

# Japan Real Estate Investment Corporation

Performance Review for the 11th Period

(Ended March 31, 2007)



Japan Real Estate Asset Management Co., Ltd.

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### Terms used in this report

- (1) Number of tenants represents parties with lease agreements for floor area other than residential sections (excluding those with non-floor lease agreements for such as parking lots, or side signboards).
- (2) Leasable space, leased space, newly leased space, and returned space represent floor area, but the area used or leased for pay-by-the-hour meeting rooms, building manager offices, or storehouses is not included in the floor area. Moreover, unless otherwise noted, the residential sections are not included.
- (3) Rent means tenant rent of leasable space as shown in (2) above.
- (4) Property-related revenues are those from property-related operations including rent for residential sections, parking charges, and utilities charges in addition to those accrued from the rent as shown in (3) above.

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# Executive Summary

# Financial Summary for the 11th Period and Forecast



## Financial Summary for the 11th Period and Forecast

(In millions of yen)

	13th Period Forecast	12th Period Forecast	11th Period Performance	10th Period Performance
	(Mar 31, 2008)	(Sep 30, 2007)	(Mar 31, 2007)	(Sep 30, 2006)
	Oct 2007-Mar 2008	Apr 2007-Sep 2007	Oct 2006-Mar 2007	Apr 2006-Sep 2006
<b>Operating Revenues</b>	<b>17,140</b>	<b>17,000</b>	<b>16,960</b>	<b>15,570</b>
(% change from the preceding period)	(+0.8%)	(+0.2%)	(+8.9%)	(+11.5%)
(variance from the initial forecast)			(+3.2%)	
Initial Forecast		16,540	16,430	
<b>Operating Profits</b>	<b>8,270</b>	<b>8,140</b>	<b>8,304</b>	<b>7,041</b>
(% change from the preceding period)	(+1.6%)	(-2.0%)	(+17.9%)	(+11.4%)
(variance from the initial forecast)			(+5.1%)	
Initial Forecast		7,940	7,900	
<b>Recurring Profits</b>	<b>7,070</b>	<b>7,000</b>	<b>7,184</b>	<b>5,977</b>
(% change from the preceding period)	(+1.0%)	(-2.6%)	(+20.2%)	(+7.0%)
(variance from the initial forecast)			(+6.0%)	
Initial Forecast		6,820	6,780	
<b>Net Income</b>	<b>7,070</b>	<b>7,000</b>	<b>7,183</b>	<b>5,976</b>
(% change from the preceding period)	(+1.0%)	(-2.6%)	(+20.2%)	(+7.0%)
(variance from the initial forecast)			(+6.0%)	
Initial Forecast		6,820	6,780	
<b>Units Outstanding</b>	<b>410,000 units</b>	<b>410,000 units</b>	<b>410,000 units</b>	<b>345,400 units</b>
<b>Dividend per Unit</b>	<b>17,200 yen</b>	<b>17,090 yen</b>	<b>17,521 yen</b>	<b>17,302 yen</b>
<b>Total Assets</b>	-	-	<b>443,973</b>	<b>441,163</b>
<b>Total Unitholders' Equity</b>	-	-	<b>271,867</b>	<b>207,449</b>
<b>Total Liabilities</b>	-	-	<b>172,105</b>	<b>233,714</b>
<b>Interest-bearing Debts</b>	-	-	<b>140,000</b>	<b>202,500</b>
<b>LTV</b>	-	-	<b>31.5%</b>	<b>45.9%</b>
<b>Unit Price (period-end)</b>	-	-	<b>1,560,000 yen</b>	<b>1,000,000 yen</b>
<b>Market Capitalization</b>	-	-	<b>639,600</b>	<b>345,400</b>
<b>Number of Properties</b>	<b>51 buildings</b>	<b>51 buildings</b>	<b>50 buildings</b>	<b>49 buildings</b>
<b>Leasable Space</b>	<b>410,061 m<sup>2</sup></b>	<b>410,061 m<sup>2</sup></b>	<b>397,928 m<sup>2</sup></b>	<b>396,173 m<sup>2</sup></b>
<b>Occupancy Rate</b>	-	<b>98.0%</b>	<b>97.8%</b>	<b>98.2%</b>

\* Information as of each fiscal end

\* The initial forecast stated in the above schedule means the one announced on November 17, 2006 for the 11th and 12th Periods.

\* Assumptions for Performance Forecast:

- Performance forecast for the 12th and 13th Periods is based on 51 properties, with "8·3 Square Kita Building" to be acquired on June 1, 2007, in addition to the existing 50 properties as of March 31, 2007.
- The risk of decreasing revenues due to return of leased space is assumed, in addition to the increases and decreases already confirmed.
- Vacant spaces due to termination of agreements will be leased gradually after a certain period of time.

## Comments on the 11th Period

- ◆ Continuous growth in revenues and profits from IPO to the 11th Period
- ◆ New properties and additional shares of assets acquired in the 11th Period
  - Nishiki Park Building (Date of acquisition: October 2, 2006; Acquisition price: 3,850 million yen)
  - Nishiki Park Building (Additional share acquisition) (Date of acquisition: November 1, 2006; Acquisition price: 1,300 million yen)
  - Preferred capital contribution certificates issued by Harumi Front Special Purpose Company (Date of acquisition: November 24, 2006; Acquisition price: 268 million yen)
- ◆ Exchange transaction
  - Among its portfolio of properties, JRE exchanged Mitsubishi Soken Building for Mitsubishi UFJ Trust and Banking Building on March 28, 2007, and reported a capital gain on the exchange of 459 million yen.
- ◆ Property management
  - Occupancy rate at the end of the 11th Period was kept high at 97.8%. Negotiations with the existing tenants have been underway to increase the rent.
- ◆ Financial condition
  - New investment unit issue in October 2006 (64,600 units; Total issue value: approximately 63.2 billion yen)
  - LTV (Interest-bearing debt / Total assets) at the end of the 11th Period was 31.5%. The long- and fixed-term interest-bearing debt ratio (\*) achieved 100.0%.  
(\*) Long- and fixed-term interest-bearing debt ratio = (Long- and fixed-term loans + Investment corporation bonds (including current portions of Long- and fixed-term loans and Investment corporation bond)) / Total Interest-bearing debts
  - JRE's credit ratings as of May 16, 2007 were as follows:

S&P	Moody's	R&I
A+	A1	AA
(Positive)*	(Positive)*	(Stable)

\* S&P revised the outlook on JRE to "positive" from "stable" on April 6, 2007.

\* Moody's revised the outlook on JRE to "positive" from "stable" on May 16, 2007.

## Comments on the 12th and the 13th Periods

- ◆ Property to be acquired
  - 8·3 Square Kita Building (Date of acquisition: June 1, 2007; Acquisition price: 7,100 million yen)
- ◆ The occupancy rate at the end of the 12th Period is estimated to be 98.0%.

# Performance Comparison (the 10th Period vs. the 11th Period)



(In millions of yen)

## Overall Performance



## (Factor Analysis)

(1) 45 properties held as of the beginning of the 10th Period (including up to Kitanomaru Square acquired in the 9th Period)

(excluding 5 properties transferred and Sanno and Sendai Honcho Honma, in which additional shares were acquired in the 10th Period)

(45 properties operated all through the 10th and 11th Periods)

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

(3 properties operated all through the 11th Period (including the properties in which the additional shares of ownership were acquired))

(3) Properties acquired in the 11th Period (Nishiki Park, Mitsubishi UFJ Trust and Banking)

(2 properties put into operation during the 11th Period (including the properties in which the additional shares of ownership were acquired))

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

(4 properties transferred during the 10th Period)

(5) Property transferred in the 11th Period (Mitsubishi Soken)

(One property transferred during the 11th Period)

	11th Period (Oct 2006-Mar 2007)	10th Period (Apr 2006-Sep 2006)	Change	% of Change
Operating revenues	16,960	15,570	1,389	8.9%
Gain from transfer of property	459	400	58	14.6%
Property-related revenues (1)	16,500	15,169	1,331	8.8%
Property-related expenses (2)*	7,918	7,511	406	5.4%
Property-related profits and losses (1)-(2)	8,582	7,657	925	12.1%
NOI (excluding gain from transfer of property)*	11,300	10,339	960	9.3%

\* Property-related expenses include depreciation.

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

	11th Period (Oct 2006-Mar 2007)	10th Period (Apr 2006-Sep 2006)	Change	% of Change
Property-related revenues	13,919	12,801	1,118	8.7%
Property-related expenses	6,897	6,695	201	3.0%
Property management expenses	1,548	1,536	12	0.8%
Utilities expenses	930	1,011	-81	-8.0%
Property and other taxes	1,100	1,097	2	0.2%
Casualty insurance	33	34	0	-1.6%
Repairing expenses	768	479	288	60.2%
Other expenses	46	40	5	14.1%
Depreciation	2,469	2,494	-25	-1.0%
Property-related profits and losses	7,021	6,105	916	15.0%
NOI	9,490	8,600	890	10.4%

	11th Period (Oct 2006-Mar 2007)	10th Period (Apr 2006-Sep 2006)	Change	% of Change
Property-related revenues	1,236	1,124	111	9.9%
Property-related expenses	485	357	128	35.9%
Property-related profits and losses	750	767	-16	-2.2%
NOI	858	864	-6	-0.7%

	11th Period (Oct 2006-Mar 2007)	10th Period (Apr 2006-Sep 2006)	Change	% of Change
Property-related revenues	293	0	293	-
Property-related expenses	195	0	195	-
Property-related profits and losses	98	0	98	-
NOI	184	0	184	-

	11th Period (Oct 2006-Mar 2007)	10th Period (Apr 2006-Sep 2006)	Change	% of Change
Property-related revenues	0	180	-180	-100.0%
Property-related expenses	0	132	-132	-100.0%
Property-related profits and losses	0	48	-48	-100.0%
NOI	0	84	-84	-100.0%

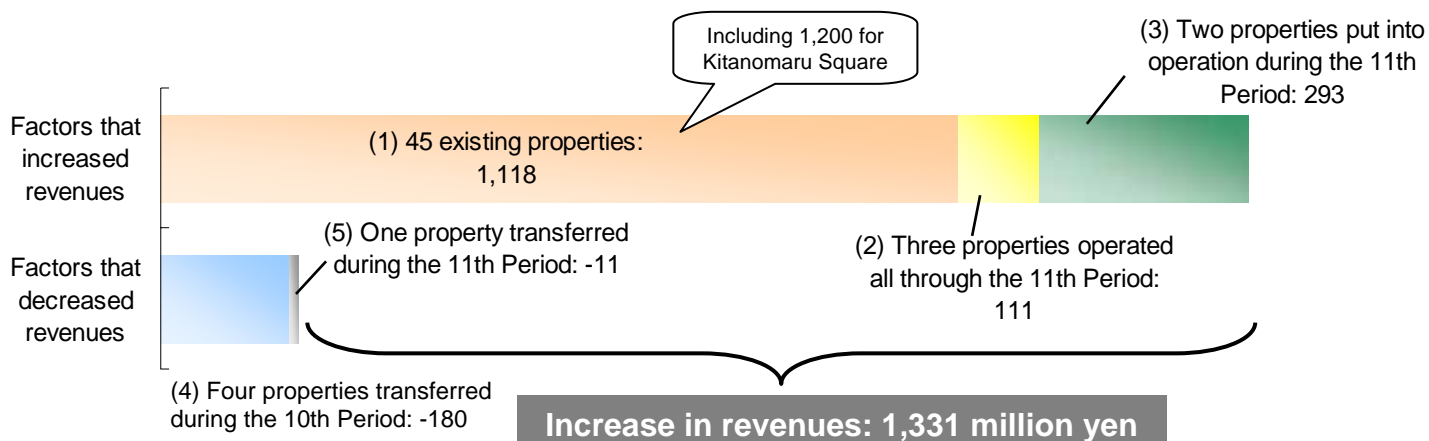
	11th Period (Oct 2006-Mar 2007)	10th Period (Apr 2006-Sep 2006)	Change	% of Change
Property-related revenues	1,051	1,062	-11	-1.0%
Property-related expenses	339	326	13	4.0%
Property-related profits and losses	712	736	-24	-3.3%
NOI	766	790	-24	-3.0%

\*Refer to 4. Appendix (see pages 70 - 71) for performance comparison, by building, of the 11th Period with the 10th Period.

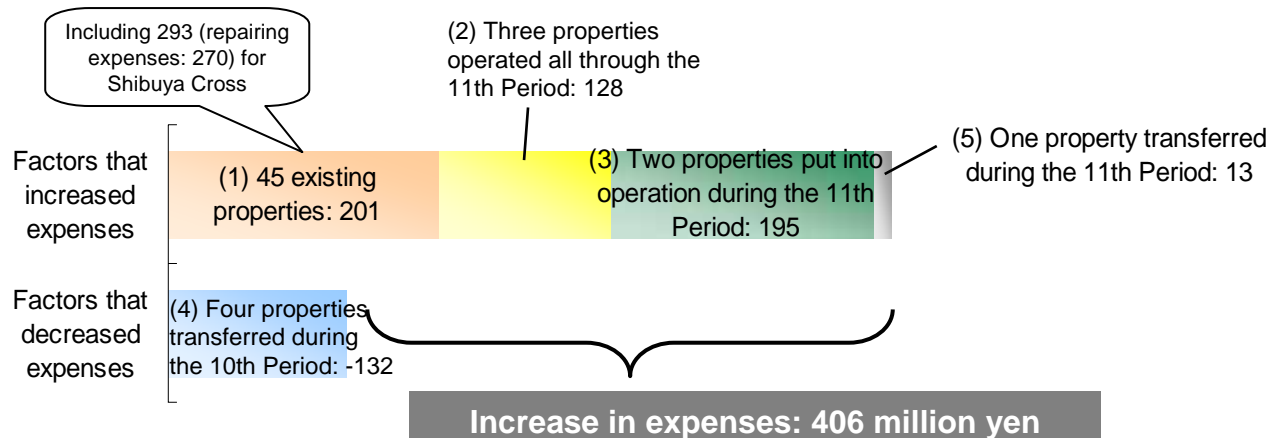


## Factors that increased property-related revenues

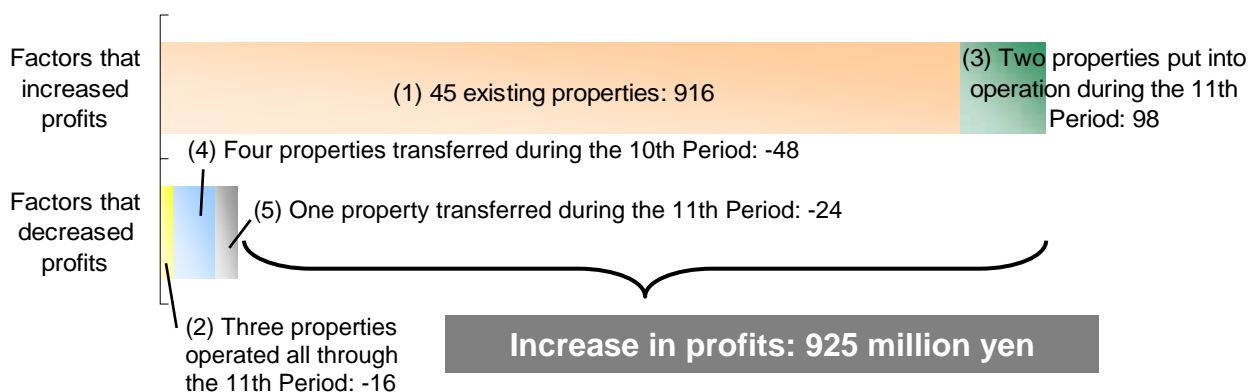
(In millions of yen)



## Factors that increased property-related expenses



## Factors that increased property-related profits



# Summary of Debts



## 11th Period (as of March 31, 2007)

	Lender	Borrowing Date	EOB (millions of yen)	Interest (%)	Repayment Date
Short-term Loans	-	-	0	-	-

	Lender or Bond Name	Borrowing Date or Issue Date	EOB (millions of yen)	Interest (%)	Repayment Date or Maturity Date
Current Portion of Long-term Loans	The Chugoku Bank, Ltd.	2004/06/15	3,000	0.90875	2007/06/15
	The Bank of Fukuoka, Ltd.	2004/08/31	3,000	0.78375	2007/08/31
Current Portion of Investment Corporation Bond	1st Investment Corporation Bond	2002/06/21	25,000	1.32	2007/06/21
<b>Total</b>			<b>31,000</b>		

	Lender	Borrowing Date	EOB (millions of yen)	Interest (%)	Repayment Date
Long-term Loans	The Iyo Bank, Ltd.	2004/03/24	2,000	1.0575	2009/03/24
	The Dai-ichi Mutual Life Insurance Company	2004/03/30	5,000	1.015	2009/03/30
	The Taiyo Life Insurance Company	2004/03/30	2,000	1.47125	2011/03/30
	Mitsui Life Insurance Co., Ltd.	2004/08/31	5,000	1.50125	2011/08/31
	Mitsui Life Insurance Co., Ltd.	2004/10/29	2,000	1.55	2012/10/29
	National Mutual Insurance Federation of Agricultural Cooperatives	2004/11/01	5,000	1.33125	2011/11/01
	Mitsubishi UFJ Trust & Banking Corporation	2006/04/03	10,000	1.63	2011/04/04
	Mitsubishi UFJ Trust & Banking Corporation	2006/06/01	22,000	1.73	2011/06/01
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		6,000		
	Mizuho Corporate Bank, Ltd.		6,000		
	The Sumitomo Trust & Banking Co., Ltd.	2006/06/23	5,200	1.65925	2011/06/23
	Mitsubishi UFJ Trust & Banking Corporation		5,200		
	Sompo Japan Insurance Inc.		1,600		
The Yamanashi Chuo Bank, Ltd.	2006/12/15	2,000	1.2875	2009/12/15	
<b>Total</b>			<b>79,000</b>		

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

Total amount of interest-bearing debts as of the 11th period end **140,000** million yen

- The weighted average interest rate is 1.46% (1.23% for current portions of long-term loans and investment corporation bond, and 1.53% for long-term interest-bearing debts) based on the amount of debt at the end of the period.
- Average duration (as of the end of 11th Period) is 0.24 years (approximately 3 months) for current portions of long-term loans and investment corporation bond, and 4.99 years (approximately 5 years) for long-term interest-bearing debts.
- Long- and fixed-term interest-bearing debt ratio: 100.0% (Including current portions of long- and fixed-term loans and investment corporation bond)

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

	Lender	Borrowing Date	EOB (millions of yen)	Interest (%)	Repayment Date
Short-term Loans	Mitsubishi UFJ Trust & Banking Corporation	2006/02/01	4,500	0.6681	2007/02/01
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2006/02/23	16,000	0.2745	2007/02/23
	Mizuho Corporate Bank, Ltd.	2006/02/23	16,000	0.2745	2007/02/23
	The Sumitomo Trust & Banking Co., Ltd.	2006/02/23	16,000	0.2745	2007/02/23
	Shinsei Bank, Limited	2006/02/23	10,000	0.2745	2007/02/23
	The Yamanashi Chuo Bank, Ltd.	2006/06/15	2,000	0.5472	2007/06/15
<b>Total</b>			<b>64,500</b>		

Early repayment of the loan was made on October 31, 2006.  
 Early repayments of the loans were made on November 24, 2006.  
 Short-term loan was refinanced into long-term loans on December 15, 2006

	Lender or Bond Name	Borrowing Date or Issue Date	EOB (millions of yen)	Interest (%)	Repayment Date or Maturity Date
Current Portion of Long-term Loans	The Chugoku Bank, Ltd.	2004/06/15	3,000	0.90875	2007/06/15
	The Bank of Fukuoka, Ltd.	2004/08/31	3,000	0.78375	2007/08/31
Current Portion of Investment Corporation Bond	1st Investment Corporation Bond	2002/06/21	25,000	1.32	2007/06/21
<b>Total</b>			<b>31,000</b>		

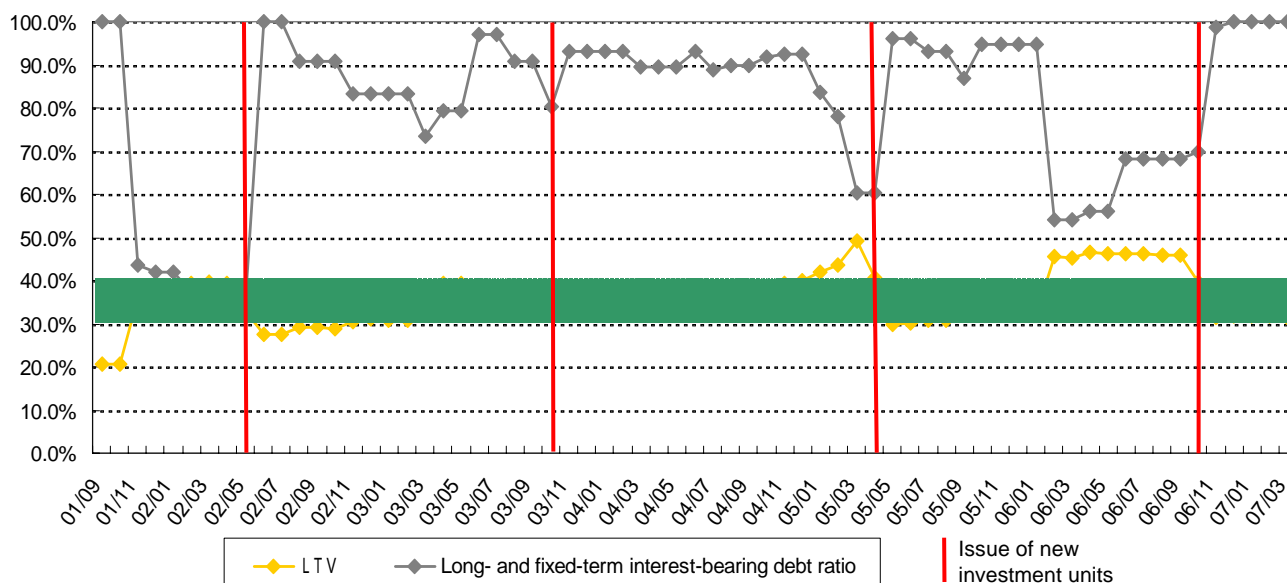
	Lender	Borrowing Date	EOB (millions of yen)	Interest (%)	Repayment Date
Long-term Loans	The Iyo Bank, Ltd.	2004/03/24	2,000	1.0575	2009/03/24
	The Dai-ichi Mutual Life Insurance Company	2004/03/30	5,000	1.015	2009/03/30
	The Taiyo Life Insurance Company	2004/03/30	2,000	1.47125	2011/03/30
	Mitsui Life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

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

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

- The weighted average interest rate is 1.10% (0.31% for short-term loans, 1.23% for current portions of long-term loans and investment corporation bond, and 1.53% for long-term interest-bearing debts) based on the amount of debt at the end of the period.
- Average duration (as of the end of 10th Period) is 0.41 years (approximately 5 months) for short-term loans, 0.74 years (approximately 9 months) for current portions of long-term loans and investment corporation bond, and 5.53 years (approximately 5 years and 6 months) for long-term interest-bearing debts.
- Long- and fixed-term interest-bearing debt ratio: 68.1% (Including current portions of long- and fixed-term loans and investment corporation bond)

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



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

\*Long- and fixed-term interest-bearing debt ratio = (Long- and fixed-term loans + Investment corporation bonds (including current portions of Long- and fixed-term loans and Investment corporation bond)) / Total Interest-bearing debts

## Borrowable Amount

(In millions of yen)

Total assets	Interest-bearing debts	LTV	Borrowable amount	
			Up to 35% of LTV	Up to 40% of LTV
443,973	140,000	31.5%	23,677	62,648

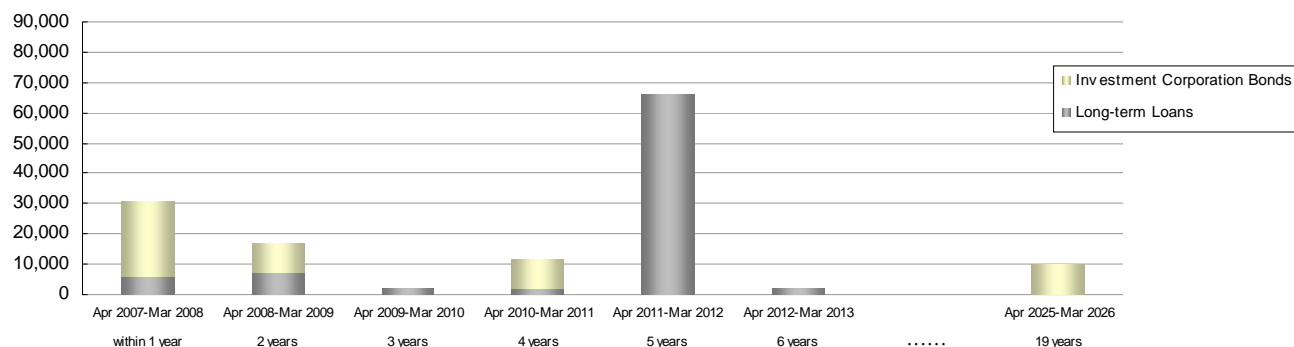
## Diversification of Repayment Dates

(As of May 17, 2007)

(In millions of yen)

	Apr 2007-Mar 2008 (within 1 year)	Apr 2008-Mar 2009 (2 years)	Apr 2009-Mar 2010 (3 years)	Apr 2010-Mar 2011 (4 years)	Apr 2011-Mar 2012 (5 years)	Apr 2012-Mar 2013 (6 years)	.....	Apr 2025-Mar 2026 (19 years)	Total
Short-term Loans	0	0	0	0	0	0		0	0
Long-term Loans	6,000	7,000	2,000	2,000	66,000	2,000		0	85,000
Investment Corporation Bonds	25,000	10,000	0	10,000	0	0		10,000	55,000
<b>Total</b>	<b>31,000</b>	<b>17,000</b>	<b>2,000</b>	<b>12,000</b>	<b>66,000</b>	<b>2,000</b>		<b>10,000</b>	<b>140,000</b>

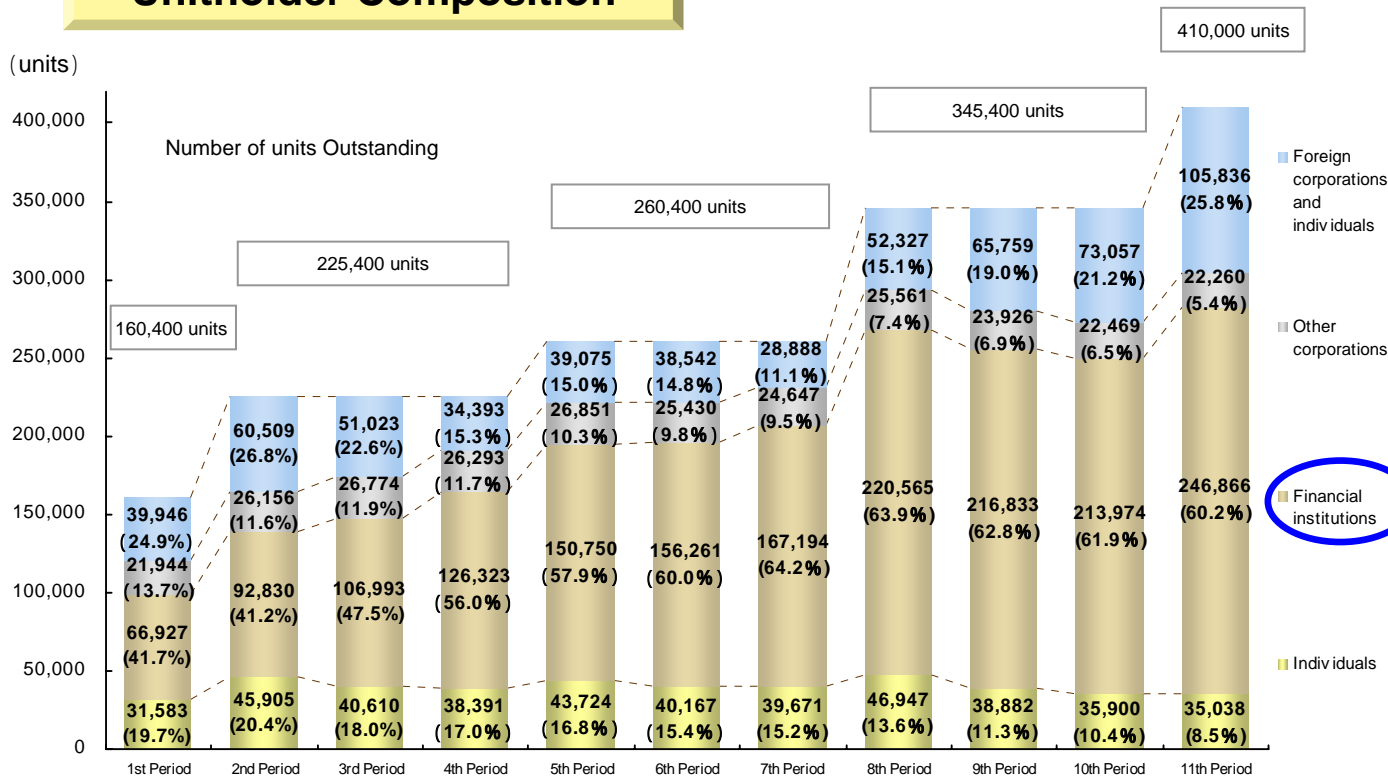
(In millions of yen)



# Unitholder Data



## Unitholder Composition



## Top 10 Unitholders

### 11th Period

Company	Units	% of Total Units Outstanding
1 The Master Trust Bank of Japan, Ltd. (Shintaku Acc.)	26,415	6.44%
2 NikkoCiti Trust and Banking Corporation (Toshin Acc.)	26,132	6.37%
3 Japan Trustee Services Bank, Ltd. (Shintaku Acc.)	26,027	6.35%
4 Trust & Custody Services Bank, Ltd. (Toshin Acc.)	19,498	4.76%
5 The Nomura Trust and Banking Co., Ltd. (Toshin Acc.)	12,682	3.09%
6 The Bank of New York, Treaty JASDEC Account	10,877	2.65%
7 Mitsubishi Estate Co., Ltd.	10,160	2.48%
8 The Chugoku Bank, Ltd.	9,491	2.31%
9 Resona Bank, Limited.	9,016	2.20%
10 Tokio Marine & Nichido Fire Insurance Co., Ltd.	8,120	1.98%

The Dai-ichi Mutual Life Insurance Company	4,920	1.20%
Mitsui & Co., Ltd.	1,600	0.39%

### 10th Period

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

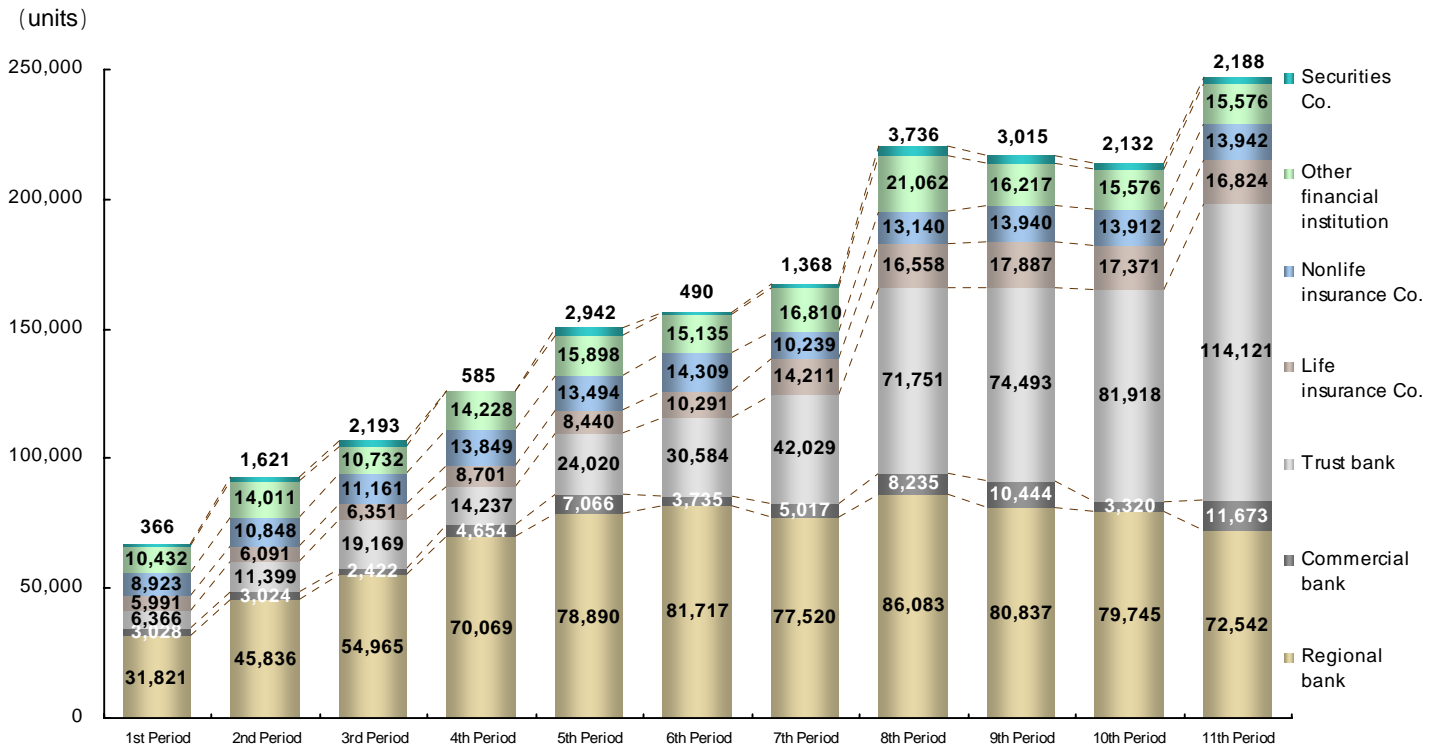
The Dai-ichi Mutual Life Insurance Company	4,920	1.42%
Mitsui & Co., Ltd.	1,600	0.46%

## Number of Unitholders by Sector

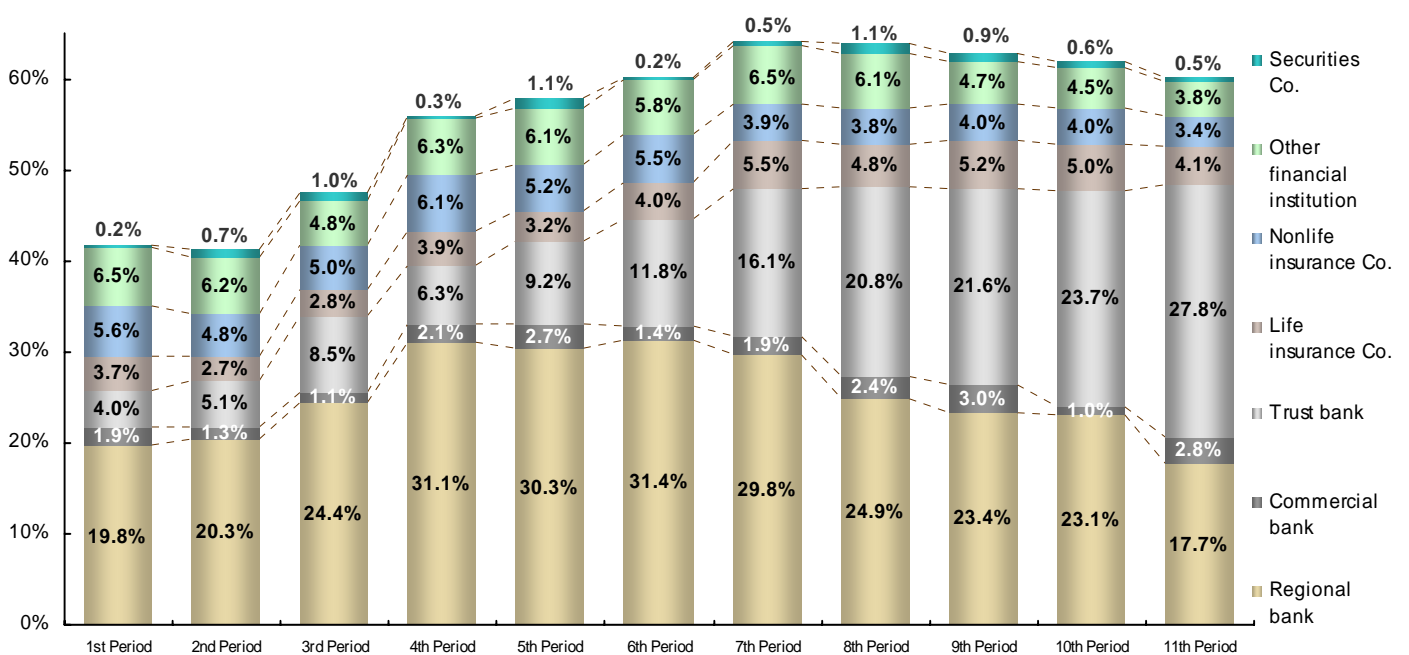
	11th Period		10th Period	
	Unitholders	%	Unitholders	%
Individuals	13,395	94.2%	13,449	94.4%
Financial institutions	206	1.4%	209	1.5%
Other corporations	326	2.3%	324	2.3%
Foreign corporations/individuals	292	2.1%	266	1.9%
<b>Total</b>	<b>14,219</b>	<b>100.0%</b>	<b>14,248</b>	<b>100.0%</b>

## Financial Institutions

### Distribution of Total Units Outstanding



### Proportion of Total Units Outstanding



# Exchange of Assets



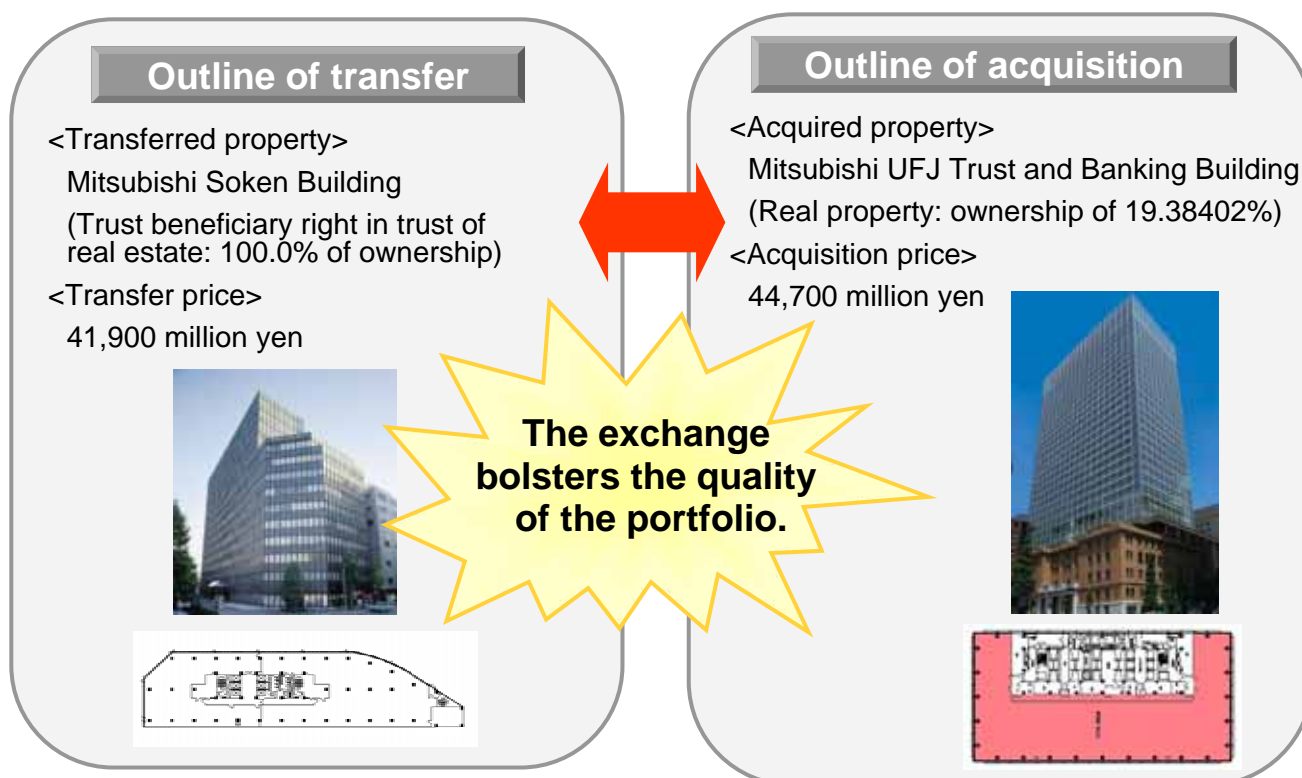
## Exchange Transaction

Date of exchange: March 28, 2007  
 Exchange with: Mitsubishi Estate Co., Ltd.  
 Advanced depreciation accounting:

In this exchange transaction, advanced depreciation accounting of the land of the acquired property was made and the maximum amount which was recognized for the advanced depreciation accounting (14,431 million yen), out of the capital gain upon the exchange of the transferred property, was deducted from the acquisition price of the acquired property.

Impact of exchange:

The financial results for the period ending March 2007 include a capital gain on exchange of 459 million yen.



## Overall Comparison between the Properties

(As of the date of exchange)

		Mitsubishi Soken Building	Mitsubishi UFJ Trust and Banking Building
Age of building		36.7 years	4.1 years
Location		The north end of Otemachi area	The center of Marunouchi area
Total number of tenants		4	10
PML value		8.98%	2.24%
NOI (per year)		1,574 million yen <small>(Actual results for the period from Oct. 2005 to Sep. 2006)</small>	1,620 million yen <small>(Notional NOI relating to the acquired shares)</small>
Specifications	Ceiling height	2,575 mm	2,800 mm
	Standard floor area	Higher level 700 m <sup>2</sup> Lower level 1,460 m <sup>2</sup>	1,776 m <sup>2</sup>
	Air conditioning system	Central air conditioning	Individual air conditioning

## Reason for the Exchange

### Challenges of Mitsubishi Soken Building

- The competitiveness of the building is likely to decrease in the case that more buildings in the neighborhood are reconstructed in the future.
- It is necessary to study what action to be taken after the lease contract for a specific leasing period with a principal tenant, which accounts for more than 80% of the leasable space, expires at the end of March 2011.
- Progress of reconstruction business in the Otemachi area with development of land replanning/rezoning



**Is this building to be retained, to be rebuilt or to be sold?**

### Study of possible options

- |  |   |
|--|---|
| 1. Maintaining ownership with a proposal of an exchange of lands at the current location   | - Concerns regarding the decreasing competitiveness in the future cannot be eliminated.   |
| 2. Reconstruction with a proposal of an exchange of lands at the current location  | - There is negative impact on profitability during the reconstructing period.<br>- It is difficult to construct a new building with square shaped lease spaces that is highly competitive.      |
| 3. Sole development or joint development with a proposal of an exchange of lands within the area scheduled for the second phase of development | - There is negative impact on profitability during the reconstructing period.<br>- Various risks associated with large-scale development may not be avoided, such as a project completion risk. |
| 4. Outright sale   | - Although the profit for the current fiscal period of the sale will substantially increase by capital gain upon sale, the profit will decline constantly in subsequent years.                  |
| 5. Exchange  | - This alternative will (A) allow avoiding (i) adverse effect on profitability and (ii) various risks associated with large-scale development, and (B) maintain stable profitability.           |

**The best scheme is to “exchange” this building with “newly constructed buildings” “in the same area”, which is the best location for office buildings in Japan, in order to maintain the stable profitability.**

# Exchange of Assets



## Outline of Development of Land Replanning/Rezoning in the Otemachi Area

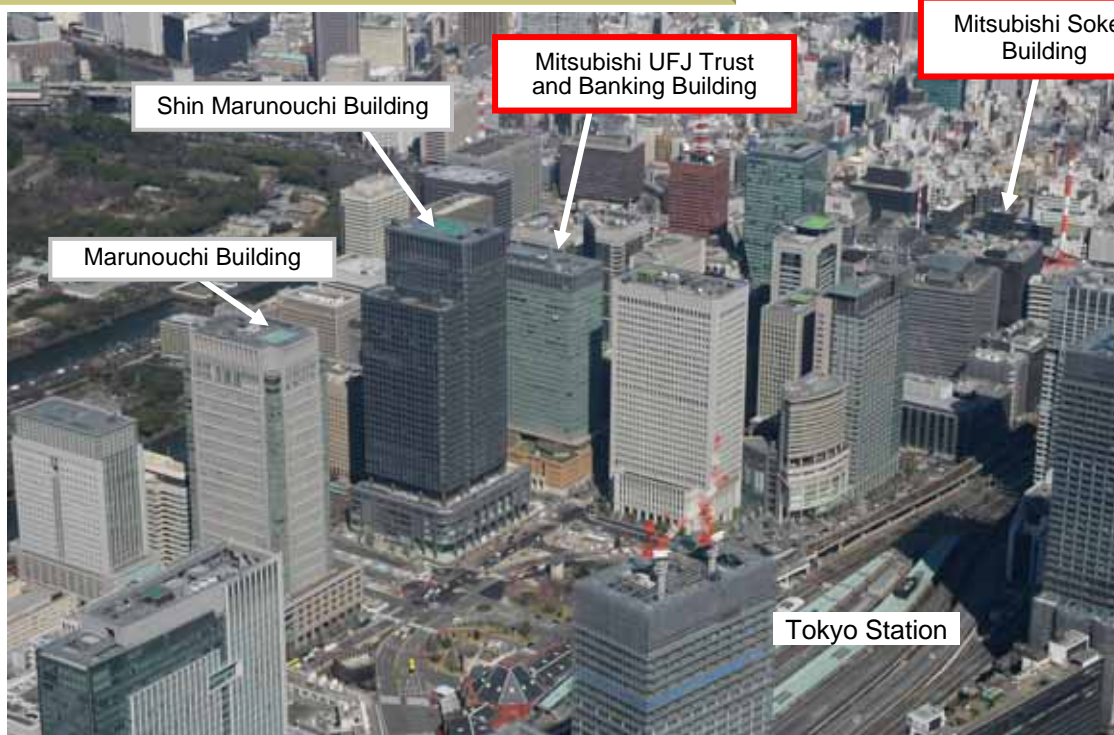
### Outline of Development of Land Replanning/Rezoning in the Otemachi Area

Name of business : Tokyo Metropolitan Urban Land Development Business Plan,  
Development of Land Replanning/Rezoning in the Otemachi Area  
Business entity : Urban Renaissance Agency (UR)  
Area : Approximately 13.1 ha  
Period : From April 2006 to the end of March 2015

### Outline of Urban Development Project Involving Sequential Reconstruction

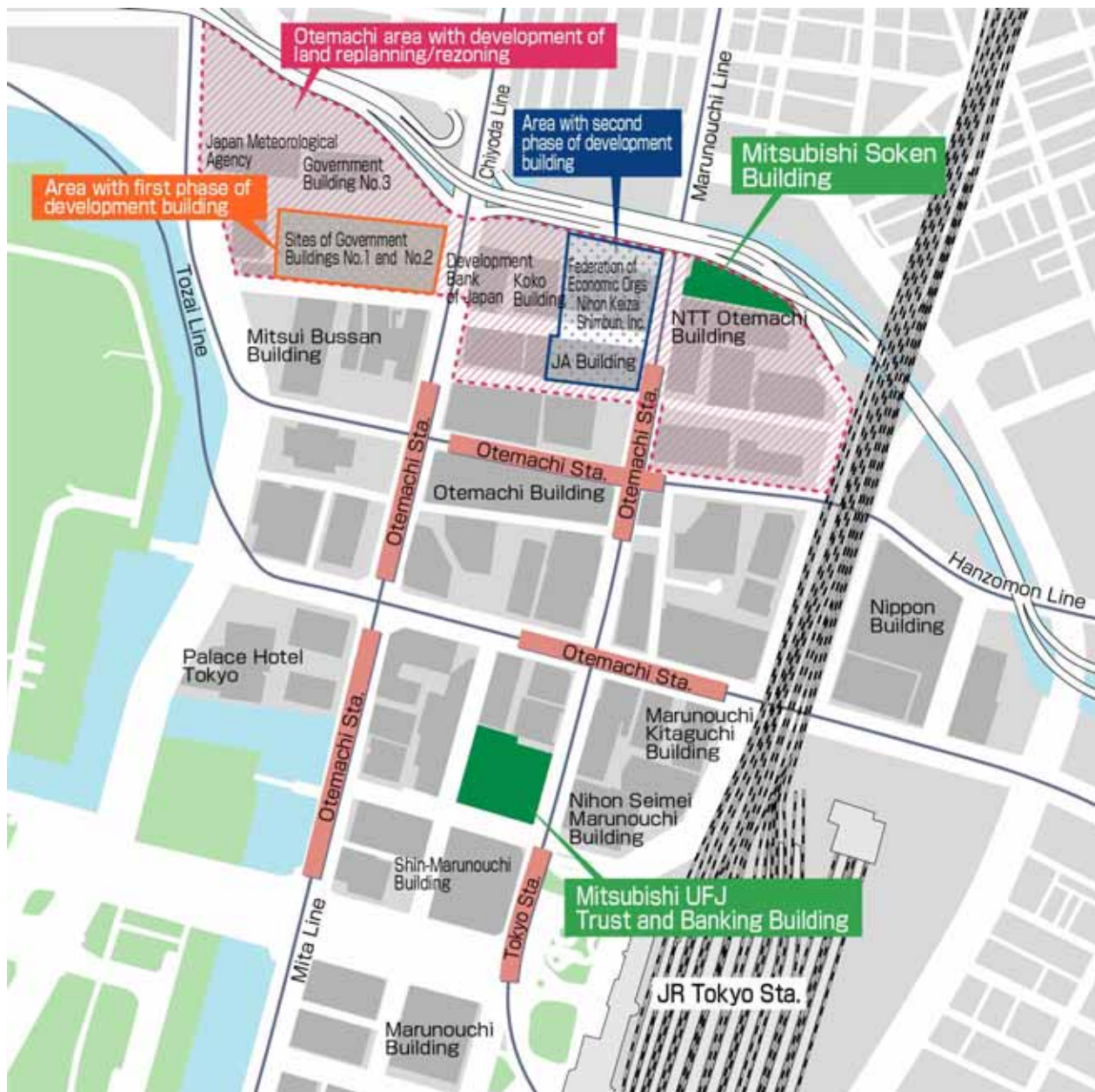
- (1) UR acquires the sites of Government Buildings.
- (2) Lands of the relevant parties holding certain rights and interests in properties who wish to rebuild are collected to exchange the lands to the sites of Government Buildings.
- (3) Rebuilding is performed at the sites of Government Buildings. (First phase redevelopment)
- (4) Lands of the relevant parties holding certain rights and interests in properties who wish to rebuild next are collected to exchange the lands to the building site of the relevant parties holding certain rights and interests in properties who participated in the first phase redevelopment.
- (5) Rebuilding is performed at the building site of the relevant parties holding certain rights and interests in properties who participated in the first phase redevelopment. (Second phase redevelopment)
- (6) The building sites of the relevant parties holding certain rights and interests in properties who participated in the second phase redevelopment are used for the next sequential reconstructing, etc.

## Panoramic View of the Marunouchi Area





## Map of Marunouchi and Otemachi Area



# New Properties and Additional Shares of Ownership Acquired in the 11th and 12th Periods



## Nishiki Park Building

### Transaction Summary

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



### Property Summary

- ◆ Address: 2-4-3, Nishiki, Naka-ku, Nagoya City, Aichi Prefecture
- ◆ Area: Land: 2,170.45 m<sup>2</sup> Building: 25,091.91 m<sup>2</sup>
- ◆ Structure: Steel-framed, steel-framed reinforced concrete, and steel-reinforced concrete structure, flat roof Above ground: 22 floors Below ground: 4 floors
- ◆ Completion date: August 1995
- ◆ Type of ownership: Land: Ownership (share of co-ownership: 54.3489% of 1,786.45 m<sup>2</sup> [1 lot]) and term leasehold interest (share of quasi-co-ownership: 272,736 / 384,380 of 384 m<sup>2</sup> [1 lot])  
Building: Share of co-ownership of compartmentalized building units (60.93025% share of co-ownership of 13,296.06 m<sup>2</sup> of the office/shop spaces from the first floor to the twentieth floor and 90% share of co-ownership of 999.50 m<sup>2</sup> of the residential space from the twenty-first floor to the twenty-second floor)  
\* Ownership of building: 57.04651%
- ◆ Total leasable space: Office/shop: 8,059 m<sup>2</sup>, Residential: 954 m<sup>2</sup> (the area for ownership of the property as of March 31, 2007)
- ◆ Occupancy rate: Office/shop: 98.7%, Residential: 100.0% (as of March 31, 2007)

## 8-3 Square Kita Building

### Transaction Summary

- ◆ Seller: Taisei Corporation
- ◆ Acquisition price: 7,100 million yen
- ◆ Appraisal value: 7,190 million yen (as of March 1, 2007)
- ◆ Acquisition date: June 1, 2007



### Property Summary

- ◆ Address: Kita 8 Nishi 3 32, Kita-ku, Sapporo City, Hokkaido
- ◆ Area: Land: 5,541.60 m<sup>2</sup> Building: 16,048.59 m<sup>2</sup> (Office building), 48.38 m<sup>2</sup> (Multi-level parking structure)
- ◆ Structure: Steel-reinforced concrete structure, flat roof Above ground: 11 floors Below ground: 1 floor
- ◆ Completion date: December 2006
- ◆ Type of ownership: Land: Ownership (47.17% in the site rights)  
Building: Ownership (All the compartmentalized building units in the office building and the multi-level parking structure, and the common area in the project site)
- ◆ Total leasable space: 12,265 m<sup>2</sup> (projection for the office building as of June 1, 2007)
- ◆ Occupancy rate: 98.5% (projection as of June 1, 2007)

# Acquired Assets (Preferred Capital Contribution Certificates)



## Outline of Preferred Capital Contribution Certificates

◆ Acquired property	Real estate-backed securities
◆ Type of securities	Preferred capital contribution certificates
◆ Issuer	Harumi Front Special Purpose Company
◆ Acquisition price (number of units)	268 million yen (5,360 units)
◆ Acquisition date	<b>November 24, 2006</b>
◆ Past acquisitions of preferred capital contribution certificates before the 11th Period	956 million yen (19,120 units) on March 29, 2005 46 million yen (920 units) on November 24, 2005
◆ Total of the above three acquisitions	1,270 million yen 25,400 units (about 49.9% of the total of 50,900 units of preferred capital contribution units and about 9.9% of the forecast total project cost at the time of the first contribution)
◆ Limit on preferential purchasing rights (*)	May 31, 2008 (Discussion is underway for acquisition by the 13th Period)

\* In addition to the above mentioned investment, JRE acquired a preferential right to purchase "Harumi Center Building" owned by TMK (Special purpose company).

## TMK (Special Purpose Company) Harumi Front Special Purpose Company

### Real property

Summary of property held by TMK;

◆ Name of property	Harumi Center Building
◆ Location	2-5-24, Harumi, Chuo-ku, Tokyo
◆ Site area	4,664.63 m <sup>2</sup>
◆ Total floor space	26,447.27 m <sup>2</sup>
◆ Leasable space	20,812 m <sup>2</sup>
◆ Occupancy rate	98.1% (as of March 31, 2007)
◆ Structure	Steel framed structure, flat roof Above ground: 10 floors
◆ Usage	Office, shop, parking area
◆ Total project cost	12,821 million yen (forecast value at the time of the first contribution)
◆ Construction schedule	Completion: November 30, 2006

Outside view of Harumi Center Building



Specified corporate bonds and special purpose loans

Preferred capital contribution certificates (Preferred capital contribution units owned by JRE: about 49.9%, about 9.9% of the forecast total project cost at the time of the first contribution)

Specified capital contribution

80%

20%

# Improvement of Portfolio Quality



In the 5.5 years following IPO, the quality of the portfolio has further improved.

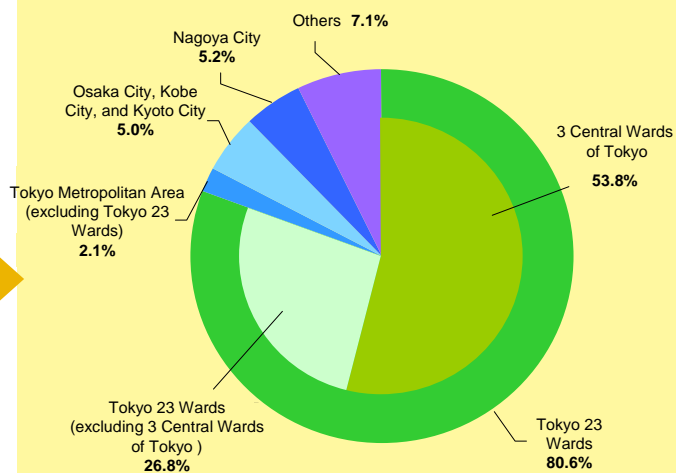
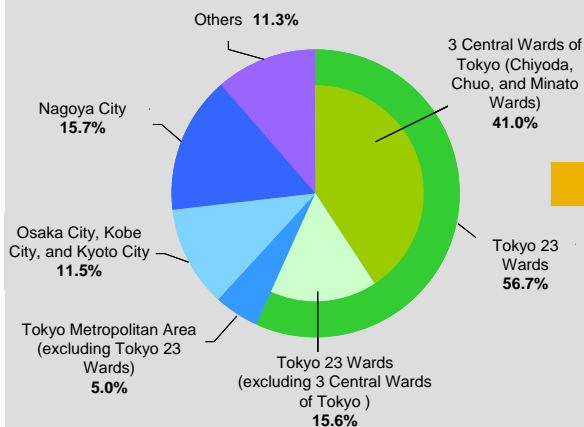
At IPO (End of Sep 2001):  
20 properties

After 5.5 years

As of June 1, 2007:  
51 properties  
(including the property acquired  
on June 1, 2007)

## Geographical diversification

- \* Acquisition price basis
- \* Tokyo metropolitan area represents Tokyo, Saitama, Chiba, and Kanagawa prefectures.
- \* The preferred capital contribution certificate acquisition is excluded from the data on the chart below.



Highly liquid portfolio, mainly concentrated in Tokyo 23 Wards

## Building age

- \* Weighted average based on acquisition prices

Entire portfolio:  
17.9 years

Tokyo 23 Wards:  
22.2 years

Other than Tokyo 23 Wards:  
12.4 years

Entire portfolio:  
13.6 years

Tokyo 23 Wards:  
13.4 years

Other than Tokyo 23 Wards:  
14.4 years

Even after 5.5 years since IPO, overall building age is lower in the current portfolio.

At IPO (End of Sep 2001):  
20 properties

After 5.5 years

As of June 1, 2007:  
51 properties  
(including the property acquired  
on June 1, 2007)

### Asset size per property

\* Acquisition price basis

Entire portfolio:  
4,642 million yen

Tokyo 23 Wards:  
5,844 million yen

Other than Tokyo 23 Wards:  
3,658 million yen

Entire portfolio:  
8,791 million yen

Tokyo 23 Wards:  
11,654 million yen

Other than Tokyo 23 Wards:  
4,353 million yen

**Larger asset size of each property**

### Portfolio earthquake PML

5.36%

4.59%

\* Based on 50 properties as of the end of March, 2007

**PML has improved to a lower level.**

### Gross number of tenants

213

887

\* Based on 50 properties as of the end of March, 2007

**Diversification of risk with larger number of tenants**

# Property Data



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

Area	Name	11th Period	10th Period	Amount of	11th Period	11th Period	Acquisition
		Appraisal	Appraisal		Difference	Book Value	
		Value	Value		Value	Value-Book	Price
		(Mar 31, 07)	(Sep 30, 06)		(Mar 31, 07)	Value	
Tokyo Metropolitan Area	Genki Medical Plaza	6,220	6,210	10	5,156	1,063	5,000,000
	Kitanomaru Square	83,900	82,700	1,200	81,341	2,558	81,555,500
	MD Kanda Bldg.	10,200	9,680	520	9,195	1,004	9,520,000
	Kandabashi Park Bldg.	5,600	5,210	390	4,651	948	4,810,000
	Nibancho Garden	16,400	16,100	300	14,479	1,920	14,700,000
	Burex Kojimachi Bldg.	6,930	6,930	0	6,936	-6	7,000,000
	Sanno Grand Bldg.	26,800	25,100	1,700	21,780	5,019	20,900,000
	Yurakucho Denki Bldg.	7,980	7,610	370	7,679	300	7,200,000
	Kodenmacho Shin-Nihonbashi Bldg.	3,430	3,420	10	2,916	513	3,173,000
	Burex Kyobashi Bldg.	6,610	6,240	370	5,137	1,472	5,250,000
	Ginza Sanwa Bldg.	17,500	17,300	200	17,081	418	16,830,000
	Ryoshin Ginza East Mirror Bldg.	4,790	4,650	140	5,438	-648	5,353,500
	Aoyama Crystal Bldg.	8,900	8,770	130	7,595	1,304	7,680,000
	Shiba 2Chome Daimon Bldg.	6,990	6,930	60	4,955	2,034	4,859,000
	Cosmo Kanasugibashi Bldg.	3,560	3,470	90	2,610	949	2,808,000
	Shinwa Bldg.	8,450	8,270	180	7,818	631	7,830,000
	Tokyo Opera City Bldg.	11,600	11,300	300	9,099	2,500	9,350,000
	Takanawadai Bldg.	2,780	2,730	50	2,573	206	2,738,000
	Higashi-Gotanda 1Chome Bldg.	6,720	6,700	20	5,361	1,358	5,500,000
	Omori-Eki Higashiguchi Bldg.	5,520	5,460	60	4,613	906	5,123,000
	Nippon Brunswick Bldg.	8,480	8,090	390	6,737	1,742	6,670,000
	Yoyogi 1Chome Bldg.	11,800	10,100	1,700	8,426	3,373	8,700,000
	da Vinci Harajuku	6,090	6,080	10	4,954	1,135	4,885,000
	Jingumae Media Square Bldg.	15,300	15,100	200	12,093	3,206	12,200,000
	Shibuya Cross Tower	45,800	43,300	2,500	38,454	7,345	34,600,000
	Ebisu Neonato	5,520	5,370	150	3,905	1,614	4,100,000
	Harmony Tower	12,700	11,800	900	8,645	4,054	8,500,000
	Otsuka Higashi-Ikebukuro Bldg.	3,500	3,480	20	3,330	169	3,541,000
	Ikebukuro 2Chome Bldg.	1,560	1,540	20	1,640	-80	1,728,000
	Ikebukuro YS Bldg.	5,570	5,150	420	4,706	863	4,500,000
	Hachioji First Square	3,390	3,300	90	3,225	164	3,300,000
	Saitama Urawa Bldg.	2,550	2,550	0	2,430	119	2,574,000
	Kawasaki Isago Bldg.	3,360	3,360	0	2,963	396	3,375,000
Other Major Cities	Jozenji Park Bldg.	1,070	1,070	0	1,018	51	1,000,000
	Sendai Honcho Honma Bldg.	3,600	3,450	150	2,909	690	3,174,000
	Kanazawa Park Bldg.	6,300	5,610	690	4,354	1,945	4,580,000
	Hirokoji Tokio Marine Nichido Bldg.	1,680	1,680	0	1,707	-27	1,680,000
	Nagoya Hirokoji Bldg.	15,900	15,900	0	14,098	1,801	14,533,000
	Nagoya Misono Bldg.	1,890	1,890	0	1,656	233	1,865,000
	Kyoto Shijo Kawaramachi Bldg.	2,140	2,140	0	2,895	-755	2,650,000
	Sakaisujihonmachi Bldg.	4,700	4,610	90	4,014	685	4,164,000
	Midosuji Daiwa Bldg.	16,800	15,900	900	13,624	3,175	14,314,000
	Kobe Itomachi Bldg.	951	951	0	1,341	-390	1,436,000
	Lit City Bldg.	5,400	5,220	180	4,588	811	4,650,000
	NHK Hiroshima Broadcasting Center Bldg.	1,780	1,550	230	1,274	505	1,320,000
	Tosei Tenjin Bldg.	1,510	1,480	30	1,406	103	1,550,000
	Tenjin Crystal Bldg.	4,970	4,970	0	4,961	8	5,000,000
	Hinode Tenjin Bldg.	3,640	3,580	60	3,521	118	3,657,000
<b>Total (48 properties)</b>		<b>448,831</b>	<b>434,001</b>	<b>14,830</b>	<b>391,310</b>	<b>57,520</b>	<b>391,426,000</b>
Properties Acquired after the 10th Period	Mitsubishi UFJ Trust and Banking Bldg.	44,700	-	-	30,503	14,196	44,700,000
	Nishiki Park Bldg.	5,210	-	-	5,199	10	5,150,000
<b>Total (50 properties)</b>		<b>498,741</b>	<b>-</b>	<b>-</b>	<b>427,013</b>	<b>71,727</b>	<b>441,276,000</b>

\* Appraisal values at the end of period are survey values determined by an institutional appraiser for the 1st Period through 9th Period or appraisal values determined by an institutional appraiser for the 10th and 11th periods at the end of the fiscal period.

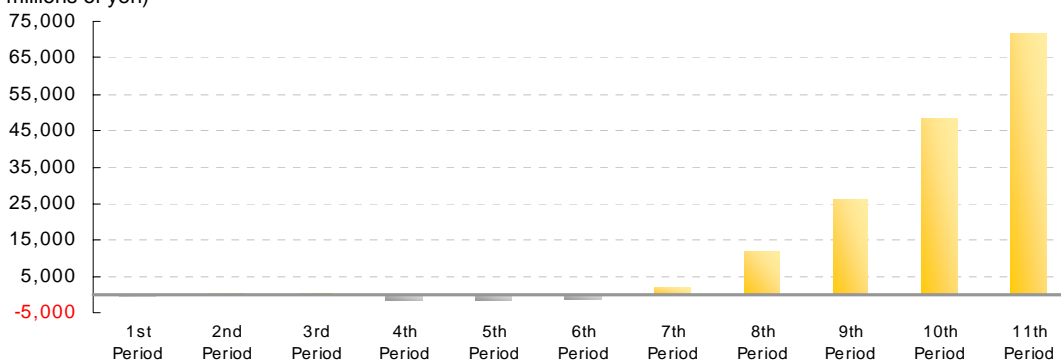
(In millions of yen)

(In thousands of yen)

Area	Name	Appraisal Value at Acquisition				Acquisition Price
Property Acquired after the 11th Period	8・3 Square Kita Bldg.	7,190	-	-	-	7,100,000
<b>Total</b>		<b>7,190</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,100,000</b>

## Appraisal Value Minus Book Value

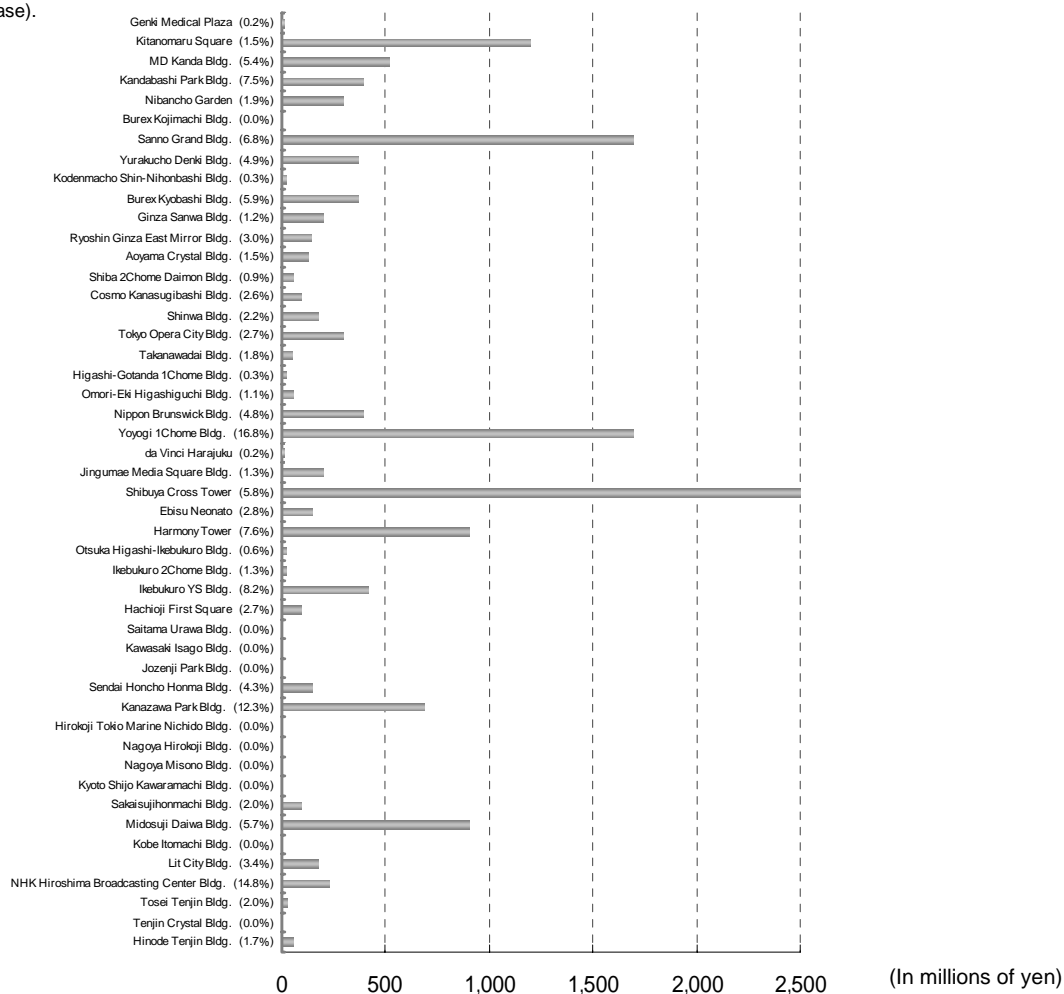
(In millions of yen)



## Difference between Appraisal Values at the End of 11th and 10th Periods

174,944 yen per unit

Figures in parentheses on the right of each property name represent the difference of the 11th-period appraisal values over those of the 10th Period (the rate of increase).

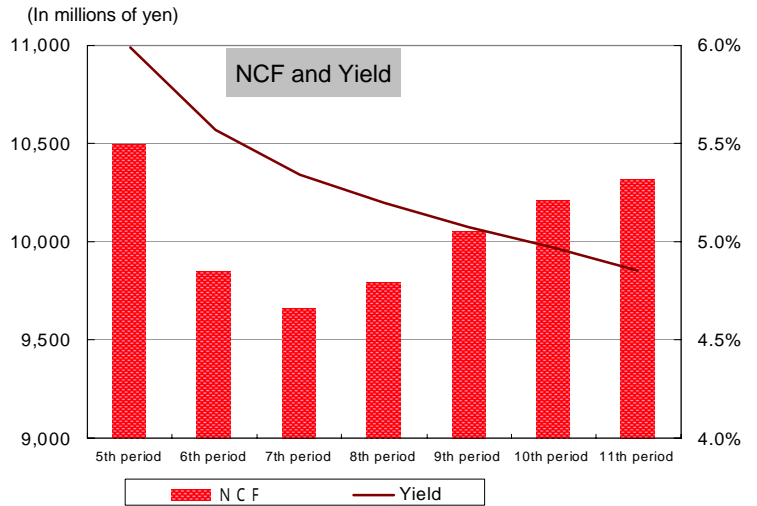
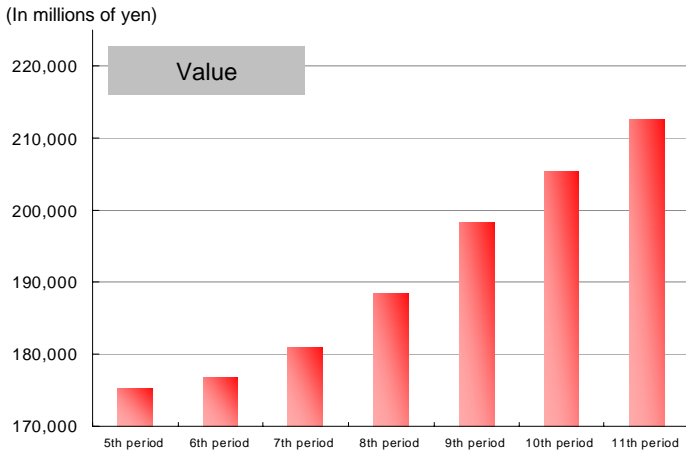


# Historical Appraisal Value at the End of Period

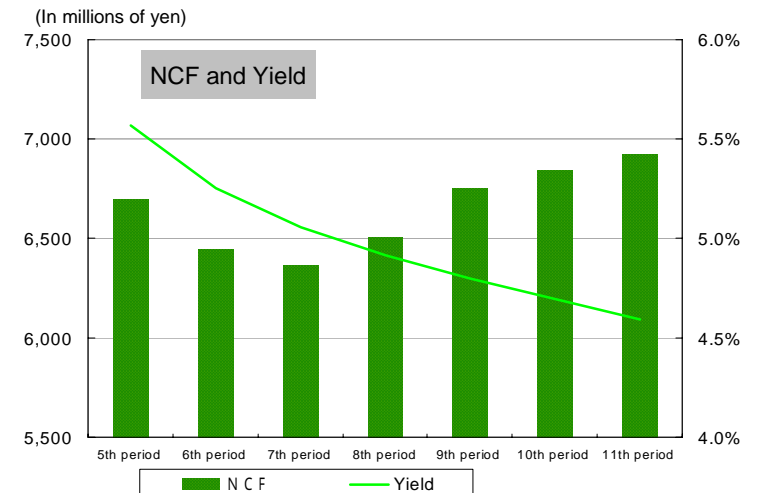
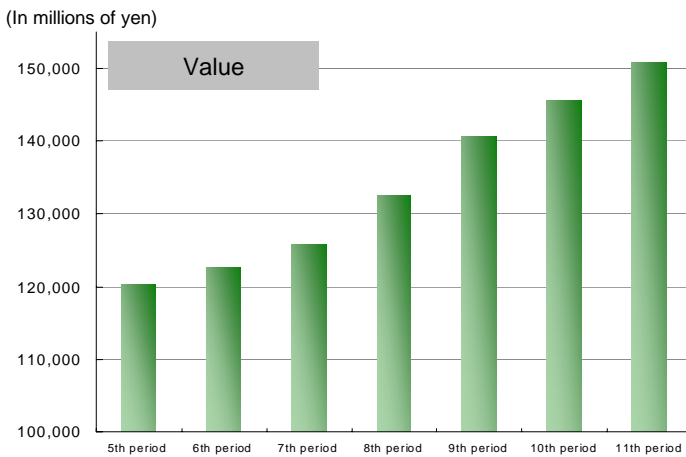


JRE's portfolio of 29 properties: constantly held shares of ownership in which no increase or decrease of shares was seen between the end of the 5th Period and the end of the 11th Period

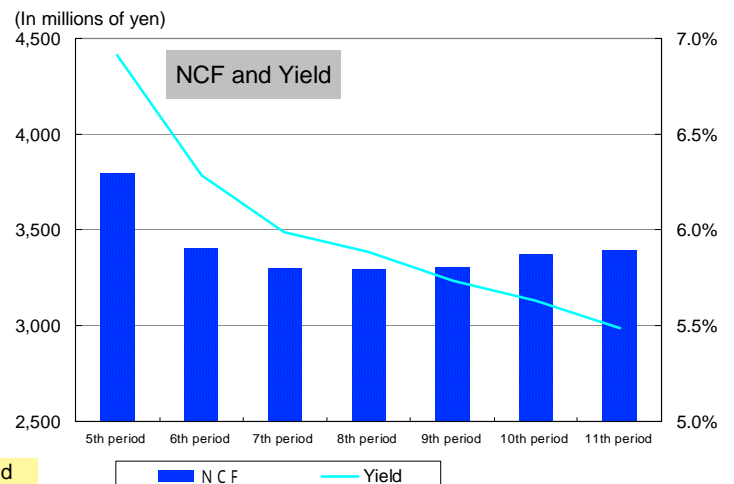
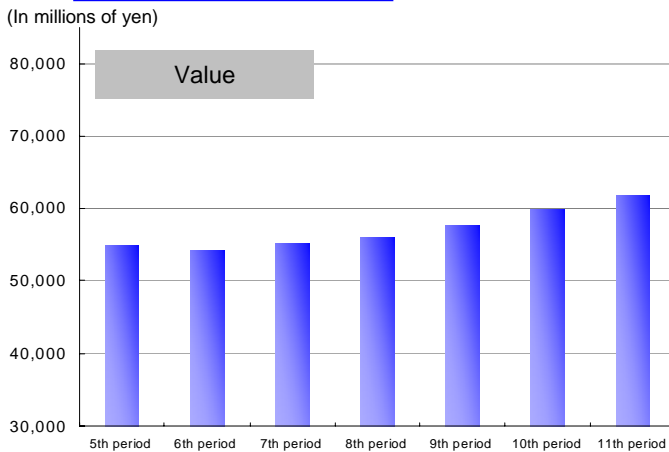
## Overall



## Tokyo 23 Wards



## Other Areas



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



# Historical NOI Yield



## Properties with Constantly Held Share of Ownership: Historical Property-related Revenues, Occupancy Rate, NOI Yield\*

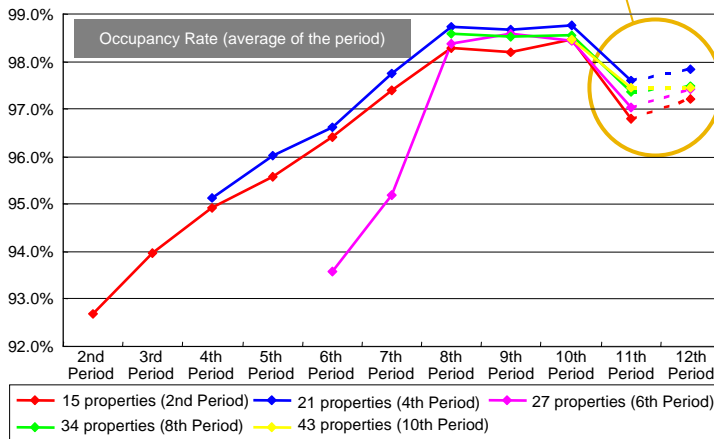
\* NOI yield = Annualized NOI / Acquisition price

Comparison of JRE's portfolio of properties with constantly held shares of ownership throughout the year and on which JRE has paid property and city planning taxes (Forecasted data is shown for the 12th Period.)

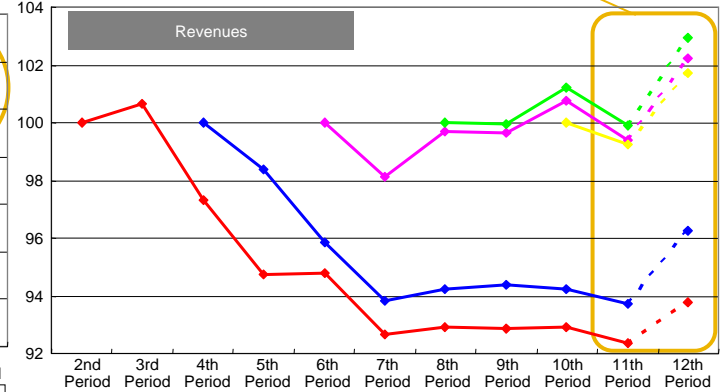
		Sep-02 2nd Period	Mar-03 3rd Period	Sep-03 4th Period	Mar-04 5th Period	Sep-04 6th Period	Mar-05 7th Period	Sep-05 8th Period	Mar-06 9th Period	Sep-06 10th Period	Mar-07 11th Period	Sep-07 12th Period
15 properties held as of the beginning of the 2nd Period Acquisition Price: 88.3 billion yen	Revenues	100.0	100.7	97.3	94.7	94.8	92.6	92.9	92.8	92.9	92.3	93.8
	Occupancy Rate (average of the period)	92.7%	94.0%	94.9%	95.6%	96.4%	97.4%	98.3%	98.2%	98.5%	96.8%	97.2%
	NOI Yield	6.28%	6.46%	6.21%	6.11%	5.96%	5.83%	5.99%	6.10%	6.09%	5.47%	6.10%
21 properties held as of the beginning of the 4th Period Acquisition Price: 132.1 billion yen	Revenues			100.0	98.4	95.8	93.8	94.2	94.4	94.3	93.7	96.3
	Occupancy Rate (average of the period)			95.1%	96.0%	96.6%	97.7%	98.7%	98.7%	98.8%	97.6%	97.8%
	NOI Yield			6.32%	6.27%	5.88%	5.83%	5.96%	6.06%	6.03%	5.65%	6.13%
27 properties held as of the beginning of the 6th Period Acquisition Price: 169.8 billion yen	Revenues					100.0	98.1	99.7	99.7	100.7	99.4	102.2
	Occupancy Rate (average of the period)					93.6%	95.2%	98.4%	98.6%	98.4%	97.0%	97.4%
	NOI Yield					5.75%	5.68%	5.88%	5.93%	5.95%	5.68%	6.00%
34 properties held as of the beginning of the 8th Period Acquisition Price: 208.4 billion yen	Revenues							100.0	100.0	101.2	99.9	102.9
	Occupancy Rate (average of the period)							98.6%	98.5%	98.6%	97.4%	97.5%
	NOI Yield							5.89%	5.91%	5.98%	5.70%	5.98%
43 properties held as of the beginning of the 10th Period Acquisition Price: 279.4 billion yen	Revenues									100.0	99.2	101.7
	Occupancy Rate (average of the period)									98.5%	97.5%	97.5%
	NOI Yield									5.71%	5.47%	5.71%

- 15 properties (2nd Period) Excluding 5 properties already transferred and Sendai Honcho Honma Building, Sakaisujihonmachi Building, Kanazawa Park Building, and Midosuji Daiwa Building from 24 properties in the beginning of the 2nd Period
- 21 properties (4th Period) Excluding 5 properties already transferred and Sendai Honcho Honma Building, Sakaisujihonmachi Building, Kanazawa Park Building, and Aoyama Crystal Building from 30 properties in the beginning of the 4th Period
- 27 properties (6th Period) Excluding 5 properties already transferred and Sendai Honcho Honma Building, Ebisu Neonato, Nippon Brunswick Building, NHK Hiroshima Broadcasting Center Building, and Yoyogi 1 Chome Building from 37 properties in the beginning of the 6th Period
- 34 properties (8th Period) Excluding 5 properties already transferred and Sendai Honcho Honma Building, Sanno Grand Building, Jozenji Park Building, Harmony Tower, Ginza Sanwa Building, Ryoshin Ginza East Mirror Building, Hachioji First Square, and Nibancho Garden from 47 properties in the beginning of the 8th Period
- 43 properties (10th Period) Excluding 5 properties already transferred and Sendai Honcho Honma Building, Sanno Grand Building, Lit City Building, and Kitanomaru Square from 52 properties in the beginning of the 10th Period

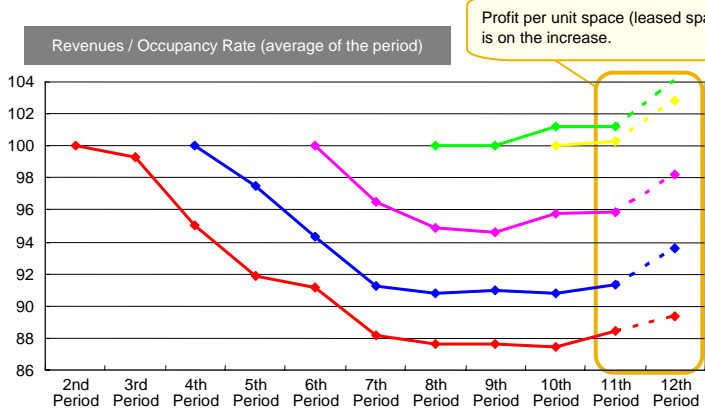
Average occupancy rate for the 11th Period declined as a result of the increase in vacancies seen mainly in other major cities, however the average occupancy rate for the 12th Period is expected to improve.



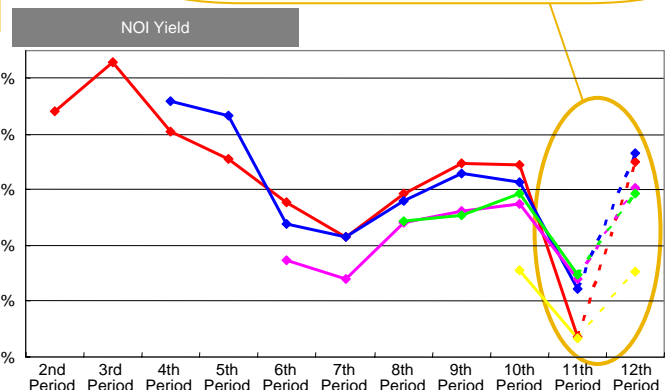
Revenue for the 11th Period decreased as a result of the decline in the occupancy rate, however the increase in revenue in the 12th Period is expected to exceed the extent of the improvement in the occupancy rate.



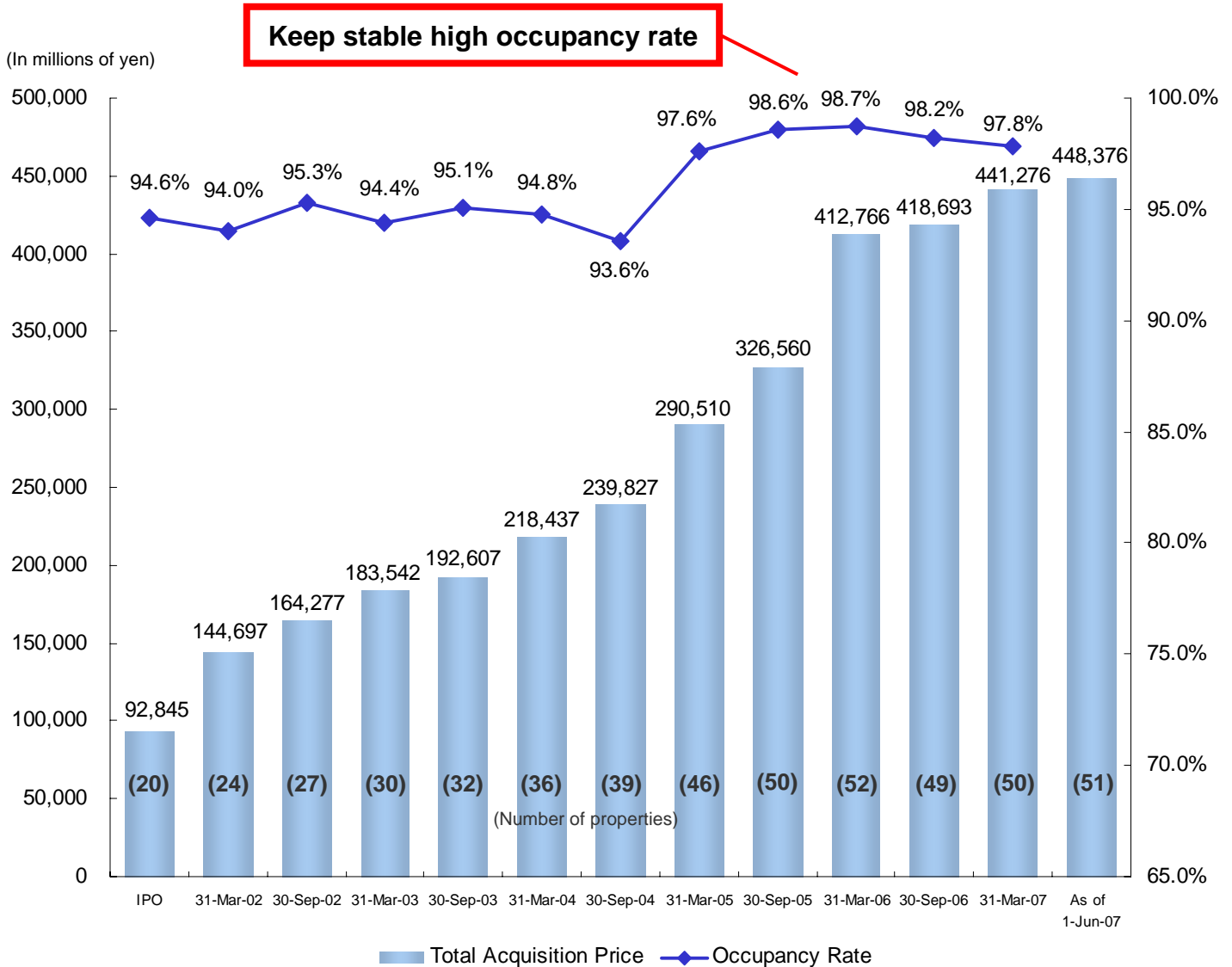
NOI yield for the 11th Period temporarily dropped as a result of decrease in revenues caused by the decline in occupancy rate and increase in the costs of repairing expenses, however the NOI yield for the 12th Period is expected to improve.



Profit per unit space (leased space) is on the increase.



# Asset Size and Occupancy Rate



## Property acquisition performance per year

(In millions of yen)

Sep 2001 -Mar 2002	Apr 2002 -Mar 2003	Apr 2003 -Mar 2004	Apr 2004 -Mar 2005	Apr 2005 -Mar 2006	Apr 2006 -Mar 2007	Apr 2007 -Mar 2008(*)	Total acquisition price
144,697	38,845	34,895	72,073	122,255	62,480	7,100	482,346

## Property transfer performance

Apr 2006 -Mar 2007	Total transfer price
- 48,903	- 48,903

(\*) The acquisition price for the period during April 2007 through March 2008 is the acquisition price of 8·3 Square Kita Building scheduled to be acquired on June 1, 2007.

**Achieved steady growth since IPO and established portfolio worth over 440 billion yen (total acquisition price)**

# Trend of Contract Rent Increase and Reduction



## Rate of Contract Rent Increase and Reduction by Factor

Percentages represent the rates of rent increase and reduction over monthly total portfolio contract rent (including common service charges) as of the end of the previous period (prior six months). Data for residential sections is excluded.

		5th Period Mar-04	6th Period Sep-04	7th Period Mar-05	8th Period Sep-05	9th Period Mar-06	10th Period Sep-06	11th Period Mar-07
<b>Contract rent rate of rent increase and reduction over previous period</b>		<b>8.7%</b>	<b>4.3%</b>	<b>19.7%</b>	<b>10.1%</b>	<b>13.0%</b>	<b>1.5%</b>	<b>2.0%</b>
External and internal growth	Increase and reduction due to acquisition/sale of properties	11.8%	7.5%	16.7%	9.9%	13.0%	1.8%	1.3%
	Increase and reduction due to property lease	-3.1%	-3.2%	3.0%	0.2%	-0.0%	-0.2%	0.7%
	Increase and reduction due to newly leased/returned spaces	-1.6%	-2.0%	3.6%	0.5%	0.1%	-0.2%	0.5%
	Increase and reduction due to rent revision	-1.4%	-1.2%	-0.6%	-0.3%	-0.1%	-0.0%	0.2%
Breakdown	Increase due to property acquisition	11.8%	7.5%	16.7%	9.9%	13.0%	3.9%	8.2%
	Increase due to newly leased spaces	6.4%	5.0%	7.4%	3.1%	3.5%	3.5%	3.8%
	Increase due to rent revision	0.0%	0.8%	0.0%	0.0%	0.0%	0.1%	0.2%
	Reduction due to property sale	0.0%	0.0%	0.0%	0.0%	0.0%	-2.1%	-7.0%
	Reduction due to returned spaces	-8.0%	-7.0%	-3.8%	-2.6%	-3.4%	-3.7%	-3.3%
	Reduction due to rent revision	-1.4%	-2.0%	-0.6%	-0.3%	-0.1%	-0.1%	-0.0%
	Increase and reduction due to other factors	0.0%	0.0%	0.0%	0.0%	0.0%	-0.0%	0.0%

### Factors for rent increase and reduction

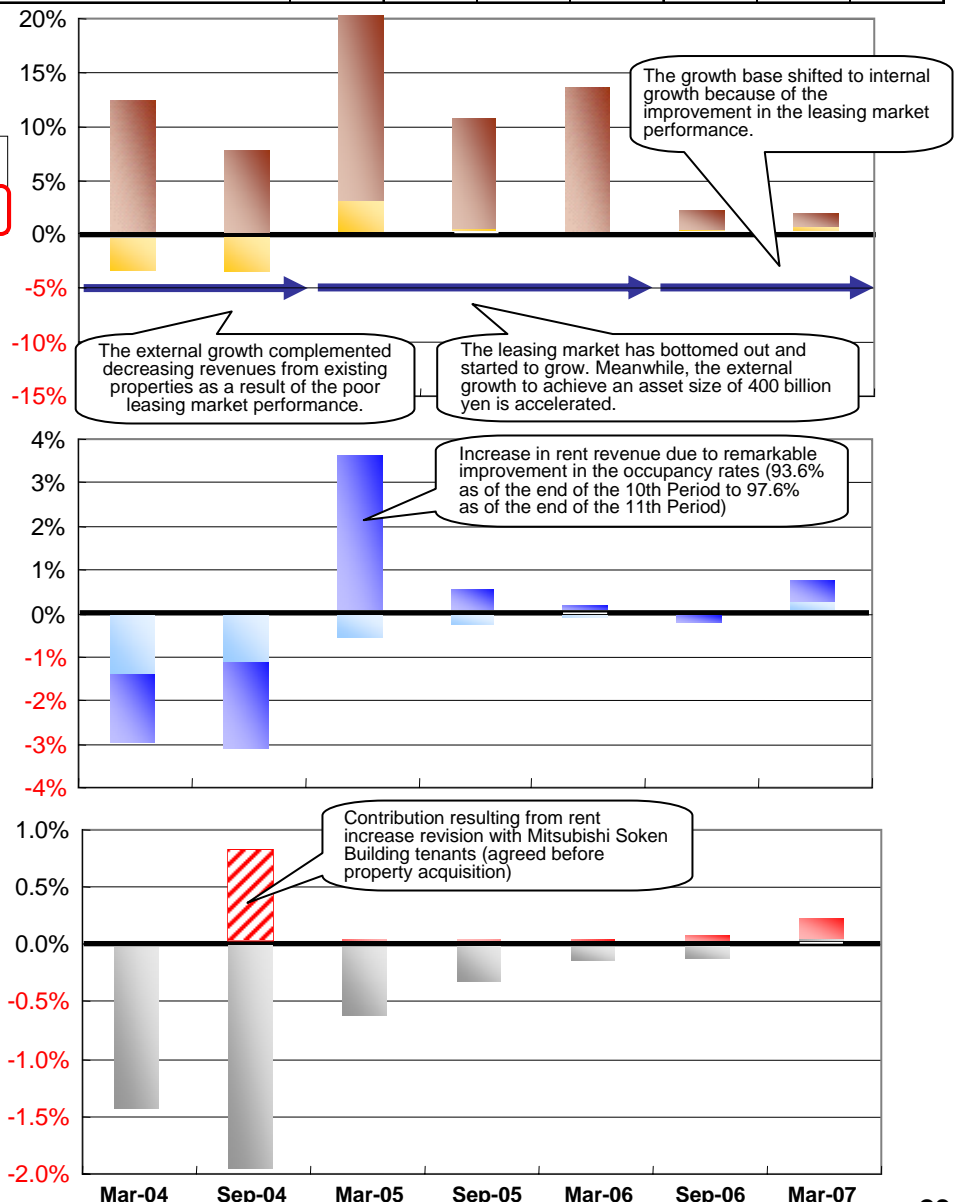
- Increase and reduction due to acquisition/sale of properties
- Increase and reduction due to property lease

### Increase and reduction due to property lease

- Increase and reduction due to newly leased/returned spaces
- Increase and reduction due to rent revision

### Increase and reduction due to rent revision

- Increase due to rent revision
- Reduction due to rent revision



## External Growth

### Steady external growth with a focus on quality improvement

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



## Internal Growth

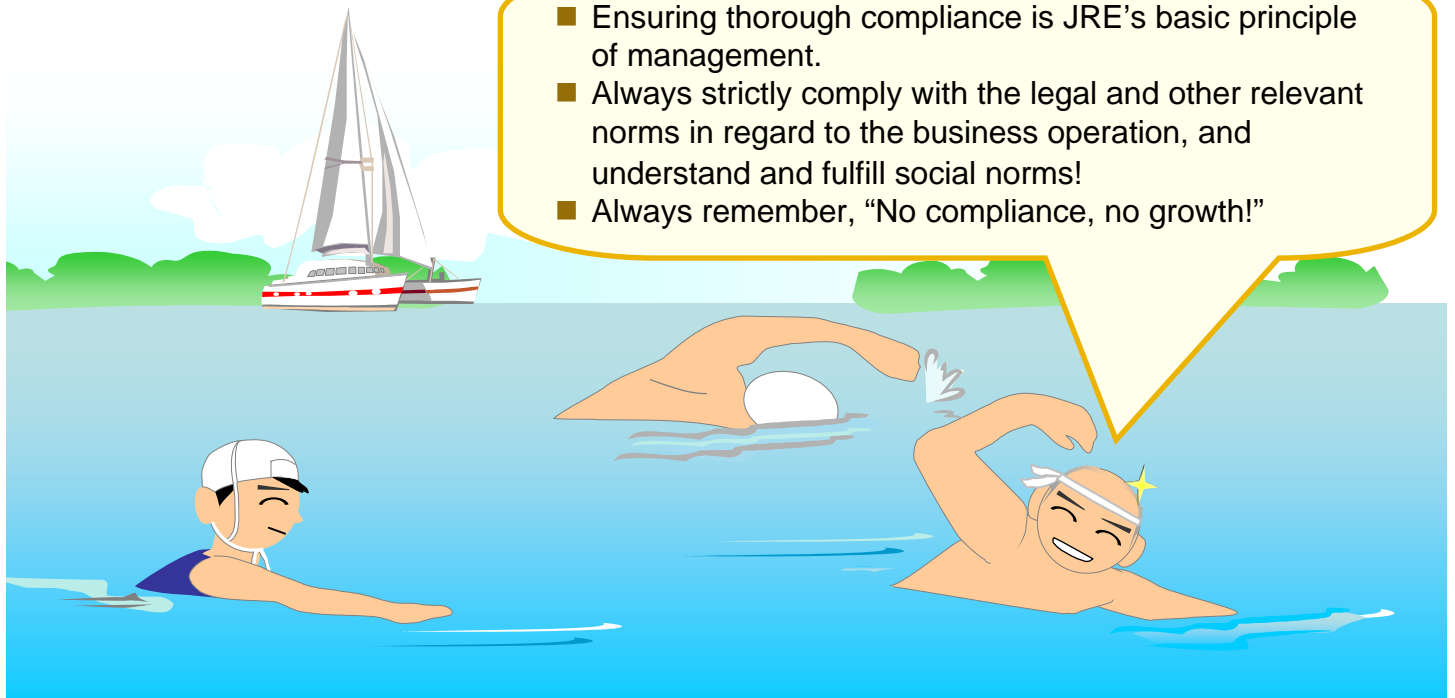
### Internal growth by our continuous efforts since IPO

- Continue to hold stable occupancy rates
  - Proper awareness of tenant needs
  - Implement an appropriate leasing strategy to take full advantage of the characteristics of each building
- Enhance rental incomes
  - Continue efforts to raise rents
  - Carry out the property management cost reduction plan
- Enhance the value of properties
  - Conduct timely renovation work

## Growth of Dividends



- Ensuring thorough compliance is JRE's basic principle of management.
- Always strictly comply with the legal and other relevant norms in regard to the business operation, and understand and fulfill social norms!
- Always remember, "No compliance, no growth!"



### Financial Strategy

#### Maintain sound financial strength

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

## MEMO

# 1 . Details of the 11th Period

# Income Statement for the 11th Period

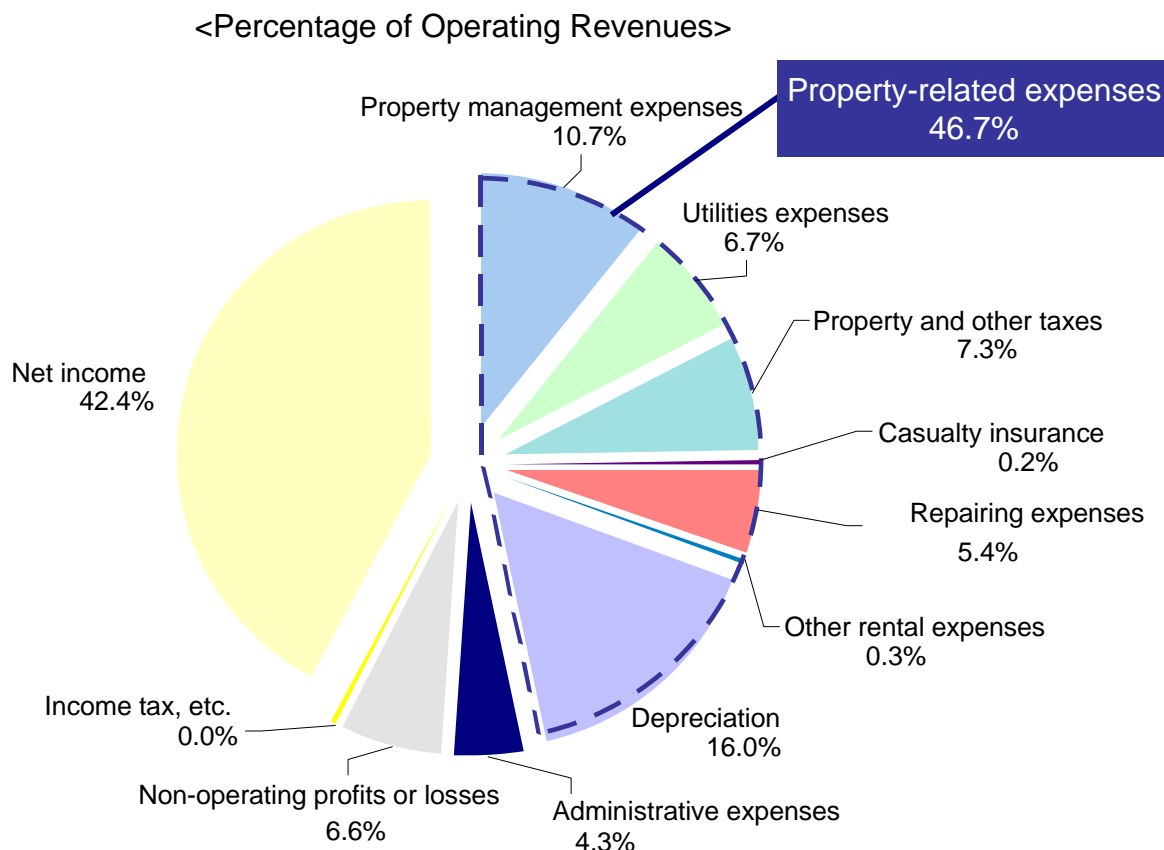


(In millions of yen, except for dividend per unit )

Item	11th Period (182 days)			10th Period (183 days)	Change	% Change
	Existing properties	New properties and additional shares of ownership acquired	Total			
Operating Revenues	16,666	293	16,960	15,570	1,389	8.9%
Rental revenues	16,105	291	16,397	15,066		
Non-rental revenues	101	1	103	102		
Gain from transfer of properties	459	0	459	400		
Property-Related Expenses (excluding depreciation)	5,091	108	5,200	4,829	370	7.7%
Property management expenses	1,768	47	1,815	1,766		
Utilities expenses	1,119	14	1,133	1,198		
Property and other taxes	1,240	0	1,241	1,271		
Casualty insurance	37	0	38	38		
Repairing expenses	877	39	916	513		
Other rental expenses	47	6	54	40		
NOI (excluding gain from transfer of properties)	11,115	184	11,300	10,339	960	9.3%
Depreciation	2,630	86	2,717	2,682		
Gross Operating Profits	8,943	98	9,042	8,058	983	12.2%
Administrative Expenses			737	1,016	-278	-27.4%
Asset management fees			452	653		
Other administrative expenses			284	363		
Operating Profits			8,304	7,041	1,262	17.9%
Non-Operating Revenues			37	7	29	380.4%
Interest income			36	4		
Other non-operating revenues			1	3		
Non-Operating Expenses			1,157	1,072	84	7.9%
Interest expense			666	646		
Interest expense on investment corporation bonds			376	376		
Amortization of investment corporation bond issuance costs			9	9		
Other non-operating expenses			104	39		
Recurring Profits			7,184	5,977	1,207	20.2%
Income before Income Taxes			7,184	5,977	1,207	20.2%
Income taxes, etc.			0	1		
Net Income			7,183	5,976	1,207	20.2%
Retained Earnings at end of period			7,183	5,976		
FFO (Net Income+Depreciation)			9,901	8,658	1,242	14.4%
Dividend per Unit			17,521	17,302		

\* New properties and additional shares of ownership acquired: Nishiki Park Building (acquisition of initial and additional shares of ownership), Mitsubishi UFJ Trust and Banking Building





- Continuous growth in revenues and profits from IPO to the 11th Period

<Comparison with the 10th Period>

- Reduction in the portion reported as gain from transfer of 4 properties during the 10th Period
- Both revenues and profits increased for the current period as a result of the accrual of rent upon the termination of free rent for tenants in Kitanomaru Square, full-period operation of the properties acquired in the 10th Period, additional operation of the two properties (including additional shares of ownership) newly acquired in the course of the current period, and capital gain accrued from an exchange transaction during the current period.

<Comparison with forecast>

- Because of the capital gain accrued from a newly decided exchange transaction, the dividend was increased after the forecast distribution per investment unit was announced for the 11th Period (on November 17, 2006) (forecast dividend per unit: 16,530 yen → actual dividend per unit: 17,521 yen).

# Balance Sheet for the 11th Period



(In millions of yen)

Item	11th Period-end (Mar 31, 07)	10th Period-end (Sep 30, 06)	Change	Reason for change
<b>Current Assets</b>				
Cash and entrusted cash	13,877	21,102	-7,225	
Other current assets	1,764	401	1,363	
<b>Total Current Assets</b>	<b>15,642</b>	<b>21,504</b>	<b>-5,862</b>	
<b>Fixed Assets</b>				
<b>Property and Equipment</b>				
Buildings (including those held in trust)	144,450	136,599	7,850	} Increased due to acquisition of properties and capital expenditure, and decreased due to transfer of properties
Structures (including those held in trust)	1,639	1,530	109	
Machinery and equipment (including that held in trust)	2,206	2,151	54	
Land (including that held in trust)	293,773	291,407	2,366	
Accumulated depreciation	-18,089	-16,023	-2,065	
<b>Total Property and Equipment</b>	<b>423,981</b>	<b>415,666</b>	<b>8,314</b>	
<b>Intangible Assets</b>				
Leasehold rights, etc. (including those held in trust)	3,032	2,941	91	
<b>Total Intangible Assets</b>	<b>3,032</b>	<b>2,941</b>	<b>91</b>	
<b>Investments and Other Assets</b>				
Investment securities	1,272	1,004	268	
Long-term prepaid expenses, etc.	24	16	8	
<b>Total Investments and Other Assets</b>	<b>1,297</b>	<b>1,021</b>	<b>276</b>	
<b>Total Fixed Assets</b>	<b>428,310</b>	<b>419,628</b>	<b>8,682</b>	
<b>Deferred Assets</b>				
Deferred investment corporation bond issuance costs	19	29	-9	
<b>Total Deferred Assets</b>	<b>19</b>	<b>29</b>	<b>-9</b>	
<b>Total Assets</b>	<b>443,973</b>	<b>441,163</b>	<b>2,810</b>	

## MEMO

(In millions of yen)

Item	11th Period-end (Mar 31, 07)	10th Period-end (Sep 30, 06)	Change	Reason for Change
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Short-term loans	0	64,500	-64,500	Decreased due to repayment of short-term loans and conversion to long-term loans
Current portion of long-term loans	6,000	6,000	0	
Current portion of investment corporation bonds	25,000	25,000	0	
Rent received in advance	2,102	2,425	-322	
Other current liabilities	2,927	2,902	24	
<b>Total Current Liabilities</b>	<b>36,029</b>	<b>100,827</b>	<b>-64,797</b>	
<b>Long-term Liabilities</b>				
Investment corporation bonds	30,000	30,000	0	Increased due to conversion from short-term loans to long-term loans Changed due to property acquisitions and transfers
Long-term loans	79,000	77,000	2,000	
Deposits received from tenants	27,075	25,886	1,189	
Other long-term liabilities	0	0	0	
<b>Total Long-term Liabilities</b>	<b>136,075</b>	<b>132,886</b>	<b>3,189</b>	
<b>Total Liabilities</b>	<b>172,105</b>	<b>233,714</b>	<b>-61,608</b>	
<b>Unitholders' Equity</b>				
Unitholders' Capital	264,683	201,472	63,211	Increased due to issuance of investment units
Retained Earnings	7,183	5,976	1,207	
<b>Total Unitholders' Equity</b>	<b>271,867</b>	<b>207,449</b>	<b>64,418</b>	
<b>Total Liabilities and Unitholders' Equity</b>	<b>443,973</b>	<b>441,163</b>	<b>2,810</b>	

## MEMO

# Cash Flow and Dividend Statement for the 11th Period



## Cash Flow Statement

(In millions of yen)

Item	11th Period (182 days)
Cash Flow from Operating Activities	7,832
Income before income tax	7,184
Depreciation and amortization	647
Cash Flow from Investing Activities	-10,286
Cash Flow from Financial Activities	-5,343
Proceeds from short-term loans	0
Repayment of short-term loans	-64,500
Proceeds from long-term loans	2,000
Proceeds from investment corporation bonds	0
Payment of investment corporation bond issuance costs	0
Proceeds from issuance of units	63,211
Payment of units issuance costs	-78
Dividends to unitholders	-5,976
Net Increase in Cash and Cash Equivalents	-7,798
Cash and Cash Equivalents at BOP	19,102
Cash and Cash Equivalents at EOP	11,304

## Dividend Statement

(In yen)

	11th Period (182 days)
Net Income before Distribution	7,183,711,125
Total Amount of Dividends	7,183,610,000
Retained Earnings	101,125

Dividend per unit: **17,521 yen** (10th Period: 17,302 yen)

# Financial Ratios



(In millions of yen)

Financial Ratio	11th Period (182 days)	10th Period (183 days)	9th Period (182 days)	8th Period (183 days)	7th Period (182 days)
Return on assets (ROA)	1.6%	1.4%	1.4%	1.6%	1.4%
(annualized)	3.2%	2.7%	2.8%	3.2%	2.9%
Return on equity (ROE)	2.7%	2.9%	2.7%	2.8%	3.0%
(annualized)	5.5%	5.8%	5.4%	5.6%	6.0%
EOP equity ratio	61.2%	47.0%	47.8%	58.1%	42.7%
LTV (1)	31.5%	45.9%	45.3%	34.3%	49.3%
LTV (2)	31.7%	47.6%	47.6%	37.4%	54.7%
EOP long-term debt to capitalization	106.9%	125.5%	134.3%	107.0%	116.5%
Debt service coverage ratio (DSCR)	10.5x	9.5x	12.3x	14.0x	11.2x
NOI	11,300	10,339	9,578	8,978	7,131
FFO	9,901	8,658	7,945	7,526	5,762
Payout Ratio to CAD	90.2%	80.9%	82.8%	79.0%	81.5%

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

(7th Period: 182 actual working days, 8th Period: 183 actual working days, 9th Period: 182 actual working days,  
10th Period: 183 actual working days and 11th Period: 182 actual working days)

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

(7th Period: 182 actual working days, 8th Period: 183 actual working days, 9th Period: 182 actual working days,  
10th Period: 183 actual working days and 11th Period: 182 actual working days)

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

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

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

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

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

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

\* FFO = Net income + Depreciation

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

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

# MEMO

## **2 . Overview of Property Portfolio**

# Property Data (Photos and Location)



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





















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

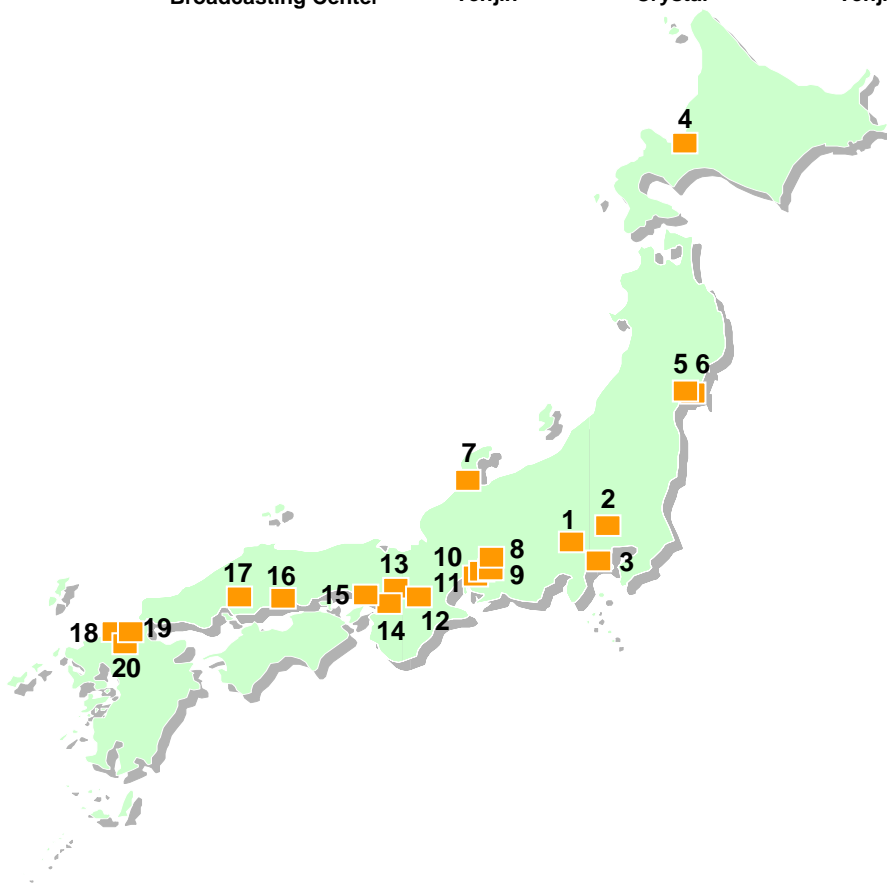
## 23 Wards of Tokyo (excluding 3 Central Wards)

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



**Other Areas**

- |  |  |  |  |   |  |   |
|--|--|--|--|---|--|---|
|   |   |   |   |   |   |  |
| 1 Hachioji First Square  | 2 Saitama Urawa  | 3 Kawasaki Isago   | 4 8·3 Square Kita  | 5 Jozenji Park  | 6 Sendai Honcho Honma  | 7 Kanazawa Park   |
|   |   |   |   |   |   |  |
| 8 Nishiki Park   | 9 Hirokoji Tokio Marine Nichido  | 10 Nagoya Hirokoji   | 11 Nagoya Misono   | 12 Kyoto Shijo Kawaramachi  | 13 Sakaisuji-honmachi  | 14 Midosuji Daiwa   |
|  |  |  |  |  |  |   |
| 15 Kobe Itomachi   | 16 Lit City  | 17 NHK Hiroshima Broadcasting Center   | 18 Tosei Tenjin  | 19 Tenjin Crystal   | 20 Hinode Tenjin   |   |

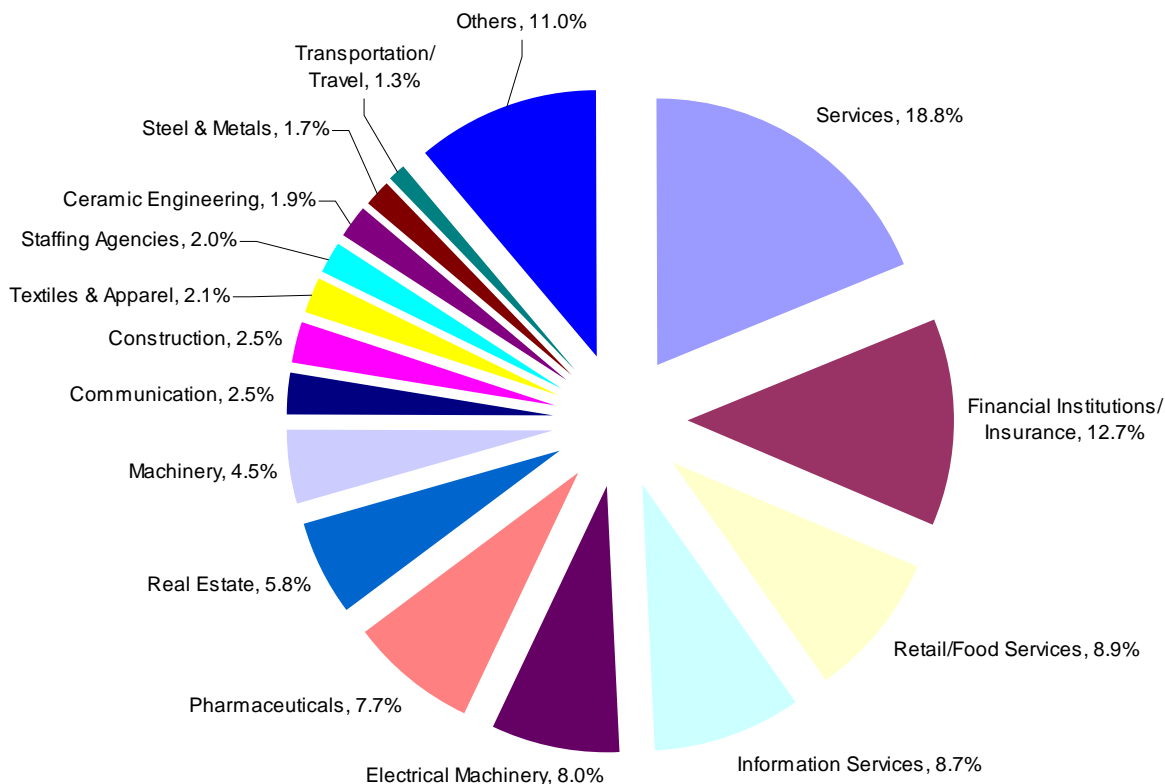


# Tenant Data (Diversification)



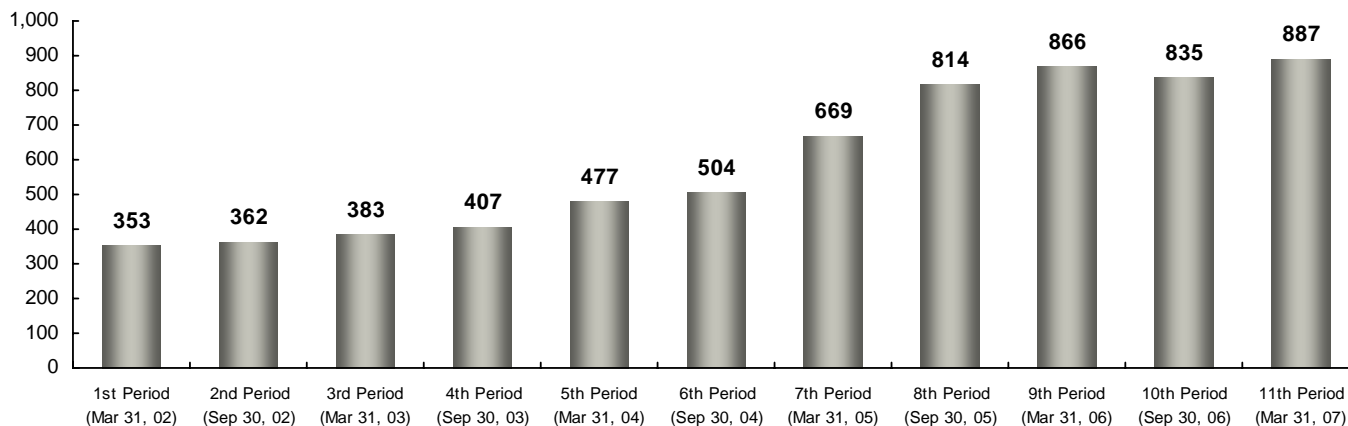
## Tenant Diversification (Based on the leased space)

50 properties as of March 31, 2007



## Number of Tenants

Gross number of tenants



\* JRE used to disclose the number of tenants based on net count, in which a leaseholder for more than one property is counted as one tenant. From this report, however, the number of tenants is disclosed based on the gross number of tenants by building.

38 The net number of tenants for the 11th Period is 797.

# Tenant Data (Major Tenants)



## Major Tenants (Top 10)

50 properties as of March 31, 2007

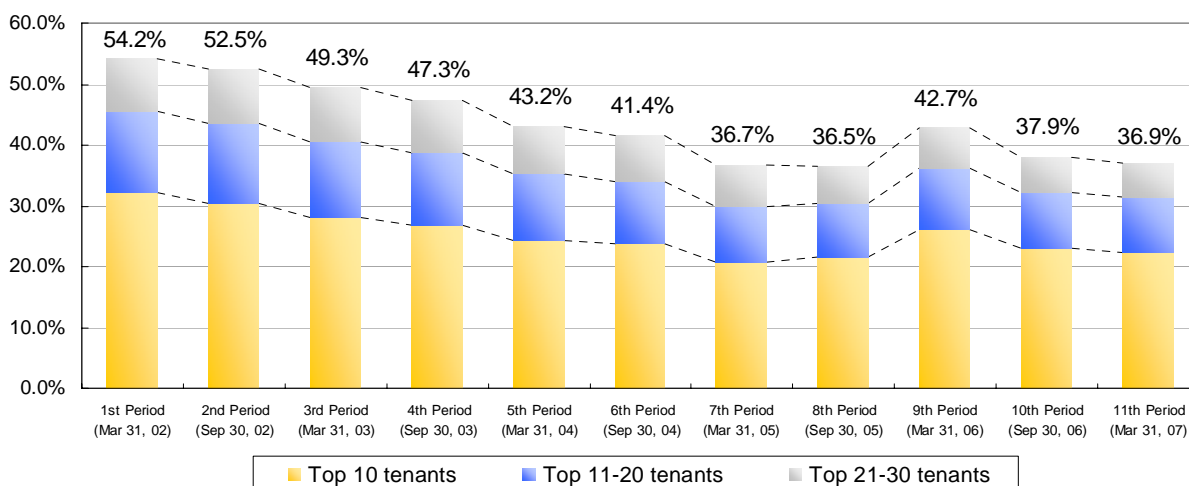
11th Period					10th Period		Leased Space Change (㎡)
Rank	Tenant	Property	Leased Space	% of Total Leased Space	Rank	Leased Space (㎡)	
1	Banyu Pharmaceutical Co., Ltd.	Kitanomaru Square 1 other building	17,014	4.4%	1	17,014	0
2	Mitsubishi UFJ Trust and Banking Corporation	Mitsubishi UFJ Trust and Banking Building	10,665	2.7%	-	-	-
3	Seven & i Holdings Co., Ltd.	Nibancho Garden	9,316	2.4%	3	9,316	0
4	Space Design, Inc.	Burex Kojimachi Building 1 other building	8,774	2.3%	4	8,774	0
5	FAST RETAILING CO., LTD.	Kitanomaru Square	8,476	2.2%	5	8,476	0
6	Yamano Gakuen (*1)	Yoyogi 1Chome Building	7,772	2.0%	6	7,772	0
7	The Dai-ichi Mutual Life Insurance Company	Midosuji Daiwa Building 7 other buildings	7,660	2.0%	7	7,660	0
8	TOTO LTD. (*2)	Midosuji Daiwa Building 1 other building	6,906	1.8%	8	6,906	0
9	Toshiba Solutions Corporation	Takanawadai Building 2 other buildings	5,331	1.4%	9	5,331	0
10	Asahi Kasei Pharma Corporation	MD Kanda Building	5,144	1.3%	10	5,144	0
11	Company A		4,791	1.2%	11	4,791	0
12	Company B		4,490	1.2%	12	4,490	0
13	Company C		4,418	1.1%	13	4,418	0
14	Company D		4,166	1.1%	14	4,166	0
15	Company E		3,415	0.9%	15	3,415	0

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

(\*2) TOTO LTD. changed its Japanese name from Toto Kiki Kabushiki Gaisha to TOTO Kabushiki Gaisha (English name unchanged) on May 15, 2007.

## Percentage of Major Tenants

50 properties as of March 31, 2007 Based on the leased space

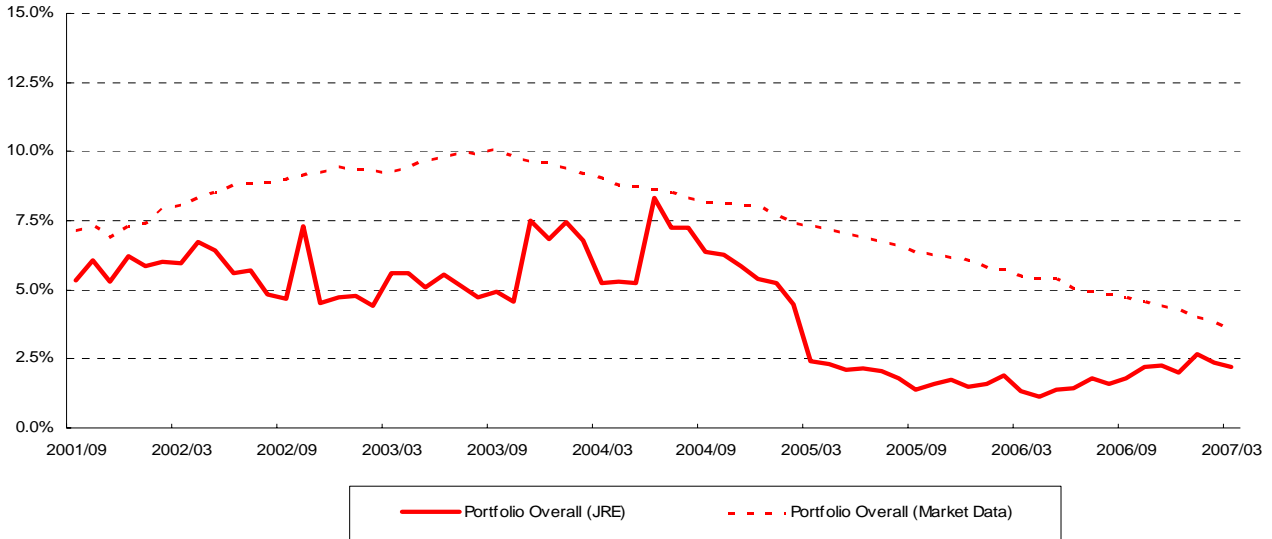


# Tenant Data (Rates of Vacancy)

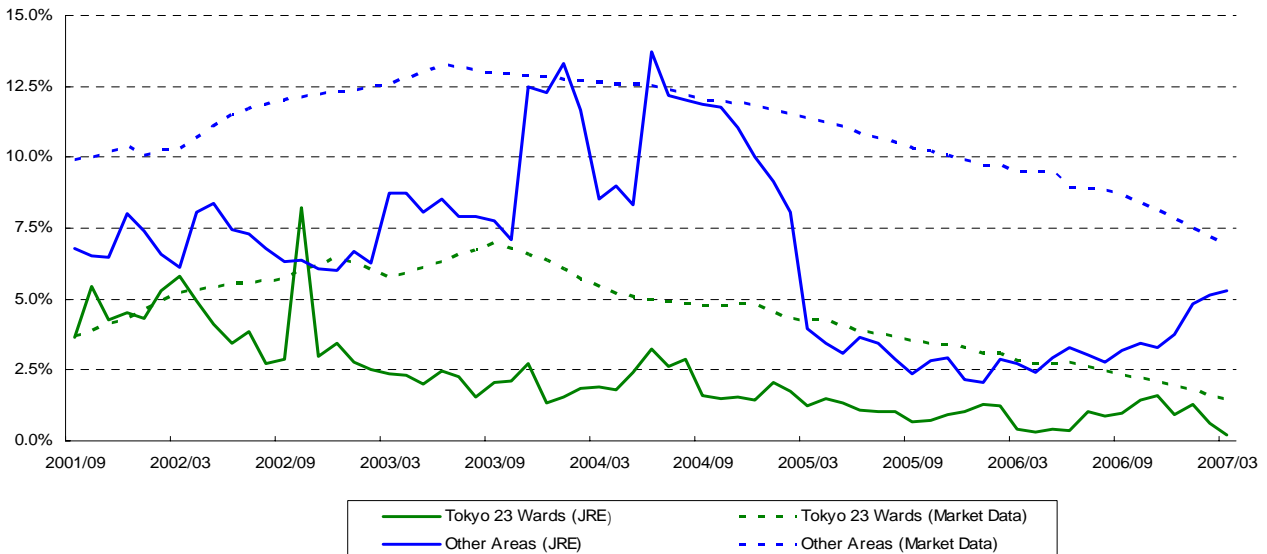


## Trend in Vacancy Rate (Relative to Market Data)

### Overall



### Tokyo 23 Wards/Other Areas



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

Name	Leasable Space (m <sup>2</sup> )	Property Vacancy Rate	Office Zone*	Zone Vacancy*
A building	5,000	3.0%	a zone	4.0%
B building	3,000	6.0%	b zone	8.0%
<b>Total/Average</b>	<b>8,000</b>	<b>4.1%</b>		<b>5.5%</b>

$$= (5,000 \times 3.0\% + 3,000 \times 6.0\%) \div 8,000 = (150 + 180) \div 8,000 = 330 \div 8,000 = 4.1\%$$

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

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

# Tenant Data (Market Trend in New Rent Levels)



- ◆ With regard to the new rent data assessed by Ikoma Data Service System (IDSS)\*, the trend shows the price as of December 31, 2006 set at 100.
- ◆ The assessment was made for 44 properties. One property acquired after December 31, 2006 and five properties in unusual situations, including single-tenant leased properties, are excluded from the 50 properties held in total as of March 31, 2007.

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

Area	Property Name	Trend in Assessed New Rent (Intermediate Value of Upper and Lower Limits) at Time of Survey							
		'03/06	'03/12	'04/06	'04/12	'05/06	'05/12	'06/06	'06/12
Tokyo 23 Wards	Genki Medical Plaza	-	-	-	-	-	-	-	-
	Kitanomaru Square	-	-	-	-	-	-	-	-
	MD Kanda Bldg.	81	81	81	84	87	87	100	100
	Kandabashi Park Bldg.	72	72	72	76	79	81	100	100
	Nibancho Garden	-	-	-	-	-	-	-	-
	Mitsubishi UFJ Trust and Banking Bldg.	-	-	-	-	-	-	-	-
	Burex Kojimachi Bldg.	-	-	-	-	-	-	-	-
	Sanno Grand Bldg.	-	-	-	70	74	84	97	100
	Yurakucho Denki Bldg.	-	63	63	71	76	83	95	100
	Kodenmacho Shin-Nihonbashi Bldg.	85	85	85	88	94	94	100	100
	Burex Kyobashi Bldg.	-	-	-	-	-	-	-	-
	Ginza Sanwa Bldg.	-	-	-	-	86	91	96	100
	Ryoshin Ginza East Mirror Bldg.	-	-	-	-	91	91	95	100
	Aoyama Crystal Bldg.	75	74	72	76	84	91	93	100
	Shiba 2Chome Daimon Bldg.	74	74	74	83	91	93	98	100
	Cosmo Kanasugibashi Bldg.	74	74	74	79	86	90	95	100
	Shinwa Bldg.	-	-	-	71	75	79	93	100
	Tokyo Opera City Bldg.	-	-	-	-	-	88	96	100
	Takanawadai Bldg.	90	90	84	90	94	97	100	100
	Higashi-Gotanda 1Chome Bldg.	-	-	-	93	93	95	95	100
	Omori-Eki Higashiguchi Bldg.	94	91	91	91	91	91	91	100
	Nippon Brunswick Bldg.	-	-	80	80	80	84	86	100
	Yoyogi 1Chome Bldg.	-	-	-	-	79	88	96	100
	da Vinci Harajuku	92	88	88	88	88	100	100	100
	Jingumae Media Square Bldg.	-	74	73	73	74	89	94	100
	Shibuya Cross Tower	64	64	64	72	76	87	100	100
Ebisu Neonato	-	66	67	74	79	89	96	100	
Harmony Tower	-	-	-	-	85	88	92	100	
Otsuka Higashi-Ikebukuro Bldg.	104	104	96	96	96	96	96	100	
Ikebukuro 2Chome Bldg.	94	94	94	94	96	96	100	100	
Ikebukuro YS Bldg.	-	-	-	78	83	88	95	100	
Other Areas	Hachioji First Square	-	-	-	-	100	100	100	100
	Saitama Urawa Bldg.	85	85	73	73	88	88	96	100
	Kawasaki Isago Bldg.	104	100	100	100	100	100	100	100
	Jozenji Park Bldg.	-	-	-	92	94	100	100	100
	Sendai Honcho Honma Bldg.	100	96	92	92	94	100	100	100
	Kanazawa Park Bldg.	94	91	91	91	91	89	100	100
	Nishiki Park Bldg.	-	-	-	-	-	-	-	100
	Hirokoji Tokio Marine Nichido Bldg.	-	-	-	-	-	-	-	100
	Nagoya Hirokoji Bldg.	94	94	94	94	94	100	100	100
	Nagoya Misono Bldg.	-	98	98	98	98	104	100	100
	Kyoto Shijo Kawaramachi Bldg.	100	89	89	89	89	89	95	100
	Sakaisujihonmachi Bldg.	90	86	76	76	79	86	93	100
	Midosuji Daiwa Bldg.	86	76	73	73	78	84	100	100
	Kobe Itomachi Bldg.	124	100	94	94	94	100	100	100
	Lit City Bldg.	-	-	-	-	-	-	-	100
	NHK Hiroshima Broadcasting Center Bldg.	-	-	87	87	87	90	100	100
	Tosei Tenjin Bldg.	105	100	95	95	95	95	100	100
	Tenjin Crystal Bldg.	-	-	-	-	96	96	100	100
	Hinode Tenjin Bldg.	112	96	88	88	88	92	100	100

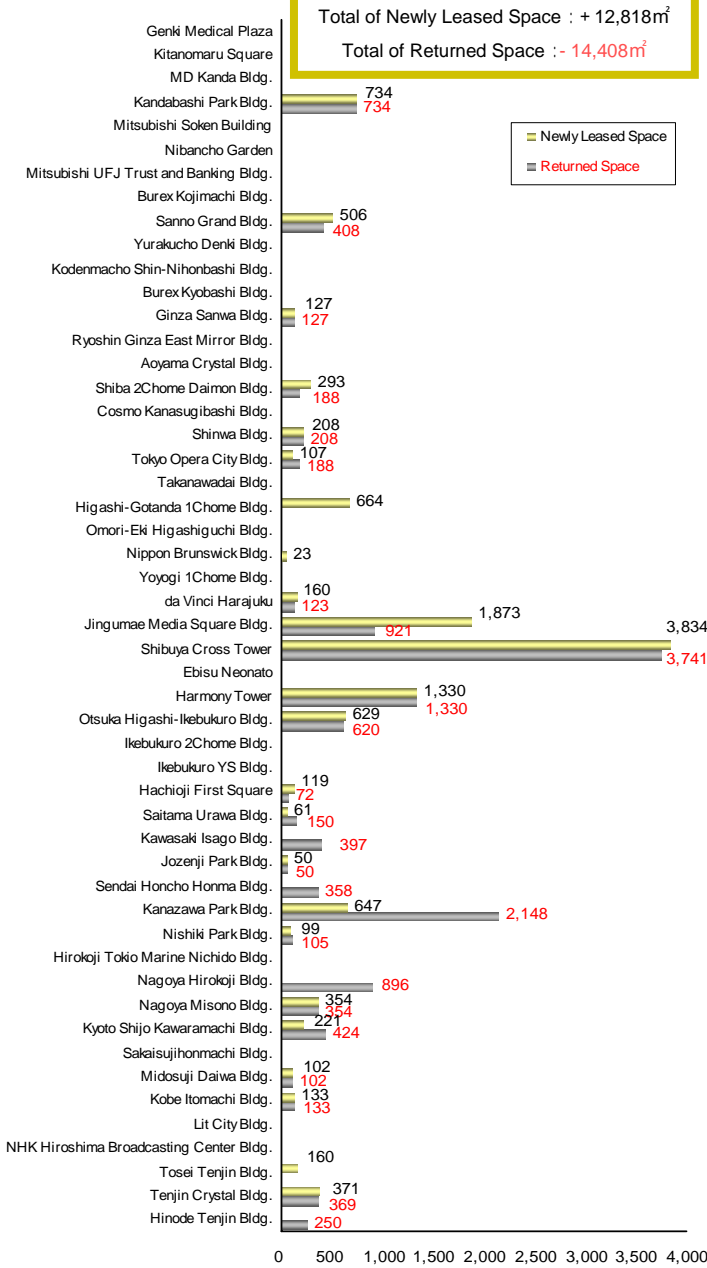
Assessed rent increased compared to the preceding assessment.  
 Assessed rent decreased compared to the preceding assessment.  
 - Properties without rent assessment  
 No ownership

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



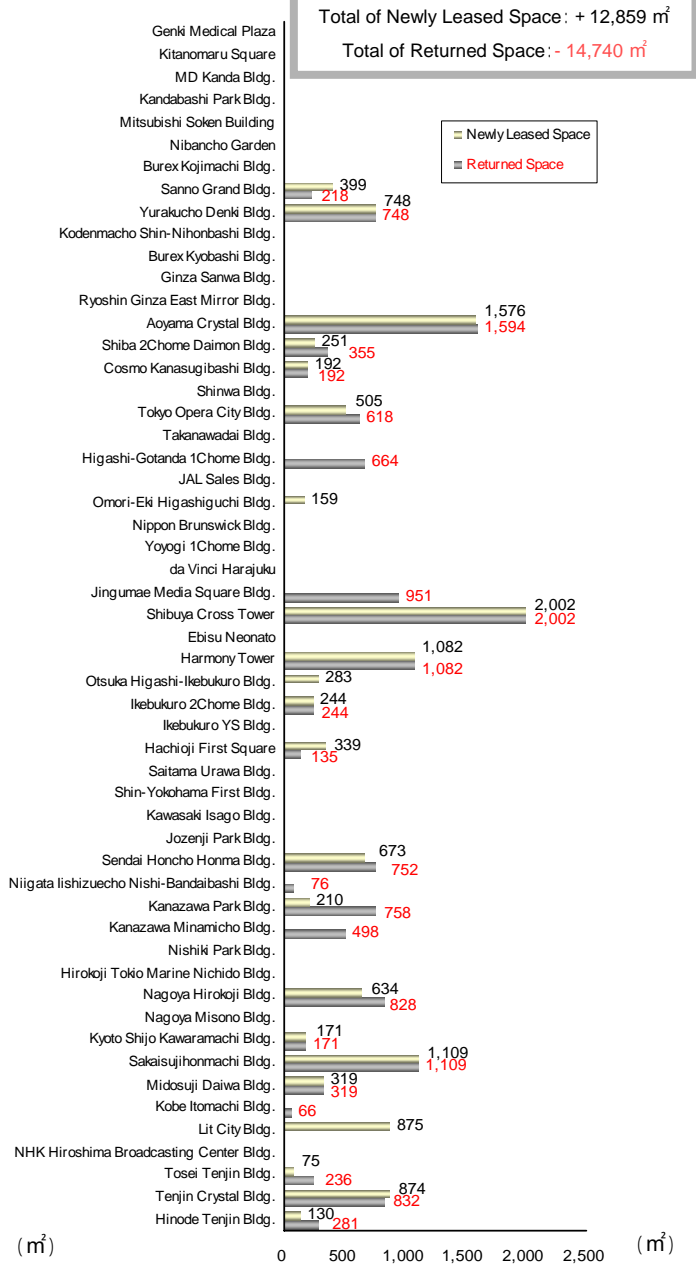
## 11th Period

Total of Newly Leased Space : + 12,818m<sup>2</sup>  
Total of Returned Space : - 14,408m<sup>2</sup>



## 10th Period

Total of Newly Leased Space : + 12,859 m<sup>2</sup>  
Total of Returned Space : - 14,740 m<sup>2</sup>

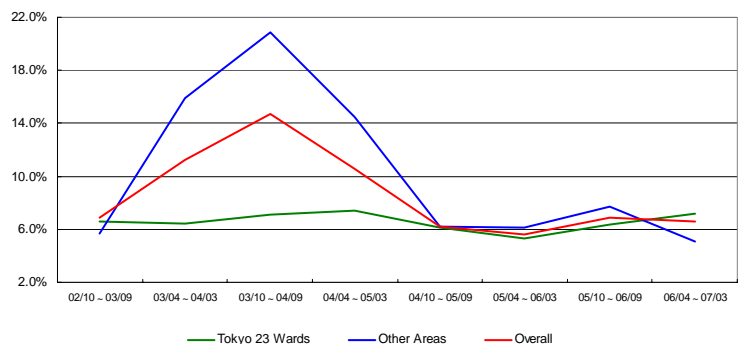


## Ratio of Annual Turnover

Ratio of Annual Tenant Turnover (%)

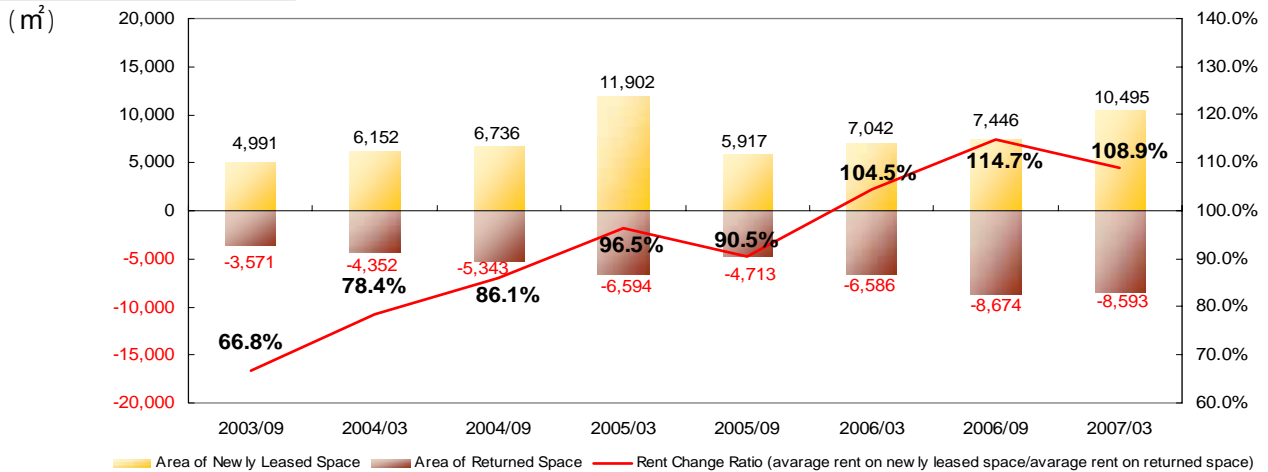
	02/10 ~ 03/09	03/04 ~ 04/03	03/10 ~ 04/09	04/04 ~ 05/03	04/10 ~ 05/09	05/04 ~ 06/03	05/10 ~ 06/09	06/4 ~ 07/03
Tokyo 23 Wards	6.6%	6.4%	7.1%	7.4%	6.2%	5.3%	6.3%	7.2%
Other Areas	5.7%	15.9%	20.9%	14.4%	6.2%	6.1%	7.7%	5.1%
Overall	6.9%	11.2%	14.7%	10.6%	6.2%	5.6%	6.9%	6.6%

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

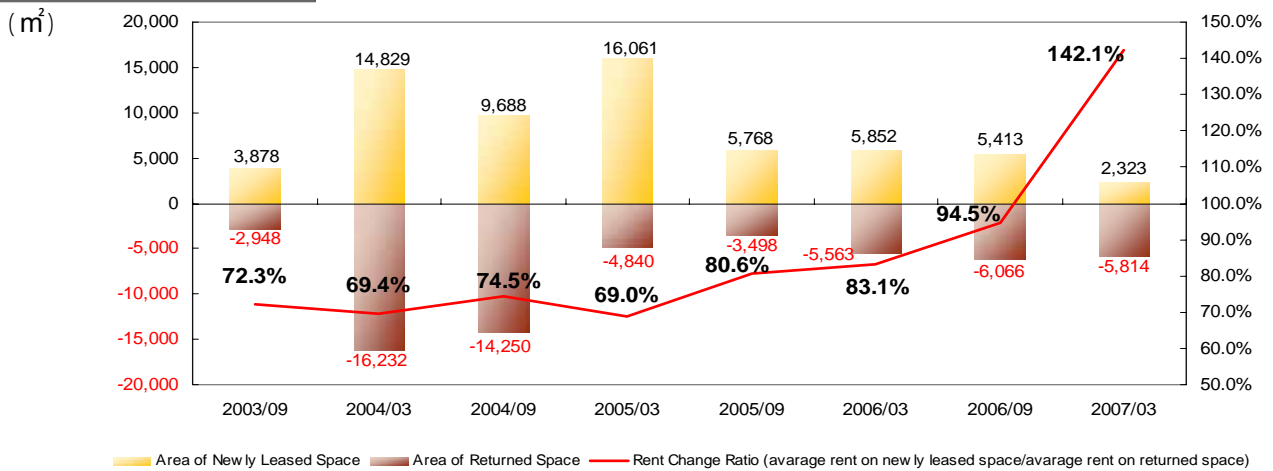


## Trend in Area of Newly Leased & Returned Space and Rent Change

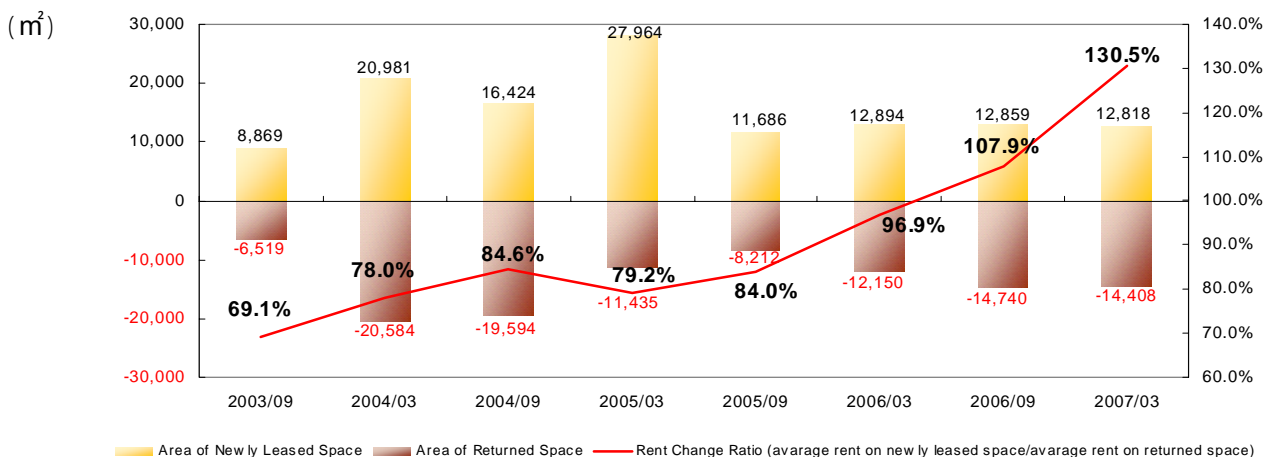
### Tokyo 23 Wards



### Other Areas



### Overall



# Tenant Data (Possibility of Rise in Rent of Existing Tenants)

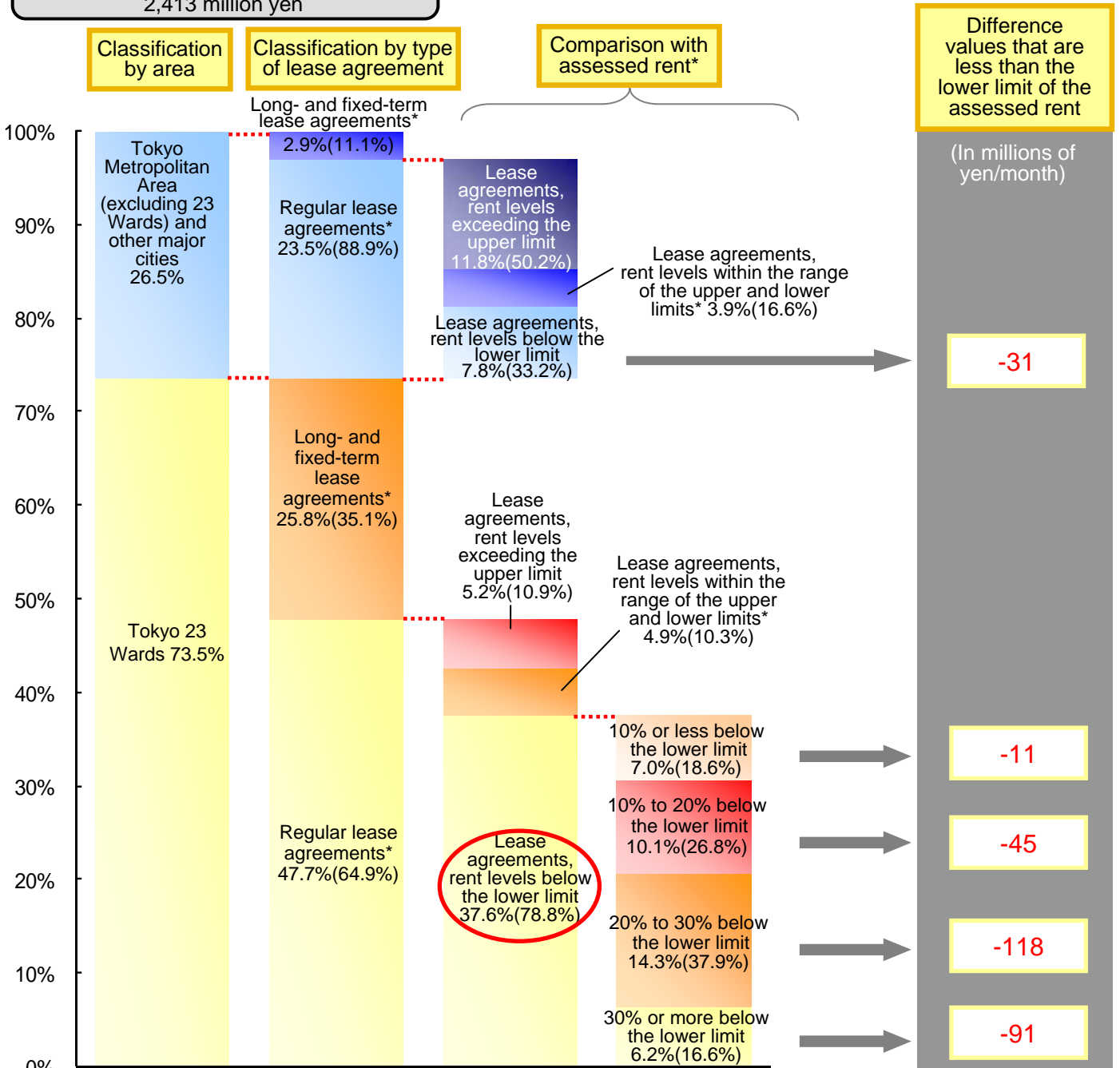


## Classification of Lease Agreements

50 properties held as of March 31, 2007. The data is calculated on a **monthly rent** basis including common service charges.

Monthly rent in the entire portfolio, including common service charges  
2,413 million yen

(Percentages represent the share of the entire portfolio. The percentages enclosed in parentheses (%) show the share of the lease agreements on the left.)



\* Assessed rent: rent data of each property, assessed by Ikoma Data Service System (IDSS) (for further information on the rent assessment, see page 41)

\* Long- and fixed-term lease agreements are contracts in which revenues are promised for the next year or longer from the end of 11th Period.

\* Regular lease agreements are contracts other than the long- and fixed-term lease agreements.

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



# Tenant Data (Trend of Rent Revision)



## Existing Tenants: Trend of Rent Increase and Reduction

- Rent increase revision data for the Sep-05 Period or before is not available due to insufficient samples.
- Data reflected for the Sep-07 Period is forecasted as of May 9, 2007.

(In thousands of yen/month)

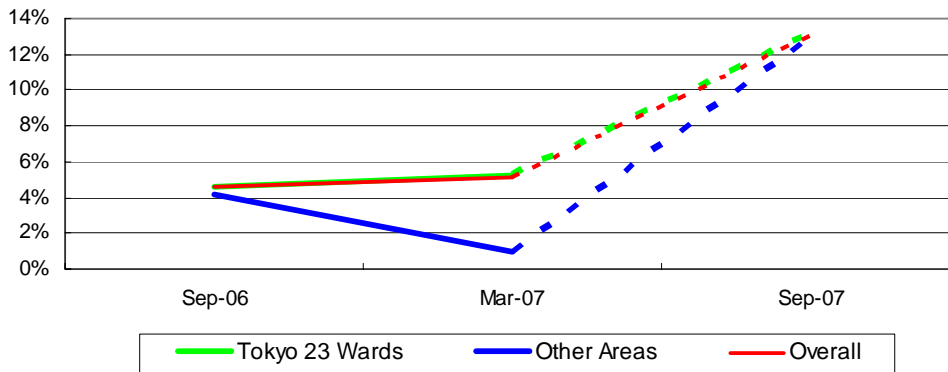
<Rent increase revision>

	Mar-04	Sep-04	Mar-05	Sep-05	Mar-06	Sep-06	Mar-07	Sep-07
Tokyo 23 Wards					646	1,706	4,979	27,192
Other Areas					32	109	6	792
Overall					678	1,815	4,986	27,985

<Rent reduction revision>

	Mar-04	Sep-04	Mar-05	Sep-05	Mar-06	Sep-06	Mar-07	Sep-07
Tokyo 23 Wards	-14,689	-16,970	-2,179	-3,311	-393	-89	0	0
Other Areas	-4,935	-12,362	-7,213	-2,335	-2,337	-2,412	-383	-196
Overall	-19,624	-29,333	-9,392	-5,647	-2,731	-2,501	-383	-196

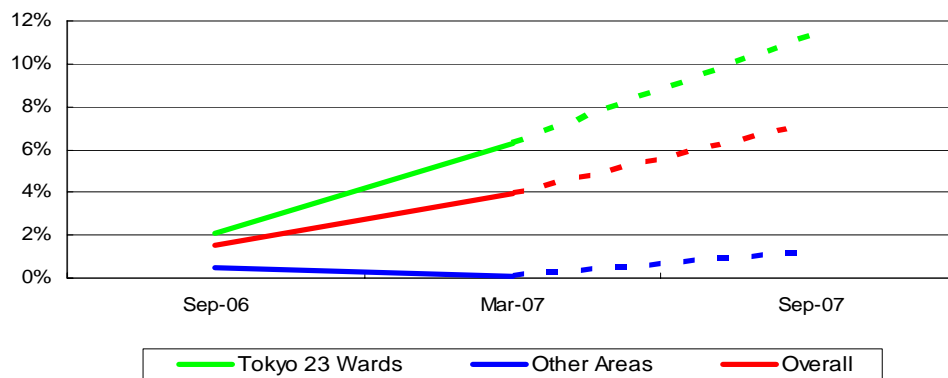
### Rent increase revision rate\*



	Sep-06	Mar-07	Sep-07
Tokyo 23 Wards	4.6%	5.2%	13.1%
Other Areas	4.2%	0.9%	12.9%
Overall	4.6%	5.2%	13.1%

\* Rent increase revision rate is obtained by dividing the rent increase (for lease agreements with rent increase revision) by the monthly rent before the rent increase (including common service charges).

### Rent increase revision execution rate\*



	Sep-06	Mar-07	Sep-07
Tokyo 23 Wards	2.1%	6.3%	11.3%
Other Areas	0.5%	0.0%	1.2%
Overall	1.5%	3.9%	7.2%

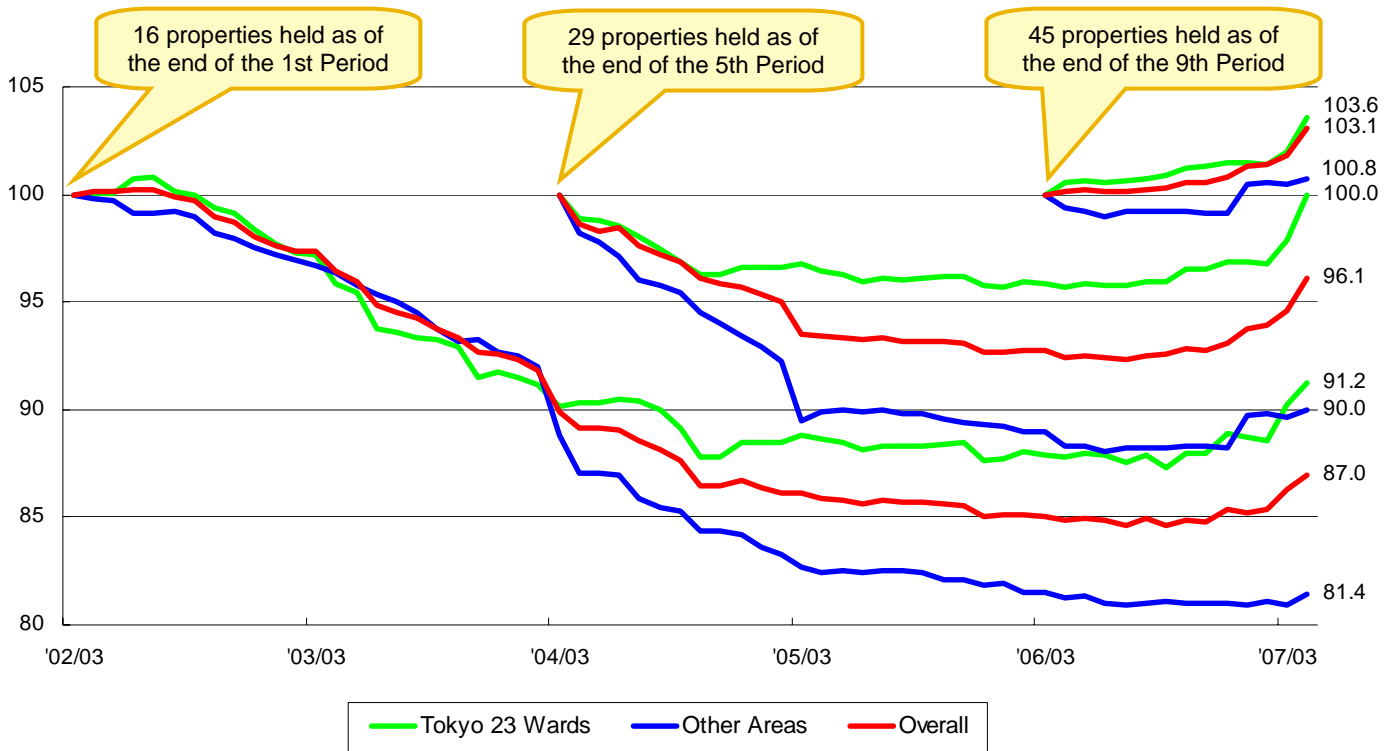
\* Rent increase revision execution rate is obtained by dividing the leased space (for lease agreements with rent increase revision) by the total leased space at the end of the period.

# Tenant Data (Changes in Average Rent Level)



## Changes in Average Rent Level (2002/03 ~ 2007/04)

- Comparison of JRE's portfolio of properties with constantly held shares of ownership in which no increase or decrease (including transfer) of shares has been seen since the ends of the 1st, 5th, and 9th Periods
- The trend sets the average rent as of the ends of the 1st, 5th, and 9th Periods at 100.



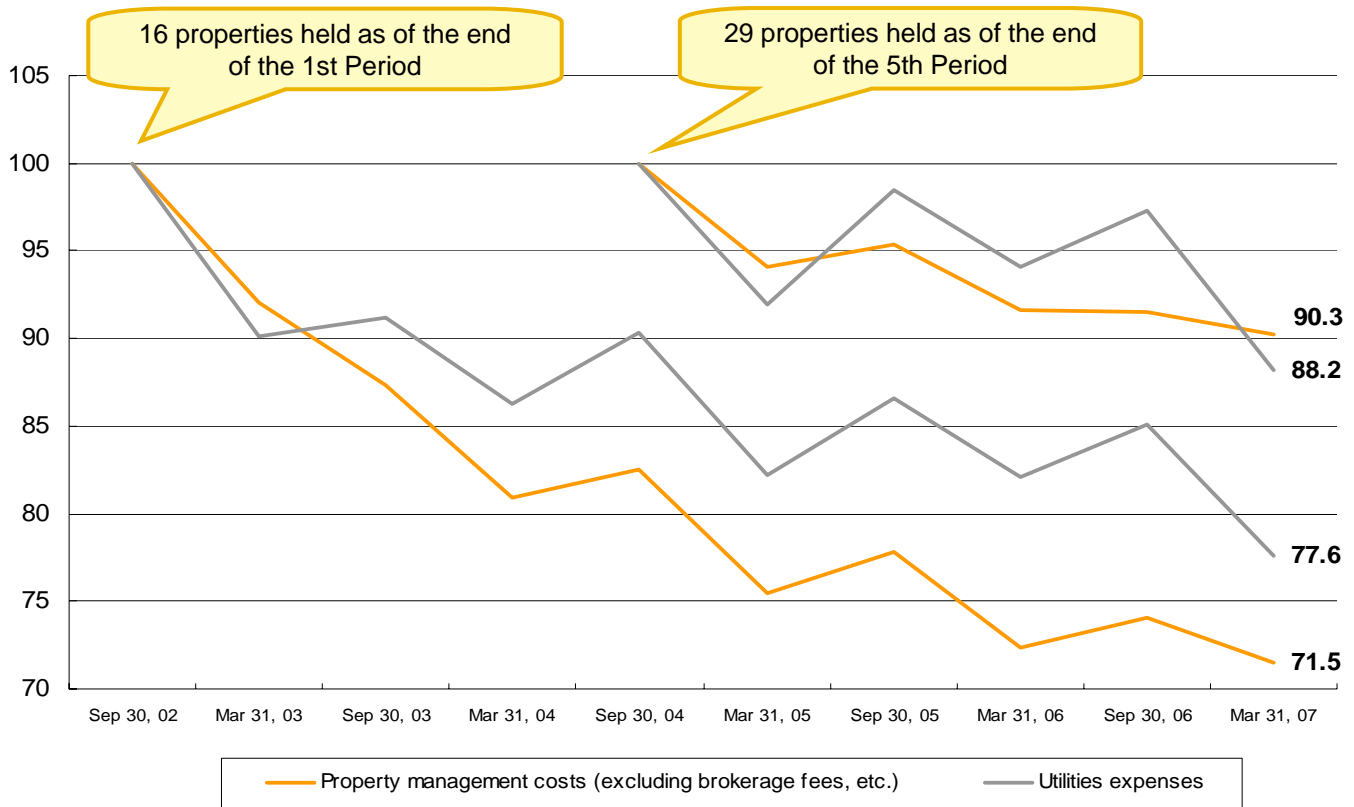
# Trend in Property Management Costs and Utilities Expenses



## Trend in Property Management Costs\* and Utilities Expenses

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

- Comparison of JRE's portfolio of properties with constantly held shares of ownership in which no increase or decrease (including transfer) of shares has been seen since the ends of the 1st and the 5th Periods.
- The trend sets the property management costs and utilities expenses as of the end of the 1st and the 5th Periods at 100.



# Past Record and Plan for Renovation Work



## JRE's Renovation Work

- Prepared medium- to long-term renovation plans, taking stable cash flow into account
- Conducted renovation work that increases profitability through such efforts as reducing costs and by attracting tenants
- Conducted renovation work that improves amenities for tenants, including work to improve air-conditioning systems and restrooms
- Conducted proper renovations to maintain building functions after identifying the degree of degradation
- Had a third party review on construction estimates and carried out proper construction management

## Trend in Construction Costs and Depreciation Expenses

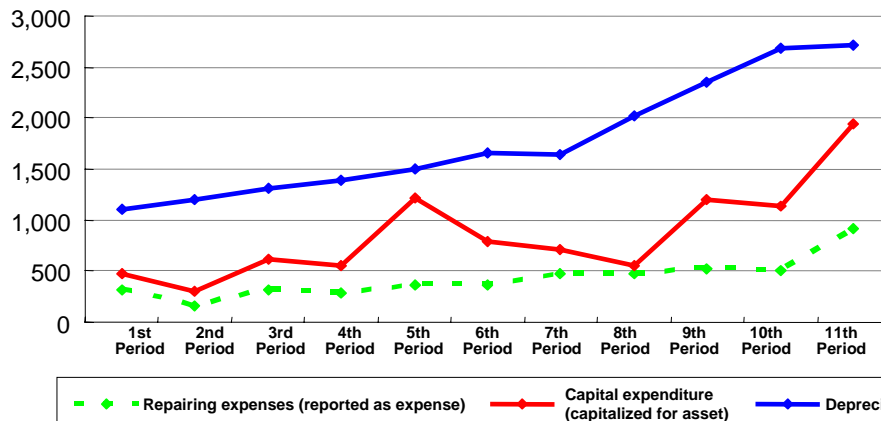
(In millions of yen)

	1st Period Mar. 2002	2nd Period Sep. 2002	3rd Period Mar. 2003	4th Period Sep. 2003	5th Period Mar. 2004	6th Period Sep. 2004	7th Period Mar. 2005	8th Period Sep. 2005	9th Period Mar. 2006	10th Period Sep. 2006	11th Period Mar. 2007
Construction costs	794	453	933	841	1,585	1,161	1,178	1,025	1,728	1,654	2,857
Repairing expenses (reported as expense)	321	152	323	289	365	363	471	474	528	513	916
Capital expenditure (capitalized for asset)	472	301	609	552	1,219	797	706	550	1,200	1,141	1,940
Depreciation	1,100	1,194	1,310	1,393	1,498	1,657	1,641	2,017	2,359	2,682	2,717
<b>Total assets</b>	<b>161,809</b>	<b>185,397</b>	<b>200,022</b>	<b>209,581</b>	<b>244,523</b>	<b>257,372</b>	<b>322,358</b>	<b>355,968</b>	<b>433,552</b>	<b>441,163</b>	<b>443,973</b>
Property-related revenues	6,492	7,910	8,500	8,965	9,560	10,151	10,747	13,119	13,962	15,169	16,500

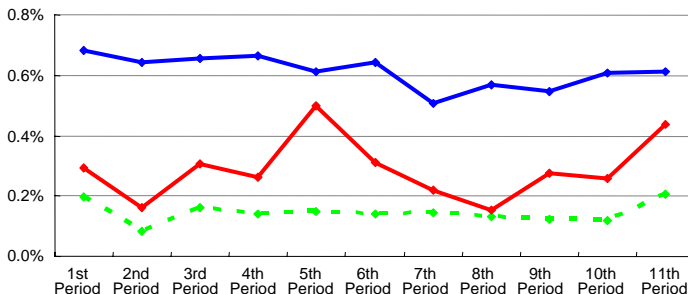
\* Property-related revenues for the 10th and 11th Periods do not include gain on sale of properties or gain from transfer of properties.

### <Trend in construction costs and depreciation>

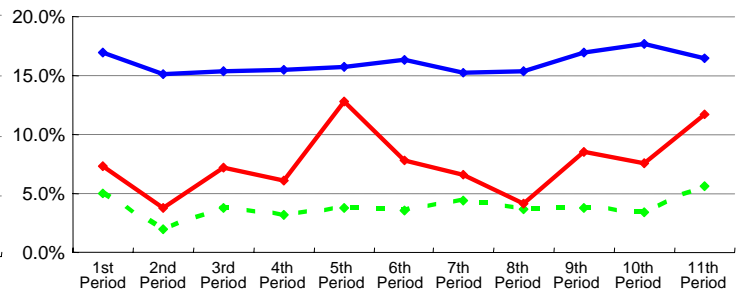
(In millions of yen)



### <% against total assets>



### <% against Property-related revenues>



## 5-Year Plan for Renovation Work

(In 100 millions of yen)

	Apr 2006–Mar 2007	Apr 2007–Mar 2008	Apr 2008–Mar 2009	Apr 2009–Mar 2010	Apr 2010–Mar 2011	Total
Work capitalized for asset	30	16	19	30	13	111
Depreciation	53	56	56	54	53	274

\* Actual figures are reflected for the Apr 2006–Mar 2007 data.

## Shibuya Cross Tower Renovation Work for Common Space on the 1st and 2nd Floors

- White is used as a base color to render a bright image, since these floors are used for shops.
- A refreshment space is installed to improve tenant satisfaction.

After renovation

Before renovation

1st floor: Elevator hall



2nd floor: Elevator hall



1st floor: Refreshment space

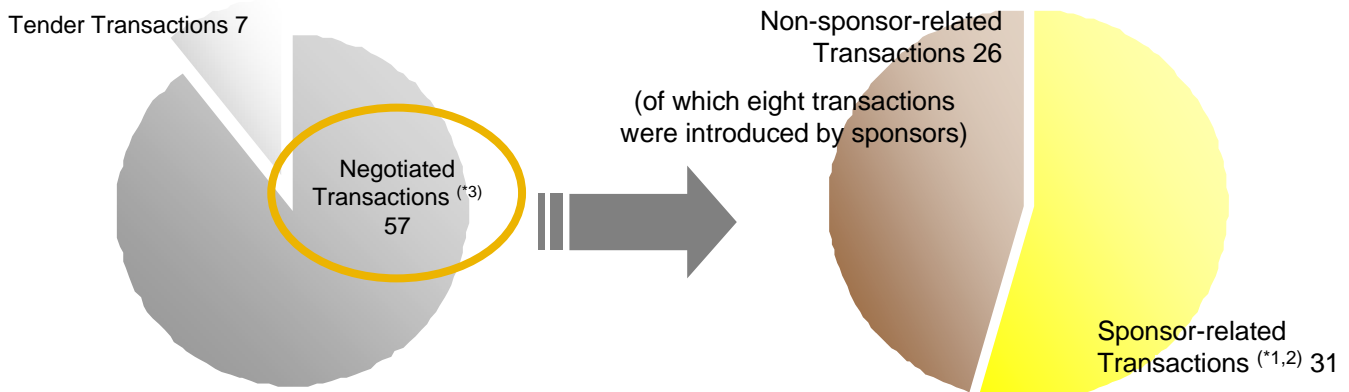


## Deal Sources

Based on 64 deals in total, in regard to properties already acquired and those decided to be acquired since IPO (An additional share acquisition of existing property is also counted as one deal. The said 64 deals cover the acquisition of transferred properties [including acquisition of 8·3 Square Kita Building as of June 1, 2007].)

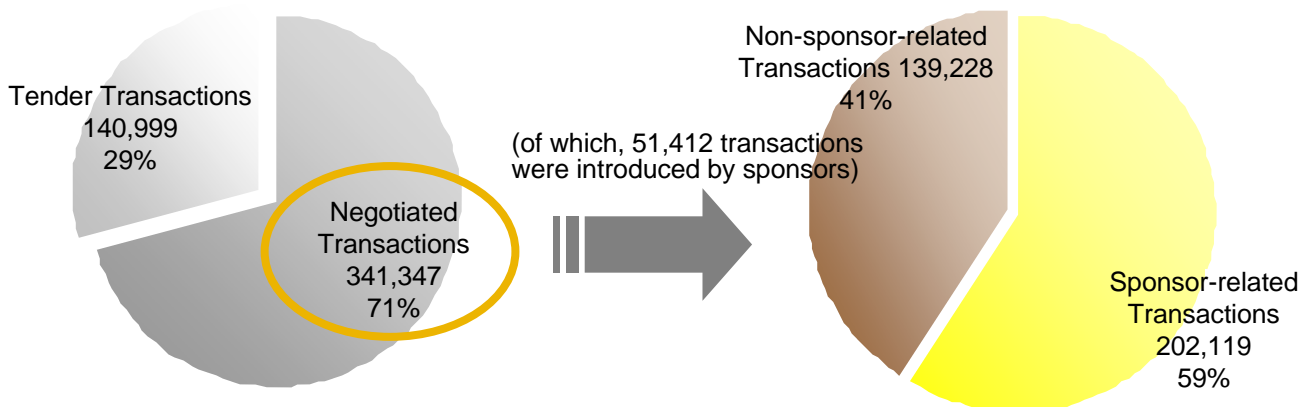
### Based on the number of transactions

### <Breakdown of Negotiated Transactions>



### Based on acquisition price

(In millions of yen)



- (\*1) Negotiated transactions with sponsors, etc. include those with 1) the sponsor and 2) SPC in which the sponsor has a 50% or larger equity investment, and those in regard to 3) current seller's property for which the previous owner was a sponsor.
- (\*2) Saitama Urawa Building and Kanazawa Park Building were additionally acquired from the sponsors and unrelated companies, but the deals were counted as sponsor-related transactions.
- (\*3) Transactions achieved through face-to-face negotiations

- ◆ Only seven properties were acquired through tender transactions.
- ◆ From the viewpoint of acquisition price, 71% of properties were purchased through negotiated transactions, including those sold by the sponsors.

**Strong relations  
with deal sources**

## 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 m<sup>2</sup> of building area

## Trend of Property Information

Apr 2005-Mar 2006

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

Apr 2006- Mar 2007

Area	10th Period							11th Period							Total	%
	Apr	May	Jun	Jul	Aug	Sep	Total	Oct	Nov	Dec	Jan	Feb	Mar	Total		
Tokyo Metropolitan	12	14	13	18	10	5	72	13	10	18	9	18	12	80	152	68.5%
Other Major Cities	6	5	6	6	3	6	32	6	10	7	6	6	3	38	70	31.5%
<b>Total</b>	<b>18</b>	<b>19</b>	<b>19</b>	<b>24</b>	<b>13</b>	<b>11</b>	<b>104</b>	<b>19</b>	<b>20</b>	<b>25</b>	<b>15</b>	<b>24</b>	<b>15</b>	<b>118</b>	<b>222</b>	<b>100.0%</b>

5 properties valued at 73 billion yen are under due diligence process, and 3 properties out of 5 are under negotiations for acquisition and valued at 56 billion yen.

# MEMO



## **3 . Business Forecasts**

# Income Statement and Forecast

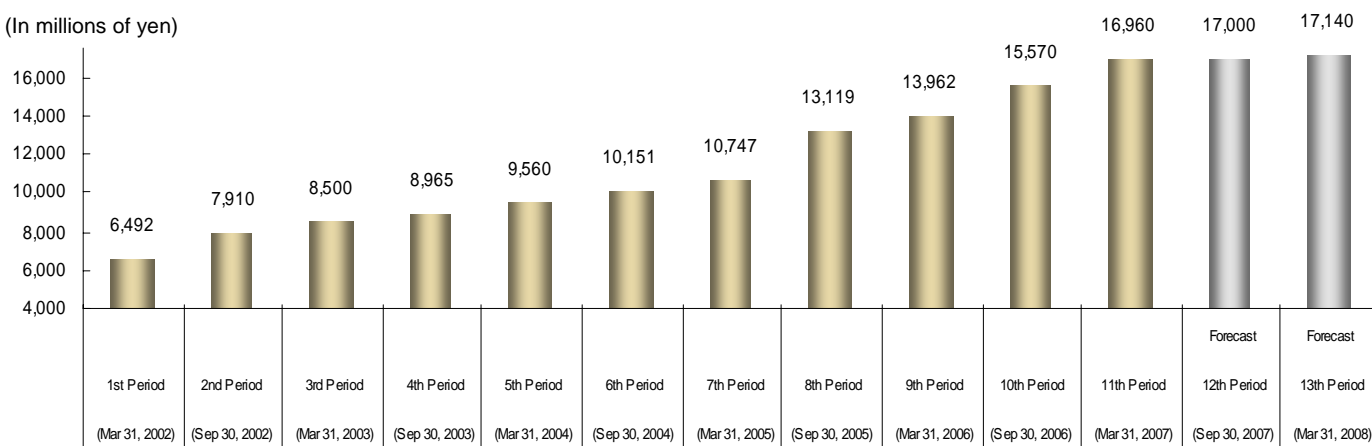


(In millions of yen, except for dividend per unit)

Term	10th Period	11th Period	12th Period	13th Period
	Ended Sep 30, 2006	Ended Mar 31, 2007	Ending Sep 30, 2007	Ending Mar 31, 2008
	actual	actual	forecast	forecast
<b>Number of Properties</b>	<b>49</b>	<b>50</b>	<b>51</b>	<b>51</b>
<b>Number of Days</b>	<b>(183 days)</b>	<b>(182 days)</b>	<b>(183 days)</b>	<b>(183 days)</b>
Operating Revenues	15,570	16,960	17,000	17,140
Property-related Revenues	15,169	16,500	17,000	17,140
Gain from Transfer of Properties	400	459	0	0
Operating Expenses	8,528	8,655	8,860	8,870
Property-related Expenses (excluding Depreciation)	4,829	5,200	5,110	-
Depreciation	2,682	2,717	2,830	-
Administrative Expenses	1,016	737	900	-
NOI (excluding Gain from Transfer of Properties)	10,339	11,300	11,890	-
Gross Operating Profits	8,058	9,042	9,050	-
Operating Profits	7,041	8,304	8,140	8,270
Non-Operating Profits or Losses	-1,064	-1,119	-1,130	-1,190
(Interest Expense)	(-1,022)	(-1,042)	(-1,111)	-
Recurring Profits	5,977	7,184	7,000	7,070
Net Income	5,976	7,183	7,000	7,070
Dividends	5,976	7,183	7,000	7,070
Number of Units	345,400 units	410,000 units	410,000 units	410,000 units
Dividend per Unit	17,302 yen	17,521 yen	17,090 yen	17,200 yen
Occupancy Rate at Period-end	98.2%	97.8%	98.0%	-

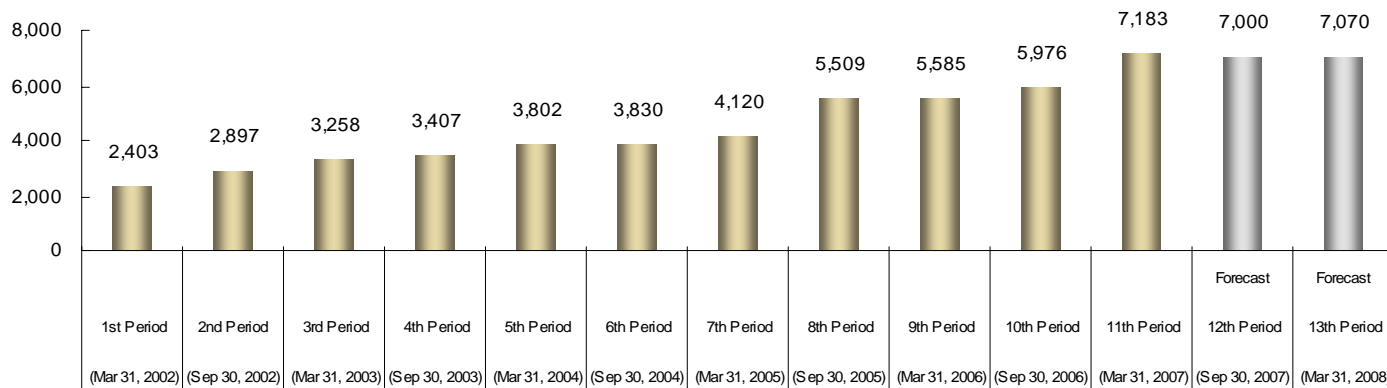
## Operating Revenues

(In millions of yen)



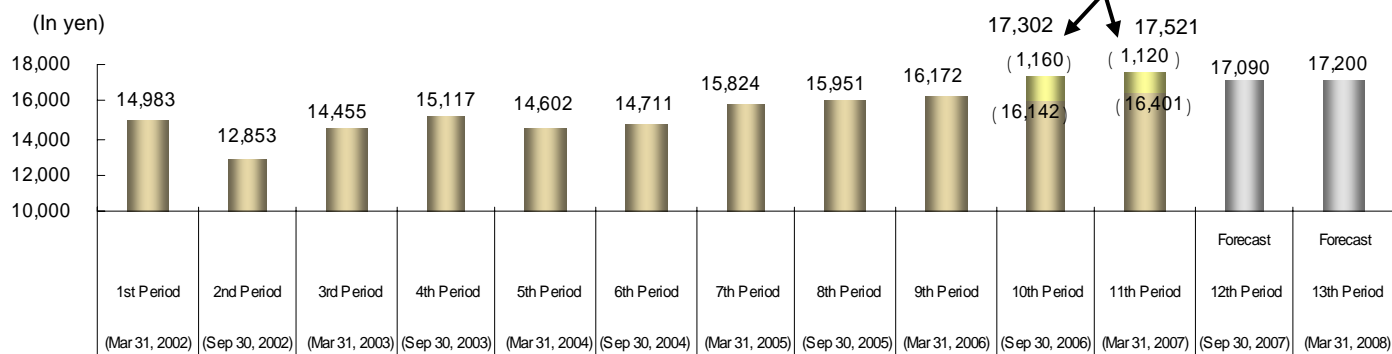
## Net Income

(In millions of yen)



## Dividend per Unit

(In yen)



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

# Balance Sheet Forecast for the 12th Period



(In millions of yen)

Item	12th Period-end (Sep 30, 2007)	11th Period-end (Mar 31, 2007)	Change	Reasons for Change
<b>Current Assets</b>				
Cash and entrusted cash	16,836	13,877	2,959	
Other current assets	700	1,764	-1,064	
<b>Total Current Assets</b>	<b>17,536</b>	<b>15,642</b>	<b>1,894</b>	
<b>Fixed Assets</b>				
<b>Property and Equipment</b>				
Buildings (including those held in trust)	149,595	144,450	5,145	
Structures (including those held in trust)	1,774	1,639	135	
Machinery and equipment (including that held in trust)	2,318	2,206	112	
Land (including that held in trust)	296,649	293,773	2,876	
Accumulated depreciation	-20,939	-18,089	-2,850	
<b>Total Property and Equipment</b>	<b>429,396</b>	<b>423,981</b>	<b>5,415</b>	Increased due to acquisition of 8.3 Square Kita and capital expenditure, etc.
<b>Intangible Assets</b>				
Leasehold right, etc. (including those held in trust)	3,032	3,032	0	
<b>Total Intangible Assets</b>	<b>3,032</b>	<b>3,032</b>	<b>0</b>	
<b>Investments and Other Assets</b>				
Investment securities	1,272	1,272	0	
Long-term prepaid expenses, etc.	20	24	-4	
<b>Total Investments and Other Assets</b>	<b>1,292</b>	<b>1,297</b>	<b>-5</b>	
<b>Total Fixed Assets</b>	<b>433,720</b>	<b>428,310</b>	<b>5,410</b>	
<b>Deferred Assets</b>				
Deferred investment corporation bond issuance costs	130	19	111	
<b>Total Deferred Assets</b>	<b>130</b>	<b>19</b>	<b>111</b>	
<b>Total Assets</b>	<b>451,386</b>	<b>443,973</b>	<b>7,413</b>	

(In millions of yen)

Item	12th Period-end (Sep 30, 2007)	11th Period-end (Mar 31, 2007)	Change	Reasons for Change
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Short-term loans	0	0	0	
Current portion of long-term loans	0	6,000	-6,000	Decreased due to repayment
Current portion of investment corporation bonds	0	25,000	-25,000	Decreased due to redemption
Rent received in advance	2,100	2,102	-2	
Other current liabilities	3,000	2,927	73	
<b>Total Current Liabilities</b>	<b>5,100</b>	<b>36,029</b>	<b>-30,929</b>	
<b>Long-term Liabilities</b>				
Investment corporation bonds	55,000	30,000	25,000	Increased due to new issue
Long-term loans	91,500	79,000	12,500	Increased due to refinancing and financing for property acquisition funds
Deposits received from tenants	28,103	27,075	1,028	Increased due to acquisition of 8·3 Square Kita
Other long-term liabilities	0	0	0	
<b>Total Long-term Liabilities</b>	<b>174,603</b>	<b>136,075</b>	<b>38,528</b>	
<b>Total Liabilities</b>	<b>179,703</b>	<b>172,105</b>	<b>7,598</b>	
<b>Unitholders' Equity</b>				
Unitholders' Capital	264,683	264,683	0	
Retained Earnings	7,000	7,183	-183	
<b>Total Unitholders' Equity</b>	<b>271,683</b>	<b>271,867</b>	<b>-184</b>	
<b>Total Liabilities and Unitholders' Equity</b>	<b>451,386</b>	<b>443,973</b>	<b>7,413</b>	

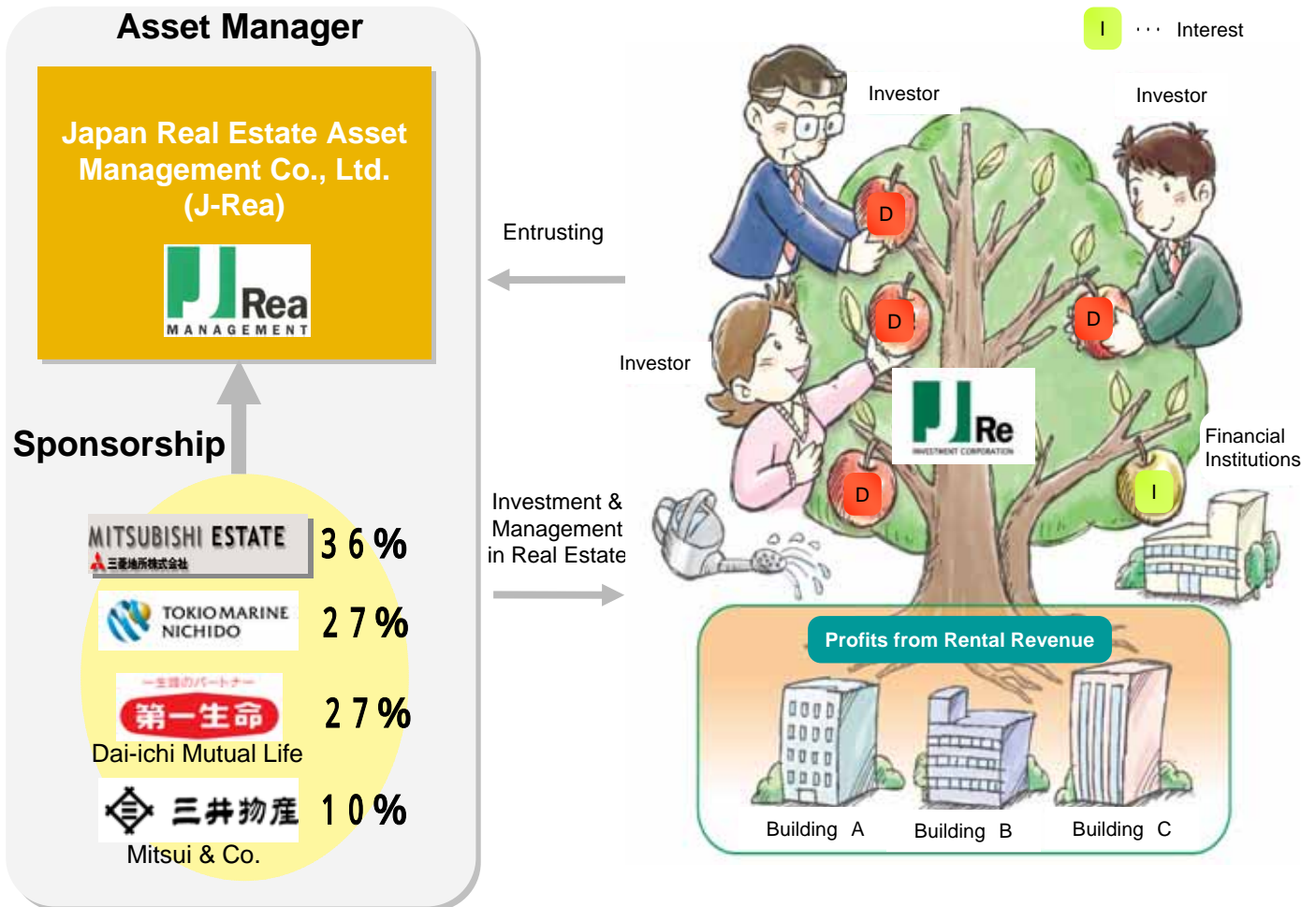
# MEMO

## 4 . Appendix

# Structure of JRE



## Structure



## Points

- ◆ J-Rea manages the office building portfolio.
- ◆ Expertise of Mitsubishi Estate, Tokio Marine & Nichido, Dai-ichi Mutual Life, and Mitsui & Co. is fully utilized.
- ◆ Units are listed and traded on the Tokyo Stock Exchange.
- ◆ Dividends are regarded as an expense if over 90% of the taxable income is paid out.



## The Strengths of Japan Real Estate Investment Corporation

(as of May 17, 2007)

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

**MITSUBISHI ESTATE**  
三菱地所株式会社

**TOKIO MARINE NICHIDO**

一生のパートナー  
**第一生命**  
Dai-ichi Mutual Life

**三井物産**  
Mitsui & Co.

< Support from four sponsors >

- Property pipeline support (providing properties and property information, etc.)
- Operating support (providing expertise on attraction of tenants and property management, etc.)
- Human resource support (seconding experienced professionals)

< Protecting function against conflicts of interest >

Mutual monitoring system by sponsors serves as the protecting function against conflicts of interest without being affected by any favor of a specific sponsor

**Investment Corporation focusing on office buildings**

**(51 office buildings, total amount for acquisition of properties: ¥448.3 billion (incl. the property acquired as of June 1, 2007))**

**Continuous growth in revenues and profits from IPO to the 11th Period**

**Sound financial strength**

- **Conservative LTV (cruising speed of 30% level)**
- **Highest issuer credit ratings in J-REIT**

**(S&P\* A+, Moody's A1, R&I AA)**

\*S&P revised the outlook on JRE to "Positive" from "Stable" as of April 6, 2007.

\*Moody's revised the outlook on JRE to "Positive" from "Stable" as of May 16, 2007.

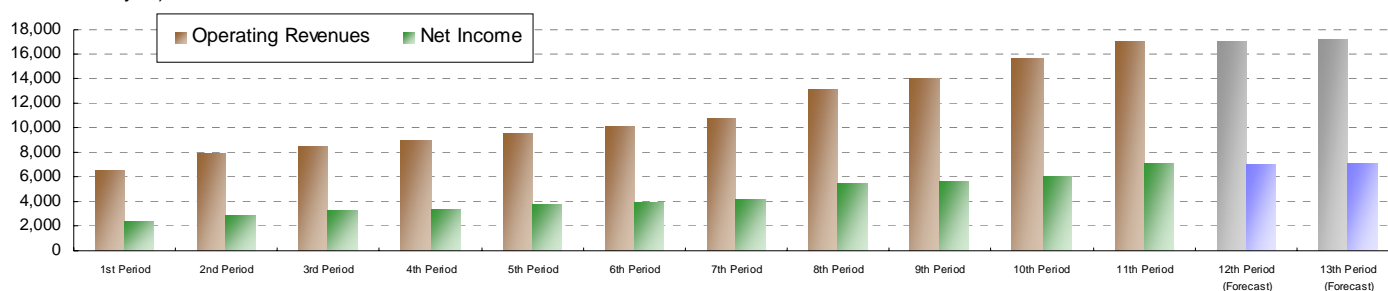
# Achievement after IPO and Forecast



## Achievement after IPO and Forecast

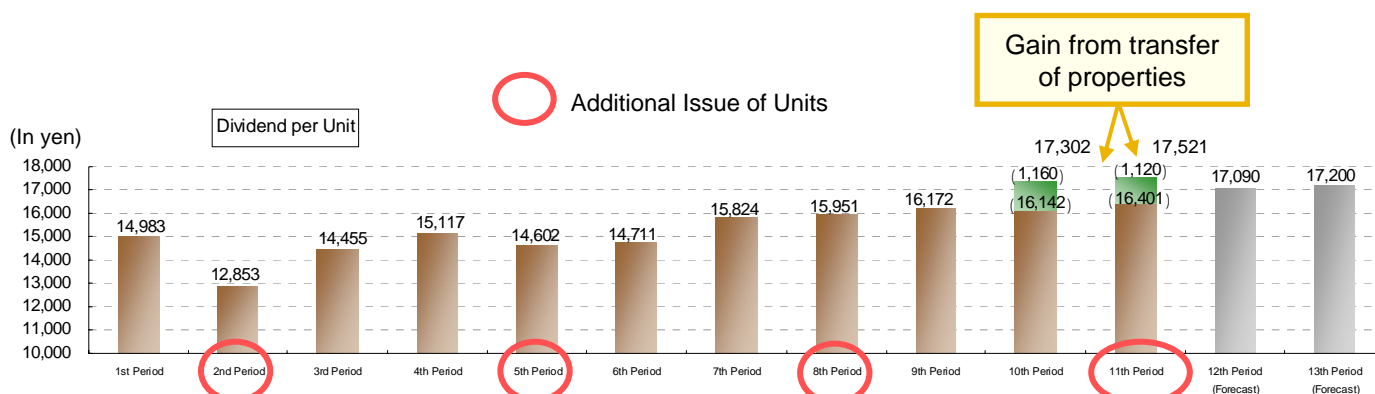
	1st Period Mar 31, 2002 May 2001-Mar 2002	2nd Period Sep 30, 2002 Apr 2002-Sep 2002	3rd Period Mar 31, 2003 Oct 2002-Mar 2003	4th Period Sep 30, 2003 Apr 2003-Sep 2003	5th Period Mar 31, 2004 Oct 2003-Mar 2004	6th Period Sep 30, 2004 Apr 2004-Sep 2004
<b>Operating Revenues</b> (prior 6 month period)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

(In millions of yen)



(In millions of yen)

7th Period Mar 31, 2005 Oct 2004-Mar 2005	8th Period Sep 30, 2005 Apr 2005-Sep 2005	9th Period Mar 31, 2006 Oct 2005-Mar 2006	10th Period Sep 30, 2006 Apr 2006-Sep 2006	11th Period Mar 31, 2007 Oct 2006-Mar 2007	12th Period Sep 30, 2007 Apr 2007-Sep 2007 (Forecast)	13th Period Mar 31, 2008 Oct 2007-Mar 2008 (Forecast)
10,747 (+5.9%)	13,119 (+22.1%)	13,962 (+6.4%)	15,570 (+11.5%)	16,960 (+8.9%)	17,000	17,140
4,701 (+7.9%)	6,226 (+32.4%)	6,319 (+1.5%)	7,041 (+11.4%)	8,304 (+17.9%)	8,140	8,270
4,121 (+7.6%)	5,510 (+33.7%)	5,586 (+1.4%)	5,977 (+7.0%)	7,184 (+20.2%)	7,000	7,070
4,120 (+7.6%)	5,509 (+33.7%)	5,585 (+1.4%)	5,976 (+7.0%)	7,183 (+20.2%)	7,000	7,070
260,400 units	345,400 units	345,400 units	345,400 units	410,000 units	410,000 units	410,000 units
15,824 yen	15,951 yen	16,172 yen	17,302 yen	17,521 yen	17,090 yen	17,200 yen
322,358	355,968	433,552	441,163	443,973	-	-
137,569	206,982	207,058	207,449	271,867	-	-
528,299 yen	599,254 yen	599,475 yen	600,605 yen	663,091 yen	-	-
184,789	148,985	226,493	233,714	172,105	-	-
159,000	122,000	196,500	202,500	140,000	-	-
49.3%	34.3%	45.3%	45.9%	31.5%	-	-
875,000 yen	915,000 yen	1,020,000 yen	1,000,000 yen	1,560,000 yen	-	-
227,850	316,041	352,308	345,400	639,600	-	-
46	50	52	49	50	51	51
290,510	326,560	412,766	418,693	441,276	448,376	448,376
336,026 m <sup>2</sup>	364,610 m <sup>2</sup>	400,090 m <sup>2</sup>	396,173 m <sup>2</sup>	397,928 m <sup>2</sup>	410,061 m <sup>2</sup>	410,061 m <sup>2</sup>
97.6%	98.6%	98.7%	98.2%	97.8%	98.0%	-
-	85,000 units	-	-	64,600 units	-	-
-	826,000 yen	-	-	1,009,400 yen	-	-
-	70,210	-	-	65,207	-	-
-	800,288 yen	-	-	978,500 yen	-	-
-	68,024	-	-	63,211	-	-
-	2005/4/26	-	-	2006/10/24	-	-



# Structure of Fees to Asset Management Company



## Payment of Asset Management Fees to Asset Management Company

(As of March 31, 2007)

### Term fee

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

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

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

[Formula]\*

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

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

### Incentive fee

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

[Formula]

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

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

[Formula]

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

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

### Acquisition fee

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

### Transfer fee

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

## Asset Management Fees Paid to the Asset Management Company

(In millions of yen)

	1st Period	2nd Period	3rd Period	4th Period	5th Period	6th Period	7th Period	8th Period	9th Period	10th Period	11th Period
Term fee	389	382	408	312	325	330	342	392	410	422	452
Incentive fee	0	0	24	80	0	32	134	0	160	230	0
Acquisition fee*	649	88	185	90	192	213	464	180	475	33	134
Transfer fee	0	0	0	0	0	0	0	0	0	20	154
<b>Total</b>	<b>1,038</b>	<b>470</b>	<b>617</b>	<b>484</b>	<b>518</b>	<b>576</b>	<b>941</b>	<b>573</b>	<b>1,046</b>	<b>707</b>	<b>741</b>

Total assets	161,809	185,397	200,022	209,581	244,523	257,372	322,358	355,968	433,552	441,163	443,973
Amount of acquisition price during the period	144,697	19,580	19,265	9,065	25,830	21,390	50,683	36,050	86,205	12,630	49,850
Amount of sales price during the period	0	0	0	0	0	0	0	0	0	7,003	41,900

Term fee / Total assets	0.24%	0.21%	0.20%	0.15%	0.13%	0.13%	0.11%	0.11%	0.09%	0.10%	0.10%
Incentive fee / Total assets	-	-	0.01%	0.04%	-	0.01%	0.04%	-	0.04%	0.05%	-
Acquisition fee / Amount of acquisition price during the period	0.45%	0.45%	0.96%	1.00%	0.75%	1.00%	0.92%	0.50%	0.55%	0.26%	0.27%
Transfer fee / Amount of sales price during the period	-	-	-	-	-	-	-	-	-	0.29%	0.37%
<b>Total / Total assets</b>	<b>0.64%</b>	<b>0.25%</b>	<b>0.31%</b>	<b>0.23%</b>	<b>0.21%</b>	<b>0.22%</b>	<b>0.29%</b>	<b>0.16%</b>	<b>0.24%</b>	<b>0.16%</b>	<b>0.17%</b>

\* The acquisition fee is capitalized and included into an asset. (The acquisition fee is not included in the asset management fees on the income statement.)

**MEMO**

# Key Properties and Key Tenants

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



Banyu Pharmaceutical Co., Ltd.  
Fast Retailing Co., Ltd., etc.

**Nibancho Garden**  
(Chiyoda-ku, Tokyo)



Seven & i Holdings Co., Ltd.

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



Mitsubishi UFJ Trust and Banking  
Corporation, etc.

**Ginza Sanwa Building**  
(Chuo-ku, Tokyo)



The Bank of Tokyo-Mitsubishi  
UFJ, Ltd., etc.

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



SKY Perfect Communications Inc.  
Amazon Japan K.K., etc.

**Nagoya Hirokoji Building  
(Nagoya City, Aichi Prefecture)**



TOTO Ltd.  
Shinko Securities Co., Ltd., etc.

**Midosuji Daiwa Building  
(Osaka City, Osaka Prefecture)**



Casio Computer Co., Ltd.  
TOTO Ltd., etc.

**NHK Hiroshima Broadcasting Center Building  
(Hiroshima City, Hiroshima Prefecture)**



Energia Communications, Inc.  
Astellas Pharma Inc., etc.

# Performance (Performance of Each Property in the 11th Period)



## Tokyo 23 Wards

(In millions of yen)

Name	Performance (October 1, 2006-March 31, 2007)													
	Property-related Revenues	Property-related Expenses								Property-related Profits (2)	NOI (3) ((1) + (2))	Capex (4)	NCF (3) - (4)	
		Property Management Expenses	Utilities Expenses	Property and Other Taxes	Casualty Insurance	Repairing expenses	Depreciation (1)	Other Rental Expenses						
Genki Medical Plaza	222	68	12	14	17	0	0	20	2	154	174	6	167	
Kitanomaru Square	1,843	643	109	78	1	2	4	447	-	1,199	1,646	0	1,646	
MD Kanda Building	292	105	17	16	21	0	6	42	-	187	230	-	230	
Kandabashi Park Building	165	61	7	-	16	0	11	25	-	103	129	-	129	
Mitsubishi Soken Building	1,051	339	76	111	83	1	12	53	-	712	766	4	761	
Nibancho Garden	493	239	57	27	47	0	0	104	-	254	359	0	359	
Mitsubishi UFJ Trust and Banking Building	20	21	1	-	0	0	-	20	0	0	19	-	19	
Burex Kojimachi Building	162	82	-	-	15	0	-	66	-	79	145	0	145	
Sanno Grand Building	982	361	108	60	43	1	78	68	1	620	688	243	445	
Yurakucho Denki Building	294	108	34	18	33	0	4	17	0	186	204	73	130	
Kodenmachi Shin-Nihonbashi Building	153	71	16	8	13	0	4	24	2	82	107	1	106	
Burex Kyobashi Building	150	50	-	-	12	0	-	37	-	99	137	-	137	
Ginza Sanwa Building	374	117	30	22	38	0	6	19	-	257	276	5	271	
Ryoshin Ginza East Mirror Building	134	72	9	10	9	0	1	40	-	62	103	-	103	
Aoyama Crystal Building	253	83	14	13	23	0	2	29	0	169	199	11	187	
Shiba 2Chome Daimon Building	312	118	36	23	35	0	1	20	0	194	215	2	212	
Cosmo Kanasugibashi Building	133	53	10	8	12	0	0	20	-	79	100	-	100	
Shinwa Building	265	101	17	17	19	0	13	33	-	163	197	1	195	
Tokyo Opera City Building	484	361									123		2	
Takanawadai Building	116	60	13	10	12	0	1	22	0	55	78	23	54	
Higashi-Gotanda 1Chome Building	208	96	17	17	14	0	0	46	-	112	158	-	158	
Omori-Eki Higashiguchi Building	252	97	27	20	24	0	0	23	0	155	179	-	179	
Nippon Brunswick Building	331	119	35	23	24	0	3	33	-	212	245	10	234	
Yoyogi 1Chome Building	283	107	5	0	23	0	0	77	-	175	253	-	253	
da Vinci Harajuku	197	46	11	10	12	0	0	10	-	151	162	0	161	
Jingumae Media Square Building	327	149	37	21	26	0	11	52	-	177	229	41	187	
Shibuya Cross Tower	1,479	1,124	177	132	126	3	421	257	3	354	612	975	-362	
Ebisu Neonato	151	74	15	5	10	0	2	39	-	77	117	-	117	
Harmony Tower	445	255	109	-	48	2	9	87	-	189	277	-	277	
Otsuka Higashi-Ikebukuro Building	182	77	17	16	13	0	11	18	0	104	123	67	55	
Ikebukuro 2Chome Building	73	27	8	5	5	0	0	6	-	46	53	0	52	
Ikebukuro YS Building	201	146	19	17	14	0	60	33	-	55	88	282	-194	

\* Nishiki Park Building and additional shares of ownership of the building acquired in the 11th Period have been in operation since October 2, 2006 and November 1, 2006 respectively. Mitsubishi UFJ Trust and Banking Building, a newly acquired property, has been in operation since March 28, 2007.

\* Mitsubishi Soken Building, transferred in the 11th Period, had been operated until March 28, 2007.

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

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



## Other Areas

(In millions of yen)

Name	Performance (October 1, 2006-March 31, 2007)												
	Property-related Revenues	Property-related Expenses								Property-related Profits (2)	NOI (3) ((1) + (2))	Capex (4)	NCF (3) - (4)
		Property Management Expenses	Utilities Expenses	Property and Other Taxes	Casualty Insurance	Repairing expenses	Depreciation (1)	Other Rental Expenses					
Hachioji First Square	170	96	32	-	16	0	8	39	-	73	113	2	110
Saitama Urawa Building	136	59	15	8	9	0	15	10	-	76	87	1	86
Kawasaki Isago Building	158	90	21	13	14	0	0	40	0	67	108	5	103
Jozenji Park Building	67	46	9	8	6	0	8	12	-	20	33	2	31
Sendai Honcho Honma Building	158	76	16	4	14	0	10	29	-	81	111	1	109
Kanazawa Park Building	521	358	111	62	70	2	32	78	0	163	242	31	210
Nishiki Park Building	273	174	46	14	0	0	39	66	6	99	165	0	164
Hirokoji Tokio Marine Nichido Building	95	47	18	11	0	0	6	10	-	48	58	-	58
Nagoya Hirokoji Building	721	302	95	63	60	1	17	63	-	418	482	26	456
Nagoya Misono Building	100	62	12	7	6	0	0	33	-	38	72	-	72
Kyoto Shijo Kawaramachi Building	146	74	20	13	11	0	1	26	0	71	98	8	90
Sakaisujihonmachi Building	259	162	41	25	39	0	8	46	-	96	143	-	143
Midosuji Daiwa Building	673	293	63	42	79	1	12	94	0	379	473	-	473
Kobe Itomachi Building	68	78	10	7	6	0	46	7	-	-10	-2	0	-3
Lit City Building	297	141	44	17	-	1	5	71	-	156	227	-	227
NHK Hiroshima Broadcasting Center Building	148	118	38	14	14	0	12	21	15	29	51	0	50
Tosei Tenjin Building	95	54	13	8	9	0	3	19	-	41	61	-	61
Tenjin Crystal Building	199	161	27	17	21	0	4	89	-	37	127	16	110
Hinode Tenjin Building	165	72	23	16	15	0	4	13	-	92	106	84	21
<b>Total</b>	<b>16,500</b>	<b>7,918</b>	<b>1,815</b>	<b>1,133</b>	<b>1,241</b>	<b>38</b>	<b>916</b>	<b>2,717</b>	<b>54</b>	<b>8,582</b>	<b>11,300</b>	<b>1,940</b>	<b>9,359</b>

# Performance (Increase and Decrease by Property)



(1) 45 properties held as of the beginning of the 10th Period

(In millions of yen)

## Tokyo 23 Wards

Profit increase of 10 million yen or more (Factor)  
Profit decrease of 10 million yen or more (Factor)

Property Name	11th period	10th period	Change	Change(%)	
Genki Medical Plaza	Property-related Revenues	222	221	0	0.4%
	Property-related Expenses	68	68	0	-0.2%
	Property-related Profits and Losses	154	153	1	0.7%
	NOI	174	173	1	0.7%
Kitanomaru Square	Property-related Revenues	1,843	643	1,200	186.5%
	Property-related Expenses	643	700	-57	-8.2%
	Property-related Profits and Losses	1,199	-57	1,257	-
	NOI	1,646	386	1,260	326.4%
MD Kanda	Property-related Revenues	292	293	0	-0.3%
	Property-related Expenses	105	104	0	0.1%
	Property-related Profits and Losses	187	188	-1	-0.5%
	NOI	230	232	-2	-0.9%
Kandabashi Park	Property-related Revenues	165	172	-6	-3.8%
	Property-related Expenses	61	46	15	34.4%
	Property-related Profits and Losses	103	126	-22	-17.8%
	NOI	129	151	-22	-14.8%
Nibancho Garden	Property-related Revenues	493	490	2	0.5%
	Property-related Expenses	239	238	0	0.3%
	Property-related Profits and Losses	254	252	1	0.7%
	NOI	359	357	1	0.5%
Burex Kojimachi	Property-related Revenues	162	162	0	0.0%
	Property-related Expenses	82	82	0	0.0%
	Property-related Profits and Losses	79	79	0	0.0%
	NOI	145	145	0	0.0%
Yurakucho Denki	Property-related Revenues	294	283	11	4.0%
	Property-related Expenses	108	107	1	1.0%
	Property-related Profits and Losses	186	176	10	5.9%
	NOI	204	194	9	4.6%
Kodenmachi Shin-Nihonbashi	Property-related Revenues	153	154	0	-0.4%
	Property-related Expenses	71	67	3	5.8%
	Property-related Profits and Losses	82	87	-4	-5.2%
	NOI	107	111	-4	-4.1%
Burex Kyobashi	Property-related Revenues	150	150	0	0.0%
	Property-related Expenses	50	50	0	0.0%
	Property-related Profits and Losses	99	99	0	0.0%
	NOI	137	137	0	0.0%
Ginza Sanwa	Property-related Revenues	374	371	3	1.0%
	Property-related Expenses	117	124	-6	-5.5%
	Property-related Profits and Losses	257	246	10	4.3%
	NOI	276	266	10	3.9%
Ryoshin Ginza East Mirror	Property-related Revenues	134	134	0	0.4%
	Property-related Expenses	72	72	0	-0.1%
	Property-related Profits and Losses	62	62	0	0.9%
	NOI	103	103	0	0.2%
Aoyama Crystal	Property-related Revenues	253	293	-39	-13.6%
	Property-related Expenses	83	138	-54	-39.3%
	Property-related Profits and Losses	169	155	14	9.2%
	NOI	199	184	14	7.8%
Shiba 2Chome Daimon	Property-related Revenues	312	311	1	0.3%
	Property-related Expenses	118	124	-5	-4.8%
	Property-related Profits and Losses	194	187	6	3.7%
	NOI	215	208	7	3.4%
Cosmo	Property-related Revenues	133	133	0	0.2%
	Property-related Expenses	53	60	-6	-10.9%
	Property-related Profits and Losses	79	73	6	9.5%
	NOI	100	93	6	7.4%
Shinwa	Property-related Revenues	265	267	-1	-0.5%
	Property-related Expenses	101	94	7	7.9%
	Property-related Profits and Losses	163	172	-8	-5.1%
	NOI	197	207	-10	-5.2%
Tokyo Opera City	Property-related Revenues	484	471	13	2.8%
	Property-related Expenses	361	344	16	4.8%
	Property-related Profits and Losses	123	126	-3	-2.6%
	NOI	258	261	-2	-1.1%
Takanawadai	Property-related Revenues	116	114	1	1.1%
	Property-related Expenses	60	60	0	-0.1%
	Property-related Profits and Losses	55	54	1	2.4%
	NOI	78	76	1	1.9%
Higashi-Gotanda 1Chome	Property-related Revenues	208	217	-9	-4.3%
	Property-related Expenses	96	96	0	-0.4%
	Property-related Profits and Losses	112	121	-8	-7.4%
	NOI	158	167	-8	-5.4%
Omori-Eki	Property-related Revenues	252	252	0	0.0%
	Property-related Expenses	97	130	-33	-25.7%
	Property-related Profits and Losses	155	122	33	27.4%
	NOI	179	173	5	3.1%
Nippon Brunswick	Property-related Revenues	331	332	0	-0.2%
	Property-related Expenses	119	123	-4	-3.5%
	Property-related Profits and Losses	212	208	3	1.7%
	NOI	245	242	3	1.3%
Yoyogi 1Chome	Property-related Revenues	283	283	0	0.0%
	Property-related Expenses	107	108	0	-0.8%
	Property-related Profits and Losses	175	174	0	0.5%
	NOI	253	252	0	0.3%
da Vinci Harajuku	Property-related Revenues	197	199	-1	-0.7%
	Property-related Expenses	46	48	-2	-5.1%
	Property-related Profits and Losses	151	150	1	0.7%
	NOI	162	161	1	0.6%
Jingumae Media	Property-related Revenues	327	361	-34	-9.6%
	Property-related Expenses	149	135	14	11.0%
	Property-related Profits and Losses	177	226	-49	-21.9%
	NOI	229	284	-55	-19.4%
Shibuya Cross Tower	Property-related Revenues	1,479	1,485	-6	-0.4%
	Property-related Expenses	1,124	831	292	35.2%
	Property-related Profits and Losses	354	653	-299	-45.7%
	NOI	612	875	-262	-30.0%
Ebisu Neonato	Property-related Revenues	151	151	0	0.2%
	Property-related Expenses	74	73	0	0.4%
	Property-related Profits and Losses	77	77	0	0.0%
	NOI	117	117	0	0.0%
Harmony Tower	Property-related Revenues	445	419	25	6.2%
	Property-related Expenses	255	190	65	34.3%
	Property-related Profits and Losses	189	229	-39	-17.2%
	NOI	277	318	-41	-12.9%
Otsuka Higashi-Ikebukuro	Property-related Revenues	182	186	-3	-2.1%
	Property-related Expenses	77	72	5	7.8%
	Property-related Profits and Losses	104	114	-9	-8.3%
	NOI	123	133	-10	-7.8%
Ikebukuro 2Chome	Property-related Revenues	73	71	2	4.0%
	Property-related Expenses	27	33	-6	-18.9%
	Property-related Profits and Losses	46	37	9	24.2%
	NOI	53	50	3	6.4%
Ikebukuro YS	Property-related Revenues	201	202	-1	-0.6%
	Property-related Expenses	146	93	52	56.1%
	Property-related Profits and Losses	55	108	-53	-49.5%
	NOI	88	142	-53	-37.8%

## (2) 3 properties acquired in the 10th Period

### Other Areas

	11th period	10th period	Change	Change(%)
Hachioji First Square				
Property-related Revenues	170	166	4	2.5%
Property-related Expenses	96	93	3	4.1%
Property-related Profits and Losses	73	73	0	0.4%
NOI	113	113	0	-0.1%
Saitama Urawa				
Property-related Revenues	136	135	0	0.5%
Property-related Expenses	59	59	0	0.2%
Property-related Profits and Losses	76	76	0	0.8%
NOI	87	96	-9	-9.4%
Kawasaki Isago				
Property-related Revenues	158	162	-3	-2.2%
Property-related Expenses	90	101	-10	-10.6%
Property-related Profits and Losses	67	60	7	11.9%
NOI	108	101	7	7.0%
Jozenji Park				
Property-related Revenues	67	68	-1	-2.3%
Property-related Expenses	46	47	0	-0.6%
Property-related Profits and Losses	20	21	-1	-6.0%
NOI	33	34	-1	-4.5%
Kanazawa Park				
Property-related Revenues	521	541	-19	-3.7%
Property-related Expenses	358	409	-51	-12.5%
Property-related Profits and Losses	163	131	31	23.9%
NOI	242	210	32	15.2%
Nagoya Hirokoji				
Property-related Revenues	721	731	-9	-1.4%
Property-related Expenses	302	313	-10	-3.5%
Property-related Profits and Losses	418	417	0	0.2%
NOI	482	487	-5	-1.0%
Nagoya Misono				
Property-related Revenues	100	96	4	4.9%
Property-related Expenses	62	65	-3	-5.4%
Property-related Profits and Losses	38	30	8	27.3%
NOI	72	64	8	12.6%
Kyoto Shijo Kawaramachi				
Property-related Revenues	146	143	2	1.9%
Property-related Expenses	74	93	-19	-20.6%
Property-related Profits and Losses	71	49	22	44.5%
NOI	98	76	22	29.4%
Sakaisujihonmachi				
Property-related Revenues	259	254	5	2.1%
Property-related Expenses	162	165	-2	-1.7%
Property-related Profits and Losses	96	88	8	9.2%
NOI	143	135	7	5.9%
Midosuji Daiwa				
Property-related Revenues	673	670	2	0.4%
Property-related Expenses	293	324	-31	-9.6%
Property-related Profits and Losses	379	345	33	9.8%
NOI	473	438	35	8.0%
Kobe Itomachi				
Property-related Revenues	68	68	0	0.0%
Property-related Expenses	78	45	33	74.0%
Property-related Profits and Losses	-10	23	-33	-
NOI	-2	35	-38	-
Lit City				
Property-related Revenues	297	288	8	2.8%
Property-related Expenses	141	145	-4	-3.2%
Property-related Profits and Losses	156	143	12	8.9%
NOI	227	215	12	5.9%
NHK Hiroshima Broadcasting Center				
Property-related Revenues	148	148	0	-0.3%
Property-related Expenses	118	111	6	6.1%
Property-related Profits and Losses	29	37	-7	-19.6%
NOI	51	58	-7	-12.3%
Tosei Tenjin				
Property-related Revenues	95	97	-1	-2.0%
Property-related Expenses	54	57	-3	-6.0%
Property-related Profits and Losses	41	39	1	3.8%
NOI	61	59	1	2.6%
Tenjin Crystal				
Property-related Revenues	199	219	-20	-9.2%
Property-related Expenses	161	164	-3	-2.0%
Property-related Profits and Losses	37	54	-16	-31.0%
NOI	127	144	-16	-11.6%
Hinode Tenjin				
Property-related Revenues	165	175	-9	-5.7%
Property-related Expenses	72	72	0	0.8%
Property-related Profits and Losses	92	103	-10	-10.2%
NOI	106	117	-10	-9.2%

	11th period	10th period	Change	Change(%)
Sanno Grand				
Property-related Revenues	982	969	13	1.4%
Property-related Expenses	361	277	84	30.5%
Property-related Profits and Losses	620	691	-70	-10.3%
NOI	688	758	-69	-9.2%
Sendai Honcho				
Property-related Revenues	158	151	6	4.4%
Property-related Expenses	76	76	0	-0.8%
Property-related Profits and Losses	81	74	7	9.8%
NOI	111	103	8	7.9%
Hirokoji Tokio Marine Nichido				
Property-related Revenues	95	4	91	2121.8%
Property-related Expenses	47	2	44	1519.4%
Property-related Profits and Losses	48	1	46	3390.8%
NOI	58	3	55	1801.2%

## (3) 2 properties acquired in the 11th Period

	11th period	10th period	Change	Change(%)
Mitsubishi UFJ Trust and Banking				
Property-related Revenues	20	0	20	-
Property-related Expenses	21	0	21	-
Property-related Profits and Losses	0	0	0	-
NOI	19	0	19	-
Nishiki Park				
Property-related Revenues	273	0	273	-
Property-related Expenses	174	0	174	-
Property-related Profits and Losses	99	0	99	-
NOI	165	0	165	-

## (4) 4 properties transferred in the 10th Period

	11th period	10th period	Change	Change(%)
JAL Sales				
Property-related Revenues	0	42	-42	-100.0%
Property-related Expenses	0	31	-31	-100.0%
Property-related Profits and Losses	0	11	-11	-100.0%
NOI	0	18	-18	-100.0%
Shin-Yokohama First				
Property-related Revenues	0	57	-57	-100.0%
Property-related Expenses	0	56	-56	-100.0%
Property-related Profits and Losses	0	0	0	-100.0%
NOI	0	23	-23	-100.0%
Niigata Ishizuecho Nishi-Bandaibashi				
Property-related Revenues	0	40	-40	-100.0%
Property-related Expenses	0	24	-24	-100.0%
Property-related Profits and Losses	0	15	-15	-100.0%
NOI	0	18	-18	-100.0%
Kanazawa Minamicho				
Property-related Revenues	0	40	-40	-100.0%
Property-related Expenses	0	20	-20	-100.0%
Property-related Profits and Losses	0	19	-19	-100.0%
NOI	0	24	-24	-100.0%

## (5) 1 property transferred in the 11th Period

	11th period	10th period	Change	Change(%)
Mitsubishi Soken				
Rental Revenues	1,051	1,062	-11	-1.0%
Property-related Expenses	339	326	13	4.0%
Property-related Profits	712	736	-24	-3.3%
NOI	766	790	-24	-3.0%

# Property Data (Occupancy Rate as of the End of the 11th Period and Forecast)



Area	Name	Acquisition Date	Additional Acquisition Date	Ownership	Leasable Space (㎡)	Leased Space (㎡)	Vacant Area (㎡)		Occupancy Rate		Number of Tenants		
							End of 11th Period	Variation from End of 10th Period	End of 11th Period	Variation from End of 10th Period			
Tokyo Metropolitan Area	23 Wards	Genki Medical Plaza	'02/10/31	-	100.0%	4,791	4,791	0		100.0%		1	
		Kitanomaru Square	'06/02/24	-	100.0%	25,678	25,678	0		100.0%		5	
		MD Kanda	'02/05/31	-	100.0%	6,269	6,269	0		100.0%		2	
		Kandabashi Park	'02/08/15	-	56.76%	3,687	3,687	0		100.0%		8	
		Nibancho Garden	'05/04/01	-	31.345%	9,316	9,316	0		100.0%		1	
		Mitsubishi UFJ Trust and Banking	'07/03/28	-	19.38402%	11,737	11,737	0	-	100.0%	-	10	
		Burex Kojimachi	'05/07/29	-	100.0%	4,495	4,495	0		100.0%		1	
		Sanno Grand	'05/01/31	'06/04/03		99.0%	20,865	20,750	114	-159	99.5%	0.8%	49
		Yurakucho Denki	'03/08/01	-	10.78%	4,694	4,694	0		100.0%		15	
		Kodenmachi Shin-Nihonbashi	'01/09/25	-	100.0%	3,897	3,897	0		100.0%		5	
		Burex Kyobashi	'02/07/22	-	100.0%	4,279	4,279	0		100.0%		1	
		Ginza Sanwa	'05/03/10	-	70.95%	4,329	4,329	0		100.0%		12	
		Ryoshin Ginza East Mirror	'05/03/15	-	100.0%	2,875	2,875	0		100.0%		8	
		Aoyama Crystal	'03/03/14	-	100.0%	4,898	4,898	0		100.0%		7	
		Shiba 2Chome Daimon	'01/09/10	-	100.0%	9,643	9,643	0	-104	100.0%	1.1%	22	
		Cosmo Kanasugibashi	'01/09/25	-	100.0%	4,062	4,062	0		100.0%		8	
		Shinwa	'04/09/01	-	100.0%	6,197	6,197	0		100.0%		8	
		Tokyo Opera City	'05/09/13	-	8.368%	9,242	8,942	300	81	96.8%	-0.9%	108	
		Takanawadai	'01/09/25	-	100.0%	4,067	4,067	0		100.0%		1	
		Higashi-Gotanda 1Chome	'04/11/01	-	100.0%	5,205	5,205	0	-664	100.0%	12.8%	4	
		Omori-Eki Higashiguchi	'01/09/10	-	100.0%	7,708	7,708	0		100.0%		19	
		Nippon Brunswick	'04/03/24	-	100.0%	7,347	7,322	25	-23	99.7%	0.3%	19	
		Yoyogi 1Chome	'04/04/01	-	100.0%	7,772	7,772	0		100.0%		1	
	da Vinci Harajuku	'02/11/22	-	100.0%	3,147	3,147	0		100.0%		5		
	Jingumae Media Square	'03/10/09	-	100.0%	5,558	5,558	0	-951	100.0%	17.1%	9		
	Shibuya Cross Tower	'01/11/30	-	100.0%	29,819	29,819	0	-93	100.0%	0.3%	55		
	Ebisu Neonato	'03/11/14	'04/04/01		12.29939%	2,462	2,462	0		100.0%		3	
	Harmony Tower	'05/02/28	-	29.253305%	10,929	10,929	0		100.0%		18		
	Otsuka Higashi-Ikebukuro	'01/09/25	-	100.0%	7,123	7,123	0		100.0%		9		
	Ikebukuro 2Chome	'01/09/25	-	100.0%	2,186	2,186	0		100.0%		9		
	Ikebukuro YS	'04/08/02	-	100.0%	5,797	5,797	0		100.0%		8		
	Hachioji First Square	'05/03/31	-	50.6611%	6,344	6,307	36	-47	99.4%	0.7%	40		
	Saitama Urawa	'01/09/25	'01/10/11		100.0%	4,510	4,421	89	89	98.0%	-2.0%	15	
Kawasaki Isago	'01/09/25	-	100.0%	6,831	5,982	849	397	87.6%	-5.8%	11			
Other Major Cities	Jozenji Park	'05/01/31	-	50.0%	2,518	2,400	117		95.3%		16		
	Sendai Honcho Honma	'01/09/25	'06/06/28		100.0%	6,241	5,804	437	358	93.0%	-5.7%	16	
	Kanazawa Park	'02/02/28	'03/03/03		89.0%	21,202	18,574	2,628	1,501	87.6%	-7.1%	68	
	Nishiki Park	'06/10/02	'06/11/01		57.04651%	8,059	7,953	105	-	98.7%	-	49	
	Hirokoji Tokio Marine Nichido	'06/09/22	-	100.0%	3,849	3,121	727		81.1%		11		
	Nagoya Hirokoji	'01/09/10	-	100.0%	21,624	19,994	1,630	896	92.5%	-4.1%	26		
	Nagoya Misono	'03/08/08	-	100.0%	3,470	3,470	0		100.0%		9		
	Kyoto Shijo Kawaramachi	'01/12/20	-	100.0%	6,800	6,598	202	202	97.0%	-3.0%	30		
	Sakaisujihonmachi	'01/09/25	'03/12/26		100.0%	11,574	11,574	0		100.0%		17	
	Midotsuji Daiwa	'01/09/25	'02/02/28		100.0%	20,450	20,450	0		100.0%		25	
	Kobe Itomachi	'01/09/25	-	100.0%	3,478	3,279	199		94.3%		17		
	Lit City	'06/02/01	-	27.7488%	9,965	9,965	0		100.0%		40		
	NHK Hiroshima Broadcasting Center	'04/03/25	-	27.085%	5,477	5,335	141		97.4%		12		
	Tosei Tenjin	'01/09/25	-	100.0%	4,000	3,848	151	-160	96.2%	4.0%	19		
	Tenjin Crystal	'05/06/01	-	100.0%	5,602	5,124	478		91.5%	0.0%	24		
	Hinode Tenjin	'01/09/10	-	74.4844%	5,837	5,256	580	227	90.1%	-3.9%	11		
	Tokyo Metropolitan Area	23 Wards	Subtotal			240,088	239,649	439	-1,916	99.8%	0.8%	431	
Excluding 23 Wards		Subtotal			17,686	16,710	975	439	94.5%	-2.5%	66		
Other Major Cities		Subtotal			140,152	132,753	7,399	3,130	94.7%	-2.0%	390		
Portfolio		Total			397,928	389,112	8,815	1,654	97.8%	-0.4%	887		

\* The above-mentioned occupancy rates do not include the residential parts. Leasable space and occupancy rates of the residential parts as of the end of the 11th Period are 1,686 ㎡ · 100.0% of Nibancho Garden, 11,694 ㎡ · 95.1% of Kitanomaru Square, 954 ㎡ · 100.0% of Nishiki Park Building.

\* JRE used to disclose the number of tenants based on net count, in which a leaseholder for more than one property is counted as one tenant. From this report, however, the number of tenants is disclosed based on the gross number of tenants by building. The net number of tenants for the 11th Period is 797.

Area	Name	Floor Area (Whole Building) (m <sup>2</sup> )	Vacant Area (Forecast) (m <sup>2</sup> )		Occupancy Rate (Forecast)		Property Management Company	
			End of 12th Period	Variation from End of 11th Period	End of 12th Period	Variation from End of 11th Period		
Tokyo Metropolitan Area	23 Wards	Genki Medical Plaza	6,722.02	0	100.0%		Mitsubishi Jisho Property Management Co., Ltd.	
		Kitanomaru Square	57,279.20	0	100.0%		Mitsubishi Jisho Property Management Co., Ltd.	
		MD Kanda	8,185.11	0	100.0%		Bussan Real Estate Co., Ltd.	
		Kandabashi Park	9,370.25	0	100.0%		Mitsubishi Estate Co., Ltd.	
		Nibancho Garden	57,031.06	0	100.0%		The Dail-Ichi Building Co., Ltd.	
		Mitsubishi UFJ Trust and Banking	108,171.67	20	20	99.8%	-0.2%	Mitsubishi Estate Co., Ltd.
		Burex Kojimachi	6,526.64	0	100.0%		Space Design, Inc.	
		Sanno Grand	33,875.95	138	23	99.3%	-0.1%	Mitsubishi Estate Co., Ltd.
		Yurakucho Denki	70,287.65	0	100.0%		Yuden Building Kanri Co., Ltd.	
		Kodenmachi Shin-Nihonbashi	5,822.88	0	100.0%		The Dail-Ichi Building Co., Ltd.	
		Burex Kyobashi	5,470.54	0	100.0%		Space Design, Inc.	
		GINZA SANWA	8,851.00	0	100.0%		Mitsubishi Jisho Property Management Co., Ltd.	
		Ryoshin Ginza East Mirror	4,104.71	0	100.0%		The Dail-Ichi Building Co., Ltd.	
		Aoyama Crystal	8,094.36	0	100.0%		Xymax Axis Corporation	
		Shiba 2Chome Daimon	16,235.10	0	100.0%		Tokio Marine & Nichido Facilities, Inc.	
		Cosmo Kanasugibashi	5,420.93	0	100.0%		The Dail-Ichi Building Co., Ltd.	
		Shinwa	8,291.69	0	100.0%		Tokio Marine & Nichido Facilities, Inc.	
		Tokyo Opera City	232,996.81	460	160	95.0%	-1.7%	Tokyo Operacity Property Management co.,ltd.
		Takanawadai	5,762.70	0	100.0%		Sohgo Housing Co., Ltd	
		Higashi-Gotanda 1Chome	6,460.39	0	100.0%		Sohgo Housing Co., Ltd	
		Omori-Eki Higashiguchi	14,095.34	0	100.0%		Tokio Marine & Nichido Facilities, Inc.	
		Nippon Brunswick	11,957.38	121	96	98.3%	-1.3%	Mitsubishi Jisho Property Management Co., Ltd.
		Yoyogi 1Chome	10,778.10	0	100.0%		Tokio Marine & Nichido Facilities, Inc.	
	da Vinci Harajuku	4,359.20	0	100.0%		Xymax Axis Corporation		
	Jingumae Media Square	9,420.42	0	100.0%		The Dail-Ichi Building Co., Ltd.		
	Shibuya Cross Tower	61,862.33	504	504	98.3%	-1.7%	Mitsubishi Jisho Property Management Co., Ltd.	
	Ebisu Neonato	36,598.38	0	100.0%		Tokio Marine & Nichido Facilities, Inc.		
	Harmony Tower	72,729.31	0	100.0%		Mitsubishi Jisho Property Management Co., Ltd.		
	Otsuka Higashi-Ikebukuro	9,531.28	283	283	96.0%	-4.0%	Sohgo Housing Co., Ltd	
	Ikebukuro 2Chome	3,157.51	0	100.0%		Sohgo Housing Co., Ltd		
Ikebukuro YS	7,464.64	0	100.0%		Xymax Axis Corporation			
Excluding 23 Wards	Hachioji First Square	18,329.98	227	190	96.4%	-3.0%	Sohgo Housing Co., Ltd	
	Saitama Urawa	6,258.59	0	-89	100.0%	2.0%	The Dail-Ichi Building Co., Ltd.	
	Kawasaki Isago	9,623.83	290	-559	95.7%	8.2%	Sohgo Housing Co., Ltd	
Other Major Cities	8-3 Square Kita	16,096.97	187	-	98.5%	-	Mitsubishi Estate Co., Ltd.	
	Jozenji Park	7,648.33	197	79	92.2%	-3.2%	Mitsubishi Estate Co., Ltd.	
	Sendai Honcho Honma	8,247.50	0	-437	100.0%	7.0%	The Dail-Ichi Building Co., Ltd.	
	Kanazawa Park	43,481.20	1,598	-1,029	92.3%	4.7%	Mitsubishi Estate Co., Ltd.	
	Nishiki Park	25,091.91	39	-66	99.5%	0.8%	Mitsubishi Estate Co., Ltd.	
	Hirokoji Tokio Marine Nichido	6,445.08	605	-121	84.3%	3.2%	Tokio Marine & Nichido Facilities, Inc.	
	Nagoya Hirokoji	33,377.73	1,011	-618	95.3%	2.9%	Mitsubishi Jisho Property Management Co., Ltd.	
	Nagoya Misono	5,348.00	0	100.0%		Tokio Marine & Nichido Facilities, Inc.		
	Kyoto Shijo Kawaramachi	9,701.04	561	359	91.7%	-5.3%	Xymax Axis Corporation	
	Sakaisujithonmachi	17,145.59	0	100.0%		The Dail-Ichi Building Co., Ltd.		
	Midosuji Daiwa	31,213.27	220	220	98.9%	-1.1%	The Dail-Ichi Building Co., Ltd.	
	Kobe Itomachi	4,894.09	199		94.3%		The Dail-Ichi Building Co., Ltd.	
	Lit City	52,653.19	0	100.0%		Yuraku Real Estate Co., Ltd.		
	NHK Hiroshima Broadcasting Center	35,217.28	426	284	92.2%	-5.2%	Mitsubishi Estate Co., Ltd.	
	Tosei Tenjin	5,588.57	0	-151	100.0%	3.8%	The Dail-Ichi Building Co., Ltd.	
	Tenjin Crystal	10,432.04	478		91.4%	0.0%	OHI Co., Ltd.	
	Hinode Tenjin	12,527.07	585	4	90.0%	-0.1%	Tokio Marine & Nichido Facilities, Inc.	
Tokyo Metropolitan Area	23 Wards	Subtotal	1,528	1,088	99.4%	-0.5%		
	Excluding 23 Wards	Subtotal	517	-458	97.1%	2.6%		
Other Major Cities		Subtotal	6,110	-1,289	96.0%	1.3%		
Portfolio		Total	8,156	-658	98.0%	0.2%		

# Property Data (Superiority of Portfolio)




## Floor Size by Property and PM Companies

Tsubo per floor Tsubo=3.3 m <sup>2</sup> (Standard floor)	Area						Total Number Total Acquisition Price (¥mm) (%)
	Tokyo 23 Wards		Tokyo Metropolitan Area (excl. 23 Wards)	Other Major Cities			
	3 Central Wards	Other Area		Osaka/Kyoto/Kobe	Nagoya	Other	
450 -	Nibancho Garden (1,117) Sanno Grand (666) Kitanomaru Square (568) Mitsubishi UFJ Trust and Banking (537)	Tokyo Opera City (653)				Kanazawa Park (625) Lit City (550)	7 180,435 (40.2%)
300 - 450	Yurakucho Denki (398) Shiba 2Chome Daimon (352)	Harmony Tower (413) Ebisu Neonato (373) Shibuya Cross Tower (313)	Hachioji First (335)	Midosuji Daiwa (341)	Nagoya Hirokoji (333)	8-3 Square Kita (373) NHK Hiroshima (301)	10 99,826 (22.3%)
200 - 300	Kandabashi Park (212)	Nippon Brunswick (286) Otsuka Higashi-Ikebukuro (273) Ikebukuro YS (251) Yoyogi 1Chome (230) Shinwa (227) Omori-Eki Higashiguchi (218) Higashi-Gotanda 1Chome (201)		Sakaisuji honmachi (284) Kyoto Shijo Kawaramachi (223)		Hinode Tenjin (252) Nishiki Park (209)	12 62,295 (13.9%)
150 - 200	Ginza Sanwa (198) MD Kanda (198) Genki Medical Plaza (183) Burex Kyobashi (176) Cosmo Kanasugibashi (160) Kodenmachi Shin-Nihonbashi (150)		Kawasaki Isago (197) Saitama Urawa (189)			Jozenji Park (191) Sendai Honcho Honma (179) Tosei Tenjin (167) Nagoya Misono (157)	12 56,119 (12.5%)
100 - 150	Burex Kojimachi (132) Aoyama Crystal (117) Ryoshin Ginza East Mirror (114)	Jingumae (146) da Vinci Harajuku (117) Takanawadai (103)		Kobe Itomachi (111)	Hirokoji Tokio Marine Nichido (144)	Tenjin Crystal (112)	9 47,972 (10.7%)
-100		Ikebukuro 2Chome (74)					1 1,728 (0.4%)
Total Number	16	15	3	4	4	9	51
Total Acquisition Price (¥mm) (%)	241,339 (53.8%)	119,965 (26.8%)	9,249 (2.1%)	22,564 (5.0%)	23,228 (5.2%)	32,031 (7.1%)	448,376 (100.0%)
Number of PM Companies	8	6	2	2	3	5	12

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

## Building Age and Walking Time from the Nearest Station

Time Building Age	Area								Total Number Total Acquisition Price (¥mm) (%)
	Tokyo 23 Wards				Other Area				
	- 1 min. walk	1 - 5 min.	5 - 10 min.	10 min. -	- 1 min. walk	1 - 5 min.	5 - 10 min.	10 min. -	
-10 years	Kitanomaru Square	Higashi-Gotanda 1Chome			8・3 Square Kita				13 214,729 (47.9%)
	Mitsubishi UFJ Trust and Banking	Nibancho Garden			Lit City				
	Burex Kojimachi	Yoyogi 1Chome							
	MD Kanda	Burex Kyobashi							
	Harmony Tower	Ryoshin Ginza East Mirror							
		Jingumae							
10 - 20 years	Tokyo Opera City	Kandabashi Park	Cosmo Kanasugibashi		Hachioji First	Tenjin Crystal	Tosei Tenjin		29 127,258 (28.4%)
	Ebisu Neonato	Otsuka Higashi Ikebukuro	Ikebukuro 2Chome		NHK Hiroshima	Jozenji Park	Kobe Itomachi		
	Kodenmachi Shin-Nihonbashi		Ikebukuro YS		Sakaisujihonmachi	Kanazawa Park			
	Takanawadai		Shinwa		Sendai Honcho Honma	Nagoya Misono			
	Omori-Eki Higashiguchi		da Vinci Harajuku		Midosuji Daiwa	Kawasaki Isago			
					Nishiki Park	Saitama Urawa			
20 -30 years	Genki Medical Plaza	Shiba 2Chome Daimon				Kyoto Shijo Kawaramachi			5 37,019 (8.3%)
	Ginza Sanwa	Aoyama Crystal							
30 years -	Yurakucho Denki	Shibuya Cross Tower							4 69,370 (15.5%)
	Sanno Grand	Nippon Brunswick							
Total Number	14	12	5	0	8	10	2	0	51 448,376 100.0%

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

- Properties aged 10 years or less account for approx. 48% of the total properties (on an acquisition price basis).
- Approx. 94% of the total properties are located within a five-minute walk from the nearest station (on an acquisition price basis).

# Summary of Appraisal Values at the End of Period



(In millions of yen)

Name	Acquisition Price	Appraisal Value as of the End of Period																
		10th period						11th period						Change				
		Appraisal Value	DC			DCF			Appraisal Value	DC			DCF			Appraisal Value	Change in Value	Change
	Cap Rate	Assessed CF	Discount Rate	Terminal Cap Rate	Cap Rate	Assessed CF	Discount Rate	Terminal Cap Rate	Cap Rate	Assessed CF	Discount Rate	Terminal Cap Rate			Cap Rate	Change in Assessed CF	Discount Rate	Terminal Cap Rate
Genki Medical Plaza	5,000	6,210	5.30%	331	4.60%	5.90%	6,220	5.20%	327	4.60%	5.80%	10	0.2%	-0.10%	-1.3%	0.00%	0.00%	-0.10%
Kitanomaru Square	81,555	82,700	4.10%	3,499	4.00%	4.30%	83,900	4.10%	3,582	4.00%	4.30%	1,200	1.5%	0.00%	2.4%	0.00%	0.00%	
MD Kanda Bldg.	9,520	9,680	4.70%	462	4.50%	4.80%	10,200	4.60%	466	4.50%	4.70%	520	5.4%	-0.10%	0.7%	0.00%	-0.10%	
Kandabashi Park Bldg.	4,810	5,210	4.90%	251	4.70%	5.00%	5,600	4.70%	261	4.50%	4.80%	390	7.5%	-0.20%	3.7%	-0.20%	-0.20%	
Nibancho Garden	14,700	16,100	4.20%	686	4.10%	4.40%	16,400	4.10%	679	4.00%	4.30%	300	1.9%	-0.10%	-1.1%	-0.10%	-0.10%	
Burex Kojimachi Bldg.	7,000	6,930	4.10%	287	4.00%	4.20%	6,930	4.10%	286	4.00%	4.20%	0	0.0%	0.00%	-0.3%	0.00%	0.00%	
Sanno Grand Bldg.	20,900	25,100	4.60%	1,146	4.40%	4.70%	26,800	4.60%	1,235	4.40%	4.70%	1,700	6.8%	0.00%	7.7%	0.00%	0.00%	
Yurakucho Denki Bldg.	7,200	7,610	4.60%	355	4.50%	4.80%	7,980	4.50%	366	4.40%	4.70%	370	4.9%	-0.10%	3.2%	-0.10%	-0.10%	
Kodenmachi Shin-Nihonbashi Bldg.	3,173	3,420	5.10%	173	5.00%	5.30%	3,430	5.00%	170	4.90%	5.20%	10	0.3%	-0.10%	-1.8%	-0.10%	-0.10%	
Burex Kyobashi Bldg.	5,250	6,240	4.30%	271	4.20%	4.40%	6,610	4.00%	268	4.30%	4.50%	370	5.9%	-0.30%	-0.8%	0.10%	0.10%	
Ginza Sanwa Bldg.	16,830	17,300	4.00%	724	4.10%	4.10%	17,500	3.80%	691	3.90%	3.90%	200	1.2%	-0.20%	-4.5%	-0.20%	-0.20%	
Ryoshin Ginza East Mirror Bldg.	5,353	4,650	4.50%	214	4.40%	4.70%	4,790	4.50%	221	4.40%	4.70%	140	3.0%	0.00%	3.4%	0.00%	0.00%	
Aoyama Crystal Bldg.	7,680	8,770	4.40%	394	4.30%	4.60%	8,900	4.30%	391	4.20%	4.50%	130	1.5%	-0.10%	-0.8%	-0.10%	-0.10%	
Shiba 2Chome Daimon Bldg.	4,859	6,930	5.00%	357	4.90%	5.20%	6,990	4.90%	355	4.80%	5.10%	60	0.9%	-0.10%	-0.7%	-0.10%	-0.10%	
Cosmo Kanasugibashi Bldg.	2,808	3,470	5.00%	176	4.90%	5.20%	3,560	4.90%	177	4.80%	5.10%	90	2.6%	-0.10%	0.9%	-0.10%	-0.10%	
Shinwa Bldg.	7,830	8,270	4.70%	396	4.60%	4.90%	8,450	4.60%	396	4.50%	4.80%	180	2.2%	-0.10%	0.0%	-0.10%	-0.10%	
Tokyo Opera City Bldg.	9,350	11,300	4.70%	545	4.60%	4.90%	11,600	4.70%	564	4.60%	4.90%	300	2.7%	0.00%	3.4%	0.00%	0.00%	
Takanawadai Bldg.	2,538	2,730	5.10%	140	4.90%	5.20%	2,780	5.00%	139	4.80%	5.10%	50	1.8%	-0.10%	-0.4%	-0.10%	-0.10%	
Higashi-Gotanda 1Chome Bldg.	5,500	6,700	4.80%	324	4.60%	4.90%	6,720	4.80%	324	4.60%	4.90%	20	0.3%	0.00%	-0.1%	0.00%	0.00%	
Omori-Eki Higashiguchi Bldg.	5,123	5,460	5.40%	298	5.30%	5.60%	5,520	5.30%	296	5.20%	5.50%	60	1.1%	-0.10%	-0.8%	-0.10%	-0.10%	
Nippon Brunswick Bldg.	6,670	8,090	4.90%	396	4.70%	5.10%	8,480	4.90%	418	4.70%	5.10%	390	4.8%	0.00%	5.5%	0.00%	0.00%	
Yoyogi 1Chome Bldg.	8,700	10,100	4.90%	499	4.80%	5.10%	11,800	4.60%	554	4.50%	4.80%	1,700	16.8%	-0.30%	11.0%	-0.30%	-0.30%	
da Vinci Harajuku	4,885	6,080	4.70%	289	4.60%	4.90%	6,090	4.70%	289	4.60%	4.90%	10	0.2%	0.00%	0.1%	0.00%	0.00%	
Jingumae Media Square Bldg.	12,200	15,100	4.35%	659	4.35%	4.55%	15,300	4.20%	646	4.30%	4.40%	200	1.3%	-0.15%	-2.0%	-0.05%	-0.15%	
Shibuya Cross Tower	34,600	43,300	4.50%	2,006	4.40%	4.70%	45,800	4.40%	2,071	4.30%	4.60%	2,500	5.8%	-0.10%	3.2%	-0.10%	-0.10%	
Ebisu Neonato	4,100	5,370	4.45%	243	4.45%	4.65%	5,520	4.30%	244	4.40%	4.50%	150	2.8%	-0.15%	0.7%	-0.05%	-0.15%	
Harmony Tower	8,500	11,800	4.90%	593	4.80%	5.10%	12,700	4.80%	624	4.70%	5.00%	900	7.6%	-0.10%	5.2%	-0.10%	-0.10%	
Otsuka Higashi-Ikebukuro Bldg.	3,541	3,480	5.60%	191	5.50%	5.80%	3,500	5.60%	193	5.50%	5.80%	20	0.6%	0.00%	0.9%	0.00%	0.00%	
Ikebukuro 2Chome Bldg.	1,728	1,540	5.30%	81	5.20%	5.50%	1,560	5.20%	81	5.10%	5.40%	20	1.3%	-0.10%	-0.4%	-0.10%	-0.10%	
Ikebukuro YS Bldg.	4,500	5,150	5.00%	259	4.90%	5.20%	5,570	4.90%	278	4.80%	5.10%	420	8.2%	-0.10%	7.2%	-0.10%	-0.10%	
Hachioji First Square	3,300	3,300	5.70%	187	5.60%	5.90%	3,390	5.60%	189	5.50%	5.80%	90	2.7%	-0.10%	0.8%	-0.10%	-0.10%	
Saitama Urawa Bldg.	2,574	2,550	5.60%	141	5.50%	5.80%	2,550	5.60%	141	5.50%	5.80%	0	0.0%	0.00%	-0.2%	0.00%	0.00%	
Kawasaki Isago Bldg.	3,375	3,360	5.50%	186	5.40%	5.70%	3,360	5.50%	187	5.40%	5.70%	0	0.0%	0.00%	0.7%	0.00%	0.00%	
Jozenji Park Bldg.	1,000	1,070	6.00%	63	5.90%	6.20%	1,070	6.00%	63	5.90%	6.20%	0	0.0%	0.00%	0.2%	0.00%	0.00%	
Sendai Honcho Honma Bldg.	3,174	3,450	5.70%	197	5.60%	5.90%	3,600	5.70%	206	5.60%	5.90%	150	4.3%	0.00%	4.9%	0.00%	0.00%	
Kanazawa Park Bldg.	4,580	5,610	6.90%	375	6.80%	7.10%	6,300	6.80%	419	6.70%	7.00%	690	12.3%	-0.10%	11.6%	-0.10%	-0.10%	
Hirokoji Tokio Marine Nichido Bldg.	1,680	1,680	5.60%	94	5.50%	5.80%	1,680	5.40%	91	5.30%	5.60%	0	0.0%	-0.20%	-3.5%	-0.20%	-0.20%	
Nagoya Hirokoji Bldg.	14,533	15,900	5.40%	861	5.30%	5.60%	15,900	5.30%	844	5.20%	5.50%	0	0.0%	-0.10%	-2.0%	-0.10%	-0.10%	
Nagoya Misono Bldg.	1,865	1,890	6.10%	115	6.00%	6.30%	1,890	6.10%	115	6.00%	6.30%	0	0.0%	0.00%	-0.2%	0.00%	0.00%	
Kyoto Shijo Kawaramachi Bldg.	2,650	2,140	6.10%	131	6.00%	6.30%	2,140	6.00%	128	5.90%	6.20%	0	0.0%	-0.10%	-2.1%	-0.10%	-0.10%	
Sakaisujihonmachi Bldg.	4,164	4,610	5.60%	265	5.50%	5.80%	4,700	5.40%	262	5.30%	5.60%	90	2.0%	-0.20%	-1.0%	-0.20%	-0.20%	
Midosuji Daiwa Bldg.	14,314	15,900	5.20%	837	5.10%	5.40%	16,800	4.90%	832	4.80%	5.10%	900	5.7%	-0.30%	-0.7%	-0.30%	-0.30%	
Kobe Itomachi Bldg.	1,436	951	6.70%	64	6.60%	6.90%	951	6.70%	64	6.60%	6.90%	0	0.0%	0.00%	-0.2%	0.00%	0.00%	
Lit City Bldg.	4,650	5,220	6.40%	332	6.30%	6.60%	5,400	6.30%	338	6.20%	6.50%	180	3.4%	-0.10%	1.8%	-0.10%	-0.10%	
NHK Hiroshima Broadcasting Center Bldg.	1,320	1,550	6.30%	98	6.20%	6.50%	1,780	6.00%	108	5.90%	6.20%	230	14.8%	-0.30%	10.4%	-0.30%	-0.30%	
Tosei Tenjin Bldg.	1,550	1,480	6.20%	90	6.10%	6.40%	1,510	6.10%	90	6.00%	6.30%	30	2.0%	-0.10%	0.6%	-0.10%	-0.10%	
Tenjin Crystal Bldg.	5,000	4,970	5.50%	274	5.40%	5.70%	4,970	5.40%	269	5.30%	5.60%	0	0.0%	-0.10%	-1.7%	-0.10%	-0.10%	
Hinode Tenjin Bldg.	3,657	3,580	5.60%	200	5.50%	5.80%	3,640	5.40%	196	5.30%	5.60%	60	1.7%	-0.20%	-1.7%	-0.20%	-0.20%	
Subtotal (48 properties)	391,426	434,001		20,778			448,831		21,156			14,830	3.4%		1.8%			
Mitsubishi UFJ Trust and Banking Bldg.	44,700						44,700	3.70%	1,685	3.60%	3.80%							
Nishiki Park Bldg.	5,150						5,210	5.50%	287	5.40%	5.70%							
Subtotal (2 properties)	49,850						49,910		1,972									
Total (50 properties)	441,276						498,741		23,129									

DC: Direct capitalization method  
DCF: Discounted cash flow method



# PML Values



Area		Name	Completion Date	PML Value
Tokyo Metropolitan Area	Tokyo 23 Wards	Genki Medical Plaza	1985/09	12.57%
		Kitanomaru Square	2006/01	2.60%
		MD Kanda Building	1998/02	14.81%
		Kandabashi Park Building	1993/07	7.40%
		Nibancho Garden	2004/04	3.04%
		Mitsubishi UFJ Trust and Banking Building	2003/02	2.24%
		Burex Kojimachi Building	2005/01	5.95%
		Sanno Grand Building	1966/09	5.69%
		Yurakucho Denki Building	1975/09	8.39%
		Kodenmacho Shin-Nihonbashi Building	1991/11	10.49%
		Burex Kyobashi Building	2002/02	8.31%
		Ginza Sanwa Building	1982/10	10.72%
		Ryoshin Ginza East Mirror Building	1998/10	9.22%
		Aoyama Crystal Building	1982/12	10.41%
		Shiba 2Chome Daimon Building	1984/03	9.95%
		Cosmo Kanasugibashi Building	1992/03	10.80%
		Shinwa Building	1989/11	10.17%
		Tokyo Opera City Building	1996/07	3.62%
		Takanawadai Building	1991/01	4.11%
		Higashi-Gotanda 1Chome Building	2004/07	14.96%
		Omori-Eki Higashiguchi Building	1989/07	15.28%
		Nippon Brunswick Building	1974/03	13.44%
		Yoyogi 1Chome Building	2003/10	7.19%
		da Vinci Harajuku	1987/12	12.20%
		Jingumae Media Square Building	1998/03	6.59%
		Shibuya Cross Tower	1976/04	3.71%
		Ebisu Neonato	1994/10	8.90%
		Harmony Tower	1997/03	4.43%
	Otsuka Higashi-Ikebukuro Building	1987/11	3.52%	
	Ikebukuro 2Chome Building	1990/05	16.23%	
	Ikebukuro YS Building	1989/12	6.29%	
	Hachioji First Square	1996/07	8.00%	
	Saitama Urawa Building	1990/03	5.77%	
Kawasaki Isago Building	1990/12	19.00%		
8-3 Square Kita Building	2006/12	3.58%		
Jozenji Park Building	1993/01	3.18%		
Sendai Honcho Honma Building	1991/11	1.93%		
Kanazawa Park Building	1991/10	13.39%		
Nishiki Park Building	1995/08	5.70%		
Hirokoji Tokio Marine Nichido Building	1987/09	16.14%		
Nagoya Hirokoji Building	1987/05	8.10%		
Nagoya Misono Building	1991/09	7.91%		
Kyoto Shijo Kawaramachi Building	1982/11	15.41%		
Sakaisujihonmachi Building	1992/10	5.24%		
Midosuji Daiwa Building	1991/09	18.24%		
Kobe Itomachi Building	1989/09	8.62%		
Lit City Building	2005/06	0.35%		
NHK Hiroshima Broadcasting Center Building	1994/08	1.55%		
Tosei Tenjin Building	1992/03	0.19%		
Tenjin Crystal Building	1993/09	0.14%		
Hinode Tenjin Building	1987/08	0.32%		
Other Major Cities	Excluding Tokyo 23 Wards			

\*Completion date is the date at new construction

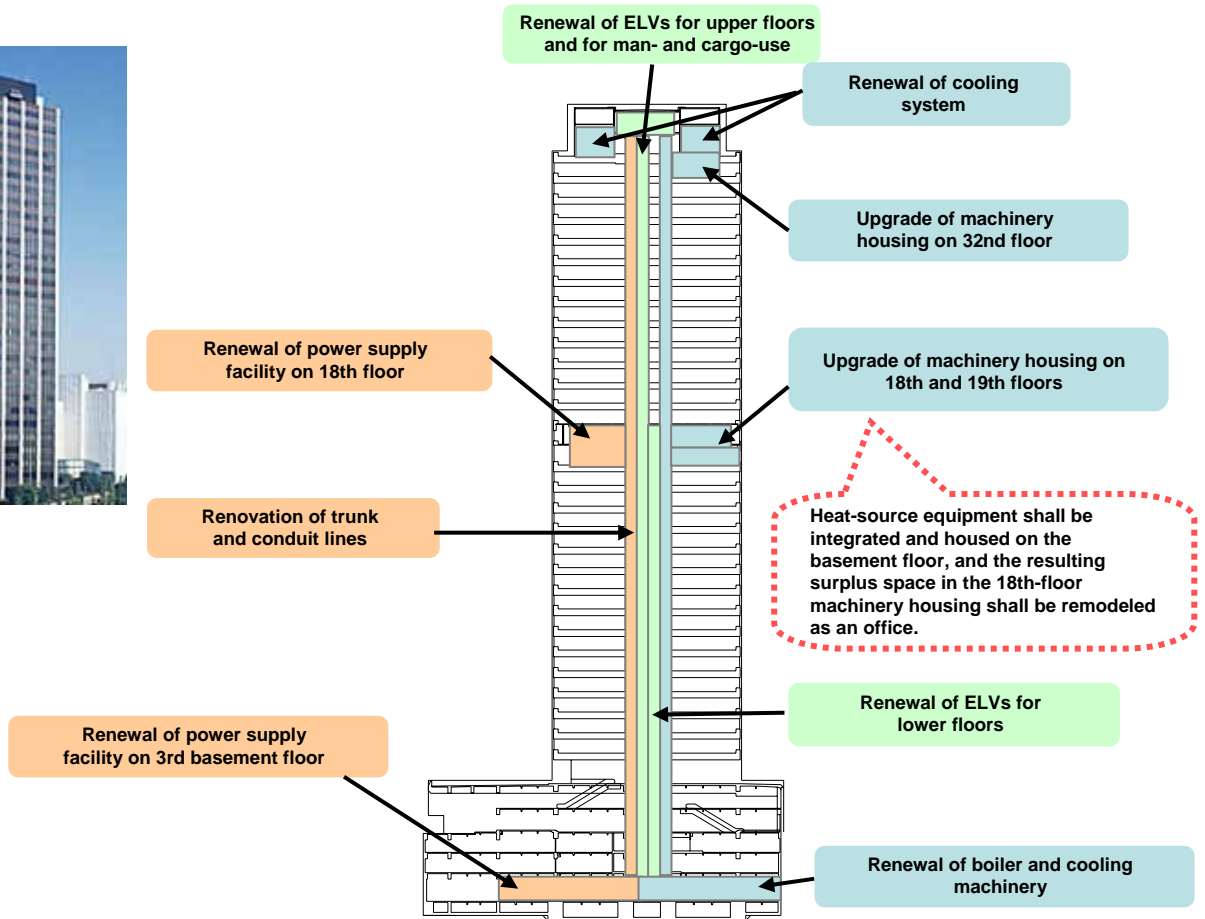
## \*PML (Probable Maximum Loss) Value: Percentage of Probable Maximum Loss due to Earthquake

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

# Progress of Long-term Renovation Plan for Shibuya Cross Tower



## Long-term Renovation Plan for Shibuya Cross Tower



Name		Amount (*1)	Work already completed		(In millions of yen)							
			8th Period Sep. 2005	9th Period Mar. 2006	10th Period Sep. 2006	11th Period Mar. 2007	12th Period Sep. 2007	13th Period Mar. 2008	14th Period Sep. 2008	15th Period Mar. 2009	16th Period Sep. 2009	
[Power supply systems total]		Construction cost	1,318	9	13	957	0	0	0	32	103	201
Renewal of power supply facility		Completed work breakdown: Capital expenditure	895	6	13	876	0					
Renovation of trunk and conduit lines		Completed work breakdown: Repairing expenses	85	3	0	81	0					
Renewal of distribution board (1st-5th phases)												
[Heat-source systems total]		Construction cost	1,779	0	488	0	89	340	26	26	116	691
Renewal of heat-source equipment (1st-7th Phases)		Completed work breakdown: Capital expenditure	495	0	414	0	80					
		Completed work breakdown: Repairing expenses	82	0	73	0	8					
[ELVs total]		Construction cost	835	0	13	0	760	0	0	60	0	0
Renewal of ELVs for upper and lower floors and those for man- and cargo-use		Completed work breakdown: Capital expenditure	607	0	13	0	593					
		Completed work breakdown: Repairing expenses	167	0	0	0	166					
[Total work already ordered]		Construction cost	3,933	9	515	957	849	340	26	120	219	893
		Completed work breakdown: Capital expenditure	1,998	6	441	876	674					
		Completed work breakdown: Repairing expenses	334	3	74	81	175					

(\*1) The above amounts include construction, design, and construction-management costs. (A portion of construction cost shall be classified as "repairing expenses" in current expense.)

(\*2) Amounts in each period are those at the completion of work.

(\*3) For renovation work with payments made on time, the amounts shall be capitalized for asset as construction in progress upon each payment.

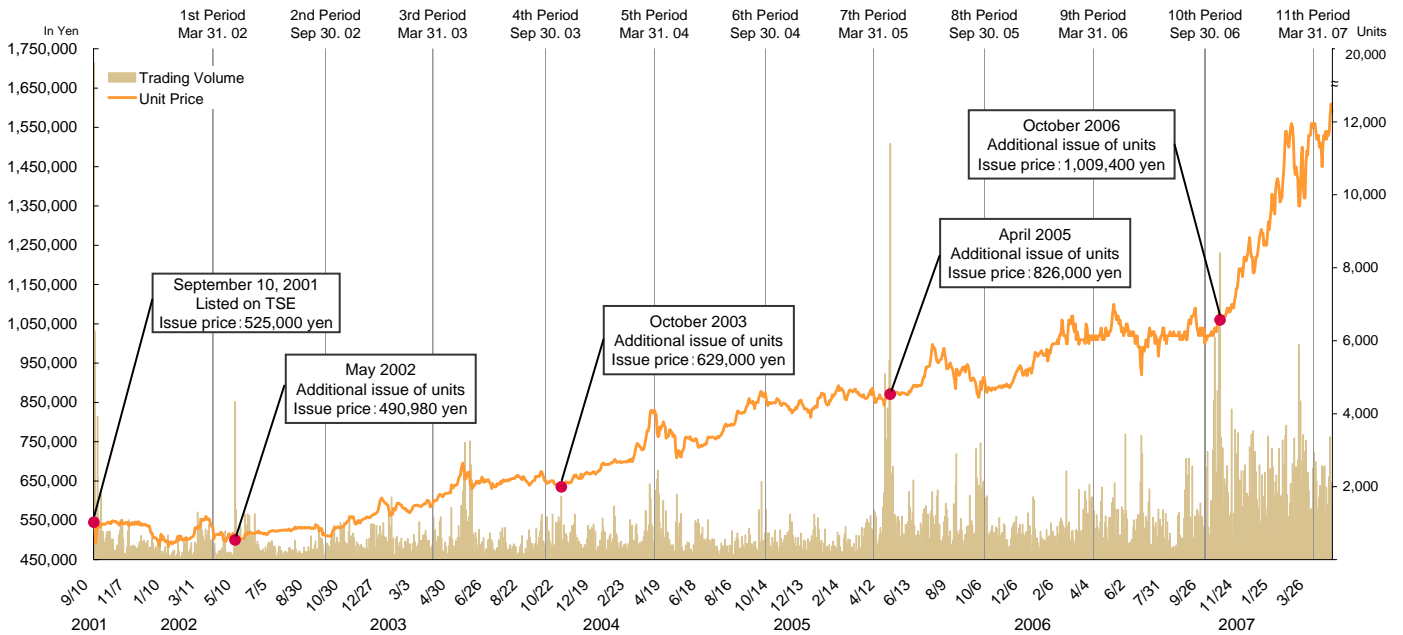
<Work being planned or not yet ordered> (In millions of yen)

Name	Amount
Renewal of air-conditioning system, and remodeling of the machinery housing as office space (18th floor, approx. 330-462 m <sup>2</sup> space to be remodeled as an office)	1,000-1,600

# Unit Price Performance (After IPO)



## Unit Price Performance



\* Unit prices are based on daily closing prices.

## Historical Dividend Yield of JRE Unit



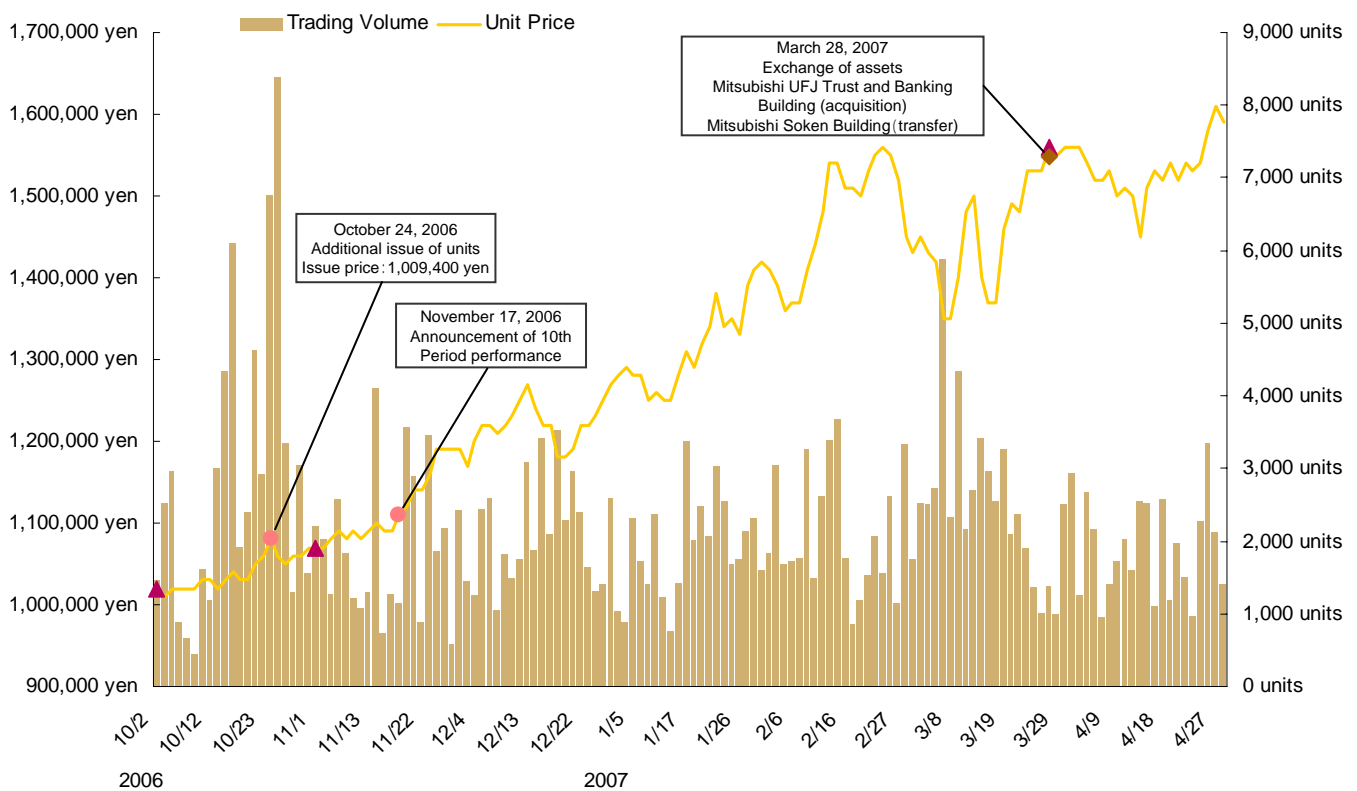
\* The average yield is computed by annualizing the disclosed projected dividend per unit divided by the unit price (daily closing price from September 10, 2001 to May 1, 2007).

\* Gray lines show ex-dividend dates.

# Unit Price Performance (the 11th Period)



As of May 1, 2007



\* Unit prices are based on daily closing prices.

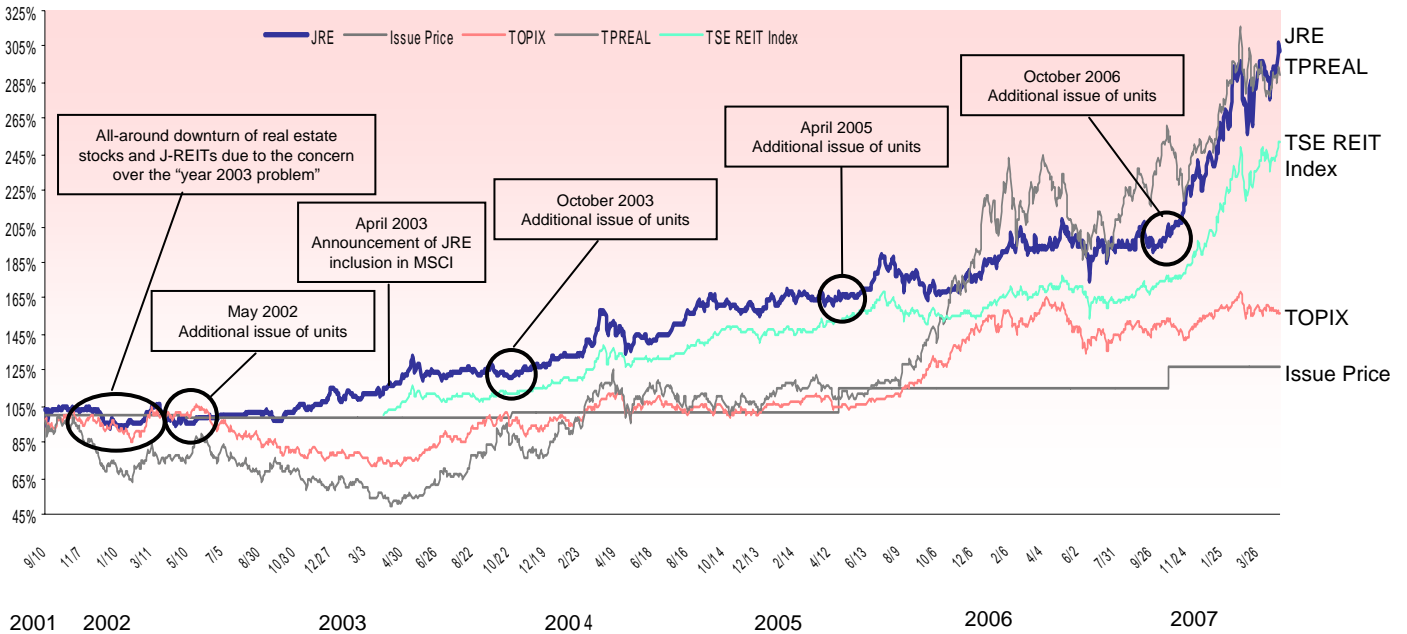
\* Circles ( ) show announcement of JRE's events, Triangles ( ) show acquisition dates of new properties and Diamond ( ) shows transfer date of property.

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# Unit Price Performance (Relative to Major Indices)



## Unit Price Performance (As of May 1, 2007)



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

## Change in Long- and Short-term Interest Rate

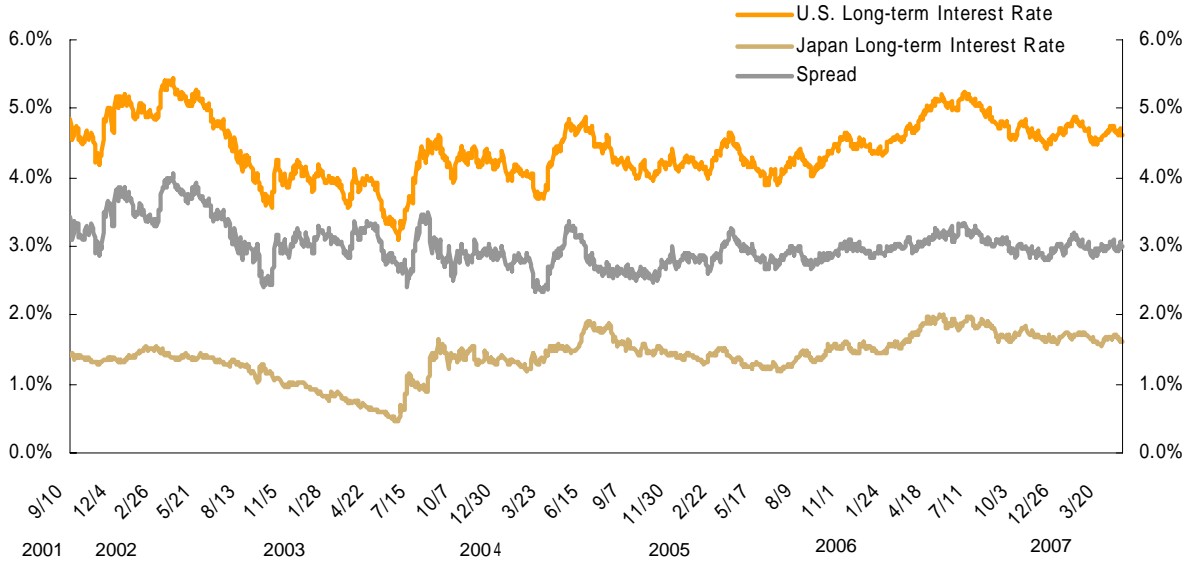


\* Long-term rate is based on 10-year JGB yield and short-term rate is based on 3-month LIBOR.

# Interest Rate Comparison of Japan and U.S.

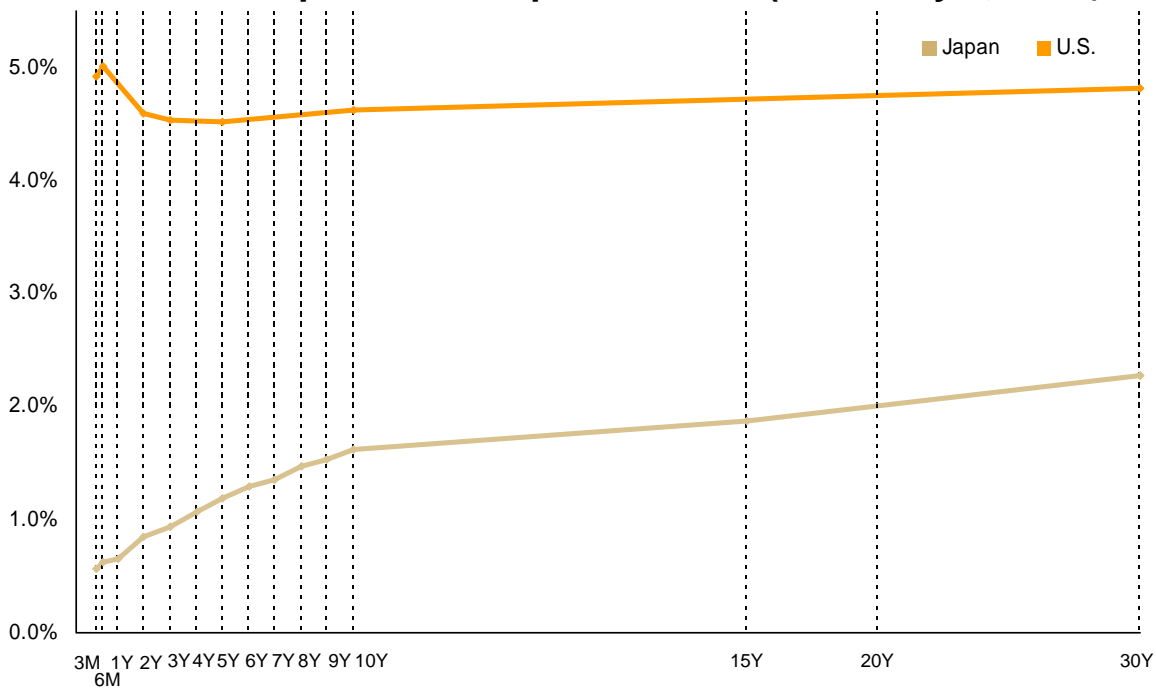


## Long-term Interest Rate Comparison of Japan and U.S. (As of May 1, 2007)



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

## Yield Curve Comparison of Japan and U.S. (As of May 1, 2007)



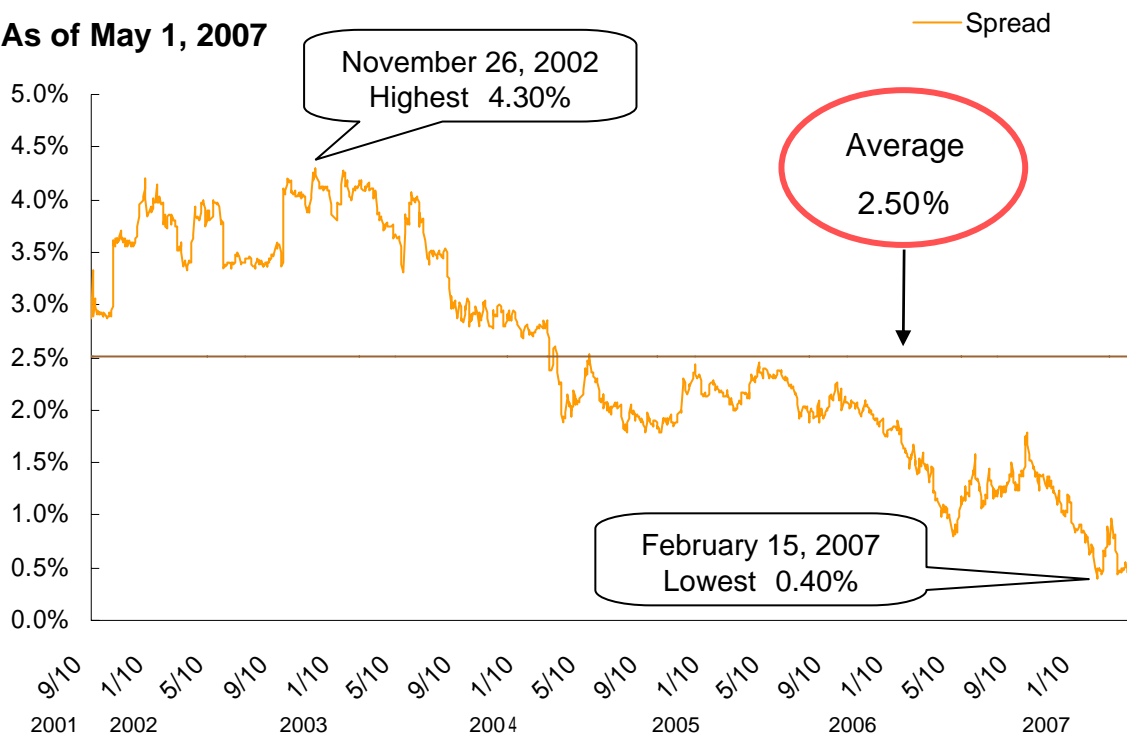
\* Source: Bloomberg

# Yield Spread Comparison



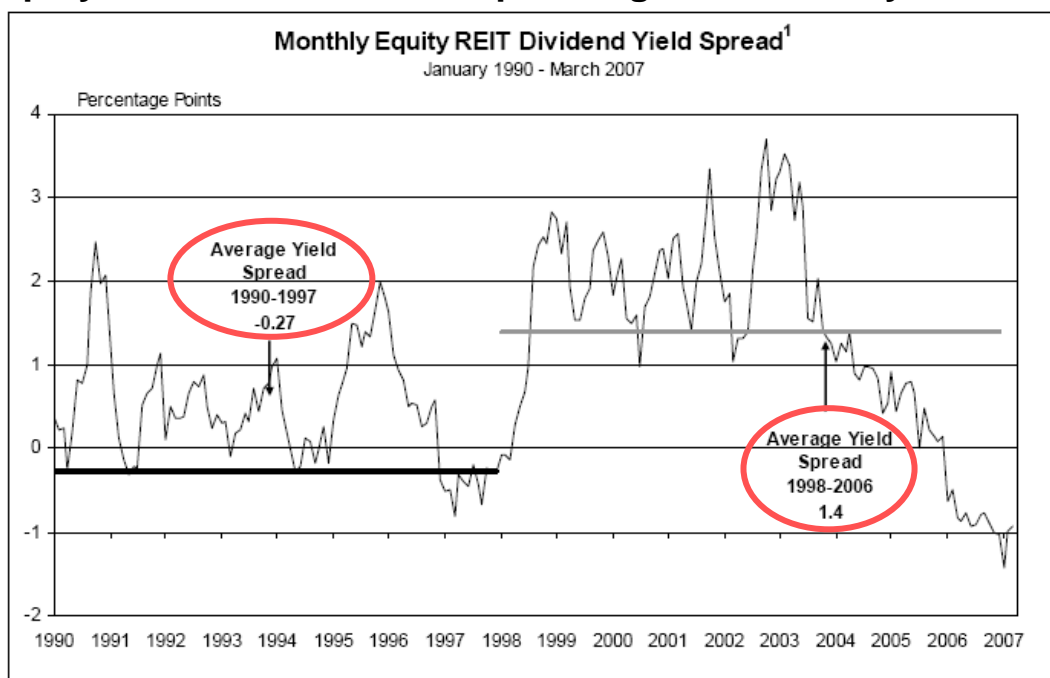
## JRE Dividend Yield Spread against JGB

As of May 1, 2007



\* Source: Bloomberg

## US Equity REIT Dividend Yield Spread against Treasury

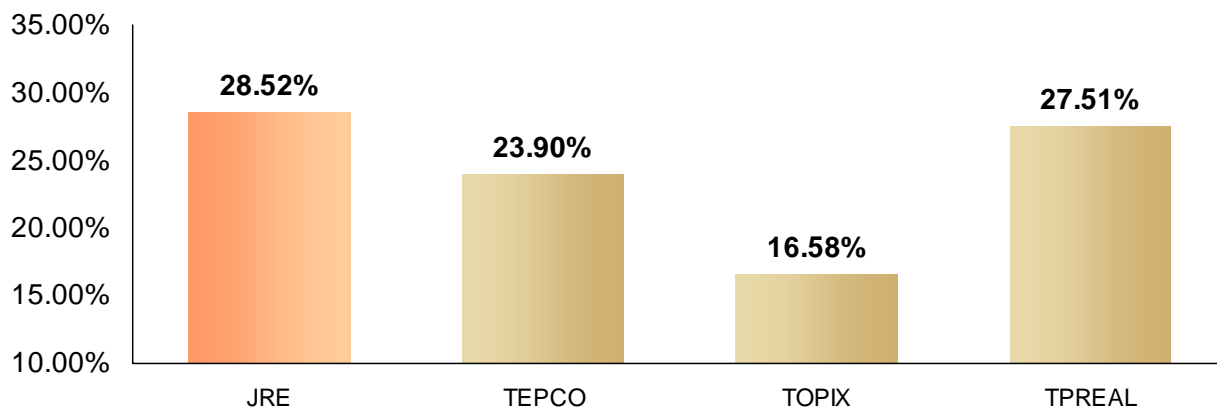


\* Source: NAREIT

# Historical Volatility



## Historical Volatility of Unit Price (As of May 1, 2007)



\* 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

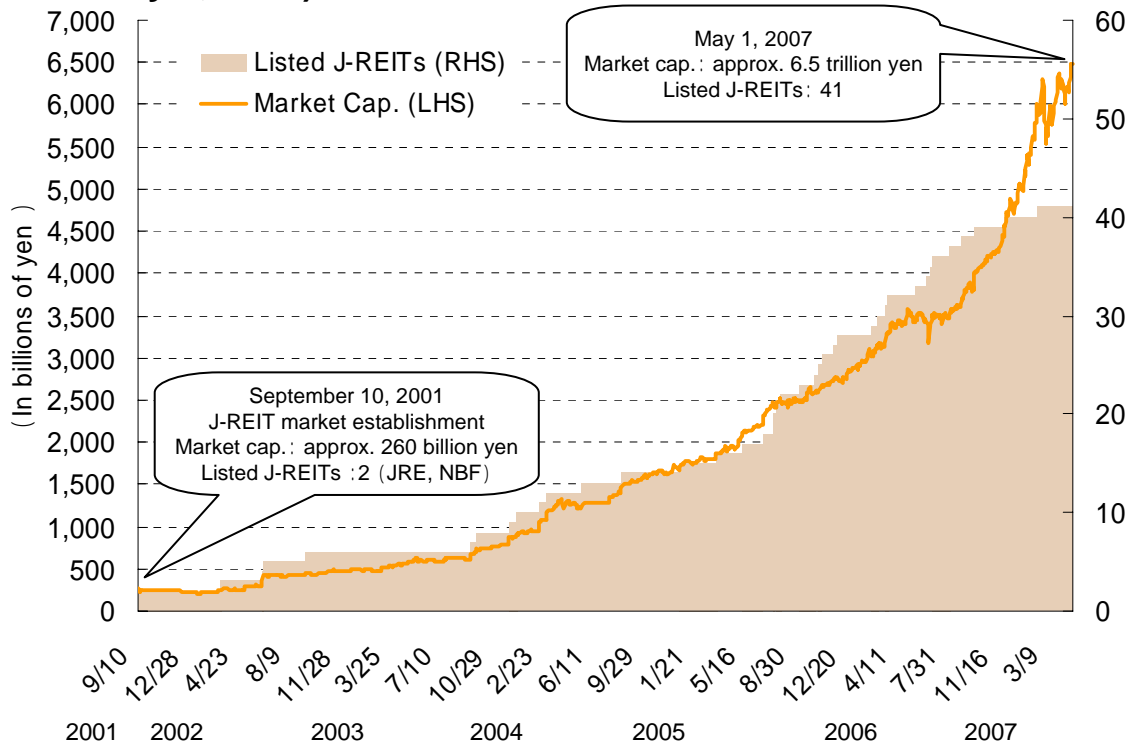
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# J-REIT Market

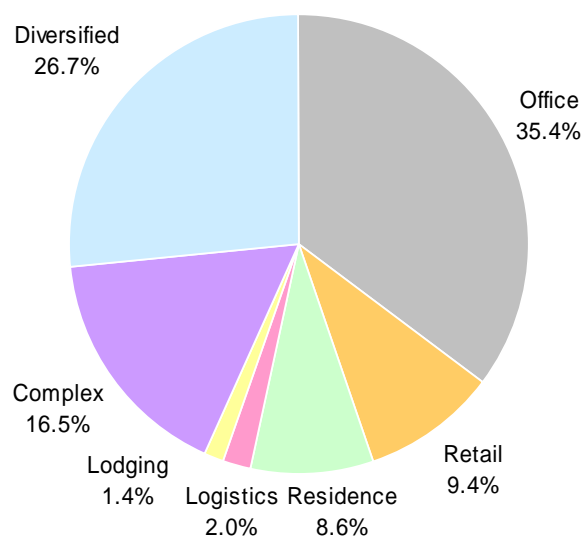


## J-REIT Market Capitalization and the Number of Listed J-REITs (As of May 1, 2007)



\* Source: Bloomberg

## Sector Breakdown by Market Capitalization (As of May 1, 2007)



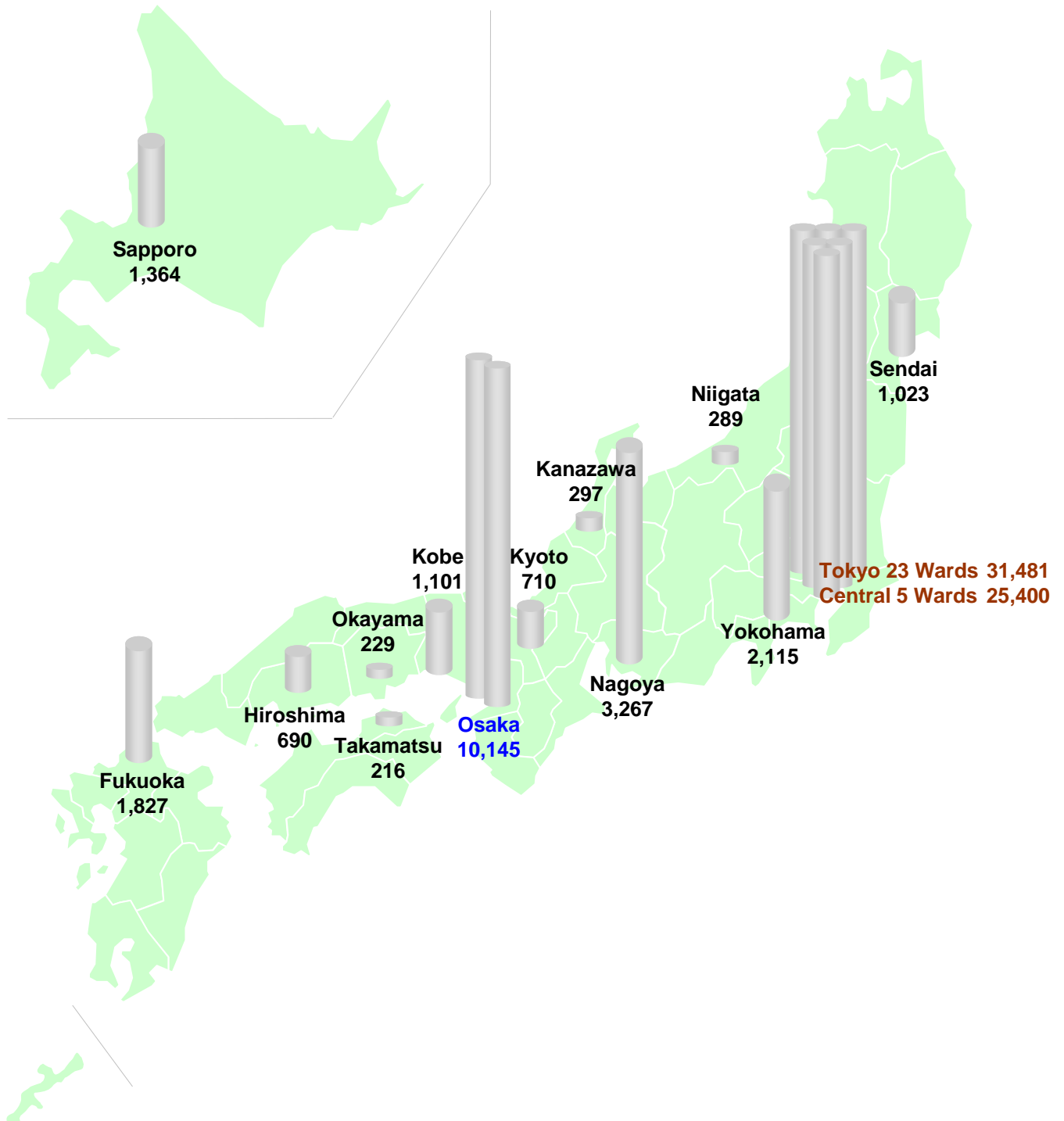
\* Source: Security registration statements, financial statements and websites of each J-REIT.

\* "Complex" refers to J-REITs that invest in properties in two different sectors; "Diversified" refers to J-REITs that invest in properties in three sectors or more.

# Office Building Leasing Market



## Comparison of Office Market in Japan Net Leasable Space (thousand m<sup>2</sup>)



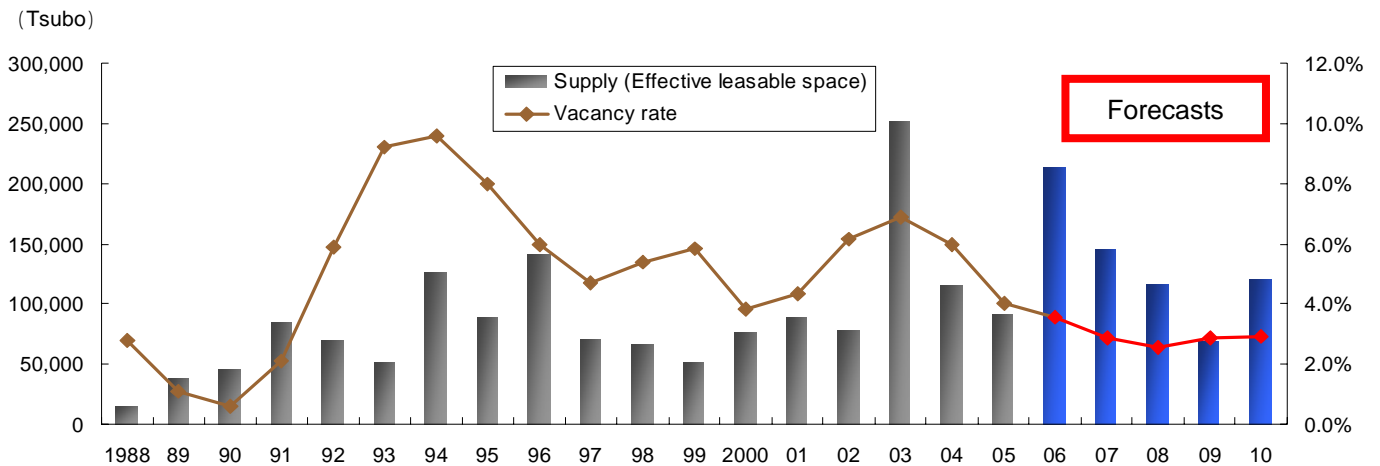
\* Source: "Real Estate White Paper 2006," Ikoma Data Service System (IDSS)

## Office Market of Tokyo Central 5 Wards Net Leasable Space (thousand m<sup>2</sup>)



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

## Office Building Market in Tokyo

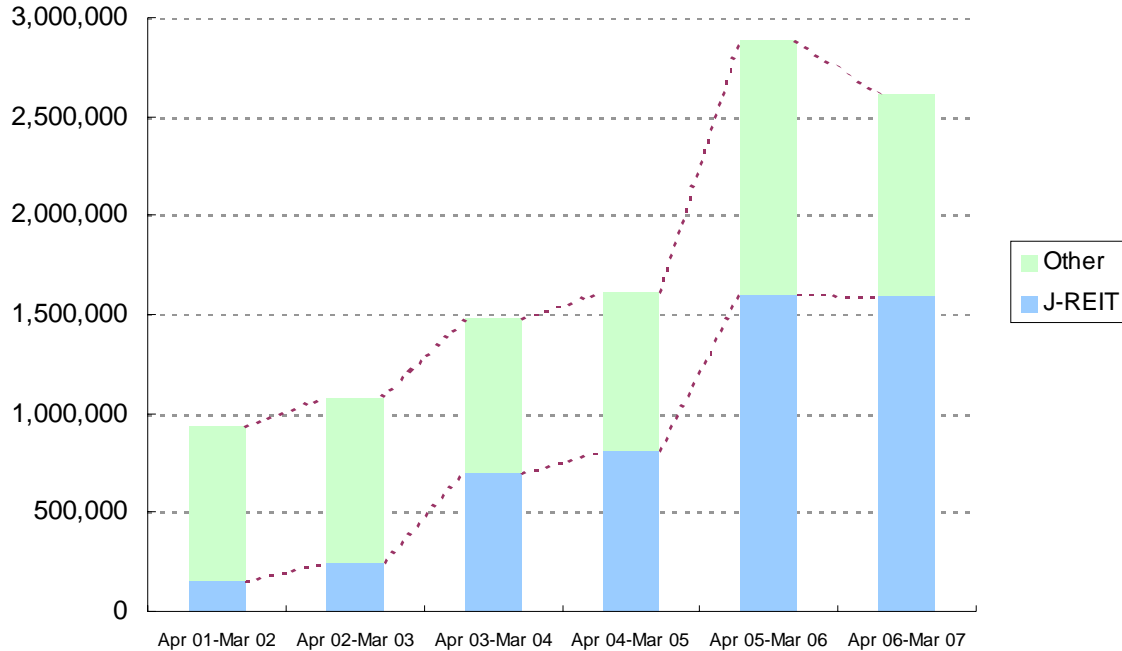


\* Source: "Real Estate White Paper 2006," Ikoma Data Service System (IDSS)

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

## Historical Real Estate Transaction Amount

(In millions of yen)

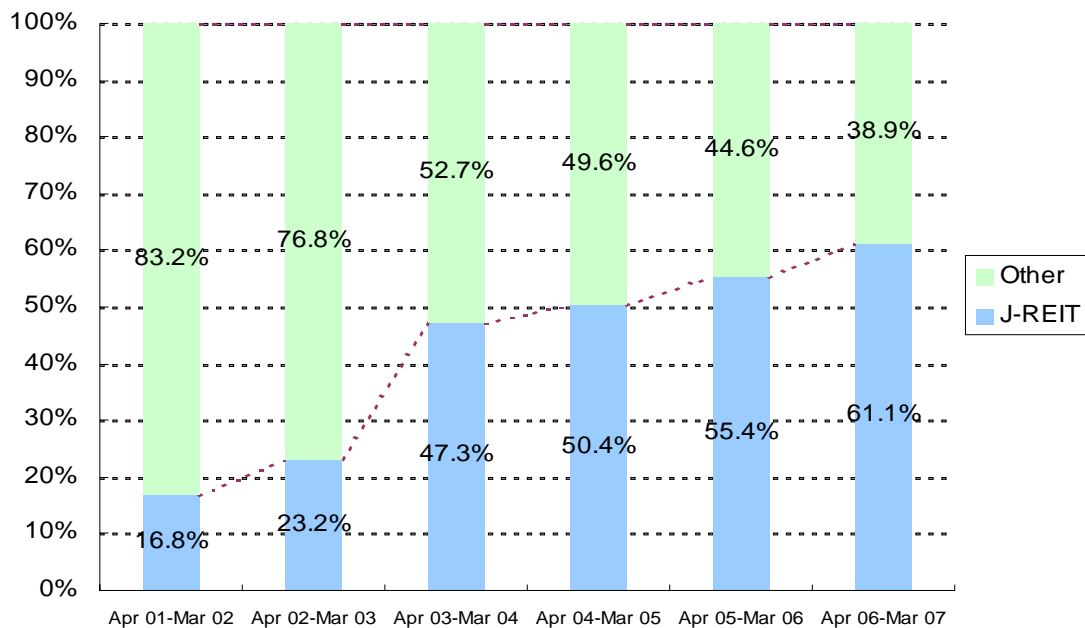


(In millions of yen)

Buyer	Apr 01-Mar 02	Apr 02-Mar 03	Apr 03-Mar 04	Apr 04-Mar 05	Apr 05-Mar 06	Apr 06-Mar 07
Other	779,168	831,698	780,630	799,663	1,289,503	1,015,609
J-REIT	157,027	250,729	701,437	812,261	1,599,666	1,595,450
Total	936,196	1,082,427	1,482,067	1,611,924	2,889,169	2,611,059

\* Source: Compiled by J-Rea based on the data, which was received as of April 25, 2007, created by STB Research Institute using TD-net of Tokyo Stock Exchange

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



\* Source: Compiled by J-Rea based on the data, which was received as of April 25, 2007, created by STB Research Institute using TD-net of Tokyo Stock Exchange

## **Disclaimer on Forecasts**

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

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