

# Japan Real Estate Investment Corporation

Performance Review for the 17th Period (March 2010)

May 17, 2010



Japan Real Estate Asset Management Co., Ltd.

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## Terms used in this report

- (1) All numerical data are expressed by rounding the numbers down to their respective units. Percentages, including those for occupancy rates, and interest-bearing debt/total assets ratio are rounded to the first decimal point.
- (2) The figures for "Leasable space," "Leased space," "Occupancy rate" and "Number of tenants" only refer to the portion of shares owned by Japan Real Estate Investment Corporation (JRE).
- (3) "Average occupancy rate" is calculated by dividing total leased space by total leasable space at the end of every month during the period.
- (4) "Leasable space" and "Leased space" do not include the area used for or leased as rental meeting rooms and maintenance/stock rooms.
- (5) The data pertaining to the residential portions are not included in "Leasable space," "Leased space," "Occupancy rate" and "Number of tenants" for "Kitanomaru Square," "Nibancho Garden," "Ebisu Neonato" and "Nishiki Park Building."
- (6) "Rent" means tenant rent of "Leasable space."
- (7) "The number of tenants" refers to those tenants with whom we have concluded lease agreements for leasable floor space of building. (It does not include tenants who are leasing space other than floor space of buildings, such as parking space or side signboards.)
- (8) "The number of tenants" is the number of sub-lessees in cases where a pass-through lease agreement (a type of agreement in which the rent charged to the lessee is linked to the rent to be collected from the sub-lessees) is signed with a property management company, etc.
- (9) The number of tenants for the entire portfolio is the gross number of tenants by building. (If the same tenant occupies multiple properties, such tenant is counted as multiple tenants.)
- (10) "Book value" includes construction in progress and leasehold rights, etc.
- (11) "Capital expenditure" represents capital expenditure for construction completed during the period. (excluding the expenses capitalized as construction in progress and as home furniture, and incidental expenses of property acquisition, etc.)
- (12) "Ratio of share of ownership" refers to: the share of co-ownership in the case of a building owned jointly with other owners; the share of common area as set forth in relevant documentation such as the rules on management of the building in the case of a compartmentalized building (including a building that shares compartmentalized building units with other owners); and the share of quasi co-ownership in the case of trust beneficiary rights owned jointly with other owners.
- (13) "Brokerage fees, etc." = brokerage fees in connection with lease contracts + incentive fees paid to the property management company for rent increase upon contract renewal
- (14) "Property-related revenues" = Rental revenues (rent income [including rent for residential portions], common service charges, income from parking spaces, and collected electricity charges, etc.) + Non-rental revenues (cancellation fees and other miscellaneous income)
- (15) "Gain on transfer of properties" = Gain on sale of properties + Gain on exchange of properties
- (16) The land and building adjacent to Ryoshin Ginza East Mirror Building that were acquired on July 4, 2008 are not included in the "number of properties" and "total acquisition price."  
"Acquisition Price" includes the acquisition price for the part of Jingumae Media Square Building site which was sold on October 30, 2009.
- (17) "Sponsors" refers to the following three shareholders of Japan Real Estate Asset Management Co., Ltd. (J-Rea): Mitsubishi Estate Co., Ltd.; The Dai-ichi Life Insurance Company, Limited; and Mitsui & Co., Ltd.
- (18) Due to space limitations in the document, the abbreviated property name is reflected on certain pages. (The abbreviations are shown in the chart below.)

Property name	Abbreviation of property name	Property name	Abbreviation of property name
Genki Medical Plaza	Genki Medical Plaza	Ebisu Neonato	Ebisu Neonato
Kitanomaru Square	Kitanomaru Square	Harmony Tower	Harmony Tower
MD Kanda Building	MD Kanda	Otsuka Higashi-Ikebukuro Building	Otsuka Higashi-Ikebukuro
Kandabashi Park Building	Kandabashi Park	Ikebukuro 2Chome Building	Ikebukuro 2Chome
Nibancho Garden	Nibancho Garden	Ikebukuro YS Building	Ikebukuro YS
Mitsubishi UFJ Trust and Banking Building	Mitsubishi UFJ Trust	Hachioji First Square	Hachioji First
Burex Kojimachi Building	Burex Kojimachi	Saitama Urawa Building	Saitama Urawa
Sanno Grand Building	Sanno Grand	MM Park Building	MM Park
Yurakucho Denki Building	Yurakucho Denki	Kawasaki Isago Building	Kawasaki Isago
Kodenmachi Shin-Nihonbashi Building	Kodenmachi	Musashi Kosugi STM Building	Musashi Kosugi STM
Burex Kyobashi Building	Burex Kyobashi	8 * 3 Square Kita Building	8 * 3 Square Kita
Ginza Sanwa Building	Ginza Sanwa	Jozenji Park Building	Jozenji Park
Ryoshin Ginza East Mirror Building	Ryoshin Ginza EM	Sendai Honcho Honma Building	Sendai Honma
Harumi Center Building	Harumi Center	Kanazawa Park Building	Kanazawa Park
Aoyama Crystal Building	Aoyama Crystal	Nishiki Park Building	Nishiki Park
Shiodome Building	Shiodome	Hirokoji Sakae Building	Hirokoji Sakae
Shiba 2Chome Daimon Building	Shiba 2Chome Daimon	Nagoya Hirokoji Building	Nagoya Hirokoji
Cosmo Kanasugibashi Building	Cosmo Kanasugibashi	Nagoya Misono Building	Nagoya Misono
Shinwa Building	Shinwa	Kyoto Shijo Kawaramachi Building	Kyoto Kawaramachi
Tokyo Opera City Building	Tokyo Opera City	Shin-Fujita Building	Shin-Fujita
Takanawadai Building	Takanawadai	Sakaisujihonmachi Building	Sakaisujihonmachi
Higashi-Gotanda 1Chome Building	Higashi-Gotanda 1Chome	Midotsuji Daiwa Building	Midotsuji Daiwa
Omori-Eki Higashiguchi Building	Omori-Eki Higashiguchi	Lit City Building	Lit City
Nippon Brunswick Building	Nippon Brunswick	NHK Hiroshima Broadcasting Center Building	NHK Hiroshima
Yoyogi 1Chome Building	Yoyogi 1Chome	Tosei Tenjin Building	Tosei Tenjin
da Vinci Harajuku	da Vinci Harajuku	Tenjin Crystal Building	Tenjin Crystal
Jingumae Media Square Building	Jingumae MS	Hinode Tenjin Building	Hinode Tenjin
Shibuya Cross Tower	Shibuya Cross Tower		

# Executive Summary

# Financial Summary for the 17th Period and Forecast



## Comments on the 17th Period

### ◆ Properties acquired

- Shiodome Building (additional share acquisition)  
(Acquisition date: January 15, 2010; Acquisition price: ¥54,600 million)
- Tokyo Opera City Building (additional share acquisition)  
(Acquisition date: March 24, 2010; Acquisition price: ¥22,426 million)

### ◆ Property transfer

- Part of Jingumae Media Square Building site  
(Transfer date: October 30, 2009; Transfer price: ¥1,507 million)

### ◆ Property management

- Occupancy rate at the end of the 17th Period was 93.0% (16th Period: 93.3%)
- Rent revisions during the period: Increased by ¥1 million per month and decreased by ¥38 million per month

### ◆ Financial condition

- Issuance of new investment units  
Number of units issued: 46,200 units <public offering:42,000 units / third-party allocation:4,200 units>  
Aggregate amount of issue price: approx. ¥26,700 million
- LTV (Interest-bearing debt / Total assets) at the end of the 17th Period was 41.2%.
- The Long-term, fixed-interest debt ratio (\*) stood at 85.1%.

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

- JRE's credit ratings:

S&P	Moody's	R&I
AA-	A1	AA
(Negative)	(Stable)	(Stable)

(As of May 17, 2010)

## Comments on the 18th and the 19th Periods

- ◆ As of May 17, 2010, there are no assets scheduled to be acquired with the exception of the extension of the Ryoshin Ginza East Mirror Building.
- ◆ The occupancy rate at the end of the 18th Period is estimated to be 93.0%.

## Financial Summary for the 17th Period and Forecast

(In millions of yen [excluding items where the unit is specified])

	16th Period Performance (Sep 30, 2009) Apr 2009-Sep 2009	17th Period Performance (Mar 31, 2010) Oct 2009-Mar 2010	18th Period Forecast (Sep 30, 2010) Apr 2010-Sep 2010	19th Period Forecast (Mar 31, 2011) Oct 2010-Mar 2011
Operating Revenues	21,524	21,665	22,100	22,020
(% change from the preceding period)	(+3.9%)	(+0.7%)	(+2.0%)	(-0.4%)
(variance from the initial forecast)	(-0.0%)	(+0.1%)	(+3.7%)	
Initial Forecast	21,530	21,640	21,320	
Property-related Revenues	20,795	20,758	22,100	22,020
(% change from the preceding period)	(+0.4%)	(-0.2%)	(+6.5%)	(-0.4%)
(variance from the initial forecast)	(-0.0%)	(+0.0%)	(+3.7%)	
Initial Forecast	20,800	20,750	21,320	
Gain on Transfer of Development Rights of Floor Area	728	-	-	-
Gain on Transfer of Properties	-	885	-	-
Compensation for the Property Transfer	-	21	-	-
Operating Income	10,054	10,538	9,850	9,960
(% change from the preceding period)	(+1.0%)	(+4.8%)	(-6.5%)	(+1.1%)
(variance from the initial forecast)	(-0.3%)	(+3.2%)	(+0.4%)	
Initial Forecast	10,090	10,210	9,810	
Ordinary Income	8,505	8,876	8,000	8,050
(% change from the preceding period)	(+0.9%)	(+4.4%)	(-9.9%)	(+0.6%)
(variance from the initial forecast)	(+1.9%)	(+4.8%)	(+0.8%)	
Initial Forecast	8,350	8,470	7,940	
Net Income	8,504	8,875	8,000	8,050
(% change from the preceding period)	(+0.9%)	(+4.4%)	(-9.9%)	(+0.6%)
(variance from the initial forecast)	(+1.9%)	(+4.8%)	(+0.8%)	
Initial Forecast	8,350	8,470	7,940	
Number of Units	443,000 units	489,200 units	489,200 units	489,200 units
Dividend per Unit	19,198 yen	18,043 yen	16,360 yen	16,460 yen
Total Assets	564,528	637,326	-	-
Net Assets	306,106	333,228	-	-
Total Liabilities	258,422	304,097	-	-
Interest-bearing Debt	220,500	262,500	-	-
LTV	39.1%	41.2%	-	-
Unit Price	734,000 yen	797,000 yen	-	-
Market Capitalization	325,162	389,892	-	-
Number of Properties	55 buildings	55 buildings	55 buildings	55 buildings
Total Leasable Space	516,421 m <sup>2</sup>	566,277 m <sup>2</sup>	567,619 m <sup>2</sup>	567,619 m <sup>2</sup>
Occupancy Rate	93.3%	93.0%	93.0%	-

\* Information as of each fiscal period end

\* The initial forecast for the 16th Period means the 16th Period performance forecast announced on May 18, 2009, and for the 17th and 18th Periods, the 17th and 18th Period performance forecasts announced on November 18, 2009.

\* Assumptions for performance forecast

- Performance forecast is based on the 55 properties held as of March 31, 2010.
- This assumes that extension of the Ryoshin Ginza East Mirror Building is completed on May 24, 2010.
- The risk of decreasing revenues due to return of leased space and reduced rent 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.

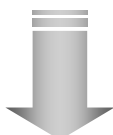
\* The land and building adjacent to Ryoshin Ginza East Mirror Building that were acquired on July 4, 2008 are not included in the number of properties.

# Performance Comparison (the 16th Period vs the 17th Period)



## Overall Performance

(The total of asset groups A through B below)



## (Factor Analysis)

### Asset Group A

53 properties\* operated all through the 16th and 17th Periods without any changes in shares of ownership

\*The revenues and expenses for the land and building adjacent to Ryoshin Ginza East Mirror Building that were acquired during the 14th Period are not included.

<Main factors that increased/decreased Repairing Expenses>

Kanazawa Park	28
Nippon Brunswick	22
Shibuya Cross Tower	-428
Sanno Grand	-27

### Asset Group B

Two properties acquired during the 17th Period  
(Tokyo Opera City/Shiodome)

(Properties put into operation during the 17th Period)

\* The values on the table (right) include those related to shares held of the Shiodome Building and the Tokyo Opera City Building.

(In millions of yen)

	16th Period (Apr 2009-Sep 2009)	17th Period (Oct 2009-Mar 2010)	Change	% Change
Property-related Revenues	20,795	20,758	-36	-0.2%
Property-related Expenses*	10,644	10,287	-357	-3.4%
Property-related Profits and Losses	10,150	10,471	321	3.2%
NOI*	13,951	14,417	465	3.3%
Occupancy Rate at End of Period	93.3%	93.0%	-0.3%	
Average Occupancy Rate during Period	94.4%	92.1%	-2.3%	

\*Property-related Expenses include Depreciation.

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

	16th Period (Apr 2009-Sep 2009)	17th Period (Oct 2009-Mar 2010)	Change	% Change
Property-related Revenues	19,702	18,891	-810	-4.1%
Property-related Expenses	10,132	9,585	-546	-5.4%
Property Management Expenses	2,112	2,172	60	2.8%
Property Management Costs	2,051	2,108	56	2.8%
Brokerage Fees, etc.	60	64	3	6.2%
Utilities Expenses	1,460	1,262	-198	-13.6%
Property and Other Taxes	1,695	1,695	0	0.0%
Casualty Insurance	42	42	0	-0.4%
Repairing Expenses	1,119	754	-364	-32.6%
Other Expenses	96	49	-46	-48.5%
Depreciation	3,605	3,609	3	0.1%
Property-related Profits and Losses	9,570	9,306	-263	-2.8%
NOI	13,175	12,915	-260	-2.0%
Occupancy Rate at End of Period	93.3%	92.5%	-0.8%	
Average Occupancy Rate during Period	94.3%	91.8%	-2.5%	

	16th Period (Apr 2009-Sep 2009)	17th Period (Oct 2009-Mar 2010)	Change	% Change
Property-related Revenues	1,092	1,867	774	70.8%
Property-related Expenses	512	702	189	37.0%
Property-related Profits and Losses	580	1,164	584	100.7%
NOI	775	1,501	725	93.5%

\*Refer to 4. Appendix (pages 71) for performance comparison, by building, of the 17th Period, or "Property Data" (excel file) downloadable from on the JRE website (<http://www.j-re.co.jp/english/>).

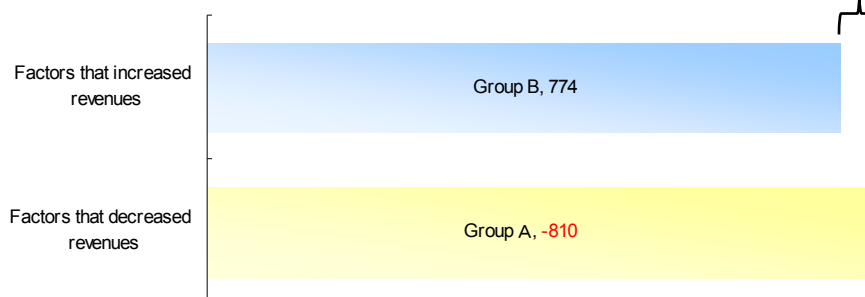




## Factors that brought changes in property-related revenues

(In millions of yen)

Decrease in revenues: -¥36 million

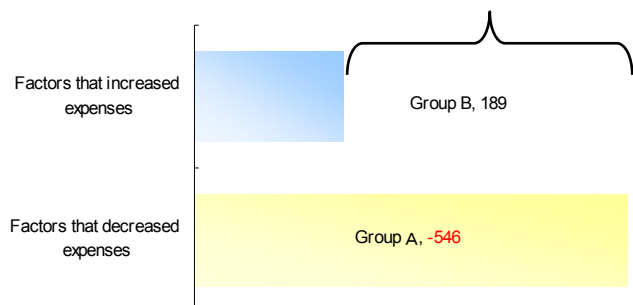


Main Factors of Increase and Decrease Best 5 & Worst 5

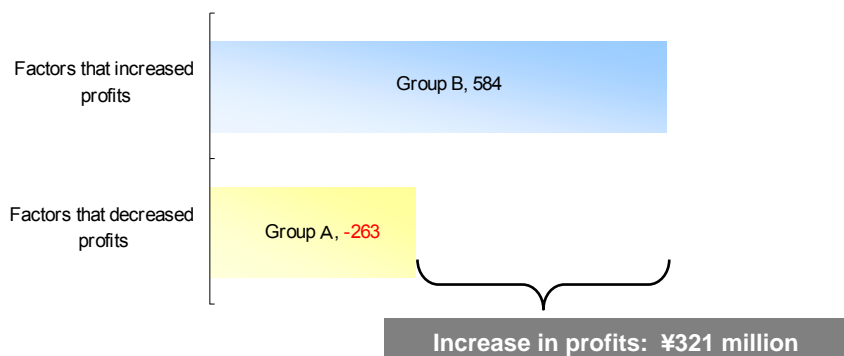
	16th Period	17th Period	Change	% of Change
MD Kanda	206	272	66	32.2%
Kandabashi Park	196	224	27	14.2%
Shibuya Cross Tower	1,438	1,456	17	1.2%
Otsuka Higashi-Ikebukuro	182	192	9	5.4%
Ebisu Neonato	111	118	7	6.4%
Shin-Fujita	808	679	-128	-16.0%
Takanawadai	117	24	-93	-79.5%
Harmony Tower	441	358	-82	-18.7%
Yoyogi 1Chome	415	354	-60	-14.6%
Midosuji Daiwa	656	606	-50	-7.7%

## Factors that brought changes in property-related expenses

Decrease in expenses: -¥357 million



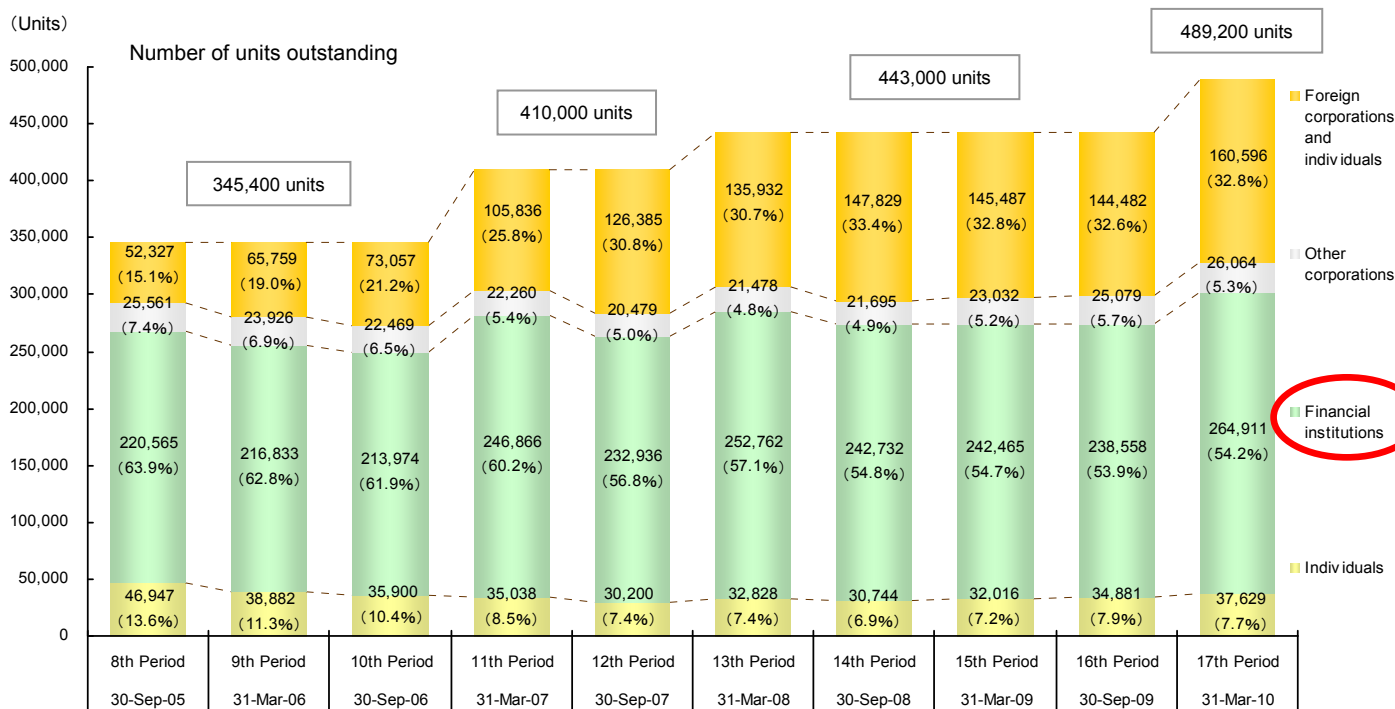
## Factors that brought changes in property-related profits and losses



# Unitholder Data



## Unitholder Composition



## Top 10 Unitholders

### 17th Period

Company	Units	% of Total Units Outstanding
1 Japan Trustee Services Bank, Ltd. (Shintaku Acc.)	46,316	9.47%
2 Trust & Custody Services Bank, Ltd. (Toshin Acc.)	41,636	8.51%
3 NCT Trust and Banking Corporation (Toshin Acc.)	38,441	7.86%
4 The Master Trust Bank of Japan, Ltd. (Shintaku Acc.)	21,827	4.46%
5 The Nomura Trust and Banking Co., Ltd. (Toshin Acc.)	19,903	4.07%
6 THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT	10,959	2.24%
7 Mitsubishi Estate Co., Ltd.	10,160	2.08%
8 North Pacific Bank, Ltd.	7,493	1.53%
9 The Chugoku Bank, Ltd.	6,930	1.42%
10 AIG Edison Life Insurance Company GA NON DIMA	6,520	1.33%

The Dai-ichi Mutual Life Insurance Company *	4,920	1.01%
Mitsui & Co., Ltd.	1,600	0.33%

\* The Dai-ichi Mutual Life Insurance Company was reorganized into a joint stock company and renamed Dai-ichi Life Insurance Company, Limited on April 1, 2010.

### 16th Period

Company	Units	% of Total Units Outstanding
1 Japan Trustee Services Bank, Ltd. (Shintaku Acc.)	36,389	8.21%
2 NikkoCiti Trust and Banking Corporation (Toshin Acc.)	35,571	8.03%
3 Trust & Custody Services Bank, Ltd. (Toshin Acc.)	34,330	7.75%
4 The Master Trust Bank of Japan, Ltd. (Shintaku Acc.)	20,774	4.69%
5 The Nomura Trust and Banking Co., Ltd. (Toshin Acc.)	13,775	3.11%
6 Mitsubishi Estate Co., Ltd.	10,160	2.29%
7 THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT	7,613	1.72%
8 North Pacific Bank, Ltd.	7,493	1.69%
9 The Chugoku Bank, Ltd.	7,168	1.62%
10 RBC DEXIA INVESTOR SERVICES TRUST, LONDON-CLIENTS ACCOUNT	5,403	1.22%

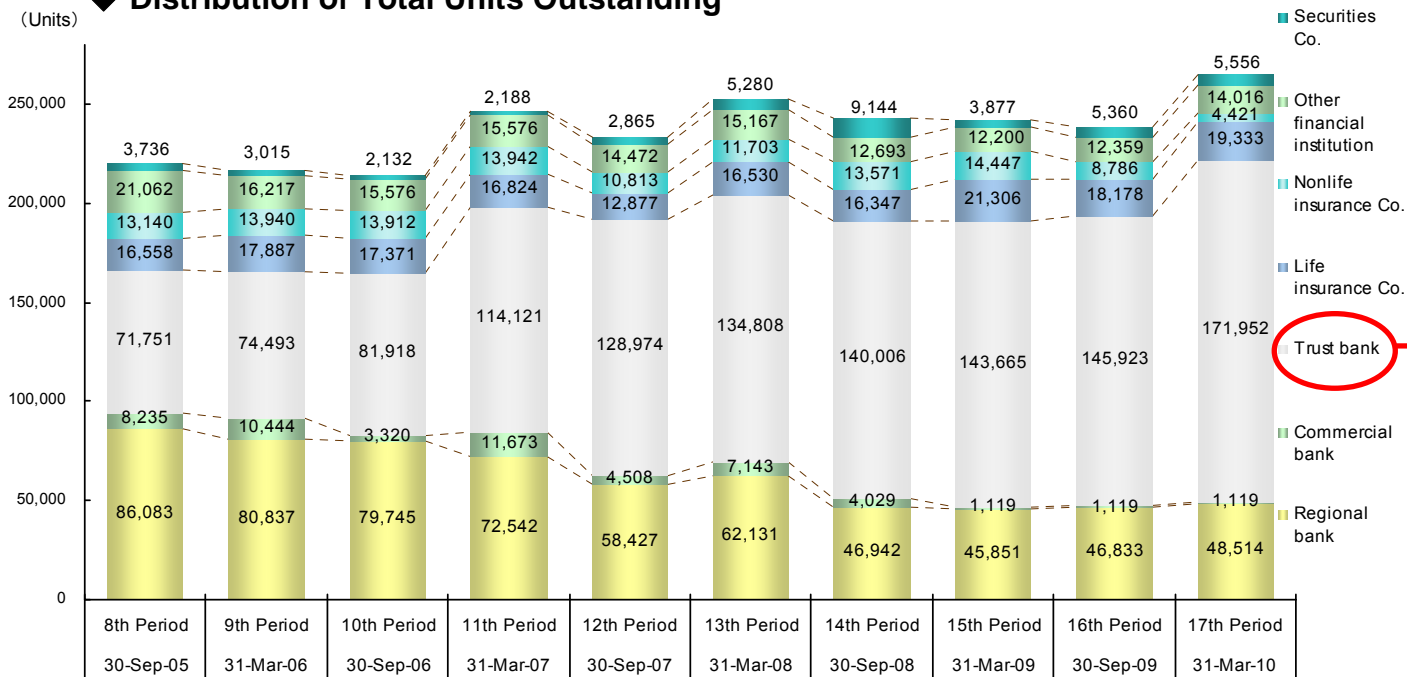
The Dai-ichi Mutual Life Insurance Company *	4,920	1.11%
Mitsui & Co., Ltd.	1,600	0.36%

## Number of Unitholders by Sector

	17th Period (Mar-10)		16th Period (Sep-09)	
	Unitholders	%	Unitholders	%
Individuals	14,023	94.2%	12,856	93.4%
Financial institutions	157	1.1%	175	1.3%
Other corporations	358	2.4%	335	2.4%
Foreign corporations/individuals	355	2.4%	396	2.9%
Total	14,893	100.0%	13,762	100.0%

## Financial Institutions

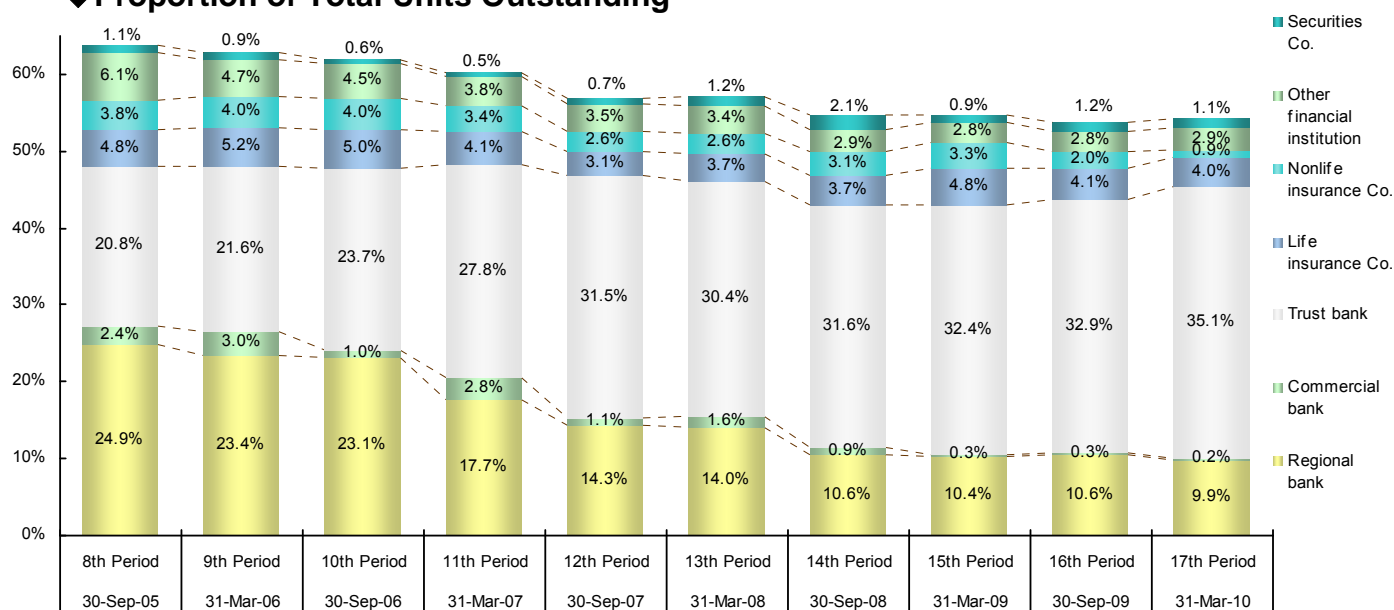
### ◆ Distribution of Total Units Outstanding



### <Number of investment trust units>

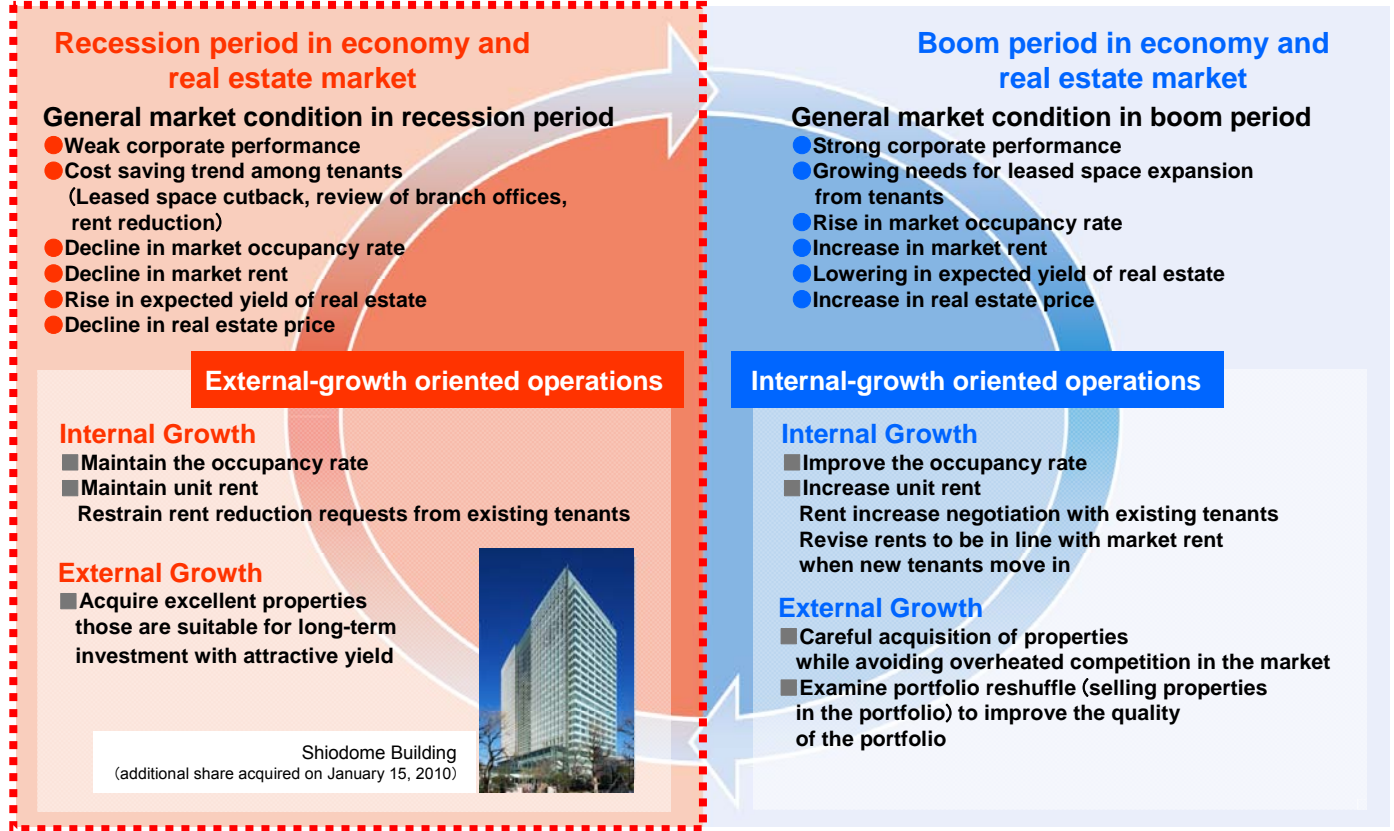
	8th Period 30-Sep-05	9th Period 31-Mar-06	10th Period 30-Sep-06	11th Period 31-Mar-07	12th Period 30-Sep-07	13th Period 31-Mar-08	14th Period 30-Sep-08	15th Period 31-Mar-09	16th Period 30-Sep-09	17th Period 31-Mar-10
Number of units outstanding	345,400	345,400	345,400	410,000	410,000	443,000	443,000	443,000	443,000	489,200
Trust banks	71,751	74,493	81,918	114,121	128,974	134,808	140,006	143,665	145,923	171,952
Investment trust	62,225	67,662	76,205	106,330	113,841	120,106	124,433	132,107	135,826	160,016
% against total units outstanding	18.0%	19.6%	22.1%	25.9%	27.8%	27.1%	28.1%	29.8%	30.7%	32.7%
% against units owned by trust banks	86.7%	90.8%	93.0%	93.2%	88.3%	89.1%	88.9%	92.0%	93.1%	93.1%

### ◆ Proportion of Total Units Outstanding



**Aim at stable future dividends by shifting focus to “external-growth oriented operations,” viewing the weak real estate market as an opportunity**

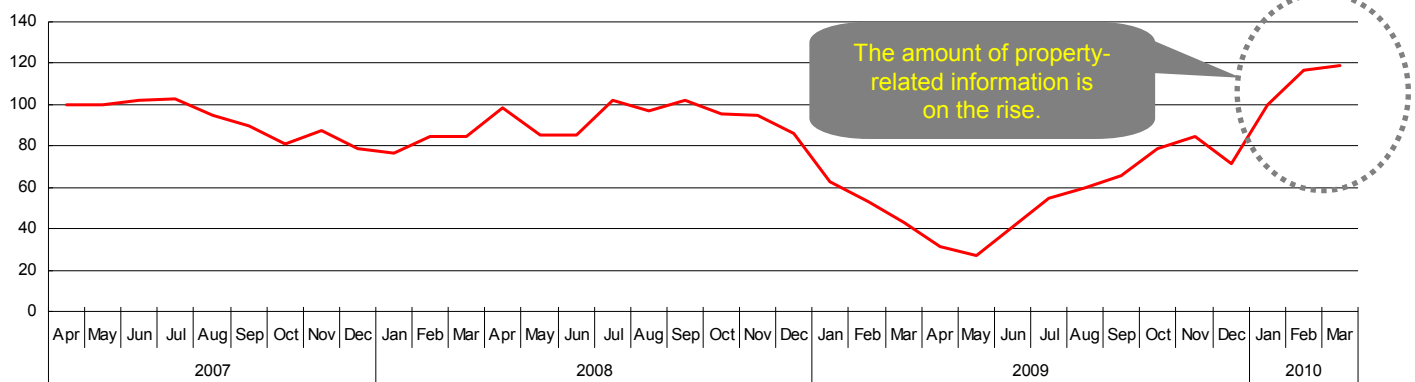
<Market environment and growth strategy (image)>



- December 2009 Issuance of new investment units
  - January 2010 Additional share acquisition of Shiodome Building (30% share acquisition)
  - March 2010 Additional share acquisition of Tokyo Opera City Building (22.957% share acquisition)
- Aim at further external growth by leveraging sound financial position

<Trends in property-related information obtained>

● The trend is based on an index calculated by obtaining the moving average for the amount of property-related information obtained over the past six months and assigning that moving average as of April 2007 the value of 100.



# Issuance of New Investment Units



## Summary of the 6th Investment Unit Issue

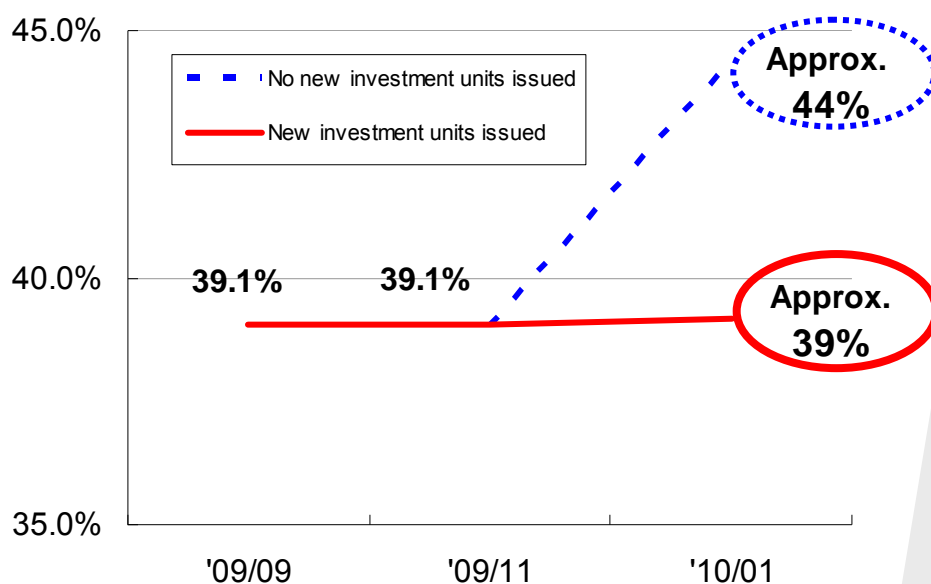
- Number of units issued: 46,200 units (public offering: 42,000 units / third-party allocation: 4,200 units)  
(Number of units outstanding after offering: 489,200 units)
- Offer price: ¥597,520 per unit
- Issue price: ¥579,040 per unit
- Aggregate amount of issue price: approx. ¥26,700 million
- Launch date: November 18, 2009
- Price determination date: December 1, 2009
- Payment date: Public offering December 8, 2009  
Third-party allocation December 22, 2009

### <Use of Proceeds>

- Part of funds (¥54,600 million) for acquisition of asset: ¥20,000 million
- Remaining amount (approx. ¥6,700 million) was used for repayment of loans.

## Change in LTV as a Result of Issuance of New Investment Units

LTV after additional acquisition of Shiodome Building



Further growth capacity is secured through leverage control by the issue of new investment units.

The LTV after additional acquisition of Tokyo Opera City Building (¥22,426 million) on March 24, 2010: **41.2%** (as of March 31, 2010)

(Note) "No new investment units issued" indicates a scenario where we assume, in calculating the balance sheet as of the end of September 2009, that the ¥54.6 billion in funds for acquiring the thirty percent additional share of Shiodome Building was entirely procured through borrowing.  
The units issued by the third-party allocation are also included in "New investment units issued."

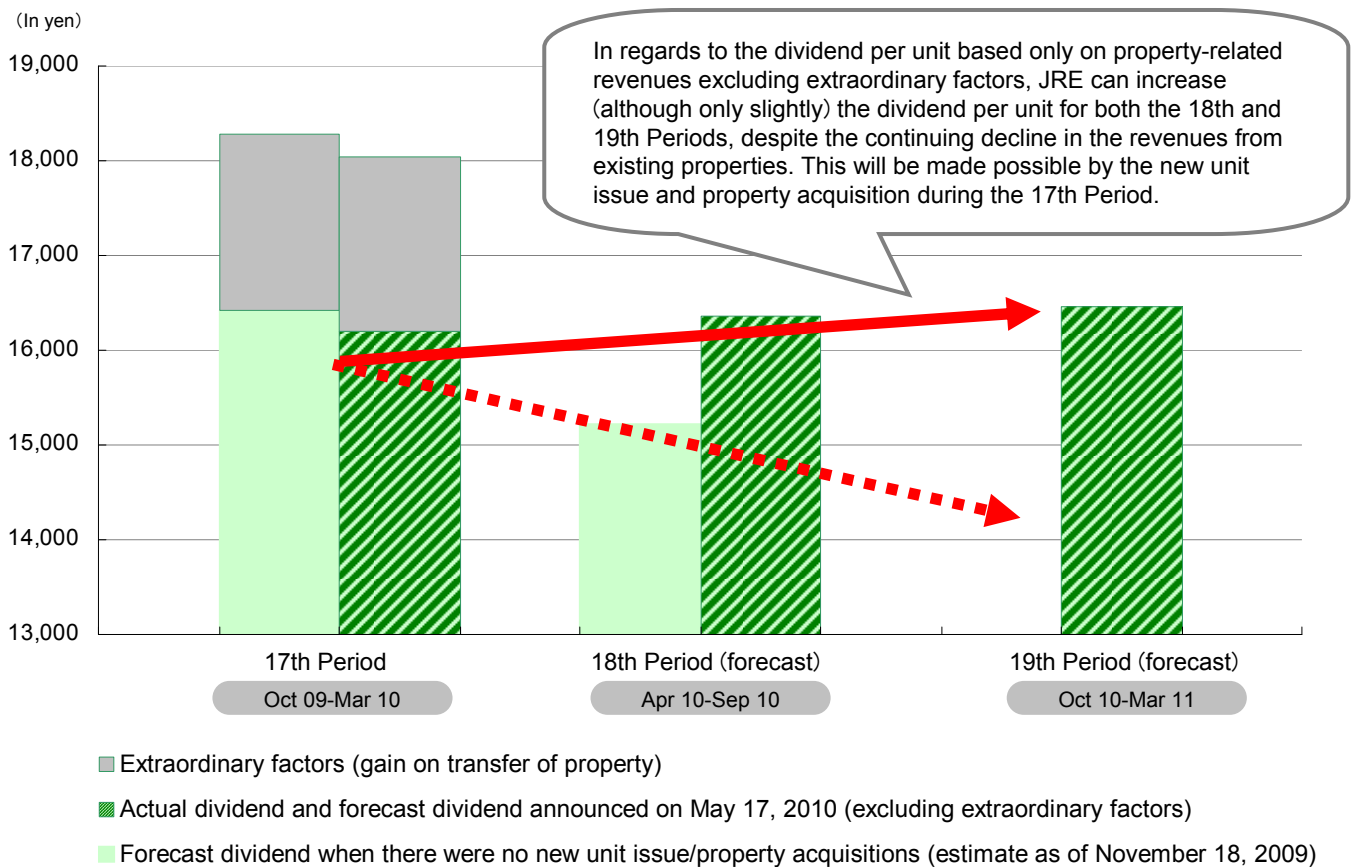
# Trends in the Dividend per Unit



- Against the backdrop of declining revenues from existing properties –
    - December 2009 Issuance of new investment units
    - January 2010 Additional share acquisition of Shiodome Building
    - March 2010 Additional share acquisition of Tokyo Opera City Building
- JRE raised dividend per unit through the above actions.

➔ Aim at stable growth of dividend despite the severe market environment

## Effect in the Dividend per Unit due to the New Unit Issue and Property Acquisition



# Property Acquisition in the 17th Period



## Shiodome Building (Additional Acquisition) (30%)



<Exterior>



### Transaction Summary

- Seller: MARE. Y. K.
- Acquisition price: ¥54,600 million
- Appraisal value: ¥59,700 million  
(as of November 1, 2009)
- Acquisition date: January 15, 2010

### Property Summary

- Address: 1-2-20 Kaigan, Minato-ku, Tokyo
- Area: <Land> approx. 12,046 m<sup>2</sup> (\*) <Building> 115,930.83 m<sup>2</sup>  
 (\*) The property lies within an area designated for execution of the Shiodome Land Readjustment Project under the Tokyo Metropolitan Urban Land Development Business Plan, and the land area mentioned above is total land area of designated provisional replotting.
- Structure: Steel-framed structure, steel-framed reinforced concrete structure, flat roof  
 Above ground: 24 floors Below ground: 2 floors
- Completion date: December 2007
- Type of ownership: Trust beneficiary right in trust of real estate (quasi-co-ownership 30.0%)  
 <Land/Building> Ownership  
 \*Changes in quasi-co-ownership of the trust beneficiary right after the additional acquisition: 10.0%→40.0% (+30.0%)
- Leasable space: 32,151 m<sup>2</sup> (for JRE share of ownership after the additional acquisition (40%) as of March 31, 2010)
- Occupancy rate: 99.7% (as of March 31, 2010)

## Tokyo Opera City Building (Additional Acquisition) (22.957%)



<Exterior>



### Transaction Summary

- Seller: Odakyu Electric Railway Co., Ltd.
- Acquisition price: ¥22,426 million
- Appraisal value: ¥24,300 million  
(as of February 1, 2010)
- Acquisition date: March 24, 2010

### Property Summary

- Address: 3-20-2 Nishi-shinjuku, Shinjuku-ku, Tokyo
- Area: <Land>18,236.94 m<sup>2</sup> <Building>232,996.81 m<sup>2</sup>
- Structure: Steel-framed, steel-framed reinforced concrete and steel-reinforced concrete structure  
flat roof, galvanized sheet steel roof  
Above ground: 54 floors Below ground: 4 floors
- Completion date: July 1996
- Type of ownership: <Land> Ownership (share of co-ownership)  
<Building> Compartmentalized building units (ownership percentage for building: 22.957%)  
\*Changes in share of ownership after the additional acquisition: 8.368%→31.325% (+22.957%)
- Leasable space: 35,035 m<sup>2</sup> (for JRE share of ownership after the additional acquisition (31.325%) as of March 31, 2010)
- Occupancy rate: 93.9% (as of March 31, 2010)



# Property Transfer in the 17th Period

## Jingumae Media Square Building (Transfer of a part of land)

### Transaction Summary

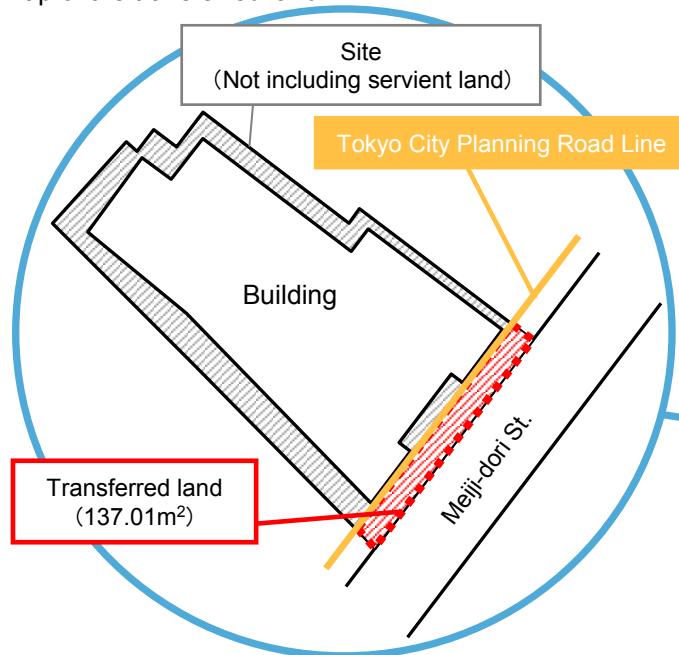
■ Transferred asset:	Land (Part of Jingumae Media Square Building site)
■ Area:	137.01 m <sup>2</sup>
■ Transfer price:	¥1,507 million
■ Appraisal value:	¥1,330 million (as of March 15, 2009)
■ Transfer date:	October 30, 2009
■ Transferee:	Tokyo Metropolitan Government

The gain on the transfer in the amount of ¥885 million was recorded in the 17th Period (period ended March 31, 2010).

<Exterior view>



<Map of the transferred land>



### Property Summary

■ Address:	6-25-14 Jingumae, Shibuya-ku, Tokyo
■ Area:	<Land>2,124.59 m <sup>2</sup> (*) <Building>9,420.42 m <sup>2</sup> (*) The value is after the transfer of part of this site. The total land area includes the transferred land and 3 lots of servient land (269.01 m <sup>2</sup> ) of the subject property land, based on an easement of the dominant land.
■ Structure:	Steel-framed, steel-framed reinforced concrete, steel-reinforced concrete structure, flat roof Above ground: 9 floors Below ground: 2 floors
■ Type of ownership:	<Land/Building> Ownership
■ Completion date:	March 1998
■ Acquisition date:	October 9, 2003
■ Acquisition price:	¥12,200 million

# Summary of Debts



## 17th Period (as of March 31, 2010)

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

	Lender	Borrowing Date	EOB	Interest	Repayment Date (period)
Short-term Loans	Mizuho Corporate Bank, Ltd.	'09/06/01	2,000	0.5572	'10/06/01 (1-year)
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	'09/09/01	2,000	0.5572	'10/09/01 (1-year)
	Mitsubishi UFJ Trust and Banking Corporation	'09/09/01	2,000	0.5572	'10/09/01 (1-year)
	The Sumitomo Trust & Banking, Co., Ltd.	'09/09/24	1,000	0.5554	'10/09/24 (1-year)
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	'09/09/24	2,500	0.5554	'10/09/24 (1-year)
	Mizuho Corporate Bank, Ltd.	'09/12/21	5,000	0.5554	'10/12/21 (1-year)
	The Sumitomo Trust & Banking, Co., Ltd.	'09/12/21	5,000	0.5554	'10/12/21 (1-year)
	The Sumitomo Trust & Banking, Co., Ltd.	'10/01/15	3,000	0.5554	'11/01/17 (1-year)
	Mizuho Corporate Bank, Ltd.	'10/03/24	4,500	0.5554	'11/03/24 (1-year)
	The Gunma Bank, Ltd.	'10/03/24	1,000	0.5554	'11/03/24 (1-year)
	Shinkin Central Bank	'10/03/24	2,000	0.7454	'11/03/24 (1-year)
	The 77 Bank, Ltd.	'10/03/24	1,000	0.5554	'11/03/24 (1-year)
	Mizuho Corporate Bank, Ltd.	'10/03/24	2,000	0.5554	'11/03/24 (1-year)
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	'10/03/24	2,000	0.5554	'11/03/24 (1-year)
	Mitsubishi UFJ Trust and Banking Corporation	'10/03/24	2,000	0.5554	'11/03/24 (1-year)
	The Sumitomo Trust & Banking, Co., Ltd.	'10/03/24	2,000	0.5554	'11/03/24 (1-year)
	<b>Total</b>			<b>39,000</b>	

	Lender / Bond Name	Borrowing / Issue Date	EOB	Interest	Repayment / Maturity Date (period)
Current Portion of Long-term Loans/ Investment Corporation Bond	3rd Investment Corporation Bond	'03/04/30	10,000	0.98	'10/04/30 (7-year)
	The Chugoku Bank, Ltd.	'07/06/15	3,000	1.6225	'10/06/15 (3-year)
	The Hiroshima Bank, Ltd.	'08/06/13	3,000	1.5725	'10/06/14 (2-year)
	The Hachijuni Bank, Ltd.	'08/12/19	1,000	1.10625	'10/12/20 (2-year)
	Taiyo Life Insurance Company	'04/03/30	2,000	1.47125	'11/03/30 (7-year)
	Development Bank of Japan Inc.	'10/03/24	100	1.665	'17/03/24 (7-year)
<b>Total</b>			<b>19,100</b>		

	Lender	Borrowing Date	EOB	Interest	Repayment Date (period)
Long-term Loans	Mitsui Life Insurance Co., Ltd.	'04/08/31	5,000	1.50125	'11/08/31 (7-year)
	Mitsui Life Insurance Co., Ltd.	'04/10/29	2,000	1.55	'12/10/29 (8-year)
	National Mutual Insurance Federation of Agricultural Cooperatives	'04/11/01	5,000	1.33125	'11/11/01 (7-year)
	Mitsubishi UFJ Trust and Banking Corporation	'06/04/03	10,000	1.63	'11/04/04 (5-year)
	Mitsubishi UFJ Trust and Banking Corporation	'06/06/01	22,000	1.73	'11/06/01 (5-year)
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		6,000		
	Mizuho Corporate Bank, Ltd.		6,000		
	The Sumitomo Trust & Banking, Co., Ltd.	'06/06/23	5,200	1.65925	'11/06/23 (5-year)
	Mitsubishi UFJ Trust and Banking Corporation		5,200		
	Sompo Japan Insurance Inc.		1,600		
	The Dai-ichi Mutual Life Insurance Company	'07/05/31	5,000	1.86875	'15/05/29 (8-year)
	Taiyo Life Insurance Company	'07/05/31	1,500	1.86875	'15/05/29 (8-year)
	The Bank of Fukuoka, Ltd.	'07/08/31	1,000	1.4925	'12/08/31 (5-year)
	Taiyo Life Insurance Company	'08/04/24	1,000	1.595	'14/04/25 (8-year)
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	'08/04/24	5,000	1.42375	'13/04/24 (5-year)
	Shinkin Central Bank	'08/04/24	5,000	1.42375	'13/04/24 (5-year)
	Mizuho Corporate Bank, Ltd.	'08/04/24	3,000	1.42375	'13/04/24 (5-year)
	The Sumitomo Trust & Banking, Co., Ltd.	'08/09/01	5,000	1.4875	'13/09/02 (5-year)
	Shinkin Central Bank	'08/09/01	3,000	1.4875	'13/09/02 (5-year)
	Development Bank of Japan Inc.	'08/09/01	2,000	1.65	'15/09/01 (7-year)
	The Iyo Bank, Ltd.	'09/03/24	2,000	1.31	'14/03/24 (5-year)
	The Dai-ichi Mutual Life Insurance Company	'09/03/30	5,000	1.54375	'17/03/30 (8-year)
	The Yamanaishi Chuo Bank, Ltd.	'09/12/15	2,000	0.8925	'11/12/15 (2-year)
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	'09/12/21	5,000	1.0925	'12/12/21 (3-year)
	Mitsubishi UFJ Trust and Banking Corporation	'09/12/21	5,000	1.0925	'12/12/21 (3-year)
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	'10/01/15	11,000	1.085	'13/01/15 (3-year)
	Mizuho Corporate Bank, Ltd.	'10/01/15	5,000	1.135	'13/01/15 (3-year)
	Mitsubishi UFJ Trust and Banking Corporation	'10/01/15	5,000	1.135	'13/01/15 (3-year)
	Shinkin Central Bank	'10/01/15	5,000	1.135	'13/01/15 (3-year)
	The Iyo Bank, Ltd.	'10/01/15	1,000	1.06	'13/01/15 (3-year)
	The Hachijuni Bank, Ltd.	'10/01/15	1,000	1.06	'13/01/15 (3-year)
	The Chugoku Bank, Ltd.	'10/03/24	2,000	1.0475	'13/03/25 (3-year)
	The Hiroshima Bank, Ltd.	'10/03/24	2,000	1.0475	'13/03/25 (3-year)
	Resona Bank, Ltd.	'10/03/24	3,000	1.0475	'13/03/25 (3-year)
	The Hachijuni Bank, Ltd.	'10/03/24	1,000	1.0475	'13/03/25 (3-year)
	Mizuho Corporate Bank, Ltd.	'10/03/24	2,000	1.2625	'14/03/24 (4-year)
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	'10/03/24	2,000	1.2625	'14/03/24 (4-year)
	Mitsubishi UFJ Trust and Banking Corporation	'10/03/24	2,000	1.2625	'14/03/24 (4-year)
	The Sumitomo Trust & Banking, Co., Ltd.	'10/03/24	2,000	1.2625	'14/03/24 (4-year)
	Resona Bank, Ltd.	'10/03/24	2,000	1.2625	'14/03/24 (4-year)
The Gunma Bank, Ltd.	'10/03/24	1,000	1.2375	'14/03/24 (4-year)	
The Bank of Fukuoka, Ltd.	'10/03/24	2,000	1.39875	'15/03/24 (5-year)	
Development Bank of Japan Inc.	'10/03/24	1,900	1.665	'17/03/24 (7-year)	
<b>Total</b>			<b>169,400</b>		

	Bond Name	Issue Date	EOB	Interest	Maturity Date (period)
Investment Corporation Bonds	4th Investment Corporation Bond	'05/09/29	10,000	2.56	'25/09/29 (20-year)
	5th Investment Corporation Bond	'07/06/18	10,000	1.67	'12/06/18 (5-year)
	6th Investment Corporation Bond	'07/06/18	15,000	1.91	'14/06/18 (7-year)
<b>Total</b>			<b>35,000</b>		

Total amount of interest-bearing debts as of March 31, 2010 **262,500 million yen**

(\* 1) Scheduled to repay ¥50 million every 6 months and ¥1,350 million on the last payment due date.

(\* 2) Dai-ichi Mutual Life Insurance Company was reorganized into a joint stock company and renamed Dai-ichi Life Insurance Company, Limited on April 1, 2010.

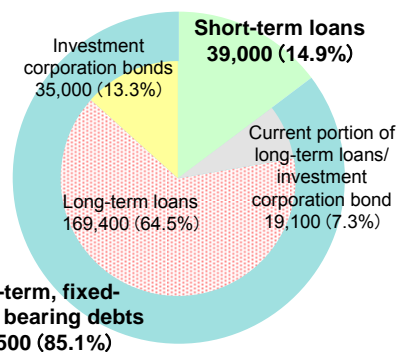
### <Outline of commitment line agreement>

- Borrowing limit: ¥25 billion
- Expiry of the contract: July 19, 2012
- Participating financial institutions:  
Mizuho Corporate Bank, Ltd.  
The Bank of Tokyo-Mitsubishi UFJ, Ltd.  
The Sumitomo Trust & Banking Co., Ltd.  
Mitsubishi UFJ Trust and Banking Corporation

There is no outstanding balance as of the end of the 17th Period.

### <Component ratio of long-term and short-term loans/bonds>

(In millions of yen)



### <Interest rate and duration (years)>

Weighted average interest rate: 1.37%

	Average interest rate	Duration (years)
Short-term loans	0.57%	0.76
Current portion of long-term loans / investment corporation bond	1.24%	0.25
Long-term loans/investment corporation bonds	1.53%	3.37

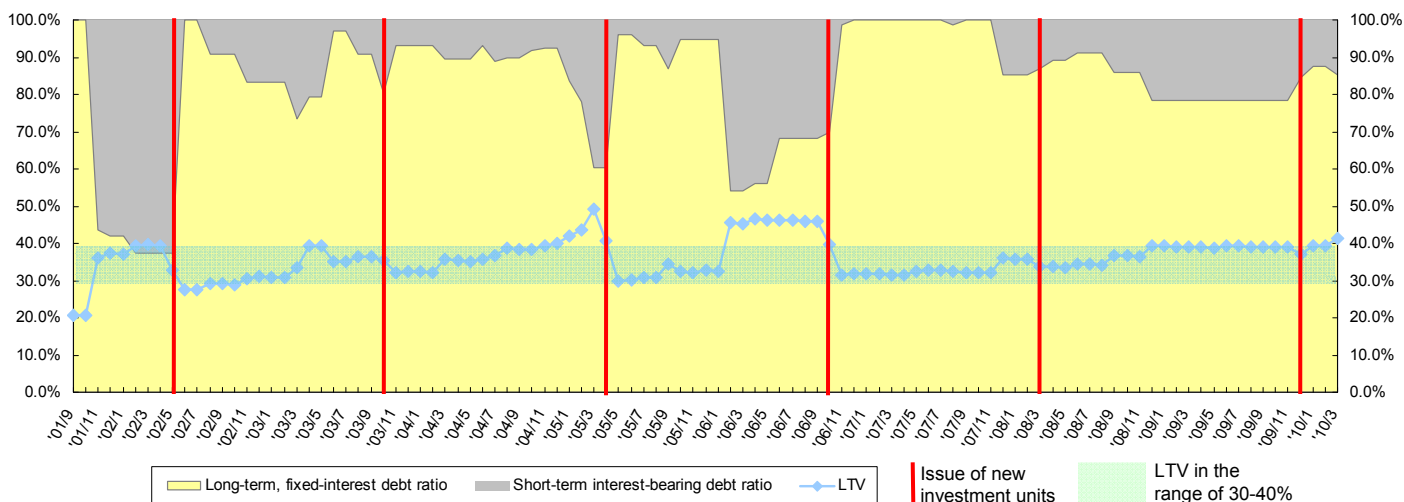
\* The duration (years) of "Long-term loans/investment corporation bonds" disregards the installment repayment of long-term loans from the Development Bank of Japan Inc.

### <Outstanding balance of loans by financial institutions>

(In millions of yen)

Mitsubishi UFJ Trust and Banking Corporation	53,200
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	35,500
Mizuho Corporate Bank, Ltd.	29,500
The Sumitomo Trust & Banking, Co., Ltd.	23,200
Shinkin Central Bank	15,000
The Dai-ichi Mutual Life Insurance Company	10,000 (* 2)
Mitsui Life Insurance Co., Ltd.	7,000
National Mutual Insurance Federation of Agricultural Cooperatives	5,000
The Chugoku Bank, Ltd.	5,000
The Hiroshima Bank, Ltd.	5,000
Resona Bank, Ltd.	5,000
Taiyo Life Insurance Company	4,500
Development Bank of Japan Inc.	4,000
The Bank of Fukuoka, Ltd.	3,000
The Iyo Bank, Ltd.	3,000
The Hachijuni Bank, Ltd.	3,000
The Yamanaishi Chuo Bank, Ltd.	2,000
The Gunma Bank, Ltd.	2,000
Sompo Japan Insurance Inc.	1,600
The 77 Bank, Ltd.	1,000

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



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

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

## Debt Capacity

(As of end of March 2010)

(In millions of yen)

Total assets	Interest-bearing debt	LTV	Borrowable amount	
			Up to 40% of LTV	Up to 45% of LTV
637,326	262,500	41.2%	-12,615	44,176

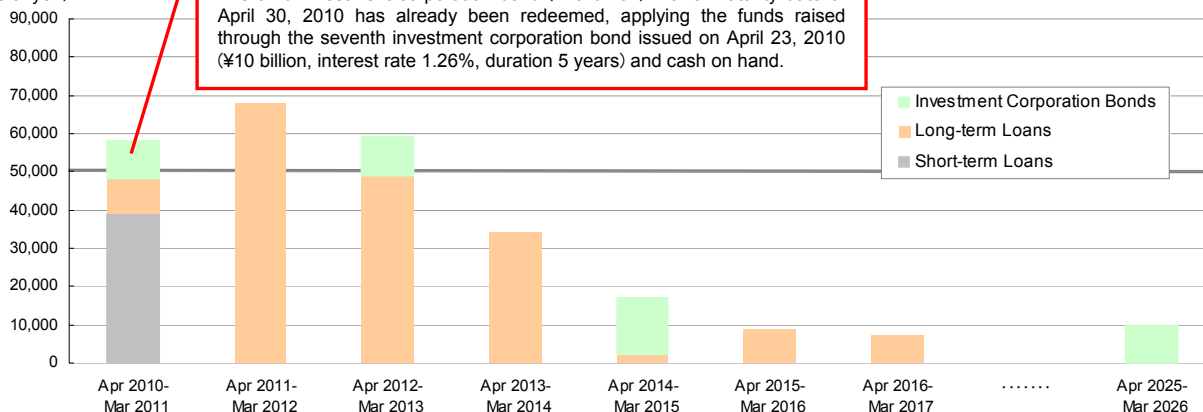
## Diversification of Repayment Dates

(As of end of March 2010)

(In millions of yen)

	Apr 2010- Mar 2011 (within 1 year)	Apr 2011- Mar 2012 (within 2 years)	Apr 2012- Mar 2013 (within 3 years)	Apr 2013- Mar 2014 (within 4 years)	Apr 2014- Mar 2015 (within 5 years)	Apr 2015- Mar 2016 (within 6 years)	Apr 2016- Mar 2017 (within 7 years)	.....	Apr 2025- Mar 2026 (within 16 years)	Total
Short-term Loans	39,000	0	0	0	0	0	0		0	39,000
Long-term Loans	9,100	68,100	49,100	34,100	2,100	8,600	7,400		0	178,500
Investment Corporation Bonds	10,000		10,000		15,000		0		10,000	45,000
<b>Total</b>	<b>58,100</b>	<b>68,100</b>	<b>59,100</b>	<b>34,100</b>	<b>17,100</b>	<b>8,600</b>	<b>7,400</b>		<b>10,000</b>	<b>262,500</b>

(In millions of yen)

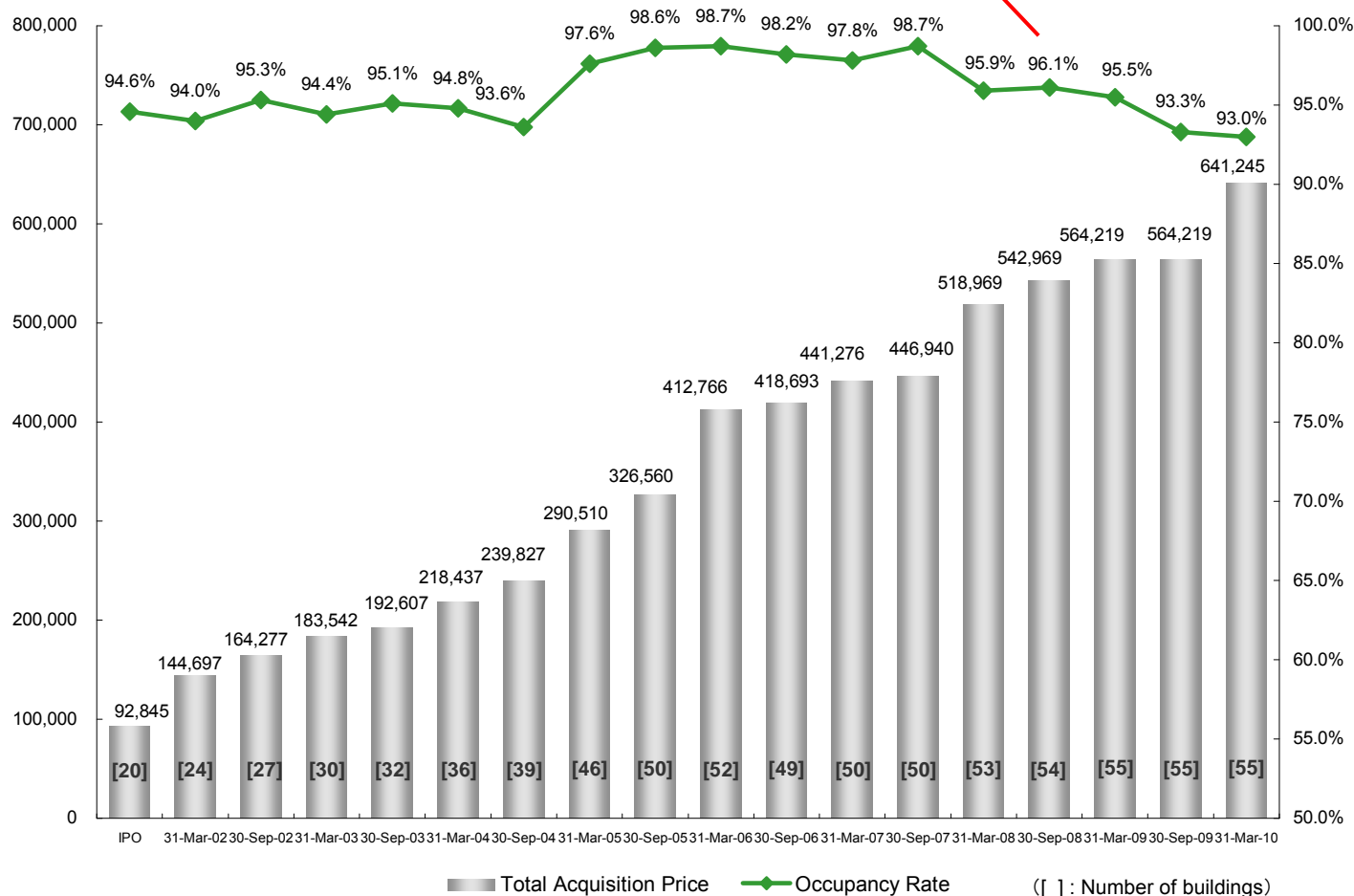


# Asset Size and Occupancy Rate



**Aim at maintaining stable occupancy rate**

(In millions of yen)



## ◆ Performance of property acquisition and transfer

(In millions of yen)

	At IPO ~ '01/09	1st Period '01/10~'02/03	2nd Period '02/04~'02/09	3rd Period '02/10~'03/03	4th Period '03/04~'03/09	5th Period '03/10~'04/03	6th Period '04/04~'04/09	7th Period '04/10~'05/03	8th Period '05/04~'05/09	9th Period '05/10~'06/03	10th Period '06/04~'06/09	11th Period '06/10~'07/03	12th Period '07/04~'07/09	13th Period '07/10~'08/03	14th Period '08/04~'08/09	15th Period '08/10~'09/03	16th Period '09/04~'09/09	17th Period '09/10~'10/03	Total
Acquisition	92,845	51,852	19,580	19,265	9,065	25,830	21,390	50,683	36,050	86,205	12,630	49,850	7,100	72,029	24,000	21,250	—	77,026	676,651
Transfer	—	—	—	—	—	—	—	—	—	—	7,003	41,900	1,770	—	—	—	—	1,507	52,180

\* The land and building adjacent to Ryoshin Ginza East Mirror Building that were acquired on July 4, 2008, for ¥1,800 million for the purpose of making an extension to Ryoshin Ginza East Mirror Building are not included in the total number of properties or the total acquisition price in the above graph and table.

The original acquisition price pertaining to the part of Jingumae Media Square Building site, which was transferred on October 30, 2009 has not been deducted from the total acquisition price in the above graph.

**Achieved steady growth since IPO and established a portfolio worth over ¥640 billion (total acquisition price)**

# Improvement of Portfolio Quality



In the 8.5 years following IPO, the quality of the portfolio has further improved.

At IPO (End of September 2001):  
20 properties

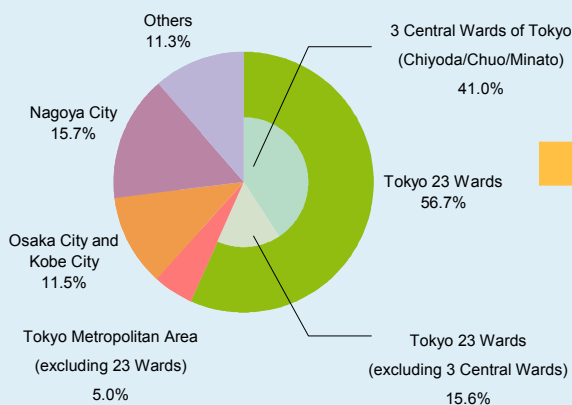
After 8.5 years

As of end of March 2010:  
55 properties

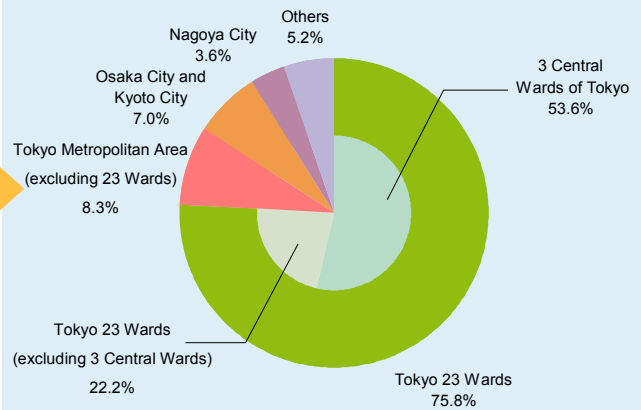
## Geographical Diversification

- \* Acquisition price basis
- \* Tokyo metropolitan area represents Tokyo, Saitama, Chiba, and Kanagawa prefectures.
- \* The acquisition price of the land and building adjacent to Ryoshin Ginza East Mirror Building are not included in the charts below.

Asset size : ¥92,845 million



Asset size : ¥641,245 million



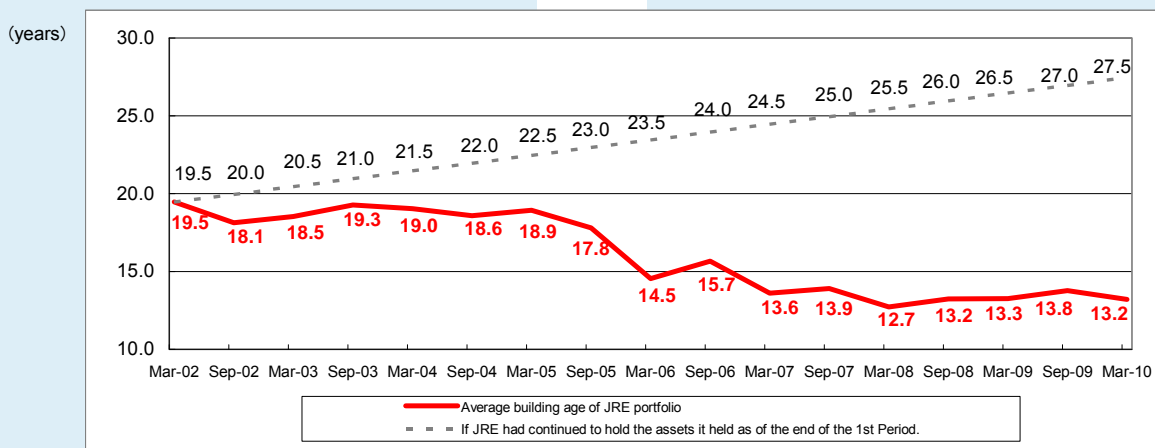
Highly liquid portfolio, mainly concentrated in Tokyo 23 Wards

## Building Age

\* Weighted average based on acquisition prices

Entire portfolio:  
17.9 years

Entire portfolio:  
13.2 years



Even after 8.5 years since IPO, overall building age is lower in the current portfolio.

# Property Data



(In millions of yen)

Area	Name	17th Period Appraisal Value (Mar 31, 10)	16th Period Appraisal Value (Sep 30, 09)	Amount of Difference	17th Period Book Value (Mar 31, 10)	17th Period Appraisal Value — Book Value	Acquisition Price		
Tokyo 23 Wards	Chiyoda	Genki Medical Plaza	6,050	6,050	0	5,035	1,014	5,000	
		Kitanomaru Square	71,900	78,100	-6,200	78,688	-6,788	81,555	
		MD Kanda	9,320	9,620	-300	8,949	370	9,520	
		Kandabashi Park	5,480	5,950	-470	4,527	952	4,810	
		Nibancho Garden	16,200	16,300	-100	13,854	2,345	14,700	
		Mitsubishi UFJ Trust	46,500	47,300	-800	30,067	16,432	44,700	
		Burex Kojimachi	6,570	6,570	0	6,537	32	7,000	
		Sanno Grand	28,400	29,100	-700	21,553	6,846	20,900	
	Chuo	Yurakucho Denki	7,910	8,470	-560	7,796	113	7,200	
		Kodenmachi	3,730	3,780	-50	2,797	932	3,173	
		Burex Kyobashi	6,500	6,630	-130	4,919	1,580	5,250	
		Ginza Sanwa	15,300	16,000	-700	17,014	-1,714	16,830	
	Minato	Ryoshin Ginza EM	4,410	4,610	-200	5,207	-797	5,353	
		Harumi Center	21,400	22,600	-1,200	25,909	-4,509	26,800	
		Aoyama Crystal	8,340	8,790	-450	7,445	894	7,680	
	Shinjuku	Shiba 2Chome Daimon	6,310	6,890	-580	4,849	1,460	4,859	
		Cosmo Kanasugibashi	3,090	3,410	-320	2,527	562	2,808	
	Shinagawa	Shinwa	7,460	8,290	-830	7,674	-214	7,830	
		Takanawadai	2,150	2,370	-220	2,618	-468	2,738	
	Ota	Higashi-Gotanda 1Chome	6,030	6,690	-660	5,085	944	5,500	
		Omori-Eki Higashiguchi	5,410	5,750	-340	4,611	798	5,123	
	Shibuya	Nippon Brunswick	7,550	8,230	-680	6,917	632	6,670	
		Yoyogi 1Chome	10,800	11,900	-1,100	7,965	2,834	8,700	
		da Vinci Harajuku	6,370	6,340	30	4,975	1,394	4,885	
		Jingumae MS	11,900	12,700	-800	11,164	735	12,200	
		Shibuya Cross Tower	41,600	43,700	-2,100	38,734	2,865	34,600	
	Nakano	Ebisu Neonato	3,330	3,640	-310	3,673	-343	4,100	
		Harmony Tower	10,700	11,800	-1,100	8,154	2,545	8,500	
	Toshima	Otsuka Higashi-Ikebukuro	3,820	3,820	0	3,586	233	3,541	
		Ikebukuro 2Chome	1,600	1,600	0	1,635	-35	1,728	
		Ikebukuro YS	4,480	4,590	-110	4,527	-47	4,500	
	Other Areas	Hachioji	Hachioji First	4,730	5,670	-940	5,387	-657	5,679
		Saitama	Saitama Urawa	2,080	2,320	-240	2,400	-320	2,574
Yokohama		MM Park	36,200	37,000	-800	36,646	-446	37,400	
		Kawasaki	Kawasaki Isago	2,950	3,100	-150	2,873	76	3,375
Sapporo		Musashi Kosugi STM	3,590	3,680	-90	3,946	-356	4,000	
		8-3 Square Kita	6,630	6,690	-60	7,021	-391	7,100	
Sendai		Jozenji Park	979	1,080	-101	1,003	-24	1,000	
		Sendai Honma	2,920	3,420	-500	2,799	120	3,174	
Kanazawa		Kanazawa Park	5,410	5,760	-350	4,188	1,221	4,580	
Nagoya		Nishiki Park	4,240	4,520	-280	4,850	-610	5,150	
		Hirokoji Sakae	1,510	1,610	-100	1,713	-203	1,680	
		Nagoya Hirokoji	14,000	14,600	-600	14,307	-307	14,533	
Kyoto		Nagoya Misono	1,210	1,320	-110	1,520	-310	1,865	
		Kyoto Kawaramachi	1,860	2,010	-150	2,775	-915	2,650	
Osaka		Shin-Fujita	18,200	20,100	-1,900	23,840	-5,640	24,000	
		Sakaisujihonmachi	4,120	4,390	-270	3,796	323	4,164	
		Midosuji Daiwa	15,200	16,300	-1,100	13,512	1,687	14,314	
Okayama		Lit City	4,810	5,160	-350	4,160	649	4,650	
Hiroshima		NHK Hiroshima	3,020	3,050	-30	2,597	422	2,770	
Fukuoka		Tosei Tenjin	1,320	1,320	0	1,357	-37	1,550	
		Tenjin Crystal	2,830	3,210	-380	4,534	-1,704	5,000	
		Hinode Tenjin	3,720	3,720	0	3,525	194	3,657	
Properties held as of the end of the 16th and 17th Periods, during which the shares of ownership remain unchanged		Tokyo 23 Wards	390,610	411,590	-20,980	359,004	31,605	378,754	
	Other Areas	141,529	150,030	-8,501	148,758	-7,229	154,865		
	Total (53 properties)	532,139	561,620	-29,481	507,763	24,375	533,619		

Properties acquired during the 17th Period

Tokyo 23 Wards	Minato	Shiodome	79,600	—	—	75,881	3,718	75,850
	Shinjuku	Tokyo Opera City	33,500	—	—	31,089	2,410	31,776

55 properties held as of the end of the 17th Period

Tokyo 23 Wards	503,710	—	—	465,975	37,734	486,380
Other Areas	141,529	—	—	148,758	-7,229	154,865
Total (55 properties)	645,239	—	—	614,734	30,504	641,245

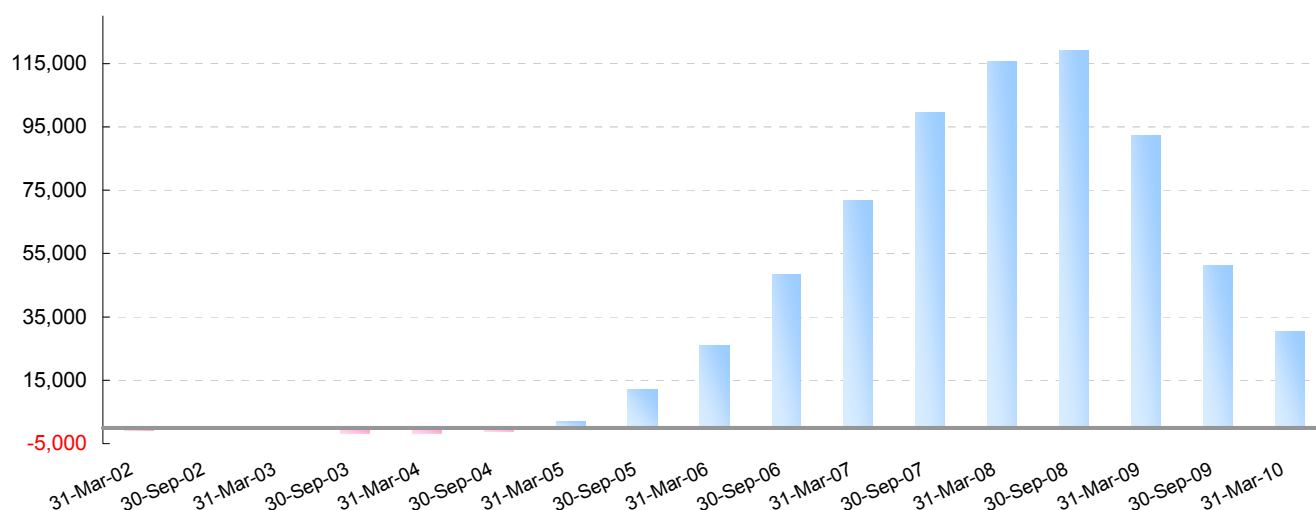
\* Of the properties held as of the end of the 16th Period, properties for which additional shares were acquired during the 17th Period are listed in "Properties acquired during the 17th Period" (The appraisal value of these two properties at the end of the 16th Period are not listed.).

\* The values pertaining to the Shiodome Building and the Tokyo Opera City Building under the "Properties acquired during the 17th Period" are the values after additional shares have been acquired.

\* The land and building adjacent to Ryoshin Ginza East Mirror Building are not included in the above list. The appraisal value of the land at the end of the 17th Period is ¥935 million.

## Trend of Unrealized Gain or Loss

(In millions of yen)



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

		1st Period 31-Mar-02	2nd Period 30-Sep-02	3rd Period 31-Mar-03	4th Period 30-Sep-03	5th Period 31-Mar-04	6th Period 30-Sep-04	7th Period 31-Mar-05	8th Period 30-Sep-05
Appraisal value at the end of period	A	144,940	165,251	184,704	191,271	217,150	238,961	293,342	339,029
Book value	B	145,580	165,088	184,304	193,058	219,032	240,134	291,350	327,005
Unrealized gain or loss	A-B=C	-640	162	399	-1,787	-1,882	-1,173	1,991	12,023
<Reference> Units outstanding	D	160,400 units	225,400 units	225,400 units	225,400 units	260,400 units	260,400 units	260,400 units	345,400 units
Unrealized gain or loss per unit	C/D=E	-3,990 yen	719 yen	1,774 yen	-7,930 yen	-7,229 yen	-4,505 yen	7,647 yen	34,811 yen
Net asset value per unit	F	521,591 yen	510,424 yen	512,026 yen	512,688 yen	527,077 yen	527,185 yen	528,299 yen	599,254 yen
Adjusted net asset value per unit	E+F=G	517,601 yen	511,143 yen	513,800 yen	504,758 yen	519,847 yen	522,680 yen	535,946 yen	634,065 yen
Unit price at the end of period	H	530,000 yen	511,000 yen	592,000 yen	648,000 yen	830,000 yen	875,000 yen	875,000 yen	915,000 yen
H/G		1.02 times	1.00 times	1.15 times	1.28 times	1.60 times	1.67 times	1.63 times	1.44 times

		9th Period 31-Mar-06	10th period 30-Sep-06	11th Period 31-Mar-07	12th Period 30-Sep-07	13th Period 31-Mar-08	14th Period 30-Sep-08	15th Period 31-Mar-09	16th Period 30-Sep-09	17th Period 31-Mar-10
Appraisal value at the end of period	A	439,799	467,001	498,741	531,100	619,160	644,700	636,770	591,920	645,239
Book value	B	413,708	418,607	427,013	431,463	503,376	525,503	544,245	540,709	614,734
Unrealized gain or loss	A-B=C	26,090	48,393	71,727	99,636	115,783	119,196	92,524	51,210	30,504
<Reference> Units outstanding	D	345,400 units	345,400 units	410,000 units	410,000 units	443,000 units	443,000 units	443,000 units	443,000 units	489,200 units
Unrealized gain or loss per unit	C/D=E	75,537 yen	140,107 yen	174,944 yen	243,015 yen	261,363 yen	269,067 yen	208,858 yen	115,598 yen	62,355 yen
Net asset value per unit	F	599,475 yen	600,605 yen	663,091 yen	664,071 yen	701,009 yen	690,858 yen	690,806 yen	690,984 yen	681,170 yen
Adjusted net asset value per unit	E+F=G	675,013 yen	740,713 yen	838,036 yen	907,086 yen	962,372 yen	959,925 yen	899,665 yen	806,582 yen	743,526 yen
Unit price at the end of period	H	1,020,000 yen	1,000,000 yen	1,560,000 yen	1,380,000 yen	1,160,000 yen	836,000 yen	756,000 yen	734,000 yen	797,000 yen
H/G		1.51 times	1.35 times	1.86 times	1.52 times	1.21 times	0.87 times	0.84 times	0.91 times	1.07 times

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

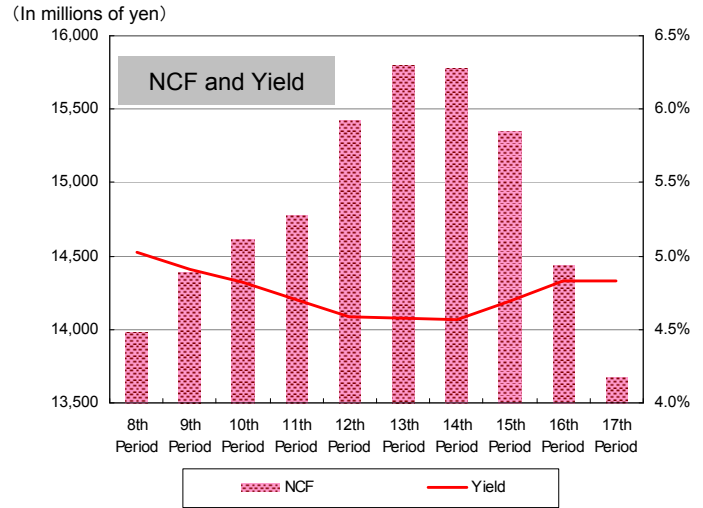
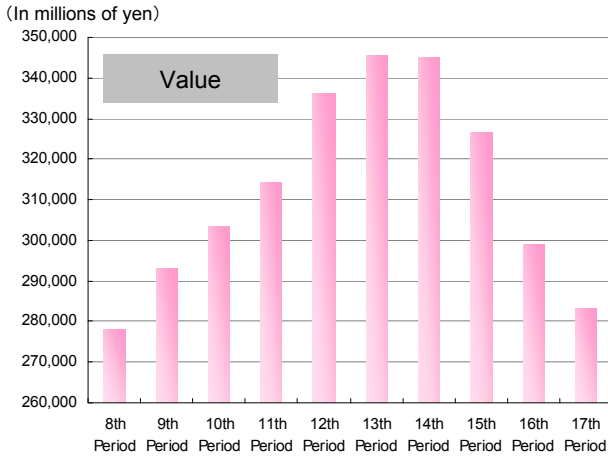
\* Appraisal values at the end of period are survey values determined by institutional appraisers for the 1st Period through 9th Period, or appraisal values determined by institutional appraisers for the 10th Period through 17th Period, at the end of each fiscal period.

# Historical Appraisal Value at the End of Period

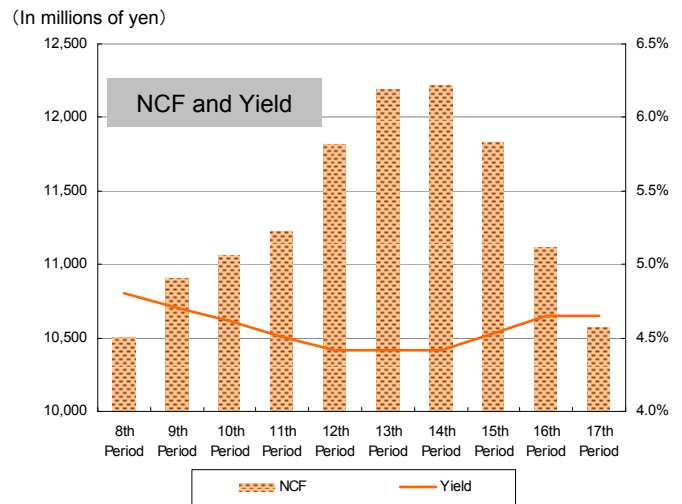
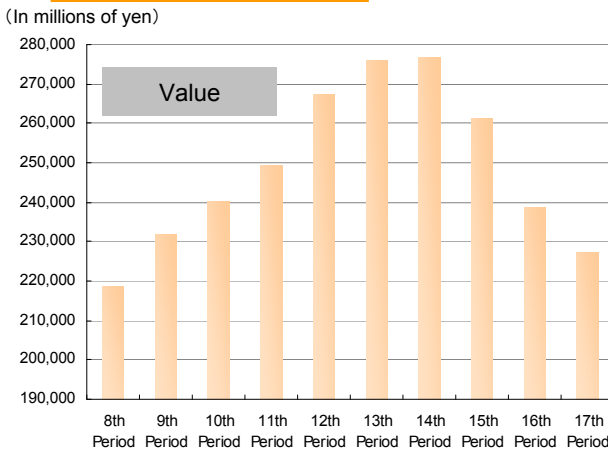


JRE's portfolio of 39 properties with constantly held shares of ownership in which no increase or decrease of shares was seen between the end of the 8th Period and the end of the 17th Period

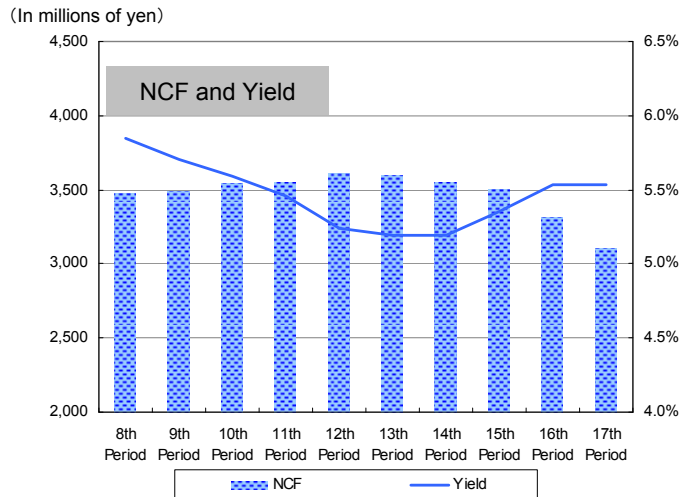
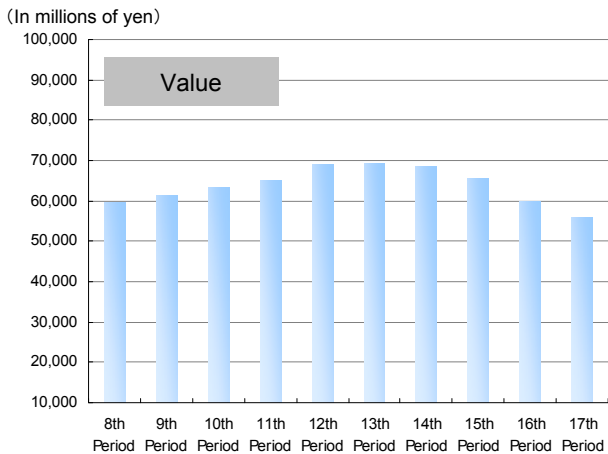
## Overall



## 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 (Investment 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
- Property-related revenues are scaled as 100 at the end of each period (starting point).

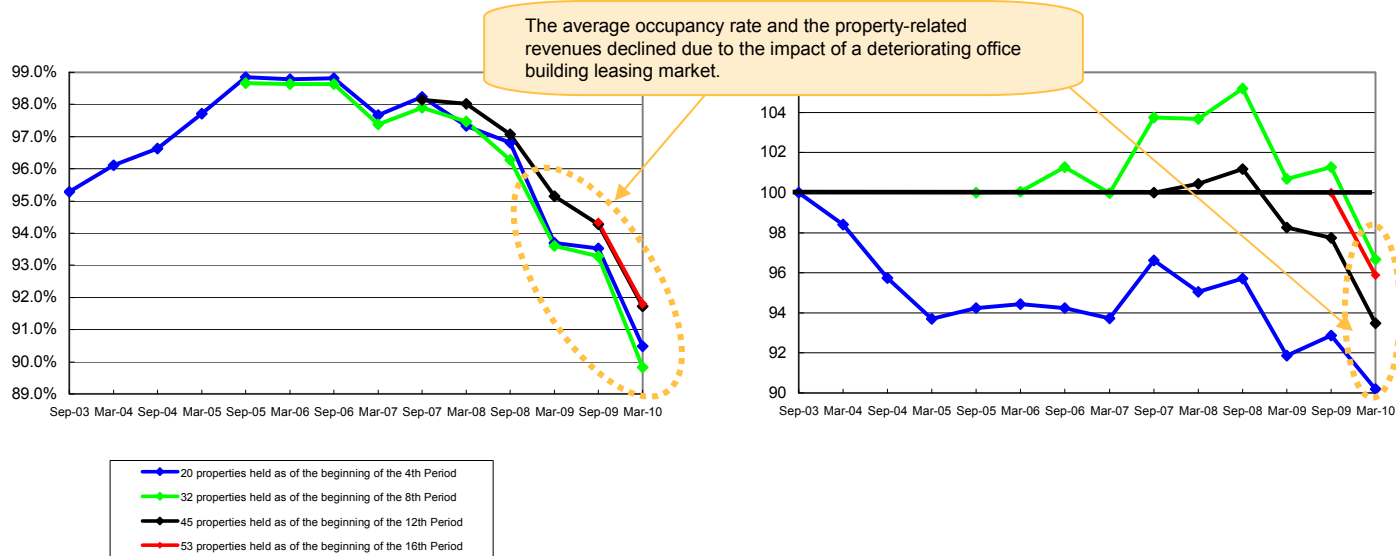
		4th Period Sep-03	5th Period Mar-04	6th Period Sep-04	7th Period Mar-05	8th Period Sep-05	9th Period Mar-06	10th Period Sep-06	11th Period Mar-07	12th Period Sep-07	13th Period Mar-08	14th Period Sep-08	15th Period Mar-09	16th Period Sep-09	17th Period Mar-10
20 properties held as of the beginning of the 4th Period Acquisition price: ¥130.6 billion	Property-related revenues	100.0	98.4	95.7	93.7	94.2	94.4	94.2	93.7	96.6	95.0	95.7	91.8	92.9	90.2
	Average occupancy rate during period	95.3%	96.1%	96.6%	97.7%	98.8%	98.8%	98.8%	97.7%	98.2%	97.3%	96.8%	93.7%	93.5%	90.5%
	NOI yield	6.33%	6.28%	5.87%	5.82%	5.97%	6.07%	6.04%	5.71%	6.24%	5.59%	6.16%	5.84%	4.93%	5.62%
32 properties held as of the beginning of the 8th Period Acquisition price: ¥205.6 billion	Property-related revenues					100.0	100.0	101.3	100.0	103.7	103.7	105.2	100.7	101.3	96.7
	Average occupancy rate during period					98.7%	98.6%	98.6%	97.4%	97.9%	97.5%	96.3%	93.6%	93.3%	89.8%
	NOI yield					5.88%	5.90%	5.97%	5.73%	6.07%	5.78%	6.34%	5.90%	5.42%	5.58%
45 properties held as of the beginning of the 12th Period Acquisition price: ¥381.1 billion	Property-related revenues									100.0	100.4	101.2	98.3	97.7	93.5
	Average occupancy rate during period									98.2%	98.0%	97.1%	95.2%	94.3%	91.7%
	NOI yield									5.52%	5.33%	5.66%	5.38%	5.07%	5.04%
55 properties held as of the beginning of the 16th Period Acquisition price: ¥533.6 billion	Property-related revenues													100.0	95.9
	Average occupancy rate during period													94.3%	91.8%
	NOI yield													4.92%	4.85%

20 properties (4th Period)  
32 properties (8th Period)  
45 properties (12th Period)  
53 properties (16th Period)

Excluding 6 properties already transferred and Sendai Honma, Sakaisujihonmachi, Kanazawa Park and Aoyama Crystal from 30 properties at the beginning of the 4th Period  
Excluding 6 properties already transferred and Sendai Honma, NHK Hiroshima, Sanno Grand, Jozenji Park, Harmony Tower, Ginza Sanwa, Rosyin Ginza EM, Hachioji First and Nibancho Garden from 47 properties at the beginning of the 8th Period  
Excluding 1 property already transferred and NHK Hiroshima, Hachioji First, Mitsubishi UFJ Trust and Tokyo Opera City from 50 properties at the beginning of the 12th Period  
Excluding Shiodome and Tokyo Opera City from 55 properties at the beginning of the 16th Period

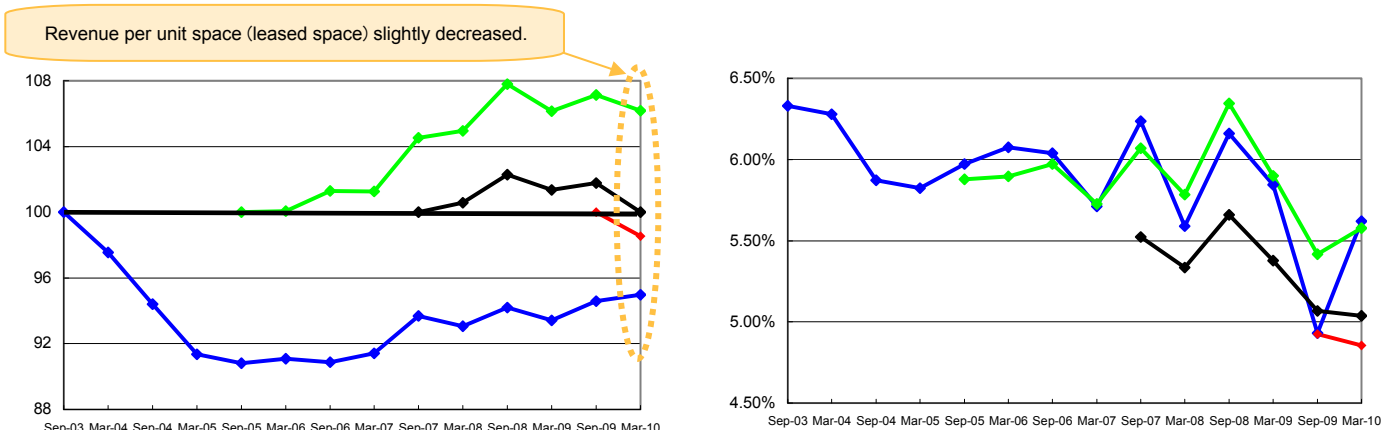
### Average Occupancy Rate of the Period

### Property-related Revenues



### Revenues / Average Occupancy Rate of the Period

### NOI Yield

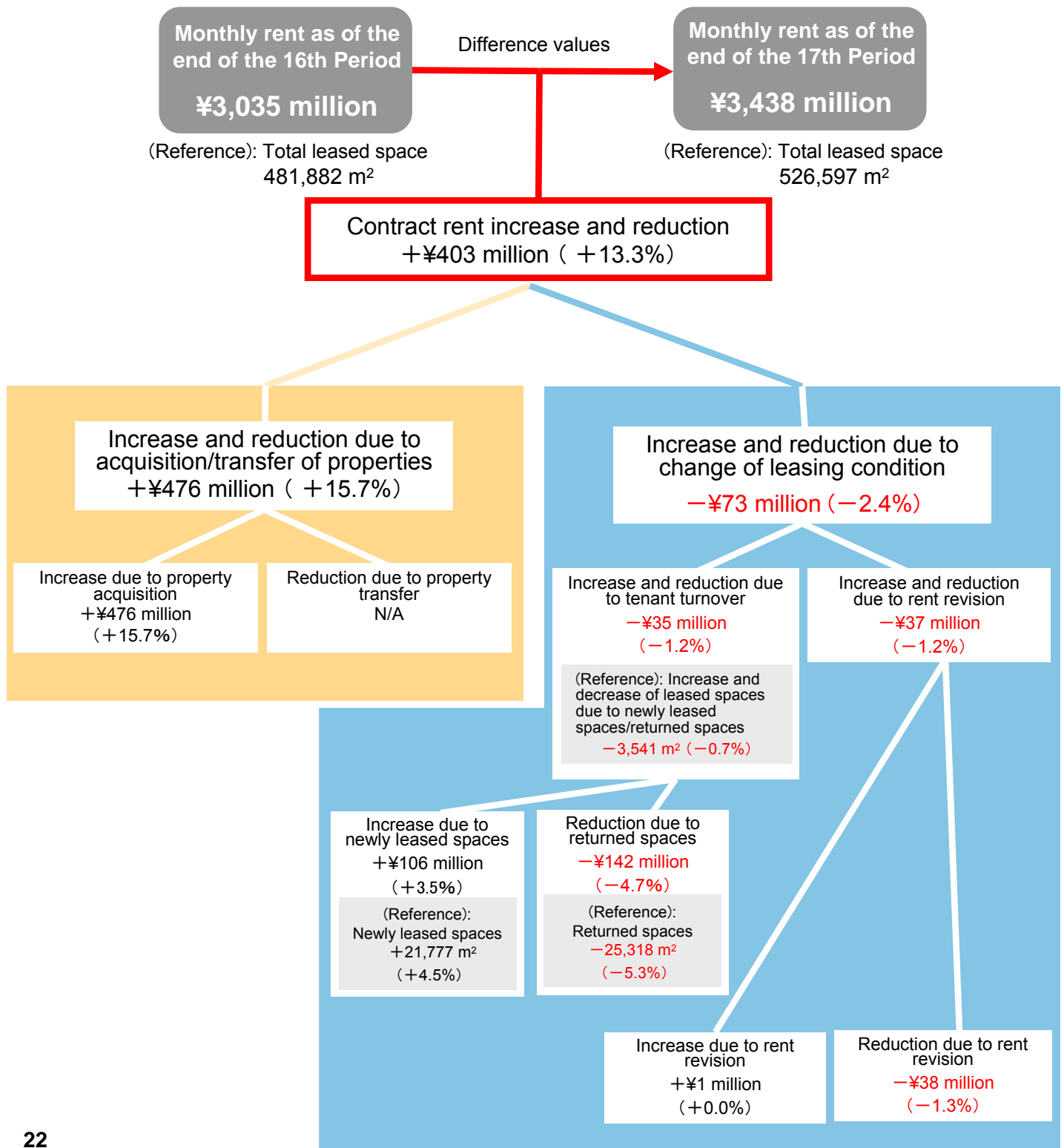


# Contract Rent Increase and Reduction



## Contract Rent Increase and Reduction (17th Period)

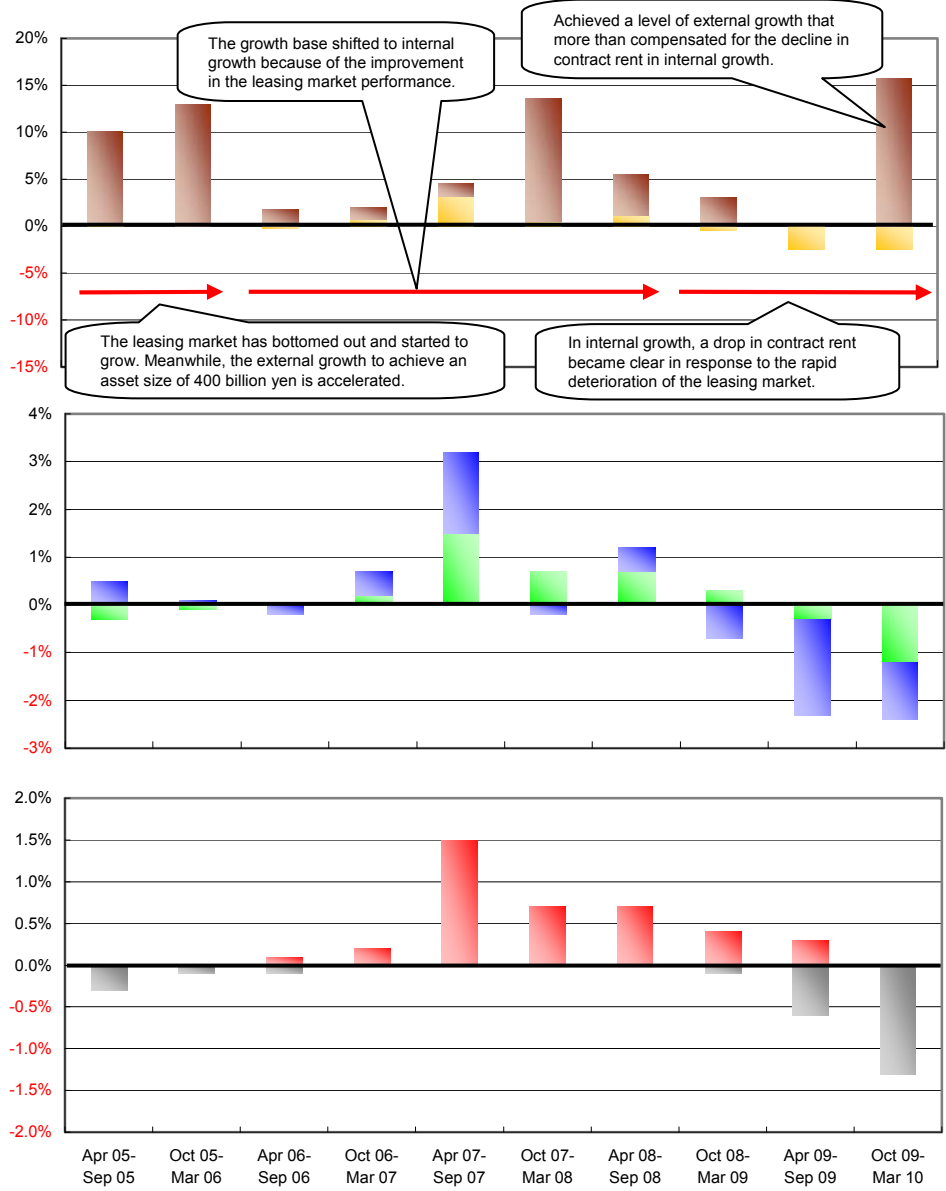
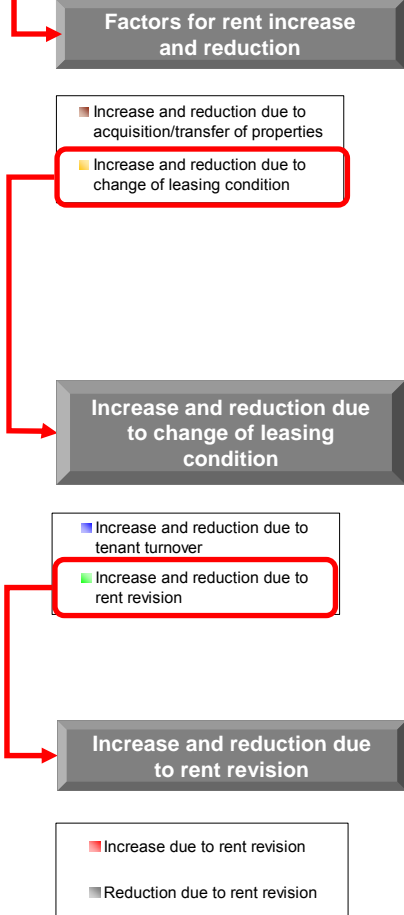
The contract rent increase and reduction is shown in comparison with that of the end of the previous period (prior six months). Data for residential portions are excluded. Percentages represent the rates of rent increase and reduction over monthly total portfolio contract rent (including common service charges) as of the end of the previous period.



# Contract Rent Increase and Reduction (Trend)

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 portions are excluded.

	8th Period Apr 05- Sep 05	9th Period Oct 05- Mar 06	10th Period Apr 06- Sep 06	11th Period Oct 06- Mar 07	12th Period Apr 07- Sep 07	13th Period Oct 07- Mar 08	14th Period Apr 08- Sep 08	15th Period Oct 08- Mar 09	16th Period Apr 09- Sep 09	17th Period Oct 09- Mar 10
Rate of rent increase and reduction over the end of the previous period ... I + II	10.1%	13.0%	1.5%	2.0%	4.6%	13.6%	5.5%	2.7%	-2.4%	13.3%
Increase and reduction due to acquisition/transfer of properties ... I (=①+②)	9.9%	13.0%	1.8%	1.3%	1.4%	13.1%	4.3%	3.1%	0.0%	15.7%
Increase due to property acquisition ...①	9.9%	13.0%	3.9%	8.2%	1.8%	13.1%	4.3%	3.1%	0.0%	15.7%
Reduction due to property transfer ...②	0.0%	0.0%	-2.1%	-7.0%	-0.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Increase and reduction due to change of leasing condition ... II (=③+④)	0.2%	0.0%	-0.3%	0.7%	3.2%	0.5%	1.2%	-0.4%	-2.4%	-2.4%
Increase and reduction due to tenant turnover ...③ (=a+b)	0.5%	0.1%	-0.2%	0.5%	1.7%	-0.2%	0.5%	-0.7%	-2.0%	-1.2%
Increase due to newly leased spaces ...a	3.1%	3.5%	3.5%	3.8%	5.7%	4.4%	4.0%	4.5%	2.6%	3.5%
Reduction due to returned spaces ...b	-2.6%	-3.4%	-3.7%	-3.3%	-4.1%	-4.5%	-3.5%	-5.2%	-4.6%	-4.7%
Increase and reduction due to rent revision ...④ (=c+d)	-0.3%	-0.1%	0.0%	0.2%	1.5%	0.7%	0.7%	0.3%	-0.3%	-1.2%
Increase due to rent revision ...c	0.0%	0.0%	0.1%	0.2%	1.5%	0.7%	0.7%	0.4%	0.3%	0.0%
Reduction due to rent revision ...d	-0.3%	-0.1%	-0.1%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.6%	-1.3%



## External Growth

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

- **Secure steady external growth by strengthening the collaboration with three sponsors**
  - Try to acquire properties by negotiated transactions mainly with three sponsors
  - Work to diversify the property acquisition processes
- **Continued efforts to strengthen portfolio quality**
  - Acquire relatively new, large-scale competitive properties that generate stable revenues
  - Weigh the external environment and our financial standing in acquiring properties
  - Consider possibilities for reshuffling of assets that could strengthen the portfolio quality on a medium- to long-term basis 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 a constructive leasing strategy to meet the characteristics of each building and changes in the market
- **Enhance rental incomes**
  - Continuous efforts to maintain rent levels
  - Ongoing efforts to carry out the property management cost reduction plan
- **Enhance the value of properties**
  - Conduct timely renovation work

## Growth of Dividends

When you ski under rough conditions, you need to have a wealth of experience, a high level of skill (capability) and basic strength. JRE has them all. JRE can steadily move forward under any sort of market because it has high quality skis and other essential gear such as sunscreen, which means that it is equipped with full provisions including financial health and a compliance structure. Yes, we have started to see a trace of sunshine in the sky ahead.

Of course, it is also important not to stretch yourself so much that you stumble!  
I am going to provide you with full support!



### Financial Strategy

#### Sustain and enhance financial soundness

- **Maintain conservative interest-bearing debt / total assets ratio and high credit ratings by strengthening the capital base**
  - Build and keep debtholders' trust
  - Acquire a low-cost, and long-term fund raising capability
  - Secure flexibility in fundraising by limiting the covenants or other restrictive terms of financing
- **Appropriate response to interest risk**
  - Maintain conservative interest-bearing debt / total assets ratio (cruising speed of 30-40% level)
  - Lengthen the term of interest-bearing debts and stabilize the interest rate

## MEMO

# **1. Details of the 17th Period**

# Income Statement for the 17th Period



(In millions of yen; Dividend per unit in yen)

Term	16th Period (Sep 30, 2009)		→ change →		17th Period (Mar 31, 2010)		← change ←		17th Period
	Actual/Forecast	Actual	(amount)	(%)	Actual	(amount)	(%)	Initial Forecast (*1)	
Operating Revenues		21,524	141	0.7%	21,665	25	0.1%	21,640	
Property-related Revenues		20,795	-36	-0.2%	20,758	8	0.0%	20,750	
Rental Revenues		20,682			20,635				
Non-rental Revenues		112			123				
Gain on Transfer of Development Rights of Floor Area		728	-728	-100.0%	-	-		-	
Gain on Transfer of Properties		-	885		885	5	0.6%	880	
Compensation for the Property Transfer		-	21		21	21		-	
Operating Expenses		11,469	-341	-3.0%	11,127	-292	-2.6%	11,420	
Property-related Expenses (*2)		6,845	-500	-7.3%	6,344	-345	-5.2%	6,690	
Property Management Expenses		2,240	123	5.5%	2,364				
Property Management Costs		2,179			2,300				
Brokerage Fees, etc.		60			64				
Utilities Expenses		1,552	-194	-12.5%	1,358				
Property and Other Taxes		1,770	0	0.0%	1,770				
Casualty Insurance		44	0	1.8%	45				
Repairing Expenses		1,119	-363	-32.5%	756				
Other Expenses		117	-67	-57.7%	49				
NOI (*3)		13,950	463	3.3%	14,414	354	2.5%	14,060	
Depreciation		3,801	144	3.8%	3,945	55	1.4%	3,890	
Property-related Profits and Losses (*3)		10,149	319	3.1%	10,468	298	2.9%	10,170	
Gross Operating Income		10,878	497	4.6%	11,375	325	2.9%	11,050	
Administrative Expenses		823	14	1.7%	837	-2	-0.3%	840	
Asset Management Fees		540	-11	-2.1%	529	-10	-2.0%	540	
Other Administrative Expenses		282			307				
Operating Income		10,054	483	4.8%	10,538	328	3.2%	10,210	
Non-operating Revenues		24			19				
Interest Income		24			19				
Other Non-operating Revenues		0			0				
Non-operating Expenses		1,574			1,681				
Interest Expense		1,139	57	5.0%	1,196			1,650	
Interest Expense on Investment Corporation Bonds		402	1	0.4%	403	-49	-3.0%		
Amortization of Investment Corporation Bond Issuance Costs		10			10				
Other Non-operating Expenses		21			70				
Ordinary Income		8,505	370	4.4%	8,876	406	4.8%	8,470	
Income before Income Taxes		8,505			8,876				
Income Taxes		0			0				
Net Income		8,504	370	4.4%	8,875	405	4.8%	8,470	
Retained Earnings at Period-end		8,504			8,875				

FFO (*4)	11,577	337	2.9%	11,914			
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Dividend per Unit	19,198	-1,155	-6.0%	18,043	723	4.2%	17,320
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\*1 The initial forecast means the 17th Period performance forecast announced on November 18, 2009.

\*2 Excluding Depreciation

\*3 Excluding Gain on transfer of development rights of floor area, Gain on transfer of properties and Compensation for the property transfer

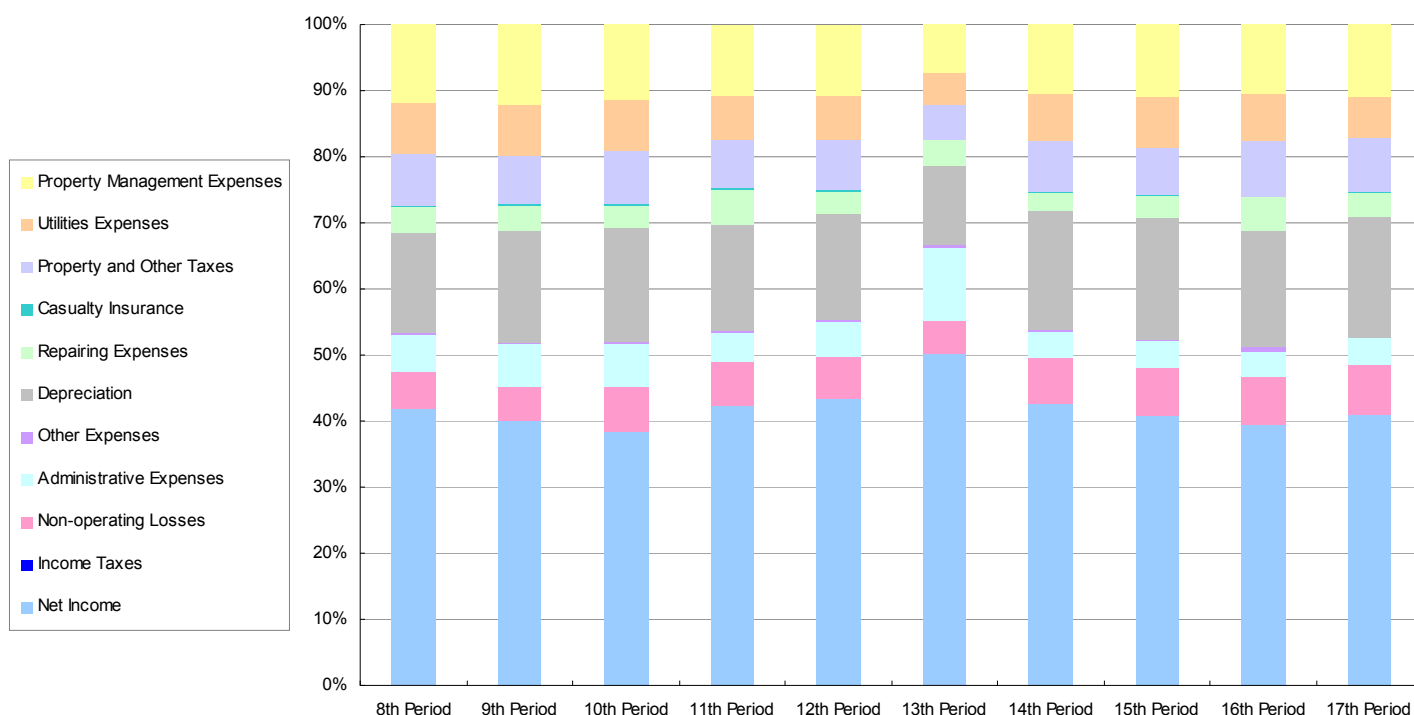
\*4 Net income + Depreciation – Gain on transfer of development rights of floor area – Gain on transfer of properties – Compensation for the property transfer



### <Percentage of Operating Revenues>

	8th Period 30-Sep-05	9th Period 31-Mar-06	10th Period 30-Sep-06	11th Period 31-Mar-07	12th Period 30-Sep-07	13th Period 31-Mar-08	14th Period 30-Sep-08	15th Period 31-Mar-09	16th Period 30-Sep-09	17th Period 31-Mar-10
Operating Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Property Management Expenses	11.9%	12.1%	11.3%	10.7%	10.7%	7.5%	10.4%	10.9%	10.4%	10.9%
Utilities Expenses	7.7%	7.7%	7.7%	6.7%	6.7%	4.7%	7.3%	7.6%	7.2%	6.3%
Property and Other Taxes	7.9%	7.4%	8.2%	7.3%	7.7%	5.2%	7.6%	7.3%	8.2%	8.2%
Casualty Insurance	0.3%	0.3%	0.2%	0.2%	0.2%	0.1%	0.2%	0.2%	0.2%	0.2%
Repairing Expenses	3.6%	3.8%	3.3%	5.4%	3.3%	3.8%	2.6%	3.3%	5.2%	3.5%
Depreciation	15.4%	16.9%	17.2%	16.0%	16.2%	11.9%	18.0%	18.3%	17.7%	18.2%
Other Expenses	0.2%	0.2%	0.3%	0.3%	0.2%	0.4%	0.3%	0.4%	0.5%	0.2%
Administrative Expenses	5.6%	6.4%	6.5%	4.3%	5.1%	11.1%	4.1%	4.0%	3.8%	3.9%
Non-operating Losses	5.5%	5.2%	6.8%	6.6%	6.6%	4.9%	6.9%	7.4%	7.2%	7.7%
Income Taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Income	42.0%	40.0%	38.4%	42.4%	43.3%	50.3%	42.7%	40.7%	39.5%	41.0%

\*In Operating revenues, Gain on transfer of properties is included from the 10th Period to the 12th Period, Dividends earned are included in the 13th Period, Gain on transfer of development rights of floor area is included in the 16th Period, and Gain on transfer of properties and Compensation for the property transfer are included in the 17th Period.



# Balance Sheet for the 17th Period



(In millions of yen)

Item	16th Period (Sep 30, 2009)	17th Period (Mar 31, 2010)	Change	Reason for change
<b>Assets</b>				
<b>I Current Assets</b>				
Cash and Bank Deposits	21,420	18,753	-2,666	
Other Current Assets	294	1,153	859	
<b>Total Current Assets</b>	<b>21,714</b>	<b>19,907</b>	<b>-1,807</b>	
<b>II Fixed Assets</b>				
<b>Property and Equipment</b>				
Buildings (including those held in trust)	199,010	220,655	21,644	} Increased due to capital expenditure and the property acquisition
Structures (including those held in trust)	2,275	2,458	183	
Machinery and Equipment (including that held in trust)	2,939	3,132	193	
Land (including that held in trust)	369,693	423,030	53,336	
Accumulated Depreciation	-34,747	-38,693	-3,945	
<b>Total Property and Equipment</b>	<b>539,171</b>	<b>610,583</b>	<b>71,412</b>	
<b>Intangible Assets</b>				
Leasehold rights, etc. (including those held in trust)	3,519	6,134	2,614	Increased due to the property acquisition
<b>Total Intangible Assets</b>	<b>3,519</b>	<b>6,134</b>	<b>2,614</b>	
<b>Investments and Other Assets</b>				
Investment Securities	2	577	574	
Long-term Prepaid Expenses, etc.	38	53	14	
<b>Total Investments and Other Assets</b>	<b>41</b>	<b>630</b>	<b>588</b>	
<b>Total Fixed Assets</b>	<b>542,732</b>	<b>617,348</b>	<b>74,615</b>	
<b>III Deferred Assets</b>				
Deferred Investment Corporation Bond Issuance Costs	81	70	-10	
<b>Total Deferred Assets</b>	<b>81</b>	<b>70</b>	<b>-10</b>	
<b>Total Assets</b>	<b>564,528</b>	<b>637,326</b>	<b>72,797</b>	

(In millions of yen)

Item	16th Period (Sep 30, 2009)	17th Period (Mar 31, 2010)	Change	Reason for change
<b>Liabilities</b>				
<b>I Current Liabilities</b>				
Short-term Loans	48,000	39,000	-9,000	Decreased due to loan repayment by net proceeds from issuance of new units, etc.
Current Portion of Long-term Loans	18,000	9,100	-8,900	Decreased due to the refinancing to long-term loans, etc.
Current Portion of Investment Corporation Bonds	10,000	10,000	-	
Rent Received in Advance	2,261	2,393	131	
Other Current Liabilities	2,539	2,685	146	
<b>Total Current Liabilities</b>	<b>80,801</b>	<b>63,179</b>	<b>-17,621</b>	
<b>II Long-term Liabilities</b>				
Investment Corporation Bonds	35,000	35,000	-	
Long-term Loans	109,500	169,400	59,900	Increased due to new borrowings for property acquisition and refinancing from short-term loans, etc.
Deposits Received from Tenants	33,121	36,517	3,396	
<b>Total Long-term Liabilities</b>	<b>177,621</b>	<b>240,917</b>	<b>63,296</b>	
<b>Total Liabilities</b>	<b>258,422</b>	<b>304,097</b>	<b>45,674</b>	
<b>Net Assets</b>				
Unitholders' Capital	297,601	324,353	26,751	Increased due to issuance of new units
Retained Earnings	8,504	8,875	370	
<b>Total Net Assets</b>	<b>306,106</b>	<b>333,228</b>	<b>27,122</b>	
<b>Total Liabilities and Net Assets</b>	<b>564,528</b>	<b>637,326</b>	<b>72,797</b>	

# Cash Flow and Dividend Statement for the 17th Period



## Cash Flow Statement

(In millions of yen)

Item	17th Period (182 days)
Cash Flow from Operating Activities	12,666
Income before income taxes	8,876
Depreciation	3,945
Other	-155
Cash Flow from Investing Activities	-69,033
Cash Flow from Financial Activities	60,200
Proceeds from short-term loans	29,500
Repayment of short-term loans	-38,500
Proceeds from long-term loans	63,000
Repayment of long-term loans	-12,000
Proceeds from investment corporation bonds	0
Payments of investment corporation bond redemption	0
Payments of investment corporation bond issuance costs	0
Proceeds from issuance of units	26,751
Payment of new unit issuance costs	-50
Dividends to unitholders	-8,500
Net Change in Cash and Cash Equivalents	3,833
Cash and Cash Equivalents at Beginning of Period	14,920
Cash and Cash Equivalents at End of Period	18,753

## Dividend Statement

(In yen)

Item	17th Period (182 days)
Retained Earnings at End of Period	8,875,704,097
Total Amount of Dividends	8,826,635,600
Retained Earnings	49,068,497

Dividend per unit: **18,043 yen** (16th Period: 19,198 yen)

- In the 17th Period, the transfer gain generated from the land condemnation of part of the Jingumae Media Square Building site is applicable for special tax deduction associated with land condemnation as prescribed under Article 65-2 of the Special Taxation Measures Law of Japan. Accordingly, JRE has decided to apportion a certain amount of the unappropriated retained earnings at the end of the period to internal reserves within the limit of this special deduction (¥50 million) and to the extent which does not incur additional taxes such as corporate income tax or any related additional burden to our unitholders.
- Based on the above policy, JRE will pay dividends in the amount of ¥8,826,635,600, which is the maximum integral multiple of 489,200—the number of units outstanding, within the amount of unappropriated retained earnings at the end of the period after deducting an amount for the internal reserves.

# Financial Ratios



Period	13th Period Ended Mar 31, 2008 183days	14th Period Ended Sep 30, 2008 183days	15th Period Ended Mar 31, 2009 182days	16th Period Ended Sep 30, 2009 183days	17th Period Ended Mar 31, 2010 182days
Return on Assets (ROA) (annualized)	2.6% 5.3%	1.6% 3.1%	1.5% 3.1%	1.5% 3.0%	1.5% 3.0%
Return on Equity (ROE) (annualized)	4.7% 9.3%	2.7% 5.5%	2.8% 5.5%	2.8% 5.5%	2.7% 5.5%
EOP Equity Ratio	58.9%	56.4%	54.2%	54.2%	52.3%
LTV (1)	33.6%	36.7%	39.0%	39.1%	41.2%
LTV (2)	37.4%	40.1%	42.6%	42.6%	44.7%
LTV (3)	34.2%	36.7%	39.1%	39.1%	40.9%
LTV (4)	28.7%	30.9%	34.6%	37.3%	40.7%
EOP Long-term Debt to Capitalization	108.2%	106.5%	111.1%	114.2%	109.2%
Debt Service Coverage Ratio (DSCR)	14.2 times	9.7 times	8.9 times	9.0 times	9.0 times
NOI (In millions of yen)	12,197	14,173	14,575	13,950	14,414
FFO (In millions of yen)	8,078	12,009	12,213	11,577	11,914

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

Average of total assets during the period is calculated as the average values of total assets at the beginning and end of the period.

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

Average of net assets during the period is calculated as the average values of net assets at the beginning and end of the period.

However, if the new units are issued during the period, the average is calculated taking into account the number of operating days during the period.

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

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

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

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

\* LTV (4) = EOP interest-bearing debt / EOP total property appraisal values determined by institutional appraisers  
(excluding the appraisal value of the land adjacent to Ryoshin Ginza East Mirror Building)

\* EOP long-term debt to capitalization = EOP fixed assets / (EOP long-term liabilities + EOP unitholders' capital)

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

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

\* FFO = Net income + Depreciation – Gain on transfer of properties – Dividends earned – Gain on transfer of development rights of floor area  
– Compensation for the property transfer

## MEMO

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

# Property Data (Photos and Location)




As of March 31, 2010

## 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</b>	<b>7 Burex Kojimachi</b>	<b>8 Sanno Grand</b>	<b>9 Yurakucho Denki</b>	<b>10 Kodenmacho</b>	
					
<b>11 Burex Kyobashi</b>	<b>12 Ginza Sanwa</b>	<b>13 Ryoshin Ginza EM</b>	<b>14 Harumi Center</b>	<b>15 Aoyama Crystal</b>	<b>16 Shiodome</b>
					
<b>17 Shiba 2Chome Daimon</b>	<b>18 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 MS</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



2 Saitama Urawa



3 MM Park



4 Kawasaki Isago



5 Musashi Kosugi STM



6 8+3 Square Kita



7 Jozenji Park



8 Sendai Honma



9 Kanazawa Park



10 Nishiki Park



11 Hirokoji Sakae



12 Nagoya Hirokoji



13 Nagoya Misono



14 Kyoto Kawaramachi



15 Shin-Fujita



16 Sakaisuji-honmachi



17 Midotsuji Daiwa



18 Lit City



19 NHK Hiroshima



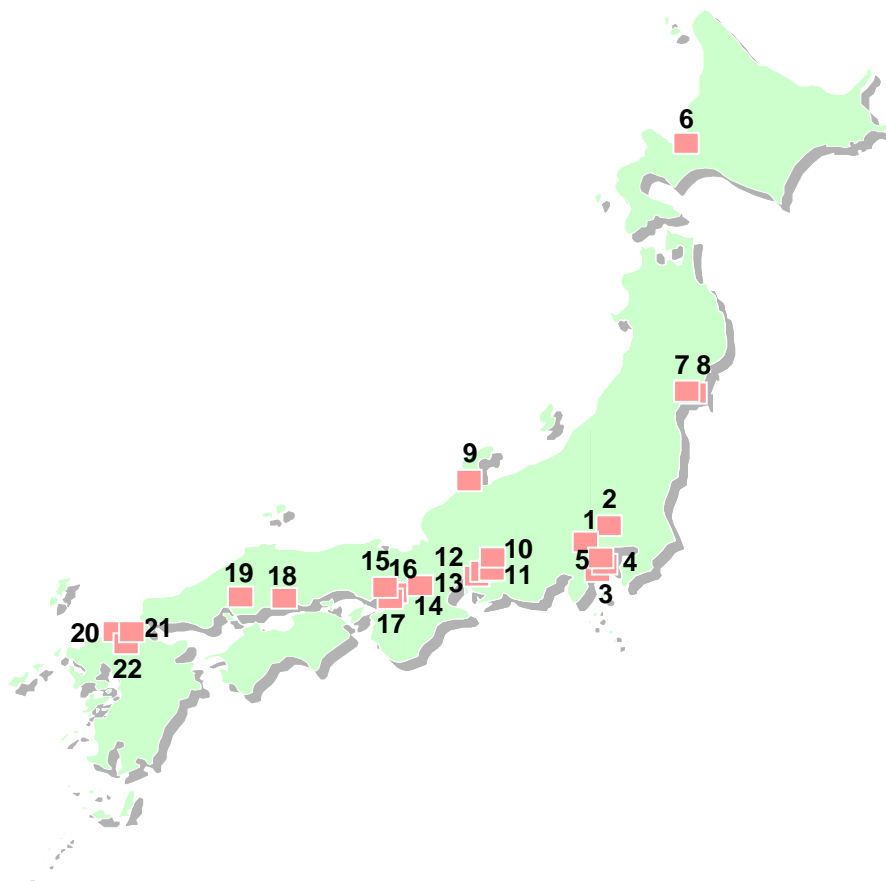
20 Tosei Tenjin



21 Tenjin Crystal



22 Hinode Tenjin

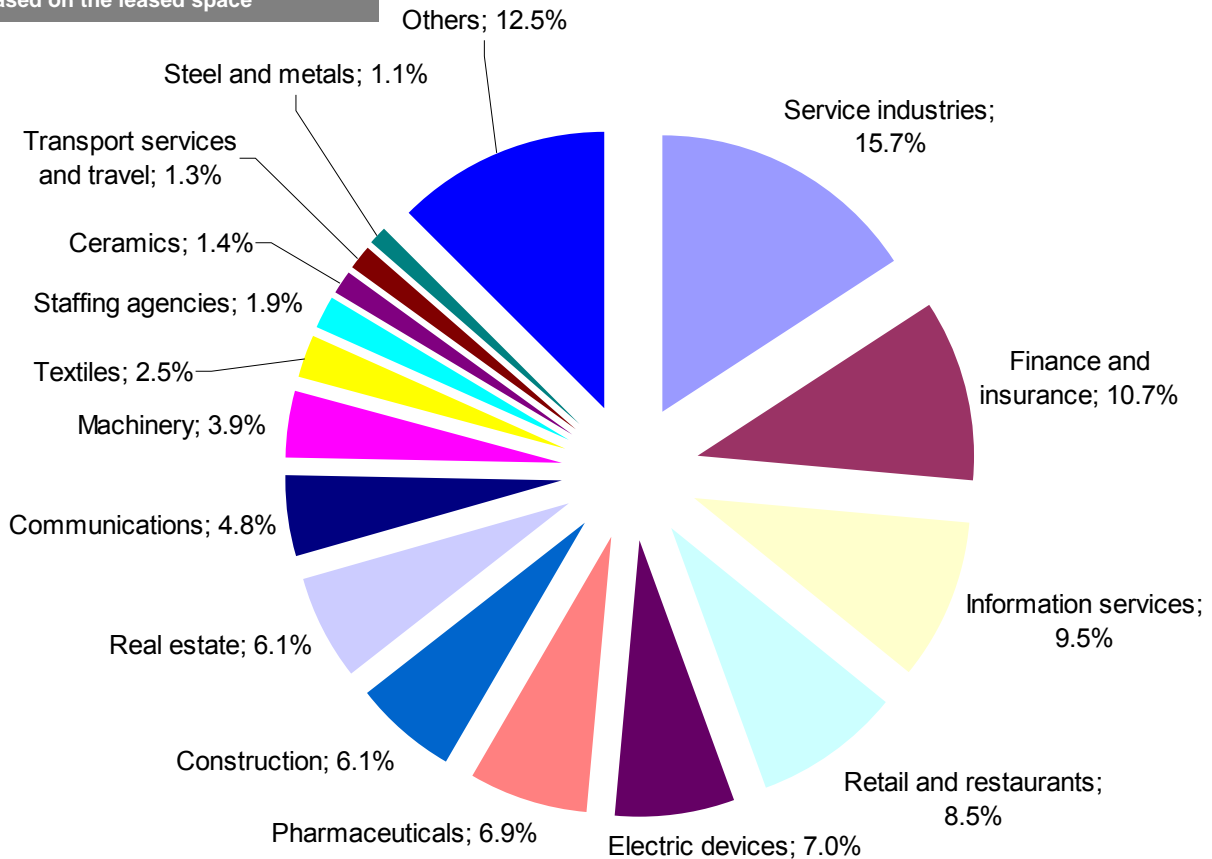


# Tenant Data ① (Diversification)



## Tenant Diversification

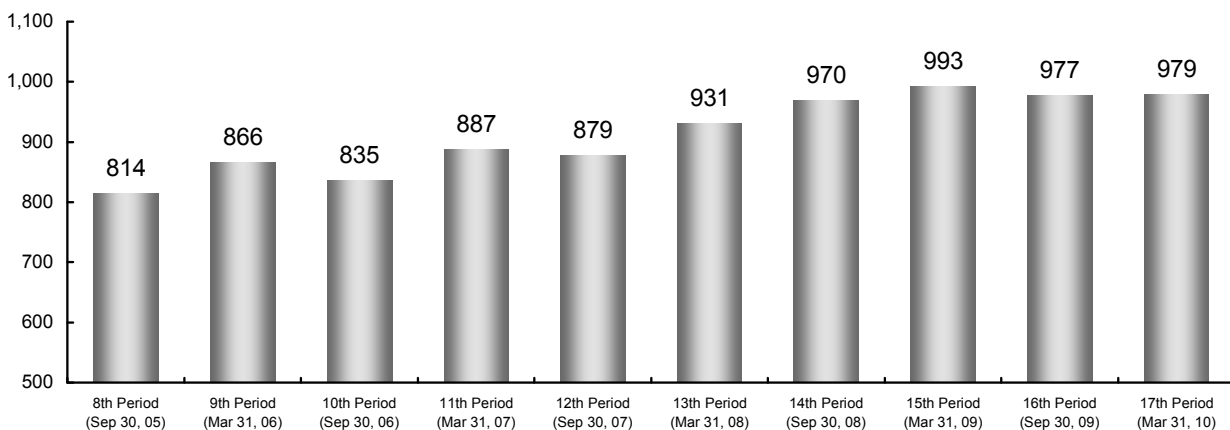
55 properties as of March 31, 2010  
Based on the leased space



## Number of Tenants

Gross number of tenants

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



# Tenant Data ② (Major Tenants)



## Major Tenants (Top 10)

55 properties as of March 31, 2010

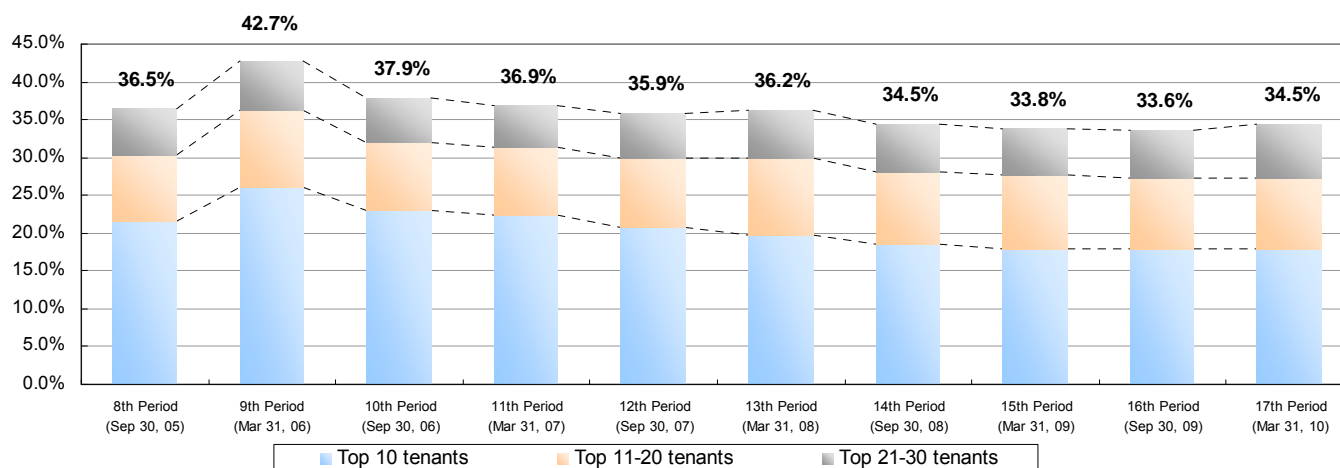
17th Period-end					16th Period-end		Leased Space Change (m <sup>2</sup> )
Rank	Tenant	Property	Leased Space (m <sup>2</sup> )	% of Total Leased Space	Rank	Leased Space (m <sup>2</sup> )	
1	Banyu Pharmaceutical Co., Ltd.	Kitanomaru Square (also includes 1 other building)	17,014	3.2%	1	17,014	0
2	NTT Communications Corporation	Shiodome Building	11,813	2.2%	26	2,953	8,859
3	Mitsubishi UFJ Trust and Banking Corporation	Mitsubishi UFJ Trust and Banking Building	10,665	2.0%	2	10,665	0
4	Seven & i Holdings Co., Ltd.	Nibancho Garden	9,316	1.8%	3	9,316	0
5	Space Design, Inc.	Burex Kojimachi Building (also includes 1 other building)	8,774	1.7%	4	8,774	0
6	FAST RETAILING CO., LTD. (Note 1)	Kitanomaru Square	8,476	1.6%	5	8,476	0
7	JSOL Corporation	Harumi Center Building	7,634	1.4%	6	7,634	0
8	(Note 2)	MM Park Building (also includes 1 other building)	7,027	1.3%	7	6,936	90
9	TOTO LTD.	Midosuji Daiwa Building (also includes 1 other building)	6,906	1.3%	8	6,906	0
10	Sanofi-aventis K.K.	Tokyo Opera City Building (also includes 2 other buildings)	6,243	1.2%	46	1,895	4,348
11	Company A		5,935	1.1%	69	1,483	4,451
12	Company B		5,560	1.1%	9	5,560	0
13	Company C		5,435	1.0%	10	5,470	-34
14	Company D		5,246	1.0%	11	5,246	0
15	Company E		5,080	1.0%	16	4,356	724

(Note 1) The lease agreement with FAST RETAILING CO., LTD. was terminated as of March 31, 2010.

(Note 2) Not disclosed due to the tenant's request

## Percentage of Major Tenants

55 properties as of March 31, 2010 Based on the leased space



# Tenant Data ③ (Trend in New Rent [Market Rent] Levels)



- ◆ With regard to the new rent data assessed by CB Richard Ellis Research Institute K.K. (CBRE),\* the trend shows the price as of December 31, 2009 set at 100.
- ◆ The assessment was made for 50 properties. 5 properties in unusual situations, including single-tenant leased properties, are excluded from the 55 properties held in total as of March 31, 2010.

\*JRE requests CBRE to assess the new rent levels (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 : Index) at time of survey															
		'03/06	'03/12	'04/06	'04/12	'05/06	'05/12	'06/06	'06/12	'07/06	'07/12	'08/06	'08/12	'09/06	'09/12		
Tokyo 23 Wards	Chiyoda	Genki Medical Plaza															
		Kitanomaru Square												106	100		
		MD Kanda	117	117	117	121	126	126	145	145	158	163	147	132	111	100	
		Kandabashi Park	103	103	103	109	114	116	144	144	158	158	149	130	112	100	
		Nibancho Garden															
		Mitsubishi UFJ Trust															
		Burex Kojimachi															
		Sanno Grand				102	108	123	142	146	154	154	148	129	108	100	
	Yurakucho Denki		96	96	107	115	126	144	152	170	170	163	135	107	100		
	Chuo	Kodenmacho	88	88	88	91	97	97	103	103	130	139	133	124	112	100	
		Burex Kyobashi															
		Ginza Sanwa					118	126	132	138	148	148	146	114	100	100	
		Ryoshin Ginza EM					128	128	133	141	149	149	141	131	113	100	
	Minato	Aoyama Crystal	111	109	107	113	124	135	137	148	154	154	150	135	111	100	
		Shiodome													111	100	
		Shiba 2Chome Daimon	100	100	100	112	124	126	132	135	141	144	144	135	118	100	
		Cosmo Kanasugibashi	100	100	100	106	116	123	129	135	142	148	148	129	106	100	
	Shinjuku	Shinwa				105	111	116	137	147	153	153	153	132	105	100	
		Tokyo Opera City							131	144	150	154	150	127	104	100	
	Shinagawa	Takanawadai	112	112	104	112	116	116	124	124	128	132	132	128	124	100	
		Higashi-Gotanda 1Chome			109	121	121	124	124	129	135	135	135	124	112	100	
	Ota	Omori-Eki Higashiguchi	114	110	110	110	110	110	110	121	128	134	134	117	114	100	
		Nippon Brunswick			105	105	105	111	114	132	132	132	132	130	103	100	
	Shibuya	Yoyogi 1Chome					116	129	142	147	150	153	153	132	105	100	
		da Vinci Harajuku	127	122	122	122	122	138	138	138	138	138	138	132	108	100	
		Jingumae MS		110	107	107	110	131	138	148	148	152	148	138	107	100	
		Shibuya Cross Tower	109	109	109	123	130	148	170	170	175	175	164	143	105	100	
		Ebisu Neonato		107	109	120	129	144	156	162	169	169	160	133	102	100	
	Nakano	Harmony Tower					119	124	130	141	146	146	146	135	114	100	
		Otsuka Higashi-Ikebukuro	96	96	88	88	88	88	88	92	108	108	112	112	108	100	
Ikebukuro 2Chome		98	98	98	98	100	100	104	104	112	112	112	112	108	100		
Other Areas	Hachioji	Ikebukuro YS				100	106	113	123	129	132	132	126	106	100		
		Hachioji First					114	114	114	114	114	118	118	114	105	100	
	Saitama	Saitama Urawa	105	105	90	90	110	110	119	124	129	129	119	100	100		
		MM Park											136	132	114	100	
	Kawasaki	Kawasaki Isago	113	109	109	109	109	109	109	109	113	113	113	109	100	100	
		Musashi Kosugi STM												114	107	100	
	Sapporo	8-3 Square Kita									100	104	104	104	100	100	
	Sendai	Jozenji Park				115	118	125	125	125	128	128	128	113	105	100	
		Sendai Honma	125	120	115	115	118	125	125	125	128	128	128	115	105	100	
	Kanazawa	Kanazawa Park	119	114	114	114	114	112	126	126	126	126	124	114	105	100	
	Nagoya	Nishiki Park									121	121	121	117	114	107	100
		Hirokoji Sakae									108	104	104	104	104	104	100
		Nagoya Hirokoji	103	103	103	103	103	110	110	110	110	110	110	107	103	100	
	Kyoto	Nagoya Misono		106	106	106	106	113	108	108	108	108	108	104	104	100	
		Kyoto Kawaramachi	115	103	103	103	103	103	109	115	121	121	115	103	103	100	
Osaka	Shin-Fujita													118	114	100	
	Sakaisujihonmachi	124	119	105	105	110	119	129	138	138	138	133	124	110	100		
Okayama	Midosuji Daiwa	128	112	108	108	116	124	148	148	152	152	148	132	108	100		
	Lit City								108	108	108	108	108	104	104	100	
Hiroshima	NHK Hiroshima			93	93	93	96	107	107	107	111	111	111	104	100		
Fukuoka	Tosei Tenjin	117	111	106	106	106	106	111	111	117	117	117	117	106	100		
	Tenjin Crystal					137	137	142	142	142	142	142	137	121	111	100	
	Hinode Tenjin	127	109	100	100	100	105	114	114	114	114	114	114	105	100		

Assessed rent increased compared to the preceding assessment  
 Assessed rent decreased compared to the preceding assessment  
 (blank) No ownership, or properties without rent assessment

# Tenant Data ④ (Comparison of Portfolio Rent vs Market Rent)

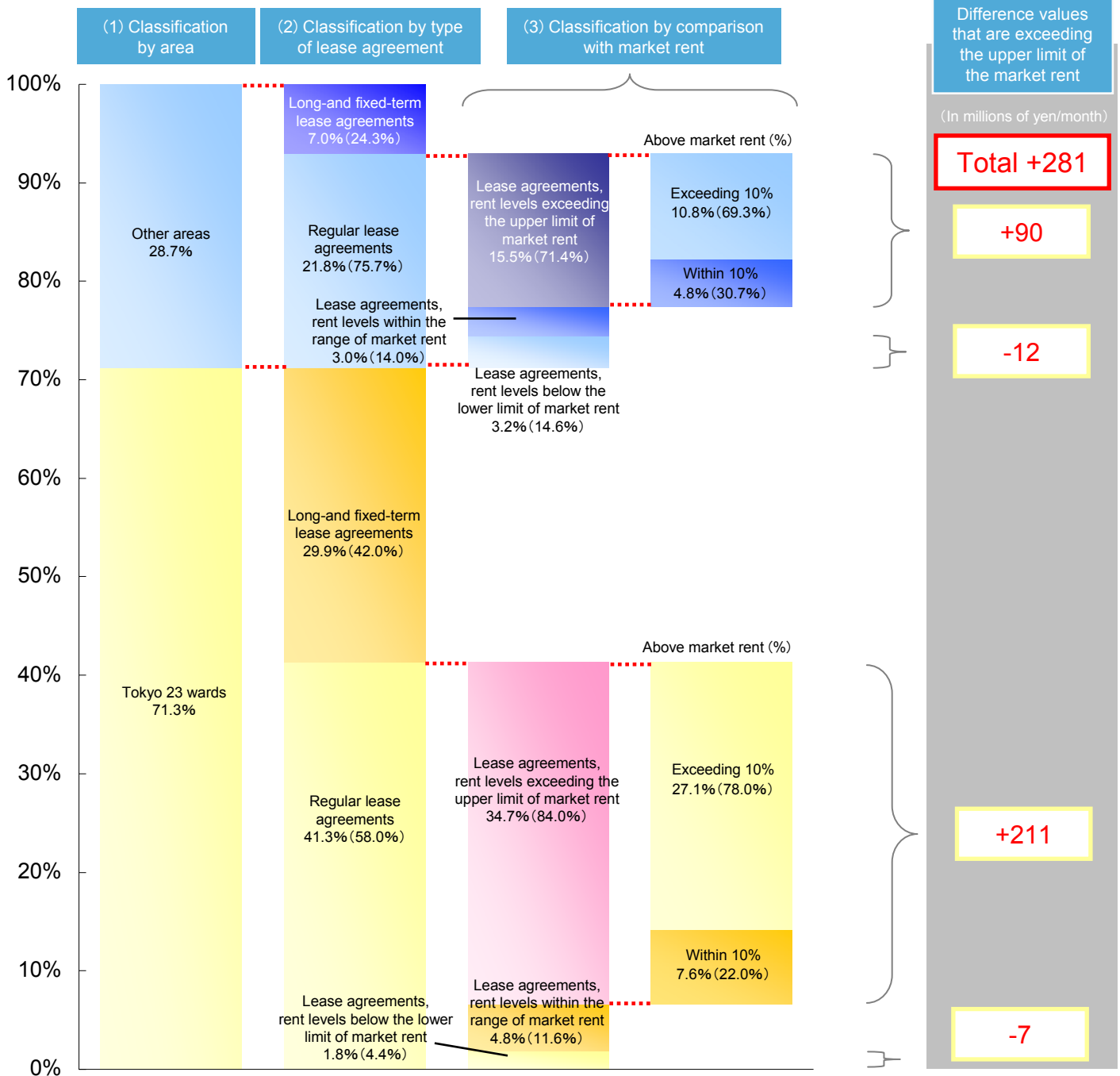


## Classification of Lease Agreements

(Percentages represent the share of the entire portfolio. The numbers in parenthesis show the percentage of the share classified in the previous step.)

55 properties held as of March 31, 2010. The data is calculated on a **monthly rent** basis including common service charges.

Monthly rent in the entire portfolio, including common service charges  
**¥3,438 million**



\*Long- and fixed-term lease agreements are contracts in which revenues are promised for a period of one year or longer from the end of the 17th Period.

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

\*Lease agreements, rent levels within the range of market rent are contracts in which the rent level falls in the range of the upper and lower limits of the CBRE 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 ⑤ (Tenant Turnover)

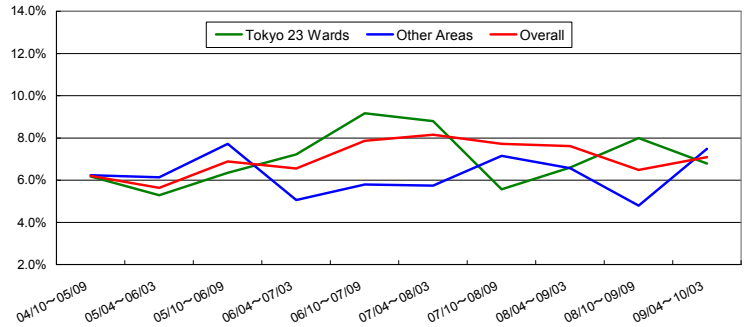


## Ratio of Annual Turnover

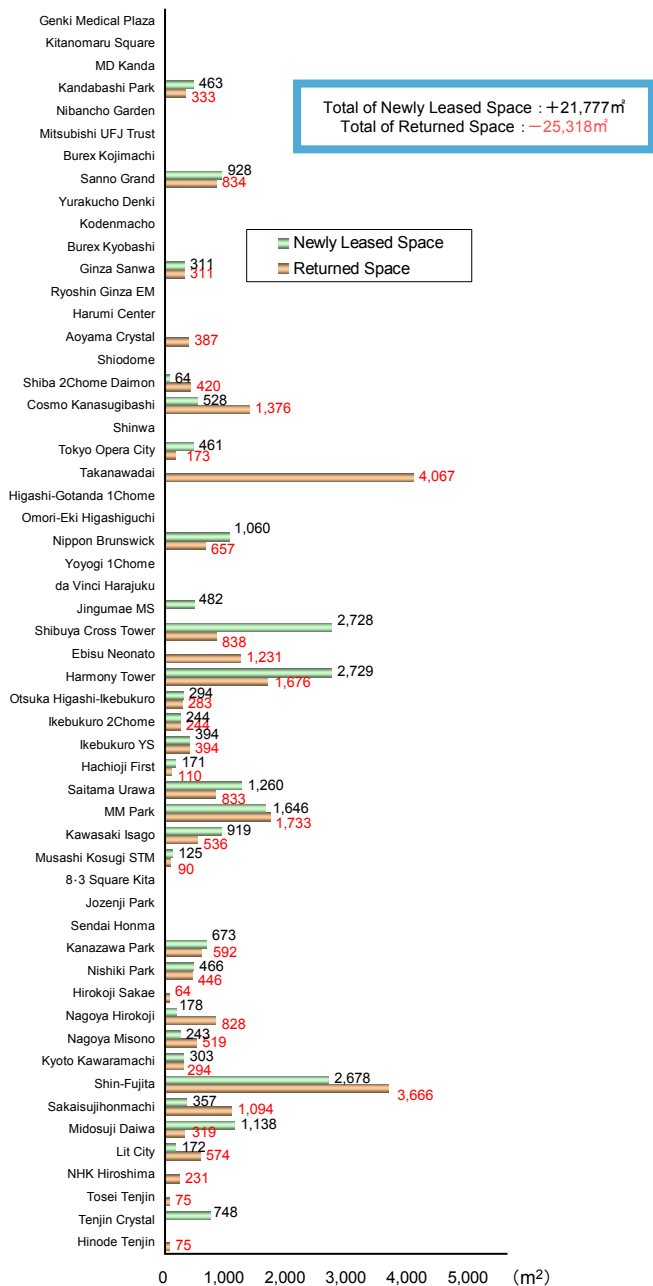
Ratio of Annual Tenant Turnover (\*)

	'04/10-'05/09	'05/04-'06/03	'05/10-'06/09	'06/04-'07/03	'06/10-'07/09	'07/04-'08/03	'07/10-'08/09	'08/04-'09/03	'08/10-'09/09	'09/04-'10/03
Tokyo 23 Wards	6.2%	5.3%	6.3%	7.2%	9.2%	8.8%	5.6%	6.6%	8.0%	6.8%
Other Areas	6.2%	6.1%	7.7%	5.1%	5.8%	5.7%	7.2%	6.6%	4.8%	7.5%
Overall	6.2%	5.6%	6.9%	6.6%	7.9%	8.2%	7.7%	7.6%	6.5%	7.1%

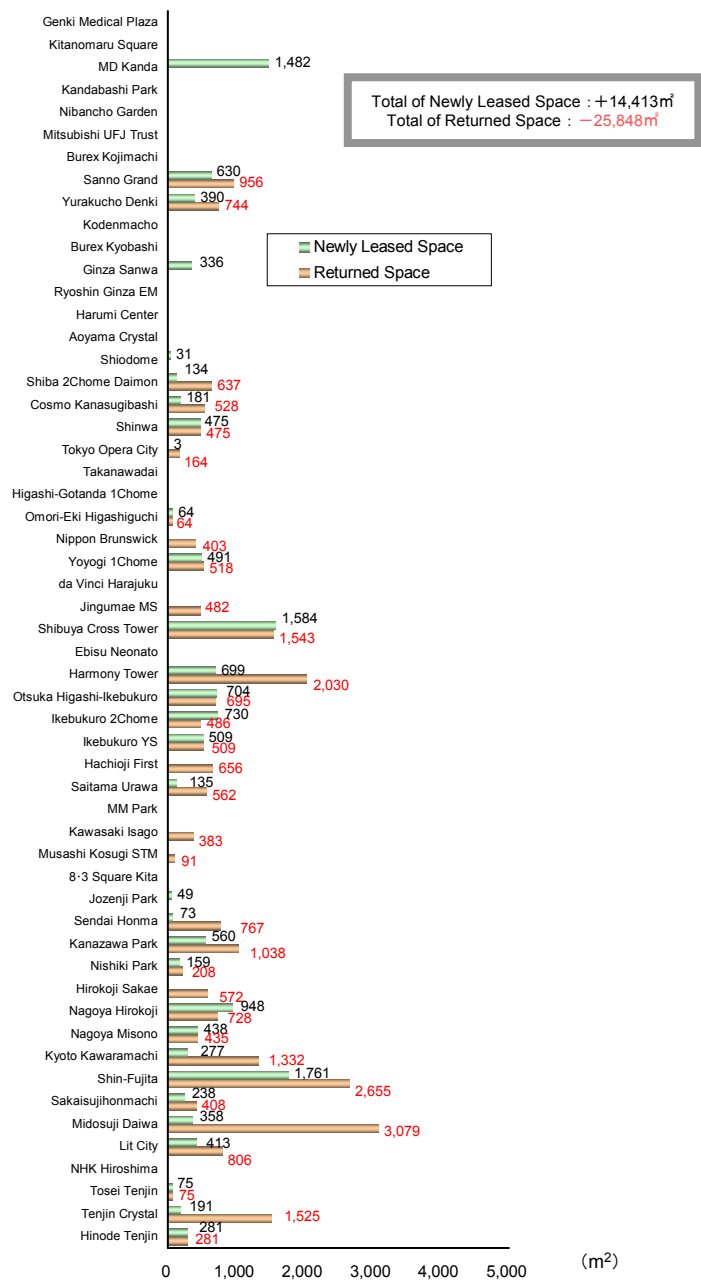
\*Ratio of Annual Tenant Turnover is calculated using the following formula: the area for which tenants changed (the smaller of either the leased space or returned space during the year) ÷ ((area of leased space at the end of the period + area of leased space at the end of the period before the preceding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



## 17th Period

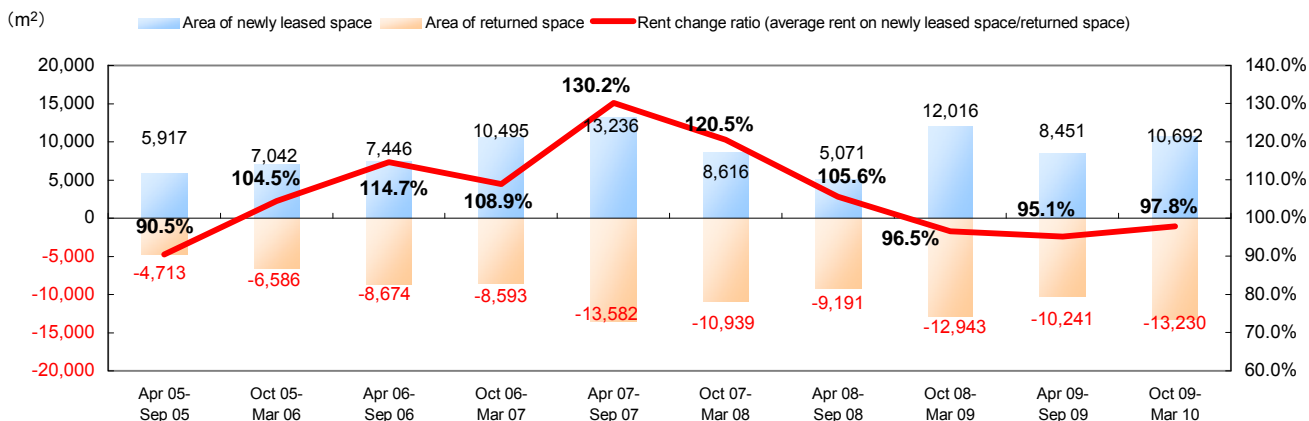


## 16th Period

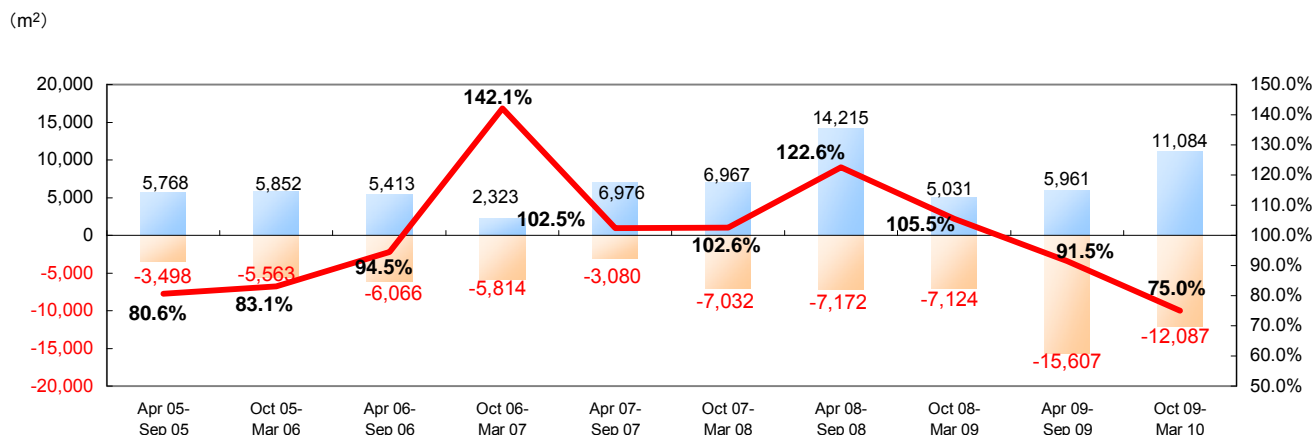


## Trend in Area of Newly Leased & Returned Space and Rent Change Ratio

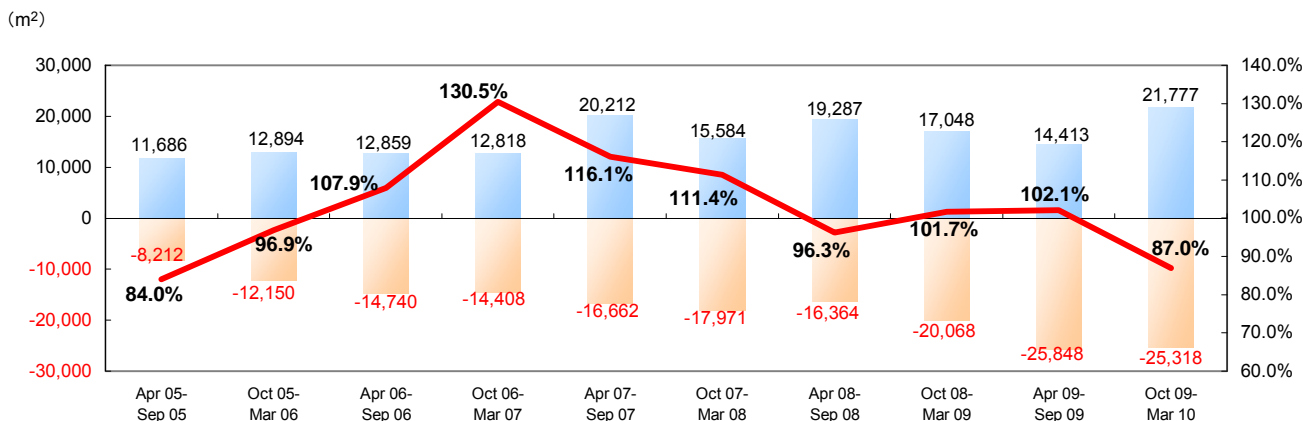
### Tokyo 23 Wards



### Other Areas



### Overall



# Tenant Data ⑥ (Trend of Rent Revision)



## Existing Tenants: Trend of Rent Increase and Reduction

● Rent increase revision data for the Sep-05 Period or before are not listed due to insufficient samples.

### <Rent increase on revision of monthly rent>

In thousands of yen/month

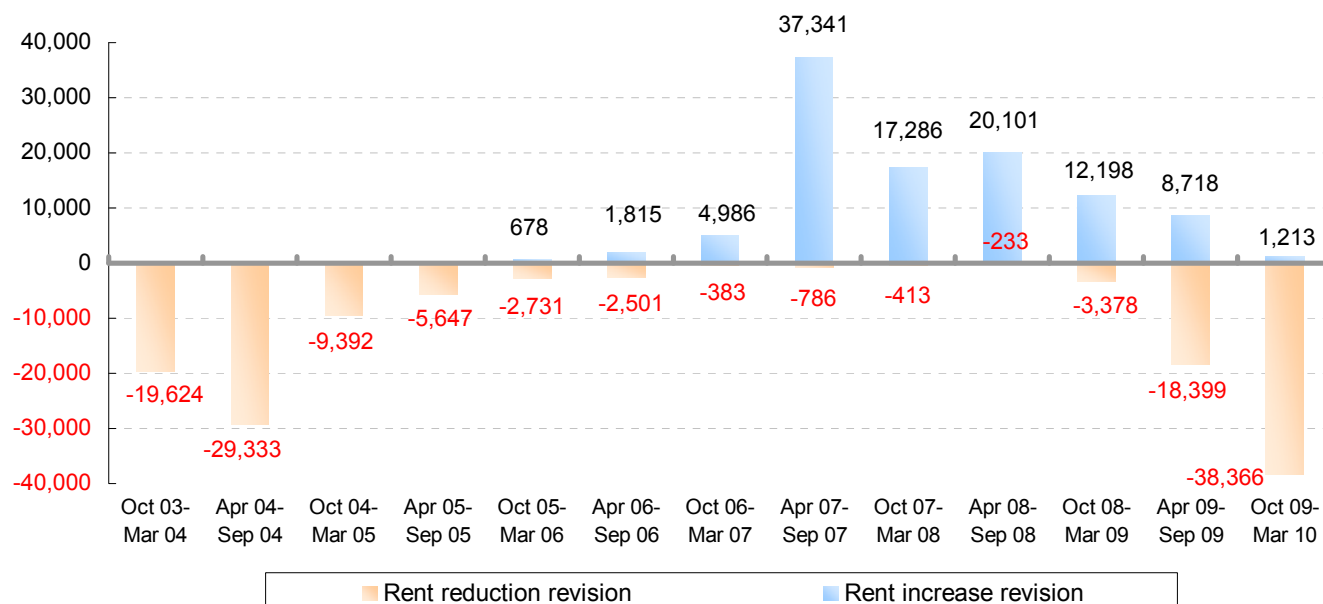
	Oct 03-Mar 04	Apr 04-Sep 04	Oct 04-Mar 05	Apr 05-Sep 05	Oct 05-Mar 06	Apr 06-Sep 06	Oct 06-Mar 07	Apr 07-Sep 07	Oct 07-Mar 08	Apr 08-Sep 08	Oct 08-Mar 09	Apr 09-Sep 09	Oct 09-Mar 10
Tokyo 23 Wards					646	1,706	4,979	35,780	15,600	17,771	11,006	4,326	258
Other Areas					32	109	6	1,560	1,685	2,329	1,191	4,391	954
Overall					678	1,815	4,986	37,341	17,286	20,101	12,198	8,718	1,213

### <Rent reduction on revision of monthly rent>

	Oct 03-Mar 04	Apr 04-Sep 04	Oct 04-Mar 05	Apr 05-Sep 05	Oct 05-Mar 06	Apr 06-Sep 06	Oct 06-Mar 07	Apr 07-Sep 07	Oct 07-Mar 08	Apr 08-Sep 08	Oct 08-Mar 09	Apr 09-Sep 09	Oct 09-Mar 10
Tokyo 23 Wards	-14,689	-16,970	-2,179	-3,311	-393	-89	0	-22	-350	-26	-2,218	-10,806	-27,211
Other Areas	-4,935	-12,362	-7,213	-2,335	-2,337	-2,412	-383	-763	-63	-207	-1,159	-7,592	-11,155
Overall	-19,624	-29,333	-9,392	-5,647	-2,731	-2,501	-383	-786	-413	-233	-3,378	-18,399	-38,366

### <Entire portfolio/Trend of rent increase and reduction>

(In thousands of yen)





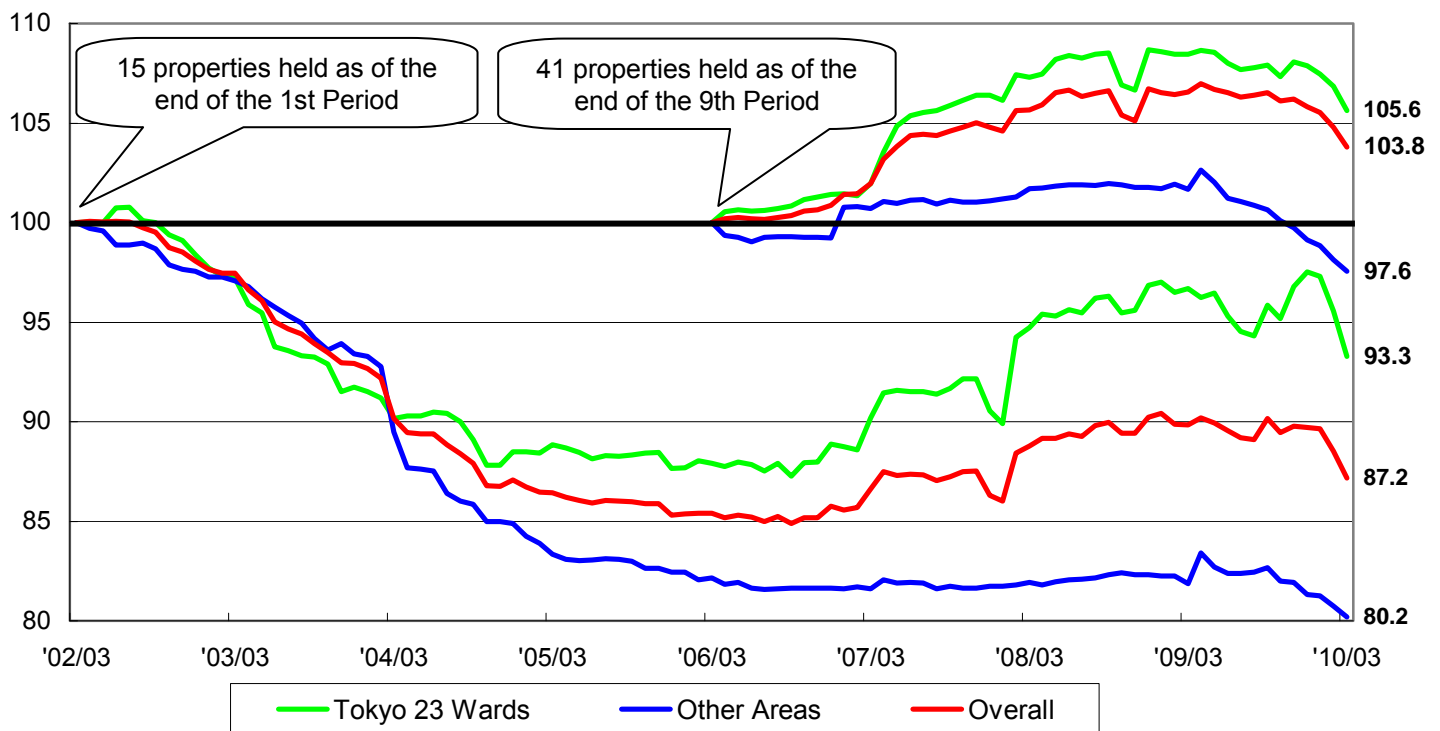
# Tenant Data ⑦

## (Changes in Average Rent Level)



### Changes in Average Rent Level (2002/03 ~ 2010/03)

- 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 9th Periods.
- The trend sets the average rent as of the ends of the 1st and 9th Periods (the start of each trend) at 100.

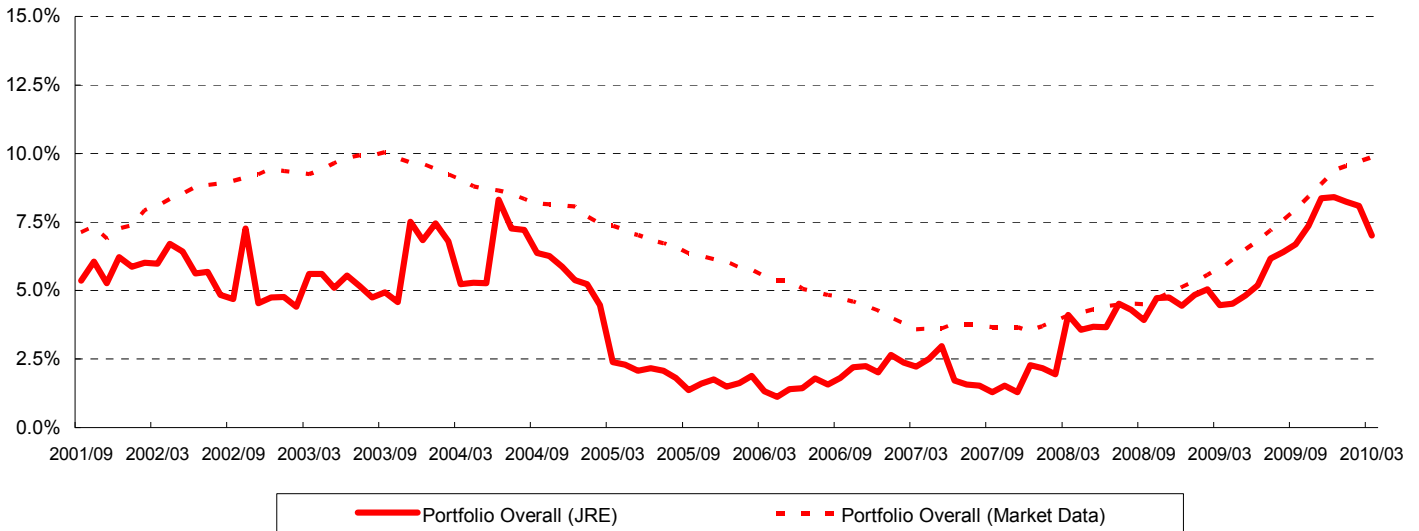


# Tenant Data ⑧ (Vacancy Rates)

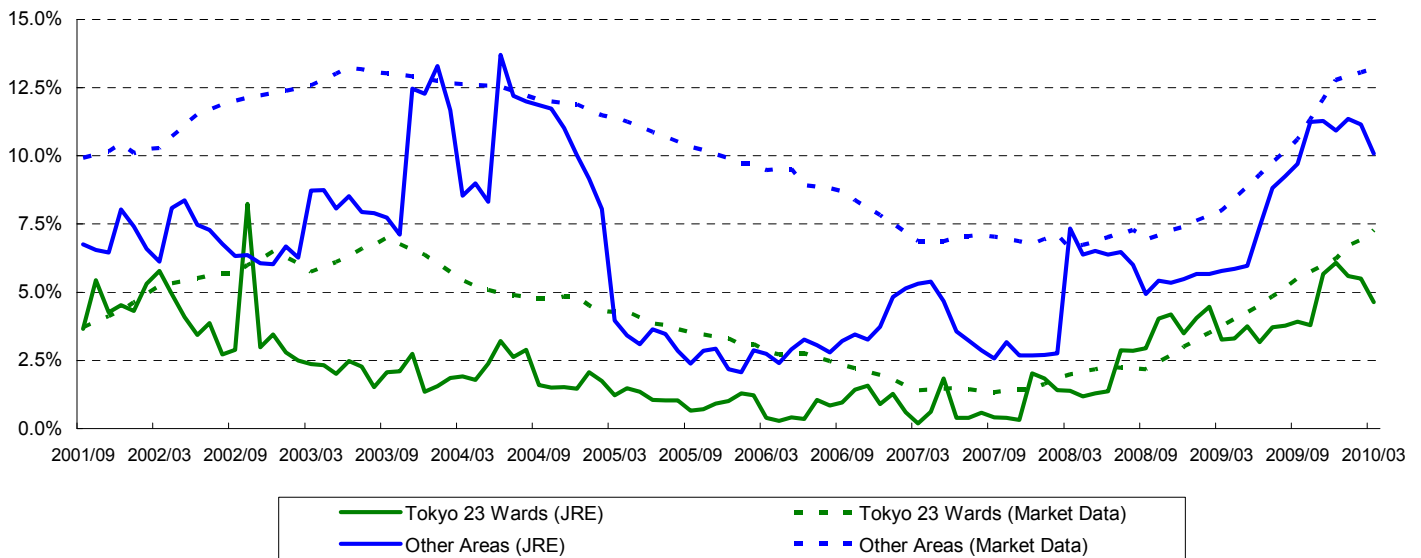


## Trend in Vacancy Rate (Relative to Market Data)

### 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	① 5,000	④ 3.0%	a zone	⑦ 4.0%
B building	② 3,000	⑤ 6.0%	b zone	⑧ 8.0%
Total/Average	③ 8,000	⑥ 4.1%		⑨ 5.5%

$$⑥ = (① \times ④ + ② \times ⑤) \div ③ \quad ⑨ = (① \times ⑦ + ② \times ⑧) \div ③$$

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

**Maintaining lower vacancy rate than market**

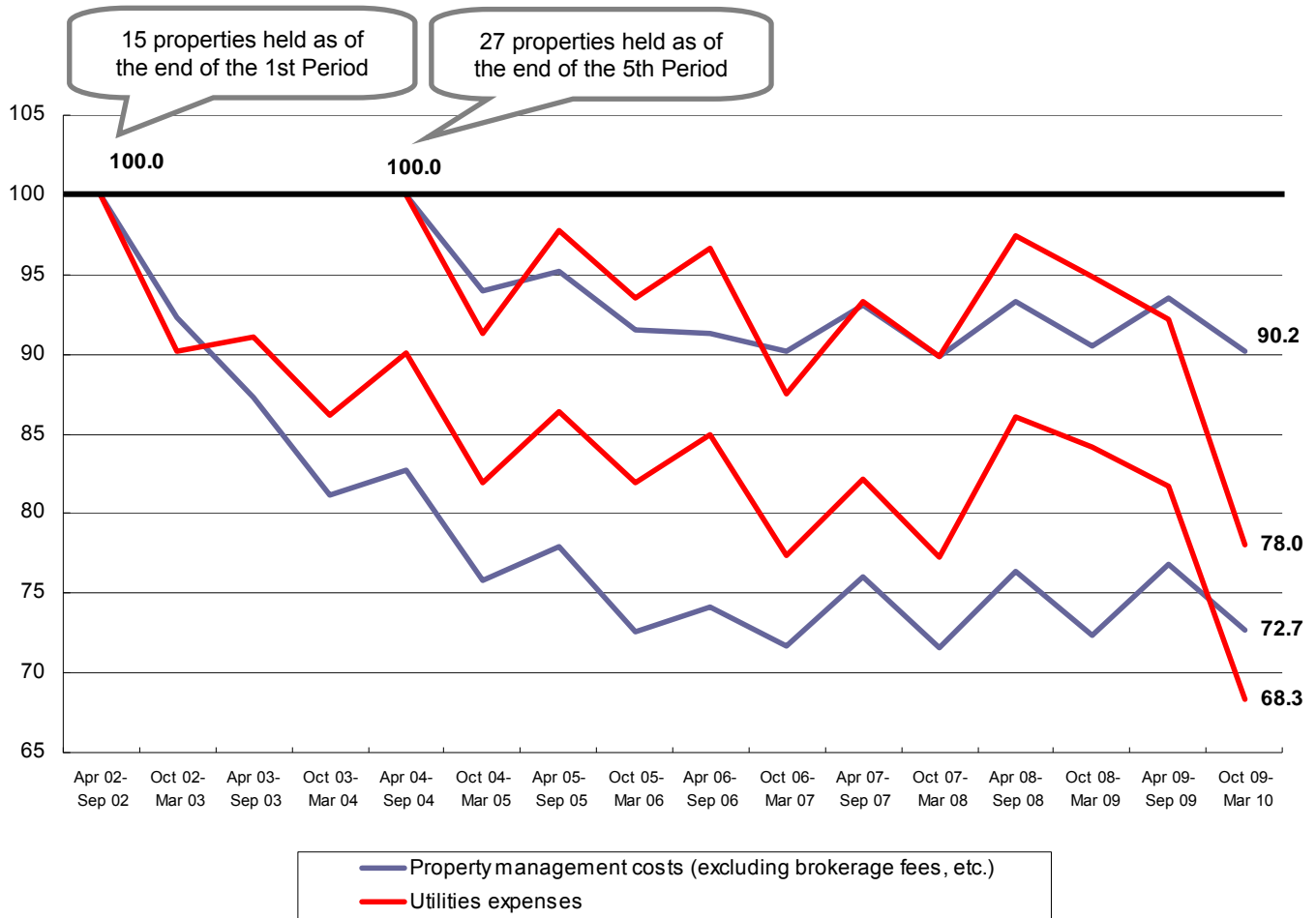
# Trend in Property Management Costs and Utilities Expenses



## 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 ends of the 1st and 5th Periods (the start of each trend) 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 attracting tenants
- Conducted customer service 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 the construction estimates and costs (orders placed), and carried out proper construction management

## Trend in Construction Costs and Depreciation Expenses

	1st Period May 01-Mar 02	2nd Period Apr 02-Sep 02	3rd Period Oct 02-Mar 03	4th Period Apr 03-Sep 03	5th Period Oct 03-Mar 04	6th Period Apr 04-Sep 04	7th Period Oct 04-Mar 05	8th Period Apr 05-Sep 05	9th Period Oct 05-Mar 06
Construction costs	794	453	933	841	1,585	1,161	1,178	1,025	1,728
Repairing expenses (reported as expense)	321	152	323	289	365	363	471	474	528
Capital expenditure (capitalized as asset)	472	301	609	552	1,219	797	706	550	1,200
Depreciation	1,100	1,194	1,310	1,393	1,498	1,657	1,641	2,017	2,359
Total assets	161,809	185,397	200,022	209,581	244,523	257,372	322,358	355,968	433,552
Property-related revenues	6,492	7,910	8,500	8,965	9,560	10,151	10,747	13,119	13,962

	10th Period Apr 06-Sep 06	11th Period Oct 06-Mar 07	12th Period Apr 07-Sep 07	13th Period Oct 07-Mar 08	14th Period Apr 08-Sep 08	15th Period Oct 08-Mar 09	16th Period Apr 09-Sep 09	17th Period Oct 09-Mar 10
Construction costs	1,654	2,857	1,520	2,760	1,138	1,721	2,313	2,074
Repairing expenses (reported as expense)	513	916	580	991	511	676	1,119	756
Capital expenditure (capitalized as asset)	1,141	1,940	939	1,769	627	1,044	1,193	1,318
Depreciation	2,682	2,717	2,835	3,068	3,560	3,788	3,801	3,945
Total assets	441,163	443,973	449,643	527,537	542,920	565,022	564,528	637,326
Property-related revenues	15,169	16,500	17,132	17,807	19,805	20,716	20,795	20,758

\* Property-related revenues for the 10th, 11th, 12th, 13th, 16th and 17th Periods do not include gain on transfer of properties, dividends earned, gain on transfer of development rights of floor area and compensation for the property transfer.

## 5-Year Plan for Renovation Work

(In 100 millions of yen)

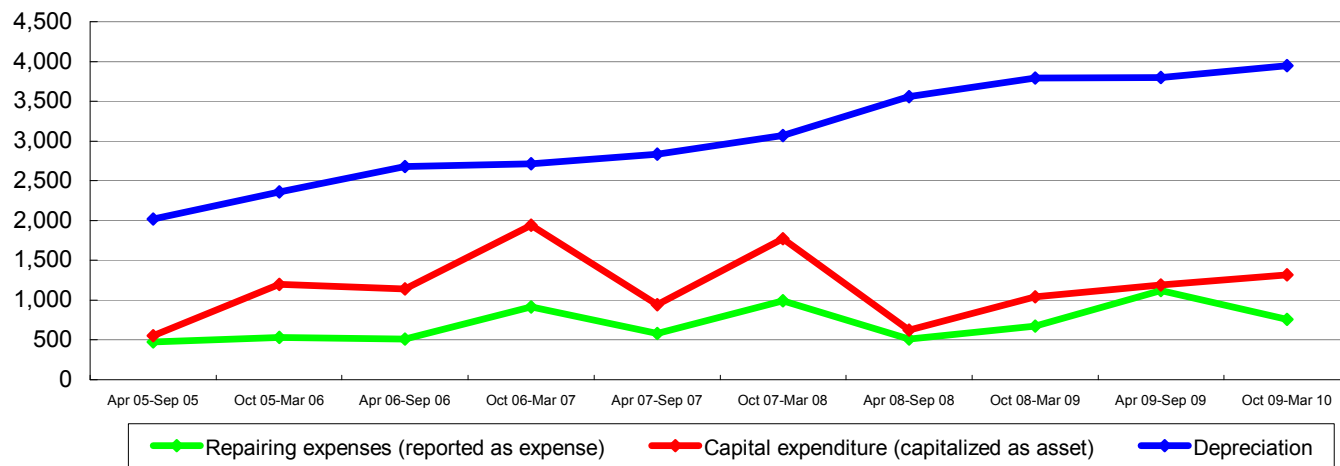
	Apr 09-Mar 10	Apr 10-Mar 11	Apr 11-Mar 12	Apr 12-Mar 13	Apr 13-Mar 14	Total
Work capitalization as asset	25	23	34	34	28	145
Depreciation	77	83	81	79	77	399

\* 55 properties held as of March 31, 2010

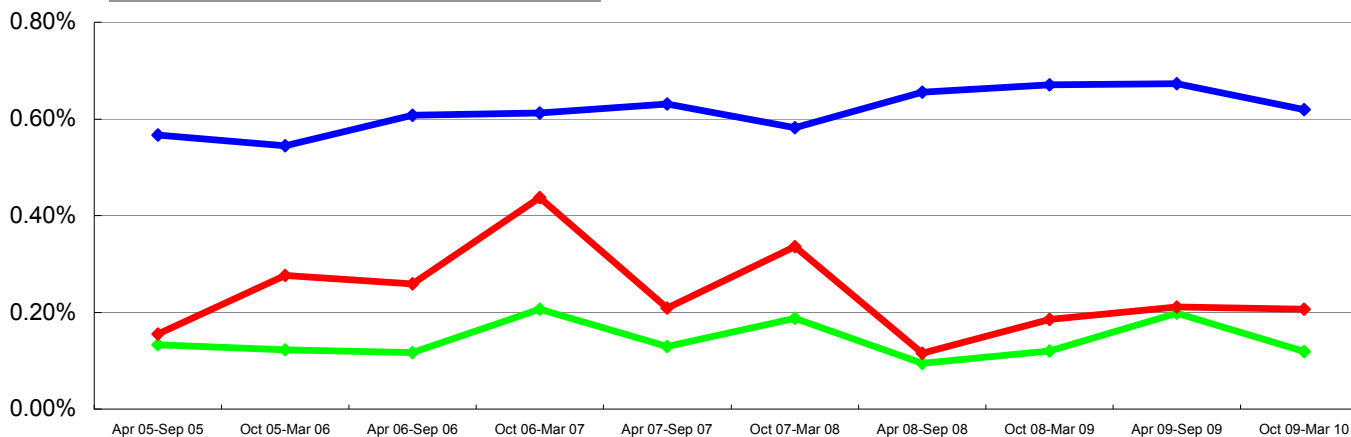
\* Actual figures are reflected for the Apr 2009-Mar 2010 data.

### Trend in construction costs and depreciation

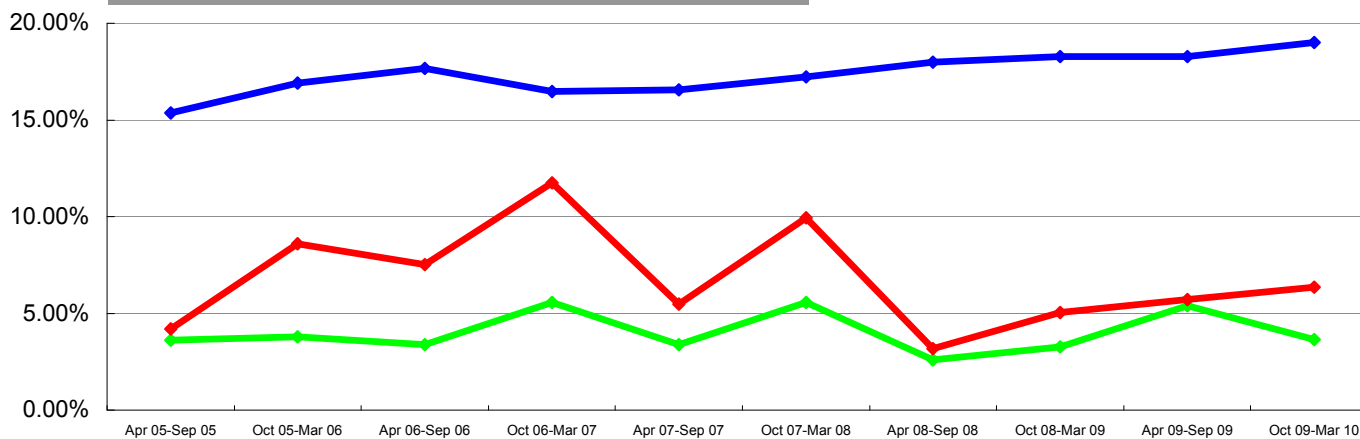
(In millions of yen)



### % against total assets



### % against property-related revenues



# External Growth ① (Deal Sources)

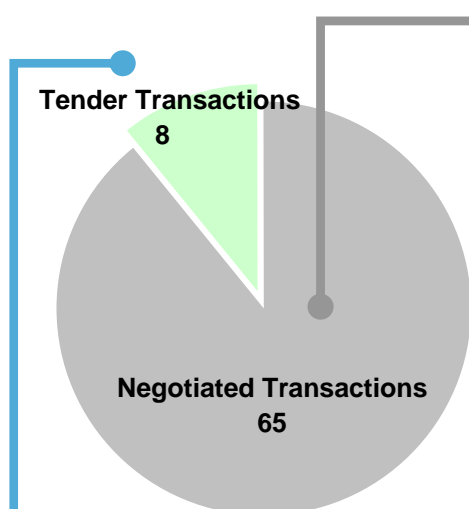


## Deal Sources

Based on 73 deals in total, in regard to properties acquired between IPO and the end of the Mar-03 Period (An additional share acquisition of existing property is also counted as one deal. The said 73 deals cover the acquisition of transferred properties. The land and building adjacent to Ryoshin Ginza East Mirror Building are not included.)

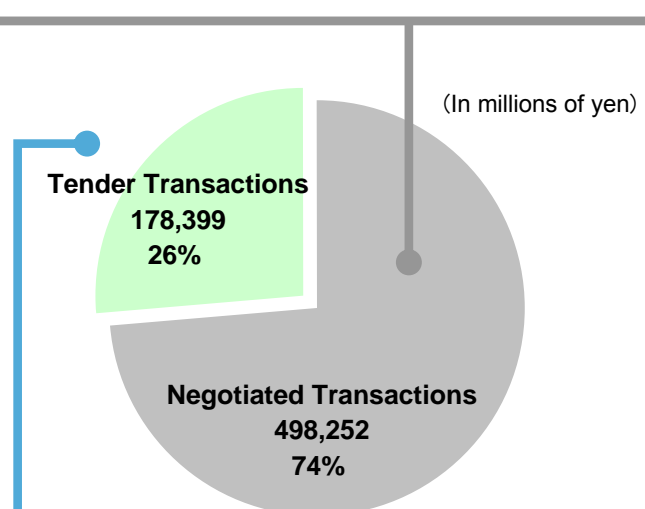
Based on the number of transactions

73 deals in total



Based on acquisition price

¥676,652 million in total



Type of transaction	Number of deals	Amount (In 100 millions of yen)
Negotiated Transactions	65 (89.0%)	4,982 (73.6%)
Acquisition from sponsors, etc.	33 (45.2%)	2,581 (38.2%)
Acquisition through sponsors' introduction	10 (13.7%)	766 (11.3%)
Others	22 (30.1%)	1,634 (24.2%)
Tender Transactions	8 (11.0%)	1,783 (26.4%)
Acquisition from sponsors, etc.	2 (2.7%)	407 (6.0%)
Acquisition through sponsors' introduction	2 (2.7%)	1,161 (17.2%)
Others	4 (5.5%)	215 (3.2%)
Total	73 (100.0%)	6,766 (100.0%)

- Of those 73 deals, 8 deals were closed through tender transactions.
- From the viewpoint of acquisition price, 74% of properties were purchased through negotiated transactions, including those developed and owned by the sponsors.

**Strong relations with deal sources**

## Breakdown of Negotiated Transactions

Acquisition  
from sponsors,  
etc.<sup>(\*)</sup>

33<sup>(\*\*)</sup>

¥258,169 million



Shiodome Building  
(The share acquired in January 2010)

Acquisition  
through  
sponsors'  
introduction

10

¥76,662 million



Shiodome Building  
(The share acquired in December 2008)

Others

22

¥163,421 million



Harumi Center Building

## Breakdown of Tender Transactions

Acquisition  
from sponsors,  
etc.

2

¥40,700 million



MM Park Building

Acquisition  
through  
sponsors'  
introduction

2

¥116,155 million



Kitanomaru Square

Others

4

¥21,543 million



Yurakucho Denki Building

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

(\*2) The additional shares of Saitama Urawa Building and Kanazawa Park Building were acquired from the sponsors and unrelated companies, respectively; however, each deal was counted as one sponsor-related transaction, together with another acquisition of shares from sponsors, etc. on the same date.

## External Growth ② (Due Diligence for Properties)



### 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 Properties Undergoing Research

Apr 2008-Mar 2009

Area	14th Period							15th Period							Total	%
	Apr	May	Jun	Jul	Aug	Sep	Total	Oct	Nov	Dec	Jan	Feb	Mar	Total		
Tokyo Metropolitan Area	32	8	12	20	11	13	96	24	8	5	4	4	3	48	144	77.8%
Other Major Cities	3	3	5	15	5	3	34	2	2	1	2	0	0	7	41	22.2%
Total	35	11	17	35	16	16	130	26	10	6	6	4	3	55	185	100.0%

Apr 2009-Mar 2010

Area	16th Period							17th Period							Total	%
	Apr	May	Jun	Jul	Aug	Sep	Total	Oct	Nov	Dec	Jan	Feb	Mar	Total		
Tokyo Metropolitan Area	10	3	19	23	10	9	74	28	11	8	50	20	12	129	203	86.8%
Other Major Cities	1	1	5	0	1	1	9	0	0	0	9	12	1	22	31	13.2%
Total	11	4	24	23	11	10	83	28	11	8	59	32	13	151	234	100.0%

Properties valued at ¥35-40 billion are under continuous research (multiple properties).  
Among them, properties valued at ¥30 billion are under specific review (multiple properties).



## **3. Business Forecasts**

# Income Statement and Forecast



(In millions of yen [excluding items where the unit is specified])

Term	16th Period		17th Period		18th Period		19th Period	
	Ended Sep 30, 2009		Ended Mar 31, 2010		Ending Sep 30, 2010		Ending Mar 31, 2011	
Actual/Forecast	Actual	→ Change →	Actual	→ Change →	Forecast	→ Change →	Forecast	
Number of Properties	55		55		55		55	
Number of Days	(183 days)		(182 days)		(183 days)		(182 days)	
Operating Revenues	21,524	+141	21,665	+434	22,100	-80	22,020	
Property-related Revenues	20,795	-36	20,758	+1,341	22,100	-80	22,020	
Gain on Transfer of Development Rights of Floor Area	728	-728	-		-		-	
Gain on Transfer of Properties	-	+885	885	-885	-		-	
Compensation for the Property Transfer	-	+21	21	-21	-		-	
Operating Expenses	11,469	-341	11,127	+1,112	12,240	-180	12,060	
Property-related Expenses (excluding Depreciation)	6,845	-500	6,344	+815	7,160	-140	7,020	
Depreciation	3,801	+144	3,945	+274	4,220	-50	4,170	
Administrative Expenses	823	+14	837	+12	850	+10	860	
(Asset Management Fees (*1))	(540)	(-11)	(529)	(+0)	(530)		(530)	
NOI (*2)	13,950	+463	14,414	+515	14,930	+70	15,000	
Property-related Profits and Losses (*2)	10,149	+319	10,468	+231	10,700	+120	10,820	
Gross Operating Income	10,149	+1,226	11,375	-675	10,700	+120	10,820	
Operating Income	10,054	+483	10,538	-688	9,850	+110	9,960	
Non-operating Profits and Losses	-1,549	-112	-1,661	-178	-1,840	-60	-1,900	
(Interest Expense)	(-1,541)	(-58)	(-1,600)	(-239)	(-1,840)	(-30)	(-1,870)	
Ordinary Income	8,505	+370	8,876	-876	8,000	+50	8,050	
Net Income	8,504	+370	8,875	-875	8,000	+50	8,050	
Units Outstanding	443,000 units	+46,200 units	489,200 units		489,200 units		489,200 units	
Dividend per Unit	19,198 yen	-1,155 yen	18,043 yen	-1,683 yen	16,360 yen	+100 yen	16,460 yen	
Occupancy Rate at Period-end	93.3%	-0.3%	93.0%	+0.0%	93.0%			

\*1 Term fee and Incentive fee

\*2 Excluding Gain on Transfer of Development Rights of Floor Area, Gain or Loss on Transfer of Properties and Compensation for the Property Transfer

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

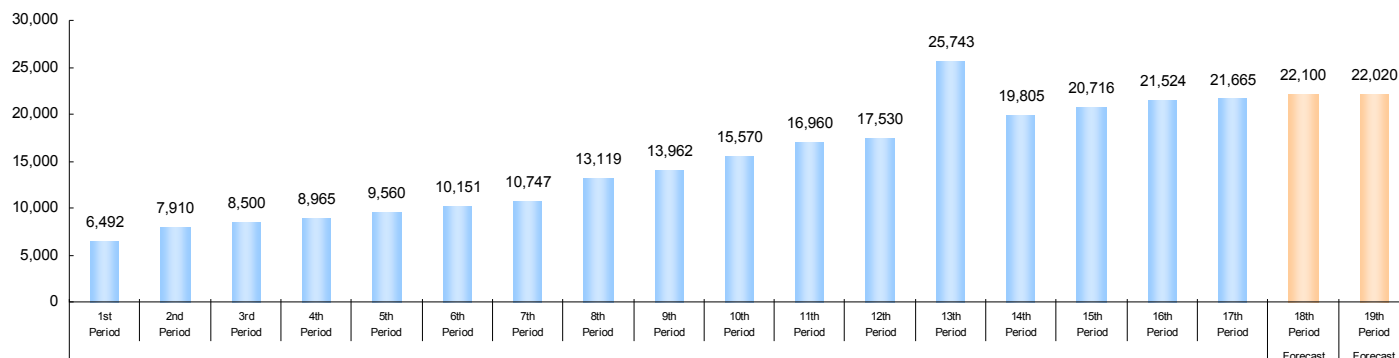
- 17th→18th Period: Increase due to operation of the properties acquired in the 17th Period (Shiodome Building [additional share 30.0%] and Tokyo Opera City Building [additional share 22.957%]) throughout the 18th Period;  
Decrease due to factors including rent reduction and estimated rent reduction associated with tenant turnover in properties under operation for the full term in both the 17th and the 18th Periods
- 18th→19th Period: Decrease due to factors including rent reduction and estimated rent reduction associated with tenant turnover in properties under operation for the full term in both the 18th and the 19th Periods

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

- 17th→18th Period: Increase due to operation of the properties acquired in the 17th Period (Shiodome Building [additional share 30.0%] and Tokyo Opera City Building [additional share 22.957%]) throughout the 18th Period;  
Increase in repairing expenses and utilities expenses, and others
- 18th→19th Period: Decrease in repairing expenses, and others

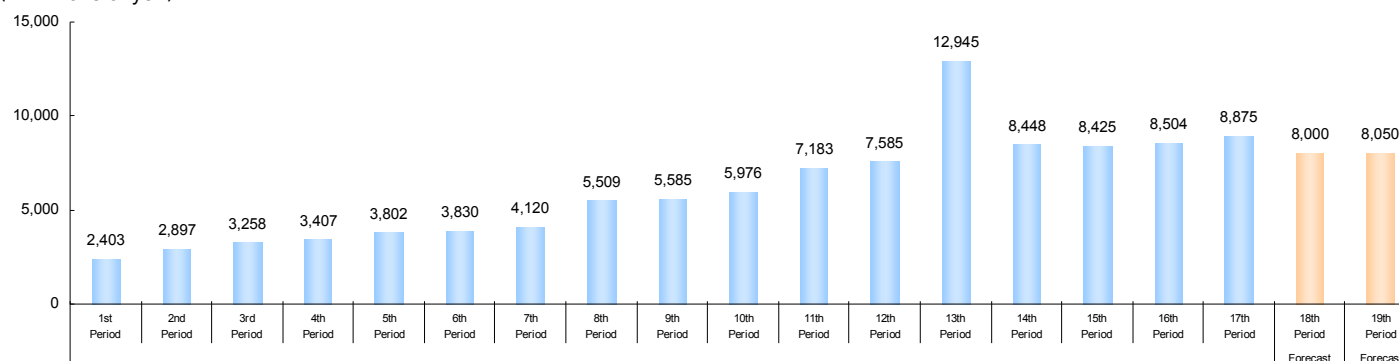
## Operating Revenues

(In millions of yen)



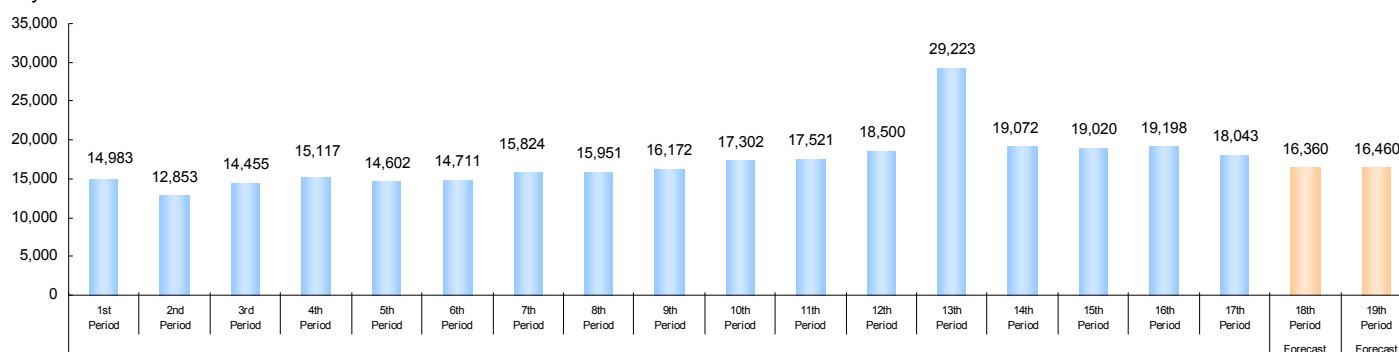
## Net Income

(In millions of yen)



## Dividend per Unit

(In yen)



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

# Balance Sheet Forecast for the 18th Period



(In millions of yen)

Item	18th Period-end (Sep. 30, 2010)	17th Period-end (Mar. 31, 2010)	Change	Reason for change
<b>Current Assets</b>				
Cash and Bank Deposits	19,933	18,753	1,180	Rent revenues, etc.
Other Current Assets	313	1,153	-840	Decrease in refundable consumption taxes, etc.
<b>Total Current Assets</b>	<b>20,246</b>	<b>19,907</b>	<b>339</b>	
<b>Fixed Assets</b>				
Property and Equipment				
Buildings (including those held in trust)	222,245	220,655	1,590	} Increase due to capital expenditure and property acquisition (extension of Ryoshin Ginza East Mirror Building)
Structures (including those held in trust)	2,467	2,458	9	
Machinery and Equipment (including that held in trust)	3,143	3,132	11	
Land (including that held in trust)	423,030	423,030	-	
Accumulated Depreciation	-42,913	-38,693	-4,220	
<b>Total Property and Equipment</b>	<b>607,972</b>	<b>610,583</b>	<b>-2,611</b>	
Intangible Assets				
Leasehold rights, etc. (including those held in trust)	6,134	6,134	-	
<b>Total Intangible Assets</b>	<b>6,134</b>	<b>6,134</b>	<b>-</b>	
Investments and Other Assets				
Investment Securities	577	577	-	
Long-term Prepaid Expenses, etc.	49	53	-4	
<b>Total Investments and Other Assets</b>	<b>626</b>	<b>630</b>	<b>-4</b>	
<b>Total Fixed Assets</b>	<b>614,732</b>	<b>617,348</b>	<b>-2,616</b>	
<b>Deferred Assets</b>				
Deferred Investment Corporation Bond Issuance Costs	110	70	40	
<b>Total Deferred Assets</b>	<b>110</b>	<b>70</b>	<b>40</b>	
<b>Total Assets</b>	<b>635,087</b>	<b>637,326</b>	<b>-2,239</b>	

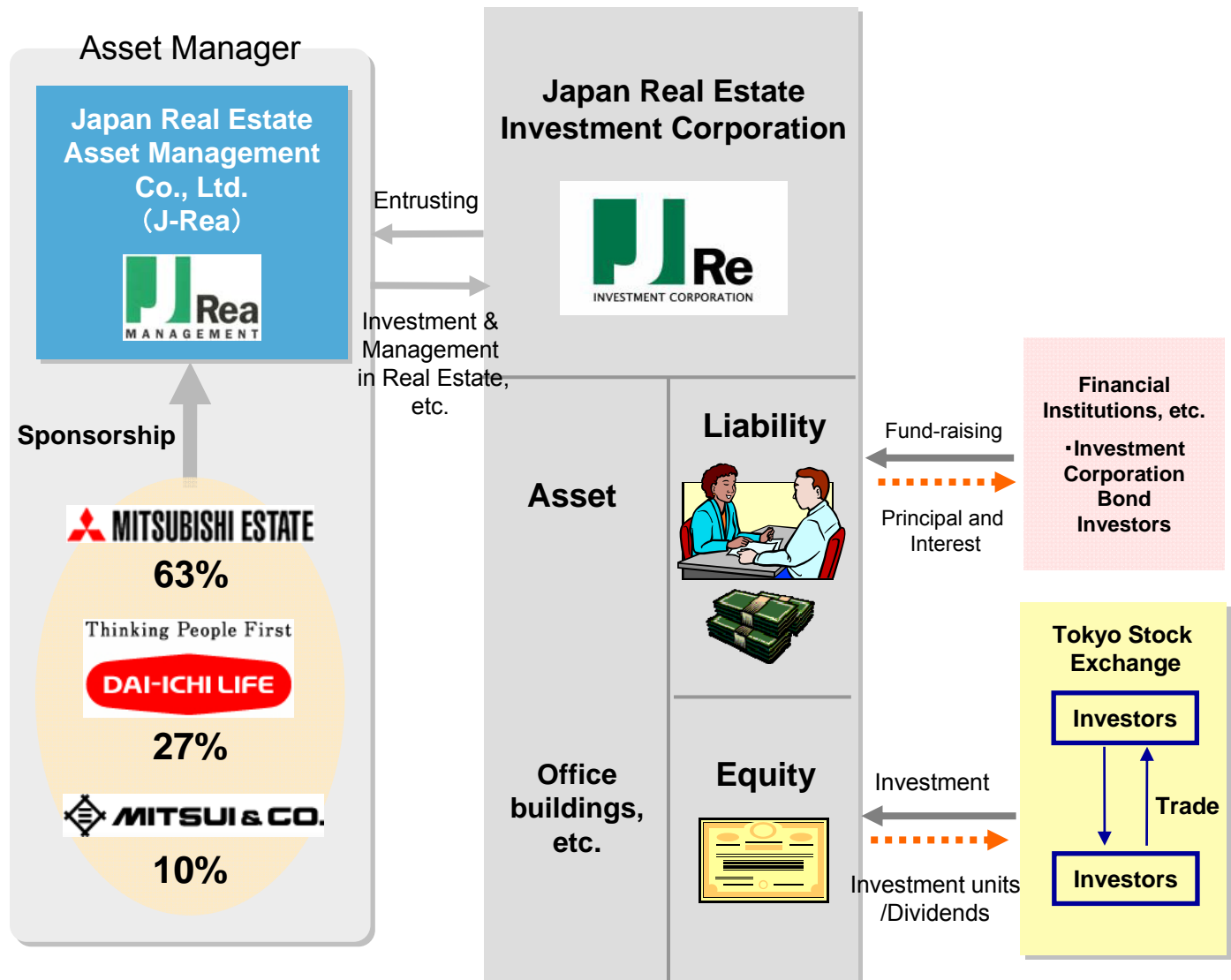
(In millions of yen)

Item	18th Period-end (Sep. 30, 2010)	17th Period-end (Mar. 31, 2010)	Change	Reason for change
Liabilities				
Current Liabilities				
Short-term Loans	39,000	39,000	-	
Current Portion of Long-term Loans	64,100	9,100	55,000	Increase due to decrease of remaining periods of loans
Current Portion of Investment Corporation Bonds	-	10,000	-10,000	Decrease due to redemption
Rent Received in Advance	2,509	2,393	116	
Other Current Liabilities	2,393	2,685	-292	Decrease in trade accounts payable (construction cost) and increase in accrued expenses (interest), etc.
Total Current Liabilities	108,002	63,179	44,823	
Long-term Liabilities				
Investment Corporation Bonds	45,000	35,000	10,000	Increase due to issuance of investment corporation bond
Long-term Loans	114,350	169,400	-55,050	Decrease due to the transfer to the current portion of long-term loans
Deposits Received from Tenants	35,333	36,517	-1,184	
Total Long-term Liabilities	194,683	240,917	-46,234	
Total Liabilities	302,685	304,097	-1,412	
Net Assets				
Unitholders' Capital	324,353	324,353	-	
Retained Earnings	8,049	8,875	-826	
Total Net Assets	332,402	333,228	-826	
Total Liabilities and Net Assets	635,087	637,326	-2,239	

## MEMO

## 4. Appendix

## Structure



### Points

- J-Rea specializes in managing office building portfolios.
- Expertise of Mitsubishi Estate, Dai-ichi 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 payable gain is paid out.



## The Strengths of Japan Real Estate Investment Corporation

(As of May 17, 2010)

### ① Collaboration with three sponsors: **Mitsubishi Estate Co., Ltd.; The Dai-ichi Life Insurance Company, Limited and Mitsui & Co., Ltd.**



#### <Support from three sponsors>

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

#### <Protection against conflicts of interest>

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

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

**(55 office buildings, total acquisition price: ¥641.2 billion)**

\*not including the land and building adjacent to Ryoshin Ginza East Mirror Building

\*not excluding the acquisition price related to the transfer of the part of Jingumae MS site

### ③ Track record

**The first listed J-REIT**, showing steady performance for 17 consecutive periods

### ④ **Sound financial strength**

- Conservative LTV (cruising speed of 30%- 40% level)
- Highest credit ratings** in J-REIT  
(S&P: AA-, Moody's: A1, R&I: AA)

## Basic Principle of Compliance for the Investment Corporation

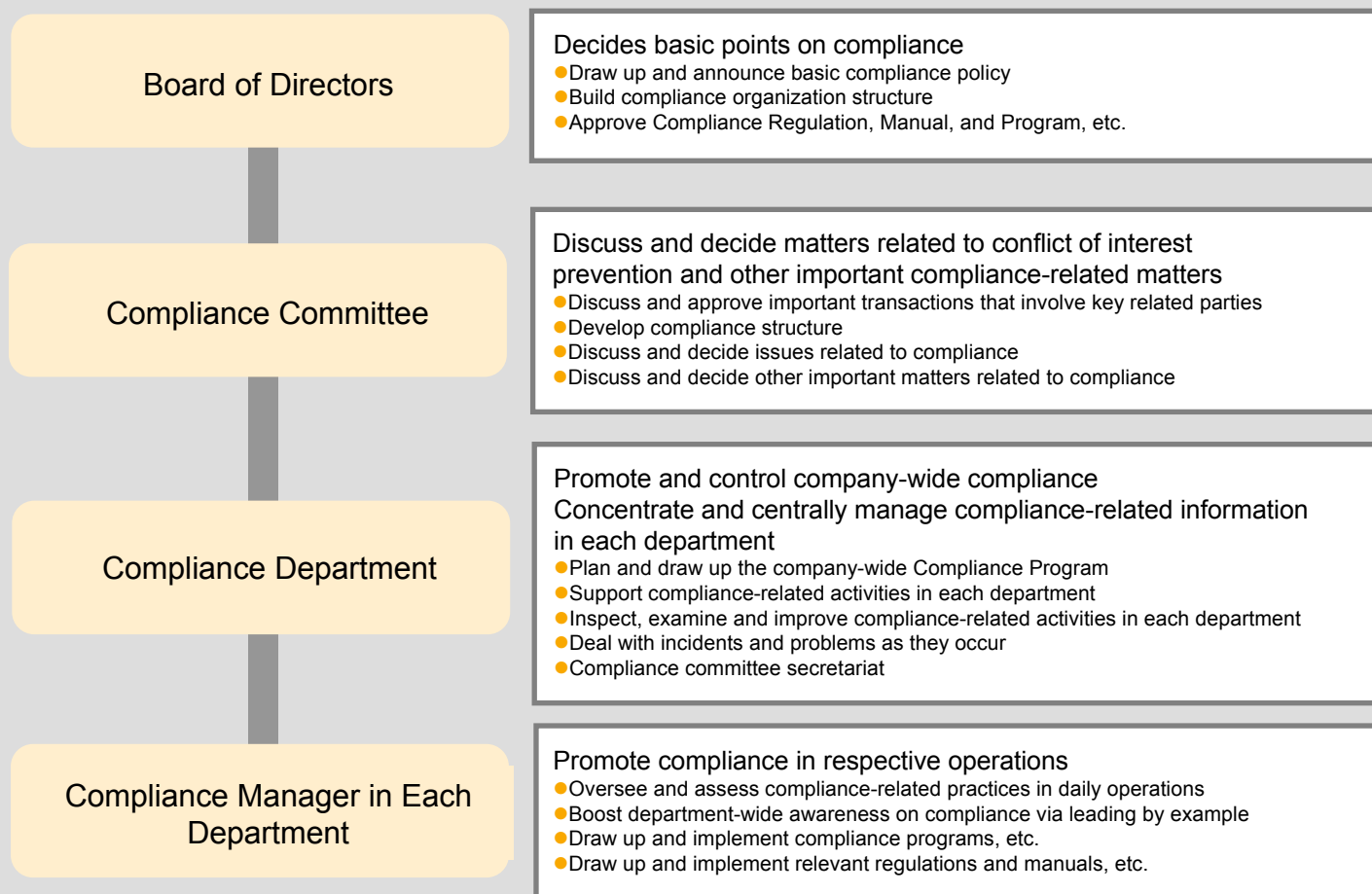
JRE's basic principle of compliance is to thoroughly observe legal and other relevant norms in regard to the business operation as well as to follow social norms. This means that the investment corporation administers and oversees the outsourcing companies from the same standpoint, while complying with legal and other relevant norms in its decision-making.

## Basic Principle of Compliance for the Asset Management Company

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

## Compliance Promotion System

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



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

The compliance system for the Asset Management Company is mainly organized by the board of directors, compliance committee and compliance department.

Although the compliance manager in each department plays a central role in the compliance promotion activities, it is understood that each member of J-Rea staff must be a leader in compliance promotion. Therefore, they are highly alert to compliance issues in performing their tasks, and maintain sound work ethics and strict self-discipline in observing the rules and regulations in their everyday work!

# Achievement after IPO and Forecast

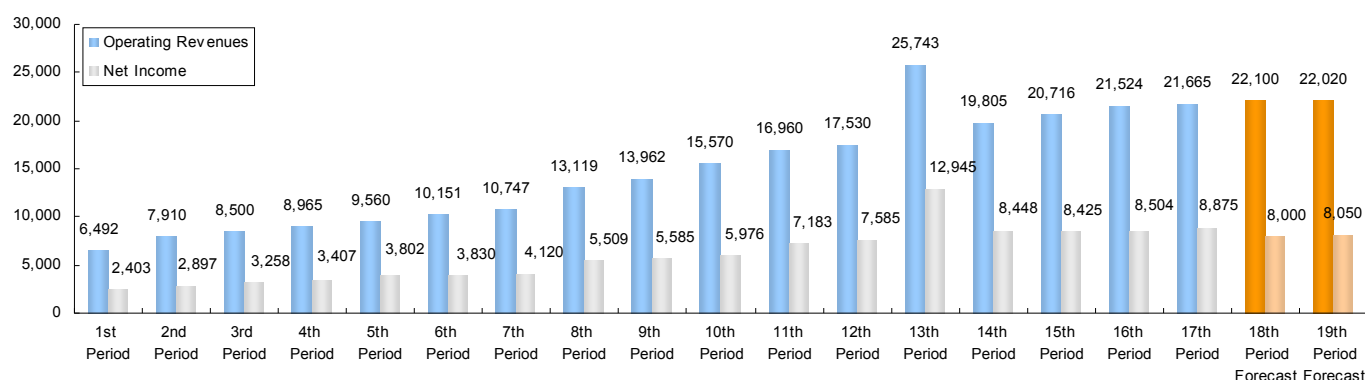


## Achievement after IPO and Forecast

\* The land and building adjacent to Ryoshin Ginza East Mirror Building are not included in total acquisition price of properties. The acquisition price related to the transfer of the part of Jingumae MS site is not excluded.

	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	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
Operating Revenues	6,492	7,910	8,500	8,965	9,560	10,151	10,747	13,119	13,962
(% change from the preceding period)	—	(+21.8%)	(+7.5%)	(+5.5%)	(+6.6%)	(+6.2%)	(+5.9%)	(+22.1%)	(+6.4%)
Property-related Revenues	6,492	7,910	8,500	8,965	9,560	10,151	10,747	13,119	13,962
(% change from the preceding period)	—	(+21.8%)	(+7.5%)	(+5.5%)	(+6.6%)	(+6.2%)	(+5.9%)	(+22.1%)	(+6.4%)
Gain on Transfer of Unused Development Rights of Floor Area	—	—	—	—	—	—	—	—	—
Gain on Transfer of Properties	—	—	—	—	—	—	—	—	—
Dividends Earned	—	—	—	—	—	—	—	—	—
Compensation for the Property Transfer	—	—	—	—	—	—	—	—	—
Operating Income	2,961	3,386	3,687	3,898	4,341	4,358	4,701	6,226	6,319
(% change from the preceding period)	—	(+14.4%)	(+8.9%)	(+5.7%)	(+11.4%)	(+0.4%)	(+7.9%)	(+32.4%)	(+1.5%)
Ordinary Income	2,405	2,898	3,259	3,408	3,803	3,831	4,121	5,510	5,586
(% change from the preceding period)	—	(+20.5%)	(+12.5%)	(+4.6%)	(+11.6%)	(+0.7%)	(+7.6%)	(+33.7%)	(+1.4%)
Net Income	2,403	2,897	3,258	3,407	3,802	3,830	4,120	5,509	5,585
(% change from the preceding period)	—	(+20.5%)	(+12.5%)	(+4.6%)	(+11.6%)	(+0.7%)	(+7.6%)	(+33.7%)	(+1.4%)
Units Outstanding	160,400 units	225,400 units	225,400 units	225,400 units	260,400 units	260,400 units	260,400 units	345,400 units	345,400 units
Dividend per Unit	14,983 yen	12,853 yen	14,455 yen	15,117 yen	14,602 yen	14,711 yen	15,824 yen	15,951 yen	16,172 yen
Total Assets	161,809	185,397	200,022	209,581	244,523	257,372	322,358	355,968	433,552
Net Assets	83,663	115,049	115,410	115,559	137,250	137,279	137,569	206,982	207,058
Net Assets per Unit	521,591 yen	510,424 yen	512,026 yen	512,688 yen	527,077 yen	527,185 yen	528,299 yen	599,254 yen	599,475 yen
Total Liabilities	78,146	70,347	84,611	94,021	107,272	120,093	184,789	148,985	226,493
Interest-bearing Debt	64,000	54,000	66,800	76,000	87,000	99,000	159,000	122,000	196,500
LTV	39.6%	29.1%	33.4%	36.3%	35.6%	38.5%	49.3%	34.3%	45.3%
Unit Price (period-end)	530,000 yen	511,000 yen	592,000 yen	648,000 yen	830,000 yen	875,000 yen	875,000 yen	915,000 yen	1,020,000 yen
Market Capitalization	85,012	115,179	133,436	146,059	216,132	227,850	227,850	316,041	352,308
Number of Properties	24	27	30	32	36	39	46	50	52
Total Acquisition Price of Properties	144,697	164,277	183,542	192,607	218,437	239,827	290,510	326,560	412,766
Leasable Space	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>	336,026 m <sup>2</sup>	364,610 m <sup>2</sup>	400,090 m <sup>2</sup>
Occupancy Rate	94.0%	95.3%	94.4%	95.1%	94.8%	93.6%	97.6%	98.6%	98.7%
Public Offerings of New Units									
Number of Newly Issued Units	—	65,000 units	—	—	35,000 units	—	—	85,000 units	—
Offer Price	—	490,980 yen	—	—	629,000 yen	—	—	826,000 yen	—
Aggregate Amount of Offer Price	—	31,913	—	—	22,015	—	—	70,210	—
Issue Price	—	475,268 yen	—	—	608,456 yen	—	—	800,288 yen	—
Aggregate Amount of Issue Price	—	30,892	—	—	21,295	—	—	68,024	—
Payment Date	—	2002/5/7	—	—	2003/10/24	—	—	2005/4/26	—

(In millions of yen)

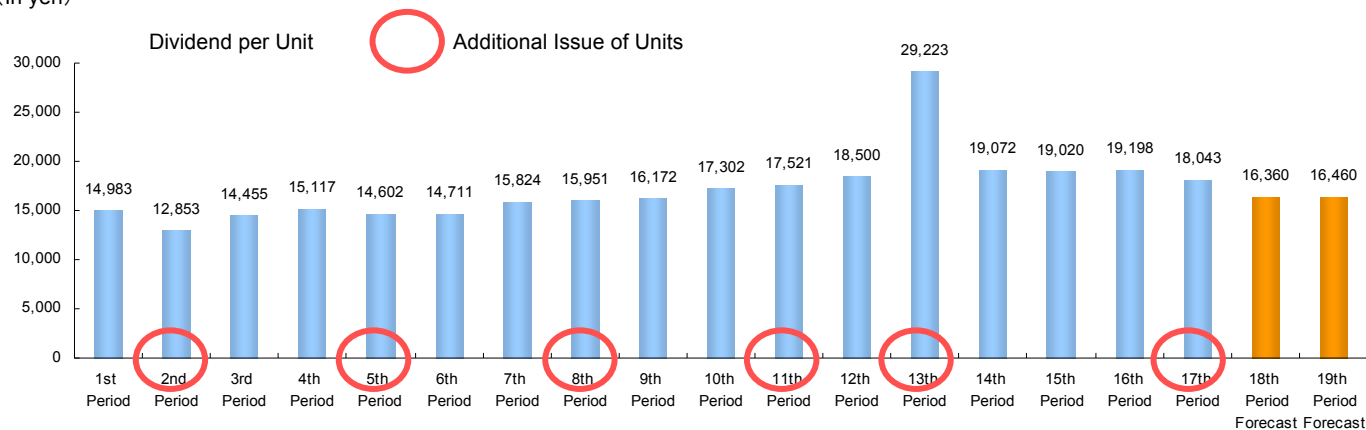


(In millions of yen [excluding items where the unit is specified])

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	13th Period Mar 31, 2008 Oct 2007-Mar 2008	14th Period Sep 30, 2008 Apr 2008-Sep 2008	15th Period Mar 31, 2009 Oct 2008-Mar 2009	16th Period Sep 30, 2009 Apr 2009-Sep 2009	17th Period Mar 31, 2010 Oct 2009-Mar 2010	18th Period (Forecast) Sep 30, 2010 Apr 2010-Sep 2010	19th Period (Forecast) Mar 31, 2011 Oct 2010-Mar 2011	
15,570 (+11.5%)	16,960 (+8.9%)	17,530 (+3.4%)	25,743 (+46.9%)	19,805 (-23.1%)	20,716 (+4.6%)	21,524 (+3.9%)	21,665 (+0.7%)	22,100 (+2.0%)	22,020 (-0.4%)	Operating Revenues (% change from the preceding period)
15,169 (+8.6%)	16,500 (+8.8%)	17,132 (+3.8%)	17,807 (+3.9%)	19,805 (+11.2%)	20,716 (+4.6%)	20,795 (+0.4%)	20,758 (-0.2%)	22,100 (+6.5%)	22,020 (-0.4%)	Property-related Revenues (% change from the preceding period)
—	—	—	—	—	—	728	—	—	—	Gain on Transfer of Unused Development Rights of Floor Area
400	459	397	—	—	—	—	885	—	—	Gain on Transfer of Properties
—	—	—	7,935	—	—	—	—	—	—	Dividends Earned
—	—	—	—	—	—	—	21	—	—	Compensation for the Property Transfer
7,041 (+11.4%)	8,304 (+17.9%)	8,739 (+5.2%)	14,218 (+62.7%)	9,807 (-31.0%)	9,955 (+1.5%)	10,054 (+1.0%)	10,538 (+4.8%)	9,850 (-6.5%)	9,960 (+1.1%)	Operating Income (% change from the preceding period)
5,977 (+7.0%)	7,184 (+20.2%)	7,586 (+5.6%)	12,946 (+70.7%)	8,449 (-34.7%)	8,426 (-0.3%)	8,505 (+0.9%)	8,876 (+4.4%)	8,000 (-9.9%)	8,050 (+0.6%)	Ordinary Income (% change from the preceding period)
5,976 (+7.0%)	7,183 (+20.2%)	7,585 (+5.6%)	12,945 (+70.7%)	8,448 (-34.7%)	8,425 (-0.3%)	8,504 (+0.9%)	8,875 (+4.4%)	8,000 (-9.9%)	8,050 (+0.6%)	Net Income (% change from the preceding period)
345,400 units	410,000 units	410,000 units	443,000 units	443,000 units	443,000 units	443,000 units	489,200 units	489,200 units	489,200 units	Units Outstanding
17,302 yen	17,521 yen	18,500 yen	29,223 yen	19,072 yen	19,020 yen	19,198 yen	18,043 yen	16,360 yen	16,460 yen	Dividend per Unit
441,163	443,973	449,643	527,537	542,920	565,022	564,528	637,326	—	—	Total Assets
207,449	271,867	272,269	310,547	306,050	306,027	306,106	333,228	—	—	Net Assets
600,605 yen	663,091 yen	664,071 yen	701,009 yen	690,858 yen	690,806 yen	690,984 yen	681,170 yen	—	—	Net Assets per Unit
233,714	172,105	177,374	216,990	236,869	258,994	258,422	304,097	—	—	Total Liabilities
202,500	140,000	144,500	177,500	199,500	220,500	220,500	262,500	—	—	Interest-bearing Debt
45.9%	31.5%	32.1%	33.6%	36.7%	39.0%	39.1%	41.2%	—	—	LTV
1,000,000 yen	1,560,000 yen	1,380,000 yen	1,160,000 yen	836,000 yen	756,000 yen	734,000 yen	797,000 yen	—	—	Unit Price (period-end)
345,400	639,600	565,800	513,880	370,348	334,908	325,162	389,892	—	—	Market Capitalization
49	50	50	53	54	55	55	55	55	55	Number of Properties
418,693	441,276	446,940	518,969	542,969	564,219	564,219	641,245	641,245	641,245	Total Acquisition Price of Properties
396,173 m <sup>2</sup>	397,928 m <sup>2</sup>	406,605 m <sup>2</sup>	479,877 m <sup>2</sup>	508,296 m <sup>2</sup>	516,411 m <sup>2</sup>	516,421 m <sup>2</sup>	566,277 m <sup>2</sup>	567,619 m <sup>2</sup>	567,619 m <sup>2</sup>	Leasable Space
98.2%	97.8%	98.7%	95.9%	96.1%	95.5%	93.3%	93.0%	93.0%	—	Occupancy Rate
—	64,600 units	—	33,000 units	—	—	—	46,200 units	—	—	Public Offerings of New Units Number of Newly Issued Units
—	1,009,400 yen	—	1,029,000 yen	—	—	—	597,520 yen	—	—	Offer Price
—	65,207	—	33,957	—	—	—	25,095*	—	—	Aggregate Amount of Offer Price
—	978,500 yen	—	997,500 yen	—	—	—	579,040 yen	—	—	Issue Price
—	63,211	—	32,917	—	—	—	26,751	—	—	Aggregate Amount of Issue Price
—	2006/10/24	—	2008/3/12	—	—	—	2009/12/8- 2009/12/22	—	—	Payment Date

\* Aggregate amount of offer price after the public offering of 42,000 new units

(In yen)



# Structure of Fees to Asset Management Company



## Payment of Asset Management Fees to Asset Management Company

(As of March 31, 2010)

### Term fee

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

CF = Income or loss before income taxes + (Depreciation expenses and the amortization of deferred assets) -  
(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 the 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 0.5%\*

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

### 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

	→New Asset Management Fee Rate (reduction) <span style="float: right;">(In millions of yen)</span>									
	1st Period Mar-02	2nd Period Sep-02	3rd Period Mar-03	4th Period Sep-03	5th Period Mar-04	6th Period Sep-04	7th Period Mar-05	8th Period Sep-05	9th Period Mar-06	10th Period Sep-06
Term Fee (*1)	389	382	408	312	325	330	342	392	410	422
Incentive Fee (*1)	0	0	24	80	0	32	134	0	160	230
Acquisition Fee (*2)	649	88	185	90	192	213	464	180	475	33
Transfer Fee (*3)	0	0	0	0	0	0	0	0	0	20
<b>Total AM Fee</b>	<b>1,038</b>	<b>470</b>	<b>617</b>	<b>484</b>	<b>518</b>	<b>576</b>	<b>941</b>	<b>573</b>	<b>1,046</b>	<b>707</b>
Total Assets	161,809	185,397	200,022	209,581	244,523	257,372	322,358	355,968	433,552	441,163
Amount of Acquisition Price during the Period	144,697	19,580	19,265	9,065	25,830	21,390	50,683	36,050	86,205	12,630
Amount of Transfer Price during the Period	0	0	0	0	0	0	0	0	0	7,003
Term Fee / Total Assets	0.24%	0.21%	0.20%	0.15%	0.13%	0.13%	0.11%	0.11%	0.09%	0.10%
Incentive Fee / Total Assets	—	—	0.01%	0.04%	—	0.01%	0.04%	—	0.04%	0.05%
Acquisition Fee / Amount of Acquisition Price during the Period	0.45%	0.45%	0.96%	1.00%	0.75%	1.00%	0.92%	0.50%	0.55%	0.26%
Transfer Fee / Amount of Transfer Price during the Period	—	—	—	—	—	—	—	—	—	0.29%
<b>Tota AM Fee / Total Assets</b>	<b>0.64%</b>	<b>0.25%</b>	<b>0.31%</b>	<b>0.23%</b>	<b>0.21%</b>	<b>0.22%</b>	<b>0.29%</b>	<b>0.16%</b>	<b>0.24%</b>	<b>0.16%</b>

	→New Asset Management Fee Rate (change of acquisition fee)									
	11th Period Mar-07	12th Period Sep-07	13th Period Mar-08	14th Period Sep-08	15th Period Mar-09	16th Period Sep-09	17th Period Mar-10	Average after 4th Period (*4)		
								per period	per year	
Term Fee (*1)	452	476	713	531	537	540	529	451	902	
Incentive Fee (*1)	0	185	1,860	0	0	0	0	191	383	
Acquisition Fee (*2)	134	71	386	78	53	0	373	196	392	
Transfer Fee (*3)	154	8	0	0	0	0	7	13	27	
<b>Total AM Fee</b>	<b>741</b>	<b>741</b>	<b>2,960</b>	<b>609</b>	<b>591</b>	<b>540</b>	<b>910</b>	<b>853</b>	<b>1,706</b>	
Total Assets	443,973	449,643	527,537	542,920	565,022	564,523	637,326	428,248		
Amount of Acquisition Price during the Period	49,850	7,100	72,029	24,000	21,250	0	77,026	35,222	70,444	
Amount of Transfer Price during the Period	41,900	1,770	0	0	0	0	1,507	3,727	7,454	
Term Fee / Total Assets	0.10%	0.11%	0.14%	0.10%	0.10%	0.10%	0.08%	0.11%	0.21%	
Incentive Fee / Total Assets	—	0.04%	0.35%	—	—	—	—	0.04%	0.09%	
Acquisition Fee / Amount of Acquisition Price during the Period	0.27%	1.00%	0.54%	0.33%	0.25%	—	0.49%	0.56%	0.56%	
Transfer Fee / Amount of Transfer Price during the Period	0.37%	0.50%	—	—	—	—	0.50%	0.37%	0.37%	
<b>Total AM Fee / Total Assets</b>	<b>0.17%</b>	<b>0.16%</b>	<b>0.56%</b>	<b>0.11%</b>	<b>0.10%</b>	<b>0.10%</b>	<b>0.14%</b>	<b>0.20%</b>	<b>0.40%</b>	

Accounting treatment of asset management fees

- (\*1) Expense (Administrative expenses)
- (\*2) Capitalized as asset
- (\*3) Expense (reflected in capital gain/loss as transfer expense)
- (\*4) Total assets are a simple average at the end of each period.

# Key Properties and Key Tenants

(As of March 31, 2010)

## Kitanomaru Square (Chiyoda-ku, Tokyo)



- Acquisition Date: February 24, 2006
- Acquisition Price: ¥81,555.5 million
- Area: Land: 5,821.03 m<sup>2</sup>  
Building: 57,279.20 m<sup>2</sup>
- Completion Date: January 2006
- Major Tenant: Banyu Pharmaceutical Co., Ltd.

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



- Acquisition Date: March 28, 2007
- Acquisition Price: ¥44,700.0 million
- Area: Land: 8,100.39 m<sup>2</sup>  
Building: 108,171.67 m<sup>2</sup>  
(Ownership: 19.38402%)
- Completion Date: February 2003
- Major Tenant: Mitsubishi UFJ Trust and Banking Corporation

## Harumi Center Building (Chuo-ku, Tokyo)



- Acquisition Date: December 18, 2007
- Acquisition Price: ¥26,800.0 million
- Area: Land: 4,664.63 m<sup>2</sup>  
Building: 26,447.27 m<sup>2</sup>
- Completion Date: November 2006
- Major Tenant: JSOL Corporation

## Tokyo Opera City Building (Shinjuku-ku, Tokyo)



- Acquisition Date: September 13, 2005/  
March 24, 2010
- Acquisition Price: ¥31,776.8 million
- Area: Land: 18,236.94 m<sup>2</sup>  
Building: 232,996.81 m<sup>2</sup>  
(Ownership: 31.325%)
- Completion Date: July 1996
- Major Tenant: Sanofi-aventis K.K.



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



- Acquisition Date: November 30, 2001
- Acquisition Price: ¥34,600.0 million
- Area: Land: 5,153.45 m<sup>2</sup>  
Building: 61,862.33 m<sup>2</sup>
- Completion Date: April 1976
- Major Tenant: Amazon Japan K.K.

### Shiodome Building (Minato-ku, Tokyo)



- Acquisition Date: December 19, 2008/  
January 15, 2010
- Acquisition Price: ¥75,850.0 million
- Area: Land: approx. 12,046 m<sup>2</sup>  
Building: 115,930.83 m<sup>2</sup>  
(Quasi-co-ownership: 40.0% of  
the trust beneficiary right)
- Completion Date: December 2007
- Major Tenant: NTT Communications Corporation

### MM Park Building (Yokohama City, Kanagawa Prefecture)



- Acquisition Date: March 24, 2008
- Acquisition Price: ¥37,400.0 million
- Area: Land: 6,825.77 m<sup>2</sup>  
Building: 49,037.51 m<sup>2</sup>
- Completion Date: December 2007
- Major Tenant: Undisclosed  
(Listed on the first section of the TSE)

### Shin-Fujita Building (Osaka City, Osaka Prefecture)



- Acquisition Date: September 1, 2008
- Acquisition Price: ¥24,000.0 million
- Area: Land: 6,159.61 m<sup>2</sup>  
Building: 45,411.31 m<sup>2</sup>
- Completion Date: April 1995
- Major Tenant: Oracle Corporation Japan

# Diversified Processes of Property Acquisition



## Examples of Diversified Processes of Property Acquisition

(As of March 31, 2010)

Efforts for the diversification of property acquisition processes in order to avoid excessive competition in the market

### Exchange transaction

On March 28, 2007, JRE obtained a certain portion of Mitsubishi UFJ Trust and Banking Building through an exchange transaction (for Mitsubishi Soken Building, which JRE owned) with one of JRE's sponsors, Mitsubishi Estate Col., Ltd.



Mitsubishi UFJ Trust and Banking Building

### Exercise of the preferential purchase right granted at the time of the preferred capital contribution

JRE acquired Harumi Center Building on December 18, 2007 by exercising the preferential purchase right it had been granted at the time it concluded a contract to subscribe to preferred capital contribution of Harumi Front Tokutei Mokuteki Kaisha on March 24, 2005.



Harumi Center Building

### Additional share acquisition

Number of properties as of March 31, 2010: 55 buildings

Number of co-ownership or compartmentalized building units at the time of initial share acquisition: 22 buildings

Number of properties for which additional share of ownership was subsequently acquired: 12 buildings

Number of the above properties for which said additional share acquisition made the percentage of ownership 100%: 4 buildings

<Major properties for which additional share of ownership was acquired>



Shiodome Building



Tokyo Opera City Building



Sanno Grand Building

### Extension of existing building

On July 4, 2008, JRE acquired the land and building adjacent to Ryoshin Ginza East Mirror Building, which it acquired on March 15, 2005. In August 2009, JRE started construction work to extend Ryoshin Ginza East Mirror Building on the acquired land. The extension is scheduled to be completed on May 24, 2010.

- Ryoshin Ginza East Mirror Building

<before>



<after>



This illustration is based on the relevant drawings; the actual specifications may differ.

# Performance (Operating Results of Each Property in the 17th Period)



(In millions of yen)

Name	Performance (October 1, 2009-March 31, 2010)													
	Property-related Revenues	Property-related Expenses									(2) Property-related Profits and Losses	(3) NOI ((1) + (2))	(4) Capex	NCF ((3) - (4))
		Property Management Expenses	Utilities Expenses	Property and Other Taxes	Casualty Insurance	Repairing Expenses	Depreciation (1)	Other Expenses						
Genki Medical Plaza	223	75	12	14	18	0	6	20	2	147	168	-	168	
Kitanomaru Square	1,811	750	146	56	85	2	14	444	-	1,060	1,505	6	1,498	
MD Kanda	272	103	14	14	22	0	6	42	2	169	212	7	205	
Kandabashi Park	224	39	6	-	17	0	0	14	-	185	199	-	199	
Nibancho Garden	485	242	56	23	53	0	3	104	-	243	348	-	348	
Mitsubishi UFJ Trust	981	346	50	54	110	1	3	121	4	635	756	18	738	
Burex Kojimachi	162	83	-	-	15	0	0	66	-	78	145	1	143	
Sanno Grand	1,048	356	109	53	92	1	24	75	-	691	766	32	734	
Yurakucho Denki	287	120	33	20	35	0	6	24	-	167	191	86	105	
Kodenmacho	158	63	15	7	13	0	6	17	3	95	112	-	112	
Burex Kyobashi	150	51	-	-	12	0	1	37	-	98	136	4	132	
Ginza Sanwa	387	113	31	18	44	0	5	12	-	274	287	-	287	
Ryoshin Ginza EM	139	71	10	9	10	0	2	39	0	67	106	2	104	
Harumi Center	754	435	80	38	49	1	2	263	0	318	582	0	582	
Aoyama Crystal	252	86	15	12	25	0	1	30	0	165	196	-	196	
Shiodome	1,333	328	79	38	27	1	0	180	0	1,004	1,185	1	1,183	
Shiba 2Chome Daimon	316	127	42	22	36	0	4	21	0	188	209	5	204	
Cosmo Kanasugibashi	108	44	12	6	13	0	1	10	0	63	73	2	71	
Shinwa	275	93	18	15	20	0	14	23	-	182	206	0	205	
Tokyo Opera City	533	373	Undisclosed	Undisclosed	Undisclosed	Undisclosed	Undisclosed	Undisclosed	Undisclosed	160	Undisclosed	22	Undisclosed	
Takanawadai	24	57	11	4	12	0	12	15	0	-33	-17	19	-37	
Higashi-Gotanda 1Chome	217	93	15	17	14	0	0	46	-	124	170	-	170	
Omori-Eki Higashiguchi	260	94	27	18	25	0	1	21	0	165	187	70	116	
Nippon Brunswick	296	153	38	21	27	0	28	38	0	143	181	100	80	
Yoyogi 1Chome	354	143	22	18	23	0	0	77	0	211	289	-	289	
da Vinci Harajuku	203	47	10	9	13	0	0	13	-	156	169	0	168	
Jingumae MS	347	151	23	23	30	0	19	53	-	195	248	0	248	
Shibuya Cross Tower	1,456	1,045	183	110	128	3	282	335	2	410	745	635	110	
Ebisu Neonato	118	75	15	4	10	0	5	39	-	42	82	0	82	
Harmony Tower	358	260	117	-	47	1	9	84	-	98	182	7	174	
Otsuka Higashi-Ikebukuro	192	86	17	19	13	0	5	30	0	105	135	25	110	
Ikebukuro 2Chome	72	27	9	5	5	0	0	6	0	44	51	12	38	
Ikebukuro YS	193	81	18	15	14	0	2	31	-	111	142	-	142	
Hachioji First	253	142	50	-	26	0	10	54	-	110	165	2	162	
Saitama Urawa	111	48	19	7	9	0	1	10	-	62	73	13	59	
MM Park	1,369	703	148	152	61	2	1	336	0	665	1,002	18	984	
Kawasaki Isago	159	72	22	12	14	0	4	17	0	86	104	10	94	
Musashi Kosugi STM	160	73	22	2	10	0	2	34	-	87	122	4	117	
8•3 Square Kita	329	189	29	56	23	0	0	79	-	139	218	-	218	
Jozenji Park	70	36	9	7	7	0	2	8	-	34	42	-	42	
Sendai Honma	141	69	16	14	15	0	7	14	0	72	87	-	87	
Kanazawa Park	456	323	104	47	69	2	45	53	-	132	186	17	169	
Nishiki Park	272	226	46	19	21	0	64	66	6	46	112	2	110	
Hirokoji Sakae	98	66	15	11	12	0	19	7	0	31	39	-	39	
Nagoya Hirokoji	696	318	93	60	62	1	25	74	0	378	452	109	343	
Nagoya Misono	65	62	11	5	6	0	17	20	-	2	23	5	17	
Kyoto Kawaramachi	105	74	20	10	11	0	4	27	0	30	58	9	48	
Shin-Fujita	679	632	128	75	85	2	10	329	-	47	377	25	351	
Sakaisujihonmachi	256	148	41	24	40	0	7	33	-	107	141	2	138	
Midouji Daiwa	606	252	66	38	83	1	5	56	-	354	411	14	396	
Lit City	254	149	35	19	16	1	5	71	-	104	176	-	176	
NHK Hiroshima	266	191	62	25	25	0	11	39	26	75	114	13	101	
Tosei Tenjin	90	48	13	7	8	0	6	11	-	41	53	-	53	
Tenjin Crystal	134	157	26	14	21	0	18	76	-	-22	53	3	49	
Hinode Tenjin	180	73	20	13	15	0	4	17	-	106	124	0	124	
Total	20,758	10,287	2,362	1,358	1,769	45	756	3,945	49	10,471	14,417	1,318	13,099	

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

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

# Property Data ① (Occupancy Rates at the End of the 17th Period, etc.)



Area	Name	Acquisition Date	Additional Acquisition Date	Ownership	Leasable Space (㎡)	Leased Space (㎡)	Vacant Area (㎡)		Occupancy Rate		Number of Tenants		
							End of 17th Period	Variation from End of 16th Period	End of 17th Period	Variation from End of 16th Period			
Tokyo 23 Wards	Chiyoda	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	5,735	533		91.5%		6	
		Kandabashi Park	'02/08/15	-	56.76%	3,687	3,354	333	-130	91.0%	3.5%	5	
		Nibancho Garden	'05/04/01	-	31.345%	9,316	9,316	0		100.0%		1	
		Mitsubishi UFJ Trust	'07/03/28	-	19.38402%	11,922	11,922	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	20,544	320	-93	98.5%	0.5%	44
	Chuo	Yurakucho Denki	'03/08/01	-	10.78%	4,694	4,095	599		87.2%		13	
		Kodenmachi	'01/09/25	-	100.0%	3,897	3,897	0		100.0%		10	
		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%		11	
		Ryoshin Ginza EM	'05/03/15	-	100.0%	2,875	2,875	0		100.0%		8	
		Harumi Center	'07/12/18	-	100.0%	20,812	20,425	386		98.1%		7	
		Minato	Aoyama Crystal	'03/03/14	-	100.0%	4,898	4,511	387	387	92.1%	-7.9%	6
			Siodome	'08/12/19	'10/01/15		40.0%	32,151	32,048	103	77	99.7%	
	Shiba 2Chome Daimon		'01/09/10	-	100.0%	9,631	8,773	857	355	91.1%	-3.7%	16	
	Cosmo Kanasugibashi		'01/09/25	-	100.0%	4,062	2,866	1,195	848	70.6%	-20.9%	7	
	Shinjuku	Shinwa	'04/09/01	-	100.0%	6,197	6,197	0		100.0%		10	
		Tokyo Opera City	'05/09/13	'10/03/24		31.325%	35,035	32,884	2,150	1,281	93.9%	3.3%	96
	Shinagawa	Takanawadai	'01/09/25	-	100.0%	4,067	0	4,067	4,067	0.0%	-100.0%	0	
		Higashi-Gotanda 1Chome	'04/11/01	-	100.0%	5,205	5,205	0		100.0%		4	
	Ota	Omori-Eki Higashiguchi	'01/09/10	-	100.0%	7,708	7,519	189		97.5%		18	
	Shibuya	Nippon Brunswick	'04/03/24	-	100.0%	7,356	7,356	0	-403	100.0%	5.5%	21	
		Yoyogi 1Chome	'04/04/01	-	100.0%	7,745	7,745	0		100.0%		7	
		da Vinci Harajuku	'02/11/22	-	100.0%	3,147	3,147	0		100.0%		5	
		Jingumae MS	'03/10/09	-	100.0%	5,558	5,075	482	-482	91.3%	8.7%	7	
		Shibuya Cross Tower	'01/11/30	-	100.0%	29,789	28,756	1,033	-1,854	96.5%	6.2%	59	
		Ebisu Neonato	'03/11/14	'04/04/01		12.29939%	2,462	605	1,857	1,231	24.6%	-50.0%	1
	Nakano	Harmony Tower	'05/02/28	-	29.253305%	10,929	10,651	278	-1,052	97.5%	9.6%	15	
	Toshima	Otsuka Higashi-Ikebukuro	'01/09/25	-	100.0%	7,183	7,183	0		100.0%		6	
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		
Other Areas	Hachioji	Hachioji First	'05/03/31	'08/03/19	80.4%	10,068	9,473	595	-60	94.1%	0.6%	38	
	Saitama	Saitama Urawa	'01/09/25	'01/10/11	100.0%	4,510	4,421	89	-427	98.0%	9.5%	14	
	Yokohama	MM Park	'08/03/24	-	100.0%	38,496	36,525	1,971		94.9%	0.0%	26	
		Kawasaki	Kawasaki Isago	'01/09/25	-	100.0%	6,831	6,831	0	-383	100.0%	5.6%	12
	Sapporo	Musashi Kosugi STM	'08/03/25	-	34.32%	5,394	5,338	56	-34	98.9%	0.6%	22	
		8-3 Square Kita	'07/06/01	-	100.0%	12,265	12,265	0		100.0%		8	
	Sendai	Jozenji Park	'05/01/31	-	50.0%	2,518	2,518	0		100.0%		18	
		Sendai Honma	'01/09/25	'06/06/28		100.0%	6,241	5,474	767		87.7%		18
	Kanazawa	Kanazawa Park	'02/02/28	'03/03/03	89.0%	20,918	17,027	3,890	-80	81.4%	0.4%	69	
	Nagoya	Nishiki Park	'06/10/02	'06/11/01	57.04651%	8,059	7,847	211	-19	97.4%	0.2%	51	
		Hirokoji Sakae	'06/09/22	-	100.0%	3,911	3,274	637	64	83.7%	-1.6%	12	
		Nagoya Hirokoji	'01/09/10	-	100.0%	21,624	20,245	1,378	649	93.6%	-3.0%	26	
		Nagoya Misono	'03/08/08	-	100.0%	3,470	2,840	629	275	81.9%	-7.9%	9	
	Kyoto	Kyoto Kawaramachi	'01/12/20	-	100.0%	6,802	4,622	2,180	-5	68.0%	0.1%	25	
	Osaka	Shin-Fujita	'08/09/01	-	100.0%	28,414	21,965	6,449	987	77.3%	-3.5%	40	
		Sakaisujihonmachi	'01/09/25	'03/12/26		100.0%	11,574	10,613	961	737	91.7%	-6.4%	16
		Midotsuji Daiwa	'01/09/25	'02/02/28		100.0%	20,450	18,265	2,185	-819	89.3%	4.0%	29
	Okayama	Lit City	'06/02/01	-	27.7488%	9,965	8,716	1,249	401	87.5%	-4.0%	35	
	Hiroshima	NHK Hiroshima	'04/03/25	'08/03/03	48.753%	9,860	9,628	231	231	97.7%	-2.3%	11	
	Fukuoka	Tosei Tenjin	'01/09/25	-	100.0%	4,000	3,924	75	75	98.1%	-1.9%	19	
		Tenjin Crystal	'05/06/01	-	100.0%	6,014	4,746	1,268	-757	78.9%	12.5%	26	
		Hinode Teijin	'01/09/10	-	74.4844%	5,852	5,776	75	75	98.7%	-1.3%	8	
Tokyo 23 Wards						319,030	304,253	14,777	4,230	95.4%	-0.7%	447	
Other Areas						247,247	222,343	24,903	910	89.9%	-0.4%	532	
Portfolio						566,277	526,597	39,680	5,141	93.0%	-0.3%	979	

\* The above-mentioned occupancy rates do not include the residential portions. Leasable space and occupancy rates of the residential portions as of the end of the 17th Period were 11,694㎡/ 86.1% of Kitanomaru Square, 1,686㎡/ 100.0% of Nibancho Garden, 954㎡/ 66.6% of Nishiki Park Building.

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

# Property Data ② (Occupancy Rates Forecast for the End of the 18th Period, etc.)



Area	Name	Floor Area (Whole Building) (m <sup>2</sup> )	Vacant Area (m <sup>2</sup> )		Occupancy Rate		Property Management Company		
			End of 18th Period	Variation from End of 17th Period	End of 18th Period	Variation from End of 17th Period			
Tokyo 23 Wards	Chiyoda	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	533		91.5%	Bussan Real Estate Co., Ltd.		
		Kandabashi Park	9,370.25	469	136	87.3%	-3.7%	Mitsubishi Estate Co., Ltd.	
		Nibancho Garden	57,031.06	0		100.0%		The Dai-Ichi Building Co., Ltd.	
		Mitsubishi UFJ Trust	108,171.67	0		100.0%		Mitsubishi Estate Co., Ltd.	
		Burex Kojimachi	6,526.64	0		100.0%		Space Design, Inc.	
		Sanno Grand	33,875.95	573	253	97.3%	-1.2%	Mitsubishi Estate Co., Ltd.	
	Yurakucho Denki	70,287.65	1,063	463	77.4%	-9.9%	Yuden Building Kanri Co., Ltd.		
	Chuo	Kodenmachi	5,822.88	991	991	74.5%	-25.5%	The Dai-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 EM	Approx. 5,910.00	982	982	76.9%	-23.1%	The Dai-Ichi Building Co., Ltd.	
		Harumi Center	26,447.27	1,320	933	93.7%	-4.5%	Mitsubishi Estate Co., Ltd.	
	Minato	Aoyama Crystal	8,094.36	387		92.1%		Xymax Axis Corporation	
		Shiodome	115,930.83	103		99.7%		Mitsubishi Jisho Property Management Co., Ltd.	
		Shiba 2Chome Daimon	16,235.10	823	-33	91.4%	0.3%	Tokio Marine & Nichido Facilities, Inc.	
		Cosmo Kanasugibashi	5,420.93	848	-346	79.1%	8.5%	The Dai-Ichi Building Co., Ltd.	
	Shinjuku	Shinwa	8,291.69	1,095	1,095	82.3%	-17.7%	Tokio Marine & Nichido Facilities, Inc.	
		Tokyo Opera City	232,996.81	2,680	529	92.4%	-1.5%	Tokyo Operacity Property Management co.,Ltd.	
	Shinagawa	Takanawada	5,762.70	1,504	-2,563	63.0%	63.0%	Sohgo Housing Co., Ltd	
		Higashi-Gotanda 1Chome	6,460.39	0		100.0%		Sohgo Housing Co., Ltd	
	Ota	Omori-Eki Higashiguchi	14,095.34	189		97.5%		Tokio Marine & Nichido Facilities, Inc.	
	Shibuya	Nippon Brunswick	11,957.38	0		100.0%		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 MS	9,420.42	0	-482	100.0%	8.7%	The Dai-Ichi Building Co., Ltd.	
		Shibuya Cross Tower	61,862.33	1,630	597	94.5%	-2.0%	Mitsubishi Jisho Property Management Co., Ltd.	
		Ebisu Neonato	36,598.38	1,231	-625	50.0%	25.4%	Tokio Marine & Nichido Facilities, Inc.	
	Nakano	Harmony Tower	72,729.31	977	699	91.1%	-6.4%	Mitsubishi Jisho Property Management Co., Ltd.	
	Toshima	Otsuka Higashi-Ikebukuro	9,531.28	0		100.0%		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		
Other Areas	Hachioji	Hachioji First	18,329.98	1,060	465	89.5%	-4.6%	Sohgo Housing Co., Ltd	
		Saitama	Saitama Urawa	6,258.59	89		98.0%		The Dai-Ichi Building Co., Ltd.
	Yokohama	MM Park	49,037.51	1,971		94.9%		Mitsubishi Estate Co., Ltd.	
	Kawasaki	Kawasaki Isago	9,623.83	361	361	94.7%	-5.3%	Sohgo Housing Co., Ltd	
		Musashi Kosugi STM	22,839.61	389	333	92.8%	-6.2%	Sohgo Housing Co., Ltd	
	Sapporo	8-3 Square Kita	16,096.97	0		100.0%		Mitsubishi Jisho Property Management Co., Ltd.	
	Sendai	Jozenji Park	7,648.33	104	104	95.9%	-4.1%	Mitsubishi Estate Co., Ltd.	
		Sendai Honma	8,247.50	866	99	86.1%	-1.6%	The Dai-Ichi Building Co., Ltd.	
	Kanazawa	Kanazawa Park	43,481.20	3,970	80	81.0%	-0.4%	Mitsubishi Estate Co., Ltd.	
	Nagoya	Nishiki Park	25,091.91	470	259	94.2%	-3.2%	Mitsubishi Estate Co., Ltd.	
		Hirokoji Sakae	6,445.08	637		83.7%		Tokio Marine & Nichido Facilities, Inc.	
		Nagoya Hirokoji	33,377.73	2,412	1,033	88.8%	-4.8%	Mitsubishi Jisho Property Management Co., Ltd.	
		Nagoya Misono	5,348.00	629		81.9%		Tokio Marine & Nichido Facilities, Inc.	
	Kyoto	Kyoto Kawaramachi	9,701.04	2,351	171	65.4%	-2.5%	Xymax Axis Corporation	
	Osaka	Shin-Fujita	45,411.31	2,302	-4,147	91.9%	14.6%	Mitsubishi Jisho Property Management Co., Ltd.	
		Sakaisujihonmachi	17,145.59	1,788	826	84.6%	-7.1%	The Dai-Ichi Building Co., Ltd.	
		Midosuji Daiwa	31,213.27	1,331	-853	93.5%	4.2%	The Dai-Ichi Building Co., Ltd.	
	Okayama	Lit City	52,653.19	755	-493	92.4%	5.0%	Yuraku Real Estate Co., Ltd.	
	Hiroshima	NHK Hiroshima	35,217.28	231		97.7%		Mitsubishi Estate Co., Ltd.	
		Fukuoka	Tosei Tenjin	5,588.57	75		98.1%		The Dai-Ichi Building Co., Ltd.
		Tenjin Crystal	10,432.04	623	-644	89.6%	10.7%	The Dai-Ichi Building Co., Ltd.	
		Hinode Tenjin	12,527.07	75		98.7%		Tokio Marine & Nichido Facilities, Inc.	
	Tokyo 23 Wards				17,407	2,630	94.6%	-0.8%	
	Other Areas				22,499	-2,403	90.9%	1.0%	
	Portfolio				39,907	226	93.0%	0.0%	

\* Floor area (whole building) of Ryoshin Ginza EM mentioned above is that of after extension which is calculated on the basis of the architectural drawing, it may be subject to change.

# Property Data ③ (Classification)



## Floor Size by Area, Property and PM Companies

Red Italic shows the transferred properties.

(As of March 31, 2010)

Tsubo per Standard floor (Tsubo≒3.3 m <sup>2</sup> )	Area							Total Number of Buildings	Total Acquisition Price (¥mm) (%)
	Tokyo 23 Wards			Other Areas					
	3 Central Wards	Other Area	Tokyo Metropolitan Area (excl. 23 Wards)	Osaka / Kyoto / Kobe	Nagoya	Other			
450 -	Nibancho Garden 1,117 Shiodome 1,059 Sanno Grand 666 Harumi Center 648 Kitanomaru Square 568 Mitsubishi UFJ Trust 537	Tokyo Opera City 653	MM Park 828 Musashi Kosugi STM 619				Kanazawa Park 625 Lit City 550	11 346,912 (54.1%)	
300 - 450	<i>Property E</i> Yurakucho Denki 398 Shiba 2Chome Daimon 352	Harmony Tower 413 Ebisu Neonato 373 Shibuya Cross Tower 313	Hachioji First 335	Shin-Fujita 440 Midouji Daiwa 341	Nagoya Hirokoji 333	8-3 Square Kita 373 NHK Hiroshima 301	11 127,655 (19.9%)		
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	<i>Property B</i>	Sakaisujihonmachi 284 Kyoto Kawaramachi 223	Nishiki Park 209	Hinode Tenjin 252	12 62,295 (9.7%)		
150 - 200	Ginza Sanwa 198 MD Kanda 198 Genki Medical Plaza 183 Burex Kyobashi 176 Cosmo Kanasugibashi 160 Kodenmacho 150	<i>Property A</i>	Kawasaki Isago 197 Saitama Urawa 189		Nagoya Misono 157	Jozenji Park 191 Sendai Horima 179 <i>Property C</i> Tosei Tenjin 167	12 56,119 (8.8%)		
100 - 150	Burex Kojimachi 132 Aoyama Crystal 117 Ryoshin Ginza EM 114	Jingumae MS 146 da Vinci Harajuku 117 Takanawadai 103		<i>Property F</i>	Hirokoji Sakae 144	<i>Property D</i> Tenjin Crystal 112	8 46,536 (7.3%)		
- 100		Ikebukuro 2Chome 74					1 1,728 (0.3%)		
Total Number of Buildings	18	15	5	4	4	9	55		
Total Acquisition Price (¥mm)	343,989	142,391	53,028	45,128	23,228	33,481	641,245		
(%)	(53.6%)	(22.2%)	(8.3%)	(7.0%)	(3.6%)	(5.2%)	(100.0%)		
Number of PM Companies	8	6	3	3	3	5	11		

- **Balanced portfolio of properties, mostly large scale and competitive properties. The ratio of properties with standard floor area of 200 tsubo is approx. 84% on an acquisition price basis.**
- **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

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

*Red Italic shows the transferred properties.*

(As of March 31, 2010)

Building Age	Time	Area								Total Number of Buildings	
		Tokyo 23 Wards				Other Areas					Total Acquisition Price (¥mm) (%)
		- 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	Shiodome	Harumi Center		MM Park					12	
	Burex Kojimachi	Higashi-Gotanda 1Chome			8·3 Square Kita					319,205	
	Mitsubishi UFJ Trust	Nibancho Garden			Lit City					(49.8%)	
		Yoyogi 1Chome Burex Kyobashi									
10 - 20 years	MD Kanda	Ryoshin Ginza EM	Cosmo Kanasugibashi		Hachioji First	Shin-Fujita	Tosei Tenjin	<i>Property B</i>		25	
	Harmony Tower	Jingumae MS	<i>Property A</i>		Nishiki Park	Tenjin Crystal				167,328	
	Tokyo Opera City	Kandabashi Park	Ikebukuro 2Chome		NHK Hiroshima	Jozenji Park				(26.1%)	
	Ebisu Neonato				Sakaisujihonmachi	Kanazawa Park					
	Kodenmacho				Sendai Honma	Nagoya Misono					
	Takanawadai				Midosuji Daiwa Musashi Kosugi STM	Kawasaki Isago					
20 - 30 years	Omori-Eki Higashiguchi	Otsuka Higashi-Ikebukuro	Ikebukuro YS			Saitama Urawa	<i>Property F</i>	<i>Property D</i>		14	
	Genki Medical Plaza	Shiba 2Chome Daimon	Shinwa		Hirokoji Sakae	Hinode Tenjin		<i>Property C</i>		85,342	
	Ginza Sanwa	Aoyama Crystal	da Vinci Harajuku		Nagoya Hirokoji	Kyoto Kawaramachi				(13.3%)	
30 years -	Yurakucho Denki	Shibuya Cross Tower								4	
	<i>Property E</i>	Nippon Brunswick								69,370	
	Sanno Grand									(10.8%)	
Total Number of Buildings	14	13	6	0	10	11	1	0		55	
Total Acquisition Price (¥mm) (%)	248,116 (38.7%)	189,713 (29.6%)	48,551 (7.6%)	0 (0.0%)	88,401 (13.8%)	64,914 (10.1%)	1,550 (0.2%)	0 (0.0%)		641,245 (100.0%)	

- Properties aged 10 years or less account for approx. 50% of total properties (on an acquisition price basis).
- Approx. 92% of total properties are located within a five-minute walk from the nearest station (on an acquisition price basis).

# PML Values



Area	Name	Completion Date	PML Value	
Tokyo 23 Wards	Chiyoda	Genki Medical Plaza	1985/09	3.4%
		Kitanomaru Square	2006/01	1.6%
		MD Kanda Building	1998/02	5.0%
		Kandabashi Park Building	1993/07	5.0%
		Nibancho Garden	2004/04	2.1%
		Mitsubishi UFJ Trust and Banking Building	2003/02	1.4%
		Burex Kojimachi Building	2005/01	4.1%
		Sanno Grand Building	1966/09	3.6%
	Yurakucho Denki Building	1975/09	3.7%	
	Chuo	Kodenmacho Shin-Nihonbashi Building	1991/11	3.3%
		Burex Kyobashi Building	2002/02	4.7%
		Ginza Sanwa Building	1982/10	3.7%
		Ryoshin Ginza East Mirror Building	1998/10	2.9%
		Harumi Center Building	2006/11	3.5%
	Minato	Aoyama Crystal Building	1982/12	5.4%
		Shiodome Building	2007/12	1.4%
		Shiba 2Chome Daimon Building	1984/03	3.0%
		Cosmo Kanasugibashi Building	1992/03	7.3%
	Shinjuku	Shinwa Building	1989/11	7.0%
		Tokyo Opera City Building	1996/07	2.0%
	Shinagawa	Takanawadai Building	1991/01	5.4%
		Higashi-Gotanda 1Chome Building	2004/07	2.6%
	Ota	Omori-Eki Higashiguchi Building	1989/07	2.8%
	Shibuya	Nippon Brunswick Building	1974/03	4.0%
		Yoyogi 1Chome Building	2003/10	2.2%
		da Vinci Harajuku	1987/12	9.6%
		Jingumae Media Square Building	1998/03	3.3%
		Shibuya Cross Tower	1976/04	2.2%
		Ebisu Neonato	1994/10	2.4%
	Nakano	Harmony Tower	1997/03	2.0%
	Toshima	Otsuka Higashi-Ikebukuro Building	1987/11	6.1%
		Ikebukuro 2Chome Building	1990/05	3.4%
		Ikebukuro YS Building	1989/12	5.7%
Other Areas	Hachioji	Hachioji First Square	1996/07	3.9%
	Saitama	Saitama Urawa Building	1990/03	7.2%
	Yokohama	MM Park Building	2007/12	4.0%
	Kawasaki	Kawasaki Isago Building	1990/12	4.1%
		Musahi Kosugi STM Building	1990/10	3.8%
	Sapporo	8·3 Square Kita Building	2006/12	1.6%
	Sendai	Jozenji Park Building	1993/01	3.3%
		Sendai Honcho Honma Building	1991/11	2.2%
	Kanazawa	Kanazawa Park Building	1991/10	4.8%
	Nagoya	Nishiki Park Building	1995/08	2.4%
		Hirokoji Sakae Building	1987/09	5.2%
		Nagoya Hirokoji Building	1987/05	2.4%
		Nagoya Misono Building	1991/09	4.1%
	Kyoto	Kyoto Shijo Kawaramachi Building	1982/11	12.1%
	Osaka	Shin-Fujita Building	1995/04	4.0%
		Sakaisujihonmachi Building	1992/10	7.4%
		Midosuji Daiwa Building	1991/09	6.9%
	Okayama	Lit City Building	2005/06	0.6%
	Hiroshima	NHK Hiroshima Broadcasting Center Building	1994/08	1.1%
		Tosei Tenjin Building	1992/03	4.3%
Fukuoka	Tenjin Crystal Building	1993/08	3.1%	
	Hinode Tenjin Building	1987/08	4.2%	
		Portfolio PML	1.9%	

\* Completion date is the date of construction.

Portfolio PML

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

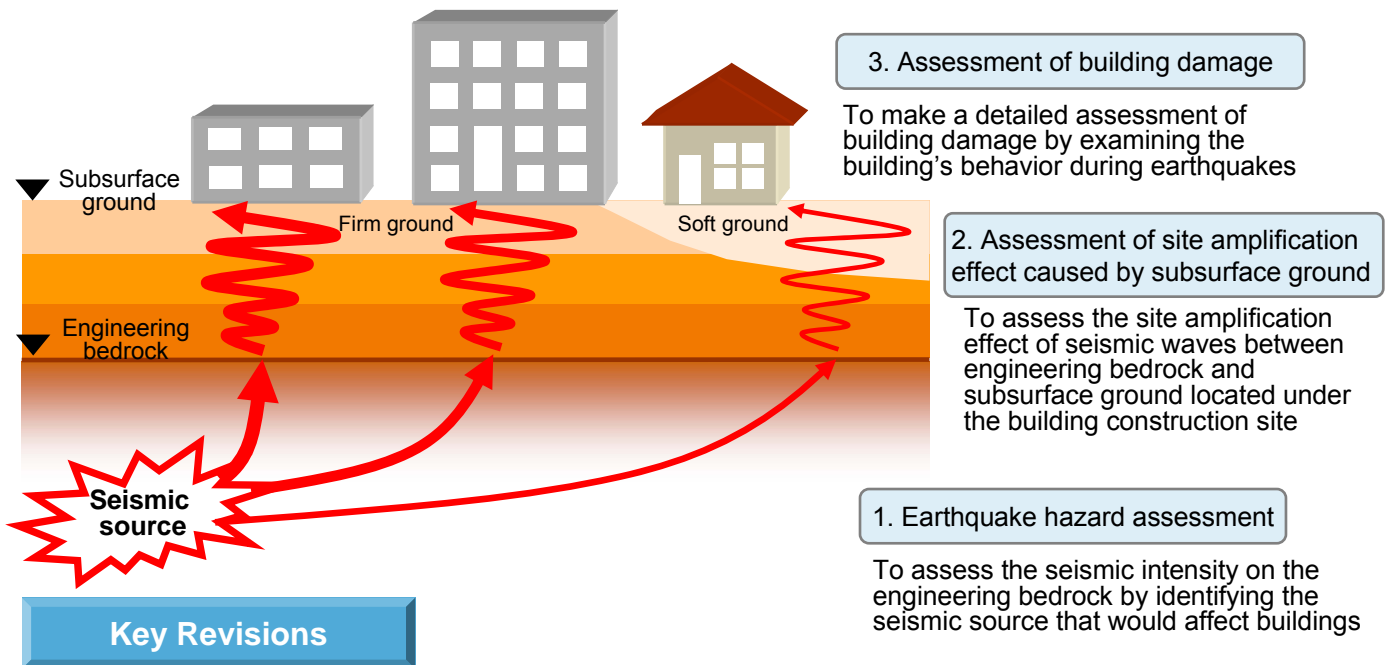
The percentage of the expense in restoring an earthquake-struck building to pre-earthquake condition to the total replacement value (i.e., total expense incurred from an earthquake divided by replacement value of a building), when assuming a catastrophic earthquake that is likely to occur with a 10% 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).



# Revised Earthquake Risk PML Assessment Approach



## New Earthquake Risk PML Assessment Approach Adopted at Tokyo Marine & Nichido Risk Consulting Co., Ltd.



### Renewal of the seismic source database

In addition to the existing seismic source database, information on seismic sources described in the "Probabilistic Seismic Hazard Map of Japan" (March 2006) issued by the Headquarters for Earthquake Research Promotion is now available, increasing the number of earthquakes that can be considered when conducting assessments. In the meantime, the urgency assessment is as of January 1, 2008.

### Revision of the site amplification effect of the ground

An assessment through considering the frequencies at which the ground is susceptible to shaking during earthquakes (the ground's own natural frequency) becomes available by using the response spectral ratio of the engineering bedrock and surface layer as the index representing the site amplification effect caused by subsurface ground.

### More sophisticated assessment of the behavior of buildings

A more sophisticated assessment of building behavior enables use of the response spectrum method to compare the building's performance against seismic hazard, thereby allowing resonance phenomenon, etc. to be considered.

### Revision of building damages assessment

A more pragmatic assessment of the extent of damage to the building's components, including building frame, finishing, and facilities, becomes available by examining the building's behavior during earthquakes through two indices of "deformation" and "accelerated velocity."

# Summary of Appraisal Values at the End of Period



(In millions of yen)

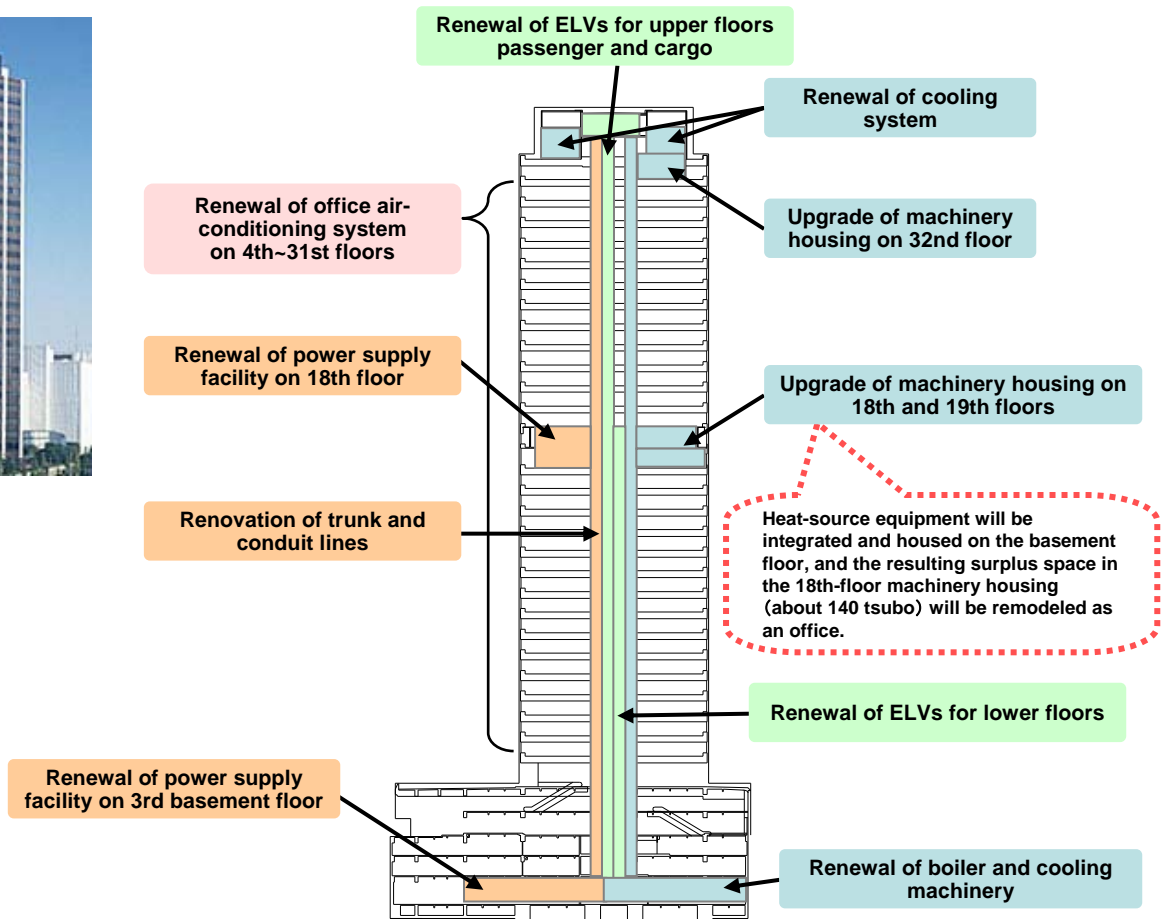
Name	Acquisition Price	Appraisal Value as of the End of Period																
		16th Period					17th Period					Change						
		Appraisal Value	DC(*1)		DCF(*2)		Appraisal Value	DC(*1)		DCF(*2)		Appraisal Value	Change in Value	DC(*1)		DCF(*2)		
	Cap Rate	Assessed CF	Discount Rate	Terminal Cap Rate		Cap Rate	Assessed CF	Discount Rate	Terminal Cap Rate			Cap Rate	Assessed CF	Discount Rate	Terminal Cap Rate			
Genki Medical Plaza	5,000	6,050	5.40%	333	5.00%	5.80%	6,050	5.40%	333	5.00%	5.80%	0	0.0%	0.00%	0.0%	0.00%	0.00%	0.00%
Kitanomaru Square	81,555	78,100	4.30%	3,491	4.10%	4.50%	71,900	4.30%	3,239	4.10%	4.50%	-6,200	-7.9%	0.00%	-7.2%	0.00%	0.00%	0.00%
MD Kanda	9,520	9,620	4.60%	454	4.40%	4.80%	9,320	4.60%	437	4.40%	4.80%	-300	-3.1%	0.00%	-3.7%	0.00%	0.00%	0.00%
Kandabashi Park	4,810	5,950	4.70%	280	4.50%	4.80%	5,480	4.60%	255	4.40%	4.80%	-470	-7.9%	-0.10%	-8.8%	-0.10%	0.00%	0.00%
Nibancho Garden	14,700	16,300	4.70%	795	4.50%	4.90%	16,200	4.70%	788	4.50%	4.90%	-100	-0.6%	0.00%	-0.9%	0.00%	0.00%	0.00%
Mitsubishi UFJ Trust	44,700	47,300	3.60%	1,739	3.30%	3.70%	46,500	3.60%	1,701	3.30%	3.70%	-800	-1.7%	0.00%	-2.1%	0.00%	0.00%	0.00%
Burex Kojimachi	7,000	6,570	4.30%	289	4.10%	4.50%	6,570	4.30%	289	4.10%	4.50%	0	0.0%	0.00%	0.0%	0.00%	0.00%	0.00%
Sanno Grand	20,900	29,100	4.60%	1,339	4.30%	4.70%	28,400	4.60%	1,314	4.30%	4.70%	-700	-2.4%	0.00%	-1.9%	0.00%	0.00%	0.00%
Yurakucho Denki	7,200	8,470	4.60%	397	4.40%	4.80%	7,910	4.60%	367	4.40%	4.80%	-560	-6.6%	0.00%	-7.6%	0.00%	0.00%	0.00%
Kodenmachi	3,173	3,780	5.00%	191	4.80%	5.20%	3,730	5.00%	190	4.80%	5.20%	-50	-1.3%	0.00%	-0.5%	0.00%	0.00%	0.00%
Burex Kyobashi	5,250	6,630	4.00%	271	4.10%	4.50%	6,500	4.10%	271	4.10%	4.50%	-130	-2.0%	0.10%	0.2%	0.00%	0.00%	0.00%
GINZA SANWA	16,830	16,000	3.80%	632	3.70%	3.90%	15,300	3.80%	607	3.70%	3.90%	-700	-4.4%	0.00%	-3.9%	0.00%	0.00%	0.00%
Yoshin Ginza EM	5,353	4,610	4.60%	216	4.40%	4.80%	4,410	4.60%	208	4.40%	4.80%	-200	-4.3%	0.00%	-3.9%	0.00%	0.00%	0.00%
Harumi Center	26,800	22,600	5.00%	1,161	4.80%	5.20%	21,400	5.00%	1,089	4.80%	5.20%	-1,200	-5.3%	0.00%	-6.2%	0.00%	0.00%	0.00%
Aoyama Crystal	7,680	8,790	4.40%	394	4.20%	4.60%	8,340	4.40%	376	4.20%	4.60%	-450	-5.1%	0.00%	-4.6%	0.00%	0.00%	0.00%
Shiba 2Chome Daimon	4,859	6,890	5.00%	348	4.80%	5.20%	6,310	5.00%	319	4.80%	5.20%	-580	-8.4%	0.00%	-8.4%	0.00%	0.00%	0.00%
Cosmo Kanasugibashi	2,808	3,410	5.00%	174	4.80%	5.20%	3,090	5.00%	156	4.80%	5.20%	-320	-9.4%	0.00%	-10.5%	0.00%	0.00%	0.00%
Shinwa	7,830	8,290	4.80%	405	4.60%	5.00%	7,460	4.80%	366	4.60%	5.00%	-830	-10.0%	0.00%	-9.5%	0.00%	0.00%	0.00%
Takanawadai	2,738	2,370	5.20%	125	4.90%	5.30%	2,150	5.20%	117	4.90%	5.30%	-220	-9.3%	0.00%	-6.7%	0.00%	0.00%	0.00%
Higashi-Gotanda 1Chome	5,500	6,690	4.80%	324	4.50%	4.90%	6,030	4.80%	290	4.50%	4.90%	-660	-9.9%	0.00%	-10.2%	0.00%	0.00%	0.00%
Omori-Eki Higashiguchi	5,123	5,750	5.50%	322	5.30%	5.70%	5,410	5.50%	299	5.30%	5.70%	-340	-5.9%	0.00%	-7.2%	0.00%	0.00%	0.00%
Nippon Brunswick	6,670	8,230	4.90%	407	4.60%	5.10%	7,550	4.90%	374	4.60%	5.10%	-680	-8.3%	0.00%	-7.9%	0.00%	0.00%	0.00%
Yoyogi 1Chome	8,700	11,900	4.60%	550	4.50%	4.80%	10,800	4.60%	508	4.50%	4.80%	-1,100	-9.2%	0.00%	-7.7%	0.00%	0.00%	0.00%
da Vinci Harajuku	4,885	6,340	4.80%	305	4.50%	4.90%	6,370	4.80%	306	4.50%	4.90%	30	0.5%	0.00%	0.4%	0.00%	0.00%	0.00%
Jingumae MS	12,200	12,700	4.50%	583	4.30%	4.70%	11,900	4.50%	548	4.30%	4.70%	-800	-6.3%	0.00%	-6.1%	0.00%	0.00%	0.00%
Shibuya Cross Tower	34,600	43,700	4.50%	1,992	4.30%	4.70%	41,600	4.50%	1,908	4.30%	4.70%	-2,100	-4.8%	0.00%	-4.2%	0.00%	0.00%	0.00%
Ebisu Neonato	4,100	3,640	4.60%	171	4.40%	4.80%	3,330	4.60%	153	4.40%	4.80%	-310	-8.5%	0.00%	-10.4%	0.00%	0.00%	0.00%
Harmony Tower	8,500	11,800	4.90%	594	4.70%	5.10%	10,700	4.90%	539	4.70%	5.10%	-1,100	-9.3%	0.00%	-9.2%	0.00%	0.00%	0.00%
Otsuka Higashi-Ikebukuro	3,541	3,820	5.90%	225	5.60%	6.00%	3,820	5.90%	224	5.60%	6.00%	0	0.0%	0.00%	-0.1%	0.00%	0.00%	0.00%
Ikebukuro 2Chome	1,728	1,600	5.60%	89	5.40%	5.80%	1,600	5.60%	90	5.40%	5.80%	0	0.0%	0.00%	1.0%	0.00%	0.00%	0.00%
Ikebukuro YS	4,500	4,590	5.20%	240	5.00%	5.40%	4,480	5.20%	234	5.00%	5.40%	-110	-2.4%	0.00%	-2.6%	0.00%	0.00%	0.00%
Hachioji First	5,679	5,670	5.60%	321	5.40%	5.80%	4,730	5.60%	269	5.40%	5.80%	-940	-16.6%	0.00%	-16.2%	0.00%	0.00%	0.00%
Saitama Urawa	2,574	2,320	5.90%	140	5.70%	6.10%	2,080	6.00%	126	5.80%	6.20%	-240	-10.3%	0.10%	-9.6%	0.10%	0.10%	0.10%
MM Park	37,400	37,000	5.10%	1,895	4.90%	5.30%	36,200	5.10%	1,830	4.90%	5.30%	-800	-2.2%	0.00%	-3.4%	0.00%	0.00%	0.00%
Kawasaki Isago	3,375	3,100	5.80%	183	5.60%	6.00%	2,950	5.80%	172	5.60%	6.00%	-150	-4.8%	0.00%	-5.9%	0.00%	0.00%	0.00%
Musashi Kosugi STM	4,000	3,680	5.60%	207	5.40%	5.80%	3,590	5.60%	200	5.40%	5.80%	-90	-2.4%	0.00%	-3.3%	0.00%	0.00%	0.00%
8-3 Square Kita	7,100	6,690	5.70%	387	5.60%	5.90%	6,630	5.70%	383	5.60%	5.90%	-60	-0.9%	0.00%	-1.1%	0.00%	0.00%	0.00%
Jozenji Park	1,000	1,080	6.20%	66	6.10%	6.40%	979	6.20%	61	6.10%	6.40%	-101	-9.4%	0.00%	-8.2%	0.00%	0.00%	0.00%
Sendai Honma	3,174	3,420	5.90%	206	5.80%	6.10%	2,920	5.90%	176	5.80%	6.10%	-500	-14.6%	0.00%	-14.2%	0.00%	0.00%	0.00%
Kanazawa Park	4,580	5,760	6.70%	386	6.60%	6.90%	5,410	6.70%	360	6.60%	6.90%	-350	-6.1%	0.00%	-6.9%	0.00%	0.00%	0.00%
Nishiki Park	5,150	4,520	5.30%	241	5.10%	5.50%	4,240	5.30%	227	5.10%	5.50%	-280	-6.2%	0.00%	-6.0%	0.00%	0.00%	0.00%
Hirokoji Sakae	1,680	1,610	5.50%	90	5.30%	5.70%	1,510	5.50%	84	5.30%	5.70%	-100	-6.2%	0.00%	-6.9%	0.00%	0.00%	0.00%
Nagoya Hirokoji	14,533	14,600	5.40%	792	5.20%	5.60%	14,000	5.40%	760	5.20%	5.60%	-600	-4.1%	0.00%	-4.0%	0.00%	0.00%	0.00%
Nagoya Misono	1,865	1,320	5.80%	78	5.60%	6.00%	1,210	5.80%	71	5.60%	6.00%	-110	-8.3%	0.00%	-9.1%	0.00%	0.00%	0.00%
Kyoto Kawaramachi	2,650	2,010	6.10%	125	6.00%	6.30%	1,860	6.10%	115	6.00%	6.30%	-150	-7.5%	0.00%	-7.7%	0.00%	0.00%	0.00%
Shin-Fujita	24,000	20,100	5.10%	1,043	4.90%	5.30%	18,200	5.10%	943	4.90%	5.30%	-1,900	-9.5%	0.00%	-9.6%	0.00%	0.00%	0.00%
Sakaisujihonmachi	4,164	4,390	5.50%	246	5.30%	5.70%	4,120	5.50%	230	5.30%	5.70%	-270	-6.2%	0.00%	-6.2%	0.00%	0.00%	0.00%
Midosuji Daiwa	14,314	16,300	4.90%	814	4.70%	5.10%	15,200	4.90%	748	4.70%	5.10%	-1,100	-6.7%	0.00%	-8.1%	0.00%	0.00%	0.00%
Lit City	4,650	5,160	6.40%	333	6.30%	6.60%	4,810	6.40%	314	6.30%	6.60%	-350	-6.8%	0.00%	-5.6%	0.00%	0.00%	0.00%
NHK Hiroshima	2,770	3,050	6.30%	192	6.20%	6.50%	3,020	6.30%	191	6.20%	6.50%	-30	-1.0%	0.00%	-1.0%	0.00%	0.00%	0.00%
Tosei Tenjin	1,550	1,320	6.20%	82	6.10%	6.40%	1,320	6.20%	82	6.10%	6.40%	0	0.0%	0.00%	-0.2%	0.00%	0.00%	0.00%
Tenjin Crystal	5,000	3,210	5.70%	186	5.60%	5.90%	2,830	5.70%	163	5.60%	5.90%	-380	-11.8%	0.00%	-12.2%	0.00%	0.00%	0.00%
Hinode Tenjin	3,657	3,720	5.70%	212	5.50%	5.80%	3,720	5.70%	211	5.50%	5.80%	0	0.0%	0.00%	-0.1%	0.00%	0.00%	0.00%
Total (53 properties)	533,619	561,620					532,139					-29,481	-5.2%					
Shiodome	75,850						79,600	4.10%	3,194	3.90%	4.30%							
Tokyo Opera City	31,776						33,500	5.00%	1,686	4.80%	5.20%							
Total (55 properties)	641,245						645,239											

\*1 Direct capitalization method  
\*2 Discounted cash flow method

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



## Long-term Refurbishment Plan for Shibuya Cross Tower



<Work already ordered>		Work												(In millions of yen)		
Name	Amount (*1)	already completed														
		8th Period '05/4-'05/9	9th Period '05/10-'06/3	10th Period '06/4-'06/9	11th Period '06/10-'07/3	12th Period '07/4-'07/9	13th Period '07/10-'08/3	14th Period '08/4-'08/9	15th Period '08/10-'09/3	16th Period '09/4-'09/9	17th Period '09/10-'10/3	18th Period '10/4-'10/9	19th Period '10/10-'11/3	20th Period '11/4-'11/9		
<b>[Power supply systems total]</b>	<b>Construction cost</b>	<b>1,324</b>	9	13	957	0	0	0	32	104	207	0	0	0	0	0
Renewal of power supply facility	Completed work breakdown: Capital expenditure	1,157	6	13	876	0	0	0	32	103	126	0	0	0	0	0
Renovation of trunk and conduit lines	Completed work breakdown: Repairing expense	166	3	0	81	0	0	0	0	0	81	0	0	0	0	0
Renewal of distribution board (1st-5th phases)																
<b>[Heat-source systems total]</b>	<b>Construction cost</b>	<b>2,065</b>	0	488	0	89	340	26	26	116	978	0	0	0	0	0
Renewal of heat-source equipment (1st-7th phases)	Completed work breakdown: Capital expenditure	1,468	0	414	0	80	269	16	26	105	553	0	0	0	0	0
	Completed work breakdown: Repairing expense	597	0	73	0	8	70	9	0	10	424	0	0	0	0	0
<b>[Air-conditioning systems total]</b>	<b>Construction cost</b>	<b>1,392</b>	0	0	0	0	0	0	0	0	0	642	0	665	84	
Renewal of office air-conditioning systems (1st-3rd phases)	Completed work breakdown: Capital expenditure	569	0	0	0	0	0	0	0	0	0	569	0	0	0	0
	Completed work breakdown: Repairing expense	72	0	0	0	0	0	0	0	0	0	72	0	0	0	0
<b>[ELVs total]</b>	<b>Construction cost</b>	<b>862</b>	0	13	0	760	0	0	87	0	0	0	0	0	0	0
Renewal of ELVs for upper and lower floors and those for human and cargo use	Completed work breakdown: Capital expenditure	657	0	13	0	593	0	0	50	0	0	0	0	0	0	0
	Completed work breakdown: Repairing expense	205	0	0	0	166	0	0	37	0	0	0	0	0	0	0
<b>[Total work already ordered]</b>	<b>Construction cost</b>	<b>5,645</b>	9	515	957	849	340	26	146	220	1,185	642	0	665	84	
	Completed work breakdown: Capital expenditure	3,853	6	441	876	674	269	16	109	209	679	569	0	0	0	0
	Completed work breakdown: Repairing expense	1,042	3	74	81	175	70	9	37	11	505	72	0	0	0	0

(\*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.

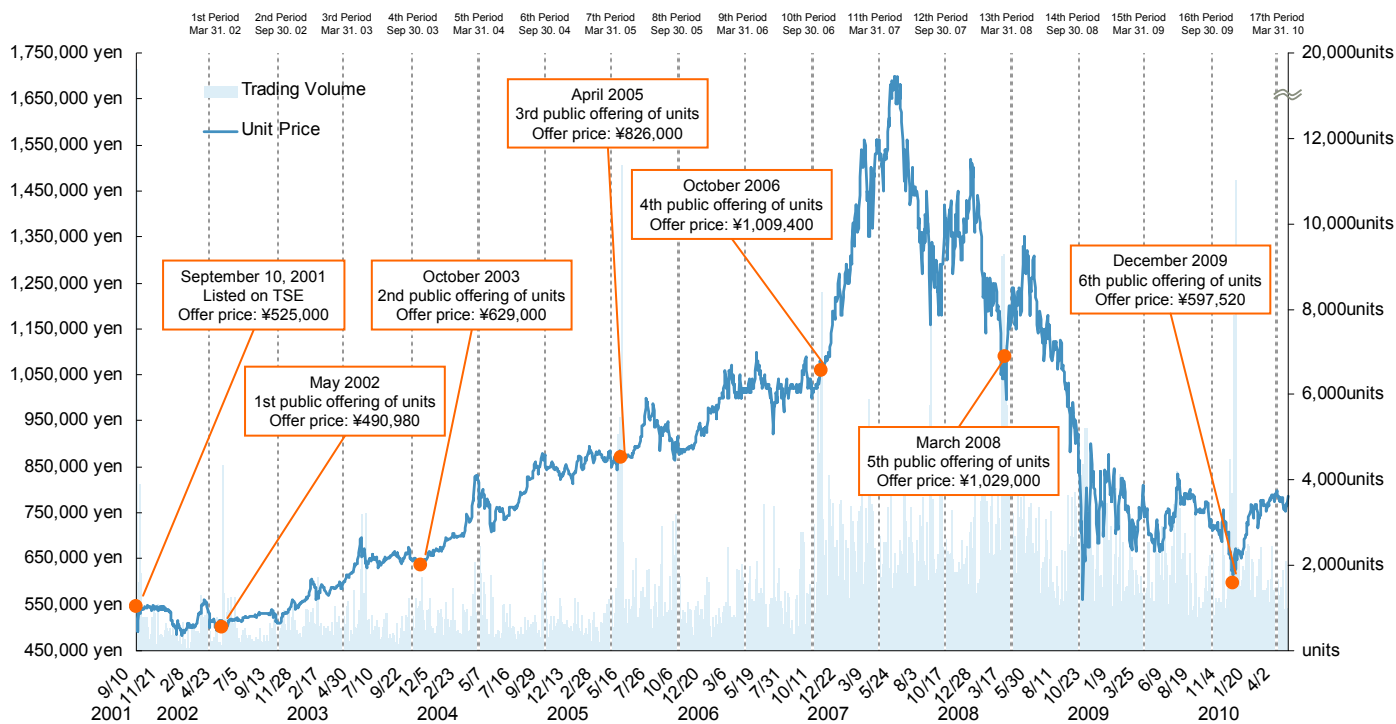
(\*3) For renovation work with payments made on time, the amounts shall be capitalized for assets as construction in progress upon each payment.

<Work being planned or not yet ordered>		(In millions of yen)
Name	Amount	
Remodeling of the machinery housing as office space (18th floor, approx. 140 tsubo space to be remodeled as an office)	210	

# Unit Price Performance ① (After IPO)



## ◆ Unit Price Performance



\* Unit prices are based on daily closing prices.

## ◆ Historical Dividend Yield of JRE Unit



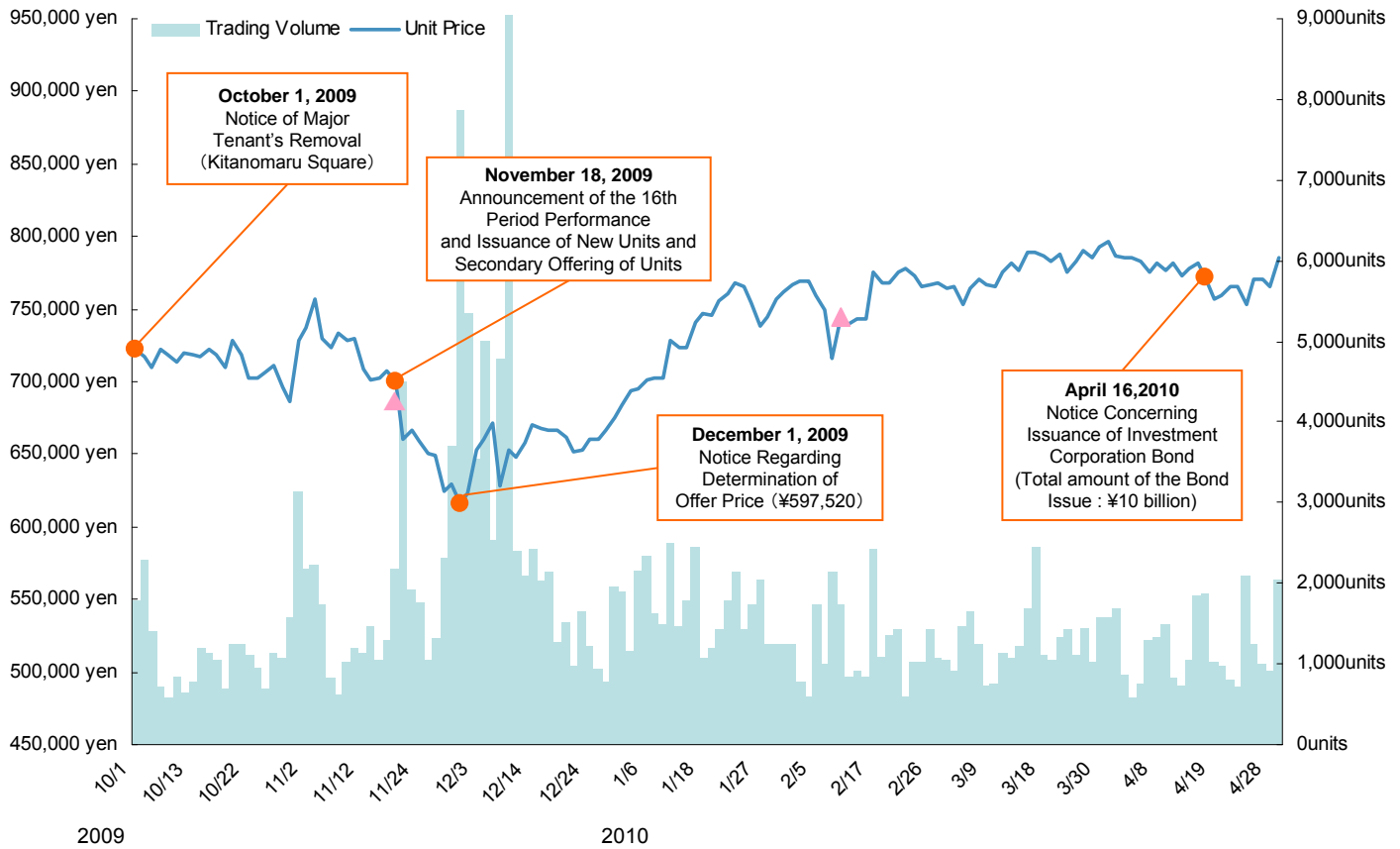
\* The average yield is computed by annualizing the disclosed projected dividend per unit divided by the unit price (daily closing price from September 10, 2001 to April 30, 2010).

\* Gray lines show ex-dividend dates.

# Unit Price Performance ② (the 17th Period to Date)



As of April 30, 2010



\* Unit prices are based on daily closing prices.

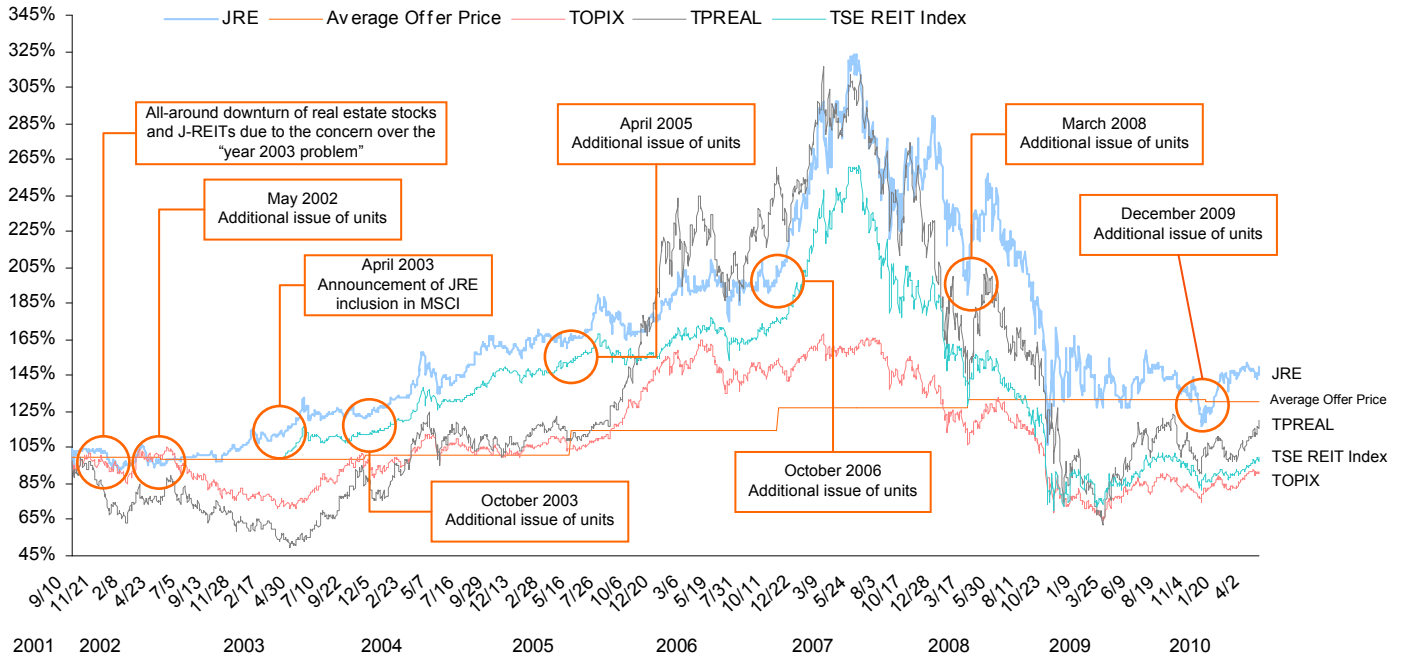
\* Circles (●) show announcements of JRE's events, Triangles (▲) show the additional acquisition of Shiodome Building (announced on November 18, 2009) and Tokyo Opera City Building (announced on February 10, 2010).

## MEMO

# Unit Price Performance ③ (Relative to Major Indices)

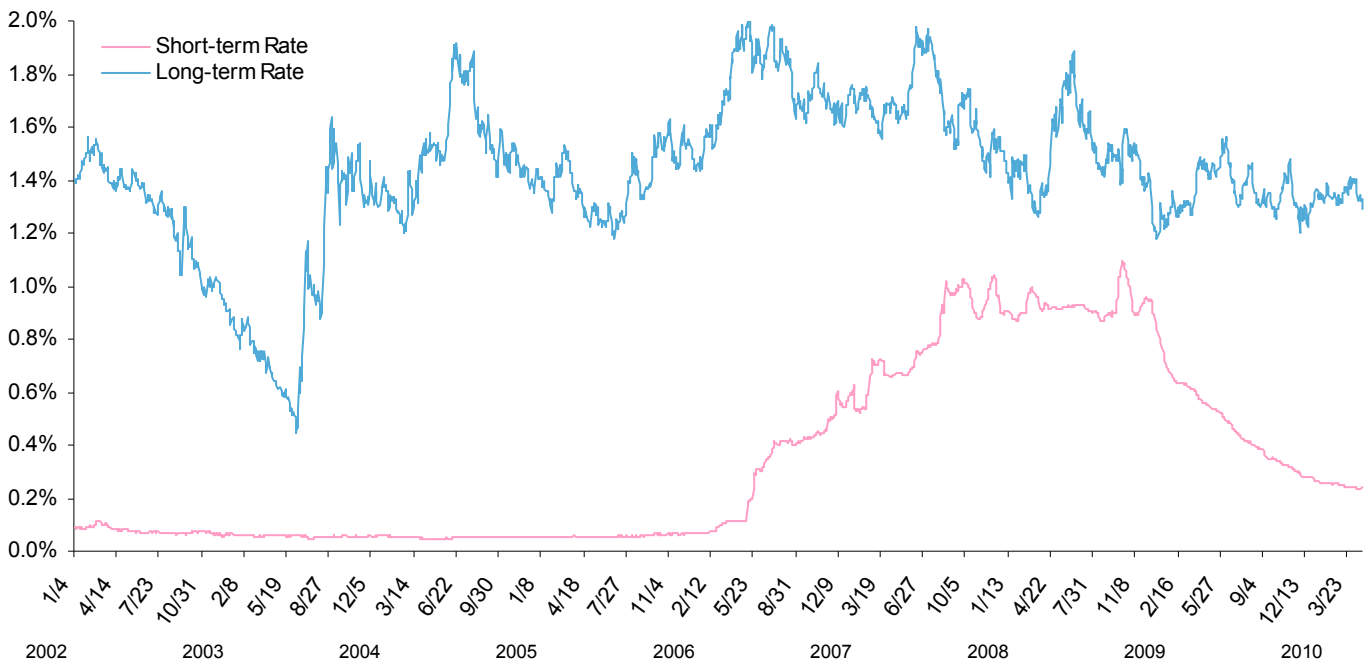


## ◆ Unit Price Performance (as of April 30, 2010)



- \* Stock performance is measured based on the offer 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 Rates

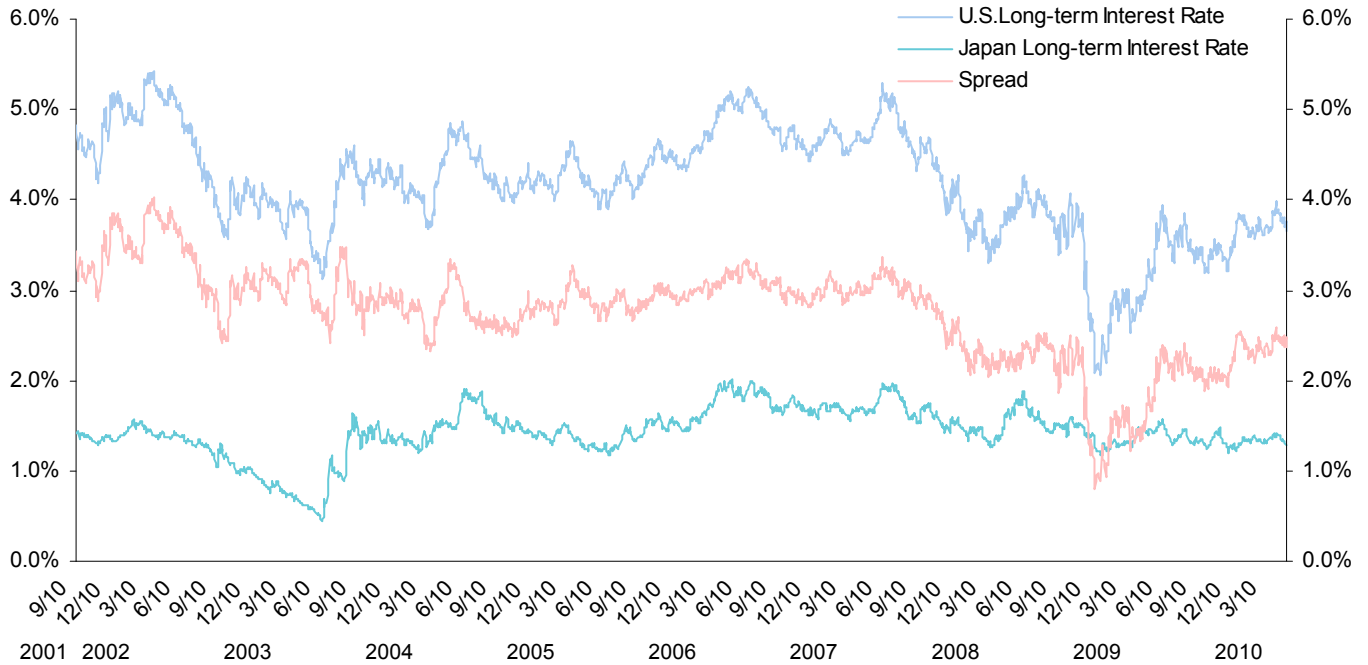


- \* Long-term rate is based on 10-year JGB yield and short-term rate is based on 3-month LIBOR.

# Interest Rate Comparison of Japan and U.S.

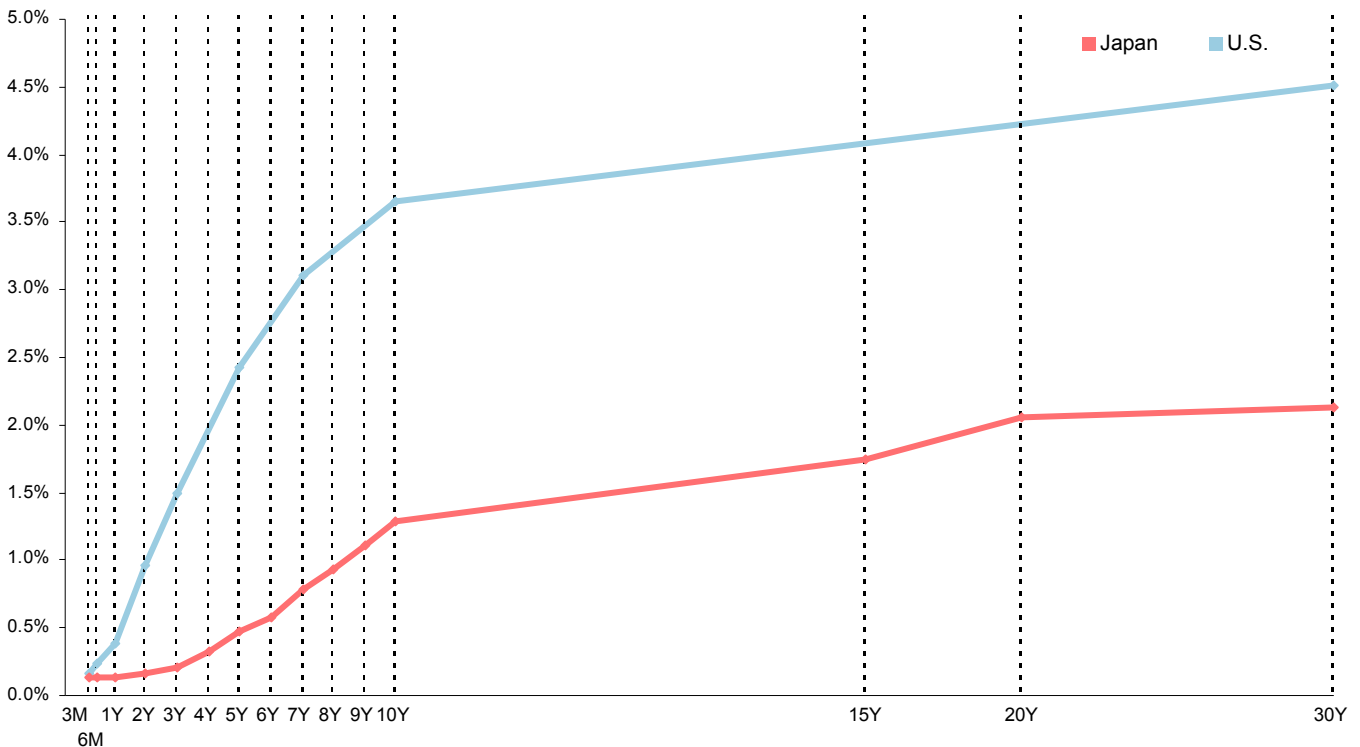


## ◆ Long-term Interest Rate Comparison of Japan and U.S. (as of April 30, 2010)



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

## ◆ Yield Curve Comparison of Japan and U.S. (as of April 30, 2010)



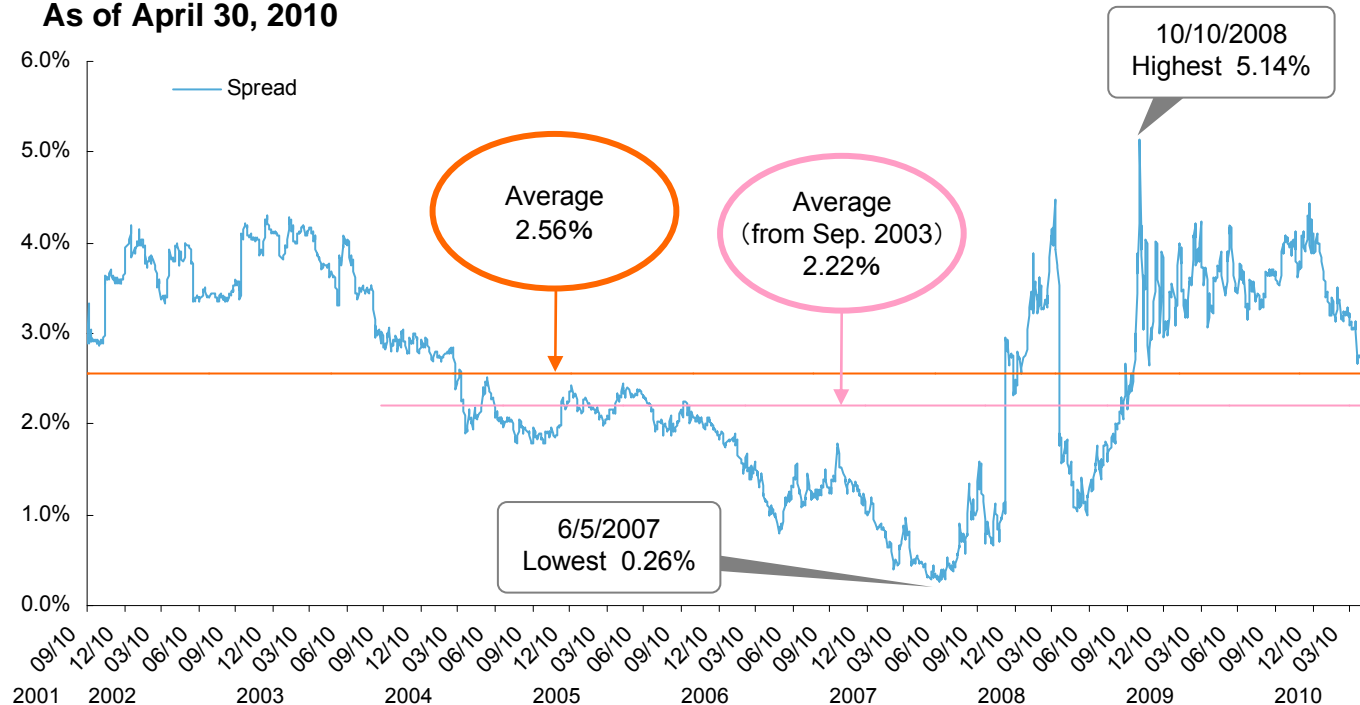
\* Source: Bloomberg

# Yield Spread Comparison



## ◆ JRE Dividend Yield Spread against JGB

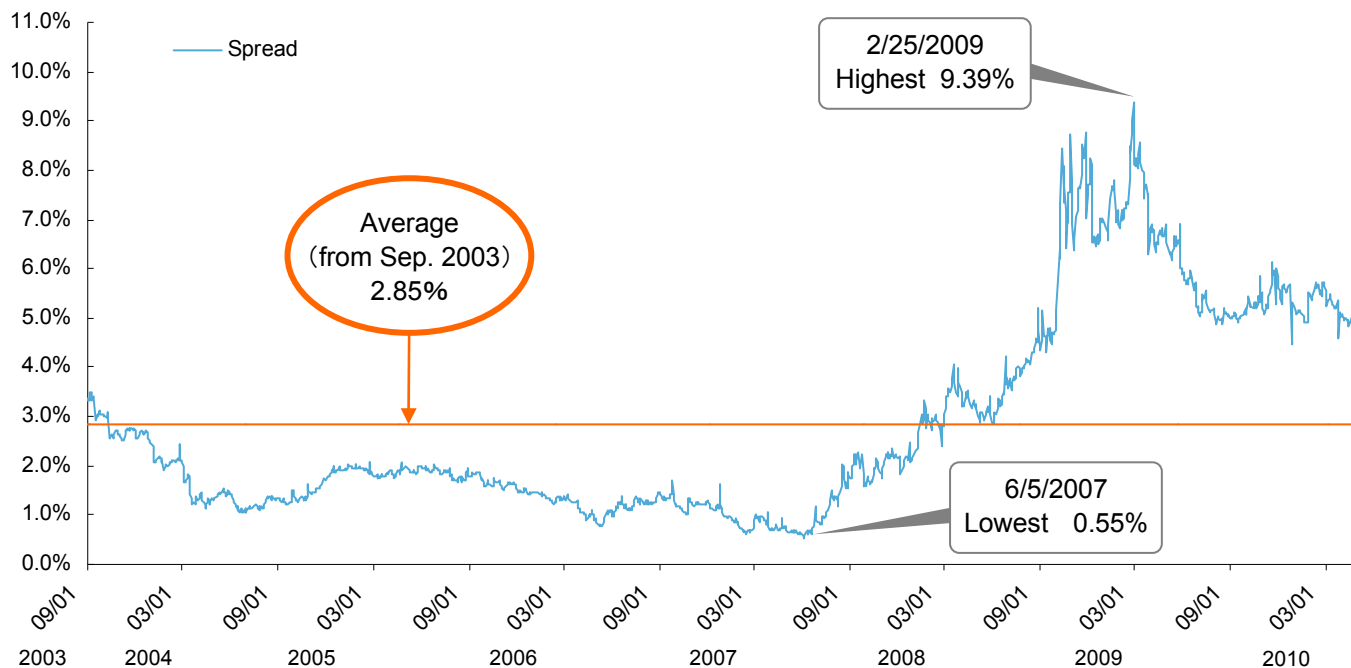
As of April 30, 2010



\* Source: Bloomberg (dividend yield is based on forecasts)

## ◆ TSE REIT Dividend Yield Spread against JGB

As of April 30, 2010



\* Source: Bloomberg (Calculated based on the dividend yield of TSE REIT index. Dividend yield is based on the actual performance.)



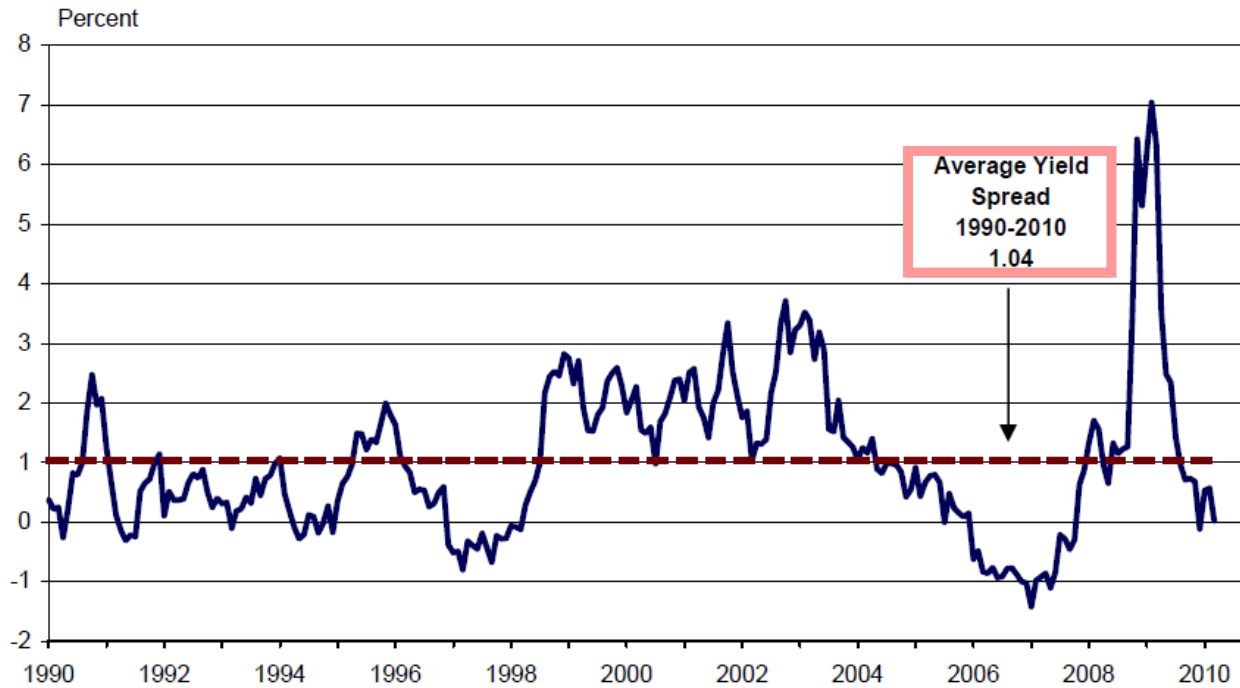
# US Equity REIT Dividend Yield Spread against Treasury



## ◆ US Equity REIT Dividend Yield Spread against Treasury

### Monthly Equity REIT Dividend Yield Spread<sup>1</sup>

January 1990 - March 2010



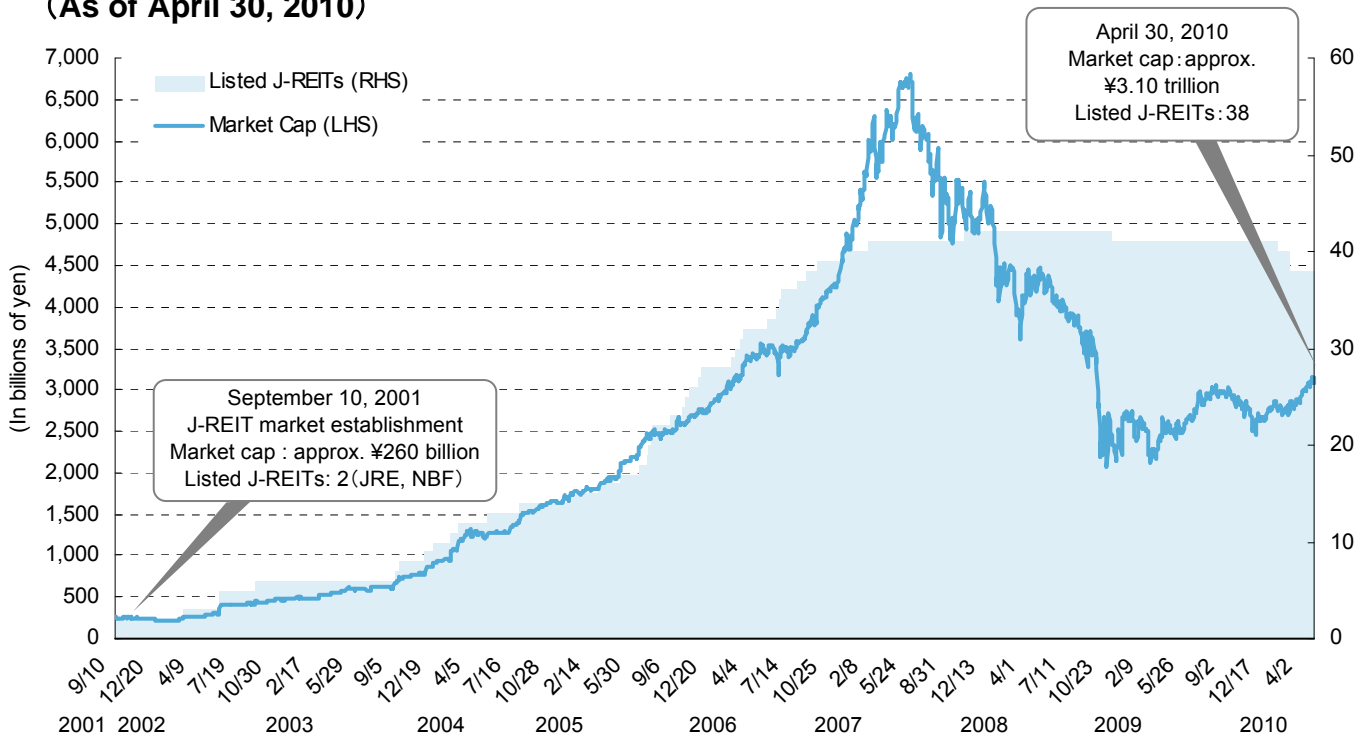
\* Source: NAREIT, FactSet

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

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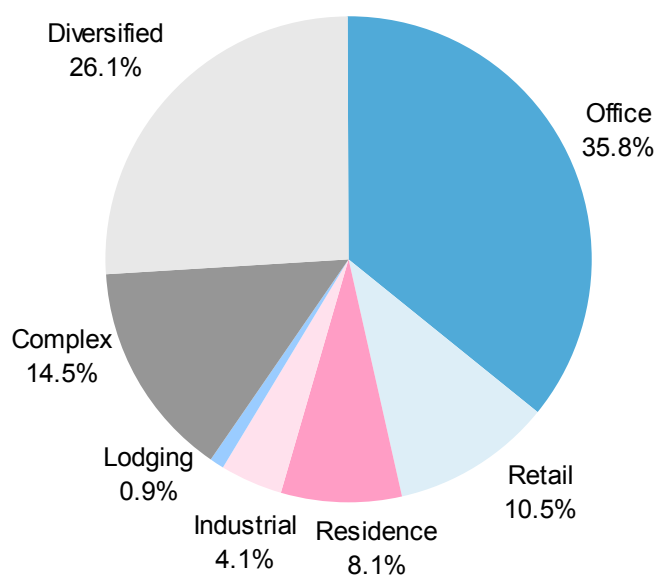
## ◆ J-REIT Market Capitalization and the Number of Listed J-REITs

(As of April 30, 2010)



\* Source: Bloomberg

## ◆ Sector Breakdown by Market Capitalization (As of April 30, 2010)



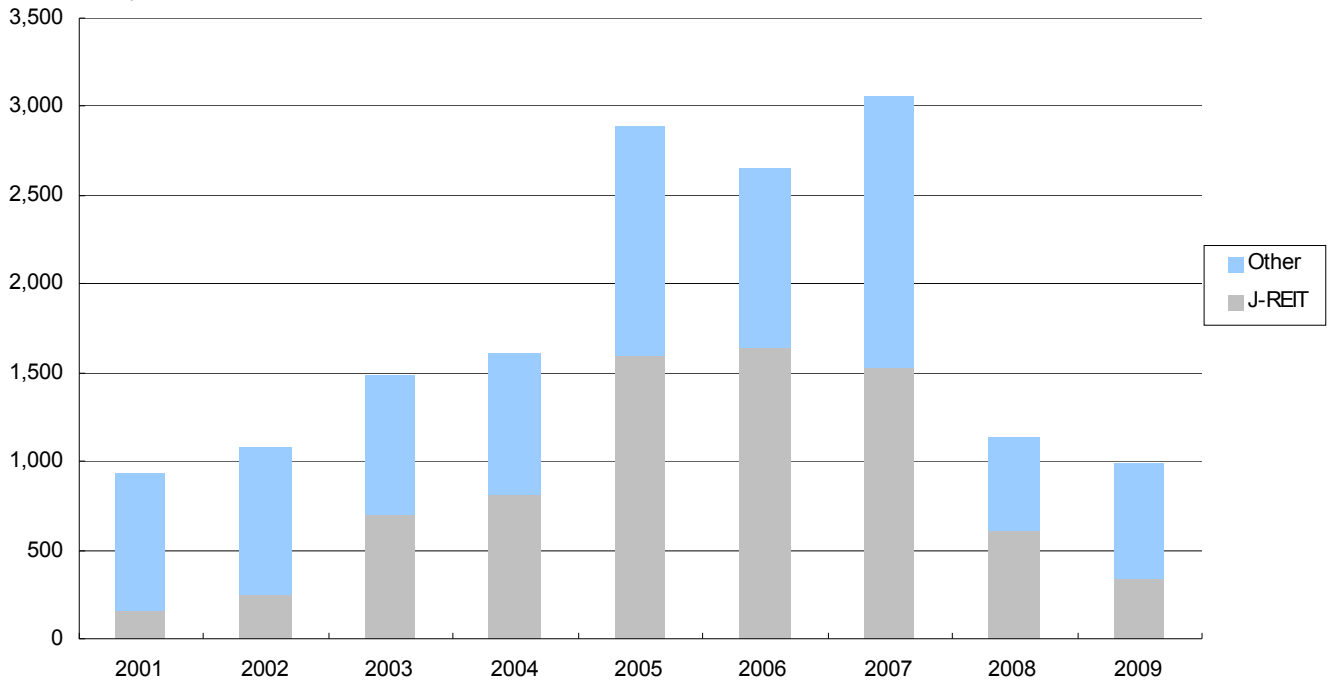
\* Source: Security registration statements, financial statements and websites of each J-REIT.

\* "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.

(Prospect REIT is classified into "Diversified" sector, regarding its change in the investment policy.)

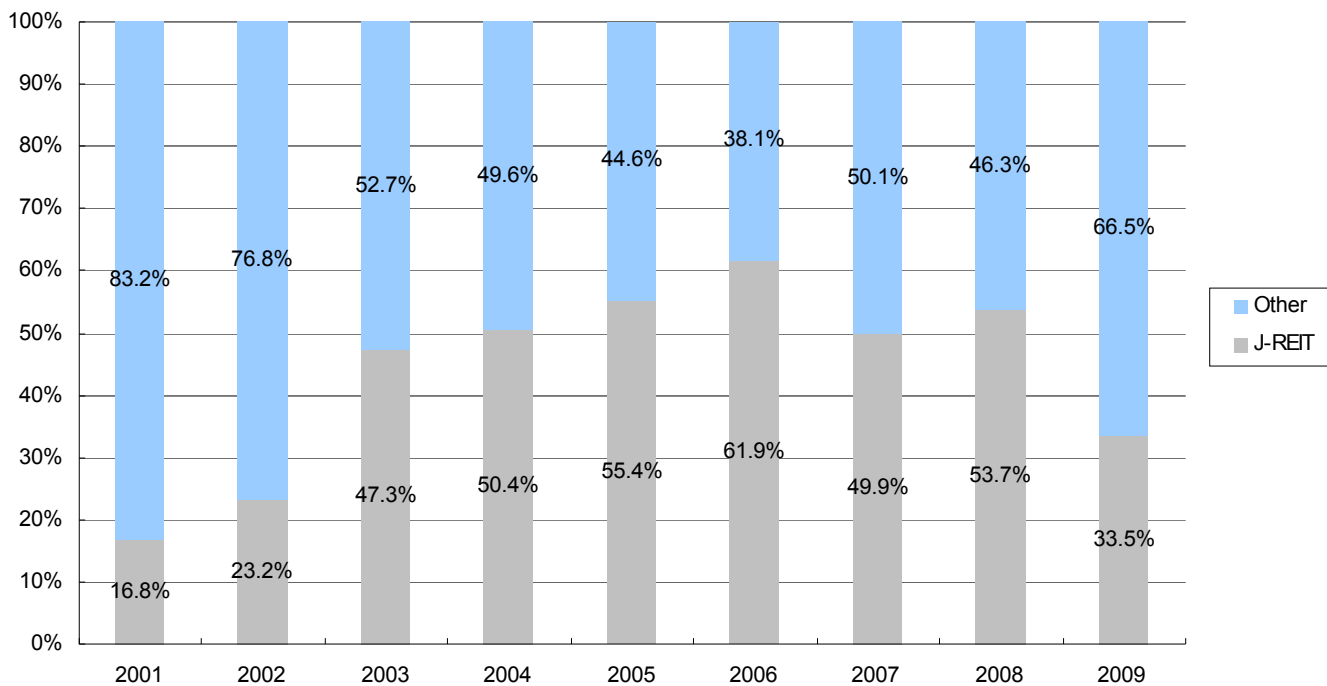
## ◆ Historical Real Estate Transaction Amount

(In billions of yen)



\*Source: Created by STB Research Institute, using TD-net of Tokyo Stock Exchange

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



\*Source: Created by STB Research Institute, using TD-net of Tokyo Stock Exchange

# Introduction of JRE Website



Visit JRE English website!

JRE English Website <http://www.j-re.co.jp/english/>

## <Main Functions>

As all information posted on the website is classified into these three categories, you can easily obtain any desired information by clicking the appropriate icon.

A summary of the latest data is available on this first page.

**JRE Latest Data**  
as of May 17, 2010

Number of Properties	55
Asset Size	¥641,245 million (Total Acquisition Price)
Occupancy Rate	as of March 31, 2010 93.0%
<b>Dividend per Unit</b>	
18th Period (September 30, 2010)	Dividend (Forecast) ¥16,360
17th Period (March 31, 2010)	Dividend (Actual) ¥18,043

Stock Quotation (TSE code 8952)  
Property Data Download 645.5KB

It's a huge loss, if you don't know it !  
You can download all the disclosure data of JRE as Excel file. Please see the right-hand page for more details!



You can download data from here, please try it!

## Historical Data of Individual Property

### Nagaya Hirokai Building

Summary	Location: 2-3-1 Sakae, Naka-ku, Nagaya City, Aichi Prefecture Built: 1987/05/28 (20.3 years old) Acquisition date: 2001/09/10 Transfer date: 14,533,000 thousand yen Acquisition price: 14,533,000 thousand yen Transfer price: 14,533,000 thousand yen Ratio of share of ownership: 100% Property management company: Mitsubishi Jisho Property Management Co., Ltd. FML value: 8.19%
---------	--

Property data (at the end of period)	Number of days in operation	Amounts that do not reflect a unit are expressed in thousands of yen.												
		1st Period 203 days	2nd Period 183 days	3rd Period 182 days	4th Period 183 days	5th Period 183 days	6th Period 183 days	7th Period 182 days	8th Period 183 days	9th Period 182 days	10th Period 182 days	11th Period 182 days	12th Period 183 days	
Leasable space	21,805m <sup>2</sup>	21,590m <sup>2</sup>	21,590m <sup>2</sup>	21,590m <sup>2</sup>	21,590m <sup>2</sup>	21,590m <sup>2</sup>	21,590m <sup>2</sup>	21,590m <sup>2</sup>	21,641m <sup>2</sup>	21,631m <sup>2</sup>	21,635m <sup>2</sup>	21,824m <sup>2</sup>	21,824m <sup>2</sup>	21,835m <sup>2</sup>
Leased space	21,700m <sup>2</sup>	21,510m <sup>2</sup>	20,101m <sup>2</sup>	21,012m <sup>2</sup>	20,967m <sup>2</sup>	21,214m <sup>2</sup>	21,641m <sup>2</sup>	21,631m <sup>2</sup>	21,641m <sup>2</sup>	21,631m <sup>2</sup>	21,635m <sup>2</sup>	21,824m <sup>2</sup>	21,824m <sup>2</sup>	21,835m <sup>2</sup>
Occupancy rate	98.6%	98.7%	93.1%	97.3%	97.3%	98.3%	98.3%	98.3%	100.0%	99.1%	99.1%	98.6%	98.5%	99.1%
Number of tenants	31	31	27	28	33	33	32	32	32	29	29	28	28	28
Book value	14,862 million yen	14,555 million yen	14,429 million yen	14,302 million yen	14,228 million yen	14,194 million yen	14,165 million yen	14,238 million yen	14,203 million yen	14,203 million yen	14,203 million yen	14,135 million yen	14,098 million yen	14,072 million yen
Book value of land	9,127 million yen	9,127 million yen	9,127 million yen	9,127 million yen	9,127 million yen	9,127 million yen	9,127 million yen	9,127 million yen	9,127 million yen	9,127 million yen	9,127 million yen	9,127 million yen	9,127 million yen	9,127 million yen
Book value of building	5,735 million yen	5,428 million yen	5,302 million yen	5,175 million yen	5,101 million yen	5,067 million yen	5,038 million yen	5,076 million yen	5,076 million yen	5,076 million yen	5,076 million yen	5,008 million yen	4,970 million yen	4,945 million yen
Capital expenditure	14,700 million yen	14,800 million yen	15,000 million yen	14,800 million yen	14,800 million yen	14,800 million yen	15,000 million yen	15,000 million yen	15,000 million yen	15,000 million yen	15,000 million yen	15,900 million yen	15,900 million yen	16,000 million yen
Income summary														
Property-related revenues	884,197	805,697	811,894	763,015	761,148	757,574	767,718	768,157	739,772	731,022	731,022	721,044	712,205	712,205
Rental revenues	884,197	805,697	811,894	763,015	761,148	757,574	767,718	768,157	739,772	731,022	731,022	721,044	712,205	712,205
Non-rental revenues	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property-related expenses	448,077	453,116	448,333	430,538	408,411	434,027	383,928	395,470	339,919	313,203	302,277	308,432	308,432	308,432
Property management expenses	153,440	140,414	127,539	128,309	125,293	121,820	118,333	109,208	99,858	92,590	89,685	89,685	89,685	89,685
Utilities expenses	72,639	74,008	69,869	68,031	66,485	67,292	66,399	66,321	65,756	65,000	63,600	63,600	63,600	63,600
Property and other taxes	1,771	70,528	70,510	65,057	65,054	62,963	62,959	62,963	62,862	62,863	62,863	60,192	60,158	59,758
Casualty insurance	1,462	1,325	1,863	2,021	1,995	1,993	1,863	1,861	1,861	1,873	1,873	1,829	1,813	1,813
Repairing expenses	45,704	19,085	16,807	20,481	13,994	54,065	64,013	60,350	18,873	7,598	17,589	17,589	17,589	17,589
Depreciation	169,563	145,312	148,844	146,589	133,643	123,603	69,938	73,204	75,278	69,613	63,823	63,823	63,823	63,823
Other rental expenses	3,093	1,640	13,260	0	0	0	0	0	8,178	0	0	0	0	1,251
Property-related profits and losses	436,120	352,581	363,561	332,477	352,737	323,547	383,790	372,687	417,819	417,819	428,749	402,612	402,612	402,612
NOI	407,893	407,893	412,405	479,065	486,380	447,149	483,727	473,811	448,891	448,891	457,924	443,094	443,094	443,094
Breakdown of gain or loss on transfer of properties														
Transfer price of properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Book value (transfer properties)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other expenses related to transfer	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Book value of land	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reduction in acquisition cost of replacement properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gain or loss on transfer of properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0

## Historical Data of All Properties

### Japan Real Estate Investment Corporation

Property data (at the end of period)	Number of days in operation	Amounts that do not reflect a unit are expressed in thousands of yen.												
		1st Period 203 days	2nd Period 183 days	3rd Period 182 days	4th Period 183 days	5th Period 183 days	6th Period 183 days	7th Period 182 days	8th Period 183 days	9th Period 182 days	10th Period 182 days	11th Period 182 days	12th Period 183 days	
Leasable space	201,884m <sup>2</sup>	215,926m <sup>2</sup>	239,893m <sup>2</sup>	246,026m <sup>2</sup>	273,175m <sup>2</sup>	293,106m <sup>2</sup>	335,026m <sup>2</sup>	364,610m <sup>2</sup>	400,900m <sup>2</sup>	396,173m <sup>2</sup>	397,928m <sup>2</sup>	406,606m <sup>2</sup>	406,606m <sup>2</sup>	406,606m <sup>2</sup>
Leased space	199,117m <sup>2</sup>	205,769m <sup>2</sup>	224,107m <sup>2</sup>	233,929m <sup>2</sup>	258,889m <sup>2</sup>	274,411m <sup>2</sup>	321,067m <sup>2</sup>	359,626m <sup>2</sup>	394,784m <sup>2</sup>	389,072m <sup>2</sup>	389,117m <sup>2</sup>	401,529m <sup>2</sup>	401,529m <sup>2</sup>	401,529m <sup>2</sup>
Occupancy rate	98.6%	95.3%	93.4%	96.7%	95.1%	94.3%	95.7%	95.4%	97.4%	98.2%	98.3%	98.7%	98.7%	98.7%
Number of tenants	145,329	155,359	164,859	184,384	193,068	210,922	240,154	271,350	327,024	413,768	418,601	427,013	431,468	431,468
Book value	145,329	155,359	164,859	184,384	193,068	210,922	240,154	271,350	327,024	413,768	418,601	427,013	431,468	431,468
Book value of land	100,038	114,171	129,738	136,413	155,185	169,292	199,591	227,538	289,173	294,348	298,865	299,222	299,222	299,222
Book value of building	45,291	41,188	35,121	47,971	37,883	41,673	40,559	41,757	47,851	44,253	42,738	42,791	42,246	42,246
Property value as per appraiser	144,540	155,251	164,760	184,704	191,271	217,150	238,641	273,342	339,029	439,769	467,001	476,243	476,243	476,243
Acquisition price of properties (outstanding balance of properties)	144,697	164,277	183,242	192,607	218,427	240,910	269,500	326,560	412,768	418,993	421,270	446,540	446,540	446,540
Acquisition price of properties	144,697	164,277	183,242	192,607	218,427	240,910	269,500	326,560	412,768	418,993	421,270	446,540	446,540	446,540
Transfer price of properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure	477	301	469	525	1,213	709	709	1,206	1,206	1,206	1,206	936,000	936,000	936,000
Income summary														
Property-related revenues	8,492	7,910	8,500	8,985	9,569	10,151	10,747	11,319	13,962	15,189	15,500	17,132	17,132	17,132
Rental revenues	8,492	7,910	8,500	8,985	9,569	10,151	10,747	11,319	13,962	15,189	15,500	17,132	17,132	17,132
Non-rental revenues	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property-related expenses	2,859	3,892	4,109	4,409	4,693	5,135	5,258	6,158	8,744	7,911	7,898	8,898	8,898	8,898
Property management expenses	909	1,082	1,060	1,080	1,111	1,199	1,288	1,519	1,837	1,759	1,758	1,730	1,730	1,730
Utilities expenses	493	789	711	777	779	878	855	1,027	1,068	1,189	1,133	1,117	1,117	1,117
Property and other taxes	620	650	791	779	779	798	837	1,035	1,035	1,271	1,241	1,346	1,346	1,346
Casualty insurance	15	0	0	0	0	0	0	0	0	0	0	0	0	0
Reparating expenses	301	152	307	289	365	383	411	474	529	513	916	580	580	580
Depreciation	1,100	1,194	1,310	1,493	1,499	1,691	1,691	2,017	2,365	2,626	2,717	2,935	2,935	2,935
Other rental expenses	10	0	0	0	0	0	0	0	0	0	0	0	0	0
Property-related profits and losses	5,633	4,018	4,391	4,576	4,876	5,016	5,489	6,061	5,218	7,269	7,602	8,234	8,234	8,234
NOI	4,732	5,211	5,702	5,850	6,455	6,872	7,131	8,873	9,578	10,339	11,300	12,073	12,073	12,073
Asset Management Fees (Note)														
Term fee (x1)	389	382	428	312	330	342	342	392	410	422	452	476	476	476
Incentive fee (x1)	640	88	183	80	182	213	444	180	474	33	134	71	71	71
Transfer fees (x3)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Acquisition fees (x2)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer price of properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Book value (transfer properties)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other expenses related to transfer	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Book value of land	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reduction in acquisition cost of replacement properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gain or loss on transfer of properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0

## Basic Data

Ratio of share of ownership	Property management company	FML value
100.0%	Tokyo Marine & Nichido Facilities, Inc.	8,955
100.0%	Tokyo Marine & Nichido Facilities, Inc.	15,285
100.0%	Mitsubishi Jisho Property Management Co., Ltd.	8,100
74.844%	Tokyo Marine & Nichido Facilities, Inc.	0,324
0	100.0% THE DA-I-CHI BUILDING CO., LTD.	10,494
0	100.0% Saho Housing Co., Ltd.	10,800
0	100.0% Saho Housing Co., Ltd.	4,116
0	100.0% Saho Housing Co., Ltd.	3,524
0	100.0% Saho Housing Co., Ltd.	1

## **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 (May 17, 2010).

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