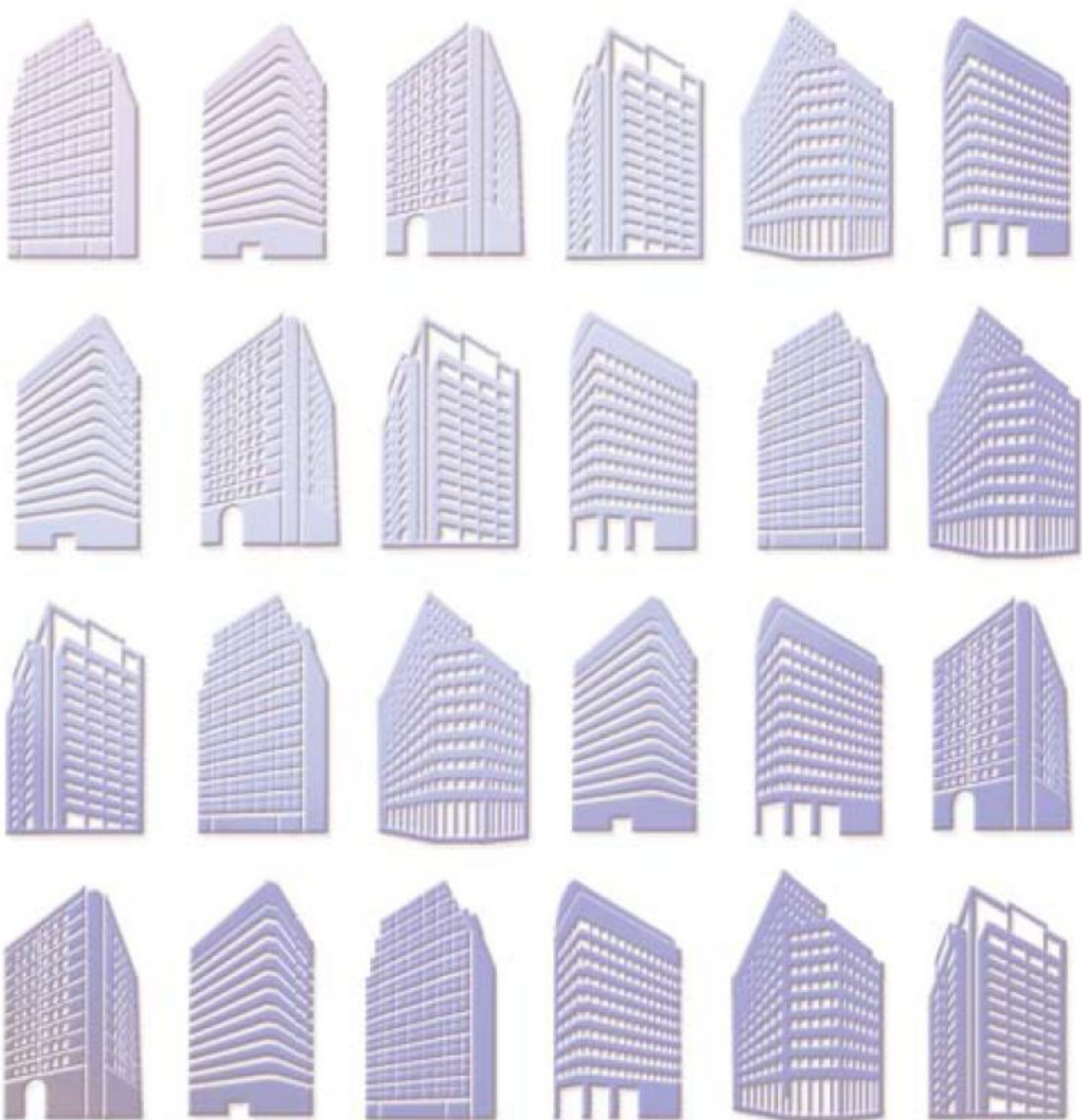


Japan Real Estate Investment Corporation
Performance Review for the Sixth Period
(Ended September 30, 2004)
November 2004



Japan Real Estate Asset Management Co. , Ltd.
Ryoichi Kakehashi, President & CEO

Structure of JRE

D ... Dividend

I ... Interest

Asset Manager

Japan Real Estate Asset
Management Co., Ltd.



Sponsorship

MITSUBISHI ESTATE
三菱地所株式会社

36%

**TOKIO MARINE
NICHIDO**

27%

一生のパートナー
第一生命

27%

Dai-ichi Mutual Life

三井物産株式会社

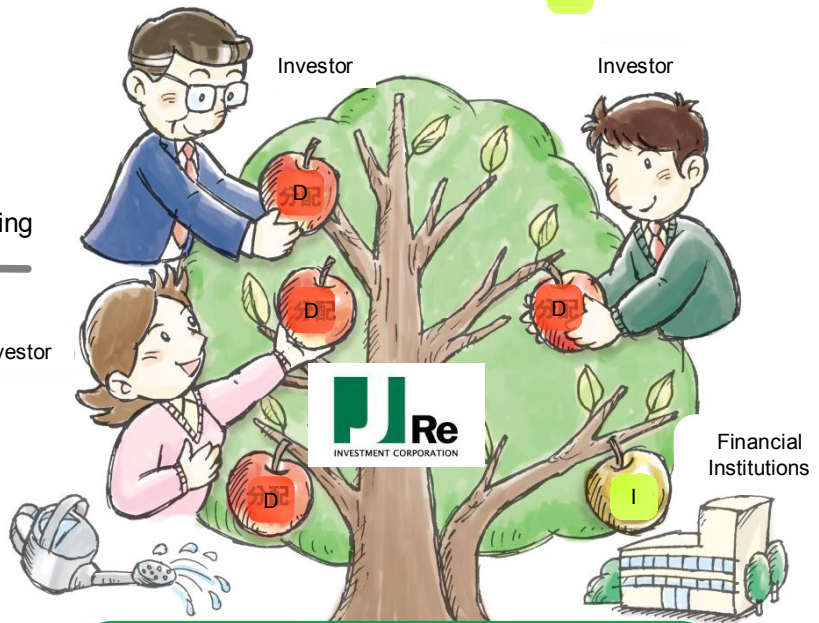
10%

Mitsui & Co.

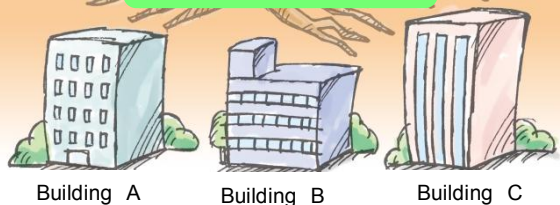
Entrusting

Investor

Investment &
Management
in Real
Estate



Profits from Rental Revenue



Points

- J-Rea manages the office building portfolio.
- Expertise of Mitsubishi Estate, Tokio Marine & Nichido, Dai-ichi Mutual Life, 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 taxable income is paid out.

*The Tokio Marine and Fire Insurance Co., Ltd. and the Nichido Fire and Marine Insurance Co., Ltd. merged to form the Tokio Marine & Nichido Fire Insurance Co., Ltd. on October 1, 2004.

The Four S's Support JRE's Growth



**We believe that our growth is created by “the 4 S’s”:
sincerity, stability, soundness, and strength of will.**

Executive Summary

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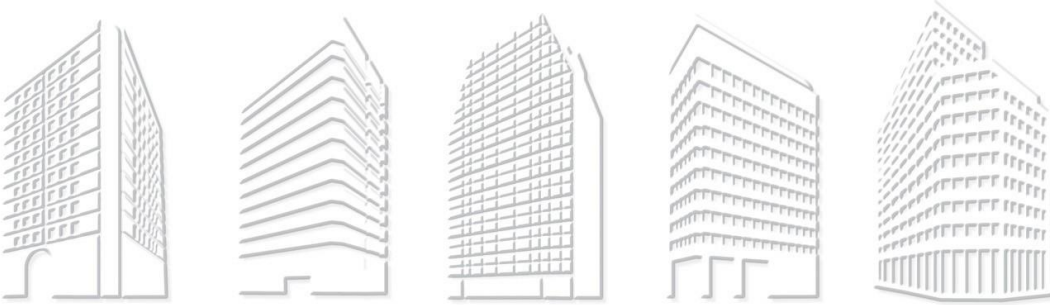
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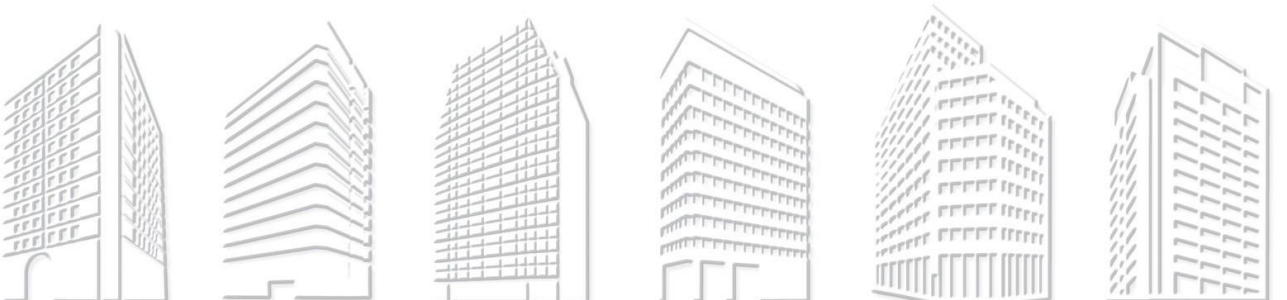
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MEMO



Executive Summary



Financial Summary for the 6th Period

Continuous Growth in Revenues and Profits
Over Six Consecutive Periods since going public

Financial Summary for the 6th Period and Forecast

In millions of yen

	8th Period Forecast (Sep 30, 2005) Apr 2005-Sep 2005	7th Period Forecast (Mar 31, 2005) Oct 2004-Mar 2005	6th Period (Sep 30, 2004) Apr 2004-Sep 2004	5th Period (Mar 31, 2004) Oct 2003-Mar 2004	4th Period (Sep 30, 2003) Apr 2003-Sep 2003
Operating Revenue (year-on-year)	10,400	10,400	10,151 (+6.2%)	9,560 (+6.6%)	8,965 (+5.5%)
Operating Profit (year-on-year)	4,600	4,600	4,358 (+0.4%)	4,341 (+11.4%)	3,898 (+5.7%)
Recurring Profit (year-on-year)	4,000	4,100	3,831 (+0.7%)	3,803 (+11.6%)	3,408 (+4.6%)
Net Income (year-on-year)	4,000	4,100	3,830 (+0.7%)	3,802 (+11.6%)	3,407 (+4.6%)
Total Assets	—	—	257,372	244,523	209,581
Total Liabilities	—	—	120,093	107,272	94,021
Total Unitholder Equity	—	—	137,279	137,250	115,559
LTV	—	—	38.5%	35.6%	36.3%
Unit Price (fiscal year-end)	—	—	875,000 yen	830,000 yen	648,000 yen
Market Capitalization	—	—	227,850	216,132	146,059
Units Outstanding	260400 units	260400 units	260400 units	260400 units	225400 units
Dividends per Unit	15,400 yen	15,400 yen	14,711 yen	14,602 yen	15,117 yen
Number of Properties	40	40	39	36	32
Rentable Area	298,406m ²	298,406m ²	293,105m ²	273,157m ²	246,062m ²
Occupancy Rate	—	94.9%	93.6%	94.8%	95.1%
Key word	—	—	Slow Ahead	EQUINOX	2/3

*Information as of the end of each fiscal year

*Assumptions for Performance Forecast:

Performance forecast for the 7th and 8th Periods is based on 40 properties whose acquisitions have been released as of the end of September 2004, disregarding additional acquisitions in future periods.

The maximum risk of decreasing revenues (due to rent reductions or termination of contracts) is assumed, including the falls already confirmed.

Vacant spaces will be leased gradually over time.

Comments for the 6th Period

「Key word : Slow Ahead」

- Continuous growth in revenues and profits over six consecutive periods since IPO
- JRE acquired the following new properties in the 6th period:

 - Yoyogi 1-Chome Building
 - Ebisu Neonato (additional shares)
 - Ikebukuro YS Building
 - Shinwa Building
 - Higashi Gotanda 1-Chome Building (acquired on November 1, 2004)
- Property management

JRE maintained stable revenues and achieved a high occupancy rate of 93.6% at the end of the 6th period.
- Financial condition

Moody's Investors Service upgraded the rating of JRE from A2 to A1 on November 11, 2004.



Forecasted Revenues and Profits for the 7th and 8th periods

- Continuous growth in revenues and profits in the 7th period is forecasted, due to the contribution from the properties acquired in the 6th period.
- The occupancy rate at the end of the 7th period is estimated at 94.9%.

Summary of Debts

The 6th Period (as of September 30, 2004)

	Lender	Borrowing Date	EOB (millions of yen)	Interest (%) *	Repayment Date
Short-term Borrowing	The Chugoku Bank, Ltd.	2004/3/24	2,000	0.4153	2005/3/24
	The Hachijuni Bank, Ltd.	2004/3/24	2,000	0.4153	2005/3/24
	The Yamanashi Chuo Bank, Ltd.	2004/6/15	2,000	0.4225	2005/6/15
	The Bank of Tokyo-Mitsubishi, Ltd.	2004/7/30	1,000	0.49	2004/10/29
	Mizuho Corporate Bank, Ltd.		1,000		
	The Sumitomo Trust & Banking Corporation		1,000		
	The Mitsubishi Trust & Banking Corporation		1,000		
Total			10,000		

* Interest rates are weighted average rates calculated by days.

	Lender	Borrowing Date	EOB (millions of yen)	Interest (%)	Repayment Date
Long-term Borrowing	The Bank of Tokyo-Mitsubishi, Ltd.	2001/9/25	6,000	1.12	Expected principal Repayment Date 2006/6/23 Final Principal Repayment Date 2008/6/23
	Mizuho Corporate Bank, Ltd.		6,000		
	The Sumitomo Trust & Banking Corporation		5,200		
	The Mitsubishi Trust & Banking Corporation		5,200		
	Sompo Japan Insurance Inc.		1,600		
	The Iyo Bank, Ltd.	2004/3/24	2,000	1.0575	2009/3/24
	The Dai-ichi Mutual Life Insurance Company	2004/3/30	5,000	1.015	2009/3/30
	The Taiyo Life Insurance Company	2004/3/30	2,000	1.47125	2011/3/30
	The Chugoku bank, Ltd.	2004/6/15	3,000	0.90875	2007/6/15
	The Bank of Fukuoka	2004/8/31	3,000	0.78375	2007/8/31
	Mitsui Life Insurance Co., Ltd.	2004/8/31	5,000	1.50125	2011/8/31
Total			44,000		

	Bond	Issue Date	EOB (millions of yen)	Interest (%)	Maturity Date
Investment Corporation Bonds	1st Investment Corporation Bond	2002/6/21	25,000	1.32	2007/6/21
	2nd Investment Corporation Bond	2003/4/30	10,000	0.69	2008/4/30
	3rd Investment Corporation Bond	2003/4/30	10,000	0.98	2010/4/30
Total			45,000		

Total amount of Interest-bearing debt as of the 6th period end	99,000 million yen
--	---------------------------

- The weighted average interest rate is 1.05% based on the amount of debt at the end of the period.
- Duration (as of the end of the sixth period) is 0.37 year (approximately 4 months) for short-term borrowing, 3.34 years (approximately 3 years and 4 months) for the long-term debt (long-term borrowing and investment corporation bonds).

Reference: the 5th Period (as of March 31, 2004)

	Lender	Borrowing Date	EOB (millions of yen)	Interest (%) *	Repayment Date
Short-term borrowing	The Yamanashi Chuo Bank, Ltd.	2003/8/1	2,000	0.54929	2004/6/15
	The Chugoku Bank, Ltd.	2003/8/1	3,000	0.54929	2004/6/15
	The Chugoku Bank, Ltd.	2004/3/24	2,000	0.415	2005/3/24
	The Hachijuni Bank, Ltd.	2004/3/24	2,000	0.415	2005/3/24
	Total		9,000		

* Interest rates are weighted average rates calculated by days.

	Lender	Borrowing Date	EOB (millions of yen)	Interest (%)	Repayment Date
Long-term borrowing	The Bank of Tokyo-Mitsubishi, Ltd.	2001/9/25	6,000	1.12	Expected Principal Repayment Date
	Mizuho Corporate Bank, Ltd.		6,000		
	The Sumitomo Trust & Banking Co., Ltd.		5,200		2006/6/23
	The Mitsubishi Trust & Banking Corporation		5,200		Final Principal Repayment Date
	Sompo Japan Insurance Inc.		1,600		2008/6/23
	The Iyo Bank, Ltd.	2004/3/24	2,000	1.0575	2009/3/24
	The Dai-ichi Mutual Life Insurance Company	2004/3/30	5,000	1.015	2009/3/30
	The Taiyo Life Insurance Company	2004/3/30	2,000	1.47125	2011/3/30
	Total		33,000		

	Bond	Issue Date	EOB (millions of yen)	Interest (%)	Maturity Date
Investment Corporation Bonds	1st Investment Corporation Bond	2002/6/21	25,000	1.32	2007/6/21
	2nd Investment Corporation Bond	2003/4/30	10,000	0.69	2008/4/30
	3rd Investment Corporation Bond	2003/4/30	10,000	0.98	2010/4/30
	Total		45,000		

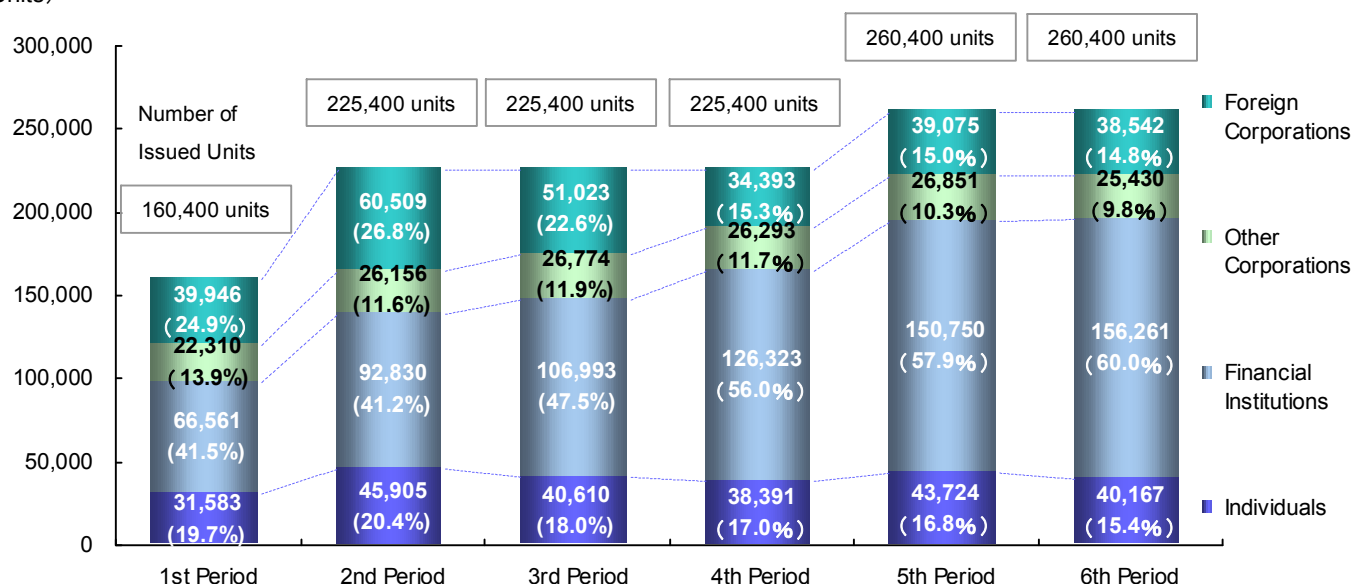
Total amount of Interest-bearing debt as of the 5th period end	87,000 million yen
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- The weighted average interest rate is 1.05%, based on the amount of debt at the end of the period.
- Duration (as of the end of the 5th period) is 0.55 year (approximately 7 months) for short-term borrowing, 3.65 years (approximately 3 years and 8 months) for long-term debt (long-term borrowing and investment corporation bonds).

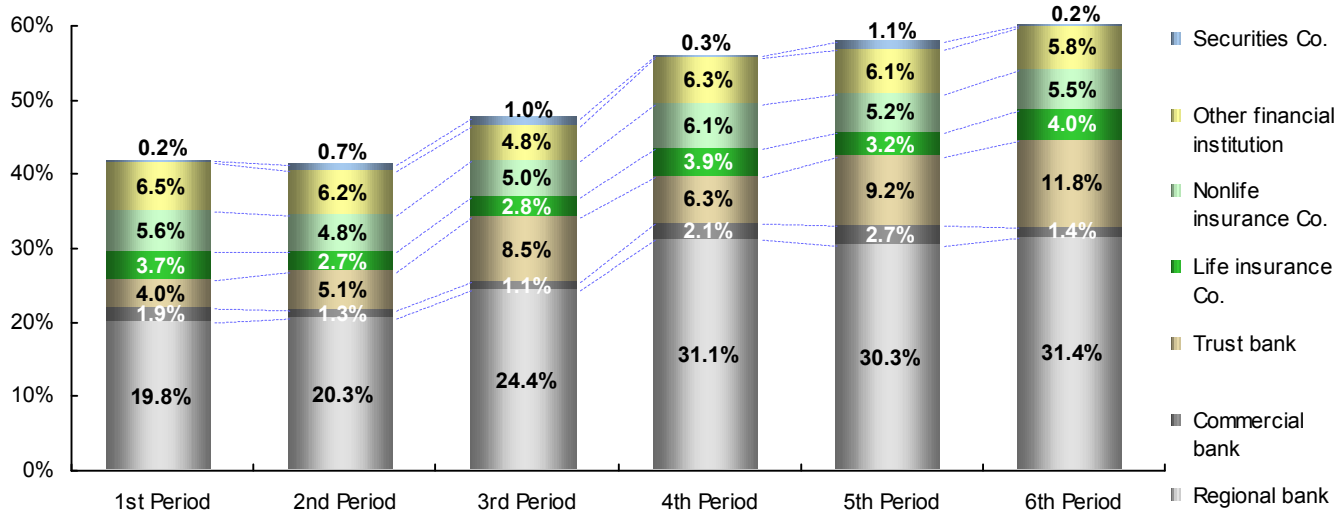
Unitholder Data (Composition and Major Unitholders)

Unitholder Composition

(Units)



Financial Institutions



Number of Unitholders by Sector

	1st Period		2nd Period		3rd Periods		4th Period		5th Period		6th Period	
	Unitholders	%	Unitholders	%	Unitholders	%	Unitholders	%	Unitholders	%	Unitholders	%
Individuals	12,045	95.8%	17,409	96.3%	14,897	96.0%	13,810	95.6%	16,047	95.6%	14,592	95.1%
Financial Institutions	108	0.9%	127	0.7%	126	0.8%	152	1.1%	186	1.1%	189	1.2%
Other Corporations	315	2.5%	417	2.3%	377	2.4%	352	2.4%	398	2.4%	377	2.5%
Foreign Corporations	106	0.8%	130	0.7%	120	0.8%	137	0.9%	163	1.0%	185	1.2%
Total	12,574	100.0%	18,083	100.0%	15,520	100.0%	14,451	100.0%	16,794	100.0%	15,343	100.0%

Top 10 Unitholders

6th period

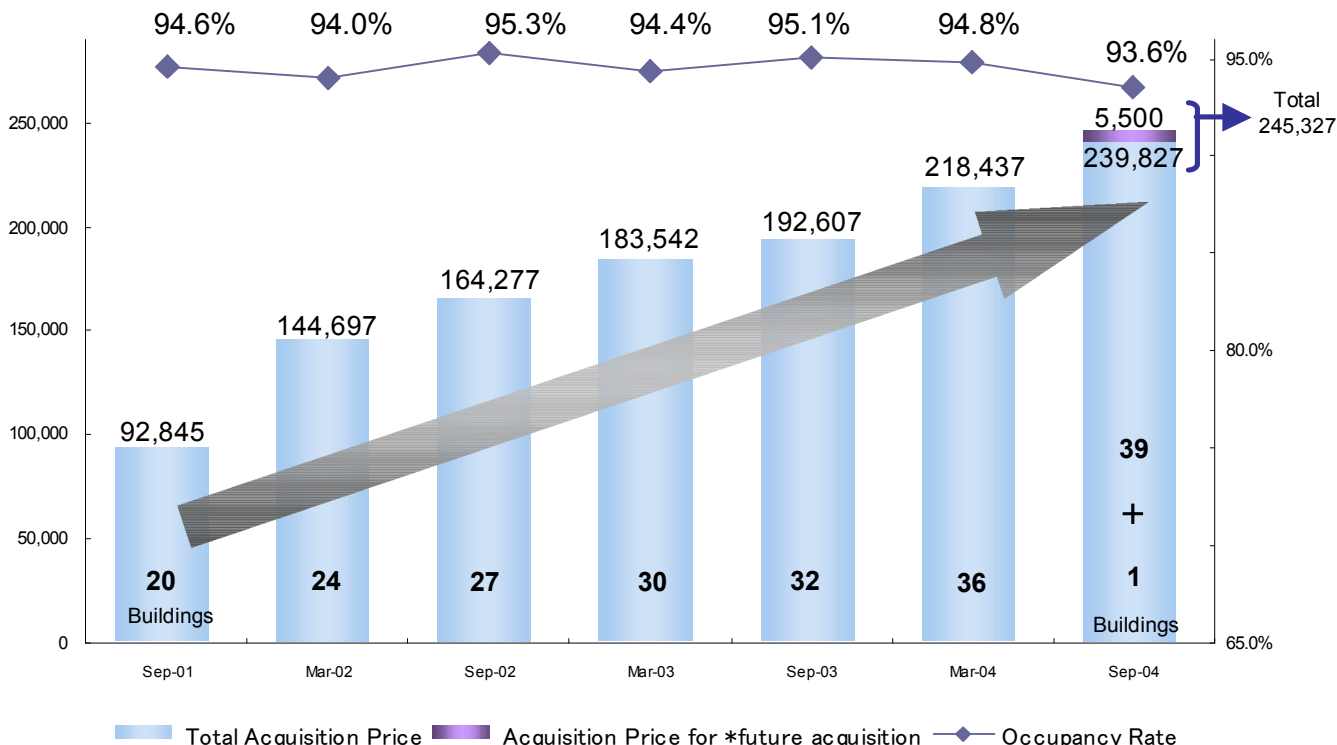
Company	Units	% of Total Units Outstanding
Japan Trustee Services Bank, Ltd. (Shintaku Acc.)	11,531	4.43%
Mitsubishi Estate Co., Ltd.	10,160	3.90%
The Chugoku Bank, Ltd.	8,995	3.45%
State Street Bank and Trust Company	8,646	3.32%
Tokio Marine and Fire Insurance Co., Ltd.	8,120	3.12%
The Yamanashi Chuo Bank, Ltd.	7,300	2.80%
The Master Trust Bank of Japan (Shintaku Acc.)	7,085	2.72%
North Pacific Bank, Ltd.	7,067	2.71%
Trust & Custody Services Bank, Ltd. (Toshin Acc.)	6,996	2.69%
The Bank of Ikeda, Ltd.	5,566	2.14%

5th period

Company	Units	% of Total Units Outstanding
Mitsubishi Estate Co., Ltd.	10,160	3.90%
The Chugoku Bank, Ltd.	8,995	3.45%
The Tokio Marine and Fire Insurance Co., Ltd.	8,120	3.12%
The Bank of Ikeda, Ltd.	7,766	2.98%
The Yamanashi Chuo Bank, Ltd.	7,300	2.80%
Japan Trustee Services Bank, Ltd. (Shintaku Acc.)	7,003	2.69%
Trust & Custody Services Bank, Ltd. (Toshin Acc.)	6,330	2.43%
The Chase Manhattan Bank, N.A. London	5,181	1.99%
Joyo Bank, Ltd.	5,119	1.97%
The Master Trust Bank of Japan, Ltd. (Shintaku Acc.)	4,947	1.90%

Property Acquisitions and Occupancy Rate after IPO

In millions of yen



*The Property (5,500 million yen) acquired on November 1, 2004 in the 7th period is the Higashi Gotanda 1-Chome Building.

◆Property Acquisitions after IPO (starting at 92,845 million yen)

As of Sep 30, 2004

Fiscal 2001	Fiscal 2002	Fiscal 2003	Fiscal 2004
51,852 million yen	38,845 million yen	34,895 million yen	26,890 million yen

The total amount of property acquisitions after IPO:
152,482 million yen

Stable Growth after IPO

Property Data① (Price Comparison)

In millions of yen

Area		Name	6th Period Appraisal Value (Sep 30, 04)	5th Period Appraisal Value (Mar 31, 04)	6th Period Book Value (Sep 30, 04)	Acquisition Price	Year Built	Rentable Area(m ²) (Sep 30, 04)	Occupancy Rate (Sep 30, 04)
Tokyo Metropolitan Area	23 Wards	Genki Medical Plaza	5,700	5,510	5,249	5,000	1985	4,791	100.0%
		MD Kanda Building	8,130	8,110	9,425	9,520	1998	6,269	100.0%
		Kandabashi Park Building	4,840	4,940	4,773	4,810	1993	3,687	100.0%
		Mitsubishi Soken Building	30,400	30,400	27,058	27,267	1970	18,006	100.0%
		Yurakucho Denki Building	6,820	6,780	7,573	7,200	1975	4,694	100.0%
		Kodenmachi Shin-Nihonbashi Building	3,240	3,240	3,034	3,173	1991	3,897	100.0%
		Burex Kyobashi Building	5,290	5,110	5,326	5,250	2002	4,279	100.0%
		Aoyama Crystal Building	7,330	7,170	7,742	7,680	1982	4,916	100.0%
		Shiba 2-Chome Daimon Building	5,250	5,110	5,023	4,859	1984	9,643	100.0%
		Cosmo Kanasugibashi Building	2,920	2,840	2,714	2,808	1992	4,062	100.0%
		Takanawadai Building	2,530	2,830	2,639	2,738	1991	4,091	100.0%
		JAL Travel Building	1,420	1,390	1,303	1,362	1991	3,383	100.0%
		Omori-Eki Higashiguchi Building	5,180	5,180	4,841	5,123	1989	7,708	100.0%
		Nippon Brunswick Building	7,170	6,930	6,728	6,670	1974	7,347	99.3%
		da Vinci Harajuku	5,140	5,010	5,017	4,885	1987	3,051	100.0%
		Jingumae Media Square Building	12,670	12,410	12,301	12,200	1998	5,558	91.3%
		Shibuya Cross Tower	34,400	34,100	35,532	34,600	1976	29,775	99.9%
	Ebisu Neonato	3,851	3,760	4,107	3,740	1994	2,462	100.0%	
	Otsuka Higashi-Ikebukuro Building	3,410	3,370	3,345	3,541	1987	7,114	91.0%	
	Ikebukuro 2-Chome Building	1,420	1,490	1,685	1,728	1990	2,186	100.0%	
Excluding 23 Wards	Saitama Urawa Building	2,360	2,390	2,514	2,574	1990	4,510	92.1%	
	Shin-Yokohama First Building	1,620	1,700	3,039	3,000	1992	6,925	75.4%	
	Kawasaki Isago Building	3,140	3,110	3,146	3,375	1990	6,831	100.0%	
Other Major Cities	Sendai Honcho Honma Building	2,930	2,970	2,769	2,924	1991	5,829	100.0%	
	Niigata Ishizuecho Nishi-bandaibashi Building	755	771	1,013	1,010	1984	4,383	95.8%	
	Kanazawa Park Building	5,390	5,460	4,669	4,580	1991	21,343	90.5%	
	Kanazawa Minamicho Building	1,010	1,090	1,295	1,331	1987	3,782	84.0%	
	Nagoya Hirokoji Building	14,600	14,600	14,194	14,533	1987	21,590	98.3%	
	Nagoya Misono Building	1,840	1,840	1,818	1,865	1991	3,470	100.0%	
	Kyoto Shijo Kawaramachi Building	2,050	2,130	2,964	2,650	1982	6,800	88.8%	
	Sakaisuji-honmachi Building	4,170	4,560	4,199	4,164	1992	11,574	40.1%	
	Midosuji Daiwa Building	13,500	13,500	14,022	14,314	1991	20,449	96.1%	
	Kobe Itomachi Building	966	999	1,394	1,436	1989	3,478	96.2%	
	NHK Hiroshima Broadcasting Center Building	1,350	1,350	1,348	1,320	1994	5,470	80.6%	
	Tosei Tenjin Building	1,370	1,400	1,497	1,550	1992	4,080	92.0%	
	Hinode Tenjin Building	3,470	3,600	3,500	3,657	1987	5,902	84.3%	
	Subtotal			217,632	217,150				
Properties acquired in the 6th Period	Yoyogi 1-Chome Building	8,710	-	8,817	8,700	2003	7,772	100.0%	
	Ebisu Neonato (additional shares)	369	-	added to the existing shares	360	1994	added to the existing shares		
	Ikebukuro YS Building	4,450	-	4,566	4,500	1989	5,715	90.5%	
	Shinwa Building	7,800	-	7,934	7,830	1989	6,265	88.0%	
Total (39 properties)			238,961	217,150	240,134	239,827		293,105	93.6%

*The name of Fukusuke Sakaisuji-honmachi Building was changed to Sakaisuji-honmachi Building on July 1, 2004.

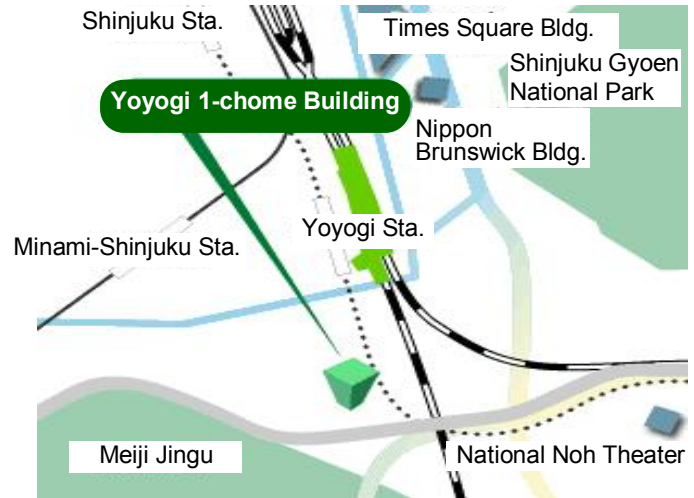
Area	Name	Appraisal Value (before acquisition)			Acquisition Price	Year Built	Rentable Area (m ²) (Acquisition Date)	Occupancy Rate (Acquisition Date)
Property to be acquired in the 7th Period	Higashi Gotanda 1-Chome Building*	5,200	-	-	5,500	2004	5,205	34.4%
Total		5,200			5,500		-	-

*The Higashi Gotanda 1-Chome Building was acquired on November 1, 2004.

*The occupancy rate of the building is expected to be 100 % on November 20, 2004.

*Appraisal Firms : Daiwa Real Estate Appraisal Co., Ltd. and Appraisal Firm Asquare Co., Ltd.

Yoyogi 1-Chome Building (Acquired in the 6th Period)



Transaction Summary

- ▮ **Seller:** Mizuho Trust & Banking Co., Ltd.
- ▮ **Acquisition Price:** 8,700 million yen
- ▮ **Appraisal Value:** 8,400 million yen
(as of Aug. 1, 2003)
- ▮ **Acquisition Date:** April 1, 2004

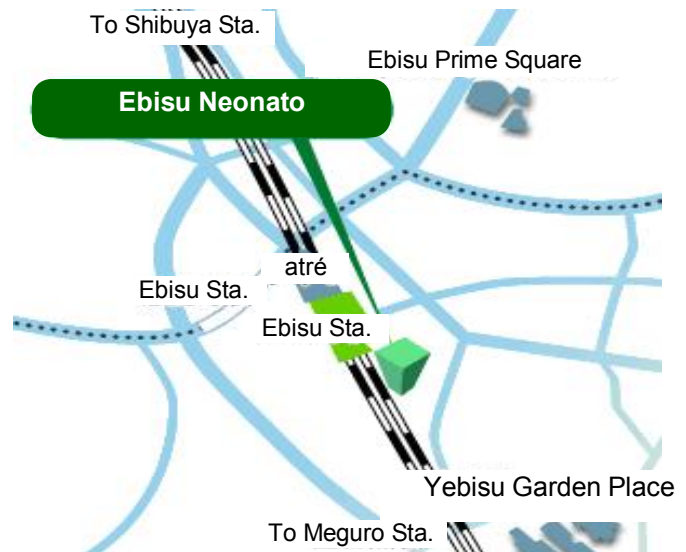
Property Summary

- ▮ **Address:** Yoyogi 1-22-1, Shibuya-ku, Tokyo
- ▮ **Area:** Land: 1,755.75 m² Building: 10,778.10 m²
- ▮ **Structure:** Steel framed/reinforced concrete/fourteen stories with one basement
- ▮ **Built:** October 2003
- ▮ **Type of Ownership:** Fee simple
- ▮ **Rentable Area:** 7,772 m²
- ▮ **Occupancy Rate:** 100.0% (Acquisition Date)

Reasons for Acquisition

- ▮ **Superior Location:** Located in Yoyogi, next to Shinjuku, a core business area, a three-minute walk from JR/subway Yoyogi Station
- ▮ **High Specifications:** New building with a separate air conditioning system, well-equipped electrical equipment and high ceilings

Ebisu Neonato (Additional shares acquired in the 6th Period)



Transaction Summary

- Seller: JACCS Co., Ltd.
- Acquisition Price: 360 million yen
- Appraisal Value: 369 million yen (as of March 1, 2004)
- Acquisition Date: April 1, 2004

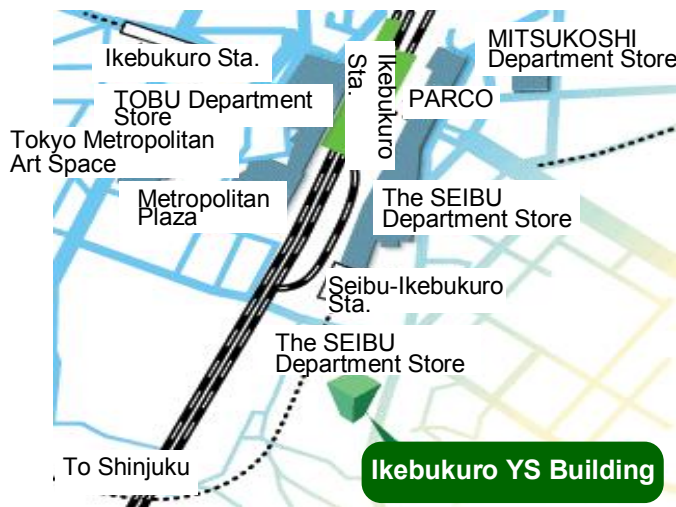
Property Summary

- Address: Ebisu 4-1-18, Shibuya-ku Tokyo
- Area: Land: 5,005.70 m² Building: 36,598.38 m²
- Structure: Steel framed/reinforced concrete/eighteen stories with two basements
- Built: October 1994 (age: 10 yrs.)
- Type of Ownership: Land: Co-ownership Building: Co-ownership of sectional ownership
 - * Acquired 12.3% of co-ownership in land and ownership of the 3rd and 4th floors of the building in two transactions
- Rentable Area: 237 m² (acquired in the 6th period) JRE's total Rentable Area: 2,462 m²
- Occupancy Rate: 100.0% (at the time of acquisition in the 6th period)

Reasons for Acquisition

- Economic Efficiency: Promote efficiency in the property management and cost reduction by additional acquisition
- Competitiveness: Landmark building with high-quality construction and facilities

Ikebukuro YS Building (Acquired in the 6th Period)



Transaction Summary

- υ **Seller:** Prime Capital Private Limited Company
- υ **Acquisition Price:** 4,500 million yen
- υ **Appraisal Value:** 4,300 million yen (as of June 1, 2004)
- υ **Acquisition Date:** August 2, 2004

Property Summary

- υ **Address:** 1-13-23 Minami-Ikebukuro, Toshima-ku, Tokyo
- υ **Area:** Land: 1,384.56 m² Building: 7,464.64 m²
- υ **Structure:** Steel-framed/reinforced concrete/eight stories with one basement
- υ **Built:** December, 1989 (15 yrs.)
- υ **Type of Ownership:** Fee simple
- υ **Rentable Area:** 5,715 m²
- υ **Occupancy Rate:** 90.5% (Acquisition Date)

Reasons for Acquisition

- υ **Superior Location:** Located within a six-minute walking distance from Ikebukuro Station
- υ **Very convenient location in terms of transportation:** several subways and private railway stations accessible on foot
- υ **Facing the main street, Meiji-Dori, as well**
- υ **Strong Competitiveness:** high-quality construction and first-class facilities

Shinwa Building (Acquired in the 6th Period)



Transaction Summary

- ▮ **Seller:** Mizuho Trust & banking Co., Ltd.
- ▮ **Acquisition Price:** 7,830 million yen
- ▮ **Appraisal Value:** 7,800 million yen
(as of August 31, 2004)
- ▮ **Acquisition Date:** September 1, 2004

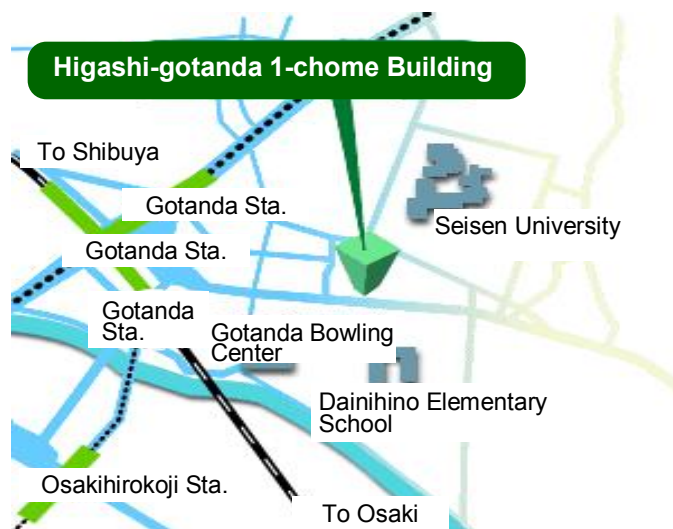
Property Summary

- ▮ **Address:** 3-2-4 Nishi-Shinjuku, Shinjuku-ku Tokyo
- ▮ **Area:** Land: 822.00 m² Building: 8,291.69 m²
- ▮ **Structure:** Steel framed/reinforced concrete/ten stories with one basement
- ▮ **Built:** November 1989 (15 yrs.)
- ▮ **Type of Ownership:** Fee simple
- ▮ **Rentable Area:** 6,265m²
- ▮ **Occupancy rate:** 88.0% (Acquisition Date)

Reasons for Acquisition

- ▮ **Superior Location:** Located in Nishi-Shinjuku, a core business area within a seven-minute walk from JR Shinjuku Station
Direct and easy access to both Tokyo Metropolitan Government Building and Shinjuku Station, in addition to a landmark feature facing Koshu-kaido
- ▮ **Well-balanced Specifications:** High-integrity specifications meet all sorts of tenant needs, including OA floor, a separate air-conditioning system, and ample power source
Entrance and common area have already been renovated, creating a sedate atmosphere.

Higashi Gotanda 1-Chome Building (Acquired in the 7th Period)



Transaction Summary

- υ **Seller:** UFJ Trust Bank Ltd.
- υ **Acquisition Price:** 5,500 million yen
- υ **Appraisal Value:** 5,200 million yen
(as of June 1, 2004)
- υ **Acquisition Date:** November 1, 2004

Property Summary

- υ **Address:** 1-24-2 Higashi Gotanda Shinagawa-ku, Tokyo
- υ **Area:** Land: 1,539.95 m² Building: 6,460.39 m²
- υ **Structure:** Steel framed/eight stories
- υ **Built:** July 2004
- υ **Type of Ownership:** Fee simple
- υ **Rentable Area:** 5,205 m²
- υ **Occupancy rate:** 100.0% (Expected on November 20, 2004)

Reasons for Acquisition

- υ **Superior Location:** A four-minute walk from JR Gotanda Station
Next to developing business area of Shinagawa and Osaki
- υ **High Specifications:** New building with OA floor, a separate air conditioning system, and ample power source, which satisfies all sorts of tenant needs

Forecast Property Occupancy Rates

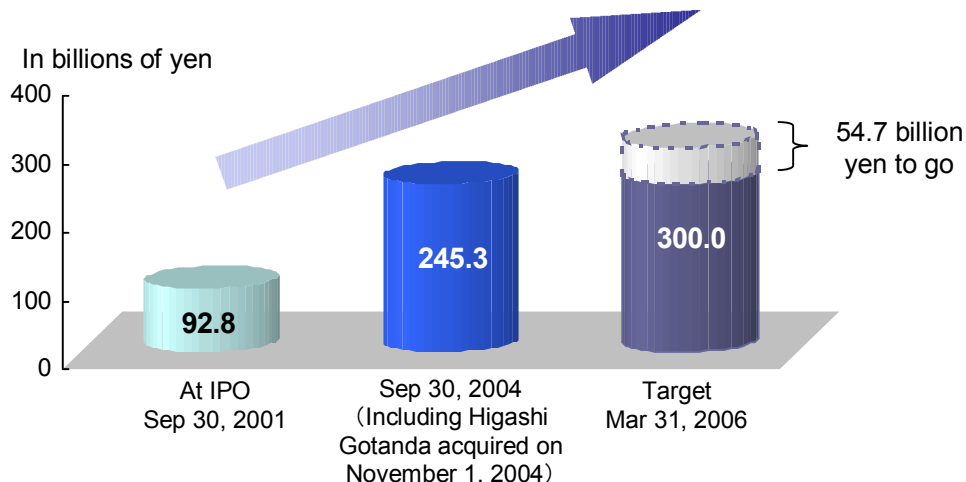
Area		Name	6th Period (Sep 30,2004)	7th Period (Mar 31, 2005)
Tokyo Metropolitan Area	23 Wards	Genki Medical Plaza	100.0%	100.0%
		MD Kanda Building	100.0%	100.0%
		Kandabashi Park Building	100.0%	100.0%
		Mitsubishi Soken Building	100.0%	100.0%
		Yurakucho Denki Building	100.0%	100.0%
		Kodenmacho Shin-Nihonbashi Building	100.0%	100.0%
		Burex Kyobashi Building	100.0%	100.0%
		Aoyama Crystal Building	100.0%	100.0%
		Shiba 2-Chome Daimon Building	100.0%	99.4%
		Cosmo Kanasugibashi Building	100.0%	95.5%
		Shinwa Building	88.0%	88.0%
		Takanawadai Building	100.0%	100.0%
		JAL Travel Building	100.0%	100.0%
		Omori-Eki Higashiguchi Building	100.0%	100.0%
		Nippon Brunswick Building	99.3%	98.7%
		Yoyogi 1-Chome Building	100.0%	100.0%
		da Vinci Harajuku	100.0%	100.0%
		Jingumae Media Square Building	91.3%	100.0%
		Shibuya Cross Tower	99.9%	98.3%
		Ebisu Neonato	100.0%	100.0%
		Otsuka Higashi-Ikebukuro Building	91.0%	91.0%
		Ikebukuro 2-Chome Building	100.0%	100.0%
		Ikebukuro YS Building	90.5%	92.3%
		Average	98.4%	98.3%
	Excluding 23 Wards	Saitama Urawa Building	92.1%	98.0%
		Shin-Yokohama First Building	75.4%	81.0%
		Kawasaki Isago Building	100.0%	93.4%
		Average	88.7%	89.8%
Other Major Cities	Sendai Honcho Honma Building	100.0%	98.8%	
	Niigata Ishizuecho Nishi-bandaibashi Building	95.8%	95.8%	
	Kanazawa Park Building	90.5%	91.0%	
	Kanazawa Minamicho Building	84.0%	84.0%	
	Nagoya Hirokoji Building	98.3%	100.0%	
	Nagoya Misono Building	100.0%	85.0%	
	Kyoto Shijo Kawaramachi Building	88.8%	96.0%	
	Sakaisuji-honmachi Building	40.1%	62.7%	
	Midosuji Daiwa Building	96.1%	96.1%	
	Kobe Itomachi Building	96.2%	98.1%	
	NHK Hiroshima Broadcasting Center Building	80.6%	85.8%	
	Tosei Tenjin Building	92.0%	85.9%	
	Hinode Tenjin Building	84.3%	89.2%	
	Average	88.0%	90.9%	
	Property to be acquired in the 7th period	Higashi Gotanda 1-Chome Building	-	100.0%
Average		93.6%	94.9%	

Growth Strategy

External Growth Strategy

- u Increase revenue and stability by purchasing new properties at appropriate prices
- u Target Asset Size=300 billion yen by March 2006

(picture of external growth)



Internal Growth Strategy

- u Maximize profitability of existing properties
- u Maintain/increase rents by increasing tenant satisfaction through proper property management
- u Stabilize occupancy rate by understanding needs of tenants
- u Increase rental income by finding new tenants for properties with low occupancy rates
- u Reduce property management costs

Financial Strategy

- u Promptness, Diversification, and Flexibility
- u Appropriate response to interest risk with ALM

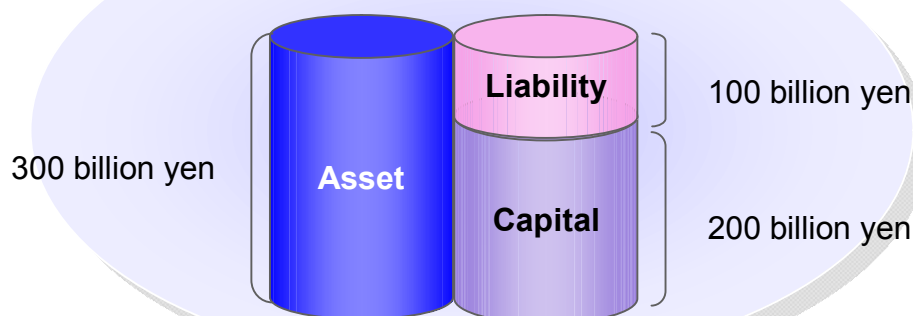
Capital Policy

IR Strategy

u **3 Is**

Intelligent **I**nteresting **I**nteractive

JRE's picture of the future (Mar 31, 2006)



History after IPO (Tangible & Intangible Assets)

Total Market Value

Total Market Value at IPO:

85.8 billion yen

Total Market Value at the end of the 6th period:

227.8 billion yen

Credit Ratings

Issuer Credit rating,
first obtained in J-REIT

S&P A+

Moody's A1 (*)

* Moody's Investors Service
upgraded the rating of JRE from A2
to A1 on November 11, 2004.

IPO

Listing: Sep 10, 2001

Offering Size:

84.0 billion yen



Follow-Ons

Issue Dates Offering Size

May 8, 2002: 31.9 billion yen

Oct 25, 2003: 22.0 billion yen

Investment Corporation Bond

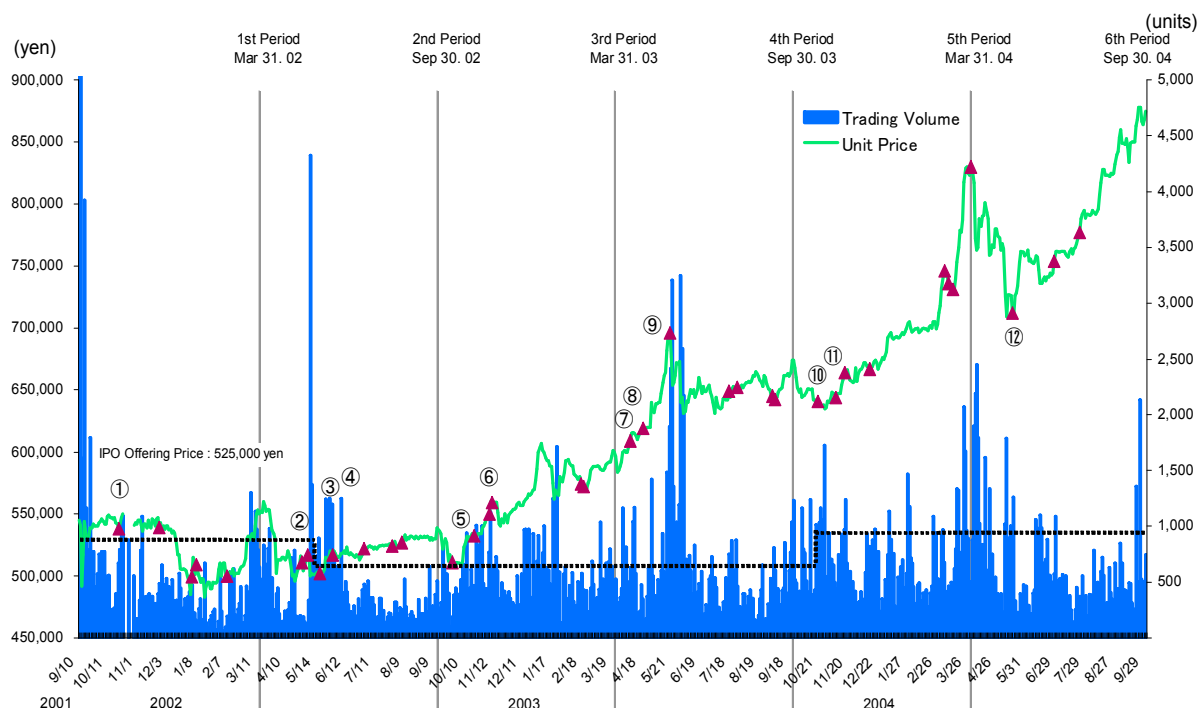
Issuance of three Investment
Corporation Bonds

Maturities: 5 yrs. And 7 yrs.

Outstanding: 45.0 billion yen

Bond Ratings: S&P A+, Moody's A1 (*)

Unit Price Performance After IPO

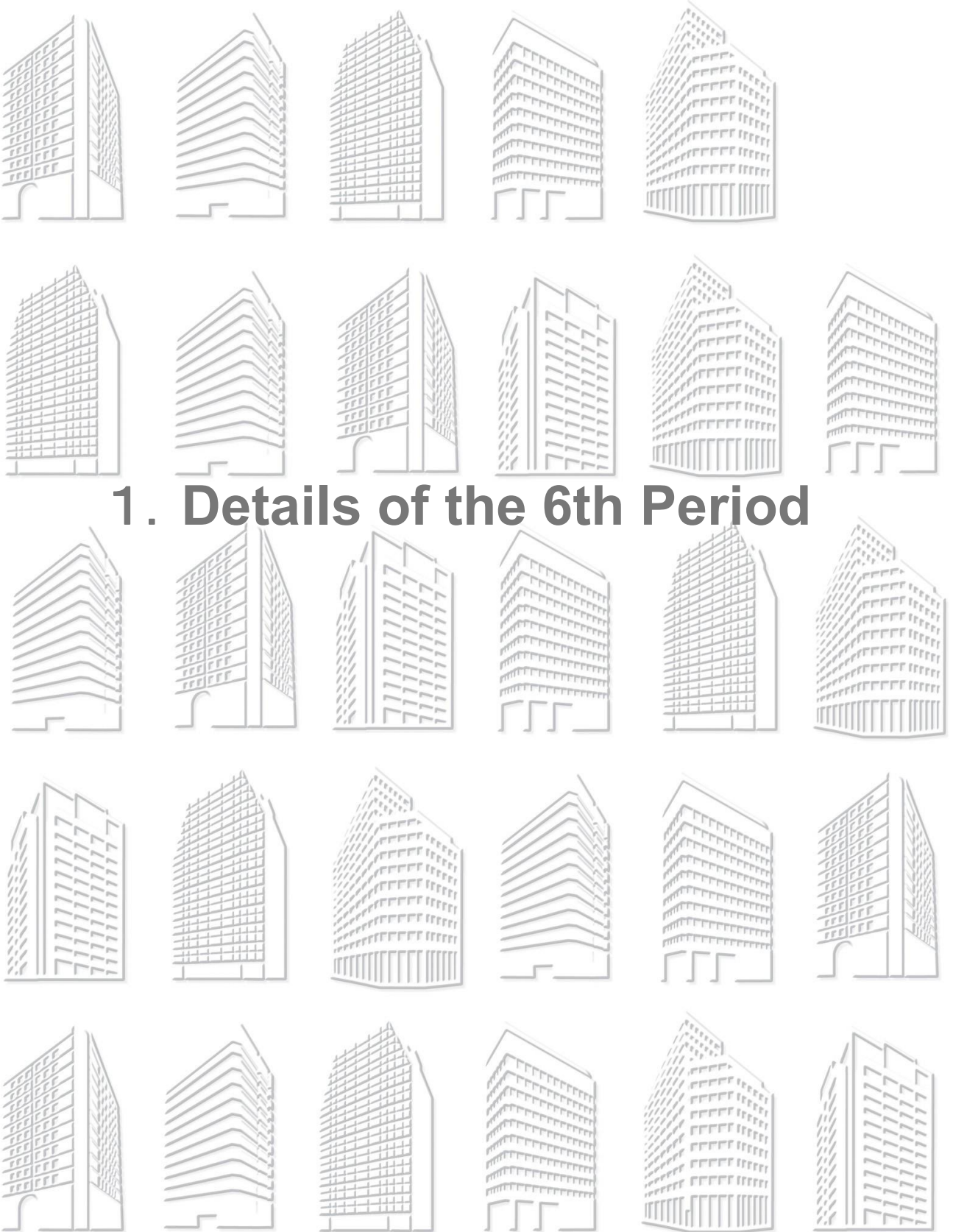


TOPICS

	1st Period	2nd Period	3rd Period	4th Period	5th Period	6th Period
	① Oct 22, 01 Announcement of Shibuya Cross Tower acquisition	② May 8, 02 Additional issue of units ③ May 27, 02 Announcement of Mitsui & Co. participation & 1st period performance review ④ Jun 7, 02 Announcement of Investment Corporation Bond issuance	⑤ Oct 8, 02 Announcement of outline of the tax system revision ⑥ Nov 19, 02 Announcement of 2nd period performance review	⑦ Apr 16, 03 Announcement of Investment Corporation Bond issuance ⑧ Apr 30, 03 Announcement of JRE inclusion in MSCI ⑨ May 20, 03 Announcement of 3rd period performance review	⑩ Oct 25, 03 Additional issue of units ⑪ Nov 18, 03 Announcement of 4th period performance review	⑫ May 18, 04 Announcement of 5th period performance review
Total Assets	161,809	185,397	200,022	209,581	244,523	257,372
Net Worth	83,663	115,049	115,410	115,559	137,250	137,279
Market Capitalization	85,012	115,179	133,436	146,059	216,132	227,850
Units outstanding	160,400 units	225,400 units	225,400 units	225,400 units	260,400 units	260,400 units
Unit Price	530,000 yen	511,000 yen	592,000 yen	648,000 yen	830,000 yen	875,000 yen
Operating Profit	6,492	7,910	8,500	8,965	9,560	10,151
Net Income	2,403	2,897	3,258	3,407	3,802	3,830
Dividend per Unit	14,983 yen	12,853 yen	14,455 yen	15,117 yen	14,602 yen	14,711 yen

- Notes: 1. Unit prices are based on daily closing prices.
2. Triangles (▲) show announcement dates of important issues regarding JRE.
3. The dotted line (.....) shows the weighted average of JRE's issue price (for IPO/PO) for the number of units issued.

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1. Details of the 6th Period

Income Statement for the 6th Period

(In millions of yen)

Item	6th Period (183 days)			5th Period (183 days)	Change	% Change
	36 existing properties	Newly acquired properties	Total			
Operating Revenue	9,770	381	10,151	9,560	591	6.2%
Rental revenue	9,724	380	10,104	9,461		
Other rental revenues	46	1	47	98		
Operating Expenses	3,458	20	3,478	3,105	373	12.0%
Property management fees	1,217	17	1,234	1,127		
Utility charges	876	2	878	779		
Property and other taxes	936	0	936	791		
Insurance expenses	26	1	27	24		
Maintenance expenses	363	0	363	365		
Other operating expenses	38	0	38	16		
NOI	6,311	361	6,672	6,455	217	3.4%
Depreciation and amortization	1,558	99	1,657	1,498		
Operating Profit	4,754	261	5,015	4,956	59	1.2%
Administrative expenses			656	615	41	6.7%
Asset management fees			362	325		
Other administrative expenses			293	290		
Net Operating Profit			4,358	4,341	17	0.4%
Non-Operating Revenue			2	0	2	
Interest received			0	0		
Other non-operating revenues			2	0		
Non-Operating Expenses			529	538	△ 9	△ 1.7%
Interest expenses			221	163		
Bond interest expenses			248	248		
Deferred bond-issuance cost			0	61		
Other non-operating expenses			59	64		
Recurring Profit			3,831	3,803	28	0.7%
Gross Income			3,831	3,803	28	0.7%
Taxes			0	1		
Net Income			3,830	3,802	28	0.7%
Retained Earnings			3,830	3,802		
FFO (Net Income + Depreciation)			5,488	5,301	187	3.5%
Dividends per Unit			14,711	14,602		

* Newly acquired properties are the Yoyogi 1-Chome Building, Ikebukuro YS Building, Shinwa Building and Ebisu Neonato (additional shares).

- Continuous growth in revenues and profits over six consecutive periods since IPO
- Full contribution from acquired properties in the 5th period and contribution from the newly acquired properties in the 6th period
- Contribution from newly acquired properties in the 6th period, increased dividends per unit in the 6th period (14,711 yen), higher than originally estimated (14,600 yen) in the 5th period.

NOI : Net Operating Income

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Balance Sheet for the 6th Period

In millions of yen

Item	6th Fiscal Year-end (Sep 30, 04)	5th Fiscal Year-end (Mar 31, 04)	Change	Reason for Change
Current Assets				
Cash and entrusted cash	16,847	24,779	△ 7,932	
Other current assets	352	666	△ 314	
Total current assets	17,199	25,445	△ 8,246	
Fixed Assets				
Property and equipment				
Buildings	77,095	68,700	8,395	Increased due to property acquisitions (Yoyogi 1-Chome Building, Ikebukuro YS Building, Shinwa Building, etc. and capital expenditure)
Structures	478	394	84	
Machinery and equipment	1,417	1,270	147	
Land	167,381	153,254	14,127	
Accumulated depreciation	△ 8,149	△ 6,496	△ 1,653	
Total Property and equipment	238,222	217,122	21,100	
Intangible Assets				
Leasehold rights	1,912	1,912	0	
Total Intangible Assets	1,912	1,912	0	
Investments and Others				
Long-term prepaid expenses, etc.	38	46	△ 8	
Total Investments and Others	38	46	△ 8	
Total Fixed Assets	240,173	219,078	21,095	
Total Assets	257,372	244,523	12,849	

MEMO

In millions of yen

Item	6th Fiscal Year-end (Sep 30, 04)	5th Fiscal Year-end (Mar 31, 04)	Change	Reasons for Change
Liabilities				
Current Liabilities				
Short-term borrowing	10,000	9,000	1,000	Increased due to borrowings through commitment line, etc.
Rent received in advance	2,196	1,582	614	
Other current liabilities	1,232	1,777	△ 545	
Total Current Liabilities	13,428	12,359	1,069	
Long-term Liabilities				
Investment Corporation Bonds	45,000	45,000	—	Increased due to borrowings from Mitsui Life Insurance Co., Ltd, etc.
Long-term borrowing	44,000	33,000	11,000	
Deposits from tenants	16,783	16,914	△ 131	
Other Long-term Liabilities	882	—	882	Increased due to long-term rent received in advance for Yoyogi 1-Chome Building
Total Long-term liabilities	106,665	94,914	11,751	
Total Liabilities	120,093	107,273	12,820	
Unitholder Equity				
Unitholder capital	133,448	133,448	—	
Retained earnings	3,831	3,802	29	
Total Unitholder Equity	137,279	137,250	29	
Total Liabilities and Unitholder Equity	257,372	244,523	12,849	

MEMO

Cash Flow and Dividend Statement for the 6th Period

Cash Flow Statement

In millions of yen

Item	6th Period (183 days)
Cash Flow from Operating Activities	6,532
Net income before tax	3,831
Depreciation and adjustments	2,700
Cash Flow from Investing Activities	△ 22,662
Cash Flow from Financial Activities	8,197
Increase in long- and short-term borrowing	17,000
Repayment of short-term borrowing	△ 5,000
Proceeds from bond issuance	-
Proceeds from issuance of equity units	-
Payment of new unit-issuance cost	-
Payment of dividend, etc.	△ 3,802
Net Increase in Cash and Cash Equivalents	△ 7,932
Balance of Cash and Cash Equivalents at BOP	24,779
Balance of Cash and Cash Equivalents at EOP	16,847

Dividend Statement

In yen

	6th Period (183 days)
Net Income before Distribution	3,830,833,234
Total Amount of Dividends	3,830,744,400
Retained Earnings	88,834

Dividends per unit: 14,711 yen (5th Period: 14,602 yen)

Comparison of Financial Ratios

In millions of yen

Financial Ratio	6th Period (183 days)	5th Period (183 days)	4th Period (183 days)	3rd Period (182 days)	2nd Period (183 days)
Return on assets (ROA)	1.5%	1.6%	1.7%	1.7%	1.6%
(annualized)	(3.0%)	(3.2%)	(3.3%)	(3.4%)	(3.2%)
Return on Equity (ROE)	2.8%	2.8%	3.0%	2.8%	2.7%
(annualized)	(5.6%)	(5.7%)	(5.9%)	(5.7%)	(5.4%)
EOP equity ratio	53.3%	56.1%	55.1%	57.7%	62.1%
LTV#1	38.5%	35.6%	36.3%	33.4%	29.1%
LTV#2	41.3%	39.8%	39.5%	36.4%	32.9%
EOP long-term debt to capitalization	99.9%	95.9%	98.3%	104.6%	94.2%
Debt service coverage ratio (DSCR)	12.7×	13.9×	12.6×	14.5×	13.9×
Net operating income (NOI)	6,672	6,455	5,950	5,702	5,211
Funds from operations (FFO)	5,488	5,301	4,801	4,568	4,091
Payout Ratio to CAD	81.6%	93.1%	80.2%	82.3%	76.4%

*ROA = Recurring profits / Average of total assets during the period (2nd period:183 actual working days, 3rd period:182 actual working days, 4th period:183 actual working days, 5th period:183 actual working days and 6th period:183 actual working days)

*ROE = Net income / Average of net worth during the period (2nd period:183 actual working days, 3rd period:182 actual working days, 4th period:183 actual working days, 5th period:183 actual working days and 6th period:183 actual working days)

*EOP equity ratio = EOP networth / EOP total assets

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

*LTV#2 = EOP interest-bearing debt / EOP total property acquisition value

*EOP Long-term debt to capitalization = EOP fixed assets / (EOP Long-term borrowing and others+EOP unitholders' equity)

*DSCR = Net income before interest and depreciation / Interest expenses

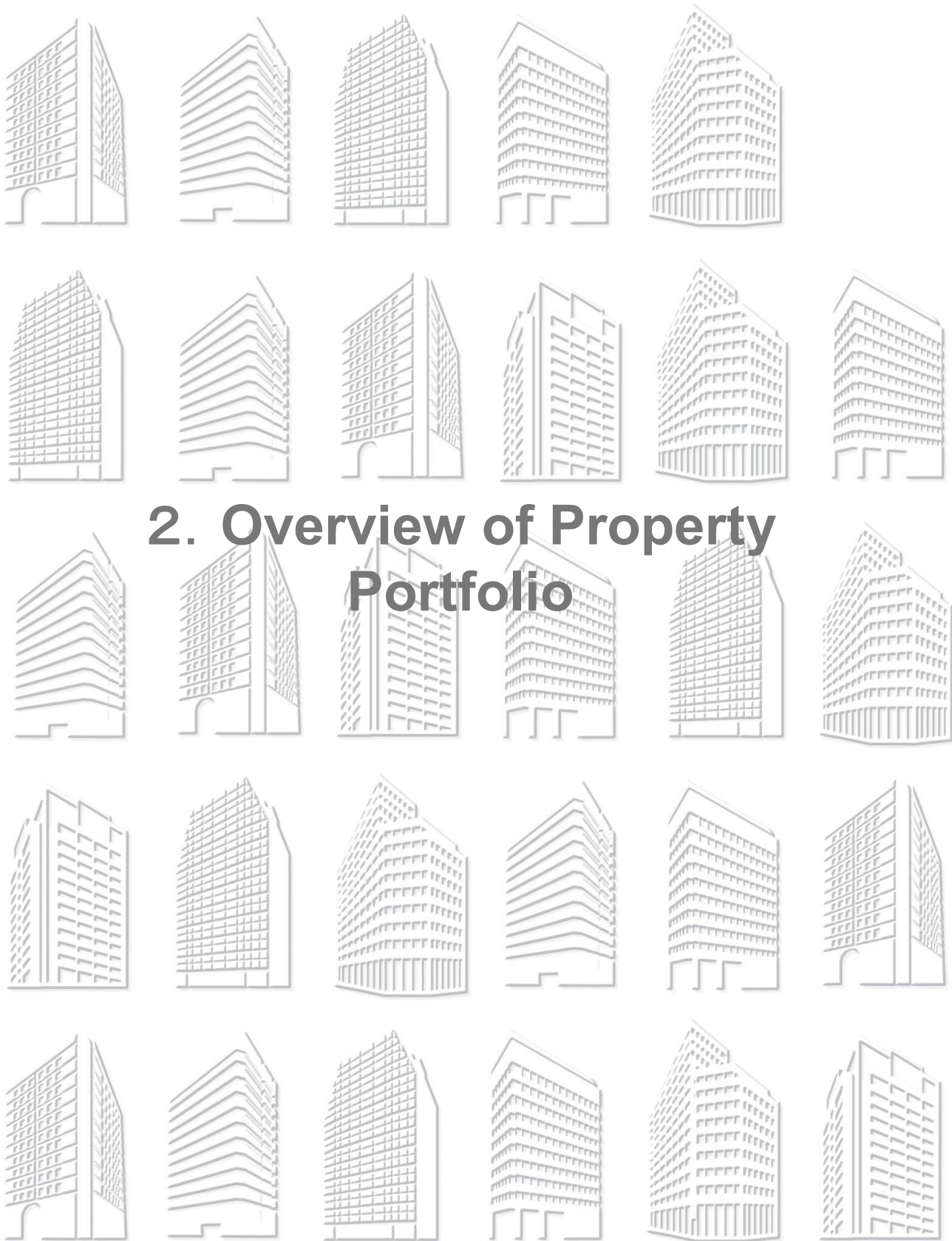
*NOI = (Rental revenues - rental expenses) + Depreciation

*FFO = Net income + Depreciation + Deferred Expenses

*Payout Ratio to CAD = Total amount of dividend / CAD

CAD (Cash Available Distribution) = FFO - capital expenditure

MEMO



2. Overview of Property Portfolio

23 Wards in the Tokyo Metropolitan Area



1. Otsuka Higashi-Ikebukuro



2. Ikebukuro 2-Chome



3. Genki Medical Plaza



4. MD Kanda



5. Kandabashi Park



6. Mitsubishi Soken



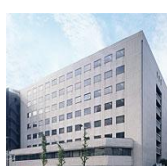
7. Yurakucho Denki



8. Kodenmachi Shin-Nihonbashi



9. Burex Kyobashi



10. Shiba 2-Chome Daimon



11. Kosmo Kanasugibashi



12. Nippon Brunswick



13. Yoyogi 1-Chome



14. Jingumae Media Square



15. da Vinci Harajuku



16. Shibuya Cross Tower



17. Aoyama Crystal



18. Ebisu Neonato



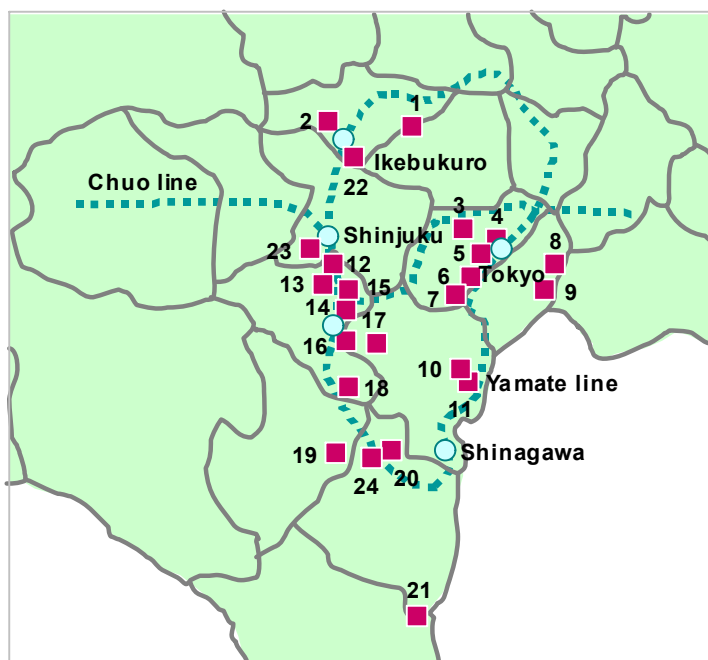
19. JAL Travel



20. Takanawadai



21. Omori-Eki Higashiguchi



22. Ikebukuro YS



23. Shinwa



24. Higashi Gotanda 1-Chome

Other Areas



1. Sendai
Honcho Honma



2. Niigata Ishizuecho
Nishi-Bandaibashi



3. Saitama
Urawa



4. Kanazawa
Minamicho



5. Kanazawa Park



6. Kawasaki Isago



7. Shin-Yokohama
First



8. Nagoya
Hirokoji



9. Naoya Misono



10. Kyoto Shijo
Kawaramachi



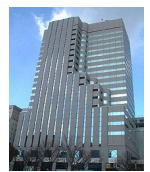
11. Sakaisuji-
honmachi



12. Midosuji
Daiwa



13. Kobe
Itomachi



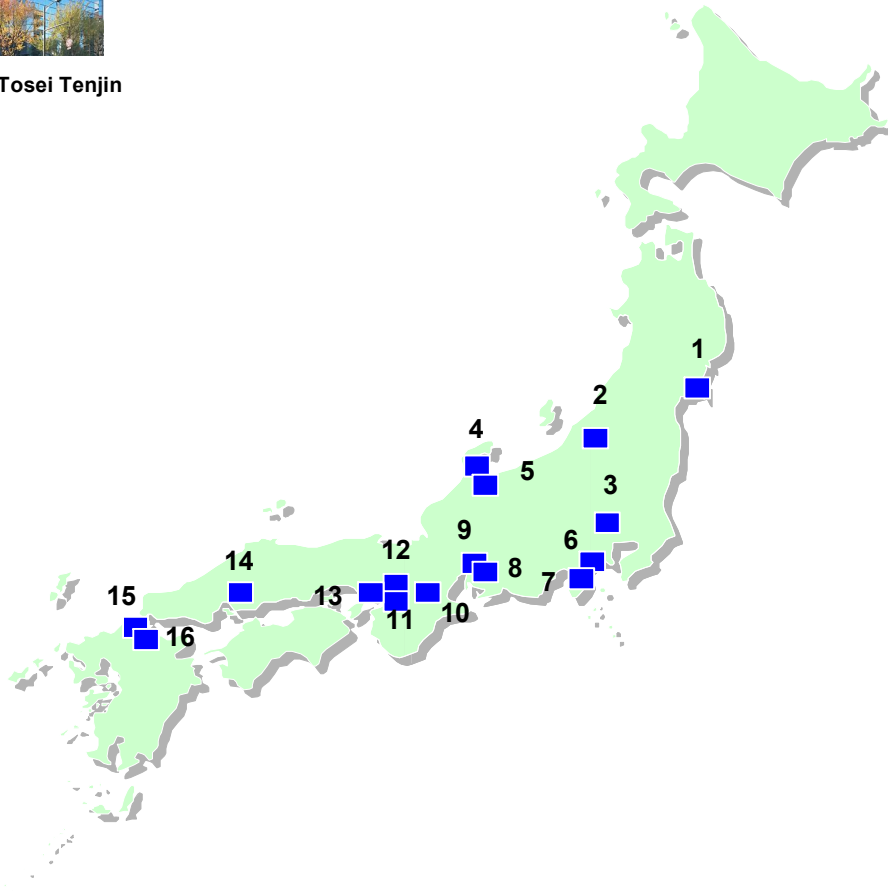
14. NHK Hiroshima
Broadcasting Center



15. Hinode Tenjin



16. Tosei Tenjin



Property data ③ (Performance by property)

23 Wards

In millions of yen

	Performance (Apr 1, 2004-Sep 30, 2004)											Operation (As of Sep 30, 2004)	
Name	Operating Revenue	Operating Expenses								Operating Profit	NOI	Occupancy Rate (%)	Number of Tenants
			Property management fees	Utility charges	Property and other taxes	Insurance expenses	Maintenance expenses	Depreciation	Other operating expenses				
Genki Medical Plaza	222	113	13	14	19	0	38	24	2	109	134	100.0	1
MD Kanda Building	324	128	22	18	25	0	12	49	0	195	245	100.0	2
Kandabashi Park Building	181	53	1	—	18	0	7	26	—	127	154	100.0	7
Mitsubishi Soken Building	1,063	340	87	114	75	1	1	59	0	723	783	100.0	4
Yurakucho Denki Building	267	108	38	18	32	0	0	17	0	158	176	100.0	15
Kodenmacho Shin-Nihonbashi Building	162	75	16	11	14	0	1	27	3	86	113	100.0	5
Burex Kyobashi Building	150	51	—	—	13	0	0	37	—	98	136	100.0	1
Aoyama Crystal Building	259	94	14	19	22	0	1	35	0	165	200	100.0	9
Shiba 2-Chome Daimon Building	305	172	39	27	38	0	34	31	0	133	165	100.0	30
Cosmo Kanasugibashi Building	136	60	14	9	13	0	1	21	—	75	97	100.0	7
Shinwa Building	36	8	2	0	0	0	—	5	—	27	33	88.0	7
Takanawadal Building	140	65	16	11	13	0	1	22	1	74	97	100.0	1
JAL Travel Building	89	48	11	11	10	0	0	14	—	41	55	100.0	1
Omori-Eki Higashiguchi Building	251	141	31	21	26	0	3	57	0	109	167	100.0	19
Nippon Brunswick Building	308	100	37	24	0	0	1	32	3	207	239	99.3	17
Yoyogi 1-Chome Building	281	84	5	0	0	0	0	78	—	196	274	100.0	1
da Vinci Harajuku	193	54	11	11	11	0	3	16	0	138	155	100.0	6
Jingumae Media Square Building	316	144	30	25	26	0	1	56	2	172	228	91.3	7
Shibuya Cross Tower	1,497	888	184	171	147	4	120	257	2	608	866	99.9	52
Ebisu Neonato	143	77	16	7	10	0	1	41	—	65	107	100.0	3
Otsuka Higashi-Ikebukuro Building	174	94	23	16	14	0	1	37	0	79	117	91.0	10
Ikebukuro 2-Chome Building	72	38	11	6	5	0	1	13	0	34	47	100.0	7
Ikebukuro YS Building	49	19	6	1	0	0	—	11	0	30	41	90.5	8

* The contribution from the Yoyogi 1-Chome Building, Ebisu Neonato (additional shares), Ikebukuro YS Building, and Shinwa Building started from April 1, 2004, April 1, 2004, August 2, 2004, and September 1, 2004 respectively.

* When the same tenant occupies several buildings, the tenant is calculated as one in the total.

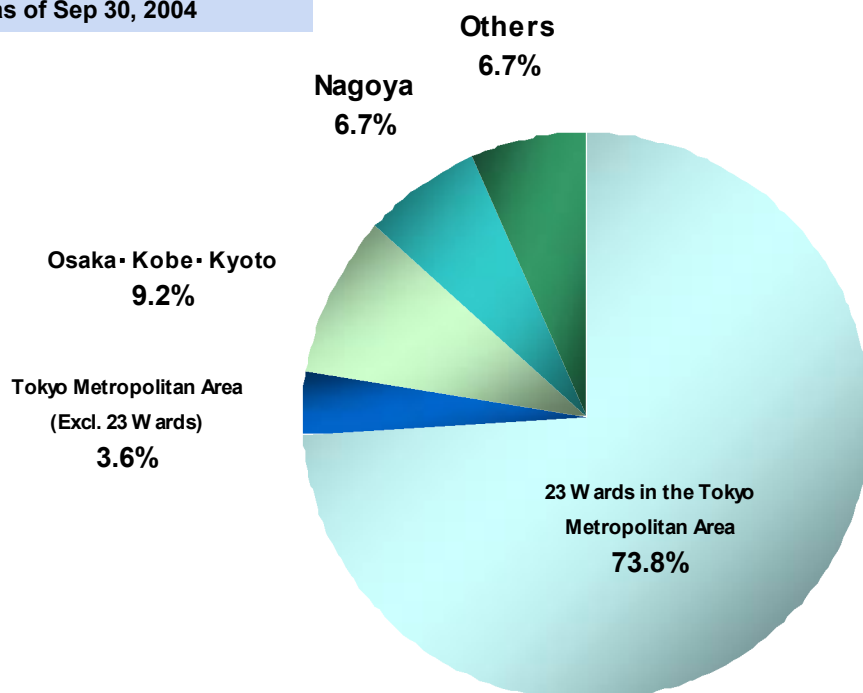
Other Areas

In millions of yen

	Performance (April 1, 2004-Sep 30, 2004)											Operation (As of Sep 30, 2004)	
Name	Operating Revenue	Operating Expenses								Operating Profit	NOI	Occupancy Rate (%)	Number of Tenants
			Property management fees	Utility charges	Property and other taxes	Insurance expenses	Maintenance expenses	Depreciation	Other operating expenses				
Saitama Urawa Building	144	69	18	8	10	0	9	22	—	75	97	92.1	14
Shin-Yokohama First Building	56	100	20	11	13	0	7	45	—	△43	2	75.4	5
Kawasaki Isago Building	189	108	30	16	15	0	3	41	0	81	123	100.0	11
Sendai Honcho Honma Building	158	70	19	5	15	0	0	28	—	87	116	100.0	14
Niigata Ishizuecho Nishi-Bandaibashi Building	85	45	15	9	8	0	1	11	0	39	51	95.8	10
Kanazawa Park Building	530	360	114	69	78	2	11	84	—	169	254	90.5	64
Kanazawa Minamicho Building	73	40	11	6	6	0	3	12	0	33	46	84.0	13
Nagoya Hirokoji Building	757	434	121	67	62	1	54	123	2	323	447	98.3	31
Nagoya Misono Building	108	67	13	9	7	0	0	35	—	41	77	100.0	7
Kyoto Shijo Kawaramachi Building	126	84	21	13	12	0	1	34	0	42	77	88.8	29
Sakaisuji-honmachi Building	190	176	42	22	45	1	11	51	1	13	65	40.1	8
Midosuji Daiwa Building	650	320	73	45	86	1	15	98	0	330	429	96.1	23
Kobe Itomachi Building	73	44	12	8	6	0	1	14	—	29	43	96.2	15
NHK Hiroshima Broadcasting Center Building	100	97	42	11	0	0	3	22	16	2	25	80.6	13
Tosei Tenjin Building	103	58	15	10	10	0	1	20	—	44	65	92.0	19
Hinode Tenjin Building	171	87	23	18	16	0	0	29	—	83	113	84.3	8
Total	10,151	5,135	1,234	878	936	27	363	1,657	38	5,015	6,672	93.6	466

Geographical Diversification

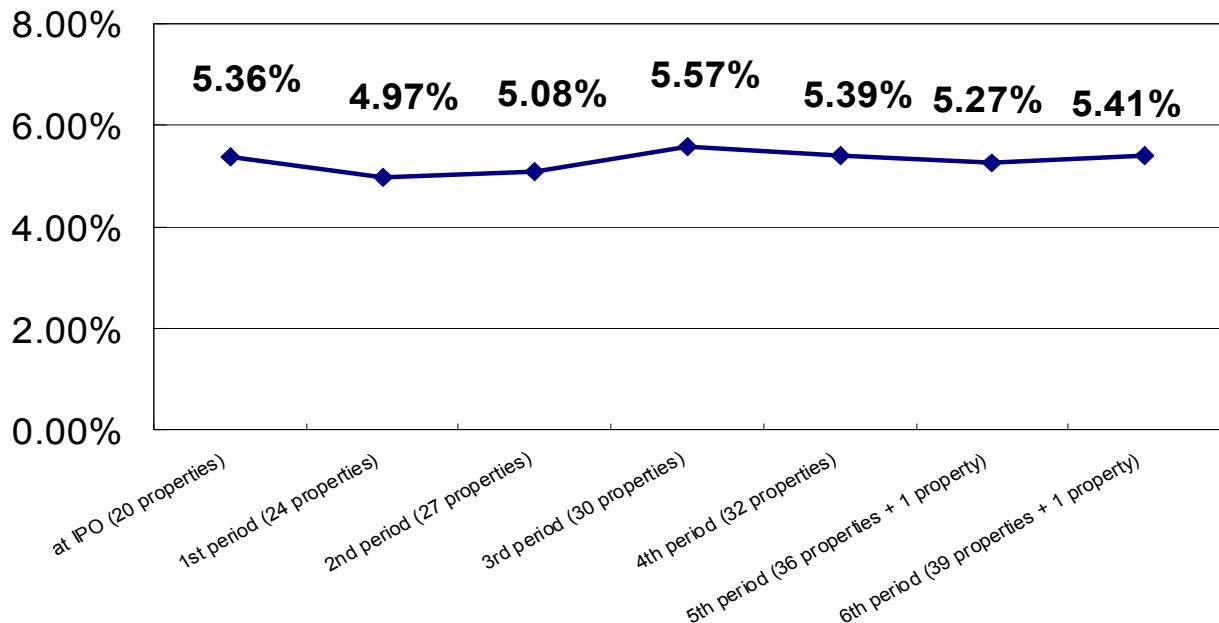
39 properties + 1 property
as of Sep 30, 2004



- Acquisition price basis
- The Tokyo metropolitan area includes Tokyo, Saitama, Chiba and Kanagawa.
- The above chart includes the Higashi Gotanda 1-Chome Building acquired on November 1, 2004.

- u The share of the 23 wards in the Tokyo metropolitan area increased because the properties acquired in the 6th period and the Higashi Gotanda 1-Chome Building acquired on November 1, 2004 are located within the 23 wards.
- u Well-balanced portfolio: Highly liquid properties with a stable rent income in the Tokyo metropolitan area account for approximately 77%; properties with attractive yields in other cities account for 23% as of the end of the 6th period.

Earthquake Risk (PML Value*)



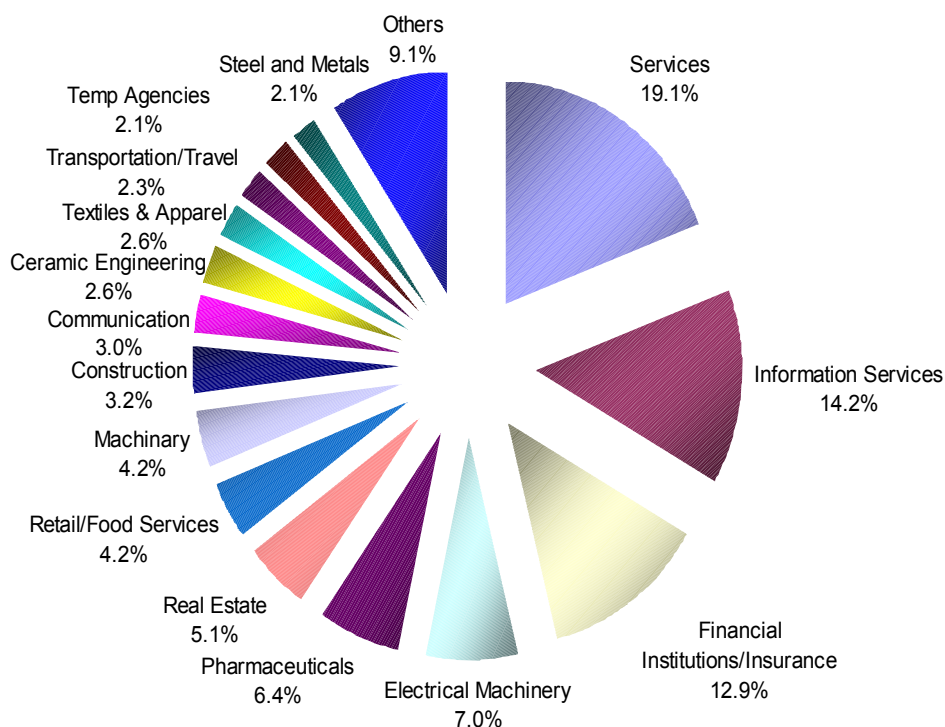
PML Value has been stable at around 5% since IPO.

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

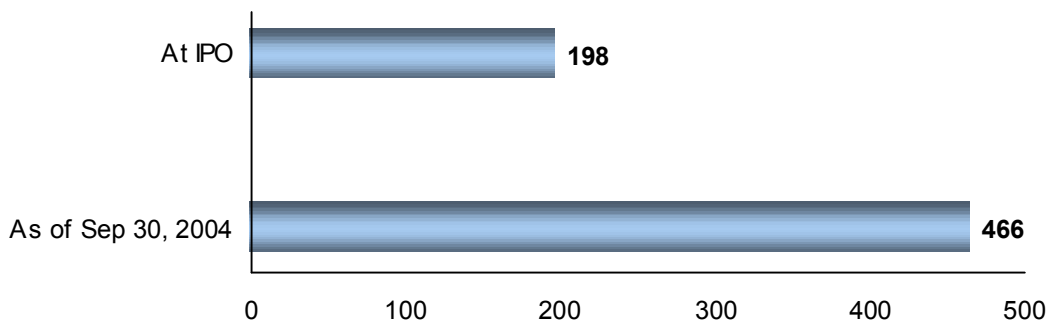
The percentage of the expense in restoring an earthquake-struck building to pre-earthquake condition to the total replacement value (i.e. total expense incurred by an earthquake divided by replacement value of a building), when assuming a catastrophic earthquake that is likely to occur with a 10% probability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

Tenant Data ① (Diversification and Major Tenants)

Tenant Diversification (Based on Rented Area)



Number of Tenants



Major Tenants (Top 5)

#	Major Tenants	Property	Rented Area	% of Total Rented Area
1	Mitsubishi Research Institute	Mitsubishi Soken	14,529m ²	5.3%
2	Dai-ichi Mutual Life	Midosuji Daiwa 7 other buildings	9,984m ²	3.6%
3	Yamano Gakuen	Yoyogi 1-Chome	7,772m ²	2.8%
4	TOTO	Midosuji Daiwa Nagoya Hirokoji	6,669m ²	2.4%
5	Asahi Kasei Pharma	MD Kanda	5,144m ²	1.9%

Changes to Fixed-rent Contracts and long-term rent Contracts with a non-cancellation clause

■ Revenue and average maturity

Tokyo Metropolitan Area (Tokyo/Kanagawa/Saitama/Chiba)

	6th Period	5th Period
% of revenues from fixed- and long-term rent contracts over the next year	37.1%	36.2%
Average maturity of fixed- and long-term rent contracts	5.2yrs.	6.0 yrs.

Three Central Wards in Tokyo (Chiyoda/Chuo/Minato)

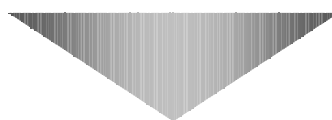
	6th Period	5th Period
% of revenues from fixed- and long-term rent contracts over the next year	55.3%	55.5%
Average maturity of fixed- and long-term rent contracts	6.6 yrs.	7.1 yrs.

Other Major Cities

	6th Period	5th Period
% of revenues from fixed- and long-term rent contracts over the next year	15.5%	13.8%
Average maturity of fixed- and long-term rent contracts	3.1yrs.	3.4 yrs.

Portfolio

	6th Period	5th Period
% of revenues from fixed- and long-term rent contracts over the next year	30.8%	28.7%
Average maturity of fixed- and long-term rent contracts	4.9 yrs.	5.6 yrs.



Aiming for a more stable revenue

Changes in Major Tenants

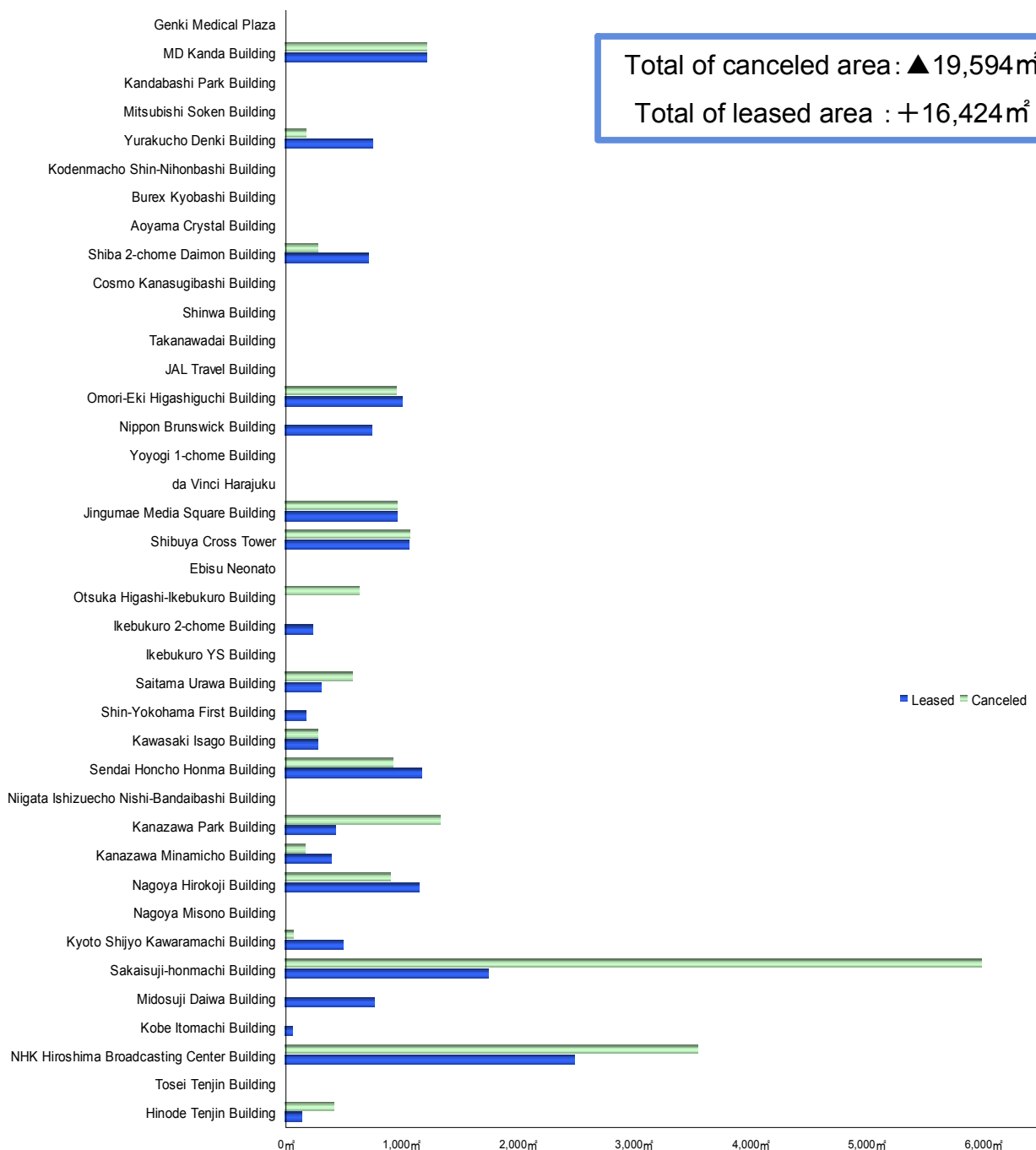
# in the 6th Period	# in the 5th Period	Tenant	6th Period Rented Area (m ²)	5th Period Rented Area (m ²)	Change (m ²)
1	1	Mitsubishi Research Institute	14,529	14,529	0
2	2	Dai-ichi Mutual Life	9,984	10,341	-357
3	-	Yamano Gakuen	7,772	-	7,772
4	3	TOTO	6,669	7,302	-633
5	9	Asahi Kasei Pharma	5,144	3,918	1,226
6	5	Tokyo Kenbikyoin Foundation	4,791	4,791	0
7	6	Casio Computer	4,418	4,418	0
8	7	Company A	4,318	4,318	0
9	8	Company B	4,279	4,279	0
10	10	Company C	3,656	3,656	0
11	11	Company D	3,383	3,383	0
12	12	Company E	3,126	3,257	-131
13	13	Company F	2,967	2,967	0
14	14	Company G	2,866	2,866	0
15	15	Company H	2,813	2,813	0

* New rent contract with Yamano Gakuen started from April 1, 2004.

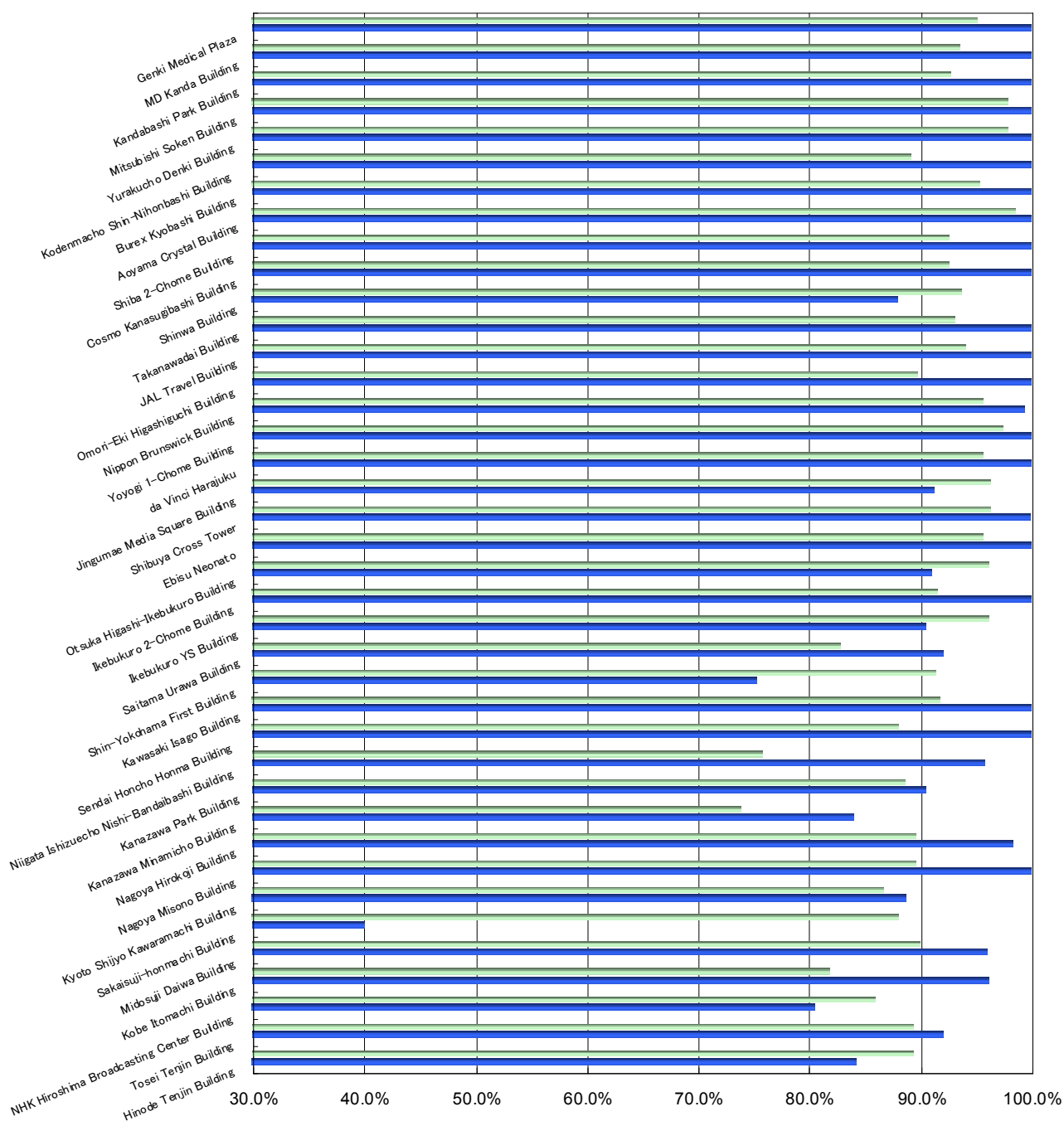
* Rent contract with NI Teijin Shoji was cancelled on May 31, 2004.



No substantial change



Comparison of Occupancy Rate by Area



■ Occupancy Rate of JRE's building ■ Average Occupancy Rate in the area

Note: The comparison between the occupancy rates of the buildings held by JRE as of the end of September 2004 and the average rates of some of the buildings in the same area as of the end of September 2004 were randomly chosen by Ikoma Data Service.

Current Situation and Plan for Cost Reduction

Basic Policy :

Management fees should be cut ; 5% of the total amount of the basis (management fees and utilities costs) within three years following the acquisition of properties.

- λ The total target reduction amount for 28 properties acquired in the 1st, 2nd, 3rd, and 4th periods was 216 million yen. The results of the 5th and 6th periods already see a reduction of 493 million yen.
- λ That is, an 11.4% cut in the total amount of the basis for the 28 properties was achieved, and this rate surpasses the initial target of 5% set in the basic policy of the reduction plan.

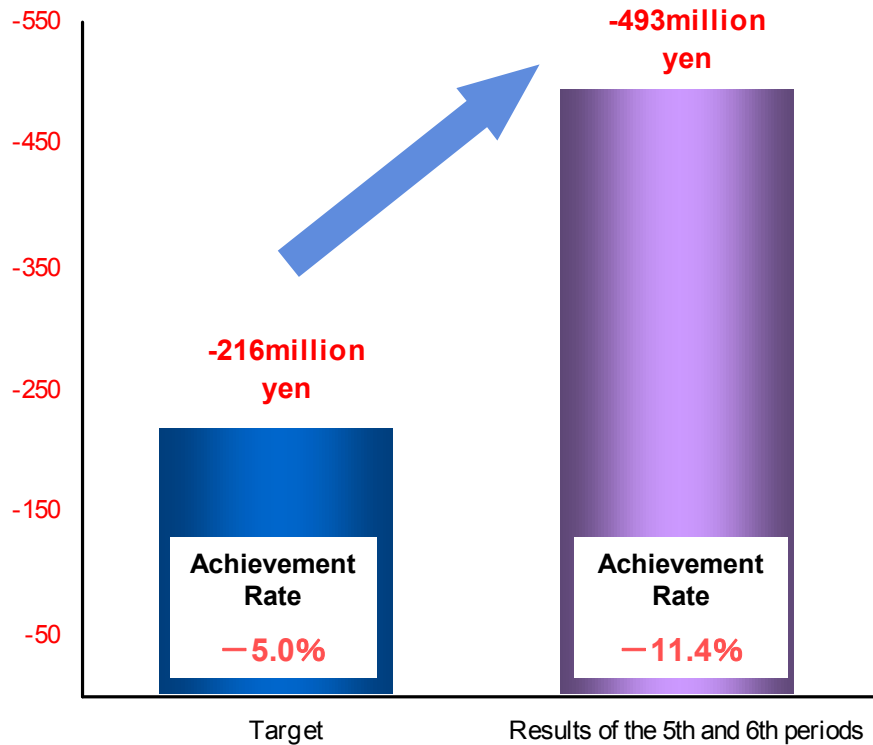
◆Target and result of 28 properties

Total amount of the basis→4,314 million yen

	Target	Results of 5th and 6th Periods
Achievement rate	-5.0%	-11.4%
Reduction amount	-216 million yen	-493 million yen

◆Reduction amount of 28 properties

In millions of yen



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1. JRE's renovation work

- Prepared medium- to long-term renovation plans for each building
- Conducted renovation work to increase asset profitability
- Implemented renovation work to ensure appropriate asset management
- Conducted proper renovations to maintain and enhance the function of buildings
- Reviewed construction estimates and carried out construction administration by third parties

2. Implementation and plans

▪ Implementation for the 6th period

a. Renovation to attract tenants

In thousands of yen

Property Name	Purpose	Accounting Treatment	Cost
Nagoya Hirokoji	Interior finishing of rentable areas	Capitalized cost/Expense	66,000
Sakaisuji-honmachi	Interior finishing of rentable areas	Capitalized cost/Expense	39,000
Shibuya Cross Tower	Interior finishing of rentable areas	Capitalized cost/Expense	62,000
Jingumae Media Square	Sigh renewal	Capitalized cost	11,000

b. Renovation for appropriate asset management

In thousands of yen

Property Name	Purpose	Accounting Treatment	Cost
Shiba 2-Chome Daimon	Exterior wall repair, waterproofing work	Expense	21,000
Shibuya Cross Tower	Plumbing pipes and fittings renewal in building core	Capitalized cost/Expense	369,000
Kaasaki Isago	Multilevel parking garage exterior wall maintenance work	Expense	9,000
Saitama Urawa	Multilevel parking garage maintenance work	Expense	9,000

▪ Implementation for the 7th and 8th periods

c. Renovation to attract tenants

In thousands of yen

Property Name	Purpose	Accounting Treatment	Cost
Nagoya Hirokoji	BEMS application, approved work	Capitalized cost/Expense	187,000
Shibuya Cross Tower	Common area repair work	Capitalized cost/Expense	100,000
Takanawadai	Interior finishing of rentable areas	Capitalized cost/Expense	30,000
Jingumae Media Square	Interior finishing of rentable areas	Capitalized cost/Expense	31,000

d. Renovation for appropriate asset management

In thousands of yen

Property Name	Purpose	Accounting Treatment	Cost
Shibuya Cross Tower	Exterior wall repair work	Expense	47,000
Yurakucho Denki	Elevator renewal	Capitalized cost/Expense	30,000
Shiba 2-Chome Daimon	Building automation and monitoring system renewal	Capitalized cost	9,000
Mitsubishi Soken	Water supply system renewal	Capitalized cost/Expense	21,000

3. Cost reduction by strict review of construction estimates (the 6th period)

In thousands of yen

Number of Works	85
Total cost of construction estimates before inspection	1,140,000
Total cost of construction estimates after inspection	1,024,000
Reduced	116,000 (▲10.2%)

4. 5 year-plan of renovation works

In millions of yen

	FY 2004	Fy 2005	FY 2006	FY 2007	FY 2008	Total
Renovation	1,600	1,400	2,100	2,100	1,700	8,900
Annual Depreciation Amount	3,200	3,100	3,100	3,000	2,900	15,300

* 40 properties, including Higashi Gotanda 1-Chome Building

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Investment Criteria for Property Acquisition

Geographic Diversification

60%–80% in the Tokyo metropolitan area
Balance among major local cities, including Osaka and Nagoya

Structure

Adaptation to revised earthquake resistance standards or equivalent structure/strength

Size of Property

Equal to/more than 3,000 m² of building area

Deal Source

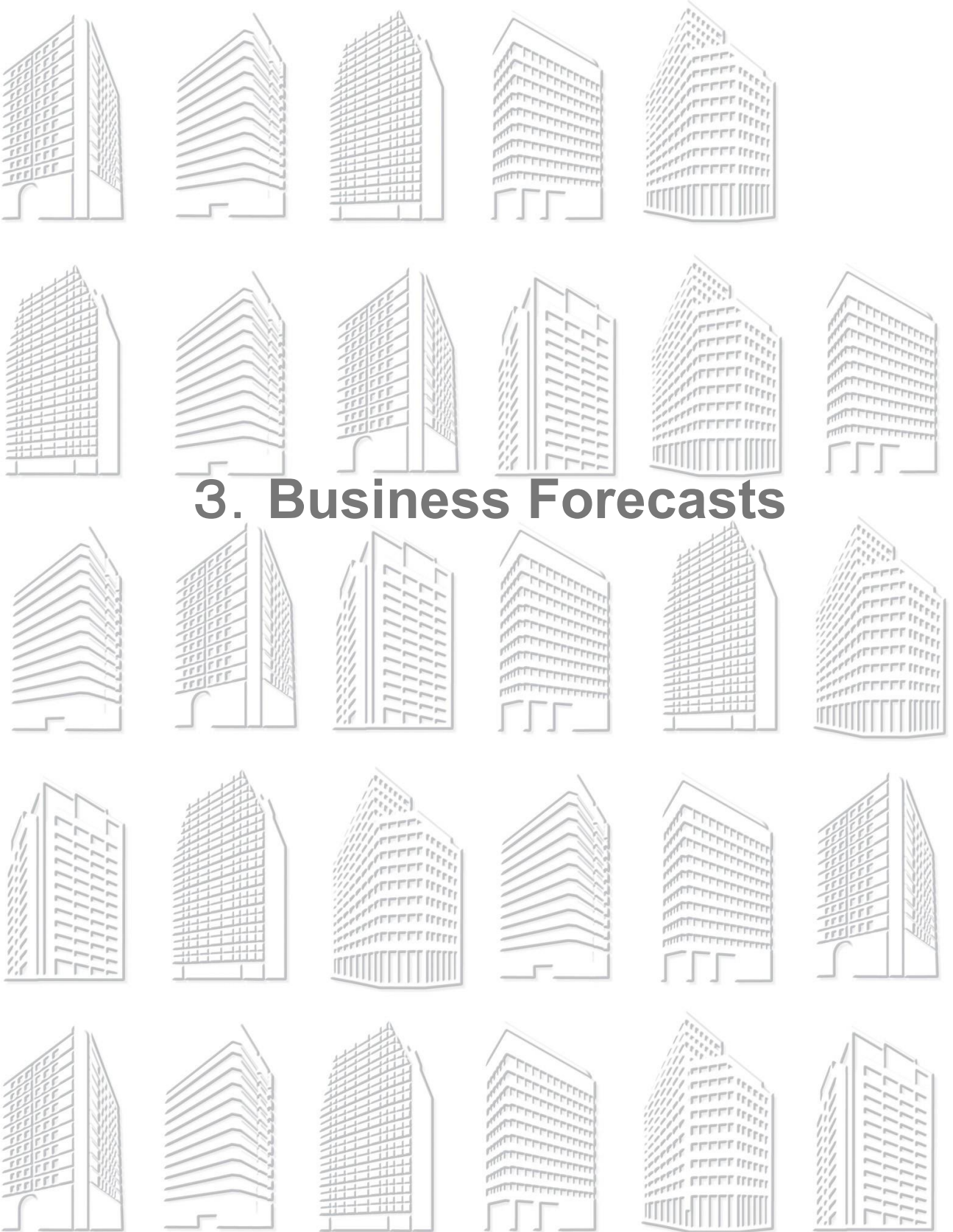
FY 2003

Area	First Half of 2003							Second Half of 2003							Total	%
	Apr	May	Jun	Jul	Aug	Sep	Total	Oct	Nov	Dec	Jan	Feb	Mar	Total		
Tokyo Metropolitan	27	22	20	15	14	4	102	32	10	21	27	10	14	114	216	77.4%
Other Cities	5	6	6	1	4	0	22	6	6	6	19	2	2	41	63	22.6%
Total	32	28	26	16	18	4	124	38	16	27	46	12	16	155	279	100.0%

FY 2004

Area	First Half of 2004							Second Half of 2004							Total	%
	Apr	May	Jun	Jul	Aug	Sep	Total	Oct	Nov	Dec	Jan	Feb	Mar	Total		
Tokyo Metropolitan	19	7	21	24	8	30	109								109	81.3%
Other Cities	1	2	5	6	2	9	25								25	18.7%
Total	20	9	26	30	10	39	134								134	100.0%

- Among 413 properties (279 properties acquired in fiscal 2003 and 134 properties acquired in fiscal 2004), 19 properties valued at 120 billion yen are under due diligence process, and 6 properties out of the 19 are under negotiations for acquisition and valued at 40 billion yen.



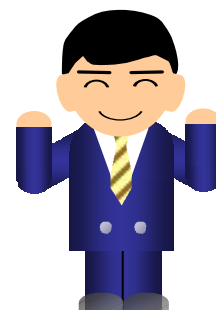
Income Statement Forecast

In millions of yen

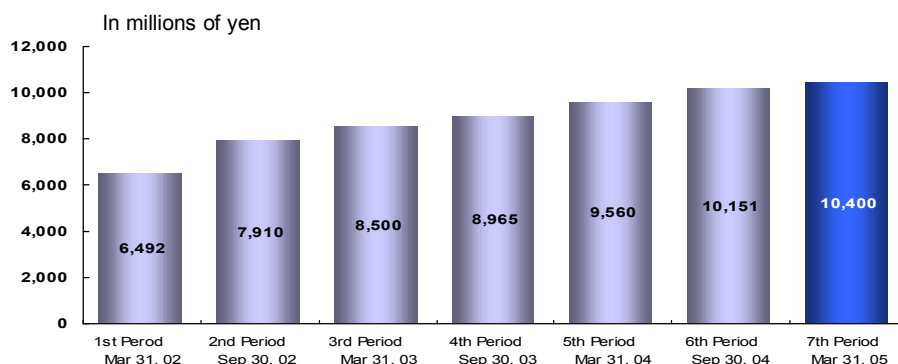
Term	4th Period	5th Period	6th period	7th Period	8th Period
	Ended Sep 30, 2003	Ended Mar 31, 2004	Ended Sep 30, 2004	Ended Mar 31, 2005	Ended Sep 30, 2005
	actual	actual	actual	forecast	forecast
Number of Properties	32	36	39	40	40
Number of Days	(183 days)	(183 days)	(183 days)	(182 days)	(183 days)
Operating Revenue	8,965	9,560	10,151	10,400	10,400
Operating Expenses	3,015	3,105	3,478	3,500	-
NOI	5,950	6,455	6,672	6,900	-
Depreciation and Amortization	1,393	1,498	1,657	1,600	-
Operating Profit	4,556	4,956	5,015	5,300	-
Administrative Expenses	658	615	656	700	-
Net Operating Profit	3,898	4,341	4,358	4,600	4,600
Non-Operating Profit and Loss	△ 489	△ 537	△ 527	△ 600	-
(Interest Expenses)	(△ 414)	(△ 412)	(△ 470)	(△ 550)	
Recurring Profit	3,408	3,803	3,831	4,000	4,000
Net Income	3,407	3,802	3,830	4,000	4,000
Dividends	3,407	3,802	3,830	4,000	4,000
Number of Units	225,400	260,400	260,400	260,400	260,400
Dividend per Unit	15,117 yen	14,602 yen	14,711 yen	15,400 yen	15,400 yen
Occupancy Rate	95.1%	94.8%	93.6%	94.9%	-

MEMO

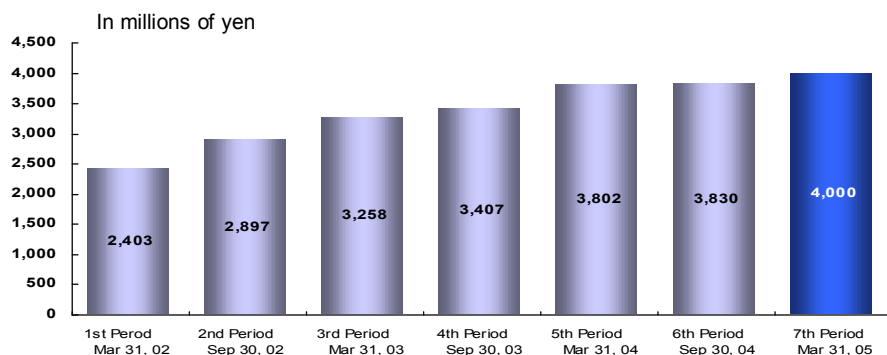
Aiming for continuous growth
in revenues and profits



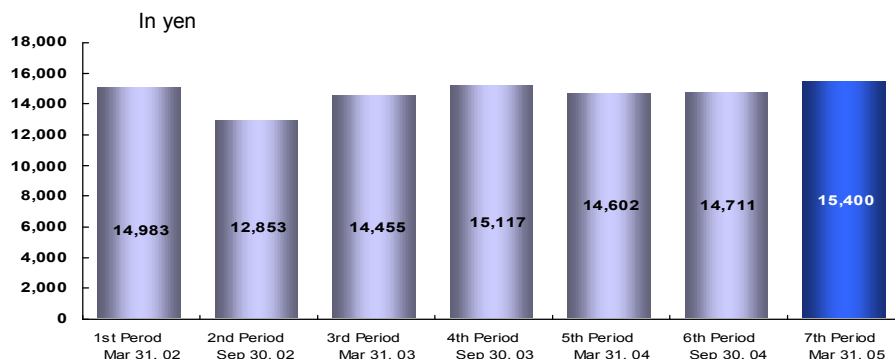
Operating Revenue



Net Income



Dividend per Unit



*Semi-annualized dividend per unit in the 1st period (203 days) was 13,506 yen.

Balance Sheet Forecast

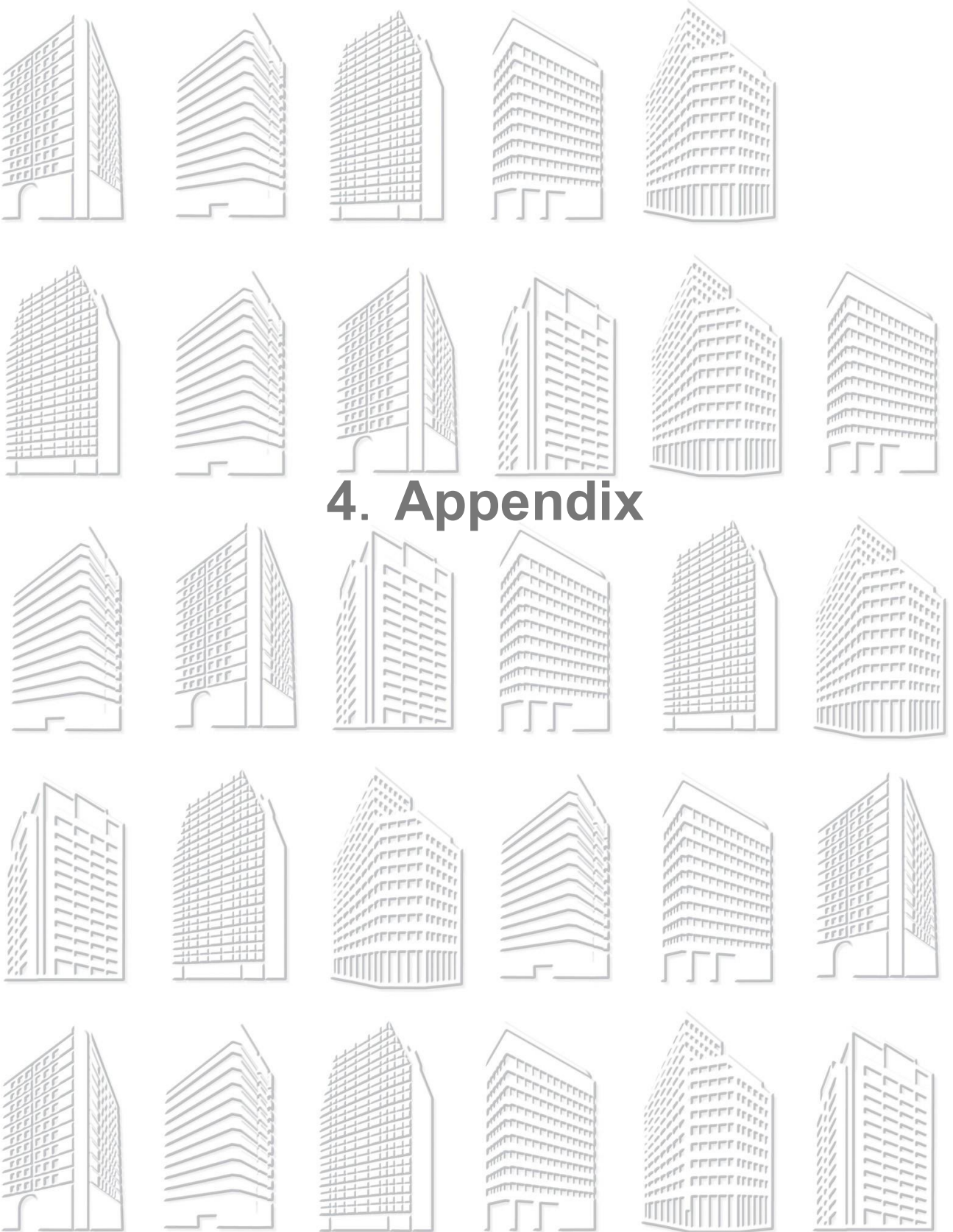
In millions of yen

Item	7th Fiscal End (Mar 31, 05)	6th Fiscal End (Sep 30, 04)	Change	Reasons for Change
Current Assets				
Cash and entrusted cash	17,402	16,847	555	
Other current assets	152	352	△ 200	Decreased due to Higashi Gotanda 1-Chome Building acquisition
Total Current Assets	17,554	17,199	355	
Fixed Assets				
Property and equipment				
Buildings	80,387	77,095	3,272	Increased due to Higashi Gotanda 1-Chome Building acquisition, etc.
Structures	478	478	0	
Machinery and equipment	1,417	1,417	0	
Land	170,409	167,381	3,028	Increased due to Higashi Gotanda 1-Chome Building acquisition, etc.
Accumulated depreciation	△ 9,724	△ 8,149	△ 1,575	
Total Property and Equipment	242,947	238,222	4,725	
Intangible Assets				
Leasehold rights	1,912	1,912	0	
Total Intangible Assets	1,912	1,912	0	
Investments and Others				
Long-term prepaid expenses, etc.	31	38	△ 7	
Total Investments and Others	31	38	△ 7	
Total Fixed Assets	244,890	240,173	4,717	
Total Assets	262,444	257,372	5,072	

In millions of yen

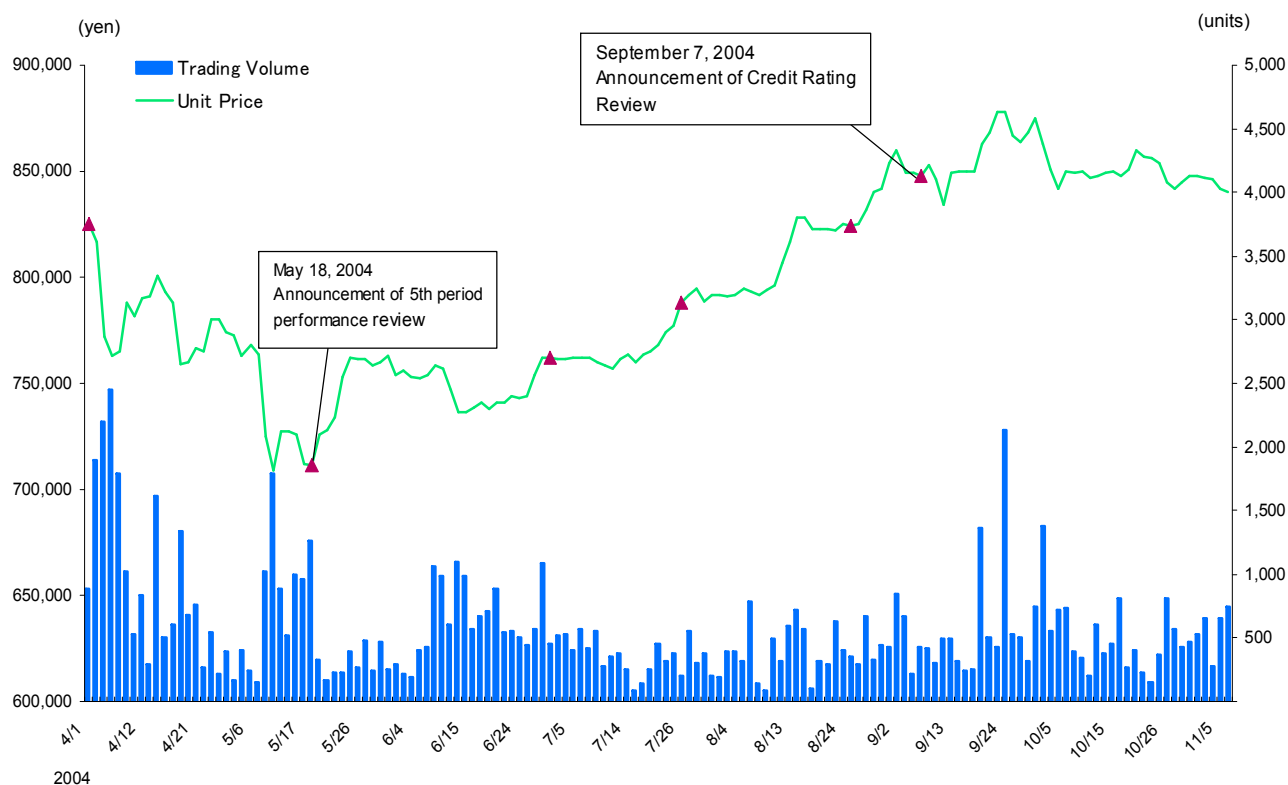
Item	7th Fiscal End (Mar 31,05)	6th Fiscal End (Sep 30,04)	Change	Reasons for Change
Liabilities				
Current Liabilities				
Short-term borrowing	8,000	10,000	△ 2,000	Decreased due to repayment of commitment line, etc.
Rent received in advance	2,208	2,196	12	
Other current liabilities	1,300	1,232	68	
Total Current Liabilities	11,508	13,428	△ 1,920	
Long-term Liabilities				
Investment Corporation Bonds	45,000	45,000	-	Increased due to new borrowings Increased due to Higashi Gotanda 1-Chome Building acquisition
Long-term borrowing	51,000	44,000	7,000	
Deposits from tenants	16,900	16,783	117	
Other Long-term liabilities	588	882	△ 294	
Total Long-term Liabilities	113,488	106,665	6,823	
Total Liabilities	124,996	120,093	4,903	
Unitholder Equity				
Unitholder capital	133,448	133,448	0	
Retained earnings	4,000	3,831	169	
Total Unitholder Equity	137,448	137,279	169	
Total Liabilities and Unitholder Equity	262,444	257,372	5,072	

MEMO



Unit Price Performance ① (the 6th Period)

As of November 8, 2004



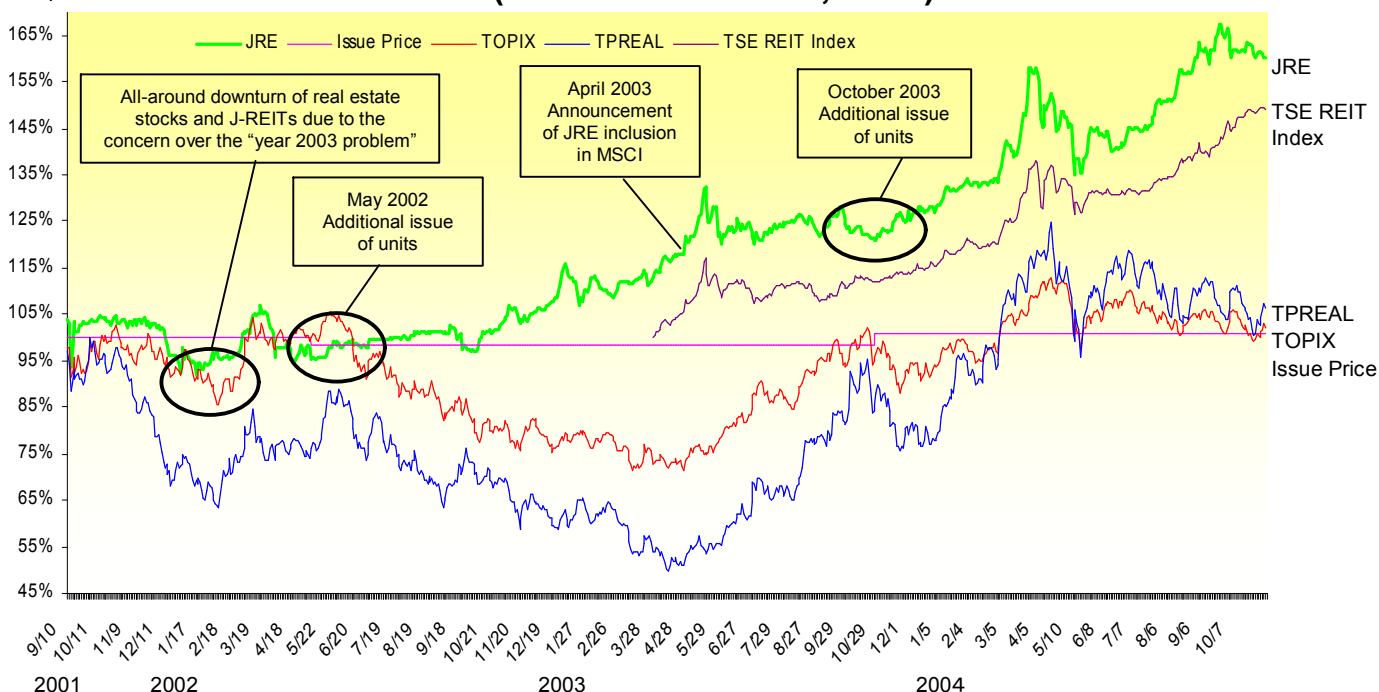
Notes: 1. Unit prices are based on daily closing prices.

2. Triangles (▲) show announcement dates of important issues regarding JRE.

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Unit Price Performance ② (Relative to Major Indices)

◆ Unit Price Performance (As of November 8, 2004)



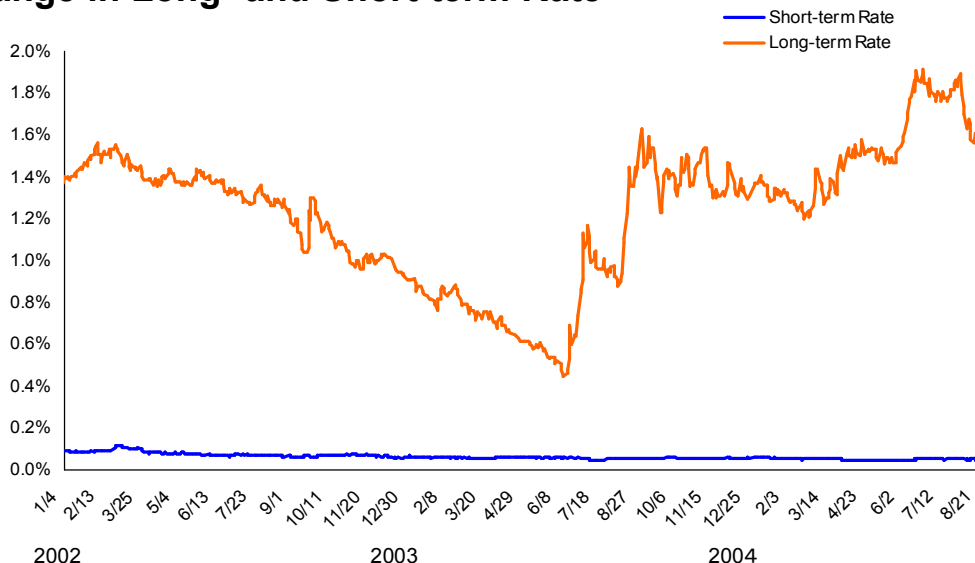
* Stock performance is measured based on an offering price of 525,000 yen for JRE and the September 7, 2001, closing price of 1,080.83 yen for TOPIX, 770.21 yen for TPREAL, and 3,140 yen for Tokyo Electric Power Company. The TSE REIT index is a ratio against the closing prices on March 31, 2003.

* TPREAL (TOPIX Real Estate Index) is a weighted index designed to measure the performance of the real estate sector of the TOPIX index.

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

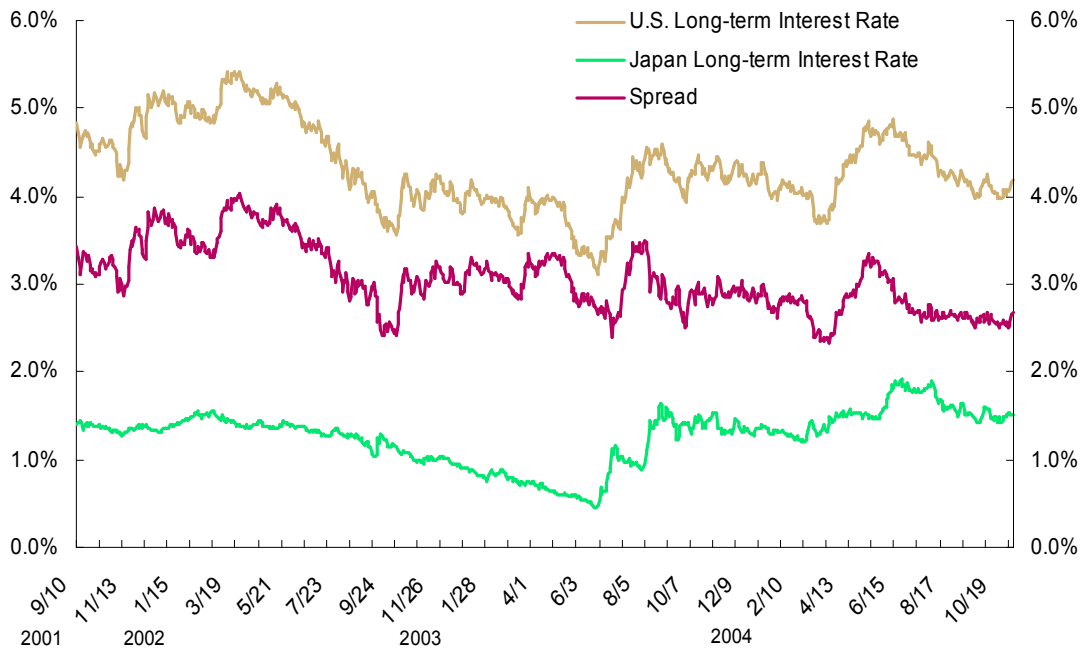
* The stock price performance above is historical and not an indication of future performance.

◆ Change in Long- and Short-term Rate



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

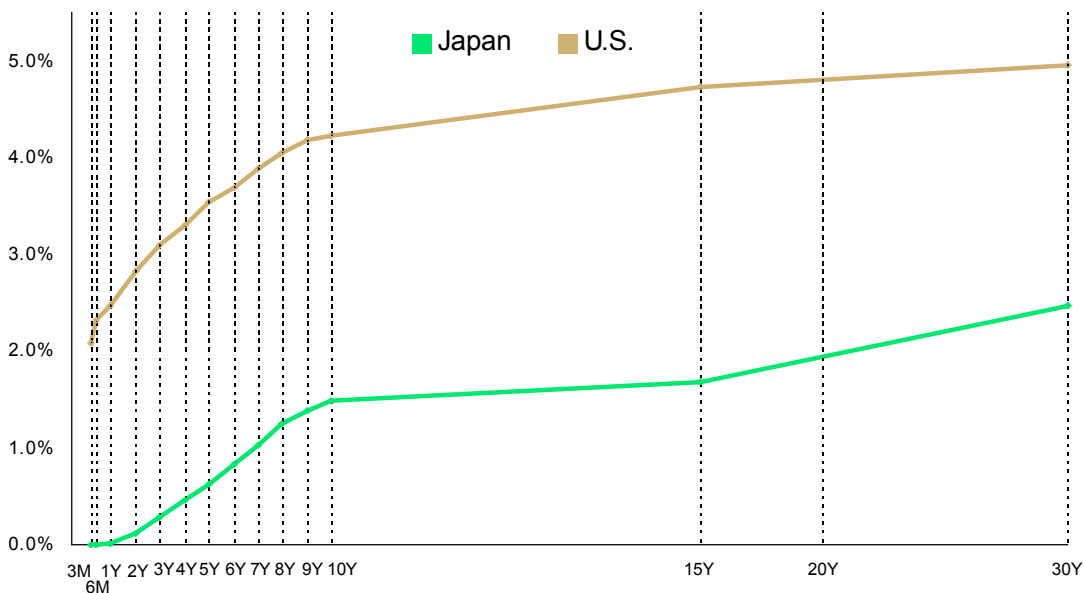
◆ Long-term Interest Rate Comparison of Japan and U.S. (As of November 8, 2004)



*Long-term interest rate is the yield of Japan or U.S. 10 year Government Bond.

*Source: Bloomberg

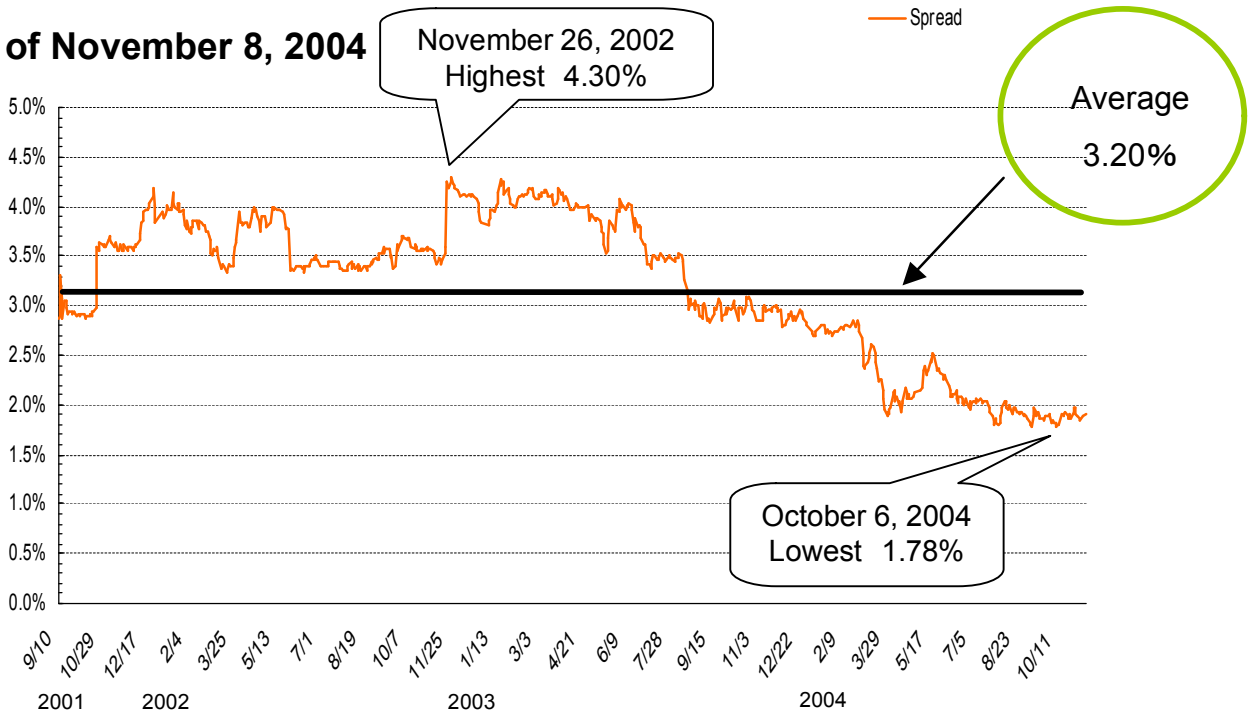
◆ Yield Curve Comparison of Japan and U.S. (As of November 8, 2004)



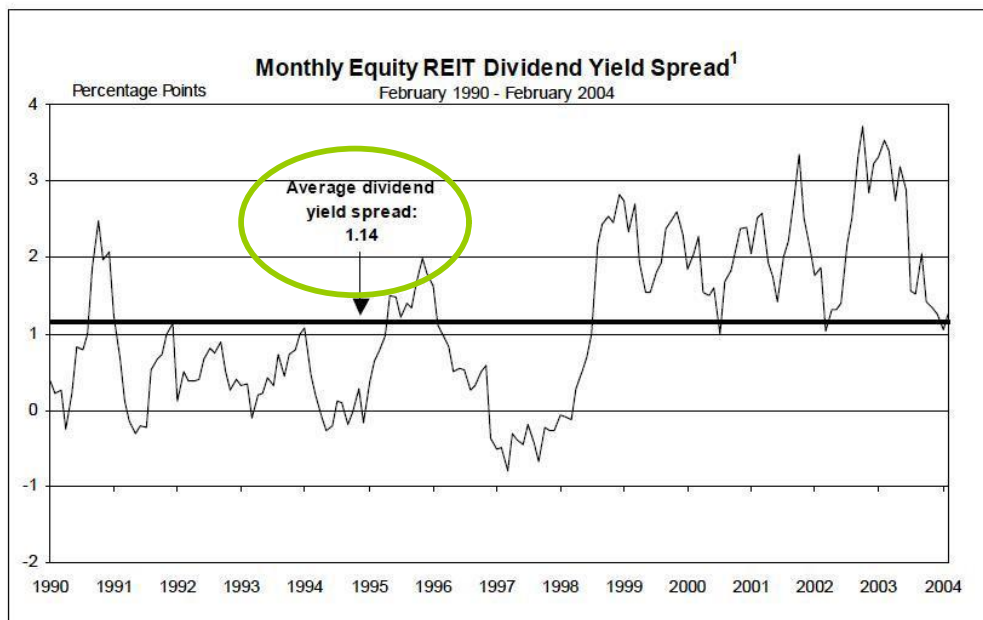
*Source: Bloomberg

JRE Dividend Yield Spread against JGB

As of November 8, 2004



US Equity REIT Dividend Yield Spread against Treasury



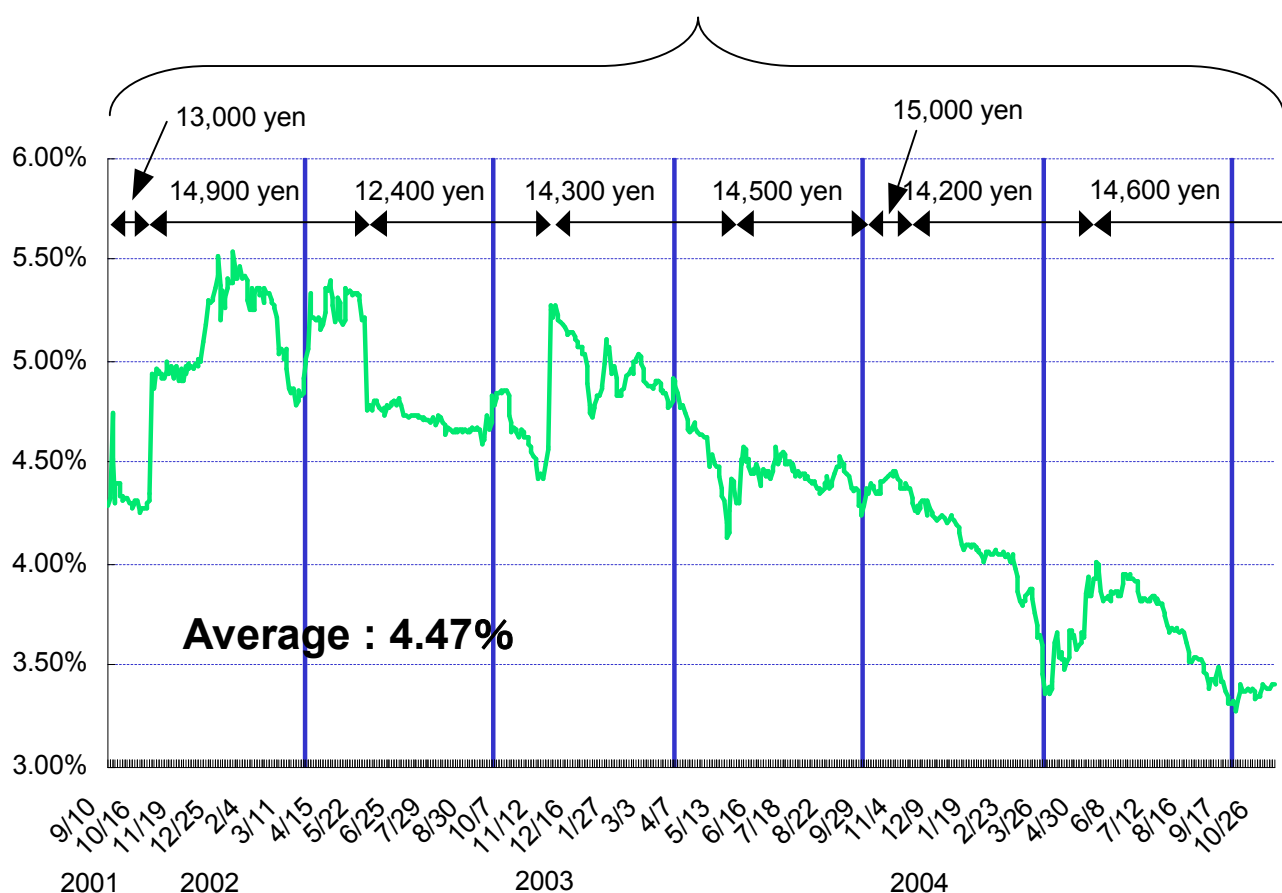
Yield spread calculated by taking the Equity REIT dividend yield less 10-year constant maturity Treasury yield.
Source: NAREIT®

Historical Dividend Yield of JRE Unit

As of November 8, 2004

Forecast Dividends (yen)

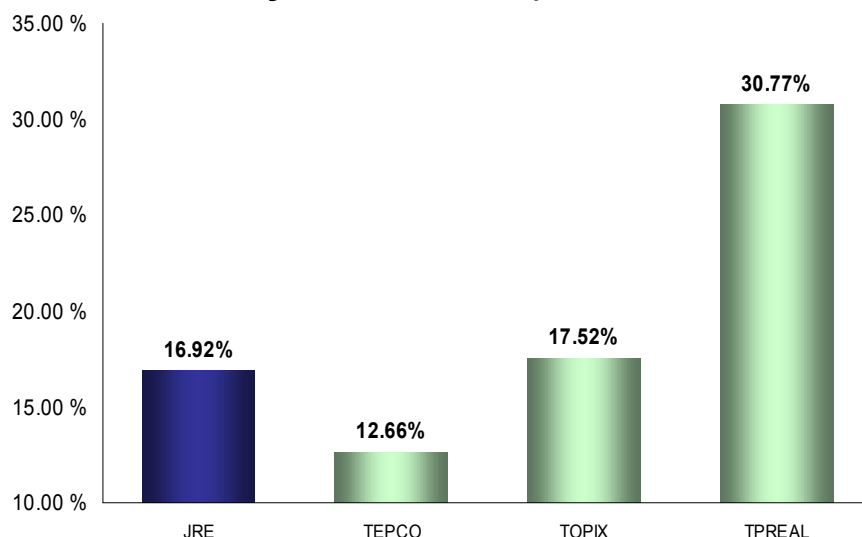
Original Forecast:	13,000 yen
October 22, 2001 (Upward revision)	14,900 yen
May 27, 2002 (2nd-period announcement):	12,400 yen
November 19, 2002 (3rd-period announcement):	14,300 yen
May 20, 2003 (4th-period announcement):	14,500 yen
October 1, 2003 (Upward revision)	15,000 yen
November 18, 2003 (5th-period announcement):	14,200 yen
May 18, 2004 (6th-period announcement):	14,600 yen



Notes: 1. Dividend yield is annualized.

2. Blue lines show ex-dividend date.

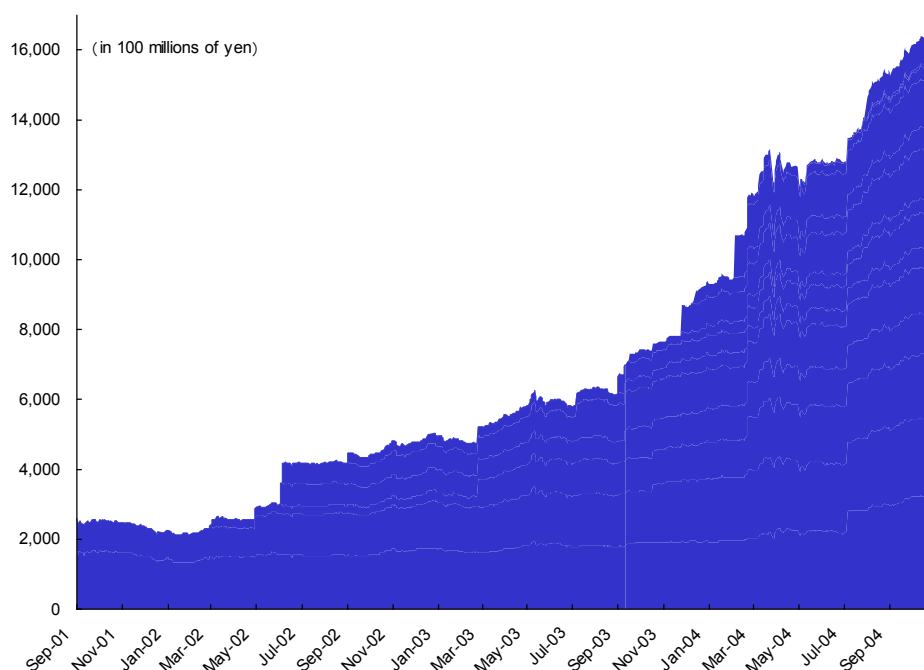
◆ Historical Volatility of Unit Price (As of November 8, 2004)



Notes:

- Volatility is a measure of the change in the price of a financial instrument over a given period of time. By convention, historical volatility is the standard deviation of day-to-day logarithmic price changes expressed as an annualized percentage. We calculated each volatility by analyzing a 200 trading day sample of the closing prices.
- Source: Bloomberg

◆ Change of J-REIT Market Capitalization (As of November 8, 2004)



*Source : Bloomberg

Performance Comparison- the 5th Period vs. the 6th Period

(In thousands of yen)

Overall Performance

Item	6th Period Apr. 04-Sep. 04	5th Period Oct. 03-Mar. 04	Change
Revenues	10,151,128	9,560,772	590,355
Operating Expenses(Excluding Depreciation)	3,478,549	3,105,210	373,338
NOI	6,672,578	6,455,562	217,016
Depreciation	1,657,320	1,498,676	158,644
Operating Profit	5,015,258	4,956,886	58,372

(Factor Analysis)

①32 Properties Possessed as of the 4th Period End

Item	6th Period Apr. 04-Sep. 04	5th Period Oct. 03-Mar. 04	Change
Revenue	8,812,563	9,060,560	-247,996
Operating Expenses(Excluding Depreciation)	3,126,244	3,015,550	110,693
NOI	5,686,319	6,045,010	-358,690
Depreciation	1,380,285	1,383,591	-3,305
Operating Profit	4,306,033	4,661,418	-355,384

②Properties Acquired in the 5th Period

(Full contribution of the 4 properties and additional acquisition acquired in the 5th period)

Item	6th Period Apr. 04-Sep. 04	5th Period Oct. 03-Mar. 04	Change
Revenue	957,440	500,212	457,228
Operating Expenses(Excluding Depreciation)	331,914	89,660	242,254
NOI	625,525	410,552	214,973
Depreciation	177,661	115,084	62,577
Operating Profit	447,863	295,467	152,396

③New Properties Acquired in the 6th Period

(Full contribution of the 3 properties and additional acquisition acquired in the 6th period)

Item	6th Period Apr. 04-Sep. 04	5th Period Oct. 03-Mar. 04	Change
Revenue	381,124	—	381,124
Operating Expenses(Excluding Depreciation)	20,382	—	20,382
NOI	360,741	—	360,741
Depreciation	99,372	—	99,372
Operating Profit	261,368	—	261,368

(Performance by property)

In thousands of yen

①32 Properties
Possessed as of the 4th
Period End

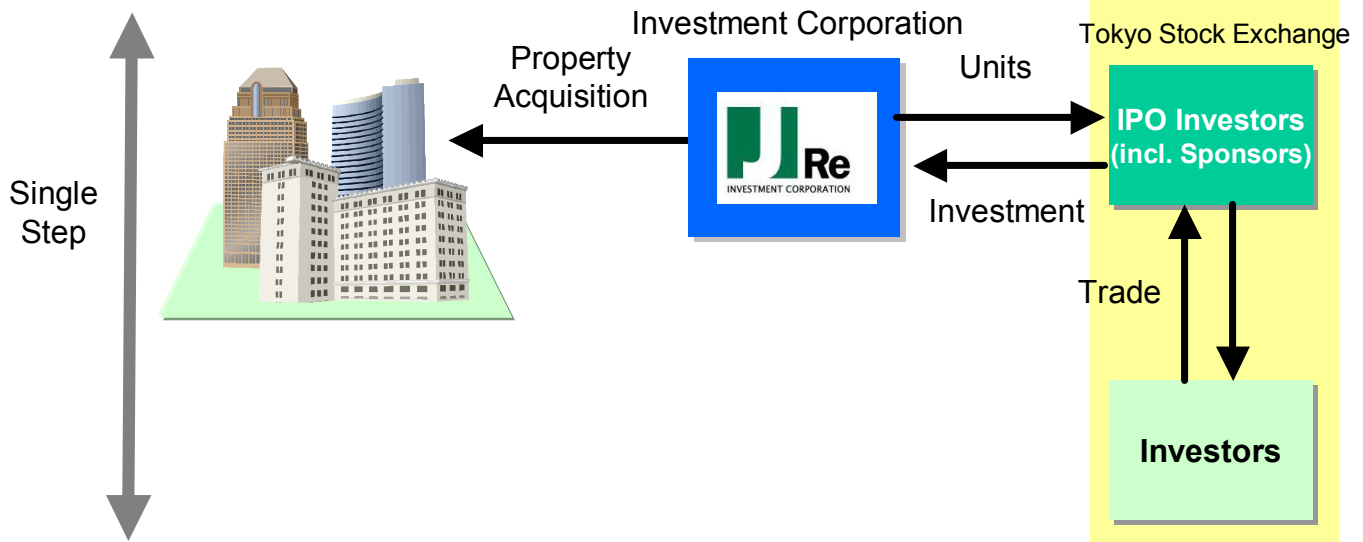
Genki Medical Plaza				MD Kanda				Kandabashi Park				Mitsubishi Soken			
Item	6th Period	5th Period		6th Period	5th Period			6th Period	5th Period			6th Period	5th Period		
Revenues	222,527	221,749		324,227	370,530			181,476	195,053			1,063,977	1,002,158		
Operating Expenses(Excluding Depreciation)	88,511	50,808		79,110	70,979			26,959	22,809			280,740	290,144		
NOI	134,016	170,940		245,116	299,550			154,517	172,244			783,237	712,014		
Depreciation	24,994	24,994		49,175	49,241			26,913	27,601			59,892	60,416		
Yurakucho Denki				Kodenmacho Shin-Nihonbashi				Burex Kyobashi				Aoyama Crystal			
Item	6th Period	5th Period		6th Period	5th Period			6th Period	5th Period			6th Period	5th Period		
Revenues	267,069	277,599		162,031	160,454			150,000	150,000			259,557	249,784		
Operating Expenses(Excluding Depreciation)	90,703	57,402		48,443	52,565			13,966	14,137			58,755	36,263		
NOI	176,366	220,196		113,587	107,889			136,033	135,862			200,801	213,531		
Depreciation	17,948	17,581		27,222	27,205			37,867	37,867			35,428	35,325		
Shiba 2-chome Daimon				Cosmo Kanasugibashi				Takanawadai				JAL Travel			
Item	6th Period	5th Period		6th Period	5th Period			6th Period	5th Period			6th Period	5th Period		
Revenues	305,912	300,284		136,529	135,698			140,272	140,973			89,245	95,864		
Operating Expenses(Excluding Depreciation)	140,822	110,885		39,402	44,895			43,198	45,405			33,608	35,721		
NOI	165,089	189,399		97,126	90,803			97,074	95,568			55,636	60,143		
Depreciation	31,886	32,977		21,466	21,460			22,530	22,302			14,571	14,538		
Omori-Eki Higashiguchi				da Vinci Harajuku				Shibuya Cross Tower				Otsuka Higashi-Ikebukuro			
Item	6th Period	5th Period		6th Period	5th Period			6th Period	5th Period			6th Period	5th Period		
Revenues	251,083	273,328		193,155	189,932			1,497,338	1,461,773			174,731	181,307		
Operating Expenses(Excluding Depreciation)	84,026	80,887		38,104	34,672			631,336	574,330			57,316	57,118		
NOI	167,057	192,441		155,051	155,260			866,002	887,443			117,414	124,188		
Depreciation	57,163	56,986		16,707	16,707			257,647	243,203			37,596	40,976		
Ikebukuro 2-chome															
Item	6th Period	5th Period		6th Period	5th Period			6th Period	5th Period			6th Period	5th Period		
Revenues	72,890	77,278													
Operating Expenses(Excluding Depreciation)	25,563	25,017													
NOI	47,327	52,261													
Depreciation	13,130	13,092													
Saitama Urawa				Shin-Yokohama First				Kawasaki Isago							
Item	6th Period	5th Period		6th Period	5th Period			6th Period	5th Period			6th Period	5th Period		
Revenues	144,650	140,114		56,579	142,822			189,564	191,940						
Operating Expenses(Excluding Depreciation)	47,347	45,707		54,445	121,215			66,477	69,420						
NOI	97,302	94,406		2,133	21,606			123,086	122,520						
Depreciation	22,190	22,148		45,589	44,205			41,790	41,789						
Sendai Honcho Honma				Niigata Ishizucho Nishi-Bandaihashi				Kanazawa Park				Kanazawa Minamicho			
Item	6th Period	5th Period		6th Period	5th Period			6th Period	5th Period			6th Period	5th Period		
Revenues	158,696	163,037		85,442	83,341			530,823	535,326			73,990	71,374		
Operating Expenses(Excluding Depreciation)	42,117	39,610		34,391	38,001			276,403	248,374			27,703	29,455		
NOI	116,578	123,427		51,050	45,340			254,420	286,951			46,287	41,918		
Depreciation	28,587	28,557		11,167	11,901			84,531	86,775			12,877	13,405		
Nagoya Hirokoji				Nagoya Misono				Kyoto ShiJo Kawaramachi				Sakaishijonmachi			
Item	6th Period	5th Period		6th Period	5th Period			6th Period	5th Period			6th Period	5th Period		
Revenues	757,574	761,148		108,661	107,366			126,454	136,589			88,016	140,360		
Operating Expenses(Excluding Depreciation)	310,424	274,768		31,529	23,830			49,157	78,293			57,663	56,257		
NOI	447,149	486,360		77,132	83,536			77,297	58,296			30,353	84,103		
Depreciation	123,603	133,643		35,958	35,829			34,958	34,113			23,995	23,415		
Midosuji Daiwa				Kobe Itomachi				Tosai Tenjin				Hinode Tenjin			
Item	6th Period	5th Period		6th Period	5th Period			6th Period	5th Period			6th Period	5th Period		
Revenues	650,834	758,182		73,878	69,978			103,496	94,761			171,874	180,438		
Operating Expenses(Excluding Depreciation)	221,828	246,983		29,914	32,049			37,638	43,800			58,632	63,737		
NOI	429,005	511,199		43,963	37,929			65,857	50,961			113,242	116,701		
Depreciation	98,273	98,008		14,426	14,221			20,972	20,886			29,311	32,230		
Nippon Brunswick				Jingumae Media Square				Ebisu Neonato				Sakaishijonmachi			
Item	6th Period	5th Period		6th Period	5th Period			6th Period	5th Period			6th Period	5th Period		
Revenues	308,002	11,222		316,568	312,185			129,753	83,995			102,619	85,848		
Operating Expenses(Excluding Depreciation)	68,217	2,164		87,818	49,231			33,622	15,035			67,229	21,400		
NOI	239,785	9,058		228,749	262,954			96,130	68,960			35,389	64,447		
Depreciation	32,617	5,355		56,677	56,177			37,730	31,632			27,976	18,200		
NHK Hiroshima Broadcasting Center															
Item	6th Period	5th Period		6th Period	5th Period			6th Period	5th Period			6th Period	5th Period		
Revenues	109,496	6,960													
Operating Expenses(Excluding Depreciation)	75,025	1,829													
NOI	25,471	5,131													
Depreciation	22,661	3,718													
Shinwa				Yoyogi 1-chome				Ebisu Neonato				Ikebukuro YS			
Item	6th Period	5th Period		6th Period	5th Period			6th Period	5th Period			6th Period	5th Period		
Revenues	36,127	—		281,200	—			13,876	—			49,820	—		
Operating Expenses(Excluding Depreciation)	2,961	—		5,645	—			2,494	—			8,280	—		
NOI	33,165	—		274,554	—			11,382	—			41,539	—		
Depreciation	5,888	—		78,278	—			4,035	—			11,171	—		

②Properties
Acquired in the 5th
Period

③New Properties
Acquired in the 6th
Period

Difference in IPO Procedures

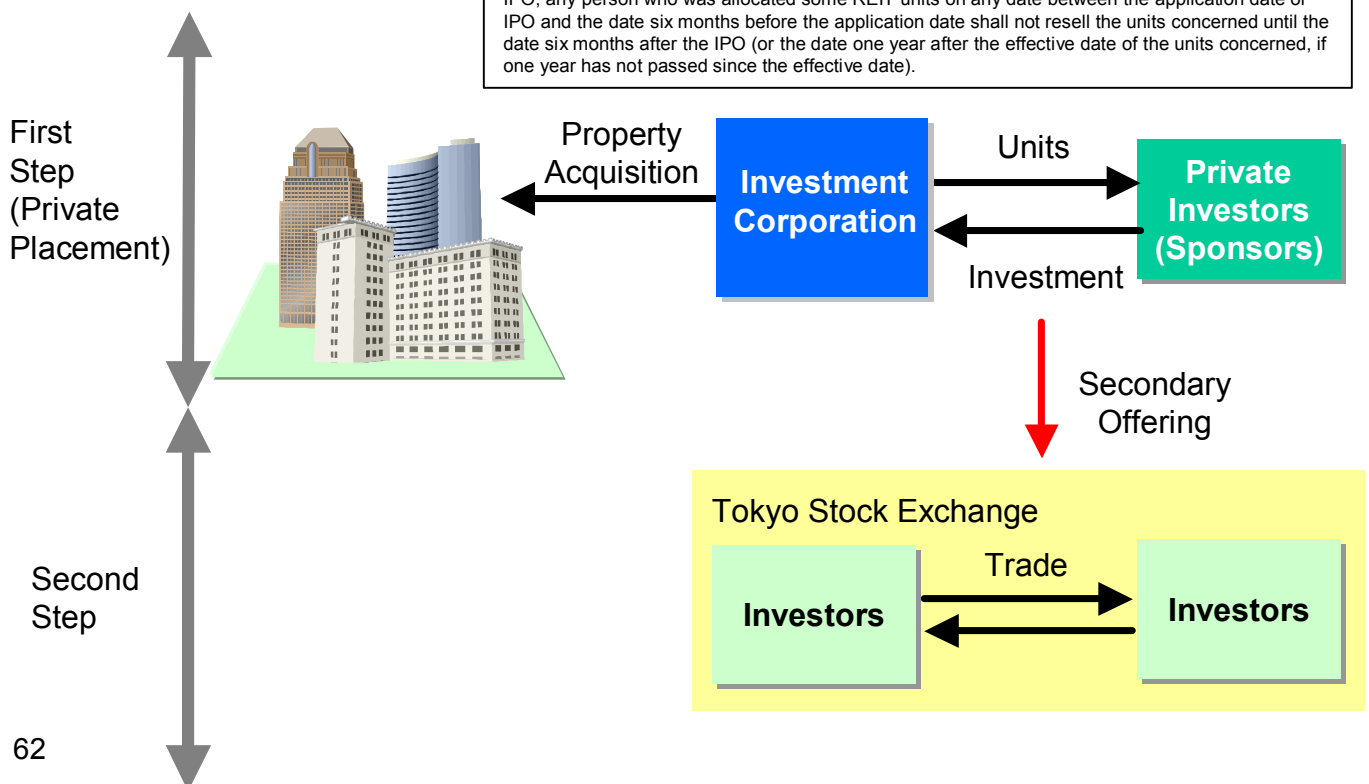
“One-Step Method”



“Two-Step Method”

On October 1, 2004, Tokyo Stock Exchange implemented rules intending to improve IPO procedures in relation to J-REIT as follows.

Like regulations imposed on equity securities in relation to third-party allocation of shares prior to IPO, any person who was allocated some REIT units on any date between the application date of IPO and the date six months before the application date shall not resell the units concerned until the date six months after the IPO (or the date one year after the effective date of the units concerned, if one year has not passed since the effective date).



Changes in Systems and Policies That Affect J-REIT

April 2003–
March 2006

Reduction in circulation taxes on real estate transactions

- ⌞ Enhancing real estate securitization by expanding the real estate investment market
- ⌞ Increasing the possibility of acquiring properties for REIT

April 2003–
March 2008

Reduction in taxes on dividends and capital gains

- ⌞ Dividend and capital gain tax rates were lowered from 20% to 10%.
- ⌞ (As for capital gains, this is as a preferential treatment between January 2003 and December 2007.)
- ⌞ Vitalizing the stock market

Beginning of
2004

Establishing REIT-incorporated Fund of Funds and full-scale sales over the bank counter

- ⌞ Growing number of investors due to enhanced REIT market
- ⌞ Attracting a better mix of personal investors through sales at banks

March 2004

Introduction of asset impairment accounting at the discretion of the company

- ⌞ Release of companies' properties onto the real estate market
- ⌞ Increasing opportunities of acquiring properties for REIT

April 2005

Full elimination of the government protection of deposits


- ⌞ With diversified investment activities, increasing the number of REIT investors

March 2006

Compulsory adoption of asset impairment accounting

- ⌞ Release of companies' properties onto the real estate investment market
- ⌞ Increasing opportunities of acquiring properties for REIT

History of Quake-Resistance Standards

- Several revisions of quake-resistance standards in the wake of earthquake disasters.
- The most prominent revision was a large-scale revision to the Enforcement Order of the Building Standard Law based on the 1978 Miyagi-ken Oki Earthquake.
-  New Quake-resistance Standards
- Enactment of the Legislation for Promoting Earthquake Retrofit for Buildings after experiencing several big earthquakes and reflected by the Great Hanshin Earthquake

Age	Major Earthquake	Standards/Enforcement Order/Notification
1923	Kanto, Mag.=7.9	Enactment of Building Standard Law Revision of tie hoop intervals in Architectural Institution RC Standards (tie hoop intervals of 30 cm or less)
1948	Fukui, Mag.=7.1	
1950		
1960		
1964	Niigata, Mag.=7.5	Revision of Enforcement Order (tie hoop intervals of 15 cm or less)
1968	Tokachi Oki, Mag.=7.9	
1971		
1978	Miyagi Oki, Mag.=7.4	Large-scale revision of the Enforcement Order of the Building Standard Law New Quake-Resistance Standards
1981		
1983	Nihonkai Oki, Mag.=7.7	Enactment of Legislation for Promoting Earthquake Retrofit for Buildings
1993	Kushiro Oki, Mag.=7.8	
1994	Hokkaido Touho Oki, Mag.=8.1	
1995	Koube Nannbu, Mag.=7.2	
2004	Niigata Chuetsu, Mag.=6.8	

What Is Building Construction Authorized by the Construction Minister?

The earthquake-resistant design concept for building construction authorized by the Construction Minister is the same as that of the New Quake-Resistance Standards, and it can be said that it is almost equal to the standards even though there are minor differences in the earthquake motion intensity, verification methods, etc.

What Are the New Quake-Resistance Standards?

- Before and after its large-scale revision, the Enforcement Order of the Building Standard Law was commonly known as the Old Quake-Resistance Standards and New Quake-Resistance Standards, respectively.
- Differences between the Old and New Quake-Resistance Standards are:

Old Quake-Resistance Standards	New Quake-Resistance Standards
<p>Confirm safety in a medium level of earthquake (roughly a lower-5 quake on the Japanese earthquake scale)</p> <p>A tie hoop interval of 15 cm or less, 10 cm or less for places in the vicinity of beams/plinths</p>	<p>Newly implemented two-phase quake-resistant design rules</p> <p>① In medium earthquakes (roughly a lower-5 on the Japanese earthquake scale), protection of human lives, building functions, and estates is being aimed at. (No damage)</p> <p>② In huge earthquakes (roughly lower- and upper-6 on the Japanese earthquake scale), protection of human lives is being aimed at.</p> <p>Newly established tie hoop ratio for RC pillars (0.2% or more) in addition to a tie hoop interval. Securing width of hoops is being aimed at.</p>

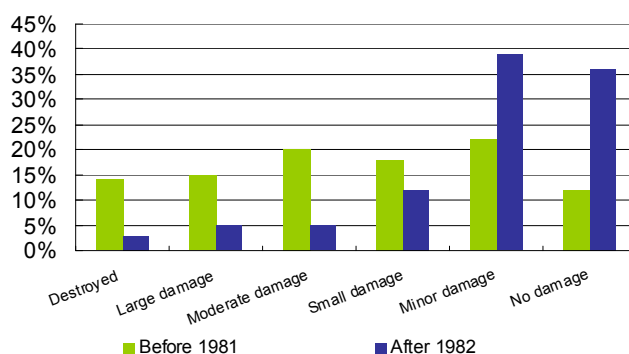
Buildings Damaged in the Great Hanshin Earthquake

◆ Damaged buildings (Area in the vicinity of the JR San-nomiya Station, Chuo-ku, Kobe City)

	Before 1981		After 1982	
Destroyed	105	(14%)	5	(3%)
Large damage	116	(15%)	7	(5%)
Moderate damage	151	(20%)	8	(5%)
Small damage	137	(18%)	18	(12%)
Minor damage	168	(22%)	58	(39%)
No damage	96	(12%)	54	(36%)

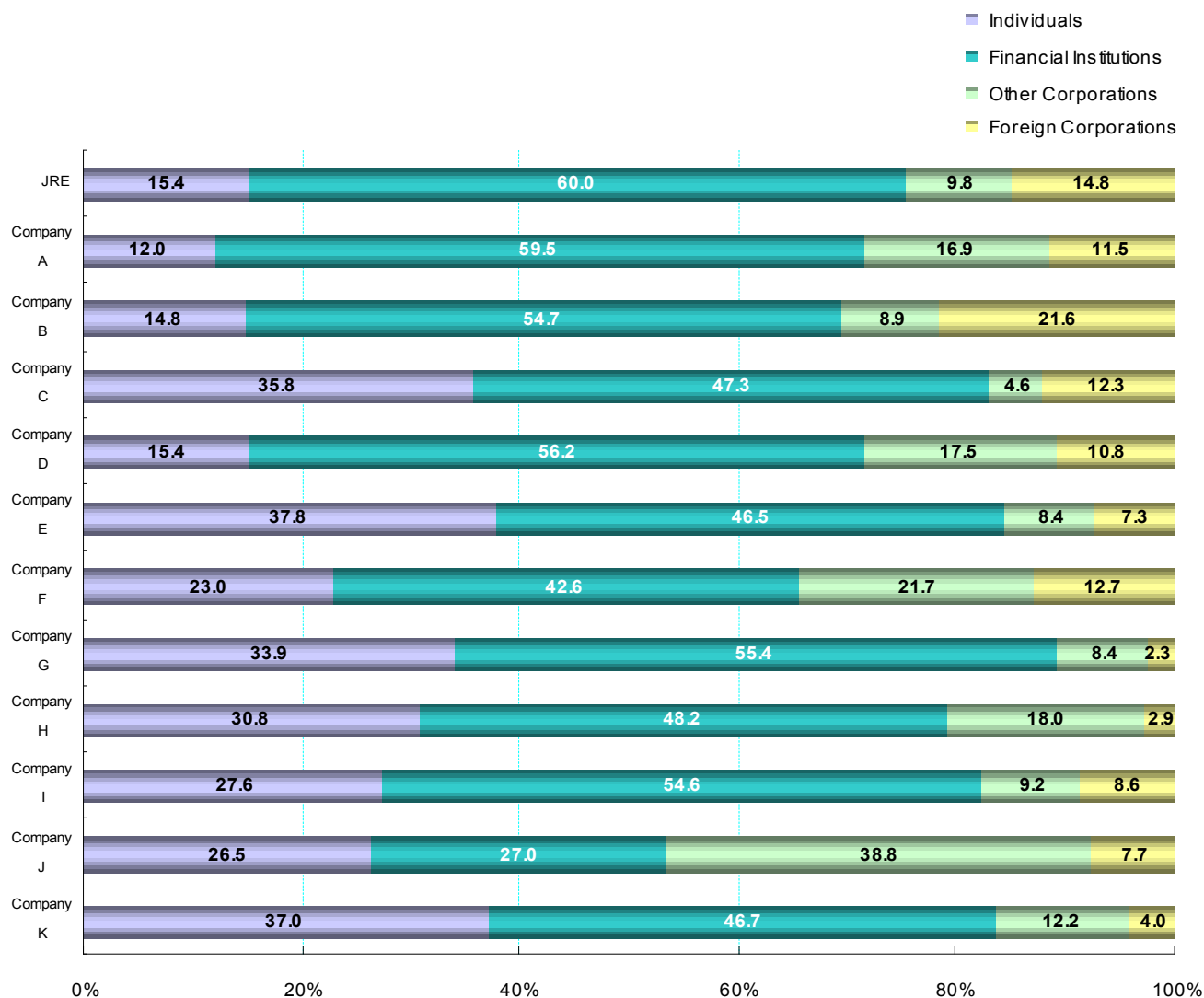
Sources: Act of the Legislation for Promoting Earthquake Retrofit for Buildings and its explanation and the Japan Building Disaster Prevention Association, the Building Center of Japan.

◆ Extent of damages to buildings



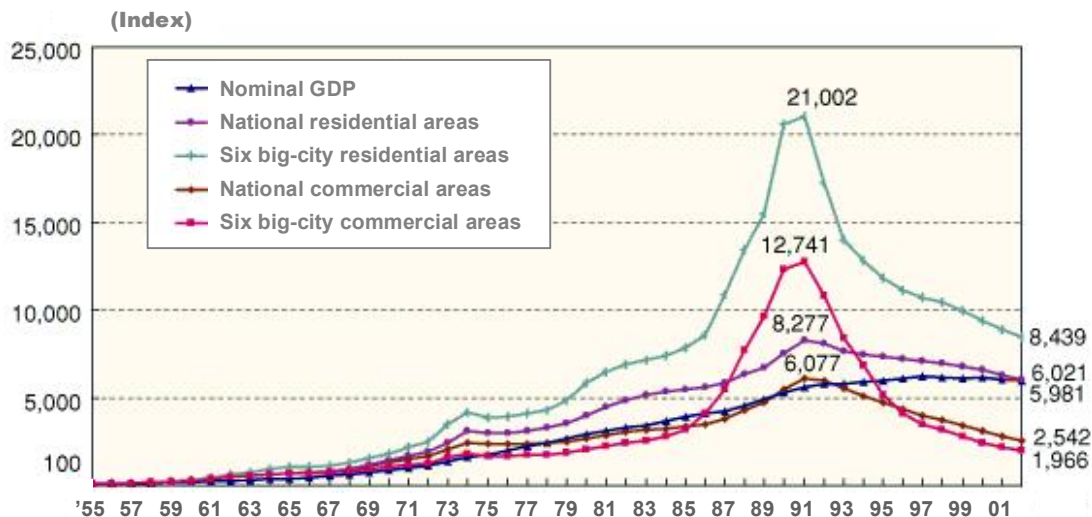
The Great Hanshin Earthquake proved that buildings that met the New Quake-Resistance standards were highly resistant to earthquakes.

Comparison of Unitholder Composition



Changes in Index of Urban Land Prices and Nominal GDP

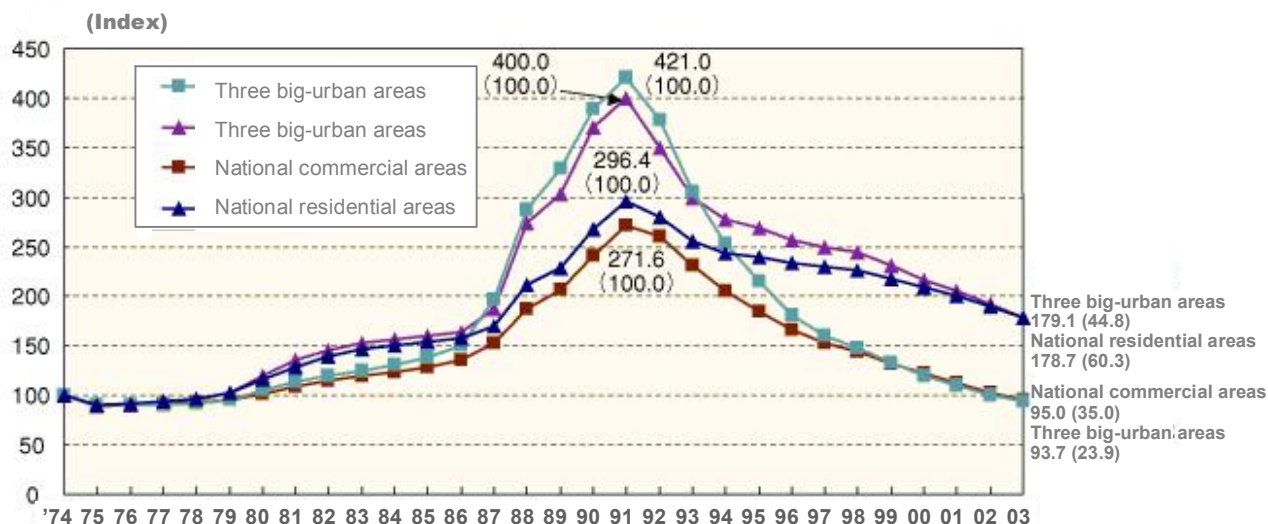
Changes in Index of Urban Land Prices and Nominal GDP (1955=100)



Sources: Cabinet Office Annual Report on National Accounts and Japan Real Estate Institute Urban Land Price Index.
Notes:

1. The six big cities referred to above are Tokyo, Yokohama, Nagoya, Kyoto, Osaka, and Kobe.
2. Indices of urban land prices are calculated at the end of March, based on changes over the same period one year prior when the value of March 1955 is 100.
3. Figures of nominal GDP before 1979 were based on former standard, 68NSA.

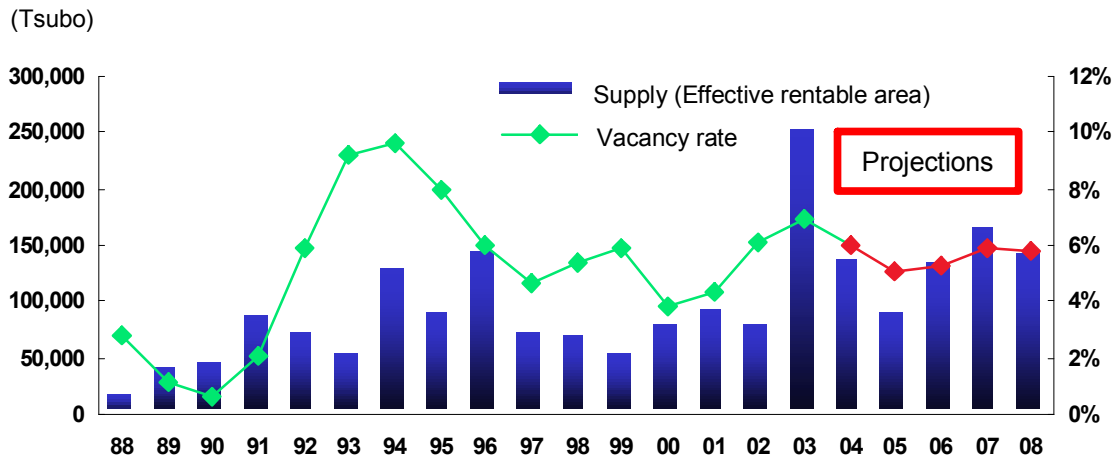
Reference Data: Change in Declared Value (1974=100)



Source: Official Announcement of Land Prices, Ministry of National Land and Transport.

- Notes: 1. The three big-urban areas referred to above are Tokyo, Osaka, and Nagoya.
Tokyo: Districts including built-up areas and neighboring development areas under the Tokyo Metropolitan District Development Law
Osaka: Districts including built-up areas and neighboring development areas under the Osaka Metropolitan District Development Law
Nagoya: Districts including urban development areas under the Central Region Development Law
2. Declared values are assessed on January 1 of each year.

Office building market in Tokyo



Source: The Real Estate White Paper 2004, Ikoma Date Service system (IDSS)

Note: Supply shows total floor areas of buildings of more than 10,000 tsubo.

Future issues for office building market

The Year 2007 Problem

Many new office buildings are scheduled to be completed during 2006 - 2008 in the central Tokyo area.

In Nagoya, large office buildings are slated to be completed in front of Nagoya station (this is gaining

<Major office buildings to be completed during 2006 - 2008 in central Tokyo>

- Tokyo Building (rebuilding) (gross floor area: 149,000m², 33 floors above ground)
- Mitsubishi Corporation Marunouchi New Office Building (rebuilding) (gross floor area: 61,000m², 21 floors above ground)
- East Japan Railway Corporation Tokyo Station Nihonbashiguchi Building (gross floor area: 79,200m², 43 floors above ground)
- New Marunouchi Building (rebuilding) (gross floor area: 195,000m², 38 floors above ground)
- The Redevelopment of the Former Defense Agency Site in Roppongi (gross floor area: 354,000m², number of floors: to be determined)
- Mitsubishi Corporation, Furukawa Building, Marunouchi Yaesu Building (Rebuilding) (gross floor area: 200,000m², number of floors: to be determined)

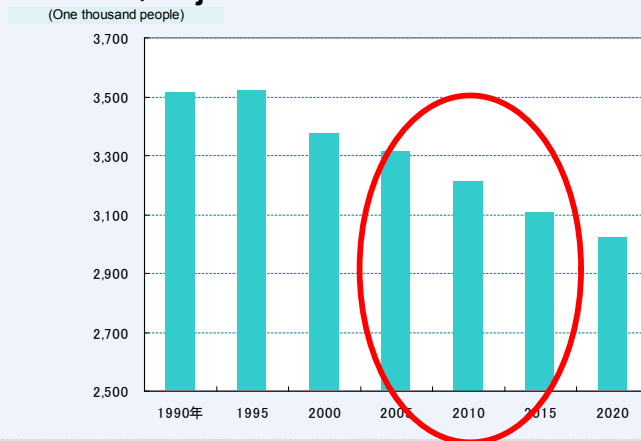
<Office Buildings to be completed around 2007 in the Nagoya Region>

- Toyota-Mainichi Building (gross floor area: 198,000m², 46 floors above ground, scheduled completion: 2006)
- Ushijima Redevelopment Building (Redevelopment by Chubu Electric, Toyota, etc.) (gross floor area 137,000m², 40 floors above ground, scheduled completion: 2007)

The Year 2010 Problem

The number of office workers in Tokyo's 23 wards is expected to drop as many as approximately 170,000 people (approx. 5%) to 3.27 million people in 2010 from the level in 2000 due to a decline in workforce, as the "baby boomers" who were born during the baby boom in the postwar period are to retire around 2010 with its peak in 2010.

<Projection for number of office workers (Tokyo's 23 wards) >



Source: NLI Research Institute

Problem of falling birthrate

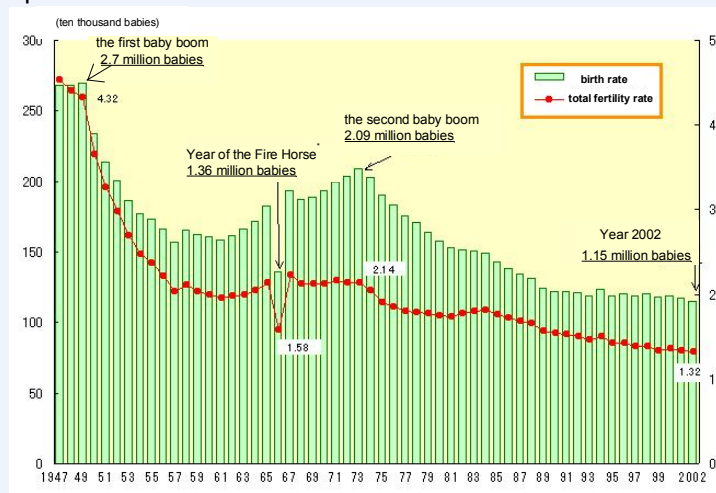
The number of babies born per year was approximately 2 million in the first half of the 1970s, but it has since dropped to approximately 1.1 million babies in recent years.

The birth rate (total fertility rate) fell by 40% to 1.29 in 2003 from 2.16 in 1971, when no decline had yet kicked in. This figure is substantially lower than 2.07, a level at which population can be sustained in the long run, leading to a population decrease and aging populations.

(Birth rates in other countries (2002))

the US	:2.01
France	:1.89
Norway	:1.75
Holland	:1.73
Germany	:1.31
Italy	:1.26

*In Japan there is a superstitious tendency that childbirth is to be avoided in the year of the Fire Horse.



Source: Health, Labor, & Welfare Ministry

Disclaimer on Forecasts

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