

Japan Real Estate Investment Corporation

Performance Review for the Eighth Period

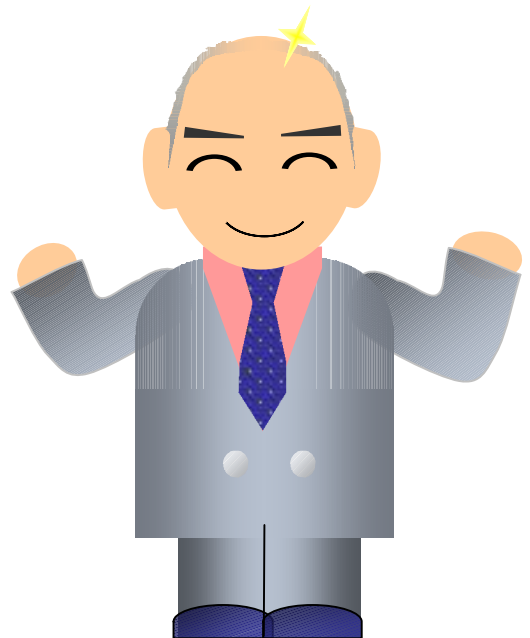
(Ended September 30, 2005)

December 2005



Japan Real Estate Asset Management Co., Ltd.

Hello, Fellow Unitholders!
I'm Kazuhiko Arahata, new president of JREA.
I will make wholehearted efforts to meet your expectation, and would like to ask your continued support of JRE.



Career Summary

Apr 1976	Joined Sumitomo Corporation
Jul 1990	Joined Mitsubishi Estate, Co., Ltd.
Jun 1996	Transferred to Mitsubishi Estate New York Inc. Appointed as Executive Vice President
Apr 1999	Transferred to MEC UK, Ltd. Appointed as Director & Vice President
Apr 2003	Transferred to Mitsubishi Jisho Investment Advisers, Inc. Appointed as Executive Director
Apr 2004	Appointed as President & Director, Mitsubishi Jisho Investment Advisers, Inc.
Apr 2005	Mitsubishi Estate Co., Ltd. General Manager, Urban Development & Investment Management Division, Planning & Promotion Department
Oct 2005	Transferred to Japan Real Estate Asset Management Co., Ltd. Appointed as CEO & President

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Executive Summary

Announced to Acquire “Kitanomaru Square”



<This image was created based on the design drawing, some variations may exist between the image and the actual building. >

<Outside view of Kitanomaru Square under construction >



- λ **The largest** newly constructed properties held by J-REITs in history
- λ Located along Uchibori Street, facing Imperial Palace.
- λ Located just in front of Kudanshita Subway Station, convenient to access to main business areas.

<Outline of the acquisition>

- υ **Acquisition price: 81.5 billion yen**
- υ **Scheduled date of acquisition: February 24, 2006**

<View from Kitanomaru Square: on the Imperial Palace side>



BIG

Our deliberate business management, which keeps Assets, Liabilities

Issuance of Fourth Investment Corporation Bond

- υ Total amount of bond issue: 10 billion yen
- υ Date of issue: September 29, 2005
- υ Maturity: 20 years (the longest maturity in J-REITs)
- υ Coupon rate: 2.56%
- υ Negative pledge clause or other financial covenants: Nil
(First in J-REITs)

DEAL

Additional Public Offering of Units (#3)

- υ Issue price: 826,000 yen
- υ Aggregate Amount of Issue Price: Approx. 70 billion yen
(the largest offering size in J-REITs)
- υ Launch date: April 4, 2005
- υ Pricing date: April 18, 2005
- υ Payment date: April 26, 2005
- υ This offering did not make negative dilution impact on existing unitholders.

and Capital well-balanced in B/S structure, will enable us to grow further!

Financial Summary for the 8th Period and Forecast

Financial Summary for the 8th Period and Forecast

In millions of yen

	10th Period Forecast (Sep 30 2006) Apr 2006-Sep 2006	9th Period Forecast (Mar 31 2006) Oct 2005-Mar 2006	8th Period (Sep 30 2005) Apr 2005-Sep 2005	7th Period (Mar 31 2005) Oct 2004-Mar 2005
Operating Revenue (prior 6 month period)	14,700	13,820	13,119 (+22.1%)	10,747 (+5.9%)
Operating Profit (prior 6 month period)	6,300	6,270	6,226 (+32.4%)	4,701 (+7.9%)
Recurring Profit (prior 6 month period)	5,300	5,510	5,510 (+33.7%)	4,121 (+7.6%)
Net Income (prior 6 month period)	5,300	5,510	5,509 (+33.7%)	4,120 (+7.6%)
Total Assets	—	—	355,968	322,358
Total Liabilities	—	—	148,985	184,789
Total Unitholder Equity	—	—	206,982	137,569
LTV	—	—	34.3%	49.3%
Unit Price (period- end)	—	—	915,000yen	875,000yen
Market Capitalization	—	—	316,041	227,850
Units Outstanding	345,400 units	345,400 units	345,400 units	260,400 units
Dividends per Unit	15,300 yen	15,950 yen	15,951 yen	15,824 yen
Number of Properties	51	51	50	46
Rentable Area	400,586㎡	390,224㎡	364,610㎡	336,026㎡
Occupancy Rate	—	97.9%	98.6%	97.6%

* Information as of the end of each fiscal period

* Assumptions for Performance Forecast:

• Performance forecast for the 9th and 10th Periods is based on 51 properties, including Kitanomaru Square to be acquired on February 24, 2006 and Sanno Grand Building (additional share) to be acquired on April 3, 2006, and disregarding additional acquisitions in future periods.

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

• Vacant spaces will be leased gradually over time.

Comments on the 8th Period

- Continuous growth in revenues and profits over eight consecutive periods since IPO
- JRE acquired the following new properties in the 8th period:

 - Nibancho Garden
 - Tenjin Crystal Building
 - Burex Kojimachi Building
 - Tokyo Opera City Building
- Property management

JRE maintained stable revenues and achieved the highest occupancy rate of 98.6% at the end of the 8th period since IPO.
- Financial condition

 - On April 26, 2005, JRE made the largest additional public offering of investment units in J-REIT history (Investment units issued: 85,000 units, Aggregate amount of the issue price: over 70 billion yen).
 - On September 29, 2005, JRE made the first public issuance of investment corporation bond with 20 year maturity in J-REIT history (Total amount of the issue: 10 billion yen).

Forecasted Revenues and Profits for the 9th and 10th Periods

- Continuous growth in revenues and profits in the 9th period is forecasted due to the contribution from the properties acquired in the 8th period.
- Properties to be acquired in the 9th and 10th periods

 - Kitanomaru Square (Acquisition date planned: February 24, 2006)
 - Sanno Grand Building (additional share) (Acquisition date planned: April 3, 2006)
- The occupancy rate at the end of 9th period is estimated to be 97.9%.

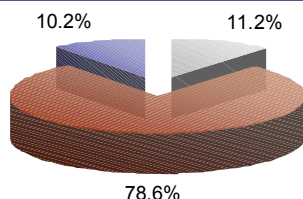
Performance Comparison (the 7th Period vs. the 8th Period)

In thousands of yen

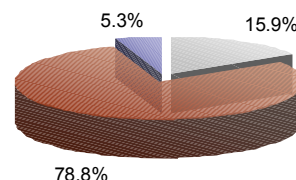
Overall Performance

Item	8th Period (Apr 05-Sep 05)	7th Period (Oct 04-Mar 05)	Change
Revenue	13,119,906	10,747,875	2,372,031
Operating Expenses (Excluding Depreciation)	4,140,938	3,616,670	524,267
NOI	8,978,968	7,131,204	1,847,764
Depreciation	2,017,175	1,641,471	375,704
Operating Profit	6,961,792	5,489,733	1,472,059

Factors which increased Revenue



Factors which increased Profit



- ① 39 properties possessed as of the beginning of the 7th period:
Upto Shinwa Building (properties with full contribution in the 7th and 8th periods)
- ② 7 properties acquired in the 7th period plus a property acquired in the beginning of the 8th Period:
Higashi Gotanda-Nibancho (properties with full contribution in the 8th period)
- ③ 3 properties acquired in the 8th period:
Tenjin Crystal-Tokyo Opera City

(Factor Analysis)

① 39 Properties Possessed as of the beginning of the 7th Period

Item	8th Period (Apr 05-Sep 05)	7th Period (Oct 04-Mar 05)	Change
Revenue	10,604,979	10,339,455	265,523
Operating Expenses (Excluding Depreciation)	3,585,584	3,539,020	46,564
NOI	7,019,394	6,800,435	218,959
Depreciation	1,521,235	1,536,435	-15,199
Operating Profit	5,498,158	5,264,000	234,158

② Properties Acquired in the 7th Period plus Nibancho Garden

(Full contribution of the 8 properties)

Item	8th Period (Apr 05-Sep 05)	7th Period (Oct 04-Mar 05)	Change
Revenue	2,271,816	408,419	1,863,397
Operating Expenses (Excluding Depreciation)	504,280	77,650	426,630
NOI	1,767,536	330,769	1,436,766
Depreciation	381,989	105,036	276,953
Operating Profit	1,385,546	225,733	1,159,813

③ New Properties Acquired in the 8th Period

(Contribution of the 3 properties acquired in the 8th Period)

Item	8th Period (Apr 05-Sep 05)	7th Period (Oct 04-Mar 05)	Change
Revenue	243,110	0	243,110
Operating Expenses (Excluding Depreciation)	51,072	0	51,072
NOI	192,038	0	192,038
Depreciation	113,950	0	113,950
Operating Profit	78,087	0	78,087

(Performance by property)

① 39 Properties Possessed at the beginning of the 7th Period

In thousands of yen

Genki Medical Plaza			MD Kanda		Kandabashi Park		Mitsubishi Soken	
Item	8th Period	7th Period	8th Period	7th Period	8th Period	7th Period	8th Period	7th Period
Revenue	221,663	222,662	293,455	291,939	172,055	173,879	1,063,308	1,062,686
Operating Expenses (Excluding Depreciation)	51,003	53,629	66,551	65,434	21,043	21,493	281,141	288,660
NOI	170,660	169,033	226,903	226,505	151,012	152,386	782,167	774,026
Depreciation	24,067	24,107	49,231	49,217	25,590	25,536	54,045	53,665
Yurakucho Denki			Kodenmachi Shin-Nihonbashi		Burex Kyobashi		Aoyama Crystal	
Item	8th Period	7th Period	8th Period	7th Period	8th Period	7th Period	8th Period	7th Period
Revenue	281,178	282,608	150,658	159,299	150,000	150,000	250,327	262,939
Operating Expenses (Excluding Depreciation)	85,627	93,102	47,808	54,820	13,425	13,827	59,064	56,239
NOI	195,551	189,505	102,849	104,478	136,574	136,172	191,263	206,699
Depreciation	18,777	18,394	27,369	27,315	37,867	37,867	34,090	35,501
Shiba 2Chome Daimon			Cosmo Kanasugibashi		Takanawadai		JAL Travel	
Item	8th Period	7th Period	8th Period	7th Period	8th Period	7th Period	8th Period	7th Period
Revenue	312,341	316,901	131,810	133,156	115,051	69,283	86,804	86,752
Operating Expenses (Excluding Depreciation)	102,697	114,063	69,850	35,456	44,369	68,706	34,220	34,630
NOI	209,643	202,838	61,960	97,700	70,681	576	52,583	52,121
Depreciation	20,581	20,374	21,426	21,497	23,117	23,026	14,593	14,591
Omori-Eki Higashiguchi			Nippon Brunswick		Yoyogi 1Chome		da Vinci Harajuku	
Item	8th Period	7th Period	8th Period	7th Period	8th Period	7th Period	8th Period	7th Period
Revenue	255,154	251,088	332,647	329,807	283,600	283,600	200,079	193,916
Operating Expenses (Excluding Depreciation)	79,073	80,209	93,772	68,005	31,288	6,412	38,105	37,358
NOI	176,080	170,879	238,875	261,802	252,311	277,187	161,974	156,557
Depreciation	57,476	57,403	32,694	32,648	78,278	78,278	15,665	15,832
Jingumae Media Square			Shibuya Cross Tower		Ebisu Neonato		Otsuka Higashi-Ikebukuro	
Item	8th Period	7th Period	8th Period	7th Period	8th Period	7th Period	8th Period	7th Period
Revenue	373,842	345,788	1,478,909	1,490,737	128,314	143,213	169,014	166,696
Operating Expenses (Excluding Depreciation)	86,464	81,910	531,593	548,688	38,290	37,361	51,688	52,686
NOI	287,378	263,877	947,315	942,049	90,024	105,852	117,326	114,010
Depreciation	57,714	57,054	198,801	202,166	41,789	41,789	19,839	19,785
Ikebukuro 2Chome			Shinwa		Ikebukuro YS			
Item	8th Period	7th Period	8th Period	7th Period	8th Period	7th Period		
Revenue	65,467	73,692	259,729	228,104	203,190	189,318		
Operating Expenses (Excluding Depreciation)	22,326	20,910	62,114	52,862	58,138	50,142		
NOI	43,141	52,781	197,615	175,242	145,051	139,176		
Depreciation	13,371	13,227	35,803	35,576	33,912	33,717		
Saitama Urawa			Shin-Yokohama First		Kawasaki Isago			
Item	8th Period	7th Period	8th Period	7th Period	8th Period	7th Period		
Revenue	136,485	132,105	105,204	72,345	152,346	177,519		
Operating Expenses (Excluding Depreciation)	42,157	38,185	109,769	52,214	63,682	73,558		
NOI	94,327	93,920	-4,565	20,130	88,664	103,960		
Depreciation	22,336	22,222	45,968	45,748	42,073	41,882		

In thousands of yen

Sendai Honcho Honma			Niigata Ishizuecho Nishi-Bandaibashi		Kanazawa Park		Kanazawa Minamicho	
Item	8th Period	7th Period	8th Period	7th Period	8th Period	7th Period	8th Period	7th Period
Revenue	150,872	146,743	82,409	83,023	543,485	520,770	76,738	73,742
Operating Expenses (Excluding Depreciation)	39,366	45,219	37,228	39,470	310,523	290,900	30,639	27,256
NOI	111,506	101,524	45,181	43,553	232,962	229,870	46,099	46,486
Depreciation	28,649	28,745	6,237	6,204	79,519	84,328	8,948	8,883

Nagoya Hirokoji			Nagoya Misono		Kyoto Shijo Kawaramachi		Sakaisujihonmachi	
Item	8th Period	7th Period	8th Period	7th Period	8th Period	7th Period	8th Period	7th Period
Revenue	769,157	767,716	114,232	103,889	140,415	131,775	185,169	140,659
Operating Expenses (Excluding Depreciation)	322,265	313,989	32,564	32,398	49,733	70,158	114,484	132,472
NOI	446,891	453,727	81,667	71,491	90,682	61,617	70,684	8,187
Depreciation	73,204	69,936	35,729	36,020	26,558	29,154	47,230	52,429

Midosuji Daiwa			Kobe Itomachi		NHK Hiroshima Broadcasting Center		Tosei Tenjin	
Item	8th Period	7th Period	8th Period	7th Period	8th Period	7th Period	8th Period	7th Period
Revenue	670,780	659,527	68,516	73,542	153,003	80,780	101,050	99,177
Operating Expenses (Excluding Depreciation)	223,481	228,835	33,642	28,022	96,933	86,960	51,839	41,983
NOI	447,299	430,692	34,873	45,520	56,070	-6,180	49,211	57,193
Depreciation	94,514	98,324	14,465	14,465	23,294	23,108	21,071	21,072

Hinode Tenjin		
Item	8th Period	7th Period
Revenue	176,503	168,060
Operating Expenses (Excluding Depreciation)	57,611	100,782
NOI	118,892	67,278
Depreciation	15,326	15,330

② Properties Acquired in the 7th Period plus Nibancho Garden

Higashi Gotanda 1Chome			Sanno Grand		Harmony Tower		Ginza Sanwa	
Item	8th Period	7th Period	8th Period	7th Period	8th Period	7th Period	8th Period	7th Period
Revenue	214,755	113,804	465,357	155,810	416,292	67,768	366,077	40,960
Operating Expenses (Excluding Depreciation)	47,650	19,347	107,365	30,645	112,299	19,307	59,216	4,160
NOI	167,104	94,457	357,992	125,165	303,993	48,460	306,860	36,800
Depreciation	46,490	38,615	30,353	14,182	88,258	29,397	19,160	3,190

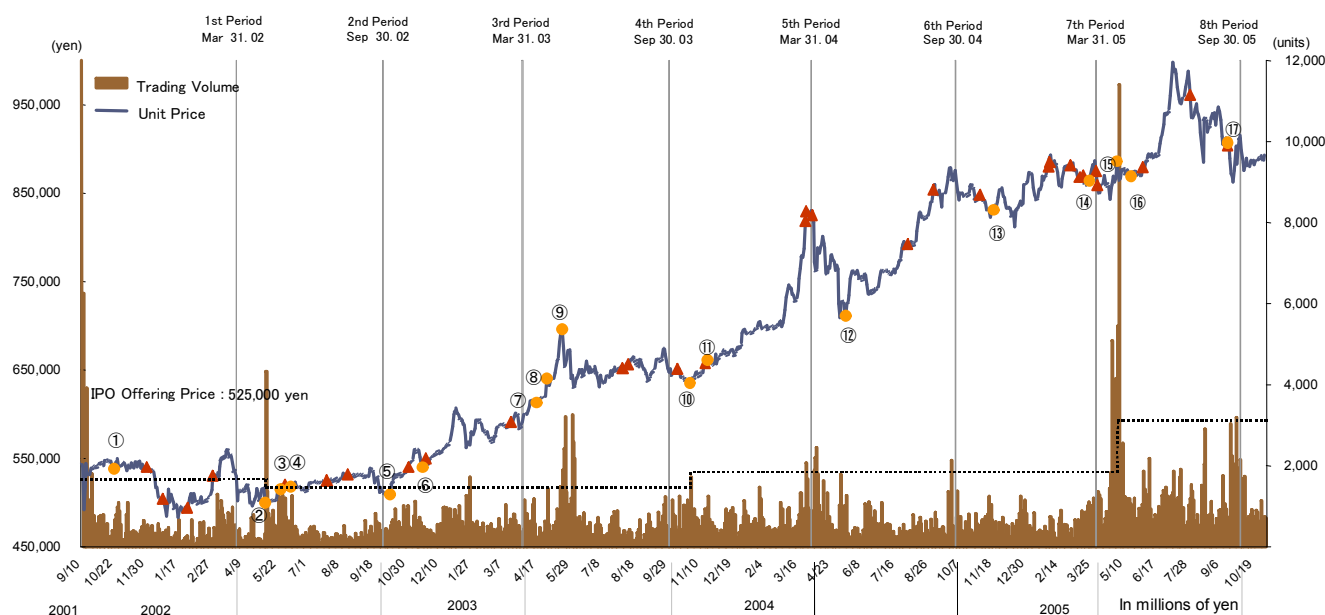
Ryoshin Ginza East Mirror			Nibancho Garden		Hachioji Dai-ichi-Seimei		Jozenji Park	
Item	8th Period	7th Period	8th Period	7th Period	8th Period	7th Period	8th Period	7th Period
Revenue	98,652	8,564	484,399	0	162,161	0	64,120	21,510
Operating Expenses (Excluding Depreciation)	22,883	868	84,629	0	37,928	0	32,307	3,321
NOI	75,769	7,696	399,769	0	124,233	0	31,812	18,189
Depreciation	40,799	6,794	104,781	0	39,375	6,509	12,768	6,346

③ New Properties Acquired in the 8th Period

Burex Kojimachi			Tokyo Opera City		Tenjin Crystal	
Item	8th Period	7th Period	8th Period	7th Period	8th Period	7th Period
Revenue	56,612	0	36,445	0	150,052	0
Operating Expenses (Excluding Depreciation)	143	0	6,623	0	44,305	0
NOI	56,469	0		0	105,746	0
Depreciation	33,393	0		0	58,276	0

*NOI and Depreciation of Tokyo Opera City Building are not shown at the request of co-owners of the building.

Unit Price Performance after IPO



TOPICS

TOPICS	1st Period	2nd Period	3rd Period	4th Period	5th Period	6th Period	7th Period	8th Period	
	① Oct 22, 01 Announcement of Shibuya Cross Tower acquisition	② May 8, 02 Additional issue of units ③ May 27, 02 Announcement of Mitsui & Co. participation & 1st period performance review ④ Jun 7, 02 Announcement of Investment Corporation Bond issuance	⑤ Oct 8, 02 Announcement of outline of the tax system revision ⑥ Nov 19, 02 Announcement of 2nd period performance review	⑦ Apr 16, 03 Announcement of Investment Corporation Bond issuance ⑧ Apr 30, 03 Announcement of JRE Inclusion in MSCI ⑨ May 20, 03 Announcement of 3rd period performance review	⑩ Oct 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 Apr 26, 05 Additional issue of units ⑯ May 18, 05 Announcement of 6th period performance review ⑰ Sep 13, 05 Announcement of Investment Corporation Bond issuance to be Redemption on September 29, 2025 (In millions of yen)	
		161,809	185,397	200,022	209,581	244,523	257,372	322,358	355,968
		83,663	115,049	115,410	115,559	137,250	137,279	137,569	206,982
		85,012	115,179	133,436	146,059	216,132	227,850	227,850	316,041
		160,400 units	225,400 units	225,400 units	225,400 units	260,400 units	260,400 units	260,400 units	345,400 units
		530,000 yen	511,000 yen	592,000 yen	648,000 yen	830,000 yen	875,000 yen	875,000 yen	915,000 yen
		6,492	7,910	8,500	8,965	9,560	10,151	10,747	13,119
		2,403	2,897	3,258	3,407	3,802	3,830	4,120	5,509
		14,983 yen	12,853 yen	14,455 yen	15,117 yen	14,602 yen	14,711 yen	15,824 yen	15,951 yen

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

2. Circles (●) show announcement of topics and Triangles (▲) show acquisition dates of new properties.

3. The dotted line (.....) shows the weighted average of JRE's issue prices.

Summary of Debts

The 8th Period (as of September 30, 2005)

	Lender	Borrowing Date	EOB (millions of yen)	Interest (%) [*]	Repayment Date
Short-term Borrowing	Bank of Tokyo-Mitsubishi, Ltd.	2001/09/25	6,000	1.12	Expected Principal Repayment Date 2006/06/23 Final Principal Repayment Date 2008/06/23
	Mizuho Corporate Bank, Ltd.		6,000		
	The Sumitomo Trust & Banking Co., Ltd.		5,200		
	Mitsubishi UFJ Trust and Banking Corporation [*]		5,200		
	Sompo Japan Insurance Company		1,600		
	The Daishi Bank, Ltd.	2004/10/29	2,000	0.24941	2005/10/29
	The Yamanashi Chuo Bank, Ltd.	2005/06/15	2,000	0.2408	2006/06/15
	Mitsubishi UFJ Trust and Banking Corporation [*]	2005/07/29	3,000	0.22	2006/07/31
	Mitsubishi UFJ Trust and Banking Corporation [*]	2005/09/13	9,000	0.2191	2006/09/13
	Total		40,000		

^{*} Interest rates are weighted average rates calculated by days.

^{*} On October 1, 2005, coinciding with the acquisition of UFJ Holdings by the Mitsubishi Tokyo Financial Group, UFJ Trust merged with the Mitsubishi Trust & Banking Corporation to form the Mitsubishi UFJ Trust and Banking Corporation.

^{*} The borrowing of 10 billion yen from Mitsubishi UFJ Trust and Banking Corporation (3 billion yen borrowed on July 29, 2005 and 7 billion yen out of 9 billion yen borrowed on September 13, 2005) was repayed on October 3, 2005.

	Lender	Borrowing Date	EOB (millions of yen)	Interest (%)	Repayment Date
Long-term Borrowing	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	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	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 8th period end	122,000	million yen
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- The weighted average interest rate is 1.13% based on the amount of debt at the end of the period.
- Duration (as of the end of the 8th period) is 0.76 year (approximately 9 months) for short-term borrowing, 5.31 years (approximately 5 years and 4 months) for the long-term debt (long-term borrowing and investment corporation bonds).

The 7th Period (as of March 31, 2005)

	Lender	Borrowing Date	EOB (millions of yen)	Interest (%) *	Repayment Date
Short-term Borrowing	The Yamanashi Chuo Bank, Ltd.	2004/06/15	2,000	0.42832	2005/06/15
	The Daishi Bank, Ltd.	2004/10/29	2,000	0.26	2005/10/29
	The Mitsubishi Trust & Banking Corporation	2005/01/31	11,000	0.325	2005/05/31
	The Mitsubishi Trust & Banking Corporation	2005/02/28	8,000	0.3241	2005/05/11
	The Chugoku Bank, Ltd.	2005/03/09	3,000	0.295	2005/05/18
	The Daishi Bank, Ltd.	2005/03/09	3,000	0.295	2005/05/18
	The Hachijuni Bank, Ltd.	2005/03/09	2,000	0.295	2005/05/18
	The Kagoshima Bank, Ltd.	2005/03/09	2,000	0.295	2005/05/18
	The Joyo Bank, Ltd.	2005/03/09	2,000	0.295	2005/05/18
	The Iyo Bank, Ltd.	2005/03/09	2,000	0.295	2005/05/18
	The Mitsubishi Trust & Banking Corporation	2005/03/15	5,000	0.2883	2005/05/11
	The Chugoku Bank, Ltd.	2005/03/24	2,000	0.2883	2005/05/24
	The Hachijuni Bank, Ltd.	2005/03/24	2,000	0.2883	2005/05/24
	National Mutual Insurance Federation of Agricultural Cooperatives	2005/03/31	3,000	0.2883	2005/05/18
	Shinsei Bank Limited	2005/03/31	14,000	0.2883	2005/05/11
	Total		63,000		

* Interest rates are weighted average rates calculated by days.

	Lender	Borrowing Date	EOB (millions of yen)	Interest (%)	Repayment Date
Long-term Borrowing	The Bank of Tokyo-Mitsubishi, Ltd.	2001/09/25	6,000	1.12	Expected Principal Repayment Date
	Mizuho Corporate Bank, Ltd.		6,000		
	The Sumitomo Trust & Banking Co., Ltd.		5,200		Final Principal Repayment Date
	The Mitsubishi Trust & Banking Corporation		5,200		
	Sompo Japan Insurance Inc.		1,600		
	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	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		51,000		

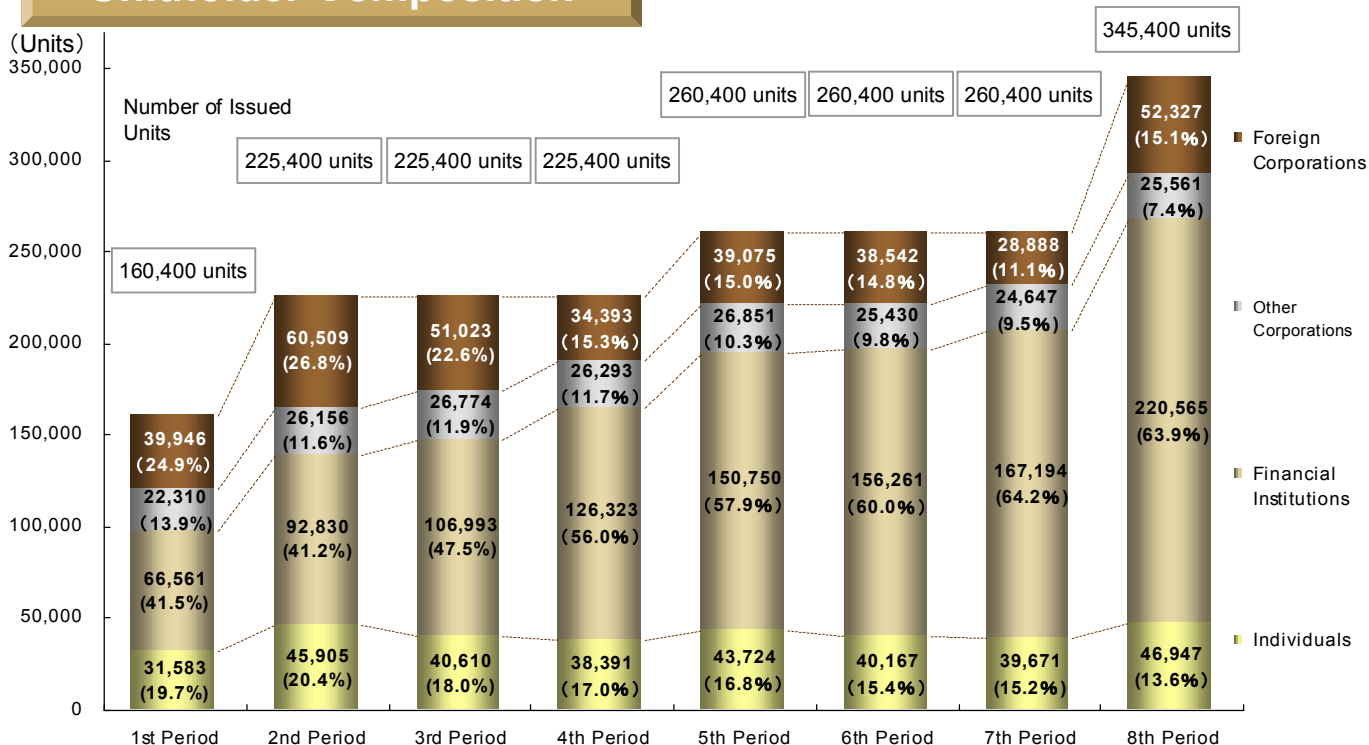
	Bond	Issue Date	EOB (millions of yen)	Interest (%)	Maturity Date
Investment Corporation Bonds	1st Investment Corporation Bond	2002/06/21	25,000	1.32	2007/06/21
	2nd Investment Corporation Bond	2003/04/30	10,000	0.69	2008/04/30
	3rd Investment Corporation Bond	2003/04/30	10,000	0.98	2010/04/30
	Total		45,000		

Total amount of interest-bearing debt as of 7th period end	159,000 million yen
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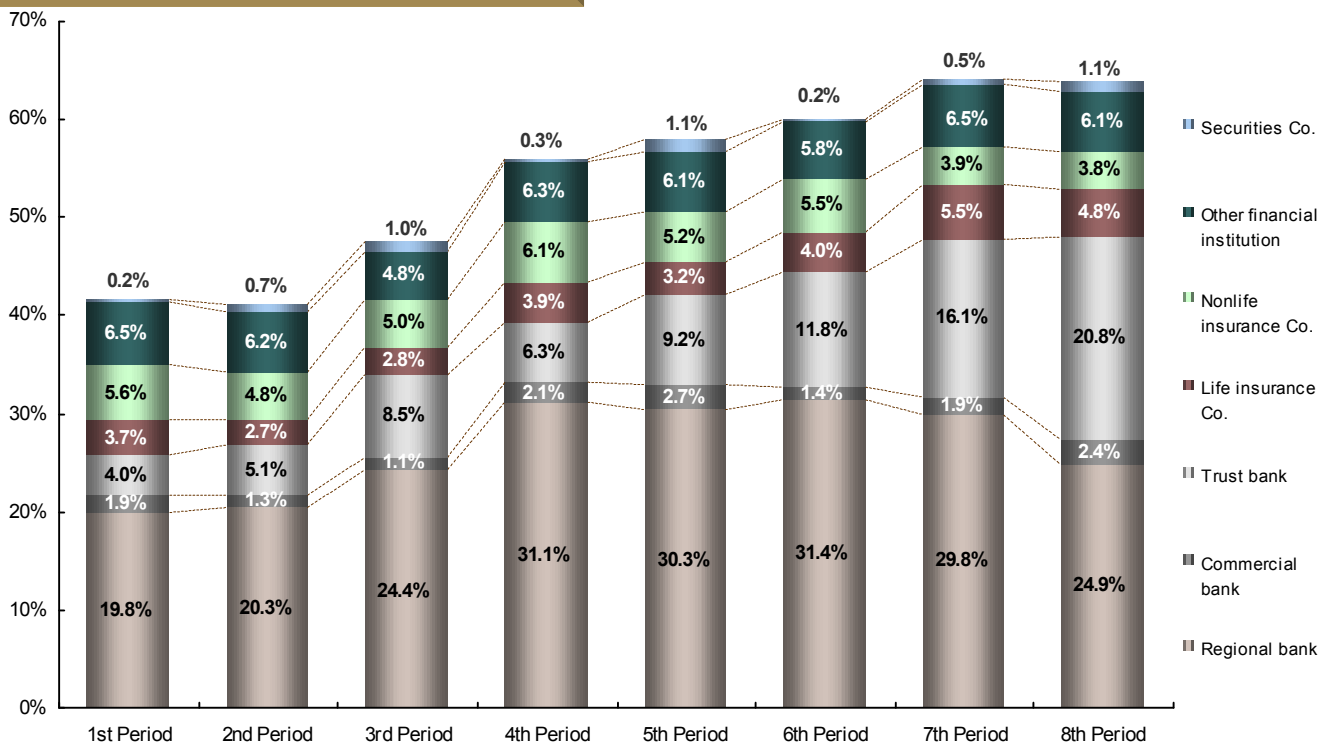
- The weighted average interest rate is 0.81% based on the amount of debt at the end of the period.
- Duration (as of the end of the 7th period) is 0.15 year (approximately 2 months) for short-term borrowing, 3.14 years (approximately 3 years and 2 months) for the long-term debt (long-term borrowing and investment corporation bonds).

Unitholder Data (Composition)

Unitholder Composition



Financial Institutions



Unitholder Data (Major Unitholders)

Number of Unitholders by Sector

	4th Period		5th Period		6th Period		7th Period		8th Period	
	Unitholders	%	Unitholders	%	Unitholders	%	Unitholders	%	Unitholders	%
Individuals	13,810	95.6%	16,047	95.6%	14,592	95.1%	14,447	94.9%	17,777	95.3%
Financial Institutions	152	1.1%	186	1.1%	189	1.2%	203	1.3%	226	1.2%
Other Corporations	352	2.4%	398	2.4%	377	2.5%	357	2.3%	417	2.2%
Foreign Corporations	137	0.9%	163	1.0%	185	1.2%	212	1.4%	235	1.3%
Total	14,451	100.0%	16,794	100.0%	15,343	100.0%	15,219	100.0%	18,655	100.0%

Top 10 Unitholders

8th Period

Company	Units	% of Total Units Outstanding
Japan Trustee Services Bank, Ltd. (Shintaku Acc.)	23,396	6.77%
The Master Trust Bank of Japan (Shintaku Acc.)	18,681	5.41%
Trust & Custody Services Bank, Ltd. (Toshin Acc.)	12,928	3.74%
Mitsubishi Estate Co., Ltd.	10,160	2.94%
Nikko Citi Trust and Banking Corporation (Toshin Acc.)	9,684	2.80%
The Chugoku Bank, Ltd.	9,495	2.75%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	8,120	2.35%
The Yamanashi Chuo Bank, Ltd.	7,300	2.11%
The Joyo Bank, Ltd.	7,138	2.07%
The Dai-ichi Mutual Life Insurance Company	4,920	1.42%

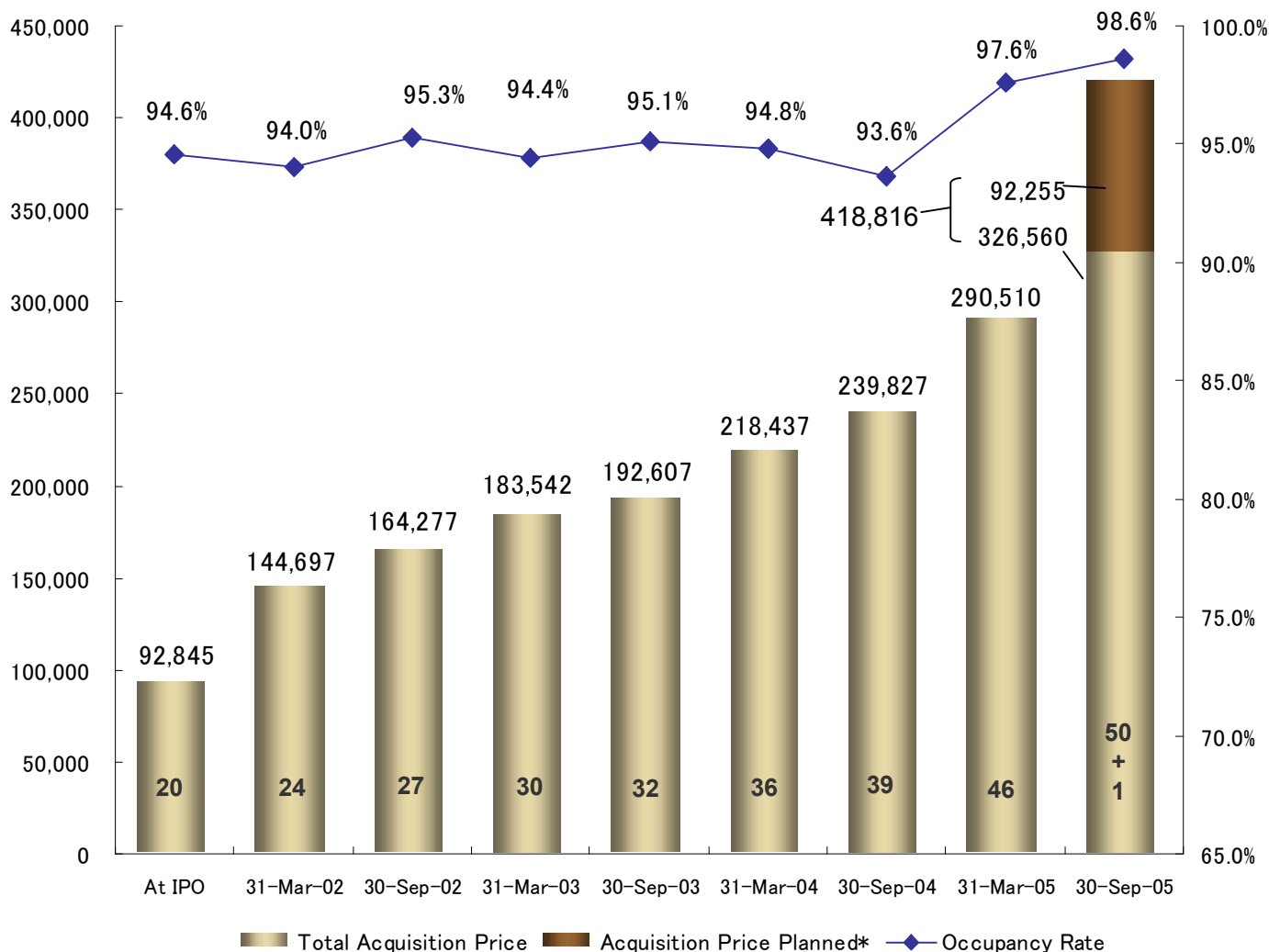
7th Period

Company	Units	% of Total Units Outstanding
Japan Trustee Services Bank, Ltd (Shintaku Acc.)	16,126	6.19%
The Master Trust Bank of Japan (Shintaku Acc.)	11,650	4.47%
Mitsubishi Estate Co., Ltd.	10,160	3.90%
The Chugoku Bank, Ltd.	9,295	3.57%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	8,120	3.12%
Trust & Custody Services Bank, Ltd. (Toshin Acc.)	7,869	3.02%
The Yamanashi Chuo Bank, Ltd.	7,300	2.80%
The Joyo Bank, Ltd.	6,008	2.31%
The Dai-ichi Mutual Life Insurance Company	4,920	1.89%
The Bank of Ikeda, Ltd.	4,704	1.81%

Asset Size and Occupancy Rate

Asset Size and Occupancy Rate

Millions of yen



* The acquisition price planned at the end of September, 2005 indicates total acquisition price of Kitanomaru Square to be acquired on February 24, 2006 and Sanno Grand Building (additional share) to be acquired on April 3, 2006.

Total amount of acquisition prices is expected to reach 400 billion yen.
(Steady expansion of total asset)

Property Data

(In millions of yen) (In thousands of yen)

Area	Name	8th Period Appraisal Value (Sep 30, 05)	7th Period Appraisal Value (Mar 31, 05)	8th Period Book Value (Sep 30, 05)	Acquisition Price	Year Built	Rentable Area (m ²) (Sep 30, 05)	Occupancy Rate (Sep 30, 05)	
Tokyo Metropolitan Area	23 Wards	Genki Medical Plaza	6,200	5,890	5,202	5,000,000	1985	4,791	100.0%
		MD Kanda Building	8,460	8,140	9,327	9,520,000	1998	6,269	100.0%
		Kandabashi Park Building	4,920	4,890	4,725	4,810,000	1993	3,687	100.0%
		Mitsubishi Soken Building	30,400	30,400	26,972	27,267,000	1970	18,006	100.0%
		Sanno Grand Building	10,900	10,300	10,612	10,200,000	1966	10,573	96.6%
		Yurakucho Denki Building	7,230	7,030	7,580	7,200,000	1975	4,694	100.0%
		Kodenmacho Shin-Nihonbashi Building	3,320	3,240	2,986	3,173,000	1991	3,897	100.0%
		Burex Kyobashi Building	5,940	5,450	5,251	5,250,000	2002	4,279	100.0%
		Ginza Sanwa Building	16,900	16,900	17,059	16,830,000	1982	4,329	100.0%
		Ryoshin Ginza East Mirror Building	4,540	4,410	5,550	5,353,500	1998	2,875	100.0%
		Aoyama Crystal Building	7,920	7,720	7,674	7,680,000	1982	4,916	100.0%
		Shiba 2Chome Daimon Building	5,900	5,410	5,002	4,859,000	1984	9,643	99.1%
		Cosmo Kanasugibashi Building	3,110	3,020	2,671	2,808,000	1992	4,062	100.0%
		Shinwa Building	7,830	7,800	7,902	7,830,000	1989	6,197	100.0%
		Takanawadai Building	2,590	2,530	2,616	2,738,000	1991	4,067	100.0%
		Higashi Gotanda 1Chome Building	6,130	5,710	5,501	5,500,000	2004	5,205	100.0%
		JAL Travel Building	1,480	1,460	1,275	1,362,000	1991	3,383	100.0%
		Omori-Eki Higashiguchi Building	5,390	5,200	4,731	5,123,000	1989	7,708	100.0%
		Nippon Brunswick Building	7,570	7,180	6,688	6,670,000	1974	7,347	99.3%
		Yoyogi 1Chome Building	9,300	8,850	8,660	8,700,000	2003	7,772	100.0%
		da Vinci Harajuku	5,660	5,370	4,986	4,885,000	1987	3,109	100.0%
		Jingumae Media Square Building	13,480	13,110	12,219	12,200,000	1998	5,558	100.0%
		Shibuya Cross Tower	38,100	35,500	35,894	34,600,000	1976	29,828	99.5%
		Ebisu Neonato	4,450	4,350	4,025	4,100,000	1994	2,462	100.0%
		Harmony Tower	9,100	8,670	8,853	8,500,000	1997	10,929	100.0%
		Otsuka Higashi-Ikebukuro Building	3,410	3,410	3,314	3,541,000	1987	7,114	94.6%
		Ikebukuro 2Chome Building	1,450	1,420	1,665	1,728,000	1990	2,186	100.0%
		Ikebukuro YS Building	4,580	4,460	4,522	4,500,000	1989	5,797	100.0%
	Excluding 23 Wards	Hachioji Dai-ichi-Seimei Building	3,300	3,300	3,313	3,300,000	1996	6,336	95.3%
		Saitama Urawa Building	2,360	2,360	2,481	2,574,000	1990	4,510	100.0%
		Shin-Yokohama First Building	1,640	1,620	2,963	3,000,000	1992	6,925	92.9%
		Kawasaki Isago Building	3,210	3,150	3,071	3,375,000	1990	6,831	95.1%
	Other Major Cities	Jozenji Park Building	1,040	1,000	1,047	1,000,000	1993	2,518	95.3%
Sendai Honcho Honma Building		3,030	2,930	2,724	2,924,000	1991	5,829	98.7%	
Niigata Ishizucho Nishi-Bandalbashi Building		729	741	1,003	1,010,000	1984	4,383	96.6%	
Kanazawa Park Building		5,420	5,420	4,537	4,580,000	1991	21,343	96.1%	
Kanazawa Minamicho Building		985	992	1,292	1,331,000	1987	3,794	95.5%	
Nagoya Hirokoji Building		15,300	15,000	14,258	14,533,000	1987	21,631	99.1%	
Nagoya Misono Building		1,860	1,860	1,759	1,865,000	1991	3,470	100.0%	
Kyoto shijo Kawaramachi Building		2,020	2,020	2,944	2,650,000	1982	6,800	100.0%	
Sakaisujihonmachi Building		4,230	4,170	4,138	4,164,000	1992	11,574	97.9%	
Midosuji Daiwa Building		14,100	13,800	13,844	14,314,000	1991	20,450	100.0%	
Kobe Itomachi Building		945	949	1,365	1,436,000	1989	3,478	92.3%	
NHK Hiroshima Broadcasting Center Building		1,480	1,390	1,334	1,320,000	1994	5,477	98.6%	
Tosei Tenjin Building		1,340	1,340	1,460	1,550,000	1992	4,000	98.1%	
Hinode Tenjin Building		3,480	3,480	3,476	3,657,000	1987	5,860	96.5%	
Subtotal		302,729	293,342	290,492					
Properties acquired in the 8th Period		Nibancho Garden	15,100	-	14,791	14,700,000	2004	9,316	100.0%
	Burex Kojimachi Building	6,880	-	7,120	7,000,000	2005	4,495	100.0%	
	Tokyo Opera City Building	9,350	-	9,426	9,350,000	1996	9,244	96.0%	
	Tenjin Crystal Building	4,970	-	5,174	5,000,000	1993	5,640	98.7%	
Total (50 properties)		339,029	293,342	327,005	326,560,500		364,610	98.6%	

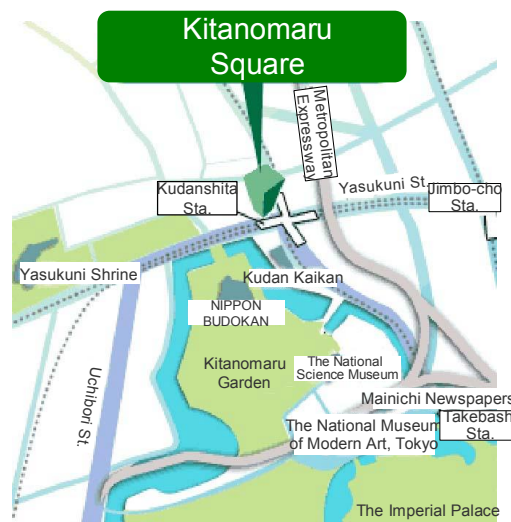
	Name	Appraisal Value (before acquisition)			Acquisition Price	Year Built	Rentable Area (m ²)	Occupancy Rate
Properties to be acquired in the 9th and the 10th Periods	Kitanomaru Square	80,200	-	-	81,555,500	2006	25,637	100.0%
	Sanno Grand Building (additional share)	10,700	-	-	10,700,000	1966	10,361	96.6%
Total		90,900			92,255,500		35,998	-

* The figures in the rentable areas of Nibancho Garden and Kitanomaru Square are for offices. Both properties respectively have 1,686m² (Occupancy rate: 100%) and 11,694m² (Occupancy rate: to be determined) for the rentable areas for residence.

*The rentable area and occupancy rate of Kitanomaru Square are projections as of the acquisition date. Those of Sanno Grand building (additional share) are the actual figures as of September 30, 2005.

Properties to Be Acquired in the 9th and 10th periods

Kitanomaru Square



*This image was created based on the design drawings. Some variations may exist between the image and the actual building.

Transaction Summary

υ Seller:	Palace View, Limited
υ Acquisition Price:	81,555.5 million yen
υ Appraisal Value:	80,200.0 million yen (As of July 1, 2005)
υ Acquisition Date:	February 24, 2006 (planned)

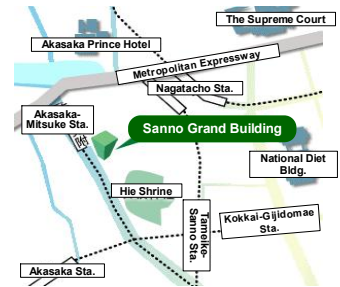
Property Summary

υ Address:	1-13-12 Kudan Kita, Chiyoda-ku, Tokyo
υ Area:	Land: 5,821.03 m ² Building: 58,969.18 m ²
υ Structure:	Steel-framed and partially steel-reinforced concrete/twenty-six stories with two basements
υ Built:	the end of January, 2006 (planned)
υ Type of Ownership:	Trust beneficiary right in trust of real estate
υ Rentable Area:	Office/shop: 25,637 m ² , Residence: 11,694 m ²
υ Occupancy rate:	Office/shop: 100.0%, Residence: to be determined (The rentable areas and occupancy rates on the scheduled acquisition date are projections as of September 30, 2005.) *For the residential space, a master lease agreement will be concluded between a property management company, which has experiences in luxurious condominium rental business.

Sanno Grand Building

Transaction Summary

- υ Seller: Mitsubishi Estate Co., Ltd.
- υ Acquisition Price: 10,700 million yen
- υ Appraisal Value: 10,700 million yen
(As of Oct 14, 2005)
- υ Acquisition Date: Apr 3, 2006 (planned)



Property Summary

- υ Address: 2-14-2, Nagatacho, Chiyoda-ku, Tokyo
- υ Area: Land: 3,663.93 m² Building: 33,875.95 m²
- υ Structure: Steel-framed reinforced concrete/ ten stories with three basements
- υ Built: September, 1966
- υ Type of Ownership: Real Property (share of co-ownership for both land and building: 49%)
* With this acquisition of additional share, the share of co-ownership in this property for the Corporation will become 99.0%.
- υ Rentable Area: 21,146 m² (total space for the entire building as of September 30, 2005)
- υ Occupancy rate: 96.6% (As of September 30, 2005)

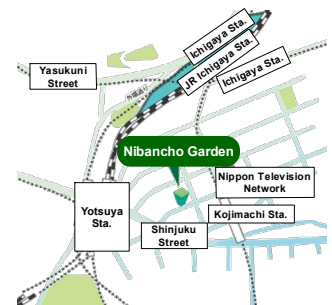
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Properties Acquired in the 8th Period

Nibancho Garden

Transaction Summary

- υ Seller: Mitsubishi Estate Co., Ltd.
- υ Acquisition Price: 14,700 million yen
- υ Appraisal Value: 14,800 million yen
(As of February 1, 2005)
- υ Acquisition Date: April 1, 2005



Property Summary

- υ Address: 8-8 Nibancho, Chiyoda-ku, Tokyo
- υ Area: Land: 11,003.87 m² Building: 57,031.06 m²
- υ Structure: Steel-framed, steel-framed reinforced concrete/ fourteen stories with two basements
- υ Built: April 2004
- υ Type of Ownership: Land: Ownership (ownership in 7 lots/ 3,554.33 m²), Building: Compartmentalized building units (share of co-ownership)
* Ownership of building: 31.345%
- υ Rentable Area: Office: 9,316 m², Residence: 1,686 m²
- υ Occupancy rate: Office: 100.0%, Residence: 100.0% (As of September 30, 2005)

Tenjin Crystal Building

Transaction Summary

- υ Seller: UFJ Trust Bank Limited
- υ Acquisition Price: 5,000 million yen
- υ Appraisal Value: 4,970 million yen
(As of May 1, 2005)
- υ Acquisition Date: June 1, 2005



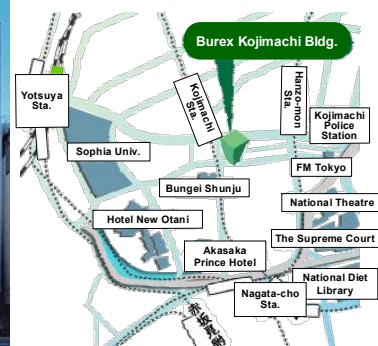
Property Summary

- υ Address: 4-6-7 Tenjin, Chuo-ku, Fukuoka, Fukuoka Prefecture
- υ Area: Land: 1,835.17 m² Building: 10,432.04 m²
- υ Structure: Steel-framed and steel-reinforced concrete/ fourteen stories with one basement
- υ Built: August 1993
- υ Type of Ownership: Ownership
- υ Rentable Area: 5,640 m²
- υ Occupancy rate: 98.7% (As of September 30, 2005)

Burex Kojimachi Building

Transaction Summary

- υ Seller: Space Design, Inc.
- υ Acquisition Price: 7,000 million yen
- υ Appraisal Value: 6,880 million yen
(As of July 1, 2005)
- υ Acquisition Date: July 29, 2005



Property Summary

- υ Address: 3-5-2 Kojimachi, Chiyoda-ku, Tokyo
- υ Area: Land: 967.67 m² Building: 6,526.64 m²
- υ Structure: Steel-framed and steel-reinforced concrete/ eleven stories with one basement
- υ Built: January 2005
- υ Type of Ownership: Ownership
- υ Rentable Area: 4,495 m²
- υ Occupancy rate: 100.0% (As of September 30, 2005)

Tokyo Opera City Building

Transaction Summary

- υ Seller: The Dai-ichi Mutual Life Insurance Company
- υ Acquisition Price: 9,350 million yen
- υ Appraisal Value: 9,350 million yen
(As of August 1, 2005)
- υ Acquisition Date: September 13, 2005



Property Summary

- υ Address: 3-20-2 Nishi-shinjuku, Shinjuku-ku, Tokyo
- υ Area: Land: 18,236.94 m² Building: 232,996.81 m²
- υ Structure: Steel-framed, steel-framed reinforced concrete, and steel-reinforced concrete, flat roof, galvanized sheet steel roof/ fifty-four stories with four basements
- υ Built: July 1996
- υ Type of Ownership: Land: Ownership (share of co-ownership: 26.71% of 5,565.18 m² (1 lot))
Building: share of co-ownership of the compartmentalized building units
* Ownership of building: 8.368%
- υ Rentable Area: 9,244 m²
- υ Occupancy rate: 96.0% (As of September 30, 2005)



Internal Growth

- ✓ Continue to hold stable occupancy rates
 - Figure out immediate needs of tenant
 - Design and implement an appropriate leasing strategy to take full advantage of characteristics of each building
- ✓ Enhance quality of property management and tenants' satisfaction
 - Make concrete efforts to raise rental income
- ✓ Carry out administrative cost reduction plan



Policy

- ✓ Secure Promptness, Diversification, and Flexibility
- ✓ ALM, Appropriate response to interest risk
- ✓ Keep conservative Debt-Equity Ratio
- ✓ Maintain a good credit rating

Forecast Property Occupancy Rates

Area		Name	8th Period (Sep 2005)	9th Period Forecast (Mar 2006)
Tokyo Metropolitan Area	23 Wards	Genki Medical Plaza	100.0%	100.0%
		Kitanomaru Square	-	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	96.6%	96.6%
		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	99.1%	100.0%
		Cosmo Kanasugibashi Building	100.0%	100.0%
		Shinwa Building	100.0%	75.8%
		Tokyo Opera City Building	96.0%	98.1%
		Takanawadai Building	100.0%	100.0%
		Higashi Gotanda 1Chome Building	100.0%	100.0%
		JAL Travel Building	100.0%	100.0%
		Omori-Eki Higashiguchi Building	100.0%	97.9%
		Nippon Brunswick Building	99.3%	99.3%
		Yoyogi 1Chome Building	100.0%	100.0%
		da Vinci Harajuku	100.0%	99.3%
		Jingumae Media Square Building	100.0%	100.0%
		Shibuya Cross Tower	99.5%	99.0%
		Ebisu Neonato	100.0%	100.0%
		Harmony Tower	100.0%	100.0%
		Otsuka Higashi-Ikebukuro Building	94.6%	92.0%
	Ikebukuro 2Chome Building	100.0%	100.0%	
	Ikebukuro YS Building	100.0%	100.0%	
	Average	99.3%	98.7%	
	Excluding 23 Wards	Hachioji Dai-ichi-Seimei Building	95.3%	91.9%
		Saitama Urawa Building	100.0%	100.0%
		Shin-Yokohama First Building	92.9%	100.0%
		Kawasaki Isago Building	95.1%	92.4%
		Average	95.4%	95.8%
Other Major Cities		Jozenji Park Building	95.3%	93.3%
		Sendai Honcho Honma Building	98.7%	100.0%
		Niigata Ishizuecho Nishi-Bandaibashi Building	96.6%	96.6%
		Kanazawa Park Building	96.1%	95.7%
		Kanazawa Minamicho Building	95.5%	92.8%
		Nagoya Hirokoji Building	99.1%	97.5%
		Nagoya Misono Building	100.0%	100.0%
		Kyoto Shijo Kawaramachi Building	100.0%	95.5%
		Sakaisujihonmachi Building	97.9%	97.9%
		Midosuji Daiwa Building	100.0%	100.0%
		Kobe Itomachi Building	92.3%	92.3%
		NHK Hiroshima Broadcasting Center Building	98.6%	97.4%
		Tosei Tenjin Building	98.1%	96.2%
		Tenjin Crystal Building	98.7%	88.9%
		Hinode Tenjin Building	96.5%	96.5%
		Average	98.0%	96.8%
Average			98.6%	97.9%

1. Details of the 8th Period

Income Statement for the 8th Period

In millions of yen

Item	8th Period (183 days)			7th Period	Change	% Change
	46 existing properties	Newly acquired properties*	Total	(182 days)		
Operating Revenue	12,392	727	13,119	10,747	2,372	22.1%
Rental revenue	12,349	727	13,076	10,708		
Other rental revenues	43	0	43	39		
Operating Expenses	4,005	135	4,140	3,616	524	14.5%
Property management fees	1,471	83	1,554	1,277		
Utility charges	977	34	1,012	855		
Property and other taxes	1,035	0	1,035	937		
Insurance expenses	31	1	33	27		
Maintenance expenses	458	15	474	471		
Other operating expenses	30	0	30	46		
NOI	8,387	591	8,978	7,131	1,847	25.9%
Depreciation and amortization	1,798	218	2,017	1,641		
Operating Profit	6,588	373	6,961	5,489	1,472	26.8%
Administrative expenses			735	787	△ 52	△ 6.6%
Asset management fees			392	476		
Other administrative expenses			342	310		
Net Operating Profit			6,226	4,701	1,524	32.4%
Non-Operating Revenue			11	5	6	130.1%
Interest received			0	0		
Other non-operating revenues			11	5		
Non-Operating Expenses			727	585	142	24.3%
Interest expenses			328	315		
Bond interest expenses			249	248		
Deferred bond-issuance cost			9	—		
Additional unit-issuance cost			116	—		
Other non-operating expenses			23	21		
Recurring Profit			5,510	4,121	1,388	33.7%
Gross Income			5,510	4,121	1,388	33.7%
Taxes			0	1		
Net Income			5,509	4,120	1,388	33.7%
Retained Earnings			5,509	4,120		
FFO (Net Income + Depreciation)			7,526	5,762	1,764	30.6%
Dividends per Unit			15,951	15,824		

* Newly acquired properties are Nibancho Garden, Tenjin Crystal Building, Burex Kojimachi Building and Tokyo Opera City Building.

- Continuous growth in revenues and profits over eight consecutive periods since IPO
- Full contribution from acquired properties in the 7th period and contribution from the newly acquired properties in the 8th period
- Contribution from newly acquired properties after the announcement of forecast dividends dated May 18, 2005 increased dividends per unit in the 8th period (15,951 yen), higher than originally estimated (15,800 yen).

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Balance Sheet for the 8th Period

In millions of yen

Item	8th Period-end (Sep 30, 05)	7th Period-end (Mar 31, 05)	Change	Reason for Change
Current Assets				
Cash and entrusted cash	26,939	29,361	△ 2,422	
Other current assets	988	657	331	
Total current assets	27,928	30,019	△ 2,090	
Fixed Assets				
Property and equipment				
Buildings	108,655	90,409	18,246	Increased due to acquisition of four buildings including Nibancho Garden and capital expenditure.
Structures	851	576	274	
Machinery and equipment	1,750	1,556	193	
Land	224,595	206,679	17,915	
Accumulated depreciation	△ 11,788	△ 9,783	△ 2,004	
Total Property and equipment	324,064	289,439	34,624	
Intangible Assets				
Leasehold rights, etc.	2,941	1,912	1,028	Increased due to acquisition of Tokyo Opera City Building.
Total Intangible Assets	2,941	1,912	1,028	
Investments and Others				
Investments in securities	958	956	2	
Long-term prepaid expenses, etc.	26	31	△ 5	
Total Investments and Others	984	987	△ 3	
Total Fixed Assets	327,989	292,339	35,650	
Deferred Assets				
Issuance cost of investment corporation bonds	49	—	49	Increased due to issuance of investment corporation bonds.
Total Deferred Assets	49	—	49	
Total Assets	355,968	322,358	33,609	

MEMO

In millions of yen

Item	8th Period-end (Sep 30, 05)	7th Period-end (Mar 31, 05)	Change	Reason for Change
Liabilities				
Current Liabilities				
Short-term borrowing	16,000	63,000	△ 47,000	Decreased due to repayment of short-term borrowing.
Current portion of long-term borrowing	24,000	—	24,000	Transfer from long-term borrowing.
Rent received in advance	2,422	2,460	△ 37	
Other current liabilities	1,624	1,745	△ 121	
Total Current Liabilities	44,047	67,206	△ 23,159	
Long-term Liabilities				
Investment Corporation Bonds	55,000	45,000	10,000	Increased due to issuance of investment corporation bonds.
Long-term borrowing	27,000	51,000	△ 24,000	Transfer to short-term borrowing.
Deposits from tenants	22,644	20,994	1,649	
Other Long-term liabilities	294	588	△ 294	
Total Long-term Liabilities	104,938	117,582	△ 12,644	
Total Liabilities	148,985	184,789	△ 35,803	
Unitholder Equity				
Unitholder capital	201,472	133,448	68,024	Increased due to issuance of additional units.
Retained earnings	5,509	4,120	1,388	
Total Unitholder Equity	206,982	137,569	69,413	
Total Liabilities and Unitholder Equity	355,968	322,358	33,609	

MEMO

Cash Flow and Dividend Statement for the 8th Period

Cash Flow Statement

In millions of yen

Item	8th Period (183 days)
Cash Flow from Operating Activities	7,342
Net income before tax	5,510
Depreciation and adjustments	1,831
Cash Flow from Investing Activities	△ 36,492
Cash Flow from Financial Activities	26,727
Increase in short-term borrowing	14,000
Repayment of short-term borrowing	△ 61,000
Proceeds from bond issuance	10,000
Payment of bond issuance cost	△ 59
Proceeds from issuance of equity units	68,024
Payment of new unit-issuance cost	△ 116
Payment of dividends, etc.	△ 4,120
Net Increase in Cash and Cash Equivalents	△ 2,422
Balance of Cash and Cash Equivalents at BOP	29,361
Balance of Cash and Cash Equivalents at EOP	26,939

Dividend Statement

In yen

	8th Period (183 days)
Net Income before Distribution	5,509,545,682
Total Amount of Dividends	5,509,475,400
Retained Earnings	70,282

Dividend per unit: 15,951 yen (7th Period: 15,824 yen)

Comparison of Financial Ratios

In millions of yen

Financial Ratio	8th Period (183 days)	7th Period (182 days)	6th Period (183 days)	5th Period (183 days)	4th Period (183 days)
Return on assets (ROA)	1.6%	1.4%	1.5%	1.6%	1.7%
(annualized)	(3.2%)	(2.9%)	(3.0%)	(3.2%)	(3.3%)
Return on Equity (ROE)	2.8%	3.0%	2.8%	2.8%	3.0%
(annualized)	(5.6%)	(6.0%)	(5.6%)	(5.7%)	(5.9%)
EOP equity ratio	58.1%	42.7%	53.3%	56.1%	55.1%
LTV#1	34.3%	49.3%	38.5%	35.6%	36.3%
LTV#2	37.4%	54.7%	41.3%	39.8%	39.5%
EOP long-term debt to capitalization	107.0%	116.5%	99.9%	95.9%	98.3%
Debt service coverage ratio (DSCR)	14.0x	11.2x	12.7x	13.9x	12.6x
Net operating income (NOI)	8,978	7,131	6,672	6,455	5,950
Funds from operations (FFO)	7,526	5,762	5,488	5,301	4,801
Payout Ratio to CAD	79.0%	81.5%	81.6%	93.1%	80.2%

*ROA = Recurring profits / Average of total assets during the period (4th period:183 actual working days, 5th period:183 actual working days, 6th period:183 actual working days, 7th period:182 actual working days and 8th period:183 actual working days)

*ROE = Net income / Average of net worth during the period (4th period:183 actual working days, 5th period:183 actual working days, 6th period:183 actual working days, 7th period:182 actual working days and 8th period:183 actual working days)

*EOP equity ratio = EOP networth / EOP total assets

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

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

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

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

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

*FFO = Net income + Depreciation + Deferred Expenses

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

CAD (Cash Available Distribution) = FFO - capital expenditure

MEMO

2. Overview of Property Portfolio

Property Data ①

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



1 Genki Medical Plaza



2 MD Kanda



3 Kandabashi Park



4 Mitsubishi Soken



5 Nibancho Garden



6 Burex Kojimachi



7 Sanno Grand



8 Yurakucho Denki



9 Kodenmachi Shin-Nihonbashi



10 Burex Kyobashi



11 Ginza Sanwa



12 Ryoshin Ginza East Mirror



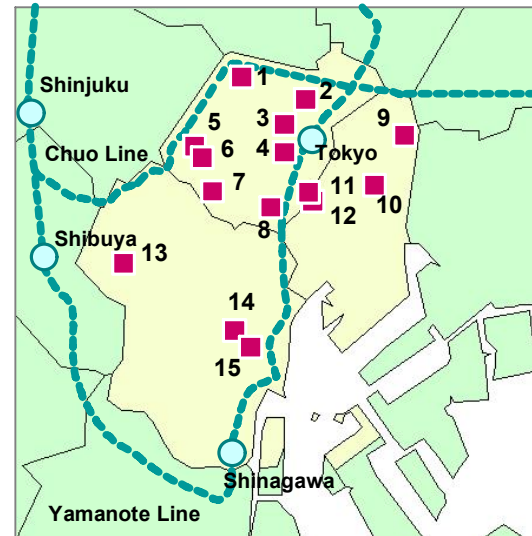
13 Aoyama Crystal



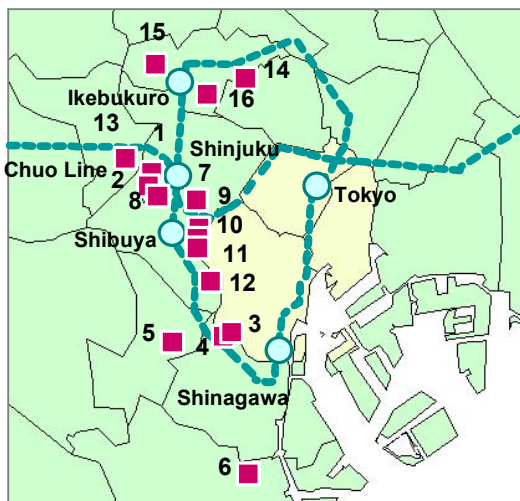
14 Shiba 2Chome Daimon



15 Cosmo Kanasugibashi



23 Wards in the Tokyo Metropolitan Area



1 Shinwa



2 Tokyo Opera City



3 Takanawadai



4 Higashi Gotanda 1Chome



5 JAL Travel



6 Omori-Eki Higashiguchi



7 Nippon Brunswick



8 Yoyogi 1Chome



9 da Vinci Harajuku



10 Jingumae Media Square



11 Shibuya Cross Tower



12 Ebisu Neonato



13 Harmony Tower



14 Otsuka Higashi-Ikebukuro



15 Ikebukuro 2Chome



16 Ikebukuro YS

Other Areas



1 Hachioji Dai-ichi-Seimei



2 Saitama Urawa



3 Shin-Yokohama First



4 Kawasaki Isago



5 Jozenji Park



6 Sendai Honcho Honma



7 Niigata Ishizuecho Nishi-Bandaibashi



8 Kanazawa Park



9 Kanazawa Minamicho



10 Nagoya Hirokoji



11 Nagoya Misono



12 Kyoto Shijo Kawaramachi



13 Sakaisuji-honmachi



14 Midosuji Daiwa



15 Kobe Itomachi



16 NHK Hiroshima Broadcasting Center



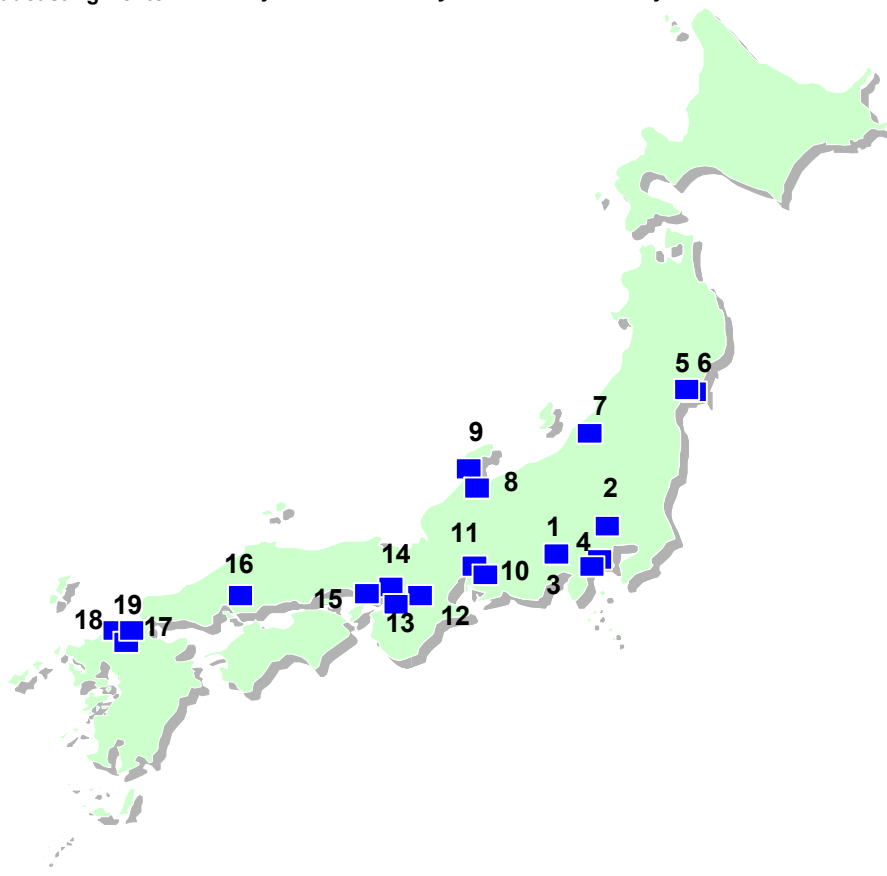
17 Tosei Tenjin



18 Tenjin Crystal



19 Hinode Tenjin



Property Data ② (Performance by Property)

23 Wards

In millions of yen

Name	Performance (Apr 1, 2005-Sep 30, 2005)											Operation (As of Sep 30, 2005)	
	Operating Revenue	Operating Expenses	Property management fees	Utility charges	Property and other taxes	Insurance expenses	Maintenance expenses	Depreciation	Other operating expenses	Operating Profit	NOI	Occupancy Rate	Number of Tenants
Genki Medical Plaza	221	75	13	14	18	0	1	24	2	146	170	100.0%	1
MD Kanda Bldg.	293	115	22	16	23	0	2	49	0	177	226	100.0%	2
Kandabashi Park Bldg.	172	46	1	—	17	0	2	25	—	125	151	100.0%	7
Mitsubishi Soken Bldg.	1,063	335	89	108	76	1	4	54	0	728	782	100.0%	4
Nibancho Garden	484	189	59	24	0	0	0	104	—	294	399	100.0%	1
Burex Kojimachi Bldg.	56	33	—	—	—	0	—	33	—	23	56	100.0%	1
Sanno Grand Bldg.	465	137	57	28	0	1	20	30	—	327	357	96.6%	49
Yurakucho Denki Bldg.	281	104	33	18	32	0	0	18	—	176	195	100.0%	15
Kodenmacho Shin-Nihonbashi Bldg.	150	75	18	9	14	0	1	27	3	75	102	100.0%	5
Burex Kyobashi Bldg.	150	51	—	—	13	0	—	37	—	98	136	100.0%	1
Ginza Sanwa Bldg.	366	78	36	18	0	0	3	19	0	287	306	100.0%	13
Ryoshin Ginza East Mirror Bldg.	98	63	15	7	0	0	0	40	—	34	75	100.0%	8
Aoyama Crystal Bldg.	250	93	17	17	22	0	1	34	0	157	191	100.0%	8
Shiba 2Chome Daimon Bldg.	312	123	34	26	36	0	4	20	0	189	209	99.1%	27
Cosmo Kanasugibashi Bldg.	131	91	13	9	13	0	33	21	—	40	61	100.0%	8
Shinwa Bldg.	259	97	18	16	20	0	5	35	—	161	197	100.0%	9
Tokyo Opera City Bldg.	36	28								7		96.0%	106
Takanawadai Bldg.	115	67	13	11	12	0	6	23	0	47	70	100.0%	1
Higashi Gotanda 1Chome Bldg.	214	94	13	18	14	0	—	46	0	120	167	100.0%	4
JAL Travel Bldg.	86	48	11	10	10	0	1	14	—	37	52	100.0%	1
Omori-Eki Higashiguchi Bldg.	255	136	28	21	26	0	2	57	0	118	176	100.0%	19
Nippon Brunswick Bldg.	332	126	35	24	22	0	10	32	—	206	238	99.3%	18
Yoyogi 1Chome Bldg.	283	109	5	0	25	0	—	78	—	174	252	100.0%	1
da Vinci Harajuku	200	53	11	11	11	0	3	15	—	146	161	100.0%	5
Jingumae Media Square Bldg.	373	144	22	31	26	0	5	57	—	229	287	100.0%	9
Shibuya Cross Tower	1,478	730	180	157	144	3	42	198	1	748	947	99.5%	51
Ebisu Neonato	128	80	18	5	11	0	2	41	—	48	90	100.0%	3
Harmony Tower	416	200	101	—	0	2	9	88	—	215	303	100.0%	17
Otsuka Higashi-Ikebukuro Bldg.	169	71	20	15	14	0	1	19	0	97	117	94.6%	9
Ikebukuro 2Chome Bldg.	65	35	9	6	5	0	1	13	0	29	43	100.0%	9
Ikebukuro YS Bldg.	203	92	21	19	15	0	1	33	0	111	145	100.0%	8

* The contribution from Nibancho Garden, Tenjin Crystal Building, Burex Kojimachi Building and Tokyo Opera City Building start from April 1, 2005; June 1, 2005; July 29, 2005; and September 13, 2005, respectively.

* At the request of owners of Tokyo Opera City Building, the breakdown of operating expenses and NOI of the property are not disclosed.

* In the event that the same tenant occupies several buildings, the tenant is calculated as one tenant in the total.

Other Areas

In millions of yen

	Performance (Apr 1, 2005-Sep 30, 2005)											Operation (As of Sep 30, 2005)	
Name	Operating Revenue	Operating Expenses								Operating Profit	NOI	Occupancy Rate	Number of Tenants
			Property management fees	Utility charges	Property and other taxes	Insurance expenses	Maintenance expenses	Depreciation	Other operating expenses				
Hachioji Dai-ichi-Seimei Bldg.	162	77	34	0	0	0	2	39	—	84	124	95.3%	36
Saitama Urawa Bldg.	136	64	19	8	10	0	3	22	—	71	94	100.0%	16
Shin-Yokohama First Bldg.	105	155	20	13	13	0	61	45	—	△ 50	△ 4	92.9%	8
Kawasaki Isago Bldg.	152	105	26	14	15	0	6	42	0	46	88	95.1%	12
Jozenji Park Bldg.	64	45	9	8	0	0	13	12	—	19	31	95.3%	18
Sendai Honcho Honma Bldg.	150	68	16	4	15	0	2	28	—	82	111	98.7%	16
Niligata Ishizuecho Nishi-Bandalbashi Bldg.	82	43	15	9	7	0	4	6	0	38	45	96.6%	10
Kanazawa Park Bldg.	543	390	107	71	77	2	51	79	0	153	232	96.1%	66
Kanazawa Minamicho Bldg.	76	39	11	7	5	0	5	8	0	37	46	95.5%	15
Nagoya Hirokoji Bldg.	769	395	107	68	62	1	80	73	1	373	446	99.1%	29
Nagoya Misono Bldg.	114	68	14	8	7	0	1	35	0	45	81	100.0%	9
Kyoto Shijo Kawaramachi Bldg.	140	76	20	13	11	0	3	26	0	64	90	100.0%	31
Sakaisujihonmachi Bldg.	185	161	39	24	43	1	5	47	—	23	70	97.9%	17
Midosuji Daiwa Bldg.	670	317	71	46	85	1	19	94	0	352	447	100.0%	25
Kobe Itomachi Bldg.	68	48	12	8	6	0	6	14	—	20	34	92.3%	17
NHK Hiroshima Broadcasting Center Bldg.	153	120	40	15	15	0	7	23	16	32	56	98.6%	12
Tosei Tenjin Bldg.	101	72	16	10	10	0	14	21	—	28	49	98.1%	20
Tenjin Crystal Bldg.	150	102	17	10	0	0	15	58	—	47	105	98.7%	25
Hinode Tenjin Bldg.	176	72	23	17	16	0	0	15	—	103	118	96.5%	12
Total	13,119	6,158	1,554	1,012	1,035	33	474	2,017	30	6,961	8,978	98.6%	742

Property Data ③ (Superiority of Portfolio)

Floor Size of Properties and PM Companies

Tsubo per floor (Standard floor)	Area						Total (%)
	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)	5 (9.8%)
300 ~ 450	Mitsubishi Soken (442) Yurakucho Denki (398) Shiba 2Chome Daimon (352)	Harmony Tower (413) Ebisu Neonato (373) Shibuya Cross Tower (313)	Hachioji Dai-ichi-Seimei (335)	Midosuji Daiwa (341)	Nagoya Hirokoji (333)	NHK Hiroshima (301)	10 (19.6%)
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)	Shin-Yokohama First (224)	Sakaisuji honmachi (284) Kyoto Shijo Kawaramachi (223)		Hinode Tenjin (252)	12 (23.5%)
150 ~ 200	Ginza Sanwa (198) MD Kanda (198) Genki Medical Plaza (183) Burex Kyobashi (176) Cosmo Kanasugibashi (160) Kodenmacho Shin-Nihonbashi (150)	JAL Travel (195)	Kawasaki Isago (197) Saitama Urawa (189)		Nagoya Misono (157)	Jozenji Park (191) Sendai Honcho Honma (179) Niigata Ishizuecho (177) Tosei Tenjin (167)	16 (31.4%)
100 ~ 150	Burex Kojimachi (132) Aoyama Crystal (117) Ryoshin Ginza East Mirror (114)	Jingumae (146) da Vinci Harajuku (117) Takanawadai (103)		Kobe Itomachi (111)		Kanazawa Minamicho (135) Tenjin Crystal (112)	7 (13.7%)
~100		Ikebukuro 2Chome (74)					1 (2.0%)
Total (%)	16 (31.4%)	16 (31.4%)	4 (7.8%)	4 (7.8%)	2 (3.9%)	9 (17.6%)	51 100.0%
Number of PM Companies	8	6	2	2	2	4	11

shows properties conveniently located where plural lines are available.

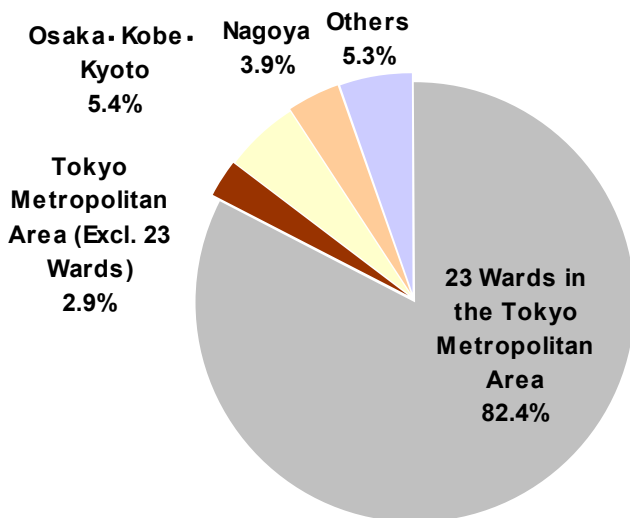
- λ **JRE constructs well-balanced investment portfolio (small, medium and large properties) in Tokyo 23 wards area.**
- λ **In case of local cities, JRE makes well-balanced investments in mainly medium and large sized properties (150 – 450 tsubo per floor) .**
- λ **Most of properties acquired in Tokyo 23 wards area are conveniently located where plural lines are available.**
- λ **JRE keeps well-balanced property management agreements with several firms in each area with a view to assure fair competition among property companies and achieve know-how through them.**

MEMO

Geographical Diversification and Earthquake Risk

Geographical Diversification

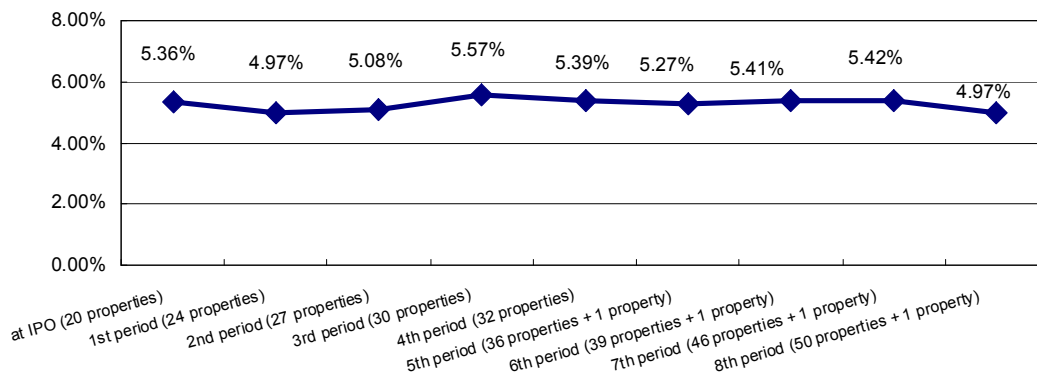
50 properties as of September 30, 2005 + Kitanomaru Square + Additional Acquisition of Sanno Grand Building



- Acquisition price bases
- The Tokyo metropolitan area includes Tokyo, Saitama, Chiba and Kanagawa.
- The following graph excludes the acquisition as preferred securities.

- ▮ The share of the 23 wards in the Tokyo metropolitan area increased because 5 out of 6 properties acquired in the 8th, 9th and 10th periods are located within the 23 wards.
- ▮ Well-balanced portfolio: Highly liquid properties with a stable rent income in the Tokyo metropolitan area account for approximately 85%; properties with attractive yields in other cities account for 15% as of September 30, 2005 (in total 51 properties including Kitanomaru Square and additional acquisition of Sanno Grand Building).

Earthquake Risk (PML Value*)



- ▮ PML Value has been stable at around 5% since IPO.
- ▮ Acquisition of new properties (including Kitanomaru Square) made portfolio PML drop to below 5%.

PML Value of Properties

Name	PML Value	Name	PML Value
Genki Medical Plaza	12.57%	Shibuya Cross Tower	3.71%
Kitanomaru Square	2.60%	Ebisu Neonato	8.90%
MD Kanda Bldg.	14.81%	Harmony Tower	4.43%
Kandabashi Park Bldg.	7.40%	Otsuka Higashi-Ikebukuro Bldg.	3.52%
Mitsubishi Soken Bldg.	8.98%	Ikebukuro 2Chome Bldg.	16.23%
Nibancho Garden	3.04%	Ikebukuro YS Bldg.	6.29%
Burex Kojimachi Bldg.	5.95%	Hachioji Dai-ichi-Seimei Bldg.	8.00%
Sanno Grand Bldg.	5.69%	Saitama Urawa Bldg.	5.77%
Yurakucho Denki Bldg.	8.39%	Shin-Yokohama First Bldg.	11.68%
Kodenmacho Shin-Nihonbashi Bldg.	10.49%	Kawasaki Isago Bldg.	19.00%
Burex Kyobashi Bldg.	8.31%	Jozenji Park Bldg.	3.18%
Ginza Sanwa Bldg.	15.08%	Sendai Honcho Honma Bldg.	1.93%
Ryoshin Ginza East Mirror Bldg.	9.22%	Niigata Ishizuecho Nishi-Bandaibashi Bldg.	9.65%
Aoyama Crystal Bldg.	10.41%	Kanazawa Park Bldg.	13.39%
Shiba 2Chome Daimon Bldg.	9.95%	Kanazawa Minamicho Bldg.	10.22%
Cosmo Kanasugibashi Bldg.	10.80%	Nagoya Hirokoji Bldg.	8.10%
Shinwa Bldg.	10.17%	Nagoya Misono Bldg.	7.91%
Tokyo Opera City Bldg.	3.62%	Kyoto Shijo Kawaramachi Bldg.	15.41%
Takanawadai Bldg.	4.11%	Sakaisujihonmachi Bldg.	5.24%
Higashi Gotanda 1Chome Bldg.	14.96%	Midosuji Daiwa Bldg.	18.24%
JAL Travel Bldg.	8.27%	Kobe Itomachi Bldg.	8.62%
Omori-Eki Higashiguchi Bldg.	15.28%	NHK Hiroshima Broadcasting Center Bldg.	1.55%
Nippon Brunswick Bldg.	13.44%	Tosei Tenjin Bldg.	0.19%
Yoyogi 1Chome Bldg.	7.19%	Tenjin Crystal Bldg.	0.14%
da Vinci Harajuku	12.20%	Hinode Tenjin Bldg.	0.32%
Jingumae Media Square Bldg.	6.59%		

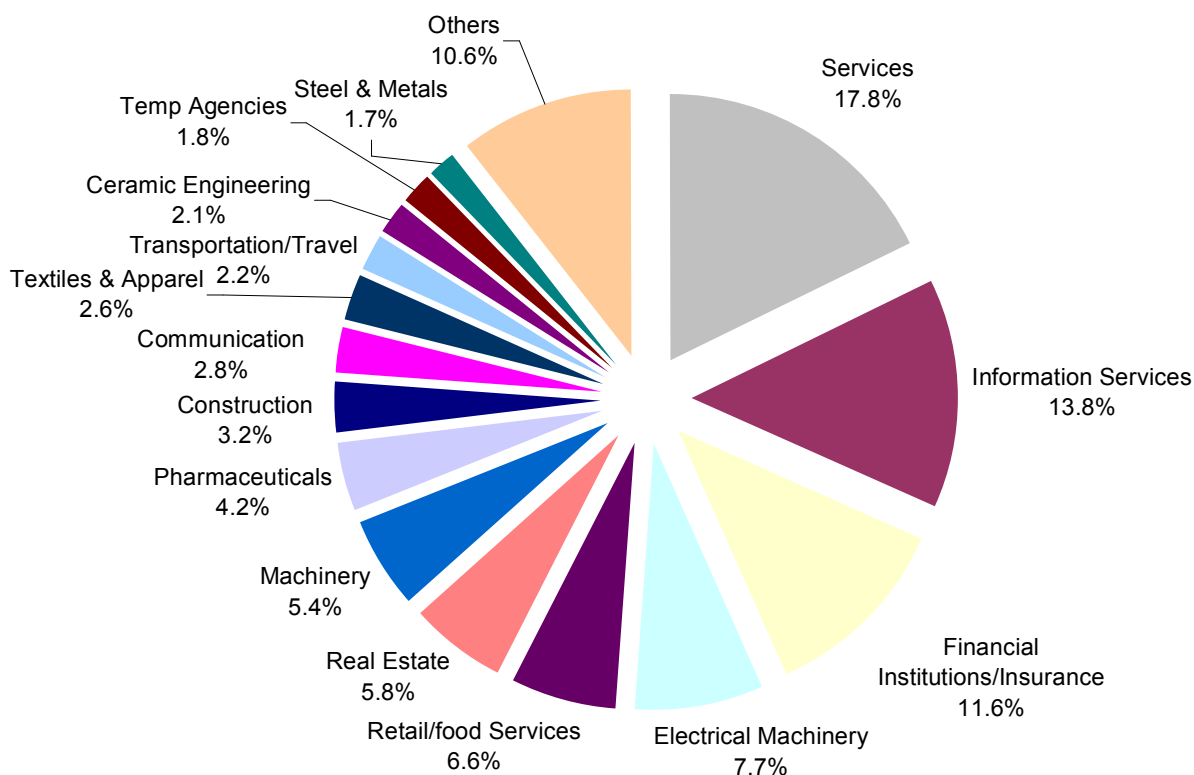
*PML (Probable Maximum Loss) Value: Percentage of Probable Maximum Loss due to Earthquake

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

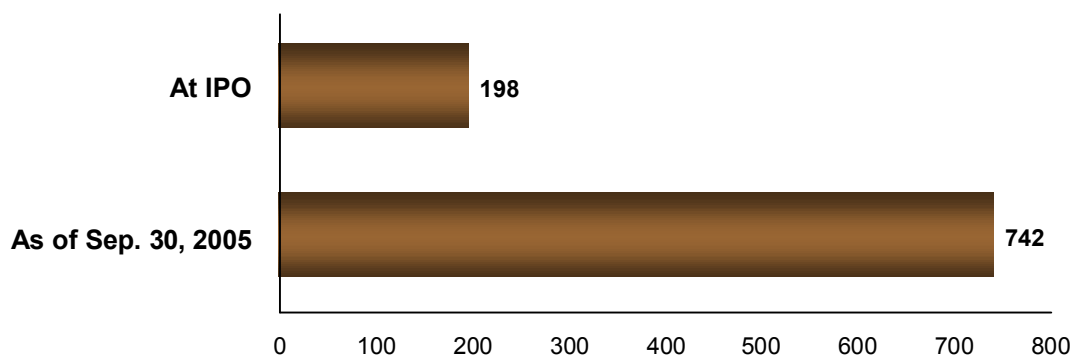
Tenant Data ① (Diversification)

Tenant Diversification (Based on the leased Area)

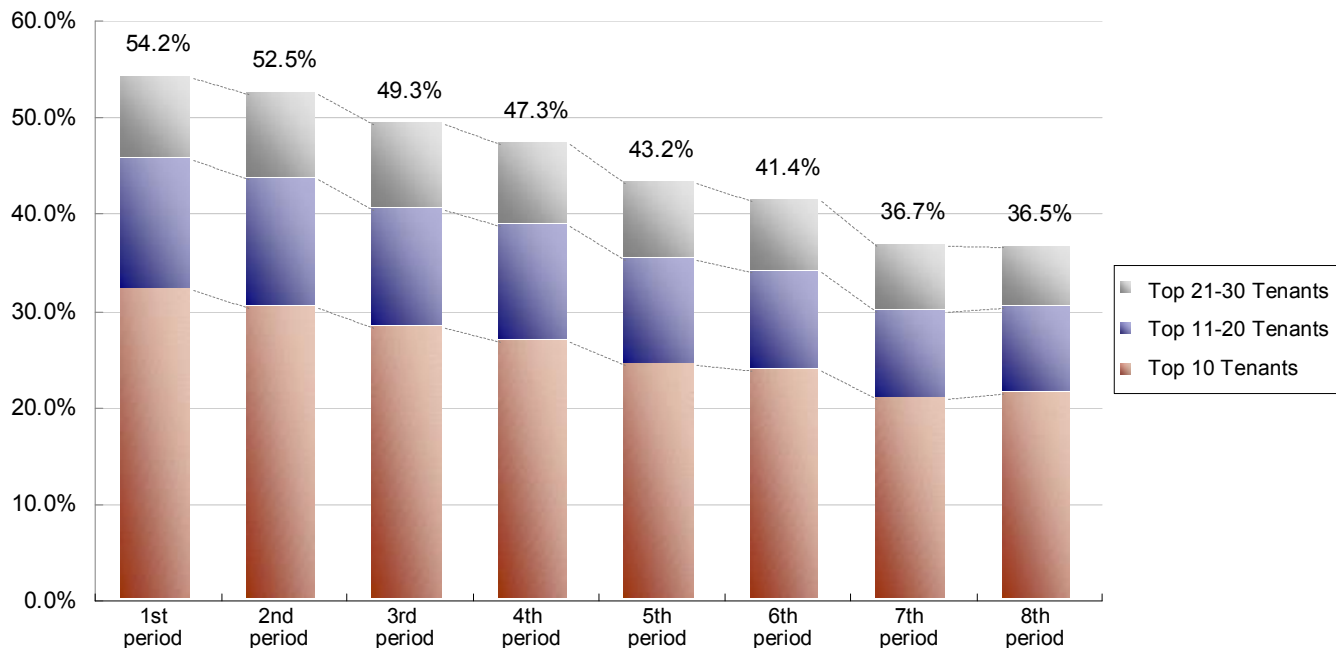
50 properties as of September 30, 2005



Number of Tenants

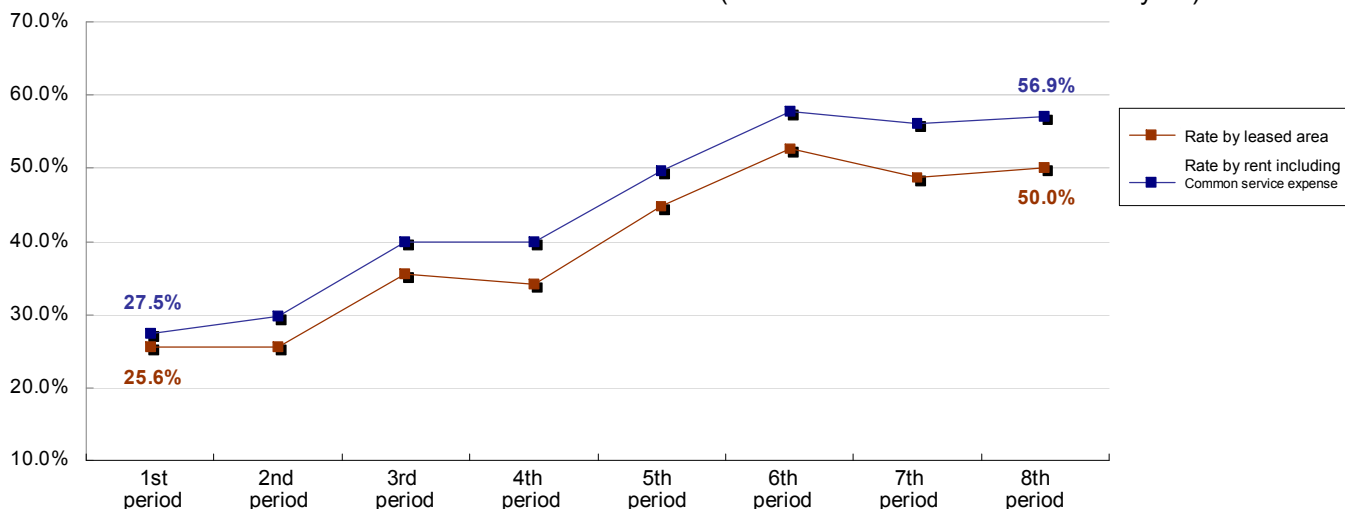


% of Major Tenants (based on the leased area)



% of Long-Term Contracts* in Top 30 Tenants

(*Rent Contracts for more than one year)



% of the leased area by the major tenants is declining.

→ Decreased risk exposure of cancellation by major tenants (approximately 40% risk exposure even when the portfolio includes Kitanomaru Square)

Top 30 tenants tend to make rent agreements for longer periods.

→ Set up as long contracts as possible with major single tenants for higher stability

Tenant Data ② (Major Tenants)

Major Tenants (Top 10)

50 properties as of September 30, 2005

#	Major Tenants	Property	Rented Area	% of Total Rented Area
1	Mitsubishi Research Institute	Mitsubishi Soken Bldg.	14,529m ²	4.0%
2	Dai-ichi Mutual Life	Midosuji Daiwa Bldg. 8 other buildings	10,387m ²	2.9%
3	Ito Yokado	Nibancho Garden	9,316m ²	2.6%
4	Space Design, Inc.	Burex Kojimachi Bldg. 1 other building	8,774m ²	2.4%
5	Yamano Gakuen	Yoyogi 1Chome Bldg.	7,772m ²	2.2%
6	TOTO	Midosuji Daiwa Bldg. 1 other building	6,800m ²	1.9%
7	Toshiba Solutions Corporation	Takanawadai Bldg. 2 other buildings	5,331m ²	1.5%
8	Asahi Kasei Pharma	MD Kanda Bldg.	5,144m ²	1.4%
9	Tokyo Kenbikyoin Foundation	Genki Medical Plaza	4,791m ²	1.3%
10	Daiwabo	Midosuji Daiwa Bldg. 1 other building	4,490m ²	1.2%

*The rented areas of Banyu Pharmaceutical Co.,Ltd. and FAST RETAILING CO., LTD. in Kitanomaru Square, acquired on Feb. 24, 2006 are 16,729m² and 8,446m²

Changes in Major Tenants

# in the 8th Period	# in the 7th Period	Tenant	8th Period Rented Area (m ²)	7th Period Rented Area (m ²)	Change (m ²)
1	1	Mitsubishi Research Institute	14,529	14,529	0
2	2	Dai-ichi Mutual Life	10,387	10,824	-436
3	-	Ito Yokado	9,316	0	9,316
4	10	Space Design	8,774	4,279	4,495
5	3	Yamano Gakuen	7,772	7,772	0
6	4	TOTO	6,800	6,669	131
7	5	Toshiba Solutions Corporation	5,331	5,331	0
8	6	Asahi Kasei Pharma	5,144	5,144	0
9	7	Tokyo Kenbikyoin Foundation	4,791	4,791	0
10	8	Daiwabo	4,490	4,490	0
11	9	Company A	4,418	4,418	0
12	11	Company B	3,656	3,656	0
13	12	Company C	3,415	3,415	0
14	13	Company D	3,383	3,383	0
15	14	Company E	3,126	3,126	0



No substantial change

Changes to Fixed-rent Contracts and Long-term Rent Contracts with a Non-cancellation Clause

■ Revenue and average maturity

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

	8th Period	7th Period
% of revenues from fixed- and long-term rent contracts over the next year	34.3%	32.4%
Average maturity of fixed- and long-term rent contracts	5.1 yrs.	4.5 yrs.

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

	8th Period	7th Period
% of revenues from fixed- and long-term rent contracts over the next year	52.0%	42.1%
Average maturity of fixed- and long-term rent contracts	6.5 yrs.	6.2 yrs.

Other Major Cities

	8th Period	7th Period
% of revenues from fixed- and long-term rent contracts over the next year	10.9%	12.1%
Average maturity of fixed- and long-term rent contracts	3.0 yrs.	3.2 yrs.

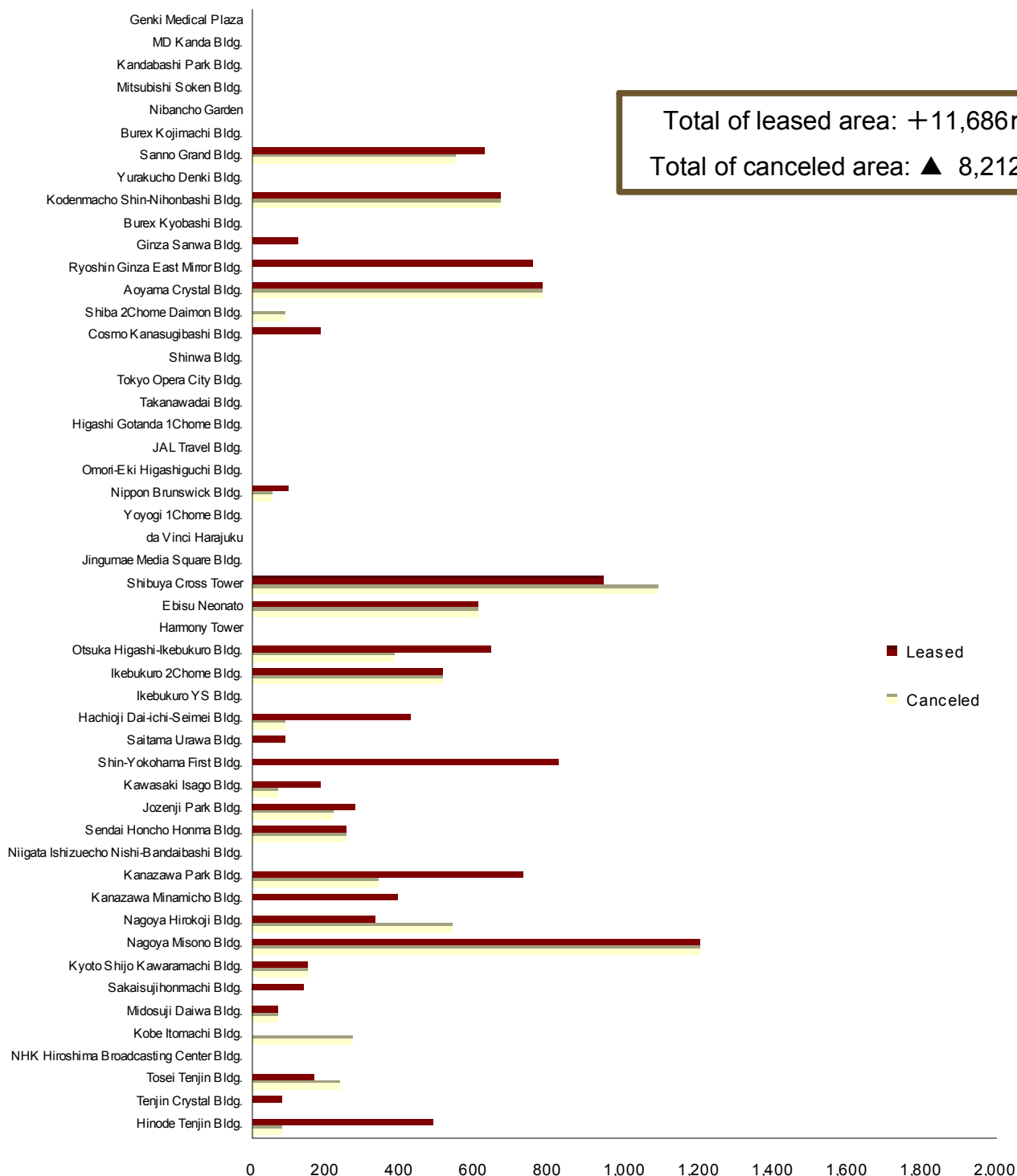
Portfolio

	8th Period	7th Period
% of revenues from fixed- and long-term rent contracts over the next year	28.4%	27.2%
Average maturity of fixed- and long-term rent contracts	4.9 yrs.	4.3 yrs.



Aiming for a more stable revenue

Tenant Data ④ (Tenant Activities in the 8th Period)

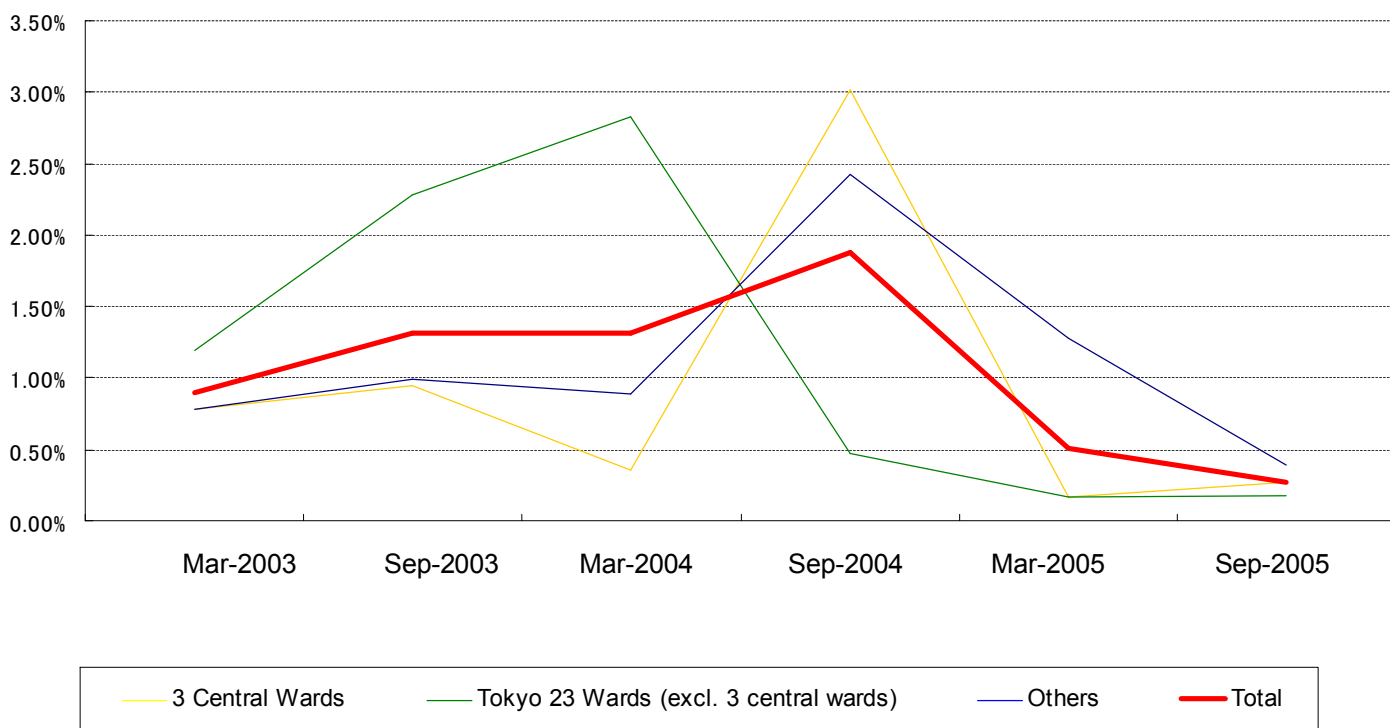


(m²)

Tenant Data ⑤ (Changes in Rent Level)

Trend in Rate of Rent Reduction

λ Rate of rent reduction: Monthly rent reduction during the period ÷ Monthly rent at the end of the period (incl. common service expense)

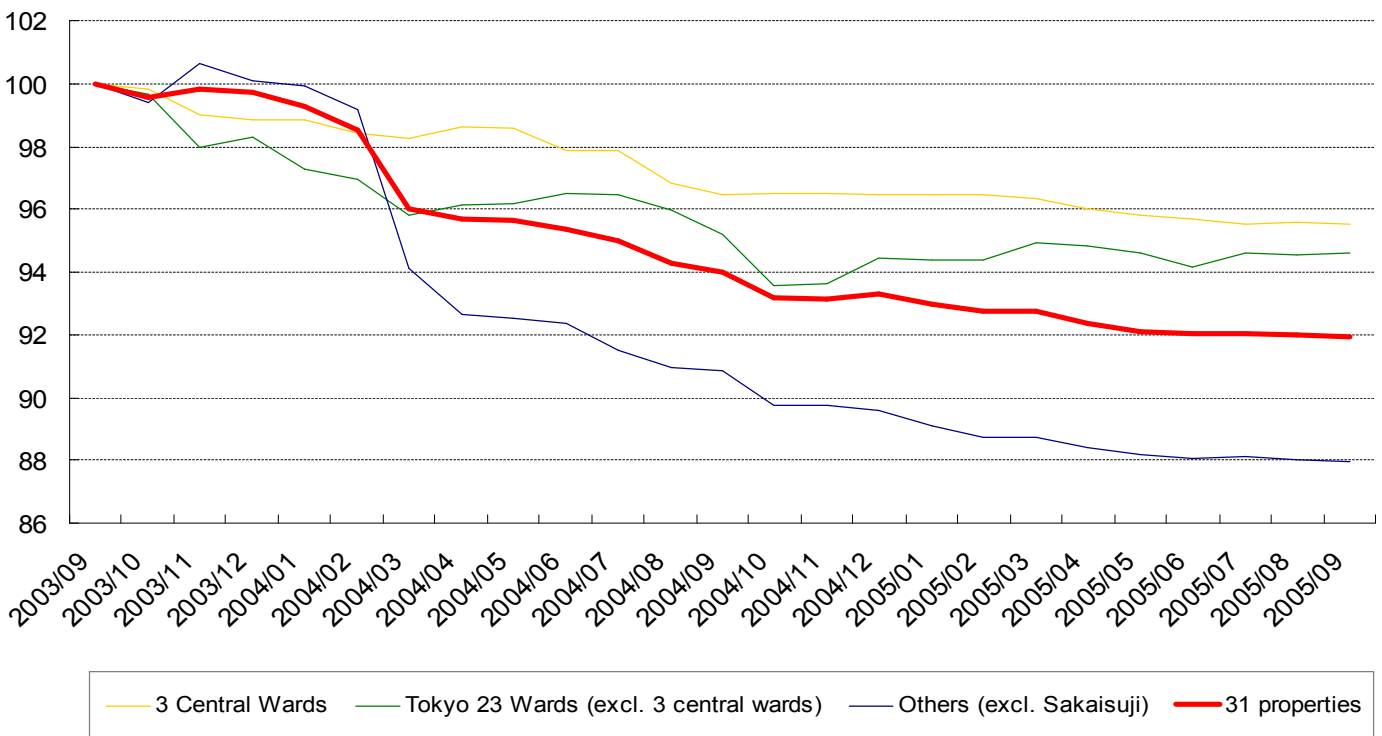


Rate of reduction dipped after peaking in the 6th period (Sep. 30, 2004)

Trend of Average Rent

λ Average rent (incl. common service expense) based on 31 properties (excl. Sakaisujihonmachi Bldg.) owned as of September 30, 2003

λ Trend sets price on September 30, 2003 as 100



Rent shows signs of having bottomed out

Internal Growth ① (Market Trend in Rent Levels)

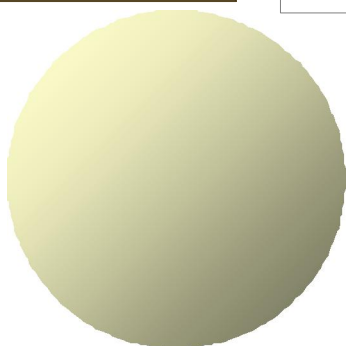
- λ The properties held are classified into UP, Flat and Down on the basis of newly contracted rent data assessed by Ikoma Data Service System (IDSS)* as of September 30, 2005 compared to those one year earlier (or those six months earlier for properties held for less than a year).
- λ The classification was made for 39 properties. Six properties acquired in March 2005 or afterwards and five properties in special situations including single tenant leased properties are excluded from the 50 properties held in total as of September 30, 2005.

*JRE requires IDSS to assess the newly contracted rent of properties held by JRE on a semi-annual basis.

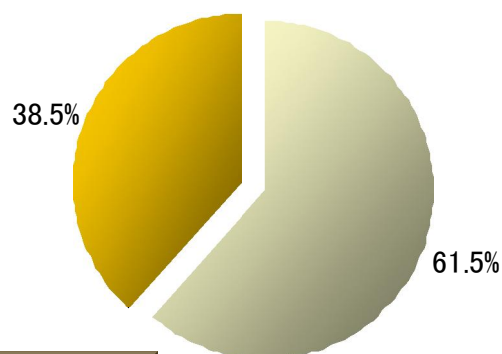
Trend of New Rent

	Number of Properties	UP	Flat	Down
Chiyoda-ku, Chuo-ku and Minato-ku	9 (100.0%)	9 (100.0%)	0 (0.0%)	0 (0.0%)
Tokyo 23 wards (except the above three wards)	13 (100.0%)	8 (61.5%)	5 (38.5%)	0 (0.0%)
Others	17 (100.0%)	5 (29.4%)	12 (70.6%)	0 (0.0%)
Total	39 (100.0%)	22 (56.4%)	17 (43.6%)	0 (0.0%)

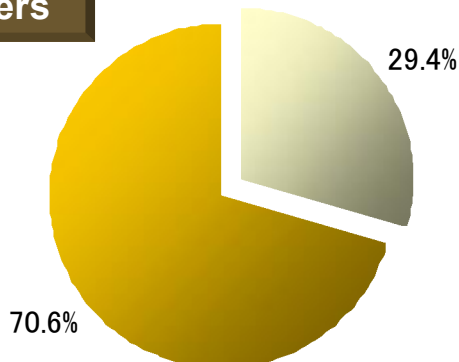
Chiyoda-ku, Chuo-ku and Minato-ku



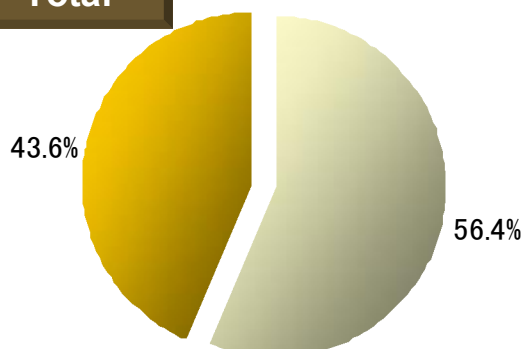
Tokyo 23 wards except 3 central wards



Others



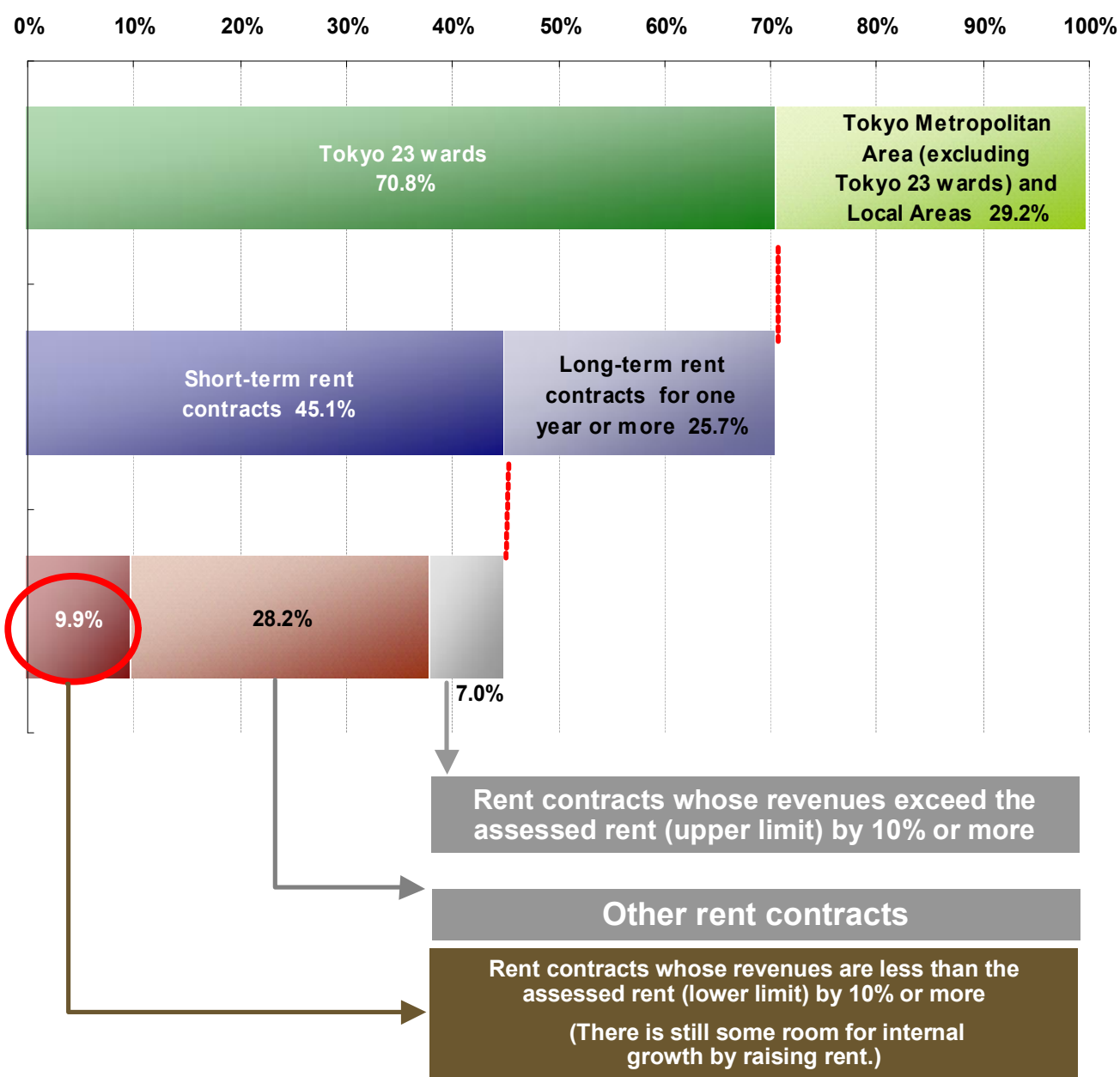
Total



Internal Growth ② (Classification of Short-term Rent Contracts)

Classification of short-term rent contracts

JRE surveyed 50 properties held as of September 30, 2005.
The data are calculated on a basis of monthly rental fee including common service expenses.



* Assessed rent: Rent data of each property assessed by Ikoma Data Service System (IDSS)

Current Situation and Plan for Cost Reduction

Basic Policy:

Targeted Cost Reduction: Cutting base administrative costs, comprised of maintenance and utility costs at the time of acquisition of new properties, by 5% over the next three years

- λ Achieved a reduction of 589 million yen per year as an actual performance during the 7th and 8th periods, versus the reduction target of 228 million yen on 31 reduction target properties out of 39 properties already acquired in or before the 6th period.
- λ Attained a reduction of 12.9% versus the 5% target.

◆ Target and result of 31 properties

Base administration cost→4,568 million yen

	Target	Results of the 7th and 8th Periods
Reduction rate	-5.0%	-12.9%
Reduction amount	-228 million yen	-589 million yen

Base administration cost: Maintenance and utility costs at the time of acquisition

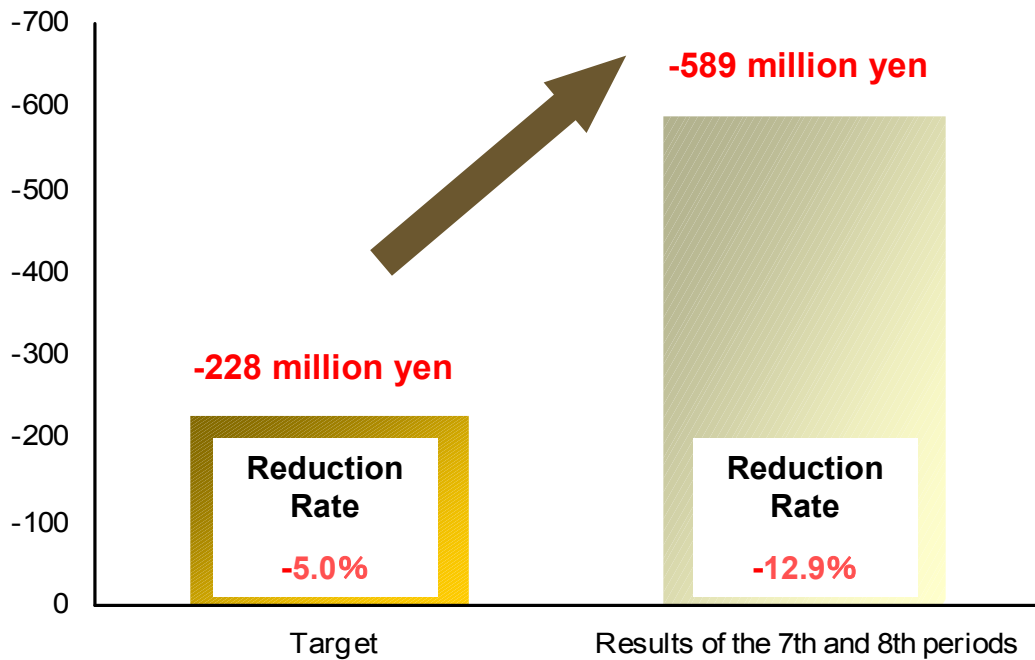
Actual results: maintenance cost only



The reduction rate would decline to 22.2% on the basis of maintenance cost.

◆ Amount of Cost Reduction Achieved

In millions of yen



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1. 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 carry out proper construction administration

2. Implementaion and plans

▪ Implementation for the 8th period

a. Renovation to increase profitability and improve amenities

In thousands of yen

Property Name	Purpose	Accounting Treatment	Cost
Shibuya Cross Tower	Conversion of the fountain area into a bicycle parking space	Capitalized cost/Expense	18,000
Sakaisujihonmachi	Installation of OA floor systems on 3, 8, and 12fl.	Capitalized cost	15,000
Kyoto Shijo Kawaramachi	Common area repair work	Capitalized cost/Expense	11,000
Kanazawa Minamicho	Entrance repair work	Capitalized cost	9,000

b. Renovation to maintain functions

In thousands of yen

Property Name	Purpose	Accounting Treatment	Cost
Nagoya Hirokoji	Building energy management system work	Capitalized cost/Expense	182,000
Shin-Yokohama First	Exterior wall maintenance work	Expense	51,000
Nagoya Hirokoji	Multilevel parking garage exterior wall maintenance work	Expense	29,000
Kanazawa Park	Exterior wall maintenance work	Expense	25,000
Cosmo Kanasugibashi	Overhauling of all heat exchangers	Expense	18,000

▪ Implementation for the 9th and 10th periods

c. Renovation to increase profitability and improve amenities

In thousands of yen

Property Name	Purpose	Accounting Treatment	Cost
Nippon Brunswick	Renewal of common area	Capitalized cost/Expense	113,000
Sakaisujihonmachi	Common area repair work	Capitalized cost/Expense	20,000
Shibuya Cross Tower	Replacement of packaged air conditioners	Capitalized cost/Expense	17,000
Kodenmacho Shin-Nihonbashi	Provision of barrier-free accessibility in the common area	Capitalized cost	4,000

d. Renovation to maintain functions

In thousands of yen

Property Name	Purpose	Accounting Treatment	Cost
Shibuya Cross Tower	Replacement of power supply facilities	Capitalized cost/Expense	965,000
Shibuya Cross Tower	Replacement of heat source equipment	Capitalized cost/Expense	482,000
Ikebukuro YS	Air-conditioning system renewal	Capitalized cost	105,000
Kanazawa Minamicho	Exterior wall repair work	Expense	15,000
Tosei Tenjin	Exterior wall maintenance work	Expense	13,000

3. Cost reduction by strict review of construction estimates (the 8th period)

In thousands of yen

Number of Works	98
Total cost of construction estimates before inspection	894,000
Total cost of construction estimates after inspection	809,000
Reduced	85,000 (▲9.5%)

4. 5 year-plan of renovation works

In millions of yen

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	Total
Renovation	1,900	3,200	1,800	1,600	2,200	10,700
Annual Depreciation Amount	4,300	5,400	5,200	5,100	4,900	24,900

* 51 properties, including additional acquisition of Sanno Grand Building

MEMO

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

Deal Source

FY2004

Area	First Half of 2004							Second Half of 2004							Total	%
	Apr	May	Jun	Jul	Aug	Sep	Total	Oct	Nov	Dec	Jan	Feb	Mar	Total		
Tokyo Metropolitan	19	7	21	24	8	30	109	41	24	15	22	16	9	127	236	81.4%
Other Cities	1	2	5	6	2	9	25	10	3	8	6	0	2	29	54	18.6%
Total	20	9	26	30	10	39	134	51	27	23	28	14	11	156	290	100.0%

FY2005

Area	First Half of 2005							Second Half of 2005							Total	%
	Apr	May	Jun	Jul	Aug	Sep	Total	Oct	Nov	Dec	Jan	Feb	Mar	Total		
Tokyo Metropolitan	17	16	21	19	12	26	111							0	111	75.5%
Other Cities	2	2	2	8	10	12	36							0	36	24.5%
Total	19	18	23	27	22	38	147							0	147	100.0%

- Among 437 properties (290 properties acquired in fiscal 2004 and 147 properties acquired in the first half of fiscal 2005), 13 properties valued at 73 billion yen are under due diligence process, and 4 properties out of the 13 are under negotiations for acquisition and valued at 26 billion yen.

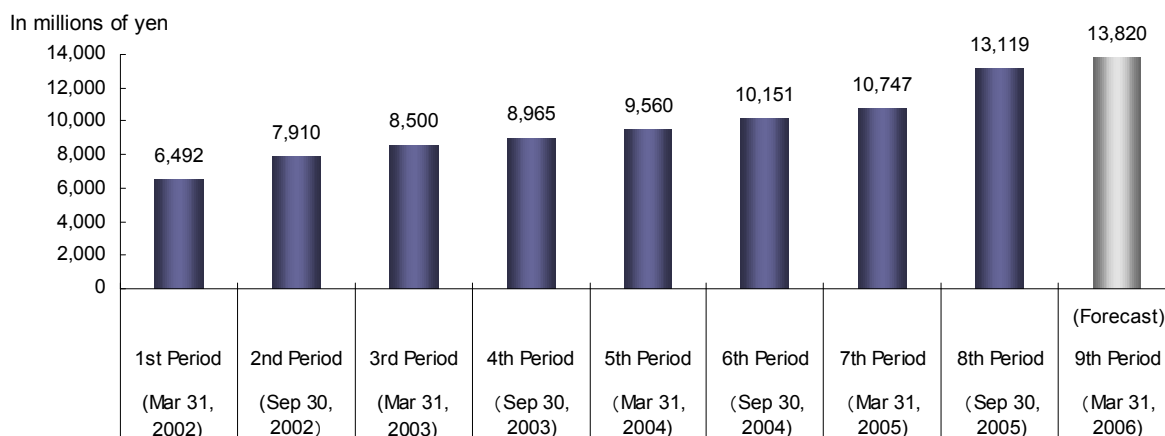
3. Business Forecasts

Income Statement Forecast

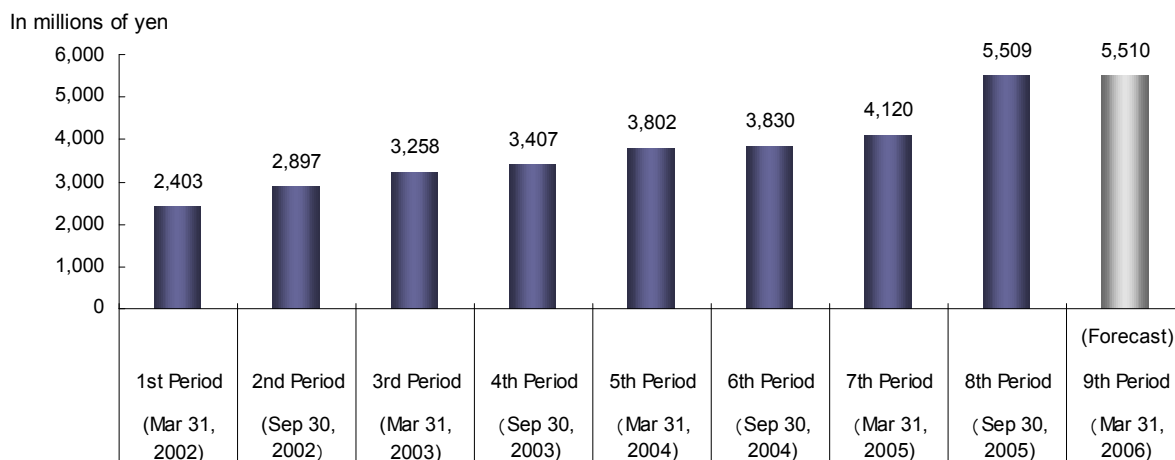
In millions of yen, except for dividend per unit

Term	6th Period Ended Sep 30, 2004	7th Period Ended Mar 31, 2005	8th Period Ended Sep 30, 2005	9th Period Ending Mar 31, 2006	10th Period Ending Sep 30, 2006
	actual	actual	actual	forecast	forecast
Number of Properties	39	46	50	51	51
Number of Days	(183 days)	(182 days)	(183 days)	(182 days)	(183 days)
Operating Revenue	10,151	10,747	13,119	13,820	14,700
Operating Expenses	3,478	3,616	4,140	4,330	-
NOI	6,672	7,131	8,978	9,490	-
Depreciation and Amortization	1,657	1,641	2,017	2,330	-
Operating Profit	5,015	5,489	6,961	7,160	-
Administrative Expenses	656	787	735	890	-
Net Operating Profit	4,358	4,701	6,226	6,270	6,300
Non-Operating Profit and Loss	△ 527	△ 580	△ 715	△ 760	-
(Interest Expenses)	(△ 470)	(△ 563)	(△ 577)	(△ 720)	-
Recurring Profit	3,831	4,121	5,510	5,510	5,300
Net Income	3,830	4,120	5,509	5,510	5,300
Dividends	3,830	4,120	5,509	5,510	5,300
Number of Units	260,400	260,400	345,400	345,400	345,400
Dividend per Unit	14,711 yen	15,824 yen	15,951 yen	15,950 yen	15,300 yen
Occupancy Rate	93.6%	97.6%	98.6%	97.9%	—

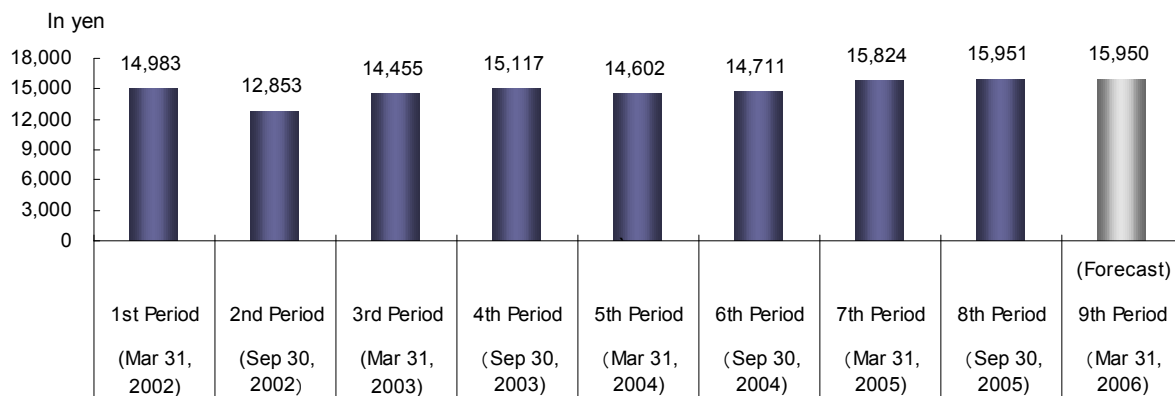
Operating Revenue



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 month terms.

Balance Sheet Forecast for the 9th Period

In millions of yen

Item	9th Fiscal End (Mar 31, 2006)	8th Fiscal End (Sep 30, 2005)	Change	Reasons for Change
Current Assets				
Cash and entrusted cash	20,853	26,939	△ 6,086	Transferred deposit paid for Kitanomaru Square to fixed assets.
Other current assets	488	988	△ 500	
Total Current Assets	21,341	27,928	△ 6,587	
Fixed Assets				
Property and Equipment				
Buildings	134,543	108,655	25,888	Increased due to Kitanomaru Square acquisition and capital expenditure.
Structures	851	851	0	
Machinery and equipment	1,750	1,750	0	
Land	281,595	224,595	57,000	Increased due to Kitanomaru Square acquisition.
Accumulated depreciation	△ 14,118	△ 11,788	△ 2,330	
Total Property and Equipment	404,621	324,064	80,557	
Intangible Assets				
Lease hold rights, etc.	2,941	2,941	0	
Total Intangible Assets	2,941	2,941	0	
Investments and Others				
Investments in securities	958	958	0	Amortization of long-term prepaid expenses.
Long-term prepaid expenses, etc.	20	26	△ 6	
Total Investments and Others	978	984	△ 6	
Total Fixed Assets	408,540	327,989	80,551	
Deferred Assets				
Issuance cost of investment corporation bonds	40	49	△ 9	Amortization of deferred asset.
Total Deferred Assets	40	49	△ 9	
Total Assets	429,921	355,968	73,953	

In millions of yen

Item	9th Fiscal End (Mar 31, 2006)	8th Fiscal End (Sep 30, 2005)	Change	Reasons for Change
Liabilities				
Current Liabilities				
Short-term borrowing	88,000	16,000	72,000	Increased due to Kitanomaru Square acquisition, etc.
Current portion of long-term borrowings	24,000	24,000	0	
Rent received in advance	2,464	2,422	42	
Other current liabilities	1,624	1,624	0	
Total Current Liabilities	116,088	44,047	72,041	
Long-term Liabilities				
Investment corporation bonds	55,000	55,000	0	Increased due to Kitanomaru Square acquisition.
Long-term borrowing	27,000	27,000	0	
Deposits from tenants	24,851	22,644	2,207	
Other long-term liabilities	0	294	△ 294	
Total Long-term Liabilities	106,851	104,938	1,913	
Total Liabilities	222,939	148,985	73,954	
Unitholder Equity				
Unitholder capital	201,472	201,472	0	
Retained earnings	5,510	5,509	1	
Total Unitholder Equity	206,982	206,982	1	
Total Liabilities and Unitholder Equity	429,921	355,968	73,953	

MEMO

4. Appendix

History Following IPO (4 Years)

JRE's Events By Year

1st Period (Term Ending March 31, 2002)

September 2001

Listed units on TSE for the first time among J-REITs with the aggregate issue value of 84 billion yen).

October 2001

Announced the acquisition of "Shibuya Cross Tower" (Acquisition price: 34.6 billion yen).

Achieved total amount of acquisition prices of 100 billion

February and March 2002

Acquired credit rating of A+ from S&P and A2 from Moody's for the first time among J-REITs.

2nd Period (Term Ending September 30, 2002)

May 2002

Made additional public offering of units (#1) for the first time among J-REITs with the aggregate issue value of 31.9 billion yen.

June 2002

Issued Investment Corporation Bond for the first time among J-REITs

3rd Period (Term Ending March 31, 2003)

March 2003

Held the 2nd General Unitholders' Meeting as the first one after IPO.

4th Period (Term Ending September 30, 2003)

June 2003

JRE was selected as a constituent member of the MSCI Index for the first time among J-REITs.

5th Period (Term Ending March 31, 2004)

Achieved total amount of acquisition prices of 200 billion

October 2003

Made additional public offering of units (#2) with the aggregate issue value of 22 billion yen.

*The total amount of acquisition prices is as of acquisition date.

6th Period (Term Ending September 30, 2004)

July 2004

Commitment line was established.

7th Period (Term Ending March 31, 2005)

November 2004

Moody's Investors Service upgraded the rating of JRE from A2 to A1 as the first upgrading among J-REITs.

December 2004

Acquired an AA credit rating from R&I.

March 2005

JRE acquired preferred capital contribution certificates as the first among J-REITs.

8th Period (Term Ending September 30, 2005)

Accomplished the target total amount of acquisition prices of "300 billion yen," one year ahead of schedule

April 2005

Made additional public offering of units (#3) with the aggregate issue value of 70.2 billion yen, which was the largest size in J-REIT history.

May 2005

Held the 3rd General Unitholders' Meeting as the second one after IPO.

August 2005

Announced the planned acquisition of "Kitanomaru Square" with the acquisition price of 81.5 billion yen, the largest investment in J-REIT history.

September 2005

Issued Investment Corporation Bond with redemption period of 20 years, the longest life of bonds issued by J-REITs in history.

September 2005

Recorded increase in revenues and profits successively for the past eight periods.

9th Period (Term Ending March 31, 2006)

October 2005

Mr. Arahata was appointed as President & CEO.

Expected to achieve total amount of acquisition prices of 400 billion yen.

to the Second Stage

Achievement after IPO and Forecast

Achievement after IPO and Forecast

In millions of yen

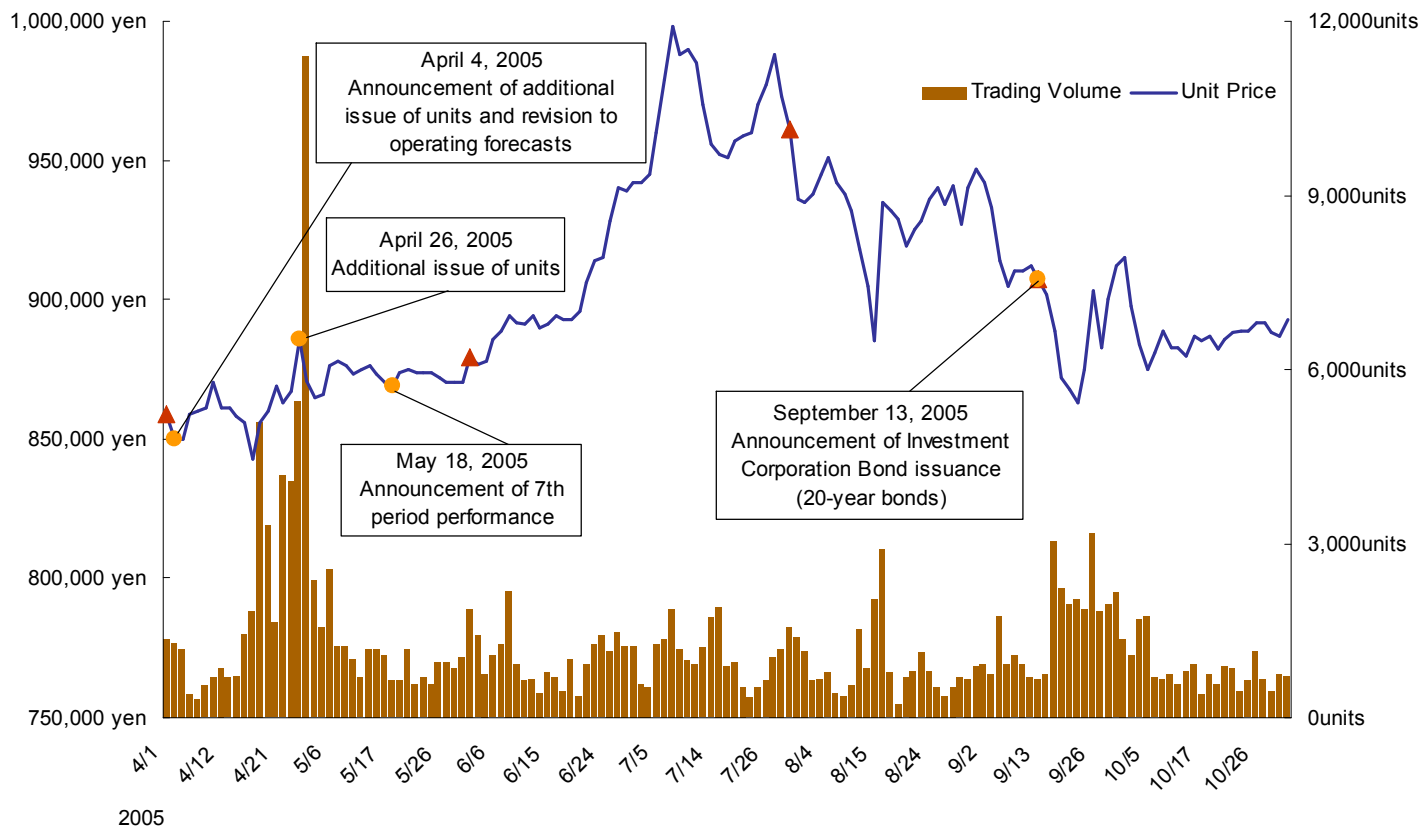
	1st Period Mar 31, 2002 May 2001-Mar 2002	2nd Period Sep 30, 2002 Apr 2002-Sep 2002	3rd Period Mar 31, 2003 Oct 2002-Mar 2003	4th Period Sep 30, 2003 Apr 2003-Sep 2003	5th Period Mar 31, 2004 Oct 2003-Mar 2004
Operating Revenue (prior 6 month period)	6,492 -	7,910 (+21.8%)	8,500 (+7.5%)	8,965 (+5.5%)	9,560 (+6.6%)
Operating Profit (prior 6 month period)	2,961 -	3,386 (+14.4%)	3,687 (+8.9%)	3,898 (+5.7%)	4,341 (+11.4%)
Recurring Profit (prior 6 month period)	2,405 -	2,898 (+20.5%)	3,259 (+12.5%)	3,408 (+4.6%)	3,803 (+11.6%)
Net Income (prior 6 month period)	2,403 -	2,897 (+20.5%)	3,258 (+12.5%)	3,407 (+4.6%)	3,802 (+11.6%)
Total Assets	161,809	185,397	200,022	209,581	244,523
Total Liabilities	78,146	70,347	84,611	94,021	107,272
Total Unitholder Equity	83,663	115,049	115,410	115,559	137,250
Unitholder Equity per Unit	521,591 yen	510,424 yen	512,026 yen	512,688 yen	527,077 yen
LTV	39.6%	29.1%	33.4%	36.3%	35.6%
Unit Price (period-end)	530,000 yen	511,000 yen	592,000 yen	648,000 yen	830,000 yen
Market Capitalization	85,012	115,179	133,436	146,059	216,132
Units Outstanding	160,400 units	225,400 units	225,400 units	225,400 units	260,400 units
Dividends per Unit	14,983 yen	12,853 yen	14,455 yen	15,117 yen	14,602 yen
Number of Properties	24	27	30	32	36
Total Acquisition Price of Properties	144,697	164,277	183,542	192,607	218,437
Rentable Area	201,884㎡	215,928㎡	236,693㎡	246,062㎡	273,157㎡
Occupancy Rate	94.0%	95.3%	94.4%	95.1%	94.8%
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

6th Period Sep 30, 2004 Apr 2004-Sep 2004	7th Period Mar 31, 2005 Oct 2004-Mar 2005	8th Period Sep 30, 2005 Apr 2005-Sep 2005	9th Period Mar 31, 2006 Oct 2005-Mar 2006	10th Period Sep 30, 2006 Apr 2006-Sep 2006
10,151 (+6.2%)	10,747 (+5.9%)	13,119 (+22.1%)	13,820	14,700
4,358 (+0.4%)	4,701 (+7.9%)	6,226 (+32.4%)	6,270	6,300
3,831 (+0.7%)	4,121 (+7.6%)	5,510 (+33.7%)	5,510	5,300
3,830 (+0.7%)	4,120 (+7.6%)	5,509 (+33.7%)	5,510	5,300
257,372	322,358	355,968	—	—
120,093	184,789	148,985	—	—
137,279	137,569	206,982	—	—
527,185 yen	528,299 yen	599,254 yen	—	—
38.5%	49.3%	34.3%	—	—
875,000 yen	875,000 yen	915,000 yen	—	—
227,850	227,850	316,041	—	—
260,400 units	260,400 units	345,400 units	345,400 units	345,400 units
14,711 yen	15,824 yen	15,951 yen	15,950 yen	15,300 yen
39	46	50	51	51
239,827	290,510	326,560	408,116	418,816
293,105㎡	336,026㎡	364,610㎡	390,224㎡	400,586㎡
93.6%	97.6%	98.6%	97.9%	—
—	—	85,000 units	—	—
—	—	826,000	—	—
—	—	70,210	—	—
—	—	800,288	—	—
—	—	68,024	—	—
—	—	2005/4/26	—	—

Unit Price Performance ① (the 8th Period)

As of November 1, 2005



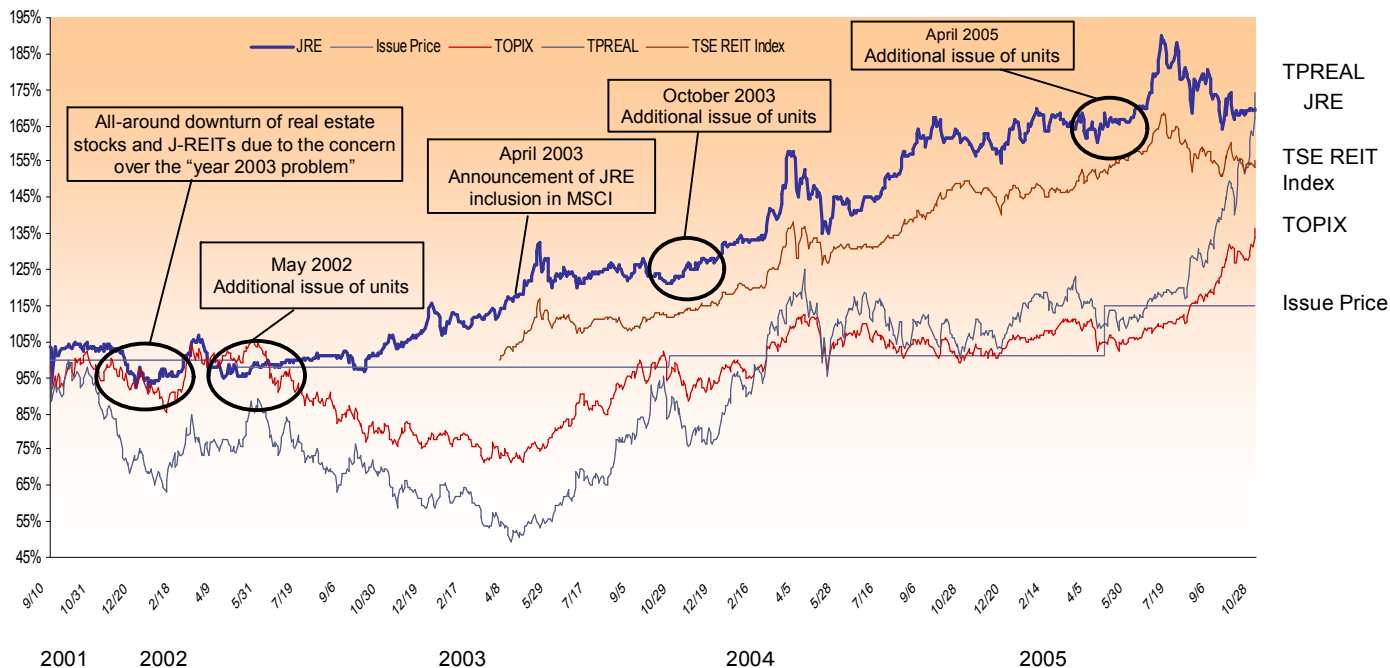
Notes: 1. Unit prices are based on daily closing prices.

2. Circles (●) show announcement of topics and Triangles (▲) show acquisition dates of new properties.

MEMO

Unit Price Performance ② (Relative to Major Indices)

◆ Unit Price Performance (As of November 1, 2005)



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

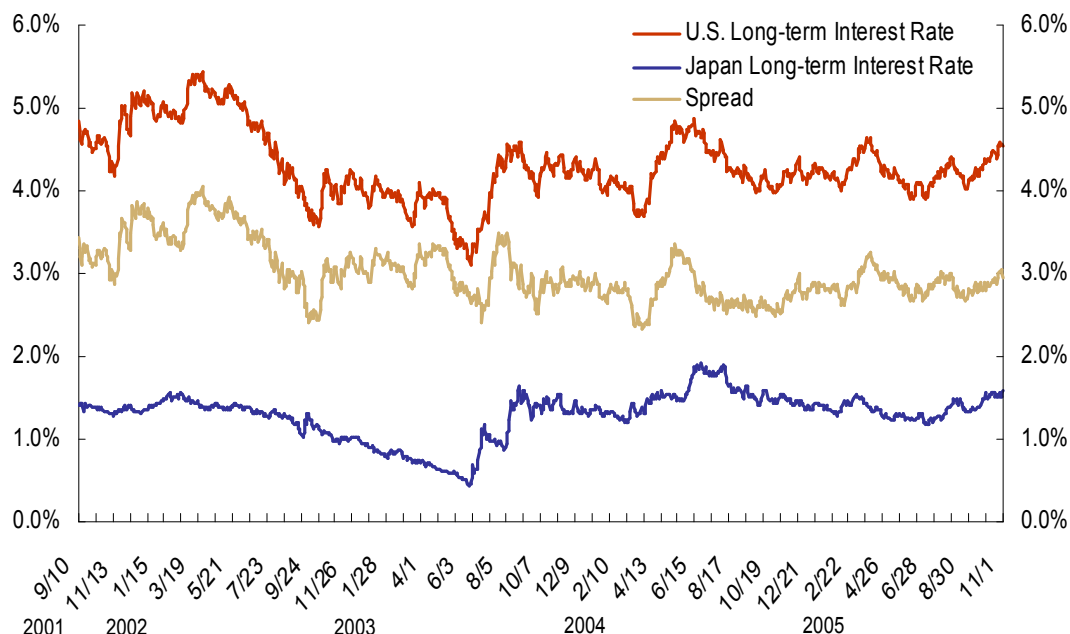
◆ Change in Long- and Short-term Rate



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

Interest Rate Comparison of Japan and U.S.

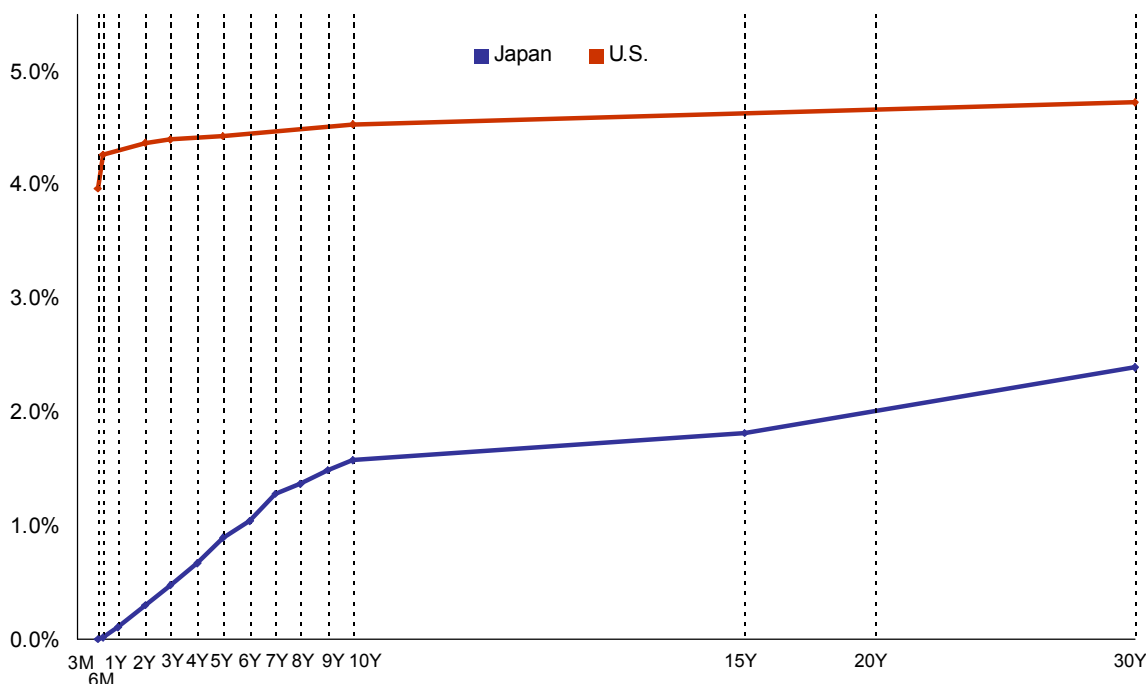
◆ Long-term Interest Rate Comparison of Japan and U.S. (As of November 1, 2005)



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

*Source : Bloomberg

◆ Yield Curve Comparison of Japan and U.S. (As of November 1, 2005)



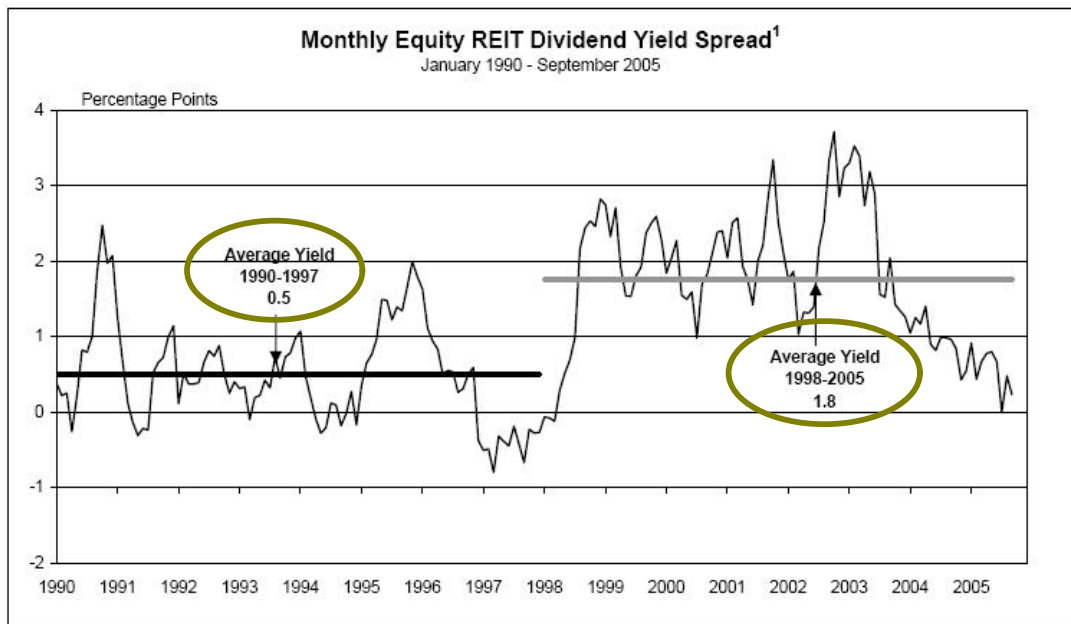
*Source : Bloomberg

Yield Spread Comparison

◆ JRE Dividend Yield Spread against JGB



◆ US Equity REIT Dividend Yield Spread against Treasury



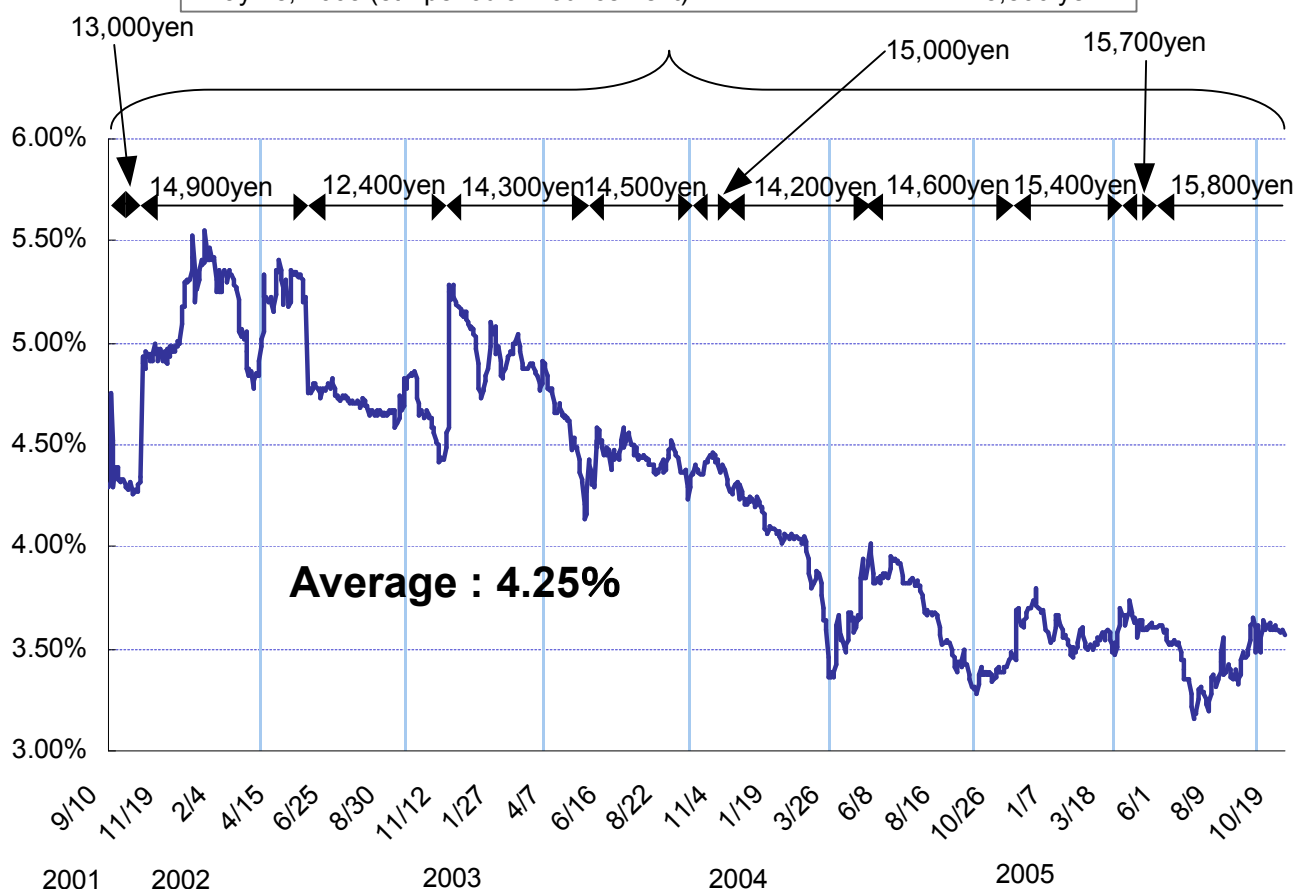
¹ Yield spread calculated by taking the Equity REIT dividend yield less 10-year constant maturity Treasury yield.
Source: NAREIT.®

Historical Dividend Yield of JRE Unit

As of November 1, 2005

Forecast Dividends (yen)

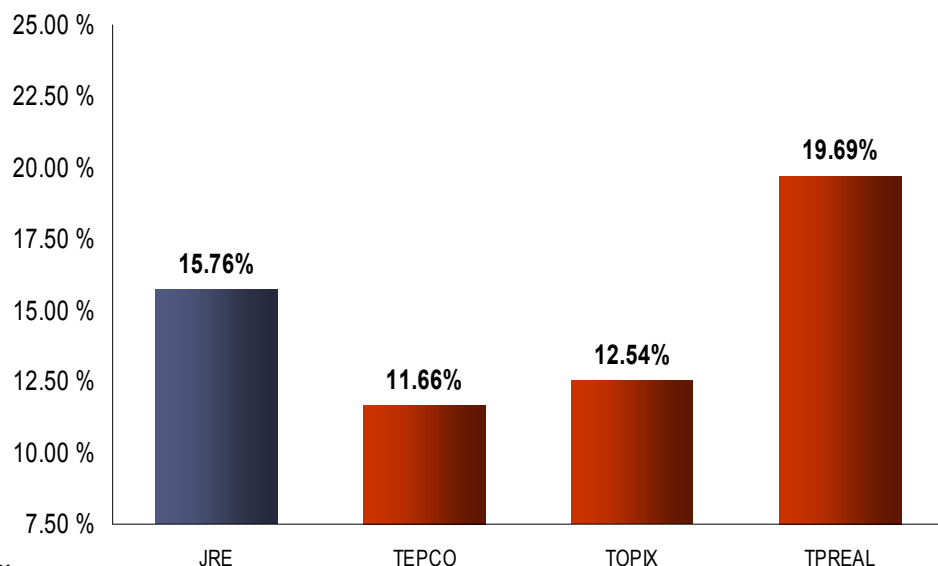
Original Forecast:	13,000 yen
October 22, 2001 (Upward revision):	14,900 yen
May 27, 2002 (2nd-period announcement):	12,400 yen
November 19, 2002 (3rd-period announcement):	14,300 yen
May 20, 2003 (4th-period announcement):	14,500 yen
October 1, 2003 (Upward revision):	15,000 yen
November 18, 2003 (5th-period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



Notes: 1. The average yield is computed by annualizing the disclosed projected dividend per unit divided by average unit price (daily closing prices from September 10, 2001 to November 1, 2005).

2. Blue lines show ex-dividend dates.

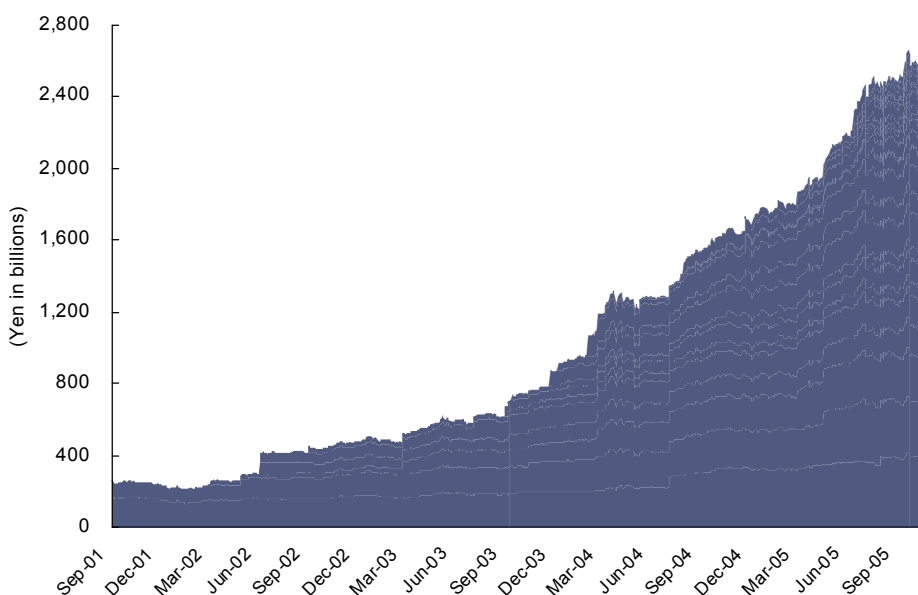
◆ Historical Volatility of Unit Price (As of November 1, 2005)



Notes:

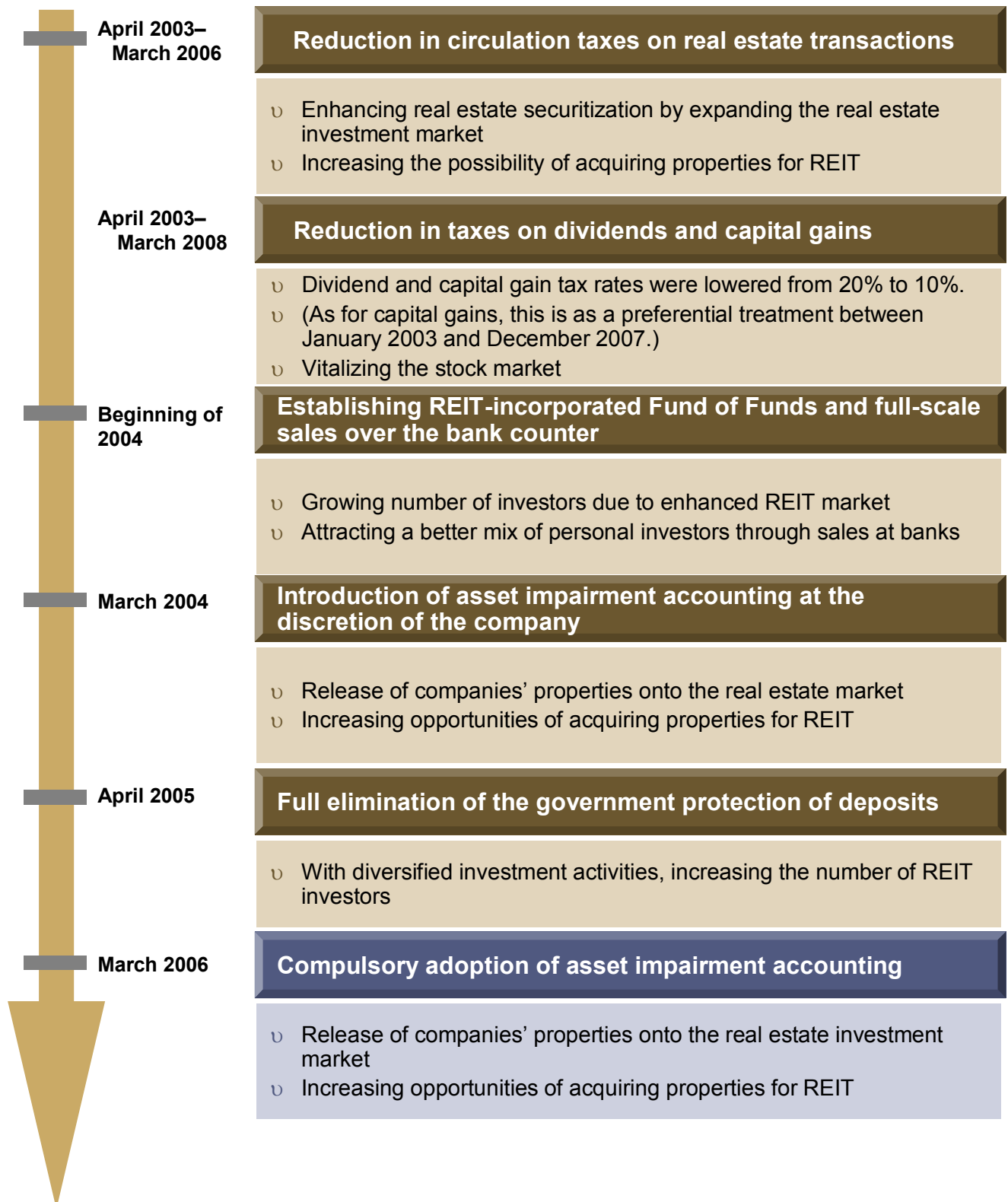
- Volatility is a measure of the change in the price of a financial instrument over a given period of time. By convention, historical volatility is the standard deviation of day-to-day logarithmic price changes expressed as an annualized percentage. We calculated each volatility by analyzing a sample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

◆ Change of J-REIT Market Capitalization (As of November 1, 2005)



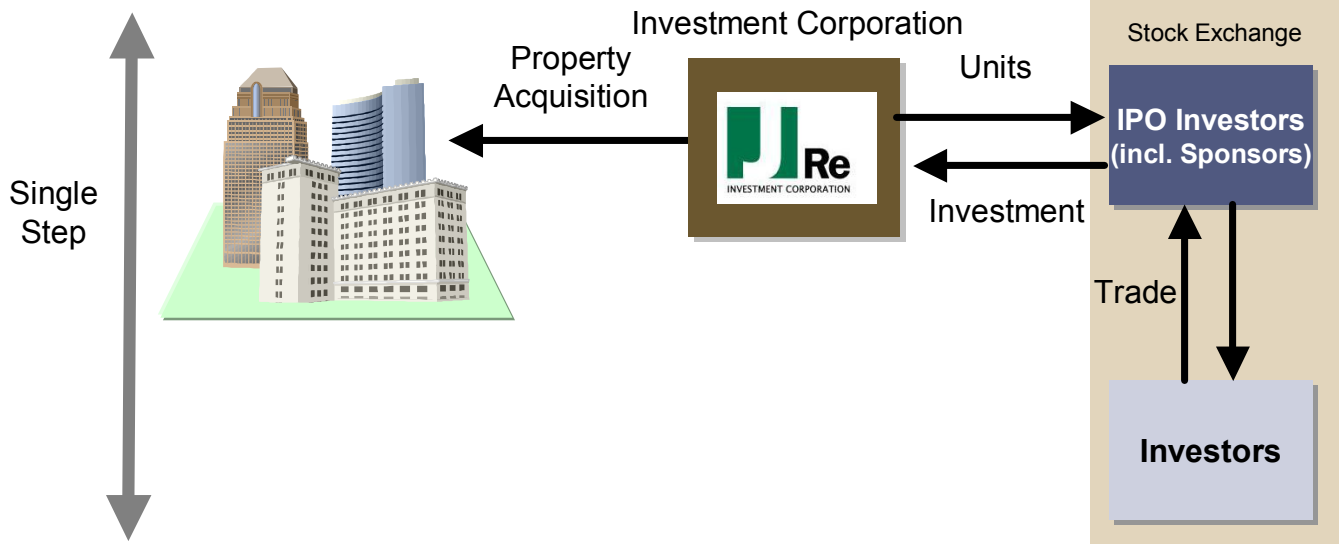
*Source: Bloomberg

Changes in Systems and Policies That Affect J-REIT



Difference in IPO Procedures

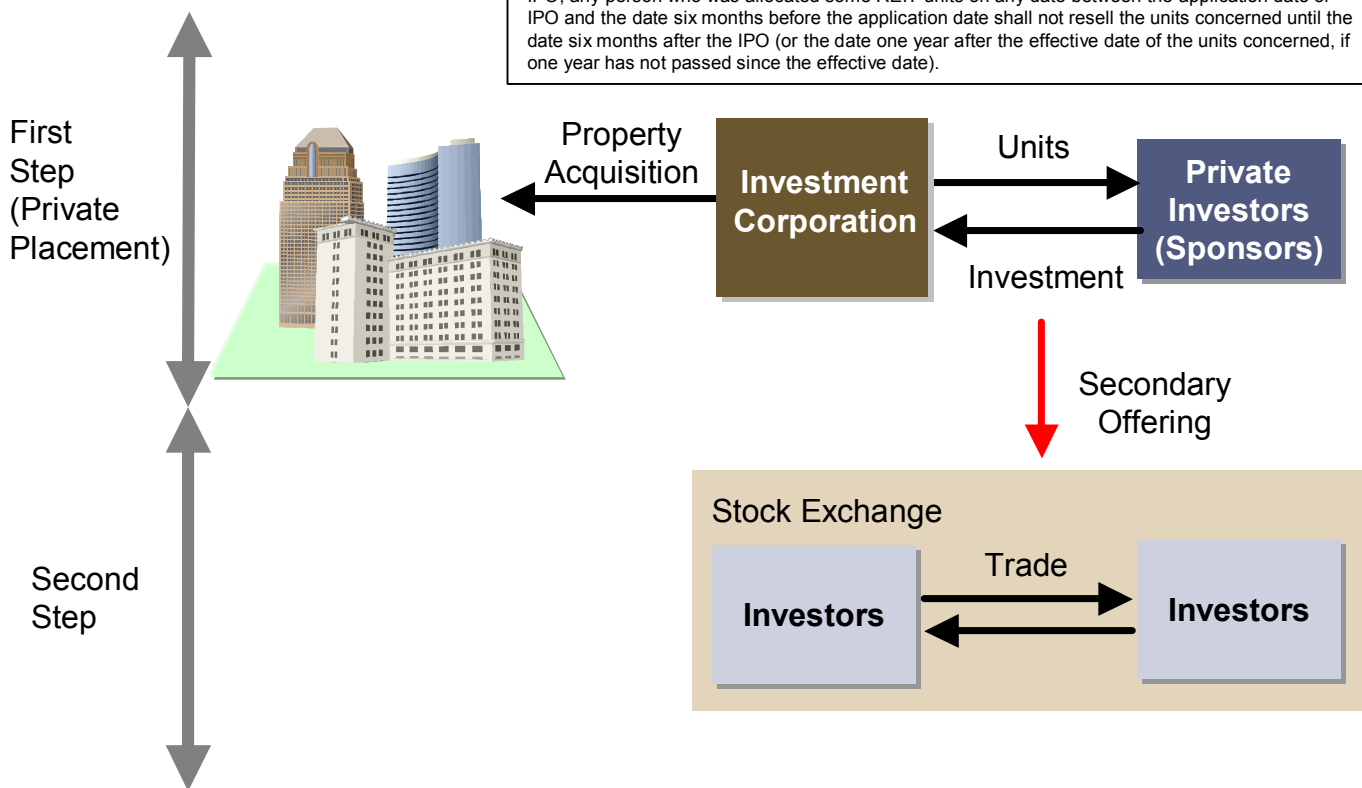
“One-Step Method”



“Two-Step Method”

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

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



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	Koube Nannbu, Mag.=7.2	
2004	Niigata Chuetsu, Mag.=6.8	

What Is Building Construction Authorized by the Construction Minister?

The earthquake-resistant design concept for building construction authorized by the Construction Minister is the same as that of the 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, 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

- 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

Revised Quake-Resistance Standards

Newly implemented two-phase quake-resistant design rules

- 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)
- 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.

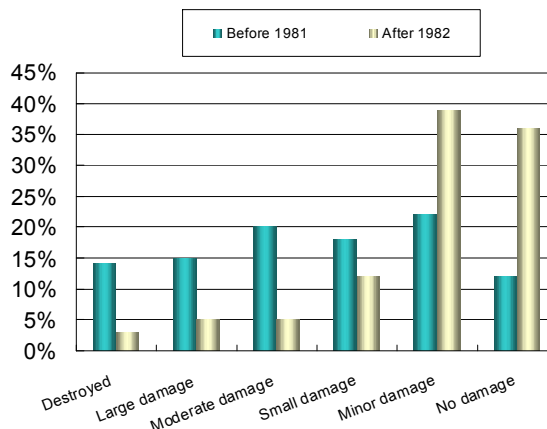
Buildings Damaged in the Great Hanshin Earthquake

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

	Before 1981		After 1982	
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.

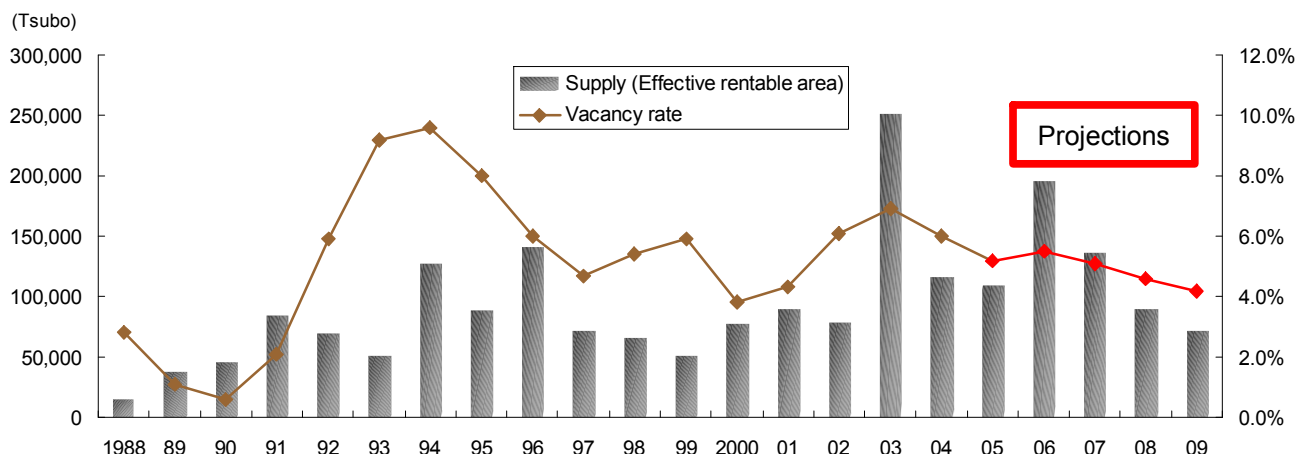
Extent of damages to buildings



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

Environment Surrounding the Office Building Market

Office Building Market in Tokyo



Source: The Real Estate White Paper 2005, Ikoma Date Service system (IDSS)

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

Future Issues for Office Building Market

The Year 2007 Problem

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

In Nagoya, large office buildings are slated to be completed in front of Nagoya station (this is gaining attention as "the Year 2007 problem" in the Nagoya Region).

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

- AKIHABARA UDX (gross floor area: 161,000m², 22 floors above ground)
- Tokyo Midtown Project (gross floor area: 569,000m², 54 floors above ground (Midtown Tower))
- East Japan Railway Corporation Tokyo Station Nihonbashiguchi Building (gross floor area: 79,200m², 35 floors above ground)
- New Marunouchi Building (rebuilding) (gross floor area: 195,000m², 38 floors above ground)
- Mitsubishi Corporation, Furukawa Building, Marunouchi Yaesu Building (Rebuilding) (gross floor area: 200,000m², number of floors: to be determined)

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

- Midland Square (redevelopment by Toyota and Mainichi Newspapers) (gross floor area: 194,000m², 47 floors above ground, scheduled completion:2006)
- Nagoya Lucent Tower (redevelopment by Chubu Electric, Toyota, etc) (gross floor area: 115,000m², 40 floors above ground, scheduled completion:2007)

The Year 2010 Problem

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

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



Source: NLI Research Institute

Problem of Falling Birthrate

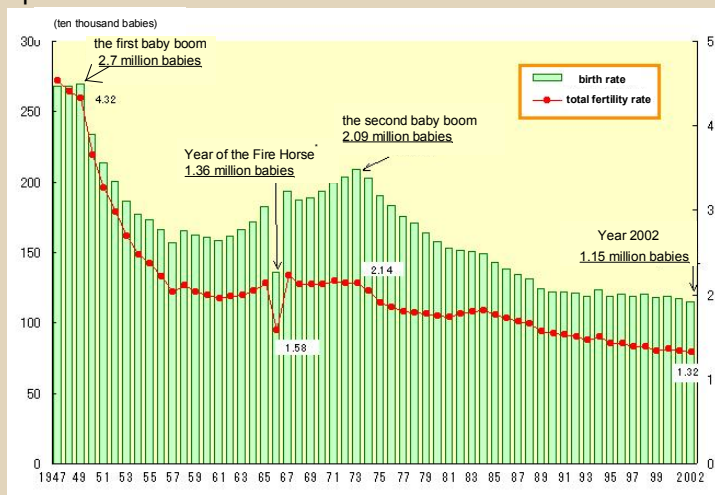
The number of babies born per year was approximately 2 million in the first half of the 1970s, but it has since dropped to approximately 1.1 million babies in recent years.

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

(Birth rates in other countries (2002))

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

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



Source: Health, Labor, & Welfare Ministry

Structure of JRE

D ... Dividend
I ... Interest

Asset Manager

Japan Real Estate Asset
Management Co., Ltd.



Sponsorship

MITSUBISHI ESTATE
三菱地所株式会社

36%

TOKIO MARINE
NICHIDO

27%

一生のパートナー
第一生命

27%

Dai-ichi Mutual Life

三井物産株式会社

10%

Mitsui & Co.

Entrusting

Investor

Investor

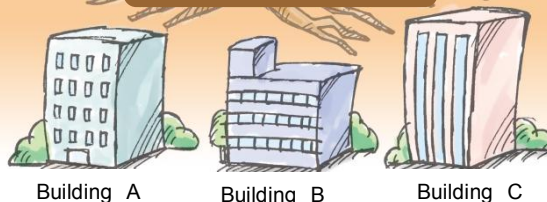
Investor



Financial
Institutions

Investment &
Management
in Real
Estate

Profits from Rental Revenue



Building A

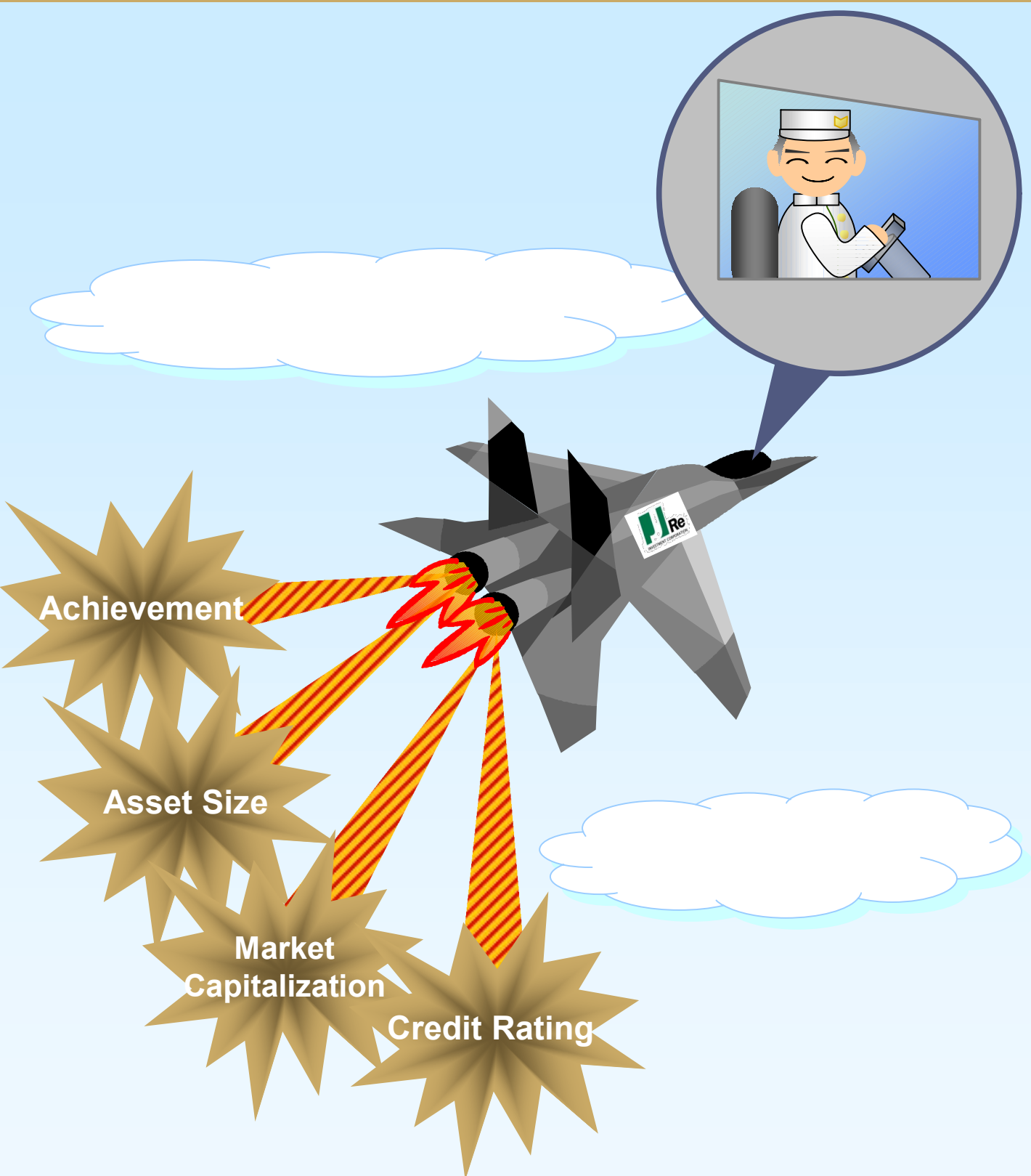
Building B

Building C

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.

Toward the Second Stage



Disclaimer on Forecasts

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