after IPO and Performance Forecasts

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



(In millions of yen)

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

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

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

Term	Sep. 2010 04/10 ~ 09/10	Mar. 2011 10/10 ~ 03/11	Sep. 2011 04/11 ~ 09/11	Mar. 2012 10/11 ~ 03/12	Sep. 2012 04/12 ~ 09/12	Mar. 2013 10/12 ~ 03/13	Sep. 2013 04/13 ~ 09/13	Mar. 2014 10/13 ~ 03/14
Operating revenues	22,112	22,135	22,829	24,059	24,222	25,357	26,225	26,582
(% change from the preceding period)	(+2.1%)	(+0.1%)	(+3.1%)	(+5.4%)	(+0.7%)	(+4.7%)	(+3.4%)	(+1.4%)
Property-related revenues	22,112	22,135	22,283	24,059	24,222	25,357	26,206	26,582
(% change from the preceding period)	(+6.5%)	(+0.1%)	(+0.7%)	(+8.0%)	(+0.7%)	(+4.7%)	(+3.4%)	(+1.4%)
Gain on disposal of unused development rights of floor area	-	-	-	-	-	-	-	-
Gain on sales of real estate properties	-	-	546	-	-	-	18	-
Dividend income	-	-	-	-	-	-	-	-
Compensation for property disposal	-	-	-	-	-	-	-	-
Operating profit	9,939	9,802	10,380	10,786	10,212	10,631	10,781	10,831
(% change from the preceding period)	(-5.7%)	(-1.4%)	(+5.9%)	(+3.9%)	(-5.3%)	(+4.1%)	(+1.4%)	(+0.5%)
Ordinary profit	8,135	7,938	8,603	8,863	8,372	8,749	9,143	9,083
(% change from the preceding period)	(-8.3%)	(-2.4%)	(+8.4%)	(+3.0%)	(-5.5%)	(+4.5%)	(+4.5%)	(-0.7%)
Profit	8,134	7,652	8,268	8,934	8,448	8,824	9,129	9,070
(% change from the preceding period)	(-8.4%)	(-5.9%)	(+8.1%)	(+8.1%)	(-5.4%)	(+4.5%)	(+3.5%)	(-0.7%)
Units outstanding	489,200 units	489,200 units	489,200 units	549,040 units	549,040 units	594,140 units	594,140 units	1,188,280 units
(Ref) Units outstanding on a post-split basis (*1)	978,400 units	978,400 units	978,400 units	1,098,080 units	1,098,080 units	1,188,280 units	1,188,280 units	-
DPU	16,628 yen	15,642 yen	15,850 yen	16,190 yen	15,700 yen	15,140 yen	15,366 yen	7,633 yen
(Ref) DPU on a post-split basis (*1)	8,314 yen	7,821 yen	7,925 yen	8,095 yen	7,850 yen	7,570 yen	7,683 yen	-
Total assets	634,974	646,847	643,949	703,085	724,851	765,628	775,066	817,130
Total net assets	332,536	332,054	332,670	372,869	372,429	405,280	405,415	405,355
Net assets per unit (*1)	339,877 yen	339,385 yen	340,014 yen	339,565 yen	339,164 yen	341,065 yen	341,178 yen	341,128 yen
Total liabilities	302,437	314,793	311,279	330,215	352,422	360,347	369,651	411,774
Interest-bearing debt	262,450	272,400	269,350	284,300	305,750	311,200	320,150	358,900
LTV	41.3%	42.1%	41.8%	40.4%	42.2%	40.6%	41.3%	43.9%
Unit price (period-end) (*1)	379,500 yen	393,500 yen	377,000 yen	364,500 yen	393,000 yen	644,500 yen	574,000 yen	518,000 yen
Market capitalization	371,302	385,000	368,856	400,250	431,545	765,846	682,072	615,529
Number of properties	55	57	56	57	58	60	62	64
Total acquisition price of properties	643,891	660,601	657,863	718,663	740,663	782,433	794,230	837,405
Total leasable floor area	567,612m²	588,984m²	584,964m²	629,761m²	645,787m²	700,759m²	713,180m²	750,956m²
Occupancy rate	92.4%	93.2%	94.6%	94.7%	95.5%	96.7%	96.3%	96.7%
Issuance of new units								
Number of newly issued units	-	-	-	59,840 units	-	45,100 units	-	-
Offer price	-	-	-	672,750 yen	-	746,850 yen	-	-
Aggregate amount of offer price	-	-	-	40,257	-	33,682	-	-
Issue price	-	-	-	652,050 yen	-	723,870 yen	-	-
Aggregate amount of issue price	-	-	-	39,018	-	32,646	-	-
Payment date	-	-	-	02/28/2012 03/27/2012	-	10/29/2012 11/28/2012	-	-

(In millions of yen)

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

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

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

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

(In millions of yen)

## Overall portfolio 70 buildings

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

(\*1) Property-related expenses include depreciation

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

Factors affecting increase and decrease in each group

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

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

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

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

### 1 building

Shiodome (additional acquisition)

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

## Acquired during Mar. 2018 period

### 2 buildings

FP Nihonbashi  
Shinjuku Eastside  
(additional acquisition)

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

## Disposed during Mar. 2018 period

### 1 building

Shibuya Cross Tower

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

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

(In millions of yen)

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

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

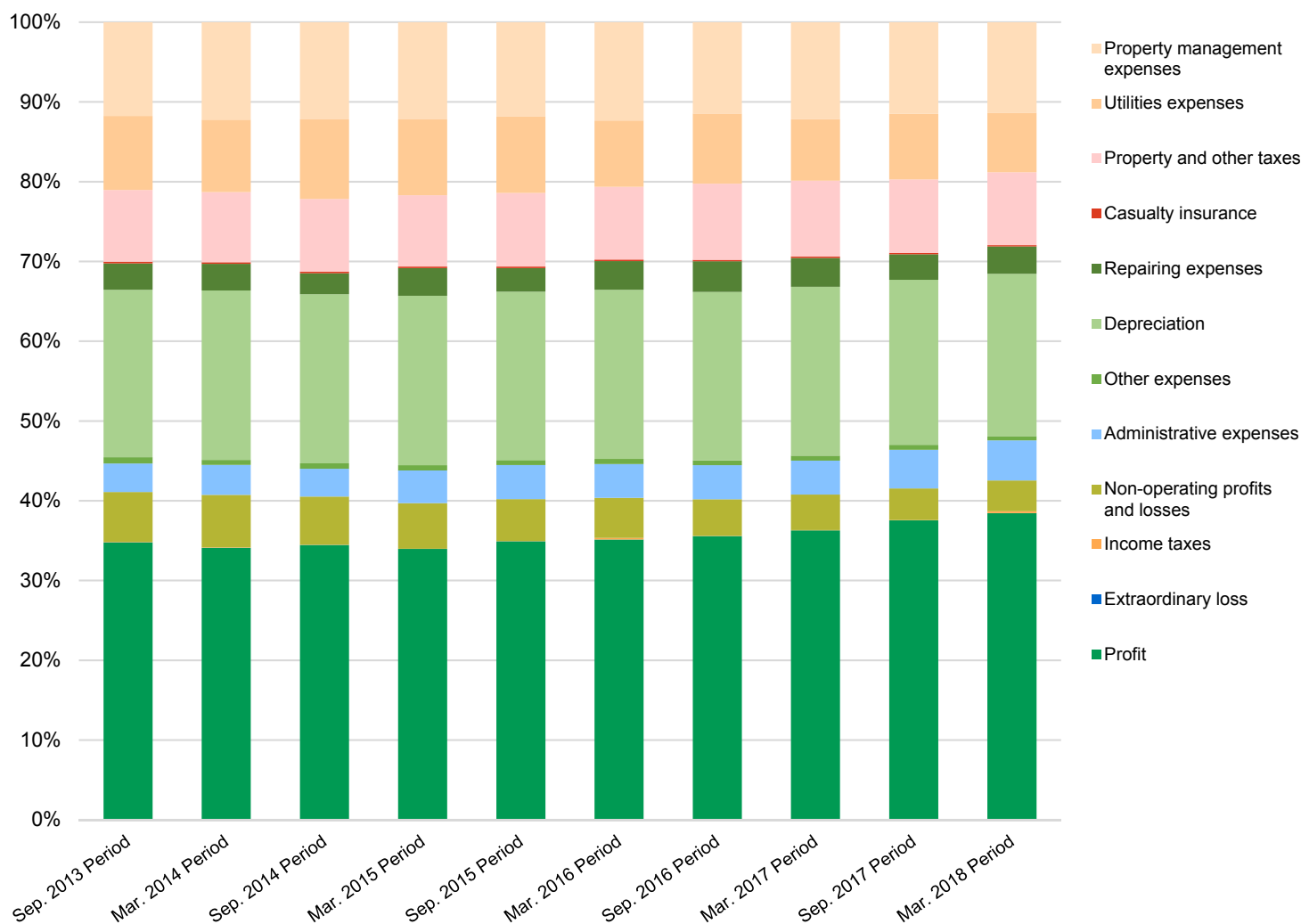
(\*) Comparison made from the second term after the full term operation (6 months) on condition of the same shares.



# Operating Expenses, etc. as a Percent of Operating Revenues

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

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



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

## JRE's Renovation Work

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

## Construction Costs and Depreciation (Actual)

(In millions of yen)

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

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

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

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

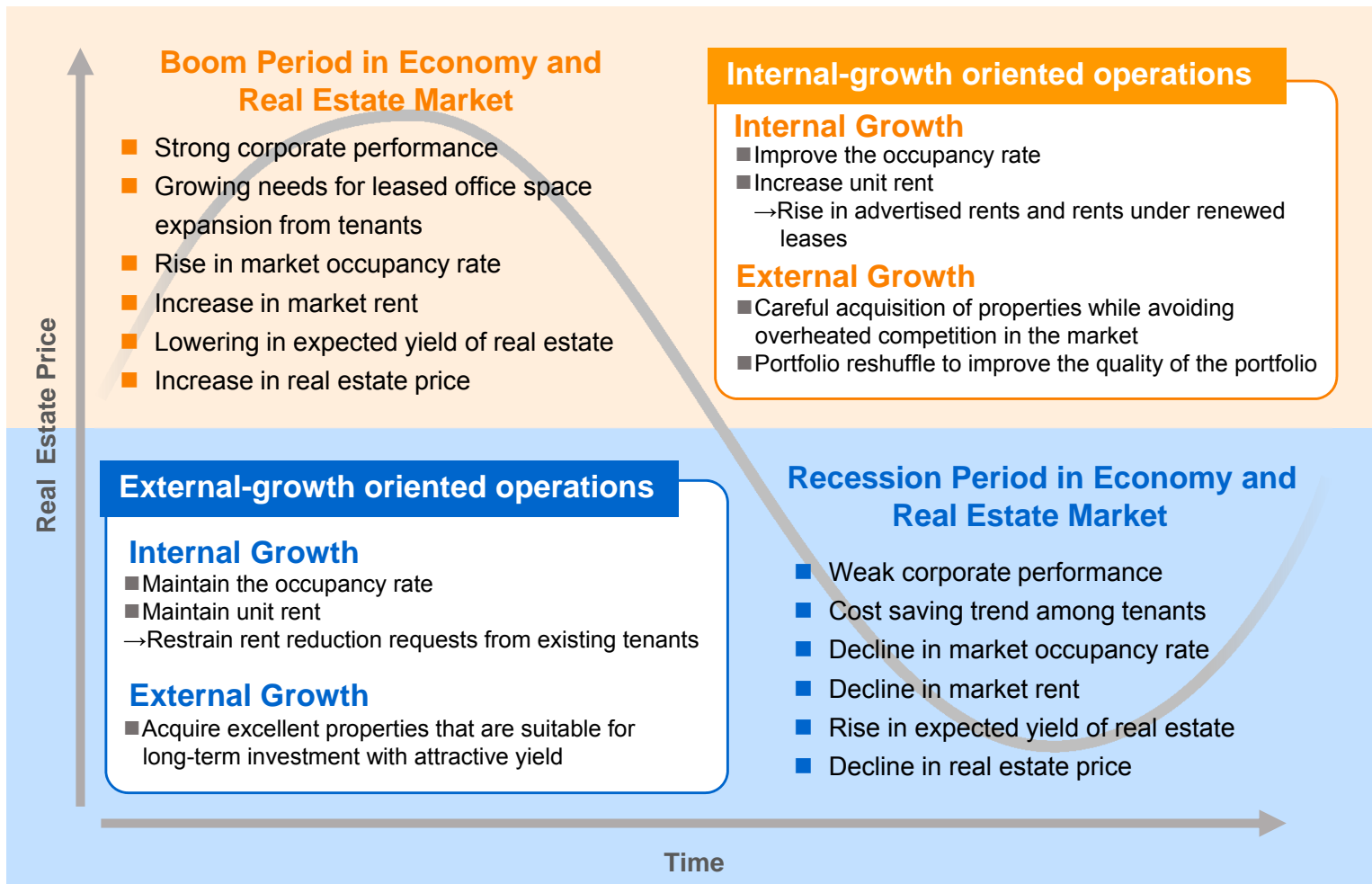
## Capital Expenditure and Depreciation (Forecast)

(In billions of yen)

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

# JRE Growth Strategy

## Market Environment and Growth Strategy (Image)



## MEMO

## External Growth

**Steady external growth with a focus on quality**

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

## Internal Growth

**Internal growth by our continuous efforts since IPO**

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

## Financial Strategy

**Sustain and enhance financial stability**

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

MEMO

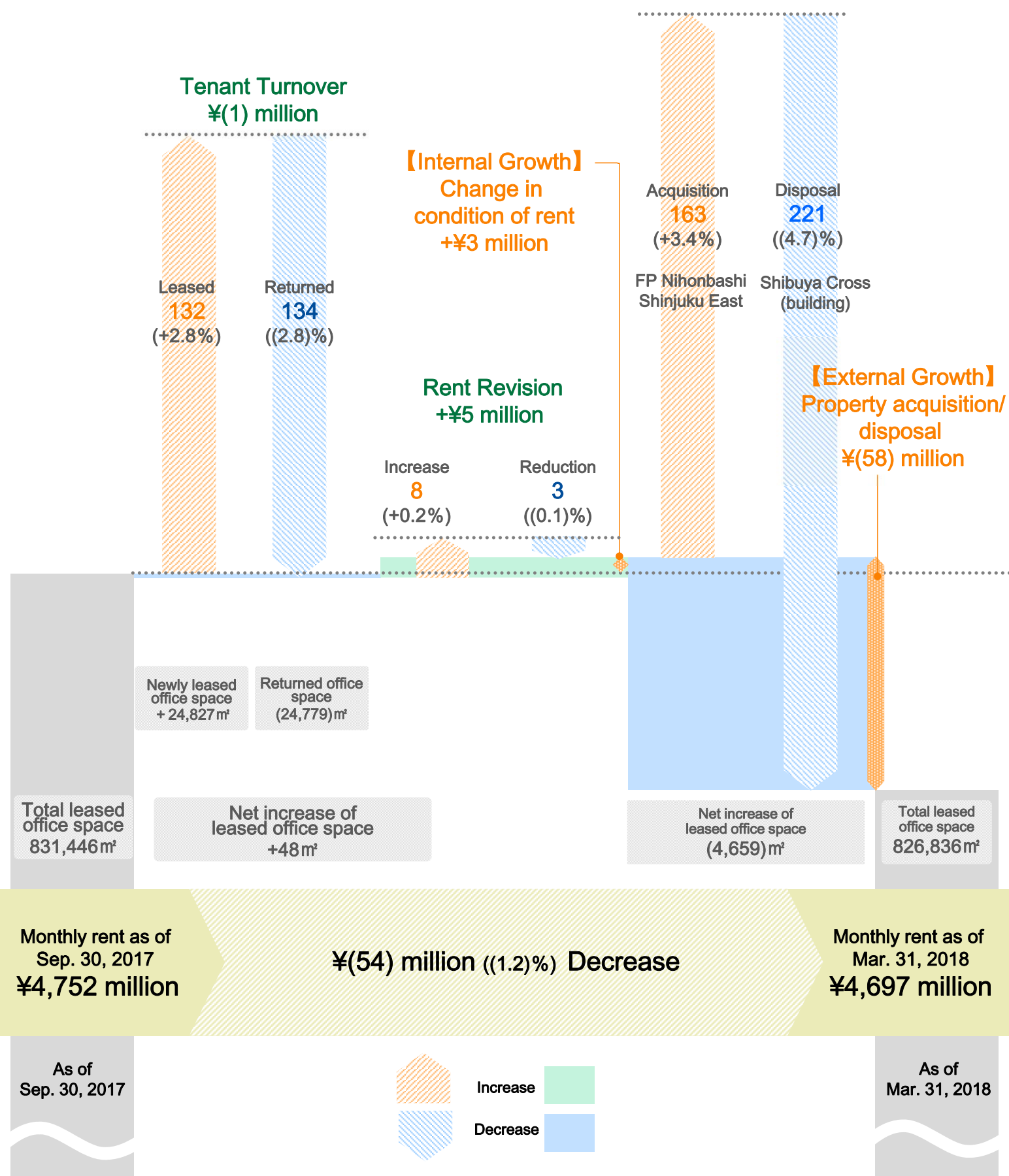


## 2 Internal Growth

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# Factors in the Net Increase of Monthly Contract Rent

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



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

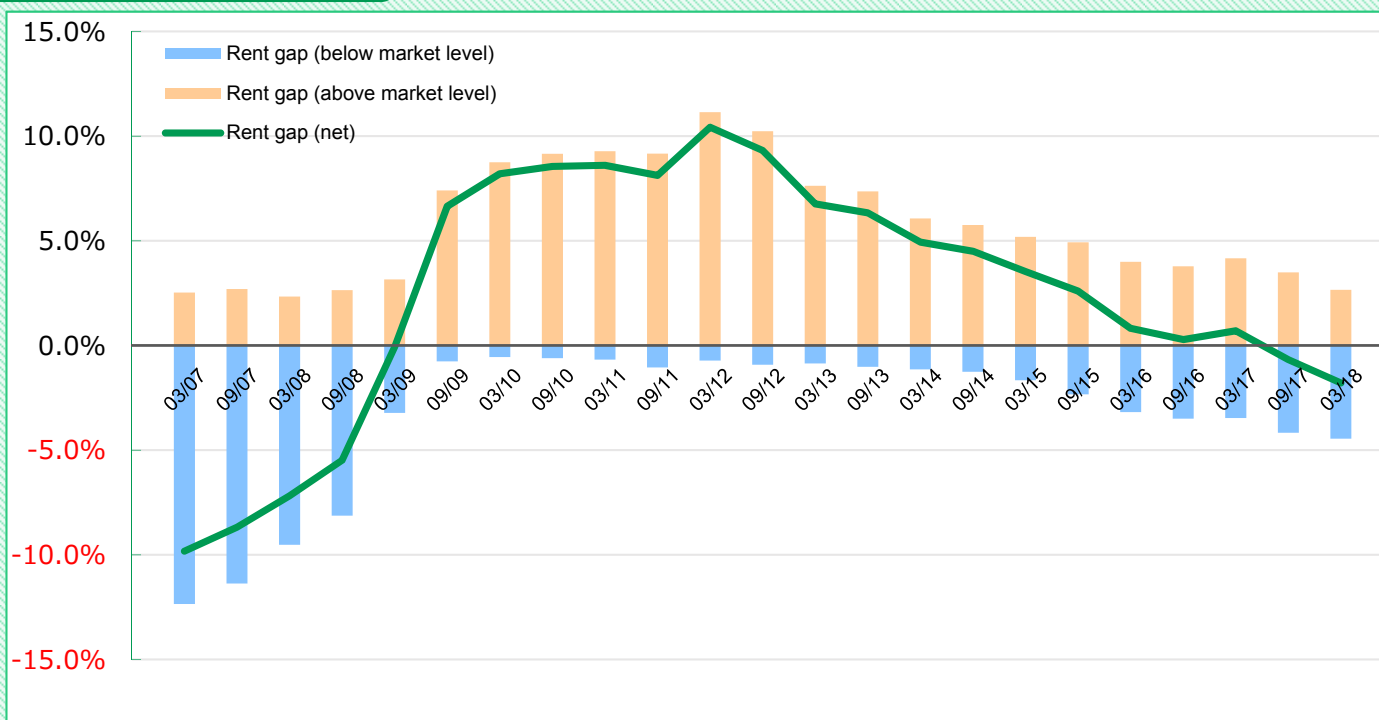
# Rent Gap and Type of Lease Agreement

## Rent gap of overall portfolio

**-¥84 million**

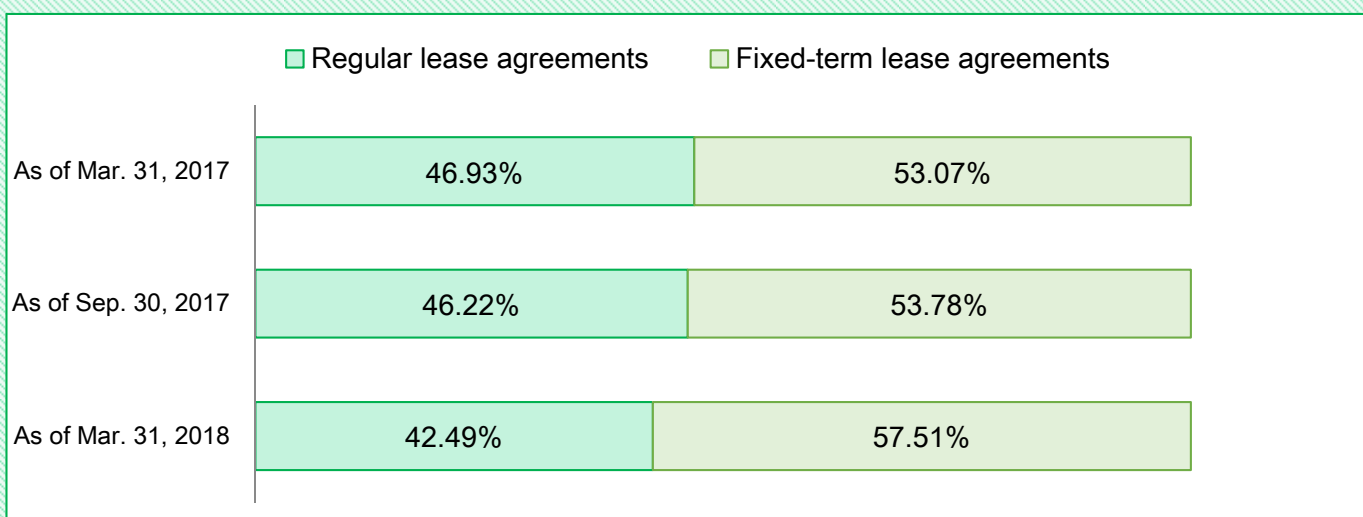
Gap Ratio : **-1.8%** (Below market level)

### Trend of Rent Gap



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

### Breakdown of Type of Lease Agreement



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

# Trend of Market Rent Level

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

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

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

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

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

Assessed rent increased compared to the preceding assessment

Assessed rent decreased compared to the preceding assessment

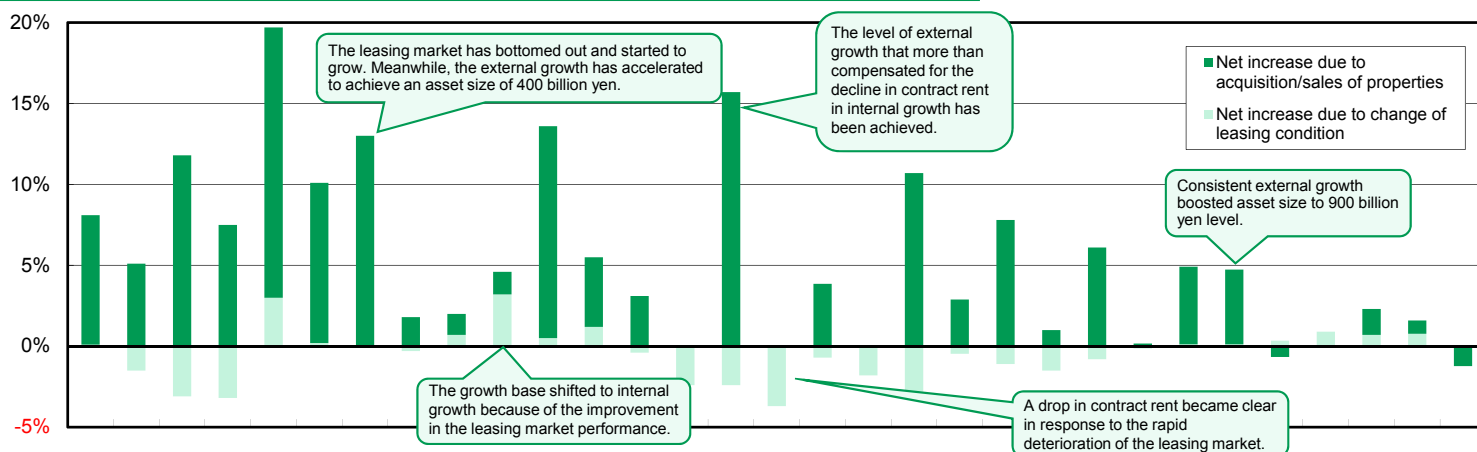


# Net Increase of Monthly Contract Rent

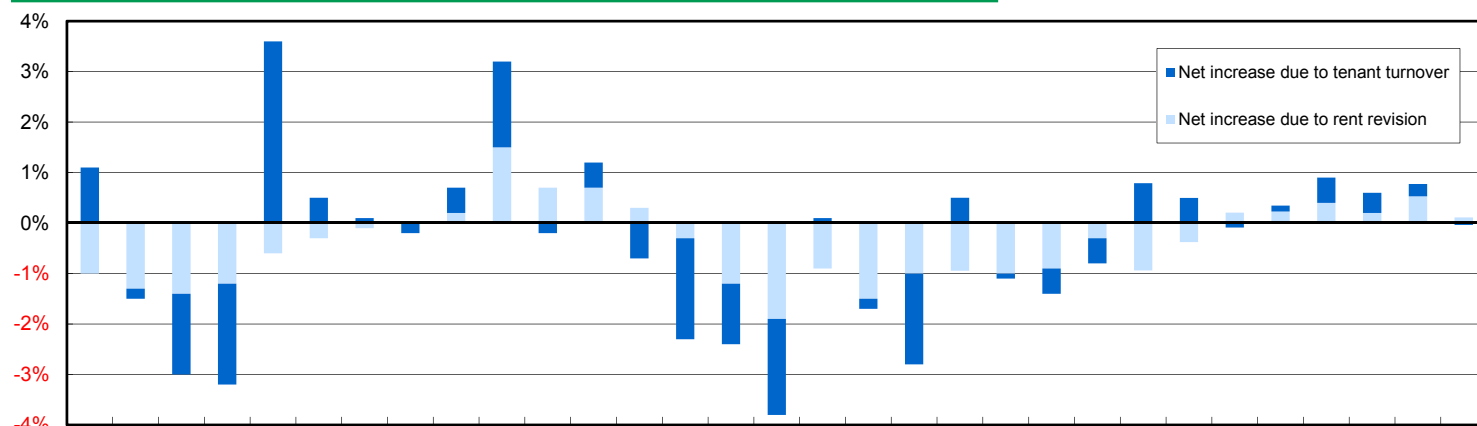
\* Percentages represent the rates of net increase of rent over monthly total portfolio contract rent (including common service charges) as of the end of the previous period (prior six months). Data for residential portions are excluded.

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

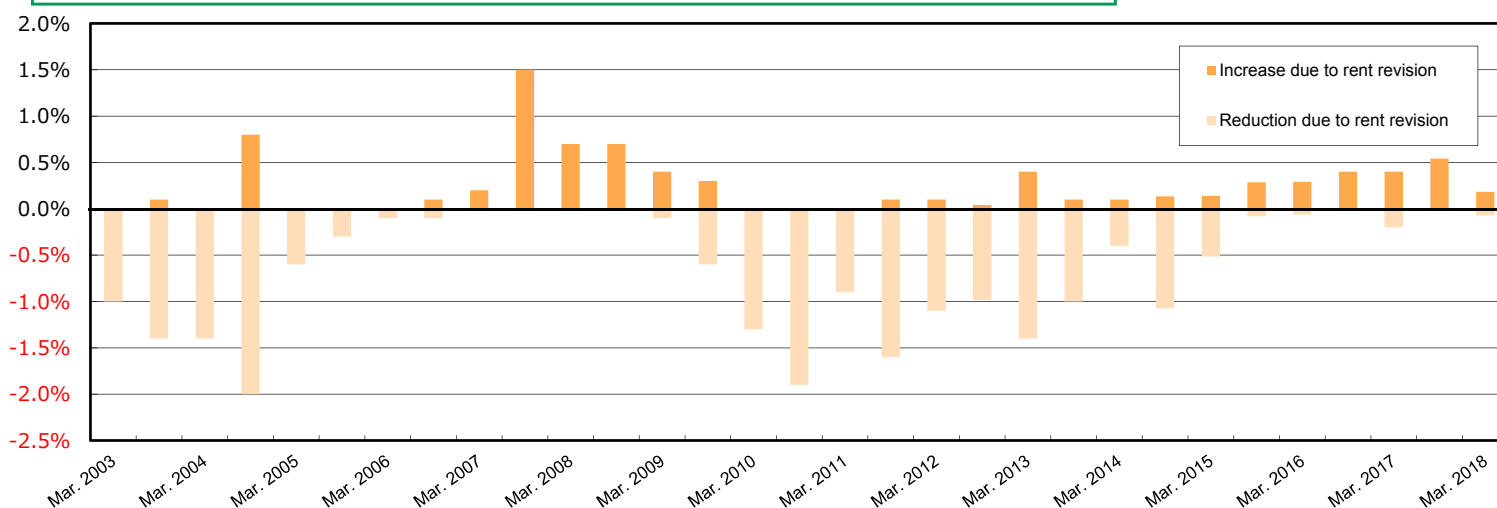
## Breakdown of net increase of rent due to external growth and internal growth



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



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



# Trend of Rent Revision

## Rent increase on revision of monthly rent

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

(In thousands of yen-month)

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

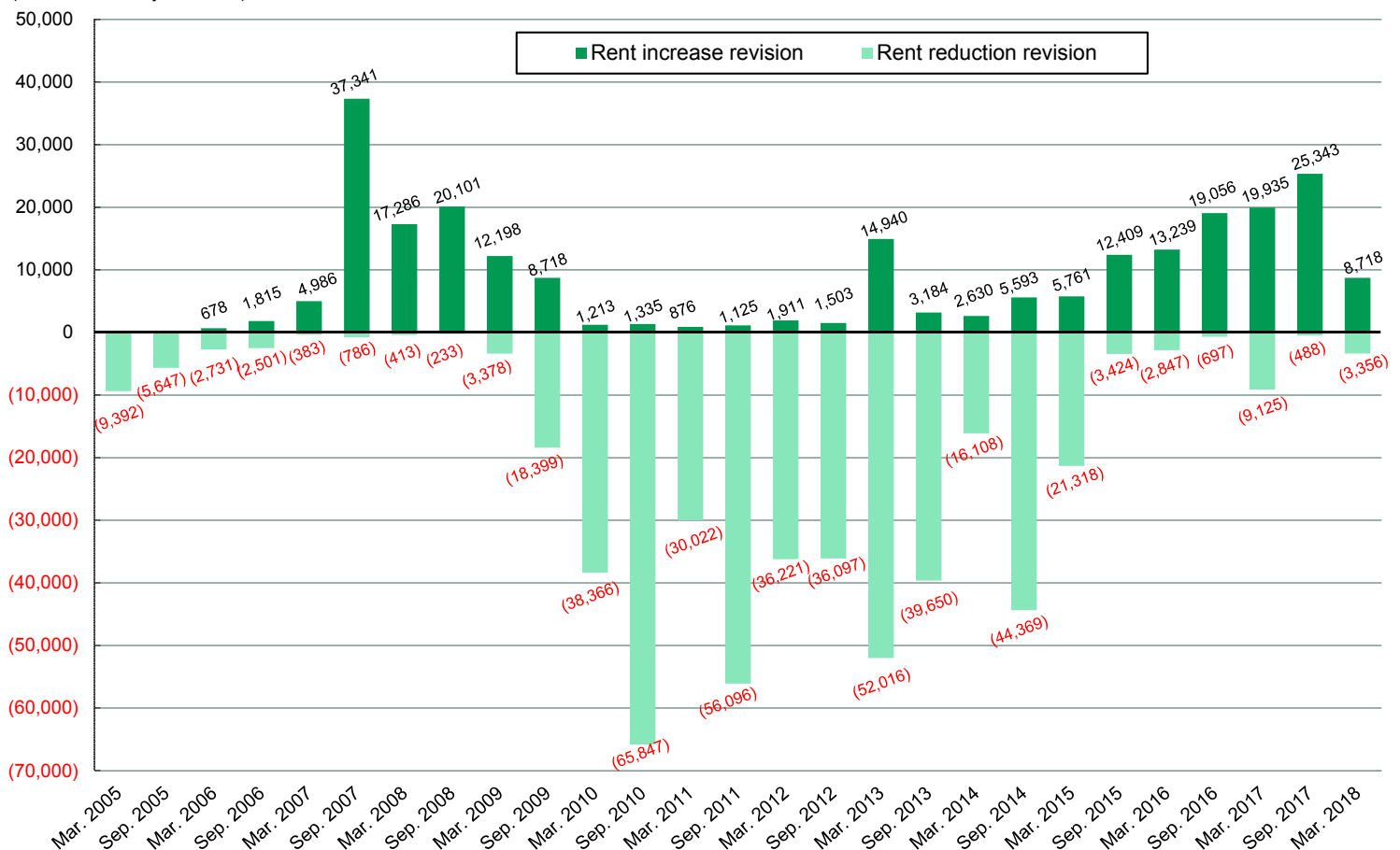
## Rent reduction on revision of monthly rent

(In thousands of yen-month)

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

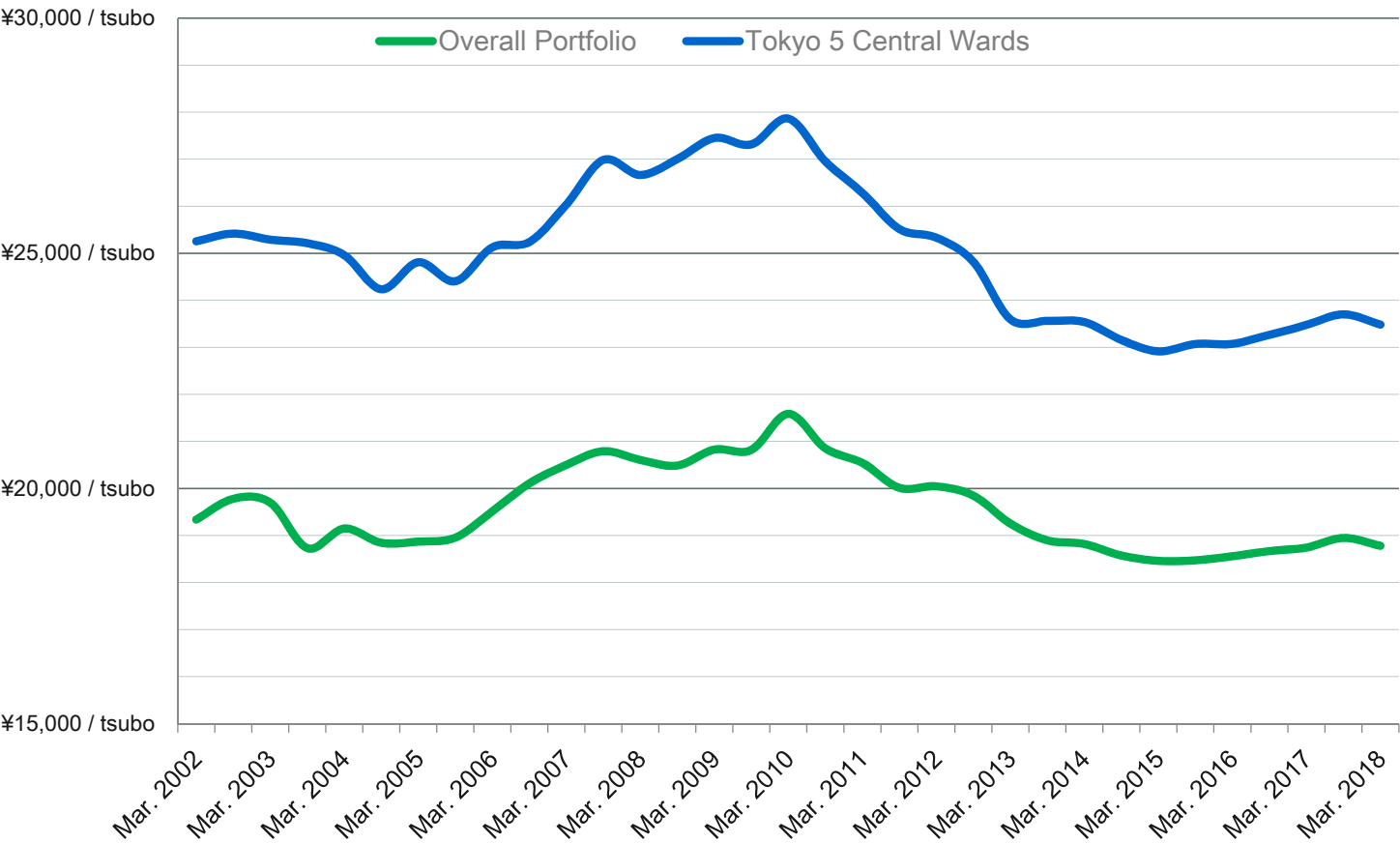
## Entire portfolio / Trend of rent increase and reduction

(In thousands of yen-month)



# Changes in Average Rent

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



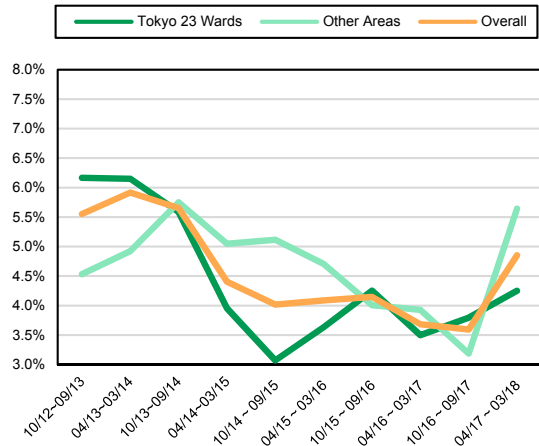
MEMO

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

## Ratio of Annual Tenant Turnover

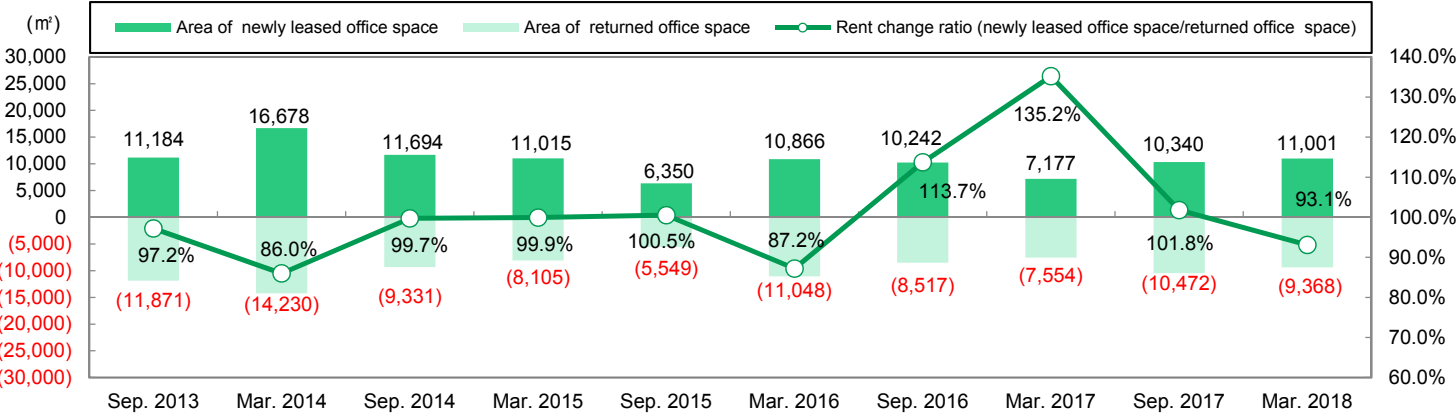
	10/12 ~ 09/13	04/13 ~ 03/14	10/13 ~ 09/14	04/14 ~ 03/15	10/14 ~ 09/15	04/15 ~ 03/16	10/15 ~ 09/16	04/16 ~ 03/17	10/16 ~ 09/17	04/17 ~ 03/18
Tokyo 23 Wards	6.2%	6.2%	5.6%	4.0%	3.1%	3.6%	4.3%	3.5%	3.8%	4.3%
Other Areas	4.5%	4.9%	5.8%	5.0%	5.1%	4.7%	4.0%	3.9%	3.2%	5.6%
Overall	5.6%	5.9%	5.7%	4.4%	4.0%	4.1%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

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

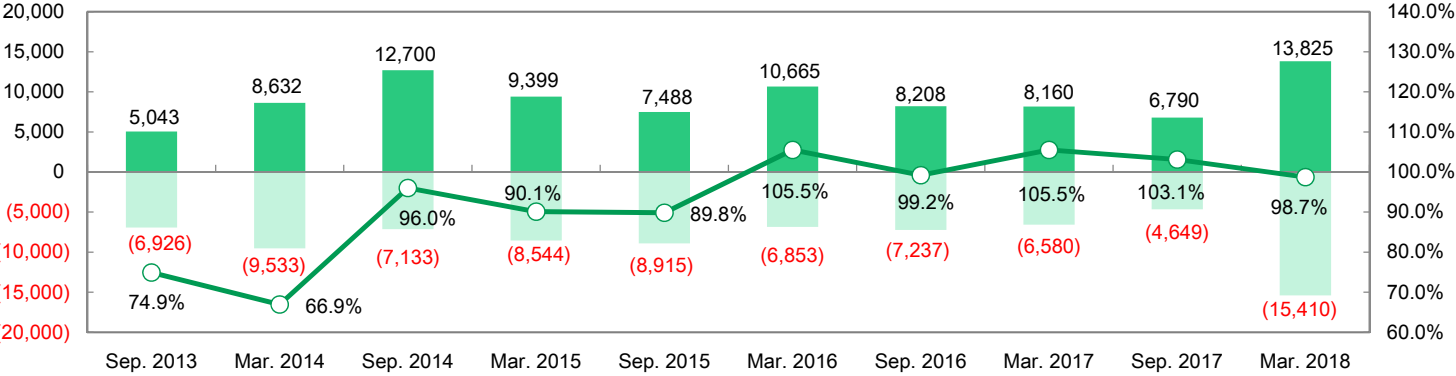


## Trend in Area of Newly Leased & Returned Office Space and Rent Change Ratio

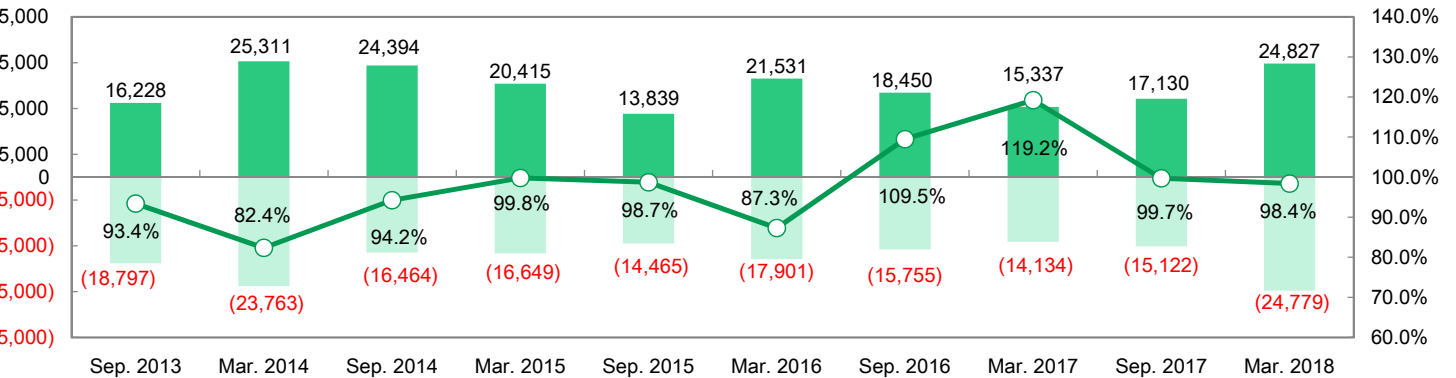
### Tokyo 23 Wards



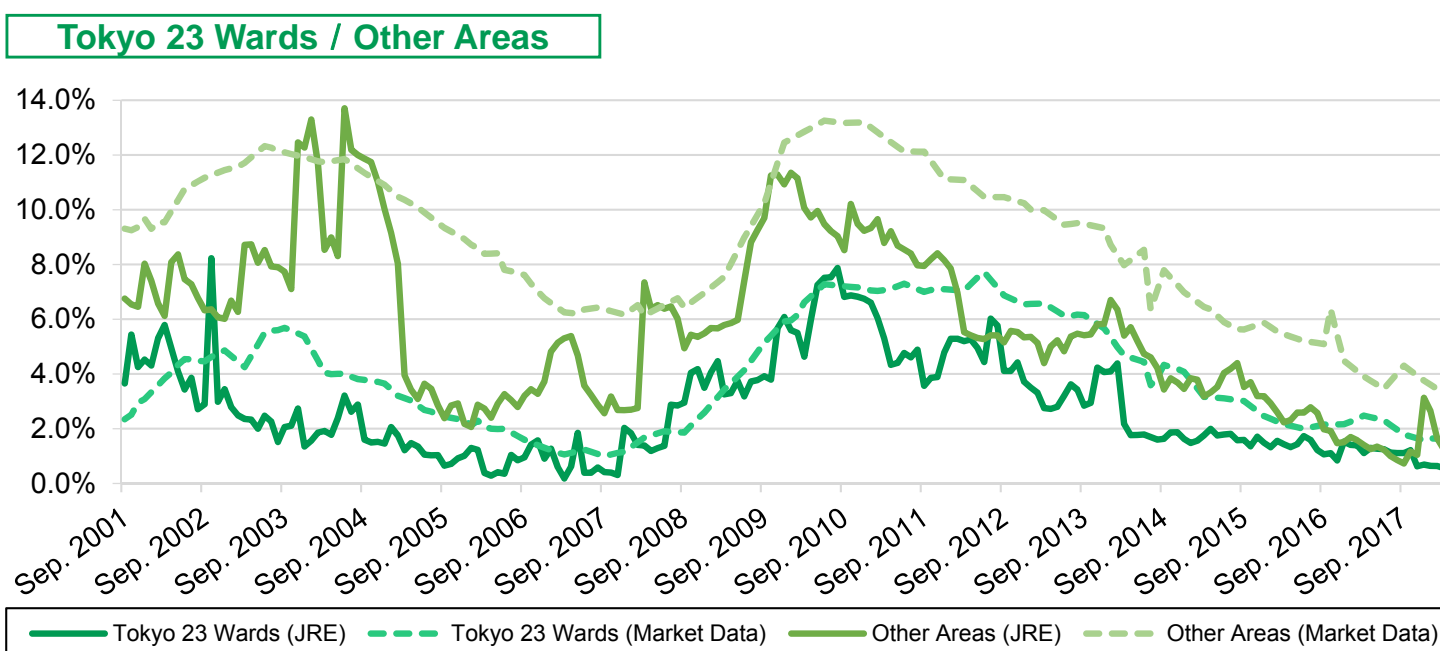
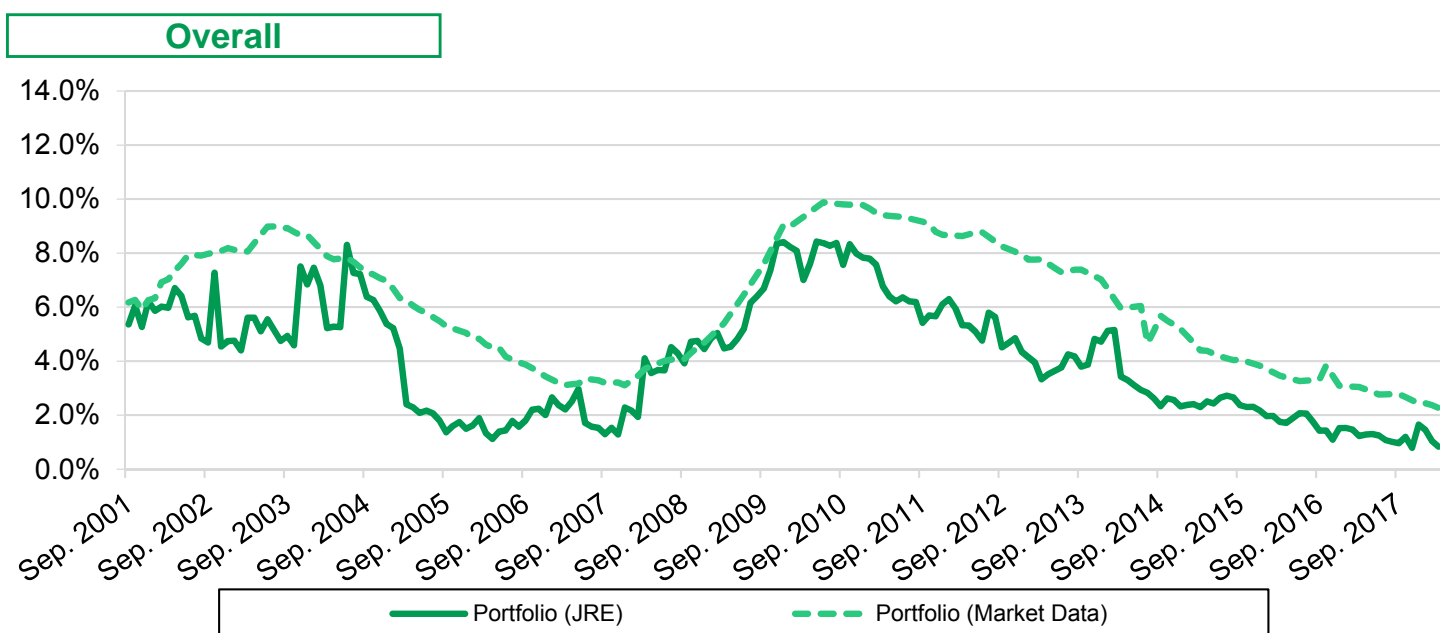
### Other Areas



### Overall



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



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

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

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

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

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

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

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

**Maintaining lower vacancy rate than the market**



## 3 External Growth

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## Shibuya Cross Tower (building)



### Property Summary

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

### Transaction Summary (building)

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

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

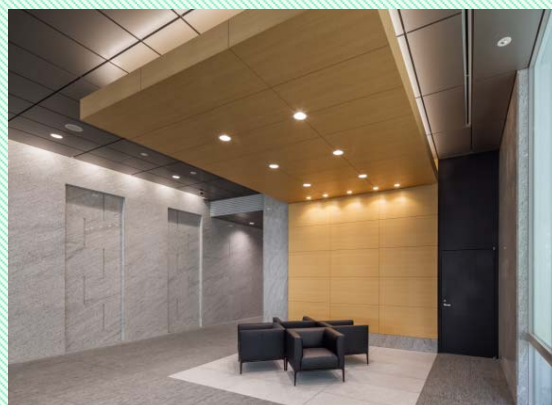
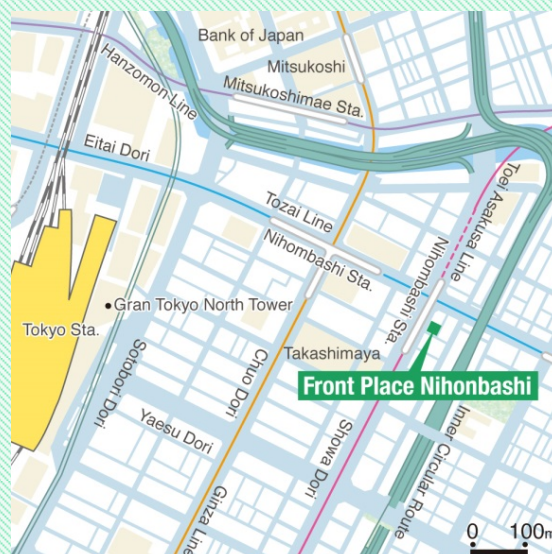
JRE continues to hold freehold and lease the land to the building purchaser. JRE receives monthly land rent while taking no tenancy risks as well as avoiding future renovation expenditure.

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

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

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

## Front Place Nihonbashi



### Property Summary (as of Acquisition date)

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

### Transaction Summary

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

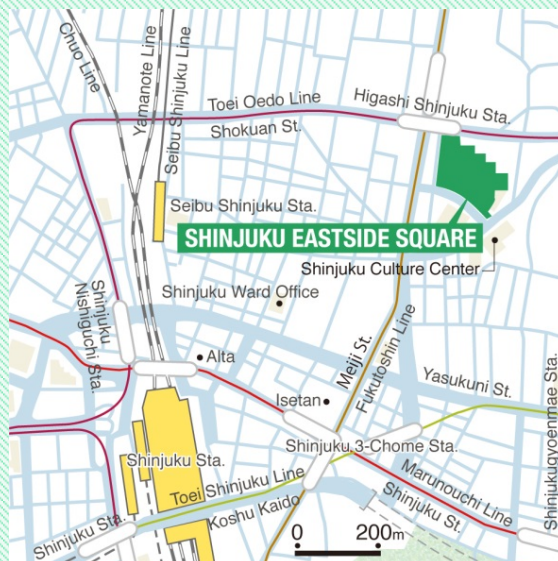
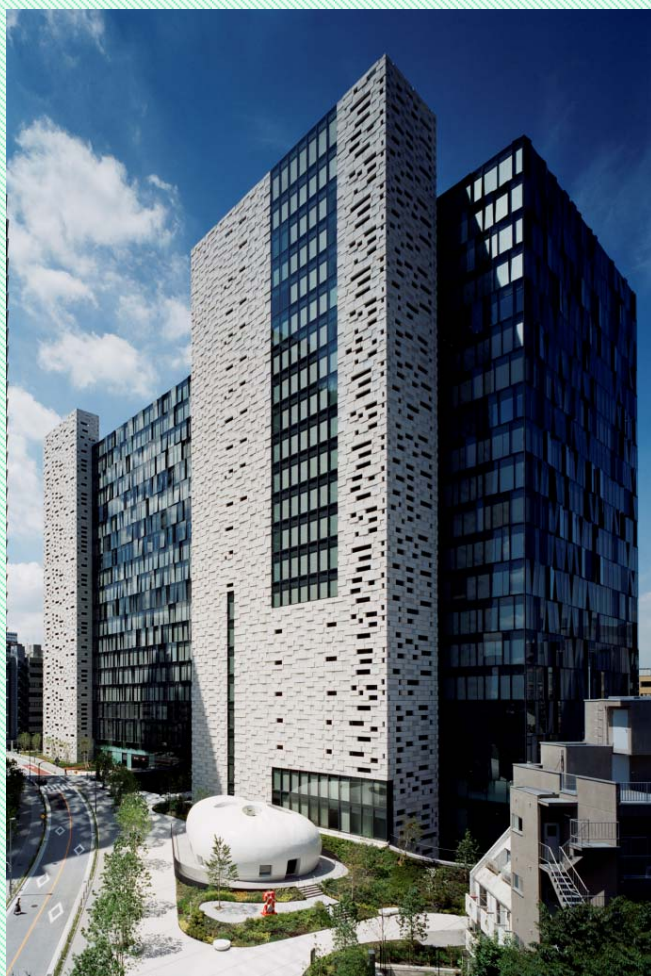
### Estimation of NOI and Depreciation

(Estimated under ordinary state occupancy)

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



## Shinjuku Eastside Square



### Property Summary (as of Acquisition date)

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

### Transaction Summary

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

### Estimation of NOI and Depreciation

(Estimated under ordinary state occupancy)

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



## Shinjuku Front Tower



### Property Summary (as of Acquisition date)

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

### Transaction Summary

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

### Estimation of NOI and Depreciation

(Estimated under ordinary state occupancy)

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



# External Growth (Consideration of Property Acquisitions)

## Performance of Property Acquisitions and Sales

(In millions of yen)

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

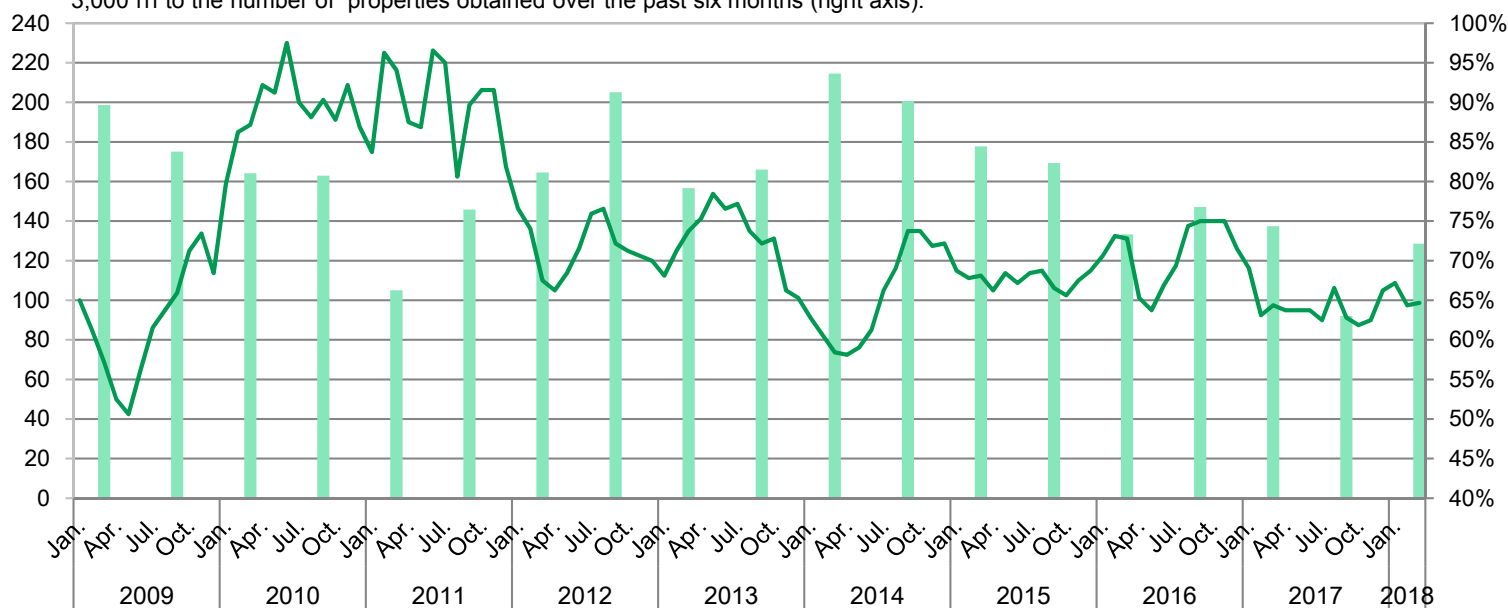
	Sep. 2007 04/07~09/07	Mar. 2008 10/07~03/08	Sep. 2008 04/08~09/08	Mar. 2009 10/08~03/09	Sep. 2009 04/09~09/09	Mar. 2010 10/09~03/10	Sep. 2010 04/10~09/10	Mar. 2011 10/10~03/11	Sep. 2011 04/11~09/11	Mar. 2012 10/11~03/12	Sep. 2012 04/12~09/12	Mar. 2013 10/12~03/13
Acquisition	7,100	72,029	24,000	21,250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

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

## Trend of Property Information

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

- Line graph is based on an index calculated by obtaining the moving average for the amount of property-related information obtained over the past six months and assigning that moving average as of January 2009 as 100 (left axis).
- Bar graph shows property-related information at the end of periods regarding a ratio of the number of properties with floor area over 3,000 m<sup>2</sup> to the number of properties obtained over the past six months (right axis).



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

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

## MEMO



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

## Acquisition from sponsors, etc. / through sponsors' introduction

Negotiated Transactions  
from sponsors, etc. (\*1)

**45 deals** (\*2)

**¥478,739 million**



Harumi Front



Akasaka Park Building

Sponsors' introductions  
(Negotiated Transactions)

**13 deals**

**¥94,687 million**



Shiodome Building  
(The share acquired in December 2008)

Negotiated Transactions from others

**33 deals** (\*2)

**¥212,877 million**



Nagoya Hirokoji Place

The acquisition through  
negotiated transaction  
against total acquisition is:

**75.1%**

\* Acquisition Price Basis

Acquisition through negotiated transactions

(As of March 31, 2018)

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

Tender Transactions  
from sponsors, etc. (\*1)

**5 deals**

**¥71,780 million**



MM Park Building

Sponsors' introduction  
(Tender Transactions)

**2 deals**

**¥116,155 million**



Kitanomaru Square

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

**72.7%**

\* Acquisition Price Basis

Acquisition / Introduction  
by parties other than sponsors

**8 deals**

**¥72,678 million**

Umeda Square Building  
A E R

**Acquisition through tender transactions**

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

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

# External Growth (Acquisition Criteria)

## Geographic Diversification

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

70% or over  
is in the Tokyo  
metropolitan area

30% or below  
is in other major  
local cities



## Structure

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

Adaptation to new  
earthquake-resistant  
standards



## Size of Property

Total floor area:  
3,000m<sup>2</sup> or over

Acquire properties with  
total floor area of  
3,000m<sup>2</sup> or over



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



## 4 Financial Strategies

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# Summary of Debts as of March 31, 2018

As of March 31, 2018

Total interest-bearing debt ¥403,993 million

Long-term interest-bearing debt ratio 92.1%

Long-term fixed interest-bearing debt ratio 86.6%

Weighted average interest rate 0.58%

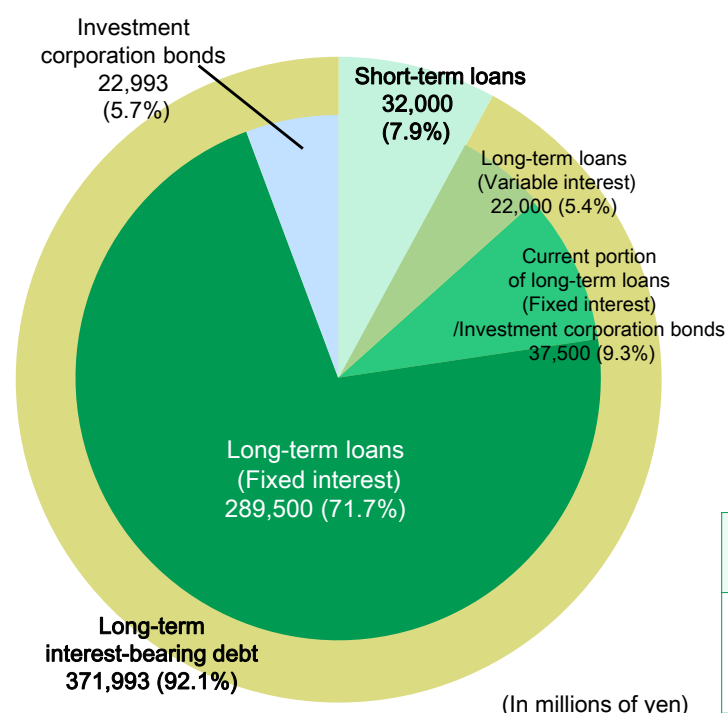
Average maturity of total interest-bearing debt 4.13 years

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

(In millions of yen)

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

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



## Outstanding balance of loans by financial institutions

(In millions of yen)

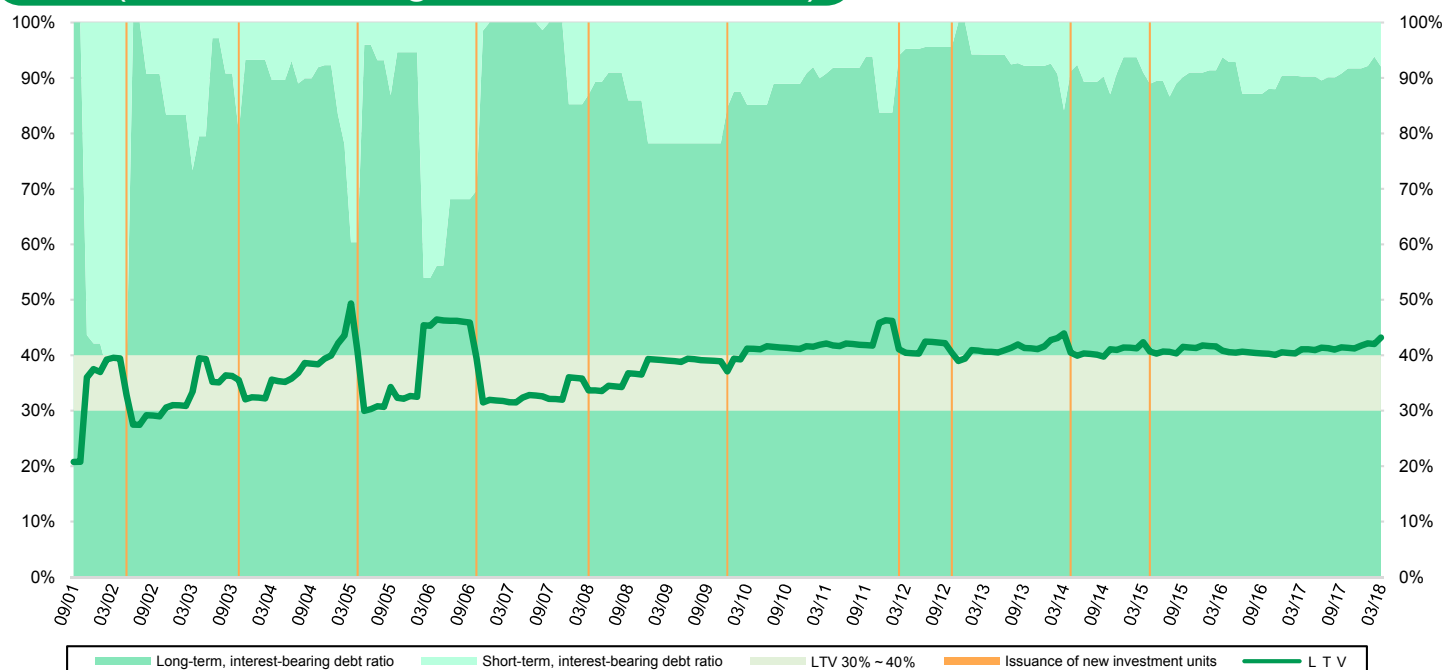
Mitsubishi UFJ Trust and Banking Corporation	57,000
Mizuho Bank, Ltd.	56,000
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	55,500
Sumitomo Mitsui Trust Bank, Limited	39,000
Shinkin Central Bank	23,000
Development Bank of Japan Inc.	20,000
The Norinchukin Bank	15,000
Sumitomo Mitsui Banking Corporation	13,000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

## Rating

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

# LTV / Debt Capacity / Diversification of Repayment Dates

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



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

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

## Debt Capacity

(As of March 31, 2018)

(In millions of yen)

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

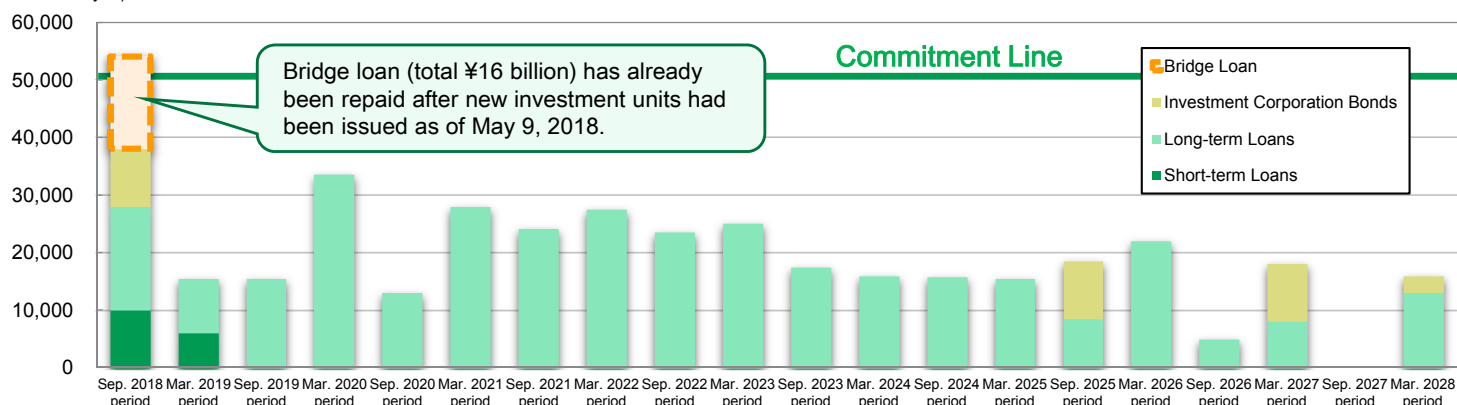
## Diversification of Repayment Dates

(As of March 31, 2018)

(In millions of yen)

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

(In millions of yen)



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

## Overview of the Interest-bearing Debt

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

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

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

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

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

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

## Outline of Commitment Line Agreement

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

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

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

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

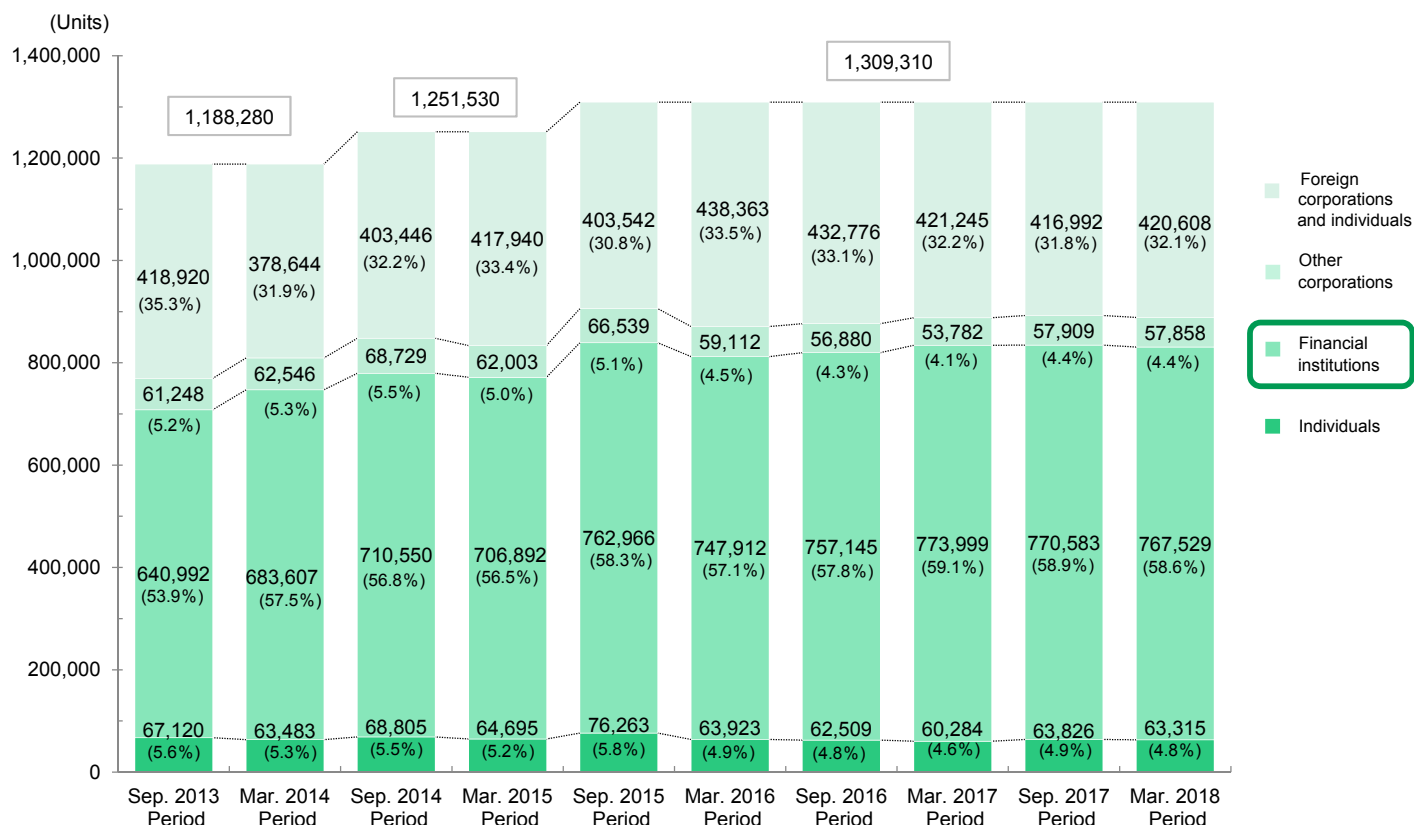
(\*2) The loans were originally in US dollar, floating rate basis and the currency and interest rate swap transaction was executed in order to hedge against a risk of exchange-rate fluctuations and interest fluctuations. Hence the above rates are the fixed rates after the currency and interest rate swap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

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

# Unitholder Data

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

## Unitholder Composition



## Top 10 Unitholders

### Mar. 2018 period

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

### Sep. 2017 period

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

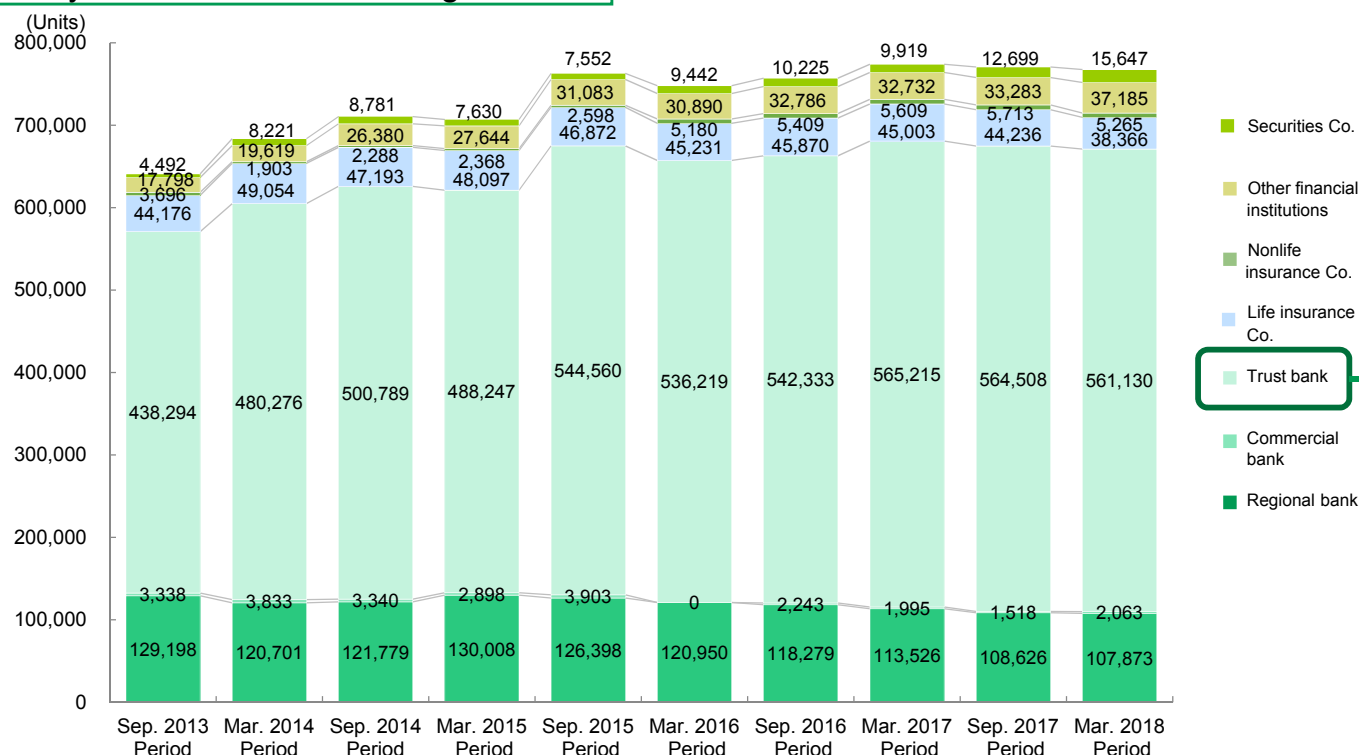
## Number of Unitholders by Sector

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



## Financial Institutions

Distribution of Total Units Outstanding  
by Financial Institution Segment

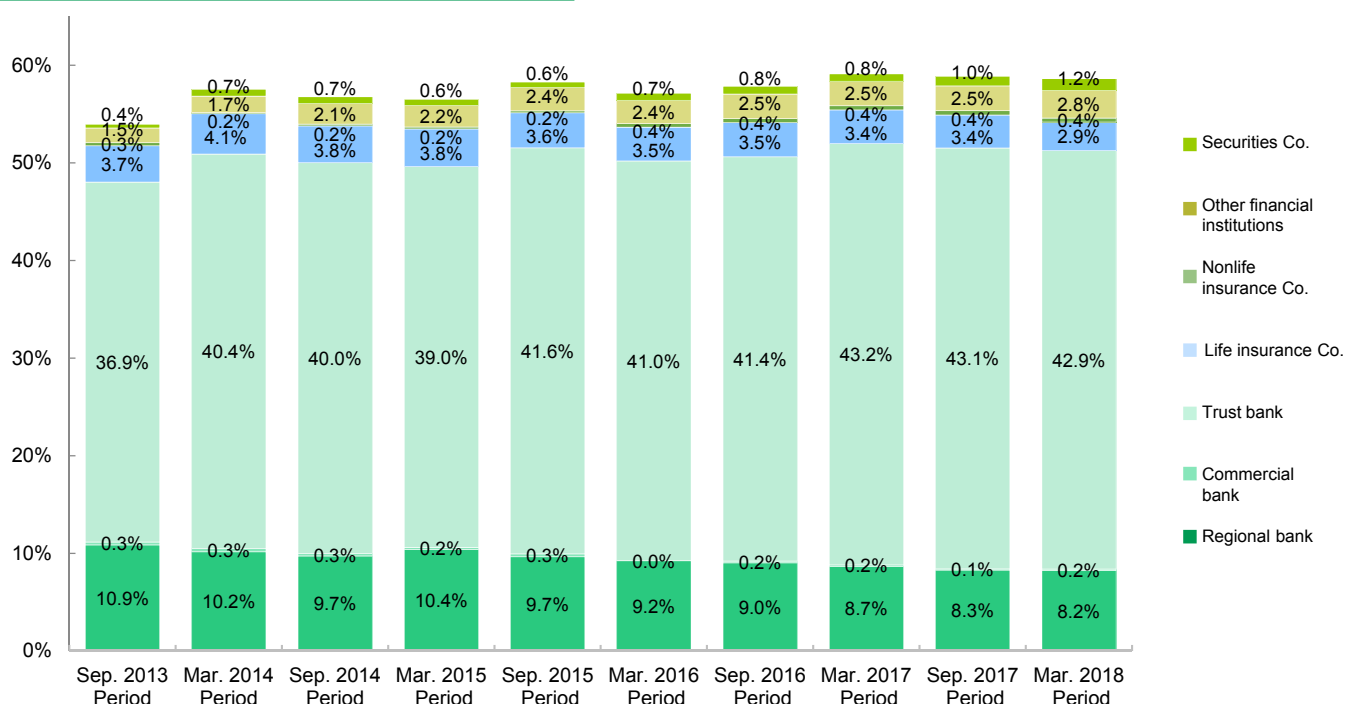


<Number of investment trust units>

(Units)

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

Proportion of Total Units Outstanding  
by Financial Institution Segment



## MEMO

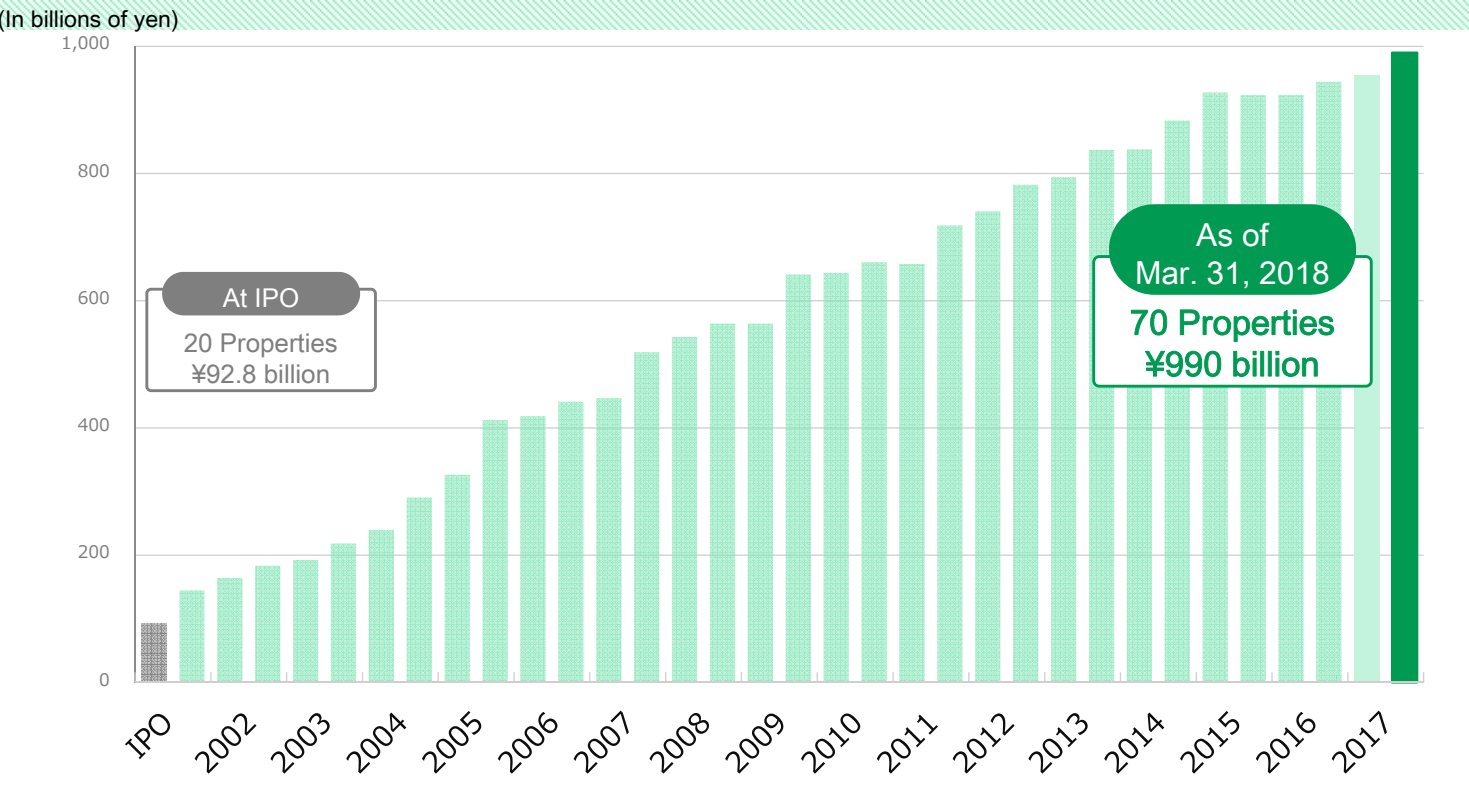
## 5

# Portfolio Information

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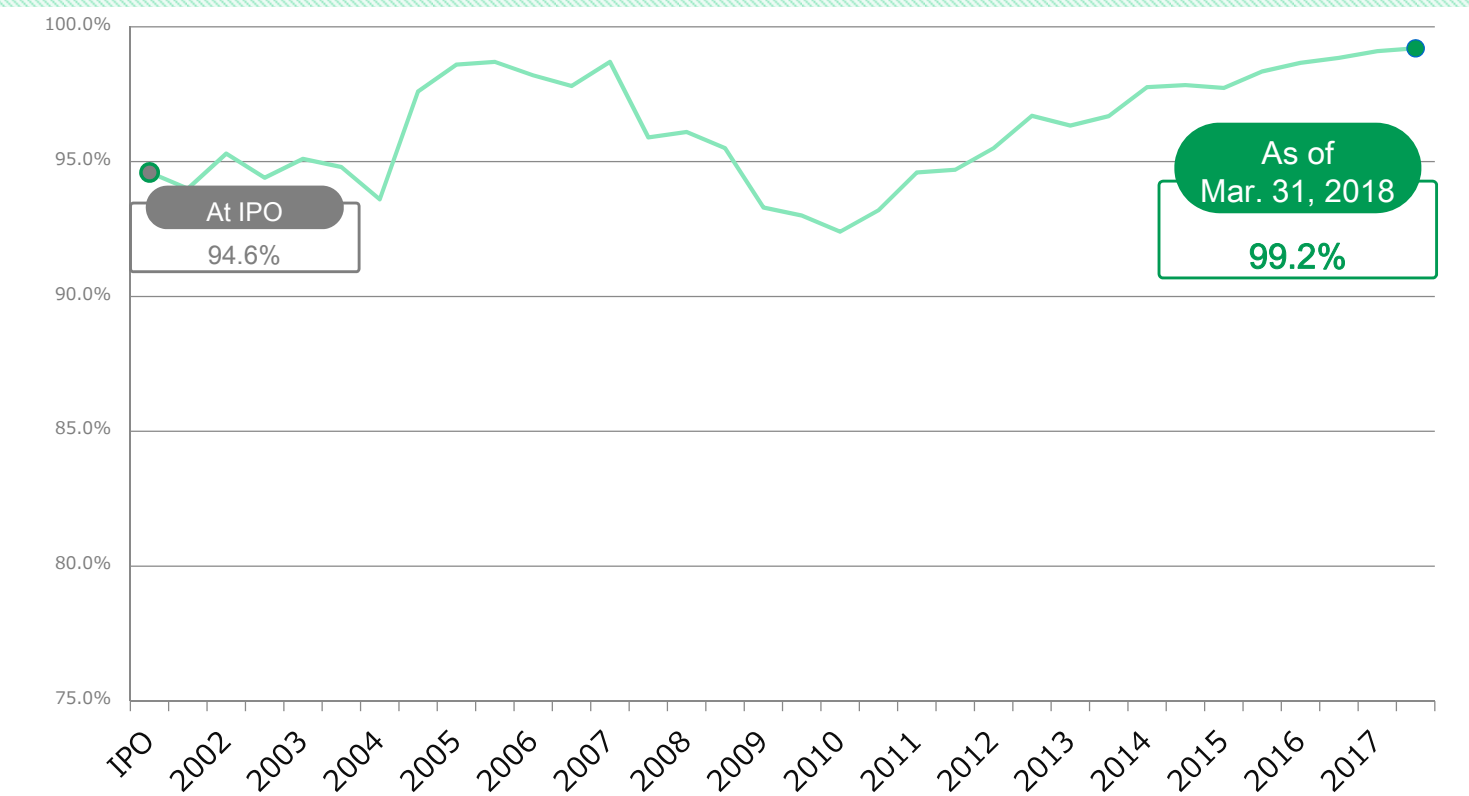
# Historical Asset Size and Occupancy Rate

## Asset Size



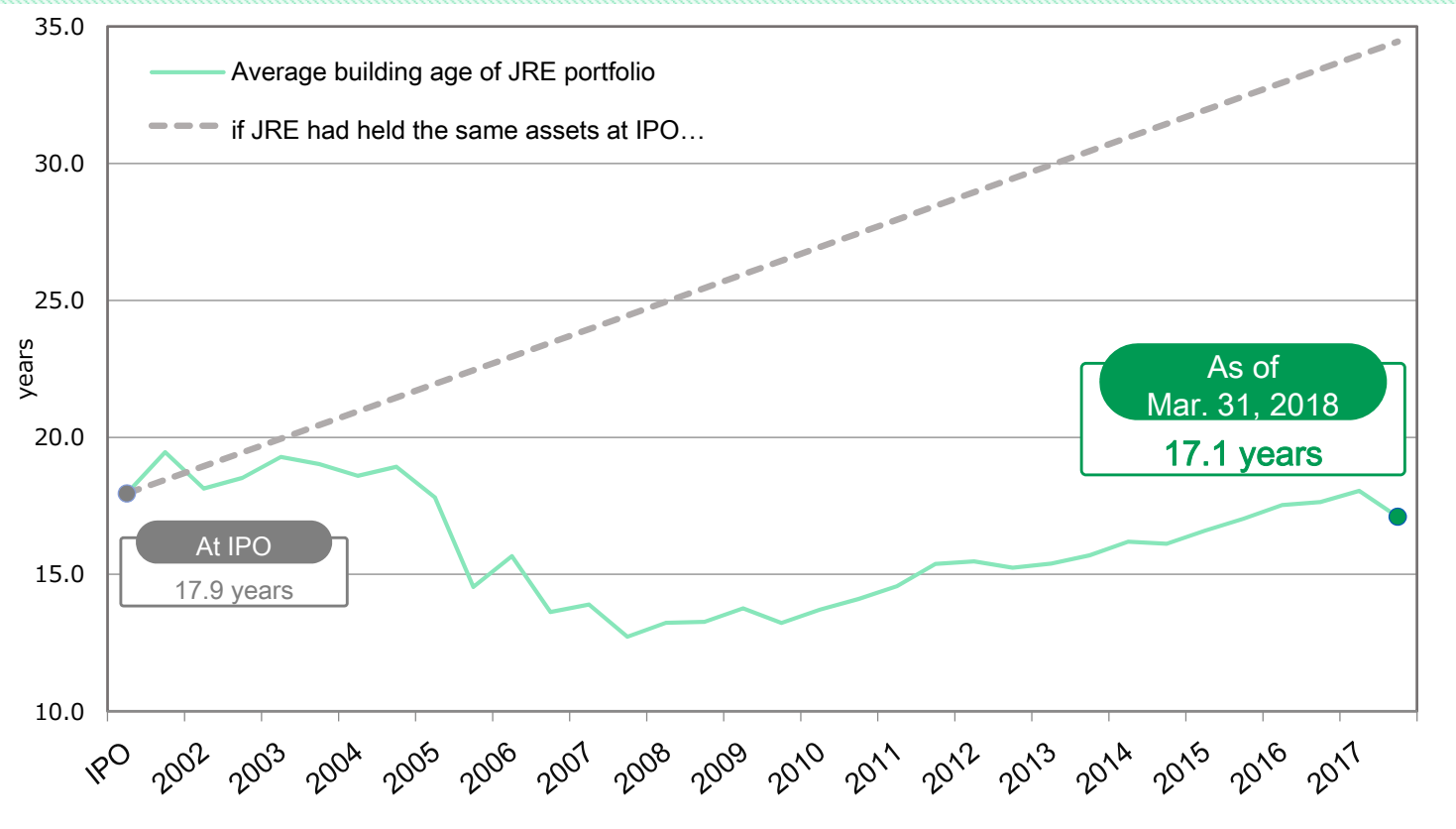
\*The original acquisition price pertaining to the part of Jingumae MS site, which was disposed on October 30, 2009 has not been deducted from the total acquisition price in the above graph.

## Occupancy Rate

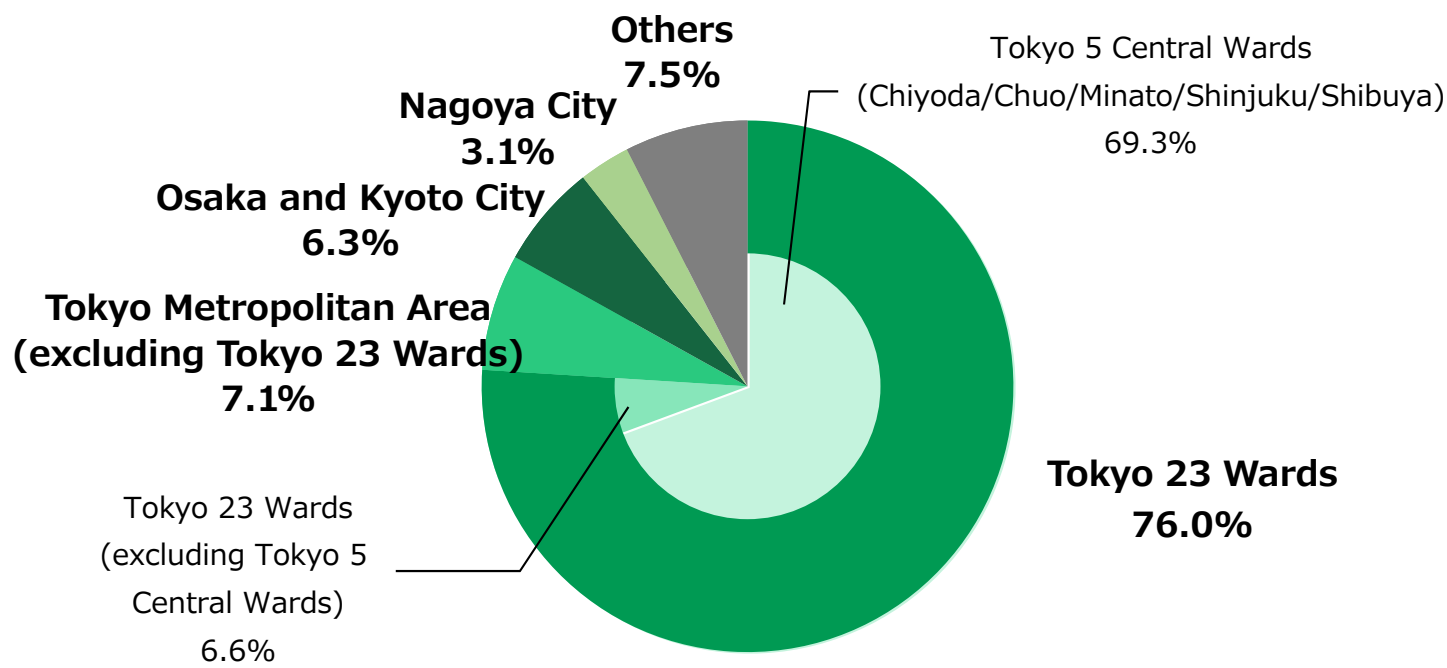


# Trend in Average Building Age and Geographic Diversification

## Building Age



## Geographic Diversification

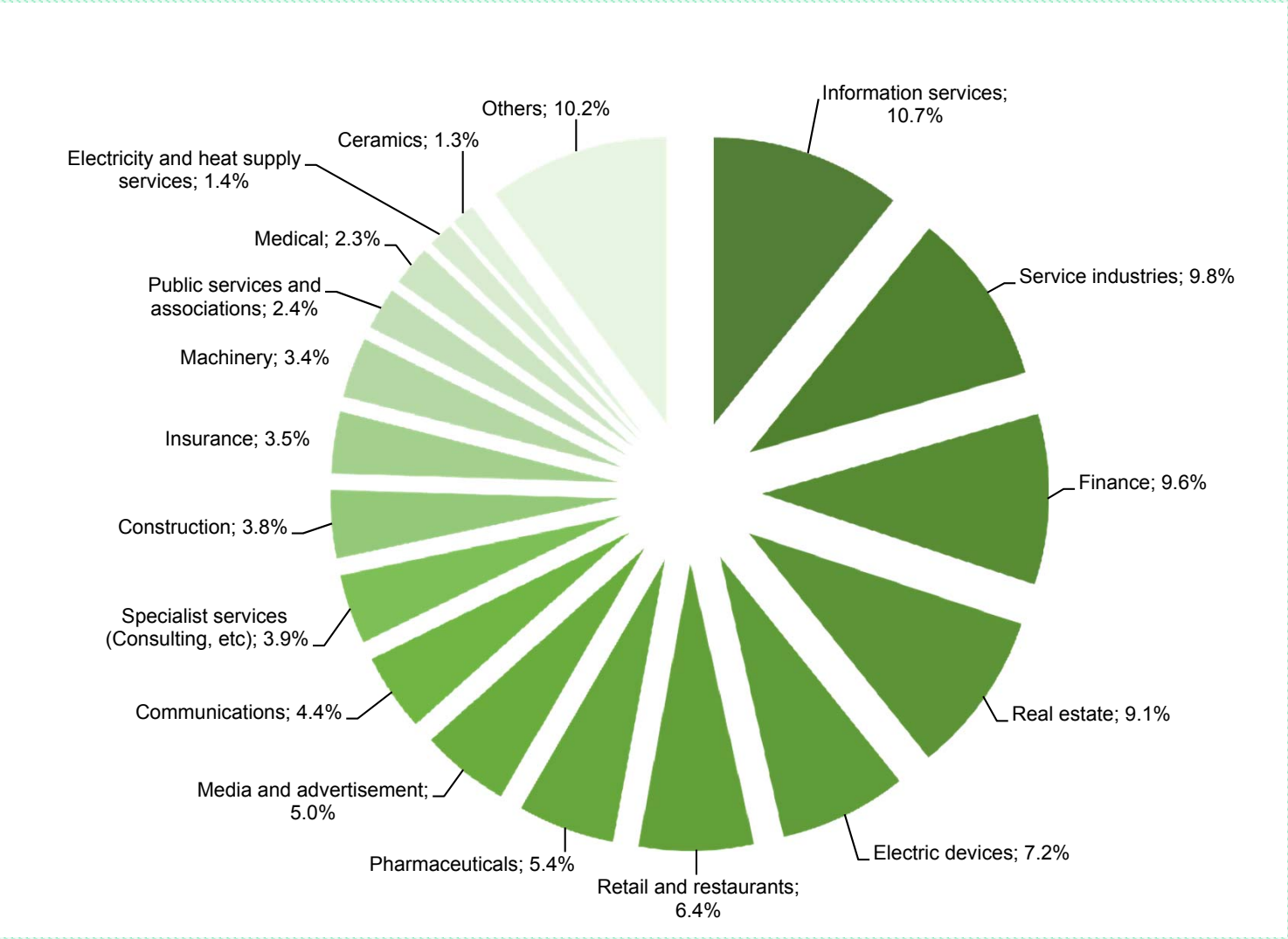


\* Acquisition price basis  
\* Tokyo metropolitan area represents Tokyo, Saitama, Chiba and Kanagawa prefecture.

# Tenant Diversification and Changes in the Number of Tenants

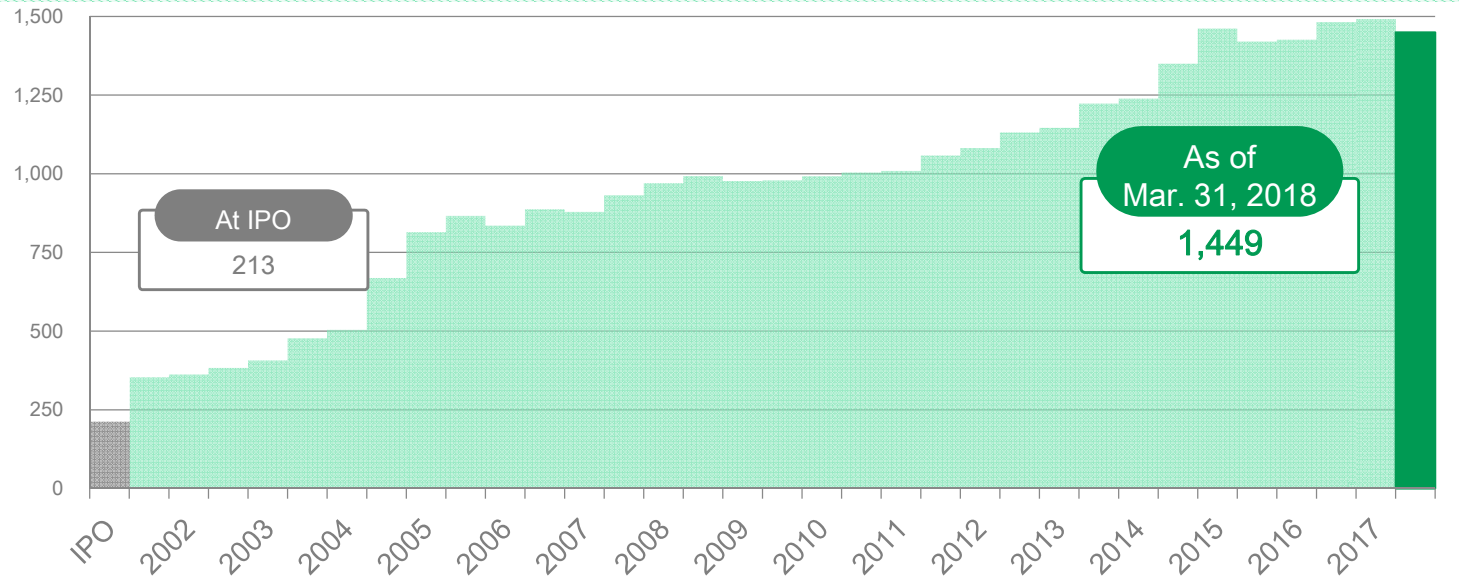
## Tenant Diversification

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



## Number of Tenants

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





# Major Tenants and Ratios

## Major Tenants / Top 10

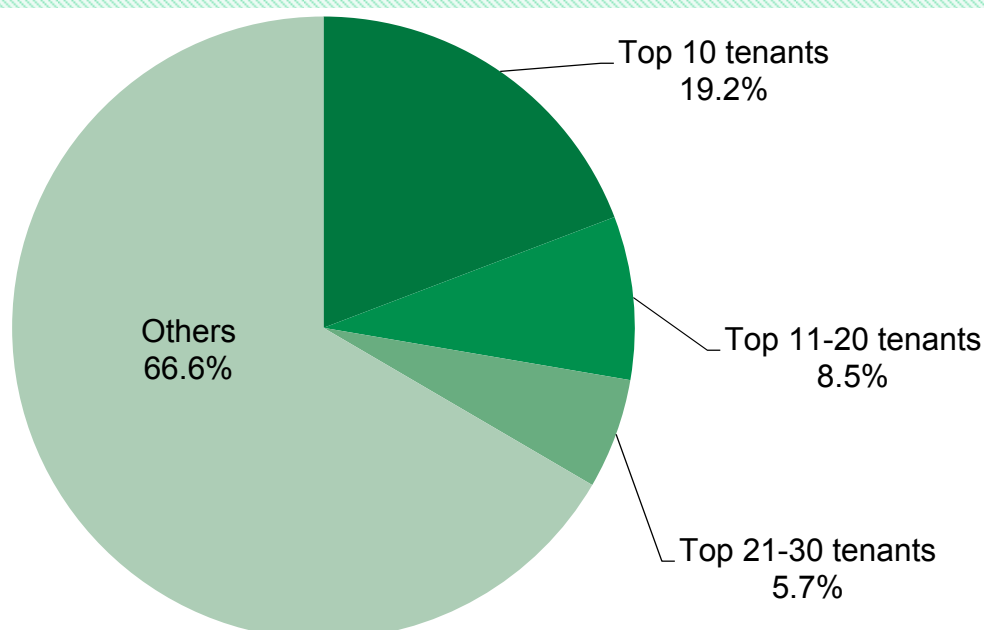
**68 properties as of March 31, 2018 Based on the office space leased**  
Excluding Shinjuku South Gate Project (Land) and Shibuya Cross Tower (Land)

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

(Note) Not disclosed due to tenant's request

## Percentage of Major Tenants

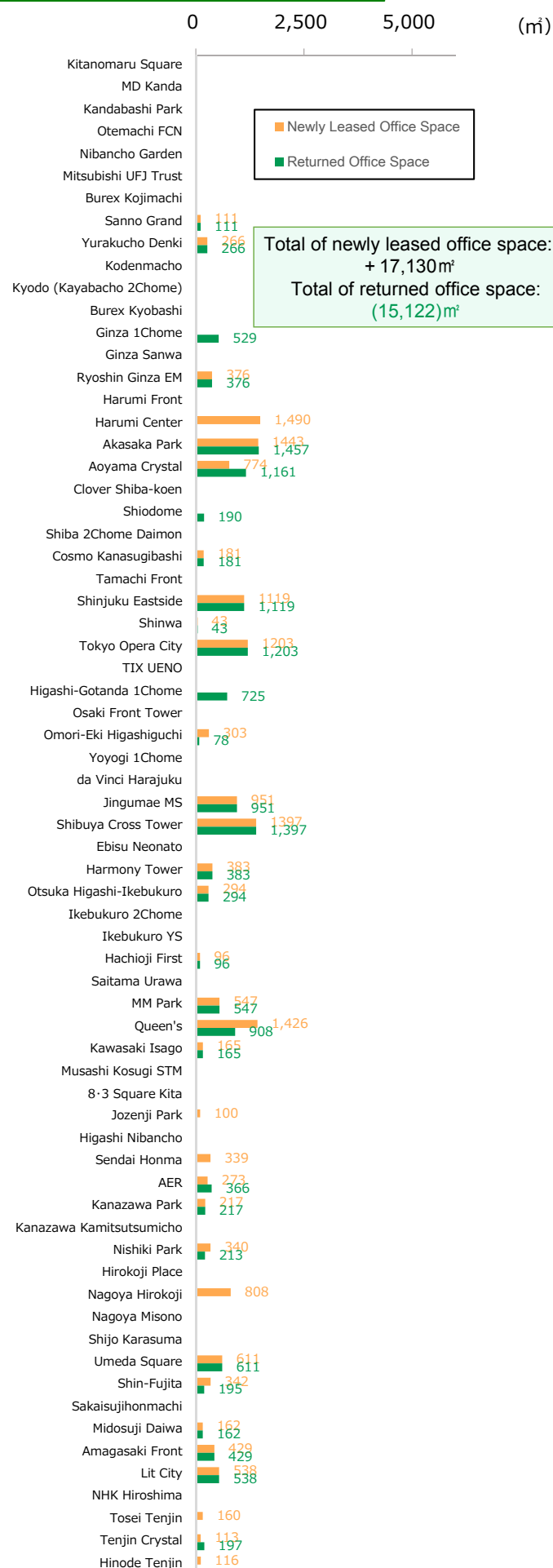
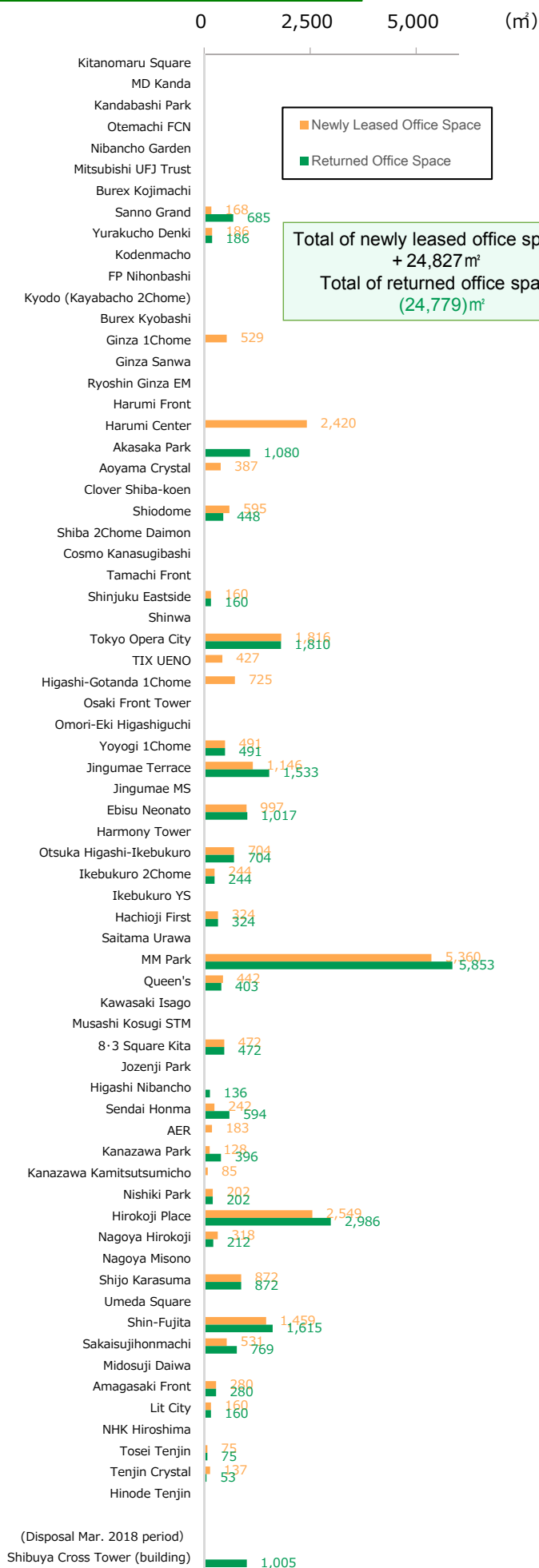
**68 properties as of March 31, 2018 Based on the office space leased**  
Excluding Shinjuku South Gate Project (Land) and Shibuya Cross Tower (Land)



# Newly Leased & Returned Office Space of Each Property

Tenant Turnover in Mar. 2018 period

Tenant Turnover in Sep. 2017 period



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

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

\*The above-mentioned office space and occupancy rates do not include the residential portions. Leasable office space and occupancy rates of the residential portions as of March 31, 2018 are 11,694 m<sup>2</sup> 97.6% of Kitanomaru Square, 10,780 m<sup>2</sup> 90.5% of Akasaka Park, 1,686 m<sup>2</sup> 100.0% of Nibancho Garden, 954 m<sup>2</sup> 88.5% of Nishiki Park.

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

# Appraisal Values of Properties

(In millions of yen)

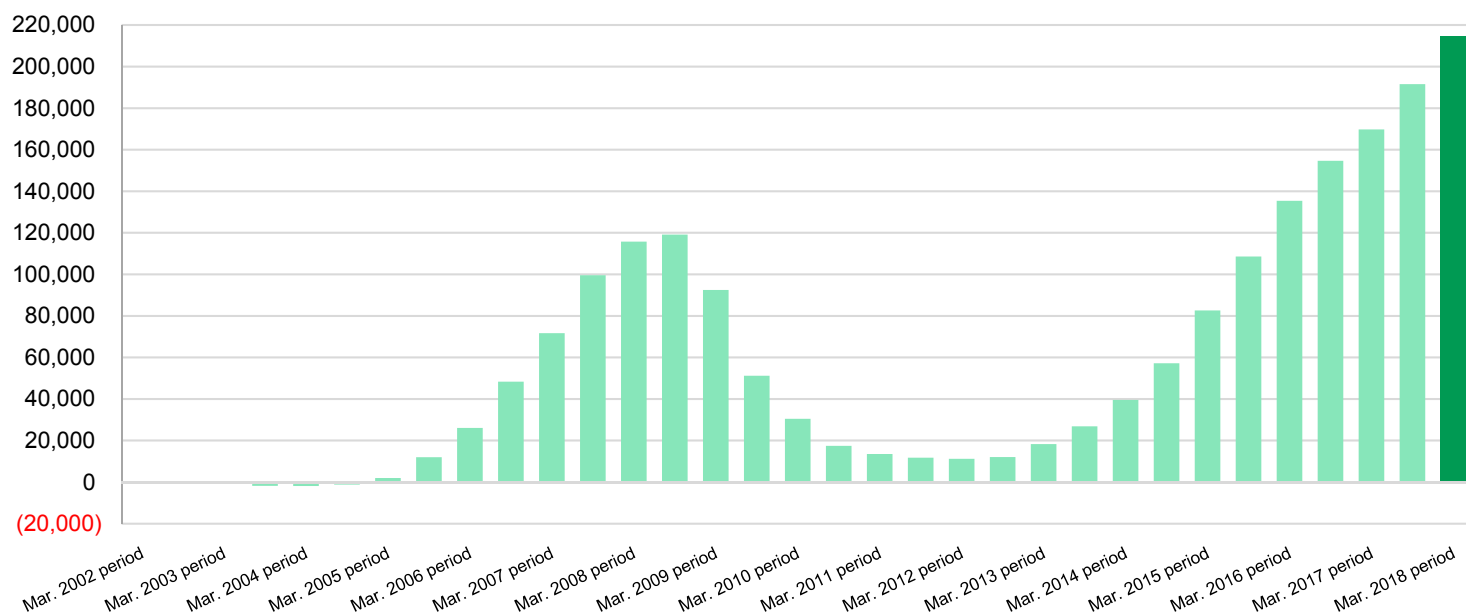
Area		Name	Mar. 2018 period Appraisal Value	Sep. 2017 period Appraisal Value	Amount of Difference	Mar. 2018 period Book Value	Mar. 2018 period Appraisal Value - Book Value	Acquisition Price	
Tokyo 23 Wards	Chiyoda	Kitanomaru Square	85,000	82,400	2,600	72,027	12,972	81,555	
		MD Kanda	8,490	8,470	20	8,706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

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

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

## Trend of Unrealized Gain or Loss

(In millions of yen)



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

		Mar. 2002 period	Sep. 2002 period	Mar. 2003 period	Sep. 2003 period	Mar. 2004 period	Sep. 2004 period	Mar. 2005 period	Sep. 2005 period	Mar. 2006 period	Sep. 2006 period	Mar. 2007 period
Appraisal value at the end of period	A	144,940	165,251	184,704	191,271	217,150	238,961	293,342	339,029	439,799	467,001	498,741
Book value	B	145,580	165,088	184,304	193,058	219,032	240,134	291,350	327,005	413,708	418,607	427,013
Unrealized gain or loss	A-B=C	(640)	162	399	(1,787)	(1,882)	(1,173)	1,991	12,023	26,090	48,393	71,727
Unrealized gain or loss ratio	C/B	(0.4)%	0.1%	0.2%	(0.9)%	(0.9)%	(0.5)%	0.7%	3.7%	6.3%	11.6%	16.8%
<Reference>	Units outstanding	D	320,800 units	450,800 units	450,800 units	520,800 units	520,800 units	520,800 units	690,800 units	690,800 units	690,800 units	820,000 units
	Unrealized gain or loss per unit	C/D=E	(1,995) yen	359 yen	887 yen	(3,965) yen	(3,614) yen	(2,252) yen	3,823 yen	17,405 yen	37,768 yen	87,472 yen
	Net asset value per unit	F	260,795 yen	255,212 yen	256,013 yen	256,344 yen	263,538 yen	263,592 yen	264,149 yen	299,627 yen	299,737 yen	331,545 yen
	Adjusted net asset value per unit	E+F=G	258,800 yen	255,571 yen	256,900 yen	252,379 yen	259,923 yen	261,340 yen	267,973 yen	317,032 yen	337,506 yen	419,018 yen
	Unit price at the end of period	H	265,000 yen	255,500 yen	296,000 yen	324,000 yen	415,000 yen	437,500 yen	457,500 yen	510,000 yen	500,000 yen	780,000 yen
	H/G		1.02 times	1.00 times	1.15 times	1.28 times	1.60 times	1.67 times	1.63 times	1.44 times	1.51 times	1.86 times

		Sep. 2007 period	Mar. 2008 period	Sep. 2008 period	Mar. 2009 period	Sep. 2009 period	Mar. 2010 period	Sep. 2010 period	Mar. 2011 period	Sep. 2011 period	Mar. 2012 period	Sep. 2012 period
Appraisal value at the end of period	A	531,100	619,160	644,700	636,770	591,920	645,239	632,112	642,220	634,357	693,230	712,888
Book value	B	431,463	503,376	525,503	544,245	540,709	614,734	614,593	628,689	622,542	681,970	700,829
Unrealized gain or loss	A-B=C	99,636	115,783	119,196	92,524	51,210	30,504	17,518	13,530	11,814	11,259	12,058
Unrealized gain or loss ratio	C/B	23.1%	23.0%	22.7%	17.0%	9.5%	5.0%	2.9%	2.2%	1.9%	1.7%	1.7%
<Reference>	Units outstanding	D	820,000 units	886,000 units	886,000 units	886,000 units	978,400 units	978,400 units	978,400 units	978,400 units	1,098,080 units	1,098,080 units
	Unrealized gain or loss per unit	C/D=E	121,507 yen	130,681 yen	134,533 yen	104,429 yen	57,799 yen	17,905 yen	13,828 yen	12,075 yen	10,253 yen	10,981 yen
	Net asset value per unit	F	332,035 yen	350,504 yen	345,429 yen	345,403 yen	345,492 yen	340,585 yen	339,877 yen	339,385 yen	340,014 yen	339,164 yen
	Adjusted net asset value per unit	E+F=G	453,543 yen	481,186 yen	479,962 yen	449,832 yen	403,291 yen	371,763 yen	357,783 yen	353,213 yen	352,090 yen	350,145 yen
	Unit price at the end of period	H	690,000 yen	580,000 yen	418,000 yen	378,000 yen	367,000 yen	398,500 yen	379,500 yen	393,500 yen	377,000 yen	393,000 yen
	H/G		1.52 times	1.21 times	0.87 times	0.84 times	0.91 times	1.07 times	1.06 times	1.11 times	1.07 times	1.12 times

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

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

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

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



Details of Appraisal Values as of March 31, 2018

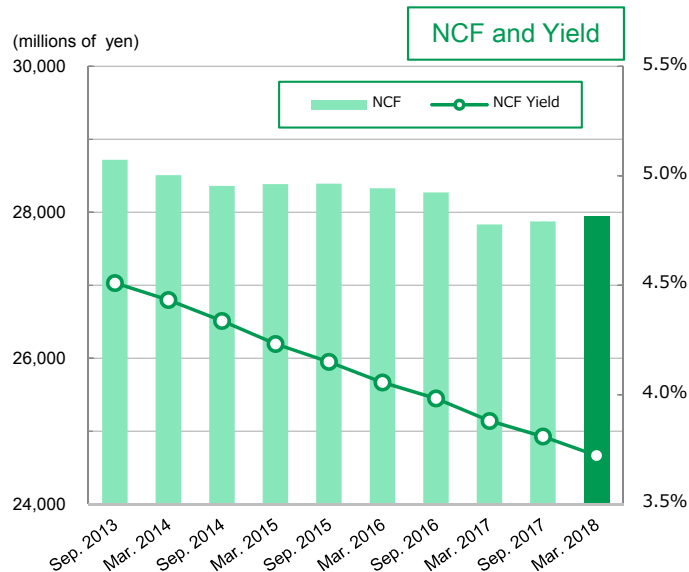
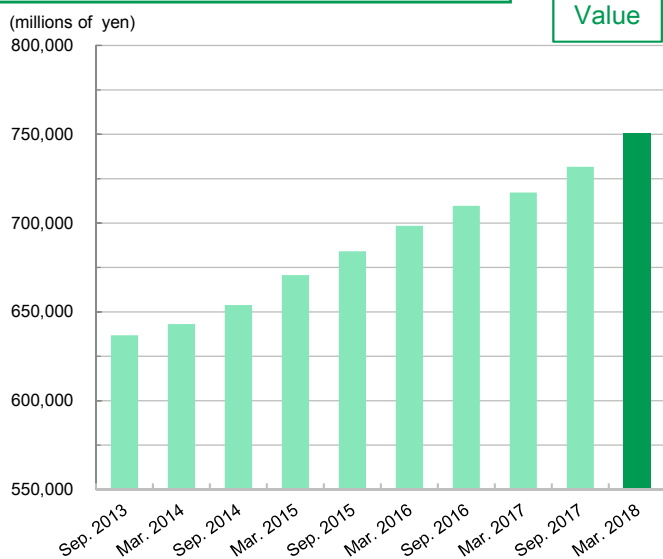
(In million of yen)																	
Name	Acquisition Price	Appraisal Value as of the End of period															
		Sep. 2017 period					Mar. 2018 period					Change					
		Appraisal Value	DC		DCF		Appraisal Value	DC		DCF		Appraisal Value	Change In Value	DC		DCF	
Cap Rate	Assessed CF		Discount Rate	Terminal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



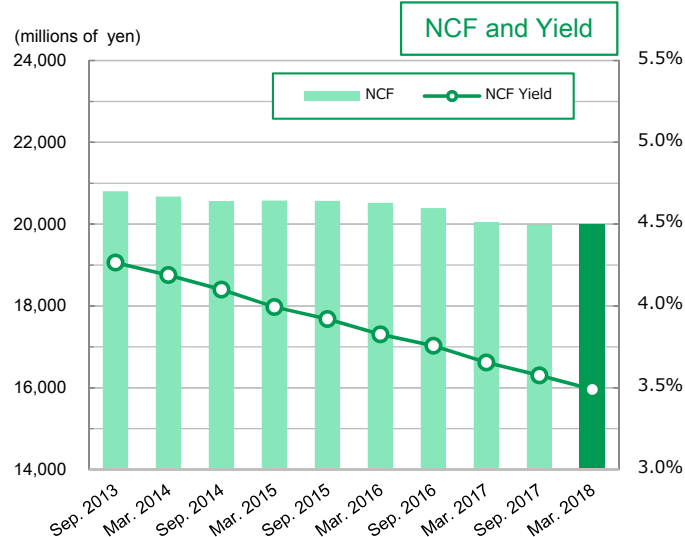
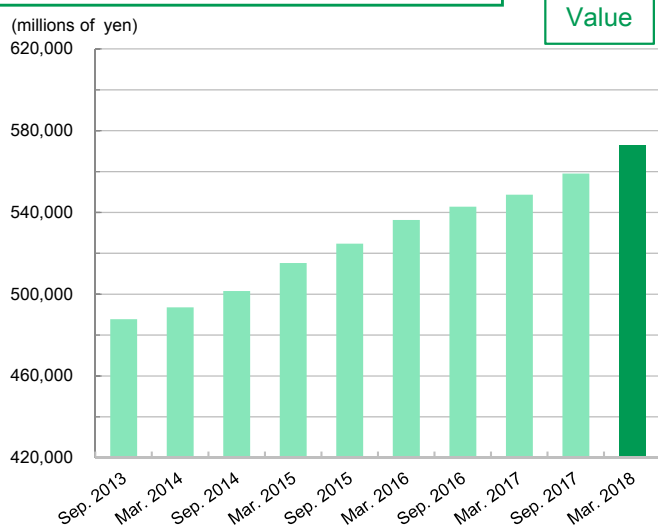
# Historical Appraisal Values and NCF

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

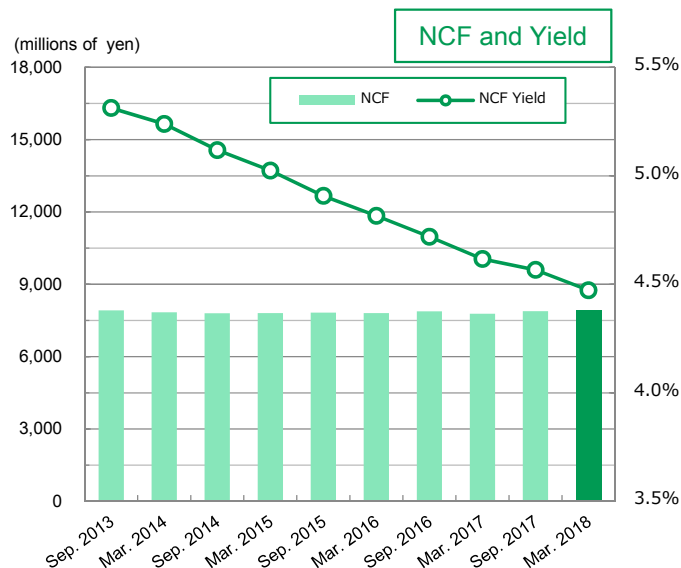
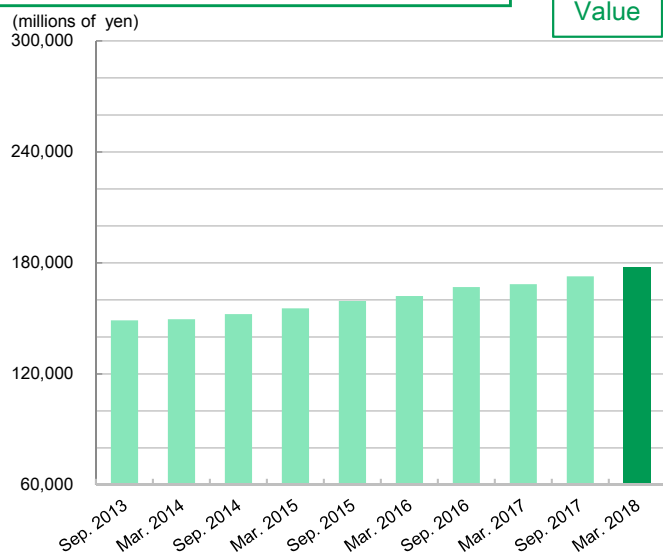
## Overall



## Tokyo 23 Wards



## Other Areas



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

\*NCF: Net cash flow in the above DC method

\*Yield: Annualized NCF / Value

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

(In millions of yen)

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

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

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

# Other Portfolio Information for March 2018 period

As of March 31, 2018

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

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

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

## Tokyo 23 Wards

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

## Other Areas

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

Portfolio PML

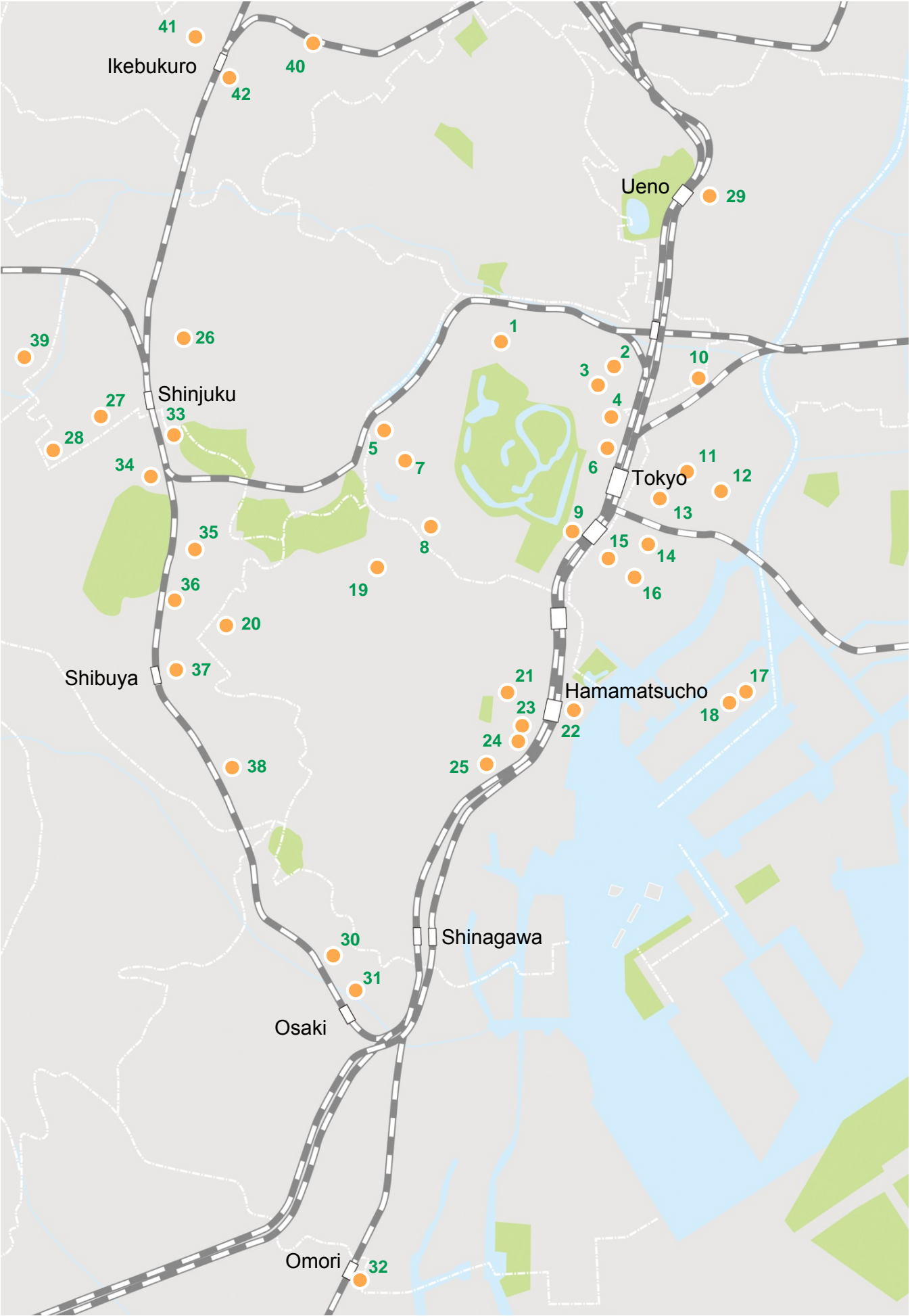
1.7%

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

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



Tokyo 23 Wards



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

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



## Other Areas

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



# Portfolio Classification by Area and Office Space

## Floor Size by Area and Property

*Blue Italic shows the properties acquired in Mar. 2018 period*

(As of Mar. 31, 2018)

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

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

# Portfolio Classification by Building Age and Location

## Building Age and Walking Time from the Nearest Station

Blue Italic shows the properties acquired in Mar. 2018 period

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

(As of March 31, 2018)

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

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

**6**

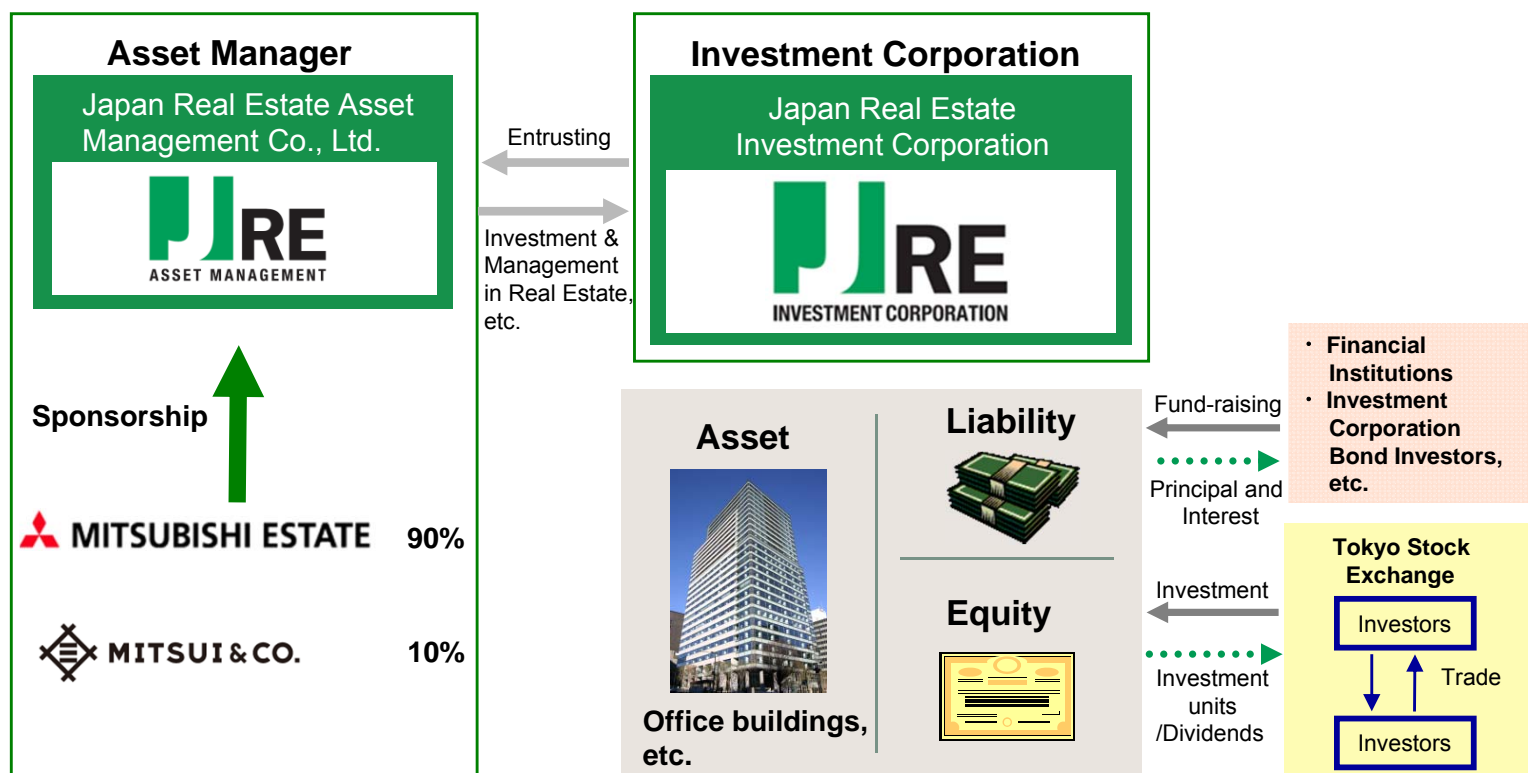
**Others**

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# Outline of Japan Real Estate Investment Corporation

## Structure



## Point

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

## The Strengths of Japan Real Estate Investment Corporation

(As of March 31, 2018)

### ① Collaboration with the sponsors:

#### Property pipeline support

- Providing properties
- Property information, etc.

#### Operating support

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

#### Human resource support

- Sending experienced professionals

### < Protection against conflicts of interest >

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

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

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

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

### ④ **Sound financial strength**

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

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

# Structure of Fees to Asset Management Company

## NOI-linked Fee

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

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

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

## Distribution-linked Fee

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

[Formula]

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

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

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

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

(i) Consolidation or Split of Units

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

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

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

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

## Acquisition Fee

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

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

## Disposition Fee

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

## Merger Fee

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

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

# Past Record of Fees to Asset Management Company

(In millions of yen)

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

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

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

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

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

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

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

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

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

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

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

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

(\*1) Accounting treatment of asset management fees

(\*a) Expense (Administrative expenses)

(\*b) Capitalized for asset

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

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

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

# ESG (Environmental, Social and Governance)

## Basic Policy and Management Structure of ESG

### Sustainability Policy and Sustainability Committee

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

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

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

### Commitment to GRESB

Achieved  
GRESB's "Green Star" Status



### What is GRESB?

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

### Acquired a "Green Star"

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

### Becoming a GRESB Member

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



# ESG (Environmental, Social and Governance)

## Environmental Measures

### Sustainability Certification

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

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

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

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



DBJ Green Building



### Properties with the best class environmental & social awareness



Otemachi FCN  
(Chiyoda-ku, Tokyo)



Shiodome Building  
(Minato-ku, Tokyo)



Shinjuku Eastside Square  
(Shinjuku-ku, Tokyo)



Harumi Front  
(Chuo-ku, Tokyo)

### Other environmental related measures

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

(Examples in collaboration with tenants)

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





# ESG (Environmental, Social and Governance)

## Social Responsibility

### Improving Tenant Satisfaction

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

(Case study)

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

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

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



### Relationship with Local Communities

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

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



# ESG (Environmental, Social and Governance)

## Basic Principle of Compliance for the Investment Corporation

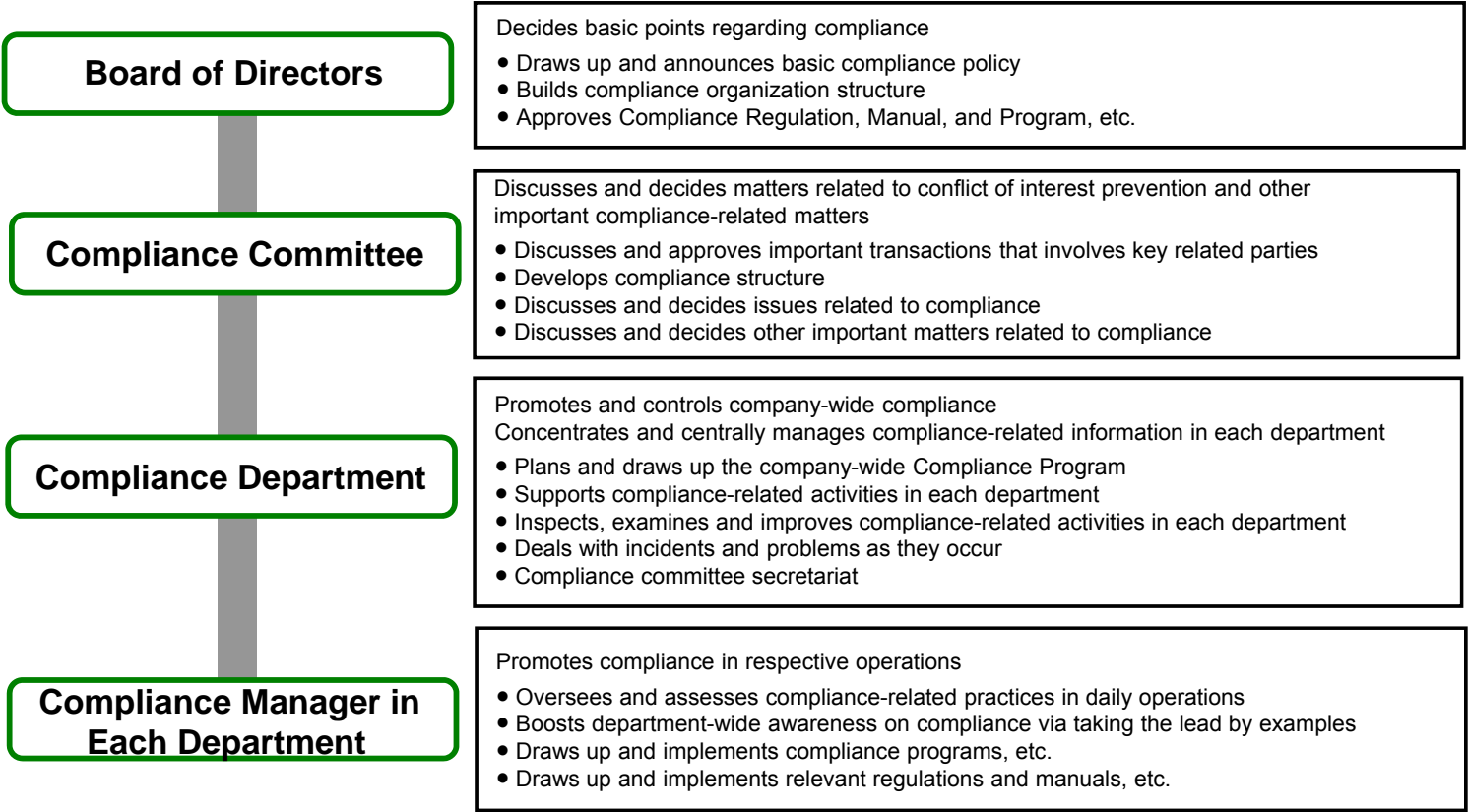
JRE's basic principle of compliance is to thoroughly observe legal and other relevant norms in regards to the business operation as well as to respond to the requirements from society. This means that the Investment Corporation administers and oversees the outsourcing companies from the same standpoint,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

## Basic Principle of Compliance for the Asset Management Company

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

## Compliance Promotion System

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

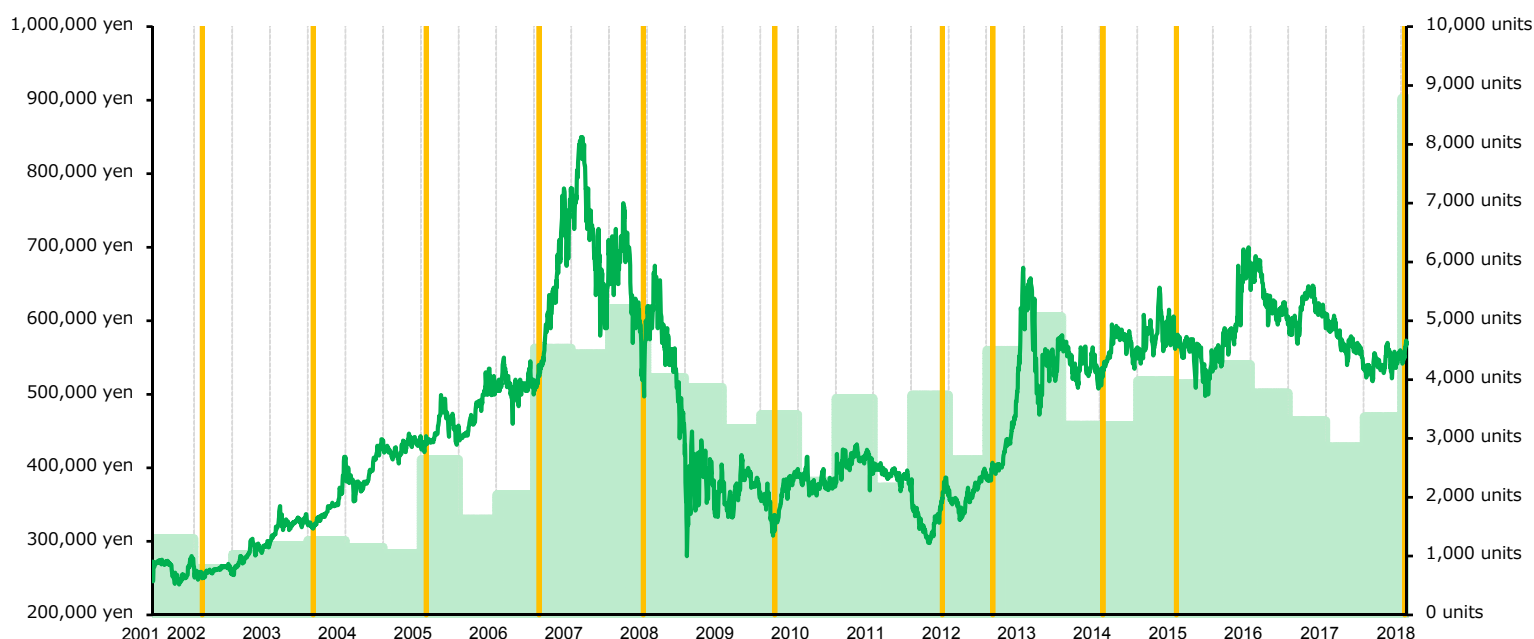


- The Asset Management Company has entered into contracts with several law firms with different specialized areas as its corporate lawyers in order to complement our knowledge of legal tasks in the company, and consults with them, as necessary, depending on the content of issues
- It has also concluded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

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

# Unit Price Performance ① (After IPO)

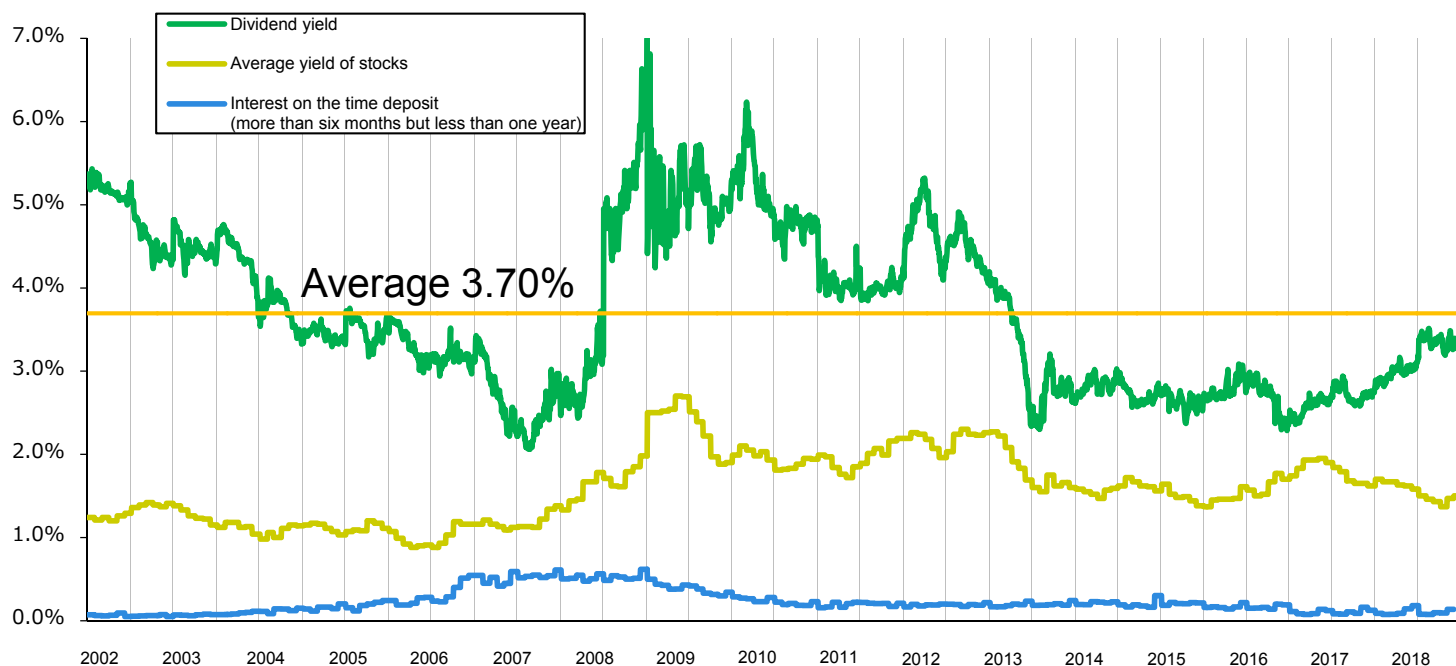
## Unit Price Performance



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

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

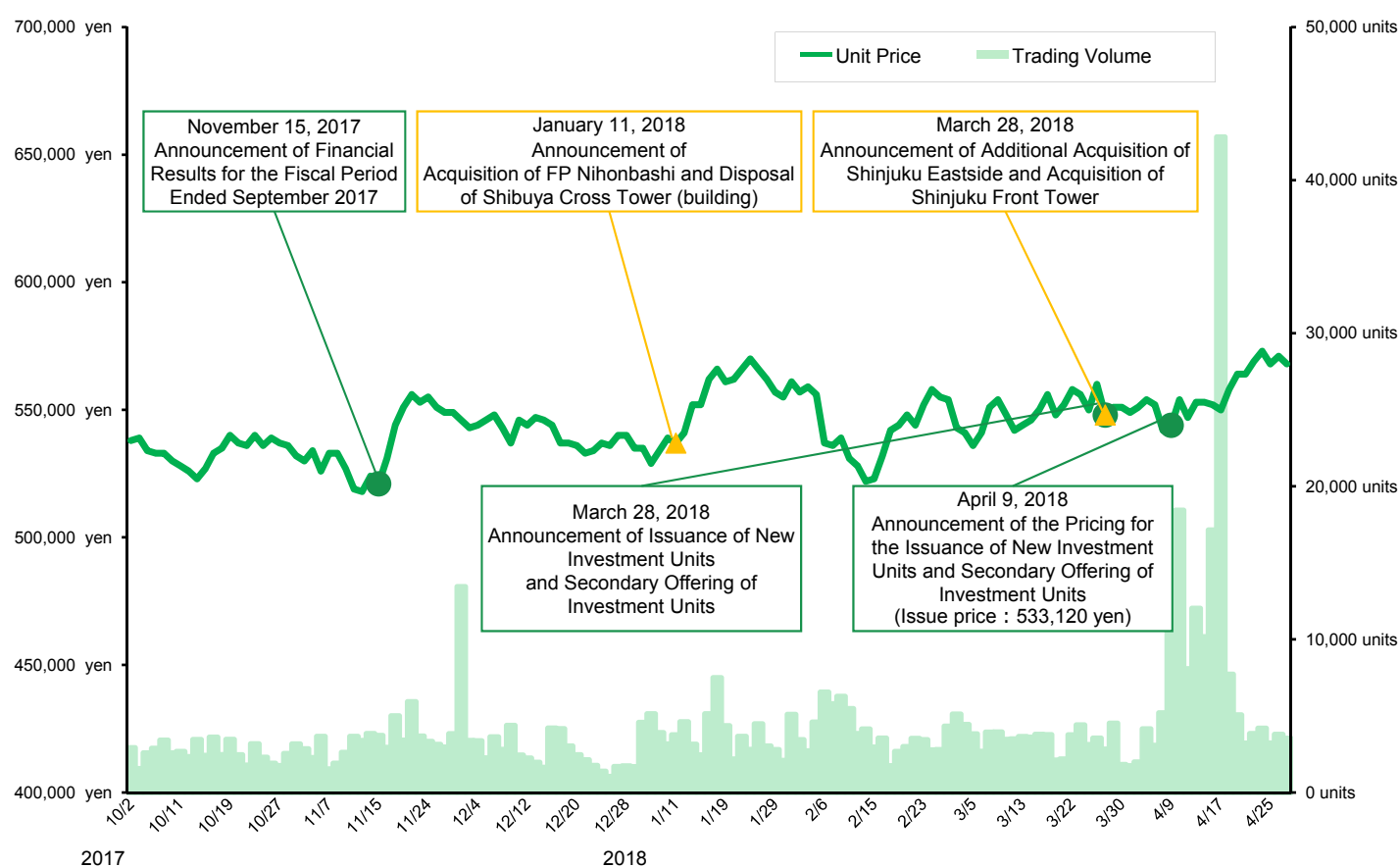
## Historical Dividend Yield of JRE Unit



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

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

As of April 27, 2018

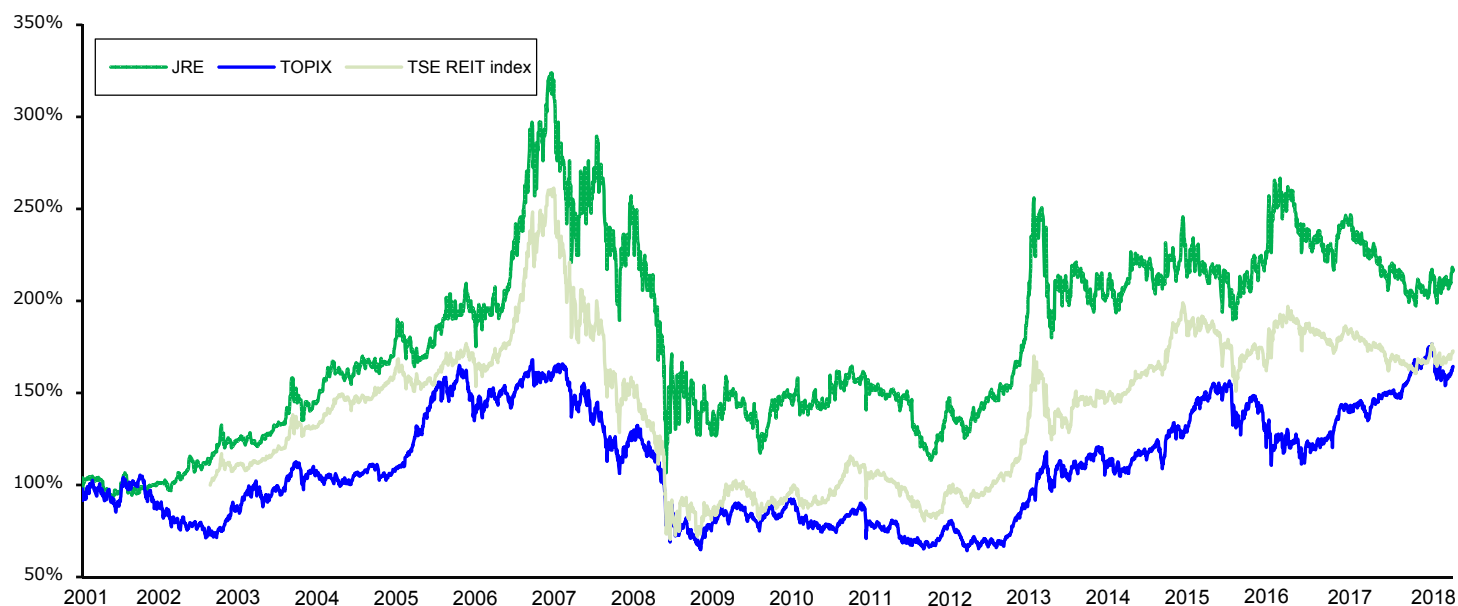


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# Unit Price Performance ③ (Relative to Major Indices)

## Unit Price Performance

(As of April 27, 2018)



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

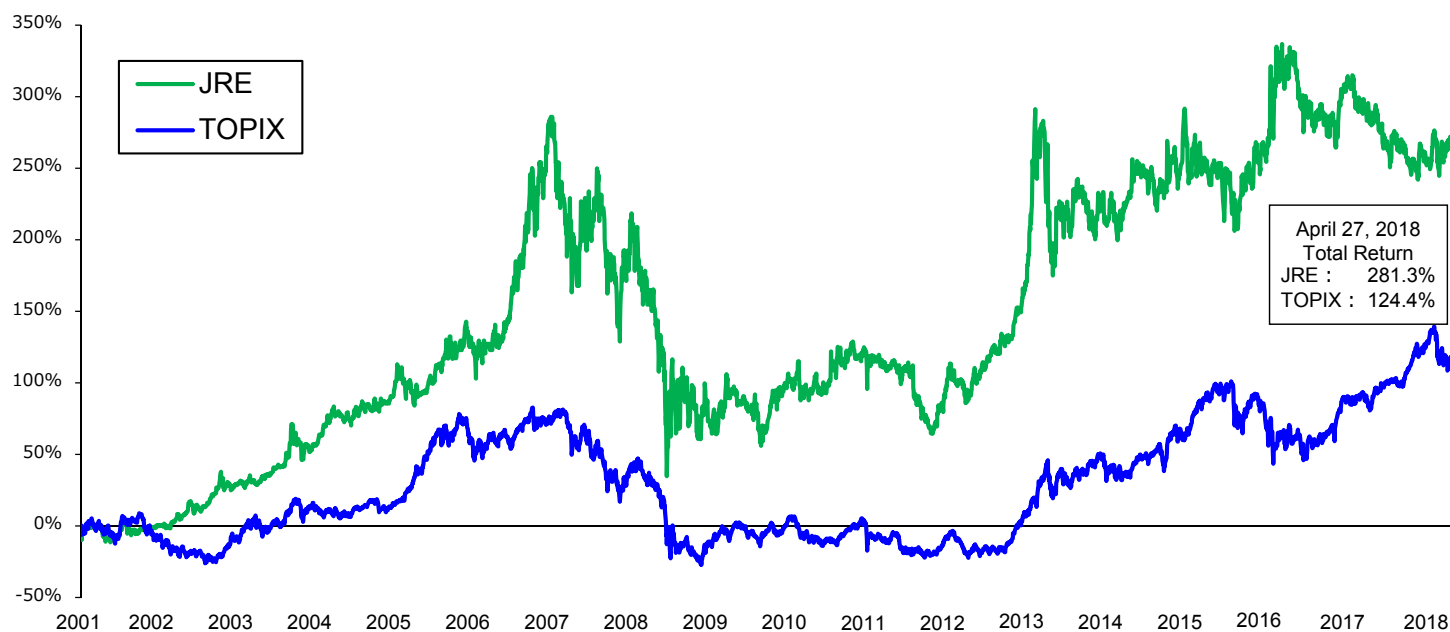
\* Unit prices are based on the closing prices of each day.

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

\* Source: Bloomberg

## Total Return Performance

(As of April 27, 2018)



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

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

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

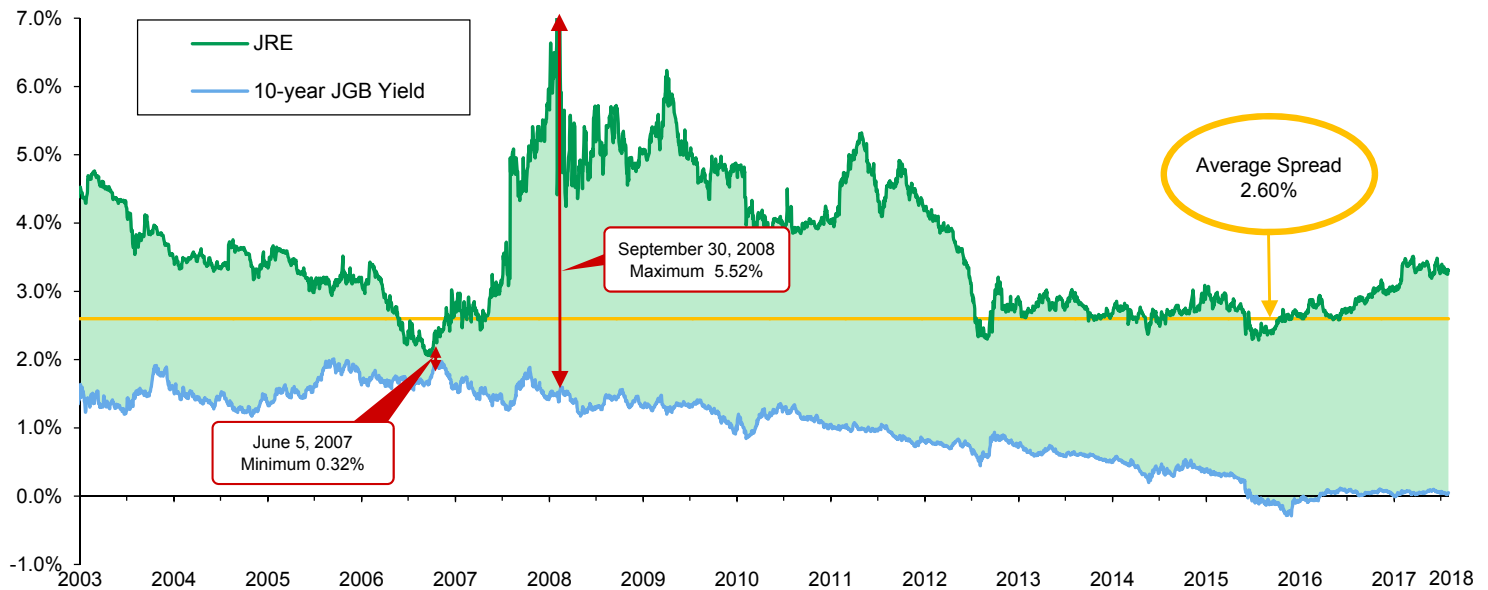
\* Source: Bloomberg



# Yield Spread Comparison

## JRE Dividend Yield Spread against JGB

(As of March 30, 2018)



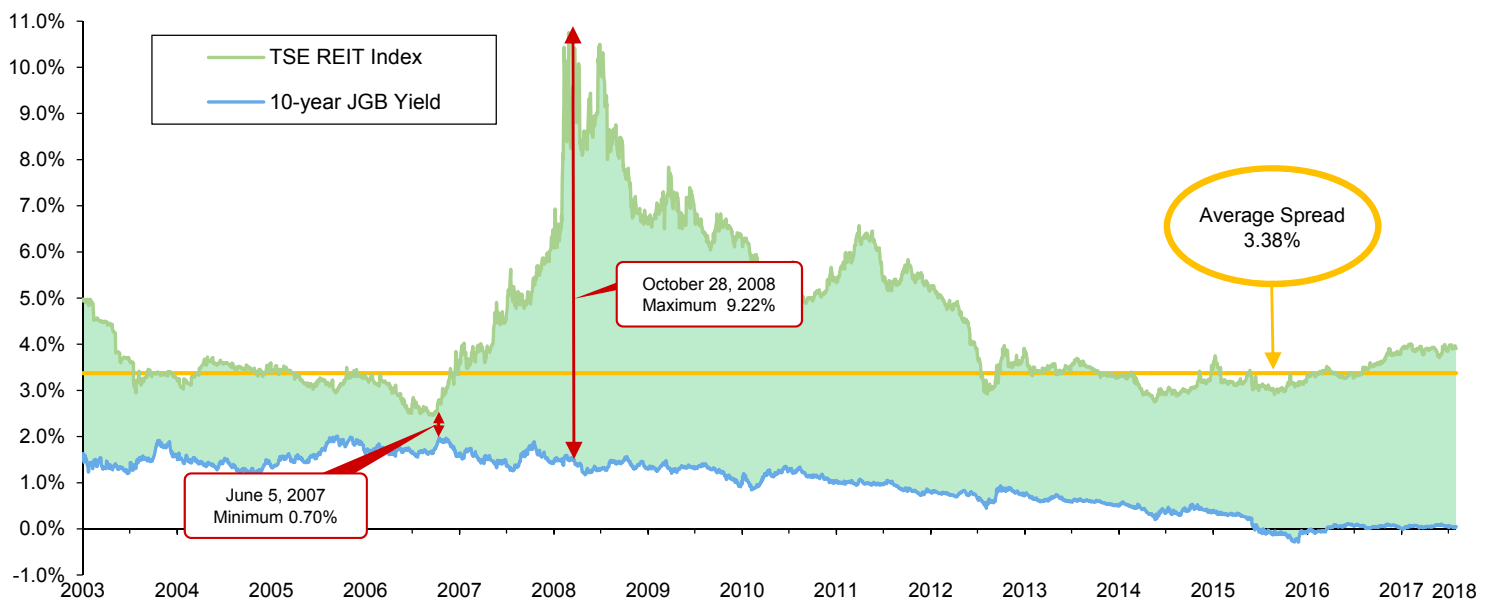
\* Daily basis data from September 1, 2003 to March 30, 2018.

\* Dividend yield is based on the actual performance

\* Source: Bloomberg

## TSE REIT Dividend Yield Spread against JGB

(As of March 30, 2018)



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

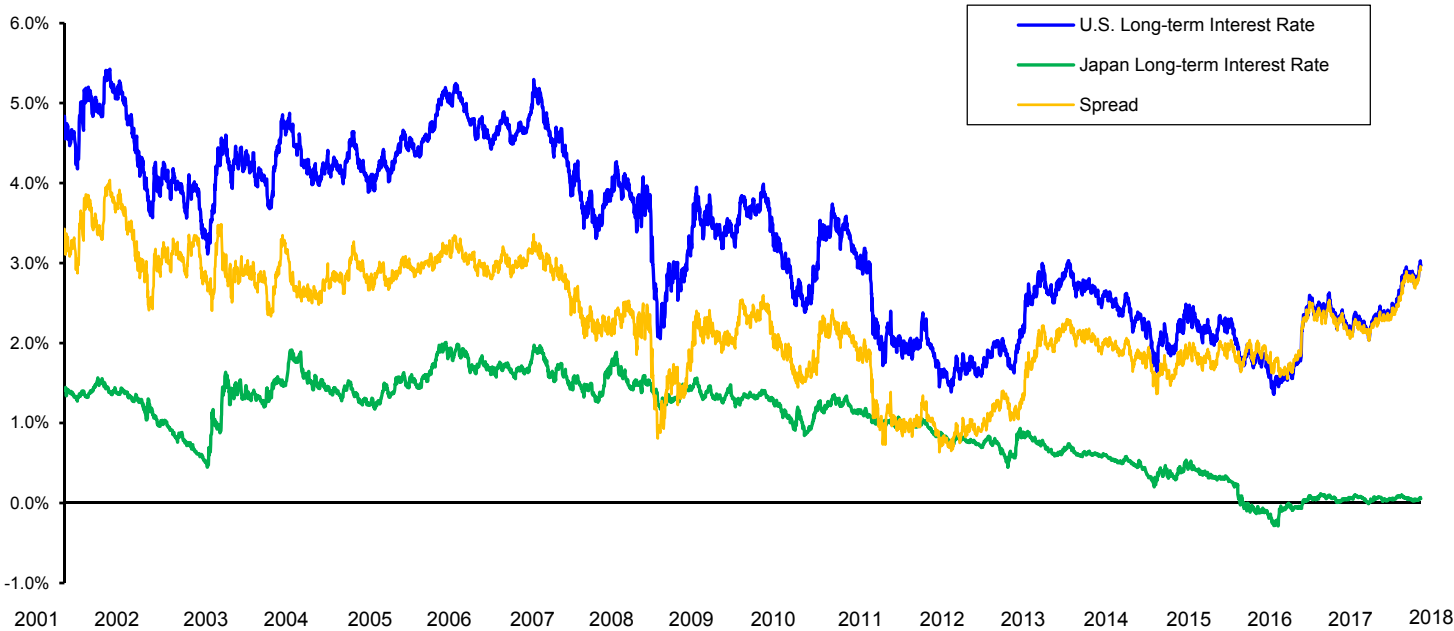
\* Calculated based on the dividend yield of TSE REIT Index. Dividend yield is based on the actual performance

\* Source: Bloomberg

# Interest Rate Comparison of Japan and U.S.

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

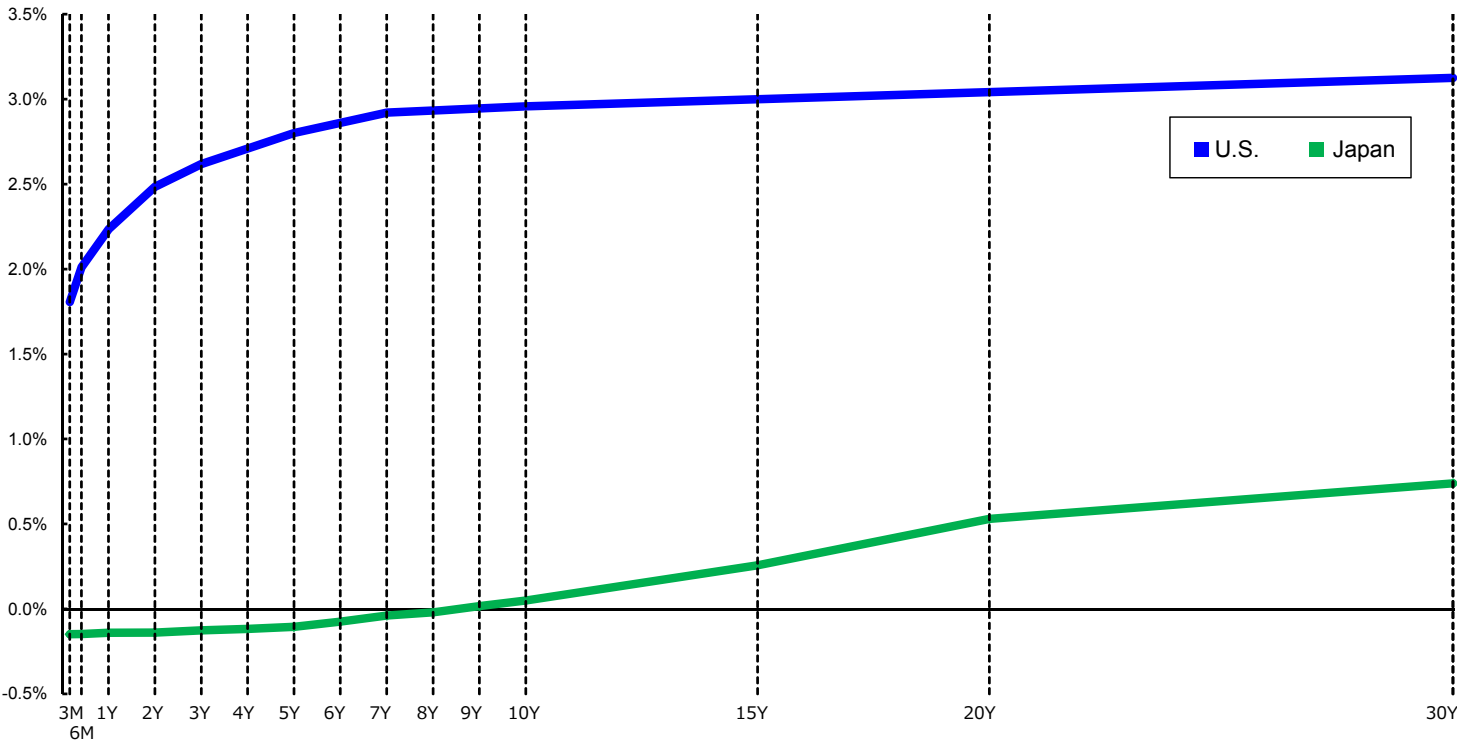
(As of April 27, 2018)



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

## Yield Curve Comparison of Japan and U.S.

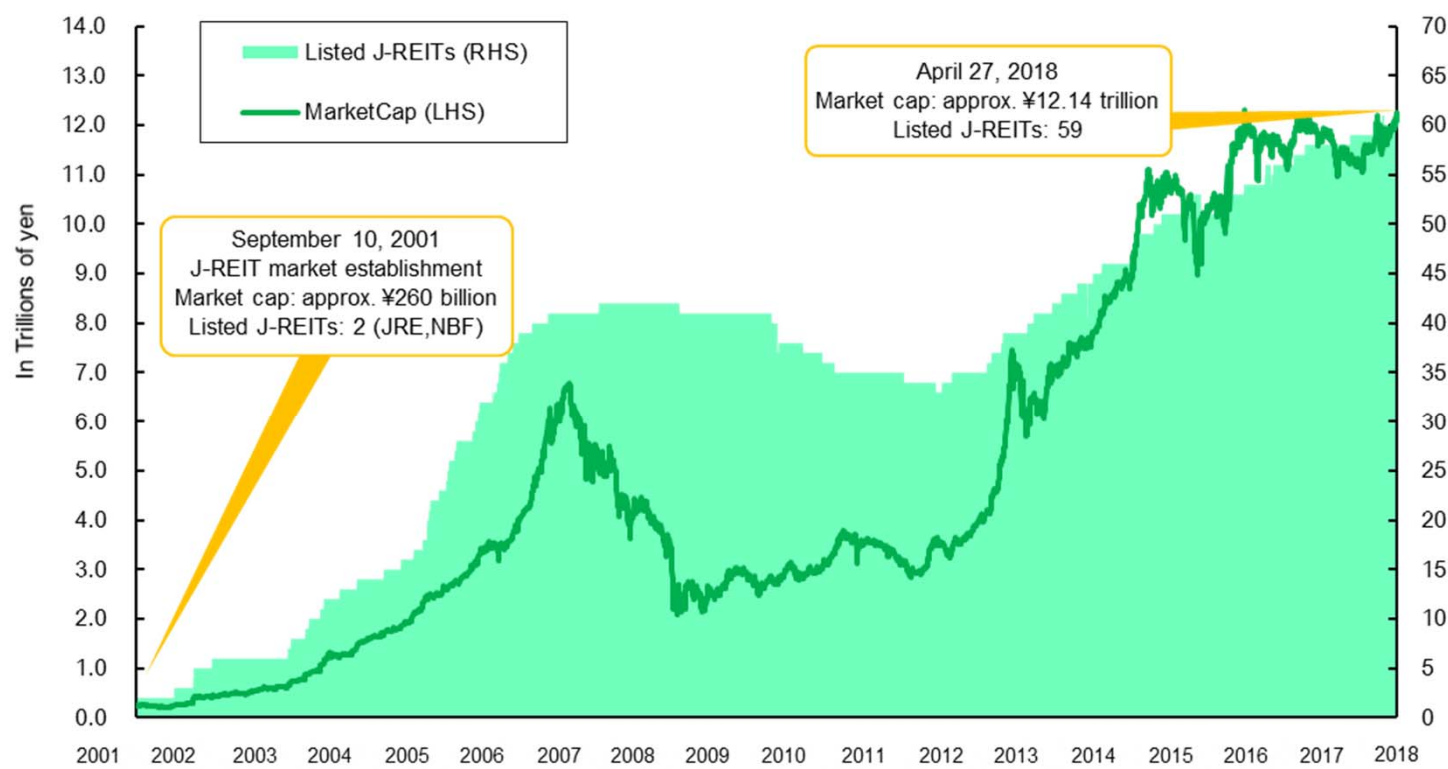
(As of April 27, 2018)



\* Source: Bloomberg

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

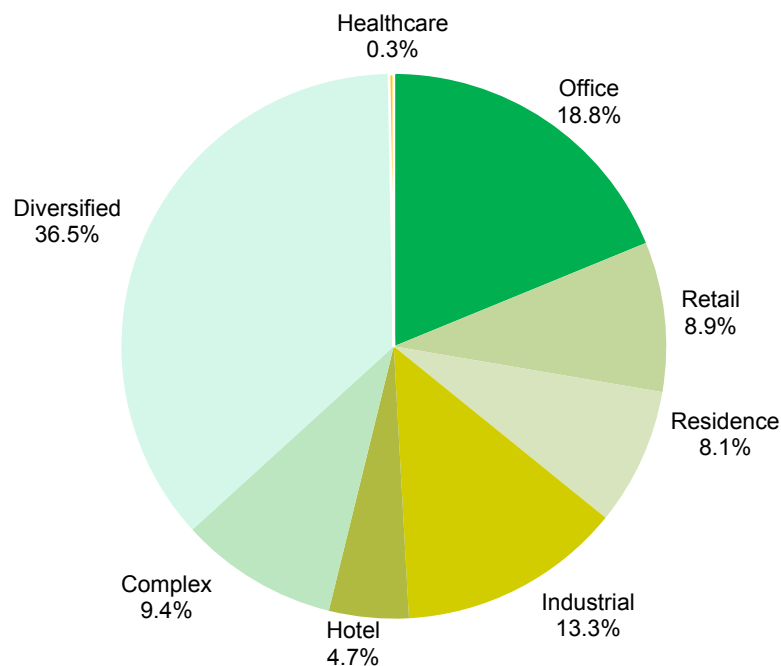
(As of April 27, 2018)



\* Source: Bloomberg

Sector Breakdown by Market Capitalization

(As of April 27, 2018)



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

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## Disclaimer Concerning Forecasts

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

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

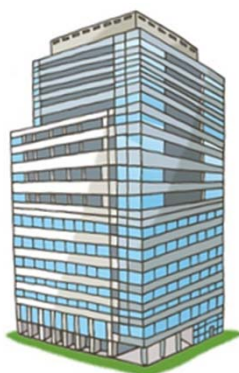
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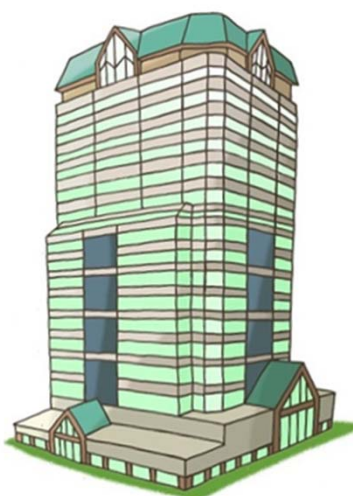
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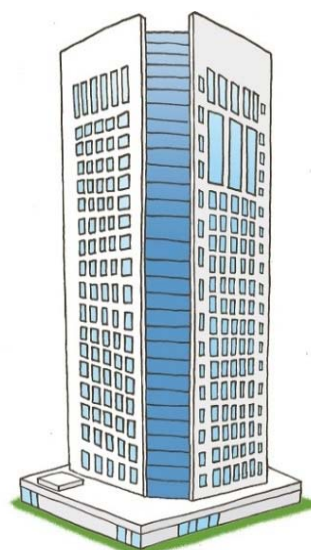
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Akasaka Park Building



Tokyo Opera City Building

Issued on May 15, 2018



