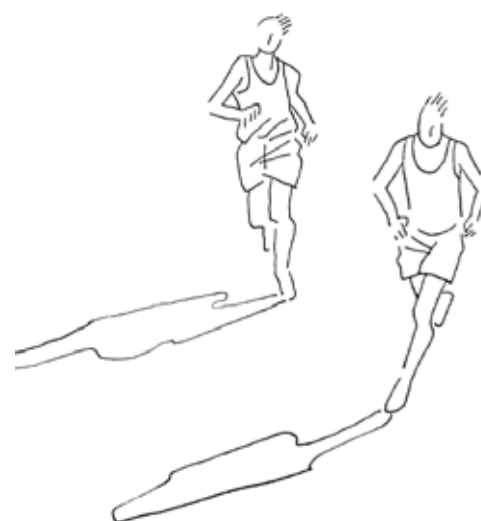
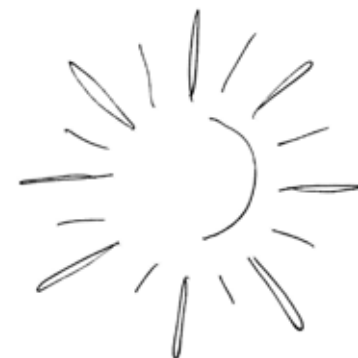


Japan Real Estate Investment Corporation

Performance Review for the Tenth Period

(Ended September 30, 2006)



Japan Real Estate Asset Management Co., Ltd.

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MEMO

Executive Summary

Financial Summary for the 10th Period and Forecast



Financial Summary for the 10th Period and Forecast

(In millions of yen)

	12th Period Forecast (Sep 30, 2007) Apr 2007-Sep 2007	11th Period Forecast (Mar 31, 2007) Oct 2006-Mar 2007	10th Period Performance (Sep 30, 2006) Apr 2006-Sep 2006	9th Period Performance (Mar 31, 2006) Oct 2005-Mar 2006
Operating Revenues	16,540	16,430	15,570	13,962
(% change from the preceding period)	(+0.7%)	(+5.5%)	(+11.5%)	(+6.4%)
Initial Forecast (variance from the initial forecast)		16,200 (+1.4%)	15,230 (+2.2%)	
Operating Profits	7,940	7,900	7,041	6,319
(% change from the preceding period)	(+0.5%)	(+12.2%)	(+11.4%)	(+1.5%)
Initial Forecast (variance from the initial forecast)		7,350 (+7.5%)	6,560 (+7.3%)	
Recurring Profits	6,820	6,780	5,977	5,586
(% change from the preceding period)	(+0.6%)	(+13.4%)	(+7.0%)	(+1.4%)
Initial Forecast (variance from the initial forecast)		5,990 (+13.2%)	5,490 (+8.9%)	
Net Income	6,820	6,780	5,976	5,585
(% change from the preceding period)	(+0.6%)	(+13.5%)	(+7.0%)	(+1.4%)
Initial Forecast (variance from the initial forecast)		5,990 (+13.2%)	5,490 (+8.9%)	
Units Outstanding	410,000 units	410,000 units	345,400 units	345,400 units
Dividend per Unit	16,600 yen	16,530 yen	17,302 yen	16,172 yen
Total Assets	-	-	441,163	433,552
Total Unitholders' Equity	-	-	207,449	207,058
Total Liabilities	-	-	233,714	226,493
Interest-bearing Debts	-	-	202,500	196,500
LTV	-	-	45.9%	45.3%
Unit Price (period-end)	-	-	1,000,000 yen	1,020,000 yen
Market Capitalization	-	-	345,400	352,308
Number of Properties	50 buildings	50 buildings	49 buildings	52 buildings
Leasable Area	404,148 m²	404,148 m²	396,173 m²	400,090 m²
Occupancy Rate	-	97.4%	98.2%	98.7%

* Information as of each fiscal end

* The initial forecast stated in the above schedule means the one announced on May 25, 2006 for the 10th and 11th Periods.

* Assumptions for Performance Forecast:

- Performance forecast for the 11th and 12th Periods is based on 50 properties, with "Nishiki Park Building" acquired on October 2 and November 1, 2006 in addition to the existing 49 properties as of September 30, 2006.
- The maximum risk of decreasing revenues (due to rent reductions or return of leased space) is assumed, in addition to the increases and decreases already confirmed.
- Vacant spaces due to early return of leased space or termination of agreements will be leased gradually after a certain period of time.

Comments on the 10th Period

- ◆ Continuous growth in revenues and profits from IPO to the 10th Period
- ◆ New properties and additional shares of ownership acquired in the 10th Period
 - Sanno Grand Building (additional share)
(Date of acquisition: April 3, 2006; Acquisition price: 10,700 million yen)
 - Sendai Honcho Honma Building (additional share)
(Date of acquisition: June 28, 2006; Acquisition price: 250 million yen)
 - Hirokoji Tokio Marine Nichido Building
(Date of acquisition: September 22, 2006; Acquisition price: 1,680 million yen)
- ◆ Property sales
As part of the portfolio review, four properties were sold, namely JAL Sales Building, Shin-Yokohama First Building, Niigata Ishizuecho Nishi-Bandaibashi Building and Kanazawa Minamicho Building, for a total gain of approximately 400 million yen.
- ◆ Property management
Occupancy rate was kept high at 98.2%. Negotiations with the existing tenants have been started to increase the rent.
- ◆ Financial condition
 - LTV (Interest-bearing debt / Total assets) at the end of the 10th Period reached 45.9%. The long-term interest-bearing debt ratio (*) was 52.8%. (The new investment unit issue in October 2006 and partial loan repayments in October and November are expected to lower LTV to a percentage in the low 30s, and raise the long-term interest-bearing debt ratio to approximately 76%.)

(*) Long-term interest-bearing debt ratio = (Long-term loans + Investment corporation bonds (excluding current portions of long-term loans and investment corporation bonds)) / Total interest-bearing debt

 - JRE's credit ratings at the end of the 10th Period were as follows.

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

Forecasted Revenues and Profits for the 11th and 12th Periods

- ◆ Revenues and profits are both expected to increase for the 11th Period (ending March 2007) and 12th Period (ending September 2007).
- ◆ New investment unit issue (64,600 units, total issue value: about 63.2 billion yen)
- ◆ Properties acquired and to be acquired in the 11th Period
 - Nishiki Park Building (Acquisition price: 3,850 million yen on October 2, 2006 and 1,300 million yen on November 1, 2006)
 - Preferred capital contribution certificates issued by Harumi Front Special Purpose Company (Acquisition price: 268 million yen on November 24, 2006)
- ◆ The occupancy rate at the end of the 11th Period is estimated to be 97.4%.

Assets

Further improved portfolio quality through our portfolio review!!

Examples of properties acquired in the 8th and 9th periods

New buildings
Steady rental income
Large scale

Acquired buildings with high competitiveness



Nibancho Garden

Acquisition date:
April 1, 2005



Lit City Building

Acquisition date:
February 1, 2006



Kitanomaru Square

Acquisition date:
February 24, 2006

Summary of property sales

Condition of leasing market
Property size
Location/
Convenient access
Capital gain/loss

Determining sales of properties in a comprehensive manner



JAL Sales Building



Shin-Yokohama First Building



Niigata Ishizuecho Nishi-Bandaibashi Building



Kanazawa Minamicho Building

	Date of sales	Appraisal value (End of March 2006)	Sales price	Profits or losses from sales
JAL Sales Building	June 28, 2006	1,490 million yen	2,593 million yen	1,272 million yen
Shin-Yokohama First Building	June 28, 2006	1,640 million yen	1,755 million yen	-1,178 million yen
Niigata Ishizuecho Nishi-Bandaibashi Building	June 28, 2006	729 million yen	1,490 million yen	454 million yen
Kanazawa Minamicho Building	June 28, 2006	985 million yen	1,165 million yen	-147 million yen
Total		4,844 million yen	7,003 million yen	400 million yen

Liabilities

Summary of debts

(In millions of yen)

	End of the 10th Period (ended Sep 30, 2006)	After issue of new investment units (End of Nov 2006)
Short-term loans	64,500	2,000
Current portion of long-term loans	6,000	6,000
Long-term loans	77,000	77,000
Total loans	147,500	85,000
Current portion of investment corporation bonds	25,000	25,000
Investment corporation bonds (excluding current portion)	30,000	30,000
Total investment corporation bonds	55,000	55,000
Total interest-bearing debt	202,500	140,000
LTV (interest-bearing debt / total assets)	45.9%	31.7%
Long-term interest bearing debt ratio (1)	52.8%	76.4%
Long-term interest bearing debt ratio (2)	68.1%	98.6%

*Long-term interest-bearing debt ratio (1) = (Long-term loans + investment corporation bonds (excluding current portions of long-term loans and investment corporation bonds) / total interest-bearing debt

Long-term interest-bearing debt ratio (2) = (Long-term loans + investment corporation bonds (including current portions of long-term loans and investment corporation bonds) / total interest-bearing debt

*LTV as of the end of Nov 2006 = Interest-bearing debt as of the end of Nov 2006 / (Total assets as of the end of Sep 2006 + proceeds from issue of new investment units in Oct 2006 - repayment of short-term loans in Oct and Nov 2006)

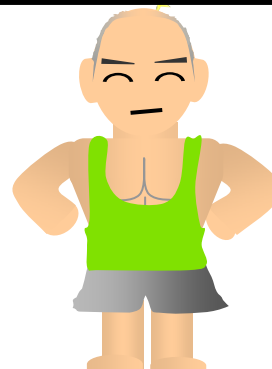
Equity

Summary of the fourth investment unit issue

- ◆ Issue price: 1,009,400 yen
- ◆ Aggregate amount of issue price: Approx. 65.2 billion yen
- ◆ Issue value: 978,500 yen
- ◆ Aggregate amount of issue value: Approx. 63.2 billion yen
- ◆ Launch date: October 2, 2006
- ◆ Pricing date: October 16, 2006
- ◆ Payment date: October 24, 2006

Paid off short-term loans with the proceeds

Overall balance sheet was strengthened through a higher-quality portfolio and lower financial leveraging (increase in equity).



Summary of Debts



The 10th Period (as of September 30, 2006)

	Lender or Bond Name	Borrowing Date or Issue Date	EOB (millions of yen)	Interest (%)	Repayment Date or Maturity Date
Short-term Loans	Mitsubishi UFJ Trust & Banking Corporation	2006/02/01	4,500	0.6681	2007/02/01
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2006/02/23	16,000	0.2745	2007/02/23
	Mizuho Corporate Bank, Ltd.	2006/02/23	16,000	0.2745	2007/02/23
	The Sumitomo Trust & Banking Co., Ltd.	2006/02/23	16,000	0.2745	2007/02/23
	Shinsei Bank, Limited	2006/02/23	10,000	0.2745	2007/02/23
	The Yamanashi Chuo Bank, Ltd.	2006/06/15	2,000	0.5472	2007/06/15
Current Portion of Long-term Loans	The Chugoku Bank, Ltd.	2004/06/15	3,000	0.90875	2007/06/15
	The Bank of Fukuoka, Ltd.	2004/08/31	3,000	0.78375	2007/08/31
Current Portion of Investment Corporation Bonds	1st Investment Corporation Bond	2002/06/21	25,000	1.32	2007/06/21
Total			95,500		

Early repayment of the loan was made on October 31, 2006.
 Early repayments of the loans were made on November 24, 2006.

	Lender	Borrowing Date	EOB (millions of yen)	Interest (%)	Repayment Date
Long-term Loans	The Iyo Bank, Ltd.	2004/03/24	2,000	1.0575	2009/03/24
	The Dai-ichi Mutual Life Insurance Company	2004/03/30	5,000	1.015	2009/03/30
	The Taiyo Life Insurance Company	2004/03/30	2,000	1.47125	2011/03/30
	Mitsui Life Insurance Co., Ltd.	2004/08/31	5,000	1.50125	2011/08/31
	Mitsui Life Insurance Co., Ltd.	2004/10/29	2,000	1.55	2012/10/29
	National Mutual Insurance Federation of Agricultural Cooperatives	2004/11/01	5,000	1.33125	2011/11/01
	Mitsubishi UFJ Trust & Banking Corporation	2006/04/03	10,000	1.63	2011/04/04
	Mitsubishi UFJ Trust & Banking Corporation	2006/06/01	22,000	1.73	2011/06/01
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		6,000		
	Mizuho Corporate Bank, Ltd.		6,000		
	The Sumitomo Trust & Banking Co., Ltd.	2006/06/23	5,200	1.65925	2011/06/23
	Mitsubishi UFJ Trust & Banking Corporation		5,200		
	Sompo Japan Insurance Inc.		1,600		
Total			77,000		

	Bond Name	Issue Date	EOB (millions of yen)	Interest (%)	Maturity Date
Investment Corporation Bonds	2nd Investment Corporation Bond	2003/04/30	10,000	0.69	2008/04/30
	3rd Investment Corporation Bond	2003/04/30	10,000	0.98	2010/04/30
	4th Investment Corporation Bond	2005/09/29	10,000	2.56	2025/09/29
	Total			30,000	

Total amount of interest-bearing debt as of the 10th period end **202,500 million yen**

The 9th Period (as of March 31, 2006)

	Lender	Borrowing Date	EOB (millions of yen)	Interest (%)	Repayment Date
Short-term Loans	The Yamanashi Chuo Bank, Ltd.	2005/06/15	2,000	0.26	2006/06/15
	Mitsubishi UFJ Trust & Banking Corporation	2005/09/13	2,000	0.2583	2006/09/13
	The Daishi Bank, Ltd.	2005/10/31	2,000	0.2475	2006/10/31
	Mitsubishi UFJ Trust & Banking Corporation	2006/02/01	4,500	0.2609	2007/02/01
	Mitsubishi UFJ Trust & Banking Corporation	2006/02/23	22,000	0.2745	2007/02/23
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2006/02/23	16,000	0.2745	2007/02/23
	Mizuho Corporate Bank, Ltd.	2006/02/23	16,000	0.2745	2007/02/23
	The Sumitomo Trust & Banking Co., Ltd.	2006/02/23	16,000	0.2745	2007/02/23
	Shinsei Bank, Limited	2006/02/23	10,000	0.2745	2007/02/23
Current Portion of Long-term Loans	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		6,000		Scheduled Principal Repayment Date: June 23, 2006 Final Principal Repayment Date: June 23, 2008
	Mizuho Corporate Bank, Ltd.		6,000		
	The Sumitomo Trust & Banking Co., Ltd.	2001/09/25	5,200	1.12	
	Mitsubishi UFJ Trust & Banking Corporation		5,200		
	Sompo Japan Insurance Inc.		1,600		
Total			114,500		

	Lender	Borrowing Date	EOB (millions of yen)	Interest (%)	Repayment Date	
Long-term Loans	The Iyo Bank, Ltd.	2004/03/24	2,000	1.0575	2009/03/24	
	The Dai-ichi Mutual Life Insurance Company	2004/03/30	5,000	1.015	2009/03/30	
	The Taiyo Life Insurance Company	2004/03/30	2,000	1.47125	2011/03/30	
	The Chugoku Bank, Ltd.	2004/06/15	3,000	0.90875	2007/06/15	
	The Bank of Fukuoka, Ltd.	2004/08/31	3,000	0.78375	2007/08/31	
	Mitsui Life Insurance Co., Ltd.	2004/08/31	5,000	1.50125	2011/08/31	
	Mitsui Life Insurance Co., Ltd.	2004/10/29	2,000	1.55	2012/10/29	
	National Mutual Insurance Federation of Agricultural Cooperatives	2004/11/01	5,000	1.33125	2011/11/01	
	Total			27,000		

	Bond Name	Issue Date	EOB (millions of yen)	Interest (%)	Maturity Date
Investment Corporation Bonds	1st Investment Corporation Bond	2002/06/21	25,000	1.32	2007/06/21
	2nd Investment Corporation Bond	2003/04/30	10,000	0.69	2008/04/30
	3rd Investment Corporation Bond	2003/04/30	10,000	0.98	2010/04/30
	4th Investment Corporation Bond	2005/09/29	10,000	2.56	2025/09/29
Total			55,000		

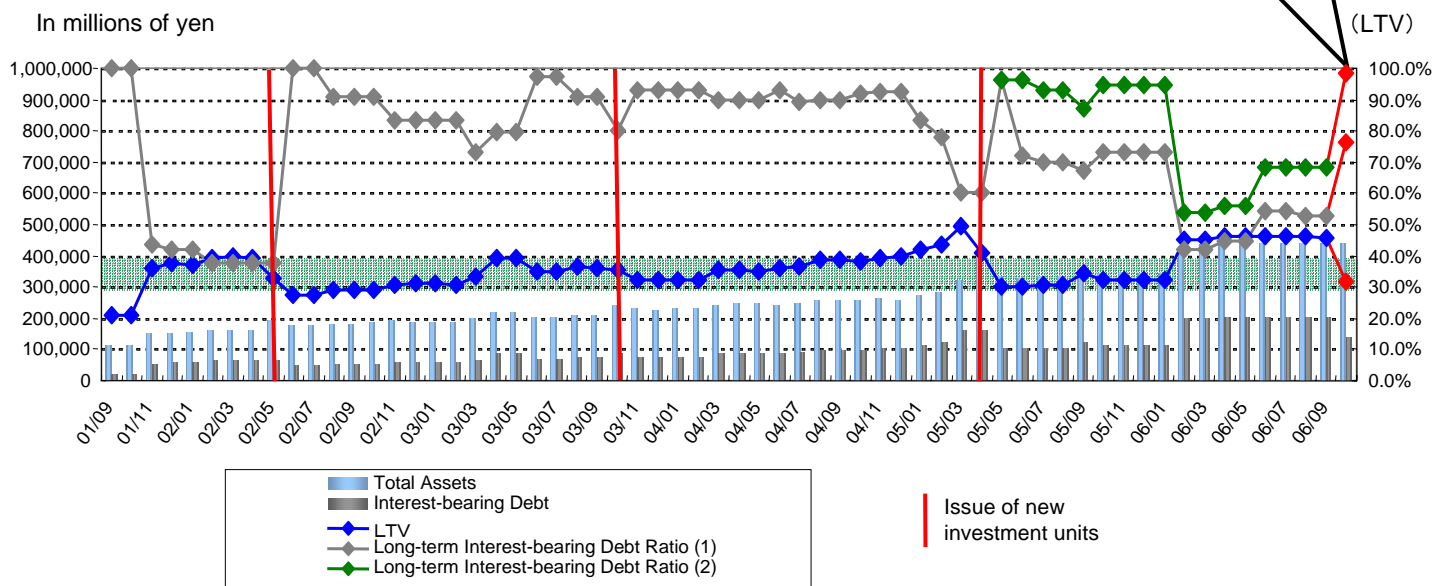
Total amount of interest-bearing debt as of the 9th period end **196,500 million yen**

- The weighted average interest rate is 1.10% (0.61% for short-term interest-bearing debts and 1.53% for long-term interest-bearing debts) based on the amount of debt at the end of the period.
- Average duration (as of the end of the 10th Period) is 0.52 years (approximately 6 months) for short-term interest-bearing debts, 5.53 years (approximately 5 years and 6 months) for long-term interest-bearing debts.
- Long-term interest-bearing debts : Short-term interest-bearing debts = 53:47 (as of end of the 10th Period)
(As of Nov 24, 2006, Long-term interest-bearing debts : Short-term interest-bearing debts = 76:24)

- The weighted average interest rate is 0.81% (0.45% for short-term interest-bearing debts and 1.31% for long-term interest-bearing debts) based on the amount of debt at the end of the period.
- Average duration (as of the end of the 9th Period) is 0.74 years (approximately 9 months) for short-term interest-bearing debts, 4.81 years (approximately 4 years and 10 months) for long-term interest-bearing debts.
- Long-term interest-bearing debts : Short-term interest-bearing debts = 42:58 (as of end of the 9th Period)

LTV (Interest-bearing Debt / Total Assets)

As of November 30, 2006
after issue of new
investment units*



*LTV(%) = Interest-bearing Debt / Total Assets x 100

*Long-term Interest-bearing Debt Ratio (1) = (Long-term Loans + Investment Corporation Bonds (excluding Current Portions of Long-term Loans and Investment Corporation Bonds) / Total Interest-bearing Debt

*Long-term Interest-bearing Debt Ratio (2) = (Long-term Loans + Investment Corporation Bonds (including Current Portions of Long-term Loans and Investment Corporation Bonds) / Total Interest-bearing Debt

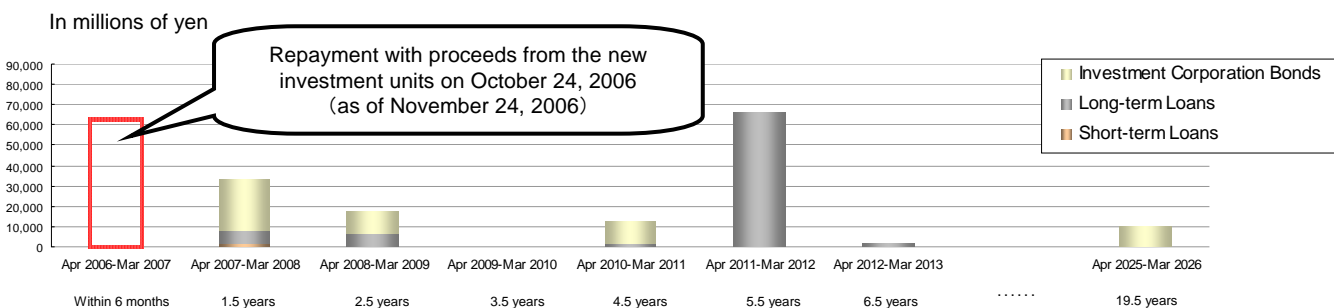
*LTV as of Nov 30, 2006 = Interest-bearing Debt as of Nov 30, 2006 / (Total Assets as of Sep 30, 2006 + Proceeds from Issue of New Investment Units in Oct 2006 - Repayment of Short-term Loans in Oct and Nov 2006)

Diversification of Repayment Dates

(As of November 24, 2006)

(In millions of yen)

	Apr 2006-Mar 2007 (Within 6 months)	Apr 2007-Mar 2008 (1.5 years)	Apr 2008-Mar 2009 (2.5 years)	Apr 2009-Mar 2010 (3.5 years)	Apr 2010-Mar 2011 (4.5 years)	Apr 2011-Mar 2012 (5.5 years)	Apr 2012-Mar 2013 (6.5 years)	Apr 2025-Mar 2026 (19.5 years)	Total
Short-term Loans	0	2,000	0	0	0	0	0		0	2,000
Long-term Loans	0	6,000	7,000	0	2,000	66,000	2,000		0	83,000
Investment Corporation Bonds	0	25,000	10,000	0	10,000	0	0		10,000	55,000
Total	0	33,000	17,000	0	12,000	66,000	2,000		10,000	140,000



Performance Comparison (the 9th Period vs. the 10th Period)



(In millions of yen)

Overall Performance

	10th Period (Apr 2006-Sep 2006)	9th Period (Oct 2005-Mar 2006)	Change	% of Change
Operating revenues	15,570	13,962	1,607	11.5%
Gain on sale of properties	400	0	400	-
Property-related revenues (1)	15,169	13,962	1,206	8.6%
Property-related expenses (2)*	7,511	6,744	767	11.4%
Property-related profits and losses (1)-(2)	7,657	7,218	439	6.1%
NOI (excluding gain on sale of properties)*	10,339	9,578	761	8.0%

* Property-related expenses include depreciation.

* NOI=Net Operating Income: Property-related Profits and Losses + Depreciation



(Factor Analysis)

(1) 44 Properties Possessed as of the Beginning of the 9th Period (including up to Tokyo Opera City acquired in the 8th period)

(excluding the 4 properties sold and Sanno and Sendai Honcho Honma, in which additional shares were acquired in the 10th Period)

(44 properties operated all through the 9th and 10th Periods)

	10th Period (Apr 2006-Sep 2006)	9th Period (Oct 2005-Mar 2006)	Change	% of Change
Property-related revenues	12,931	12,810	120	0.9%
Property-related expenses	6,175	6,003	171	2.9%
Property management expenses	1,392	1,489	-96	-6.5%
Utilities expenses	1,021	984	36	3.7%
Property and other taxes	1,180	982	197	20.1%
Repairs and maintenance	476	429	46	10.9%
Casualty insurance	71	64	7	12.2%
Depreciation	2,032	2,053	-20	-1.0%
Property-related profits and losses	6,756	6,807	-51	-0.8%
NOI (excluding gain on sale of properties)	8,788	8,860	-71	-0.8%

(2) Properties acquired in the 9th Period (Lit City and Kitanomaru)

(2 properties operated all through the 10th Period)

	10th Period (Apr 2006-Sep 2006)	9th Period (Oct 2005-Mar 2006)	Change	% of Change
Property-related revenues	932	153	778	507.9%
Property-related expenses	846	236	609	257.3%
Property-related profits and losses	85	-83	169	-
NOI (excluding gain on sale of properties)	601	85	515	602.8%

(3) Properties acquired in the 10th Period (Sanno, Sendai Honcho Honma and Hirokoji Tokio Marine Nichido)

3 properties put into operation during the 10th Period (including the properties in which the additional shares of ownership were acquired)

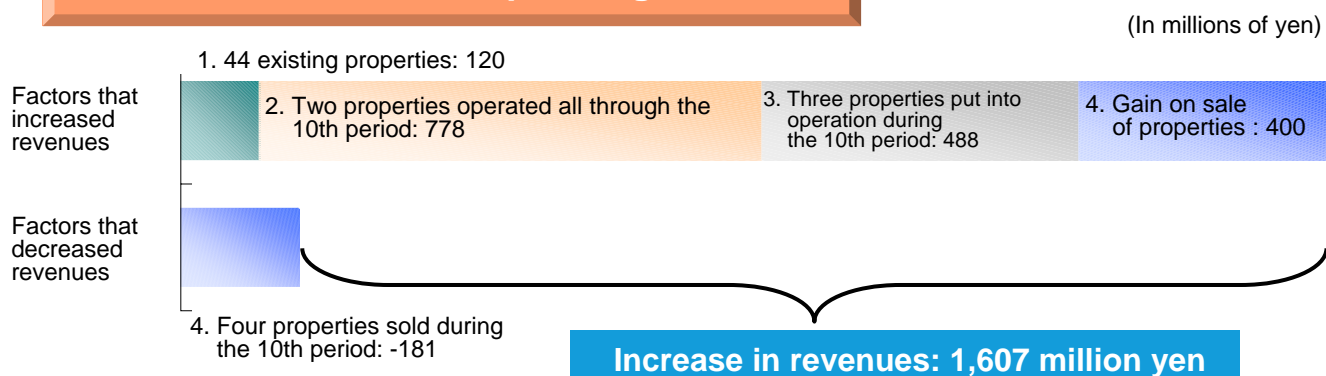
	10th Period (Apr 2006-Sep 2006)	9th Period (Oct 2005-Mar 2006)	Change	% of Change
Property-related revenues	1,124	636	488	76.7%
Property-related expenses	357	255	101	39.5%
Property-related profits and losses	767	380	387	101.8%
NOI (excluding gain on sale of properties)	864	441	422	95.6%

(4) Properties sold in the 10th Period (JAL Sales, Shin-Yokohama, Niigata and Kanazawa Mimamicho)

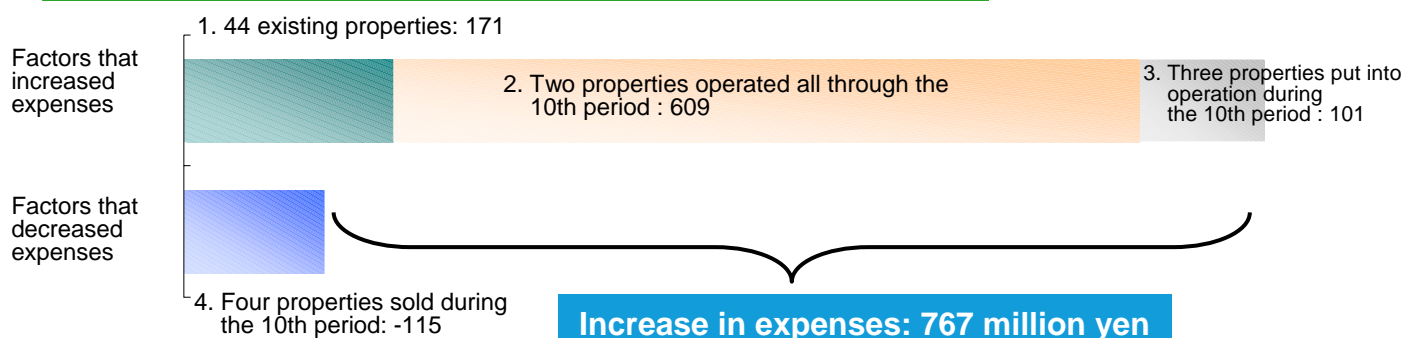
(4 properties sold during the 10th Period)

	10th Period (Apr 2006-Sep 2006)	9th Period (Oct 2005-Mar 2006)	Change	% of Change
Operating Revenues	581	362	219	60.6%
Gain on sale of properties	400	0	400	-
Property-related revenues (1)	180	362	-181	-50.1%
Property-related expenses (2)	132	248	-115	-46.6%
Property-related profits and losses (1) - (2)	48	113	-65	-57.8%
NOI (excluding gain on sale of properties)	84	189	-105	-55.4%

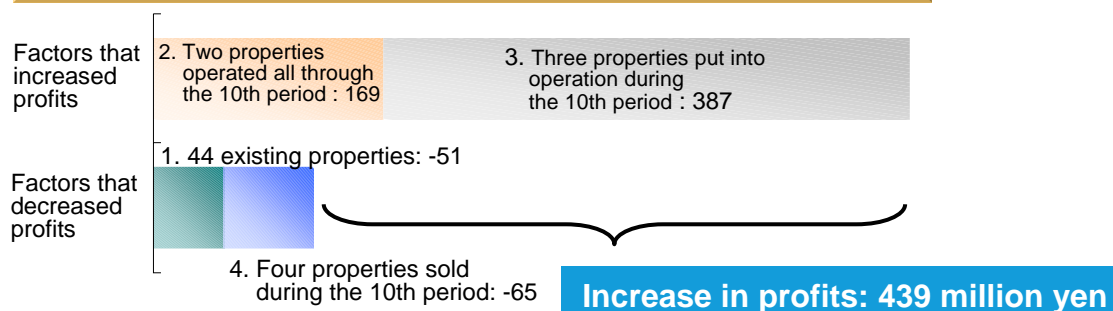
Factors that increased operating revenues



Factors that increased property-related expenses



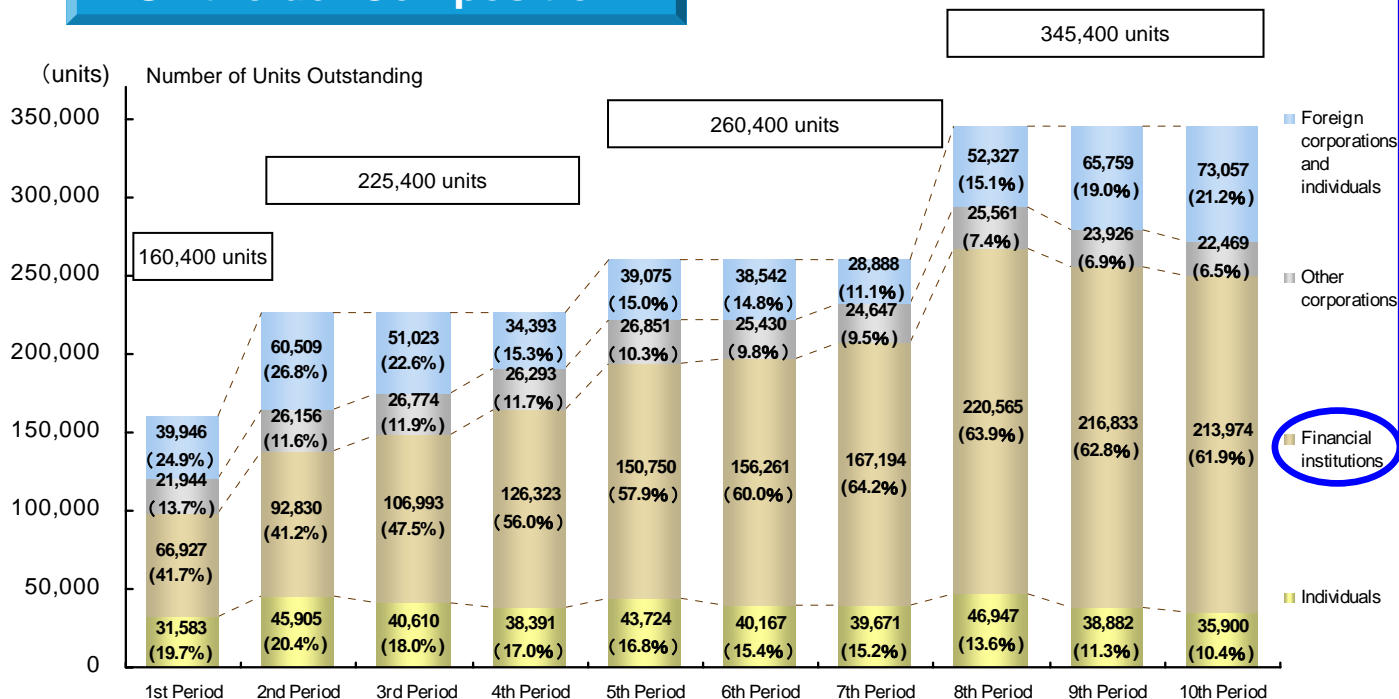
Factors that increased property-related profits



Unitholder Data



Unitholder Composition



Top 10 Unitholders

10th Period

Company	Units	% of Total Units Outstanding
1 NikkoCiti Trust and Banking Corporation (Toshin Acc.)	26,330	7.62%
2 Japan Trustee Services Bank, Ltd. (Shintaku Acc.)	21,015	6.08%
3 Trust & Custody Services Bank, Ltd. (Toshin Acc.)	14,656	4.24%
4 The Master Trust Bank of Japan, Ltd. (Shintaku Acc.)	13,358	3.87%
5 Mitsubishi Estate Co., Ltd.	10,160	2.94%
6 The Chugoku Bank, Ltd.	9,495	2.75%
7 Tokio Marine & Nichido Fire Insurance Co., Ltd.	8,120	2.35%
8 The Bank of Ikeda, Ltd.	7,900	2.29%
9 The Yamanashi Chuo Bank, Ltd.	7,300	2.11%
10 The Joyo Bank, Ltd.	5,438	1.57%

The Dai-ichi Mutual Life Insurance Company	4,920	1.42%
Mitsui & Co., Ltd.	1,600	0.46%

9th Period

Company	Units	% of Total Units Outstanding
1 Japan Trustee Services Bank, Ltd. (Shintaku Acc.)	21,611	6.26%
2 NikkoCiti Trust and Banking Corporation (Toshin Acc.)	20,368	5.90%
3 The Master Trust Bank of Japan, Ltd. (Shintaku Acc.)	14,305	4.14%
4 Trust & Custody Services Bank, Ltd. (Toshin Acc.)	12,172	3.52%
5 Mitsubishi Estate Co., Ltd.	10,160	2.94%
6 The Chugoku Bank, Ltd.	9,495	2.75%
7 Tokio Marine & Nichido Fire Insurance Co., Ltd.	8,120	2.35%
8 The Yamanashi Chuo Bank, Ltd.	7,300	2.11%
9 The Joyo Bank, Ltd.	7,138	2.07%
10 Resona Bank, Ltd.	6,929	2.01%

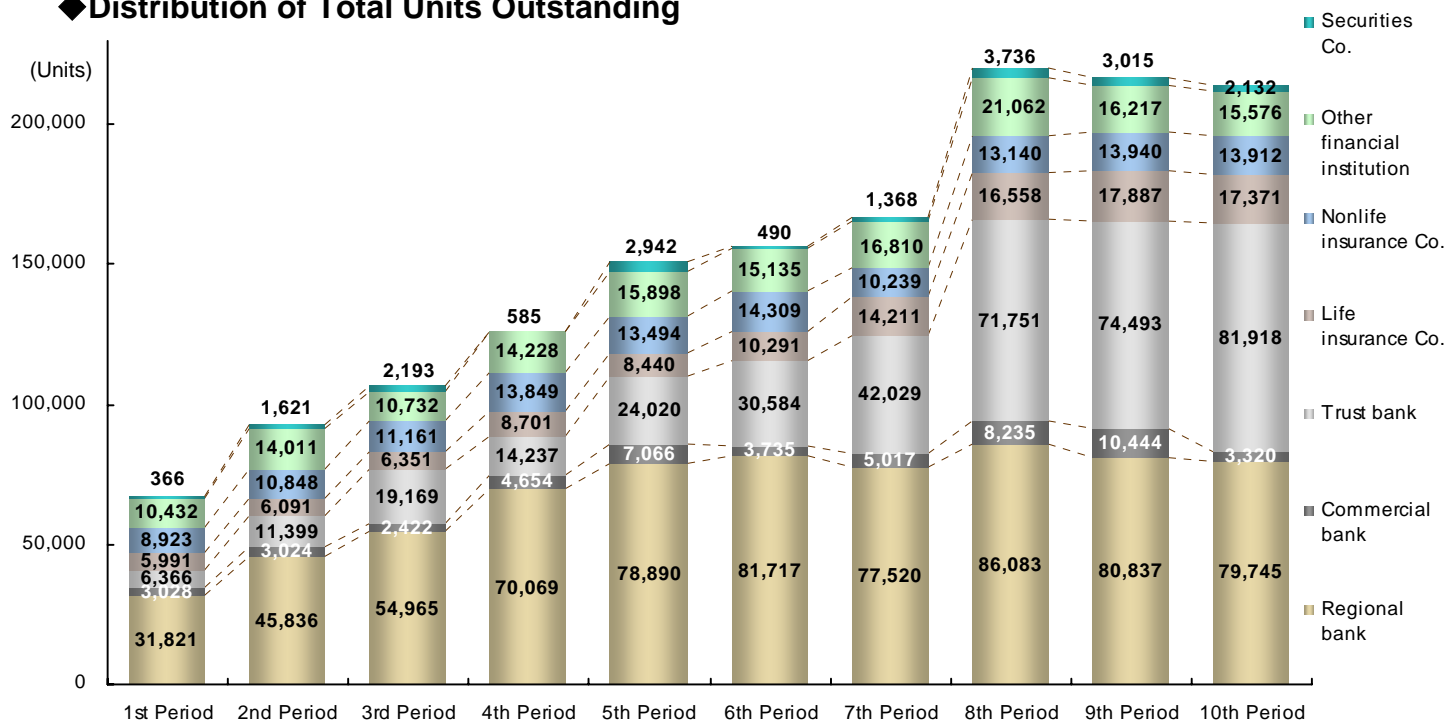
The Dai-ichi Mutual Life Insurance Company	4,920	1.42%
Mitsui & Co., Ltd.	1,600	0.46%

Number of Unitholders by Sector

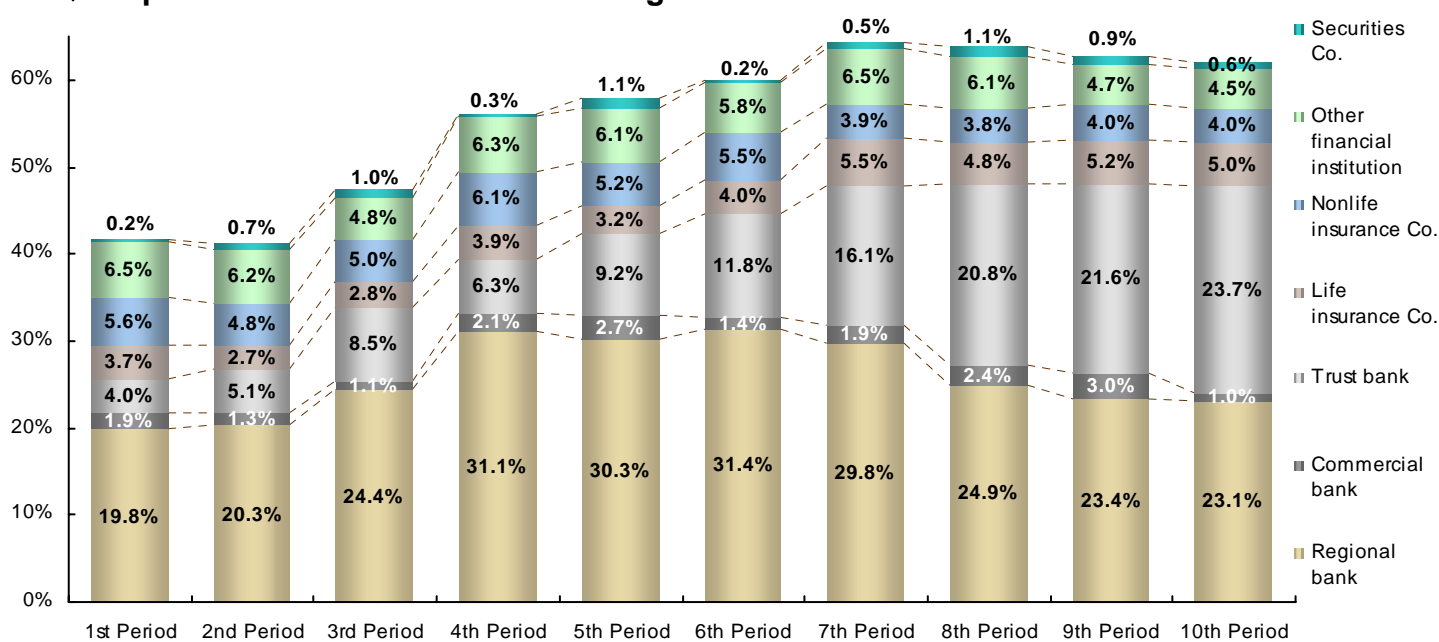
	10th Period		9th Period	
	Unitholders	%	Unitholders	%
Individuals	13,449	94.4%	14,768	94.8%
Financial institutions	209	1.5%	207	1.3%
Other corporations	324	2.3%	357	2.3%
Foreign corporations/individuals	266	1.9%	248	1.6%
Total	14,248	100.0%	15,580	100.0%

Financial Institutions

◆ Distribution of Total Units Outstanding



◆ Proportion of Total Units Outstanding



Property Data



Area	Name	(In millions of yen)		Amount of Difference	(In thousands of yen)				
		10th Period Appraisal Value (Sep 30, 06)	9th Period Appraisal Value (Mar 31, 06)		10th Period Book Value (Sep 30, 06)	10th Period Appraisal Value-Book Value	Acquisition Price	10th Period Occupancy Rates (Sep 30, 06)	
Tokyo Metropolitan Area	23 Wards	Genki Medical Plaza	6,210	6,210	0	5,169	1,040	5,000,000	100.0%
		Kitanomaru Square	82,700	80,200	2,500	81,562	1,137	81,555,500	100.0%
		MD Kanda Bldg.	9,680	9,080	600	9,238	441	9,520,000	100.0%
		Kandabashi Park Bldg.	5,210	5,010	200	4,677	532	4,810,000	100.0%
		Mitsubishi Soken Bldg.	33,000	31,000	2,000	26,876	6,123	27,267,000	100.0%
		Nibancho Garden	16,100	15,800	300	14,584	1,515	14,700,000	100.0%
		Burex Kojimachi Bldg.	6,930	6,880	50	7,002	-72	7,000,000	100.0%
		Yurakucho Denki Bldg.	7,610	7,350	260	7,623	-13	7,200,000	100.0%
		Kodenmachi Shin-Nihonbashi Bldg.	3,420	3,400	20	2,939	480	3,173,000	100.0%
		Burex Kyobashi Bldg.	6,240	6,060	180	5,175	1,064	5,250,000	100.0%
		Ginza Sanwa Bldg.	17,300	17,300	0	17,096	203	16,830,000	100.0%
		Ryoshin Ginza East Mirror Bldg.	4,650	4,650	0	5,478	-828	5,353,500	100.0%
		Aoyama Crystal Bldg.	8,770	8,290	480	7,613	1,156	7,680,000	100.0%
		Shiba 2Chome Daimon Bldg.	6,930	6,650	280	4,974	1,955	4,859,000	98.9%
		Cosmo Kanasugibashi Bldg.	3,470	3,360	110	2,630	839	2,808,000	100.0%
		Shinwa Bldg.	8,270	8,180	90	7,850	419	7,830,000	100.0%
		Tokyo Opera City Bldg.	11,300	10,400	900	9,231	2,068	9,350,000	97.6%
		Takanawadai Bldg.	2,730	2,650	80	2,572	157	2,738,000	100.0%
		Higashi-Gotanda 1Chome Bldg.	6,700	6,520	180	5,408	1,291	5,500,000	87.2%
		Omori-Eki Higashiguchi Bldg.	5,460	5,390	70	4,636	823	5,123,000	100.0%
		Nippon Brunswick Bldg.	8,090	7,910	180	6,759	1,330	6,670,000	99.3%
		Yoyogi 1Chome Bldg.	10,100	9,620	480	8,504	1,595	8,700,000	100.0%
		da Vinci Harajuku	6,080	5,900	180	4,964	1,115	4,885,000	100.0%
	Jingumae Media Square Bldg.	15,100	14,090	1,010	12,104	2,995	12,200,000	82.9%	
	Shibuya Cross Tower	43,300	41,600	1,700	37,756	5,543	34,600,000	99.7%	
	Ebisu Neonato	5,370	5,000	370	3,945	1,424	4,100,000	100.0%	
	Harmony Tower	11,800	10,400	1,400	8,732	3,067	8,500,000	100.0%	
	Otsuka Higashi-Ikebukuro Bldg.	3,480	3,410	70	3,281	198	3,541,000	100.0%	
	Ikebukuro 2Chome Bldg.	1,540	1,510	30	1,645	-105	1,728,000	100.0%	
	Ikebukuro YS Bldg.	5,150	5,010	140	4,456	693	4,500,000	100.0%	
	Excluding 23 Wards	Hachioji First Square	3,300	3,300	0	3,262	37	3,300,000	98.7%
		Saitama Urawa Bldg.	2,550	2,420	130	2,439	110	2,574,000	100.0%
		Kawasaki Isago Bldg.	3,360	3,290	70	2,999	360	3,375,000	93.4%
Others	Jozenji Park Bldg.	1,070	1,060	10	1,029	40	1,000,000	95.3%	
	Kanazawa Park Bldg.	5,610	5,480	130	4,401	1,208	4,580,000	94.7%	
	Nagoya Hirokoji Bldg.	15,900	15,900	0	14,135	1,764	14,533,000	96.6%	
	Nagoya Misono Bldg.	1,890	1,890	0	1,690	199	1,865,000	100.0%	
	Kyoto Shijo Kawaramachi Bldg.	2,140	2,090	50	2,913	-773	2,650,000	100.0%	
	Sakaisujihonmachi Bldg.	4,610	4,400	210	4,061	548	4,164,000	100.0%	
	Midosuji Daiwa Bldg.	15,900	14,600	1,300	13,718	2,181	14,314,000	100.0%	
	Kobe Itomachi Bldg.	951	945	6	1,348	-397	1,436,000	94.3%	
	Lit City Bldg.	5,220	4,890	330	4,660	559	4,650,000	100.0%	
	NHK Hiroshima Broadcasting Center Bldg.	1,550	1,490	60	1,295	254	1,320,000	97.4%	
	Tosei Tenjin Bldg.	1,480	1,360	120	1,426	53	1,550,000	92.2%	
	Tenjin Crystal Bldg.	4,970	4,970	0	5,034	-64	5,000,000	91.5%	
	Hinode Tenjin Bldg.	3,580	3,490	90	3,449	130	3,657,000	94.0%	
	Total (46 properties)		436,771	420,405	16,366	392,361	44,409	392,939,000	—
Properties Acquired after the 9th Period	Sanno Grand Bldg.	25,100	11,400	—	21,605	3,494	20,900,000	98.7%	
	Sendai Honcho Honma Bldg.	3,450	3,150	—	2,936	513	3,174,000	98.7%	
	Hirokoji Tokio Marine Nichido Bldg.	1,680	—	—	1,705	-25	1,680,000	81.1%	
Total (49 properties)		467,001	434,955	—	418,607	48,393	418,693,000	98.2%	

*10th period appraisal value is determined by an institutional appraiser at the end of the fiscal period.

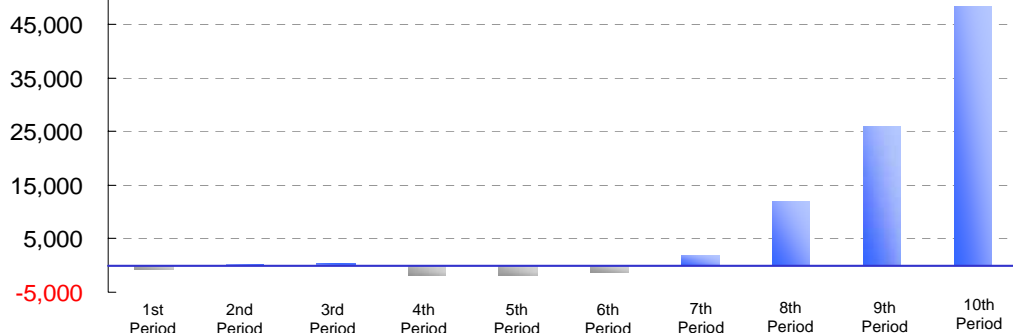
9th period appraisal value is a survey value determined by an institutional appraiser at the end of the fiscal period.

Area	Name	(In millions of yen)		(In thousands of yen)			
		Appraisal Value at Acquisition		Acquisition Price	Occupancy Rates at Acquisition		
Properties Acquired after the 10th Period	Nishiki Park Bldg.	3,850	—	—	—	3,850,000	98.8%
	Nishiki Park Bldg. (additional share)	1,300	—	—	—	1,300,000	98.8%
Total		5,150	—	—	—	5,150,000	—

*The above-mentioned occupancy rates do not include the residential section. The occupancy rates of the residential sections of Nibancho Garden and Kitanomaru Square as of the end of 10th period (September 30, 2006) were 100.0% and 89.7% respectively.

Appraisal Value Minus Book Value

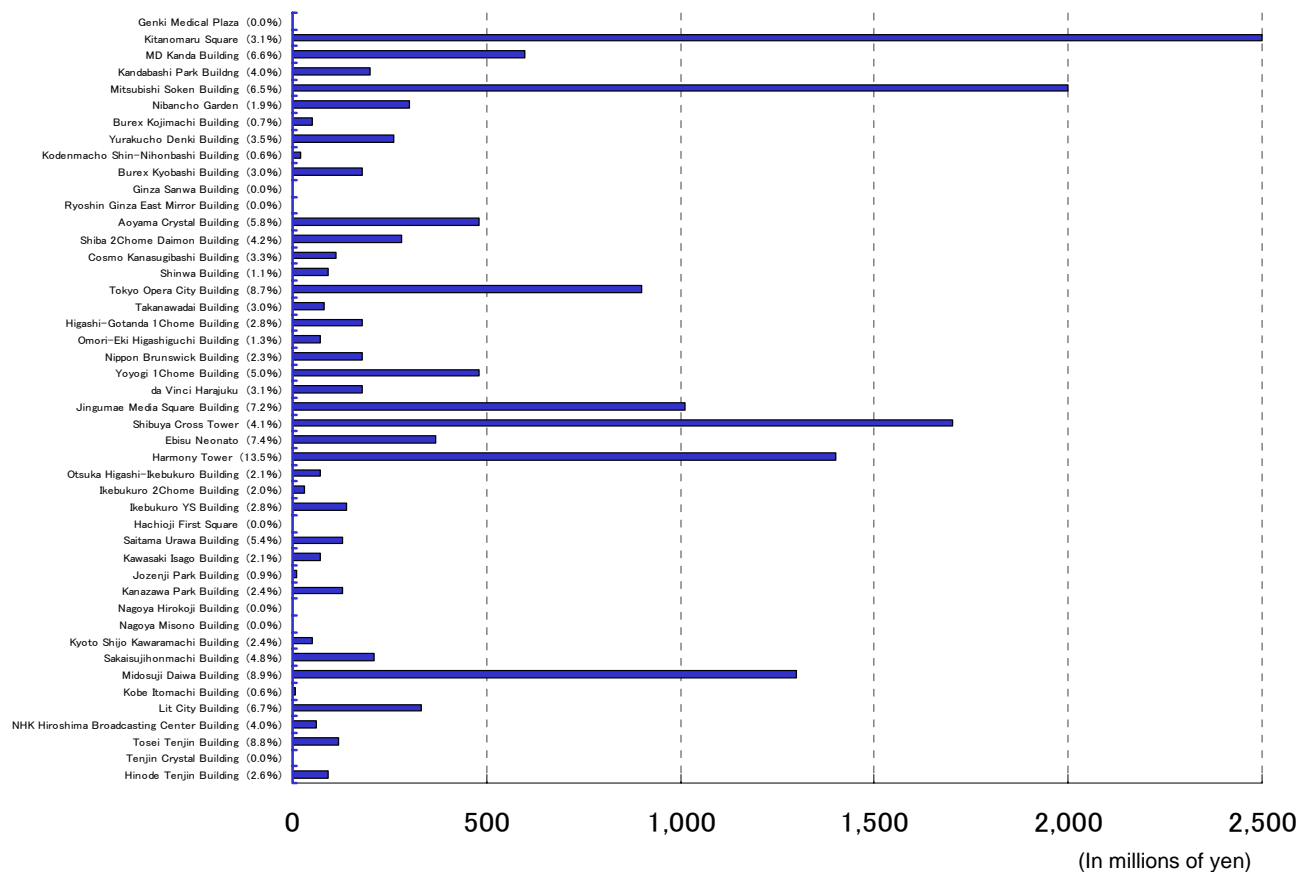
In millions of yen



(In millions of yen)

	1st Period	2nd Period	3rd Period	4th Period	5th Period	6th Period	7th Period	8th Period	9th Period	10th Period
Appraisal Value	144,940	165,251	184,704	191,271	217,150	238,961	293,342	339,029	439,799	467,001
Book Value	145,580	165,088	184,304	193,058	219,032	240,134	291,350	327,005	413,708	418,607
Difference	-640	162	399	-1,787	-1,882	-1,173	1,991	12,023	26,090	48,393

Difference between Appraisal Values at the End of 10th and 9th Periods

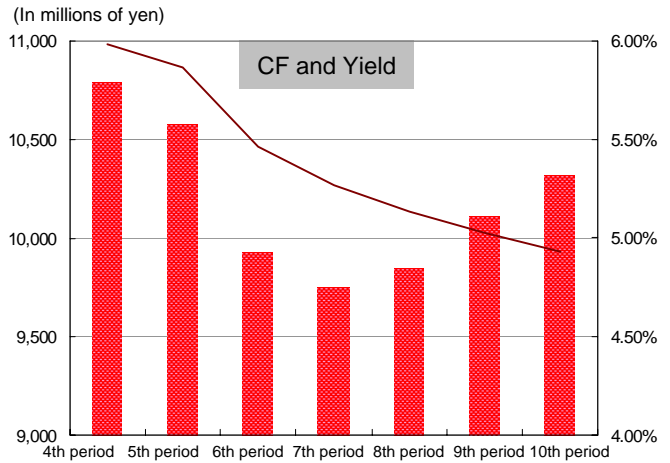
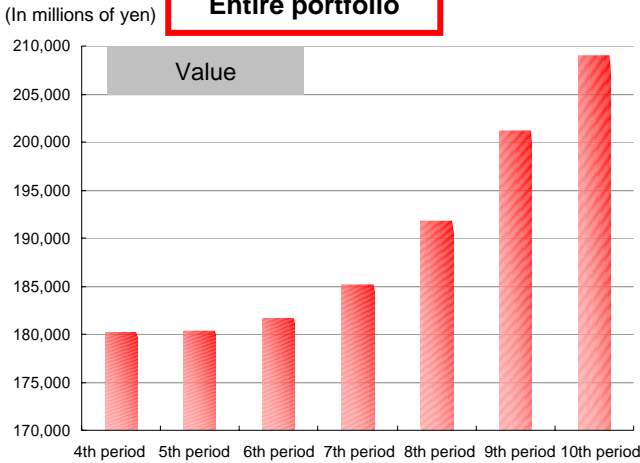


Historical Appraisal Value at the End of Period

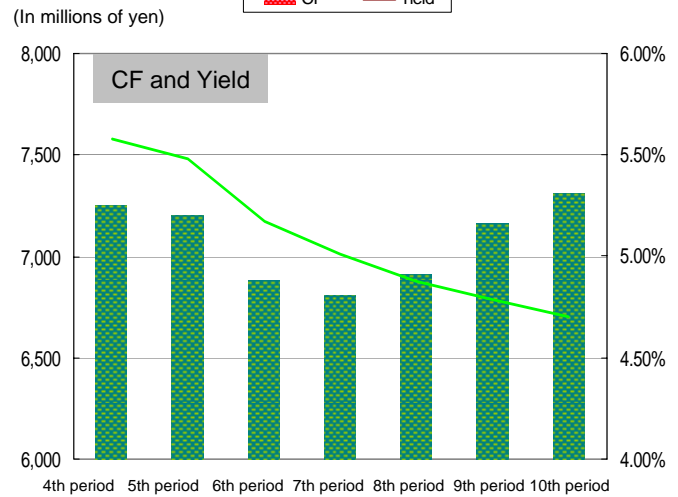
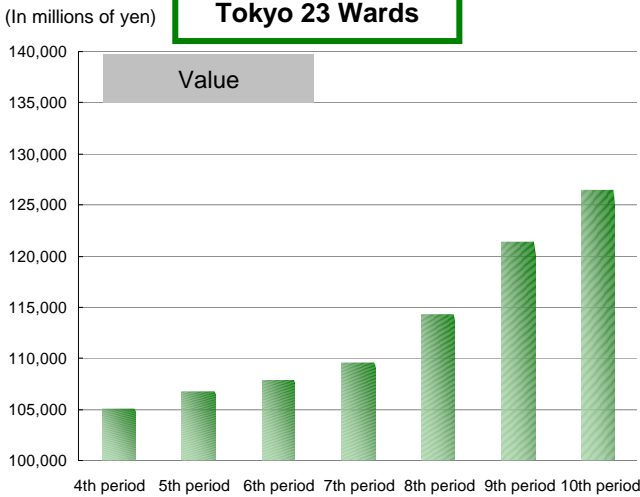


Comparison made based on 26 properties (excluding four properties which have been sold and Sakaisujihonmachi Building and Sendai Honcho Honma Building, in which additional shares of ownership were acquired, from the total of 32 properties held at the end of the 4th period)

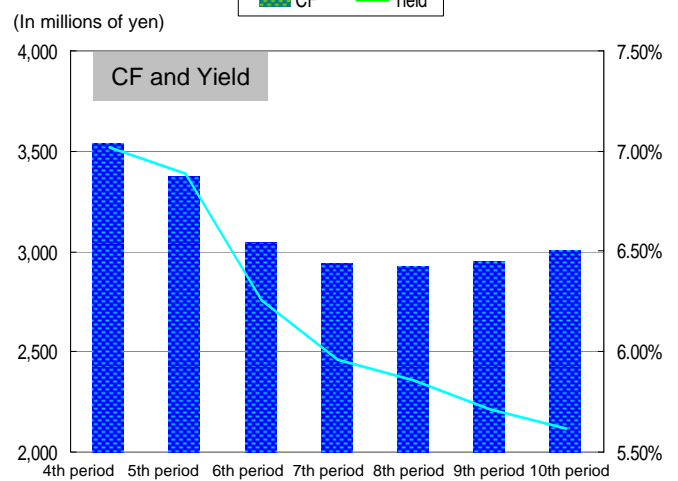
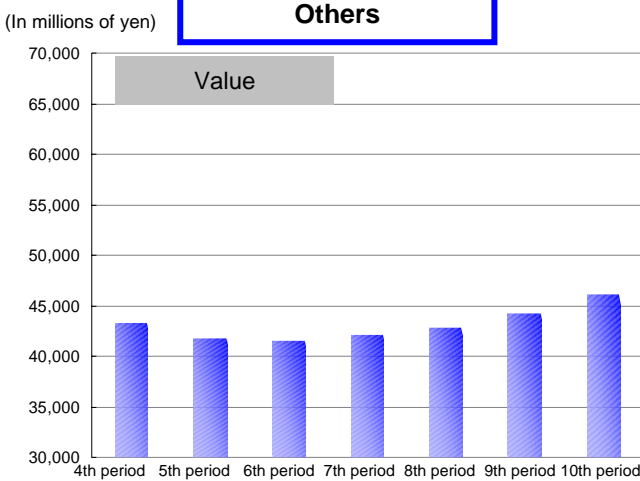
Entire portfolio



Tokyo 23 Wards



Others



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

Historical NOI Yield



NOI Yield*

* NOI Yield = annualized NOI ÷ Acquisition Price

Comparison of JRE's portfolio of properties with constantly held shares of ownership throughout the year and on which JRE has paid property and city planning taxes

*Revenues at the 2nd Period shown as 100

		Sep-02 2nd Period	Mar-03 3rd Period	Sep-03 4th Period	Mar-04 5th Period	Sep-04 6th Period	Mar-05 7th Period	Sep-05 8th Period	Mar-06 9th Period	Sep-06 10th Period
16 properties possessed as of the beginning of the 2nd Period Acquisition Price: 115.6 billion yen	Revenues	100.0	100.0	97.3	95.7	96.9	95.1	95.3	95.2	95.3
	Occupancy Rate (average of the period)	93.3%	94.3%	95.3%	96.2%	96.9%	97.7%	98.5%	98.4%	98.7%
	NOI Yield	6.01%	6.01%	5.92%	5.90%	5.90%	5.80%	5.93%	6.02%	6.02%
22 properties possessed as of the beginning of the 4th Period Acquisition Price: 159.3 billion yen	Revenues			100.0	99.0	97.6	95.9	96.3	96.4	96.3
	Occupancy Rate (average of the period)			95.4%	96.4%	97.0%	98.0%	98.9%	98.8%	98.9%
	NOI Yield			6.09%	6.09%	5.85%	5.81%	5.92%	6.01%	5.98%
28 properties possessed as of the beginning of the 6th Period Acquisition Price: 197.0 billion yen	Revenues					100.0	98.3	99.7	99.7	100.6
	Occupancy Rate (average of the period)					94.1%	95.6%	98.5%	98.7%	98.6%
	NOI Yield					5.75%	5.68%	5.86%	5.90%	5.93%
35 properties possessed as of the beginning of the 8th Period Acquisition Price: 235.7 billion yen	Revenues							100.0	100.0	101.1
	Occupancy Rate (average of the period)							98.7%	98.6%	98.7%
	NOI Yield							5.87%	5.89%	5.96%
44 properties possessed as of the beginning of the 10th Period Acquisition Price: 306.7 billion yen	Revenues									100.0
	Occupancy Rate (average of the period)									98.5%
	NOI Yield									5.72%

16 properties (2nd Period)

Excluding 4 disposal properties and Sendai Honcho Honma Building, Sakaisujihonmachi Building, Kanazawa Park Building, and Mdosuji Daiwa Building from 24 properties in the beginning of the 2nd Period

22 properties (4th Period)

Excluding 4 disposal properties and Sendai Honcho Honma Building, Sakaisujihonmachi Building, Kanazawa Park Building, and Aoyama Crystal Building from 30 properties in the beginning of the 4th Period

28 properties (6th Period)

Excluding 4 disposal properties and Sendai Honcho Honma Building, Ebisu Neonato, Nippon Brunswick Building, NHK Hiroshima Broadcasting Center Building, and Yoyogi 1Chome Building from 37 properties in the beginning of the 6th Period

35 properties (8th Period)

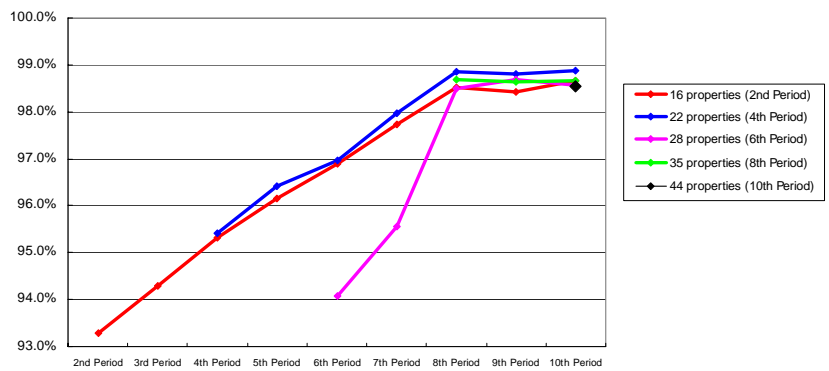
Excluding 4 disposal properties and Sendai Honcho Honma Building, Sanno Grand Building, Jozenji Park Building, Harmony Tower, Ginza Sanwa Building, Ryoshin Ginza East Mirror Building, Hachioji First Square, and Nibancho Garden from 47 properties in the beginning of the 8th Period

44 properties (10th Period)

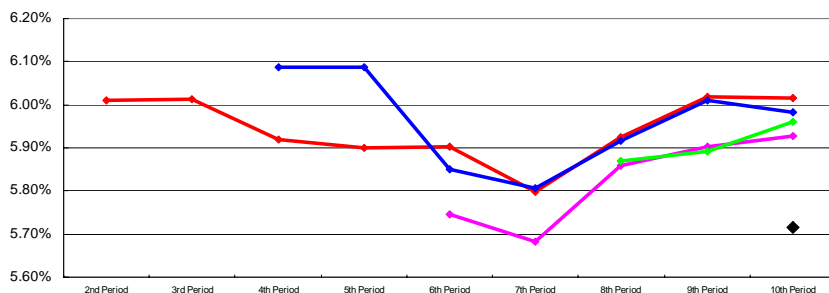
Excluding 4 disposal properties and Sendai Honcho Honma Building, Sanno Grand Building, Lit City Building, and Kitanomaru Square from 52 properties in the beginning of the 10th Period

Revenues

Occupancy Rate (average of the period)



NOI Yield

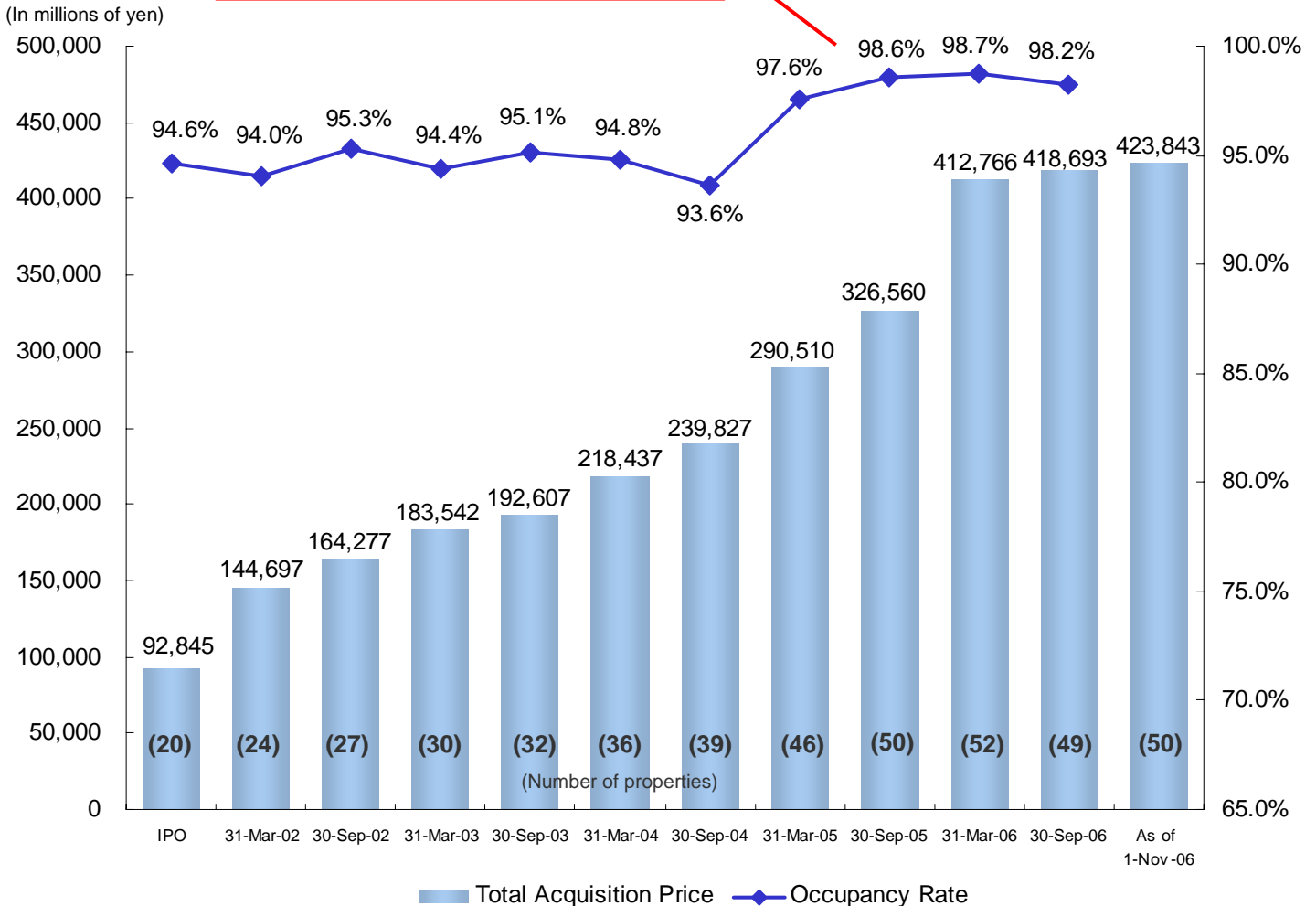


Legend for all charts:
 - 16 properties (2nd Period)
 - 22 properties (4th Period)
 - 28 properties (6th Period)
 - 35 properties (8th Period)
 - 44 properties (10th Period)

Asset Size and Occupancy Rate



Keep stable high occupancy rate



◆ Property acquisition performance per year

(In millions of yen)

May 2001-Mar 2002	Apr 2002-Mar 2003	Apr 2003-Mar 2004	Apr 2004-Mar 2005	Apr 2005-Mar 2006	Apr 2006-Mar 2007 ^(*)	Total acquisition price
144,697	38,845	34,895	72,073	122,255	17,780	430,546

◆ Property sales performance

Apr 2006-Mar 2007	Total sales price
- 7,003	- 7,003

(*) The acquisition price for the period during April 2006 through March 2007 includes Nishiki Park Building acquired on October 2, 2006 and November 1, 2006.

Achieved steady growth since IPO and established portfolio worth over 420 billion yen (total acquisition price)

Unit Price Performance after IPO



	1st Period Mar 31. 02	2nd Period Sep 30. 02	3rd Period Mar 31. 03	4th Period Sep 30. 03	5th Period Mar 31. 04	6th Period Sep 30. 04	7th Period Mar 31. 05	8th Period Sep 30. 05	9th Period Mar 31. 06	10th Period Sep 30. 06	11th Period
TOPICS	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 27, 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	⑬ Nov 18, 04 Announcement of 6th period performance review ⑭ Mar 23, 05 Announcement of acquisition of preferred capital contribution certificates (for the first time as J-REIT) ⑮ Sep 13, 05 Announcement of Investment Corporation Bond issuance to be redeemed on September 29, 2025	⑯ Apr 26, 05 Additional issue of units ⑰ May 18, 05 Announcement of 7th period performance review ⑱ Sep 13, 05 Announcement of Investment Corporation Bond issuance to be redeemed on September 29, 2025	⑲ Nov 18, 05 Announcement of 8th period performance review	⑳ May 25, 06 Announcement of 9th period performance review	㉑ Oct 24, 06 Additional issue of units
Total Assets	161,809	185,397	200,022	209,581	244,523	257,372	322,358	355,968	433,552	441,163	
Net Worth	83,663	115,049	115,410	115,559	137,250	137,279	137,569	206,982	207,058	207,449	
Market Capitalization	85,012	115,179	133,436	146,059	216,132	227,850	227,850	316,041	352,308	345,400	
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	345,400 units	345,400 units	
Unit Price	530,000 yen	511,000 yen	592,000 yen	648,000 yen	830,000 yen	875,000 yen	875,000 yen	915,000 yen	1,020,000 yen	1,000,000 yen	
Operating Revenues	6,492	7,910	8,500	8,965	9,560	10,151	10,747	13,119	13,962	15,570	
Net Income	2,403	2,897	3,258	3,407	3,802	3,830	4,120	5,509	5,585	5,976	
Dividend per Unit	14,983 yen	12,853 yen	14,455 yen	15,117 yen	14,602 yen	14,711 yen	15,824 yen	15,951 yen	16,172 yen	17,302 yen	

* Unit prices are based on daily closing prices.

* Circles (●) show announcement of topics, Triangles (▲) show acquisition dates of new properties and Diamond (◆) shows disposal date of properties.

* The dotted line (· · · · · ·) shows the weighted average of JRE's issue prices since IPO.

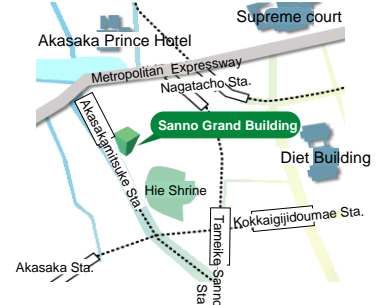
New Properties and Additional Shares of Ownership Acquired in the 10th and 11th Periods



Sanno Grand Building

Transaction Summary

- ◆ Seller: Mitsubishi Estate Co., Ltd.
- ◆ Acquisition Price: 10,700 million yen
- ◆ Appraisal Value: 10,700 million yen
(as of October 14, 2005)
- ◆ Acquisition Date: April 3, 2006



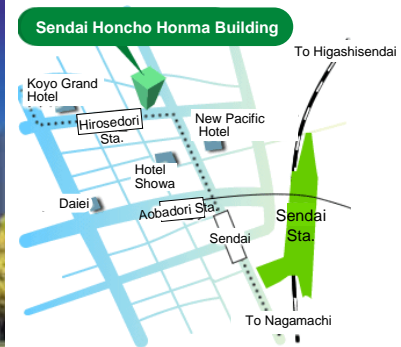
Property Summary

- ◆ Address: 2-14-2, Nagatacho, Chiyoda-ku, Tokyo
- ◆ Area: Land: 3,663.93 m² Building: 33,875.95 m²
- ◆ Structure: Steel-framed reinforced concrete; flat roof; ten stories with three basements
- ◆ Built: September, 1966
- ◆ Type of Ownership: Ownership (share of co-ownership for both land and building: 49%)
* With this additional share acquisition, the share of co-ownership in this property for the Corporation became 99.0%.
- ◆ Leasable Area: 20,926 m² (the area for 99.0% co-ownership of the property as of the end of September, 2006)
- ◆ Occupancy Rate: 98.7% (as of September 30, 2006)

Sendai Honcho Honma Building

Transaction Summary

- ◆ Seller: KMX1 T.M.K.
- ◆ Acquisition Price: 250 million yen
- ◆ Appraisal Value: 250 million yen
(as of May 1, 2006)
- ◆ Acquisition Date: June 28, 2006



Property Summary

- ◆ Address: 2-1-29, Honcho, Aoba-ku, Sendai City, Miyagi Prefecture
- ◆ Area: Land: 1,437.47 m² Building: 8,247.50 m²
- ◆ Structure: Steel-framed reinforced concrete; flat roof; eleven stories
- ◆ Built: November, 1991
- ◆ Type of Ownership: Land: Ownership (share of co-ownership: 31.864% of 1 out of 3 lots)
Building: Compartmentalized building units and co-ownership of compartmentalized building units (ownership of building: 6.61%)
* The Corporation set up an additional trust fund after the acquisition, which enabled it to control a 100% trust beneficiary right thereof.
- ◆ Leasable Area: 6,241 m² (the area for 100% ownership of the property as of the end of September, 2006)
- ◆ Occupancy Rate: 98.7% (as of September 30, 2006)

Hirokoji Tokio Marine Nichido Building

Transaction Summary

- ◆ Seller: Tokio Marine & Nichido Fire Insurance Co., Ltd.
- ◆ Acquisition Price: 1,680 million yen
- ◆ Appraisal Value: 1,680 million yen (as of August 1, 2006)
- ◆ Acquisition Date: September 22, 2006



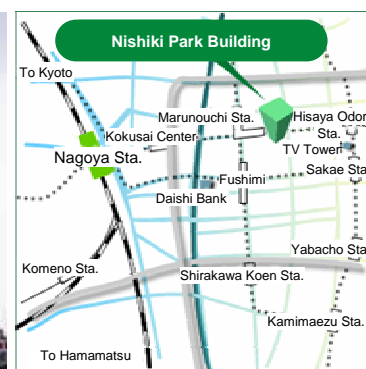
Property Summary

- ◆ Address: 2-4-1, Sakae, Naka-ku, Nagoya City, Aichi Prefecture
- ◆ Area: Land: 786.79 m² Building: 6,445.08 m²
- ◆ Structure: Steel-framed reinforced concrete; flat roof; nine stories with two basements
- ◆ Built: September 1987
- ◆ Type of Ownership: Ownership
- ◆ Leasable Area: 3,849 m² (as of September 30, 2006)
- ◆ Occupancy Rate: 81.1% (as of September 30, 2006)

Nishiki Park Building

Transaction Summary

- ◆ Seller: Mitsubishi Estate Co., Ltd./Sun Star Co., Ltd.
- ◆ Acquisition Price: 3,850 million yen/1,300 million yen
- ◆ Appraisal Value: 3,850 million yen/1,300 million yen (as of August 31, 2006)
- ◆ Acquisition Date: October 2, 2006/November 1, 2006



Property Summary

- ◆ Address: 2-4-3, Nishiki, Naka-ku, Nagoya City, Aichi Prefecture
- ◆ Area: Land: 2,170.45 m² Building: 25,091.91 m²
- ◆ Structure: Steel-framed, steel-framed reinforced concrete, and steel-reinforced concrete; flat roof; twenty-two stories with four basements
- ◆ Built: August 1995
- ◆ Type of Ownership: Land: Ownership (share of co-ownership: 54.3489% of 1,786.45 m² [1 lot]) and term leasehold interest (share of quasi-co-ownership: 272,736 / 384,380 of 384 m² [1 lot])
Building: Share of co-ownership of compartmentalized building units (60.93025% share of co-ownership of 13,296.06 m² of the office/shop spaces from the first floor to the twentieth floor and 90% share of co-ownership of 999.50 m² of the residential space from the twenty-first floor to the twenty-second floor)
* Ownership of building: 57.04651%
- ◆ Leasable Area: Office/shop: 8,059 m², Residential: 954 m² (the area for ownership of the property as of November 1, 2006)
- ◆ Occupancy Rate: Office/shop: 98.8%, Residential: 100.0% (as of November 1, 2006)

Assets to be Acquired (Preferred Capital Contribution Certificates)



Outline of Preferred Capital Contribution Certificates

◆ Acquired property	Real estate-backed securities
◆ Type of securities	Preferred capital contribution certificates
◆ Seller	Harumi Front Special Purpose Company
◆ Scheduled acquisition price (number of units)	268 million yen (5,360 units)
◆ Scheduled acquisition date	November 24, 2006
◆ Past acquisitions of preferred capital contribution certificates	956 million yen (19,120 units) on March 29, 2005 46 million yen (920 units) on November 24, 2005
◆ Total of the above three acquisitions	1,270 million yen (planned) 25,400 units (planned) (about 49.9% of the total of 50,900 units of preferred capital contribution units and about 9.9% of the total operation cost)
◆ Limit on preferential purchasing rights	May 31, 2008

TMK (Special Purpose Company) Harumi Front Special Purpose Company

Property

Summary of property to be held by TMK;

◆ Name of Development Project	Harumi Center Building
◆ Location	2-5-24, Harumi, Chuo-ku, Tokyo
◆ Site Area	4,664.63 m ²
◆ Total Floor Space	27,365.85 m ²
◆ Leasable Floor Space	20,812 m ²
◆ Structure	Steel framed structure
◆ Number of Stories	10 stories with single-story rooftop machine room
◆ Intended Use	Office space, Rental stores, Parking area
◆ Total Project Cost	12,821 million yen (planned)
◆ Construction Schedule	
	Commencement May 2005
	Completion (planned) November 30, 2006

Specified corporate bonds and special purpose loans

80%

Preferred capital contribution certificates (Preferred capital contribution units owned by JRE: about 49.9%, accounting for about 9.9% of the total project cost)

20%

Specified capital contribution

* The above outline is a plan or schedule, and is still subject to change.

Harumi Center Building: Exterior and Interior

Exterior of the building



Elevator hall on a standard floor



Lease space on a standard floor



Elevation diagram

Floor	Effective lease space per floor	Tenant occupancy status
10th Fl.	2,141.98m ²	[Solid yellow bar]
9th Fl.	2,141.98m ²	[Solid orange bar]
8th Fl.	2,141.98m ²	[Solid orange bar]
7th Fl.	2,141.98m ²	[Solid orange bar]
6th Fl.	2,141.98m ²	[Yellow bar] [Orange bar]
5th Fl.	2,141.98m ²	[Solid cyan bar]
4th Fl.	2,141.98m ²	[Solid cyan bar]
3rd Fl.	2,141.98m ²	[Solid blue bar]
2nd Fl.	2,141.98m ²	[Solid blue bar]
1st Fl.	1,534.53m ²	[White bar] [White bar] [White bar] [Green bar] [White bar] [White bar]

As of November 14, 2006
Tenant occupancy status

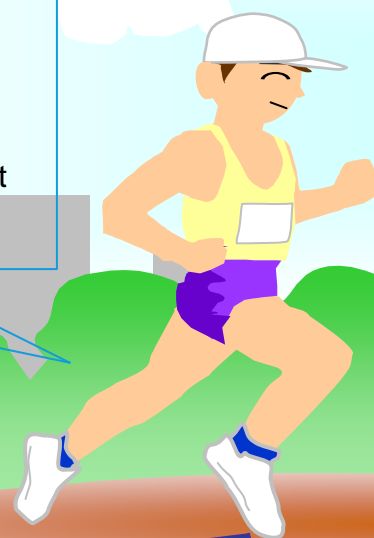
Office space
 (entire space leased to 5 tenant companies)

Store area (a tenant signed up for one lot out of the total 6)

Financial Strategy

Maintain sound financial strength

- Maintain conservative interest-bearing debt / total asset ratio and high credit ratings by strengthening of the capital base
 - Build and keep debtholder trust
 - Acquire a low-spread, long-term and large-lot fund raising capability
 - Secure latitude in fund raising by limiting the covenants or other restrictive terms of financing
- Appropriate response to interest risk
 - Maintain conservative interest-bearing debt / total asset ratio
 - Lengthen the term of interest-bearing debts and stabilize debt service



External Growth

Steady external growth with a focus on quality improvement

- Secure steady external growth by strengthening the collaboration with four sponsors
 - Try to acquire properties by negotiated transaction mainly with four sponsors
- Review asset portfolio and strengthen its quality
 - Acquire large-scaled competitive properties that are relatively new and that generate stable revenues
 - Continuously deliberate the possibility of property sales that could strengthen the portfolio quality by examining lease market conditions, traffic convenience and other factors comprehensively

Performance



Internal Growth

Internal growth by our continuous efforts since IPO

- Continue to hold stable occupancy rates
 - Proper awareness of tenant needs
 - Implement an appropriate leasing strategy to take full advantage of the characteristics of each building
(Secure new tenants at the earliest possible date after the tenant which exclusively occupies Yoyogi 1Chome Building leaves at the end of April, 2007)
- Enhance rental incomes
 - Continue efforts to raise rents
 - Carry out the property management cost reduction plan
- Enhance the value of properties
 - Conduct timely renovation work

MEMO

1. Details of the 10th Period

Income Statement for the 10th Period



(In millions of yen, except for dividend per unit)

Item	10th Period (183 days)		Total	9th Period (182 days)	Change	% Change
	Existing properties	New properties and additional shares of ownership acquired				
Operating Revenues	15,083	486	15,570	13,962	1,607	11.5%
Rental revenues	14,580	486	15,066	13,899		
Non-rental revenues	102	0	102	63		
Gain on sale of properties	400	0	400	0		
Property-Related Expenses (excluding depreciation)	4,744	84	4,829	4,384	444	10.1%
Property management fees	1,712	54	1,766	1,684		
Utilities expenses	1,174	23	1,198	1,068		
Property and other taxes	1,271	0	1,271	1,035		
Casualty insurance	38	0	38	35		
Repairs and maintenance	507	5	513	528		
Other rental expenses	40	0	40	32		
NOI (excluding gain on sale of properties)	9,937	401	10,339	9,578	761	8.0%
Depreciation	2,646	36	2,682	2,359		
Gross Operating Profits	7,692	365	8,058	7,218	840	11.6%
Administrative Expenses			1,016	898	117	13.1%
Asset management fees			653	571		
Other administrative expenses			363	327		
Operating Profits			7,041	6,319	722	11.4%
Non-Operating Revenues			7	2	4	174.3%
Interest income			4	0		
Other non-operating revenues			3	2		
Non-Operating Expenses			1,072	735	337	45.9%
Interest expense			646	327		
Interest expense on investment corporation bonds			376	376		
Amortization of investment corporation bond issuance costs			9	9		
Other non-operating expenses			39	20		
Recurring Profits			5,977	5,586	390	7.0%
Income before Income Taxes			5,977	5,586	390	7.0%
Income taxes, etc.			1	1		
Net Income			5,976	5,585	390	7.0%
Retained Earnings at end of period			5,976	5,585		
FFO (Net Income+Depreciation)			8,658	7,945	712	9.0%
Dividend per Unit			17,302	16,172		

* New properties and additional shares of ownership acquired: Sanno Grand Building (acquisition of additional share of ownership), Sendai Honcho Honma Building (acquisition of additional share of ownership), Hirokoji Tokio Marine Nichido Building
 In the above Income Statement, the profits or losses in the 10th period for the properties in which additional shares of ownership have been acquired during the 10th period are prorated between "existing properties" and "new properties and additional shares of ownership acquired" based on respective holding periods and shares of ownership. (Provided however, property tax, city planning tax and tax on depreciable assets are not prorated, but entire amounts are included in "property and other taxes" for existing properties.)

- Continuous growth in revenues and profits from IPO to the 10th Period

〈Comparison with 9th Period〉

- Both revenues and profits increased for the current period, with full contribution from the properties acquired in the 9th Period and additional contribution from the three properties (including additional shares of ownership) newly acquired in the course of the current period, as well as the gain on sale of the four properties.

〈Comparison with Forecast〉

- After the forecast distribution per investment unit was announced for the 10th Period (on May 25, 2006), it was decided to sell the existing four properties and acquire one new property, and the dividend was increased (forecast distribution: 15,890 yen → actual distribution: 17,302 yen).

MEMO

Balance Sheet for the 10th Period



(In millions of yen)

Item	10th Period-end (Sep 30, 06)	9th Period-end (Mar 31, 06)	Change	Reason for change
Current Assets				
Cash and entrusted cash	21,102	17,485	3,617	
Other current assets	401	1,296	-895	
Total current assets	21,504	18,782	2,722	
Fixed Assets				
Property and Equipment				
Buildings (including those held in trust)	136,599	137,926	-1,327	} Increased due to acquisition of properties and capital expenditure, and decreased due to sales of properties
Structures (including those held in trust)	1,530	1,537	-7	
Machinery and equipment (including that held in trust)	2,151	2,219	-68	
Land (including that held in trust)	291,407	283,232	8,175	
Accumulated depreciation	-16,023	-14,148	-1,875	
Total Property and Equipment	415,666	410,767	4,899	
Intangible Assets				
Leasehold rights, etc. (including those held in trust)	2,941	2,941	0	
Total Intangible Assets	2,941	2,941	0	
Investments and Others				
Investment securities	1,004	1,004	0	
Long-term prepaid expenses, etc.	16	17	-1	
Total Investments and Others	1,021	1,021	0	
Total Fixed Assets	419,628	414,730	4,898	
Deferred Assets				
Issuance cost of investment corporation bonds	29	39	-10	
Total Deferred Assets	29	39	-10	
Total Assets	441,163	433,552	7,611	

MEMO

(In millions of yen)

Item	10th Period-end (Sep 30, 06)	9th Period-end (Mar 31, 06)	Change	Reason for Change
Liabilities				
Current Liabilities				
Short-term loans	64,500	90,500	-26,000	Decreased due to repayment of short-term loans and conversion to long-term loans
Current portion of long-term loans	6,000	24,000	-18,000	Decreased due to refinancing
Current portion of investment corporation bonds	25,000	0	25,000	
Rent received in advance	2,425	2,608	-183	
Other current liabilities	2,902	2,147	755	
Total Current Liabilities	100,827	119,256	-18,429	
Long-term Liabilities				
Investment corporation bonds	30,000	55,000	-25,000	
Long-term loans	77,000	27,000	50,000	Increased due to conversion from short-term loans
Deposits from tenants	25,886	25,237	649	Changed due to property acquisitions and sales
Other long-term liabilities	0	0	0	
Total Long-term Liabilities	132,886	107,237	25,649	
Total Liabilities	233,714	226,493	7,221	
Unitholders' Equity				
Unitholders' Capital	201,472	201,472	0	
Retained Earnings	5,976	5,585	391	
Total Unitholders' Equity	207,449	207,058	391	
Total Liabilities and Unitholders' Equity	441,163	433,552	7,611	

MEMO

Cash Flow and Dividend Statement for the 10th Period



Cash Flow Statement

(In millions of yen)

Item	10th Period (183 days)
Cash Flow from Operating Activities	16,603
Income before income tax	5,977
Decrease due to sales of tangible fixed assets	2,896
Decrease due to sales of tangible fixed assets in trust	3,537
Depreciation and amortization	4,192
Cash Flow from Investing Activities	-15,400
Cash Flow from Financial Activities	414
Proceeds from short-term loans	2,000
Repayment of short-term loans	-52,000
Proceeds from long-term loans	56,000
Proceeds from investment corporation bonds	0
Payment of investment corporation bond issuance costs	0
Proceeds from issuance of units	0
Dividends to unitholders	-5,585
Net Increase in Cash and Cash Equivalents	1,617
Cash and Cash Equivalents at BOP	17,485
Cash and Cash Equivalents at EOP	19,102

Dividend Statement

(In yen)

	10th Period (183 days)
Net Income before Distribution	5,976,223,637
Total Amount of Dividends	5,976,110,800
Retained Earnings	112,837

Dividend per unit: **17,302 yen** (9th Period: 16,172 yen)

Financial Ratios



(In millions of yen)

Financial Ratio	10th Period (183 days)	9th Period (182 days)	8th Period (183 days)	7th Period (182 days)	6th Period (183 days)
Return on assets (ROA)	1.4%	1.4%	1.6%	1.4%	1.5%
(annualized)	2.7%	2.8%	3.2%	2.9%	3.0%
Return on equity (ROE)	2.9%	2.7%	2.8%	3.0%	2.8%
(annualized)	5.8%	5.4%	5.6%	6.0%	5.6%
EOP equity ratio	47.0%	47.8%	58.1%	42.7%	53.3%
LTV (1)	45.9%	45.3%	34.3%	49.3%	38.5%
LTV (2)	47.6%	47.6%	37.4%	54.7%	41.3%
EOP long-term debt to capitalization	125.5%	134.3%	107.0%	116.5%	99.9%
Debt service coverage ratio (DSCR)	9.5x	12.3x	14.0x	11.2x	12.7x
NOI	10,339	9,578	8,978	7,131	6,672
FFO	8,658	7,945	7,526	5,762	5,488
Payout Ratio to CAD	80.9%	82.8%	79.0%	81.5%	81.6%

*ROA= Recurring profits / Average of total assets during the period

(6th Period: 183 actual working days, 7th Period: 182 actual working days, 8th Period: 183 actual working days, 9th Period: 182 actual working days and 10th Period: 183 actual working days)

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

(6th Period: 183 actual working days, 7th Period: 182 actual working days, 8th Period: 183 actual working days, 9th Period: 182 actual working days and 10th Period: 183 actual working days)

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

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

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

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

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

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

* FFO = Net income + Depreciation

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

CAD (Cash Available for Distribution) : FFO – capital expenditure





MEMO

2. Overview of Property Portfolio

Property Data (Photos and Location)



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

					
1 Genki Medical Plaza	2 Kitanomaru Square	3 MD Kanda	4 Kandabashi Park	5 Mitsubishi Soken	
					
6 Nibancho Garden	7 Burex Kojimachi	8 Sanno Grand	9 Yurakucho Denki	10 Kodenmacho Shin-Nihonbashi	
					
11 Burex Kyobashi	12 Ginza Sanwa	13 Ryoshin Ginza East Mirror	14 Aoyama Crystal	15 Shiba 2Chome Daimon	16 Cosmo Kanasugibashi

23 Wards of Tokyo

					
	1 Shinwa	2 Tokyo Opera City	3 Takanawadai	4 Higashi-Gotanda 1Chome	5 Omori-Eki Higashiguchi
					
	6 Nippon Brunswick	7 Yoyogi 1Chome	8 da Vinci Harajuku	9 Jingumae Media Square	10 Shibuya Cross Tower
					
	11 Ebisu Neonato	12 Harmony Tower	13 Otsuka Higashi-Ikebukuro	14 Ikebukuro 2Chome	15 Ikebukuro YS

Other Areas



1 Hachioji First Square



2 Saitama Urawa



3 Kawasaki Isago



4 Jozenji Park



5 Sendai Honcho Honma



6 Kanazawa Park



7 Nishiki Park



8 Hirokoji Tokio Marine Nichido



9 Nagoya Hirokoji



10 Nagoya Misono



11 Kyoto Shijo Kawaramachi



12 Sakaisuji-honmachi



13 Midosuji Daiwa



14 Kobe Itomachi



15 Lit City



16 NHK Hiroshima Broadcasting Center



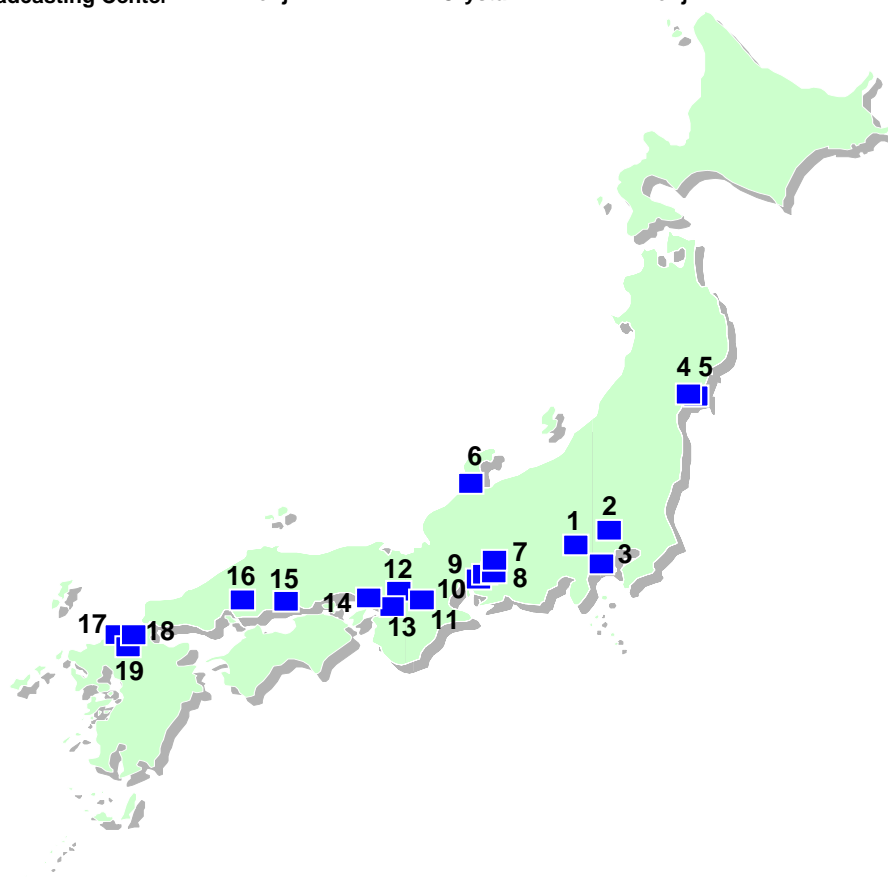
17 Tosei Tenjin



18 Tenjin Crystal



19 Hinode Tenjin



Performance by Property



Tokyo 23 Wards

(In millions of yen)

Name	Performance (April 1, 2006-September 30, 2006)													
	Rental Revenues	Property-related Expenses								Property-related Profits (2)	NOI (3) ((1) + (2))	Capex (4)	NCF (3) - (4)	
		Property Management Expenses	Utilities Expenses	Property and Other Taxes	Casualty Insurance	Repairs and Maintenance	Depreciation (1)	Other Rental Expenses						
Genki Medical Plaza	221	68	13	14	17	0	0	19	2	153	173	0	172	
Kitanomaru Square	643	700	172	76	0	3	4	443	-	-57	386	4	382	
MD Kanda Building	293	104	16	17	21	0	5	43	-	188	232	0	231	
Kandabashi Park Building	172	46	1	-	16	0	2	25	-	126	151	0	151	
Mitsubishi Soken Building	1,062	326	75	106	82	1	6	53	-	736	790	1	788	
Nibancho Garden	490	238	57	28	46	0	0	104	-	252	357	-	357	
Burex Kojimachi Building	162	82	-	-	15	0	-	66	-	79	145	-	145	
Sanno Grand Building	969	277	107	47	43	1	11	66	-	691	758	22	736	
Yurakucho Denki Building	283	107	33	19	33	0	1	18	-	176	194	11	183	
Kodenmachi Shin-Nihonbashi Building	154	67	15	9	13	0	1	24	2	87	111	0	111	
Burex Kyobashi Building	150	50	-	-	12	0	-	37	-	99	137	-	137	
Ginza Sanwa Building	371	124	31	22	38	0	11	19	-	246	266	0	265	
Ryoshin Ginza East Mirror Building	134	72	9	10	9	0	1	40	-	62	103	-	103	
Aoyama Crystal Building	293	138	24	12	23	0	47	29	0	155	184	-	184	
Shiba 2 Chome Daimon Building	311	124	35	27	35	0	4	20	0	187	208	3	204	
Cosmo Kanasugibashi Building	133	60	12	9	12	0	5	20	-	73	93	-	93	
Shinwa Building	267	94	17	19	19	0	2	35	-	172	207	8	199	
Tokyo Opera City Building	471	344								126		13		
Takanawadai Building	114	60	12	11	12	0	2	22	0	54	76	0	76	
Higashi-Gotanda 1Chome Building	217	96	15	19	14	0	0	46	0	121	167	-	167	
JAL Sales Building	42	31	8	5	10	0	-	6	0	11	18	-	18	
Omori-Eki Higashiguchi Building	252	130	29	21	24	0	3	51	0	122	173	14	159	
Nippon Brunswick Building	332	123	35	25	24	0	5	33	-	208	242	-	242	
Yoyogi 1Chome Building	283	108	5	0	23	0	1	77	-	174	252	-	252	
da Vinci Harajuku	199	48	10	10	12	0	4	10	-	150	161	-	161	
Jingumae Media Square Building	361	135	22	26	26	0	1	57	-	226	284	-	284	
Shibuya Cross Tower	1,485	831	168	151	126	3	151	221	8	653	875	933	-58	
Ebisu Neonato	151	73	15	5	10	0	2	39	-	77	117	-	117	
Harmony Tower	419	190	42	-	48	2	9	89	-	229	318	-	318	
Otsuka Higashi-Ikebukuro Building	186	72	18	16	13	0	3	19	0	114	133	1	131	
Ikebukuro 2Chome Building	71	33	8	6	5	0	0	12	0	37	50	1	48	
Ikebukuro YS Building	202	93	20	18	14	0	6	33	-	108	142	0	141	

* Additional shares of ownership acquired in the 10th Period of Sanno Grand Building and Sendai Honma Honcho Building have been in operation from April 3, 2006 and June 28, 2006 respectively. Hirokoji Tokio Marine Nichido Building, a newly acquired property, has been in operation from September 22, 2006.

* Four properties sold in the 10th Period (JAL Sales Building, Shin-Yokohama First Building, Niigata Ishizuecho Nishi-Bandaibashi Building, and Kanazawa Minamicho Building) were operated until June 28, 2006.

* At the request of the co-owners of Tokyo Opera City Building, the breakdown of property-related expenses and NOI is not disclosed.

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

Other Areas

(In millions of yen)

Name	Performance (April 1, 2006-September 30, 2006)												
	Rental Revenues	Property-related expenses								Property-related Profits (2)	NOI (3) (1) + (2)	Capex (4)	NCF (3) - (4)
		Property Management Expenses	Utilities Expenses	Property and Other Taxes	Casualty Insurance	Repairs and Maintenance	Depreciation (1)	Other Rental Expenses					
Hachioji First Square	166	93	32	-	16	0	3	40	-	73	113	3	109
Saitama Urawa Building	135	59	17	8	9	0	3	20	-	76	96	0	95
Shin-Yokohama First Building	57	56	10	10	11	0	0	22	-	0	23	0	22
Kawasaki Isago Building	162	101	25	14	14	0	6	40	0	60	101	7	94
Jozenji Park Building	68	47	9	9	6	0	8	13	-	21	34	0	34
Sendai Honcho Honma Building	151	76	17	4	14	0	11	28	-	74	103	6	96
Niigata Ishizuecho Nishi-Bandaibashi Building	40	24	5	6	6	0	2	3	0	15	18	-	18
Kanazawa Park Building	541	409	106	74	70	2	77	78	0	131	210	4	205
Kanazawa Minamicho Building	40	20	4	5	5	0	1	4	0	19	24	0	23
Hirokoji Tokio Marine Nichido Building	4	2	1	-	-	0	-	1	0	1	3	-	3
Nagoya Hirokoji Building	731	313	99	66	60	1	7	69	8	417	487	10	477
Nagoya Misono Building	96	65	12	8	6	0	3	34	-	30	64	-	64
Kyoto Shijo Kawaramachi Building	143	93	20	13	11	0	20	26	0	49	76	19	56
Sakaisujihonmachi Building	254	165	43	28	39	1	5	46	-	88	135	0	134
Midosuji Daiwa Building	670	324	68	46	79	1	35	92	0	345	438	58	380
Kobe Itomachi Building	68	45	11	7	6	0	6	12	-	23	35	0	34
Lit City Building	288	145	46	20	0	1	5	71	-	143	215	0	214
NHK Hiroshima Broadcasting Center Building	148	111	38	16	14	0	3	21	16	37	58	0	57
Tosei Tenjin Building	97	57	15	8	9	0	4	19	-	39	59	1	57
Tenjin Crystal Building	219	164	28	18	21	0	5	89	-	54	144	2	141
Hinode Tenjin Building	175	72	23	17	15	0	1	13	-	103	117	2	114
Total	15,169	7,511	1,766	1,198	1,271	38	513	2,682	40	7,657	10,339	1,141	9,198

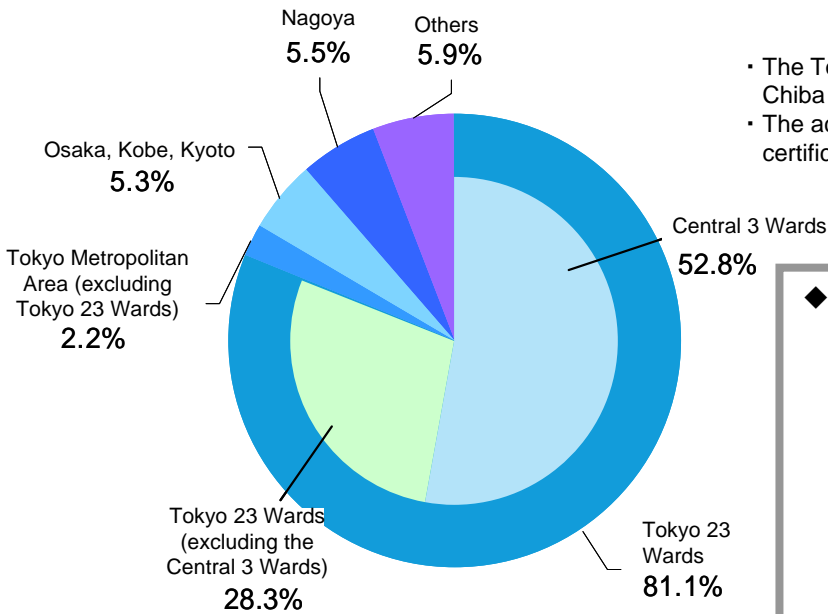
Geographical Diversification and Earthquake Risk



Geographical Diversification

49 properties as of September 30, 2006 + Nishiki Park Building (acquired 2 times)

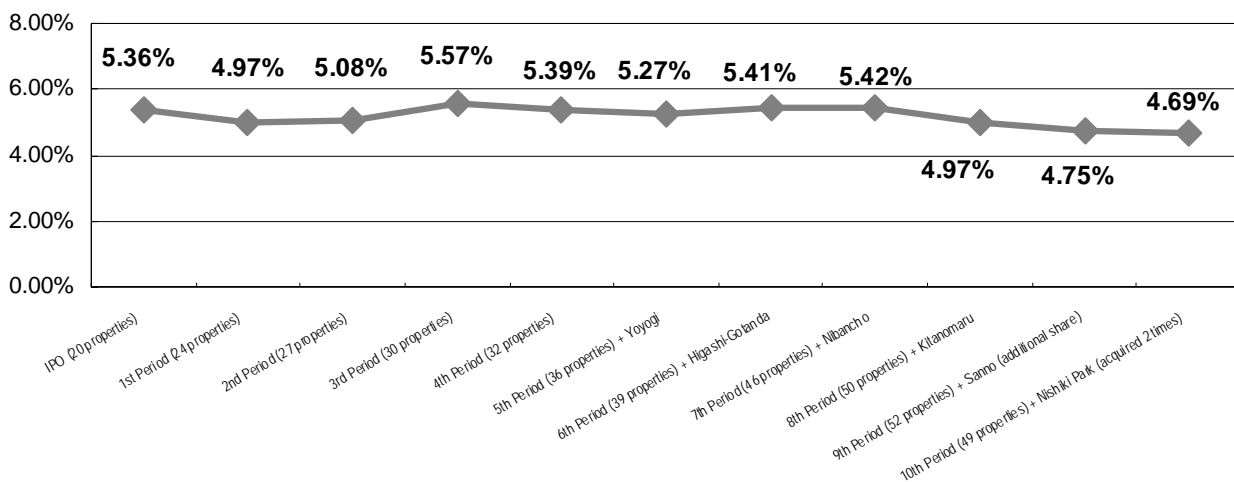
On the basis of acquisition price



- The Tokyo metropolitan area includes Tokyo, Saitama, Chiba and Kanagawa.
- The acquisition as preferred capital contribution certificates is excluded in the graph on the left.

- ◆ As the property market is highly liquid and stable rental revenues can be expected in the Tokyo metropolitan area, the investments have been concentrated in this area, raising their ratio in the overall portfolio. Among the total of 50 properties consisting of the 49 properties owned as of September 30, 2006 and Nishiki Park Building (acquired 2 times), about 83% are located in the metropolitan area and the remaining 17% or so are regional.
- ◆ Among the properties in the Tokyo metropolitan area, about 81% are located in Tokyo 23 Wards and about 53% in the Central 3 Wards.

Earthquake Risk (PML Value)



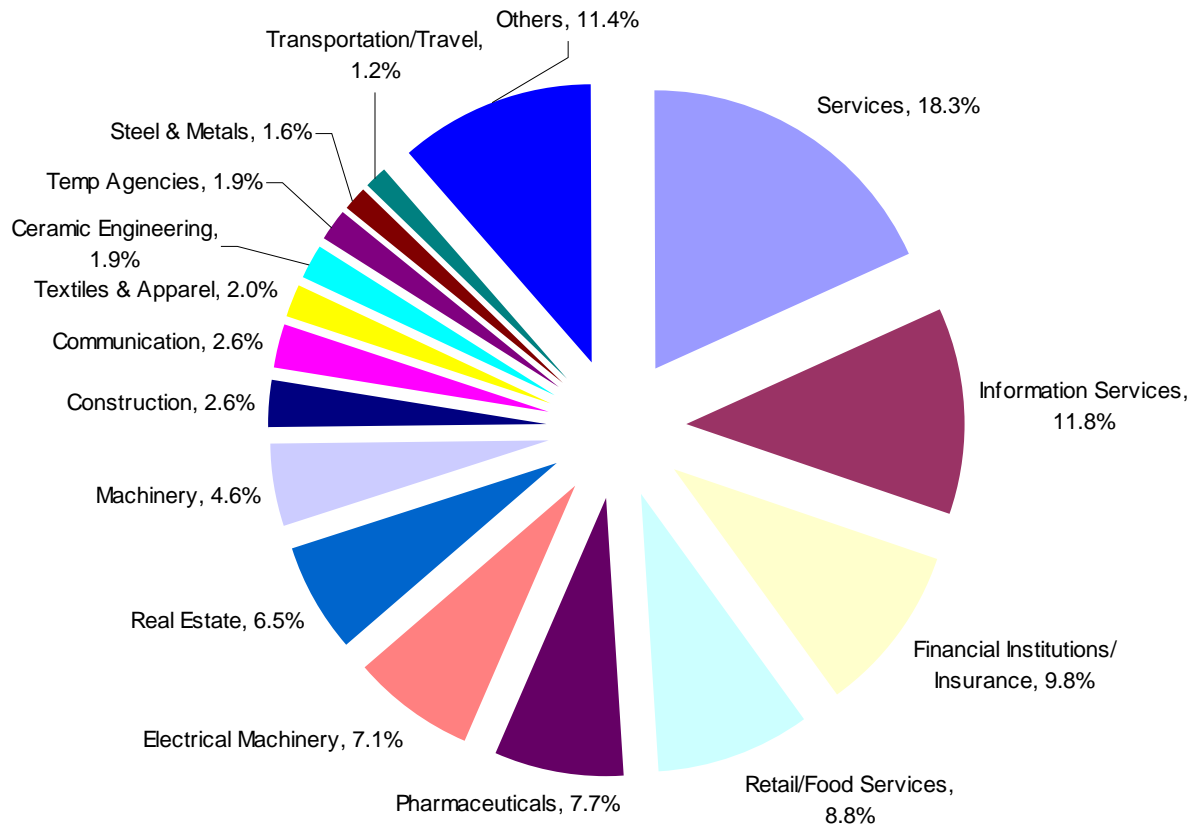
- ◆ PML value has been stable at around 5% since IPO.
- ◆ Portfolio PML is 4.69% for the recent holding of 50 properties, the lowest since IPO.

Tenant Data ① (Diversification)

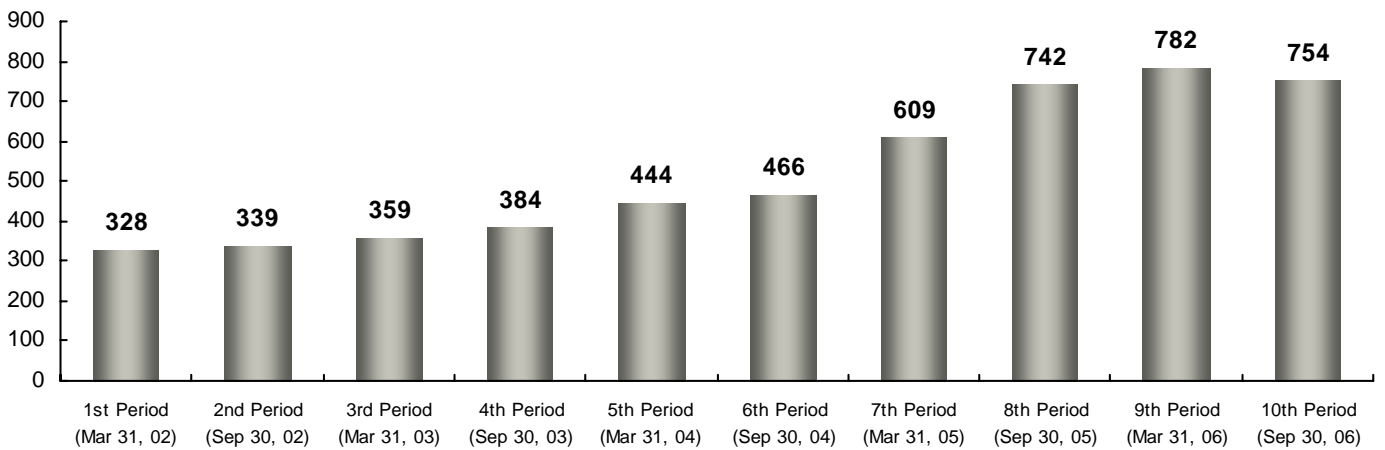


Tenant Diversification (Based on the leased area)

49 properties as of September 30, 2006



Number of Tenants



Tenant Data ② (Major Tenants)



Major Tenants (Top 10)

49 properties as of September 30, 2006

Rank	Tenant	Property	10th Period		9th Period		Leased Area Change (㎡)
			Leased Area (㎡)	% of Total Leased Area	Rank	Leased Area (㎡)	
1	Banyu Pharmaceutical Co., Ltd.	Kitanomaru Square 1 other building	17,014	4.4%	1	17,077	-62
2	Mitsubishi Research Institute Inc.	Mitsubishi Soken Bldg.	14,529	3.7%	2	14,529	0
3	Seven & i Holdings Co, Ltd.	Nibancho Garden	9,316	2.4%	4	9,316	0
4	Space Design, Inc.	Burex Kojimachi Bldg. 1 other building	8,774	2.3%	5	8,774	0
5	Fast Retailing Co., Ltd.	Kitanomaru Square	8,476	2.2%	6	8,476	0
6	Yamano Gakuen (*1)	Yoyogi 1Chome Bldg.	7,772	2.0%	7	7,772	0
7	The Dai-ichi Mutual Life Co. (*2)	Midosuji Daiwa Bldg. 7 other buildings	7,660	2.0%	3	10,302	-2,641
8	TOTO LTD.	Midosuji Daiwa Bldg. 1 other building	6,906	1.8%	8	6,906	0
9	Toshiba Solutions Corporation	Takanawadai Bldg. 2 other buildings	5,331	1.4%	9	5,331	0
10	Asahi Kasei Pharma Corporation	MD Kanda Bldg.	5,144	1.3%	10	5,144	0
11	Company A		4,791	1.2%	11	4,791	0
12	Company B		4,490	1.2%	12	4,490	0
13	Company C		4,418	1.1%	13	4,418	0
14	Company D		4,166	1.1%	14	4,166	0
15	Company E		3,415	0.9%	15	3,415	0

(*1) The lease agreement concluded with the tenant shall be terminated on April 30, 2007.

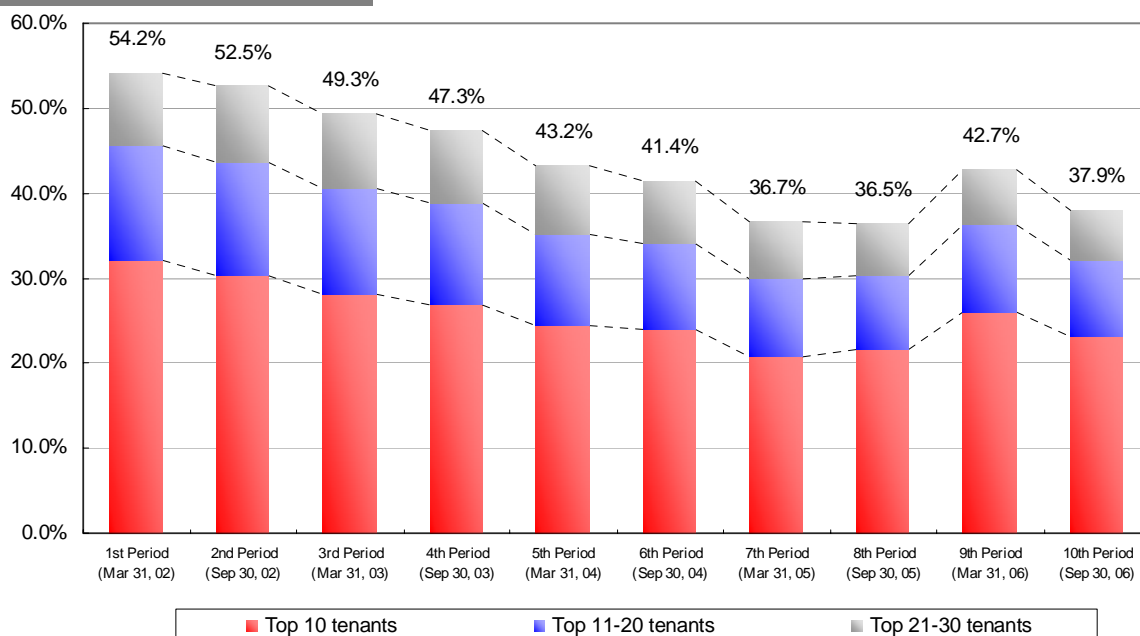
(*2) Leased area of the tenant decreased by 2,641 ㎡ due to the sale of Niigata Ishizuecho Nishi-Bandaibashi Building, which the tenant occupied as of June 28, 2006.



No substantial change

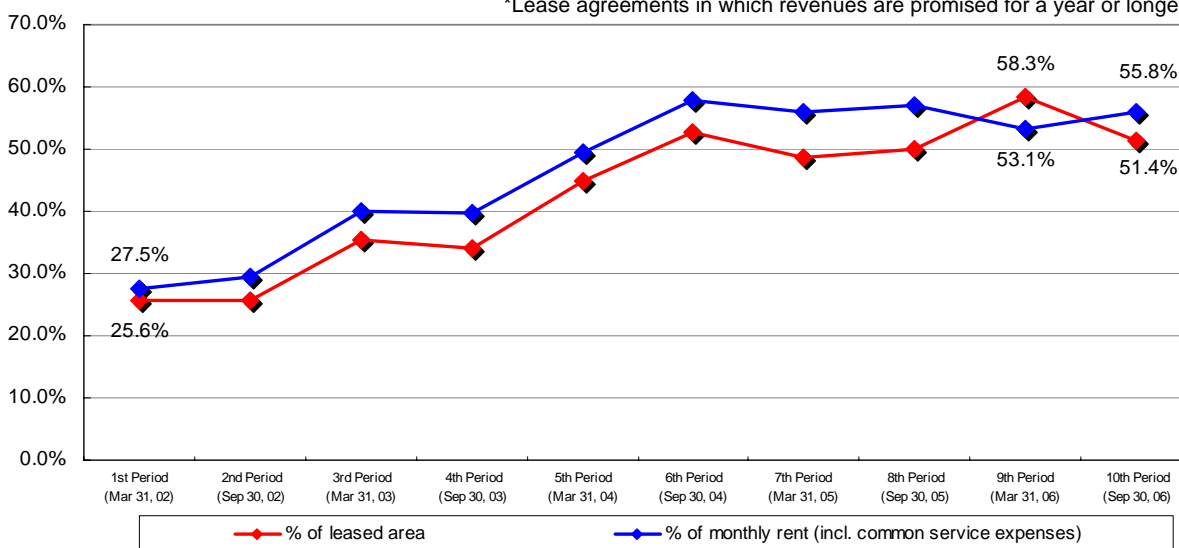
Percentage of Major Tenants

Based on the leased area



Percentage of Long-Term Lease Agreements* in Top 30 Tenants

*Lease agreements in which revenues are promised for a year or longer



■ Percentage of the leased area by the major tenants remains stable at relatively lower levels despite a slight increase following the acquisition of Kitanomaru Square.

→ Minimize risk exposure brought about by major tenants' cancellation and decreasing floor space

■ Percentage of long-term agreements in top 30 tenants remains stable, at relatively higher levels between 50% and 60%.

→ Set up as long as possible long-term agreements with major single tenants for higher stability

Tenant Data ③ (Stability)



Percentage of Fixed- and Long-Term Lease Agreements*

* Lease agreements in which revenues are promised for a year or longer

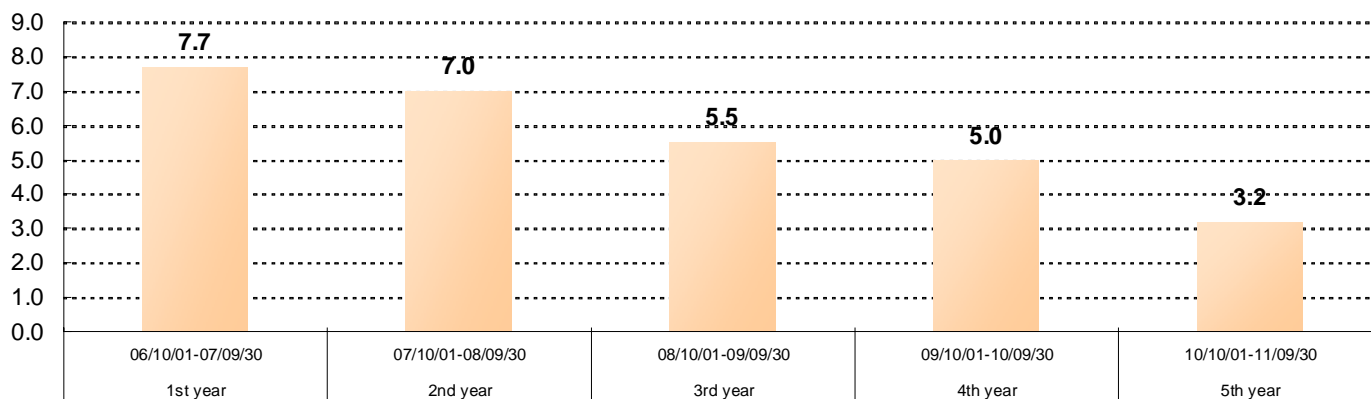
Based on monthly rent including
common service expenses

(% is the ratio of fixed-and long-term lease agreements in each area.)

Area	10th Period		9th Period	
	% of Fixed- and Long-Term Lease Agreements	Average of Remaining Years	% of Fixed- and Long-Term Lease Agreements	Average of Remaining Years
Tokyo 23 Wards	35.9%	4.5 years	40.9%	4.5 years
3 Central Wards	58.0%	4.6 years	63.1%	4.9 years
Tokyo 23 Wards (excl. 3 Central Wards)	5.2%	1.6 years	12.9%	1.5 years
Others	10.6%	2.3 years	12.9%	2.5 years
Tokyo Metropolitan Area (excl. Tokyo 23 Wards)	0.0%	—	9.4%	1.4 years
Other Major Cities	12.0%	2.3 years	13.5%	2.6 years
Total	29.4%	4.3 years	33.3%	4.2 years

Fixed-Amount Revenues for the Year

(In billions of yen)



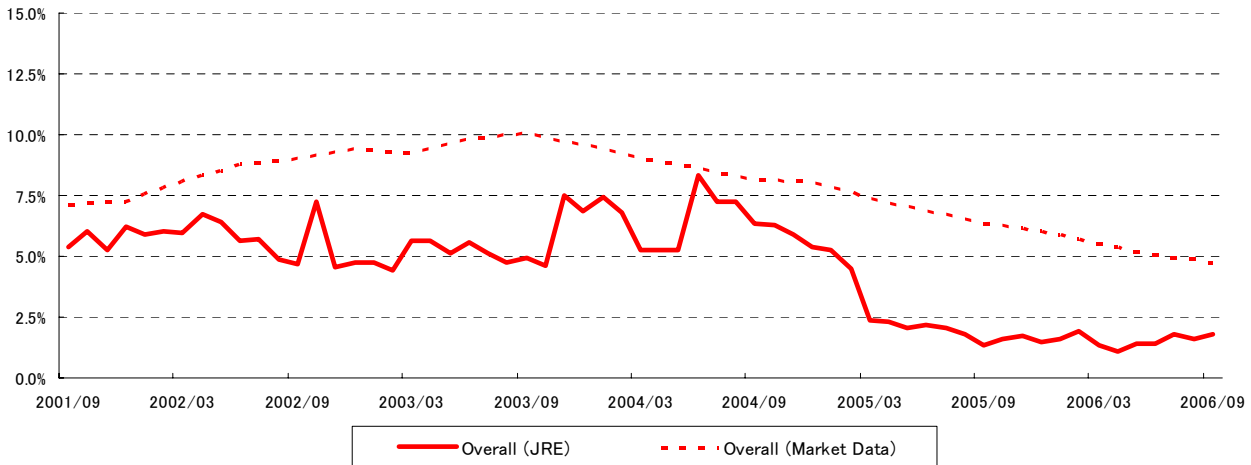
Aiming for a more stable revenues

Tenant Data ④ (Rates of Vacancy)

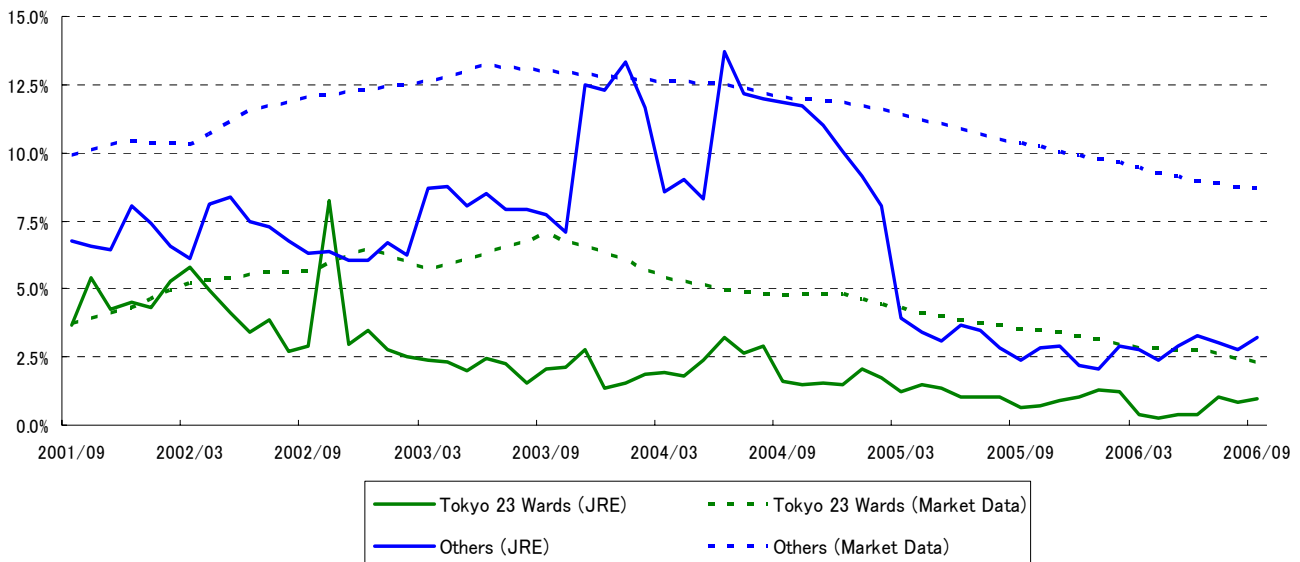


Trend in Vacancy Rate (Relative to Market Data)

Overall



Tokyo 23 Wards/Others



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

Name	Leasable Area (m)	Property Vacancy Rate	Office Zone*	Zone Vacancy*
A building	① 5,000	④ 3.0%	a zone	⑦ 4.0%
B building	② 3,000	⑤ 6.0%	b zone	⑧ 8.0%
Total/Average	③ 8,000	⑥ 4.1%		⑨ 5.5%

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

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

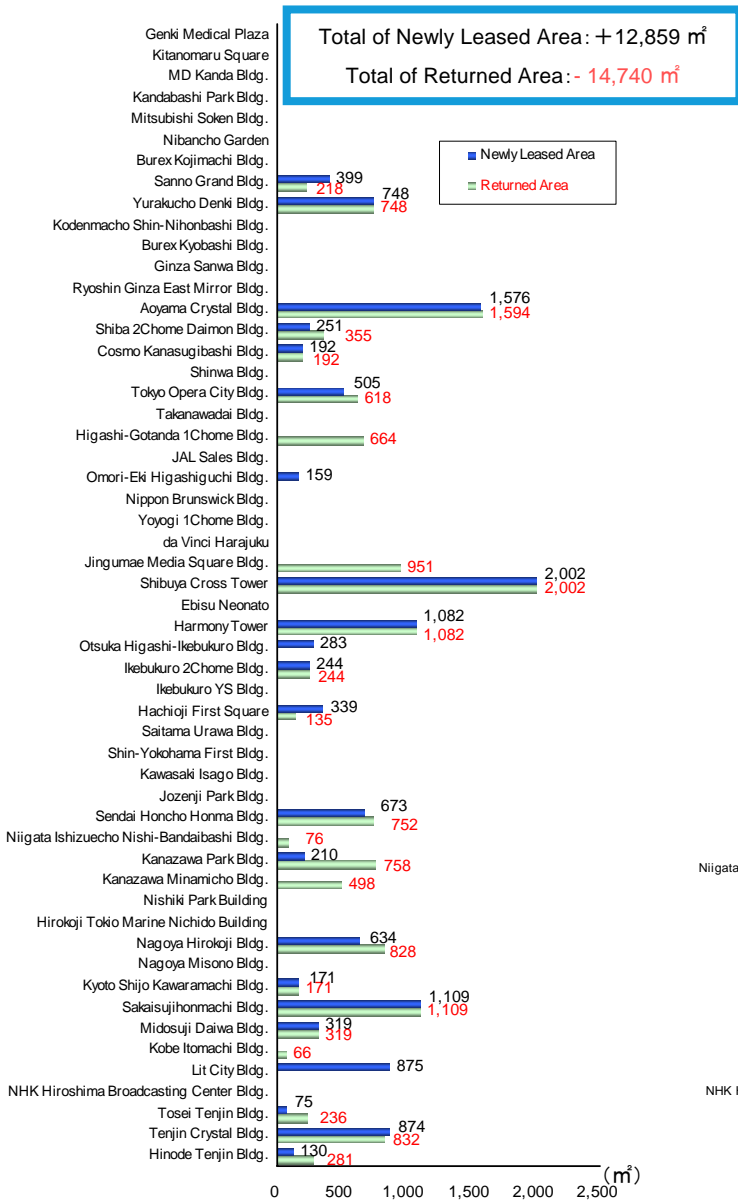
* The above office zones and their vacancy rates are based on CB Richard Ellis' "Office Market Report" data. In the above graph, the market data represents the average vacancy rate in each office zone.

A relatively high occupancy rate in the market has been maintained by minimizing our vacant space.

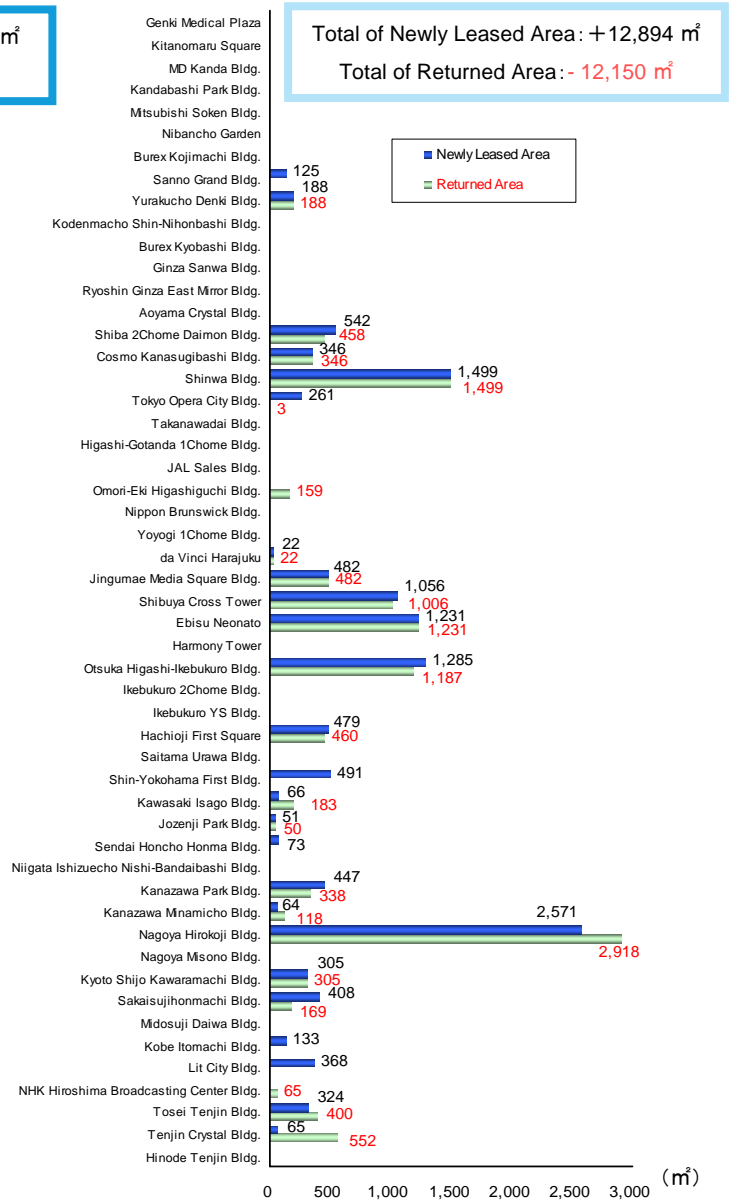
Tenant Data ⑤ (Trend of Newly Leased and Returned Space)



10th Period



9th Period

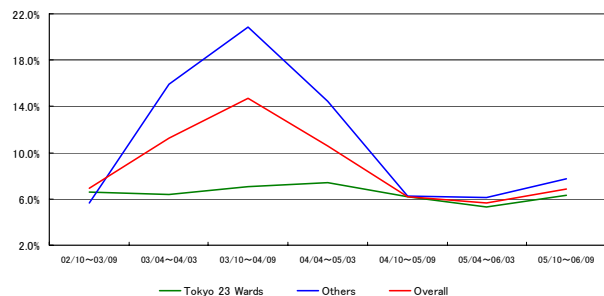


Ratio of Annual Turnover

Ratio of Annual Tenant Turnover (*)

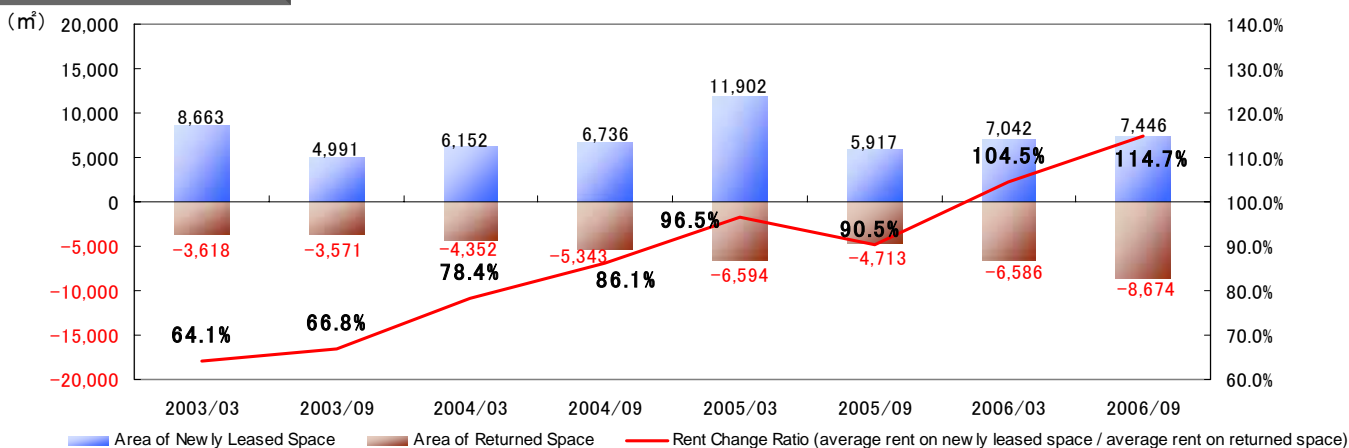
	02/10~ 03/09	03/04~ 04/03	03/10~ 04/09	04/04~ 05/03	04/10~ 05/09	05/04~ 06/03	05/10~ 06/09
Tokyo 23 Wards	6.6%	6.4%	7.1%	7.4%	6.2%	5.3%	6.3%
Others	5.7%	15.9%	20.9%	14.4%	6.2%	6.1%	7.7%
Overall	6.9%	11.2%	14.7%	10.6%	6.2%	5.6%	6.9%

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

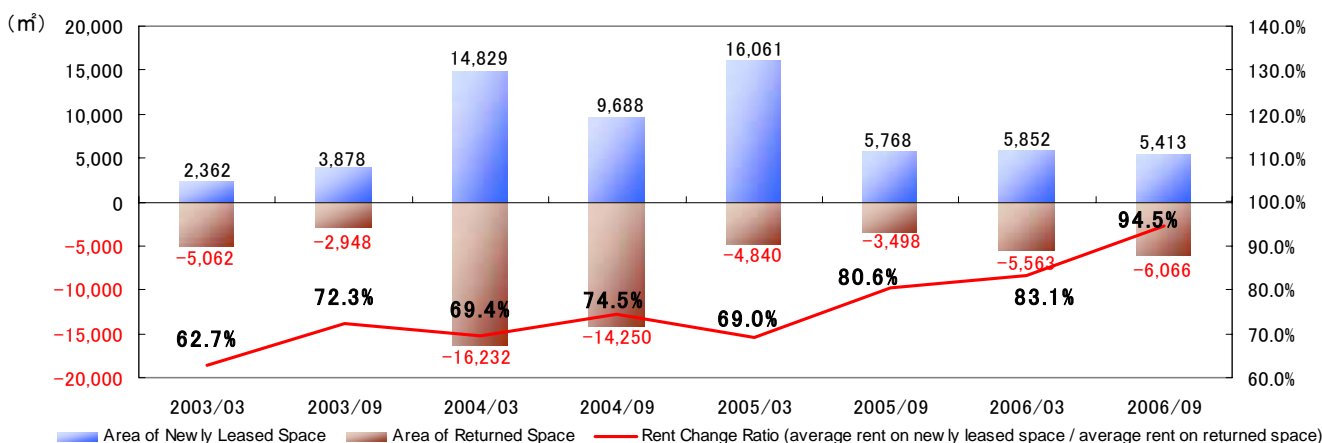


Trend in Area of Newly Leased & Returned Space and Rent Change

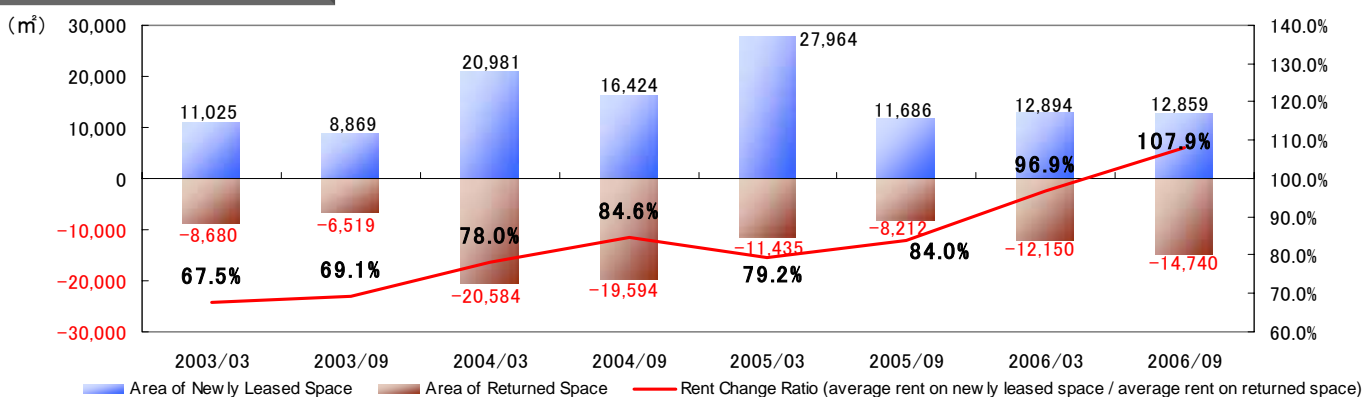
Tokyo 23 Wards



Others



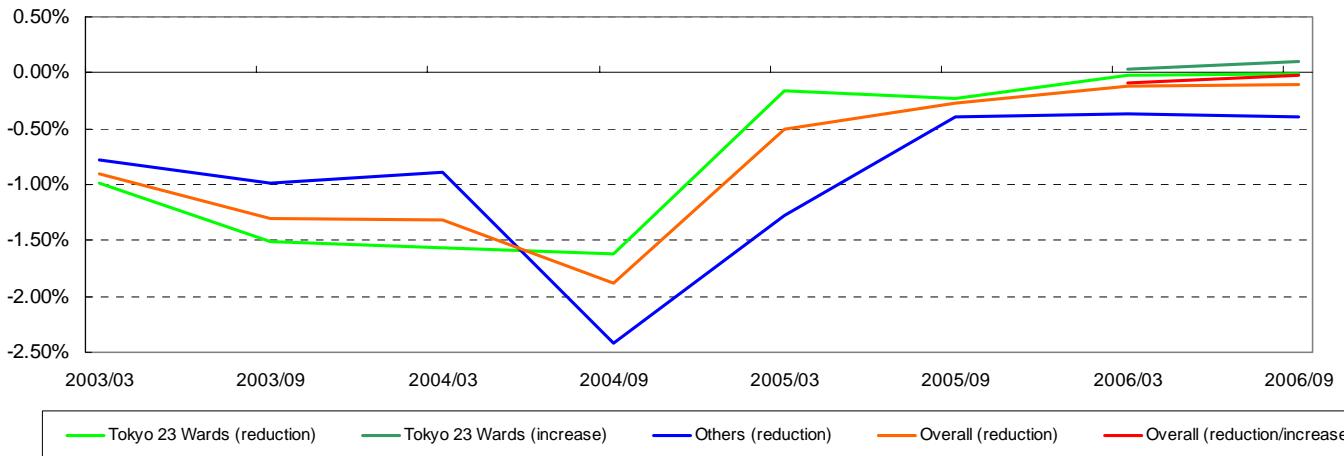
Overall



Tenant Data ⑥ (Trend of Rent Reduction and Increase)



Existing Tenants: Trend of Rent Reduction and Increase



* Rate of rent reduction/increase: Monthly rent reduction/increase during the period (difference between monthly rent before and after change) ÷ Total monthly rent at the end of period (including common services expenses)

(In millions of yen)

		Mar-2003	Sep-2003	Mar-2004	Sep-2004	Mar-2005	Sep-2005	Mar-2006	Sep-2006	
Tokyo 23 Wards	Monthly Rent at End of Period (including common service expenses)	778	840	935	1,045	1,302	1,459	1,686	1,754	
	Rent Reduction	Monthly rent	-7	-12	-14	-16	-2	-3	0	0
		Rate of rent reduction	-0.99%	-1.51%	-1.57%	-1.62%	-0.17%	-0.23%	-0.02%	-0.01%
	Rent Increase	Monthly rent							0.6	1.7
		Rate of rent increase							0.04%	0.10%
Increase/Reduction in rent	Monthly rent	-7	-12	-14	-16	-2	-3	0	1	
Others	Monthly Rent at End of Period (including common service expenses)	529	536	557	510	563	601	634	607	
	Rent Reduction	Monthly rent	-4	-5	-4	-12	-7	-2	-2	-2
		Rate of rent reduction	-0.78%	-0.99%	-0.89%	-2.42%	-1.28%	-0.39%	-0.37%	-0.40%
	Rent Increase	Monthly rent							0.0	0.1
		Rate of rent increase							0.01%	0.02%
Increase/Reduction in rent	Monthly rent	-4	-5	-4	-12	-7	-2	-2	-2	
Overall	Monthly Rent at End of Period (including common service expenses)	1,308	1,376	1,493	1,556	1,865	2,061	2,321	2,361	
	Rent Reduction	Monthly rent	-11	-18	-19	-29	-9	-5	-2	-2
		Rate of rent reduction	-0.90%	-1.31%	-1.31%	-1.88%	-0.50%	-0.27%	-0.12%	-0.11%
	Rent Increase	Monthly rent							0.6	1.8
		Rate of rent increase							0.03%	0.08%
Increase/Reduction in rent	Monthly rent	-11	-18	-19	-29	-9	-5	-2	0	
	Rate of rent reduction/increase	-0.90%	-1.31%	-1.31%	-1.88%	-0.50%	-0.27%	-0.09%	-0.03%	



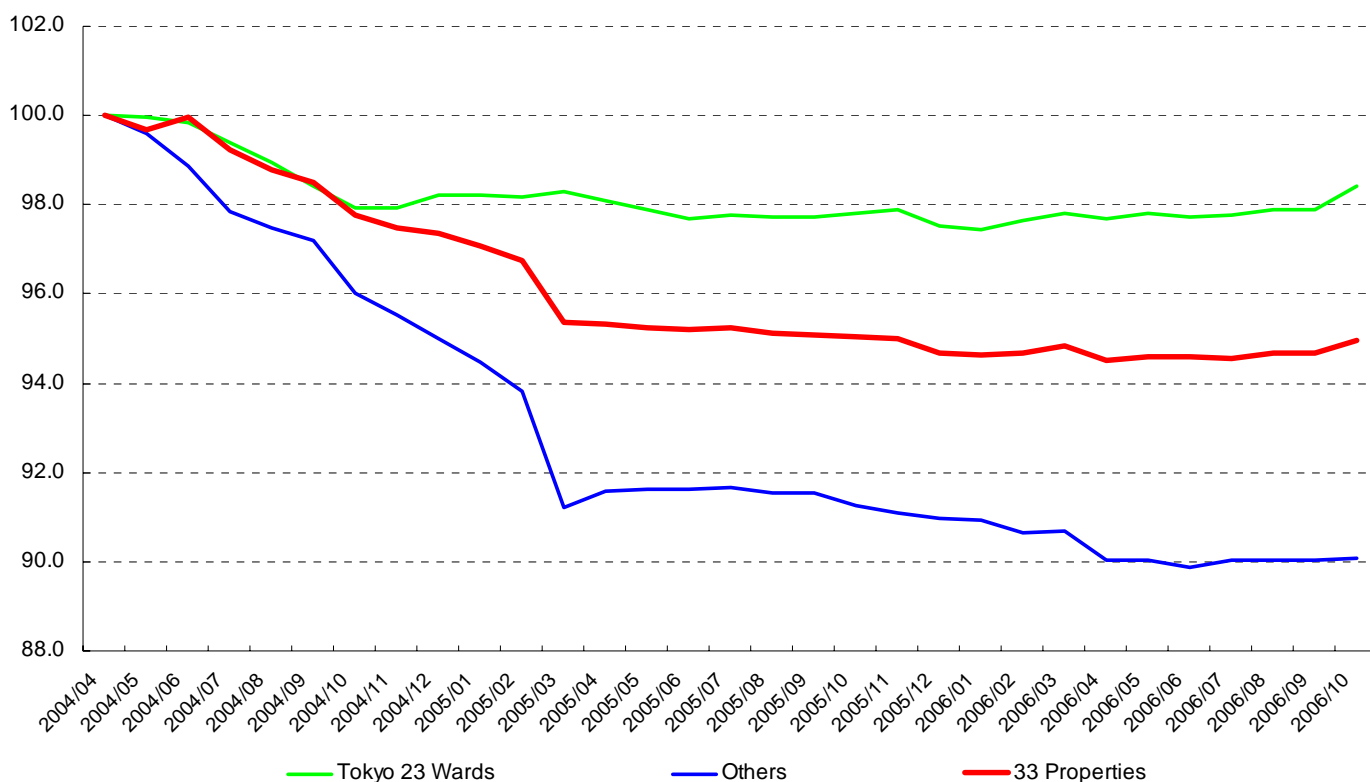
- ◆ The rent reduction peaked in the period ended September 2004.
- ◆ In Tokyo 23 Wards the rent increases have numbered more than the rent reductions since the period ended March 2006, and the trend of rent reduction substantially ended in the period ended September 2006.
- ◆ In the provincial cities the rate of rent reduction has leveled off since the period ended September 2005.
- ◆ For the difference between increases and reductions of existing rents in the whole portfolio, the amount of increases almost offset the reductions during the period ended September 2006, and is expected to grow from the period ending March 2007.

Tenant Data ⑦ (Changes in Rent Level)



Trend of Average Rent

- Average rent (incl. common service expenses) based on 33 properties (37 properties owned as of April 1, 2004 less 4 disposal properties)
- Price on April 1, 2004 shown as 100



	2004/04	2004/10	2005/04	2005/10	2006/04	2006/10
Tokyo 23 Wards	100.0	97.9	98.1	97.8	97.7	98.4
Others	100.0	96.0	91.6	91.2	90.0	90.1
33 Properties	100.0	97.8	95.3	95.0	94.5	95.0

*The above figures are rounded to one decimal place.



Average rent in Tokyo 23 Wards has been on an upward trend.

Internal Growth ①

(Market Trend in New Rent Levels)



- ◆ With regard to the new rent data assessed by Ikoma Data Service System (IDSS)*, the trend shows the price as of June 30, 2006 set at 100.
- ◆ The assessment was made for 43 properties. One property acquired after June 30, 2006 and five properties in unusual situations, including single-tenant leased properties, are excluded from the 49 properties held in total as of September 30, 2006 (excluding 4 disposal properties as of June 28, 2006).

*JRE requires IDSS to assess the new rent regarding properties held by JRE (excluding properties in unusual situations, including single-tenant leased properties) on a semi-annual basis.

Property Name	Trend in Assessed New Rent (Intermediate Value of Upper and Lower Limits)						
	03/06	03/12	04/06	04/12	05/06	05/12	06/06
Genki Medical Plaza	-	-	-	-	-	-	-
Kitanomaru Square	-	-	-	-	-	-	-
MD Kanda Building	81	81	81	84	87	87	100
Kandabashi Park Building	72	72	72	76	79	81	100
Mitsubishi Soken Building	79	77	74	74	79	85	100
Nibancho Garden	-	-	-	-	-	-	-
Burex Kojimachi Building	-	-	-	-	-	-	-
Sanno Grand Building	-	-	-	72	76	87	100
Yurakucho Denki Building	-	67	67	74	79	87	100
Kodenmachi Shin-Nihonbashi Building	85	85	85	88	94	94	100
Burex Kyobashi Building	-	-	-	-	-	-	-
Ginza Sanwa Building	-	-	-	-	89	95	100
Ryoshin Ginza East Mirror Building	-	-	-	-	96	96	100
Aoyama Crystal Building	81	79	78	83	90	98	100
Shiba 2Chome Daimon Building	76	76	76	84	93	96	100
Cosmo Kanasugibashi Building	78	78	78	83	90	95	100
Shinwa Building	-	-	-	77	81	85	100
Tokyo Opera City Building	-	-	-	-	-	91	100
Takanawadai Building	90	90	84	90	94	97	100
Higashi-Gotanda 1Chome Building	-	-	88	98	98	100	100
Omori-Eki Higashiguchi Building	103	100	100	100	100	100	100
Nippon Brunswick Building	-	-	93	93	93	98	100
Yoyogi 1Chome Building	-	-	-	-	81	91	100
da Vinci Harajuku	92	88	88	88	88	100	100
Jingumae Media Square Building	-	79	78	78	79	95	100
Shibuya Cross Tower	64	64	64	72	76	87	100
Ebisu Neonato	-	69	70	77	83	93	100
Harmony Tower	-	-	-	-	92	96	100
Otsuka Higashi-Ikebukuro Building	109	109	100	100	100	100	100
Ikebukuro 2Chome Building	94	94	94	94	96	96	100
Ikebukuro YS Building	-	-	-	82	87	92	100
Hachioji First Square	-	-	-	-	100	100	100
Saitama Urawa Building	88	88	76	76	92	92	100
Kawasaki Isago Building	104	100	100	100	100	100	100
Jozenji Park Building	-	-	-	92	94	100	100
Sendai Honcho Honma Building	100	96	92	92	94	100	100
Kanazawa Park Building	94	91	91	91	91	89	100
Nagoya Hirokoji Building	94	94	94	94	94	100	100
Nagoya Misono Building	-	98	98	98	98	104	100
Kyoto Shijo Kawaramachi Building	106	94	94	94	94	94	100
Sakaisujihonmachi Building	96	93	81	81	85	93	100
Midosuji Daiwa Building	86	76	73	73	78	84	100
Kobe Itomachi Building	124	100	94	94	94	100	100
Lit City Building	-	-	-	-	-	-	100
NHK Hiroshima Broadcasting Center Building	-	-	87	87	87	90	100
Tosei Tenjin Building	105	100	95	95	95	95	100
Tenjin Crystal Building	-	-	-	-	96	96	100
Hinode Tenjin Building	112	96	88	88	88	92	100

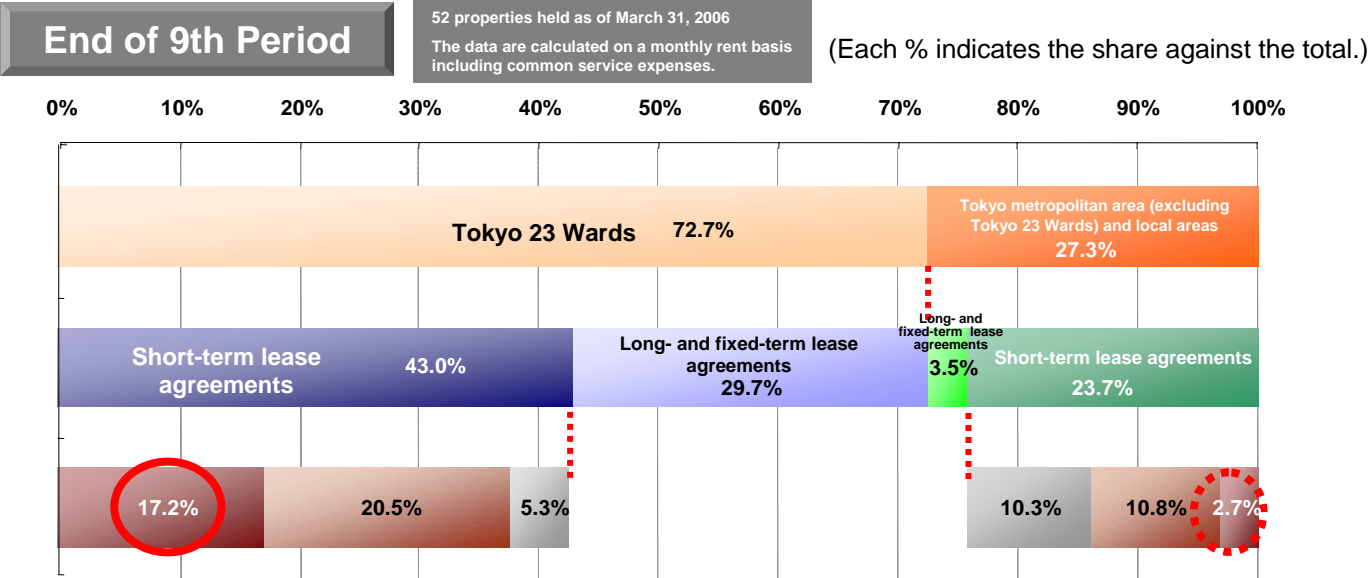
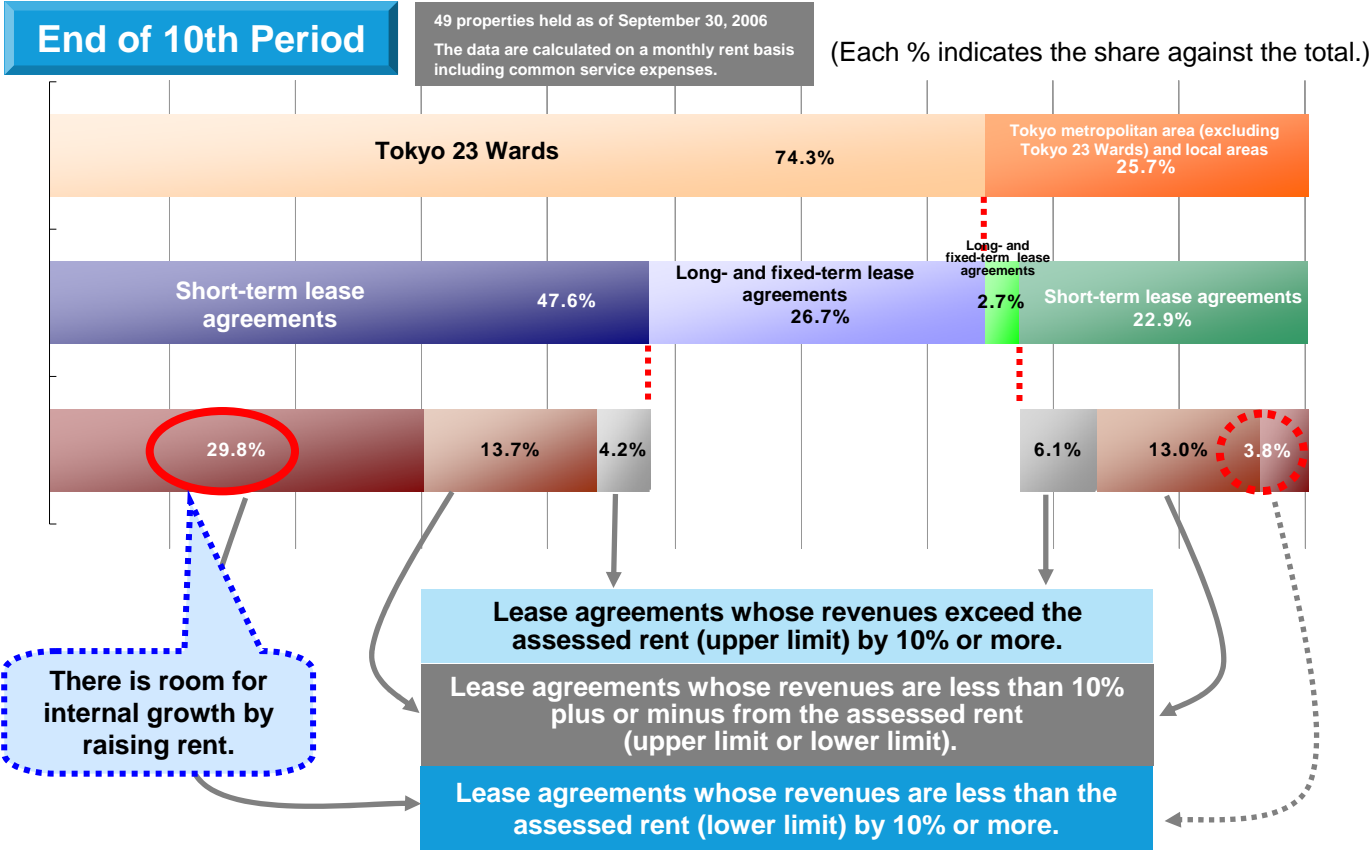
Assessed rent increased compared to the preceding assessment.

Assessed rent decreased compared to the preceding assessment.

Internal Growth ② (Possibility of Rise in Rent)



Classification of Short-term Lease Agreements



* Assessed rent: Rent data of each property, assessed by Ikoma Data Service System (IDSS)
 * Long- and fixed-term lease agreements are contracts in which revenues are promised for the next year or longer from the end of each fiscal period.
 * Short-term lease agreements are contracts other than long- and fixed-term lease agreements.

Internal Growth ③ (Renovation Work)



JRE's Renovation Work

- Prepared medium- 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 renovation work that improves amenities for tenants, including work to improve air-conditioning systems and restrooms
- Conducted proper renovations to maintain functions of buildings after identifying degree of degradation
- Had a third party review construction estimates and carried out proper construction administration

Trend in Construction Costs and Depreciation Expenses

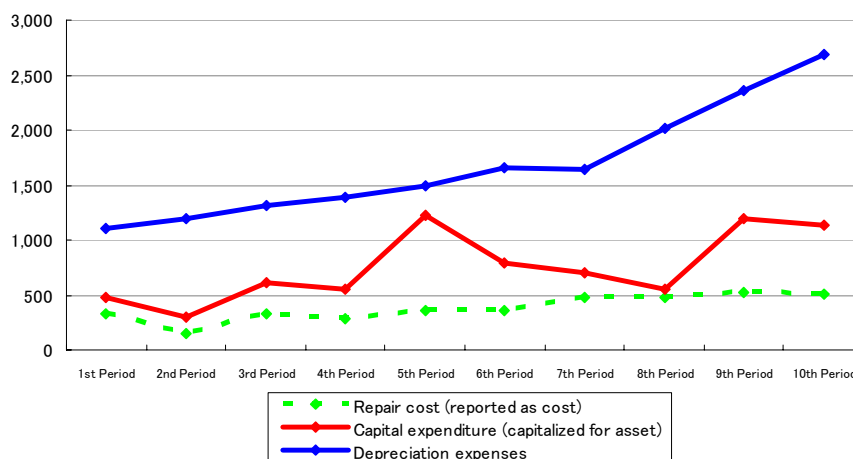
(In millions of yen)

	1st Period Mar. 2002	2nd Period Sep. 2002	3rd Period Mar. 2003	4th Period Sep. 2003	5th Period Mar. 2004	6th Period Sep. 2004	7th Period Mar. 2005	8th Period Sep. 2005	9th Period Mar. 2006	10th Period Sep. 2006
Construction costs	794	453	933	841	1,585	1,161	1,178	1,025	1,728	1,654
Repair cost (reported as cost)	321	152	323	289	365	363	471	474	528	513
Capital expenditure (capitalized for asset)	472	301	609	552	1,219	797	706	550	1,200	1,141
Depreciation expenses	1,100	1,194	1,310	1,393	1,498	1,657	1,641	2,017	2,359	2,682
Total assets	161,809	185,397	200,022	209,581	244,523	257,372	322,358	355,968	433,552	441,163
Rent revenues	6,492	7,910	8,500	8,965	9,560	10,151	10,747	13,119	13,962	15,169

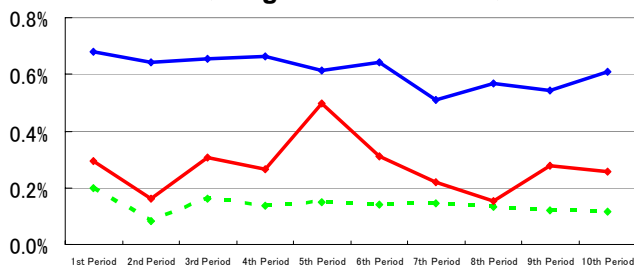
*Rent revenue for the 10th Period does not include gain on sale of properties.

<Trend in construction costs and depreciation expenses>

(In millions of yen)



<% against total assets>



<% against rent revenues>



5-Year Plan for Renovation Work

(In millions of yen)

	Apr 2006- Mar 2007	Apr 2007- Mar 2008	Apr 2008- Mar 2009	Apr 2009- Mar 2010	Apr 2010- Mar 2011	Total
Work capitalized for asset	2,900	2,300	1,700	2,700	600	10,500
Depreciation expenses	5,300	5,300	5,100	5,000	5,000	25,800

*50 properties, including acquisition of Nishiki Park Building (Oct 2, 2006 and Nov 1, 2006)

*Data for the year during April 2006 to March 2007 include 4 properties sold as of June 28, 2006.

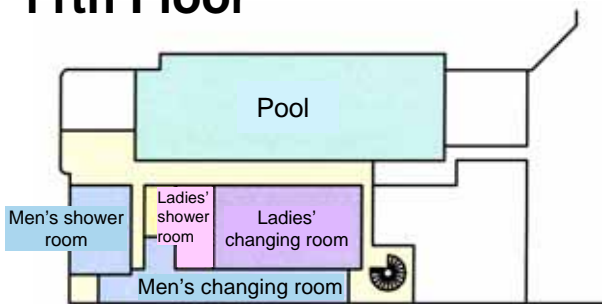
Kanazawa Park Building: Renovation Plan

Convert space for fitness club on the 11th and 12th floors into office space

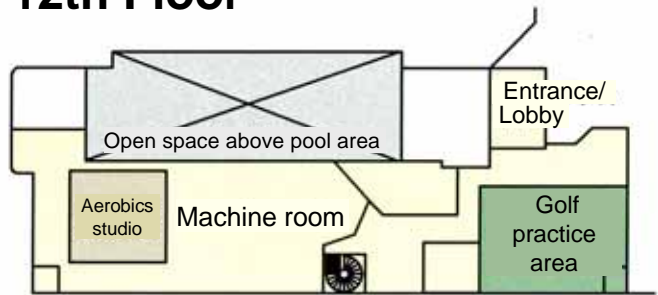


Before renovation

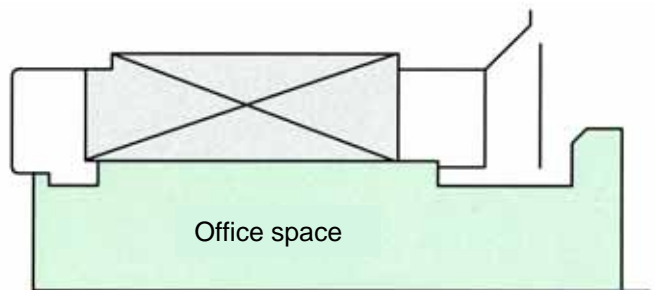
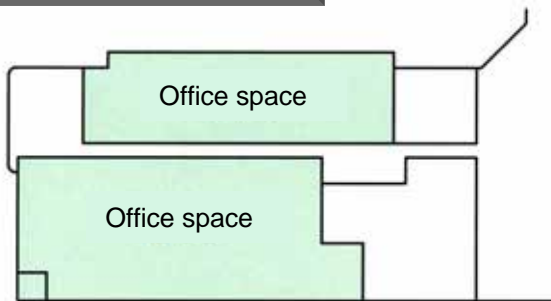
11th Floor



12th Floor



After Renovation



Scheduled renovation timeframe: From January through May, 2007

Estimated renovation cost: 372 million yen (planned)*

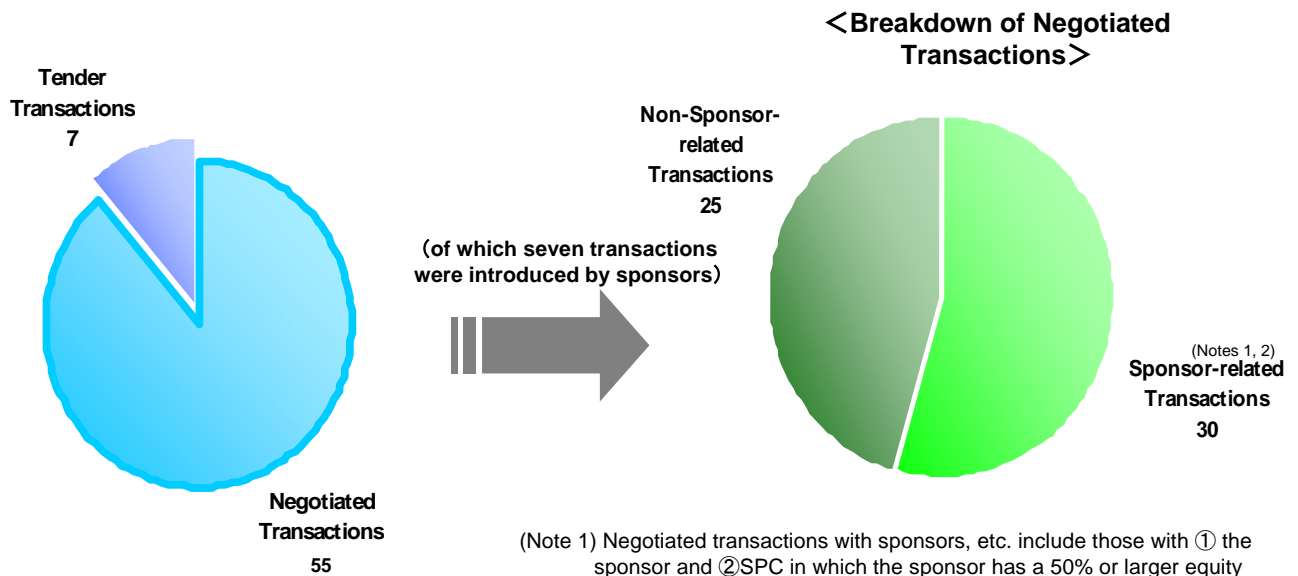
Area: Fitness Club; 1,881 m² ⇒ Office space; approximately 1,600 m²*

Lease term: Low rent for a service facility ⇒ rent for office space (unit rent will be 7 or 8 times higher than the previous rent set for a service facility)

*Based on the share of ownership held by Japan Real Estate Investment Corporation

Deal Sources

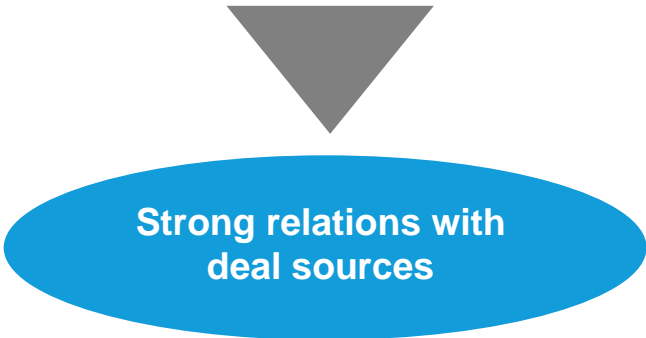
Figures represent the number of transactions.
 (consisting of 62 deals in total, including 4 disposal properties and additional share acquisitions [including additional share acquisition of Nishiki Park Building as of November 1, 2006])



(Note 1) Negotiated transactions with sponsors, etc. include those with ① the sponsor and ②SPC in which the sponsor has a 50% or larger equity investment, and those in regard to ③current seller's property for which the previous owner was a sponsor.

(Note 2) Saitama Urawa Building and Kanazawa Park Building were additionally acquired from the sponsors and unrelated companies, but the deals were counted as sponsor-related transactions.

- ◆ Approximately 89% of properties (including those sold by the sponsors) were purchased through negotiated transactions.
- ◆ Only seven properties were acquired through tender transactions.



Investment Criteria for Property Acquisition

Geographic Diversification

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

Structure

Adaptation to revised quake-resistance standards (Earthquake Resistant Design Standard under Building Standard Law enforced in 1981) or equivalent structure/strength

Size of Property

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

Trend of Property Information

2005

Area	8th Period							9th Period							Total	%
	Apr	May	Jun	Jul	Aug	Sep	Total	Oct	Nov	Dec	Jan	Feb	Mar	Total		
Tokyo Metropolitan	17	16	21	19	12	26	111	26	24	13	16	20	1	100	211	72.5%
Other Cities	2	2	2	8	10	12	36	22	8	2	4	8	0	44	80	27.5%
Total	19	18	23	27	22	38	147	48	32	15	20	28	1	144	291	100.0%

2006

Area	10th Period							11th Period							Total	%
	Apr	May	Jun	Jul	Aug	Sep	Total	Oct	Nov	Dec	Jan	Feb	Mar	Total		
Tokyo Metropolitan	12	14	13	18	10	5	72								72	69.2%
Other Cities	6	5	6	6	3	6	32								32	30.8%
Total	18	19	19	24	13	11	104								104	100.0%

4 properties valued at 63 billion yen are under due diligence process, and 3 properties out of 4 are under negotiations for acquisition and valued at 58 billion yen.

MEMO

3. Business Forecasts

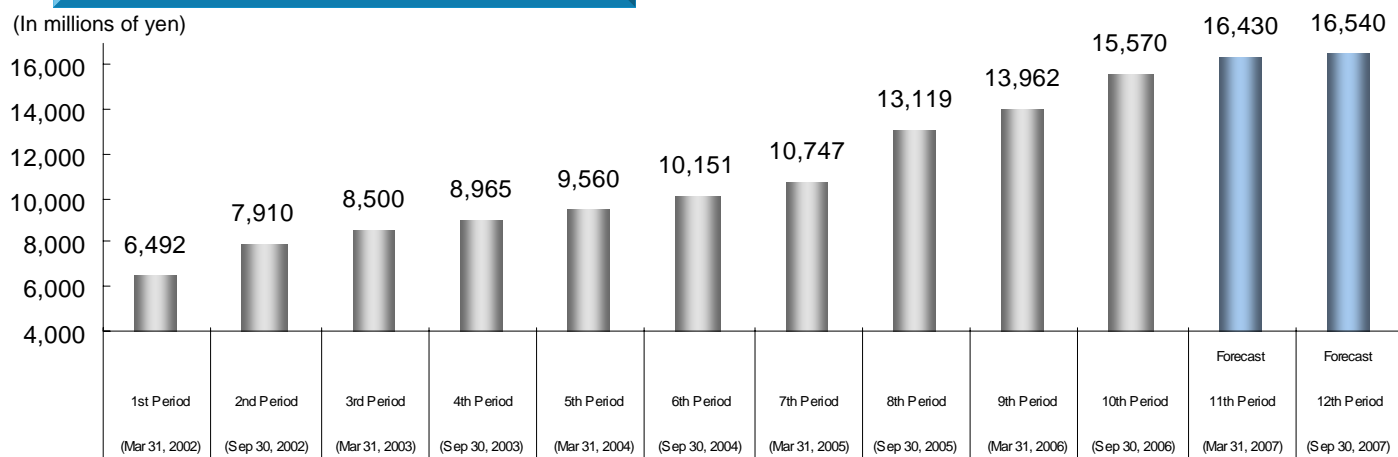
Income Statement Forecast



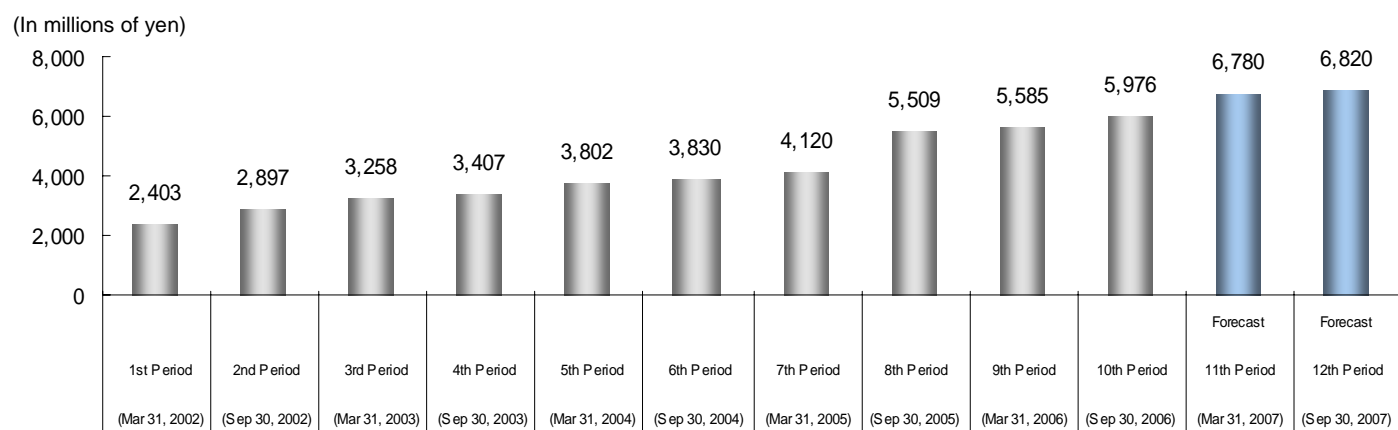
(In millions of yen, except for dividend per unit)

Term	8th Period	9th Period	10th Period	11th Period	12th Period
	Ended Sep 30, 2005	Ended Mar 31, 2006	Ended Sep 30, 2006	Ending Mar 31, 2007	Ending Sep 30, 2007
	actual	actual	actual	forecast	forecast
Number of Properties	50	52	49	50	50
Number of Days	(183 days)	(182 days)	(183 days)	(182 days)	(183 days)
Operating Revenues	13,119	13,962	15,570	16,430	16,540
Property-related Revenues	13,119	13,962	15,169	16,430	16,540
Gain on Sale of Properties	-	-	400	-	-
Operating Expenses	6,893	7,643	8,528	8,530	8,600
Property-related Expenses (excluding Depreciation and Amortization)	4,140	4,384	4,829	5,120	-
Depreciation and Amortization	2,017	2,359	2,682	2,680	-
Administrative Expenses	735	898	1,016	720	-
NOI (excluding Gain on Sale of Properties)	8,978	9,578	10,339	11,310	-
Gross Operating Profits	6,961	7,218	8,058	8,620	-
Operating Profits	6,226	6,319	7,041	7,900	7,940
Non-Operating Profits and Losses	-715	-732	-1,064	-1,120	-1,120
(Interest Expense)	(-577)	(-704)	(-1,022)	(-1,046)	-
Recurring Profits	5,510	5,586	5,977	6,780	6,820
Net Income	5,509	5,585	5,976	6,780	6,820
Dividends	5,509	5,585	5,976	6,780	6,820
Number of Units	345,400 units	345,400 units	345,400 units	410,000 units	410,000 units
Dividend per Unit	15,951 yen	16,172 yen	17,302 yen	16,530 yen	16,600 yen
Occupancy Rate at Period-end	98.6%	98.7%	98.2%	97.4%	—

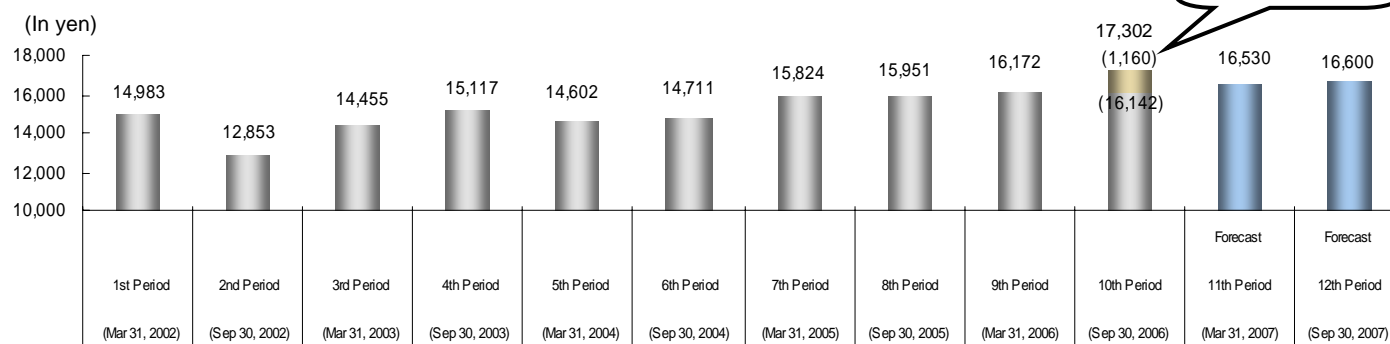
Operating Revenues



Net Income



Dividend per Unit



*Actual number of days in the 1st period was 203 days (about 7 months). The dividend was assumed to be 13,433 yen in 6 months (182 days).

Balance Sheet Forecast for the 11th Period



(In millions of yen)

Item	11th Period-end (Mar 31, 2007)	10th Period-end (Sep 30, 2006)	Change	Reasons for Change
Current Assets				
Cash and entrusted cash	18,575	21,102	-2,527	
Other current assets	500	401	99	
Total Current Assets	19,075	21,504	-2,429	
Fixed Assets				
Property and Equipment				
Buildings (including those held in trust)	140,962	136,599	4,363	
Structures (including those held in trust)	1,572	1,530	42	
Machinery and equipment (including that held in trust)	2,210	2,151	59	
Land (including that held in trust)	293,861	291,407	2,454	
Accumulated depreciation	-18,703	-16,023	-2,680	
Total Property and Equipment	419,902	415,666	4,236	Increased due to acquisition of Nishiki Park and capital expenditure, etc.
Intangible Assets				
Leasehold right, etc. (including those held in trust)	3,032	2,941	91	Increased due to acquisition of Nishiki Park
Total Intangible Assets	3,032	2,941	91	
Investments and Others				
Investment securities	1,272	1,004	268	Increased due to acquisition of preferred capital contribution certificates (Harumi Front TMK)
Long-term prepaid expenses, etc.	13	16	-3	
Total Investments and Others	1,285	1,021	264	
Total Fixed Assets	424,219	419,628	4,591	
Deferred Assets				
Issuance cost of investment corporation bonds	19	29	-10	
Total Deferred Assets	19	29	-10	
Total Assets	443,313	441,163	2,150	

(In millions of yen)

Item	11th Period-end (Mar 31, 2007)	10th Period-end (Sep 30, 2006)	Change	Reasons for Change
Liabilities				
Current Liabilities				
Short-term loans	2,000	64,500	-62,500	Decreased due to repayment
Current portion of long-term loans	6,000	6,000	0	
Current portion of investment corporation bonds	25,000	25,000	0	
Rent received in advance	2,500	2,425	75	
Other current liabilities	3,000	2,902	98	
Total Current Liabilities	38,500	100,827	-62,327	
Long-term Liabilities				
Investment corporation bonds	30,000	30,000	0	Increased due to acquisition of Nishiki Park
Long-term loans	77,000	77,000	0	
Deposits from tenants	26,350	25,886	464	
Other long-term liabilities	0	0	0	
Total Long-term Liabilities	133,350	132,886	464	
Total Liabilities	171,850	233,714	-61,864	
Unitholders' Equity				
Unitholders' Capital	264,683	201,472	63,211	
Retained Earnings	6,780	5,976	804	
Total Unitholders' Equity	271,463	207,449	64,014	
Total Liabilities and Unitholders' Equity	443,313	441,163	2,150	

Occupancy Rate Forecast



Area		Name	10th Period (Sep 2006)	11th Period (Forecast) (Mar 2007)	
Tokyo Metropolitan Area	23 Wards	Genki Medical Plaza	100.0%	100.0%	
		Kitanomaru Square	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%	
		Nibancho Garden	100.0%	100.0%	
		Burex Kojimachi Building	100.0%	100.0%	
		Sanno Grand Building	98.7%	99.3%	
		Yurakucho Denki Building	100.0%	100.0%	
		Kodenmacho Shin-Nihonbashi Building	100.0%	100.0%	
		Burex Kyobashi Building	100.0%	100.0%	
		Ginza Sanwa Building	100.0%	100.0%	
		Ryoshin Ginza East Mirror Building	100.0%	100.0%	
		Aoyama Crystal Building	100.0%	100.0%	
		Shiba 2Chome Daimon Building	98.9%	98.9%	
		Cosmo Kanasugibashi Building	100.0%	100.0%	
		Shinwa Building	100.0%	100.0%	
		Tokyo Opera City Building	97.6%	96.5%	
		Takanawadai Building	100.0%	100.0%	
		Higashi-Gotanda 1Chome Building	87.2%	100.0%	
		Omori-Eki Higashiguchi Building	100.0%	100.0%	
		Nippon Brunswick Building	99.3%	99.3%	
		Yoyogi 1Chome Building	100.0%	100.0%	
		da Vinci Harajuku	100.0%	100.0%	
		Jingumae Media Square Building	82.9%	100.0%	
		Shibuya Cross Tower	99.7%	99.2%	
		Ebisu Neonato	100.0%	100.0%	
	Harmony Tower	100.0%	100.0%		
	Otsuka Higashi-Ikebukuro Building	100.0%	91.3%		
	Ikebukuro 2Chome Building	100.0%	100.0%		
	Ikebukuro YS Building	100.0%	100.0%		
	Average			99.0%	99.4%
	Excluding 23 Wards	Hachioji First Square	98.7%	99.4%	
Saitama Urawa Building		100.0%	96.7%		
Kawasaki Isago Building		93.4%	87.6%		
Average			97.0%	94.1%	
Others	Jozenji Park Building	95.3%	93.3%		
	Sendai Honcho Honma Building	98.7%	93.0%		
	Kanazawa Park Building	94.7%	85.5%		
	Nishiki Park Building	—	98.8%		
	Hirokoji Tokio Marine Nichido Building	81.1%	81.1%		
	Nagoya Hirokoji Building	96.6%	95.8%		
	Nagoya Misono Building	100.0%	89.8%		
	Kyoto Shijo Kawaramachi Building	100.0%	98.8%		
	Sakaisujihonmachi Building	100.0%	100.0%		
	Midosuji Daiwa Building	100.0%	100.0%		
	Kobe Itomachi Building	94.3%	94.3%		
	Lit City Building	100.0%	100.0%		
	NHK Hiroshima Broadcasting Center Building	97.4%	97.4%		
	Tosei Tenjin Building	92.2%	94.3%		
	Tenjin Crystal Building	91.5%	84.9%		
Hinode Tenjin Building	94.0%	90.1%			
Average			96.8%	94.4%	
Average			98.2%	97.4%	

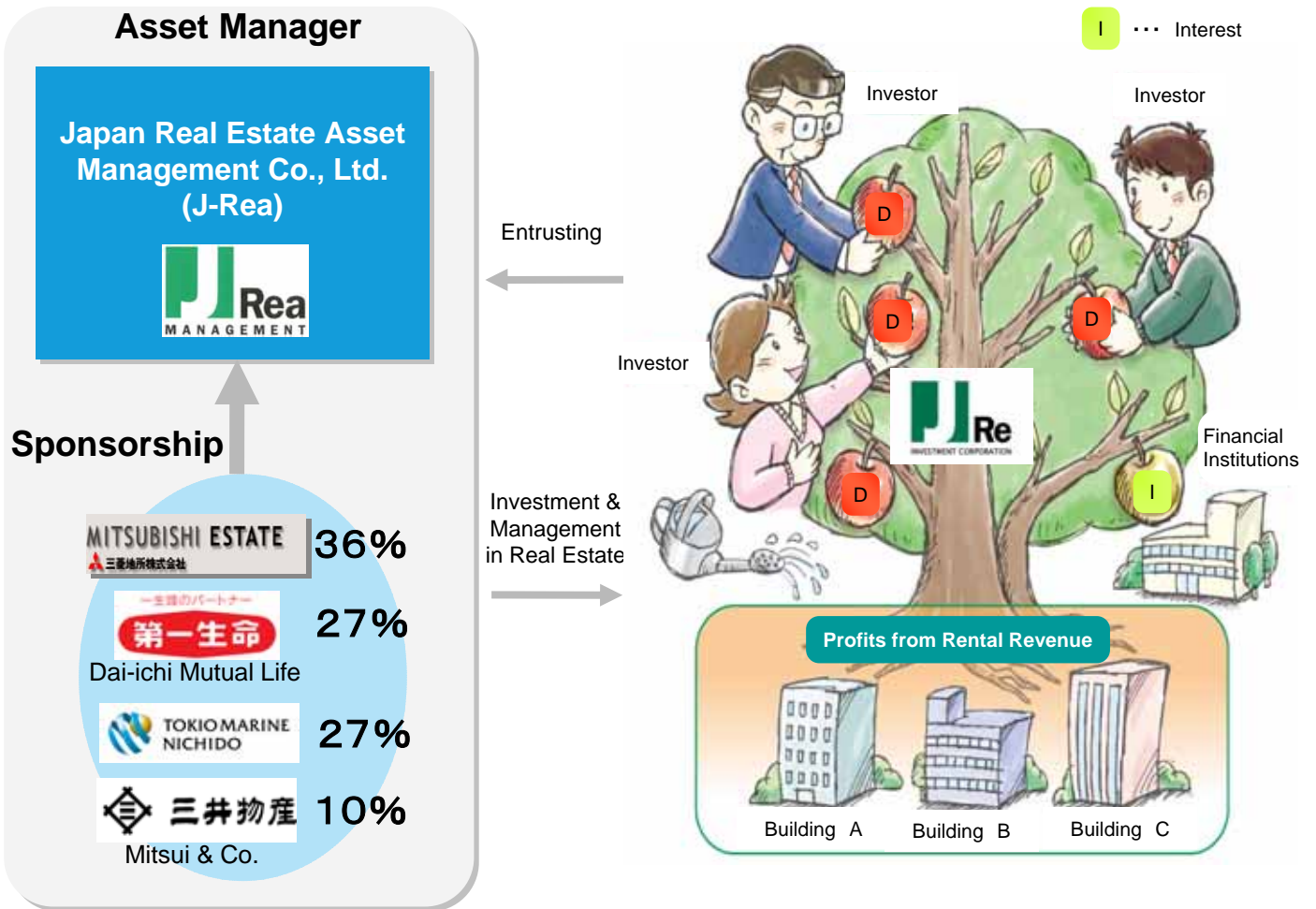
* The above-mentioned occupancy rates do not include those of the residential parts of Kitanomaru Square, Nibancho Garden and Nishiki Park Building.

4. Appendix

Structure of JRE



Structure



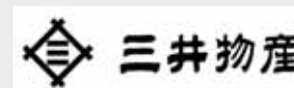
Points

- ◆ 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 Strengths of Japan Real Estate Investment Corporation

(as of Nov 20, 2006)

- ① **Collaboration with four sponsors; Mitsubishi Estate Co., Ltd.; Tokio Marine & Nichido Fire Insurance Co., Ltd.; The Dai-ichi Mutual Life Insurance Company; and Mitsui & Co., Ltd.**



- ② **Investment Corporation focusing on office buildings**
(50 office buildings, total amount for acquisition of properties: ¥423.8 billion)
- ③ **Continuous growth in revenues and profits from IPO to the 10th Period**
- ④ **Highest issuer credit ratings in J-REIT**
(S&P A+, Moody's A1, R&I AA)

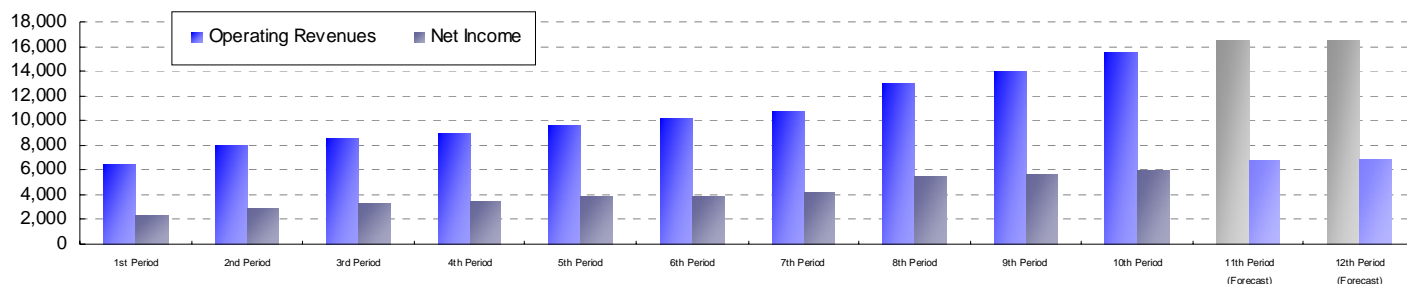
Achievement after IPO and Forecast



Achievement after IPO and Forecast

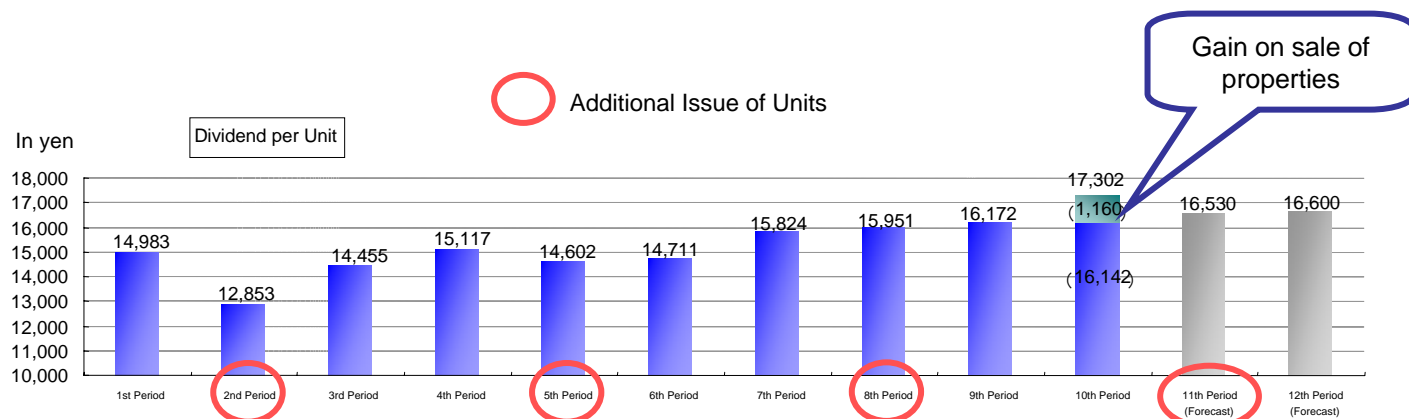
	1st Period Mar 31, 2002 May 2001-Mar 2002	2nd Period Sep 30, 2002 Apr 2002-Sep 2002	3rd Period Mar 31, 2003 Oct 2002-Mar 2003	4th Period Sep 30, 2003 Apr 2003-Sep 2003	5th Period Mar 31, 2004 Oct 2003-Mar 2004	6th Period Sep 30, 2004 Apr 2004-Sep 2004
Operating Revenues (prior 6 month period)	6,492 -	7,910 (+21.8%)	8,500 (+7.5%)	8,965 (+5.5%)	9,560 (+6.6%)	10,151 (+6.2%)
Operating Profits (prior 6 month period)	2,961 -	3,386 (+14.4%)	3,687 (+8.9%)	3,898 (+5.7%)	4,341 (+11.4%)	4,358 (+0.4%)
Recurring Profits (prior 6 month period)	2,405 -	2,898 (+20.5%)	3,259 (+12.5%)	3,408 (+4.6%)	3,803 (+11.6%)	3,831 (+0.7%)
Net Income (prior 6 month period)	2,403 -	2,897 (+20.5%)	3,258 (+12.5%)	3,407 (+4.6%)	3,802 (+11.6%)	3,830 (+0.7%)
Units Outstanding	160,400 units	225,400 units	225,400 units	225,400 units	260,400 units	260,400 units
Dividend per Unit	14,983 yen	12,853 yen	14,455 yen	15,117 yen	14,602 yen	14,711 yen
Total Assets	161,809	185,397	200,022	209,581	244,523	257,372
Total Unitholders' Equity	83,663	115,049	115,410	115,559	137,250	137,279
Unitholders' Equity per Unit	521,591 yen	510,424 yen	512,026 yen	512,688 yen	527,077 yen	527,185 yen
Total Liabilities	78,146	70,347	84,611	94,021	107,272	120,093
Interest-bearing Debt	64,000	54,000	66,800	76,000	87,000	99,000
LTV	39.6%	29.1%	33.4%	36.3%	35.6%	38.5%
Unit Price (period-end)	530,000 yen	511,000 yen	592,000 yen	648,000 yen	830,000 yen	875,000 yen
Market Capitalization	85,012	115,179	133,436	146,059	216,132	227,850
Number of Properties	24	27	30	32	36	39
Total Acquisition Price of Properties	144,697	164,277	183,542	192,607	218,437	239,827
Leasable Area	201,884 m ²	215,928 m ²	236,693 m ²	246,062 m ²	273,157 m ²	293,105 m ²
Occupancy Rate	94.0%	95.3%	94.4%	95.1%	94.8%	93.6%
Number of Newly Issued Units	—	65,000 units	—	—	35,000 units	—
Issue Price	—	490,980 yen	—	—	629,000 yen	—
Aggregate Amount of Issue Price	—	31,913	—	—	22,015	—
Issue Value	—	475,268 yen	—	—	608,456 yen	—
Aggregate Amount of Issue Value	—	30,892	—	—	21,295	—
Payment Date	—	2002/5/7	—	—	2003/10/24	—

In millions of yen



(In millions of yen)

7th Period Mar 31, 2005 Oct 2004-Mar 2005	8th Period Sep 30, 2005 Apr 2005-Sep 2005	9th Period Mar 31, 2006 Oct 2005-Mar 2006	10th Period Sep 30, 2006 Apr 2006-Sep 2006	11th Period Mar 31, 2007 Oct 2006-Mar 2007 (Forecast)	12th Period Sep 30, 2007 Apr 2007-Sep 2007 (Forecast)
10,747 (+5.9%)	13,119 (+22.1%)	13,962 (+6.4%)	15,570 (+11.5%)	16,430	16,540
4,701 (+7.9%)	6,226 (+32.4%)	6,319 (+1.5%)	7,041 (+11.4%)	7,900	7,940
4,121 (+7.6%)	5,510 (+33.7%)	5,586 (+1.4%)	5,977 (+7.0%)	6,780	6,820
4,120 (+7.6%)	5,509 (+33.7%)	5,585 (+1.4%)	5,976 (+7.0%)	6,780	6,820
260,400 units	345,400 units	345,400 units	345,400 units	410,000 units	410,000 units
15,824 yen	15,951 yen	16,172 yen	17,302 yen	16,530 yen	16,600 yen
322,358	355,968	433,552	441,163	-	-
137,569	206,982	207,058	207,449	-	-
528,299 yen	599,254 yen	599,475 yen	600,605 yen	-	-
184,789	148,985	226,493	233,714	-	-
159,000	122,000	196,500	202,500	-	-
49.3%	34.3%	45.3%	45.9%	-	-
875,000 yen	915,000 yen	1,020,000 yen	1,000,000 yen	-	-
227,850	316,041	352,308	345,400	-	-
46	50	52	49	50	50
290,510	326,560	412,766	418,693	423,843	423,843
336,026 m ²	364,610 m ²	400,090 m ²	396,173 m ²	404,148 m ²	404,148 m ²
97.6%	98.6%	98.7%	98.2%	97.4%	-
-	85,000 units	-	-	64,600 units	-
-	826,000 yen	-	-	1,009,400 yen	-
-	70,210	-	-	65,207	-
-	800,288 yen	-	-	978,500 yen	-
-	68,024	-	-	63,211	-
-	2005/4/26	-	-	2006/10/24	-



Improvement of Portfolio Quality



In the 5 years following IPO, the quality of the portfolio has further improved.

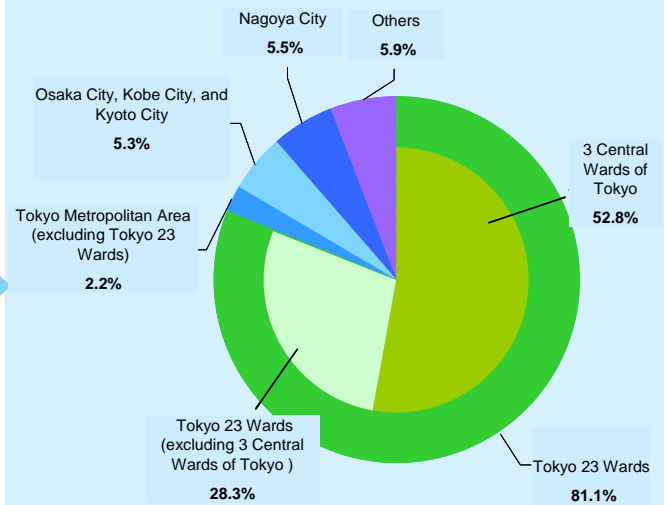
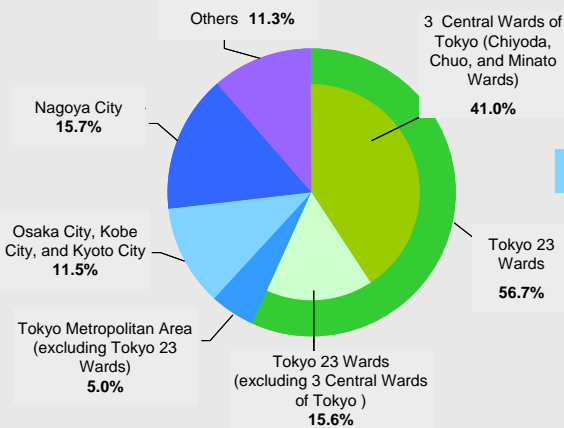
At IPO (End of Sep 2001):
20 properties

After 5 years

As of the end of Sep 2006:
50 properties
(including the properties acquired on
Oct 2, 2006 and Nov 1, 2006)

Geographical diversification

*Acquisition price basis



Highly liquid portfolio, mainly concentrated in Tokyo 23 Wards

Building age

*Weighted average based on acquisition prices

Entire portfolio:
17.9 years

Tokyo 23 Wards:
22.2 years

Other than Tokyo 23 Wards:
12.4 years

Entire portfolio:
15.6 years

Tokyo 23 Wards:
15.8 years

Other than Tokyo 23 Wards:
15.0 years

Even after 5 years since IPO, overall building age is lower in the current portfolio.

At IPO (End of Sep 2001):
20 properties

After 5 years

As of the end of Sep 2006:
50 properties
(including the properties acquired on
Oct 2, 2006 and Nov 1, 2006)

Asset size per property

*Acquisition price basis

Entire portfolio:
4,642 million yen

Tokyo 23 Wards:
5,844 million yen

Other than Tokyo 23 Wards:
3,658 million yen

Entire portfolio:
8,476 million yen

Tokyo 23 Wards:
11,092 million yen

Other than Tokyo 23 Wards:
4,209 million yen

Larger asset size of each property

Portfolio earthquake PML

5.36%

4.69%

PML has improved to a lower level.

Number of tenants

198

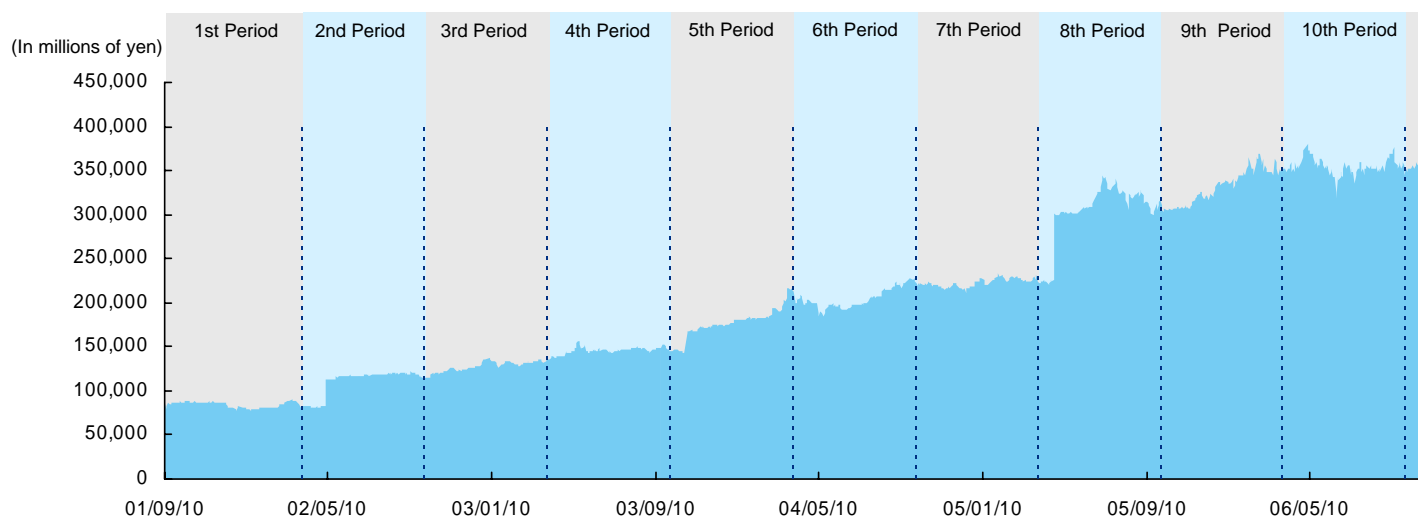
754

Diversification of risk with larger number of tenants

History Following IPO (5 years)



Market Capitalization Performance



Major Financial Summary

Term	1st Period	2nd Period	3rd Period	4th Period	5th Period	6th Period	7th Period	8th Period	9th Period	10th Period
Unit Price (In yen)	530,000	511,000	592,000	648,000	830,000	875,000	875,000	915,000	1,020,000	1,000,000
Market Capitalization (In millions of yen)	85,012	115,179	133,436	146,059	216,132	227,850	227,850	316,041	352,308	345,400
Units Outstanding	160,400	225,400	225,400	225,400	260,400	260,400	260,400	345,400	345,400	345,400
Number of Unitholders	12,574	18,083	15,520	14,451	16,794	15,343	15,219	18,655	15,580	14,248

JRE's Events

September 2001	Listed on TSE for the first time among J-REITs with the aggregate issue price of 84.0 billion yen
Feb / Mar 2002	
May 2002	Acquired credit rating of A+ from S&P and A2 from Moody's for the first time among J-REITs
June 2002	
March 2003	Made additional public offering of units (#1) for the first time among J-REITs with the aggregate issue price of 31.9 billion yen
June 2003	Issued Investment Corporation Bond for the first time among J-REITs
October 2003	Held the 2nd General Unitholders' Meeting (1st time since IPO)
July 2004	Selected as a constituent member of the MSCI Index for the first time among J-REITs
November 2004	Made additional public offering of units (#2) with the aggregate issue price of 22.0 billion yen
December 2004	Commitment line was established.
March 2005	
April 2005	Moody's Investors Service upgraded the rating from A2 to A1 as the first upgrading among J-REITs.
May 2005	Acquired an AA credit rating from R&I
September 2005	
February 2006	Acquired preferred capital contribution certificates as the first time among J-REITs
June 2006	Made additional public offering of units (#3) with the aggregate issue price of 70.2 billion yen
September 2006	
October 2006	Held the 3rd General Unitholders' Meeting (2nd time since IPO)
	Issued Investment Corporation Bond with 20-year maturity, the longest life of bonds issued by J-REITs in history
	Acquired the largest property by J-REITs in history (Kitanomaru Square: Acquisition Price 81.6 billion yen)
	Strengthening of portfolio quality by JRE's first sale of properties
	Recorded increase in revenues and profits successively for the past ten periods
	Made additional public offering of units (#4) with the aggregate issue price of 65.2 billion yen

Structure of Fees to Asset Management Company



Payment of Asset Management Fees to Asset Management Company

(As of September 30, 2006)

Term fee

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

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

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

[Formula]*

- For the portion of the CF that is not more than 2.5 billion yen, the amount equivalent to such portion is multiplied by 8.0%
- For the portion of the CF that is more than 2.5 billion yen but not more than 4 billion yen, the amount equivalent to such portion is multiplied by 5.0%
- For the portion of the CF that is more than 4 billion yen, the amount equivalent to such portion is multiplied by 3.0%

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

Incentive fee

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

[Formula]

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

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

[Formula]

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

CF per Unit shall be calculated by dividing the CF by the total number of outstanding Units as of the end of each fiscal period. Furthermore, calculation of the incentive fee shall be based on the CF before deduction of any incentive fee.

Acquisition fee

In the case of acquisition of Real Estate Assets or other Specified Assets, an amount equivalent to the purchase price (excluding the consumption and local consumption taxes imposed on buildings) multiplied by a rate no higher than 1.0%
In the case of acquisition from any of the shareholders of the Asset Management Company and their consolidated affiliates, an amount equivalent to the purchase price multiplied by 0.25%

Transfer fee

In the case of transfer of Real Estate Assets or other Specified Assets, an amount equivalent to the sales price multiplied by a rate no higher than 0.5%

Asset Management Fees Paid to the Asset Management Company

(In millions of yen)

	1st period	2nd period	3rd period	4th period	5th period	6th period	7th period	8th period	9th period	10th period
Term fee	389	382	408	312	325	330	342	392	410	422
Incentive fee	0	0	24	80	0	32	134	0	160	230
Acquisition fee*	649	88	185	90	192	213	464	180	475	33
Transfer fee	0	0	0	0	0	0	0	0	0	20
Total	1,038	470	617	484	518	576	941	573	1,046	707
Total assets	161,809	185,397	200,022	209,581	244,523	257,372	322,358	355,968	433,552	441,163
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
Amount of sales price during the period	0	0	0	0	0	0	0	0	0	7,003
Term fee / Total assets	0.24%	0.21%	0.20%	0.15%	0.13%	0.13%	0.11%	0.11%	0.09%	0.10%
Incentive fee / Total assets	—	—	0.01%	0.04%	—	0.01%	0.04%	—	0.04%	0.05%
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%
Transfer fee / Amount of sales price during the period	—	—	—	—	—	—	—	—	—	0.29%
Total / Total assets	0.64%	0.25%	0.31%	0.23%	0.21%	0.22%	0.29%	0.16%	0.24%	0.16%

* The acquisition fee is included in the historical cost of acquired properties and recorded as an asset. Therefore, the acquisition fee is not included in the asset management fees on the current income statement.

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Superiority of Portfolio



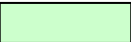
Floor Size by Property and PM Companies

Tsubo per floor Tsubo=3.3㎡ (Standard floor)	Area						Total Number Total Acquisition Price (¥mm) (%)
	Tokyo 23 Wards		Tokyo Metropolitan Area (excl. 23 Wards)	Other Cities			
	3 Central Wards	Other Area		Osaka/Kyoto/Kobe	Nagoya	Other	
450 -	Nibancho Garden (1,117) Sanno Grand (666) Kitanomaru Square (568)	Tokyo Opera City (653)				Kanazawa Park (625) Lit City (550)	6 135,735 (32.0%)
300 - 450	Mitsubishi Soken (442) Yurakucho Denki (398) Shiba 2Chome Daimon (352)	Harmony Tower (413) Ebisu Neonato (373) Shibuya Cross Tower (313)	Hachioji First (335)	Midosuji Daiwa (341)	Nagoya Hirokoji (333)	NHK Hiroshima (301)	10 119,993 (28.3%)
200 - 300	Kandabashi Park (212)	Nippon Brunswick (286) Otsuka Higashi-Ikebukuro (273) Ikebukuro YS (251) Yoyogi 1Chome (230) Shinwa (227) Omori-Eki Higashiguchi (218) Higashi-Gotanda 1Chome (201)		Sakaisuji honmachi (284) Kyoto Shijo Kawaramachi (223)		Hinode Tenjin (252) Nishiki Park (209)	12 62,295 (14.7%)
150 - 200	Ginza Sanwa (198) MD Kanda (198) Genki Medical Plaza (183) Burex Kyobashi (176) Cosmo Kanasugibashi (160) Kodenmachi Shin-Nihonbashi (150)		Kawasaki Isago (197) Saitama Urawa (189)			Jozenji Park (191) Sendai Honcho Honma (179) Tosei Tenjin (167) Nagoya Misono (157)	12 56,119 (13.2%)
100 - 150	Burex Kojimachi (132) Aoyama Crystal (117) Ryoshin Ginza East Mirror (114)	Jingumae (146) da Vinci Harajuku (117) Takanawadai (103)		Kobe Itomachi (111)	Hirokoji Tokio Marine Nichido (144)	Tenjin Crystal (112)	9 47,972 (11.3%)
- 100		Ikebukuro 2Chome (74)					1 1,728 (0.4%)
Total Number	16	15	3	4	4	8	50
Total Acquisition Price (¥mm) (%)	223,906 (52.8%)	119,965 (28.3%)	9,249 (2.2%)	22,564 (5.3%)	23,228 (5.5%)	24,931 (5.9%)	423,843 100.0%
Number of PM Companies	8	6	2	2	3	5	12

- JRE constructs a well-balanced investment portfolio (small, medium and large properties) in Tokyo 23 Wards.
- In case of local cities, JRE makes diversified investments mainly in medium and large sized properties (150-350 tsubo per floor), considering the characteristics of each area.
- JRE keeps property management agreements with several property management companies in each area with a view to assure fair competition among and accumulate know-how through them.

Building Age and Walking Time from the Nearest Station

Time Building Age	Area								Total Number Total Acquisition Price (¥mm) (%)
	Tokyo 23 Wards				Other Area				
	- 1 min. walk	1 - 5 min.	5 - 10 min.	10 min. -	- 1 min. walk	1 - 5 min.	5 - 10 min.	10 min. -	
- 10 years	Kitanomaru Square Burex Kojimachi MD Kanda Harmony Tower Tokyo Opera City	Higashi-Gotanda 1Chome Nibancho Garden Yoyogi 1Chome Burex Kyobashi Ryoshin Ginza East Mirror Jingumae			Hachioji First Lit City				13 175,579 (41.4%)
10 - 20 years	Ebisu Neonato Kodenmachi Shin-Nihonbashi Takanawadai Omori-Eki Higashiguchi	Kandabashi Park Otsuka Higashi Ikebukuro Ikebukuro	Cosmo Kanasugibashi Ikebukuro 2Chome Ikebukuro YS Shinwa da Vinci Harajuku		NHK Hiroshima Sakaisujihonmachi Sendai Honcho Honma Midosuji Daiwa Nishiki Park	Tenjin Crystal Jozenji Park Kanazawa Park Nagoya Misono Kawasaki Isago Saitama Urawa Hinode Tenjin Nagoya Hirokoji Hirokoji Tokio Marine Nichido	Tosei Tenjin Kobe Itomachi		27 114,608 (27.0%)
20 - 30 years	Genki Medical Plaza Ginza Sanwa	Shiba 2Chome Daimon Aoyama Crystal Shibuya Cross Tower				Kyoto Shijo Kawaramachi			6 71,619 (16.9%)
30 years -	Yurakucho Denki Mitsubishi Soken Sanno Grand	Nippon Brunswick							4 62,037 (14.6%)
Total Number	14	12	5	0	7	10	2	0	50 423,843 100.0%

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

- Properties aged 10 years or less account for approx. 41% of the total properties (on an acquisition price basis).
- 94% of the total properties are located within a five-minute walk from the nearest station (on an acquisition price basis).

Summary of Appraisal Values at the End of Period



(In millions of yen)

Name	Acquisition Price	Appraisal Value															
		9th Period					10th Period					Change					
		Appraisal Value	DC	DCF	DC	DCF	Appraisal Value	DC	DCF	DC	DCF	Appraisal Value	Change in Value	DC	DCF		
Appraisal Value	Cap Rate	Assessed CF	Discount Rate	Terminal Cap Rate	Appraisal Value	Cap Rate	Assessed CF	Discount Rate	Terminal Cap Rate	Appraisal Value	Change in Value	Cap Rate	Change in Assessed CF	Discount Rate	Terminal Cap Rate		
Genki Medical Plaza	5,000	6,210	5.30%	330	4.70%	5.70%	6,210	5.30%	331	4.60%	5.90%	0	0.0%	0.00%	0.4%	-0.10%	0.20%
Kitanomaru Square	81,555	80,200	4.10%	3,409	4.00%	4.30%	82,700	4.10%	3,499	4.00%	4.30%	2,500	3.1%	0.00%	2.7%	0.00%	0.00%
MD Kanda Bldg.	9,520	9,080	4.80%	441	4.60%	4.90%	9,680	4.70%	462	4.50%	4.80%	600	6.6%	-0.10%	4.8%	-0.10%	-0.10%
Kandabashi Park Bldg.	4,810	5,010	5.00%	250	4.90%	5.20%	5,210	4.90%	251	4.70%	5.00%	200	4.0%	-0.10%	0.7%	-0.20%	-0.20%
Mitsubishi Soken Bldg.	27,267	31,000	4.70%	1,455	4.50%	4.80%	33,000	4.60%	1,525	4.50%	4.70%	2,000	6.5%	-0.10%	4.8%	0.00%	-0.10%
Nibancho Garden	14,700	15,800	4.40%	706	4.10%	4.60%	16,100	4.20%	686	4.10%	4.40%	300	1.9%	-0.20%	-2.8%	0.00%	-0.20%
Burex Kojimachi Bldg.	7,000	6,880	4.20%	290	4.20%	4.10%	6,930	4.10%	287	4.00%	4.20%	50	0.7%	-0.10%	-1.0%	-0.20%	-0.60%
Yurakucho Denki Bldg.	7,200	7,350	4.60%	344	4.50%	4.80%	7,610	4.60%	355	4.50%	4.80%	260	3.5%	0.00%	3.2%	0.00%	0.00%
Kodenmachi Shin-Nihonbashi Bldg.	3,173	3,400	5.10%	173	5.00%	5.30%	3,420	5.10%	173	5.00%	5.30%	20	0.6%	0.00%	0.3%	0.00%	0.00%
Burex Kyobashi Bldg.	5,250	6,060	4.50%	271	4.50%	5.10%	6,240	4.30%	271	4.20%	4.40%	180	3.0%	-0.20%	0.0%	-0.30%	-0.70%
GINZA Sanwa Bldg.	16,830	17,300	4.00%	724	4.10%	4.10%	17,300	4.00%	724	4.10%	4.10%	0	0.0%	0.00%	-0.1%	0.00%	0.00%
Ryoshin Ginza East Mirror Bldg.	5,353	4,650	4.50%	213	4.40%	4.70%	4,650	4.50%	214	4.40%	4.70%	0	0.0%	0.00%	0.5%	0.00%	0.00%
Aoyama Crystal Bldg.	7,680	8,290	4.50%	382	4.40%	4.70%	8,770	4.40%	394	4.30%	4.60%	480	5.8%	-0.10%	3.2%	-0.10%	-0.10%
Shiba 2Chome Daimon Bldg.	4,859	6,650	5.10%	355	5.00%	5.30%	6,930	5.00%	357	4.90%	5.20%	280	4.2%	-0.10%	0.6%	-0.10%	-0.10%
Cosmo Kanasugibashi Bldg.	2,808	3,360	5.10%	176	5.00%	5.30%	3,470	5.00%	176	4.90%	5.20%	110	3.3%	-0.10%	0.1%	-0.10%	-0.10%
Shinwa Bldg.	7,830	8,180	4.70%	393	4.60%	4.90%	8,270	4.70%	396	4.60%	4.90%	90	1.1%	0.00%	0.8%	0.00%	0.00%
Tokyo Opera City Bldg.	9,350	10,400	4.70%	503	4.60%	4.90%	11,300	4.70%	545	4.60%	4.90%	900	8.7%	0.00%	8.3%	0.00%	0.00%
Takanawadai Bldg.	2,738	2,650	5.20%	139	4.90%	5.30%	2,730	5.10%	140	4.90%	5.20%	80	3.0%	-0.10%	0.6%	0.00%	-0.10%
Higashi-Gotanda 1Chome Bldg.	5,500	6,520	4.80%	316	4.60%	4.90%	6,700	4.60%	324	4.60%	4.90%	180	2.8%	0.00%	2.5%	0.00%	0.00%
Omori-Eki Higashiguchi Bldg.	5,123	5,390	5.40%	295	5.30%	5.60%	5,460	5.40%	298	5.30%	5.60%	70	1.3%	0.00%	1.1%	0.00%	0.00%
Nippon Brunswick Bldg.	6,670	7,910	5.00%	396	4.80%	5.20%	8,090	4.90%	396	4.70%	5.10%	180	2.3%	-0.10%	0.1%	-0.10%	-0.10%
Yoyogi 1Chome Bldg.	8,700	9,620	5.10%	496	4.90%	5.30%	10,100	4.90%	499	4.80%	5.10%	480	5.0%	-0.20%	0.6%	-0.10%	-0.20%
da Vinci Harajuku	4,885	5,900	4.80%	286	4.70%	5.00%	6,080	4.70%	289	4.60%	4.90%	180	3.1%	-0.10%	0.8%	-0.10%	-0.10%
Jingumae Media Square Bldg.	12,200	14,090	4.60%	647	4.50%	4.80%	15,100	4.35%	659	4.35%	4.55%	1,010	7.2%	-0.25%	1.8%	-0.15%	-0.25%
Shibuya Cross Tower	34,600	41,600	4.60%	1,989	4.50%	4.80%	43,300	4.50%	2,006	4.40%	4.70%	1,700	4.1%	-0.10%	0.8%	-0.10%	-0.10%
Ebisu Neonato	4,100	5,000	4.70%	235	4.60%	4.90%	5,370	4.45%	243	4.45%	4.65%	370	7.4%	-0.25%	3.4%	-0.15%	-0.25%
Harmony Tower	8,500	10,400	4.90%	517	4.80%	5.10%	11,800	4.90%	593	4.80%	5.10%	1,400	13.5%	0.00%	14.6%	0.00%	0.00%
Otsuka Higashi-Ikebukuro Bldg.	3,541	3,410	5.60%	189	5.50%	5.80%	3,480	5.60%	191	5.50%	5.80%	70	2.1%	0.00%	0.9%	0.00%	0.00%
Ikebukuro 2Chome Bldg.	1,728	1,510	5.30%	81	5.20%	5.50%	1,540	5.30%	81	5.20%	5.50%	30	2.0%	0.00%	0.6%	0.00%	0.00%
Ikebukuro YS Bldg.	4,500	5,010	5.00%	253	4.90%	5.20%	5,150	5.00%	259	4.90%	5.20%	140	2.8%	0.00%	2.4%	0.00%	0.00%
Hachioji First Square	3,300	3,300	5.70%	189	5.60%	5.90%	3,300	5.70%	187	5.60%	5.90%	0	0.0%	0.00%	-1.0%	0.00%	0.00%
Saitama Urawa Bldg.	2,574	2,420	5.60%	133	5.50%	5.80%	2,550	5.60%	141	5.50%	5.80%	130	5.4%	0.00%	6.6%	0.00%	0.00%
Kawasaki Isago Bldg.	3,375	3,290	5.50%	182	5.40%	5.70%	3,360	5.50%	186	5.40%	5.70%	70	2.1%	0.00%	2.0%	0.00%	0.00%
Jozenji Park Bldg.	1,000	1,060	6.00%	62	5.90%	6.20%	1,070	6.00%	63	5.90%	6.20%	10	0.9%	0.00%	1.3%	0.00%	0.00%
Kanazawa Park Bldg.	4,580	5,480	7.00%	376	6.90%	7.20%	5,610	6.90%	375	6.80%	7.10%	130	2.4%	-0.10%	-0.2%	-0.10%	-0.10%
Nagoya Hirokoji Bldg.	14,533	15,900	5.40%	862	5.30%	5.60%	15,900	5.40%	861	5.30%	5.60%	0	0.0%	0.00%	-0.1%	0.00%	0.00%
Nagoya Misono Bldg.	1,865	1,890	6.20%	119	6.10%	6.40%	1,890	6.10%	115	6.00%	6.30%	0	0.0%	-0.10%	-3.3%	-0.10%	-0.10%
Kyoto Shijo Kawaramachi Bldg.	2,650	2,090	6.20%	130	6.10%	6.40%	2,140	6.10%	131	6.00%	6.30%	50	2.4%	-0.10%	0.2%	-0.10%	-0.10%
Sakaisujihonmachi Bldg.	4,164	4,400	5.80%	263	5.70%	6.00%	4,610	5.60%	265	5.50%	5.80%	210	4.8%	-0.20%	0.7%	-0.20%	-0.20%
Midotsuji Daiwa Bldg.	14,314	14,600	5.40%	792	5.30%	5.60%	15,900	5.20%	837	5.10%	5.40%	1,300	8.9%	-0.20%	5.7%	-0.20%	-0.20%
Kobe Itomachi Bldg.	1,436	945	6.90%	66	6.80%	7.10%	951	6.70%	64	6.60%	6.90%	6	0.6%	-0.20%	-3.1%	-0.20%	-0.20%
Lit City Bldg.	4,650	4,890	6.40%	313	6.30%	6.60%	5,220	6.40%	332	6.30%	6.60%	330	6.7%	0.00%	5.8%	0.00%	0.00%
NHK Hiroshima Broadcasting Center Bldg.	1,320	1,490	6.30%	93	6.20%	6.50%	1,550	6.30%	98	6.20%	6.50%	60	4.0%	0.00%	4.5%	0.00%	0.00%
Tosei Tenjin Bldg.	1,550	1,360	6.30%	83	6.20%	6.50%	1,480	6.20%	90	6.10%	6.40%	120	8.8%	-0.10%	8.2%	-0.10%	-0.10%
Tenjin Crystal Bldg.	5,000	4,970	5.70%	284	5.60%	5.90%	4,970	5.50%	274	5.40%	5.70%	0	0.0%	-0.20%	-3.7%	-0.20%	-0.20%
Hinode Tenjin Bldg.	3,657	3,490	5.70%	198	5.60%	5.90%	3,580	5.60%	200	5.50%	5.80%	90	2.6%	-0.10%	0.6%	-0.10%	-0.10%
Subtotal (46 properties)	392,939	420,405		20,423			436,771		20,865			16,366	3.9%		2.2%		
Sanno Grand Bldg.	20,900	11,400	4.80%	540	4.60%	4.90%	25,100	4.60%	1,146	4.40%	4.70%	13,700		-0.20%		-0.20%	-0.20%
Sendai Honcho Honma Bldg.	3,174	3,150	5.80%	183	5.70%	6.00%	3,450	5.70%	197	5.60%	5.90%	300		-0.10%		-0.10%	-0.10%
Hirokoji Tokio Marine Nichido Bldg.	1,680						1,680	5.60%	94	5.50%	5.80%						
Subtotal (3 properties)	25,754						30,230		1,438								
Total (49 properties)	418,693						467,001		22,303								

Assessed cash flow increased by 1% or more (19 properties)

Assessed cash flow decreased by 1% or more (6 properties)

*DC stands for Direct Capitalization Method.

PML Values



Area	Name	Completion Date	PML Value	
Tokyo Metropolitan Area	Genki Medical Plaza	1985/09	12.57%	
	Kitanomaru Square	2006/01	2.60%	
	MD Kanda Building	1998/02	14.81%	
	Kandabashi Park Building	1993/07	7.40%	
	Mitsubishi Soken Building	1970/07	8.98%	
	Nibancho Garden	2004/04	3.04%	
	Burex Kojimachi Building	2005/01	5.95%	
	Sanno Grand Building	1966/09	5.69%	
	Yurakucho Denki Building	1975/09	8.39%	
	Kodenmachi Shin-Nihonbashi Building	1991/11	10.49%	
	Burex Kyobashi Building	2002/02	8.31%	
	Ginza Sanwa Building	1982/10	10.72%	
	Ryoshin Ginza East Mirror Building	1998/10	9.22%	
	Aoyama Crystal Building	1982/12	10.41%	
	Shiba 2Chome Daimon Building	1984/03	9.95%	
	Cosmo Kanasugibashi Building	1992/03	10.80%	
	Shinwa Building	1989/11	10.17%	
	Tokyo Opera City Building	1996/07	3.62%	
	Takanawadai Building	1991/01	4.11%	
	Higashi-Gotanda 1Chome Building	2004/07	14.96%	
	Omori-Eki Higashiguchi Building	1989/07	15.28%	
	Nippon Brunswick Building	1974/03	13.44%	
	Yoyogi 1Chome Building	2003/10	7.19%	
	da Vinci Harajuku	1987/12	12.20%	
	Jingumae Media Square Building	1998/03	6.59%	
	Shibuya Cross Tower	1976/04	3.71%	
	Ebisu Neonato	1994/10	8.90%	
	Harmony Tower	1997/03	4.43%	
	Otsuka Higashi-Ikebukuro Building	1987/11	3.52%	
	Ikebukuro 2Chome Building	1990/05	16.23%	
	Ikebukuro YS Building	1989/12	6.29%	
	Excluding Tokyo 23 Wards	Hachioji First Square	1996/07	8.00%
		Saitama Urawa Building	1990/03	5.77%
	Kawasaki Isago Building	1990/12	19.00%	
Others	Jozenji Park Building	1993/01	3.18%	
	Sendai Honcho Honma Building	1991/11	1.93%	
	Kanazawa Park Building	1991/10	13.39%	
	Nishiki Park Building	1995/08	5.70%	
	Hirokoji Tokio Marine Nichido Building	1987/09	16.14%	
	Nagoya Hirokoji Building	1987/05	8.10%	
	Nagoya Misono Building	1991/09	7.91%	
	Kyoto Shijo Kawaramachi Building	1982/11	15.41%	
	Sakaisujihonmachi Building	1992/10	5.24%	
	Midosuji Daiwa Building	1991/09	18.24%	
	Kobe Itomachi Building	1989/09	8.62%	
	Lit City Building	2005/06	0.35%	
	NHK Hiroshima Broadcasting Center Building	1994/08	1.55%	
	Tosei Tenjin Building	1992/03	0.19%	
	Tenjin Crystal Building	1993/09	0.14%	
Hinode Tenjin Building	1987/08	0.32%		

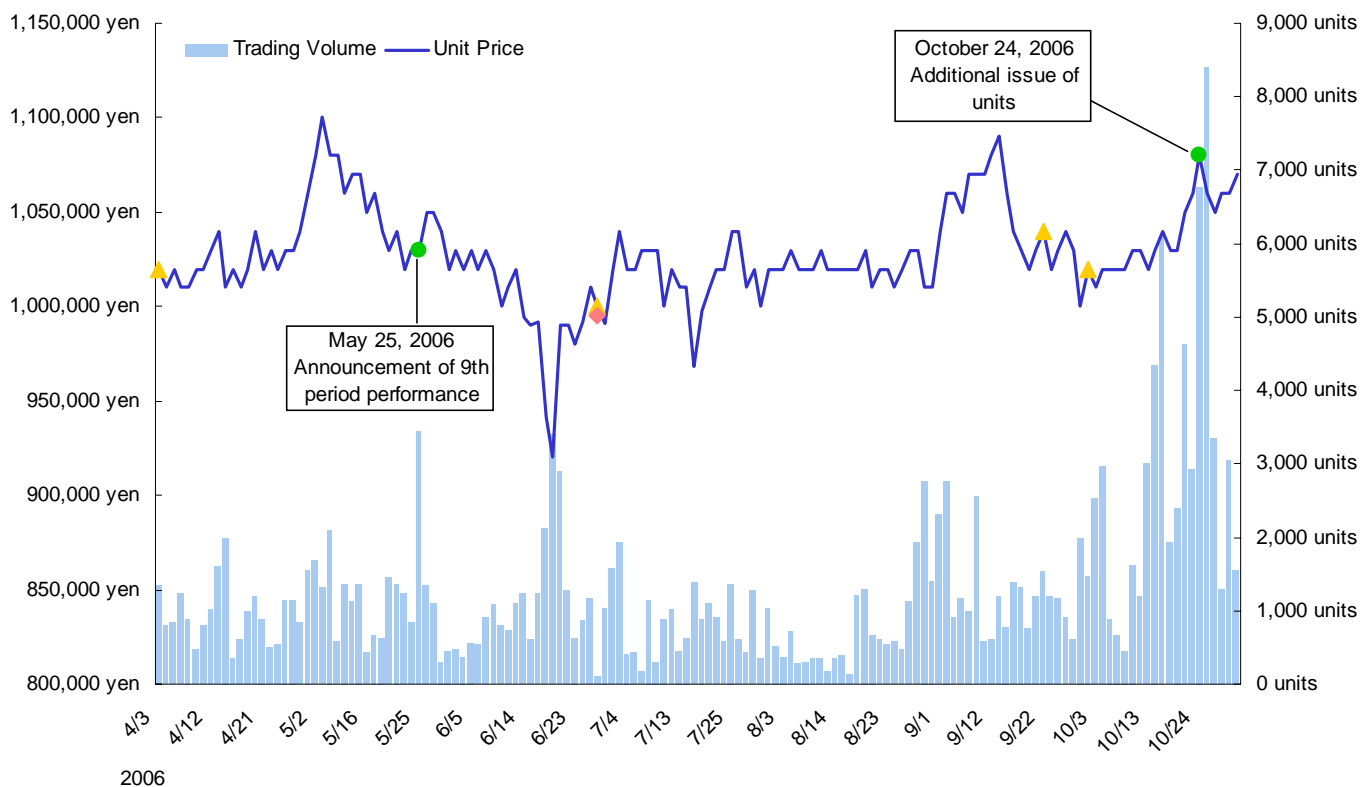
***PML (Probable Maximum Loss) Value: Percentage of Probable Maximum Loss due to Earthquake**

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

Unit Price Performance ① (the 10th Period)



As of October 31, 2006



* Unit prices are based on daily closing prices.

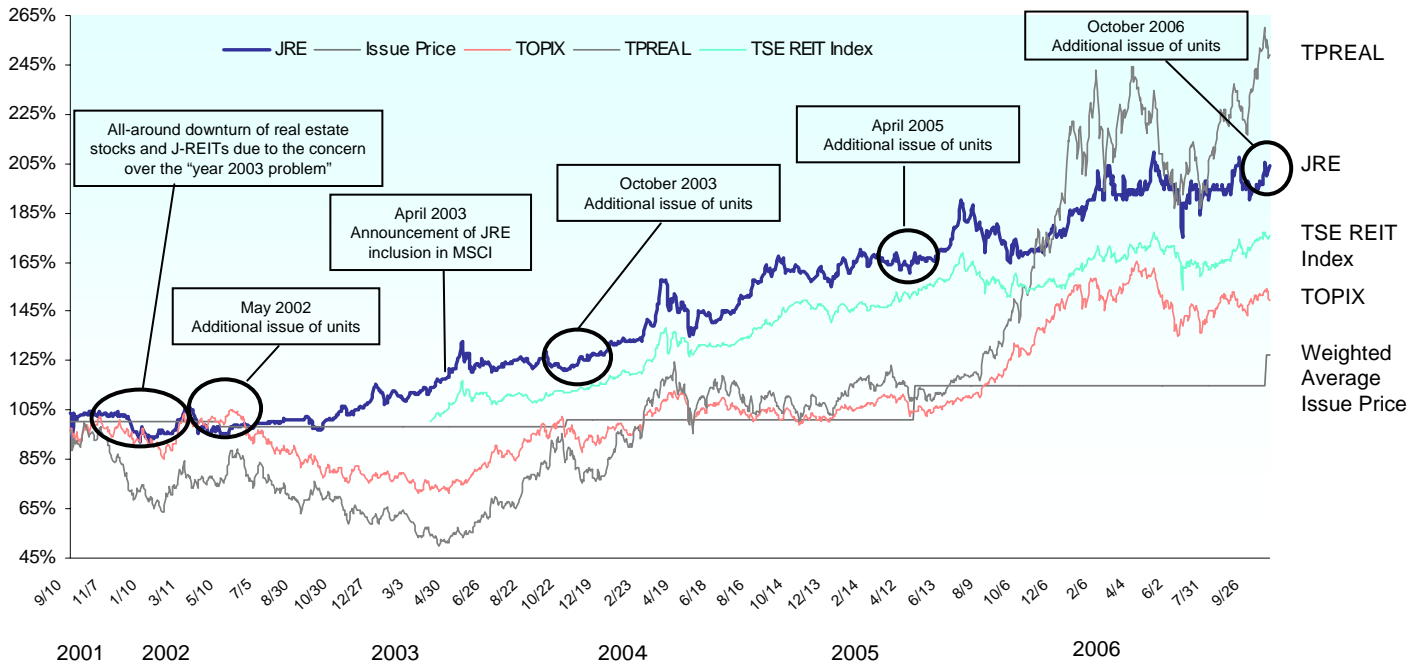
* Circles (●) show announcement of JRE's events, Triangles (▲) show acquisition dates of new properties and Diamond (◆) shows disposal date of properties.

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Unit Price Performance ② (Relative to Major Indices)

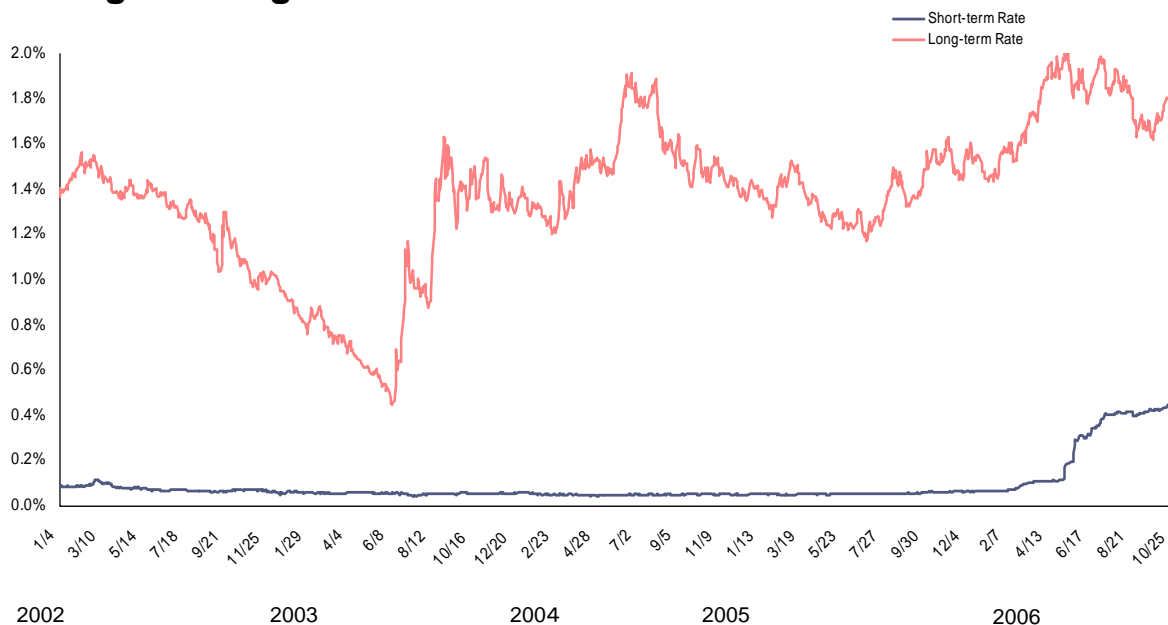


◆ Unit Price Performance (As of October 31, 2006)



- * Stock performance is measured based on the offering price of 525,000 yen for JRE and the closing prices of 1,080.83 yen for TOPIX and 770.21 yen for TPREAL on September 7, 2001. The TSE REIT index is a ratio against the closing price on March 31, 2003.
- * TPREAL (TOPIX Real Estate Index) is a weighted index designed to measure the performance of the real estate sector of the TOPIX index.
- * Stock prices are based on the closing prices of each day.
- * The stock price performance above is historical and not an indication of future performance.

◆ Change in Long- and Short-term Interest Rate

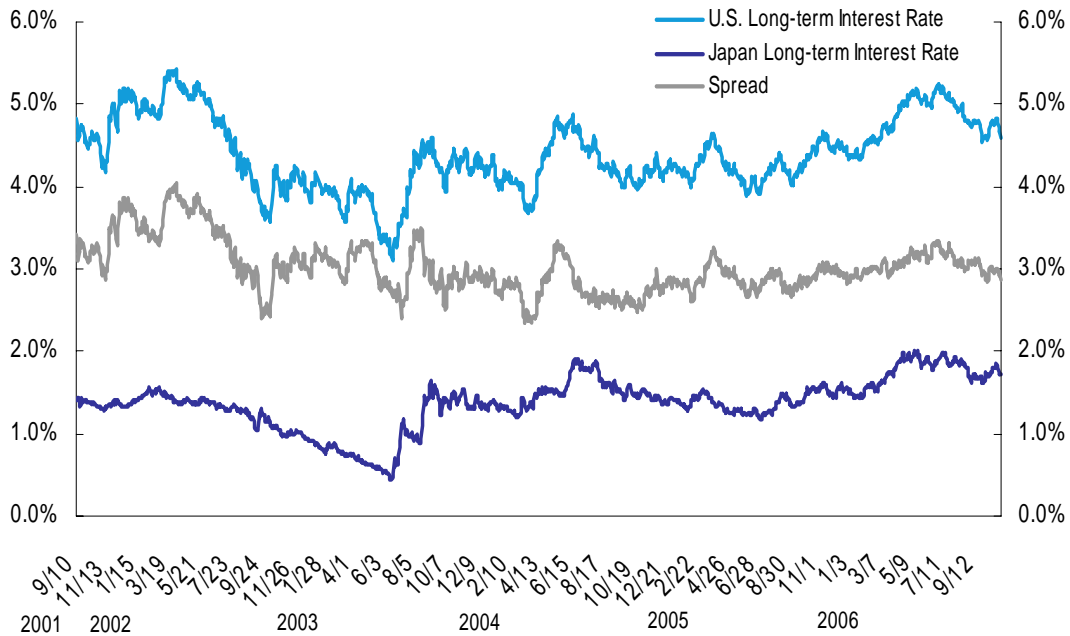


* Long-term rate is based on 10-year JGB yield and short-term rate is based on 3-month LIBOR.

Interest Rate Comparison of Japan and U.S.

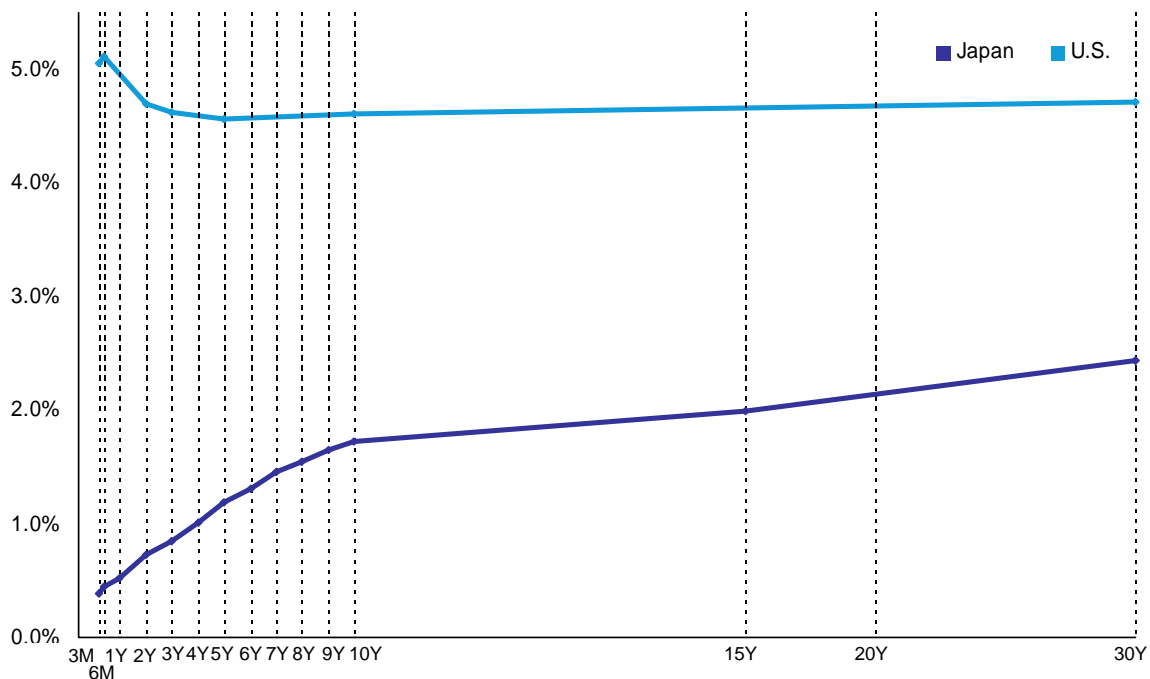


◆ Long-term Interest Rate Comparison of Japan and the U.S. (As of October 31, 2006)



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

◆ Yield Curve Comparison of Japan and the U.S. (As of October 31, 2006)



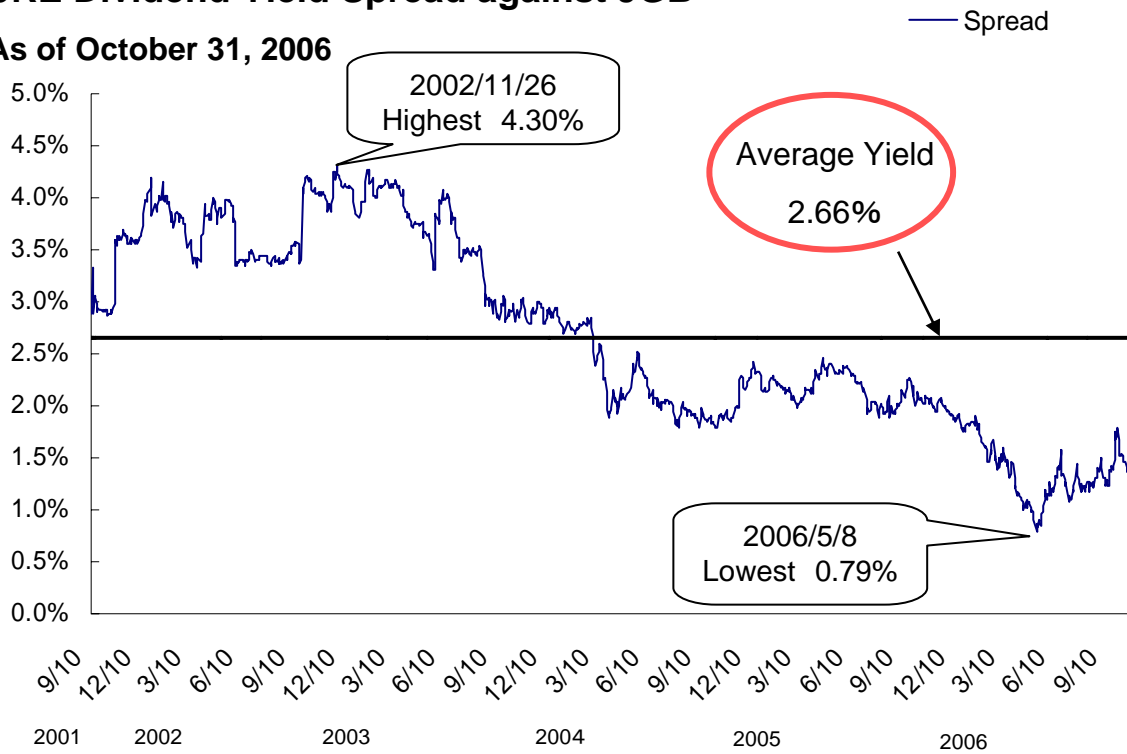
* Source : Bloomberg

Yield Spread Comparison

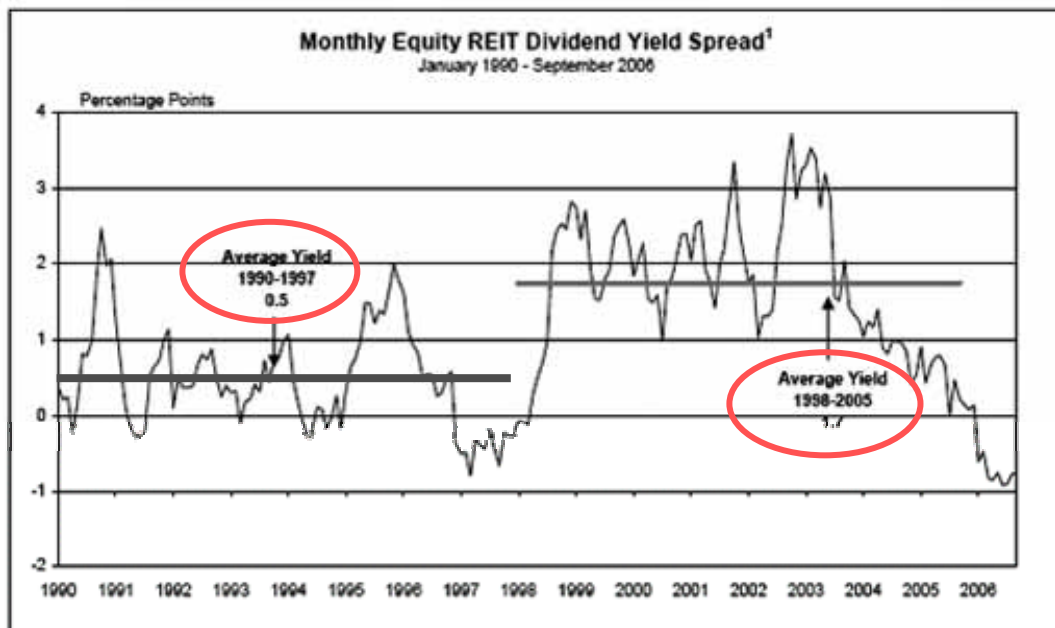


◆ JRE Dividend Yield Spread against JGB

As of October 31, 2006



◆ US Equity REIT Dividend Yield Spread against Treasury



¹ Yield spread calculated by taking the Equity REIT dividend yield less 10-year constant maturity Treasury yield.
Source: NAREIT.*

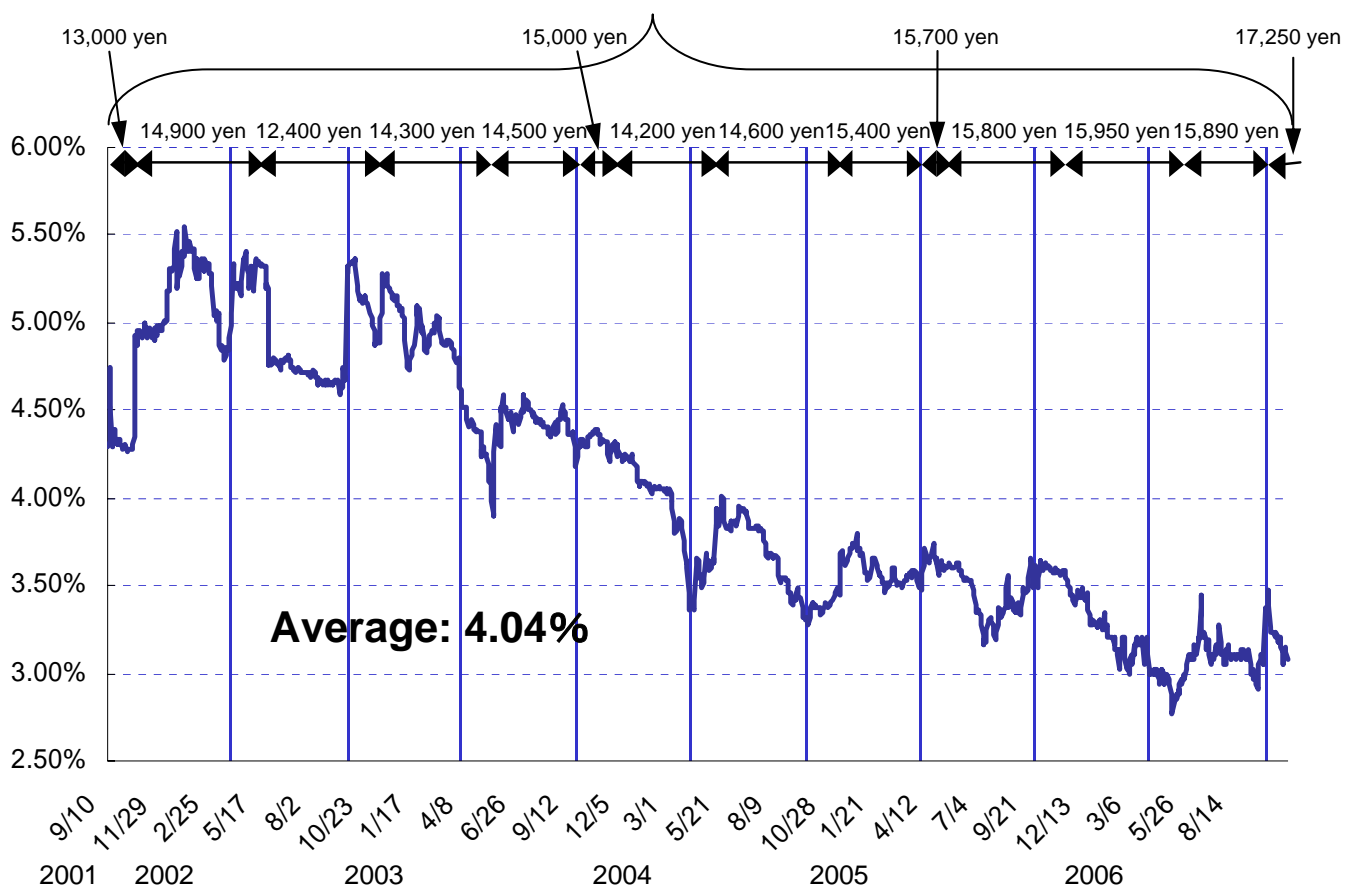
* Source: Compiled by J-Rea based on the data created by NAREIT

Historical Dividend Yield of JRE Unit



As of October 31, 2006

Forecast Dividends	
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
November 18, 2004 (7th-period announcement):	15,400 yen
April 4, 2005 (Upward revision):	15,700 yen
May 18, 2005 (8th-period announcement):	15,800 yen
November 18, 2005 (9th-period announcement):	15,950 yen
May 25, 2006 (10th-period announcement):	15,890 yen
October 2, 2006 (Upward revision):	17,250 yen



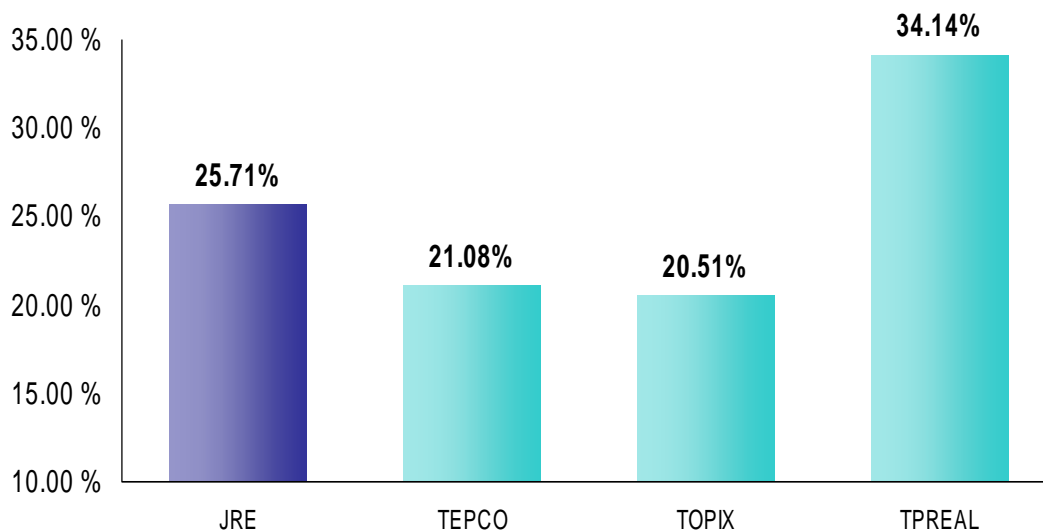
* The average yield is computed by annualizing the disclosed projected dividend per unit divided by the unit price (daily closing price from September 10, 2001 to October 31, 2006).

* Blue lines show ex-dividend dates.

Historical Volatility



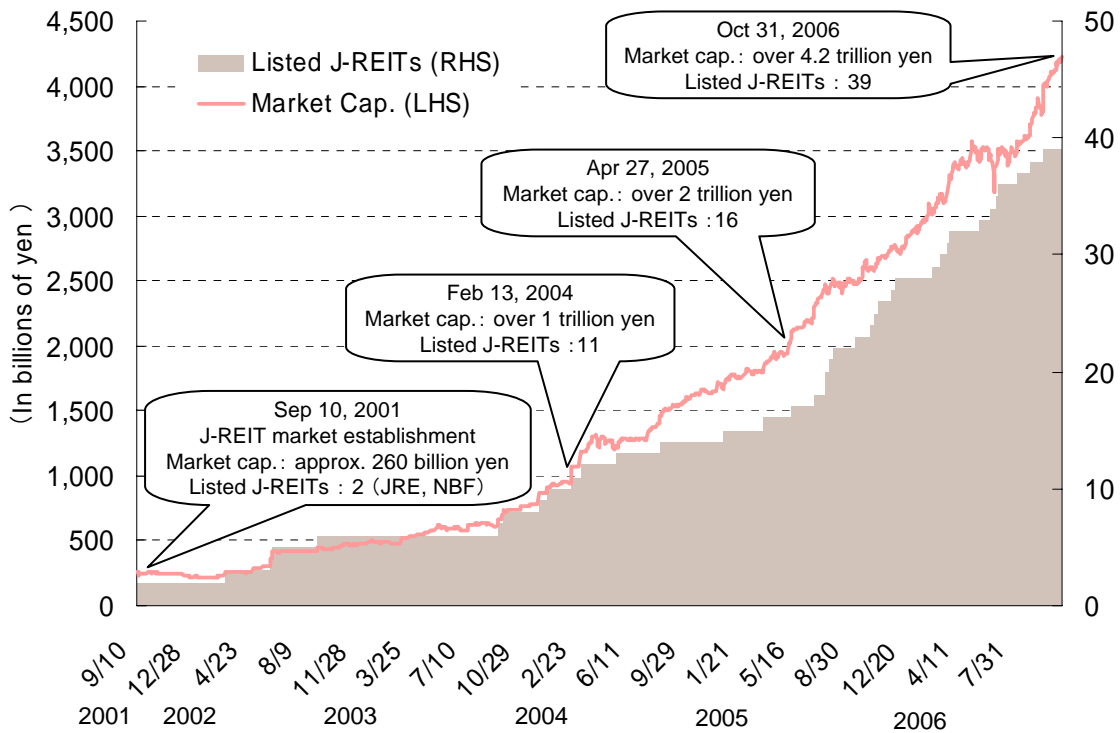
◆ Historical Volatility of Unit Price (As of October 31, 2006)



* 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 sample of the 200 trading day closing prices.
* Source: Bloomberg

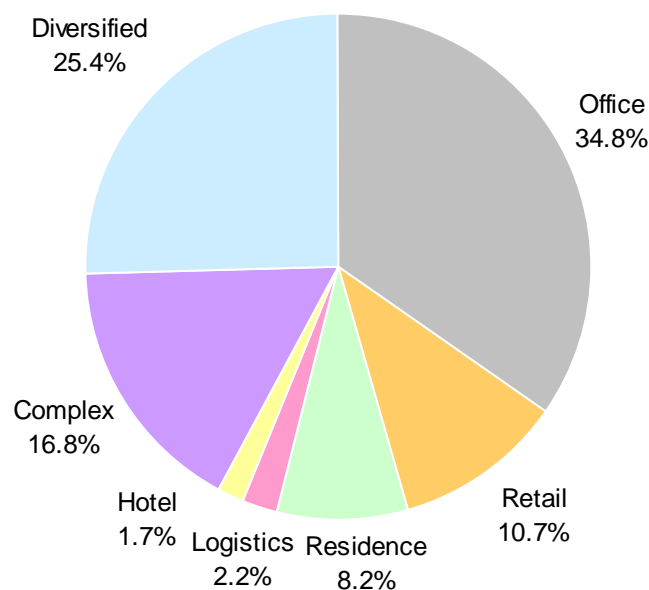
MEMO

◆ J-REIT Market Capitalization and the Number of Listed J-REITs (As of October 31, 2006)



* Source : Bloomberg

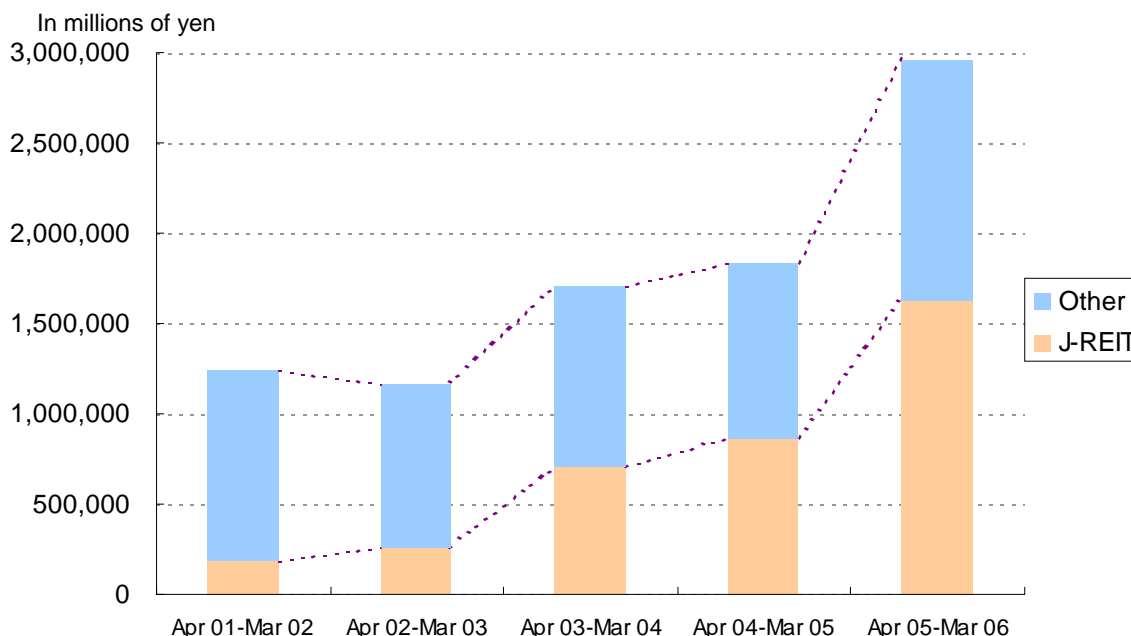
◆ Sector Breakdown by Market Capitalization (As of October 31, 2006)



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

* "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.

◆ Historical Real Estate Transaction Amount

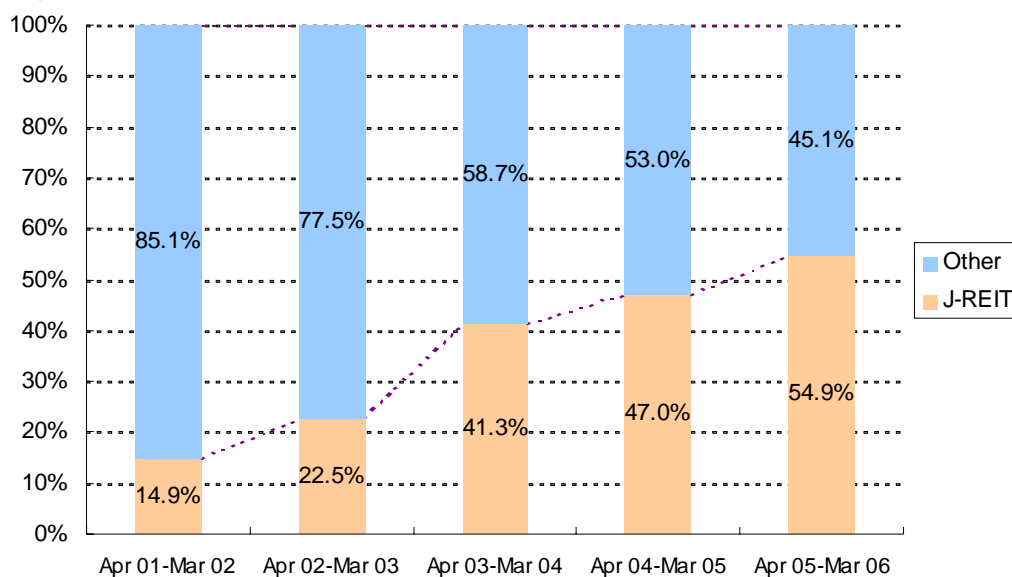


(In millions of yen)

Buyer	Apr 01-Mar 02	Apr 02-Mar 03	Apr 03-Mar 04	Apr 04-Mar 05	Apr 05-Mar 06
Other	1,051,281	906,969	1,005,353	968,767	1,332,474
J-REIT	183,517	263,379	705,987	860,121	1,623,079
Total	1,234,798	1,170,348	1,711,340	1,828,888	2,955,553

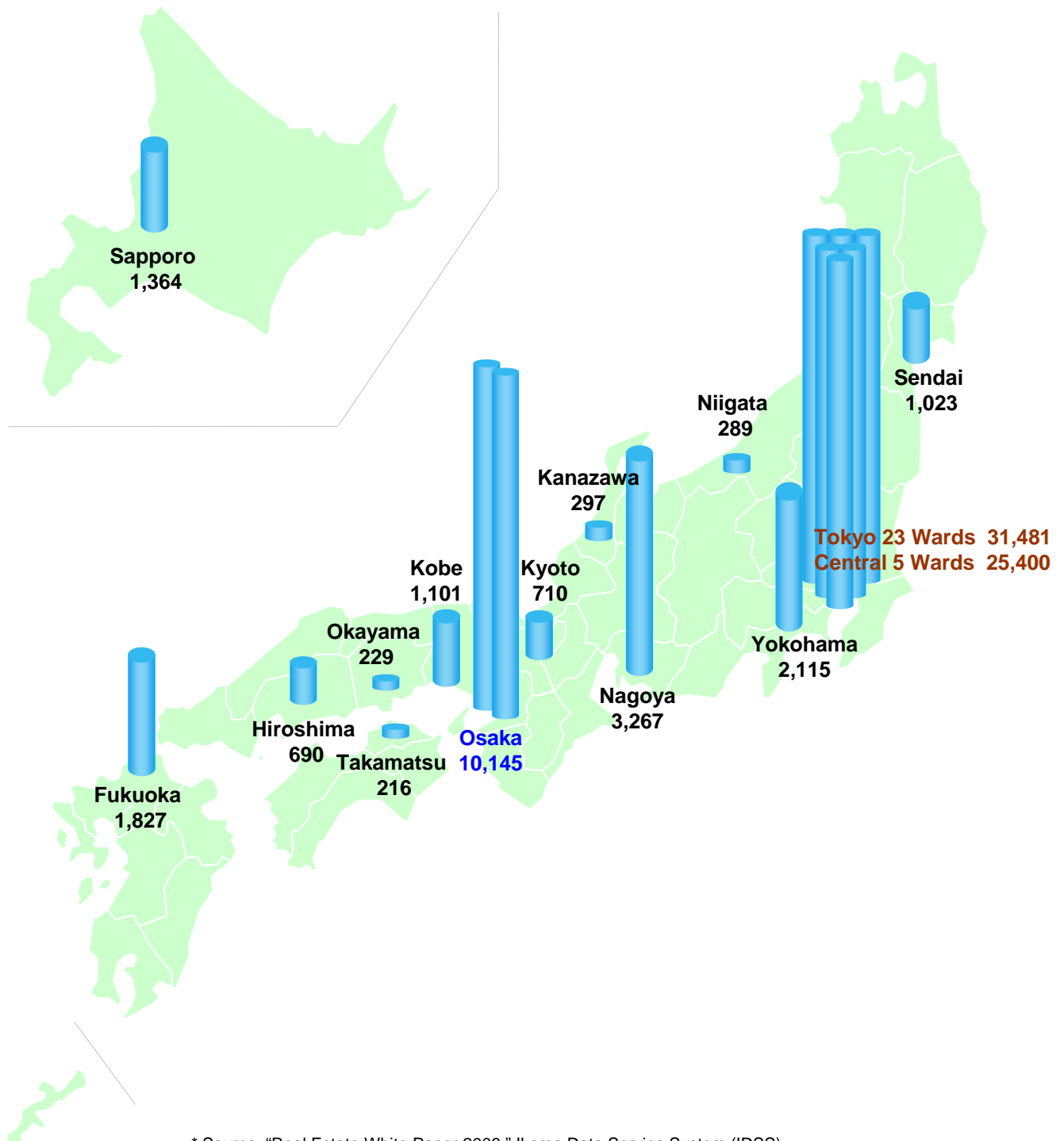
* Source: Compiled by J-Rea based on the data created by STB Research Institute using TD-net of Tokyo Stock Exchange

◆ Percentage of J-REIT in Total Real Estate Transaction Amount



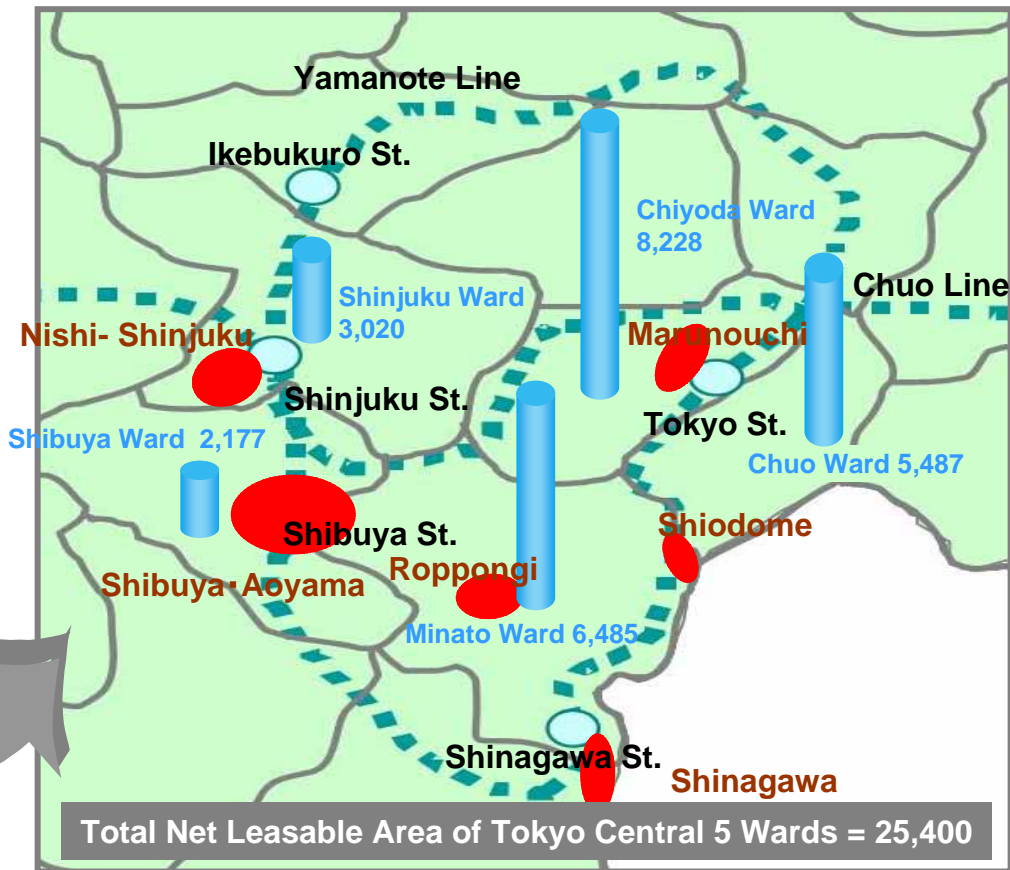
* Source: Compiled by J-Rea based on the data created by STB Research Institute using TD-net of Tokyo Stock Exchange

Comparison of Office Market in Japan Net Leasable Area (thousand m²)



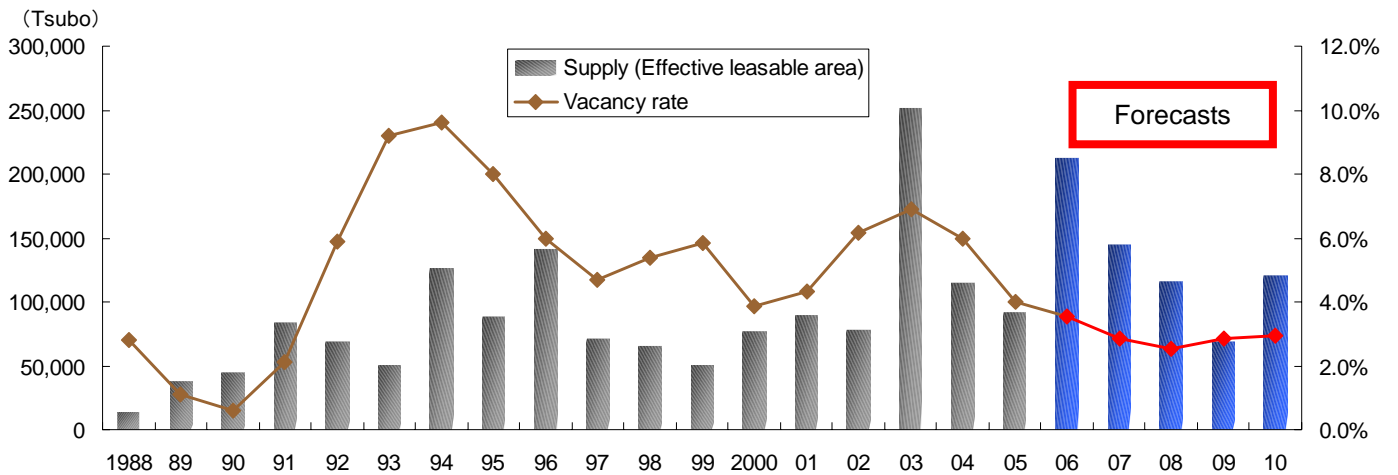
* Source: "Real Estate White Paper 2006," Ikoma Data Service System (IDSS)

Office Market of Tokyo Central 5 Wards Net Leasable Area (thousand m²)



* Source: "Real Estate White Paper 2006," Ikoma Data Service System (IDSS)

Office Building Market in Tokyo



* Source: "Real Estate White Paper 2006," Ikoma Data Service System (IDSS)

* Supply shows total floor areas of buildings with 10,000 tsubo and more.

Quake-Resistance Standards



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.

➡ “Revised 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 Revised 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	Kobe 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 Revised 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 Revised Quake-Resistance Standards?

- ◆ Before and after its large-scale revision of 1981, the Enforcement Order of the Building Standard Law was commonly known as the Former Quake-Resistance Standards and Revised Quake-Resistance Standards, respectively.
- ◆ Differences between the Former and Revised Quake-Resistance Standards are:

Former Quake-Resistance Standard	Revised Quake-Resistance Standards
<ul style="list-style-type: none"> ◆ Confirm safety in a medium level of earthquake (roughly a lower-5 quake on the Japanese earthquake scale) ◆ A tie hoop interval of 15 cm or less, 10 cm or less for places in the vicinity of beams/plinths 	<ul style="list-style-type: none"> ◆ Newly implemented two-phase quake-resistant design rules <ol style="list-style-type: none"> 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) ② In huge earthquakes (roughly lower- and upper-6 on the Japanese earthquake scale), protection of human lives is being aimed at. ◆ 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.

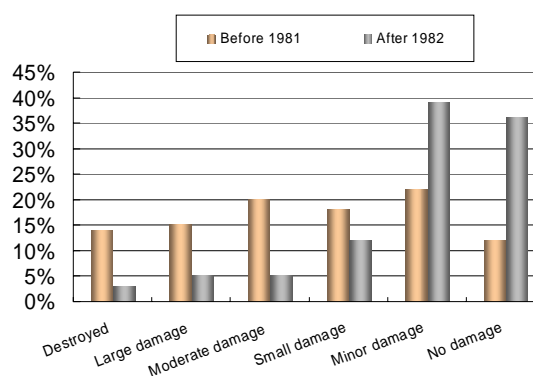
Buildings Damaged in the Great Hanshin Earthquake

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

	Before 1981		After 1982	
	Count	Percentage	Count	Percentage
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 Revised Quake-Resistance Standards were highly resistant to earthquakes.

Disclaimer on Forecasts

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