

**Japan Real Estate Investment Corporation
Performance Review for the Seventh Period
(Ended March 31, 2005)**



May 2005



Japan Real Estate Asset Management Co., Ltd.

Ryoichi Kakehashi, President & CEO

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Executive Summary

(Financial Summary for the 7th Period)

Financial Summary for the 7th Period



Financial Summary for the 7th Period and Forecast

In millions of yen

	9th Period Forecast (Mar 31 2006) Oct 2005-Mar 2006	8th Period Forecast (Sep 30 2005) Apr 2005-Sep 2005	7th Period (Mar 31 2005) Oct 2004-Mar 2005	6th Period (Sep 30 2004) Apr 2004-Sep 2004
Operating Revenue (prior 6 month period)	12,800	12,800	10,747 (+5.9%)	10,151 (+6.2%)
Operating Profit (prior 6 month period)	6,100	6,100	4,701 (+7.9%)	4,358 (+0.4%)
Recurring Profit (prior 6 month period)	5,400	5,400	4,121 (+7.6%)	3,831 (+0.7%)
Net Income (prior 6 month period)	5,400	5,400	4,120 (+7.6%)	3,830 (+0.7%)
Total Assets	-	-	322,358	257,372
Total Liabilities	-	-	184,789	120,093
Total Unitholder Equity	-	-	137,569	137,279
LTV	-	-	49.3%	38.5%
Unit Price (period- end)	-	-	875,000 yen	875,000 yen
Market Capitalization	-	-	227,850	227,850
Units Outstanding	345,400 units	345,400 units	260,400 units	260,400 units
Dividends per Unit	15,900 yen	15,800 yen	15,824 yen	14,711 yen
Number of Properties	47	47	46	39
Rentable Area	345,322m ²	345,322m ²	336,026m ²	293,105m ²
Occupancy Rate	-	97.7%	97.6%	93.6%
Key word	-	-	First Summit	Slow Ahead

* Information as of the end of each fiscal period

* Assumptions for Performance Forecast:

Performance forecast for the 8th and 9th Periods is based on 47 properties whose acquisitions have been released as of May 18, 2005, disregarding additional acquisitions in future periods.

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

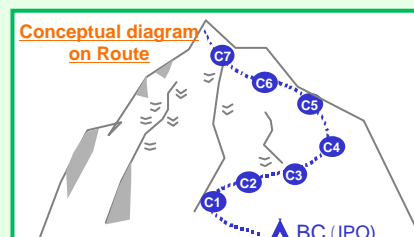
Vacant spaces will be leased gradually over time.

Comments for the 7th period

“Key word: First Summit (many thanks to be here)”

- ◆ Accomplished the external growth target of “300 billion yen” one year ahead of schedule.
- ◆ Continuous growth in revenues and profits over seven consecutive periods since IPO

- ◆ JRE acquired the following new properties in the 7th period:
 - Higashi Gotanda 1-Chome Building
 - Sanno Grand Building
 - Jozenji Park Building
 - Harmony Tower
 - Ginza Sanwa Building
 - Ryoshin Ginza East Mirror Building
 - Hachioji Dai-ichi-Seimei Building
 - Nibancho Garden (acquired as of April 1, 2005)
 - Preferred capital contribution certificates issued by Harumi Front TMK



- ◆ Property management
 - JRE maintained stable revenues and achieved a high occupancy rate of 97.6% at the end of the 7th period.
- ◆ Financial condition
 - Moody’s Investors Service upgraded the rating of JRE from A2 to A1 on November 11, 2004.
 - JRE acquired an AA credit rating from Rating and Investment Information, Inc. (R&I) on December 20, 2004.

Forecasted Revenues and Profits for the 8th and 9th periods

- ◆ Continuous growth in revenues and profits in the 8th period is forecasted due to the contribution from the properties acquired in the 7th period.
- ◆ The occupancy rate at the end of the 8th period is estimated to be 97.7%.

Summary of Debts

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

	Lender	Borrowing Date	EOB (millions of yen)	Interest (%)*	Repayment Date
Short-term Borrowing	The Yamanashi Chuo Bank, Ltd.	2004/6/15	2,000	0.42832	2005/6/15
	The Daishi Bank, Ltd.	2004/10/29	2,000	0.26	2005/10/29
	The Mitsubishi Trust & Banking Corporation	2005/1/31	11,000	0.325	2005/5/31
	The Mitsubishi Trust & Banking Corporation	2005/2/28	8,000	0.3241	2005/5/11
	The Chugoku Bank, Ltd.	2005/3/9	3,000	0.295	2005/5/18
	The Daishi Bank, Ltd.	2005/3/9	3,000	0.295	2005/5/18
	The Hachijuni Bank, Ltd.	2005/3/9	2,000	0.295	2005/5/18
	The Kagoshima Bank, Ltd.	2005/3/9	2,000	0.295	2005/5/18
	The Joyo Bank, Ltd.	2005/3/9	2,000	0.295	2005/5/18
	The Iyo Bank, Ltd.	2005/3/9	2,000	0.295	2005/5/18
	The Mitsubishi Trust & Banking Corporation	2005/3/15	5,000	0.2883	2005/5/11
	The Chugoku Bank, Ltd.	2005/3/24	2,000	0.2883	2005/5/24
	The Hachijuni Bank, Ltd.	2005/3/24	2,000	0.2883	2005/5/24
	National Mutual Insurance Federation of Agricultural Cooperatives	2005/3/31	3,000	0.2883	2005/5/18
	Shinsei Bank Limited.	2005/3/31	14,000	0.2883	2005/5/11
Total			63,000		

* Interest rates are weighted average rates calculated by days.

	Lender	Borrowing Date	EOB (millions of yen)	Interest (%)	Repayment Date
Long-term Borrowing	The Bank of Tokyo-Mitsubishi, Ltd.	2001/9/25	6,000	1.12	Expected Principal Repayment Date 2006/6/23 Final Principal Repayment Date 2008/6/23
	Mizuho Corporate Bank, Ltd.		6,000		
	The Sumitomo Trust & Banking Co., Ltd.		5,200		
	The Mitsubishi Trust & Banking Corporation		5,200		
	Sompo Japan Insurance Inc.		1,600		
	The Iyo Bank, Ltd.	2004/3/24	2,000	1.0575	2009/3/24
	The Dai-ichi Mutual Life Insurance Company	2004/3/30	5,000	1.015	2009/3/30
	The Taiyo Life Insurance Company	2004/3/30	2,000	1.47125	2011/3/30
	The Chugoku Bank, Ltd.	2004/6/15	3,000	0.90875	2007/6/15
	The Bank of Fukuoka	2004/8/31	3,000	0.78375	2007/8/31
	Mitsui Life Insurance Co., Ltd.	2004/8/31	5,000	1.50125	2011/8/31
	Mitsui Life Insurance Co., Ltd.	2004/10/29	2,000	1.55	2012/10/29
	National Mutual Insurance Federation of Agricultural Cooperatives	2004/11/1	5,000	1.33125	2011/11/1
Total			51,000		

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

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

Reference: the 6th Period (as of September 30, 2004)

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

* Interest rates are weighted average rates calculated by days.

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

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

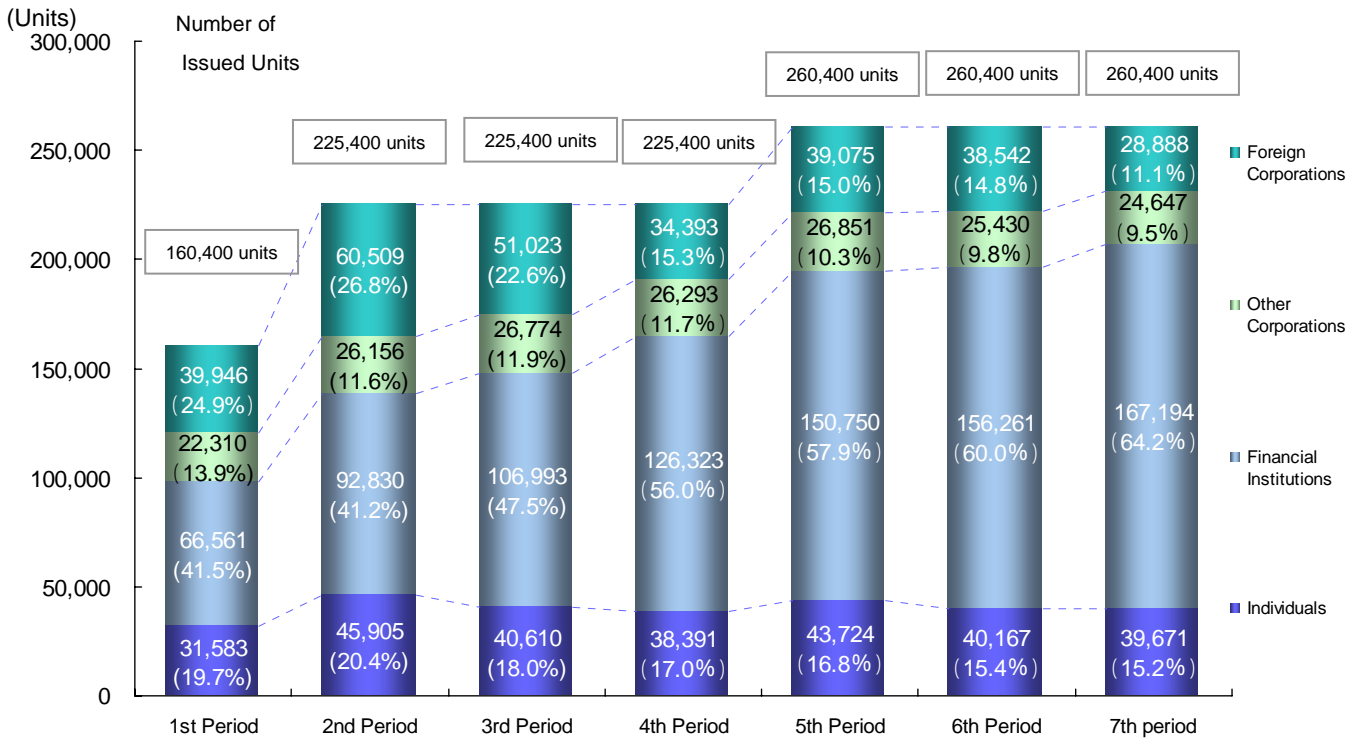
Total amount of interest-bearing debt as of 6th period end	99,000 million yen
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- The weighted average interest rate is 1.05% based on the amount of debt at the end of the period.
- Duration (as of the end of the sixth period) is 0.37 year (approximately 4 months) for short-term borrowing, 3.34 years (approximately 3 years and 4 months) for the long-term debt (long-term borrowing and investment corporation bonds).

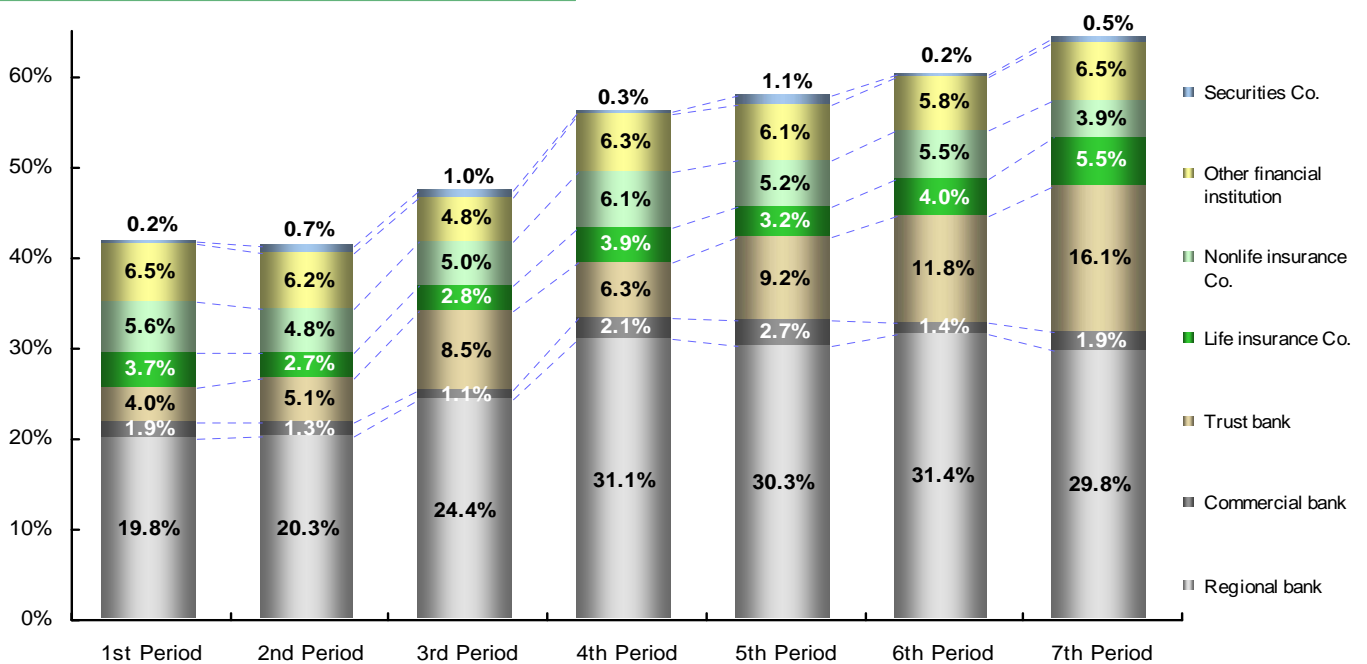
Unitholder Data (Composition)



Unitholder Composition



Financial Institutions



Unitholder Data (Major Unitholders)



Number of Unitholders by Sector

	3rd Period		4th Period		5th Period		6th Period		7th Period	
	Unitholders	%	Unitholders	%	Unitholders	%	Unitholders	%	Unitholders	%
Individuals	14,897	96.0%	13,810	95.6%	16,047	95.6%	14,592	95.1%	14,447	94.9%
Financial Institutions	126	0.8%	152	1.1%	186	1.1%	189	1.2%	203	1.3%
Other Corporations	377	2.4%	352	2.4%	398	2.4%	377	2.5%	357	2.3%
Foreign Corporations	120	0.8%	137	0.9%	163	1.0%	185	1.2%	212	1.4%
Total	15,520	100.0%	14,451	100.0%	16,794	100.0%	15,343	100.0%	15,219	100.0%

Top 10 Unitholders

7th period

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

6th period

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

Property Data



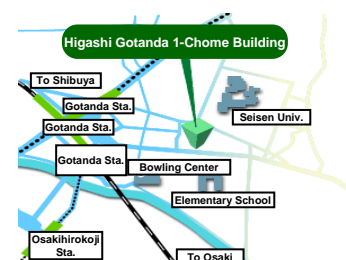
Area	Name	(In millions of yen)		(In thousands of yen)		Year Built	Rentable Area (m ²) (Mar 31, 05)	Occupancy Rate (Mar 31, 05)	
		7th Period Appraisal Value (Mar 31, 05)	6th Period Appraisal Value (Sep 30, 04)	7th Period Book Value (Mar 31, 05)	Acquisition Price				
Tokyo Metropolitan Area	23 Wards	Genki Medical Plaza	5,890	5,700	5,225	5,000,000	1985	4,791	100.0%
		MD Kanda Building	8,140	8,130	9,375	9,520,000	1998	6,269	100.0%
		Kandabashi Park Building	4,890	4,840	4,748	4,810,000	1993	3,687	100.0%
		Mitsubishi Soken Building	30,400	30,400	27,025	27,267,000	1970	18,006	100.0%
		Yurakucho Denki Building	7,030	6,820	7,599	7,200,000	1975	4,694	100.0%
		Kodenmachi Shin-Nihonbashi Building	3,240	3,240	3,009	3,173,000	1991	3,897	100.0%
		Burex Kyobashi Building	5,450	5,290	5,289	5,250,000	2002	4,279	100.0%
		Aoyama Crystal Building	7,720	7,330	7,707	7,680,000	1982	4,916	100.0%
		Shiba 2-Chome Daimon Building	5,410	5,250	5,017	4,859,000	1984	9,643	100.0%
		Cosmo Kanasugibashi Building	3,020	2,920	2,693	2,808,000	1992	4,062	95.5%
		Shinwa Building	7,800	7,900	7,938	7,830,000	1989	6,197	100.0%
		Takanawadai Building	2,530	2,530	2,639	2,738,000	1991	4,067	100.0%
		JAL Travel Building	1,460	1,420	1,288	1,362,000	1991	3,383	100.0%
		Omori-Eki Higashiguchi Building	5,200	5,180	4,786	5,123,000	1989	7,708	100.0%
		Nippon Brunswick Building	7,180	7,170	6,711	6,670,000	1974	7,347	98.7%
		Yoyogi 1-Chome Building	8,850	8,710	8,739	8,700,000	2003	7,772	100.0%
		da Vinci Harajuku	5,370	5,140	5,001	4,885,000	1987	3,109	100.0%
		Jingumae Media Square Building	13,110	12,670	12,273	12,200,000	1998	5,558	100.0%
		Shibuya Cross Tower	35,500	34,400	35,655	34,600,000	1976	29,828	100.0%
		Ebisu Neonato	4,350	4,220	4,067	4,100,000	1994	2,462	100.0%
		Otsuka Higashi-Ikebukuro Building	3,410	3,410	3,333	3,541,000	1987	7,114	91.0%
		Ikebukuro 2-Chome Building	1,420	1,420	1,677	1,728,000	1990	2,186	100.0%
		Ikebukuro YS Building	4,460	4,450	4,556	4,500,000	1989	5,797	100.0%
Excluding 23 Wards	Saitama Urawa Building	2,360	2,360	2,496	2,574,000	1990	4,510	98.0%	
	Shin-Yokohama First Building	1,620	1,620	3,003	3,000,000	1992	6,925	81.0%	
Other Major Cities	Kawasaki Isago Building	3,150	3,140	3,112	3,375,000	1990	6,831	93.4%	
	Sendai Honcho Honma Building	2,930	2,930	2,747	2,924,000	1991	5,829	98.8%	
	Niigata Ishizucho Nishi-bandaibashi Building	741	755	1,009	1,010,000	1984	4,383	96.6%	
	Kanazawa Park Building	5,420	5,390	4,603	4,580,000	1991	21,343	94.3%	
	Kanazawa Minamicho Building	992	1,010	1,287	1,331,000	1987	3,782	85.4%	
	Nagoya Hirokoji Building	15,000	14,600	14,165	14,533,000	1987	21,641	100.0%	
	Nagoya Misono Building	1,860	1,840	1,786	1,865,000	1991	3,470	100.0%	
	Kyoto Shijo Kawaramachi Building	2,020	2,050	2,958	2,650,000	1982	6,800	100.0%	
	Sakaisuji-honmachi Building	4,170	4,170	4,158	4,164,000	1992	11,574	96.7%	
	Midosuji Daiwa Building	13,800	13,500	13,938	14,314,000	1991	20,450	100.0%	
	Kobe Itomachi Building	949	966	1,380	1,436,000	1989	3,478	100.0%	
	NHK Hiroshima Broadcasting Center Building	1,390	1,350	1,355	1,320,000	1994	5,477	98.6%	
	Tosei Tenjin Building	1,340	1,370	1,480	1,550,000	1992	4,000	100.0%	
	Hinode Tenjin Building	3,480	3,470	3,488	3,657,000	1987	5,882	89.2%	
	Subtotal		243,052	238,961					
	Properties acquired in the 7th Period	Sanno Grand Building	10,300	-	10,527	10,200,000	1966	10,666	95.0%
GINZA SANWA Building		16,900	-	17,066	16,830,000	1982	4,329	97.1%	
Ryoshin Ginza East Mirror Building		4,410	-	5,586	5,353,500	1998	2,875	73.8%	
Higashi Gotanda 1-Chome Building		5,710	-	5,532	5,500,000	2004	5,205	100.0%	
Harmony Tower		8,670	-	8,931	8,500,000	1997	10,929	100.0%	
Hachioji Dai-ichi-Seimei Building		3,300	-	3,319	3,300,000	1996	6,336	90.0%	
Jozenji Park Building		1,000	-	1,051	1,000,000	1993	2,518	93.1%	
Total (46 properties)		293,342	238,961	291,350	290,510,500		336,026	97.6%	

Area	Name	Appraisal Value (before acquisition)		Acquisition Price	Year Built	Rentable Area (m ²) (Acquisition Date)	Occupancy Rate (Acquisition Date)
Property to be acquired in the 8th Period	Nibancho Garden	14,800	-	14,700,000	2004	9,316	100.0%
Total		14,800		14,700,000		9,316	-

*The Rentable area of Nibancho Garden includes the residential space, 1,686m², in addition to the above figures for office space.

Properties Acquired in the 7th Period

Higashi Gotanda 1-Chome Building



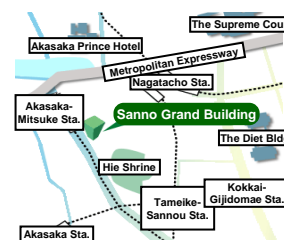
Transaction Summary

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

Property Summary

- ◆ Address: 1-24-2 Higashi Gotanda Shinagawa-ku, Tokyo
- ◆ Area: Land: 1,539.95 m² Building: 6,460.39 m²
- ◆ Structure: Steel framed / eight stories
- ◆ Built: July 2004
- ◆ Type of Ownership: Fee simple
- ◆ Rentable Area: 5,205 m²
- ◆ Occupancy rate: 100.0% (As of March 31, 2005)

Sanno Grand Building



Transaction Summary

- ◆ Seller: Ryoshin Building Co., Ltd.
- ◆ Acquisition Price: 10,200 million yen
- ◆ Appraisal Value: 10,300 million yen
(As of January 1, 2005)
- ◆ Acquisition Date: January 31, 2005

Property Summary

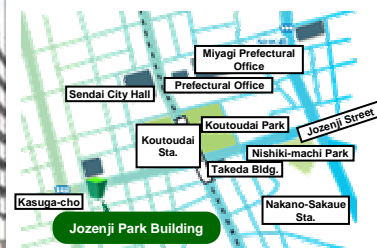
- ◆ Address: 2-14-2 Nagatacho Chiyoda-ku, Tokyo
- ◆ Area: Land: 3,663.93 m² Building: 33,875.95 m²
- ◆ Structure: Steel framed reinforced concrete/ten stories with three basements
- ◆ Built: September 1966
- ◆ Type of Ownership: Co-ownership 50.0%
- ◆ Rentable Area: 10,666 m²
- ◆ Occupancy rate: 95.0% (As of March 31, 2005)

Properties Acquired in the 7th Period

Jozenji Park Building

Transaction Summary

- ◆ Seller: Ryoshin Building Co., Ltd.
- ◆ Acquisition Price: 1,000 million yen
- ◆ Appraisal Value: 1,000 million yen
(As of January 1, 2005)
- ◆ Acquisition Date: January 31, 2005



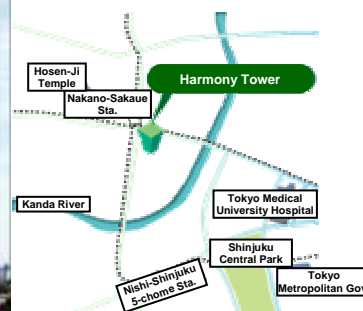
Property Summary

- ◆ Address: 2-14-18 Kokubun-cho, Aoba-ku, Sendai-shi, Miyagi
- ◆ Area: Land: 1,566.68 m² Building: 7,648.33 m²
- ◆ Structure: Steel framed reinforced concrete/eight stories with one basement
- ◆ Built: January 1993
- ◆ Type of Ownership: Co-ownership 50.0%
- ◆ Rentable Area: 2,518 m²
- ◆ Occupancy rate: 93.1% (As of March 31, 2005)

Harmony Tower

Transaction Summary

- ◆ Seller: Ryoshin Building Co., Ltd.
- ◆ Acquisition Price: 8,500 million yen
- ◆ Appraisal Value: 8,670 million yen
(As of February 1, 2005)
- ◆ Acquisition Date: February 28, 2005



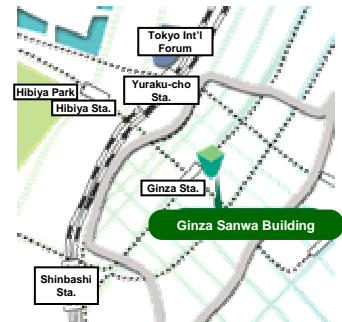
Property Summary

- ◆ Address: 1-32-2 Honcho, Nakano-ku, Tokyo
- ◆ Area: Land: 10,020.52 m² Building: 72,729.31 m²
- ◆ Structure: Steel framed/steel framed reinforced concrete/reinforced concrete twenty-nine stories with two basements
- ◆ Built: March 1997
- ◆ Type of Ownership: Land: Co-ownership Building: Compartmentalized building units/co-ownership of Compartmentalized building units * Ownership of the building: ca.29.25%
- ◆ Rentable Area: 10,929 m²
- ◆ Occupancy rate: 100.0% (As of March 31, 2005)

Ginza Sanwa Building

Transaction Summary

- ◆ Seller: Imabashi Real Estate Co., Ltd.
Toyo Estate Corporation
- ◆ Acquisition Price: 16,830 million yen
- ◆ Appraisal Value: 16,840 million yen
(As of February 1, 2005)
- ◆ Acquisition Date: March 10, 2005



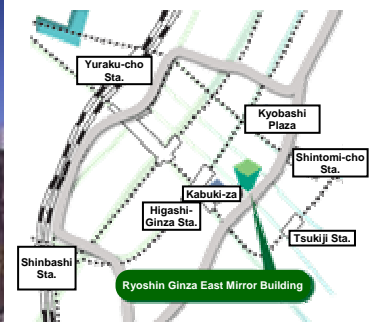
Property Summary

- ◆ Address: 4-6-1 Ginza, Chuo-ku, Tokyo
- ◆ Area: Land: 1,119.27 m² Building 8,851.00 m²
- ◆ Structure: Steel framed reinforced concrete/nine stories with two basements
- ◆ Built: October 1982
- ◆ Type of Ownership: Land: Ownership and Co-ownership Building: Co-ownership of compartmentalized building units
* Ownership of the building: 70.95%
- ◆ Rentable Area: 4,329 m²
- ◆ Occupancy rate: 97.1% (As of March 31, 2005)

Ryoshin Ginza East Mirror Building

Transaction Summary

- ◆ Seller: Ryoshin Building Co., Ltd.
- ◆ Acquisition Price: 5,353,500 thousand yen
- ◆ Appraisal Value: 4,410,000 thousand yen
(As of February 1, 2005)
- ◆ Acquisition Date: March 15, 2005



Property Summary

- ◆ Address: 3-15-10 Ginza, Chuo-ku, Tokyo
- ◆ Area: Land: 615.25 m² Building: 4,104.71 m²
- ◆ Structure: Steel framed/eight stories with one basement
- ◆ Built: October 1998
- ◆ Type of Ownership: Fee simple
- ◆ Rentable Area: 2,875 m²
- ◆ Occupancy rate: 73.8% (As of March 31, 2005)

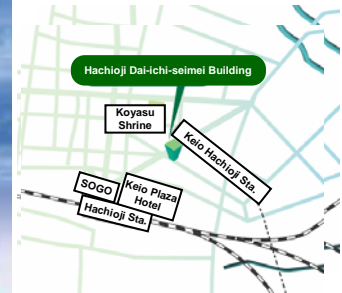
Properties Acquired in the 7th and 8th Period



Hachioji Dai-ichi-Seimei Building

Transaction Summary

- ◆ Seller: Dai-ichi Mutual Life Insurance Company
- ◆ Acquisition Price: 3,300 million yen
- ◆ Appraisal Value: 3,300 million yen
(As of March 1, 2005)
- ◆ Acquisition Date: March 31, 2005



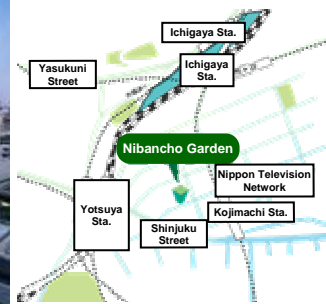
Property Summary

- ◆ Address: 3-20-6 Myojin-cho, Hachioji-shi, Tokyo
- ◆ Area: Land: 2,989.33 m² Building: 18,329.98 m² (including parking facility)
- ◆ Structure: Steel framed reinforced concrete/twelve stories with one basement
- ◆ Built: July 1996
- ◆ Type of Ownership: Land: Ownership and co-ownership Building: Co-ownership (50.6611%)
- ◆ Rentable Area: 6,336 m²
- ◆ Occupancy rate: 90.0% (As of March 31, 2005)

Nibancho Garden

Transaction Summary

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



Property Summary

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

Acquisition of Preferred Capital Contribution Certificates


New Approach to Acquire High-grade Assets

- JRE was the first among J-REIT companies to acquire preferred capital contribution certificates (JRE also secured the preferential right to purchase the underlying property).
- JRE enhances the opportunities and measures for external growth.

Summary of Preferred Capital Contribution Certificates Acquired

■ Property acquired	Real estate related securities
■ Type of securities	Preferred capital contribution certificates
■ Acquisition price	1,270 million yen (including expected acquisition)
■ Acquisition date	March 29, 2005: 956 million yen November 24, 2005: 46 million yen (planned) November 24, 2006: 268 million yen (planned)
■ Seller	Harumi Front TMK

TMK (Special Purpose Company) Harumi Front TMK

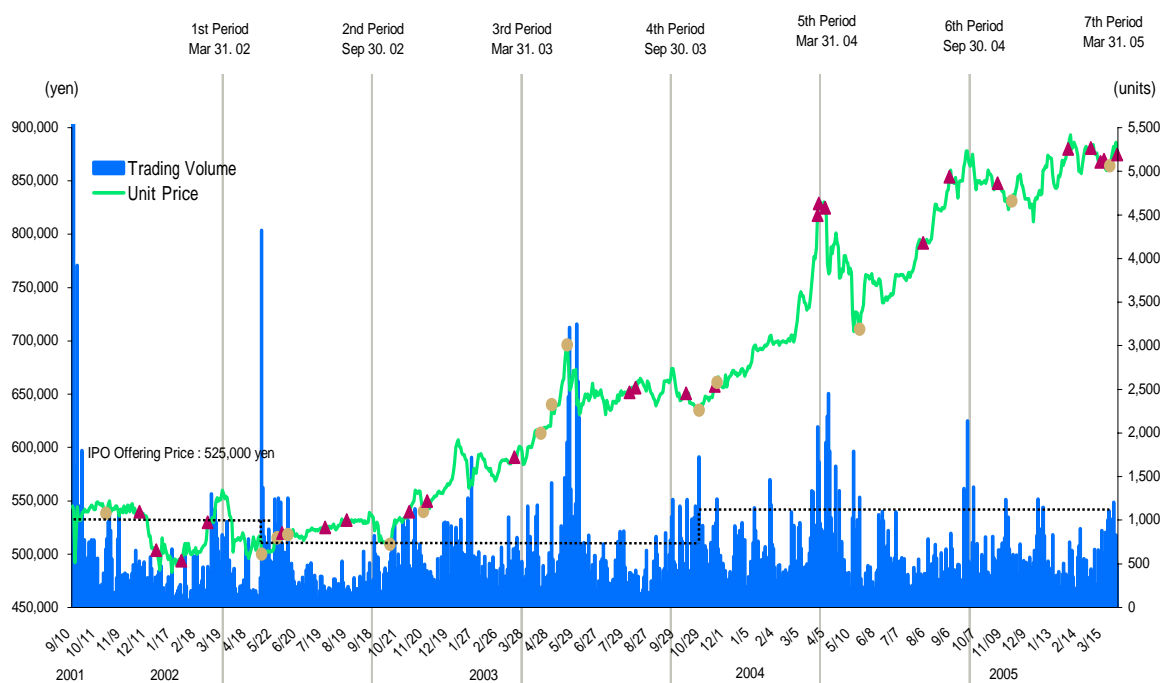
<div data-bbox="292 1196 587 1263" data-label="Section-Header"> <h4>Property</h4> </div> <div data-bbox="180 1305 758 1653" data-label="List-Group"> <p>Summary of property to be held by TMK</p> <ul style="list-style-type: none"> ■ Name of development project (tentative) Harumi Center Building ■ Location 2-5-23, Harumi, Chuo-ku, Tokyo ■ Site area 4,664.63m² ■ Total floor area 27,494.17m² ■ Total project cost (planned) 12,821 million yen ■ Construction schedule Commencement: May 2005 (planned) Completion: November 2006 (planned) </div> <div data-bbox="323 1682 611 1917" data-label="Image">  </div>	<div data-bbox="890 1447 1214 1514" data-label="Text"> <p>Specified bond & special purpose borrowing</p> </div> <div data-bbox="799 1753 1299 1843" data-label="Text"> <p>Preferred capital contribution certificates (JRE's share of capital contribution: 49.9%, approximately 9.9% of total project cost)</p> </div> <div data-bbox="858 1895 1235 1921" data-label="Text"> <p>Specified capital contribution</p> </div>	<div data-bbox="1362 1473 1445 1500" data-label="Text"> <p>80%</p> </div> <div data-bbox="1362 1794 1445 1821" data-label="Text"> <p>20%</p> </div>
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* Since Harumi Center Building (tentative name) is now in the process of registration/approval for construction, an outlook chart is shown above.
* The above summary is a plan or schedule, and it is subject to change in the future.

Forecast Property Occupancy Rates

Area		Name	7th Period (Mar, 2005)	8th Period Forecast (Sep, 2005)
Tokyo Metropolitan Area	23 Wards	Genki Medical Plaza	100.0%	100.0%
		MD Kanda Building	100.0%	100.0%
		Kandabashi Park Building	100.0%	100.0%
		Mitsubishi Soken Building	100.0%	100.0%
		Sanno Grand Building	95.0%	94.0%
		Yurakucho Denki Building	100.0%	100.0%
		Kodenmachi Shin-Nihonbashi Building	100.0%	82.9%
		Burex Kyobashi Building	100.0%	100.0%
		Ginza Sanwa Building	97.1%	100.0%
		Ryoshin Ginza East Mirror Building	73.8%	86.9%
		Aoyama Crystal Building	100.0%	100.0%
		Shiba 2-Chome Daimon Building	100.0%	99.1%
		Cosmo Kanasugibashi Building	95.5%	100.0%
		Shinwa Building	100.0%	100.0%
		Takanawadai Building	100.0%	100.0%
		Higashi Gotanda 1-Chome Building	100.0%	100.0%
		JAL Travel Building	100.0%	100.0%
		Omori-Eki Higashiguchi Building	100.0%	100.0%
		Nippon Brunswick Building	98.7%	99.3%
		Yoyogi 1-Chome Building	100.0%	100.0%
		da Vinci Harajuku	100.0%	100.0%
		Jingumae Media Square Building	100.0%	100.0%
		Shibuya Cross Tower	100.0%	99.5%
	Ebisu Neonato	100.0%	100.0%	
	Harmony Tower	100.0%	100.0%	
	Otsuka Higashi-Ikebukuro Building	91.0%	96.0%	
	Ikebukuro 2-Chome Building	100.0%	76.7%	
	Ikebukuro YS Building	100.0%	100.0%	
	Average		98.8%	98.6%
	Excluding 23 Wards	Hachioji Dai-ichi-Seimei Building	90.0%	91.5%
		Saitama Urawa Building	98.0%	100.0%
		Shin-Yokohama First Building	81.0%	92.9%
		Kawasaki Isago Building	93.4%	95.1%
Average			89.9%	94.4%
Other Major Cities	Jozenji Park Building	93.1%	84.4%	
	Sendai Honcho Honma Building	98.8%	94.4%	
	Niigata Ishizuecho Nishi-bandaibashi Building	96.6%	96.6%	
	Kanazawa Park Building	94.3%	94.8%	
	Kanazawa Minamicho Building	85.4%	95.5%	
	Nagoya Hirokoji Building	100.0%	99.1%	
	Nagoya Misono Building	100.0%	100.0%	
	Kyoto Shijo Kawaramachi Building	100.0%	99.1%	
	Sakaisuji-honmachi Building	96.7%	96.7%	
	Midosuji Daiwa Building	100.0%	100.0%	
	Kobe Itomachi Building	100.0%	92.3%	
	NHK Hiroshima Broadcasting Center Building	98.6%	98.6%	
	Tosei Tenjin Building	100.0%	94.1%	
	Hinode Tenjin Building	89.2%	90.7%	
Average		97.3%	96.8%	
Property to be acquired in the 8th period	Nibancho Garden	-	100.0%	
Average		97.6%	97.7%	

Unit Price Performance After IPO



TOPICS

	1st Period	2nd Period	3rd Period	4th Period	5th Period	6th Period	7th Period
	Oct 22, 01 Announcement of Shibuya Cross Tower aquisition	May 8, 02 Additional issue of units May 27, 02 Announcement of Mitsui & Co. participation & 1st period performance review Jun 7, 02 Announcement of Investment Corporation Bond issuance	Oct 8, 02 Announcement of outline of the tax system revision Nov 19, 02 Announcement of 2nd period performance review	Apr 16, 03 Announcement of Investment Corporation Bond issuance Apr 30, 03 Announcement of JRE inclusion in MSCI May 20, 03 Announcement of 3rd period performance review	Oct 27, 03 Additional issue of units Nov 18, 03 Announcement of 4th period performance review	May 18, 04 Announcement of 5th period performance review	Nov 18, 04 Announcement of 6th period performance review Mar 23, 05 Announcement of acquisition of preferred equity securities (for the first time as J-REIT) (In millions of yen)
Total Assets	161,809	185,397	200,022	209,581	244,523	257,372	322,358
Net Worth	83,663	115,049	115,410	115,559	137,250	137,279	137,569
Market Capitalization	85,012	115,179	133,436	146,059	216,132	227,850	227,850
Units Outstanding	160,400 units	225,400 units	225,400 units	225,400 units	260,400 units	260,400 units	260,400 units
Unit Price	530,000 yen	511,000 yen	592,000 yen	648,000 yen	830,000 yen	875,000 yen	875,000 yen
Operating Profit	6,492	7,910	8,500	8,965	9,560	10,151	10,747
Net Income	2,403	2,897	3,258	3,407	3,802	3,830	4,120
Dividend per Unit	14,983 yen	12,853 yen	14,455 yen	15,117 yen	14,602 yen	14,711 yen	15,824 yen

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

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

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

Management Policy → Do Not Get Caught in the “Growth” Trap.



Challenges

External Growth

Tough Acquisition Environment

- Increasing new participants in the real estate secondary market
In addition to J-REIT companies, private funds and institutional investors are increasingly entering the market.
- Advancing prices of real estate properties in some districts
While the market is revitalized, it becomes more difficult for investors to acquire at a reasonable price.

Internal Growth

- Maintain stable occupancy rate
- Secure and improve rental income
- Reduce administrative costs

Financial Strategy

- Respond to the potential risk of rising interest rates
- Facilitate prompt fund-raising in response to acquisition of properties

Policy and Measures

■ Steady External Growth

<Specific Efforts>

- Collaboration with sponsors
- Strengthen the relationship with deal sources (negotiation transaction)
- New approach to acquire high-grade assets
(JRE acquired preferred capital contribution certificates as the first among J-REIT and also secured the preferential right to purchase the underlying property.)

- Stabilize occupancy rate by understanding the needs of tenants
- Increase rental income by promptly finding new tenants for properties with low occupancy rates
- Implement administrative cost reduction plan (cutting base administrative costs at the time of acquisition of new properties by 5% over the next three years)

- Promptness, Diversification, and Flexibility
- ALM, Appropriate response to interest risk
- Keep conservative Debt-Equity Ratio
- Maintain high-grade credit rating

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Executive Summary

(History after IPO)

History of Key Words

1st Period
(Ended March 31, 2002)

Faster

2nd Period
(Ended September 30, 2002)

Stronger

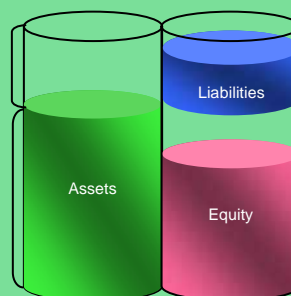
3rd Period
(Ended March 31, 2003)

Larger

4th Period
(Ended September 30, 2003)

Two-thirds

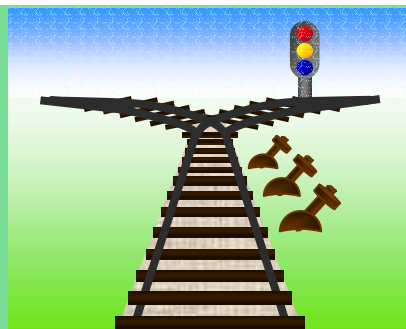
300 billion
yen



100 billion
yen
200 billion
yen

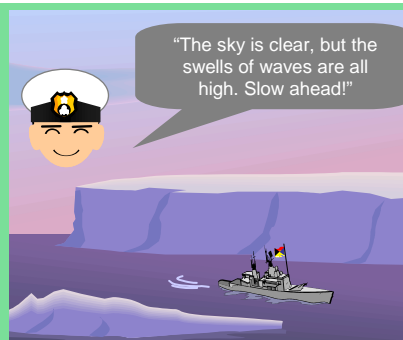
5th Period
(Ended March 31, 2004)

Equinox



6th Period
(Ended September 30, 2004)

Slow Ahead



7th Period
(Ended March 31, 2005)

First Summit



History after IPO (Performance)



Performance after IPO

1st Period: March 2002

7th Period: March 2005

(In millions of yen)

(In millions of yen)

Operating Revenue

6,492

10,747

* Actual number of days in the 1st period was 203 days (about 7 months). The revenue was assumed to be 5,820 million yen in 6 month terms.

(In millions of yen)

Net Income

2,403

4,120

* Actual number of days in the 1st period was 203 days (about 7 months). The income was assumed to be 2,154 million yen in 6 month terms.

(In millions of yen)

(In yen)

Dividend per Unit

14,983

15,824

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

Performance

In millions of yen

	1st Period ended Mar 2002	2nd Period ended Sep 2002	3rd Period ended Mar 2003	4th Period ended Sep 2003	5th Period ended Mar 2004	6th Period ended Sep 2004	7th Period ended Mar 2005
Operating Revenue	6,492	7,910	8,500	8,965	9,560	10,151	10,747
Operating Profit	2,961	3,386	3,687	3,898	4,341	4,358	4,701
Recurring Profit	2,405	2,898	3,259	3,408	3,803	3,831	4,121
Net Income	2,403	2,897	3,258	3,407	3,802	3,830	4,120
Units Outstanding	160,400 units	225,400 units	225,400 units	225,400 units	260,400 units	260,400units	260,400units
Dividends per Unit	14,983 yen	12,853 yen	14,455 yen	15,117 yen	14,602 yen	14,711 yen	15,824 yen

History after IPO (External Growth)



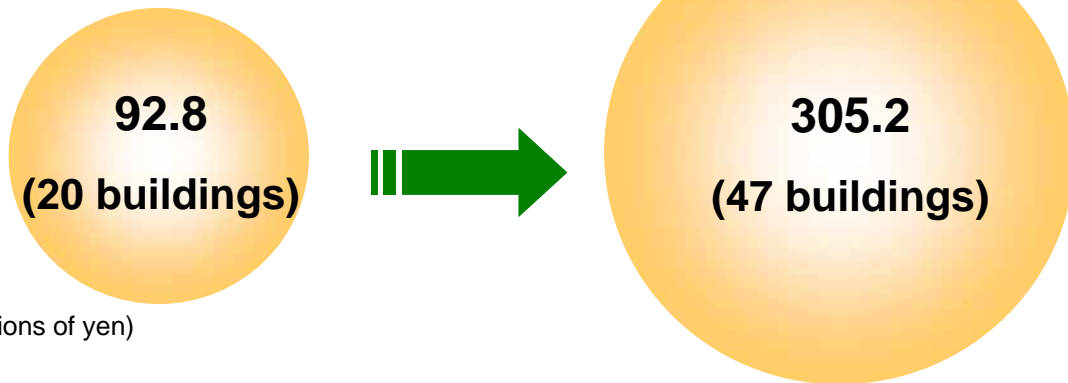
Asset Size of 300 Billion Yen

Our goal, “asset size of 300 billion yen by March 2006” was achieved one year ahead of the plan.

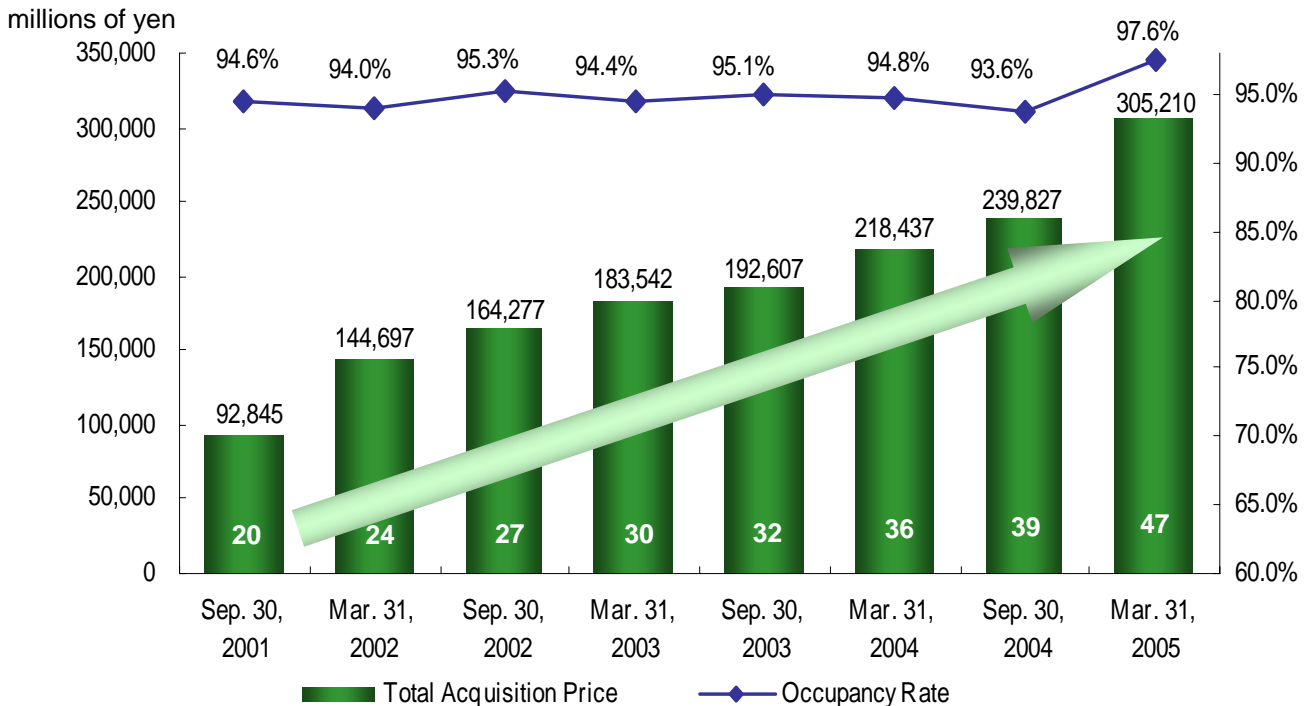
At IPO (Sep. 30, 2001)

As of April 1, 2005

(In billions of yen)



Asset Size and Occupancy Rate



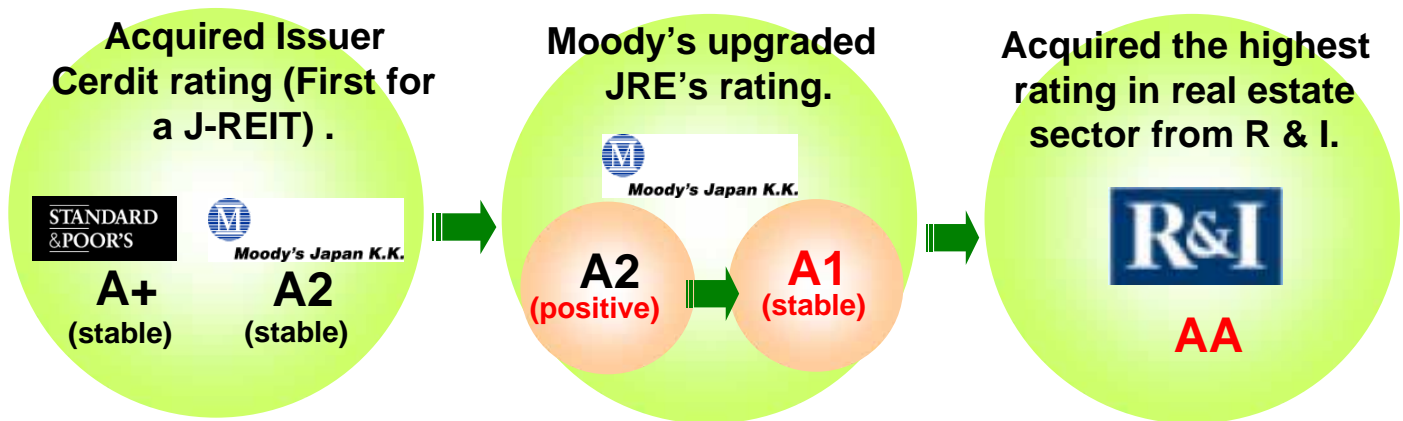
*The acquisition price and total number of buildings as of March 31, 2005 in the graph include those of “Nibancho Garden” acquired on April 1, 2005.

History after IPO (Credit Ratings)



Credit Ratings

Highest issuer credit ratings of any office REIT in the world



*S&P: Long-term issuer credit rating
 Moody's: Issuer credit rating
 R&I: Issuer credit rating

Investment Corporation Bond

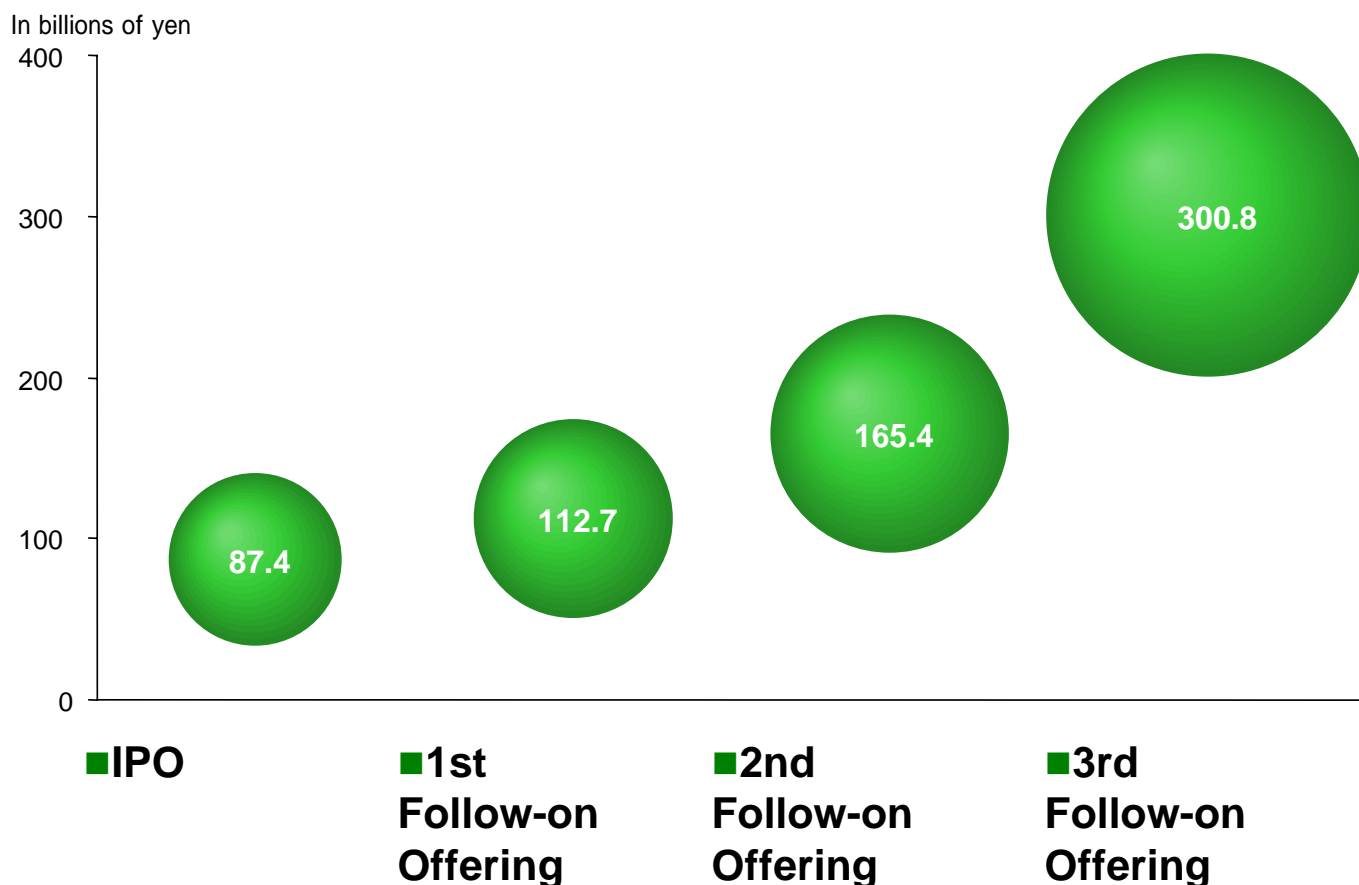
- ◆ **The first investment corporation bond issuance** through the capital market
- ◆ **Minimize the risks of interest rate fluctuation and pursue healthier financial structure.**
- ◆ **Increase flexibility of capital procurement.**

	1st	2nd	3rd
Interest	1.32%	0.69%	0.98%
Issue date	June 21, 2002	April 30, 2003	April 30, 2003
Maturity	June 21, 2007	April 30, 2008	April 30, 2010
Ratings	S&P A + Moody's A1	S&P A + Moody's A1	S&P A + Moody's A1

History after IPO (Market Capitalization)



Market Capitalization



Offering Conditions

	<u>IPO</u>	<u>1st Follow-on offering</u>	<u>2nd Follow-on offering</u>	<u>3rd Follow-on offering</u>
Payment date	Sep. 7, 2001	May 7, 2002	Oct. 24, 2003	April 26, 2005
Offering price	525,000 yen	490,980 yen	629,000 yen	826,000 yen
Number of units issued	160,000	65,000	35,000	85,000
Offering size	84 billion yen	31.9 billion yen	22 billion yen	70.2 billion yen

Summary of Public Offering in April 2005

- Total amount of offering, 70.2 billion yen: **Largest offering size among J-REIT's follow-on offerings**
- **Free from any negative dilution impact on existing investors**
- **Conservative use of leverage, and "EPS without footgears"**
- **Hedging against risk on rising interest rates**
- **Preparing for a new capital structure after the introduction of payoff system (Preservation of the species)**

Offering Conditions

- **Offering price:** 826,000 yen
- **Offering size:** Approximately 70 billion yen
- **Launching date:** April 4, 2005
- **Pricing date:** April 18, 2005
- **Payment date:** April 26, 2005

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1 . Details of the 7th Period

Income Statement for the 7th Period

Item	7th Period (182 days)			6th Period	In millions of yen	
	39 existing properties	Newly acquired properties*	Total	(183 days)	Change	% Change
Operating Revenue	10,339	408	10,747	10,151	596	5.9%
Rental revenue	10,299	408	10,708	10,104		
Other rental revenues	39	0	39	47		
Operating Expenses	3,539	77	3,616	3,478	138	4.0%
Property management fees	1,224	53	1,277	1,234		
Utility charges	846	9	855	878		
Property and other taxes	937	0	937	936		
Insurance expenses	26	1	27	27		
Maintenance expenses	458	13	471	363		
Other operating expenses	46	0	46	38		
NOI	6,800	330	7,131	6,672	458	6.9%
Depreciation and amortization	1,536	105	1,641	1,657		
Operating Profit	5,264	225	5,489	5,015	474	9.5%
Administrative expenses			787	656	131	20.0%
Asset management fees			476	362		
Other administrative expenses			310	293		
Net Operating Profit			4,701	4,358	342	7.9%
Non-Operating Revenue			5	2	2	
Interest received			0	0		
Other non-operating revenues			5	2		
Non-Operating Expenses			585	529	55	10.5%
Interest expenses			315	221		
Bond interest expenses			248	248		
Deferred bond-issuance cost			0	0		
Other non-operating expenses			21	59		
Recurring Profit			4,121	3,831	289	7.6%
Gross Income			4,121	3,831	289	7.6%
Taxes			1	0		
Net Income			4,120	3,830	289	7.6%
Retained Earnings			4,120	3,830		
FFO (Net Income + Depreciation)			5,762	5,488	274	5.0%
Dividends per Unit			15,824	14,711		

* Newly acquired properties are Higashi Gotanda 1-Chome Building, Sanno Grand Building, Jozenji Park Building, Harmony Tower, Ginza Sanwa Building, Ryoshin Ginza East Mirror Building and Hachioji Dai-ichi-Seimei Building.

- Continuous growth in revenues and profits over seven consecutive periods since IPO
- Full contribution from acquired properties in the 6th period and contribution from the newly acquired properties in the 7th period
- Contribution from newly acquired properties in the 7th period increased dividends per unit in the 7th period (15,824 yen), higher than originally estimated (15,400 yen) in the announcement dated Nov. 18, 2004.

NOI: Net Operating Income

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Balance Sheet for the 7th Period



In millions of yen

Item	7th Period-end (Mar 31, 05)	6th Period-end (Sep 30, 04)	Change	Reason for Change
Current Assets				
Cash and entrusted cash	29,361	16,847	12,514	Intentionally increased in preparation for acquisition of Nibancho Garden
Other current assets	657	351	305	
Total current assets	30,019	17,199	12,820	
Fixed Assets				
Property and equipment				
Buildings	90,409	77,094	13,314	Increased due to acquisition of seven buildings including Higashi Gotanda 1-Chome Building and capital expenditure
Structures	576	478	98	
Machinery and equipment	1,556	1,417	139	
Land	206,679	167,381	39,298	
Accumulated depreciation	9,783	8,149	1,634	
Total Property and equipment	289,439	238,222	51,216	
Intangible Assets				
Leasehold rights	1,912	1,912	0	
Total Intangible Assets	1,912	1,912	0	
Investments and Others				
Investments in securities	956	0	956	Increased due to acquisition of preferred equity securities (Harumi)
Long-term prepaid expenses, etc.	31	38	6	
Total Investments and Others	987	38	949	
Total Fixed Assets	292,339	240,173	52,165	
Total Assets	322,358	257,372	64,985	

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In millions of yen

Item	7th Period-end (Mar 31, 05)	6th Period-end (Sep 30, 04)	Change	Reason for Change
Liabilities				
Current Liabilities				
Short-term borrowing	63,000	10,000	53,000	Increased due to borrowing from Mitsubishi Trust and Banking Corp., etc.
Rent received in advance	2,460	2,195	265	
Other current liabilities	1,745	1,232	512	
Total Current Liabilities	67,206	13,428	53,778	
Long-term Liabilities				
Investment Corporation Bonds	45,000	45,000	-	Increased due to borrowing from Mitsui Life Insurance Co., Ltd., etc.
Long-term borrowing	51,000	44,000	7,000	
Deposits from tenants	20,994	16,782	4,211	
Other Long-term liabilities	588	882	294	
Total Long-term Liabilities	117,582	106,664	10,917	
Total Liabilities	184,789	120,093	64,696	
Unitholder Equity				
Unitholder capital	133,448	133,448	-	
Retained earnings	4,120	3,830	289	
Total Unitholder Equity	137,569	137,279	289	
Total Liabilities and Unitholder Equity	322,358	257,372	64,985	

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Cash Flow and Dividend Statement for the 7th Period



Cash Flow Statement

In millions of yen

Item	7th Period (182 days)
Cash Flow from Operating Activities	5,794
Net income before tax	4,121
Depreciation and adjustments	1,673
Cash Flow from Investing Activities	49,449
Cash Flow from Financial Activities	56,169
Increase in long- and short-term borrowing	68,000
Repayment of short-term borrowing	8,000
Proceeds from bond issuance	-
Proceeds from issuance of equity units	-
Payment of new unit-issuance cost	-
Payment of dividends, etc.	3,830
Net Increase in Cash and Cash Equivalents	12,514
Balance of Cash and Cash Equivalents at BOP	16,847
Balance of Cash and Cash Equivalents at EOP	29,361

Dividend Statement

In yen

	7th Period (182 days)
Net Income before Distribution	4,120,680,340
Total Amount of Dividends	4,120,569,600
Retained Earnings	110,740

Dividends per unit: 15,824 yen (6th Period: 14,711 yen)

Comparison of Financial Ratios



In millions of yen

Financial Ratio	7th Period (182 days)	6th Period (183 days)	5th Period (183 days)	4th Period (183 days)	3rd Period (182 days)
Return on assets (ROA)	1.4%	1.5%	1.6%	1.7%	1.7%
(annualized)	(2.9%)	(3.0%)	(3.2%)	(3.3%)	(3.4%)
Return on Equity (ROE)	3.0%	2.8%	2.8%	3.0%	2.8%
(annualized)	(6.0%)	(5.6%)	(5.7%)	(5.9%)	(5.7%)
EOP equity ratio	42.7%	53.3%	56.1%	55.1%	57.7%
LTV#1	49.3%	38.5%	35.6%	36.3%	33.4%
LTV#2	54.7%	41.3%	39.8%	39.5%	36.4%
EOP long-term debt to capitalization	116.5%	99.9%	95.9%	98.3%	104.6%
Debt service coverage ratio (DSCR)	11.2x	12.7x	13.9x	12.6x	14.5x
Net operating income (NOI)	7,131	6,672	6,455	5,950	5,702
Funds from operations (FFO)	5,762	5,488	5,301	4,801	4,568
Payout Ratio to CAD	81.5%	81.6%	93.1%	80.2%	82.3%

*ROA = Recurring profits / Average of total assets during the period (3rd period:182 actual working days, 4th period:183 actual working days, 5th period:183 actual working days, 6th period:183 actual working days and 7th period:182 actual working days)

*ROE = Net income / Average of net worth during the period (3rd period:182 actual working days, 4th period:183 actual working days, 5th period:183 actual working days, 6th period:183 actual working days and 7th period:182 actual working days)

*EOP equity ratio = EOP networth / EOP total assets

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

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

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

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

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

*FFO = Net income + Depreciation + Deferred Expenses

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

CAD (Cash Available Distribution) = FFO - capital expenditure

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2 . Overview of Property Portfolio

Property Data



23 Wards in the Tokyo Metropolitan Area



1. Otsuka Higashi-Ikebukuro



2. Ikebukuro 2-Chome



3. Genki Medical Plaza



4. MD Kanda



5. Kandabashi Park



6. Mitsubishi Soken



7. Yurakucho Denki



8. Kodenmachi Shin-Nihonbashi



9. Burex Kyobashi



10. SHiba 2-Chome Daimon



11. Cosmo Kanasugibashi



12. Nippon Brunswick



13. Yoyogi 1-Chome



14. Jingumae Media Square



15. da Vinci Harajuku



16. Shibuya Cross Tower



17. Aoyama Crystal



18. Ebisu Neonato



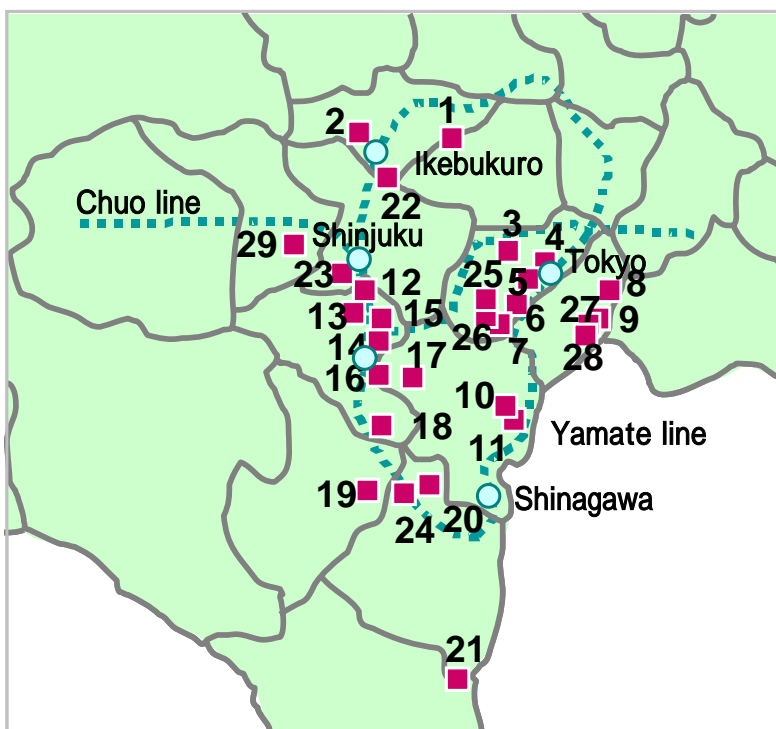
19. JAL Travel



20. Takanawadai



21. Omori-Eki Higashiguchi



22. Ikebukuro YS



23. Shinwa



24. Higashi Gotanda 1-Chome



25. Nibancho Garden



26. Sanno Grand



27. Ryoshin Ginza East Mirror



28. Ginza Sanwa



29. Harmony Tower

Other Areas



1. Sendai Honcho Honma



2. Niigata Ishizuecho Nishi-Bandaibashi



3. Saitama Urawa



4. Kanazawa Minamicho



5. Kanazawa Park



6. Kawasaki Isago



7. Shin-Yokohama First



8. Nagoya Hirokoji



9. Naoya Misono



10. Kyoto Shijo Kawaramachi



11. Sakaisuji-honmachi



12. Midosuji Daiwa



13. Kobe Itomachi



14. NHK Hiroshima Broadcasting Center



15. Hinode Tenjin



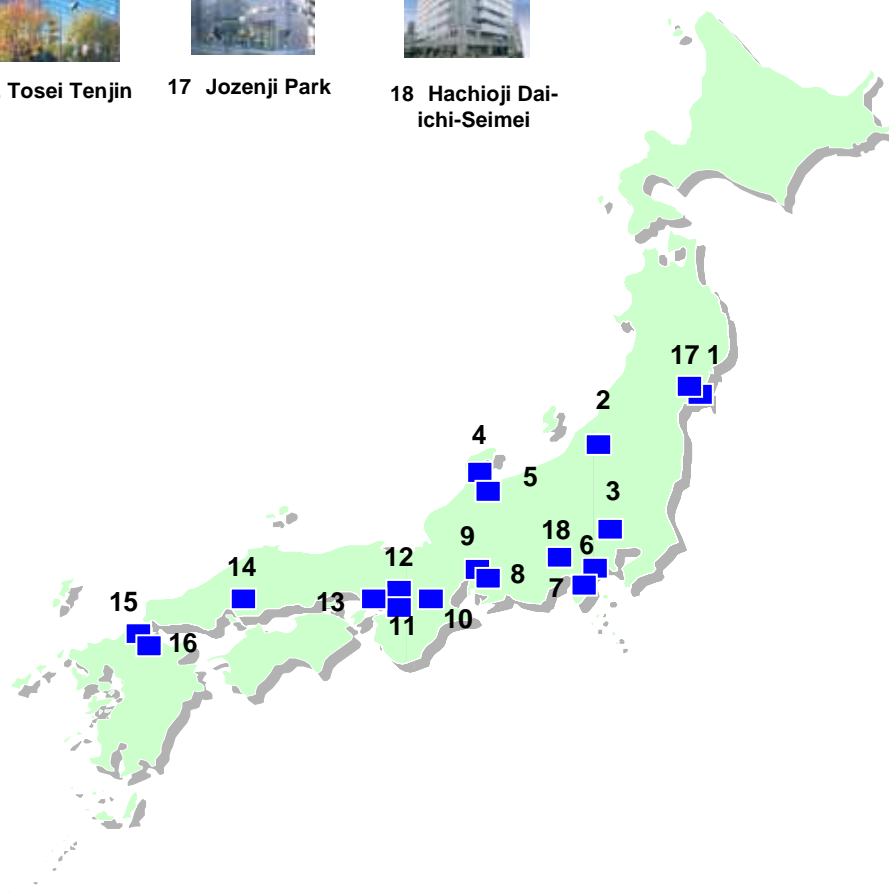
16. Tosei Tenjin



17. Jozenji Park



18. Hachioji Dai-ichi-Seimei



Property Data (Performance by Property)



23 Wards

In millions of yen

Name	Performance (Oct 1, 2004-Mar 31, 2005)											Operation (As of Mar 31, 2005)	
	Operating Revenue	Operating Expenses								Operating Profit	NOI	Occupancy Rate (%)	Number of Tenants
		Property management fees	Utility charges	Property and other taxes	Insurance expenses	Maintenance expenses	Depreciation	Other operating expenses					
Genki Medical Plaza	222	77	12	14	19	0	4	24	2	144	169	100.0	1
MD Kanda Building	291	114	22	16	25	0	0	49	0	177	226	100.0	2
Kandabashi Park Building	173	47	1	-	18	0	1	25	-	126	152	100.0	7
Mitsubishi Soken Building	1,062	342	90	102	75	1	18	53	0	720	774	100.0	4
Sanno Grand Building	155	44	18	0	0	0	11	14	-	110	125	95.0	48
Yurakucho Denki Building	282	111	33	18	32	0	8	18	-	171	189	100.0	15
Kodenmachi Shin-Nihonbashi Building	159	82	18	9	14	0	8	27	3	77	104	100.0	5
Burex Kyobashi Building	150	51	-	-	13	0	-	37	-	98	136	100.0	1
Ginza Sanwa Building	40	7	4	-	0	0	-	3	0	33	36	97.1	12
Ryoshin Ginza East Mirror Building	8	7	0	-	0	0	-	6	-	0	7	73.8	6
Aoyama Crystal Building	262	91	15	15	22	0	2	35	-	171	206	100.0	9
Shiba 2-Chome Daimon Building	316	134	36	23	38	0	5	20	9	182	202	100.0	28
Cosmo Kanasugibashi Building	133	56	11	8	13	0	0	21	-	76	97	95.5	7
Shinwa Building	228	88	24	14	0	0	13	35	-	139	175	100.0	9
Takanawadai Building	69	91	25	8	13	0	21	23	0	22	0	100.0	1
Higashi Gotanda 1-Chome Building	113	57	9	9	0	0	-	38	0	55	94	100.0	4
JAL Travel Building	86	49	11	9	10	0	1	14	0	37	52	100.0	1
Omori-Eki Higashiguchi Building	251	137	27	22	26	0	2	57	0	113	170	100.0	19
Nippon Brunswick Building	329	100	35	24	0	0	6	32	-	229	261	98.7	17
Yoyogi 1-Chome Building	283	84	5	0	0	0	-	78	-	198	277	100.0	1
da Vinci Harajuku	193	53	13	9	11	0	2	15	0	140	156	100.0	5
Jingumae Media Square Building	345	138	24	26	26	0	4	57	-	206	263	100.0	9
Shibuya Cross Tower	1,490	750	162	141	148	3	93	202	-	739	942	100.0	53
Ebisu Neonato	143	79	15	8	10	0	2	41	-	64	105	100.0	3
Harmony Tower	67	48	17	-	0	0	1	29	-	19	48	100.0	17
Otsuka Higashi-Ikebukuro Building	166	72	16	14	14	0	6	19	0	94	114	91.0	10
Ikebukuro 2-Chome Building	73	34	7	6	5	0	0	13	-	39	52	100.0	7
Ikebukuro YS Building	189	83	23	19	0	0	6	33	-	105	139	100.0	8

* The contribution from the Higashi Gotanda 1-Chome Building, Sanno Grand Building, Jozenji Park Building, Harmony Tower, Ginza Sanwa Building, Ryoshin Ginza East Mirror Building and Hachioji Dai-ichi-Seimei Building starts from November 1, 2004; January 31, 2005; February 28, 2005; March 10, 2005; March 15, 2005; and March 31, 2005 respectively.

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

Other Areas

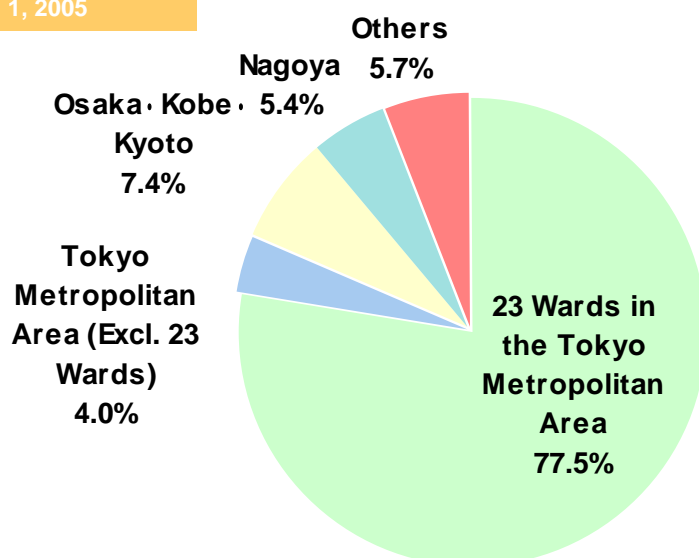
In millions of yen

Name	Performance (Oct 1, 2004-Mar 31, 2005)											Operation (As of Mar 31, 2005)	
	Operating Revenue	Operating Expenses								Operating Profit	NOI	Occupancy Rate (%)	Number of Tenants
		Property management fees	Utility charges	Property and other taxes	Insurance expenses	Maintenance expenses	Depreciation	Other operating expenses					
Hachioji Dai-ichi-Seimei Building	-	6	-	-	-	0	-	6	-	6	0	90.0	32
Saitama Urawa Building	132	60	16	9	10	0	1	22	-	71	93	98.0	15
Shin-Yokohama First Building	72	97	18	14	13	0	5	45	-	25	20	81.0	6
Kawasaki Isago Building	177	115	29	14	15	0	13	41	0	62	103	93.4	11
Jozenji Park Building	21	9	3	0	0	0	0	6	-	11	18	93.1	18
Sendai Honcho Honma Building	146	73	18	5	15	0	4	28	-	72	101	98.8	15
Niigata Ishizuecho Nishi-Bandaibashi Building	83	45	16	10	8	0	4	6	0	37	43	96.6	10
Kanazawa Park Building	520	375	111	65	78	2	20	84	12	145	229	94.3	66
Kanazawa Minamicho Building	73	36	11	8	6	0	1	8	-	37	46	85.4	14
Nagoya Hirokoji Building	767	383	118	66	62	1	64	69	-	383	453	100.0	32
Nagoya Misono Building	103	68	13	8	7	0	2	36	0	35	71	100.0	7
Kyoto Shijo Kawaramachi Building	131	99	21	12	12	0	23	29	0	32	61	100.0	33
Sakaisuji-honmachi Building	140	184	54	17	45	1	14	52	-	44	8	96.7	17
Midosuji Daiwa Building	659	327	65	51	86	1	23	98	0	332	430	100.0	25
Kobe Itomachi Building	73	42	10	8	6	0	2	14	-	31	45	100.0	17
NHK Hiroshima Broadcasting Center Building	80	110	43	14	-	0	11	23	16	29	6	98.6	12
Tosei Tenjin Building	99	63	13	9	10	0	8	21	-	36	57	100.0	20
Hinode Tenjin Building	168	116	23	16	16	0	43	15	-	51	67	89.2	10
Total	10,747	5,258	1,277	855	937	27	471	1,641	46	5,489	7,131	97.6	609

Geographical Diversification and Earthquake Risk

Geographical Diversification

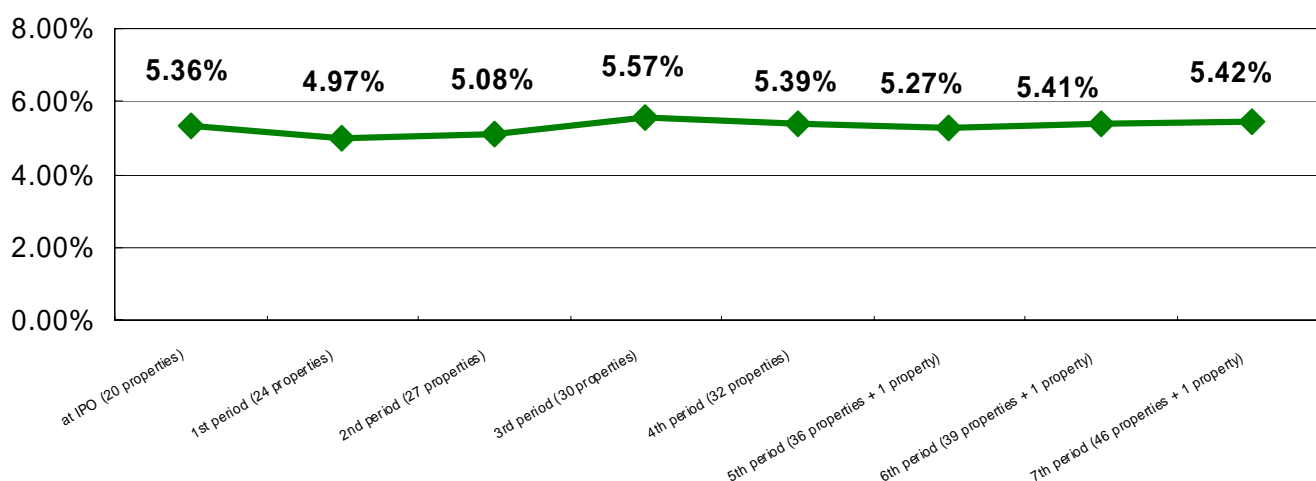
47 properties as of April 1, 2005



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

- ◆ The share of the 23 wards in the Tokyo metropolitan area increased because 6 out of 8 properties acquired in the 7th and 8th periods are located within the 23 wards.
- ◆ Well-balanced portfolio: Highly liquid properties with a stable rent income in the Tokyo metropolitan area account for approximately 82%; properties with attractive yields in other cities account for 18% as of April 1, 2005.

Earthquake Risk (PML Value*)



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

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

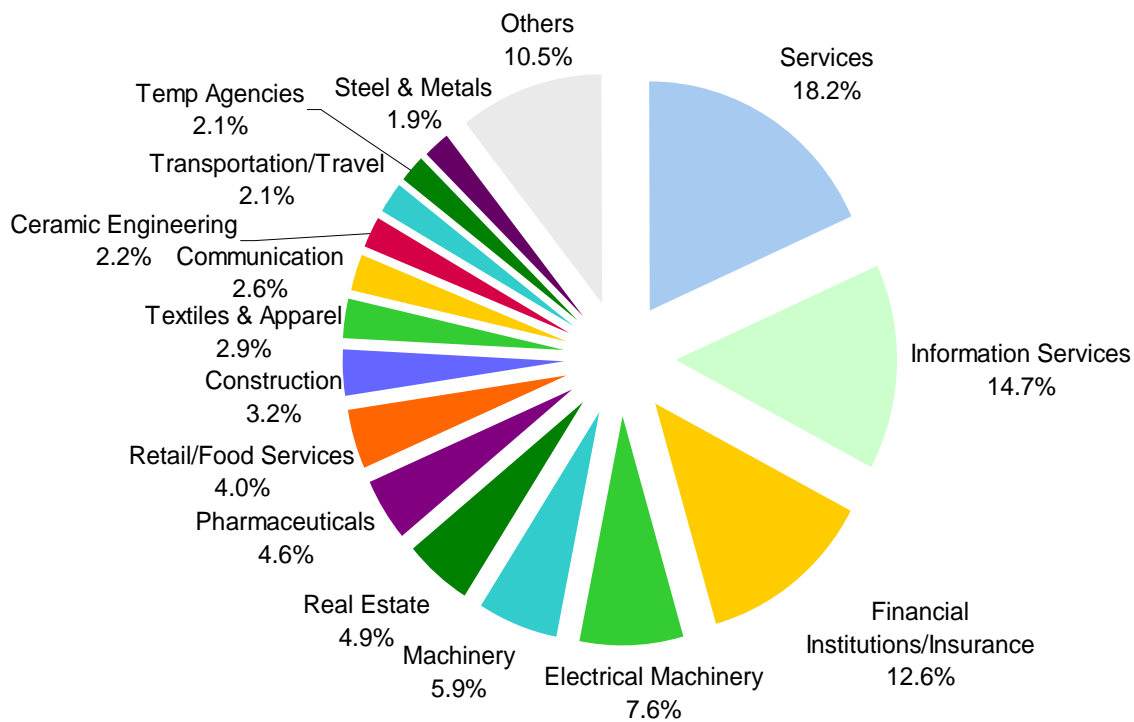
The percentage of the expense in restoring an earthquake-struck building to pre-earthquake condition to the total replacement value (i.e. total expense incurred by an earthquake divided by replacement value of a building), when assuming a catastrophic earthquake that is likely to occur with a 10% probability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

Tenant Data (Diversification)

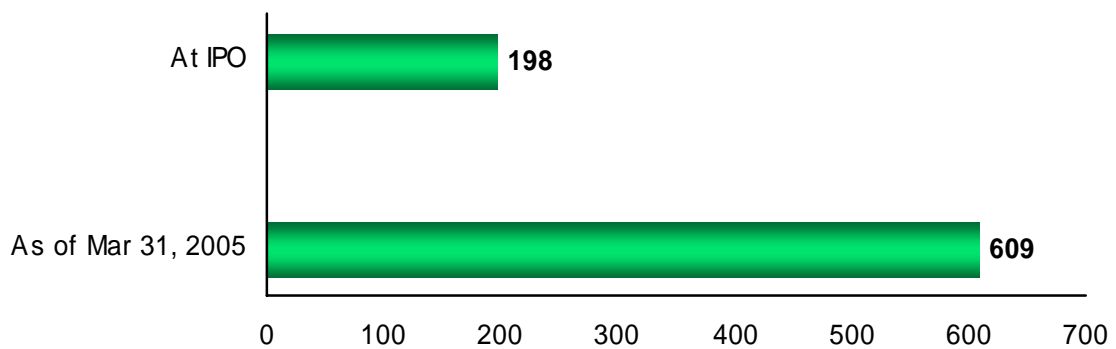


Tenant Diversification (Based on Rented Area)

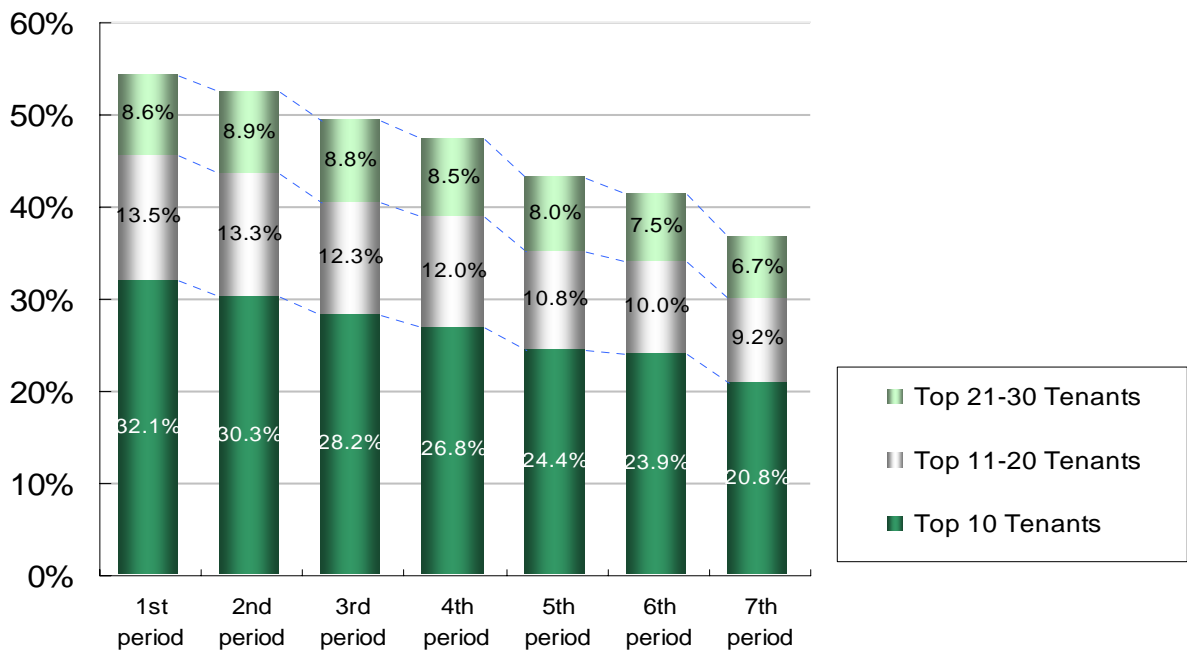
As of the end of March, 2005
Based on 46 properties



Number of Tenants

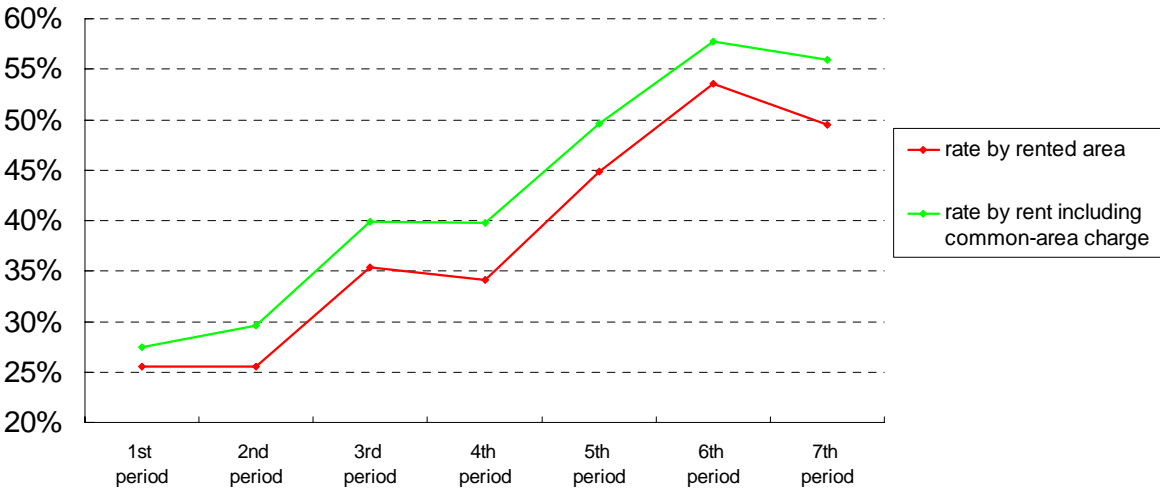


% of Major Tenants (based on the rented area)



% of Long-term Contracts* in Top 30 Tenants

(*Rent Contracts for more than one year)



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

The diversification of tenants reduces the risk of cancellation by major tenants.

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

High level of stability

Tenant Data (Major Tenants)



Major Tenants (Top 5)

46 properties as of March 31, 2005

#	Major Tenants	Property	Rented Area	% of Total Rented Area
1	Mitsubishi Research Institute	Mitsubishi Soken	14,529m ²	4.4%
2	Dai-ichi Mutual Life	Midosuji Daiwa 8 other buildings	10,824m ²	3.3%
3	Yamano Gakuen	Yoyogi 1-Chome	7,772m ²	2.4%
4	TOTO	Midosuji Daiwa Nagoya Hirokoji	6,669m ²	2.0%
5	Toshiba Solutions Corporation	Takanawadai Building 2 other buildings	5,331m ²	1.6%

*The rented area of Ito-Yokado Co., Ltd. in Nibancho Garden, acquired on April 1, 2005. is 9,316 m².

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Changes in Major Tenants

# in the 7th Period	# in the 6th Period	Tenant	7th Period Rented Area (m ²)	6th Period Rented Area (m ²)	Change (m ²)
1	1	Mitsubishi Research Institute	14,529	14,529	0
2	2	Dai-ichi Mutual Life	10,824	9,984	840
3	3	Yamano Gakuen	7,772	7,772	0
4	4	TOTO	6,669	6,669	0
5	17	Toshiba Solutions Corporation	5,331	2,568	2,763
6	5	Company A	5,144	5,144	0
7	6	Company B	4,791	4,791	0
8	21	Company C	4,490	2,254	2,235
9	7	Company D	4,418	4,418	0
10	9	Company E	4,279	4,279	0
11	10	Company F	3,656	3,656	0
12	-	Company G	3,415	0	3,415
13	11	Company H	3,383	3,383	0
14	12	Company I	3,126	3,126	0
15	13	Company J	2,967	2,967	0



No substantial change

Tenant Data (Stability)

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

Revenue and average maturity

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

	7th Period	6th Period
% of revenues from fixed- and long-term rent contracts over the next year	32.4%	37.1%
Average maturity of fixed- and long-term rent contracts	4.5yrs.	5.2yrs.

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

	7th Period	6th Period
% of revenues from fixed- and long-term rent contracts over the next year	42.1%	55.3%
Average maturity of fixed- and long-term rent contracts	6.2yrs.	6.6yrs.

Other Major Cities

	7th Period	6th Period
% of revenues from fixed- and long-term rent contracts over the next year	12.1%	15.5%
Average maturity of fixed- and long-term rent contracts	3.2yrs.	3.1yrs.

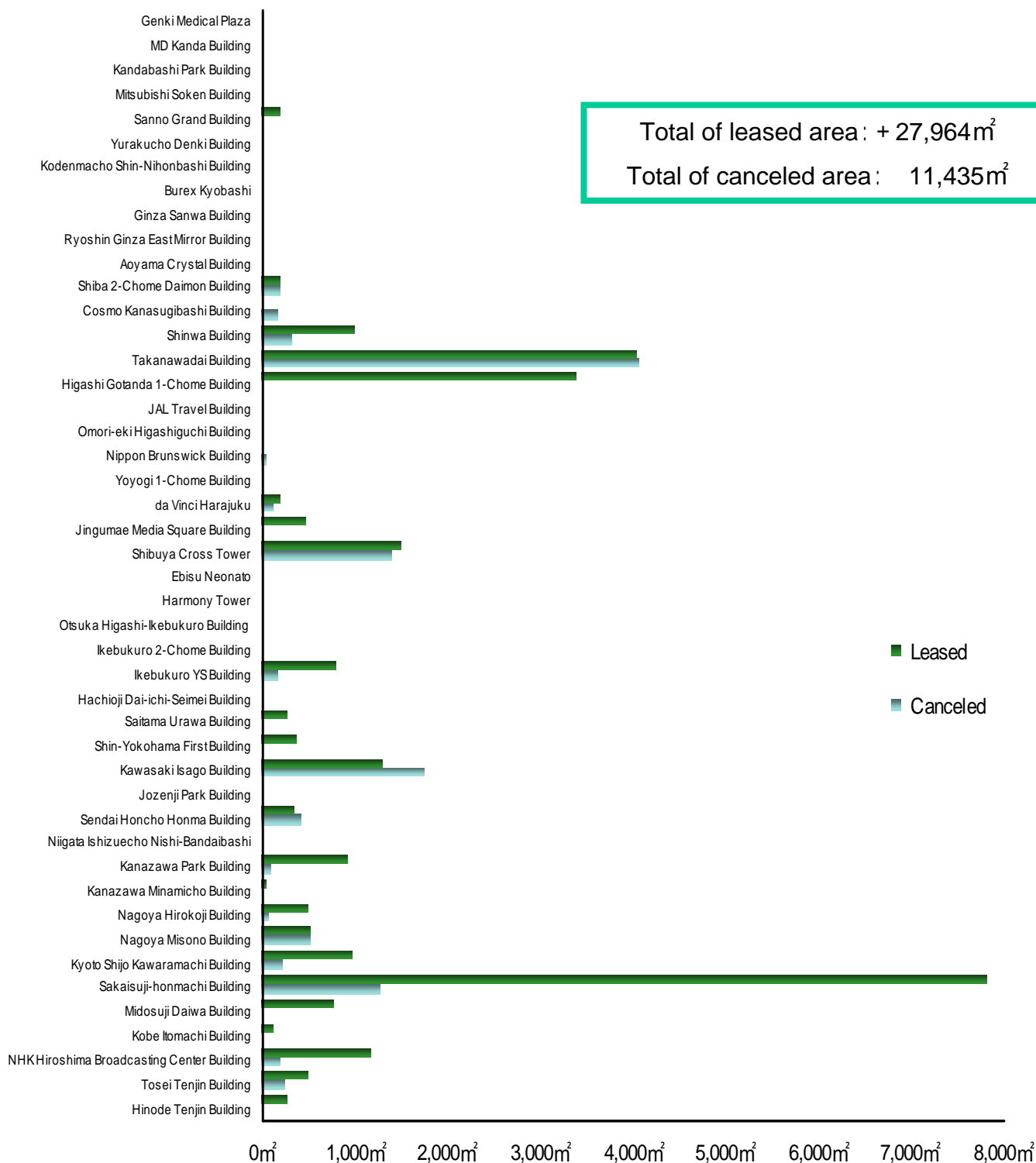
Portfolio

	7th Period	6th Period
% of revenues from fixed- and long-term rent contracts over the next year	27.2%	30.8%
Average maturity of fixed- and long-term rent contracts	4.3yrs.	4.9yrs.



Aiming for a more stable revenue

Tenant Data (Tenant Activities in the 7th Period)



Internal Growth (Cost Reduction)



Current Situation and Plan for Cost Reduction

Basic Policy :

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

- Achieved a reduction of 556 million yen per year as an actual performance during the 6th and 7th periods, versus the reduction target of 221 million yen on 29 properties already acquired in or before the 5th period.
- Attained a reduction of 12.6% versus the 5% target.

Target and result of 29 properties

Base administration cost 4,420 million yen

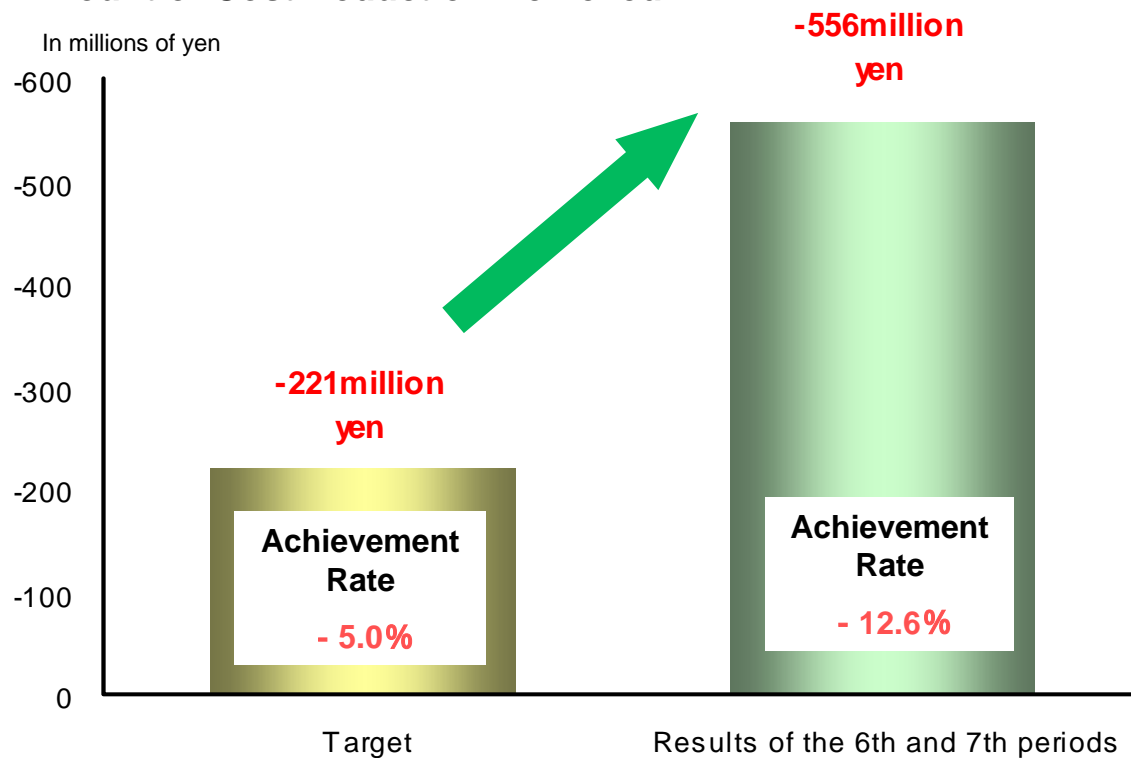
	Target	Results of the 6th and 7th Periods
Reduction rate	-5.0%	-12.6%
Reduction amount	-221 million yen	-556 million yen

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

Actual results: maintenance cost only

The reduction rate would decline to 21.6% on the basis of maintenance cost.

Amount of Cost Reduction Achieved



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Internal Growth (Renovation Work)



1. JRE's renovation work

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

2. Implementation and plans

• Implementation for the 7th period

a. Renovation to attract tenants

In thousands of yen

Property Name	Purpose	Accounting Treatment	Cost
Jingumae Media Square	Interior finishing of rentable areas	Capitalized cost/Expense	31,000
Takanawadai	Interior finishing of rentable areas	Capitalized cost/Expense	24,000
Kyoto Shijo Kawaramachi	Common area repair work	Capitalized cost/Expense	9,000
Kanazawa Park	Tenant improvement service	Capitalized cost/Expense	5,000

b. Renovation for appropriate asset management

In thousands of yen

Property Name	Purpose	Accounting Treatment	Cost
Shibuya Cross Tower	Water tank & drainage system renewal	Capitalized cost/Expense	238,000
Yurakucho Denki	Elevator renewal	Capitalized cost/Expense	34,000
Nagoya Hirokoji	Steel-frame work & painter's work	Expense	14,000
Mitsubishi Soken	Water supply system renewal	Capitalized cost/Expense	21,000

• Implementation for the 8th and 9th periods

c. Renovation to attract tenants

In thousands of yen

Property Name	Purpose	Accounting Treatment	Cost
Nippon Brunswick	Common area repair work	Capitalized cost/Expense	130,000
Kyoto Shijo Kawaramachi	Common area repair work	Capitalized cost/Expense	12,000
Sakaisuji-honmachi	Common area repair work	Capitalized cost/Expense	12,000
Kanazawa Minamicho	Entrance repair work	Capitalized cost/Expense	9,000

d. Renovation for appropriate asset management

In thousands of yen

Property Name	Purpose	Accounting Treatment	Cost
Shibuya Cross Tower	Heat source equipment repair work	Capitalized cost/Expense	482,000
Ikebukuro YS	Air-conditioning system renewal	Capitalized cost/Expense	105,000
Nagoya Hirokoji	Multilevel parking garage exterior wall maintenance work	Expense	33,000
Kanazawa Minamicho	Exterior wall repair work	Expense	25,000

3 . Cost reduction by strict review of construction estimates (the 7th period)

In thousands of yen

Number of Works	113
Estimated total cost of construction before inspection	938,000
Total cost of construction after inspection	822,000
Reduced	116,000 (12.4%)

4 . 5 year-plan of renovation works

In millions of yen

	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	Total
Renovation	1,500	2,200	2,700	1,100	1,500	9,000
Annual Depreciation Amount	3,300	3,800	3,800	3,700	3,700	18,300

* 47 properties, including Nibancho Garden

* Figures in 2004 are actual.

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External Growth (Acquisition Plan)



Investment Criteria for Property Acquisition

Geographic Diversification

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

Structure

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

Size of Property

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

Deal Source

FY2003

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

FY2004

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

- ◆ Among 569 properties (279 properties acquired in fiscal 2003 and 290 properties acquired in fiscal 2004), 10 properties valued at 60 billion yen are under due diligence process, and 5 properties out of the 10 are under negotiations for acquisition and valued at 30 billion yen.

3 . Business Forecasts

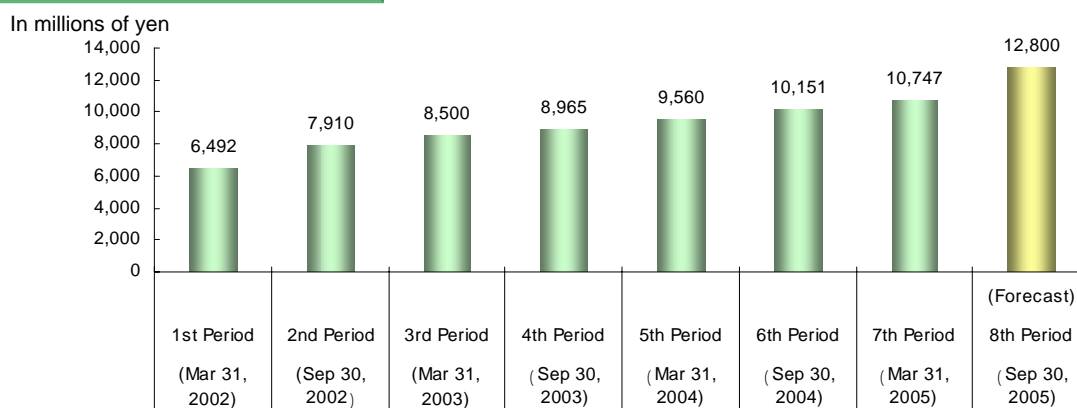
Income Statement Forecast



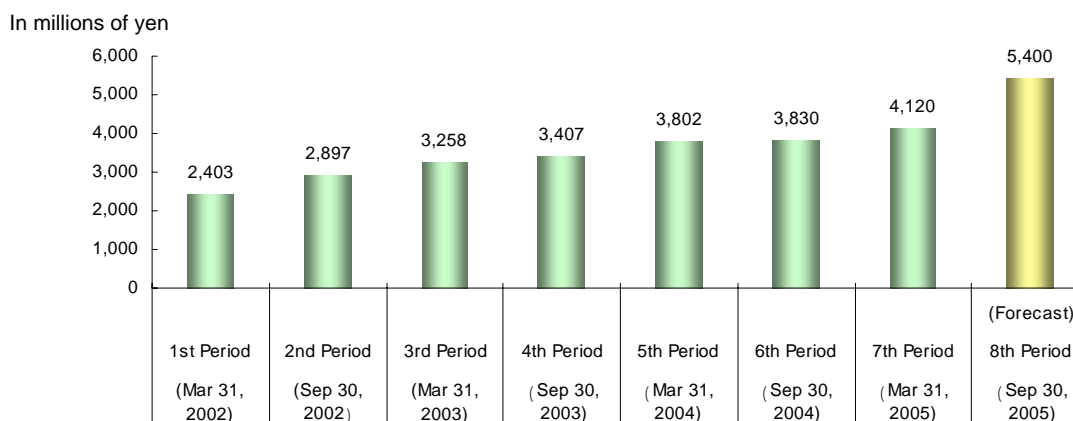
In millions of yen, except for Dividend per Unit

Term	5th Period	6th Period	7th Period	8th Period	9th Period
	Ended Mar 31, 2004	Ended Sep 30, 2004	Ended Mar 31, 2005	Ending Sep 30, 2005	Ending Mar 31, 2006
	actual	actual	actual	forecast	forecast
Number of Properties	36	39	46	47	47
Number of Days	(183 days)	(183 days)	(182 days)	(183 days)	(182 days)
Operating Revenue	9,560	10,151	10,747	12,800	12,800
Operating Expenses	3,105	3,478	3,616	4,000	-
NOI	6,455	6,672	7,131	8,800	-
Depreciation and Amortization	1,498	1,657	1,641	1,900	-
Operating Profit	4,956	5,015	5,489	6,900	-
Administrative Expenses	615	656	787	800	-
Net Operating Profit	4,341	4,358	4,701	6,100	6,100
Non-Operating Profit and Loss	537	527	580	700	-
(Interest Expenses)	(412)	(470)	(563)	(560)	-
Recurring Profit	3,803	3,831	4,121	5,400	5,400
Net Income	3,802	3,830	4,120	5,400	5,400
Dividends	3,802	3,830	4,120	5,400	5,400
Number of Units	260,400	260,400	260,400	345,400	345,400
Dividend per Unit	14,602 yen	14,711 yen	15,824 yen	15,800 yen	15,900 yen
Occupancy Rate	94.8%	93.6%	97.6%	97.7%	

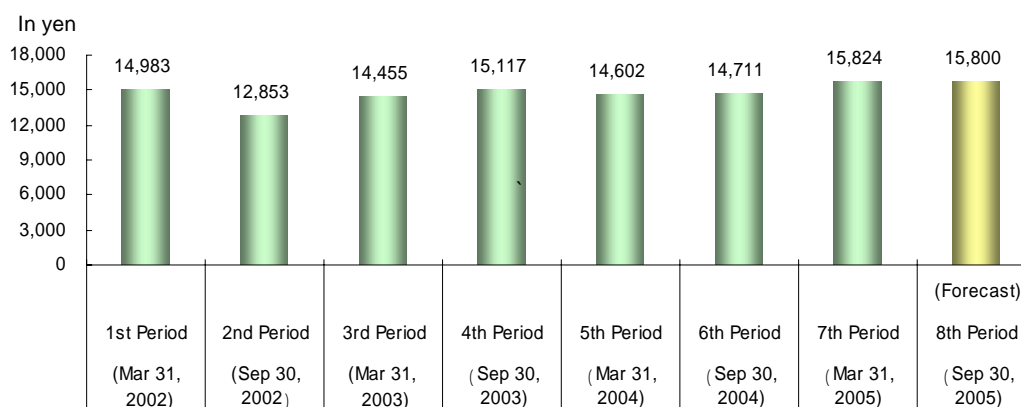
Operating Revenue



Net Income



Dividends per Unit



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

Balance Sheet Forecast for the 8th Period



In millions of yen

Item	8th Fiscal End (Sep. 30, 2005)	7th Fiscal End (Mar. 31, 2005)	Change	Reasons for Change
Current Assets				
Cash and entrusted cash	27,066	29,361	2,295	
Other current assets	250	657	407	
Total Current Assets	27,316	30,019	2,703	
Fixed Assets				
Property and equipment				
Buildings	96,619	90,409	6,210	Increased due to Nibancho Garden acquisition and capital expenditure
Structures	576	576	0	
Machinery and equipment	1,556	1,556	0	Increased due to Nibancho Garden acquisition
Land	215,869	206,679	9,190	
Accumulated depreciation	11,695	9,783	1,912	
Total Property and Equipment	302,925	289,439	13,486	
Intangible Assets				
Lease hold rights	1,912	1,912	0	
Total Intangible Assets	1,912	1,912	0	
Investments and Others				
Investments in securities	956	956	0	
Long-term prepaid expenses, etc.	26	31	5	
Total Investments and Others	982	987	5	
Total Fixed Assets	305,819	292,339	13,480	
Total Assets	333,135	322,358	10,777	

In millions of yen

Item	8th Fiscal End (Sep. 30, 2005)	7th Fiscal End (Mar. 31, 2005)	Change	Reasons for Change
Liabilities				
Current Liabilities				Decreased by 59,000, due to repayment of short-term borrowing
Short-term borrowing	28,000	63,000	35,000	Increased by 24,000, due to transfer from long-term liabilities
Rent received in advance	2,530	2,460	70	
Other current liabilities	1,745	1,745	0	
Total Current Liabilities	32,275	67,206	34,930	
Long-term Liabilities				
Investment Corporation Bonds	45,000	45,000	0	
Long-term borrowing	27,000	51,000	24,000	Transfer to short-term borrowing
Deposits from tenants	21,694	20,994	700	Increased due to Nibancho garden acquisition
Other Long-term Liabilities	294	588	294	
Total Long-term Liabilities	93,988	117,582	23,594	
Total Liabilities	126,263	184,789	58,526	
Unitholder Equity				
Unitholder capital	201,472	133,448	68,024	Increased due to 3rd follow-on offering
Retained earnings	5,400	4,120	1,280	
Total Unitholder Equity	206,872	137,569	69,303	
Total Liabilities and Unitholder Equity	333,135	322,358	10,777	

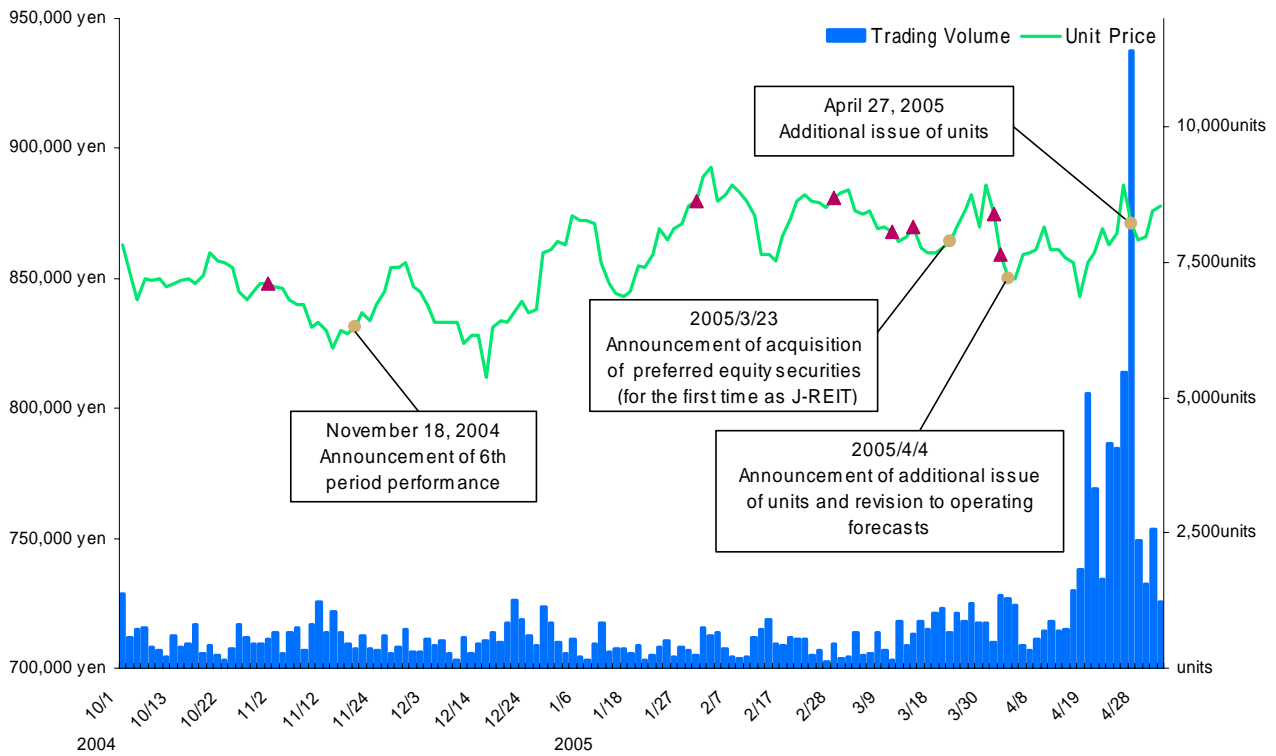
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4 . Appendix

Unit Price Performance (the 7th Period)



As of May 9, 2005



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

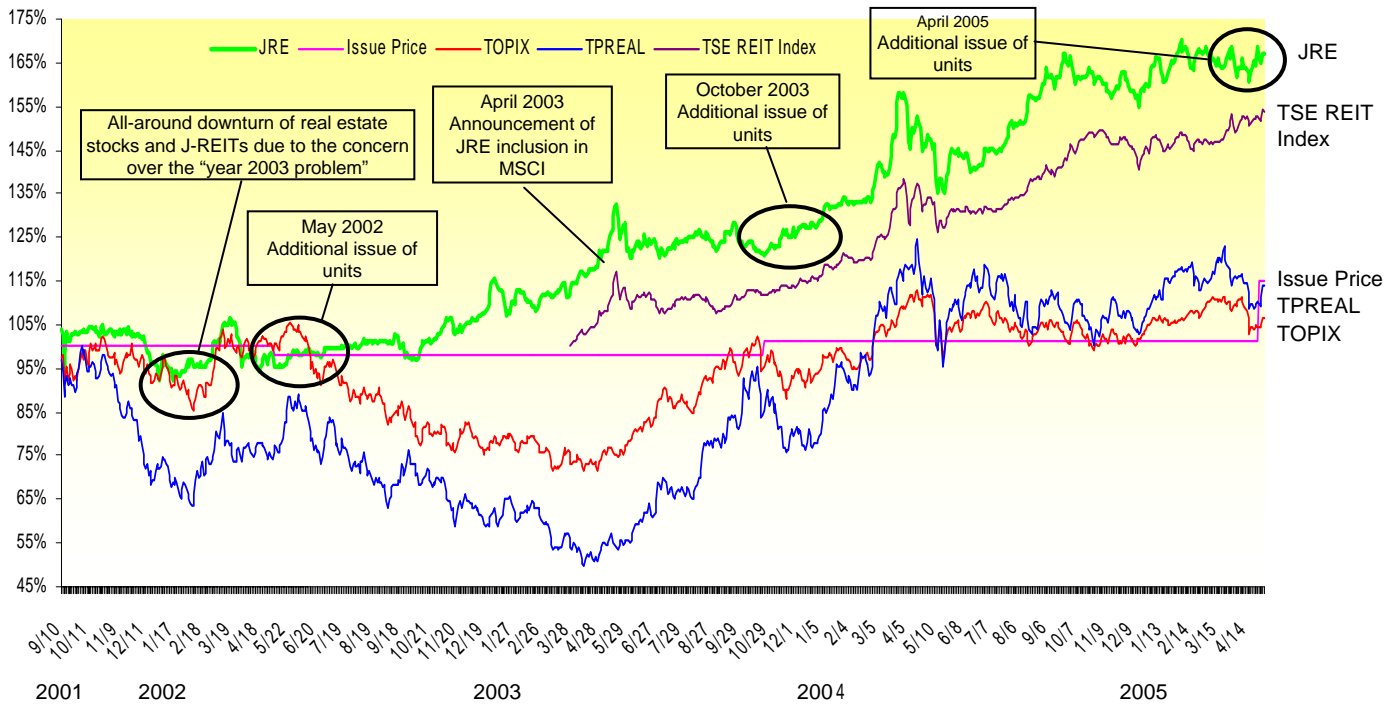
2. Circles () show announcement of topics and Triangles () show acquisition dates of new properties.

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Unit Price Performance (Relative to Major Indices)

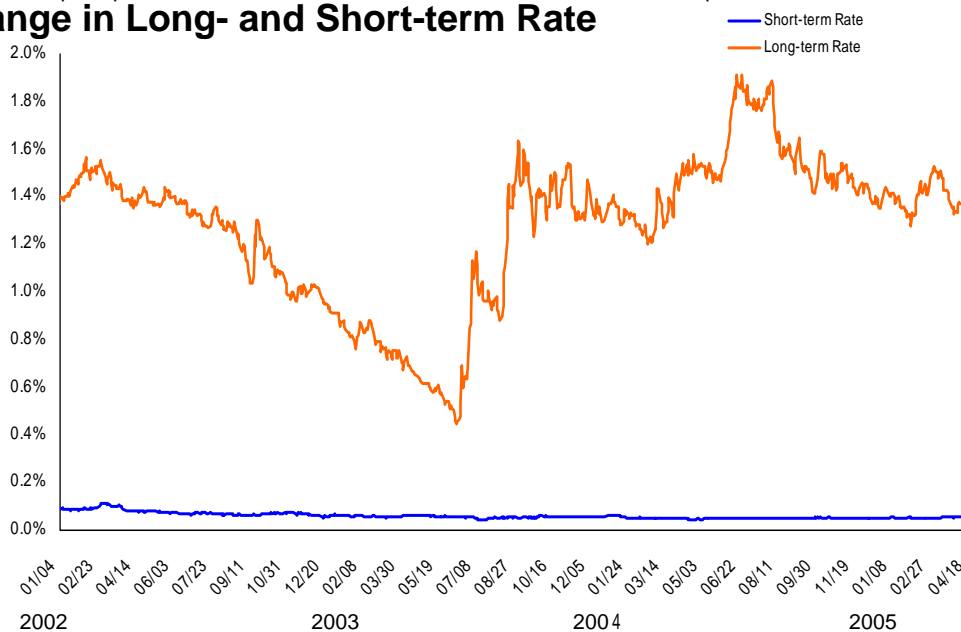


Unit Price Performance (As of May 9, 2005)



- * Stock performance is measured based on an offering price of 525,000 yen for JRE and the September 7, 2001, closing price of 1,080.83 yen for TOPIX, 770.21 yen for TPREAL, and 3,140 yen for Tokyo Electric Power Company. The TSE REIT index is a ratio against the closing prices on March 31, 2003.
- * TPREAL (TOPIX Real Estate Index) is a weighted index designed to measure the performance of the real estate sector of the TOPIX index.
- * Stock prices are based on the closing prices of each day.
- * The stock price performance above is historical and not an indication of future performance.

Change in Long- and Short-term Rate

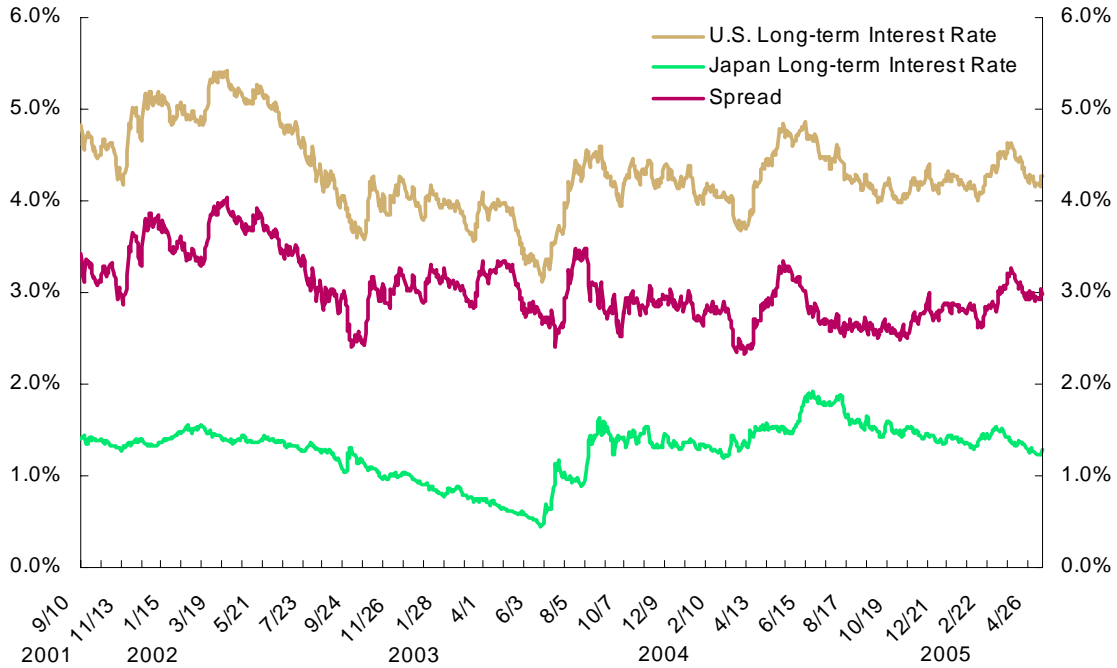


* Long-term rate is based on 10-year JGB yield and short-term rate is based on 3M LIBOR.

Interest Rate Comparison of Japan and U.S.

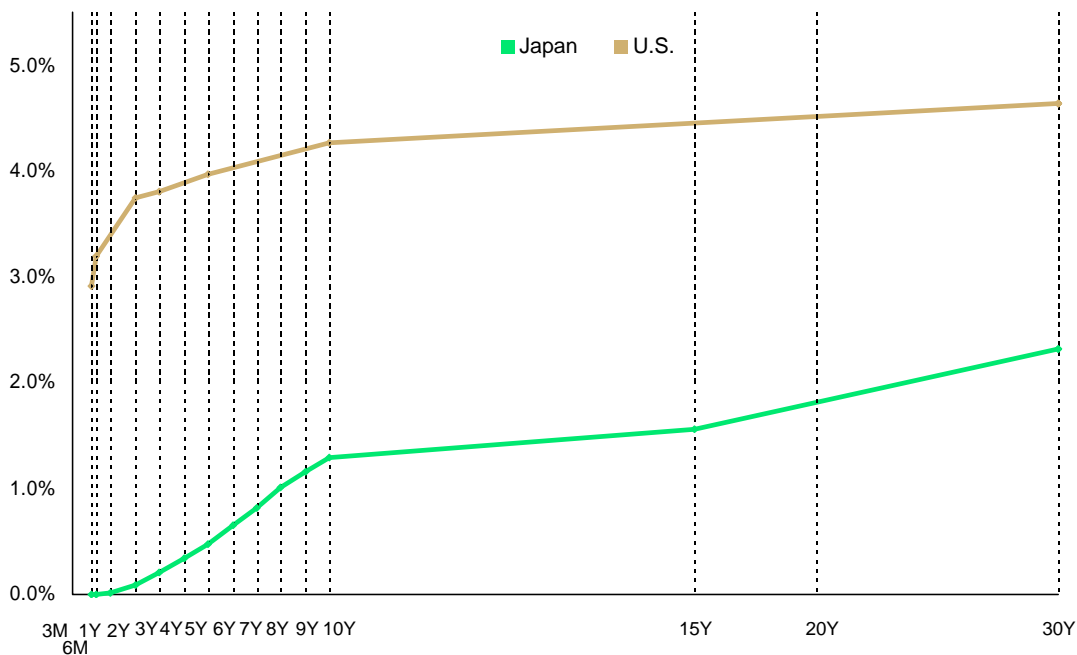


Long-term Interest Rate Comparison of Japan and U.S. (As of May 9, 2005)



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

Yield Curve Comparison of Japan and U.S. (As of May 9, 2005)

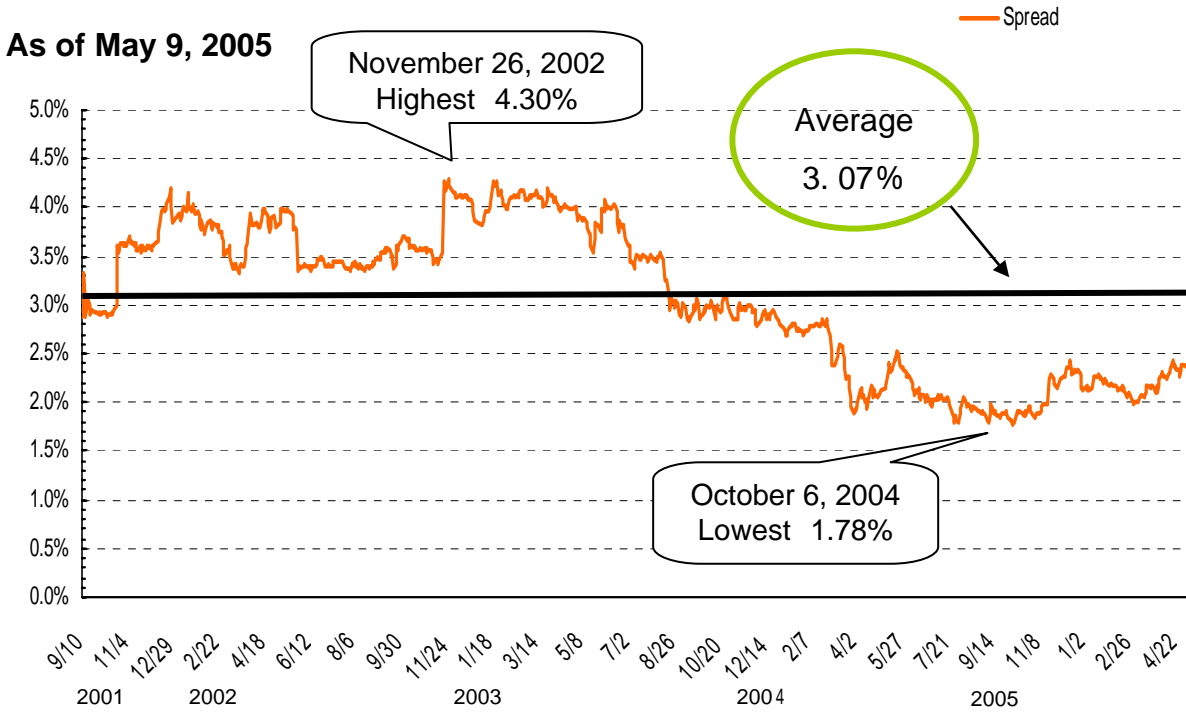


*Source : Bloomberg

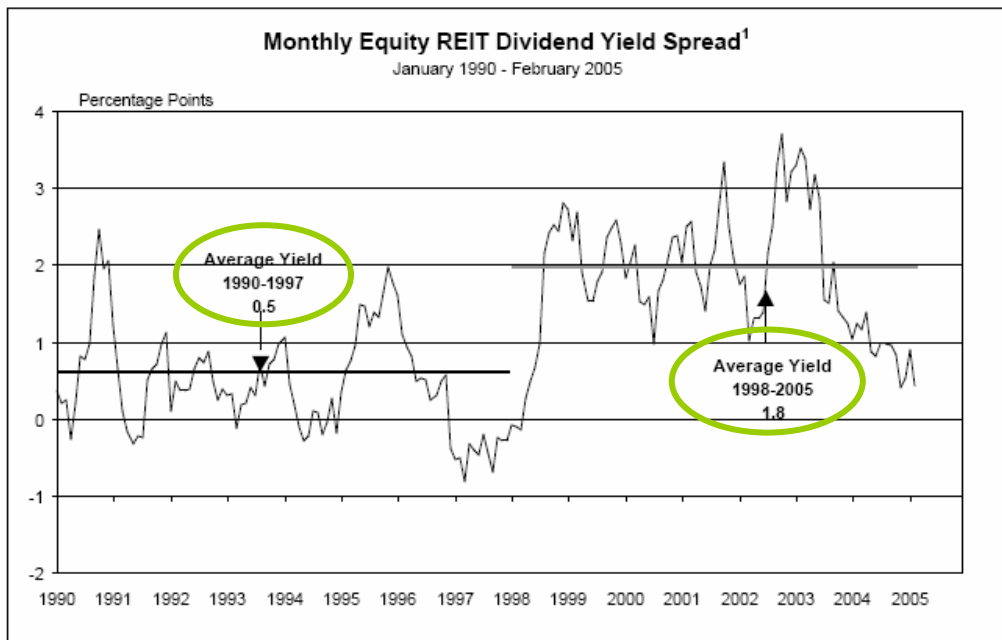
Yield Spread Comparison



JRE Dividend Yield Spread against JGB



US Equity REIT Dividend Yield Spread against Treasury



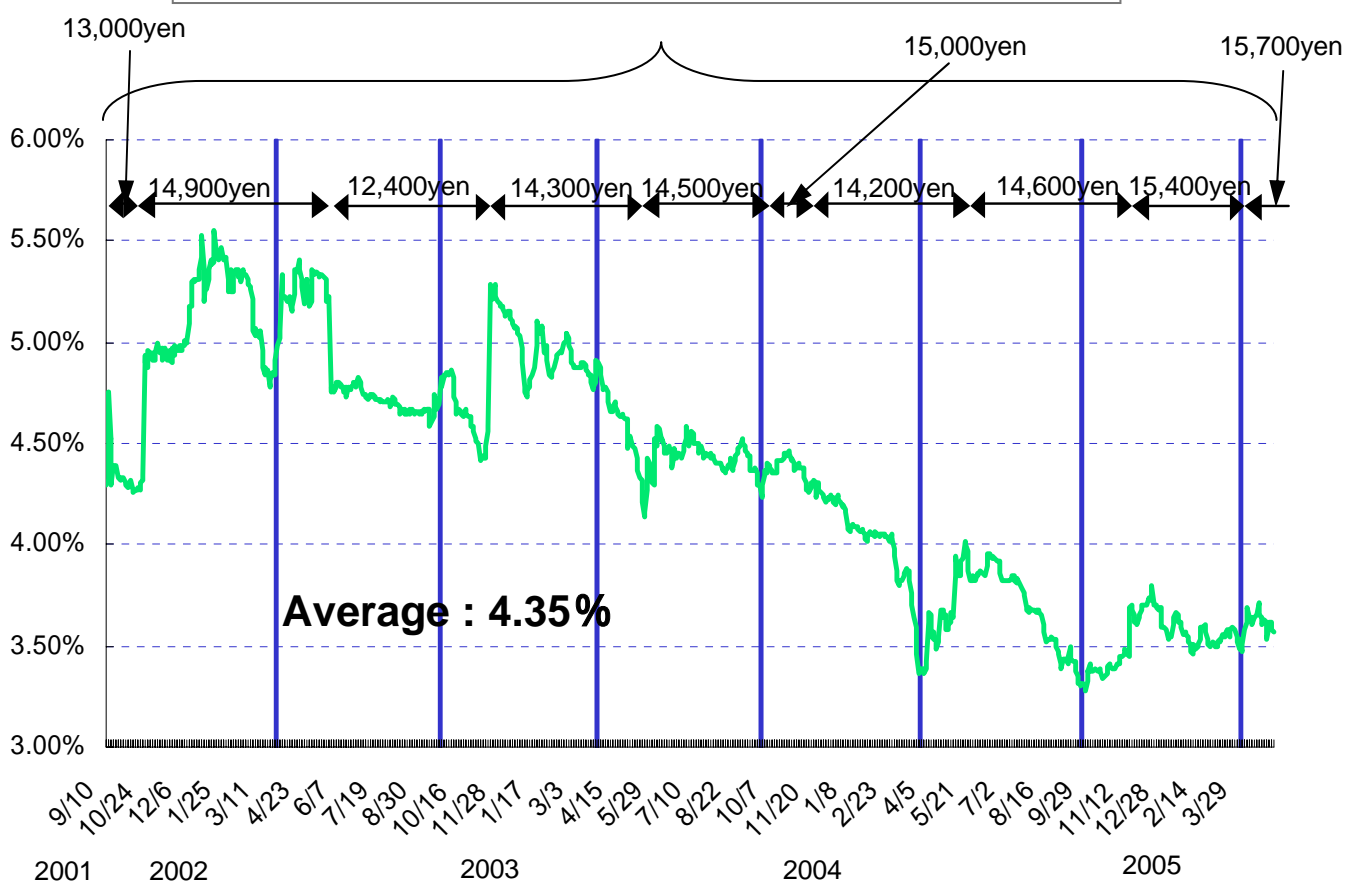
¹ Yield spread calculated by taking the Equity REIT dividend yield less 10-year constant maturity Treasury yield.
Source: NAREIT.®

Historical Dividend Yield of JRE Unit



As of May 9, 2005

Forecast Dividends (yen)	
Original Forecast:	13,000 yen
October 22, 2001 (Upward revision):	14,900 yen
May 27, 2002 (2nd-period announcement):	12,400 yen
November 19, 2002 (3rd-period announcement):	14,300 yen
May 20, 2003 (4th-period announcement):	14,500 yen
October 1, 2003 (Upward revision):	15,000 yen
November 18, 2003 (5th-period announcement):	14,200 yen
May 18, 2004 (6th-period announcement):	14,600 yen
November 18, 2004 (7th-period announcement):	15,400 yen
April 4, 2005 (Upward revision):	15,700 yen

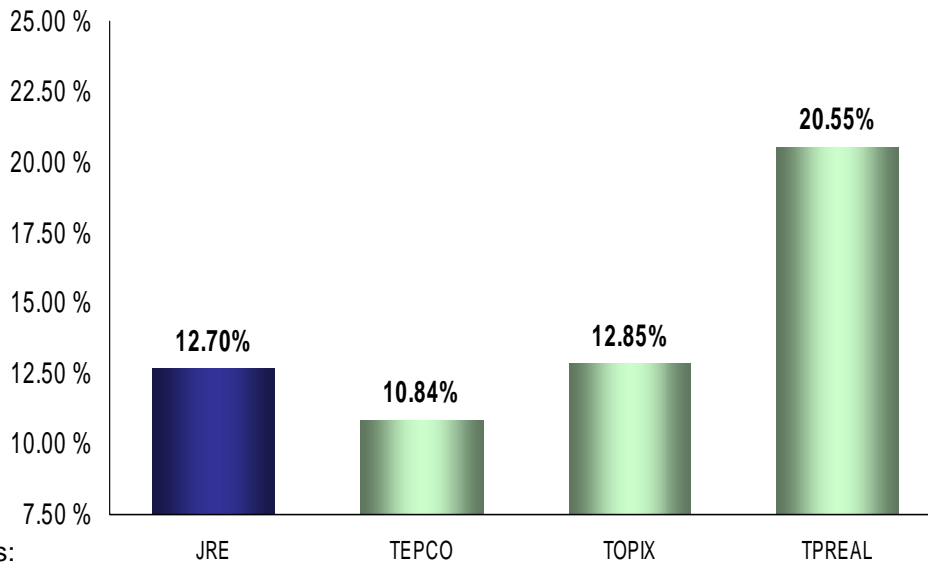


- Notes: 1. The average yield is computed by annualizing the disclosed projected dividend per unit divided by average unit price (daily closing prices from September 10, 2001 to May 9, 2005).
 2. Blue lines show ex-dividend dates.

Historical Volatility and Market Capitalization



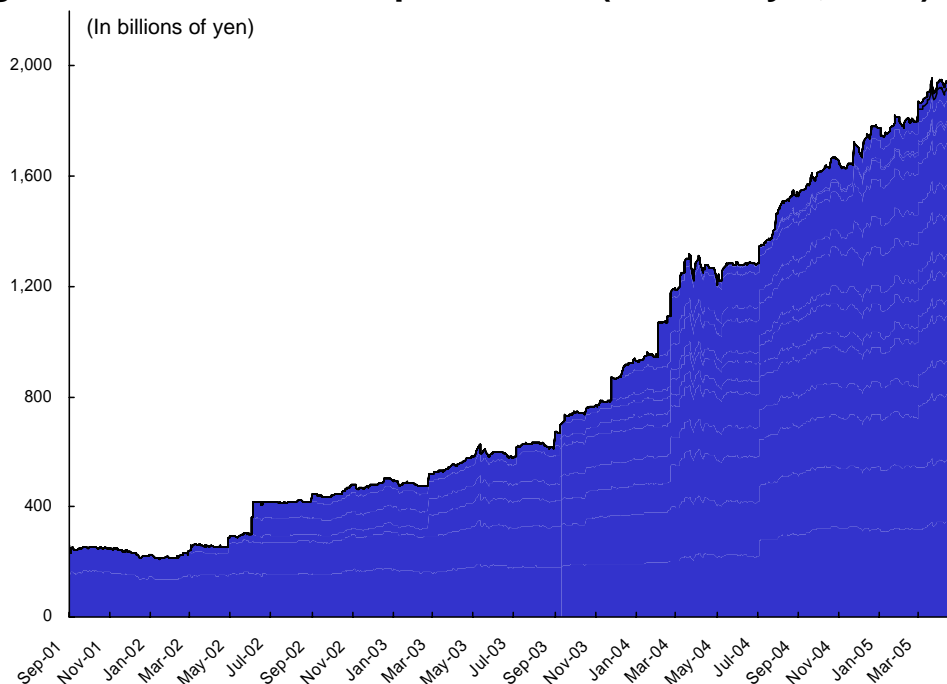
Historical Volatility of Unit Price (As of May 9, 2005)



Notes:

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

Change of J-REIT Market Capitalization (As of May 9, 2005)



*Source: Bloomberg

Performance Comparison (the 6th Period vs. the 7th Period)



In thousands of yen

Overall Performance

Item	7th Period Oct. 04-Mar. 05	6th Period Apr. 04-Sep. 04	Change
Revenue	10,747,875	10,151,128	596,747
Operating Expenses(Excluding Depreciation)	3,616,670	3,478,549	138,121
NOI	7,131,204	6,672,578	458,625
Depreciation	1,641,471	1,657,320	15,849
Operating Profit	5,489,733	5,015,258	474,474



(Factor Analysis)

37 Properties Possessed as of the beginning of the 6th Period

Item	7th Period Oct. 04-Mar. 05	6th Period Apr. 04-Sep. 04	Change
Revenue	9,922,032	10,065,080	143,047
Operating Expenses(Excluding Depreciation)	3,436,016	3,467,299	31,282
NOI	6,486,016	6,597,781	111,764
Depreciation	1,467,140	1,640,260	173,120
Operating Profit	5,018,876	4,957,520	61,355

Properties Acquired in the 6th Period

(Full contribution of the 2 properties acquired in the 6th period)

Item	7th Period Oct. 04-Mar. 05	6th Period Apr. 04-Sep. 04	Change
Revenue	417,422	86,047	331,375
Operating Expenses(Excluding Depreciation)	103,004	11,242	91,762
NOI	314,418	74,805	239,613
Depreciation	69,294	17,059	52,234
Operating Profit	245,123	57,745	187,378

New Properties Acquired in the 7th Period

(Contribution of the 7 properties acquired in the 7th period)

Item	7th Period Oct. 04-Mar. 05	6th Period Apr. 04-Sep. 04	Change
Revenue	408,419	-	408,419
Operating Expenses(Excluding Depreciation)	77,650	-	77,650
NOI	330,769	-	330,769
Depreciation	105,036	-	105,036
Operating Profit	225,733	-	225,733

(Performance by property)

In thousands of yen

37 Properties Possessed as of the beginning of the 6th Period

Item	Genki Medical Plaza		MD Kanda		Kandabashi Park		Mitsubishi Soken	
	7th Period	6th Period	7th Period	6th Period	7th Period	6th Period	7th Period	6th Period
Revenues	222,622	222,527	291,930	324,227	173,879	181,476	1,062,686	1,063,977
Operating Expenses(Excluding Depreciation)	53,629	88,511	65,434	79,110	21,493	26,959	288,660	280,740
NOI	169,033	134,016	226,505	245,116	152,386	154,517	774,026	783,237
Depreciation	24,107	24,994	49,217	49,175	25,536	26,913	53,665	59,892

Item	Yurakucho Denki		Kodenmachi Shin-Nihonbashi		Burex Kyobashi		Aoyama Crystal	
	7th Period	6th Period	7th Period	6th Period	7th Period	6th Period	7th Period	6th Period
Revenues	282,608	267,069	159,299	162,031	150,000	150,000	262,939	259,557
Operating Expenses(Excluding Depreciation)	93,102	90,703	54,820	48,443	13,827	13,966	56,239	58,755
NOI	189,505	176,366	104,478	113,587	136,172	136,033	206,699	200,801
Depreciation	18,394	17,948	27,315	27,222	37,867	37,867	35,501	35,428

Item	Shiba 2-chome Daimon		Cosmo Kanasugibashi		Takanawadai		JAL Travel	
	7th Period	6th Period	7th Period	6th Period	7th Period	6th Period	7th Period	6th Period
Revenues	316,901	305,912	133,156	136,529	69,283	140,272	86,752	89,243
Operating Expenses(Excluding Depreciation)	114,063	140,822	35,456	39,402	68,706	43,198	34,630	33,608
NOI	202,838	165,089	97,700	97,126	576	97,074	52,121	55,636
Depreciation	20,374	31,886	21,497	21,466	23,026	22,530	14,591	14,571

Item	Omori-Eki Higashiguchi		Nippon Brunswick		Yoyogi 1-Chome		da Vinci Harajuku	
	7th Period	6th Period	7th Period	6th Period	7th Period	6th Period	7th Period	6th Period
Revenues	251,088	251,083	329,807	308,002	283,600	281,200	193,916	193,155
Operating Expenses(Excluding Depreciation)	80,209	84,026	68,005	68,217	6,412	6,645	37,358	38,104
NOI	170,879	167,057	261,802	239,785	277,187	274,554	156,557	155,051
Depreciation	57,403	57,163	32,648	32,617	78,278	78,278	15,832	16,707

Item	Jingumae Media Square Building		Shibuya Cross Tower		Ebisu Neonato		Otsuka Higashi-Ikebukuro	
	7th Period	6th Period	7th Period	6th Period	7th Period	6th Period	7th Period	6th Period
Revenues	345,788	316,568	1,490,737	1,497,339	143,213	143,630	166,696	174,731
Operating Expenses(Excluding Depreciation)	81,910	87,818	548,688	631,336	37,361	36,117	52,686	57,316
NOI	263,877	228,749	942,049	866,002	105,852	107,513	114,010	117,414
Depreciation	57,054	56,677	202,166	257,647	41,789	41,765	19,785	37,506

Item	Ikebukuro 2-chome	
	7th Period	6th Period
Revenues	73,692	72,890
Operating Expenses(Excluding Depreciation)	20,910	25,563
NOI	52,781	47,327
Depreciation	13,227	13,130

Item	Saitama Urawa		Shin-Yokohama First		Kawasaki Isago	
	7th Period	6th Period	7th Period	6th Period	7th Period	6th Period
Revenues	132,105	144,650	72,345	56,579	177,519	189,564
Operating Expenses(Excluding Depreciation)	38,185	47,347	52,214	54,445	73,558	66,477
NOI	93,920	97,302	20,130	2,133	103,960	123,086
Depreciation	22,222	22,190	45,748	45,589	41,882	41,790

Item	Sendai Honcho Horma		Niigata Ishizuecho Nishi-Bandaebashi		Kanazawa Park		Kanazawa Minamicho	
	7th Period	6th Period	7th Period	6th Period	7th Period	6th Period	7th Period	6th Period
Revenues	146,743	158,696	83,023	85,442	520,770	530,823	73,742	73,990
Operating Expenses(Excluding Depreciation)	45,219	42,117	39,470	34,391	290,900	276,403	27,256	27,703
NOI	101,524	116,578	43,553	51,050	229,870	254,420	46,486	46,287
Depreciation	28,745	28,587	6,204	11,167	84,328	84,531	8,863	12,877

Item	Nagoya Hirokoji		Nagoya Misono		Kyoto Shijo Kawaramachi		Sakaieji-honmachi	
	7th Period	6th Period	7th Period	6th Period	7th Period	6th Period	7th Period	6th Period
Revenues	767,716	757,574	103,889	108,661	131,775	126,454	140,659	190,635
Operating Expenses(Excluding Depreciation)	313,989	310,424	32,398	31,529	70,158	49,157	132,472	124,892
NOI	453,727	447,149	71,491	77,132	61,617	77,297	8,187	65,742
Depreciation	69,936	123,603	36,020	35,958	29,154	34,958	52,429	51,971

Item	Midosuji Daiwa		Kobe Itomachi		NHK Hiroshima Broadcasting Center		Tosel Tenjin	
	7th Period	6th Period	7th Period	6th Period	7th Period	6th Period	7th Period	6th Period
Revenues	659,527	650,834	73,542	73,878	80,780	100,496	99,177	103,496
Operating Expenses(Excluding Depreciation)	228,835	221,828	28,022	29,914	86,960	75,025	41,983	37,638
NOI	430,692	429,005	45,520	43,963	-6,180	25,471	57,193	65,857
Depreciation	98,324	98,273	14,465	14,426	23,108	22,661	21,072	20,972

Item	Hinode Tenjin	
	7th Period	6th Period
Revenues	168,060	171,874
Operating Expenses(Excluding Depreciation)	100,782	58,632
NOI	67,278	113,242
Depreciation	15,330	29,311

Item	Shinwa		Ikebukuro YS	
	7th Period	6th Period	7th Period	6th Period
Revenues	228,104	36,127	189,318	49,920
Operating Expenses(Excluding Depreciation)	52,862	2,961	50,142	8,280
NOI	175,242	33,165	139,176	41,639
Depreciation	35,576	5,888	33,717	11,171

Item	Higashi Gotanda 1-Chome		Sanno Grand		Harmony Tower		Ginza Sanwa	
	7th Period	6th Period	7th Period	6th Period	7th Period	6th Period	7th Period	6th Period
Revenues	113,604	0	155,910	0	67,768	0	40,900	0
Operating Expenses(Excluding Depreciation)	19,347	0	30,645	0	19,307	0	4,160	0
NOI	94,457	0	125,165	0	48,460	0	36,800	0
Depreciation	38,615	0	14,182	0	29,397	0	3,190	0

Item	Ryoshin Ginza East Mirror		Hachioji Dai-ichi-Seimei		Jozeji Park	
	7th Period	6th Period	7th Period	6th Period	7th Period	6th Period
Revenues	8,554	0	0	0	21,510	0
Operating Expenses(Excluding Depreciation)	868	0	0	0	3,321	0
NOI	7,686	0	0	0	18,189	0
Depreciation	6,794	0	6,509	0	6,346	0

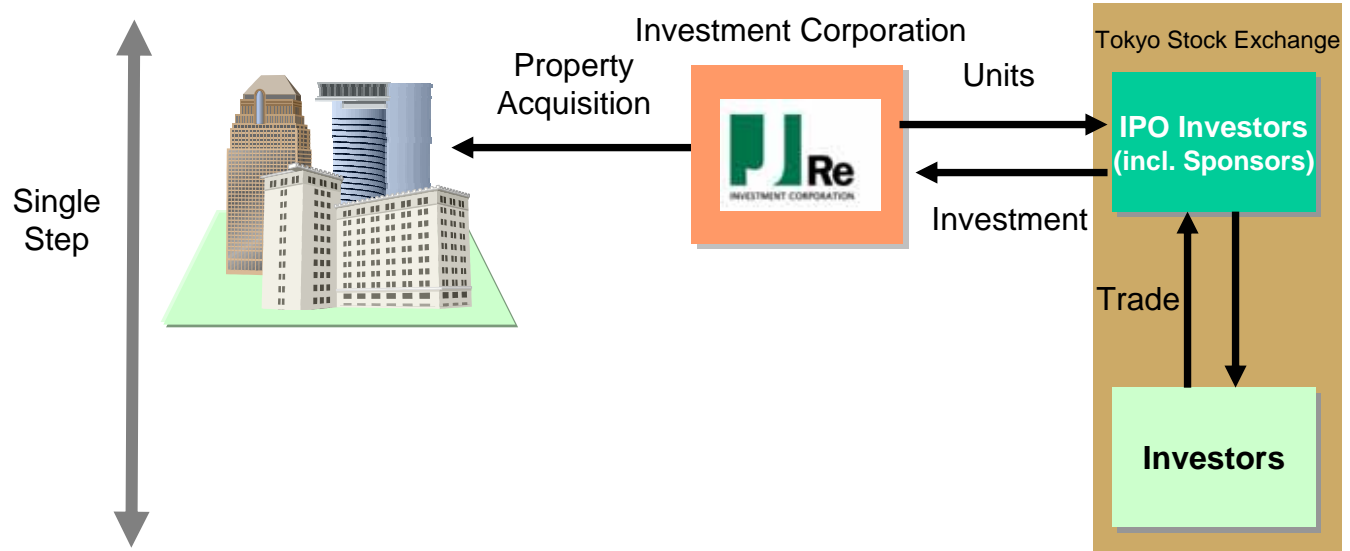
Properties Acquired in the 6th Period

New Properties Acquired in the 7th Period

Difference in IPO Procedures

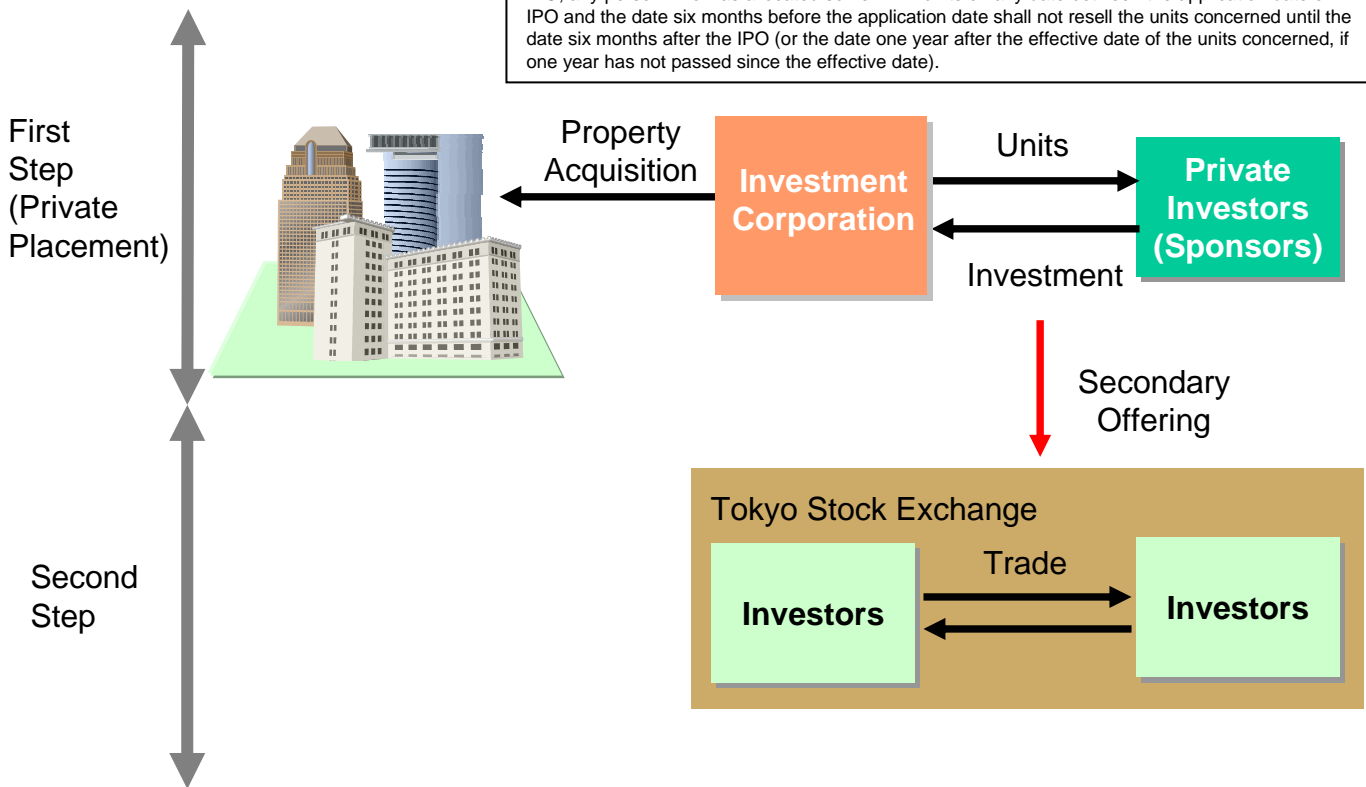


“One-Step Method”

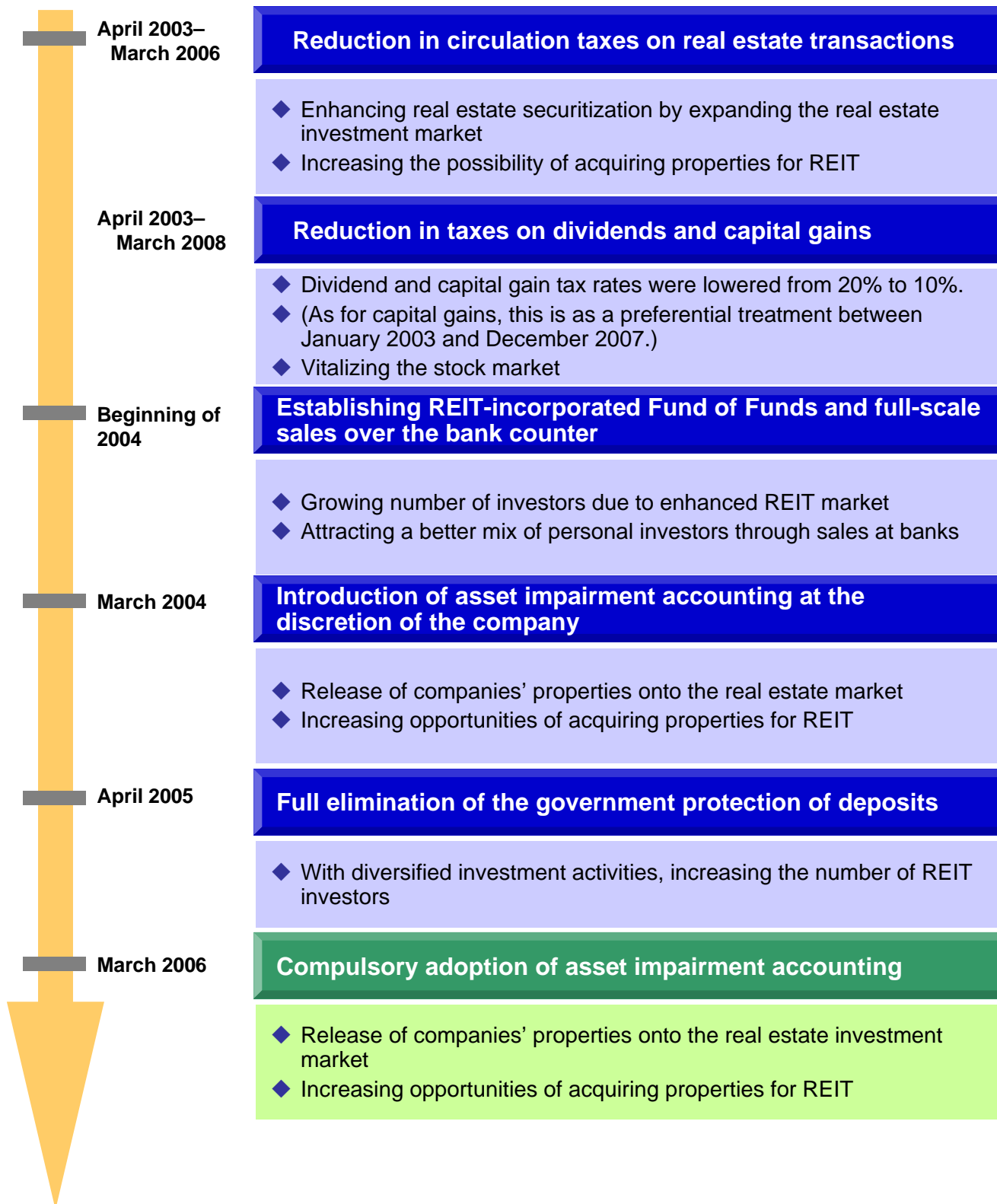


“Two-Step Method”

On October 1, 2004, Tokyo Stock Exchange implemented rules intending to improve IPO procedures in relation to J-REIT as follows.
 Like regulations imposed on equity securities in relation to third-party allocation of shares prior to IPO, any person who was allocated some REIT units on any date between the application date of IPO and the date six months before the application date shall not resell the units concerned until the date six months after the IPO (or the date one year after the effective date of the units concerned, if one year has not passed since the effective date).



Changes in Systems and Policies that affect J-REIT



Quake-Resistance Standards

History of Quake-Resistance Standards

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

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

What Is Building Construction Authorized by the Construction Minister?

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

What Are the Revised Quake-Resistance Standards?

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

Former Quake-Resistance Standard

Confirm safety in a medium level of earthquake (roughly a lower-5 quake on the Japanese earthquake scale)

A tie hoop interval of 15 cm or less, 10 cm or less for places in the vicinity of beams/plinths

Revised Quake-Resistance Standards

◆ Newly implemented two-phase quake-resistant design rules

In medium earthquakes (roughly a lower-5 on the Japanese earthquake scale), protection of human lives, building functions, and estates is being aimed at. (No damage)

In huge earthquakes (roughly lower- and upper-6 on the Japanese earthquake scale), protection of human lives is being aimed at.

◆ Newly established tie hoop ratio for RC pillars (0.2% or more) in addition to a tie hoop interval. Securing width of hoops is being aimed at.

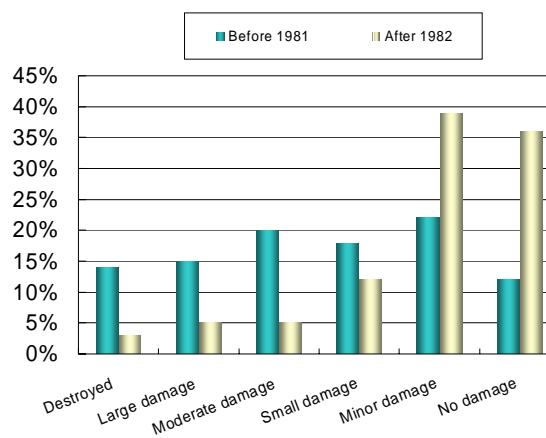
Buildings Damaged in the Great Hanshin Earthquake

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

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

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

Extent of damages to buildings

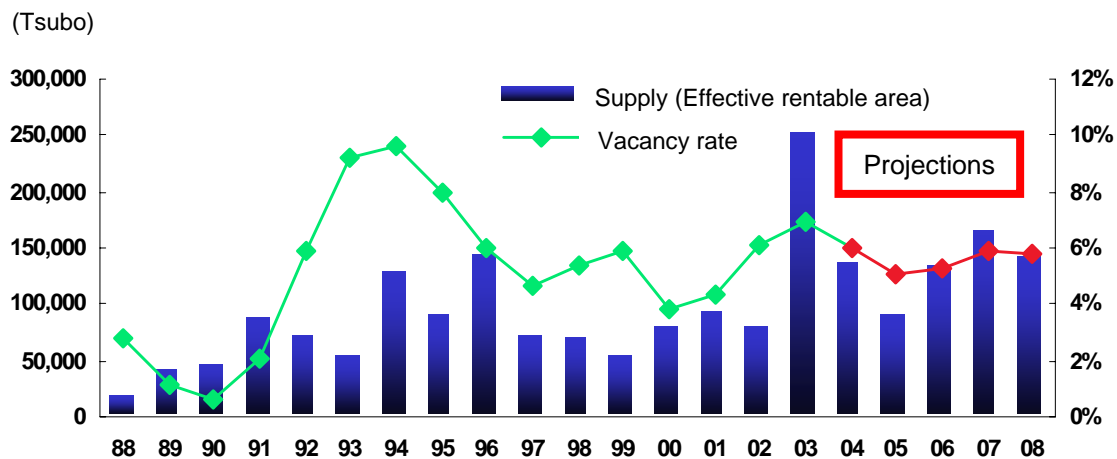


The Great Hanshin Earthquake proved that buildings that met the Revised Quake-Resistance standards were highly resistant to earthquakes.

Environment Surrounding Office Building Market



Office Building Market in Tokyo



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

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

Future Issues for Office Building Market

The Year 2007 Problem

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

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

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

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

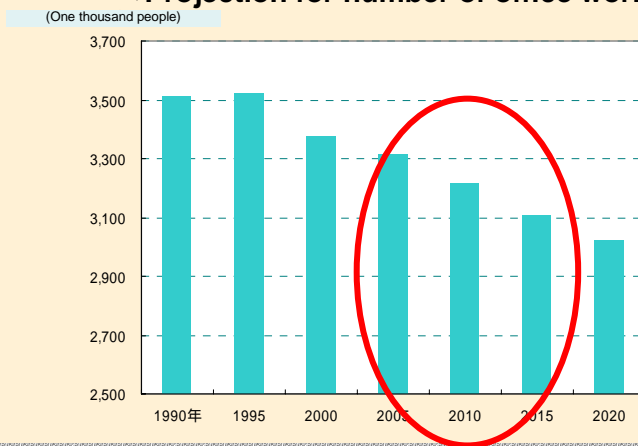
< Office Buildings to be completed around 2007 in the Nagoya Region >

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

The Year 2010 Problem

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

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



Source: NLI Research Institute

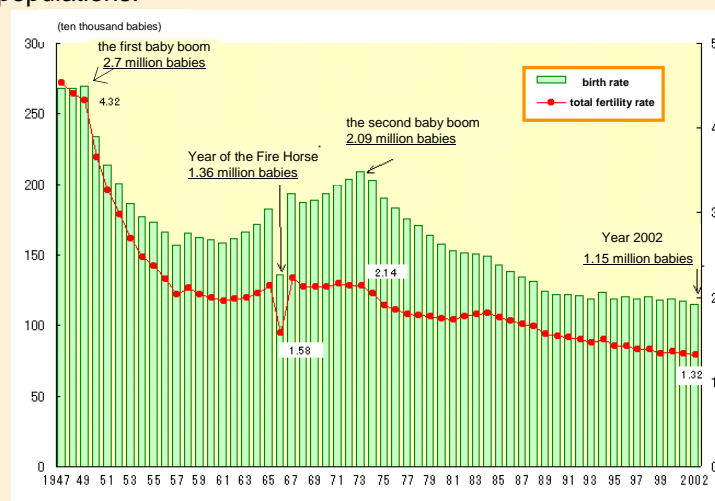
Problem of Falling Birthrate

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

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

(Birth rates in other countries (2002))

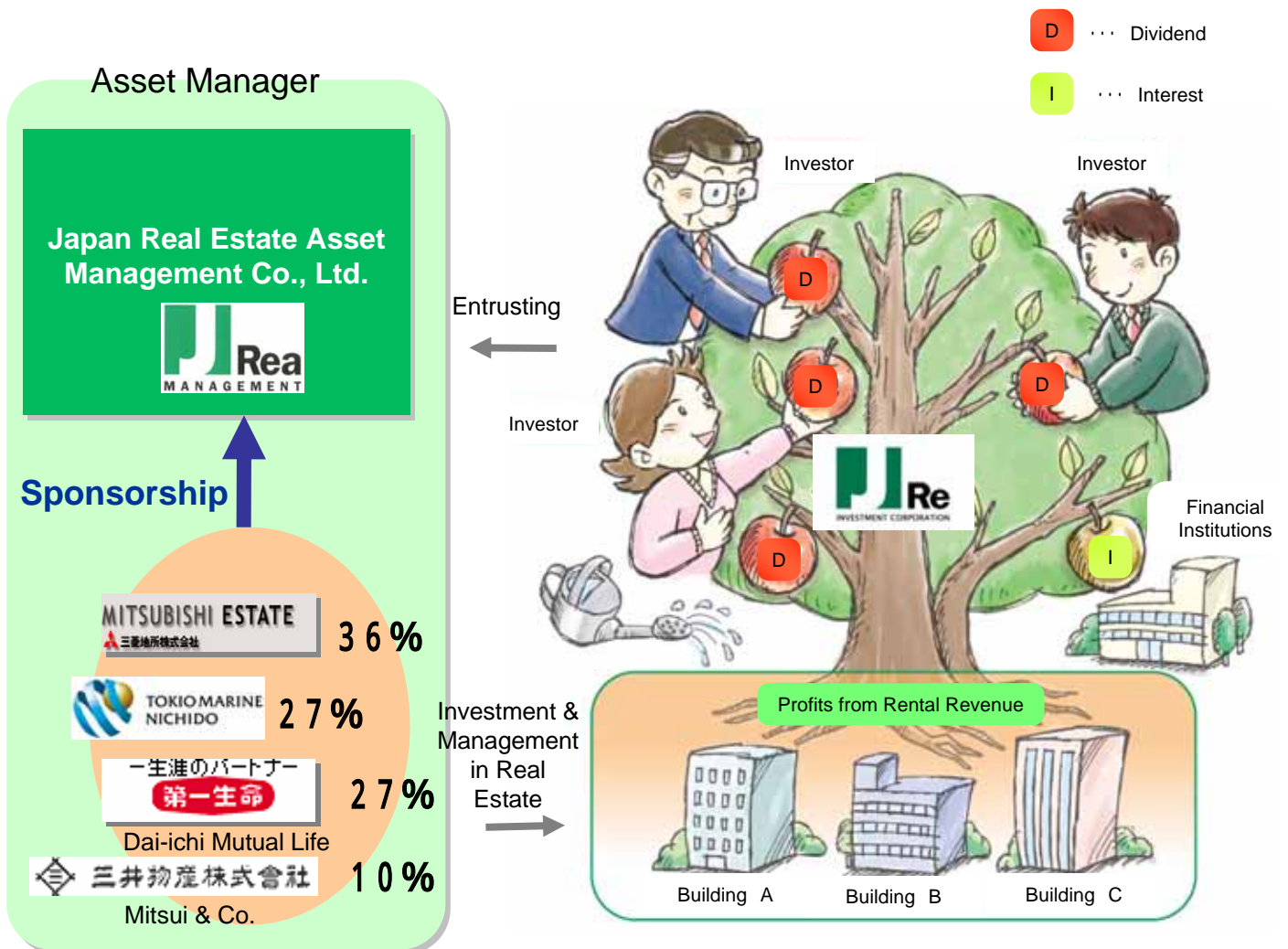
the US	: 2.01
France	: 1.89
Norway	: 1.75
Holland	: 1.73
Germany	: 1.31
Italy	: 1.26



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

Source: Health, Labor, & Welfare Ministry

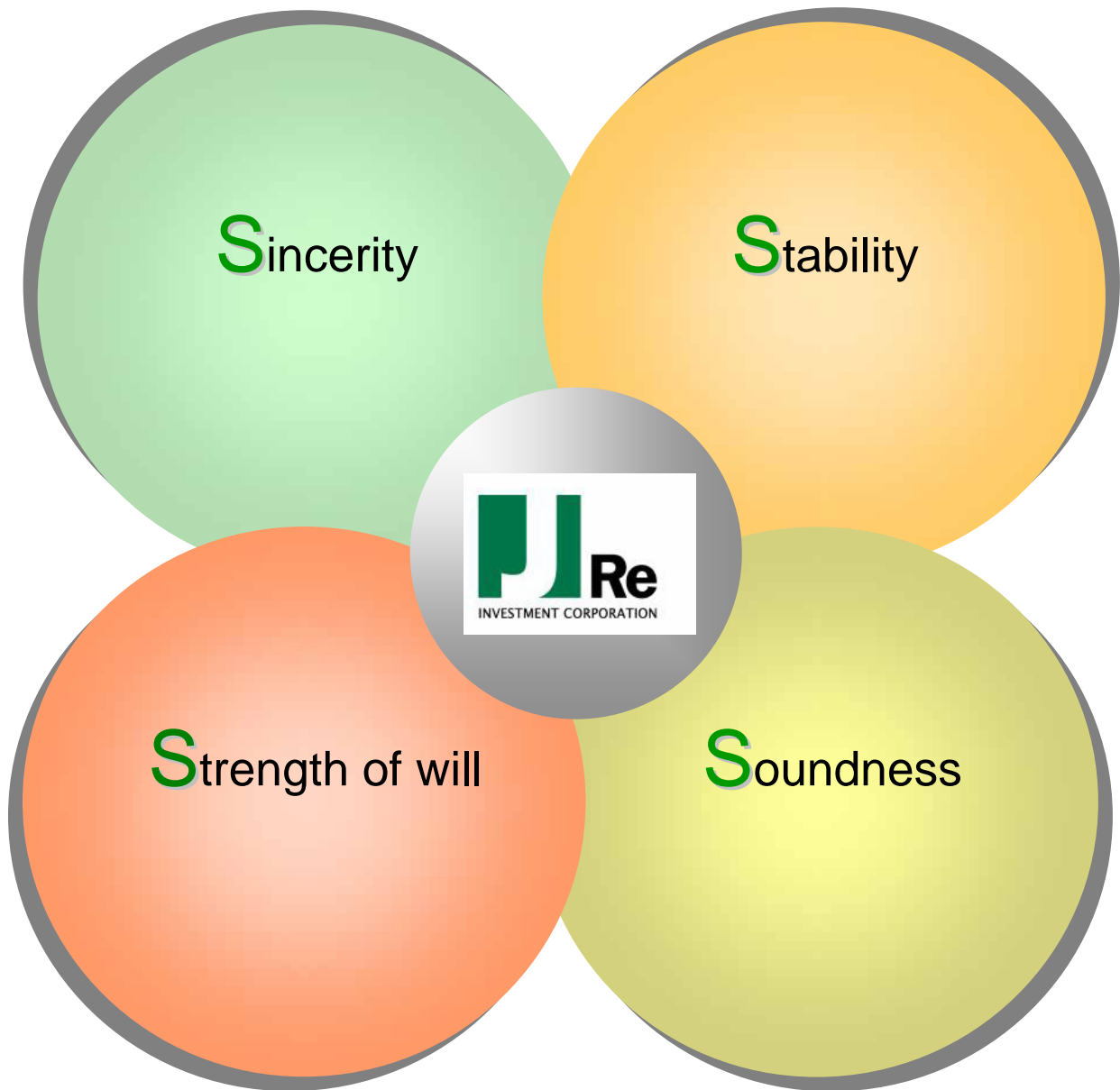
Structure of JRE



Points

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

The Four S's that support JRE's Growth



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

Comparison of Unitholder Composition



Disclaimer on Forecasts

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